UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS
FIRST SESSION

VOLUME 121—PART 27

OCTOBER 30, 1975 TO NOVEMBER 10, 1975

(PAGES 34345 TO 35772)

DEC 12 1977

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1975

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SENATE—*Thursday, October 30, 1975*

The Senate met at 9 a.m. and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

Mr. LEAHY. It is the very distinct pleasure of the Senator from Vermont to introduce the guest Chaplain, His Excellency, the Most Reverend John A. Marshall, the bishop of the Diocese of Burlington, Vt., who will offer a prayer.

PRAYER

The Most Reverend John A. Marshall, bishop of Burlington, Vt., offered the following prayer:

God, Our Father, Creator of all men, we beseech You to assist those who have been entrusted with securing the safety and well-being of all the citizens of our land.

Bless them with the gifts of knowledge and understanding, that they may perceive the true needs of their fellow citizens, with insightful mind and sympathetic heart.

Bless them with the gift of good counsel that they may apply Your revealed truth correctly and prudently in choosing from among the alternative courses of action that are urged upon them.

Bless them with the gift of wisdom that their judgments may be made in accordance with the ultimate purpose for which You have created us.

Bless them with the gift of fortitude that in all they do they may act with a singular courage, which is fully present only in those who believe in Your promises and trustingly walk in Your ways. Psalms 128; Galatians 3: 9.

Bless them with the gift of piety that they may be faithful to You in their personal lives.

Bless our legislators with all these gifts, O Lord, we pray, so that in the public spotlight as they are, they may give us not only political leadership, but leadership also in the Way and the Truth and the Life that You will us to follow. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 30, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, October 29, 1975, be dispensed with.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MRS. HOPE NAMGYAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 423, S. 1699.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1699) for the relief of Mrs. Hope Namgyal.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments, as follows:

On page 1, in line 8, after "Act" strike out "or before any diplomatic or consular officer of the United States abroad,".

On page 2, in line 2, strike out "loss." and insert:

loss: *Provided*, That nothing contained herein or in any other provision of law shall be construed as conferring United States citizenship retroactively upon the said Mrs. Hope Namgyal during any period in which she was not a citizen.

SEC. 2. The oaths prescribed by section 337 of the Act shall be entered in the records of the naturalization court, and a certified copy of the proceedings under the seal of the court shall be delivered to the said Mrs. Hope Namgyal upon payment of the $25 naturalization fee, which certified copy shall be evidence of the facts stated therein before any court of record or judicial tribunal, or in any department or agency of the Government of the United States.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Hope Namgyal, who lost United States citizenship under the provisions of section 349 of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Mrs. Hope Namgyal shall have the same citizenship status as that which existed immediately prior to its loss: *Provided*, That nothing contained herein or in any other provision of law shall be construed as conferring United States citizenship retroactively upon the said Mrs. Hope Namgyal during any period in which she was not a citizen.

SEC. 2. The oaths prescribed by section 337 of the Act shall be entered in the records of the naturalization court, and a certified copy of the proceedings under the seal of the court shall be delivered to the said Mrs. Hope Namgyal upon payment of the $25 naturalization fee, which certified copy shall be evidence of the facts stated therein before any court of record or judicial tribunal, or in any department or agency of the Government of the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING ADJOURNMENT OF THE SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate from today until next Monday, the Secretary of the Senate be authorized to receive messages from the House and that the Vice President, President pro tempore, and Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK CITY BAILOUT

Mr. GRIFFIN. Mr. President, it is said that getting a matter settled can sometimes be more important than how it is settled.

Speaking realistically, with his clear statement on yesterday, the President has settled and put to rest the question whether the Federal Government will bail out New York City to prevent its default on financial obligations.

I happen to believe also that it was settled right, that the President has taken the right course—a course that ultimately will serve the best interests of New York City and the country as a whole.

A situation that was muddled and confused has now been clarified. The Federal Government is not going to bail out the city of New York.

I do not know what will happen this morning in the Senate Committee on Banking, Housing and Urban Affairs. But, in any event, if a bail out bill should be reported, it is not likely to be passed by both Houses of Congress. If it should be passed, the President is committed to veto it, and such a veto could not be overridden.

I believe that considerable benefit and good can flow from the certainty now in the picture. The city fathers of New York can, and should, turn off the political rhetoric, and get about the business of addressing the financial problems of New York. Instead of lobbying, they ought to spend their time trying to make the best out of the mess they and others have created.

Now, investors around the country are no longer confused or muddled. They know they cannot buy high risk, high interest bonds from poorly managed municipalities and expect that the Federal Government will come in to guarantee such bonds.

Now, the officers of well-managed municipalities can expect that their bonds will be appropriately recognized and purchased with more favorable interest rates. It will now be clear that sound fiscal management does pay off, and that irresponsible management does not.

To be sure, the President's statement on yesterday was bitter medicine, in a sense, for New York City. But it was the right medicine for New York City and for the country.

I was interested to note that the Wall Street Journal, which certainly is qualified to judge and reflect attitude in the investment and financial community, is applauding the President editorially today for his statement yesterday.

The Journal's lead editorial is entitled "The Dutch Uncle President." It is most interesting because, although he is not of Dutch ancestry himself, President Ford comes out of a congressional district where a great number of the citizens—constituents he formerly represented as a Congressman—are Dutch. I have no doubt that coming from such an area, he had the opportunity to learn and take on characteristics and attitudes that qualify him now to be called a Dutch Uncle.

In my view, the position he has taken with respect to New York City is courageous and responsible and if there is anything we need during this most difficult period in our history, it is a courageous and responsible President to lead this Nation.

Mr. President, I ask that the Wall Street Journal editorial to which I referred be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Oct. 29, 1975]

The Dutch Uncle President

President Ford's Dutch uncle lecture to past and present managers of New York's finances yesterday was highly appropriate; anyone who thinks it was political opportunism should reexamine the issue. (The President's speech is excerpted elsewhere on this page.)

The refusal of the President, and the unwillingness of much of Congress to give New York a federal bailout loan or loan guarantee is not based on rednecked prejudice. Washington has been more than generous to New York over the last decade—that's one root of the city's problems.

Rather, the President's invitation to New York to commit voluntary bankruptcy—and his proposals for removing some of the legal stickerbushes on that path—is the only rational stance. And while he displayed a marked animus towards those who have mismanaged the city, that does not imply an animus towards the people of New York.

However, the President's warning that there is no painless cure for the city's problems should be taken to heart by all the people of New York, particularly its middle class. There is no prospect that New York can balance its budget without a drastic and painful reorganization.

It must restore its tax base by removing rent controls and eliminating tax forgiveness on large parcels of middle class housing. A moratorium on debt service that would be likely under bankruptcy would afflict middle and upper income holders of the city's securities. The reorganization will have to restructure debt to reduce short-term obligations.

And the city's vast work force will be hit by further job reductions and a pressing need to rewrite the city's pension contracts. Erosion of the tax base, the heavy burden of short-term debt and unreasonably generous salaries and pension benefits are the key to the city's budget problems. If you total up the constituency that will be affected by an effective reorganization on these three fronts you have the answer to why New York City and state politicians have not dealt with reorganization themselves.

None of these measures would necessarily cast further burdens on the poor. The claims that the city got into its mess through compassion are mainly nonsense. It got into the mess mainly through self-indulgence.

The reasons the President cited for not bailing out the city are based on fundamental principles of major importance. It is important that cities remain, legally, creatures of the states, and not become wards of the federal government. Washington already is too much tempted to inflate the currency to cover debts. Americans are paying a 10% inflation tax on top of all their other taxes because of that tendency. To give the cities access to the federal money machine would invite the kind of currency inflation that can wreck a modern industrial economy.

There is a moral issue as well. The managers of New York's finances have been guilty of practices that would land a private businessman in jail. They have concealed extensive dipping into borrowed capital to meet current expenses. They have claimed fictitious backing for securities. The only way to restore standards for good conduct in government is to condemn this sort of thing, as the President did.

The strong adherence to moral and economic fundamentals in the President's address is salutary. He promised to veto any federal loan guarantee that might get through Congress. He faced up to Mayor Beame's predictions of catastrophes that would result from bankruptcy. He is willing to let banks and other investors suffer for their bad judgments. Interestingly enough, financial markets did not collapse on this show of spirit. The Dow Jones Industrials improved slightly just before the speech and slipped back later, but not badly. Industrial bonds were firm. Treasury bill interest rates declined. There was some selling of municipals. None of this should be surprising. Any securities markets jitters were balanced against the tonic effect of getting something more than lip service to sound economic principles from Washington.

If New York defaults in mid-November the President's proposed new Chapter 16 for the federal bankruptcy law, assuming it passes Congress, will set up procedures to avoid an explosion of creditor litigation. It will put reorganization in the hands of a federal judge. But that does not mean there would be no further problems ahead. The political process won't have ended. There will still be resistance from city and state politicians to some of the more painful steps towards reorganization. There could be strife among municipal employes. It remains to be seen whether the city could sell short-term financing certificates, even under court supervision.

But for the moment, the President has adopted the only proper stance. The Dutch uncle lecture was overdue, not only for New York but for the entire country.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota (Mr. McGovern) is recognized for not to exceed 15 minutes.

PRIVILEGE OF THE FLOOR

Mr. McGOVERN. Mr. President, I ask unanimous consent that the member of my staff, Mr. Owen Donley, and a member of Senator Nelson's staff, Mr. Warren Sawhill, be permitted access to the floor during the next 45 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

YOUNG FARMERS' HOMESTEAD ACT OF 1975—S. 2589

Mr. McGOVERN. Mr. President, I have long been concerned, as have other Members of the Senate, with the preservation of the family farm in the United States. In many respects this has been the basis of our economic structure in many parts of the United States, including parts of virtually every State in the Union.

This morning, as chairman of the Subcommittee on Agricultural Credit and Rural Electrification, which is the legislative committee that considers matters relating to financial assistance and credit for farmers and ranchers, I rise to introduce the Young Farmers' Homestead Act of 1975.

This is a bill to insure opportunities to young farmers to begin farming, and I welcome the cosponsorship of the distinguished majority leader (Mr. MANSFIELD) together with our colleague, Senator NELSON of Wisconsin, who has been working on this concept during all the years he has been a Member of the Senate, my junior colleague from South Dakota (Mr. ABOUREZK), Mr. HART of Colorado, Mr. HUMPHREY, Mr. METCALF, Mr. MONDALE, and Mr. CLARK, who have also joined with us in this proposal.

Mr. President, I have been speaking for some time about the need for expanded credit to encourage young men to enter farming as a way of life.

But the fact is that there are almost insurmountable obstacles facing a young family that would like to acquire and operate a farm or a ranch as a family unit.

In these days of high land values, expensive machinery, now high energy costs, the tripling of the price of fertilizer and other farm chemicals, it is simply impossible for many young farmers to meet conventional credit concepts of incurring a sizable indebtedness. That indebtedness stems from two factors: First of all, the land acquisition costs, and then, second, the operational capital.

I do not think it is an exaggeration to say that in many parts of the country today it costs a quarter of a million dollars to get started on a viable farm unit.

Today, the average age of an American farmer is more than 50 years, and projections show farm unit numbers steadily declining. Some estimates say we will lose anywhere from 200,000 to 400,000 farms over the next 20 years.

There is one USDA study that has come to my attention, that puts forth a projection that we may be down to about 1 million farm units by the turn of the century, if present trends continue. One of the reasons is that our younger families simply do not have any way to get started in agriculture.

Commercial rural banks, the Farm Credit Administration, and the Farmers Home Administration, have been the backbone of our farm credit system. I think they have generally done a good job within the limits of their capabilities.

I am thus not suggesting that we replace those credit agencies that we have today but simply deal with the very real problem with which all of us from the agricultural States are aware. It is not only New York City that is having trouble meeting its bills these days.

Most of the legislation referred to my subcommittee merely amends the Consolidated Farm and Rural Development Act to allow the Government to increase the dollar amount farmers can borrow, but what that does in many cases, Mr. President, is simply to put them further into debt and to agree to extend their economic bondage. To me this serves only a very limited function and not a particularly desirable one at that.

The genesis of the legislation that we are introducing this morning is an experiment that was started in Saskatchewan in 1972. Our legislation does not go quite as far as the experiment in Saskatchewan. But in all fairness, that experiment deserves credit for triggering the proposal we are making this morning.

Late last week I traveled as a representative of the Committee on Agriculture, to Regina, the capital of Saskatchewan, and I consulted at some length there with the Minister of Agriculture and his staff, with officials of the Saskatchewan Land Bank Commission, and also I went out into the field and visited with a number of farmers who are participating in this program. They now have some 1,400 farm families in Saskatchewan who have leased a half-million acres of land in individual family-sized units from the Saskatchewan land bank. The way it operates is the government purchases the land at market values, and then they offer it in a leasing arrangement to a bona fide family farmer. After a period of 5 years, if he wants to buy the land he has an option to start making payments on it. If he does not want to do that he can continue to lease the land. But one thing it has accomplished is to get young farmers on the land who would otherwise be forced into already overcrowded cities, and it prevents the steady acquisition of land by corporations or by high income individuals.

The thrust of the legislation that we are offering here this morning would create a Federal Farm Assistance Corporation within the Department of Agriculture. We are not talking about building up a large new bureaucracy but a small board that would have the authority to purchase family-sized farm and ranch units in the open market and they would not be allowed to pay in excess of appraisals made by the Farmers Home Administration.

That Board, in turn, would lease the farms to qualified young farmers for a term of 7 years. The farmers, in effect would pay cash rent and that rent would be a combination of the real estate taxes, plus the interest carrying charges, and after a period of 7 years, the Government corporation would then sell the unit to the farmer, financing it through the Farmers Home Administration, or through regular commercial channels.

In any event, for the first 7 years, the young farm family would be free of any down payment. They would be free of making any payments on the principal. Under present projections, with farm land appreciating at a rate of about 10 percent a year, it is obvious that at the end of a 7-year period, land is going to be worth considerably more than it was at the time the Government leased it to the family. So the sale to the young farmer would be at 75 percent of the appreciated value of the land. That would have the effect to triggering an automatic 25 percent equity on the part of the farm family for financing purposes.

The legislation would require no ultimate outlay of Federal dollars. Since the corporation would borrow from the Treasury at prevailing Government rates, it would have title to the land during the course of the lease, and it would sell it at 75 percent of its appreciated value. So there is no ultimate budget outlay on the part of the administration for this program.

Mr. President, we have made a section-by-section analysis of the bill, which I ask unanimous consent to have printed at this point in the RECORD, together with the complete text of the bill.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Young Farmers' Homestead Act of 1975."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that the escalating cost of land, farm equipment and supplies, and operating capital has made it virtually impossible in most cases for young people to enter into farming as a career; that neither the Government nor the private sector is able to meet the financial requirements necessary to permit young people of ordinary means to engage in farming on a career basis; and that it is essential for the Federal Government to provide a new program of assistance if the family farm system is to be perpetuated in the United States.

(b) It is therefore the purpose of this Act to provide the assistance necessary to permit and encourage young people to engage in farming as a career.

ESTABLISHMENT OF FEDERAL FARM ASSISTANCE CORPORATION

SEC. 3. In order to carry out the purposes of this Act, there is established as an agency within the Department of Agriculture a body corporate to be known as the Federal Farm Assistance Corporation (hereinafter called the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but there may be branch offices elsewhere in the United States as authorized in this Act.

MANAGEMENT OF CORPORATION

SEC. 4. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the "Board"). The Board shall be composed of five members who subscribe to the objectives of the Act, appointed by the President by and with the advice and consent of the Senate. No more than three members of the Board shall be members of one political party.

(b) The term of office of members of the Corporation shall be four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of members first taking office shall expire, as designated by the President at the time of appointment, one at the end of two years, two at the end of three years, and two at the end of four years.

(c) Vacancies in the Board so long as there are three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three members of the Board shall constitute a quorum for the transaction of the business of the Board.

(d) With the exception of the Administrator of the Farmers Home Administration, no officer or employee of the United States shall be eligible for appointment as a member of the Board. Members of the Board shall be paid such compensation for their services as directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed $150.00 per day each when actually engaged in the business of the Board plus travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(e) There shall be a manager of the Corporation who shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. The manager shall be appointed by, and hold office at the pleasure of, the Board, and shall be compensated annually at rates equal to those paid assistant secretaries.

SEC. 5. The Corporation—

(1) shall have succession in its corporate name;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

(4) may adopt, amend, and repeal bylaws, rules and regulations governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(5) shall be entitled to the free use of the United States mails in the same manner as the other executive agencies of the Government;

(6) with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officials, and employees thereof in carrying out the provisions of this Act;

(7) shall determine the character of and the necessity for its obligations and expenditures under this Act and the manner in which they shall be incurred, allowed, and paid;

(8) shall have authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers;

(9) may, without regard to any other provision of law, negotiate for, purchase, and sell real property as authorized by this Act; and

(10) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation and all such incidental powers as are customary in corporations generally.

PERSONNEL

SEC. 6. (a) The Board shall appoint such officers and employees as may be necessary for the transaction of the business of the Corporation in accordance with the provisions of title 5, United States Code, define their authority and duties, and delegate to them such of the powers vested in the Corporation as it may determine.

(b) In carrying out the provisions of this Act, the Secretary of Agriculture and the Board shall utilize to the maximum extent practicable, the personnel, services, and facilities of the Farmers Home Administration, the Agricultural Conservation and Stabilization Service, the Soil Conservation Service, and the Federal Crop Insurance Corporation of the Department of Agriculture, but may, whenever essential to the efficient operation of the program provided for in this Act, establish one or more branch offices throughout the United States.

LAND PURCHASE AND LEASE PROGRAM

SEC. 7. (a) The Corporation is authorized to negotiate for and purchase farm land or units which may come on the market from time to time. In no case may the Corporation purchase any farm unit (meaning land and buildings) which cost in excess of $200,000, provided that the Corporation may purchase farms or ranches of any size for subdivision into units of no more than $200,000 in value.

(b) Any farm unit acquired by the Corporation shall be made available for lease, and subsequently for sale, as herein provided.

(c) A farm unit may be leased to an eligible applicant for a period of not less than two nor more than seven years.

(d) The amount of rent charged for the rental of any farm unit shall be determined by the Corporation so as to cover the cost of all real estate or other taxes levied against such farm unit during the term of the lease by Federal or State taxing authorities plus an amount sufficient to reimburse the Corporation (on a pro rata basis) for debt service expenses incurred in acquiring such farm unit and shall be charged and collected on an annual basis as determined by the Corporation. Authority is granted to the Corporation to adopt variable rental schemes to take into account both bountiful and natural disaster conditions.

(e) During the term of the lease the lessee may be permitted to make real estate improvements on the farm within a five acre area designated by the Board. Such improvements may be made in accordance with such regulations as the Board shall prescribe and may be financed through private commercial sources, through other Federal programs, or by the Corporation and shall be deemed to be the property of the lessee in any dispute between the Corporation and the lessee.

(f) The lessee of a farm unit may not sublease the farm unit except in extraordinary cases approved by the Board.

(g) The Corporation may terminate the lease of a farm unit for any substantial violation of the lease agreement, including, but not limited to, a failure to pay the rent or other charges required under the lease agreement. The procedures for terminating a lease shall be prescribed in regulations issued by the Board.

(h) One of the terms of the lease agreement shall provide that the Corporation shall have a lien on all unharvested crops on the farm unit for all monies owed the Corporation by the lessee.

(i) A lease initially entered into for a period of less than seven years may be extended by the lessee with the consent of the Board so long as the total term of the lease does not exceed seven years.

SALE OF FARM UNITS

SEC. 8. (a) The lessee of a farm unit may, at any time within six months prior to the expiration of his lease, make application to the Board for the purchase of such unit upon the expiration of such lease.

(b) The Board shall approve such application for purchase if it determines, on the basis of the lessee's operation of the farm unit during the period of the lease and on the basis of such other factors as the Board shall prescribe by regulation, that the lessee can successfully manage and operate such farm unit.

(c) The selling price of a farm unit owned by the Corporation shall be determined at 75 percent of the appraised fair market value at the time of sale or the purchase cost to the Corporation whichever is larger. In addition, capital gains realized in the five years subsequent to sale shall be vested at the rate of 20 percent per year to the purchaser.

(d) A lessee may obtain financing through any available source, but in the event that private financing is not available, then and in that event the Farmers Home Administration shall furnish the financing. In the event the Farmers Home Administration furnishes the financing, such amounts shall not count against the appropriation authorities of the Farmers Home Administration.

(e) The rate of interest on any loan made by the Farmers Home Administration of a farm unit shall be an amount equal to the rate on all interest bearing obligations of the United States forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan, adjusted to the nearest one-eighth of per centum, plus one-half of 1 per centum.

BORROWING AUTHORITY OF CORPORATION

SEC. 9. (a) The Corporation is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness (herein collectively called corporation debentures).

(b) Corporation debentures shall be issued at such times, bear interest at such rates, and contain such other terms and conditions as the Board shall determine, except that the amount of corporation debentures which may be outstanding at any one time under this section may not exceed $1 billion during the first year following the date of enactment of this Act or exceed $2 billion at any time thereafter.

(c) Corporation debentures shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

(d) The Corporation is also authorized to issue corporation debentures to the Secretary of the Treasury, and the Secretary of the Treasury shall purchase such debentures, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act as now or hereafter in force are extended to include such purchases. Each purchase of corporation debentures by the Secretary of the Treasury under this section shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such prices as he shall determine, any of the corporation debentures acquired by him under this subsection. All purchases and sales by the Secretary of the Treasury of such debentures under this section shall be treated as public debt transactions of the United States.

DEPOSIT OF FUNDS

SEC. 10. All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States, or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers conferred by this Act.

TAX-EXEMPT STATUS

Sec. 11. (a) Except as provided in subsection (b), the Corporation, its capital, reserves, and surplus, and its income and property, shall be exempt from all taxation now or hereafter imposed by the United States or by any territory, dependency, or possession thereof, or by any State, county, municipality or local taxing authority.

(b) Farm units acquired by the Corporation shall not be exempt from any tax referred to in subsection (a) of this section.

ACCOUNTING BY CORPORATION

Sec. 12. The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation. The financial transactions of the Corporation shall be audited at least once each year by the General Accounting Office for the sole purpose of making a report to Congress, together with such recommendations as the Comptroller General of the United States may deem advisable. Such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report.

ADVISORY COUNCIL

Sec. 13. (a) The Secretary of Agriculture shall appoint an advisory council to advise the Board regarding the administration of this Act.

(b) In order to obtain an advisory council with as broad a national perspective as practicable, the Secretary of Agriculture shall divide the United States into not less than ten geographic regions and appoint two individuals to the council from each such region of which one shall be engaged in farming as a full-time occupation and the other to be one who has an interest in Rural America.

(c) Individuals appointed to the Advisory Council shall serve for such period and for such compensation and expenses which shall be reasonable as may be prescribed in regulations issued by the Secretary and shall meet upon the call of the Board but not fewer than four regularly scheduled meetings each calendar year two of which are to be held in the city of Washington, D.C.

(d) In carrying out its functions under this section the functions of the Advisory Council shall include, but shall not be limited to—

(1) advising the Board on what the eligibility qualifications should be for leasing farm units under this Act, including maximum net income and net worth;

(2) recommending the methods for determining the net income and net worth of lease applicants under this Act;

(3) advising the Board regarding the farm or ranch training or experience that should be required for leasing a farm unit under this Act;

(4) advising the Board regarding the terms and conditions that should be included in leasing agreements entered into under this Act.

ANNUAL REPORTS

Sec. 14. The Board shall submit an annual report to the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on or before February 1 of each year on the operations of the Corporation during the past fiscal year. The Board shall include in such report a statement of policy regarding the operation of the Corporation in the next fiscal year. The statement of policy shall become effective 30 days after the submission thereof to such committees and publication in the Federal Register unless within such 30 day period one or both of such committees adopt a resolution disapproving such statement of policy.

RIGHT TO AMEND

Sec. 15. The right to alter, amend, or repeal this Act is hereby reserved.

APPROPRIATIONS

Sec. 16. There are authorized to be appropriated such sums, not in excess of $——, for each fiscal year beginning on or after October 1, 1976, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine.

CRIMINAL PROVISIONS APPLICABLE TO FEDERAL FARM ASSISTANCE CORPORATION

Sec. 17. Sections 657, 658, 1006, and 1014 of title 18, United States Code, are each amended by inserting "Federal Farm Assistance Corporation," immediately after "Federal Crop Insurance Act," each time the latter term appears in each such section.

Young Farmers' Homestead Act of 1975

Section-by-Section Analysis

Sec. 2. Findings and Purpose: To provide assistance to encourage young farmers to enter farming as a career.

Sec. 3. Creates a body corporate within the USDA known as the Federal Farm Assistance Corporation with principal office in Washington, D.C.

Sec. 4. Provides that the Corporation be managed by a Board of five members who subscribe to the purposes of the Act appointed by the President and confirmed by the Senate. With the exception of the Administrator of the Farmers Home Administration, Board members shall not be government employees. The Corporation shall have a manager.

Sec. 5. General Powers: Normal corporate powers.

Sec. 6. Personnel: Adequate staffing together with resources of FmHA, ASCS, SCS, and FCIC.

Sec. 7. Land Purchase and Lease Program: Authorized to purchase farm land as it comes on the market at prices no higher than FmHA appraisal in units not to exceed $200,000 or larger units broken down to $200,000 units. Authority to lease to young farmers from 2 to 7 year periods at cash rental based on real estate taxes plus carrying charges of money. Cancellation clause for nonpayment of rent and under regulations adopted by Board.

Sec. 8. Sale of Farm Units: Corporation may sell to lessee during term of lease or must sell upon expiration. Sale price to be 75 percent of appraised value at time of sale or acquisition costs whichever is higher. Land will likely appreciate in value and lessee will be given 25 percent equity in the appreciation to qualify for conventional or FmHA financing as "sweat value" during term of lease. To prevent windfall profit in quick resale, capital gains over five years after sale vest in lessee—purchaser at rate of 20 percent per year—balance, if sold, to corporation. Sale may be financed in commercial channels or thru FmHA. If through FmHA, it is classed as an off budget item since acquisition has already been paid for with government funds (not appropriated as discussed in Sec. 9).

Sec. 9. Borrowing Authority of Corporation: Through issuance of private bonds, debentures or notes or through corporate debentures to Secretary of Treasury who shall purchase them and charge corporation prevailing government rates. Land acquisition is at no cost to government since government through corporation owns land and recovers investment together with 75 percent of capital appreciation through subsequent sale.

Secs. 10, 11, 12. Refer to deposit of funds, tax exempt status, and corporate accounting.

Sec. 13. Provides for Advisory Council of 20 members appointed by Secretary of Agriculture, one-half to be operating farmers and one-half to be others interested in rural America. Council is to come from ten geographic regions and meet not less than four times a year.

Sec. 14. Annual Reports to be filed with House and Senate Agriculture Committees.

Mr. McGOVERN. Mr. President, I am hopeful that we can move ahead with hearings on the proposed legislation. I think it is extremely important that we not miss this opportunity to provide a way in which our younger families can get started in agriculture and remain on the land. I point out that we extend these kinds of long-term, reasonable interest loans to people in other countries. We are trying, through the Young Farmers Homestead Act, to encourage young farm families to stay on the land, to operate as family units. It is very important that we look to the needs of our own country as well.

I am very hopeful that the Young Farmers Homestead Act, as we call it, one day will take its place as an important companion piece of legislation to the Homestead Act of a hundred years ago, which was operating on the same principle—that it was a desirable public policy for the people of the United States to make possible the opening of land and the development and farming and ranching of that land by independent family farm units.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. McGOVERN. Yes, I yield to the Senator from Wisconsin.

Mr. NELSON. I thank the Senator from South Dakota.

Mr. President, this matter of providing opportunities for young farmers to get into agriculture has been a serious problem for a good many years now, and over the years a number of us, including the Senator from South Dakota, have made proposals for low-interest long-term loans in order to enable a farmer's son or any young farmer to get into agriculture.

Finally, a year or so ago, the plan in Canada came to my attention, and as well, I know, to the attention of the Senator from South Dakota. The Senator from South Dakota (Mr. McGovern) has probed into this matter deeply and taken a trip up there to see how the program is working, and I commend him for the time and effort he has put into evaluating this program and the proposal he has made, and I am happy to join him in it.

In State after State the citizenry is always amazed to learn that the single largest industry, almost invariably, is agriculture. That, however, is the truth—from New York to California, and in most of the States in between.

Even more surprising to the average citizen would come the fact that, due to annual fluctuations caused primarily by a lack of a sound national agricultural program, our farmers are leaving the land at an unprecedented rate.

And, more importantly, because of the economics of agriculture, they are not being replaced on the farms by their offspring or anyone else's.

A few facts from my own State of Wisconsin demonstrate this very clearly. In Wisconsin today, there are just over 51,000 dairy farms, as compared with over 127,000 in 1953. The average age of Wisconsin dairy farmers has been on the increase for years, as the more experienced farmers quit or retire, and are not replaced by younger men. As a result, today 80 percent of the Wisconsin dairy farm operators are over 45 years old, and fully 38 percent are 55 or older. That is amazing, in view of the fact that over half of all Americans living today were born after 1945.

For years, this has not affected consumers because better milk herd management has resulted in increased milk-production per cow, though the number of farms and herds declined. But the circumstances that made this possible are coming to an end. Milk production in the United States is leveling off, and the time is close at hand when our Nation will not be self-sufficient in the production of milk and dairy products.

That is, of course, we will not be self-sufficient unless we recognize the problem and develop long-range farm programs that break the bust-and-boom cycles that plague all of our farmers.

This legislation we are introducing today will not cure that long-range economic problem. Hopefully, the Congress will soon approach it head on once more and, hopefully, this time with the understanding cooperation of the executive branch.

Meanwhile, this legislation will satisfy one important need—it will make it possible for the young people of this Nation who wish to farm to more easily undertake their chosen career. This legislation would preserve for national purposes that land now in agriculture and would make it easier for the young to assume the economic burdens of starting a farming operation.

Mr. MANSFIELD. Mr President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. MANSFIELD. Mr. President, I say to my friend, the distinguished Senator from South Dakota, that I am delighted to be one of the cosponsors of the proposed legislation.

Next year we will celebrate our 200th anniversary. Without having access to the figures, I imagine that 200 years ago 80 or 90 percent of the American people were engaged in a farm economy. Since that time the figures have been going down steadily. Even in our States, which are still primarily agricultural, that factor applies.

In is my understanding that approximately 6 percent of the American population, at the most, is now engaged in working on farms. As the Senator has pointed out in his remarks, that trend is still continuing downward. If something is not done along the lines which the distinguished Senator has suggested, through the initiating of this type of legislation—which he compares rightly in many respects with the old Homestead Act—it will mean that the farmer, the individual farmer, the family type farmer, eventually will disappear. What we will have then will be a corporate type of farming, sometimes known as an agribusiness type. I believe that would be too bad for the economy of this country; because, while it probably would bring about greater production through the use of mechanical and other means, it would mean a continuing decline in the farm population.

The Senator is correct when he states that young farmers today just do not have the money to go into farming or to remain in farming, unless they come from a rich farm family. This proposal is one way by which we can invest in our own country for a change, do something which will be beneficial to a very important segment of our population, and thereby indicate that we are aware of what has been happening and are trying to do something about it.

I hope that the administration will look with favor upon a proposal of this kind—and I think it should—because this, in effect, is a conservative suggestion, but one which will bear great fruit if enacted and put into effect.

The Senator has again rendered a great service in the cause of his State and his Nation, and I commend him. I am happy to be one of the cosponsors of the bill.

Mr. McGOVERN. Mr. President, I thank the Senator very much for his words this morning. Not only because of his extensive knowledge of the problems of farmers and ranchers, but also because of his knowledge of the needs of the country as a whole and his capacity to look at problems of this kind in a broad perspective, the possibility is enhanced that other Senators will join in support of the proposed legislation It is a prudent investment of public funds. It will not represent any great outlay from the Treasury at all; as a matter of fact, it is a self-sustaining proposal. So I am very hopeful that it will receive favorable consideration.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota (Mr. ABOUREZK) is recognized for not to exceed 15 minutes.

Mr. ABOUREZK. Mr. President, I am speaking today as part of the group of Senators that has cosponsored the Young Farmers Homestead Act of 1975.

I want to stress at the beginning of my statement that a great deal of research has gone into the preparation of this legislation. My office has devoted many hours to studying the innovative effort to help young people become farmers in the Canadian Province of Saskatchewan. I have had the privilege of working with my colleague, GEORGE MCGOVERN, the senior Senator from South Dakota, in the preparation of the Young Farmers Homestead Act.

This bill was not drafted as just another nice idea that will not get anywhere. It was put together carefully with firm commitment to get serious consideration in the Congress and with the goal of passage within a reasonable period of time.

Mr. President, we have existed as a nation for nearly 200 years. We started as a country dependent upon small farmers, so much so that President Thomas Jefferson observed that "cultivators of the earth are its most valuable citizens."

Our Nation felt its commitment to food producers was so important that Congress, in 1862, passed legislation creating the Department of Agriculture and the land-grant colleges and establishing the Homestead Act.

The Homestead Act, signed into law by President Abraham Lincoln, granted 160 acres of land—free—to people who would live on the land and improve it.

It is hard to imagine today that our Government was once in the business of giving away land. It did, and it did so for a specific purpose. It was the consensus of the Nation that its western territories should be settled and developed for agricultural purposes through family-sized farms. The country had a goal, and the goal was accomplished by direct action.

Things have changed drastically since the days of the Homestead Act. Hundreds of thousands of those 160-acre farms have been absorbed by larger farms and fewer farmers and by corporate and other nonfarm interests.

As a nation, we lost 3 million farms after World War II. Up through 1970, we lost 100,000 farms a year. Today, we continue to lose farms and ranches and farmers and ranchers at an alarming rate, although the Department of Agriculture says the rate has been reduced. The rate of loss has gone down simply because there are fewer agricultural units to lose and fewer farmers to leave the farms.

Today, the loss of farms and ranches is complicated by rising land values that have made it impossible for young people to get a start in agriculture unless they have access to family capital.

We are seeing the average age of farmers climb at the same time young men and women who have the kind of commitment it takes to run a farm or ranch cannot get the huge chunk of money to buy the necessary land and equipment for even the most basic, barebones operation.

I do not think there's anything more unfair or more detrimental to our economic system than when people are willing to work hard, are willing to make the personal sacrifices that farming and ranching require of young people, and have a commitment to high quality food production but yet are frozen out of our agricultural system simply because they don't have the capital to get started.

There is always debate about what the role of Government should be in agriculture. Some people want more governmental involvement. Others want less or none. I think we have to make hard decisions now on the future role of Government in agriculture, and I think that role ought to be to protect the national interest. I see our national interest upheld most strongly by a family-farm system of agriculture, by a system that opens the door to young people, by a system that helps guarantee that not just the wealthy can buy land.

The Young Farmers Homestead Act is a fundamental step toward brightening the future of family farm agriculture in America. It gives new hope to the farmers of tomorrow. And it provides some hope for American consumers who want and understand the benefits of an agricultural system dominated by family-sized farms and ranches rather than by gigantic conglomerate farm units.

This bill would help put the Nation on record in support of the entry of young people into agriculture, and it would provide a reasonable means to keep land in the hands of dedicated food producers.

It is only fitting that a nation that granted land free of charge to hundreds of thousands of people in what must have been the first major rural development effort should now launch a program to develop rural areas in the most positive way possible—getting young people on the land.

I urge every Member of the U.S. Senate to support the Young Farmers Homestead Act of 1975.

Mr. HUMPHREY. Mr. President, I wish to join in supporting the Young Farmers Homestead Act of 1975 which is being introduced today.

As those of us who come from agricultural States well recognize, farming operations have changed significantly in the last few years. It is no longer possible to begin a farming operation without making substantial capital investments.

It is often not understood by the general public that a farming operation today may well involve investments totaling $200,000 or even more. A new tractor alone may run as much as $20,000 to $30,000. And the costs keep increasing each year.

Some young farmers can get into the business by taking over a family farm which the father owned for many years. The young farmer in effect has helped develop this farm and expand its operations.

This legislation would be designed for the young farmer who does not have such access to getting into a farming operation. Most such young farmers would have real difficulty in getting together adequate credit resources in order to begin a farming operation today. With today's farmer averaging about 50 years of age, we may well be in the position of having reduced the number of farmers unless we are prepared to take steps to provide the proper incentives to encourage the young people to undertake farming as a career.

I like the approach in this bill whereby the young farmer would have up to 7 years whereby he could rent the farm acquired by the proposed new Federal Farm Assistance Corporation. With today's volatile and hazardous farm economy, we should not expect the young farmer to prove himself either a success or a failure in 1 or 2 years.

Mr. President, I feel that this legislation addresses an important need in our agricultural economy, and I urge my colleagues to give it their close and serious attention.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON TUESDAY NEXT

Mr. MANSFIELD. Mr. President, on Tuesday next after the joint leadership has been recognized, I ask unanimous consent that the following Senators be recognized, each for not to exceed 15 minutes: The Senator from Illinois (Mr. PERCY), the Senator from New York (Mr. JAVITS), the Senator from Rhode Island (Mr. PELL), and the Senator from Illinois (Mr. STEVENSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized.

NEW YORK CITY'S FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. The President of the United States, speaking before the National Press Club in Washington yesterday, again made his position as to what should and should not be done in regard to the financial problems facing New York City.

President Ford's speech was a hard-hitting one. Undoubtedly, it was a difficult one for him to make; from a political point of view it was difficult.

New York City is the largest city in our Nation. New York State is the second largest State in our Nation. It has tremendous political power, and all of us recognize that.

So I feel that President Ford showed a great deal of courage, a great deal of political courage, in the position he has taken on New York City.

Not only has he shown courage, but he has adopted what seems to me to be the financially responsible position. Were the Federal Government to bail out New York City, were it to guarantee its bonds from default, the precedent would create a bottomless pit for American tax dollars.

This morning on television, Mayor Abraham Beame, of New York, said the Federal guarantee of New York bonds would not cost anyone anything. Well, that is the old theory and philosophy that has brought the United States itself to the verge of bankruptcy, that the Federal Government can spend and spend and spend, and it can run deficit after deficit and no one has to pay for it.

In listening to Mayor Beame this morning it impressed me as being very much the argument of a bankrupt citizen who came to a fellow citizen and said, "Now, I do not want you to give me any money; I am not asking for any money. All I want you to do is endorse my note. I will take it to the bank and get the money from the bank."

Well, Mayor Beame wants the Federal Government to endorse New York City notes or, in this case, bonds when the city is in a financial position that makes those bonds in default unless the city is willing to take firm steps to balance its budget, to cut its expenses and, if necessary, to increase taxes. But the city does not want to do that. Instead it wants the Federal Government to bail it out.

President Ford is being denounced today on television, in the newspapers, particularly the New York Times, for his speech of yesterday. Mayor Beame has been particularly bitter in his criticism.

Mayor Beame, it seems to me, and others like him, are using very extravagant statements and, indeed, scare tactics, to try to get the Federal Government to bail out New York City.

Mr. Beame, I think, is in error today in his exaggerated statements, just as he was in error 4½ years ago, on April 14, 1971, when he took strong issue with a Virginia banker, Douglas H. Ludeman, manager of the municipal bond department at United Virginia Bank/State Planters of Richmond, Va.

Mr. Ludeman said that New York City was in a very serious financial condition and he urged caution in the purchase of New York City bonds. That was 4½ years ago. At that time, Mayor Beame was then comptroller and accused the Wall Street Journal, which had published the statement by the Richmond banker, of going all the way to Virginia for a scare headline.

Comptroller Beame said that rarely in 25 years of public service had he heard a more irresponsible statement than the comparison of New York City and the Penn Central, as Mr. Ludeman compared the city at that time with the then bankrupt Penn Central Railroad.

I am reading from the New York Times of April 14, 1971: Comptroller Beame said that—

> Comparing New York City and its vast economic strengths with the Penn Central was as "ridiculous as comparing Chase-Manhattan or First National City, each with $24 billion, with that little bank in Virginia and its $544 million.

That was Comptroller Beame on April 14, 1971.

Mayor Beame was wrong in his appraisal of the strength of the New York bonds at that time and he is wrong, in my judgment, in his extravagant statements in regard to just what will happen if New York City defauts on its bonds.

President Ford stated yesterday in his speech that—

> The greater risk is that any attempt to provide a Federal blank check for the leaders of New York City would insure that no long-run solution to the city's problems will ever occur.

I think President Ford is right in that assertion. I again commend the President for his forthright position in regard to a bailout for New York City.

He made it clear:

> I can tell you now that I am prepared to veto any bill that has as its purpose a Federal bailout of New York City to prevent a default.

So the President is clearly on record as to what his position is and the senior Senator from Virginia is prepared to support the President in his veto of any proposal to have the Federal Government guarantee New York City bonds.

I think what the news media have not adequately made clear to the public is just what a default does.

A default means that a city cannot pay the bondholders the interest on the bonds at the present time and it is not able, at the present time, to pay off bonds that might be coming due at an early date. So a Federal guarantee of New York City bonds is a guarantee to the bondholders—not to the people of New York, but to the people who holds the bonds.

Those bonds provide tax-free income. The major bondholders are the banks. The banks have been receiving tax-free income. They are high-yield bonds. They are high-yield bonds because the investors recognized that there is some danger, of course, in the purchase of any bond and in the purchase of some municipal bonds.

So the Federal Government gives the buyer of those bonds a tax exemption, a valuable asset. Some of the more recent New York bonds carry an 11.2-percent interest, tax free. To an individual in the 50-percent income bracket, and to New York City banks this is the equivalent of a 22-percent return on taxable income.

I think we are on dangerous ground when we not only give the bondholders this tax-free income, but then, we come along, the Federal Government, and guarantee the payment of both the income and the bonds themselves. That is what a guarantee against default would mean.

That would be a wrong principle for the Federal Government to establish.

I am pleased that the President of the United States has taken the strong position that he has and I shall give him my support in this endeavor.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER**. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

MESSAGE FROM THE HOUSE

At 11:10 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 5665. An act to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; and

H.J. Res. 92. A joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The **ACTING PRESIDENT** pro tempore (Mr. Leahy) laid before the Senate the following letters, which were referred as indicated:

Report of the Secretary of Commerce

A letter from the Secretary of Commerce transmitting, pursuant to law, a report on export administration covering the first quarter of 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Attorney General

A letter from the Attorney General transmitting, pursuant to law, a report on the activities of the Department of Justice in the enforcement of the Consumer Credit Protection Act for the fiscal year 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the National Railroad Passenger Corporation

A letter from the Vice President of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of Amtrak for the months of July and August 1975 (with an accompanying report); to the Committee on Commerce.

Report of the Interstate Commerce Commission

A letter from the Chairman of the Interstate Commerce Commission reporting, pursuant to law, on the criteria and procedures for making route and service decisions; to the Committee on Commerce.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report on the criteria and procedures for making route and service decisions (with an accompanying report); to the Committee on Commerce.

Report of the Secretary of Commerce

A letter from the Secretary of Commerce transmitting, pursuant to law, a report on foreign direct investment in the United States (with an accompanying report); to the Committee on Commerce.

Report of the Secretary of the Treasury

A letter from the Secretary of the Treasury transmitting, pursuant to law, an interim report on the study of foreign portfolio investment in the United States (with an accompanying report); to the Committee on Commerce.

Proposed Acts of the Council of the District of Columbia

Two letters from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, copies of two proposed acts adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Comptroller General

Two letters from the Comptroller General transmitting, pursuant to law, two reports entitled "Status, Progress, and Problems in Federal Agency Accounting During Fiscal Year 1975" and "Improvements Needed in the Federal Maritime Commission's Financial Disclosure System for Employees" (with accompanying reports); to the Committee on Government Operations.

Proposed Legislation by the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to authorize the Secretary of the Interior to carry out certain international activities (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Comptroller of the Virgin Islands

A letter from the Acting Secretary of the Interior transmitting, pursuant to law, a report of the U.S. Government Comptroller for the Virgin Islands for the year ended June 30, 1974 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Relocation of the Government Printing Office

A letter from the Public Printer and the Commissioner of the Public Buildings Service transmitting, pursuant to law, a report on the relocation of the Government Printing Office to a site in northeast Washington, D.C. (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report of the National Safety Council

A letter from the President of the National Safety Council transmitting, pursuant to law, a report of the audit of the financial transactions of the Council for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committtee on the Judiciary.

Proposed Rulemaking of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a document entitled "Guaranteed Student Loan Program—Regulation amendment to 45 CFR Part 177" (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation to amend the Bankruptcy Act to add a new chapter XVI dealing with the adjustment of debts of major municipalities (with accompanying papers); to the Committee on the Judiciary.

A communication from the President of the United States proposing supplemental and amended appropriations requests for the Department of Labor for the fiscal year 1976 and the transition quarter (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

A communication from the President of the United States proposing a supplemental appropriation for the fiscal year 1976 in the amount of $463,672,000 for the Department of Housing and Urban Development (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

A communication from the President of the United States proposing amendments to the request for appropriations transmitted in the budget for fiscal year 1976 in the amount of $15,000,000 and for the transition quarter in the amount of $3,750,000 for the Department of the Interior (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

WHEAT SALES TO EGYPT

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a copy of a Determination with Statements of Reasons permitting the sale to Egypt of wheat flour, and tobacco (with accompanying papers); to the Committee on Agriculture and Forestry.

PROPOSED LEGISLATION BY THE ATTORNEY GENERAL

A letter from the Attorney General transmitting a draft of proposed legislation to revise the statute authorizing the garnishment of payments of remuneration for employment for the purpose of complying with certain child support and alimony payment orders (with accompanying papers); to the Committee on Finance.

REPORT OF THE DEPARTMENT OF DEFENSE

A letter from the Assistant Secretary of Defense transmitting the annual report of Department of Defense relative to its disposition of foreign excess personal property located in areas outside the United States (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report with respect to the recommendations contained in the report entitled "Annual Report, ESEA Title III, Fifth Annual Report" (with an accompanying report); to the Committee on Government Operations.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General transmitting, pursuant to law, a report entitled "U.S. Policy for the East Asia Regional Economic Development Program—What Should It Be?" and "Adjusted Taxes: An Incomplete and Inaccurate Measure for Revenue Sharing Allocations" (with accompanying reports); to the Committee on Government Operations.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, the 1974 annual report of the activities and achievements of the Office of Water Resources Research (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUPPLEMENTAL APPROPRIATIONS FOR THE U.S. RAILWAY ASSOCIATION

A letter from the President of the U.S. Railway Association transmitting proposals for supplemental appropriations totaling $2,106,100,000 in new budget authority (with accompanying papers); to the Committee on Appropriations.

APPROVAL OF LOAN BY THE REA

A letter from the Acting Administrator of the Rural Electrification Administration transmitting, pursuant to law, a survey statement in connection with a proposed loan to the Western Farmers Electric Cooperative of Anadarko, Okla., for the financing of certain transmission facilities (with accompanying papers); to the Committee on Appropriations.

REPORT OF THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, a report requested by the Office of Management and Budget (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE NATIONAL TRANSPORTATION SAFETY BOARD

A letter from the Chairman of the National Transportation Safety Board transmitting a draft of proposed legislation entitled "The Independent Safety Board Act Amendments of 1975" (with accompanying papers); to the Committee on Commerce.

REPORT OF THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, a report of contracts negotiated during the period April 1 through September 30, 1975 (with an accompanying report); to the Committee on Commerce.

ANALYSIS OF BANKRUPTCY BILL

A letter from the Assistant Attorney General transmitting a section-by-section analysis of the administration's bankruptcy bill (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. LEAHY):

A resolution relating to the enactment of the National Food Stamp Reform Act of 1975, from the National Welfare Fraud Association; to the Committee on Agriculture and Forestry.

A resolution to eliminate incentives to ineligibles, from the National Welfare Fraud Association; to the Committee on Finance.

A resolution that the Department of Health, Education, and Welfare establish an in-house law enforcement oriented office of sufficient experienced professional staff to coordinate and assist the investigative community of local departments in an effective fraud prevention and deterrent posture, from the National Welfare Fraud Association; to the Committee on Finance.

A resolution urging immediate action by the Department of Health, Education, and Welfare in attempting to activate the National Recipient Index, from the National Welfare Fraud Association; to the Committee on Finance.

A resolution urging immediate enactment of the National Welfare Reform Act, from the National Welfare Fraud Association; to the Committee on Finance.

A resolution urging Congress to enact legislation to provide for grants, based on need, rather than loans to victims of disaster, from the City of Cleveland, Ohio; to the Committee on Banking, Housing, and Urban Affairs.

A resolution relating to UNESCO, from the American Association for the Advancement of Science; to the Committee on Foreign Relations.

A resolution on repatriation and other particulars, from the Colegio de Abogados de Puerto Rico; referred to the Committee on Foreign Relations.

A resolution expressing opposition to forced busing, from the School Committee of the City of Boston, Massachusetts; to the Committee on the Judiciary.

Two resolutions seeking redress of grievances from the Statewide Committees Opposing Regional Plan Areas, Montana; to the Committee on Government Operations.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

James G. Watt, of Wyoming, to be a member of the Federal Power Commission.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I report favorably from the Committee on Commerce sundry nominations in the National Oceanic and Atmospheric Administration which have previously appeared in the CONGRESSIONAL RECORD, and to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of October 20, 1975, at the end of the Senate proceedings.)

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred to the Committee on Post Office and Civil Service:

H.R. 5665. An act to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; and

H.J. Res. 92. A joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent.

ORDER FOR STAR PRINT—S. 2250

Mr. MANSFIELD. I ask unanimous consent that a star print of S. 2250 as corrected be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTION

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McGOVERN (for himself, Mr. ABOUREZK, Mr. GARY HART, Mr. HUMPHREY, Mr. MONDALE, Mr. MANSFIELD, Mr. METCALF, Mr. CLARK, and Mr. NELSON):

S. 2589. A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. EASTLAND:

S. 2590. A bill for the relief of Margret Chun. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 2591. A bill to amend the Social Security Act to provide for a general strategy of health care deinstitutionalization by broadening coverage of home health services under medicare and medicaid, by providing coverage under medicare of adult ambulatory care services, and by accelerating completion of the study relating to medicare coverage of services furnished by outpatient surgical centers. Referred to the Committee on Finance.

By Mr. BROOKE (for himself and Mr. MONTOYA):

S. 2592. A bill to declare July 2, 1976, a legal public holiday and to designate July 2, 3, 4, and 5, 1976, as a period of commemoration of America's Bicentennial. Referred to the Committee on the Judiciary.

By Mr. METCALF:

S. 2593. A bill to assist the States in raising revenues by encouraging more uniform severance taxes on coal and oil shale and to impose a countervailing duty on imported coal and oil shale. Referred to the Committee on Finance.

By Mr. BIDEN (for himself and Mr. Proxmire):

S. 2594. A bill to amend the Truth in Lending Act to provide that price differentials shall not be taken into account for purposes of certain provisions of State law, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. STEVENS:

S. 2595. A bill to amend Section 2105(c), United States Code, so that employees of nonappropriated fund instrumentalities will be deemed employees of the U.S. Government, fully covered by laws administered by the Civil Service Commission. Referred to the Committee on Post Office and Civil Service.

By Mr. PROXMIRE (for himself and Mr. Packwood):

S. 2596. A bill to revise the Real Estate Settlement Procedures Act of 1974. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BURDICK (for himself, Mr. Hruska, Mr. Hugh Scott, Mr. McClellan, Mr. Griffin, and Mr. Buckley):

S. 2597. A bill to amend the Bankruptcy Act to add a new chapter thereto providing for the adjustment of the debts of major municipalities. Referred to the Committee on the Judiciary.

By Mr. PACKWOOD (for himself, Mr. Abourezk, Mr. Bartlett, Mr. Bentsen, Mr. Burdick, Mr. Cannon, Mr. Chiles, Mr. Church, Mr. Curtis, Mr. Domenici, Mr. Eagleton, Mr. Fannin, Mr. Ford, Mr. Hansen, Mr. Gary Hart, Mr. Hartke, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Hruska, Mr. Huddleston, Mr. Johnston, Mr. Laxalt, Mr. Leahy, Mr. Mansfield, Mr. McClure, Mr. McGee, Mr. McGovern, Mr. Metcalf, Mr. Montoya, Mr. Moss, Mr. Muskie, Mr. Hugh Scott, Mr. Stafford, Mr. Stone, Mr. Tower, Mr. Thurmond, and Mr. Young):

S. 2598. A bill to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported," to provide for the inspection of imported dairy products, to require that imported dairy products comply with certain minimum standards of sanitation, and to require that imported dairy products be labeled "imported," and for other purposes. Referred to the Committee on Agriculture and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 2591. A bill to amend the Social Security Act to provide for a general strategy of health care deinstitutionalization by broadening coverage of home health services under medicare and medicaid, by providing coverage under medicare of adult ambulatory care services, and by accelerating completion of the study relating to medicare coverage of services furnished by outpatient surgical centers. Referred to the Committee on Finance.

THE HOME AND FAMILY SERVICES HEALTH CARE ACT OF 1975

Mr. BENTSEN. Mr. President, I am today introducing the Home and Family Services Health Care Act of 1975. This legislation, which I announced several weeks ago, offers a means of cutting down on the distorted incentives in our health care system for people to be placed in institutions rather than to be treated in their own homes or in outpatient facilities, where the cost are generally cheaper and the burdens on the system less intense.

In 1972, a GAO report on long-term care came to the conclusion that about 25 percent of the patient population in the country is being treated in facilities excessive to their needs. GAO also noted that a 1-day reduction in the average length of stay in a hospital could save between $1 and $2 billion in health care costs.

The Senate Subcommittee on Long-Term Care, in a report 2 years later, noted that one form of deinstitutionalized care, home health care, could effect substantial savings over institutional care. The subcommittee recognized that savings would not automatically follow in individual cases, but concluded that "If home health services are readily available prior to placement in a nursing home, there is convincing evidence to conclude that such care may not only postpone but possibly prevent more costly institutionalization."

But the potential savings in a comprehensive health care deinstitutionalization program is not the only point at issue. Alternatives to institutional care should also be based on more humane considerations. C. Arden Miller, president of the American Public Health Association, said:

> Often the process of institutionalization itself aggravates a person's problems and induces an inability to function.

It is a fact that many older people, in particular, look upon a nursing home or other institution with hostility and fear, regarding it as a prelude to death. This is frequently true regardless of the quality of the institution. There are, in fact, many excellent nursing homes, and in many cases, as with the severe and chronically ill there is simply no alternative to nursing home care.

Yet there are other instances in which institutional care is unnecessary and even harmful, where a patient could receive quality care in his home or in another setting far more conducive to his needs. In these instances, national health care policy should be geared to providing humane and efficient alternatives to institutionalization. That is the purpose of this legislation.

We have made some strides toward deinstitutionalization at the Federal level. We have passed legislation encouraging the development of health maintenance organizations, which can provide a range of services to keep people healthy rather than to treat them after they become ill. But the HMO program has been rather timidly funded, and it is only one element in the total picture.

We cannot expect all people to utilize HMO's, nor should we want them to. Deinstitutionalized care has many forms, and it is time we started to tap its potential.

A recent article in Patient Care discussed the case of a 15-year-old girl in Rochester, N.Y. Following an automobile accident, she had fractures of the pubis and both femurs, which meant that she required bilateral traction. Hospital charges in Rochester average around $110 a day and physician's fees about $15. Even with insurance coverage, the deductibles were eating up her family's income.

In Rochester, however, there is a model home health care program, which allows the patient to be covered for special equipment, physical therapy, and a wide range of services in the home. This young lady's total bill for the 46 days she spent in traction was about $420; comparable care at the Rochester General Hospital would have cost her family $4,600. And more significantly, she was treated in familiar surroundings which she preferred and which maintained the emotional support of her family.

This is not an isolated example. Home health programs are beginning to develop in all parts of the country, and, where implemented with proper cost accounting procedures and quality controls, they make good sense.

We know that in the vast majority of instances people want to be at home; they want to be in a familiar setting and near their families. If we want to keep them there for humane reasons, if we want to make a serious effort to cut the costs of health care over the long term, then we have to move to give home health and other alternatives to institutionalization a full partnership in our health delivery system.

Today they are only limited partners. Home health remains saddled with burdensome restrictions, especially under medicare, part A, where the patient has to have been in a hospital first, has to require "skilled nursing services," and is limited to 100 home health visits for each period. This legislation liberalizes these restrictions considerably.

It increases the number of allowable home health visits under medicare parts A and B from 100 to 200. It deletes the requirement under part A that at least 3 days must be spent in a hospital prior to receiving home health visits. It requires that under medicaid, home health services, now optional, be required where the physician certifies that the patient would, without these services, require institutional care.

To prevent over-utilization, the newly covered visits must be certified by a physician as preventing or postponing institutional care. In addition, the cost of the expanded home health benefits is limited to no more than the cost would have been had the patient been institutionalized.

The definition of the services that are provided by home health agencies is strengthened to assure that they actually provide skilled nursing care and at least one therapeutic service. Furthermore, the definition of "skilled nursing care" is broadened to include care provided under the supervision of a skilled nurse, rather than care provided by the nurse herself. This means that other services, such as homemakers' services, can be reimbursed if the services are provided under a plan developed by a physician and supervised by a skilled nurse.

The second title of the bill takes note of another alternative to institutionalization, the ambulatory surgical center. These centers, which now number approximately 40, are in all sections of the country, and they offer some concrete advantages in patient care.

The ambulatory centers perform surgical care for the patient whose operation is too demanding for the physician's office and not serious enough for the hospital.

The patient is in and out on the same day, and the center provides the necessary back-up and intensive care services to assure that he can receive emergency help if it is necessary. Presently, the surgical centers are successfully providing surgical care over a range of surgical procedures from tonsillectomies to the excision of skin lesions, and their record, though not without controversy, is considered to be excellent.

In ambulatory surgery, savings can be attained in many ways. The community is relieved of the capital cost involved in building additional hospital rooms to accommodate patients who can be treated in out-patient facilities. The patients save room and board costs for the days they would ordinarily spend in the hospital. In many instances, the family saves money because the mother is not away from home overnight, thus eliminating the need to hire outside help for housekeeping and childcare. Finally, because the unit operates on only one shift, payroll and operating expenses are significantly lower than for the hospital.

As in home health care, there are restrictions on coverage; medicare, for example, does not yet cover costs, other than physicians' fees, for treatment in the centers. Services other than physician's services are covered on an outpatient basis only when performed in a participating hospital.

Congress took note of the promise of outpatient surgery when it authorized a study of its potential coverage in section 222 of the 1972 Social Security Amendments.

The present bill follows up on the directive issued in the 1972 amendments. It sets a date of March 31, 1976, for the completion of the study and for a presentation of the Secretary's findings to the Congress. In the interim, the Secretary is allowed to reimburse these centers for services to medicare beneficiaries, providing the centers meet standards set by the Federal Government.

Another promising alternative to institutionalization lies in adult day care programs, termed "adult ambulatory care" in the legislation. These programs allow an elderly person to live at home but receive health, social, recreational, nutritional, and other services at a central location several days a week. The advantages of these programs are obvious: The older person receives the care he needs as frequently as he requires it, but he is not confined to an institution 24 hours a day. The person who requires this level of care does not require the intensity of hospital treatment or 24-hour-a-day monitoring, but does need professional health care on a regular basis in order to prevent or postpone institutionalization.

Presently, there are some 30 geriatric day care centers in the Nation. Some are free standing; others are affiliated with skilled nursing facilities; still others are components of community service agencies. They vary in size, in scope, and in quality of services.

In drafting the present legislation, I have been careful to avoid using part B of medicare to reimburse ambulatory services that are merely custodial. Therefore, although adult day care centers can qualify for 100 days of coverage under part B, they must meet a series of strict qualifications. They must provide nursing care, rehabilitation services, and other supportive services on a daily basis. They must be governed by both a physician and a registered nurse. They must maintain clinical records.

They must conduct a review of the appropriateness and necessity of patient care. And they must meet other standards which the Secretary may set by regulation.

Adult day care is a relatively new concept in health care, but it has great promise for those older Americans who need supervisory care, but who do not require confinement. As such, it should be encouraged and supported, providing that it meets standards of professional care.

To control the possibilities for overutilization of the service, the legislation provides, not only a list of standards which facilities must meet to become eligible, but also a requirement that the care will be necessary to prevent or delay institutionalization, and that the total amount payable under the program can be no more than reasonable costs which would have been incurred if the patient had been receiving services on an inpatient basis in a hospital, a skilled nursing facility, or an intermediate care facility.

At least one State, New York, has recognized the promise of adult day care by passing State legislation authorizing reimbursement of day treatment services under medicaid. I believe we should now move on this matter at the Federal level.

The Home and Family Services Health Care Act, therefore, offers a three-pronged approach to deinstitutionalization. It is not simply a home health bill, but a comprehensive strategy to encourage alternatives to institutions at many levels of care. As such, it is nothing less than a major change in health policy direction.

For too long, our national health policy has encouraged the utilization of institutions to the relative neglect of outpatient care. The system is inefficient and costly, and levels of care frequently depend more on the nature of the patient's insurance than on the care most appropriate to his needs.

With medicare costs alone now running $15 billion per year, with hospital per diem charges expected to rise 23 percent between 1976 and 1977, with the major carriers raising their premiums, it is time we develop a policy which will provide the proper incentives for deinstitutionalization.

Quite apart from the long-term cost savings that can accrue, there are human considerations which cannot be ignored. As I mentioned earlier, most patients, if given the choice, would rather be treated in their home environment or outside of institutions. In recent years, social forces have contrived to weaken family units and drive our ill and elderly into impersonal surroundings, which regardless of quality, cannot provide the support the patient requires. It is not acceptable for a health care delivery system to accelerate that trend; it should be rather a decision of public policy to reverse it.

I believe that the Home and Family Services Health Care Act will offer a more economical, and, at the same time, a more humane, flexible, and personal approach to medical care in this country.

At this point, I ask unanimous consent to insert in the RECORD a brief outline of the bill's major provisions and the text of the measure itself.

There being no objection, the summary and bill were ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS—THE HOME AND FAMILY SERVICES HEALTH CARE ACT OF 1975

TITLE I—HOME HEALTH SERVICES

A. The number of allowable home health visits under Medicare Parts A and B is increased from 100 to 200. To prevent overutilization, the newly covered visits must be certified by a physician as preventing or postponing institutionalization of the patient.

B. The current requirement under Part A that at least 3 days must be spent in a hospital prior to receiving home health visits is deleted.

C. Proprietary home health agencies are allowed to participate in the Medicare program as long as they meet Federal standards (and any applicable State licensing laws.)

D. The definition of the services that are provided by home health agencies is strengthened to assure that they actually provide skilled nursing care and at least one therapeutic service. Furthermore, the definition of "skilled nursing care" is broadened to include care provided under the supervision of a skilled nurse.

E. The cost of the expanded home health benefits is limited to no more than the cost would have been had the patient been institutionalized.

F. Under Medicaid, home health services are currently optional. This bill would require that they be offered where the physician certifies that the patient would—without these services—require institutional care.

TITLE II—SERVICES OF OUTPATIENT SURGICAL CENTERS

A. The services provided by these centers are now being studied and evaluated by H.E.W. This title sets a date for the completion of these studies and for a presentation of the Secretary's findings to Congress.

B. In the interim the Secretary is allowed to reimburse these centers for services to Medicare beneficiaries, providing the centers meet standards set by H.E.W. in regulation.

TITLE III—ADULT AMBULATORY CARE SERVICES

A. Coverage under Part B of the Medicare program is extended to pay for 100 days of service in adult ambulatory care centers.

B. These centers must provide nursing care, rehabilitation services (such as physical, occupational or speech therapy) and other supportive services on a daily basis.

C. The person who requires this level of care is defined as one who does not require the intensity of hospital treatment or 24 hour per day monitoring, but does need professional health care services on a regular basis in order to prevent or postpone institutionalization.

D. To qualify for Medicare reimbursement these centers must be governed by both a physician and a registered nurse; must maintain clinical records; must conduct a review of the appropriateness and necessity of patient care; and must meet any other standards set by regulation.

E. Payment for services offered in an adult ambulatory care center is limited to no more than the cost of institutional care that would have been provided—had these services not been available.

S. 2591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home and Family Services Health Care Act of 1975".

TITLE I—HOME HEALTH SERVICE

SEC. 101. (a)(1) Section 1812(a)(3) of the Social Security Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(2) The first sentence of section 1812(d) of such Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(3) Section 1814(a)(2)(D) of such Act is amended by inserting "(i)" immediately after "in the case of posthospital home health services,", and by adding immediately before the word "or" at the end thereof the following: "and (ii) in case such services are provided to an individual, during any one-year period described in section 1681(n), for more than 100 visits, the physician reviewing such plan determines in accordance with criteria established under regulations of the Secretary, that such services will be necessary to prevent or delay the requirement by such individual of inpatient services in a skilled nursing facility or intermediate care facility;".

(4) Section 1814(a) of such Act is further amended by adding at the end thereof the following new sentence: "Regulations of the Secretary shall provide that, in the case of services described in subparagraph (D)(ii), a physician must make a recertification under paragraph (2) not less often than once with respect to each 60 days that such services are, or are to be, furnished."

(5)(A) Section 1814(b) of such Act is amended by inserting "and section 1819" immediately after "section 1813".

(B) Part A of title XVIII of such Act is amended by adding after section 1818 thereof the following new section:

"LIMITATION ON PAYMENT FOR CERTAIN POSTHOSPITAL HOME HEALTH SERVICES

"SEC. 1819. Whenever there are furnished to an individual posthospital home health services, during any period for which he is entitled (except for the provisions of this section) to have payment made under this part for such services, for in excess of 100 visits, then, notwithstanding any other provision of this title, the total amount payable under this part with respect to such services provided in excess of 100 visits shall not exceed the reasonable cost, which would have been incurred, if such individual had, for such period, been an inpatient in a skilled nursing facility (if such individual's physician certified under section 1814(a)(2)(D)(ii) that such services were necessary to prevent or delay the requirement by such individual of inpatient services in a skilled nursing facility), or in an intermediate care facility (if such individual's physician certified under section 1814(a)(2)(D)(ii) that such services were necessary to prevent or delay the requirement by such individual of inpatient services in an intermediate care facility)."

(6) Section 1861(n) of such Act is amended by striking out "for not less than 3 consecutive days".

(b)(1) Section 1832(a)(2)(A) of such Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(2) Section 1834(a) of such Act is amended by striking out "100 visits" and inserting in lieu thereof "200 visits".

(3) Section 1834 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) Whenever there are furnished to an individual home health services during any calendar year for in excess of 100 visits, then, notwithstanding any other provision of this title, the total amount payable under this part with respect to such services provided in excess of 100 visits shall not exceed the reasonable cost, which would have been incurred, if such individual had, for such period, been an inpatient in a skilled nursing facility (if such individual's physician certified under section 1835(a)(2)(A)(iv) that such services were necessary to prevent or delay the requirement by such individual of inpatient services in a skilled nursing facility), or in an intermediate care facility (if such individual's physician certified under section 1835(a)(2)(A)(iv) that such services were necessary to prevent or delay the requirement by such individual of inpatient services in an intermediate care facility)."

(4) Section 1835(a)(2)(A) of such Act is amended by inserting immediately before the semicolon at the end thereof the following: "and, (iv) in case such services are furnished to an individual, during any calendar year, for more than 100 visits, the physician reviewing such plan determines, in accordance with criteria established under regulations of the Secretary, that such services will be necessary to prevent or delay the requirement by such individual of inpatient services in a skilled nursing facility or intermediate care facility".

(5) Section 1835(a) of such Act is further amended by adding at the end thereof the following new sentence: "Regulations of the Secretary shall provide that, in the case of home health services provided during a calendar year to an individual after such services have been provided for 100 visits, a physician must make a recertification under paragraph (2) not less often than once with respect to each 60 day period for which such services are, or are to be, furnished.

(c) Section 1871 of such Act is amended by—

(1) inserting "(a)" immediately after "Sec. 1871.", and

(2) adding at the end thereof the following new subsection:

"(b)(1) The Secretary shall, within 90 days after the date of enactment of this subsection, promulgate regulations establishing the criteria (referred to in section 1814(a)(2)(D)(ii) and section 1835(a)(2)(A)(iv)) to be used in determining whether the provision to an individual of posthospital home health services furnished under part A or home health services furnished under part B will be necessary to prevent or delay the requirement by such individual of inpatient services in a skilled nursing facility or an intermediate care facility. Such regulations shall be periodically reviewed and revised thereafter in light of experience thereunder.

"(2) The criteria so established in such regulations shall be designed to take into account an individual's mobility, need for assistance in eating, behavior or mental condition, incontinence, current physical rehabilitation needs, special dietary needs, and needs for medications, injections, intravenous and subcutaneous fluids, dressings and appliances, catheterization (including irrigation), douches, enemas, colostomy irrigations, suctioning, oxygen, or other special assistance, and shall also be designed to take into account such additional factors as the Secretary may deem necessary or appropriate to assure that only those individuals who would otherwise require skilled nursing facility or intermediate care facility services will qualify to have payments made for home health services on their behalf for in excess of 100 visits."

(d) Section 1861(o) of such Act is amended—

(1) by inserting ("including an agency or organization sponsored by or operated in connection with a hospital or skilled nursing facility)" immediately after "public agency or private organization", and

(2) in the matter following clause (6) thereof, by striking out the matter beginning with the phrase "except that such term" and all that follows up to, and including, the words "regulations; and".

(e) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Skilled Nursing Care

"(aa) As used in section 1814(a)(2)(D) and section 1835(a)(2)(A), the term 'skilled nursing care' includes nursing care provided under and requiring the supervision of a registered professional nurse. For purposes of the preceding sentence and subsection (m)(1), nursing care shall be deemed to be provided under the supervision of a registered professional nurse if (A) such nurse has authority to direct the provision of such care, (B) at least once during each 30-day period that such care is provided to any particular patient, such nurse is physically present at the site where such care is being furnished and personally observes and supervises the provision of such care, and (C) such care conforms to such standards as may be prescribed under regulations of the Secretary with regard to supervision of nursing care by a registered professional nurse."

(f) Section 1861(o)(1) of such Act is amended by inserting "(and actually provides skilled nursing services plus not less than one therapeutic service)" immediately after "therapeutic services".

(g) Section 1155(a)(1) of such Act is amended—

(1) by striking out "and" at the end of clause (B),

(2) by striking out the period at the end of clause (C) and inserting in lieu of such period "; and", and

(3) by adding at the end thereof the following new clause:

"(D) in case such services consist of posthospital home health services provided under part A of title XVIII for a number of visits, in the one-year period described in section 1861(n), in excess of 100, or in case such services consist of home health services provided under part B of such title for a number of visits, during any calendar year, in excess of 100, such home health services will be necessary to prevent or delay the requirement by the patient receiving the services of inpatient services in a skilled nursing facility or intermediate care facility."

(h) Section 1902(a)(13)(A)(ii) of such Act is amended to read as follows:

"(ii) a comprehensive program for the provision of home health services under which any individual who is entitled to inpatient institutional care under the State plan, but is not receiving such care, will be furnished appropriate home health services when the provision of such services to the individual will be necessary to prevent or delay the requirement by such individual of, inpatient institutional care, and".

SEC. 102. The amendments made by section 101 (other than the amendment made by subsection (h) thereof) shall be effective with respect to services furnished under title XVIII of the Social Security Act after December 31, 1975, and the amendment made by subsection (h) shall take effect on July 1, 1976.

TITLE II—SERVICES OF OUTPATIENT SURGICAL CENTERS

SEC. 201. (a) The Secretary of Health, Education, and Welfare (hereinafter in this title referred to as the "Secretary") is directed to complete, not later than March 1, 1976, the studies and demonstrations conducted, pursuant to authority contained in section 402(a) of the Social Security Amendments of 1967 (as amended by section 222(b) of the Social Security Amendments of 1972), insofar as such studies or demonstrations pertain to payment for services provided by outpatient surgical centers.

(b)(1) Prior to the completion of such studies and demonstrations, the Secretary is authorized to certify, for participation as providers of services under title XVIII of the Social Security Act, such outpatient surgical centers as meet the standards, which he shall by regulations prescribe, respecting staff, physical plant, licensure, and health and safety of patients.

(2) Any outpatient surgical center which furnishes services to an individual insured under title XVIII of the Social Security Act shall be paid for such service in accordance with and subject to the provisions contained in regulations of the Secretary respecting conditions for payment for such services.

(c) At the earliest practicable date after March 1, 1976, the Secretary shall submit to the Congress a full and complete report of the studies and demonstrations referred to in subsection (a) insofar as they relate to payment for services provided by outpatient surgical centers, together with his recommendations as to coverage of such services and the basis of payment therefor under title XVIII of the Social Security Act, under State plans approved under title XIX of such Act, and under programs established by a plan of a State approved under title V of such Act.

TITLE III—ADULT AMBULATORY CARE SERVICES

SEC. 301. (a) Section 1832(a)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (B) thereof,

(2) by striking out the period at the end of clause (C) thereof and inserting in lieu of such period "; and", and

(3) by adding at the end thereof the following new clause:

"(D) adult ambulatory care services for up to 100 days during a calendar year."

(b) Section 1833(a)(2) of such Act is amended, in the matter preceding clause (A), by inserting "and adult ambulatory care services" immediately after "home health services".

(c)(1) Section 1835(a)(2) of such Act is amended—

(A) by striking out the period at the end of clause (D) thereof and inserting in lieu of such period "; and", and

(B) by adding after clause (D) thereof the following new clause:

"(E) in the case of adult ambulatory care services, he has determined, in accordance with criteria established under regulations of the Secretary, that such adult ambulatory care services are necessary in order to prevent or delay the requirement that the individual receiving the services be furnished inpatient services in a hospital, skilled nursing facility, or intermediate care facility."

(2) Section 1835(a) of such Act is further amended by adding at the end thereof the following new sentence: "Regulations of the Secretary shall provide that, in the case of adult ambulatory care services, a physician must make a recertification under paragraph (2) not less often than once with respect to each 60 days that such services are, or are to be, furnished."

(d) Section 1861(u) of such Act is amended by inserting "adult ambulatory care facility," immediately after "home health agency,".

(e) Section 1861 of such Act is further amended by adding after subsection (aa) thereof (as added by section 101(e) of this Act) the following new subsections.

"Adult Ambulatory Care Facility

"(bb) The term 'adult ambulatory care facility' means a public agency or private organization, or a subdivision of such an agency or organization (including an agency or organization sponsored by or operated in connection with a hospital or skilled nursing facility), which—

"(1) is primarily engaged in providing on a regular basis nursing care, rehabilitation care, and other care specified in subsection (cc) to individuals who do not require the degree of care and treatment which a hospital is designed to provide and do not require the 24-hour per day care which an intermediate care facility is designed to provide,

"(2) has policies, established by a group of professional personnel (associated with the agency or organization), including one or more physicians and one or more registered professional nurses, to govern the services (referred to in paragraph (1)) which it provides, and provides for supervision of such services by a physician or registered professional nurse;

"(3) maintains clinical records on all patients,

"(4) has in effect a utilization review plan under which each patient's continued need for services provided by the facility (and the particular types of services needed by the patient) will be reviewed not less often than once during each 60-day period by a team which includes at least one therapist and one registered professional nurse;

"(5) in the case of an agency or organization in any State in which State or applicable local law provides for the licensing of agencies or organizations of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing agencies or organizations of this nature, as meeting the standards established for such licensing; and

"(6) meets such other conditions of participation as the Secretary may find necessary in the interest of the health and safety of individuals who are furnished services by such agency or organization;

except that such term shall not include a private organization unless it is licensed pursuant to State law as an adult ambulatory care facility or it meets such additional standards and requirements as may be prescribed in regulations; and except that such term shall not include any agency or organization which is primarily for the care and treatment of mental diseases.

"Adult Ambulatory Care Services"

"(cc) The term 'adult ambulatory care services' means the following items and services furnished to an individual, who is under the care of a physician, by an adult ambulatory care facility (or by others under arrangements with them made by such facility) under a plan (for furnishing such items and services to such individual) established and periodically reviewed by a physician—

"(1) nursing care provided by or under the supervision of a registered professional nurse;

"(2) meals as appropriate;

"(3) physical, occupational, or speech therapy;

"(4) medical social services;

"(5) recreational services;

"(6) such other services as may be authorized under regulations of the Secretary."

(f) Part B of title XVIII of such Act is amended by adding after section 1844 thereof the following new section:

"LIMITATIONS ON ADULT AMBULATORY CARE SERVICES

"SEC. 1845. (a) The Secretary shall, within 90 days after the date of enactment of this section, promulgate regulations establishing criteria (referred to in section 1835(a)(2)(E)) to be used in determining whether the provision to an individual of adult ambulatory care services furnished under this part will be necessary to prevent or delay the requirement that such individual be furnished inpatient services in a hospital, skilled nursing facility, or intermediate care facility. Such regulations shall be periodically reviewed and revised in light of experience thereunder.

"(b) Notwithstanding any other provision of this title, the total amount payable under this part for adult ambulatory care services furnished to an individual for any period of time shall not exceed the reasonable cost which would have been incurred during such period if such individual had been an inpatient in a hospital (in case such individual's physician certified under section 1835(a)(2)(E) that adult ambulatory care services were necessary to prevent or delay the requirement that such individual be furnished inpatient hospital services), a skilled nursing facility (in case such individual's physician certified under such section that adult ambulatory services were necessary to prevent or delay the requirement that such individual be furnished extended care services) or an intermediate care facility (in case such individual's physician certified under such section that extended care services were necessary to prevent or delay the requirement that such individual be furnished intermediate care facility services)."

SEC. 302. The amendments made under section 301 shall be effective in the case of day care services provided after December 31, 1975.

By Mr. BROOKE (for himself and Mr. MONTOYA):

S. 2592. A bill to declare July 2, 1976, a legal public holiday and to designate July 2, 3, 4, and 5, 1976, as a period of commemoration of America's Bicentennial. Referred to the Committee on the Judiciary.

Mr. BROOKE. Mr. President, July 4, 1976, the 200th anniversary of the signing of the Declaration of Independence, falls on a Sunday. Pursuant to Federal legislation, Monday, July 5 is a legal holiday and, of course, Saturday July 3 is a nonwork day also. In view of the historic importance of the anniversary of the signing of the Declaration of Independence and since the entire Nation will consider that weekend the highpoint of the Bicentennial commemoration, Senator MONTOYA and I are introducing today legislation which would declare Friday, July 2, 1976 a legal holiday, and would request the President to designate the weekend of July 2, 3, 4, and 5, 1976, a period of commemoration of America's Bicentennial. July 2, 1976 is of special historic significance since it was on that day, 200 years ago that Richard Henry Lee's resolution that the United Colonies "are, and of right ought to be, free and independent States," was ratified by the Second Continental Congress.

The legislation also requests the President to call on all Americans and our friends from abroad to participate in appropriate ceremonies and celebrations during these historic days.

Both the American Revolution Bicentennial Administration Advisory Council and the ARB Board have endorsed this concept. In a recent statement the Board and Council made a recommendation that—

> The President of the United States, the United States Congress, and the Governors

and legislatures of the States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories take appropriate steps to insure a four-day legal holiday for the weekend, July 2, 3, 4, and 5, 1976.

Mr. President, technically there are no national holidays in the United States. The President by executive proclamation and the Congress by legislative enactment can legally designate holidays only for the District of Columbia and Federal employees through the United States. Each State has jurisdiction over its holidays which can be designated by executive proclamation or legislative enactment. In practice, however, most States observe the Federal legal public holidays. It is expected, therefore, that upon enactment of the proposed legislation declaring July 2, 1976, a legal holiday and issuance of a Presidential proclamation designating the entire weekend of July 2, 3, 4, and 5, 1976 a national period of commemoration, that the States will take appropriate steps to follow suit.

By Mr. METCALF:

S. 2593. A bill to assist the States in raising revenues by encouraging more uniform severance taxes on coal and oil shale and to impose a countervailing duty on imported coal and oil shale. Referred to the Committee on Finance.

Mr. METCALF. Mr. President, our domestic coal deposits are becoming more important as this Nation moves toward self-sufficiency in energy. President Ford has asked that we greatly expand our production of coal and its conversion to energy. This means that tremendous pressure for social services will be placed upon the States and communities where this development must occur. At present there are no Federal programs designed specifically to assist the coal-impacted areas.

The Northern Great Plains resource program in its briefings to Congress stresses that coal and its related industries can and should pay their own way for these services and improvements. But first, the impacted communities must understand the problems facing them, organize, indebt themselves, and mobilize their taxing powers. The Northern Great Plains resource program emphasizes that even if these actions occur, the need for roads, housing, sewers, schools, and so forth is immediate while the revenue derived from industry and its employees do not materialize for 2 to 3 years. Mr. President, the impacted areas need front-end moneys.

In the past, States and communities across this Nation have experienced the boom-and-bust cycle of mineral extraction. Communities expand and become indebted and in 10 to 20 years continue to repay these debts after the industry has left the area.

Mr. President, I feel industry should assume major responsibility for its effects upon the impacted areas. Current practice is to leave it to the general taxpayer through general fund expenditures, as in the case of Federal assistance programs, and also to the residents of the impacted communities through bonded indebtedness.

Mr. President, equally important, the States have a right to receive revenues for the severance of their nonrenewable resources. These are treasures which can never be replaced. The States should receive revenues to assist the impacted communities and to provide for a future when these resources no longer exist.

The bill I introduce today does this very thing for coal and oil shale operations. It offers States a tax source which they cannot now fully utilize. It imposes a Federal severance tax of 25 percent of the gross income from all domestic coal and oil shale properties which produce 20,000 tons or more a year if strip mined and 15 percent if mined by other methods. Full credit is to be allowed against the Federal tax, however, for similar State or local severance taxes paid with respect to the properties.

The credit for State and local severance taxes is the heart of this bill. If it becomes law, States which do not now have severance taxes will speedily impose them. Furthermore, States that tax at lower rates than 25 and 15 percent will increase their tax rates to at least that level. Thus, once the States adjust to the new tax, the Federal Treasury will derive no revenues from it. This is the purpose of the bill. The important thing is that the tax receipts of most States will be increased significantly.

States find it difficult to impose severance taxes today because a State acting alone runs the risk of placing some mining companies operating within the State at a competitive disadvantage relative to companies operating where there are no severance taxes. They are afraid the enactment of such a tax would reduce mining activities in the State. Interstate competition, in other words, acts to keep severance taxes low.

This bill remedies this problem. It also provides for a countervailing duty to be levied on imported coal or oil shale equal to the burden of the domestic tax unless it does not compete with American production. In this way, the States are not only saved from economic disadvantages with one another, but also with foreign countries.

If the Senate in its wisdom feels that the rates of 25 and 15 percent are too low or too high, I am certainly willing to negotiate. I use these rates as a starting point for debate. However, a severance tax at these rates will not place a severe burden on the mining industry.

Montana, my home State, has a severance tax on coal which is higher than the one I propose today. Montana and its local governments impose a severance tax of up to 35 percent of the contract sale price of the coal f.o.b. at the mine less taxes paid on production. In other words, Montana levies a severance tax on coal which is approximately 10 percentage points higher than the one I propose.

Again, Mr. President, I stress that this severance tax will not place a severe burden on the mining industry. Despite Montana's having the highest severance tax on coal in the Nation, companies have continued to enter into long-term contracts for its coal. The demand for coal will continue to increase in the future. In addition, coal is one of the few minerals which is sold using long term contracts of 20 years or more and which provide for tax increases.

All States with coal or oil shale production will benefit from this bill. My staff has estimated the severance tax collections which would result from this bill. The table incorporates preliminary 1974 data from the Bureau of Mines which has yet to be published and so may be subject to slight change. It illustrates the level of revenue each State may expect to generate by imposing a similar tax. It concerns only coal production because there is no commercial oil shale production in the United States at this time.

The chart indicates that some $1.7 billion in increased severance tax receipts could be raised using this bill, all of which could be absorbed by the States if they enact complementary statutes. This figure would be reduced to approximately $1.6 billion due to the exemption for small mines.

Admittedly, the price of coal would increase and some of this burden would fall upon the consumer, but not significantly. This price increase would lead to some conservation and is preferable to levying a tax on the general Federal taxpayer to finance the improvements necessitated by the coal industry.

The State of Montana has studied the impact of its 35-percent severance tax on the consumer. For example, according to Lieut. Gov. Bill Christiansen, the tax will "increase the average annual residential electric bill in Detroit Edison's service area by $3.38. This amounts to just over 1 cent a day." As he states, we all have seen "appliance commercials that advertise the cost of operating the appliance as 'just a few cents a day.'"

These revenues would be particularly important to the States of Appalachia which are dollar poor but rich in coal. Interstate competition has prevented these States from deriving adequate tax revenues from mineral operations. This has been true even though the profits from these operations have been a principal benefit to the residents of other States. For example, according to the table, West Virginia which has no severance tax on coal, would receive $415.5 million annually for the needs of its citizens.

I would not expect all the States to take immediate action to impose their own severance tax once this bill becomes law. In some cases their reaction would be delayed for a few years, so that the Federal Government would derive some revenue from the tax. These amounts would be enough, I believe, to defray any administrative costs. For this reason it is reasonable to permit the entire amount of the tax to be offset by a credit for State tax. Under the bill, a mineral property would be defined to include the same properties as those eligible for percentage depletion deductions under the Federal income tax.

The 25- and 15-percent severance tax would apply to the gross income received by the owner of the working interest in a mineral property. That is, gross income would be the same for the purposes of this tax as the figure which forms the basis for computing Federal percentage depletion deductions in cases in which there were no royalty payments or production payments. Gross income would be defined differently when there was a royalty or a production payment.

Only rents or royalties or bonuses paid to Federal, State, or local governments could be excluded; there would be no exclusion for rent or royalties or bonuses paid with respect to the property; any amount paid to the holder of a production payment would be included in computing the gross income of the owner of the working interest; finally, any amount received from the sale of a production payment would be excluded in computing gross income.

Mineral properties which produce less than 20,000 tons of coal a year would be exempt from the severance tax.

The State severance taxes which could be credited against the tax imposed by this bill would have to be based on the gross income attributable to the extraction of coal or oil shale derived from the property located within the State. Finally, the tax would have to be a severance tax; it could not be a general sales tax or an income tax applied generally to the income from most sources. Any severance tax paid by a holder of a royalty or other nonoperating interest would be treated as if it had been paid by the holder of the working interest.

The bill provides for the exchange of information between the States and the Federal Government. That is, upon request, the Internal Revenue Service would inform a State of the amount claimed by the taxpayer as his gross income from a mineral property located within the State.

Mr. President, this bill would permit the States to utilize an important source of tax revenue which they now are inhibited from using because of interstate competition. The bill, at little or no cost to the Federal Government, would provide much needed assistance to the States. I hope my colleagues in the Senate will give it their support. I ask unanimous consent that the table previously referred to and the bill be printed at this point in the RECORD.

There being no objection, the table and bill were ordered to be printed in the RECORD, as follows:

State	Production (thousand tons)			Value of production (millions)			Gross severance tax liability under proposal (millions)			Current estimated State severance tax liability (State credit) (millions)	Net severance tax liability under proposal (millions)
	Surface	Underground	Total	Surface	Underground	Total	Surface	Underground	Total		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Alabama	12,130	7,615	19,745	$216.5	$230.4	$446.9	$54.1	$34.6	$88.7	$2.7	$86
Alaska	716		716	7.4		7.4	1.9		1.9		1.9
Arizona	6,432		6,432	19.3		19.3	4.8		4.8		4.8
Arkansas	442	3	445	8.6	.06	8.7	2.2		2.2	.01	2.19
Colorado	3,678	3,282	6,960	19.6	45.6	65.2	4.9	6.8	11.7	.5	11.2
Illinois	26,940	31,140	58,080	234.4	345.7	580.1	58.6	51.9	110.5		110.5
Indiana	25,121	146	25,267	210.0	1.4	211.4	52.5	.2	52.7		52.7
Iowa	277	403	680	2.5	2.8	5.3	.6	.4	1.0		1
Kansas	679		679	5.2		5.2	1.3		1.3		1.3
Kentucky	73,700	59,300	133,000	1,105.5	1,363.9	2,469.4	276.4	204.6	481.0	98.8	382.2
Maryland	2,080	90	2,170	42.8	1.9	44.7	10.7	.3	11.0		11
Missouri	4,625		4,625	29.4		29.4	7.4		7.4		7.4
Montana	14,088	1	14,089	54.9		54.9	13.7		13.7	19.2	(−5.5)
New Mexico	8,888	781	9,669	33.9	11.6	45.5	8.5	1.7	10.2	.2	10
North Dakota	7,400		7,400	16.2		16.2	4.1		4.1	3.7	.4
Ohio	30,520	14,046	44,566	244.2	196.6	440.8	61.1	29.5	90.6	1.8	88.8
Oklahoma	2,375		2,375	25.0		25.0	6.3		6.3		6.3
Pennsylvania	36,862	42,017	78,879	589.8	1,008.4	1,598.2	147.5	151.3	298.8		298.8
Tennessee	4,283	3,398	7,681	89.9	46.7	136.6	22.5	7	29.5	.8	28.7
Texas	7,684		7,684	17.3		17.3	4.3		4.3		4.3
Utah		6,047	6,047		74.01	74.0		11.1	11.1		11.1
Virginia	10,303	22,946	33,249	164.8	642.5	807.3	41.2	96.4	137.6		137.6
Washington	3,900	15	3,915	22.4	.09	22.5	5.6	.01	5.6		5.6
West Virginia	24,017	81,980	105,997	432.3	2,049.5	2,481.8	108.1	307.4	415.5		415.5
Wyoming	20,060	590	20,650	97.3	6.01	103.3	24.3	.9	25.2	4.1	21.1
Total										131.8	1,714.09

Note: Minus 5 percent for 20,000 exemption equals 1,628.4.

S. 2593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 44—SEVERANCE TAX

"Sec. 4991. Imposition of severance tax on coal and oil shale.
"Sec. 4992. Credit against tax.
"Sec. 4993. Definitions.
"Sec. 4994. Information to States.

"Sec. 4991. IMPOSITION OF SEVERANCE TAX ON COAL AND OIL SHALE.

"(a) IMPOSITION OF TAX.—There is hereby imposed on the severance of coal or oil shale from a property located within the United States an excise tax equal to the applicable percentage of the gross income from the property during the taxable year.

"(b) RATE OF TAX.—For purposes of subsection (a), the applicable percentage shall be—

"(1) 25 percent, in the case of extraction of coal or oil shale from the property by surface mining, or

"(2) 15 percent, in the case of extraction of coal or oil shale from the property by any other method.

"(c) LIABILITY FOR TAX.—The tax imposed by this section shall be paid by the person who holds the working interest in the mineral property.

"(d) EXEMPTION.—The provisions of subsection (a) shall not apply to the severance of coal or oil shale from any property which produces less than 20,000 tons of such coal or shale during the taxable year.

"Sec. 4992. CREDIT AGAINST TAX.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by section 4991 on the severance of coal or oil shale from any property an amount equal to the qualified severance taxes paid by the taxpayer during the taxable year with respect to the extraction of such coal or oil shale from such property.

"(b) QUALIFIED SEVERANCE TAXES.—

"(1) IN GENERAL.—For purposes of subsection (a), the term 'qualified severance taxes' means a severance tax paid to a State or local government with respect to the extraction of coal or oil shale from property located within the jurisdiction of such government.

"(2) SEVERANCE TAX.—For purposes of this subsection, the term 'severance tax' means a tax paid with respect to the extraction of coal or oil shale from any property which—

"(A) is paid by the owner of the operating mineral interest in the property,

"(B) is based on gross income from the property which is attributable to—

"(i) extraction of coal or oil shale from such property, and

"(ii) such owner of the operating mineral interest, and

"(C) is required to be paid the State or local government in installments which are required to be paid not less frequently than once every 4 calendar months.

"(3) SPECIAL RULE FOR ROYALTY HOLDERS.—For purposes of subsection (a), the amount of any severance tax paid to a State or local government with respect to the extraction of coal or oil shale from a property located within the jurisdiction of such government by any person who owns a nonoperating mineral interest in such property shall be treated, for purposes of paragraph (1), as being a severance tax paid by the holder of the operating mineral interest in such property.

"(4) EXCLUSIONS.—For purposes of this subsection, the term 'qualified severance tax' does not include any amounts paid as a tax imposed generally on gross sales or gross receipts or as general income tax.

"SEC. 4993. DEFINITIONS.

"For purposes of this chapter—

"(1) GROSS INCOME FROM THE PROPERTY.—The term 'gross income from the property' has the same meaning as it has under section 613(c) except that any rents or royalties paid or incurred by the taxpayer in respect of such property to the United States, a State, or a local government shall be excluded from such gross income.

"(2) OPERATING MINERAL INTEREST.—The term 'operating mineral interest' has the same meaning it has under section 614(d).

"(3) PROPERTY.—The term 'property' has the same meaning it has under section 614 except that no election may be made under section 614(c)(2) to treat a single interest as more than one property for purposes of this chapter.

"(4) UNITED STATES.—The term 'United States' when used in a geographical sense has the same meaning it has under section 638(1).

"SEC. 4994. INFORMATION TO STATES.

"Notwithstanding any other provision of law, the Secretary or his delegate shall, upon request by any official of a State or local government who is lawfully charged with the administration of a severance tax imposed by such State or local government, furnish to such official a copy of any schedule or statement filed by any taxpayer with respect to the taxes imposed by chapter 1 which discloses the amount of gross income from property, within the meaning of section 613(c), located within the jurisdiction of such State or local government. Information disclosed to State or local government officials under this section shall be subject to the provisions of section 6103(b) and, for purposes of section 7213, shall be considered to have been disclosed under section 6103(b)."

(b) The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 44. SEVERANCE TAX.".

(c) Section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) is amended—

(1) by redesignating subsection (e) as subsection (f), and

(2) by inserting immediately after subsection (d) the following new subsection:

"(e) SEVERANCE TAXES.—(1) For purposes of subsection (a), the severance tax amount determined under paragraph (2) of this subsection shall be considered to be a bounty or grant upon the manufacture or production or export of each ton of coal or oil shale imported into the United States. For purposes of subsection (c), notwithstanding subsection (a)(2), the Secretary shall be considered to have published his determination with respect to such bounty or grant on the date of enactment of this subsection.

"(2) For purposes of paragraph (1), the severance tax amount shall be the average amount per ton of severance taxes imposed under chapter 44 of the Internal Revenue Code of 1954 on coal or oil shale, as determined by the Secretary from time to time.

"(3) The provisions of paragraph (1) shall not apply—

"(A) with respect to products derived from coal or oil shale if the fair market value of such products is more than 3 times greater than the fair market value of the coal or oil shale from which they were derived at the time of its extraction, or

"(B) if the President determines that a specific grade of imported coal or oil shale is not directly competitive with coal or oil shale produced in the United States and publishes such determination in the Federal Register.

The provisions of subparagraph (B) shall not apply if either House of Congress enacts a simple resolution disapproving the President's determination under such subparagraph within 60 calendar days after such publication.

"(4) The provisions of subsection (d) do not apply to the additional duty required under this subsection."

By Mr. BIDEN (for himself and Mr. PROXMIRE):

S. 2594. A bill to amend the Truth in Lending Act to provide that price differentials shall not be taken into account for purposes of certain provisions of State law, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BIDEN. Mr. President, I am today introducing, for myself and Senator PROXMIRE, a bill to make certain amendments to the Fair Credit Billing Act. These amendments will clarify several important matters that were not dealt with in the original legislation a year ago. The Consumer Affairs Subcommittee of the Committee on Banking, Housing and Urban Affairs has already held hearings on these issues, and I hope the full committee and the Senate can take up this bill at the earliest opportunity.

Section 167 of the Fair Credit Billing Act of 1974 recognizes that the costs of third-party credit card operations are now distributed to all customers—those who pay by cash or check, as well as those who use credit cards—as part of the base price the merchant sets for his goods or services. Credit card issuers currently prohibit their participating mechants from offering any kind of price differential to cash customers. The result is that those cash customers subsidize the costs of the credit card operations, and contribute indirectly to the benefits and convenience enjoyed by card-holders. That cash customers should have to subsidize credit card users is itself unfair: the unfairness is heightened in many cases because it is the poor who cannot qualify for credit cards and who must therefore always tender cash.

The present section 167 responds to this situation in two ways: it outlaws contractual provisions which prohibit merchants from offering price differentials, and it exempts any differential up to 5 percent from truth in lending disclosure requirements. These provisions simply encourage merchants to give cash customers a price break. Nothing in the present law requires any merchant to offer price differentials. The intent was to permit the consumer marketplace to operate in the same way as the commercial marketplace—where discounts for prompt cash payment are routine.

Two problems have emerged from the statutory language, however:

First. The present language describes the now-permissible price differentials only in terms of "discounts," and the question arises whether a merchant could legally impose a surcharge or premium on card users. This bill would authorize price differentials in any form, including surcharges, so that merchants would have maximum freedom to price their goods, and advertise their goods, as they wished.

I believe there is a great deal of misunderstanding about the surcharge question. First, it should be repeated that nothing in this legislation requires any merchant to offer different prices for cash and credit customers. The merchant must make his own marketing decision. Second, the opponents of surcharges seem to believe that merchants now are not free to raise or lower their base prices at will, and that the surcharges permitted by this bill would always be produced by adding to an established and unchanging base price. Of course, this basic assumption is dead wrong. Merchants set their prices where they wish, according to their judgments about the market. A merchant bent on gouging customers for every possible cent he can get needs no special surcharge authorization. He can inflate his prices across the board and offer no price differential at all. Or he can inflate his price and then offer sham discounts to cash customers. It ought to be apparent that nothing we do to the Fair Credit Billing Act can prevent price gouging. What the surcharge authorization can do, however, is enable a competitive merchant to reduce his base prices, or forgo an otherwise necessary price increase, and pass the costs of his credit card operation directly on to the users of those cards through a separate surcharge for card transactions. Whether any merchant will find this an attractive marketing technique, or whether consumers will want to deal with a merchant who does so, are not the issues. The only issue is whether retailers shall have maximum freedom to differentiate their cash and credit prices.

The insignificance of the "discount-surcharge" distinction can be pointed out from testimony offered in our hearings. One tire store simply lists two prices in all its ads—a cash price and a credit card price. An oil company proposes to set up separate islands of gas pumps in its service stations, cash islands and credit card islands, with different prices at each. Both these merchants are using what can be called "two-tag" pricing. Since it is impossible to say that they are offering either a discount or a surcharge, it is futile to try to specify in the law that one kind of differential is legal while the other is not.

The present law reduces the risk that price differentials will be set arbitrarily and greedily by limiting the exemption from truth in lending disclosure to discounts of 5 percent or less. This bill reinforces that limitation by permitting card issuers, by contract, to limit, to the same 5 percent or less, the amount of differential any of its merchants offer.

Second. The second important provision in this bill would remove an unintended liability from those card issuers whose participating merchants opt for some form of two-tier pricing. Under the laws of a number of States, discounts or surcharges imposed at the point of sale are counted as part of the finance charge for purposes of the State's usury laws. Even though the price differential is imposed, collected, and retained by the merchant, the laws in those States would appear to make the card issuer liable for usurious charges if the total of the differential and the regular monthly finance charge exceeded the permissible rate.

There is nothing in the history of the present law to indicate that Congress intended to subject card issuers to this kind of liability, and it is unfair to do so where the card issuers cannot control the merchant and may not even know that merchants are using a form of two-tier pricing.

This bill contains a direct response to this problem: a limited exemption from State usury laws for price differentials which conform to this law.

Mr. President, the amendments this bill would make to the Fair Credit Billing Act are essentially "tidying-up" amendments. They will clarify matters which simply did not surface in Congress initial consideration of this legislation a year ago. They are altogether consistent with the purpose of the present law. And they are consistent with the goal of assuring the American consumer the most competitive possible marketplace. I hope my colleagues on the committee and in the Senate proper will adopt these measures quickly so that there is the smallest possible gap between the effective date of the Fair Credit Billing Act itself and these necessary additions to it.

Mr. President, I ask unanimous consent that the bill be included in the RECORD at the end of my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 111(b) of the Truth in Lending Act is amended by striking out "This" and inserting in lieu thereof "Except as provided in section 167(c), this".

(b) Section 167(a) of such Act is amended—

(1) by striking out "to a cardholder to include the cardholder to pay" and inserting in lieu thereof the following: "or otherwise maintaining a price differential, not in excess of 5 per centum, to induce payment"; and

(2) by inserting after "rather than" the word "by," and by inserting after "use" the word "of".

(c) Section 167(b) of such Act is amended by inserting after "discount" each time it appears the following: "or price differential".

(d) Section 167 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Any discount or price differential which meets the requirements of subsection (b) shall not be taken into account for the purpose of applying the laws of any State relating to permissible types, amounts, or rates of charges, or any element of charges, or for the purpose of the laws of any State relating to the disclosure of information, in connection with the extension of consumer credit."

By Mr. STEVENS:

S. 2595. A bill to amend section 2105 (c), United States Code, so that employees of nonappropriated fund instrumentalities will be deemed employees of the U.S. Government, fully covered by laws administered by the Civil Service Commission. Referred to the Committee on Post Office and Civil Service.

Mr. STEVENS. Mr. President, today I am introducing a bill which will grant full parity for nonappropriated fund Federal employees with appropriated fund Federal employees, both in wages as well as fringe benefits. The purpose of this bill is to end the discrimination these dedicated nonappropriated fund employees have endured. These nonappropriated fund employees perform many of the same duties that appropriated employees perform, but are paid considerably less and are not entitled to the fringe benefits enjoyed by other civil servants. There are approximately 140,000 nonappropriated fund employees in the United States including Guam and Puerto Rico.

The unfair distinction drawn between nonappropriated fund employees and their counterparts, appropriated fund employees, should be erased. Both these groups perform the same range of services and yet, as pointed out, the nonappropriated fund employees are treated inequitably. For example, in Alaska, appropriated fund employees performing identical tasks as nonappropriated fund employees receive from 30 to 60 percent higher hourly wages in grades 1 through 10.

In 1972, Congress granted partial relief to some nonappropriated fund employees by enacting Public Law 92–392—Wage Grade Act. However, this effort has not totally eliminated the disparity in pay which is still significant.

I am hopeful we will be able to resolve this matter during this Congress.

Mr. President, I ask unanimous consent that this bill be inserted in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2105 (c), Title 5, United States Code (Government Organization and Employees) is amended to read as follows:

"(c) An employee paid from non-appropriated funds of any instrumentality under the jurisdiction of any United States Government agency, including but not limited to the Veterans' Canteen Service, Veterans Administration, Department of Transportation, United States Public Health Service, NASA, the Army-Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Ship's Stores Ashore, Navy exchanges, Marine Corps exchanges, Coast Guard exchanges, and other instrumentalities of the United States conducted for the comfort, pleasure, contentment, and mental and physical improvement of personnel of any United States government agency, including the armed forces, is deemed an employee."

This subsection does not affect the status of these nonappropriated fund activities as Federal instrumentalities.

By Mr. PROXMIRE (for himself and Mr. PACKWOOD):

S. 2596. A bill to revise the Real Estate Settlement Procedures Act of 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

REAL ESTATE SETTLEMENT PROCEDURES ACT AMENDMENTS

Mr. PROXMIRE. Mr. President, this morning Senator PACKWOOD and I are introducing a bill to revise the Real Estate Settlement Procedures Act of 1974, commonly known as RESPA. The problems created by this legislation are now familiar to most Senators. I cannot recall a piece of supposedly proconsumer legislation that has prompted such an outcry from both the affected industries and from those supposedly aided by the legislation.

The Banking Committee held 3 days of hearings last month, which fully documented that RESPA is not workable in its present form. As a temporary solution, the committee reported and the Senate passed S. 2327, which is now before the House Banking Committee. S. 2327 would suspend sections 4, 6, and 7 of RESPA, to relieve the most burdensome provisions of this act while the committee devises a permanent revision.

The committee staff has now prepared recommendations for a revised real estate settlements law. The legislation which the Senator from Oregon and I are introducing today is a consensus bill that should have broad bipartisan support. It retains those provisions of RESPA, such as the antikickback language in section 8 which are truly beneficial to the consumer, but at the same time we clarify certain ambiguities in the present law that have caused confusion. Two sections—6 and 7—are repealed outright. Those sections which required advance disclosure of closing costs and in some cases of previous selling price worked the greatest hardship and delay.

In addition, we make numerous technical revisions in other sections of the law. And this bill also provides new protections for the homebuyer even as it makes RESPA less difficult for the affected industries. Instead of the present complicated disclosure 12 days in advance of real estate settlements, which is early enough to produce headaches for the lender but too late to provide much benefit to the borrower, we provide that the lender shall make a good-faith estimate of typical closing costs at the time of loan application. The actual closing costs shall be available for inspection if the buyer wants to see them 1 day before the actual closing.

Another fallacy in the existing law is the idea that detailed disclosure will permit the buyer to shop around for settlement services and thereby lower costs. The problem is that nothing prevents the lender from requiring the buyer to use a particular, high-priced settlement attorney or title company. So all the disclosure and the attendant paperwork may be for naught. Our bill provides that the lender may not order the borrower to use a certain title company. If the lender does not accept the borrower's choice of attorney to perform the title search, the lender must give the borrower a choice of three whose opinion the lender will accept. In this way the borrower, armed with the estimate of probable closing costs which he will now obtain much earlier in the process, has a genuine opportunity to shop around, but at the same time the amount of paperwork and confusion to the lender is sharply reduced.

We also clarify what kinds of transactions are covered; we simplify the limitations on escrow requirements in section 10 and we give the Secretary of Housing and Urban Development improved authority to issue rulings.

I am convinced that this bill will meet the objections to the present act while it preserves and even extends protections for homebuyers in real estate transactions. When a law like RESPA turns out to be badly flawed, we should not be too proud to go back to the drawing board, even though this law has only been in effect some 4 months. A companion bill has been introduced in the House, and has won broad, bipartisan support. I am hopeful that the Congress will take early action on the RESPA revisions.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Real Estate Settlement Procedures Act Amendments".

SEC. 2. Section 3 (1) of the Real Estate Settlement Procedures of 1974 is amended as follows:

(1) After "includes any loan", insert the following: "(other than temporary financing such as a construction loan)".

(2) In subclause (A), after "is secured by," insert "a first lien on".

(3) In subclause (B) (iii), strike out "is eligible" and insert in lieu thereof "is intended by the originating lender", strike out "or" immediately after "Association,", strike out "from any" and insert in lieu thereof "a", and strike out "could" and insert in lieu thereof "is to".

(4) In subclause (B) (iv), insert before the semicolon at the end thereof a comma and add the following: "except that for the purpose of this Act, the term 'creditor' does not include any agency or instrumentality of a State".

SEC. 3. (a) The last sentence of section 4 of the Real Estate Settlement Procedures Act of 1974 is amended by striking out all after "requirements of that Act" and inserting in lieu thereof a period.

(b) Such section is amended by adding at the end thereof the following: "The form prescribed under this section shall be completed and made available for inspection to the borrower by the person conducting the settlement at least one business day prior to settlement, except that (1) the Secretary may exempt from the requirements of this section settlements occurring in localities where the final settlement statement is not customarily provided at the date of settlement, and (2) the borrower may, in accordance with regulations of the Secretary, waive his right to have the form made available at such time. The Secretary may, by regulation, permit the deletion from the form prescribed under this section items which are not, under local laws or customs, applicable in any locality, except that such regulation shall require that the numerical code prescribed by the Secretary be retained in forms to be used in all localities. Nothing in this section may be construed to require that part of the standard form which relates to the borrower's transaction to be furnished to the seller, or to require that part of the standard form which relates to the seller's transaction to be furnished to the borrower.".

SEC. 4. Section 5 of the Real Estate Settlement Procedures Act of 1974 is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(2) by inserting after subsection (b) the following new subsection:

"(c) Each lender shall, in accordance with regulations prescribed by the Secretary, include with the booklet a good faith estimate of the charges or range of charges the borrower is likely to incur in connection with the settlement."; and

(3) by striking out in the first sentence of subsection (d), as redesignated, "an application" and inserting in lieu thereof "a written application".

SEC. 5. Section 6 of the Real Estate Settlement Procedures Act of 1974 is repealed.

SEC. 6. Section 7 of the Real Estate Settlement Procedures Act of 1974 is repealed.

"SEC. 7. Section 8 of the Real Estate Settlement Procedures Act of 1974 is amended—

(1) in subsection (c), by striking out "or" immediately before "(2)", and by inserting before the period at the end thereof a comma and the following: "or (3) payments pursuant to cooperative brokerage and referral arrangements or agreements between real estate agents or brokers."; and

(2) by adding at the end thereof the following:

"(e) The Secretary, after consultation with the Attorney General, is authorized to issue interpretive opinions defining the types or classes of payments or transactions that are covered or excepted from coverage of this section."

SEC. 8. Section 9 of the Real Estate Settlement Procedures Act of 1974 is amended to read as follows:

"TITLE COMPANIES; ATTORNEYS

"SEC. 9. (a) (1) A seller of property which will be purchased with the assistance of a federally related mortgage loan may not require, directly or indirectly, as a condition to selling the property, that title insurance covering the property be purchased by the buyer from any particular title company, or that a title opinion relating to such property be obtained from, or that a search of the title to such property be performed by, any particular attorney.

"(2) A lender may not require, directly or indirectly, as a condition of making a federally related mortgage loan, that title insurance covering the property to be acquired with the proceeds of the loan be purchased from any particular title company or companies, or that a title opinion relating to such property be obtained from, or that a search of the title to such property be performed by, any particular attorney.

"(3) Nothing in this subsection may be construed to prohibit a lender from refusing to accept a title opinion furnished or a title search performed by a particular attorney, if the lender permits the borrower to choose from at least three attorneys acceptable to the lender, in accordance with regulations prescribed by the Secretary.

"(b) Any person who violates the provisions of subsection (a) shall be liable to the buyer in an amount equal to three times all charges made for such title insurance, or three times all attorneys fees charged for such title opinion or title search, as the case may be.".

SEC. 9. Section 10 of the Real Estate Settlement Procedures Act of 1974 is amended to read as follows:

"ESCROW ACCOUNTS

"SEC. 10. A lender, in connection with a federally related mortgage loan, may not require the borrower or prospective borrower—

"(1) to deposit in any escrow account which may be established in connection with such loan for the purpose of assuring payment of taxes, insurance premiums, or other charges with respect to the property, in connection with the settlement, an aggregate sum (for such purpose) in excess of a sum that will be sufficient to pay such taxes, insurance premiums and other charges attributable to the period beginning on the last date on which each such charge would have been paid under the normal lending practice of the lender and local custom, provided that the selection of each such date constitutes prudent lending practice, and ending on the due date of the first full installment payment under the mortgage, plus one-sixth of the estimated total amount of such taxes, insurance premiums and other charges to be paid on dates, as provided above, during the ensuing twelve-month period; or

"(2) to deposit in any such escrow account any month beginning with the first full installment payment under the mortgage a sum (for the purpose of assuring payment of taxes, insurance premiums and other charges with respect to the property) in excess of the sum of (A) one-twelfth of the total amount of the estimated taxes, insurance premiums, and other charges which are reasonably anticipated to be paid on dates during the ensuing twelve months which dates are in accordance with the normal lending practice of the lender and local custom: *Provided,* That the selection of each such date constitutes prudent lending practice, plus (B) such amount as is necessary to maintain an additional balance in such escrow account not to exceed one-sixth of the estimated total amount of such taxes, insurance premiums, and other charges to be paid on dates, as provided above, during ensuing twelve-month period: *Provided, however,* That in the event the lender determines there will be or is a deficiency he shall not be prohibited from requiring additional monthly deposits in such escrow account to avoid or eliminate such deficiency.".

SEC. 10. Section 18 of the Real Estate Settlement Procedures Act of 1974 is amended by striking out subsection (b), and by striking out "(a)" after "Sec. 18".

SEC. 11. The Real Estate Settlement Procedures Act of 1974 is amended by redesignating section 19 as section 20 and by inserting before such section a new section 19 to read as follows:

"AUTHORITY OF THE SECRETARY

"SEC. 19. (a) The Secretary is authorized to prescribe such rules and regulations, to make such interpretations, and to grant such reasonable exemptions for classes of transactions, as may be necessary to achieve the purposes of this Act.

"(b) No provision of this Act or the laws of any State imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Secretary or the Attorney General, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.".

SEC. 12. Section 121(c) of the Truth in Lending Act is repealed.

SEC. 13. The provisions of this Act and the amendments made hereby shall become effective upon enactment, except that the Secretary may, during the 180 day period beginning on the date of enactment of this Act, suspend for all or any part of such period the effectiveness of any provision of this Act or the Real Estate Settlement Procedures Act of 1974 if the Secretary determines such suspension is necessary to carry out the purposes of either Act in an orderly manner.

Mr. PACKWOOD. Mr. President, I am pleased to join the Senator from Wisconsin (Mr. PROXMIRE) in sponsoring legislation to amend and perfect the Real Estate Settlement Procedures Act of 1974.

During the 5 months since the Real Estate Settlement Procedures Act became effective on June 20, 1975 a number of problems have surfaced. The most serious of these has been connected with the lack of effective flexibility in the act and the implementing regulations. For example, home buyers have been inconvenienced by the inability to have closings done promptly due to the time period required for advance disclosure. Mortgage lenders too, have been burdened with redtape and high costs involved in complying with the advance disclosure requirements of the act. The uniform statement required under existing regulations has also been confusing to both mortgage lenders and the consumer. Additionally, home sellers have felt that the requirement that they disclose the prior selling price has been an invasion of their privacy.

Though the existing law is plagued with many problems, I believe that the home buyer needs many of the basic protections afforded under the Real Estate

Settlement Procedures Act. The real estate closing procedure is an extremely complex activity involving one of the most important financial transactions that the typical consumer will be involved in. Some type of advanced information is essential to inform most consumers of the real estate closing procedure.

Our bill meets both of these objectives by simplifying the disclosure procedures under the act and yet retaining the basic thrust of the law to provide the consumer with sufficient information to shop for closing services and to be prepared at the time of the closing to transact the closing business.

To perfect this, the bill would make more flexible the requirement for the use of uniform settlement statements. In lieu of requiring a specific advanced closing statement, the bill would require each lender to include with the information booklet given the borrower a good faith estimate of the range of charges that the borrower is likely to incur in connection with settlement. In addition, our proposal repeals the section requiring advanced disclosure of the prior selling price and clarifies other provisions in the act.

This is a good approach to the problem and I urge that early action be taken on this legislation.

By Mr. BURDICK (for himself, Mr. Hruska, Mr. Hugh Scott, Mr. McClellan, Mr. Griffin, and Mr. Buckley):

S. 2597. A bill to amend the Bankruptcy Act to add a new chapter thereto providing for the adjustment of the debts of major municipalities. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, today I am introducing for myself and five colleagues a bill which would amend the Bankruptcy Act by adding a new chapter thereto which would provide for the adjustment of the debts of major municipalities.

The administration submitted this legislation because of the inadequacies of chapter IX of the current Bankruptcy Act in its application to the problem of major municipalities. It is hoped that this bill will go a long way toward providing a desirable alternative to chapter IX of the Bankruptcy Act.

I am not wedded to each and every proposal in this bill but it is an adequate starting point for legislative consideration.

Mr. HRUSKA. Mr. President, I am happy to join in cosponsoring a bill to amend the bankruptcy laws to add a new chapter dealing with the adjustment of debts of major municipalities; and as introduced by the Senator from North Dakota, Mr. Burdick.

Mr. President, I approve the thoughts which President Ford expressed yesterday, namely among others, that no one wishes to see any great city undergo bankruptcy. As unpleasant a prospect as bankruptcy is, we cannot, however, ignore the fact that there is a distinct possibility that New York City faces this procedure. The bill introduced today by the Senator from North Dakota (Mr. Burdick) seeks to provide more effective remedies than are contained in present law should the city of New York find itself with no alternative to bankruptcy.

I have opposed a Federal bailout of New York City. This bill as introduced would not provide for any Federal guarantee but would instead allow and make possible for New York to formulate and execute in an orderly manner a plan to solve its fiscal problems. It would provide protections for creditors yet allow the city to continue essential services, raise new funds, and rehabilitate itself financially.

As President Ford made clear yesterday:

> This proposed legislation will not, by itself, put the affairs of New York City in order. Some hard measures must be taken by the officials of New York City and New York State.

Mr. President, I am extremely pleased that my distinguished colleague from North Dakota, Senator Burdick, chairman of the Subcommittee on Improvements in Judicial Machinery has already called for hearings for tomorrow on the President's proposal. While I am not prepared to endorse each and every provision of this bill, I believe that it will serve as a useful vehicle for the subcommittee and the Senate, allowing us to focus consideration and debate on the questions which will arise should New York City petition to follow the course and procedures which the measure provides. I hope that the Senate and the other body will follow Senator Burdick's lead and give appropriate attention to this matter.

Mr. President, I ask unanimous consent that there be printed in the Record the text of the bill and analysis of the bill forwarded by Antonin Scalia, Assistant Attorney General, Office of Legal Counsel.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankruptcy Act of 1893 (30 Stat. 544), as amended, is hereby amended to add a new Chapter XVI thereto reading as follows:

Chapter XVI—Adjustment of Indebtedness of Major Municipalities

JURISDICTION AND RESERVATION OF POWERS

Sec. 801. (a) This Act and proceedings thereunder are found and declared to be within the subject of bankruptcies and, in addition to the jurisdiction otherwise exercised, courts of bankruptcy shall exercise original jurisdiction as provided in this chapter for the composition or extension of the debts of certain public agencies or instrumentalities or political subdivisions. The court in which the petition is filed in accordance with Subsection 804(c) shall exercise exclusive jurisdiction for the adjustment of petitioner's debts and, for purposes of this chapter, shall have exclusive jurisdiction of petitioner and its property, wherever located.

(b) Nothing contained in this chapter shall be construed to limit or impair the power of any State to control by legislation or otherwise, any public agency or instrumentality or political subdivision of the State in the exercise of its political or governmental powers, including expenditure therefor: *Provided, however,* that no State law prescribing a method of composition of indebtedness of such agencies shall be binding upon any creditor who does not consent to such composition, and no judgment shall be entered under such State law which would bind a creditor to such composition without his consent.

DEFINITIONS

Sec. 802. The words and phrases used in this chapter have the following meanings unless they are inconsistent with the context.

(1) The term "attorney" means an attorney licensed to practice law by any State and includes a law partnership.

(2) The term "claim" means a demand for performance of an obligation to pay money, whether matured or unmatured.

(3) The term "composition" means a plan for payment of less than the full amount of debts provided for by the plan, with or without the extension of time for payment of such debts.

(4) The term "court" means United States District Court sitting in bankruptcy, and the terms "clerk" and "judge" shall mean the clerk and judge of such court.

(5) The term "creditor" means any person who owns a claim against the petitioner. With respect to such claims owned by a trustee under a mortgage deed of trust, or indenture, pursuant to which there are securities outstanding, other than voting trust certificates, the term "creditor" means only the trustee.

(6) The term "lien" means a security interest in property, a lien obtained on property by levy, sequestration or other legal or equitable process, a statutory or common-law lien on property, or any other variety of charge against property to secure performance of an obligation.

ELIGIBILITY FOR RELIEF

Sec. 803. (a) Any municipality with a population in excess of 1,000,000 inhabitants is eligible for relief under this chapter, if the municipality is first specifically authorized by the State to file a petition initiating a proceeding under this chapter.

(b) Any public agency or instrumentality or political subdivision subordinate to such municipality or whose responsibilities are restricted to the geographical limits thereof, including incorporated authorities, commissions and districts, for whose debts such municipality is not otherwise liable, is eligible for relief as a separate petitioner in the same proceeding in which such municipality seeks relief under this chapter if such chapter if such agency, instrumentality or subdivision is not prohibited from filing a petition by applicable State law.

PETITION; PROPOSED PLAN AND STATEMENT OF REVENUE AND EXPENDITURES; FILING

Sec. 804. (a) Any entity eligible for relief under Section 803 may file a voluntary petition under this chapter. The petition shall state that the petitioner is eligible to file a petition, that the petitioner is insolvent or unable to pay its debs as they mature and that it desires to effect a plan of composition or extension of its debts. The petitioner shall file with its petition lists of claims outstanding and of persons who may be adversely affected by the plan, as set forth in Section 809.

(b) A petition shall be insufficient to invoke the jurisdiction of the court unless it is accompanied by (1) a good faith plan of composition or extension of debts which petitioner certifies is in its view fair, equitable, feasible, and not unfairly discriminatory in favor of any creditor or class of creditors and (2) a statement of petitioner's current and projected revenues and expenditures adequate to establish that the budget of petitioner will be in balance within a reasonable time after adoption of the plan.

(c) The petition shall be filed with the court in whose territorial jurisdiction the municipality or the major part thereof is located, and shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in lieu of the fee required to be collected by the clerk under other applicable chapters of this title, as amended.

STAY OF PROCEEDINGS

SEC. 805. (a) A petition filed under Section 804 shall operate as a stay of the commencement or the continuation of any court or other proceeding against the petitioner, its property or any officer or inhabitant of the petitioner, which seeks to enforce any claim against the petitioner; as a stay of any act or the commencement or continuation of any court proceeding to enforce any lien on taxes or assessments, or to reach any property of the petitioner; and as a stay of the application of any set-off or enforcement of any counterclaim relating to any contract, debt or obligation of the petitioner.

(b) Except as it may be terminated, annulled, modified, or conditioned by the court under Subsection (c) of this Section, the stay provided by Subsection (a) of this Section shall continue until the case is closed or dismissed or the property subject to the lien is, with the approval of the court, abandoned or transferred.

(c) On the filing of a motion seeking relief from a stay provided by Subsection (a) of this Section, the court shall set a hearing for the earliest possible date. The court may, for cause shown, terminate, annul, modify or condition such stay.

(d) The commencement or continuation of any act or proceeding other than described in Subsection (a) of this Section may be stayed, restrained, or enjoined pursuant to Rule 65 of the Federal Rules of Civil Procedure, except that a temporary restraining order or preliminary injunction may be issued without compliance with subdivision (c) of that rule.

(e) No stay, order, or decree of the court may interfere with (1) any of the political or governmental powers of the petitioner; or (2) any of the property or revenues of the petitioner necessary for essential governmental purposes; or (3) the petitioner's use or enjoyment of any income-producing property. Provided, however, that the court shall enforce the conditions attached to certificates of indebtedness issued under section 811 and the provisions of the plan of composition or extension.

CONTESTANT AND DISMISSAL OF PETITION

SEC. 806. (a) Any creditor may file a complaint in the bankruptcy court contesting the petition for relief under this chapter or stating any objection he has to the plan. The complaint may be filed at any time up to ten days before the hearing on the confirmation of the plan or within such other times as may be directed by the court.

(b) The court may, upon notice to the creditors and a hearing following the filing of such a complaint, dismiss the proceeding if it finds that the petition was not filed in good faith, that it does not meet the provisions of this chapter, that it has not been prosecuted with reasonable diligence, or that there is no substantial likelihood that a plan of composition will be approved by the court.

NOTICES

SEC. 807. (a) The clerk shall give prompt notice of the commencement of a proceeding under this chapter to the State and to the Securities and Exchange Commission. As creditors and other persons who may be materially and adversely affected by the plan are identified, the clerk shall give such persons notice of the commencement of the proceeding, a summary of the provisions of the plan and any proposed modification of the plan, and of their right to request a copy of the plan, or modification.

(b) The clerk shall also give notice to all creditors of the time permitted for accepting or rejecting a plan or any modification thereof. Such time shall be 90 days from the filing of the plan or modification unless the court for good cause shall set some other time.

(c) The clerk shall also give notice to all creditors (1) of the time permitted for filing a complaint objecting to confirmation of a plan, (2) of the date set for hearing objections to such complaint, (3) of the date of hearing of a complaint seeking dismissal of the petition, and (4) of the date of the hearing on confirmation of the plan.

(d) All notices given by the clerk shall be given in the manner directed by the court; however, the court may issue an order at any time subsequent to the first notice to creditors directing that those persons desiring written notice file a request with the court. If the court enters such an order persons not so requesting will receive no further written notice of proceedings under the chapter.

(e) Cost of notice shall be borne by the petitioner, unless the court for good cause determines that the cost of notice in a particular instance should be borne by another party.

REPRESENTATION OF CREDITORS

SEC. 808. For all purposes of this chapter any creditor may act in person or by an attorney or a duly authorized agent or committee. Where any committee, organization, group, or individual shall assume to act for or on behalf of creditors, such committee, organization, group, or individual shall first file with the court in which the proceeding is pending a list of the creditors represented, giving the name and address of each and describing the amount and character of the claim of each; copies of the instrument or instruments in writing signed by such creditors conferring the authority for representation; and a copy of the contract or contracts of agreement entered into between such committee, organization, group, or individual and the represented creditors, which contract or contracts shall disclose all compensation to be received, directly or indirectly for such representation, which agreed compensation shall be subject to modification and approval by the court.

LIST OF CLAIMS AND PERSONS ADVERSELY AFFECTED

SEC. 809. (a) The list of claims filed with the petition shall include, to the extent practicable, the name of each known creditor to be affected by the plan, his address so far as known to the petitioner, and a description of each claim showing its amount and character, the nature of any security therefor and whether the claim is disputed, contingent or unliquidated as to amount. With respect to creditors not identified, the petition shall set forth the reasons identification is not practicable, and shall specify the character of claim involved. The list shall be supplemented as petitioner becomes able to identify additional creditors.

(b) If the proposed plan requires revision of assessments so that the proportion of special assessments or special taxes to be assessed against some real property will be different from the proportion in effect at the date the petition is filed, the holders of record of title, legal or equitable, to such real property shall be deemed persons adversely affected and shall be similarly listed.

(c) The court may for cause modify the requirements of Subsections (b) and (c) of this Section.

PROOFS OF CLAIM

SEC. 810. Unless an objection is made by any party in interest, the claim of a creditor that is not disputed, is established by the list of claims filed pursuant to Section 809. The court may set a date by which proofs of claim of unlisted creditors and of creditors whose listed claims are disputed must be filed. If the court does not set such a date, the proofs must be filed before the entry of the order of confirmation. The clerk shall give notice to each person whose claim is listed as disputed in the manner directed by the court.

DEBT CERTIFICATES

SEC. 811. During the pendency of a proceeding for a plan of composition or extension under this chapter, or after the confirmation of the plan if the court has retained jurisdiction, the court may, upon good cause shown, authorize the petitioner to issue certificates of indebtedness for cash, property or other consideration, under such terms and conditions and with such security and priority in payment over existing obligations as the court may approve. Notwithstanding any other provision of law including Section 819 of this chapter, the court shall have plenary jurisdiction of any action which may be brought against petitioner to enforce compliance with the terms of any such certificates of indebtedness.

PRIORITIES

SEC. 812. The following shall be paid in full in advance of the payment of any distribution to creditors under a plan, in the following order:

(1) The cost and expenses of administration which are incurred by the petitioner subsequent to the filing of a petition under this chapter.

(2) Debts owed for services and materials actually provided within four months before the date of the filing of the petition under this chapter.

(3) Debts owing to any person or entity, which by the laws of the United States (other than this Act) are entitled to priority.

PLAN OF ADJUSTMENT

SEC. 813. The plan of composition or extension sought under this chapter may include provisions modifying or altering the right of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character, or otherwise, and may contain such other provisions and agreements not inconsistent with this chapter as the parties may desire, including provisions for the rejection of executory contracts and unexpired leases.

VOTING ON ACCEPTANCE OF PLAN

SEC. 814. (a) A plan of composition or extension may be confirmed only if, of the creditors voting in writing to accept or reject the plan, those holding two-thirds in amount of each class materially and adversely affected have voted to accept: *Provided, however,* that no such acceptance shall be required from any class which, under the plan, is to be paid in cash, the value of its claims or is to be afforded such method of protection as will, consistent with the circumstances of the particular case, equitably and fairly provide for the realization of the value of its claims.

(b) Unless his claim has been disallowed, any creditor who is included on the list filed pursuant to Section 809 or who files a proof of claim pursuant to Section 810 is entitled to vote to accept or reject a plan or modification thereof within the time set pursuant to Subsection 807(b). Claims owned, held or controlled by the petitioner are not eligible to vote.

(c) The holders of all claims regardless of the manner in which they are evidenced, which are payable without preference out of funds derived from the same source or sources shall be of one class. The holders of claims for the payment of which specific property or revenues are pledged, or which are otherwise given preference as provided by law, shall constitute a separate class or classes of creditors.

(d) If any controversy shall arise as to whether any creditor or class of creditors shall or shall not be materially and adversely affected, the issue shall be determined by the judge, after hearing, upon notice to the parties interested.

MODIFICATION OF PLAN

SEC. 815. Before a plan is confirmed, changes and modifications may be made therein with the approval of the judge after hearing and upon such notice to creditors as the judge may direct, subject to the right of any creditor who has previously accepted the plan to withdraw his acceptance in writing, within a period to be fixed by the judge, if, in the opinion of the judge, the change or modification will materially and adversely affect such creditor; and if any creditor having such right of withdrawal shall not withdraw within such period, he shall be deemed to have accepted the plan as changed or modified: *Provided, however,* That the plan as changed or modified shall comply with all the provisions of this chapter and shall have been accepted in writing by the petitioner.

HEARING ON CONFIRMATION OF PLAN

SEC. 816. (a) Within a reasonable time after the expiration of the time within which a plan and any modifications thereof may be accepted or rejected, the court shall set a hearing on the confirmation of the plan and modifications, and the clerk shall give notice of the hearing and time allowed for filing objections as provided in Subsection 807(c).

(b) Any creditor, or any other party in interest may file a complaint objecting to the confirmation of the plan. The complaint shall be served on the petitioner, and such other persons as may be designated by the court, at any time prior to the date of the hearing on confirmation or such earlier date as the court may set.

(c) Before concluding the hearing on confirmation of the plan the judge shall inquire whether any person promoting the plan or doing anything of such a nature, has been or is to be compensated, directly or indirectly, by both the petitioner and any creditor, and shall take evidence under oath to ascertain whether any such practice obtains. After such examination the judge shall make an adjudication of this issue, and if he finds that any such practice obtains, he shall forthwith dismiss the proceeding and tax all of the costs against such person, or against the petitioner, unless such plan be modified within the time to be allowed by the judge so as to eliminate the possibility of any such practice.

(d) At the conclusion of the hearing, the judge shall make written findings of fact and his conclusions of law thereon, and shall enter a decree confirming the plan if he finds and is satisfied that (1) it is fair, equitable, feasible and not unfairly discriminatory in favor of any creditor or class of creditors; (2) it complies with the provisions of this chapter; (3) it has been accepted by creditors as required in section 814; (4) all amounts to be paid by the petitioner for services or expenses incident to the composition have been fully disclosed and are reasonable; (5) the offer of the plan and its acceptance are in good faith; (6) the petitioner is authorized by law to take all action necessary to be taken by it to carry out the plan, and (7) it appears from petitioner's current and projected revenues and expenditures that the budget of the petitioner will be in balance within a reasonable time after adoption of the plan. If not so satisfied, the judge shall enter an order dismissing the proceeding. No case shall be reversed or remanded for want of specific or detailed findings unless it is found that the evidence is insufficient to support one or more of the general findings required in this section.

EFFECT OF CONFIRMATION

SEC. 817. (a) The provision of a confirmed plan shall be binding on the petitioner and on all creditors, whether or not they are affected by it, and whether or not their claims have been listed, filed, or allowed, and whether or not they have accepted the plan.

(b) The confirmation of a plan shall extinguish all claims against the petitioner provided for by the plan other than those excepted from discharge by the plan or order confirming the plan.

DUTY OF PETITIONER AND DISTRIBUTION UNDER PLAN

SEC. 818. (a) The petitioner shall comply with the provisions of the plan and the orders of the court relative thereto and shall take all actions necessary to carry out the plan.

(b) Subject to the provisions of subsection (c), distribution shall be made in accordance with the provisions of the plan to creditors (1) whose proofs of claim have been filed and allowed or (2) whose claims have been listed and are not disputed. Distribution to creditors holding securities of record shall be made to the record holders as of the date the order confirming the plan becomes final.

(c) When a plan requires presentment or surrender of securities or the performance of any other act as a condition to participation under the plan, such action must be taken not later than five years after the entry of the order of confirmation. Persons who have not within such time presented or surrendered their securities or taken such other action shall not participate in the distribution under the plan. Any securities, monies, or other property remaining unclaimed at the expiration of the time allowed for presentment or surrender of securities or the performance of any other act as a condition to participation in the distribution under a confirmed plan shall become the property of the petitioner.

(d) The court may direct the petitioner and other necessary parties to execute and deliver or to join in the execution and delivery of any instruments required to effect a transfer of property pursuant to the confirmed plan and to perform such other acts, including the satisfaction of liens, as the court may determine to be necessary for the consummation of the plan.

RETENTION OF JURISDICTION

SEC. 8919. The court may retain jurisdiction of a proceeding under this chapter for such period as it determines is necessary to assure execution of the plan.

REFERENCE OF ISSUES AND COMPENSATION

SEC. 820. (a) The judge may refer any special issues of fact to a referee in bankruptcy, magistrate or another special master for consideration, the taking of testimony, and a report upon such special issues of fact, if the judge finds that the condition of his docket is such that he cannot take such testimony without unduly delaying the dispatch of other business pending in his court, and if it appears that such special issues are necessary to the determination of the case. Only under special circumstances shall reference be made to a special master who is not a referee in bankruptcy or a magistrate. A general reference of the case to a master shall not be made, but the reference, if any, shall be only in the form of requests for findings of specific facts.

(b) The court may allow reasonable compensation for the services performed by any such special master who is not a salaried Federal employee, and the actual and necessary expenses incurred in connection with the proceeding, including compensation for services, rendered and expenses incurred in obtaining the deposit of securities and the preparation of the plan, whether such work may have been done by the petitioner of the plan, whether such work may have been done by the petitioner or by committees or other representatives of creditors, and may allow reasonable compensation for the attorneys or agents of any of the foregoing: *Provided, however,* That no fees, compensation, reimbursement, or other allowances for attorneys, agents, committees, or other representatives of creditors shall be assessed against the petitioner or paid from any revenues, property, or funds of the petitioner except in the manner and in such sums, if any, as may be provided for in the plan of adjustment. An appeal may be taken from any order making such determination or award to the United States Court of Appeals for the circuit in which the proceeding under this chapter is pending, independently of other appeals which may be taken in the proceeding, and such appeal shall be heard summarily.

SEPARABILITY

SEC. 821. If any provision of this chapter, or the application thereof to any agency, instrumentality, or subdivision is held invalid, the remainder of the chapter, or the application of such provision to any other agency or instrumentality or political subdivision shall not be affected by such holding.

SECTION-BY-SECTION ANALYSIS

The existing Bankruptcy Act of 1898, as amended, contains in Chapter IX provisions to handle bankruptcy proceedings involving municipalities. For several reasons, these are inadequate to handle the bankruptcy of a major city. The present bill does not modify the provisions of Chapter IX, but adds a new Chapter XVI to the Bankruptcy Act, for use by major municipalities as an alternative to Chapter IX.

JURISDICTION AND RESERVATION OF POWERS

Subsection 801(a) of the bill provides that proceedings under Chapter XVI are within the subject of bankruptcies and gives the court receiving a petition broad power to deal with the resulting proceedings. Compare Section 81 of the Bankruptcy Act, 11 U.S.C. 401. Original jurisdiction is provided for the composition and extension of debts under this Chapter.

Subsection 801(b) reserves to the states the power to control public agencies of the states. Such a reservation is desirable to avoid questions of the constitutionality of the proceedings. See *Ashton* v. *Cameron County Improvement District*, 298 U.S. 518. This follows the language of Section 83(i) of the Bankruptcy Act, 11 U.S.C. 403(i).

DEFINITIONS

Section 802 contains definitions to avoid the repetitious use of language throughout the bill and to clarify the meaning of terms used.

ELIGIBILITY FOR RELIEF

Subsection 803(a) provides that any municipality with a population in excess of 1,000,000 inhabitants is eligible for relief under this Chapter if the petitioner is first specifically authorized by the State to file a petition under this Chapter.

Subsection 803(b) would permit any public agency, instrumentality or political subdivision subordinate to the municipality, or whose responsibilities are restricted to the geographical limits of the municipality, for whose debts the municipality is not otherwise liable, to file a petition for debt relief in the same proceeding. While separate plans of debt adjustment would be required, the bankruptcies would be treated simultaneously, before the same judge. This is desirable to enable overall consideration of the problems of all local governmental entities which may be affected by the bankruptcy of a major city, but which are legally autonomous.

PETITION; PROPOSED PLAN AND STATEMENT OF REVENUES AND EXPENDITURES; FILING

Section 804(a) requires the petitioner to recite that it is eligible to file a petition under this Chapter, that it is insolvent or unable to pay its debts as they mature and that it desires to effect a plan of composition or extension of its debts. The requirement of Chapter IX of the current law, that the petitioner have the acceptances of 51% of the creditors to the terms of a proposed plan as a condition of filing, is eliminated, since a major municipality could rarely if ever qualify on such terms. The petitioner must file with the petition lists of creditors and of persons who may be adversely affected by the proposed plan. If it is impossible to file complete lists Section 809 permits a general description of the claims, to be supplemented at a later time. Compare in part Section 8-202 of the proposal of the Commission on the Bankruptcy Laws, H. Doc. 93–137, Part II.

Subsection 804(b) requires the submission of a good faith plan of composition or extension which meets standard criteria for such plans. The petitioner must also submit a budget projection, showing that it will adjust its fiscal affairs to live within its means. If the requirements of this Subsection are not met, the petition will be insufficient to invoke the jurisdiction of the court.

Subsection 804(c) specifies the court in which the petition should be filed and requires the petition to be accompanied by the payment of the filing fee. Compare Section 83(a) of the Bankruptcy Act, 11 U.S.C. 403 (a).

STAY OF PROCEDURES

Section 805, derived from proposed Chapter IX Bankruptcy Rule 9–4, provides for an automatic stay of creditor actions, offsets and lien enforcement proceedings. Relief can be obtained from the stay as provided in Subsection (c). Obtaining other stays would require the showing specified in Rule 65 of the Federal Rules of Civil Procedure as modified by Subsection (d). If an automatic stay were not provided for, essential governmental services might be seriously interrupted by creditors' actions. Subsection (e) is correlated with Section 811 and Subsection 818 (d). Aside from the court authority which the petitioner agrees to in obtaining the benefits of borrowing with court-sanctioned debt certificates, and the court authority to enforce the final plan of composition or extension which the petitioner agrees to, no court action would interfere with the political or governmental powers of the petitioner. See the explanation of Subsection 801(b).

CONTEST AND DISMISSAL OF PETITION

Subsection 806(a) would permit any creditor to contest the petition as therein provided. Compare Section 8–203 of H. Doc. 93–137, Part II. Subsection (b) would permit the dismissal of the petition under appropriate circumstances.

NOTICES

Section 807 covers notice requirements. Such notices are to be given by the clerk of court in the manner directed by the court. Both the State and SEC would be notified in order that necessary State actions can be taken and the public interest may be protected. In order to reduce the great expense and burden of giving all creditors notice of every possible matter in which they could conceivably have an interest, Subsection (d) permits the court, after issuance of an appropriate order, to suspend all or some notices to those who do not specify an interest in receiving them. Compare proposed Chapter IX Bankruptcy Rule 9–14(e).

REPRESENTATION OF CREDITORS

Section 808, dealing with the details of representing creditors in the proceeding, is derived from Section 83(a) of the Bankruptcy Act, 11 U.S.C. 403(a).

LIST OF CLAIMS AND PERSONS ADVERSELY AFFECTED

Section 809 describes the contents of the list of claims which must be filed under Subsection 804(a). If some creditors cannot be identified, the reasons why identification is not practical will have to be given together with a characterization of the claims involved. If the lists filed with the petition cannot be complete, they can be supplemented as specified by the court. The court could modify the detail required in reporting of creditors claims and persons adversely affected.

PROOFS OF CLAIM

Section 810 governs the filing of proofs of claim. Unless there is objection by a party in interest, the claims listed by the petitioner as undisputed would be accepted as valid. This would substantially expedite the handling of these proceedings. Proof of claim for claims not listed or listed as disputed are to be filed by a date set by the court or, if no date is set, before the order of confirmation of the plan.

DEBT CERTIFICATES

Section 811 is an important provision not found in existing law for the adjustment of debts of municipalities. Tax revenues are not collectible day by day, but are periodic. It is common practice for a municipality to make short-term borrowings, secured by anticipated tax revenues, to obtain operating funds until the tax receipts are available. By permitting the court to authorize the issuance of debt certificates on special terms, including priority over existing creditors, this necessary means of funding essential governmental services can be preserved. It is not intended that the court would use this authority to approve major construction projects or for matters which are not clearly of an essential governmental nature. To enhance the marketability of these debt certificates, the court is given exclusive jurisdiction over disputes involving their enforcement.

PRIORITIES

Section 812 establishes priorities for the payment of certain claims. Compare Section 64a of the Bankruptcy Act, 11 U.S.C. 104a. In practice the first priority is of confirmation of the plan.

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PRIORITIES

Section 812 establishes priorities for the payment of certain claims. Compare Section 64a of the Bankruptcy Act, 11 U.S.C. 104a. In practice the first priority is observed already. Third priority claims currently are entitled to a first priority in municipal debt adjustment proceedings by virtue of 31 U.S.C. 191, subject to the practice of paying administration expenses first. The second priority is included to cover most propetition debt claims of those rendering personal services or furnishing necessary supplies to the petitioner, often those least able to afford the loss or writedown of their claims.

PLAN OF ADJUSTMENT

Section 813 includes standard language concerning the provisions of a plan for debt adjustment. See the third paragraph of Section 83(a) of the Bankruptcy Act, 11 U.S.C. 403(a).

VOTING ON ACCEPTANCE OF PLAN

Subsection 814(a) requires the affirmative vote of two-thirds in amount of each class of claims for confirmation of a plan, unless a particular class is provided for as set forth in the proviso to the Subsection. Compare Section 83(d) of the Bankruptcy Act, 11 U.S.C. 403(d). Subsection (c), governing the division of creditors into classes, is taken from the proviso to the second paragraph of Section 83(b) of the Bankruptcy Act, 11 U.S.C. 403(b). Under Subsection (b) claims listed pursuant to Subsection 804(a) and 809(a) or for which proofs of claim have been filed pursuant to Section 810 may be voted except to the extent claims have been disallowed. Claims owned held or controlled by the petitioner are disqualified from voting, as in existing law. Also, Subsection (a) limits voting to creditors whose claims are materially and adversely affected by the proposed plan. Subsection (d) assures fairness in resolving disputes over whether particular claims are in fact materially and adversely affected.

The two-thirds vote requirement of existing law is not reduced in Subsection (a), in order to avoid making municipal bankruptcy too easy. This could have a drastic effect on the marketability of municipal bonds and the cost of borrowing money by municipalities. However, under the present bill the two-thirds requirement is computed not on the basis of two-thirds of all eligible to vote, but on the basis of two-thirds of those eligible who have in fact voted. It would be impossible for most major municipalities to obtain the required majority without this reasonable limitation. Security holders are too widely dispersed and may not choose to vote even when they know of the proceedings.

The "cram down" called for by the proviso to Subsection (a) is comparable to Subsection 8–302(b) of H. Doc. 93–137, Part II. The valuation of claims for purpose of "cram down" would require a considered estimate based on a proper factual foundation of the estimated revenues of the municipality. *Kelley* v. *Everglades Drainage District*, 319 U.S. 415. Consideration would also have to be given to non-income producing assets of the municipality which could appropriately be made to yield income or which, if currently not used, could be sold.

MODIFICATION OF PLAN

Section 815, governing modification of the plan, is taken from existing law. See the fourth paragraph of Subsection 83(e) of the Bankruptcy Act, 11 U.S.C. 403(e).

HEARING ON CONFIRMATION OF PLAN

The language of Subsections 816 (a) and (b) are derived in part from Section 8–307 of H. Doc. 93–137, Part II. Subsection (c) is adapted from language in the first paragraph of Subsection 83(e) of the Bankruptcy Act, 11 U.S.C. setting forth the findings and conclusions which the court must make before approving the plan, is adapted from the second paragraph of Subsection 83(e) of the present Act with the addition of protective language in Item (7) to assure that petitioner is making the adjustments necessary to achieve fiscal responsibility. If this is not done, the petition is to be dismissed.

EFFECT OF CONFIRMATION

Subsection 817(a) contains a necessary provision for the binding effect of an approved plan. Subsection (b) provides for the discharge or extinguishment of claims affected by the approved plan other than those excepted from discharge by the plan itself. The language of Section 817 is substantially the same as that recommended by the Commission on the Bankruptcy Laws. See Section 8–308 of H. Doc. 93–137, Part II.

DUTY OF PETITIONER AND DISTRIBUTION CENTER UNDER THE PLAN

Section 818, governing the duties of the petitioner under the plan and distributions which are to be made thereunder, is derived in substantive part from Section 8–309 of the legislative proposal of the Commission on the Bankruptcy Laws.

RETENTION OF JURISDICTION

Section 819 permits the court to retain jurisdiction to insure proper execution of the plan. However, the court may terminate jurisdiction at an earlier date if it is satisfied that the plan of composition or extension will be satisfactorily completed.

REFERENCE OF ISSUES AND COMPENSATION

Section 820, permitting the reference of fact issues to a special master and governing the allowance of reasonable compensation, is derived in substantial part from existing law. See the third and fourth paragraphs of Section 83(b) of the Bankruptcy Act, 11 U.S.C. 403(b).

SEPARABILITY

Section 821 provides for separability in the event any portion of this chapter or its application is held invalid. Compare the proviso to Section 81 in existing law, 11 U.S.C. 401.

By Mr. PACKWOOD (for himself, Mr. Abourezk, Mr. Bartlett, Mr. Bentsen, Mr. Burdick, Mr. Cannon, Mr. Chiles, Mr. Church, Mr. Curtis, Mr. Domenici, Mr. Eagleton, Mr. Fannin, Mr. Ford, Mr. Hansen, Mr. Gary Hart, Mr. Hartke, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Hruska, Mr. Huddleston, Mr. Johnston, Mr. Laxalt, Mr. Leahy, Mr. Mansfield, Mr. McClure, Mr. McGee, Mr. McGovern, Mr. Metcalf, Mr. Montoya, Mr. Moss, Mr. Muskie, Mr. Hugh Scott, Mr. Stafford, Mr. Stone, Mr. Tower, Mr. Thurmond, and Mr. Young):

S. 2598. A bill to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported," to provide for the inspection of imported dairy products, to require that imported dairy products comply with certain minimum standards of sanitation, and to require that imported dairy products be labeled "imported," and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. PACKWOOD. Mr. President, I doubt if anyone would quarrel much with the assertion that the United States is the most consumer-oriented, consumer-aware country in the world, especially in the area of food products. Between U.S. producers and the dinner table, food is regulated and inspected to insure purity and wholesomeness with an intensity that no other nation can match.

I am today introducing the Dairy and Meat Import Inspection and Identification Act of 1975 which would mandate adequate inspection of all imported meat and dairy products and require that all such products be labeled as "imported." In addition, the act would transfer the entire burden of paying for such inspections and labeling on the imported product. As it now stands, not only do U.S. taxpayers foot the bill for inspecting imported meat, but they also pay for the limited inspections we now provide for dairy products. This reduces itself to the fact that the American farmer, as a taxpayer, supports not only the inspection of his own products but also that of his imported competition.

The fact that some other food-producing countries of the world are less circumspect with reference to the purity and wholesomeness of their food products should mean that we would submit those products to especially careful scrutiny before and after they enter the United States. However, it amazes me to find glaring deficiencies still exist with reference to the inspection of our food imports. Imported meat and dairy products are the worst offenders.

Imported dairy products are not really inspected at all. Instead, the Food and Drug Administration conducts limited sampling—10 percent or less—of dairy products as they are landed in the United States. Thus, roughly 90 percent of all dairy products imported into the United States have never been touched by U.S. officials nor have the plants and equipment which have been used to transport and produce them in foreign countries been similarly inspected.

Yet FDA samplings clearly indicate the need for tough, comprehensive inspections of all imported dairy products. Let us take a look at the results of the last 10 years of such samplings. In 1973 FDA found fewer contaminants and filth in imported dairy products than in any other of the past 10 years and yet we find:

In May, cheese from Austria was detained because it contained mold and was "unfit for food." Cheese from Italy was detained because it contained hexachlorobenzene, an unsafe food additive.

In June, 111,700 pounds of milk powder from Canada was detained because it contained "dead rodents and rodent filth."

In July, 1 million pounds of nonfat dry milk from the Netherlands was detained because it was "contaminated with dirt and debris."

In August, cheese from France and Denmark was detained because it contained E. Coli, a bacteria which causes food poisoning.

In September, the USDA put restrictions on the use of imported nonfat dry milk because a considerable portion of that milk was being imported from countries infested with hoof-and-mouth disease.

In October, 168,000 pounds of butter from the Netherlands were detained because they contained an unsafe food additive, hexachlorobenzene. Another such additive, benzene hexachloride, was found in shipments of cheese from Italy and Cyprus which were detained in December.

As I mentioned, these findings were made in 1973, the safest of the last 10 years for dairy imports. In that year the FDA rejected only a total of 6.9 percent of all lots inspected. U.S. consumers did not fare so well 3 years earlier when FDA rejected a whooping 24 percent of all imported lots sampled.

Mr. President, aside from health hazards posed to consumers, it is patently unfair to allow imported food products into this country without so much as a mere peek when the same domestic competition literally gets a microscopic going over by Federal inspection officials. Before domestic dairy products leave the farm and arrive at plants for processing a host of State and local officials inspect them to insure purity and wholesomeness. Processing plants are regularly visited by FDA inspectors who insist on religious complince with over 20 pages of tough regulations. Plants who seek USDA grading for their products, and most do, have another 30 pages of the Federal Register to live with.

With reference to imported meat products, the consumer fares a little better. The USDA does inspect imported meat at processing plants abroad and follows up inspections of meat after it enters the United States. However, we are dangerously lax in regard to the inspection of the internal organs of these animals for prohibited substances such as DESS, and so forth. Many drugs and growth stimulants that have been banned in the United States can be most effectively tested for only by examination of particular internal organs. For example, if USDA officials suspect a livestock grower of using DES they need only check the liver of slaughtered animals.

However, no such procedure avails itself with respect to imported meat as internal organs are not imported with the meat products. Thus, we must tighten our inspection programs in foreign countries to insure that the internal organs of imported animals are inspected for prohibited drugs and substances with the same rigidity as those of domestically grown livestock.

Having required that imported meat and dairy products adhere to the same inspection standards as the domestic products, consumers still have a right to know which is which. Those who are wary of the conditions under which imported meat or dairy products are produced want to know whether the product they are buying is domestic or imported. Likewise, other consumers want to "buy American" so they can support the American agriculture industry through their purchasing power. The only way we can accommodate both interests is by requiring imported meat and dairy products to be labeled as such.

Mr. President, both the consumer as well as our farmers and livestock growers deserve a better break. The Dairy and Meat Import Inspection and Identification Act would give it to them. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Dairy and Meat Import Inspection and Identification Act of 1975".

TITLE I—DAIRY PRODUCTS

Sec. 101. For the purposes of this title—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(3) The terms "dairy products" and "milk products" mean those food products derived from milk, or any combination or portion thereof; such as all forms of butter, cheese (whether natural or processed), milk, cream, skim milk, whey, buttermilk, edible casein, caseinates and frozen desserts; and any other food product which is prepared in whole or in part from any of the aforesaid products as the Secretary may hereafter designate.

(4) The term "wholesome" means sound, healthful, clean, and otherwise fit for human food.

(5) The term "labeling" means labels and

other written, printed, or graphic matter on or attached to the container of any dairy product.

(6) The term "purity" means free from poisonous or deleterious substances which may render the product injurious to health.

(7) The term "administration and supervision" means the administrative review of foreign country laws, regulations, and enforcement procedures offered as being comparable to United States laws, regulations, and enforcement procedures, under the provisions of this title, and the supervision of inspection personnel both inside and outside the United States.

(8) The term "inspection" means the official service rendered by the Department of Agriculture, under the administration and supervision of the Secretary, for the purposes of carrying out the provisions of this title.

Sec. 102. (a) No dairy product shall be imported into the United States unless the Secretary shall first certify that such imports originate from supplies of milk which are pure and wholesome and unless the foreign farms and plants in which such products were produced, manufactured, or processed comply with all minimum standards of sanitation prescribed by the Secretary pursuant to the provisions of this title. The standards prescribed by the Secretary shall include standards for sanitation procedures in the production, cooling, storage, transportation, and handling of milk, and in the manufacture, processing, handling, and transit of dairy products, as well as standards concerning the wholesomeness and purity of the final product.

(b) The standards established by the Secretary for any imported dairy product, for the farms on which the milk used in such product is produced, and for the establishments in which such imported dairly product is produced, manufactured or processed shall be comparable to those standards of purity, wholesomeness, and sanitation recommended by the Secretary for domestic dairy products produced, manufactured, or processed in the United States and for establishments in the United States in which domestic dairy products are produced, manufactured, or processed.

(c) The packaging and labeling of imported dairy products shall comply with the requirements in effect in the United States for packaging and labeling and shall specify the country of origin.

Sec. 103. (a) For the purpose of establishing comparable inspection requirements and preventing the importation of dairy products produced, manufactured, or processed on foreign dairy farms or in foreign plants not meeting the minimum standards prescribed by the Secretary pursuant to the provisions of this title, the Secretary shall, where and to the extent necessary, cause to be inspected imported dairy products and require such products to be accompanied by a certificate of compliance issued by the Secretary in accordance with rules and regulations prescribed by the Secretary establishing minimum standards as to the sanitation of the milk, farm, plant facilities, equipment, and procedures used in the production and transportation of milk, and the manufacture, processing, handling, and transit of such imported dairy products.

(b) All imported dairy products shall, after entry into the United States, be subject to the Federal Food, Drug, and Cosmetic Act.

Sec. 104. (a) (1) The package or container of any food product made in whole or in part of any imported dairy product shall be labeled as "imported" or "imported in part", as the case may be.

(2) If any person other than the ultimate consumer breaks a package or container containing any imported dairy product and such package or container is marked or labeled as required in paragraph (1), such person shall affix a label to each package or container in which any such imported dairy product is placed to provide the information required by paragraph (1).

(b) (1) No person shall import or offer for import into the United States for purposes of distribution in commerce any imported dairy product unless such product is labeled in accordance with regulations prescribed by the Secretary.

(2) No person shall distribute or cause to be distributed in commerce any imported dairy product which he knows or has reason to know is an imported (in whole or in part) dairy product, unless such product is labeled in accordance with regulations prescribed by the Secretary.

(3) Any person who violates any provision of this section or any rule or regulation issued thereunder shall be subject to imprisonment for not more han one year or a fine of not more than $1,000, or both such imprisonment and fine; but if such violation involves intent to defraud, such person shall be subject to imprisonment for not more than three years or a fine of not more than $10,000, or both.

Sec. 105. (a) The Secretary is authorized to prescribe rules and regulations to carry out the purposes of this title.

(b) In carrying out the provisions of this title, the Secretary may cooperate with foreign governments, other departments and agencies of the Federal Government, and with appropriate State agencies, and may conduct such examinations, investigations, and inspections as he determines necessary or appropriate through any officer or employee of the United States, of any State, or of any foreign government, who is licensed by the Secretary for such purposes.

Sec. 106. The provisions of this title shall be in addition to the requirements of all other laws relating to imports of dairy products.

Sec. 107. (a) The Secretary shall prescribe such assessments and fees on imported dairy products as he determines necessary to cover the cost of the inspections, labeling and certifications required under the provisions of this title. Such assessments and fees shall be collected in accordance with regulations prescribed by the Secretary.

(b) Except as provided in subsection (a) of this section, the cost of administering and supervising the provisions of this title shall be borne by the United States.

Sec. 108. There is hereby authorized to be appropriated such sums as are necessary to carry out the administration and supervision of the provisions of this title.

Sec. 109. If any provisions of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the title and of the application of such provision to other persons and circumstances shall not be affected thereby.

TITLE II—MEAT AND MEAT PRODUCTS

Sec. 201. Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)) is amended by inserting "(1)" after "(a)", and by adding at the end thereof the following:

"(2) Any imported meat or meat food product referred to in paragraph (1), and any meat food product made in whole or in part of such imported meat, or its package or container, shall be labeled as 'imported' or 'imported in part', as the case may be.

"(3) If any person other than the ultimate consumer cuts meat or a meat food product into pieces or breaks a package or container containing meat or a meat food product and such meat, product, package, or container is marked or labeled as required by paragraph (1) or (2), such person shall affix a label to each piece of such meat or product or to each package or container in which any such meat or product is placed to provide the information required by paragraph (2). In applying this paragraph and paragraph (2), for purposes of this Act the term 'label' includes 'labeling' as defined in section 1(p).

"(4) No carcasses, parts of carcasses, meat or meat food products of cattle, sheep, swine, goats, horses, mules, or other equines which are capable of use as human food shall be imported into the United States unless—

"(A) the appropriate government official of the country from which any such article is being imported certifies to the Secretary that such article does not (i) contain any substance prohibited in any carcass or meat or meat food product from any domestically produced animal referred to above, and (ii) contain a level of any substance in excess of the maximum level of such substance permitted under law or regulation in any carcass or meat or meat food product from any domestically produced animal referred to above; and

"(B) inspectors employed by the Department of Agriculture (i) supervise the actual testing of the carcasses, parts of carcasses, and meat and meat food products, including the internal organs, of the animals from which such articles came, to determine whether such articles contain any substance referred to in subparagraph (A) or the level of any such substance, as appropriate, and (ii) certify to the Secretary that the procedures followed and the personnel and equipment used in the country from which such articles are imported are at least equivalent to those required for testing articles from domestically produced animals of the kind referred to above.

"(5) In order to verify the accuracy of testing required for substances referred to in paragraph (4), the Secretary shall conduct a program under which inspectors of the Department of Agriculture take, from time to time, samples of carcasses, parts of carcasses, and meat and meat food products of animals referred to in paragraph (4) which are intended for export to the United States, including the internal organs of the animals from which such carcasses and meat and meat food products came, and send such samples to the United States for appropriate testing.

"(6) The Secretary shall prescribe such assessments and fees on imported meat and meat food products as he determines necessary to cover the cost of the inspections, testing and labeling required under this section, including the supervision and certifications required under subsection (4) (B) hereof. Except as provided in the preceding sentence, the cost of administering and supervising the provisions of this section shall be borne by the United States.".

Sec. 202. The provisions of this title and title I shall become effective 180 days after the date of enactment of this Act.

Mr. TOWER. Mr. President, today I am pleased to join with my colleague, the Senator from Oregon, in introducing legislation to insure the quality of meat and dairy products introduced into this country from non-American sources.

I would like to reiterate the two primary objectives as I see them, which this bill seeks to accomplish. Both objectives, when reached, will better protect the American consumer.

First, as Senator Packwood has pointed out, there is reasonable doubt that imported meat and dairy products undergo the close scrutiny applied to domestic products.

And while the inspection procedures, both at point of origin and point of importation, may allow adulterated products to pass into consumer marketing channels, there is no way for the consumer to know whether the beef or milk products being purchased are of American, or non-American, origin. I think the consumer has the right to know.

The consumer has the right to know what is being purchased not only for reasons of health, but also in order to be able to choose, for economic reasons, between American and non-American products.

In the last 3 years, the American cattle industry has undergone tremendous financial strain, and cattlemen have in many cases been unable to cope with the rising costs of production and the depressed prices paid for cattle.

I believe every consumer ought to know the facts about the beef he or she purchases, and the outcome of each purchasing decision.

On the one hand, the purchase of American beef insures that the consumer is getting a quality unsurpassed in the world. The consumer is generating jobs in the American economy, and is helping to maintain stable prices in the market by contributing to our own beef industry.

On the other hand, the purchase of imported beef or dairy products represents American dollars flowing overseas, contributing to a negative balance of payments. Purchases of foreign meat and dairy products generate no jobs in the United States, except for those involved in inspection of this foreign product.

Mr. President, there are still a few of us who believe that "buying American," and thus supporting the economy of the United States, is one of the patriotic choices that can be made every day to reaffirm our confidence in the strength of our Nation.

One of the aspects of our Bicentennial celebration which has perhaps been understated was the extent to which this country was successful, in its independence because of the measure to which we developed our industrial and agricultural resources. We became independent because we could become independent economically.

I do not underestimate the importance of insuring, in years to come, that we will continue to produce much, if not all, of the food we need to survive. We are a beef-eating Nation, and if we are to continue our preference, it is in our own interests to patronize the ranchers who satisfy our appetite for beef. This bill will help to accomplish that goal.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1611

At the request of Mr. ROTH, the Senator from Kansas (Mr. DOLE) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1611, to amend title II of the Federal Water Pollution Control Act to provide for State certification.

S. 2300

A the request of Mr. BELLMON, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 2300, a bill to direct the Secretary of the Army to issue permanent easements for certain docks constructed on property under his jurisdiction.

S. 2359

At the request of Mr. BAYH, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 2359, a bill to provide for equal treatment for all persons entering into health insurance agreements.

S. 2360

At the request of Mr. BAYH, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 2360, a bill to amend the Public Health Service Act to provide health care services for pregnant adolescents before and after childbirth.

S. 2390

At the request of Mr. ROTH, the Senator from Idaho (Mr. MCCLURE) and the Senator from Tennessee (Mr. BROCK) were added as cosponsors of S. 2390, to facilitate the consolidation of Federal assistance programs.

S. 2446

At the request of Mr. CHURCH, the Senator from Illinois (Mr. STEVENSON) and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of the bill S. 2446) to amend the Social Security Act to freeze medicare deductibles.

SENATE JOINT RESOLUTION 29

At the request of Mr. ROTH, the Senator from South Carolina (Mr. THURMOND) and the Senator from Texas (Mr. TOWER) were added as cosponsors of Senate Joint Resolution 29, proposing an amendment to the Constitution of the United States to guarantee the human rights of pupils attending public schools.

SENATE RESOLUTION 288

At the request of Mr. HUMPHREY, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Resolution 288, relating to an action of the United Nations concerning Zionism.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. ROTH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Concurrent Resolution 60, to express the sense of Congress that compulsory school busing be discontinued until such time as an adequate study of the effects of such busing and alternatives to it is completed.

AMENDMENTS SUBMITTED FOR PRINTING

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT—H.R. 9005

AMENDMENT NO. 1026

(Ordered to be printed and to lie on the table.)

Mr. HATFIELD. Mr. President, I submit for printing an amendment to H.R. 9005, the International Development and Food Assistance Act of 1975.

Mr. President, the Senate Foreign Relations Committee reported this bill with a provision declaring that no more than 20 percent of the food aid commodities provided under Title I of Public Law 480 could be allocated to countries other than those most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase abroad. In determining those countries most serious affected, the President was to be guided by the United Nations' designation of countries "Most Seriously Affected" by the current economic crisis. The provision was very similar to one in the Foreign Assistance Act of 1974 imposing a 30-percent limitation on title I Public Law 480 aid for political purposes.

Unforunately, the Senate Agriculture Committee struck the 20-percent limitation on political food aid and replaced it with a very "soft" 30-percent limitation, virtually self-imposed by the President.

Last year's restriction of 70/30 on nonpolitical/political food aid is no longer a meaningful limitation of political food aid because of changes in the U.N.'s Most Seriously Affected list, which was amended to add Egypt and seven other countries. Combined with the broad discretion given the President in the Agriculture Committee's version of the bill, the restriction has no meaning at all.

This year's title I program is projected to be $876.4 million. And 30 percent of this amount for political purposes would equal $262 million. That compares to only $182 million which was allocated last fiscal year to non MSA countries. Thus, a 70/30 split on this year's bill will actually increase political food aid by $80 million.

The main candidates for political food aid which are not on the MSA list are Chile, Korea, and Indonesia. Smaller amounts are projected to go to non-MSA countries in the Middle East. A 70/30 split on this year's bill will allow the administration to proceed with all these political allocations, increasing significantly over last year's political food aid.

An 80/20-percent split would allow $175.2 million for political food aid, almost the same as last year's $182 million. The difference would be accounted for by the $8 million worth of food shipped last year to Vietnam. Therefore, an 80/20-percent split simply maintains the status quo and curtails political programs of food aid from rapidly expanding over last year.

Mr. President, we must remember that the food deficit for this year in the MSA countries is projected to be between 14 and 20 million tons, compared to last year's 15.9-million-ton need. Thus, the need is likely to be greater in fiscal year 1976. Yet this year's projection with a 70/30 split would allow for only $614 million for MSA countries in title I food aid, compared to last year's $679 million. It seems imperative, therefore, to adjust the percentage figure if we are simply to keep pace with last year's efforts, while the need continues to rise.

In addition, Mr. President, I believe another change needs to be made in the bill. Specifically, the 20-percent limitation which I propose in this amendment would read:

> Not more than 20 per centum of the *funds for all* commodities provided under this title shall be allocated (addition underlined).

As presently drafted, the law would apply to a percentage of the commodities, instead of a percentage of the funds for the commodities, as was the case last year. The difference is that rice costs twice as much as wheat, and is generally used more for political purposes for countries such as Korea. If the percentage limitation applies to commodities, it is likely that more political food aid will be given than if it applies to the funds, as it did last year.

Also, this change makes clear that cotton and tobacco would be included under the percentage limitation. Last year State argued that these commodities were exempt because they were not "food aid." The present language in this year's bill would also leave them exempt; AID has confirmed this.

With these changes we will keep a humanitarian emphasis in the Public Law 480 program; without them, our food aid will become more political, in contradiction to the overall intent of this bill.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 968

At the request of Mr. ROTH, the Senator from Michigan (Mr. PHILIP HART), the Senator from Colorado (Mr. HASKELL), the Senator from Utah (Mr. MOSS), and the Senator from Ohio (Mr. TAFT) were added as cosponsors of amendment No. 968 intended to be proposed to Senate Resolution 9, a resolution amending the rules of the Senate relating to open committee meetings.

NOTICE OF HEARING ON STATUS OF OCEAN MINING INDUSTRY

Mr. METCALF. Mr. President, for the benefit of Senators and other interested parties, I wish to announce that the Subcommittee on Minerals, Materials and Fuels has scheduled a hearing on current developments in the ocean mining industry on November 7.

The purpose of the hearing is to receive a briefing from representatives of several companies involved in the development of techniques and processes for recovering and using manganese nodules from the deep ocean floor on the current status of their activities and their plans for the future.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

NOTICE OF HEARINGS ON SMALL BUSINESS TAX REFORM

Mr. NELSON. Mr. President, I would like to announce that the Senate Select Committee on Small Business and the Subcommittee on Financial Markets of the Senate Finance Committee will continue their hearings on Small Business Tax Reform on Thursday, November 13, 1975, in the Finance Committee hearing room, 2221 Dirksen Senate Office Building, beginning at 9:30 a.m.

We will convene on that day to hear testimony by the Treasury Department in response to the three sets of hearings held earlier this year on small business tax matters.

Following the testimony by Treasury Department officials, we expect to have a panel of financial analysts, attorneys, and accountants who will make summary recommendations on the hearings from the various viewpoints in the private sector. A complete witness list will be published in the CONGRESSIONAL RECORD as soon as it is available. Others wishing to participate in the hearings may contact the Small Business Committee, 424 Russell Senate Office Building, Washington, D.C. 20510.

NOTICE OF HEARING

Mr. CHURCH. Mr. President, the Senate Commission on Aging will hold hearings on "Proposed USDA Food Stamp Cutbacks for the Elderly" on November 3 at 1 p.m. in room 318 of the Russell Senate Office Building.

The hearing will focus upon USDA's recent proposed regulations for new food stamp allotments. The new allotments, required as the result of a recent court decision, will be evaluated by the committee on the basis of their effect on the elderly.

Testimony will be heard from elderly food stamp participants, State administrators, national aging organizations, and the public interest legal firm which filed the suit resulting in the recent court decision.

NOTICE OF HEARING ON HOUSE JOINT RESOLUTION 549

Mr. PELL. Mr. President, I wish to announce for the information of the Senate and the public the scheduling of an open public hearing before the Committee on Foreign Relations on House Joint Resolution 549, a joint resolution to approve the covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States of America.

The hearing, scheduled for November 5 at 10 a.m. in room 4221 of the Dirksen Senate Office Building, will examine the foreign policy implications of House Joint Resolution 549.

For further information regarding the hearing, interested parties may contact Mr. Robert Barton of the committee staff on extension 224-4618. Those wishing to testify in person or submit a written statement for the hearing record should write to the Committee on Foreign Relations, room 4229, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

COMMON SITUS PICKETING: WHO WANTS IT?

Mr. FANNIN. Mr. President, the Congress is being urged to approve legislation that would for the first time permit common situs picketing, which is currently illegal under Federal labor laws. Recently the House rushed through and passed by a wide margin a bill, H.R. 5900, to enable unions to engage in such secondary boycott picketing. The Committee on Labor and Public Welfare has just reported favorably a companion bill, S. 1479. The Senate can be expected to take up the matter in the very near future, and, according to the media pundits, easily pass the common situs bill. However, when it is recalled that this legislation can only have a harmful impact upon the already ailing construction industry and will further weaken our Nation's economy, one can only wonder why there is such sudden urgency to pass this bill, particularly when it is opposed by a vast majority of the American people, including union members.

According to a recent survey conducted for the Business Roundtable by the Opinion Research Corp. of Princeton, N.J., 68 percent of the general public feels that building trades unions "should only be allowed to picket the work of the contractor with whom it has a dispute and not the whole building site." The survey also indicated that 57 percent of all union members oppose common situs picketing legislation.

The Gallup poll showed that 72 percent of 30–39 year-olds opposed common situs picketing; 74 percent of the residents of smaller cities and 72 percent of those people identified by the polling organizations as "thought leaders" also opposed the measure.

Yet this legislation—S. 1479 and H.R. 5900—has the apparent backing of President Ford, on the advice of Secretary of Labor Dunlop, as part of a construction industry collective bargaining "package." The other part of the package, S. 2305, Secretary Dunlop's Construction Industry Stabilization Act of 1975, was approved overwhelmingly by the House and by the Senate Labor and Public Welfare Committee. It has become apparent that the Dunlop bill is being used as a smoke screen to make possible speedy passage of the more controversial common situs bill.

Currently my office has received very few letters concerning the Dunlop bill and those I have received are opposed to its passage. On the other hand, I have been flooded with letters and postcards from Arizonans concerning the common situs picketing bill, and my mail is running about 1,000 to 1 against that legislation. Many writers express sentiments in favor of strong measures to control unions, bring them under antitrust laws and the like.

If, in fact, the American people are overwhelmingly opposed to S. 1479 and H.R. 5900, it is safe to assume that the major, perhaps the only, support for such legislation is originating with organized labor.

If American workers are not demanding a change in our labor laws, if the public and industry do not want it, and the economy certainly cannot stand it, what is this sudden compelling interest in situs picketing legislation? The answer is clearly that big labor wants it. The pressure for enactment of S. 1479 and H.R. 5900 is coming almost exclusively from the special interests of big unions who sense that this is the time to strike. Hence, they are putting on the pressure and calling in their chits, for they are more confident than ever that they can finally obtain passage of common situs picketing legislation by this Congress which organized labor helped to elect. They know, too, that with enactment the

States' right-to-work laws will be doomed and nonunion workers and open shop contractors can be forced off their jobs.

Mr. President, I ask unanimous consent that the results of the survey conducted by Opinion Research Corp. on the subject of common situs picketing be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ON BUILDING SITES MANY UNIONS REPRESENT DIFFERENT KINDS OF EMPLOYEES OF CONTRACTORS WORKING THERE—ELECTRICIANS, CARPENTERS, PLUMBERS, AND SO FORTH WHEN 1 OF THE UNIONS IS STRIKING AGAINST 1 OF THE CONTRACTORS, WHICH OF THESE 2 RULES DO YOU THINK SHOULD APPLY:

RULE A—THE UNION SHOULD ONLY BE ALLOWED TO PICKET THE WORK OF THE CONTRACTOR WITH WHOM IT HAS A DISPUTE AND NOT THE WHOLE BUILDING SITE

RULE B—THE UNION SHOULD BE ALLOWED TO PICKET THE WHOLE BUILDING SITE, EVEN IF IT STOPS WORK OF ALL OTHER CONTRACTORS AND EMPLOYEES

	Number of interviews		Rule		No opinion
	Unwtd.	Wtd.	A	B	
Total form B public	1,022	3,426	68	21	11
Men	515	1,676	65	27	8
Women	507	1,750	70	16	14
18 to 29 yr of age	257	944	70	19	11
30 to 39 yr of age	208	593	72	23	5
40 to 49 yr of age	169	564	64	27	9
50 to 59 yr of age	155	555	69	21	10
60 yr or over	233	769	63	19	18
Less than high school complete	329	1,187	61	25	14
High school complete	358	1,270	71	19	10
Some college	330	947	71	21	8
Professional	139	401	77	12	11
Managerial	127	387	70	21	9
Clerical, sales	108	363	77	15	8
Craftsman, foreman	192	662	65	26	9
Other manual, service	216	819	62	31	7
Farmer, farm laborer	23	82	80	1	19
Nonmetro:					
Rural	95	339	61	17	22
Urban	158	587	74	11	15
Metro:					
50,000 to 999,999	317	917	72	23	5
1,000,000 or over	452	1,582	64	25	11
Northeast	267	806	63	25	12
North-central	299	983	67	22	11
South	313	1,099	70	21	9
West	143	537	72	15	13
Under $5,000 family income	175	850	60	23	17
$5,000 to $6,999	110	337	67	18	15
$7,000 to $9,999	180	512	61	26	13
$10,000 to $14,999	237	715	73	18	9
$15,000 or over	293	929	75	21	4
White	930	3,063	69	21	10
Nonwhite	87	353	55	29	16
Union members	150	517	57	36	7
Union families	289	974	62	30	8
Nonunion families	724	2,419	70	18	12
Thought leaders	130	375	72	23	5

NEO-McCARTHYISM

Mr. PELL. Mr. President, for some months, an important debate has been taking place concerning what, and under which circumstances, information should be provided by the executive branch to the Congress concerning the intelligence activities of the United States. This debate turns around critical issues of executive-legislative relations, including the Congress right to be fully informed on matters of national security and the executive's responsibility for the formulation and conduct of foreign policy.

I believe strongly that the Congress must be provided with all of the information necessary to judge the administration's policies and conduct of foreign affairs as well as to keep the American people informed. Furthermore, I believe, too, that in pursuing this objective it is essential to insist that the Secretary of State and his immediate principal advisers, who are responsible and accountable for determining the basic questions of policy, must also bear the responsibility for ensuring that a relationship of candor, honesty, and good faith is maintained with the Congress. This means that they, and not the middle and junior level officers of the Foreign Service, must be required to bear the responsibility for providing the information needed by the Congress.

Having once been a career Foreign Service Officer myself in the 1940's and early 1950's when the judgments and recommendations of individual Foreign Service Officers came under vicious public attack, I feel strongly that neither the executive nor the Congress would be well served if career officials at all levels do not have the freedom to discuss, develop and recommend policy options in confidence. However well-intentioned the subpoenaing of testimony or documents prepared by individual officials of the Department of State below the policymaking level is not the way either to insure the protection and creativity of those officials or to ensure that the policymakers themselves are fully responsive, as they should be, to the wishes of the Congress.

An editorial in the October 19, 1975 issue of the New York Times succinctly sums up the issues involved, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEO-McCARTHYISM?

Secretary Kissinger's refusal, despite a subpoena, to hand the House Intelligence Committee a middle-level State Department memorandum dissenting from Administration policy in the 1974 Cyprus crisis can only be evaluated in terms of what the Secretary of State has offered the committee.

Mr. Kissinger's letter to the committee chairman, Representative Otis G. Pike of New York, offered a full summary of all contrary and other advice he received on the Cyprus crisis, and criticism of Administration handling of it, without identification of the authors.

He also offered to appear himself before the committee, to authorize testimony on the facts of past crises by any foreign service officer and to permit all policy level officers to testify on all policy recommendations received or forwarded.

The memorandum in question was the result of an imaginative new procedure to improve policy-making proposed by two task forces of Foreign Service officers. They recommended a "Dissent Channel" to permit officers who disagree with established policy or have new policies to recommend to get their views directly to the Secretary of State; their memoranda cannot be stopped by any intermediate official.

In view of the facts, the Intelligence Committee's insistence that it has the right to reach into the interior of the State Department to subpoena the dissenting memoranda of junior and middle-rank officials—and to summon them to testify on policy issues—is clearly contrary to the national interest. That procedure would destroy the free expression or views within the State Department—the best assurance of sound policy-making—by telling every junior and middle-level official that his reports and recommendations are subject to Congressional investigation afterward.

The principle Mr. Kissinger is invoking is the central principle of responsible, representative government. It is that the responsible officials, to whom policy-making is delegated—officials appointed by the President and confirmed by Congress—be held accountable for their decisions, but not the lower-level assistants who analyze the facts and make recommendations.

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SENATOR BEALL SUPPORTS EDUCATION ASSISTANCE FOR REFUGEES

Mr. BEALL. Mr. President, as a cosponsor, I am pleased to support S. 2145, the Indochina Refugee Children Assistance Act of 1975.

The purpose of S. 2145 is to assure the provision of education services for Indochina refuge children and also to make certain that school districts, responding to the educational needs of these children from another culture, will not find their financial difficulties exacerbated as a result of the influx of refugee children.

Under S. 2145, local education agencies will be eligible for basic grants—determined by multiplying the average per pupil expenditure of a State by the number of refugee children ages 5 to 17—plus a $300 supplemental grant, for special services such as language training, in recognition of the additional resources which will be required to educate refugee children.

Based on October projections, Maryland's allocation is expected to be $1,364,808. This is broken down as $1,102,008 for basic grants, and $262,800 for supplemental.

In addition, during committee deliberations, we expanded the original bill to add an adult education program. Under the adult program, States or local education agencies would submit applications to the Office of Education for funding.

It needs to be emphasized that this is a temporary or transitional program. It will permit the assimilation by our school system of a large number of refugee children and prevent adverse economic impacts on local education agencies, or the reduction of services to present students; 100 percent of the cost of the basic and supplementary grants is provided the first year, 50 percent the second and then the program terminates.

Our country has been called a "Nation of immigrants." And rightfully so, for since the birth of this Nation, our immigration policy has given refuge and provided new opportunities for millions of the world's people.

In May, by a vote of 91 to 1, the Senate passed a resolution welcoming refugees of the Indochina conflict to our shores. Our Nation has benefited materially, spiritually and politically from the contributions of these immigrants.

It needs to be understood, however, at the outset that the immigration policy of the Nation is the responsibility of the Federal Government. The control of immigration is reserved to the Federal Government by the Constitution. I restate this fact because it needs to be underscored that the situation to which S. 2145 addresses results from the policy of the Federal Government.

It should be kept in mind this situation is somewhat unique. As U.S. Ambassador Brown stated:

> We are faced with a situation of unprecedented dimensions. Never before have we been called upon to absorb as large an influx in so short a period of time * * *

While the States are pleased to welcome Indochina refugees, the facts are that the education of such children will entail greater expenditures. From daily reports we know that school districts are already hard pressed for funds. Funding for even the regular educational expenditures of refugee children and the additional expenses often required for the education of children of another culture and with another language are required.

Federal policies produced the additional burden to school systems. In fairness to the States and local education agencies and to taxpayers who are already hard pressed, the Federal Government should provide emergency educational assistance. The Federal Government has recognized its obligation and has asked to pay 100 percent for certain medical assistance programs for refugees. The Federal Government should also assist the States in meeting the education needs of the refugees and thus help them to become part of our society and to make the contributions to our country that immigrants who have preceded them have, and continue to make.

Mr. President, I ask unanimous consent that a Baltimore Sun article describing the fiscal problems which Maryland schools would face, without assistance as provided in S. 2145, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

School Refugee Aid Asked: Viet Situation Poses Crisis, State Asserts

(By Tracie Rozhon)

One week before the public schools open in Maryland, state education officials are still wondering where they will get the money to teach more than 500 Vietnamese refugee-children the rudiments of the English language and American civilization.

Calling the situation a crisis, Dr. Fred Brown, the head of the state's educational programs, said the department's lobbyist had been putting pressure on congressmen in Washington in an effort to gain federal money.

"The other sources are pretty well dried up," said Dr. Brown. "Look at Montgomery county. It's supposed to be the richest county in the nation, and they put 100 teachers on notice they would be dismissed . . . look at all the strike threats in Prince George's county, and the slowdown in Montgomery county."

The per pupil cost for educating the refugees—above and beyond the normal cost for each pupil—is figured roughly at $300 a pupil, or $150,000 for the 500 children already in Maryland. If all the 660 adult refugees here wanted adult education, the cost would be another $198,000.

In addition, the State Department of Education predicts another 1,700 refugees will leave the refugee camps and settle in Maryland this year, bringing the cost up to almost a million dollars.

And these cost figures are "very conservative," according to Dr. T. K. Muellen, the assistant state superintendent for instruction.

The situation is even more complicated than with other nationalities who tended to cluster into little colonies in the larger cities. The newest refugees are spread out throughout the state—and officials are having trouble locating the children and their parents, many of whom need adult education courses.

Of the refugees who have been located in Maryland, it is estimated that one-third speak English well, one-third speak English sketchily and the last third do not speak English at all.

Because of the budget crunch, there will be no drive to recruit and hire Vietnamese teachers, but volunteer interpreters are being solicited. "I found one Vietnamese woman who works on the janitorial staff in Elkton, so we've got one built-in interpreter," Ann Beusch, a foreign language specialist for the Education Department, said.

Asked if these volunteers would be paid, Dr. Muellen replied they would not be. But later he added that if Vietnamese capable of being interpreters were found who were unemployed, he thought the department might find a way to reimburse them.

But Miss Beusch said she was "not hopeful" that there would be any kind of bilingual education program designed to allow the pupils to keep up with their other subjects while they learn English.

"There is no doubt that these children will experience a lapse" in learning, she said.

However, Miss Beusch said that an undetermined number of the refugees speak French, which may alleviate some of the language problems. French is taught in every high school in the state.

In a last-minute effort to coordinate the problems of educating the Vietnamese, the officials said that a committee composed of state Education Department employees and representatives from some of the charities in charge of resettling the refugees would form a task force, to meet sometime next week. While opening days are staggered at public schools throughout the state, all will be open by next Friday.

In addition, Dr. Muellen said he was trying to reach Governor Mandel to propose setting up a Governor's commission on the refugees "like they have in other states . . . Pennsylvania, for example." He said he had phoned the Governor's education aide Wednesday and would try again yesterday afternoon.

Last night, Frank A. DeFilippo, the Governor's spokesman, said Mr. Mandel had thought of making the state of Maryland a Vietnamese resettlement agency unto itself, but had not heard of the request for a commission. The idea of making the state a giant agency—so far, only the state of Washington has taken this step—is still under consideration, Mr. DeFilippo said.

But in an interview after the press conference at the state Education Department offices, Dr. Brown said the responsibility for the refugees really lay with the federal government—not with the state.

"It's their responsibility to fund the program," he asserted, "because the whole thing is a direct result of federal policy decisions about relocation."

Maryland is expected to "get a piece" of the national $5 million adult education grant alloted by this year's Vietnamese refugee act. "But we won't know until September 30," Dr. Muellen said, "and then we'll have to wait another 30 days for the check."

Currently, there is a proposal by the federal Department of Health, Education and Welfare to distribute between $200 and $300 per Vietnamese pupil—if a school district has 100 Vietnamese pupils or 1 per cent of the school population is Vietnamese. If the population were 200 pupils or 2 per cent, the payment would be higher, according to Dr. Brown.

"But that's bad, baby," he said. "We only have two school districts—Montgomery and Prince George's county—who would qualify. These kids are scattered all over the state."

Dr. Brown also criticized the federal government for not setting up intensive education and language programs within the camps such as Indiantown Gap, Pa., from which Maryland got most of its refugees.

"I think they missed an opportunity," Dr. Brown said. "While they were there, they could have done a really intensive language and orientation program. They're starting now, but they've obviously missed the hundreds already in Maryland. They won't have the opportunity again."

At Indiantown Gap about a dozen nuns from a teaching order were teaching English in crowded classrooms this summer, but yesterday officials at the camp said a fully accredited public school was being set up, to open with the state's other public schools.

ADMINISTRATION LOSES BATTLE OVER 8½ PERCENT NURSING COST DIFFERENTIAL

Mr. CHURCH. Mr. President, last May the administration issued final regulations to terminate the 8½-percent nursing cost differential for reimbursing hospitals and other providers under medicare. The effective date of the new regulations was July 1.

The 8½-percent differential was established in 1969 in recognition that the cost of providing nursing care for aged patients under medicare was generally higher than for younger patients.

However, the administration arbitrarily proposed to eliminate this reimbursement provision without a thorough study of the impact of such action.

The regulations were announced in the name of saving money. But the "savings" was illusory in many respects because it would really be transferred to other payors—medicaid, medicare beneficiaries and others.

The regulations could also result in diminished and inferior care for sick medicare patients.

In addition, the regulations posed a threat to the operations of many rural hospitals, which were already financially hard pressed.

On June 10, I introduced legislation, S. 1906, to continue the nursing cost differential as an allowable reimbursement.

This measure, I am pleased to say, generated strong bipartisan support. In fact, 46 senators joined me in sponsoring this proposal.

Mr. President, I ask unanimous consent that a list of the cosponsors of S. 1906 be inserted in the Record at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. CHURCH. Mr. President, at the time I introduced S. 1906, the American Hospital Association, the American Protestant Hospital Association, the Catholic Hospital Association, and the Federation of American Hospitals filed suit to enjoin the Department of Health, Education, and Welfare from enforcing these regulations.

U.S. District Court Judge George L. Hart, Jr., issued a summary judgment on August 1, declaring the administration's terimnation of the 8½-percent nursing differential payment to be unlawful. Judge Hart found that the change in administration policy is "arbitrary and capricious, lacks a rational basis and is otherwise not in accordance with the law."

Recently the administration announced that they would not appeal the decision.

Mr. President, I ask unanimous consent that Judge Hart's decision in American Hospital Association, et al. against Caspar W. Weinberger, et al. be printed in the Record.

There being no objection, the decision was ordered to be printed in the Record, as follows:

[U.S. District Court for the District of Columbia, Civil Action No. 75–0928]

American Hospital Association, et al., Plaintiffs, versus Caspar W. Weinberger, et al., Defendants.

ORDER

Plaintiffs American Hospital Association, American Protestant Hospital Association, Catholic Hospital Association, and Federation of American Hospitals, having moved this Court for summary judgment to declare the regulation terminating the Inpatient Routine Nursing Salary Cost Differential, 40 Fed. Reg. 22539 (May 23, 1975) (the "Regulation"), unlawful;

Plaintiffs having alternatively moved this Court for a preliminary injunction barring enforcement of the Regulation *pendente lite*;

Defendants having moved this Court for dismissal of the Complaint for lack of jurisdiction;

Plaintiffs having demonstrated that there is no genuine issue as to any material facts relating to plaintiffs' claim that the Regulation is arbitrary and capricious and otherwise unlawful; and

Plaintiffs having demonstrated that they are entitled to judgment as a matter of law with respect to such claim;

Now, therefore, it is hereby ordered, adjudged, and decreed as follows:

1. The Regulation constitutes a final decision of Defendant Secretary of Health, Education, and Welfare and Defendant Commissioner of Social Security, which is cognizable by this Court;

2. The facts in the administrative record relating to the Regulation indicate that patients sixty-five years of age and over require above average amounts of routine nursing care;

3. On the basis of the administrative record on which the Regulation was adopted, the Regulation is arbitrary and capricious, lacks a rational basis and is otherwise not in accordance with law; and

4. A change in the Inpatient Routine Nursing Salary Cost Differential requires further nursing utilization studies relating to patients sixty-five years of age and older and/or other justification not in the administrative record relating to the Regulation.

Accordingly, it is further ordered, adjudged and decreed that:

Plaintiffs' motion for summary judgment be and hereby is granted. Defendants and all other officers, agents, employees, and all persons in active concert or participation with them who receive actual notice of this Order, shall be and hereby are restrained and enjoined from applying or enforcing or putting into effect or attempting to apply or enforce or put into effect the Regulation terminating the Inpatient Routine Salary Cost Differential, 40 Fed. Reg. 22539 (May 23, 1975);

Plaintiffs' motion for a preliminary injunction be and hereby is denied as moot; and

Defendants' motion to dismiss for lack of jurisdiction is hereby denied.

Entered this 1st day of August, 1975, at Washington, D.C.

Judge George L. Hart, Jr.,
U.S. District Judge.

Exhibit I

Sponsors of S. 1906

Church, Abourezk, Bayh, Brooke, Burdick, Clark, Eagleton, Gravel, Leahy, McGee, McGovern, McIntyre.

Metcalf, Williams, Bumpers, Fannin, Hartke, Haskell, Mondale, Ribicoff, Tunney, Schweiker, Humphrey, Gary Hart.

Huddleston, Case, Eastland, Thurmond, Brock, Hatfield, Pastore, Javits, Chiles, Stone, Stafford, Randolph.

Moss, Scott, Sparkman, McClure, Mansfield, Culver, Philip A. Hart, Magnuson, Baker, Goldwater, Montoya.

THE UNDERDEFENDED IDEOLOGY

Mr. FANNIN. Mr. President, the October 27, 1975 issue of the Wall Street Journal published an editorial entitled "The Underdefended Ideology." This editorial concerns the difficulty the free enterprise system has in gaining representation in Washington.

It is true that, despite the tribute paid by the American business community to market economics, businessmen do not always find that unhindered competition is to their advantage. The conflict of economic ideology and everyday pragmatism in business decisionmaking has caused peculiar results at times.

The consumer advocacy establishment headed by Mr. Nader and his raiders, hardly advocates pure free market economics. This particular establishment's support for capitalism has always been weak.

Congress deserves no accolades for its promotion of free enterprise. The burgeoning interference by the Federal Government into the private sector is astounding. Governmental tampering touches business as well as private individuals. Also, Congress is subject to unrelenting pressure from lobbies and special interest groups. Their influence has resulted in Federal interference in virtually every market. Congressmen, as well as businessmen, are in the middle of a pragmatic existence.

Who then is in a position to support and promote the free enterprise system? The Wall Street Journal maintains that free enterprise's natural constituency is the consumer. As we all are consumers, we all have an interest in promoting the free market system. The Journal editorial states that—

> There is a growing impatience with the unredeemed promises of the central planners and a hostility to government interference in daily lives.

All of us in Congress are aware of this rising "impatience" among our constituents. It is my view that this dissatisfaction cannot be met with more Government, thereby continuing in the dreary habit of the 1960's and 1970's. The only possible solution is a revived dedication to and faith in the free enterprise system.

Historical perspective clearly shows that our national economic strength, and along with it our high standard of living, developed prior to the mad rash of governmental interference with the market mechanism. I believe careful analysis will show that Government involvement in the private sector has hindered growth at the expense of the American consumer.

Mr. President, it is my hope that the American consumer will continue his current demands that Government get off his back. This pressure from the Nation's largest single interest group is the only way to achieve a reduction in governmental interference and bring about a renewed faith in the vitality of the free market system.

I ask unanimous consent that the full text of the Journal editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Underdefended Ideology

This page has carried a great deal of discussion recently bearing on whether corporate executives do, or do not, believe in market economics, or "free enterprise" as it is sometimes called. A cynical interpretation of what has transpired would be that most businessmen do indeed believe in the free market except in those cases where the interests of their company would be better served by a bit of market rigging.

This seeming hypocrisy goes to the heart of the question, which Irving Kristol and others have discussed here and elsewhere, of why businessmen have so much trouble competing for the hearts and minds of men. Without doubt, their failures in the ideological arena often leave the field to socialists, statists or simply to demagogues.

But hypocrisy, we suspect, is not the root of the problem. What appears to be hypocrisy is in fact a genuine conflict of loyalties and emotions. Most businessmen no doubt genuinely think they believe in market economics. We recall one corporate president equating it with motherhood at the same time he was defending a federal tax subsidy designed to give his company special advantages in world markets.

The simple fact is that most businessmen are neither well-placed nor well-prepared to espouse a market ideology. Running a business is a pragmatic endeavor that involves making and selling goods or providing services at a profit. It should be and usually is an honest, demanding line of work and performance is well rewarded. But the market is not an ideal in this work; it is an arena and a sometimes cruel arena at that.

There are few businessmen who haven't found at some time or other that the immediate security of their enterprise would be better served by less, rather than more, market competition or more, rather than less, intervention from government.

There is nothing intrinsically evil or immoral in this. Any chief executive who put a general ideology ahead of his corporation at a time when the two were in conflict would have a serious confusion of roles and probably wouldn't last long at the top. The most that can be asked of such an executive is that he think about the corporation's long-range interests as well as short-run gain before asking for government market intervention. Some municipal gas companies, facing shortages after years of price regulation they themselves once demanded, have had the lesson brought home.

Nonetheless, the question arises of who can really defend the ideology of market economics if businessmen engaged in private enterprise are so often divided in their loyalties? The simple answer is it should be defended by those who have the most to lose from its demise, namely consumers, or, in other words, everyone.

The problem here is that in the adversary world of practical politics where special interests contend, everyone is represented by almost no one. The so-called "consumerist" lobby in Washington, epitomized by Ralph Nader and his raiders, has even less regard for market economics than the businessmen they see as their adversaries. Businessmen have traditionally and successfully lobbied for federal market interference so as to make themselves more secure. The Naderites lobby for federal market interference out of a basic mistrust of capitalism and out of a law clerk mentality that can't get enough new rules.

The result is that the market system is badly under-represented in Washington. In Congress, where the lobbies and pressure groups hold sway, the thrust is towards more and more federal interference in markets of all kinds—money, transportation, oil, almost anything you can name. For their part, Congressmen see themselves, like businessmen, in a pragmatic exercise—reconciling such demand and winning the next election. They are, if anything, less likely than businessmen to look to the long run. Meanwhile, the intellectuals, who society asks to look to the long run, generally do not understand the market and usually would prefer decision-making to be centralized so that it can be done "rationally."

Despite this bleak picture, there is a growing impatience with the unredeemed promises of the central planners and a hostility to government interference in daily lives. In this mood there is perhaps room for more understanding of market principles. The redeeming hope is that people learn from their experience.

THE UNITED NATIONS AT THIRTY: WHAT NEXT?

Mr. McGEE. Mr. President, in the October issue of the American Bar Association Journal, there appeared an excellent article by Richard P. Brown, Jr., entitled "The United Nations at Thirty: What Next?"

The author offers his criticisms of the U.N. as being the imperfect institution that it is; but by the same token, he recognizes that despite these imperfections, it is indispensable at the same time.

In his concluding paragraphs, Mr. Brown makes the following observation:

> The United Nations was created thirty years ago to fill a desperate need—to devise ways to structure a more peaceful and orderly world. In the intervening years the organization has proved to be imperfect in many respects but effective in others. It is clear that abolition or abandonment of the U.N. would be foolish. The American people recognize this; in a Gallup poll this year, 75 percent of those asked said that the United States should not give up its membership in the United Nations. A recent Louis Harris poll reported that 60 percent of the American public supported conducting "more and more" of our foreign affairs through international organizations.
>
> Like all other participating nations, we hope that we can persuade others to concur in our policies and proposals for U.N. action. But we must be prepared to live with occasional defeats and to compromise from time to time, as we do in domestic politics, to make the organization more effective in solving the monumental worldwide problems that confront all of us who are obliged to travel—strapped together—on this "Spaceship Earth."

Mr. President, I believe Mr. Brown's observations go to the heart of the matter of our involvement and participation in the United Nations system.

I ask unanimous consent the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UNITED NATIONS AT THIRTY: WHAT NEXT?

(By Richard P. Brown, Jr.)

The United Nations celebrates its thirtieth birthday this month, providing an occasion not only for looking back at its accomplishments and shortcomings but also for considering the problems confronting it today, possible alternative future courses of action, and the U.N. is and where it is going, it is useful to recall where it has been during the last thirty years.

A BIT OF HISTORY

Following World War I the League of Nations was formed "to save nations from the scourge of war," but the United States declined to join and participate in its work. The league's resulting weakness rendered it ineffective in coping with breaches of the peace such as the Japanese takeover of Manchuria in 1932, the Italian invasion of Ethiopia in 1935, foreign participation in the Spanish Civil War of 1937, and the German domination of Czechoslovakia in 1938. Ultimately, the league withered away and was dissolved in 1946.

Before the end of World War II numerous governmental and nongovernmental leaders in the United States and elsewhere concluded that if peace was to be maintained in the future, a stronger world organization was required, in which peace would be enforced by collective action led by the major Allied powers—especially the United States and the U.S.S.R. Under the new structure, called the United Nations, every nation, large or small, would have the right to participate and vote in the General Assembly, but action could only be taken by a vote of the Security Council, including the affirmative votes of the permanent members—the United States, the U.S.S.R., the United Kingdom, France, and China. This provided the great powers with the veto, which was favored by the United States as well as the U.S.S.R., but was repeatedly used by the U.S.S.R. during the cold war days of the 1950s to block U.N. actions favored by the United States and other non-Communist nations.

In addition to the General Assembly and the Security Council, the organization established a number of less-known but important specialized organs and agencies, such as the International Court of Justice, the International Atomic Energy Agency, the Food and Agricultural Organization, the World Health Organization, the World Meteorological Organization, the International Labor Organization, and many others. These now have most of the U.N.'s staff and consume nine tenths of its annual budget.

CHANGING TIMES

In the years since 1945 dramatic changes have occurred in the world, many of which could not have been fully anticipated and which have posed challenges to the U.N.'s capabilities.

The cold war has given way to the new spirit of *détente,* born of the realization that resort to nuclear war to attain political objectives is no longer a realistic option for rational world leaders and that compromises and mutual accommodations when possible offer hope for an era of relative peace.

The 51 original member states of the U.N. have grown to 141, large and small, rich and poor, industrialized and underdeveloped, and colonialism has all but disappeared.

The world's population has increased from 2.8 billion in 1954 to about 4 billion in 1975, with the expectation that unless the population explosion is controlled, the world population will reach 6.5 billion in the next twenty-five years. Of the present population, more than half are suffering from poverty, malnutrition, and disease.

Tremendous technological advances have occurred, including the capability to explore and locate colonies in outer space, to mine and harvest the resources of the deep seas, to have direct radio and television communication by satellite to any part of the world instantly, and even to bring about changes in the weather for political or economic purposes.

Under the guidance of U.N. agencies, great strides have been made in producing new hardier strains of food grains, in establishing world-wide weather monitoring systems, in stamping out malaria, smallpox, and other diseases, and in developing controls over dangerous activities involving nuclear energy.

It is in the field of peacekeeping and in peacemaking that the U.N. has had its most mixed record of successes and failures. One need only to recall the U.N. participation in the Korean War, the Chinese invasion of India, the India-Pakistan War, the Greco-Turkish confrontation in Cyprus, the Vietnam War, and the Middle East wars of 1948, 1967, and 1973 to realize that the U.N. has only been successful in bringing about a cessation of hostilities and the installation of a peacekeeping force when all the affected nations wanted that to happen. Without this willingness, the U.N. has been powerless, but when that willingness was present, the U.N. peacekeeping activities have been valuable as, for example, in the Gaza Strip, the Congo, and Cyprus.

The United Nations Conference on International Organizations was convened in San Francisco on April 25, 1945, and concluded the drafting of the United Nations Charter and the Statute of the International Court of Justice by June 26. The charter provided that it would come into force when it was ratified by the "Big Five"—China, France, the United Kingdom, the United States, and the U.S.S.R.—and a majority of the other signatory states "in accordance with their respective constitutional processes." The United States government was designated as the depository of ratifications.

The United States Senate ratified the charter on July 28, 1945, by a vote of eighty-nine to two. The United Nations came into existence on October 24 when the ratifications of the Byelorussian S.S.R. and the Ukrainian S.S.R. and the required ratification of the U.S.S.R. were deposited. On October 26 the American secretary of state issued a protocol proclaiming that the charter had become "a part of the law of nations."

The first part of the first session of the General Assembly was held in London in January and February of 1946, and the second part of the first session was held at Flushing Meadows on Long Island from October to December of 1946.

TODAY'S PROBLEMS AND CHALLENGES

In today's interdependent but far-from-orderly world, the U.N. on a global scale faces all the problems of the individual nations. We should never forget that the U.N. is not a separate supragovernmental organization; it is a vehicle for expressing the wishes and needs of individual member states that are jealous of their sovereignty, and it can act only when those member states, including the great powers, arrive at a workable consensus as to the nature of the problem and the desired method of meeting it.

In the last half of the decade of the 1970s, some of the major problems confronting the nations of the world and, therefore, the United Nations are:

1. The need to narrow the growing gap in living standards between the developed and developing nations by finding ways to feed, clothe, house, and find employment for the two thirds of the world's population now located in the less developed countries, most of which lie in the southern hemisphere.

2. The need to develop, utilize, and protect the natural resources of the land and the seas in ways that will benefit all countries more fairly than heretofore.

3. The need to protect the world environment from ever-increasing pollution, without unduly restricting industrial development.

4. The need to establish better means of peaceful settlement of disputes between nations, including such varied techniques as creation of permanent peacekeeping forces under United Nations control, greater use of the International Court of Justice and other courts, arbitration, and mediation.

5. The need to strengthen the respect of nations for individual rights and freedoms by eliminating discrimination on account of race, religion, sex, color, or national origin; guaranteeing rights of emigration and return eliminating slavery, torture, and child marriage (which still exist in some countries); and providing a forum within the U.N. for the presentation and handling of individuals' grievances against nations.

6. The need to find ways of regulating the international activities of multinational business enterprises so as to produce greater benefits for host countries, without unreasonably hampering those enterprises and driving away needed investment.

7. The need to achieve a permanent state of peace in the Middle East.

8. The need to develop effective means of controlling the production, sale, and use of both strategic and conventional armaments.

SOME ROCKS AND SHOALS

That list of problems points up the obvious fact that there shall have to be considerable exertion of collective efforts, self-restraint, and compromise by the member nations if these problems are to be solved before they become insoluble. And yet there are some areas in which the actions of some nations now are creating increased tensions and the seeds of turmoil within the U.N., which could seriously hamper its effectiveness or even tear it apart. For example:

1. In 1974 the General Assembly, at the urging of the developing countries of the third world, adopted a Charter of Economic Rights and Duties of States. It declares the right of each nation to exploit its own natural resources and to nationalize or expropriate the property of foreign investors, with compensation paid according to its own law and without regard for international law principles, such as the right of the former owner to receive prompt, reasonable, and effective compensation for the seized property.

2. Many nations, led by the Arab states, have recently announced a concerted plan to attempt to expel or suspend a member nation—Israel—from the U.N. and its specialized agencies or to deprive it of participation in the activities of those agencies, in violation of Articles 5 and 6 of the United Nations Charter. Similar actions have been taken in the past against the Republic of South Africa. These actions have caused Secretary of State Kissinger to warn that "those who seek to manipulate U.N. membership by procedural abuse may well inherit an empty shell."

3. In earlier times the United States usually could muster an "automatic majority" of votes in the General Assembly but often encountered the veto of the U.S.S.R. in the Security Council. Now the shoe is on the other foot. The third world frequently produces in the General Assembly, by a bloc vote, unrealistic and unenforceable resolutions. This has caused President Ford to warn the General Assembly against the "tyranny of the majority."

4. In the struggle to gain control over ocean resources such as fish, offshore oil, and minerals from the seabed, some nations are claiming territorial dominion over the seas adjacent to their shores for a distance of as much as 200 miles. If some agreement is not reached soon in the pending conferences on the law of the sea, the conflicting economic interests of nations could lead to unrestrained unilateral acts of exploitation that could even produce armed conflicts between "have" and "have not" nations.

5. In some respects the U.N. Charter is inadequate to meet today's conditions. Yet there is fear, in the United States and elsewhere, that any attempt to revise the charter might produce, because of political bloc pressure, new provisions that would be more undesirable than the present provisions.

While some of these rocks and shoals might be enough to cause the U.N. ship to be damaged or even founder, it is hoped that enough collective good will and accommodation shall be found to permit a safe passage.

THE AMERICAN BAR ASSOCIATION AND THE U.N.

In the past thirty years the American Bar Association's attitude toward the U.N. and its activities has been somewhat ambivalent. The Association is on record as supporting the United Nations, yet in the 1950s the Committee on World Peace through Law and the Committee on Peace and Law through the United Nations (later to be combined into the Standing Committee on World Order under Law) frequently took diametrically opposed positions on specific U.N. issues. While the Association annually appoints a representative to the United States Mission to the United Nations, the Association's early mistrust of the U.N. itself has resulted in the appointment of only an observer at the U.N., unlike many other nongovernmental organizations, which have accredited representatives at the U.N. who can express the views of their respective organizations to the secretariat and certain specialized agencies.

The Section of International Law has a continuing Committee on United Nations Activities, which has initiated resolutions for Association action in U.N. matters and has written an intermittent department in this *Journal* summarizing current events at the U.N.

The Association has considered a number of U.N.-related resolutions. In 1973 a resolution was adopted relating to the resources of the seabed, and the Association in Montreal in August of this year adopted a resolution disapproving the attempt to suspend or expel a U.N. member state or deprive it of the right to participate in U.N. activities.

In 1947 and 1960 the Association urged repeal of the Connally reservation to the United States' acceptance of the compulsory jurisdiction of the World Court.

In 1973, after Congress refused to authorize the funds required for the United States annual contribution to the International Labor Organization because of dissatisfaction with some of its policies, the Association passed a resolution calling the attention of Congress to the fact that this action was a violation of our treaty obligations under the U.N. Charter.

In 1974 the Association adopted a resolution opposing the Charter of Economic Rights and Duties of States in the absence of any provision that the obligations of nations include compliance with principles of international law. That resolution was among the factors which caused the United States to vote against the charter at the 1974 meeting of the General Assembly.

MIXED RECORD ON HUMAN RIGHTS

The record on U.N. human rights conventions has been mixed. In 1967 the Association voted in favor of ratification of the Supplemental Convention on Slavery; took no position on the Convention on Abolition of Forced Labor; and opposed the Convention on Political Rights of Women. In 1970 by a close vote (130–126), it opposed ratification by the United States of the Genocide Convention. This opposition has been one of the factors that so far has caused the Senate not to ratify the Genocide Convention.

In 1974 the Association affirmed its support of an independent judiciary and bar in all nations and expressed disapproval of the conduct of some nations in detaining and harassing attorneys for representing individual defendants.

ASSOCIATION HAS GREAT INFLUENCE

As the spokesman for the organized bar in the United States, the Association can have considerable influence on our nation's policies with respect to United Nations activities. This suggests that the Association should continue to observe those activities and to take positions on important matters, particularly those with legal implications, that affect our nation's foreign policy. Among the steps the Association should consider are: (1) approval of the Genocide Convention; (2) approval of the racial discrimination convention; (3) approval of the forced labor convention; (4) urging again the repeal of the Connally reservation to our adherence to the statute of the International Court of Justice; and (5) the appointment of a representative accredited to the U.N. instead of an observer.

RIDING ON "SPACESHIP EARTH"

The United Nations was created thirty years ago to fill a desperate need—to devise ways to structure a more peaceful and orderly world. In the intervening years the organization has proved to be imperfect in many respects but effective in others. It is clear that abolition or abandonment of the U.N. would be foolish. The American people recogize this; in a Gallup poll this year, 75 per cent of those asked said that the United States should not give up its membership in the United Nations. A recent Louis Harris poll reported that 60 per cent of the American public supported conducting "more and more" of our foreign affairs through international organizations.

Like all other participating nations, we hope that we can persuade others to concur in our policies and proposals for U.N. action. But we must be prepared to live with occasional defeats and to compromise from time to time, as we do in domestic politics, to make the organization more effective in solving the monumental worldwide problems that confront all of us who are obliged to travel—strapped in together—on this "Spaceship Earth."

THE UNITED NATIONS RESOLUTION ON ZIONISM

Mr. TAFT. Mr. President this week the Senate passed, on a voice vote, a resolution condemning the action taken by the social, humanitarian, and cultural committee of the United Nations labeling Zionism as a form of racism. I supported this resolution.

Such an action would deny the concept of a State of Israel accepted by the United States since the Balfour declaration and reaffirmed by us frequently ever since. Moreover, it is a concept that was recognized by the United Nations when the State of Israel was created out of the wreckage of World War II.

This action is only the most recent of several moves by the Third World nations to politicize the U.N. There has been an increased concern in the Congress over continued usefulness of the U.N. It would be certain to affect the amount of funding for the United Nations from the United States in light of this type of action by member states. Passage by the full General Assembly of the antisemitic resolution on Zionism will only force the Congress to seriously consider further American reductions in United Nations participation.

GROWING AID TO CHILE

Mr. CHURCH. Mr. President, the Senate will soon take up the foreign aid authorization again, and one of the questions we should consider carefully is who gets our foreign assistance and for what purpose. While the House International Affairs and the Senate Foreign Relations Committees have worked hard to see that in the future foreign aid goes to the most needy countries and for purposes which will help the poor of the world, it is still for the executive to dispense that aid and the Nixon-Ford administrations have made clear how frequently considerations, other than humanitarian concerns, dictate the choice. While this is not unusual in the 30 years of foreign aid, the difference is that these administrations have tended to favor repressive governments.

One such choice is Chile. In the 2 years since a military junta, with help from the CIA, overthrew the elected government and began a widespread campaign of imprisonment and torture, U.S. aid has grown to the point where this one country now gets 85 percent of the food aid going to all of Latin America, Economic aid stands above $20 million and had it not been for congressional action cutting it off, military aid would be even higher.

Columnists Jack Anderson and Les Whitten have written about this aspect of foreign aid, as well as the U.S. counterinsurgency school also eliminated by Congress. I ask unanimous consent that portions of their October 11 column be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 11, 1975]

U.S. AID TO CHILE GROWING LARGER

(By Jack Anderson and Les Whitten)

The closer we examine the relationship between the U.S. government and the Chilean dictatorship, the more curious it becomes.

The military regime in Chile holds the dubious distinction of being one of the most repressive in the world. Thousands of Chileans have been arrested, beaten and tortured for their political beliefs. Hundreds more have simply disappeared without a trace.

Yet U.S. support for the dictatorship has never waned. Indeed, it's getting stronger.

The year after Chilean strongman Augusto Pinoche took over, for example, U.S. economic assistance to Chile doubled from $9.8 million to $20.5 million. According to current plans, Chile will get $77 million in 1976.

Of this, $55 million in "Food for Peace" funds alone will be earmarked for Santiago. Chile, in short, will get 85 per cent of the food aid that will be pumped into all of Latin America.

On Dec. 30. 1974, Congress cut off all military assistance to Chile. Until Congress intervened, however, military aid to Santiago was steadily climbing. It stood at $16 million in fiscal 1974.

These are merely the obvious ways Washington has helped keep the junta afloat. Occasionally we also get a glimpse of the covert assistance given to Chile.

Take, for example, the Army's "School of the Americas," located in the Panama Canal Zone. The school, stuck back in the jungle near the Caribbean coast, has been around in one form or another for three decades. It is specifically designed to train Latin American soldiers; all classes are taught in Spanish.

To no one's great surprise, we discovered about a third of the school's students in 1975 came from Chile—575 out of a total enrollment of 1,765.

One popular course, entitled "Officer Combat Arms Orientation," was attended by 993 students. Over half of them—504—were Chilean officers.

They were given standard military training in such subjects as map reading, first aid and signal communications. The emphasis, however, was on anti-guerrilla warfare.

A full 16 hours of instruction, for example, were devoted to "basic concepts of counterinsurgency in urban areas." Nine hours of "psychological operations" were taught. But the most intensive instruction was given in 125 hours in "counterinsurgency operations; anti-guerrilla warfare in the field."

Until Congress put an end to military assistance to Chile nine months ago, in short, the U.S. government was teaching the junta's foot soldiers how to repel the "dissidents" who oppose them.

Footnote: Ten of the 11 countries that sent soldiers to the basic officers course in 1975 are outright dictatorships. Bolivia, presided over by the repressive Col. Hugo Banzer, sent 1,203 students. The once-democratic Uruguay, which now has what experts believe is the highest per capita ratio of political prisoners in the world, sent 37 students.

SMALL BUSINESSMEN SUFFER

Mr. CURTIS. Mr. President, it was with considerable distress that I learned Tuesday that Senate and House conferees on the Labor-HEW appropriations bill had struck two blows against the small businessmen of America.

To refresh the memories of my colleagues, I would point out that in deliberations on the Labor-HEW appropriations this year, the Senate approved three amendments to the Occupational Safety and Health Act.

These amendments were designed to eliminate or reduce burdens that have proved very costly and unreasonable to small, independent businesses.

I sponsored one of those amendments, which passed by a vote of 48 to 45 on September 24. My amendment in effect exempted employers having three or fewer employees from requirements of the Occupational Safety and Health Act.

Another amendment, sponsored by the Senators from Louisiana and Florida (Mr. JOHNSTON and Mr. CHILES) was passed by a voice vote on September 17. It limited to $50 the amount of a fine for first-time, nonserious violations of the Occupational Safety and Health Act. Such fines at present can be levied at up to $1,000 and are most injurious to small businesses.

A third amendment sponsored by the Senators from South Dakota and Louisiana (Mr. ABOUREZK and Mr. JOHNSTON) was passed on September 17. It exempted small businesses with 15 or fewer employees from the costly, time-consuming, and burdensome tasks of the recordkeeping and reporting requirements of the Occupational Safety and Health Act.

Mr. President, at the time we adopted these amendments, I felt we had at last begun to show some reason and understanding of the problems and plight of small businessmen in this country.

Now, however, I am shocked to know that the will of the majority of this body has been overruled by the conferees on the Labor-HEW appropriations bill which was passed with those three small business amendments on September 26.

I learned of the action of the conferees on Tuesday, when a short article in the Wall Street Journal reported that the conferees dropped the two Senate amendments which exempted small businesses with three or fewer employees from OSHA, and which established the $50 maximum fine for a first time nonserious violation.

The small businessmen and farmers of the country are entitled to an explanation from the conferees.

Mr. President, I am aware that the bill that passed the House did not contain the two amendments as passed by the Senate. But, I would point out that the House last year—on June 27—passed an amendment to the same appropriations bill to exempt small businesses with

25 or fewer employees from the Occupational Safety and Health Act.

This is no small matter to the hundreds of thousands of small businessmen across the country whose very livelihoods are threatened by ever-increasing Government regulations, restrictions, and requirements.

I think the action by the Senate and House conferees in reversing the majority decision of the Senate is a great error.

PLANNING A PLANT

Mr. HARRY F. BYRD, JR. Mr. President, the October 22 Wall Street Journal carried a front page article about a leading Virginia corporation, the A. H. Robins Co. of Richmond.

The plant was dedicated last week at a Petersburg, Va., site which was selected with the help of State development officials and will result in new jobs for Virginians.

The author of the article, Victor F. Zonana, points out that there are many new plants being built in the United States, but that this story illustrates well, "how real people make real decisions in the real world."

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLANNING A PLANT: HOW A. H. ROBINS CO. MADE DECISION TO BUILD A CHEMICAL FACILITY

(By Victor F. Zonana)

PETERSBURG, VA.—At noon today, A. H. Robins Co. will hold a luncheon for Petersburg city officials at the local Ramada Inn to announce plans for a $6 million chemical plant and service facility here.

As business news goes, the announcement wouldn't normally rate much attention. A. H. Robins, a big pharmaceutical concern headquartered in Richmond about 30 miles north of Petersburg, has made far larger investments. Other companies across the nation in the next few days doubtless will unveil bigger plans.

But the story of how A. H. Robins came to make its investment here is nonetheless worth telling. It's a tale of more than a year of intensive planning, of intracompany warfare and of unexpected economic and business developments—as well as of how real people make real decisions in the real world "that you'd never learn about at Harvard Business School," as one Robins insider puts it. Among other things, Robins started out planning to build or buy a plant of its own; it wound up, almost at the last minute, in a joint venture with a big West German pharmaceutical concern, Boehringer Ingelheim Associated Cos.

IMPORTANT DECISIONS

The story is also important for what it tells of the problems that businessmen face these days in trying to decide whether to commit funds to capital projects, whatever their size. The level of capital spending this year and next is likely to be a key factor in determining whether and how fast the American economy recovers from its worst recession in decades. Last month, the Commerce Department projected that 1975 capital spending would plummet 11.5% below last year's, and most economists are cautious about next year's outlook.

The story of the A. H. Robins project actually begins in 1958, when company chemists first synthesized a white powdery chemical called methocarbomal. A muscle relaxant, methocarbomal was patented and sold in pill form under the name Robaxyn after receiving government clearance. Contracts were given to several chemical makers to supply Robins with raw methocarbomal, since the company only made finished pharmaceuticals.

Robaxyn was a big success. By 1967, Robins believed it was buying enough methocarbomal to consider making the chemical for itself. The company was also purchasing large volumes of glyceryl guaiacolate (GG) for its Robitussin cough medicine, and since methocarbomal was a derivative of GG, manufacture of the two petrochemicals seemed desirable, according to William L. Zimmer III, Robins' 63-year-old president.

DELAYED BY FDA STUDY

But the idea hit a snag and was shelved in 1970 when the Food and Drug Administration's Drug Efficacy Study, an industry-wide review of pharmaceuticals, gave methocarbomal a "questionable" rating. Although the FDA eventually cleared the chemical in 1974, the review kept methocarbomal, along with Mr. Zimmer's idea of manufacturing it and GG, under a cloud for four years.

The idea was revived by the 1973–74 oil crisis and the resulting shortages of petroleum-based chemicals. "Skyrocketing chemical prices were cutting into our profit margins," Mr. Zimmer says, noting that the price of methocarbomal shot up more than 40% in 1974 alone. Even worse, at times methocarbomal and GG were unavailable at any price; the costly production closedowns that ensued "were cutting into the lifeblood of our business," Mr. Zimmer says. He says he decided in April 1974 that Robins "would no longer be a pawn of the market."

On May 16, 1974, Robert G. Watts, senior vice president, sent a memo to the heads of seven corporate divisions. "Mr. Zimmer has requested that immediate attention be given to the feasibility of the manufacture of selected chemicals," the memo stated. It announced creation of a secret, high-level task force to "be responsible for providing recommendations for compounds to be considered, acquisition possibilities, site selection and facilities, as well as financial justification for same."

TWO TEAMS SET UP

The task force met June 1, 1974, and was quickly broken down into two subgroups, one to study the acquisition of a chemical plant and the other to look into building one from scratch.

The "build" unit, headed by Mr. Watts, a tough 42-year-old ex-Navy officer, sought out six process engineering firms and was approached by dozens more. "These engineers have a grapevine that's incredible," Mr. Watts says. "You talk to one and they all come along." In early October the group settled on Lockwood-Greene Engineering Co., Atlanta.

In March 1975, Lockwood Greene delivered to Robins an inch-thick, $16,000 volume that detailed design criteria, the chemical-making process, an equipment list, environmental impact statement, project schedule, drawings and most important, a preliminary cost estimate. The engineering firm calculated that a plant making 200,000 pounds of GG and 500,000 pounds of methocarbomal annually, Robins' projected 1978 needs, would cost $6 million, plus 30% or minus 20%.

Robins' officers calculated that the same amounts of chemicals would cost $6,050,000 if purchased on the open market, but that it could be manufactured for only $3.5 million. Based on a $6.2 million capital outlay ($6 million for the plant and $200,000 for the land), the pretax return on investment (compared with continued outside purchases) would exceed 40%, and the investment would pay for itself in less than three years.

Meanwhile, consultants for the "buy" team identified over 100 existing plants that seemed to meet Robins' needs. Of these, about 20 were actually contacted by the company and three strong candidates ultimately emerged. One was Hexagon Laboratories Inc., New York, which later was acquired by the West German concern that eventually became Robins' partner in the joint venture in Petersburg.

Hexagon was up for sale and it was already a big supplier of methocarbomal to Robins. Little plant modification would have been necessary. "But Hexagon was in the Bronx and there was no room for possible expansion." Ernest L. Bender Jr., senior vice president of Robins, says. Also, a Robins spokesman notes, "Hexagon's plant was unionized, and we've always tried to steer clear of unions." The buy group finally settled on a plant in Sheboygan, Wis.

The "build" and "buy" units developed a keen rivalry, with personal reputations and egos becoming involved in the outcome. "The acquisitions people were desperate for something big," Mr. Watts asserts. "They really wanted another feather in their cap." One member of the acquisition team retorts that Mr. Watts wanted to build a plant "so that he could have another picture hanging on his wall." (Mr. Watts' office wall bears architectural renderings of plants he has been responsible for in Puerto Rico and Richmond.)

Mr. Zimmer minimizes the effect of the rivalry; he says he had hoped for just such "creative tension." But in the meantime, more serious questions were being raised—including doubts about whether Robins should get into the chemical business at all.

A CASE OF COLD FEET

Carl Lumsford, vice president in charge of chemical research—and one of the discoverers of methocarbomal in 1958—had begun to develop cold feet about the project. He suggested that the proposed plant be scaled down by about half.

"You just don't go out and build a chemical plant," he recalls saying. "It takes expertise and technical know-how. Since this was our first move into a new area, I thought it would be well to leave room for a third party to supply us. There's always the possibility for a plant going down because of fire or some other catastrophe."

Mr. Lunsford's hesitation came on the heels of a study commissioned by Robins from Chase Manhattan Bank. The Chase analysis argued that Robins shouldn't go through with the project because of the cyclical nature of the chemical business. By prudent hedging operations—buying supplies when prices were low—Robins could assure itself of the necessary raw materials, they said.

Mr. Zimmer, still vividly remembering the 1973 oil embargo, rejected the Chase argument out of hand. "Any savings we'd obtain would quickly be lost if supplies were interrupted," he says. Of Mr. Lunsford's objections, Mr. Watts says dryly, "I think our suppliers convinced him."

Ironically, however, it was Mr. Lunsford's vision of the course Robins should take that came closest to what actually happened—although not necessarily for the reasons he cited.

ECONOMIC ILLS NOTED

Planning for the project was coming to a head in the midst of a precipitous decline in the economy. "Some of our meetings were pretty strained," one insider recalls. "Inflation was rushing along and the recession just kept getting worse. Some of us felt we were just spinning wheels, that the state of the economy—the sheer uncertainty of it all—would preclude a big commitment of capital."

G. E. R. Stiles, vice president and treasurer, says those who were worried about the recession were overruled because a company can't look at short-term fluctuations in determining capital spending policies. "This is long-term planning," he says. A recession, he adds, "is a one- to three-year thing. When you're talking about a new plant, you're talking 10 to 20 years." Besides, Robins was able to minimize the recession's impact because a strong balance sheet allowed the company to finance the project internally rather than compete for funds on the capital markets.

By last March, the management team had studied its "build" and "buy" options for about 10 months, and a showdown was slated. The proponents of purchasing the Sheboygan plant made a persuasive presentation. The next day, the "build" forces counterattacked with an equally persuasive proposal, aided by an artist's sketch, for a custom-built facility in Virginia. The costs were about equal.

DECISION: TO BUILD

The decision, by Mr. Zimmer in consultation with Chairman E. Claiborne Robins Sr., went in favor of the "build" team. "We really wanted that damned plant in Virginia," Mr. Zimmer says, "That way we can run down and touch it just to make sure it's there every once in a while." Virginia industrial development officials were asked to help choose the site; they assigned the project the code name "Operation Dogwood" and soon narrowed the search to nine possible locations.

But no sooner had the decision seemingly been made between "buy" and "build" than a third possibility arose. Hexagon Laboratories, the Bronx concern considered as a potential purchase possibility, had been acquired in February for $4 million by Boehringer Ingelheim, a big pharmaceutical and chemical concern based in Ingelheim, West Germany. Subsequently, Hexagon officials had gotten wind of Robins' plans for a captive source of methocarbomal and GG, and two Hexagon representatives were dispatched to Richmond in April in an effort to keep the Robins business.

Hexagon offered to build a plant in Virginia and negotiate a long-term sales agreement with Robins. Robins, which had gone this far down the road, demurred. Hexagon offered Robins an equity interest in the plant as a sweetener. Mr. Zimmer struck: "I said 50% or nothing at all. Take it or leave it."

"I almost dropped my teeth," recalls Mr. Lunsford, who was at the meeting and saw a joint venture with an experienced chemical concern as the solution to his fears about building a chemical plant. Mr. Lunsford worried that Mr. Zimmer's insistence on a half interest might be unacceptable to Boehringer.

But Boehringer eventually agreed to the transaction. Most of the plant's output would be sold to Robins, profits would be divided equally and Robins would have an option to buy Hexagon's share after an unspecified period of time. The package neatly disposed of nearly all the objections that various Robins factions had about the build or buy options. Among other things, for example, it will allow Robins to hold capital spending next year to about $7 million, the same as this year, because Robins' share of the project will result in an outlay of only about $1.5 million to $2 million next year, with the remainder in 1977. The plant is slated to open in early 1978.

"We'd have probably gone ahead alone and built a new plant," Mr. Zimmer says, "but the joint venture sure makes us feel more confident about this project."

REMOVING PUBLIC LANDS FROM ACCESS FOR MINERAL EXPLORATION AND DEVELOPMENT

Mr. STEVENS. Mr. President, in recent years we have seen an accelerating trend toward removing our public lands from access for mineral exploration and development. This is a dangerous course in my opinion.

As less lands are left available for sensible development, the inevitable results will be twofold: a serious shortage of domestic minerals and an increasing dependence upon foreign sources. As the oil embargo should have taught us, dependence upon foreign sources for critically needed resources is extremely ill-advisable. We cannot afford it with oil and we cannot afford it with minerals.

Recently, two employees of the Department of the Interior, Gary Bennethum and L. Courtland Lee, completed on their own time an extensive survey of recent public land withdrawals which eliminated land from the mining and mineral leasing laws. Their report entitled, "Is Our Account Overdrawn?" appeared in a recent special edition of the Mining Congress Journal. The complete report is excellent and I recommend it to the Senate. I ask unanimous consent that the portions of the article relating to Alaska and the summary be printed in the RECORD.

There being no objection, the pertinent portions of the article were ordered to be printed in the RECORD, as follows:

ALASKA NATIVE CLAIMS SETTLEMENT

The land use and ownership situation in Alaska is extremely complicated and requires some historical background to fully understand what has happened to our account in recent years and what will likely happen in the future.

By the time it entered the Union in 1959, only 600,000 acres of land in Alaska were in private ownership. The remainder was public domain which included significant withdrawals from the mineral laws, mostly in military reservation, national parks, wildlife refuges and petroleum reserves. As the state started to select lands granted to it in its statehood entitlement, native groups protested that the state was selecting lands to which they had rights. To protect the lands until the native rights could be determined, Secretary of the Interior Stewart Udall in 1966 imposed a freeze on all Alaskan public land auctions, including withdrawals. Pressures to resolve the native question were intensified after the discovery of oil in 1968 and culminated in passage of the Alaskan Native Claims Settlement Act (ANCSA) of 1971, which was supposed to end the freeze and finally settle the land issues.

The act effectively withdrew all unreserved public lands in Alaska from the Mining Laws (except for metalliferous minerals) and the mineral leasing laws for a period of 90 days and authorized the Secretary to make any necessary withdrawals under the existing law and authority to protect the land from state and private ownership and mineral entry.

Under the act, Congress awarded the natives nearly $1 billion for regional development corporations and 40 million acres of land to be selected from a pool of 25 townships adjoining each native village. Withdrawals for villages and regional deficiencies for villages withdrawn by the act itself terminate Dec. 18, 1975; however, the subsequent withdrawals made by the executive pursuant to the act remain in effect until revoked by the Secretary of Interior. There are basically two types of executive withdrawals mentioned within the act. The first, section 17, d–1, withdrawals are to be made in the public interest under the Secretary's existing authority. The d–1 withdrawals permit metalliferous location under the Mining Laws except where they overlie a withdrawal that previously withdrew the lands from all forms of mining. The section 17, d–2 withdrawals were withdrawn by the Secretary for possible inclusion into the four systems; national park, forest, wildlife refuge, and wild & scenic river systems. Section d–2 withdrawals, withdrew the land from all minerals exploration under the mining laws. Both d–1 and d–2 withdrawals remove the land from operation of the leasing laws.

Basic provision of the act required that 120 million acres be withdrawn in aid of native selection pursuant to provisions of ANCSA. These lands are withdrawn from both the Mining Law and the mineral leasing laws. The natives will select about 43 million acres. Of the remaining 77 million acres, some will go to satisfying state selection right of which Alaska's remaining entitlement is about 35 million acres. Not all the 35 million acres will be selected out of the 77 million. The remaining acreage may be reopened to the Mining Laws and mineral leasing laws at the Secretary's discretion.

A second provision of ANCSA permitted the withdrawal of up to 80 million acres for possible inclusion within the four systems. The Secretary withdrew approximately 80 million acres for this purpose in March 1972. In September 1972, the Secretary made a series of adjustments to these withdrawals. As a result, about 14 million acres of the 80 million acres of d–2 lands initially withdrawn in March for the four systems were shifted to withdrawals for native deficiencies, state selections or d–1 (public interest) purposes. However, the d–2 withdrawal status (which withdraws lands from all the mineral laws) was not removed from the mineral estate.

Approximately the same acreage of lands initially withdrawn for d–1 in March was added to the d–2 withdrawals, thereby holding the overall d–2 withdrawals close to the 80 million acre statutory limitation.

Under the act, the Secretary of Interior had to submit to Congress by December 1973 his plans for dividing up Alaska into parks, refuges, forests, multiple use areas (which hopefully includes mineral exploration and development) etc. The bill submitted by Interior Secretary Rogers C. B. Morton would set up three new national parks (two are more than four times larger than Yellowstone), double the size of Mt McKinley National Park and enlarge and redesignate Katmai National Monument to park status, and establish four new national monuments; it would add 31.6 million acres to the National Wildlife Refuge System (which now contains about 30 million acres), and among other things, add 18.8 million acres to national forests and 20 areas containing 800,000 acres to wild and scenic rivers. These proposals total 83.4 million acres or 23 percent of the land area of Alaska.

Morton's recommendations included approximately 65 million acres of d-2 withdrawals and 18.4 million acres of d-1 withdrawals. The 18.4 million acres of the d-1 withdrawals in the Secretary's legislative proposal at present are open only to metalliferous mineral location under the 1872 Mining Law. The 65 million acres of d-2 lands remain closed to both the mining laws and the mineral leasing laws.

As soon as the Secretary's proposal was made known, it was immediately attacked by environmental groups who placed a full-page newspaper ad of protest urging Morton to change his recommendations. One of the groups' major concerns was that *large* areas of Alaska would go to *multiple use!*

The groups, including the Sierra Club, Wilderness Society and the National Audubon Society, later drafted and had introduced in Congress their own bill which includes vastly larger areas for parks and refuges.

Various other interest groups and legislators will be sponsoring their own bills. Congress is not bound by the Secretary of the Interior's recommendations. It can add any lands it wishes to the parks and refuges, including some mineralized areas disputed by the state of Alaska. Congress has until Dec. 18, 1978, to act on the proposals, and during that time the proposed areas are required to be "protected," including the possibility of additional withdrawals on the d-1 and other lands.

It is certain that, in the years ahead, various preservation and "public interest" groups will be pressuring Congress to preserve entire "ecosystems" for future generations. And during the ensuing months, pictures of snowy mountain peaks and analogies to the destruction of the great buffalo herds will be presented to the public as the strawman argument of preservation versus destruction is raised in defense of America's last frontier. Very few will consider whether the "buffalo" being destroyed is America's future mineral wealth.

Because of the many changes and complexity of the public land orders concerning ANCSA, a determination of the precise acreage of the public domain closed to entry under the Mining Law and the leasing laws by ANCSA was difficult to make (see table 2). Our calculation required knowing the total acreage of public domain in Alaska, and in additions and withdrawals under Sections 11 and 16 of ANCSA; this excludes large areas of forest affected by power site withdrawals. By deleting these reserved lands, state selected lands, pending state selection, unperfected entries, and utility corridor lands from the total U.S. lands in Alaska and then comparing this figure to what is open in unreserved public land subsequent to ANCSA, the specific withdrawal by both legislative and executive actions associated with this act was obtained. As shown in table 2, a total of 206,049,000 acres of Alaskan public domain were withdrawn by ANCSA from entry the Mining Law of 1872 for metalliferous and non-metalliferous mining, and an additional 43,555,000 acres were withdrawal from non-metalliferous only. Also, as shown in table 2, there was a total of 249,621,000 acres withdrawn from operation of the mineral leasing laws by ANCSA.

TABLE 2.—*Alaska Native Claims Settlement Act (ANCSA)*

MINING LAW (METALLIFEROUS)	
Total U.S. lands owned in Alaska	353, 383, 000
Reserve acreage prior to ANCSA including open national forest lands	−72, 919, 000
Acquired lands	−17, 000
State selected lands, patents, tentative approval of patents (unperfected entries)	−25, 500, 000
Net public domain open to location prior to ANCSA	254, 947, 000
Acres withdrawn from metalliferous location (utility corridor)	−2, 898, 000
Lands open to metalliferous location after ANCSA	−46, 000, 000
Net lands withdrawn from metalliferous location by ANCSA	206, 049, 000
MINING LAW (NON-METALLIFEROUS ONLY)	
Net public domain open to location prior to ANSCA	254, 947, 000
Withdrawn for utility corridor	−5, 343, 000
Withdrawn from metalliferous and nonmetalliferous ANCSA	−206, 049, 000
Net withdrawn from non - metalliferous only by ANCSA	43, 555, 000
LEASING LAWS	
Total U.S. lands owned in Alaska	353, 383, 000
Reserved acreage prior to ANCSA including open national forest lands	−72, 919, 000
Lands selected by States, patents and tentative approval of patents (unperfected entries)	−25, 500, 000
Area withdrawn for the utility corridor	−5, 343, 000
Area withdrawn from leasing by ANCSA	249, 621, 000

Presently, the only public domain in Alaska open to the mining laws includes: 46 million acres of d–1 withdrawn lands left open to metalliferous location by ANCSA, 2.9 million acres open for metalliferous location by the utility corridor withdrawal and 18.6 million acres in National Forest lands. Ironically, 2,952,592 acres are open to the Mining Law in Mt. McKinley National Park and Glacier Bay National Monument; the 1,013,100 acres remaining open in Glacier Bay National Monument cannot be patented; and 3,152,026 acres in the Clarence Rhode and Cape Newenham Wildlife Ranges. Accounting for withdrawn Alaska lands not included in ANCSA is made separately under the appropriate individual categories in fig. 1 and 2.

The land withdrawn for native claims and the land selected by the state of Alaska may eventually be available to some form of mining pending the discretion of the owners, but remain forever closed to the Mining Law and mineral leasing laws. Additional restrictions will certainly affect the public domain which is left. For example, under authorities proposed in Congress, roughly 70 million acres of roadless Alaskan public domain would be studied for intensive management as primitive or roadless areas. Those lands entering the four systems are sure to be withdrawn or severely restricted for mineral exploration and development.

Ignoring these uncertainties, approximately 45 million acres of leftover public domain could eventually be reopened to the Mining Law and mineral leasing laws by a Secretarial order and some portion of the 80 million acres left over after native selection could be opened to the mineral laws at the Secretary's discretion. Finally, portions of the National Forests and a few other areas may be opened for mineral exploration and development in the future. At this point it is not possible to determine what our future mineral land account will be; except only a relatively small fraction of the pre-ANCSA public domain will ever be again opened to the mineral laws.

In any event, through 1974 all lands affected by the ANCSA, except 46 million acres open for metalliferous location only, remain closed to the mining and leasing laws, and will remain so until ANCSA is completed. These lands remain withdrawn from our account.

UTILITY CORRIDOR—ALASKA

On Dec. 29, 1971, Interior issued Public Land Order 5150, which withdrew lands for reservation as a utility and transportation corridor. This affects approximately 5,343,300 acres of land in Alaska. Of this acreage, 2,897,520 acres were withdrawn from the mining laws and the leasing laws. The remaining 2,445,780 acres were left open to metalliferous location under the mining laws only. All 5,343,300 acres were withdrawn from the leasing laws.

Although nearly contemporaneous with the Alaska Native Claims Settlement Act this public land order constitutes a separate executive action on nonoverlapping land areas and therefore represents a separate withdrawal from our account.

CONCLUSION

We have shown that through governmental actions we have firmly withdrawn nearly 400 million acres from the operation of the Mining Law and over 500 million acres from the leasing laws. In addition, over 100 million acres for the Mining Law and 70 million acres for the leasing laws are encumbered or are being managed in such a way as to constitute a *de facto* withdrawal from mineral development.

This means that, for the Mining Law, mineral exploration and development is specifically prevented or discouraged in an area the size of the states of California, Arizona, Washington, Oregon, Nevada, Utah, Idaho and one half of Colorado.

For the mineral leasing laws, exploration and development is prevented or discouraged in an area equal in size to all states east of the Mississippi except Maine. This does not include acreages which are presently under lease where further leasing may be restricted, especially in areas of non oil and gas leases and producing oil and gas fields. For mineral leasing, portions of what remains may be withdrawn through *a priori* zoning under various land use planning systems, although the magnitude of this latter problem cannot be assessed at this time.

One of the major reasons this situation has occurred is the lack of any mechanism for assessing the cumulative impact of thousands of discrete withdrawal actions. Each interest group working to have more land withdrawn does not consider the cumulative impact of its, and other groups', successful efforts. Rather, it tends to see its own reasons for withdrawing lands as more important and more in the national interest than land needs for mineral exploration and development. The rhetoric behind these withdrawal debates results in most areas being totally withdrawn from mineral development and what remains being totally open.

This kind of a land use strategy is economically unsound and is simply bad public policy. Since there is now more public land withdrawn from mineral development than is open we must create a middle ground where the mineral industry will have to accept reasonable conditions on its activities while the preservationists and others will have to accept the fact that somewhere in that million acre wilderness area, there is a mine.

Given the present situation and our minerals-land account, it may be already too late. What ever happened to multiple use anyway?

And government exploration and development is not the answer, although there will be those who have no concept of what is involved in discovering and developing a mineral deposit who will argue that only the government is capable of exploring for minerals on federally-owned lands. If past government involvement in private industry is any indication, this alternative would be a total failure and an unacceptable burden on the already burdened American taxpayer.

The other major reason this situation is not appreciated is because the consequences are long term. In fact, the withdrawal of mineral lands today will not be felt for decades to come.

However, there will be consequences, both for our economy and for our national security. Our actions increase the likelihood of national problems brought about largely through artificial altering by foreign cartels of supply and prices. Recently, the U.S.

Geological Survey forecast that within the next 25 years the United States shall be 100 percent dependent on imports for 12 essential mineral commodities, more than 75 percent for 15 and more than 50 percent for 26 commodities. The implications are staggering. But the purpose of this article is not to point a finger of blame but only to make the public aware of what we are doing. Intelligent land use decisions must be very finely balanced. Such balance in tradeoff decisions is not possible if we do not know what the mineral side of the scale contains.

We began this article by asking whether our mineral lands account was overdrawn. We don't pretend to know the answer, but if it is and we continue to make withdrawals regardless of our total assets then, when will we be required to balance our account; who will be asked to make up the deficit; and at what price?

NEED FOR FEDERAL ASSISTANCE TO CURB PHARMACY THEFTS

Mr. CHURCH. Mr. President, I have been pleased to note that the recent White Paper on Drug Abuse by the President's Domestic Council Drug Abuse Task Force has endorsed the need for Federal assistance to curb pharmacy thefts of controlled substances. In its sections on enforcement and control of drug supplies, the report concludes:

> Finally, development of a program to *curb pharmacy thefts* (italics theirs) should be given high priority since pharmacies account for over 80 percent of all drugs stolen through the licit distribution system. A pilot program in St. Louis, in which pharmacies took anti-burglary precautions and police gave high priority to pharmacy thefts had promising results, and may form the basis for development of an LEAA experimentation program in other selected cities.

As the sponsor of S. 2110, legislation which has been reintroduced to make robberies of controlled substances from pharmacies a Federal crime, I am familiar with the St. Louis pilot program, which was conducted by the Drug Enforcement Administration. In 1973, when I first introduced this legislation, no Federal resources were being applied to stop this violent access to illicit drugs. After introduction, the DEA conducted its St. Louis pilot program, which resulted in a reduction in such crimes of over 50 percent in 6 months, with an expenditure of less than $35,000, including the salaries of the DEA personnel involved.

Despite this outstanding success, the DEA has informed me that it does not intend to continue this effort. This attitude, Mr. President, and the White House Domestic Council's report demonstrate the need for enactment of my bill, so that the Department of Justice will know that it has a responsibility to assist local and State law enforcement agencies in curbing pharmacy robberies of federally controlled drugs. Again, I urge my colleagues to join in support of S. 2110.

REGULATORY REFORM: AN ASSESSMENT BY IRVING KRISTOL

Mr. FANNIN. Mr. President, Mr. Irving Kristol, Henry Luce professor of urban values at New York University and coeditor of the quarterly The Public Interest, has written an interesting and provocative critique of the regulatory reform movement in the Wall Street Journal of October 20. When such a perceptive social critic and intellectual as Irving Kristol looks at regulatory reform and finds it wanting, one has to give second thoughts to efforts in that direction.

What seems to bother Mr. Kristol most of all is that "deregulation has become so popular among people who have never had a kind word to say for capitalism." In addition, he is disturbed over the fallacious reasoning and historical misinterpretation used by certain advocates of regulatory reform.

Of course, libertarians and free market economists started the deregulation ball rolling. The call for reform has now been taken up by numerous antibusiness radicals and populists. Both groups of conservatives and liberals contend that Government agencies have been captured by the industries they were supposed to regulate. There, however, the consensus among them ends, says Kristol. For while the conservatives argued from the conviction that there is inherent total goodness in unregulated free enterprise, the liberals are convinced that there is a Government-business conspiracy to ravage our Great Society. In Kristol's view, both are wrong, though there seems to be more validity in the conservative analysis.

Professor Kristol is concerned about "the consequences of unthinking deregulation." Repeal of regulation, he claims, could result in greater concentration and less competition in nonregulated industries, which, in turn, could lead to worse consequences; namely, nationalization. So perhaps the older regulatory agencies are not as bad as it is fashionable to argue. Kristol maintains that all those agencies really need is a little overdue reform, "an infusion of new blood and new thinking . . . to correct the traditional legalistic habits of mind which take more satisfaction in complicating problems than in resolving them."

Mr. President, I find myself both agreeing and disagreeing with Professor Kristol. While I agree with the distinguished scholar's analysis of liberal motivations, I cannot agree that deregulation and "debureaucratization" are misplaced or misguided efforts. In fact, I believe that much more needs to be done than the window dressing measures proposed by Kristol if overregulation of business is ever to be turned around and the public's confidence in Government institutions is to be restored. The fact that certain liberals may be misinformed or wrong headed does not bother me particularly for I think that our shared criticisms of the regulatory system can be used effectively to the advantage of conservatives—and in the process to the benefit of consumers and the welfare of American capitalism. I certainly do agree with Dr. Kristol that our deregulating energies should be turned to the new regulatory agencies, like OSHA and EPA, which, unlike the older agencies, like the ICC and CAB, were created not to preserve free enterprise but to control and punish all business and "to substitute, wherever possible, their decisionmaking powers for those of the marketplace, so as to improve the quality of life".

In my view, regulatory reform entails a comprehensive review of the entire regulatory process, with a view to eliminating unnecessary agencies and costly regulations. In achieving such reform, liberals and conservatives alike should agree that all agencies—newer as well as older—merit Congress' closest scrutiny. Let the chips fall where they may.

Mr. President, I request unanimous consent that the complete text of Irving Kristol's article in the Wall Street Journal be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

REGULATORY REFORM

(By Irving Kristol)

[From the Wall Street Journal, Oct. 20, 1975]

"DEREGULATION" PUSH ASSESSED

Everyone suddenly seems to be in favor of "de-regulation": President Ford, conservative economists, liberal Congressmen, the media, Ralph Nader, Common Cause, populist academics, The Wall Street Journal, etc. Such an odd consensus ought to be enough to cause one to have second thoughts about the whole business. And, indeed, there are very good grounds for such second thoughts. For upon examination there is far less to "de-regulation" than meets the eye. And what substance there is, is of dubious merit.

The movement for "de-regulation" may seem to be a healthy reaction against what Walter Lippmann called "the sickness of an overgoverned society." But in actuality it is not really anything of the sort. It is a movement directed almost exclusively against *some* of the activities of the *older* regulatory agencies—e.g., the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Power Commission, the Securities and Exchange Commission, et al. Not *all* such agencies, it is interesting to note. There seems to be little urge to dismantle the Food and Drug Administration or the Federal Trade Commission. And there appears to be no impulse whatsoever to apply "de-regulation" to the activities of the *newer* regulatory bodies—the Environmental Protection Agency, the Occupational Safety and Health Administration, or the Consumer Products Safety Commission. On the contrary: the bureaucracy and red tape of these other agencies calmly and inexorably multiply attracting little controversy, even as the movement for "de-regulation" grows more popular.

So, while "de-regulation" sounds as if it means de-bureaucratization, it turns out not to have that meaning at all. Or, more precisely: it is a very selective kind of de-bureaucratization. And there is reason to believe that it is the wrong kind—one whose ultimate consequences will be more government control over the economy rather than less.

The history of the current fervor for "deregulation" is an interesting one. The idea itself was born a couple of decades ago at the University of Chicago, specifically in its department of economics, and is associated with such distinguished names as George Stigler and Milton Friedman. Since the economics department at Chicago is famous for its orientation toward a free market economy, there is nothing surprising in its producing studies critical of government regulation. What is surprising is the direction this criticism took. Not only did it expose, with great cogency, the inefficiencies associated with government regulation. It further argued, and tried to prove, that all such regulatory agencies eventually became the captives of their business constituencies, so that "regulation" really became a kind of governmental-business conspiracy against the commonweal.

It is this last thesis which, in more recent years, has enthusiastically been taken up by the left, for fairly obvious reasons. Articles and books have been pouring forth from the academy, all purporting to reveal the workings of this conspiracy; and the idea that, when government regulates business, business ends up running government, has now become a commonplace of radical-populist thought. Indeed, some younger historians are now arguing that such agencies as the ICC came into existence at business' behest, and for the clear purpose or maximizing corporate profits. This explains why "de-regulation" has become so popular among people who have never had a kind word to say for capitalism.

Now, there are two issues posed here, one involving historical fact, the other involving economic theory.

Whether the older regulatory agencies were from the beginning conceived as allies of "big business" (as the radicals say) or merely became such allies in the course of time (as the free-market economic historians assert) can be left to these parties to debate. This is especially easy to do since some recent scholarship (which I find more persuasive) argues that they are both wrong—that what seems obvious is not always false, that the more traditional view of such regulation as being a political reaction *against* "big business," and on the whole operating as a genuine restraint on it, is probably the correct one. In any case, I have yet to meet an executive in a regulated industry—railroads, say or airlines—who had the impression that those regulators in Washington were really on his side.

The issue of economic theory is both more important and more troublesome, since it involves a conception of the 'natural tendencies' of a capitalist economy. The Chicago school insists that oligopoly and monopoly are (a) either created by governmental policies, or (b) would dissolve under the corrosive effects of competition were it not for governmental policies. But there are other economists—the great Joseph Schumpeter was one—who believe (without animus toward capitalism) that free competition among firms can lead to the 'survival of the fittest,' and that these in the end will number a relatively few of the largest and most efficient firms. In other words, there is a question as to whether the free market, at least in certain areas, has a tendency to create a situation where only a handful of large corporations compete with one another, and where such competition is mitigated and internally moderated (especially as regards pricing) by the desire to protect the profitability of the industry as a whole.

It would be presumptuous of me to have too strong an opinion on this matter. I have the greatest respect for George Stigler and Milton Friedman. Still, I'll go so far as to say that there does seem to be some validity in the Schumpeter analysis. Conditions of entry into some capital-intensive industries are so difficult as to be, in effect, impossible, and though competition does exist within them, it is highly imperfect competition. If and where this is the case, enforcement of antitrust laws, and-or some kind or degree of government regulations, and-or legally sanctioned self-regulation by the industry in question, may turn out to be the only way to preserve what competition exists. In the longer run, it may be the only realistic alternative to some form of nationalization. And we are already witnessing in such an area as stock-brokerage, how "de-regulation" might end by creating a capital-intensive industry where one does not now exist.

It seems reasonable, therefore, to worry about the consequences of unthinking 'de-regulation.' The SEC may sincerely believe that its recent actions have opened the financial markets to greater competition, but what is visible is only a movement toward greater concentration. 'De-regulation' of the airlines would probably have the same consequences—and a more concentrated airline industry would surely lead to a nationalized airline industry.

There really does seem to be substance in the traditional belief that the older regulatory agencies have both the purpose and the effect of preserving some competition where competition might otherwise diminish or disappear under the pressure of "natural" market forces. And it is well to recall that the original arguments for such regulation, in decades past, were that it would help save capitalism and "free enterprise" from "big business." This is not such an incredible notion. Indeed, if one thing is certain, it is that the more "big business" we have, the more "big government" we shall get.

To be sure, there is an excellent case for the reform of these older regulatory agencies. They have, over time, become encrusted to a scandalous degree with bureaucratic inefficiency. They do need an infusion of new blood and new thinking—especially economic thinking, to correct the traditional legalistic habits of mind which take more satisfaction in complicating problems than in resolving them.

And there is an even better case for turning our "de-regulating" and "de-bureaucratizing" energies to the newer regulatory agencies. These did not come into existence, nor do they operate, in order to preserve capitalism. On the contrary, they overflow with unfriendly feelings against all business—not just "big business." Their aim is to substitute, wherever possible, their decision-making powers for those of the marketplace, so as to improve the "quality of life." This is why they are so utterly indifferent to the burdensome costs of their interventions—most of which, inevitably, make the very existence of a small business almost an economic impossibility.

I am sure that President Ford and the Chicago economists would be delighted to apply "de-regulation" to these new agencies, and to the "new class" which created them and populates them. But were they to try to do so, I suspect that we would all suddenly discover that "de-regulation" had gone out of fashion.

SENATOR McGOVERN'S JEFFERSON-JACKSON DAY SPEECH IN IOWA

Mr. CULVER. Mr. President, last Saturday, at the Jefferson-Jackson Day Dinner of the Iowa Democratic Party, Senator McGovern delivered a forthright and challenging keynote speech about the course which the Democratic Party should take in 1976. The address was very well received in Iowa, and widely reported in the national press. It sets a standard by which Democrats may judge themselves and their candidates in the months ahead. It also set a high standard for Jefferson-Jackson Day in Iowa, during which seven of the Democratic candidates spoke.

Mr. President, I ask unanimous consent that Senator McGovern's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks by Senator George McGovern at the Jefferson-Jackson Day Dinner, Ames, Iowa, October 25, 1975

Four years ago we stood together for the Presidency and for the renewal of America.

Tonight the principles of that cause are still at stake, in our country and in the coming campaign: That a democratic politics must be open to all citizens; a restored prosperity must be redistributed fairly; the morality of common humanity must tame the greed of economic privilege, the terrors of military overkill and the power of prejudice among us.

Yet the conventional unwisdom of this year is that candidates may think such things privately, or even speak them vaguely, but they dare not specify their meaning. This caution is taken to be the lesson of the last election.

Losing was painful—but none of us would change places now with any of those who, as they defeated us, desecrated the Constitution and destroyed themselves. There are times when it is more fulfilling to eat a box supper in Ames, Iowa, than to dine at the palace in San Clemente.

It is important to learn from 1972, but equally important that we not mislearn and thereby mislead our party and our country.

To a large degree the failure of that campaign was its own fault, and I bear the largest share of responsibility. The inadequate preparation of the thousand dollar proposal was my mistake. Staff disorganization and disputes were my mistake. Delivering the acceptance speech at three o'clock in the morning was my mistake. The vice presidential problem was my mistake, and the most serious error of the campaign.

I say these things, not because they are easy for me, but because they are essential for us. Otherwise the defeat of 1972 may become an excuse for an empty politics of non-issues in 1976. The people did not vote in 1972 against tax reform and for the oil depletion loophole, against a minimum income and for the welfare tangle, against the control of weapons and for the continuation of war. They did not repudiate change and approve the status quo; they rejected what they perceived to be a confusion and uncertainty of leadership.

That this perception was conveyed is my deepest and most abiding regret. But I do not regret, and all of us who were in that effort can be proud, of our convictions and our candor about them. So let us have both the integrity to concede what went wrong and the wisdom to continue where we were right. Mistakes were made, but it was not then, it is not now, and it never shall be a mistake to seek the truth and speak it as we see it.

It is not a mistake to seek a democracy of the economy.

In 1976 this means what it did in 1972: Not only a promise of reforms, but specific plans to implement and pay for them.

It is easy to promise an energy program to protect the consumer. Now we must do the harder, truer thing: We must state how we would enforce antitrust laws against the oil monopoly, not merely that they should be strict. And we must commit ourselves to the proposition that in a larger sense those who hold natural resources are trustees for all the nation; and if they evade new rules of free competition, then we will establish a new system of public ownership.

It is easy to promise tax reform. Now we must do the harder, truer thing: We must state what loopholes we would close, what amount of money this would raise, and what corporations and persons would pay how much more. The special interests will be offended, but they should be. They will not give us their campaign money, but we should not want it. Let them keep their political contributions and contribute their fair share of public revenues.

It is easy to promise that we are for something other than the present welfare disaster. Now we must do the harder, truer thing: We must state what that alternative is. If we favor a guaranteed income, which I do, we must define the terms and the cost and the method of financing it. It is too late now for the thousand dollar plan because a thousand dollars is no longer enough. The administration which ridiculed it has made it insufficient by three more years of inflation. The distribution of income in this country has scarcely changed for half a century. We must propose to change it, so that never again will three per cent of the population hold ten times that percentage of the wealth.

There are other easy promises; we all know the words for we have said and heard them many times—stable prices, consumer protection, full employment, liberty and justice for all. But the deeds of either party's past are insufficient to the needs of the present economy. The old liberal answer to recession was higher public spending, but today there is both higher spending and unending recession. The old right-wing fear—the scare tactic which was used against us in 1972—raised a false choice between stagnation and a war economy, but today America is a war economy in stagnation. The old establishment remedy for inflation was more unemployment, but today we are stricken with a plague of both.

Incumbent officials and their economists may manage a temporary recovery in 1976, as they did in the last campaign, so that they can trick the nation again into another term for them and another recession for the rest of us. It is their Vietnam policy for America: They destroy the economy of future years in order to save themselves in an election year. They offer at best a leap year of prosperity, the momentary success of minor repairs.

This is the Ford stratagem: A $28 billion tax cut before the election and a $28 billion slashing of human needs after the votes are counted. We do not end federal deficits by taking away the lunches of school children; we do it by putting America back to work. We must oppose obsolete economic tinkering, not by slightly amending it, but by specifying the deeds of a democratic economy.

We must specify a democracy of the market place. The monopoly of business is inherently bad; every company should be limited to a maximum share of commerce, so the people and their prices will no longer be the pawns of an unfree enterprise system.

We must specify a democracy of the workplace. Those who labor have earned a just sharing of the management and profits of their own productivity. They should hold places and power on corporate boards, for their investments of hands, and minds, and hopes, are at stake as much as any investment in bonds or stocks.

Finally, we must specify a democracy of public investment. This nation must produce less to kill others abroad so that we may employ more of our people to make the necessities of our own living. The Democratic Party must have an open plan to redirect a specific part of military spending to peaceful endeavor. The rebuilding of cities and railroads, the revival of rural America, the research and development of enough clean energy—these are the goods we must plan for instead of the consuming evils of war.

For demanding these reforms in specific terms, we would be denounced as economic radicals. But what is right for the many has always been called radical by the few who profit from things which are wrong. My reply would be that we are economic as well as political Democrats. That is the name of our party and our duty to the nation—to emancipate the economy—and that is not a mistake.

And it is not a mistake to seek a foreign policy which respects the independence of others and the interdependence of the human family.

In 1976 this means what it did in 1972: America has no way, and no right, to determine another nation's future by our firepower. America has the capacity, and therefore the obligation, to help make the earth safe for human survival.

It is easy to practice these standards on the past; only a fool would still support the folly of Vietnam. It is easy to say: "No more Vietnam." Now we must apply that phrase in the most urgent case, and resolve that there shall not be another Korea.

Today American troops are stationed in South Korea, as American advisers were once sent to South Vietnam. Today in Korea we are defending a corrupt dictatorship, as we did to that last shameful day in Saigon.

I do not want a presidential candidate to have to come to Iowa during the next campaign to plead for the withdrawal of half a million of our sons from a war in South Korea which is wrong and cannot be won. Now, in this campaign, the Democratic Party and its candidates must demand an orderly withdrawal of American forces from Korea within a specified time. It would take no more than a year to leave; it might take as long as the decade of Vietnam to stay and bleed and die and lose. This time let us make peace before the making of a war.

And it is easy to discover now what was obvious to President Eisenhower in the 1950's, that the military industrial complex "weakens the nation"—that its takings are "a theft from those who hunger and are not fed, those who are cold and are not clothed." In 1976, this Party and its candidates must state the harder thing, which is what excessive weapons systems should be ended and what the sum of the savings would be.

If we are afraid in a campaign to tell the people what we would do, then we might be afraid to tell the Pentagon what to do when we had the power. In my view, which is the same as it was in 1972, prudent defense management would permit the nation to reduce its military budget by $30 billion within three years. None of us want to disarm unilaterally; all of us want America to be armed sufficiently; but we must protest the oversufficiency of overruns and overkill by presenting a specific alternative.

It is easier to place blame for the war in Vietnam than to take responsibility for withdrawing from Korea. It is easier to condemn the existence of military waste than to recommend the size of cuts. And it is also easier to attack a foreign policy than to advocate one.

So the position of our Party must be to do both things. We must oppose any effort to make other nations the mirage of our particular vision. And we must propose a different and peaceful alliance of independent nations which are globally interdependent.

Instead of selling guns so our allies may become each other's enemy, let us send wheat and seek a world food system where the only adversary is human hunger. We must secure enough oil by sharing the inventions of our technology, not by waving or wielding the instruments of conflict. We must plan for the international control of population and pollution, not plot the unilateral subversion of governments. For the rest of the world, the USA must no longer mean the CIA—or one day we will find ourselves surrounded by starvation, atop a vast mountain of arms, fighting over the last few barrels of oil.

Instead our truth must be the greatest truth of all: The human race is a family; all men are brothers and all women are sisters; all killing is suicidal; and mutual sustenance is the condition of survival. This truth is the need of our nation, and the duty of our Party—and it is not a mistake.

And it is not a mistake to seek the end of racism and sexism and speak for the equality of differing groups.

In 1976 this means what it did in 1972: The opening of economic opportunity, the integration of social institutions, the reparation of past injustice. It also means work which most of us know must be done, and a word which few of us want to say: It means busing, or a specific alternative which has not yet been stated.

Now it is time to ask the equivocators what they mean. If busing is only one device, what are the others and what will they achieve? If busing is not the answer, then what is? If quality education is the issue, then what is the program? A society which once pledged to overcome cannot now agree to surrender. Segregation by another name would still be the shame of America.

No one likes busing—but no one likes to be in a racial ghetto, to learn and earn too little, to be sick too often and dead too soon, and to see for their children only the same hopeless and grim half-life.

There may be a substitute for busing, but it must be more than a phrase which signifies nothing. It must provide specific measures to undo the burdens and patterns of historic discrimination.

The Democratic Party cannot proclaim moral leadership only when it is convenient. A Party which almost lost its soul in Vietnam must not sell its soul on busing. It was difficult at first to speak against that war—but it was not a mistake. Perhaps it is difficult now to speak for civil rights—but it is not a mistake.

Now, as in 1972, there is a contest on for the future and fate of America.

We cannot switch sides in the midst of that contest. We cannot be sometimes for, sometimes against the rights of the people. We cannot become all things to all voters, for the nation cannot afford every thing for every group. We cannot propose national health insurance and permit higher military spending—for there is no way to pay for both at the same time. We cannot be vaguely and vacantly in favor of tax and welfare reform—for the reality of each depends upon the specificity of the other. We cannot be for workers' rights and lukewarm about civil rights—for the unwealthy could be betrayed to corporate pressure as easily as the unwhite can be bartered for a popularity rating.

So let us keep the faith that a Democrat can be both right and President. Then we may rebuke the Ford slogan of "a can't do Congress" by reversing the priorities of this "won't do President." He may prosper the doings of the militarists, the monopolists, and the maldistributors of wealth, but he flourishes a vetoing of education, employment, and the nutrition of our children. Better a Congress which resists these priorities than a President who rushes to demand a billion dollars to prevent the collapse of Saigon, and then refuses a bond guarantee to prevent the collapse of New York City.

Of another great choice in another time, Albert Camus wrote to a German friend: "This is what separated us from you. We made demands. You were satisfied to serve the power of your nation and we dreamed of giving ours her truth."

In 1972, this is what separated us from them:

They wanted a feast of weapons. We wanted to feed the hungry.

They wanted tax shelters. We wanted to house the homeless.

We made mistakes in the open; they committed crimes in secret.

We made demands then, and now we must make them again.

The Democratic Party must demand of itself not merely how it may win, but how it would govern.

Democratic candidates must seek not merely a job for themselves, but to do the work of the people.

And all of us, whatever role we have taken in the contest, must demand of ourselves that we be dissatisfied with the service of power as it is; that we keep the dream we had and give America back her truth.

To that dream and that truth, in 1976 as in 1776, citizens must pledge not only their politics, but their lives, their fortunes and their sacred honor.

EXTENDING FISHERIES MANAGEMENT AUTHORITY TO 200 NAUTICAL MILES

Mr. STEVENS. Mr. President, I wish to speak today on behalf of S. 961, the Magnuson Fisheries Management and Conservation Act. This bill is generally viewed as extending the fisheries management authority of the United States out to 200 nautical miles. Many people have questioned whether the bill will protect anadromous species—that is, those species of fish which spawn in the fresh and estuarine waters of the United States and which migrate to ocean waters beyond the 200-mile fisheries zone. Let me state unequivocally that the Magnuson Act is a comprehensive management plan which will protect anadromous species by giving the United States exclusive management jurisdiction through the full range of their migration, exclusive of the time, if any, during which their migration takes them within the fisheries zone or territorial sea of another nation.

Anadromous species protection is of critical importance to America's fishermen. In my home State of Alaska thousands of fishermen earn their livelihood by fishing for salmon, an anadromous species. The salmon catch peaked five seasons ago at 346,464,967 pounds. Since that time the Japanese high seas fishing effort has increased by a whole order of magnitude. As a result in 1973 the U.S. salmon catch off Alaska's coast reached an alltime low of 136,492,930 pounds. Clearly, conservation measures throughout the entire range of the salmon migration is necessary to save that species.

The State of Alaska has realized that management of salmon is essential and currently imposes a limited entry program operated in conjunction with other management techniques such as escapement quotas. While domestic fishermen are subject to conservation measures imposed by the State, the Japanese, unaffected on the high seas by State law, continue to plunder the already depleted salmon resources. S. 961 is the only effective means by which the Japanese high seas salmon fleet can be managed. The State of Alaska concurs that extended jurisdiction is necessary to force sound conservation practices upon the Japanese high seas salmon fleet before the salmon resource is irreparably damaged.

Alaska's Gov. Jay Hammond endorsed S. 961's anadromous species protection provisions in a presentation before the State Department Fisheries Advisory Committee on October 20, 1975. Mr. President, I ask unanimous consent that pertinent excerpts from Governor Hammond's speech be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS

B. CONCERNING ANADROMOUS SPECIES

1. A nation where anadromous species originate should be granted exclusive rights in and management control over such species.

2. Harvesting of anadromous species should be prohibited seaward of the twelve-mile territorial sea, except when authorized by the nation of origin for reasons consistent with the principle of optimum sustainable yield.

Comment

Members of the U.S. delegation are familiar with the reasoning that underlies the argument that the host nation be granted exclusive management jurisdiction over anadromous species, and the rationale need only be summarized here.

Salmon, the most important of the anadromous species, are not suited to management within a 200-mile economic zone system because their migratory pattern typically extends far seaward of 200 miles. Yet, neither is the management approach for highly migratory species suitable for salmon; the fish spawn in fresh-water streams well within the land territory of the source nation. It is therefore natural and appropriate from a management standpoint to place the legal responsibility for management of an anadromous species on the nation that, as a matter of practical reality, holds the actual core responsibility for the conservation and well-being of the species. Granting the exclusive management right to the source nation has the advantage of providing an incentive for the nation to protect the spawning areas and the fish runs.

Additionally, good conservation and management principles dictate that harvesting of salmon occur, in general, near the stream of origin as the fish return from their long migration to spawn. Salmon caught on the high seas are smaller in size; if allowed to continue their return migration and their growth, the yield in weight can be substantially increased, even considering natural predation along the way. Furthermore, salmon can be caught with more efficient gear in the protected waters near their home streams. High seas gillnetting of salmon is done under adverse sea conditions, which causes large numbers of salmon, entangled and killed by the gillnets, to drop out of the nets and be lost to human consumption. As an example of the problem, consider that when all factors—growth rate, "drop outs," and natural mortality—are taken into account, the evidence is that for each of the 2.5 million Western Alaska sockeye salmon boated by the mid-Pacific Japanese gillnet fishery, approximately the equivalent weight is lost to mankind.

Moreover, salmon fishing on the high seas, if allowed, would often occur in areas where stocks from many sources commingle; there is no method of managing harvests in these areas which would insure that adequate escapement is obtained for each individual race and each river or stream system. The eventual result would certainly be the weakening or destruction of particular salmon runs and a tendency toward a dangerous homogenization of the genetic characteristics of the entire salmon resource in the region.

The commingling, premature capture, and "drop-out" problems render high seas harvest of anadromous species wasteful and inefficient. Since an important food resource is at stake, high seas taking of anadromous species should be prohibited.

We do not think it is sufficient that the LOS treaty merely prohibit capture of anadromous species beyond exclusive economic zones. First, harvesting salmon up to 200 miles at sea is wasteful and inefficient, for reasons just stated. Second, mingling of stocks from different states of origin can occur within a single economic zone, which dilutes and confuses the source-nation's management control and responsibility. Third, where the anadromous species originating in one nation migrate within the economic zone of another, management by agreement between the concerned countries would be required and, as already demonstrated, this is inconsistent with good management principles.

It should be pointed out that nothing in the proposed rule prohibiting capture beyond 12 miles would require the host-nation manager to permit salmon harvests throughout the entire 12-mile territorial sea. Indeed, Alaska's salmon management experience indicates that net capture of salmon be restricted to a three-mile limit. Nevertheless, it would not seem appropriate or feasible for the Law of the Sea treaty to impose an international rule applicable to resource-management practices within the 12-mile territorial sea.

For certain species of anadromous fish in certain areas, good management under the optimum sustainable yield principle might well allow some capture beyond twelve miles. In these cases the source nation ought to be free to provide exceptions to the twelve-mile barrier. But as a general rule, high seas fishing for anadromous species should be prohibited.

Again, certain basic exceptions to the proposition are in order:

Exception No. 1: There should be a general treaty obligation to optimize the sustainable yield of living marine resources.

Comment

This is an exception to part 1 of the anadromous-fishing element, and of course is the same exception to the coastal nation's exclusive rights in and jurisdiction over living resources within its economic zone, discussed above. The reasoning in that discussion applies equally well here.

Exception No. 2: In cases where anadromous species migrate into or through the territorial sea of any nation other than the nation of origin, or where the stream of origin is located in more than one nation the nations involved should be required to cooperate in managing the resource.

Comment

This exception refers to the two situations in which management by a single nation might not be appropriate.

Some salmon migratory routes emerge from the stream of origin and then follow the coast, remaining within 12 miles of the shore for some time. Where these close-in migrating salmon cross national boundaries, capture under the authority of more than one nation becomes possible under the proposed 12-mile rule. In this circumstance, the nations, host country and territorial-sea nation, should be required to coordinate their management programs to insure compliance with the optimum sustainable yield principle.

Similarly, where an anadromous species' stream of origin crosses national boundaries, management cooperation is necessary.

In sum, Alaska feels strongly that anadromous species should in general be managed exclusively by the nation of origin and that capture should in most cases occur only within the twelve-mile territorial sea.

C. WITH RESPECT TO LIVING RESOURCES OF THE CONTINENTAL SHELF

1. Coastal nations should be granted exclusive rights in and management jurisdiction over the living resources of the adjacent Continental Shelf, including the entire continental margin.

2. The "living resources of the Continental Shelf" should be designated by species in the Law of the Sea Treaty, by annex or otherwise, and should include crabs, lobsters, and other shellfish.

Comment

The impending reality of broad national economic zones, granting at least primary control over all living resources to the coastal nation out to 200 miles from shore, would seem at first glance to obviate any special concern for creatures of the continental shelf. After all, hardly any exploitation of such creatures occurs, or is likely to occur, seaward of a 200-mile boundary. Yet three possibilities dictate that the concern is a real and still substantial one: (1) Under the new LOS treaty, coastal nations might be granted only preferential rights, in general, to the living resources in their economic zones seaward of the territorial sea; however, the rights in the natural (including living) resources of the shelf would presumably continue to be "sovereign rights." (2) Even if coastal nations are by the treaty given "sovereign" or exclusive rights to all living resources within the 200-mile zone, certain nations may choose to file reservations to the economic-zone provisions of the treaty but still bind themselves to the continental shelf articles. (3) Certain countries may choose not to become parties to the new LOS treaty, thereby remaining bound either by the 1958 Convention on the Continental Shelf or by customary international law; in these cases, the new treaty can be said to interpret the "sedentary species" provision of the 1958 treaty or the extent of coastal nation control over the adjacent continental shelf under general customary law.

The 1958 Continental Shelf Convention defines "sedentary species," as to which the coastal nation has "sovereign rights," as follows:

"[O]rganisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or subsoil." (Article 2, par. 4.)

This definition is unclear in many respects and has provoked controversy over its exact meaning. The treaty does not, as some seem to believe, allow a coastal nation to determine unilaterally which bottom-dwelling creatures are within its "sovereign rights." Thus current federal continental shelf legislation does nothing more than present a U.S. unilateral claim to the "sedentary species" listed in the legislation and regulations.

To avoid future controversies under the new LOS treaty, (1) the term "sedentary species" should be dropped in preference to the more descriptive term "living resources of the continental shelf," and (2) this new term should be further defined by reference to an annexed list of species, identified by both common and scientific names, which should include, inter alia, crabs, lobsters, and other shellfish.

ARTHUR HESS RETIRES

Mr. CHURCH. Mr. President, Social Security celebrated its 40th anniversary on August 14. Throughout its history, Social Security has been served by many dedicated and capable people. One such example is Arthur E. Hess, who recently retired as Deputy Commissioner.

Art began his distinguished career with the Social Security Administration in 1939 as a field assistant. He quickly moved up through the ranks because of his technical skills, administrative capabilities, and thorough grasp of fundamental policy issues. He served in many capacities and in each case with distinction and integrity. In 1954 he was given responsibility for administering the new disability insurance program.

During the 1960's he worked diligently and effectively for the enactment of medicare. He later served as Director of Health Insurance from 1965 to 1967. In March 1967, he was named as Deputy Commissioner of Social Security.

Following Robert Ball's departure as Commissioner in 1973, Art Hess served as Acting Commissioner for 7 months. His service in this capacity earned him a second Distinguished Service Award—the only person in HEW history to be so honored twice.

Art has received several other awards. But his greatest reward was serving people and working for the betterment of social insurance programs to enable aged and disabled Americans to live in dignity and respect—instead of becoming public charges or burdens upon their families.

A recent article in Oasis describes his illustrious career. Mr. President, I commend this article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Oasis magazine, September 1975]

Arthur Hess Retires

The year was 1939. Having just received a bachelor's degree from Princeton University, Arthur E. Hess took a GS-3 field assistant job in the Wilkes-Barre, Pa., Field Office. The salary was $1,620 per annum.

As one reporter commented about him several years ago: "The social security program, then in its infancy, captured his imagination and made him anxious to make some contribution to its success. . . ."

And contribute he did! Three times during the last two decades, for instance, he helped implement major social legislation—disability insurance, Medicare, and supplemental security income.

This summer Arthur Hess, the man who moved up through the ranks to hold SSA's number two position—Deputy Commissioner—retired.

Following his first job in Wilkes-Barre, Art served as a district manager, first in Easton, Pa., and then in Perth Amboy, N.J. Then he decided to move from field administration to headquarters as an administrative analyst in the Division of Management Planning and Services (forerunner of OMA). He later moved up the program planning ladder to become head of the Division of Program Analysis (DPA), which was the forerunner of OPEP. During this period, Art studied at night for four years to earn his LL.B. degree from the University of Maryland (Order of the Coif) and become a member of the Maryland Bar.

In 1954, Art was placed in charge of administering the new disability insurance program. He was the first Director of what is now BDI.

During the 60's Art also gave direction to a succession of task forces whose work culminated in implementing another piece of landmark legislation—Medicare. In fact, his leadership of this massive program earned him the title of "Mr. Medicare." In an unusual gesture, the American Medical Association, by formal motion, commended him for keeping an open line of communications with the Nation's medical profession. He served as Director of the Bureau of Health Insurance from September 1965 until March 1967 when he was named Deputy Commissioner of Social Security.

After Bob Ball's departure and during most of 1973, Art served as Acting Commissioner of Social Security. As former HEW Secretary Caspar Weinberger stated when he presented him with the Department's Distinguished Service Award: "After I learned there was a vacancy in SSA's top post, I called Mr. Hess to ask him to stay on. He agreed immediately, and he not only stayed on, he has piloted the Social Security Administration through one of its more difficult . . . periods." The award cited him for "exemplary leadership during his tenure as Acting Commissioner . . . and for the creativity and imagination he has brought to this Department's highest priority program initiative—the implementation of the Supplemental Security Income program."

Mr. Hess, incidentally, is the first person in HEW history to receive a second Distinguished Service Award. He received his first in 1959. Other awards include the Arthur S. Flemming Award for Outstanding Federal Service (1955); the National Civil Service League Award and the President's Award for Distinguished Federal Civilian Service (both in 1967); and the Rockefeller Public Service Award (1969).

Art had an early taste of detente when he served as a member of one of the first U.S. delegations to the Soviet Union under the East-West Exchange Program in 1958; in 1970 he returned to Moscow as a member of a Health Mission that negotiated the agreement for the kind of exchanges of medical research now going on with the Soviets. He was a member of the Administrative Conference of the United States from 1968–73, a body established under law to make recommendations to Federal executive agencies for the improvement of their regulatory practices.

A native of Reading, Pa., he is married to the former Ann M. Davis—known as Nancy to her friends—of Wilkes-Barre, Pa. They have three daughters.

Looking back over his years with Social Security, Art commented: "It has been exciting and gratifying to contribute to a public program that has become a basic cornerstone of our society. My career has given me the opportunity not only to share in the development of social security but to see from inside the legislative course of public policy and also to understand what forces have brought about such programs as disability insurance, Medicare, and SSI."

Looking to the future, Art said: "I hope to continue to be a friend and supporter of social security by remaining in the field of public policy. And to do so, I'd like to work as a consultant and possibly teach. I'm particularly interested in helping to guide the improvement and strengthening of Medicare and to see it become a basic part of any future national health insurance program."

SMOOTHING RELATIONS WITH THE THIRD WORLD NATIONS OF THE U.N.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the Record an editorial from the Pittsburgh Post-Gazette outlining new efforts made by Congress to smooth relations with the Third World Nations of the United Nations. These efforts came to light in a recent U.N. Day speech made by Pennsylvania Congressman Pete Biester.

Mr. Biester said there was a remarkably warm response from delegates. He also said:

> After you scratch through the Marxist rhetoric, you find there is an enormous respect for what the United States stands for.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

CONGRESS AND THE THIRD WORLD

It was reassuring to learn in a United Nations Day speech here that an ad hoc committee of senators and congressmen worked behind the scenes on the change in American international economic policy unveiled in Secretary of State Kissinger's speech to the U.N. Sept. 1.

Congressman Edward Biester of Bucks County described the process at a luncheon marking the 30th anniversary of the UN, cosponsored by the World Affairs Council of Pittsburgh and the United Nations Association of Pittsburgh.

Mr. Biester, a Republican fifth-termer, said that after the "ugly and difficult sixth special session of the UN last year, raw with bitterness" of the Third World nations against the industrial nations, he and others realized things shouldn't go on this way. "About a dozen of us prepared an alternative agenda for the seventh session. We tried to use political methodology, but fundamental to it was a sense of caring about people."

Working quietly across house, party and committee lines, the group enlisted support so it could work with like-minded individuals in the state department. The upshot was the dramatic Kissinger speech, delivered by Ambassador Moynihan on the opening day of the seventh special session, outlining a wide-ranging program of concrete steps for cooperation between the developed and the developing world.

The next step was for these senators and congressmen to fan out through United Nations caucus rooms and lounges to assure delegates that there was support in Congress as well as in the executive department for the new approach. Mr. Biester said there was a remarkably warm response from delegates. "After you scratch through the Marxist rhetoric, you find there is an enormous respect for what the United States stands for. They look to us not only because of our affluence but also because of our ideals, and said they had wanted to awaken us to our true selves."

The Eighth District congressman said much hard work lies ahead for Congress, which would have to write legislation on any new commodity arrangements or for any appropriations to carry out the Kissinger program. He said a good harbinger was the lopsided 254 to 155 vote in the House Sept. 10 for the foreign economic aid bill, the first time economic aid had been separated from military assistance.

The significance of the Biester speech was its indication that the Kissinger speech was not a one-shot affair but that Congress, too, is involved. It also demonstrated the role that can be played even by lesser known congressmen and senators.

Significant, too, is that the luncheon was jointly sponsored by two Pittsburgh organizations that at times have been at arm's length. It is a happy sign in an era in which both the UN and the multinational corporations (many headquartered in Pittsburgh) are under fire, often from their best friends of yesterday, that the various elements of the Pittsburgh community interests in international affairs have more reasons for cooperative action than ever before.

SENATOR KENNEDY'S SPEECH BEFORE THE CHICAGO CRIME COMMISSION

Mr. STEVENSON. Mr. President, almost 225,000 handgun crimes were committed in this country in 1973. This represents one handgun assault—an armed robbery, a burglary, a rape, or a murder—every 2.4 seconds. Since that time, the crime rate has skyrocketed. The Uniform Crime Reports published by the Federal Bureau of Investigation indicate that the crime rate increased by 17 percent in 1974 over 1973 and the data for 1975 show that the commission of crimes has increased by an additional 13 percent in the first 6-month period, the crime rate has increased by 30 percent.

Clearly, this Nation is afflicted not so much with a crime wave as with crime inflation. There seem to be no ebbs and flows in the commission of violent crimes. And yet, while the public is clearly alarmed by the rapid escalation in the crime rate, the Congress has been notably quiescent. Since the passage of the Gun Control Act of 1968, the Congress has done almost nothing in the field of crime control.

In a speech before the Chicago Crime Commission on October 20, Senator KENNEDY advances specific and worthwhile proposals to control the increase in crime. The Senator from Massachusetts has long been in the forefront of the battle to enact Federal legislation restricting access to handguns, whose ready availability and concealability are principal factors in the rising crime rate. I commend the Senator's remarks to my colleagues and I hope that the Senator from Massachusetts' proposal will receive the serious scrutiny which they deserve.

Mr. President, I ask unanimous consent that Senator KENNEDY's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY

I am pleased to be here today to join the Crime Commission in launching Chicago Law Enforcement Week. I warmly endorse your imaginative concept of Law Enforcement Week, because it encourages citizens to take a deeper and more thoughtful interest in society's fight against crime.

Both the Attorney General of the United States and the Director of the FBI have stated that a major obstacle to effective law enforcement is the growing public indifference to crime. The elimination of that indifference is the goal of Law Enforcement Week. With this concentrated civic program, the Crime Commission is performing a valuable public service for Chicago and Illinois. You are also presenting a model for greater citizen involvement and concern worth emulating in other states and cities around the nation, and I am proud to be part of your effort here today.

Crime in American society is not a new problem. But its recent unchecked growth must be viewed with deep alarm by all law-abiding citizens. The national crime rate rose by 17% last year and by an additional 13% in the first six months of 1975. Since 1968, the violent crime rate has risen 57%.

The overall figures are bad enough, but the statistics on crime in our major cities are even more appalling. For example, recent studies show that of every 1,000 Chicago residents, eighty-seven were victims of theft during a one year period; fifty-six suffered a robbery or assault.

The actual situation is much worse—it is estimated that only one half of all assaults and robberies in Chicago are ever reported to the police.

Other cities bear a similar heavy burden. If murders in Detroit continue to increase at their present rate, a child born today and living there all his life has a one in fourteen chance of being murdered.

Other studies show that nearly half the nation's citizens are afraid to walk in their own neighborhoods at night for fear of being mugged or robbed or killed. In my own city of Boston, for example, residents view crime and violence as one of their biggest problems.

In light of these grim statistics, the American public justifiably may ask—what is government doing to fight crime? Why can't we make our streets and neighborhoods safe? What are we doing to bring the soaring crime rate down?

If eight years of federal efforts to reduce crime by talking tough instead of doing things that count, if the elections of 1968 and 1972 have taught us anything, it is that there are no easy panaceas, no secret plans, no magic formulas for reducing crime.

Slogans like "law and order," or even the more subtle euphemism "domestic tranquility," are not the answer to rising crime. They do nothing to dispel the growing sense of hopelessness that characterizes our current war on crime.

Nor can we counter law and order slogans with arguments that crime can only be controlled by demolishing city slums, ending poverty and discrimination, and provide decent health and education to all our citizens.

All of these, of course, are important goals of our society. They must be constantly pursued by men and women of conscience in public and private life, because the goals are just and right. We could not do otherwise and meet the obligations of our history.

But let us not confuse social progress with progress in the war on crime. A fair and workable system of law enforcement and criminal justice is also a goal we must strive for in and of itself. We fool ourselves if we say, "no crime reform until society is reformed." The fact is that crime and criminals, and police and prisons, have always been with us in the past, and will always be with us in the future. It is essential, therefore, that sound, constructive, practical law enforcement steps be taken now, free of the passions of the past debate, so that we can begin to make a dent in the growing crime rate.

My suggestions are not offered as some magic cure for the complex and exclusive problem of crime. There is no simple answer. The steps we take will cost us something. But we also pay a high cost by doing nothing—costs measured in terms of fear, barricaded homes, the destruction of our quality of life, and the dangerous, growing tendency to veer toward a more repressive society.

What I propose is a plan encompassing a few specific reforms at each of the three major stages of the law enforcement system—police, courts and corrections—prevention, detection and punishment of crime. These are positive steps to begin to reduce the rate of crime, while preserving the basic principles of our freedom and democracy.

GUN CONTROL

I begin with gun control. No rational plan for combating violent crime can ignore the need for strong, effective national gun control legislation. By now, the handgun statistics are so constantly in our minds that they border on cliches—over half of all homicides and 95% of the nation's armed robberies involve the use of handguns. Gun ownership is commonplace—fully half of all Americans keep one or more guns in their homes. Millions of new guns flood the marketplace every year.

Despite statistics that cry out for national gun control the arguments continue, while the figures keep climbing.

The gun lobby says that regulation of handguns should be the responsibility of state and local governments. But only national action can deal effectively with the problem. In states like New York and Massachusetts, strict gun laws are not effective, because guns are too easy to obtain across the border, in neighboring states that lack such strict controls. A recent study by the Treasury Department reports that over 80% of all handguns confiscated by the New York City Police in 1973 were brought unlawfully into the city from out of state.

The gun lobby also says that handguns are necessary for self-protection to defend our homes and castles from the robber and burglar. But the facts disprove the point. The chances are over four times higher that the person you shoot and kill will not be a burglar or robber at all, but your wife or child or neighbor.

The gun lobby argues that criminals, not guns, commit crimes. But the recent work of Professor Zimring and others demolishes that fallacy. If handguns were not so easily available, fewer crimes of violence would occur. The fact is that handguns make an independent contribution of their own to street crime, apart from other factors like race, sex, age, social class and geography. Less handguns would mean less street crime. The mugger armed only with a knife or club or fists is less likely to go through with his street attack.

There is solid evidence that gun control can bring the crime rate down. One recent study concludes that a ten percent reduction in the number of handguns—a reduction well within the long run potential of decent gun laws—would result in a thirty percent reduction in homicide. The most dramatic immediate reduction would be in the number of killings which occur during family quarrels and neighborhood fights. If a gun is not on the closet shelf or in the table drawer, an angry domestic argument is unlikely to escalate into a corpse on the family floor.

But with gun control, there would also be a significant reduction in street crime, which is the crime our citizens fear the most. The full impact on street crime might not be felt for many years, because the large number of guns in criminal circulation will not dry up at once.

This makes the challenge much more difficult, because Americans usually demand quick action, as part of the "hard-sell-fast-relief" syndrome that constantly comes at us from our television sets.

But that approach won't work with crime. If we want results, we have to be patient. Gun control is a plan which must be launched now and diligently pursued, if lives are to be saved and fear lifted from the shoulders of two hundred million Americans.

One other ingredient is necessary if we are to reach the goal of gun control. Congress has to be persuaded. Many members of the Senate and the House are already convinced that gun control is necessary. But legislation has been slow to come. Like other aggressive minorities in politics, the gun lobby gets its way by following up its opinions with action on election day.

To win on gun control in Congress, it is necessary for citizens like yourselves to build a countervailing force. Ask the candidates where they stand. Make clear that if they are wrong on gun control, they will suffer at the polls. Citizen awareness translated into political power is a goal of Law Enforcement Week. There are more than enough of you to end the power of the gun lobby in American politics. All that Washington is waiting for is a sign that you really care enough about the issue.

COURTS

The second high priority for a more effective war on crime is to deal with the crisis of congestion on the courts.

Today, courts and prosecutors in every major city in the nation are beset with expanding dockets and shrinking budgets. They cannot possibly cope with crime and the mushrooming caseload waiting to be tried.

The result in all too many cases is that "crime does pay." Even if the policeman on the beat catches up with you, the courts will let you go. Of the 730,000 adult felony arrests in New York in the past decade, only 31% were indicted; of those indicted, only 33% were convicted; and of those convicted, only 38% were sentenced to jail. You do the arithmetic. The extraordinary result is that 97% of all adults actually arrested for a felony in New York were filtered through the law enforcement system and escaped a prison term.

Or take Los Angeles. During 1972, only 6% of those charged with burglary, who had a serious prior record, were actually sent to prison.

The reason for these astounding figures has almost nothing to do with noble principles like the presumption of innocence or noble goals like the rehabilitation of offenders. The reason is court congestion. In virtually every state and local jurisdiction, the ideal of judicial wisdom and deliberation is a romantic relic of the past. Courts today are dispensing hectic stopwatch justice on overloaded assembly lines. The proceedings involve little nobility or solemnity. Defendants are processed at breakneck speed through a system where bargains must be offered at every turn if the system is to stay afloat—what bail can be agreed to, what hearing can be postponed, what charge can be dismissed, what plea bargain can be made, what sentence can be suspended?

The most frequent remedy used by reluctant judges and prosecutors to ease the pressure of their caseload is to make the problem go away by allowing the offender to "cop a plea" and return to circulation.

This is law without order, crime without punishment. It demonstrates why crime too often pays today. "Revolving door" justice—the need to reduce crowded court dockets—persuades the criminal that his chances of actually being caught, tried, convicted and jailed are so slim as to be nonexistent.

Effective crime control requires much more than that. The vast majority of criminals are rational. They play the odds. Effective deterrence requires that the odds must be reduced. A prospective criminal must believe that if he is caught, the chances are high that he will be swiftly and surely punished.

I intend to begin a series of Senate hearings to focus on these aspects of our overburdened courts. In addition, I will shortly introduce legislation to deal with the arbitrary and discriminatory federal sentencing process. This legislation will establish sentencing guidelines, require judges to provide written reasons for their sentences, allow appellate review of sentences, and create a permanent federal commission to study sentencing procedures and make suggestions for improvement.

MANDATORY SENTENCES FOR VIOLENT CRIMES

But a specific step must also be taken. The plague of violent crime in this country must be dealt with firmly. It is an intolerable situation when citizens must walk the streets in fear. Accordingly, to assure both certainty of punishment and imprisonment of the violent street offender, courts should be required to impose a mandatory minimum sentence in certain, specific cases. The mandatory minimum sentence should be two years, without possibility of parole. Such a sentence should be imposed when a defendant commits an offense in the following five specific categories of street crime:

(1) using a handgun or other dangerous weapon in the course of a crime;

(2) murder, rape, aggravated assault, and robbery when the victim suffers serious bodily injury;

(3) burglary;

(4) trafficking in heroin;

(5) and, since most serious crime is committed by repeat offenders, an additional mandatory minimum sentence should also be imposed on persons convicted of a violent offense after a previous conviction for a similar crime.

Provision should be made, however, in each of these cases for the sentencing court to waive the mandatory sentence where mitigating circumstances—age, mental instability, minimal involvement by the defendant in the crime, or the relationship of the offender to his victim—would make the mandatory sentence unfair.

It is, of course, true that in many cases of violent crime, a minimum sentence of two years is, in fact, already imposed. But in too many other cases in too many jurisdictions, it is not. The law should be clear and unequivocal on the need for imprisonment of these violent offenders.

Imposing a mandatory minimum term of imprisonment is not grounded in any theory of vindictive punishment. Rather, it arises from the need for certainty of punishment as the most effective way to deter potential offenders from their criminal conduct. Mandatory sentencing also serves the vital purpose of locking up the violent offender and keeping him off the street. One recent study concludes that the rate of serious crime in New York state could be reduced by two-thirds, if every person convicted of a serious offense were jailed for a minimum term.

The Federal Government's role in this area is limited. Most street crime occurs on local streets and in local neighborhoods. Nevertheless, federal crime legislation incorporating mandatory minimum sentences can be a model for local governments in confronting their criminal justice problems and the problems of sentencing. I will therefore introduce legislation for the federal system, to establish mandatory minimum sentences for the violent street crimes I have listed that occur under federal jurisdiction.

To call for mandatory sentences without providing the courts with the financial resources and technical assistance necessary to meet the challenge of increased caseloads would, however, be self-defeating.

Accordingly, the legislation will also increase financial aid and assistance to the courts in a manner similar to that required by the 1974 Federal Speedy Trial Act.

In applying the valid concept of mandatory minimum sentences, we must be vigilant that it is applied fairly and evenhandedly to all offenders, regardless of race or social class. Too easily in the past, the criminal justice system has been a vehicle by which the poor and black are made to pay a heavier price for crime than others in society. We must end that shameful double standard of discrimination, and guarantee truly equal justice under law for all.

Nor is the concept of mandatory minimum sentences the special preserve of any political party or philosophy. President Ford at Yale last spring suggested a proposal of his own. But it differs in major ways from the position that I favor. The essential difference is that the President's program does not deal adequately with violent offenses like robbery, burglary and rape. It does not attempt to deal at all with these or any of the other street crimes that are society's major concern, unless the criminal is a repeat offender.

LEAA

Another top priority for reform is the federal government's financial assistance program for state and local governments. It is apparent to the overwhelming majority of neutral observers that the Law Enforcement Assistance Administration has shamefully failed to do its job. Eight years have now elapsed since the agency was established. Nevertheless, because of poor management, because of its failure to set priorities in fighting crime, because of its inability even to evaluate and comprehend the impact of its own ineffective programs, LEAA has simply not done the job expected by Congress and the country. It is not too much to say that LEAA is fighting crime today the way the Post Office delivers mail.

Just two weeks ago, during the LEAA oversight hearings in the Senate, Attorney General Levi testified that LEAA assistance to the courts should receive the highest priority.

Seated next to him was LEAA's top administrator, who informed the Attorney General at the hearing that only 16% of the entire LEAA budget is directed to the courts. Recent data show that even this figure is inflated, and that the real figure is more like 7%.

The LEAA program is about to be extended by Congress. We have the chance to perform some major surgery. The Administration wants to fund the program by $1.3 billion a year for the next five years, an increase of approximately half a billion dollars a year over the present budget level.

Assistance in helping localities eliminate court congestion and delay must be given a new and high priority. Congress should require that a major portion of the additional funds requested by the Administration must be directed to improving state and local courts.

In addition, LEAA evaluation procedures must be improved. Without a shift in priorities, without more stringent evaluation, the federal government's contribution to the war on crime will be just another exercise in utility.

We should also provide more adequate funds under LEAA for criminal research. Our law enforcement knowledge is insufficient. We simply do not know what works in fighting crime and what does not. But imaginative research continues in many areas. It needs to be supported and encouraged. For example, we are beginning to understand that in the present state of knowledge, attempts to rehabilitate offenders are almost wholly unsuccessful, whether attempted in or out of prison. The only cure so far appears to be the arrival of middle age, the passage of many years as young offenders outgrow their violent ways. Yet society can neither afford to wait that long, nor lock young offenders up and throw away the key.

LEAA can play a major and innovative role here, by supporting and funding new research and development programs in the war on crime. Again, it will take some patience. Results will not be coming overnight.

We understand the role of research in cancer and disease. The Pentagon learned the value of research long ago in national defense. As a nation, I hope that we are mature enough to do the same with crime, secure in the knowledge that the research we support today will bring major long run benefits in the future.

The four major areas I have discussed today are not the sole priorities in our comprehensive war on crime. We also need to deal effectively with significant challenges in other important areas:

For the police, who are our first and most important line of defense in opposing crime, we must support the continuing development of new techniques of law enforcement that are already showing promise in many jurisdictions. We must also pay our police a decent wage, at levels commensurate with their risks and great responsibilities. No police officer in America should have to risk his life for a bare subsistence salary that can't support his family.

In corrections, a vast job stands before us—the challenge to find new and genuinely effective methods of rehabilitation, and to end the overcrowded and decrepit conditions that plague our prisons and turn them into vicious schools for crime.

In the area of federal statutes, a major task before us is the revision of the Federal Criminal Code. Critical issues like capital punishment, wiretapping, the insanity defense, and the role of the press in national security cases must be resolved by Congress in the coming months. The pending bill has serious defects that must be corrected, if the work we are undertaking is to be worthy of the label, "real reform."

We also have to deal with rape. Susan Brownmiller's monumental and persuasive current book documents the centuries of myth and misunderstanding. If we genuinely believe in equality and equal rights for women, let us scrutinize these laws that do so much to consign the women of America to an inferior, unfair and unequal status in our society.

In these and other areas, our agenda is a large one. The enormous challenge of crime confronts us, and answers will not wait. The evils I have talked about today—too many guns, a judicial system crumbling under its own increasing weight, sentences that encourage crime, a law enforcement program that doesn't work—these evils inevitably make us pessimistic about the future.

The passions are high, but the stakes are even higher. Answers must be found, answers better than before.

The most important way to start is to match our rhetoric with reality. Let us make no irresponsible promises. Let us raise no public expectation that peace on the streets is now at hand, or that reduction in crime can easily be achieved.

The steps I have outlined here will not rid our streets of crime. But they do allow a start in a new and more promising direction than we have tried before. And if we make that start, we shall find ourselves entitled to a little optimism. We shall have a new sense of where we are, a new sense of confidence that we are moving in the right direction. At last we shall be taking responsible steps that have a reasonable chance of bringing progress in the difficult but still winnable war on crime in our society.

REMARKS OF GENERAL WEYAND, ARMY CHIEF OF STAFF, BEFORE THE ASSOCIATION OF THE UNITED STATES ARMY

Mr. THURMOND. Mr. President, on Tuesday, October 21, Gen. Fred C. Weyand, Chief of Staff, U.S. Army, addressed the Association of the United States Army here in Washington.

His remarks focused on the goal of the Army today and the threat it faces.

Mr. President, this is an outstanding statement from the Army's top leader and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TRANSCRIPT OF ADDRESS BY GENERAL FRED C. WEYAND

Thank you very much . . . thank you . . . thank you.

Jim, and distinguished guests, friends . . . thank you very much, Jim. It is a great privilege to be here. I want to in a personal way acknowledge the presence here today of Dave Jones from the Air Force. You know, General Abrams, once I recall when he was leaving the Pentagon on reassignment, said "Damn, I hate to leave the Pentagon." And it turned out that the reason that he hated to leave it he said was because he knew that sooner or later he'd have to come back. And this was the way I felt when I came back to Washington this time. And you know, one of the things that I think I dreaded more than anything else was the prospect of coming back to the arena of the biting and scratching and fighting between the Air Force and the Army over roles and missions and between all of the services as they fought for their share of the resources . . . and I tell you it's just been a great joy and a comfort to me in the time that I've been the Chief of Staff to have Dave Jones as a team member, as a partner, in the effort that we're all involved in of trying to put together an adequate national defense and security program for this country. We came out of Vietnam, I know, with many problems, there were many bad aspects to that experience . . . but one great experience and advantage and benefit that came from it was that the Army and the Air Force emerged from it as a true combined arms team, and I am grateful to you, Dave, for your part in that.

And if I might, I'd just like to ad lib one more thing . . . about another person who is here. We have had a lot of magnificent generals and officers, noncommissioned officers, and men retire from this Army during the past year . . . as we have had in past years . . . and I know it's dangerous in any way to attempt to single out any one person and I don't mean to do that, but there was one officer who didn't retire here . . . he retired overseas. And a lot of us didn't get an opportunity to express our appreciation to him for the job that he'd done for the Army and for the country. United States Army Europe was a very, very difficult command—of course, beset with problems all through the Vietnam period. And then, as we emerged from that period, the Army began rebuilding that Army into the fighting force that it is today . . . one that we're proud of . . . everyone who goes to Europe returns singing the praises of our Army over there. And since it is such an important part of our total effort, the man who commanded it deserves our enthusiastic expression of gratitude and thanks. And so if he's here I'd like to ask Mike Davison just to stand up and take a round of applause from you.

I thought this afternoon I'd discuss some of the various elements of the challenges that we face and then something about the Army—where we're going and how we're going to get there—remembering all the while that the Army may be a lot of things to a lot of people but basically it's an organization whose mission is to fight.

Now I know it's no novelty for military men to point with concern to the nature of the threat, and today I'm no exception because I *am* deeply concerned about the depth and breadth of the challenges that face this country—the economic challenge to our political system, the challenge to our military stature and strength and capability.

And I'm also concerned about the apathetic attitude of many of our people to the challenges that face us. Now this is not a concern that is unshared by others. Our national leadership appreciates the challenges . . . and one of the positive responses has been evidenced in these negotiations that we're conducting with the Soviet Union in an effort to ease the tensions between us and to promote greater mutual understanding and cooperation. And I think with all of you I sincerely support those efforts because those efforts carry with them a positive hope for peace. But it's slow going and we're a long way from having that bird in hand. As a matter of fact, as I stand here I think back to that it was two years ago this month that at this meeting that Abe gave that wonderful speech of his about détente . . . when he outlined the prospects for it and the nature of it . . . and nothing has changed in that characterization since that time.

Now, in 1747, Frederick the Great instructed his generals that "skepticism is the mother of security . . . Fools trust their enemies, prudent persons do not. The General is the sentinel of his Army." And at this point in time I am the sentinel of this Army and I am gravely concerned with the continuing expansion of Soviet might . . . its military power as well as the proliferation of the sophisticated top-quality weapons and equipment that we find throughout the Soviet forces. And the expansion of those conventional forces has gone far beyond what the Soviets need for national defense, or for deterrence, or for internal security.

Now in the past, we have taken some comfort from the fact that the large quantitative advantage of the Soviets over us was largely offset by the qualitative advantage that we possessed. But now those weapons of the Soviet Union have been tested against our systems . . . many of them . . . in the 1973 Arab-Israeli war, and we know that that qualitative advantage has been drastically altered to our disadvantage.

In addition, Soviet manpower continues to increase. Today, that Army contains just about two and a half million men and women—we have 785,000 men and women in our Army. The Soviet tank holdings exceed 45,000—ours is less than a fourth of that. In 1969, the Soviets had 157 divisions and we had 19⅔ divisions. Today we have 15 and they have 166 divisions. And so those trends give us some idea of the importance that the Soviets attach to conventional force. And the intent of all this is particularly disturbing when you realize that it's being done from an economic base that is just about half that of the United States. And so quite obviously, the Soviet conventional force capabilities have increased and they are continuing to increase significantly.

Now, in the face of this shifting military balance of power, the challenge to us is to create a positive deterrence and effective defense from limited resources. And I'm here today to tell you that we can do this: *if* we make every soldier, every weapon, and every resource count—and *if* we maintain an Army that's fit to fight, and *if* we are ready to meet any crisis with the force and the tactics and the will to win that first battle. And that's what we're going to do.

Now it's been charged that armies are always prepared to refight yesterday's war and that they are always ill-prepared to fight tomorrow's war. Well, I'm convinced . . . and I believe that by the time this meeting is finished that you will be convinced . . . that this Army has not fallen into that trap . . . because we cannot and we will not predicate our tactics and our strategy on doctrine that doesn't take into account the fact that we must be prepared to fight and to win . . . with constrained resources . . . against superior numbers.

Now the urgent need to maintain forward-looking strategies and tactics makes this a particularly interesting and challenging time to be in the Army. For example, the rapid innovations in precision-guided munitions and missile technology . . . in, particularly, the anti-tank and anti-air missiles . . . combined with the quantum improvements that we see in land mobility with our combat vehicles, and in air mobility with our helicopters . . . and the new tactics that are being developed . . . and for the first time a true night, all-weather combat capability—and when you put all of this together, we have an opportunity for decisive advantage on the field of battle and we're going to exploit that advantage and those opportunities, because these innovations will permit a smaller, but modern force to successfully defend against a mass attack by a larger force. We all know that, tactically, our defense must have the strength, and the resilience, and the flexibility that will enable it to quickly slow a mass attack, and then to rapidly identify the main effort, and then to aggressively counterattack it. And I'm assuming that we must be prepared to fight around-the-clock, 24 hours a day, in any weather. And to do this, of course, we must . . . and we are modifying some of our former ways of doing business, and we have to be perceptive enough to capitalize on these new technological developments and on the promise of more innovative tactics.

I read a book not too long ago—it was one by Drew Middleton, his last one, in which he made the comment that "the hand-held anti-tank or anti-aircraft missile may revolutionize warfare as much as did the appearance on the battlefield of the tank and the bomber a generation ago." Well, that may be overstating the case, but if it is, it's not by much. And certainly it is correct in the implied point . . . and that is that we must not dilute the tremendous potential of these systems by using them piecemeal, or indecisively, as we did in the beginning with the tank and the bomber, and before that, the machine gun.

Now in addition to recasting our doctrine to cope with the threat of the future, as we see it, we are:

Strengthening the deterrent impact of our Army by forward deploying forces and adding additional combat power up front. Now as we do this, we are taking some risks. But we have to take care to avoid overcommitment to the extent that we would end up with a brittle defense and, of course, then recourse to the false hope of a short war. And that trap we're determined to avoid.

The savings made possible by the stable end strength that we've enjoyed for the past two . . . two and a half years has permitted us to add some additional combat and combat support units to our structure. And that's been a healthy thing.

On a broader front, we have accelerated the affiliation program with our Active forces being welded together with the National Guard and the Reserve . . . the Army Reserve . . . to form a more capable, total ready force.

And as you all know, from some of the presentations that have been made here the last day or so, the primary objective of this Army today is readiness. That's our strategy . . . that's our goal . . . and that's our objective.

Readiness of the Total Force to deter adventurism and coercion . . . and if that deterrence fails, then to win the first battle.

Readiness of our soldiers to carry out their mission with determination and skill.

And readiness of our equipment and of our command and control, and intelligence, and logistic systems to cope with the challenges of the modern battlefield.

But you also know along with me that readiness is more than equipment and systems. Like mobility, readiness is a state of mind—a conviction on the part of every soldier that he and his unit are ready to fight, right now, against a larger force . . . ready to fight and win. And this state of mind doesn't just happen. It stems from tough, demanding, realistic training. Now smart, aggressive soldiers can compensate for shortcomings in equipment, but superior equipment cannot make up for shortcomings in professionalism or in the will to win. And we are instilling that winning spirit and that mental readiness in our soldiers by making service in the Army demanding, satisfying, and rewarding.

For the Army, this is a time of progress but it's also a period of consolidation. And in the consolidation we're stabilizing and blending the Active and Reserve Component forces into a total, ready Army. And in all of this, then, I'm proud of the fact that the Army is . . . at this point in time . . . playing a positive role in the . . . meeting the challenge, the global threat that faces this nation of ours.

Now there's a good issue that faces this nation . . . an issue that, in a way, is more insidious than the pressures we feel from outside . . . and that's the menace of apathy and indifference of those who fail to see the danger to American institutions simply because the bombs are not falling or because, unlike most of our allies, we do not have on our borders a potentially hostile armed force. And, as we have done too often in the past, we tend to see the world as we want it to be, rather than as it really is.

Now in my years of service, I have watched this nation lower its guard after every war, and I've seen the price of unpreparedness that we have paid in American lives. And, I'm sure along with you, I wonder:

When will we learn that weakness is provocation and that strength is both the only true deterrent to war and the only guarantee for stability and peace?

And when will we learn that our national survival is directly linked to the strength of our relationship with allies? And that we cannot go it alone?

And when will we learn that if we abrogate our world leadership responsibility the free world's bulwark against totalitarianism goes with it?

And when will we learn that our capacity to defend the nation and its legitimate interests must be credible and visible to our friends and to potential foes alike?

Now we're living in an extremely dangerous time . . . but we are a strong and resilient people and we have 200 years of heritage and progress and experience that underwrite my confidence in our future. And I don't know whether it is truly a remark that came from General Bradley, but Abe used to attribute it to General of the Army Bradley when he said, "Good judgment comes from experience, and experience comes from bad judgment." Now we have . . . there's a lot of truth in that . . . and this country has learned . . . because what all of that says is that, if you're smart, you learn from experience.

And now I want to say a final word about the real Army—the men and the women who serve it—active, reserve, retired—civilian and military. Now I mentioned earlier about humility and every now and then you'll run across something else that makes you feel a little humble. In the magazine section of last week's Army Times was a series of articles . . . one an interview with a Private First Class . . . another with a Sergeant First Class . . . and another with a Captain . . . a wonderful series of interviews and in the one in which they were interviewing Private First Class Robert Johnson—now Johnson was a mortarman . . . he's in G Troop of the 2d Squadron of the 11th Armored Cav . . . and they asked him in the course of this very long interview how he liked the Army. And he says this, . . . he says, "Well, the Army, I mean, there's nothing wrong with the Army. The job, it's O.K. The problem with the Army is the people, the way they run it. . . . But there's nothing wrong with the Army." Now, I tell you, that young fellow said a mouthful because this Army has an incredible capability to overcome stupidity and shortcomings on the part of people like myself.

This Army is O.K. because of the people like that that are in it. And they need your support and they need the support of the people of America whose interests they serve. And beyond that support, they need your understanding of the nature of the burden that they bear on behalf of all of us.

For example, there's been a lot of talk about pay and comparability of pay. And I wonder if the pay of the Marines who were wounded and who died in the Mayaguez incident is comparable to any young worker's pay to that of any of our soldiers when Uncle Sam picks up that option to send him or her anywhere, any time?

Or what about education? Now I've been proud that so many of our soldiers have sought to add to their formal education while they've been in the Army. As a result of it, they have become better soldiers and they've become better citizens, and I hope that we can find a way in the future to assist them . . . assist those who aspire to self-improvement and greater achievement . . . while they're under our tutelage.

And we must also find ways, once again, to reward soldiers who excel in their specialties . . . and to give a reward for excellence.

And we must support those programs such as housing and post exchanges, commissaries, recreational facilities, and the like, that foster institutional unity as well as demonstrate real concern for the welfare of our people. Because isn't the glue that holds this Army together related to the ability and reputation of this Army to take care of its own?

Now, certainly the promise that a soldier's dependents will be taken care of when he or she is not around to look after them is directly related to our pledge to each other in battle that we will *not* leave our wounded or our dead behind.

Now incentive pay and medical and dental care and family support assistance and job security . . . these are all things that are essential ingredients of a professional, motivated, disciplined, ready Army. And they are ingredients that have made the Army that we view today with such pride the Army that it is.

Now it's a first-class Army . . . it has a lot of potential . . . and there's more to be done with it. And when you look at this Army flag I simply ask that you reflect on that motto: "This we'll defend." Because, believe me, there's challenge enough for all of us in those few words.

Thank you, Jim.

THE 1975–76 YOUTH CONFERENCES ON OLDER AMERICANS

Mr. CHURCH. Mr. President, one of the major goals of the Senate Committee on Aging is to make the point that all age groups have a stake in what happens to older Americans.

Time and time again, I personally have spoken to younger and middle-aged persons, telling them that their own parents and grandparents may not look old, or feel old, but nevertheless they may soon encounter difficulties affecting all the other members of their families.

Medicare has done something about the problem of heavy financial outlay during time of illness, but there is much more to be concerned about. At the bottom of it all is the pervasive inadequacy of retirement income, particularly during these inflationary times. Clearly, young and old alike should be concerned about the Nation's success in solving such problems. Furthermore, they should be equally aware that retirement can be a time of personal fulfillment and achievement, once fundamental needs are met.

One of the most stirring and heartwarming experiments in bringing young and old together began in September 1974, when the student board of education of the high school district in Santa Barbara, Calif., voted to plan and conduct an experimental conference on the subject of rights and obligations of older persons, as expressed in a charter adopted at the White House Conference on Aging in 1971.

The conference—held on February 7, 1975—brought 50 students and 50 of the community's older persons together to discuss such topics as the economics of aging and transportation needs of the elderly. It was such a useful and lively occasion that the National Retired Teachers Association—the experiment's sponsor—began plans to repeat it elsewhere.

NRTA—working with the National Association of Secondary School Principals—sent folders proposing such conferences to high school officials just a few weeks ago. I understand that their headquarters have been deluged with requests for a handbook the two associations are making available. Although the conferences were designed as an extracurricular activity, the project is being adapted to instructional use as well. NRTA and NASSP have heard from teachers of social studies, English, journalism, home economics, health education, and other subjects. They plan to use the conference as a class project.

Mr. President, I believe that the youth conferences are exciting and refreshing proof of the fact that true understanding among people springs from true interest about people. I ask unanimous consent that a recent information bulletin issued by NRTA be reprinted in the Congressional Record to provide details to the Congress and directly to those who may be interested in sponsoring such conferences throughout the Nation.

There being no objection, the bulletin was ordered to be printed in the Record, as follows:

[From National Retired Teachers Association, Aug. 11, 1975]

1975–76 Youth Conferences on Older Americans—A Bicentennial Program

NRTA has initiated a program of Youth Conferences on Older Americans to be held throughout the United States during 1975–76 in connection with the nation's Bicentennial goal of developing a new Charter for Older Americans.

Under the program, high school students will have an opportunity to organize conferences to bring students and older people together to discuss issues affecting older people and, ultimately, younger people as well. The conferences will culminate in a report to the President of the United States.

The National Association of Secondary School Principals and American Association of Retired Persons are cooperating, and the Administration on Aging, U.S. Department of Health, Education and Welfare, has awarded a grant of funds to assist. Under the grant NRTA will provide materials for use by high school students in planning and conducting local conferences. NASSP will contact leaders in high schools throughout the nation and distribute program materials through student councils, National Honor Society chapters, faculty advisers and principals.

In communities where Youth Conferences are organized, students may ask retired teachers, AARP members, aging agencies and other sources for suggestions about discussion topics, information about local issues, recommendations for resource persons, or assistance in inviting a cross-section of the community's older population to attend the conference.

During the past year NRTA sponsored the development of the youth conference concept, including pilot projects, as part of a program of Bicentennial activities designed to make a contribution to the nation. An enduring interest in education and young people led to the effort to provide for the involvement of students, through their own initiative, in a Bicentennial-related activity of lasting significance. To assist, NRTA appointed a Board of Advisers including national leaders in the fields of education and aging.

President Gerald R. Ford, in a July 23, 1975 letter written for NRTA's Youth Conference Handbook, expressed delight that the Associations are organizing the conferences "to involve young people in the process of making recommendations relative to the rights and obligations of older Americans," and stated, "I look forward to receiving a report on the results of these sessions."

The Charter for Older Americans, sometimes called a Declaration of Rights and Responsibilities, was drafted in 1961 at the first White House Conference on Aging. By Presidential proclamation, a new Charter is to be developed as part of the Bicentennial commemoration.

As far as can be learned, the program of Youth Conferences on Older Americans is the first of its kind in the United States. It presents high school students with a new concept for action. Among objectives:

1. Assisting young people in developing awareness and understanding of the needs and concerns of older people and the essential social and economic relationships involving young and old;

2. Encouraging students to plan and conduct the conferences as a means of

a. Developing initiative in the direction of action and service to the larger community, especially the older population;

b. Providing a mechanism for involving young and old together, as individuals, in such activities as developing conference programs, conducting workshops, discussing issues and concerns, and formulating recommendations;

c. Acquiring knowledge of matters of concern to older people;

d. Acquiring knowledge of community resources for serving older people and representing their interests, plus knowledge of opportunities for involvement by young people;

e. Developing an increased recognition of the personal aspects of aging;

3. Providing an organized means for students to participate in discussions concerning the Charter for Older Americans.

Participants in experimental conferences have expressed enthusiasm for the idea. Among their comments:

"The communication between the young people and the mature was excellent."

"It showed that young people and older people can get together and discuss issues that concern both."

"If people across the nation would do this there would be a great change. If you bring senior citizens and younger people together you can break down the stereotypes."

"It just made me feel good."

Students and faculty can obtain information from Youth Conference, NASSP, 1904 Association Drive, Reston, Va. 22091.

NRTA and AARP members may contact Elizabeth Harrison, Youth Conference Project Director, at the Associations' national headquarters, 1909 K Street, N.W., Washington, D.C. 20049.

INDIAN FISHING RIGHTS

Mr. HATFIELD. Mr. President, the State of Oregon and other Northwestern States are in the process of attempting to find a way to resolve questions relating to Indian fishing rights.

In several instances, Indians have fought successfully in the courts to assert rights guaranteed by treaties with the U.S. Government. Many questions relating to just how the important fisheries resources will be managed remain unanswered, however, and the impact upon sport and commercial fishermen is largely unknown.

In view of the fact that these treaties were made with the Federal Government, the Federal Government has a responsibility to provide assistance in this matter. To some extent, problems can be alleviated by increased Federal investments in hatcheries and rearing ponds. These are investments which are repaid many times over through increased harvests.

Mr. Charles Wilkinson, a professor of law at the University of Oregon, recently authored an article published in the Oregonian, in which he proposes cooperation between Indians and non-Indian fishermen in working out reasonable solutions to their common problems. I hope that this can be accomplished, and I ask unanimous consent that Mr. Wilkinson's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cooperation on All Sides Suggested as Best Solution to Fish Treaty Turmoil

(By Charles F. Wilkinson)

(A University of Oregon law professor specializing in Indian and administrative law, the writer was formerly a tribal attorney with the Native American Rights Fund and has written on the subject of Indian treaty rights.)

Recent federal court decisions on Indian treaty rights have created a turmoil in the Northwest. Non-Indian commercial fishermen and sports fishermen see these decisions as a body blow to their occupations and favorite pastimes. Those fears, at least in the abstract, are reasonable. Our legal system should not arbitrarily permit the destruction of livelihoods or fundamental recreational pursuits.

But the Indians also have a story to tell—and it is a poignant and compelling one. The facts have been found by federal judges after voluminous testimony given during years of litigation. It is to be hoped recent developments will lead to a resolution which will protect the treaty rights of Indians, as well as the justified concerns of non-Indian fishermen.

Treaties with the Oregon and the Washington tribes were negotiated in the late 1850's. Fishing was the focal point of these simple, rural cultures. Tribal members subsisted primarily on fish, and a developing Indian commerce used fish as a medium of exchange. Most tribal religious ceremonies, including the "first salmon ceremony," centered upon the salmon and the steelhead.

The tribes never wasted fish and posed no conservation threat. No species was endangered in any way until the white man arrived in great numbers years later.

Treaties were negotiated on a surprisingly equal footing. The tribes did have some military strength and the United States was represented by only a few scattered settlers. Thus treaties were the result of hard bargaining, with both sides having leverage.

It is crystal clear from the record of the treaty negotiations that the tribes had one primary goal: They wanted to preserve their fishing rights. As finally negotiated and ratified by the Senate, the treaties guaranteed the continuation of those basic rights.

The Constitution makes Indian treaties the "supreme law of the land." More than other laws and statutes, however, treaties have a moral cast. It is said that treaties represent the "sacred honor" of the United States and "the word of the nation." History shows that Indians expected these rights to be treated in that context.

Treaties can, as one Washington state official has put it, be looked at as a "mortgage" on the statehood of Washington and Oregon. When the states joined the Union well after the treaties were signed, their statehood was subject to the treaties. But unlike most mortgages, these were backed up by the good faith of a great nation.

Things have changed on the reservations. For better or worse, the majority culture has eaten away at many of the old ways. Twentieth century clothes, cars, houses, and customs now predominate among Indians.

But many of the old Indian customs still prevail. Many Indians depend upon fishing for their livelihood, must eat fish as a staple of their daily diet, and many still participate in the ancestral religious salmon ceremonies. Indeed, the courts have found that fishing is still "the single most highly cherished interest and concern of the present members" of the tribes.

During the 1950's and 1960's both Oregon and Washington cracked down on off-reservation fishing by Indians. Both sides were guilty of communication failures and, as U.S. District Judge George H. Boldt said, the situation was "inflamed by provocative, sometimes illegal, conduct of extremists on both sides."

The state regulation was deeply obnoxious to the Indians. The curtailing of historic fishing rights was greeted by the Indians with the resentment by which the white community would view, for example, outright state bans on Sunday church-going and on eating beef.

Equally fundamental was the economic impact on the businesses and dinner tables of tribal members. The state regulation was rapidly driving them into an ever deeper pit of poverty.

The Indians went to federal court in both states. The courts upheld the position of the Indians in virtually all respects. The 9th Circuit Court of Appeals (which covers the far western states) affirmed.

The heart of the decisions, which were reached after unusually able legal representation on both sides, is that the Indian treaty fishermen must have the opportunity to harvest 50 per cent of the salmon and steelhead in the fishery. The result is based upon the language of the treaties.

Although appeals may be taken, the rulings are not likely to change. The courts have, in effect, laid down the broad guidelines and sent the parties to the bargaining table to work out the details.

The real hope is that both sides will search for solutions within the existing framework, rather than attempting to subvert the court orders. The courts, for example, have sharply criticized the state of Washington's "recalcitrance," "lack of cooperation," and "near total absence" of facts to back up "apparent falsehoods." Fortunately, few such epithets have been directed toward Oregon officials.

Oregon Attorney General Lee Johnson, in a statement made Sept. 8, indicated his intent to seek assistance from the United States Department of the Interior. Treaties were, after all, negotiated by the federal government, not by the states. Thus the United States has—and seems to recognize—a continuing obligation to alleviate the situation. The resources of the federal government could be instrumental in improving the fishery so that non-Indian fishermen can receive their fair share and the Indians can preserve their precious treaty rights.

Oregon's position should be welcomed by all who deal with the problem. The courts have spoken and, in the long run, all parties will have little choice but to abide by the general guidelines which have been so arduously developed.

As Oregon seems to recognize, any foot-dragging will only serve to escalate a situation which has already produced far too much expense and bitterness. For the moment at least, the most fruitful approach appears to be for both sides to present a united front in seeking well-deserved federal financial assistance.

FTC CHAIRMAN SAYS CONGRESS SHOULD ABOLISH FAIRNESS DOCTRINE

Mr. PROXMIRE. Mr. President, Lewis A. Engman, Chairman of the Federal Trade Commission, Wednesday called on the Congress to abolish the so-called fairness doctrine that, as he says, stifles public debate.

In concluding his speech to the University of California at Los Angeles communications law program, Mr. Engman said:

> In summation, let me direct your attention back to the actual requirements of the Fairness Doctrine. They were, you will recall:
>
> —to devote a reasonable amount of time to the discussion of controversial issues, and
>
> —to afford reasonable opportunities for opposing viewpoints.
>
> I put it to you that by enforcing the second requirement, we make impossible the fulfillment of the first. We are stifling debate. I cannot see how that can ever lead us to a nation free from bias, dishonesty and injustice. The Fairness Doctrine, like our fair trade laws, is an instance in which benevolent-sounding words have masked a miscarriage of our free market system. It is high time for Congress to abolish it.

That sums up the problem of the fairness doctrine as well as it can be done.

Mr. Engman deserves the thanks of the people of this country for seeing through the false claims for governmental control of the radio and television segments of the press. He sees that the beneficiaries of returning the rights of a free press to broadcasters are—not the broadcasters—but the people, the citizens of the United States.

That, too, is the intent of my bill, the First Amendment Clarification Act of 1975, S. 2. It would abolish the fairness doctrine, the equal time rule and other governmental controls over the content of the electronic press.

Mr. President, I ask unanimous consent that Chairman Engman's address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

The Fairness Doctrine Competition and the First Amendment

(Address by Lewis A. Engman, Chairman, Federal Trade Commission)

As many of you know, there is a move afoot in Washington to re-examine a great deal of what has long been presumed to be socially useful regulation. What is being questioned is our tendency to turn to government to solve all our problems—to let government decide how often and where our airlines shall fly, in what volume and at what price our dairymen shall sell milk and whether the American public is sufficiently intelligent to be told there are price differences between prescription drugs or lawyers fees. It has been suggested that we reconsider these regulations, weigh their costs and benefits, and decide whether we are paying more for them than we are getting in return.

In my view, the proper approach is to proceed from the assumption that free competition in the marketplace will produce the best results and to accept regulation only where a contrary demonstration can be made. There are, to be sure, many instances in which such a demonstration will be possible. The market is not perfect, nor is it realistic to suppose that it can be made so in every case. There are times when simple efficiency may not be the best servant of the public interest—times when we may want to accept constraints on freedom for the purpose of attaining some other and higher priority.

But one constraint which is unacceptable is one which says we are not free to have a public airing of all relevant considerations. We cannot, in other words, afford to accept limitations on our freedom to express our opinions.

The argument for or against economic freedom can be sustained on the basis of expediency. It is at least in part an argument about what works best—about how we get the best goods at the lowest cost. Our positions in such an argument may be buttressed by principle, but we also are talking about tangible results.

By contrast, an argument about freedom of expression must turn on far more fundamental considerations. We cannot balance costs and benefits where the costs are costs to our freedom. A decision to curtail freedom of speech affects not just our rights to speak, it affects our ability to consider and resolve every other issue we face. What more important marketplace can there be than the marketplace of ideas? Here regulation necessarily demands a much higher order of justification. Nothing short of Mr. Justice Holmes' proscription against crying fire in a crowded theatre will suffice. That brings me to the particular piece of regulation I'd like to talk about today.

We have in his country something known as the Fairness Doctrine. Many of you no doubt are familiar with it. It is a set of government rules which says that our radio and television broadcasters must "devote a reasonable amount of time to the discussion of controversial issues" and that, in doing so, they must "afford reasonable opportunities for opposing viewpoints."

At first glance that seems an estimable prescription. My dictionary defines "fair" as "free from bias, dishonesty or injustice." Hard to argue that we would not all be better off without bias, dishonesty and injustice.

But like many seemingly simple ideas, the Fairness Doctrine is not so simple. The most obvious problem is the question of who decides when views have been adequately balanced—that is, when has fairness been achieved. There are not many issues to which there are only two sides. Nor are there many issues which divide people equally into opposing camps.

Someone, therefore, must make a judgment call. Someone must decide when a view is held by enough people to require its being broadcast. Someone must decide that a broadcaster has satisfied his obligation to be fair by presenting six different viewpoints and that to require him to present a seventh is unreasonable. Someone has to decide if a point of view is so patently absurd that the broadcaster has no obligation to air it even though it be the only viewpoint held by dissenters to the common opinion. That someone is, of course, in each case, ultimately the government.

Now that may not worry you. We Americans must look all the way back into our colonial heritage to recall a time in which government interposed itself between us and our right to speak freely. But freedom to speak without government constraint certainly has not been mankind's universal experience. We have been more fortunate than most. We owe that good fortune to the framers of our constitution who were fully aware of the danger of permitting government to shut off debate. They gave us the First Amendment to guarantee us that no one, no matter how high his station, would ever tell us what we could and couldn't say.

On its face, the Fairness Doctrine does nothing to limit that freedom. Nominally, its requirements are affirmative rather than negative. Its consequences, however, clearly have been other than those intended. Broadcasters may no longer weigh program material for its public interest value alone. Before airing it, they must also calculate the cost of giving air time to contrasting views. As a result there have been instances in which the Fairness Doctrine has worked to inhibit rather than encourage dissemination of opinion—there have been instances in which broadcasters have elected to ignore an event or even a whole issue rather than assume the obligations its broadcast might impose.

Where the doctrine operates in this fashion, it becomes a prior restraint. It is not encouraging the broadcast of contrasting view, it is discouraging the broadcast of any views.

Though to me that is a damning effect, it may not be the most serious effect of the Fairness Doctrine. Today, we Americans learn a great deal of what we know about what is happening in the world from television. Over the years, studies have shown that more people rely on television than newspapers for their views. The latest poll of which I am aware—a poll taken in 1972—indicated that the number of people getting their news from television was larger by almost a third than the number getting it from newspapers. Do we really want the government to have the power to say what speech is or isn't fair in the primary source of news for most Americans?

If that strikes you as paranoid, you might be interested in a piece of relevant history. The right of an individual to claim and receive "reply time" under the Fairness Doctrine was affirmed by the Supreme Court in the so-called Red Lion case, decided in 1969. That suit, though filed by an individual, actually arose during a period of time when there was a concerted political effort to harass, and hopefully to silence, radio stations which habitually aired opinions which some people in Washington found repugnant. And who were those people? There is evidence which suggests that they were the White House and a national party organization.

I do not mean to suggest that this is a partisan issue. It is not. No party has a monopoly on the tendency to abuse government powers. I mention the incident only to illustrate that the threat of a government-controlled media is not one we can afford to dismiss entirely.

At the very least, the threat is real enough to warrant re-examination of the arguments which are made in favor of the Fairness Doctrine.

One of those arguments is that "the airwaves belong to the people" and that, therefore, it is for government, acting in the name of the people, and not for private broadcasters to determine what is transmitted over the airwaves. It is hard to know where to start with a statement like that. I recall Dean Rusk once observing that it was like saying that the North Star and gravity belong to the people.

The fact is that the airwaves, regardless of who owns them, are only a vehicle for delivering a product produced elsewhere—in a studio to be precise. If government can claim the right to regulate product content because the product is delivered over publicly-owned airwaves, the government can, with equal logic, claim the right to regulate the content of newspapers and magazines because they are delivered over publicly-owned streets or through the publicly-owned post office.

There is, to be sure, a distinction to be made between the airwaves and the post office. The distinction is that the airwaves are capable of bearing relatively limited traffic. But if you make that distinction, you are no longer arguing about ownership but about access. And access is the foundation of the next argument advanced by those who favor the Fairness Doctrine.

This argument is known as the "scarcity" argument. The gist of it is that the broadcast media must be treated differently from the print media because there is not the same freedom of entry. There are only so many frequencies, so many channels, so much band space. For this reason, it is argued, a license to operate over one of these frequencies or channels is a ticket into an oligopoly and something for which the recipient of the license may fairly be asked to assume responsibilities which do not belong to his print competitor.

With respect to television at least, this argument needs to be examined on a couple of levels because the degree to which it approximates reason depends on whether we are talking about the industry as it is or the industry as it might be.

Let me deal with the latter—an obviously hypothetical—case first, since it seems clear to me that, if we examine the industry as it could be, the scarcity argument has almost no relevance. Though it is true that at present only slightly more than half of the television set owners in the country receive seven or more channels, that fact has very little to do with the technological limtiations of the medium. It is entirely possible, with today's cable technology, for a single set to receive hundreds of signals. One reason it does not happen is that it is contrary to the network broadcasters' interest to have it happen, and the broadcasters have persuaded the government to adopt—or to continue—regulatory policies which keep it from happening.

I will admit that this may be viewed as a wonderland point. I make it, however, just to point out that there is nothing inherently scarce about the medium.

But what of the real world? There we do not have so many channels. There we might be tempted to say the argument from scarcity has some relevance. You might be. I am not.

Television, while extremely important as a soure of information, is by no means the only source to which people are exposed. The average American probably has access to at least eight radio stations, two newspapers, all the magazines he can carry, and, as I have said, at least seven channels. He has, in short, dozens of sources of information about the sorts of controversial questions which the Fairness Doctrine addresses.

The imaginary figure used to support the scarcity argument is the shut-in who receives only two channels and therefore knows nothing about anything that he doesn't learn from switching back and forth between them. I can show you statistics which indicate that that individual represents less than one percent of the population—if he exists at all.

The two-channel figure is ironic. For if there exists real power in the media to distort truth, surely it must be with the two wire services which provide the bulk of national newscopy for just about every radio and newspaper in the country and a lot of television newscopy as well. You buy 100 American newspapers, cut out the national stories and lay them side by side, and you will see scarcity on an Oriental scale. But no one I know of—certainly not me—suggests that the government should apply either positive or negative censorship to the wire services.

There is one more argument advanced in support of the Fairness Doctrine. It is that broadcasting is not covered by the First Amendment. Proponents of this view contend that the First Amendment protections cover only the "press"—which they take to mean the written press—and "speech."

The First Amendment says that "Congress shall pass no law respecting freedom of speech or of the press."

It is possible, I suppose, that the framers of the Constitution foresaw the invention of radio and television and intentionally left them out of the Amendment. Anything is possible. For my part, however, I am still puzzled by this view. Radio news and opinion depend 100 percent, and television substantially, on the transmission of speech. If broadcasting isn't press and it isn't speech, what can it be?

Recall that the 18th Century philosophical underpinning for the First Amendment was that no one had the right to control the speech of anyone else. Freedom to express one's opinion was deemed an inalienable right which could not be abrogated by government.

The fashionable Mid-20th Century explanation that the First Amendment is a legal expression of our conviction that if everyone were allowed to speak his mind, the truth would somehow emerge, may be correct. But it was not the reason the First Amendment was adopted.

It is crucial that this be understood. For, to suggest that freedom of speech is merely a privilege granted by the government in the belief that it will lead to truth—which some have done in embracing the Fairness Doctrine—is to suggest that freedom of speech is no more than a political expedient. Government might as easily decide the opposite—that uninhibited speech was a nuisance, that it resulted in rumor, gossip, lies and self-serving half-truths; that it was not therefore in the public interest. More than a few governments around the world have reached precisely that conclusion.

The argument against First Amendment protection for broadcast speech rests, in part, on that interpretation of the purpose of the First Amendment as well as on this guess: that if radio and television had been invented at the time the First Amendment was adopted, they would still have been excluded from its protection.

That is a literalism requiring suspension of reason to accept.

As I said at the beginning, I have spent a good deal of time during the last year arguing for greater freedom to compete in the nation's markets. I can think of no marketplace more vital to the health of this country, nor one where competition is more important, than the marketplace of ideas.

The situation today in our broadcast industry is not perfect. I look forward to a day when government will allow more entrants—at least in the television sector—for then there will be even more vigorous debate and an even broader representation of views.

But the Fairness Doctrine represents an unfortunate step away from freedom of speech, an unfortunate intrusion into the marketplace of speech. In an unrestricted media market, the incentives are all in the direction of airing diverse views. In diversity there is controversy, and in controversy, the networks know very well that there are dollars.

The Fairness Doctrine turns those incentives upside down. Its penalties act as an inhibition. With it we get less diversity, not more. As broadcasters shy away from controversy and pull punches, we get even greater homogeniety in programming. In the pursuit of Fairness we get only blandness.

In summation, let me direct your attention back to the actual requirements of the Fairness Doctrine. They were, you will recall:

—to devote a reasonable amount of time to the discussion of controversial issues, and

—to afford reasonable opportunities for opposing viewpoints.

I put it to you that by enforcing the second requirement, we make impossible the fulfillment of the first. We are stifling debate. I cannot see how that can ever lead us to a nation free from bias, dishonesty and injustice. The Fairness Doctrine, like our fair trade laws, is an instance in which benevolent-sounding words have masked a miscarriage of our free market system. It is high time for Congress to abolish it.

PLIGHT OF NEW YORK CITY

Mr. THURMOND. Mr. President, two editorials in leading newspapers in South Carolina and Georgia have appeared recently reference the Federal Government's role in assisting New York City.

Both editorials call upon the leaders of New York City to take the hard steps necessary to restore a sense of fiscal responsibility. Also, I noticed in a recent issue of U.S. News & World Report an item showing that the nonpartisan Tax Foundation has determined that government spending in New York City is at a rate of $1,223.68 per capita while the average for all other cities in the country is $295.48.

The editorials which I refer to appeared in the Augusta Chronicle, Augusta, Ga., October 25 under the heading "Find Out First." and in the October 23 issue of the Aiken Standard, Aiken, S.C., under the heading "We're Paying for Fun City's Financial Irresponsibility."

Mr. President, I ask unanimous consent that the editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Augusta Chronicle, Oct. 25, 1975]

Find Out First

Further consideration by the Congress of a federal rescue to prevent New York City from going bankrupt should be suspended until two independent reports alleging fraudulent bookkeeping practices by the municipality are either confirmed or repudiated.

The best course of action lies in an immediate criminal investigation by the Justice Department, as has been requested by New York Sen. James L. Buckley.

Whether the reports are true or false, Congress and the Nation deserve to know if good money will be thrown after bad. What good will a federal guarantee on the city's obligation's accomplish, if the conditions that led to New York City's plight are not purged from the city's financial practices.

As The Chronicle has said before, New York City's leaders have caved in when confronted with irresponsible wage and benefit demands from the city's municipal unions. The leaders have been derelict in not curbing spending and attempting to bring about financial order.

Now, two reports suggest a desperate—perhaps criminal—attempt has been made to falsify the city's financial position in hopes that the city's day of financial reckoning could be postponed by further transfusions of borrower funds.

"Clearly New York City officials are guilty of irresponsible budget behavior," reports the nonpartisan Congressional Budget Office, "of spending more than they were receiving with budget gimmickry."

The CBO report points to a bankruptcy of moral and fiscal integrity in that others—state and federal officials, bankers and citizens who expected more services from the city than they were willing to pay for—share the blame with the municipal leaders.

But the most damaging allegations stem from the McKenna report, prepared by Jeremiah B. McKenna, a lawyer for the state legislature's Select Committee on Crime, who used data obtained from the state comptroller.

There is "little doubt that recent city borrowings have relied on massive fraud," states the McKenna report. "The issue of immediate concern is whether such municipal fraud is inadvertent or deliberate."

The report says that the city borrowed $302 million in June. This loan was to be paid back with $502 million worth of real estate taxes and, according to the report, city officials knew $408 million of those taxes were uncollectable.

"The city was enabled illegally to increase its debt limit," says the McKenna report, "understate its true tax rate and permit its budget to appear in balance when in fact it was seriously out of balance."

Even as these reports were being aired, former Under Secretary of State George Ball was pleading with Congress to save New York City from default, which he said, would hand the Soviets a propaganda victory as the "fulfillment of Marx' prophecy that capitalism would collapse from its own internal contradictions."

We disagree. Should New York City default, it will be because of a failure to apply free enterprise to municipal operations—no government can please all its citizens, provide welfare benefits to many, snurrender to union demands and operate in the red, knowingly or inadvertently.

Let's find out why New York is in its plight before we jump in with financial help. A day of reckoning has been postponed for too long.

[From the Aiken Standard, Oct. 23, 1975]

We're Paying for Fun City's Financial Irresponsibility

Aikenites have specific knowledge of individuals whose economic philosophy may be described roughly as: "Buy it today. Worry later about paying for it."

The supreme example of that attitude, multiplied many times, is New York City. Fiscal irresponsibility has been the order of the day in New York City since before the administration of the dashing, dapper darling of the jet set, Mayor John Lindsay. And it has now been compounded to the brink of disaster by Mayor Abraham Beame, who now wants taxpayers all over the country to bail out Fun City.

We can be grateful that, thus far, New York's pleas have been met with little or no enthusiasm from President Ford and Congress.

It is little short of lunacy for a city to get on a reckless spending binge and then expect the rest of the country to pay for it. And that is what has happened in New York, the cold and rude metropolis that has tended to look down its nose at the rest of the country. It has posed as the mecca of culture, the center of wisdom, and—especially—where all the money is.

And now New York City is on its knees financially, asking other Americans to pay for its irresponsibility.

New York City's municipal indebtedness is estimated now at $13 billion. Interest on that indebtedness is estimated at about $1.5 billion annually.

And the curious thing about it is that New York City is turning to another government, the United States of America, which itself is financially ill—a result of other irresponsible binges which have run up a national debt of nearly $555 billion as of Sept. 30.

Mayor Beame's appeals to the Federal government have been rebuffed thus far. The Federal government should continue to lend nothing more than a sympathetic ear.

But Mayor Beame is outraged. He says New York City is being treated as if it were not part of the United States.

"Would the French disown Paris?" he asks. Or would the British allow London to become insolvent?"

Maybe yes. Maybe no. What is very clear, however, is that for the United States government (taxpayers throughout the land) to pick up the pieces is to invite financial disaster from coast to coast. Which city would be next to run up bills and then dump them at the taxpayers' doorstep? Chicago? Los Angeles?

Why should Aikenites—or Atlantans, or Columbians, or New Ellentonians—be required to dig down to pay for compounded fiscal recklessness?

While it may not be completely obvious yet, American taxpayers everywhere are paying indirectly for New York's mess. By some estimates, according to The New York Times, it "will cost municipal and state governmental units an extra $3 billion—spread over the life of newly issued notes and bonds—for a single year of borrowing money at swollen interest rates. That amounts to $14 for each man, woman and child in the United States."

We are already paying for New York's financial irresponsibility.

NORWEGIAN-AMERICAN SALUTE TO HERITAGE

Mr. HUMPHREY. Mr. President, October 9, 1975, marked the 150th anniversary of the arrival of the ship *Restauration,* bringing the first organized group of Norwegians to settle in America.

His Majesty King Olav V of Norway was among those who joined in the festivities commemorating this anniversary in Minnesota October 11–14.

The Norwegian-American Sesquicentennial Association is to be commended for its fine work in preparing a series of outstanding programs, among which was a "Salute to Heritage" on Sunday, October 12.

It was my privilege, along with many of my fellow Minnesotans, to hear an address by the famed ethnologist and explorer, Dr. Thor Heyerdahl, who delivered an excellent paper on little-known facts about the explorer Leif Erickson.

I wish to share with my colleagues this excellent, scholarly account of Erickson's explorations in the context of this fascinating period.

Mr. President, I ask unanimous consent that the paper by Dr. Heyerdahl be printed at this point in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

SALUTE TO HERITAGE

Your Majesty, your Excellencies, Governor Anderson, distinguished guests, ladies and gentlemen. We are all here today to commemorate and celebrate a historic event marking the beginning of a long period of Norwegian contribution to the European settling of the United States of America. One hundred and fifty years ago this year, in 1825, a small sailing vessel named the "Restauration" crossed the North Atlantic from Stavenger in Norway, and forty-seven passengers disembarked in New York with the intention of building new homes in what was then a very young independent nation. Only fifty years earlier the Republic of the United States of America had been born, and five decades was indeed no age for a mighty nation that later was to span the vast North American continent from coast to coast.

Not since King Harald the Fair Haired assembled all of Norway into one kingdom nearly a thousand years earlier, in the year 872, had organized groups of Norwegian emigrants embarked to settle in overseas territories. At that time however the emigration represented the forced exodus to the North Sea islands, including Iceland, by refugees, who upon defeat in battle preferred freedom to subjugation. Not so in 1825. The passengers on board the "Restauration" were no refugees, they were free citizens attracted to the promised land of a New World; to a free republic that had thrown its borders open to voluntary immigrants a willing to till virgin land and help build what today has become the mightiest nation in human history.

In the wake of the little group of pioneers on board the "Restauration" thousands upon thousands of other Norwegians have followed during the one and a half centuries that have since passed. The flow has never ended. Norway can today take pride in being considered a healthy and well reputated blood donor among those nations who have helped the big heart of the United States tick. Sons and daughers of Norway, and grandsons and granddaughters in ever growing generations, have helped to tie our two nations together with strong bands, uniting us in peace and war. These trans-Atlantic ties have brought rewards to the country the emigrants left, and these are certainly no less than the benefits brought to their new homeland.

There are not many persons in Norway today who do not have a relative or a friend in the United States, and many of us who have come over to celebrate this Norwegian-American anniversary have had our ways of life greatly influenced from at least temporary visits to this intrepid nation. Whether visitors or permanent residents, we all have reasons to be grateful for the close and firm Norwegian-American relationship. It is to celebrate this old friendship that our organizing committee has wisely chosen to commemorate one specific event: the landing in this country of the first organized group of permanent Norwegian settlers.

It seems very natural during the revival of ancestral history involving early trans-Atlantic crossings, that we of Norwegian descent let our minds travel back beyond still earlier horizons. For we have the privilege to list among our emigrants, navigators who set foot ashore in this continent before any other historically identifiable voyagers. Three days ago on October 9th, the United States of America celebrated the landing on this side of the Atlantic by Leif Erickson and his ship companions, who had embarked from the old capital of Norway on a historically recorded mission for King Olav Trygvason.

There is hardly a child in America today who has not heard of this early Norse navigator, who quite innocently appears to many as a sort of rival to Christopher Columbus. Nobody can of course ever take the honor for what they accomplished away from either of these two. Their deeds were of a completely different nature. There was never any competition or historic discrepancy between them, and there is no need, nor any reason for, a degradation of the one to fully appreciate the accomplishment of the other. Let us try for a moment to disentangle the reasons for this purely artificial rivalry and give each of these historic persons the credit he merits: Leif Erickson as the first European known with certainty to have set foot ashore in the Arctic and sub-Arctic regions of the New World; and Christopher Columbus as the person whose discovery of the tropic region flung the door wide open for the European conquest and the birth of all American nations. It would be as unfair to discredit Leif Erickson's discovery as being a pagan Viking fairy tale, as it would be to deny that the voyages of Columbus changed the world more than any other events in post-Christian times.

Let us today, when we look at these two early seafarers in retrospect, try to leave each one in his correct historic light. Since there was never any rivalry or competition between them, why should we now, for nationalistic or religious reasons, regard their voyages as something comparable to Amundsen's and Scott's race for the South Pole? The fact that we are apt to compare the two navigators as if they were competitors leaves us with a distorted view disfavorable to Leif Erickson. He stands out as a fierce, pagan Viking in an open boat, compared to the splendor of Columbus and his graceful caravels. We do not get this picture if we view them independently and remember that almost half a millennium separated the two expeditions. That is a time span equal to the one which separates the caravels of Columbus from the twentieth century ocean liners. With this enormous time span taken into account, the Norse voyagers compare very favorably with the tenth century Spaniards in level of culture.

Perhaps the difficulty in some quarters of fully appreciating Leif Erickson and his deeds stems from the common picture of him as a barbarian with horned helmet and broad sword, who sailed the ocean to rob and plunder Christians, whereas Columbus sailed under the symbol of the Holy Cross with the purpose, apart from searching for gold and glory, to bring the Christian faith to savages across the sea. This contrast between the two European explorers is unfair, fictitious and wholly erroneous. Leif Erickson, although embarking five centuries earlier, brought a Catholic priest on board his ship, and the express purpose of his trans-Atlantic crossing was to bring Christianity to the pagan settlements on Greenland.

Let us try to revive a bit of early Norwegian history relevant for the understanding of Leif Erickson and his peaceful mission. It is, as we know, as wrong to believe that all Norwegians in medieval times were Vikings as it would be to think that all eighteenth century Englishmen were buccaneers or all early Romans expeditionary soldiers. Most of our ancestors in medieval Norway were farmers, fishermen or merchants and many were very able artists and craftsmen. In this respect there was no distinction between the people of Norway and the rest of contemporary Europe. Vikings, in the true sense of the old word, merely referred to those expeditionary groups which harassed foreign lands through their sea-born raids, sparing no accessible land from Russia in the east to Ireland in the west, from Scotland in the north to Sicily and the Moslem world. None today would wish to defend the cruel raids of the roaming Vikings, yet whenever strong enough to proceed victoriously on the warpath, other Europeans from the Roman legions to the Spanish conquistadors were as merciless in their advances into foreign lands as were the Vikings of northern Europe. The term Viking, however, has gradually come to cover all the medieval people who lived in the northern countries harboring the Viking ships, and sometimes this rather dubious denomination is bestowed upon some of us living today.

The British historian David Wilson (The Vikings and their origins, 1970, pp. 8–9) wrote: "Though from a British point of view it was the seaward ventures of the Vikings that are most impressive, the links that they established overland to the East were no less important. It was they who dominated the great trade routes across the areas we know today as Poland and western Russia, southwards to Byzantium and eastward to the Volga and to Persia.

And even if the Vikings were not always involved themselves, trading links were also established with China by way of the famous silk road across Central Asia; . . . The Vikings were thus great travellers and they performed outstanding feats of navigation; their cities were great centers of trade; their art was original, creative and influential; they boasted a fine literature and a developed culture." Also: "Their devastating raids of the eighth and ninth centuries gave the Vikings an enduring reputation for piracy and destructiveness—and yet their culture was in many ways as sophisticated as the cultures of the lands which they ravaged. . . . And, in the end, they did not destroy western civilization, but enriched it. Parts of their legal system, their tradition of individual freedom, their zest for exploration, and the great Icelandic sagas which reflect their heroic era—these have all become part of our northern European heritage."

So concludes the judgment of a British historian. Nobody knows the earliest homeland of our Viking ancestry. Certainly, they were at one time immigrants into their Scandinavian home. Most scholars seem to believe they came overland or sailing up the great Russian rivers from somewhere in Caucasia. This is strongly supported by Snorre's written records from the early 1200's, which claim that the early home of the first remembered Norse king was in the Black Sea area east of the river Don. From here it is an easy river journey with very little overland portage to reach the Baltic Sea and Scandinavia. For sure, once Christanized, it took the Norwegian Vikings no time at all to find their way in the opposite direction to reach the Holy Land by way of the Black Sea and the Straits of Bosporus. According to Snorre the early Viking kind who led his people northwards from the Black Sea was Odin, who was later celebrated as a Viking god upon his death. His reign had extended into Turkey until the time when, again according to Snorre, the Roman emperors advanced far and wide and conquered all nations. For this reason the great progenitor of all Viking kings migrated northwards with his people and settled first Denmark, then Sweden and finally Norway. Snorre names thirty kings and records their adventures before he reaches the generation of Harald the Fair Haired who assembled all of Norway into one kingdom. Here we are on firm historic ground, for this happened in the year 872 in the midst of the most vigorous Viking era.

The victory of Harald the Fair Haired over the many independent regional kings and chieftains caused considerable unrest in the country, and many mighty men fled with their families and followers to settle islands already discovered far out in the North Sea, islands so far used by Norwegians only as temporary hideouts during Viking expeditions. Among those who fled to settle on the distant shores of Iceland was Erik the Red, who was born near Stavanger, and whose wife, Tjodhild, gave birth to Leif Erickson. Erik the Red became Greenland's discoverer roughly a decade after his flight from Norway. With the mind of a true real estate agent, it was he who named his new discovery Greenland, as he had circumnavigated the inhospitable southern cape and found large unfrozen grassland fit for cattle-ranging at the foot of the lofty glaciers on the west side facing the Davis Strait. Upon his return to Iceland Erik the Red organized and led one of the most intrepid Arctic expeditions ever put on record. The details of his maritime enterprise were written down by Are Frode, recording the memories of an uncle who had his information directly from one of Erik's own companions. Thirty-five cargo vessels, broader and sturdier than the fast and slender Viking ships, took part in this planned migration westwards across the open Atlantic. On board were entire families, several hundred men, women and children with all their earthly possessions including horses, cattle, sheep, pigs and dogs. Only fourteen of these open ships with voluntary emigrants managed to round the stormy south cape of Greenland and land safely on the more friendly west coast. Here they built the settlements, the remains of which still exist, and laid the foundation for what was to become generations of descendants who lived and died with Eskimos as neighbors on the same large island, and with American Indians only a few hundred miles away on the opposite side of the Davis Strait.

While young Leif Erickson grew up peacefully on his father's farm, Brattalid, on West Greenland, a young Norwegian prince was roaming Europe as a regular Viking. His name was Olav Trygvason. Prince Olav was born in Norway but grew up at the court of King Valdemar in Russia. His Viking adventures brought him first victoriously from the Baltic countries to parts of Germany, England, Scotland, Ireland and France, but as he anchored his fleet off the Scilly Islands in the Atlantic Ocean west of Cornwall, he suddenly came to change his pattern of life.

Christianity was on its slow progress up through Europe and had already reached these islands. The Viking prince was so impressed at his confrontation with a local Christian hermit that he soon let himself be baptized with all his men. As they embarked for the home voyage after an extended sojourn, they brought priests and learned men along. In Norway an armed mission sent by the Danish king had already tried to enforce Christianity with limited success. As Olav now returned from his Viking adventures and became the king of Norway, he declared in an address to all his people that Christianity should be the only legal religion in the country.

He traveled throughout his kingdom to personally ensure that all his subjects were properly baptized, and he let churches be built where there had previously been dragon-headed temples in the honor of Tor and Odin. He was so keen in his missionary activity that he even embarked with his fleet to sail to the Norwegian settlements on the Orkney Islands north of Scotland to introduce Christianity there.

He sent a German priest, Tangbrand, to bring Christianity to Iceland, but the temperamental foreigner was soon driven out, and King Olav next sent up a whole party of ordained priests under the leadership of Father Tormod. The Norse colony on Iceland finally agreed to introduce Christianity through law, and in the year 1000 everybody on the island was baptized.

By this time Erik the Red and his large group of emigrants had already left Iceland and settled in Greenland on the other side of the Atlantic. It displeased King Olav that the Norse colony on distant Greenland remained pagan when his subjects in the lands around the North Sea had adopted the Christian faith. His chance to Chritianize Greenland soon came however.

The Greenland colony took up fairly regular trade relations with Bergen and other ports in Norway, and one of the first navigators to bring a Greenland merchant ship to Norway was Leif, the son of Greenland's discoverer Erik the Red. Leif Erickson sailed to Norway's capital, Nidaros, the present city of Trondheim, one summer shortly before the end of the reign of King Olav Trygvason.

The Flatoy book, written two centuries before Columbus, has this to report: "Leif put in at Nidaros with his ship, and set out at once to visit the king. King Olav expounded the faith to him, as he did to other heathen men who came to visit him. It proved easy for the king to persuade Leif, and he was accordingly baptized, together with all of his shipmates. Leif remained throughout the winter with the king, by whom he was well entertained." Further details are preserved in the ancient Hauk manuscript from the same early pre-Columbian period: "Upon one occasion the king came to speech with Leif, and asks him, 'Is it thy purpose to sail to Greenland in the summer?' 'It is my purpose,' and Leif, 'if it be your will.' 'I believe it will be well,' answers the king, 'and thither thou shalt go upon my errand, to proclaim Christianity there.' "

In the spring Leif set sail for his return voyage across the Atlantic, and in his company on board the ship was a Catholic priest as well as a number of religious teachers. Leif Erickson departed shortly before King Olav's death, which was in the year 1000. On his return to Greenland Leif fulfilled his noble mission, as so eloquently recorded in the same pre-Columbian manuscript: "He soon proclaimed Christianity throughout the land, and the Catholic faith, and announced King Olav Trygvason's message to the people, telling them how much excellence and how great glory accompanied this faith. Erik [the Red] was slow in forming the determination to forsake his old belief, but Tjodhild [Leif's mother] embraced the faith promptly, and caused a church to be built at some distance from the house. This building was called Tjodhild's Church, and there she and those persons who had accepted Christianity, and they were many, were wont to offer their prayers. Tjodhild would not have intercourse with Erik after that she had received the faith, whereat he was sorely vexed."

According to the pre-Columbian records of Snorre, it was on this return voyage from Norway to Greenland that Leif accidentally came upon the section of the New World which he explored and gave the name Vinland. Other and even earlier manuscripts seem to indicate that he first returned to his father's farm on Greenland and next set out to look for a flat and wooded land that Bjarne Herjolfsson had sighted from his ship when far out in the Davis Strait. At any rate, all the many early pre-Columbian manuscripts referring to Leif Erickson's discovery of the New World agree on giving him credit for having made the first actual landing. And he went ashore with the same religious faith as did subsequently Columbus.

We need not here repeat all the extensive details put on written records by pre-Columbian scribes in Greenland and Iceland shortly after the actual event. Leif's expedition, as we know, called at three different parts of the newly discovered coast on the other side of the Davis Strait, naming his discoveries Helluland, Markland and Vinland, each to confirm with geographical descriptions given in specific and correct details. In itself, Leif's discoveries had no profound effect on the outside world beyond enriching the otherwise rather drab lives in the nearby Greenland settlements. We have to look at his enterprise in the wider context of this entire Greenland venture to understand that his findings possibly had a greater influence on world history than generally admitted.

According to the records, Leif and his companions first built themselves some huts ashore while exploring the new land, then they built a big house where they spent the winter before they sailed back northeast to their families on Greenland. The impact upon Leif's compatriots of this new source of timber, precious furs and other valuable material from the newly encountered forest region is obvious, and clearly documented in the contemporary literature.

No sooner had Leif returned to Greenland with his cargo of wood and berries before his brother, Thorvald Erickson, set sail for the new land discovered, but his expedition was unsuccessful. After killing a number of primitive natives he lost his own life and was buried in the New World. An attempt to recover his body by a third brother, Thorstein, failed completely, but soon after a number of independent vessels managed to sail across the Davis Strait and southwards as far as to Leif's Vinland house, some of them bringing women in their party.

The most remarkable details are on record about Thorfinn Karlsefne, who settled in the new land with sixty men and five women, bringing with them cattle and other domesticated animals in a determined attempt of establishing a permanent settlement. Primitive aborigines soon approached the new settlers, speaking an unintelligible language, but demonstrating friendship by bringing packs of furs from squirrels, sables and other peltry unknown on Greenland, which were offered for barter against milk and red cloth.

These aborigines, termed "Skrellings" by the Norse colonists, first ran away at the sight of a big bellowing Viking bull. The Norse colony set up a strong palisade around their settlement, and Gudrid, Karlsefne's wife, gave birth to a male child baptized Snorri, the first person of European descent to be born in the New World. The friendly trade relations with the aborigines ended in a regular war on one occasion when so many of them came swarming up to the coast from the south that, according to the records, it looked as if the canoes filled the whole bay. Although the Skrellings are recorded to have had only slings and stone axes while the Vikings had swords and iron axes, the former were so greatly superior in number that the Norsemen for a while had to escape into the forest under the scorn of their women.

Two of Karlsefne's men fell, together with a great number of the natives. The saga left no doubt about the misfortune of the outnumbered Vikings, and the Hauk text goes on: "It now seemed clear to Karlsefne and his people, that although the country thereabouts was attractive, their life would be one of constant dread and turmoil by reason of the inhabitants of the land, so they forthwith prepared to leave, and determined to return to their own country."

Prior to departure they captured two young native lads, whom they baptized. These boys were brought along and taught to speak Norwegian, giving the Greenlanders more information about the aborigines of the land they had discovered. Undoubtedly, this recorded baptism meant the first conversion to Christianity of any natives of the New World. Snorri, Karlsefne's son, was three years old when the unsuccessful colonists returned to Greenland.

The detailed records of this fruitless attempt at colonization are important, for they clearly show why the westwards expansion from Norway by way of Iceland to Greenland stopped there, with the forests of America only a couple of days further sailing across the Davis Strait. Other equally unsuccessful attempts of settling the newly discovered territories followed, among them the ill-fated expedition commanded by Fröydis, an illegitmate daughter of Erik the Red. But the sailings across the Davis Strait soon changed character and ended up as trade missions by merchants who preferred to retain their safe home base on Greenland.

The extensive remains left upon four hundred years of uninterrupted Norse settlement on Greenland were so well preserved that they have never been lost even though the people left or died out about the year 1500. Danish archaeologists have therefore had a rich field and done an excellent job in excavating these pre-Columbian Norse houses scattered over two large separate areas in southwestern Greenland.

The traces of the Norse dwellings on the American side were lost and forgotten, however, until the enterprising Norwegian explorer, Helge Ingstad, guided by the description of the old Greenland and Icelandic sagas, managed to locate the now famous Viking site at L'Anse aux Meadows near the north top of New Foundland. His Norwegian archaeologist wife, Anne Stine, subsequently assisted by other Scandinavian and American scholars, excavated in the early 1960's the then almost invisible house foundations of this important archaeological site. They found Norse artifacts including a typical Viking bronze pin, a soapstone spinning whirl of identifiable Norse type, remains of iron nails and a Nordic-type iron smithy.

What is more, inside the houses of characteristic Nordic form, carbon was still present in the stone-lined hearths which permitted a whole series of radio carbon datings, all coming out to about the year 1000 A.D., thus perfectly collaborating the dates of Leif Erickson, Karlsefne and the other early voyagers from recorded history. There is not one professional archaeologist who would doubt that the Ingstads have found an early Viking site in America. What can be questioned is whether or not this is the site of Leif Erickson. A strong argument supporting Ingstad's belief that this is so comes to my mind from the fact that Ingstad found it just by following the exact geographical descriptions in the Leif Erickson saga.

The brief foothold of the Greenland Norsemen on the American shores was clearly followed by a long period of occasional trade. No other land was as close to the Greenland settlers as America, and the short trade route across the Davis Strait permitted a constant flow of precious timber and costly furs and ivory, to increase the living standards of the Greenland colony through regular shipments to merchant centers in Norway. As we shall see, by specific order of the Pope, the Greenland colonists were obliged to pay crusaders tax in *naturalia,* which the Church collected as the Greenland ships landed in Norway.

Among the trade items arriving from Greenland listed by Archbishop Erik Valkendorf were the skins of black bear, beaver, otter, ermine, sable, wolverine and lynx, all of which are North American animals nonexistent on Greenland. The American historian, J. R. Enterline (Viking America, New York, 1972, p. 85), also shows that the white gyrfalcons so extremely popular among royal hunters throughout medieval Europe could also only have been provided by the Greenland traders, since these birds existed only in Greenland and the American Arctic.

Through the raising of livestock, hunting, fishing and trade, the Greenland colony founded by Erik the Red prospered and grew, as clearly documented both by archaeology and early written records. The Catholic Church, introduced by Leif Erickson in the year 1000, grew to become a real power and major landowner on Greenland in the period from the twelfth to the fourteenth century. It may surprise many to learn that in this pre-Columbian period seventeen churches were erected on the west coast almost literally facing America across the straits. There was even an episcopal residence, a cathedral, and two monasteries, one for nuns dedicated to St. Benedict and one for monks dedicated to St. Augustine and St. Olav. It should not be forgotten that St. Olav was the Norwegian King Olav Haraldson, the successor of Olav Frygvason who had sent Leif Erickson on his historic mission. The king's efforts to serve the Roman Catholic Church pleased the Pope to such an extent that this eleventh century Norwegian monarch was canonized as a saint, an honor not even bestowed upon King Ferdinand or Queen Isabella.

I stress these points for it is most important to see the intimate links between Norway with its colonies and the Roman Catholic Church in the period under discussion, for this strong link must inevitably have had a bearing on subsequent events of much more global concern. It is doubtful whether the Roman church had a stronger grip on any nation than on that of King Olav the Holy and his successors, right up to the time of the Lutheran Reformation. The schism did not occur until the sixteenth century, about one generation after the time of Christopher Columbus.

The intimate contact between Columbus and the Vatican is well known. Not so, perhaps, the close relations between the more distant Norsemen and the Vatican up to and including the entire Columbian period. The direct Norwegian contact with the Roman world goes back into prehistoric times, first by way of Russia and the Straits of Bosporus, and much later, well after Norwegian colonists in about 840 A.D. had founded the city of Dublin on Ireland, they also entered through Gibraltar on the opposite extreme of the Mediterranean. By the beginning of the twelfth century it was so common for Vikings to visit the Mediterranean that the Norwegian King Sigurd Magnusson, while entering Gibraltar with sixty ships, had to combat another, hostile Viking fleet on its way out.

No sooner had Christianity reached Norway before Norwegian kings and nobles began regular pilgrimages to Rome and the Holy Land. For instance, Holy Olav's royal bard, Sigvat Skald, was homebound from Rome upon a visit to the Holy Land when he learnt of the king's fall; and Tore Hund, the king's vassal, actually died in the Holy Land. King Olav's brother and later successor to the Norwegian throne, Harold Hardrade spent many years in the Mediterranean serving the East Roman Emperor as commander of mixed Norwegian and Latin forces. With his Christian fleet he raided only Moslem strongholds on the islands and all along the North African coast. The rich spoils, including all the gold paid by the monarch for this service to Christianity, Harald and his Norwegian Vikings brought to Jerusalem and left there as gifts to the Church. It can well be understood why the Lord's prayer can still be found written in the old Norwegian tongue side by side with Hebrew, Latin, Aramaic and other Biblical languages in the oldest section of the temple on Mount Olive, for in the battles to protect Christian interests in the Holy Land, Norway was among the keenest participants. Snorre describes how King Harald brought his whole army to the Holy Land and proceeded to Jerusalem, conquering cities and forts. The text ends: ". . . this land came unburned and unravaged under Harald's power. Then he went on to the river Jordan and there he had a bath, such as was the custom among other pilgrims. Harald gave great gifts to the tomb of the Lord and to the holy cross and to other sanctuaries in the Holy Land. He protected the road all the way to Jordan and killed robbers and other bandits."

The next Norwegian king to take up the fight against the Moslem expansion was Sigurd Magnusson. King Sigurd left Norway with sixty Viking ships and passed the winter peacefully as guest of the English King Henry I. Then he sailed on to begin his struggle for the Catholic Church, first fighting the Mohammedan intruders in Portugal and Spain, killing all those who refused to be baptized, and then extending his activities to Morocco and the Balearic islands. Sicily was already conquered by his Norwegian predecessors who had installed their own Christian duke to rule the island. King Sigurd was so well received by his compatriots on Sicily that he promoted Duke Rodgeir to the rank of king, whereupon King Rodgeir conquered a large part of the Italian peninsula, and his royal family of Viking descent intermarried directly with the Emperor in Rome. King Sigurd got an equally friendly reception by King Baldwin in Jerusalem.

King Baldwin and the Patriarch gave King Sigurd several very sacred relics on the condition that the Norwegian king should continue his fight for Christianity and also establish an archbishopry in Norway. King Sigurd fulfilled both promises. His most spectacular deed was to conquer in the year 1111 the hitherto invincible fortress city of Sidon in Lebanon which for ages had harassed Christian pilgrims. At this important archaelogical site there is still an inscription commemorating the Norwegian victory. King Sigurd left all of his ships and most of his men in the Mediterranean for continued service and returned to Norway by horse. Christian Europe gave him a great welcome, and warm friendships were established between the king and the two Roman emperors in Constantinople and Rome.

Next Earl Ragnvald and Erling Skakke accompanied by Bishop Wiljalm followed King Sigurd's route through Gibraltar with fifteen long-ships and many men, also harassing the Mohammedan parts of Portugal and Spain before they too completed their pilgrimage to the Holy Land and the Jordan river.

To fulfill the agreement reached between the Norwegian king and the Papal envoy in Jerusalem, Pope Anastasius the IV sent Cardinal Nicolas from Rome to Norway in 1153. The cardinal and King Sigurd agreed on ordaining Jon Birgersson as archbishop. Never had any foreigner been received with such enthusiasm in Norway as Cardinal Nicolas, according to Snorre, and the cardinal returned to the Vatican with large quantities of friendship gifts. He no sooner reached Rome before Pope Anastasius died and he himself was elected as the new Pope. Cardinal Nicolas now became Pope Adrianus VII. Snorre, himself an Icelander, wrote: "It is said by those who came to Rome in his time that he never had so important matters to discuss with other men that he did not always first receive the Norwegians when they wanted to speak with him."

Shortly after, in 1163, the Vatican sent the legate Stefanus from Rome as a papal ambassador to Bergen, the main port of call for Greenland ships, where he first held meetings with the Iceland bishop, Brand, and the second Norwegian archbishop, Oystein. They all afterwards, in the company of the five Norwegian bishops and a large number of priests, conducted the coronation ceremony of the next Norwegian king, the eight-year-old Magnus Erlingson. The Norwegian historian, Alexander Bugge, describes the Catholic Church as the greatest power in Norway by this time.

With these strong ties between Rome and Norway in the twelfth century, let us see where the Greenland colony comes into the contemporary picture. We have seen that King Olav sent a Catholic priest to Greenland with Leif Erickson before he discovered Vinland in the year 1000. By 1112 Greenland already received its first visiting bishop. By then the discovery of a new world west of Greenland was already so well known to the Church that the Icelandic annals record that Bishop Erik Gnupsson, upon his visit to the Greenland parish, sailed on from there expressly to visit Leif Erickson's discovery, Vinland. Shortly after his visit, the colony on Greenland sent shiploads of walrus tusks, furs, and a live polar bear to King Sigurd of Norway, with a request for a permanent bishop on Greenland.

The King immediately granted the request and from 1126, prior to the king's personal pilgrimage to the Holy Land, the Greenland colony had their own resident bishop. Not long after they even had two, since the Norse farms and churches on west Greenland were spread over vast distances. The Vatican was of course fully aware of their Christian Greenland parishes. Yet the geographical isolation of the Norse colonies on Greenland from the rest of the Catholic world on the European side of the Atlantic ocean could not avoid certain ritual problems to arise.

The Papal decree forbade Christian matrimonies closer than seven generations apart, but the Greenland colony was so young and small that closer intermarriage was hard to avoid. Envoys from Norway therefore went expressly to Rome to ask Pope Alexander III for a dispensation. It was explained that twelve days rough sailing were needed if the Greenland men had to go abroad in search of Christian wives. Pope Alexander consented to let the Norwegian archbishop give permission for marriages as close as the fifth generation in special cases.

The sacraments requiring bread and wine caused further problems in an Arctic area where neither grain nor grapes grew. The Greenland parish therefore next sent a request to Rome for permission to substitute meat or other available food for bread, and beer or fermented crowberry juice for wine. But Pope Gregorius personally interferred with a letter to the Norwegian archbishop in 1237, where he insisted that his Greenland parish should at least maintain the use of bread in the sacraments.

Later again in 1276 Pope John XXI wrote a refusal to a request from the Norwegian archbishop who then tried to be released from his recently imposed duty of personally having to sail all the way to Greenland to collect the crusaders tax from the bishops on that side of the Atlantic. But not until 1279 did Pope Nicolas III allow the Norwegian archbishop to send an attorney in his own place on the long and hazardous voyage. Three years later the attorney was back in Norway, and the archbishop again wrote the Pope that the Greenland parish was poor except in skins and walrus tusks, which had scant value as crusaders tax. The Pope however did not yield on the tax imposed on Greenland, and in a letter of 1282 he insisted that this Norwegian colony on the other side of the Atlantic should continue to pay the crusaders' tax, but in *naturalia,* which the Church then could sell in Norway.

The Vatican never abandoned its interests in the Arctic colony on Greenland as long as people were living there. And Norsemen were living on Greenland until shortly after Columbus set sail for America. Around the year 1500 there were still some settlers left, but the colony was now in strong decline. During the early sixteenth century the last of the many farms was deserted, and the former so prosperous colony turned into a maze of ruins. Nobody has ever discovered why. Pests, famines, climatic changes, attempts to move to richer pastures in American Indian territories are among the many possibilities suggested. Among the more plausible opinions is the theory that the peaceful Greenland descendants of the once fierce Vikings might well have been exterminated completely by the English pirates who were known to harass the unprotected Greenland colony at that time. In England the existence of the Greenland settlement was so well known that in 1432 a treaty was reached between the Norwegian and English kings in an effort to stop the English pirates from raiding the remote but Christian Norwegian colony.

The unfortunate arrival of European pirates in the Davis Strait between America and Greenland in the decades prior to Columbus' voyage shows that the knowledge of the local settlements had by then spread to common people outside Norway and the Vatican. Literate Europeans had had access to this geographical knowledge for four hundred years, even the discovery of Vinland had been preserved on written record since about the year 1070 by the German Historian Adam of Bremen in his *Geography of the Northern Lands*. The gradual entry into the limelight of the isolated Greenland colony brought them more problems than blessings, as shown by a Papal letter to the two Bishops on Iceland. In the letter, dispatched in the year 1448, Pope Nicholas V refers to the pirate raids on Greenland with the following words:

"From the nearby pagan coasts came thirty years ago a fleet of barbarians which attacked the local people in a cruel assault, and thus by fire and sword destroyed their native country with its sacred buildings, with the result that only nine parish churches remained since they are said to be those most remote and least accessible due to steep cliffs. The pitiful inhabitants of both sexes, particularly those who were considered strong and fit enough to assume the unremitting burdens of slavery, the tyrants carried away as prisoners to their own country. But, as also added in the accusations, in the course of time most of them have come back from their aforesaid captivity to their own homes, and have here and there repaired the ruins of their houses. Therefore they are now longing to re-establish and extend the divine services."

Although far away, the Christian world kept track of the Greenland parish as long as it lasted. As the fifteenth century drew towards its end, the Vatican had learned that the survivors on Greenland were now so poor that they mainly subsisted on milk and dried fish. This statement in a last Papal letter concerning Greenland was written in 1492, the very year when Columbus set sail for America. The trans-Atlantic voyages of the Norsemen were accordingly not yet forgotten in the Mediterranean world when Columbus embarked on his historic enterprise.

Is there any connection? Or was Columbus ignorant of the regular sailings of Norwegian and Icelandic farmers, merchants, priests, monks, nuns, and bishops, as well as occasional English pirates, across the northern section of the ocean he himself was planning to cross?

Columbus was more than an intrepid and courageous sailor. Above all, he was a brilliant organizer, and, far from being an imprudent and neglected adventurer, he was a very learned geographer for his time. He was very close to the Catholic Church, and he was certainly thoroughly familiar with everything the Vatican knew about its own Christian parishes in Europe and overseas. There is an emphasis in every biography on Columbus on how carefully he proceeded with research and inquiries before he set off on his ocean crossing. He never failed to gather information on currents, drifts, castaways, and discoveries during his early travels along the Atlantic coasts of Europe and Africa. It is not generally accepted that he personally went to Iceland, although Columbus' own son claims in writing that he did so, but it is at least historically documented that he maintained contact with some of the most learned men both in England and in Rome to gain geographical information useful for his calculations in a period when both England and Rome were involved in diplomatic and religious relations with Norway concerning the fate of the dwindling Greenland colony. He could not have avoided to have learned of its existence.

Only when we admit that Columbus was no more ignorant of the exact position of Greenland than was the sovereign of his own church or the English pirates does his premeditated discovery of tropic America become meaningful and worthy of merit for truly intelligent planning and correct calculations. Columbus did not imitate the Norsemen either in sailing directions or in discovery. He set out on a wholly independent mission based entirely on his own most remarkable calculations.

Columbus contested the religious teachings of his time only on one point: he was convinced that the world was round. Although the Church in the fifteenth century still tried to preserve the concept of a flat earth, its spherical form had been recognized since the time of the early Greek astronomers, who had even come amazingly close to an exact calculation of the earth's diameter, about 24,000 miles. These classical Greek results based on astronomical observations were well known to scholars in Columbus' time, but although Columbus on one hand accepted Ptolemy's view of a spherical earth he doubted on the other hand the astronomical calculations of its size. Columbus was no astronomer himself, and therefore must have had some particular geographical reason for his firm conviction that the earth was only about a fifth of the size so correctly figured out by the ancient Greeks. This enormous miscalculation of Columbus, which, after all, led him directly to his merited success, can only be explained by his awareness of the Norse oversea discoveries and his direct use of their longitude as a base and pivot for his own remarkable calculations. In other words, unless the Norse oversea discoveries are taken into account, we shall never understand the greatness of Columbus and the reason for his success.

European expansion overseas prior to Columbus had first gone westwards to Greenland and next eastwards to Asia, leaving colonists in both areas that maintained commercial and religious relations with Europe. Like all his contemporaries, Columbus believed in the existence of only one big world ocean. Accordingly, on the other side of this one and the same ocean were Greenland to the north and India to the south. Marco Polo, like Columbus from Northern Italy but living two centuries before him, had explored the coasts of distant Asia, and subsequently, with important Spanish and Portuguese trading posts in Indonesia, the Europeans of Columbi time were well familiar with the fact that Asia extended into subarctic regions in a northeasterly direction. Since Greenland and Asia were both believed to be on the other side of the same ocean, it would follow logically that one represented the northern extremity of the other, particularly since Marco Polo's Asia ran on uninterruptedly northeastwards with the very same course as the one reappearing in Leif Ericson's coasts in the sub-arctic. It would seem highly logical to assume that the two coastlines would meet.

Columbus reached America on the very day and in the very place he had expected to reach Asia. Since the Pacific alone spans half the globe, he had only sailed one fifth of the distance to India, yet he reached land exactly as he had anticipated. In spite of his three successful voyages across the Atlantic, Columbus died in the conviction that he had crossed the one and only world ocean and reached India. Due to this confusion the Caribbean Islands are still known as the West Indies and the American aborigines, termed Skrellings by the Norwegians, have forever become Indians although India lies as far away as at all possible: on the very antepode.

What could make Columbus so sure of finding land exactly where he found America? Only a firm conviction that Asia ran on as a continuation of the North Atlantic settlements of the Norsemen. Only the image of Marco Polo's Asia as a southwestward extension of Lief Ericson's Vinland would give Columbus the vision of a tiny world which he had when he first sailed into the Atlantic and which he retained until the day of his death. And only if he knew the distance and direction to the northwestern corner of the Atlantic as well as did the merchant sailors from Norway or the pirates from England, would he be able to project the longitude of the mainland on the other side of the Atlantic as correctly as he did before his first voyage.

Columbus' later travel companion, the famous chronicler Las Casas, stressed that before his departure Columbus was so sure of the position of the lands he was heading for as if he had them "in his own room". Also some of the sailors from the first voyage witnessed that Columbus had assured them beforehand that after sailing only eight hundred Spanish miles they could expect to find land, which they did. Columbus consistently followed the 28th northern parallel, the latitude of Florida, which would have brought him far north of any landfall in India or Indonesia. Yet he was so sure of this course that he bluntly refused to turn south-southwest as demanded by despairing officers and crew who claimed to have detected indications of land in that direction. As shown by Columbus' own journal, against the brewing threat of mutiny, and by keeping a double log to cheat his own companions to believe they were not so far away from home, he insisted that no other course would bring them to firm land as fast as the one he was making them steer. A brief deviation to avoid open revolt led by his second in command showed Columbus to be right. And on October 11, 1492, when his exhausted crew began to give up all hope, and the coast of India was still four times as far away as the distance covered, Columbus declared that land would be discovered the next day. Land was discovered the next day: an island in front of Florida with the myriad of islands and the continent of the Skrellings blocking further passage close behind.

Columbus had something to sell when he talked the Catholic Majesties in Spain into financing this costly enterprise. The mere idea that the world was round was age old and would have been accepted or rejected by the advisors of the Spanish court prior to the visit of Columbus. He needed more to offer to get from the war-ridden rulers of Spain what they would never have offered a foreign sailor from Genova if he came empty-handed without some trump card. What he asked for and received were three fully equipped ships; a hundred-and-twenty-man crew including noblemen, civil servants, and soldiers; the cash payment of 2,000,000 *maravedis;* the status as a Spanish noble; the rank of Grand Admiral of the Seas; the power of Viceroy and irremovable Governor of all the islands and firm land he himself and anybody else in the future would discover and conquer in the ocean; and the assurance that all these honors were to be inherited by his first-born son from generation to generation. This tremendous price, listed in Columbus' own speech dictated *"In Nomine Domini Nostri Jhesu Christi"* for presentation to King Ferdinand and Queen Isabella of Spain, shows best of all that the foreigner from Genova had more to sell than mere eloquence.

What Columbus sold could have been sold by any other explorer of his time, but he did it, and we all know the story of Columbi egg. It was not a lucky strike, but an inquisitive mind, conscientious preparations, and logical calculations that crowned Columbus' great enterprise with success. Those who try to belittle the importance of the early Norwegian discoveries for the subsequent outcome of Columbus' endeavours inadvertently render him an ill and unfair service. If he did not know about the southwestward-running coast of Vinland, he would have been an irresponsible expedition leader who equipped his vessels with only one-fifth of the provisions needed and who lured them on into certain death by falsfying his log to keep them deceived. Columbus, however, died in the honest belief that India was exactly as close to Europe as he had said in advance. It is most remarkable and thought-compelling that this firm belief made him modify his view that the world was round before he died. Since he knew that the journey to India was much longer for those who sailed in the opposite direction around the southern hemisphere, he came to a strange conclusion as to the earth's shape after his third and final voyage to America. He wrote:

"I find that it is not as round as it is described, but it is shaped like a pear, which is round everywhere except near the stalk where it projects strongly; or is like a very round ball with something like a woman's nipple in one place, and this projecting part is highest and the one nearest heaven."

Columbus has been scorned for this seemingly absurd idea coming from one who is commonly celebrated for showing through action that the earth was globular. His conclusion was quite meaningful, even logical, if we bear in mind that he thought the Viking settlements represented the northern part of Asia. Columbus believed he had come all the long way to the spice islands east of India by sailing a shorter way across the "upper" northern part of a pear-shaped world than what was otherwise needed to reach these far islands for those who had gone there by way of the "lower" southern hemisphere.

Only when we give the Norse discoverers of Greenland and North America the credit they deserve does Columbus emerge in the correct perspective, not as a reckless navigator who accidently happened to hit upon America because it blocked his progress to India, but because he had combined creative imagination with keen scholarship and available information to plan a search for a coast which was found where it was supposed to be.

Those of us of Norwegian descent who this year celebrate trans-Atlantic ties in historic perspective have the right to take special pride in our heritage, for, if we exclude the aboriginal Skrellings, it gives us priority in contacts with American soil. Let us in all fairness admit, however, that the Skrellings had reached America before Columbus and before the Vikings, the first of them probably coming by foot from Asia into Alaska in an extremely remote period. But the first European men and women to set foot ashore, the first baby of European parentage to be born in America, the first livestock to be landed, and the first Christian baptisms in the New World, were all the result of early Norwegian expansion. It began with King Olav Trygvason dispatching an organized and duly recorded Christian mission across the Atlantic five centuries before King Ferdinand and Queen Isabella did the same.

This year we are celebrating the 150th anniversary of permanent Norwegian settling in the United States. Next year the bicentennial of the United States will be celebrated. In 17 years it will be time to celebrate the landing of Columbus in the south, and only 8 years later the millennial jubilee for Leif Ericson's landing in the north.

In this country no one citizen has the right to feel superior to his compatriots for his heritage, it is up to each person to build a platform for himself and his house. But those of you who have Norwegian blood in your veins have historic ties that should give you pride and confidence in your moral rights to feel truly at home in a world found and utilized by your ancestors in a period when no other European nation had yet ventured to cross what was considered the one and only world ocean.

BUSING

Mr. BROOKE. Mr. President, recent events again demonstrate that considerable confusion still surrounds the issue of busing pursuant to a court order. Almost daily we hear the opponents of busing criticizing Federal judges for ordering "busing to achieve a racial balance" or charging that busing does not result in quality education. These criticisms indicate that too many Americans still do not understand the law regarding busing and the role of the Federal courts in interpreting and implementing the law.

Several weeks ago I prepared an article for the Boston Globe which discusses equal educational opportunity and quality education and the respective responsibilities of public officials in attaining these important goals. I would like to share this article with my colleagues.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Oct. 10, 1975]

EQUAL OPPORTUNITY IS COURT CONCERN

For more than two decades the law of the land has been indelibly clear: segregation of public schools by official act is a violation of the equal protection clause of the 14th Amendment to the Constitution.

Time and time again, the United States Supreme Court has unanimously affirmed this fundamental doctrine. Yet, too many Americans still do not understand the law and the role of the Federal courts in interpreting and implementing the law. And nowhere is this more true than in the area of court-ordered busing.

One of the reasons for this lack of understanding is irresponsible and self-serving political rhetoric which has so distorted the issue of busing that many people continue to react emotionally and to lose sight of the facts.

Therefore, I think a reexamination of the facts is in order. Such reexamination reveals two important points.

First, Federal courts do not arbitrarily order the use of busing. Courts respond only to violations of law. They do not, as some opponents of busing maintain, order busing to achieve a racial balance. The sole reason for Federal desegregation orders in Boston and in other cities is that official government actions have violated the constitutional rights of school children.

If elected public officials, charged with the public trust, had exercised their legal responsibilities, these cities would not now be under court order. It is the deliberate segregation of public school systems by public officials, not the decisions of Federal judges, which has caused busing.

Second, busing is not a remedy designed primarily to improve the quality of a child's education. Rather it is a remedy designed to assure every child an equal educational opportunity. This point is widely misunderstood. Certainly, quality education is a legitimate, and necessary concern, but it is not the reason for desegregation.

For the Constitution demands not quality education but equal educational opportunity. Quality education is a matter of local, state, and Federal policy; equal educational opportunity is a matter of constitutional law.

And the law is clear: equal educational opportunity cannot be achieved through separate educational opportunity. ". . . In the field of public education," the Supreme Court held in 1954, "the doctrine of 'separate but equal' has no place. Separate educational facilities are inherently unequal."

Yet some 20 years later the "separate but equal" doctrine seems to be re-emerging, particularly among liberals, under the rubric of quality education. But if my years in public life have taught me anything, it is that nothing in this nation is separate and equal. And nothing could be worse for our country and our children than the resurrection of this immoral and illegal doctrine.

Reflection on these points illuminates the problem in Boston as well as the problem in other cities undergoing court-ordered busing. These public school systems have suffered for many years from both segregation and poor educational quality, the former by design, the latter by negligence. The Federal district courts are trying to remedy the first grievance, using busing as a tool of last resort. Public officials must remedy the lack of educational quality.

In Boston some officials seem unwilling to acknowledge the poor quality of the public school system. They seem unwilling to admit that the schools have been allowed to deteriorate over many years, that the drop-out rate for both black and white children is staggering, that less than 30 percent of Boston's high school graduates go on to college.

It is then to the further credit of the court that the Phase 2 desegregation order includes innovative, long-term remedies to end this shameful neglect, most notably the development of magnet schools and the participation of the area's many excellent colleges and universities. But this is not enough. And furthermore, it is not the responsibility of the courts.

Because the executive and legislative branches have shirked their responsibility to desegregate public school systems, the courts have been required to protect the constitutional rights of school children. But the courts cannot and should not be expected to guarantee quality education. Only public officials can provide that.

Desegregation remedies, including busing, can ensure equal educational opportunities, but only a massive and united effort by local, state and Federal governments can ensure that these opportunities will be superior in quality.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the United States prides itself on its position of world leadership. We rank No. 1 in various competitive categories: Arms production, GNP, trade, scientific and technological advances, to name but a few. We have one of the highest living standards in the world, based on economic and technological factors. But it seems to me that those statistics are meaningless without a basic belief in human freedom and dignity and a willingness to stand firmly behind such principles.

As we have expanded from a small republic to an internationally minded industrial one, we have not been afraid to involve ourselves in various parts of the globe in defense efforts, trade, and peacekeeping. But where are we when it comes to making commitments to preserve human rights? While we have been instrumental in drafting various conventions based on the Universal Declaration of Human Rights, when it comes to enactment of specific proposals the United States has been deficient. The Senate ratified the Abolition of Slavery Convention but has failed to take action on several others, chiefly the Genocide Convention.

At a time when the Vietnam War has severely challenged our claim to moral leadership in the world, we must resume our lead in assuring peace and freedom for all mankind. The first step in this process is the ratification of the Genocide Convention.

Such ratification would not only improve our standing in the world community, but it would also inject a renewed energy into the spirit of a people, here at home, who have survived the traumatic upheavals of Watergate and Vietnam.

THE CONGRESSIONAL RESPONSE TO THE ADMINISTRATION'S FOOD STAMP PROPOSALS

Mr. BUCKLEY. Mr. President, the distinguished minority leader, Senator HUGH SCOTT of Pennsylvania, in a speech last week offered a number of observations about the several food stamp reform bills that have been introduced in the Senate. I was pleased to note his strong support for the enactment of meaningful food stamp reform in the current session of the Congress.

I was, however, concerned about what seems to have been misinformation with regard to certain features of the administration's bill, which I have cosponsored along with the distinguished chairman of the Senate Committee on Agriculture and Forestry (Mr. TALMADGE) and the distinguished ranking minority member of that committee (Mr. DOLE). The record should be set straight to clarify these essential points:

First. Secretary of Agriculture Earl Butz recently testified that, while approximately 17 percent of the current food stamp caseload would be rendered ineligible by the President's bill, there would be approximately 4 percent added, for a net reduction of 13 percent. Thirteen percent of the current 18.8 million recipients equals approximately 2.4 million fewer recipients, not the 3.5 million to 6 million cited by the senior Senator from Pennsylvania. Meanwhile, increases in food stamp allotment would be realized by approximately 4.5 million recipients, almost one-quarter of the caseload, under the administration's bill.

Second. The administration's bill does not establish eligibility below the poverty level. On the contrary, it establishes eligibility at $1,200 to $1,500 above the poverty level, or $6,250 for a family of four—nonelderly—or $6,550 for a similar size family containing at least one elderly member.

Third. The President's bill does not contain an assets limitation. While the Secretary of Agriculture has said he intends to establish by regulation an assets limit mirroring current limits in the supplemental security income program, I personally feel it would be a good idea to incorporate this in the legislation. But we should all understand that the administration's bill has not done so.

We all look forward to the final food stamp report of the subcommittee chaired by the distinguished Senator from Alabama (Mr. ALLEN), which has been reviewing this whole subject with diligence and care. Whatever its decisions, we should be able to agree on a food stamp measure that reflects both compassion and commonsense. We must not let our common desire to provide aid to the needy blind us to the fact that real abuses and lopholes in the food stamp program, as presently constituted, are draining the Federal Government's resources away from those who most need help.

FEDERAL PAY COMPARABILITY ALTERNATIVE PLAN

Mr. EASTLAND. Mr. President, on August 29, 1975, the President of the United

States submitted an alternative plan pursuant to the provisions contained in the Federal Pay Comparability Act of 1970 which read as follows:

FEDERAL PAY COMPARABILITY ALTERNATIVE PLAN

In consideration of economic conditions affecting the general welfare, I hereby transmit to the Congress the following alternative plan, as authorized and required by Section 5305(c) (1) of Title 5, United States Code:

"The adjustments in the rates of pay of each Federal statutory pay system to become effective on the first day of the first applicable pay period that begins on or after October 1, 1975, shall be limited to a 5% increase in lieu of the overall average of 8.66% determined under the comparability procedures set forth in Section 3(a) of the Federal Pay Comparability Act of 1970 (5 U.S.C. 5305)."

The alternative plan of the President was not disapproved by either the Senate or House of Representatives and, therefore, became effective with the first day of the first pay period which began on or after October 1, 1975.

In discharging my responsibility as President pro tempore of the Senate under authority vested in me by section 4 of the Federal Pay Comparability Act of 1970, I issued an order on October 2, 1975 authorizing the same 5-percent salary increase for officers and employees of the U.S. Senate. I ask unanimous consent that this order be printed in the Record.

There being no objection, the order was ordered to be printed in the Record, as follows:

Order—U.S. Senate, Office of the President Pro Tempore

By virtue of the authority vested in me by section 4 of the Federal Pay Comparability Act of 1970, it is hereby—

Ordered,

CONVERSION TO NEW MULTIPLE

Section 1. (a) Except as otherwise specified in this Order or unless an annual rate of compensation of an employee whose compensation is disbursed by the Secretary of the Senate is adjusted in accordance with the provisions of this Order, the annual rate of compensation of each employee whose compensation is disbursed by the Secretary of the Senate is adjusted to that multiple of $159 which is nearest to but not less than the rate such employee was receiving immediately prior to October 1, 1975.

(b) For purposes of this Order—

(1) "employee" includes an officer other than a Senator; and

(2) "annual rate of compensation" shall not include longevity compensation authorized by section 106 of the Legislative Branch Appropriation Act, 1963, as amended.

RATE INCREASES FOR SPECIFIED POSITIONS

Sec. 2. (a) The annual rates of compensation of the Secretary of the Senate, the Sergeant at Arms and Doorkeeper, and the Legislative Counsel (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this subsection, an individual occupying a position whose annual rate of compensation is determined under this subsection shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate in excess of either of the following: (1) the annual rate in effect for positions in level III of the Executive Schedule under section 5314 of title 5, United States Code, or (2) an annual rate of compensation which is $1,500 less than the annual rate of compensation, which is now or may hereafter be in effect, for Members of Congress.

(b) The annual rates of compensation of the Secretary for the Majority (other than the present incumbent) and the Secretary for the Minority (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this subsection, an individual occupying a position whose annual rate of compensation is determined under this subsection shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $41,500, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $46,269, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $500 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(c) (1) The maximum annual rate of compensation of the Secretary for the Majority (as long as that position is occupied by the present incumbent) (as such rate was increased by prior orders of the President pro tempore) is further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $41,500, or (2) at such time as level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $46,269, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $500 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(2) The annual rates of compensation of the four Senior Counsel in the Office of the Legislative Counsel and the maximum annual rates of compensation of the Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this subsection, an individual occupying a position whose annual rate of compensation is determined under this subsection shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $41,022, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $45,792, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $1,000 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(d) (1) The maximum annual rate of compensation of the Chief Reporter of Debates (as such rate was increased by prior orders of the President pro tempore) is further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $38,001, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $43,248, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $3,600 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(2) The maximum annual rates of compensation of the Administrative Assistant in the Office of the Majority Leader and the Administrative Assistant in the Office of the Minority Leader (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $39,909, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $44,361, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $2,500 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(3) The maximum annual rate of compensation of the Assistant Secretary for the Majority and the Assistant Secretary for the Minority (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $39,432, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $43,884, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $3,000 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(4) The maximum annual rates of compensation of the seven Reporters of Debates in the Office of the Secretary (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $37,842, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $42,771, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $4,000 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(5) The maximum annual rate of compensation of the Administrative Assistant in the Office of the Majority Whip and the Ad-

ministrative Assistant in the Office of the Minority Whip (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of either of the following: (1) $38,955, or (2) at such time as such level III is increased to more than $42,000 but less than $48,000, an annual rate of compensation in excess of $42,453, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $4,400 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in subsection (a) of this section.

(6) The maximum annual rate of compensation of the Assistant to the Majority and the Assistant to the Minority in the Office of the Secretary, the Legislative Assistant in the Office of the Majority Leader, and the Legislative Assistant in the Office of the Minority Leader (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of $38,478 until such time as such level III is increased to more than $42,000.

(7) The maximum annual rates of compensation of the Assistant Parliamentarian, the Legislative Clerk, and the Journal Clerk (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of $36,411 until such time as such level III is increased to more than $42,000.

(8) The maximum annual rates of compensation of the Assistant Legislative Clerk, the Administrative Assistant in the Office of the Sergeant at Arms, and the Deputy Sergeant at Arms (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of $35,298 until such time as such level III is increased to more than $42,000.

(9) The maximum annual rates of compensation of the Curator of Art and Antiquities of the Senate and the Editor, Digest in the Office of the Secretary (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of $34,026 until such time as such level III is increased to more than $42,000.

(10) The maximum annual rates of compensation of the Director of the Senate Recording Studio and the Postmaster of the Senate (as such rates were increased by prior orders of the President pro tempore) are further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159. Notwithstanding the provisions of this paragraph, an individual occupying the position of Director of the Senate Recording Studio or Postmaster of the Senate, the annual rate of compensation for which is determined under this paragraph, shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of $34,662 or $33,390, respectively, until such time as such level III is increased to more than $42,000.

CHAPLAIN'S OFFICE

SEC. 3. The annual rate of compensation of the Chaplain and the maximum annual rate of compensation for the position of secretary to the Chaplain (as in effect immediately prior to October 1, 1975) are increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159.

OFFICES OF THE SENATE

SEC. 4. (a) Any specific rate of compensation established by law, as such rate has been increased by or pursuant to law, for any position under the jurisdiction of the Sergeant at Arms shall be considered as the maximum annual rate of compensation for that position. Each such maximum annual rate is increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159.

(b) The maximum annual rates of compensation for positions or classes of positions (other than those positions referred to in sections 2 (c) and (d) of this Order) under the jurisdiction of the Majority and Minority Leaders, the Majority and Minority Whips, the Secretary of the Senate, the Secretary for the Majority, and the Secretary for the Minority are increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159.

(c) The following individuals are authorized to increase the annual rates of compensation of the employees specified by 5 percent, and as so increased, adjusted to the next higher multiple of $159;

(1) the Vice President for any employee under his jurisdiction;

(2) the Majority Leader, the Minority Leader, the Majority Whip, and the Minority Whip, for any employee under the jurisdiction of that Leader or Whip (subject to the provisions of section 2(d) of this Order);

(3) the Majority Leader, for the Secretary for the Majority so long as the position is occupied by the present incumbent (subject to the provisions of section 2 (c) (1) of this Order);

(4) the Secretary of the Senate, for any employee under his jurisdiction (subject to the provisions of section 2 (c) (2) and (d) of this Order);

(5) the Sergeant at Arms, for any employee under his jurisdiction (subject to the provisions of section 2(d) of this Order);

(6) the Chaplain, for his secretary;

(7) the Legislative Counsel, subject to the approval of the President pro tempore, for any employee in that Office (other than the four Senior Counsel);

(8) the Secretary for the Majority and the Secretary for the Minority, for any employee under the jurisdiction of that Secretary (subject to the provisions of section 2(d) of this Order); and

(9) the Capitol Guide Board, for the Chief Guide, the Assistant Chief Guide, and the Guides of the Capitol Guide Service.

(d) The figure "$906", appearing in the first sentence of section 106(b) of the Legislative Branch Appropriation Act, 1963, as amended (as provided in section 4(d) of the Order of the President pro tempore of October 7, 1974), shall be deemed to refer to the figure "$954".

(e) The limitation on the rate per hour per person provided by applicable law immediately prior to October 1, 1975, with respect to the folding of speeches and pamphlets for the Senate, is increased by 5 percent. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

COMMITTEE STAFFS

SEC. 5. (a) Subject to the provision of section 105 of the Legislative Branch Appropriate Act, 1968, as amended (as modified by this Order), and the other provisions of this Order, the chairman of any standing, special, or select committee of the Senate (including the majority and minority policy committees and the conference majority and conference minority of the Senate), and the chairman of any joint committee of the Congress whose funds are disbursed by the Secretary of the Senate are each authorized to increase the annual rate of compensation of any employee of the committee, or subcommittee thereof, of which he is chairman, by 5 percent, and as so increased, adjusted to the next higher multiple of $159.

(b) (1) The figures "$17,818" and "$26,274" appearing in section 105(e) of the Legislative Branch Appropriation Act, 1968, as amended (as provided in section 5(b) (1) of the Order of the President pro tempore of October 7, 1974), shall be deemed to refer to the figures "$18,762" and "$27,666", respectively.

(2) The maximum annual rates of "$42,431", "$44,243", and "$46,206" appearing in such section 105(e) (as provided in section 5(b) (2) of such Order of October 7, 1974) are each further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159, and shall be deemed to refer to the figures "$44,679", "$46,587", and "$48,654", respectively.

(3) (A) Notwithstanding the provisions of paragraph (2) of this subsection, any individual occupying a position on the staff of a standing committee of the Senate or the majority or minority policy committee of the Senate to which any such rate applies or to any position to which such rate was made applicable by section 105 of title I of the Legislative Branch Appropriation Act, 1976, shall not be paid at any time at an annual rate in excess of $35,775, $37,524, or $39,909, respectively, as long as the annual rate of basic pay for positions in level III of the Executive Schedule under section 5314 of title 5, United States Code, is $42,000.

(B) Notwithstanding the provisions of paragraph (2) of this subsection, when the annual rate for such level III is increased to more than $42,000, but less than $48,000, an individual occupying a position on the staff of any such committee (i) to which the rate "$44,679" applies shall not be paid at any time at an annual rate in excess of $40,545, (ii) to which the rate "$46,587" applies shall not be paid at any time at an annual rate in excess of $42,612, and (iii) to which the rate "$48,654" applies shall not be paid at any time at an annual rate in excess of $45,156, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $1,700 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in section 2(a) of this Order.

(4) (A) Notwithstanding the provisions of paragraph (2) of this subsection, any individual occupying a position on the staff of any special or select committee of the Senate and the conference majority and conference minority of the Senate to which any such rate applies shall not be paid at any time at

an annual rate in excess of $35,775, $37,524, or $39,432, respectively, as long as the annual rate of basic pay for positions in such level III is $42,000.

(B) Notwithstanding the provisions of paragraph (2) of this subsection, when the annual rate for such level III is increased to more than $42,000, but less than $48,000, an individual occupying a position on the staff of any such committee (i) to which the rate "$44,679" applies shall not be paid at any time at an annual rate in excess of $39,909, (ii) to which the rate "$46,587" applies shall not be paid at any time at an annual rate in excess of $41,976, and (iii) to which the rate "$48,654" applies shall not be paid at any time at an annual rate in excess of $44,520, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $2,300 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in section 2(a) of this Order.

(5) (A) Notwithstanding the provisions of paragraph (2) of this subsection, any individual occupying a position on the staff of any joint committee of the Congress whose funds are disbursed by the Secretary of the Senate to which any such rate applies shall not be paid at any time at an annual rate in excess of $35,775, $36,729, or $37,842, respectively, as long as the annual rate of basic pay for positions in such level III is $42,000.

(B) Notwithstanding the provisions of paragraph (2) of this subsection, when the annual rate for such level III is increased to more than $42,000, but less than $48,000, an individual occupying a position on the staff of any such joint committee (i) to which the rate "$44,679" applies shall not be paid at any time at an annual rate in excess of $39,909, (ii) to which the rate "$46,587" applies shall not be paid at any time at an annual rate in excess of $41,817, and (iii) to which the rate "$48,654" applies shall not be paid at any time at an annual rate in excess of $43,884, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $3,000 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in section 2 (a) of this Order.

SENATORS' OFFICES

SEC. 6. (a) Subject to the provisions of section 105 of the Legislative Branch Appropriation Act, 1968, as amended (as modified by this Order), and the other provisions of this Order, each Senator is authorized to increase the annual rate of compensation of any employee in his office by 5 percent, and as so increased, adjusted to the next higher multiple of $159.

(b) The table contained in section 105 (d) (1) of such Act shall be deemed to read as follows:

"$413,082 if the population of his State is less than 2,000,000;

"$425,484 if such population is 2,000,000 but less than 3,000,000;

"$455,376 if such population is 3,000,000 but less than 4,000,000;

"$493,854 if such population is 4,000,000 but less than 5,000,000;

"$525,336 if such population is 5,000,000 but less than 7,000,000;

"$558,408 if such population is 7,000,000 but less than 9,000,000;

"$594,342 if such population is 9,000,000 but less than 10,000,000;

"$622,008 if such population is 10,000,000 but less than 11,000,000;

"$658,260 if such population is 11,000,000 but less than 12,000,000;

"$685,926 if such population is 12,000,000 but less than 13,000,000;

"$721,224 if such population is 13,000,000 but less than 15,000,000;

"$756,522 if such population is 15,000,000 but less than 17,000,000;

"$791,820 if such population is 17,000,000 but less than 19,000,000;

$818,214 if such population is 19,000,000 but less than 21,000,000;

"$844,608 if such population is 21,000,000 or more.".

(c) (1) The second sentence of section 105 (d) (2) of such Act is modified to read as follows: "The salary of an employee in a Senator's office shall not be fixed under this paragraph at a rate less than $1,113 per annum or in excess of $25,440 per annum except that (i) the salaries of five employees may be fixed graph at a rate less than $1,113 per annum and (ii) the salary of one employee must be fixed at a rate of not more than $45,315 per annum.".

(2) Notwithstanding the modification made by paragraph (1) of this subsection, any individual occupying a position to which a rate referred to in clause (i) or (ii) of such modification applies shall not be paid at any time at an annual rate exceeding $36,729 or $39,909, respectively, as long as the annual rate of basic pay for positions at level III of the Executive Schedule under section 5314 of title 5, United States Code, is $42,000.

(3) Notwithstanding the modification made by paragraph (1) of this subsection, if the annual rate for such level III is increased to more than $42,000, but less than $48,000, an individual occupying a position to which a rate referred to in such clause (i) or (ii) applies shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate in excess of (A) in the case of an individual to whom the rate under such clause (i) applies, $41,181, and (B) in the case of an individual to whom the rate under clause (ii) applies, $44,361, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $2,500 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in section 2(a) of this Order.

GENERAL LIMITATION

SEC. 7. (a) The figure "$1,057" appearing in section 105(f) of the Legislative Branch Appropriation Act, 1968, as amended (as provided in section 7(a) of the Order of the President pro tempore of October 7, 1974) shall be deemed to refer to the figure "$1,113".

(b) (1) The maximum annual rate of compensation of "$46,206" appearing in such section (as provided in section 7(b) (1) of such Order of October 7, 1974) is further increased by 5 percent, and as so increased, adjusted to the next higher multiple of $159, and shall be deemed to refer to the figure "$48,654".

(2) Notwithstanding the provisions of paragraph (1) of this subsection, any individual occupying a position to which such rate applies (A) shall not be paid at any time at an annual rate exceeding $39,909 as long as the annual rate of basic pay for positions at level III of the Executive Schedule under section 5314 of title 5, United States Code, is $42,000.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, when the annual rate for such level III is increased to more than $42,000, but less than $48,000, any individual occupying a position to which such rate applies shall not be paid at any time at an annual rate in excess of $45,156, except that the annual rate of compensation shall not exceed, at any time, the next lowest multiple of $159 which is at least $1,700 less than the annual rate of compensation, which is now or may hereafter be in effect, for those positions referred to in section 2(a) of this Order.

NOTIFYING DISBURSING OFFICE OF INCREASES

SEC. 8. In order for an employee to be paid an increase in the annual rate of his compensation as the result of an increase in the maximum annual rate of compensation for his position authorized under this Order, the individual designated by section 4, 5, or 6 to authorize an increased rate of compensation for that employee shall notify the disbursing office of the Senate in writing that he authorizes an increase in such rate for that employee and the date on which that increase is to be effective.

EFFECTIVE DATE

SEC. 9. Sections 1–8 of this Order are effective October 1, 1975.

FEDERAL ELECTION COMMISSION REGULATIONS DEALING WITH OFFICE ACCOUNTS

Mr. HUGH SCOTT. Mr. President, several weeks ago, the Senate voted on the proposed Federal Election Commission Regulations Dealing with Office Accounts. While the arguments, on both sides, were lengthy and thorough, I am not convinced that either public or editorialists are fully aware of the reasons for the Senate's ultimate disapproval.

The regulations were disapproved not because the Senate objected to their thrust and intent, but rather because of the unfair and inequitable way in which they would have surely operated. The regulations penalized, no matter how inadvertently, each and every incumbent Member of the Congress by excluding all non-Federal officeholders from their provisions. This would not be fair. They authorize a governmental audit of personal checking accounts and introduce the confusing concept of rebuttable presumption into the election regulation.

I sincerely believe the Congress is quite firm in its support of Federal election law reform. I do not think, however, that we should be asked to rubberstamp a proposal simply because it is labeled "reform." The objections to these regulations were made in good faith by those of us who felt that the Commission has not yet come forth with a regulation that will truly broaden, strengthen, and equalize the Federal election law. For that reason, I offer the following recommendations which, hopefully, the Federal Election Commission will consider in their future attempts at drafting an office account regulation:

One. Any regulation on office accounts should apply with equal force and equal time effectiveness to every Federal officeholder—President; Vice President; Senator; and Representative, Delegate, or Resident Commissioner to the Congress of the United States, as set forth in definitions sections of the act.

Two. It should apply to every individual who becomes a candidate for nomination or election to Federal office, and

Three. An individual, for purposes of any regulation, becomes a candidate for nomination for election or election to Federal office:

A. As of January 15th of the year in which any election is held in which he runs for nomination or election, or

B. Earlier, if he or she publicly announces as a candidate for nomination, or election, or

C. Has earlier taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or

D. Prior to January 15, has received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election to such office.

Mr. President, it is my strong hope that these recommendations which truly serve to strengthen the existing regulations will be given every consideration by the Federal Election Commission. If that happens, then both the Congress and the public will be well served.

THE UNITED NATIONS RESOLUTION ON ZIONISM

Mr. MONTOYA. Mr. President, at the end of World War II, the nations of the world wanted some form of world organization which would provide a forum for the discussion of disagreement between nations. Two world wars in a generation had made most people realize the necessity for such a forum if the nations of the world were ever to find peaceful solutions to international problems.

The United Nations was formed with full support of this country. The United States has always supported these purposes and the U.N. itself. The headquarters of the world organization is in our own country. We have never shirked our share of the financial support.

The Charter of the United Nations states that the purposes of this organization are, in part:

> To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace.

However, in recent months, several actions taken by committees at the U.N. seem to me to violate the purpose and founding principle of the organization itself.

On October 17, 1975, the Third Committee of the United Nations General Assembly adopted a resolution which is clearly the opposite of these meritorious goals set forth in the Charter. I refer to the resolution which associates and equates Zionism with racism and racial discrimination. It seems to me that such a resolution fosters hostility between nations instead of developing friendly relations. In addition, it shows disrespect for the rights of a member nation and espouses a philosophy which is the antithesis of self-determination. This resolution weakens our chance for universal peace and is not in keeping with the lofty aspirations with which the United Nations was founded.

Zionism is the name given to doctrine of Jewish nationalism which includes the right of self-determination for the Jewish people in a territory historically their own. Twenty-seven years ago, the United Nations showed its support and endorsement for the establishment of this Jewish homeland. In the years since then, the nation state of Israel has developed a working democracy which exemplifies the best principles of freedom and liberty for its citizens. They have opened their doors to immigrant refugees from many parts of the world.

Their record as a nation makes the resolution of the Third Committee even more pernicious. It would be impossible for the United States to support such a mockery of the United Nations Charter. Perhaps it is for this reason that the Senate, on behalf of the American people, has recognized the action of the Third Committee as dangerous. On Tuesday, October 28, 1975, Senate Resolution 288, condemning the resolution of the Third Committee, was unanimously agreed to. I was proud to be among the 55 sponsors of the Senate resolution which proclaimed that Zionism is not racism and asked disapproval by the U.N. General Assembly of the work of the Third Committee.

At the present time, the Third Committee resolution is pending before the United Nations General Assembly. It is my fervent hope that they will be guided by the U.S. Senate resolution and their own good sense, if and when the matter is presented for a vote.

CORRECTION OF WITNESS STATEMENTS IN HEARINGS ON FEDERAL CRIMINAL CODE

Mr. McCLELLAN. Mr. President, it has been brought to my attention that a report submitted to the Subcommittee on Criminal Laws and Procedures by Ralph Nader, and which is printed in part XI of the hearings on the Federal Criminal Code bills at page 7938, contained the erroneous assertion that a Mr. Dwayne O. Andreas had been convicted for illegal corporate campaign contributions. In fact, Mr. Andreas had only been charged with campaign contribution violations at the time of the report and had been acquitted of the charges prior to Mr. Nader's testimony before the subcommittee. The hearing record on the Criminal Code bills has already been closed and printed.

Although we are not able to verify the accuracy of statements made by witnesses and thus prevent such inaccuracies, to assist in setting the record straight I ask unanimous consent that a letter from Mr. Andreas' attorney and attached documents, along with a letter of apology from the organization that prepared the erroneous report, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

O'CONNOR & HANNAN,
Minneapolis, Minn., September 23, 1975.

Hon. JOHN MCCLELLAN,
Chairman, Subcommittee on Criminal Laws and Procedures, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of our client, Mr. Dwayne O. Andreas, we wish to call your attention to the false charge which appears at page 7938 in Part XI of the printed 1974 hearings titled "Reform of the Federal Criminal Laws" asserting that Mr. Andreas was convicted for illegal corporate contributions. This erroneous statement was included in the Appendix to the Public Citizens' staff Report on White-Collar Crime attached to the testimony of Mr. Ralph Nader before your Subcommittee on July 19, 1974.

This false assertion was attributed to a story in the Washington Post of November 24, 1973. We attach a copy of the text of this article which did not state that Mr. Andreas had been convicted, but rather that a criminal information had been filed charging Mr. Andreas with making illegal campaign contributions. Further, we are attaching a copy of the finding, order and judgment of the United States District Court for the District of Minnesota dated July 11, 1974, by which Mr. Andreas was acquitted. Mr. Andreas' acquittal occurred approximately one week before Mr. Nader testified before your Subcommittee.

We think it is only fair that this erroneous and most harmful statement now contained in your Report be corrected. It is our understanding that the concluding portion of the printed hearing record will soon be going to press and we, therefore, request that this letter be made a part of the printed record.

Sincerely,

JOE A. WALTERS.

[From the Washington Post, Nov. 24, 1973]

ARTICLE BY AUSTIN C. WEHRWEIN

Dwayne O. Andreas, a long time fundraiser for and contributor to the campaigns of Senator Hubert H. Humphrey *pleaded innocent in absentia* to federal charges that he consented to $100,000 in contributions from corporate funds to Humphrey's 1968 presidential campaign. Joe A. Walters, Andreas' attorney entered the plea at an arraignment before U.S. Dist. Court Judge Earl Larson on behalf of both the wealthy banker and First Interoceanic Corp. of which Andreas was board chairman in 1968. First Interoceanic has since been folded into Andreas' Independent Bancorporation. Because he pleaded innocent and because the charges are misdemeanors, it was not necessary for Andreas to appear in person in court, according to a spokesman for the Watergate special prosecutor's office in Washington. After accepting the pleas, Larson set nominal bail at $1,000 on a personal recognizance bond. By agreement with Charles Ruff, of the special prosecutor's office in Washington who is handling the case, the judge set Dec. 27 for a hearing on motions. Larson ordered Andreas to appear in person at the courthouse prior to Dec. 27 to complete any necessary routine. Since the case began over a month ago Andreas has been presumed to be traveling abroad. Today his lawyer produced in court a handwritten letter from Andreas to the judge asking for "waiver of personal appearance". The letter, dated Nov. 16 was written on the stationery of the Cavendish Hotel in London. There was no indication during the subsequent proceedings whether Andreas is still there. A criminal information was filed here Oct. 19 by the special prosecutor's office then still under Archibald Cox charging that Andreas had consented to four $25,000 contributions to the Humphrey campaign in October and November 1968 in violation of the law giving corporation money to a political campaign. The charge is a misdemeanor carrying a maximum fine of $5,000 on each count against the corporation and maximums of a year in prison, and a $1,000 fine on each of the counts against Andreas. Andreas has made no comment on the charges, but Humphrey issued a statement Oct. 20 praising his friend and asserting that he "would not knowingly violate any law". While Andreas apparently contributed at least $75,000 to

Humphrey's futile bid for the Democratic nomination last year, he later shifted to support President Nixon to whom he apparently gave at least $146,000. The special prosecutors mandate does not specifically cover the 1968 campaign but apparently the 1968 contributions surfaced during an investigation of Andreas' 1972 contributions to the Nixon campaign—notably, the $25,000 in cash that ended up in the bank account of one of the men convicted in the Watergate conspiracy.

Defendants	Description	Sentence	Source
VII. CAMPAIGN CONTRIBUTORS—Contributions			
Gulf Oil Corp. and its vice president and lobbyist Claude C. Wild, Jr.	Pleaded guilty to illegal $100,000 contribution to President Nixon's reelection campaign and $15,000 to campaigns of Representative Wilbur Mills (Democrat of Arkansas) and Senator Henry M. Jackson (Democrat, Washington).	Gulf fined $5,000; Wild fined $1,000.	New York Times, Nov. 14, 1973; Nov. 15, 1973. Wall Street Journal, Nov. 14, 1973; Aug. 13, 1973. Washington Post, Dec. 13, 1973.
Phillips Petroleum Co. and board chairman W. W. Keeler	Pleaded guilty to illegally contributing $100,000 from corporate funds to President Nixon's reelection campaign.	Phillips fined $5,000; Keeler fined $1,000.	Wall Street Journal, Aug. 20, 1973. New York Times, Dec. 5, 1973.
First Interoceanic Corp. and former board chairman Dwayne O. Andreas.	Andreas convicted for illegal corporate contribution of $100,000 to Senator Hubert Humphrey's 1968 presidential campaign (Andreas also contributed $146,000 to Nixon's reelection campaign).		Washington Post, Nov. 24, 1973.
Committee for the Reelection of the President	Pleaded nolo contendere to 8 charges of violating the Federal Elections Campaign Act by failing to disclose required financial data.	CRP fined $8,000	Washington Post, Jan. 26, 1973.
Lehigh Valley Co-operative Farmers of Allentown, Pa	Pleaded guilty to illegal $50,000 contribution to Nixon's reelection. (part of Lehigh funds allegedly used to secure the silence of the Watergate 7.)		New York Times, May 7, 1974.
American Ship Building Co. and board chairman	Indicted for making illegal campaign contributions—$31,200 to Nixon's reelection, $23,500 to Hartke (Democrat of Indiana) and Daniel Inouye (Democrat of Hawaii). The chairman was also indicted for conspiracy, obstructing justice, obstructing a criminal investigation, and helping an individual give false statements to the FBI.		Wall Street Journal, Nov. 13, 1973; Apr. 8, 1974. New York Times, Nov. 14, 1973.
John H. Melcher, Jr., general counsel of American Ship Building Co.	Pleaded guilty to helping cover up an illegal corporate contribution to President Nixon's reelection campaign.		Wall Street Journal, Apr. 17, 1974.
Northrup Corp. and its board chairman and vice president	Pleaded guilty to illegal $150,000 contribution to Nixon's reelection	Board chairman and corporation fined $5,000; vice president fined $1,000.	Washington Post, May 2, 1974.
American Airlines	Pleaded guilty to illegal $55,000 contribution to Nixon's reelection. Former Board Chairman Spater told Senate Watergate Committee that contribution was motivated by "fear" of what would happen if contribution was not made.		New York Times, Nov. 16, 1973.
E. Howard Hunt, White House consultant and former CIA employee; G. Gordon Liddy, White House aide and former Treasury Department employee; James W. McCord, former FBI and CIA agent, security coordinator for the Republican National Committee and the Committee for Re-Election of the President; Bernard Barker, Miami real estate businessman with a CIA background; and Virginia R. Gonzalez; Eugenio Martinez; and Frank Sturgis.	Pleaded guilty to burglary conspiracy, and attempted wiretapping at the Democratic National Committee's headquarters in the Watergate building, Washington, D.C.	Hunt fined $10,000, given 2½ to 8 yr in prison; Liddy fined $40,000, given 6 yr, 8 mo to 20 yr in prison; McCord given 1½ to 5 yr in prison; Barker given 1½ to 6 yr in prison; Gonzalez given 1 to 4 yr in prison; Martinez and Sturgis each given 1 to 4 yr in prison.	New York Times, Feb. 24, 1974.

[In the U.S. District Court for the District of Minnesota, No. 4–73–Cr. 201]

UNITED STATES OF AMERICA, PLAINTIFF, VERSUS DWAYNE O. ANDREAS AND FIRST INTEROCEANIC CORPORATION, a/k/a INDEPENDENT BANCORPORATION, DEFENDANTS

FINDING, ORDER AND JUDGMENT

The information filed in this case contains eight counts, all charging violations of 18 USC § 610. Defendant First Interoceanic Corporation is charged in counts 1–4 with making a contribution in connection with an election at which presidential and vice-presidential electors were voted for; defendant Dwayne O. Andreas is charged in counts 5–8 with consenting as an officer to such corporate contribution. The defendants pled not guilty, waived trial by jury and presence at trial with the approval of the court and the consent of the government as provided in F.R. Cr. P. 23(a) and 43.

The case was tried to the court on a stipulation of fact and orally argued on July 8, 1974.

The court having examined the evidence and considered the briefs and arguments of the parties finds both defendants not guilty of the offenses charged in the information.

It is therefore ordered and adjudged.

Defendants acquitted and bond exonerated.

July 11, 1974.

EDWARD J. MCMANUS,
Chief Judge, U.S. District Court Northern District of Iowa.

PUBLIC CITIZEN,
September 30, 1975.

Senator JOHN L. MCCLELLAN,
Chairman, Subcommittee on Criminal Laws and Procedures Committee on the Judiciary, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR MCCLELLAN: In my capacity of counsel for Public Citizen, Inc., it has recently come to my attention that an appendix to the Public Citizen Staff Report on White Collar Crime is in error in stating that Mr. Dwayne Andreas was reported by the Washington Post to have been convicted of a crime. The Washington Post merely reported that Mr. Andreas was indicted for a crime.

The White Collar Crime Report in question was prepared by Mr. Downey, formerly an attorney with Public Citizen, Inc., and was requested for the record of the Subcommittee hearings on July 19, 1974.

Please note for the record the apologies of Public Citizen, Inc. to the Subcommittee and to Mr. Andreas for the copy proofing error, it was completely inadvertent and regrettable.

Very truly yours,

JEROME EDWARD MURPHY.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

SMALL BUSINESS EMERGENCY RELIEF ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1259, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1259) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:15 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:15 a.m. today.

There being no objection, the Senate, at 10:01 a.m., recessed until 10:15 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CULVER).

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. Presdent, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS EMERGENCY RELIEF ACT

The Senate continued with the consideration of the bill (S. 1259) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts.

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 having arrived, the Senator from Tennessee (Mr.

BROCK) is recognized to offer an amendment which will be voted on no later than 11:30 a.m.

AMENDMENT NO. 1017, AS MODIFIED

Mr. BROCK. Mr. President, I call up my amendment No. 1017, as modified, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposed amendment No. 1017, as modified.

The amendment is as follows:

On page 5 after line 19 insert the following new subsection:

(c) The Secretary of Housing and Urban Development is authorized to make appropriate adjustments in the amount of a mortgage insurance commitment made in connection with rental housing constructed by a small business concern pursuant to section 236 of the National Housing Act and in the amount of an annual contributions contract with respect to housing constructed by a small business concern pursuant to the United States Housing Act of 1937 to reflect unexpected escalations of construction costs—

(1) upon making the findings set forth in paragraphs (1) and (2) of subsection (a) of this section; and

(2) based on the documentation and the certification required in subsection (b) of this section.

Mr. BROCK. Mr. President, the purpose of this amendment is to include in this legislation authority to deal with the problem of rising material prices in the subsidizing of the public housing sector during the time covered under S. 1259.

As many Members are aware, housing starts in September of this year were at a level of 2,140,000. This figure portrays the very low level of activity in the housing industry today. Construction activity now underway in the housing industry contains projects begun under public housing, as well as under section 236 contracts; those contracts are just being completed—those contracts which were started during the period of price control. These contracts were negotiated under the same circumstances as the direct Federal contracts covered under S. 1259.

Contractors now are faced with finishing contracts across the country which could bankrupt that small segment of the industry still interested in building for the low- and moderate-income family.

What the amendment does is to recognize that contracts relating to public housing are not direct Federal contracts but, rather, indirect ones, made through local housing authorities or with developers and sponsors.

The effect of the enormous rise of materials prices on those building housing is much the same as that on the small businessman contracting with the General Services Administration or the Defense Department. There is only one difference, and that is that the purchase of paper clips, paper, or pallets can be terminated, while the construction of housing, once terminated, cannot be restarted until long and drawn out negotiations have cleared the way to complete the apartment house or public housing under construction.

With an economy just now beginning to recover, we have an opportunity to deal with our economic recovery and to reduce our unemployment rate. In the construction sector in September, last month, 550,000 people were unemployed. Almost one person in every five in this industry was unemployed.

I can only ask that the Senate move to approve this amendment, which would keep many of these men employed and many small contractors and subcontractors from going down the tube due to circumstances which no one could have anticipated.

Let me add just a few thoughts about the bill itself.

The senior Senator from Florida and I have been involved in this legislation for a considerable period of time. As he knows, the bill was passed under his leadership in the Senate during the last Congress and the House failed to act. The problem is almost moot, because the House of Representatives simply did not meet its responsibilities last year; and most of the people who should have been given an opportunity by their own Government to survive in business were not given that opportunity because Congress failed to act last year. So we are trying again.

I want to be very clear that I support the basic tenet and thrust of S. 1259. The reason for this amendment is very simple. We have identified, since the bill passed the Senate last year, the problem that relates to what I refer to as indirect Federal contracts, and that particularly affects the homebuilding industry, which has been so disadvantaged in the last couple of years.

I recall that when we first started talking about this bill almost 2 years ago, housing starts the previous year had been almost 2 million units. That is a pretty good level of construction. Within a year, they were down to 1 million. They are still at just about a million and a quarter.

Let me tell the Senate just a little about the kind of problems these small homebuilders and the people who buy homes are faced with in these particularly troublesome, inflationary times.

If we take the September wholesale price index and go back to the start of wage and price controls in 1971, the price of all construction materials in the period 1971–75 has gone up 42 percent, with an annual change of 9.42 percent. The price change, though, during the controlled period 1971, 1972, 1973 was only 4.07 percent and 9.45 percent, which combination would yield an increase of about 13.5 percent.

I think that bituminous paving materials give the clearest example of what has happened. In the 1971–72 period, those materials went up only 98 hundredths of 1 percent, less than 1 percent. In 1972–73, those materials went up only 81 hundredths of 1 percent, again less than 1 percent. But in 1973–74 and 1974–75, they went up 99 percent. The gross change between 1971 and 1975 was a 111-percent increase.

What does that mean? It means that a contractor in a small subdivision, 15 homes, goes out and lets that contract at the local housing authority, to build low-income housing or public housing, and the contract is signed. It is signed under wage and price controls, and he understands those conditions and the housing authority understands those conditions, and the Government who imposed the controls understands the circumstances, and the contractor just gets started.

He probably has less than 10 percent of his money invested in the project at a time that wage and price controls are lifted, and then prices go up 99 percent in 1 year on his bituminous materials. All of a sudden, he is in a position where he simply cannot complete the contract. What happens under those circumstances? We have an example I should like to present to the Senate.

This is a turnkey project in Troy, Mich. It was a joint venture of two firms, 1001 Services, Inc., and the Wake-Pratt Construction Co.

In February of 1971, the city invited developers to bid on contracts. The invitation to bid contained both the statement that the site is presently zoned to accommodate the proposed family housing and an attachment which indicated streets and alleys in the project site to be vacated.

In June of 1971, the developer, utilizing the information on the invitation to bid, proposed a bid of $3 million. A "screening conference" was held on June 24. On June 21, a preaward determination conference was held, and the developer submitted an amended bid of $2,791,000.

On August 9, the proposal was presented to the Detroit Housing Commission, agent for the city. They had a review conference, and the developer was asked to prepare preliminary drawings for the project in October. He wrote a letter of intent in November.

All these things are just mechanical, typical problems in preparing for a Federal construction program.

There were more meetings. Finally, review was held in April of 1972, 10 months after the initial bid.

The developer requested an increase of $117,000 and revised his bid then to $2,881,000.

In May, the Housing Authority requested authorization from the council to enter into the contract with the developer in that amount.

We can take this through the various stages. They requested an increase in May because of an increase in lumber prices, which they did not get, or got a very small amount.

The contract was entered into May of 1972. The developer signed in June of 1972. In July, HUD returned the executed contract.

So then we have been through the whole process. The building permit was applied for and received. There was some delay in connection with the vacating of the streets and alleys because that had not been accomplished. They finally got the building permit in November. This is over a year after the first submission for bids. The city did allow an additional $84,000 in September because of increased costs, which the developer accepted as a compromise, with the knowledge that the then rapidly escalating costs would make a time delay of a contract increase request a futile effort. In other words, he had to take so much time to ask for compensating increases due to price increases that, in the time that he took to wait, his prices increased more than he was going to get from the requests that he made in the first instance. So he was on a treadmill that was moving faster than he was, and downhill.

They finally got a final contract sum in March—this is 18 months after the original submission—of $2,883,000.

What has happened? Although the proposal was made in June of 1971, preliminary drawings in December of 1971, the final contract was not signed until October of 1972 and the building permit issued in November of 1972. They had intolerable delays during this entire process. They were faced with delays waiting for HUD approval, the city's neglect in not vacating streets and alleys and not changing zoning on the site and causing an unexpected winter start on construction in lieu of a summer start.

They had major vandalism on nine separate occasions while professional bonded guards were on the premises, all, of course, at the expense of the contractor.

Some smaller subcontractors were unable to withstand the effect of the inflation and thus unable to continue their performance on the job without relief from costs which threatened to put them out of business. The developer was required to increase the contract amount of the five subcontracts, even though he had no increase in his own. In addition, he was required to guarantee payment to suppliers by certain other subcontractors, all with the purpose of expediting the contract.

In spite of all of these efforts, eight subcontractors did not remain on the job to complete their contracts and replacement contractors had to be secured to complete the unfinished work.

Since the developer's request for an increase in April of 1972, building costs have increased 15 percent annually in toto. The final cost, without any profit whatsoever to the developer, was $3,366,000, with a resultant loss of $483,000.

Mr. President, I ask unanimous consent to have this entire story printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Wake-Pratt Construction Co.,
Troy, Mich., January 27, 1975.

Attention: Mr. H. Michael Smothers, Director-Secretary.

Re Turnkey III—Charles C. Diggs Terrace.

City of Detroit,
Detroit Housing Department,
Detroit, Mich.

Turnkey III is a joint venture of 1001 Services, Inc. and Wake Pratt Construction Company (collectively "Developer") which recently completed construction and sale of 104 units of large family public housing under a Turnkey Contract of Sale ("Contract") for the City of Detroit ("City"). The purpose of this letter is to I.) Outline the chronology of events of the project over the past four years; II.) Describe the situation which has resulted from this project; and III.) To request an increase in the amount of the Contract.

I. CHRONOLOGY

On February 26, 1971, the City invited prospective developers to bid on a contract to construct homes in Forest Park Manor, Mich. 1–17. This Invitation to Bid contained both a statement that the "site is presently zoned to accommodate the proposed family housing," and an attachment which indicated streets and alleys in the project site to be vacated. On June 7, 1971, the Developer, utilizing the information in this Invitation to Bid, proposed to undertake the project for a bid of $3,023,552.00.

On June 24, 1971, a "screening conference" was held; on July 21, 1971, a "Pre-Award Determination Conference" was held; and as a result of the above conference, the Developer submitted an amendment bid in the amount of $2,791,592.00 on July 27, 1971.

On August 9, 1971, the Developer presented the proposal to the Detroit Housing Commission ("DHC"), agent for the City. The Developer, the City, and the United States Department of Housing and Urban Development ("HUD"), had the first of a series of Schematic Review Conferences on September 23, 1971, and on October 12, 1971, the Developer was requested to prepare preliminary drawings for the project.

The Developer wrote a "letter of intent" on the project on November 19, 1971. Prior to the first of January 1972, preliminary plans were submitted, and on January 28, 1972 revised preliminary plans were submitted. More review meetings with the City and HUD were held from January 1972, until a "Final Review" was held on April 13, 1972, over ten months after the initial bid.

The Developer requested an increase of $117,042.00 in the proposed contract sum of April 19, 1972, and after discussions regarding this request, a revised bid of $2,881,398.00 (increased $89,806.00 from the original bid) was submitted on April 26, 1972. On May 5, 1972, the DHC requested Common Council authorization to enter into the Contract with the Developer in that amount.

On May 8, 1972, the DHC requested from HUD an increase in the proposed contract sum of $77,383.00 due among other things, to an "increase in rough lumber prices, and wage rates"; and an additional increase of $12,423.00 for additional items not included in the proposal but which were "felt to be necessary and are reasonably priced."

The Common Council authorized the City to enter the Contract on May 30, 1972; on June 14, 1972, the Developer executed the Contract; on July 12, 1972, HUD returned the executed Contract; the Common Council confirmed it on October 10, 1972; and finally executed, the Contract was dated October 17, 1972, over five months after the DHC request.

On or prior to June 20, 1972, the Developer applied for a building permit with the City Department of Building and Safety Engineering, which could not be issued because; i) the vacation of the streets and alleys in the project site had not yet been accomplished, (although the record shows the original request from the DHC to the Common Council to have been made on May 8, 1970, received by the City Plan Commission ("CPC") prior to May 20, 1970, but then shelved until July 17, 1972); and ii) that the zoning on the parcel was not changed as had been indicated in the original invitation. (CPC reported this to the Common Council on November 10, 1972.) The Developer requested the Detroit Community Development Commission ("CDC") to expedite the zoning change which, in addition to other delays over the previous months, was holding up the issuance of a building permit. On October 13, 1972, CDC finally requested the zoning change. The building permit was finally issued on November 24, 1972, and construction commenced that day. It took over five months to get a building permit.

On September 11, 1972, just prior to City final approval of the project, the Developer requested relief from work under the Contract in the amount of $97,460.37; and on September 18, 1972, the City agreed, by Addendum to $84,437.00 worth of changes.

The Developer accepted this compromise with the knowledge that the then rapidly escalating costs would make the time delay of a Contract increase request a futile effort. At this point, the Developer wished to let subcontracts to avoid further cost increase, and to commence construction at once in order not to miss a fair weather start. A Change Order for additional work in the amount of $2,268.00 was executed on March 28, 1973, leaving a final contract sum of $2,883,666.00.

The sale of the last cluster was closed on October 4, 1974, and with the exception of minor exterior work which must await Spring of 1975, the project is now complete.

II. CURRENT SITUATION

A number of issues have arisen as a result of the above chronology and history of this project.

1. Although the proposal was originally made in June of 1971, preliminary drawings were submitted in December of 1971, and the City authorized the Contract in June of 1972, it was not finally signed until October of 1972, and the building permit was not issued until November of 1972. Intolerable delays were present in waiting for HUD approval of additional appropriations, in City neglect in not vacating streets, alleys, and in not changing zoning on the site, and causing an unexpected winter start of construction in lieu of a summer start.

2. Major vandalism on nine separate occasions while professional bonded guards were on the premises caused substantial delay and expense.

3. Certain subcontractors, smaller in organization than the Developer, and therefore more seriously affected by inflation and less able to withstand its effects, were unable to continue their performance on the job without relief from costs which threatened to put them out of business. The Developer was required to increase the Contract amount of five subcontracts, and in addition was required to guarantee payment to suppliers by certain other subcontractors, all with the purpose of expediting the Contract. In spite of these efforts, eight subcontractors did not remain on the job to complete their contracts, and replacement contractors had to be secured to complete unfinished work.

4. Since the Developer's request for an increase in April of 1972, building costs have increased approximately fifteen per cent annually.

5. The final cost (without any profit to the Developer) of the completed project, is $3,366,575.00, with a resultant loss to the Developer of $482,909.00.

III. REQUEST FOR INCREASE

On the basis of the Chronological History and Current Situation outlined above, the Developer hereby requests an increase in the amount of the Contract, or claims additional just compensation for services performed, (or a combination thereof) of the following:

1. For the delays encountered which in no way were the fault of the Developer and which among other things caused the Developer to miss an entire construction season, the sum of $207,304.00.

2. For problems associated with subcontracts where costs were increased over and above their original contracts but which increases were necessary to complete the project, the sum of $138,373.00.

3. For unusual and unpredictable inflation in the cost of constructing the project not

included in 1 or 2 above, the sum of $21,159.00.

4. For unexpected increase in City of Detroit Department of Building and Safety Engineering permit fees the sum of $5,858.00.

5. For a reasonable Developers fee on the Contract the sum of $153,474.00.

for a total claim of $526,168.00.

The Developer will be happy to furnish or supply any additional information, including all cost records and project files, as well as submit to audits or certifications required in order to evidence the statements made herein, and we will be happy to meet with yourself, your staff, HUD or others in an effort to resolve the issues raised by this communication.

It is appropriate to comment at this time that despite the purpose behind this letter, the Developer feels that this project, while not a profitable business enterprise, nonetheless has resulted in homes for 104 low income families.

All parties involved can take satisfaction in the accomplishment of that goal.

Respectfully submitted;

TURNKEY III, A JOINT VENTURE,
WAKE-PRATT CONSTRUCTION CO.,
By EDWARD W. PRATT,
President.
1001 SERVICES, INC.,
By THOMAS F. ASHCRAFT,
Executive Vice-President.

APRIL 14, 1975.

Re Project MICH. 1–17. Request for increase.
Attention: Mr. John Terranella.

Mr. ELMER BINFORD,
Director, Detroit Area Office of HUD,
Detroit, Mich.

DEAR MR. BINFORD: The Detroit Housing Department, as a result of guidance from your office, is forwarding a copy of the correspondence from the 1001 Services Corporation requesting an increase in the Annual Contributions Contract for Project MICH. 1–17. It is our understanding that this correspondence will be submitted to the HUD Regional Office for necessary review and recommendation.

The request by the 1001 Services Corporation for an increase is predicated on such factors as rising costs of labor and materials, delays in the start of construction, problems with subcontractors and costs over and above original estimates.

In seeking to justify the request for an increase, 1001 Services Corporation has set forth a chronology of situations and events purportedly to assign responsibility for delays and related cost overruns to the City of Detroit and its various Departments. The problems indicated are not unlike the problems faced by a great segment of the building industry during this period, and it is the position of the Detroit Housing Department that such business risks are involved in the undertaking of any project.

The City of Detroit must decline responsibility for the length of time that elapsed from the submission of the initial proposal to the holding of the "Final Review". The scheduling of conferences to periodically review plans and specifications are necessary to insure the prospective purchaser that the planned construction will conform to specified requirements. Said conferences were arranged in cooperation with the Developer and upon his notification that sufficient progress had been made in completing the plans to warrant a review. That the review meetings covered a period of ten months does not appear to justify the requested increase as ostensibly the Housing Department's approval of a revised bid of $2,881,398.00 in April, 1972, an increase of $89,806.00 over the initial bid, was intended to cover the period required for review of plans and specifications.

1001 Services Corporation further contends that the failure of the City of Detroit to change the zoning designation of the project site resulted in delays for which compensation should be paid. The Detroit Housing Department cannot accept this premise inasmuch as the period of time from the Common Council confirmation of the Contract of Sale, October 10, 1972, to the issuance of a building permit on November 24, 1972, does not constitute unreasonable delay. Additionally, just prior to the approval of the contract, the City of Detroit approved $84,437.00 worth of changes in the plans and specifications—changes benefiting the Developer and changes that could be construed as compensation for real or imagined delays involved in failure to effect the zoning change more rapidly.

The City of Detroit reiterates its position that it cannot be responsible for situations and events that must be considered a business risk and as such finds no justification for a request for an increase that is based upon vandalism that occurred while bonded guards were on duty, failure of subcontractors to honor their contracts, and unpredictable inflation. 1001 Services Corporation entered into a firm contract with the City of Detroit to construct 104 units of low-rent housing fully aware of its rights and responsibilities; and it is regrettable that losses occurred, but the ability to compensate the Developer is not within the jurisdiction of the Detroit Housing Department at the present time.

In consideration of the foregoing, the Detroit Housing Department respectfully requests review and recommendation by the HUD Regional Office of the request by the 1001 Services Corporation for an increase in the Annual Contributions Contract for Project MICH. 1–17.

Should additional information be required, please contact Mr. Frank Imbriaco, Housing Development Coordinator, Telephone 224–6560.

Very truly yours,
DETROIT HOUSING DEPARTMENT,
THEODORE JORDAN,
Director.

WAKE-PRATT CONSTRUCTION CO.,
Troy, Mich., June 23, 1975.

Congressman WILLIAM BROOMFIELD,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSSMAN BROOMFIELD: Wake-Pratt Construction Company in a joint venture with 1001 Services, Inc. recently completed a Turnkey Project of 104 housing units for the Detroit Housing Department, City of Detroit. Final payment under this contract has not yet been received.

This project was bid by us in June 1971 and a contract was finally entered into in October 1972 and work was started the following month.

Due to a number of causes, the most serious of which was the most rapid increase in building costs in any comparable period of time in the modern history of our Country, we suffered serious financial losses. Although this project was bid under Governmental imposed price controls, and our bid was made relying on the continuance of these controls, nevertheless the Government removed them and by so doing contributed greatly to the spiraling costs of materials.

As a result, the inflationary effects over which we had no control caused us serious losses which we feel justify a re-negotiation of our contract. Thus a claim was filed with the Detroit Housing Department, City of Detroit on Jan. 27, 1975, a copy of which is attached. Also attached is a copy of a letter dated April 14, 1975, from the Detroit Housing Department forwarding our letter to the Director, Detroit Area Office of HUD. It is my understanding that the matter has since been referred to the Regional Office of HUD at Chicago.

Recognizing that these matters take considerable time in their resolution, I would greatly appreciate if you could bring this matter to the attention of the Secretary of HUD with a request that it be expedited.

I would be more than happy to appear before any person designated by the Secretary to further expand on our claims.

My thanks to you for your interest and consideration.

Cordially yours,
WAKE-PRATT CONSTRUCTION CO.,
EDWARD W. PRATT, *President.*

FEDERAL HOUSING ADMINISTRATION,
Washington, D.C., July 2, 1975.

Hon. WILLIAM S. BROOMFIELD,
House of Representatives,
Washington, D.C.

DEAR MR. BROOMFIELD: This is in further reference to your June 24 letter to Secretary Hills, on behalf of Mr. Edward Pratt, President, Wake-Pratt Construction Co., requesting additional funds as the developer under a joint venture with 1001 Services, Inc. of a Turnkey public housing project in Detroit.

Our Chicago Regional Office has looked into this case and reports that additional funds cannot be authorized; the Turnkey procedures do not provide for increases in the developer's price specified in a Contract of Sale; which, as in this case, has been approved by HUD and executed by the developer and the Local Housing Authority. Under the Turnkey method a Local Housing Authority, after arriving at a site price and an acceptable price for improvements, prepares a "Development Program" which incorporates the construction costs agreed to, budget information and a demonstration that the project is financially feasible. With HUD approval of a Turnkey Contract of Sale, the developer assumes all of the entrepreneurial construction industry risks attendant on the fulfillment of the terms of the Contract and the agreed upon purchase price.

We are sorry that Mr. Pratt has suffered a financial loss and regret that we cannot give you a favorable reply on his behalf.

Sincerely,
WILLIAM L. WARFUEL,
(For David M. deWilde, *Acting Assistant Secretary-Commissioner*).

Mr. BROCK. We can take that and multiply that sort of situation across the entire range of contractors, homebuilders, developers, realtors, in every State in the Union. They were disadvantaged, not by their own action, not by incompetence, by poor management, by lack of capital, by any of the normal problems which afflict and beset some businesses. They were caught in a trap which was made by their own Government. That is why, when this amendment became known in the public sector, the home builders endorsed it very specifically. The contractors have endorsed it.

We have talked to people in the Department of Housing and Urban Affairs and there is a question—which I have been unable to resolve, quite honestly—as to whether or not they can, under existing law, renegotiate contracts where there is no fault on the part of the developer or the builder. If they do not know, then maybe we had better tell them that it is not the purpose of this Government to destroy or eliminate the opportunity for the operation of small business in this country.

That is, in essence, what the amendment is all about. It is specifically intended to provide relief to small business concerns doing business with HUD during the period of August 15, 1971, through April 30, 1974, in specific programs; namely, the 236 rental program and the public housing program. The amendment would permit HUD to make an appropriate judgment on the amount of 236 mortgage entrance commitments for a small business to reflect unexpected increases in construction costs arising from the rampant, double digit inflation caused by shortages of energy, petroleum products, or other products or components adversely affected by the removal of price controls.

The amendment would also permit HUD to amend its annual contribution contract, ACC, with local public housing authorities to cover unexpected increases in construction costs in connection with public housing projects being built by small business concerns under the U.S. Housing Act of 1973, for the same kinds of unanticipated cost increases experienced with the 236 program.

I understand that HUD questions—at least, they advise me that they do—whether it has this authority to increase the mortgage insurance commitment, or ACC contract, to cover these costs due to cost increases which came from inflation, work stoppages, processing delays, or other factors over which the builder has no control whatsoever, and once a firm commitment has been issued, the contractor's sales have been entered into.

Thus, the amendment would give HUD the discretion to deal with the problem of unexpected escalation of construction costs by empowering the contractor to seek from the developer and lender to amend the project mortgage commitment in ACC contracts.

Last, let me comment on one final element with regard to the small business concern itself. I have seen an awful lot of cost overruns in this country that were not acceptable or excusable or justifiable in any sense—some in defense, some in other areas. But during the past 3 years, the construction industry has been severely buffeted by inflation, probably more so than any other single segment of our American enterprise system. Consequently, it was literally impossible for builders and suppliers to foresee, and therefore include in their insurance proposals, the type of cost escalation factor which would have been reasonable in otherwise normal economic times.

In addition, many of the escalated costs are attributable to HUD-initiated processing delays for which the Federal Government bears, in my opinion, the complete responsibility.

In essence, Mr. President, the purpose of the amendment is simply to expand in a very specific and limited fashion the application of the bill that I think is a good bill and a very necessary bill, although a much unduly delayed bill because of the lack of action on the part of the other body. It is to expand the application of this bill to cover what I have referred to as indirect Federal contracts, limited only to the area of 236 housing and, of course, public housing, for which this Government of ours has a total and continuing responsibility—either because of the removal of price controls or because of the delays which came not from any segment of the free enterprise system—none of the purchasers, none of the people who lived in the houses—but from the Federal Government itself. In other words, I support the amendment.

Mr. CHILES. Mr. President, what is the pending unanimous-consent agreement with regard to this bill?

The PRESIDING OFFICER. Under the unanimous-consent agreement, a vote will occur not later than 11:30 a.m.

Mr. CHILES. As I understand, there was also a provision in that agreement that the vote would occur on the Senate bill, S. 1259.

The PRESIDING OFFICER. After the vote on this amendment there will be a third reading, and then we will vote on the bill.

Mr. CHILES. Mr. President, I ask unanimous consent that at the conclusion of the debate we go to third reading, but then we be able to substitute the text of S. 1259, as amended, or substitute the text, when we go to third reading, with or without amendment, for H.R. 5541, and then go to passage of H.R. 5541, with a vote to occur at 11:30.

Mr. BROCK. Well, Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Does that mean the vote on the amendment, the time to vote——

Mr. CHILES. The vote on the amendment would come at 11:30 is what I am seeking, and then we would immediately go to third reading.

Mr. BROCK. Third reading of the bill.

Mr. CHILES. Then we would substitute the text of the Senate bill for the House bill and go to final passage on the House bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHILES. Mr. President, the amendment offered by the distinguished Senator from Tennessee is not without merit. In fact, there are many, many industries and businesses that were hurt as a result of the discontinuance of the wage and price control law.

The bill, as originally submitted by the distinguished Senator from Maine (Mr. HATHAWAY), was a much broader bill and covered many, many more businesses and industries that had suffered injury as a result of the discontinuance of wage and price controls.

At the time we were holding hearings on that bill, the concern became quite evident that there was no way of really knowing what the cost of the bill was going to be, especially because of the broad coverage of the bill.

Finally, the subcommittee, in its hearings and later the full committee, as it passed the bill last year, realized that the only way we could hope to allow any relief for any company would be on the basis of setting some narrow definitions and some narrow limits to whom we were going to try to allow any kind of relief, otherwise there would be no way of estimating what the cost would be, and we knew the bill would ultimately probably have no chance of passage, but even if it passed, it would be vetoed because of the open-ended provisions.

Finally we concerned ourselves with the fact that we would have to limit it to those small businesses that were dealing directly with the Government, and we would also allow the relief to be at the convenience of the Government. So we are not putting in any kind of automatic relief, the reasoning there being that, knowing people are hurt, many people were hurt in private businesses who had contracts, many people were hurt who were dealing with government, all kinds of injustices were worked as a result of the wage and price controls when they first went into effect and then, as a result of contracts and other things that happened when the price controls were taken off, and their effect was discontinued, we knew the only way we could see of really trying to grant relief was to make it at the convenience of the Government, and it would have then any chance of passage because in many instances—and I am sorry we could not pass the bill last year—it could have been in the best interests of the Government for the Government to keep some small business from going out of business and going bankrupt by being able to allow some relief, so that the Government would continue to have the competition of that small business so it would be able to continue doing business and using the competitive factor of that business.

So we said those terminations would have to be for the convenience of the Government, and they had to be with contracts directly relating to the Government and being done directly with the Government.

We had many industries that sought relief under this. We had the Road Builders Association that wanted some relief from the contracts for asphalt with State governments and, in effect, the Federal Government because of the matching fund provision, but primarily with State governments. They had a very good case, as do some of the builders that are set forth in this amendment. There are all kinds of other segments that have good cases. But if we open this up I think we will get nothing because I think the bill will be vetoed. I think there will be no way of showing what the costs are. It is open-ended, and there will be no telling what the costs would be and, specifically, as we deal with Senate bill 1259, it is dealing exclusively with fixed-price contracts where a Federal agency is a direct party.

The amendment by the distinguished Senator from Tennessee would involve the Federal Government in the contracting processes presently limited to private lenders and builders and owners. Right now the Federal Government does not have any direct contractual relationship with the firms involved under the provisions of the amendment.

HUD cannot change the amounts of any mortgage commitments since they are established by law. HUD already has the ability to change any commitment up until the legal limit so, in a sense, they probably have that right and, to that extent, the amendment would not be necessary.

Since the contracts only involve the private sector parties and a public or local housing agency, this amendment cannot change the existing contract terms between the parties.

On any project involving a developer, private lenders and local housing authorities, they set the feasibility costs for construction of the housing, and any increased cost added to the project feasibility could preclude the housing from being constructed, to start with.

Therefore, authorizing the Federal Government to tamper with these contracts would probably well discourage sponsors and lenders from engaging small business contractors because of the uncertain nature of their contracts.

The general counsel of Housing and Urban Development, in a letter to our committee on October 20, 1975, said as follows:

GENERAL COUNSEL OF
HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., Oct. 20, 1975.

Hon. LAWTON M. CHILES,
Chairman, Subcommittee on Federal Spending Practices, Efficiency and Open Government, Committee on Government Operations, U.S. Senate, Washington, D.C.

Attention: Mr. Douglas M. Cutler

Subject: Proposed Amendment to S. 1259, 94th Congress (Brock)

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on a proposed amendment to S. 1259, 94th Congress, a bill "To provide emergency relief for small business concerns in connection with fixed-price Government contracts."

S. 1259 would permit Federal executive agencies to terminate for the convenience of the Government any fixed-price contract between an agency and a small business concern. Such relief could be granted, however, only if the agency made a finding that the concern has experienced or is experiencing significant unanticipated cost increases in the performance of the contract, and that the conditions which have caused or are causing such increases were, or are being experienced generally by other small businesses in the market at the same time. The authority which would be conferred by the bill would terminate on December 31, 1975.

The proposed subject amendment would authorize this Department to make "appropriate adjustments", to reflect unexpected escalations on construction costs, in the amount of a mortgage insurance commitment made in connection with housing constructed by a small business concern pursuant to section 236 of the National Housing Act and in the amount of an annual contributions contract with respect to housing constructed by a small business concern pursuant to the United States Housing Act of 1937. Any such adjustments would be required to be based upon the findings, documentation and certification required for terminating fixed-price contracts under the bill. The Department strongly opposes the proposed subject amendment which would involve a major expansion of the purpose of S. 1259.

As presently written, the bill is directed exclusively toward authorizing relief in cases where one of the parties to the contract is a Federal agency and where the fixed-price nature of the contract itself threatens the existence of the small business concern. This is expressly stated in both the Congressional policy statement in section 2 of the bill and in the Section-by-Section analysis in Senate Report No. 94–378 (94th Congress, 1st Session, September 17, 1975) at page four.

The effect of the amendment would be to interject the Federal Government into contracting processes presently limited to private lenders, builders, and owners. The Federal Government does not currently enter into any direct contractual relationship with the firm or firms constructing the units involved under either section 236 or the United States Housing Act of 1937. Rather, HUD contracts with the mortgagee and project owner in the case of section 236, and with either a public housing agency or an owner of the units involved in the case of the United States Housing Act of 1937. In the typical section 236 situation, a developer and a lender agree upon the amount and terms of a mortgage including the interest charges. The Department of Housing and Urban Development participates only by insuring that the mortgage will be paid. In the typical public housing situation, an LHA or private owner contracts with a builder for the construction of units to be occupied by low-income families. The Department of Housing and Urban Development participates only by contracting with the owner or a local housing agency to contribute a certain amount toward debt service charges or to assist tenants to meet their rental payments.

The proposed amendment cannot change existing contract terms between lenders and developers or owners, or between developers and building contractors. Yet the amendment appears to be directed toward achieving this result.

Changing the amount of mortgage insurance will not induce a lender to renegotiate a mortgage voluntarily. The mortgage amount is based on assumptions as to cost of construction, rents necessary to amortize the mortgage, and the availability of a rental market to pay these rents. An increase in the mortgage amount affects the feasibility of the project and will generally preclude its construction. Unlike the situations covered in the rest of S. 1259, authorizing this Department to adjust the amounts of mortgage insurance commitments or annual contributions contracts will not, therefore, provide assistance to small business construction contractors.

Rather than assisting small business concerns, the effect of authorizing the Federal Government to tamper with these contracts would be to discourage sponsors and lenders from engaging small business contractors because the nature of their contracts would be uncertain.

For the above reasons, the Department strongly objects to the proposed amendment.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

/S/ ROBERT R. ELLIOTT.

So, Mr. President, I have to seek the defeat of the amendment of the distinguished Senator from Tennessee not on the basis that people, small builders, have not been hurt, because they have, but because they have not only been hurt in regard to these programs, they have been hurt in many instances in their private contracts.

The purpose of the bill, as I set forth to start with, while it started out being broader in scope as a result of the concerns of the distinguished Senator from Maine (Mr. HATHAWAY) of what had happened to some small business concerns, it was the feeling of the committee, after our hearings, that the only way we could hope to offer any kind of relief would be if we narrowed that relief and said it would be to those small business concerns dealing with the Government, and that it would have to be at the convenience of the Government for the Government to terminate the contract, thereby setting up the proposition it would be in instances where there could be reason for the passage of this even though there could be some cost, because it would work in the best interests of the Government to keep competition in effect and to keep some small businesses that could be good suppliers to the Government in business by allowing them some kind of relief or terminating some of these fixed-price contracts that might go on for a period of time, so that the contracts could then be renegotiated.

Now, as we have said earlier, the main thrust of this bill after the wage and price controls went out, probably could have been of some great relief to concerns had we passed it last year, but even though the Senate did pass it, action was not taken by the House, so I am not sure how many businesses were hindered under this, they probably have all gone out of business if they were so hard up.

So I am not sure how much it is now to the convenience of the Government to pass this act, but because we did pass it last year I would like to see the act passed again. But if the amendment were accepted and if we broadened the act to cover these other losses, even though I have every sympathy with the builder, I am afraid that the act would then sink, that we would not be able to have it passed into law, and I am also afraid of what the ultimate cost would be because right now we have no kind of estimates, we do not have any idea of what the ultimate liability would be.

When we are working in the area we are now in of trying to set some kind of controls on spending and some kind of fiscal responsibility for the Federal Government, I would have great concern that we would pass something with an open-ended provision that we would not be able to estimate the cost.

For those reasons, I must object to the amendment and must seek the defeat of the amendment.

Mr. BROCK. Mr. President, I have such an enormous respect for the Senator from Florida, the leadership in this matter, that I hope he will find it possible to support the bill when it is amended with my amendment, because as he knows there are a number of other steps that can be taken in the legislative process if there are further modifications necessary, and I hope, if we are successful in passing the amendment, that we can still count on his support for a humanitarian bill.

I would like to just point out a couple of things, just to be very sure we understand what we are talking about.

We are not talking about bailing out an affluent concern that happened to make a bad business judgment during the wage and price controls and lost $50,000 or $100,000 when they have $100 million worth of sales.

My amendment does not even begin to cover something like that.

Let me read what has to happen before we can even talk about helping a small business, and this is the committee report, page 4:

> Mere loss of profits or loss incurred on a particular contract are not by themselves sufficient grounds for termination, but should be assessed in the context—

and this is important—

> should be assessed in the context of the small business concern's ability to recover from such losses.

That is what we are talking about. We are saying that if company, for whatever reason, its own mistake or the elimination of wage and price controls or an extension of HUD, delay and delay and delay, if that circumstance, whatever it is, is not going to put that concern into bankruptcy, too bad, we are sorry, but we cannot give them more profits than they would have otherwise made.

The one instance where we are trying to help is when that firm cannot survive otherwise and its failure will be caused by no act of its own, but by the action of its own Government.

Now, that is the only problem we are trying to resolve and I, for the life of me, cannot call that an open-ended commitment to provide some sort of a support program for builders generally across the United States.

There are not many that are going to be in this category. The Senator from Florida is, I believe, correct. I think excusable delay in the other body in not passing any bill last year has just about eliminated the problem, most of these people are bankrupt and employed somewhere else because they could not survive under the economic pressures imposed by their own Government.

But for those who may be very close and are in a position now where they are going to either go bankrupt or not, depending on whether or not this amendment passes, we ought to accept. If there is only one, we ought to accept—there are more than that—but whatever the number is, if we have created a circumstance in which a small business cannot survive by action of its government and through no fault of its own, then I think we have a responsibility to try to help, and that is all we are saying.

I will grant that as to the Housing Authority, we cannot call this a direct Federal contract. The Senator is correct. But they are the agents of this Government.

The reason we set up local housing authority was to try to maximize local involvement in providing housing for the people of this country. We set them up under the jurisdiction of the local government so that we could have maximum local concern, so that we could have maximum local commitment, maximum local control, but they are the agents of the Federal Government.

When we provide this mortgage insurance it is Federal insurance. When we provide them with a guaranteed interest rate it is a Federal guarantee. When we provide them with payment of a rent supplement it is a Federal payment of a rent supplement, and that contract is based upon the Federal commitment.

We simply cannot say that we, as a Government, are not directly involved in whether or not that business lives or dies.

I know the Senator from Florida would like to help any business, builder, contractor, or anybody else, that has been disadvantaged by Government action. I know him too well not to know that and I know his concern with the amendment is that it would either delay or forestall passage of the basic bill itself, and that I can understand.

It is just a difference in judgment on his part and mine as to whether or not that will be, in fact, the case.

I do not think the acceptance of this very limited amendment will delay passage of the bill. I think it might enhance it. I think for once the House of Representatives, the other body, might be encouraged to do what they should have done a year ago because there will be more people interested in seeing that they do something.

But that is a judgment we have got to individually make.

I do not think one can argue against the merit of the case. I do not think one can argue against the merit when the bill is limited to help only those who cannot survive without help. I do not think one can argue against the merits of that particular case.

I do not think the Senator from Florida has a valid argument in saying that it is possible this amendment could forestall passage of the fundamentally decent bill.

I disagree with that. That is a judgment the Senate has to make. But I hope the Senate will act on that issue, and not on the question of whether or not the basic thrust of the amendment is deserving, because I do not think there is any question in that regard, and I do believe that passage of the amendment will demonstrate that this Government does not intend to do what it has done to the people of this country in recent years, by its own actions placing them in a position where they simply cannot survive.

So I would hope that the amendment will be supported. Let me say in conclusion to our colleague from Florida that whether or not this amendment is adopted, I fully intend to support the basic legislation, and I hope he will do the same.

I thank the Senator for his courtesy.

Mr. CHILES. Mr. President, I think we have really covered the arguments in the debate. In concluding, I would say that the thrust of this bill as it came through the hearings we had last year was that we could not cover all of those parties who were injured, even all of those small businesses that were injured by the imposition of wage and price controls and then the abrupt discontinuance of wage and price controls. So we elected not to try to cover everyone, concluding that we could not cover contractors selling asphalt to the States, we could not cover contractors who had water and sewer contracts on which they were contracting with State and local governments, and we could not cover certain contractors in private business; so we decided that the only way we could grant any relief was if we could make the rationale of the relief that it would be in the best interest of the Government to terminate the contract.

We looked, and we heard from the Government in many instances where they were buying some item from a contractor, and they would say, "We know this contractor is going to be forced out of business and is not going to be able to supply these items. He has been a good contractor for the Government; he affords us competition, and we have been satisfied with his work. We think it would be to our benefit to be able to terminate this contract wherein we have him hooked because of a contract he made when wage and price controls were in effect; they are no longer in effect, and suddenly essential items over the cost of which he has no control are going through the ceiling and threatening to put him out of business."

We would like to be able to select contractors of benefit to the Government, and be able to support them on that basis.

That was the basis on which we passed the act last year. Certainly these people are injured through no fault of their own; but this amendment would change the entire concept of the bill. I do not think it would be fair to adopt this amendment to take care of the asphalt people and not take care of some of the others who have exactly the same kind of proposition, who are injured just as much, and are out there by the hundreds—or were; I do not know whether any of them are out there now.

As I say, I think the amendment does change the whole concept of the bill, and the rationale on which we voted for the bill. We felt we could pass it, that it would not be a raid on the Treasury, and that we would be doing something that would afford some relief, and at the same time work for the convenience of the Government. Because the amendment changes that theory and that rationale, I have the feeling that if the amendment is adopted we are really talking about a different bill. That is why I would have great problems in supporting the bill if the amendment were adopted, because I think we would be helping one segment who are not dealing directly with the Government, but not helping others, and also because of the fiscal problems involved, and how much it would cost. I think we might make this a bad bill.

Mr. TAFT. Mr. President, I reluctantly support this measure.

I would like to make the observation that this bill might not have become necessary, had we not instituted a system of wage and price controls.

These controls first hid the economy's underlying inflationary forces, and encouraged a false belief that prices were not going to seek their natural level. Then, when we returned to the real world, and allowed prices to reflect the monetary and fiscal actions of the period of controls, which were real actions even though suppressed from view, we found thousands of businesses and consumers caught in a trap.

I hope we have learned a lesson. If we allow ourselves to be swept into the Land of Oz by a political tornado, we had best remember to expect a hard landing in Kansas when we click together the heels of our ruby slippers.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Glenn). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon) is necessarily absent.

I also announce that the Senator from Michigan (Mr. Hart), and the Senator from Mississippi (Mr. Stennis) are absent because of illness.

The result was announced—yeas 44, nays 53, as follows:

[Rollcall Vote No. 461 Leg.]

YEAS—44

Allen
Baker
Bartlett
Bayh
Beall
Bentsen
Biden
Brock
Bumpers
Byrd, Robert C.
Case
Curtis
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hartke
Hatfield
Helms
Hruska
Humphrey
Inouye
Javits
Laxalt
Mathias
Mondale
Montoya
Morgan
Nelson
Packwood
Pearson
Roth
Schweiker
Sparkman
Stafford
Stevens
Stone
Taft
Thurmond
Williams
Young

NAYS—53

Abourezk
Bellmon
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Glenn
Gravel
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Moss
Muskie
Nunn
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott, Hugh
Scott, William L.
Stevenson
Symington
Talmadge
Tower
Tunney
Weicker

NOT VOTING—3

Cannon
Hart, Philip A.
Stennis

So Mr. Brock's amendment (No. 1017), as modified, was rejected.

Mr. HATHAWAY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, for the past 2 years, many small businesses have faced a crucial economic situation as the result of their continuing to perform on fixed-price contracts made with the Federal Government.

The bill the Senate is considering today, S. 1259, provides a mechanism to provide much needed relief for small businesses facing serious financial loss as a result of these negotiated agreements.

The bill is not intended to serve as a "bailout" to small businesses, it merely prevents a firm from increasing its losses if further performance on the contract may lead to bankruptcy.

S. 1259 affects fixed-price contracts awarded during the period of price controls from mid-1971 until early 1974. When these controls were lifted, the whole Nation encountered the energy crisis that resulted in spiraling inflation costs due to material shortages and the energy crisis.

Small business firms with fixed-price commitments were especially hard hit. These concerns have had the sympathy of the Federal agencies, but these agencies lacked legislative authority to provide any form of relief. This bill, the Small Business Emergency Relief Act, would grant these agencies the scope to terminate for the convenience of the Government any fixed-price contract made during the price control period.

I believe these small business concerns have waited long enough, sometimes with disastrous consequences, for relief to come their way. Hopefully, the Senate will act today to provide the relief as envisioned in S. 1259, before these firms are unable to continue as viable organizations.

The PRESIDING OFFICER (Mr. Glenn). Under the previous order, the Senate will now proceed to the third reading of the bill. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 5541, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5541) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts.

Mr. CHILES. Mr. President, I ask unanimous consent to substitute——

The PRESIDING OFFICER. The Senate please be in order so we may hear the unanimous-consent request of the Senator from Florida. Will Senators please take their seats and refrain from talking so that we can proceed.

Mr. CHILES. Mr. President, I ask unanimous consent to substitute the text of S. 1259, as amended——

The PRESIDING OFFICER. Will the Senate please be in order so we may hear the Senator from Florida. The Chair is even having difficulty hearing the Senator from Florida. May we have order in the Senate. Will Senators please take their seats and the Senate will be in order. We will not proceed until that occurs.

The Senator from Florida is recognized. Will he please repeat his unanimous-consent request.

Mr. CHILES. Mr. President, I ask unanimous consent to strike all after the enacting clause of H.R. 5541 and to substitute the text of S. 1259, as amended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), and the Senator from Wisconsin (Mr. Nelson) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Hart), and the Senator from Mississippi (Mr. Stennis) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from Maryland (Mr. Beall), the Senator from Nebraska (Mr. Curtis), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

The result was announced—yeas 82, nays 10, as follows:

[Rollcall Vote No. 462 Leg.]

YEAS—82

Abourezk
Baker
Bayh
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—10

Allen
Bellmon
Byrd, Harry F., Jr.
Eastland
Fannin
Goldwater
Helms
McClure
Roth
Scott, William L.

NOT VOTING—8

Bartlett
Beall
Cannon
Curtis
Hart, Philip A.
Mathias
Nelson
Stennis

The bill (H.R. 5541), as amended, was passed, as follows:

H.R. 5541

Resolved, That the bill from the House of Representatives (H.R. 5541) entitled "An Act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts", do pass with the following amendment: Strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Emergency Relief Act".

POLICY

SEC. 2. It is the policy of Congress to provide relief to small business concerns which have fixed-price Government contracts in cases where such concerns suffer serious financial loss because of significant and unavoidable difficulties during performance because of the energy crisis or rapid and unexpected escalations of contract costs.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "executive agency" means an executive department, a military department, and an independent establishment within the meaning of sections 101, 102, and 104(1), respectively, of title 5, United States Code, and also a wholly owned Government corporation within the meaning of section 101 of the Government Corporation Control Act; and

(2) the term "small business concern" means any concern which falls under the size limitations of the Small Business Administrator's "Definitions of Small Business for Government Procurement" or the Small Business Administrator's "Definitions of Small Business for SBA Loans.".

AUTHORITY

SEC. 4. (a) Pursuant to an application by a small business concern, the head of any executive agency may terminate for the convenience of the Government any fixed-price contract between that agency and such small business concern, upon a finding that—

(1) during the performance of the contract, the concern has experienced or is experiencing significant unanticipated cost increases directly affecting the cost of contract compliance which have suffered or can be expected to suffer serious financial loss; and

(2) the conditions which have caused or are causing such cost increases were, or are being, experienced generally by other small business concerns in the market at the same time and are not caused by negligence, underbidding, or other special management factors peculiar to that small business concern.

(b) A small business concern requesting relief under subsection (a) shall support that request with the following documentation and certification:

(1) a brief description of the contract, indicating the date of execution and of any amendment thereto, the items being procured, the price and delivery schedule, and any revision thereof, and any other special contractual provision as may be relevant to the request;

(2) a history of performance indicating when work under the contract or commitment was begun, the progress made as of the date of the application, an exact statement of the contractor's remaining obligations, and the contractor's expectations regarding completion thereof;

(3) a statement of the factors which have caused the loss under the contract;

(4) a statement as to the course of events anticipated if the request is denied;

(5) a statement of payments received, payments due, and payments yet to be received or to become due, including advance and progress payments, and amounts withheld by the Government, and information as to other obligations of the Government, if any, which are yet to be performed under the contract;

(6) a statement and evidence of the contractor's original breakdown of estimated costs, including contingency allowances and profit;

(7) a statement and evidence of the contractor's present estimate of total costs under the contract if enabled to complete, broken down between costs accrued to date of request, and runout costs, and as between costs for which the contractor has made payment and those for which he is indebted at the time of the request;

(8) a statement and evidence of the contractor's estimate of the final price of the contract, giving effect to all escalation, changes, extras, and other comparable factors known or contemplated by the contractor;

(9) a statement of any claims known or contemplated by the contractor against the Government involving the contract in question, other than those referred to under (8) above;

(10) an estimate of the contractor's total profit or loss under the contract if required to complete at the original contract price;

(11) an estimate of the total profits from other Government business, and all other sources, during the period from the date of the first contract involved to the latest estimated date of completion of any other contracts involved;

(12) balance sheets, certified by a certified public accountant, as of the end of the contractor's fiscal year first preceding the date of the first contract, as of the end of each subsequent fiscal year, and as of the date of the request together with income statements for annual periods subsequent to the date of the first balance sheet; and

(13) a list of all salaries, bonuses, and all other forms of compensation of the principal officers or partners and of all dividends and other withdrawals, and all payments to stockholders in any form since the date of the the request together with income statements for annual periods subsequent to the date of the first balance sheet; and

DELEGATION

SEC. 5. The head of each executive agency shall delegate authority conferred by this Act, to the extent practicable, to an appropriate level that will permit the expeditious processing of applications under this Act and to insure the uniformity of its application.

LIMITATIONS

SEC. 6. (a) The authority prescribed in section 4(a) shall apply only to contracts enter into during the period from August 15, 1971, through April 30, 1974.

(b) The authority conferred by this Act shall terminate December 31, 1975.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. FORD) appointed Mr. CHILES, Mr. METCALF, Mr. NUNN, Mr. GLENN, Mr. WEICKER, Mr. ROTH, and Mr. BROCK conferees on the part of the Senate.

Mr. CHILES I ask unanimous consent that S. 1259 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL SERVICE RETIREMENT OF NATIONAL GUARD TECHNICIANS

Mr. BURDICK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 584.

The PRESIDING OFFICER (Mr. FORD) laid before the Senate the amendment of the House of Representatives to the bill (S. 584) to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes, as follows:

Strike out all after the enacting clause and insert: That (a) section 8334(c) of title 5, United States Code, relating to deposits for periods of creditable service for civil service retirement purposes, is amended by striking out the last sentence.

(b) Section 8339 of title 5, United States Code, relating to computation of civil service retirement annuities, is amended by striking out subsection (m) and redesignating subsection (n) as (m).

(c) Section 8345 of title 5, United States Code, relating to payment of civil service retirement annuities, is amended by adding at the end thereof the following:

"(g) The Commission shall prescribe regulations to provide that the amount of any monthly annuity payable under this section accruing for any month and which is computed with regard to service that includes any service referred to in section 8332 (b)(6) performed by an individual prior to January 1, 1969, shall be reduced by the portion of any benefits under any State retirement system to which such individual is entitled (or on proper application would be entitled) for such month which is attributable to such service performed by such individual before such date."

SEC. 2. (a) Section 8334(g)(5) of title 5, United States Code, is amended by striking out "8339(n)" and inserting "8339(m)" in place thereof.

(b) Section 8340(c)(1) of title 5, United States Code, is amended by striking out "8339 (n)" and inserting "8339(m)" in place thereof.

SEC. 3. The amendments made by the first section of this Act shall become effective as of January 1, 1969, except that such amendments shall not apply to a person who, on the date of enactment of this Act, is receiving or is entitled to receive benefits under any retirement system established by the United States or any instrumentality thereof, unless such person requests, in writing, the office which administers his retirement system to apply such amendments to him. Any additional benefits payable pursuant to such a written request shall commence on the first day of the month following the date of the enactment of this Act.

Mr. BURDICK. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota.

Mr. GRIFFIN. Mr. President, when this matter was brought up informally last week, I asked that it be held over so that members of the committee on the Republican side would have the opportunity to be familiar with the action to be taken.

I can now say that the motion of the Senator from North Dakota does have the approval of the ranking Republican member of the committee, the Senator from Hawaii (Mr. FONG), and I have no objection.

The motion was agreed to.

ORDER TO HOLD TODAY'S RECORD OPEN UNTIL 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until the hour of 4 p.m. today to introduce bills, resolutions, and statements into the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON MONDAY, DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, AND ORDER TO PROCEED TO THE CONSIDERATION OF H.R. 9005 AT THE CONCLUSION THEREOF

Mr. ROBERT C. BYRD. I ask unanimous consent that on Monday after the two leaders or their designees have been recognized under the standing order, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes each, at the conclusion of which the Senate proceed to the consideration of H.R. 9005, the Foreign Assistance Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM MONDAY UNTIL 10 A.M. ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, has an order been entered as yet for the hour of convening of the Senate on Tuesday?

The PRESIDING OFFICER. The Chair is advised that no order has been entered.

Mr. ROBERT C. BYRD. I thank the Chair. I ask unanimous consent that when the Senate completes its business on Monday next, it stand in adjournment until the hour of 10 a.m. on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the various special orders previously entered have been completed on Tuesday next, there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS FOR TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I believe an order has been entered that on Tuesday, at the conclusion of routine morning business, the Senate will proceed to the consideration of Senate Resolution 9. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Montana (Mr. Mansfield) be recognized on Monday following the recognition of the Senator from Virginia (Mr. Harry F. Byrd, Jr.).

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene next on Monday, at 12 noon. After the two leaders or their designees have been recognized on Monday under the standing order, Mr. Harry F. Byrd, Jr., will be recognized for not to exceed 15 minutes, after which Mr. Mansfield will be recognized for not to exceed 15 minutes.

Thereafter, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 3 minutes each, at the conclusion of which the Senate will take up H.R. 9005, an act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes. Rollcall votes will likely occur on that measure and on amendments and/or motions in relation thereto. Conference reports may be called up at any time, and rollcall votes may occur thereon. Other measures that have been cleared for action by Monday next may also be taken up and acted upon.

On Tuesday, the Senate will come in at the hour of 10 a.m., and there are a number of special orders as follows: Senators Percy, Javits, Pell, and Stevenson will be recognized each for not to exceed 15 minutes and in that order. They will address the Senate on the topic of China.

After those orders have been completed, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 3 minutes each, at the conclusion of which the Senate will take up Senate Resolution 9, a resolution amending the rules of the Senate relating to open committee meetings. There is a time limitation on that measure. Rollcall votes will occur on amendments thereto and on passage thereof.

Upon the disposition of Senate Resolution 9, the Senate will take up S. 5, a bill to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes. Rollcall votes will likely occur thereon possibly on amendments thereto.

On Wednesday it is the present intention of the leadership to take up the situs picketing measures, and there are four of them on the calendar, two Senate measures and two House companion measures. I refer specifically to S. 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; and the House counterpart of that measure is H.R. 5900, an act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Then there is S. 2305, a bill to establish a national framework for collective bargaining in the construction industry, and for other related purposes; and the House companion measure to that one is H.R. 9500, an act to stabilize labor-management relations in the construction industry, and for other purposes. So it is the present intention of the leadership to move into the situs-picketing legislation beginning next Wednesday.

Mr. GRIFFIN. Mr. President, will the Senator yield for one inquiry in that regard?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. The Senator suggested, I believe, or left the impression that the construction situs bill would be brought up before the collective-bargaining bill. There are two bills, as we know, that have been reported out of the committee. Is it expected that that would be the order?

Mr. ROBERT C. BYRD. I am not sure.

Mr. GRIFFIN. I see.

Mr. ROBERT C. BYRD. I think the chairman of the committee (Mr. Williams) would have to make a decision in that regard. I merely wish to alert the Senate to the fact that there are four measures on the calendar, two Senate measures and two companion House measures which will be up for consideration by next week.

Mr. GRIFFIN. The Senator from South Carolina has a question. I will let him ask it.

Mr. THURMOND. I am wondering if the majority leader or assistant majority leader could tell us when S. 287, a bill to provide for the appointment of additional district court judges and other purposes, will be taken up.

This bill had been held over in the committee last year, and this year it has been put off and put off. I am wondering why the delay. The Committee on the Judiciary has acted. The bill is on the calendar, and it does not seem to be given consideration. I wonder if we can get an answer to that.

Mr. ROBERT C. BYRD. Efforts are being made to work out an agreement on that measure. It will come up in due time, but I would say not in the immediate future, not next week.

Mr. THURMOND. I thank the assistant majority leader.

Mr. ROBERT C. BYRD. I say I share the interest of the distinguished Senator from South Carolina in that measure.

Mr. President, that is about as far as I can see into the next week of activity. It can be safely said, however, that there will certainly be rollcall votes on Monday and Tuesday, and what happens once Wednesday comes remains to be seen.

Mr. GRIFFIN. Another item which I am sure Senators will be interested in would be the legislation which I understand was reported out of the Committee on Banking and Currency this morning, relating to New York's financial crisis. It is not on the calendar yet. I do not know if the leadership has any guidance about when we might take that up if we take it up.

Mr. ROBERT C. BYRD. The majority leader and I cannot say precisely when that will be taken up. It will be taken up at some time and, of course, there are a couple of other measures, such as the defense appropriations and military construction appropriations measures, both of which will entail some little bit of debate and possible fireworks. They will be coming along as soon as it is convenient to schedule them.

Mr. GRIFFIN. I thank the majority leader and majority whip in giving us as much information as he can under the circumstances.

Mr. ROBERT C. BYRD. The majority leader and I are very grateful to the distinguished Republican whip for his questions, as always.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. WILLIAM L. SCOTT. I do have a concern about S. 287, as to which the Senator from South Carolina made inquiry. I notice the suggestion of the majority leader that we would adjourn around the 12th of December. So we are thinking about only 5 weeks or so before adjournment. Could the Senator tell me whether or not it is contemplated that this measure, the omnibus district judgeship bill, will be considered by the Senate before adjournment?

Mr. ROBERT C. BYRD. If agreement can be worked out to facilitate action on the measure once it is on the Senate floor, I think the Senator could be assured of action by that date.

Mr. WILLIAM L. SCOTT. Many Senators are concerned. Certainly it affects a great number of States. I heard the distinguished majority whip say that he personally was interested as I am, and I hope that we will consider it at an early date. I thank the Senator.

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be a joint session of the House and Senate in the Hall of the House of Representatives on next Wednesday, November 5. The Senate will leave this Chamber in a body at the hour of 12:15, for the purpose of going to the Hall of the House of Representatives, and the distinguished President of the Arab Republic of Egypt, Anwar Sadat, will address the joint session at 12:30 p.m. on that date.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL MONDAY, NOVEMBER 3, 1975

Mr. MANSFIELD. Mr. President, I move that the Senate now stand in adjournment in accordance with the order previously entered.

The motion was agreed to; and at 12:31 p.m. the Senate adjourned until Monday, November 3, 1975, at 12 meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 30, 1975:

IN THE DIPLOMATIC AND FOREIGN SERVICE

Diplomatic and Foreign Service nominations beginning Goodwin Shapiro to be a Consular Officer of the United States of America, and ending Joanne Ling Moot, to be a Consular Officer of the United States of America, which nominations were received by the Senate and appeared in the Congressional Record on October 20, 1975.

HOUSE OF REPRESENTATIVES—*Thursday, October 30, 1975*

The House met at 12 o'clock noon.

Rev. Grace Free, Unity Church, Hammond, Ind., offered the following prayer:

*What is man, that Thou art mindful of him? * * * For Thou hast made him a little lower than the angels, and hast crowned him with glory and honour."*—Psalms 8: 4, 5.

Infinite God, source of all life and love, bless the Members of this Congress with courage.

Today is the only day that counts. Yesterday is a dream; tomorrow, a vision. Help us to be, not rutmakers, but risktakers. Make us instruments of your courage, guidance, and love. Motivate us to positive action to attain goals for the improvement, safety, and progress of our Nation.

Inspire us to strengthen the faith of the youth and people of all ages, races, and creeds throughout our land.

Today, let our commitment be to utilize the genius of our American people, so that their purpose for living is fulfilled to benefit our Nation, and the world. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

THE REVEREND GRACE G. FREE

(Mr. MADDEN asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. MADDEN. Mr. Speaker, this morning our Acting Chaplain in the House of Representatives is the Reverend Grace G. Free, of Hammond, Ind. Reverend Free is the minister and also founder of the Unity Church of Christ in that city with a number of parishioners attending from areas throughout the Calumet region.

Reverend Free is one of the few lady ministers who has opened our congressional session with a prayer in this century. She had this distinguished honor on April 27, 1972, and by reason of her remarkable personality several of my colleagues commented on the outstanding impression she made in delivering her prayer message on that occasion.

Before leaving her pulpit to present our morning prayer, Reverend Free and her church members witnessed the burning of their church mortgage.

Our Chaplain, Reverend Latch has informed me that over the years, he can only recall one other woman who acted as Chaplain and that was many years ago.

Reverend Free, before her ordination at Unity School of Christianity, Kansas City, Mo., in 1953, was a licensed teacher at the school for 5 years. She is also a devoted student of history of the United States and her ancestry on her mother's side dates back to George Washington's time. One of her great-great-great-grandfathers was William Carr who fought in the battle of Trenton, in General Washington's handpicked army of 2,400 men. Reverend Free's father was a World War I veteran, having served as an ensign in the U.S. Navy in special intelligence. Her brother died in World War II in the Philippines, and was awarded the Silver Star, the Victory Medal, and other honors for bravery in action.

She studied at Rockhurst College and at Kansas University in Kansas City, Mo., as well as at George Washington University. She also specialized in secretarial work, and was at one time an expert in that field.

Reverend Free served as teacher at Unity School, assistant registrar and was also active in the silent unity prayer ministry. She is proud that her ministry in Hammond has been a challenge of faith—and a most rewarding work.

Reverend Free does not confine her own activities just to her own pulpit. She is active in community and national affairs and has a deep commitment to working with the mentally ill and alcoholics, as well as presenting seminars for human development.

She also participates in television

shows and has appeared with "Our Flag Lady" of Indiana and with other patriots for the National Council for the Encouragement of Patriotism. She was chosen in 1970 to take part in "Operation Understanding," which included a tour to various U.S. Army and U.S. Air Force bases, along with several other ladies who are active in community and patriotic affairs. Their tour included White Sands, N. Mex., the U.S. Air Force Academy, and other vital centers of U.S. Armed Forces activities.

In addition to founding Unity Church of Hammond, Reverend Free is:

President of Great Lakes Unity Ministers Regional Conference;

Chaplain of the Hammond Woman's Club;

Member, board of directors, National Council for Encouragement of Patriotism, Munster, Ind.;

Took part in the dedication of the Highway of Flags Servicemen's Memorial last Memorial Day in Highland, Ind.;

Chaplain of the Hammond Memorial Day Parade and on its executive committee;

A member of the Cerebral Palsy Board of northwest Indiana;

A member of the community hospital auxiliary;

A member of the League of Women Voters;

A life member of INTA, an organization of new thought ministers now recognized by our U.S. State Department;

Active in prayer clinic work of INTA in various cities of the United States;

A member of International Platform Association;

Active in various American Legion, VFW and other organizations; and

A sponsor of the Girl Scouts.

Reverend Free has her own radio program on station WJOB each Sunday morning at 9 a.m. She refers to her pastorate, Unity Church, the "biggest little church in Indiana, and the U.S.A."

CIVILIAN PRISONERS RETURNED FROM VIETNAM

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MONTGOMERY. Mr. Speaker, the House Select Committee on Missing Persons informed the House on October 20 that the Governments of North and South Vietnam announced that American civilians and other foreigners who were in the Ban Me Thout area of South Vietnam when they were taken into custody on March 12, 1975, would be released.

These nine Americans were released in Bangkok, Thailand, this morning, American time, after being flown from Hanoi to Bangkok.

Mr. Speaker, we hope that the other 50 American civilians who are in the Saigon area will also be permitted to leave, if they so desire, in the near future.

Mr. Speaker, I am told that these nine Americans are in relatively good health and good spirits.

I might say that the committee hopes that this will be a door opener in getting an update report on the Americans missing in action and that we can work toward the repatriation of American remains that are still in Southeast Asia. We commend all those connected with this humanitarian move.

Mr. Speaker, I am enclosing the names of these Americans released and the States they are from:

AMERICAN RETURNEES FROM SOUTHEAST ASIA

Wycliffe Bible Translators: Mr. and Mrs. John Miller, Houghton, N.Y., Luanne Miller (daughter).

Christian and Missionary Alliance: James F. Lewis, Chicago, Ill.; Betty Mitchell, Case Lake, Minn.; Mr. and Mrs. Richard Phillips, Albany, Oregon.

Ford Foundation: Jay Scarborough, Camp Hill, Pennsylvania.

U.S. AID: Paul Struharik.

UNCALLED FOR REMARKS CONCERNING SOAP OPERAS

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, I rise in defense of the Congress as an institution and of its Members, the vast majority of whom I think were maligned by a Member of this Congress who made a statement to the effect that the Members of this Congress, instead of paying attention to their work on the floor—and I notice he is absent, as usual—that we sit back in the cloak room watching soap operas.

I do not believe that any Member of Congress really watches soap operas. I have never watched one, and I do not want to be painted by the same broad brush, as an individual, as the Congress was painted with by this Member. I want it clearly understood that I have nothing personal in the matter, but I know that if we look around, the percentage of Members who have been here the greatest number of years comprise the greater percentage of those who attend and stay on the floor the longest periods of time.

Mr. Speaker, I am sick and tired of having Members, new or old, malign the institution of the Congress. I think it is the only bulwark between freedom or political and economic slavery for our people. I want to say to this young man that if he knows what a soap opera is, he is smarter than I am: He must have seen a few somewhere. Certainly, we have a television set back in the back room, the cloak room, which only holds about 1/20th of the Members of this Congress, but in the eyes of the public it is a vast auditorium in which all the Members are sitting there with their feet up gawking at some soap opera. The television set is used mostly during the news broadcasting. Some Members realize that news in Washington is constant.

Mr. Speaker, if I had the power and the will and the right, I would use soap for what it was used for at times for small children who said things that were out of order.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the chairman of the Committee on Agriculture, which was read and referred to the Committee on Appropriations.

WASHINGTON, D.C.,
October 29, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on October 29, 1975, considered and unanimously approved the following work plans for watershed projects, which were referred to the Committee by Executive Communication 1532:

Bayou Plaquamine Brule, Louisiana
East Franklin, Louisiana
Flat Rock Creek, Arkansas
Kinder, Louisiana
Kickapoo Creek, Texas
Norman-Polk, Minnesota
Stoney Creek, North Carolina
Upper Brushy Creek, Alabama

Attached are Committee resolutions with respect to these projects.

With best regards,

Sincerely,

THOMAS S. FOLEY,
Chairman.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 648]

Abzug
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
AuCoin
Barrett
Breaux
Brown, Mich.
Brown, Ohio
Burke, Fla.
Casey
Chisholm
Clausen, Don H.
Cleveland
Conyers
Crane
Esch
Fary
Foley
Ford, Mich.
Fraser
Gibbons
Guyer
Hébert
Heckler, Mass.
Hinshaw
Horton
Howard
Jarman
Kemp
LaFalce
Lujan
McHugh
McKinney
Macdonald
Martin
Matsunaga
Mink
Mitchell, Md.
Moss
Murphy, N.Y.
Rees
Rhodes
Risenhoover
Rooney
Satterfield
Scheuer
Sisk
Solarz
Stephens
Teague
Udall

The SPEAKER. On this rollcall 379 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1975

Mr. HANLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8603, with Mr. FLOWERS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Monday, September 29, 1975, the committee amendment in the nature of a substitute, printed in the bill as an original bill for the purpose of amendment, had been, by unanimous consent, considered as read, printed in the RECORD, and open to amendment at any point.

Are there further amendments to the committee amendment in the nature of a substitute?

AMENDMENT OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANLEY: Strike out section 2, as amended, in its entirety, and insert in lieu thereof the following:

SEC. 2. (a) Section 2401 (b) (1) (G) of title 39, United States Code, is amended to read as follows:

"(G) for each fiscal year after fiscal year 1984, an amount equal to 5 percent of such sum for fiscal year 1971, except that the Postal Service may reduce the percentage figure, including a reduction to 0, if the Postal Service finds that the amounts are no longer required to operate the Postal Service in accordance with the policies of this title.

(b) Paragraph 2 of subsection (b) of section 2401 of title 39, United States Code, is amended to read as follows:

"(2) (A) As further reimbursement to the Postal Service for public service costs incurred by it, there is authorized to be appropriated to the Postal Service for the period commencing on July 1, 1975, and ending on September 30, 1976, an amount not to exceed $1.5 billion.

"(B) Beginning with the fiscal year ending September 30, 1977, there are authorized to be appropriated to the Postal Service, as further reimbursement for public service costs incurred by it, subject to annual authorizations by law, such additional amounts as may be determined to be necessary for an efficient, service-oriented Postal Service."

(c) Section 2401(b) of title 39, United States Code, is amended by adding the following paragraphs:

"(4) (A) Except as provided in subparagraph (B) of this section, the Postal Service shall provide door delivery or curbline delivery to all permanent residential addresses (other than apartment building addresses). The Postal Service shall provide door deliver in any case in which the unit of general local government having jurisdiction over the address involved has adopted zoning ordinances in the interest of protecting the public safety which restricts the construction or maintenance of any structure on the property adjacent to the curbline.

"(B) The Postal Service may provide cluster box delivery service for any permanent residential address in any case in which a unit of general local government having jurisdiction over such address specifically approves the provision of such cluster box delivery service.

"(5) Appropriations made under the authority of this subsection shall not be expended or utilized in such a manner as to effect a reduction of more than 10 percent in the applicable postal rates or fees established under chapter 36 of this title for zone-rated mail matter formerly entered under former chapter 67 of this title.

"(6) The Postal Service, in requesting an amount to be appropriated under this subsection, shall present to the appropriate committees of the Congress a comprehensive statement of its compliance with the public service cost policy established under section 101(b) of this title and a comprehensive statement containing a description of the operations of the Postal Service together with any other information which any such committee considers necessary to determine the amount of funds required for the operation of the Postal Service."

(d) The provisions of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of enactment of this Act, shall apply to any temporary rate or fee established by the Postal Service pursuant to its request to the Postal Rate Commission, dated September 18, 1975, for a recommended decision, bearing Docket Number R76-1, except that such temporary rate or fee may not exceed the lesser of (A) the rate or fee requested for such class or service; or (B) a rate or fee which is more than one-fifth greater than the permanent rate or fee in effect for that class or service at the time a permanent change in the rate or fee of such class or service was requested under section 3622 of title 39, United States Code, by the Postal Service in its request bearing Docket Number R76-1.

On page 26, strike out Section 14 in its entirety and redesignate the following section accordingly.

Mr. HANLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ALEXANDER. Mr. Chairman, reserving the right to object, and I am not pleased to object, Mr. Chairman, but because of the nature of the amendment, and because of the importance of it to this body, I am constrained to object. Further, Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. Objection is heard.

A point of order will be reserved on the amendment by the gentleman from Arkansas.

The Clerk will read.

(The Clerk concluded the reading of the amendment.)

POINT OF ORDER

Mr. ALEXANDER. Mr. Chairman, I reserve a point of order that the amendment in the nature of a substitute offered by the gentleman from New York (Mr. HANLEY) is not in order in that it seeks to change an amendment that has been previously adopted in the Committee of the Whole.

The CHAIRMAN. Does the gentleman from New York wish to be heard on the point of order?

Mr. HANLEY. Mr. Chairman, in opposition to the point of order, while it is generally true that an amendment once agreed to may not be modified, the parliamentary situation at the present time dictates otherwise.

I cite from section 28.6 of chapter 28 of Deschler's Procedure in the U.S. House of Representatives:

> § 28.6. While an amendment which has been agreed to may not be modified, an amendment to strike it from the bill with other language of the original section and insert new text is in order. 118 Cong. Rec. 16848, 16852, 92d Cong. 2d Sess., May 11, 1972 [H.R. 7130].

It appears clear, then, that my amendment is indeed in order.

The CHAIRMAN. Does the gentleman from Arkansas desire to be heard further on his point of order?

Mr. ALEXANDER. No, Mr. Chairman.

The CHAIRMAN (Mr. FLOWERS). The gentleman from Arkansas (Mr. ALEXANDER) has made a point of order against the amendment offered by the gentleman from New York (Mr. HANLEY) on the basis that section 2 has been amended and, thus, further amendments thereto are not in order.

On September 29, 1975, the Committee adopted the Alexander amendment to section 2 of the bill. At that time the Chairman noted that the amendment was a perfecting amendment to section 2, altering parts thereof and leaving other provisions unchanged. While it would not be in order at this time to offer an amendment to the Alexander amendment, nevertheless, an amendment striking from the bill that amendment together with other language of the original bill and inserting new text is in order and, therefore, the point of order is overruled.

The gentleman from New York is recognized in support of his amendment.

Mr. HANLEY. Mr. Chairman, the amendment I am offering today is intended to be a compromise with the Alexander amendment adopted in September. As mentioned in a letter sent to all Members this week, the Alexander amendment had several far-reaching implications which were not at all evident at the time it was adopted. That amendment simply said that all Postal Service funds had to be appropriated annually and that all revenues from stamps and services be placed directly into the Treasury. It did not provide for annual authorization as apparently intended.

Mr. FORD of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty Members are present, not a quorum.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, if the Alexander amendment is allowed to stand, it would place the Postal Service in immediate and severe financial jeopardy, cripple the process of collective bargaining, remove the incentive for a responsible rate structure and in the long run cost far more than H.R. 8603, as it was reported from the committee.

On the cost factor, I want to remind the House of this, that we are providing $1.5 billion. Under the Alexander amendment, the cost factor increases to about $4 billion. Remember that.

Now, my amendment completely rewrites section 2, thus eliminating the Alexander amendment. It will provide for the strong Congressional oversight required by all of us without some of the dire consequences of the Alexander amendment. It would first authorize an additional $1.5 billion in public service appropriations for only fiscal year 1976. This would comprise approximately $900 million, which the Postmaster General requested and which the committee feels is necessary because of the current dire financial condition of the Postal Service, and approximately $600 million to finance a reduction in the proposed temporary postage rate increase.

Definitively, what we are doing, we would be reducing the pending rate hike from 33 percent to approximately 20 percent. It would prohibit, as I have already said, an increase of more than 20 percent on the next proposed temporary rate increase which is due on the 28th of December of this year.

It would have the effect of reducing the proposed first class stamp rate from 13 cents to 12 cents. It would require annual authorizations for all public service appropriations which exceed the current authorized levels. It would require the Postal Service to make a public accounting before the appropriate committees of the Congress regarding all of its revenues, expenditures and operations. It would provide by law mail delivery standards, including local government option on curbline or cluster box delivery.

Thus, with only 1-year authorization, the Postal Service will have to come to the substantive committees and to Congress for authorizing legislation. We are being financially responsible for providing funding for a ceiling on the next rate increase. This proposal is more than fair and viable. It authorizes much needed additional funds. It gives Congress a greater role in postal budget and policy matters, and it provides for a measure of great relief.

There are many other factors that will be discussed during the course of the next few minutes. I am confident that the gentleman from Washington (Mr. ADAMS), as chairman of the Budget Control Committee, will take to the well with a pronouncement, in effect, reversing what he said on the occasion of the previous consideration of the bill on the basis of that cost factor, which would have the effect of costing the taxpayers approximately $2½ billion more than the provisions that we are incorporating into this language.

Mind you, the Postmaster General has indicated that without the $920 million he is not going to have sufficient money to run the institution, so on one hand the Congress says to him, "You cannot increase rates," and on the other hand we are saying to him, "We are not going to give you the money."

So, how in the world do we expect the gentleman to run that operation?

Now, we have accommodated the gentleman from Arkansas (Mr. ALEXANDER) and we have put a great deal of effort into the authorization language. We are providing what I think is the exact intent of his. Yes, the Postal Service is—and for what it is worth, I have been probably the most severe critic of the management of the Postal Service—the Postal Service under the conditions and language of this amendment will be forced to come to the Congress each year.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. HENDERSON and by unanimous consent Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mr. HANLEY. I thank the gentleman.

Mr. Chairman, I think it fair to say that at the time this was previously considered, we operated in an atmosphere of virtually total hostility to the U.S. Postal Service, understandably so, because of the stupid policies of that institution. I think, as I have said, there is some good in everything, and I think that resultant from what has happened 2 weeks ago, we are going to see a marked change in the policies of that institution, whereas they are going to be more responsive and they are going to react to the representatives of the people when a constituent problem is brought to their attention.

So, there is good reason for that hostility which prevailed here, and hopefully we are going to put the reason for that to rest. As I say, that institution is going to come up here every year and rationalize its request for money.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I hope the gentleman will account for what he claims will be this extra add on cost. If the Alexander amendment stays in place, which merely requires an accountability through Congress and the appropriation process. Where is this extra $4 billion of costs going to come from?

Mr. HANLEY. If the gentleman will allow me to respond, under the provisions of this amendment, we are providing $1.5 billion.

Mr. ROUSSELOT. Additional?

Mr. HANLEY. May I respond? We are providing for $1.5 billion. Essentially, $900 million would be to coincide with the Postmaster General's request, and the other $600 million to underwrite the difference between the 33 percent rate hike and 20 percent.

The gentleman asked the question: Where did the difference between $4 billion and $1.5 billion come from?

Under the provisions of the Alexander amendment, all of the revenues accrued to the Postal Service would flow into the U.S. Treasury. And, on the other hand, all of the obligations of overhead of that institution would become the total obligation of the U.S. taxpayers.

We anticipate and, according to postal figures, this would amount to about $4 billion.

What we are doing here under the provisions of the amendment offered by the gentleman from Arkansas (Mr. ALEXANDER) is providing the Postmaster General with a blank check, with no bridles. Why would he have to produce efficiently within the agency when all he has to do is hand the bill to the Committee on Appropriations and say, "Pay it, taxpayers"? And it amounts to $4 billion, as opposed to $1.5 billion as it would have been in the instance if my language is adopted.

Mr. ROUSSELOT. If the gentleman will yield further, I would prefer that there be total accountability before the Congress, which is supposed to control the purse strings.

Mr. HANLEY. Apparently the gentleman did not hear me. I said that incorporated in this is an annual authorization.

Mr. ROUSSELOT. If the gentleman would yield further, I do not think the gentleman has explained where, suddenly, these additional obligations of $4 billion are going to appear. Are they now hidden? Are they now not accountable to Congress?

Mr. HANLEY. Mr. Chairman, one can only attempt to explain, and the good Lord provides an individual with the ability to accept an explanation. I have tried hard. I have told the gentleman that under the provisions of the Alexander amendment we are providing the Postmaster General with a blank check, which would have the effect of producing an additional $2½ billion obligation to the U.S. taxpayer.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. ALEXANDER, and by unanimous consent, Mr. HANLEY was allowed to proceed for 2 additional minutes.)

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding. First of all, I would like to thank the gentleman for the courtesy that he has extended to me in an effort to negotiate the differences between those Members who were supportive of my amendment in September and members of the committee who did not vote for my amendment. I appreciate the courtesy the gentleman has extended to me.

The gentleman said in his remarks that my amendment cripples the process of collective bargaining. Would the gentleman point out to me and to this body how this amendment, which this body adopted in September, cripples the process of collective bargaining?

Mr. HANLEY. I would be delighted to, and there is a very simple explanation. I wish the gentleman would tell me how the USPS can negotiate a labor contract when it has no idea with regard to its future revenues.

Mr. ALEXANDER. If the gentleman will yield further, I would be glad to answer that question.

Mr. Chairman, under the authority of the Postal Reorganization Act of 1970, power and authority is granted to the U.S. Postal Service to enter into collective-bargaining agreements and to consummate those agreements.

My amendment in no way infringes upon or alters or in no way mitigates that authority and in no way affects the authority of the Postal Service to fulfill its obligations as prescribed in the Reorganization Act of 1970.

Mr. Chairman, it is true that under my amendment the Postal Service would have to come to Congress annually, submit a budget, ask for authorization or additional funds and then go through the process of negotiation that every other agency does. Other agencies do not seem to have difficulties in entering into contracts that extend for more than a year for procurement for services, for labor, for other things that are necessary in order to run this Government. And I submit to the gentleman that my amendment does not in any way alter the authority of the Postal Service to enter into or consummate collective-bargaining agreements.

Mr. HANLEY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(On request of Mr. Ford of Michigan, and by unanimous consent, Mr. Hanley was allowed to proceed for 2 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I thank the gentleman for yielding. I think the problem has just been illustrated very well by my friend, the gentleman from Arkansas (Mr. Alexander), my fellow regional whip.

The gentleman has just demonstrated that it is really not his intention to do what his amendment says by his failure to understand how collective bargaining works in the Federal Government. At the root of it is the fact that his amendment does something different than what he thought it would do.

First, there is no other Federal agency that has the same kind of collective bargaining relationship that the employees of the Postal Service have with USPS, because we created that relationship in specific provisions in the Postal Reorganization Act. The collective bargaining agreements that are reached with other Federal agencies do not cover wages, for example. In the reform act, Congress legislated away its power to set wages in the Postal Service.

A lot of Members who voted for the Alexander amendment thought they were voting to get back control of the Postal Service. We took back the part of the cow that eats but did not take back the part of the cow that gives the milk.

In short, that is exactly what the Alexander amendment has done to us, because the management over there and the postal unions are still going to be negotiating wages, and then they will come to us and say, "OK, Congress, it is up to you to provide the money to run the Postal Service."

If they negotiate a pay increase over there and we come up with 10 percent less than the Postal Service asks for, they will still have to pay the increased wage rates for employees under their control. That is the problem we have. The negotiating process is crippled, because the Postal Service would not be in a position to make a binding contract for more than a year at a time or even for a year in advance. If they did so, they would have to take the chance that the authorization would not meet their expectations.

In other words, they would have to negotiate the contract first, and then the postal unions would have to come in here and lobby the Congress to finance the contract they had negotiated before the Postal Service would sign it.

Mr. Chairman, if we want to get back into that old ball game and have the wages set by the employees lobbying instead of by using the collective bargaining process, the Alexander amendment that is in the bill will do that for us. To prevent this we must adopt the amendment offered by the gentleman from New York (Mr. Hanley).

Mr. HENDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I very strongly urge the Members of the Committee to consider very carefully the position of the Committee on Post Office and Civil Service on the amendment before us. I will take a moment to suggest that, according to the advice we have received as to other amendments that are coming later, equal care needs to be exerted by each and every Member of this body. It is quite clear to us on the committee what the Members of Congress want to do, and we want to help them do that.

However, considering the confusion that we think was present in the committee when the Alexander amendment was adopted, and the apparent lack of attention at this time, as chairman of the committee I feel it incumbent on me to caution the Members, and to plead with those Members who are attentive, to caution their colleagues that they should know what they are doing. Let us not simply vote for amendments unless we understand the implications of the amendment.

I urge the House to support the Hanley compromise for two very important reasons. The members of this committee and of this subcommittee have worked very hard to try to put into the Hanley amendment what we believe the sponsor of the other amendment, the gentleman from Arkansas (Mr. Alexander), intended when he offered his amendment the other day, and that is to insure that the Congress exercises regular oversight over the Postal Service to prevent waste, inefficiencies, and cost overruns, which the gentleman from Arkansas so vividly and so well pointed out at the time his amendment was adopted.

Certainly I want to commend my good friend, the distinguished gentleman from Arkansas (Mr. Alexander), for his intense interest as one who is not a member of our committee. Sometime I wish he would volunteer for that service.

Second, I believe that the Hanley amendment avoids the pitfalls which a careful analysis of the Alexander amendment has brought to light. Among them is the failure of the Alexander amendment to require annual authorization of funds although its sponsor apparently intended that result. Although the Alexander amendment limits the availability of appropriations, it does not limit the power of the Postal Service given to them by the Reorganization Act to enter into contracts which are binding upon the Treasury of the United States.

Let me say it in another way. It may be an oversimplification, but there are two ways to pay the bills in the Postal Service. The first is from their revenues. The Alexander amendment would say that those revenues should be taken and put into the General Treasury. The other way is from appropriated funds.

When we provided for the organization of the Postal Service, we determined that the public service feature of the Postal Service would be $920 million, and that is a continuing authorization.

Our contention is, with the Hanley amendment, that those revenues that they generate ought not to be taken away from them. The $920 million, our commitment to public service, ought not to be taken away from them.

Then we further say that we believe that the rate increase proposed at 33⅓ percent is a little bit too much. We ought to keep it at 20 percent all the way across the board. However, if we are going to restrict revenues on the cost side or revenue side, we have to give them additional funds on the other side.

Therefore, we say, going along with the proposal of the gentleman from Arkansas (Mr. Alexander) that all above that $920 million that is now authorized by law, will be annually authorized by a legislative committee. The Members of the Congress, the House, and Senate, will have their input. There is where we will tell them to quit doing what they have been doing and that they shall do what we want them to do.

Mr. Chairman, I point out to my colleagues that that is the clear intent of the Hanley language. There is no question about it that the review of our committee will go to their stewardship of the revenues produced from rates and from their appropriated money. Subsection 6 of the Hanley amendment requires that "the Postal Service, in requesting an amount to be appropriated under this subsection, shall present to the appropriate committees of the Congress a comprehensive statement of its compliance with the public service cost policy established under section 101(b) of this title and a comprehensive statement containing a description of the operations of the Postal Service together with any other information which any such committee considers necessary to determine the amount of funds required for the operation of the Postal Service."

The committee, if the Members will adopt the Hanley substitute, will annually review the expenditures of the Postal Service, their performance, and we will bring to the Members the authorization each and every year so that the Members of Congress can be sure of effective oversight of the Postal Service.

We all want a better postal service for the American people—one which will be more responsive to the general public's needs, and answerable to the mandates of the Congress as they are from time to time expressed in legislation and committee oversight reports and recommendations. I believe the Hanley compromise achieves that important goal, and I urge my able colleague from Arkansas, and the whole House to accept this substitute.

The Hanley compromise is preferable to the Alexander amendment because it approaches the problem of congressional oversight in a positive manner rather than reverting to a system which, for maintaining an efficient and progressive postal system, has already been tried and found wanting.

The Hanley compromise requires that when the Postal Service needs more funds than current revenues and previously authorized appropriations produce, it shall come to the legislative committees of the House and the Senate and present a detailed proposal justifying the appropriations request, as well as a comprehensive review of all postal operations. If the request is approved, funds may be appropriated.

The Alexander amendment, on the other hand, requires that the Postal Service go through the process of annually submitting a budget request to the Appropriations Committees, which do not have legislative jurisdiction, for the annual appropriation of their operating budget.

We used that system for a century, and the result was the gradual breakdown of the postal system which led to the enactment of the Postal Reorganization Act in 1970. The inherent weakness in that system is that it precludes long-range planning, modernization of postal facilities, or any other long range program to improve postal services which cannot be paid for in 1 year's appropriation. What is done this year can all too easily be undone next year. The usual result of that old system was that the priorities of the Postal Service had little appeal to the Bureau of the Budget, which slashed their requests for modernization funds year after year, and then even further cuts were made on Capitol Hill, thus severely hampering any real progress towards true postal modernization.

I see no hope for achieving the kind of postal system that the people want, and which Congress expects, by going back to that old method of annual appropriations for all postal operations.

I agree with my colleagues who voted for the Alexander amendment that the Postal Service must change its attitudes to appreciate the legitimate concern of Congress. The public is not getting what it wants, and public policy must be carried out. I insist upon that result, but I believe the method proposed in the Alexander amendment will not achieve that result.

A second progressive feature of the Hanley compromise is that it helps resolve the immediate financial problems of the Postal Service by authorizing $900 million to pay the fiscal 1976 deficit, as requested by the Postmaster General, and also authorizes an additional $600 million to reimburse the Postal Service for the revenue which will be lost by limiting the next temporary first-class rate to 12 cents rather than 13 cents. That will give the Postal Service the breathing room it needs in its current financial crunch.

I do not believe anybody here wants a 13-cent stamp at Christmas, or a 15- or 16-cent stamp next year just before the election, but that may be the result if immediate action is not taken to finance the Postal Service's deficit for fiscal 1976, and put a lid on the rates which will become effective December 28. The Hanley compromise invites funds for future fiscal years if then authorized by Congress, and in that manner careful and continuous oversight of postal operations will be assured.

I urge my colleagues to support the Hanley substitute.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there are several reasons that many of us are concerned about this new position of my colleague, the gentleman from New York (Mr. HANLEY). The amendment by Mr. HANLEY does not simply undermine the budget process that we have tried to set up in this Congress to prevent this kind of deficit financing but it also adds $1.5 billion to its deficit. The Committee on the Budget of this House basically opposes an add-on deficit of $1.5 billion that this amendment will cause.

Now, already appropriated by this Congress, for this year, is a deficit for the Post Office of $1.5 billion. We are already covering all the public service subsidies that this Congress as a whole has decided to appropriate. This will add $1.5 billion not appropriated for, not accounted for by the Budget Committee. There is no place in the President's budget, it is not anywhere, it is an add-on deficit that we will be voting for if we support this amendment.

My colleague, the gentleman from Washington (Mr. ADAMS) has said that the Budget Committee has said that this is an add-on deficit. But my good colleague and friend, the gentleman from New York (Mr. HANLEY) who is also trying to bail out the city of New York—and we are familiar with his encouragement to try to get this Congress to come to the rescue of his city—has offered this amendment. But my belief is, if we accept this amendment——

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentleman in a moment. My colleague asked to finish his own statement, and the gentleman took better than 10 minutes, so I will finish my statement and then I will yield to the gentleman.

Mr. Chairman, my colleague the gentleman from New York (Mr. HANLEY) has asked the House that we add $1.5 billion of deficit financing which the Post Office can utilize above and beyond their $11 billion of revenue that we already have.

So if we vote for this amendment, we will not only negate the effect of the Alexander amendment to bring back the appropriation control of the Post Office to this body—and what is wrong with that? Why should we forego the responsibility of appropriating and debating this right here on the floor of the House of Representatives? But, aside from negating that action of my colleague the gentleman from Arkansas (Mr. ALEXANDER) which I think was an appropriate action, we will be adding $1.5 billion to the postal deficit for this fiscal year of 1976.

This will make the total deficit for the Post Office in fiscal year 1976 over $3 billion. I do not think that is a worthwhile expenditure for the Post Office because already they have for this fiscal year's revenue, including the deficit that we have already appropriated, $12 billion. And that includes the money for the postal workers that has been negotiated. That is all covered. So why would we want to add another $1.5 billion?

My colleague, the gentleman from New York (Mr. HANLEY) says:

> Well, if we do not negate the Alexander amendment, there suddenly is going to appear an additional $4 billion.

Well, where is it? That has not been accounted for by the Budget Committee.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield in a minute. I wish to finish and then I will yield to the other gentleman from New York and then I will yield to the gentleman (Mr. GILMAN).

Mr. Chairman, what is wrong with the Congress reviewing this in the appropriation process?

I do not understand the logic of my good colleague the gentleman from New York (Mr. HANLEY) that there is some hidden $4 billion if we have to go through the appropriation process.

Then, fine, let us review it, let us find out what it is, the Post Office management has not come to this Congress or to our committee and told us what this additional $1.5 billion, which will increase the deficit for this year by over $3 billion, will be used for and we will be buying this without even knowing.

I urge my colleagues not to add an additional $1.5 billion to a deficit we have already given them in the appropriation process. I think they ought to be able to get along on a $12 billion expenditure. That is, in effect, what we have already approved. Why do they need $13.5 billion? I do not think that has been justified before our committee.

I have just talked to the chairman of our committee. The gentleman informs me that the Post Office has never submitted to us the justification of the Postmaster General's statement that we need some more public service money. It has never been justified. I appeal to my colleagues: Do not vote for this amendment and add another $1.5 billion to a service that is not performing now.

Now I will be glad to yield to my colleague, the gentleman from New York (Mr. HANLEY).

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Rousselot was allowed to proceed 2 additional minutes.)

Mr. ROUSSELOT. Now I will yield to my colleague from New York (Mr. Hanley) who is a very articulate spokesman.

Mr. HANLEY. I thank my good friend, the gentleman from California, for yielding.

I just want to clarify one thing. The gentleman related to the problem of New York. I am not from the city of New York.

Mr. ROUSSELOT. I know that.

Mr. HANLEY. I am from upstate. We will clarify that, so my interest is not parochial on that subject matter. I have one other clarification on the same subject matter.

Mr. ROUSSELOT. I did not suggest it was parochial.

Mr. HANLEY. That State is not asking for a bailout, but it is asking for a backup.

Mr. ROUSSELOT. It is asking for a backup.

Mr. HANLEY. The gentleman knows what that is.

Mr. ROUSSELOT. I am glad that is corrected.

Mr. HANLEY. Again I would hope that the gentleman would read my amendment.

Mr. ROUSSELOT. I have read it.

Mr. HANLEY. I would hope that the gentleman would read it again. Apparently he does not have the point. The point is that I am providing for the amortization that the gentleman from Arkansas (Mr. Alexander) sought, and that the gentleman from California sought when he supported it. We do have that authorization process, whereas the institution will be coming in to the Congress to rationalize every penny that it asks of the U.S. Treasury. I make the point once again that we are giving the Postmaster General that blank check through the Alexander amendment, whereas all revenues accrue, and along with it, on the other hand, the U.S. taxpayer picks up the total operation for the overhead of the USPS, or a $2½ billion figure in excess of what we are talking about here.

What we are talking about here, incidentally, returns $600 million of it to the taxpayers via a reduced postal rate. I would hope very much that the gentleman would spend sometime with the amendment.

Mr. ROUSSELOT. I have studied the amendment. I wish to assure my colleague from New York (Mr. Hanley) that I have studied the amendment at great length, and I am very much concerned about the addon deficit of $1.5 billion above and beyond the $1.5 billion we have already given them in deficit financing this year.

Now to answer the gentleman's query about giving the Postmaster General a blank check, exactly the opposite is true. Under the Alexander amendment, he must come before the Congress, both the authorization committee and the Committee on Appropriations, to justify the addon deficit. I think that is an appropriate process. The Congress does it for every other agency of the Federal Government. I think my colleague, the gentleman from Arkansas, understood fully what he was doing when he offered that amendment. It is a good check and balance against unwarranted spending, or spending that the Congress does not understand.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Rousselot was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Am I correct that the Postal Service already has an appropraition this year for $1½ billion?

Mr. ROUSSELOT. Of deficit financing above their regular revenues which run well above $10 billion, so the total is almost $12 billion of an authorized expenditure for this year. The gentleman is correct, and it would be $13.5 billion if we pass the amendment offered by the gentleman from New York.

Mr. GILMAN. Am I correct that the gentleman made a statement that the Postmaster General has not justified the additional sum of money that is now being requested by way of the Hanley proposal?

Mr. ROUSSELOT. He may have justified it to somebody, but the chairman of the committee has just informed me that he has not written a letter and asked for it; there has been no written communication; there has been no hearing before our committee; there has been no hearing before the Committee on Appropriations. If he needs that money, and if he can account for it, I am sure the committee will give it adequate consideration. But we are voting in the dark here today for an additional deficit of $1.5 billion, and that does not in any way insure that our mail service will be any better than it is right now.

Mr. GILMAN. If the gentleman will yield further, has any provision been made in either the President's budget or the congressional budget for this increased amount of $1.5 billion that is being sought by this legislation.

Mr. ROUSSELOT. No. It is not provided for in the congressional budget. The Budget Committee chairman informs us it was not considered by them. It has not been reviewed, and there has been no review of it any place in Congress, and it was not in the President's budget.

Mr. GILMAN. Has the Office of Management and Budget requested this additional funding?

Mr. ROUSSELOT. No. The Office of Management and Budget informs us they are totally mystified by this amendment and add-on deficit of $1.5 billion.

Mr. GILMAN. Mr. Chairman, I wish to join in the remarks of the distinguished gentleman from California (Mr. Rousselot) and urge that this amendment be defeated until we have adequate evidence of why the Postal Service needs these additional amounts and until such time as the Postal Service can justify its request.

Mr. ROUSSELOT. I thank my colleague.

I also urge my colleagues not to negate the vote that we took here for the Alexander amendment. The procedure called for by that amendment is part of our normal process of appropriations. I think it was an appropriate amendment, and I hope that we make it stick.

Mr. ALEXANDER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, as I was leafing through my postal file this morning, reading letters from Montana and Maine, from California and New York, letters from all across the country, letters from 40 States—one central theme was common.

All were sincere Americans pleading with a Representative of their government to reform the Postal Service.

They all seem to say the same thing: Americans are tired of the inefficiency, waste and favoritism that has been demonstrated over the past 5 years by the Postal Service at their expense.

And, that the U.S. mail has become dominated by a postal establishment that has abandoned the principle of service to the people.

I have heard from the other side as well. In most every instance people who favor the status quo are those who profit from the present arrangement, and they are not the people who were intended to be served by the Postal Reorganizational Act of 1970.

My amendment puts the Postal Service back into the annual authorization and appropriations process required of most other government agencies. Then it must report on the full range of its operations annually to the appropriate congressional committees and justify its needs.

My amendment eliminates the automatic $920 million annual public service subsidy.

Postal revenues would go into the General Treasury.

And, this process returns the postal purse strings to the Congress and accountability to the people.

To continue to write a blank check year after year to the Postal Service by approving additional subsidies without demanding accountability can only add fuel to the fire of inefficiency.

The committee says that my amendment would make orderly postal budgeting, ratemaking and collective bargaining impossible.

My amendment does not alter the authorization for the negotiation and consummation of collective bargaining agreements.

Postal budgeting would be enhanced by my amendment.

In 1974 USPS lost almost $500 million.

In 1975 USPS is expected to lose a billion dollars.

Any agency that loses $8 million per day can certainly use some help in its budgeting.

The ratemaking process should be more sound if my approach is upheld. Much of the revenues now come from fees for postage paid by patrons. Congress has historically expected much of the Postal Service cost to be borne by its users. My amendment does not alter this intent. Congress has demonstrated repeatedly its recognition for subsidies. And, I believe the people would accept subsidies so long as the Postal Service is accountable.

Any Government agency that fails to serve the people is not worthy of the authority given by the people.

What is wrong with the Postal Service, and what is wrong with government is that in far too many instances government is attempting to become the master of the people instead of the servant as it is intended under the Constitution.

U.S. POSTAL SERVICE ON THE INSIDE LOOKING OUT

Mr. Chairman, the following contains excerpts from a letter which I recently received from a long time employee of the Postal Service. I believe that it summarizes the current conditions at USPS as well as any material I have read on the subject. I commend it for your consideration:

DEAR CONGRESSMAN: I am concerned by most of the weaknesses in the Postal Service that you have made public in recent years. I am going to itemize in a very informal way some of my firsthand observations based on 20 years of service in the post office:

1) By and large the previous postal system was more efficient. It provided a better overall service.

2) A strong system of state offices overseeing the operations within that state would have better fiscal control over operations.

3) As it was under the old system, a relatively small number of highly motivated, well-trained postal inspectors could and did provide much better overall surveillance of all areas of postal operations than does the present monolithic bureaucracy.

4) Under the present system all of the better jobs in the Service seem to be passed on to favorite persons from the private sector, the retired military or political buddies that are already in the district and regional offices.

5) The politics seem to be much worse now than before. The big difference is that local people aren't considered for promotions nearly as often as they were in the past.

6) The employees in the field now are very much neglected when promotions are being made in high paying jobs. This creates a bad morale problem.

7) At this office incoming mail by truck has been running consistently late in the last few months. This could reflect a nationwide trend.

8) The new system created nationwide for forwarding mail, called "central markup," has the effect of delaying millions of pieces of mail. The individual carriers used to forward all mail the same day it was received by them, but now it goes to the central markup section where it may not be addressed for forwarding for several days.

9) I guess the number one concern for me is that in overall planning higher levels seem to neglect small offices and by small I mean even the size of ————. Most of the emphasis seems to be in the planning for the operation of highly mechanized and expensive sectional centers.

10) I personally feel as though the handling of our nation's mail should be primarily a service to the people. I do not see how or why management can expect the postal service to break even.

11) I have noticed a strong tendency in the past few years for the service to make and revise regulations that favor big business. I suspect that this has had a lot to do with the ever-increasing budgets of late. It's just another way to subsidize concerns that should be paying their share and are not.

Congressman, please keep the source of this letter confidential. You probably have already heard these same comments dozens of times but I had to share my views with you. I may lose my job if the source of this information is made public.

Yours very truly,
(Name withheld by request).

Mr. DU PONT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. Nobody can possibly feel more frustrated than I do at times when dealing with the management of the Postal Service. Ever since my first term in Congress, I have spent time pursuing and trying to correct deficiencies in the postal service of Delaware. Most of these deficiencies in service are directly attributable to bad decisions on the part of the Postal Service's upper management policymakers.

The General Accounting Office survey done 2 years ago found many operating inefficiencies, the most glaring of which was the dragging of all the mail in Delaware to a central point for redistribution back to points all over the State. I toured some of the buildings in which the Postal Service was conducting its operations and found working conditions that were unbelievable. It was only after I brought these conditions to the postal manager's attention that the conditions were corrected. These are a sad commentary on the way the Postal Service has accepted its responsibilities to the public and its employees.

Not only has the Postal Service undertaken measures which undermined their service to the public, they have also pursued actions detrimental to the postal employees.

Because of these problems, we must continue our vigilant monitoring of this vital service. However, it is my opinion that we should keep the specific oversight responsibilities as they presently are. To return the Postal Service to a political status under the protective wing of the Congress would be a serious mistake.

The medicine prescribed by the Alexander amendment of a few weeks ago, which this amendment attempts to counteract, was simply too large a dose and may kill the patient. Our responsibilities to our constituents, and especially to Postal employees, require that we not take that chance, and I urge you, therefore, to support Chairman HANLEY's amendment.

The only thing that I can see that would be worse than the present situation is to overturn completely the intent of the Postal Reorganization Act and bring the service back under the wing of Congress.

Do we really want to get back into the position of running the Postal Service from the legislative halls of Washington? Do we want to find ourselves again embroiled in appointing postal employees? Or deciding where and when to open post offices? Or to enter the collective bargaining process to determine how postal employees wages shall be set? I do not believe we should do any of these things—I believe we should support the chairman's amendment and try to keep the Postal Service free of politics and political control.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, in 1970 I voted against the so-called postal Reform Act. This established the current semipublic, semiprivate U.S. Postal Service.

Although the act sounded good on the surface, I was of the opinion that it created more problems than it solved. In particular, I thought it was a mistake to completely remove congressional jurisdiction from rates or management of the post office.

The Congress, after all, represents all the people. The Board of Governors and the Rate Commission established by the 1970 law has no direct responsibility to the people or to their elected representatives.

Unfortunately developments since that time have confirmed my original view. The so-called postal reform seems to have meant only higher rates and poorer service.

That is why I voted for the Alexander amendment when it was offered on September 29. This amendment would help restore accountability of the Postal Service to the people by requiring the Service to come before the Congress each year for authorization and appropriation of its budget.

During this process the Congress would have the opportunity to examine the policies of the Postal Service. No longer would it be insulated from congressional oversight. Because of the congressional examination and input, I think that the managers of the Postal Service would be more responsive to the feelings and needs of the American people. I would go so far as to say that the Postal Service is now arrogant and indifferent to the taxpayers.

The 1970 Postal Reform Act has failed to achieve its objectives. It is time that the Congress admitted this and corrected its error. The Alexander amendment is an important step in that direction. I oppose efforts to repeal or water down this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

The Hanley amendment does not address itself in any way to the appointment of postmasters by the Congress and the gentleman knows that.

Mr. DU PONT. Indeed, I do.

Mr. ROUSSELOT. It is an add-on deficit of $1.5 billion to the deficit for which we have already provided.

On the point that it will improve the kind of service to which the gentleman directs himself in terms of the center down the road that now sorts the local mail, many of the Post Offices have put in a local box to achieve improvements in services, as the gentleman well knows.

In many cases that has been addressed and properly so; but this amendment has nothing to do with the two major points the gentleman made in improving that kind of situation, so I am sure the gentleman knows that.

Mr. DU PONT. Yes; this gentleman does know that, but if the gentleman from California thinks by putting the annual appropriations process back to the Congress, as the Alexander amendment does, that it is not going to lead the Congress into all those areas, the gentleman is sadly mistaken.

Mr. ROUSSELOT. I think it leads to an area we approve. It is called the purse strings.

Mr. DU PONT. I think it will lead to management areas where we do not belong.

Mr. ROUSSELOT. Does the gentleman have an amendment he is going to offer?

Mr. DU PONT. Not on this subject, no.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, the gentleman's statement is best characterized by a Member who was around here again that said:

> Alexander, we got rid of that thing five years ago. What in the hell do you want it back for?

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, in response to the question of the gentleman from California (Mr. ROUSSELOT) about quality service, again the language in the Mineta amendment is contained in this section which mandates no decrease in the nature and type of service that has been traditional to the U.S. Postal Service.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. DU PONT. I yield to the gentleman from California.

Mr. ROUSSELOT. The Mineta amendment is in the regular bill before us, so we do not need this amendment to handle that.

Mr. HANLEY. But it is in this amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I did not want to pass up the opportunity to certify for the record that I will take a kick, along with everybody else, at the Postal Service every time you will give me the opportunity to do so. I have discovered sitting here on the floor during debate when this legislation was up in September and again today that what really is the problem is that we should give everybody a chance to serve on the Committee on Post Office and Civil Service and for some part in each year so they could bring the postal officials before the committee, as we do, and get rid of some of their frustrations.

We get more frustrated, perhaps, than any other collective group in the House, because we have to deal with these problems constantly and we have to listen to all our colleagues complain that we have done nothing to relieve them from the terrible frustrations they feel.

This bill is here today because the gentleman from New York (Mr. HANLEY) has been working for 2 years to find a way to get a handle on the U.S. Postal Service. Members do not believe that the U.S. Postal Service is standing out there asking them to vote for the Hanley amendment or for the Hanley bill. They have tried in every conceivable way to scuttle this bill. It absolutely fascinates me to hear my colleagues on this side of the aisle who were the strong proponents, some of them—I have to leave out the name of the gentleman from California (Mr. ROUSSELOT) because he was not one of the strong proponents of this program—but on the bidding of the administration, the Nixon administration, the ranking Members on that side of the aisle, except for the gentleman from Iowa, Mr. Gross, who is no longer here to give us his wisdom, marched in lockstep to pass the Postal Corporation legislation.

We have been trying ever since to get a handle on it. Now, we suddenly find them coming in here and saying that what they really wanted was to keep the Postal Service the way it always was. That is not what is before us. If we do not adopt the Hanley amendment that is presented here today, we leave the Alexander amendment in place, and we probably scuttle this bill because there is no reasonable way that the Congress is going to end up passing a bill that is going to have to deal with a $13½ billion appropriation next year instead of what we are dealing with now.

If we do not have this bill enacted into law and leave the Postal Service where it is, not with the Alexander amendment, not with the law the way it was before 1970, but the way it is today, the way it is today keeps us completely out of the decisionmaking process. The gentleman from California keeps harking back to the $1.5 billion. I submit that he is going to have a chance in a little while to reduce that deficit because $600 million of that $1.5 billion is based on what it will cost for us to put a limit on the first class postage stamp of 12 cents. If the Members want to vote, in effect, for a 13-cent postage stamp and provide that $600 million from the General Treasury, that is what they are going to have a chance to do when that amendment comes to the floor. Then, we will not be talking about a $1.5 billion deficit; we will be talking about a $900 million deficit.

The gentleman says, "What evidence is there that they need it?" That is literally how much they are short in their bank account now. The real figure we are talking about is probably, as the gentleman from New York (Mr. HANLEY) says, something in excess of $2 to $2½ billion.

They are naturally reluctant to project this kind of continued failure over there, especially while the gentleman from New York is trying to get the "Hanley handle" on the Postal Service with this bill here in Congress. Do the Members think that they are going to admit the things we have been accusing them of? Is there any Member here supporting this bill who defends the Postal Service as an efficient corporation? Is there any Member here who defends going out and getting anybody who was not nailed down in American Can Co., and bringing them in to ruin what was already a troubled agency of the Federal Government by taking it literally to the brink of disaster? If it was a private corporation, it would be facing bankruptcy. There is not any question that year after year we are asked to bail them out because they cannot handle the job we have turned over to them.

But, we do not improve the system over there by hitting them with a sledge hammer and saying that because they are not doing a good job, we are going to cripple them even further and it will be even more difficult for them to do the job. Then, we sit back and claim to have taken a responsible stand. We do not get anything for nothing.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from North Carolina.

Mr. HENDERSON. I want to commend the gentleman for the statement he is making. I am sure the gentleman would agree with me that just having the 13-cent stamp go into effect on December 28 is not all that is involved here. Unless the Hanley bill, the Hanley amendment, is adopted, we can be sure that we are going to be faced with a 15- or 16-cent stamp next July or August. I do not have to tell the Members that next year is the time of year when most of us are considering seeking reelection, but that is the fact. If we want to keep these postal rates down and buy a little time, we have got to give them the money to do the job.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. DERWINSKI and by unanimous consent, Mr. FORD of Michigan was allowed to proceed for 2 additional minutes.)

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Illinois.

Mr. DERWINSKI. The gentleman made one statement that I am sure he would like to clarify. The gentleman talked about the opposition of the Postal Service to the bill and the Hanley amendment. Is the gentleman not aware that the chief lobbyist for the Postal Service has spent the last 3½ weeks trying to reverse the Alexander amendment and in fact sat in on the drafting sessions and strategy sessions for this new Hanley amendment? Is the gentleman aware of that?

Mr. FORD of Michigan. No. Apparently the gentleman is on more intimate terms with the lobbyists for the Postal Service than I am.

Mr. DERWINSKI. If the gentleman will yield further, I got this from the people who also sat in on the same strategy conference.

Mr. FORD of Michigan. I might say to the gentleman that apparently he was privy to other strategy conferences to which I have not been invited. I am sorry I cannot respond.

Mr. DERWINSKI. If the gentleman will yield further, I am sorry the gentleman was ignored.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding.

As the gentleman said, the gentleman is far more privy to what the USPS is doing than we are. To answer the gentleman's question, no representative of that agency has been with me on this amendment.

Mr. DERWINSKI. If the gentleman will yield, did not Mr. Halliday sit in on meetings with the Postal Union leaders and mailers, together with the gentleman's staff, to put togther this Hanley amendment?

Mr. FORD of Michigan. Who is he?

Mr. DERWINSKI. A lobbyist for the Postal Service.

Mr. FORD of Michigan. What was the name again?

Mr. DERWINSKI. Norman Halliday.

Mr. Chairman, I did not hear a denial.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as we enter into this discussion of the Hanley amendment, we are really discussing the whole principle of the Post Office and the way it is run. I was one that favored the new present system. I thought we had really taken a step forward when we adopted this system of making the Post Office what we thought was an autonomous operation. Instead, what we have done is, we have developed a monster that absolutely is the worst of both worlds. It costs more and is more inefficient than it ever was in its history. I thought maybe my experience was the only one that was unfavorable. When we recently had a week to go back to our Districts, I went down and I saw how long it took to get the mail down there. I know the time the mail bags were put on the truck from our Washington office to go out to the airport, and when my letter carrier brought it to my home in Texas he said he picked up the letters that morning. And it took 6 days from the time it was placed on the airport-bound truck until the letter carrier received it to deliver to my home.

Mr. Chairman, I was talking to a Congressman from Tennessee, and he said it took a week to get mail across the city of Washington. So maybe 6 days is par anywhere.

Mr. Chairman, my experience shows that the letter carriers themselves have a very, very efficient operation. Once the letter carrier gets the mail, he delivers it. But what I want to know is, what do they do in the meantime? And the only way we are going to find out is to have the Post Office Department responsible year in and year out and accountable for the way they operate. It is not a matter of money with the Post Office, because what they are talking about for next year is raising the stamp rates 30 percent for first-class mail.

Do the Members know of any business in the country that is raising their rates 30 percent and also it is anticipating a deficit? The Post Office Department said they are going to raise rates 30 percent and they are going to lose more money next year than they did this year. I saw a report that the pay scale in the Post Office is 9 percent higher than the pay for an equivalent manufacturing industry. I want to repeat that. If the pay in the Post Office is 9 percent higher than it is in similar manufacturing industries, what is wrong, and why do they run such an inefficient operation?

Mr. Chairman, if we give them an additional $1\frac{1}{2}$ billion, we are perpetuating a system that does not work. What my friend, the gentleman from Arkansas (Mr. ALEXANDER) is saying is the most logical approach we have taken on this floor in many a day. He said we have a responsibility. And the way to get to the proposition of the gentleman from Arkansas is to turn down the amendment we have before us right now.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, listening to this debate I wonder if I spent the last 14 years sitting in the same Postal Committee as some of my colleagues. Their explanations of what has gone wrong with the Postal Service and what is in this amendment are not as I see it.

Mr. Chairman, let me lay it on the line. The difference between the original bill that was brought to the floor by the committee and this new Hanley amendment, which is offered in an attempt to recoup the ground lost a month ago when this bill came to the floor, is that the new Hanley amendment has an additional $1,500,000,000 subsidy for the U.S. Postal Service. That is not in the President's budget, and that is not in the budget prepared by the congressional committee; that is not even covered by an official request by the U.S. Postal Service to either the Congress or the executive branch of Government.

Second, in an effort to fuzz up this whole question, the new Hanley amendment makes a gesture toward annual congressional authorization, and then it presumably releases the funds automatically through the appropriation process. So what it really is, is the worst of both worlds.

It attempts to strip from the Committee on Appropriations the new teeth that the Alexander amendment gave it, and then it imposes a meaningless authorization procedure within our committee. Then to compound the thing, it makes an unrealistic gesture to the question of a 12-cent stamp by presumably covering part of this new request for the needed funds to cover a 12-cent, first-class stamp as opposed to a 13-cent, first-class stamp.

Mr. Chairman, it so happens that I have a long memory, coming from a State neighboring the State of Missouri. My memory tells me that in our Committee on Post Office and Civil Service back in July the gentleman from New York (Mr. HANLEY) and my dear friend, the gentleman from Michigan (Mr. FORD), voted against an amendment that would set the new rate at 12 cents.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Not at this time, Mr. Chairman.

They were insisting at the time by their vote that the rate go to 13 cents for first class as the Postal Service would request. That was just 3 months ago, and now suddenly they come up with a $600 million bonus for the Postal Service and they switch positions completely on the matter of first-class rates.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I will yield to the gentleman in just a moment.

Mr. Chairman, I do not worship at the altar of consistency, but I wonder at such a total flip-flop in 3 months.

Mr. Chairman, I yield to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, to refresh the gentleman's memory with regard to what happened back in committee, the gentleman's amendment at that time proposed a 20-percent increase on top of what the Postmaster General was going for himself.

Mr. DERWINSKI. Just a minute, Mr. Chairman.

Mr. HANLEY. And at the same time the gentleman would ask the Congress to maintain an increase that would treble the amount.

Mr. DERWINSKI. Mr. Chairman, I will not yield any further.

I will say to the gentleman from New York (Mr. HANLEY) that we should lay the facts on the line as to the committee situation.

At the time we proposed an amendment which would have provided the 20-percent ceiling we were voting against a 13-cent stamp.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Not at this time, Mr. Chairman.

And the gentleman was there in an earlier effort, when the chairman of the committee and I tried to convince him to do just that and nothing else so that the Postal Service could get a 12-cent stamp in August or September and not have to ask for a 13-cent stamp.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Mr. Chairman, I will yield after I have finished my statement.

It is not accurate for the gentleman to insist on the floor of the House that the amendment was intended to add on to the request of the Postmaster General. If the gentleman said that, he might apologize to his chairman, because he (Mr. HENDERSON) was the original sponsor of that proposal.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, had the overture that the gentleman from Illinois (Mr. Derwinski) made back then been accepted, and the bill passed, the U.S. mail patron would be paying 12 cents today. The gentleman from Illinois (Mr. Derwinski) would have given the Postmaster General a 20-percent increase mandated by Congress in addition to that.

Mr. DERWINSKI. Mr. Chairman, I will not yield further.

The gentleman needs an accounting machine. The gentleman does not even keep in his mind the elementary statistics. Let me tell the Members what the differences are and what the original proposal was.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Derwinski) has expired.

(By unanimous consent, Mr. Derwinski was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. If the original proposal had gone into effect, the Postal Service would have their 12-cent first-class stamp, and now they would not need the $600 million draw on the Treasury. Then they could get by for the next year and a half without going to 13 cents, but because of the effort to expedite this matter failed, we are in this contradictory position.

I must oppose the amendment, which is a $1.5 billion add on to the Federal Treasury.

It is not in the figures of the Committee on the Budget. It is not in the President's figures. It is not even in an official request of the Postal Service.

I have listened to all of these speeches coming from all sides, saying that the Postal Service has never been bad. At that point I ask, why vote for the amendment that gives them $1.5 billion that they have not even asked for.

Mr. COHEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, earlier today the chairman of the committee indicated that the chairman of the Committee on the Budget had reversed his position which the chairman of the Committee on the Budget originally had expressed, which was disapproval, and had voted for the Alexander amendment based upon budgetary considerations, but since that time has found that he was either misinformed and was prepared to change his position because the Alexander amendment would actually cost more money than the chairman's amendment would as a substitute.

I just noticed the chairman of the Budget Committee walk into the Chamber, and I wonder whether he could answer that question.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. COHEN. Yes, I would be happy to yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I want to state to the gentleman from Maine (Mr. Cohen) that I have discussed this matter with the gentleman from New York (Mr. Hanley) and with the gentleman from Illinois (Mr. Derwinski), and here is the position in which we find ourselves insofar as the budget is concerned: We were informed when the Alexander amendment was offered that it would take out the $1.7 billion additional subsidy. What we find that the Alexander amendment actually does is to run all of the postal revenue into the Treasury. All the revenues go in; all the expenditures go out of the Treasury.

The sum of that would have this effect: This year their revenues are estimated at about $11 billion and the expenditures at $14.5 billion. Therefore, we would have about a $3.8 billion increase in the deficit if the Alexander amendment stays in its present form. Consequently, I do not like the Alexander amendment, and I have not been trying to press it.

I was trying to get the $1.7 billion deficit out of the bill that the gentleman from Illinois (Mr. Derwinski) had in his original amendment.

I indicated to the gentleman from New York (Mr. Hanley) that it is correct that his amendment will add an additional $1.5 billion deficit to the present budget. Therefore, the question that the House now has before it is, Do we want a $3 billion deficit or a $1.5 billion deficit add-on?

Maybe we should send the whole thing back and let the committee come forward and tell us what the other alternatives may be.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COHEN. Yes, I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I am a little confused. If the income is going to be $11 billion and their expenditure is going to be $14 billion, I do not see, however, anyone juggles those figures with the Hanley amendment or the Alexander amendment or anything else that is going to come up on the floor, they are still going to spend $14 billion, right?

Mr. ADAMS. If the gentleman will yield, I think that the gentleman from Ohio (Mr. Hays) is correct.

What we did is that we set the Post Office aside as an independent, private corporation which is now not in the Federal budget, except for the payments which this committee authorizes to subsidize certain operations.

I think the matter had better stay over there because they can borrow at this point within their own corporation, and then I am hopeful that this committee or this House will say that if the Post Office is losing $3 billion a year and we had better change the operation there.

The gentleman is absolutely correct in saying at some point if this operation is not corrected, the $3 billion is going to come into the Federal deficit.

Mr. HAYS of Ohio. If the gentleman will yield further, I would just say that as far as I can see, if they are going to take in $11 billion and spend $14 billion, there is $3 billion coming out of the Treasury anyway anyone figures it. It does not make any difference.

All I think the Alexander amendment did the other day was to point the figure at them and say, "The Congress has lost confidence in you, and you had better shape up."

As far as I am concerned, I still do not have any confidence in them, and they still had better shape up.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman.

Mr. HANLEY. Mr. Chairman, I think there is one more important point that may clarify the situation. Under the act of 1970 we provided the institution with the capability to go on the bonding market and borrow money. It has borrowed, under that authority, $500 million—$500 million for fiscal years 1974 and 1975—under the provisions of the Alexander amendment it will not be necessary for the U.S. Postal Service to exercise that borrowing authority because the money will come directly out of the U.S. Treasury.

I think that is a rather important point.

Mr. ADAMS. Mr. Chairman, if the gentleman will yield, I feel that what the debate has revealed here is that the bill should go back into the committee. The committee should decide what it wants to do overall with the Post Office. Because, right now, under the present bill we are either going to pay $3 billion out of the Treasury more than we budgeted in, and we budgeted in, as I remember, I think it was $1.7 billion that we have in there already.

Mr. HANLEY. That is right.

Mr. ADAMS. So what I am saying is that the budget resolution is going to come up and I hope some of the Members are going to vote for it. If we pass it, and if this bill becomes law before that, our present indication is that we are about $71.4 billion in deficit and we will go up $1.4 or $1.5 billion.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Hanley, and by unanimous consent, Mr. Cohen was allowed to proceed for 2 additional minutes.)

Mr. ADAMS. If the gentleman will yield further, it just means that when this bill becomes law, if it becomes law, we have this added on top of the Government borrowing because there is no other place to get it.

I thank the gentleman for yielding, and I hope that I have answered the question.

Mr. ALEXANDER. Mr. Chairman, if the gentleman would yield, I would like to ask a question of the gentleman from Washington. Does the gentleman from Washington assume, when the gentleman says we would have a $4 billion deficit, if my amendment were passed, that the Congress would appropriate that deficit?

Mr. ADAMS. If the gentleman will yield so that I can respond, I think, and I do not pretend to be an expert on the gentleman's amendment, because, as I said, I had a little problem with it when it was on the floor before. Our indications are there are $14.5 billion worth of expenditures out of the Post Office and the indication is the revenues will be $11 billion. Therefore simple arithmetic shows there is a $3.5 billion deficit.

My conversations with the Committee

on Appropriations is that once we have authorized this kind of a postal deficit, then the debt has been incurred and they almost have to automatically appropriate it.

So the answer is "Yes."

Mr. ALEXANDER. Mr. Chairman, I would advise the gentleman from Washington that I am a member of the Committee on Appropriations and I am not willing to authorize it.

Mr. ADAMS. But the gentleman is not willing to appropriate it?

Mr. ALEXANDER. Let me say this that I don't think that we can presume that the Congress could automatically appropriate every dollar that the Postal Service is throwing down the drain.

Mr. ADAMS. All I am saying is that as I understand this amendment, that the revenues go in and the expenditures go out.

Mr. ALEXANDER. No, no, that is not so. My amendment only makes the Postal Service obligated to come to the Congress for an authorization and an appropriation. It makes all of those expenditures go through the Treasury but it does not alter the legal authority of the Postal Service under the Reorganization Act of 1970, which grants to them the right to go out and make contracts, to issue bonds, to incur obligations, to make debts, whatever it wishes to do.

Mr. ADAMS. All I can state to the gentleman is that we will go back to the Committee on Appropriations and they will give us the figures. Right now they have indicated that what the difference between the two is, we will add it into the budget because, at this point, we are in a mechanical process with the budget, it is simply adding up what we have authorized and appropriated as opposed to the revenues, and the difference between the two is the deficit.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding.

With regard to the suggestion that we go back to committee, I want to remind the Members that this committee spent 19 months to conduct very extensive hearings on these amendments. The measure moved out of subcommittee with but one dissenting vote. So I am saying this has been a very deliberate action on the part of this committee. It did not take anything lightly. It reviewed everything and came up with what a good majority of that committee felt was a prudent answer to some of the shortcomings within the system.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Adams, and by unanimous consent, Mr. Cohen was allowed to proceed for 1 additional minute.)

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Washington.

Mr. ADAMS. I thank the gentleman for yielding.

I would state to the chairman of the subcommittee and the chairman of the full committee that as chairman of the Budget Committee I am certainly not trying in any way to tell that committee how the Post Office should be run which is beyond the ken of most of us. All I am saying is this, that if we pass either of these provisions, then please vote for the additional $1.5 billion on the deficit because there is not any other place that we have it. It will simply increase the debt. That is all my job is here today. If there is a better way or anyone has another suggestion, that is up to the Members with expertise on this committee. I am trying to do my job of pointing out the overall fiscal problem.

Mr. COHEN. Just to answer one question, the gentleman from Ohio pointed out that no matter how it totaled up, there is still a $3 billion deficit. In other words, the Alexander amendment is not going to contribute to any higher deficit than the Hanley amendment.

Mr. ADAMS. If the gentleman will yield, I am not suggesting that at some point we may not have to have to run the Postal Corporation through the wringer the same way we have some other entities in the United States, because they have their own debt, their own revenues, and their own expenditures and operate at this point separately from the Treasury of the United States. If we want to put it back into the Treasury, that is the decision and the will of the House, but then the Treasury is obligated. Right now the Postal Service Corporation is subject to the strictures that apply to any business that operates beyond its means, it can be declared bankrupt.

Does that answer the gentleman's question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, when H.R. 8603 was under consideration last month, I pointed out to Members that the recommendations made to the House in connection with the first budget resolution last spring and the concurrent resolution on the budget as adopted by Congress contemplated a small increase—$200 million—over the President's budget request of $1.49 billion for the postal service. This was believed to be the amount needed to preserve the will of Congress in approaching the goal of self-sufficiency for the Postal Service.

The budget resolution fully contemplated that this goal of self-sufficiency was the continuing policy of the Congress.

Mr. Chairman, the total of $1.69 billion assumed within the first budget resolution now appears to have been a reasonably accurate estimate of the amounts needed to continue on the present policy of achieving self-sufficiency. The most recent report to Congress by the Congressional Budget Office anticipates that a supplemental appropriation of $125 million will be needed for the current fiscal year. This would be in addition to the $92 billion added to the requested appropriations when we passed the Treasury, Postal Service, and General Government Appropriation Act. The total would now be $1.707 billion.

I remind the Members, however, that these estimates are based on the assumption that self-sufficiency under the terms of the 1970 Postal Reorganization Act continues to be the goal of congressional policy.

ALEXANDER AMENDMENT

The perfecting amendment to H.R. 8603 offered by the gentleman from Arkansas and adopted by the Committee of the Whole on September 29 is a very difficult one to analyze from the point of view of its probable monetary effect upon the budget.

Perhaps I may best put it in perspective by considering first the effects which implementation of this amendment would have for an entire fiscal year, although the part-year effects would, of course, be somewhat different.

Foremost, of course, is the fact that the amendment firmly puts the fiscal transactions of the Postal Service back into the Federal budget. Moreover, it does so on a gross basis, rather than the net basis which used to be the case before the Postal Service was placed off-budget a few years ago.

Revenues of the U.S. Postal Service for fiscal year 1976 are now estimated at something in the neighborhood of $11 billion—under the amendment of the gentleman from Arkansas, this $11 billion would be added to general fund receipts of the Treasury and would accordingly increase total budget receipts by $11 billion.

Expenditures of the U.S. Postal Service for fiscal year 1976 are now estimated at approximately $14.5 billion. Under the amendment of the gentleman from Arkansas, this $14.5 billion would be added to the budget outlays of the Federal Government.

The net difference between receipts of $11 billion and expenditures of $14.5 billion—$3.5 billion—would then constitute the deficit from postal operations. Since we have already appropriated $1.6 billion for the U.S. Postal Service, the addition to the recorded budget deficit resulting from the bill as it now stands in Committee of the Whole would be $1.9 billion. From the point of view of the first budget resolution, which makes provision for anticipated supplemental requirements, the net increase in the deficit would be $1.7 to $1.8 billion.

COST OF THE ALEXANDER AMENDMENT

This then, Mr. Chairman, appears to be a reasonable estimate of the full-year cost of the amendment of the gentleman from Arkansas which is now incorporated in H.R. 8603 in Committee of the Whole—$1.8 billion added to the deficit assumed in the first budget resolution.

Discussions between staff of the House Budget Committee and members of the Finance Office of the U.S. Postal Service indicate that the part-year effect would be more likely in the neighborhood of $1 billion added deficit. Such an estimate, of course, depends heavily upon assumptions as to date of enactment and funding of this provision, and upon fiscal actions of the Postal Service between now and that final date of funding.

SUBSTITUTE AMENDMENT

The substitute to the amendment offered by Mr. Hanley would do two things which impact upon the budget.

First, the substitute amendment would continue the off-budget status of the U.S. Postal Service: The Service would continue to receive all revenues into its own account and would continue to pay its expenses out of the resources available in its own account. Those resources, under the substitute amendment, would be increased by authorizing appropriations of an additional $1.5 billion for the 15-month period ending September 30, 1976. Subsequent fiscal years would be handled through the annual authorization and appropriation process.

Second, the substitute amendment would limit the presently anticipated postal rate increase to 20 percent. This, of course, will affect the amount of postal revenues collected from mailers. How it can do other than increase the need for appropriation of the additional $1.5 billion is difficult to see.

EFFECT OF SUBSTITUTE AMENDMENT ON THE BUDGET

The substitute amendment would leave the Postal Service in its current off-budget status. There would be no effect on effect on budget receipts.

The Appropriations Committee would have to consider and recommend to the House a further appropriation for fiscal year 1976 and the 3-month transition period—July 1 through September 30—within the $1.5 billion limitation. If we assume that $1.2 billion of the authorization is applied to fiscal year 1976, and if we assume that the Appropriations Committee will recommend and the Congress provide $1.2 billion for fiscal year 1976, that amount of $1.2 billion will be added to budget authority; to outlays; and to the deficit.

CONCLUSION

It would seem to me we should send this bill back to committee by recommittal on defeat so the committee can decide what should be done to avoid increasing the Federal deficit by an additional Federal subsidy to the Postal Service Corporation.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the more we discuss this Postal Corporation, the more revealing it becomes, I think, to the Members and certainly it ought to become more revealing to the general public. I must say that I did not know that they had gone out into the bond market and borrowed money on bonds, or however they borrowed it. But I want to tell the Members in view of what the President said about New York City yesterday, one would have to be a blooming idiot who would buy any of their bonds from here on out, so they had better trim their sails. I would not buy their bonds at 30 cents on the dollar if they paid 15-percent interest.

I think the Congress is getting fed up with the way they are running the place.

What happened? I have never been in the Postmaster General's office but one time in my life, and that is when Mr. Lawrence O'Brien was Postmaster General before this was a Postal Corporation. He sort of apologized for having such a plush office with so much mahogany, and so on. The Postal Corporation had not been in business 30 days until they spent—I do not know how much; I have heard various figures from $60,000 up remodeling that office and putting in a kitchen and a private shower, and I do not know what else because I have not been down to look; but I would not be surprised at anything I saw if I went—maybe folding beds into the wall for all I know.

What I am saying is that this Corporation has ruined the mail system in the United States. When I came here 27 years ago, one could get a letter back to Ohio 300 miles away overnight. The last time I ran a check on it, it was 5 days. I sent some mail out yesterday that I hope will get there before election next Tuesday, but I am not going to bet on it.

What happened? We have an independent corporation. We swing from one extreme to the other in this country. If there is something the Government is doing badly, we say, let us make it an independent corporation. If it is something that an independent corporation is doing badly, like Lockheed or Penn Central, we say, let us bail them out or take them over. I do not know that either one is a cure-all for the other, but I think the Postal Service in the United States should be a service, and I think the way it is set up now is all wrong. I thought when I voted for the Alexander amendment—and I still think so—that that was one step in Congress retrieving its authority over this agency.

I think the only way we are ever going to get it in hand is to take it over altogether and get rid of these excorporate executives who were failures in their own business and who were brought in here to run the Postal Corporation.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I associate myself with many of the remarks made by the gentleman.

I supported the Alexander amendment. That amendment is a step in the right direction but it is not really the Congress taking over the Post Office, assuming we want to do that.

I am a little bit loathe to go for $3 billion more in deficit. The President will come up with cutting something else. I would hate to have the Post Office budget charged off against social security for instance.

Mr. HAYS of Ohio. As I understand the Hanley amendment, it is going to give them another $1.5 billion. If that is so, I would just rather not give it to them, not put it in the budget, and let them go out in the market and see if there are enough suckers in the United States to buy their bonds. Let them try it out. That is what we set it up for.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I find myself in agreement with everything the gentleman said about the Postal Service. As I said in the well, I have been probably the chief critic of the Service.

We have a situation here where before 1967 we had outside influences saying: "Take it away from the Congress. Put it in the hands of businessmen. They are good administrators." All that sort of thing.

We enacted the law and did that. The first Postmaster General was a great hitter in the private sector and great in the construction business and he came in and brought together the people who supposedly were the cream of the crop of businessmen in America and he put together a management team. They did not do a very good job of it.

Mr. HAYS of Ohio. Was that the Continental Can fellow?

Mr. HANLEY. No. Mr. Blount.

Mr. HAYS of Ohio. If it was the Continental Can fellow, they cannot even make enough can lids for the people of the United States let alone manage to make postage stamps.

Mr. HANLEY. If I may continue, so we have had a succession of that sort of thing. We have been completely critical in this committee. When we set forth with this action it was hopeful the amendments we proposed would move a long way toward getting that institution back on the track. That is what we are trying to do. What we are trying to do here is we are providing the $1.5 billion which we deem absolutely essential to avoid a second supplemental appropriation request to bail them out further. That is what we are doing here.

Mr. HAYS of Ohio. If I can have a little of my own time back, what makes the gentleman think that if we give them the $1.5 billion now they will not spend $2.5 billion and then we will have to bail them out anyway? We will bail them out no matter what they do.

Mr. HANLEY. This happens to be the lesser of two evils. The Alexander amendment, as the gentleman from Washington (Mr. ADAMS) has stated, will cost the taxpayers about $4 billion.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. HAYS of Ohio was allowed to proceed for 1 additional minute.)

Mr. HANLEY. So this amendment is the lesser of two evils.

Mr. HAYS of Ohio. I asked for another minute to say to the gentleman I cannot follow his mathematics. I thought I knew simple addition and subtraction and I do not understand if what the gentleman from Washington (Mr. ADAMS) says is correct—and I think it is—that they are going to take in $11 billion and spend $14.5 billion, that is a $3.5 billion deficit, and neither the Alexander amendment nor anybody else's amendment is going to add another $1.5 billion to it. It is going to be $3.5 billion.

I guess we will have bail them out or close them down. The alternative might be to close them down and it might not be a bad one, because there are some private companies that would probably pick up where they left off. They have lost all their parcel post business to the United Parcel Service because they, the UPS, do the job. They have lost most of their mail business because, for instance, I am conducting most of mine by telephone because I know the message will get through. Maybe we ought to shut them down.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman yielding.

Mr. Chairman, the Hanley amendment will negate what the gentleman from Arkansas (Mr. ALEXANDER) is trying to do and that is to bring the appropriation process for the whole expenditure of the Post Office to the Congress and at least give us a chance to make a judgment on some of those expenditures.

That is why I support the amendment, as the gentleman from Ohio did.

Mr. HAYS of Ohio. Well, I voted against the Postal Corporation in the first place.

Mr. ROUSSELOT. I did, too.

Mr. HAYS of Ohio. And I am going to vote against any appropriation for it from now on.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I think, as was just stated by the gentleman from California, it is important to recognize that what we have here is the ability to get a handle on this situation by having the U.S. Postal Service come to the Congress for its annual appropriations above the moneys that are available to them.

In other words, what we are doing through this amendment is to provide the U.S. Postal Service with all the revenues that it does take in right now. It also gives them an automatic appropriation based on 1971 operating expenses, as was authorized under the Postal Reorganization Act of 1970.

We also provided phasing money, as was provided under the original act, and then for any money needs above those three categories of moneys it must come back to the Congress for an annual appropriation.

I think this is really a very good compromise in terms of trying to effect a control on the U.S. Postal Service; but I think the thing we have to keep in mind is the fact that the U.S. Postal Service to a very great extent is the only vestige of contact between the Federal Government and the average taxpayer of any regular sort. It is the only contact and the people only see a deterioration of that service over a period of years at an increased cost.

What this amendment really does is to do two things. One, it does guarantee the standard or kind of delivery system in terms of making sure that service does not deteriorate.

Second, the amendment also provides a limitation as to what the increased cost might be as a result of a considered increase in postal rates by the U.S. Postal Service.

The standards that are being adopted in this bill, and we are saying that curbline delivery, as well as cluster box, is totally unacceptable for a number of reasons, because we do have a Postal Service now that has indicated they are going to cut out door-to-door deliveries in new developments. What we have to say to the public is that we are not going to allow that to happen and we can do that through the Hanley amendment.

We find that curb-line or cluster box delivery is unacceptable for obvious reasons such as hazard to safety, that the boxes are unsightly and more susceptible to theft and vandalism and this delivery system creates a discriminatory service in the sense that we will have some areas get door-to-door delivery that are right next door to new developments which will only have curb-line and cluster box delivery.

Cluster box delivery systems will also be especially hard for the disabled and the elderly, as well as those who live in areas where there is inclement weather in trying to get to their mail boxes.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, I thank the gentleman for yielding.

Is the gentleman saying that unless this amendment is adopted that we will lose door-to-door delivery?

Mr. MINETA. That is correct. It would be eliminated, as far as the amendment is concerned. As far as the amendment of the gentleman from New York (Mr. HANLEY) is concerned, the delivery standards are included in there.

Mr. RYAN. I would say to the gentleman that the door-to-door delivery for new residences has already stopped in San Mateo County in California. There are a great many objections to that already. It requires additional funds to deliver mail to constituents. I would suggest it will take more than $1.5 billion to rearrange its own priority.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague, the gentleman from California, yielding.

I am sure the gentleman did not mean to imply that if this amendment by the gentleman from New York (Mr. HANLEY) is not passed that door-to-door delivery will stop, if I understood the question.

Mr. MINETA. The Handley amendment does still include the delivery standards in here.

Mr. ROUSSELOT. That is right, put in previously by the gentleman's amendment.

Mr. MINETA. Correct.

Mr. ROUSSELOT. So the gentleman's amendment is retained regardless of whether this amendment passes or not.

Mr. MINETA. Right. I stand corrected.

Mr. ROUSSELOT. I want to be sure that is understood and so that the gentleman from California (Mr. RYAN) understands that the gentleman's amendment is retained regardless of whether the Hanley amendment passes or not.

Mr. MINETA. That is right, it is still in the basic bill. I stand corrected.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding to me. For further clarification of what we are talking about, is the gentleman saying that every township or county, every person who is receiving mail can have it delivered to his door regardless of how rural in nature the geographics are?

Mr. MINETA. This is in regard to new development as it has been defined by the U.S. Postal Service.

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I want to commend the gentleman from New York (Mr. HANLEY) for his diligence, imagination and objectivity in attempting to improve the Postal Service. I have supported the Alexander amendment in the past and I do so now, and therefore I am a bit dismayed to see that the amendment of the gentleman from New York (Mr. HANLEY) does negate the Alexander amendment.

I have received much mail, as has every Member of this House from our constituencies, urging the Congress to get some handle on the Postal Service so that we can effectuate some improvement in the service. We are not asking that the basic law be changed at this time or that the postal organization have no opportunities for improving the Postal Service within existing law, but we are merely asking for Congress to overlook postal operations. What we are doing today is making basic law that will stand for years and years. The Alexander amendment will do that in that it will bring the Postal Service to Congress each year to oversee it, and thereby in future years—not necessarily this year, but in future years—we can effectuate budget savings, economy and efficiency in the Postal Service. For that reason, I urge the Members to support the Alexander amendment already adopted, and thereby reject the Hanley amendment, and possibly by representation of another amendment, keep the good portions of the Hanley amendment for further consideration.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, the gentleman from Texas is a very able member of our committee, and of course does his homework, but could the gentleman inform the House with regard to the statement made by the chairman of the Budget Committee—is it not true that the gentleman from Washington's statement that the Alexander amendment will create a deficit of $3.5 billion into the budget as opposed to a deficit of $1.5 billion the Hanley amendment has? The gentleman from Texas should know, and I am sure he does know, the budget effect of the action he is asking the House to take today.

Mr. WHITE. I am like the gentleman from Ohio (Mr. HAYS). My mathematics are very simple. I cannot see where we are gaining anything in total figures when we have an outgo of $14 billion and income of $11 billion. I feel that what we are looking at here today is not just a year-by-year law, but we are talking about the basic law and where to effectuate the economies in the future. The amount of money will still be the same in either version. If bonds are issued by the Postal Service and they default, what we will have to look at in future years is that problem.

Mr. HENDERSON. If the gentleman will yield further, I am trying to get this back on the track. I do not want to take colleagues who are not on our committee and ask them questions, but surely the gentleman from Texas, a member of our committee, knows that the bonds of the U.S. Postal Service have the full faith and credit of the United States behind them already, and there is no such thing as default of postal bonds. They are obligations of the Treasury Department and every dollar is going to be repaid.

Mr. WHITE. I thank the Chairman, but I think he would have to agree that it is an outgo regardless of which column we take it from.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from New York.

Mr. HANLEY. The gentleman stresses authorization, and for what it is worth we have tried hard to explain this. We mandated an annual authorization and appropriation for any increase in current authorizations.

Mr. WHITE. That is not the total of budgeting, Mr. Chairman. I am seeking that they have to come to Congress for every dollar.

Mr. HANLEY. Under present law, they are authorized 10 percent of 1971 appropriations on a declining formula up until 1985. So we are speaking of every dollar in excess of that already authorized, and that is for fundamental public service. I do not think the gentleman wants to deny the ability of the publications throughout America to provide their subscribers with service at a reasonable rate. And that is what that authority is there for.

Mr. WHITE. The Committee on Appropriations can take that into consideration every year because that is a part of the request that would have to be gone over before the Committee on Appropriations.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Hanley amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I hope I have the attention not only of Members who are not on the Committee on Post Office and Civil Service but also my dear colleagues from the committee who I am sure do not intend to innocently mislead the House on some of these figures.

Mr. Chairman, let me just sum up the explanation that I thought the gentleman from Washington (Mr. ADAMS) tried to give us that if the procedure in the original Alexander amendment is followed—it is an accurate figure, as the chairman of the Budget Committee advised us—there would be a deficit in the area of $3.8 billion, and that would have to be covered. But here is where balancing figures have to come in. The Postal Service has already in the 1976 budget approximately a $1.6 billion subsidy for revenue foregone and for Postal Service. The Hanley amendment before us adds $1.5 billion, raising that to $3.1 billion. In addition, the charge hurled against the position of the gentleman from Arkansas (Mr. ALEXANDER) that his procedure would cost $4 billion is erroneous. It is based on a fictional post office figure, in effect claiming that they would then pass on to the Treasury a $1,390 million deficit that presumably they have hidden at the moment.

What is happening is that we have a juggling act, using post office figures that do not add up.

The other figure that could be debated is this: The $600 million that presumably is in the Hanley amendment to cover the difference between the 12-cent and the 13-cent first-class stamp.

But here is where we face the facts of life. This bill is in such bad shape that it is impossible, given just 6 weeks left of this session of Congress, for the Senate to process a bill, and then work out a conference with the House.

So as much as I hate to see it, the 13-cent first-class stamp and other rate increases will go into effect December 28. So we do not need the fund request in the Hanley amendment.

But the one basic figure is this: If the Members want to work within existing law, the Hanley amendment adds a $1.5 billion new subsidy to the Postal Service.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Chairman, I thank the gentleman for yielding.

Under the Hanley amendment, on the 15th of November the Members will be voting for a $72 billion deficit, under the budget resolution. If the Hanley amendment is defeated, the Members will be voting for a $74 billion deficit, for this reason: The difference between $11 billion, which is the income, and the outgo, which is $14.5 billion, is $3.5 billion, and there is $1.6 billion included in the budget resolution now, which leave a difference of approximately $2 billion. So the Members are going to be voting for a $74 billion deficit if they defeat the Hanley amendment.

Mr. Chairman, I am a member of the Committee on the Budget, and I want to tell the Members that I see we are going to have enough difficulty with the budget resolution without taking this on. I admit it is merely an accounting procedure, but let us not have that problem.

Mr. DERWINSKI. Mr. Chairman, the gentleman is incorrect. Let me remind the gentleman that it is not $11 billion he is speaking of; he is speaking of $12½ billion, because we already have that in the appropriation in the Postal Service 1976 budget.

What we are speaking of under the Hanley amendment before us is an additional authorization for $1½ billion. That brings it up to $14 billion.

Mr. DERRICK. Mr. Chairman, the gentleman is talking about apples and I am talking about oranges. I am talking about the Post Office Department without the inclusion of the $1.6 billion and the difference between $11 billion and $14½ billion, which is $3½ billion. I say we are going to be voting for a $74 billion deficit on November 15 if we defeat the Hanley amendment.

Mr. DERWINSKI. No. Let me suggest this to the gentleman, if I may have his attention for a moment.

Mr. DERRICK. We will have enough trouble in the Committee on the Budget without that.

Mr. DERWINSKI. Mr. Chairman, given the fact that the chairman of the Committee on the Budget, the chairman of the Committee on House Administration, and others have suggested that perhaps the problem we face today is that our committee did not bring a bill to the floor in a manner and in a shape and with a workable arrangement between us to make any sense, perhaps the logical thing for us to do—and I have recommended this in private communications—would be to go back to the committee and do the job right at this time. I am willing to work with the gentleman from New York (Mr. HANLEY) if we could bring out a proper bill.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, in response to the gentleman from Illinois (Mr. DERWINSKI), I will ask him if he did not meet with us a month ago and agree that essentially this is a good bill?

Mr. DERWINSKI. No.

Mr. HANLEY. Did the gentleman not say there were very few defects in the bill? Is the gentleman saying "No" at this point?

Mr. DERWINSKI. No. If the gentleman from Pennsylvania (Mr. JOHNSON) will yield further, I told the gentleman flatly I would work with him where we could achieve areas of agreement, but I would not buy this budget deficit approach and vote for a new subsidy.

Mr. HANLEY. The gentleman bought it a month ago in committee.

Mr. ALEXANDER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-three Members are present, not a quorum.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. HANLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment end at 2:35 p.m.

The CHAIRMAN. Is there objection to

the request of the gentleman from New York?

Mr. DERWINSKI. Mr. Chairman, reserving the right to object, that is a rather quick cutoff. Maybe if we can reach a gentleman's understanding to divide some time I will be pleased to entertain such a request.

Mr. HANLEY. Mr. Chairman, I am also willing to divide the time.

Mr. DERWINSKI. If we could have 10 minutes and divide it in some rational way I think it will be to everybody's advantage.

Mr. HANLEY. Fine. Then may I amend my request to say that all debate will end in 10 minutes, 5 minutes each being allocated to both sides?

The CHAIRMAN. The gentleman from New York (Mr. Hanley) asked unanimous consent that all debate end in 10 minutes with 5 minutes being allocated to the proponents and 5 minutes allocated to the opponents.

Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York (Mr. Hanley) will be allocated 5 minutes to control the time of those speaking in favor of the amendment and the gentleman from Illinois (Mr. Derwinski) will be recognized for 5 minutes to control the time of the opponents.

Mr. HANLEY. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I supported the Alexander amendment the last time since I think that the Post Office is, as we know, considered a catastrophe. I am, however, going to support the committee amendment. In fact, I would have been willing to go totally the other way on an up and down on the Alexander amendment, based only on the fact that we are pickup that deficit.

Now the gentlemen can say that the Committee on Appropriations may not appropriate that money, or what have you. But, I mean I really do not want to increase the deficit by $3½ billion for the Post Office. I will be willing to increase it by $10 billion if it were for the elderly or if it were for the mentally retarded children. But if we are talking about debt limits, and if we are talking about a target budget and then we are talking about including the Post Office operations deficit in our own budget, and still talking about fiscal responsibility, then I am not about to do it.

For that reason I will support the committee amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DERWINSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to sum up the figures. I think it is important for all Members to remember that the appropriation figure for the Postal Service now is approximately $1.6 billion. They are going to receive that and have, in fact, in fiscal 1976. The amendment before us adds $1.5 billion to this subsidy.

May I also point out that if the amendment is rejected, the limitation that will leave the first class stamp at 12 cents is retained in the bill.

May I also point out that when we pass this amendment, we retain in the bill a substantial portion of what a majority of Members seem to feel is a necessary reassertion of congressional jurisdiction. It would be my recommendation that we reject this amendment and then, perhaps, we would have the proponents of the measure take the suggestion from many of their dear friends on the floor and have us go back to the committee and regroup. Then, bring a bill to the floor that will have strong support rather than the tremendous debate that has been encountered here this afternoon.

Mr. HANLEY. Mr. Chairman, I reserve the remainder of my time.

The CHAIRMAN. Does the gentleman from Illinois wish to speak further to the issue at this time?

Dr. DERWINSKI. No, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Hanley).

The question was taken; and on a division (demanded by Mr. Derwinski) there were—ayes 22, noes 41.

RECORDED VOTE

Mr. HANLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 207, not voting 30, as follows:

[Roll No. 649]

AYES—196

Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Cochran
Conte
Corman
Cornell
Daniels, N.J.
Delaney
Dellums
Derrick
Diggs
Dingell
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Florio
Flowers
Ford, Mich.
Ford, Tenn.
Gaydos
Gonzalez
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hayes, Ind.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Howard
Hubbard
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kazen
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Levitas
Litton
Long, La.
McCormack
McFall
McHugh
McKay
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Preyer
Price
Pritchard
Quillen
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roush
Roybal
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Shriver
Simon
Slack
Smith, Iowa
Spellman
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, C. H.
Winn
Wolff
Yates
Yatron
Young, Alaska
Young, Ga.
Zablocki
Zeferetti

NOES—207

Abdnor
Adams
Alexander
Andrews, N.C.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Dent
Derwinski
Devine
Dickinson
Dodd
Downing, Va.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Haley
Hammerschmidt
Hansen
Hastings
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Hightower
Holland
Holt
Holtzman
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Keys
Kindness
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mills
Moffett
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Pa.
Neal
Nichols
O'Brien
Pettis
Pickle
Poage
Pressler
Quie
Railsback
Randall
Regula
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rousselot
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Wirth
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.

NOT VOTING—30

Abzug
Anderson, Ill.
Annunzio
Barrett
Breaux
Brown, Ohio
Burke, Fla.
Clausen, Don H.
Cleveland
Conyers
Fary
Foley
Fraser
Green
Guyer
Hawkins
Hébert
Hinshaw
Horton
Lujan
Martin
Mink
Moss
Murphy, N.Y.
Passman
Rhodes
Rooney
Sisk
Solarz
Udall

The Clerk announced the following pairs:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Rooney for, with Mr. Passman against.

Ms. Abzug for, with Mr. Breaux against.

Mr. Barrett for, with Mr. Burke of Florida against.

Mr. Green for, with Mr. Martin against.

Mr. Conyers for, with Mr. Lujan against.

Mr. Moss for, with Mr. Guyer against.

Mr. Murphy of New York for, with Mr. Don H. Clausen against.

Mr. Sisk for, with Mr. Cleveland against.

Mr. Hawkins for, with Mr. Anderson of Illinois against.

Mr. Solarz for, with Mr. Hinshaw against.

Messrs. LAFALCE, ANDERSON of California, NEDZI, O'HARA, LEVITAS, MELCHER, WHALEN, McKAY, FORD of Tennessee, and Mrs. HECKLER of Massachusetts changed their votes from "no" to "aye."

Mr. ASHLEY changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the Chair.

The SPEAKER. The Chair will receive a message.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On October 21, 1975:

H.R. 6151. An act to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center;

H.R. 7706. An act to suspend the duty on natural graphite until the close of June 30, 1978, and for other purposes;

H.R. 8121. An act making appropriations for the Department of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.R. 8561. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976; and for other purposes.

On October 22, 1975:

H.R. 8240. An act to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes.

The SPEAKER. The Committee will resume its sitting.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1975

The Committee resumed its sitting.

AMENDMENT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: Page 18, immediately after line 11, insert the following new subsection:

(d) Section 3661 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of this section, the term 'change in the nature of postal services' means any change or alteration in the type, quality, terms, or conditions of providing for the receipt, transmission, or delivery of mail matter of any type.".

And redesignate the following subsection accordingly.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I have discussed the amendment with the gentleman from Alabama (Mr. BUCHANAN). The amendment makes sense to me. I think it would be a good inclusion in the bill, so I am delighted to support the amendment.

Mr. BUCHANAN. I thank the distinguished chairman of the subcommittee for his support.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I will ask the gentleman to state briefly what this amendment is.

Mr. BUCHANAN. Mr. Chairman, this amendment would define what we meant by the phrase "changes in the nature of the Postal Service" in the Postal Reorganization Act of 1970.

Mr. DERWINSKI. Mr. Chairman, the gentleman from New York (Mr. HANLEY) agrees with the amendment. We Republicans will also agree to the amendment.

Mr. HANLEY. Mr. Chairman, if the gentleman will yield, I will say to the gentleman from Illinois that I know it is his nature to be in disagreement.

Mr. BUCHANAN. Mr. Chairman, I thank both the chairman of the subcommittee and the ranking minority member for their support of my amendment. It will clarify the intent of Congress in the passage of section 3660 of the Postal Reorganization Act of 1970, and should serve to help protect the people from adverse changes in the nature of service and help provide them the hearing they deserve and the Postal Rate Commission the input Congress intended before such changes are implemented by the Postal Service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: At the end of the bill, add the following new section:

SEC. ( ). (a) The second sentence of section 3622(a) of title 39, United States Code, is amended to read as follows: "The Postal Service may submit such proposals for rate adjustments as it deems suitable, except that no such proposal may include a rate increase for any class of mail that exceeds the average percent rise in the price index for the 12-month period immediately preceding the month prior to the month in which such proposal is submitted.".

(b) Section 3624 of title 39, United States Code, is amended by adding the following new subsection:

"(f) No recommended decision transmitted by the Commission under this section may include a rate increase for any class of mail that exceeds the average percent rise in the price index for the 12-month period immediately preceding the month prior to the month in which the request for a recommended decision was submitted to the Commission.".

(c) Section 3625(b) of title 39, United States Code, is amended by adding the following sentence at the end thereof: "No decision of the Governors under this section may include a rate increase for any class of mail that exceeds the average percent rise in the price index for the 12-month period immediately preceding the month prior to the month in which the proposal for a recommended decision was submitted to the Postal Rate Commission under section 3622 of this title.".

(d) Section 102 of title 39, United States Code, is amended:

(1) by striking the word "and" at the end of subparagraph (2);

(2) by striking the period at the end of subparagraph (3) and inserting "; and"; and

(3) by adding the following subparagraph:

"(4) 'price index' means the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(e) The first sentence of section 3622(a) of title 39, United States Code, is amended by striking out "From time to time" and inserting the following: "From time to time, but no more frequently than once during any 12-month period,".

(f) Notwithstanding any other law, the amendments made by subsections (b), (c) and (d) of this section shall apply to the temporary and permanent rates established pursuant to the request of the United States Postal Service for a recommended decision by the United States Postal Rate Commission dated September 18, 1975, bearing Postal Rate Commission Docket Number R76-1.

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMON. Mr. Chairman, if I may have the attention of the body, this amendment does two things. Some of the Members will recall that when we were last considering this bill in committee, I offered an amendment which did three things: It got rid of the Postal Rate Commission, it said that rates could not go above the Consumer Price Index, and that they could only have one rate increase during the year. That amendment was defeated by three votes.

The gentleman from California (Mr. HINSHAW), who is a member of the committee and who unfortunately cannot be here today, has drafted an amendment that I am introducing here today, and that amendment does two of those three things. It says simply that the postal rate increases cannot be in excess of the Consumer Price Index and there can only be one rate increase per year.

I think this is a sensible kind of restraint that we should put on the Postal Service. I would hope that the amendment merits the support and the consideration of the Members of this body.

Mr. Chairman, I would be happy to answer any questions any of the Members might have.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, many of us in the committee, as the gentleman knows, felt very favorably disposed toward this amendment. We appreciate the gentleman's offering it. I do not think there will be too many of us who would have any objections to this concept.

Mr. SIMON. Mr. Chairman, I appreciate the gentleman's support.

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment.

I regret the necessity of doing this, but I have talked with the gentleman on numerous occasions concerning this matter.

Unfortunately, the Consumer Price Index is somewhat artificial and it applies to consumer costs, not corporate costs. I cannot see its appropriateness with regard to setting rates. As the Members know, we do have under the act a Postal Rate Commission.

I said to the gentleman that subsequent to the disposition of the bill before us we intend to call before us the Postal Rate Commission, along with the Board of Governors, for some colloquy on the entire matter of rates.

Mr. Chairman, I regret the necessity of my opposition to the gentleman's amendment.

Mr. SIMON. If the gentleman will yield, I would point out that this does not get rid of the Postal Rate Commission. I favor that, but this amendment does not.

Is it not correct that the Postmaster General just very recently said he hopes that the postal rates will not ever in the future exceed the Consumer Price Index, and is it not also true that the Postal Service, at the initial meeting of our full committee this year, pointed out that postal rates generally ought to be very close to the Consumer Price Index?

Mr. HANLEY. Again, I regret my opposition; but the fact is that we have had no hearings on this subject. It is a very complex subject. Prudently, it seems to me that the Congress, if it is going to move in the direction as suggested by this matter, should have the subject matter taken up at hearings so that we do not expand upon the errors that we already have within the institution by add-ons of this nature, which have not been given sufficient thought.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

It is true that in the Federal retirement system we have attached those increases to the Consumer Price Index. We have done the same for the social security system, so why should we not benefit the postal users through the same index?

I really do not understand the gentleman's logic. There have been hearings on the general subject of the Consumer Price Index as an index for increases, and we do it for the Federal retirees and for the social security recipients.

I cannot understand why the gentleman from New York (Mr. HANLEY), who I know is conscious of improper increases, can, in effect, say that we should not now encourage the postal management to be governed by the same principle.

Mr. HANLEY. The gentleman recognizes that, and generally speaking, the postal users are not necessarily individuals. As the gentleman from California knows, there is only about 20 percent of the postal volume that can be characterized as individual mail. The other 80 percent is in the business and commerce category.

Again, therefore, what we would be doing is that we would be providing a destructive device for the already belabored postal rate commission.

The gentleman from California (Mr. ROUSSELOT), who I know is responsible, as always, would prefer, would he not, that the subject matter should have hearings and be deliberated upon, as opposed to on the spot here, within the next 10 minutes, making a decision that could, in effect, pull the rug out from underneath that commission? Would it not be more prudent to give a little time and a little thought prior to doing something of this nature?

Mr. ROUSSELOT. If the gentleman will yield further, I am delighted to respond. We did discuss this in committee. It is an established index, and it is true that 20 percent of the postal patrons are, in fact, individual users, but also the first-class users are many businesses that mail to their customers and their general constituencies.

I cannot understand why the gentleman is not willing to accept that index that we use for our retirees.

Mr. HANLEY. I will remind the gentleman that the amendment was considered in committee and defeated.

Mr. ROUSSELOT. That is true.

Mr. HANLEY. And defeated.

Mr. ROUSSELOT. Very narrowly.

Mr. HANLEY. And again, at that time I assured the author that, reasonably equipped, we would conduct a series of hearings and then act responsibly on the matter, as opposed to moving in the direction of compounding the problem we already have.

Mr. HANNAFORD. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. Yes. I yield to the gentleman from California.

Mr. HANNAFORD. I thank the chairman for yielding.

Would the gentleman answer this question: If the amendment were passed, would it enable us to adjust any of the rates above the cost of living? In other words, would it not lock in all of the rates so that we could not adjust second-, third-, and fourth-class mail beyond the cost of living, and in that way preclude the opportunity to adjust those classes in the future?

Mr. HANLEY. It could well have that effect. As I have already related, 80 percent of our mail happens to be business mail.

It is a little bit difficult to associate that usage with the cost of the index.

Mr. HANNAFORD. I thank the gentleman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Mr. Chairman, I dislike very much to find myself in disagreement with my good friend, the gentleman from New York (Mr. HANLEY) the chairman of the subcommittee, but I think that the amendment the gentleman from Illinois (Mr. SIMON) has introduced is a very responsible amendment.

The amendment is not identical to the amendment the gentleman from Illinois introduced in the committee in that he does not in this amendment attempt to abolish the Rate Commission. The only disagreement I have with the amendment is that he has not attempted to abolish the Rate Commission.

I think the gentleman from Illinois has taken a very mild approach. He is giving us an opportunity to put some controls over rate increases and bring some semblance of business-like methods to the rate problem which is one of the greatest problems we have insofar as the Postal Service is concerned.

I think it is a very important amendment. I hope we will support it.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a feeling that at this point because of the complexity of this bill, and the frustrations that Members have with the Postal Service, that few Members are really listening to something as intricate as this amendment.

Let me say, first of all, that the gentleman from Illinois (Mr. SIMON) is an old friend of mine. I respect him as being one of the more dedicated public officials in our generation but, frankly, this is not a workable amendment from just a logistical point of view. What this amendment would do is to create periodic gyrations in postal rates that would befuddle the public and befuddle the major users of the mails and would create administrative problems. It really is not the answer to the postal rate issue.

If we could ever get this bill back to the committee where it belongs, if we could work out a practical formula to limit rates and then attach to it a sort of post condition similar to the proposal being made by the gentleman from Illinois it might well make sense. But, frankly, at this time the acceptance of this amendment would make the functioning of the Rate Commission and the calculations of the Postal Service for short-term rates almost unworkable.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. SIMON. The gentleman says that this amendment would cause periodic gyrations of postal rates. Is it not true that this amendment restricts the amount? It restricts that gyration and also restricts the period, in fact it does just the opposite of what the gentleman has suggested it would do.

Mr. DERWINSKI. It does not. From an administrative standpoint, if the figures involved in the cost-of-living index would have applicability to the postal rates, it would mean that we would get into rate adjustments in terms of half cents, and so forth, and that would make it an extremely difficult management operation for the Postal Service. This would also be imposing an artificial condition that does not necessarily apply to the economics of the Postal Service.

Please understand I am not saying that this amendment does not have an understandable element to it, but right at this point it is not the practical time to apply it to a situation where there is already a state of flux in the postal rate situation. If this amendment were to pass and the gentleman's language would immediately apply, the Postal Service would face an unanticipated and major shortfall. Really what I am saying is the gentleman's intentions would have a certain practical approach if the situation we face were so clear cut that we could then apply the complexities of this proposal. It is not really so.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California, even though the gentleman is not on the right side of this issue.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Actually this is a prohibition against unwarranted raises in postal rates that is well protected by the amendment my colleagues, the gentleman from Illinois (Mr. SIMON), and the gentleman from California (Mr. HINSHAW), both members of the committee. They say that although it is attached to the Consumer Price Index, there may not be more than one raise in postage rates per year, and it is still subject to the Rate Commission's supervision. So I think my colleague, the gentleman from Illinois, and my colleague the gentleman from California, have done an excellent job with this amendment in making sure that the gyrations to which my colleague, the gentleman from Illinois (Mr. DERWINSKI) refers are eliminated. Those increases are prohibited; and there are adequate protections in the total amendment that I think we need to apply to the Postal Service.

I am sure that my colleague would want to provide those kinds of prohibitions and protections.

Mr. DERWINSKI. I do, but let me explain that evidently logic in southern California and southern Illinois does not directly relate to the absolute fact of life in the Postal Service. Once we establish for a reasonable period of time a rate structure in which we could solve the debate over allocations of costs, then an amendment of this nature has merit; but we are nowhere near that position yet, and this amendment would make it almost impossible to work out a practical rate structure for the Postal Service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The question was taken; and on a division (demanded by Mr. SIMON) there were—ayes 22, noes 32.

So the amendment was rejected.

AMENDMENTS OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mrs. SCHROEDER: On page 22, line 3, after the section designation "(9)" insert the designation "(a)"; and

On page 22, after line 9, insert the following:

(b) Section 3622 (b) (3) is amended to read as follows: "(3) the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class of mail or type (including the costs caused by variability with volume, and all of the costs caused by the collection, transportation, processing, storing, and delivery of each class of mail or type of mail service), plus that portion of all other postal costs reasonably assignable to such class or type except that the revenue received from rates for mail under former sections 4358, 4452 (b) and (c), and 4554 (b) and (c) shall not, on and after the first day of the sixteenth year following the effective date of the first rate decision applicable to those classes and kinds, exceed those proposed changes in the rates of postage, and in fees for postal service, requested on September 18, 1975, by the United States Postal Service in a request bearing Postal Rate Commission Docket Number R76–1, for those classes of mail. Not later than thirty days after the conclusion of any rate case involving these classes of mail, the Postal Service shall report to the appropriate Committees of the House and the Senate an estimate of the revenue to be obtained by application of this subsection and its appropriate separate rate schedule and an estimate of the revenue which would be obtained if section 3622 were applicable to these classes of mail for the succeeding twelve month period."; and

On page 22, line 12, strike the word "thereof" and insert in lieu of this word the words "of section 3626"; and

Strike the language from page 26, line 24, through page 32, line 26.

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

Mr. DERWINSKI. Reserving the right to object, Mr. Chairman, may I ask the gentlewoman how long the amendments are in printed form?

Mrs. SCHROEDER. They are about one page.

Mr. DERWINSKI. Will the gentlewoman be prepared to give us the detailed explanation that I think complex amendments like this would require?

Mrs. SCHROEDER. I think I understand it enough to give the gentleman a detailed explanation. I would be more than happy to.

Mr. DERWINSKI. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, my amendment will do three things. First, it will establish what was the intent of Congress in passing the Postal Reorganization Act of 1970—that each class of mail pay those direct and indirect costs which are attributable to its processing. Second, it will protect those classes of mail which Congress has long considered to be charitable or nonprofit from large rate hikes in the future. Third, it will strike from H.R. 8603 the provision—section 12—which sets up a 2-year-long study commission to make recommendations about postal rates.

When the Postal Reorganization Act passed Congress in 1970, it was with the stated intent that eventually the Postal Service would become self-sufficient, and that each class of mail or mail service would eventually pay its own way.

Section 3622(b) of title 39 of the United States Code contains the essence of the ratemaking guidelines which the Congress gave to the Postal Rate Commission. It contains the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type of mail service. All other costs—namely, fixed costs or overhead—should be assigned on a reasonable basis.

I believe that the intent of Congress was clear—as the House committee report stated:

> Rates are to be set so that each class of service pays at least its own identifiable costs.

But in practice, the Postal Service has used a cost allocation formula which defies commonsense—not to mention most accounting principles—and has worked out a complex system whereby its attributable costs are only half its total costs, and its fixed costs constitute the other half. When any business cannot figure out what its goods or services are costing it, it is asking for trouble.

For its second step of tortured logic, the Postal Service then assigns to first class mail the bulk of its fixed costs. The reasoning here is based on a complex sounding principle called the "Inverse Elasticity Rule." What it means is that since the Postal Service has a legal monopoly on the delivery of first class mail, people who want or need to use first class mail must pay whatever the Postal Service charges. The catch is that because first class users have, by law, no alternative to the Postal Service, the demand for first class is held to be "inelastic"—and therefore the Postal Service can charge whatever the traffic will bear. And it does.

I believe that because of the costing system used by the Postal Service first class users now pay about 2 cents more for a first class stamp than they should. This constitutes, in my opinion, a hidden annual subsidy of more than $1 billion which runs from first class users to other mail users. A similar accounting principle applied to bread would have people who eat bread—nearly everybody—paying extra for bread to subsidize those who eat cake.

I personally am willing to subsidize other classes of mail which have certain values and therefore perhaps should not be expected to fully pay their way. My amendment speaks to this question. But, it would be great to know all the facts before voting such subsidies. At the present time, this is not possible.

It is time that we make the Postal Service adhere to the principle, I do not think that first-class users should continue to subsidize the rest of the Postal Service. It amounts to taxation by administrative fiat.

With my amendment we would know exactly what the subsidy was. I think when this bill was discussed before, we talked about the fact that first-class mail users are subsidizing other classes to the tune of about a billion dollars a year. I think those Members who are from the following States should really listen: Massachusetts, Maine, Louisiana, Connecticut, Vermont, Pennsylvania, Rhode Island, Washington, Arkansas, Illinois, Iowa, North Dakota, Oklahoma, and soon to be Texas. I say this because the State Attorney General in Massachusetts has started a suit and these States have joined with him asking that the first-class rates be held at 10 cents and their contention is if the rate goes to 13 cents that is really unconscionable and we will be putting too much of a burden on the first-class users to subsidize all other classes of mail. They also state there has been a 117-percent rate increase in the first-class area since 1971, when the Postal Service took over. They feel very strongly the first-class rate has gone up very adequately and is being used indirectly as a backdoor subsidy for other classes.

My amendment would force the Postal Service to equitably attribute costs. And by clarifying the language in section 3622 (b) as to what constitutes "direct and indirect costs," I believe that we might be able to put behind us the ridiculous circumstances whereby the rate setting process now takes about 2 years rather than the 90 days originally envisioned by Congress.

Mr. Chairman, the second part of my amendment meets the objections which were made to my amendment offered on September 29. That is, some have argued that by making the various classes of mail pay their own way, we were going to make charitable and nonprofit mailers pay more than they can afford to and thus run them out of business. As I stated on September 29, I do not believe that this would happen and I favor the continuation of the preferential rates which these mail classes receive—including their subsidies. On September 29, I believed that the language of our present law—with its 16-year phase in of full rates for charitable and nonprofit mailers—was enough of a saving clause. But to meet this objection, the amendment I am offering today will freeze postal rates for certain classes at the ceilings contained in the Postal Service's own rate increase proposal of September 18, 1975. I will note that these proposed rates do not reflect what these mailers actually pay—as they are subject to phasing in and a public service subsidy, so the full levels of the proposed rates will not go into effect until 1987, or 12 years to come. This means that the mail going into these classes will have measurable and assured rates, no matter what the effect of my amendment is on other classes.

The following classes will be protected:

First. Second class, or periodical, publications, covered by section 4358 of the former law. Publications allowed to be mailed under these lower rates include those for classroom or religious instruction, those of religious, educational, scientific, philanthropic, agricultural, labor, veteran's, fraternal, and associations of rural electric cooperatives program announcements or guides published by State educational radio or TV, and those devoted to the science of agriculture. Also, and very importantly, this section covers small publications mailed in county—such things as weekly rural newspapers.

The subsidies the taxpayers now give these classes include $83.9 million in phasing and $41.4 million in continuing appropriations. These levels would rise to $122.8 million in phasing and $35.0 million in continuing appropriations under the new rate proposal.

Second. Nonprofit rate bulk mail in the third class, as covered by section 4452 (b) and (c) of the former language of title 39 of the United States Code. The "phasing" appropriation for this class is now set at $70 million and the Postal Service proposal would increase this to $88.8 million. Continuing appropriations are also earmarked for this mail class by the Postal Service. This funding level is now $182.5 million and the proposed rates would increase the level to $260.8 million.

Third. Preferred rate publications, as covered by section 4554 (b) and (c) of the former law, this is the so-called library rate. Right now the phasing subsidy for this class is $7 million with an additional $21.2 million earmarked for continuing appropriations. These levels would rise to $14.9 and $13.1 millions respectively under the new Postal Service rate proposal and would remain unaffected.

Mr. Chairman, the third part of my amendment will eliminate from H.R. 8603 the part of the bill calling for a Study Commission on Postal Rates. Sometimes studies are good things. But, this issue has been studied to death already.

It was studied by the Post Office Department many times before the Postal Reorganization Act 1970 was passed.

It has been the subject of lengthy adversary proceedings in the Postal Rate Commission. Two cases, of 1½ and 2 years of length, have been litigated on the matter. The costs of each case have been in the millions. I fail to see any worth to another study other than as window dressing which purports to tell our mail users that we are trying to get postal rates under control.

Mr. FORD of Michigan. Mr. Chairman, will the gentlewoman yield for a question?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, in looking at the second part of the gentlewoman's amendment, I see she in effect freezes nonprofit rates at a particular level for 16 years, but when we try to find out where she freezes them we discover nobody knows. What the gentlewoman does is freeze rates not at the levels set by the Rate Commission's determination but at the rate now being requested by this Postal Service Board of Directors that everybody just voted so vehemently against. Would the gentlewoman tell us what that rate structure is in the R76–1 she is going to freeze into the statute?

Mrs. SCHROEDER. It is very complex. I have the rate at the desk and I can show it to anyone. I believe it is about 20 percent higher than it was before on the average. It is based on suggested 1975 rate structure. The policy would be to hold the charitable/nonprofit mail at that level and change the accounting system, and then we may eventually wish to deal with the whole rate problem, and I assume that we do, because of the provision for a study of the rate structure in this bill. I do not think we can even study the rate structure until we have the facts. I think this amendment will help us get the facts and we as a body can decide.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Costing methodology is probably the most complex aspect of the U.S. Postal Service. I must remind the House that this subject was not brought up at all in the committee, let alone any hearings held on it.

The methodology embraced by this amendment was in part rejected some time ago by the Rate Commission.

Again we are dealing with an extremely complex subject matter that I would hope very much would not be decided in the course of a few minutes that we have been here on the floor today. This is a subject matter that deserves the full attention of the committee through the hearing process.

So all I am saying essentially is that we are dealing with an extremely complex situation and I would hope very much we would not attempt to dispose of it in the affirmative and in so doing create another major problem than the Herculean one that we are already dealing with.

I would hope very much that the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER) be voted down.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, if I recall correctly, we do have in this bill a provision to set up a Commission to study the public service. It is, as I understand it, the gentleman's intention, and it was our intention in the committee that this Commission in large measure address itself to this subject, the allocation of public service that is reflected in costs.

In effect, we have a mechanism in this bill that will in fair measure serve the areas addressed by the gentlewoman's amendment.

Mr. HANLEY. Mr. Chairman, the gentleman makes a very good point and a worthwhile contribution here. The language of the bill provides for the creation of a five-person study commission which will be charged with making recommendations on questions such as costing methodology for rates and the appropriate level of public service appropriations.

So matters of the nature suggested by the gentlewoman from Colorado (Mrs. SCHROEDER) and the previous amendment by the gentleman from Illinois (Mr. SIMON) all should be brought to the attention of the study commission in concert with the action of the Legislative Committee, so that we do think, hopefully, prudently and responsibly.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, in your reference to methodology, if this amendment carries, would all the classes of mail receive the same treatment and be delivered at the same time, or would first-class mail receive special treatment?

Mr. HANLEY. Well, the contentions in the Wenner decision, and this would be applicable in this case, would be that the first-class patron paid more than his or her share. The theory was specifically reversed by the Postal Rate Commission. So I think it really is a ball of wax that is extremely complex and could have very serious ramifications.

Mr. DEL CLAWSON. Mr. Chairman, I appreciate the response of the gentleman.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I would like to say several things. I think the rate structure has been studied over and over again. We got the present Postal Service from the results of a study, so I am sure that more studies are not the answer, especially without the facts. The administrative judge in the rate case did study the law. There were hearings in Congress when the Postal Reform Act was adopted and it was determined by the Congress that this is how the Postal Service should keep their books.

We now have 14 States joining together in a suit to have the Post Office keep their books in the same manner the law states and the judge ruled. You said the Postal Commission overruled the judge but no one here even knows who is on the rate commission and there were no reasons given by the commission for their decision. It was just kind of a pro forma decision, probably one of the most poorly documented decisions I have ever seen written.

I think the Congress has an awful lot of responsibility to bear here. I think the firm mandate we gave the Postal Service to attribute their costs to different classes of mail has been ignored and we should insist on it, rather than telling the Postal Service continue on the way they have, the facts might help us to be more constructive in the future in the committee as we are dealing with this very difficult issue of what to do about the Postal Service.

Now we are really groping in the dark and do not have the facts on the costs of the different classes of mail. There are estimates that first class mail users spend a billion dollars a year more than they should.

Mr. HANLEY. Just to clarify a point, unfortunately there was no congressionally mandated study commission previous to the Reform Act of 1970. Had that been the case, I am confident that we would not be in the trouble we are in today, but there was no study commission back then. That was a surge from outside, influences that influenced the Congress, which went helter skelter in the direction of reform.

Mrs. SCHROEDER. We had the Kappel Commission that Congress funded.

Mr. HANLEY. That was a Presidential commission, not a congressionally mandated commission.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and on a division (demanded by Mrs. SCHROEDER) there were—ayes 16; noes 31.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: Page 32, insert immediately after line 26 the following:

SEC. 16. (a) Chapter 6 of title 39, United States Code, is amended by striking out sections 601 and 602, and by redesignating section 603 through section 606 as section 601 through section 604, respectively.

(b) The table of sections for chapter 6 of title 39, United States Code, is amended to read as follows:

"Sec.
"601. Searches authorized.
"602. Seizing and detaining letters.
"603. Searching vessels for letters.
"604. Disposition of seized mail.".

SEC. 17. (a)(1) Chapter 83 of title 18, United States Code, is amended by striking out sections 1694, 1695, 1696, and 1697.

(2) The table of sections for chapter 83 of title 18, United States Code, is amended by striking out the items relating to sections 1694, 1695, 1696, and 1697.

(b) Section 1698 of title 18, United States Code, is amended by inserting "(other than letters or packages carried by private express)" immediately after "cargo".

(c)-Section 1699 of title 18, United States Code, is amended by inserting "except where carried by private express and" immediately after "nearest post office," and immediately after "under my power or control,".

Mr. SYMMS (during the reading). Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred one Members are present, a quorum.

The Clerk will read.

The Clerk concluded the reading of the amendment.

Mr. ROUSSELOT. Mr. Chairman, it is ironic that if we are unsuccessful in repealing the private express statutes today, modern technology will end the Postal monopoly over first-class mail in a very few years without a fight. According to an in-house study conducted by the Postal Service, the volume of first-class mail is being reduced steadily by the industry and Government use of electronic mail which is sometimes referred to as EFTS or electronic funds transfer system.

It is estimated that by the year 1985, 38 percent of all first-class mail will be sent by an electronic message. Ten percent of all social security checks are currently being electronically transferred directly to the recipient's bank. The Postal study further reveals that by 1985, nearly 60 percent of all transactional first-class mail will be sent outside the postal system. This statistic is more dramatic since it is the transactional mail which represents the "cream" which would be "skimmed" by repealing the private express statutes. Transactional mail contains the lucrative computerized and presorted billings and advertising which are sent at the first of each month.

For example, American Express would no longer send through the mail a monthly statement of purchases since the money from the purchaser's account would automatically be transferred to the seller's bank when the sale was made. I think that it is important to include these facts in a discussion of the private express statutes because historically, Americans have found faster and more efficient ways of transferring their messages. A good example is the Pony Express, which was a private initiative to deliver letters in days which normally took months to receive.

The postal monopoly on first-class mail will be eliminated, because private industry cannot afford the luxury of an inefficient postal system.

In a recent newsletter to my constituents, I asked whether or not they favored the repeal of the private express statutes. The results of the poll indicate that 75 percent of those who returned the questionnaire believe that private corporations should be allowed to carry first-class mail.

Time and Sports Illustrated magazines are now experimenting with home delivery by newspaper carriers as an alternative to the sharply rising costs of mail delivery. Time Inc. has also contracted with National Postal Service, a privately owned company, for the delivery of Time and four monthly magazines in the San Francisco Bay area. Dow Jones is also experimenting with the delivery of the Wall Street Journal through a newspaper carrier network in urban areas. Even the Federal agencies are using private carriers, the General Services Administration has estimated that approximately $5 million of business was conducted with private postal corporations in 1974.

Presently there are 11 privately owned postal services, carrying second-, third-, and fourth-class mail in various parts of the United States and these firms are attracting sufficient business to support their continuation.

The privately owned United Parcel Service has continued to attract customers away from the U.S. Postal Service and now delivers more packages than the Postal Service. It damages only one package for every five damaged by the Postal Service and its rates are cheaper. Yet it continues to make substantial profits and produces revenues to the Government by paying taxes on the profits.

Americans will be subsidizing the Postal Service to a tune of $3.1 billion this year if this legislation passes. This fact combined with increased postal rates shows that the Postal Reorganization Act has not worked. It is time to make the Postal Service competitive with private enterprise. It is time to have tax dollars from private postal corporations coming into the General Treasury rather than billions being spent on an organization which does not even have the right to layoff its employees. Let us not make the same mistake 3 years hence that we did this year in postal contract negotiations and allow the postal unions to threaten to strike if they do not get the terms that they demand.

I urge my colleagues to vote yes for the repeal of the private express statutes.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the gentleman for yielding. I would like to congratulate the gentleman for his statement and for putting this amendment before this House. I would say to the members of the committee that we have been debating about all these problems in the Post Office for many years. Mr. Chairman, for the 3 years I have been here we have debated the problems of Postal Service delivery, but we have always avoided the subject of monopoly. We hear a great hue and cry around here about oil monopolies and other kinds of business monopolies that may come as a result of Government regulations or market advances that may be achieved through large capital formations, and so forth.

But nobody ever talks about the postal monopoly. That is what is wrong with the Post Office. A little competition would probably be good for them.

As to a comparison of rates for postal service with those of other businesses, one of the problems is the lack of competition because the Government has imposed this monopoly.

Does the gentleman know when it was that this monopoly began? What year was that?

Mr. ROUSSELOT. Mr. Chairman, there were different phases of this development, and the laws have been tightened from time to time to protect the monopoly which the Post Office maintains. Of course, the Post Office service had existed previously in this country by contract to private carriers, including Wells Fargo.

Mr. SYMMS. Mr. Chairman, as I understand it, the post office did not enjoy its monopoly until about 1850.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, the Congress has consistently added laws which have in effect given the Postal Service the kind of monopoly to which the gentleman refers. It is true that in 1850, or in that general time period, we really began to prevent other services from delivering to households on a first-class mail basis.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, I understand at one time in the early part of the 19th century they used to have 4-day deliveries in New York City with private postal carriers competing against the U.S. Post Office. The rates were much higher, but the business community chose to use those private carriers in many instances.

Mr. ROUSSELOT. That was because the service was so much quicker and they did not have to carry it down the road 75 miles to get it sorted.

Mr. SYMMS. I understand that actually 95 percent of all the mail prior to 1850 was carried by private carriers.

Mr. Chairman, I urge support of the gentleman's amendment.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for his support.

Looking at the history of the mail delivery service when it was originally started under the Federal Government, most of it was done on a contract basis by carriers. It was only in the more recent years that we gave the Postal Service a total monopoly, and that was when many of our problems began.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my good friend and colleague, the gentleman from Michigan (Mr. FORD), so that he may further enlighten us on this subject.

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask the two gentlemen from the Far West, the gentleman in the well and the gentleman from Idaho (Mr. SYMMS), if they have any information about who there might be in private enterprise who would be ready, willing, and able to take over the rural free delivery.

Mr. ROUSSELOT. Mr. Chairman, I can partially answer the question.

As far as the rural free delivery is concerned, the Postal Service will continue to provide that service, and we have provided all kinds of subsidies for that under the appropriations this year.

My answer to my colleague's question is that I believe under the provisions of my amendment the Postal Rate Commission, which still stands in place, could, if it preferred, license others for given areas in order to insure that anyone who did provide that service would be required to provide it for the whole area they intend to cover.

In further answer to my colleague's question, there are many companies that are not only prepared to go into this business but that already have these types of similar services that they now provide. In many cases they could provide the service at a cheaper price. I am not saying the service would be perfect, but I do not think the gentleman professes today that the Postal Service has been perfect in its delivery system.

Mr. Chairman, I would be glad to yield to my colleague, the gentleman from Idaho (Mr. SYMMS), who I am sure has other ideas on the subject.

Mr. SYMMS. Mr. Chairman, I do have some other ideas.

Of course, we have the United Parcel Service, which now delivers in many areas, and they are willing to deliver anywhere in the country, to the farms or wherever they are asked to go.

Mr. FORD of Michigan. They deliver what to the farms?

Mr. SYMMS. They deliver fourth-class mail and parcel post.

Mr. FORD of Michigan. Yes, but they will not deliver social security checks 6 miles out in the country.

Mr. SYMMS. They would if they were allowed to.

Mr. ROUSSELOT. Mr. Chairman, as the gentleman knows, under the electronic system they are already depositing 10 percent of the social security checks in banks. It is anticipated that 100 percent of social security checks will be directly deposited by 1985.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, I would like to say also to my good friend, the gentleman from Michigan (Mr. FORD) that in my State there are many places far removed from post offices. My place is about 10 miles from the nearest post office or the nearest town, and some of my friends live 40 or 50 miles from the nearest town. They live far from any post office, and they still get mail and butter and eggs and ice cream delivered to their places; yet much of this is perishable.

So I say we should let the people who deliver the butter, the eggs, and the ice cream deliver the mail. They are the people, in other words, who serve the marketplace.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to compliment the gentleman from California (Mr. ROUSSELOT) for the boldness and the imaginativeness of his amendment.

I do not think that since candidate BARRY GOLDWATER proposed turning social security over to private enterprise in 1964 I have heard anything as bold and as imaginative as the proposal now being made by the gentleman from California (Mr. ROUSSELOT).

It sounds great, does it not, that we would, after all these years, throw open the free enterprise system by letting anybody who wants to, on any basis he wants to, compete with the Post Office?

I heard the gentleman from Idaho (Mr. SYMMS) say:

> If they can deliver butter and eggs and other perishables on a rural route, they probably could deliver mail, too.

If they could get the price they are getting for butter and eggs per person or per trip for going out to that rural place, maybe they will be able to deliver mail.

There is not any question that there are plenty of people in this country ready, willing, and able to take the cream off the top of the bottle, but that leaves the other people who will have to depend on what is left of the Postal Service to bear the cost, together with the rest of the taxpayers.

If all of the premium mail—the premium mail is that type of mail that now gets dropped out of an office building in the downtown section of one of our cities into the Postal Service, is presorted, sorted to route, sorted to building, takes very little handling, and pays off handsomely; it is profitable mail to handle—if all of that is turned over to somebody to skim off, then what are we going to have to support the rest of the Postal Service?

There is no place in the United States where we have a single rural route that can conceivably pay its own way. This committee is fighting now with the Postal Service because of their attempt to close some 4,000 small post offices in small communities across this country by depriving the people of a subsidy system to accomplish that.

I am fully aware of and support organizations like the United Parcel Service. They deliver more parcels in my district, I suspect, than does the Post Office Department, but the problem is that they do not yet deliver in everybody's neighborhood, and they are not likely to in the foreseeable future.

I know about the people who are willing to pass out mail in the highly concentrated areas of our country, but I know of parts of the State of Michigan that will never have access to that kind of distribution.

If we take the cream off the top of the bottle, what is going to be left is going to be awfully bitter for our taxpayers and users who live outside of the range of the cream area; it will be bitter for them to swallow it.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. Yes, I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, I am most appreciative that the gentleman from Michigan (Mr. FORD) is making an argument that is absolutely a fact as it relates to rural delivery in America.

Certainly, as chairman of the committee and as one who represents one of the most rural districts, I will not let the opportunity go by to associate myself with the gentleman's argument because if this amendment is adopted, rural delivery in America as we have known it will go by the board. I appreciate the gentleman's reasoning and argument in this regard.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. The gentleman knows that the United Parcel Service now is certified to serve the entire country.

Mr. FORD of Michigan. No, the gentleman does not know that the United Parcel Service now serves the entire country. I think it crosses the country and is in some part of every State, but they are not yet in all parts of every State.

Mr. ROUSSELOT. I think the gentleman is right. There are probably some very remote places which they do not go every day. But UPS is in fact prepared to serve all areas of the country.

Mr. FORD of Michigan. Like the entire western part of Nebraska?

Mr. ROUSSELOT. Even the Post Office Department, I might say, does not cover every single inch of Mount Lassen.

Let me also say that there is nothing in this amendment that prevents a subsidy for the rural system, which the Post Office now provides. There is nothing in this amendment that touches that at all. Therefore, the gentleman knows full well that that service will be provided on a continuing basis but it is also possible that in many cases, a private system might be able to operate just as well.

Mr. FORD of Michigan. Mr. Chairman, I will not yield further to the gentleman.

That is just not true.

The fact is that we provide the legal basis for the postal corporation to collect and deliver mail and deny private people the right to compete with them in the cream areas.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, earlier the gentleman made a comment that I do not think we ought to allow to slip by. The gentleman said this was the most brilliant idea that had come along since Senator GOLDWATER's suggestion that the Social Security be placed in the private sector.

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will permit me to interrupt, I said bold and imaginative, certainly not brilliant.

Mr. du PONT. Very well, bold and imaginative. But I think there has been one idea in between that I think has been one of the most bold and imaginative ideas and that was the suggestion by the gentleman from Arkansas (Mr. ALEXANDER) of bringing the Postal Service back into the Congress.

Mr. TAYLOR of Missouri. Mr. Chairman, will the gentleman yield? If the gentleman will yield, I would like to inquire of the author of the amendment as to how the franked mail would be handled under this proposal.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. FORD of Michigan was allowed to proceed for 2 additional mniutes.)

Mr. TAYLOR of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Missouri.

Mr. TAYLOR of Missouri. I just wanted to inquire of the author of the amendment if this amendment, if adopted, if these people would have the opportunity to compete with the franked mail.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, I frankly do not believe it will be any different than it is under present law. How is that? I am sure the Postal Service——

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will pardon, the gentleman is using my time.

Mr. ROUSSELOT. The gentleman from Missouri wanted me to answer his question.

Mr. FORD of Michigan. And I recall that you answered by saying you could not answer it.

Mr. ROUSSELOT. No, I started to say that the Postal Service will continue to charge the Congress for the franking service at $46 million per year.

Mr. FORD of Michigan. I am distressed, Mr. Chairman, by the fact that the gentleman has offered an amendment and does not know what is in the amendment.

Mr. ROUSSELOT. I will be glad to listen to the gentleman's filibuster.

Mr. FORD of Michigan. I do not want to offend you.

Mr. ROUSSELOT. My belief is the Post Office would continue to provide the franking service to Congress, but if they felt that they could provide that mail service at a cheaper price the Post Office might contract it out. I think that is the way it should be.

Mr. FORD of Michigan. Mr. Chairman, I might add that one of the serious problems that we have had with the Postal Corporation since its inception is the games that they have been playing with contracting. We have never saved the taxpayers money by contracting out, nor have we improved service by contracting out nor have we improved the relationship between the service, its employees and the customers or the Congress.

I cannot see how the gentleman can ask this House at this time, in light of the already expressed animosity toward the Postal Corporation, to give that board of directors further unlimited contracting authority.

Mr. ROUSSELOT. No; I did not say that it should have unlimited authority to contract out.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, apparently many of my colleagues have looked forward to this day, and a number of the Members have looked upon it as a "Destroy the Post Office Day."

Mr. Chairman, it is a little difficult for me to conceive that the knowledgeable gentleman from California (Mr. ROUSSELOT) who sits on this committee, would offer this amendment.

When one talks about the private express statute, that is the heart of the U.S. Postal Service, as it was with its predecessor, the U.S. Post Office Department.

So, already we have said to the Postmaster General that, no, we are not going to give you, by appropriation, the money you need to run the institution.

On the other hand, we have said by no means do we want you to raise the postal rates.

So now we tell them, look, you can no longer enjoy your monopoly on first class mail that has traditionally been given to the Post Office Department since the very beginning.

So it is inconceivable to me that such overtures continue to be made.

Whoever the Postmaster General would be would have to be a miracle man to be able to operate that entity under the terms that some folks here in the Congress suggest.

I think the gentleman from Michigan (Mr. Ford) has eloquently spelled it all out, and that is it would give to the private entrepreneurs the right in effect to skim the cream off the crock.

And we have the gentleman from Idaho supporting the amendment and yet the gentleman's own State would be one of those that would suffer the most with the private express statute.

Mr. SYMMS. Would the gentleman yield?

Mr. HANLEY. When I finish my statement I will yield to the gentleman.

Mr. Chairman, the sparsely populated States in this Nation would be the ones who would suffer the most under the provisions of the amendment offered by the gentleman from California (Mr. Rousselot). The cost of delivering mail in areas such as that would be prohibitive.

So how in the world do we expect the Postmaster General to run that organization under the terms that some of the people have suggested here today?

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

There are two things that could happen. One is we forget that there are other kinds of profits besides monetary profits. Those of us who live out in the great Far West and the Pacific Northwest enjoy the smell of pines in the Palouse. We may have to pay more to have a letter delivered, but there are other compensating benefits. We do have good telephone service even though we may not have the same rates for all the telephone service, but we do have good telephone service. Maybe this is one of the trade-offs one may have if he lives up in the great area of the Northwest country. But we can get milk, butter, and eggs delivered, I cannot believe that the market cannot take care of letters.

In answer to the gentleman's question, about the frank, if the gentleman will yield further, about the frank, that is a problem Congress would not necessarily have to worry about. We would let the market take its course, and see what happened.

Mr. HANLEY. The gentleman mentions the telephone service in Idaho. The people in Idaho pay their full share of that operation; not so with regard to the U.S. Postal Service. It costs that Service probably in excess of $1 for every postal patron. This cost is 10 cents for a stamp. So I would hope very much that commonsense and good judgment will prevail here today. Please do not up the costs further by adopting the amendment offered by the gentleman from California.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

I am not going to support the amendment, but I think the amendment clearly shows how desperate some people will get to try to get an improved mail service. I have reached the place where I am ready to vote for anything to get the Postal Corporation out of business and get somebody in that will actually start delivering the mail.

Nine days ago my son mailed my glasses from Wichita, Kans., which is on a direct air route. It has taken two long distance calls, to try to find out when they were sent and how they were sent. I do not care what we pay for mail services today, but whatever it is, it is not worth it with the kind of delivery we are receiving.

I thank the gentleman for yielding.

Mr. HANLEY. Again, as the gentleman related, there are a number of people who say that they are well served by it.

Mr. SKUBITZ. If the gentleman will yield further in the State of Kansas in the Fifth District of Kansas and that is the only group I can speak for. They now call the mail service the Pony Express System and are urging the Congress to buy faster ponies.

Mr. HANLEY. That being the case, probably the gentleman should support the Rousselot amendment and the people of Kansas spend $2 for delivery of the mail by a private entrepreneur. I do not think they would enjoy that, but that is what they would be doing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DERWINSKI. Mr. Chairman, there are too many brilliant statements being made in the Chamber. I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I sympathize with what the gentleman is trying to do. I think the reality is—and I would yield to the gentleman to comment on this after my brief remarks—I think the reality is that the gentleman is not sure what would happen. My good friend, the gentleman from Michigan (Mr. Ford) and the chairman of our committee, the gentleman from New York (Mr. Hanley) are not real sure what would happen. It is an uncertain area. I think it is too uncertain for us to take a chance; however, I would like to see a different amendment, an amendment that I would support, which would say let us take two test areas, let us take six counties in one State and six counties in another and let us try on an experimental basis and let us see what happens. That kind of amendment, I think, would be well worthwhile and I would support that kind of amendment.

Now I will be happy to yield to the gentleman from California (Mr. Rousselot), if the gentleman wishes to respond.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I certainly do not object to the concept the gentleman is recommending, that is, testing it in given areas. I am not sure that that kind of testing has not already occurred, say in the parcel post field by the United Parcel Service, which now is providing this service nationwide.

I believe also that we have had enough experimentation by private companies that are now delivering among their many offices throughout the country by other private systems.

Now, I believe that the ICC and other regulatory agencies have more than enough legislative and rulemaking power to limit any potential abuses that might occur. The so-called concern that there is great danger that private service would get out of hand in delivering through private hands is not true with the 11 companies that are now delivering other type mail besides first class.

The Postal Rate Commission also could enter this area. In fact, they would conclude there is an improper invasion of people's rights.

I clearly do not agree that it is impossible to make estimates as to what would occur in the market system if this amendment were to prevail, because the private companies are already doing it.

I think, as my colleague, the gentleman from Idaho and others will try to present, there are many, many delivery systems that we already have that are being provided by the private market system. Greyhound will provide a delivery system from one station to another and guarantee certain things, that is Greyhound bus.

So that I think it has been established that there is a possibility, and though I do agree with my colleague that it might be possible to provide some test areas, I think that that would automatically happen should we pass this amendment. No one is going to rush into the business if they feel they cannot compete with the Postal Service. If they think they cannot deliver at less cost, they are not going to be foolish enough to try to enter that system. So there are private companies already in existence that provide this nationwide for many corporations.

I do not share my colleague's and others great concern that it somehow is going to be utter disaster.

Let me give a quick example here. The Postal Service has a sorting system in central areas. I know what the intent was, but they forced all the post offices in that area to send their mail in to that point, although they have begun to repeal those requirements to send them 75 miles down the road and then they have to go back to the original area. I know many services in local communities can provide faster service than that at less cost.

Mr. SIMON. Mr. Chairman, I do not know that I could support such a sweeping program as proposed by the gentleman. Probably there are limited services in those situations and not such sweeping applications.

My feeling is before I am going to vote for something quite this sweeping I want to see in a limited geographical area an experimental program.

If the gentleman comes up with another amendment this afternoon—and I would think perhaps there is time enough to do that yet—I would support a limited geographical test kind of a situation, but I would feel that I have to oppose this kind of sweeping amendment.

Mr. ROUSSELOT. If the gentleman will yield further, there are presently nationally—most of them are operating in not just regional areas—11 private postal delivery services of various kinds. I think the gentleman would find that there would be others which would spring up in conjunction with the many, many private delivery services we already have, but I appreciate my colleague's comments.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. CHARLES H. WILSON of California and by unanimous consent Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. CHARLES H. WILSON of California. Mr. Chairman, may I ask a question of the gentleman from California, my good friend (Mr. ROUSSELOT), through the gentleman from Illinois?

Mr. SIMON. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am concerned about the wage rates that would be paid in the event we had a system of this sort. Is there anything in the gentleman's amendment to require Davis-Bacon to pay—of course, that is just construction jobs, but there would be prevailing wages paid for mail service by private express companies. As the gentleman knows, we do have union contracts with the Postal Service.

Mr. ROUSSELOT. I would be glad to try to respond to the gentleman. Of course, all of these private companies would be required to abide by all national laws such as minimum wage laws and so forth. As the gentleman knows full well, having been with me through the United Parcel operation, their employees are unionized and are paid better than the prevailing wage.

I think the answer here is that they are able to provide wages at the prevailing rate and that they would continue to be able to do it. There is no guarantee in here, but I would also say to the gentleman that, unlike the Postal Service, where there is presently a contract for no layoff, there clearly would not be that kind of guarantee.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I just say that the fear the gentleman has about the chaos, and so forth, which might be in the future is a concern he should not have, because there are a lot of other examples where private enterprise has been allowed to operate, and we have seen a series of leapfrogs where one idea leapfrogs over another, which leapfrogs to a better idea. We went from the stagecoach to jet airliners, and we did it with private enterprise and not a forced monopoly. Who knows; maybe the same thing could be done with the mail carrying service.

It may be compared with the telephone company. Today, we can call coast to coast for less than a dollar, where we can only mail about 10 letters for the price of 1 phone call. It used to be 1,400 letters for the price of one coast-to-coast phone call, so they continue to improve service until we finally burdened down the telephone company with Government regulations, if the Government would get out of it they would continue.

Mr. SIMON. The difficulty is that the gentleman is talking about a monopoly.

Mr. SYMMS. It is a regulated monopoly. However, we still have competitive forces in the marketplace which are working. I am not saying we are going to abolish the Post Office tomorrow. The Post Office talked about this same danger over a hundred years ago.

Lysander Spooner said in 1844:

> If Congress cannot carry the letters of individuals as cheaply as individuals would do it, there is no propriety in their carrying them at all.

That is as true now as it was then. I will not buy the argument that we cannot get a letter delivered to Elk City, Idaho, and that the only way we get it done is because the Federal Government enjoys a monopoly enforced by law.

Mr. HANLEY. Mr. Chairman, I ask unanimous consent that all time for debate on this amendment and all amendments thereto expire in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, I want to say that a couple of my colleagues would like to address additional aspects of this situation. Would the gentleman say 15 minutes?

Mr. HANLEY. Mr. Chairman, I amend my request to ask unanimous consent that all time for debate on this amendment and all amendments thereto be limited to 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HANLEY. Does the gentleman object? Is not 15 minutes sufficient time? Does the gentleman from Idaho (Mr. SYMMS) withdraw his objection?

Mr. SYMMS. Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. HANLEY)?

There is no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for approximately 2 minutes each.

The Chair recognizes the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, I have listened with interest to the debate this afternoon. In response to the gentleman from Michigan, let me say it is not a new idea nor is it necessarily a bold idea to propose private carriage of first-class mail. I might remind him further that when BARRY GOLDWATER introduced that bold idea with respect to social security, more people should have heeded him because the first report we got from the staff of the Social Security Subcommittee this year was that the present system is bankrupt. I think that is the direction in which the Post Office is clearly headed unless we can come up with some bold, imaginative, and creative reforms.

In addition to that, in the course of the discussion my good friend and colleague, the gentleman from Illinois, indicated that he is not sure what would happen if we remove these private express statutes which give the U.S. Postal Service the monopoly it enjoys.

Mr. Chairman, I think the textbooks on economics are replete with discussions and examples illustrating conclusively exactly what happens when we have a monopoly. I think a monopoly in the private sector is bad enough, but a Government monopoly, with its congenital inefficiency, is the very worst form of monopoly. For one thing, we consistently get higher prices, reduced output, and the gross inefficiency we have seen in the Postal Service operation.

Conversely, I think we also have innumerable examples of what competition, which we have all pledged ourselves to support and endeavored indirectly to promote with agencies such as the Small Business Administration can accomplish. We know that competition is a healthy thing, that it has been productive of good, and it has resulted in improved efficiency. So it is not an academic or theoretical discussion we are engaged in on the subject of monopoly versus competition. How, precisely, one might implement private carriage of first class mail can be left up to the private sector.

I could not have begun to tell you, back in the latter half of the 19th century, had someone placed on me the burden of getting 300 or 400 citizens transported from Washington, D.C., out to my colleague's district in California in 3 hours, how that would be accomplished.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I just want to say to the gentleman in the well that, surprisingly, we have jet aircraft service in Boise, Idaho, Twin Falls, Pocatello, and some other places, so we are getting there too, without a Government monopoly.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Illinois.

Mr. CRANE. I thank the gentleman for yielding.

The point I was trying to make is that if the Members just continue to maintain their faith in the capacity of free men working within the framework of free institutions to accomplish miracles, sit back and marvel at what can be done in the private sector. We have seen it in every other aspect of our national experience, and I see no reason to suppose that there is room to doubt its capabilities on this particular subject.

Moreover, it is elucidating to note that the Postal Service itself has recognized the value of private carriage of first-class mail, because most recently, owing to the strike of Canadian postal workers, the U.S. Postal Service announced on October 24 of this year that it was temporarily suspending the private express statutes to permit private carriage.

I think, in addition to that, we do not have to reflect back too long ago to the time when we had the wildcat strike by the letter carriers in New York and recall how quickly the private sector filled that vacuum. Within 24 hours the mail was moving by small entrepreneurs. They were doing that, to be sure, despite the private express statutes. Yet everybody agreed that they were able to fill a void that was created by a temporary crisis.

I think it is important for us to heed not only the advice discussed earlier of the small business carriers, but the National Association of Manufacturers as well, which also urged competition in the area of carriage of first-class mail. We should also follow the example of the Postal Service itself by repealing these restrictions on the private carriage of first-class mail.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am a little surprised at the remarks that were just made by the gentleman from Illinois (Mr. CRANE). Actually the no-strike provision in present Postal Service contract is the thing that guarantees the delivery of mail.

Even though I have been trying to give the public employees and the postal employees the right to strike through my subcommittee, the thing we have learned is that this is something the public does not want to put up with, at least in the foreseeable future.

It was not the small entrepreneurs who delivered the mail in New York when the outlaw or wildcat strike took place; it was the National Guard that delivered the mail in New York City.

The only thing we have now is the no-strike provision, which we would not have with private industry carriers. If we have private carriers, we would not have the no-strike provision, and we should let the postal carriers continue to deliver the mail the way they are doing now, unless my forward-looking legislation which I have been sponsoring for years should somehow, by some miracle, be successful.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, with respect to the case in New York City, indeed, the National Guard delivered some of the mail, but not all of the mail. There were individuals who delivered mail, too.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I would remind the Members that when we had the strike of the parcel workers, it was the U.S. Postal Service that was able to deliver the parcels, and I think it is extremely important that we preserve the monopoly that now exists so that we can be sure that the mail will be delivered throughout the country, to every hamlet, and to the rural and urban areas equally.

Mr. CRANE. Mr. Chairman, if the gentleman will yield further, I think it is important to note that along with the monopoly the gentleman refers to with respect to the first-class mail also goes the monopoly that is enjoyed by the National Letter Carriers Union, so if we have a strike by them, then we, indeed, have paralysis.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. HENDERSON).

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I thank the gentleman for yielding.

All I want to say is this: To put the matter into proper perspective, let me say that here in the United States we happen to enjoy the lowest postal rates of any country in the world community. For instance, the United Kingdom recently raised its rates to 16 cents, and we can go from there through all of the other countries in the world community and yet we will find ours has been maintained at a reasonable rate. So that is not a bad track record.

Again I ask, do we want to destroy this by supporting and voting for the amendment offered by the gentleman from California (Mr. ROUSSELOT)? I think not.

The CHAIRMAN. The Chair now recognizes the gentleman from Pennsylvania (Mr. JOHNSON.)

Mr. JOHNSON of Pennsylvania. Mr. Chairman, if this amendment passes and becomes law, we will have dug the grave of the Post Office Department and our entire postal system as we know it.

There is not any question about it. We are flirting with a very, very serious matter here that goes to the very heart of our postal system. What we will make possible is a UPS within the first-class mail system.

How about the fourth-class post offices? In my district I have a good many of them. There are pretty nearly 6,000 of them in the United States. They will all, of course, be losing horrendous sums of money. Will this Congress then have the guts to vote to do away with fourth-class post offices when private express people are deliverying mail in our communities, but the fourth-class post offices will have to deliver the rest of the mail to people out on the mud roads, all over the tough areas to go to?

I say, Mr. Chairman, that if the Members want to do away with the post office system as we know it today, if they want to scrap it, if they want to have the Government pull out of it, sell it, or turn it over to private enterprise, they should vote for this amendment because this is the first step in doing it.

We passed this Alexander amendment which everybody says is bringing the Post Office back to Congress.

Maybe it is, but this amendment destroys the very thing we are trying to do, and that is to save the Post Office Department.

I think for the Members to pass this amendment today would be one of the worst things we could do to our Postal Service. We have the finest Postal Service in the world, even though it is in disdain at the present time.

Our first-class mail is cheap, relatively inexpensive.

Give this Postal Service a little time. They are going to work this matter out. They had thrust upon them a whole new system of carrying the mail, a whole new idea, and I say it is a dangerous thing to pass this amendment today.

The CHAIRMAN. The Chair now recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I think I made most of the arguments as to why I believe this is a worthwhile amendment. This amendment allows better participation by the private sector in providing for better delivery of our mail.

Many of the arguments my colleague, the gentleman from Pennsylvania (Mr. JOHNSON), just made were made about the United Parcel Service when it began to compete with the Postal Service. It was going to kill this, and it was going to kill that.

The fact is that it has given us a better capability to deliver parcel post, and in many cases, at less cost and more quickly.

All we are saying here is, let the private market system try to work.

Mr. Chairman, let me give the Members another example. My colleague, the gentleman from Michigan, brought up the problem of medicare, and this does relate to the ability of the private system to deliver.

The General Accounting Office has just recently produced a report that shows that the private system not only processes the medicare applications more rapidly, but at less cost than the Government does.

Why not allow that same service to be provided in the mail system as we do in medicare? The private system has delivered better at less cost than has the Government with respect to medicare processing.

Therefore, Mr. Chairman, I say to my colleagues that this is nothing more than permission for the private sector to try to compete. If the Postal Service is doing a better job, then people will use that because it will be at less cost.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HANLEY) to close the debate.

Mr. HANLEY. Mr. Chairman, just one quick point for the benefit of the gentleman from Illinois (Mr. DERWINSKI) and that is that I want to advise that in the event of a work stoppage, the Postmaster General already has the authority to suspend the private express statute so that a crisis would not prevail.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. SYMMS) there were ayes 13, noes 27.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 68, noes 319, not voting 46, as follows:

[Roll No. 650]

AYES—68

Archer
Armstrong
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Brinkley
Broyhill
Buchanan
Burgener
Burleson, Tex.
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Conlan
Crane
Devine
Dickinson
Dingell
Duncan, Tenn.
Erlenborn
Findley
Flynt
Frenzel
Gilman
Goodling
Gradison
Grassley
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hechler, W. Va.
Jarman
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lloyd, Calif.
Long, Md.
McDonald
McEwen
Madigan
Mathis
Moore
Moorhead, Calif.
Poage
Pressler
Quillen
Robinson
Rousselot
Schroeder
Schulze
Shuster
Snyder
Steiger, Ariz.
Stuckey
Symms
Taylor, Mo.
Winn
Wydler

NOES—319

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—46

Abzug
Anderson, Ill.
Annunzio
Ashbrook
Barrett
Breaux
Brown, Ohio
Burke, Fla.
Chappell
Clausen, Don H.
Cleveland
Conyers
Daniels, N.J.
Eshleman
Fary
Fraser
Green
Guyer
Hébert
Hinshaw
Holland
Horton
Landrum
Leggett
Lujan
Madden
Martin
Meeds
Mink
Mitchell, N.Y.
Moss
Murphy, N.Y.
Passman
Peyser
Rhodes
Ruppe
Sikes
Sisk
Solarz
Steiger, Wis.
Teague
Thompson
Udall
Vander Jagt
Wylie
Young, Ga.

Mr. YOUNG of Texas changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HANLEY. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. EDGAR. Reserving the right to object, Mr. Chairman, I reserve the right to object because I am one of the persons waiting in a long line with an amendment. I would like to protect my opportunity to offer that amendment today. As we have seen with the last couple amendments, they lasted in some cases an hour or more.

I am concerned that, with the large number of amendments left, I would be foreclosed from offering my amendment today.

Mr. HANLEY. Mr. Chairman, I am advised by counsel that there are approximately seven amendments left. Most of them are minor in nature. I believe we could virtually assure the gentleman that his would be considered. Hopefully, the Chair might recognize the gentleman first.

The CHAIRMAN. The Chair desires to state that the limitation on time is on debate only, and that the gentleman will be able to offer his amendment.

Mr. EDGAR. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Members standing at the time the request was made will be recognized for approximately 3 minutes each.

(By unanimous consent, Mr. DICKINSON yielded his time to Mr. BUCHANAN.)

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE. Page 32, immediately after line 26, add the following new section:

SEC. 16. (a)(1) Chapter 34 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3406. Free postage for voting materials

"(a)(1) Any voting materials which are directly related to any election for Federal office or for State office, and which are mailed by an election official of any State or political subdivision of a State which is—

"(A) subject to the provisions of section 4(a) of the Voting Rights Act of 1965, as determined in accordance with section 4(b) of such Act; or

"(B) subject to the provisions of section 203 of such Act; may be mailed free of postage within the United States, if such election official makes such mailing as a means of complying with the provisions of the Voting Rights Act of 1965 specified in subparagraph (A) or subparagraph (B).

"(2) Any such election official, in making any mailing under this subsection to any individual eligible to vote in the election involved, may enclose free mail covers in any such mailing. Any such free mail cover shall list a return address and may be used only for the transmission of voting materials.

"(b) For purposes of this section—

"(1) the term 'election official' means any individual designated by the chief executive officer of a State, or by the laws of such State, to be responsible for the conduct of elections for Federal office or for State office in such State;

"(2) the term 'free mail cover' means any envelope, wrapper, label, or card used to transmit mail free of postage under this section;

"(3) the term 'State' includes the District of Columbia; and

"(4) the term 'voting materials' means voter registration application forms, voter registration certificates, absentee ballots, and instructions relating to the proper use of such materials, and nonpartisan voter instructions.".

(2) The table of sections for chapter 34 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3406. Free postage for voting materials.".

(b)(1) Section 2401(c) of title 39, United States Code, is amended by striking out "3405" and inserting in lieu thereof "3406".

(2) Section 3627 of title 39, United States Code, is amended by striking out "3405" and inserting in lieu thereof "3406".

Mr. WHITE (during the reading). Mr. Chairman, I ask unanimous consent that my amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WHITE. Mr. Chairman, I offer an amendment the type of which was requested by the secretary of state of Texas, will enable States and other political subdivisions covered under the Voting Rights Act to encourage voter participation in State and Federal elections. The amendment is exact in substance to the language I submitted for entry into the CONGRESSIONAL RECORD of October 23, except for four clarifying words which I have added in response to questions I have received from other Members of the House.

The text of my amendment was distributed to the House membership in a letter I sent on October 28. The words I am adding is in the definition of voting materials, where "nonpartisan voter instructions" is included in order to clarify the types of materials which can be sent free of postage.

Mr. Chairman, when this Congress passed the Voting Rights Act Amendments of 1975, we imposed upon the States and covered political subdivisions a responsibility for bilingual election materials, in addition to a clear responsibility to meet the standards of voter turnout. The role of the Federal Government in affecting voting procedures in order to guarantee every eligible American voter his or her right to vote has been established since the Voting Rights Act was originally enacted in 1965. In expanding the triggers and coverages this year, the purview and requirements of the law has reached beyond the original 18 States affected. As we are all well aware the Bureau of Census is in the process of determining those States and other political subdivisions which will become covered under various parts of the act. Those areas have a responsibility to increase voter participation by nonminorities as well as minorities, and a financial burden will accompany the required procedures and any initiative by those States and political subdivisions in meeting those standards.

Principally, my amendment would grant free postage for voter registration materials and nonpartisan voter information for those States and political subdivisions that are now and will become subject to the requirements of the Voting Rights Act.

In telephone conversations with the Bureau of Census, I am advised that some 600 areas will be newly covered under the act, particularly in the area of bilingual election material requirements. It has been determined thus far that 13 States have Statewide coverage under various parts of the act. Twenty-two other States have counties, towns, cities or other subdivisions which come under the Voting Rights Act.

Originally, when my State had discussed the possibility of introducing this proposal, it would have applied the free postage privilege to all States. But with over 145 million registered voters in the country, I feel that the cost of such a postage privilege may not be compatible with the budgetary constraints under which we are presently laboring. What is essential and equitable, however, is that we provide the privilege to all of those States and subdivisions which we, the Federal Government, have determined as in need of improved voting practices. In my discussions with several State elections officials, I would say that when we speak of cost, we are accounting generally in terms of two such mailouts to the registered voters in the covered jurisdictions. In those 13 States having statewide coverage under a particular part of the Voting Rights Act, the entire State would have the postage privilege as described in my amendment. In those 22 other States which have only certain counties or other subdivisions covered, the postage privilege would apply for the State and Federal elections held in those covered jurisdictions.

My proposal does not seek to inject Federal funds toward a responsibility that has heretofore been a State responsibility. Congress has already established the Federal Government's function with respect to preventing discrimination in voting practices and in encouraging the States to improve their procedures. The validity of coverage under the Voting Rights Act is not at issue here. What is critically important is the fact that certain standards and formulas have been set with respect to voter participation. To comply with these requirements places a considerable financial burden on each State and other jurisdiction involved. To encourage the fullest initiative by those federally determined covered areas is incumbent upon every Member who supported the Voting Rights Act. By accepting my amendment, we will be assisting them in dealing with the costs inherent in the Voting Rights Act requirements and helping to insure compliance by increasing voter registration efforts and participation.

We are therefore bound by that principle to provide a means by which election officials can do their utmost to encourage voter turnout and conformance to the standards set forth in the Voting Rights Act. I hope you will support me in this effort. I hope you will also support the members of your State delegation who have areas that will benefit by my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 16, noes 25.

Mr. WHITE. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: On page 25, after line 24, add the following new section (and renumber the succeeding sections accordingly):

SEC. 14. (a) Subchapter V of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3686. Rates for postal cards mailed to Members of Congress.

"(a) Notwithstanding any other provision of law, the rate of postage shall be two cents for each postal card, provided that such postal card is sent to the official Washington office address of a Member of Congress.

"(b) The Postal Service shall maintain at each post office a supply of preprinted, addressed postal cards for use as described in subsection (a).

"(c) There are authorized to be appropriated to the Postal Service each year, a sum equal to the equivalent amount of postage due, as determined by the Postal Service, for postal cards sent under this section. Such postage due shall account only for the marginal cost of operations added by the use of such postal cards.

"(d) For the purpose of this section, the term 'postal card' means any card which is supplied by the Postal Service with a postage stamp imprinted or impressed upon it, for the transmission of any message, order, notice, or other communication by printing or by writing in pencil, ink, or typewriting."

(b) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3686. Rates for postal cards mailed to Members of Congress.".

(c) The amendments made by this section shall take effect at the beginning of the sixth calendar month after the month in which this Act is enacted, or on such earlier date (published in the Federal Register by the Board of Governors of the Postal Service) as the Board of Governors may determine.

Mr. EDGAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. Mr. Chairman, I rise to offer an amendment. Thank you, Mr. Chairman.

The purpose of this amendment is to allow a 2-cent postal rate for preaddressed postal cards mailed to Members of Congress. Recently, I distributed a questionnaire to residents of my congressional district requesting their opinions on energy, the economy, the environment, and other issues which confront us daily. I left blank space for comments. A significant number of my constituents commented that they did not feel that they should have to pay postage to correspond with their Representatives in Washington. Certainly, the Member of Congress has a franking privilege, so Why should the citizen have to pay?

I believe that citizens should make known to their Representatives how they wish to be represented. Participating in the political process should mean more than casting a ballot each November. However, I feel that the high cost of postage acts as a disincentive for people to communicate. In this bicentennial year, we should have as a goal encouraging as much communication as we can. As access to elected officials becomes easier, more citizens would become involved. It is this involvement which we must count on to solve the many problems that we face.

There have been a number of congressional initiatives in this direction already. A bill introduced by Mr. NIX, H.R. 2833, with almost 30 cosponsors, would allow free postage to those who corresponded with Members of Congress from their own State. I support this bill in spirit, and I am one of the cosponsors. I do not feel that this legislation would be approved soon by the Congress because its cost would be very high. Mr. GONZALEZ has offered an amendment to this bill that we are considering today that would reestablish the old 1-cent postal rate for the postcard. I have no quarrels with this proposal, although again, the cost factor would be considerable.

My amendment combines the desirable characteristics of these two initiatives. Its cost would be very limited.

Each post office would have a supply of preprinted and preaddressed postal cards available at a cost of 2 cents. The front of the card would have room for a return address, the printed-on stamp, and an address which would consist of the words "the honorable" followed by a blank, and two lines reading "House of Representatives, Washington, D.C. 20515," and an analagous form for a standard Senate postal card. The uniformity of the card would save much administrative and handling expense.

In fiscal year 1975, the Postal Service reported in its "revenue and cost analysis report" that the "attributable cost" of a postal card was 2.2 cents. The cost of printing and manufacturing added an additional 0.3 cents to the cost of the card. The total added marginal cost for these postal cards which would be sent to Members of Congress is only 2.5 cents. The purchaser would be paying 2 cents. I believe that this is a reasonable price for the citizen to get their "2 cents" in. For fiscal year 1975, this would have amounted to only a half cent for each card.

I would not anticipate that the entire program for the year would cost over a half million dollars. This figure would be the yearly cost if each member of Congress received 3,500 cards each week.

Approval of this amendment would be a great investment, and I urge my colleagues to vote in favor of its passage.

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am glad to point out that the author of the amendment is accurate in his figures. It is not going to cost very much by way of simply printing a 2-cent postcard. But no one can estimate how many additional congressional staff assistants we will have to employ to answer the volume of mail this will create.

This is a practical issue; this amendment would be setting a precedent. If we are going in this drection, I think we ought to know where we are going.

Our committe has been called on to hold hearings and consider legislation that would make any communication to Members of Congress frankable. I hope we never get into that, because an analysis of the mail that has come to our committee and to our committee members shows that it is all lobbying mail of one kind or another, however valuable it may be.

We have one resolution in our committee that would designate a day for one of the national social fraternities. We have received over 5,000 printed communications on that one issue. If we make it easier than that, it is just going to mean that Members of Congres and committees will get so much mail we cannot even sort through it and find out what ought to be answered. The cost of answering that mail is already prohibitive on matters that are not of national importance.

Mr. Chairman, I think this entire proposition ought to be considered by our committee more carefully and we should not adopt an amendment on the floor when we have not had proper consideration.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I appreciate the gentleman's comments and concerns about the number of pieces of mail all of us get. I know in each congressional office we are concerned about the volume we receive.

However, it is also true that out in the constituency I serve people want to communicate with me. They want that opportunity, and they want to do it as cheaply as possible. It is up to my congressional office how we respond to that mail.

I feel that if those persons could go to the post office and could purchase for the price of 2 cents a card that could be easily used, easily administered by the post office, and delivered to our office, it would be another way for us to understand how our constituents feel about important issues.

Mr. HENDERSON. Mr. Chairman, I agree with the gentleman on all those points, but from our experience, I believe that what we are going to do is to generate more mail from organizational groups that already today demonstrate their ability to do a great deal of lobbying.

If this were strictly an amendment to provide a means for a Member of Congress to communicate with his own constituents, and if we could be sure that more mail would not be generated by some of these national organizations, I would be happy to support the amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I would just like to point out, as the gentleman from North Carolina (Mr. HENDERSON) properly did, that there are so many unanswered questions about the effect of this amendment that it really is not the time and place, at this stage of the bill, to take it up.

I would like to point out two things: We have so much interest in this subject, so many similar amendments addressing themselves to generating mail, that we will take a good, hard look at it in committee.

The second thing, is that the point the gentleman from North Carolina just made is accurate, that the potential for use of a vehicle like this by a highly organized, energetic group is obvious.

One other point is that the postcard carries with it, from the sender's standpoint, no privacy. It is the letter that they write, that sealed letter, that gives us their real views.

But we want to look at it. The place for us to do it, though, is back in the subcommittee.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would urge the gentleman to look into the possibility of having free mail for our constituents. I know about the cost of mail from constituents to us that is in an envelope, but I think this is the first step we can take without very much cost to the United States or very much cost to our Government, where we can legitimately get concerns and ideas from our constituency without very much cost.

I had a questionnaire just recently sent out and received 9,000 replies. On the back of most of those replies, the cost concern was expressed. I had the privilege of sending out 150,000 of them franked, and yet the constituent who received the questionnaire could not return that questionnaire to me without a 10-cent stamp.

Mr. DERWINSKI. The gentleman will appreciate that we all get that same comment when we mail out a questionnaire.

A postcard lends itself, in a very special way, to an organized variety of mail, whereas the letter has that extra impact when it is a personal view from the constituent.

To me, one of the most important parts of this job is to read mail from home.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and on a division (demanded by Mr. EDGAR) there were—ayes 10, noes 43.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. COHEN

Mr. COHEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COHEN: Page 23, line 16, strike out the quotation mark and the period immediately after the quotation mark.

Page 23, immediately after line 16, insert the following:

"(e) (1) For purposes of this title, the term 'agricultural', as used in former sections 4358(j)(2), 4452(d), and 4554(b)(1)(B) of this title, includes the art or science of cultivating land, harvesting crops or marine resources, or raising of livestock.

"(2) In the administration of this section, and for purposes of former sections 4358(j)(2), 4452(d), and 4554(b)(1)(B) of this title, agricultural organizations or associations shall include any organization or association which collects and disseminates information or materials relating to agricultural pursuits.".

Mr. FORD of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COHEN. Mr. Chairman, this amendment would simply enable nonprofit fisheries organizations to qualify for nonprofit mailing privileges. This is not currently possible.

At the present time, nonprofit organizations whose activities focus on farming and the raising of livestock are eligible for nonprofit rates while groups concerned with fishing and fisheries-related matters, are denied those very same rates.

This is because the Postal Service grants bulk rate mailing privileges only to those nonprofit organizations considered to be tax exempt, and the Internal Revenue Service refuses to include fishing with other nonprofit food producing pursuits under the tax-exempt category of "agricultural."

In the absence of a definition in the Internal Revenue Code, the IRS has administratively defined the term "agricultural" to exclude fishing. This is unfortunate because this category was created to provide exempt status to groups concerned with food production and because there is no other exempt category in which a nonprofit organization concerned with fisheries-related activities may fit.

My amendment merely declares that the term "agricultural" includes the harvesting of marine resources—that is, fishing. It does so only for Federal law pertaining to mailing privileges.

If my amendment is accepted, this will not be the first time that this body has recognized that the term "agricultural" includes the harvesting of marine resources as well as farming and the raising of livestock.

You will recall that the Rural Development Act of 1972 authorized individuals involved in producing fish or fishery products to obtain loans in the same manner as farmers.

Similarly, the Farm Credit Act, as amended, provided that fishermen may qualify for benefits of the act "as producers or harvestors of aquatic products."

Moreover, the FEA's petroleum allocation and price regulations include fishing under the definition of "agricultural production."

Mr. Chairman, I would like to point out that almost all of the major fisheries organizations in the United States support the concept embodied in my amendment. Among these supporters are:

The National Fisheries Policy Conference, a nationwide group comprised of 20 major fisheries associations;

The National Federation of Fishermen, an organization with 20,000 members and affiliates;

Boatowners United of Massachusetts;

The Atlantic States Marine Fisheries Commission;

The Pacific Coast Federation of Fishermen's Association;

Fisheries Communications, Inc.;

The Maine, and Massachusetts Lobstermen's Associations;

The Treasure Coast Fisheries Cooperative of Florida;

The Maryland Watermen's Association; and

The United Fishermen's Wives' Organization.

Mr. Chairman, in conclusion, I wish to urge all of my colleagues who are concerned with fishing, fisheries-related matters, and the welfare of our coastal communities to support this amendment.

Thank you.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. COHEN. Yes, I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I discussed the amendment with the gentleman from Maine (Mr. COHEN) and with other members of the committee.

We find it to be acceptable. Certainly, in our judgment, the fisheries should be kept alive along with the agricultural industry, in this sense.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we have examined the amendment and do not believe that there would be any great cost to the Postal Service. We appreciate the fact the gentleman has offered the amendment and also appreciate the fact that this is a special problem for the gentleman from Maine.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I rise in strong support of the amendment offered by my colleague, the gentleman from Maine (Mr. COHEN). It has long been the practice for the postal system to permit agricultural organizations to be eligible for nonprofit mail rates, and I think that is a proper procedure. But the seafood industry, which also is very important to our Nation as a source of food, has not had this mailing privilege. By the pending amendment this nonprofit mailing status will now be extended to organizations whose activities now involve the harvesting of marine resources, such as the Maryland Watermen's Association, and the Chesapeake Bay Seafood Industries Association.

I commend the gentleman from Maine for his initiative in this matter and I urge the passage of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. COHEN).

The amendment was agreed to.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair will state that the gentleman from Maine cannot yield for the purpose of the gentleman from Delaware offering an amendment.

Mr. COHEN. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Delaware (Mr. DU PONT).

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

The CHAIRMAN. The gentleman from Delaware is recognized for 2 minutes.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read the amendment as follows:

Amendment offered by Mr. DU PONT: Page 32, immediately after line 26, add the following new section:

Sec. 16. (a) Chapter 6 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 607. Delivery of mail by nonprofit organizations

"(a) Notwithstanding section 1725 of title 18, any member of a private nonprofit organization (other than a political committee) may deposit any mailable matter relating to the activities or functions of such organization in any letterbox, if (1) such member engages in such activity on a voluntary basis without reimbursement from such organization; and (2) such organization has obtained written approval to engage in such activity from the postmaster for the district in which such activity is to be conducted.

"(b) Any mailable matter which is deposited in accordance with subsection (a) may be deposited without the payment of any postage on such mailable matter.

"(c) For purposes of this section—

"(1) the term 'letterbox' means any letterbox established, approved or accepted by the Postal Service for the receipt or delivery of mail matter on any mail route, except that such term shall not include any unit of 10 or more letterboxes situated at the same location;

"(2) the term 'mailable matter' means any matter which—

"(A) is not less than 3 inches nor more than 9 inches in height;

"(B) is not less than 4¼ inches nor more than 12 inches in length;

"(C) is rectangular in shape;

"(D) has a ratio of height to length which is not less than 1 to 1.414 (1 to the square root of 2);

"(3) the term 'political committee' has the meaning given it by section 301(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(d)); and

"(4) the term 'private nonprofit organization' means any organization no part of the net earnings or income of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.".

(b) The table of sections for chapter 6 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"607. Delivery of mail by nonprofit organizations.".

(c) Section 1725 of title 18, United States Code, is amended by striking out "Whoever" and inserting in lieu thereof "Except as provided by section 607 of title 39, whoever".

Mr. DU PONT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD so that I might explain it to the Members.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. DU PONT. Mr. Chairman, this is a very simple amendment that permits private nonprofit organizations such as church groups, civic groups, Boy Scouts and Girl Scouts to use volunteer help to deliver into mailboxes the circulars and material put out by their organizations. The amendment specifically excludes political committees so politicians cannot use it. It simply permits nonprofit groups to put in mailboxes their flyers provided they are distributed by volunteer means.

Mr. HANLEY. Will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, we have thought a good deal about this amendment and actually what this would be doing is legitimizing something that is presently illegitimate today. So I personally support the amendment.

Mr. DU PONT. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding and support his amendment because it does further allow the private express statute to be repealed. I think this is a good thing. That was the thing we were trying to do in the last amendment. I hope there will be more areas in which we can get this carried out.

Again I thank the gentleman for yielding.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I would like to ask the gentleman from Delaware a question: If this prohibits nonprofit groups from distributing political material?

Mr. DU PONT. The amendment only permits distribution of materials relating to the functions of those organizations. In addition, there must be approval by the postmaster for the project so that it would effectively prohibit political material from being distributed.

Mr. MYERS of Indiana. Is it the intent of the gentleman from Delaware that political material be excluded?

Mr. DU PONT. It is my intent, and the amendment states that only material relating to the activities or functions of such organizations may be distributed.

Mr. MYERS of Indiana. What about a political group that is nonprofit, a labor union or something like that, could they go ahead and do it?

Mr. DU PONT. No; no political organizations are allowed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The question was taken; and on a division (demanded by Mr. RYAN) there were—ayes 34, noes 18.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. MAGUIRE

Mr. MAGUIRE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAGUIRE: At the end of the bill insert a new section as follows:

SEC. 16. Congress finds that the quality of postal service for first class mail has been and appears to be continuing to decline at an alarming rate; that the price of first class mail is at the same time increasing in the face of ever worsening service, and that it appears likely to continue to do so; that for millions of Americans, the mails are a vital and in some cases critical communications link with the outside world; that, while users of other classes of mail have the financial ability and economic incentives to organize and provide for their own representation in postal matters, first class mailers lack the ability to organize themselves on their own to provide the representation needed to protect their interests; and that unless corrective action is taken by Congress to reverse the trend of poorer quality and higher cost first class mail service, those problems will almost certainly worsen and probably accelerate.

(a)(1) There is hereby established an independent corporation to be known as the First Class Mailers' Action Alliance which shall have all powers appropriate and necessary to represent the interest of first class mailers in high quality and low cost service in matters substantially affecting their interests before the United States Postal Service, the Postal Rate Commission, the courts, and the Congress. The Alliance shall be created and empowered to initiate operations when Congress approves a final plan after the procedures described in Section 3.

(2) The Alliance shall be financed by voluntary contributions from first class mailers. The Postal Service shall provide for the delivery, not less than quarterly, of postal patron cards requesting voluntary contributions to support the Alliance, as well as provide for other administrative services relating to the creation, establishment and initial operation of the Alliance. Space shall be provided on returnable cards for patrons to express comments on their postal service.

(b)(1) The Postal Service is directed to publish in the Federal Register within 180 days from the effective date of this Act, a detailed plan for the establishment and operation of the Alliance, and a Notice soliciting public comments thereon. The plan shall include provisions relating to the following specific matters: (i) the establishment of an interim Board of Directors and the appointment of interim officers; (ii) the election and periodic reelection of a permanent Board of Directors and appointment of permanent officers; (iii) collection of voluntary contributions at least quarterly; (iv) provisions for insuring that the Alliance will be controlled by the contributors and that its officers and directors will be accountable to the contributors; (v) detailed conflict of interest rules for the members of the Board of Directors, officers, and employees of the Alliance, and full disclosure rules for those seeking election to the Board; (vi) detailed listings of the powers and duties of the Alliance, its Board, and its officers; (vii) recommendations for staffing and funding of the Alliance; (viii) full access by the Board of the Alliance and by its officers to the books and records of the Postal Service and to the meetings of its Board of Governors; and (ix) any other matters necessary or appropriate for the operation of the Alliance.

(2) The Notice in the Federal Register described in subsection (a) shall provide for a period of public comment of not less than 30 days from the date of the publication of such Notice. The final plan shall be published in the Federal Register not later than 90 days from the date of the original publication of the Notice, and a copy thereof shall be simultaneously submitted to both Houses of Congress for action by them.

(3) In the event that the Postal Service fails to meet any of the deadlines set forth in this section, no funds shall be paid from the Treasury of the United States to the Postal Service until such deadline has been met. Any person may bring an action in a district court of the United States to enforce the provisions of this subsection and shall be awarded his costs, including a reasonable attorneys' fee in the event that he substantially prevails in such an action.

Mr. MAGUIRE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MAGUIRE. Mr. Chairman, we are all disturbed that while the Postal Service is requesting yet more billions of dollars in increased appropriations and suggesting a further rise in the cost of first-class postage, service deteriorates at an alarming rate. We all know of genuine complaints about late delivery, lost mail, reduction in the number of mail collection boxes in our communities, the closing of local post offices, and so on. I would guess that before long we will have many, many post offices shut down, particularly in the rural parts of the country. We may see the day when we have to pay 25 cents for a first-class letter. We may see no Saturday deliveries, and so on, if the current trend continues.

While users of second- and third-class mail have the financial ability and economic incentive to organize and provide for their own representation, ordinary citizens who use first-class mail do not have similar resources.

Sixty years ago people in this country could directly petition the post office for redress. Today they are at the mercy of a vast and insensitive bureaucracy.

My proposal would provide for a First Class Mailers' Alliance which would be financed by voluntary contributions from first-class mailers. It would not come into creation until the Congress had reviewed and acted on a specific proposal from the Postal Service.

The amendment would require that the Postal Service deliver postal patron cards four times a year, requesting voluntary financial support for the operation of this public corporation. Space would be provided on these cards for permission to comment on the quality of service. Citizens could address themselves to specific service difficulties that they are having locally and the Alliance could act on their behalf. Now there is nowhere to go and no appeal for the ordinary citizen. Citizens and the Alliance could also address overall policy issues—funding, management, and so on.

With the Alliance citizens would have an independent voice before the United States Postal Service, The Postal Rate Commission, the courts, and the Congress. There would be more accountability. There would be an opportunity to act in the interests of consumers.

In sum, we would have, not a new bureaucracy, but an entity which costs nothing to the Federal Treasury and which would be supported by voluntary contributions. If we adopt this amendment we will have a citizen's First Class Mailers' Alliance which can act on genuine complaints about deteriorating postal service.

Mr. Chairman, I recommend this amendment. I think it is an important amendment. I urge its adoption.

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment.

The adoption of this amendment would open up, Mr. Chairman, a Pandora's box to many, many other things: No. 1, the add-on to the cost of the operation of the U.S. Postal Service. If I understand correctly, it would require the U.S. Postal Service to mail to every postal patron a card four times a year. Consider the cost involved in that type of program, and that alone—that one provision—would suggest the defeat of the amendment.

I can appreciate what the gentleman is attempting to effect, but actually we open up an avenue where many other entities in our society beyond the first-class postal patron could come aboard and seek a similar accommodation. I remind my colleagues once again that the institution happens to be running a deficit that conceivably could be $1.8 billion this year providing the basic services that it is providing today. Where, then, is the money coming from to fund further add-ons? It just is not in the cards.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

I think the gentleman would find, if he looked at this carefully, that increased costs are going to be absolutely minimal. What we are going to have is some cards to be delivered along with the rest of the mail, and the cost would be minimal. We have also a situation where this is the only thing that really resembles a Federal utility, and we have no consumer representation on that utility which is meaningful. So I would hope that the gentleman would consider that.

Mr. HANLEY. Once again, there are more than 70 million patrons in America, so we are talking about mailing or delivering 70 million cards 4 times a year. So again we further expand upon the fiscal problem of this agency, and I suggest that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. MAGUIRE).

The question was taken; and on a division (demanded by Mr. MAGUIRE) there were—ayes 7, noes 32.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LITTON

Mr. LITTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LITTON: Page 14, immediately after line 2, insert the following:

"(3) (A) The Postal Service shall, with respect to any permanent residential address receiving door delivery, provide for the collection of mail at such address in any case in which any person residing at such address has made an appropriate indication that mail has been deposited for collection at such address, whether or not the mail carrier involved has any mail for delivery to such address.

"(B) The Postal Service shall prescribe regulations to establish criteria with respect to the manner in which any person may make an appropriate indication under subparagraph (A). Such criteria shall permit the use of a flag or similar signal or device to serve as a means of making such indication.

Page 14, line 3, strike out "(3)" and insert in lieu thereof "(4)".

Page 14, line 9, strike out "(4)" and insert in lieu thereof "(5)".

Page 14, line 10, strike out "and" and insert in lieu thereof a comma, and insert ", and paragraph (3)" immediately after "paragraph (2) (C)".

Page 14, line 14, strike out "(5)" and insert in lieu thereof "(6)".

Mr. LITTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LITTON. Mr. Chairman, what my amendment does is very simple. It requires that when a postman goes by a mailbox and the flag is up indicating there is some mail to pick up, the postman will pick up the mail. As it stands now the postman passes by until there is some mail to be delivered. This means that if one has a gas bill to pay you hope somebody writes you within the next few days so the postman will deliver the letter to you and stop and pick up your outgoing mail.

When I first moved here no one knew our address. My wife tried for several days to mail out a letter from our box but since we had no mail coming in the postman did not stop to pick up our mail. I thought in desperation in order to have some mail coming in I could have the CONGRESSIONAL RECORD sent to my address simply to get my mail picked up.

My amendment says that when the postman goes by the mailbox and the flag is up showing there is some mail in the box he will stop and pick up the mail.

Mr. LOTT. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Chairman, I would like to support the gentleman's amendment but I want to make sure this is not another make-work amendment for the Postal Service. It is not mandatory under this bill that a letter carrier stop at every box or at every door except in the case where the flag is up or some similar signal indicates there is mail to be picked up. Is that correct?

Mr. LITTON. The gentleman is correct.

Mr. LOTT. Under the existing Postal Service regulations a postman does not have to stop unless there is mail to be delivered. Is that correct?

Mr. LITTON. The gentleman is correct, with the exception of motorized pick up, yes.

Mr. LOTT. I can see how in certain areas it would be very difficult to have the mail picked up under existing regulations. I think the gentleman has a good amendment.

Mr. MINETA. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from California.

Mr. MINETA. Mr. Chairman, is this in urban delivery or rural delivery?

Mr. LITTON. The regulations now stipulate in the case of motorized pickup they will pick up mail where they are not necessarily delivering.

Mr. MINETA. Would this apply only in the case of motorized delivery or is this also applying to the letter carrier walking from door to door? It seems to me from the wording in the amendment the letter carrier going from door to door in an urban situation, if the flag were up, the carrier would have to stop to pick up the mail.

Mr. LITTON. The gentleman is correct.

Mr. MINETA. So this amendment would not be limited to just motorized pickup but also would extend to the letter carrier who is walking his area?

Mr. LITTON. The gentleman is correct.

My amendment corrects an ironic inequity in our Postal Service and makes more efficient our city, door-to-door service areas for residents who either utilize a flag signal or make a similar indication that they have deposited mail for collection.

I wholeheartedly agree with the Post Office and Civil Service Committee's determination that the Congress should have the responsibility to define what constitutes proper postal "public service." My amendment extends the "public service" concept of city area, door service by emphasizing that a "postal carrier" is not just a mail "deliverer," but is also, as the duality of the term implies, a mail "receiver." Present day Postal Service regulations do not require a "postal carrier" in city door service areas to pick up mail if he has none to leave, hence he is not performing his "receiver" function.

My office has received a constant deluge of irate postal patron mail concerning this very abuse. One elderly lady, was bluntly told by her postmaster that she had no recourse but to wait until her "carrier" had mail to leave. Consequently, she has to deliver, at a serious inconvenience, her mail to a community mailbox. I believe that this is a blatant disservice and affront to every American citizen, especially those who cannot make the trip to a community drop box or post office because of their age, physical handicaps, or lack of available transportation. Oftentimes the mail service is these persons' only contact with the outside world.

I believe the Post Office and Civil Service Committee is genuinely interested, as is the Congress, in "maintaining a system which shall provide a maximum degree of effective and regular postal services throughout the Nation," as H.R. 8603 states. The concept behind rejecting the Postal Service's plan to exempt new residential developments from door-to-door service was based upon an honest evaluation of the means to attain a "high level of delivery service to the public," as their committee report states. It is their assertion that door service in city areas is more efficient than curb-line or cluster-box service.

It is my opinion, however, that presently there exists an ironic inequity in our Postal Service. Curb-line or cluster-box service is actually more efficient than door-to-door service, with respect to mail collection, because curb-line and cluster-box mail is collected if the flag on those mailboxes is raised. In contrast, as I have previously stated, mail is not collected in door service areas if the mailman has none to leave. My amendment simply elevates door service to its rightful level above curb-line and clusterbox service.

Mr. Chairman and distinguished colleagues, it is evident that the wrath of the American citizen toward the Postal Service is because increasing postal rates have not resulted in increased service.

I believe that the language of my amendment adequately reflects the dissatisfaction of both the citizens of this country and the Congress with the failure of the Postal Service to promulgate efficient public service regulations and practices. Congress is oftentimes criticized for enacting legislation which places too many restrictions on the public and of being insensitive to their daily needs. If my amendment is adopted the citizens of the United States will recognize that we are empathetic toward their problems. This amendment services this Nation's citizens in a very practical way on a daily basis. We are providing for them a very real and tangible "public service." Let us provide, Mr. Chairman, that service with a bill which humanistically applies to each and every citizen of the United States.

The Postal Service estimates that 70 percent of residences in city, door delivery areas receive mail each day. The increased cost of picking up mail from those within this 30 percent who do not receive mail on a given day who have mail to be picked up that particular day would be small. My amendment shows that the Postal Service is just as interested in picking up the mail as they are in delivering it. Surely we are not asking the Postal Service too much by asking that postmen walking by a mailbox with a flag up indicating they have mail to be picked up should pick up the mail even though they have no mail to deliver to that particular mailbox that day.

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment and for the same reasons again.

The CHAIRMAN. The gentleman has used his time.

Mr. FORD of Michigan. Mr. Chairman, may I be recognized?

The CHAIRMAN. The gentleman from Michigan is recognized for 3 minutes.

Mr. FORD of Michigan. Mr. Chairman, I yield to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I thank the gentleman for yielding. Very briefly, this would increase the workload of the Post Office by 30 percent.

I remind the House that 85 percent of the U.S. Postal Service is for personnel. Where again is the money to underwrite the additional workload which is estimated to be about 30 percent more than its present workload?

Mr. Chairman, I urge defeat of the amendment.

Mr. LITTON. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Missouri.

Mr. LITTON. Mr. Chairman, I would point out that 70 percent of postal patrons receive mail each day as it is, so the only additional work is the 30 percent that have no additional mail, but might be mailing out a letter that particular day. I doubt that we are talking about that kind of increase in cost.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. LITTON).

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. NEAL) for the purpose of offering an amendment.

AMENDMENT OFFERED BY MR. NEAL

Mr. NEAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NEAL: Page 22, line 20, strike the word "for" and all that follows thereafter through the period on line 21, and insert the following: "as a part of a looseleaf reporting service concerning developments in the law or public policy."

Mr. NEAL. Mr. Chairman, this amendment offers a statutory limitation on the kind of matter allowed the second-class privilege under this section. The amendment limits the second-class privilege to those periodicals that now have the privilege by regulation.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, the committee is willing to accept the amendment. We have given it consideration and find it appropriate to the bill we are considering.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman is referring to a section of the bill offered by me in the committee. I have conferred with all that are involved. I commend the gentleman for achieving a result better than I did.

I support the amendment.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, what does the amendment do again?

Mr. NEAL. It limits the type of mail that can be mailed under the second-class mail privilege. The Postal Service had attempted to change a custom that had been in practice a number of years; to allow the second-class privilege to publications of loose-leaf-type material. These users of the mail objected strenuously. Under the bill there was an attempt made to codify in law that these types of loose-leaf publications would be allowed the privilege. As the law was written, it would have opened up second-class mail privileges to all types of material. Conceivably, the Sears Roebuck catalog could be presented in loose-leaf form and be allowed the second-class mail privilege, which is not at all the intent of that provision. This amendment limits the kind of matter allowed the second-class mail privilege.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. NEAL).

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HANLEY).

AMENDMENT OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANLEY: Page 21, line 17, insert "(1)" immediately after "(b)".

Page 21, line 18, strike out "(1)" and insert in lieu thereof "(A)".

Page 21, line 23, strike out "(2)" and insert in lieu thereof "(B)".

Page 22, immediately after line 2, insert the following new paragraph:

(2) The provisions of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of the enactment of this Act, shall apply to any temporary rate or fee established by the Postal Service pursuant to its request to the Postal Rate Commission, dated September 18, 1975, for a recommended decision, bearing Docket Number R76-1, except that such temporary rate or fee may not exceed the lesser of (A) the rate or fee requested for such class or service; or (B) a rate or fee which is more than one-fifth greater than the permanent rate or fee in effect for that class or service at the time a permanent change in the rate or fee of such class or service was requested under section 3622 of title 39, United States Code, by the Postal Service in its request bearing Docket Number R76-1.

Page 26, line 1, strike out section 14.

Page 26, line 24, renumber the section designations following accordingly.

Mr. HANLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair will ask, has this amendment been printed in the RECORD?

Mr. HANLEY. No, it has not been, Mr. Chairman.

The CHAIRMAN. The gentleman has already yielded his time.

PARLIAMENTARY INQUIRY

Mr. BUCHANAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUCHANAN. Mr. Chairman,

would it be in order to yield a portion of my time to the gentleman?

The CHAIRMAN. That would have to be done by unanimous consent.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to yield 2 minutes of my time to the gentleman from New York (Mr. Hanley).

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HANLEY. Mr. Chairman, I thank the gentleman from Alabama.

Just briefly, this is a provision which was contained in the bill H.R. 8603 having to do with reducing the next temporary rate increase from 33 percent to 20 percent. So it would have the effect of reducing the proposed 13-cent stamp to 12 cents. The accommodation would be across the board for all classes of mail.

The language is identical to that which was contained in the bill. The cost factor is about $600 million. Very briefly, that is what it is, and our thought here is that we would provide this accommodation to the postal patron on a one-time basis, and then give the study commission the opportunity over the next 2-year period to, hopefully, put the matter of rates into its proper perspective.

Essentially, if we support the amendment, it would have the effect of reducing the pending raise for a first class stamp from 13 cents to 12 cents, and along with it a comparable reduction for all other classes of mail.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. The gentleman's amendment, as I understand it, merely corects the language and updates it from what we had in the original bill.

Mr. HANLEY. The gentleman is correct.

Mr. ROUSSELOT. So that it preserves the 12-cent ceiling?

Mr. HANLEY. The gentleman is correct.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Hanley).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Buchanan: At the end of the bill, insert a new section as follows:

Sec. ( ). (a) Section 203 of title 39, United States Code, is amended to read as follows:

"§ 203. Postmaster General; Deputy Postmaster General

"(a) The chief executive officer of the Postal Service is the Postmaster General appointed by the President by and with the advice and consent of the Senate. His pay shall be fixed by the Governors.

"(b) The alternate chief executive officer of the Postal Service is the Deputy Postmaster General appointed by the President by and with the advice and consent of the Senate. His pay shall be fixed by the Governors.".

(b) Subsection (c) of section 202 of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General and the Deputy Postmaster General each shall be voting members of the Board.".

(c) Subsection (d) of section 202 of title 39, United States Code, is repealed.

(d) Subsection (c) of section 205 of title 39, United States Code, is amended to read as follows:

"(c) The Board shall act upon majority vote of those members who are present, and any 6 members shall constitute a quorum for the transaction of business by the Board except as otherwise provided in this title.".

(e) The first parenthetical phrase in the first sentence of subsection (a) of section 1002 of title 39, United States Code, is amended to read as follows: "(except a Governor, a member of the Postal Rate Commission, the Postmaster General, or the Deputy Postmaster General)".

Mr. BUCHANAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I wanted to ask one question. This is the amendment that calls for Presidential appointment and Senate approval?

Mr. BUCHANAN. That is right, of the Postmaster General and the Deputy.

Mr. CHARLES H. WILSON of California. And also says that the Board of Governors will establish the pay?

Mr. BUCHANAN. Yes.

Mr. CHARLES H. WILSON of California. Will that affect the present limit we have on pay for the Postmaster General of $60,000?

Mr. BUCHANAN. No, it will not.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, we have reviewed the gentleman's amendment. It makes a great deal of sense, and I am delighted to say that we are in support of it.

Mr. BUCHANAN. I thank the distinguished chairman of the subcommittee.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we have reviewed this. As a matter of fact, I think this was discussed in committee, although it was not brought up as an amendment. I know the gentleman from California (Mr. Hinshaw) was in favor of this amendment.

Mr. BUCHANAN. I will say to the gentleman that I offered this on behalf of the gentleman from California (Mr. Hinshaw), who had to be in California with the President. I urge support for this amendment, and thank the distinguished chairman and the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. Buchanan).

The amendment was agreed to.

AMENDMDENT OFFERED BY MR. GUDE

Mr. GUDE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gude: Page 25, immediately after the material immediately below line 14, insert the following new section:

Sec. 13. (a) Subchapter IV of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3663. Construction of Postal Service facilities

"(a) When the Postal Service determines it is necessary to construct a Postal Service facility, the Postal Service shall notify any agency of State or local government responsible for the administration or enforcement of any law or rule applicable to the use of land upon which such construction is proposed. The Postal Service shall consult with any such agency to determine whether such construction is consistent with such law or rule.

"(b) Any agency of State or local government receiving notification from the Postal Service under subsection (a) may conduct a hearing with respect to construction proposed by the Postal Service. Interested parties shall be given an opportunity to present their views at such hearing.

"(c) If any agency or State or local government receiving notification from the Postal Service under subsection (a) does not hold a hearing under subsection (b) within 90 days after receipt of such notification, then the Postal Service shall conduct a hearing with respect to the proposed construction of a Postal Service facility. Adequate advance notice of any such hearing shall be given to the public in the affected community. The hearing shall be open to the public, with interested parties being given an opportunity to present their views; and a suitable record of the hearing shall be kept.

"(d) The Postal Service shall not undertake construction of a Postal Service facility before a hearing has been conducted with respect to such proposed construction under subsection (b) or subsection (c).".

(b) The table of sections for subchapter IV of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3663. Construction of Postal Service facilities.".

And redesignate the following sections accordingly.

Mr. GUDE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GUDE. Mr. Chairman, this is a simple amendment, but involves an important principle. The amendment simply provides that a public hearing will be held before beginning work on a proposed postal facility. It would be the responsibility of local or State government to hold such a hearing, but if they do not act within 90 days of being notified of the proposed facility, then the Postal Service would have to hold the hearing.

This amendment does not alter the existing decisionmaking procedures for proposed postal buildings. The final decision will still rest with the Postal Service, subject to applicable Federal, State, and local laws. My amendment simply adds the provision of a public hearing in order to guarantee citizen input.

The U.S. Postal Service is the most visible example of the Federal Government working for the American citizen. It is because of this "up-front" image that the Postal Service must be responsive to the needs of the local communities. Presently we have a law that requires the Postal Service to consult with local planning boards which provide input from the local citizenry when planning moves and new construction projects. My experience suggests that alternatives should be available in order to insure that breakdowns in the system do not occur.

One such breakdown occurred last year in Olney, Md., a community in my district. Existing guidelines set up to handle the construction planning process for the Postal Service were not employed. Citizens of the area reacted indignantly at the prospect of a new post office being placed in their community without their knowledge and input.

The residents of Olney pride themselves on their community. Much citizen effort has gone into planning and implementing a colonial architectural atmosphere. Architectural design in the colonial style was so important that a campaign was launched which included persuading major store chains to alter their normal architectural design in order that it might blend with the colonial scheme.

This incident is typical of the all too frequent failure of the Postal Service to consult with the community in planning a facility that will inevitably have a significant impact on that community. I do not believe we should so tie down the Postal Service with red tape that it cannot make timely and cost-effective construction decisions, but I do believe my amendment offers a sensible way of insuring community awareness of Postal Service plans and community input into those plans. The result will be better facilities and more supportive communities. I urge the adoption of my amendment.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Virginia.

Mr. ROBINSON. Mr. Chairman, I rise in support of the amendment, which is the essence of a bill I joined my distinguished Maryland colleague, Mr. GUDE, in sponsoring.

In my own experience in dealing with the Postal Service, I have encountered several instances in which adequate effort was not made to alert citizens of the affected communities as to plans of the Service to construct, or to relocate, postal facilities, or to solicit comments as to impact from public officials of the service area of the facility.

Spot check inquiries as to the effects on business and institutional users of the mails, and on postal patrons in general, have provided inadequate information on which to base decisions in the best interests of the majority of patrons, and on the most cost-effective basis for the general taxpayer.

Increasingly, the Postal Service is locating major facilities in suburban areas and in relatively small communities. Even when justified in the effort to improve handling of the mails, such facilities should be built only after input from State and local officials and—through public hearings—from postal patrons whose service may be changed, as well as from residents of the immediate area of the projected facility.

I urge the adoption of this amendment.

At the same time, however, I must emphasize that I have strong reservations as to the bill as a whole. It proposes a major increase in the "public service" subsidy of the Postal Service from the general fund of the Treasury without dealing effectively with the failures of the Postal Service to conduct its functions in the businesslike manner for which the Congress—and the taxpayers—held such high hopes with enactment of the Postal Reorganization Act.

In particular, I regret the failure to address, in this bill, the matter of encouragement of competitive private mail-carrying enterprises through such approaches as relaxation of the statutory monopoly of the Postal Service on the carriage of first class, or letter, mail.

Private enterprise, which has demonstrated that, in many cases, it can provide better and more economical service than the Postal Service in the movement of parcels, should be given the opportunity it is seeking to show what it can do with letters.

Subsidization of some postal operations may have to be accepted indefinitely, such as daily delivery to small communities and rural areas, but the overall postal deficit could be reduced significantly, I believe, through increased competition from the private sector.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. GUDE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding. Mr. Chairman, I support this amendment. I have knowledge of two places in my district where great difficulties have arisen simply because of the lack of a public hearing. I congratulate the gentleman on his amendment.

Mr. GUDE. I thank the gentlewoman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I oppose the amendment offered by the gentleman from Maryand (Mr. GUDE). Earlier in the year the gentleman wrote to me, as chairman of the Subcommittee on Postal Facilities, Mail, and Labor Management. It was explained to him at that time that we intended to hold complete hearings on the subject.

Mr. Chairman, this is not as simple as it appears to be. It involves billions of dollars, and it is not a matter to be voted on without hearings. On that basis, I regret that I must oppose this amendment.

The reason we have not been able to hold hearings is because we have been so involved with previous hearings on procurement policies in the Postal Service, in which we were able to get major changes in the procurement policies. And then we had hearings on the illegal opening of the mail, which did take more time. It was not our intention, but because of these hearings there was a resignation of the Chief Postal Inspector.

I can assure the Members that our hearings are thorough and effective and they get to the point. I hope the gentleman will allow us to continue with the open-type of hearings in order to study thoroughly, and as thoroughly as could be done, the facilities program. I do think that the adoption of this amendment would interfere with our hearing at this time. Until we learn more about it I would hope that the committee would bear with us and reject this amendment.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding. I recognize the Committees heavy workload. There would be no legal obstruction to post office activities as a result of these public hearings and at the same time it would give the citizens some kind of input which they are denied under present circumstances.

Mr. CHARLES H. WILSON of California. I can assure the gentleman that if we are allowed to proceed in an orderly way we will have hearings the latter part of this year, certainly no later than the first of next year. And I would hope that, with the gentleman's assistance, perhaps this might be a recommendation we could make. I would not like to see it pass at this time, however, without having had hearings. I hope the gentleman will appreciate the position we take on this matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. GUDE).

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I had intended earlier to offer an amendment which would affect the fourth-class mail or parcel post subsidies, but I rise at this time for the matter of establishing a record here.

Mr. Chairman, I would like to ask a question to clarify the intention of paragraph 5 which limits the reduction of parcel post rates to 10 percent.

My question is: Does this limitation apply to the use of the $920 million the Postal Service already has through existing law, plus the $1.5 billion this amendment would supply, plus any additional sums Congress may appropriate?

I ask this because there are many Members, including myself, who believe that parcel post should not get any subsidy at all. I certainly would want to be sure that parcel post would benefit from any appropriations—present, proposed, or future—only to the extent of 10 percent of its full costs.

I would just like to have the assurances of the gentleman from Michigan (Mr. Ford) that we have not overlooked some technical loophole in drafting the wording that would permit the Postal Service to use funds for any greater subsidy for parcel post.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. No, I do not think we would change the limits in any way. At least we have not been able to find anything different from the lawyers. I think the gentleman's interpretation is a reasonable accurate summation of what we intended to do.

This is a delicate compromise between conflicting points of view. We wanted to maintain the present status of the independent parcel post carriers as well as the parcel post service without trying to advantage or disadvantage anybody in the competition of the field.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from New York.

Mr. HANLEY. Yes, Mr. Chairman, the intention of H.R. 8603 was to do exactly that.

However, I must remind the gentleman that the adoption of the Alexander amendment puts this thing into a different light, and it is a little bit difficult now to be definitive as to what actually is going to happen. My intent concurs with that of the gentleman's interpretation, however.

Mr. SYMMS. I understand the gentleman's original interpretation was to have no subsidies for parcel post, but there was a compromise.

Mr. HANLEY. The gentleman is correct. There was a compromise which was acceptable to all concerned entities. That is what I hope will prevail in the ultimate bill.

Mr. SYMMS. Mr. Chairman, I thank the gentleman from Michigan and the gentleman from New York.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

I am surprised that there is any subsidy at all for parcel post. I was under the impression that was against the regulations.

Who wants to subsidize parcel post? Why does the Postal Service want to incur a cost when they are struggling with an enormous deficit? Why do they not just leave parcel post as it is?

Mr. SYMMS. Mr. Chairman, I thank the gentlewoman for bringing up that question. My interpretation of this, which may not concur with that of the gentleman from New York (Mr. Hanley), is that the post office is trying to make it rough on United Parcel Service. They subsidize the parcel post or 4th class for the U.S. Postal Service and the United Parcel Service has to compete with them, so it means a tough deal for private enterprise.

Mr. HANLEY. Mr. Chairman, if the gentleman will yield further, originally the public service factor prevailed across the board. I will remind the gentleman that the parcel post service embraces the concept I had in mind, and we were in support of this provision and it was looked upon as a very fair provision.

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield further, what I am asking is this: Why does the Postal Service want to incur a still greater deficit? Why do they not handle parcel post at cost?

Mr. HANLEY. Unfortunately, until very recently there were a number of service areas in the country that the private sector was not serving.

Mr. KETCHUM. Mr. Chairman, I would like to express my wholehearted support for Congressman Alexander's amendment to the Postal Reorganization Act Amendments. I hope that my colleagues will not accept any weakened version of this important provision.

I believe the proposed 30 percent increase in first class rates is stretching our citizen's patience with the U.S. Postal Service to the absolute limits. Since the Service came into existence in 1971, it has provided the American people with constant increases in rates coupled with a deterioration of services. Recognizing that something must be done to stop this trend, the House, by a resounding vote of 267 to 123, earlier adopted the Alexander amendment to this bill. This amendment simply requires the Postal Service to come to Congress each year for authorization and appropriation of its total budget and provides for deposit of all postal revenues in the general treasury of the United States.

The great expectations of the 1970 reorganization act have not been met. Service has not improved, the postal deficit has doubled and so, nearly, has the cost of mailing a first class letter.

This amendment has the effect of restoring some accountability of the Postal Service to the people through their elected Representatives in Congress. The Postal Service will have to come before Congress, present its budget and justify it, the same as other Government agencies. Congress will have an opportunity to review the Postal Service's mangement techniques and insure that the taxpayers are getting their money's worth.

Again, I urge my colleagues to not abandon our previous position on the Alexander amendment.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Flowers, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes, pursuant to House Resolution 726, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DERWINSKI. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Derwinski moves to recommit the bill, H.R. 8603, to the Committee on Post Office and Civil Service with instructions that said committee shall promptly hold appropriate hearings thereon.

The SPEAKER. Does the gentleman from Illinois (Mr. Derwinski) desire to be heard on his motion?

Mr. DERWINSKI. Yes, Mr. Speaker.

The motion to recommit is normal except that it does require that the committee hold appropriate hearings.

That suggestion has been made by many Members on the floor, and taking this into account I accordingly offer my motion to recommit. I would move in committee to at once report a bill, which would limit the first-class rate increase to 20 percent—or this really means a limit on first class of 12 cents an ounce. If we and the Senate move fast, we can head off the December 28 rate increase.

The SPEAKER. Does the gentleman from New York (Mr. Hanley) desire to be heard on the motion to recommit?

Mr. HANLEY. I do, Mr. Speaker. I wish to be heard in opposition to the recommittal motion.

I just want to remind the gentleman from Illinois (Mr. Derwinski) that the committee had conducted 19 months of extensive hearings, and I do not see what good could come out of a continuation of the hearings.

Therefore, Mr. Speaker, I object to the recommittal motion and urge its rejection.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the

Speaker announced that the noes appeared to have it.

Mr. DERWINSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 129, nays 250, not voting 54, as follows:

[Roll No. 651]

YEAS—129

Abdnor
Adams
Archer
Armstrong
Ashley
Bafalis
Baucus
Bauman
Beard, Tenn.
Bedell
Blouin
Brinkley
Broomfield
Brown, Mich.
Broyhill
Burgener
Butler
Cederberg
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Edwards, Ala.
Emery
Fenwick
Findley
Flynt
Frenzel
Frey
Giaimo
Gilman
Goodling
Gradison
Grassley
Hagedorn
Hannaford
Hansen
Hastings
Hechler, W. Va.
Hicks
Hillis
Holland
Holt
Hughes
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Latta
Lent
Litton
Lott
McClory
McCloskey
McCollister
McDonald
McEwen
Madigan
Maguire
Mann
Mathis
Michel
Mikva
Miller, Ohio
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Neal
O'Brien
Patterson, Calif.
Pettis
Pressler
Quie
Regula
Risenhoover
Robinson
Rousselot
Russo
Satterfield
Schroeder
Schulze
Sebelius
Sharp
Shriver
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Thone
Treen
Waggonner
Whitehurst
Whitten
Wiggins
Winn
Wirth
Wydler
Young, Fla.

NAYS—250

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Aspin
AuCoin
Badillo
Baldus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Byron
Carney
Carr
Carter
Casey
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fuqua
Gaydos
Gibbons
Ginn
Gonzalez
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hightower
Holtzman
Howard
Howe
Hubbard
Hungate
Ichord
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krueger
LaFalce
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murtha
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Seiberling
Shipley
Simon
Spellman
Staggers
Stanton, James V.
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—54

Abzug
Anderson, Ill.
Annunzio
Ashbrook
Barrett
Bell
Breaux
Brown, Ohio
Burke, Fla.
Burton, Phillip
Chappell
Clausen, Don H.
Cleveland
Conyers
Daniels, N.J.
Erlenborn
Esch
Eshleman
Fary
Forsythe
Fraser
Goldwater
Green
Guyer
Hébert
Hinshaw
Horton
Landrum
Leggett
Lujan
Madden
Martin
Metcalfe
Mink
Mitchell, N.Y.
Moss
Murphy, N.Y.
Passman
Peyser
Rhodes
Runnels
Ruppe
Schneebeli
Sikes
Sisk
Smith, Iowa
Solarz
Stark
Steiger, Wis.
Teague
Udall
Vander Jagt
Wylie
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Sikes for, with Mr. Annunzio against.

Mr. Passman for, with Dominick V. Daniels against.

Mr. Breaux for, with Ms. Abzug against.

Mr. Landrum for, with Mr. Murphy of New York against.

Mr. Teague for, with Mr. Barrett against.

Mr. Chappell for, with Mr. Hébert against.

Mr. Runnels for, with Mr. Phillip Burton against.

Until further notice:

Mr. Anderson of Illinois with Mr. Green.

Mr. Burke of Florida with Mr. Sisk.

Mr. Erlenborn with Mr. Conyers.

Mr. Wylie with Mr. Peyser.

Mr. Ashbrook with Mr. Fary.

Mr. Vander Jagt with Mr. Fraser.

Mr. Don H. Clausen with Mr. Leggett.

Mr. Ruppe with Mr. Madden.

Mr. Bell with Mr. Stark.

Mr. Esch with Mr. Metcalfe.

Mr. Forsythe with Mr. Young of Georgia.

Mr. Brown of Ohio with Mrs. Mink.

Mr. Eshleman with Mr. Solarz.

Mr. Cleveland with Mr. Udall.

Mr. Goldwater with Mr. Moss.

Mr. Guyer with Mr. Lujan.

Mr. Horton with Mr. Martin.

Mr. Schneebeli with Mr. Hinshaw.

Mr. Steiger of Wisconsin with Mr. Smith of Iowa.

Messrs. TALCOTT, KREBS, DERWINSKI and ASHLEY changed their vote from "nay" to "yea".

Mr. MATSUNAGA changed his vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. DERWINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 267, nays 113, not voting 53, as follows:

[Roll No. 652]

YEAS—267

Abdnor
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Aspin
AuCoin
Badillo
Bafalis
Baldus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Butler
Carney
Carr
Carter
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Corman
Cornell
Coughlin
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hightower
Hillis
Holland
Holtzman
Howard
Howe
Hubbard
Hungate
Ichord
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Kindness
Koch
Krueger
LaFalce
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss

Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Seiberling
Shipley
Shriver
Simon
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—113

Adams
Archer
Armstrong
Ashley
Baucus
Bauman
Beard, Tenn.
Bedell
Brown, Mich.
Broyhill
Burgener
Burleson, Tex.
Burton, John
Byron
Casey
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Cotter
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski
Devine
Dickinson
Dodd
Edwards, Ala.
Emery
Fenwick
Flynt
Frenzel
Giaimo
Gradison
Grassley
Hagedorn
Hannaford
Hansen
Hechler, W. Va.
Hicks
Holt
Hughes
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Krebs
Lagomarsino
Latta
Levitas
Lott
McCloskey
McCollister
McDonald
McEwen
Maguire
Mahon
Mann
Mathis
Michel
Mikva
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Neal
Pettis
Poage
Pressler
Quie
Robinson
Rousselot
Runnels
Russo
Santini
Satterfield
Schroeder
Schulze
Sebelius
Sharp
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Waggonner
Whitten
Wiggins
Wirth
Young, Fla.

NOT VOTING—53

Abzug
Anderson, Ill.
Annunzio
Ashbrook
Barrett
Bell
Breaux
Brown, Ohio
Burke, Fla.
Burton, Phillip
Chappell
Clausen, Don H.
Cleveland
Conyers
Daniels, N.J.
Erlenborn
Esch
Eshleman
Fary
Forsythe
Fraser
Goldwater
Green
Guyer
Hébert
Hinshaw
Horton
Landrum
Leggett
Lujan
Madden
Martin
Metcalfe
Mink
Mitchell, N.Y.
Moss
Murphy, N.Y.
Passman
Peyser
Rhodes
Ruppe
Schneebeli
Sikes
Sisk
Smith, Iowa
Solarz
Stark
Steiger, Wis.
Teague
Udall
Vander Jagt
Wylie
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Sikes against.

Ms. Abzug for, with Mr. Breaux against.

Mr. Dominick V. Daniels for, with Mr. Passman against.

Mr. Hinshaw for, with Mr. Landrum against.

Mr. Forsythe for, with Mr. Teague against.

Mr. Horton for, with Mr. Chappell against.

Mr. Barrett for, with Mr. Guyer against.

Mr. Green for, with Mr. Stark against.

Mr. Murphy of New York for, with Mr. Wylie against.

Mr. Solarz for, with Mr. Lujan against.

Mr. Sisk for, with Mr. Eshleman against.

Mr. Hébert for, with Mr. Burke of Florida against.

Until further notice:

Mr. Phillip Burton with Mr. Madden.

Mr. Conyers with Mr. Fary.

Mr. Leggett with Mr. Metcalfe.

Mr. Fraser with Mr. Bell.

Mr. Don H. Clausen with Mr. Peyser.

Mr. Moss with Mr. Anderson of Illinois.

Mr. Esch with Mr. Ashbrook.

Mrs. Mink with Mr. Cleveland.

Mr. Smith of Iowa with Mr. Brown of Ohio.

Mr. Martin with Mr. Erlenborn.

Mr. Mitchell of New York with Mr. Goldwater.

Mr. Steiger of Wisconsin with Mr. Ruppe.

Mr. Udall with Mr. Schneebeli.

Mr. Young of Georgia with Mr. Vander Jagt.

Messrs. COTTER, LEVITAS, JOHN L. BURTON, RUSSO, and DODD changed their votes from "yea" to "nay."

Mr. ST GERMAIN changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CHANGES IN SECTION NUMBERS, CROSS-REFERENCES, AND OTHER TECHNICAL AND CONFORMING CORRECTIONS IN ENGROSSMENT OF H.R. 8603

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that the Clerk, in the engrossment of the bill (H.R. 8603) be authorized and directed to make such changes in section numbers, cross references, and other technical and conforming corrections as may be required to reflect the actions of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill H.R. 8603 just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REVISIONS TO DRAFT LEGISLATION TO AUTHORIZE FOREIGN ASSISTANCE PROGRAMS FOR 1976 AND 1977, AND FOR TRANSITION PERIOD, JULY 1, 1976, THROUGH SEPTEMBER 30, 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–290)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

I sent to the Congress on May 15 draft legislation to authorize foreign assistance programs for fiscal years 1976 and 1977, and for the transition period July 1, 1976, through September 30, 1976. At that time, because of uncertainties caused by changing events, particularly in the Middle East and Indochina, I was unable to propose specific amounts for security assistance programs. I said I would return to the Congress with specific proposals for these programs as soon as possible.

The review of security assistance programs now has been completed and my revisions to the draft legislation are being transmitted today. My initial legislative proposal was printed in the House of Representatives as House Document No. 94–158 and was introduced in the Senate as S. 1816. The revisions transmitted with this message will supersede sections 10, 11, 12, 15, 16, 17 and 18 of that proposal.

The world is different and far more complex than the world we knew in the 1950's. So are the problems confronting it. However, the U.S. Government still has a primary responsibility to take the lead in creating conditions which will insure justice, international cooperation and enduring peace. The program of security assistance I am transmitting today will contribute significantly toward meeting this responsibility.

PEACE IN THE MIDDLE EAST

Nothing so underscores how essential the American peacekeeping role is than our current efforts in the Middle East. Since the October 1973 War, our Middle East policy has been based on the following three principles.

—First, a firm resolution to work for a just and lasting settlement of the Arab-Israeli conflict taking into account the legitimate interests of all states and peoples in the area, including the Palestinians.

—Second, a commitment to the improvement of our relations with all the states of the Middle East on a bilateral basis, maintaining our support for Israel's security while strengthening our relations with the Arab countries.

—Third, continued dedication to avoiding great power confrontation in the Middle East.

The October 1973 War was the fourth, and most devastating, round of hostilities between Arab and Israeli forces. Moreover, the impact of this last collision between opposing forces was not confined to the Middle East. The spectre of armed confrontation between the United States and the Soviet Union hung over the crisis. Disruption of the economies of Western Europe, Japan and other nations was an important by-product of the conflict. In addition, the likelihood existed that the period immediately after October 1973 would merely represent a pause between the fourth and fifth rounds of conflict.

The quest for peace in the area was of the highest priority. Our most immediate objective was to encourage the disengagement of the contending military forces. Disengagement was accomplished in 1974. This year, we dedicated ourselves to the goal of withdrawal in the Sinai—and an agreement was negotiated as a result of the efforts of Secretary of State Kissinger. We believe that the step-by-step approach to negotiations offers the best prospects for establishing an enduring peace in the region. We expect to proceed on an incremental basis to the next stage of negotiation within the near future.

I believe the hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century. A new era also is opening in our relations with Arabs and Israelis. This security assistance program will give substance to these new relationships and help preserve the momentum toward peace.

My proposals have three basic purposes:

—First, to provide Israel with the assistance needed to maintain security and to persevere in the negotiating process.

—Second, to give tangible expression to our new and fruitful relations with the Arab nations most directly involved and to encourage those which are seriously prepared to work for peace.

—Third, to encourage the peaceful development of the area, thereby reducing the incentives to violence and conflict.

The Security Assistance Program I am transmitting to Congress is heavily weighted with requirements to sustain the peace in the Middle East. Fully 70 percent of the program for fiscal year 1976 is to be concentrated in this region.

It proposes:

—For Israel, $740 million in security supporting assistance and $1,500 million in military credits. Israel's ability to defend herself and to relieve some of the burdens of her defense reduces the prospect of new conflict in the Middle East.

—For Egypt, $750 million in supporting assistance. Egypt has made the bold decision to move from confrontation to negotiation as a means of resolving the Arab-Israeli dispute. Its leaders also must cope with serious economic problems whose resolution the United States is in a position to assist.

—For Jordan, $100 million in military assistance grants, $78 million in security supporting assistance, and $75 million in military credit sales. This assistance will strengthen Jordan's ability to hold to the course of moderation it has consistently followed.

—For Syria, $90 million in security supporting assistance. This assistance will enable our development cooperation with Syria to go forward, furthering our efforts to reestablish more normal bilateral relations.

—In addition, I am recommending a Special Requirements Fund this fiscal year of $50 million. The fund is to be used to reinforce the peace process in the area and, in particular, to defray the costs of stationing American civilian technicians in the Sinai area.

All of this aid will contribute to the confidence that Middle Eastern nations must have in the United States if we are to maintain our momentum toward peace.

EAST ASIA

The collapse of friendly governments in Indochina has necessitated a thorough review of the situation and of our policies and objectives throughout East Asia. The program I am proposing therefore recognizes the new realities as well as our enduring responsibilities as a leading participant in the affairs of the Asia Pacific region. For the first time, military sales credits exceed grants in our proposals for security assistance to Asian countries. These proposals include Foreign Military Sales credits in the amount of $80 million for the Republic of China, $126 million for Korea, and $37 million for Thailand, with smaller but no less significant amounts for Indonesia, Malaysia, and the Philippines. Grant assistance programs include $19 million for Indonesia, $74 million for Korea, $20 million for the Philippines, and $28 million for Thailand. This funding pattern reflects the improved economic circumstances of several of our allies, their decreasing dependence on grant aid, and a greater ability to pay for defense purchases on a deferred basis.

EUROPE

The program that I am proposing for Europe is focussed primarily on two countries with whom the United States shares extraordinary mutual defense interests: Greece and Turkey. For Greece, I am proposing more than $50 million in MAP and $110 million in FMS credits. Over the same period, Turkey would receive $75 million in MAP and $130 million in FMS credits. These amounts take into consideration urgent needs for defense articles and services on the part of these two important NATO allies. Implementation of the respective programs would allow the United States to resume its traditional cooperative role following the unfortunate disruptions occasioned by the Cyprus crisis. In this traditional role, the United States can work more effectively to alleviate regional tensions and rectify recent misunderstandings which have had an adverse impact on the interests of all our European allies.

AFRICA AND LATIN AMERICA

In these two geographic areas where there were widespread special development problems, I am proposing security assistance programs with emphasis on training as a common denominator. While the training programs are not individually costly, the fact that they are distributed among many countries should contribute to the strengthening of our regional relations well beyond the military sector. The only significant MAP proposal in either area involves a $12 million program for Ethiopia, where we have been committed to an armed forces modernization program of reasonable dimensions. No other grant aid funds are envisioned elsewhere in Africa. MAP proposals throughout Latin America are confined to small sums, mainly for vehicles, communications equipment and spare parts. FMS credits for Latin America are proposed in amounts commensurate with the relative sizes of the recipients' armed forces, their repayment ability and overall development needs. In Africa, the only significant FMS credit proposals are $10 million for Ethiopia and $19 million for Zaire.

SECURITY SUPPORTING ASSISTANCE

Aside from the special programs for the Middle East states which I have described previously, my proposals for security supporting assistance include $35 million for Cyprus, including $10 million for the United Nations Forces there, $55 million for Portugal, $65 million for Greece, and $23 million for Zaire. Other small programs and administrative expenses will total $33 million. In all instances, these programs reflect enlightened self-interest for the United States and a carefully documented need.

CONCLUSION

While the extraordinary recent developments in Indochina and the Middle East have necessitated a re-examination of our policies and changes in the focus of our security assistance programs, there can be no doubt that bilateral and multilateral cooperation in the defense sector remains a vital and necessary component of American foreign policy. The proposals that I am now able to make after this reappraisal are addressed specifically to a new global situation and to the extraordinary challenges and opportunities confronting us in the international sphere. Just as it would be a grievous mistake to base our current and future security assistance programs on the precepts of the past, it would be an even greater error to ignore our enduring responsibilities as a major world power by failing to exploit these opportunities. After twenty-five years of seemingly irreconcilable differences, two parties to the Middle East dispute at last have taken a decisive stride toward settling their differences, in joint reliance on our good offices and continuing support. In the strategic Eastern Mediterranean, two of our long-standing NATO allies look to us for a tangible sign of renewed support and traditional friendship. In East Asia, friends and allies are anxiously awaiting evidence that the United States intends to maintain its stabilizing role in Pacific affairs.

DEVELOPMENT ASSISTANCE

I am also pleased to note the progress made by the Congress on H.R. 9005, the International Development and Food Assistance Act of 1975, which authorizes funds for our development and disaster assistance programs. Although we have minor differences with the Congress on the formulation of this legislation, I expect these to be resolved in the legislative process. The 244–155 vote in the House clearly indicates that the Congress and the Executive Branch jointly endorse the current reorientation of our bilateral development assistance program focusing on basic human problems in the poor countries.

We must reaffirm our humanitarian

commitment to some 800 million people in the Third and Fourth World, who live in poverty, facing the daily reality of hunger and malnutrition without access to adequate health and education services and with limited productive employment. Improving the quality of life for one-third of mankind living in conditions of despair has become a universal political demand, a technical possibility, and a moral imperative.

Our foreign assistance programs, both development and security, are essential for achieving world peace and for supporting an expanding international economy which benefits all nations. Our national security and economic well-being in a world more interdependent than ever before in the history of mankind warrant the fullest support of the American people and the Congress for our foreign assistance programs.

In regard to the impact of these proposals on overall federal budget levels, I fully recognize the proposed amounts are substantial. I should emphasize, however, that total fiscal year 1976 expenditures for all types of foreign aid including economic and military will still be roughly ten percent below the amounts originally contained in my January budget because of the withdrawal of the request for Indochina funding.

I am confident the Congress shares my desire to see the United States continue to manifest to all nations its determination to play a role in the search for a more secure international environment which is worthy of its greatness as a nation.

Gerald R. Ford.

The White House, *October 30, 1975.*

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, SUNDAY, NOVEMBER 2, 1975, TO FILE REPORTS ON CERTAIN BILLS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture may have until midnight, Sunday, November 2, 1975, to file reports on—

H.R. 7863, as amended, Farm Credit Administration officials salary adjustment;

H.R. 7862, as amended, farm credit voting media;

S. 1617, as amended, Agricultural pest control;

S. 1649, as amended, gifts of property to the National Arboretum;

H.R. 10073, rabbit meat inspection;

H.R. 2343, George W. Andrews Forestry Science Laboratory;

H.R. 10027, as amended, reimburse cooperators for work performed which benefits Forest Service programs; and

H.R. 10339, as amended, Farmer to Consumer Direct Marketing Act.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERSONAL EXPLANATION

Mr. SARASIN. Mr. Speaker, because of the death of my father, Joseph Sarasin, on October 27, 1975, I was absent from the House on October 28 and 29. Had I been present, I would have voted in the following fashion:

Rollcall No. 642—H.R. 6227: Federal employees' representation, "nay."

Rollcall No. 643—H.R. 8835: Truth in leasing, "yea."

Rollcall No. 644—S. 2195: Center for Productivity, "yea."

Rollcall No. 646—House Resolution 828, rule on the bill, and H.R. 10049: Debt ceiling increase, "yea."

Rollcall No. 647—H.R. 10049: Debt ceiling increase, "nay."

TO ESTABLISH A SCIENCE AND TECHNOLOGY POLICY, TO PROVIDE FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE AND ASSISTANCE TO THE PRESIDENT, AND FOR OTHER PURPOSES

Mr. MURPHY of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 837, Rept. No. 94–605), which was referred to the House Calendar and ordered to be printed:

H. Res. 837

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

RURAL DEVELOPMENT ACT OF 1972

Mr. MURPHY of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 836, Rept. No. 94–604), which was referred to the House Calendar and ordered to be printed:

H. Res. 836

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6346) to make permanent authorization of appropriations for carrying out title V of the Rural Development Act of 1972. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Agriculture now printed in the bill beginning on page 2, line 1 through page 3, line 5, notwithstanding the provisions of clause 5, Rule XXI. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE DEPOSITORY INSTITUTIONS AMENDMENTS OF 1975—PROVIDING FOR CONSIDERATION OF H.R. 10024 TO EXTEND AUTHORITY FOR FLEXIBLE REGULATION OF INTEREST RATES ON DEPOSITS AND SHARE ACCOUNTS IN DEPOSITORY INSTITUTIONS, TO EXTEND NATIONAL COMMISSION ON ELECTRONIC FUND TRANSFERS, AND TO PROVIDE FOR HOME MORTGAGE DISCLOSURE

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 827 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 827

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10024) to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Currency and Housing, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. Murphy) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes to the minority side to the distinguished gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 827 provides for an open rule with 1 hour of general debate, providing that H.R. 10024 be read for amendment by titles instead of by sections.

The depository institutions amendments of 1975 contains three major sections. Title I of the bill extends for 2 years the authority under regulation Q of financial regulatory agencies to set interest rate ceilings. The current one-fourth of 1 percent statutory differential between commercial banks and thrift institutions shall be maintained during this 2-year period, unless regulatory agencies find a competitive disadvantage in a particular geographic area or by a category of account. Title I also allows negotiable orders of withdrawal—NOW—accounts to be offered nationwide at uniform rates with a special reserve requirement.

Title II extends the National Commission on Electronic Fund Transfers for 2 years, since the members were not named until October 6 of this year and the Commission was originally created in 1974. The Commission was set up to look into the problems and policy questions related to electronic banking. A special report will be submitted to the committees of jurisdiction within 6 months of enactment, noting the impact of electronic fund transfer systems, a summary of all lower and appellate court decisions relating to them and the need for further legislation in this area. The Commission must also issue a final report and recommendations within the 2-year period.

Title III of the bill establishes a system for home mortgage disclosure. Depository institutions with a home or branch office within a standard metropolitan statistical area must disclose the number and total dollar amount of mortgage loans they make available to that area. The itemized information must be made available to the public for inspection at the home office or at least one of the branch offices of the depository institution.

Title III also requires HUD to collect the disclosed information and furnish it to public officials and congressional committees interested in patterns of mortgage investment. The home mortgage disclosure section is intended to correct the practice of lenders who "redline" certain areas within a city refusing to make mortgage loans to qualified applicants, thus contributing to the decline of those geographic areas.

More comprehensive proposals to restructure the Nation's financial institutions are being studied by the House Banking, Currency and Housing Committee. This legislation is a necessary interim step pending the outcome of the FINE study, that is the "financial institutions and the Nation's economy."

Mr. Speaker, I urge the adoption of House Resolution 827 in order that H.R. 10024 may be considered.

Mr. Speaker, I yield to the gentleman from California (Mr. Clawson).

Mr. Speaker, I move the previous question.

(After yielding 2 minutes or whatever to whomever you want.)

Mr. STEED. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred and thirty-one Members are present, a quorum.

The Chair recognizes the gentleman from California (Mr. Del Clawson).

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 827 provides for 1 hour of equally divided general debate on H.R. 10024, Depository Institutions Amendments of 1975. Germane amendments may be offered under the 5-minute rule. The bill shall be read by titles instead of by sections. There are no waivers of points of order.

The purpose of H.R. 10024 is to extend the authority for flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electric Fund Transfers, and to provide for home mortgage disclosure.

Title I, extends, until December 31, 1977, the authority of financial regulatory agencies to establish, under regulation Q, interest rate ceilings that may be paid by banks on time and saving deposits and by building and loan, savings and loan, homestead associations and cooperative banks on deposits, shares and withdrawable accounts. This title recommends the repeal of the prohibition on negotiable order of withdrawal accounts.

Title II extends the authority of the National Commission on Electric Transfers to operate for 2 full years and extends the requirement for an interim report for 1 full year.

Title III establishes a home mortgage disclosure system to provide information to citizens, financial institutions and public officials at all levels. This provision requires the number and total dollar amounts of mortgage loans by census tract. If this is not feasible disclosure will be implemented by the ZIP code.

The costs involved in this bill cannot be accurately calculated, because the reporting requirements are prospective in nature.

Title III is the most controversial part of the bill, and minority views were filed by eight members of the committee opposing this title, known as the "red-lining" title, as another example of the imposition of unnecessary and unproductive paperwork. The question was also raised relative to the ultimate use and purpose of this information, whether, on down the road it might be used for credit allocation. The ranking minority member, Mr. Albert Johnson, filed additional views objecting to the NOW accounts in section 103, fearing such a provision will be used by large banks to outbid smaller banks for savers' deposits.

Mr. Speaker, I personally share some of the reservations raised by the minority views, but am aware of the open rule provided by House Resolution 827, and suggest that we vote on the rule for the consideration of H.R. 10024.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. Bauman) there were—yeas 182, nays 0.

Mr. STEED. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. STEED. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. A quorum of 231 Members has just been counted and the gentleman is out of order.

Mr. STEED. The Speaker announced only 189 Members present.

The SPEAKER. The Chair counted the House and counted 231 Members.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10024) to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10024, with Mr. Matsunaga in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Rhode Island (Mr. St Germain) will be recognized for 30 minutes and the gentleman from California (Mr. Rousselot) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, I rise in support of H.R. 10024 which is the product of 9 days of hearings during which testimony was received from 59 witnesses, including neighborhood representatives, national citizens' organizations, local and State officials, each of the regulatory agencies on two occasions, financial trade associations, witnesses from the Departments of Treasury and Housing and Urban Development, the Bureau of the Census, private citizens with academic and mortgage investment backgrounds and Members of Congress. In addition, written questions were submitted to the majority of witnesses. Responses have been received, evaluated and made a part of the printed hearings. Excellent suggestions were made and a number of compromise suggestions were received and substantially adopted in the substitute to the original bill—H.R. 8024—reported favorably by the subcommittee after adopting several perfecting amendments. The full committee, likewise, considered fully the clean bill and adopted several amendments, insuring the fullest possible participation by all members of the committee.

Thus the process has guaranteed an effective and early, but yet deliberative response to the three major areas of H.R.

10024, each the subject of a separate title. Mr. Chairman, H.R. 10024, in its entirety, represents an attempt, at long last, to legislate in the best interest of the people while at the same time retaining strong and viable institutions. This legislation was not propounded, espoused or brought to us by the trade associations, with the inevitable lowest common denominator result, dedicated to the preservation of the status quo as between competing financial institutions. At the same time, the views of all associations and regulatory agencies were received and carefully evaluated during the 3-month period the subject of the bill was before the subcommittee and the full committee. As a result, a substitute bill to H.R. 8024 was introduced and offered for markup. The substitute itself was amended during both extended subcommittee and full committee deliberations. The result, Mr. Chairman, is a carefully drawn compromise, clearly providing significant, long overdue consumer benefits while at the same time strengthening our existing financial institutions by providing essential competitive tools, permitting Congress to continue its consideration of long-range comprehensive financial reform measures about which a great deal will be heard during the balance of the 94th Congress.

Title I, in its entirety, provides stability and certainty to our financial institutions while at the same time authorizes a popular new service for the consumer, nationwide, the NOW account. In addition, two significant safeguards for the small consumer-depositor are mandated—prevention of continued deterioration of the differential authorized for thrift institutions whose primary function is that of the major supplier of mortgage financing and where special circumstances warrant the elimination of the differential mandates that the rate paid shall be the highest rate payable on date of elimination. Thus, a significant first step is at last being taken to insure that the forgotten American, the small saver-depositor, the average workingman, will receive increasingly a fairer return on his investment deposit, ravaged during the past decade by the cruel forces of inflation.

Section 101, by providing for a 2-year extension of flexible rate control authority, known as regulation Q, from December 31, 1975 to December 31, 1977, insures that current comprehensive financial reform deliberations not be interrupted during the present Congress by preventing rate wars with cutthroat competition such as recently took place during the infamous "Wild Card" CD experiment during the summer of 1973.

Section 102(a) brings to an end, during the extension period of regulation Q, the continued narrowing of the differential which has been reduced from three-fourths of 1 percent in 1966 to the present one-fourth of 1 percent. To provide certainty and to prevent costly rate wars during the extension period, the committee recommends that the differential, by statute for the first time, be not less than one-fourth of 1 percent. In recognition, however, of the fact that economic conditions can vary by region or that competitive disadvantage can be created due to the nature of the dual banking, section 102(a) permits the elimination of the differential upon a finding of competitive disadvantage subject to the provisions of section 102(b) and section 102(c).

Section 102(b) is essentially an oversight provision requiring notice of any such proposed elimination to the committees of jurisdiction with a 45-day period during which either committee can disapprove by majority resolution.

Section 102(c), by requiring the payment of the highest prevailing rate in effect on the date of any such elimination, is a small step, but does underscore the fact that the time has come for the small depositor to receive a fairer return on his deposit-investment and the committee is determined that comprehensive financial reform measures shall provide long-delayed benefits to the millions of small depositors of our financial institutions.

Section 102(d) requires reports from the regulatory agencies each 6 months during the 2-year extension period provided by 102(a). These reports will contain an evaluation of the impact of expanded lending and investment powers on housing portfolios in those States where State-chartered institutions either now have, or will have such powers. Comprehensive financial reform deliberations thus far have been based entirely upon academic dissertations and hypothetical studies. The reports required by H.R. 10024 will give us a basis for the evaluation of such studies.

Mr. Chairman, over 3 years ago, a new consumer account appeared in Massachusetts—known as the NOW account. NOW stands for negotiable order of withdrawal. The NOW account, in effect, provides consumer-savers with the services of a checking account, permitting the average working man to earn interest on funds deposited in such accounts. Many of us, including myself, expressed concern over the effect these accounts could have on the solvency of certain smaller financial institutions, the impact on home mortgage interest rates, and possible disintermediation effects. As a consequence, Congress, by its adoption of Public Law 93–100, restricted the NOW account experiment to the States of Massachusetts and New Hampshire, conferring regulatory authority in the Federal Deposit Insurance Corporation, to carefully monitor the experiment as a protective measure. Periodic reports were submitted during the past 2 years and evaluated by the subcommittee. Chairman Wille, FDIC; Governor Mitchell, Federal Reserve; and Acting Chairman Marston, Federal Home Loan Bank Board, all testified during our recent hearings on H.R. 10024 (H.R. 8024) giving the committee the benefit of their views as to the results of the experiment.

Chairman Wille concluded that the dire predictions of several years ago simply did not materialize and each of the regulatory agency witnesses concluded that NOW accounts are immensely popular and have fully demonstrated that they do provide a vitally needed consumer service with no deleterious effect upon the offering financial institutions. Federal Reserve Board Governor Mitchell concluded as follows:

> I think I would call it a success—the NOW account, not only from the standpoint of the public, but also perhaps from the standpoint of the institutions.

On the issue of impact on home mortgage interest rates, Mr. Ronald W. Haselton, on behalf of the Savings Banks Association of Massachusetts, in recent testimony, stated:

> Mortgage rates in Massachusetts remain more than competitive with the rest of the Nation, hence, NOW accounts have not raised the cost of borrowing.

Thus, your committee concludes that—

> The consumer should no longer be asked to await the fruits of comprehensive financial reform and recommends the authorization of NOW accounts for all financial institutions desiring to respond to obvious consumer demand. By specifying that a special reserve requirement be established and that a uniform rate be determined by the Federal Reserve Board, after consultation with each of the regulatory agencies, your committee believes that adequate regulatory control will exist to proceed in a deliberative manner, profiting from the experience gained in New England.

In addition, the authorization of NOW accounts by section 103(b) will provide a competitive service for federally chartered institutions enabling them to meet challenges brought about by expanded lending and investment powers currently being granted to State chartered institutions, pending final decision on comprehensive financial reform legislation by Congress.

Mr. Chairman, once again, I wish to emphasize that the NOW account is a long overdue service for the average American. Private corporations are not permitted to open such accounts by regulatory decision correctly interpreting the intent of Congress by its adoption of Public Law 93–100. There has been erroneous information furnished to the Members raising the false fear of large banks or regional banks reducing deposits from small banks by the offering of corporate NOW accounts and I welcome the opportunity to lay that "red herring" to rest.

Mr. Chairman, 1 year ago, October 28, 1974, the Congress, by its adoption of Public Law 93–495, created the National Commission on Electronic Fund Transfers. At long last the Commission has become operative with the nomination by the President of our former colleague, and distinguished ranking minority member of the House Banking, Currency and Housing Committee, William Widnall. During this regrettable period of delay, EFTS developmental efforts have virtually been brought to a standstill as the courts struggle with complex questions rooted in branching law. The issues raised, Mr. Chairman, are more appropriate for legislative determination, rather than judicial determination and, accordingly, it is imperative that the Commission begin its task immediately pursuant to the provisions of Public Law 93–495.

Title II, Mr. Chairman, merely provides for a full 2-year period for the

Commission, as originally authorized, and extends for 1 year the requirement for an interim report. In addition, a report is directed within 6 months, suggested by the administration to assist Congress and the financial community in resolving paralyzing difficulties being experienced as a result of numerous court decisions.

Title II incorporates a number of constructive recommendations and suggestions made by the administration and the regulatory agencies during recent hearings and, as a consequence, it was adopted unanimously by voice vote. I am not aware of any opposition to this title's provisions.

Turning now, Mr. Chairman, to title III, which through misunderstanding, has become the target of unnecessary opposition in view of the actual provisions of H.R. 10024. The committee, during the course of its deliberations, took into account the deeply held concerns expressed by many representatives of our financial institutions. As a consequence, a substitute to H.R. 8024, H.R. 10024 was introduced and marked up, prompting the U.S. League of Savings Associations to comment as follows in their newsletter of October 24, as follows:

> Title III, involving home loan disclosure, has been modified consideralby from legislation introduced last summer (H.R. 8024). Similar disclosure legislation passed the Senate in early September (S. 1281).

The newsletter report was followed up by a letter addressed to me, dated October 28, from the league's president, Mr. Lloyd S. Bowles, as follows:

> On behalf of the U.S. League of Savings Associations, I applaud your continuing efforts and urge the support of your colleagues in the House of Representatives for the important provisions of H.R. 10024, the Depository Institutions Amendments of 1975.
>
> While we have expressed to you in the past our concern about certain particulars, the general thrust of this legislation will assure the steady flow of deposits to savings and loan associations and other housing specialized lenders—with resulting benefits for our nation's consumer home borrowers. H.R. 10024 will support the real estate markets and home building activity, providing jobs and other stimulus for our economy. This bill contains important new services for consumer savers too.

Some of the mail received by members related to provisions contained in the earlier bill and, in an effort to bring forth a bill that will initiate a constructive beginning, many of the features objectionable to some in the earlier bill have, in fact, been eliminated.

The committee has made it abundantly clear throughout our recommendations that the purpose of title III is to provide at long last the information necessary for the private citizens, financial institutions, all levels of government working cooperatively to devise ways and means to stabilize neighborhoods in virtually every major city so that the day will soon come again when private capital essential for ordinary economic growth once again returns to our cities. As the committee report says so well, Mr. Chairman:

> The words "red-lining" or "mortgage disinvestment" have come to symbolize the "facts of failure" in this nation, despite a full decade—and even longer—of good-faith efforts by both parties under three Presidents to insure the realization of the American dream: "a decent home and a suitable living environment for every American family". All continue to subscribe to the Declaration of Purpose of the Housing Act of 1949, restated by Section XVI of the Housing and Urban Development Act of 1968. At the same time, Congress continues to be confronted with the reality of a denial of access to credit at any rate and on any terms for citizens of entire neighborhoods in our cities.

Mr. Chairman, I believe the provisions of title III do not require a summary of each section, but let me merely highlight, Mr. Chairman, what the bill requires:

It requires annual reports by financial institutions stating the number and amount of mortgages made by census tract where readily available at reasonable costs as determined by the Federal Reserve Board, otherwise by ZIP code. Let me emphasize, Mr. Chairman, that the language "where readily available at reasonable costs" and, "as determined by the Federal Reserve Board" were carefully selected by the committee to make it clear that we expect a reasonable good-faith effort to be made by institutions operating under Board guidelines and that it is not our intent or purpose to unduly burden financial institutions where such information is not available at reasonable costs.

We have eliminated the requirement, that many sought, that deposit data likewise be furnished for a retroactive period of 3 or 4 years. In so doing, the committee felt there is little purpose to be served in trying to affix blame for the past but rather, to seek to begin, and I emphasize begin, a process that will lead to solutions and will eliminate continued confrontations where financial institutions are unfairly the target of the millions of frustrated Americans unable to obtain reasonable credit at any rate to stabilize the neighborhoods of their birth.

We believe that Government—and I do not exempt the Congress—must make tough choices as to how resources shall be utilized to provide for neighborhood stabilization and certainly the minimal information required by this act will be helpful in that process.

The committee made it abundantly clear, not only in the report, but by its adoption of section 302(c), that the "prudent-man" rule shall govern. The language of said section is as follows:

> Nothing in this title is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

Mr. Chairman, I can best conclude my remarks by once again referring directly to the language of title III itself, the purpose clause, section 302(b):

> (b) The purpose of this title is to provide sufficient information to enable citizens to determine whether depository institutions are fulfilling their obligations to serve the housing credit needs of the affected geographic areas and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment.

Mr. Chairman, reform for the sake of reform is meaningless. Title III addresses itself to the fact that millions of Americans in our cities are denied access to credit on any terms. Their numbers are growing daily in every major city. If our cities are to survive, it can be only by neighborhood stabilization which requires a partnership of public and private capital working with the responsible citizen. The adoption of title III will begin the long journey back.

Mr. McCOLLISTER. Mr. Chairman, I rise in opposition to H.R. 10024, the Depository Institutions Amendments of 1975.

I am opposed to the provision repealing the prohibition of interest payments on demand deposits—NOW accounts. After reviewing the hearing record, I am not convinced that the Committee on Banking, Currency and Housing adequately investigated the use of NOW accounts. We presently have regulations which enforce the responsibility of those institutions offering demand deposits. It seems premature to extend the right to offer demand deposits without requiring all the institutions offering such accounts to accept the responsibility which we presently require.

Perhaps we should recommit this bill to the Banking, Currency and Housing Committee in order to conduct further investigations on the need for appropriate safeguards and add such safeguards to the section on NOW accounts.

I am also opposed to the mortgage disclosure provisions in title III of the bill. This section requires lending institutions to make available for public inspection the number and amount of loans made in areas defined by census tracts or ZIP codes in order to show if the institution has refused to grant loans in declining urban areas. But if this information were to be truly useful it would be necessary to show also the loan demand in each of the defined areas.

Several States already have legislation requiring the disclosure of the number of loans made on a geographical basis, but none of the legislation has been in effect long enough to provide any conclusive evidence on its beneficial or detrimental effects. It is foolhardy to rush ahead with H.R. 10024 before the evidence is available on geographical disclosure.

Mr. ROUSSELOT. Mr. Chairman, not even the Mortgage Disclosure Act of 1975 has escaped the effect of inflation—the bill is now H.R. 10024, rather than H.R. 8024. Fortunately, however, there have been some important subtractions along the way.

The 90-day moratorium on electronic funds transfer system, EFTS, experiments, contained in title II of H.R. 8024, a provision which might later have been extended and which would, in any case, have introduced a new element of costly delay and confusion into the efforts of financial institutions which are attempting to plan for the orderly introduction and development of EFT technology, has been removed from the bill.

Title III, the so-called redlining title, is no longer the threatening monster which confronted us in H.R. 8024. Although use of the broad term "mortgage loans," rather than the narrower term "home mortgage loans," makes the operative language somewhat unclear, we understand that the intent of the title is to only require disclosure of the number and total dollar amount of mortgage loans by census tract in standard metropolitan statistical areas, SMSA's, where census tract maps are readily available, and by ZIP code in SMSA's where census tract maps are difficult to obtain at reasonable cost. No longer will depository institutions be required to disclose the number and dollar amount of deposits, or of commercial loans, by census tract in each SMSA.

There was some confusion during the markups over the volume of data that would be required under title III. If each office of an institution were only required to produce the number and dollar amount of mortgage loans for the census tract in which it was located, persons seeking, for whatever it would be worth, the data for an entire SMSA would have to visit the home office and each branch to compile the data for an entire SMSA. On the other hand, a requirement that the complete data for the entire SMSA be available at each branch would require lengthy computer printouts to be reproduced and distributed in areas, such as Los Angeles, where there are more than 3,000 census tracts, and where some depository institutions have several dozen branches. Such a requirement would have entailed substantial copying and distribution costs and would have caused confusion among branch personnel who would be called upon to handle requests for the data. Mr. Rousselot's amendment is intended to solve this problem by providing that the complete data be made available at the home office and at least one branch office in each SMSA in which the institution operates.

Another difficulty which was implicit in title III was that the requirement of disclosure of mortgage loans by census tract might have a "chilling effect" upon the ability of depository institutions to exercise prudent professional judgment in the placement of loans. The ultimate basis upon which credit should be extended is the creditworthiness of the borrower. It is noteworthy that even the most vociferous advocates of this legislation testified that the last thing they wanted was to force depository institutions to make unsound loans. Lest there be any misunderstanding that the purpose of the title was to enable the Federal Government to substitute its judgment for the judgment of responsible officials of depository institutions, and thus to revive the recently defeated credit allocation proposals, the committee adopted the Gradison amendment, which provides that, "Nothing in this title is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit."

As it now stands, title III represents the resolution of a dilemma which faced proponents of mortgage disclosure legislation. Any truly worthwhile effort to provide citizens with sufficient data to enable them to determine whether or not an institution were "redlining," the hearings revealed, would have to provide not only data on loans and deposits on a census tract basis, but also authoritative data regarding the demand for loans in each census tract. Otherwise, there would be a substantial likelihood that depository institutions would be castigated for failing to make loans in a given area despite the fact that little or no demand for loans existed there. None of the witnesses who testified before the subcommittee was able to suggest a practical way to obtain data on loan demand, so the effort to provide citizens with sufficient information to establish that depository institutions are failing to satisfy local demand had to be abandoned.

The present mortgage disclosure title would impose upon depository institutions annual costs ranging from several hundred to several thousand dollars for routine computer processing as well as one-time costs of as much as $12,500 to develop the necessary "software" to permit classification of current file data according to ZIP codes and census tracts. The bill delegates to the Federal Reserve Board the power to determine who shall pay for the provision of copies of the data to the person who requests them. The costs involved in satisfying the requirements of title III can no longer be fairly described as staggering, although it may be noted that the combined yearly compliance costs of several large institutions would amount to enough money to have provided for an additional mortgage for a moderately-priced home.

If, indeed, it can now be said that the costs involved in satisfying the disclosure requirements of title III are relatively small, it must also be acknowledged that the benefits are also small. In fact, in the process of reducing costs to more acceptable levels, the committee has left us with a title in search of a mission.

Section 302 states a congressional finding that—

> The depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions.

The charge that these institutions have failed to live up to their chartering responsibilities ignores the fact that Federal savings and loan associations were established under the Home Owners' Loan Act of 1933 for a dual purpose; namely, to provide institutions "in which people may invest their funds and in order to provide for the financing of homes."

Spokesmen for another form of thrift institution, the mutual savings banks, informed the subcommittee that the charters of these institutions charge them with providing an outlet for the investment of the savings of depositors at the highest return consistent with safety. There typically is no mention that such institutions must serve as a source of funds for housing, or for some other social purpose.

Assuming, for the sake of argument, that depository institutions have an "obligation to serve housing credit needs," as section 302 suggests, the title fails to provide, as argued above, sufficient data to prove the allegation. The second stated purpose:

> To assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment "was contrived after the underpinnings of the original 'chartering obligations' rationale had been removed."

There is little reason to believe that public officials are lacking for data to assist them in formulating their applications for Federal assistance. We are left, therefore, with a title which provides for the collection of data in the hope that it will provide, at the expense of the accused institutions, evidence to substantiate the charges which have been leveled against them.

There are three major objections to indulging in what otherwise might be considered a fruitless, but relatively harmless, exercise.

First. Title III constitutes yet another example of the imposition of unnecessary and unproductive paperwork requirements, the most infamous recent example of which is the Real Estate Settlement Procedures Act—RESPA—which are nickel and diming to death the very institutions which should be leading the way toward economic recovery.

Second. Concentration of attention on the fact that depository institutions have declined to provide mortgage money in certain neighborhoods of major cities distracts attention from the real causes of the decline of those neighborhoods, chief of which is the disinvestment by local governments in the vital services, such as sanitation, police protection, and fire prevention, which are necessary to maintain an attractive living environment.

Third. The suggestion, which is implicit in title III, that funds of depository institutions really should be invested only in those neighborhoods in which the funds were initially deposited, would, if taken seriously, undermine more than 40 years of Federal effort to assist in the development of effective secondary mortgage markets for the express purpose of facilitating the transfer of money from areas where funds are plentiful to other areas where they are needed. Carried to its logical extreme, the notion that money, the most fungible of all commodities, should not be permitted to move freely in the marketplace could cripple the ability of our economy to provide savings and investment opportunities as well as its ability to provide housing.

A number of States have seen fit to require disclosure by depository institutions of data relating to the geographic distribution of mortgage loans. Their experience, coupled with the experience of regulatory agencies which are already engaged in the business of collecting similar data, should provide more than sufficient opportunity to determine the extent to which the "redlining" thesis is valid, without resort to a national program such as title III would establish.

We strongly urge that this wasteful and unnecessary title be stricken from H.R. 10024 when the bill is considered on the floor.

The CHAIRMAN. Does the gentleman from California yield back the balance of his time?

Mr. ROUSSELOT. No; I am reserving the balance of my time, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Rhode Island yield back the balance of his time?

Mr. ST GERMAIN. Yes, I do, Mr. Chairman.

The CHAIRMAN. Does the gentleman from California yield back the balance of his time?

Mr. ROUSSELOT. Yes, Mr. Chairman.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—REGULATION OF INTEREST RATES

SEC. 101. Section 7 of the Act of September 21, 1966 (Public Law 89-597), is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1977".

Mr. ANNUNZIO. Mr. Chairman, I want to express my support for H.R. 10024 and for the outstanding job done by the gentleman from Rhode Island (Mr. ST GERMAIN) in bringing this bill to the floor. This bill will go a long way toward spotlighting the problem which is commonly known as redlining. Unfortunately, the legislation does not go far enough to correct that situation. The bill before us today, H.R. 10024, is a beginning—not an end—to solving the problem of redlining.

To continue on now that the ground has been broken, I have introduced H.R. 9967 which would establish a program of coinsurance for urban conventional mortgages. The purpose of this legislation is to provide insurance on home mortgages in so-called middle ring areas, that is, homes located between the slums and the suburban areas. The idea of the proposal is to prevent this area from turning to slums. This is how my legislation would work.

People getting these new mortgages would do so in the same way they now obtain regular conventional mortgages. They would apply directly at the lending institution, which would check their credit, appraise the property and handle the paperwork.

However, these new mortgages would be "coinsured" by the community reinvestment fund to be directed by the Federal Home Loan Bank Board. The fund would insure 80 percent of the loan against default, so if the loan is not repaid the lender will not take a total loss.

Borrowers would pay a small premium to cover the cost of this insurance, just as borrowers of Federal Housing Administration loans and of private loans covered by private mortgage insurance companies now pay premiums. Otherwise, mortgages would be similar to regular conventional mortgages. Interest rates would be the current market rates.

Because the lending institutions would handle all of the loan processing, borrowers would not have to put up with redtape and delays involved in programs where applications must be processed by a Government agency. Any losses would be paid out of the fund, which would be started with seed capital from the U.S. Treasury. However, the program becomes self-supporting from insurance premiums.

To qualify for these mortgages, loans would have to be made on homes at least 25 years old or in designated community reinvestment areas. These areas could be in smaller cities and towns and older suburbs as well as in large cities.

For a community to be designated a community reinvestment area, a request would be made by a lending institution belonging to the fund. All insured savings and loan associations would belong, and other lending institutions could join if they wished.

Approval would be granted on the basis of the need for these mortgages in the area as well as on the provision of adequate school system, and on efforts to maintain municipal works and services, local codes and community standards.

The program is not designed to solve housing problems in areas which are already run down. Rather, it is aimed at converting older but sound communities and preventing them from becoming slums.

In many respects it is similar to the GI bill, which by guaranteeing lenders against loss encouraged massive new homebuilding ventures after World War II. However, the thrust of this program is in preserving older communities.

Unlike some earlier housing programs, lenders in this one would have a big enough stake in these loans to assure sound underwriting standards.

If Congress approves, the program could be put into effect quickly. The Federal Home Loan Bank Board, which will direct the fund, also regulates the Nation's savings and loan associations. The Federal Home Loan Bank System, which is the credit reservoir for these institutions and under authority of the Board, already has offices throughout the country.

Mr. Chairman, I have received calls of support from all over the country concerning this legislation including numerous calls from newspapers who believe that this may well be the answer to providing mortgages in areas that are presently redlined. I am hopeful that we can have early hearings on this legislation and that the plan can go into effect in the near future. It is a sound plan because it will not cost the taxpayer a single penny and, in fact, will aid the economy since it will keep many homes that might otherwise be abandoned on the tax rolls. This is the type of program that is needed.

Mr. ST GERMAIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MATSUNAGA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10024) to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure, had come to no resolution thereon.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 10024).

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is **not** present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 653]

Abzug
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Ashbrook
AuCoin
Barrett
Bell
Bingham
Breaux
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Fla.
Burton, Phillip
Butler
Byron
Casey
Cederberg
Chappell
Clausen, Don H.
Cleveland
Cochran
Conyers
Daniels, N.J.
Derwinski
Diggs
Drinan
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Colo.
Fary
Fish
Flynt
Ford, Mich.
Forsythe
Fraser
Gibbons
Goldwater
Green
Guyer
Harrington
Harsha
Hébert
Hinshaw
Holland
Holt
Horton
Johnson, Colo.
Karth
Kelly
Landrum
Leggett
Lent
Lujan
McEwen
Madden
Martin
Mathis
Meeds
Metcalfe
Mills
Mink
Mitchell, Md.
Mitchell, N.Y.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, N.Y.
Nix
Passman
Peyser
Pike
Rangel
Rees
Rhodes
Riegle
Robinson
Roncalio
Rose
Rostenkowski
Ruppe
Scheuer
Schneebeli
Seiberling
Shipley
Shuster
Sikes
Sisk
Smith, Iowa
Solarz
Stanton, James V.
Stark
Steiger, Wis.
Teague
Udall
Ullman
Vander Jagt
Vanik
Vigorito
Waxman
Wilson, C. H.
Wright
Wylie
Young, Alaska
Young, Ga.

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 323 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXCELLENT RESULTS WITH SOLAR HEATING

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, the Subcommittee on Public Buildings and Grounds of the House Committee on Public Works and Transportation has been conducting hearings on solar power in Federal installations. This morning we heard Mr. Dave Wright, the Associate Manager in the Denver Center of the National Park Service.

Mr. Speaker, I will include with my remarks a statement of the excellent results the National Park Service has experienced in equipping its new construction with the panels for solar heating.

Outstanding in those facilities is the visitor's center at Lovell, Wyo. I hope that some of you next summer can visit these facilities and see how savings of almost 50 percent in heating is being effected by the wise use of solar energy.

Mr. Speaker, the article I referred to is as follows:

SOLAR POWER—NPS

Ground was broken recently for one of the first public buildings to be heated and cooled by solar energy. The innovative National Park Service visitor center will be built near Lovell, Wyoming, and will serve as an entrance to the Bighorn Canyon National Recreation Area. The $1.3 million structure was designed by Wirth Associates of Billings, Montana.

For millions of years the Bighorn River has been cutting its serpentine path through the tablelands and foothills of the Rockies in Montana and Wyoming, forming a steep-walled canyon. The canyon is geologically interesting and beautiful; the climate is semiarid with good grazing on the plateau lands; however, the country is often windy. It is hot in summer and cold in winter.

Today there is a dam, a lake, and the river—almost completely surrounded by Federal lands. The area includes the Crow Indian Reservation, and the National Park Service managed Recreation Area. The new visitor center being built here will use the sun for most of its heating and cooling.

The firm of Wirth Associates, in consultation with outstanding solar energy expert, Professor George O. G. Löf of Colorado State University is responsible for the building and site design.

The building will accommodate visitor information and interpretation functions and will serve as the administrative headquarters for the South Unit of the Recreation Area.

The solar system will provide one-half to two-thirds of the energy needed to heat the building. Dr. Löf says glass-covered solar panels, tilted at a 50-degree angle, will cover approximately 2,500 square feet of the south side of the building. Air will be circulated between the layers of collection panels, and then will pass through an insulated storage unit where daytime heat or nighttime coolness will be transferred to pebbles and stored for later use in temperature control.

This description is, of course, oversimplified. Thermostats and automatic dampers are necessary, as well as several fans using electricity.

Water will be heated by a finned-coil heat-exchanger that should be sufficient—at least in the summer. Experience with pebble-bed air systems is limited, and a year's shakedown is to be expected while dehumidifying capability and proper recirculation is established.

Because solar-energy applications are of great interest, special provisions will be made for the visitor. Besides interpretive explanations, the visitor will be given a look at the mechanical system. A special walk and platform for viewing and photographing the solar collectors will also be built. The pattern and slope of the glass collectors are integrated with a raised-rib copper roof. Walls are made of a reddish-brown brick whose massiveness and color blend in with the surrounding hills and berms. The site is flat, but is relieved by an earth berm partly surrounding the building, and a large pond of water on the south side of the building. The pond will serve as a useful reflecting surface that will increase the solar-collection efficiency by approximately 15 percent.

The Bighorn Canyon structure using solar energy will be the first to be built by the National Park Service; but there are dreams and preliminary plans for tapping that infinite energy source—the sun—for other National Park Service buildings.

MISLEADING ARTICLE IN WASHINGTON POST ON RICE SWITCH

(Mr. LEGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, I want to call attention of the House and the country in the cause of inaccurate reporting of our distinguished Washington Post this morning, where they indicate on the front page that our colleague, the gentleman from Louisiana (Mr. PASSMAN), supports a switch in the sale of rice.

Now, I resent this, because I have been carrying on a crusade to set aside an illegal acceptance of an offer of the sale of rice by the country of Bangledesh pursuant to a purchase authority of the Department of Agriculture and the response by the particular company involved, which was Continental Grain, it does happen to come from that section, was nonresponsive. It violated every single rule of the Department of Agriculture.

We are going to get into a situation where we are confusing Public Law 480 sales, negotiated sales and public competition sales. I think it has been the policy of the Department to go for public competition.

I have had the GAO on the telephone. I have had the Assistant Attorney General on the telephone, or the Comptroller General. I have had counsel for the Department of Agriculture, counsel for the Government Operations Committee, counsel for the Department of Agriculture, and every single administrator, including the Department under secretary.

The gentleman from Louisiana (Mr. PASSMAN) to my knowledge has not been particularly helpful in this matter, although I am sure that the gentleman has a very keen understanding of the illegality of this sale, which I hope is going to go to court.

So I am sorry the Post did not call me and get my views on this matter. It is not a sectional issue. It is a legal issue. I am a lawyer and I think the matter should be set aside.

I would include at this point a legal analysis of the Bangladesh Rice Tender and some of the precedents that were violated in the alleged acceptance of the program by the Department of Agriculture, as I understand it.

The analysis is as follows:

BANGLADESH RICE TENDER—PL 480, PA BG-7022, OCTOBER 23, 1975

On October 23, 1975, the Embassy of the People's Republic of Bangladesh held a tender for about 60,000 metric tons of rice under PL 480 Purchase Authorization No. BG-7022. The tender called for rice to be offered for shipment November 21 to December 25, 1975.

In recent years, USDA, with urging and support from the rice industry, has striven to assure a PL 480 rice tender that is above suspicion and equitable to all participants. A tender procedure has been established comprising a set of rules known, understood, accepted and relied on by the rice trade. Any offer that deviates from the requirements of the tender is automatically rejected, if not by the buyer, subsequently by USDA. Customarily, the buyer looks to USDA for guidance on these matters. At times, USDA has made recommendations as to the eligibility of the offer prior to the award; at other times, since awards are subject to USDA approval, it has withheld action until after an award has been made. It is clearly understood by the rice trade and so stated in tenders that any qualification or condition added to the offer by the offerer will cause that offer to be declared ineligible for consideration.

In the Bangladesh Invitation for Bids under PA BG-7022, it states that "any qualifications or condition added to the bid by the bidder will make such offer ineligible for consideration under the Invitation for Bids. Award will be made with respect to the offers responsive to the tender strictly on the basis of lowest f.a.s. price, irrespective of class." Thus it is clearly understood that any offer made for part of the shipping period will be rejected. The period of shipment is an important price-determining specification as its duration and the initial date of shipment affects supplier costs. For offers to be comparable, they must all be for the identical shipping period, that is specified in the Invitation for Bids. To allow one supplier, and not all, the opportunity to offer for a shorter or partial shipping period is tantamount to giving him an unfair competitive advantage and may by some be considered a form of restraint of trade. For this reason, all offers must be for the full shipping period and any offers for only part of the period must be automatically rejected. This is a fundamental precept of tender procurement to which USDA has strictly adhered—at least until now.

In the subject Bangladesh tender, Continental Grain offered two lots of rice for partial shipping periods—one lot of 20,000 metric tons at $288.93 per metric ton for shipment December 1–25, 1975, and one lot of 20,000 metric tons at $286.59 per metric ton for shipment December 10–25, 1975. All other participants in compliance with and as required by the tender offered for the full shipping period—November 21 to December 25, 1975. On the basis of established USDA policy and precedent, Continental Grain's offers for the partial shipping period would have been declared nonresponsive and automatically rejected.

The nonresponsiveness of the Continental offers was noted during the tender and all early indications from the Bangladesh Embassy confirmed the expectation that the Continental offers were to be rejected. It was learned late in the morning of October 24, 1975, that USDA was reviewing the matter with officials of the Bangladesh Embassy and the USDA Office of the General Counsel, but on the basis of custom and precedent regarding this matter, the USDA review was expected to be purely pro forma. Information received late on the afternoon of October 24, 1975, that the defective and nonconforming Continental offers had been accepted by the Bangladesh Embassy was received with astonishment and consternation. Although the Continental award is subject to USDA approval, it was strongly intimated by the Bangladesh Embassy and by Mr. Glenn Tussy, Acting Assistant Administrator, PL 480 Programs, that USDA was prepared to and would approve the award.

USDA approval of the defective Continental offers would be totally beyond comprehension and would need to be fully investigated. In one sudden and unexpected action, USDA would have destroyed the integrity of rice tenders under PL 480. If offers as seriously defective as the Continental offers can be accepted with the blessing of USDA, the tender as a form of procurement may as well be scrapped, as no less than anarchy is invited. Either anything goes in the procurement of PL 480 rice or we continue to abide by a set of rules that apply equally to all participants and that do not change from tender to tender or during tenders without advance notice. If USDA policy has been revised, it would be appropriate to obtain and review a copy of the legal opinion prepared by the Office of the General Counsel pertaining to this change.

Any new legal opinion aside, there is ample precedent for rejection of the defective Continental offers by the Bangladesh Embassy, or subsequently, by USDA. In connection with tenders held by Vietnam under PA's 45–719 and 45–720 on September 8, 1972, awards made to P & S and Continental Grain against offers made by them for only part of the required shipping period were disapproved by USDA as defective in the shipping specification. The cancelled quantities were subsequently re-tendered. In a tender held by the Embassy of Honduras under PA 81–501 on April 7, 1975, calling for shipment April 18–May 28, 1975, offers by Cargill for shipment April 18–May 20, 1975, were declared ineligible. In a Bangladesh tender held on September 4, 1975, for shipment February 15–March 20, 1975, a Continental offer for shipment March 1–20, 1975 was rejected. Similarly, in a Bangladesh tender held on March 11, 1975, calling for shipment March 20–April 30, 1975, two Continental offers for shipment April 14–30, 1975, were declared out of tender and rejected.

It is further understood that USDA, in response to a written question on the subject raised by Riceland Foods, reaffirmed in writing its concurrence in the requirement that offers must be made for the full shipping period in order to be eligible for consideration.

In the interest of assuring consistent and equitable PL 480 tenders, it is essential that USDA continue its policy of demanding outright rejection of offers that fail to comply to the terms of the tender. It is particularly incredible, in an instance involving offers deficient in a price-determining specification, to notice even the slightest hesitation on the part of USDA before categorically rejecting such offers. There are substantial public funds involved and USDA must not yield its responsibility to monitor PL 480 tenders with respect to such matters and opt instead for a procurement system leading to disorder, inequity, and constant uncertainty.

However, as inconceivable as it may be, if this is USDA's new position and since it does represent a sharp reversal of policy, equity demands that all elements of the industry be advised of the change before and not after the tender is held. Accordingly, the Continental offers should be declared ineligible and new awards made from the valid offers. Failing this, the awards to Continental should be disapproved, the rice industry advised of the new USDA policy and its implications for rice tenders, and a new tender held.

VIETNAMESE REFUGEE CENTER CLOSES, READJUSTMENTS CONTINUE

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, tomorrow the Camp Pendleton Refugee Center will officially close after serving as a temporary home for over 50,000 Vietnamese refugees. Almost all of the refugees have been resettled, except for a few remaining in Fort Chaffee, and those who wish to return to their native land.

The men and women who worked in the refugee camps, and who set up the facilities on very short notice, are to be commended for a job well done. Due to their hard work and dedication, the problems that could have arisen were headed off, and the refugee program was conducted in as smooth a manner as possible. The relief agencies which aided in resettlement efforts, and those private citizens who volunteered as sponsors for the refugees also deserve praise.

However, the problems the refugees themselves face are far from over. There will undoubtedly be a long period of economic uncertainty and cultural strain for many of these new Americans, and it is the responsibility of the Federal Government to ease these problems.

State and local governments should not have to bear the cost for the results of what was a Federal program. The problem is compounded by the fact that the refugees were not scattered throughout the country, as the administration first predicted. By far the largest number of refugees have chosen California as their new home—Los Angeles County alone has more Indochinese refugees than any State, other than Texas and Florida.

In essence, the refugee problem now becomes less visible—but it is still very much with us. We have welcomed these people into our Nation, and rightly so. Now we must insure that they receive the help they need in adjusting to life in the United States—and that help is, and should remain, a Federal responsibility.

PREDEFAULT ASSISTANCE FOR NEW YORK

(Mr. FISH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FISH. Mr. Speaker, I wish to congratulate Senator PROXMIRE and the members of the Senate Committee on Banking, Housing and Urban Affairs for reporting out a bill to provide predefault assistance for New York. Also I agree with the House leadership that it is the responsibility of Congress to go forward with legislation to insure aid for New York State and New York City, prior to bankruptcy, rather than following bankruptcy as the President proposes.

I, for one, can see no reason to put the city, the State, and the country through the wrenching trauma of a major municipal default before any assistance is offered.

I disagree with the President when he asserts that a Federal plan of assistance before default would insure that solution of the city's financial problems would never be found.

The facts are that the city and State of New York are already taking steps to close the city's budget gap, with effective management of the city's financial affairs already in the hands of the State's emergency financial control board.

Additional steps to assure good fiscal management, if warranted, can be required by legislation enacted by the Congress to aid the State.

In his statement the President says he opposes any Federal bailout of New York. Yet following default the President seems to feel such a bailout justified.

But if default occurs it is clear a Federal bail-out is exactly what will happen.

The President's plan calls for—as clearly it must—maintenance of essential services. Secretary of the Treasury, William Simon, has estimated that cost at $1 billion over current city revenues in the first year following default. Congressional staff experts expect this figure could actually be between $2 and $3 billion following default.

We are told trustee certificates will be issued against future revenue. But who will buy these certificates without Federal guarantees? It is an age old economic truth that the best obligations of a bad enterprise are difficult or impossible to sell.

Because of this, experts believe that there will be an actual cash bailout by taxpayers' money from the U.S. Treasury should default be permitted.

What we are talking about then is not whether Federal guarantees will ever be given, but when—before or after default. I believe the best solution is to work to avoid the wrenching trauma of default.

My opposition to the President's proposal in no way indicates I approve or excuse the fiscal excesses which have lead our Nation's greatest city, and our country's second most populous State to the brink of bankruptcy. It does indicate though that I believe every effort should be made to rescue the victim before, not after it drowns.

ARTHUR BURNS—WASHINGTON'S MOST MISTAKE-RIDDEN OFFICIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, today, we still have many people in this country who look to Arthur Burns for economic advice. In view of Dr. Burns' track record, I find it amazing that we have so many people asking for his advice on everything from municipal financing to esoteric questions of international trade. He has become the regular "Dear Abby" for much of official Washington.

Perhaps if a harder look were taken at Dr. Burns' record as a public official and as a politician, there would be fewer people hanging on his every pronouncement.

Dr. Burns has been in a key position to influence economic policies of the Federal Government throughout the administrations of Richard Nixon and Gerald Ford. He came into the White House with the Nixon team on January 20, 1969, and served as Counsellor to the President on that famous staff.

Since February 1970, he has been Chairman of the Federal Reserve Board and has used every device to impose his narrow brand of economics on the Nation.

The result has been near economic chaos with raging inflation, high unemployment, and high interest rates throughout the period from 1969 to date. Dr. Burns has been the architect—he has been on the inside—of all of the economic policymaking since January 20, 1969.

I suggest that his defenders—his apologists—take a look at the record. The record should be the test of his performance and this record should not be allowed to be covered up by the pipe-puffing generalities which pour forth from the Federal Reserve Chairman.

Let us go back to Dr. Burns' early influence. Immediately after his President—Richard Nixon—was elected to office, interest rates started skyrocketing and these increases were based at least in part on the economic policies recommended by Dr. Burns.

After the election in 1968, interest rates rose six times, finally jumping a full point on June 9, 1969, to what was then the highest level in history—8½ percent prime.

After he assumed the Chairmanship of the Federal Reserve Board in February 1970, interest rates became even more erratic, and in July of 1974, they reached what is now the alltime high of 12½ percent. Mr. Speaker, I want to place in the Record at this point a table showing the prime rate increases since November of 1968 to the present—the period in which Dr. Burns has had heavy influence.

The table follows:

Prime rate changes—November 1968 to present

[Percent per annum]

Effective date	*Rate*	
1968:		
Sept. 25	6.0	6.25
Nov. 13	6.25	
Dec. 2	6.5	
Dec. 18	6.75	
1969:		
Jan. 7	7.0	
Mar. 17	7.5	
June 9	8.5	
1970:		
Mar. 25	8.0	
Sept. 21	7.5	
Nov. 21	7.25	
Nov. 23	7.0	
Dec. 22	6.75	
1971:		
Jan. 6	6.5	
Jan. 15	6.25	
Jan. 18	6.0	
Feb. 16	5.75	
Mar. 11	5.25	5.5
Mar. 19	5.25	
Apr. 23	5.25	5.5
May 11	5.5	
July 6	5.5	6.0
July 7	6.0	
Oct. 20	5.75	
Nov. 1	[1]5.75	5.675
Nov. 4	[1]5.5	5.675
Nov. 8	5.5	
Nov. 22	5.325	[1]5.5
Nov. 26	5.25	5.5
Dec. 6	5.25	5.375
Dec. 6	[1]5.5	
Dec. 27	5.25	[1]5.5
Dec. 31	5.25	
1972:		
Jan. 3	5.0	5.125
Jan. 3	[1]5.25	
Jan. 17	4.75	5.0
Jan. 17	[1]5.25	
Jan. 24	4.675	4.75
Jan. 24	[1]5.0	
Jan. 31	4.5	[1]4.75
Jan. 31	5.0	
Feb. 28	4.375	4.5
Feb. 28	[1]4.75	
Mar. 13	4.5	[1]4.75
Mar. 23	4.75	
Mar. 27	[1]4.75	4.875
Mar. 27	5.0	
Apr. 3	[1]4.75	5.0
Apr. 5	5.0	
Apr. 17	[1]5.0	5.25
May 1	[1]5.0	5.125
May 1	5.25	
May 30	5.0	
June 12	[1]5.0	5.125
June 26	5.0	[1]5.25
July 3	[1]5.25	5.375
July 10	[1]5.25	5.375
July 10	5.5	
July 17	[1]5.25	5.5
July 31	[1]5.25	5.375
Aug. 11	[1]5.25	5.375
Aug. 14	5.25	
Aug. 21	[1]5.25	5.375
Aug. 25	[1]5.25	5.375
Aug. 25	5.5	
Aug. 29	5.25	5.375
Aug. 29	[1]5.5	
Sept. 4	5.25	[1]5.5
Sept. 5	5.5	
Sept. 11	[1]5.5	5.625
Sept. 25	[1]5.5	5.625
Sept. 25	5.75	
Oct. 2	[1]5.5	5.75
Oct. 4	5.5	[1]5.75
Oct. 11	5.75	
Oct. 16	[1]5.75	5.875
Nov. 6	5.75	
Nov. 20	[1]5.75	5.875
Dec. 26	[1]5.75	6.0
Dec. 27	5.75	[1]6.0
1973:		
Jan. 4	6.0	
Feb. 2	[1]6.0	6.25
Feb. 14	6.0	
Feb. 26	[1]6.0	6.25
Feb. 27	6.25	
Mar. 19	[1]6.25	6.75
Mar. 26	6.5	
Apr. 18	6.5	[1]6.75
Apr. 19	6.75	
May 4	[1]6.75	7.0
May 7	7.0	
May 24	[1]7.0	7.25
May 25	7.0	[1]7.25
June 8	7.5	
June 19	[1]7.5	7.75
June 25	7.75	
July 2	[1]7.75	8.0
July 3	7.75	[1]8.0
July 9	8.0	[1]8.25
July 17	[1]8.25	8.5
July 18	8.25	[1]8.5
July 23	8.5	
July 30	8.5	[1]8.75
Aug. 6	8.75	[1]9.0
Aug. 7	9.0	
Aug. 13	9.0	[1]9.25
Aug. 21	[1]9.25	9.5
Aug. 22	9.5	
Aug. 28	9.5	[1]9.75
Aug. 29	9.75	
Sept. 14	[1]9.75	10.0
Sept. 18	10.0	
Sept. 27	9.75	[1]10.0
Oct. 22	9.5	9.75
Oct. 22	[1]10.0	
Oct. 24	9.5	[1]9.75
Oct. 24	10.0	
1974:		
Jan. 7	9.5	[1]9.75
Jan. 7	9.9	
Jan. 14	9.5	[1]9.75
Jan. 14	9.8	
Jan. 29	9.25	[1]9.5
Jan. 29	9.7	
Feb. 11	9.0	9.25
Feb. 11	9.3	
Feb. 19	[1]9.0	9.25
Feb. 25	8.7	[1]8.75
Feb. 25	9.0	
Feb. 26	8.7	[1]8.75
Mar. 4	8.5	8.7
Mar. 4	[1]8.75	
Mar. 5	8.5	8.6
Mar. 5	[1]8.75	
Mar. 19	[1]8.75	8.8
Mar. 21	[1]8.75	8.8
Mar. 21	9.0	
Mar. 22	8.8	[1]9.0
Mar. 26	9.0	
Mar. 28	[1]9.0	9.25
Mar. 29	9.0	[1]9.25
Mar. 29	9.5	
Apr. 2	[1]9.25	9.4
Apr. 2	9.5	
Apr. 3	9.25	9.4
Apr. 3	[1]9.5	
Apr. 4	9.4	[1]9.5
Apr. 4	9.75	
Apr. 5	9.4	9.5
Apr. 5	[1]9.75	
Apr. 8	[1]9.75	9.8
Apr. 10	10.0	
Apr. 11	9.75	9.8
Apr. 11	[1]10.0	
Apr. 15	[1]10.0	10.1
Apr. 15	10.25	
Apr. 19	10.0	10.1
Apr. 19	[1]10.25	
Apr. 23	[1]10.25	10.4
Apr. 24	[1]10.25	10.4
Apr. 24	10.5	
Apr. 25	10.25	10.4
Apr. 25	[1]10.5	
Apr. 26	10.4	[1]10.5
Apr. 26	10.75	11.0
Apr. 30	[1]10.5	10.6
Apr. 30	10.75	11.0
May 2	10.5	10.6
May 2	[1]10.75	11.0
May 3	10.6	[1]10.75
May 3	11.0	
May 6	10.6	10.75
May 6	[1]11.0	
May 7	11.0	
May 10	11.0	[1]11.25
May 13	[1]11.25	11.4
May 17	11.25	11.4
May 17	[1]11.5	
May 20	[1]11.5	11.75
June 3	[1]11.5	11.6
June 3	11.75	
June 7	11.25	[1]11.5
June 7	11.6	
June 10	11.5	
June 21	11.25	[1]11.5
June 24	[1]11.5	11.75
June 25	[1]11.5	11.75
June 25	11.8	
June 26	11.5	[1]11.75
June 26	11.8	
June 28	[1]11.75	11.8
July 3	[1]11.75	11.8
July 3	12.0	
July 5	11.8	[1]12.0
July 9	[1]12.0	12.25
July 23	10.75	[1]12.0
July 23	12.25	
Aug. 20	10.75	[1]12.0
Sept. 26	10.75	11.5
Sept. 26	11.75	[1]12.0
Oct. 7	10.75	11.5
Oct. 7	[1]11.75	12.0
Oct. 15	10.75	11.25
Oct. 15	11.5	[1]11.25
Oct. 21	10.75	11.25
Oct. 21	[1]11.5	11.75
Oct. 28	10.75	11.0
Oct. 28	[1]11.25	11.5
Nov. 4	10.75	[1]11.0
Nov. 4	11.25	
Nov. 11	10.25	10.75

Nov. 11	[1] 11.0	
Nov. 14	10.5	[1] 10.75
Nov. 14	11.0	
Nov. 18	10.0	10.5
Nov. 18	[1] 10.75	
Nov. 19	10.0	10.25
Nov. 19	10.5	[1] 10.75
Nov. 25	10.0	10.25
Nov. 25	[1] 10.5	
Dec. 2	9.75	10.0
Dec. 2	10.25	[1] 10.5
1975:		
Jan. 9	9.5	10.0
Jan. 9	[1] 10.25	10.5
Jan. 13	9.5	9.75
Jan. 13	10.0	[1] 10.25
Jan. 15	9.5	9.75
Jan. 15	[1] 10.0	10.25
Jan. 20	9.5	[1] 9.75
Jan. 20	10.0	
Jan. 28	[1] 9.5	9.25
Jan. 28	10.0	
Jan. 29	[1] 9.5	9.75
Feb. 3	8.75	9.0
Feb. 3	[1] 9.25	9.5
Feb. 4	8.75	9.0
Feb. 4	[1] 9.25	
Feb. 10	8.75	[1] 9.0
Feb. 18	8.5	[1] 8.75
Feb. 18	9.0	
Feb. 24	[1] 8.5	8.25
Mar. 3	8.25	[1] 8.5
Mar. 5	8.25	8.5
Mar. 6	7.75	[1] 8.25
Mar. 6	8.5	
Mar. 10	7.75	[1] 8.0
Mar. 10	8.25	
Mar. 17	7.75	[1] 8.0
Mar. 18	7.5	[1] 8.0
Mar. 18	8.0	
Mar. 24	[1] 7.5	7.75
Mar. 24	8.0	
Mar. 25	[1] 7.5	7.75
Mar. 31	7.25	[1] 7.5
Mar. 31	7.75	
May 20	[1] 7.25	7.5
May 26	7.0	[1] 7.25
May 26	7.5	
June 9	6.75	[1] 7.0
June 9	7.25	
July 18	7.0	[1] 7.25
July 18	7.5	
July 28	7.25	[1] 7.5
Aug. 10	7.5	[1] 7.75
Sept. 12	7.75	[1] 8.0

NOTE.—Beginning Nov. 1971 several banks adopted a floating prime rate keyed to money market variables.

[1] Denotes the predominant prime rate quoted by commercial banks.

INTEREST RATE CHANGED 250 TIMES IN SHORT TIME

From 1929 until Dr. Burns took over, there had been only 37 changes in the prime interest rate. But look at that table—since the Nixon-Ford-Burns team took over, the prime interest rate has changed over 250 times. Now how can anyone in the U.S. economy operate in this wildly fluctuating money market? Dr. Burns is a great promoter of balanced budgets and long-range planning. Is there anyone in the United States—business borrower, homebuyer, or municipality—who could possibly have planned in 1969 to get through the past 6 years in this interest rate roller coaster?

On election day, 1968, the prime interest rate stood at 6 percent. Did anyone in this country vote too have that double to 12 percent by 1974?

But throughout the periods of increasing interest rates, Dr. Burns has always contended that he was "fighting inflation." As I have said many times, fighting inflation with rising interest rates is just like fighting a fire by pouring gasoline on it. The record clearly shows that high interest rates have not deterred inflation but have instead increased the price of goods on the shelves as well as in the manufacturing process.

Mr. Speaker, the truth is we have had the highest inflation in history during the Nixon-Ford-Burns era. For example, in 1974 it reached an annual rate of 11 percent.

Mr. Speaker, I want to place in the RECORD a table showing the rate of inflation since 1969:

RATE OF INFLATION, AS MEASURED BY THE CONSUMER PRICE INDEX

[In percent]

1969	5.40
1970	5.90
1971	4.26
1972	3.32
1973	6.21
1974	11.03
1975 (estimate)	9.22

Mr. Speaker, the Burns' policies have not only brought us inflation but they have also brought us recession. In fact, I contend that Dr. Burns has invented the new economic theory of simultaneous inflation and recession. This Burns' brand brought us unemployment rates which have ranged up to 9.2 percent in May of this year.

For a number of years before the appointment of Dr. Burns as Chairman of the Federal Reserve Board I expressed myself as believing that an outstanding economist should hold that position. When Dr. Burns was appointed, I congratulated the President on his appointment, believing that since Dr. Burns was an outstanding economist the country would be in much better condition under his leadership. However, I have been disappointed in Dr. Burns because the poor have certainly not fared as well as the rich under his leadership. But the rich have fared much better.

The table I am inserting in my statement indicates that rapid and devastating changes in the interest rates have caused millions of people to suffer because of lack of adequate diets. Many of these people actually have gone to bed hungry at night and an increased number of people are suffering from the worst of all conditions, namely poverty, ignorance, disease, and crime. Under Dr. Burns' leadership the people have never suffered so much and the rich have never been so prosperous.

Mr. Speaker, this is a dismal economic record but it is one that we should have expected from a Republican administration with old guard economists such as Dr. Burns in the key policy positions.

Once again, I am amazed that the architect of this record is regarded as an expert on where this country is or should be going economically.

The truth, Mr. Speaker, is that Dr. Burns is an old line Republican economist who has little understanding of the needs of the Nation or its people. He is an arch-conservative and he misses no opportunity to slip in his narrow views on social and economic questions. Every crisis is a new opportunity for Dr. Burns to suggest total acceptance of his reactionary philosophy.

Before coming to Washington as President Eisenhower's Chairman of the Council of Economic Advisers in 1953, Dr. Burns was considered something of an expert on "business cycles." The hard economic times of the Eisenhower years will provide future students many chapters on "business cycles." Despite the dismal economic record of those years, Dr. Burns felt he had some qualifications to still comment on the economy and during the Johnson Presidency he continued to reurge his discredited and unsuccessful theories in public forums—speeches that were faithfully picked up in Republican campaign publications.

After serving as a campaign adviser to the Republican Presidential candidate in 1968, Dr. Burns came back to Washington to try his hand once again at running the economy his way. And once again, the country has been the victim.

Mr. Speaker, the Congress should look carefully at Dr. Burns' record—his long service in the propaganda vineyards of Republican reaction.

So long as we allow Dr. Burns to set policies, we are going to have economic dislocations—high interest rates, high unemployment, and inflation. We are long overdue for a change.

CONGRESS SHOULD REAFFIRM ITS OWN EXPRESSED POLICY THAT THE GOVERNMENT SHOULD RELY ON THE PRIVATE SECTOR FOR GOODS AND SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the growth of Government is a real problem and issue today in America. Government gets bigger every year. And, Government's handmaiden—the bureaucracy—has reached the point where it intervenes in or interferes with every conceivable aspect of our lives and livelihoods. Yet, the powers that be—the powers which could restrain this growth and involvement—and that certainly includes the Congress—too often act as if they are powerless against the enormous swell of Government activity. It is as if they too were waiting for the problem simply to go away.

Admittedly, not all Government activity is unnecessary or bad, and a large part of the Government exists to carry out the basic constitutional obligations of preserving internal order, administering justice, and providing for the national defense. But, none of us should be complacent about Government activity which unnecessarily competes with the work being done by the private sector.

As we approach our Nation's 200th anniversary, the Congress, the executive and its agencies, and the taxpayers should reflect on the growth of the Government and the impact that growth has had—and will continue to have unless restrained—on this country's fiscal policies and social fabric. Some, if not much, of the growth has been unnecessary, and a number of functions being peformed by the Government can be accomplished at less cost, more effectively, and more rapidly in other ways.

Government has grown to the point where Federal dollars are being used actually to compete with the private sector in the production of goods and services—and Government has an unfair, anticompetitive advantage because it also sets the rules governing the competition between and with itself. Government budgets in the past 15 to 20 years have increased in both size and influence and to the severe detriment of the vitality of the very free enterprise system which ultimately finances all Government activity through our tax system. Government seems determined to become the first convergence of monopoly—a single seller—and monopsony—a single buyer. Simply put, the marketplace is increasingly controlled by a single buyer and a single seller who are one and the same—Government. The Federal Government is buying more than ever and is producing more than ever—in order to sell to itself.

This type of activity is in direct conflict with the State, the expressed policy of both the Congress and the executive. That policy is a clear one too. It is that the U.S. Government should rely on private industry for goods and services. There are sound economic reasons for this policy—and sound underlying principles of the way in which government out to carry out its missions in a free society too. And, I am concerned that these reasons are being ignored, often with impunity.

Government has no business being in business. Government has an obligation to make policy and to administer that policy. That is quite different from making products and selling them to itself. Moreover, when the Government does get into the production business, it is not economical.

According to the 1975 Annual Report of the National Commission on Productivity and Work Quality, the private sector continues to be 20 percent more productive than the Federal sector. The Commission observed that for fiscal years 1967–73, the productivity of 1.7 million Federal civilian employees—approximately 60 percent of total—increased by 11.1 percent. This represents an annual increase of 1.8 percent. For the same years, the productivity of the total nonfarm employees in the private economy increased by 13.4 percent, representing an annual increase of 2.2 percent. Thus, the private economy productivity grew 20.7 percent more than the Federal.

The Commission further observed that—while the output of Government is difficult to measure—the incentives to maximize resource efficiency and effectiveness are much less clear and compelling in the public sector than in the private sector.

The free enterprise economy dictates that waste and duplication must be guarded against. This is particularly true in high-technology areas. If invention is indeed the offspring of necessity, then competition by placing a premium on effort is more conducive to effective research and development. Yet, scientific inquiry done inhouse by the Federal Government has neither this advantage or this motivation. The inherent creative process that is an integral part of research activity is thereby minimized in government. And, the effective program management technique of bringing together the talent and wisdom of the entire private sector either through subcontracting and/or competitive hiring go unutilized. Moreover, the capital investment required to improve this approach to problem solving is subsequently endangered.

What are some specific examples of government involving itself in the wrong places?

In the past few years, while the nation has grappled with its energy problems, the Department of Interior's Office of Coal Research signed an agreement with the U.S. Air Force to pay $3.5 million for research into a more efficient method of generating electrical power from coal. Yet, there have been a number of private firms who have been working in that very field and who have invested their own money into research and development on the subject. The private sector could have done the work under contract. Apparently, the Department's interest lay elsewhere.

The National Oceanographic Instrumentation Center—NOIC—which is part of the National Oceanic and Atmospheric Administration—NOAA—of the Department of Commerce has established regional centers at several locations in the country and is actively seeking contracts for calibration of oceanic instrumentation systems. Private firms, which have made substantial capital investment in the facilities required to do the work, report a significant loss of business due to competition from NOIC, which has directed that all—I repeat, all—NOAA activities must use their services and all grantees should use them.

Within the Department of Defense, a large percentage of development moneys for the design and construction of hardware is being consumed inhouse. Estimates for 1974 place the total at $1.9 billion or 28.8 percent. These are not efforts to improve the defense technology base; rather, they translate to government factories producing hardware.

When all the examples are added up, the extent to which the Federal Government has chosen to conduct much of its work effort on an inhouse basis is quite substantial. In 1967, industry as a provider of goods and services to the Federal Government accounted for 60.5 percent of total Federal expenditures in this category. By the close of 1973, it was estimated that the industry share had dropped to 50.4 percent of the total. This represents a difference of $11.6 billion in potential contract money which has been lost to the private economy. The importance of this statistic can be demonstrated in a number of ways.

The private sector is obliged to pay corporate taxes on its business revenue. The Federal Government, of course, does not have the same obligation. If the money had been contracted out, part of the money would have found its way back to the Federal coffers as tax revenue. Instead, the money was applied to a nonrevenue sector.

The private sector also uses part of the profit portion of its business income for capital investment purposes. Ordinarily, part of that $11.6 billion would have been applied to improvement factors which in turn affect productivity growth. Instead, the money was funneled into the public sector where there is no direct accountability for performance, cost and scheduling, and where capital investment—if and when it occurs—merely serves to duplicate existing private sector capability.

In a special report to the Office of Management and Budget in 1971, requested by the Commission on Government Procurement, executive branch agencies reported a total of 18,618 inhouse activities providing a product or service available from private industry, with a total capital investment of $10 billion and annual operating costs of $7 billion. The significance of these figures is also increased by considering the areas that are not included—all activities providing a product or service to the general public, those excluded by agency regulations and those omitted by local interpretation.

The activities which were considered include such things as photographic services, printing and reproduction, communications, clothing manufacture, aircraft and automotive repair, road construction and maintenance, instrumentation, fabrication and others. The expansion of Government effort is expected to flow into other significant areas of private sector competence including the engineering, design and development of new products and systems, prototype fabrication, production, overhaul and repair of hardware produced by industry.

Still there are those who insist that it is cheaper to do the work inhouse in spite of all the considerations mentioned above. There might, in fact, be examples of where this is true. I would expect as much when the unit price of the articles delivered does not include competitive bidding costs, when price itself does not have to be competitive, when corporate taxes are not an issue, when profit levels do not have to be considered, and when overhead can be kept at a bare minimum. The real proof of the pudding, however, is in the ultimate retirement costs and fringe benefits which are an important feature of employee compensation in the Federal sector. The recent history of Federal expenditures indicates that employee compensation approaches half of the total Federal dollars used to provide goods and services needed by the Government. With the recent Federal pay raise and estimated increases in health and insurance benefits, the cost to the Federal Government is expected to escalate. This is not meant to impugn either the raise or the benefits package. It is cited to indicate that Government competition with industry is not the bargain basement sale which many of its advocates insinuate. On the contrary, its ultimate dollar cost continues to rise.

But relative cost is only one of a number of criteria which might justify that the Government perform work in-house. Cost must be considered in conjunction with the overall Government policy. Historically, the Government policy has been to rely on the private sector. Concern over whether or not the Government was competing with the private economy led to detailed investigations as early as 1932. Continual inquiry into the problem finally resulted in a series of 22 recommendations from the Second Hoover Commission in 1955. The clearly set forth recommendations were aimed at eliminating or lessening Government competition with the private sector. The Bureau of the Budget, the predecessor to OMB, issued Bulletin 55-4 in 1955 announcing to the heads of executive departments and agencies that:

> It is the general policy . . . that the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary channels.

Since that time, the bulletin has been revised and refined. The policy, however, as contained in the current OMB Circular A-76, clearly indicates that it is the general policy of the Government to rely on the private enterprise system to supply its needs.

OMB Circular A-76 is, I understand, now undergoing extensive review within the executive. A draft revision may even now be on the desk of the Director of the Office of Management and Budget. I certainly trust any revision of A-76 will reflect accurately the costs to Government which I have just outlined—especially Government personnel benefit and retirement costs. That is an area which has grown out of hand in recent years, and it is one to which this administration has pledged its commitment to try to restrain to reasonable levels. That administration policy would be undercut—inside the administration—by any OMB A-76 revision which fails to require each and every agency to include benefit and retirement costs in the computation of economic feasibiilty in judging whether to carry out an activity in-house or by contract.

The growth of the Federal Government has apparently served to mitigate the force of the initial A-76 policy decision and its subsequent application.

But, unlike our childhood fears, the intrusion by the Government on the private sector will not—cannot—be dismissed on the grounds that it will go away and that everything will be all right in the morning. It is not just one of those things that go bump in the night. It is rather an increasing menace to the ordinary machinations of the free enterprise system.

It is for these reasons that I have today offered a joint resolution to clarify and reaffirm Government purchasing policies. I invite my colleagues to join with me in this endeavor to preclude a further erosion of our free enterprise system at the hands of Government. That joint resolution follows:

H.J. RES. 712

Joint resolution to clarify and reaffirm Government purchasing policies.

Whereas it is the function of the Government to set policy and manage the affairs of the Nation; and

Whereas it is the role of private enterprise to provide goods, jobs and services needed in that endeavor; and

Whereas optimum economy, efficiency, and productivity can be achieved if the Government relies on competitive procurement for its supplies and services; and

Whereas it is a primary goal of the Nation to improve its economy by adoption of anti-inflationary policies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the general policy of the Government of the United States to rely upon private commercial sources for the goods and services required to meet Government needs, unless

(1) such reliance would demonstrably disrupt or significantly delay an urgent agency program; or

(2) in-house performance is mandatory for national security; or

(3) the product or service is not and cannot be made available from the private sector and is available from a Federal source.

It is therefore proper and necessary that the Congress be heard in order to revitalize and reestablish the very wise decision that Government govern and that the private economy support Government with its capital and its labor.

BEN BLACKBURN: AN ABLE AND DECISIVE MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, I would like to take this opportunity to express my disagreement with an editorial in the October 27 issue of Business Week magazine. One of this magazine's editorials has unjustly, and obviously without proper information, raised some questions about one of our former colleague's qualifications to fill the vacancy of the Chairmanship of the Federal Home Loan Bank Board—FHLBB. I am speaking of my good friend and former Congressman from the Fourth District of Georgia, Ben B. Blackburn.

Business Week erroneously editorializes that Mr. Blackburn during his years as a Member of Congress showed no indications of leadership or a capacity to understand major economic issues. They also charge, without any justification, that there is no indication that he is familiar enough with either the financial communty or the housing industry.

I cannot allow these insinuations to go unchallenged. During his 8 years in the U.S. House of Representatives, Ben Blackburn served ably and wisely on both the Banking, Currency and Housing Committee and the Joint Economic Committee, the two committees that would better prepare him to deal with the tasks of the FHLBB than any other committees in the House.

It was my pleasure to serve on the Joint Economic Committee with Ben and while we did not always agree on all the issues, he was always outspoken and challenging. His abilities continuously added considerably to our discussions and solutions.

The questions raised by the Business Week editorial are unfounded and I urge them to take a better look at the facts in the future before making their judgments.

Ben Blackburn is an able and decisive man who has shown a high level of performance throughout his life. He has my highest recommendation and best wishes in this new pursuit.

HOUSE ADMINISTRATION COMMITTEE ORDER NO. 24

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. HAYS) is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Speaker, House Resolution 457, 92d Congress, enacted by Public Law 92-184 into permanent law on December 15, 1971, provides the Committee on House Administration the authority to fix and adjust from time to time various allowances of members, the Resident Commissioner from Puerto Rico or a delegate to the House of Representatives. Pursuant to this authority the committee has issued order No. 24 which is effective October 1, 1975.

Committee Order No. 24 incorporates and supersedes committee order No. 18, and increases from $650 to $750 the amount authorized to lease equipment utilized in connection with official duties as prescribed by the regulations of the Committee on House Administration. This increase is merely to cover the rise in the monthly rental rates that have occurred since the leasing program was instituted.

The order follows:

COMMITTEE ORDER NO. 24

Resolved, That effective October 1, 1975, until otherwise provided by order of the Committee on House Administration, each Member, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives is authorized a $750 per month allowance to lease office equipment, and upon written request to the Committee on House Administration, a Member, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives may allocate an amount not to exceed $250 a month of any unused portion of his or her clerk hire allowance for the leasing of equipment necessary for the conduct of his or her office in connection with his or her official duties. The said monthly allowances are not cumulative.

PRESIDENT FORD'S FOOD STAMP PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EDGAR) is recognized for 5 minutes.

Mr. EDGAR. Mr. Speaker, President Ford sent to the Congress on October 20 proposed legislation designed to save $1.2 billion in Federal outlays for the food stamp program. There are a number of creative provisions in this bill which should limit abuses which have robbed the Treasury of millions of dollars. I applaud the President's recent action in assuring that the most needy of this Nation are afforded food stamp benefits, while minimizing loopholes which have permitted abuse of the program, inflated administrative costs, and seriously undermined public confidence in this important program.

Presently, 19 million people receive food stamps. Begun in 1964 as a part of the War on Poverty with 360,000 participants and funding of $30 million, this program has expanded to a cost of an estimated $6 billion in fiscal year 1976. Obviously, the worsening economy in recent months has massively contributed to the increased enrollment. However, it is clear that many currently eligible applicants in fact have the resources to do without this public subsidy. And there are others who have benefited from food stamps who are not, and should not, be eligible.

The President has offered several proposals for streamlining the program and minimizing abuses, and I believe they deserve careful consideration by the Congress. These reforms would:

First, replace current variable and complex deductions with a standard deduction from gross income—this would eliminate legal abuses and decrease administrative costs;

Second, allow an extra deduction for households with at least one person over age 60—this would recognize that the elderly often have concurrently a limited earning capacity as well as higher medical expenses;

Third, provide for making a household ineligible if it purposely transferred assets to meet eligibility requirements;

Fourth, reduce the age requirement for work registration from 65 to 60—those at this age have limited employment opportunities;

Fifth, provide for a monthly updating and reporting system to adjust benefits in response to changes in a household's income;

Sixth, authorize the Secretary of Agriculture, the administrator of the program, to require a State agency to issue photoidentification cards to food stamp recipients, or to issue food stamp coupons which must be signed both at time of issuance and at time of purchase—this procedure would limit unauthorized use of food stamps;

Seventh, redefine the term "household" to delete the requirement that household members be related—this would minimize the problem of unrelated members of a household applying separately for food stamps; and

Eighth, provide lower civil penalties so that violators may be prosecuted under the Federal Magistrates Act—this would encourage more aggressive prosecution of violators.

I do have some concern that the President may have set an unrealistically low income level for food stamp eligibility. The President's proposal would exclude from eligibility a family of four with a gross income of more than $6,250. Secretary of Agriculture Earl Butz, in announcing the new proposal, stated that this level was chosen because it is the officially recognized standard for "poverty" in our country at this time, and thus is a realistic indication of need.

However, another agency of the Government, the Bureau of Labor Statistics, has estimated that in autumn, 1974, the average cost of a minimal budget for an urban family of four was approximately $9,200 per year, some $3,000 above the so-called poverty level. I believe that it is important that we limit eligibility for food stamps, and other welfare programs, to those in our society who are most in need. I also believe that it is important that we do so with a realistic and compassionate understanding of the cost of living in our country.

There are already a number of food stamp reform bills pending in the Congress in addition to the President's plan. One of these bills, which is receiving much support from my colleagues, is sponsored by Senators DOLE and MCGOVERN. It incorporates some of the reforms in the Ford bill, but includes an additional provision which I feel has much merit. Currently, a family eligible for $47 in food stamp benefits receives the benefits by purchasing $162 in stamps for $115. Some families who are eligible for the program do not participate solely for the reason that they are unable to accumulate $115 in cash at one time in order to purchase the stamps. The Dole-McGovern proposal would eliminate this purchase requirement by providing the benefits in a lump sum. In this way, the family would receive stamps worth $47. This proposal would clearly be administratively desirable, and it would remove an unnecessary burden from food stamp purchasers.

I anticipate that there will be much discussion in the Congress about the appropriate level of income for food stamp eligibility, and other mechanisms for reform. At this time, the House Committee on Agriculture is undertaking a comprehensive study of the food stamp program. The recommendations of the President, supplemented by the results of this study, will form a strong foundation for my action when the committee begins hearings on the issue of food stamp reform next year.

LEGISLATION TO MAKE JULY 2, 3, 4, AND 5, 1976, A 4-DAY LEGAL HOLIDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, I rise today to introduce legislation declaring July 2, 1976, a legal public holiday and to designate July 2, 3, 4, and 5, 1976, as a focal period commemoration of America's Bicentennial. I am joined in doing this by my distinguished colleague and fellow member of the Bicentennial Board, the gentleman from Virginia (Mr. BUTLER).

July 4, 1976, the 200th anniversary of the signing of the Declaration of Independence, falls on a Sunday. Pursuant to Federal legislation, Monday, July 5, is a legal holiday and, of course, Saturday, July 3 is a non-work-day also. In view of the historic importance of the anniversary of the signing of the Declaration of Independence and since the entire Nation will consider the weekend the highpoint of the Bicentennial commemoration, it is now proposed that Friday, July 2, 1976, be declared a legal holiday, and that the President issue a proclamation designating July 2, 3, 4, and 5 as a period of commemoration of America's Bicentennial.

Mr. Speaker, July 2, 1976, is of special historic significance since it is the 200th anniversary of the ratification by the Second Continental Congress of the resolution by Richard Henry Lee of Virginia that the United Colonies "are, and of right ought to be, free and independent States."

The American Revolution Bicentennial Administration's Advisory Council has passed a resolution recommending to the President, the Congress, and the Governors and legislatures of the States, the District of Columbia, the Commonwealth of Puerto Rico and the territories, that appropriate steps be taken to insure a 4-day legal holiday for the weekend July 2, 3, 4, and 5, 1976. Further, Mr. Speaker, the ARB Board has endorsed this recommendation and directed the Administrator to recommend that appropriate steps be taken to insure this 4-day observation.

Finally, Mr. Speaker, a joint meeting of the Bicentennial Board and the Bicentennial Advisory Council is taking place today here on Capitol Hill. Among other things, there will be a discussion on the holiday weekend, and how it can be observed in a way to involve and touch all Americans.

REQUIRING THE CENTRAL INTELLIGENCE AGENCY APPROPRIATION PROCESS TO MEET CONSTITUTIONAL REQUIREMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill that would insure that the process under which Congress votes money for the Central Intelligence Agency meets the requirements of the Constitution and allows Members of Congress to exercise their duty to see that tax moneys are spent in a fiscally responsible manner.

The 1974 act establishing the Central Intelligence Agency does not require a specific appropriation for the Agency. Instead the CIA receives its funds from the budgets of other governmental agencies. These appropriations are concealed in the appropriations for other Government departments. Members of Congress do not even know when they vote on the CIA budget, much less the amount voted.

No other agency receives funds in this manner. All other agencies have specific appropriations. The total amount is listed in the bill. The Members know when and how much they are voting for.

In my judgment, the current CIA

funding procedure violates the constitutional requirement that "No money shall be drawn from the Treasury, but in Consequence of Appropriation made by Law." This provision is supposed to assure that the Congress monitors the uses of tax money. A budgetary scheme designed to preclude congressional review violates the Constitution and must be changed.

The system violates the Constitution which requires a "regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time." This means a public account.

My bill requires that the total appropriation for the CIA be explicitly approved by Congress and that this amount be disclosed to the public. At the same time, it is important to insure that matters that should be secret are not divulged to the detriment of our country's defense. My bill protects the use of funds needed for such secret projects from public disclosure, but requires that accounting for these funds must be made to the Congress with safeguards to preserve their confidentiality.

Some people may argue that disclosure to Congress even with safeguards will jeopardize national security. But we must remember that only totalitarianism gives us total security. The risk involved in following the Constitution is one I hope that Members of Congress are prepared to take: I would urge their support of this bill.

The text of the bill follows:

H.R. 10469

A bill to require disclosure of the Central Intelligence Agency Budget in accordance with the Constitution and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (a) of section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)) is amended to read as follows:

"(a) Expend only such sums as have been appropriated by Congress for use by the Agency in carrying out its functions;".

(b) Section 6 of such Act (50 U.S.C. 403g) is amended by striking out ": *Provided,* That in furtherance of this section, the Director of the Bureau of the Budget shall make no reports to the Congress in connection with the Agency under section 607, title VI, chapter 212 of the Act of June 30, 1945, as amended (5 U.S.C. 947 (b))".

(c) Section 8(a) of such Act (50 U.S.C. 403j(a)) is amended by striking out "sums made available to the Agency by appropriation or otherwise" and inserting in lieu thereof "only such sums as have been appropriated by Congress for use by the Agency".

(d) Section 8(b) of such Act (50 U.S.C. 403j(b)) is amended to read as follows:

"(b) All sums made available to the Agency shall be expended in accordance with the provisions of law and regulations relating to the expenditure of Government funds; except that any Act appropriating funds for the Central Intelligence Agency may appropriate specified portions thereof to be accounted for by the President—

"(1) except as provided in paragraph (2) by certification only; and

"(2) to the Congress by furnishing all necessary information and documentation to the Speaker of the House of Representatives and to the President pro tempore of the Senate who shall make such information and documentation available to the appropriate committees and members of their respective Houses in accordance with procedures adopted by each House to assure the confidentiality of the information."

(e) Such Act is further amended by inserting immediately after section 8 the following new section:

"SEC. 8A. Notwithstanding any other provision of law, no funds may be transferred to the Agency from any other Government agency after the effective date of this section unless Congress, subsequent to the enactment of this section, authorizes such transfer.".

SEC. 2. The amendments made by this Act shall become effective on October 1, 1976.

THE PASSING OF JOSEPH WOJCIECHOWSKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, it is always difficult to speak about the passing of a friend. This is particularly true for me today as I inform the House about the death of one of my closest friends and neighbors. Last Sunday at the age of 88, Joseph A. Wojciechowski passed away in Chicago. Joe was a man of warm friendships who made every path the better because he passed that way. He thoroughly enjoyed all aspects of his long, active life and always had a kind word for all of those he happened to come in contact with.

Through his tremendous ability, honesty and integrity he built two of the most successful funeral homes in Chicago. I knew Joe all of my life and our families were very close. He was always ready and willing to give of himself for others and I think that this was one of the many qualities that made him such a respected figure in our community.

He was truly the kind of man not afraid to stand by his convictions. He could do so and be kind to those who did not agree with him. He at all times remained a gentleman. He was a man of the highest principles whose word was as good as his bond.

At times like this it is often difficult to put into words our true feelings. More times than not we are only able to recall a few generalities about a man, not the essence of the man himself.

We who were fortunate enough to know him as a friend now feel a great personal sense of loss. He was a vital personality who will long be remembered by our community.

He was a fine husband and a loving father and to his lovely wife, Cecilia, and to his daughter, Dorothy, and his son, Joe, Jr., LaVerne and I extend our deepest sympathy.

HEART AND LUNG DISEASE DEATHS FOUND LOWER DURING GAS CRISIS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, as chairman of the House Subcommittee on Tobacco, I am constantly concerned about those who consider tobacco the "root of all evil," as it relates to the health of the people of this Nation. Therefore, I was most interested in an article which appeared in the Washington Post on Wednesday, October 29, 1975, concerning the findings of a team of scientists in the San Francisco area regarding a drastic decline in deaths from respiratory and heart diseases. I only hope that those who read this article will agree that heart and lung diseases are caused by many circumstances.

The article reads as follows:

HEART AND LUNG DISEASE DEATHS FOUND LOWER DURING GAS CRISIS

(By Stuart Auerbach)

A team of scientists has found that deaths in the San Francisco area from heart and lung diseases decreased dramatically during the gasoline shortage early last year when motorists were driving less.

Dr. Stephen M. Brown of the School of Public Health of the University of California at Berkeley credited a reduction in air pollution from automobiles for the decrease in deaths.

To buttress his conclusions, Brown said yesterday in a telephone interview that deaths returned to a normal rate during the second three months of 1974, when the gasoline shortage eased.

Gasoline sales in the San Francisco area fell nearly 10 per cent during the first three months of last year.

Brown and his fellow Berkeley researchers—Dr. Michael G. Marmot, Susan T. Sacks and Linda W. Kwok—said that San Francisco had a 13.4 per cent decrease in deaths during that time compared with the same period in the previous four years.

The less heavily urbanized Alameda County, which contains the East Bay cities of Oakland and Berkeley, had a smaller decrease in deaths—7.7 per cent.

The "rather dramatic decreases" all came in the areas of heart and lung disease deaths, which other studies have found are affected by the amount of air pollution, the Berkeley team said in a report in the British scientific journal Nature last month.

"The disease category showing the greatest relative change was chronic lung disease"—asthma, chronic bronchitis and emphysema.

Lung disease deaths decreased 33 per cent in San Francisco and 38 per cent in Alameda County in the three-month period. Heart disease deaths went down 16.7 per cent in San Francisco and 11.2 per cent in Alameda County during the same period.

"Analysis of weather and air stability data, relevant pollution levels and the pattern of influenza and pneumonia deaths—sometimes thought to influence cardiorespiratory (heart and lung) deaths—support the hypothesis that a decrease in vehicular exhaust fumes would have a beneficial effect on health," the Berkeley scientists said.

Earlier studies by the federal Department of Transportation and the National Safety Council found that motor vehicle deaths decreased last year because of the 55-mile-an-hour speed limit and fewer drivers. Automobile accident deaths were excluded from the figures used in the Berkeley study.

As a control, the Berkeley team found that cancer deaths, which are not affected by short-term changes in air pollution, did not decrease during the gasoline shortage.

NEO-McCARTHYISM?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Pike) is recognized for 5 minutes.

Mr. PIKE. Mr. Speaker, on Sunday, October 19, the New York Times wrote an editorial entitled "Neo-McCarthyism?" and addressed to the efforts of the House Select Committee on Intelligence to get from the State Department a document which, by a vote of 9 to 2, it had subpenaed on the subject of the 1974 Cyprus crisis and Turkish invasion. It supported Secretary Kissinger in refusing to give the House Select Committee on Intelligence the document.

On Monday, October 20, I wrote a letter to the Times presenting my personal views on the subject. The Times did contact me, told me the letter was too long, and asked me to cut it to 400 words. I did so.

Tomorrow Secretary Kissinger is due to appear before our committee. The Times has not printed my letter, so I insert it herewith in the Record. It may be too long, and it represents only the views of the writer, but for what it is worth, here are those views:

Washington, D.C., *October 20, 1975.*

Mr. John B. Oakes,
The New York Times,
New York, N.Y.

Dear Mr. Oakes: Your recent editorial about the efforts of the House Select Committee on Intelligence to get to the bottom of why our intelligence community has failed us so badly in so many major crises was delightful in its childlike faith and simplicity.

Our "intelligence community" (the C.I.A., D.I.A., N.S.A., F.B.I., etc.) has one basic purpose—to provide our nation's leaders with timely and objective information to enable them to make wise decisions and take proper actions. Hopefully, the actions can be diplomatic; as a last resort they may involve force. Time and time and time again the wise decisions have not been made and proper actions have not been taken, sometimes because the intelligence was faulty—sometimes because good intelligence was ignored.

We had hard evidence that the Arab-Israeli war of 1973 was about to break out. The "intelligence community" didn't believe it. The head of intelligence in the State Department believed it, but couldn't get the word to the Secretary of State.

In the Cyprus plot against Makarios and the Turkish invasion of 1974, intelligence was faulty as to the plot, good as to the first wave invasion, bad as to the second wave invasion. What the House Committee on Intelligence is trying to determine is where and why it broke down.

Your editorial, leaving out the pejorative words, says that we must not get a document prepared by the head of the Cyprus desk stating what he recommended during the Cyprus crisis—"that procedure would destroy the free expression of views within the State Department". The man in question is perfectly willing to tell the Congress; he is being gagged by the State Department.

Your editorial says we should get this information from Mr. Kissinger. We should only ask policy makers about policy. We should accept a "full summary" which he has deigned to offer. There is no such thing as a "full summary". At the risk of dampening your faith in Santa Claus, I bring you ill tidings:

My Lai was not brought to the attention of Congress or the American people by the Secretary of Defense.

The secret bombings of Cambodia were not brought to the attention of Congress or the American people by the Secretary of Defense.

The monstrous cost overruns of the C5A were not brought to the attention of Congress by the Secretary of the Air Force.

Watergate was not brought to the attention of the Congress or the American people by Haldeman, Ehrlichman, or Nixon.

If Congress is to fulfill its Constitutional responsibility to raise and support armies, it should be able to get the recommendations of the majors and captains who fly aircraft competing in a procurement, not just ask the policy maker who made the decision. The policy maker cares which company gets the contract, which state gets the jobs. The majors and captains care which plane flies best.

If our Committee on Intelligence is to do its job, it has to know who was informed of what, what he did with the information, what, if any, actions were taken or recommended, and follow it up the chain. This is not only intelligence, it is oversight and it is accountability.

After 15 years of trying to get such information from the "policy makers" to whom you would restrict us, I offer some facts—learned the hard way.

At best, policy makers remember what they want to remember, forget what they want to forget. They fudge, they dissemble, they slant. They de-emphasize their horrors and re-emphasize their glories.

At worst, they lie.

You state that in refusing to obey a Congressional subpoena for a document from the man in charge of the Cyprus desk, "The principle Mr. Kissinger is invoking is the central principle of responsible, representative government." I must be getting old. I've been operating under the misapprehension that in a free democracy the central principle of responsible, representative government was telling the American people the truth so that they might have faith in and believe in their government. Today, many of them don't.

Mr. Kissinger has kept not one, but many documents from our committee. He has kept many witnesses willing to testify freely from testifying freely. Mr. Kissinger has many secrets. Some of them are achievements, some are embarrassments, some are horrors. He will persevere in trying to conceal them. We will persevere in trying to get them for Congress and the American people. We may lose now, but eventually they will come out. When they do, we will join with the Times in lamenting the fact that they were concealed from the American people for so long.

Cordially,

Otis G. Pike.

LEGISLATION AMENDING THE FEDERAL BANKRUPTCY STATUTES IN RELATION TO MUNICIPAL BANKRUPTCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Badillo) is recognized for 10 minutes.

Mr. BADILLO. Mr. Speaker, I am today introducing legislation that was introduced in the Senate by my colleague from New York, Mr. Buckley, to amend the Federal bankruptcy laws in relation to municipalities. Although it differs in several respects from legislation I have previously introduced, I feel that it is important that we have the broadest range of possibilities before us as we deliberate on the best way to revise municipal bankruptcy law to effectively serve every town and city in the country.

Mr. Buckley's bill and mine share provisions also suggested by the President. In both our bills, the court is empowered to permit the issuance of certificates of indebtedness to provide for the continued financing of the municipality; and that there will be an automatic stay, until the case is closed, of the filing or continuation of any proceeding against the municipality.

The major differences between Mr. Buckley's bill and mine are that Mr. Buckley's bill does not provide for operational expenses during the court proceedings so the municipality can continue functioning while the reorganization is going on, and that it does not contain a "cram-down" provision, such as that in the Railroad Reorganization Act, that would enable the court to confirm a reorganization plan despite the objection of any creditor.

It is tragic that this revision of the bankruptcy law, which has been contemplated for many months, must be acted on in an emergency fashion to aid New York as it becomes increasingly frustrated in its herculean efforts to avoid default.

BLACKWELL, OKLA.—SOLVING A FISCAL CRISIS WITHOUT FEDERAL AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. English) is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker, I was gratified to note in this morning's newspaper that at least one troubled municipality has found a way of solving its fiscal problems which does not include asking the Congress for Federal funds. Today's Wall Street Journal notes the enormous progress which the city of Blackwell, Okla., has made in overcoming the problems caused by the loss of its major industry and revenue source.

I believe that the people of Blackwell have set an exceptional example for the rest of the Nation through their willingness to work together and solve their community's problems. And I believe that the story of their efforts as printed in today's newspaper is worthy of the attention of Members from both rural and urban areas.

Mr. Speaker, I would like to take this opportunity to congratulate the city of Blackwell, Okla., on its leadership in solving financial problems; and I include the Wall Street Journal article detailing the city's progress in overcoming its fiscal woes in the Record at this point for the information of my distinguished colleagues:

Cheer Up, New York! See What Happened To City of Blackwell

(By Danforth W. Austin)

Blackwell, Okla.—Just 3½ year ago the major industry in this little northern Oklahoma town (population 8,600) announced it was closing down, and Blackwell saw a future every bit as bleak as New York faces today: rising unemployment, a falloff in city revenues and a loss of population.

Gloomy New Yorkers might be interested in knowing what has happened to Blackwell since.

In the two-block business section the stores report a retail sales increase of 20%

in the last year. In recent weeks particularly "I've noticed that people are really beginning to spend money," says Kenneth Bradley, manager of Hunt's department store.

Down at Ray Hamlin Chevrolet-Cadillac, Mr. Hamlin confidently notes that "even if gasoline does go to 70 cents a gallon, people around here will still buy Cadillacs."

And on the outskirts of town two new shopping centers are going up and new homes and paved streets are rising from land that sprouted grain only a short time ago.

In fact, few of Blackwell's worst fears have materialized since May 1972 when a Wall Street Journal story ("Black Day in Blackwell") detailed the gloom spread across the town by the news that the town's economic mainstay, the aging Blackwell Zinc Co. smelter, was being closed by its owner, Amax Inc. The smelter employed 800 people, accounting for over half the manufacturing jobs in town, and local commerce relied on its annual $5.5 million payroll.

LUCK AND HARD WORK

Last December the smelter's final few employes left, but instead of a depressed area they faced a prosperous town with a stable population. Blackwell still has its share of economic and financial problems, but they are minor compared with the situation in 1972 when, Mayor Max Rogers recalls, the town was faced with losing half its population.

Partly due to luck and partly due to the town's hard work in attracting new industry, Blackwell stands today as a town that changed almost overnight from being a company town to one with a healthy economic mix. "New industry has really picked up that town," says Will Bowman of the Oklahoma State Employment Service. The town estimates that its unemployment rate is a little over 5%, well below the 6.6% average for the state.

The luck involved in Blackwell's recovery came from the sudden boost to the town's rural economy by the first big Russian grain deal that was negotiated as the smelter was being phased out. In surrounding Kay County, where yields of wheat and other crops are among the highest in the nation, farmers have continued to prosper from Soviet and other foreign grain sales.

It was also fortunate that Amax gradually phased out the plant over about 30 months, giving the town breathing space. Many older employees simply retired. A few left town. But many have found other employment in the town.

The new jobs have been brought to Blackwell through the determined efforts of a team of businessmen and city officials. Paul Hockersmith, who was hired to direct the company recruiting drive, has traveled across the U.S. and Canada in search of prospects. "We follow up on every rumor," he says.

FIVE NEW INDUSTRIES

To date five new industries have come to Blackwell with jobs for more than 200. They expect to double their employees over the next few years. They include United Fabricators, which makes oil storage tanks, and Electron, a producer of castings for electric furnaces (one, however, a small maker of farm implements, has run into financial difficulties and says it may have to close by the end of the year).

John Morehead, who manages the $4.8 million Electron plant, says his company was attracted by the abundance of labor and raw materials, such as scrap steel, available in the area. And because of the smelter's demise there was plenty of energy available, he says. The new companies were also attracted by the fact that they don't have to pay property taxes during their first two years in Blackwell.

"We weren't about to go down the tubes," says Bill Rodgers Jr., president of Security Bank & Trust and a member of another group of businessmen that has managed to persuade voters to approve $1.2 million in bonds to finance industrial development projects.

Amax has given the town the smelter site and 130 acres of unused land. And the grimy smelter has been pulled down and in its place brightly painted buildings are going up to house Blackwell's new industry.

Not everything is rosy in Blackwell. The city is still staggering under the loss of water and electricity sales to the Amax smelter, which once provided 15% of the city's revenues. City manager Chuck Smith says the city "is having a very difficult fiscal year." So bad, in fact, that a raise promised to city employes last summer has been postponed until January.

Some townspeople are complaining that the tax breaks for industry are depriving the school district of badly needed revenues. Housing also is a problem, even though 73 new homes have been built in the past three years and another seven are going up. "There's a real need here for moderately priced homes," says John Boersma, a beer distributor. But Mr. Boersma says he's so "optimistic" about Blackwell's future that he and a local doctor are developing 92 sites for new homes.

The smelter's former employes also are optimistic once again. "I'm 50 years old, and when they announced the closing it was like having the rug pulled out from under me," remembers Don Porter, who was general foreman of the smelter foundry when he was laid off in early 1974. "I had no idea what I could do." As it happens, plenty. Mr. Porter was hired by Electron as its general foreman only four days after leaving the smelter. "It turned out to be a very easy transition," he says.

A lot of the smelter workers do miss their old employer, if only because of the higher wages that Amax paid. "If I could have stayed until June of 1974 I would have been making $4.04 an hour," says 25-year-old Mike Welch. Now, as a foreman at Oklahoma Investment Casting, a new company making small industrial castings, his salary is only $3.15 an hour. However, he says, "we're still making it."

Times also have changed for the 35 townspeople, mostly farmers, who were widely blamed for closing down the smelter because they had brought an antipollution suit against the zinc plant. Although Amax denied any connection between the litigation and its decision to close, it did note that it would be uneconomical to install antipollution equipment at the smelter. Employes were so embittered by the suit that Calvin Bowling, one of the 35 plaintiffs, said at the time that "on account of my wife and children I doubt if I would do this over again."

But feelings have softened. For one thing some smelter workers themselves have taken their old employer to court seeking compensation for what they claim to be job-related health problems.

As for Mr. Bowling, a restaurant owner as well as a farmer, he's still a plaintiff in the suit against Amax (which is due to be heard in Kay County district court next January). He says that while he's still far from being the most popular man on Main Street, these days "about half the people who boycotted my restaurant have come back."

ALOHA TO JOHN J. ROONEY: AN ARCHITECT OF THE EAST-WEST CENTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Speaker, as Hawaii's Representative to Congress, I wish to offer my deepest sympathy and heartfelt condolences to the widow and family of our late colleague, John J. Rooney, who passed away on Sunday, October 26, 1975.

The people of Hawaii will long be grateful to Mr. Rooney for the prominent role he played in the creation of the Center for Cultural and Technical Interchange Between East and West—the so-called East-West Center—located in Honolulu. As chairman of the House Appropriations Subcommittee on Foreign Affairs, John Rooney, along with President Lyndon B. Johnson and former Governor of Hawaii John A. Burns was one of the principal architects of the East-West Center, an institution which has played and continues to play a vital role in furthering understanding and improving relations between the United States and nations of Asia.

John Rooney was also my close personal friend and I shall sorely miss him. It is with deep sadness that I bid him a fond aloha.

IF I FORGET THEE, O JERUSALEM

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am a Zionist. I treasure the 137th Psalm:

By the rivers of Babylon, there we sat down; yea we wept when we remembered Zion.
Upon the willows in the midst thereof we hanged up our harps.
For there they that led us captive asked us words of song, and our tormentors asked of us mirth; "Sing us one of the songs of Zion."
How shall we sing the Lord's song in a foreign land?
If I forget thee, O Jerusalem, let my right hand forget her cunning.
Let my tongue cleave to the roof of my mouth, if I remember thee not; if I set not Jerusalem above my chiefest joy.
Remember O Lord, against the children of Edom the day of Jerusalem; who said: "Rase it, rase it, even to the foundation thereof.
O daughter of Babylon, thou art to be destroyed; happy shall he be that repayeth thee as thou hast served us.
Happy shall he be that taketh and dasheth thy little ones against the rock.

Zionism to me is love of Zion; love of the people and State of Israel; joy in seeing that Jewish State rebuilt. In the United States our greatest accomplishment has been the pluralistic nature of our society, which allows diverse peoples, whose first loyalty is to America, never to forget their cultural, religious, racial, and ethnic heritages. There is the Greek American who responds to the tragedy facing Greek Cypriots, the Ukrainian American who weeps because of Soviet oppression against the people of the Ukraine, and black Americans who cry out at the apartheid affecting people of their race in South Africa and Rhodesia to cite just a few. Are they to be denounced for identifying with the people of their blood? I would hope not. And I join with them in their feelings as I hope they join with me.

I read today a statement of the Zionist Organization of America which sums up the feelings of so many of us who are so outraged at the monstrous anti-Semitic resolution of a United Nations committee, a resolution shortly to be voted on by the United Nations Assembly itself. That statement which follows, by the ZOA, should be read by all:

[From the New York Times. Oct. 30, 1975]

A JEWISH ANSWER TO THE RACISTS IN THE U.N.

ZIONISM IS A BADGE OF HONOR! JEWS WEAR IT WITH PRIDE! FREE MANKIND SALUTES IT WITH ADMIRATION!

"Behold, the Guardian of Israel, Neither Slumbers nor Sleeps." (Psalm 121:4)

On October 17, 1975, the U.N. Social, Humanitarian and Cultural Committee, led by the Arab-Communist alliance—dictatorial and enslaving regimes—adopted a poisonous anti-Semitic resolution against Zionism, the Jewish people and Israel.

Ambassador Daniel P. Moynihan of the U.S. declared that it "constituted an attack on the existence of Israel and on Western democracies in general."

U.S. representative, Leonard Garment, termed this resolution as an "obscene act."

Who is it who presumes to sit in judgment on Zionism? International conspirators, oppressors, dictators, terrorists and murderers.

The U.N., constituted to prevent man's inhumanity to man, was turned by them into a forum for the perpetration of racism, blatant anti-Semitism and genocide.

For the Jew imprisoned in Soviet concentration camps, in Arab torture ghettos, in dungeons and in fear—Zionism is the only ray of hope for liberation.

For the Jew in the Free World—Zionism is a banner of pride, courage and valor.

Free mankind esteems Zionism as one of the noblest liberation movements of modern history.

Zionism is synonomous with Judaism. An attack on Zionism is an attack on the Jewish people.

Zionism built and sustains the state of Israel, the only democracy in the Middle East.

Zionism introduced human dignity and a higher standard of living and health for all—Moslems, Christians and Jews—equally dwelling in its midst.

Zionism inspired subjected peoples in Asia and Africa to free themselves from Colonialism.

The enemies of the Jewish people seek to make Zionism a yellow badge of shame.

The Jew wears it as a badge of honor!

The answer must be: "I am proud to be a Zionist."

Identify yourself as a Zionist! Join the Zionist Organization of America!

SAMUEL H. WANG,
Chairman, Public Affairs Committee.
DR. JOSEPH P. STERNSTEIN,
President.
LEON ILUTOVICH,
Executive Director.

KISSINGER SHOULD ACT ON U.S. PRISONERS IN MEXICO

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, for the past 6 months the Subcommittee on International Political and Military Affairs, which I have the honor to chair, has been conducting an inquiry into charges both of widespread mistreatment of American citizens imprisoned in Mexico and of neglect of our citizens by our own Department of State. The charges of mistreatment by Mexico include allegations of entrapment, torture, forced signings of unexplained legal documents, failure to notify U.S. officials of arrests, inadequate health care in prison, extortion of prisoners in jail, unscrupulous Mexican attorneys, failure to comply with Mexican constitutional and legal standards, and improper seizure and misuse of the property of our citizens.

Since these charges were brought to the attention of the Committee on International Relations the subcommittee has conducted four formal hearings on this subject, sent a staff member to Mexico to investigate the situation and held numerous informal discussions with U.S. officials and exprisoners, and family members of prisoners. As a result of our efforts the Department of State had agreed to review both the entire situation and the individual cases of all Americans imprisoned in Mexico. The initial reviews conducted by the Department have already led to efforts by our Government to improve the handling of complaints by our citizens and have confirmed a number of instances of blatant abuse of the rights of our citizens. While I believe that our own Government can and must do much more, and do it quickly, the fact is that justice for those now in jail rests in the hands of the Mexican Government which up until now has shown little or no interest in conducting its own investigations into the serious charges made aganist its officials. Continued failure by Mexico to promptly undertake a thorough investigation and provide relief where warranted may eventually threaten the entire fabric of relations between our two countries.

To stress the importance which the Congress attaches to this matter the Subcommittee on International Political and Military Affairs has today written to Secretary Kissinger urging him to take a series of steps which hopefully will promote both justice for our citizen and continued friendly relations between the United States and the Republic of Mexico. Because of the great interest in Congress in this matter as reflected by the cosponsorship of resolutions of inquiry on this subject by Members of the House, I wish to take this opportunity to bring to the attention of the House our subcommittee's letter to Secretary Kissinger. I also want to assure the House that the subcommittee will continue to hold hearings on this subject until we are satisfied that our citizens have been justly and fairly treated by Mexico.

The text of the letter follows:

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: For the past six months the Subcommittee on International Political and Military Affairs has been conducting an inquiry into allegations of widespread violations of human and legal rights of United States citizens arrested in Mexico and into charges that the Department of State did not fully carry out its responsibilities for protection of our citizens.

The Subcommittee has received the cooperation of the Bureau of Security and Consular Affairs in our hearings and we appreciate their largely constructive response to our concerns and the efforts they are making to improve their procedures and to increase the effectiveness of their support for our citizens. As part of the Bureau's effort they have agreed to review the cases of each of the 550 U.S. prisoners in Mexico.

After formal hearings, numerous informal meetings and a visit by Congressional staff to Mexico it now seems clear that further action is needed to afford all appropriate relief to our citizens without further delay. Mexico's apparent indifference to this problem, as indicated by their failure both to respond to 19 out of 24 diplomatic notes protesting treatment of our citizens and to assure prompt consular access upon arrest, underscores the necessity for urgent and high-level attention by our government. We are therefore writing to ask that you take the following steps:

1. Forcefully bring to the attention of the Government of Mexico the conclusions of the United States Congress and the Executive branch that there have been violations of the international and Mexican legal rights of United States citizens and insist that appropriate relief be provided without further delay;

2. Assign sufficient personnel and funds to the Bureau of Security and Consular Affairs to enable them to conclude their thorough review of the cases of each American imprisoned in Mexico at the earliest possible date but no later than March 1, 1976;

3. Immediately implement additional procedures and assign sufficient personnel to minimize the risks of future violations of the rights of our citizens in Mexico and elsewhere;

4. Obtain from Mexico agreement to (a) promptly return to the United States, aircraft and other property seized by the Mexican government if the owner of such property was unaware of its use to commit a crime and (b) in every instance, to prevent the improper use of seized property prior to final adjudication on the issue of its return; and

5. Seek establishment of a joint claims commission to evaluate all claims of financial loss by U.S. citizens as a result of action by the Mexican government or its citizens in connection with the detention of U.S. citizens or the seizure of their property.

We are all aware of the many issues of importance to the United States with which you must deal. We believe, however, that you will agree with us that the primary concern of our government abroad must be the protection of the fundamental human and legal rights of our own citizens and we, therefore, ask that this problem be handled urgently and at an appropriately high level as was envisioned by Congress when the following language of section 1732 of Title 22 of the United States Code was enacted:

§ 1732. Release of Citizens Imprisoned by Foreign Governments.

Whenever it is made known to the President that any citizen of the United States has been unjustly deprived of his liberty by or under the authority of any foreign government, it shall be the duty of the President forthwith to demand of that government the reasons of such imprisonment; and if it appears to be wrongful and in violation of the rights of American citizenship, the President shall forthwith demand the release of such citizen, and if the release so demanded is unreasonably delayed or refused, the President shall use such means, not amounting to acts of war, as he may think necessary and proper to obtain or effectuate the release; and all the facts and proceedings relative thereto shall as soon as practicable be communicated by the President of the Congress.

Thank you for your attention to this important matter.

Sincerely,

DANTE B. FASCELL,
Chairman, Subcommittee on International Political and Military Affairs.

Benjamin S. Rosenthal, Roy A. Taylor, Charles Wilson, Tex., Donald W. Riegle, Jr., Larry Winn, Jr., and John H. Buchanan, Jr.

TO PROHIBIT EPA FROM IMPOSING TOLLS ON NEW YORK CITY BRIDGES

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, I have introduced today, together with Representatives CHISHOLM, RICHMOND, SCHEUER, SOLARZ, ZEFERETTI, ADDABBO, BIAGGI, DELANEY, RANGEL, ROSENTHAL, and WOLFE, legislation to prevent the imposition of tolls on the East River and Harlem River bridges in New York.

The U.S. Environmental Protection Agency has ordered that tolls be imposed on these bridges, which are now free, as part of the New York clean air plan. After long and careful study of the available information, my colleagues in the Brooklyn delegation and I decided that the tolls plan is both unjustified and unwise.

The Brooklyn delegation met with EPA officials twice to discuss the proposed tolls, and their environmental, economic and social consequences for New York. I submitted a detailed list of questions to Gerald Hansler, New York Regional Director of EPA, and Mr. Hansler's responses provide the most thorough information available on the issue of tolls. I have also sought the advice of leading environmental groups.

On the basis of this careful analysis, the Brooklyn Delegation concluded that the imposition of tolls will produce no substantial environmental benefit for the city, and may well have serious negative consequences. The entire Queens Delegation and Members from Manhattan and the Bronx join us in this conclusion.

First. The tolls contemplated will not produce significant revenue for mass transit. The most likely tolls would operate at the morning and evening rush hours, or at the morning rush hour alone. A $1 morning rush hour toll would net the city only $4.1 million a year. A $1.50 toll at both rush hours would produce $35.9 million. Neither of these sums is significant in view of the fact that it costs $50 million to reduce the fare 5 cents. Although a toll of $1.50 round trip, imposed 24 hours a day, is estimated to produce $135 million a year by 1978, 'round the clock tolls would have such serious economic and cultural consequences for the city that they are not being seriously considered.

Second. The tolls cannot be justified as a way to clean up New York's air. After hours of discussion and pages of statistics, EPA has, in my opinion failed to show that the tolls will make a meaningful improvement in our air quality. EPA figures do not show any reduction in pollution on city streets, or in citywide air quality. In fact, even if overall bridge traffic at rush hour is reduced 3.5 percent, as hoped, this will produce less than a 1 percent reduction in Manhattan rush hour traffic and pollution.

Third. Balanced against the tiny environmental gains from the tolls are the serious problems they would produce. The toll plazas for the three Brooklyn crossings will be on the Brooklyn side of the bridges. Thus, we can expect increased traffic and pollution on the bridge approaches and on downtown Brooklyn streets.

Fourth. The tolls are unfair. They constitute a regressive tax on the people of Brooklyn, the Bronx and Queens. Drivers driving within Manhattan, although they contribute greatly to pollution, will not have to pay the tolls.

Fifth. There was no real opportunity for the public to be involved in or comment on the decision to impose tolls. There was, in fact, only one public hearing in the city, 2½ years ago, in Manhattan, announced by a tiny notice in the newspaper which gave no indication that a matter as important as the bridge tolls was under consideration.

Sixth. The tolls will divide New York City. It will cost as much to get to Manhattan from Brooklyn, Queens or the Bronx as from New Jersey. New Yorkers should not be forced to put up with the nuisance of the tolls in order to take advantage of their city.

In order to justify an impact of the magnitude the tolls will have on our city, EPA should be able to show an overriding public policy interest in their favor. My colleagues and I do not believe this burden has been met. Since EPA will not withdraw its order we have no choice but to bar it by legislation.

There is no question that the work of cleaning up New York's air has been put off for far too long. The city, State, and Federal Governments have all dragged their heels in developing and implementing an effective clean air plan. Tolls, however, produce only the illusion of action. They do not contribute to, and in fact distract from, the real effort that is needed.

The text of the bill follows:

H.R. 10435

A bill to amend the Clean Air Act to prohibit the use of tolls on New York City bridges for purposes of the applicable air quality implementation plan

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110 of the Clean Air Act (42 U.S.C. 1857c-5) is amended by adding the following new subsection at the end thereof:

"(g)(1) No toll or other charge for the use of a bridge located entirely within the city of New York may be included as part of an applicable implementation plan. All such tolls and charges on bridges located entirely within New York City previously so included shall be void upon the date of enactment of this subsection, and the Administrator shall not approve (or promulgate) any applicable implementation plan providing for any such toll or charge on any bridge located entirely within such city.

"(2) If the Administrator determines that the applicable implementation plan will fail to meet the requirements of subsection (a)(2) by reason of the prohibition contained in paragraph (1) of this subsection, he shall order that such plan be revised (as provided in subsection (a)(2)(H)) to meet such requirements."

PINCHING THE PARKS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, the National Park Service provides invaluable services to the District of Columbia metropolitan area under its National Capital Parks Office. The upcoming Bicentennial activities in the Washington area will most certainly place great demands upon the National Park Service in order to properly serve the anticipated tourist influx from all across the Nation. The last thing the National Capital Parks Office needs at a time like this is a reduction in funding and personnel. Even without the Bicentennial activities, the simple fact that three new facilities, the National Visitor Center, Constitution Gardens, and the Clara Barton House, will be operating during fiscal year 1976 indicates a need for additional funds and personnel.

The following editorial, from the Washington Post of October 23, indicates some of the cutbacks which would result from the present budget request level. In addition to budget constraints and the resultant cutback in expenditures, the National Capital Parks Office is subject to severe personnel constraints which will hamper their ability to adequately serve the public.

At an important time like this, we should not be reducing the programs and activities of the National Capital Parks.

PINCHING THE PARKS

Whenever planning for the bicentennial here has seemed to be bogged down, a lot of people have consoled themselves with the thought that at least the National Park Service will be on hand to maintain the national monuments, play host to millions of tourists, and carry on the myriad programs and activities that provide so much enrichment and entertainment for visitors and residents alike.

Well, maybe not. It seems that the budget for the National Capital Parks, like that of the park service nationwide, has not kept pace with rapid increases in salaries, other operating costs, and the added demands of new facilities. The fiscal 1976 budget request for the region is $44.5 million, which is about $2.7 million more than this year—but $1.9 million less than park officials figure would be required to continue all present programs and also run new attractions such as the National Visitor Center, Constitution Gardens and the Clara Barton House. So NCP officials now face the unhappy chore of deciding how to retrench. The suggestions range from cutting the grass less often to eliminating various interpretive tours and nature walks. Summer in the Parks may have to be pared down; support for cultural activities at Wolf Trap and crafts programs in Anacostia may have to be reduced. Some campgrounds and historic buildings may be closed for a while. The agency may even have to shut down a few information kiosks and scrap its plans for all-night lighting of the monuments on the Mall.

Simply running through such a list demonstrates the extent to which the National Park Services programs and activities have become important assets to the national capital area. The parks agency has come to do much more than tend the nation's monuments; it is a vital force for historic preservation, cultural enrichment and public recreation here, providing not only information and services, but also many of the amenities that make living and visiting in Washington so enjoyable. Thus the cutbacks now being discussed would be painful at any time. They are, needless to say, especially inappropriate in the bicentennial year, when the national capital ought to be offering visitors even more than usual—and certainly not less.

There are two ways to meet the problem: by providing more money and by finding substitutes for unavailable funds. The Senate still has a chance to increase NCP appropriations and encourage the administration to remove some restrictive personnel ceilings. While the appropriations debate goes on, parks officials should also be looking to the community for help in the form of volunteers. Countless individuals and groups are certainly able and willing to contribute their services as guides, tour leaders and information resources in the parks. With a little leadership and imagination, it should be possible to develop many new volunteer programs like those that have been so successful at Wolf Trap, the Kennedy Center and Rock Creek Park. If such a movement does take hold, the collision of the bicentennial and the budget pinch could be the catalyst for a new era of community engagement with parks and resources too often taken for granted here.

FOUR LUXURY TOWERS TO HOUSE THE POOR OPENING IN HARLEM

(Mr. ROUSSELOT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in yesterday's New York Times, entitled "Four Luxury Towers To House the Poor Opening in Harlem." The article describes the conditions at a federally subsidized housing project which is scheduled to open before the end of this year.

The project consists of four 35-story towers whose units cost an average of $68,597 and will rent for $113.28. Amenities provided for the convenience of tenants include central air-conditioning, an indoor swimming pool, a gymnasium, an auditorium, a theater, a greenhouse, roof laundry rooms and play areas, an underground garage with 24-hour service, brick sidewalks, and terraced landscaping complete with a stream. The project's director, who left his ministry to take a $17,200 per year job with the project, explained:

> I know we have been accused of overdesigning for the poor, but we are concerned with changing people's lives, not just creating another future slum.

According to the article, even the State's urban development corporation and the city's housing and development corporation passed up participation in the financing, most of which will be provided by HUD, FHA, a consortium of New York banks, and city funds, although we hear occasional rumors in Washington that the city is running short of funds.

I venture to say that there are many taxpaying citizens who cannot afford to live in the style which their tax dollars will make possible for some of the poor of New York City. The article notes that:

> Depending on the point of view, the project is regarded as a monument to government compassion or an epitaph on bureaucratic folly.

My own view is that this should truly be an "epitaph on bureaucratic folly," and that it is about time for the Federal Government to begin to show some compassion for the taxpayer.

Mr. Speaker, I request unanimous consent to insert at this point in the Record the full text of the Times article as well as of the captions of the accompanying pictures.

The article follows:

[From the New York Times, Oct. 28, 1975]

Four Luxury Towers To House the Poor Opening in Harlem

(By Robert E. Tomasson)

A federally subsidized housing project for the poor is scheduled to open in East Harlem in about two months with luxury features never before included in low-income housing in the United States. Depending on the point of view, the project is regarded as a monument to government compassion or an epitaph on bureaucratic folly.

The project is Taino Towers, four 35-story buildings with a total of 656 apartments on the block between 122d and 123 Streets and Second and Third Avenues. The centrally air-conditioned towers will have an indoor swimming pool, a gymnasium, an auditorium, a theater, a greenhouse, roof laundry rooms and play areas, and underground parking with attendants 24 hours a day.

There also will be six-bedroom triplex apartments with 11-foot-high ceilings and 20-foot-long balconies.

Tentative minimum rent for the six-bedroom apartments is $113.28, including utilities, under Federal subsidy plans committed for 40 years.

The average construction cost per apartment is $68,597, by far the largest ever in this country for low-income housing. Federal officials say that the $45-million cost of the development represents the largest single allocation for a community project ever made by the Department of Housing and Urban Development.

The basic features of the project—which are not likely to be matched for many years, if at all, in low-income housing—have evoked strong criticism from city and state housing officials, including some with the H.U.D. itself.

NONRESIDENTIAL SPACE

The principal criticism is of the large amount of nonresidential space. In each building the first six floors—a total 265,000 square feet, or the equivalent of about five and one-half floors of the PanAm Building—were constructed for nonresidential use.

This space houses some of the amenities, but includes large areas intended for agencies that would provide educational and medical services to the community while paying rent that would be used to keep apartment rents low.

But commercial tenants have not turned up, placing the elaborate financing of Taino Towers in doubt.

"They got everything they wanted and now they don't know what to do with it," said an official in the local H.U.D. office, referring to the community sponsor, the East Harlem Tenants Council.

S. William Green, regional administrator of the Federal Agency, said that because of the unprecedented inclusion of nonresidential space in a federally subsidized housing project, final approval had been given in Washington.

The state's Urban Development Corporation and the city's Housing and Development Administration had considered financing the project, but pulled out when the sponsoring group insisted on including the nonresidential space.

THE MAN BEHIND IT

The guiding force behind the project is Robert Nicol, a 40-year old Presbyterian minister who left an East Harlem church to become the full-time $17,200-a-year project administrator. He offers no apologies for insisting on the nonresidential space.

"You don't predicate providing basic and humane services for people on a possible future collapse in the market," he said. "It's a question of whether we have a viable city or go on building slums for the poor.

"I know we have been accused of overdesigning for the poor, but we are concerned with changing people's lives, not just creating another future slum."

"Look there," Mr. Nicol said as he stood on the roof of one of the towers, gesturing southward. "From 112th to 115th Street, from First to Seventh Avenue, a whole corridor of public housing built in the ninteen-fifties and sixties. It wiped out hundreds of businesses and brought a tremendous concentration of the poor, which is a problem by definition."

TWO WHO PULLED OUT

Two major tenants that Mr. Nicol expected in the project have decided not to rent space there: the Health Insurance Plan and the Board of Education, which considered establishing a bilingual school.

Mr. Nicol, who has been described by officials who have worked with him as "dynamic," "persuasive" and "intractable," acknowledged that he was struggling to preserve his dream in the face of complex financing.

Most of the initial funds came from construction loans, totaling $39-million, from a consortium of nine banks headed by the Chemical Bank. All but a small part of the 40-year 7 per cent mortgages—one for each tower—are guaranteed by the Federal Housing Administration.

In addition, the project received about $6-million in city and Federal funds, including $3-million from H.U.D.'s Model Cities program, for such expenses as architect's fees and extensive administrative costs. In addition, New York City has agreed to give full property-tax abatement.

Included in the $39-million mortgages are funds to pay monthly interest until the project begins receiving income. These funds can carry the project until the last tower is completed next June, about six months after families start moving into the first tower.

Officials at the Chemical Bank conceded that timing would be close. If the interest reserve runs out while any building is incomplete, the result could be a mortgage default. The F.H.A. would then pay off the balance and try to sell the buildings to a private developer.

The Department of Housing and Urban Development has agreed to pay an interest subsidy of $1,574,000 a year for the mortgages, enough to reduce the 7 per cent bank rate to about 2 per cent. In addition, it is to pay $497,000 a year in direct rent subsidies for 40 per cent of the tenants. Taken together, interest and rent subsidies are a 40-year Federal commitment of $82.84-million.

If, as now seems probable, Taino Towers do not earn the projected $1.2-million a year from the nonresidential space, residential will have to increase. Thus, even with subsidies, poor families may not be able to afford the rents. This, in turn, would jeopardize the subsidies, since these apply to families already receiving welfare payments.

Mr. Nicol said that tenants had already been chosen for Taino Towers—which are named for an ancient tribe of Caribbean Indians in honor of East Harlem's largely Hispanic population.

First preference is for families forced out of slum dwellings that were demolished to make way for the project. Mr. Nicol said that the East Harlem Tenants Council had maintained contact with about 225 such families that had expressed interest in Taino Towers. Other tenants are to come from the impoverished neighborhood.

All tenants will be required to attend five three-hour demonstrations on apartment and project upkeep.

Gerard Silverman of Silverman & Cika, the project architects, said that a major design goal was to reduce maintenance problems and upkeep costs. Lobbies and halls, for example, are covered with an Italian mosaic tiles that are supposed to be all but impervious to graffiti. Other esthetic features include brick sidewalks and terraced landscaping complete with a stream.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Chappell, for Friday, October 31, 1975, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Steelman) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 30 minutes, today.

Mr. Conable, for 5 minutes, today.

Mr. Collins of Texas, for 30 minutes, today.

(The following Members (at the request of Mr. Howe) to revise and extend their remarks and include extraneous matter:)

Mr. Hays of Ohio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Edgar, for 5 minutes, today.

Mrs. Boggs, for 5 minutes, today.

Ms. Holtzman, for 15 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Jones of North Carolina, for 5 minutes, today.

Mr. Pike, for 5 minutes, today.

Mr. Badillo, for 10 minutes, today.

Mr. English, for 5 minutes, today.

Mr. Matsunaga, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Steelman) and to include extraneous matter:)

Mr. Heinz in three instances.

Mr. Ashbrook in two instances.

Mr. Esch.

Mr. Findley in two instances.

Mr. Crane.

Mr. Lagomarsino in three instances.

Mr. Kasten in three instances.

Mr. Symms in three instances.

Mr. Shuster.

Mr. Robinson.

Mr. Ketchum.

Mr. Coughlin in two instances.

Mr. Grassley.

Mr. Bob Wilson.

Mr. McCollister in two instances.

Mr. Rousselot.

Mr. Goldwater.

Mr. Whitehurst.

Mr. Gilman in two instances.

Mr. Kemp.

Mr. Armstrong in two instances.

Mr. Frenzel in three instances.

(The following Members (at the request of Mr. Howe), and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Edgar.

Mr. Maguire in two instances.

Mr. Bonker.

Mr. Hungate.

Mr. Jones of North Carolina.

Mr. Byron in two instances.

Mrs. Burke of California in two instances.

Mr. Jenrette.

Mr. James V. Stanton in two instances.

Mr. Aspin in two instances.

Mr. Baldus.

Mr. Edwards of California.

Mr. St Germain.

Mr. Brown of California in three instances.

Mr. Murphy of New York.

Mr. Teague.

Mr. Wright.

Mr. Rangel in two instances.

Mr. Baucus in two instances.

Mr. Gaydos.

Mrs. Sullivan.

Mr. Studds.

Mr. Conyers in two instances.

Mr. Vanik.

Mr. Mineta in two instances.

Mr. Harrington in five instances.

Mr. Ottinger in three instances.

Mr. Hamilton.

Mr. Drinan in two instances.

Mr. Russo.

Mr. Hawkins in two instances.

Mr. Charles H. Wilson of California.

Mr. Eckhardt.

Mr. McDonald of Georgia.

Mr. Charles Wilson of Texas.

Ms. Holtzman.

Mr. Mazzoli.

ADJOURNMENT

Mr. HOWE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 8 minutes p.m.), the House adjourned until tomorrow, Friday, October 31, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1952. A letter from the President of the United States, transmitting proposed supplemental appropriations for the Commission on Federal Paperwork for fiscal year 1976 and the transition quarter (H. Doc. No. 94–291); to the Committee on Appropriations and ordered to be printed.

1953. A letter from the President of the United States, transmitting decreases in the appropriations requests for foreign economic and military assistance for fiscal year 1976 and the transition quarter (H. Doc. No. 94–292); to the Committee on Appropriations and ordered to be printed.

1954. A letter from the president, United States Railway Association, transmitting proposals for supplemental appropriations to implement the Final System Plan for restructuring Northeast railroads, pursuant to section 202(g)(2) of Public Law 93–236; to the Committee on Appropriations.

1955. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the Department's disposal of foreign excess property located in areas outside the United States, Puerto Rico, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands, covering fiscal year 1975, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1956. A letter from the Director, National Science Foundation, transmitting notice of a proposed addition to the National Science Foundation's systems of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1957. A letter from the Assistant Secretary of the Interior, transmitting the annual report of the Office of Water Resources Research for calendar year 1974, pursuant to section 307 of the Water Resources Research Act of 1964, as amended; to the Committee on Interior and Insular Affairs.

1958. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Mary S. Olmsted, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1959. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by James W. Spain, Ambassador-designate to Tanzania, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1960. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Walter L. Cutler, Ambassador-designate to Zaire, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1961. A letter from the Secretary of Health, Education, and Welfare, transmitting the 1973–74 annual report of the Public Health Service, pursuant to section 511 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

1962. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DIGGS: Committee on the District of Columbia. H.R. 4287. A bill to provide for additional law clerks for the judges of the District of Columbia Court of Appeals (Rept. No. 94–596). Referred to the Committee of the whole House on the state of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 9958. A bill to transfer certain real property of the United States to the District of Columbia Redevelopment Land Agency (Rept. No. 94–597). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMPSON: Committee on House Administration. House Resolution 732. Resolution to authorize voluntary withholding of State income taxes in the case of Members and congressional employees; with amendment (Rept. No. 94–598). Referred to the House Calendar

Mr. HUNGATE: Committee on the Judiciary. H.R. 9915. A bill to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of titles 18 and 28 of the United States Code; with amendment (Rept. No. 94–599). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 8507. A bill to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status (Rept. No. 94–600). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 10355. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes with amendment (Rept. No. 94–601). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs, H.R. 8891. A bill to require that a national cemetery be established in the vicinity of Riverside, Calif.; with amendment (Rept. No. 94–602). Referred to the Committee of the Whole House on the state of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 10031. A bill to amend the Defense Production Act of 1950; with amendment (Rept. No. 94–603). Referred to the Committee of the Whole House on the state of the Union.

Mr. MATSUNAGA: Committee on Rules. House Resolution 836. Resolution providing for the consideration of H.R. 6346. A bill to make permanent the authorization of appropriations for carrying out title V of the Rural Development Act of 1972 (Rept. No. 94–604). Referred to the House Calendar.

Mr. YOUNG of Texas. Committee on Rules. House Resolution 837. Resolution providing for the consideration of H.R. 10230. A bill to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes (Rept. No. 94–605). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. HOLTZMAN (for herself, Mrs. Chisholm, Mr. Richmond, Mr. Scheuer, Mr. Solarz, Mr. Zeferetti, Mr. Addabbo, Mr. Biaggi, Mr. Delaney, Mr. Rangel, Mr. Rosenthal, and Mr. Wolff):

H.R. 10435. A bill to amend the Clean Air Act to prohibit the use of tolls on New York City bridges for purposes of the applicable air quality implementation plan; to the Committee on Interstate and Foreign Commerce.

By Mrs. BOGGS (for herself and Mr. Butler):

H.R. 10436. A bill to declare July 2, 1976, a legal public holiday and to designate July 2, 3, 4, and 5, 1976, as a period of commemoration of America's Bicentennial; to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD:

H.R. 10437. A bill to increase the rates of duty imposed on the importation of certain steel and plastic containers; to the Committee on Ways and Means.

By Mr. BROWN of California (for himself, Mr. Badillo, Mr. Buchanan, Mr. Carney, Mr. Drinan, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hughes, Mr. Hungate, Mr. Moakley, Mr. Obey, Mr. Ottinger, Mr. Rodino, Mr. Seiberling, and Mr. Whitehurst):

H.R. 10438. A bill to amend the Federal Meat Inspection Act for purposes of requiring that meat inspected and approved under such act be produced only from livestock slaughtered in accordance with humane methods; to the Committee on Agriculture.

By Mr. FINDLEY:

H.R. 10439. A bill to provide for the review of the behavior of individual justices and judges by three-judge panels; to the Committee on the Judiciary.

By Mr. GUDE (for himself, Mr. McKinney, Mr. Fisher, Mr. Harris, and Mrs. Spellman):

H.R. 10440. A bill to establish a commission to study the adequacy of the annual Federal payment to the District of Columbia; to the Committee on the District of Columbia.

By Mr. HALL:

H.R. 10441. A bill to reform the food stamp program; to the Committee on Agriculture.

By Mr. HUGHES:

H.R. 10442. A bill to amend title 18 of the United States Code to reduce the level of violent crime in the United States by imposing greater restrictions upon commerce in handguns, to establish a program of assistance to States for handgun accountability programs, and for other purposes; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 10443. A bill to amend title 18 of the United States Code to provide for rewards for information leading to the apprehension and conviction of certain kidnapers; to the Committee on the Judiciary.

By Mr. MAGUIRE:

H.R. 10444. A bill to amend the Internal Revenue Code of 1954 to allow individuals who have attained age 65 a nonrefundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 10445. A bill to provide incentives and otherwise to encourage the utilization of home dialysis and to encourage early kidney transplantation under the renal disease program authorized under section 226 of the Social Security Act; to the Committee on Ways and Means.

By Mr. RINALDO (for himself and Mr. Evans of Indiana):

H.R. 10446. A bill to establish an Office of Program Inspector in each agency of the Federal Government; to the Committee on Government Operations.

By Mr. RYAN:

H.R. 10447. A bill to authorize a study of the feasibility and desirability of enlarging the Golden Gate National Recreation Area, in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SEBELIUS:

H.R. 10448. A bill to authorize the Secretary of the Interior to designate a segment of the New River Gorge in West Virginia as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 10449. A bill to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Glen Canyon National Recreation Area, in the States of Arizona and Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN:

H.R. 10450. A bill to amend section 552a of title 5, United States Code, to authorize the disclosure to Members of Congress or their designates of information regarding individuals for casework purposes; to the Committee on Government Operations.

By Mr. STRATTON:

H.R. 10451. A bill to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes; to the Committee on Armed Services.

By Mrs. SULLIVAN (for herself, Mr. Patman, Mr. Mills, Mr. Madden, Mr. Price, Mr. Barrett, Mr. Bolling, Mr. Burke of Massachusetts, Mr. Randall, Mr. Pepper, Mr. Minish, Mr. Annunzio, Mr. Meeds, Mr. Biaggi, Mr. Murphy of Illinois, Mr. Nix, and Mr. Zeferetti):

H.R. 10452. A bill to establish an Emergency Financial Assistance Corporation to provide loans to finance urgently needed public facilities for State and local governments, to help achieve a full employment economy both in urban and rural America by providing loans for the establishment of small and medium size business and industries, and for the construction of low- and moderate-income housing projects, and to provide job training for unskilled unemployed and underemployed workers; to the Committee on Banking, Currency and Housing.

By Mr. WYDLER (for himself, Mr. Horton, and Mr. Cederberg):

H.R. 10453. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. RODINO (for himself and Mr. Edwards of California):

H.R. 10454. A bill to revise chapter IX of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. BADILLO:

H.R. 10455. A bill to amend chapter IX of the Bankruptcy Act, relating to proceedings involving certain local governments; to the Committee on the Judiciary.

By Mr. BRECKINRIDGE:

H.R. 10456. A bill to provide for furthering the conservation, protection and enhancement of the Nation's land, water, and related resources for sustained use, and for other purposes; to the Committee on Agriculture.

By Mr. BUTLER (for himself, Mr. Kindness, Mr. Hutchinson, Mr. McClory, Mr. Hyde, Mr. Wiggins, and Mr. Moorhead of California):

H.R. 10457. A bill to amend the Bankruptcy Act to add a new chapter thereto providing for the adjustment of the debts of major municipalities; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 10458. A bill to amend title 10, United States Code, to eliminate Junior Reserve Officers' Training Corps and to prohibit the grant, sale, or loan of ordnance material for the use of high school age students by the Armed Forces; to the Committee on Armed Services.

By Mr. DU PONT:

H.R. 10459. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committee on Education and Labor.

By Mr. ENGLISH:

H.R. 10460. A bill to amend title 7, United States Code, to provide the minimum percentage of dark, hard and vitreous kernels for the subclass hard winter wheat; to the Committee on Agriculture.

By Mr. ESCH:

H.R. 10461. A bill to amend section 214 of the Internal Revenue Code of 1954 to permit the deduction of household and dependent care expenses by a married couple when one spouse is a full-time student to the same extent that such expenses could be deducted if both spouses were employed, and to provide that deductions under such section are to be available to taxpayers electing to take the standard deduction; to the Committee on Ways and Means.

By Mr. FRASER:

H.R. 10462. A bill to establish an educational institution in the United States fulfilling the goal of the Nation's first President, George Washington, to further the understanding of the process and state of peace among nations and cooperation between peoples; to consider the dimensions of peaceful resolution of differences among nations; to train students in the process of peaceful resolution of differences; to inform governmental leaders of peaceful methods of conflict resolution; and for other purposes; to the Committee on Education and Labor.

By Mr. GILMAN:

H.R. 10463. A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GRADISON:

H.R. 10464. A bill to amend title 39, United States Code, to eliminate certain provisions relating to the private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GUDE (for himself and Mr. EDWARDS of California):

H.R. 10465. A bill to amend title 39, United States Code, to increase to 90 days the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

By Mr. HARRINGTON (for himself and Mr. ASPIN):

H.R. 10466. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HEINZ:

H.R. 10467. A bill to reform the food stamp program; to the Committee on Agriculture.

By Mr. HELSTOSKI:

H.R. 10468. A bill to provide additional fiscal assistance to local governments and to extend revenue sharing for local governmental units for 4 additional years; to the Committee on Government Operations.

By Ms. HOLTZMAN:

H.R. 10469. A bill to require disclosure of the Central Intelligence Agency budget in accordance with the Constitution and for other purposes; to the Committee on Armed Services.

By Mr. MICHEL (for himself, Mr. CEDERBERG, Mr. COLLINS of Texas, Mr. DERWINSKI, Mr. DEVINE, Mr. DICKINSON, Mr. FLOOD, Mr. HYDE, Mr. LAGOMARSINO, Mr. LENT, Mr. MITCHELL of New York, and Mr. YATRON):

H.R. 10470. A bill to eliminate certain abuses in Federal student aid programs, to prescribe criminal penalties for misconduct by persons connected with such programs, and for other purposes; to the Committee on Education and Labor.

By Mr. PATTISON of New York (for himself, and Ms. HOLTZMAN):

H.R. 10471. A bill to authorize the States to carry out certain functions of the Secretary of the Army and the Chief of Engineers on intrastate waters; to the Committee on Public Works and Transportation.

By Mr. PATTISON of New York (for himself, and Ms. ABZUG):

H.R. 10472. A bill to regulate lobbying and related activities; to the Committee on Standards of Official Conduct.

By Mr. PICKLE:

H.R. 10473. A bill to provide a comprehensive program to improve cargo security for property being transported in interstate and foreign commerce; jointly to the Committees on Interstate and Foreign Commerce, Public Works and Transportation, Ways and Means, and Merchant Marine and Fisheries.

By Mr. QUIE:

H.R. 10474. A bill to repeal section 933 of the Internal Revenue Code of 1954 which provides an income tax exclusion for income received by residents of Puerto Rico from sources within Puerto Rico; to the Committee on Ways and Means.

By Mr. STUDDS (for himself and Mrs. HECKLER of Massachusetts):

H.R. 10475. A bill to require that a national cemetery be established at Otis Air Force Base in Massachusetts; to the Committee on Veterans' Affairs.

By Mr. SYMINGTON:

H.R. 10476. A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes; to the Committee on Agriculture.

By Mr. GINN:

H.J. Res. 711. Joint resolution proposing an amendment to the Constitution relating to schoolbusing; to the Committee on the Judiciary.

By Mr. KEMP:

H.J. Res. 712. Joint resolution to clarify and reaffirm Government purchasing policies; to the Committee on Government Operations.

By Mr. ROBINSON:

H. Con. Res. 464. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. WOLFF:

H. Con. Res. 465. Concurrent resolution expressing the sense of the Congress that the President actively seek an international convention which has as its goal a multilateral treaty to deny sanctuary to international terrorists; to the Committee on International Relations.

By Mr. DE LA GARZA:

H. Res. 838. Resolution to cite Bob Hope for distinguished and meritorious service to the Nation and to the cause of freedom; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURGENER:

H.R. 10477. A bill for the relief of Alma Aguilar Bareno de Salcido; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 10478. A bill for the relief of Luisa Lavadenz de Alvarez; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10024

By Mrs. COLLINS of Illinois:

Page 12, lines 14 through 16, strike out: "(beginning with the last full fiscal year of that institution which immediately preceded the effective date of this title)" and insert in lieu thereof "(including each of the last ten full fiscal years of that institution which immediately preceded the effective date of this title)".

Page 12, lines 21–23, strike out the following: "where readily available at a reasonable cost, as determined by the Board, otherwise by ZIP code,".

Page 17, line 3, immediately before the period at the end thereof insert the following: "within one year after the effective date of this title and at 12 month intervals thereafter".

EXTENSIONS OF REMARKS

AGE OF "GOVERNMENTESE"

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. SYMMS. Mr. Speaker, in this day and age of "governmentese" to solve every problem, and in a day and age when plentiful food supplies are no longer a problem in the United States of America even for the underprivileged, I thought the following article in the October issue of American Fruit Grower of great interest.

The real point of this article is simply this: criticism of the U.S. market system of food products not withstanding, show me some place in the world that they do it any better.

I commend the following article to the attention of my fellow Congressmen and other interested readers:

YOU CAN'T EVEN GIVE IT AWAY

Whenever and wherever food supplies are plentiful enough so that their distribution is no longer governed solely by the principle of survival, mankind commonly makes an effort to apply social and moral principles to the allocation of food. The successful hunter, having more than enough meat for his immediate family, shares with other members of his clan or tribe. The affluent nation devises a system of "food stamps" to supplement economic activity as a means of distributing food.

We have not introduced this subject to make a philosophical point, but to discuss a couple of specific incidents that illuminate a problem that arises when any visible amount of food crop is "wasted." Invariably, a question is raised: Why cannot this food be distributed to the poor and hungry through charitable organizations or other systems outside the normal marketing mechanism?

This was the case last summer when the California apricot and cling peach crops were larger than canners could use, because of various physical and economic constraints on their operations.

Faced with the unhappy prospect of seeing several thousand tons of fruit fall on the ground, the Apricot Producers of California (a bargaining cooperative) made a determined effort to give away this fruit. The APC manager called every charitable organization, government agency, or other nonmarket food distribution system that he could identify in northern California, offering free apricots from members' orchards.

A frequent response was, "Fine! When can you deliver them?"

Interest declined sharply when the grower spokesman explained that the gift was offered "on tree." In the end, only four organizations were able to send pickers, containers, and transportation to the orchards, and they took a total of only about 5 tons of fruit. By some standards, 10,000 pounds of fruit is a substantial amount. But it was less than 1/10 of 1% of 5000 tons or more that eventually went unharvested.

The California Canning Peach Association took a different approach when it appeared that 10,000 tons of cling peaches would be surplus to cannery needs. In the cooperative spirit, the bargaining group undertook an experimental marketing project with Associated Cooperatives, Inc., a consumer-owned chain of 13 shopping centers located in the San Francisco Bay area.

The concept was to sell clings for home processing at the lowest possible price by direct distribution in 1000-pound bins from the orchard to the co-op stores. Growers received the regular No. 1 canning price of $128.50 per ton—a shade over 6.4 cents per pound. The co-op sold the peaches at 12 cents per pound, representing a 46% margin on the retail price—a good but not exorbitant percentage for perishables.

In addition to the direct distribution system, the project was unusual in offering fresh canning clings to consumers. Even the most loyal grower will admit that canning clings are almost inedible until they are cooked, and most home canners prefer freestones.

The project got a lot of local publicity, but there was an immediate protest from freestone growers. Under California marketing order rules, fresh peaches sold at retail must meet U.S. No. 1 standards. The state department of agriculture, using an "experimental" exemption in the rules, allowed the cling peaches to be sold on the less-stringent standards of No. 1 cannery grade.

The freestone growers' complaint was more than a matter of principle. Freestones were then selling at 49 to 59 cents a pound retail, against 12 cents for the clings. And grower irritation was compounded by the fact that their own cannery price was $100 per ton.

The experiment ended abruptly, about 10 days after it began, when an unseasonal rain fell. Fearful of serious crop losses, canners immediately offered to buy all unsold fruit. Meanwhile, the co-op project had taken about 12 tons of fruit, an average of about 1000 pounds per store per week. That wasn't bad, but it wasn't good enough to keep the project going when canner demand improved.

What these two cases show, we believe, is that nonmarket food supply channels and unconventional market methods simply do not have the organization and resources to distribute any substantial volume of foodstuffs. Our mass distribution system of supermarkets and retail chains has its faults, but it is beyond comparison in its ability to get a lot of food to a lot of people in a short time.

SENIOR CITIZEN PROPERTY TAX RELIEF

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. MAGUIRE. Mr. Speaker, today I am introducing important legislation to return purchasing power to those citizens over 65 in the form of a tax relief bill. Senior citizens live primarily on savings, social security, and pension plans. As food prices continue to rise along with utility rates, property taxes, medical expenses and miscellaneous expenditures, the senior citizen living on a fixed income faces a never-ending problem: diminished spending power coupled with increasing living expenses. The purpose of this legislation is to relieve the tax burden of both property owners and apartment dwellers over 65.

Approximately 75 percent of those over 65 own and attempt to maintain their own homes. As a result of high property taxes many have been forced to sell their homes and move into apartments. Residential property taxes have grown faster than the income of the average household, and the increases have had a particularly severe impact on the elderly living on fixed incomes. Each year property tax eats up a bigger percentage of the annual income of those 6 million elderly homeowners paying this tax. Thus far, the only federally provided tax relief is the allowance of the deduction of State and local real property taxes for determining Federal taxable income. This deduction must be itemized and many elderly persons, particularly those in lower income categories, do not get the tax break on property taxes because they do not itemize. Thus, they do not benefit at all from this law.

In addition to homeowners, 25 percent of the elderly live in apartments and indirectly pay property tax which has been estimated to be 13 to 30 percent of their total outlay in rent. For these people, often most in need, there are no measures for tax relief. Even though they pay property taxes through their rent, they receive no deduction. The bill I am introducing provides a more equitable solution.

The legislation provides relief for the elderly homeowner and equity for the elderly renter, by providing a tax credit against property taxes, or against a percentage of the rental bill. A tax credit does not require itemization, and therefore benefits most those with smaller incomes. The percentage of the credit would depend on the level of income. For example: A person with an annual adjusted gross income under $5,000 would receive a 50 percent tax credit on his personal property tax, and the same person renting would receive a 50 percent tax credit based on 20 percent of his total rent as property tax—or, in effect, a 10 percent tax credit against his total rent. The 20 percent figure is based on the findings of a national study on rent payments by the Advisory Commission on Intergovernmental Relations. A phaseout percentage formula is used to fairly administer tax credit.

Inflation and unemployment are clearly the two most important problems facing the country today. Those least capable of fighting the inflationary spiral are the elderly. They are unable to prepare for the eventualities of rising consumer prices and watch helplessly while the value of a pension which may once have been adequate is seriously eroded.

The tax relief measures in my bill will provide relief for elderly Americans by restoring spending power, and by reflecting more accurately ability to pay. They will help to restore equity in an economy where those who have retired after years of productive work are watching their security evaporate because of national and international inflationary trends over which they have no control. While we take action to halt rising costs, we must simultaneously take action to protect those most affected by the increases which have already occurred. I urge support for this bill.

I am including with my statement a summary of the tax credits and effective rental tax credits for different income levels:

TAX CREDIT PLAN

Annual income	Percent of property taxes credited against Federal income tax	Percent of total rent credited against Federal income tax
Under $5,000 [1]	50	10
Under $10,000	40	8
Under $15,000	30	6
Under $20,000	20	4

[1] There is a phase-out of tax credit within income levels—a 2 percent drop in tax credit for every $1,000 of earned income.

TRIBUTE TO DR. RUTH LOVE HOLLOWAY

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mrs. BURKE of California. Mr. Speaker and colleagues, I would like to bring to your attention the excellent work of Dr. Ruth Love Holloway who has for the past several years been Director of the Right to Read Effort, U.S. Office of Education, Department of Health, Education, and Welfare. Dr. Holloway has just been appointed superintendent of public schools in the Oakland Unified School District, Oakland, Calif.

Dr. Holloway began her career in education as a teacher in the Oakland public schools. Later she taught adult education classes and worked as consultant to a number of State and Federal education programs including Follow Through and Head Start. For 6 years she was chief of the bureau of compensatory education program development, department of education, Sacramento, Calif. She has also had the opportunity to work and study abroad, as project director for Operation Crossroads, Ghana, West Africa and as a Fulbright exchange teacher in Cheshire, England.

However, it is as Director of Right to Read that Dr. Holloway has pursued her personal goal of eliminating illiteracy. In this post, she has coordinated a national endeavor involving all segments of society—public and private, professional and nonprofessional—in striving to insure that in the coming decades no American would be denied a full and productive life because of an inability to read effectively.

Under Dr. Holloway's direction, Right to Read has encouraged other Office of Education programs to place special emphasis on reading instruction whether the target of the programs has been dropout prevention, bilingual, education of handicapped children, or vocational education. Thus, despite its modest funding, Right to Read has been able to affect programs that funnel $500 million a year into educational reform. Right to Read concepts and resources are also being incorporated into other agencies and programs such as U.S. Department of Defense, ACTION, Neighborhood Youth Corps, Job Corps, and Volunteers in Education. In addition, the basic strategies of Right to Read have been included in the National Reading Improvement Act.

Dr. Holloway will be very much missed at Right to Read, but she brings to the city of Oakland a wealth of experience as teacher, administrator, and innovator. Her friends and colleagues here in Washington join me in wishing her every success in her new post.

REAL ESTATE SETTLEMENT PROCEDURES ACT IS UNWORKABLE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ASHBROOK. Mr. Speaker, in 1974 the Congress passed the Real Estate Settlement Procedures Act. The supposed purpose of this legislation was to correct abuses in real estate closings.

The 1974 law has not worked out as its promoters expected. Quite the opposite, it has created unnecessary paperwork, increased settlement costs, and delayed transactions.

The disclosure provisions of RESPA have been particularly burdensome. It has led to a sea of redtape, where all parties to the transaction are buried in paperwork. The delay and added cost resulting from the law's provisions help neither the consumer nor the lender.

Recognizing the fact that the law is unworkable, the Senate has taken an important step. It has passed S. 2327, which would suspend for 1 year three sections of RESPA. These are section 4, which requires the uniform settlement statement; section 6, which provides for advance disclosure; and section 7, which in certain cases calls for the advance disclosure of the previous selling prices.

A subcommittee of the House Committee on Banking, Currency and Housing has scheduled oversight hearings on RESPA for October 28, 29, and 30. I urge the members of the subcommittee to report out corrective legislation as rapidly as possible.

While I personally favor repeal of the entire act, I think it is essential that at a minimum we suspend immediately the most unworkable features of the 1974 act. These include section 4, section 6, and section 7. This would give the Congress time to restudy the issue and substantially modify a law that has failed to serve its intended purpose.

TRIBUTE TO PETER FOSCO

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BALDUS. Mr. Speaker, Peter Fosco, general president of the Laborers International Union of North America and member of the AFL–CIO Executive Council, devoted his adult life to the cause of the working man. It is with great remorse that those of us who sympathized with his efforts and admired his courage learned of his death by heart attack last Sunday, October 26.

Mr. Fosco was born in Poland of Italian parents. Peter immigrated with them to America where he began work as a construction worker in Chicago. From 1938 to 1944, Mr. Fosco began a 6-year career as a Cook County Commissioner; and, Fosco Park in Chicago was named for him.

As early as 1916 Mr. Fosco began his work in service to the working man, with his first election to a union post. In 1951 he served as secretary-treasurer of the Laborers International Union and served as president from 1967 until his death last Sunday.

The lot of the construction trade worker is not an easy one, as Peter Fosco well knew. As head of the union, he worked to step up organizational activities, so that on his passing he is survived by over 600,000 devoted members. In addition he worked to strengthen the educational and training programs within the Laborers International Union.

He was of a conscience that believed in the good of the industry he dealt with and the welfare of the people he served. To that end he was active in the passage of successful Federal construction safety legislation, and in the recent adoption of the Pension Reform Act.

He was present at the signing of the first postal collective bargaining agreement in history as a result of his work on the provision in that pact protecting workers against lay-offs.

At a banquet October 8, 1972, in honor of the millions of immigrants who have helped build America, he was singled out for honorable mention by the President of the United States for his leadership and contribution.

Above all, he found time to be a loving husband to his surviving wife, Carmela, a devoted father to his surviving sons, James and Angelo, and a grandfather to his three grandchildren.

To them, on behalf of this Congress and construction workers of the Nation, we convey our condolences and share with them in the memory of Peter Fosco our deepest sense of pride.

PROGRAM VIEWED AS MODEL FOR THE NATION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ASPIN. Mr. Speaker, I would like to share with my colleagues a recent New York Times article on the successful integration of elementary schools in Racine, Wis. The local officials and residents of Racine worked together to set up a voluntary program that is now working to the benefit of all those involved.

I am proud to be a resident of Racine and hope that the success shown here will be duplicated in other cities throughout the country.

The New York Times article follows:

[From the New York Times, Oct. 22, 1975]

SCHOOL INTEGRATION GAINS IN RACINE, WIS.; PROGRAM VIEWED AS MODEL FOR THE NATION

(By Paul Delaney)

RACINE, WIS., Oct. 16.—The two Hochstein children—Steven, 9 years old, and Brian, 6—meet the yellow school bus every morning at 8:30. They leave cozy, white suburban Harbor View to attend Jefferson Elementary School in the city's black community.

At about the same time, Daimon Stevenson, 7, boards a bus near his home in a black neighborhood of the inner city for the long ride to Caddy Vista Elementary School, described by his mother as being "way out in the country."

Beyond concern about the distance that children have to travel—about 15 miles each way—Gwendolyn Hochstein and Lillie Stevenson said they had no qualm with the way desegregation of elementary schools has gone, that the long bus ride was "worth it to achieve something important, integration of the schools."

Of Racine's 15,000 elementary school pupils, 2,200 are being bused—about half of them white, and half black. There are 29,000 students in the city's school system—one-fifth of them black.

The effort in Racine seems to be one of the more successful examples of school integration in the North to date, officials say. Desegregation here could serve as a model for other cities as the drive for integration moves from smaller towns to bigger cities, not only in the Middle West, but also across the country.

SOME PROMISE

So far, desegregation in the Middle West has been spotty, with some notable accomplishments, some repetition of mistakes made by other communities and some promise for the future. As the evidence points to retrenchment in the South and a change of heart among some liberal proponents over busing, clearly the desegregation action now is here in the Middle West.

There is a variety of approaches, from the use here and in other cities of magnet schools to the establishment of "fifth-year centers" for all fifth-graders in Oklahoma City. There is still strong resistance, but there appears to be a growing acceptance even of busing by communities where it has been in effect for some time, such as in Pontiac, Mich.

In addition, there is court-ordered integration, as in Oklahoma City and Omaha. Officials in Kansas City, Mo., are under a desegregation directive from the Department of Health, Education and Welfare, while the state of Iowa is pressing Des Moines to desegregate. And some communities, such as Racine and Minneapolis, have taken steps to eliminate segregated schools voluntarily.

INTERGATION-RELATED DEATHS

On the other hand, the only integration-related deaths in this school year have occurred in the Middle West. A white student was shot by a black youth at U.S. Grant High School in Oklahoma City, and a court-appointed desegregation specialist in Dayton, Ohio, was shot by a man apparently upset that his children were to be bused. Both incidents occurred last month.

Nevertheless, a pattern seems to be emerging in some places of seeking peaceful, sincere, workable and—some say hopefully—voluntary solutions to the problems of dismantling dual schools. The merger of predominantly black city schools with predominantly white suburban schools, a solution rejected last year by the Supreme Court, is being debated as a method of achieving more lasting desegregation by cutting off some of the sanctuaries of whites fleeing the city.

Here in Wisconsin, a proposal before the Legislature would merge two Milwaukee high school districts with two suburban districts. Three superintendents in suburban Omaha said they favored voluntary rather than mandatory integration and would cooperate in such a program with the city.

The school board in Kansas City, Mo., has authorized its attorney to investigate the possibility of a lawsuit or other legal effort to consolidate schools in the metropolitan area. However, some black leaders regard the move as a delaying tactic rather than an earnest effort by the board.

COURT ACTION AWAITED

About a dozen cities, mostly in Ohio, are awaiting court orders or other court action. In Ohio, the National Association for the Advancement of Colored People, in a new strategy, is concentrating on the entire state, with suits either pending or planned in such cities as Cleveland, Cincinnati, Columbus, Dayton, Akron, Toledo, Youngstown and Canton. Court action is also pending in Milwaukee and Indianapolis.

Then there is Chicago. For the moment, Chicago is considered too tough to tackle because it would take a tremendous amount of effort and resources. The Federal Government has been reluctant to move and so has the state of Illinois. Similarly, blacks in Chicago have hesitated to file suit because of the expense it would entail and the anticipated level of resistance.

But this southeast Wisconsin city of nearly 100,000 on the shores of Lake Michigan is perhaps a model of how desegregation should be accomplished.

The same factors that resulted in strong resistance in other places exist here. There has been racial tension. A high school and a junior high school were closed for three days last year after fighting broke out.

School officials here believe that Racine avoided many pitfalls that other cities experienced because the school board took the initiative and ordered a plan drawn up in 1973. Support came from the school administration staff and from a citizens committee set up to recommend alternative plans, according to C. Richard Nelson, superintendent of schools.

INVOLVEMENT OF PARENTS

This attempt to involve parents in the process and to devise a voluntary plan (although the board did not accept the plan recommended by the committee) seems to have prevented the build-up of substantial opposition.

Some of the features that made desegregation in Racine different from that in other cities include the following:

Desegregation was two way, with black children transferred to suburban schools or the outer reaches of the 100 square-mile Racine unified school district that encompasses a third of Racine County while white youngsters were sent to schools in the inner city. One-way desegregation of black children to white schools has been a major concern of black parents, and accounts for some of their opposition to busing. The racial composition at Jefferson Elementary School changed from nearly 90 per cent black to 40 per cent black and the white majority at Caddy Vista dropped from 97 per cent to 80 per cent.

The plan met no public opposition from elected officials. one of the eight candidates for the school board in last year's primary made desegregation an issue.

There was some opposition to desegregation, however. On Oct. 11, a judge dismissed a suit challenging the right of the board to bus children long distances.

There is also evidence of some white parents pulling their children out of the public schools, but it is minimal here, in contrast to Oklahoma City.

Referring to the racial strife that has disrupted schools in Boston, Mr. Nelson said Racine residents were determined not to "become another Boston," and added, "This was felt even by people opposed to busing." He attributed the city's success to several factors.

"We had two years to work on the plan, to build support for it after the board adopted desegregation as policy," he said in an interview at the Racine Unified School District building. He added:

"When the plan was adopted, the community accepted it. But the momentum for integration was there already. We desegregated high schools and junior high schools in the nineteen-sixties, so movement toward desegregation of elementary schools was logical."

NO POLITICAL FOOTBALL

Racine was one of the few cities in the nation to integrate its schools without making desegregation and busing a political football. Historically, school officials and other political leaders have adopted a stance of defiance.

In Kansas City, the school board has continued its resistance to the H.E.W. directive to desegregate, resulting in a cutoff of about $10-million in Federal funds.

After H.E.W. officials rejected the Kansas City school board's integration plan last summer on the ground that it was inadequate, the board proposed a metropolitan desegregation plan and filed a suit contending that the Federal agency had failed to conduct an environmental impact study, the first time that contention has been made in a school integration case.

In Oklahoma City, resistance to desegregation by previous school boards led residents to believe that its schools would never be integrated, according to Paul English, president of the current school board. When the voters learned that those who promoted defiance did not prevent the schools from desegregating, a conservative majority was replaced by a more moderate group that is attempting to desegregate the schools without violence, he said.

"I'm convinced there is much more acceptance of integration now," Mr. English continued. "Some parents never thought the day would come; they just couldn't bring themselves to believe it until it actually happened. Some even expected us [board members] to stop it, to defy the courts, even go to jail."

IMPACT ON NEWS

Mr. English and other officials, such as Freddye Williams, a member of the Oklahoma City school board, and State Representative Hannah Atkins of Oklahoma said news of desegregation efforts in other parts of the country had an impact on local efforts to integrate schools. Youngsters in newly desegregated schools were restless during the violence that erupted last month in Louisville, Ky., they said, and while parents became more defiant after President Ford said he was opposed to busing to promote racial balance in public schools.

"That kind of talk is unnecessary and gives encouragement to whites that, if they keep on resisting, they'll turn integration around," Mr. Atkins said. "And that hurts the effort of local people who strive to make it [desegregation] go smoothly."

Ivan James, president of the Kansas City chapter of the Southern Christian Leadership Conference, said the history of school integration efforts since the Supreme Court's historic decision in 1954 had been one of definance by the executive and legislative branches of government, "leaving only the courts to bear the tremendous burden of upholding the Constitution."

The latest example, he said, is a proposal in Congress that would prohibit H.E.W. from initiating desegregation efforts. Mr. James accused the Kansas City board of delaying action on integration to await passage of the bill, but he vowed that "we'll go to court and sue to integrate."

In other Middle Western cities, Dayton has begun limited desegregation under Federal Court prodding. Detroit, with an enrollment of 247,000—72 per cent black—is busing 25,000 students.

Pontiac and Kalamazoo, Mich., were desegregated in 1971. After violent resistence, including the bombing of school buses in Pontiac, officials reported that whites seemed to be accepting busing.

Indianapolis appealed a court order that would bus black children to suburban Marion County, and Des Moines is being pressed by Iowa to integrate its schools.

POLICE LT. JOHN ORTEGA RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the dedicated work and service of a recently retired member of the Ventura Police Department.

Lt. John Ortega went to work as a patrolman some 25 years ago, thus began a career dedicated to the people of his community. As a sergeant, then lieutenant, John's devotion to his job was obvious to all. Having served his country in the military, his community as an officer, and his fellow neighbors as a concerned and involved citizen, we are indeed proud of this native Venturan.

Working to improve police relations within the community, Mr. Ortega has done much for his department. John was instrumental in developing a manual for juvenile proceedures; worked diligently on community crime prevention programs; served as the department representative to the Ventura County Bureau of Narcotic Enforcement Task Force; represented the department on the Community College Advisory Board in Police Science, to name but a few of his many achievements.

Because of his long, and indeed, distinguished career, I ask the House to extend congratulations to John Ortega for outstanding work and to wish him a long and happy retirement.

MRS. ELLEN NAKAMURA

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HUGHES. Mr. Speaker, a large community of Japanese-Americans reside in the southern New Jersey congressional district that I represent. This community has a number of outstanding citizens and is considered a tremendous asset to the entire area. Ellen Nakamura, who moved to South Jersey 31 years ago, has been a leader in Japanese-American community and religious affairs since her arrival.

Mr. Nakamura's latest accomplishment was being named as one of the five outstanding Buddhist Sunday School teachers in the United States. An article by Joyce Vanaman that appeared in the South Jersey Living magazine of the Sunday Press describes this award by the Buddhist Church of America and other experiences and activities of Mrs. Nakamura. I would like to share this account with my colleagues by inserting the article in the RECORD:

ELLEN NAKAMURA: UNIVERSAL TRUTH SHINES FOR HER AT SEABROOK

(By Joyce Vanaman)

One of the leaders in encouraging Japanese to relocate at Seabrook more than 30 years ago, Ellen Nakamura has always been a determined worker for what she believes is right.

It was thus no surprise last spring when she attained the distinction of being named one of the five outstanding Buddhist Sunday School teachers in the nation.

When Tosh Nishimura, president of the Buddhist Churches of America, made the presentation at the Seabrook Buddhist Church, he commented:

"It is not the plaque itself which means so much, but the value lies in the years of devotation to Buddhadharma and the daily faith which moves oneself and others to lead a more meaningful life."

In Mrs. Nakamura's case, it's not a matter of a couple of hours of preparation, but hours and hours of study both with the Rev. Shingetsu Akahoshi and alone so she can correctly translate for her young adult group what the pastor will be preaching.

"In preparation, the Sunday School teachers meet with thhe minister during the week and have his sermon taped and ask for further explanation or interpretation. Another night or two, I go over the sermon in Japanese and translate it to English. I also do a lot of studying. Then on Sundays I get up at 6 a.m. to put the 'punch line' into the sermon so I can present it to the young adult group," Mrs. Nakamura explained.

"I may be pounding the typewriter 'til the last minute, but I find it makes it fresh on my mind," she said. The Elmer resident lives seven miles from the Seabrook Buddhist Church.

"I am inclined to place great stress on tradition and culture because all are a part of understanding one's background. By not being conscious of one's own ethnicity, you can be insensitive to problems and concerns of others," she said.

"As a Buddhist of the Jodo Shinshi tradition, founded in Japan in 1173 A.D. by Shinran Shonin, history and culture are basic to the teachings, and it is essential to our understanding as well as our inheritance of the religion in the United States."

"I believe in oneness of all life and that our very existence is inter-related and dependent on one another," she continued. That is why we need to strive for the most good and try to improve ourselves at all times. The very fact that other people's lives are also affected by what I do compels me to do the best that I can.

"When I realize that Amida Buddha as the 'universal truth' abounds over all mankind indiscriminately and compassionately, I cannot help but feel grateful for my very existence and my indebtedness to others. This is why there is no time to be idle when all about us there are ways we can be of service."

A great believer in education, including spiritual education, Mrs. Nakamura said Sunday School and other church activities are a vital part in the training of a child's life especially in meeting the challenges of the complex society today. Parents and teachers must demonstrate through their actual practice what they preach, she said.

This summer has been a particularly busy one for Mrs. Nakamura and other members of the Seabrook community. Mrs. Nakamura was coordinator for Seabrook's participation in the 1975 Smithsonian Folklife Festival in Washington, D.C., a five-day event.

"Two chartered buses filled with people went down on Saturday (July 5) to observe and participate in the Bon Dance which was the major highlight of the festival and involved persons from all over the East and Midwest," Mrs. Nakamura said.

Later in the month, in appreciation of what the people from Seabrook had done in befriending them in Washington, 30 members of the "Old World on Tour," dancers from Japan who participated in the festival, took time out from their tour of major cities to perform in Seabrook. The Nakamuras were hosts for four members of the group who stayed at their home for several nights.

Mrs. Nakamura delights in entertaining and this summer had a group of college students from the Tezukayama English Center in Osaka, Japan, spend several days at her home. This group was headed by the Rev. Masanori Akahoshi, son of the Seabrook minister.

While she herself has never been to Japan, her husband, Kiyomi, who is chairman of the board of directors of the church and senior accountant with William Thomas Athey & Co. of Bridgeton, and their 29-year-old son Kennon have visited Japan.

A graduate of the American University School of International Service, Kennon in 1967 received a fellowship to study in Japan. He lives now in Alexandria, Va., with his wife, who is a daughter of the Rev. Mr. Akahoshi. Kennon is employed by the Environmental Protection Agency.

Mrs. Nakamura is very proud of her son and regets that she never had an opportunity to complete college. She has an associate of arts degree from Visalia Jr. College in California, but because of her father's illness and the war she couldn't go on to school.

"The most carefree moments of my life were spent growing up on the farm, unaware of the long hours of back-breaking work mother and father were doing," Mrs. Nakamura said.

Then came World War II and the subsequent hysteria. Mrs. Nakamura still remembers driving a ton-and-a-half truck to various produce stores nearby to deliver lettuce from the farm.

"Alien travel was restricted so my help was needed desperately," said Mrs. Nakamura, who was the only member of the family free to travel because her older brother and parents had been born in Japan while she was born in Tulare, Calif.

First the family went to the Fresno Assembly Center and then in October, 1942 made what Mrs. Nakamura described as a "desolate trip by an old, old train which was blacked out at night as we rode through the barren states to Jerome, Ark., to the relocation center which was surrounded by barbed wire."

"The turning point in our lives came in April, 1944 when I was one of three persons invited to visit Seabrook Farms by the late Charles F. Seabrook," related Mrs. Nakamura. With her were the late Harold Ouchida and "Mayor" Fuju Sasaki, who was a spokesman for the Japanese.

The three represented the Relocation Planning Commission of the Jerome, Ark., relocation center.

"We toured the processing plant which was then operating on a 24-hour basis to fill the needs of the war effort, saw the local schools, met with the late Mayor Bertram Aitken of Bridgeton and others," related Mrs. Nakamura.

From there they visited the relocation office in New York City and then met with Dillon S. Myer, director of the War Relocation Authority, in Washington.

"His sterling character, as he sat back of his desk, made a lasting impression on me, and he assured us of the fullest cooperation from WRA," Mrs. Nakamura said.

"I could hardly wait to get back to Jerome to tell the people what we had seen and the favorable impression gotten for many hundreds of families to resettle in Southern New Jersey, for I really felt everything would work out," Mrs. Nakamura said.

Twelve single men from the Amache Relocation Center in Colorado had started at Seabrook in January, 1944 and made such a good impression that the late Mr. Seabrook wanted more. Mrs. Nakamura and the other two members of the visitation team made many speeches before masses of people. As a result, 560 families, involving more than 2,500 persons, from 10 relocation centers came to Seabrook between 1945 and 1947.

This was a busy time for Mrs. Nakamura, who married her husband May 27, 1944 while at the relocation center. They had known each other previously. They came to Seabrook in June, 1944, the first couple to arrive, and Mrs. Nakamura was a liaison officer between Seabrook Farms and the evacuees.

"I spent the next three years very busily engrossed in the welfare of the families and in speaking throughout South Jersey to tell groups about the history of Japanese Americans, for most had never met Nisei like myself," Mrs. Nakamura pointed out.

Now, more than 30 years later, Mrs. Nakamura is still working with Seabrook, officially as "housing clerk" for Seabrook Housing Corp., but described by others as that "charming people greeter."

A past president of the Japanese American Citizens League (JACL), Mrs. Nakamura is the official delegate to JACL from Seabrook. It was during her term as president that the JACL began its weekly program on WSNJ in Bridgeton, and Mrs. Nakamura is one of the biggest boosters of this program.

One of the things Mrs. Nakamura enjoys doing is writing her annual column for the Rafu Shimpo newspaper published in Los Angeles, something she started as a young woman in California. She also helps to edit the monthly church paper and spent a half-year editing material for a Buddhist handbook.

There are no idle moments in Mrs. Nakamura's busy life, for she finds many ways to serve her church and other people. Delighted with the decision to come to Seabrook, Mrs. Nakamura declared, "I have never personally encountered animosity or discrimination in any way in the 31 years I have been here."

DURING 46 YEARS WITH A HAM—JERRY COLEMAN KEEPS IN TOUCH WITH THE WORLD

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HEINZ. Mr. Speaker, I would like to bring to the attention of my colleagues the following article about one individual's role in today's complex society. Jerry Coleman has used his skills of operating a ham radio to "keep in touch with the world."

In this age the importance and significance of an individual often seems diminished by big government and insensitive institutions, but not for a man like Jerry Coleman. He is a reminder of how one individual can help many and how one citizen responded to the needs of others during a tragic episode. I have been fortunate to meet this fine man and am hopeful that my colleagues will get to know him through the following article:

[From the Butler County (Pa.) News, Mar. 15–16, 1975]

(By Woody Collins)

Jerry Coleman of Saxonburg never made a mousetrap but the world beats a path to his door.

A 46-year record of involvement in ham radio has brought him in touch with almost every civilized country in the world.

Timbuktu, Caracas, Bangkokname it, and Coleman has been there—by radio.

While the seasoned ham radio operator beams over the many contacts he has made around the world, through his amateur radio station W3KZW from his Saxonburg radio "shack," his most exciting experiences came just 30 years ago during the infamous 1936 Johnstown flood.

Monday's St. Patrick Day observance brings a flood of memories to Coleman who was the only contact with the outside world for four days as he sat by his amateur radio microphone in Johnstown.

Midway in his voluntary efforts to keep the world posted on what was happening in Johnston, he was arrested on a false charge of involuntary manslaughter from which he was later exonerated by the late former Governor George Earle.

Coleman recalls the events of that March 17 as though they happened yesterday.

"It was quite a mess. We had 17 feet of water there and it knocked out the local broadcasting station. It even eliminated telephone service," Coleman recalls.

"I was fortunate as I was in a part of town about seven blocks away from the water. Our electric service was not affected as it came from Deer Creek, Md. So that kept me on the air," Coleman related.

The veteran amateur radio man continued:

"As a result, I was the only contact with the outside world for those four days, on station W8FRC, Western Union and Postal Telegraph were both wiped out.

"I handled some 4,000 messages for people who came to my home asking me to tell relatives they were safe. You can imagine how busy I was.

"A friend in Punxsutawney, Dr. Van Cherry, picked up my messages on his amateur radio outfit and relayed them across the country.

"I was on the air continuously from Tuesday through Friday when the Johnstown police came out and arrested me.

"I was blamed for something I didn't do as a result of my contacts with Radio Station KDKA; the only Pittsburgh radio station on the air during the flood."

Coleman told of a situation which he said has never been duplicated in the annals of radio broadcasting.

He continued:

"KDKA, at that time, had a transmitter in Saxonburg. The station got its electrical power from West Penn Power Co. while the other Pittsburgh stations had to depend on Duquesne Light Co. service," Coleman recalled.

Coleman further said:

"Things were in such a bad way in Johnstown, KDKA dispatched Glenn Riggs, chief announcer and Glen Luther, an engineer, by train to the flood city.

"The pair got off the train and rented a canoe into which they put their radio equipment.

"Riggs and Luther had intended to go to the Johnstown Bell Telephone Co. Building to see if they could find a circuit which was open to Pittsburgh.

"The two were not too far away from Pennsylvania Railroad Station when the canoe capsized, plunging them into the icy waters along with their equipment.

"KDKA called me, not by telephone, but by radio, when they didn't hear from Riggs and Luther. No phone service was available so the message was relayed through their 50,000 watt transmitter which was located in Saxonburg.

"I didn't hear them at the time but neighbors did and came and told me the station was trying to get hold of me."

Coleman tuned into the Pittsburgh station and began talking back and forth from his amateur station to the AM station over which announcers talked back.

"They were picking up my amateur radio signals at Saxonburg and then sent these from Butler County to the William Penn Hotel in Pittsburgh by phone wires which were in use by the station. Here, I learned the story of Riggs and Luther.

"Officials at KDKA told me they had called Washington and got permission from the Federal Communications Commission to conduct the two-way conversation. I was permitted to talk to them and they were allowed to talk to me."

NBC's Blue Network got into the picture and they asked KDKA for information, Coleman remembers.

"Well, Riggs and Luther asked me to make the reports from my amateur station in Johnstown, directly to the Blue Network of NBC.

"This is something that has never happened before nor since," Coleman said.

Returning to the situation where he was blamed for something he didn't do, Coleman said a rumor that originated by a newsreel man to get action pictures, was pinned on him and it took the governor to exonerate him.

The rumor was that the Bethlehem Steel Co. dam had burst and with its breaking, a second major flood was on its way.

"I was telling KDKA that there was a rumor that the steel firm's dam had burst and the firemen and police were getting people out of their homes," Coleman said.

"They were down there trying to get my family to leave. Well, eventually, I did leave with my mother and dad," he continued.

Coleman reported that from the rumor which had been started, several old people began running for the hills and some died from heart attacks.

"I was arrested for involuntary manslaughter, being charged with starting the rumor. A year later, the following May, it was discovered through investigation made by the then Attorney General Martiotti, it was not Jerry Coleman who caused the panic but it was a Pathe newsreel man.

"In order to get action pictures, he got the rumor going that the dam had burst and he got the best action pictures of people actually fleeing for their lives.

"So I was eventually exonerated by Gov. Earle in May of 1937."

After Coleman left Johnstown, he went to New York to look for work. He subsequently got a telegram from Westinghouse asking him if he wanted to work in Massachusetts. He had previously made it known to the company he was interested in work.

He was assigned to the Chicaopee Falls, Mass., Westinghouse installation. He was only there three months when he received another wire from KDKA's chief engineer Bodine who told him he had an opening in Saxonburg and if he wanted it, he had a job.

Coleman was on KDKA's staff in Saxonburg from July 1937 to 1940. From there he went to New Kensington where he built Radio Station WKPA.

Coleman left New Kensington for Butler where he was instrumental in helping file papers with the FCC for WISR radio station which later went on the air as an AM station.

Another phase of his life began in December of 1941 when he moved to Washington to take a job with the Office of War Information.

Following preliminary training and indoctrination, he was assigned to the Staff of General Douglas MacArthur in the Far East.

He joined MacArthur in Australia and went with him all the way into the invasion of the Philippine Islands on Oct. 23, 1945.

MacArthur's famous words "I shall return" were recorded by Coleman several weeks before the Philippine invasion. He had the privilege of staying with MacArthur and his staff for some time.

During a recent visit to Norfolk, Va., where a MacArthur museum is located, Coleman took along a lot of MacArthur memorabilia. Most of the articles taken to Norfolk by Coleman were items which the MacArthur archives did not have.

During his Pacific experiences, Coleman was chief engineer for the Philippine Hour and the Voice of the Philippines.

While Coleman was engineer for the programs, the spokesman was Carlos Romuelo, now foreign minister for Philippines.

Coleman built the radio facilities there which were later destroyed by the Japanese during the invasion.

The facilities were replaced and are now being used by the Voice of America. Hal Cupps, a ham operator from Butler, followed Coleman and operated the station started by the Saxonburg resident.

While Coleman built many of his early sets from scratch, he finds that the thrill of it has been lessened due to the fact that most of the equipment can be bought at the store and put together by the amateur through use of detailed instructions.

"In the old days, you built your own equipment and after exchanging information with another ham operator, you might decide to change it to something else in a day or so. You tore it apart and built some other circuits," Coleman said.

"You really don't need to know much about electronics to build a set now—but you'd better or you won't pass your test which is required for every ham on the air," Coleman cautioned.

The ham "fraternity" was at its best in those days when ham operators exchanged ideas, one helping another in building a set, the Saxonburg man recalls.

One of his almost daily pleasantries is a chat with a woman ham operator in Westmoreland County, Lucy, whose call letters are W3HCW. Lucy is interested in promoting the Young Ladies Radio League (YLRL) which already has more than 1,000 members and some in foreign countries.

Saxonburg's ham radio operator graduated from Johnstown High School in 1930 and from there went on to technical training school.

He joined the Naval Reserve and worked his way up to chief radio man. He was on training tours in various navy stations serving on destroyers and cruisers and other battle ships.

He is married to the former Helen Kleber who came from a family of early settlers in Saxonburg. Mrs. Coleman's uncle taught Stephen Collins Foster his music.

Mrs. Coleman walks about three miles daily and has clocked more than 8,000 miles in her jaunts in and around Saxonburg.

Coleman is presently serving as Public Relations Director for WISR where he has been affiliated since 1953.

He has found little time for outside activities, sticking pretty close to his ham radio "shack" at home when he is not involved at WISR.

"When you get started at something at 10 years of age, it is pretty hard to tune out—especially when it comes to radio work," Coleman concludes.

SUBSIDIES SHOULD NOT BE THE REWARD FOR INEFFICIENCY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. KASTEN. Mr. Speaker, every American has a stake in the need for an efficient and timely mail service. To insure good service, we must at times provide subsidies for Postal Services which are essential but are money losers which no one else is willing to provide. Parcel post is certainly not an appropriate recipient of a subsidy. Private package carriers are providing adequate service to the American public. We should not be encouraging unnecessary competition with private businesses by providing the Postal Service with substantial Government subsidies.

The subsection on page 14 of H.R. 8603, the Postal Service Reorganization Act, curbing the parcel post subsidy will have the very beneficial effect of cooling off the Postal Service's stated intent to increase its package volume. I support that subsection.

I have never been able to understand why the Postal Service has tried so hard to compete for business on which it literally is losing its shirt.

The management of the Postal Service has been quoted repeatedly about its plans to regain the package volume that it has lost to private package delivery companies.

Although adequate delivery service is being provided by private package carriers, the Postal Service has had this inexplicable desire to reverse its package volume losses.

The Postal Service was reorganized and given control over its vital functions precisely so that it could develop flexible responses to changing conditions.

To the extent that it has failed to develop this flexibility, it has failed in its mission to become a businesslike operation.

Lines 3 through 8 of subsection 3 on page 14 draws a sort of line over which the Postal Service cannot step.

If the Postal Service wants to compete for package volume handled by private carriers, it will have to do so with flexibility and efficiency—not subsidy.

Subsection 3 of section 2401 on page 14 of the bill may cause the Postal Service to concentrate on quality instead of quantity in the delivery of postal services. If so, the American public will be the beneficiaries.

PROCEDURES TO REMOVE FEDERAL JUDGES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. FINDLEY. Mr. Speaker, public controversy over the tenure of Justice William O. Douglas on the Supreme Court focuses attention once more on a critical weakness of the U.S. Judiciary.

Once appointed, U.S. judges are almost totally beyond discipline and review. They remain in office as long as they wish. While most are hard working, some are lazy and do little to ease the ever-rising caseload. Others perform well in early years and later become incompetent. One U.S. judge recently continued to hold office and receive compensation for an extensive period of time while appealing a conviction for perjury and conspiracy. Once the possibility of appeal was exhausted, the judge wisely chose to resign. But the decision to resign was his own. Even in these circumstances no external authority forced him to resign.

Based on a tradition that now stretches nearly 200 years, the only way the convicted judge could have been forced from the judiciary was by impeachment. Impeachment is a process far too cumbersome and time consuming to provide a satisfactory means of dealing with incapacity and incompetence in the judiciary.

Throughout history, Presidents, courts, and Congresses have assumed that impeachment is the only means contemplated by the Constitution through which the performance of judges can be reviewed and measured.

Yet the Constitution provides only that:

> The Judges, both of the Supreme and Inferior courts, shall hold their offices during good behavior.

Congress has never tried to define "good behavior" except during those very infrequent moments when the Congress has decided that the behavior of a particular judge has been so errant as to justify that impeachment process. Although the question is not settled, I believe it would be reasonable for Congress to spell out in legislation the meaning of "good behavior" and provide a means through which the conduct of a judge can be measured.

I propose that the Congress establish by law a mechanism through which the judiciary itself can pass judgment on the behavior of its members. I suggest the law authorize the Chief Justice of the United States to establish a three-member panel of Federal judges for the purpose of reviewing the performance of any judge or justice whose behavior has been brought into question. If the panel were to decide the behavior of the judge is not good, the person involved would be removed from the bench. The panel's decision could be appealed only to the Supreme Court. The decision of that Court would be final. If the behavior of the Chief Justice is called into question, the panel would be selected by the most senior Justice on the Supreme Court.

In evaluating a judge's "good behavior" the panel should examine a wide range of questions: physical capacity, moral turpitude, attentiveness to duty, quality of decisions, and any aspect of behavior unconnected with the judiciary, but detrimental to an individual's performance.

The existence of this mechanism would improve the efficiency of the judiciary and cause each judge to cooperate fully with the rest of the judiciary. Such cooperation is essential to the proper administration of justice. At the same time, this mechanism for removal, contained entirely within the judiciary, would be satisfactorily insulated from pressures by other branches of the Government.

If this mechanism had been in existence when Justice Douglas first became incapacitated, the panel could have inquired into his health and prospects for an early return to the demanding duties of the Supreme Court. It could then have made a binding decision on whether he should leave the high court, subject only to appeal to the U.S. Supreme Court.

As things now stand, Justice Douglas is his own judge and jury. He alone decides whether his physical condition permits behavior good enough for the Supreme Court. Because he has served on the Supreme Court longer then any other Justice in history, more than 36 years, there is a natural inclination to want to stay on the bench. Each day is a new record. Yet this alone is hardly good reason for his continuance in the job, and it may make him something less than objective in evaluating his own fitness. Yet the circumstances of his case do not lend themselves to the impeachment process. No one suggests that he is guilty of "treason, high crimes, or misdemeanors" which are the only offenses listed in the Constitution as impeachable.

All citizens should give Justice Douglas high marks for a valiant attempt to overcome his physical difficulties and return to the Supreme Court. Although I have disagreed with some of his past positions, on balance I believe he has been a distinguished jurist and a credit to the High Court. I did not believe that the initiative to impeach him several years ago by certain Members of the House was well founded and I did not join in it, despite the fact that it was originated by prominent members of my party.

The integrity of the judiciary is too important to be compromised by partisan attacks. It is also too important to be compromised by personal pride. The Supreme Court is the great protector of individual liberty in our country; its work must not be impaired. Yet today, the health of Justice Douglas has severely impaired the work of the Court. Due to the stroke and extended recovery period, he missed most of the last term of the Court. As a direct consequence, many cases have been held over for the present term because it seemed likely that the decision would be close and Justice Douglas' vote might be the deciding factor. Even today, with Justice Douglas attending sessions of the Court regularly, there seems to be a tacit agreement among the other members of the Court to put off most important test cases until they can evaluate Douglas' condition. His speaking seems to be impaired and whether his thinking remains clear has not been publicly reported. While the Court's deference to Justice Douglas is commendable, it hardly comports with the requirements of the Constitution for a speedy end to litigation.

The members of the Supreme Court seem to realize this and to be grasping for some responsible way to deal with this serious problem. It is up to Congress to provide the mechanism to permit a rational definition of "good behavior" and a way to remove those Judges whose conduct does not measure up. It is bad public policy to permit any member of the judiciary to reserve exclusively to himself the right to pass judgment on his own behavior.

Text of bill follows:

H.R. 10439

A bill to provide for the review of the behavior of individual justices and judges by three-judge panels

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 462. Review of behavior of justices and Judges.

"(a) The Chief Justice of the United States may on his own initiative, or shall on the request of two other justices of the United States, or two judges of the United States, or one other justice of the United States and one judge of the United States, establish and select a panel of three members to review the behavior of any justice (other than the Chief Justice) or judge of the United States whose behavior is being questioned under such initiative or request. If, after affording the justice or judge whose behavior is being reviewed by such panel an opportunity for a hearing, a majority of the members of such panel determines that the behavior of such justice or judge is not good, such justice or judge shall cease, as of the thirtieth day after that determination, to hold office as a justice or judge of the United States; except that if such justice or judge takes an appeal to the Supreme Court under section 1259 of this title within 30 days after that determination, such justice or judge shall cease to hold such office only upon the affirmation of that determination by the Supreme Court and as of the time of that affirmation.

"(b) The associate justice having precedence under section 4 of this title shall on the request of two associate justices of the United States, or two judges of the United States, or one associate justice of the United States and one judge of the United States establish and select a panel of three members to review, under subsection (a), the behavior of the Chief Justice of the United States whose behavior is being questioned under such request.

"(c) A panel of three members established under this section may consist of any combination of justices and judges of the United States but shall not include any justice or judge of the United States who initiated or requested the review by such panel or whose behavior is being reviewed by such panel.

"(d) For the purpose of an appeal to the Supreme Court under section 1259 of this title, the determination of a panel of three members under this section shall, to the extent practicable, be deemed to be a judgment of a Federal court."

SEC. 2. The table of sections for chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following:

"462. Review of behavior of justices and judges."

SEC. 3. Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Direct appeals from decisions of panels which review the behavior of justices and judges.

"Any justice or judge of the United States, whose behavior is reviewed by a panel of three members under section 462 of this title may appeal the determination of such panel to the Supreme Court, if the appeal is taken within 30 days after such determination."

SEC. 4. The table of sections of chapter 81 of ttile 28, United States Code, is amended by adding at the end thereof the following:

"§ 1259. Direct appeals from decisions of panels which review the behavior of justices and judges."

ETHNIC AMERICANS ARE HONORED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. CRANE. Mr. Speaker, the American concept of nationality is something which, in this Bicentennial year, should be stressed as being unique in the world's history.

American nationality, we often forget, is not based on common race, common religion, or common ancestry. It is based, instead, upon a common commitment to a free society and to fulfill the responsibilities of citizenship.

Men and women from every nation in the world, of every race and every religion came to America to be free. In this Bicentennial year we should pay special attention to the contributions which these diverse peoples have made to the American society.

In this connection, I wish to share with my colleagues a news release which discusses awards which were given to three prominent Americans of European background by the Bulgarian Freedom Fighters on the occasion of the 34th anniversary of the enslavement of the Bulgarian people by the Soviet Union.

In an era when so much time is spent discussing the alleged "détente" which now exists between the United States and the Soviet Union, it is essential that we not forget that millions of men and women remain enslaved behind what is still very much an Iron Curtain. Despite agreements made at Helsinki and elsewhere, the fact remains that there is no freedom of religion, no freedom of speech, and no freedom to travel and to leave one's country for those who live under Communism. The Helsinki agreement is no more than empty words to the people of Eastern Europe. Why so many in the West continue to hail this agreement as in some way "liberalizing" conditions in Eastern Europe is difficult to understand. There is no evidence that this is the case.

The awards presented in Chicago were to Hans J. Szipronat, national vice president of the German-American National Congress; Dr. Ronnett, president of the Rumanian National Organization; and Hans Hebling, former president of the German-American National Congress.

Following is the text of the news release issued by the German National Congress on September 25, 1975:

ETHNIC AMERICANS ARE HONORED

At the occasion of the 34th Anniversary of the enslavement of the Bulgarian people by the Soviet Imperialists three prominent Ethnic Americans were honored for their contribution in fighting communism. Bulgarian immigrants all over the world mourn this bleak date in their history on September 9.

Here in Chicago, the Bulgarians, headed by President Dr. George Paprikoff, celebrated a mass in the Eastern Orthodox Catholic St. Trinities Church, also commemorating the 32nd Anniversary of the tragic death of their King Boris III, and mourning all fallen comrades-in-arms who fought the communistic tyranny. After the mass, the awards were presented to this year's distinguished recipients: Hans-J. Szipronat, Chicago, National Vice President of the German-American National Congress; Dr. Ronnett, Chicago, President of the Rumanian National Organization; and Hans Hebling, Wheaton, former President of the German-American National Congress.

The Medal and the Diploma of the Bulgarian Freedom Fighters is awarded only once every year for strong support of the Bulgarian cause, and to outstanding personalities in the struggle against communism. Appropriately, this ceremony took place under the German word "Einigkeit" (unity) between Washington and Lincoln.

During his acceptance Szipronat pointed out that he was delighted to accept such an outstanding honor bestowed to him by the Bulgarian people. Especially, since his father was already highly decorated by the Bulgarians during WW I while he was fighting as a pilot over the Balkan states. Szipronat furthermore stated, that he would not quit in the struggle for freedom from the communists, not only for the Bulgarian people, but for all other enslaved nations. This in the face of detente, which is nothing else but surrender to the communists' wishes and goals. They will try to ruin this country politically and economically, and the wheat deals are the first steps in this direction. Our citizens are paying already dearly for the shortsightliness of our Government officials with inflation. The American people will have to be on their guard to the danger from within, lest the same fate will befall the Americans, as has the freedom loving Bulgarians.

SOVIET CIVIL LIBERTIES VIOLATED

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. MAGUIRE. Mr. Speaker, I speak on behalf of Yosif Mishener, a Soviet Jew now imprisoned for advocating civil rights and permission to emigrate to Israel. Mishener, a secondary school teacher, was arrested in February 1970, and charged with distributing anti-Soviet literature with the intent of undermining the Soviet regime.

The information I have indicates that his trial was conducted behind closed doors and his immediate family was prohibited from attending. The only "evidence" presented against him was a protest against the execution of Jews in Iraq and a letter he wrote—but never sent—to the Soviet Central Committee condemning the invasion of Czechoslovakia.

The Soviet prosecutor asked for a 3-year sentence for these "crimes" but the court thought Mishener's expressions of conscience merited twice that sentence. Mishener has been kept in isolation and fed on a near-starvation diet since he went to prison.

Like 30 of my colleagues, I have joined a campaign on behalf of the plight of Soviet Jews sponsored by the Greater New York Conference on Soviet Jewry. I have adopted Mishener as a "prisoner of conscience" and have distributed petitions addressed to Soviet Chairman Leonid Brezhnev protesting this callous disregard for fundamental human rights.This is also a clear violation of the United Nations Declaration of Human Rights and I call upon the Soviet Union to abide by the terms of that great document.

INFORMING CRIME VICTIMS OF THEIR RIGHTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. RANGEL. Mr. Speaker, I am pleased to report that the New York City Council has unanimously passed legislation requiring the police department and other city law enforcement agencies to notify innocent crime victims in writing of their possible eligibility for compensation from the State.

Under New York State law, victims of violent crimes may be eligible for compensation for out-of-pocket expenses for medical care and other services and for lost earnings. Unfortunately most crime victims do not discover that they may be eligible until it is too late.

Harlem City Councilman Frederick Samuel was the author of this badly needed measure. As Mr. Samuel noted, 90 percent of all innocent crime victims in New York City who would be eligible for financial compensation from the state have not even heard of the law.

Since law enforcement agencies have the most direct contact with these crime victims and their families, it is only logical that they notify victims of their rights. I believe the Samuel bill will help assure them of these rights.

The article follows:

[From the New York Amsterdam News, Oct. 22, 1975]

SAMUELS RESOLUTION WILL AID INNOCENT VICTIMS OF CRIME

On October 9, 1975, the City Council of New York unanimously passed Resolution No. 251 which was introduced by Fred Samuel, City Councilman representing Harlem and Morningside Heights.

The Resolution would require the police department and other city law enforcement agencies to give written notice to innocent victims of crime who may be eligible for compensation under Article 22 of the Executive Law.

Executive Law No. 22 covers the State Crime Victims Compensation Board which provides financial compensation to certain qualified innocent victims of crime who have suffered out-of-pocket expenses for medical and other services and/or who sustained loss of earnings.

Mr. Samuel expressed great delight at the unanimous action taken by the City Council. He indicated that a survey conducted by his office demonstrates that 90 percent of those who are innocent victims of crimes and who would clearly qualify for this financial assistance from the State of New York had never even heard of this law.

SUPPORTING THE RETENTION OF DISC PROVISIONS OF THE INTERNAL REVENUE CODE

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. KASTEN. Mr. Speaker, recently, the House Committee on Ways and Means tentatively decided that tax benefits for Domestic International Sales Corporations should be reduced. I believe that enacting this reduction would be a serious mistake. DISC's have contributed substantially to our exports and to the improvement of our balance of payments; they have stimulated production, employment, and new investment; and they have been a critical factor in permitting the entry of small business into export markets.

DISC's were first considered by the Congress as part of the proposed Trade Act of 1970. It was reintroduced in 1971 as a response to the economic crisis that peaked in the summer of that year and incorporated into the Revenue Act of 1971.

DISC provisions enable exporting corporations to enjoy special tax treatment if they meet certain qualifications. Among these include the stipulation that it must derive at least 95 percent of its receipts in the form of "qualified export receipts" and at least 95 percent of its assets in the form of "qualified export assets." The former include receipts from the sale, lease, or use outside the United States of property manufactured, produced, grown, or extracted domestically. The latter generally consist of inventories of export property, necessary operational equipment and supplies, trade receivables from export sales, producers' loans, and Export-Import Bank obligations. Satisfaction of these and other criteria qualify a firm as a DISC.

DISC's are not subject to Federal income taxation. However, the shareholders of a DISC are deemed to receive an annual divident equal to one-half of the DISC's taxable income. This deemed distribution is fully taxable to the shareholders, both corporate and individual Federal taxes on the retained portion of its taxable income are deferred until such time as: the income is distributed or deemed distributed to the DISC shareholders; the shareholder disposes of the stock; the corporation is liquidated; or the corporation's DISC election is terminated or revoked.

The DISC option has stimulated American exports primarily by placing our exporters on a more competitive footing with their foreign counterparts. Indeed, these overseas firms do enjoy substantial advantages. For example, a number of foreign countries do not tax or largely exempt foreign source income; some largely exempt dividends received from foreign subsidiaries. Germany and France allow their domestic companies to establish special reserves for losses incurred by a new foreign-based company. Japan allows its domestic firms to deduct from taxable income a certain percentage of profits derived from exports, overseas investment losses, and foreign exchange losses. The European Economic Community grants rebates to exporters on their value-added taxes. Without DISC, American exporters would have difficulty competing with firms so protected by their governments.

Have empirical tests verified that DISC has in fact stimulated exports? Unfortunately its effects are difficult to isolate from those of other export-inducing policies implemented during the last four years, such as the devaluation of the dollar and the shift for most important world currencies to a system of floating exchange rates. Nevertheless, some suggest that DISC's have made a contribution. The Second Annual Treasury Report on DISC found that the weighted average growth rate for DISC related exports as 32.6 percent for 1972–73, as compared with 23.4 percent for all U.S. exports, adjusted to compare with the DISC figure. The Department of Commerce has made staff estimates from these figures indicating that the amount of export growth attributable to DISC for the period of combined fiscal year 1973 and calendar year 1972 was $2.56 billion. However, the estimate of deferred revenue under DISC for this period is $376 million. Thus, the ratio of deferred revenues to export increases attributable to DISC was about 1 to 6.8 according to Government figures. According ot Norman B. Ture, an independent consultant, total U.S. merchandise exports in 1974 were $5.2 billion greater than they would have been in the absence of the DISC provision.

The availability of the DISC option has also improved our balance of payments both by enhancing our exporters' position in the international marketplace, as described above, and by deterring American corporations from exporting through foreign subsidiaries. When corporations use a foreign subsidiary for marketing products abroad, a considerable amount of income which otherwise would yield tax revenue to the United States and pump income into the American economy provides foreign governments with additional tax revenue and pumps income into foreign economies instead.

DISC reduces the advantage to corporations of this foreign subsidiary marketing approach. These advantages stem from the fact that taxes are lower in many foreign countries and profits of foreign subsidiaries are generally exempt from U.S. income tax until dividends are paid to U.S. shareholders.

Another of DISC's objectives envisioned at the time of its enactment was to make it possible for small businessmen to enjoy the benefits of tax deferral then available to multinational corporations through manipulation of the minimum distribution provisions of subchapter F of the Internal Revenue Code. These provisions were repealed by the Tax Reduction Act of 1975.

However, even in their absence the DISC option provides small corporations with a pivotal inducement to incur the risks and costs that entry into the export market entails. Firms of this size are less capable of bearing these additional burdens than their larger counterparts.

This competitive disadvantage stems partially from the small businessman's relative lack of inhouse legal and management expertise requisite to export activity. Many fledging exporting firms have already spent much of their retained earnings on acquiring this expertise. Reduction of DISC benefits at this time would be an unfair blow to them. Retention of current benefit levels would enable others to establish profitably an export capability.

The limited access of small business to capital markets is another condition limiting their export activity. Such enterprises have trouble borrowing capital at affordable interest rates. Consequently, they must rely on their own retained earnings relatively more than larger firms to finance their entry into overseas markets, not to mention their domestically oriented operations. Relief from tax burdens on those profits, therefore, becomes all the more important to these small firms.

Some who doubt the argument that the DISC option helps small business cite the fact that the vast majority of DISC tax benefits go to corporations with assets in excess of $100 million. This reticence of small corporations in taking advantage of DISC should not be interpreted as a predictor of their future behavior or the potential value of DISC to them. Small firms frequently are slower to take advantage of new legislation, again because they lack the experience and expertise to evaluate it. The exercise of the DISC option by small business is only now beginning to increase.

In addition to the perennial obstacles in the path of the small businessman discussed above, a number of current and future conditions put added pressure on him. Inflation, for example, puts a particular squeeze on the profits of small firms partially because they are less able to pass on increased costs in the form of higher prices. It also is a product of the greater competitiveness of industries in which small businesses are located.

I believe that the preservation of this competitiveness should be a paramount concern of Congress. It is one of the great contributions small business makes to this Nation. If DISC provisions can help small business sustain free competition under adverse conditions, then I believe they merit our firm support.

Another potential development boding ill for small business is that of a capital shortage. Such a shortage, by placing strong upward pressure on interest rates, would force small business to rely even more on their own earnings to finance capital renovation and growth. Tax relief, therefore, will become all the more important if firms are forced to bid up interest rates to compete for an inadequate supply of credit, thereby crowding out the small businessman.

The particular importance of DISC's to small business should not obscure the stimulus that it can provide to capital formation as a whole. The ability of DISC's to loan some of their earnings to producers of export-related assets enables them to make an important contribution to the economy's capital stock. Norman B. Ture estimates that capital outlays—in 1974 dollars—were $22.3 billion greater than they would have been without DISC. Forecasts made by the National Association of Manufacturers of the effects of DISC repeal suggest a more modest impact. Neverthless, NAM predicts that if DISC's were repealed tomorrow, 5 years from now real fixed investment—measured in 1958 dollars—would be $6.16 billion less than were DISC's retained.

Not to be slighted is the favorable impact of DISC on employment and output. As for the former, expansion of exports requires manpower as well as capital. Then through the multiplier effect, the increase in income resulting from this expansion creates further employment and income effects throughout the economy. According to the Bureau of Labor Statistics each $1 billion gain in exports resulted in 40,000 additional jobs in 1974. Mr. Ture estimates that throughout the business sector there were 442,000 more full-time equivalent jobs in 1974 than there could have been in the absence of DISC. NAM estimates that the repeal of DISC would cost us approximately 280,000 jobs over the next 5 years.

As for the impact of DISC on GNP, the Commerce Department estimates that $1 billion of increased exports results in an annual increase in GNP of $3 billion. If the Commerce Department were to accept Mr. Ture's estimate that DISC increased exports by $5.2 billion in 1974, it would predict that DISC's contributed $15.6 billion to GNP in that year. Mr. Ture himself estimated the contribution at $28.5 billion. NAM estimates the impact of deleting the DISC provisions on real GNP at $7.7 billion over the next 5 years.

Many, although conceding to some degree the contributions that the DISC provisions have made to the American economy, claim that the associated revenue loss, estimated at approximately $1 billion in 1974, far outweighs the value of these contributions. However, one must view the revenue impact of DISC's in the context of the whole economy. The DISC provisions have also generated tax revenue through its impact on exports, production, employment, and income. Mr. Ture has estimated the revenue so generated by DISC's in 1974 at $2.2 billion. The net revenue effect, therefore, was a gain of approximately $1.2 billion. NAM estimates the net revenue gains from retaining DISC's over the next 5 years at $1.61 billion.

These various arguments in favor of DISC's are not thought of very highly in the well-publicized Draft Interagency Report on U.S. Government Export Promotion Policies and Programs, prepared by the Office of Management and Budget—April 1975, revised. OMB does not favor the retention of DISC. However, within this draft report is a vigorous dissenting opinion presented by the Department of Commerce:

> [It] strongly disagrees with the conclusions in this chaper [Chapter IV of the OMB Draft Report] that the Domestic International Sales Corporation (DISC) and Western Hemisphere Trade Corporation (WHTC) provisions of the Tax Code are inappropriate, costly, and ineffective export incentives. These conclusions are neither substantiated by the very limited data utilized in this study nor convincingly sustained by the arguments set forth therein. Our experience, based on a broad array of contacts with the business community on matters affecting exports, is that the DISC and WHTC benefits play an important role in focusing corporate attention on, and providing internal financing for, new or intensified development of export business. "Draft Report," p. VI–57.

Evidently, the OMB viewpoint is not universally shared throughout the Government.

Central to the OMB critique is the argument that DISC's are self-defeating in a world in which flexible exchange rates prevail. Any increase in exports, so the argument goes, will simply effect a revaluation of the dollar, make American goods more expensive relative to foreign goods, and ultimately result in the neutralization of its initial stimulus Similarly, removal of DISC, if it depresses exports, will merely result in a devaluation of the dollar, an increase in the price of foreign goods relative to that of American goods, and an eventual restoration of American exports level. Whether DISC benefits are retained or reduced, therefore, will have no impact on American exports.

This conclusion is sound in theory but irrelevant in fact. A considerable amount of empirical analysis suggest that exchange rates have not been able to float freely since the signing of the Smithsonian Agreement. Studies by Citibank indicate that leading industrial nations have closely synchronized their monetary policies since 1970 and that intervention in the exchange markets continues to play an important role. In short, rather than float freely, rates are controlled through "managed intervention."

Even if one believes that ultimately DISC benefits should be reduced, he should keep in mind that their retention might be a useful bargaining chip at the multilateral trade negotiations under way in Geneva. With current DISC provisions intact, our economic competitors might be more willing to reduce the special privileges they grant to their exporters.

I hope that my colleagues will consider these contributions that current DISC provisions make to our economy when and if a motion to dilute them is introduced.

WASHINGTON CONGRESSIONAL DELEGATION TOUR OF STATE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BONKER. Mr. Speaker, during the October recess the entire Washington congressional delegation toured the State with scheduled visits in each of the seven congressional districts. The purpose, very simply, was to make ourselves available collectively and individually to all the constituents of the State. It was a first as far as anyone could recall.

Our State tour proved to be highly successful. We made seven major appearances before civic and public groups, addressing the current issues before Congress and responding to a variety of questions from the general public. In each of the seven districts we met with local media representatives and arranged meetings with various groups as our schedule allowed. Most press accounts and public response were highly favorable.

Our public forum in Olympia, which is located in the Third Congressional District, was at Evergreen State College. The college president, Dr. Charles J. McCann, in his opening statement gave an eloquent commentary of the public's view of a legislative body. The remarks were most appropriate for the occasion, and I believe would be of interest to my colleagues in the House of Representatives.

Mr. Speaker, I include Dr. McCann's statement in the CONGRESSIONAL RECORD at this point:

OPENING REMARKS BY CHARLES J. MCCANN, PRESIDENT, THE EVERGREEN STATE COLLEGE, UPON THE VISIT OF WASHINGTON'S CONGRESSIONAL DELEGATION, OCTOBER 15, 1975, OLYMPIA, WASH.

In our grammar school civic classes we learned that the three branches made government work by operating with checks and balances upon one another. Then in our history lessons we got the impression that in times of crisis one or another of those branches has risen to surmount our country's troubles. Usually, at least in the popular view we received, it was the executive that rose, and occasionally the judiciary. Very rarely have we heard a Congress described as a collection of heroes.

On the contrary, from this country's infancy, there has been a streak of cynicism in the American people with regard to all its legislative bodies. This cynicism has been most brutally put by Mark Twain, when our country was in many ways much younger, when he said, "I think I can prove by facts and figures that there is no distinctively native criminal element in America, except Congress." And we've all seen that anonymously authored placard in many offices, public and private, all over the country, asserting that "no man's life, liberty or property are safe while the legislature is in session."

Why this cynicism? Of the three branches, the legislative is made up of people most readily identified with ourselves. Legislators, by definition, are our neighbors. Congressmen are certainly not strangers. They have gone to the same schools, they have walked the same streets, they have grown to love the same rivers and mountains and forests. Certainly public officials are fair game for satirists like Mark Twain, and certainly it's okay to remind the people in public office that they are still like us, but the residual part of the cynicism is what ought to concern us. I wonder if we have denigrated our legislative bodies *because* they are like us, and because we see things in ourselves sometimes that we don't like to see. A people with a low opinion of itself will very unlikely remain free.

In the meantime, without glamour, the executive's glamour with its single voice and its aura of power, or the judiciary's glamour with its dignity and remote coolness, Congress has done the job. We had a Congress in this country before we had a Constitution. Ever since, our Forefather's neighbors and our neighbors have struggled to get what facts they could, argued for what they felt right and hassled for the best compromise.

Work like that is very easy to criticize. But in doing so, we forget that whatever good has been done in this country, and that's plentiful, whatever evil has been ameliorated, and that's much, has been done by Congress. Congress has either allowed it to happen or caused it to happen. These are the unsung heroes.

James Madison, eloquently arguing for a centralized federal government under the Constitution, said that with such a central government, a country of this size—then it only stretched to the Alleghenies—would be impossible as a democracy unless it were republican in form, that is to say, carried out by elected representatives of the people.

In the 14 years I've had the privilege to call Washington home, I've had many chances to see first hand how our elected representatives carry out that responsibility. I came to know how our Congressmen, for example, maintain offices throughout the state where their staffs and (amazingly frequently) the Representatives themselves meet with constituents. The important first-hand listening occurs in these visits, to be sure, but also the equally important and much more difficult educating of the electorate happens with regard to the more complicated issues.

This trip in concert, as our entire delegation puts themselves on the line in public, both hearing and teaching the electorate, impressively continues a tradition of carrying out those ideals laid down by James Madison.

Congressmen, we are very deeply honored by your presence.

PERSONAL STATEMENT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. FRENZEL. Mr. Speaker, on July 23, I, along with several of my colleagues introduced House Resolution 628. Inadvertently, and through no action or intention of his own, the Honorable ROBERT MCEWEN was included in the list of cosponsors. I would like the RECORD to show that he did not intend to be on the bill.

LAKESHORE MINE SHOWS FREE ENTERPRISE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. SYMMS. Mr. Speaker, Hecla Mining Co., which is a good citizen of the State of Idaho making its home in Wallace, Idaho, in the heart of the Coeur d'Alene mining district, is expanding its operations into Arizona.

The following article by Mr. Loyal Meek of the Phoenix Gazette is a crackerjack on the ever-changing excitement of what the market brings to the American people.

The market is alive, ever changing and has vitality if the bureaucrats and politicians will just get the heck out of the way.

I commend this article for the Record:

[From the Phoenix Gazette, Sept. 23, 1975]

ARIZONA'S NEW LAKESHORE MINE SHOWS FREE ENTERPRISE AT BEST

(By Loyal Meek)

A copper mine with the unlikely name of Lakeshore is opening for production in the middle of a desert some 30 miles south of Casa Grande on the Papago Indian Reservation.

At a time when Arizona's copper mines are being compelled by the recession to curtail activities, Lakeshore's opening offers a bright spot in the state's cloudy economic picture.

Of course, when the Hecla Mining Company began developing the mine in January, 1970, it had no idea what the copper market would be like when it could get into production five years later.

Which brings up considerations that are blithely ignored in these times when politicians and pundits are talking as if there were instant solutions to complex economic problems.

These considerations include such things as capital investment funds, lead time, government regulations, coordination of labor and materials, technological developments and, perhaps the biggest one of all, the willingness to take great risks.

The Lakeshore project, under the supervision of General Manager James Hunter, has confronted these considerations and is on the point of overcoming them as it begins to build up speed toward a full production rate by next January or February.

To begin with, there is the orebody, estimated to contain more than 300 million tons of ore.

Trouble is, it is deep underground, requiring tunnels and shafts to be dug to a depth of about 1,900 feet.

The ore is mined from the bottom up, which is quite a trick, involving undercutting and letting the body cave in a few inches at a time.

Continuous belts will bring the ore to the surface, where an enormous complex of processing plants are being tested or are nearing completion.

To get the end product, the ore goes through processes of grinding, flotation, thickening, filtering, roasting, leaching with sulphuric acid and electrowinning—each one a huge operation in itself.

Hunter says the plant is capable of processing 11,000 tons of sulphide ore and 6,000 tons of oxide ore per day. Lakeshore is designed to produce 65,000 tons of copper precipitates.

The mine is a 50-50 joint venture between El Paso Natural Gas Company, which discovered the orebody, and Hecla Mining Company, which submitted the winning proposal for development of the property.

Total project cost was estimated at approximately $185 million early this year, up $15 million over the estimate a year earlier due largely to inflation.

One who tours this mine and the processing facilities can't help but be impressed by the huge size of the operation. And yet this is only a small part of the whole American industrial machine.

But—as the time and money and work that are going into the development of Lakeshore attest—the creation and functioning of all the parts of the American economy don't just happen.

Instead, it is the result of billions upon billions of human actions taken by investors, managers, workers of all sorts (approximately 1,400 of them at Lakeshore alone), not to mention all of us consumers.

No committee of legislators or economists or whatever is smart enough to plan and control all of these human actions.

There are all too many legislators and assorted experts who pretend to be able to run the American economy. Some are even pushing legislation to set up economic planning bureaus.

It's a sure bet such a bureau or committee couldn't even begin to plan, build and operate a Lakeshore copper mine, let alone the whole American economy.

IN SUPPORT OF THE ESTABLISHMENT OF AN AGENCY FOR CONSUMER PROTECTION

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ST GERMAIN. Mr. Speaker, as my colleagues in the House are aware, this body will soon be considering H.R. 7575 which calls for the creation of the Agency for Consumer Protection. I have supported the establishment of such an agency since the 91st Congress. I would like to draw my colleagues' attention to one aspect of this bill which makes its passage crucial.

While this legislation represents a positive effort to meet the problems of inadequate Federal attention to the needs of all American consumers, it will bear considerable weight in serving the interests of one segment of the population which has been particularly burdened by our current economic woes and especially ill-equipped to adequately represent itself to the regulatory agencies: the senior citizens.

In a letter to Chairman Brooks of the House Committee on Government Operations, Cyril Brickfield, counsel for the National Retired Teachers Association and the American Association for Retired Persons very effectively points out that this legislation will be especially beneficial to retired persons in the all-important areas of energy prices and supply, and "decisions affecting the cost, safety, and efficacy of prescription drugs."

Inasmuch as I feel that the welfare of our senior citizens is too often forgotten and that it is the role of the Congress to safeguard and further the right of these people to safety, quality, honesty and maximum freedom of choice, I urge my colleagues to read Mr. Brickfield's argument in favor of the establishment of this Agency:

National Retired Teachers Association, American Association of Retired Persons,
Washington, D.C., June 27, 1975.

Hon. Jack Brooks,
Chairman, Committee on Government Operations, U.S. House of Representatives, 2157 Rayburn House Office Building, Washington, D.C.

Dear Congressman Brooks: The National Retired Teachers Association and the American Association of Retired Persons would like to express their strong support for the establishment of an independent, nonregulatory Agency for Consumer Advocacy. We believe that at the present time consumer interests are not adequately represented before Federal agencies and the courts. Our associations feel that the establishment of an Agency for Consumer Advocacy would create a better counterpoise between consumer and industry representation, and would result in a more balanced decision-making process within Federal regulatory agencies.

Businesses can generally concentrate their efforts on monitoring the activities of only one or two agencies whose decisions may affect them. Consumer interests on the other hand, are affected by the activities of almost every Federal agency. In order to monitor all of the regulatory activities affecting them, consumers would have to maintain a constant watch on the actions of virtually every Federal agency. As a result, consumers are frequently unaware that decisions of major import to them are being made until it is too late to affect the outcome. We believe that only an independent Agency for Consumer Advocacy can successfully monitor Federal agency activities and serve as an effective watchdog for consumer interests, especially when decisions are of an informal nature or involve not taking action on an issue.

Regulatory activities affecting consumers are often extremely complex and technical, and the average consumer does not have the expertise to evaluate the effect of such decisions on his own safety and economic well-being. Nor do individual consumers or consumer organizations have access to much of the data which may be necessary to evaluate these decisions. An Agency for Consumer Advocacy with authority to obtain all necessary data would be in a better position to assess the impact of regulatory decisions and to represent the interests of the consumer.

While industries affected by regulatory decisions generally spend large amounts of money in order to represent their own interests, individual consumers and consumer organizations tend to be hampered by extremely limited financial resources. An Agency for Consumer Advocacy would serve to redress some of this imbalance of resources.

Two areas in which we feel that the establishment of an Agency for Consumer Advocacy would be particularly important for older persons, are regulatory decisions affecting energy prices and supply, and decisions affecting the cost, safety, and efficacy of prescription drugs. Both of these areas can have significant impact on the physical and economic well-being of the elderly consumer—probably to a greater extent than on persons of any other age group. Yet in each of these areas the average consumer simply does not have the technical expertise to evaluate the impact which regulatory decisions may have on him. Nor does he have access to all of the information and technical data necessary to counter industry representations. While our associations try to serve as advocates for the older consumer to the greatest extent possible, we, too, are limited in our ability to assess the validity and impact of regulatory decisions. We believe that an independent Agency for Consumer Advocacy would serve to fill in some of the serious gaps in consumer representation which exist today.

Finally, our associations are concerned that an amendment attached to the Senate measure, S. 200, would prohibit the Consumer Advocacy Agency from participating in Federal proceedings on agricultural issues. Such a provision would eliminate major consumer problems as food prices and food purity from the purview of the Consumer Agency. We earnestly hope that no such provision will be included in the House version of the measure and that this provision will be eliminated in conference.

Sincerely,

CYRIL F. BRICKFIELD,
Counsel.

PERSPECTIVE ON CHINA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following excellent article entitled: "Perspective on China" by my constituent Gen. Henry Huglin. General Huglin is a retired Air Force brigadier general and syndicated columnist and lecturer on national security and international affairs. I feel sure that many of my colleagues will agree with General Huglin on his analysis of our relationship with China.

The article follows:

PERSPECTIVE ON CHINA

(By Henry Huglin)

TOKYO.—Asian perspective on China is considerably different from ours—because of geography, history, and present day power politics realities.

Thus, Henry Kissinger's recent trip to Peking and Tokyo and President Ford's coming visit to China are important steps in our government working with Communist China from the proper perspective of our national interests and superpower world role—but with an adequate understanding of China's neighbor's interests, too.

China looms very large—in geography, population, and ideology—to Japan and her other neighbors, including Soviet Russia.

This strong impact is not new. Over millenia, China has had great cultural and often political influence on neighboring Asiatic peoples.

But the century before World War II was one of China's weakness and exploitation, mainly by Britain, Russia, and Japan.

Now, under Mao Tse Tung, China has become a new phenomenon. His regime has carried off the most radical social, political, and economic revolution in China's history—and one of the most radical in the world's history.

The regime Chairman Mao has set up is now unique in the world—with some things to admire and others to be concerned about.

The admiration comes from the success of the regime in effectively organizing the masses of Chinese into a well functioning society, producing and equitably sharing food and other essentials and being remarkably free of corruption.

But this success has been achieved at costs we and many other people would consider too high.

The costs have been in individual rights and opportunities, in intellectual freedom, and in the stultifying efforts of a totalitarian thought-control and continuous indoctrination process.

And Mao's regime has sometimes been militant and aggressive.

The Communist Chinese intervened massively in the Korean War. They overran and severely repressed the Tibetans. They readjusted their border with India by force. And they tried to subvert Indonesia into a satellite state in the 1960's.

Also, for two decades, our country was China's propaganda target. Of course, all totalitarian regimes need external enemies to help justify the conditions they impose on their people. And we fitted Mao's needs in this regard in the 1950's and 60's—until his split with the Soviet's who have since become his number one propaganda target.

Our connection with the Chinese since 1972 has helped the Peking regime take over China's seat in the United Nations, get recognition from many countries, and get some access to our technology, industrial products, and food. In addition—and most importantly from China's standpoint—we have served as a vital counterpoint in her ongoing bitter geopolitical conflict with Soviet Russia.

A major purpose of our government's initiative to reestablish contact with China was to bring the Communist Chinese out of their self-imposed isolation, develop a pragmatic relationship with them, and help them to function in the realities of the world, rather than in terms of ideological fantasies. We have generally achieved these goals.

Our Chinese connection has also been a highly useful counterpoint for us to play in our own on-going political and ideological conflict with Soviet Russia, and some help in countering the Soviets' rapidly growing military might.

But our failure in Indochina and withdrawal of our military strength there have led to Chinese concern over our keeping up our military strength to match the Soviet's, and interest in our continuing a leading role in Europe and Asia.

If we should shrink our responsibilities as a superpower, the Chinese might well start a massive rearmmament program to try to protect themselves from what they perceive as a serious Soviet military threat, and a drive to establish hegemony in East and Southeast Asia as well. And such Chinese rearmament could lead to a new militancy and expansionism on their part—and to the upset of what political stability there now is in Asia.

In any circumstances, China's strengths and her importance are certain to continue to increase in Asia and in the world. Hence, it is only prudent for us to develop as close a working relationship with the Chinese as feasible.

Yet, we should have no illusions over our differences. The Maoist Chinese are still our adversaries in many aspects of iternational affairs. Their main ties to us are thier fears of the Soviets.

So, we ought to welcome and support Kissinger's and President Ford's visits to China—but not view the Chinese either through rose-tinted glasses or with hostility. Wary pragmatism needs to continue to be our guide in our evolving relationship with China.

UNITY, DIVERSITY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. TEAGUE. Mr. Speaker, last summer a most interesting article appeared in the Dallas Morning News by Nene Foxhall on the subject of a particular women's organization. Ms. Claudia Brummett of Alvarado, Tex., addressed the organizational meeting of a State federation of Democratic women's clubs and in doing so she gave those gathered some very sound advice. Reporter Foxhall's excerpts from that address reveals that the advice is sound not only for Democratic women, but for all.

It is my hope that each Member of Congress will note the article. I would also wish to proudly mention that Ms. Brummett is a close friend and a constituent.

The article follows:

[From the Dallas Morning News, July 30, 1975]

UNITY, DIVERSITY—DEMOCRATS SEEK WINNING PARADOX

(By Nene Foxhall)

Pleas for unity provided the background music at a Monday meeting in which a state federation of Democratic women's clubs was organized for the first time in Texas.

Claudia Brummett of Alvarado emphasized that the clubs must keep out of primary races and personalities and support only the Democratic party candidates in the general election.

The national committee member of the Democratic party also emphasized that the clubs and federation should be representative of all factions in the party, but should not lean heavily toward any one philosophy.

"Don't use your clubs to elect one Democrat over another. We will stay together by stressing the points on which we agree. There's no need to argue needlessly about those points on which we don't," Ms. Brummett said.

Calvin Guest, Bryan, state chairman of the party, reemphasized the melody at the meeting in the Fairmont Hotel.

"Do not get involved in primary politics. This will destroy you. Don't choose up sides and fight. Work for the benefit of the Democratic party.

"This party is bigger than any candidate or personality," he said.

Amidst pleas for unity, Ms. Brummett also issued a plea for more participation of women in the Democratic party at all levels.

"There are 8 million more women of voting age than men at this time. We are truly the 'new' majority. Studies have shown that women are harder working, more dedicated and more public-minded than men. We are less self-serving and more public-serving.

"It seems women, then, should be ideally suited to politics. Yet, out of 74 million women of voting age, only 32 million women voted in the last election. So many women just don't get involved."

She says women don't get involved in the political process because of "our own attitudes about ourselves. We are held back by our role and sense of caution and propriety. We seem to aim lower than men."

She challenged the 50 Democratic club representatives to "get stirred up" about the women in Texas who are not involved, who are apathetic.

"If the women who spend more time with

TV serials than with the problems of life were as empty-headed as they seem, it wouldn't be worth our time. But the truth is, they are not. Under that facade is a great per cent of the brainpower of our country.

"It is criminal to let it waste," she said.

She said the only limitations which women face are within themselves. "We need to see our friends as allies, not competitors. There is too much jealousy and pettiness. We don't trust our money with women investors; we won't go to women doctors, and we don't like women lawyers.

"In fact, there are some of us, I'm sure, who would have to admit they don't like other women," she said.

"We must learn that it's not a rejection of men to respect other women."

She said she is not advocating militant feminism, but "there is always a middle ground on which you can hold your head high."

Ms. Brummett also told the group to use their funds for "the purposes of the organization, not for frivolous activities. Our business is politics."

She also told them to "do that for which you are organized. Work hard to elect Democratic candidates. Personal philosophy should be secondary."

Mrs. Bill L. Nelson is organizational president of the newly-formed federation because she was serving as chairman of the party's state subcommittee on clubs and organizations.

Prior to the meeting, Texas was one of five states in the country with no state federation of Democratic women.

HARDING LAWRENCE URGES CAUTION AND MODERATION IN AIRLINE REGULATORY CHANGES

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. WRIGHT. Mr. Speaker, there has been in recent months a great deal of discussion and even strident argument on both sides of the question of "regulatory reform" of our various national transportation modes, particularly the airlines.

Almost everyone even remotely conversant with transportation economics seems to have a strong opinion on airline "deregulation," but up to now there has been a paucity of hard facts.

By and large, the airlines, manufacturers, financial institutions, and others in the operating industry seem almost unanimous in opposition to precipitant action in this area. Their contention in that tampering with the regulatory machinery might well destroy what is undeniably the finest air transportation system in the world.

On the other hand, advocates of sweeping reform curiously seem to bridge the political spectrum from far right to far left. Theorists in the administration contend that a return to laissez-faire "forces of the marketplace" is mandatory in the public interest. Simultaneously, some academicians and some self-styled consumerists vehemently argue that a "great conspiracy" exists between the regulated and the regulators, and that this must be destroyed—again, "in the public interest."

Against this background it was refreshing indeed to read a speech given last week by Mr. Harding Lawrence to the National Aviation Club of Washington. In all my reading on this volatile subject, never have I seen a more balanced treatment than this one given by Mr. Lawrence, chairman of the board and chief executive officer of Braniff International Airways, one of the few consistently profitable trunk carriers.

In sum, Mr. Lawrence endorses some of the reform suggestions, and takes issue with others. His wise recommendation to his colleagues and to the Congress is one of caution and moderation.

I personally found his words enlightening and helpful. I commend them to my colleagues:

THE WINDS OF CHANGE

(By Harding L. Lawrence)

There are many who are calling for drastic change in air transportation. All their reasons boil down to one charge and that is—airline tickets cost too much. They offer various reasons and these boil down to—not enough competition, not enough passengers on each flight, too much regulation, and inefficient management.

Their solution almost to a man—deregulation.

The proponents of deregulation promise that lower airfares for air travelers and higher profits for airlines will result. The opponents of deregulation say it will destroy an air transport system of service that has taken 40 years to build and is recognized as better than any other in the world. The positions are so far apart that it is time reasonable men discussed the pros and cons not only of what has been proposed but also of additional ideas. For years, the airlines have sought change and made changes. The winds of change are steady, but they are shifting.

Today, I would like to review comments made by two of the most important people to our business, the Chairman of the Civil Aeronautics Board and the Secretary of Transportation, comment on the Aviation Act of 1975 as proposed by the Department of Transportation, and give you some additional thoughts of my own.

Before going on, I feel it's important to position Braniff for you so that you will know our comments are not made in fear of competition or in concern over our line of bank credit or in search of special assistance but rather in the confidence that comes with success in serving the traveling public and in making a profit.

In 1974, Braniff had record income of $26 million and revenues of $500 million. In the 12 months ending September 30, 1975, net income was not far behind at $24 million and revenues were $580 million. The company paid quarterly cash dividends.

This new level of earnings for Braniff was achieved despite recession, inflation, fuel prices, schedule restrictions imposed by South American governments, and foreign currency devaluations.

What is producing these results? It is buying the right airplanes, putting plane capacity where the demand is, keeping tight control on cost, and being innovative in marketing.

John Robson, in his first speech September 10 as Chairman of the CAB, concluded by saying this:

"Darwin's theory of evolution tells us that those species which adapted to new conditions survived and those which could not adapt perished."

I not only take Mr. Darwin's theory seriously, but also Mr. Robson's speech.

He also said: "I value the current debate over the future of aviation regulatory policy. It should encourage the testing of regulatory precepts against the demands of a future and different economic environment. It should impel us to experiment with new concepts."

Secretary William Coleman said this on October 8th: "Policies once intended to shield the industry against destructive competition now prevent constructive competition. As a result, the industry is less efficient than it could or should be, and the price of air travel to the public is higher than need be."

In the words of Chairman Robson and Secretary Coleman, there is a shifting in the winds of change. And the basis of change as proposed by the administration is the "Aviation Act of 1975." It includes the following major provisions which are certainly going to be the subjects of analysis and debate.

(1) It establishes a zone of reasonableness within which air fares can be adjusted—10% up or 20% down from present fares in the first year.

(2) Eliminates anti-competitive air carrier agreements such as those setting capacity levels.

(3) Requires the CAB to decide route cases in 10 months.

(4) Allows U.S. international carriers to offer service between any U.S. points in their certificates beginning in 1981.

(5) Requires elimination of route restrictions on operating certificates.

(6) Removes restrictions on charter and supplemental services.

(7) Provides for non-stop service between points not already receiving such service from existing carriers.

(8) Permits annual expansion by each carrier into new markets based on 5% of operations beginning in 1981.

(9) Encourages entry of new firms into the market.

(10) Makes it easier to abandon routes which do not pay for their operations.

We are in favor of some of the proposals as intelligent change and against others as senseless change, but let me quote some positions and comments of others on the general subject of deregulation.

The Metropolitan Nashville Airport Authority had this to say in a brief filed with the CAB on September 5: "We have no way of knowing whether deregulation, and complete freedom of entry and exit, would bring an influx of new airlines or the loss of those already serving the city. Even worse, the number of airlines serving the city could fluctuate widely from time to time. In other words, deregulation might initially bring a number of additional carriers to the city, but then as their services become uneconomic, the number of carriers might drop even below the present number. It would be virtually impossible to conduct a sound airport operation under such conditions.

"There is a grave danger that if deregulation turns every carrier loose to do what it wishes—with no service obligations—they will concentrate their services on the high density markets between the major metropolitan centers, to the detriment of medium sized hub cities such as Nashville." So said Nashville.

The president of our largest airline said his board of directors decided to defer indefinitely commitment of $600 million for the purchase of the proposed Boeing 727–300 because, and I quote:

"The rapidly escalating price of fuel has jeopardized the entire air transportation structure. It is unclear whether the airlines will be hampered even further by regulatory constraints. The critical fact is that inhibiting regulatory forces cripple air carriers in their attempts at capital formation and there are no reasonable incentives to encourage large capital expenditures. It is simply not possible to do any rational planning for the acquisition of necessary new aircraft."

Leading banks and insurance companies are speaking out in angry tones. The Wall Street Journal Thursday, September 25, reported these comments from the lenders:

"We're getting tired of carrying the industry while watching the outlook for our loans growing more and more uncertain."

"It has been six years since we committed any money to a domestic airline and it's extremely dubious we will again."

"The evidence is becoming overwhelming that elected representatives fail to recognize the importance to the airline industry of keeping and attracting private capital."

"The industry's problem hasn't been that it was regulated but that it has been poorly regulated. Political considerations have been permitted to totally outweigh economic considerations."

The bankers said they were doubtful about the wisdom of continuing their support for the airline industry and about their ability to do so. Said one insurance executive, "withdrawal of this support would force an airline industry takeover by the Government."

On October 14 in the first major address by an official of the Air Transport Association since the announcement of the administration plan, George W. James, senior vice president of economics and finance, made these points:

"Transportation represents a catalyst to the Nation's economy. It is the critical function that permits the movement of the goods and services on which the economy depends, and it provides access to and from all communities large and small. Growth and dynamics of our free market economy depend on a reliable, stable, dependable national transportation system.

"The industry and the communities it serves are being challenged by a vocal chorus of criticism from academic and political circles whose proposals would tear apart the national air transportation system. That chorus authored the proposals for airline deregulation. If adopted, these changes would affect virtually every community in the United States, most especially those most dependent on the benefits of the air transportation system.

"In their advocacy of a free market for air transportation, the deregulators disregard an important characteristic of free markets—namely, that in an unregulated environment business must operate for the sole purpose of profit maximization—to the inevitable detriment of public service, however public spirited its management may be.

"Throwing air transportation open to free market economics, most particularly the unrestricted entry and exit favored by many deregulators, will cause instability and confusion for the first time in 37 years.

"Most importantly, it will throttle the free market process by which this country was built. The lack of a dependable passenger and freight air service will fracture the basis of our free market economy—high productivity through time saving.

"Long term airport financing, undertaken over many years of service predictability, will be disrupted. Airline capital financing markets will become even more inaccessible for financing needed growth. And the integrated system will unravel.

"The American people will demand more than 'sometime service' for its air travel requirements. That demand will have to be met, either by the largely self-supporting regulated air transportation system we now have or by an influx of government funding and, of course, controls to repair the damage done by an ill-conceived, radical experiment in deregulation."

If America's air transport system were one of the worst in the world and its service to the public woefully inadequate, then rapid and abrupt change might be necessary. The contrary being true, let's not allow the wind of change to sweep us before it in a hurricane fashion. Let us move with caution and moderation.

Chairman Robson said he does not advocate abruptly demolishing the entire regulatory structure.

Secretary Coleman said, "I would emphasize that the Aviation Act calls for regulatory reform, not deregulation. We do not propose to send economic shock waves through the industry."

Those are statements which could only come from reasonable men.

Therefore, I do not think we will get the chaos of complete de-control of routes, fares, and certification of carriers. Rather I think knowledge, experience, and common sense eventually will prevail in Washington and what will result is what most airlines, airports, lenders, suppliers and, most importantly, air travelers want and need—change which will mean less regulation and better regulation, greater competition not monopoly, a constantly improving system of air service.

We welcome change. We are an industry of change. No other industry has had to change its product producing equipment so often and so fast and at such great cost. Not, certainly, the automobile, oil, steel or utility industries. We know how to make change and make it work in the consumer interest.

Firstly, let me say that the word "deregulation" should be dropped from the discussion. It is not descriptive of most of the changes proposed. There are too many meanings, and it is being picked up and used in silly ways. For example, some are making free enterprise and competition practically synonyms of deregulation. I am personally one of the greatest advocates of free enterprise and competition in the airline industry, but if you tell me that I have to accept or reject the new proposals as one package called "deregulation," then I am against deregulation. So let's talk about regulatory change and talk about the individual changes proposed.

As to the administration's proposals:

(1) The zone of reasonableness is worth trying if there is a referee to keep it from becoming a weapon of destruction in the hands of one carrier versus another.

(2) Prohibiting capacity and other such agreements certainly makes sense to us. This protected the large carriers often at the expense of the small carriers.

(3) Decisions on the route cases so long postponed would be most welcome.

(4) Elimination of route restrictions on operating certificates with consideration on a case by case basis rather than a blanket basis has merit, particularly where there is no non-stop service.

The balance of the proposals I listed earlier all relate to easy entry and easy exit and this is where there is great disagreement. These are the provisions which remove restrictions on charter and supplemental service, encourage new firms to come into the business, allow city pairs to be added or dropped. All these come under the banner of increasing competition, and support the underlying change in policy being proposed, namely to require the CAB to give primary emphasis to the need for competition and low-cost services, with the marketplace almost the sole determinant of results.

To say there is disagreement on what the results will be is an understatement. These are the provisions which will drastically change the system of air service as most communities know it and which will threaten the continued existence of the smaller airlines, no matter how efficiently they are operated.

We are against the easy entry and easy exit provisions of the administration's program because:

(1) Public convenience and consumer interest will give way to the concentration on profits alone; in other words, in a free market, airlines will have to "chase the loads" instead of being concerned with adequate service to all the markets which need it for economic growth.

(2) Cities and airports will find it difficult, if not impossible, to secure financing for equipment and facilities because of the uncertainties as to which airlines will serve what cities with which aircraft for how long and whether service will be profitable or must be subsidized.

(3) It will create monopoly carriers because some carriers, whether efficient or not, will have greater financial resources than other carriers to compete in the economic wars which will develop in pricing and scheduling.

I believe reasonable men should now sit down and together think it through before the sides become completely polarized and discussion is impossible.

For example, let's take a closer look at the point concerning annual expansion of operations into new markets. It is treated very lightly in the fact sheet of the Department of Transportation. The fact sheet says, "The bill will permit existing carriers some discretion to expand their operations into new markets by between five and ten percent each year. Such action facilitates a gradual move toward a more competitive marketplace." Elsewhere, the DOT in its analysis says, "The expansion process would be gradual since the total amount of new authority created each year would be limited to approximately 5% of system operations."

Some simple mathematics will show you that 5% of operations of a $4 billion carrier in a very few years would smother a $½ billion carrier.

This provision alone would so favor the large carriers that the small carriers would be forced out of business in a relatively short time. The administration bill states its objective to be just the opposite—fostering competition at the possible expense of the inefficient. The result would be the reverse—elimination of the small, efficient carriers in favor of monopoly. This provision obviously needs more thinking.

Let me remind all of us that while the airline industry is a young industry, it is not new, and we should have learned a lot in 50 years. There have been many experiments. There have also been many mistakes. Let's not make the mistakes again. Free entry and exit has been tried and, in fact, resulted in the legislation of 1938. Excessive competition has been tried, witness the Hawaii route case decision. Over-capacity in the transcontinental market brought capacity agreements at the urging of Congress and the administration. Discount fares of all types have been tried and analyzed as recently as the "no frills" and the bicentennial fares. I'm simply saying, let's learn from history or, at least, analyze it in depth before we try the same experiments again.

Our ten major suggestions for positive action are these:

(1) Recognize the air transport system as an integral and important part of the public transportation system of the United States.

(2) Go ahead with the airfare "Zone of Reasonableness" with a referee to keep one carrier from substantially harming another.

(3) Put competitive carriers in single carrier markets and more competition in multi-carrier markets when it is timely to do so, then keep a close accounting on traffic flow in order to know when and where still more service is warranted.

(4) Make timely decisions on all the pending route cases.

(5) Award route authority on the basis of financial and marketing capability to pro-

vide the service rather than as a reward for financial losses.

(6) Balance the concept of increased competition with the consumer need for greater air service in every American City, not just the large ones.

(7) Don't allow artificial restraints to competition, such as capacity agreements.

(8) Allow U.S. flag carriers to compete with foreign flag carriers with equal regulation, or equally with no regulation, in such important areas as travel agent commissions, landing fees, and inauguration of new international routes at the same time. In other words, stop giving foreign carriers special privileges not available to our own carriers.

(9) Modernize the cab's policies and procedures so that its members and staff will be up-to-date and its decisions will also be timed to changes in the marketplace.

(10) Finally, get off your Washington chairs, if you are really interested in the Welfare of Air Travelers, and come behind the scenes to get firsthand knowledge of what airlines do to provide the safety, on-time performance, reliability, comfort, service, and choice of flight departures which consumers must have. Start, by coming to Braniff.

I ask all of you here today to get invloved in the serious events and discussions taking place in Washington and speak out just as did Nashville and the bankers. Let your Senators and Congressmen know your views. Support what you know is good. Oppose what you think is wrong, but not change itself. Change will be healthy for air travelers, airlines and every facet of the air transport industry if it does not force the airlines into a fight among themselves for economic survival. Change will be healthy for all of us if it brings regulatory change—in other words, if it brings less regulation, and better regulation, for an improved system of air service for the public convenience and necessity.

GAO AIR BRAKE STUDY STALLED BECAUSE OF PENDING LITIGATION

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. SHUSTER. Mr. Speaker, the National Highway Traffic Safety Administration's controversial air brake Standard 121 has been the subject of widespread criticism by the very industry it was intended to safeguard, the vital American trucking industry.

As the ranking minority member of the House Public Works and Transportation Surface Transportation Subcommittee, which has jurisdiction over NHTSA programs, I have carefully reviewed the history of this standard and I have closely followed its implementation and reception by the trucking industry. I have concluded that while the fundamental aim of this standard is indeed meritorious, the manner in which it has been promulgated and upheld by NHTSA is questionable to the point of being unreasonable by any fair standards. I have been an outspoken critic of the inflexible attitude demonstrated by NHTSA because I object in the most strenuous terms to conducting research and development of an untested product on our Nation's highways, directly jeopardizing not only the truck drivers, but every motorist on the road.

On August 25, 1975, I therefore requested the U.S. General Accounting Office to conduct an investigation of the managerial decisions, data, events and analysis that resulted in NHTSA Air Brake Standard 121. Shortly thereafter I met with GAO investigators to outline the scope and dimensions of such an investigation.

I have since received a letter from GAO director Henry Eschwege notifying me that GAO is unable to comply with my request at this time because an investigation could be prejudicial to the administration's position on pending litigation.

While I respect GAO's dilemma and accept their position, I am hopeful that a decision can soon be rendered on the suit filed against NHTSA by Paccar, Inc., so that the GAO investigation can proceed.

GRAND RAPIDS PRESS FAVORS AGENCY FOR CONSUMER PROTECTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. CONYERS. Mr. Speaker, as the House moves closer to consideration and probably enactment of legislation establishing an Agency for Consumer Protection, I am dismayed by the unwelcome news that President Ford has every intention of vetoing this vitally needed bill. Judging from his past vetoes and the reasoning behind them, there is little hope that Mr. Ford can be dissuaded from attempting to block the ACP. Ironically, I note that the President's home town newspaper, the Grand Rapids Press, has endorsed this legislation and recognized that, far from creating another layer of bureaucracy, it will bring great benefits to all American consumers. The text of the editorial follows:

[From the Grand Rapids Press, May 25, 1975]

CONSUMER ADVOCACY

Unlike the Corvair automobile which it destroyed, "consumerism" has demonstrated considerable staying power since that cause was first advocated so effectively by Ralph Nader in the mid-'60's.

Consumerism has been institutionalized by Congress through legislation. Federal laws have been enacted to establish emission controls and safety standards for automobiles, to set strict controls on water and air pollution, to create a Consumer Product Safety Commission, to empower the Federal Trade Commission (FTC) to seek prompt injunctive relief against unfair or deceptive trade practices, and to protect working consumers through the Occupational Safety and Health Act.

But now Mr. Nader's fondest wish may be realized. After at least three years, the Senate has passed and sent to the House a bill to establish an Agency for Consumer Advocacy (ACA). The measure would create a "watchdog" agency charged with representing "the interest of consumers" before other federal agencies and in the courts in matters which ACA's director determines "may substantially affect an interest of consumers." It would have no regulatory powers, but instead would monitor the activities of other government agencies and point up inflationary or anti-consumer proposals.

President Ford does not share Congress' enthusiasm for the ACA. He views the agency as an unnecessary and costly duplication, adding "yet another federal bureaucracy in Washington with its attendant costs of $60 million over three years . . ." A far better approach, he submits, is to make existing agencies more responsive to the consumer and at the same time reduce government regulation of business.

That may take considerable doing. With few exceptions—notably the FTC in recent years—government regulatory agencies have seemed much more anxious to help the industries they regulate than the consumer.

Really, the decision as to whether the Agency for Consumer Advocacy should be established boils down to a matter of priorities. Mr. Ford's interest in cost-benefit ratios is to be commended, but an annual outlay of $20 million for ACA's operations does not seem that excessive when one contemplates the proposed 1976 federal budget of approximately $360 billion.

Even with a $60 billion budget deficit forecast for the next fiscal year, there has been little inclination to abolish the do-nothing Metal and Non-metallic Mine Safety Board of Review or the non-productive Postal Rate Commission.

Granted, spokesmen for the consumer have at times been pushy and even arrogant, but on balance the consumerism of recent years has been a very good thing. And it is not a business vs. buyer relationship, either. Indeed 40 businesses—including Mobil Oil, Montgomery Ward, Atlantic-Richfield, the Jewel food store chain and several other major corporations—endorse ACA.

It also is true that the consumer movement has caused some American goods and services to cost more. Still the additional expense is acceptable if in return something of value is received. For example, many perishable food products now are dated and the ingredients of grocery store items are listed by quantity; truth in lending laws have made interest and carrying charges better understood; toys and clothing articles are safer; and factory recalls to correct defective cars and appliances are not uncommon.

There is need for regulatory reform. Through executive actions and legislative proposals, President Ford is attempting to reduce unnecessary and anti-competitive regulations. A Senate Judiciary subcommittee is studying the Civil Aeronautics Board and a House Commerce subcommittee is beginning a "comprehensive study" of six major regulatory agencies. Congress also seems on the verge of repealing Fair Trade legislation.

But another way to lend a hand to the embattled consumer is through the Agency for Consumer Advocacy. Congress is urged to create ACA—with the understanding, however, that funding would extend only for three years. In 1978 or 1979 its performance would be evaluated by Congress, with the benefits afforded the consumer measured against the expenditure of taxpayer dollars.

DRUGS, ALCOHOL, AND WOMEN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. EDWARDS of California. Mr. Speaker, over the past weekend, a conference was held in Miami, Fla., to deal with the unique problems of female drug abusers. This important conference entitled "Drugs, Alcohol, and Women: A National Forum" was sponsored by the National Institute on Drug Abuse—NIDA. The primary purpose of this conference, which represents the first of its kind was to focus on the special needs of women and to discuss and analyze the particular concerns of women in the areas of alcohol and drug abuse.

At the banquet on Friday, October 24, 1975, the Honorable PETER W. RODINO, Jr., the distinguished Chairman of the House Judiciary Committee, delivered an eloquent keynote address.

I find Chairman RODINO's remarks on this timely subject to be extremely interesting and thought-provoking.

In order to share his thoughts and comments with my colleagues, I wish to insert into the RECORD at this point the full text of his address."

DRUGS, ALCOHOL AND WOMEN: A NATIONAL FORUM

Thank you for your kind introductory remarks, and I might add it has indeed been a privilege working with you—Chief Pomerance—and the International Association of Chiefs of Police—over the years in our efforts to secure the enactment of legislation which recognizes the courage and dedication of the law enforcement profession in this country.

During this time—and I am sure that I can speak for the other members of the Judiciary Committee—we have come to greatly appreciate the advice and cooperation of your distinguished organization.

It is certainly a pleasure to be here in Miami Beach participating in this conference, and it is a distinct honor to address such a well informed group of individuals from all different walks of life.

At the outset I would like to express my deep respect and admiration for Mrs. Henderson—NADA's program director for womens' concerns. Her initiative and follow-thru together with her dedication and commitment in this area is praiseworthy. I also want to take this opportunity to commend her and Muriel Nellis for their determination and undaunted enthusiasm in organizing this conference.

And at this point I should like to make special mention of the able director of NADA—Dr. Dupont—who, recognizing the need for emphasis on women's concerns in this area, established the office headed by Mrs. Henderson.

Lastly, all of you who are participating in this conference are to be commended for your deep interest and concern regarding the numerous problems confronting women.

The subject matter of this conference is especially appropriate during our celebration of International Womens' Year, and I certainly welcome this opportunity to share with you some of my thoughts on the problem of drugs, alcohol, and women.

This conference is as you know a first—the first of its kind, and we are indeed fortunate to have assembled here officials from all different levels and departments of government as well as experts from the various disciplines to focus on the difficult problem of drug abuse—and more particularly—the unique needs of the female substance abuser.

During my twenty-seven years in public life and in the Congress no problem has been more troublesome or personally more frustrating than the problem of drug abuse. All of us know of its devastating consequences—to man, woman, and child—to all of society.

Yet—over the years there has been little agreement as to the best solution—or even the proper classification—of this complex problem. For decades drug abuse was treated by our society primarily as a law enforcement problem.

Some have always contended, however, that it should be viewed as a medical problem.

Today there appears to be a consensus that it is both a medical and a criminal justice problem.

I am therefore pleased to see from the program agenda that this conference will devote considerable attention to the interrelationship between the health care delivery and criminal justice systems.

In my opinion, it is essential that these two systems interface on a regular basis in order to reconcile any conflicting objectives and to establish well-balanced drug abuse prevention programs.

This conference is also very timely, it is timely in that the President's domestic council just last week released its comprehensive "white paper on drug abuse".

I have just completed my initial review of this lengthy document and it reinforces my opinion that we did not "turn the corner on drug abuse" as most administration officials claimed in late 1973.

In fact, I am seriously concerned that our government may be rapidly losing the war on drug abuse.

On June 24 I took the floor of the House of Representatives to inform my colleagues of my fears and to emphasize that decisive action had to be taken in order to respond to a new drug crisis.

In its paper, the domestic council cited a recent federal study that estimated the cost of drug abuse to be between ten and seventeen billion dollars each year—not to mention the irreparable cost in human suffering, and the loss of lives. But even more disturbing are recent violent crimes committed by female addicts in order to support their habits.

I am also deeply troubled by the thought that the drug abuse situation in America today may be far more serious than during the peak years of 1970 and 1971—given the depressive and troubled economic state of the country.

I recall very vividly the public clamor for action in the early 70's, and I am hopeful that the recent study of the domestic council will once again focus federal resources and public attention on this serious problem.

All of us are aware of its complexity and its magnitude and the fact that there are no easy solutions.

Instead, a comprehensive approach is required which takes in to consideration the need to: (1) eliminate the supply of drugs and disrupt the distribution system; (2) enforce our criminal laws strictly against drug traffickers and pushers; (3) treat the drug abuser; and (4) educate the citizenry against illicit drug use.

The federal strategy in the war on drug abuse should—and to some extent does—contain all of these elements.

My attention over the past decade—in large part because of the jurisdiction of my judiciary committee—has been centered on the law enforcement aspect of this strategy.

My good friend and colleague, Congressman Paul Rogers, is scheduled to speak to you on Sunday concerning the treatment-related problems of women. I know that Congressman Rogers is deeply interested in this subject, and I am sure he will discuss with you in greater detail the efficiency with which our treatment system has responded to the problems which are peculiar to women as a group, as well as the recent drug abuse legislation approved by the House.

With regard to drug enforcement on the international level, I have consistently maintained that every effort must be made to cut off the supply of hard drugs at the source. Some have criticized this approach as being "too simplistic", but the results speak for themselves. For example, as the result of Turkey's ban on the cultivation of opium poppies in 1972, we witnessed a sharp decline in the number of drug addicts and the availability of heroin in the United States.

While Turkish poppies were the source for almost 80% of heroin reaching the United States in 1971, recent DEA figures for New York–Newark and Philadelphia indicate that 83% of the heroin seized in these areas in the last six months originated in Mexico.

The point I am making is that the actions of—or more accurately the inaction of—other countries can greatly influence both the scope of our drug problem and usage patterns in the United States.

This phenomenon is a clear indication of the urgent need for close international cooperation, and it is imperative that our Government—both the administration and the Congress—exert intense and persistent pressure on those countries which fail to cooperate with us in our efforts to attack the drug problem.

It must be remembered that all of the opium used to produce heroin is grown abroad and most processing facilities for both hard and soft drugs are located in foreign countries.

Therefore firm measures must be taken to demonstrate to the international community that drug abuse is not *only* an *American* problem.

Such actions are urgently needed in order to convince foreign countries that the American people are totally committed to eliminating the scourge of drug abuse.

On the domestic level, the Judiciary Committee has the responsibility to oversee the drug-related law enforcement functions of the Department of Justice.

All drug enforcement activities are now concentrated in the drug enforcement administration, but it should be noted that LEAA plays a significant supportive role by providing funds for various drug abuse control programs.

I can assure you that the drug abuse programs of LEAA and DEA's enforcement efforts will be carefully reviewed by my committee during this Congress primarily to insure that our criminal justice system is properly and effectively linked to our health care system.

Furthermore, any future efforts which are made to promote a more rational and workable relationship between these two systems should include a re-evaluation of current addict diversion programs to determine whether the special needs of the female drug offender are being met.

Which brings me to the main topic of this conference, a topic long and sadly neglected. We have simply never focused adequately on the special problems of the woman caught up in the cycle of drug abuse.

By focusing on women, of course, we are not promoting the use of any stereotype.

All of us here today know that there is no typical female substance abuser.

The frightening truth is that an ever-increasing number of women—homemakers, teachers, sales clerks, secretaries, students and professionals, women from the ghettos and upper-class suburbanites—depend on all kinds of drugs—legal and illegal—for their day-to-day living.

Despite the alarming increase in alcoholism and drug abuse among women in recent years, too little attention has been given to their particular problems.

In preparing my remarks for this conference, I must say that I was utterly astounded by the lack of research and literature in this area.

This pattern of neglect is extremely disturbing, especially when we consider some of the tragic consequences of female addiction.

The human toll in terms of broken families, abandoned careers, and personal degradation is enormous—and—quite often there is a destructive impact on our youth.

For example, in New York City alone in 1971 State officials identified 1,500 children who were born addicted to opiates. In my own city of Newark in that same year one study projected that there could be as many as 45,000 children five years or younger residing in unsupervised addict homes.

In spite of these staggering statistics, we have consistently managed to shrug off and ignore the problems of the female drug abuser.

In this regard, I was dismayed that the domestic council in its extensive report on the overall Federal effort to reduce drug abuse failed to consider—or for that matter to even mention—the particularized needs of female drug abusers.

This failure re-emphasizes the importance of this conference.

Perhaps one of the most challenging issues confronting this conference is to discover what caused so many women in our society to seek and use drugs.

Some of these factors, including the lack of child care facilities, job training, educational and career opportunities, will be considered during this conference and this is an important first step in addressing the total problem.

Along these lines, the National Commission on Marijuana and Drug Abuse concluded in 1973 that the best way to curb drug abuse is to correct the psychological, social, and economic problems which cause people to resort to drugs in the first place.

Helping people to cope with these underlying problems is and should be the primary goal of drug abuse treatment programs, but it is quite evident that with regard to the treatment of women this objective has not been achieved.

Treatment for women has been typically based on what works for their male counterparts. It has even been suggested that treatment programs are male-oriented because the plight of addicted women presents less of an immediate threat to society than men who are more likely to be involved in violent street crime to support their habit.

Whatever the reason, the result has been poorer success rates for women who, according to a 1974 study, drop out of treatment programs at twice the rate of men.

Predictably, those in charge of drug treatment policies and programs have been men and there appears to be little place for women in the "drug bureaucracy".

Up to now, there has been very little participation by women in the planning and decision-making for treatment programs. This, as much as anything else, has contributed to the insensitivity of these programs to the particular needs of women.

This imbalance must be changed.

At the same time, we must give our male staff members adequate attitudinal training regarding the special problems of female addicts.

Consideration must be given to the unique personal problems of an individual addict—whether he be male or female—and efforts must be abandoned with stereotype or characterize drug-dependent persons.

In short, there must be changes in attitude toward women by society in general and by the medical profession in particular; there must be more women in the drug treatment field; and more importantly, there must be more women in decision-making positions in our governmental drug bureaucracy.

In addition to these measures, consideration must also be given to the development of flexible approaches to the drug problem which will enable us to respond rapidly and more effectively to shifting patterns of drug abuse and to the problems of specialized addict populations.

These approaches should include innovative pilot programs to meet the immediate needs of women as well as long-range research projects into the root causes of drug abuse among women.

With regard to female drug offenders, on the Federal level, LEAA, the U.S. Bureau of Prisons and Parole Board must be encouraged to establish model programs for women.

Finally, efforts must be made to remove artificial distinctions between the treatment and prevention of drug abuse and alcoholism.

Surely, no one expects this brief weekend conference to supply answers to all of the complex legal, medical, and policy questions that have arisen in this area.

This conference does however represent a meaningful beginning—and I might add a timely beginning as we continue to commemorate the international "year of the woman" and to press for ratification of the equal rights amendment.

While it is important that this conference serve as a forum for the exchange of ideas and information, its real success can only be measured by "what actions are taken"—or more particularly—what we do as a result of the conference. That success can only be achieved if our government is seriously interested in meeting the needs of drug-dependent women.

Unfortunately, such interest has not manifested itself to date.

We in the Congress and those in the executive branch must share the blame—for it is our responsibility—the responsibility of the Federal Government—to provide the necessary leadership in this area.

But we cannot do it alone.

Your support, the support of State and local governments, and the support of the private sector is essential if we are to make any progress in responding to the special needs of female addicts.

This is indeed a difficult challenge—especially when our nation is faced with so many serious problems—such as inflation, energy shortages, and high rates of unemployment.

But we can no longer turn from that challenge as we have done in the past.

Instead we must join together and accept it.

In doing so, we must make it a priority concern and we must be willing to make the hard choices that will be required.

I am certain that the panel discussions and meetings which will be held this weekend will make these choices somewhat easier.

As I mentioned earlier, this conference represents a significant first step in highlighting the various problems confronting women.

But it must be viewed only as a first step.

Each of us here has a clear responsibility not only to evaluate the results of this conference, but also to jointly undertake a comprehensive and continuous review of this subject.

In order to establish that continuing dialogue, we must be prepared to convene if necessary additional conferences and seminars to address specific problem areas.

At the same time, we should attempt to shape public opinion rather than respond to it—or—to court decisions interpreting the constitutional rights of female drug abusers.

In closing, let me assure you of my own deep concern and interest and my eagerness to work with you in the months and years ahead in achieving these objectives.

TRIBUTE TO LAMONT "MONTY" ODETT

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. KETCHUM. Mr. Speaker, I ask that my colleagues here in the House join with me in paying tribute to a man who epitomized my image of what a civic leader should be. Lamont "Monty" Odett was such a man. His tragic passing, at the age of 63, has left behind a void which will be very difficult to fill.

As editor and publisher of the Antelope Valley Press in California, Monty Odett typified the dedicated journalist, and his efforts have made that newspaper a fine example of a community-oriented publication.

Not only was he a fine newspaperman—he gave of himself with selfless interest to every conceivable community cause. Acting in the best interest of the community he loved, Monty Odett demonstrated understanding, enthusiasm, warmth, and dedication. His outstanding leadership made possible remarkable progress for the Antelope Valley, and his accomplishments will long be remembered.

Perhaps Monty's best known, and probably his own best loved, project was the successful on-time continuance of the Antelope Valley Freeway. Monty served as chairman of the Antelope Valley Freeways and Transportation Committee, and his diligent efforts were responsible for step by step, year by year development of that freeway. Additionally, Monty Odett's leadership spurred on the Palmdale International Airport; the joint-use agreement for the Palmdale Air Terminal at Air Force Plant 42, and for improvements in the local water situation. He served as President of the Antelope Valley Progress Association, now the board of trade. Monty also served as the first chairman of the Four County Development Committee, and his actions assisted greatly in realizing improvements on the high desert.

When I think of schools, parks, streets, libraries, almost any community service, Monty Odett's name automatically comes to mind. Both he and his wife, Miriam, contributed to the community in which they lived well beyond what one would consider possible.

I knew Monty Odett best as an outstanding newspaperman, and I know that all those who were privileged to enjoy his acquaintance agree there could be no finer. Perhaps the most telling tribute to Monty Odett was the final paragraph printed in his newspaper as they honored him following his death. It reads as follows:

> There will be no '30' at the end of this story, because the spirit of Monty Odett will live on in this newspaper, and in this Antelope Valley.

CHILE: THE ECONOMIC AND SOCIAL SITUATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ASHBROOK. Mr. Speaker, a recent speech by Manuel Trucco, Ambassador of Chile to the United States, did not receive much press coverage in the United States. His discussion of what the Government of Chile is doing deserves attention by all those interested in our relations with South America.

Chile under the Marxist Allende received much favorable coverage. Chile without Allende has not been so fortunate.

At this point I include in the RECORD the text of Ambassador Trucco's remarks to the Pan American Society of the United States:

Remarks of Manuel Trucco, Ambassador of Chile to the United States and to the Organization of American States, Before The Pan American Society of the United States of America

THE INHERITED DEVASTATED ECONOMY

The Chilean economy that the new Government of my country inherited on September 11, 1973, could be compared to one of a country that has just been devastated by a war. Of course, that's exactly what Chileans had been through over a three-year period.

From the very first moment, the principal aim of the Government has been to return Chile to the Chileans, and to our respect for the law.

The present Government of Chile did not arrive to substitute a "military solution" for a "civilian solution". Its main purpose is to cool the passions, heal the wounds, and restore the economy to at least the standard of living Chileans had in 1970, before Allende ruined it. With this aim the new Government closed Congress, suspended political activities, and banned all Marxist oriented movements.

But the Courts have been restored to their full constitutional functions.

Faced with the economic facts that the new Government inherited, it would have been unrealisitc to believe that the Armed Forces would have immediately called for new elections.

When faced with an emergency situation, emergency measures must be taken. Thus, the Armed Forces have been firm and have used the authority given them under the 1925 Constitution, to get Chile back on her feet again. The Chilean Armed Forces did not assume Government functions to impose a form of "caudillismo." Nor, may I add, was the Government which they ousted a "democratic one," as it is repeated over and over again by some marxist leaders all over the world. Enough proof about this has been offered by the resolution adopted in mid 1973 by the Chilean Supreme Court, the Congress, and the Bar Association of Chile.

On the contrary, the Armed Forces' action was taken for opposite reasons: to put an end to a "Totalitarian political caudillismo" which was being imposed on Chileans—and you must remember that Allende was a minority President with only a 35.8 per cent of the popular vote—through violence and outrageous and hateful propaganda, with the sole aim of destroying Chilean democracy and culture, which is based on Western Christian values.

FIFTY PER CENT OF POPULATION IS UNDER 19

A member of the Government, Gen. Gustavo Leigh, has stated that one of the main reasons for overthrowing the Allende Marxist regime was to save Chilean youth from living under Communism. Fifty per cent of our population is under 19.

The present Government of Chile does not believe in "caudillismo." While General Augusto Pinochet is the President, each member of the four-man Junta of the Armed Forces has his area of responsibility. The one concern of the Government is to bring peace to the country, while establishing permanent and solid social and economic foundations for the rehabilitation and recovery of the Nation.

Looking forward to the date when the democratic process will work again, 60 distinguished law-makers, professors of Constitutional Law, are drafting a new Constitution. The Government announced recently that three Constitutional Acts will come into existence in the first semester of 1976.

THE ROLE OF SMALL COUNTRIES

The world today seems to be going through one crisis after another—energy crisis—food crisis, monetary crisis, moral and spiritual value crisis. Small, poor countries are moving forward on their own, taking advantage of new technology, avoiding the mistakes that other industrialized countries made, using scientific discoveries to the utmost of their situation.

Chile, her Government and her people, hopes to be one of the leaders of this group of small countries.

In the past we have always recovered from disasters whether God ordered, or man-made. We shall do so again. What happened in Chile on September 11th, 1973, under no circumstances can be called a "coup d'etat" or a "barracks revolt," much less a "putsch", as recently labeled by a leading newspaper. It was simply an action of the people, the Congress, the Judiciary and of the Armed Forces of Chile living up to their Constitutional responsibilities.

In Chile we had an awakening. A rather painful one, and—looking backward—one that almost was too late.

A GALLUP POLL

After a two-month survey, Gallup International, the foreign affiliate of your own Gallup Poll, released very interesting results some weeks ago. The study was done throughout Chile in the same precise scientific manner in which Gallup conducts its polls here in the United States.

According to that report, "78 percent of Chileans are confident that the Armed Forces Government will pull the country through its present difficulties; 75% are willing to continue to sacrifice for their country; 74% thought the Government headed by President Augusto Pinochet was doing a good job, and were genuinely interested in trying to help everybody, the poor and the well off; 80% thought favorably of President Pinochet himself.

HOW MANY PERSONS UNDER ARREST IN CHILE

Now much has been written about the number of persons under arrest in Chile today. This situation, regrettable though necessary, has been played up by the opposition abroad to astronomical proportions in its campaign to destroy the credibility of the Chilean Government.

Here are the latest official figures:

On August 30, 308 persons under sentence to leave the country could not do so because no country had accepted them. There were also 345 persons under arrest because of the state of siege—or a total of 653.

Twelve days later—September 11—95 of the 308 sentenced to exile had left for Panama; 9 were freed by virtue of Decree N* 1523 of the Ministry of Interior; 1 left for the U.S. to teach at Columbia University, and 1 was free under sentence to leave Chile.

On September 11 the 653 people held under the State of Siege had dropped to 547. Of them, 209 are waiting for a foreign country to welcome them.

The number of persons being tried by the Military Courts is 1.398 and 2.117 have already been sentenced to prison terms.

Of the latter, a special commission has approved the commutation of sentences of 324.

Twelve pleas for pardon are being considered by the Pardons Commission and 12 more are awaiting consideration. Ten applications have been rejected.

THE STRUGGLE TO RESTORE NORMALCY

These are the latest true statistics on arrests and sentences. You may recall that when the Allende Government fell, the Junta was accused of having killed 40 or 50,000 people. We don't hear these exaggerated charges today because they were proven deliberately false. Now we hear about the tens of thousands of arrests. This misleading propaganda will with time be shown to be as untrue as the accusation regarding executions. But in the meantime, such lies create, political, social and economic problems for the Government and retard its struggle to restore stability and normalcy.

WHERE WE HOPE TO GO

Let us now consider the economic situation of the New Chile—where we were, where we are, and where we hope to go.

I am sure that some of you may be a bit confused about the management of the Chilean economy from what you have been reading in the press. This is to be expected when you are informed by a top staff writer of the respected New York Times just a few days ago that "consumer prices rose 370 per cent in the junta's first year, and inflation is running at about that rate—225 per cent. Unemployment is around 20 per cent. Industrial production fell 20 per cent in the first six months of 1975. The real income of lower-income families has been cut in half in two years."

That is one version.

INFLATION

Then you read in the National Review under the by-line of the editor of the Foreign Report of the equally respected The Economist of London that "there is now a visible fall in inflationary expectations in Chile." That "the whopping budget deficits of the Allende period are actually being transformed this year into a modest surplus." That the monthly rate of inflation for July of 9.5 per cent was less than a third of the monthly rate for January. That "the current trends suggest that it will have fallen to 5 per cent or less before the end of the year. . . ." That the current rate of unemployment in greater Sanitago is over 16 per cent. That the overall index of industrial production fell by more than 15 per cent over the 12 months that ended in March.

This prestigious British writer goes along with the Times by stating that "Chile has not been the world's greatest economic success story over the past two years." But he wisely reminds us that "neither was Brazil for three or four years after the 1964 coup, and neither was Spain for more than two decades after Franco's victory in 1939."

He also makes it clear that you can't blame the junta for all of Chile's troubles. "Chile's fortunes"—he says—"have always been tied up with one very simple statistic—the price of copper (which provides four-fifths of her export earnings). The collapse of the copper price last year created an immense and largely unpredicted balance of payments problem for Chile."

THE IMPACT OF THE LOW COPPER PRICE

I should mention that the Central Bank of Chile just last week confirmed that because of the low copper price, Chile received almost 600 million dollars less for her copper in the first six months of this year, as compared with the same period a year ago, or about half of the 1974 figure.

The Chilean Government is well aware of this wide array of statistics. Let us consider the realities of the problem as reported by the Government which has pursued a sober, realistic policy of facing up to the facts, however unpleasant they might be. The Government has not concealed the seriousness of the controversial economic situation either from the public or the press. It believes that only by recognizing these hard facts can the proper and adequate solution be found.

The economic crisis inherited from the Allende regime consisted of an inflationary rate of 1,000 per cent, a fiscal deficit of 55 per cent (600 million dollars), a balance of payments deficit of 40 per cent (500 million dollars), suspension of payments on the public debt, and virtually no investments by the private sector. Not a pretty picture in view of the fact that copper prices were high.

ONE CENT EQUAL TO 20 MILLION DOLLARS

As the Junta set about to correct the economic, social and political problems in 1974, it and the rest of the world were staggered by the oil crisis and the fall in the copper price to the present 54–58 cent area. Each cent represents 20 million dollars to Chile. It is worth noting that the average over the past 10 years, if figured at today's dollar value, was $1.10 per pound.

The Government's immediate goals were to check inflation and overcome the balance of payments deficit. It proceeded to attack inflation by reducing the fiscal deficit from 55 per cent in 1973 to 12 per cent in 1975, cutting expenditures, eliminating unnecessary expenses, and introducing extensive tax reforms which have reduced tax evasion. These reforms produced a more equitable distribution of the sacrifices that have to be made by every Chilean because the economic crisis could not be met by selective deprivation.

MONETARY EMISSION

A firm monetary policy to reduce the rate of monetary emission was adopted. During the period May–June 1975 the rate was about 20 per cent per month; in the July–September period it went down to 9 per cent, and for the last quarter of this year it is expected to be about 5 per cent.

With regard to foreign trade, an exchange rate policy providing periodical readjustment in relation to the rise in domestic prices has resulted in the growth of non-copper exports between 1973 and 1975 from 235 million dollars to approximately 650 million dollars.

The balance of payments deficit was expected to reach 650 million dollars this year because of the fall in copper prices and the unilateral skyrocketing of oil prices, but in reality it will be between 250 and 270 million dollars.

COMPENSATION FOR EXPROPRIATED PROPERTIES

To restore her traditional good name in foreign investment circles, the Chilean Government reached agreements with the large American copper companies to pay them compensation for their expropriated properties. These payments are being made and are up to date. This policy has led to the resumption of operations with foreign banks and to encouragement of new foreign investments. The Committee for Foreign Investments has announced that more than 200 million dollars more in investments are imminent, and an additional 2 billion dollars for a huge development of new mining resources is being studied and discussed.

I said earlier that Chile's recovery is requiring painful sacrifices by every Chilean. To reduce inflation there must be decreased global consumption in all areas. This in turn results in unemployment not only in Chile but in the United States as well. Our unemployment rate today is approximately 14.8 per cent, or about the same as in Detroit. Part of this unemployment stems from the 1970–1974 period when new foreign investments in Chile practically ceased.

UNEMPLOYMENT

Because unemployment is affecting large groups of Chileans, the Government has implemented a National Social Plan. Though the Minimum Employment Program based on the municipalities, vacancies have been increased to 100,000 in order to absorb the unemployment. If one considers the family group of each one, this program benefits more than half a million persons. Something similar to the Chilean approach was suggested recently by Arthur F. Burns, chairman of the Federal Reserve Board, who proposed that it would be better to tackle unemployment by providing low-wage government jobs for anyone willing to take them than by further pumping up the economy through budget deficits and a rapid rise in money and credit.

The domestic anti-inflation effort has seen a substantial increase in savings, the fruit of the introduction of new financial instruments. Savings have doubled as a result.

AGRICULTURAL DEVELOPMENT

Priority is being given to development of agriculture which has already reduced food imports from 600 million dollars in 1973 to 330 million dollars currently, and we hope to get this figure down to 210 million dollars by 1976.

PRIVATE SECTOR

In line with the Government's policy to respect private property and encourage private enterprise, the size of the State economy is being reduced after excessive growth during the last 10 years. President Pinochet, in a speech last September 11, pointed out that the State spent 26 per cent of the GNP and financed 80 per cent of the investments. The State is now reserving to itself only those strategic and vital productive and entrepreneurial activities, and giving the private sector the responsibility for the rest. In order to reduce the size of the public sector, some 240 companies intervened or acquired by the Government have been restored to their previous owners or sold at public auction. At least 50 other companies have already been or are in the process of being transferred. Some of these have become workers' cooperatives. It is expected that soon the rest of the companies will be completely transferred to the private sector with the exception of approximately 15 which, because of their nature or importance, will remain in the hands of the State.

Chile had planned its 1976 budget based on 70-cent copper on the presumption of international economic recovery but in view of the slow recuperation of the copper market, it is now being temporarily calculated at 65 cents. However, this may be lowered. Therefore, the 1976 budget, according to the Minister of Economy, will show a small initial deficit. But, it will still provide special funds for the social area—housing, health and education—so that the most needy will not be neglected, and the standard of living will be raised.

I apologize for inundating you, patient members of the Pan American Society of the United States, with these statistics, but I hope that this briefing has given you at least a capsule impression of what Chile is doing and plans to do to restore economic stability and social progress.

I repeat that this broad program under singularly difficult circumstances prevailing in the world today has been accepted by the People of Chile despite the privations that its realization will entail.

These sacrifices do not seem to be appreciated or understood in certain sectors of the United States. The very sectors that criticize may country are those that want to deprive Chile of any type of assistance. They forget, as one writer put it, that it is far harder and it takes far longer to rebuild than to destroy.

President Pinochet has made it abundantly clear to the Chilean People that stabilization and development will not come suddenly or through magical sleight-of-hand. Chile's recovery from her marxist trauma will necessarily be gradual and depend greatly upon the initiative, aggressiveness, courage and creativeness of the Chileans. We Chileans pride ourselves on being resourceful in our geographical isolation and we are confident that we can turn the situation around.

We do not blind ourselves to the fact that a determined, well-financed opposition exists abroad but I sincerely believe it is only a vocal minority.

Chile is determined to go forward and solve her multitudinous and complex problems, with assistance that may come from abroad, or if necessary, without it. That is the resolute spirit that prevails in Chile today.

I subscribe under the present circumstances to Robert Moss' observation that aid seems to be an act of expiation: "you give it to the people who tell you that you have wronged them and that they have a right to squeeze you for every penny they can get. It is not something that you give to people who tell you that they admire you, not for what you are but for what you were and might have been, if you had been able to sustain a more assertive faith in your values and traditions."

According to Moss, what was totally unforgivable about the new Chilean Government was that it was pro-American. Such presumption had to be punished. "We choose our friends," came the shrill rebuke from Capitol Hill. "Our friends do not choose us."

Thank you.

WHAT THE LOCAL EDITORS ARE SAYING

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BYRON. Mr. Speaker, I think it is important that Members of Congress hear the views of a good cross-section of Americans when considering current issues that come before this body. In this regard, I submit to you a recent editorial from the Valley Register which bears the attention of all of us:

RETURN OF THE "HICKORY STICK"

The U.S. Supreme Court, in an historic ruling on Monday of this week, reaffirmed a decision of a North Carolina Court that kids in school may be spanked, whether their parents object or not. The case came to the High Court because of a challenge to the "spanking" of a 6th grade pupil in the Southern State, where the Court had upheld the action. For some time teachers have been afraid to lay a hand on youngsters who were downright incorrigible, because in some instances they have been fined for doing so. But no more! The decision of the Supreme Court that "spanking" is a legitimate remedy for misbehavior now takes its place alongside that other historic decision of the Court regarding the integration of schools. The public has stood aghast at the brazen effrontery of "bad actors" in the schools who cursed and abused teachers and even resorted to physical resistance, feeling secure in the fact

that the teachers could do nothing about it. But now, thank goodness, a teacher can grab an incorrigible and give him the "what for" without fear of being called to account for it. Perhaps it would have been a good thing if the Court had also permited the "spanking" of some of the parents whose support of their kids' incorrigibility has oftentimes been the chief reason for it.

CONYERS CALLS ATTENTION TO THE CASE OF RUBIN "HURRICANE" CARTER AND JOHN ARTIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. CONYERS. Mr. Speaker, in 1966 Rubin "Hurricane" Carter was at the peak of his prizefighting career, the leading contender for the middleweight crown. Nine months later Carter and a companion John Artis were convicted of murder and given triple-life sentences. Both have served more than 8 years in prison. Carter lost the sight of one eye while in prison. He has studied the law. He wrote a book, "The Sixteenth Round," to explain the circumstances of his conviction, his innocence, and his request for a new trial.

In the early morning of June 17, 1966, three persons were murdered in a Paterson, N.J., bar. On that day Carter and Artis were stopped twice by police because they were driving a white car; witnesses at the scene of the crime saw two men rush from the bar and drive away in a white car. Carter and Artis were interrogated for 17 hours that day and brought to the scene of the crime. None of the witnesses, including a surviving victim and the two key prosecution witnesses who several months later testified against them, could identify them as the men who committed the murders. Both were cleared by lie-detector tests. They appeared before a grand jury but no indictments were returned.

On October 14, 1966, Carter and Artis were charged with the crime; they were convicted the following May by an all-white jury on the basis of testimony of two ex-convicts who themselves were facing imprisonment for several armed robberies that could have brought them more than 90 years in prison. These so-called witnesses admitted in court that at the time of the murders they were nearby attempting to rob a business, walked to the bar upon hearing gunfire, entered it afterward and stole $62 from the cash register. Over a period of several months police and prosecutors worked on them to testify against Carter and Artis. They finally agreed and shortly afterward charges against them were reduced and one of them was paroled earlier than his case warranted.

Last year the two key informants recanted their testimony, following upon an intensive investigation by journalists and the New Jersey Public Defender's Office. One of them told the New York Times at the time that "he bought his way out" by testifying and that "Carter was framed." Lawyers from the public defender's office joined Carter in requesting a new trial. The judge who had sentenced him denied this. An appeal for a new trial is pending before the State appellate court. Two weeks ago Gov. Brendan Byrne invited Carter and Artis to apply for clemency; they have filed an application. It is unclear whether clemency will enable them to continue their legal struggle for exoneration. Interviewed recently at Trenton State Prison, Rubin Carter said:

> I just want a trial that is free from perjured testimony and manufactured evidence. Give me a trial and I'm willing to accept that. There is great tension in the prison. There have been several killings. Of course, if I could be freed pending appeal, I wish that because my life and the lives of other prisoners are not safe here.

The Carter-Artis case is similar to so many other cases, the most prominent among them being the "Wilmington Ten," that were rooted in the civil rights struggle the past decade and the climate of racial tension in cities which made scapegoats of many black men and women. Rubin Carter was not only a great athlete, but also an outspoken champion of civil rights for black people. He was continually harassed by police and the FBI ever since 1964 when he was quoted as saying, that black people had the right to protect themselves against invasions by white police. He was active in Martin Luther King's civil rights campaigns. Paterson, N.J. was experiencing a "hot summer" at the time of the murders and Rubin Carter was a target of the vindictiveness of the police.

It is the merits of their legal battle that most deserve our attention now because of the serious questions raised about the criminal justice system: for example, whether these and other defendants like them have received the full protection of their 6th amendment right to an impartial jury; of their 14th amendment rights to equal protection of the laws and to due process; of their legal right to a fair trial which requires that any arrangements between the State and its witnesses be revealed to the jury and that no evidence that would prove the innocence of a defendant be denied his attorney.

"The Hurricane Trust Fund" was recently established to raise funds for Carter's and Artis' appeal. Growing numbers of public figures have been urging an investigation of the handling of this case and have called upon the Governor of New Jersey to free them while they are awaiting appeal. To familiarize my colleagues with the circumstances of the Carter-Artis case, I recommend to my colleagues an article by Dr. Nathaniel Wright, Jr., a distinguished educator and clergyman, and the September newsletter of the Commission for Racial Justice of the United Church of Christ, which has been in the forefront of efforts to bring justice to Rubin "Hurricane" Carter and John Artis:

"HURRICANE" JUSTICE

(By Dr. Nathaniel Wright, Jr.)

For eight years now, former middleweight boxing contender Rubin "Hurricane" Carter from Paterson, New Jersey, has spent time in the New Jersey State Prison at Trenton convicted of murder. At the time of the trial, civil rights groups and religious leaders, together with men and women prominent in sports and entertainment were deeply interested in the case. On the surface, to any rational individual, the case seemed like a frame-up.

"Hurricane" Carter put his finger on perhaps the heart of the problem when he remarked that his home town of Paterson, New Jersey, was a hotbed of racist and gestapo activity. He indicated that he was a "trouble-maker" and would always be one for those who stepped on the legitimate rights of others. In other words, "Hurricane" Carter was more than a fighter in the boxing ring. He was also willing and ready to fight "City hall", even in the armed fortress city of Paterson. The authorities, he has always contended, were out to get him, regardless of any breach of justice which may be involved.

Last year, the New Jersey Public Defender noted that the two key witnesses (both white) against Carter had indicated that they had lied. A state judge refused to open the case on the grounds that the witnesses were not men whose word could be trusted. Still their word had been "good enough" to send Carter to jail, separating him now from society and from his wife and family for eight years.

Further evidence has now come to light, with the revelation that the local prosecutor had suppressed facts which would have kept Carter out of jail to begin with. There can be little doubt that effectively criminal conspiracy, either overtly or otherwise has been engaged in by the officers of the courts in order to deprive Carter of his right to "liberty and the pursuit of happiness".

More important, all Black Americans should recognize that with more than one half of all jailed Americans being black or tan and with less than one percent of all the judges being black or tan, justice—on its face—has been uneven. There has been an unwritten conspiracy against Black Americans all along which no white-originated endeavors can undo.

Blacks themselves must "take over" on the bench, at the bars of justice, in every community that they can. We should have at least ten times the present number of judges. And we must mount a concerted effort in that regard.

Celebrities throughout the country, headed by the illustrious Muhammad Ali, are sponsoring a major benefit for "Hurricane" Carter at Madison Square Garden this fall. Contributions may be sent to the "Hurricane Carter Trust Fund", 352 Park Avenue South, Ninth Floor, New York, New York 10010.

Hurricane Carter will undoubtedly receive a new trial during the next few months and be released. But he will have spent more than eight years unjustly behind bars. Our collective efforts must be exerted to end the kind of "Hurricane" justice which speeds black, whirlwind fashion, off to overfill our jails, making America the land of the "unfree" for those of us who are black.

A VIOLENT CRIME OCCURS IN PATERSON

In the early morning of June 17, 1966, two armed Black men entered the Lafayette Grill in Paterson, N.J. (apparently with intent to rob persons in the Grill). The bartender resisted by throwing a bottle at the intruders, and the two men fired their weapons killing three persons while wounding another.

The gunmen sped away from the scene in a white automobile without taking any money from the tavern or their white victims.

"HURRICANE" AND FRIENDS STOPPED

Five minutes after the slaying, two police officers spotted a speeding white car about seven blocks from Lafayettte Grill heading east toward Route 4, a major highway. Later the same officers halted a 1966 white Dodge, 14 blocks from Lafayette Grill, heading slowly in a different direction. The second white car contained Rubin "Hurricane" Carter, John Artis and John Royster, all Black. After a brief check of registration and licenses, the three men were permitted to leave.

Later that morning the white Dodge, rented by Carter, was stopped again with only Carter and Artis as occupants. The two men were driven back to the scene of the murder and questioned for 17 hours at the police station before being released. The only survivor failed to identify either Artis or Carter. Both Artis and Carter appeared before a grand jury investigating the murders but no indictments were returned.

At the time of these killings, Paterson's crime rate was soaring rapidly and racial tensions were at an all-time high. Following the murders, the city and a tavern owners association offered a $12,500 reward for information leading to the arrest and conviction of the two killers. Despite a massive manhunt and intensive investigation, the summer of "66" passed without the capture of the two killers.

CARTER AND ARTIS INDICTED ON THIRD TRY

On October 14, 1966, after returning from a fight in Argentina, John Artis and Rubin "Hurricane" Carter were arrested and charged with murder after a third grand jury had indicted them.

THE TRIAL

During the 14-day trial that followed, Arthur Bradley and Alfred P. Bello, both white and former prisoners, testified that they saw Artis and Carter come from the Lafayette Grill minutes after the shooting with guns in their hands, jump into a white car and speed away.

Bello acknowledged at the trial that after the shooting he entered the Grill and stole $62 from the cash register. The pair also admitted that at the time of the shooting they were attempting to break into the Ace Sheet Metal Co. about two blocks from the Grill but walked to the bar after hearing the gun shots.

Six witnesses, all Black, appeared on behalf of Rubin Carter and John Artis testifying to their location and movement during the time of the shooting.

GUILTY!?

The all-white jury deliberated for 4½ hours on May 26, 1967, and found each defendant guilty, but they recommended life imprisonment rather than the electric chair. In 1969, the New Jersey Supreme Court denied an appeal by Artis and Carter.

Despite the conviction and denial of appeal, family, friends and supporters continued to seek ways to prove the innocence of Carter and Artis. In 1970, Fred Hogan, an investigator for the New Jersey Public Defender's Office, began an independent investigation into the circumstances surrounding the triple killings at Lafayette Grill on June 17, 1966.

PROSECUTION WITNESSES RECANT

As a result of investigative work by Fred Hogan, Selwyn Raab (reporter for the *New York Times*), Herb Jaffe (of the *Newark Star-Ledger*) and the office of New Jersey's Public Defender, Alfred Bello and Arthur Dexter Bradley recanted their original testimony.

In their recantations Bello and Bradley admitted they did not see Carter nor Artis emerging from the bar with guns in their hands. Bello and Bradley testified further that the two men who emerged from the Grill wore dark suits and sped away in a Cadillac.

Recantation testimony revealed that the police and prosecutors, during interrogation of Bello and Bradley, constantly referred to Carter and Artis as "Niggers, Muslims, animals and murderers and told (Bello) he would be performing a public service by getting them off the streets and thereby protecting whites."

WITNESSES TELL OF DEALS

In testimony heard by Judge Samuel A. Larner (the judge at the original trial), Bello and Bradley confessed that the Passaic County prosecutor's office and the Paterson police department made deals with them in return for their perjured testimony. It was revealed that representatives of the Passaic prosecutor's office interceded with several prosecutors from other counties to drop, reduce, or consolidate other outstanding criminal charges against Bello and Bradley. Also, tape recordings and other evidence valuable to the defense were suppressed by the prosecutor despite vigorous efforts by the defense attorney to obtain any such items.

NEW TRIAL DENIED

Judge Larner refused on two separate occasions to grant Rubin Carter and John Artis a new trial despite these dramatic revelations.

THE "HURRICANE" SPEAKS POINTEDLY

Closing his autobiography, The *Sixteenth Round*: From Number 1 Contender to No. 45472, Carter says:

"I come to you in the only manner left open to me. I've tried the courts, exhausted my life's earnings, and tortured my two loved ones with little grains and tidbits of hope that may never materialize. Now the only chance I have is in appealing directly to you, the people, and showing you the wrongs that have yet to be righted—the injustice that has been done to me. For the first time in my entire existence I'm saying that I need some help. Otherwise, there will be no more tomorrow for me: no more freedom, no more injustice, no more State Prison; no more Mae Thelma (Carter's wife), no more Theodora (Carter's 11 year old daughter), no more Rubin—no more Carter. Only the Hurricane. And after him, there is no more." (pp. 336–337)

FOUNDATIONS OF JUSTICE

One of the basic tenets of the American court system is that every person convicted of a crime must be adjudged guilty by a jury "beyond a reasonable doubt." It is the responsibility of the state to present evidence to the jury to establish the guilt of the accused. The state is further charged with the duty of giving any and all information to the defense attorney that would tend to prove the innocence of the defendant.

Another tenet of the court system is that all persons accused of a crime must be given a "fair and impartial" trial. The trial proceedings must be fair and every opportunity given to the accused to rebut charges levelled against him/her. Any deals or other arrangements made between the state and its witnesses must be revealed to the jury so that it can weigh the credibility of each witness and determine if there is personal gain to be made for testifying for the state.

DEALS MADE WITH BRADLEY AND BELLO

At the time of the original trial, Arthur Bradley was facing 90 years in jail for four armed robbery charges. Bradley conceded to a New York Times reporter [he] "just bought [his] way out." After his perjured testimony, Bradley received parole after spending only three years in prison.

Before testifying against Carter and Artis, Alfred Bello had been convicted six times for robbery, burglary and theft. Bello admitted to reporters and at the hearing that his testimony was motivated by promises from Paterson police "to take care of [him] if [he] got jammed up again" and by the $12,500 reward.

PROSECUTION WITNESSES RECANTED

When the two witnesses recanted their testimony, they had nothing to gain. Bradley was out of jail with no pending charges while Bello was in the Bergen County jail on a burglary charge.

Bello informed Lt. Vincent DeSimone, of the Paterson Police Department of his intention to tell the truth. Upon hearing this DeSimone warned Bello, "If you open your mouth you're going to do 100 years." (N.Y. Times 9/27/74)

Courts have traditionally viewed recanted testimony with caution. In 1971, a California court, in State v. Betsellie, stated: "Courts must act with special care and caution before accepting the truth of a claim of perjury, and should properly require the evidence to affirmatively establish the perjury in such clear and convincing manner as to leave no room for reasonable doubt that perjury was committed."

We share the opinion of many others that the criteria established in Betsellie was met in the Carter case and that the independent statements and testimonies of Bradley and Bello "affirmatively established" their perjury. We feel it is proper and in the best interest of justice to grant a new trial for Rubin Carter and John Artis.

EVIDENCE SUPPRESSED

The mere fact that a promise was made to Bradley and Bello by the Passaic County prosecutor and not communicated to the jury is a ground for a new trial. In a 1959 ruling, *Napue* v. *Illinois,* the U.S. Supreme Court held that the disclosure of a promise to prosecution witnesses was crucial to guarantee a fair trial, and that the jury is entitled to such disclosure.

When asked at the trial if promises had been made, both prosecution witnesses said "no".

A Missouri court has upheld that disclosure of promises is essential evidence needed by the jury to objectively weigh the credibility of the witness and "to make a reasonable and intelligent decision." In that case the courts held: "When those facts have been suppressed by the State, the defendant has received an inquisition, not a trial." (*State* v. *Brooks, 1974*)

In the Carter-Artis case a deliberate effort was made by the prosecutor to suppress evidence of these promises.

First knowledge of this evidence came to light in October 1974, an hour before the first hearing for a new trial. It came in the form of a tape recording and other documents recording statements of prosecution witnesses and was released by the prosecutor in opposing the motion for a new trial.

A test used by the courts in weighing newly discovered evidence was defined in a New Mexico case, *People* v. *LoPresto*. That decision stated: "The substance of the evidence and not merely its materiality [must be] discovered after the trial. Secondly, the evidence [must not be] just cumulative. Thirdly, the defendant [must not have been] able to introduce the evidence at his trial. Finally, the evidence [must be] of the nature to render a different result in a new trial."

WE QUESTION DENIAL OF NEW TRIAL

Despite this precedent supporting a new trial and many other similar decisions, Judge Larner ruled against the motion of the defense. We believe this ruling is not in the interests of justice and will make it more difficult for people to place trust in the criminal justice system.

THE HONORABLE JOHN J. ROONEY

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. NATCHER. Mr. Speaker, our former colleague, John J. Rooney, was a man of conviction, of loyalty, and of dedication. His passing on Sunday night marks the end of a life given to public service and leaves a void that cannot easily be filled.

John Rooney served for 30 years in the Congress, retiring from this great body only last year. For many of those years he was a member of the Committee on Appropriations and as a member of the same Committee, I had the opportunity to know him well. Over the years I came to admire more and more his attitude of concern, of responsible action, and hard work. I respected him, as did we all, as a fine Member of Congress, as an excellent representative of his native Brooklyn, and as a most able lawyer and statesman.

To his wife and family, I offer my deepest sympathy and say to them as consolation that their husband and father was a man of high caliber who lived his life with distinction and honor.

TORTURE IN BRAZIL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HARRINGTON. Mr. Speaker, in recent years, the Brazilian Government has come to be widely regarded as an authoritarian yet modernizing military regime, and it appeared they had gradually abandoned the more atrocious techniques initially employed following the coup in 1964 to deal with political dissidents. Since his election a year and a half ago, President Geisel has been promising a gradual return to democratic rule, and even the Brazilian press has noted the emergence of what they termed "internal détente," the easing of repressive rule.

Recent events in Brazil clearly dispel these notions. A wave of arrests of political dissidents has occurred throughout the country, with opposition lawyers and journalists remaining the prime target of the Government's action. The following account, appearing recently in Harper's magazine, of the appalling circumstances surrounding the arrest, late last year, of an American citizen in Brazil makes clear that the Brazilian Government has not abandoned the use of torture.

With House consideration of the military aid bill due shortly, the article raises the seemingly perennial questions regarding U.S. aid policies to governments that use torture and other inhumane methods to eliminate political opposition. Clearly the question is applicable to the case of Brazil.

The text, the first of two parts, follows:

IN THE PRESENCE OF MINE ENEMIES

(By Fred B. Morris)

It was by the merest chance that I happened to run into my friend Luis Soares de Lima, as I then thought his name was, that Monday morning last year. I had gone to the factory at seven o'clock, as usual. Then, about nine o'clock, I got into my car and started toward Recife, about twenty minutes away, where I planned to make some calls from my apartment, as the company telephone was out of order. Luis was walking along the side of the road toward the factory. I honked and stopped, and he came over and got into the car.

Luis was a very close friend who, at the end of 1973, had moved to João Pessoa, about 120 miles away. Now I saw him only occasionally when he returned to Recife to visit his girlfriend. We talked about her as we drove to my house, and he inquired about Tereza, my fiancée. At the apartment I made four calls; then, at exactly 10:00 A.M., I looked at my watch and told Luis I had to be at the Bank of Brazil in ten minutes and must leave. He said he would get off on the way and do some errands and then come back for lunch about 12:30.

We went down the stairs, still talking about our girls. As we left the building I noticed a well-dressed bearded man entering. I nodded to him and proceeded on out to my car. I had just opened the door when the bearded man rushed up behind Luis and pointed a revolver at his back, yelling something I couldn't understand. At the same instant, I became aware of being surrounded by three men armed with machine guns. I looked at Luis. It was now our turn.

Sometimes, late at night over a beer, Luis and I had talked about the friends and many others who had been imprisoned and tortured by the Brazilian army and its secret police apparatus. Luis once told me of a man he knew of who had died under torture rather than betray his friends. How can that be? I asked. How can anyone resist pain like that? And why?

These conversations began in the hurt we felt over imprisoned friends, in our anger and frustration over a military dictatorship that had terrorized and exploited the people of Brazil for ten years. We also wondered about ourselves, as I suppose every man wonders on thinking of such things. How would I bear up if they came for me? How would I do under torture? Yet such questions were for me quite academic. I was an American, and if the army should become unhappy with me for any reason—and in Brazil since 1964 it could be any reason—the worst possibility was that I would be deported.

The army had been interested in me for several months, ever since the June 24 issue of Time appeared with a story about Dom Helder Camara, the Archbishop of Olinda and Recife. I was Time's stringer in Recife, and so they assumed (erroneously, as it happened) that the story was mine. I had been called in for questioning in July, by Colonel Meziat, head of Fourth Army Intelligence in Recife. Three times I sat in his office, answering questions about my relations with Dom Helder, Time, the Associated Press (for which I was also a stringer). Though cold enough at first, Colonel Meziat became quite simpatico, and at the end said that if I avoided communicating with the archbishop and ceased to meddle in journalism, I would have no problems with them. Well aware that this was no idle comment, I sent word to Dom Helder through a monk friend and simply stopped filing material with Time and the AP: I was not happy with this kind of censorship and control, but I wanted to stay in Brazil and would pay the price.

Apart from a two-year interval, I had been in Brazil since 1964, primarily as a missionary of the United Methodist Church. In 1970 I was assigned to Recife, in the northeast, to organize a community center and to improve ecumenical relations with the Roman Catholic community there. In doing so I became a close friend of Dom Helder, an outspoken critic of the military regime in Brazil.

In January of 1974, nine months before my arrest, I'd taken a leave of absence from the Methodist Board of Global Ministries and gone to work in a small industrial firm in Recife, while continuing to serve the community center as a lay volunteer. Apparently, however, neither my new "civilian" status nor my promise to sever contact with Dom Helder satisfied the authorities. So it was that on September 30, 1974, they came to get me.

THE HUMMING INQUISITOR

The cell was small and not quite rectangular. It was about seven feet long and four feet wide. There was no window, and the only ventilation was an opening at the bottom of the door for the passing of food trays. The door was made of iron bars, but a half-inch plywood panel had been placed on the outside so as to cut off any view. There was a sliding panel, at eye level, maybe four by twelve inches, that served as a kind of peephole. The roof was of clay tile, with one glass tile in the middle, giving some illumination. About seven feet off the floor, a grate of iron bars was embedded in the walls, giving a cage effect to the cell and preventing any athletic prisoner from removing the tiles and thus escaping. The walls had recently been painted a blood red for about four feet up from the floor, and then a flat white on up. The floor was of concrete tile slabs, in alternating yellow and black squares. I was naked except for my shorts.

For some reason I wasn't afraid. I realized that I could be tortured; I could already hear Luis's voice screaming from somewhere not too far away. But the kind of fear I would have expected to feel was absent. I found myself repeating, for the first of dozens of times, the Twenty-third Psalm. "The Lord is my shepherd; I shall not want. . . ." I felt a calm that the situation didn't warrant, but for which I was grateful. After about fifteen or twenty minutes, they came for me.

Before opening the door, they ordered me to replace the cloth hood they had put over my head immediately after my arrest. Because of the hood, I was to see my torturers only once in the days to come. Then they came in and handcuffed my hands behind my back, and with much pushing and shoving and dragging they took me down the corridor, through a door, up another short passageway, and into a room that was to be, for me, a torture chamber.

I was pushed to one end of the room and the questions began. I said immediately, "I am an American citizen. I want to see my consul." That was the first time they hit me, "*Here* is your consul," cried one of them, as he hit me in the abdomen.

"Where were you taking Alanir?" someone shouted. "Who?" I asked, never having heard that name before. More blows. "Luis. Where were you taking Luis?" "Nowhere, I was going to the Bank of Brazil and he was going to get off on the way somewhere. He hadn't said where." Now the blow came to the groin, the first kick a bit off target, the second two accurate. I fell to the floor in agony.

"Get up, you son of a bitch," someone cried, and I was kicked in the back while on the floor.

There were more questions and more blows in rapid succession, with people constantly coming in and out of the room. I could hear Luis's screams from the next door. Then a voice I was to recognize later as that of Luis Miranda Filho, a notoriously sadistic Recife policeman, said, "We've already sent a car for your fiancée. Tereza will be here soon. We'll strip her and work on her till you decide to talk." I knew they were perfectly capable of doing this, but I simply had to ignore the idea and think of something else.

There were more questions and blows. "Who are your Commie friends? Why does an s.o.b. American like you come down here to subvert our country? Your own country's gone to hell. Can't even keep your President. We'll teach you!"

Then it all stopped, and I heard the man who was to be my principal interrogator in the days ahead humming quietly to himself. Water ran into a bucket, then splashed at my feet. Still humming cheerily to himself, the man walked to the other end of the room and returned with a wire, which he proceeded to fasten to the second toe of my right foot. Knowing what this was leading up to, I tried to retreat, but was harshly ordered to get back where I was. Then my interrogator returned with another electrode which he fastened to the nipple of my right breast with a spring clip that cut into the flesh. Once again, and now not at all academically, I wondered: oh, God, can I stand it?

Still humming softly, my inquisitor returned to the other side of the room where I heard him pull up a chair and sit down. Then, in a very calm voice, he started the questions again. "Where were you taking Alanir?" "Nowhere," I replied. "I was going to the Bank of Brazil, and he was going to get off on the way." The first jolt was a light one, a sort of tickling and pulling at my breast. But then he increased the current and I began to jump around on the wet floor as though that might relieve the pain. I clamped my mouth shut as hard as I could, not wanting to scream and give him any satisfaction, but as the current increased, my mouth flew open with a great bellow of rage and pain. The current kept on increasing until I was thrown to the floor, doubled over in a vain attempt to diminish the pain. Then it stopped. "Get up," he yelled at me. My hands were handcuffed behind my back, and, as I slipped around trying to get up, he gave me light jolts, just to prod me on, like a steer being loaded into a truck.

As soon as I was on my feet again, the same questions were repeated, accompanied by more shocks. Again I fell to the floor, wondering how long this could go on, how long I could endure. Up again. More questions, more shocks, falling once more.

Finally the shocks stopped, and my inquisitor came near. He took the electrode from my breast, but, before I could feel any sense of relief, he began pushing down my shorts, the only clothing I had left. Oh, no! I groaned to myself. This I can't bear. I know I can't.

"Nervous, huh?" he inquired. "Now we can have some real fun. And if you don't talk, we'll shock it right off of you." With this he fastened the spring clip to the base of my penis and returned again to his chair.

Then the same questions and some light jolts that made me dance from side to side. I was screaming, now almost in anticipation of the shocks, when he turned up the voltage hard, provoking spasms in both legs that caused them to fly out in front of me. I fell with all my weight on my back and my hands, which were still manacled behind me. The current continued as I squirmed and wriggled on the wet floor. This must have seemed a pratfall, for the room filled with laughter from three or four men now gathered to watch the proceedings.

Then, once again, came the command to get up. This time it was harder even than before, as I had sprained my left wrist in the fall. I was now aware only of a world of agony and torment from which I could not escape, but the pain was so great and so constant that it had almost ceased to register. Perhaps, after their years of experience, they realized this. At any rate, after a few more rounds, they stopped. The electrode was removed from my penis and from my foot; then, with the usual pushing and shoving and threats, I was led back to my cell. There the handcuffs were removed from one wrist, brought around in front of my face, passed through a bar of the cell door at eye level, and refastened. Still hooded and trembling all over, I was left alone, hanging from the door of my cell. I could still hear Luis screaming, as I had been.

It couldn't have been more than fifteen minutes before they came for me again. The hood was pulled down over my face and I started the short walk to the torture chamber. Once more I repeated the Shepherd's Psalm. "The Lord is my shepherd; I shall not want. . . ." And again I found myself calmed by those ancient words. I wondered for a moment how many people through the centuries have used that psalm at similar moments. I was also curiously surprised at how it helped. I knew that no one, not even God, was going to save me from the hands of these men, even if they decided to kill me. They had killed many others. But the psalm confirmed in me their limited capacity to touch me where it really mattered. It strengthened me even in the face of my weakness before them.

I was questioned with electric shock and more beatings for about another hour, then hung up again in my cell. Two or three times that afternoon, they repeated the procedure. Then I was taken into a different room. I was made to sit, the handcuffs were removed, and my arms and legs were firmly strapped to the chair. One electrode was placed on my breast and the other on my right ear. These were the worst shocks of all. I felt like the top of my head was actually going to burst. I screamed, jumped in the chair, tried to break the straps, and finally, on at least two occasions, was rendered unconscious.

At one point my chief inquisitor launched off on a long and emotional tirade against Dom Helder, saying he was a shameless traitor to his country because he traveled all over the world denouncing torture in Brazil.

This surreal harangue was punctuated by my screams as he turned the current on and off at random. At another point, one of my torturers got down on the floor in front of me and lifted up the hood so I could see his face and yelled, *"Eu sou foda! Se você não cooperar, eu vou lhe matar!"* The face, I learned later, was that of Luis Miranda Filho, a man learly proud of his role as a defender of Christian culture in Brazil, willing to kill for the cause. He left then, only to return shortly afterward with a Major Maia, the chief, as I later learned, of the Fourth Army torture operation. Miranda announced that they were now going to bring in Luis; they wanted me to ask him for his address. They declared that he was a rotten, no-good Communist son of a bitch, and they wanted his address to round up the rest of his group. If I cooperated with them, they would let me go; if not, they would keep on torturing me until he gave in.

I recalled my late-night talks with Luis about the futility of cooperating with the enemy. Even if one talked, we reasoned then, his torturers would only demand more, and more, and more again. Better to remain silent from the outset. At the same time, I was confusedly aware that, if I adopted a determined resistance, they would conclude that I had something to hide and was really guilty. I had no desire to help them, but I didn't want to be tortured any more. Neither did I want to hurt Luis. I didn't know if he was really involved in anything subversive. I *hoped* that he was, and if so I didn't want to cause him to betray himself. In the midst of my confusion the door opened, and I heard them dragging Luis in. He was breathing with obvious difficulty as they shoved him over to stand near me.

"Tell Fred your name," someone ordered.

There was a pause and I heard Luis take a deep breath.

"My name is Alanir Cardoso." He spoke with a defiance that startled me, but also made me proud of him. I still don't know why he had become Luis Soares de Lima, as I knew him; but I imagine that, like hundreds of others of his age, he had probably been in some sort of student troubles in 1968–69 and had had to change his identity to avoid imprisonment. He had never spoken to me of his past, and in Brazil I had learned not to ask questions. People told you what you needed to know. At that moment I was truly glad; knowing nothing, I had no secrets to tell.

"Fred," Luis (or Alanir) continued, "I'm sorry that our friendship has led to this. I really didn't think it would happen." He was interrupted by a violent body blow that I could feel sitting strapped to the chair next to him. As he fell against me, his hair brushed against my arm, and I realized that he was not hooded, though he might have been blindfolded. I wanted to reach out to him and help him.

"Fred," he started again, "I'm sorry." "I know, Luis," I said. "I understand." At this point they gave me a heavy jolt that forced another bellow from me.

"Alanir," someone said, "Fred wants you to give us your address. We know he is innocent, but we will torture him to death, if necessary, if you don't give us your address."

"Fred, do you want me to give them my address?"

"If you can," I said, rather weakly, hoping he would understand that I didn't want him to. "You know what you have to do." With that I received another violent shock, and as soon as it was over I was struck violently on the side of the head two or three times.

"This son of a bitch isn't going to tell us," one of our tormentors said. "Give it to Fred." With that they turned on the current again, and I began my screaming. As they dragged Luis out I heard him say, "I'm sorry, Fred," once more.

I was unstrapped, handcuffed again, and dragged back to be hung on my cell door. But the routine was established, and went on. Hood on head, handcuffs behind back, half-shoved, half-dragged down the corridor, repeating the Twenty-third Psalm to myself, once more feeling an inner poise that the circumstances didn't in any way warrant, strapped to the chair again, wires in place.

Then Luis was there again. "Alanir," one of them said, "Fred wants to ask you something. He wants to know your address."

"Beg him," a voice whispered in my ear. "Beg him" With that I received a blow on the side of the head.

"Luis," I started. "How are you doing?"

"Mais ou menos," he replied, noticeably weaker than in our earlier encounter. "How are you?"

They jolted a scream from me at that point with a sudden shock of current. "I don't know, Louis. They want me to ask you to give them your address. Can you?"

"Do you want me to, Fred?" he asked.

Oh, I wished he hadn't asked that. Yes, yes, I wanted him to give it to them. "Beg him!" insisted the temptor's voice at my side. "Beg him, or we'll kill you right now!"

"If you can," I mumbled, hoping Luis would understand.

Then came another shock and another bellow from me.

"Okay," Luis said. "I'll give the address." No, don't, I cried inwardly, afraid to voice my plea.

Then began a marvelous game of delay and tease. They stopped all the rough stuff with anxious expectation, waiting for Luis to speak. But he merely repeated, "Okay, I'll give the address."

"All right, what is it?" someone yelled.

"My address is . . ." but he didn't say anything more.

"My address is . . ."

Then came another shock and a scream from me.

"Wait!" cried Luis. "I'm giving the address." Another pause. "My address is . . ."

Incredibly, I found myself laughing inside. They were so anxious to get the address that they hung on every word, but it just didn't come. "I live in a *pensão,"* he offered. "I live in a *pensao* downtown." Another pause. I could feel that he was trying to buy a bit more time before giving up the information. "I live in a *pensão."*

"Where, goddamn it? Tell us now, or we're going to kill Fred." Another violent shock went through me, accompanied by my cries.

"I'm giving it. I'm in a *pensão* downtown in Recife." It must have been nearly an hour later when Luis finally gave them an address of a cheap hotel in downtown Recife. There was a scuffle as some of them rushed out, obviously to raid the hotel. Then, as Luis was being led out he said, finally, "I gave it to them, Fred."

THE COST OF NEW YORK CITY GOVERNMENT

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. GRASSLEY. Mr. Speaker, the proponents of Federal aid to New York City are still trying to convince this Congress that the city has not been extravagant in its spending. This argument flies in the face of all available facts. A Congressional Budget Office study of a dozen major American cities reveals that New York's per capita expenditures are almost 50 percent higher than any other city examined.

Per capita expenditures 1972–73 for city government:

New York City	$1,224
Boston	858
Chicago	267
Newark	692
Los Angeles	242
Philadelphia	415
San Francisco	751
New Orleans	241
St. Louis	310
Denver	473
Baltimore	806
Detroit	357

Some Members have attempted to dismiss the clear message of these figures by claiming that New York City provides some services which are supplied by counties, school boards, or other local governments in the case of other metropolitan areas. While this may be a valid criticism of the figures listed above, even when adjustments are made to account for those differences, New York City is still by far the most extravagant of all. Below are the per capita expenditures of all local governments serving the central county in which the city is located.

Per capita expenditures 1972–73 for local governments serving central county:

New York City	$1,286
Boston	756
Chicago	600
Newark	827
Los Angeles	759
Philadelphia	653
San Francisco	1,073
New Orleans	431
St. Louis	610
Denver	721
Baltimore	814
Detroit	650

These figures prove without a doubt that New York City spends far more than any other major American city. Is it any wonder that this extravagance is leading to bankruptcy?

A SALUTE TO ROCCO F. DePERNO

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. MITCHELL of New York. Mr. Speaker, on Saturday, November 1, I will be privileged to participate in a special dinner program honoring Rocco F. DePerno, a distinguished resident of Utica, N.Y., in my congressional district, who has devoted the better part of his adult life to the advancement of programs designed to help his fellow man.

The purpose of the dinner is to formally commemorate the naming of the new east wing of the Utica College Library complex Rocco F. DePerno Hall. DePerno Hall stands as a living memorial to a leader of men, an individual who has repeatedly involved himself in projects for the betterment of the community. Utica College is one of Central New York's finest assets. That it is a thriving institution of higher education is a tribute to the dedication and tenaciousness of people like Rocco F. DePerno.

Mr. DePerno is a charter member of the group that banded together following the end of World War II to bring a higher education facility to Utica. As a result of this groups' foresight, determination and plain old-fashioned hard work, a new college was born.

The expansive, charming, and functional campus that exists today and will house DePerno Hall is a far cry from the original quarters for the fledging young college of the late forties. Students then pursued their studies in an old garage, a church basement, and some quickly rehabilitated houses which flanked an Army surplus quonset hut.

Yes, it is far different today, thanks in large measure to people like Mr. DePerno.

It is especially fitting that the addition to the library complex be named DePerno Hall for it was as a result of the leadership of Mr. DePerno and the outstanding support received from the International Brotherhood of Teamsters and the Amalgamated Meat Cutters & Butcher Workmen, AFL–CIO District Union Local 1, that $200,000 was raised through group and individual contributions to finance construction of the building.

Mr. DePerno's community leadership has not been restricted to efforts to help Utica College, which is very obviously near and dear to his heart. He has also lent his time and talents to a great number of other worthy community and charitable endeavors far too numerous to mention.

And it has not been just in community service work where Mr. DePerno has made his mark.

Rocco F. DePerno has been a leader in the labor movement for more than four decades. In 1932, when the local Teamsters organization was having a hard time getting on solid ground, Mr. DePerno was among those who worked diligently to ensure that he and his fellow workers had a going organization that adequately represented and advanced the best interests of the members it served.

In the early days, the local group had limited resources and constantly changing leadership. In one 3-year period, the group was represented by 27 different business agents.

The big change in direction came in 1936 with the election of Mr. DePerno as business agent. Mr. DePerno inherited Local 182 which had 48 members and a treasury of $66. Today they have more than 4,000 members and the funds needed not only to provide the essential services and representation for those who belong, but to become actively involved in assisting financially projects designed to make the area a better place in which to live. DePerno Hall at Utica College is but one example.

In a sense, the life story of Rocco F. DePerno is what America is all about, the chronicle of one man's journey from humble beginnings to a position of prominence in his chosen profession and an expansion of horizons to encompass activities for the benefit of the common good.

Mr. DePerno was born in Utica, the eldest of seven living children of Joseph and Addea Matrone DePerno, who migrated here from their native Salerno, Italy. Although happy, his was not an easy life. Other than love, affection, and attention, no one gave Rocco F. DePerno anything, he earned his way.

He was not always the respected labor leader and community benefactor, those titles came after many, many years of hard work which found Mr. DePerno attending school at night while working at a variety of chores, from harvesting ice to driving trucks, in the day to help support his family.

Rocco F. DePerno made it—the hard way. And he has been recognized for his efforts, not only locally where he has been a president of the Central New York Labor Council, but beyond where he has served on a number of boards and advisory councils. Presently he is a member of the board of directors of the Eastern Conference of the Teamsters International Union.

Throughout his distinguished career, Mr. DePerno has had the support of his wife, the former Adeline Massi. The couple has a son, Rocco, who is a practicing attorney in Utica, and, like his dad, is active in the labor movement.

When I reflect upon the accomplishments of the man I will join in honoring in Utica this Saturday, I am reminded of something said long ago by one of our Nation's truly great men, Theodore Roosevelt:

> The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood . . . who knows the great enthusiasms, the great devotions; who spend himself in a worthy cause . . . who at the best knows in the end the triumph of high achievement, and who at the worst . . . fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.

Mr. Speaker, the 31st Congressional District of New York is fortunate indeed to have among us a man of the caliber of Rocco F. DePerno, one who willingly spends himself in a worthy cause.

MY VOTING RECORD

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BAUCUS. Mr. Speaker, in my continuing effort to promote openness and accountability in government, I feel it is important that my voting record be readily available to any of my constituents. The best way to do this, I have concluded, is to place it in the CONGRESSIONAL RECORD.

So as to neither highlight nor hide my position on the various issues considered by this Congress, I have compiled my voting record on all record votes during the first half of the 1st session of the 94th Congress. I have categorized the votes by subject area to better enable my constituents to focus on those issues of particular interest to them. I have included in the record a brief description of each vote, showing how I voted and how each vote turned out. All record votes are tabulated except for a few purely procedural questions.

Hopefully, the publication of my voting record will stimulate the communication and exchange of views between me and my fellow Montanans. At the end of this session, I intend to update this material.

I insert the following to be printed in the CONGRESSIONAL RECORD.

Issue	My vote	Outcome
AGRICULTURE		
To provide for the consideration of the agriculture price support bill.	Y	Passed.
An amendment to maintain the existing cotton target price of 38 cents per pound and the loan rate of 34 cents.	N	Defeated.
An amendment to lower the cotton target price from the 48 cents in the committee bill to 45 cents and the loan rate from 40 cents to 38 cents.	Y	Passed.
An amendment to retain 1974 target prices, for cotton, corn and wheat and set loan purchase rates at $1.34 per bushel for corn and $1.67 for wheat.	N	Defeated.
An amendment to lower the milk support rate from 85 percent to the present rate of 80 percent.	N	Passed.
An amendment to raise the milk support rate to a minimum of 82 percent of parity beginning with the third quarter of 1975.	Y	Defeated.
To recommit the Agriculture price support bill to committee.	N	Defeated.
To approve the agriculture price support bill which raises target prices and loan rates for wheat, feed grains, and cotton, and price support for milk.	Y	Passed.
A conference committee bill to raise target prices and loan rates for 1975 crops of feed grains and to set daily price supports at 80 percent of parity.	Y	Passed.
A veto override of the bill raising target prices and loan rates for feed grains, and setting dairy price supports.	Y	Defeated.
A bill to extend the Emergency Livestock Credit Act through 1976, to increase Government loan guarantees, increase the repayment period, and change the total loan limit.	Y	Passed.
A bill to extend the emergency loan program for victims of natural disasters.	Y	Passed.
An amendment to delete a $3,000,000 subsidy to Cotton, Inc.	N	Defeated.
A motion to recommit to committee the agriculture appropriations bill.	N	Defeated.
A bill to appropriate $13,000,000,000 to the Department of Agriculture.	Y	Passed.
APPROPRIATIONS		
Supplemental appropriations totaling $117,200,000 for Government operations.	Y	Passed.
An amendment to approve all of the President's proposed rescissions, except for hospital construction funds.	N	Defeated.
To approve all or part of 28 Presidential rescissions of funds for various departments and agencies; also, disapproval of 12 other rescissions proposed by the President.	Y	Passed.
An amendment to restore $259,400,000 of the President's total of $912,300,000 in rescissions in 25 HEW programs.	N	Defeated.
To approve all or part of 5 Presidential rescissions totaling $1,230,000,000 for various departments and agencies.	Y	Passed.
To appropriate $3,000,000 for Bureau of Standards.	Y	Passed.
A bill to make supplemental fiscal 1975 appropriations of $11,400,000,000 for several Federal departments and agencies.	Y	Passed.
A conference bill appropriating $15,000,000,000 for several departments and agencies.	Y	Passed.
A bill to continue appropriations at current levels for several departments and agencies.	Y	Passed.
A bill to appropriate $56,000,000,000 for the Department of Housing and Urban Development, the National Aeronautics and Space Administration, and the Veterans' Administration.	Y	Passed.
A bill to appropriate $44,900,000,000 for the Department of Labor and the Department of Health, Education, and Welfare.	Y	Passed.
A rule to provide for consideration of an appropriations bill for the Departments of State, Justice, and Commerce.	Y	Passed.
A bill to appropriate $3,640,000,000 for transportation programs.	Y	Passed.
A bill to authorize $6,500,000,000 for Treasury, Postal Service, White House, and general governmental operations.	Y	Passed.
A conference bill to authorize $7,600,000,000 for Department of the Treasury, Postal Service, White House, and general governmental operations.	Y	Passed.
An amendment to reduce funds for the Council on Wage and Price Stability from $1,500,000 to $500,000.	N	Defeated.
A conference bill to appropriate $1,000,000,000 for the legislative branch.	Y	Passed.
A bill to appropriate $5.2 for the Interior Department.	Y	Passed.
A bill to appropriate $5,990,000,000 for the Departments of State, Justice, and Commerce and the Federal judiciary.	Y	Passed.
BANKING AND FINANCE		
Resolution calling for the Federal Reserve to lower long-term interest rates and request the central bank to seek expansion of money and credit.	Y	Passed.
To approve conference report on resolution calling upon the Federal Reserve to conduct monetary policy in the first half of 1975 so as to lower long-term interest rates.	Y	Passed.
A bill to develop a more competitive and integrated securities market.	Y	Passed.
A rule to provide for consideration of a credit use reporting bill.	Y	Passed.
A bill to require banks to report to the Federal Reserve Board the amount of loans made in certain categories.	Y	Defeated.
A bill to authorize $3,300,000 for Council on International Economic Policy.	Y	Passed.
BUDGET		
To increase the temporary debt limit by $36,000,000,000.	Y	Passed.
To approve conference report on the 2d budget recession bill.	Y	Passed.
An amendment to provide for a 9.8 percent reduction of the budget deficit and a 2 percent reduction in outlays.	N	Passed.
An amendment that would balance budget outlays and revenues at $299,500,000,000.	N	Defeated.
An amendment to reduce the budget deficit to $54,100,000,000.	N	Defeated.
A resolution to set budgetary targets of $368,200,000,000 for outlays and $298,100,000,000 for revenues.	Y	Passed.
A concurrent resolution setting budgetary targets of $367,000,000,000 in outlays and $298,200,000,000 in revenues.	Y	Passed.

Issue	My vote	Outcome
BUDGET—Continued		
A rule to provide for consideration of a bill increasing the Federal debt ceiling.	Y	Passed.
An amendment to end the distinction between permanent and temporary debt ceilings.	N	Defeated.
An amendment to reduce the overall debt ceiling to $600,000,000,000 rather than the $616,000,000,000 proposed.	Y	Passed.
A bill to increase the overall debt ceiling to $600,000,000,000 through June 30, 1976.	N	Defeated.
A bill to increase the temporary federal debt ceiling to $577,000,000,000 and extend it to November 1975.	N	Passed.
CONGRESSIONAL ORGANIZATION AND OPERATION		
To elect Carl Albert Speaker of the House	Y	Elected.
House ordered the previous question and thereby barred amendments to H. Res. 5, Rules of the House for the 94th Cong.	Y	Passed.
To adopt the Rules of the House for the 94th Cong.	Y	Passed.
An amendment to delete funds for renovation and maintenance of the old FBI warehouse for use as House Office Building.	N	Defeated.
Motion to recommit resolution to provide funds for the operation of the Judiciary Committee.	N	Defeated.
An amendment to reduce the funds requested by the Rules Committee for travel.	N	Defeated.
To provide for adjournment of Congress until Apr. 7, 1975.	Y	Passed.
An amendment to the House Rules establishing a policy that Members convicted of a crime carrying a sentence of 2 years or more should refrain from voting on the floor or in committee.	Y	Passed.
A motion to recommit to committee a resolution authorizing the printing of documents.	N	Defeated.
A resolution authorizing the printing of documents.	Y	Passed.
An amendment to prohibit an increase in congressional staff, office, and travel expenses.	Y	Defeated.
An amendment to prohibit an increase in authorizations for congressional staff and office expenses without the approval of the House.	Y	Defeated.
A resolution providing a recess from May 22 until June 2.	N*	Passed.
A resolution providing a congressional adjournment from Aug. 1 until Sept. 3.	Y*	Passed.
CRIME AND JUSTICE		
A bill to create a U.S. Parole Commission and to afford greater protection to parolees.	Y	Passed.
An amendment to change the proposed Federal rules of criminal procedures to let a prosecutor rather than a judicial officer issue a warrant or summons.	N	Passed.
An amendment to delete a provision entitling criminal defendants to the names and addresses of prosecution witnesses.	N	Defeated.
A bill to establish Federal rules of criminal procedure.	Y	Passed.
A motion to recommit to the House-Senate conference the Federal rules of criminal procedure bill.	N	Defeated.
A bill to increase congressional supervision of the protection of governmental officials.	Y	Passed.
A bill to increase the size of the Executive Protective Service.	Y	Passed.
A bill to repeal antitrust exemptions for State fair trade laws.	Y	Passed.
An amendment to increase appropriations for the Antitrust Division of the Justice Department by $2,600,000.	Y	Passed.
DEFENSE		
An amendment to restore the President's rescission for F-111F aircraft procurement.	N	Passed.
A bill to authorize $3,000,000 payment for the use of Bikini Atoll as atomic weapons test site.	Y	Passed.
A rule providing for consideration of a weapons authorization bill.	Y	Passed.
An amendment to eliminate $260,000,000 authorization for AWACS command and control aircraft.	Y	Defeated.
Amendment to delete $46,000,000 for converting commercial aircraft to reserve military cargo carriers.	Y	Defeated.
Amendment to delete $1,890,000,000 for initial procurement of the B-1 bomber.	Y	Defeated.
An amendment to prohibit flight testing on the maneuverable reentry vehicle on ballistic missile systems.	N	Defeated.
An amendment to reduce overseas Armed Forces by 70,000.	Y	Defeated.
An amendment to provide 5,000 additional civilian personnel for the Department of Defense.	N	Defeated.
An amendment to provide a feasibility study for a separate military academy for women.	N	Defeated.
An amendment to allow women to be admitted to the military academies on the same basis as men.	Y	Passed.
An amendment to reduce from $26,540,000,000, to $24,650,000,000 the authorization for new weapons systems.	Y	Defeated.
An amendment directing the Secretary of Defense to regularly report to Congress on Department of Defense contracts and grants.	N	Defeated.
A bill authorizing $26,540,000,000 for weapons procurement, research, and development and setting active duty strength at 2,100,000 people.	N	Passed.
An amendment to reduce the authorization for production of nuclear energy weapons.	Y	Defeated.
A bill to authorize $23,000,000 for the Arms Control and Disarmament Agency.	Y	Passed.
An amendment to cut funds to produce binary nerve gas munitions.	Y*	Passed.
An amendment to cut funds for the construction of the Uniform Health Services University.	Y*	Defeated.
A bill to authorize $4,000,000,000 for military construction projects.	Y*	Passed.
A conference bill to authorize $31,100,000,000 for military procurement.	N	Passed.
A resolution opposing the termination of appropriations for military commissary payroll expenses.	Y	Passed.
EDUCATION		
An amendment to increase funding for 4 educational programs by $137,000,000.	N	Defeated.
An amendment to increase funds for 13 educational programs by $487,500,000.	Y	Passed.
An amendment to prohibit the Department of Health, Education, and Welfare from issuing regulations or withholding funds from school districts in order to force them to integrate physical education classes, fraternities, and youth service organizations by sex.	N	Passed.
A conference bill to appropriate $9,000,000,000 for education programs.	Y	Passed.
A motion to insist on the provisions of a House bill that physical education classes, fraternities, and sororities cannot be required to integrate by sex.	N	Passed.
A motion to recede from disagreement with the Senate, and not prohibit the mandatory sexual integration of physical education classes, fraternities, and sororities.	Y	Passed.
ENERGY: CONSERVATION AND ALTERNATIVES		
An amendment to delete imposition of gasoline taxes of up to 20 cents per gallon when gasoline consumption exceeds 1973 levels.	Y	Passed.
An amendment to delete the imposition of gasoline taxes of 3 cents per gallon, to fund an energy development program.	N	Passed.
An amendment to impose taxes on the production or import of cars not meeting fuel mileage standards.	N	Defeated.
An amendment to prohibit the manufacture of cars not meeting fuel mileage standards.	Y	Defeated.
An amendment to fine the manufactures of cars not meeting fuel mileage standards.	Y	Defeated.

Issue	My vote	Outcome
ENERGY CONSERVATION—Continued		
An amendment to fine manufacturers if their average cars did not meet fuel mileage standards.	Y	Passed.
An amendment to phase out the excise tax on radial tires, rather than ending it immediately.	N	Defeated.
An amendment to delete provisions allowing an income tax credit for the installation of insulation in residences.	N	Defeated.
An amendment to allow tax credits for installation of solar heating equipment.	N	Passed.
An amendment to reduce the energy tax fund and appropriate to energy trust fund only any increase in any revenues caused by the bill.	N	Defeated.
An amendment to require the expenditure of 25 percent of the energy trust fund for mass transit research and development.	N	Defeated.
An amendment to eliminate the proposed energy trust fund.	N	Defeated.
An amendment to make investments for building solar energy equipment eligible for rapid tax depreciation provisions.	N	Defeated.
An amendment to delete the extension of investment tax credit to the purchase of used materials for recycling.	Y	Passed.
A motion to recommit to committee the energy tax bill.	N	Defeated.
The energy tax bill, setting oil import quotas, providing tax incentives for energy conservation, and creating an energy trust fund.	Y	Passed.
An amendment to prohibit the use of energy research funds for construction of the Clinch River breeder reactor.	Y	Defeated.
A bill to authorize $4,700,000,000 for energy research and development.	Y	Passed.
An amendment to delete $1,000,000,000 in appropriations to the Energy Research and Development Administration.	N	Defeated.
An amendment to increase solar energy research appropriations by $64,000,000.	Y	Defeated.
A rule to provide for consideration of the Nuclear Regulatory Commission bill.	Y*	Passed.
An amendment to bar the use of funds for exporting nuclear fuel or nuclear technology to certain countries.	Y*	Defeated.
An amendment to prohibit the transportation of plutonium by aircraft until certain conditions are met.	Y*	Passed.
A bill to authorize $222,900,000 for the Nuclear Regulatory Commission.	Y*	Passed.
ENERGY: OIL POLICY		
To suspend for 90 days the President's authority to increase oil tariffs, fees, and quotas.	Y	Passed.
An amendment to retain the depletion allowance on natural gas regulated by the Federal Government.	N	Defeated.
An amendment to exempt from the repeal of the oil depletion allowance the first 3,000 barrels of oil produced per day by independent oil and natural gas producers.	Y	Defeated.
An amendment to retain a 15 percent depletion allowance until 1985 for oil from the North Slope oil fields of Alaska.	N	Defeated.
An amendment to eliminate the 22 percent oil and gas depletion allowance.	Y	Passed.
To refer to Ways and Means Committee the President's veto of a bill suspending for 90 days his authority to impose oil import tariffs.	Y	Passed.
An amendment to delete an extension of the Emergency Petroleum Allocation Act of 1973 to December 1975.	N	Defeated.
A bill to extend the period for congressional opportunity to disapprove presidential actions to exempt certain products from the regulations of the Emergency Petroleum Allocation Act of 1973.	Y	Passed.
An amendment to require Federal purchase and sale of imported oil.	Y	Defeated.
Amendments to energy tax bill, including removal of provision allowing Federal purchase and sale of imported oil.	N	Passed.
An amendment eliminating a provision for quotas on oil imports.	N	Defeated.
An amendment to raise petroleum import quotas.	N	Passed.
An amendment to raise oil imports sufficient to offset expected reductions in natural gas supplies.	N	Defeated.
An amendment to retain military control of the naval petroleum reserves.	N	Defeated.
A bill to create a system of national petroleum reserves.	Y	Passed.
A rule providing for consideration of the energy conservation and oil policy bill.	Y	Passed.
A conference bill to extend oil price controls through December 1975, and to expand congressional review powers over changes of controls.	Y	Passed.
An amendment to allow contingency rationing and conservation plans to become effective unless Congress disapproves them, rather than requiring explicit approval.	N	Defeated.
A resolution to disapprove the President's plan to decontrol domestic oil prices.	Y	Passed.
An amendment to gradually decontrol domestic oil prices with a ceiling of $11.28 for new oil.	N	Defeated.
An amendment to revise the windfall profits tax provisions of the oil policy bill.	N	Passed.
An amendment to provide for the gradual decontrol of domestic oil prices, contingent upon a windfall profits tax.	N	Defeated.
A motion to limit debate.	N	Passed.
An amendment to delete provisions for increases in the cost of old domestic oil and rollbacks in the cost of new oil.	N	Passed.
A rule to allow consideration of an amendment containing the President's oil decontrol plan.	Y	Passed.
An amendment to keep the current price ceiling for old oil, to roll back the price of most new oil, and to allow the President to set the price for remaining new oil.	Y	Passed.
An amendment to set ceiling prices for domestic oil.	Y	Passed.
A resolution to disapprove the President's plan for decontrol of domestic oil prices over a 39-month period.	Y	Passed.
A bill to extend oil price control and regulation authority until March 1976.	Y	Passed.
An amendment to bar joint ventures by major oil companies in developing energy resources on Federal lands.	Y	Defeated.
An amendment to prohibit the leasing of certain Federal mineral lands to vertically integrated oil companies.	Y	Defeated.
An amendment to suspend until May 1976, all lease sales in certain areas of the Continental Shelf.	N	Defeated.
An amendment to equitably distribute oil cost increases among petroleum products.	Y	Passed.
A move to strike the enacting clause of the energy conservation and oil policy act.	N	Defeated.
An amendment to strike a provision exempting small refiners from the entailments program.	N	Defeated.
ENVIRONMENT		
To designate Mar. 21, 1975, as Earth Day	Y	Passed.
A bill to accept State-prepared environmental impact statements as compliance with the National Environmental Policy Act for highway construction projects.	Y	Passed.
A bill to amend the National Environmental Policy Act to preclude rejection of environmental impact statements because they were prepared by States.	Y	Passed.
A motion to suspend the rules and authorize $5,200,000 for a noise control program.	Y	Defeated.
A bill to continue Federal regulation of open dumping and to establish marine sanctuaries.	Y	Passed.
A bill to extend the Wetlands Loan Act for 7 years and increase the amount of authorized loans.	Y	Passed.
A bill to authorize $356,000,000 for research and development by the Environmental Protection Agency.	Y	Passed.

Issue	My vote	Outcome
ENVIRONMENT—Continued		
An amendment to authorize $250,000,000 to help small farmers meet water pollution control standards.	Y	Passed.
An amendment to increase wetlands acquisition appropriations from $1,000,000 to $10,000,000.	Y	Passed.
A conference bill to amend the National Environmental Policy Act to state that environmental impact statements may not be rejected because they are prepared by State agencies.	Y	Passed.
A bill to authorize $26,000,000 for Environmental Protection Agency noise control programs.	Y	Passed.
FOREIGN AFFAIRS		
To approve $3,500,000,000 of the President's requested $5,950,000,000 of foreign aid appropriations for economic and military assistance, peace corps and other programs.	Y	Passed.
To provide for consideration of conference report on the foreign assistance appropriations bill.	Y	Passed.
To approve conference report on the foreign assistance appropriations bill.	N	Passed.
A bill to authorize $853,000,000 for the State Department.	Y	Passed.
A bill to authorize $116,000,000 for the Peace Corps.	Y	Passed.
A rule providing for consideration of the Turkey arms embargo bill.	Y	Passed.
A bill to permit partial resumption of arms shipments to Turkey.	N	Defeated.
A bill to increase an authorization for the Pacific Trust Territory to $75,000,000, and to authorize $1,500,000 for the Mariana Islands.	Y	Passed.
A bill authorizing additional appropriation for the acquisition and disposal of U.S. property in the United Arab Republic.	Y	Passed.
A bill authorizing additional appropriations for construction and improvement of U.S. property overseas.	Y	Passed.
A bill to authorize necessary expenditures for a share of the expenses of U.N. peacekeeping forces in the Middle East.	Y	Passed.
A resolution favoring most-favored-nation trade status for Romania.	Y*	Passed.
An amendment to prohibit the use of funds by the State Department to negotiate the relinquishing of any U.S. rights in the Panama Canal Zone.	N	Passed.
An amendment to increase appropriations for the Immigration and Naturalization Service by $45,000,000.	N	Defeated.
HEALTH		
A rule providing for consideration of a National Health Service Corps bill.	Y	Passed.
A bill extending and revising the National Health Service Corps.	Y	Passed.
A bill authorizing $558,000,000 for assistance to nursing schools and nursing students.	Y	Passed.
A bill to rescind $17,000,000 in appropriations for three health programs.	Y	Passed.
A motion to recommit to committee a bill authorizing $1,400,000,000 for health services program.	N	Defeated.
An amendment to appropriate $31,000,000 for maternal and child health programs.	Y	Passed.
A rule providing for consideration of the health manpower bill.	Y	Passed.
An amendment to require students to either repay the amount of their federal educational assistance or serve in medically understaffed areas.	Y	Passed.
An amendment to delete proposed limits on the number of postgraduate residency training positions.	N	Passed.
A bill to authorize $1,760,000,000 for health manpower assistance.	Y	Passed.
An override of a veto of the bill authorizing funds for health services programs.	Y	Passed.
An amendment to prohibit the use of funds to fine small firms for first violations of occupational safety and health regulations.	N	Defeated.
HOUSING		
Motion to close debate on rule providing for consideration of Emergency Middle-Income Housing Act.	Y	Passed.
An amendment to extend mortgage assistance to 11 urban areas.	N	Defeated.
An amendment to change the provision for allocation of mortgage assistance so that 50 percent of the funds would be provided for new housing and 50 percent for existing newly built, but unsold housing.	N	Defeated.
An amendment to require that anyone receiving 6 percent interest mortgage subsidies must commit 25 percent of their income to mortgage payments, mortgage insurance, taxes, and insurance on the home.	N	Defeated.
A substitute to the committee bill to expand the existing Emergency Home Purchase Assistance Act of 1974 and to extend coverage to condominium units and rental multifamily projects.	N	Defeated.
A bill (Emergency Middle-Income Housing Act) to provide temporary assistance to subsidize mortgages for certain middle-income families.	Y	Passed.
A bill to establish a temporary Federal loan program to aid unemployed persons who were faced with loss of their homes because of mortgage defaults.	Y	Passed.
A rule providing for consideration of the variable rates mortgages bill.	Y	Passed.
An amendment to allow Federal savings and loan associations to offer mortgages at variable rates where State associations have variable rates.	N	Defeated.
An amendment to set an expiration date of June 30, 1977, for termination of Federal mortgages, at variable rates.	Y	Defeated.
A bill that would prohibit the Federal Home Loan Bank Board from allowing Federal savings and loan associations to offer mortgages at rates that vary according to market rate.	Y	Passed.
A conference bill to provide temporary subsidies for home purchases by middle-income families and to provide federal loans to unemployed homeowners unable to meet mortgage payments.	Y	Passed.
An amendment to delete funding for a proposed rental subsidy program.	N	Defeated.
An amendment to decrease housing subsidies to 75 percent of the fair market rent.	N	Defeated.
An override of the veto of the emergency housing assistance bill.	Y	Defeated.
INTELLIGENCE INVESTIGATION		
An amendment to H. Res. 138 (establishment of a House Select Committee on Intelligence) to require the committee be composed equally of Democrats and Republicans.	N	Defeated.
To establish a Select Committee on Intelligence to investigate the operations of Government intelligence agencies.	Y	Passed.
A motion to accept the resignation of Representative Nedzi as chairman of the Select Committee on Intelligence.	Y	Defeated.
An amendment to abolish the Select Committee on Intelligence.	N	Defeated.
An amendment to replace the Select Committee on Intelligence with a permanent committee on intelligence.	N	Defeated.
A motion to halt debate on the Select Committee on Intelligence resolution.	N*	Passed.
An amendment to restrict the scope of inquiry of the Select Committee on Intelligence to the Central Intelligence Agency, and to decrease the committee membership.	N	Defeated.
An amendment to allow members of the original Select Committee on Intelligence to join the new committee.	Y	Defeated.

Issue	My vote	Outcome
JOBS		
A motion to recommit emergency employment appropriations to committee with instructions to delete $2,170,000,000 of the $5,900,000,000 appropriated.	N	Defeated.
To appropriate $5,900,000,000 for public service jobs and manpower training, and acceleration of existing Federal programs and projects to stimulate employment.	Y	Passed.
A conference bill to appropriate $5,300,000,000 to create 1,000,000 jobs.	Y	Passed.
An override of the veto of emergency jobs appropriation bill.	Y	Defeated.
A bill to make supplemental appropriations of $473,000,000 for summer youth jobs.	Y	Passed.
LABOR		
A bill extending existing unemployment aid laws.	Y	Passed.
A bill to increase railroad unemployment benefits, expand eligibility for benefits, and prohibit striking workers from receiving benefits.	Y	Passed.
A rule providing for consideration of the construction common-site picketing bill.	Y	Passed.
An amendment to exempt nonconstruction employees from provisions permitting common-site picketing.	N	Defeated.
An amendment to prohibit common-site picketing against a contractor receiving a bid from a State requiring separate bids for different stages of public projects.	N	Passed.
An amendment to prohibit common-site picketing against a prime contractor with a separate and direct contract.	N	Defeated.
An amendment to prohibit common-site picketing against the use of a certain product.	Y	Passed.
An amendment to prohibit common-site picketing at certain residences.	N	Defeated.
A bill to allow construction unions to strike and picket different contractors engaged in the same construction at a common site.	Y	Passed.
A motion to consider a bill to authorize a work safety program for postal workers.	Y	Passed.
A bill to authorize a work safety program for postal workers.	N	Passed.
A motion to suspend the rules and pass a bill increasing the contribution of the Federal Government to employee group life insurance.	Y	Defeated.
NUTRITION		
To provide for consideration of amendments to H.R. 4222, the National School Lunch and Child Nutrition Act.	Y	Passed.
An amendment to delete the provision providing for a subsidy of the difference between 35 cents and the actual cost of preparing the lunch.	N	Passed.
Motion to postpone further consideration of the bill to amend the National School Lunch and Child Nutrition Acts.	Y	Passed.
To extend special summer food service program for children through Sept. 30, 1975.	Y	Passed.
An amendment to provide a supplemental payment for school lunches.	Y	Passed.
An amendment to provide supplemental feeding programs for pregnant women and infants.	Y	Passed.
A motion to recommit the child nutrition bill.	N	Defeated.
A bill to expand the child nutrition programs	Y	Passed.
To prevent an increase in the cost of food stamps.	Y	Passed.
PUBLIC WORKS		
A rule providing for consideration of a public works bill.	Y	Passed.
A bill authorizing $5,000,000,000 for local public works.	Y	Passed.
A motion to recede from disagreement with the Senate over a Mississippi River locks and dam project.	N	Defeated.
An amendment to delete a $1,460,000,000 appropriation for construction of a hydroelectric project in Maine.	N	Defeated.
An amendment to prohibit use of funds to study navigational alternatives with respect to the Trinity River Project in Texas.	Y	Defeated.
A bill to appropriate $7,200,000,000 for public works and energy research projects.	Y	Passed.
A bill to extend the Appalachian Regional Development Act and to authorize funds.	Y	Passed.
RAILROADS		
To authorize grants and loans to Penn Central and other bankrupt railroads in the process of reorganizing into a new rail system.	Y	Passed.
An amendment to delete a $25,000 salary increase for the president of Amtrak.	N	Defeated.
A bill to appropriate $1,118,000,000 for Amtrak.	Y	Passed.
A motion to agree to the provisions of the Senate bill for railroad track repair and maintenance.	N	Defeated.
A motion to recede from disagreement with Senate over railroad track repair and maintenance.	N	Defeated.
A motion to recede from disagreement with the Senate over railroad track repair and maintenance, and to appropriate $5,000,000 for planning of railroad assistance programs.	Y*	Passed.
A motion to disagree with a Senate authorization of $175,000,000 for a rail improvement program.	Y	Passed.
A bill to authorize $44,000,000 to continue existing railroad safety programs.	Y	Passed.
SCIENCE AND SPACE		
To authorize $3,500,000,000 for the National Aeronautics and Space Administration.	Y	Passed.
An amendment to require congressional approval of implementation of curriculum programs of the National Science Foundation.	N	Defeated.
An amendment to require local school boards to hold public hearings on the use of the National Science Foundation funded courses.	N	Defeated.
An amendment to require the Director of National Science Foundation to submit projects for Congressional approval.	N	Passed.
To appropriate $755,400,000 for the National Science Foundation.	Y	Passed.
A motion to insist on a provision in a House bill in conference that National Science Foundation research awards be reviewed by Congress.	N	Defeated.
A rule providing for consideration of the conference bill on the National Science Foundation.	Y	Passed.
A conference bill authorizing $791,000,000 for the National Science Foundation.	Y	Passed.
An amendment to prohibit the use of air traffic control funds for supersonic transport jets.	Y	Defeated.
SOUTH VIETNAM		
A rule to allow floor consideration of a bill to authorize funds for humanitarian assistance and evacuation in South Vietnam, and to clarify restrictions on the uses of Armed Forces in Indochina.	Y	Passed.
Motion to delay consideration of South Vietnam Assistance Bill.	N	Defeated.
A motion to consider a South Vietnamese bill in Committee of the Whole.	Y	Passed.
An amendment to prohibit South Vietnamese assistance funds from being used by the North Vietnamese or the Viet Cong, and to remove requirement that the funds be distributed by international agencies.	Y	Passed.
An amendment to increase an appropriation for military assistance to South Vietnam by $150,000,000.	N	Defeated.
An amendment to point out the violations by North Vietnam and the Vietcong of the Paris Peace Accords.	Y	Passed.

Issue	My vote	Outcome
SOUTH VIETNAM—Continued		
An amendment to clarify Congress' war powers and the intent of the bill.	N	Passed.
An amendment to restrict the time during which U.S. Armed Forces could assist the evacuation of South Vietnam.	N	Defeated.
An amendment to channel the assistance funds through the U.N. international organizations and voluntary agencies to the extent possible.	Y	Defeated.
A motion to rise from Committee of the Whole.	N	Defeated.
An amendment to delete a waiver of existing law prohibiting the reintroduction of U.S. armed forces in Indochina.	Y	Defeated.
An amendment to set a 10-day time limit for the evacuation.	Y	Defeated.
A substitute bill that would have prohibited U.S. Armed Forces assistance of the evacuation.	Y	Defeated.
An amendment to point out the violations by North Vietnam and Vietcong of the Paris Peace Accords.	Y	Passed.
An amendment to prohibit the use of assistance funds by North Vietnam and Vietcong.	Y	Passed.
An amendment to limit the use of assistance funds to areas not controlled by Communists.	Y	Defeated.
A bill to provide funds for humanitarian assistance and evacuation programs in South Vietnam, and to clarify restrictions on the use of U.S. Armed Forces in Indochina.	N	Passed.
A conference bill to authorize $327,000,000 for humanitarian assistance and evacuation programs in South Vietnam, and to clarify restrictions on the use of U.S. Armed Forces in Indochina.	N	Defeated.
A rule providing for consideration of a bill authorizing funds for South Vietnamese evacuation and assistance.	Y	Passed.
An amendment requiring the President to report regularly to Congress on the Vietnamese refugee program.	Y	Defeated.
An amendment to bar the use of assistance funds for refugees unless assistance is provided to Americans with equivalent economic hardships.	N	Defeated.
An amendment to authorize Vietnamese assistance funds solely for education assistance after September 1977.	N	Defeated.
An amendment to specify $507,000,000 as the extent of the refugee assistance authorization.	Y	Passed.
A bill to authorize $507,000,000 for evacuation of Cambodian and Vietnamese refugees, and their resettlement.	Y	Passed.
STRIP MINING		
To provide for consideration of Surface Mining Control and Reclamation Act.	Y	Passed.
An amendment to place control of surface mining under the Assistant Secretary of Interior for Land and Water Resources.	Y	Passed.
To place enforcement of surface mining regulations in the Environmental Protection Agency rather than Department of the Interior.	Y	Defeated.
An amendment to delete the proposed reclamation fee and to finance the abandoned mine reclamation fund with revenues from Outer Continental Shelf leasing.	N	Defeated.
An amendment to prohibit the mining of slopes of 20 degrees or more.	Y	Defeated.
An amendment to prohibit the surface mining of coal in national grasslands.	Y	Defeated.
An amendment to strike the section of the bill exempting anthracite coal mines from the regulations of the bill.	N	Defeated.
A bill (Surface Mining Control and Reclamation Act) to establish a Federal-State program to regulate coal strip mining and reclamation.	Y	Passed.
A conference bill to provide minimum Federal standards for the reclamation of strip-mined land.	Y	Passed.
A motion to postpone a vote to override the veto of the strip-mining bill.	Y	Passed.
Override of veto of a bill setting minimum standards for the reclamation of strip-mined land.	Y	Defeated.
TAXES		
To move the previous question on the rule accompanying H.R. 2166, Tax Reduction Act, thus closing debate on the Rule.	Y	Passed.
To provide for consideration of the Tax Reduction Act.	Y	Passed.
A substitute to the committee bill to increase tax rebate on 1974 taxes but not to include reductions on 1975 taxes.	N	Defeated.
A bill (Tax Reduction Act) to provide tax rebates for 1974, individual tax cuts for 1975, increase in investment tax credit, corporate surtax exemptions, and repeal of 22 percent depletion allowance for oil and gas.	Y	Passed.
Motion to disagree to the Senate amendments to the Tax Reduction Act, and to agree to a conference with the Senate on the bill.	Y	Passed.
To provide for consideration of the conference report on the Tax Reduction Act.	N	Passed.
Motion to recommit the conference report on the Tax Reduction Act.	N	Defeated.
To adopt the conference report on the Tax Reduction Act.	Y	Passed.
An amendment to close certain tax loopholes.	Y	Passed.
An amendment to delete a provision that tax exemption cannot be denied to private organizations that had not proven their policies were not discriminatory.	Y	Passed.
VETERANS		
To appropriate $638,000,000 in additional funds for Veterans' Administration programs in fiscal 1975.	Y	Passed.
A bill to increase veteran disability compensation rates.	Y	Passed.
A bill to exempt Veterans' Administration doctors and dentists from the Federal employee salary ceiling.	Y	Passed.
VOTING RIGHTS		
An amendment to apply the Voting Rights Act of 1965 where minority groups comprise more than 5 percent of the population and where less than 50 percent of minority voters voted in the last general election.	N*	Defeated.
An amendment to exempt coverage of the Voting Rights Act of 1965 where 60 percent of minority voters voted in the last election, affirmative actions programs exist, and there have been no violations of the act for 5 years.	N	Defeated.
An amendment to repeal requiring States subject to the Voting Rights Act to obtain Justice Department approval of changes in voting law.	N	Defeated.
An amendment to ban literacy tests for 10 years rather than permanently.	N	Defeated.
An amendment to eliminate coverage of minority language groups by the Voting Rights Act.	N	Defeated.
An amendment to eliminate Alaskan Natives from coverage by the Voting Rights Act.	N	Defeated.
An amendment to delete people from ethnic backgrounds with English as a dominant language from consideration as members of a language minority group.	N	Defeated.
An amendment to substitute "citizen" for "person" in language on conditions prompting coverage under the Voting Rights Act.	Y	Passed.
An amendment to expand language minority groups to include all persons whose principal language is not English.	N	Defeated.
A bill to extend the Voting Rights Act through 1985, and to expand coverage of the Act to protect language minority groups.	Y	Passed.

Issue	My vote	Outcome
VOTING RIGHTS—Continued		
A resolution agreeing to Senate amendments to and extension of the Voting Rights Act.	Y*	Passed.
WELFARE		
To authorize $188,750,000 in fiscal 1975–77 for programs to aid those with developmental disabilities.	Y	Passed.
An amendment to favor lifting cost-of-living limits on income support programs.	Y	Passed.
A bill to modify programs for the collection of child support payments from parents who deserted their families.	Y	Passed.
An amendment to change the formula for distributing grants to assist in educating handicapped children.	N	Defeated.
A bill to increase assistance to handicapped children.	Y	Passed.
To amend the Older Americans Act of 1965 and to authorize $2,600,000,000 for the program.	Y	Passed.
An amendment to set up a 3-year, $22,500,000 program of Federal grants to States to develop camp safety standards, with no Federal enforcement permitted.	N	Defeated.
A bill to set up a program to assist States that developed and enforced federally approved safety standards for youth camps, and to provide for Federal inspection and enforcement of minimum Federal standards in States that did not develop their own.	N	Passed.
A conference bill to change the authority of the Farmers Home Administration to make emergency loans to natural disaster victims.	Y	Passed.
A rule providing for consideration of the consumer product safety bill.	Y*	Passed.
An amendment to allow the Consumer Product Safety Commission to regulate defective firearms and ammunitions.	N	Defeated.
MISCELLANEOUS		
To continue Government programs involving foreign aid and certain health and poverty programs.	Y	Passed.
To approve Neil Staebler as a member of the Federal Election Commission.	Y*	Passed.
To designate Apr. 24, 1975, as "National Day of Man's Inhumanity to Man".	Y	Passed.
A bill to authorize $98,100,000 to promote tourism.	Y	Passed.
A rule providing for consideration of a bill authorizing Maritime Administration appropriations.	Y	Passed.
A bill authorizing $589,700,000 for shipbuilding and other programs by the Maritime Administration.	Y	Passed.
A bill to allow newspapers in States with State lotteries to publish information on such lotteries in adjacent States.	Y	Passed.
An amendment to change the funds authorized for the Federal Elections Commission from $7,800,000 for 18 months to $2,600,000 for 6 months.	N	Defeated.
A rule to authorize consideration of an authorization bill for White House operation.	Y	Passed.
An amendment to freeze the number of high-level White House staff jobs at the current level.	Y	Defeated.
An amendment to provide control of White House staff operations through the authorization process rather than by statutory limits.	N	Defeated.
A resolution to restore citizenship to Robert E. Lee.	Y	Passed.
An amendment to prohibit the use of departmental funds to pay employees serving at the White House.	Y	Defeated.
An amendment deleting the authority of the Council on Wage and Price Stability to obtain business records.	N	Defeated.
A bill to extend the Council on Wage and Price Stability through September 1977, and to expand the Council's authority.	Y	Passed.
A motion to agree to a Senate amendment to appropriate $5,000,000 for international air mail carriers.	Y	Passed.

*Not voting, but would have voted as indicated.

POLICE SGT. GEORGE ESTES RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. LAGOMARSINO. Mr. Speaker, the backbone of good law enforcement has always been the individual officers who make up a police department. Citizens in my congressional district have long been proud of the excellence in law enforcement exhibited by the Ventura Police Department, and the Ventura Police Department has long been proud of its men like Mr. George Estes. I would like to bring to the attention of my colleagues the dedicated work and service this recently retired officer brought to his community.

Mr. George Estes joined the police department some 28 years ago. During this long career, George became well versed in all phases of police work, making him a truly well-rounded officer. His devotion to his department and to the people of Ventura were demonstrated time and time again.

Mr. Estes was promoted to sergeant in July of 1966. He has been the recipient of many commendations and citations for his service to the citizens of Ventura. Among his many distinctions is one of exceptional merit, "Officer of the Year" of 1975.

I wish to join his many friends in the department and the community in congratulating George Estes for outstanding work and wish him a long and happy retirement.

DR. NOAH EDWARD KEFAUVER, SR.

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BYRON. Mr. Speaker, with the recent passing of Dr. Noah Edward Kefauver, Sr., of Middletown, Md., Frederick County lost one of its most distinguished citizens.

Dr. Kefauver graduated from school in Middletown and then attended the University of Maryland Dental School. He then practiced dentistry at the corner of Church and Market Streets in Frederick for over 50 years. He retired in 1958.

Dr. Kefauver was a lifelong member of Christ Reformed Church of Middletown. He was also a member of Columbia Lodge No. 58 A.F. & A.M.; Enoch Council No. 23 R.A.M.; and other organizations.

The people of Frederick County will miss Dr. Kefauver and his irrepresible spirit. I extend my sympathy to his family and to his many friends and admirers.

PRESIDENT SADAT'S VISIT TO NEW YORK CITY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a letter I wrote to Mayor Abraham Beame in which I expressed my disappointment that he was unwilling to welcome Egyptian President Anwar Sadat to New York City.

The letter follows:

House of Representatives,
October 28, 1975.

Mayor Abraham Beame,
Office of the Mayor,
City Hall,
New York, N.Y.

Dear Mr. Mayor: I was disappointed by your decision not to welcome President Anwar Sadat of Egypt to New York City when he travels there during his visit to the United States.

Most Members of Congress, including myself, do not support all of the policies of the Egyptian Government, but I do not believe that disagreement over policy is an acceptable reason for not receiving President Sadat.

Mr. Sadat, more than any other Arab leader, has brought about a change in his government's policies toward Israel. It may be too early to know whether what we have helped to achieve in the Middle East will lead to a durable peace, but it is not too early to realize that we will need Egypt's support and cooperation if a lasting settlement is to be accomplished. A snub from the Mayor of our largest city will only make more difficult our task of creating a climate conducive to building peace in the Middle East.

I regret your decision on the Sadat visit for another reason. You are, in effect, refusing to look beyond local pressures, however justified, to what is a critical national interest to try to build and preserve good relations with Egypt as a step toward peace in the Middle East. You do this precisely at the time you are asking Members of Congress to look at our national interest rather than constituency pressures in solving the financial problems of New York City.

I do not find your example very encouraging for creating a frame of mind in the United States Congress that will help resolve your own local problems.

Sincerely,

Lee H. Hamilton,
Member of Congress.

HOUSTON CHRONICLE OPPOSES H.R. 8713 BECAUSE IT CREATES JOB DISCRIMINATION AGAINST MEXICAN-AMERICANS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BADILLO. Mr. Speaker, I would like to insert into the Record an editorial published by the Houston Chronicle on August 1, 1975, expressing the newspapers opposition to H.R. 8713, the so called illegal alien legislation. The editorial sights the position of the U.S. Commission on Civil Rights which also opposes the bill. Several national organizations including the American Civil Liberties Union, U.S. Catholic Conference, Anti-Defamation League of B'nai B'rith, National Congress of Hispanic American Citizens—El Congreso—International Longshoremen's and Warehousemen's Union, and Association of Immigration and Nationality Lawyers have all expressed strong opposition to the bill. The entire text of the editorial follows:

Penalizing Employers—and Others

A bill under consideration by the House Judiciary Committee that would penalize employers of illegal aliens is getting valid criticism from members of Congress and from the U.S. Civil Rights Commission.

The aim of the legislation is laudable: To stem the tide of illegal immigrants into this country and thereby improve the job picture for citizens. Estimates vary, but there are millions of illegal immigrants in the United States, and the U.S. Immigration and Naturalization Service does not have the resources to stop the flow or to track down and deport more than a fraction of them. Last year only about 800,000 were apprehended.

There are obvious pitfalls in attempting to crack down on illegal immigrants by working through the employer. Faced by the threat of stiff penalties should he hire illegal immigrants (and the penalties in the bill under consideration are stiff), the employer likely would be tempted to take no chances.

As Rep. Elizabeth Holtzman of New York said in opposing the legislation in subcommittee, the restrictions could prompt employers to discriminate against citizens "who have a different color skin or who speak English with an accent." A Civil Rights Commission official said the bill would have "a direct discriminatory effect on minority persons seeking employment, whether they are citizens or aliens authorized to work in the United States."

Rather than accept the inconvenience of a more rigorous screening program, many employers simply would decline to hire people with accents or with Spanish or other foreign surnames. The effects certainly would be felt in areas such as Houston where there are heavy Mexican-American populations.

U.S. minorities are plagued with employment problems enough as it is without having another burden thrust upon them.

COMPUTER FRAUD PROBLEM GROWS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HUNGATE. Mr. Speaker, I previously advised the Members of my losing battle with computers. Apparently I am not alone in having such problems as an article in the St. Louis Post-Dispatch of Wednesday, October 22, 1975, indicates:

Computer Fraud Problem Grows

(By Pamela Meyer)

The same computers that are making life easier for corporations are also making life easier for embezzlers, Leighton Smith, a partner in the Arthur Anderson accounting firm said here yesterday.

Smith, author of the book, An Executive Briefing on the Control of Computers, was here to address the local chapter of the National Association of Accountants.

"Whatever a computer does is thought to be gospel, and computer analysts and programmers have a mystique about them," Smith said. A lot of avoidable computer fraud goes on because "managers don't want to show their ignorance."

Although accounting practices exist that could uncover computer fraud, the majority of it is exposed accidentally, Smith said.

He noted that only an estimated one in nine computer frauds is ever detected. And those who perpetrate such crimes are often skilled enough to erase the evidence.

The typical computer embezzler is a married man between 32 and 36 years of age, who has two children. His house is worth about $35,000 and he doesn't live beyond his means.

Ironically, greed is rarely the reason computer fraud begins. More often, according to Smith, the embezzler is someone in a company's computer room who is trying to help out a friend or a customer. Only 19 per cent of known computer embezzlers have an alcohol, drug or other expensive problem spurring them on.

The types of computer fraud are as varied as the persons who think them up. They have ranged from persons affixing their own bank deposit slip code to other person's deposit slips, to the creation of a fictitious staff of a Human Resources Administration to which the City of New York's computer dutifully paid $2,750,000.

Corporations such as banks and brokerage houses that afford easy access to cash are highly vulnerable to such fraud, as are the accounts receivable, accounts payable and inventory operations of corporations, Smith said.

In the last analysis, both internal and external accountants are responsible for the detection of computer crime, Smith said. Major accounting firms, he noted, are beefing up their staffs to deal with the growing problem.

SOVIET WHEAT DEAL UNFAIR TO AMERICAN FARMERS

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. PRESSLER. Mr. Speaker, the United States has gotten a bad deal in the recent Soviet wheat agreement. There should have been family farmers, or at least an agricultural input, in the early stages of the negotiations. I am very disappointed that the White House failed to listen to farm State Congressmen who insisted that a higher priority be given to an agricultural input into these negotiations. Although all the details of the negotiations are as yet unclear and apparently not even available to Congressmen, I would like to make a few comments on what has been revealed.

The crude oil the United States is negotiating to buy from the Soviet Union in exchange for grain is expected to be sold to this country at no discount from the worldwide price of oil per barrel.

The Soviet Union agreed to buy 6 to 8 million tons of U.S. wheat and corn every year for the next 5 years. Original reports indicated that the United States was expected to get a 20-percent discount in the price it was willing to pay for Soviet oil. Now Charles W. Robinson, our negotiator, concedes that the Soviets have turned down the request for a discount on crude oil. Originally, the White House announced that an agreement including wheat and oil had been reached. Now we are told that the wheat agreement committing us to sell wheat at what is essentially below market prices and committing us over a 5-year period has been agreed to, but that no oil agreement has been made. We are now told it is hopeful that there will be lower prices for naphtha, for diesel oil, for crude oil, or for all three—but perhaps for none. We also are now told that crude oil most certainly will not be discounted because the Soviets have no surplus crude oil and because a discount might anger Soviet customers in Eastern and Western Europe. Also, the Soviets now say they need the dollars to balance a trade deficit that could reach $4 billion this year. The original agreement supposedly called for the Soviets to sell the United States 200,000 barrels of oil a day for 5 years starting next year. However, nothing has been finalized insofar as a Soviet commitment.

Our President is in trouble with the farm vote and midwestern Republican Congressmen who have been speaking out on the need for the White House to give agriculture a higher priority should be listened to. Farmers in my district still are angry at the administration's interference with grain exports last summer. There is a widespread feeling that George Meany should not have been allowed to dominate the negotiations and to set standards. It is the feeling in my district that Mr. Meany has not been elected to Congress or to any office and that the administration knuckled under to his pressure.

Finally, I am concerned that the wheat agreement makes our farmers' wheat a tool of the State Department as opposed to something that can be traded freely as industrial commodities are allowed to do in our society.

THE DISARMED PORTUGUESE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. GAYDOS. Mr. Speaker, under continuing pressure here to enact restrictive gun control measures, I wonder how many of us have overlooked what would be an important lesson on the subject unfolding in troubled Portugal.

I am glad one Pittsburgher has been alert. In a letter to the editor of the Pittsburgh Post-Gazette, John R. Charles urged:

> All those in favor of gun control please look at Portugal where the 12½ percent Communist element of the population which has control of the guns, continues to force servile obedience of the other 87½ percent of the people of Portugal. With guns under their control, they have closed off the free press, confiscated businesses and property, caused injury, imprisonment or death to those of the vast majority wanting some form of democratic government.

I confess, Mr. Speaker, that I, who have opposed abridgements of the constitutional right of Americans to bear arms, failed, until I read Mr. Charles' letter, to see the gun control factor in the events in Portugal. And now I ask the big question. Could the Portuguese Reds have been such a threat to the overwhelming majority as shown in the election results, if that majority had had in its possession the guns which might have made the difference?

We only can guess at the answer. But I remain mindful that the framers of our Constitution—persons who had suffered a tyranny of a minority and successfully rebelled against it—had the possibility of a situation such as has occurred in Portugal as their motive for safeguarding by our basic law the American's entitlement to his weapon. They know the value of an armed citizenry. They had seen it throw off the British rule.

The proponents of strict gun controls have been trying to convince us that such a purpose is both outmoded and absurd in this age of sophisticated weaponry. What, they ask, could a citizen with his gun do against modern arms? Well, I suspect an answer may be seen in Portugal. There the peril to liberty came not from a well-armed invader, but from an organized conspiracy which surfaced suddenly out of the Portugal population. Without guns, the majority was in immediate difficulty.

Could this happen here? Neither I nor you know. But the Founding Fathers saw it as a constant menace and, as we have learned in so many other things, they were uniquely knowledgeable men. They knew tyranny in all its subtle ways and they knew oppression because they had lived under them. So I am indebted to letter writer, John R. Charles for connecting conditions in today's Portugal with the gun control matter here. He has added another dimension to the issue—one which may prove as hard to get around as the often-cited argument that, in disarming the law-abiding citizen, you will place this citizen more at the mercy of the criminal, or indeed the conspirator, who won't give up his gun. We could be seeing this demonstrated in Portugal.

BELLAMY TRIBUTE

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. JENRETTE. Mr. Speaker, the Grand Strand area centered around Myrtle Beach was saddened recently by the untimely death of one of the most prominent and respected citizens and businessmen in the resort community. Howell V. "Hal" Bellamy, Sr., the president of the Chapin Co., a complex of hardware, building supply, and service industries, was far more than a business leader. He was hub around which revolved the very economic life of the area.

An ebullient, popular man with everyone, Mr. Bellamy was the kind of person who was a big brother and friend to hundreds. His own life story was an inspiring, Horatio Alger one. He started out with the Chapin Co. as a deliveryman and rose through the ranks to become vice president and general manager by 1945. He became president of the firm in 1956.

Hal Bellamy used his position of influence to wisely guide the growth of the Myrtle Beach area. He fed and took care of people who did not have the financial resources to pay immediately. He was a warm and compassionate human being and no more can be said of anyone. His passing at the age of 61 was an untimely loss to the community and a personal loss to me. Myrtle Beach and the entire Grand Strand will sorely miss him. I will miss him as a friend and share the grief of his family.

PERSPECTIVES ON AFFIRMATIVE ACTION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. CLAY. Mr. Speaker, because of the importance of the subject of affirmative action and the pressing need to inform my colleagues of the positive thrust of the NAACP's philosophy and programs in that area, I am offering the following speech that was delivered by Mrs. Margaret Bush Wilson, chairman of the NAACP National Board of Directors, at the annual conference of the Midwest College Placement Association, September 3, 1975.

Perspectives on Affirmative Action*

"Affirmative Action" is now in tune with the times.

"One of the most remarkable, but little noted, achievements of the 92nd Congress during 1971–72 was the shaping of a new national policy to end sex discrimination in all educational institutions at all levels, including students, staff and faculty, from nursery school to post graduate education."

These are the words of Dr. Bernice Sandler who is not only Director of the Project on the Status and Education of Women with the Association of American Colleges, but she serves on the Advisory Committee on the Economic Role of Women to the President's Council of Economic Advisors.

Dr. Sandler continued her comment by saying,

"The speed with which the Congress extended Title VII of the Civil Rights Act of 1964 to include all educational institutions; amended the Equal Pay Act of 1963 to cover executive, administrative and professional employment; amended the Public Health Service Act to cover admissions to all health profession training programs; enacted Title IX of the Education Amendments Act of 1972 to cover all phases of student treatment, including admissions; and added sex discrimination to the jurisdiction of the United States Commission on Civil Rights—indicates that Congress was acutely aware of discrimination against females in our educational institutions." . . .

She concluded her opening remarks for an article in the Journal of Law and Education with this very significant comment. "These laws are not merely employment laws; *they are civil rights laws* with a different legislative and judicial history." (Emphasis added)

America is a country of the committee and caucus. At the beginning of this decade, there was founded yet another organization calling itself the Gray Panthers.

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*Remarks delivered at Annual Conference of the Midwest College Placement Association, Wednesday, September 3, 1975, at the Pick Congress Hotel, Chicago, Illinois by Mrs. Margaret Bush Wilson, Chairman, Board of Directors, National Association for the Advancement of Colored People. Mrs. Wilson is a practicing attorney in St. Louis, Missouri.

The similarity of name to a certain militant black group is not just coincidence. The avowed purpose of the Gray Panthers is to challenge and eliminate arbitrary discrimination against someone or some group on the basis of age—any age.

What is particularly interesting about the Gray Panthers is that it is a coalition of the young and the old—because both groups suffer discrimination on the basis of age alone.

For the first time in over forty years, older citizens are organizing. We also know that the fastest growing segment in this nation is the older population. Today some twenty million elderly make up ten per cent of America's total population. At the present rate of increase, approximately half of the U.S. population will be over fifty years of age by the year 2000!

During the first week of August, this year, the President of the United States signed a bill which extends and expands the Voting Rights Act of 1965 so that it protects not only the voting rights of African-Americans but also Mexican Americans in the south and the southwest.

On a recent morning television program, a spirited discussion took place between the Commentator and an Italian American about the stereo-type of Italians in the media as purveyors of organized crime.

The emerging point of all these developments is that the civil rights revolution of the 1960's has sparked a multidimensional thrust in the 1970's. Civil rights in America is no longer just about and synonymous with rights of Americans of African descent. Indeed, the spectrum is somewhat bedazzling and includes—the rights of the young and the old, of Native Americans and hyphenated Americans-Mexican, Puerto Rican, Spanish-surnamed, Italian—of women, the handicapped, the convicted, the bi-sexual and the homosexual.

TITLE VII OF THE CIVIL RIGHTS ACT OF 1964

All this has arisen from the soaring sixties when this country was in ferment. It was a remarkable period in American history, with an astonishing thrust to a new level of protest for civil rights.

The successes of the 1960's spurred and inspired other groups to make their bid for equality. It is no coincidence that the movement for women's equality grew in size and strength as blacks began to advance. Many women saw disquieting resemblances between their own lot and that of racial and ethnic minorities.

The solid foundations upon which these groups have built are the Civil Rights Act of 1964 and particularly Title VII of that Act together with President Johnson's Executive Order 11246. The first covers all institutions with 15 or more employees and the second covers all institutions with federal contracts.

Except where it can be shown that sex is a "bona fide occupational qualification", present effects of past discrimination based on race, color, religion, national origin or sex are prohibited by Title VII.

Under Executive Order 11246 (later amended by the Executive Order 11375 to include sex), federal contractors must have a plan of "affirmative action" to "remedy the effects of past discrimination" and to prevent the continuation of current discrimination. Affirmative action can also be required under Title VII of the Civil Rights Act of 1964 if a finding of discrimination has been made.

THE AFFIRMATIVE ACTION CONCEPT

The affirmative action concept grew directly out of the mass demonstrations and legal actions in the decade of the sixties to remove racial barriers in the construction industry. Following successful tests of the principle of what was then called manning tables in the Federal Courts, the U.S. Department of Labor moved to implement the celebrated Philadelphia Plan. This opened a new frontier in the equality struggle. The principle of goals upon which this plan was based rapidly spread to every other area that was held crucial to the economic and social advancement of the black population. It now extends to other groups.

The United States Commission on Civil Rights has defined affirmative action to be: "Steps taken to remedy the grossly disparate staffing and recruitment patterns that are the present consequence of past discrimination and to prevent the occurrence of employment discrimination in the future."

Significantly, higher education institutions, which receive billions in federal funds each year from the Department of Health, Education and Welfare feel most threatened by the reach of these laws and regulations, because of their potential for effectiveness. No other civil rights remedies raise more hackles within the ivory towers of higher learning where rational thought and the quest for knowledge and enlightenment presumably rule.

The principal problem, we all know, is not the simple ban against discrimination. Such anti-discrimination laws and rules can be tolerated, especially when their effectiveness is limited. What greatly bothers college administrators and employers, however, is the potential for effectiveness that these laws and rules hold. By insisting on their enforcement, black people, women, and other ethnic and racial minorities, it should be remembered, are demanding no more than they are due. They are simply saying that, because of this society's past record of racial and sex discrimination, employers and colleges should now be required to set goals and timetables for the hiring of staff and the admission of students as conditions for receiving federal funds.

Despite its seeming fairness, however, this type of affirmative action approach, like public school busing, seems to arouse intense emotions and great hostility. Yet, the question must be asked what is proposed in the alternative that would be as fair and as effective. It is, indeed unreal, and highly injurious to a pluralistic society to say to the historical victims of racism or sexism, you are now free—compete on an equal basis!

A case in point was the challenge by Marco DeFunis, Jr., to the admissions policy of the University of Washington's Law School. This case, you will recall, centered on the constitutionality of the Law School's policy for recruiting minority students. DeFunis maintained that the law school was guilty of reverse discrimination when it rejected him while admitting 36 minority students who had scored lower on admission tests.

Clearly at stake in this issue was whether the University of Washington had a constitutional obligation to exercise its moral responsibility to society. This responsibility involved correcting a past and present history of racial discrimination. Significantly, the record showed that from 1902 to 1969 only 12 of the 3,812 Washington Law School graduates were black.

As the NAACP said in an amicus brief before the Supreme Court, "The fact that respondents (meaning the University of Washington), adopted an affirmative action program to neutralize the discriminatory effects of their entry system clearly shows that they were indeed aware that discrimination was present in the system".

The charges of reverse discrimination in the DeFunis case centered on the explosive question of test scores. Here is an example of how test scores have traditionally been used to discriminate against black people. If we take a close look at the DeFunis score and compare it with those of the minority students who were accepted, we will see that the differences were really miniscule. Furthermore, there were other noteworthy factors that clearly gave the university the right to accept the minority applicants over DeFunis. Also, as we all know, test scores by themselves are certainly no true indicators of performance or success.

GOALS VS. QUOTAS AND WHO'S QUALIFIED

As a part of an Affirmative Action Plan, an employer must develop numerical goals and timetables after analyzing all conditions of employment.

It is important not to confuse goals and quotas. They are not the same and the terms should not be used interchangeably.

The government and the courts clearly distinguish between the two. Quotas are illegal, they keep people out. Goals are targets whose aim is to include people. Quotas, if not met, call for a penalty while goals, if not achieved, require an inquiry as to the reasons why. The realistic approach as recently suggested by the Carnegie Council on Policy Studies, is to seek merit wherever it can be found and to stop looking for merit just within 40% of the population, that is among white males only. What appears to be the handicap is that too often there seems to be an assumption that by definition, minorities and women are "not qualified". Good faith, objective criteria and a fair and equitable application of that criteria are the three basic requirements for a sound selection process.

REVERSE DISCRIMINATION—REAL OR IMAGINED

The new dimension which has appeared is reflected in the use of a phrase with disturbing overtones, namely "reverse discrimination."

The Charlotte, N.C. Observer for Wednesday, August 26, 1975 over the by-line of Staff Writer Milton Jordan, carried an article with the headline "But They Had a Late Start in the Race".

Quoting Mr. Jordan in full he said:

"It is interesting how people who consider themselves fairminded, but who have enjoyed the benefits of a racist society without protest, suddenly cry foul when major surgery is performed to correct an aspect of that system.

"A case in point is a suit filed by two white Charlotte firemen to prevent implementation of a new promotion plan recently adopted by the local civil service board.

"Under the new plan, seniority will not be a consideration for promoting blacks in the department. The two firemen who filed the suit against this plan argue that it is discriminatory against whites.

"How so? Nothing at all has changed in the way white firemen are promoted. The only people affected by the new plan are the 37 black firemen in the department of 600.

"Of course, white firemen can argue that if blacks don't have to gain seniority to be promoted, whites should not either. But the answer is simple. Blacks were not allowed in the local fire department at the same time whites were; therefore, seniority is a clear barrier to promotion for blacks that would not exist except for past discrimination.

"The first black fire fighter hired in the local department in this century was . . . hired in October, 1967. . . ."

On the other side of the coin, the United States Court of Appeals for the Second Circuit recently issued a warning about "reverse discrimination" on August 13th in connection with a clash between civil service law and civil rights laws.

The decision arose out of 1973 civil rights suit by two black correction officers who challenged the fairness of civil service examination for sergeant.

The lower court found the examination was discriminatory and ruled with the plaintiffs. The presiding judge then went on to rule that one of every four correction officers promoted to sergeant must be from the minority group until a certain percentage balance had been reached.

On appeal, the upper Court reversed the imposition of the racial quota, but affirmed the order for a fair job-related examination. Said the Court of Appeals.

"Civil Service laws, like civil rights laws were enacted to ameliorate a social evil," . . . In the former case, it was the spoils systems; in the latter discrimination. . . .

"It seems to us that the judiciary should act with great reluctance in undermining traditional Civil Service concepts", the opinion continued, "and if a decision is to be made to subordinate the social purposes of Civil Service to those of equal-employment opportunity, that decision should be made by the people speaking to their legislators."

Americans of good will and particularly the academic and corporate communities must guard against Madison Avenue-type language that "programs" Americans against rights promised by the Fourteenth Amendment.

"Reverse Discrimination" is often a euphemism used as a tactic to stop or stay civil rights gains. It is impossible for the victims of long-standing discrimination to accept the suggestion that their recent, belated gains are somehow at the expense of those who have had preferential treatment for generations. Many victims have the uneasy feeling that the persistent exploiting of the phrase "reverse discrimination" is another example of the very powerful use of language to confuse the American people and maintain the status quo.

THE IMPACT OF AN ANXIOUS ECONOMY

Our unsettled and uncertain economy is the most disturbing trend facing us today. Suddenly the terrain has shifted in the struggle for job parity—it is no longer at the level of hiring and upgrading—it is now a question of lay-offs and firing.

"Affirmative action" that alliterative phrase which has emerged as the key to successfully challenge past discriminatory practices in employment may be in serious jeopardy because of lay-offs and the familiar and sacred shibboleth of the labor movement—the seniority system.

Gains for minorities and women are threatened by our unsettled economy, lay-offs and rising unemployment. A clear conflict between the principle of affirmative action and the seniority system has emerged to plague us.

As an absolute minimum, no plan of action must result in a disproportionate impact on minorities and women. Layoffs based on seniority must not be the device used to wipe out hard won gains of groups systematically victimized in the past by ancient wrongs and long denied equal opportunity. The burden of reductions, layoffs and reduced opportunities must not weigh unequally on minority and female workers.

There are alternatives—plant-wide seniority, cuts and economies that result in cost savings, reduced work weeks, shift changes, payless work days and holidays and cuts in areas, departments and job categories and levels so that the burden of hard times is spread around.

The corporate and academic communities particularly, must be sensitive to these issues, and be prepared to adopt thoughtful and constructive action that will preserve hard-won gains in employment opportunities.

Moreover, there is a role and urgent need for involvement by our urban universities. And by urban universities I mean those universities located in the heart of or on the edge of urban areas. The opportunities of the plain fact of physical location require a new set of demands upon such universities.

These universities cannot afford to be isolated. We must make demands upon them to meet the intellectual, cultural, social, recreational and occupational needs of urban America. These universities have served everyone else who has come along and asked for help—for example, the farmer, the science-based institutions, our industries, the defense requirements of the country and the business corporations. Now it is time for them to serve the city and those with special needs in the urban community where so many minority groups are concentrated.

Nor is it enough to rely on just those members of the university community who happen to be on the Continuing Education or Extension payroll or the public service functions of the urban university. All members of the academic faculty must be involved, should be involved, in the service functions of the university. We must ask these universities what and where are your special courses and your special programs and your special efforts to recruit, select and educate students—young and not so young—from the inner cities and prepare them for the positions of responsibility and leadership. Does this effort have any priority on your campus, in your university, and if not, why not?

ENERGY POLICY AND THE PUBLIC INTEREST

One of the unmistakable signs of the future, is the crucial role of energy. This crucial role of energy will unquestionably affect future destiny here in America and in the entire world.

You will note that I have used the word "role" not "crisis" in relating to this matter of energy, for it seems to me that whatever energy crisis we purportedly have is man-made, and can be unmade by men of wisdom committed to the public good.

There are those who insist we are at the crossroads on the whole subject of energy, and that it truly relates to survival on this planet. We need to ask ourselves what this postwar transformation of agriculture, industry and transportation really means. Why did we switch from soap to detergents—from railroads to trucks—from cotton, wool and wood to synthetics and plastics. The answer is easy to discern. Profits—it paid. If survival is at stake, the time may now have come to insist for the future that decisions about crucial subjects like energy be made first in terms of what is for and in the interest of the public good.

Thoughtful Economist Ezra Soloman of Stanford University in a recent publication has pointed out two things:

First, that when most Americans think of energy they think of gasoline. And, second, that a number of items in our economy have gone up more than gasoline, such as potatoes, rice and soap. Yet, we do not speak of "potatoe crisis" or a "soap crisis" so why do we single out energy?

Soloman suggests four reasons: (1) there are almost no substitutes for energy in the shortrun (2) the huge price increases affect all forms of energy (3) energy is a crucial and very large element in modern economic output and (4) as a nation, we assumed that we could count on inexpensive energy indefinitely.

Without going into greater detail, it should be pointed out that Mr. Soloman maintains that we have pursued a misguided policy of artificially holding down the price of two major forms of energy—oil and natural gas. He concludes that such a policy is politically popular but economically absurd. In his opinion, "price" is the major and natural incentive for increasing supply and therefore all energy prices should be deregulated completely.

The point of departure—is not so much whether we agree with this analysis of the energy problem—but that the need is urgent for public discussion and debate about a sound energy policy for this nation that is objective and devoid of special pleading and political posturing.

Those of us concerned about affirmative action and the world of work need to be doubly concerned about such open debate because the ultimate policy decisions made about energy may have tremendous and lasting impact on the kinds of job opportunities available for the foreseeable future.

A LOOK AHEAD

With many groups now awakened to the vigorous pursuit of their participation in the full rights of American society, increased litigation can almost certainly be expected.

The systems and the traditions that have been long established may now be subject to challenge on several fronts, including the seniority system, the civil service systems and the merit systems. To the extent that these systems have in fact, whether intentionally or not, been closed to large portions of the available pool of qualified persons they must be reexamined and restructured.

Selection criteria can no longer be casual and informal but must be definitive, objective, and job-related. As to recruiting, it may require more effort and different means. It most certainly will demand the highest degree of good faith effort in considering the larger and wider pools of potential competence among minorities and women.

Finally, it is necessary to express some growing concern — namely, that in the emerging multi-faceted movements among minorities and women for human rights, there is a lurking sense of threat each to the other.

Let me illustrate. In the Keynote address of Arthur R. Roalman to this Annual Conference of the Midwest College Placement Association, he pointedly commented:

"Women's liberation is the most significant social change of our age."

There are those who not only disagree with Mr. Roalman, but who go a step further. They insist that the public focus on women's problems is being exploited by conservatives to eclipse the promise to provide equal justice and opportunity to minority groups.

Indeed, Dr. Alvin Poussaint, associate professor of psychiatry of Harvard Medical School wrote a thoughtful article about this in the New York Times of May 6th.

Said Dr. Poussaint:

"Many Americans have lumped women's problems into the "minority" category. For instance, universities and businesses now try to fill minority affairs positions with members of minority groups or women. Campus recruiters are often unsure whether they should be attempting to hire a member of a minority or a woman. To many, either will do. Of course, white women are not a minority, although they are indeed oppressed. Blacks, rightly or wrongly, feel that they are being forced into competition with white women and that they may be outdone because of the qualitative difference between women's oppression and minority oppression."

Continuing his comment, Dr. Poussaint added:

"White women have not had a disadvantaged education in an inferior and segregated school system. White women for a much longer time than blacks have attended the finest schools and colleges. Therefore, many have superior academic preparation and social advantages that easily qualify them for many positions."

"Black spokesmen feel this threat particularly when the women's movement refers to women as a minority and compares their oppression to the oppression of blacks. Such a comparison, blacks feel, shows a serious insensitivity to the monstrous historical origins of black oppression and to the present odds against which blacks must pit their fight . . ."

If the corporate and academic communities are perceptive enough to recognize that the civil rights movement today is multi-dimensional involving many groups; and to accept the fact that the tempo of demands from these groups, particularly racial and ethnic minorities and women may increase rather than diminish; and

If the corporate and academic communities are sensitive enough to perceive 'affirmative action' as an effective tool for correcting long standing imbalance, and that there are wider pools of potential competence which goals and timetables can help to reach; and

If the corporate and academic communities are forthright and fair enough to insist that the problems of an uncertain economy and an energy imbalance not be used as excuses to dissipate recent hard-won gains for the victims of pervasive discrimination; and to carefully avoid pitting one group against another—

If, indeed, the corporate and academic communities are truly perceptive, sensitive, forthright and fair, and act thoughtfully and constructively about these issues, then—

To paraphrase the words of Langston Hughes:

"You can build temples for tomorrow, strong as you know them, and you can stand on top of the mountain free within yourselves."

ANDREI SAKHAROV: A HUMANITARIAN AND A RADICAL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BROWN of California. Mr. Speaker, the 1975 Nobel Peace Prize went to a man who is much deserving of that honor. Other recipients in other years have made similar contributions to the cause of world peace, with similar domestic responses. Dr. Sakharov has suffered the condemnation of his fellow countrymen, and has been labeled a "radical." I believe that his views truly are "radical," in the finest sense of that word. Like Dr. Martin Luther King and Dr. Linus Pauling, two American recipients of the Nobel Peace Prize, Dr. Sakharov holds views that are not those of the people in power.

A small sample of this great man's thought was published recently in the Los Angeles Times, and deserve the thoughtful review of every Member of this body. In remarks prepared for the 1975 Pugwash Conference on the important subject of disarmament, of both nuclear and conventional weapons. No subject is more important to world peace prospects, and for this reason I insert this brave man's views in the Congressional Record at this time.

The article follows:

[From the Los Angeles Times, Oct. 27, 1975]

Soviet Physicist Urges "Full" Disarming: All Nuclear Weapons Should Be Prohibited, Says 1975 Nobel Peace Laureate

(By Andrei D. Sakharov)

Andrei D. Sakharov is the distinguished Russian physicist and winner of the 1975 Nobel Peace Prize. He wrote the following statement for a symposium on "New Designs for Complete Nuclear Disarmament, held in Kyoto, Japan, in late August under auspices of the Pugwash Conference. Known as "the father of the Soviet H-bomb," he is now an activist in the dissident community. Because Sakharov could not attend the symposium, his message was read by a friend, Frantisek Janouch, a Czech physicist now working in exile in Sweden, who made this translation. Previously unpublished, the statement was provided to The Times by Herbert York, a physicist at the University of San Diego at La Jolia, and appears in the current Bulletin of Atomic Scientists (The Pugwash Conference is an international group concerned with the nuclear threat, and takes it name from the site of its first meeting at Pugwash, Nova Scotia).

The tragedy that, 30 years ago, befell Hiroshima and Nagasaki has been distressing me throughout my life both as an atomic physicist and as simply a man of planet, earth, which could be entirely reduced to such heaps of horrible ruins if reason and goodness do not prevail over a mutual distrust, fear, greed and hatred.

None believe, I think, that the cause of the catastrophe hanging over mankind lies in the great scientific discoveries of the 20th century or in some demoniac qualities of human nature. We all are, on the contrary, convinced that science has now brought about the possibility of an abundance in the world which was totally unattainable a hundred years ago. We know, too, that man, with all his advantages and drawbacks, is still the same as in the time of Aeschylus and the biblical prophets, no matter whether he be white, black or yellow; capitalist, worker or scientist; believer or atheist; socialist or one of those whom some call reactionary.

I do not intend to analyze here the complicated reasons for the rise of the present critical world situation. I have tried to explain my point of view, subjective and arguable as it may be, in a book now appearing in the West: "On My Country and the World." Yet I would like to attempt to reiterate briefly some of the thoughts contained therein.

The problems of disarmament have an evident priority over other problems confronting mankind now; but they cannot be solved without strengthening international confidence, without overcoming the closed attitude of the socialist countries; nor can they be solved in isolation from other aspects of detente.

The most important aim of detente must be the total prohibition of nuclear weaponry and full disarmament. This aim can be reached only gradually. At each stage of this process it is necessary to achieve the reduction of armament to an equal level:

—Equal overall strengths of thermonuclear military equipment of the Soviet Union and the United States, to be achieved through negotiations on the limitation of strategic weapons.

—An equal number of tanks and divisions of NATO and the Warsaw Pact countries, to be achieved through European disarmament negotiations.

—An equality of the armed forces of the Soviet Union and the Chinese People's Republic concentrated along the common frontier.

The realization of complete international control of armaments is of fundamental importance. This is one of those questions on which the Soviet Union and the other socialist states have taken a particularly unyielding and unconstructive urgency. It is necessary to bring about the creation of international inspection teams with the right to free access to all regions of the inspected country. There exist already some precedents of this kind.

It is indispensable to get rid of, once and for all, spy mania. Notions like "military secret," "secret work," or "publication suppressed for reasons of secrecy," should not exist in the world of the future. Obviously, the transition to such an *open world* (Neils Bohr's expression) will be gradual.

One of the first steps in that direction should be the realization of Clauses 13 and 19 of the United Nations General Declaration of Human Rights; that is, a free exchange of people and information on the basis of legislative acts—free travel of people from one country to another, a free choice of the country of residence (and, of course, a free choice of residence inside a country!), a free reception of broadcast and televised programs, a free international book market. All this is directly related to international trust and thus to international security.

It is important to find solutions as quickly as possible to the particular problems of disarmament—to agree to discontinue the development of exceptionally dangerous *new* types of weapons, to agree on the prohibition of strategic rockets with thermonuclear, multiple independently targetable warheads; to agree on the limitation of the production of antirocket weapons; and to agree on the diminution of other activities leading to strategic instability.

Of great importance for international security would be, I believe, the prohibition of arms deliveries from countries with highly developed armaments industries to developing countries, and particularly to countries where armed conflicts are either in progress or are imminent. Such a prohibition would not only have considerable humanitarian importance but would also serve to increase world stability, since it is observable that at the present time arms deliveries are one of the primary means by which the great powers are struggling to extend their spheres of influence. And, as far as the developing countries themselves are concerned, such a solution would assist peaceful economic development rather than militarization.

For many years, and with the same sustained attention, I have been following the work of the Pugwash Conference on the basis of the scanty data being published in the Soviet Union or obtained through unofficial channels. Unfortunately, one has the impression that the conferences are often no more than a way of unofficially sounding out government positions, and that they have little practical success in enabling the community (including the scientific community) to influence governments on matters so vital to all mankind.

I hope that further Pugwash conferences will succeed in exerting a greater influence on world public opinion, and thus on the policies of government decision-makers.

THE DUTCH UNCLE PRESIDENT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. SYMMS. Mr. Speaker, three cheers for President Ford's "Dutch Uncle" talk on New York City. As a member of the President's political party and as a supporter of Governor Reagan for President, I say "Hang right in there, Mr. President."

I commend the Wall Street Journal for their fine editorial today, and would say to our friends in New York City, "Cheer up. Look what happened in Blackwell, Okla."

The article follows:

[From the Wall Street Journal, Oct. 30, 1975]

The Dutch Uncle President

President Ford's Dutch uncle lecture to past and present managers of New York's finances yesterday was highly appropriate; anyone who thinks it was political opportunism should reexamine the issue.

The refusal of the President, and the unwillingness of much of Congress to give New York a federal bailout loan or loan guarantee is not based in rednecked prejudice. Washington has been more than generous to New York over the last decade—that's one root of the city's problems.

Rather, the President's invitation to New York to commit voluntary bankruptcy—and his proposals for removing some of the legal stickerbushes on that path—is the only rational stance. And while he displayed a marked animus towards those who have mismanaged the city, that does not imply an animus towards the people of New York.

However, the President's warning that there is no painless cure for the city's problems should be taken to heart by all the people of New York, particularly its middle class. There is no prospect that New York can balance its budget without a drastic and painful reorganization.

It must restore its tax base by removing rent controls and eliminating tax forgiveness on large parcels of middle class housing. A moratorium on debt service that would be likely under bankruptcy would afflict middle and upper income holders of the city's securities. The reorganization will have to restructure debt to reduce short-term obligations.

And the city's vast work force will be hit by further job reductions and a pressing need to rewrite the city's pension contracts. Erosion of the tax base, the heavy burden of short-term debt and unreasonably generous salaries and pension benefits are the key to the city's budget problems. If you total up the constituency that will be affected by an effective reorganization on these three fronts you have the answer to why New York city and state politicians have not dealt with reorganization themselves.

None of these measures would necessarily cast further burdens on the poor. The claims that the city got into its mess through compassion are mainly nonsense. It got into the mess mainly through self-indulgence.

The reasons the President cited for not bailing out the city are based on fundamental principles of major importance. It is important that cities remain, legally, creatures of the states, and not become wards of the federal government. Washington already is too much tempted to inflate the currency to cover debts. Americans are paying a 10% inflation tax on top of all their other taxes because of that tendency. To give the cities access to the federal money machine would invite the kind of currency inflation that can wreck a modern industrial economy.

There is a moral issue as well. The managers of New York's finances have been guilty of practices that would land a private businessman in jail. They have concealed extensive dipping into borrowed capital to meet current expenses. They have claimed fictitious backing for securities. The only way to restore standards for good conduct in government is to condemn this sort of thing, as the President did.

The strong adherence to moral and economic fundamentals in the President's address is salutary. He promised to veto any federal loan guarantee that might get through Congress. He faced up to Mayor Beame's predictions of catastrophes that would result from bankruptcy. He is willing to let banks and other investors suffer for their bad judgments. Interestingly enough, financial markets did not collapse on this show of spirit. The Dow Jones Industrials improved slightly just before the speech and slipped back later, but not badly. Industrial bonds were firm. Treasury bill interest rates declined. There was some selling of municipals. None of this should be surprising. Any securities markets jitters were balanced against the tonic effect of getting something more than lip service to sound economic principles from Washington.

If New York defaults in mid-November the President's proposed new Chapter 16 for the federal bankruptcy law, assuming it passes Congress, will set up procedures to avoid an explosion of creditor litigation. It will put reorganization in the hands of a federal judge. But that does not mean there would be no further problems ahead. The political process won't have ended. There will still be resistance from city and state politicians to some of the more painful steps towards reorganization. There could be strife among municipal employes. It remains to be seen whether the city could sell short-term financing certificates, even under court supervision.

But for the moment, the President has adopted the only proper stance. The Dutch uncle lecture was overdue, not only for New York but for the entire country.

ENERGY USE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. PICKLE. Mr. Speaker, because the Austin, Tex., area faced severe shortages of natural gas prior the OPEC-inspired boycott of October 1973, the citizens of Austin got a head start in energy conservation practices.

The University of Texas is an integral part of the Austin community. More than 42,000 students are enrolled and the personnel and the faculty at the university make it a "town within a town."

The university has its own powerplant and therefore it too, had to implement a program of conservation because of the dearth of natural gas. It has achieved an admirable record in the area of conservation.

I would like to enclose this news release from the UT News Services which details those laudable efforts:

UT ENERGY USE

Austin, Tex.—In the spring of 1973 when the prodding point of the energy crisis was being felt by Americans, The University of Texas instituted a number of energy conservation measures.

Now, two and a half years later, William Wilcox, director of the UT Physical Plant, reports that the University is paying about 25 per cent less for fuel than it would be without the conservation measures.

Such efforts have kept UT's energy expenditure at levels similar to those in the years 1971–1972—even with the addition of several new buildings in 1973 and 1974.

"Efforts to conserve have put us now at a new low plateau of energy use and the rate of increase in energy use is lower than it was," Mr. Wilcox notes. "We are no longer using less energy than last year, but we have two new large buildings that have been added to the campus—the College of Education Building and the Graduate School of Business."

The University's strategy for controlling energy use has included such efforts as reducing aesthetic outside lighting and campus, parking lot and street lighting; reducing classroom and office lighting to adequate levels; reducing library hours, and shutting down the air conditioning in selected buildings on weekends.

The last measure, reports Mr. Wilcox, is where the most significant savings have been made.

"We have shut down all or parts of at least 20 buildings, beginning at 5 or 6 p.m. on Fridays and starting equipment again between 5 and 6 a.m. on Mondays," he says.

"We try to find a reasonable solution to meet the needs of people in the building and yet save energy," Mr. Wilcox explains. "We will cool a building for certain research projects, libraries, or areas that require special treatment such as computers or data processing."

Mr. Wilcox emphasizes that the University has no intention of abandoning these efforts.

"The reasons are two-fold: there is still a shortage of fuel and there are tremendous costs involved in the purchase of oil and gas," he notes.

In August this year, UT ran up a natural gas bill of more than $600,000, an amount which would leave most consumers short of breath. However, the cost of natural gas had risen from $.92 per thousand cubic feet in August 1974 to $1.92 one year later. The August cost, in fact, reflected an increase of almost 40 cents per thousand cubic feet over July's cost of natural gas.

Because of its success in instituting energy conservation measures, the University has been asked by the Association of Physical Plant Administrators to participate in a study of energy use and conservation on American college and university campuses.

"We have sent them a report of our efforts and they are using it as one of the exhibits in a report to be sent around to various colleges and universities," Mr. Wilcox says.

The University generates 95–98 per cent of its own electrical power and has a standby connection with the City of Austin for backup power in case of equipment failure.

Although natural gas is used to generate power at UT, fuel oil can be used in the event of natural gas shortages or cutbacks.

SOUTH HOLLAND BABE RUTH ALL-STARS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. RUSSO. Mr. Speaker, I would like to bring to your attention the accomplishments of a dedicated group of young men from the Third Congressional District of Illinois.

At the recently concluded 1975 Olney Babe Ruth Illinois State Tournament, the South Holland Babe Ruth All-Stars emerged victorious over another all-star team from Oak Lawn, also located in the Third Congressional District. South Holland then went on to finish second in the Ohio Valley Regional Tournament held at Westland, Mich.

This accomplishment concluded the most successful all-star team showing in league history. For that they deserve to be congratulated, but even more important than the accomplishment is the fact that the effort was made both by the boys involved, and the parents, coaches and sponsors.

Too often in today's society, we hear only of youngsters when they make bad news. Today, I would like you, my fellow Representatives, to join in saluting the good news that these "Babe Ruths" have made and I think that we can be assured that somewhere the "Bambino" is proud of the effort that a league bearing his name has had on the fabric of American society.

NEW YORK SIGNIFIES THE NEED FOR A NATIONAL POLICY OF CREDIT ALLOCATION

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mrs. SULLIVAN. Mr. Speaker, during the next several days, this Congress will decide whether to provide emergency financial assistance to New York City and thus safeguard it from defaulting on its long-term debt obligations.

The issue, basically, centers on the question of whether to allocate credit as a matter of national policy to New York City and probably to New York State.

It is my conviction that Congress must not confine itself solely to the question of whether it will provide the means to rescue New York—whether by direct loans or loan guarantees—while many other priority areas of the Nation are starved for credit on reasonable terms.

There is no question in my mind that default by New York should be prevented if the city will demonstrate that it will put its house in order, but not to the exclusion of other States and local governments and for that matter, all other priority areas of the Nation's economy.

Mr. Speaker, for these reasons I have today introduced The Emergency Financial Assistance Act of 1975, cosponsored by 16 Members of the House—most of them ranking Members of Congress.

I strongly urge all Democratic Members of Congress to get behind this legislation and adopt it as their answer to the administration's parsimonious indifference to the needs of our States and cities and the people of our Nation.

The Emergency Financial Assistance Corporation Act would create a Federal corporation to guarantee the debt obligations of credit-worthy State and local governments. In addition the corporation can also make direct loans to these and other priority areas, such as small- and medium-size businesses and low- and moderate-income housing.

These are the sections of the Nation's economy which are devastated every time we have periods of high interest rates and tight money, something that has been happening with alarming frequency since 1969.

In effect, the Emergency Financial Assistance Corporation would stand as a lender of last resort for the most socially important segments of our economy when they are priced out of the money market by intolerable interest rates and lack of adequate available credit.

Mr. Speaker, there is more than ample precedent for establishment of an emergency financial assistance corporation. In point of fact, it is patterned after the highly successful reconstruction finance corporation, which loaned hundreds of millions of dollars during the 1930's and 1940's to restore and stabilize the economy and provide employment opportunities for thousands of workers.

The Emergency Financial Assistance Corporation would be directed by an 11-man board of directors composed of the Secretary of the Treasury and 10 other persons appointed by the President with the advice and consent of the Senate. It would be headquartered in Washington, D.C., and have authority to establish offices in any region of the Nation where the need to do so exists.

The bill would authorize the corporation to issue a total of $1 billion of stock which would be purchased on demand by the Treasury. In addition, the Corporation could sell fully guaranteed obligations in the open market.

Maximum indebtedness of The Emergency Financial Assistance Corporation at any one time could equal 20 times the amount of paid in capital stock—or a total of $20 billion if all of its authorized stock is purchased by the Treasury.

In order to reach those priority areas most in need of help, The Emergency Financial Assistance Corporation could make below market interest rate loans to qualified borrowers. The aggregate difference, if any, between its income and the cost of money to the Corporation would be made up by appropriate subsidies.

Mr. Speaker, one of the most, if not the most important functions to be served by The Emergency Financial Assistance Corporation, is to help provide job opportunities to the nearly 8 million citizens who remain unemployed month after month largely because of the policies of what can only be labeled as the indifferent Nixon-Ford administration which has shown itself unhesitatingly ready to rush to the aid of big, mismanaged corporations like Lockheed and the Franklin National Bank, but refuses to make even the slightest effort to address itself to the legitimate demands of priority areas of our economy.

The need for a board and immediate assistance to priority areas is exemplified by the difficulties faced by many State and local governments in their efforts to obtain adequate credit at reasonable cost for public works and facilities.

Last January, the Financial Press reported that big money center banks were not purchasing municipal bonds because of heavy loan demand in other areas and cash outflow problems.

In March, it was reported that the average interest return on 20 popular State and city issues had soared to 6.72 percent which translated into a net price decline of $50 for each $1,000 bond.

Four months later, the index had climbed to a record high of 7.22 percent. During the year, the Massachusetts health and educational facilities authority had to offer a yield of more than 8.3 percent in order to market its bonds. Florida county road bonds bore an interest rate cost of more than 7 percent.

Fairfax, Va., had to sell $2.9 million in school bonds at 7.05 percent and Alexandria, Va., had to price a $19.6 million bond issue at 6.12 percent, while Prince Georges County, Md., had to pay 6.19 percent for $27 million in bonds. The yields on the Alexandria and Prince Georges County bonds were the highest in the history of these local units of government.

Buffalo, N.Y., paid an astounding 10.5 percent on a $24 million bond issue.

The New York Times reported last week that by some estimates, the cost of borrowing by State and local governments has increased by about $3 billion.

Mr. Speaker, I readily acknowledge that the tottering financial condition of New York City has affected the availability and cost of credit for State and local governments. But it should also be acknowledged that the lack of adequate credit on reasonable terms is a problem that is repeatedly faced by State and local governments every time the economy turns down.

The devastation that has been experienced by the housing industry is another painful example of the need for action. During the year, housing starts plummetted to an annual rate of less than 1 million units, a level similar to the one produced by the housing credit crisis of 1970.

Mr. Speaker, these are but a few instances underscoring the need to establish the Emergency Financial Assistance Corporation.

CONGRESSIONAL ACTION TO RESTORE COMPETITION TO THE OIL INDUSTRY IS NECESSARY

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. JAMES V. STANTON. Mr. Speaker, on October 29, I appeared before the Antitrust and Monopoly Subcommittee of the Senate Judiciary Committee to participate in its hearings on competition in the oil industry. In my statement, I expressed my conviction that the oil industry can be a truly competitive one, serving the consumer at the lowest possible price, only if Congress acts to end the domination of the industry by a handful of huge corporations.

Of course, the oil industry is not the only major industry populated by large corporations which at best engage in "sweetheart" competition, and I have called for the restructuring of certain noncompetitive industries in a bill I have introduced entitled the Corporate Citizenship and Competition Act. Thus I commend the subcommittee for undertaking this investigation of oil, and I would like to share with you my views on why congressional action, not alone court action, to restore competition to the oil industry is necessary.

When the first antitrust statute was enaced in this country in 1890, the oil industry had been in existence for some 30 years, and reviewing the results of the major oil company cases filed under the antitrust statutes, it is difficult to see how the industry could be any less competitive today if these laws had never been passed. Even the 1911 case which ended John D. Rockefeller's Standard Oil holding company served mainly to replace a national monopoly with a series of regional monopolies, it is no surprise that the price of Standard Oil stock actually rose after that Supreme Court decision. Frankly, I believe the antitrust laws have been ineffective against the oligopolies because they simply do not address the obstacles to competition which have been raised in these industries.

A violation of these laws occurs, basically, only when there is an actual agreement among competitors to engage in monopolistic practices, or when a company undertakes a course of action with the intent to destroy his competition. By focusing on agreement and intent, these laws ignore the possibility that, in those industries dominated by a few corporations, price fixing and restraints on output inevitably occurs even without an apparent agreement among the businesses.

And, instead of encouraging the enforcement officials to engage in careful economic analyses of industry performance, these laws send them scurrying for the "hot" document, or testimony of the secret meeting, without which they cannot win a case.

The problems of proving such a conspiracy in court are tremendous. All of us have seen how antitrust cases, and particularly the pretrial stage in which evidence is sought, drag on for years. The major undertaking of the Federal Trade Commission against the eight largest oil companies, now in its third year, probably will not come to trial before 1978, and with the appeals that are certain to follow, it may be years before the case is finally resolved. In addition, there is no guarantee that the FTC will be able to meet the burden of proof placed upon it, and because the suit takes so much time, there may be massive changes within the industry which the lawsuit will not have taken into account.

I would also point out that as to the oil industry, it has been especially difficult to gather the type of evidence which the antitrust laws require. On this subject, I call your attention to the testimony of Keith Clearwaters, second in command of the Antitrust Division, before the Senate Commerce Committee in December 1973. He stated that those who have the most reason to complain about the oil company-owned pipelines have not produced evidence, because they are dependent upon the major oil companies in other phases of their operations, and fear the loss of their good will.

But it may well be that the best detective work in the world would not produce evidence of an agreement among the oil companies, for as I have said, in an industry dominated by a few large corporations, price fixing and other monopolistic practices can take place without any formal agreement. Rather, in seeking to maximize their profit, the industry leaders can, each apparently acting on his own, attune their polices to further cooperation, rather than competition, among themselves. The structure of the industry, by virtue of which they possess so much power, makes it feasible for them to cooperate for their mutual benefit. The lure of greater profits is their motive.

Certainly we see evidence of such cooperation in the oil industry today, for how else do we explain prices which continue to rise—entirely apart from what the OPEC nations have done—at a time of declining demand, and an actual decline in domestic production at a time when domestic crude prices have more than doubled? The crux of the problem, in my view, is the structure of the oil industry, and I contend that competition will be restored to it not by issuing cease-and-desist orders, or even jailing some oil company officials, but by changing, and changing significantly, the structure of the industry.

I need not dwell on the current structure of the industry, for other witnesses have described it fully. I would however, like to highlight several matters which are of special concern. To an extent greater than in any other industry, the major oil companies have integrated themselves vertically, so that almost all are active in every phase of the industry: production, refining, transportation, and marketing. Thirteen oil companies, which are among the largest and wealthiest corporations in the Nation, are giants in every one of these areas. Overall, it is generally recognized that the industry is dominated by 20 "majors." Oil industry advocates never fail to point out how other industries are more concentrated than this, but to this point I respond that what the largest oil companies may lack in market shares, they more than make up in intimate knowledge of each other's operations.

The subcommittee has heard the litany of joint exploration, joint bidding, joint leasing, and, on a broader scale, joint ownership of oil pipelines by the majors. This web of interrelationships, as the FTC calls it, is destructive of competition not only in the immediate undertaking, but far more importantly, in the common ground it provides these companies which call themselves competitors. In addition to the common interest which each project gives them, the companies cannot help but obtain in these joint ventures precise information on the intentions and capabilities of each other. And the access to this information, I submit, in itself precludes competition.

I believe we can see most clearly how competition in the industry has been smothered, if not snuffed out entirely, by reviewing the recent history of the refining industry.

We begin with the fact that today, the 20 largest companies control over 80 percent of domestic refining capacity. Between 1950 and 1973, there were only 30 new entrants into the refining industry, and most of these were small firms which produced speciality products, such as asphalt. Only 13 of these firms still exist today. In the period 1950 to 1963 alone, 115 refiners vanished from the industry, having been merged or dissolved. And the most important point is that only two of the new entrants, Suntide and Hess, built substantial new capacity, and each of these was swallowed up by one of the major oil companies we have under scrutiny today—Suntide by the Sun Oil Co., and Hess by Amerada Oil. In my view, there can hardly be more convincing evidence that the industry is indeed a closed brotherhood, which is careful to insure that no one else infringes on its "territory."

One other aspect of the petroleum industry I would like to touch on is the retailing of gasoline, in which there have been a number of antitrust suits alleging price fixing by the oil companies. I am most familiar with the lawsuits that have been filed against Standard Oil of Ohio, and if the results of these are any indication, I doubt there is any area of litigation in which the Government has expended more time and money, and obtained less results. For example, in September 1970, the Justice Department filed suit against Sohio, alleging that it was fixing the pump price of gasoline through the "commission manager" type of dealership it used at some of its stations. The Petroleum Retailers Association of Northern Ohio estimated that motorists were paying up to 3 cents a gallon more for gasoline because of this arrangement. Yet, after 3 years of hemming and hawing, the Justice Department entered into a consent decree with Sohio which permitted the price fixing to go on, but under a different name—the so-called incentive manager plan—and with a slight change in Sohio's bookkeeping.

In January 1973, the FTC filed suit against Sohio alleging that, by using short term leases which the company could terminate at will, Sohio coerced its independent branded dealers to follow its policies on pricing, hours of operation, and product purchases. The relief sought by the FTC included a requirement that Sohio, in establishing dealerships, grant long-term leases, cancelable only for good cause, and upon notice. In addition, the FTC requested that Sohio be prohibited from converting any more of its dealer-owned stations to company-owned stations. Now, 3 years later, the case has yet to be concluded, and a former Sohio dealer who had just had his station repossessed recently remarked to me that the dealership protection provisions being sought by the FTC are fine, but at the rate Sohio is converting to company-owned stations, there may soon be no dealers left to protect. His remark indicates to me the futility of these cases, for why should we expend all this effort trying to prove the oil company fixed the price at which their dealers must sell, when the companies can achieve the same end, within the law, simply by buying out the dealer and opening a company station? It seems to me the only solution to the problem is to forbid the oil producers from operating at the retail level altogether.

Thus, Mr. Speaker, considering the nature of the oil industry today, and the inability of existing antitrust laws to end the monopolistic practices, I believe action by the Congress is essential. The bills such as S. 2387, which would end vertical integration in the oil industry by requiring that each major company confine itself to one of the industry's four segments, would without question be effective in restoring competition. I have indicated my support for the thrust of these bills by sponsoring an identical version in the House. However, I suggest that a better means of restructuring the industry may be found in the Corporate Citizenship and Competition Act, to which I referred earlier.

Briefly, the procedure for industrial reorganization contemplated in the act begins with the establishment of a seven-man Industrial Reorganization Commission. The Commission is directed to invite the major corporations in the industry to submit to the Commission, in a 90-day period, three items: current information on the state of the industry, and any proposal for reorganizing the industry, or request for deferring reorganization, that the corporation may wish to submit. The Commission is then given 120 days to draw up a plan for reorganizing the industry to make it more competitive. Specific purposes for which the Commission is to strive, including protection of employee pension plans and shareholder interests, are spelled out in the act, as are the means available to the Commission. After publication of the proposed plan, the Commission is to hold not more than 30 days of hearings on it.

After 120 days, the Commission is to submit a final reorganization plan to Congress, which will take effect in 60 days, unless Congress, by resolution, disapproves it.

I believe this approach is a better one, because it adds flexibility to the restructuring process, with no sacrifice in speed. Rather than apply an across-the-board rule to all the corporations, the act would permit each corporation to be looked at individually, so that action most likely to further competition can be taken with regard to each. For example, I am certain the Commission would look into activities of the oil companies in natural gas and other energy sources, and probably, acting according to the guidelines stated in the bill, would require that these activities be divested.

But no matter which course of action for restructuring the oil industry is taken, I believe that the overriding need is for Congress to act. We hear a great deal these days about the need for our Nation to achieve energy independence, and how each individual must show restraint and a sacrifice to this end. But implementation of the present energy independence plans will end our dependence upon the international oil cartel, only to make us wholly dependent on a domestic oil cartel. And I am absolutely certain that the people are willing to sacrifice, but only so long as the energy independence program does not cause one segment of the economy, the oil industry, to reap a bonanza. I would remind you, too, that these oil corporations, like all other corporations, are creatures of the state. They have no God-given right to exist in their present configuration. Rather, they are incorporated for the public benefit. When they fail to serve adequately, it becomes the duty of the peoples' representatives to take remedial action.

STUDENTS HAVE CHOICE OF U.S. AID PROGRAMS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HAMILTON. Mr. Speaker, many young people have been adversely affected by the worsening economic conditions as it has become financially more difficult for them to pursue higher education goals.

Many may not be totally familiar with the wide variety of financial assistance programs which are available to them.

In an effort to bring these programs to the attention of my constituents and my colleagues, I wish to share this article published in the Indianapolis Star by Sylvia Porter on September 27, 1975:

STUDENTS HAVE CHOICE OF U.S. AID PROGRAMS

(By Sylvia Porter)

Probably the best single source of information about available aid for college costs and requirements is the financial aid officer at the school you want to attend—for most money, no matter what its source, is awarded through colleges.

You can find general information about aid programs at various colleges in "The College Handbook," a directory of 2,863 two-year and four-year institutions published by the College Entrance Examination Board. (Ask your financial aid officer for the handbook.)

The Federal government sponsors the largest aid programs for undergraduate college students which include all types of assistance: grants that do not have to be repaid; loans that must be repaid but often at low interest and after leaving school; jobs.

In 1975–76, Federal sources alone will provide more than $2 billion in aid.

You will find valuable facts in the fact sheet "Five Federal Financial Aid Programs," available free from the United States Office of Education, Room 1069, 400 Maryland Avenue, South West, Washington, D.C. 20202.

Besides the widely known and utilized Supplemental Educational Opportunity Grants, you should consider the following programs:

Basic Educational Opportunity Grants (BEOG). Eligibility for these grants has been opened in 1975–76 to include college sophomores and juniors, as well as freshmen, who are half or full-time students.

You can get applications through your high schools, community agencies, libraries and colleges, or by writing to BEOG, Box 84, Washington, D.C. 20044.

Many people did not know about this program at all last year. Others did not realize that it also was open to students who attend vocational and technical schools, or that you are acceptable for eligibility with a high school equivalency.

Awards for the 1975-76 year will average about $800 a student, may go up to $1,400.

College Work-Study. The CWS program has $420 million available for students in the 1975–76 year. By providing summer and part-time jobs for students with great need, financial aid officers can use funds from this program to prepare a full aid package.

The U.S. government provides up to 80 per cent of the salaries for students who qualify, with the average earned by students under this program slightly more than $600 a year.

You may average 15 hours of work a week while attending classes or 40 hours during breaks and summer.

National Direct Student Loans. Even though these NDSL funds are administered by the colleges, 90 per cent of the money comes from the Federal government and you must demonstrate your need.

Student aid officers determine if you are eligible and the total to be loaned. Maximums are: $2,500 for students in the first two years of a program; $5,000 for the bachelor's degree. If you are a graduate or professional student, you can borrow up to $10,000.

You must be enrolled at least half-time to qualify. Repayment and interest (3 per cent a year) do not begin until nine months after you stop your studies. In some cases, all or part of your loan can be canceled if you enter certain fields or the armed forces.

Apply through your college financial aid officer.

Government Student Loan Program (GSLP) and Federally Insured Student Loans (FISL). Some states have their own guarantee for loans, but, for states that do not, the Federal government makes loan repayment guarantees available to students who are attending college at least part time.

Some states may stipulate only full-time students are eligible.

Students at many vocational, business, trade, correspondence and technical schools also are eligible for guaranteed loans. (But beware of gyps in this field which are hurting the many reputable schools. Don't be lured by fanciful promises.)

Loans may be up to $2,500 a year, or a total of $7,500 for undergraduates—from banks, savings inctitutions, insurance companies, pension plans, credit unions and some colleges.

If you need to borrow more than $2,000, or if your family's adjusted income is more than $15,000, your need for the loan must be verified by the college financial officer.

You begin to repay of a maximum 7 per cent interest nine to 12 months after you leave school. In a few cases—if you join the Peace Corps or the armed forces or if you continue your studies—repayment of the loan can be deferred.

COLLECTIVE-BARGAINING RIGHTS FOR FEDERAL EMPLOYEES

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BAUCUS. Mr. Speaker, I rise to provide another installment in the unfortunate but continuing struggle between man and machine. Just as John Henry must have felt when he was edged by the pile-driving machine, I lost a battle last week with the O'Hare Airport air controller computer.

The story begins last Friday as my staff and I frantically put the finishing touches on a speech that I was to deliver the following day at the annual convention of the Montana Federation of Teachers. With a copy of the speech in hand, I ran out of the Cannon House Office Building with but 15 minutes to catch my flight to Montana. My plans were fairly simple; namely, run like the dickens to the airport; catch an American Airlines flight to Chicago; switch planes in Chicago and fly to Salt Lake; then switch planes in Salt Lake and fly to Missoula, arriving there late Friday night. Then, if everything went according to schedule, I would drive from my hometown of Missoula to Kalispell early Saturday morning to deliver the speech. Unfortunately, as is frequently the case with well-laid plans, a monkey wrench was thrown into mine when the computers in the O'Hare Airport decided to shut down prior to my arrival.

Many of my colleagues may not be aware of this, but the O'Hare Airport is the largest, most heavily trafficked airport in the world. I am glad I am not an air controller there, particularly at the times when there are no computers to rely on. In any event, the machines let me down, but they almost did not let the plane down. We circled the airport for nearly 2 hours.

The upshot of this sad tale is that by the time I reached Salt Lake, I had missed my connecting flight by a measly 12 minutes. Lacking the thousand or so dollars it would have cost me to charter a plane to make it to Missoula, I was forced to stay overnight in Salt Lake and catch a Montana bound plane the following noon. Unfortunately, I was unable to make my speaking engagement with the Montana Federation of Teachers.

Now having spun this sad tale of woe, I insert a copy of my undelivered speech to the Montana Federation of Teachers to be printed in the Record:

Address by Congressman Max Baucus to the Annual Convention of the Montana Federation of Teachers

Thank you for inviting me to speak to you this morning. I picked as the subject of my address the potential for a federal role in determining collective bargaining rights for federal employees.

At present, there are two different approaches in the Congress for State and local public employees. One approach is the Thompson Bill, H.R. 77, which extends the coverage of the National Labor Relations Act to State and local public employees including the right to strike and all other conditions now applicable to the private sector. The other approach is illustrated by H.R. 1488, the Roybal Bill, which would establish a separate Federal commission to administer a labor-management relations program for states and localities which would include wages, hours, and conditions of employment as bargainable issues, and provide an arsenal of issue dispute mechanisms. The right to strike is not outlawed in the Roybal Bill.

Either of these bills, if enacted into law, would cover the collective bargaining rights and responsibilities of school teachers in Montana and throughout the nation.

What, then, is the chance of either of them becoming law? If asked this question when I first came to Washington, I would have guessed that one of them would be passed before the end of this year. However, my optimism—but not my support—is rapidly diminishing.

Consider the following phenomena noted last month by the Bureau of National Affairs after an extensive opinion survey of government, union and congressional officials:

1. "The surprising Congressional support for President Ford's stand against raising federal pay more than five percent at present."

2. "The growing indications that many state and federal legislative candidates will be running in 1975 and 1976 on platforms that emphasize their unhappiness with the public employee unions' record."

3. "The vexed recognition by AFL–CIO officials that the public reaction against public employee unions is responsible to some degree for the increased tendency of the AFL–CIO's congressional allies to vote against labor on proposed spending bills. The AFL–CIO complaint is that labor-supported congressmen who bore liberal labels when elected are now voting like conservatives."

4. "Tougher state and local government resistance in bargaining. The country's preoccupation with the long-run drama of whether New York City is going to go broke in irredeemable fashion has helped obscure the gathering fiscal crunches for hundreds of cities, counties, and other communities across the country."

5. "The emergency, for the first time in some state and local negotiations, of a variety of serious government demands for union concessions on work rules and other contract provisions that are said to restrict productivity."

6. "The pronounced switch among the principal congressional proponents about the chances of comprehensive federal legislation for federal and/or state and local government labor relations. Earlier this year, there was cautious optimism about the passage of overall ground rules dealing with the public sector. But recent B.N.A. soundings on Capitol Hill indicate a drastic down-grading of the chances for such legislation this year or next year."

Consistent with this sobering forecast is a Harris Poll released early last month which indicates that public support is swinging against the right to strike for policemen and firemen. Last year a majority of people polled favored granting public employees the right to strike. The same question asked a few months ago prompted a different response—with substantially more people wanting to withhold that right than to grant it. In summarizing the results of recent polling on public employees and their organizational and strike rights, the Harris report said: "In every case, the shift has been in the same direction—toward a lowering of public willingness to grant government workers the right to strike."

These phenomena disturb me deeply. I am sure they disturb you equally. Indeed, I suspect many of you may be sensing the same public rejection in connection with the recent strike in Billings. After a year of double digit inflation, it seems unfortunate that among the employed, it is principally public employees who are having to bear the brunt of government efforts to fight inflation. Yet, that appears to be the case—not only here, but throughout the nation.

But what has all this to do with federal collective bargaining? Before I address that question, I would like to explore with you briefly the history of recent Congressional efforts to establish federal collective bargaining rights for public school teachers and other State and local employees.

To begin with, we should ask why collective bargaining rights for public employees are now being considered by Congress. There are three major reasons for Congress' interest in writing a federal law which would set forth a uniform national policy for collective bargaining in the public sector.

The first reason is the rapid growth in public employee unions and their increased participation in public affairs which has been a major cause in calling Congress' attention to this problem. The American Federation of Teachers may take special pride in this, because during 1973 you were recognized as the fastest growing affiliate of the AFL–CIO. When your former President, David Selden, testified before the House Education and Labor Committee in 1972, he noted that your membership was then approximately 275,000. Last year, when he returned, he was able to tell us that he then represented approximately 400,000 member/teachers—reflecting an increase of more than 45% in only 2 years.

As teachers' unions continue to grow and become more effectively involved in politics, you will find that political institutions will become more responsive to your problems and to your needs. I commend your organization today for the fine job it has been doing and will continue to do.

The second major reason why Congress may act on the question of collective bargaining rights for teachers is the growing number of public employee strikes. Let's look at teachers as one example and remember that prior to the 1960's, teacher strikes were unheard of. During the very early sixties, teacher strikes were still rare—but between 1963 and 1968, as teachers became organized, we saw some 183 teacher strikes involving over 330,000 teachers and a loss of over 1½ million teacher days. During the last half-decade (1968–1973), these figures increased even more dramatically—to 674 strikes involving over 485,000 teachers, and resulting in a loss of over 6 million teacher days.

I might also point out that AFT has been very responsible in this regard, because of all the strikes which have occurred during the past ten years, only eight AFT strikes have lasted longer than two weeks. Furthermore, virtually all of these were trying to prevent their boards from taking away rights and benefits won in the past.

The third reason that may prompt the Congress of the United States to write into law a uniform procedure for collective bargaining for public employees is the fact that the current state of public sector labor relations is so chaotic that it is nearly impossible to determine where a person stands with respect to his or her rights once a State line is crossed.

Even within some states it is virtually impossible to determine your rights. When Congress first began studying this issue, it was discovered that regulations affecting the collective bargaining rights of teachers are found in many places—in State laws, in city ordinances, in attorney general opinions, in executive orders, in school board rules, and in individual contracts. In some states, it may be necessary to look to every one of these sources to find the rules governing the collective bargaining process.

In Montana it may be somewhat easier—but not much. You are covered by a new state law (House Bill 481, passed in the 1975 session) which covers virtually all public employees except nurses. It is too early to tell how well Montana's new law will work, but I have been informed by one expert in the field that your new law is less than comprehensive and tilts somewhat in favor of management. Moreover, I wouldn't be surprised if the new law initially causes considerable confusion in educator negotiations.

Most employees in the private sector do not have to cope with such confusion because their rights are outlined in federal statutes. Why should it not be the same for public employees? Why should school teachers have to live with the hodge-podge of rules and regulations which presently exist?

These are my views as to why a national law governing collective bargaining for public employees is needed. I would like now to describe how such a law might work.

Congress is now considering two legislative proposals which take different approaches to this issue. The first, as I noted earlier, is the Thompson Bill. This bill would simply remove the National Labor Relation Act's exclusion of public employees. The effect of this would be to treat private and public sector employes equally. This approach is supported in principle by the AFT, as well as by many other segments of the American labor movement.

The second proposal, introduced by Congressman Roybal, would establish an independent National Public Employment Relations Commission with a mandate similar to that of the National Labor Relations Board. The commission's jurisdiction would extend to employees and employers in states and their political subdivisions. The Commission would be responsible for interpreting, applying and enforcing the provisions of the Act.

Under this proposal, each employer would bargain over terms and conditions of employment; a union would be recognized as the exclusive representative if it were able to demonstrate majority support; an election would be held where there was a question of competing claims; and agency shops would be mandated while union shops could be negotiated.

Further, the Roybal Bill would establish impasse procedures which would provide for mediation and factfinding, and would permit the union to require binding factfinding. However, if the union did choose binding factfinding, it would give up the right to strike. If it did not choose the binding factfinding process, then it would have the right to strike, subject to being enjoined by a federal district court if the court found that the strike posed a "clear and present danger to the public health and safety."

These are the two principal collective bargaining bills pending in the House. Both are well intended, and both are sponsored by longtime friends of the American school teacher. However, my view is that the Thompson bill may be the better of the two bills, for it treats school teachers and other public employees the same way all other employees are treated, instead of subjecting them to separate rules and separate procedures.

Despite the merits of these two bills, I must reluctantly conclude that neither is likely to pass this year. You must remember that we are still faced with a Congress that is not completely sympathetic to the interests of labor and with an administration which is just plain hostile to these interests.

You must also remember that Congress last year attempted to attach "right-to-work" amendments to the 1974 Elementary and Secondary Education Act. These amendments would have required all schools receiving federal funds to enforce state and local laws that prohibit work stoppages and would have given parents the right to seek court orders and to recover damages. Also, they would have required school districts to obtain individual pledges from each teacher against strikes and work stoppages.

A more significant factor weighing against passage of a national collective bargaining law this year is, as I noted earlier, an increasing dissatisfaction among the American people with public employees and their unions.

Indeed citizen protests may have prompted Chairman Thompson, who had scheduled hearings on his public employee bill for early September, to cancel these plans when he returned to Washington after the Labor Day recess. Most of the members of his subcommittee are reported to have agreed that the sentiment in the countryside dictated Thompson's deferral of these hearings.

A further practical point for delay was noted by Ken Young, AFL-CIO's top lobbyist, when he said: "If any public employee labor relations bill gets on the floor, there would be 500 amendments on it, all of them bad from our standpoint."

It is increasingly suggested in Washington that the Congressional stance on federal pay is part of a swing in the public's view of government spending. This has been spurred in my judgment, by the public's experience with the inflation of the past two years. The anti-spending attitude has been mounting for many months, and it appears to have reached a high point in just the past few weeks.

The public's message was characterized recently by one seasoned political observor: "Anything that smacks of more spending for somebody else—whether a policeman, a teacher, or a welfare roller—while I'm barely hanging in there financially, will be a dangerous move for you, Mr. Congressman." This same observer noted elsewhere: "Out there in the country there's a kind of conservatism that we haven't seen for a long time."

This concludes my comments on collective bargaining. Yet, to show you that Congress is not as stingy and lethargic as some of my earlier comments might suggest, I would like to provide you with a quick overview on recent and pending education legislation.

Two months ago Congress approved, over a presidential veto, an appropriation bill for education which provided $7.9 billion, the largest amount ever appropriated by Congress for education.

Earlier this month, Congress overrode the President's veto of another education bill which requires schools with lunch programs to offer a 20¢ reduced price lunch to children from families with moderate incomes. This bill also doubles the payments for needy children in feeding programs, and provides free or reduced price meals to children of unemployed parents.

A third bill of significance provides aid to handicapped students. Different versions of this bill were passed earlier this year by both Houses, and they are now pending before a Senate-House Conference Committee. The three principal issues of this conference are: 1) whether to leave discretion at the state level in distributing Federal funds or whether most of the funds ought to be dispersed down to the school district level by a formula in the law; 2) how soon should the States be required to educate all of their handicapped children? And 3) how powerful should monitoring and compliance be at the State level in assuring that the State identifies and educates all its handicapped children?

A fourth bill worth mentioning is the proposed renewal of federally funded vocational education programs. The House Education Committee has conducted over 40 days of hearings on vocational education so far. The main issues are 1) whether the postsecondary vocational programs ought to receive a higher percentage of the Federal funds and whether those funds ought to be administered through a State agency different from the State agency responsible for elementary and secondary education; 2) whether the law has to be amended to require affirmative action to overcome sex stereotyping in vocational education; and 3) whether the categorical vocational education programs ought to be consolidated into the State's basic grant.

Two other major education bills pending before the Committee are the Child and Family Services Act (pre-school programs) and the Comprehensive School-Health bill. The first bill may not be marked up this year. Indeed, it may not even be done next year because of the political problems involved in voting out a multi-billion pre-school program. The Subcommittee on Elementary, Secondary, and Vocational Education conducted two days of hearings on the comprehensive school-health bill.

This concludes my report from Washington. It's not all roses—but it's not all thorns, either. At worst, Congress remains committed to its support for public education. And I remain convinced that, as soon as inflationary pressures are brought under control and as soon as our gross national product begins to expand, we will see increased public confidence not only in our national economy, but also in the value of public employees. I look forward to that day. I am sure you join me in that vision.

Thank you for inviting me here this morning.

GILMAN SUPPORTS DEATH BENEFITS FOR POLICE AND FIREMEN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. GILMAN. Mr. Speaker, I rise to urge support of the public safety officers' death benefits bills now pending before the House Judiciary's Subcommittee on Immigration, Citizenship, and International Law.

The three pending measures, H.R. 365, H.R. 366, and H.R. 3544 are all alike in that a $50,000 gratuity would be paid to the surviving dependents of public safety officers who have died in the line of duty.

In both the 93d and 94th sessions of Congress I supported death benefits for police and firemen and I appeal to my colleagues to support these measures which fill a vital need unattended to by our State governments. There are many States that do not provide any death benefits and very meager pension benefits for the surviving families of valiant police and firemen who have given their lives in service to their communities.

Mr. Speaker, I request that my recent testimony before the House Judiciary Subcommittee be set forth in full at this point in the RECORD in order to bring to my colleagues' attention this vital legislation, and I urge their support to assist the survivors of those who have made the supreme sacrifice:

ADDRESS BY MR. GILMAN BEFORE THE SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, AND INTERNATIONAL LAW

Mr. Chairman, I welcome the opportunity to add my support to the public safety officers' death benefits legislation pending before you.

The need for this type of legislation was succinctly stated by the full Judiciary Committee in its committee report on the Public Safety Officers' Benefits Act of 1974:

"Notwithstanding the severe occupational hazards which confront policemen, firemen, correctional officers, and other public safety officers, many states have failed to provide sufficient death benefits for their survivors. Because of this fact and in recognition of society's moral obligation to compensate the families of those individuals who daily risk their lives to preserve peace and to protect the lives and property of others, the Committee is of the opinion that a Federal payment of $50,000 should be provided to meet the immediate needs of the officers' survivors."

Since 1962, the number of public safety officers slain in the line of duty has increased from 48 death in that year to 132 deaths in 1974. And as of August of this year, 84 more public safety officers have already made the supreme sacrifice, and some of these men resided in my Congressional District.

This is a sad commentary on our way of life and a forbidding prospect to our future welfare. But what has compounded this tragedy is the seeming lack of gratitude that our state and local governments have demonstrated toward those brave young men and women by the callous disregard for the welfare of these same officers' families.

Clearly, state and local employers have a duty to provide adequate death benefits to the survivors of public safety officers who are killed in the performance of their duties. Yet, it is a fact that in many of our states there are no death benefits and very meager pension benefits for those fortunate enough to survive long enough to become vested. This has forced many of the survivors of our slain officers unwillingly onto our nation's swelling welfare lists.

While the blame for this unfortunate state of affairs and the responsibility for rectifying this injustice lies squarely on the shoulders of our elected state and local officials, it is evident from the discouraging level of pension benefits paid to public safety officers that the state will not be forthcoming with an additional death benefits program, at least not in the conceivable future.

A quick glance at the statistics reveals that where pension benefits do exist, they are inadequate for the reason that the level of the benefit is often tied directly to the number of years of service. And surely the members of this Subcommittee know that the mortality tables reflect a correspondingly greater number of deaths for those officers with the fewest years of service.

With such a poor record by states in dispensing accrued employment benefits, regardless of the circumstances of death, can we sit back and await the states to institute a benefits program. I believe we know the answer to that question.

Accordingly, I endorse the thrust of the various public safety officers' death benefits bills pending before the Subcommittee.

H.R. 365, H.R. 366, and H.R. 3544 are all quite similar in that a $50,000 gratuity would be paid to the surviving dependents of public safety officers found to have "died as the direct and proximate result of a personal injury sustained in the performance of duty." To be eligible, a law enforcement officer must, at the time of injury, have been engaged in the apprehension, protection, or guarding of a person wanted or held for the commission of a crime. A firefighter must have been engaged in fighting a fire. The provisions of each of the bills would apply with respect to any eligible public safety officer who dies as the direct and proximate result of a personal injury sustained on or after October 11, 1972.

Mr. Chairman, I would offer one suggested revision to the pending legislation. I believe that the term "eligible public safety officer" should be defined to include both law enforcement officers as defined in H.R. 3544 and firemen who serve as officially recognized or designated members of a legally organized volunteer fire department.

Once again, permit me to commend the very fine work of this Subcommittee and to thank you for the opportunity of testifying on this extremely vital legislation.

IN TRIBUTE TO PETER FOSCO, AMERICAN LABOR LEADER

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ANNUNZIO. Mr. Speaker, the American labor movement and the people of Chicago and of the United States have suffered a great loss with the passing of Peter Fosco, president of the Laborers' International Union of North America and also a vice president of the AFL–CIO, on Sunday, October 26, at the age of 81.

Peter Fosco was my friend for over 40 years. He was known throughout my city, my State, and the Nation for his tremendous contributions and his dedication to the men who work with their hands and with sweat on their brows in the pits and tunnels of our country.

We worked together in the Democratic Party of Chicago as well as in the labor movement. His advice and wise counsel have served as an inspiration to me in my own career in public service.

I have always had a deep personal admiration for Peter Fosco, for to me, he symbolized what has made our country free and what has kept her strong and enduring over the course of two centuries. He personified the American dream. He represented the hard-working immigrants who came from all ethnic groups and who work diligently to make America the greatest democracy on the face of the Earth.

Pete, who was born in Poland of Italian parents, came to America as an immigrant early in this century. He started his life here as a laborer, and by his own hard work, lifted himself up by his boot straps.

Peter Fosco devoted over 60 years to the American labor movement.

He became a member of the Laborers' Union in 1914 and 2 years later was elected to the post of secretary-treasurer of Chicago Local No. 2, which in 1920 elevated him to the office of president. It was here that he began the activities which ultimately brought him nationwide recognition and respect.

In 1950 he was elected secretary-treasurer of the Laborers' International Union of North America, a post he held until 1968, when he became general president of the Laborers International Union of North America.

As a leader of labor, President Fosco consistently directed his efforts toward raising the living standard of workers, increasing their wages and bettering their working conditions. He organized and obtained job and retirement security for hundreds of thousands, and his success in enlarging opportunities for the education of working men and women and their families has brought them a new and significant sense of dignity and self-respect.

As a labor executive, he experienced unique success in expanding the organizing scope of the international union, and in the establishment of pension funds, highway and pipeline agreements, and training and educational programs throughout the United States and Canada.

Pete also fought for Federal construction safety legislation and worked hard on behalf of all American workers for the adoption of pension reform legislation, which was passed by Congress last year and is now public law.

As a member of the executive council and administrative committee, he has been one of the driving forces of the AFL–CIO Building and Construction Trades Department, whose affiliates represent more than 4 million of America's outstanding craftsmen.

Peter Fosco's career was notable for his accomplishments not only on the national level, but also in the local community. He served at one time as commissioner and ward committeeman of Chicago's most populous wards.

In appreciation of his work in organizing the Chicago Youth Foundation, Fosco Park, a public city park, was named in his honor.

He was an active supporter of the Joint Civic Committee of Italian Americans, the Villa Scalabrini Italian Old Peoples Home, and the annual Columbus Day parade in Chicago. Despite his heavy load as a general president and one of America's outstanding labor leaders, he found time to devote to the people who needed him in his ethnic group. His contributions were manifold, and always, he was a kind, courteous, and charitable man.

Peter Fosco, as a leader and as an individual, earned the respect and recognition of his fellow men because his entire life was devoted to service to his fellow citizens. He will be sorely missed by thousands of my fellow Chicagoans and will long be remembered for his philanthropies and his charities.

My wife, Angie, joins me in extending our deepest sympathy to his wonderful family, especially his widow, Carmella; his two fine sons, James and Angelo; his grandchildren; his three great-grandchildren, and his sister and two brothers.

THE CHARGE THAT ZIONISM IS RACISM IS A FORM OF ANTI-SEMITISM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. DRINAN. Mr. Speaker, I would like to take this opportunity to share with my colleagues a resolution unanimously adopted on October 20 by the Board of Selectmen of Brookline, Mass., a town in my congressional district. This document reflects many of my own feelings on recent developments within the United Nations. The resolution follows:

BROOKLINE, MASS.,
October 20, 1975.

RESOLUTION

Whereas, The Town of Brookline cherishes and holds dear the ideals of liberty everywhere; and

Whereas, The Jewish People has been granted the right to determine its own destiny and the opportunity to enjoy freedom and liberty through the fulfillment of the aims and goals of its historic national liberation movement—the Zionist Movement; and

Whereas, The vote of the United Nations General Assembly Social, Humanitarian and Cultural Committee on Friday, October 17, 1975, declaring that Zionism "is a form of racism and discrimination" is an affront to fair-minded people in all lands and is a further indication of the moral decline of the United Nations; and

Whereas, Some of the newly established members of the United Nations have adopted a hypocritical position in denying to Israel the right to exercise the same forces of national development which entitled them to achieve independence; and be it further

Resolved, That the Board of Selectmen of the Town of Brookline deplores the vote of the United Nations General Assembly Social, Humanitarian and Culture Committee in declaring Zionism to be a form of "racism and discrimination" and condemns the actions of member States of the United Nations who would adopt this form of anti-semitism in the guise of anti-Zionism and would exploit the agencies of the United Nations as vehicles to spread hatred and maledictions against the Jewish People and Israel; and be it further

Resolved, That the Board of Selectmen of the Town of Brookline affirms and applauds the actions of the United States Chief Delegate to the United Nations in vigorously opposing this attempt to defame the Zionist Movement;

Therefore, We, the undersigned members of the Board of Selectmen of the Town of Brookline, do hereby further

Resolve, That a copy of these resolutions be transmitted to the Secretary General of the United Nations, the United States Chief Delegate to the United Nations, the President of the United States, the Secretary of State and the Massachusetts delegation to the Congress.

Robert C. Cochrane, Jr., *et al.,*
Board of Selectmen.

PCB CONTAMINATION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ASPIN. Mr. Speaker, further studies on the evidence of PCB contamination in our atmosphere have prompted me to share with my colleagues the following article from the Washington Post entitled "Toxic Agents Polluting Environment," by Morton Mintz.

PCB's are now found to be transported through the air, and this represents an additional source of PCB contamination. Not only are our waterways becoming uninhabitable for fish, evidence has been found that PCB's are contaminating our drinking water.

Mr. Speaker, there is also growing concern for the health of workers and their families who have been exposed to PCB's in their everyday working environment. Because of this concern, it is my understanding that the EPA is preparing a special toxology report on the carcinogenic effects of PCB's.

The list of organizations, State's agencies, and individuals who are coming out for a ban on the use of PCB's is rapidly growing. Recent additions to this are the Great Lakes Basin Commission which is represented by 9 States, 11 agencies of the Federal Government and Canada, and the National Council of Jewish Women.

I am hopeful that continued and increasing interest in the PCB problem will lend further support to my bill, H.R. 9525, which would ban the use and import of PCB's.

Mr. Speaker, Mr. Mintz' article:

Toxic Agents Polluting Environment

(By Morton Mintz)

Poisonous industrial chemicals called PCBs are widely contaminating the environment—including some drinking water—three years after the government thought it had them "well in hand," a worried Environmental Protection Agency revealed yesterday.

PCBs (polychlorinated biphenyls) at certain levels can cause serious toxic effects in humans. They threaten the food chain and, according to a recent unpublished report cited by the EPA, malignant liver tumors have developed in rats exposed to one part per 100 billion of a particular PCB.

High PCB levels recently reported in fish in the Great Lakes area, the Hudson River Valley and elsewhere "underscore the urgency of the problem," Dr. John L. Buckley, an EPA consultant and former official, told the Senate Commerce Subcommittee on the Environment. PCBs impair the ability of fish to reproduce.

Contamination "is more widespread" and "some concentrations are higher than previously believed," Buckley told subcommittee Chairman John V. Tunney (D-Calif.).

These concentrations "greatly exceed" Food and Drug Administration guidelines, thus "threatening our ecological resources" and "impacting directly on the jobs of local fishermen and on available food supplies," Buckley testified.

"At the same time, continuing PCB discharges are adding further to the total environmental burden of the chemical, which degrades very slowly indeed," he said.

EPA enforcement official Stanley W. Legro said the agency has several reports of PCBs in tap water. In a letter to Tunney released at the hearing, Legro identified communities with this problem as Bridgeport, Conn., New Bedford, Mass., Escondido, Calif., Sellersburg, Ind., and Winnebago, Ill.

The PCB problem "will not be adequately resolved" unless Congress empowers the EPA to regulate manufacture and importation of substances such as PCBs by passing the proposed toxic substances control act, said Buckley, who endorsed the bill in behalf of the agency.

The Senate and the House passed versions of the bill in 1973, but deadlocked in conference when the House refused to accept a Senate provision for pre-market testing of chemicals for safety. This year, the Senate Commerce Committee completed hearings on the bill, but ran into fierce industry opposition to the same provision.

Introduced about 1930, PCBs have been used mainly as cooling fluids in electrical transformers and other equipment, as fluids for electromagnets, as heat-transfer fluids, as hydraulic oil and as plasticizers for waxes and adhesives. They also are used in paints, printing inks, carbonless "carbon" paper and other products.

Because PCBs are almost indestructible, they persist in the environment when they leak into it from products that contain or are exposed to them, or enter as solid waste from manufacturing, as water effluents or air emissions.

Once in the environment, PCBs are ingested by tiny organisms, move up the food chain, and finally reach humans, where they lodge mostly in body fat. As of about two years ago, various surveys indicated that at least one out of two Americans had PCBs in minute concentrations.

In 1971 FDA decreed "guidelines for safety," and yesterday Buckley, who had played a major role in federal efforts to reduce environmental levels of PCBs, said that as of 1972, "I thought that things were well in hand."

Monsanto Corp., the sole domestic producer, voluntarily had stopped selling PCBs except for use in closed electrical systems. EPA and other agencies took various other actions. Industry began trying to develop safer substitutes.

But the problem worsened, EPA enforcer Legro told Tunney, chiefly because of exports by France, Japan and Italy, some of which apparently was not used in closed electrical systems, and because some Monsanto customers may have bought PCBs for unapproved purposes.

The exports occurred "despite a formal international agreement embodying a multinational commitment to control PCBs," Buckley testified.

THE NEW NATIONAL NIGHTMARE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. TEAGUE. Mr. Speaker, last August in the Nation's Business magazine a most provocative article appeared by Mr. James Kilpatrick. Mr. Kilpatrick refers to present times as "the age of the regulators".

I urge every Member of Congress to read the article. Reflection on it will, I believe, slow down the present rush to establish new regulatory authorities.

The article follows:

[From Nation's Business, August 1975]

The New National Nightmare

(By James J. Kilpatrick)

The tip point is among the most familiar phenomena of our everyday life. A child discovers the tip point of a tricycle and a teeter-totter. A boatman perceives the turning of a tide. A baseball umpire will take so much sass from a player and then no more. At a certain point, matter will boil, freeze, crystallize, or jell. The tip point is the moment at which conditions change not in degree, but in kind, or in direction.

Two hundred years after our free society began, we are close to such a tip point now. We are within a drop or two of the critical moment at which freedom crystallizes into regimentation, when the people no longer are masters of government, but government is master of the people.

The dangers are widely perceived, but they are separately and not collectively perceived. It is the occluded vision of the man who cannot see the forest for the trees. Doctors see one part of the picture, educators another, businessmen yet another. We dwell in small rooms, in little shut-off cells, and sometimes we labor to breathe. "It is stifling in here," we complain. And we are not always aware that air is being sucked from the next room also. Yet the atmospheric changes are so slow, so gradual, so apparently insignificant, that we seldom complain at all. We do not understand what is missing: It is the very air of freedom.

Thomas A. Murphy, chairman of General Motors, recently spoke to the National Association of Accountants. As a businessman, he spoke from his own small room:

"Our economic system, founded with our nation 200 years ago, has come more and more under government control. Very conspicuously in the marketplace, the government, by mandate and edict, is substituting its sovereignty for that of the individual consumer. Government, rather than the buying public, is increasingly determining the kinds of products and services offered for sale, and government regulations are influencing their costs and consequently their prices. What is of greatest concern is that each intrusion of government, because it takes decision-making power away from the individual consumer, diminishes his economic freedom."

Dr. Murray L. Weidenbaum, director of the Center for the Study of American Business, notes a "second managerial revolution." The first such revolution saw the rise of professional managers, as distinct from owners. "This new revolution is far more subtle. It involves the shift of decision-making from managers, who represent the shareholders, to a cadre of government officials, government inspectors, government regulators." [See "Where Overregulation Can Lead," *Nation's Business*, June, 1975.]

The last word is the key word: regulators. If we were to give a name to the ominous new age that lies ahead, the age beyond the tip point, we might well term it the Age of the Regulators. A part of the ominous aspect of the approaching era is that many Americans see nothing ominous in regulation. It is a friendly word. We are favorably inclined toward a regular fellow. We shy from the irregular. The dictionary lumps regular with "normal, typical, natural," as in "a regular pulse." A regulated life is popularly thought to be a good life.

This very complaisance contributes to the creeping oppression. "The people never give up their liberties," said Edmund Burke, "but under some delusion." Here the delusion is that, if a little regulation is good, more regulation is better. On the sound premise that freedom cannot exist without order, a fallacious conclusion is erected: the more order, the more freedom. It does not work that way.

The enveloping process begins with a perceived ill. Thalidomide. Smog. Racial discrimination. The fly-by-night private school. The fire ant. The rickety ladder. The dangerous toy. In our struggle toward a more perfect society, it is altogether natural and desirable that ills be remedied. A boy drowns at summer camp; a little girl dies when her nightgown catches fire. Such tragedies pluck at the heart; and compassionate government responds.

But the vice of regulation is that it follows an inexorable process: first a little, then a lot. Within the Congress—and the state legislatures are not materially different—there develops what John Randolph called the legislative itch. On the body politic a rash is seen; it must be scratched. Statutes tumble upon statutes, head over heels, pell-mell, laws upon laws, and these laws must be administered. They must be interpreted, construed, amplified, extended, and enforced. Enter the regulator. He is a decent man, more often than not, eager to do good. But his passion is to regulate. It becomes a consuming passion.

Out of the perceived ill of thalidomide came the straitjacketing procedures that now govern new drug applications; and these procedures have stifled the drug industry. Out of the perceived ill of smog came the staggering array of environmental controls—controls that have accomplished some good and have added billions of dollars to the cost of consumer goods.

The perceived ill of discrimination has produced the new egalitarianism. Its purpose is to redress old wrongs with new wrongs. Thus, Boston writhes in the unhappiness of racial-balance busing. At Washington University in St. Louis, the chancellor is given four days to sign a 30-page statement of conciliation or be denied a $1.8 million contract. Athletic directors are commanded to rewrite their budgets. The Supreme Court holds that "great deference" must be accorded the "guidelines" of the Equal Employment Opportunities Commission. Whole states embark upon the neuterization of their codes, solemnly amending chairman to read chairperson.

Increasingly, the process pervades the field of health care. At Kettering Medical Center, near Dayton, the regulators descend. The hospital is new, sparkling, modern, safe, efficient; it has met or surpassed every state and local building requirement; it has been professionally accredited. But the regulators are not pleased: The windows are wrong, the airflow system is wrong, the kitchen doors are wrong. And these deficiencies must be corrected at once, never mind the cost, or else—! Or else Kettering will not be reimbursed for Medicare and Medicaid patients.

Kettering is not alone. Scores of hospitals face the same threat.

One of the busiest agencies in Washington is the Consumer Product Safety Commission. Its mimeographs run night and day. Here the regulators in an altogether typical week, are concerned with book matches, lawn mowers, television receivers, playground equipment, bicycle brakes, and baseball bat grips. The regulators are concerned with carpets, cigarette lighters, and a prototype child-resistant closure for use by the elderly. They will regulate these things.

Committees of the House of Representatives are at war over FIFRA. This is the Federal Insecticide, Fungicide, and Rodenticide Act, administered by the Environmental Protection Agency. In their zeal to regulate, the FIFRA regulators set up a toll-free telephone network to generate complaints of pesticide misuse. To some members of the House, this is an "indefensible informant system." To others, it is a justified step in pesticide regulation.

Our regulators, state or federal, have this in common: They mean to be obeyed. The smallest offender cannot be ignored, lest larger offenders be encouraged. Thus, in Ohio, the regulators of education have cracked down upon the Tabernacle Christian School in Greenville and brought criminal prosecution against 15 disobedient parents. It is of no consequence that the children in this fundamentalist school are achieving at levels higher than comparable students in public schools. The school does not comply with regulations. Whip it into line!

More than a hundred years ago, Alexis de Tocqueville visited the young American republic. He returned to France and between 1835 and 1839 delivered himself of that great work, "Democracy in America." Toward the end of volume II, he reflected upon "what sort of despotism democratic nations have to fear." It would be a different kind of despotism, he thought, from the despotism of old. "It would be more extensive and more mild; it would degrade men without tormenting them." Looking far ahead, he foresaw a nation populated by an innumerable multitude, all absorbed in their own affairs, preoccupied with "the petty and paltry pleasures with which they glut their lives."

This was De Tocqueville's terrible vision:

"Above this race of men stands an immense and tutelary power, which takes upon itself alone to secure their gratifications and to watch over their fate. That power is absolute, minute, regular, provident, and mild. . . . For their happiness such a government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness; it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances. What remains, but to spare them all the care of thinking and all the trouble of living?

"Thus it every day renders the exercise of the free agency of man less useful and less frequent; it circumscribes the will within a narrower range and gradually robs a man of all the uses of himself. The principle of equality has prepared men for these things; it has predisposed men to endure them and often to look on them as benefits.

"After having thus successively taken each member of the community in its powerful grasp and fashioned him at will, the supreme power then extends its arm over the whole community. It covers the surface of society with a network of small, complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate, to rise above the crowd. The will of man is not shattered, but softened, bent, and guided; men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd."

A magazine recently counted 63,444 federal regulators. It put the cost to consumers of federal regulation alone at $130 billion a year, The regulatory network spreads and grows; the tip point approaches; and De Tocqueville's nightmare consumes the American dream

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WORLD SERIES WATCHERS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. EDGAR. Mr. Speaker, the following is an address which I recently delivered which may interest my colleagues:

I find it amazing that despite all of the problems this country has, the economy, foreign policy, and finding leadership, many Americans put things aside for the world series games. There is a peculiar fascination with the pitcher standing on the mound, glaring at the batter, with prestige and honor on the line with each pitch. The battle is as much an individual one as team effort.

I see some kind of strange analogy between the battles between Luis Tiant and Joe Morgan, and the battles between the President and the American people.

Jerry Ford is a little like Tiant. He gives you a lot of motion for the purpose of deception only. And like Tiant, he's a very likable guy. But the analogy ends there. Tiant can pitch, while President Ford can only throw curve balls. President Ford feels that he's done a great job in giving up only a few hits. After all, he's recorded an "impressive" number of strikeouts in the few innings he has pitched. He's struck out better housing, and better education. Jobs have also gone down swinging. Sure, he's thrown a few hanging curveballs which big oil and other multinational corporations socked for home runs. But everyone's allowed a few, right?

In my opinion, Jerry Ford's pitching record is a consistently losing record. Despite lackluster performances, he retains a small, close-knit fan club who cheer him in his losing efforts. These fans are the bankers, the large stockholders, the corporate vice-presidents and the board chairmen.

If Jerry Ford is like Luis Tiant, the American people are like Joe Morgan. They aren't worth much when they're on the bench, unemployed. But like Joe Morgan, the American worker is a complete ball player, he can hit, hit with power, run, field and throw. He can intimidate and scare the daylights out of hustlers who challenge him. All he needs is a chance and he can really put on a good show.

In this game, its been the big corporations that have been scoring all of the runs. Since the Nixon administration, the working man has been shut out. The pitches to the working man have not only been wide of the plate, other pitches have been thrown directly at the working man's head. It's the working man, the unemployed, the aged, and the disabled which have been forced to bite the dust. And the bankers and board chairmen have raised their cheers from their comfortable box seats. Jerry tips his cap to them, knowing that those fat cats will be paying to have him pitch the next game.

I frankly think that Jerry Ford is all washed up as a pitcher, and as a leader of the American people. I think that if the American people get what they want, Jerry Ford will be removed from the pitching staff. We remember how he got his chance on the mound, and we won't make the same mistake twice.

Jerry Ford started out as a relief pitcher after the Republican starter was hit hard in his second start and knocked out of the box. As a reliever, he has continued "Nixonics" by serving up fat hanging curves to the wealthy. I find it outrageous that he not only thinks he's doing a good job, but that he wants to be the starting pitcher when the opening ball is thrown out in November of 1976. Well, I don't think the fans of America, those that pay their money and sit in the bleachers instead of those that clip the coupons and sit in the air-conditioned boxes they won't stand for that. When Ford's goal is to reduce unemployment to six percent. the Boos shower down. There should be no unemployment, and that's what the catcalls are for. The Boos are just devastating to the small scattering of cheers from the air-conditioned box seats when Jerry goes into the windup and follows through with vetoes. The fans in the bleachers know too well that those who cheer in the boxes don't worry about losing their jobs. They don't worry about the higher costs of feeding their family or about the higher costs of educating their kids.

With his vetoes, the president has refused to throw the ball down the middle of the plate to the American worker, but instead throws the ball closer to the dugout. It's debatable whether not pitching to the working man, throwing at his head or in the dirt, is done cruelly and intentionally, or just by incompetence. But the end result is the same. Instead of pitching to the working man, the President is saying "Go take a walk."

With all the humanitarianism of the Boston strangler, President Ford has endorsed tax loopholes for the wealthy, while strangling those living on fixed incomes.

The Congress has not been hitting 1000. Far from it. But the Congress has through hard work developed programs which have been approved by a majority of this Country's elected representatives. And an unelected chief executive has negated these needed programs.

I know that in November, it will be the American people who will farm out Jerry Ford to the minors, and elect a young leader who won't be afraid to say "No" to the bankers, "No" to big oil, and "No" to corporate bigwigs and special interest groups who wish to strangle economic policies which will help the working man. This leader won't give a tax break before the elections and make the American people pay for it after the election. And while he may disagree with the decisions made by the Congress, he won't claim that Congress has done nothing.

TWO HUNDRED YEARS OF FREEDOM

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. FREY. Mr. Speaker, recently a Bicentennial Essay Contest was sponsored by the Winter Park Pines Community Association of Winter Park, Fla. The winning essays show sincere patriotism which I am happy to share with you. Following are the essays of the three first place winners, Jane Ann Sherman, elementary division, Steve Sherman, junior high division, and Steve Simon, senior high division, all of Winter Park, Fla.

The essays follow:

TWO HUNDRED YEARS OF FREEDOM

(By Steve Simon)

Egyptian slaves worshipped freedom, their masters feared it. Peoples try to pretend to have freedom, and others boldly try to destroy it. One country has truly enjoyed two hundred years of it; the United States Of America. To escape the tyranny of other countries, people gathered and formed a new one based on their beliefs and convictions. One thing is certain about it, everyone wants their freedom. "It" is a seven letter word called "Freedom" second only to a three letter word called "God." Yet America was founded on the beliefs of both of these words, which makes our country pretty special.

Freedom means different things to different people. Freedom is political, moral, spiritual, and legal. A person should have freedom from earthly belongings, freedom to worship as he pleases, believe what he would like to believe, say that which he wishes to say and countless others. A person's freedom can be misused or even abused to harm someone else, which is the reason for a set of rules or laws which apply to all.

On July the fourth, Seventeen Hundred and Seventy-Six a new country was declared which was to test the time and troubles of two centuries and show to be the strongest in the world. The new nation is a nation of immigrants and is called the "melting pot of the world." Because of this, the people enrich the American society and have produced so many different talents, advances, and contributions that whenever Americans are thought of, the term "Yankee Ingenuity" is applied to the fact that Americans always seem to be able to solve problems which they find either domestically or foreign. The United States has done more to aid other countries who need help so much that this country is looked up to or are the cause of jealousy in almost every other nation.

Americans have enjoyed the right to say what they believe and play an active part in the government of this country. If they see something that is not right, instead of having to ask, plead, or even beg one individual for a change, he can make it himself, through the two-party system. He can speak out against something that is not fair, get other people involved to show them what is happening. He has the right to print it in newspapers and thus let others who normally would not realize it see it. He has all the rights guaranteed to him under the Constitution, such as; freedoms of religion, speech press, and so on. If he is accused of committing a crime he has the right to a trial by a jury of his own peers, instead of judgment by one man, if he so decides.

Because of these, the United States has lasted through several trying times, such as, the Revolutionary War, the Civil and Spanish-American Wars, World Wars I and II, the Great Depressions of 1897 and the 1930's. Under a government such as ours a person has a better chance to prosper and grow. The facts that Americans have one of the highest standards of living and are one of the most literate peoples in the world are evidence of the great advances the American society has made. In addition, Americans are the best dressed and most well fed in the world. But they have struggled to enjoy these freedoms.

America went through hard times from the beginning when it was run under the Articles of Confederation which made the national government weak and the states strong. Then, in 1787 the constitution as it is now known was drawn up and adopted and made the national government stronger and put the union one step closer to perfection. The country since then has grown, expanded, and strengthened, from a nation of more than four million to one of more than two hundred and four million.

America grew rapidly in the 1800's with the growth of transportation. Steamboats and canals and then railroads brought points separated by weeks together in days. The United States experienced an industrial revolution. Companies formed, inventions were made and overall conditions improved. Reforms were made in many areas. Public schools were opened for everyone for the first time, women's rights were begun and furthered through the efforts of Elizabeth Stanton and others. One reform was so controversial that it started a civil war. Slavery was directly contrasting to the fundamental freedoms the United States was set up for, yet people did not wish to part with it. As news of a secession spread, states were divided; either pro or con slavery. Several compromises were made, the most famous was the Compromise of 1850, yet none were long lasting. After a bloody Civil War slavery was abolished in the United States for good. Although the sectional strife continued for some time people were generally eager to renew old friendships and were taught a great deal by them.

Then, a new age of wealth and prosperity occurred. The two-party system was strengthened and America became involved in foreign affairs. At the same time scandals were noticed in the government and changes were made. Several political battles took place. An example is the election of Rutherford Hayes over Samuel Tilden. As big business was on the rise, people began to move from the country to the city. The growth of industry presented new problems for farmers which caused new legislation from the Congress. It also became difficult to regulate industry and monopolies. As the West grew so did the South. All over a cultural boom had taken place in various fields such as education, newspapers and magazines, literature, architecture, and the spoken arts. For the first time, the United States was shown to be a world power, and has been one ever since.

The population had grown to seventy-five million by 1900 and was still climbing. A crusading spirit again swept the nation. Theodore Roosevelt did much for this. He introduced his "Square Deal," reforms in trust busting, new controls on railroads, and new business reforms. For the first time, an interest was shown in conservation. New ideals and programs took place, such as the "Open Door," and the "New Freedom." A feeling of isolationism took place along with growing farm and labor hardships. After the Roaring 20's came the Great Depression of the 30's, started by the stock market crash. Franklin D. Roosevelt was given the job of getting the country back on its pace. He developed a program of relief, recovery, and reform. He developed the CCC, WPA, HOLC, NRA and others. World War II brought the United States out of the Depression and into a type of unity which was needed.

From then to now Americans have prospered and grown, shared experiences and endured hardships. The contributions of the American people have shown why they have enjoyed two hundred years of freedom.

TWO HUNDRED YEARS OF FREEDOM

(By Steve Sherman)

The American spirit of freedom is a thing which has blessed us out of all nations. Our forefathers were of a brave, determined kind of man that made this spirit possible.

This great spirit of freedom probably started when the people of the American colonies looked at all the tyranny that was set upon them by the British. They saw what their lives were leading into and knew they had to do something about it.

The British established these colonies to enlarge its boundaries in the world and to make more money. When the colonists became a little too high-spirited and rowdy, they sent in troops to protect their investment. This made the colonists angry thinking that someone far across the ocean was controlling everything they did.

England saw how people like Thomas Paine were spreading the feeling of freedom and democracy through the colonies. The king thought he must teach the colonists a lesson so he raised taxes and sent in troops. The cry "no taxation without representation" rang through the outraged colonies. The American colonists knew that it was time for a change so they attacked the British troops.

The new "United States" was in a war. This most famous Revolutionary War most depicts our struggle for freedom. We fought and won the war and also won our freedom.

Now men like Benjamin Franklin and Thomas Jefferson had to put our new Declaration of Independence to work. They wrote our Constitution and made our government so the people ruled the country. This type of government worked far better than the former tyranny with one king.

The United States went along well and again beat the "mighty powerful British" in the War of 1812. After this the United States was more highly regarded.

The United States still had one great problem concerning freedom. Since the invention of the cotton gin, slavery had abounded in the South and people were beginning to question, are all men really created equal? Since the northern states had no need for slavery, they were almost entirely against it. This caused the South to feel angry and this was one of the main reasons that caused the separation of the United States.

However, we had elected a great president and he knew that our union must never be dissolved. So he sent out U.S. troops and the new "Confederate States of America" sent out theirs and this started the great Civil War. Again the United States came through when the Confederate General Lee surrendered to General Grant at Appomattox and the union stayed together.

Now the spirit of freedom that had started in American blood spread out to other countries. Now more and more countries were becoming independent. Then we went through two world wars and a great depression. After this we arose to what we are today, one of the greatest countries in the world.

Even today though a few questions come up about freedom. One is "are teenagers today more free than ones 200 years ago?"

The above question is very hard to answer. Two-hundred years ago teenagers did not live in the modernized society we live in today so they didn't have restrictions on what movies they could see or what age you could drive a car. Teenagers today though can vote at an earlier age and are beginning to use their right of "freedom of speech."

Another question about freedom is "do people control the government or government control the people?" Our government is based on the idea that the people control it. However, the government is not a miracle worker and can't please everyone but they still strive to do what the majority wants. This means that what you want personally may not be what the majority wants so the government won't do it.

A third question is "should the right to go to war be made by the people or the government?" One thing about this is that the government is most likely more well informed. People may read biased papers that only give one-sided reports. Our representatives in government should present us the whole truth and do what the people want.

One other great question is, "is the spirit of freedom still as great and widespread as it was 200 years ago?" Today a lot of people have almost forgotten about freedom. They have lived with it all their lives and have taken it for granted. They don't realize a lot of people fought and died for this sacred thing. I still believe though, that a lot of people still love freedom and thank God for it every day.

This essay has been my feelings on the history and progress of freedom. I also added questions which might come into people's minds about freedom. This essay was my idea of that great spirit of freedom that started 200 years ago.

Two Hundred Years of Freedom

(By Jane Ann Sherman)

If we were without freedom I think this country would be a terrible place to live. Without the Declaration of Independence, the Bill of Rights, and the Constitution the government would rule the people instead of the people ruling the government.

Without Freedom of Religion I might not be able to go to the church I am going to now. I would have to go to a different church maybe.

Without Freedom of Speech, we would not get our views in the government. We wouldn't get to give our opinion. We might not be able to say certain things.

Without Freedom of the Press we might not be able to write our newspapers. If we did we would have to write what our government says.

We wouldn't be able to talk with certain people without the Right to Assemble Peaceably. If our best friend had done something against the government and had not been jailed for it, we might not be able to talk to that person. Can you imagine not being able to talk to your best friend?

We wouldn't be able to petition about things wrong with the government or changes we would like made without the Right to Petition. We wouldn't be able to vote every year. We wouldn't be able to pick our own government. They might have somebody who has cheated before as a president.

Without Right to Bear Arms, we would not be able to keep a gun in our houses. We would have a more worse chance of being hurt in a dark alley.

Without No Quartering of Soldiers Without Owners Consent, soldiers could come and live in your house, even if you didn't want them to.

Officers could come and search your house without your permission if we didn't have Right to Secure Unreasonable Search or Seizure. If you had a gun in your house and somebody had been killed they could accuse you of murder.

If you were a criminal you might not be able to have a lawyer. If it weren't for Legal Protection in Criminal Cases, you could just be put in jail without a trial even if you were innocent.

You might have to have your trial in another state if it wasn't for Right to a Speedy Trial. The public would not be able to see your trial if you wanted them to.

Without Right to a Trial by Jury you could be accused of something by anybody and could be put in jail. You would not have a trial.

Without the Right of All Punishments for Crimes Must Be Fair and Humane, you could be killed for something you did. If you had to pay a fine it might be much too great for the crime. For littering you could have to pay one-hundred dollars instead of ten or twenty-five dollars.

If there weren't any Bill of Rights you would still have other limited rights. Although they would be different, you would have some rights.

Without states rights, the government would make all the laws. They could make any law they wished.

We do have our rights though, and I'm glad. As you can see, I have told you what it would be like if we didn't have the Bill of Rights. Our rights and freedoms are not limited to just those defined by the Bill of Rights. We must consider all our rights when we try to analyze why our country is such a nice place to live and how lucky we are.

Some people still think our country is not the best place to live. I feel sorry for them and honestly, I hope they will all leave soon. We can do many more things in this country than in any other I know of. We have our rights and our freedom and I am truly grateful.

REPRESENTATIVES TO FILE SUIT AGAINST ADMINISTRATION OFFICIALS ON ARAB BOYCOTT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. DRINAN. Mr. Speaker, this afternoon I sent a Dear Colleague letter to all Members of the House cosigned by the distinguished gentleman from New York (Mr. Koch) describing a suit which we intend to file in conjunction with other Members of Congress against the Secretary of Commerce and the Secretary of the Interior for their cooperation with and failure to oppose the Arab boycott. That suit will be filed in U.S. District Court for the District of Columbia on November 10. I hope that many of my colleagues will join in this endeavor to bring about the enforcement of this country's statutory antiboycott policy by those Federal departments entrusted with that responsibility. The text of the draft complaint is reprinted below for the information of my colleagues:

[U.S. District Court for the District of Columbia, Civil Action No. —]

Robert F. Drinan, Edward I. Koch, Benjamin S. Rosenthal, James H. Scheuer, Henry A. Waxman, et al., Plaintiffs, against Rogers C. B. Morton, Secretary of Commerce, and Thomas S. Kleppe, Secretary of the Interior, Defendants.

Draft Complaint

Plaintiffs, by their attorneys, respectfully allege:

I. JURISDICTION

1. This is a civil action for declaratory, mandamus and injunctive relief against officials of the United States Government complaining of failure to take action required by the Constitution and laws of the United States and of affirmative action violative of the Constitution and laws of the United States.

2. Jurisdiction is conferred upon this Court pursuant to Title 28 U.S.C. 1331, 1361, 2201, and Title 5 U.S.C. Sections 701–706.

II. PLAINTIFFS

3. Each of the Plaintiffs herein is a duly elected member of the House of Representatives of the United States, and is suing in that capacity. Each has an interest in this case or controversy in that, as more fully set forth hereinafter, the actions and inaction complained of herein bear directly upon the Plaintiffs' duties and responsibilities as members of the Congress.

4. Plaintiff Rosenthal was a member of the House of Representatives in 1965 when P.L. 89-63, 83 Stat. 841, adding Section 3(5) of the Export Administration Act (herein referred to as the Act), 50 U.S.C. App. 2402(5) was enacted into law and voted for its enactment. He has an interest in this case or controversy in that, as more fully set forth hereinafter, the actions and inaction complained of herein impair the effectiveness of his vote.

III. DEFENDANTS

5. Defendant Morton is Secretary of Commerce of the United States and is sued in that capacity.

6. Defendant Kleppe is Secretary of the Interior of the United States and is sued in that capacity.

7. The official duties and responsibilities of each of the Defendants relate to the implementation and effectuation of the Act and specifically Section 3(5) thereof. Each of the Defendants has taken an oath to support the Constitution of the United States.

IV. FACTUAL ALLEGATIONS

8. Section 3(5) of the Act provides as follows:

"It is the policy of the United States (A) to oppose restrictive trade practices fostered or imposed by foreign countries against other countries friendly to the United States, and (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States."

9. Under the Constitution of the United States it is the responsibility of the Congress to determine and state national policy, and the duty of the Executive Department to implement and effectuate it and to refrain from actions that hinder, impair or frustrate it.

10. Israel is a country friendly to the United States.

11. To the knowledge of each of the Defendants herein, the following foreign countries in the Near East and North Africa now and for many years have engaged in a systematic and continuing boycott of Israel and of American domestic concerns engaged in trading or doing business with or in Israel: Algeria, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, and United Arab Emirate (hereafter referred to as Near East and North African countries).

12. On information and belief: The Defendants and each of them, and the heads of other Departments of the Executive Branch of the Government whose duties and responsibilities relate to the anti-boycott policy of the United States as set forth in Section 3 of the Act, have failed, neglected and refused affirmatively to effectuate and implement the anti-boycott policy of the United States, in that they have failed, neglected and refused to oppose the restrictive trade practices and boycotts by the Near East and North African countries and to encourage and request domestic concerns to abstain from complying with or otherwise furthering these practices and boycotts.

13. On information and belief: The Defendants and each of them have affirmatively acted to hinder, impair or frustrate the anti-boycott policy of the United States.

14. On information and belief: Under the direction or with the approval of the Defendant Morton, the Department of Commerce has taken, among many other actions, the following actions tending to hinder, impair and frustrate the anti-boycott policy of the United States:

A. It has and is actively engaged in the promotion of commerce and business between the Near East and North African countries and American concerns that comply with their boycott policy and practices. Illustrative of this action is a booklet entitled, "The Near East and North Africa: A Report to U.S. Business," issued by the Department in December of 1974 and still being circulated by it, the Foreword whereof states in part:

"This special Bureau of International Commerce report to the American business community is designed to show why the businessman who is not now doing business in the Near East or North Africa should give thought to doing so. It tells how to get started, how to cultivate the market, and how we in the Commerce Department can and will help."

and page 27 of which states in part:

"If you are interested in doing business in the Near East or North Africa but are not sure how to begin, the Department of Commerce can help."

On page 24, it is stated that United States firms "are not legally prohibited from taking any action" which supports the restrictive trade practices or boycotts set forth in Section 3 of the Act.

B. It issued Export Regulations, Sec. 369.1 of which states:

General policy

It is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against any country not included in Country Group S, W, Y, Z. All exporters engaged in the export from the United States of articles, materials, supplies, or information, including technical data (whether directly or through distributors, dealers, or agents), are encouraged and requested to refuse to take (*but are not legally prohibited from taking*) any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting such restrictive trade practices or boycotts." (Italics added.)

It issued this Regulation notwithstanding the following: (1) Although it otherwise follows the language of Section 3 of the Act, nothing therein justifies the underlined statement in the Regulation, nor is there any other statute or judicial decision requiring or authorizing the Executive Branch of the Government to advise American concerns that they are not legally prohibited from taking action which is directly contrary to the national policy of the United States as expressed by the Congress of the United States. (2) The statement that direct violation of national policy is not legally prohibited is an erroneous statement of law. (3) Whether erroneous or not, the statement has and can only have one purpose and effect, namely to invite and encourage American concerns to violate the anti-boycott policy of the United States as stated by the Congress.

C. It circulated among American concerns notices of trade opportunities or tenders from Near East and North African countries without informing these concerns that the notices or tenders are from countries participating in the boycott policies and practices against which Section 3 of the Act is specifically aimed.

D. It circulated such notice and tenders wherein the inviting countries expressly exclude concerns that are or use materials manufactured by concerns that are officially boycotted by the inviting countries.

E. It has circulated such notices and tenders without stating that compliance with the expressed restrictive trade practices or boycotts violates American national policy as set forth in Section 3 of the Act.

F. It circulated such notices and tenders with a statement that compliance with the boycott provision is contrary to American policy but is not illegal or legally prohibited, although this advisory opinion is (a) erroneous, (b) unsolicited, and (c) has and can have one purpose and effect, namely, to invite and encourage the American concerns to violate the anti-boycott policy of the United States as stated by the Congress.

15. On information and belief: Under the direction or with the approval of the Defendant Kleppe, the Department of the Interior has taken the following action tending to hinder, impair or frustrate the anti-boycott policy of the United States: In the purchase of materials for use by its Geological Survey bureau in Near East and North African countries it has required the vendors, which are American concerns, to submit to it certifications that neither the steamship on which the materials are to be sent nor the company insuring the materials is on the boycott list of the particular Near East or North African country involved.

V. OTHER ALLEGATIONS

16. This suit involves a genuine case or controversy between the Plaintiffs and the Defendants.

17. The Plaintiffs have no plain, speedy or adequate remedy at law and will suffer irreparable injury unless the relief sought in this suit is granted.

VI. CAUSES OF ACTION

18. *First Count:* The actions and inaction complained of herein violate the constitutional principle of the separation of powers, whereunder the power to determine national policy is vested in the Legislative branch of the Government.

19. *Second Count:* The actions and inaction complained of herein violate Article I of the Constitution, which provides in part that "All legislative powers herein granted shall be vested in a Congress of the United States."

20. *Third Count:* The actions and inaction complained of herein violate Article II of the Constitution, which imposes upon the Executive branch of the Government the duty to take care that the laws of the United States be faithfully executed.

21. *Fourth Count:* The actions and inaction complained of herein violate Article VI of the Constitution, which provides in part that the Constitution and the laws of the United States made in pursuance thereof shall be the supreme law of the land.

VII. PRAYERS FOR RELIEF

22. The Plaintiffs pray that the following relief be granted:

(1) That the Court adjudge and declare that the actions and inaction complained of herein violate the Constitution of the United States and Section 3 of the Export Administration Act.

(2) That until such time as the Near East and North African countries discontinue their restrictive trade or boycott practices against American concerns that do business with Israel or concerns therein or who manufacture materials which are part of products sold to Israel or concerns therein, the Defendants be enjoined from promoting or encouraging trade between them and American concerns and from actively participating in the implementation of such restrictive trade and boycott practices.

(3) That a writ in the nature of mandamus be issued against the Defendants directing them to take such action as may be necessary and appropriate to implement and effectuate the national policy of the United States as set forth in Section 3 of the Export Administration Act.

(4) That a preliminary injunction pending the trial of the issues be granted to the Plaintiffs for the relief sought herein.

(5) That the Plaintiffs be granted such other and further relief as to the Court may seem just and proper.

Respectfully submitted.

LEO PFEFFER,
Counsel for Plaintiffs.

Dated: November 10, 1975.

OIL SPILL FUND PROPOSED

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. STUDDS. Mr. Speaker, on October 23, I introduced legislation to establish a comprehensive domestic oil spill liability fund. This fund is necessary to provide a uniform and effective method for cleaning up accidental and intentional discharges of oil into our marine or land environment, and to provide a readily accessible recourse for those seeking to recover compensation for damages to their property or for loss of income resulting from such oil spills.

This legislation—which I have prepared in consultation with Senator JOSEPH BIDEN of Delaware—would provide a strong incentive for the prevention of oil spills, while also guaranteeing, in accordance with the Federal Water Pollution Control Act, the rapid cleanup of spills should they occur. This measure would provide those damaged by oil spills with a quick and equitable means of obtaining compensation for such injuries, a matter which is of vital importance to commercial fishermen and to persons employed in those tourist-related industries which are most vulnerable to the threat of massive economic damage resulting from an oil spill.

In addition, the Studds bill is necessary to provide a means for compensating oil spill victims in those cases where the source of the spill is not known.

A comprehensive oil spill liability fund is long overdue. The coming of the supertanker, deepwater oil receiving ports, the Alaska pipeline, and the prospect of rapid Outer Continental Shelf oil leasing in new regions of the country have created a proliferation of State and Federal laws in this area. These laws have often been duplicative or contradictory and, taken as a whole, they have left sizable gaps in oil spill liability law. A comprehensive scheme which will both make uniform and improve upon these existing laws, without depriving States of their own legitimate interests in this area, is vitally needed, and the Studds bill would fulfill these objectives.

Mr. Speaker, the bill I have introduced differs in several respects from the Ford administration proposal, which is the only other comprehensive proposal of this type to have been introduced to date in the House of Representatives. The administration bill would tie the proposed domestic fund to the ratification and implementation of two international treaties proposed under the auspices of the Intergovernmental Maritime Consultative Organization, IMCO. The international approach is not at all adequate to the needs of the United States and, consequently, a separate domestic fund would also be created under the administration bill to supplement the international fund. While this legislation is an encouraging attempt to deal with the oil spill problem, the Studds bill remains superior in a number of important respects. A few of these are listed below:

First. Under the Studds bill, a claimant would go directly to a domestic oil spill liability fund to collect damages, while under the administration version, the claimant must negotiate with the actual spiller for at least 90 days—far too long for many of those whose very economic survival depends on their ability to continually make use of our marine resources or the recreational facilities of our coastal areas. Under both bills the domestic fund would eventually seek compensation from the spiller for any payments made by the Fund to individual claimants up to a fixed liability limit.

Second. The administration bill sets relatively low liability limits—even lower than those in effect under existing Federal laws. The international option, for example, would establish a limit on liability for oil spills as low as $10 million or $120 a ton in many cases. This is inexcusable at a time when most oil tanker companies can readily obtain private insurance coverage for liability up to $25 million. The Studds bill sets a realistic damage liability limit of $150 a ton—equal to $25 million for a 167,000-ton tanker—but does not establish an arbitrary dollar figure on overall liability. This is a standard flexible enough to cope adequately with the possible cost of a spill from one of the new supertankers, without being unfair to the owners of smaller vessels.

In addition, the Studds bill would require an oil spiller to pay for the full costs of cleaning up an oil spill—as is presently the case with offshore oil drilling operators—rather than setting a comparatively low limit on liability as under the administration bill. A realistically high liability limit is essential to guarantee a strong incentive for the prevention of oil spills of any type.

Third. The Studds bill would allow States to continue to implement their own oil spill liability laws. State liability laws may be more effectively enforced and provide a more accessible means of recovery for citizens and local governments than a relatively remote Federal arrangement. Congress recognized in the Water Quality Improvement Act, and in the Alaska Pipeline and Deepwater Port Acts, that States should be entitled to supplement Federal pollution liability statutes in accordance with their unique needs and interests. It would be imprudent for Congress to act now to preempt several existing, workable, State laws with a single untried Federal scheme. If implemented, however, the effectiveness of the domestic fund created by the Studds bill would soon provide a strong incentive for States to conform with Federal law. The administration bill, conversely, would simply preempt all State laws in this area.

Fourth. The Studds bill would apply to oil spills on land as well as in the water. This is particularly important for dealing with a possible spill or break in the Alaska pipeline. The administration bill applies only to spills into the marine environment.

THE CUBANIZATION OF PANAMA

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. MURPHY of New York. Mr. Speaker, the most recent exchange of rhetoric over the current negotiations on a new Panama Canal Treaty is a frightening example of how tunnel vision can produce an ignorance of the true facts which would irreparably weaken the economy and security of the United States. Proponents of a treaty revision view the existing treaty as an offense to Panama's sense of nationhood, and insist that the United States relinquish all control and jurisdiction over the Canal Zone. This is just as ridiculous as asking for our $24 back and returning Manhattan to the Algonquins.

The United States to date has invested nearly $7 billion in the construction, administration and defense of the Panama Canal. The canal has become known as the "jugular vein of hemispheric defense," and has served throughout its history as a major artery for the flow of strategic and economic lifeblood between the two oceans and the two coasts of America. Yet the treaty revisionists would have us give up all this to a government which is ever more rapidly slipping into a Cubanization/communization program under the guidance of an unstable dictator.

Communist ties with Panama are not a recent innovation, nor are they unknown to our negotiators. In the State Department Bulletin, the official record of U.S. foreign policy, dated February 24, 1964—just after violent anti-American riots which led to a 4-month break in diplomatic relations with Panama—we read:

> If an investigation is made . . . it will show that violent mobs, infiltrated and led by extremists, including persons trained in Communist countries for political action of the kind that took place, assaulted the zone on a wide perimeter, setting fire to buildings inside the zone and attacking with incendiary bombs. . . . It will show that the Government of Panama, instead of attempting to restore order, was, through a controlled press, television and radio, inciting the people to attack and to violence.

The speaker was the U.S. representative to the Council of the Organization of American States, Ellsworth Bunker—our current Panama Canal Treaty negotiator.

Later, Joseph Califano, counsel for the United States at the OAS hearings, outlined some of the findings:

> We know that some of the leaders in the rioting were known and identifiable Communists—members of the P.D.P., the Communist Party of Panama—and people who belonged to the Vanguard of National Action, which is openly and proudly the Castro Community Party in Panama.

There is absolutely no question as to the increasing ties between the current military dictatorship of Gen. Omar Torrijos in Panama and the Castro regime. The commercial air route between Havana and Panama City is traveled constantly by the likes of foreign minister Fabian Valerde. In his June meeting with Castro, his vice minister Carlos Rodriguez, known as the "Moscow man in Havana," and Commandante Manuel Pineiro, the chief of intelligence responsible for guerrilla activities abroad, Valerde spoke at length about Cuban-Panamanian relations and about anti-U.S. tactics in connection with the future of the canal. When this was reported in the Panamanian Government's official organ, El Matutino, Valerde praised Castro for his "wisdom" in the Panama Canal case.

Valerde said Castro offered Communist Cuba's most emphatic support on the canal question. At the same time, another Panamanian group headed by Carlos Lopez Nunez, the militant head of the National Committee for Panama's Defense, was in Hanoi to discuss the canal question with the Vietnamese Communists.

Later, in a July interview with the Mexico City Excelsior General Torrijos expressed the belief that the return of the Canal Zone to Panama, and the removal of the U.S. military bases, was imminent. In response to the question, "what if that does not occur?", Torrijos said:

> Then we would have to walk the Ho Chi Minh Trail. The Ho Chi Minh Trail is long and it exacts a heavy toll in blood.

How many more positive indications must we accumulate before we see the course of the Panamanian dictator? Does it arouse anyone's curiosity that one of Valerde's delegation to Cuba was Romulo Bethancourt, one of the treaty negotiators? Does nobody notice that Panama has been accepted as a full member to the nonaligned nations conference of 82 countries, mostly anti-United States? Does the Cuban Information Office in Panama City, Torrijos' upcoming visit to Havana, and the mutual admiration society between Torrijos and Portugal's Communist military regime, mean anything at all? What about the allegations that the Rio Hato military base near the Canal Zone is a training ground for guerillas? And what about the fact that in 1968, when Torrijos came to power, he allowed the Communists to remain in the country as the only legal political party?

I would like to make one more point about the Panamanian Government. This is the 59th administration since the canal opened just 70 years ago. This averages out to about 1.2 years per administration. The fact that General Torrijos has headed the Panamanian Government for almost 8 years, following his military coup in 1968, only underlines my basic point—that his iron rule by dictatorial fiat is increasing the solidity of the Communist influence in the Caribbean.

The Panama Canal is of major importance to the national defense and security posture of the United States, as well as to the economic and commercial interests. During both World Wars, as well as Korea and Vietnam, the canal provided the United States with indispensable services in the movement of ships and supplies between the Atlantic and Pacific Oceans. The canal saves about 8,000 miles and 20 days of travel, with approximately 70 percent of its traffic either originating or terminating at U.S. ports.

With control of the canal, Torrijos would have a number of fascinating options: First, he could increase tolls to American shipping, adding to transportation costs and to the resulting costs of American goods; second, close down the canal at his whim, doubling the costs of fuel and doubling the travel time from coast to coast; and third, maintain complete control of deployment of U.S. naval forces, and their access to both oceans with what is essentially a one-ocean Navy. We are spared the need to develop separate navies in each ocean to meet crisis in both sides of the world only because of our control of the Panama Canal.

I would also point out that we do not rent the canal, as is so often mistakenly stated in the press. We have paid for the Canal Zone, not once, but twice: First, a $10 million lump sum to the government, and then again by purchasing each individual tract from its owners. It is the most expensive land purchase the United States has ever made.

Panama is still paid an annuity of $2.3 million per year. This is nothing more than the continued obligation paid to Colombia before 1903 for the loss of the old Panama railroad. This began as $250,000 per year, and none of the subsequent increases were required by treaty. In addition, Panama is given more U.S. aid per capita than any other country in the world. To imply that the Canal Zone is not U.S. territory is ridiculous. The canal is the lifeline of the world. To agree to give up all rights and influence, to allow a Communist dictatorship to dominate our defenses and our entire economy, is, to me, the height of insanity.

NEW YORK CITY'S FINANCIAL CRISIS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. MINETA. Mr. Speaker, and my distinguished colleagues, as a former mayor and a Member of Congress, I am increasingly troubled by the tenor of much of the current debate on the fiscal plight of New York City. While the Nation's largest city rests on the brink of financial collapse, I find myself surrounded in the Capital City by a chorus of voices intoning "let them stew in their own juices" and "it's about time the profligates were punished for their sins." I was greatly disappointed to learn from the echoes of this chorus in his address to the National Press Club yesterday, that President Ford has once again chosen politics over leadership. In his remarks to the Press Club the President indicated loudly and clearly that he would rather run against New York City and the inner cities of America than deal sensitively and sensibly with the fate of such a major part of American life as the American city.

Throughout his address, the President implied that the city and State of New York could act on their own behalf to avoid default, thereby removing responsibility for New York City's financial problems from, and I quote the President, "the front doorstep of the Federal Government—unwanted and abandoned by its real parents." I can only wonder if the President's assumption here—that more could be done below the Federal level to stave off default—is made without recognition of the many steps taken by the State of New York in recent months to assist the city, ranging from the advancing of State aid payments to the city, the setting up of the Municipal Assistance Corporation, to the commitment of State and pension funds to meet the city's financing requirements; or without heed of the warnings of Standard and Poor's—the phoenix of the business world in measuring municipal fiscal prudence—to New York State that the extension of more assistance to New York City than called for under the September emergency financial plan would compromise the State's fiscal integrity and jeopardize its high credit rating—which Moody's Investor Service saw fit to recently lower.

On the matter of who are the real parents of the unwanted child New York City, Mr. Ford cites the constitutional underpinnings—that "both the cities and the Federal Government were the creatures of the States"—and points to Federal action to avoid default as a serious threat to the legal relationships among our Federal, State, and local government—which could lead to disruption of this traditional balance. While I do not want to challenge Mr. Ford's capabilities as a constitutional lawyer, his interpretation here leaves me with several unanswered questions:

First, is the President ignoring, in his view of our Constitution, article I, section 8, Congress power to lay and collect taxes and provide for the general welfare of the people of the United States?

Second, wouldn't default by the Nation's largest city, with its consequent weakening of all State and local governments throughout the United States, produce a greater imbalance in the Federal system than action at the Federal level to prevent default?

Third, while President Ford sees fit to ask the rhetorical question "If Mayor Beame doesn't want Governor Carey to run his city, does he want the President of the United States to be acting Mayor of New York?" he fails to pose its logical counterpart—that, is, does Mayor Beame want the Federal judiciary to run the City as proposed in the Bankruptcy Act amendments the President advocates?

Fourth, given the President's concern with the dangers posed to the Constitution by Federal involvement in New York's fiscal problems, I would like to know where his constitutional concern was when the Federal Government stepped in to assist the Lockheed Aircraft Corp., the Franklin National Bank, the

Penn Central; or when his budget for fiscal year 1976 commits the Federal Government to guaranteeing loans to the tune of $161.7 billion—of which $4.7 billion is for a variety of maritime programs and $212 million is for the Overseas Private Investment Corporation, which provides "political risk insurance" to companies doing business abroad? Can the President legitimately claim that these undertakings are more worthy than the financial rescue of its largest city?

Directly related to the so-called constitutional objections cited by the President is that of setting a precedent for Federal Government intervention into local matters. I would like to point out that such precedent already exists. The Federal Government has not hesitated in the past to "interfere" in local municipal operations through legislation and through the Federal courts. Cities have had minimum wage bills, environmental and safety standards, social security increases, busing orders, and more, handed down from the Federal level without such "philosophical" concern about the intervention of the Federal Government into local matters. The major difference, however, between these historical precedents and the issue of providing bond guarantees to New York City, is that the cities had to foot the bill for these past Federal mandates.

Several times in his remarks, President Ford linked his erroneously identified "precedent" to the loss of pressure on State and local governments for fiscal restraint by asking "What restraint would be left on the spending of other State and local governments once it becomes clear that there is a Federal rescue squad that will always arrive in the nick of time?" and by indicating that by "giving a Federal guarantee we would be reducing rather than increasing the prospect that the city's budget will ever be balanced." In the face of these remarks from the occupant of the White House, I can only question whether Mr. Ford has been paying close enough attention to the evolution of the legislation he threatens to veto. Among the conditions under serious consideration by the Congressional Banking Committees for the assistance to be offered to the city of New York are the following fiscal constraints:

First, imposition of stringent budgetary and repayment conditions for the Federal loan guarantee, including a 2- to 3-year deadline for balancing the budget;

Second, provision of assistance for the shortest time feasible;

Third, establishment of continuous fiscal management and monitoring system on the aid recipient;

Fourth, provision of Federal guarantees only after all normal avenues of financing are closed to the State and municipality and default is threatened;

Fifth, Federal taxation of presently tax-exempt State and local government obligations and the imposition of sufficiently high interest rates or service charges to discourage use of Federal assistance except under such extreme conditions;

Sixth, extension of assistance only at the State level and after machinery is in place for controlling local government fiscal management;

Seventh, administration of the Federal loan guarantee without the creation of a new Federal bureaucracy;

Eighth, required enactment by the State of new taxes pledged to cover one-half of the deficit faced by the municipality;

Ninth, securing of the Federal loan guarantee with Federal grants due the city and State; and

Tenth, requiring the purchase of non-guaranteed securities to make the Federal guarantee operative and requiring the exchange of Municipal Assistance Corporation and short-term New York City notes for long-term, lower interest obligations, thereby insuring the creditors bear their fair share of the burden.

In view of the above, I find it difficult to understand the Presidential allegation that "any attempt to provide a Federal blank check for the leaders of New York City would insure that no long-run solution to the city's problems will ever occur." Not only is the loan guarantee legislation being developed by the Congress not a blank check, but it would also be a better vehicle to mandate the sound management of New York City in the future than the President's own bankruptcy proposal. Moreover, I doubt if there will be a direct run by the cities and States of this Nation for the Federal loan guarantees given these stringent conditions on receipt of such assistance.

Speaking before the National Press Club, President Ford did indicate some awareness of the impact of a New York default on the financial market and the sale of bonds by other localities and States in those markets saying that:

> There are risks that default could cause temporary fluctuations. . . . But these markets have already made a substantial adjustment in anticipation of a possible default by New York.

What the President did not say was what this adjustment is and what it means for the cities, counties, and States across the Nation, their taxpayers, and economic recovery.

The adjustment Mr. Ford alluded to is already being felt nationwide and can only continue with default by New York City. Atlanta, a triple-A rated city, went to the market at the beginning of this month and had no takers. Detroit recently paid 9.9 percent, one-tenth of 1 percent shy of the Michigan statutory limit on the amount of interest that can be paid on a bond issue. States and cities around the country are being hit with higher-than-normal interest rates, because, according to their bond counsels, of the uncertainty created by New York City's financial crisis. Overall, according to the Weekly Bond Buyer of October 14, 1975, the average State and municipal bond yields for October, 1975—at 7.67 percent—were at their highest level in the 4½ years covered by the Buyer's table.

During the past few months, cities offering issues are either receiving bona fide bids or are receiving record high bids which they must accept unwillingly if the funds are absolutely necessary or reject as prohibitive in cost. With regard to this cost, it is critically important to note that the interest costs in State and local government borrowing come home to be paid by the local taxpayers. The magnitude of this cost to the taxpayers, which the President did not see fit to mention, will amount to from $2 to $3 billion for each 1-percent increase in the interest rate of municipal bonds now on the open market.

The impact on States and localities from the market adjustment has been well summarized by the Congressional Budget Office's report on "New York City's Fiscal Problem":

> Banks, individuals, and insurance companies may be unwilling to risk new capital in the municipal market until the dust from the City's default settles. Fiduciaries may shy away from this market out of a fear that they would be liable for investing in risky securities. If such a reaction occurs, it would cause a widespread crisis among the states and localities that depend upon access to credit.
>
> No one know how many jurisdictions can avoid borrowing for a period of months, but undoubtedly a number of large cities and states would be forced into default, at least temporarily, if they were denied access to the bond market. . . . In some cases this would entail severe temporary service cutbacks. For the governments that borrow for long-term capital construction, a temporary closing of the credit market would mean a postponement of building schedules which would affect the level of activity in the construction industry.

The last sentence of this quotation from the CBO report gives a partial indication of the impact of a New York City default on the national economic recovery, which some say is now underway. Since debt financing is used to construct needed public facilities—schools, roads, mass transit facilities, libraries, hospitals—the unavailability of necessary capital at reasonable interest rates will continue to have major consequences for such economic recovery. If the capital is not obtainable through the issuance of municipal bonds, then these needed public facilities do not get built. Instead, they get postponed indefinitely and with the current inflation, the skyrocketing costs caused by postponement must ultimately be borne by the taxpayer.

Thus, in response to President Ford's questions of why the people of the nation should respond to New York City's financial crisis, I would first offer the statement of the conservative Federal Reserve Board Chairman, Arthur F. Burns:

> If the weakness of the market for municipals were to persist and spread further, many sound run, credit worthy communities and public agencies could have great difficulty—or suffer excessive costs—in raising funds. Holders of municipal securities, among which financial institutions are numerous, would to some degree be affected and so might others less directly involved, and if the fate of New York State remains tied to the City's, the process of economic recovery now underway in our nation could be injured.

Second, I would ask the President why, in his address to National Press Club and the Nation, he did not let the people know—even after direct questioning—that the attendant costs of a

New York City bankruptcy to the Federal Government could amount to between $300 and $400 million. These direct costs to the Federal Government have been roughly estimated by the Congressional Budget Office and would occur partially because of the fall of Federal tax receipts when city and private workers lost their jobs and partially because these individuals would have to rely on unemployment, welfare, food stamps, and other benefits which are supported by Federal expenditures as a result of the probably immediate expenditure cutback that would occur after a New York default.

How can the President legitimately say that his bankruptcy amendments, which will undoubtedly cost the Federal taxpayers money, will provide a more fiscally painless alternative to the American people than the congressional loan guarantee proposal, which will not cost the Federal Government a dime but will also generate Federal revenues through the taxation of now exempt municipal bond issues and a service charge or interest fee on the guaranteed bonds.

Finally, I would question just what possible public good the President is seeking to serve by putting the city of New York and its 8 million residents through the humiliation of an unnecessary and avoidable default? Has our President taken it upon himself to mete out justice, to cause those who have sinned to repent their evil ways? Such an usurpation of the judiciary functions has no place in the executive branch. Such insensitivity to the problem and needs of the close to 75 percent of Americans living in our Nation's cities must not be sanctioned in our Presidential Office.

ADMINISTRATIVE RULEMAKING CONTROL ACT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. KASTEN. Mr. Speaker, on October 21, I presented testimony to the Subcommittee on Administrative Law and Governmental Relations of the House Committee on the Judiciary concerning the Administrative Rulemaking Control Act and related proposals, of which I am a cosponsor.

Mr. Speaker, the growth of the Federal bureaucracy, both in the number of Federal employees and the number of agencies and departments, has been overwhelming. Other than the fact that the American taxpayers must shoulder the exorbitant costs of this mammoth bureaucracy, the most alarming problem is the independence of the Federal bureaucracy and its inability or unwillingness to meet the needs of the American public it was created to serve.

In an effort to at least partially remedy this problem, I support the legislative initiatives which require congressional review of proposed rules and regulations issued by Federal departments and agencies. Hopefully, these measures inhibit the arbitrary use of rulemaking powers and encourage the Federal bureaucracy to maintain the integrity of the laws they are seeking to enforce.

Mr. Speaker, I would like to thank the subcommittee for commencing hearings on this issue and would like to insert my statement in the CONGRESSIONAL RECORD at this point so that the issue involved might be brought to the attention of my colleagues:

STATEMENT IN SUPPORT OF THE ADMINISTRATIVE RULEMAKING CONTROL ACT AND A RELATED PROPOSAL

Mr. Chairman and members of the Subcommittee on Administrative Law and Governmental Relations, I thank you for the opportunity to testify in support of two bills which I have co-sponsored—H.R. 3658, the Administrative Rulemaking Control Act, and H.R. 7689, which establishes a method for congressional review of administrative rulemaking. The Chairman and Subcommittee are to be commended for taking the initiative in holding hearings on this vital legislation, which attempts to redress a portion of the imbalance between the Executive and Legislative Branches of Government. In announcing these hearings, the distinguished Chairman of this Subcommittee emphasized the purpose of these legislative proposals, saying:

> How many times have we all heard our constituents complain about the runaway rulemaking of Federal agencies? How many times, Mr. Speaker, have we in this House individually and collectively voiced our own frustration and disapproval of various agencies seemingly thwarting the will of Congress through their promulgated rules and regulations?
>
> It seems to me that our people deserve accountability in their National Government, and not only in the legislative branch. These proposed bills to be considered by my subcommittee offer some promise of achieving a greater degree of accountability and responsibility in administrative rulemaking by the vast Federal bureaucracy. (121 Cong. Rec. 32643, Oct. 9, 1975)

Broadly summarized, the bills before you today provide clearer and more direct Congressional controls over the rules promulgated by Executive agencies, rule which have the force and effect of law and which are applicable to virtually every citizen of the United States. Not only will this legislation provide a means by which the Congress can directly influence agency rulemaking, i.e. the administrative discretion of Executive units, but also these proposals establish procedures whereby the Congress can review proposed administrative rules to assess their compliance with the intent of Congress and to determine whether the agencies have exceeded the authority granted by the Congress.

Although the objectives of the two bills before the Subcommittee are the same, the methods and procedures prescribed in each differ as does the extent of control of each. H.R. 3658, the Administrative Rulemaking Control Act, limits Congressional review of administrative rulemaking to rules other than those in which "there is—(1) a military or foreign affairs function of the United States, or (2) a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts." H.R. 7689 contains no such qualification and applies. . .

"Whenever any officer or agency in the executive branch of the Federal Government (including any independent establishment of the United States) proposes to prescribe or place in effect any rule or regulation to be used in administration or implementation of any law of the United States or any program established by or under such a law. . ."

The broader scope of H.R. 7689 is complemented by a more exacting requirement on the part of the Federal agencies which propose a change in regulations or new rule—that "such officer or agency shall submit the proposed rule, regulation, or change to each House of Congress together with a report containing a full explanation thereof." H.R. 3658, the Administrative Rulemaking Control Act, contains no such provision for such a full explanation by the Executive agency nor, in fact, any explanation whatsoever.

Another difference between the two proposals relates to the time in which the Congress must act. H.R. 3658, the narrower legislation, provides only a thirty-day period for congressional deliberation, if the proposed resolution to disapprove the new rule has not been referred to an appropriate committee. Sixty days of deliberation is permitted only if the resolution is submitted to a committee for analysis. The more comprehensive bill, H.R. 7689, provides a sixty-day period for congressional deliberation with automatic referral to an appropriate committee, thus requiring a more lengthy and specialized congressional inquiry into the proposed rule change or new rule.

I strongly favor the more encompassing and comprehensive legislation, H.R. 7689, because of its provisions for more thorough congressional scrutiny of administrative rulemaking. Congress must act to remedy the abuses inherent in the rulemaking discretion of Executive agencies and, therefore, I support H.R. 3658, a less comprehensive but essential first-step.

It is gratifying that the sponsorship of the bills before the Subcommittee, and similar proposals, numbers nearly one-hundred Members of Congress, is bi-partisan, and is manifested in both the House of Representatives and the Senate. In fact, three members of the Subcommittee on Administrative Law and Governmental Relations have co-sponsored bills which are identical to H.R. 7689—Mr. Mazzoli (H.R. 10166) and Mr. Moorhead (California) and Mr. Kindness (H.R. 8231). This extensive support for the bills demonstrates the awareness that greater legislative control of administrative discretion is a necessary ingredient of contemporary democracy and that such a concern knows no ideological or partisan boundaries.

It is in the interest of the public and the Congress to pursue these objectives because of the growth of the Executive Branch of the Government since the Great Depression era and the extensive delegation of administrative discretion by the Congress to Executive departments and independent agencies. In my remarks to the House in support of this legislation, I reviewed this development, saying:

> The Constitution of the United States vests "all legislative powers . . . in a Congress" but also requires that the President "take care that the laws be faithfully executed." From the earliest days of the Republic, the President and the principal officers of the executive branch have utilized various orders, directives, and regulations to implement or "faithfully execute" the statutes enacted by the Congress. This process has, in two centuries of Government operations, undergone only two major procedural changes. Prior to 1935 most of these types of instruments were fugitive in nature. There was no centralized arrangement for their publication, retrieval, or identification. The growth of the Federal Government during World War I accelerated and compounded difficulties in this area and, with the advent of the New Deal, the situation became chaotic. In late 1934 the Executive was found to be pressing a case before the Supreme Court—United States against Smith—based upon an agency regulation that did not actually exist. A few

months later the Government was again embarrassed when it was discovered that prosecution was being pursued under a revoked Executive order—Panama Refining Co. against Ryan. To bring order out of such confusion, Congress established the Federal Register in 1935 (49 Stat. 500) and created the Code of Federal Regulations in 1937 (50 Stat. 304).

It was also realized at about this same time that there was no standardized or uniform procedure whereby agencies established their rules and regulations pertaining to the implementation of statutes. After a number of years of study interrupted by the demands of World War II, Congress enacted the Administrative Procedure Act in 1946 (60 Stat. 237) which still provides the basic authority for the manner in which rules and regulations are promulgated.

The necessity for these laws is reflective of the fact that after World War I, and especially after the administration of Franklin D. Roosevelt, the executive branch was being granted greater and broader administrative discretion than ever before in faithfully executing the law. Congress, of course, may not abdicate its legislative function by delegating legislative power to the Executive. What has been provided, in varying degrees of latitude, is administrative discretion which, with but one exception—the National Industrial Recovery Act of 1933, 49 Stat. 195—the Supreme Court has approved, diligently refraining from conceding that the discretion conferred partakes of the lawmaking function. On two occasions—Panama Refining Co. against Ryan, 1935; Schechter Poultry Corp. against United States, 1935—involving the same statute, the Court has expressed that an improper grant of legislative power was involved in such a delegation.[1]

This discretionary authority, granted by the Congress to Executive agencies and which was intended to expedite governmental decision-making and improve economy and efficiency of operation, has had unanticipated consequences. On occasion agency rulemakers either have disregarded or misunderstood the intent of Congress or have exceeded the authority which Congress granted them. The results have been far-reaching and occasionally disastrous. A number of articles have reported on the impact of Federal regulations which appear to circumvent or abuse the Congressionally sanctioned authority of the agency. Murray L. Weidenbaum, an author of regulatory studies published by the American Enterprise Institute and director for the Center for the Study of Business at Washington University, has described an agreement between the National Institute for Occupational Safety and Health (NIOSH), the agency which does basic research underlying new Occupational Safety and Health Administration (OSHA) regulations, and the Amalgamated Clothing Workers.[2] According to Weidenbaum, "under the agreement, the official federal study of safety and health hazards in the clothing industry is being conducted by a union."[3] The article continues, citing the "arbitrary power"[4] which agencies might exert. A case in point is the statement of a member of the Consumer Product Safety Commission (CPSC), who insisted that " 'any time that consumer safety is threatened, we're going to go for the company's throat.' "[5] Weidenbaum suggested that the metaphore became reality in at least one case, as a firm was forced out of business due to suspected defective items. However, the CPSC ruling classifying the item as defective was based upon an out-of-date Food and Drug Administration listing.

Other illustrations of arbitrary administrative rulings are available. John Barron,[6] writing in the May, 1975 *Reader's Digest*, reported about several OSHA rulings, one of which was dismissed in Federal court as "arbitrary to the point of capriciousness" by Federal Judge Robert Buchmore.[7] A second incident, reported by Barron, involves the Equal Employment Opportunities Commission (EEOC). The EEOC, according to this article, had charged the Houston Police Department with discrimination in hiring practices and, in order to rectify the situation, required the Department to cease investigating the backgrounds of prospective officers on the grounds that certain types of criminal misconduct are proportionally higher among blacks and other minorities, resulting in potential "discrimination" in hiring practices. A final example by Barron deals with the Environmental Protection Agency (EPA) and quotes Professor Irving Kristol of New York University approvingly: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government.' "[8]

Still another series of criticisms of the rulemaking of administrative agencies is found in an article by William Hoffer,[9] examining the *Federal Register* and its inclusions. Hoffer details a case in which two Government agencies promulgated inconsistent and contradictory rulings, with the solution being that one of the agencies exempted itself from the ruling of the other. Apparently, the Food and Drug Administration (FDA) had proposed a ban on household paint with a lead content of more than 0.5 percent. A short while later, the Department of Housing and Urban Development (HUD) circulated a directive banning from federally owned or federally assisted housing any paint with a lead content of more than 1.0 percent, twice the level allowed by FDA, but did not publish the proposed rule in the *Federal Register*. It was not until nine months after the initial FDA ban that HUD published a statement in the *Federal Register* that it was banning the Federal housing paint with a lead content higher than 1.0 percent, still twice the FDA standard.

These examples signify actual abuses of administrative rulemaking authority. Since the volume of rules promulgated by administrative agencies is staggering (e.g. the *Federal Register* accounted for 45,422 pages in 1974), the potential for circumventing Congressional intent or for abuse of authority is equally abundant.

The discretionary authority of Federal agencies, which rulemaking represents, has evolved into "executive-centered government," according to some political analysts.[10] The implication is that the agencies and departments have developed an independence that qualifies them as a fourth branch of government, fully accountable to neither the Congress nor the President. The limited recourse available to the public to challenge agency rules, except through the courts, the secrecy surrounding much of administrative decisionmaking, and the possibility of special interest opinion dominating the agencies reinforces the independent, unaccountable nature of some agencies. The bills before this Subcommittee attempt to ensure some degree of accountability of bureaucratic agencies to the elected representatives in the Congress, at least in the rulemaking phase of their operations. The need for regular and systematic oversight, which this legislation would stimulate, is evident in all phases of government activity, especially in light of the rapid growth in the size and discretionary authority of Executive agencies. James Madison, arguing for the ratification of the Constitution in the Federalist Papers, offered advice that has relevance for the issue at hand:

> In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place, oblige it to control itself. (Federalist Papers, No. 51)

Not only would this legislation help to ensure the accountability of executive agencies, it would also effect a degree of legislative control over their rulemaking function. As well, these bills might promote more efficient and less wasteful practices. Rather than being an imposition on the Executive agencies, legislation of this nature should encourage the agencies to draft their regulations in consultation with the committees of Congress, thus alleviating confrontation between the two branches and expediting the codification of regulations. Federal Court responsibilities regarding Executive agency rules which were made under the process proposed here should be eased as well. There would be a public record from both committee hearings and floor debate as to the intent of the Congress and the relationship of a specific administrative rule to that intent. The consultation between agencies and the Congress and the subsequent formal record on which the Federal judiciary relies for determining Congressional intent should effect a reduction of Federal court suits challenging specific administration rules and procedures.

Although, in the short run these bills, if adopted by the Congress, would increase the workload of Congressional committee members and staff, the long-run advantage might be to reduce the workload of these units. Consultation between Executive agency and relevant Congressional committee prior to the promulgation of a rule or review of a proposed administrative rule by the Congress before it takes effect should alleviate future confrontations between the agency and respective committees. At the optimum, the bills would provide a mechanism for the termination of potentially abusive and arbitrary rules, which would likely generate controversy and conflict in the future. This, in turn, would make unnecessary later ad hoc reviews of administrative rules by the Congress and, thereby, lessen the time devoted to ad hoc oversight and to the constituent service demands generated by faulty or abusive agency rulings. Finally, such a procedure would thoroughly acquaint the membership and staff of a particular committee with the voluminous agency rules under their jurisdiction, effectively improving the professional caliber of the staff and facilitating the development of future legislation affecting the agency, the programs under its direction, and additional agency rules.

By way of conclusion, I wish to reiterate my emphatic support for H.R. 7689, the more comprehensive of the two proposals, and for H.R. 3658, the Administrative Rulemaking Control Act, the less encompassing but minimum congressional response to arbitrary and excessive discretionary authority of administrative agencies. Both proposals involve the Congress in the rulemaking process and provide necessary constraints on agencies which may have misunderstood or ignored congressional intent. These proposals in turn improve Congressional oversight of the Executive by encouraging regular and systematic review of agency rules.

Again I wish to thank the Chairman and members of the Subcommittee on Administrative Law and Governmental Relations for providing the opportunity for me and others to testify on behalf of these proposals. I am confident that these important hearings will be the initial stage in promoting more responsible, accountable government for the citizens of this country, as the principles embodied in these bills become the law of the land.

FOOTNOTES

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[1] 121 Cong. Rec. E3570. June 27, 1975.

[2] Murray L. Weidenbaum. "Big Mother" has her eye on little business. Baltimore *Sun*. July 20, 1975.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] John Barron, Too Much Government by Decree! *Reader's Digest*. May, 1975.

[7] Ibid.

[8] Ibid.

[9] William Hoffer. Smoke screen for bureaucrats. *Prism*. December, 1974.

[10] Theodore Lowi (ed.) Legislative Politics U.S.A. Boston, Little, Brown and Co., 3d edition, 1974.

CIVIL DEFENSE IN THE U.S.S.R.

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BOB WILSON. Mr. Speaker, I would like to bring up a subject that is largely being ignored in present times by both the executive and legislative branches of Government and the public as a whole. I am speaking of civil defense.

We have been lulled into a false sense of security as regards our defense against nuclear attack. During the fifties, the word was "build a shelter in your backyard." Our children went through nuclear attack drills with the same regularity that they participated in fire drills. It was common to see a playground full of kids suddenly drop to the ground and cover their heads, or a classful of students dive under their desks. Not so anymore. But however we may choose to ignore it and however much we play the ostrich, nuclear attack remains a frightening possibility. That is why we maintain an active military. That is why we spend billions of dollars on new and sophisticated weapons systems—to deter such a war.

As a matter of fact, we do not even call it "civil defense" anymore. We now have euphemisms, like "emergency preparedness" and the like. The thought of a nuclear attack on our population is so repugnant that we have put it out of our minds.

On the other hand, the Russians and the Chinese have increased their civil defense programs. It is possible that we could be drawn into a nuclear exchange between those two countries and we must be prepared. But instead, we twiddle our thumbs. The sirens and bells that sound periodically are put up with as a routine annoyance that will go away in 1 minute. We mentally tune out the radio stations' FCC-required tests of their emergency frequencies. We have grown so used to these tests that our public just does not react anymore.

We are certainly not doing enough in the way of educating or preparing our citizens for the possibility of a nuclear attack. Our defense programs have to be seriously reevaluated. Is it going to take another Cuban missile crisis to shock us back into an awareness of the latent danger inherent in the world we live in? And what happens if such a crisis is not resolved peacefully? Our people would be faced with a disaster of cataclysmic proportions.

Right now, our civil defense program is virtually nonexistent. We desperately need a shelter program, including training for evacuation and movement to shelter. We need to improve our alerting and communications systems, and most of all, we need to educate our citizens, to provide them with active training, not just pamphlets. They need to know where to go, how long they can subsist in a nuclear emergency situation, how to protect themselves, how to move underground and survive for the few days necessary for the upper environment to cool off. I doubt seriously that many of my colleagues or their staffs could point the way to the nearest fallout shelter when asked.

It is time for the House Armed Services Committee to conduct oversight hearings to get a better picture of our ability to defend ourselves in the awful eventuality of nuclear missiles detonating on our soil. And to emphasize our naivete in the area of civil defense, I would like to point out what the competition is doing. Writing in the October issue of the Air Force magazine, Mrs. Harriet Fast Scott gives a sober study of Russian civil defense training programs. When compared with our own, we come out on the shortest end of the stick. Mrs. Scott's article is one each of my colleagues should read and consider.

The article follows:

CIVIL DEFENSE IN THE U.S.S.R.

(By Harriet Fast Scott)

Go is not a Russian monopoly game. GTO is not a Soviet sports car. ZOMP is not a new cereal. GO stands for *Grazhdanskaya Oborona*—Civil Defense, in Russian. GTO is a military-sports complex, "Ready for Labor and Defense." ZOMP represents the initials of "Defense from Weapons of Mass Destruction." These letter combinations are quite familiar to Russians from seven to seventy, for they represent different aspects of civil defense. As Soviet citizens of all ages are told: "Civil defense is everybody's business!"

The Politburo takes civil defense seriously. Several dozen Soviet general officers who work full time at civil defense tasks have been identified. The Moscow Military School of Civil Defense is believed to be the first of its kind anywhere. It was started in 1967 with a three-year course to prepare officers for mechanized civil defense units.

General Colonel A. T. Altunin became the Chief of Civil Defense of the USSR and Deputy Minister of Defense in 1972, only a few months after the signing of SALT I. Official Soviet sources since then have listed Civil Defense Troops on a par with the other five Soviet services—Strategic Rocket Troops, Ground Troops, Troops of National Air Defense, Air Forces, and Navy.

In June and July 1975, 23,000,000 Soviet youth were in the countryside participating in massive military-sports games. The purpose of the games was "to improve the military-patriotic education, the physical and military training of youth." Survival training in simulated nuclear war conditions was a major part of these games.

But that is not all. For many years, instruction in the use of gas masks and individual medicine kits—which contain first-aid pills for use in the event of nuclear, bacteriological, or chemical attack—have been regular features in the millions of booklets published on civil defense. For example, a 1974 textbook, written for college and university students studying required civil defense courses, states:

> Radioprotective pills #1 are to be taken at the danger of radiation (6 tablets in the course of 30 to 40 minutes), and in the event of repeated radiation, another 6 tablets.

CONTRASTING VIEWS ON CIVIL DEFENSE

In contrast to the Soviet effort, Washington seems to pay little attention these days to civil defense. There are those in the United States who feel that a civil defense program instituted by either side would be destabilizing. The Soviet response to this is unequivocal:

> Soviet civil defense does not incite, does not promote, and does not provide impetus to war. Its nature is decisively influenced by the peace-loving foreign policy of the socialist state. Therefore, there is no basis for the "forecasts" of Western experts that a strengthening of the Civil Defense of the USSR will lead to greater "inflexibility" of Soviet foreign policy and even to *aggravation* of international tension.

This statement is from a 1972 book written under the aegis of the Main Political Administration of the Soviet armed forces, the Party's voice in the Soviet military. And, moreover:

> Improving Soviet Civil Defense, raising its effectiveness, is just one more real barrier on the part of the imperialists' unleashing a new world war. Consequently, Civil Defense of the USSR intensifies the peaceful actions of our state and strengthens international security as a whole.

The Soviet Minister of Defense and Politburo Member, Marshal Andrey Grechko, in his 1975 book, *The Armed Forces of the Soviet State*, asserts that civil defense is now a matter of strategic significance. In his view, "modern war demands the creation of a carefully thoughtout system of measures to ensure stability of operation of the whole national economy and reliable protection of the country's population."

HISTORY OF SOVIET CIVIL DEFENSE

Prior to 1961, civil defense was called MPVO, meaning "local-air defense," and was under the control of the Ministry of Internal Affairs. In July 1961, it was reorganized on a national level to become Civil Defense of the USSR and placed under the Ministry of Defense. Its first Chief was Marshal Vasily Chuykov, Commander in Chief of the Ground Troops and Deputy Minister of Defense at that time.

This new status of Soviet civil defense was a result of the "revolution in military affairs," brought about by the introduction of nuclear weapons and ballistic missiles into the Soviet armed forces. A basic tenet of the new military doctrine, adopted in 1960, is that "the Armed Forces, the country, the whole Soviet people must be prepared for the eventuality of a nuclear rocket war." Civil defense was no longer a "local" affair; it became a matter of national importance.

The three groups of tasks given to Soviet civil defense are:

Protecting the population;

Keeping the economy going in wartime;

Post-atomic recovery and disaster relief.

The scope of these tasks, particularly of the first, is considerably broader than the popular Western concept of civil defense, which tends to be limited to sheltering the population from fallout and caring for casualties. "Protecting the population" in the Soviet scheme of civil defense includes more than passive measures. It extend, through the programs described below, to mass training of civilians in the use of arms, to prepare them for active defense against attack.

TASK 1: PROTECTING THE POPULATION

Soviet officials point out that at Hiroshima losses would have been significantly reduced if there had been advance civil defense measures. For instance, when the bombers appeared, no warning signal was given. After the explosion, in addition to the victims of the bomb itself, there were thousands more victims of panic. And many died months later from radiation. Had they known how to protect themselves, according to General Altunin, tens of thousands would be alive today.

Civil defense got a boost from General Secretary Brezhnev, in 1966 at the 23d Party Congress, when he urged greater attention be given to the problem. About this time, there was a shift from primary reliance on shelters, to evacuation. The general plan was to disperse essential workers at distances of thirty-five to fifty miles from cities likely to be hit. The old, the young, and the sick would be evacuated to smaller towns.

Evacuation depends on a number of complicated estimates: advanced warning, the size and significance of the city, the surrounding area, and transport means. Evacuation and/or dispersal will be done only by government order, when a threat of attack arises. Based on calculations of probable nuclear destruction, safe distance can be established and the people moved to secure villages, camps, and holiday rest areas before an attack takes place.

Preplanning by city evacuation commissions reduces to a minimum the time needed to evacuate an area. Each citizen, upon being warned by radio, TV, loudspeakers, etc., of the decision to evacuate, will gather his individual means of protection, food for two to three days, clothing, his vital documents, and his first-aid kit, if available, and proceed to his designated evacuation point. There, upon presentation of his evacuation certificate, he will be boarded on the designated evacuation means, train, bus, boat, and the like. In some cases, evacuees will proceed on foot to be designated area of evacuation.

If there is no warning time to prepare for evacuation, the population, on hearing the "Air Alert" signal, must proceed to the nearest shelter, either in housing areas or public buildings, subways stations, tunnels, or other protective structures. Those in rural areas threatened by radioactive fallout will be told the time it will hit their area, and will use that time to prepare livestock and protect food and water before taking shelter. If the attack is chemical, gas masks and protective clothing should be donned if one is not in a shelter, and he should proceed in the direction indicated by civil defense posts to safe areas where he can be decontaminated.

For residents in a number of the major Soviet cities—Moscow, Leningrad, Kiev, Tbilisi, Baku, Kharkov, and Tashkent—deep subways provide remarkable shelters systems against nuclear blasts. All of these subways have heavy blast doors throughout their length, so that sections can be closed off as required. It is estimated that the present ninety-mile Moscow Metro alone could accommodate 1,000,000 of the city's inhabitants. During the Battle of Moscow in 1941, the subways were even used to house the Soviet General Staff.

Soviet civil defense planners are urged to make shelters dual-purpose. In peacetime, they can be used as garages, storehouses, training facilities for lectures, and so on. Civil defense is also to provide gas masks and respirators, special clothing and boots. Food and water supplies must bé provided. It does no good to save the population from bombing only to have them die of starvation.

The other side of the coin is teaching the people what they must do. Psychological preparation of the people to believe measures can be taken that will save them is vital. Therefore, general compulsory courses in civil defence have long been in effect. In 1965, it was a twelve-hour program, which, in 1957, was increased to twenty-two hours and included defense against possible chemical and bacteriological attacks as well as against nuclear weapons. In the early 1960s, there was a nineteen-hour program, now increased to twenty hours.

Today, students in the second, fifth, and ninth grades, as well as students in institutions of higher learning, study a special program at their schools. All workers must take a twenty-hour civil defense course at work. Nonworking and retired persons must study independently and attend lectures.

This instruction is the primary responsibility of the staffs of Civil Defense, DOSAAF, and the "Znaniye" Society; with the cooperation of the Red Cross and Red Crescent.

THE ROLE OF CIVIL DEFENSE STAFFS

Each of the fifteen Soviet Republics has a general officer who is the Chief of the Civil Defense Staff for that republic. Each institute, factory, collective farm, school, or grouping must set up a civil defense unit to work closely with local authorities. The director of the facility becomes the Chief of Civil Defense for that facility. He has a staff to assist in the following tasks:

Insuring compliance with teaching civil defense courses;

Planning dispersal of workers and evacuation of their families;

Construction of adequate shelters;

Keeping his facility operating in wartime;

Restoring operation after enemy attack by weapons of mass destruction.

The Chief of Staff for Civil Defense is assisted by the Party organization, the Komsomol (the Young Communist League), trade union organization, and local city council agencies.

THE ROLE OF DOSAAF

DOSAAF—the Volunteer Society for Cooperation with the Army, Aviation, and Fleet—is a paramilitary organization dating back to the 1920s. It has about 10,000,000 active members ten years old and up. Forty million to 60,000,000 more use DOSAAF sports facilities. The head of DOSAAF is a Marshal of Aviation, and he is assisted by a large military staff. One of DOSAAF's major responsibilities is to support civil defense training.

DOSAAF works through a physical culture complex called GTO—"Ready for Labor and Defense." The latest program was introduced in 1972, differing from previous programs in that the beginning age of training of youth was reduced from fourteen to ten years. The individual proceeds through five steps, based on his age. Civil defense training is an integral part of each step. Great emphasis is placed on awarding gold and silver pins to those who complete the norms of each step. DOSAAF also organizes military sports competitions.

In the summer of 1967, in cooperation with schools, Komsomol organizations, and military commissariats, DOSAAF organized a military sports game, code-named "Zarnitsa" ("Summer Lightning") for millions of young teenagers all over the country. By 1975, 16,000,000 youths were participating in these games. So successful was "Zarnitsa" that in 1972 "Orlenok" ("Eaglet") games were launched for older teenagers. Seven million participated in 1975. A featured part of the games is the identification of contaminated areas, and determining how to go around or through them in accordance with radiation safety rules and civil defense measures. Winners of the competition are given awards at special ceremonies, with major press and TV coverage.

ROLE OF THE "ZNANIYE" ("KNOWLEDGE") SOCIETY

"Znaniye" with its 3,000,000 members, most of whom are scientists and teachers, conducts science-educational work with the population. It uses lectures as a medium, both live and by radio and TV. In 1973, for example, 21,000,000 popular science lectures were given to various live audiences and 300,000 on radio and TV. It also publishes magazines and books. Through its popular science lectures, "Znaniye" teaches, among other things, the importance of civil defense.

The "Znaniye" Society informs the Soviet population about radiation and other destructive factors of nuclear weapons, the dangers of poison gases and the new psychogases, and germ warfare. "Znaniye" lectures are a form of agitation and propaganda to arouse the citizenry to greater efforts in learning the basics of civil defense, in supporting the armed forces, and in fulfilling their work norms and other socialist obligations.

COORDINATION OF CIVIL DEFENSE PROGRAMS

An example of the coordination in civil defense matters between the "Znaniye" Society, DOSAAF, and the Komsomols is the program at Technical High School No. 5, located in the city of Kalinin, between Moscow and Leningrad. The military instructor, a lieutenant colonel who is an active-duty reserve officer, heads the DOSAAF organization at the school. After twenty-five years in military units, he was selected by the local military commissariat for the assignment. His two tasks are preinduction military training and civil defense instruction for the student body. The school's Party bureau, the Komsomol Committee, and the teaching staff provide assistance. He also receives help from district and city DOSAAF Committees, and maintains close ties with the local "Znaniye" Society. At this particular school the physics teacher has been made responsible for ensuring that the students pass DOSAAF's GTO norms. Another teacher, a Komsomol member selected by DOSAAF, organizes sports competitions and arranges expeditions to military monuments, battlefields, and museums.

The DOSAAF Committee sets up firing ranges and a military sports camp, and works out the annual plan of instruction. DOSAAF is supported primarily by lottery, tickets for which are sold by student and faculty DOSAAF members. The first concern of the school's DOSAAF Committee was setting up a well-outfitted room for primary military training.

A small civil defense classroom existed before primary military training was introduced, but it needed remodeling. This was done after the military room with its storage for firearms was completed. The civil defense classroom now is the air-raid shelter. It contains a large model of the city; a model of dispersal and evacuation plans, including those of the school; a model of the school's shelter; and a model of a nuclear explosion.

At the end of school, the students spend two weeks at a military sports camp on a campsite of a local military unit. The local military commander details officers and sergeants, with the necessary supplies, for the camp. Campers are divided into platoons and drilled by the officers and sergeants. Work is intensified for passing the GTO norms.

The "final exam" at camp is a military-sports game, such as the nationwide "Orlenok" competition. This involves a hike with map and compass, rendering first aid, building a simple shelter, conducting decontamination and sanitary work. Later, weapon assemblage, grenade-throwing, and firing competitions are conducted.

Points are added up, local area winners are announced, awards are given at a ceremony with much fanfare, and national winners are treated to a special trip to Moscow.

In summary, the task of protecting the population is accomplished by a combination of physical, military, and civil defense training and psychological indoctrination. The Soviet leaders use to the utmost Hitler's invasion of the USSR and the foreign intervention during the Civil War to keep alive a belief in the necessity of preparedness for war. There are monuments, museums, and reminders everywhere to instill in the younger generation the fear of being attacked and the need for them to do their patriotic duty.

TASK 2: KEEPING THE ECONOMY GOING IN WARTIME

Although Soviet military planners may hope for a quick victory in the event of a future war, they also fully recognize that the nation must be prepared to fight a protracted conflict. This means that factories and farms as well as transportation, communications and services, must continue to operate in wartime.

Soviet planners anticipate that entire cities will be completely destroyed in the event of a nuclear conflict. To ensure that vital segments of the economy continue to operate, a planned dispersal of industry has been in effect for years. One has only to recall that in the Soviet Union 10,000,000 people and 2,600 industrial plants were evacuated in toto from western regions to the Urals and Central Asia from July to November 1941. After the war, these plants remained where they were and duplicate new plants were built on the old sites. Civil defense needs lie at the base of the formation of many "new cities" now in eastern and northern parts of the Soviet Union. As Marshal Grechko explained in 1971:

> The movement of the productive forces to the east, bringing them closer to the sources of raw materials and fuel, and their scattered placement in the economic regions will significantly raise the defense capability of the Soviet motherland and make our industry less vulnerable in the event imperialism unleashes a nuclear missile war.

Obviously, an important factor in preparation of the economy for a possible war is the food reserve. A 1974 book, *The CPSU—The Organizer of the Defense of the Socialist Fatherland,* reminds us of this necessity, quoting these words of V. I. Lenin:

> The Red Army cannot be strong without great state reserves of wheat because without this, the army cannot be moved about freely, nor trained as it should be.

Recent grain purchases from the West are a telling reminder that reserves must be maintained at all costs.

TASK 3—POST-ATOMIC RECOVERY AND DISASTER RELIEF

This task calls for the Civil Defense Troops of the armed forces to cooperate with local fire-fighting and nonmilitary formations to conduct rescue work, both in wartime and during natural disasters. Such equipment as bulldozers and cranes must be available with skilled operators, trained to work in contaminated areas. There must also be personnel trained to check areas for radiation, put out signs, keep order, evacuate the survivors and those needing medical treatment, and decontaminate the area as soon as possible.

In the summer of 1972, dry weather brought on many forest fires, and peat bogs north of Moscow ignited spontaneously, putting the main railway line out of operation for several days. Troops of Civil Defense and nonmilitary formations were joined by units of the armed forces to fight these destructive fires, which were reported to be raging over thousands of acres.

Civil defense troops are responsible for restoring communications, railroads, and bridges, defuzing unexploded bombs, and perhaps even countering airborne attacks and enemy diversionary groups. Primary emphasis, however, is on putting essential plants back into operation as soon as possible.

It may be argued that where approximate parity in ICBMs exists between the United States and the Soviet Union, an all-out attack with the nuclear arsenals of the superpowers is unlikely. However, a number of strategists believe that small "surgical" attacks, paradoxically, have become a greater possibility.

The more impossible the unthinkable becomes, the more possible a limited nuclear attack, or the threat of one. And if such an exchange should take place, or be used as a threat, the country best prepared for post-attack recovery clearly will have an advantage that may be decisive in negotiations. Therefore, the nation that has a viable civil defense program for general nuclear war obviously will be in a better position to withstand limited attacks than will a nation that has made no preparations.

The attention given to civil defense by the Soviet Union perhaps cannot be duplicated in a free society. This does not mean that the prudent planner should not attempt to do everything possible to prepare ahead of time for such a contingency. The Soviet leadership has physically and phychologically prepared its people for the possibility of nuclear war. Western leaders have not.

PRESIDENT FORD'S DECISION NOT TO GUARANTEE NEW YORK CITY'S SECURITIES IMPERILS MUNICIPAL FINANCING IN STATE, NATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. OTTINGER. Mr. Speaker, President Ford has today condemned not only New York City and, most likely, New York State to financial devastation and fiscal ruin but potentially every municipality in the country as well. By choosing to permit the city of New York to default and go into bankruptcy, the President has chosen to write off urban America and to ignore the grave predictions of highly respected economists and urbanologists that there will be serious ramifications throughout the Nation.

The President's lack of foresight and his callous disregard for the financial crisis being experienced by New York is unconscionable. By refusing to back New York's securities until investor confidence can be restored, Mr. Ford's ill-conceived actions will cost communities in all parts of the United States billions of dollars in increased interest costs. Interest rates have already skyrocketed for municipal borrowing everywhere and many issues have been difficult or impossible to sell. This is not a scare campaign, it is a clear, hard fact.

It has already been reported by the very capable Joint Economic Committee of Congress that a reduction in State and local spending, higher interest rates and a curtailment in lending to preserve liquidity will reduce the growth of GNP by 1 percent and increase unemployment by more than 300,000 additional citizens. Rather than working to resolve the Nation's depression and long-standing unemployment crisis, the President's policies will simply make these conditions worse.

There is no question that city and State officials must drastically reorder their priorities and take affirmative steps to reform the city's budget process. While these officials have clearly indicated that they are willing to take those necessary steps to put the city's financial house in order, such action simply cannot be taken without the active participation of the Federal Government.

Inasmuch as the President has chosen to abrogate his responsibilities, there is no other alternative than for the Congress to take prompt and effective action—even in the face of a threatened veto—to come to the aid of New York City and the very foundations of the Nation's economy. To do otherwise or to ignore, as the President has, the desperate financial condition of New York would be irresponsible.

U.S. BUDGET NOT FACTUAL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. COLLINS of Texas. Mr. Speaker, in America, businessmen want to know where the country stands today, and in which economic direction are we headed. Folks are entitled to a factual analysis.

If businessmen kept books and filed returns like the U.S. Government files financial returns, these businessmen would be sent by the boxcar load to Leavenworth prison. But bureaucrats disregard accruals, expense commitments, guarantees and file financial returns that should shock the SEC.

Where businessmen seek to be fiscally conservative in providing reserves, the U.S. Government operates on a cash basis disregarding deficits and overloaded future commitments of Congress.

Arthur Andersen & Co., one of the world's greatest accounting firms, prepared an excellent statement on sound financial reporting for the United States which was published in September 1975. This objective analysis should be studied by every Washington official.

The growing money drain from an overspending public sector on the American economy is emphasized as we compare the past 40 years growth of 10 percent of gross national product to 40 percent today when all Government credits and off budget items are included. From 1930 to 1975 the percent of gross national product for Government expenditures went from 3.1 to 21.4 for Federal and 9.2 to 12.4 for State-local.

New York City today is the first ripple in the waves that could come cascading on us like a flood. Spending excessively which has been covered by deficit debt financing is coming home to haunt America. The depth of the problem had been obscured from voters and taxpayers by fast talking bureaucrats and by inadequate financial reporting.

Deficits that have not presented the added accrual costs are completely misleading. How can future taxes be estimated? The U.S. Government as well as State and local communities should list all accruals that would require future taxes to meet present liabilities. Just as the SEC requires this full accounting from private industry, the U.S. Government should demand and present this full financial disclosure on all Government reports for any type of sale of a Government security.

In 1949 the first Hoover Commission recommended accrual accounting for the U.S. Government. This led to the passage of Public Law 84-863. The law now requires business type reports but this has only partially been applied. By avoiding consolidation of returns much of these overcommitments have been obscured.

Arthur Anderson Co. in their key summary pointed out how the United States inadequately reported its deficit. Congress never complained about this, because congressional overspending caused it. In 1973, the U.S. official reported budget deficit was $14,300 million. A full listing of income and outgo shows the United States should have reported $86,573 million. Then in 1974, the official reports showed financial improvements as deficit dropped down to only $3,460 million.

However, the actual 1974 financial excess of expenses over revenues was $95,106 million. The U.S. budget should have reported a deficit over 27 times as large as the reported budget figure.

I have not heard a liberal demagog in the country speak up and condemn the U.S. fiscal bureaucrats. But if a major corporation had understated so significantly, you would hear every big spending Socialist in America crying from the front page of every daily newspaper for the businessmen's scalps.

Let us look at some other fiscal responsibilities of the U.S. Government. The U.S. Government has provided insurance against business risks for the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Housing and Urban Development—riot reinsurance, the Atomic Energy Commission, and others totaling $1,041,000 million. The United States has also extended guarantees to the Federal Housing Administration, the Veterans' Administration, the Farm Credit Administration, the Federal Home Loan Bank Board, the Federal National Mortgage Association, and others totaling $227,562 million. These are real and potential demands on the U.S. Treasury.

Pensions are a glaring example of U.S. fiscal doubletalk. Private pension plans are well managed and fully reported. Yet last year the U.S. Congress placed these private plans under confused supervision of the U.S. Labor Department. Congress insisted on more vesting in private pension plans yet Congress does not give full vesting. Drop out of social security when you are age 48 after paying 25 years and you will get 0 in cash.

Proper reserves which were not shown in the 1974 budget should have included $20,560 million for civil service, military retirement, and veterans. But social security is the great accrual omission as the U.S. budget failed to report accrual deficit reserves of $75,090 million for 1974. In social security when we use the full reserve actuarial concept the excess of benefits over contributions by present participants is $2,460 trillion.

Just in the year 1974 compared to 1973 the accumulated national deficit on an accrual basis has increased from $700 billion to $800 billion.

With New York casting its shadow of financial disaster on Washington, when will Congress awaken to the damage to America from the congressional big spenders.

The day of reckoning is growing nearer. The average maturity of Federal debt has decreased from 5.3 years in 1965 to 3 years in 1974. As we turn the Federal debt faster and more often, we crossed out the funds needed by America's private sector for business inventories, new plants, improved machinery, and more jobs for Americans.

President Gerald Ford's consistent vetoes and his strong voice on less spending goes unheeded by the Hill. Secretary of the Treasury, Bill Simon, insists on sound fiscal policy in all his recommendations.

Americans understand inflation and pretty soon the average American citizen will realize that congressional overspending has caused it.

When will Congress stop this irresponsible big spending and start thinking of the good of America. When will Congress stop voting more of public benefits, spending more dollars, building larger national debts, and trying through deficit spending to win the votes in next year's election.

RACISM IN REVERSE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. GOLDWATER. Mr. Speaker, strange and peculiar occurrences have checkered the history of the United Nations, but in recent years, several things have happened that might be more accurately termed ominous.

The most recent, and one of the most shameful, is the resolution passed by the U.N. Social and Economic Committee to equate Zionism with racism.

I interpret this move as racism in reverse; an evil psychological ploy to ultimately destroy the State of Israel.

There is no doubt in my mind that sick, warped minds conceived this notion, and that the same kind of minds are supporting it.

What an outrageous double standard on the part of this U.N. committee. These are the same people who look the other way when nations such as the Soviet Union and Uganda actively practice racism as part and parcel of their national goals.

Mr. Speaker, we have tolerated the use of "selective morality" by the United Nations for far too long.

It must be apparent to every thinking person that the U.N. is being dominated by nations which would use it strictly for political purposes at the expense of world peace and cooperation.

If the United Nations General Assembly passes a resolution to equate Zionism with racism, I would urge the House Foreign Affairs Committee to report out the bill pending before it that would cut the U.S. contribution to the U.N. from 30 to 5.6 percent, which would represent our population. Without massive financial support from the United States, I doubt the U.N. could afford the time to dream up ways to crush little nations or those viewed with disfavor at the moment by little power-hungry men who have discovered what saps Americans can be.

I do want to note and commend U.S. Ambassador to the United Nations, Daniel Moynihan, for his excellent, forthright actions during this latest outrage. I would hope both the Congress and the President will wholeheartedly support and encourage an expanded continuation of his efforts.

HISTORY OF PEOPLE'S INDEPENDENCE CHURCH OF CHRIST

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HAWKINS. Mr. Speaker, the month of October marks the 60th anniversary celebration of the People's Independence Church of Christ which is located in my district and which I am proud to have worked with over the years. This church has been and remains a driving force in the south central community of Los Angeles. Moreover, many prominent people have been an integral part of Independent's history such as Dr. Ralph Bunch, Fannie Benjamin, and Bill "Bojangles" Robinson, to name a few.

I would like to submit for the Record, Mr. Speaker, a brief summation of the rich and very accomplished history of this great church as an example and inspiration to all Americans, as we enter our Bicentennial year as a Nation. The text is as follows:

History of People's Independence Church of Christ

One Sunday afternoon in October a large body of earnest members of the First A.M.E. Church of Los Angeles congregated in the Christian Church of East Eighth Street to determine steps to be taken looking toward to religious freedom.

On that memorable Sunday afternoon, October 3, 1915, the little Church edifice, then known as the Eighth Street Christian Church was crowded to its capacity. With Brother J. H. Shackleford presiding as Chairman of the meeting and Brother George A. Beavers, Jr., Acting Secretary, Brother F. H. Crumbly the report of the committee, a declaration of principles which, in fact, was a declaration of Independence, setting forth the causes which impelled them to establish another church. After much earnest discussion, the declaration was adopted, Forty-seven of the large number present sign the articles. One of the original forty-seven, Mrs. Elmyra Long, is still an active member of People's Independent Church.

Immediately after this action, the pastorate of the infant church was tendered to Reverend N. P. Greggs, D.D., an outstanding Minister of the Gospel of long and honorable service; and in good standing in the A.M.E. Church.

Dr. Greggs accepted the call of the Original 47 with his now famous declaration, "Live or Die, Sink or Swim, Survive or Perish; I accept the call to the pastorate of the First Independent Church."

Being unable to accommodate the huge crowds that flocked to the services in the Odd Fellows Hall, all members were anxious to secure a church building.

After due consideration to the many propositions submitted, the site at the Northwest Corner of Eighteenth and Paloma Streets, consisting of three lots and houses embracing an area of 102×149 feet at a purchase price of $6,500 was chosen.

On Thanksgiving Day, November 26, 1916, the cornerstone was laid by the Grand Lodge of A.F. and A. Masons, Grand Master T. A. Harris, presiding. On February 21, 1917, the building was completed and the varied clubs of the church furnished it. Independent grew from 47 to 500 in less than two years. Rev. Greggs introduced many new concepts of church service to the community. The church became active in the life of the community, working with and developing business such as the Golden State Life Insurance Company and the Liberty Building and Loan Company; civic organizations, and other community projects. Rev. Gregg's served well and expired December, 1935. As Rev. Mansfield Collins has said, "Independent was founded by Rev. Greggs, but made known to the world by Clayton D. Russell." Rev. Russell came in young and energetic, full of new ideas for a church, and instigated the idea of a boys' home, a girls' home, markets, free employment office in the church, youth leaders, scholarship fund, radio broadcast, civil rights division within the church, public relations officer within the church, and the idea of two services in the morning and many other new ventures in church life. Independent became the church of the world under Rev. Russell, for it was in this church that work for the total community was being done. Rev. Russell resigned in 1953 to establish the Church of Divine Guidance, where he remains as the pastor.

Rev. Maurice A. Dawkins was elected. He came in and immediately followed the pattern which had been set in keeping the church in the community fight. After one year, he became chairman of the executive board, NAACP, then after another year, he became President of the NAACP. The church continued moving forward in varied activities such as picket lines, pray-ins, marches, and the religion-in-action philosophy. Reverend Dawkins instigated the plan to build a new church and introduced several plans to raise the necessary monies to do so. Then the idea was introduced to build a home for Senior Citizens and a church combined. The Senior Citizens Home was begun first, and is now completed. Rev. Dawkins resigned in 1965 as Pastor of People's Independent and is working with the poverty program.

Reverend Vincent I. Norris was serving as acting pastor, prior to becoming pastor in 1966. Many new committees were established. He worked faithfully to improve the Religious Education, established more Youth Programs and encourage more Adult Bible study. In October, 1973, Rev. Norris resigned to establish a Community Church in Pasadena. He is now pastor of Alta-Pasadena Community Church in Pasadena.

Reverend William A. Naylor was elected unanimously August 1, 1974, as Pastor of Independent Church. His ministry has inspired the personal faith of the membership for spiritual growth, personal religious development, churchmanship and educational growth. He has established several executive departments. He is presently serving as a board member of the Los Angeles Council of Churches. He was formerly associate minister of New Hope Baptist Church in Los Angeles and Acting Pastor of Metropolitan Baptist Church in Altadena, California.

Many prominent personalities have been an integral part of Independent history either as a member of the church or working closely with the church, namely: Leon Whitaker, the first of our race to serve as Deputy District Attorney of Los Angeles County, George Beavers, Jr., of the Golden State Insurance. The William Nickerson family, also Golden State. Ralph Bunche of the United Nations, Wendell Franklin, Movie Director, Bill "Bojangles" Robinson, Samuel Brown, Musician. A. C. Bilbrew, Director and Musician, Dr. Albert McNeil, Director and Professor Dr. Maurice E. McGehee, Director and Principal. Fannie Benjamin, musician, Congressman Augustus Hawkins, Federal Judge David Williams, Councilman Gilbert Lindsay. Paul Williams, Architect, Ken Jones, Television News Reporter, Rev. Clayton Russell, Rev. Arthur Peters, Rev. Earl Pleasant, Rev. Sandlwood, Rev. Maurice Dawkins. LeRoy A. Beavers, Jr., first of our race to be appointed Agency Manager of a large major Insurance Company Equitable Life.

"THIRD FLAG" COMPETITION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. WHITEHURST. Mr. Speaker, I recently received a letter from a friend of mine who is in the shipping business in Germany. He enclosed a factsheet which I believe that my colleagues will find most interesting, since it indicates that U.S. shippers are not alone in the problems they face relating to the competition from the Soviet merchant marine and "third flag" carriers in general.

Senator INOUYE's bill, S. 868, deals with this matter, and I think that the information regarding the difficulties being encountered by COMECON members in international trade is particularly relevant at this time. I am pleased to call it to the attention of my colleagues:

INFORMATION ON ACTIVITIES OF COMECON-MEMBERS IN OUR INTERNATIONAL TRADES—ESPECIALLY IN LINER SHIPPING

Are you already aware that—

The merchant fleet of the USSR advanced from the 23rd position in 1946 to the 6th position in worldwide tonnage in 1974?

The merchant fleet of the USSR advanced to No. 1 in liner shipping (dry cargo vessels without bulk carriers) in 1974 on a world scale comparison basis (approx. 7 million GRT as against 3 million GRT for the Federal Republic of Germany)?

The COMECON-countries already provided 12% of the world liner tonnage in 1974, while the amount of tonnage on order for the same countries was, as far as known, 20% of the worldwide tonnage on order for break bulk vessels?

The merchant fleets of the major COMECON-countries grow significantly faster than the sea-borne foreign trade volume of these countries? While this group of countries represents approx. ⅓ of the world's industrial output, the share of the Eastern state trading countries in international trade with countries outside the COMECON amounts to about 5% only.

In 1974 the monthly average turnover in ports of the Federal Republic of Germany amounted to about 1 million tons of cargo, carried in about 300 COMECON-vessels? This corresponds with almost 50% of the cargo loaded/discharged by West German vessels in their own ports.

That by 1979—according to the order volume presently known—44 container or ro/ro units will be completed for Soviet-Russian account, including ships with a speed of 23 knots and a capacity of 1.400 20′ containers per vessel? Ships of this size are quite obviously to be utilized principally in trades between Western industrial nations. Similar ones are being built for Polish account.

For Soviet-Russian account substantial orders have been placed with shipyards in the USSR, and particularly in Poland, the German Democratic Republic and Finland? With Finnish shipyards alone the order volume of the USSR has been increased from US $400 million during the Five-Year-Plan 1971–1975 to US $1.500 million in the following Five-Year term?

While COMECON-lines have become members of some conferences, the Soviet-Russian shipping companies in particular operate to the greater part as outsiders in world-wide cross-trades and seriously jeopardize the economic operational activities of Western shipping by way of government subsidized dumping, a practice against which many developing countries protected themselves to a great extent by adequate laws?

In the trade between Far-Eastern ports (Hongkong, Taiwan and Japan in particular) and U.S. Pacific ports, the Soviet-Russian FESCO Line operates with modern ships and has been practicing rate dumping for several years, thereby causing the disruption of two Transpacific conferences? Free enterprise shipping companies have been affected so gravely that in the U.S.A. laws are being drafted to put a stop to such practices in future.

The Europe/U.S.A. North Atlantic and Gulf trade is increasingly infiltrated by Soviet-Russian lines following the end of the union boycott of Soviet-Russian ships in U.S. ports in consequence of the shipping agreement concluded between the USA and the USSR?

That in the North West Europe-Eastern Mediterranean trade shipping lines of COMECON-countries have secured in various areas a share of more than 35% already?

By the middle of 1974 the traditional conference lines in the Far East have lost already 11.4% of the cargo volume to the Transsiberian Railway, or aproximately 20% of the freight revenue (1972: 5.9%), a development aggravated by growing Soviet-Russian competition in the seaborne trade may lead to the collapse of the organized Western sea transport system operating between Western Europe and the Far East?

Similar experience is made in the North West Europe/Persian trade? Soviet-Russian inland waterways attract significant quantities of cargo, making use of its canal system which is barred to the Western transport industry.

In land and sea transport Soviet-Russian transport organizations gain insight into Bills of Lading which state all details of shipment and thus give transparency to an ever increasing range of Western trade relations?

COMECON shipping companies on the Danube, by way of cargo routing instructions, rate dumping and a freight rate freeze since 1955, blocked the adaptation of freight rates to increased operational costs and thus have caused all Western shipping lines, except the Donau-Dampfschiffahrtgesellschaft and the Bayerrisher Lloyd to abandon this business? Only a substantial state subsidy can enable those two lines to continue to exist.

Do you realize—

That the enormous growth of the Soviet-Russian merchant fleet is only partly the result of economic necessity? The coupling of economic and military-strategic considerations is evidenced from a citation from "Okonomie des Seetransports", issued in East Berlin, in which is stated among other things that socialistic shipping has a military-strategic function as well, the realization of which demands a sufficiently large and suitably structured ocean-going merchant fleet.

The officers and crews of the Soviet-Russian merchant fleet and navy are regularly exchanged?

In the USSR, the state, as sole owner of the centrally controlled merchant fleet, is at the same time the sole forwarding agent and controller of all centrally directed imports/exports (including transit goods), and that within this structure the total Eastern merchant fleet as well as their total transport potential is primarily to serve state policy, as compared to the privately-owned Western shipping companies, which have to follow strict economic considerations?

Consequently, in the USSR in particular, Western shipping and transport companies have no freedom of action at all which the transport organizations of the COMECON-countries fully enjoy here? Free cargo acquisition, as we know it in the West, does not exist for us in the COMECON area.

Due to the fundamental difference of the political and economic system in respect of freight calculation by transport organizations of Eastern state trading countries, cost factors, such as amortization, depreciation, insurance coverage, wages, are to a large extent ignored, because the sole economic consideration is to earn more foreign currency than has to be spent abroad for port and stevedoring charges.

This threat to Western transport companies is not at all limited to the sphere of sea transport, but that trailer companies, railroads, coastal and inland carriers are likewise affected?

Can you imagine—

That the consistent development of the trend, already now becoming evident, could create the danger of a considerable dependence of the West European trade on COMECON transport organizations in about the year 1980?

That the ousting of West European transport companies from the national and international business would cause problems of a much wider scope than of transport policy as such?

The development in this dangerous direction is inevitable, unless—

The trade of Western Europe resists the temptation by the state trading countries, which in consequence is ruinous for Western transport companies, and fully supports the transport companies of its own countries by giving e.g. clear instructions for shipping and routing of their cargoes.

Otherwise, the only remedy would be, to ask Western governments to apply, in coordination with their neighbouring countries, laws already existing or countervailing measures still to be devised against uncommercial practices, a path, successfully taken already by many developing countries, to protect their national flags.

THE WAR ON ECONOMIC CRIME

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. GILMAN. Mr. Speaker, I rise today to do battle with a pernicious and slippery foe—economic crime.

Economic crime—misrepresentation, chain referrals, pyramid and bait-and-switch schemes, high pressure salesmanship, false and misleading advertising—is the most common form of crime in this country. Better known as consumer fraud, it is ironically the type of crime that the average individual knows the least about and is afforded only minimal protection against by our current laws.

The legislation I propose today will, hopefully, remedy this danger to our economic well-being by providing for far more extensive protection and enforcement than is afforded by our laws and statutes today.

Specifically, my bill defines a variety of fraudulent practices which are clearly deceptive and unconscionable and subjects those who engage in these practices to criminal penalties. Five clear and definite kinds of "unfair consumer practices" are proscribed by this bill:

First. Offering or advertising goods or services and not selling them as so offered or advertised;

Second. Making false or misleading statements regarding the nature and characteristics of goods or services sold to consumers;

Third. Making statements that goods or services have an origin, sponsorship, use, feature, or ingredient which they do not have;

Fourth. Accepting advances or deposits for goods or services which are not intended to be delivered, or failing, without cause, to refund the deposits; and

Fifth. Using actual or theatened physical force, harassment, or misrepresentations of law when collecting the purchase price of consumer goods or services.

Violators of any of those five proscribed activities will be subject to criminal penalties amounting to a fine of not more than $1 million or imprisonment of not more than 10 years, or both, for each and every subsequent offense.

This bill also permits an affected consumer to cancel any contract or agreement which results from a transaction that involves an unfair consumer practice. In addition, a consumer who suffers a loss because he or she is induced by another to enter into a contract or agreement in furtherance of a proscribed unfair consumer practice may seek treble damages in an action in a State or Federal court. Finally, the bill authorizes the Attorney General of the United States and the attorney general of any State to seek an injunction to enjoin the commission of unfair consumer practices.

Presently, the American consumer is faced with a plethora of complex, contradictory, absurd and inequitable regulations that are indifferently enforced by our bureaucracy. Better business bureaus are too often of dubious effectiveness. The Federal Trade Commission is bogged down by their own time consuming and drawn out procedures that take years before effective remedies can be enforced. Criminal prosecution in most cases is impossible since in jurisdictions where local criminal penalties do exist they often require proof of intent.

We do not need another bureaucracy encumbered by redundant regulations, interminable hearings, and concluding with a meaningless paltry fine. What is required instead is swift and certain justice for the consumer, restitution for out-of-pocket losses, and severe penalties that will deter and make unprofitable future economic crime.

Mr. Speaker, this proposed legislation goes a long way toward accomplishing these stated aims.

The full text of the bill is as follows:

H.R. 10463

A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Fraud Act".

Sec. 2. As used in this Act, the term—

(1) "consumer" means any person who is offered or supplied goods or services for personal, family, or household purposes;

(2) "goods" means personal and real property, but the term does not include securities or interests in securities;

(3) "services" mean any benefit resulting from the labor, skill, or time of another person or from the use of property including, but not limited to, labor, professional service, transportation, telephone, mail, other public service, electricity, gas, other public utility service, banking, accommodations in hotels, restaurants, or other places, admission to exhibitions, performances, or other places, and the use of property owned by another;

(4) "statement" means any representation in any form of advertising, any oral or visual presentation, or any other representation, presentation, or conduct which is communicated to consumers;

(5) "supplier" means any person who is in the business of making goods or services available to consumers; and

(6) "unfair consumer practice" means any of the following:

(A) offering or advertising goods or services for sale to a consumer and not selling them as so offered or advertised, or without ability to supply reasonably expectable public demands, unless the offer or advertisement clearly and conspicuously discloses the limitation;

(B) making false or misleading statements with respect to goods or services which are offered for sale or sold to a consumer with respect to the need therefor; the need for repair or replacement thereof; rights, privileges, or remedies, in connection therewith; prior ownership thereof; grade, age, quality, style, standard, or model thereof; or price or quality comparisons with similar goods or services offered for sale to consumers by the same or another supplier;

(C) making a statement that goods or services offered for sale, or sold to a consumer have sponsorship, approval, origin, safety or performance characteristics, ingredients or components, uses, features, benefits, or quantities which the goods or services do not have;

(D) accepting consideration for goods or services without ability to deliver such goods or perform such services as promised or failing to return or refund deposits or advance payments for goods or services which are not rendered in absence of any default or breach of obligation on the part of the consumer making such deposits or advance payments; or

(E) using physical force, threat of physical force, tortious threats or harassment, or misrepresentation of law in the course of a sale or attempted sale to a consumer of goods or services or in the course of collection of the purchase price or portion thereof of goods and services from a consumer.

Sec. 3. (a) Chapter 63 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1344. Unfair Consumer Practices.

"Whoever, in connection with the sale, attempted sale, or distribution of goods or services to a consumer, or in connection with the collection or attempted collection of the purchase price or portion thereof of goods or services by the use of any means or instrumentality of transportation or communication in or affecting interstate or foreign commerce including the use of the mails, willfully engages in an unfair consumer practice, as defined in section 2(6) of the Consumer Fraud Act, shall be fined no more than $1 million or imprisoned no more than 10 years, or both.".

(b) The chapter analysis of chapter 63 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1344. UNFAIR CONSUMER PRACTICES."

SEC. 4. Any contract or agreement in or affecting interstate or foreign commerce which provides for the purchase of goods or services which results from a transaction that involves an unfair consumer practice by a supplier may be voided by the affected consumer. Any person who willfully induces a consumer to enter into a contract or agreement pursuant to or in furtherance of an unfair consumer practice shall be liable to such consumer in an amount equal to three times the damage or loss suffered, together with the costs of any legal action required including a reasonable attorney's fee (based upon actual time expended). Such amount may be reconvened in a civil action in an appropriate district court of the United States or in any State court of competent jurisdiction. The district courts of the United States shall have jurisdiction of any action brought under this section without regard to the citizenship of the parties or the amount in controversy. An action under this section may be brought within three years from the time that the unfair consumer practice was discovered or reasonably should have been discovered.

SEC. 5. The Attorney General of the United States, the appropriate United States attorney, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred (as parens patriae of the people of such State, after notifying the Attorney General of the United States) may, upon a finding that any person is engaged or is about to engage in any act or practice which constitutes an unfair consumer practice, bring an action in the appropriate district court of the United States, or in the appropriate State court of competent jurisdiction, to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such court may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

FOOD STAMPS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HAMILTON. Mr. Speaker, I include my Washington Report, entitled "Food Stamps":

FOOD STAMPS

The food stamp program has ballooned into one of the nation's most controversial social programs. As the recession deepened and unemployment grew, the food stamp program, designed originally to fight malnutrition among the destitute, has become an income supplement program for a large number of working Americans. Today, working families receiving food stamps outnumber welfare families by a margin of 55 to 45%.

The food stamp program, begun in 1965 with 400,000 participants at a cost of about $35 million a year, now serves 18.8 million persons at a cost last year of $4.7 billion. There are probably another 20 million Americans who are legally eligible for food stamps but, for one reason or another, are passing them up. One out of eleven Americans uses food stamps, and one out of five is eligible to use them.

The food stamp program is bedeviled by its size, rapid growth, bureaucratic foul-ups, and sharp criticism, with some critics claiming that the program is a haven for chislers and rip-off artists and that it is "out of control." Undoubtedly, the program is an administrative nightmare. Under the program, which is now available in every county in the country, a participant purchases food stamps at his county welfare department at a reduced rate and redeems them at the grocery store for food. For example, a family of four, with a net income of about $300 a month, pays $82.00 a month for $162.00 worth of food stamps. The average purchase price for a family's allotment of food stamps is 24% of the family's income.

Participants must fill out a complex six page application form and stand in long lines to apply. One problem is the generous and complicated deductions by which an applicant may reduce his income to a level at which he qualifies for food stamps. Deductions are allowed for taxes, work-related expenses, medical costs, child care, tuition payments, and shelter costs. A family may not hold more than $1500 in cash or stocks, but applicants need not list the value of their household and personal belongings.

The extent of abuse and fraud in the program has been difficult to ascertain. The U.S. Department of Agriculture quality control report of June 1975 found that about 26% of the participants either paid too little or got too many stamps, that about 11% either paid too much cash or got too few stamps, and that about 17% of the participants should not be in the program at all.

The most authoritative, available study, conducted by the USDA in 1973, showed that 93.5% of the participants had net incomes (i.e. income after taxes before food stamp program deductions) of less than $6000 (the poverty line is now $5870 for a family of four) and that virtually none had incomes over $10,000. It concluded that the overwhelming number of participants are "the poorest of the poor." These figures have been challenged, however, because of the size of the sample in the survey, and because the information is not current. The Department's latest survey also suggests that the fraud rate in the program is only .08%.

Uncertainty about the accuracy of the surveys, the explosion of the program to include more and more people, some of whom are not poor, and the problems of administration, together with universal calls for reform have prompted the Congress to launch studies to ascertain the facts and improve the program. The question, however, is just how to do it. Several proposals are under consideration. One major revision of the present program would eliminate the buying of stamps by simply giving stamps to eligible families. Instead of paying $82.00 and getting $80.00 in additional food purchasing power, as in the example cited above, a family would simply be given the $80.00 worth of stamps. Another proposal would change the way a family's income is calculated to determine eligibility. Instead of using a family's estimated earnings in the coming months, as the present law provides, its income for the purpose of determining eligibility would be its average income during the 90 days preceding application for food stamps. Instead of a complicated system of figuring net income, another proposal suggests a standard $100 or $125 monthly deduction.

Unlike any other current public assistance program, the food stamp program has no arbitrary upper limit on income for eligibility. A basic question, then, is where to draw the line on income (some suggest an upper limit of $8000/year, and others propose the poverty level plus $100 per month) although some students of the food stamp program say that setting a maximum income level beyond which a family loses all right to food stamps only encourages families to keep their incomes low. They say that the present program is better because as a family's income rises it continues to receive food stamps, but at a reduced level.

The prospects of passage of reform of the food stamp program seem good, and I believe the Congress should adopt major food stamp reforms with an income limitation and along the lines suggested above. If properly structured, the food stamp program can continue to serve the genuinely needy without administrative difficulty and abuse.

NATIONAL TRANSPORTATION POLICY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. FRENZEL. Mr. Speaker, on October 22 I inserted in the RECORD a letter I sent to Transportation Secretary William Coleman commenting on his recently released national transportation policy statement.

Secretary Coleman was kind enough to respond in some detail to my letter and I believe the House will find his additional comments interesting. The following is the text of Secretary Coleman's response to my earlier letter:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., Oct. 28, 1975.

Hon. BILL FRENZEL,
House of Representatives,
Washington, D.C.

DEAR MR. FRENZEL: Thank you for your comments on the Statement of National Transportation Policy. It brings me great satisfaction to know that busy persons such as yourself are taking the time and trouble to review the Statement and to share their comments with me.

Your letter contains several thoughtful recommendations which prompt me to offer the following observations.

Your letter contains several thoughtful recommendations which prompt me to offer the following observations.

1. While I share your feeling that the urban mass transportation program should have clear-cut objectives, I do not believe that it would be feasible to define them in terms of specific measures such as transit ridership or transit's share of the market (modal balance). Both measures are highly sensitive to site-specific conditions (for example, the extent of the local freeway network) and to local policies concerning parking, tolls and transit fares. Because these conditions and policies are beyond our ability to command, it would be unfair to make transit usage the sole indicator of UMTA program accomplishment.

Moreover, I believe we need to judge the worth of our efforts in broader terms than just transportation effectiveness. The true measure of success of the UMTA program, I suggest, is not the travel time savings or the increased travel comfort that will accrue to the transit users, but the contribution that the federal investment will bring to achieving broad social objectives. Among them I would single out especially energy conservation, environmental improvement, equity of treatment of the transit dependents and the revitalization of our urban centers.

In order to be able to assess these external effects we will need more sensitive and accurate data. This is why we will initially concentrate our efforts on development of a comprehensive reporting system, pursuant to the authority of section 15 of the National Mass Transportation Assistance Act of 1974. The implementation of the reporting requirement will be a first but significant step toward establishment of an effective transportation performance monitoring capability on a national scale.

2. I am pleased that you share our conviction about the need to make more efficient use of existing highway and transit facilities and to provide incentives to increase vehicle occupancy while employing disincentives to restrain single-passenger automobile usage. As you know, we have recently reinforced our policy on this subject through the issuance of the joint UMTA/FHWA planning regulations which, through their transportation system management (TSM) requirement, shift emphasis from long range concerns for new facilities to shorter-term service improvements that can benefit people and conserve energy immediately.

3. Finally, I fully agree that despite our legitimate preoccupation with the problems of today we must not lose sight of the future. As you may know, UMTA Administrator Robert E. Patricelli has recently announced his intention to sponsor a conference on R&D priorities so that industry, academic, local government and consumer interests can work with us in shaping a responsive research and demonstration agenda. I hope that through this consultative process we can reach an effective concensus on the longer term goals and then embark on a concerted program of government/industry cooperation to achieve these goals.

Sincerely,

William T. Coleman, Jr.

CONSERVATIVE SUPPORT FOR ATLANTIC CONVENTION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. FINDLEY. Mr. Speaker, 110 Members of the House of Representatives have joined this year in introducing a resolution to call an Atlantic Convention of the NATO democracies.

Those giving strong support to the resolution include many outstanding and thoughtful conservatives. Testifying last month before the Subcommittee on International Organizations of the Committee on International Relations, Walter H. Judd, eminent conservative lecturer, former Member of Congress and earlier a medical missionary in China, said:

Testimony of Walter H. Judd

Mr. Chairman, as one who was privileged to serve 16 years on this Committee, beginning with the immediate post-World War II years, I am grateful for the opportunity to appear before you today in wholehearted support of H.J. Res. 606, and the several identical joint resolutions.

Growing Soviet power and influence, together with Western Europe's economic dependence on Middle East oil and America's loss of international prestige and of preeminence in power, combine to reinforce my belief—of thirty years standing—that survival of freedom and of western civilization requires greater economic and political integration of the Free World. I am convinced that those countries with longest experience and greatest maturity in democratic self-government, especially those already associated in NATO and similar alliances, must pursue closer economic and political integration if we are to preserve our freedom. Genuine unity of the free and self-governing nations offers much greater security and less risk than attempts to go it alone or illusory détente with dictatorship. It may be the only way to halt the contraction of the West and "the complete and final victory of Communism on a world scale" (as confidently predicted by Mr. Brezhnev in Pravda, August 22, 1973).

In April, articles appeared in NATO Review warning that the Soviet Union has achieved, or soon will achieve military superiority and is continuing at full speed to expand its military force. Admiral Sir Peter Hill-Norton, Chairman of NATO's military committee, said: "The Soviets are increasing their land, sea and air forces to an extent far exceeding anything that could remotely be justified simply for defense."

Federal Reserve Board Chairman, Arthur Burns, has soberly warned that "Britain is going down the drain." The economics of Italy, France and Japan face tremendous pressure and uncertainty. Unemployment breeds a demand for tariffs and is pushing us all towards isolationism. With each nation taking measures it hopes will get it out of its own immediate troubles and ignoring the interdependence of all, we invite worldwide economic disorder on a scale comparable to the great depression.

The evident disunity and the growing weakness of the West invite the Soviets to use their vast military might to "finlandize" the rest of Europe, and then the rest of the world. Following Lenin's advice, they aggressively probe any situation that looks mushy, withdrawing only if the probes meet solid strength.

Their prospects on Europe's southern flank are better now than at any time since 1947 when, taking advantage of Western Europe's post-war political and economic disorganization, they almost gained power in Greece, Italy, and France. Current events in Portugal, Italy, Greece and Turkey, and fears of the future in Spain have brought several nations vital to our security to the very brink and they may be pushed over.

It was the Truman Doctrine of 1947 and then the creation of the Marshall Plan in 1948, NATO in 1949, and the Organization for European Development Cooperation (OEDC) in 1950 that checked the Soviet Union's drive for dominance twenty-five years ago. Western Europe was saved by a new degree of military cooperation and unity, and by far-sighted action in the formation of the Common Market. In 1961 OEDC was expanded to include five non-European countries (OECD) including the United States and Canada. Nothing but good has come from these steps. Surely it is time now for further movement towards economic and political integration of parliamentary democracies. Such action offers our best hope for coping successfully with the geo-political realities of Soviet power and pressures, and world economic instability.

Despite current strains, the free industrialized powers are already functionally united as never before. The movement of goods and people is freer than ever. Business operations are multi-national. As a result of financial, personal and communication links across national borders, there is a generation of European and American youth who do not feel bound by cultural boundaries. The question for which future generations will hold us accountable is whether we build on these sound foundations to prevent the "finlandization" of the free world, country by country.

In short, will we of the United States voluntarily develop closer ties with the free governments and peoples of today's world, or be forced into closer ties with the Communist bloc as just one more of the countries on this planet without real freedom?

I believe the Congress should vigorously explore all possible avenues for a "more perfect union" with like-minded countries which it is increasingly clear is in our national interest. To that end I urge this Subcommittee and the full Committee on International Relations to approve the House Joint Congressional Resolution presently before you, calling for a convention of parliamentary democracies to explore all possible approaches to closer and more effective economic and political relationships. It would authorize an American delegation, committed possible options with similar delegations to no preconceptions, to meet and discuss from other countries sharing our fundamental political concepts, traditions and institutions.

The convention, with no power except to recommend, could provide a useful forum for examination and possible articulation of a new foreign policy position that would be more successful in halting Communist gains and strengthening freedom. Such an effort would cost us nothing politically, little financially, and just might find a way to save everything.

On another occasion Senator Barry Goldwater said:

The resolution that you introduced . . . is a good idea in my opinion. While I don't believe the North Atlantic unity is just around the corner, I do believe it will be a must before we can present a solid front to our communist enemies.

The resolution calling an Atlantic Convention also has been endorsed by two former supreme commanders of NATO military forces. Retired U.S. Air Force Gen. Lauris Norstad has publicly stated:

While Atlantic Union may be something for the future, it seems to me that a meeting of distinguished citizens of the Atlantic countries at such a sensitive time in the life of the Alliance would serve a most useful purpose.

Retired U.S. Army Gen. Lyman L. Lemnitzer offered his support of the resolution and said:

In the world today, military matters are essentially political. In my opinion, there is no more important contribution to peace than the strength and unity of the Atlantic Alliance.

REFORMING FINANCE REFORM

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ARMSTRONG. Mr. Speaker, several times in recent months I have called attention of the House to articles on the Federal Election Campaign Act of 1974 by this distinguished newspaper writer, David S. Broder.

No other journalist has so clearly perceived and discussed the inherent dangers of this unwise legislation adopted by the Congress a year ago. Over and over again Broder has raised practical and legals doubts about FECA.

On October 19, two more of Mr.

Broder's articles on this subject appeared in the Washington Post. I hope my colleagues will read them carefully and consider well the implications of these thought-provoking columns:

[From the Washington Post, Oct. 19, 1975]

REFORMING FINANCE REFORM

(By David S. Broder)

The Federal Election Campaign Act of 1974 comes up for review next month in the Supreme Court. What that worthy body will do with the challenge to the constitutionality of the big post-Watergate "reform" law is anyone's guess.

But if the learned justices take judicial notice of what was said last week in the U.S. Senate, when the authors of that legislation had their first occasion to look again at their handiwork, they might be taken back.

Sen. John O. Pastore (D-R.I.), who has announced his retirement at the end of next year, is free to speak with notable candor. Pastore was a cosponsor of the legislation and a member of the Senate-House conference committee which put it in its final form.

And what does he think of it now? "The law is absurd. We created a monster. It is our own fault. . . . We have a law now that even the people who wrote it do not understand.

How can such a thing happen? Here is Pastore's answer, on the Senate floor: "I remember I went to that conference and we were there for days and days and days and nobody understood what was in that bill. But at that time we were running like scared rats for some reason. I do not know why. We were running like scared rats. We thought the stronger we made it, the tougher we make it, the more the people would believe us. I do not think they believe us any more today than they did before we passed the law."

If that sounds like an epitaph for the spasm of post-Watergate morality that produced the campaign finance reform law, you are hearing it exactly right.

Indeed, the Senate floor fairly echoed with cries of regret over the un-examined and unintended consequences of the law which Congress passed at the height of the Watergate fever. The question immediately before the Senate was a narrow one—a review of a specific ruling of the Federal Election Commission, the agency created by the Congress to administer the new law.

The commission had ruled that any money spent from a congressional office fund in the final year of a House member's term and the final two years of a senator's term would be presumed to be a campaign expenditure, subject to the limitations on spending in the new law.

Many members of Congress maintain such funds to finance travel, communications with constituents, entertainment of office visitors and gifts to home-state groups, items which are not paid for from their government expense account. Some members of Congress put their own money into such funds, some raise them from contributors, and some do both.

The Senate debate showed no reluctance to disclose the sources and uses of the office account moneys. But there were anguished expressions of pain at the idea that if a senator up for reelection in 1976 presents an American flag to a grade school or sends a congratulatory telegram to the honoree at a "Woman of the Year" banquet in 1975, that most is deducted from the amount he can spend on his actual campaign next year.

The senators dealt with the immediate problem by vetoing the commission ruling, (as the law permits either house of Congress to do). But this incident brought them face-to-face for the first time with what is clearly emerging as the most serious mistake in the 1974 law—the imposition of rigid spending ceilings on every race for federal office.

As Sen. Edmund S. Muskie (D-Maine) said in a characteristically thoughtful comment on last week's controversy, "I wish to make it clear that since the passage of the act last year, I have had increasing reservations about the constitutionality and the wisdom of fixing limits on the amount of money which any candidate for federal office can expend on his campaign."

Muskie's view carries special weight because he had been the commission's strong supporter of the law and he had argued that the commission's ruling was a reasonable interpretation of its basic provisions.

The problem, as he now sees, is in the law itself—and, specifically, in the concept of spending limits. The sooner the Supreme Court deals with the issue, the better off everyone will be.

[From the Washington Post, Oct. 19, 1975]

MONEY STILL SEPARATES DEMOCRATS

(By David S. Broder)

When Congress provided public financing for 1976 presidential candidates, through federal matching grants for small contributions, the belief was that it would erase the competitive advantage of the welloff candidate.

But at this stage of the Democratic nomination race, the greatest disparity between the contenders is financial. Two are affluent and the rest are struggling. And a growing number of participants in the race believe that the dollar squeeze may narrow the Democratic field faster than any other force.

Campaign finance reports filed Oct. 10 showed that Sen. Henry M. Jackson (D-Wash.) and Alabama Gov. George C. Wallace were making a runaway of the money race.

Between them, they have raised more than $4 million this year. Almost half of it is in the bank ready for next year's primaries. The other eight Democratic contenders have raised a total of $2.6 million, and their collective net on Oct. 10 was below $200,000.

Two of the eight—Rep. Morris K. Udall of Arizona and former Gov. Terry Sanford of North Carolina—showed deficits. Five others—former Gov. Jimmy Carter of Georgia, Sen. Birch Bayh of Indiana, Pennsylvania Gov. Milton Shapp, former Sen. Fred Harris of Oklahoma and 1972 vice presidential nominee Sargent Shriver—had less than $100,000 apiece in the bank. Sen. Lloyd M. Bentsen Jr. of Texas had $198,000 on hand—but had been out spending his intake for the past three months and has cut back on his plans for the primaries.

At the other end of the scale, Wallace had a cash balance of $659,000 and Jackson had almost $1.25 million on hand.

No other difference of such magnitude separates the rivals in the big Democratic field. Wallace is the best-known and leads the others in preference polls of Democratic voters. Jackson ranks next in name familiarity and support among the active contenders.

But neither has translated that potential support into a visible organizational advantage in the primary states. On the contrary, in many of the states with early contests, observers note a significant absence of Jackson and Wallace forces.

But in the few days since the financial reports became available, strategists for all the Democratic campaigns have begun to revise their thinking about the course the contest is likely to take.

Bentsen said publicly Thursday what many others have been saying privately—that the shortage of money may drive several of the contenders to the wall early in the nomination fight.

"I don't see how some of them can stay in, based on campaign contribution reports," the Texan told a Jefferson City, Mo., press conference.

"I think that's probably right," said Jody Powell, Carter's press secretary, "but I don't think it will happen right away."

The money squeeze is not a new factor in nomination politics. Former New York City Mayor John Lindsay, Sen. Edmund S. Muskie of Maine and others were forced to the sidelines in 1972 when their funds ran out.

But many people believed that 1976 *would* be different, because Congress had voted to provide federal matching funds for candidates who received $100,000 in small contributions (not exceeding $250 each) from their supporters. After that, the government matches dollar for dollar all gifts up to $250 each, up to a $5 million maximum.

Six of the 10 declared Democratic candidates say they have qualified for the matching money and the other four expect to be there soon.

That means that Uncle Sam will hand them checks on Jan. 1 equal to all their small gifts in 1975, and will continue to match, dollar for dollar, what they raise in 1976.

The early thinking was that, with that bonanza, no candidate would drop out of the race.

But now it is becoming apparent that:

1. Most of the candidates have had a hard time raising significant sums under the limits of $1,000 per giver in the new law.

2. Their "match" will not be as large as they had hoped, and may, in many cases, be "mortgaged" to pay off debts they have incurred in keeping their campaigns alive in 1975.

3. Their ability to raise additional money depends on a strong showing—a win or second-place spot—in one of the early primaries.

4. Failing such an early victory, candidates will not have the money on which to continue even on a shoe-string campaign.

These four propositions apply to at least seven of the 10 Democratic hopefuls. Only Wallace and Jackson are clearly exempt from the dollar squeeze. Bentsen may have enough to run the scaled-down campaign he now envisages.

As affluent candidates, Wallace and Jackson are free to pursue political strategies much different from their hard-pressed rivals. And that fact is likely to shape the early stages of the Democratic race.

NEXT: How the "have-nots" hope to survive.

ARE EIGHT U.S. AIRMEN 25-YEAR SOVIET PRISONERS?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Washington Star on Sunday, October 26, 1975, printed a front-page story entitled: "Are Eight U.S. Airmen 25-year Soviet Prisoners?" The story arose in connection with material, evidently, in possession of Senator CHURCH's Select Committee on Intelligence to the effect that American naval airmen are still being held in the Soviet Union as the result of being shot down in the Baltic in 1950 on an intelligence gathering mission.

This story should come as no surprise to anyone. Over the years, since World War II, various persons who have been released from Soviet forced labor camps have spoken of seeing or hearing of Americans being held in these camps. Among the evidence easily available is John Noble's book, which is mentioned in the Star article, entitled "I Was a Slave in Russia." For example, Mr. Noble mentions on page 73:

> I can remember only one of the names on that wall. I saw it quite accidentally. The name was partially obscured but it was either Roberts, Robertson, or Robinson. By it was a date of just a few days earlier (mid-August 1950), and after it was the identification, "Maj., U.S.A." Here was another far-from-comforting reminder that the power of the Soviet was great enough to snatch other Americans from freedom and into the night of the prison world."

And again on page 110;

> I was the only American in my camp. (I had heard rumors about Private William Marchuk, Private William Verdine, and two other Americans, Homer Cox and Towers, as well as many others, but I had no chance to meet them.)
>
> Days passed into weeks, weeks into months. I wondered whether the U.S. government knew where I was. Were they doing anything? I received no mail or packages (Tchevchenko wouldn't let them through even if they arrived), and I wasn't allowed to write my mother and brother George in Detroit, or my father, who I thought was still in a Russian prison in East Germany (actually he was released in 1952 and was back in Detroit), or the U.S. Embassy in Moscow. They even refused me a Red Cross postcard, a basic international right.

In fact, Noble may have been describing these very prisoners when, on page 119 of his book, he states:

> I spoke with eight of your countrymen, the Yugoslav told me. They said they were American flyers who had been shot down by the Russians over the Baltic Sea. The Air Force has, of course, acknowledged that several B-29's and B-50's on routine missions were downed over the Baltic. One of them told me he was afraid they would never get back to America. The Russians had reported them dead, saying there were no survivors of the crash.
>
> Prisoners being funneled into Vorkuta from camps in Tadzhik and Irkutsk in Soviet Asia, Omsk in Siberia, and Magadan in the Far East said there were many Americans, including veterans of the Korean War, both GIs and officers, and South Korean soldiers, working as slave laborers in their camps. From what I heard, they were PWs captured by the Communist Chinese and North Koreans who had been shipped to the Soviet for safe-keeping.

More recently, during hearings in the Senate in 1973 entitled: "U.S.S.R. Labor Camps," before the Subcommittee on Internal Security of the Senate Committee on the Judiciary, Part I, witness Avram Shifrin mentioned other Americans on page 60 in testimony that read in part:

> In this cell was—it was a transit cell—sometimes 60, sometimes 75 people together. All of them have a 25-year sentence. And it was corridor with cells and each cell with prisoners with 25-year sentence. In this cell, I first met some American officers which were kidnapped from the border and also Japanese Prince Konoye.
>
> Senator GURNEY. Kidnapped from where?
>
> Mr. SHIFRIN. From Osterreich, from Vienna. And I would give you their photographs and names. I have all this.
>
> Senator GURNEY. What were their names, the American officers.
>
> Mr. SHIFRIN. It was one of them, Alexander Shornik, one of your officers. He was not kidnapped. They arrested him when he came to visit father in U.S.S.R.
>
> Senator GURNEY. How do you spell that last name?
>
> Mr. SHIFRIN. Shornik.
>
> Senator GURNEY. S-h-a-w-n-i-k?
>
> Mr. SHIFRIN. No.
>
> Mr. BOLDYREFF. S-h-o-r-n-i-k.
>
> Mr. SHIFRIN. Another officer with the name Stanley was kidnapped from Vienna.
>
> Senator GURNEY. That is the one they kidnapped?
>
> Mr. SHIFRIN. Yes.
>
> Senator GURNEY. Stanley who?
>
> Mr. SHIFRIN. I have a little problem with this officer, because his second name is a little secret here. Maybe I will tell you privately about this? It was important American officer which they kidnapped from Vienna. He was one of my first teachers of the English language.

The appalling thing is that with détente and all that is supposed to go with it, that these men have never been accounted for. Why do we hush such things up? Why do not we demand an accounting or are these men consigned to the same file as those MIA's from Indochina that seem now all but forgotten? The article from the Washington Star, for those of my colleagues who did not see it follows for their edification:

ARE EIGHT AIRMEN 25-YEAR SOVIET PRISONERS

(By Thomas Love)

The Senate Intelligence Committee is investigating the possibility that at least eight Navy airmen may still be prisoners of the Russians 25 years after their plane crashed into the Baltic Sea.

One of the men—first officially declared missing, then dead, then possibly a Soviet prisoner—is Lt. Howard W. Seeschaf, who lived in Arlington before the plane with 10 men aboard disappeared off the Russian coast in April 1950, reportedly shot down by Soviet planes. He was 27 at the time of his disappearance.

After being told Seeschaf was presumed dead, his wife, who continued to live in Arlington for a number of years, remarried and was later divorced. At one time she was reported to have said her husband had told her that his unarmed plane was on a spy mission.

Shortly after Seeschaf's death was reported, his father died in New York after a five-story plunge down a dumbwaiter shaft.

A private detective and a former American prisoner in a Russian labor camp have raised the issue of the fliers' survival 19 years after the last public discussion of the issue between the two governments, according to the Associated Press.

An intelligence committee staff aide in Washington said the panel has the case "under close scrutiny." Committee Chairman Sen. Frank Church, D-Idaho, confirmed that an investigation is under way into the fliers' fate.

Theodore R. Grevers, a Grand Rapids, Mich., detective, said he became interested in the case three years ago when he was introduced to John Noble of Muncy, Pa., who spent 9½ years in a Siberian prison camp at Vorkuta. Noble gained his freedom amid nationwide publicity after intervention by President Dwight D. Eisenhower.

A friend of Grevers notified the Senate committee about the fliers last month, and Grevers says Church forced the Navy to declassify the file on the case.

A Yugoslav first mentioned the Navy fliers to Noble in 1950, saying 8 of the 10 were prisoners. A Ukrainian prisoner told Noble four years later, just before his release, that they were still alive.

Noble said State Department officials told him when he was first released in 1955 that one of the subjects wished he would not talk about publicly was Americans being held in Russia.

He said a Navy intelligence officer told him the day he returned to the United States in January 1955 that the Navy had aerial photographs of a Russian ship alongside the wreckage of the plane in the Baltic Sea which indicated crew members might have survived the crash.

Noble said he wants to revive the whole question of American captives in Russia "because of detente I'm concerned that we might be carried away and the men over there might be totally forgotten. There seems to be an attitude that for the sake of peace, let's forget those things."

Grevers said Noble's story is backed up by William A. Marchuk of Collegeville, Pa., a U.S. Army private who defected and then was sent to Vorkuta at the same time as Noble.

UKRAINIANS FIGHT FOR FREEDOM

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ESCH. Mr. Speaker, throughout our Bicentennial we will be celebrating the liberty and the rights which our forefathers won for us two centuries ago. If Bicentennial is to be truly meaningful, however, it is necessary for us to use the tools of liberty which they won for us. As Shaw wrote in his "Maxims for Revolutionists," liberty means responsibility. The meaning is clear. We have a responsibility to use our rights and our liberty to help those people around the world who are fighting for their own liberty. The truths that we hold self-evident, are often hidden from the people of other lands.

There are few areas of the world where liberty has been more consistently denied than in the Ukraine. The Ukrainian people have been the subject of atrocities for almost a thousand years. Since 1240 A.D. the people of the Ukraine have been deprived of sovereignty for all but 10 years. Their people have been murdered, imprisoned, terrorized, and at one point in their history were even denied the right to use their language in print. For 700 years they have been denied the freedom of speech, religion, and choice of their leaders.

Despite the constant persecution, the Ukrainian people have retained a burning desire for liberty and have fought to obtain it. Thousands of them today are confined in Soviet jails because they have worked for the liberty which we take for granted. There could be no better tribute to our own political activists—Thomas Paine, John Adams, Patrick Henry—whose accomplishments we celebrate during our Bicentennial, than to support the aspirations and demand the liberty of the political activists in the Ukraine.

Because this year, 1975, has been designated as international women's year, it is particularly appropriate to emphasize the involvement of Ukrainian women in the fight for freedom. They have been leaders in the freedom movement. The Ukrainian women have worked and struggled—and suffered—for the sake of freedom. Let me use one as a good example.

Odarka Husnak, a young Ukrainian woman, served as a courier for the central underground leadership. Her bravery and daring were typical of the hundreds of women who worked within the movement for freedom. Unfortunately, she was discovered and was arrested on March 5, 1950. She was age 26 when arrested. Since that time she has been confined continuously in a series of labor camps and prisons. Twenty-five years, fully half her life, have been spent under the most inhumane of conditions in the prisons of Verkhne-Uralsk and Vladimir and the concentration camps of the Mordovian ASSR of Russia. The liberty for which she fought has been denied to her in the most cruel manner.

Her situation is not unique. There are thousands of others whose plight has been just as grim. Yet their devotion to the ideal of freedom is undiminished and they must look to us for help.

To experience the true meaning of liberty, we must use our freedom of speech and freedom of the press to express our outrage about such atrocities. I strongly urge each of you here in the Congress to write to Soviet Ambassador Anatoly F. Dobrynin urging amnesty for the multitude of oppressed Ukrainians who are now being held by the Soviets as political prisoners. We must work with those Ukrainians who are now in the United States to support their compatriots who have yet to taste the blessings of freedom.

It is probably unrealistic for us to expect immediate release of these people and for the freedom of Ukrainia, but as Thomas Jefferson said:

> The ground of liberty must be gained by inches.

Perhaps the freedom of the Ukrainians will be gained only in fractions of an inch, but we must never let our tools of freedom become rusty and dull from disuse.

In 1776, Thomas Paine suggested to all of us the obligations which our freedoms impose upon us.

> Those who expect to reap the blessings of freedom must undergo the fatigue of supporting it.

CONGRESSMAN HEINZ INTRODUCES THE FOOD STAMP REFORM ACT

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HEINZ. Mr. Speaker, I am today introducing far-reaching legislation to reform and streamline this Nation's food stamp program. This proposal, the Food Stamp Reform Act, has been introduced in the other body by Senators DOLE and McGOVERN as S. 2451 in response to the growing controversy surrounding the food stamp program. Representatives of all political persuasions have, in recent months, criticized the program for its excesses and ineffectiveness, and for failing to serve the best interests of this Nation's taxpayers or its neediest citizens.

The chief objective of the Food Stamp Reform Act is the restoration of the food stamp program to its congressionally mandated purpose—providing adequate nutrition to low-income families. Unfortunately, as food stamp administrators have testified, the program's sloppy administration, its endless redtape requirements, and its complex formula for deductions now result in the misspending of one in every 5 food stamp dollars. Department of Agriculture officials estimate that this legislation, by simplifying administrative procedures, thereby eliminating overpayments, and by eliminating cash food stamp transactions and cutting in half the number of food stamps in circulation, will save the taxpayers as much as $350 million per year.

Mr. Speaker, the Food Stamp Reform Act will greatly improve the program for the needy, while eliminating excess and abuse. The bill's key provisions include:

First. An eligibility limit of $7,776 cash income for a family of four;

Second. A standard deduction of $125 per month, $150 for the elderly. This provision eliminates the inequitable and cumbersome system of deductions now in effect, and is estimated to eliminate some $300 million annually in the program's administrative costs. The Department of Agriculture estimates that the standard deduction will eliminate 1.5 million recipients from the food stamp rolls, while considerably shortening the application process which results in such lengthy delays for food stamp clients;

Third. The elimination of the food stamp purchase requirement, and adoption of a uniform benefit ratio of 30 percent. Under this provision, food stamp recipients will be given an amount of stamps equal to the difference between the allotment level and what he or she would otherwise have had to pay for stamps under existing law. Eliminating this purchase requirement is expected to save at least $50 to $100 million yearly in administrative costs, while cutting in half the number of food stamps in circulation;

Fourth. The elimination of automatic eligibility for welfare recipients, making them subject to the same national eligibility guidelines as nonpublic assistance households. This eliminates the discrepancy between welfare and nonwelfare applicants which now exists in 30 States, and which allows some welfare applicants to receive stamps at income levels which would disqualify them if they did not receive public assistance; and

Fifth. The elimination of food stamp eligibility for all college students now claimed as tax dependents by taxpayers who themselves do not qualify for stamps.

Mr. Speaker, I commend to my colleagues the Food Stamp Reform Act in the firm belief that, through its enactment, we can better serve the American taxpayers, while improving the health and nutrition of low-income citizens.

TERENCE O'ROURKE SPEAKS ON DEREGULATION

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. CHARLES WILSON of Texas. Mr. Speaker, yesterday's action by the Senate to deregulate new onshore natural gas is the most sensible energy measure taken by either body of Congress since we first realized that the words energy and crisis were inseparable. There is a great tendency in this House to treat the predicted shortfalls in natural gas as the problem and not as the symptom of the real problem—excessive Government regulation which has stifled exploration and production of gas in this country. To prescribe more regulation as the cure, as many of my colleagues suggest, would surely cause the problem to worsen.

I invite you to consider carefully the following testimony before the House Interstate and Foreign Commerce subcommittee on Energy and Power by Terence O'Rourke, an attorney in Houston, Tex. Mr. O'Rourke, a longtime friend, is known throughout Texas as an independent man of moral judgment, whose knowledge of the oil industry has been obtained at arm's length from its special interests. I believe he is particularly qualified to speak on this subject and his knowledge of the issues is profound and his advocacy of consumer welfare is unqualified.

I urge your attention to his statement and your action upon it:

TESTIMONY OF TERENCE O'ROURKE

My name is Terence O'Rourke and I have come before you today to urge Congressional action to free the interstate natural gas market from federal price controls. I speak not as an advocate for the oil and gas industry, but as an American citizen. My viewpoint is that of the consumer. As an assistant attorney general for the State of Texas, I vigorously prosecuted major oil companies for violations of the pollution laws and established a firm law-and-order approach to the enforcement of Texas' environmental and consumer protection statutes. Since returning to the private practice of law in Houston, Texas, I have maintained an active interest in energy/environment issues. My past activities are a matter of record and I will not belabor them before this committee except to say that I have always been independent of and unbeholding to the so-called "special interests".

Today, you are considering far-reaching natural gas legislation as a part of a more general reformulation of the energy policy of the United States. You are deciding whether the interstate gas market should be free from price controls or whether a system of federal regulation should be extended to the uncontrolled intrastate gas market. Your decision on these matters will affect every American.

When this committee considers the alternatives to the free market system, it should review the Federal Energy Office estimates on gasoline rationing. You may recall that the FEO projected that administration costs of such rationing would exceed $2 billion and would require a cumbersome bureaucracy of more than 3,000 state and local boards.

In addition, an economic look at further regulation and/or rationing of natural gas should consider the side effects of price control. History has shown that even when administered to combat the most reprehensible corporate abuses, government price controls frequently result in higher prices, higher costs, less competition, and fewer goods and services actually available to the consumer. These and other ill side effects have manifested themselves in nearly every industry over which federal agencies exercise direct regulatory control—television, radio, airlines, railroads, truck transportation, and securities markets. When one considers services directly provided by the federal government (like the U.S. Mail), the case for systematic deregulation becomes even stronger. But nowhere has government regulation been so counter-productive—and counter-consumer—than in the natural gas industry.

Contrary to many popular mythologies, federal regulation of natural gas will not mean lower prices. Indeed, close scrutiny of our nation's natural gas supply system will reveal that in the absence of available natural gas, consumers in most cases will be forced to rely on the only viable current alternative fuel—oil—and that even deregulated natural gas would cost no more than oil equivalents.

No consumer or environmentalist wants to pay more money than necessary to the oil and gas companies, which in some quarters are currently perceived—somewhat unfairly, I would submit—as excessive profiteers, price-fixers, tax-dodgers, and corrupters of the political system. But, at the same time, most American citizens realize that they must pay a fair price for the exploration, development, production, refining, transporting and marketing of natural gas. And they also realize that if fiscal procrastination and irresponsibility like that practiced by New York City might bring short-term benefits, such policies will only result in long-term economic chaos.

You, the members of Congress, must decide what the American people really want. Would your constituents prefer to pay slightly higher prices now or exorbitant prices in the near future and forevermore? Would your constituents prefer to determine their own levels of energy consumption on the basis of their own assessments of their needs and capacities or would they prefer to take orders and directives from a distant and overburdened federal agency on how they are allowed to consume energy? When you examine these issues and the history of federally controlled market systems, you will find that the economic reality as far as the consumer is concerned will be either standing in lines, a "black market", a curtailment system, or all of the above.

It is your responsibility to tell American consumers that a free market system—for all its flaws—is the best way of distributing the costs and benefits of our nation's natural resources. And it is your duty to tell them that deregulation—not further inefficient, uninformed and costly bureaucratic control—is the best means to the end we all seek: an energy-healthy and productive economy that is not under the gun of foreign fuel policies.

FREE ENTERPRISE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ARMSTRONG. Mr. Speaker, during the last few months America's great free enterprise economic system has been subjected to increasingly strident and irresponsible attack. Again and again ill-informed critics have advocated further restrictions on the ownership and use of private property, regimentation of free markets, restrictions on worker's rights and a multitude of new bureaucratic controls and punitive tax measures. Indeed, legislation stemming from such thinking has already seriously undermined the Nation's productivity and contributed heavily to inflation and unemployment and a lower standard of living for millions of Americans.

But what really alarms me is the response of business to these shrill attacks. Or should I say the lack of response? Instead of offering a thundering rebuttal, most of the Nation's businessmen and women have been timid and apathetic.

One notable exception is Richard M. DeVos, president of Amway Corp. Mr. DeVos and his partner Jay VanAndel organized this firm in their basements in 1959. Since then, Amway has become a spectacular success, an example of free enterprise in action. Today his firm has over 200,000 independent distributors in the United States and overseas and is a multimillion dollar company.

Recently Mr. DeVos wrote a book in which he shares his philosophy of life including a powerful affirmation of free enterprise. I am pleased to call attention of my colleagues to Mr. DeVos' book and to invite every Member to read his ringing endorsement of our Nation's economic system:

BELIEVE!—IN FREE ENTERPRISE

If you asked me what important blessing Americans most take for granted, I would have a surprising answer for you. It's not the air we breathe, or the churches we attend, or the sun that comes up every morning. Not the love of family and neighbors. Not our health or political freedom. The most grandly ignored blessing of American life is our system of free enterprise.

"Capitalism" has become virtually a dirty word in this generation, and that's a dirty shame!

Unfortunately, words like "free enterprise," "profit," and "capitalism" conjure up visions of money-hungry industrialists greedily stuffing dollars into their pockets while the poor masses become more and more destitute. Free enterprise is fast becoming the all-purpose scapegoat of this half century. The critics will tell you that all the evils of the 1970s are laid at its door. The air and streams are polluted because of capitalism, people are poor because of capitalism, wars are fought because of capitalism. The free-enterprise system is evil, their argument goes, and it poisons the whole society.

What ignorance! What foolish, unfortunate ignorance! The truth of the matter is that the free-enterprise system is the greatest single source of our country's economic success, and its best hope for surviving the demands of this chaotic century. It is time for this generation of Americans to believe once again in free enterprise, to espouse it, to teach it to our young as a positive blessing.

Too many people consider a country's economic system irrelevant to its politics, religious life, and other cultural characteristics. That is a dangerous error. The economic system of a nation is the backdrop against which all else unfolds; it sets the stage for the entire life of a country. Many Americans ignore the blessings of free enterprise because they consider the whole issue irrelevant—a matter for the economists and the political scientists to quibble over. They wear color-coordinated clothes to air-conditioned, carpeted offices and plants, drive luxury automobiles down superhighways to spacious homes set on landscaped lawns, sit down to steak dinners before retiring to king-size beds—and hardly give a thought to the system that makes it all possible. They listen to the news on four channels, worship at whatever church they choose, give to their favorite charities, and wonder if maybe socialism *is* a better way, after all. They hear an ill-informed politician with an ax to grind berate the evils of that monstrous, dog-eat-dog capitalistic system, and wonder if maybe he might be right.

I want to challenge you to believe in free enterprise—because it *does* matter that you believe in it, understand it, and know what it is and is not.

Very simply put, free enterprise happens when the freedom of people is recognized as an inherent right stemming from the Creator, and that freedom is safe-guarded (as ours is) in the structure of the government organization. In the free-enterprise system, the manufacturer or businessman owns his own tools, risks his own money, sets his own prices, makes his own decisions, and makes or loses money depending on how well he provides the public with a product or service which it wants at a price it is willing to pay. Unless that company does something criminal, or violates the public interest, the government should leave him alone to pursue his interests.

The only real alternative to free enterprise is socialism or, in the extreme, communism. Under these systems the government owns the tools and factories, sets the prices, employs the workers, and provides the public with the product at a price which the government sets.

But between free enterprise and outright socialism is the condition toward which the United States is now gravitating—that of a constantly increasing governmental interference in business, where government sets more and more regulations, makes more and more decisions, owns more and more of the businesses, and slowly squeezes the corporation out of the picture.

The crucial way that an economic system must be judged is by its productive output. What does it provide for the people? What level of life does it make possible for them? Compared on that basis, free enterprise is clearly superior to alternative economic systems. Over the last two hundred years this country has outproduced any other country in the world, hands down. It has provided for its people more material goods than any other system in history.

Consider these figures from the *New York Times:* in the United States a medium-sized automobile costs about 100 days wages; in Moscow it costs about 1,000 days wages. In the United States a small refrigerator costs about 32 hours of work; in Moscow it costs about 343 hours. An average washing machine costs 53 hours here against 204 hours in the Soviet Union. Color television sets cost the equivalent of 147 hours for the American worker; in Moscow the price is 1,110 hours. The comparisons go on and on, and always the result is the same: the American system gives its workers a far greater reward for their work than does socialism or communism, its most prominent economic alternatives. And that is the ultimate test of an economic system: the degree to which it yields returns to the individual on his labor, whether that labor is by the sweat of his brow or by his managerial or creative skills.

The United States has only 6 percent of the world's population, and we have about 7 percent of the land surface of the world. But, despite the fact that we are so small in comparison to the rest of the world, we as American citizens own 45 percent of all the automobiles, 60 percent of all the telephones, 30 percent of all the radios, and 80 percent of the television sets! On the production side, this country produces 25 percent of all the steel, 40 percent of the electric power, 50 percent of the corn, 60 percent of the natural gas, 30 percent of the beef, and 40 percent of all the aluminum in the world! And all of that by 6 percent of the world's population!

Of course, any time someone begins to quote statistics like that which show the overwhelming superiority of the American free-enterprise system, the critics start hollering about something they call the "quality of life." The "quality of life" is somehow lower under capitalism, they insist, even in the face of all these material goods. But I have found that it is difficult for people to worry about the quality of life when they are hungry. There is no concern for good books, good music, symphony orchestras, or a provocative intellectual climate when a man must work eighty hours a week to keep warm and fed and under a roof at night. When a man spends all day struggling to sustain himself, he has no time to worry about the "quality of life."

The truth is that in America more people can read, write, and speak the language than anywhere else in the world. More people go to church. More people receive a college education. More people have more time and more money for the enrichment of their lives beyond the workaday demands of scratching out a living. The advanced medical research of this country, the enormous recreational programs for young people, the hospitals and churches, the schools and museums, the organizations that send millions of dollars overseas every month—all these are possible only because under a free-enterprise system there is enough material wealth *left over* from survival needs to do all these things. There is no United Fund in Russia because nobody has anything to give but the government.

Still the system is criticized. Another popular blast leveled at free enterprise is that under such a system there are too many wealthy people, too many who have too much. Once, when I was speaking on free enterprise at a college, a young man challenged me about the Cadillac I was driving at the time. "If you're really concerned about the poor," he said, "why don't you give up that Cadillac you're driving and drive an old car, one that will just get you where you want to go?" What that student inaccurately believed was that if the rich have less the poor will have more. That is not the case. If those who have material wealth have less, then everyone has less. If you want the caboose to catch up with the locomotive, you don't do it by stopping the train. If the rich become poor, everyone has less.

I explained to the young man that I provided work for lots of men by buying that Cadillac. For me to be poor would not make any one of them richer. If the farmer gets less for his produce, the food doesn't get cheaper; it gets more expensive, because the farmer, having no incentive, produces less food. If America were poorer, the poorest country in Africa would be no better off. We all would have less. The only way for there to be more material wealth in the purse of the have-nots is for there to be more goods produced, and the only way to produce more is to provide incentives for people to work harder and more efficiently. And any time those incentives are provided, there will be some people who have more than others, because some will always work a little harder, do a little more to get more for themselves.

Certainly it is the responsibility of a nation to see that the rich do not take advantage of the poor, or abuse the poor, but to suggest that if the rich had less the poor would have more is a fallacy. There simply would be less. Those who hail socialism as a great system because in it all men are equal are right up to a certain degree. Under socialism all men are equal—they are equally poor! That is the record of history. It is clear and irrefutable.

What accounts for the massive superiority of American production over that of other systems? It is not the presence of natural resources; for, rich as our country is in natural wealth, it is easily matched and even surpassed by others. It is not that American people are smarter, or stronger, or more industrious, though that would be a pleasant vanity to entertain if it were true. It is not that we have been at it longer, because our two hundred-year history makes us practically a johnny-come-lately on the world scene. What, then, is the secret of our phenomenal productive power?

It is the system.

We have a system which allows the people to own privately the tools of production, and one which allows the man who produces more to get ahead of the man who produces less. The matter of incentive for greater productivity will come up again later. For now, let's look at the importance of private ownership of the tools.

It is the tools, after all, that make the difference. A tool may be a hammer or a steam shovel or a tractor-trailer truck or a computer or a conveyor belt. It is an instrument which a man uses that enables him to produce more with his output of energy. All over the world, men are roughly equal in energy, intelligence, and willingness to work. Italians, Indians, Czechs, Russians, Argentines, all are pretty much the same in their raw energy and ability. But a man with a tool can do more than a man without a tool. A man can work hard for eight hours digging a hole in the ground with his bare hands. A man with a pick, in the same amount of time, can dig a much bigger hole without working any harder. And a man with a bulldozer can dig a far bigger hole yet. That doesn't mean that he is a better man, or that he has any greater human value—it just means that he has a better tool.

The farmer in Spain who walks behind one old mule with a little plow and plows one acre a day is no less a person than the farmer in Kansas who plows a thousand acres a week sitting in a high-powered tractor. Once I was in Peru and saw men walking around with lumber on their backs. They carried that stuff on their backs, all bent over, from one place to another. They can move perhaps one hundred pounds ten miles in a day. One of our truck drivers climbs into the cab of a tractor-trailer rig, adjusts his cushion, slips an eight-track tape into the dash, and rolls down the highway at fifty-five miles an hour hauling thousands of pounds, day and night, without stopping. Is that truck driver a better man? No, but he has a better tool, so he produces more and lives better as a result.

It is only when one sees some of the modern tools that he can fully appreciate how powerfully a tool can change a man's ability to produce. Modern technology can put tools into a man's hands that enable him to outproduce hundreds of men without those tools. And a whole society of men with such powerful tools reaps the benefit of a work force comparable to billions of workers without tools. At our plant in Ada, Michigan, for example, we produce aerosol cans. I used to test the cans by hand, one at a time. Now we have an assembly line that produces them and cranks them out at the rate of three cans per second! Those cans come off the line in a blur—powerfully impressive tool! We have a computer there at Amway, and they tell me that it can print out information at the rate of eleven hundred lines per minute—that's the equivalent of one secretary typing over twenty-seven thousand words per minute, or a booklength novel in three minutes!

The list of examples is endless. It takes no time at all to recognize that it is the tools that man has which have brought him from the more primitive forms of life to the relatively rich culture of today. And the economic system which optimizes the development and use of tools will be the most productive system.

And that is exactly the point at which free enterprise has any socialistic system hopelessly beaten.

The American Economic Foundation came up with a formula that explains just how tools are the pivotal element of an economy. The formula has been around for years, and I enjoy repeating and explaining it when I speak on free enterprise. It goes this way: $MMW = NR + HE \times T$—Man's material welfare equals natural resources plus human energy multiplied by *tools*. All that man has of a material nature comes from the earth in some form (natural resources), but it must be converted into usable form by his own effort (human energy), whether it is physical work or mental work or whatever.

All countries have natural resources. All countries have human energy. But all countries do not have an equivalent share of material wealth. The main reason is that in some systems the people are allowed to own the tools, and in those systems the tools are better cared for and more efficiently used. In addition, those same systems give people extra benefits for developing new tools, so more new tools are developed.

People take better care of things that belong to them. That is human nature. If you don't believe it, just rent your house to someone for a year and see how well he takes care of it—or vice versa. If I don't own something, it just seems less important that I take care of it.

One day I was with some guys coming out of Los Angeles on a crowded freeway early in the morning. The smog was bad; the freeway was crowded. We got frustrated waiting to get into a line of traffic, and finally I said, "Aw, cut on in, John, it's a rented car anyway!" Suddenly it occurred to me that I would never have been so casual about banging up my own automobile. If you don't own it, you don't take care of it as well. And that is exactly the problem they have in Russia. The state owns all the tools, the factories, the buildings, the means of production, and nobody takes care of them. A psychologist, Albert Bandura, once said, "No single snowflake in an avalanche ever feels responsible." That is how it is with a sense of responsibility for tools owned by the state. It belongs to everybody, so nobody feels responsible. The tools of production—the key to material wealth—are abused and neglected and get only half the life and efficiency of privately owned tools in America.

The other aspect of the tool factor in comparing the two systems is that, in a free-enterprise system, the development of new tools is rewarded. Suppose you spent months and years working in your basement at night to invent a better plow, or a more efficient vacuum cleaner, or a sharper pair of scissors. How would you react if, when you finished that new tool, the government took it from you and said, "Thanks a lot, but this new invention now belongs to the people," and took it from you without paying you for your years of hard work and ingenuity? You would be angry, of course. You would be disillusioned and bitter and would be determined never to waste your time again developing a new tool. You worked hard while others were sleeping, watching TV, having a good time, and you got nothing for it. And so it is that in a socialistic system the incentive to develop and own new tools is squashed, and tools are developed with less frequency than in a free-enterprise system.

In America if you invented that new machine it would be yours. You would be free to sell it to the highest bidder. Or you could manufacture it and sell it by the millions. In either case, the patent law would protect your right to reap the benefit from your work. You would make money, thereby sharing the payoff of that better tool which increased someone's productive efficiency. And so you, and others like you, would be willing to do a little extra, work a little harder, explore your new ideas and convert them into reality, and as a result the whole society becomes more and more productive, and everyone lives a little better, especially those who have the initiative to go that extra step.

Free enterprise is really that simple. It is a system in which the individual has a right to conduct his business in whatever way he chooses, and keep the benefits of his work. That system is threatened whenever government burdens the businessman with rules and regulations, tells him how to operate his business, and generally increases his cost of producing goods. In the United States today the freedom of businesses to pursue their affairs is being severely limited by a flood of nit-picking, unnecessary regulations. That becomes a real danger, because as government gets more and more involved in the job of running the nation's businesses, the tools of production come more into the control of the government and not of the people. Already in this country we have people yelling for the government to take over the oil industry, the railroads, the telephone systems, medical treatment, you name it.

When that happens, when the tools of this great industrial nation become the property of government and not of individual owners, those tools will be wasted and abused.

Look at public housing. Buildings built to last thirty years are run-down and ramshackle after five years. They belong to everybody and they belong to nobody. But if I own a tool, and I am going to reap the benefits of its use, you'd better believe I will take care of it and use it well.

The bottom line is this: when the state controls the tools of production, it controls the people. They become slaves. By withholding the tools from them the state can reduce them to the level of primitive man; by saying when and how and for what purposes those tools may be used, it can control the life of every man.

When Fidel Castro took over Cuba he marched in and took control of the means of production. The young people were elated—they had finally overthrown that dirty scoundrel Batista, that capitalistic pig! Now the "people" owned the cane, the plantations, the refineries. All would be sweetness and light. But when the time came to cut the cane—which is hard, dirty work—some of the students said, "Uh, if you don't mind, Fidel, we don't want to cut the cane."

And Fidel said, "Brothers, together we march forward to cut the cane."

And again they said, "But we don't like to cut cane."

So Fidel said, "You *will* cut the cane! You will either cut the cane or go to jail." So they cut the cane. That is the way the economic life of Cuba has been managed ever since, and likewise in other anticapitalistic countries. The standard of living has just kept going down, until there are more and more poor people, not fewer.

The record of history is clear. The free-enterprise system has outperformed, outproduced any other in the world. It has provided more goods for more people, more jobs in better conditions, more wealth for less labor. It has left people free to control their own lives, to produce at the rate they choose, and reap the benefits of their labor.

It is a gift of God to us, and we should understand it, embrace it, and believe in it.

GUILELESS POSTAL SERVICE SEES NO PROBLEMS ABOUNDING

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. COUGHLIN. Mr. Speaker, in view of today's extensive debate and votes on H.R. 8603, the Postal Reorganization Act amendments, I think it appropriate to include in the RECORD a copy of the September 24, 1975, letter which I wrote to the Board of Governors of the U.S. Postal Service protesting the application for a 13-cent first-class mail rate. Also included is the Postal Service's response.

The reply from the Board Chairman adopts a "see no evil, hear no evil" approach which, unfortunately, has come to typify top management's "Alice in Postal Land" attitude to serious problems and deficiencies brought to light in the operation of the Postal Service.

For example, here is what the Board Chairman says about the quality of postal service:

> I am particularly concerned about your view that the quality of postal service has steadily declined. I am concerned about it because it runs counter to virtually all the indications of sustained or improved levels of service that have regularly been reported by the Postal Service's measurement systems over the past two and one-half years . . . If the Postal Service's reports of improving levels of service do not reflect reality, we certainly want to know about it as quickly as possible. It may be, of course, that your observations relate to a particular local situation, in which case the situation should clearly be corrected immediately.

What could have been a more blatant signal of dissatisfaction than the House vote for the Alexander amendment on September 29—a vote to require the Postal Service to come to the Congress annually in order to justify its authorizations and appropriations? Should this not have been some indication that the Postal Service's reports of improving service do not reflect reality? Do the sentiments of 267 Members of Congress indicate something other than isolated problems? Apparently, the Postal Service does not think so.

Perhaps today's vote to uphold the Alexander amendment might help to get across the message. I certainly hope it will.

But in case it does not, I also am inserting the remarks of an attorney from my district. His comments typify the low esteem in which many citizens regard the Postal Service and suggest yet another title for this fantastic fantasy in which the USPS lives:

> My purpose in writing this letter is to complain about the postal service in this city. I was under the impression that when Congress created a separate corporation, the Post Office service would improve and costs would go down. Quite the reverse has happened. In our law office, for example, we were accustomed to receiving our mail by 8:30 a.m., so that it was distributed and available to all of the lawyers in our organization by the time they came in at 9:00 o'clock. Now we are lucky if we get it by 9:45 with the result that many man hours are wasted on the part of the secretaries and associate lawyers who cannot get their morning dictation out of the way until the mail is delivered and distributed. This is particularly disadvantageous for our trial staff because generally speaking they must leave the office for court by 9:45 and hence frequently miss seeing the mail until the next day.
>
> It is inconceivable to me why postage rates continue to go up and up and the service goes down and down . . .
>
> Incidentally, the service is no better in the outlying areas than it is in downtown Philadelphia. It is the question of "a dillar, a dollar, a ten o'clock scholar," except that now mail arrives at my home at noon when as little as three years ago it was delivered at 10:00 a.m.

The text of my letter to the Board of Governors and the reply follows:

> SEPTEMBER 24, 1975.
>
> BOARD OF GOVERNORS,
> *U.S. Postal Service,*
> *Washington, D.C.*
>
> GENTLEMEN: In view of the U.S. Postal Service's recent application for rate increases, I am writing to protest the 13c request for a first class stamp.
>
> I realize that all segments of our society are feeling the effects of inflation and do not presume the Postal Service to be immune from this economic pinch. However, I do feel that the proposed 3c increase—a 30 percent escalation—is excessive, particularly when compared to the 8.6 percent rise in the cost of living during the past 12 months.
>
> As a Congressman who testified last year that cost efficiency in the Postal Service should not take precedence over the public good, I still maintain this position. We in the Congress, as well as those in the Postal Service, have an obligation to the people to ensure that their need for fast, efficient mail service is met. Unfortunately, this has not been the case and the quality of service has been deteriorating at a steady pace. With this in mind, it is no wonder that the public is enraged over the proposed escalation.
>
> The very purpose of the Postal Reorganization Act—at least as I understood it—was to remove the Postal Service from the realm of political pressure and to transform it into a self-sustaining, business-like operation. The realities of today, however, are a far cry from the goals envisioned in the past, for not only has the Postal Service continued to operate in the red, but the quality of its service also has steadily declined. The objective of sound and responsible management and efficient operations has not been realized. Many questionable practices of Postal Service executives have come to light, including lavish dining rooms and shady contracts. Furthermore, there also is the factor of unwise capital investment. Most notable is the $1 billion national bulk mail system established throughout the country which now appears not to be suited to its purpose.
>
> Perhaps, if this blatant misuse and misallocation of funds were eliminated and revenues were directed in a more business-like manner, the Postal Service might not suffer so severely from its economic ills. I propose, therefore, that sound management techniques and more efficient methods be implemented within the Postal Service. These alone should result in significant cost savings.
>
> I am well aware that this efficiency cannot be achieved overnight. Some increase in rates undoubtedly is needed at the present time in order to help solve the Postal Service's financial problems. However, I feel that an increase more in tune with the rise in the cost of living, together with internal management improvements, should contribute substantially toward meeting revenue needs. This lower rate would be more acceptable to the general public and would pose less of a bur-

den on them and the inflation-ridden economy as a whole.

With all best wishes,

Cordially,

LAWRENCE COUGHLIN.

THE BOARD OF GOVERNORS,
Washington, D.C., October 14, 1975.

HON. LAWRENCE COUGHLIN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN COUGHLIN: In response to your recent letter expressing concern about the proposed postal rate increase for first class mail to thirteen cents, let me assure you that the increases which the Postal Service has requested the Postal Rate Commission to consider are no more than the minimum which is necessary to continue to operate our national postal system in accordance with applicable law. Postal rate increases are never likely to be welcomed; certainly the necessity for them is not welcomed by the Board in this inflationary period. But postal costs have risen to a point where we really have no choice but to face the need for rate increases in the magnitude that has been proposed.

The law explicitly requires that postal rates and fees "shall provide sufficient revenues so that the total estimated income and appropriations to the Postal Service will equal as nearly as practicable total estimated costs of the Postal Service." (39 U.S.C. § 3621)

The Postal Service currently estimates that total costs for FY 1976 will exceed $14.5 billion and that, at current rates of postage, total postal revenue and operating receipts will be less than $11.9 billion (including slightly over $1.5 billion in appropriations). Thus, unless rates are increased, the Postal Service faces a revenue shortfall in excess of $2.6 billion for the current fiscal year. In the face of these realities and in the light of the clear statutory mandate, our reluctance to see postage rates increased must give way.

Although the Postal Service has suggested to the Postal Rate Commission that an increase to thirteen cents for the first ounce of first class mail would be appropriate to the need for additional revenue, decisions on how the burden of postal costs should be apportioned among the various classes of mail are preeminently the responsibility of the Rate Commission. It is certainly true that each class of mail should bear its fair share of the costs and that no class should bear more than its fair share. The Rate Commission's opinion of August 28, in which it recommended a ten cents "permanent" rate for the first ounce of first class mail for the fiscal year that ended last June 30, set forth a comprehensive and persuasive explanation of the method by which the Postal Service's revenue requirement should be apportioned among the classes and subclasses of mail. We understand that the Postal Service has faithfully followed the Commission's guidance in its August 28 opinion in suggesting how the additional cost burden caused by rising postal costs should now be apportioned amongst the various classes and subclasses, and that the suggestion for a thirteen-cent rate for first class mail is in keeping with the ratemaking methodology which the Commission has adopted.

Of course, any concern about rising postal rates implies a concern over rising postal costs. About seven dollars out of every eight which the Postal Service spends go for compensation and fringe benefits. In this connection, it is encouraging to note that the collective bargaining agreement covering nearly 600,000 postal employees which was signed on September 4 is notably moderate in its economic provisions, providing for increases in base pay averaging less than 4% per year over the three-year term of the agreement and for reasonably limited cost-of-living adjustments. Barring excessive inflation or a severe diminution in mail voume which might accomplany any general faltering in the national economy, the new collective bargaining agreement holds promise of providing a more stable basis for postal costs than that which has obtained in the past several years.

Turning now to your comments about the realities of today being a far cry from the goals envisioned in the past, I am particularly concerned about your view that the quality of postal services has steadily declined. I am concerned about it because it runs counter to virtually all the indications of sustained or improved levels of service that have regularly been reported by the Postal Service's measurement systems over the past two and one-half years. For instance, the Postal Service's "National Service Index" indicates that service levels for the fourth quarter of fiscal year 1975 reached the highest point that has been attained in the past several years. The Origin-Destination Information System involves very extensive samplings on a sound statistical basis and we have been given to understand that its general accuracy and probity have stood up under close examination by detached and independent analysts. I raise this point not to challenge your observation that service has declined, but to ask your assistance. Obviously, the general accuracy and dependability of Postal Service measurement systems on levels of service is of the utmost importance to those who are responsible for running the Postal Service. If the Postal Service's reports of improving levels of service do not reflect reality, we certainly want to know about it as quickly as possible. It may be, of course, that your observations relate to a particular local situation, in which case the situation should certainly be corrected locally. But if your observations are based on facts that belie the validity of the Postal Service's reports that general levels of service are either holding their own or improving, we could only be grateful to you for bringing these facts to the attention of the Postmaster General or the Board at the earliest possible moment so that the Postal Service can set about putting the matter to rights.

In the same vein, let me ask your help in regard to your assertion that "many questionable practices of Postal Service executives have come to light". If you know of any "questionable practices" of senior postal officials who currently hold office, I urge you to bring them to the Board's attention. We would certainly want to look into them right away. Similarly, if you know of any "questionable practices" of executives below the level of senior postal officials, I am confident that the Postmaster General would want to know the facts as quickly as possible.

Regarding your comments concerning the National Bulk Mail System, let me suggest that it is too early to draw conclusions. The system will not be "on line" for several more months. To date, however, Postal Service data indicate that bulk mail will be handled through the system at costs that are significantly less than those which would be incurred if the system had not been undertaken, even though the economic efficiency of the system would probably prove out to be greater if the influence of inflation and the general condition of the nationl economy on bulk mail volumes had been less severe.

"In closing, let me assure you that the Board fully shares your concern that the Postal Service's efficiency should be brought to as high a level as possible. I suppose it is in the very nature of a goal of this kind that it can never be fully attained; certainly we would not want to claim that the Postal Service cannot improve. But I would hope that it might be recognized—particularly by those having a constructive interest in the nation's postal system—that a great deal of progress toward the goals of postal reorganization has indeed been accomplished. The Postal Service is rid of political patronage and postal decisions are made without partisan influence. The Postal Service is moving more mail with fewer people than was the case prior to postal reform. Postal employees are much better paid and work in much better conditions. As I mentioned above, the Postal Service's indications are that levels of service have improved. We are certainly not content with these accomplishments and we recognize that further progress is necessary. Nevertheless, the accomplishments are real and it does seem important to keep the Postal Service's shortcomings in perspective even as we try to overcome them.

One point that may lend perspective to the situation is this: When one buys a postage stamp for a letter, he is buying less than one minute of postal employee time. For less than one minute's worth of time, his letter will be delivered anywhere in the United States. This really is an astonishing achievement, and it is achieved hundred of millions of times each day. Let me suggest that any nation which has created a postal system that regularly accomplishes these results can take a certain amount of pride in that system.

Thank you for your letter.

Sincerely,

M. A. WRIGHT,
Chairman.

THE JOBS CREATION ACT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. KEMP. Mr. Speaker, interest in the Jobs Creation Act—H.R. 10015 and S. 2465—has grown in recent weeks to such an extent that it has become difficult for the House and Senate document rooms to meet the requests for copies of the bill.

This interest has been spurred by the release last week of a major new econometric study of the Jobs Creation Act, prepared by Norman B. Ture, Inc., of Washington; by the growing affirmative public response in support of its enactment; and by its sponsorship by nearly 100 Representatives and Senators.

The Ture study showed that the Congress has an opportunity before it to cause a $151.4 billion rise in gross national product, create 7.18 million private sector jobs, cause $74.6 billion in private capital outlays to be made, and generate $5.2 billion in revenue to the Treasury—over what would otherwise occur—within the first year of enactment of the Jobs Creation Act. And, it showed we have the opportunity before us to cause a $248.9 billion rise in GNP, create 10.91 million private sector jobs, cause $81.1 billion in capital outlays, and generate $25.2 billion in revenue to the Treasury—over what would otherwise occur—during the next 3 years.

The most important revelation in the study is its capacity to resolve the dual problems of inflation and unemployment simultaneously—avoiding the dangers of fueling inflation by fighting unemployment or causing unemployment by fighting inflation—problems with not only economic but social and political dimensions as well. It is a constructive and positive alternative to the further Britanization of our economy.

This is surely the route the Congress should be following. Of the three major tax reform alternatives before the Nation—the Committee on Ways and Means tentative decisions, the President's tax and expenditure reduction proposal, and the Jobs Creation Act—only the Jobs Creation Act accomplishes tax reform—and tax reductions on a per-dollar-of-income basis—without running the high risks of further fueling inflation through additional deficits.

In order that the text of H.R. 10538 be more readily available to all who need it, I am including it at this point in the RECORD:

H.R. 10538

A bill to accelerate the formation of investment capital required to expand both job opportunities and productivity in the private sector of the economy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Jobs Creation Act of 1975".

SEC. 2. TABLE OF CONTENTS.—

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Tax credits for qualified savings and investments.
Sec. 4. Individual retirement accounts, savings, and bonds.
Sec. 5. Exclusion from gross income of amounts received by an individual as dividends from domestic corporations.
Sec. 6. Limited exclusion of certain capital gains.
Sec. 7. Extension of time for payment of estate tax where estate consists largely of interest in closely held business.
Sec. 8. Interests in family farming operations.
Sec. 9. Adjustment of corporate normal tax rates.
Sec. 10. Adjustment of corporate surtax rate.
Sec. 11. Increase in corporate surtax exemption.
Sec. 12. Increase in investment credit.
Sec. 13. Increase in class life variance for purposes of depreciation.
Sec. 14. Capital recovery allowances.
Sec. 15. Alternative amortization period for pollution control facilities.

TAX CREDITS FOR QUALIFIED SAVINGS AND INVESTMENTS

SEC. 3. (a) IN GENERAL.—Subpart A (relating to credits allowable) of part IV of subchapter A of chapter 1 of subtitle A of the Internal Revenue Code of 1954, is amended by adding at the end thereof the following new section:

"SEC. 43. INCREASED SAVINGS AND INVESTMENTS BY INDIVIDUALS.

"(a) IN GENERAL.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 10 percent of the increase in the total amount of qualified savings deposits and investments such individual made during such year over the amount of total qualified savings deposits and investments of the individual made during the prior year.

"(b) LIMITATION.—The credit allowed by subsection (a) for a taxable year shall not exceed $1,000 ($2,000 in the case of a joint return under section 6013).

"(c) DEFINITIONS.—For the purposes of this section—

"(1) QUALIFIED SAVINGS DEPOSITS AND INVESTMENTS.—The term qualified savings deposits and investments means—

"(A) amounts deposited in a savings deposit or withdrawable savings account in a financial institution;

"(B) amounts used to purchase common or preferred stock in a domestic corporation;

"(C) amounts used to purchase a bond or other debt instrument issued by a domestic corporation;

"(D) amounts equivalent to increases in the surrender value of life insurance and annuities secured from domestic life and mutual companies.

"(2) FINANCIAL INSTITUTION.—The term 'financian institution' means—

"(A) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law;

"(B) a savings and loan, building and loan, or similar association the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law;

"(C) a credit union the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or otherwise insured under State law; and

"(D) a life insurance or mutual company duly chartered by a State, territory, possession, or District of Columbia, and in good standing therewith.".

(b) TECHNICAL AMENDMENT.—The table of sections for subpart A is amended by adding at the end thereof the following:

"Sec. 43. Increased savings and investments by individuals.".

(c) EFFECTIVE DATE.—The amendments made by section (a) of this section shall apply to qualified savings deposited and investments made after December 31, 1974.

INDIVIDUAL RETIREMENT ACCOUNTS, SAVINGS, AND BONDS

SEC. 4. (a) Section 219(b)(1) (relating to the maximum deduction for retirement savings) of part VII of subchapter B of chapter 1 of subtitle A of the Internal Revenue Code of 1954 is amended by striking out "$1,500" and inserting in lieu thereof "$2,000".

(b) Section 408 (relating to individual retirement accounts) of subpart A of part I of subchapter D of chapter 1 of subtitle A of the Internal Revenue Code of 1954 is amended by striking out "$1,500" in the three instances in which said figure appears and by inserting in lieu thereof "$2,000".

(c) Section 409(a) (relating to retirement bonds) of subpart A of part I of subchapter D of chapter 1 of subtitle A of the Internal Revenue Code of 1954 is amended by striking out "$1,500" and by inserting in lieu thereof "$2,000".

(d) The amendments made by subsections (a), (b), and (c) of this section shall apply to taxable years beginning after December 31, 1974.

EXCLUSION FROM GROSS INCOME OF AMOUNTS RECEIVED BY AN INDIVIDUAL AS DIVIDENDS FROM DOMESTIC CORPORATIONS

SEC. 5. (a)(1) Subsection (a) of section 116 (relating to partial exclusion of dividends received by individuals) of part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include amounts received by an individual as dividends from domestic corporations.".

(2) The section heading of such section 116 is amended by striking out "PARTIAL EXCLUSION" and inserting in lieu thereof "EXCLUSION".

(3) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 116 and inserting in lieu thereof the following:

"Sec. 116. Exclusion of dividends received by individuals.".

(4) Section 643(a)(7) of such Code is amended by striking out "partial exclusion" and inserting in lieu thereof "exclusion".

(b) The amendments made by the first subsection of this section shall apply to taxable years beginning after December 31, 1974.

LIMITED EXCLUSION OF CERTAIN CAPITAL GAINS

SEC. 6. (a) IN GENERAL.—Part III (relating to items specifically excluded from gross income) of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by—

(1) redesignating section 124 as section 125, and

(2) inserting immediately after section 123 the following new section:

"SEC. 124. LIMITED EXCLUSION OF CERTAIN CAPITAL GAINS.

"(a) GENERAL RULE.—In the case of a taxpayer other than a corporation, gross income for the taxable year does not include an amount equal to the net section 1201 gain resulting solely from the sale or exchange of securities, to the extent that such amount does not exceed $1,000.

"(b) EXCEPTION.—Subsection (a) does not apply to a taxpayer who is subject to the tax imposed under section 1201(b).

"(c) DEFINITIONS.—

"(1) NET SECTION 1201 GAIN.—The term 'net-section 1201 gain' has the same definition it has under section 1222(11).

"(2) SECURITIES.—The term 'securities' has the smae meaning it has under section 165 (g)(2).".

(b) TECHNICAL AMENDMENTS.—

(1) Section 1202 of such Code (relating to deductions for capital gains) is amended by adding at the end thereof the following new sentence: "No amount of such excess shall be allowed as a deduction under this section to the extent such amount is excluded from gross income under section 124.".

(2) The table of sections for Part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Limited exclusion of certain capital gains.

"Sec. 125. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section apply to sales or exchanges of securities occurring after December 31, 1974.

EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSINESS

SEC. 7. (a) ELIMINATION OF REQUIREMENT OF UNDUE HARDSHIP.—Section 6161(a)(2) (relating to extension of time for paying estate tax) of subchapter B of chapter 62 of the Internal Revenue Code of 1954 is amended by striking out "undue" before "hardship".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply only with respect to estates of decedents dying after December 31, 1974.

INTERESTS IN FAMILY FARMING OPERATIONS

SEC. 8. (a) IN GENERAL.—Part IV (relating to taxable estates of citizens or residents) of subchapter A of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2057. INTERESTS IN FAMILY FARMING OPERATIONS

"(a) GENERAL RULE.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the lesser of (1) $200,000, and (2) the value of the decedent's interest in a family farming operation continually owned by decedent or spouse during the 5 years prior to the date of his death and which passes or has passed to an individual or individuals related to him or his spouse.

"(b) SUBSEQUENT DISQUALIFICATION REsults in Deficiency.—The difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been paid on that transfer had the interest in a family farming operation not given rise to the deduction allowed by paragraph (a) shall be a deficiency in the payment of the tax assessed under this chapter on that estate unless, for at least 5 years after the decedent's death—

"(1) the interest which give rise to the deduction is retained by the individual or individuals to whom such interest passed, and

"(2) the individual or any of the individuals to whom the interest passed resides on such farm, and

"(3) such farm continues to qualify as a family farming operation.

"(c) Death of Subsequent Holder.—In the case of the subsequent death of an individual to whom the interest in a family farming operation has passed, his successor shall be considered in his place for purposes of paragraph (b).

"(d) Definitions.—

"(1) Family farming operations—A 'family farming operation' is a farm—

"(A) actively engaged in raising agricultural crops or livestock 'for profit', within the meaning of section 183, and

"(B) over which the owner or one of the owners exercises substantial personal control and supervision.

"(2) Relations.—An individual is 'related' to the decedent or his spouse if he is that person's father, mother, son, daughter, grandson, granddaughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or in the absence of any of the above his next of kin.".

(b) The amendments made by this section shall apply to taxes imposed by section 2001 after December 31, 1974.

ADJUSTMENTS OF CORPORATE NORMAL TAX RATE

Sec. 9. (a) Adjustment of Corporate Normal Tax Rate.—Section 11(b) (relating to the normal tax imposed on corporations) of part II of subchapter A of chapter 1 of subtitle A of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) Normal Tax.—The normal tax is equal to the following percentage of the taxable income:

"(1) 22 percent, in the case of a taxable year beginning before January 1, 1975, and

"(2) 20 percent, in the case of a taxable year beginning after December 31, 1974.

For purposes of applying the percentages of tax set forth in the preceding table in the case of a corporation which is a component member of a controlled group of corporations (within the meaning of section 1563), the taxable income of the other members of such group shall, under regulations prescribed by the Secretary or his delegate, be taken into account.".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1974.

ADJUSTMENT OF CORPORATE SURTAX RATE

Sec. 10. (a) Adjustment of Corporate Surtax Rate.—Section 11(c) (relating to surtax imposed on corporations) of part II of subchapter A of chapter 1 of Subtitle A of the Internal Revenue Code of 1954 is amended to read as follows:

"(c) Surtax.—The surtax is equal to the following percentage of the amount by which the taxable income exceeds the surtax exemption for the taxable year:

"(1) 26 percent, in the case of a taxable year ending before January 1, 1975, and

"(2) 22 percent, in the case of a taxable year beginning after December 31, 1974.".

(b) The amendment made by this section shall apply to taxable years beginning after December 31, 1974.

INCREASE IN CORPORATE SURTAX EXEMPTION

Sec. 11. (a) In General.—Section 11(d) (relating to surtax exemption) of part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

(b) Technical and Conforming Amendments.—

(1) Paragraph (1) of section 1561(a) (as in effect for taxable years beginning after December 31, 1974) (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) of part II of subchapter B of chapter 6 of the Internal Revenue Code of 1954 is amended by striking out "$50,000" and insertnig in lieu thereof "$100,000".

(2) Paragraph (7) of section 12 (relating to cross-references for tax on corporations) of part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

(3) Section 962(c) (relating to surtax exemption for individuals electing to be subject to tax at corporate rates) of subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1974.

INCREASE IN INVESTMENT CREDIT

Sec. 12. (a) Increase of Investment Credit to 15 Percent.—Paragraph (1) of section 46(a) (determining the amount of the investment credit) of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended to read as follows:

"(1) General Rule.—

"(A) Fifteen-percent credit.—Except as provided in subparagraph (B), the amount of the credit allowed by section 38 for the taxable year shall be equal to 15 percent of the qualified investment (as defined in subsection (c)).

"(B) Twelve-percent credit.—In the case of property—

"(i) the construction, reconstruction, or erection of which is completed by the taxpayer before October 1, 1975, or

"(ii) which is acquired by the taxpayer before October 1, 1975.

the amount of the credit allowed by section 38 for the taxable year shall be equal to 12 percent of the qualified investment (as defined in subsection (c)).

"(C) Transitional rule.—In the case of property—

"(i) the construction, reconstruction, or erection of which is begun by the taxpayer before October 1, 1975, and

"(ii) the construction, reconstruction, or erection of which is completed by the taxpayer after September 30, 1975,

subparagraph (B) shall apply to the property to the extent of that portion of the basis which is properly attributable to construction, reconstruction, or erection before October 1, 1975, and subparagraph (A) shall apply to such property to the extent of that portion of the basis which is properly attributable to construction, reconstruction, or erection after September 30, 1975.".

(b) Repeal.—Section 46(c)(3) (relating to the definition of qualified investment for public utility property) and section 46(e) (relating to the limitation in case of certain regulated companies) of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 are repealed.

(c) Effective Date.—The amendments made by subsections (a) and (b) of this section shall apply to taxable years beginning after December 31, 1974.

INCREASE IN CLASS LIFE VARIANCE FOR PURPOSES OF DEPRECIATION

Sec. 13. (a) In General.—Section 167(m) (1) (relating to class lives for purposes of depreciation) of part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "20" and inserting in lieu thereof "40".

(b) Effective Date.—The amendment made by this section applies to property acquired or the construction of which is begun after December 31, 1974.

CAPITAL RECOVERY ALLOWANCES

Sec. 14. (a) Except as otherwise expressly provided, whenever in this section an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) Part VI of subchapter B of chapter 1 is amended by adding after section 188 the following new section:

"Sec. 189. Capital Recovery Allowance.

"(a) General Rule.—In lieu of the deduction provided by section 167 the taxpayer may elect, in accordance with regulations prescribed by the Secretary or his delegate, to take a deduction for capital recovery with respect to any section 189 property. Such election may not be revoked except with the consent of the Secretary or his delegate.

"(b) Section 189 Property.—For purposes of this section, the term 'section 189 property' means—

"(1) tangible personal property, or

"(2) other tangible property (including a building and its structural components) but only if such property—

"(A) is used as an integral part of manufacturing, production, or extraction or of furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services, or

"(B) constitutes a research facility used in connection with any of the activities referred to in subparagraph (A), or

"(C) constitutes a warehouse or storage facility used in connection with any of the activities referred to in subparagraph (A), or

"(D) constitutes a pollution control facility which is used to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, or storing of pollutants, contaminants, wastes, or heat. Such term includes only property with respect to which a deduction for depreciation (or for amortization in lieu of depreciation) would be allowable if the taxpayer did not make an election under this section. The preceding sentence shall not be construed to limit or deny a deduction under this section for any taxable year prior to the taxable year in which a deduction for depreciation (or for amortization in lieu of depreciation) would first become allowable with respect to any property.

"(c) Amount of Deduction.—The deduction allowed for any taxable year with respect to property which is the subject of an election under subsection (a) shall be any amount elected by the taxpayer which does not exceed—

"(1) in the case of section 1245 property (as defined in section 1245(a)(3)) or property described in subsection (b)(2)(D) of this section, the amount determined by applying to the acquisition costs of such property the applicable percentage set forth in the following schedule:

"For the year which is—	The applicable percentage is—
The taxable year in which the acquisition costs were paid or incurred	40
costs were paid or incurred	24
The second taxable year after such costs were paid or incurred	18

The third taxable year after such costs were paid or incurred	12
The fourth taxable year after such costs were paid or incurred	6

"(2) in the case of section 1250 property (as defined in section 1250(c)) other than property described in subsection (b)(2)(D) of this section, the amount determined by applying to the acquisition costs of such property the applicable percentage set forth in the following schedule:

"For the year which is—	The applicable percentage is—
The taxable year in which the acquisition costs were paid or incurred	20
The first taxable year after such costs were paid or incurred	16
The second taxable year after such costs were paid or incurred	14
The third taxable year after such costs were paid or incurred	13
The fourth taxable year after such costs were paid or incurred	11
The fifth taxable year after such costs were paid or incurred	9
The sixth taxable year after such costs were paid or incurred	7
The seventh taxable year after such costs were paid or incurred	5
The eighth taxable year after such costs were paid or incurred	3
The ninth taxable year after such costs were paid or incurred	2

"(d) ACQUISITION COSTS.—For purposes of this section, the term 'acquisition costs' means any costs paid or incurred to acquire section 189 property which would be taken into account in determining the basis of such property under section 1012. The taxable year in which such costs or any portion thereof are paid or incurred shall be the first year in which the taxpayer either obtains title to the property, or has the incidents of ownership such as possession, use, and risk, even though legal title for security purposes remains in the vendor or another. If the acquisition costs of an item of section 189 property are paid or incurred in more than one taxable year, the maximum deduction under subsection (c) shall be computed separately with respect to each portion of such costs which are paid or incurred in a different taxable year.

"(e) CARRYOVER OF UNUSED DEDUCTIONS.—If in any taxable year the taxpayer elects to deduct less than the maximum amount deductible under subsection (c), the excess shall be carried forward and be deductible in any succeeding taxable year.

"(f) CROSS REFERENCE.—

"For special rule with respect to certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see sections 1245 and 1250.".

(c) Section 46(c)(2) (relating to the investment credit) is amended by adding at the end thereof the following new sentence: "The useful life of any property which is the subject of an election under section 189(a) shall, for purposes of this subpart, be the useful life that would otherwise have been used in computing the allowance for depreciation under section 167 had the taxpayer not made such an election.".

(d) Section 57 (relating to tax preference items) is amended by adding at the end thereof the following new subsection:

"(d) EXCEPTION.—Notwithstanding any other provision of this section, no part of any amount allowed as a deduction for capital recovery under section 189 shall be considered an item of tax preference.".

(e) Paragraph (2) of section 1016(a) (relating to adjustments to basis) is amended by inserting "capital recovery," before "and depletion.".

(f) Paragraph (2) of section 1245(a) (relating to recomputed basis) is amended by inserting "or for capital recovery under section 189" after "or for amortization under sections 168, 169, 184, 185, 187, or 188" each time such phrase appears therein.

(g) Paragraph (3) of section 1245(a) (relating to the definition of section 1245 property) is amended by inserting "or to the allowance or capital recovery provided in section 189" after "the allowance of amortization provided in section 185".

(h) Paragraph (3) of section 1250(b) (relating to depreciation and adjustments) is amended by inserting "capital recovery," after "obsolescence,".

(i) Paragraph 1250(c) (relating to the definition of section 1250 property) is amended by inserting "or to the allowance for capital recovery provided in section 189" after "the allowance for depreciation provided in section 167".

(j) The amendments made by this Act shall take effect on January 1, 1976, and the amendment made by subsection (b) shall apply only to acquisition costs paid or incurred on or after such effective date.

ALTERNATIVE AMORTIZATION PERIOD FOR POLLUTION CONTROL FACILITIES

SEC. 15. (a) IN GENERAL.—Section 169 (relating to amortization of pollution control facilities) of part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by—

(1) striking out "60 months" in subsection (a) and inserting in lieu thereof "60 months or 12 months",

(2) striking out "60-month period" in subsection (a) and inserting in lieu thereof "60-month or 12-month period", and

(3) striking out "60-month period" in subsection (b) and inserting in lieu thereof "60-month or 12-month period".

(b) EFFECTIVE DATE.—The amendments made by this section apply to any new identifiable treatment facility (as defined in section 169(d)(4) of such Code) acquired or the construction, reconstruction, or erection of which is begun after December 31, 1974.

RESPA AMENDMENTS

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. McCOLLISTER. Mr. Speaker, I have sponsored legislation to amend the Real Estate Settlement Procedures Act of 1974—RESPA.

RESPA passed in the last Congress with my support, designed to prevent many of the abuses found in settlement procedures in many parts of the country. Many past practices resulted in improper treatment of individual home buyers. Congress acted only after extensive study of these practices.

However, the enactment of RESPA and the subsequent regulations for implementation have resulted in unnecessary costs and burdens on everyone—home buyers, sellers, lending institutions, and real estate firms. This legislation will clarify the intent of the Congress and relieve these unnecessary burdens.

In particular, H.R. 10397 removes some of the advance disclosure provisions that resulted in superfluous waiting periods. The waiting period following advance disclosure of the settlement charges was enacted as a means to insure complete understanding of the transaction by the home buyer. But it resulted in forcing many consumers to delay settlement even though they fully understood the procedures, and many were faced with finding another place to live during the waiting period.

The bill clarifies congressional intent by stating that loan inquiries made orally are not considered to be applications, and the lender is not required to provide the persons inquiring with the special information booklet required by RESPA. At present there is confusion in determining whether or not an oral inquiry is an application. In addition, this amendment of RESPA would allow good-faith estimates on charges and fees at settlement. At present actual charges must be provided for the buyer by the lending institution, but often charges such as attorney's fees cannot always be known precisely at that point.

The current law has only proved to be a burden to many of the people it is intended to protect. The increased cost of processing loans must be passed on to the consumer in some form. Buyers and sellers alike are faced with costly delays. H.R. 10397 will correct these problems and allow greater flexibility in administering the remaining provisions.

ABOUT COURT-ORDERED SCHOOLBUSING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. MAZZOLI. Mr. Speaker, on October 29, 1975, I testified before the Senate Judiciary Committee concerning the effects of court-ordered schoolbusing in my home district of Louisville, Ky.

I ask that my testimony be entered in the RECORD.

As a native-born Louisvillian, I am deeply saddened by the division and mistrust busing has caused in my hometown—once nationally acclaimed as a model for peaceful, progressive desegregation.

Desegregation of our schools is a worthy goal which must be achieved, but, Mr. Speaker, there simply must be another means to achieve this necessary goal which is less divisive and less disruptive than is court-ordered busing.

STATEMENT OF CONGRESSMAN ROMANO L. MAZZOLI BEFORE THE SENATE COMMITTEE ON THE JUDICIARY

Mr. Chairman and distinguished members of the Committee on Judiciary, I am grateful for the opportunity to appear before you today. I would also like to recognize the courtesies the Committee staff extended me as I prepared this testimony.

Mr. Chairman, the reason we are here today is to consider the wisdom of the policy of transporting large numbers of school children across our nation's cities for the purpose of providing racially balanced schools. We must determine whether that policy promotes education or interferes with it.

In 1954 the Supreme Court held that legally enforced racial segregation in schools violated the "equal protection" clause of the Fourteenth Amendment.

In a series of subsequent cases the Court required that where segregation had been protected or upheld by law (de jure segregation) the state must correct that abuse with an affirmative policy of integration.

At first, federal courts considered a number of alternative available remedies. As time passed, however, courts came to rely on large-scale shifting of student populations by school bus.

Court decisions on busing have seemingly developed a life and character of their own. There appears to have been over the years, a rigid reliance on busing in school desegregation cases without a continuing oversight or monitoring of the results of busing on learning achievement, social tolerance, and the quality of education.

Meanwhile, outside the courtrooms, thoughtful educators, sociologists, and journalists across the country have been giving this busing program a hard second look.

Dr. James Coleman, whose 1966 Report provided strong arguments in support of large-scale busing, now questions whether busing works. The goals remain laudable—and unarguable—but they're not being achieved.

In two recent columns in the Washington Post, syndicated columnist William Raspberry, himself a black, examined busing as a tool and found it wanting:

"Busing—at least on the scale being urged by the NAACP—is supposed to perform two primary functions. First, it is supposed to improve the quality of education available to black children, particularly the children of the big city slums.

"Second, it is supposed to promote the establishment of an integrated society, a society in which race will no longer be a major consideration.

"I have no disagreement with those goals. I simply doubt that large-scale busing is the way to achieve them."

At the same time—indeed the same day as the first Raspberry column—Vermont Royster of the Wall Street Journal observed:

"It is long past time for a school door to be closed to any child because he is black or white or any other color. They are right who cry shame that this once was so and ask not just redress but amends. The problem is that they have some right, too, who cry out against uprooting children from home and neighborhood in the name of exorcising past sins."

Mr. Chairman, I would also cite the very recent words of Michael Novak, in the New York Times:

"It does not follow that busing is the remedy. It is wiser to place the burden of remedy on adults rather than upon children: upon new district lines, new placement rules, and rewards for participating families."

I would also cite, for the record, similar observations by Joseph Alsop, by Fortune in a lengthy editorial, and in the debate on the Biden amendment which was adopted in the U.S. Senate just weeks ago.

Mr. Chairman, all these constitute thoughtful and perceptive observations on the public policy question which the Congress must face.

While my own personal experience with busing is limited to my home, Louisville, as to this city I can speak with some assurance and accuracy.

Following the first Brown decision in 1954, Louisville desegrated her previously-segregated school system peacefully and efficiently.

Louisvillians were proud of their efforts. We are proud of them still. Our success was such that President Eisenhower invited then School Superintendent Omar Carmichael to Washington. We were held out to the country as an example of how peaceful integration could be accomplished.

So, Mr. Chairman, while Louisville is not a city of angels, we care about our city, about our schools, and about our children. We try to do the right thing.

But, while my townspeople feel desegregated schools are the right thing, they do not believe busing—as a tool to desegregate— is the right thing.

Busing has become a symbol. It is hard to discuss it on its merits and demerits, quietly, intellectually, dispassionately.

Opponents are labeled as racist. Proponents are Communist. If nothing else, your decision, Mr. Chairman, to conduct hearings will direct attention to the legal, sociological and moral aspects of busing and reduce the emotional pitch both the opponents have assumed in recent time.

Mr. Chairman, after thinking the matter over, I have come to the conclusion that the only way out of our nation's dilemma is by adoption of a Constitutional Amendment prohibiting forced school busing.

Admittedly this is the so-called meat ax approach to lawmaking. It is clumsy. I would much prefer a selective and a more subtle approach.

Parenthetically, maybe the observers and scholars who will appear before your distinguished Committee can develop a less heavy-handed approach.

Nevertheless, there are occasions when the not-so-subtle, not so elegant approach is the best approach.

I would recommend to this Committee a simple Amendment to the Constitution: No public school student shall, because of his race, creed, or color, be assigned to or required to attend a particular school. This language would affect only one remedy.

There would still be the necessity of desegregating our nation's public schools. But, were busing to be a prohibited remedy—we would then be required to develop alternatives to get the job done.

Let me just state for the record, Mr. Chairman, any alternative developed to busing will be expensive, disruptive, and painful to a degree. But, there is no easy way to guarantee rights to one group where another group is involved.

Thank you again, Mr. Chairman and distinguished members of the Committee, for providing me this opportunity to testify. If there are questions, I'll be happy to respond to them as best I can.

TOXIC SUBSTANCES CONTROL LEGISLATION AND THE AMERICAN WAY OF CANCER

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. ECKHARDT. Mr. Speaker, on November 11 the Consumer Protection and Finance Subcommittee will begin markup of H.R. 10318, the Toxic Substances Control Act. The bill is designed to protect the public health and environment from exposure to dangerous chemicals. Each year the American public is being exposed to an increasing number of chemical substances, many of which are marketed without adequate knowledge of their health and environmental effects. As a result the American people are being used as guinea pigs, and our environment has become a laboratory for testing and discovering the adverse effects of chemical substances.

Unfortunately, such discovery often comes too late to prevent irreparable harm to health and the environment. The discovery of the cancer causing effects of vinyl chloride is an all too familiar example of the tragic consequences of failing to look for and deal with the chronic health effects of a chemical substance before large numbers of people are exposed to the chemical. It is estimated that over 80 percent of all cancer is environmentally caused. Enactment of the Toxic Substances Control Act will enable us to reduce this appalling figure.

"The American Way of Cancer," a CBS documentary, starkly illustrates the present toll on society which results from the absence of a toxic substances control law. This moving film will be shown on Friday, October 31, and Monday, November 3, at 9, 11 a.m., and 1, 3, and 4 p.m. in the House Recording Studio. I strongly urge my House colleagues to take this opportunity to view the film. The film will also be available for viewing on the Senate side within the next few weeks.

Opponents of the legislation have focused many of their arguments on the costs to the chemical industry in complying with the bill. While industry costs are an important consideration, the overriding concern must be the need to protect the American public. However, because of the cost arguments, I thought my colleagues would be interested in seeing the following article regarding the chemical industry's opposition to OSHA's vinyl chloride regulations because of the potential costs to industry. As the article points out, the OSHA regulation went into effect and so far the industry's dire economic predictions have not proved true. One wonders how often the chemical industry will be permitted to "cry wolf" before it loses its credibility.

Following is the article:

Vinyl-Chloride Rules Don't Hamper Most Plastics Companies

Washington.—From the the thick stacks of computer printouts at his fingertips, Ray McClure can tell you something about how well the nation's plastics industry is coping with new rules limiting worker exposure to the cancer-causing chemical vinyl chloride.

McClure is a compliance officer with the federal Occupational Safety and Health Administration (OSHA), the agency charged with making—and enforcing—the rule that went into effect six months ago. And his figures show that the industry has been getting along very well so far, despite its doomsday cries of a year ago.

The deadly effects of vinyl chloride were first discovered at the B. F. Goodrich plant in Louisville. The company announced in January of 1974 that some of its workers had died of a rare liver cancer. All had cleaned vats where the chemical was made into a widely used plastic, polyvinyl chloride (PVC).

The findings set off a national debate about this new occupational disease. Labor union leaders and environmentalists argued for a standard allowing "no detectable level" of vinyl chloride. An industry trade association claimed that all PVC plants would be forced to close as a result, with the loss of more than a million jobs and billions of dollars.

After months of hearings and court tests, the standard finally became effective April 1. So far, none of the industry's dire prediction has come true. In fact, Modern Plastics, a trade publication, chided the manufacturers in a recent editorial for "crying wolf" so loud and so often that its credibility was damaged severely.

It may be too early to draw firm conclusions about the adequacy of the new standard. But it is apparent, since April, that enforcement agencies have been hampered at times:

Though OSHA compliance officials like McClure have mounds of statistics to cite, they acknowledge that few citations have been made for violations of the standard. This is because of legal loopholes in the rule and in one instance, at least, dispute within OSHA on how the standard is interpreted.

In Kentucky—where the problem started—the Goodrich plant hasn't even been inspected yet. And plant and union officials say that workers aren't wearing protective respirators because they aren't mandatory until April 1, 1976.

The vinyl-chloride standard says levels must average no higher than one part per million parts of air (1 ppm) over an eight-hour day, and no more than 5 ppm in any 15-minute period. If the levels can't be reached by "feasible engineering controls" respirators must be available for workers. But their use is not required at levels under 25 ppm.

In effect, then, the standard is now 25 ppm. Thus, OSHA's McClure said, federal inspectors have had to back off citing as violations levels far above 1 and 5 ppm.

For instance, in late May, an OSHA inspector found that exposure levels in a Monsanto plant in Springfield, Mass., ranged from 2 to 21 ppm. But workers had chosen not to wear respirators.

OSHA attorneys were consulted, a letter to the Boston regional office said, "because of the importance of this case and the possible far-reaching implications in both labor and management." The result was that the inspector was told to make no citation.

One of the few things the OSHA agent could do, the letter said, was "determine if the vinyl-chloride hazards have been correctly explained to all affected workers and that these employes fully understand the meaning of their choice not to wear the respirators."

Workers at the Goodrich plant in Louisville aren't wearing the respirators either, but vinyl-chloride levels have been running below 5 ppm, according to Ken Pember, the firm's industrial relations manager. Respirators are required for certain jobs, like cleaning vats, he said. And the company is trying to prepare employes for full-time use of the breathing devices come next April 1.

Goodrich is building a new PVC factory at the plant which should be able to meet the OSHA standard without respirators. But the existing operation is so old "we may never get down to 1 ppm," Pember said. "Just like in football, those last few inches are the toughest."

Harold Suter, president of local 72 of the Distillery Workers at the Bells Lane plant, said he felt the company was making "an honest effort" to protect workers from the hazards of vinyl chloride.

The state runs the OSHA inspection program in Kentucky. And Charles Satterwhite, acting executive director of the program, said that so far, "there hasn't been any compliance activity (inspection)" at either the Bells Lane PVC plant or Goodrich's vinyl-chloride plant in Calvert City.

The problem, he said, is that although the federal standard went into effect April 1, the state didn't adopt it until Sept. 10, so there was nothing to enforce. The state's medical consultants, however, have checked out the Bells Lane plant periodically since the problem was first discovered, Satterwhite added.

Throughout the controversy over vinyl chloride, Goodrich has been one of the milder voices in the industry. It is a member of the Society of the Plastics Industry (SPI), the trade association that led the fight against a strict standard through press releases and the courts.

Jerry Blizin, the Washington public-relations man who did most of SPI's press releases during the campaign, said recently, "Maybe things were said on both sides that, in retrospect, don't stand up now."

But he, Tom McGrath, SPI's general manager in New York, and Cleveland Lane, a Goodrich spokesman in Akron, all deny that the industry "cried wolf" about the effects of a tough vinyl-chloride standard.

A 30-year old PVC plant in Ohio run by Uniroyal is considering closing—with a loss of more than 500 jobs—because of the expense of meeting the standard, Blizin said.

But most firms have been able to live with the OSHA rule-making because, in Lane's words, the agency "removed a lot of ambiguities" during the hearing process. "They didn't cave in in any way," he said. "But they clarified some things."

George Taylor, a spokesman for the AFL–CIO unions, said that the companies' threat of plant closings was "typical crap. . . . It's the same old thing. We heard it with vinyl chloride. We heard it on the noise standard. We're hearing it again on the toxic substances bill."

Taylor added that "we've gotten some pretty mixed reviews from our unions on whether OSHA has checked the way they should on enforcing the standards."

OSHA's McClure defends his agency's record. "Our objective is abatement, not to make the people look bad," he said.

But, he added, "The thing that's hurting us badly is that the industries seem to be opposed to our general mission. They seem almost allied in keeping us from learning what's really happening in the field of occupational disease. . . . We just don't have a very good reporting system."

PUBLIC ATTITUDES TOWARD SCHOOL BUSING

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. HAWKINS. Mr. Speaker, I wish to bring to the attention of my House colleagues some rather revealing information on public attitudes toward schoool busing contained in an excellent study conducted by the U.S. Civil Rights Commission through the Opinion Research Corporation in November and December of 1972. The study is an in-depth national survey of busing information and attitudes among the public in the United States.

I have long been concerned and perturbed at many of the grossly erroneous beliefs and assumptions held by many in the public regarding the purposes, results, and implications of desegregation in public schools through school busing. For example, there is the widespread belief among a substantial number of the white population that white children suffer real scholastic damage through integration. Nothing could be further from the truth. As the study clearly indicates, white children rarely suffer any educational damage. Moreover, they sometimes make significant gains in desegregated settings. The report cites this as a well established finding. Furthermore, the Supreme Court, contrary to much of public opinion, has not ignored evidence of educational damage to children in order to accomplish desegregation through busing.

Mr. Speaker, I would like to submit for the RECORD an excerpt from this important study which deals with these findings as well as other related issues on the subject. It is my hope that it will aid many of my colleagues in dispelling many of the myths about busing which have injected so much confusion and prostitution of truth into what has become a very emotion charged and highly volatile issue. The text of the excerpt from the study is as follows:

Opinions of Impact of Desegregation on Education of White Children

SURVEY SAMPLE VIEW

[In percent]

Assertion	True	False	No opinion	Total
"White students' test scores have fallen sharply in desegregated schools"	27	35	38	100
"Supreme Court has ordered busing in spite of evidence that it would harm a child's ability to learn"	41	31	28	100
Opinions about Court orders, by regions:				
Northeast (N=483)	29	37	34	100
North-central ((N=563)	34	35	31	100
West (N=330)	37	30	33	100
South (N=630)	57	23	20	100

These questions were particularly important because they were closely related to attitudes on school integration and busing. People who responded that white children suffered real scholastic damage through integration—about a fourth of the respondents—were more than twice as likely to oppose school integration as a national objective than people accurately understanding the Supreme Court's decision. Fears of scholastic damage were far more intense in the South; fears were least common among people below 40 years of age and those who had some college training.

Most Americans who expressed an opinion believed that the Supreme Court was ignoring evidence of educational damage to children in order to accomplish desegregation through busing. This belief was particularly strong in the South, where it is held by a lopsided margin. A substantial majority of the people who oppose integration as a national objective believe that the Court has ignored educational damage, an opinion held by only about a third of integration supporters.

The Supreme Court has explicitly directed lower courts to consider whether the "time or distance of travel is so great as to risk either the health of the children or significantly impinge on the educational process." The Court's unanimous opinion by Chief Justice Burger added that, "It hardly needs stating that the limits on time of travel will vary with many factors, but probably with none more than the age of the students." The Court's interpretation of Constitutional requirements, in other words, is almost the exact opposite of what the public understands. In fact, the Supreme Court has explicitly warned Federal District Judges to consider carefully any possible educational damage in designing desegregation plans.

One of the few well-established findings of education research in desegregated school systems is that white children rarely suffer any educational damage and that sometimes they make significant gains in desegregated settings. In most of the reported studies, desegregation has made no appreciable difference in white achievement scores even during the difficult transition period in the first year of integration in a reorganized system. Where educational reforms has accompanied desegregation, as in Berkeley, California, Ann

Arbor, Michigan, and Riverside, California, white scores have risen appreciably. Most studies show a small gain in black achievement scores.

The impact of beliefs about educational damage appears to be very powerful. Those who believe the Supreme Court has ignored educational harm are less than a third as likely as those correctly informed to support busing in general. On the other hand, people who are generally opposed to busing, but unworried about scholastic harm, are nearly twice as willing to change existing bus routes to increase integration.

Even among the group opposed to rerouting buses, beliefs about educational effects have a dramatic impact. Those with correct information about the Court's treatment of the educational question are more than twice as likely to support busing as a "last resort."

The same beliefs are related to attitudes towards the proposed Constitutional amendment limiting school desegregation. People who realize that the Supreme Court has not ordered busing where there was evidence that it would "harm a child's ability to learn" are almost twice as likely to oppose a Constitutional amendment.

A SAMPLE OF THE DEBATE ON NUCLEAR ENERGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1975

Mr. BROWN of California. Mr. Speaker, like most Members of Congress, and especially as a Member from California where a major initiative is on the ballot in next June's election, I have tried to follow the arguments for and against nuclear energy. Obviously there are many facets to this issue, and obviously each nuclear technology deserves its own special analysis, but even after this is said and done, large questions remain debatable. Assemblyman Charles Warren, who is chairman of the California State Assembly Committee which is considering the California Nuclear Initiative, recently said that questions with nuclear energy are not so complicated that the voters cannot decide what should be done about nuclear power. This viewpoint, which is not universally held, is the essence of a democracy. It was not too long ago that ordinary citizens were demanding an end to atmospheric nuclear weapons testing, with the Government responding that it was a policy too important to be left to the people. While clearly nuclear weapons are a greater threat to the health and welfare of people than domestic nuclear power can ever be, the wishes of the American people are still important considerations.

I recently came across a short excerpt of the nuclear energy debate in the October issue of the magazine New Engineer.

The following material comes from a debate between Ralph Nader, who needs no introduction, and Mike McCormack, one of our colleagues who also needs no introduction. The article follows:

Debate on Nuclear Energy—Ralph Nader Versus Rep. Mike McCormack

The nation's political and industrial leaders are counting upon nuclear energy to meet the bulk of our new power needs for at least the remainder of this century. In addition, a recent Harris poll commissioned by Ebasco Services (a consulting firm with much experience in power plant construction) showed that 63 percent of the public also favor building more nuclear power facilities, while only 19 percent are opposed. Opinion Research Corporation polled engineers specifically on the question; 56 percent agreed that nuclear power should receive immediate priority, although fewer than two-thirds of them felt atomic safety regulations were strong enough to protect the public.

Lists of prominent technical personalities—studded with Nobel Prize winners—have been circulated by both proponents and opponents of nuclear energy. Even the public opinion polls have been used by both camps; those opposed to present energy policy contend that the minority uncomfortable with nuclear energy is significant, considering that the technology has been under development since World War II, and has been commercial since 1962.

After reading the arguments presented by Ralph Nader and Mike McCormack, it is easy to see why such differences of opinion exist—a decision on nuclear energy must be made on both technical and political grounds, and there are good arguments for and against nuclear power in both areas. Read what these two distinguished spokesmen have to say, then take a few moments to write us of your views. We'll publish a representative selection in an upcoming issue.

Nuclear Power: Angel of Death

(By Ralph Nader)

(Note.—Consumer advocate Ralph Nader debated Rep. Mike McCormack (D.-Wash.) on the course of nuclear power development last April, at the National Society of Professional Engineers' Joint Engineering Legislative Forum. These articles were adapted from their prepared remarks, rebuttals, and answers to questions from the floor, as contained in a transcript of the entire session furnished by NPSE.)

The subject of nuclear power is not a controversy entirely between groups of citizens versus groups of government officials and technicians. It's a controversy that is increasingly dividing Nobel Prize winners, physicists, engineers, lawyers, insurance specialists, economists, land use planners, environmentalists, geneticists, physicians, public health specialists, police power specialists, and a whole range of other technical specialties.

This is so because nuclear power is not the province, even from a technical point of view, of any one specialty. It is not a technology to be imposed from the top, to be taken by the potential victims as an article of faith. It is a technology that has to be processed not only through scientific, technical, insurance, and legal conduits, but also through a political process of electoral response.

It's also a problem that splits jurisdictions—whether the federal government should preempt the field or whether state and local governments have additional rights and obligations to deal with the safety, siting, and other problems relating to nuclear power.

It is important, too, to note that criticism of nuclear power comes from several sources and several bases of information. It first comes from what the Atomic Energy Commission and its successor, the Nuclear Regulatory Commission, have voluntarily disclosed about serious quality control failures, "near misses," radioactive material spills, and the like in the nation's nuclear energy program.

It also comes from a great number of internal memoranda and technical critiques by both government and AEC laboratory specialists who are concerned about serious unresolved technical safety problems affecting the entire nuclear fuel cycle. This concern has recently broadened beyond the internal plumbing of the reactor to include such subjects as the risks of sabotage and terrorism, the hazards proceeding from the theft of weapons-grade materials. the security of radioactive materials during transport, the problems of radioactive waste disposal, economics, and reliability. We are dealing, remember, with plutonium 239 and other toxic, radioactive, cancer-causing agents—materials that remain dangerous for periods longer than recorded history.

Now, it is of course interesting to the lay public to see a list of Nobel Prize winners in favor of nuclear power, and a list of Nobel Prize winners against nuclear power. The public can be forgiven for being somewhat puzzled. Their impression of the scientific and engineering worlds is that after a while at least all the experts agree on basic fundamentals relating to a technology.

The reason many scientists have taken a stand against nuclear power is that they have broadened the context beyond the immediate hardware. They say in effect that nuclear power has to be considered in a world of political turmoil, in the context of the unreliability of supportive technology (such as our transportation system), and in the context of the alternatives to nuclear energy. The pace of development of such alternatives depends not merely on the number of scientists and engineers working on these alternatives but also upon the extent to which our national policy provides long-term incentives in the nuclear area or leans toward solar, geothermal, and other energy sources.

It is also important to look into the sale of nuclear plants to underdeveloped countries, whose technical infrastructure is only a fraction of ours and whose legal system, transportation system, and safeguards even with the best intentions cannot possibly produce the requisite level of expertise to manage the nuclear fuel cycle. One of the government's own memoranda, in fact, described the problems of safeguarding nuclear materials in foreign countries as insurmountable. So, we have to look at it from both national and international points of view—the possible accidental consequences as well as the possibility of intentional diversion of nuclear materials for weapons.

The differences in opinion concerning nuclear power rest on different appreciations of the probability and consequences of accidents, earthquakes, sabotage, or what-have-you. The principal document that advocates of nuclear power rely on is the Rasmussen Report, a report that has been so thoroughly discredited that they're going to have to find some other technical basis for their advocacy.

The Rasmussen Report, as Professor Rasmussen will be the first to say, does not cover transportation of radioactive materials. It does not deal with radioactive waste storage problems. It does not deal with terrorism and sabotage. It does not deal with fuel reprocessing plants, and it does not deal with the mining of radioactive ores.

It deals only with the nuclear reactor itself, and even with regard to the nuclear reactor it has already been criticized by the federal Environmental Protection Agency for underestimating the casualty level by a factor of ten. The Union of Concerned Scientists in Cambridge, Massachusetts, has criticized it similarly. It is clear that the report did not take into account a number of accident modes. And Rasmussen based his low casualty estimate on an assumption of rapid evacuation of the population within too small an area of risk. He also seriously underestimated the consequences of earthquakes on nuclear power plants.

A more basic attack on the Rasmussen Report comes from some biostaticians, who say that it is theoretically impossible to take into account the complex variables, lacking any experience in the past with any statistical validity, to make these kind of predictions.

Earlier this year a man with a 15-cent candle was inspecting a cable duct in the Browns Ferry plant in northern Alabama, the largest operating nuclear plant in the world. The candle set fire to the polyurethane foam, which set fire to the cables, which ruined the emergency core cooling system controls, which led to a shutdown of the two-plant unit. A 15-cent candle caused a $200 million accident. The probability of it happening, based on Rasmussen-type calculations, is about one in a trillion.

The fact of the matter is that in the space program and other programs, this type of analysis has repeatedly been shown to be unreliable. It requires an almost clairvoyant certainty about a pattern of human and technical and natural behavior that is very, very complex and difficult to predict.

I might also say that this type of prediction is not believed by many of the advocates of nuclear power. Alvin Weinberg, former director of the Oak Ridge National Laboratories, has questioned computer predictions that are estranged from experience or empirical verification relating to the emergency core cooling system. The insurance industry doesn't really believe there's only a one out of a billion or trillion chance of a major accident. If it did, the industry would be foolish in not staking its entire resources to underwrite nuclear plant technology at as high a level as possible. But as you know, nuclear power operates under the limited liability granted by the Price-Anderson Act, which has forever been an assault on the credibility of those who say that this is the safest technology ever deployed in the United States.

Even many of the advocates of nuclear power have peculiar qualifications to their support. For example, Alvin Weinberg believes in nuclear power, but he doesn't believe the utilities are competent enough to manage it. He believes in a nuclear park with a very strict technological authority—a nuclear priesthood, as he calls it. Edward Teller is a believer in nuclear power, but he thinks somehow it would be better if all the plants were built underground. Ralph Lapp is in favor of nuclear power, but he thinks it would be better if plants were built further away from major metropolitan areas.

Yet the utilities are still running these plants. The nuclear plants are not being built very far from metropolitan areas, and none of them are being built or are expected to be built underground.

It seems to me that any power system on which we place our reliance for the next 50 or 70 years should have certain characteristics of reliability. The reliability of nuclear power has been going down. Plants have been running at only about 55 percent of capacity. There's a quibble over whether it's 50 or 58 percent. With the closedown of 23 plants for two weeks after discovery of an allegedly minor crack in the Dresden plant, the Browns Ferry closedown, and the Palisades closedown of more than a year and a half, the prospect that this reliability factor will go up is not great.

But there's a more serious reliability problem: Do we want to trust our nation's future to an energy source that has to be perfect forever from major catastrophe? One can say that nuclear power has one bite at the apple. If there is serious sabotage or core meltdown and masses of radioactive material are released over a major metropolitan area, then it's not likely that the public is going to stand for any further operations of nuclear power in their area, not after having been told by the government and by the utilities that "it" would never happen—"it" being an accident, earthquake, or other natural occurrence resulting in the deadly release of abundant radioactive materials, or sabotage, theft, or terrorism.

My final argument against nuclear power is that there are alternatives. Those who say our country cannot continue without nuclear power are in effect saying that because we can't stop wasting energy in enormous quantities, and because we shouldn't use deep-mined coal, and because solar or geothermal energy cannot come on line adequately in the next 35 to 40 years, we must use nuclear power. I dispute all of those contentions.

The amount of energy waste in this country is enormous. The Office of Energy Conservation says 40 percent of our energy consumption could be progressively eliminated with thrift and minor capital improvements.

The interesting thing about waste is that we all know about it. If cars, for example, got 28 miles per gallon instead of 13 or 14, we'd reduce our petroleum consumption 15 percent nationwide. Look at the waste in uninsulated homes, office buildings constructed to be examples of overlighting, overventilation, overheating, poor heat retention. Leading architects say they can construct the same buildings with less than 60 percent of present energy consumption.

If we just recycled and burned our garbage we'd produce about 8 percent of our electricity needs. Some European countries are already doing it.

I've seen more and more believers in solar energy in the last two years. They used to say the sun would provide 1 percent of our energy by the year 2000. But now a lot of solar energy's future depends on our will, on whether we're going to have a big development program or allow tax incentives for its use.

Let me give you an illustration of the transformation of ideas about solar energy. Two and a half years ago I heard Alvin Weinberg say that solar energy sounds fine, but it isn't feasible. Recently I heard Alvin Weinberg say he's very excited about solar energy, so excited that he would take solar energy over nuclear power if it could be brought down to a cost no more than two and a half times that of nuclear fission.

In other words, just due to the stress our society has been under from the oil situation, suddenly solar energy prospects are growing by leaps and bounds. There are dozens of small engineering firms and individuals around the country that are pushing this forward, even though their efforts are hardly well funded, as you know.

I'll end with this story. Ralph Lapp bows to none in his support of nuclear power. When he was advising the Illinois government a few years ago, he put his rhetorical question to state officials: "If a maniac calls up the governors' office and says, "There's a detonating device in a strategic place in one of the 23 nuclear plants in Illinois, and unless you bow to my demands it's going to go off,' what would be the only prudent thing that the governor would have to do?"

Answering his own question, Lapp said, "Scram the plants." The governor would have to do it to facilitate the search and reduce the danger to the public. So even if we do go nuclear, the system will only be as strong as its weakest link in the fuel cycle, only as strong as any successful terrorist or saboteur, only as strong as its reliability factor, which is not very strong. And if we go nuclear for 30 or 40 percent of our electricity, and someday—hopefully never—the big catastrophe happens, then where are we? We're with a radioactive as well as an energy crisis.

For future generations, at least, we must bequeath a more rational trust. We must discipline ourselves to take care of our energy needs with conservation, with pollution control, with use of fossil fuels, and with rapid development of alternative forms of energy—bioconversion, solar, geothermal, and the rest.

Under stress we can produce alternatives. Under stress engineers and scientists become very, very creative. Perhaps we can reorder our priorities and not leave a legacy of plutonium for future generations.

NUCLEAR POWER: THE NATION'S SALVATION

(By Mike McCormack)

Our nation is truly in mortal danger. Our standard of living, our economic stability, our political institutions, and even the safety of our streets may well hang on whether we're able to produce enough energy not only to maintain the present job market but also to increase the opportunity for low-income Americans and members of minority groups to work toward a decent standard of living.

In the confused debate on the energy crisis one concept is almost universally accepted: We must reduce waste in our use of energy. We must reduce our historic rate of growth of energy consumption. What is not obvious, however, is that the total energy consumption of our nation will continue to increase, even if we establish very successful conservation programs. Of the dozen or so major reports projecting future energy consumption, all agree on this fundamental fact.

This is true because additional energy will be required for new homes, new jobs, upward mobility of low-income groups, employment and liberation of women, and more productive and competitive manufacturing processes. It would be true even if we had zero population growth starting today.

The recent report of the Ford Foundation Energy Policy Study assumes, as a reasonable scenario for the future, limiting the growth of our total energy consumption to 2 percent per year. Even this dramatic reduction in growth rate would double our energy consumption in about 35 years. Within this overall growth, though, there must be a dramatic shift from the use of petroleum and natural gas to the production of electricity from coal and nuclear fission. The annual growth rate for electric power will be from 4 to 5 percent per year, doubling electricity generation by about 1990.

Unfortunately, most of the debate on the energy crisis has centered on such subjects as import tariffs, quotas, gasoline taxes, allocations, regulations, and incentives. While all this is important, it's somewhat like wrestling for deck chairs on the Titanic. Our oil production is down from last year, our natural gas production is down from last year, our coal production is scarcely changed from last year, the proportion of petroleum we import has now increased to about 38 percent, more railroads have gone out of business, the situation in the Middle East has deteriorated, and Mr. Nader and others are clamoring for us to declare a moratorium on nuclear energy, our only rapidly growing resource and the cleanest, safest, most environmentally acceptable energy option available to the nation during this century.

The challenge we face today is to overcome this attempt at confusing and misleading the American people and to develop now an energy policy to produce the energy we will need in the future. There are several fundamentals on which such a policy must be built. Any energy policy must be based on the best scientific and engineering facts available. We simply cannot afford the luxury of basing policies on fantasies, such as assuming that solar energy or geothermal energy or some suppressed carburetor design will bail us out of our problems. We cannot base policy on prejudices, whether anti-Israeli or anti-Arab or anti-oil company or anti-utility industry or an anti-nuclear fanaticism. We cannot base policy on hopes, such as the hope that we'll keep finding enough natural gas or petroleum to keep us going, or the hope that the people of this country will voluntarily reduce their standard of living and voluntarily accept massive unemployment in the name of energy conservation or because they've been frightened into a state of irrationality by irresponsible scare stories about nuclear energy.

Certainly we must recognize that a dynamic equilibrium should exist between energy conversion, transmission, and consumption in one corner, and a reasonable and rational program for protecting our environment and conserving our resources in the second, and the maintenance of a stable and responsive economic system in the third corner. So, while we can't allow the excesses that have marked some industrial development of the past, raping our land and polluting our atmosphere, we cannot expect to have energy production without some impact on the environment no matter how benign the source may seem to be from a distance, and we certainly cannot expect to have jobs for the American people unless we produce more energy. Our national energy policy must strike this dynamic balance in a rational manner.

About 75 percent of the energy we use today comes from petroleum and natural gas. Now, when our society and our economy are actually dependent upon continued energy growth, we are coming face to face with the reality that we are running out of petroleum and natural gas, and we are just beginning to feel the first effects.

The most difficult fact to grasp for us who have lived all of our lives in a culture built on cheap mobility is that we have almost certainly already burned up more than half of all the petroleum and natural gas that we have ever discovered or ever will discover on this continent or off its shores, and that it will all be gone insofar as a significant supply of fuel is concerned by about the end of this century.

Furthermore, responsible recent studies by the National Academy of Sciences and the Federal Power Commission point out that, even with crash programs for exploration and drilling for gas and oil, we cannot expect to increase production significantly of either of these sources at any time in the future above present levels.

As our supplies of petroleum and natural gas dwindle, this nation will become dependent for virtually all of its energy on coal and nuclear fission.

But in the long perspective even these sources of energy are really only transitional. Though we must increase our reliance on them for now, we must also make plans for phasing them out in the more distant future and replacing them with other, still-to-be-developed energy sources.

Of course, coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, there is a broad spectrum of factors that limit the rate of growth of coal consumption: economic, logistical, and environmental. Clearly, coal can play only a partial role in this nation's energy future.

It becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready now to provide much of the energy this nation will need during the next 50 years. Nuclear energy is the cleanest, cheapest, most reliable energy source available, with the least environmental impact of any significant option.

Today there are 55 nuclear power plants licensed to operate in the United States. They have a capacity of about 40,000 megawatts, or about 9 percent of this nation's electric energy generating capacity. Seventeen more plants should be operating by the end of 1976. In addition to these 72 plants there are 149 more under construction or being planned. If they are operating by 1985—and they can be if we eliminate unnecessary delays and provide for construction capital—then this nation will have a nuclear capacity of about 220,000 megawatts, or about 30 percent of our nuclear generating capacity.

Each nuclear plant saves the equivalent of from 10 to 12 million barrels of oil a year. Thus it would require 6 to 7 million barrels of oil a day to produce the same electricity that these 221 plants will generate. This is the equivalent of all of the petroleum the United States imports today.

The nuclear industry, contrary to statements by Mr. Nader, does not have to be perfect. Just as with any other industry or any other energy technology, nuclear energy has some hazardous aspects, and we must assume that at some time in the future there will be an accident causing property damage, injuries, or even deaths—just as there has been in every other energy technology in this country on many occasions. While it's essential that every conceivable accident be guarded against and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go in imagining nuclear hazards or hypothesizing extreme nuclear accidents.

Recent studies by Dr. Norman Rasmussen of MIT, which were welcomed by all the anti-nuclear people until they found out what the studies said, indicate that with 100 plants operating—as will be the case in 1980—a major nuclear accident will be 10,000 times less likely to happen than a comparable accident in a nonnuclear facility. The hazard to any individual or group will be about the same in 1980 as the hazard of being struck by a meteor.

Now, it may be that that's off by a factor of ten. But with numbers of that size it doesn't make much difference. If it is off by a factor of ten, then, of course, the hazards of being killed from a nuclear reactor accident are ten times greater than being struck by a meteor.

Numerous scare stories have been circulated about the radiation impact of a nuclear industry on the general public. But if we assume a thousand nuclear power plants on the line (as may be possible by the year 2000) the average person in the United States will receive the following radiation: 102 millirem per year from natural background, 73 millirem per year from medical X-rays and therapeutic radiation, but only 0.4 millirem per year from the operation of all 1,000 nuclear power plants and their supporting activities.

Today, with automobile speed limits reduced to 55 miles per hour, we kill about 45,000 Americans a year and suffer about 2 million serious injuries from automobile accidents. More than 8,000 persons burn to death. Overdoses of aspirin and aspirin compounds cause more than 200 deaths a year. A thousand persons die from electrical shock. About 160 are killed by lightning; 3,000 choke to death on food; and 2,000 persons are killed in plane accidents.

Yet no radiation injury or death has resulted from the operation of any licensed nuclear power plant in the United States, nor has any member of the public been exposed to any radiation in excess of internationally approved standards as a result of the operation of all the 55 nuclear power plants and their supporting activities and the more than 100 American military nuclear reactors now operating.

Solar and geothermal energy will make no significant contribution to this nation's energy needs before 1990, and very little before the year 2000. Competitive generation of electricity from nuclear fusion will not come before the twenty-first century. The best estimate for the United States energy demand for 1985 is about 48 million barrels a day oil equivalent. If we assume a very aggressive conservation program, cutting 6.5 million barrels below projected growth rates, if we undertake an all-out exploration and drilling program for petroleum and natural gas, and if we undertake a massive expansion of our coal extraction industry, almost doubling it within ten years, and if we got all the hydroelectric sites that are going to be developed on line, and if we got all the nuclear plants that are now on the line, under construction, or on order built and operating, thus producing the equivalent of about 6.5 million barrels of oil a day, then we would still have to import 8.5 million barrels of oil a day, which is 2 million barrels a day more than we're importing now.

And for each million barrels we fall below some critical point near 48 million barrels of oil a day consumption, we must accept the unemployment of another 900,000 American workers. The nuclear portion of that 1985 energy consumption is equivalent to almost 6 million jobs, and there is no substitute for it.

I think it's important to remember that we need responsible criticism, but that we must rely on scientists and engineers to make technical decisions for us, not only in nuclear energy, but in the safety of our water, our airplanes, and our food.

Is Mr. Nader competent to make such decisions? He talks about 40 percent waste, and says that we can, with thrift, reverse that. Well, can we reverse the Second Law of Thermodynamics with thrift? A colleague came up to me one day. He wanted to take all the carbon dioxide out of the air and separate it again and reburn it for more energy, and I tried to explain to him why he couldn't do that. I mentioned the Second Law of Thermodynamics, and he said, "Oh, I know you scientists. You can take care of that."

Well, that's what Mr. Nader is saying: we can take care of that. We can reverse the Second Law of Thermodynamics and just ignore all the essential waste in the Carnot cycle that goes into converting electricity.

He makes the same mistake in mathematics when he says we can cut 15 percent off the gasoline consumption of cars. We undoubtedly can, but cars take only 20 percent of our total energy load. Fifteen percent of 20 percent makes 3 percent. The same for houses. He said we can cut 60 percent. If we did, it would be only 12 percent of total consumption.

And with respect to solar energy, it's been my legislation and my committee that's gotten us from $4 million in fiscal 1973 to what I predict will be an authorization of $143 million in fiscal 1976. I was sponsor of the Solar Energy Heating and Cooling Demonstration Act, the Solar Energy Research, Development and Demonstration Act, and the Geothermal Energy Research and Development Act.

Even if we were to modify 10 percent of all the houses in this country for solar energy, 7 million of the 70 million houses, those houses now require just 2 percent of this nation's energy. So that would produce between 1 and 1.5 percent of our energy needs. And, at $10,000 to $15,000 each, that's $70 to $105 billion.

The same applies to geothermal energy. With a crash program we may, if we are lucky, be able to have 1 percent of our national energy needs from geothermal energy by 1990.

We have people who are refusing to face up to the realities, the hard economic, human realities of this day. For the balance of this century this nation must depend on coal and nuclear fission for its energy. This is the reality, and we can talk all we want to about solar energy or geothermal energy or fusion or anything else in an attempt to escape from this truth. But all our attempts to escape simply provide a cover for the refusal to face up to our responsibility to our society, our low-income groups, our minority groups, our needs of today.

HOUSE OF REPRESENTATIVES—*Friday, October 31, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I have come that they might have life and that they might have it more abundantly.—John 10: 10.

Most merciful and gracious God, humbly and earnestly we come to Thee praying that the hours of this day may be filled with life and light and love.

Help us to be true, for there are those who trust us. Help us to be pure, for there are those who care. Help us to be strong, for there is much to suffer. Help us to be brave, for there is much to dare.

By Thy grace may we be friend of all, the foe, the friendless. May we be giving and forget the gift. May we be humble, for we know our weakness. May we look up, and laugh, and love and lift.

In the spirit of Him who went about with a song in His heart, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills and concurrent resolution of the House of the following titles:

H.R. 12. An act to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes;

H.R. 5541. An act to provide for emergency relief to small business concerns in connection with fixed-price Government contracts; and

H. Con. Res. 215. Concurrent resolution providing for the printing as a House document of a revised edition of "The Capitol."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5541) entitled "An act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Chiles, Mr. Metcalf, Mr. Nunn, Mr. Glenn, Mr. Weicker, Mr. Roth, and Mr. Brock to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5727) entitled "An act to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Kennedy, Mr. Burdick, Mr. Hruska, and Mr. Mathias to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following titles:

S. 584. An act to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 327. An act to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes;

S. 2145. An act to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes; and

S. Con. Res. 71. Concurrent resolution to correct the enrollment of S. 1542.

PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE REPORT ON SECOND CONCURRENT RESOLUTION ON BUDGET FOR FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until midnight tonight to file its report on the second concurrent resolution on the budget for fiscal year 1976.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman from Washington assure us that the minority is fully protected and that they will not in any way be placed in a position of not being able to protect themselves?

Mr. ADAMS. If the gentleman would yield, I would suggest the gentleman yield to the ranking minority member on the committee, the gentleman from Ohio (Mr. Latta) for a response to his inquiry.

Mr. LATTA. Mr. Speaker, if the gentleman will yield, our rights have been protected and we are prepared to file it.

Mr. ROUSSELOT. I thank the gentleman and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

MAKING IN ORDER ON NOVEMBER 10, 1975, OR ANY DAY THEREAFTER, CONSIDERATION OF SECOND CONCURRENT RESOLUTION ON BUDGET FOR FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that it may be in order on November 10, 1975, or any day thereafter to consider the second concurrent resolution on the budget for fiscal year 1976.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CORRECTING CONFERENCE REPORT ON S. 1542, MARITIME AUTHORIZATION ACT

Mr. DOWNING of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 71) relating to amendment of the Senate bill S. 1542, to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The Clerk read the title of the Senate concurrent resolution.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 71

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate in the enrollment of the bill (S. 1542), to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, is authorized and directed to make the following correction: Section 4 to read as follows:

Sec. 4. Section 809(a) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1213 (a)) is amended by inserting immediately after the first sentence thereof the following: "In order to assure equitable treatment for each range of ports referred to in the preceding sentence, not less than 10 percent of the funds appropriated for construction-differential subsidy and operating-differential subsidy pursuant to this Act or any law authorizing funds for the purposes of this Act shall be allocated to each such port range: *Provided, however,* That such allocation shall apply to the extent that subsidy contracts are approved by the Secretary of Commerce. Not later than March 1, 1976, and annually thereafter, the Secretary shall submit to Congress a detailed report (1) describing the actions that have been taken pursuant to this Act to assure insofar as possible that direct and adequate service is provided by United States-flag commercial vessels to each range of ports referred to in this section; and (2) including any recommendations for additional legislation that may be necessary to achieve the purpose of this section.".

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DOWNING of Virginia. Mr. Speaker, it is necessary for the House to approve the Senate concurrent resolution before us in order to correct a typographical error which resulted in the House and Senate conference reports having a minor difference in wording. Section 4 of the House conference report reads:

construction-differential subsidy contracts and operating-differential subsidy contracts.

The Senate conference report reads:

construction-differential subsidy and operating-differential subsidy.

We are dropping the words "contracts" so that the House and Senate conference reports in section 4 will conform.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

SECOND BUDGET RESOLUTION FOR FISCAL YEAR 1976

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADAMS. Mr. Speaker, I take this time to announce that the House Committee on the Budget has approved and reported to the House the second concurrent budget resolution. This provides for revenues of $301.8 billion; budget authority, $400.5 billion; outlays, $373.8 billion; deficit, $72 billion; public debt, $620.4 billion for the fiscal year 1976. We hope to have this resolution before the House as a whole on November 11 of this year. I might state that what it basically contains is a tax cut, not as large as the President has recommended, but to keep withholding rates from rising, and an expenditure ceiling approximately $20 billion-plus below the President's $395 billion figure.

So we have taken the first step in what we hope will be an accommodation toward a reasonable tax cut and a ceiling limitation for the fiscal year 1976.

Mr. Speaker, I yield back the remainder of my time.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 654]

Abzug
Andrews, N.C.
Annunzio
Ashley
Aspin
Barrett
Bell
Biaggi
Brown, Calif.
Brown, Ohio
Broyhill
Burton, Phillip
Butler
Byron
Carter
Casey
Chappell
Chisholm
Clay
Cleveland
Conyers
Crane
Daniels, N.J.
Dellums
Dent
Diggs
Dingell
Eckhardt
Erlenborn
Esch
Eshleman
Fary
Flynt
Foley
Fraser
Frey
Giaimo
Gibbons
Goldwater
Guyer
Hammerschmidt
Harrington
Hayes, Ind.
Hays, Ohio
Hébert
Helstoski
Hinshaw
Horton
Howard
Ichord
Johnson, Colo.
Karth
Kemp
Kindness
Landrum
Leggett
Lehman
Lloyd, Calif.
Lujan
McClory
McCollister
McKinney
Madden
Martin
Meeds
Metcalfe
Milford
Mills
Mink
Mitchell, N.Y.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nolan
Obey
Passman
Peyser
Pike
Preyer
Rhodes
Risenhoover
Robinson
Rosenthal
Runnels
Ruppe
Ryan,
Schneebeli
Seiberling
Sikes
Sisk
Smith, Iowa
Staggers
Stark
Steiger, Ariz.
Symington
Teague
Thompson
Udall
Ullman
Waxman
Wiggins
Wilson, C. H.
Young, Ga.

The SPEAKER. On this rollcall 328, Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. MOSS. Mr. Speaker, there were two Members who were trying to get recognition to be included just as the rollcall was closed, the gentleman from North Carolina (Mr. BROYHILL) and myself.

The SPEAKER. The Chair desires to announce that, while we cannot change the record, the Chair requests that Members address the Chair if they are seeking recognition.

DEPOSITORY INSTITUTIONS AMENDMENTS OF 1975

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10024) to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 10024, with Mr. MATSUNAGA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 101 of title I ending on page 1, line 7 of the bill.

The Clerk will read the remainder of title I.

The Clerk read as follows:

SEC. 102. (a) The Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall maintain an interest rate differential of at least one-fourth of 1 per centum, and shall take no action to eliminate or lessen any such differential, which is in existence on the date of enactment of this section with respect to any category of accounts between (1) any bank (other than a savings bank) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) any savings and loan, building and loan, or homestead association (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any savings bank the deposits or account of which are insured by the Federal Deposit Insurance Corporation except that such financial regulatory agencies may, upon a finding of competitive disadvantage, lessen or eliminate the differential for selected geographic areas and by category of accounts.

(b) No interest rate differential for any category of accounts which exists between (1) any bank (other than a savings bank) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) any savings and loan, building and loan, or homestead association (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any savings bank the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation may be eliminated or lessened under subsection (a) unless—

(A) forty-five days prior written notification is given by the Board of Governors of the Federal Reserve System to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate; and

(B) neither the Committee on Banking, Currency and Housing of the House of Representatives nor the Committee on Banking, Housing and Urban Affairs of the Senate disapproves, by resolution, the proposed elimination or lessening of the interest rate differential within the forty-five-day period beginning upon the date that such committees receive the written notification under clause (A).

(c) In the case of the elimination or lessening of any interest rate differential under subsection (a) with respect to any category of accounts between (1) any bank (other than a savings bank) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) any savings and loan, building and loan, or homestead association (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any savings bank the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation the maximum rate of interest which shall be established for such category of accounts for banks (other than savings banks) the deposits of which are insured by the Federal Deposit Insurance Corporation shall be equal to the highest rate of interest which savings and loan associations the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation were permitted to charge for such category of accounts immediately prior to the elimination or lessening of such interest rate differential.

(d) During the period ending December 3, 1977, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall study the impact of expanded consumer lending and investment powers, the offering of demand deposits, and any other additional powers authorized for State-chartered thrift institutions on the housing portfolios of such institutions with special emphasis upon possible disintermediation effects. Such agencies shall report their findings, together with any recommendations, to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate on or before June 30, 1976, and at six-month intervals thereafter during the period ending December 31, 1977. If the Congress enacts comprehensive financial reform legislation during such period, no such report is required to be made after such date.

SEC. 103. (a) Section 2 of the Act of August 16, 1973 (Public Law 93–100), is repealed.

(b)(1) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by inserting immediately before the period at the end thereof the following new proviso: ": *Provided further*, That this paragraph shall not apply to negotiable order of withdrawal accounts".

(2) Section 19(i) of the Federal Reserve Act is further amended by inserting at the end thereof the following new sentence: "For purposes of this paragraph, the term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the member bank may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise.".

(c) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting immediately after the first sentence thereof the following new sentences: "The prohibition in the first sentence on the payment of interest or dividends shall not apply to negotiable order of withdrawal accounts in insured nonmember banks. For purposes of this subsection, the term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise.".

(d) Section 19(b) of the Federal Reserve Act (12 U.S.C. 461) is amended by inserting at the end thereof the following new sentence: "In the case of any member bank or member of the Federal Home Loan Bank System, the Board may establish a reserve ratio for negotiable order of withdrawal accounts (as defined by section 19(i) of this Act), which may be set at a level different from that applicable to demand deposits.".

(e) (1) The Board of Governors of the Federal Reserve System shall, after consultation with the Board of Directors of the Federal Reserve System and the Federal Home Loan Bank Board, by rule, provide that the rate of interest which may be paid by banks (including savings banks) which are insured by the Federal Deposit Insurance Corporation and savings and loan, building and loan, and homestead associations (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation on negotiable order of withdrawal accounts shall be the same.

(2) For purposes of this subsection, the term "negotiable order of withdrawal account" means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 2, beginning in line 13, strike out "savings bank the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation", and insert in lieu thereof "mutual savings bank as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f))".

On page 3, beginning in line 1, strike out "savings bank the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation", and insert in lieu thereof "mutual savings bank as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f))".

On page 4, beginning in line 2, strike out "savings bank the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation", and insert in lieu thereof "mutual savings bank as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f))".

On page 6, line 25, strike out "Federal Reserve System" and insert in lieu thereof "Federal Deposit Insurance Corporation".

On page 7, immediately after line 18, insert the following new subsection:

(f) Section 5(b) of the Home Owners' Loan Act of 1933 is amended—

(1) in the last sentence of paragraph (1) thereof by striking out "Savings" and inserting in lieu thereof "Except as provided by paragraph (3), savings"; and

(2) by adding at the end thereof the following new paragraph:

"(3) An association may offer negotiable order of withdrawal accounts. For purposes of this paragraph, the term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise."

The committee amendments were agreed to.

Mr. WYLIE. Mr. Chairman, may I be recognized?

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. WYLIE. Mr. Chairman, I think there is a committee amendment on page 5, at line 15, which was overlooked. It is just two words, "provided further." I do not know if it is important or not.

The CHAIRMAN. The Chair will advise the gentleman that that is not an amendment. It is just an italicized portion of the text of the original bill.

Mr. WYLIE. I thank the gentleman.

AMENDMENTS OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer several amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. Rousselot: On page 6, line 23, immediately following the word "bank", insert a comma, and strike all that follows through the end of line 23.

On page 6, line 20, immediately following the designation "(d)", insert "(1)".

On page 7, line 2, immediately following the second period, insert the following new subsection:

(2) Section 5(A)(b) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1425(a)(b) is amended by inserting, at the end thereof, the following new sentence: "In the case of any member of the Federal Home Loan Bank System, the Federal Home Loan Bank Board may establish a reserve ratio or the equivalent thereof for negotiable order of withdrawal accounts (as defined by section 5(b)) of this Act), which may be set at a level different from that applicable to demand deposits.".

On page 7, line 2, immediately following the second period, strike all that follows through line 14, and insert, in lieu thereof, the following:

(e) (1) After consultation with each other, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall provide by rule, respectively, that the rate of interest which may be paid by member and nonmember banks (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation on negotiable order of withdrawal accounts shall be the same.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, the purpose of these amendments is to provide for the allocation of authority to establish reserve requirements and interest rate ceilings among the various authorities which regulate financial institutions, rather than to give primary authority to the Federal Reserve Board, as the present language may be construed to provide.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the committee accepts the amendment offered by the distinguished gentleman from California (Mr. Rousselot) clarifying the intent of the committee insofar as the question of the respective responsibilities of the Federal Reserve and the Federal Home Loan Bank Board are concerned on the question of reserve ratios. It is clearly contemplated by the committee that the Federal Home Loan Bank Board should have in no way its existing regulatory powers and authorities diminished and that for the purposes of this section that they indeed shall have the right to prescribe the manner, form, and place of deposit for the equivalent of reserves required in furtherance of the spirit of section 103(d).

Again, the committee is pleased to accept the amendment offered by the distinguished gentleman from California (Mr. Rousselot), the ranking minority member of the subcommittee which, in essence, merely continues the existing practice and authority now possessed by each of the regulatory agencies on the question of the actual prescribing of interest rates to be paid by institutions within their regulatory jurisdiction. All rates are set after consultation and I think it is to the credit of the regulatory agencies that there has, in fact, never been a refusal by any agency to follow the consensus as arrived at by the coordinating committee and certainly we can anticipate that this experience will continue on the matter of determining the rate to be paid for NOW accounts and I think we have every reason to expect that each agency simultaneously will prescribe such rate pursuant to its existing authority.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Rousselot).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. J. William Stanton: On page eight, after line eighteen add the following new paragraph:

(g) Section 5A of the Federal Home Loan Bank Act as amended (12 U.S.C. 1425a) is

amended by adding a new subsection thereto as follows:

"(g) Each member institution shall maintain reserves against its negotiable order of withdrawal accounts, in currency and coin or in balances in a Federal Reserve bank in such ratios as shall be determined by the Board of Governors of the Federal Reserve System."

POINT OF ORDER

Mr. ST GERMAIN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ST GERMAIN. Mr. Chairman, the amendment of the gentleman from Ohio (Mr. J. WILLIAM STANTON) addresses itself to section 5A of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1425a), et cetera.

We have just, immediately preceding this, amended section 5A of the Federal Home Loan Bank Act of 1933 (12 U.S.C. 1425a), as amended. In other words, we have just addressed ourselves to the point that is contained in the amendment of the gentleman from Ohio.

Therefore, I submit, Mr. Chairman, that it would be inconsistent at this point to consider this amendment since the subject matter has already been dealt with.

The CHAIRMAN. Does the gentleman from Ohio (Mr. J. WILLIAM STANTON) desire to be heard on the point of order?

Mr. J. WILLIAM STANTON. Yes, I do, Mr. Chairman.

Mr. Chairman, on this point of order, I bring this amendment to the attention of the committee for the sole reason that it was brought to my attention by the staff of the chairman of the Federal Reserve Board in pointing out really an error in the original language in this bill. It would still lead to a question even with the passage of the Rousselot amendment.

If the amendment is germane or not germane, of course, the Chair will soon rule, but I wish to point out to the members of the committee who had any question at all in regard to the amendment of the gentleman from Georgia (Mr. STEPHENS) that will be coming forth, unless this amendment is adopted, what we had here originally, in the haste of creating this particular section, was this: On close examination of the bill, the Members will see that we did establish the interest rates, but we came up with different basic reserve requirements for the different financial institutions involved, the saving and loan associations, the non-Fed system, and of course, the Federal Reserve System.

When we add this and the amendment that was just passed of the gentleman from California (Mr. ROUSSELOT), we see that the reserve commitments shall be established by the Home Loan Bank Board, but what we have is still a corollary or still a difference in that we do have in the Fed a system in which reserves move reserves. They are reserves held in the Federal Reserve Board.

The Home Loan Bank Board, if it comes up in the definition with respect to establishing some reserves, still presents the question of what kind of liquid reserves are involved.

Mr. ST GERMAIN. Mr. Chairman, if the gentleman will yield, the gentleman from Ohio (Mr. J. WILLIAM STANTON) is not speaking to a point of order. He is, rather, speaking on the amendment.

The CHAIRMAN. The Chair is prepared to rule.

The Chair is not going to rule on the consistency or inconsistency of the amendment.

The gentleman from Ohio (Mr. J. WILLIAM STANTON) offers an amendment which is different from the amendment offered previously by the gentleman from California (Mr. ROUSSELOT).

There is no question of germaneness involved here.

Accordingly, the Chair overrules the point of order.

Mr. J. WILLIAM STANTON. Mr. Chairman, I thank the Chair.

Going back to the original point which was made and to clarify the situation, where we are—and this is technical—there is a grievous error in this legislation. We have established uniform interest requirements but we have a bill that allows a big difference in reserve requirements for our different financial institutions. It creates unbelievable advantages to one institution over another.

This was not my original amendment. I have no pride of authorship whatsoever, but I feel the Federal Reserve Board makes a good point in bringing it to my attention. It follows in line and complements the amendment of the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, what I attempted to correct, as the gentleman from Ohio knows, in the previous amendment just adopted, was to prevent the financial institutions which fall into a different classification from being controlled by the Federal Reserve Board alone. In the amendment proposed by the gentleman from Ohio, he leaves it to the Board of Governors of the Federal Reserve System to basically decide what the currency and reserve balances shall be for NOW accounts. Why should not the Federal Home Loan Bank Board have jurisdiction in this case over the savings and loan institutions?

Mr. J. WILLIAM STANTON. I am saying to the gentleman from California that I do not care whether it is the Federal Home Loan Bank Board or the Federal Reserve Board, all I am saying is there should be uniform reserve requirements. I think what the gentleman from California would do would be to create a situation where the Federal Reserve Board and the Federal Home Loan Bank Board will be coming up with different reserve requirements as to what form and where reserves shall be.

Mr. ROUSSELOT. What the gentleman from Ohio is asking is to give the Federal Reserve Board the power to determine the reserves of savings and loan institutions and up until this time they have not had that kind of regulatory power over savings and loan institutions. Is that not correct?

Mr. J. WILLIAM STANTON. Up until this time we never had NOW accounts nationwide.

Mr. ROUSSELOT. We have had NOW accounts in New Hampshire, as the gentleman well knows, and that is where the experiment is taking place. What the gentleman from Ohio wants to do is provide jurisdiction in NOW accounts for the Federal Reserve Board over the savings and loan institutions.

Mr. J. WILLIAM STANTON. I limit my authority in the new field of NOW accounts reserves only.

Mr. ROUSSELOT. The Federal Home Loan Bank Board was set up to be a separate regulatory body from that which regulates commercial banks. The gentleman knows that.

Mr. J. WILLIAM STANTON. But the gentleman's amendment is creating the exact problem I am trying to spell out and correct with this amendment and that is that the Home Loan Bank Board would set the standards of reserves, but, the point is, they can establish different standards for these reserves.

Further, does the gentleman from California not deny this principle that if the Federal Reserve Board and the Federal Home Loan Bank Board come up with different standards for the establishment of reserves in this particular problem that there is a great possibility of one institution having a competitive advantage over the other?

Mr. ROUSSELOT. They could.

Mr. J. WILLIAM STANTON. I thank the gentleman.

Mr. ROUSSELOT. If the gentleman will yield further, that is exactly what the pressent law says, that the regulatory body for savings and loan institutions will be the Federal Home Loan Bank Board. That is the present law. The gentleman and I did not create this, that is the way the law was originally written.

Mr. J. WILLIAM STANTON. That is correct.

Mr. ROUSSELOT. Now the gentleman wants to create a new and selective authority on behalf of the Federal Reserve Board over thrift institutions.

The present law says that the Federal Home Loan Bank Board can take over this responsibility.

Mr. J. WILLIAM STANTON. Well, I want to just point out to the House that presently it is the Federal Home Loan Bank Board that has jurisdiction over the savings and loan institutions but we are now getting into an entirely different sphere, and, which, of course, the gentleman from Georgia (Mr. STEPHENS) will hit on this. We are coming into the NOW accounts.

Mr. ROUSSELOT. I do not wish to grant the Federal Reserve Board that power.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I would like to ask two questions.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. WYLIE and by unanimous consent, Mr. J. WILLIAM STANTON was allowed to proceed for 2 additional minutes.)

Mr. WYLIE. Mr. Chairman, if the gentleman will yield, I would like to ask the gentleman two questions. As I understand the gentleman's amendment, it simply states that it will be the Federal Reserve Board which will establish reserve requirements for NOW accounts?

Mr. J. WILLIAM STANTON. That is right.

Mr. WYLIE. That is all it does?

Mr. J. WILLIAM STANTON. Just the NOW accounts.

Mr. WYLIE. Under the present law the Federal Reserve Board cannot establish reserve requirements for savings and loan institutions or thrift institutions; that is done by the Federal Home Loan Bank Board?

Mr. J. WILLIAM STANTON. That is correct.

Mr. WYLIE. Is that correct?

Mr. J. WILLIAM STANTON. Yes.

Mr. WYLIE. So this amendment would go to the one new authority that was provided for in this bill, to wit, the NOW account, and would allow the Federal Home Loan Bank Board to ascertain the reserve requirements in that instance?

Mr. J. WILLIAM STANTON. That is correct.

Mr. WYLIE. And the Federal Home Loan Bank Board then would have major authority to establish the reserve requirements as far as NOW accounts in thrift institutions are concerned?

Mr. J. WILLIAM STANTON. The Home Loan Bank board sets the reserve requirements in Mr. Rousselot's amendment. My amendment directs itself to what type, cash, and so forth, the reserves are and where they are kept.

Mr. WYLIE. But we would not have reserve requirement standardization as far as other institutions are concerned?

Mr. J. WILLIAM STANTON. No, because that is not involved in this.

Mr. WYLIE. That is what I wanted to make clear.

Mr. J. WILLIAM STANTON. That is right.

The Chairman, I know, is against it; the subcommittee chairman is against it. I really felt that, once again, for the benefit of the gentleman from Georgia (Mr. Stephens)—and we will get back to his amendment later—a real inequity now exists in this legislation of a technical nature and I am imposed to this title.

Mr. WYLIE. I thank the gentleman.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

This is not a technical amendment. The question here is one of monetary policy as against liquidity when we ask that reserves be set by the regulatory agency for the institutions under its jurisdiction. We are talking about liquidity. Here with this amendment, the Federal Reserve Board is attempting to widen its scope and to effect monetary policy. Let us make one thing clear also. The amendment offered by the gentleman from Ohio also states that the reserves will be deposited with the Federal Reserve. The Federal Home Loan Bank Board has facilities for these reserves. The amendment previously adopted already states that the reserves shall be set by and kept by, and the type of reserves shall be determined by, the Federal Home Loan Bank Board.

For that reason I find I must oppose the amendment because we are not here attempting to change monetary policy; we are just attempting to insure the liquidity of the financial institution that takes the option of offering the NOW account to the consumers of this Nation.

Mr. Chairman, I yield back the remainder of my time.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment because it is in conflict with the basic laws that presently establish specific regulatory bodies for the different types of financial institutions. The Federal Home Loan Bank Board has the regulatory authority for the savings and loan institutions of this country not the Federal Reserve Board.

If the amendment offered by my colleague, the gentleman from Ohio, passes, we will be plowing new ground in providing new authority to the Federal Reserve Board to enter the field of establishing what the reserves must be for NOW accounts in a savings and loan or mutual savings institution.

I am not at this time going to get into a discussion of the NOW accounts because that will come up when my colleague, the gentleman from Georgia, moves to strike section 103 of the bill, and we can debate that issue then. But I am sure even my colleague, the gentleman from Georgia, would not want to put the Federal Reserve Board in charge of savings and loan institutions and what their reserve accounts should or should not be; that basically is an authority that belong to the Federal Home Loan Bank Board.

Would the gentleman agree with that?

Mr. STEPHENS. If the gentleman will yield, I believe that is the understanding.

Mr. ROUSSELOT. I appreciate the gentleman's comment.

So even the maker of the amendment to eliminate the NOW accounts—and we will get into the NOW account issue again as it relates to the savings and loans—agrees that the power and authority to regulate the reserve requirements under the NOW accounts for the savings and loans should be retained with the Federal Home Loan Bank Board. That is their responsibility.

I would be glad to yield now to my distinguished colleague, the gentleman from Ohio.

Mr. WILLIAM STANTON. Mr. Chairman, I think in the light of the knowledge members of the committee have in this matter it is not necessary to point out certainly that we did not have extensive hearings on this subject matter. This matter should have been taken up under what we call the Financial Institutions Act. I do not necessarily give credit to the other body, which extensively studied this, and on the NOW accounts they handled it exactly the way this amendment states.

I also wish to point out one other thing. When it comes to the establishment of reserves, what we have in my amendment further is simply on the question of the differentiation between currency and coinage the Federal Reserve would have jurisdiction. That has already been set by the Federal Reserve, by the gentleman's amendment.

Mr. ROUSSELOT. I appreciate that but I still address myself to the basic issue raised by my colleague in introducing this amendment, which would present a new authority to the Federal Reserve to have a decisionmaking process as it relates to savings and loans. I am sure my good friend, the gentleman from Ohio, did not intend that.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the Senate did not hold hearings on this point either. It was an amendment offered in the markup session. I do not have the complete report. The FIA question is moot on this point and properly so after the consideration given to those agency heads who were responsible for FIA spending as it has been set.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I made the statement which was made to me, that this was put in the Senate version.

Mr. ROUSSELOT. I think that was in a previous act and not the current one.

Mr. J. WILLIAM STANTON. I have been told it is the one presumably they are working on now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. J. William Stanton).

The amendment was rejected.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Brown of Michigan: On page 3, beginning on line 9, strike out all after the word "System" through and including line 12 on page 3, and insert in lieu thereof the following: "to the House of Representatives and the Senate; and

"(B) neither the House of Representatives nor the Senate disapproves, by resolution, the proposed elimination or lessening of the interest rate differential within the forty-five-day period beginning upon the date that the House of Representatives and the Senate receive the written notification under clause (A)."

Mr. BROWN of Michigan. Mr. Chairman, as presently drafted, section 102 of H.R. 10024 would prevent any erosion in the statutory differential by specifying that the present differential included in the bill, of one-quarter of 1 percent, shall be maintained. In those cases, however, where the bank regulatory agencies make a finding of competitive disadvantage between competing financial institutions, the agencies may lessen or eliminate the differential for selected geographic areas and by the category of accounts.

If such is the case, the agencies must report their finding to the House Banking and Senate Banking Committees; and, thereafter, either committee may by resolution disapprove the proposed elimination or lessening of the interest rate differential within 45 days. In essence, the two committees, or either of them, are given a "veto" power over the agencies' action.

The amendment which I am proposing would take away this veto power from either of the two committees and vest it in either body of the Congress, that is in the House or Senate. Not only have constitutional questions been raised about section 102 as it presently stands, but also the provision could be used to thwart legitimate agency action because of political pressures which might be brought to bear against members of either committee. By vesting the veto power in the House and in the Senate, such problems will be diminished considerably.

I would respectfully suggest this amendment is consistent with action taken by the Congress in many other areas where we give the right of disapproval to either body rather than to a committee of either body.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I have the gentleman's amendment here. As I understand the thrust of your amendment, it would provide that the House of Representatives or the Senate as a body, rather than a committee of the House or the Senate, would have to act.

Mr. BROWN of Michigan. Well, the bill says either committee. My amendment says either House.

Mr. WYLIE. Either House could by resolution disapprove the elimination of the rate differential by your amendment.

Mr. BROWN of Michigan. That is right.

Mr. WYLIE. The other body could by resolution disapprove the elimination of a rate differential without action by the House.

Mr. BROWN of Michigan. Yes.

Mr. WYLIE. And in the bill before us now the House Banking, Currency and Housing Committee may express disapproval within the 45-day period.

Mr. BROWN of Michigan. Or the Senate committee.

Mr. WYLIE. Or the Senate Banking Committee may disapprove the elimination of a rate differential.

Mr. BROWN of Michigan. The gentleman is correct.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, one of my concerns on the gentleman's amendment, and I know that there are precedents for his suggested action, is that sometimes the Senate is not quite as quick to act on rules and regulations submitted by regulatory bodies.

Mr. BROWN of Michigan. This is either House.

Mr. ROUSSELOT. I understand that; but I still believe that the bill before us provides for more decisive and swift action by either committee. I just wonder if the process is not unnecessarily long under the gentleman's amendment. This amendment could unnecessarily prolong the ability the act, where the committees can take and have the wherewithal to take quicker action.

Mr. BROWN of Michigan. Well, as a practical matter, the legislation requires a 45-day filing in advance. It provides in either case the time element is the same. In either case a resolution could be presented in either House in that 45-day limitation.

Everything is the same, the timing is the same. The question is whether or not the veto of the agencies' determination should be effected by the action of just the majority of a committee or whether we should have a resolution and a majority in either House.

Mr. ROUSSELOT. I appreciate my colleague's point; but let me give another side of the coin, if I can. We all remember with what great speed and alacrity that the House moved to consider pay raises and increases when no action meant an increase in pay. There are occasions where we can get quick action from the whole House or Senate, maybe in the case of a declaration of war; but I really do not believe that we move that quickly with this type of rulemaking procedure. I think that the actions by the Federal Reserve Board, which is, in any case, a much more united Board and has only 9 members involved, compared to our 435, the full House may not have the time to react promptly enough. Therefore, their actions could well go into effect without full consideration by the House being scheduled within 45 days.

My belief is that both committees of the Senate and the House meet more regularly on specific actions of this type and are more capable of dealing promptly than the whole House or Senate.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. Rousselot, and by unanimous consent, Mr. Brown of Michigan was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I really wonder if we are not adding an additional requirement to come to either one of the floors of Congress that it would take additional undue time.

Mr. BROWN of Michigan. I would respectfully suggest that there are many Members in the House who would like to know about and have brought before them, the issue of whether or not the agencies' determination should be reversed. There are many Members who would like to have an opportunity, at least, to know about it and maybe express themselves on it.

I think it would be terrible for my colleagues to all of a sudden find out that the House Committee on Banking and Currency, despite the conclusion reached by the agencies had vetoed an elimination of the differential. It just seems to me when there has been a professional look at this in a locality and the agencies have made a decision, that that finding certainly should be given at least as much validity, if not more, than one made by members of a committee of the House or of the Senate.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment.

Very succinctly, I think that what we should look at is that at the present time, to date, there has been no consultation whatsoever with the Congress. In this section, what we are doing is asking the coordinating committee to report to the committees of jurisdiction. Now, should there be dissatisfaction with this methodology, then we could review it and determine whether we should have to come to the full House and the full Senate.

We are talking about a 45-day period during which time the information must be provided to the committee, the committee has to hold its hearings in the subcommittee and in the full committee, then go to the Rules Committee. Then we may wonder whether they are going to get a rule to come to the floor of the House because it might be considered that this is not important enough in relation to other legislation. That is why the Congress at this point has no input whatsoever. We take step one, a short step, and determine how to handle it. I feel the committees of jurisdiction that are dealing in this area constantly have the confidence of the Members of the House. For that reason, I must oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Brown).

The amendment was rejected.

AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Stephens: Page 5, line 10, through page 8, line 18, strike out section 103 in its entirety.

Mr. STEPHENS. Mr. Chairman, section 103 in H.R. 10024 would permit banks, savings and loan associations, and mutual savings banks in the United States to offer interest bearing checking accounts—called negotiable order of withdrawal accounts or NOW accounts. No one will deny that such accounts would be highly attractive to consumers. Therefore, it is understandable why this proposal has been added to the other provisions of this legislation. However, NOW accounts represent a fundamental change in our financial system, a change whose ramifications have not been directly examined in congressional hearings during this Congress.

The original bill, H.R. 8024, which formed the basis of the legislation before the House today, dealt with three major issues:

First. The extension of the Interest Rate Control Act which gives the regulatory agencies authority to set deposit interest rate ceilings;

Second. The functions of the National Commission on Electronic Funds Transfers; and

Third. So-called redlining by mortgage lenders.

Hearings were held in June and July on these three topics, and did not include the major issue of interest bearing checking accounts. Congressman St Germain decided further public discussion was needed on the extension of deposit interest rate ceilings—regulation

Q—so hearings on this topic were scheduled in early September.

Although the memorandum announcing these additional hearings made mention of the need "To reexamine the threshold question as to the need for a continued prohibition against the payment of interest on demand deposits," the hearings almost exclusively concentrated on the controversial issue of the extension of regulation Q and differentials.

Therefore, the provisions in H.R. 10024 allowing NOW accounts to be offered on a nationwide basis were not a product of public consideration of this issue but was an unexpected addition. In 1973 Congress authorized what has been termed an "experiment" in Massachusetts and New Hampshire, allowing financial institutions in those two States to offer their customers NOW accounts. We have not yet asked for an assessment of this "experiment" before we proceed with a grander plan.

At the very least we should request the bank regulatory agencies at both the Federal and State levels for their evaluation of NOW accounts in the two States and ask for their recommendations with regard to expanding the experiment. I think we should go further and get input from banks and thrift institutions offering these services to determine what they find are the benefits and problems in having this authority.

I personally do not see how in good conscience we can proceed to act on the issue of NOW accounts in isolation from other proposals to create a more competitive financial system. The Subcommittee on Financial Institutions Supervision, Regulation, and Insurance has underway a study on financial institutions and the Nation's economy—the FINE study as it is called. This is a broad study on needed changes in the operations of the financial industry.

One area in the study covers the powers and functions of competing financial institutions. The NOW account controversy involves two primary issues which I had thought were important in considering financial reform, and neither of these issues has received adequate examination. The first issue is: Should thrift institutions be permitted to offer demand deposits—whether in the form of checking accounts or NOW accounts? Of course this question will ultimately be answered yes or no, but there are other fundamental questions that will be ignored if we were to enact section 103 today.

I feel the following questions need to be answered: Should thrift institutions be allowed to offer checking accounts and also retain their favorable differential on what they can pay savers? If funds are shifted from savings accounts to these new checking accounts will housing investment suffer since volatile checking account funds cannot safely be channeled into long-term lending? Will thrift institutions need changes in other investment and lending powers so they can put short-term deposits to good use? These are but a few of the questions unanswered if we enact legislation today permitting all thrift institutions to have interest bearing checking accounts. All of these are questions that should be answered within the context of coordinated and comprehensive financial reform. They are not isolated issues.

The second issue which we overlook by enacting nationwide NOW accounts today is the issue: Should any institution allowed to offer demand deposit accounts—even though called NOW accounts—be permitted to pay interest on these accounts? This concerns me because for over 40 years we have had in force a prohibition on the payment of interest on demand deposits. Maybe the time has come to do away with this prohibition, but I am very concerned about making such an important decision without giving it a great deal of study, and exploring the best ways to allow consumers to earn interest on temporarily idle funds. I guess my primary concern here is handling the high cost of these NOW accounts. Obviously, somehow the services provided to customers will have to be paid for.

I see three ways to cover the cost. First, the bank or savings and loan offering an interest bearing checking account can absorb interest and processing costs, currently running about 9 percent in New England—5 percent in interest and 4 percent in handling costs. I understand that is what many of the financial institutions are doing up in Massachusetts and New Hampshire at present. However, absorbing the costs out of profits cannot be the long run solution because as NOW accounts spread there is less incentive competitively to do this and, more importantly, financial institutions will not be able to do this as the accounts grow as a percent of total deposits. To do so could threaten their capital structure.

A second way the cost of NOW accounts can be covered is by increasing the rates charged for loans and seeking higher yielding investments. The consumer certainly will not benefit from higher loan rates, and riskier investment will be of concern to both the financial institutions themselves and their regulators. So the third way of recovering costs would seem inevitable—that is by explicit service charges for the interest bearing checking account. And this is undoubtedly the most equitable way to handle the problem. But we will have to educate the consumer that, in the long run, it is very doubtful that the NOW accounts can carry a 5-percent savings rate and still be free of service charges.

In addition to all the unanswered questions I have already raised, I would like to suggest two more questions that concern me at a time when we read about large bad loan losses at banks, liquidity problems at thrift institutions, and economic uncertainty as to whether we should concentrate on aiding recovery or fighting inflation. How much destabilizing shifts of funds will occur among competing financial institutions if NOW account legislation is enacted? What effect will these shifts in the liability structure of financial institutions have on the nature of loans and investments they make?

I guess I stand here with a series of questions that may not have easy answers. But I think that these questions must be asked and should be considered before we proceed to authorize NOW accounts for about 20,000 financial institutions throughout the Nation. We have an experiment underway on this, so let us at least study what is happening in two of our States.

I certainly do not want to be misunderstood. A person has a right to expect a fair return on his funds put into a financial institution. I view that as a primary goal in any discussion of financial reform. I just do not think we are acting in the public interest to proceed precipitously on this issue without facing up to some hard questions first. And I feel we can best serve the public by striking this proposal on nationwide NOW accounts until the FINE study has been completed and hearings have been held on the entire matter of financial restructuring of our financial system.

I respectfully ask you to vote for my amendment.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from South Carolina.

Mr. HOLLAND. Mr. Chairman, I would like to compliment my friend, the gentleman from Georgia (Mr. STEPHENS) on his remarks and for his excellent work. I wish to associate myself with the gentleman's remarks.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia (Mr. STEPHENS).

I would first like to point out that the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance held extensive hearings on regulation Q and the payment of interest on demand deposit accounts and on NOW accounts.

On 35 different occasions during the hearings there were questions and answers on the NOW accounts, and we heard from the regulatory agencies as to what has occurred with the NOW accounts. Furthermore, the experiment has been going on for 2½ years.

Mr. Chairman, let me state that I opposed the NOW accounts originally. Public Law 93–100, the legislation that prohibited NOW accounts, bears my name. However, in conference with the Senate we agreed to an experiment in the States of Massachusetts and New Hampshire. There were dire predictions as to the consequences of that action, the same as we have just heard. These consequences and dire predictions did not come about.

Therefore, I stand before the Members today and state that I was wrong. The NOW accounts have proven successful. In addition, we are now going to provide reserve requirements to protect the liquidity of the financial institutions, and with that added protection I support the NOW account. I say it is in the best interest of the consuming public for us to allow this for financial institutions. Remember that I said "allow." Nothing forces them to do this. There are many institutions in Massachusetts and New Hampshire today that are not offering the NOW account. Here we remove the prohibition, and I say it is in the public interest to allow the people of this Nation to go to a financial institution that offers the NOW account.

Why should not these people have the benefit of interest being paid on their demand deposit accounts? Let us not kid each other. This essentially is a checking account under another name.

In questioning Governor Mitchell of the Fed, he agreed that the prohibition against the payment of interest on demand deposits has become an anachronism.

Anyone could pick up his telephone today and call a bank and ask it to transfer x number of dollars from his savings account to his checking account. Anyone can call an S. & L. today and tell them he wants a check made out to pay for a television set. If he calls by 2 o'clock, they go across the street to get the check from the commercial bank. They send that check to the payee that the man has authorized to be paid.

The whole thing today is an anachronism.

Chairman Wille of the FDIC testified as follows, when asked about the NOW account experiment:

> I think what has happpened is that with each of the different types of institutions able to offer the NOW account, the commercial banks have, with each 6-month period, actually taken a larger share of the total than they did before when they were prohibited from offering the NOW account.

Mr. Chairman, it is quite true that the mutual savings banks' percentage of the total of the NOW accounts has declined. The S. & L. proportion, I think, has remained the same.

That is not the case in Massachusetts and New Hampshire, but they are being offered increasingly at virtually all savings banks, commercial banks, and S. & L.'s.

The dire consequences did not occur that were predicted before the NOW account experiment began, with approximately one-half or one-third of the savings banks having diminishing shares.

As I say, the witnesses who appeared before us stated that the NOW accounts have become immensely popular.

I happen to be from Rhode Island. We see the advertising on television from the Massachusetts station plus the Rhode Island stations, because the institutions use these outlets to reach their public.

The NOW account has been received very well. Why restrict it to two States?

We are not here talking about projects based on some figures pulled out of thin air. We are talking about an actual experiment that has been in existence for 2½ years, with reporting on a regular basis by the regulatory agencies to the Congress.

No institution has failed. As a matter of fact, there have been more commercial banks established in Massachusetts and in New Hampshire since the NOW account came into being in those two States.

What we are saying here is that we are going to allow the working man, who does not have the sophistication to invest in money market funds or in municipal bond funds, to obtain a little interest on his savings account and yet be able to write checks on it.

It is about time that we vote for the people rather than for the financial institutions.

This legislation before us today, Members of the House, is not a product of the requests of trade associations; it is a product stemming from the needs of the people of this Nation, and I hope that in considering this legislation, we will remember that.

Governor Mitchell during the hearings stated as follows:

> I think that as far as commercial banks are concerned, and as far as some thrifts are concerned, you have the equivalent of a NOW account all over the United States today. Because all you need to do is pick up the telephone and say, "Transfer x dollars from my savings account to my checking account," and it is done. And you can write a check on it. Many thrifts are offering this service to many of their customers, in such a form that they say, "If you let us know by 2 o'clock today, we will move the funds to your commercial bank, and you can draw checks on them that day."
>
> So, I believe that the NOW account experiment has been a success from the standpoint of both the public and also from the standpoint of the institutions. It is spreading all over the United States, but not under that name.

So, why not be honest about all of this and allow the NOW accounts to be available to the people of this Nation?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. St Germain was allowed to proceed for 2 additional minutes.)

Mr. STEPHENS. Mr. Chairman, will the gentleman yield for a comment on the remarks of Mr. Mitchell and Mr. Wille.

Mr. ST GERMAIN. I will yield to the gentleman when I have finished my statement.

Mr. Chairman, I might further mention that the NOW accounts are an integral part of the FIA, and so those who say why not wait until we finish with FIA and FINE, I say this, because this is not a goody for the financial institutions, it is a goody for the people of the Nation. That is why I say let us not defer any longer. The time is now for the NOW accounts. And that is the reason we have this before us today. That is why I say let us reject the gentleman's amendment.

Now I yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, I thank the gentleman for yielding. I will agree that what the gentleman has said in respect to Governor Mitchell's comments and the comments of Mr. Wille, as heads of the FDIC and the Governor of the Federal Reserve Board, they did say yes. However, they said provided it is put in its proper context and this bill is not the proper context.

Mr. Wille said:

> I think our support of the Financial Institutions Act carries the implicit answer, "Yes" to that question, provided a good many other changes are also made which would allow the earnings capabilities of different types of institutions, both thrift and commercial, to be enlarged.

Mr. ST GERMAIN. On what page is the gentleman reading from?

Mr. STEPHENS. I am reading from page 2268 of the hearings.

He continued and said:

> I would not recommend the extension of NOW accounts to other states without those changes pending a comprehensive review of the earnings impact of NOW accounts in Massachusetts and New Hampshire.

They made a proviso.

Mr. ST GERMAIN. That is right.

Mr. STEPHENS. That is exactly what they said.

Mr. ST GERMAIN. That is why we have the reserve requirements included.

Mr. STEPHENS. That is why I should also state that that is why I am objecting to putting them into effect without those adjustments that need to be done.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Stephens, and by unanimous consent, Mr. St Germain was allowed to proceed for 2 additional minutes.)

Mr. STEPHENS. Mr. Chairman, if the gentleman will yield further, the point I am making on this is that when you have as delicate a balance a movement of the regulations back and forth would be just like a spider weaving a web and the spider weaves that web in a corner. Then you come along and take one tendril of that web and pull that loose without taking into consideration that you have shaken the entire spider web, and that is what is being done here by just pulling down one tendril you might in fact pull down the whole gamit of financial institutions when in fact this has not been listed, studied, and evaluated by our committee I think we ought not to pass it now.

Mr. ST GERMAIN. I would respond to that by again quoting from Governor Mitchell, on page 2268, he said:

> I do not see any problem extending NOW accounts, if the states want to make that type of account available to their state-chartered institutions. I think it is a genuine service to individuals, and its popularity in New England has, I believe, demonstrated that.

In other words, we have NOW account type accounts in existence today throughout the Nation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment, and in support of the statement that the distinguished gentleman from Pennsylvania will soon make.

Mr. Chairman, I do support the amendment of the gentleman from Pennsylvania, but even if it is passed, I do not expect to vote for 10024.

I am not necessarily opposed to NOW accounts, but I am vigorously opposed to piecemeal boondoggling of our national financial system.

When I joined the House Banking Committee in 1971, there was a general consensus as to the need for financial system reform. The report of the Hunt Commission was available. What was not available was a will in the committee to solve a tough, complicated problem.

The committee has fiddled with the

problem during the ensuing years, but has never yet had the will to commit itself to financial system reform. This year the committee itself was subjected to a little reform. But that reform turned out to be very little, indeed, because it surely has not improved committee performance.

I used to support needed changes in financial system structure, like the extension of regulation Q, and I would probably do so again if it would be presented alone. But I have learned that support of the committee's band aid policy only encourages it to do more of the same. Therefore, I will not support any changes other than necessary extensions, like that of regulation Q.

This year, the committee has abused us even more sorely. In H.R. 10024, we have been given four band aids all stuck together, rather than the usual one. The committee has rolled from unrelated items, regulation Q, NOW accounts, Redlining, and EFTS Commission, into H.R. 10024.

Those four subjects deserve four bills. H.R. 10024 deserves a negative vote on that basis alone, as well as for its piecemeal approach to financial system reform. I shall vote against it for both reasons.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I rise in support of the amendment. This a very, very important amendment that is before us today, because this provision, which would extend the privilege of paying interest on checking accounts nationwide in one of the most important changes in our banking system since 1933. It is not just an idle amendment which we should adopt without giving it serious consideration.

Many of us lived during that pre-1929 era when banks paid interest on checking accounts. Many of us in 1933 lived through the days when every bank in the United States was closed. Why? Because the banks had been paying interest on checking accounts. That was one of the reasons for their closing. Then the money had been sent to New York where the big banks used it to play the stock market, and when they had to call their loans on their stocks, crashes occurred.

The Congress very properly in 1933 decided that that was a bad mistake that the banks had been making, and the Fed was authorized and directed to deny the payment of interest on checking accounts. The next 2 years the FDIC was directed to deny the payment of interest on checking accounts, and this has survived all of these years until now in the last couple of years they have come up with this rather ingenious device which they call a NOW account.

A NOW account is nothing more than a checking account on which the banks are required to pay interest. You can call it by any other name, but that is what it is. I have an ad right here that has been running in the papers in Massachusetts which says:

(In displaying a check.)

> This isn't a check. It is something better, 5¼ percent better. It looks like a check; it is used like a check; but it is not a check. It is a withdrawal order.

Of course, it is a withdrawal order, but all it is is just a check that one can issue in Massachusetts or New Hampshire against a savings account.

Last week I was home over the weekend, and we get WBZ Boston on the radio. Lo and behold, one of the ads over the Boston, Mass., radio said, "Do you have a checking account on which they are paying you interest? If not, you come to Massachusetts for it. You will get it. The savings banks will pay you interest on your checking account."

It never mentioned the words "NOW account" or that so-called restrictive device of a NOW account. It said, "If you want interest on a checking account, come to Massachusetts."

I know they are saying that this has worked out well in Massachusetts. It has not been tried long enough. I say that what is going to happen is that if every bank in the United States were required to pay interest on a checking account, and on every dollar that is put into the bank, whether it is a checking account or a savings account, obviously the banks have got to make money some way to run the bank, to pay the dividends, and to meet their expenses, set up reserves for losses, and so forth. So obviously they are going to have to raise the interest rate on a mortgage to the veteran and to the young people who want to buy a home.

I say right now at this time, when interest rates are at an all time high, is no time to increase the cost of money to all of the institutions in this Nation so that there will be no hope of getting any reduction at all in the interest that anybody has to pay on a mortgage. I say that this will completely change the whole complexion of our banking system. I worked for 3 years in a bank, was a bank director for 30 years, and a bank counsel for 25 years. We had all we could do to run that little country bank without paying interest on a checking account.

If we have to right now start paying interest on checking accounts as well as on our savings accounts, we are going to have to make the money somewhere. I say, "we" because I used to belong to and had stock in a bank. I do not have any now. I own no bank stock whatsoever. But I lived through the 1933 era.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. JOHNSON of Pennsylvania was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Pennsylvania. This proposition is a real shocker to banks like the little bank in my home town or the 6,000 or 7,000 independent banks throughout the United States. If all of a sudden they have to start paying interest on their checking accounts, Members can bet the banks will have to make it up in some other way. They will have to. It is said this is one move for the consumer but I say the consumer will have to pay, the little man will have to pay, the borrower will have to make it up in the end.

This matter should be put aside until we study the whole structure, which we are doing, of our banking system in this Nation. Now is no time to lift out this little portion and say we will have them pay interest on checking accounts and then put our attention to other parts of the banking system later on. That I say is poor legislation and poor government.

I ask the Members to support this amendment by the gentleman from Georgia (Mr. STEPHENS). The time may come when we will have a comprehensive report in front of us where proper reserves will be required if the banks and all thrift institutions are going to pay interest on checking accounts. It will be sound perhaps. I am not going to say what my position will be when we have that overall legislation but we can say that eventually we will have a system in front of us where we can vote for a whole plan which will no doubt be fair and equitable and perhaps will have a type of very, very restricted NOW account, not an unlimited checking account as we have at the present time, as this ad from Massachusetts shows.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I am sure my colleague realizes that on the NOW account to which the gentleman addresses himself it is not entirely correct to say it is unrestricted, because I am sure the regulatory agencies place a limitation on the amount one can receive in interest from the NOW account. Secondly, the depositors are charged for those withdrawals in the amount of 10 cents or 15 cents, so the cost of the check is paid for by the user of the account. Is that not correct?

Mr. JOHNSON of Pennsylvania. That previously was true when this was first done, but now, 2 years later, it does not prevail. There is no charge made any more by these institutions, as I understand it.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further and I appreciate his yielding. It is not entirely correct, that all thrift institutions have discontinued charging for the use of NOW accounts.

Mr. JOHNSON of Pennsylvania. It is substantially correct.

Mr. ROUSSELOT. My understanding is that not all of the institutions have discontinued the service charge for negotiable orders of withdrawal and many still charge up to 15 cents for them. Many of the institutions that are contemplating going into this in other States expect to charge for the limited checking service.

Mr. JOHNSON of Pennsylvania. There is nothing in the bill that requires them to charge.

Mr. DERRICK. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. BROWN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-five Members are present, not a quorum.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. NATCHER). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair now recognizes the gentleman from South Carolina (Mr. DERRICK).

Mr. DERRICK. Mr. Chairman, I would ask the Members of this House to share with me just a few thoughts on this amendment. I wish to associate myself with the remarks of the gentleman from Pennsylvania and the gentleman from Georgia.

Although this may seem to some to be a little insignificant, I suggest that this may well be one of the most important things that we will vote on during this time in Congress. It will mean more to our constituents than many of the other measures that we vote on. For instance, for those Members who may be from farm communities and also some communities that have grocery stores, it is estimated that the farmers of this country borrow approximately $43 billion from the small banks of this country, those being banks under $25 million in capitalization.

The average cost to the farmer in America last year for the money he borrowed was 7.6 percent. It is estimated by many that the cost of this money would go up two percentage points, to over 9 percent. It is further estimated that this additional cost, when it is passed on to the consumer—as it must be if these banks are to stay in business—would mean that the people of this Nation would be forced to pay a quarter of a billion dollars more for the commodities that they buy in the grocery stores throughout this Nation.

So, things are not always as they appear to be. Sure, it sounds fine to say that we will pay interest on the deposits. What deposits do the Members think we are going to pay interest on? It has been my observation in a very limited legislative career that there has probably been as much damage as anything else done on behalf of the little people. I heard that just a few minutes ago.

Let me suggest to the Members what I think will happen to the little people. The man who works in the mill in my district, or on the farm or in the factory in other Members' districts, is not the man who is going to keep much money or tends to be worried about interest payment on deposits, but he is the man that is going to go down there to finance that automobile; he is the man who is going to finance that house; he is the man who is going to finance that appliance; he is the man who is going to end up paying for these NOW accounts while the big money people are going to enjoy the interest that is paid on these deposits.

I would suggest to the Members that they support the Stephens amendment, which does away with the NOW accounts for now. This is too drastic a step and change in our financial structure. After all, we ended the payment of interest on checking accounts in 1933 after the monumental banking failures. There must have been a reason for that, so I suggest that we wait until we have a thorough study of the overall ramifications of this to all of our financial institutions throughout this country.

I think it is proper that we do so. I would ask that the Members support the Stephens amendment and suggest to them that this would be the responsible thing to do on behalf of this country, and especially the little people.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I want to commend the gentleman for his remarks. I know that in my district I represent a lot of farmers and small businessmen, a lot of the "little people," as the gentleman says. I know that they do not keep a lot of large deposits in their checking accounts, but they do a lot of borrowing.

So, I agree with the gentleman that the very people we are trying to protect are the people who are going to be hurt. So, I commend the gentleman for his remarks. He hit the nail on the head. I hope all those Members who represent rural areas or represent small farmers will take heed of his remarks.

Mr. DERRICK. Of course, the same thing is applicable to those who represent industrial districts as well. Those are the people who buy automobiles and other items.

Mr. HARKIN. I am sure any consumer, for example, ought to be supporting the gentleman's views because of what he just said.

The CHAIRMAN pro tempore. The time of the gentleman from South Carolina has expired.

(On request of Mr. ST GERMAIN and by unanimous consent, Mr. DERRICK was allowed to proceed for 1 additional minute.)

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I would like to point something out in order to make some legislative history. Here is a letter from the Federal Reserve Board dated December 7, 1973, interpreting the regulations for NOW accounts:

> Savings accounts at commercial banks are limited to individuals, fiduciary accounts for the benefit of individuals, and to certain non-profit associations. The Board has concluded that confining the use of NOW accounts at member banks to those who have savings accounts at those banks carries out the intent of Congress. The Board does not believe that Congress intended for corporations of state and local governments to have access to NOW accounts, and sees no present reason for permitting such access.

The NOW account does not envisage, nor does it include, corporate accounts. Corporate treasurers do not put their money into NOW accounts. As far as the farmer is concerned, I thought we created the Farmers Home Loan Bank to give them credit. They are not getting it from commercial banks.

Mr. DERRICK. Of course they are. They borrowed $43 billion in 1975 from the banks.

The CHAIRMAN pro tempore. The time of the gentleman from South Carolina has again expired.

(On request of Mr. CARR and by unanimous consent Mr. DERRICK was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman for his statement. I find the NOW accounts personally very attractive. I feel most of the little people in my district would too. However, the purpose of title I of this bill, as I understand it, is to get us over the hump while this financial reform is taking place. However, as part of title I, we are taking out part of it and slipping something in. I think we ought not legislate on a piecemeal basis. Not only should we be concerned about the impact on the depositors or the borrowers, but we have to be concerned about the institutions themselves, which are going to have to zig and zag as we go through this financial reform period unless we do it in a comprehensive manner. I urge the support of the amendment.

The CHAIRMAN pro tempore. The time of the gentleman from South Carolina has again expired.

(On request of Mr. EVANS of Colorado, and by unanimous consent, Mr. DERRICK was allowed to proceed for 2 additional minutes.)

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I appreciate the gentleman's yielding. I agree with the remarks he has been making.

Mr. Chairman, I want to highlight one additional thing the gentleman may not have touched upon while I was temporarily off the floor of the House, and that is the cost of the NOW accounts. If we start paying interest on charge accounts, that is going to be a cost to somebody, as the gentleman pointed out. The banks would then have the opportunity of a further change, and that is whether or not they are going to keep their service charges in effect, charging people for the use of checks.

It seems a little illusory to pay interest on a checking account, on the one hand, and take money, part of it anyway, back with the other hand, as you use it when writing checks. So there is going to be a giving up of service charges, as I see it, and that is an additional charge that somebody is going to have to pay someplace. I submit that I agree with the other comments that have been made on the floor. It is not going to be the banks who pay it. It is going to be the poor people who come in to borrow money and, unfortunately, at higher interest rates.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, I thank the gentleman for yielding.

I want to clarify the statement of Governor Mitchell with respect to NOW accounts. I would like to read from page 2239 of the hearings that have been put in the RECORD here:

> Although this matter has not yet been decided, the available evidence suggests that commercial banks in the aggregate have not been at a significant competitive disadvantage and thus generally have been able to maintain their total market share, although often at some higher cost. Where recent State actions are about to change the powers of thrift institutions, as in Connecticut and Maine, there is no evidence available yet to assess developments. Since the situation is quite fluid, however, it requires constant monitoring.

That is all that I have been saying. It is still a fluid situation and it ought to be considered in the full context, not just taken out and slipped in.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Stephens amendment.

Mr. Chairman, I rise in support of continuation of the use of NOW accounts primarily for savings institutions but certainly available for others, because the NOW account concept has worked. Every single complaint that has been issued here today against the availability of NOW accounts for the consumer was made right here on this floor just 2 years ago. We were going to have a great catastrophe in the money markets of the world and there would be disintermediation, all the moneys would flow into Massachusetts and New Hampshire. We tried it. None of those things came about. My good colleague, the gentleman from Georgia (Mr. STEPHENS) for whom I have tremendous respect, said himself here today, "I am not necessarily opposed to NOW accounts." He just said that in his remarks.

My colleague, the gentleman from Pennsylvania, has stated that he does not oppose the concept of elderly couples who may have savings accounts from being able to draw interest on that account if proper payment is made for the checking service.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, my good colleague, the gentleman from Georgia (Mr. STEPHENS) had more than 10 minutes, so I wish he would allow me to complete my remarks first. I will yield to the gentleman in just a moment.

Mr. Chairman, none of these dire circumstances that were predicted 2 years ago have occurred. This is nothing more than the right of an individual customer who has a savings account to make use of a portion of his money in that account, and it has now been tested in the States of New Hampshire and Massachusetts.

I have just talked to my colleague, the gentleman from Massachusetts (Mr. CONTE). He said the test run has been successful in his State. It has not caused the commercial banks substantial loss of deposits. As a matter of fact, the deposits in the commercial banks in Massachusetts while the NOW accounts have been available in mutual savings banks have increased. It did not drain the commercial saving market.

Some of my colleagues have raised the issue that the cost of these NOW accounts should not drain the resources of other paying services of the bank. Absolutely they should not. So the savings and loans and the mutual savings institutions have usually charged for these negotiable orders of withdrawal. They have charged anywhere from 10 to 15 cents per check to those individuals who wish to use their own funds, I repeat their own funds, on a limited basis each month. What is wrong with that?

In California, where we have a substantial number of savings and loans, we have already instituted by State law permission for the individual to come in and obtain drawing rights for certain utility bills against a savings account. That has not caused great disruption. It has not caused thousands of dollars to be lost by the commercial banks into the hands of mutual banks. None of those drastic predictions came true.

We have also included in this bill a requirement for those financial institutions who offer NOW accounts (commercial banks, savings and loans or mutual savings banks) to provide appropriate reserves so that the NOW account will not become a source of financial instability. We did not have these protective provisions in the 1930's. I understand many of my colleagues have expressed great concern over what occurred when interest charges were paid on regular checking accounts without appropriate and adequate balances to back up the soundness of these accounts.

None of those unwarranted or improper conditions will be present under this legislation or under present laws. It will be necessary to provide the proper reserves, and the Home Loan Bank Board and the Federal Reserve Board will pass regulations that will protect these accounts from unsound practices.

So I do not understand this great concern and why we should not allow this experiment to be avaliable to other savings account holders of the Nation. We have allowed it in Massachusetts and New Hampshire. Many Members stood in this well and said 2 years ago, "All right, we will allow Massachusetts and New Hampshire to offer NOW accounts. Let us run the test."

The test has worked. For whom? The customer. It has worked for the elderly couple with a savings account. It has worked for many individuals and families with passbook accounts.

The CHAIRMAN pro tempore (Mr. NATCHER). The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was permitted to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, let us expand the opportunity for others. Under the State regulatory bodies, the Federal Home Loan Bank Board, and the Federal Reserve Board, there is more than enough regulatory supervision to see that the abuses or unsound money practices that were envisioned cannot occur. The customer and the financial institutions are all protected in a sound way.

Mr. Chairman, I would be delighted now to yield to my colleague, the gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Chairman, I appreciate what the gentleman has said, and I thank him for yielding.

What the gentleman has pointed out is that I did say I might have been for NOW accounts then, but I am not for NOW accounts now.

Mr. ROUSSELOT. Mr. Chairman, I think we understand that. I think in his 10 minutes the gentleman made that clear. But you also said that you were "not necessarily opposed to NOW accounts."

Mr. STEPHENS. Mr. Chairman, I would like to ask this question of the gentleman:

Does the gentleman really think that the Committee on Banking, Currency and Housing has studied this particular problem of NOW accounts in the context of all the other reforms that are supposed to be understood in the FINE study? Should not we really put them all together and look at them as a whole and not just take them piecemeal?

Mr. ROUSSELOT. As the gentleman knows, I am a strong advocate of the free market system. I think there are many things we must do to allow that financial system to truly work in a real free market; but to answer the gentleman's question specifically, we have had extensive hearings in the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Currency and Housing on all aspects of the FINE study. We are still continuing those hearings. Those are ongoing studies.

The Senate has had extensive hearings on the same subject. The NOW accounts are not a new idea but a tested concept for savings institutions.

I disagree with my colleague that the NOW accounts are being "slipped in." They were tested in New Hampshire and Massachusetts. The experiment has not caused none, if any, of the problems predicted.

I myself was concerned that we have ample time to test it in the marketplace to see if it is a sound type of financial concept. We needed to be sure that it was not only a fair bargain for the consumer, but a responsible practice for the financial institutions to undertake.

Mr. Chairman, I urge my colleague, the Members of the House to turn down this amendment.

Mr. BEARD of Rhode Island. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and distinguished Members of the House of Representatives, first of all, I would like to congratulate my colleague, the gentleman from Rhode

Island (Mr. St Germain), for really leading the way and leading the fight for the consumer on this issue.

I think it is very, very important also to remember that commonsense has to play a very important part.

I think that when we look at the checking accounts, for years the banks would take our money. They would make money on our money in the checking accounts and would not pay a dime in interest.

There was some discussion here today about the fact that if they pay interest on the checking account, they may make it up on the other end and that when anyone comes in for a loan, he is going to have to pay a higher rate of interest.

For years, it has been all one way. I do not think there is a thing wrong with their paying a little bit back on money on which they are making money. That is really what it amounts to.

If one has $500 or $1,000 in his checking account, they are making money on that. I do not think there is a thing wrong if they are going to give us a little bit back on our own money.

President Harry Truman said a long time ago:

> The only time the banks give you money is when you have money and you don't need it.

I think there is a whole lot of truth in what he said.

I join my colleague, the gentleman from Rhode Island (Mr. St Germain). I think this is a help to the consumer, to the old person, to get a little bit of interest if they have some money in a checking account or in a savings account. I think the banks could well afford not to charge the high rate of interest that they are charging today on borrowed money.

In Rhode Island it has given incentive to people to put their money in checking accounts. A lot of elderly people in the past were very leery about tying their money up in a bank without getting interest, because they think very much of the interest since it adds to their income.

I think it has done a lot of good in Rhode Island as well as in Massachusetts. I think the fact that Rhode Island and Massachusetts have led the way for the country is a very important consideration.

Again, although I support the total bill, I favor knocking this amendment out.

Let us help the consumer. If we want to help the little guy, then let us vote against this amendment. Let us give some interest back to the people. The banks are making money.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. Yes, I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I want to compliment the gentleman from Rhode Island (Mr. Beard) on his statement and associate myself with his remarks and with the remarks of my colleague, the gentleman from California (Mr. Rousselot).

The financial institutions of this country are set up in such a way that people with money make money. The ordinary citizen who has money in the wrong bank does not get a penny of interest.

This gives us an opportunity to change that, and I urge rejection of the amendment.

Mr. BEARD of Rhode Island. We should change that one-way street to a two-way street.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. Yes, I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I know the gentleman from Rhode Island (Mr. Beard) to be a solid advocate of consumers' rights.

I do not take a back seat myself in protecting the consumer.

I know the gentleman is very interested in the elderly, as I am also. However, in talking about the elderly, they do not have big checking accounts. They do not have a lot of money to put in checking accounts. Any money that they might have from social security checks goes out right away.

But it is the wealthy people, the people with a lot of money that carry high amounts in their checking accounts that will benefit from this bill.

That is why I say I think the bill, as it is presently drafted with that section in there, is an anticonsumer bill and benefits only the large depositors, people who keep a lot of money in their checking accounts, not the small people.

Mr. BEARD of Rhode Island. I disagree with the gentleman. Let me add that in Rhode Island the checking accounts for elderly people have gone up.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to my colleague the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the statistics in Massachusetts indicate that the NOW accounts are being used by workingmen and by senior citizens to a great degree and it has been very beneficial to the working people and to retired people.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was not going to speak on this amendment and I do so now reluctantly. I speak on it because this is an extremely difficult vote for me as it may be for some of the other Members. There are good arguments to be made on both sides of this issue. I attended the hearings of the subcommittee of the Committee on Banking, Currency and Housing which considered this issue and heard the chairman of the Federal Deposit Insurance Corporation, Mr. Frank Wille, testify that there has been no great disintermediation in the States of New Hampshire and Connecticut the two States that have had the NOW accounts on an experimental basis for almost 2 years. I also learned there is no lack of experts on the subject of NOW accounts. There is such disagreement among the experts as to the impact NOW accounts on the financial institutions of the country and what its effect might be from an economic standpoint.

The Banking Act of 1933 established the principle that interest should not be paid on checking accounts because of a concentration of "hot" money in the stock market which resulted from the payment of interest on demand deposits in commercial banks.

The cost of paying interest on NOW accounts it seems to me has to be passed on to somebody and that somebody is the loan consumer. So I cannot see how the NOW account would benefit the person who is seeking money for his house or seeking money for loans because as I see it, if interest is paid on NOW accounts to obtain money for lending purposes the cost will be passed on. That is my initial reaction as to the effect of the NOW account.

But my mind is almost in equipoise on this amendment. I know all the Members of this House want to do what is best for our country just as I do, and I hasten to add that this is a "no-win" vote for all of us.

In view of the difficulty I have in knowing what is in the best interests of the people of our country, I want to wait for the completion of the FINE study, which is now under way by the House Banking and Currency Committee. An additional study on this subject related to the Financial Institutions Act is under consideration in the other body.

So, for those reasons and after listening to the debate today, I feel constrained to support the amendment offered by the gentleman from Georgia (Mr. Stephens).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Stephens).

The question was taken and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. STEPHENS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 134, answered "present" 13, not voting 68, as follows:

[Roll No. 655]

AYES—218

Abdnor
Adams
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Baldus
Baucus
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Blouin
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carr
Carter
Cederberg
Clausen, Don H.
Clawson, Del
Cochran
Collins, Ill.
Collins, Tex.
Conable
Conlan
Cornell
Coughlin
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edgar
Edwards, Ala.
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Findley
Fish
Fithian
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Ginn
Goodling
Grassley
Green
Guyer
Hagedorn
Haley
Hamilton
Hansen
Harkin
Harsha
Hastings
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Holt
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.

Jordan
Kasten
Kazen
Kelly
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Latta
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Lott
McClory
McDade
McEwen
McHugh
McKay
Madigan
Mahon
Mann
Mathis
Mazzoli
Melcher
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Moffett
Mollohan
Montgomery
Moore
Mosher
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nolan
Patten, N.J.
Pattison, N.Y.
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Railsback
Randall
Riegle
Risenhoover
Roberts
Roncalio
Rooney
Rose
Roush
Russo
Santini
Satterfield
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Stanton, J. William
Steelman
Stephens
Stratton
Stuckey
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Vander Jagt
Vigorito
Waggonner
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Wirth
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOES—134

Addabbo
Ambro
Anderson, Calif.
Ashley
Aspin
Badillo
Bauman
Beard, R.I.
Biester
Bingham
Blanchard
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Carney
Chisholm
Clancy
Cohen
Conte
Corman
Cotter
D'Amours
Danielson
Dellums
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edwards, Calif.
Eilberg
Emery
Fascell
Fenwick
Fisher
Ford, Mich.
Gaydos
Gilman
Gradison
Gude
Hall
Hanley
Hannaford
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hicks
Holtzman
Jeffords
Johnson, Calif.
Kastenmeier
Keys
Koch
LaFalce
Lehman
Long, Md.
McCloskey
McCormack
McDonald
McFall
McKinney
Macdonald
Maguire
Matsunaga
Meyner
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Myers, Pa.
Nix
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patterson, Calif.
Pepper
Price
Rangel
Rees
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Rousselot
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Solarz
Staggers
Stanton, James V.
Steed
Stokes
Studds
Sullivan
Symms
Talcott
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Wolff
Yates
Zablocki
Zeferetti

ANSWERED "PRESENT"—13

Delaney
Downing, Va.
Gonzalez
Jones, Okla.
O'Brien
Pike
Quillen
Regula
Rinaldo
Rogers
Steiger, Wis.
Walsh
Winn

NOT VOTING—68

Abzug
Annunzio
Barrett
Bell
Biaggi
Brown, Ohio
Burton, Phillip
Casey
Chappell
Clay
Cleveland
Conyers
Crane
Daniels, N.J.
Dent
Erlenborn
Esch
Eshleman
Fary
Flowers
Flynt
Fraser
Frey
Giaimo
Gibbons
Goldwater
Hammerschmidt
Harrington
Hays, Ohio
Helstoski
Hinshaw
Holland
Horton
Howard
Karth
Kemp
Landrum
Leggett
Lloyd, Calif.
Lujan
McCollister
Madden
Martin
Meeds
Metcalfe
Mink
Mitchell, N.Y.
Morgan
Murphy, N.Y.
Passman
Peyser
Rhodes
Robinson
Roybal
Runnels
Ruppe
Schneebeli
Seiberling
Sikes
Sisk
Smith, Iowa
Stark
Steiger, Ariz.
Symington
Thompson
Udall
Wilson, C. H.
Young, Ga.

The Clerk announced the following pairs:

Mr. Sikes for, with Mr. Annunzio against.

Mr. Passman for, with Ms. Abzug against.

Mr. Landrum for, with Mr. Dominick V. Daniels against.

Mr. Flynt for, with Mr. Dent against.

Mr. Casey for, with Mr. Biaggi against.

Mr. Chappell for, with Mr. Morgan against.

Mr. Runnels for, with Mr. Hays of Ohio against.

Mr. Brown of Ohio for, with Mr. Symington against.

Mr. Crane for, with Mr. Murphy of New York against.

Mr. Eshleman for, with Mr. Sisk against.

Mr. Frey for, with Mr. Stark against.

Mr. Hinshaw for, with Mr. Barrett against.

Mr. Schneebeli for, with Mr. Thompson against.

Mr. Steiger of Arizona for, with Mr. Phillip Burton against.

Mr. Lujan for, with Mr. Young of Georgia against.

Messrs. KELLY, ENGLISH, and MADIGAN changed their votes from "no" to "aye."

Messrs. MACDONALD of Massachusetts, ROSTENKOWSKI, STAGGERS, MURPHY of Illinois, Ms. HOLTZMAN, and Mrs. FENWICK changed their votes from "aye" to "no."

Messrs. DELANEY and RINALDO changed their votes from "no" to "present."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—ELECTRONIC FUND TRANSFERS

SEC. 201. Section 203(b) of title II of the Act of October 28, 1974 (Public Law 93–495), is amended by—

(1) striking out "within one year of its findings and recommendations" and inserting in lieu thereof "within one year of the date of the confirmation by the Senate of the Chairperson or the appointment by the President of an acting Chairperson"; and

(2) striking out "not later than two years after the date of enactment of this Act" and inserting in lieu thereof "not later than two years after the date of the confirmation by the Senate of the Chairperson or the appointment by the President of an acting Chairperson".

SEC. 202. (a) In view of the actions taken by regulatory agencies of financial institutions in the development of electronic funds transfer systems since the enactment of Public Law 93–495 on October 28, 1974, the Congress finds that, in order to carry out its functions, the National Commission on Electronic Fund Transfers needs the authority to monitor and evaluate all such experimentation authorized by such agencies.

(b) Within six months after the date of enactment of this section, the National Commission on Electronic Fund Transfers shall transmit a report to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate which shall include—

(1) a review of all existing electronic fund transfer systems, all pending applications and notices for such system received by financial regulatory agencies;

(2) the Commission's proposals for monitoring experimentation occurring with respect to all electronic fund transfer systems, the number and location of such experiments by class of financial institution, the proposed method of evaluation, including potential direct cost savings benefits to the public and the means to be employed by the Commission to insure monitoring of a representative number of experiments;

(3) recommendations for the guidance of Federal financial regulatory agencies;

(4) a summary of all lower and appellate court decisions, both Federal and State, relating to the installation or proposed installation of electronic fund transfer systems; and

(5) a discussion of the implication of the experiments and recommendations as to the need for further legislation.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. Are there any amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—HOME MORTGAGE DISCLOSURE

SHORT DISCLOSURE

SEC. 301. This title may be cited as the "Home Mortgage Disclosure Act of 1975".

FINDINGS AND PURPOSES

SEC. 302. (a) The Congress finds that the depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions.

(b) The purpose of this title is to provide sufficient information to enable citizens to determine whether depository institutions are fulfilling their obligations to serve the housing credit needs of the affected geographic areas and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment.

(c) Nothing in this title is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

DEFINITIONS

SEC. 303. For purposes of this title—

(1) the term "residential real estate loan" means a loan which is secured by residential real property or a home improvement loan;

(2) the term "depository institution" means a bank, savings bank, savings and loan association, building and loan association, or homestead association (including cooperative banks) which makes federally related mortgage loans as defined under section 3 of the Real Estate Settlement Procedure Act of 1974;

(3) the term "Board" means the Board of Governors of the Federal Reserve System; and

(4) the term "Secretary" means the Secretary of Housing and Urban Development.

MAINTENANCE OF RECORDS AND PUBLIC DISCLOSURE

SEC. 304. (a)(1) Each depository institution which has a home office or branch office located within a standard metropolitan statistical area, as defined by the Office of Management and Budget shall compile and make available, in accordance with regulations of the Board, to the public for inspection and copying at each office of that institution the number and total dollar amount of mortgage loans which were (A) originated, or (B) purchased by that institution during each fiscal year (beginning with the last full fiscal year of that institution which immediately preceded the effective date of this title).

(2) The information required to be maintained and made available under paragraph (1) shall also be itemized in order to clearly and conspicuously disclose the following:

(A) The number and dollar amount for each item referred to in paragraph (1), by census tracts, where readily available at a reasonable cost, as determined by the Board, otherwise by ZIP code, for borrowers, under mortgage loans secured by property located within that standard metropolitan statistical area.

(B) The number and dollar amount for each item referred to in paragraph (1) for all such mortgage loans which are secured by property located outside that standard metropolitan statistical area.

For the purpose of this paragraph, a depository instituion which maintains offices in more than one standard metropolitan statistical area shall be required to make the information required by this paragraph available at any such office only to the extent that such information relates to mortgage loans which were originated, purchased, or sold by an office of that depository institution located in the standard metropolitan statistical area in which the office making such information available is located.

(b) Any item of information relating to mortgage loans required to be maintained under subsection (a) shall be further itemized in order to disclose for each such item—

(1) the number and dollar amount of mortgage loans which are insured under title II of the National Housing Act or under title V of the Housing Act of 1949 or which are guaranteed under chapter 37 of title 38, United States Code;

(2) the number and dollar amount of mortgage loans made to mortgagors who did not, at the time of execution of the mortgage, intend to reside in the property securing the mortgage loan; and

(3) the number and dollar amount of home improvement loans.

ENFORCEMENT

SEC. 305. (a) The Board shall prescribe such regulations as may be necessary to carry out the purposes of this title. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, and prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(b) Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System, other than national banks, by the Board;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and mutual savings banks as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), by the Board of Directors of the Federal Deposit Insurance Corporation; and

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions.

(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

RELATION TO STATE LAWS

SEC. 306. (a) This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State or subdivision thereof with respect to public disclosure and recordkeeping by depositor institutions, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any such law is inconsistent with any provision of this title if the Board determines that such law requires the maintenance of records with greater geographic or other detail than is required under this title, or that such law otherwise provides greater disclosure than is required under this title.

(b) The Board may by regulation exempt from the requirements of this Act any depository institution within any State or subdivision thereof if it determines that, under the law of such State or subdivision, that institution is subject to requirements substantially similar to those imposed under this Act, and that such law contains adequate provisions for enforcement.

DEVELOPMENT OF NATIONAL MORTGAGE INFORMATION SYSTEM

SEC. 307. (a) The Secretary shall receive statistical summaries of information required by this title under procedures prescribed by the Board, and shall furnish a written summary of the findings to appropriate public officials and to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate in furtherance of the objectives of title I of the Housing and Community Development Act of 1974.

(b)(1) The Federal Home Loan Bank Board, with the assistance of the Secretary, the Director of the Bureau of the Census, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and such other persons as the Federal Home Loan Bank Board deems appropriate, shall develop, or assist in the improvement of, methods of matching addresses and census tracts to facilitate compliance by depository institutions in as economical a manner as possible with the requirements of this title.

(2) There is authorized to be appropriated such sums as may be necessary to carry out this subsection.

(3) The Federal Home Loan Bank Board is authorized to utilize, contract with, act through, or compensate any person or agency in order to carry out this subsection.

(c) The Federal Home Loan Bank Board shall recommend to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate such additional legislation as the Federal Home Loan Bank Board deems appropriate to carry out the purpose of this title.

EFFECTIVE DATE

SEC. 308. This title shall take effect on the ninetieth day beginning after the date of its enactment, except that in the case of any depository institution which has total assets as of its last full fiscal year of $25,000,000 or less, this title shall take effect fifteen months after the date of its enactment.

TERMINATION OF AUTHORITY

SEC. 309. The authority granted by this title shall expire two years after its effective date.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 11, line 9, strike out "at each office of that institution" and insert in lieu thereof "at the home office, and at least one branch office within each standard metropolitan statistical area in which the depository institution has an office".

On page 13, line 20, after "System)", insert "and mutual savings banks as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f))".

Page 15, line 16, strike out "findings" and insert "data".

On page 17, line 4, strike out "two", and insert in lieu thereof "four".

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN: Page 11, line 15, strike out "residential real estate loan" and insert in lieu thereof "mortgage loan".

Mr. ST GERMAIN. Mr. Chairman, this is a clarifying amendment to the "Definitions" section of title III, deleting "residential real estate loans," and inserting in lieu thereof "mortgage loans," to conform to the rest of the title. I urge its passage.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we do not have any objections to this amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEPHENS: Section 306 of title III of H.R. 10024 as reported is amended by striking the word "person" on line 22, page 15 and substituting therefor the phrase "state chartered depository institution" and by adding the words "state chartered" before the words "depository institution" on line 12, page 16.

Mr. STEPHENS. Mr. Chairman, our colleague, the gentleman from Illinois (Mr. ANNUNZIO) was going to offer this amendment, but the gentleman is ill and could not be here and he asked me if I would sponsor it for him. I am for this amendment and would have been for it had the gentleman from Illinois offered it.

This amendment really and truly is nothing but an attempt to put into the law exactly what was disclosed by the colloquy between the chairman of this subcommittee and the gentleman from Illinois (Mr. ANNUNZIO). The difficulty, so far as the language of the present statute is concerned, is that it is not clear whether State regulation will be adhered to or whether Federal regulation will be adhered to in a savings and loan company if there is a difference between the State regulation and the Federal regulation.

savings and loan associations are concerned, they have always been regulated by the Federal Home Loan Bank Board. The Federal Home Loan Bank Board in considering the language of the statute, says it is not clear whether that is to be continued or not. This is what the Board has asked to be done, and this is

So far as these federally controlled why I offered the amendment. I will read from a letter of the Federal Home Loan Bank Board, as follows:

> We are concerned that section 306 of title III could be construed to require Federal savings and loan associations to comply with public disclosure and record-keeping requirements imposed by State law. As you know, this provision is identical, except for certain technical amendments to section 6 of S. 1281 approved by the Senate on September 4, 1975. Although it is not clear from a reading of section 306 that the section would subject Federal institutions to State law disclosure requirements, such an inference has been drawn by language in the House Banking Committee report. * * * The report states: "H.R. 10024 makes it clear that Federal institutions must comply with State law and regulations."

That was not what was understood from the hearing as the intent of the committee.

Mr. Chairman, this would clarify that. That is all it does.

Let me point this out: My amendment does not change existing law at all. It merely confirms that we are not intending to change existing law by the language that is in the statute or in the report.

Mr. Chairman, I urge the support of this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield.

Mr. STEPHENS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we believe this is a good and reasonable amendment, and we support it.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, it was my understanding that the gentleman from Pennsylvania (Mr. JOHNSON) intended to offer an amendment to this amendment.

If not, I accept this amendment as it stands.

AMENDMENT OFFERED BY MR. JOHNSON OF PENNSYLVANIA TO THE AMENDMENT OFFERED BY MR. STEPHENS

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. JOHNSON of Pennsylvania to the amendment offered by Mr. STEPHENS: Insert at the end of section 306(b) the following language: "Notwithstanding any other provision of this subsection, compliance with the requirements imposed under this subsection shall be enforced under—
>
> "(1) Section 8 of the Federal Deposit Insurance Act in the case of national banks, by the Comptroller of the Currency; and
>
> "(2) Section 5(d) of the Home Owners Loan Act of 1933 in the case of any institution subject to that provision, by the Federal Home Loan Bank Board."

The CHAIRMAN. The Chair observes that this is not a proper amendment to the pending amendment and should be offered separately.

The Chair will recognize the gentleman after the amendment of the gentleman from Georgia (Mr. STEPHENS) has been disposed of.

PARLIAMENTARY INQUIRY

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, would it be in order to tack them together by unanimous consent at this point?

The CHAIRMAN. By unanimous consent, yes. Is the gentleman making that request?

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I ask unanimous consent that my amendment be offered as an amendment to the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. Yes, I yield to the gentleman from Georgia.

Mr. STEPHENS. The gentleman's amendment would not change the existing law here, would it?

Mr. JOHNSON of Pennsylvania. No, it would not.

Mr. STEPHENS. Mr. Chairman, I do not have any objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. JOHNSON) to the amendment offered by the gentleman from Georgia (Mr. STEPHENS).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. STEPHENS), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. FENWICK: Insert the following after "ment.": "Any depository institution which has total assets as of its last full fiscal year of $10,000,000 or less is exempt from the provisions of this title."

Mrs. FENWICK. Mr. Chairman, this amendment is to relieve the very small institutions of the burden of the paperwork that would be required, and quite properly required, in my opinion, from those that are larger.

The $10 million-asset banks are small in number. It is true, for example, that even the $25 million-asset banks represent only 5 percent of the savings and loan assets in the country. Therefore, when we cut it down to $10 million, I think it is a reasonable measure since it takes into account the difficulties that small institutions have with the burden of paperwork.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. Yes, I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, we discussed this amendment, and I am prepared to accept the amendment.

Mrs. FENWICK. I thank the gentleman from Rhode Island.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ST GERMAIN: On page 18, line 2, strike out "ninetieth" and insert in lieu thereof the words "one hundred eightieth."

Mr. ST GERMAIN. Mr. Chairman, the purpose of this amendment is to allow the Federal Reserve Board to issue the regulations to comply with the requirements of the Administrative Procedures Act for the publication of the regulations.

We have discussed this with the Federal Reserve Board, and they feel that it is necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROUSSELOT: Beginning on page 10, line 18, strike all that follows through page 188, line 10.

PARLIAMENTARY INQUIRY

Mr. ST GERMAIN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ST GERMAIN. I believe that under the rules of the House since this amendment involves a motion to strike the title, that perfecting amendments that are at the desk take precedence over such a motion to strike a title. Is that not correct?

The CHAIRMAN (Mr. MATSUNAGA). That is true, if any are offered.

Mr. ST GERMAIN. I believe there are amendments pending.

Mr. MOAKLEY. Mr. Chairman, I might state that I was standing when the Chairman recognized the gentleman from California (Mr. ROUSSELOT), and I have a perfecting amendment at the desk.

The CHAIRMAN (Mr. MATSUNAGA). The Chair will state that the amendment offered by the gentleman from California Mr. ROUSSELOT is pending now, and that the gentleman from California has been recognized. The gentleman may offer his perfecting amendment after the gentleman from California has completed his five minutes in support of his amendment to strike.

Mr. ROUSSELOT. Mr. Chairman, The vote on this motion to strike the Mortgage Disclosure Act of 1975, which is title III of H.R. 10024, will be an interesting test of the ability of Congress to learn from its mistakes. This week the Subcommittee on Housing and Community Development of the Banking Committee has been holding hearings, which were just concluded this morning, on what is now known as the "infamous Real Estate Settlement Procedures Act"—RESPA. Approximately 1 year after this law was passed, and only several months after it was implemented, it is generally acknowledged that the major provisions of RESPA will have to be repealed, suspended, or substantially modified. In California, where strict mortgage disclosure regulations had been issued for comment, hearings have been postponed, and significant modifications of the regulations are almost certain to be made before they are promulgated in final form.

Title III, the so-called "redlining" title, is no longer the threatening monster which confronted us in H.R. 8024. Although use of the broad term "mortgage loans," rather than the narrower term "home mortgage loans," makes the operative language somewhat unclear, we understand that the intent of the title is to only require disclosure of the number and total dollar amount of mortgage loans by census tract in standard metropolitan statistical area—SMSA's—where census tract maps are readily available, and by ZIP code in SMSA's where census tract maps are difficult to obtain at reasonable cost. No longer will depository institutions be required to disclose the number and dollar amount of deposits, or of commercial loans, by census tract in each SMSA.

There was some confusion during the markups over the volume of data that would be required under title III. If each office of an institution were only required to produce the number and dollar amount of mortgage loans for the census tract in which it was located, persons seeking, for whatever it would be worth, the data for an entire SMSA would have to visit the home office and each branch to compile the data for an entire SMSA. On the other hand, a requirement that the complete data for the entire SMSA be available at each branch would require lengthy computer print-outs to be reproduced and distributed in areas, such as Los Angeles, where there are more than 3,000 census tracts, and where some depository institutions have several dozen branches. Such a requirement would have entailed substantial copying and distribution costs and would have caused confusion among branch personnel who would be called upon to handle requests for the data. My amendment is intended to solve this problem by providing that the complete data be made available at the home office and at least one branch office in each SMSA in which the institution operates.

Another difficulty which was implicit in title III was that the requirement of disclosure of mortgage loans by census tract might have a "chilling effect" upon the ability of depository institutions to exercise prudent professional judgment in the placement of loans. The ultimate basis upon which credit should be extended is the credit-worthiness of the borrower. It is noteworthy that even the most vociferous advocates of this legislation testified that the last thing they wanted was to force depository institutions to make unsound loans. Lest there be any misunderstanding that the purpose of the title was to enable the Federal Government to substitute its judgment for the judgment of responsible officials of depository institutions, and thus to revive the recently defeated credit allocation proposals, the committee adopted the Gradison amendment, which provides that, "nothing in this title is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit."

As it now stands, title III represents the resolution of a dilemma which faced proponents of mortgage disclosure legislation. Any truly worthwhile effort to provide citizens with sufficient data to enable them to determine whether or not an institution were "redlining," the hearings revealed, would have to provide not only data on loans and deposits on a census tract basis, but also authoritative data regarding the demand for loans in each census tract. Otherwise, there would be a substantial likelihood that depository institutions would be castigated for failing to make loans in a given area despite the fact that little or no demand for loans existed there. None of the witnesses who testified before the subcommittee was able to suggest a practical way to obtain data on loan demand, so the effort to provide citizens with sufficient information to establish that depository institutions are failing to satisfy local demand had to be abandoned.

The present mortgage disclosure title would impose upon depository institutions annual costs ranging from several hundred to several thousand dollars for routine computer processing as well as one-time costs of as much as $12,500 to develop the necessary software to permit classification of current file data according to ZIP codes and census tracts. The bill delegates to the Federal Reserve Board the power to determine who shall pay for the provision of copies of the data to the person who requests them. The costs involved in satisfying the requirements of title III can no longer be fairly described as staggering, although it may be noted that the combined yearly compliance costs of several large institutions would amount to enough money to have provided for an additional mortgage for a moderately priced home.

If, indeed, it can now be said that the costs involved in satisfying the disclosure requirements of title III are relatively small, it must also be acknowledged that the benefits are also small. In fact, in the process of reducing costs to more acceptable levels, the committee has left us with a title in search of a mission.

Assuming, for the sake of argument, that depository institutions have an "obligation to serve housing credit needs," as section 302 suggests, the title fails to provide, as argued above, sufficient data to prove the allegation. The second stated purpose, "to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment 'was contrived after the underpinnings of the original "chartering obligations" rationale had been removed.' " There is little reason to believe that public officials are lacking for data to assist them in formulating their applications for Federal assistance. We are left, therefore, with a title which provides for the collection of data in the hope that it will provide, at the expense of the accused institutions, evidence to substantiate the charges which have been leveled against them.

There are three major objections to indulging in what otherwise might be considered a fruitless, but relatively harmless, exercise.

First, title III constitutes yet another example of the imposition of unnecessary and unproductive paperwork requirements, the most infamous recent example of which is the Real Estate Settlement Procedures Act—RESPA—which are "nickel and diming" to death the very institutions which should be leading the way toward economic recovery.

Second. Concentration of attention on the fact the depository institutions have declined to provide mortgage money in certain neighborhoods of major cities distracts attention from the real causes of the decline of those neighborhoods, chief of which is the "disinvestment" by local governments in the vital services, such as sanitation, police protection, and fire prevention, which are necessary to maintain an attractive living environment.

Third. The suggestion, which is implicit in title III, that funds of depository institutions really should be invested only in those neighborhoods in which the funds were initially deposited, would, if taken seriously, undermine more than forty years of Federal effort to assist in the development of effective secondary mortgage markets for the express purpose of facilitating the transfer of money from areas where funds are plentiful to other areas where they are needed. Carried to its logical extreme, the notion that money, the most fungible of all commodities, should not be permitted to move freely in the marketplace could cripple the ability of our economy to providing savings and investment opportunities as well as its ability to provide housing.

A number of States have seen fit to require disclosure by depository institutions of data relating to the geographic distribution of mortgage loans. Their experience, coupled with the experience of regulatory agencies, which are already engaged in the business of collecting similar data, should provide more than sufficient opportunity to determine the extent to which the "redlining" thesis is valid, without resort to a national program such as title III would establish.

In short, this title can do little but add to the already excessive amount of useless paperwork which afflicts depository institutions, as well as other businesses and individuals, in this country, and distract attention from the real causes of "disinvestment." However, the bill contains an enforcement section, section 305, which confers power upon the Federal Reserve Board to "prescribe such regulations as may be necessary to carry out the purposes of this title. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, and prevent circumvention or evasion thereof, or to facilitate compliance therewith." Section 305 goes on to invoke the enforcement powers of all of the Federal authorities which regulate depository institutions. Congress knows no more about what regulations it is buying in passing this title than it knew when it passed RESPA.

There is no reason for us to be foolish enough, just as we are moving to repeal a substantial part of one faulty statute, to set in motion a process which we are so likely to have to reconsider, when we can strike the title right now and save everyone a lot of trouble and expense.

AMENDMENT OFFERED BY MR. MOAKLEY

Mr. MOAKLEY. Mr. Chairman, I offer an amendment

The Clerk read as follows:

Amendment offered by Mr. MOAKLEY: Page 16, line 23, strike out "summary of the data" and insert in lieu thereof the following: "summaries of the data within fifteen months after enactment of this title and annually thereafter".

Mr. MOAKLEY. Mr. Chairman, this amendment can be supported by every Member of this Chamber. The amendment is a simple one—it merely insures that Congress be supplied annually with summaries of the data required under title III.

In establishing a national mortgage information system, the Banking Committee has afforded us the opportunity to monitor the information collected under title III. The oversight capability of the House in this regard will be enhanced if HUD forwards us this material on a systematic basis.

My amendment will allow us to prudently assess the effectiveness of title III in charting mortgage credit flows so that we can revise its provisions if necessary.

The amendment will also guarantee that Congress will have a base of statistical information on which to formulate urban rehabilitation policies.

I would like to point out that this amendment does not impose any additional burdens on lending institutions. We are only providing a reasonable time frame within which HUD must provide us with summaries of the data required by title III.

I would also like to point out that the language of this amendment is patterned on reporting requirements adopted by the House this session on other banking and currency legislation—most notably the Emergency Homeowners Relief Act—H.R. 5398.

Mr. Chairman, this amendment insures that the House will be able to oversee the policy approved by its Members. It is an amendment which all of my colleagues can endorse in good conscience.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a good example of why we do not need this title. We did not even provide for adequate reporting summaries of the data produced by this title. I appreciate the gentleman's amendment. I think it is correct, but it again shows how fast we wrote this particular portion of the bill, and I think that it is another indication of why we need to strike the entire title. We certainly support the gentleman's amendment.

Mr. MOAKLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. I thank the gentleman for yielding.

The gentleman, then, agrees to the perfecting amendment?

Mr. ROUSSELOT. We agree on this side that the gentleman's amendment is needed to provide better reporting, absolutely, from the standpoint of what this legislation allegedly will produce in the way of better loans.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield briefly to my colleague, the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

The reason that there was not a time element for the reporting, providing for the information included, was that we certainly did not feel as though there were that necessity. We felt that the agencies involved would provide the information in good time and at the earliest possible moment.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Massachusetts (Mr. MOAKLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 10, line 23, strike out "the" and insert in lieu thereof "some".

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I will be happy to accept the amendment offered by the gentleman from Indiana.

Mr. JACOBS. That is the sum of the amendment.

Mr. ROUSSELOT. Mr. Chairman, I would be glad to hear an explanation from the gentleman.

Mr. JACOBS. I just said the language of the amendment is the sum of the amendment.

Mr. ROUSSELOT. Why is this needed at this time?

Mr. JACOBS. The way the language reads is:

> The Congress finds that the depository institutions have sometimes contributed . . .

The amendment would simply say that "some depository institutions have sometimes contributed".

Mr. ROUSSELOT. So the gentleman is saying that many lending institutions have in fact practiced very well in providing adequate funding for mortgages and therefore this title is not needed.

Mr. JACOBS. Did I say that? I did not realize I said that.

I might say to the gentleman from California, when I was in the Indiana General Assembly I supported a bill to recodify the criminal code and make murder a crime, and I found that some people murdered and most people did not, but that did not mean we did not need the murder law.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Indiana (Mr. JACOBS).

The amendment was agreed to.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his motion.

Mr. ST GERMAIN. Mr. Chairman, is an amendment pending?

The CHAIRMAN. The gentleman in the well has been recognized for 5 minutes in support of his motion to strike the requisite number of words.

Mr. BROWN of Michigan. Mr. Chairman, I take this time to rise in support of the Rousselot amendment to strike title III. I think any examination of the number of amendments which still remain at the desk will tend to prove in a cogent and convincing way why you should support the motion to strike.

This title is supposed to get at the very root problems of urban decline in certain neighborhoods by simply requiring institutions to report what mortgages they make, not what mortgages they do not make.

I respectfully suggest that by obtaining the information on what credit has been extended, that does not give us a bit of information about what credit was requested. Under this title there could be full reporting of mortgages made, and maybe an institution will report none in a particular neighborhood. That on its face would appear to be a bad and discriminatory practice. However, if there had been no requests for credit from that particular census tract area, the assumption or conclusion would be totally false.

In addition, Mr. Chairman, by relating these studies and these disclosures to only institutions in standard metropolitan statistical areas, the SMSA's, we are exempting from disclosure and from reporting about 60 million people; people who are served by institutions outside SMSA's, institutions that serve 60 million people. In addition we have just recently adopted the so-called Fenwick amendment which also eliminates from disclosure all institutions having assets of $10 million or less.

I would only ask the Members of the House to reflect for a second upon the institutions in your districts which have assets under $10 million and are exempted from reporting.

I suggest that removing a great number of them may not be wise and oftentimes those institutions may be the ones who are small in declining neighborhoods who should be making mortgage loans.

There can be only one real purpose to commend this final title to us and that is if we are to get information which is of value that that information will be put to a purpose and the only purpose that information can be put to is to regulatorily require institutions to make loans which they are not presently making.

I respectfully suggest that the problem of declining neighborhoods is more a matter of allocation of community development funds, distribution of community services, than it is lending practices of institutions.

I think to put the whammy of title III upon those institutions when that is not the real root cause of the declining neighborhoods is wrong.

I think loans are not made in certain neighborhoods because they have been permitted to decline, rather than vice versa; so I speak now at this time, rather than have the Members of the House take further time on this title in perfecting it and to urge that we adopt the amendment of the gentleman from California (Mr. Rousselot), the amendment to strike all of title III.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. Rousselot: On page 14, line 9, immediately following the word "necessary", strike the word "or", and insert, in lieu thereof, the word "and".

Mr. ROUSSELOT. Mr. Chairman, the purpose of this amendment is to limit the authority of the Federal Reserve Board under title III to such regulations which are both necessary and proper, rather than just necessary or proper. I believe my colleague, the gentleman from Rhode Island, concurs in this.

Mr. Chairman, I yield to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, I concur in the amendment.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from California (Mr. Rousselot).

The amendment was agreed to.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at one time I served as executive secretary on the Maryland Commission on Interracial problems. In that capacity, I discovered there were maps in the lending institutions where whole sections of Baltimore City had been blacked out to prevent the lending of mortgage money in those sections.

More recently, as of last year, I think it was April of last year, I moved deeper down into the ghetto section of Baltimore. I am rehabilitating a home in that area. The bank initially had some hesitancy about making a loan to me, because the property was in a high-risk area however, I think maybe the bank took into account that I was employed in this Congress and they finally approved my loan. Since I moved down there, a young professional who works at HUD and his wife also moved into the same block. Three more young professional couples have moved in and the process of rehabilitating a block in the inner city of Baltimore is taking place.

I take issue with the statement that the blighted areas are not, in part, the fault of the lending institutions. I think that if the lending institutions would give us some mortgage money and stop redlining, we would be ble to make our communities much more attractive. I am not going to let anybody fool me as to what is going on. I know what the strategy is. The strategy is to try to give the appearance, the impression, that title III is so badly written that it ought to be knocked out of the bill. There will be amendment after amendment introduced—some of them innocuous, some of them lacking in substance—but they will be there as a part of that overall strategy.

If that is the strategy, fine, but I would ask that the strategy be laid alongside the facts. The facts are these: Redlining is indeed used by the lending institutions—some of the lending institutions. I think it is important that title III be preserved. I think full mandatory disclosure by the financial institutions is absolutely crucial to the stability of urban communities, and I sought to demonstrate that by using an illustration involving my own personal life.

Additionally, I think that preserving title III will help the Congress in making some decisions about where various community development funds should go. I think that title III is going to be a very effective mechanism and vehicle for the Congress to use for its future community development policies.

Let us go back just a little bit. It was in 1949 that the Congress urged—in fact, stated as policy—that in housing, the goal would be to provide every American with a decent home, with a decent, safe environment. Part of the attempt to reach that goal was done under the various federally funded housing programs. They have succeeded in some instances and have failed in others, but I would suggest to the Members that the mandate of the Congress can never be carried out until the private sector does its job. I would further suggest to the Members that the private sector will never do its job if title III is not preserved in this piece of legislation.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding to me. I would like to associate myself with his remarks. I think we know the realities in this country, those of us who have worked in this field. I think title III is an essential part of this bill, and one might say that it would be the heart of the bill. I think it would be a disaster to take it out.

Mr. MITCHELL of Maryland. I thank the gentlewoman for her remarks.

Mr. Chairman, let me make one or two other comments. I would like to bring out a kind of hidden concern I think is extant in this House. It is the feeling that title III is specifically and solely aimed for the protection of black Americans. That is not true. There are many ethnic enclaves in the various urban communities which experience the same difficulty as black Americans in terms of redlining.

While I will be the first to admit that we blacks have been the chief victims of redlining, I will also be the first to quickly add that we are not the sole, exclusive victims of redlining.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(On request of Mr. Rousselot and by unanimous consent Mr. Mitchell of Maryland was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding to me. I want to assure the gentleman that those of us who have had amendments which we have offered to title III have offered genuine amendments. There is no strategy to stall. There certainly has not been in my case, and as the gentleman knows, in committee I supported the effort to abolish the whole title, so that there has been no strategy to try to delay the effort, but to discuss it genuinely.

I think the gentleman does know full well that bucketsful of statistics will do nothing to eliminate the problems and the responsibilities of lending institutions to meet the responsibilities of making those loans, and that things such as the provision of sanitation, police, fire and all of those kinds of things definitely relate to the so-called factor that we have heard about—both of us—in the committee as it related to this whole subject.

My concern is that I do not think title III does anything to help produce better sanitation or better fire protection or better police protection, as person after person who came in to testify, who make the loans, and even the various organizations that are agitating to get better loans made in some of these intercity areas about which the gentleman speaks, said authoritatively, made it very clear, that until the local governments provide the kind of services that include the risk factor, as it relates to a loan, that those are the things that really need to be done, and all of the volumes of statistics that we are encouraging be produced by either census tract or by ZIP code will do nothing to change that. Is not that basically correct?

Mr. MITCHELL of Maryland. No, I will not agree to that. I think the gentleman's argument has an essential fallacy in it. That is, as an area is rehabilitated, by virtue of people moving in, having their homes fixed up, such as has happened in the 1800 block of Madison Avenue in Baltimore, where I live, there is a concomitant reduction in terms of the items the gentleman alluded to and, therefore, there is a lesser onus on the part of the city to do better policing, for example.

When I first moved into the neighborhood a year ago, everybody told me, "It is a terrible neighborhood. Why are you moving into the neighborhood?"

My argument was that if I move in and others move in, we can make it a better neighborhood.

Mr. ROUSSELOT. If the gentleman will yield, I do not disagree with that.

Mr. MITCHELL of Maryland. My argument is that since I have been there, there has been, certainly an apparent increase in the performance of the sanitation department. However, I have not seen accelerated policing. I have seen a diminishing of it because the lifestyle of that particular block is changing, thereby not requiring additional policing inputs from the city.

Mr. MAGUIRE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to speak in this debate, but the issues involved here are of such importance that I felt I simply had to get up and say a few words.

Many of us who have studied the history of the physical development and the social deterioration of our metropolitan centers in this country since, particularly, the Second World War, have to be struck by the fact that certain policies have had results that we would not have wished to happen.

The Federal highway program with massive funding and virtually nothing for mass transit, the lending policies of the FHA and our financial institutions, the commitment of HUD to a new housing strategy as opposed to the preservation of existing communities and housing stock—these are among the policies that have resulted in the deterioration of the central cities and the flight to the suburbs.

Mr. Chairman, I represent a suburban district, but more and more people in the suburbs appreciate the fact that their welfare is indissolubly linked to the welfare of the cities; and that the cities are important to the future of our country.

Where the dollars go has a lot to do with what happens, and we are kidding ourselves if we think that a pattern of loan-making in a metropolitan area does not have social and physical implications for the future of our cities. Anybody who is concerned about the deterioration of housing stock in this country, anybody who wants to preserve neighborhoods, anybody, who is concerned about busing, which few people want very much, has to be concerned about preserving title III of this bill.

It is simply a fact that we do not know enough about where the money is going and why. It may well be that a self-fulfilling process is at work here, namely, that if certain types of people move into a neighborhood, it is then deemed a risky place to lend money, the money is taken out, and then, as a result, it is indeed risky.

The question is: What causes what? The gentleman from California (Mr. ROUSSELOT) talks about community services. He is right when he says that we must have communities that survive and live and grow. But how do we do that if the money does not flow in from the private and public sectors to preserve and make communities livable? We must insist, it seems to me, on having information on what decisions are being made.

This bill asks only for information. It does not tell anybody how to allocate credit. Maybe it will have the salutary effect of getting more attention paid to the question of where credit is being granted and denied, but nothing has been mandated. Maybe we can nudge decisionmakers a little bit to be more responsible and look at the total impact of what they do—including the long term effect on the viability of their own investments.

It is not to the advantage of lending institutions to have central cities deteriorate. Part of the problem is short-range as opposed to long-range thinking. Part of the problem is how risks are defined. Is credit advanced for real estate investment trusts more or less risky than loans in some of our older communities?

Certainly the banks do not want to see cities deteriorate, and surely they should realize it is in their interest as well as in the interest of society to preserve communities. But too often this has not been the case.

Mr. Chairman, I urge the adoption of title III. I think it is perhaps one of the most important pieces of legislation relating to cities that we have been asked to vote on in this Congress.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

Let us say for illustrative purposes that the gentleman is now the mortgage lender in an intercity area and he also has the responsibility to make sure his depositors' money is properly and soundly invested. Would the gentleman suggest that as a lender the loan be made if the credit is not good or if there are problems relating to fire protection or structural soundness?

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I will respond in just a moment to the gentleman.

Mr. ROUSSELOT. Mr. Chairman, the third part of my question to the gentleman from New Jersey is this: What will this title do to improve the situation to which the gentleman refers?

Mr. MAGUIRE. Mr. Chairman, let me withhold my response to the gentleman's question until the chairman of the subcommittee has had a chance to speak. I yield to the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Chairman, I might state that the bill as amended incorporates the "prudent man" rule. It states that the borrower must have adequate capital and must have adequate income and that the house must be worth what the mortgage is asking for. The "prudent man" rule is in the bill.

Mr. MAGUIRE. What we want to eliminate here, surely all of us agree, is the situation where people are being ruled out for loans on the basis of a priori criteria for entire geographic areas without justification in an individual case. We have all kinds of evidence which the gentleman has uncovered in hearings in different parts of the country which demonstrate that that has in fact been the case.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. MAGUIRE) has expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. MAGUIRE was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, there was absolutely nothing in the hearings that showed that where there was a loan demand which was not being met by the financial institutions, so I think in regard to the comment that there were places where there are regular demands for mortgage loans which are not met, we will find there is more than enough willingness to supply the financing.

Mr. MAGUIRE. I think that statement is incorrect.

Mrs. BURKE of California. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentlewoman from California.

Mrs. BURKE of California. Mr. Chairman, I would like to ask a question of the gentleman from California (Mr. ROUSSELOT). I realize the gentleman in the well has the time, so would the gentleman yield for that purpose so I may ask a question?

Mr. MAGUIRE. I yield to the gentlewoman from California for a question.

Mrs. BURKE of California. Mr. Chairman, the gentleman from California indicated that the hearings brought forth the fact that in California there had been very stringent regulations for homes, and that the basis for title III was that there had been an experience there that was a favorable one. Then the gentleman went on to say that these regulations had been withdrawn.

I have had information from the Governor's office only 5 minutes ago that they have not been withdrawn, and that they are set for hearing on December 12. I would like to have the gentleman from California respond to that and give us the basis for his information.

Mr. ROUSSELOT. Yes, I would be glad to, if the gentleman from New Jersey will yield.

Mr. MAGUIRE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, those regulations were postponed. But more important, they were not put into effect as we were told in committee that they would be. I was trying to say that one of the reasons given by the proponents of title III and for moving the legislation out of committee was that California had already issued those regulations. However, those regulations have not been implemented. They were postponed, and I saw the statement of the Governor's assistant when those regulations were postponed and the hearings were rescheduled because they did not have enough evidence that those regulations were needed or necessarily help to the cause of supplying more loans.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. MAGUIRE) has expired.

(By unanimous consent, Mr. MAGUIRE was allowed to proceed for 2 additional minutes.)

Mrs. BURKE of California. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. Yes, I yield to the gentlewoman from California.

Mrs. BURKE of California. Will the gentleman from California (Mr. ROUSSELOT) answer this question: Has there been any change in the status of regulations between the time of the hearings and the present date?

Mr. ROUSSELOT. If the gentleman will yield, the proposed State regulations relating to so-called redlining which my colleague, the gentlewoman from California (Mrs. BURKE), referred have not been put in place. As a matter of fact, the implementation was postponed because there was great uncertainty as to their value. There was a feeling that additional time for study and hearings was needed. The total effect of those proposed regulations was not and is not now known.

Mrs. BURKE of California. The situation is exactly the same as it was: There were proposed regulations that hearings were set for, were there not? The hearing date has been changed, I am advised, but those regulations have not been changed in any way. Simply, the date of the hearing has been put forward to December 12 to give everyone an opportunity to testify, and those regulations will be far more stringent than anything we are talking about here now; is that not correct?

Mr. ROUSSELOT. Those regulations were not changed, but they very well may be changed as a result of the hearings and I do not believe we should move ahead with title III of this bill on the strength of the suggestion by some that those proposed California regulations, and that is all they are, proposed regulations, have somehow improved the availability of mortgage loans in given depressed areas in California.

Mr. MAGUIRE. Mr. Chairman, may I ask the gentleman from California (Mr. ROUSSELOT) this question: What is wrong in getting information to show whether you are or I am right? Why should we not jointly seek the information, as title III requires?

Mr. ROUSSELOT. Absolutely; we should not only seek the information from available sources but understand better how to produce positive results.

Mr. MAGUIRE. Therefore, the gentleman supports the title?

Mr. ROUSSELOT. Absolutely not. I do not agree that title III will produce the results that the overwhelming majority of its advocates of this title say it will. The proponents say, first, the title will produce more loans in those areas which it is felt are not now receiving adequate funds and, second, they say it will demonstrate by the production of vast amounts of data that available funds in the mortgage field are being improperly diverted from areas of need.

Let me give the gentleman an example in California.

Mr. MAGUIRE. May I reclaim my time?

Mr. ROUSSELOT. May I give the gentleman an example?

Mr. MAGUIRE. Before the gentleman gives an example, let me just say this.

The CHAIRMAN. Is the gentleman from New Jersey refusing to yield further?

Mr. MAGUIRE. At the moment I am, yes, Mr. Chairman.

I would like to say that I think the gentleman from California misunderstands the title because the title is seeking information. The title does not permit us to make policy judgments, and the title does not attempt to make them, until we have the information.

I urge the gentleman to join us in getting the information.

Mr. ROUSSELOT. If the gentleman will yield further, I was going to respond by saying: Let us take the Watts area in California. I was informed by the Broadway Savings & Loan, which, by the way, is basically run by black managers, that they have over 90 percent of all of their funding in the Watts area.

Many other large thrift institutions located outside of the Watts area maintain substantial mortgage loan portfolios inside the Watts neighborhood.

This is a so-called "disinvested" area, and I think the mortgage funding available in that area, primarily a black area, has been more than ample for development of both existing and new construction.

The statistics I have gathered from many of these neighborhoods indicate that there is more adequate funding available. This title is not needed.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and Members of the House, we held very extensive hearings on the legislation before us today. We had 59 witnesses, and our record goes approximately 3,000 pages.

Anyone who can state that redlining does not exist is looking at the world through very rosy glasses.

We had witness after witness appear before us and explain what happened to them and people in their areas when they sought mortgages in certain areas that were disinvested or redlined.

There is a necessity for this legislation which came to our attention 10 years ago when we sent staff members out to all areas of the country.

We have tried to get this worked out without legislation.

Two years ago the Chairman of the Federal Home Loan Bank Board stated that they would not require this type of information because the cost benefit ratio did not warrant it. Members of the House, just as redlining existed in the insurance industry, so does redlining exist in the mortgage financing industry.

So we have come up with legislation that asks for information to be provided on an annual basis, once a year. We have asked the institutions to state how many mortgages were granted in a particular area and for what total aggregate amount. That information is to be posted in the main office and in one branch. The cost factor, we have the testimony of the Bureau of the Census, and in California they have had a loan register in effect for the past 11 years, and the State of Illinois has adopted legislation that is much more stringent and demanding than that which we have before us, and the State of Massachusetts invoked regulations that are much more demanding.

What we are asking for here is a bare Federal minimum. We include the prudent man rule at page 11 of the bill:

> Nothing in this title is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

Mr. Chairman, we recognize redlining is not the only factor that contributes to the deterioration of these neighborhoods, but it is one of the very important and essential factors. We in the Congress have to start someplace.

We are not forcing anyone to do anything but we are just asking the information be provided and that that information then be provided to the mayors of the cities of this Nation so that under title I of the Housing Act of 1974 they can use this information to determine where the moneys from their block grants should go to take care of these disinvested areas. The Congress can say to these mayors: It is up to you to put your money where your mouth is when it comes to improving these areas.

As I have stated, the cost is minimal and we have the experience from the State of California.

There are commercial firms that will take this information by census tract, and the cost will range between 37 and 80 dollars per 1,000 items. In other words, 3.7 cents to 8 cents a mortgage. In cases where these census tract coding guides are not available, if they have to use a hand tally the cost is $1.50 per mortgage but how much did it cost you to have an appraisal made on the last house you bought? Here in the District of Columbia area today it is $75 to have somebody walk through your house or your apartment. So another $1.50 is not going to make that much difference. But it can mean so much to the disinvested areas of this country which are not racial, they are ethnic areas. I have them in Rhode Island and most of us have them in our districts—areas where people have been living for generation after generation but because it is not a newly developed area, they are redlined, denied the opportunity to improve their homes.

The Acting Chairman of the Federal Home Loan Bank Board before the subcommittee stated that a financial institution would far rather make one $50,000 mortgage than to make five $10,000 mortgages because it would be one-fifth of the cost.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. St Germain was allowed to proceed for 3 additional minutes.)

Mr. ST GERMAIN. Why do we deny credit to people who come in with 30, 40 or 50 percent of the cost of the house as a down payment? Because the financial institution does not want to be bothered.

I agreed with the Jacobs amendment saying that some institutions did this, and it is true.

It is true. There are many institutions that live up to their obligations, and they should have an obligation to lend in these areas from which they receive their deposits. By the same token, there are many who do not lend because the profit factor is not there. They would rather lend on a great big development in the suburban area outside of town.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. I thank the gentleman for yielding.

I do not think anyone on the floor of the House disagrees with the way in which the gentleman has stated the problem or the significance of the problem; but would the Chairman mind addressing himself to the question of how this legislation helps to solve that problem, and particularly what results have occurred in these States that the gentleman has mentioned to solve the problem by acquiring this additional data.

Mr. ST GERMAIN. In the State of Massachusetts and in the State of Illinois regulations have been put into effect within the past 3 months. California's regulations, as has been stated, have been published, and hearings are being held on December 12.

But in answer to the gentleman's question as to what good it will do, here is what it will do: It will say to the people who are depositing their money in the neighborhood S. & L. or mutual or commercial institutions, "Here is what this institution has reinvested in this area, and it is up to you to determine whether or not you should continue putting your funds into this institution, or whether you should go to an institution that is in fact serving the area." It is moral persuasion.

Mr. DUNCAN of Oregon. If the gentleman will yield further, we have no evidence that the acquisition of this data eliminates the process of this redlining.

Mr. ST GERMAIN. I would say this: If I were president of an S. & L. and had to provide this type of information, I would certainly have a review of the practices of my institution, or if I were on the board of directors, I would make sure that the institution was living up to the charter requirements that said when I received that charter that I wanted to establish this S. & L. in an area to serve that particular area.

Mr. DUNCAN of Oregon. I thank the gentleman.

Mr. ST GERMAIN. I repeat there are not only the three States I have mentioned earlier, but there are many cities that are taking action independently of the States. In Illinois, New York, California, and Massachusetts, legislatures have addressed it. The cities of Rochester, Cincinnati, Cleveland, Philadelphia, Boston, and Chicago have taken action. The conference of mayors endorsed a resolution condemning redlining and asked that we adopt this legislation.

Mr. Chairman, we just defeated the NOW account section of this legislation by a rather overwhelming vote. Here one can see the power of the trade associations. None of them wanted the NOW accounts. We see the power of the people, which is not sufficient to overcome the hurdle of opposition from the trade associations.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. St Germain was allowed to proceed for 1 additional minute.)

Mr. ST GERMAIN. In conclusion, the trade associations certainly have not asked for title III of this bill; but the people have. The people have, and I feel that we have a responsibility to the people to respond to their needs. The need is there. Redlining exists, and let us take a step, one step amongst the many that have to be taken, to rehabilitate and to avoid the disinvestment of too many areas of our larger cities throughout the Nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I understand, Mr. Chairman, that this issue has been debated at length, and I will be brief. But I did want to make a special point.

In 1974 the Congress overwhelmingly passed the Community Development and Housing Act of that year. That was a very significant piece of legislation, and the Members will recall what it did. It said that instead of the categorical grant programs administered by HUD, instead of annualized funding, sometimes available and sometimes not, for a myriad of programs, that a new approach would be taken.

The bill said that instead of cities wondering year in and year out what might be forthcoming from Washington in the way of assistance, that funding will be arranged in a different way. Cities over 50,000 will know on a year-by-year basis exactly what their entitlement is. The initiative for determining priorities of need no longer rest in Washington, under that legislation, but where it belongs: in each and every community in the country.

So instead of the billions of dollars of categorical assistance grants, we made available for a 3-year period some $10 billion of assistance. Cities have responded remarkably and magnificently to this new approach.

But in passing that legislation—and many of us here voted for it when it was overwhelmingly adopted—we knew that the responsibility for revitalizing our cities rests not in Washington alone but is shared by the local communities themselves, their public institutions, and the private sector in those communities.

This is the point. Are we to continue on this massive new program, asked for by the Republican administration, which is predicated on local initiative, which is predicated upon Federal support having a catalyst effect in inducing local funds not previously available? As Mike Kirwan used to say: "You see the point I mean."

If there are—and believe me there are—redlining practices, if there are entire neighborhoods, and there are in my city of Toledo, that are being denied access to the real estate market mortgage, then the whole focus of the legislation that was passed in 1974 shifts because what we were saying to the cities was: "Here is a given amount of funds that you can rely upon receiving. You determine your priorities, stake out the neighborhoods that really need assistance."

And this they are doing. But what avails it if those determinations at the local level are made and there then is a deliberate withholding or denial of access within those neighborhoods to the money markets?

I am sorry to say this is what is happening. Universally? Not at all.

The amendment offered by the gentleman from Indiana was well made, but let us remember that for many years it was a matter of deliberate Federal policy to redline areas. If Members wonder about that, that is precisely what FHA insisted upon until very recent years. And because of that Federal policy many lending institutions, let us say, got out of the habit of even considering lending in those neighborhoods. This is true in Toledo, Ohio, and it is not a black-white situation. It is also a matter of ethnic, older neighborhoods being denied access to the marketplace.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. Ashley was allowed to proceed for 1 additional minute.)

Mr. ASHLEY. Mr. Chairman, the gentleman from Oregon (Mr. Duncan) has asked what assurance is there that this legislature will remedy the problem which is stipulated? Well, not any, really oral suasion, perhaps. But it does provide relevant information, not just to the local community but to the Congress responsible for such programs as the Housing and Community Act of 1974. And in the final analysis, are the people who deposit their funds in lending institutions entitled to know where those funds are invested? I think so.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, section III of H.R. 10024 must be scrapped. It is nothing more than a wolf in lamb's clothing. Once again, the proponents of credit allocation are attempting to dupe this body into believing that Congress knows best just where the average citizen's money should be spent. As if we do not already take more than a fair share in taxes. The Federal Government's attempt to pressure lending institutions into investing in neighborhoods of questionable risk is unfair to those who deposit their money under the assumption that their savings will be invested wisely.

Now, if the Federal Government—if Congress—wants to help blighted areas, then it should do so directly, through the guarantee of mortgage loans to such areas, or through outright mortgage assistance. Congress has, in recent months, had opportunity to support these sorts of approaches toward solving our more acute housing problems. But it is inexcusable for this body to force private institutions, holding the money of private individuals, private consumers, to spend as Congress wants them to. Such a risk should be shared by all of society, not just by the thrifty.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 11, strike out line 15 and everything that follows through line 17 and insert in lieu thereof the following: "The term 'mortgage loan' shall mean any loan secured by an interest in lien, encumbrance or mortgage upon real estate."

Mr. JACOBS. Mr. Chairman, we can take our pick on this. I am inclined to believe this is probably a good idea. In effect, it defines mortgage loans to include loans on other than residential property, as well as residential property; that is to say business structures, that sort of thing, in the neighborhoods. What I have in mind is the storefronts and things like that that might be run down, which all contribute to the health and decay of a given neighborhood. I have no further explanation.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I merely want to say that the proponent of the amendment is a little vague. Very frankly, I have discussed this with counsel on the other side and they agree with me. It is vague. Certainly under the circumstances I cannot see how we can accept the amendment. Therefore, I am constrained to reject it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 11, line 23, insert immediately after "1974" the following: "And has a mortgage loan portfolio in excess of $500,000."

Mr. JACOBS. Mr. Chairman, the purpose of this amendment clearly is to exempt institutions which essentially just are not in this business from the requirements of the reporting item.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, if the gentleman will yield, we accept the amendment on this side.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have already incorporated in the legislation, as the result of an amendment by the gentlewoman from New Jersey (Mrs. FENWICK), an amendment that exempts all institutions under $10 million in assets. Frankly, I feel that covers the point the gentleman wants to make.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, I am only thinking of those institutions which have billions of dollars in assets, but essentially are not in this business.

Mr. ST GERMAIN. What type of institution does the gentleman refer to?

Mr. JACOBS. I think there are certain investment institutions.

Mr. ST GERMAIN. What type of institution does the gentleman refer to?

Mr. JACOBS. I am talking about any financial institution that has a mortgage portfolio of less than $500,000. It might have assets of more than $10 million.

Mr. ST GERMAIN. That being the case, certainly under its charter it has an obligation, or should have an obligation, to provide mortgage financing to the people of the community.

Mr. JACOBS. I am simply saying that they are essentially not in the business and only have $500,000 for investment.

Mr. ST GERMAIN. What kind of institution would that be?

Mr. JACOBS. The kind that is defined by the amendment.

Mr. ST GERMAIN. Would the gentleman be specific?

Mr. JACOBS. I decline to name names.

Mr. ST GERMAIN. I am not asking for the name of any particular institution. What type of institution?

Mr. JACOBS. I am just talking about any kind of investment bank that does not invest in real estate, in residential real estate mortgages. I do not think that will do any harm.

Mr. ST GERMAIN. Mr. Chairman, it is obvious that we do not even know who is involved here. The previous amendment that was adopted does cover the small institutions adequately enough. Therefore, I am constrained to object to and to oppose the amendment.

Mr. JACOBS. If the gentleman will yield further, I simply want to say that on this one I would rather people took my choice.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, on the theory that three is a charm, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 12, line 12, insert immediately after "office" the following: "The number of written requests for,".

Mr. JACOBS. What this says in essence, Mr. Chairman, is that in addition to the requirement concerning the number of depositors and the number of loans made in a given area, the public also has a right to know—and I think in fairness to the financial institution—how many people ask for loans in that area in order really to determine whether a practice of discrimination has taken place.

I did not quite want to say that it should be applications for loans, nor did I want to say that it would simply be a request for loans which would involve parol evidence, that is, to say what someone said to someone, but any written evidence of a request for a loan.

In some situations a person goes into the bank and says, "I have a house over here on Canal Street and I would like to take out a loan for real estate improvement. What are my chances for securing such a loan?"

The banker replies, "Well, forget about it. I can tell you right now the loan committee would never approve such a loan."

There is really no evidence as to whether an application was made or not, but if a person proceeds to write a letter to a bank or make an application for a loan, I believe the lending institution is entitled to be required to file with its report of the amount of deposits and the amount of loans in a given area whether or not a request has been made in that area, how many requests have been made for loans in the first place in order to be fair in determining whether discrimination is taking place.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know the gentleman is very charming and feels that he has mesmerized us today, but let me tell the Members something: This is a very, very far-reaching amendment. This requires a financial institution not only to report the mortgage loans that they make on real estate, but also the written applications for loans.

As far as this redlining section is concerned, we can call it anything we want, but it is polite allocation of credit. Not allocation of credit by a commodity or program, but it is allocation of credit by a neighborhood. Here we are with an amendment which will require even applications for loans to be reported, and it does not say bona fide applications. I suppose if 100 people had it in for a local savings and loan, they could write in 100 non-bona-fide letters demanding loans.

And then when the report would come out, this savings and loan would have it in the paper that they had received 100 applications for loans in XYZ suburb and did not grant one of them. I think this is a very dangerous addition to this bill. By the way, in the bill, as it is now the reason it is restricted to just reporting loans made was to keep the cost at about $1.50 on reporting.

If we vote for this amendment, and all of the branches and all of the institutions have this additional requirement, it will greatly increase the cost. Therefore, we ask that this particular amendment be voted down.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, really, with

mixed emotions about this amendment. I think the gentleman from Indiana is quite right. If one is going to vote for this title and have the information that is developed mean anything, one has to have something more than just mortgages made, credit extended; one has to know the amount of credit that is sought. So if the Members are going to vote for this title, they obviously have to vote for the amendment offered by the gentleman from Indiana, and if they vote for the amendment offered by the gentleman from Indiana, they make the title almost unworkable.

But, really, it is a philosophically sound and valid thing that the gentleman is requesting, and I think that his amendment should be adopted and that the title should be stricken. That would be the best result.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. BROWN of Michigan. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. JACOBS. Mr. Chairman, I demand a division.

On a division (demanded by Mr. JACOBS) there were—ayes 25, noes 32.

So the amendment was rejected.

Mr. JACOBS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that this legislation is badly needed, as indicated in my response to the gentleman from California earlier. It is not needed for the great majority of institutions in the country, as the gentleman from Ohio has so eloquently said, that led up to their obligations to the public and to their depositors, but it is needed, as all such laws, to protect the public from the few who are not so civic-minded.

Mr. Chairman, as I see the problem, the bill itself, this title, specifically, says that no institution is required to make an uneconomic loan, a loan that is not a sound loan. Nothing in this title requires that in it. The question really is: What is the big secret if you have nothing to hide?

I have never heard of a financial institution that said it was engaging in redlining. It seems to me that demonstrating they are not engaging in redlining is the best way to convince people, and if they cannot demonstrate that, then appropriate action by the public or perhaps even by the depositors might be indicated.

Finally, there is a very strange phenomenon about redlining when it does take place. The same institution that will not lend money on a house in which a family has invested money and taken paint brushes in hand and fixed up will lend money for a fine automobile, an automobile that might cost almost as much as that house, even though it is going to be placed generally in the same location.

I think the problem, from the point of view of the community generally, is analogous to dental work, in that there are certain areas of decay where it would probably not be economic to make loans or where it is just so bad that nothing can be recovered, but still there is that good enamel around the area. It is those neighborhoods that can be saved physically in terms of architecture that suffer.

Mr. Chairman, I think the amendment to strike should be voted down and the bill should be passed.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I thank the gentleman for yielding.

I would like to associate myself with the remarks the gentleman has just made, and I commend him on his remarks. I think he has placed this issue very clearly before us.

Mr. JACOBS. Mr. Chairman, I thank my neighbor from the next district for his support.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I would suggest that the gentleman's analogy about the extending of credit for an automobile rather than for a house really speaks in favor of striking title III.

Mr. JACOBS. Mr. Chairman, I will ask the gentleman; did I say that?

Mr. BROWN of Michigan. Well, let me explain.

In the case of the automobile, that is obviously security. Security is what the lending institution is looking for. It is not looking to the area, because if it were looking to the area, it would not lend the money.

Mr. JACOBS. Well, that is not always true.

Mr. BROWN of Michigan. Mr. Chairman, if the gentleman will let me proceed, in the case of the automobile, if the lender were looking to the area and saw where that car was going to be parked, he obviously would not extend the credit, if we apply the redlining principle or that theory to a residence.

Mr. JACOBS. Mr. Chairman, the gentleman says he obviously would not, but they obviously do. If they did not, that would prove the gentleman's point, but the fact is they do. A car can be damaged much more quickly. A car is much more likely to suffer damage than a home where a family that has been willing to maintain that home lives.

Mr. FAUNTROY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of H.R. 10024, the Depository Institutions Act Amendments of 1975 generally and especially title III, the home mortgage disclosure provisions. Since I have a particular concern for this title, I am going to confine my remarks to the need for this legislation while indicating the parameters that it touches.

I first want to note the fact that this is an extremely narrow bill. It does not approach the broad sweep of the bills which I and several other Members introduced. Unlike our bills, the legislation which is pending before you does not require that any institution disclose the source of deposits and the average daily dollar amount of accounts held. It does not require an institution to make this data available in every office, nor does it require this data from non-SMSA areas. Neither does it require that construction loans and other kinds of interim financing agreements be disclosed.

The bill is a very minor disclosure requirement compared to that which many of us had sought. Thus, I fail to understand the reasons that so many individuals have indicated opposition to this title. It does not mandate that loans be made to any neighborhood, and it certainly does not suggest—indeed the opposite is stated—that unsound lending be undertaken by an institution.

What we are attempting to accomplish through this bill is to find out whether or not our local depository institutions are performing their community responsibilities. We cannot do this without this minimal data. We need to know if creditworthy individuals are being turned down merely because of the location of their property. We need to know if whole areas of our cities are being neglected in a systematic lending policy which may be used by some institutions. At present, there is no way that the regulatory agencies or your committee can ascertain this data except by public hearings with citizen groups; and financial leaders. The data which develops in those hearings is, at best, less certain than would be a systematic data acquisition system which we are proposing here.

There are few issues which confront the citizens of our Nation that are more important than the ability of a large segment of our people to find adequate housing. While a lending institution does have an affirmative responsibility to safeguard the funds of its depositors, it also has an affirmative responsibility to safeguard the viability of the neighborhoods of its primary service area and of those areas to which it has previously lent funds even though the outstanding amounts may now be small.

Frankly, this fiduciary concern that has been expressed by many financial leaders leaves me in a quandary when I survey the fact that many of the institutions invested very heavily into the REIT's, Florida and Arizona condominiums, and office buildings which have failed. I would like to know about the fiduciary responsibility vis-a-vis these investments, these loans.

One of the things that we often forget when we talk about housing in so-called depressed areas is the fact that while a nice neighborhood is an asset, it is neither the neighborhood nor the house which is finally going to repay the loan. It is the borrower who will repay the loan. The lender ought not be concerned with the sale in a foreclosure; he ought to be concerned with whether or not the borrower will repay the loan regardless of the placement of the real estate.

It is important that mortgage lenders understand this because their actions and their fears tend to become self-fulfilling prophecies. Where institutions decline to lend for new home buyers or for home improvements, the deterioration which is predicted will materialize as a fact because few owners, and fewer renters, are able or would want to use all or most of their own available cash resources to buy or remodel a house. As fewer loans become available in an area, the persons who do come into the area are the speculators, the slum-landlords, or those whose total cash resources have been placed into the dwelling, leaving them with no funds to fix, clean, and otherwise remodel the house into something which is a credit to the neighborhood.

This legislation will not, of course, generate any new funds for our cities and metropolitan areas. It hopefully will cause our lending institutions to evaluate their own policies and stop making lending decisions based primarily upon the location of real estate. I am hopeful that this kind of disclosure, this kind of prodding, will enable our institutions to serve as the base of a new policy and a new hope for our cities. The extension of mortgage credit in our Nation is a particularly private function, which operates according to the market place rules. While I hope we can keep it that way, I frankly can tell you that unless the institutions respond to the economic facts of our communities, it will change whether any of us want to change it or not.

The fact of the matter is that in many so-called high risks areas, the loan default ratio is no greater and may be better than that prevailing elsewhere. In the District of Columbia, Independence Federal Savings & Loan Association, which gave over three-fourth of its mortgages to residents of the city, had the lowest default rate of any savings and loan in the city. Illinois Federal placed upwards of 85 percent of its conventional loans into all black or integrated areas on the south side of Chicago. Its losses have been far below the results of catastrophe predicted.

What this demonstrates, Mr. Chairman, is the fact that it appears that many loan denials made on the basis of high risk are really made on the basis of color. I can think of no less useful a criteria than color in making or denying loans. All of the laws against racial discrimination have failed to open the mortgage markets to nonwhites. This legislation is not going to do it either; but, it will at least allow the regulatory agencies, your committee, and the community to decide for themselves whether or not an institution is serving them, or not. If the institution is not going to provide loans, at least the people will not have to leave their money in that institution.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the St Germain bill, H.R. 10024, to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund transfers and to provide for home mortgage disclosure. The sponsor of this bill is to be commended for his initiation of legislation to help achieve an adequate supply of residential mortgage funds and equal opportunity in housing.

Of utmost concern to me is title III of H.R. 10024, the "Home Mortgage Disclosure Act of 1975." I think it is vital that we retain the provisions of title III which provide for full mortgage disclosure by financial institutions. It is my firm belief that this title is necessary to attack the invidious process of redlining by financial institutions. This practice seriously and adversely affects homeownership in our cities.

Full, mandatory mortgage disclosure by financial institutions is crucial to the stability of urban communities. Disclosure will assist communities in determining which institutions are committed to the preservation of neighborhoods.

Additionally, it will be helpful to the Congress in making decisions on a wide variety of issues involving the future of our Nation's cities; for example, lending practices, neighborhood rehabilitation and housing.

It is vital that title III of H.R. 10024 retain those provisions which would require depository institutions to itemize information on mortgage loans made and the underlying property security be census tract, where tract maps are available. Such information would permit the use of corollary census data that would indicate the breakdown of income and racial groups being served through residential mortgage loans.

It should be the right and privilege of all Americans to know how their financial resources are being distributed—fortunately or unfortunately, on full disclosure will do that.

Full disclosure legislation is sorely needed on a national scale. Needless to say, I will vote in support for the passage of title III of H.R. 10024, and fight against attempts to weaken its language. In all good conscience, I truly believe to do any less would be a serious affront to those we represent here in Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROUSSELOT. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 152, noes 191, present 5, not voting 85, as follows:

RECORDED VOTE

[Roll No. 656]

AYES—152

Abdnor
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bevill
Bowen
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conlan
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Edwards, Ala.
English
Evins, Tenn.
Flood
Fountain
Fuqua
Gaydos
Gilman
Ginn
Goodling
Grassley
Guyer
Hagedorn
Hansen
Harsha
Hastings
Hefner
Henderson
Hightower
Holland
Holt
Hubbard
Hutchinson
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Levitas
Lloyd, Tenn.
Lott
McDade
McDonald
McEwen
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Natcher
Nedzi
Nichols
Patten, N.J.
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Randall
Regula
Risenhoover
Roberts
Rooney
Rose
Rousselot
Santini
Sarasin
Satterfield
Schulze
Sebelius
Shriver
Shuster
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thornton
Treen
Vander Jagt
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOES—191

Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Danielson
Delaney
Dellums
Derwinski
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Giaimo
Gonzalez
Gradison
Green
Gude
Haley
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Hicks
Hillis
Holtzman
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Kastenmeier
Keys
Krebs
LaFalce
Lehman
Litton
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Matsunaga
Mazzoli
Melcher
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Myers, Pa.
Neal
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Price
Railsback
Rangel
Rees
Reuss
Richmond
Riegle
Rodino
Roe
Roncalio
Rosenthal
Rostenkowski
Roush
Russo
Ryan
St Germain
Sarbanes
Scheuer
Sharp
Shipley
Simon
Solarz
Spellman
Staggers
Steelman
Stokes
Stratton
Studds
Sullivan
Thone
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Zablocki
Zeferetti

ANSWERED "PRESENT"—5

McKinney
O'Brien
Rinaldo
Rogers
Winn

NOT VOTING—85

Abzug
Annunzio
Barrett
Bell
Biaggi
Bingham
Breaux
Brown, Ohio
Burton, Phillip
Casey
Chappell
Clay
Cleveland
Cochran
Conyers

Crane
Daniels, N.J.
Dent
Dingell
Erlenborn
Esch
Eshleman
Fary
Fish
Fithian
Flowers
Flynt
Forsythe
Fraser
Frey
Gibbons
Goldwater
Hall
Hammerschmidt
Harrington
Hayes, Ind.
Hays, Ohio
Hébert
Helstoski
Hinshaw
Horton
Karth
Kemp
Koch
Landrum
Leggett
Lloyd, Calif.
Lujan
McCollister
Madden
Martin
Meeds
Metcalfe
Mikva
Mink
Mitchell, N.Y.
Morgan
Mottl
Murphy, N.Y.
Nix
Passman
Patman, Tex.
Peyser
Quillen
Rhodes
Robinson
Roybal
Runnels
Ruppe
Schneebeli
Schroeder
Seiberling
Sikes
Sisk
Skubitz
Smith, Iowa
Stanton, James V.
Stark
Symington
Thompson
Udall
Walsh
Wilson, C. H.
Wydler
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Annunzio against.

Mr. Passman for, with Ms. Abzug against.

Mr. Breaux for, with Mr. Dominick V. Daniels against.

Mr. Casey for, with Mr. Dent against.

Mr. Fithian for, with Mr. Patman against.

Mr. Flynt for, with Mr. Thompson against.

Mr. Landrum for, with Mr. Biaggi against.

Mr. Sikes for, with Mr. Hays of Ohio against.

Mr. Runnels for, with Mr. Mottl against.

Mr. Cochran for, with Mr. Hayes of Indiana against.

Messrs. LONG of Louisiana and DUNCAN of Tennessee changed their votes from "aye" to "no."

Mr. TALCOTT changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ST GERMAIN. Mr. Chairman, we have had an extensive debate. I understand now there are two amendments at the desk which can be disposed of expeditiously. I ask unanimous consent that all debate on title III and all amendments thereto cease in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. JOHNSON).

(By unanimous consent, Mr. JOHNSON of Pennsylvania yielded his time to Mr. BROWN of Michigan.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROWN).

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows;

Amendment offered by Mr. BROWN of Michigan: Strike all of title III beginning on page 10, line 18, through line 10 on page 18, and insert in lieu thereof the following:

"TITLE III—HOME MORTGAGE DISCLOSURE AND STUDY OF NEIGHBORHOOD DETERIORATION"

SEC. 301. This Act may be cited as the "Home Mortgage Disclosure and Neighborhood Deterioration Study Act of 1975."

"FINDINGS AND PURPOSE"

SEC. 302. (a) The Congress finds that depository institutions may have sometimes failed to provide adequate home financing on a nondiscriminatory basis in certain neighborhoods and that communities may have failed to provide adequate community services to such neighborhoods causing their deterioration and decline.

(b) The purpose of this Act is to provide on a demonstration basis, sufficient information to enable citizens, public officials, and the Congress of the United States to determine whether mortgage lending institutions and communities are serving the housing and community needs, without discrimination by geographic location of the communities and neighborhoods in which they are located.

DEFINITIONS

SEC. 303. As used in this Act—

(1) the term "mortgage loan" means a federally related mortgage loan as defined under section 3 of the Real Estate Settlement Procedures Act of 1974;

(2) the term "depository institution" means any commercial bank, mutual savings bank, savings and loan association, and building and loan association;

(3) the term "ZIP code" means a ZIP code as established and defined by the United States Postal Services,

(4) the term "standard metropolitan statistical area" means a standard metropolitan statistical area as established and defined by the Office of Management and Budget; and

(5) the term "Board" means the Board of Governors of the Federal Reserve System.

"MAINTENANCE OF REPORTS AND PUBLIC DISCLOSURE"

SEC. 304. (a) In accordance with regulations promulgated by the Board, each depository institution having a home office in such standard metropolitan statistical areas as may be selected by the Board, but not to exceed 20 such areas, shall compile and make available to the Board the following information:

(1) The number and total dollar amount of mortgage loans made during each fiscal year of that institution beginning with the first full year of that institution after the enactment of this Act.

(2) The number and dollar amount of such mortgage loans by ZIP code, as determined by the Board, for borrowers under mortgage loans secured by property located within that standard metropolitan statistical area.

(3) The number and dollar amount of such mortgage loans, by such geographic area as the Board determines to be appropriate, for all such mortgage loans which are secured by property located outside that standard metropolitan statistical area.

(b) Any item of information relating to mortgage loans required to be maintained under subsection (a) shall be further itemized in order to disclose for each such item—

(1) the number and dollar amount of mortgage loans which are insured under title II of the National Housing Act or under title V of the Housing Act of 1949 or which are guaranteed under chapter 37 of title 38, United States Code; and

(2) the number and dollar amount of mortgage loans made to mortgagors who did not, at the time of execution of the mortgage, intend to reside in the property securing the mortgage loan.

ENFORCEMENT

SEC. 305. (a) (1) The Board shall prescribe such regulations as may be necessary to carry out the purposes of this Act. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this Act, and prevent circumvention or evasion thereof, or to facilitate compliance therewith. Such regulations shall specify that no mortgage lender shall be required to make any real estate loan unless the borrower is qualified and unless the security for such a loan is deemed by the lender to be adequate based upon an appraisal by a qualified real estate appraiser in the community.

(2) The Board may require the furnishing of such additional information as it deems appropriate relating to housing finance, including patterns of credit flows within and among localities, and the financial practices of institutions which must be responsive to the needs of local savers as well as local borrowers.

(b) Compliance with the requirements imposed under this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, by the Comptroller of the Currency.

(B) member banks of the Federal Reserve System (other than national banks), by the Board.

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation.

(2) section 5(d) of the Home Owners Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions.

(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this Act shall be deemed to be a violation of requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(d) Except to the extent that enforcement of the requirements imposed under this Act is specifically committed to some other Government agency under subsection (b), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirements imposed under this Act shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed under this Act, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

(e) The authority of the Board to issue regulations under this Act does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this Act.

RELATION TO STATE LAWS

SEC. 306. (a) This Act does not annul, alter, or affect, or exempt any person subject to the provisions of this Act from complying with the laws of any State or subdivision thereof with respect to public disclosure and recordkeeping by depository institutions, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any such law is inconsistent with any provision of this Act if the Board determines that such law requires the maintenance of records with greater geographic or other detail than is required under this Act, or that such law otherwise provides greater disclosure than is required under this Act.

(b) The Board shall by regulation exempt from the requirements of this Act any depository institution within any State or subdivision thereof if it determines that, under the law of such State or subdivision, that institution is subject to requirements substantially similar to those imposed under this Act.

STUDY

Sec. 307. (a) The Board, after consultation with the Secretary of Housing and Urban Development and the Federal Home Loan Bank Board, is authorized and directed to carry out the study described in this section and to transmit to Congress a report on such study no later than three years after the enactment of this Act.

(b) The study and report described in this section shall cover, to the extent feasible and appropriate, the following matters: the feasibility, cost, and usefulness of (1) the disclosure requirements prescribed by section 4; (2) extending the disclosure requirements to other types of home mortgage lenders within standard metropolitan statistical areas and to mortgage lenders outside of standard metropolitan statistical areas; (3) requiring mortgage lending institutions to disclose by geographical location the source of savings deposits; (4) requiring disclosure of the average terms and downpayments ratios of mortgage loans by geographical location; (5) requiring disclosure of other types of lending data, such as small business and home improvement loans; (6) the impact and use of the availability of lending data in selected standard metropolitan statistical areas; and (7) such other matters as the Board may find to be necessary or appropriate to report to the Congress in regard to effectuating the purposes of this Act.

(c) In making the study described in this section, the Board may use such samples within the selected twenty of standard metropolitan statistical areas and other areas of differing characteristics, of depository institutions and lenders or offices of such institutions and lenders, and of loans as it finds to be necessary or appropriate.

Sec. 308. The Secretary of the Department of Housing and Urban Development, in consultation with the Board, shall require from the communities in which are located the depository institutions referred to in Section 304 information relative to the expenditure of funds for community services in the neighborhoods served by the depository institutions selected by the Board for the disclosure requirements of this Act. Such information shall be as complete and detailed as shall be determined by such Secretary and shall be disseminated in conjunction with the dissemination of the information received and developed by the Board under this Act.

Sec. 309. The study and demonstration provided for under this Act and the recordkeeping required thereunder shall terminate upon the expiration of three years following the date of enactment of this Act.

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROWN of Michigan. Mr. Chairman, the amendment I have offered is very comparable to an amendment that was offered in the other body and which failed by a vote of 41 to 40. What it does, is limit the application of title III, the home mortgage disclosure title requirements in title III, to institutions in standard municipal areas that the Federal Reserve Board may select, not to exceed 20. It seems to me, that, if we picked out 20 basic areas in this country, where there appears to be a problem in lending practices, one could get as much information as we need to determine whether or not there is a relationship between the failure to lend and the kind of neighborhoods involved.

As I indicated, Mr. Chairman, this amendment limits the disclosure of depositor institutions in not more than 20 statistical areas that the Federal Reserve Board may select. It requires substantially the same reporting requirements as does title III of the bill. The reason there is validity in limiting the number of institutions that must report is because I think we all agree that there is not a problem of so-called redlining as it exists throughout the Nation and that the Board can pick out those areas where it appears there may be redlining and require the institutions in those areas to report. That is basically the amendment that was offered in the other body, and this failed by 1 vote, 41 to 40.

In addition, I think I have improved that proposal by requiring the Secretary of Housing and Urban Development to obtain from the communities in the areas that the institutions are reporting on requiring communities to report a commitment to community development funds in the very neighborhoods where it appears there has been a deterioration and decline.

In this way, we can get a true picture of lending and the relationship or failure of a commitment to community development funds.

I think this is valid and should be supported. It does everything that title III of the bill proposes, but in a much more efficient and a less burdensome way.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

First of all, I am amazed that the Federal Reserve System which has ignored this problem for all these years belatedly comes in with some half-baked scheme which purports to address the problem.

I think the amendment, which is essentially an amendment that was proposed in the other body, is on its face unfair, because though we all recognize the extensiveness of redlining practices, here in this amendment we are going to single out just 20 areas and hold them up to public scrutiny but exempt all of the other SMSA's. I am amazed that this kind of development would occur this late in the game.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I would like to point out we are talking about 20 out of 265 SMSA's, so we are essentially talking about gutting the title. We just finished voting on the motion to strike the title.

In order to get information on mortgages around the country, we can say we are going to take 20 out of 265. I oppose the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, I simply conclude by urging the Members to defeat this amendment, which is really nonsensical, too little and too late and for lacking in substance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Brown).

The question was taken, and on a division (demanded by Mr. Brown of Michigan) there were—ayes 45, noes 58.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 167, answered "present" 4, not voting 98, as follows:

[Roll No. 657]

AYES—165

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Baucus
Bauman
Beard, Tenn.
Bedell
Bevill
Blouin
Bowen
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cohen
Collins, Tex.
Conable
Conlan
Conte
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Evans, Colo.
Evins, Tenn.
Fountain
Frenzel
Gilman
Ginn
Goodling
Grassley
Guyer
Hagedorn
Haley
Hamilton
Harsha
Hastings
Heckler, Mass.
Hefner
Henderson
Hightower
Hillis
Holland
Holt
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Lloyd, Tenn.
Lott
McClory
McCloskey
McDade
McDonald
McEwen
Mahon
Mann
Mathis
Mezvinsky
Michel
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Natcher
Nichols
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Randall
Regula
Roberts
Rose
Roush
Rousselot
Santini
Sarasin
Satterfield
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Wampler
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Young, Alaska
Young, Fla.
Young, Tex.

NOES—167

Adams
Addabbo
Albert
Alexander
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
Badillo
Baldus
Beard, R.I.
Bennett
Bergland
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Collins, Ill.
Cornell
Cotter
Coughlin
D'Amours
Danielson
Delaney
Dellums
Derwinski
Diggs
Dodd
Downey, N.Y.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Fascell
Fenwick
Findley
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Gaydos
Giaimo
Gonzalez
Gradison
Green
Gude
Hanley
Hannaford
Harkin
Harris
Hawkins
Hechler, W. Va.
Heinz
Hicks
Holtzman
Howard
Howe
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Keys
Krebs
LaFalce
Lehman
Levitas
Litton
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Matsunaga
Mazzoli
Meyner
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss
Murphy, Ill.
Murtha
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Pike
Price
Rangel
Rees
Reuss
Riegle
Risenhoover
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Simon
Slack
Solarz
Spellman
Staggers
Stokes
Stratton
Studds
Sullivan
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Zablocki
Zeferetti

ANSWERED "PRESENT"—4

O'Brien
Rinaldo
Rogers
Winn

NOT VOTING—98

Abzug
Annunzio
Barrett
Bell
Biaggi
Bingham
Brademas
Breaux
Brown, Ohio
Burton, Phillip
Casey
Chappell
Clay
Cleveland
Cochran
Conyers
Corman
Crane
Daniels, N.J.
Dent
Dingell
Eilberg
Erlenborn
Esch
Eshleman
Evans, Ind.
Fary
Fish
Fithian
Flood
Flowers
Flynt
Forsythe
Fraser
Frey
Fuqua
Gibbons
Goldwater
Hall
Hammerschmidt
Hansen
Harrington
Hayes, Ind.
Hays, Ohio
Hébert
Helstoski
Hinshaw
Horton
Hubbard
Karth
Kemp
Koch
Landrum
Leggett
Lloyd, Calif.
Lujan
McCollister
Madden
Martin
Meeds
Melcher
Metcalfe
Mikva
Mink
Mitchell, N.Y.
Morgan
Mosher
Mottl
Murphy, N.Y.
Nix
Passman
Peyser
Quillen
Railsback
Rhodes
Richmond
Robinson
Rodino
Runnels
Ruppe
Schneebeli
Schroeder
Seiberling
Sikes
Sisk
Smith, Iowa
Stanton, J. William
Stanton, James V.
Stark
Symington
Teague
Thompson
Udall
Walsh
Wilson, C. H.
Wydler
Wylie
Young, Ga.

Messrs. SKUBITZ, DERRICK, and COHEN changed their vote from "no" to "aye."

Messrs. JACOBS and PEPPER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. STOKES. Mr. Chairman, I rise in support of H.R. 10024, Depository Institutions Amendments of 1975, particularly title III, the Home Mortgage Disclosure Act of 1975.

The cities of this Nation are in great peril. The reasons are many and complex and the solutions advanced are generally equally complex and costly. We adopted as a Nation a now 25-year-old goal of a "decent home and a suitable living environment for every American." Yet it is tragic and painfully clear that the Federal Government at this time apparently lacks the leadership and will to tackle the many and deep problems of urban America. But I implore my colleagues to not hamper the individual initiative of many of our citizens who want to and are working to preserve and improve their neighborhoods and to overcome the problems they face.

I cosponsored legislation, H.R. 7251, which would have provided the extensive disclosure which I believe is necessary to clearly identify where and by whom the despicable practice of "redlining" is being practiced.

This bill would thereby remove a major obstacle facing decent citizens trying to stabilize and revitalize their neighborhoods. Title III of H.R. 10024 is an attempt to require that some meaningful information regarding mortgage loan practices of lending institutions be made public. I regret that the original strong language of H.R. 7251 was weakened, but I urge my colleagues to not allow any further crippling amendments and to support the bill as reported from committee.

Redlining is a practice whereby qualified buyers are denied mortgages in certain geographic areas. The pattern we have witnessed is that residents of older metropolitan areas tend to find that private investment capital for home mortgage loans and rehabilitation loans ceases to be available. The lack of such capital is enough to propel a stable, healthy neighborhood toward trouble, and will usually totally foreclose the efforts of an area trying to improve itself. In any case where the future of an area might be in doubt, the deciding factor may well be the judgment of lending institutions. If it is positive, an area may boom, and if not it will probably decline. The lending decision tends to be a self-fulfilling prophecy.

Sometimes the facts will clearly indicate that loans are not warranted and in such circumstances the responsibility lies with Government if we want to force some action. However, the too frequent lending practice is to overgeneralize about individuals, characteristics, and areas at best and to discriminate wholesale at worst. The committee report on H.R. 10024 states that the existing lending practices add "to the frustration of millions of Americans denied access to credit at reasonable rates of interest for the sale, improvement, and rehabilitation of residential housing."

In Cleveland, the problem of redlining has had a severe effect on urban rehabilitation and renewal. A recent study showed that in two areas of Cleveland, Buckeye-Woodland and the Near West Side, both with good-quality housing stock and a mixed ethnic population anxious to improve their neighborhood, the flow of funds into the areas from home mortgages indicated a strong tendency to disinvestment. Some institutions executed very few if any mortgages in these areas, in spite of their having many more branches in and around the areas than other institutions which had their mortgages evenly distributed throughout the Cleveland area. However, more data is needed to conclusively determine the extent of redlining and where it is taking place.

The efforts of the Buckeye-Woodland Community Congress have been particularly impressive in demonstrating the type of positive action which can be undertaken by citizens concerned about their neighbors and neighborhood.

They have been active in many areas and have provided leadership and hard work on problems ranging from the FHA structural defect payback provision to the redlining problem we are now address in this bill. Other groups in Cleveland which are also providing valuable assistance on this subject include the Commission on Catholic Community Action, the East Cleveland Homeowners Coalition, and the Heights Community Congress. The vitality of many intracity communities ought to be assisted, not stifled. But activities undertaken by Buckeye-Woodland, for example, which promote police-community cooperation, or sponsor a dial-a-bus program, or even disseminate consumer information about improper activities of home improvement companies, will be inconsequential if home investment money is arbitrarily denied to a community.

I am hopeful that this legislation will enable interested citizens to obtain conclusive answers to the redlining practices of some institutions. It will give people the tools to identify the problems in their neighborhoods and to begin to solve them. It will allow people to have a voice in what happens to their neighborhoods, to know how their money is being used, and to channel their own financial resources back into their communities. It will give people a fighting chance to maintain their most valuable asset—their homes. This bill does not provide a subsidy or loan; it does not provide a solution; but it can provide the key to obtaining the information and tools necessary so that concerned citizens in Cleveland and around the Nation can insure the survival of their communities.

The United States is the only industralized nation in the world with such massive deterioration of its cities, and it is about time that we encouraged people to buy and preserve our existing homes in order to save our cities. I urge your vote in favor of the Home Mortgage Disclosure Act of 1975.

Mrs. BURKE of California. Mr. Chairman, I support all of the provisions of title III, which would establish procedures for providing public access to information on lending patterns on banks and savings and loan associations which can be used to analyze patterns of "redlining." Title III will aid in the preservation of the Nation's older communities and neighborhoods, an objective of the highest priority. All too often mortgage lenders have shunned older urban neighborhoods in favor of real estate investments in newer suburban areas. The resulting flow of mortgage and home repair financing to these suburan areas is but one of the contributing causes of the demise of our older urban residential communities.

While title III does not constitute a solution to the problem of urban decay, it is an important first step. Attempts to weakens its provisions are based on false assumptions, faulty reasoning and an unwillingness to admit that subjective and discriminatory lending practices have occurred in many of our urban neighborhoods.

In California, a broad program to abate the practice of redlining has been given the highest priority by the State legislature and the executive. Any regulations promugated by the State of California in its attack on redlining can only partially address the practice, since the State's regulatory authority covers only State chartered institutions and not those chartered by the Federal Home Loan Bank Board.

The experience in California is particularly relevant to the issue of whether data should be collected by census tract or ZIP codes. The State regulatory agency over State chartered savings and loans, reports that its experience has shown that collecting data by census tract has been very useful for analyzing redlining patterns. The boundaries of census tracts have been specifically drawn by the Bureau of the Census to reflect, to the extent feasible, demographic areas with homogeneous social and economic characteristics. Data collected by ZIP codes will not reflect accurate assessment of lending patterns. ZIP codes are much larger areas than census tracts and bear no relationship to urban neighborhoods. Since the goal of H.R. 10024 is to substantiate allegations of lending discrimination against certain neighborhoods, amending the bill to require disclosure by ZIP codes would undermine the very purpose of title III.

State chartered savings and loans in California have been required to submit some loan information by census tract to the State department of savings and loans for 11 years. Although questions have been raised in congressional debate on the cost and accuracy of implementing data collection by census tract, the experience in California indicates that the cost is minimal and that initial accuracy problems are minor and can be overcome. Testimony by officials from the Bureau of the Census indicated that the computerized cost would be between 3.7 to 8.7 cents per item and that the total cost to the consumer would be approximately $1.50. This is a minimal cost when added to a mortgage of $30,000 or more. The experience of California has shown that the average rate of detectable errors for census tract information reported by State chartered savings and loan associations is only 1 percent.

Title III as reported by the Committee on Banking, Currency and Housing is already a compromise on the issue of census tracts versus ZIP codes and on other issues. Any further weakening of title III would severely dilute the effectiveness of the bill and, therefore, weaken State and Federal efforts to curb the practice of redlining.

Mr. BADILLO. Mr. Chairman, I urge my colleagues to give their wholehearted support to title III, the mortgage disclosure section, of H.R. 10024. The provisions of this section, formerly contained in H.R. 8239 which I cosponsored, are extremely important. In my opinion, they represent a first step on the part of Congress to define and grapple with the thorny problems of our metropolitan areas.

All of us these days are living with the urban crisis. Our cities are faltering. The largest, New York, is teetering dramatically on the brink of default. Some, with less advanced cases of the malaise, are merely encountering difficulties in floating bonds and having to postpone capital projects. Most are plagued by declining job opportunities, shrinking tax bases, growing demand and need for services, increasingly unbalanced budgets, and a declining quality of life. To date Federal programs have largely failed to reverse these trends.

An outstanding example of such failure is presented by our national housing situation. Almost all of our metropolitan cities are encountering housing problems. They are afflicted by a predominance of unsafe, unsanitary, and crowded housing. Housing programs have been of little help. Besides being scantily funded, direct subsidy programs, when they succeeded in aiding individuals to improve their housing situation, did so largely by enabling them to move to sounder housing. They were not geared to relieve the plight of needy communities.

Indirect assistance had little more impact. Although more heftily funded—in fiscal 1974, for example, total Federal outlays for subsidized housing programs amounted to $1,788,326, while mortgage interest deductions for families with annual incomes in excess of $20,000 totaled $2,521 billion—they spurred very little growth in center cities or poor urban communities.

Although in 1968 Congress determined that to reach the national housing goal of providing safe, sanitary, and sound housing for everyone the Nation would have to build or rehabilitate 26 million housing units within the next decade, no effort was made to focus rehabilitation efforts on the densely populated areas. And without Federal leadership the financial institutions took the easy way out—they refused to commit their funds. They took the money of depositors who resided in central city areas, redlined their neighborhoods, and invested the funds in new housing in the suburbs. Potential buyers in search of housing left the cities. Their going reduced the tax base. Landlords could obtain no funds for rehabilitation. The neighborhoods continued to deteriorate. Housing values declined, and redlined areas drifted inexorably toward the status of demoralizing, dehumanizing slums.

In commenting on this practice, the House Banking and Currency Committee report states:

> Your committee has found that there have been too many instances in which financial institutions have denied credit where it was not necessitated by the responsibility of the institution to vouchsafe the safety of depositors funds. There have been too many instances where arbitrary decisions have been made by financial institutions without even an appraisal—such as using the age of a house as an indication of its soundness. There have been too many instances where home improvement loans, mortgage loans for homes in the $10,000 to $15,000 category have not been made because they were not 'profitable', not because they were "risky."

This, of course, is unconscionable. Particularly so because, due to the secrecy surrounding these practices, depositors of such institutions had no way of knowing where their funds were being invested and could exercise no control about their application.

The bill before us seeks to counter this trend by requiring that financial institutions, with a home or branch office in a Standard Metropolitan Area, compile and publish statistics showing:

First. The number and dollar amount of mortgage loans secured by property located outside the SMSA;

Second. The number and dollar amount of mortgages insured by FHA which are made to mortgagors not intending to reside in the property securing the mortgage loan; and

Third. The number and amount of home improvement loans made by them. This is tremendously important because such data, freely available to the public and Government officials could provide the basis for responsible remedial actions. Investors, on its basis, could select the financial institutions with which they wished to deal, and Government officials, armed with it, could seek intelligent legislative remedies. I urge my colleagues to support this provision.

The CHAIRMAN. Are there further amendments to title III? If not, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. MATSUNAGA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideraion the bill (H.R. 10024) to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure, pursuant to House Resolution 827, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The. SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. TALCOTT

Mr. TALCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TALCOTT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. TALCOTT moves to recommit the bill H.R. 10024 to the Committee on Banking, Currency and Housing with instructions to report the bill back to the House forthwith with the following amendment: Strike sections 102 (a), (b), and (c).

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BROWN of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 177, nays 147, answered "present" 11, not voting 98, as follows:

[Roll No. 658]

YEAS—177

Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Collins, Ill.
Conte
Cornell
Cotter
Coughlin
D'Amours
Danielson
Delaney
Dellums
Derwinski
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Colo.
Fascell
Fenwick
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Giaimo
Gilman
Gradison
Green
Gude
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Hicks
Hillis
Holtzman
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Kastenmeier
Keys
Krebs
LaFalce
Lehman
Litton
Long, La.
Long, Md.
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Matsunaga
Mazzoli
Meyner
Mezvinsky
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss
Murphy, Ill.
Myers, Pa.
Neal
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Preyer
Price
Rangel
Rees
Reuss
Riegle
Roe
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Sharp
Shipley
Simon
Solarz
Spellman
Staggers
Steelman
Stokes
Stratton
Studds
Sullivan
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, Tex.
Wirth
Wolff
Yates
Zablocki
Zeferetti

NAYS—147

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bevill
Bowen
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cohen
Collins, Tex.
Conable
Conlan
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Emery
English
Evins, Tenn.
Findley
Fountain
Frenzel
Gaydos
Ginn
Goodling
Grassley
Guyer
Hagedorn
Haley
Harsha
Hastings
Hefner
Henderson
Hightower
Holland
Holt
Hutchinson
Ichord
Jarman
Jeffords
Jenrette
Johnson, Colo.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Levitas
Lloyd, Tenn.
Lott
McClory
McCloskey
McDonald
McEwen
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Natcher
Nedzi
Nichols
O'Hara
Pettis
Pickle
Poage
Pressler
Pritchard
Quie
Randall
Risenhoover
Roberts
Roncalio
Rose
Rousselot
Satterfield
Schulze
Sebelius
Shriver
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Vander Jagt
Vigorito
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wright
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

ANSWERED "PRESENT"—11

Downing, Va.
Gonzalez
Jones, N.C.
Jones, Okla.
O'Brien
Pike
Regula
Rinaldo
Rogers
Steiger, Wis.
Winn

NOT VOTING—98

Abzug
Annunzio
Barrett
Bell
Biaggi
Bingham
Brademas
Breaux
Brown, Ohio
Burke, Fla.
Burton, Phillip
Casey
Chappell
Clay
Cleveland
Cochran
Conyers
Corman
Crane
Daniels, N.J.
Dent
Dingell
Eilberg
Erlenborn
Esch
Eshleman
Evans, Ind.
Fary
Fish
Fithian
Flood
Flowers
Flynt
Forsythe
Fraser
Frey
Fuqua
Gibbons
Goldwater
Hall
Hammerschmidt
Hansen
Harrington
Hayes, Ind.
Hays, Ohio
Hébert
Helstoski
Hinshaw
Horton
Hubbard
Karth
Kemp
Koch
Landrum
Leggett
Lloyd, Calif.
Lujan
McCollister
Madden
Martin
Meeds
Melcher
Metcalfe
Mikva
Mink
Mitchell, N.Y.
Morgan
Mottl
Murphy, N.Y.
Nix
Passman
Peyser
Quillen
Railsback
Rhodes
Richmond
Robinson
Rodino
Runnels
Ruppe
Schneebeli
Schroeder
Seiberling
Sikes
Sisk
Smith, Iowa
Stanton, J. William
Stanton, James V.
Stark
Symington
Teague
Thompson
Udall
Walsh
Wilson, C. H.
Wydler
Wylie
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Hébert against.

Ms. Abzug for, with Mr. Passman against.

Mr. Hays of Ohio for, with Mr. Breaux against.

Mr. Thompson for, with Mr. Sikes against.

Mr. Hayes of Indiana for, with Mr. Casey against.

Mr. Dominick V. Daniels for, with Mr. Landrum against.

Mr. Dent for, with Mr. Flynt against.

Mr. Koch for, with Mr. Runnels against.

Mr. Fuqua for, with Mr. Teague against.

Mr. Rodino for, with Mr. Robinson against.

Mr. Biaggi for, with Mr. Cochran against.

Mr. Bingham for, with Mr. Burke of Florida against.

Mr. Hall for, with Mr. Martin against.

Mr. Lloyd of California for, with Mr. Wylie against.

Mr. Brademas for, with Mr. Lujan against.

Mr. Melcher for, with Mr. Hinshaw against.

Mr. Morgan for, with Mr. Hansen against.

Mr. Mottl for, with Mr. Eshleman against.

Mr. Barrett for, with Mr. Chappell against.

Mr. Eilberg for, with Mr. Goldwater against.

Mr. Nix for, with Mr. Schneebeli against.

Mr. Udall for, with Mr. Cleveland against.

Mr. Young of Georgia for, with Mr. Kemp against.

Until further notice:

Mr. Helstoski with Mr. Gibbons.

Mr. Phillip Burton with Mr. Harrington.

Mr. Conyers with Mr. Fraser.

Mr. Clay with Mr. Dingell.

Mr. Corman with Mr. Karth.

Mr. Fithian with Mr. Hammerschmidt.

Mr. Flood with Mr. McCollister.

Mr. Horton with Mr. Meeds.

Mr. Leggett with Mr. Mikva.

Mr. Madden with Mr Metcalfe.

Mrs. Mink with Mr. Mitchell of New York.

Mr. Crane with Mr. Bell.

Mr. Esch with Mr. Brown of Ohio.

Mr. Evans of Indiana with Mr. Erlenborn.

Mr. Fary with Mr. Frey.

Mr. Hubbard with Mr. Fish.

Mr. Forsythe with Mr. Murphy of New York.

Mr. Peyser with Mr. Railsback.

Mr. Richmond with Mrs. Schroeder.

Mr. Seiberling with Mr. Ruppe.

Mr. Sisk with Mr. Smith of Iowa.

Mr. James V. Stanton with Mr. Stark.

Mr. Symington with Mr. J. William Stanton.

Mr. Charles H. Wilson of California with Mr. Walsh.

Messrs. MOFFETT and PEPPER changed their vote from "nay" to "yea."

Messrs. FINDLEY, HUTCHINSON, and PICKLE changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill (H.R. 10024) just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, I ask

unanimous consent that the Committee on Banking, Currency and Housing be discharged from the further consideration of the Senate bill (S. 1281) to improve public understanding of the role of depository institutions in home financing, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1281

An act to improve public understanding of the role of depository institutions in home financing

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Home Mortgage Disclosure Act of 1975".

FINDING AND PURPOSE

SEC. 2. (a) The Congress finds and declares that depository institutions have sometimes failed to provide adequate home financing on a nondiscriminatory basis for all neighborhoods within the communities and neighborhoods from which those institutions receive deposits.

(b) The purpose of this Act is to provide the citizens and public officials of the United States with sufficient information to enable them to determine which depository institutions are filling their obligations to serve the housing needs of the communities and neighborhoods in which they are located.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "mortgage loan" means a federally related mortgage loan (other than temporary financing, such as a construction loan) as defined under section 3 of the Real Estate Settlement Procedures Act of 1974 and a home improvement loan;

(2) the term "depository institution" means any commercial bank, savings bank, savings and loan association, or credit union, which makes federally related mortgage loans as determined by the Board; and

(3) the term "Board" means the Board of Governors of the Federal Reserve System.

MAINTENANCE OF RECORDS AND PUBLIC DISCLOSURE

SEC. 4. (a) (1) Each depository institution which has a home office or branch office located within a standard metropolitan statistical area, as defined by the Office of Management and Budget shall compile and make available, in accrodance with regulations of the Board, to the public for inspection and copying at each office of that institution the number and total dollar amount of mortgage loans which were (A) originated, or (B) purchased, by that institution during each fiscal year (beginning with the last full fiscal year of that institution which immediately preceded the effective date of this Act).

(2) The information required to be maintained and made available under paragraph (1) shall also be itemized in order to clearly and conspicuously disclose the following:

(A) The number and dollar amount for each item referred to in paragraph (1), by ZIP codes, for borrowers under mortgage loans secured by property located within that standard metropolitan statistical area.

(B) The number and dollar amount for each item referred to in paragraph (1), by State, for all such mortgage loans which are secured by property located outside that standard metropolitan statistical area.

For the purpose of this paragraph, a depository institution which maintains offices in more than one standard metropolitan statistical area shall be required to make the informtion required by this paragraph available at any such office only to the extent that such information relates to mortgage loans which were originated, purchased, or sold by an office of that depository institution located in the standard metropolitan statistical area in which the office making such information available is located.

(b) Any item of information relating to mortgage loans required to be maintained under subsection (a) shall be further itemized in order to disclose for each such item—

(1) the number and dollar amount of mortgage loans which are insured under title II of the National Housing Act or under title V of the Housing Act of 1949 or which are guaranteed under chapter 37 of title 38, United States Code;

(2) the number and dollar amount of mortgage loans made to mortgagors who did not, at the time of execution of the mortgage, intend to reside in the property securing the mortgage loan; and

(3) the number and dollar amount of home improvement loans.

(c) Any information required to be compiled and made available under this section shall be maintained and made available for a period of five years after the close of the first year during which such information is required to be maintained and made available.

ENFORCEMENT

SEC. 5. (a) The Board shall prescribe such regulations as may be necessary to carry out the purposes of this Act. These regulations may contain classifications, differentiations, or other provisions, and many provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this Act, and prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(b) Compliance with the requirements imposed under this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), by the Board;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions;

(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this Act shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(d) Except to the extent that enforcement of the requirements imposed under this Act is specifically committed to some other Government agency under subsection (b), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirements imposed under this Act shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed under this Act, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

(e) The authority of the Board to issue regulations under this Act does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this Act.

RELATION TO STATE LAWS

SEC. 6. (a) This Act does not annul, alter, or affect, or exempt any person subject to the provisions of this Act from complying with the laws of any State or subdivision thereof with respect to public disclosure and recordkeeping by depository institutions, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any such law is inconsistent with any provision of this Act if the Board determines that such law requires the maintenance of records with greater geographic or other detail than is required under this Act, or that such law otherwise provides greater disclosure than is required under this Act.

(b) The Board may by regulation exempt from the requirements of this Act any depository institution within any State or subdivision thereof if it determines that, under the law of such State or subdivision, that institution is subject to requirements substantially similar to those imposed under this Act, and that such law contains adequate provisions for enforcement.

STUDIES

SEC. 7. (a) The Board, in consultation with the Secretary of Housing and Urban Development, is authorized and directed to carry out a study to determine—

(1) the feasibility and usefulness of requiring depository institutions located outside standard metropolitan statistical areas, as defined by the Office of Management and Budget, to make disclosures comparable to those required by this Act;

(2) the feasibility cost, the usefulness of requiring all institutions covered by this Act to disclose by geographical location the source of savings deposits;

(3) the practicality of requiring disclosure of the average terms and downpayment ratios of mortgage loans by geographical location; and

(4) the feasibility and usefulness of requiring disclosure of other types of lending data, such as small business loans.

(b) The Board shall also study and analyze, in a sample of standard metropolitan statistical areas of differing characteristics to be selected by the Board, the use to which the data disclosed under this Act is put by local government agencies, community groups, and other interested parties in such areas. The Board shall also analyze the impact of the availability of lending data in the selected standard metropolitan statistical areas, including such questions as whether and to what extent mortgage lending in older neighborhoods increased as a result of disclosure, and whether any lending institutions altered their lending patterns, and any change in default or foreclosure rates.

(c) A report on the studies under this section shall be transmitted to the Congress not later than three years after the date of enactment of this Act.

EFFECTIVE DATE

Sec. 8. The provisions of this Act shall become effective upon the expiration of ninety days following the date of enactment of this Act.

EXPIRATION DATE

Sec. 9. The authority granted by this Act shall expire three years after the date of its enactment.

MOTION OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer a motion.

The Clerk read as follows:

Mr. St Germain moves to strike out all after the enacting clause of S. 1281 and insert in lieu thereof the provisions of H.R. 10024, as passed, as follows:

TITLE I—REGULATION OF INTEREST RATES

Sec. 101. Section 7 of the Act of September 21, 1966 (Public Law 89–597), is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1977".

Sec. 102. (a) The Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall maintain an interest rate differential of at least one-fourth of 1 per centum, and shall take no action to eliminate or lessen any such differential, which is in existence on the date of enactment of this section with respect to any category of accounts between (1) any bank (other than a savings bank) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) any savings and loans, building and loan, or homestead association (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any mutual savings bank as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), except that such financial regulatory agencies may, upon a finding of competitive disadvantage, lessen or eliminate the differential for selected geographic areas and by category of accounts.

(b) No interest rate differential for any category of accounts which exists between (1) any bank (other than a savings bank) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) any savings and loan, building and loan, or homestead association (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any mutual savings bank as defined in section 3(f) of the Federal Deposit Insurance Act (13 U.S.C. 1813(f) may be eliminated or lessened under subsection (a) unless—

(A) forty-five days prior written notification is given by the Board of Governors of the Federal Reserve System to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate; and

(B) neither the Committee on Banking, Currency and Housing of the House of Representatives nor the Committee on Banking, Housing and Urban Affairs of the Senate disapproves, by resolution, the proposed elimination or lessening of the interest rate differential within the forty-five-day period beginning upon the date that such committees receive the written notification under clause (A).

(c) In the case of the elimination of lessening, of any interest rate differential under subsection (a) with respect to any category of accounts between (1) any bank (other than a savings bank) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) any savings and loan, building and loan, or homestead association (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation of any mutual savings bank as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), the maximum rate of interest which shall be established for such category of accounts for banks (other than savings banks) the deposits of which are insured by the Federal Deposit Insurance Corporation shall be equal to the highest rate of interest which savings and loan associations the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation were permitted to charge for such category of accounts immediately prior to the elimination or lessening of such interest rate differential.

(d) During the period ending December 3, 1977, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall study the impact of expanded consumer lending and investment powers, the offering of demand deposits, and any other additional powers authorized for State-chartered thrift institutions on the housing portfolios of such institutions with special emphasis upon possible disintermediation effects. Such agencies shall report their findings, together with any recommendations, to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate on or before June 30, 1976, and at six-month intervals thereafter during the period ending December 31, 1977. If the Congress enacts comprehensive financial reform legislation during such period, no such report is required to be made after such date.

TITLE II—ELECTRONIC FUND TRANSFERS

Sec. 201. Section 203(b) of title II of the Act of October 28, 1974 (Public Law 93–495), is amended by—

(1) striking out "within one year of its findings and recommendations" and inserting in lieu thereof "within one year of the date of the confirmation by the Senate of the Chairperson or the appointment by the President of an acting Chairperson"; and

(2) striking out "not later than two years after the date of enactment of this Act" and inserting in lieu thereof "not later than two years after the date of the confirmation by the Senate of the Chairperson or the appointment by the President of an acting Chairperson".

Sec. 202. (a) In view of the actions taken by regulatory agencies of financial institutions in the development of electronic funds transfer systems since the enactment of Public Law 93–495 on October 28, 1974, the Congress finds that, in order to carry out its functions, the National Commission on Electronic Fund Transfers needs the authority to monitor and evaluate all such experimentation authorized by such agencies.

(b) Within six months after the date of enactment of this section, the National Commission on Electronic Fund Transfers shall transmit a report to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate which shall include—

(1) a review of all existing electronic fund transfer systems, all pending applications and notices for such system received by financial regulatory agencies;

(2) the Commission's proposals for monitoring experimentation occurring with respect to all electronic fund transfer systems, the number and location of such experiments by class of financial institution, the proposed method of evaluation, including potential direct cost savings benefits to the public and the means to be employed by the Commission to insure monitoring of a representative number of experiments;

(3) recommendations for the guidance of Federal financial regulatory agencies;

(4) a summary of all lower and appellate court decisions, both Federal and State, relating to the installation or proposed installation of electronic fund transfer systems; and

(5) a discussion of the implication of the experiments and recommendations as to the need for further legislation.

TITLE III—HOME MORTGAGE DISCLOSURE

SHORT TITLE

Sec. 301. This title may be cited as the "Home Mortgage Disclosure Act of 1975".

FINDINGS AND PURPOSES

Sec. 302. (a) The Congress finds that some depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions.

(b) The purpose of this title is to provide sufficient information to enable citizens to determine whether depository institutions are fulfilling their obligations to serve the housing credit needs of the affected geographic areas and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment.

(c) Nothing in this title is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

DEFINITIONS

Sec. 303. For purposes of this title—

(1) the term "mortgage loan" means a loan which is secured by residential real property or a home improvement loan;

(2) the term "depository institution" means a bank, savings bank, savings and loan association, building and loan association, or homestead association (including cooperative banks) which makes federally related mortgage loans as defined under section 3 of the Real Estate Settlement Procedure Act of 1974;

(3) the term "Board" means the Board *of* Governors of the Federal Reserve System; and

(4) the term "Secretary" means the Secretary of Housing and Urban Development.

MAINTENANCE OF RECORDS AND PUBLIC DISCLOSURE

Sec. 304. (a)(1) Each depository institution which has a home office or branch office located within a standard metropolitan statistical area, as defined by the Office of Management and Budget shall compile and make available, in accordance with regulations of the Board, to the public for inspection and copying at the home office, and at ta least one branch office within each standard metropolitan statistical area in which the depository institution has an office the number and total dollar amount of mortgage loans which were (A) originated, or (B) purchased by that institution during each fiscal year beginning with the last full fiscal year of that institution which immediately preceded the effective date of this title).

(2) The information required to be maintained and made available under paragraph

(1) shall also be itemized in order to clearly and conspicuously disclose the following:

(A) The number and dollar amount for each item referred to in paragraph (1), by census tracts where readily available at a reasonable cost, as determined by the Board otherwise by ZIP code, for borrowers, under mortgage loans secured by property located within that standard metropolitan statistical area.

(B) The number and dollar amount for each item referred to in paragraph (1) for all such mortgage loans which are secured by property located outside that standard metropolitan statistical area.

For the purpose of this paragraph, a depository institution which maintains offices in more than one standard metropolitan statistical area shall be required to make the information required by this paragraph available at any such office only to the extent that such information relates to mortgage loans which were originated, purchased, or sold by an office of that depository institution located in the standard metropolitan statistical area in which the office making such information available is located.

(b) Any item of information relating to mortgage loans required to be maintained under subsection (a) shall be further itemized in order to disclose for each such item—

(1) the number and dollar amount of mortgage loans which are insured under title II of the National Housing Act or under title V of the Housing Act of 1949 or which are guaranteed under chapter 37 of title 38, United States Code;

(2) the number and dollar amount of mortgage loans made to mortgagors who did not, at the time of execution of the mortgage, intend to reside in the property securing the mortgage loan; and

(3) the number and dollar amount of home improvement loans.

ENFORCEMENT

SEC. 305. (a) The Board shall prescribe such regulations as may be necessary to carry out the purposes of this title. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary and proper to effectuate the purposes of this title, and prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(b) Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act, in the cast of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System, other than national banks, by the Board;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and mutual savings banks as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), by the Board of Directors of the Federal Deposit Insurance Corporation; and

(2) secton 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions.

(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addton to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement, imposed under this title, any other authority conferred on it by law.

RELATION TO STATE LAWS

SEC. 306. (a) This title does not annul, alter, or affect, or exempt any State chartered depository institution subject to the provisions of this title from complying with the laws of any State or subdivision thereof with respect to public disclosure and recordkeeping by depositor institutions, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any such law is inconsistent with any provision of this title if the Board determines that such law requires the maintenance of records with great geographic or other detail than is required under this title, or that such law otherwise provides greater disclosure than is required under this title.

(b) The Board may by regulation exempt from the requirements of this Act any State chartered depository institution within any State or subdivision thereof if it determines that, under the law of such State or subdivision, that institution is subject to requirements substantially similar to those imposed under this Act, and that such law contains adequate provisions for enforcement. Notwithstanding any other provision of this subsection, compliance with the requirements imposed under this subsection shall be enforced under—

(1) Section 8 of the Federal Deposit Insurance Act in the case of national banks, by the Comptroller of the Currency; and

(2) Section 5(d) of the Home Owners' Loan Act of 1933 in the case of any institution subject to that provision, by the Federal Home Loan Bank Board.

DEVELOPMENT OF NATIONAL MORTGAGE INFORMATION SYSTEM

SEC. 307. (a) The Secretary shall receive statistical summaries of information required by this title under procedures prescribed by the Board, and shall furnish written summaries of the data within 15 months after enactment of this title and annually thereafter to appropriate public officials and to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate in furtherance of the objectives of title I of the Housing and Community Development Act of 1974.

(b)(1) The Federal Home Loan Bank Board, with the assistance of the Secretary, the Director of the Bureau of the Census, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and such other persons as the Federal Home Loan Bank Board deems appropriate, shall develop, or assist in the improvement of, methods of matching addresses and census tracts to facilitate compliance by depository institutions in as economical a manner as possible with the requirements of this title.

(2) There is authorized to be appropriated such sums as may be necessary to carry out this subsection.

(3) The Federal Home Loan Bank Board is authorized to utilize, contract with, act through, or compensate any person or agency in order to carry out this subsection.

(c) The Federal Home Loan Bank Board shall recommend to the Committee on Banking, Currency and Housing of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate such additional legislation as the Federal Home Loan Bank Board deems appropriate to carry out the purpose of this title.

EFFECTIVE DATE

SEC. 308. This title shall take effect on the one hundred and eightieth day beginning after the date of its enactment, except that in the case of any depository institution which has total assets as of its last full fiscal year of $25,000,000 or less, this title shall take effect fifteen months after the date of its enactment. Any depository institution which has total assets as of its last full fiscal year of $10,000,000 or less is exempt from the provisions of this title.

TERMINATION OF AUTHORITY

SEC. 309. The authority granted by this title shall expire four years after its effective date.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "To extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure."

A motion to reconsider was laid on the table.

A similar House bill H.R. 10024 was laid on the table.

LEGISLATIVE PROGRAM

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I ask for this time in order to inquire of the distinguished majority leader what the plans are for the rest of this week and for next week.

Mr. O'NEILL. Mr. Speaker, if the acting minority leader will yield, I will be happy to respond.

Mr. DEVINE. I am happy to yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of November 3, 1975, is as follows:

On Monday, we will have the consent calendar and two bills under suspension. The bills are: H.R. 9915, Federal Rules of Evidence technical amendments; and S. 24, patent cooperation treaty.

Votes on suspensions will be postponed until the end of all suspensions.

On Tuesday, we will have the Private Calendar, followed by 15 suspensions. Votes on suspensions will be postponed until the end of all suspensions.

The suspensions are as follows:

S. 896, volunteers in the parks program;

H.R. 2724, Father Marquette National Memorial;

H.R. 9432, quarterly payments to Virgin Islands;

House Resolution 732, State income tax withholding for Members and employees;

H.R. 7862, changing credit eligibility for public utility cooperatives;

H.R. 7863, Farm Credit Administration officials salary adjustment;

S. 1649, gifts of property to National Arboretum;

H.R. 2343, George W. Andrews Forestry Science Laboratory;

S. 1617, agricultural pest control;

H.R. 10073, mandatory inspection of rabbit meat;

H.R. 10027, cooperative agreements under Forest Service programs;

H.R. 10339, farmer-to-consumer direct marketing;

H.R. 8507, American Battle Monuments Commission per diem;

H.R. 8891, National Cemetery for Riverside, Calif.; and

H.R. 10355, veterans and survivors pension adjustments.

On Wednesday, we will have a joint meeting for Egyptian President Anwar Sadat. This will be followed by consideration of H.R. 7575, Consumer Protection Agency, with an open rule and 2 hours of debate.

On Thursday and Friday, we will have the following bills:

H.R. 9019, Health Maintenance Organization Amendments, with an open rule and 1 hour of debate;

H.R. 10230, national science and technology policy and organization, with an open rule and 1 hour of debate;

H.R. 1753, tabulations of population for State legislative apportionment, with an open rule and 1 hour of debate;

H.R. 9721, U.S. participation in the Inter-American Development Bank, with an open rule and 1 hour of debate;

H.R. 5512, National Wildlife Refugee System Administration, with an open rule and 1 hour of debate;

H.R. 6346, Rural Development Act amendments, with an open rule and 1 hour of debate;

H.R. 9924, National Women's Conference, subject to a rule being granted;

H.R. 8532. Antitrust Parens Patriae Act, subject to a rule being granted;

And H.R. 6461, public broadcasting financing, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be anounced later.

Mr. Speaker, I am sure that the gentleman is aware of the fact that on Monday we only have two suspensions, the reason being that the great bulk of the country has on Tuesday elections in our cities and towns. Consequently, for that reason we have put the great bulk of the suspensions on Tuesday with the votes to be postponed until the end of the suspensions. We are doing this, of course, because there have been so many requests from so many Members. We do anticipate that there will be a Friday session on this next week.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I would like to ask a question about this Monday session. I happen to be from a State where we have a vote on Tuesday, and about the only way I could figure how to vote was to vote by absentee ballot; and then I find, at the last minute, we are going to give some special consideration to those who are not going to vote by absentee ballot.

I would like to ask the distinguished majority leader whether or not we are going to go back to the practice that we can count on in the future of not having a major legislative load the day before election.

I appreciate the fact that there is a lot of work to do, but it is a surprise, all of a sudden, to know this will happen.

Mr. O'NEILL. If the gentleman will yield, I am sure the gentleman is aware of what the policy has been in the last couple of years with regard to primary elections throughout the country. The State primaries, of course, will start in February, in New Hampshire, and in a period of about a month there will be 17 primaries. It is our intention that we so notify the Members that on special primaries we will have regular sessions of the House. But this is an abnormal or unusual situation. Most of the States today have township or city or county elections, and all of the major cities of the United States, and we are doing it as a courtesy to our fellow colleagues. I think it is the decent thing to do.

Mr. ASHBROOK. If the gentleman will yield further, I am wondering what is abnormal about it. We vote at the same time throughout the country.

Mr. O'NEILL. Yes. It is something we have always done.

Mr. ASHBROOK. I thank the gentleman.

ADJOURNMENT TO MONDAY, NOVEMBER 3, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE DEPARTMENT OF AGRICULTURE VERSUS THE VIRGINIA COUNTRY HAM

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, as we have been told many times, this is the year of the celebration of America's 200th year of independence. Throughout those 200 years the people of America have developed many traditions that are a rich part of our heritage. Among these traditions in Virginia is one which I hope many throughout this country have shared, the Virginia country ham.

For years, Virginians particularly in the Southside area that I represent, have cured hams in wooden smokehouses on their farms. The process used to cure these hams can only be regarded as one of our living folk arts. The sight of smoke curling from a rustic wooden ham smokehouse is as long enduring part of the Southside Virginia landscape as the peaceful woods or the fields of peanuts and corn.

Few would dare question the ability of a Virginian to produce a country ham, yet in this the Bicentennial year, a group of bureaucrats in the U.S. Department of Agriculture has presumed to tell Virginians what constitutes a Virginia country ham. This action by the Department of Agriculture convinces me that nothing is either safe or sacred from the meddling hands of Federal bureaucrats.

Although it may be possible for some to see humor in a Federal bureaucrat challenging a folk tradition that is older than our Nation, this is unfortunately a very serious matter that affects the lives and welfare of Virginia citizens. While the country ham industry has its roots in colonial tradition, it is now a $50 million a year activity that provides countless jobs for Virginians.

The Department of Agriculture regulations, proposed for the third time in 4 years, would define the process that could be used to produce a ham labeled "country" or "country style" ham. This process is contrary to the process commonly used in Virginia today.

Among the regulations proposed by the U.S. Department of Agriculture is a maximum curing temperature of 95° F and minimum processing time of 70 days. These two regulations ignore both the realities of the traditional curing process as well as recent technical innovations. In the old fashioned wooden ham houses, covered with tin roofs, the temperature almost invariably goes above 95° F. It is almost impossible to keep temperatures below 95° F while the hams are being smoked.

A study made in 1939 by the University of Maryland Agricultural Experimental Station found that hams cured at a higher temperature could be aged for a shorter period of time without altering the final product. If Virginia ham processors were forced to increase the length of their curing process, the only result would be an increase in the cost of their fine product to those who enjoy Virginia country hams.

I might note here that no other meat products are defined by the process used to produce it. Anyone who has tasted a Virginia country ham would agree that the end product is infinitely more important than the process used to create it.

Virginia ham producers have two choices, they may change the name of their traditional product from "country ham" to "dry cured" ham or they may change the process that has provided a delightful meal for many Americans. Changing the name involves years of goodwill built upon a well deserved reputation. Changing the process may well force many small and marginal producers out of business.

I deplore this unjust and capricious act of the USDA and demand that these proposed regulations be discarded.

THE IMPACT OF A NEW YORK CITY DEFAULT ON THE NATION'S ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN), is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, President Ford asserted that a default by New York City would cause no loss to the Federal Government. This is simply not true.

I would like to bring to the attention of my colleagues information to the contrary developed at a special Budget Committee hearing, which I chaired, on the impact of a default. I presented this information to the Subcommittee on Economic Stabilization, with the consent of its distinguished chairman, Representative ASHLEY. My statement to the subcommittee follows:

Mr. Chairman, I appreciate your giving me the opportunity to present information to your subcommittee on the issue of New York City's fiscal crisis.

The basic question before this Committee, the Congress and the country with respect to the New York fiscal crisis is: "What will it cost if we fail to prevent a default?" In other words, what will happen to the economy, to the projected recovery, to unemployment, to the gross national product if New York City is permitted to default? What will happen to the Federal budget, to revenues, expenditures, the deficit if we do not act? What will it cost to help?

In an attempt to answer these questions, I chaired a special hearing of an Ad Hoc Task Force of the House Budget Committee last Thursday, October 23rd. Two distinguished economists, Dr. Otto Eckstein of Harvard University and Data Resources, Inc., and Dr. F. Gerard Adams of the Wharton School of Finance and Commerce, testified about econometric studies of the impact of a New York default which they had performed at the request of the Budget Committee. Dr. Robert Reischauer of the Congressional Budget Office commented on the validity of their studies.

The two economists' conclusions were sobering. Both predicted that a default would result in a nationwide cutback in state and local borrowing and a consequent nationwide reduction in state and local spending. The "multiplier effect" of such a reduction in spending would lead, they said, to severe increases in unemployment and the federal deficit, and would reduce the rate of GNP growth.

Dr. Eckstein estimated that a default by New York City would result in the loss of more than 500,000 jobs and a decrease of $14 billion in GNP growth. Dr. Adams projected a loss of $430,000 jobs and a reduction of $10 billion in GNP growth.

Equally alarming were the economists' predictions with regard to what a New York City default would do to the Federal Budget. Dr. Eckstein estimates that the default would cost the Federal government $4 billion—in reduced corporate and individual income taxes, and in increased federal payments for unemployment compensation, welfare, etc. Dr. Adams estimated this cost at $2.8 billion. In other words, it will cost the Federal government from $2.8 billion to $4 billion simply to do nothing and allow New York City to default.

Dr. Reischauer of the non-partisan Congressional Budget Office called the economists' predictions "well within the range of possible impact" on the economy. He noted that, in his opinion, the probable impact of a default would be less severe than that predicted by Dr. Eckstein but more severe than Dr. Adams' estimates.

It is important to stress that each economist based his predictions on the most optimistic assumptions, i.e., that the Federal Reserve would step in to stabilize money markets, that there would be no financial panic, and that the nation's economy would be in a strong recovery. They acknowledged, however, that a default of the magnitude of New York City's is an unprecedented event, and that if these optimistic assumptions proved wrong, the results could be "catastrophic."

It is clear, Mr. Chairman, that a default by New York City would have grave consequences for all Americans.

The Budget Committee's special hearing was the first attempt by Congress to make a quantitative measurement of these consequences. But even that quantitative measurement is not complete in the sense that it does not take into account the cost to the economy of bankruptcies of individuals, of corporations, of other businesses and of banks. It does not take into account any international impact. What effect those matters could have in terms of lost revenues and increased deficit, and in terms of generating financial panic, no one knows. No one has been able to measure it.

Under legislation before the Congress, it will cost the Federal government nothing to aid New York City by guaranteeing its bonds—in fact, the Federal government may make money if such guarantees are forthcoming. The costs of failing to aid New York, however, are potentially enormous—$2.8 billion to $4 billion or more in added budget deficit, and certainly billions more in federal aid which everyone concedes will be necessary to maintain essential services and stabilize financial markets if a default takes place. Added to those costs are economic stagnation and the toll in human misery of an additional one-half million persons out of work.

Clearly the most prudent, conservative, fiscally responsible course is for Congress to act quickly to avert a default by New York City. The question is not whether the Federal government can afford to help New York, but whether it can afford not to help. I think the answer is plain: this country cannot afford to take the risk of default.

Mr. Chairman, I would like to submit, as part of my testimony, the prepared statements of Dr. Eckstein, Dr. Adams, and Dr. Reischauer before the Ad Hoc Task Force of the House Budget Committee, together with my own opening statement at the hearing.

INTRODUCTION OF FEDERAL REGULATORY REVIEW ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. HOWE) is recognized for 15 minutes.

Mr. HOWE. Mr. Speaker, today I took a step to remedy the problems of unnecessary delay, expense, and complications encountered when dealing with Federal regulatory agencies. I introduced the Federal Regulatory Review Act of 1975 which would establish a commission to study the structures, policies, practices and regulations of Federal agencies to determine what their shortcomings are, and provide recommendations for reform.

I feel that such a study would provide the necessary starting point for Congress to achieve a consensus of opinion on the major failings of the regulatory system and a coherent plan of action aimed at their correction.

The system of agencies that has evolved in this country to regulate industry is original and requires special understanding. Principal among these qualities is their unique place in our governmental structure and the particularly individual status they have achieved in a political climate from which they claim to be "independent." The very complex and special nature of this status has clearly caused many ambiguities in the system itself. The paradox of this type of questionable "independence" is certainly at the heart of the current deficiencies of the system. A perceptive observation was made on this question in 1955 by Princeton law professor Marver Bernstein who said:

> The single most important characteristic of regulation by commission is the failure to grasp the need for political support and leadership for the success of regulation in the public interest.

Before getting too deeply into the need and specifics of the problem and my responses to it, I think it would be helpful to outline the basic workings of the regulatory process which are susceptible to generalization and misunderstanding.

The establishment of the first regulatory commission, the Interstate Commerce Commission in 1887, marked a substantial departure from the federalist doctrine of administrative unity. The term "regulatory" has come to refer to a scheme of duties or powers which operate with a measure of independence from executive direction. Historically, this independence has proved specious, as many examples have been recorded, of commission accountability and oversight by the Congress which created them; the courts who judge them; and the executive who appoints them. These connections, however, are indirect and a complex balance must usually be achieved in their daily operations. A noted scholar and student of regulatory behavior, William Cary, notes:

> Government regulatory commissions are often referred to as "independent" agencies, but this cannot be taken at face value by anyone who has ever had any experience in Washington. In fact, government regulatory agencies are stepchildren whose custody is contested by both Congress and the Executive, but without very much affection from either one. Furthermore, as stepchildren they are often starving, receiving only crumbs in the federal budget.

Another important aspect of the commissions is their role as policy makers and enforcers. This complex issue cannot be removed from methodology and the related debate on the merits of adjudicatory versus administrative rulemaking procedures. Before passing judgment on the commissions, a thorough evaluation of their effectiveness must be done as recommended by the study I have proposed.

The inordinate size and scope of these agencies results in some very basic and direct effects for Government and consumers. In particular there are the great costs of regulation which often outweigh the economic benefits; also the inevitable delays encountered when dealing with agencies; and finally the imposing amount of paperwork which has grown dramatically in the last 10 years.

Congress directed itself to the paperwork issue last year with the establishment of a Commission on Federal Paperwork to study the problem. They have determined much of the recent growth in paperwork is caused by the new Federal "purpose" programs such as occupational safety and health, equal employment opportunity, pension reform, and others. Increased efforts at congressional oversight of agencies, the budget, and administrative rulemaking are also potential sources for new paperwork demands.

In considering the increased cost of regulation a recent column by Jack Anderson provides some dramatic examples. He reports that the prices of hundreds of items from food, fuel, freight, construction, autos, and others, are inflated 10 to 100 percent by Federal agencies. A statistically average American family, with two children and a husband-wife income of about $13,000 a year, was stuck with approximately $1,200 in extra charges last year solely because of the cost Federal regulation adds on to what they bought.

Finally, an illustration of the delay caused by Federal regulation and demands is well exemplified in my own district where the proposed Kaiparowits powerplant has been held up for several years. It has been plagued by problems of documenting economic and environmental impact, a lack of continuity in policy from agencies and administrations, and numerous other types of influences which have made the difference in making this project an idea or reality.

The solution that has been used by Congress in the past to correct regulatory deficiencies or omissions has been to pass a statute. But it is obviously too awkward and time-consuming for Congress to meet the complex needs of so many agencies by passing separate laws. This one-shot, piecemeal response has resulted in an unconnected body of laws and is an unsuitable, unsatisfactory way of dealing with the problem. Organization and direction is needed to stylize reforms for regulatory structures. Typical remedies cannot be applied to the ailments of regulatory failure because typical casualties cannot be blamed. In this case the shortcomings do not lie in the lack of leadership or inaction but are more properly attributable to the actual heart of the method of regulation—the very structure and essence of the activity itself. Many examples come to mind such as regulations that prohibit entry into a market or restrictive price increases which lead to shortages.

Instead of relying on antiquated approaches to solve the problem, we must start by questioning all of our old assumptions such as whether regulation in certain industries is still desirable or if the process has outlived its function. Basic decisions have to be made, such as the philosophical issue of whether our solution should embrace an emphasis on increasing regulation or concentrate on deregulation. However, we do have an advantage in this debate by knowing our most desirable goal is a settled question—that competition should be the dominant public policy. Beyond this base of agreement, the latitude is infinite in the dispute between lawyers, economists, businessmen, and others, to determine the meaning of competition and how it should be controlled.

There is a common observation made by those following the regulators—that is the cooptation of the regulatory agency by the industry it was established to oversee. This takeover has not been, as far as I can tell, a calculated usurption but is the result of an uneven history highlighted by irresponsibility and neglect. There are two fundamental qualities which I have always assumed to be central to the existence of these agencies and which appear today to be hopelessly misplaced. These are firstly, political accountability, and secondly, a commitment to the public interest. Commissions were born with the best of intentions to direct noble and specific activities in response to economic conditions. Today, in their place, I see only sprawling, impersonal, rampant bureaucracies. The two prized qualities have been transformed, to change the meaning of "independent" to "politically unaccountable", and commitment to the public interest has become a commitment to protect industry from unreasonable public demands such as manageable prices and safe products.

Even though these changes have become permanent, I do not believe they resulted from an aggression by industry or submission by regulatory agencies—they came about from forces beyond the control of either. I do not think commissions are any more responsive to industry or business than they are to Congress or the executive. However impartial or objective a commission tries to be, however fluid it tries to keep its policy, or accessible it makes its leadership—it must inevitably adopt policies and organizational forms which conditions its thinking and limit the range of its policies. As Ronald Coase, University of Chicago law professor noted:

> It is inherently difficult to operate in constant close contact with an industry without assuming the "industry view" and look at problems in "industry terms."

Mr. Coase also stated in his 1966 essay on the Federal Communications Commission:

> The result that the commission, although thinking of itself as apart from and with different aims from the industry, will nonetheless be incapable of conceiving of or bringing about any radical changes in industry practices or structure. In fact, the regulation of the broadcasting industry by the Federal Communications Commission resembles a professional wrestling match. The grunts and groans resound through the land, but no permanent injury seems to result.

Thus the Commission might think it has pinpointed the public interest but it is unlikely to promote thinking or solutions that would disrupt its settled policy structures.

The continued growth of regulatory agencies and the impersonal manner in which they conduct their daily affairs has also resulted in continuous redtape and volumes of paperwork that clearly limit any attempts at effective, responsive leadership or direction. In this regard, industry as well as the private sector have been affected and more often than not, have been the recipients of the poor end of the entire process of bureaucratic review. Action versus inaction should be primarily based, of course, on the individual situation. But the system as it exists now, has often favored a policy of long delays resulting in higher costs for industry and ultimately a decrease in the quality of goods and services for the public.

It is my contention that a substantial amount of delay is caused by the very essence of agency organization and a complete overhaul is certainly in order. But, again any substantive changes that must be made, have to be made within the context of the entire process of regulation and not merely a reform measure that deals with one area in one specific agency. It is unfortunate that Congress often takes action only when individual Members are confronted with a problem of bureaucratic tangle in their own State or district. Although important individually, the problem still lies with the system of regulatory agencies and commissions. Instead of providing a valuable service to consumers and businesses, they have nurtured a growing *suspicion* that Government no longer trusts responsible citizens.

Many comments have also been made on the life cycle of agencies and the various activities and appearance which characterize each stage from youth to senility. Most agencies can be seen as vigorous and successful in their first years, decreasing in efficiency and effectiveness as they grow older. The aging of an agency unfortunately has not corresponded with maturation into professionalism, efficiency, or strengthened expertise. Rather, staff arthritis seems to have set in and distance and alienation from current political processes has resulted with the passage of time.

The logical remedies of setting time limits for agency life have been advocated, interestingly, from prominent judicial sources. Justice William O. Douglas, while chairman of the Securities and Exchange Commission, said that every regulatory agency should be abolished 10 years after its creation. A persuasive argument for reform has also been made by noted professor Theodore Lowi for a Tenure of Statutes Act that would require each agency to be legislatively renewed every 5 or 10 years.

I have been studying this regulatory problem for many months preceding the introduction of several bills on the various aspects of this subject and have concluded some improvement can be made on previous ideas. There is no doubt that the Congress does see a real need for reform but the decision now remains as to how we intend to accomplish this meaningful goal.

My proposal to establish a review commission is more specific in the direction it gives the Commission by providing several major areas where a comprehensive study should be conducted and where recommendations should be made.

The Commission established by my bill will take a closer examination first of all, into deficiencies within the system which tend to encourage inflation or lessen competition; second, the extent to which areas of the economy are overregulated or underregulated which would include the problem of overlapping jurisdictions and conflicting statutory mandates; third, a greater national priority to increased antitrust enforcement; fourth, appropriate legislative action to improve regulatory agency effectiveness, efficiency and responsiveness to the public including the elimination or merger of specific functions or revisions of controlling statutes; fifth, the economic costs and benefits of regulation or the lack thereof in areas of inflationary impact, anticompetitive effects, degrees of market concentration and productivity factors; six, the elimination or modification of specific regulatory rates and prohibitions; and last, any transactional, interim, or long range costs and/or savings that would be associated with any of the proposals or recommendations.

These areas, of course, are not exclusive to the Commission approach I have proposed. Some other areas that the Commission should direct its efforts toward are determining whether it is feasible and desirable to make the responsibilities of agencies more independent of the executive branch and require a simultaneous submission of a budget to both the President and the Congress and perhaps whether agencies should be permitted to control their own litigation in Federal courts. I also believe the Commission should study and make recommendations on whether to revise Federal conflict of interest statutes to limit movement of persons between regulated industry and an agency with jurisdiction over that industry.

It is not a lack of knowledge, interest or even desire that has allowed the problems involved with regulation to continue, but rather a lack of unity in the specific direction reforms should encompass. Perhaps an improvement of the information gathering, analysis, storage and retrieval systems within agencies would lessen the paperwork burden and avoid needless duplication but this is only one area where Congress could begin to take action. Some might say creating another agency to study the situation is compounding the problem but I disagree. We need a positive, organized approach and the very size of the issue points away from working purely on a bill-by-bill basis here in the Congress.

In reviewing the origins of regulatory history, it cannot be denied that the institutionalization of market regulation was an ingenious and creative response to the American experience at that time. Thus, in a very real sense, the establishment of regulatory commissions was a testimony to this country's ability to adapt quickly and efficiently to changes in its economic environment. I hope we can again exhibit these qualities in a swift response to another critical juncture in our economic development and move ahead with unified and effective legislation in the area of regulatory reform.

DR. BURNS SABOTAGES CONGRESS TAX CUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, the Congress has spent a great deal of time and effort to turn our economy around and put this Nation back on the road to prosperity. On March 26 of this year, it passed H.R. 2166, the Tax Reduction Act of 1975 which was signed into law on March 29, providing for both a reduction in 1975 income taxes, and a $22 billion cash rebate on 1974 taxes.

The Internal Revenue Service immediately set about figuring new withholdings and mailing rebate checks to taxpayers around the country, completing its monumental task in June 1975.

In passing its tax program, the Congress underestimated the arrogance of Dr. Arthur F. Burns. During the period when the Congress naively thought it was stimulating the Nation's economy, Dr. Burns, at the Federal Reserve in the secrecy of Federal Reserve's Open Market Committee, was sabotaging the congressional program.

Apparently, Mr. Speaker, in Dr. Burns judgment the economy did not need the stimulation the elected representatives in the Congress decided it did.

Of course we do not know what the members of the Open Market Committee said, because Dr. Burns, despite my repeated requests, has refused to make available a transcript of remarks made at the Open Market Committee meeting.

What they did is quite evident. At the meeting of June 17, 1975, the Open Market Committee voted to keep the Federal funds rate between 5 and 6 percent. According to the minutes of this meeting:

> Messrs. Bucher and Coldwell dissented from this action because they believed that a tightening in money market conditions and the associated increase in short-term interest rates would be premature at this time, and they preferred to specify a lower range for the Federal funds rate than that adopted by the Committee . . . Mr. Bucher, in addition, thought that primary emphasis should be given to promoting recovery in economic activity . . .

Later, in June, when the stimulation of the congressional action was taking effect and the monetary aggregates were growing, Dr. Burns recommended, and the Open Market Committee approved, his raising the Federal funds rate to 6¼ percent.

To this action, Vice Chairman Mitchell and Governors Bucher and Holland dissented. Governor Coldwell, who had dissented on June 17, concurred with Dr. Burns.

Needless to say, Mr. Speaker, the effect of this increase was to reduce the growth of the money supply—M-1—in July to 2.05 percent.

At the July 15, 1975 meeting, the Open Market Committee voted that the Federal funds rate be fixed at between 5½ and 6¾ percent, authorizing an increase of half a point above the previous rate.

Governor Holland dissented again, stating that in his opinion this increase was not warranted.

As a result of the rate increase in July, the Fed reports that the money supply—M-1—grew at a rate of only 2.86 percent, despite the stimulus that the tax action had given to the economy.

The preliminary figures for the September money supply—M-1—show even a greater decline—down to 2.04 percent—and there are indications that the October figures will be even lower.

Clayton Fritchey, in an article entitled "Reforming The Federal Reserve," which appears in the October 18, 1975, edition of the Washington Star, says that Dr. Burns caused the Open Market Committee to take the action it did, because he felt that the economy was recovering well enough without either the tax cut, or the cash rebate.

His charge is substantiated not only by the above figures on the money supply, but also by fragmentary reports of what was said at the Open Market Committee meeting of June 17, 1975:

> Some members favored a modest tightening in the period immediately ahead in order to restrain growth in monetary aggregate.

What else was said, we do not know, and can only imagine.

But it is quite clear, as Clayton Fritchey says in his interesting article:

REFORMING THE FEDERAL RESERVE

(By Clayton Fritchey)

For years, actually for decades, Congress has been talking about reining in the autonomous and often arrogant Federal Reserve Board (FRB), at least enough to prevent it from pursuing policies that are not acceptable to the administration, to Congress and ultimately the public. Yet little has come of it.

Nevertheless, the belief has now become so widespread on Capitol Hill and elsewhere that the Fed has sabotaged economic recovery by its policy of tight money and high interest rates, that the climate for FRB reform is presently propitious enough to inspire corrective legislation.

Sen. Hubert Humphrey (D-Minn.), the influential chairman of the Joint Economic Committee, says the time has come to shake up the FRB and make it more responsive to Congress and the people. Next week he will introduce legislation that would require one of the seven board members to represent labor, with another for agriculture, a third for consumers and a fourth for small business.

The terms of the members would also be cut from 14 to seven years, thus enabling the President to appoint a majority in his first term of office. Humphrey's intention is to "make the board more responsive to the will of the people and less likely to act as the high priest of finance."

The long-simmering conflict between the Fed and Congress has been brought to a head by what the board did after Congress voted a tax rebate of $22 billion earlier this year to stimulate economic recovery through increasing public purchasing power. There has been little recovery, however, because, in the eyes of many economists, the FRB, led by Chairman Arthur Burns, initiated a money squeeze that offset the tax cut.

Conservatives as well as liberals share this view. Sen. Henry Bellmon (R-Okla.), who like Dr. Burns opposed the $22 billion tax rebate, recently said to the chairman of the Fed, "If the Federal Reserve is going to cancel out what we in Congress do, then we'd better know about it."

Sen. Edmund Muskie (D-Me.), chairman of the Senate Budget Committee, went further. His message to Dr. Burns was that if the FRB "won't provide the stimulus the economy needs, then the temptation is for us (in Congress) to provide more" through increased spending or tax reduction.

That reaction is not confined to the Senate, for over in the House the respected chairman of the Banking Committee, Rep. Henry Reuss (D-Wis.), is also raising the question of whether the Fed should be allowed to undermine national policy on economic recovery, no matter how sure it is that "Papa knows best."

What about the board of the Fed itself? The members generally act in secrecy, but it is known that several oppose the Burns policy of higher interest rates. Philip Coldwell, a former president of the Dallas Federal Reserve Bank and now a member of the Fed's board, told Hobart Rowen of The Washington Post, "I thought philosophically the Federal Reserve shouldn't be in the position of negating what Congress wants to do."

Even in the business community itself there are doubts. An authoritative spokesman, Business Week, said, "The first faint signs of economic recovery seems to have thrown the Federal Reserve into another fit of anxiety about future inflation.

"It is not even certain yet that an upturn has begun," Business Week added, "but the money managers are swinging back toward tight credit as though they were dealing with a roaring boom."

Dr. Burns feels justified in his course because he thinks recovery from the recession is "proceeding satisfactorily." That, of course, is not the view of Congress or the American people, especially the 8–10 million unemployed, and their families.

In fact, it is not the view either of our main foreign trading partners, such as West Germany, for instance. The chancellor of that country, Helmut Schmidt, frankly says that the Burns high-interest policy "gives us some pain." It is, he adds, "too restrictive."

It isn't that Dr. Burns is above politics or lives in an ivory tower. He was made chairman of the FRB by Richard Nixon, and when Nixon wanted a boom in 1972 to insure his reelection, the Fed poured money into the system with no-holds barred. It produced a boom, all right, but what of the collapse that followed when the money spigot was turned off after the election?

Despite his monetary rigidities, Dr. Burns is a giant compared to most of President Ford's economic advisers. His views on guaranteed employment and controlling wages and prices are surprisingly flexible and broad-minded. Unfortunately, the White House listens to him only on money.

UPGRADING BENEFITS TO RECIPIENTS OF CONGRESSIONAL MEDAL OF HONOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to bring to my colleagues' attention a piece of much needed legislation, H.R. 8913. This bill which I previously introduced deals with the upgrading of benefits to recipients of the Congressional Medal of Honor. As you know, the Medal of Honor is the highest military award for bravery that can be given by the United States. The recipients of the award are truly remarkable Americans who have received this honor for "conspicuous gallantry and intrepidity at the risk of life, above and beyond the call of duty." On April 27, 1916, by an act of Congress, the recipients of the Medal of Honor were awarded a special pension of $10 per month at age 65 for life. This pension was not increased at all until August 14, 1961, when Congress passed legislation to raise the monthly amount to $100. Not until October 13, 1964, did Congress lower the age for pensions to 50, and finally in 1964, on October 31, Congress eliminated entirely all age requirements for pension benefits. As we all know, in the span of 14 years from 1961 to the present, the cost of living has skyrocketed and increased many times over. Although the cost of living has gone increasingly upwards, the pension benefits to the Medal of Honor holders has remained the same. Surely, in light of what these outstanding men have done for this country, we are truly justified in raising their monthly benefits, and extending those benefits to their widows. Currently there are only 294 Medal of Honor holders receiving pension benefits. Raising and extending the benefits of the Congressional Medal of Honor holders in order to help them cope with today's inflation is a very small compensation on our part, considering that these men served this country in a manner that put their own personal lives in jeopardy. It is my sincere hope that after careful study of the merits of H.R. 8913 my colleagues will give this bill their support when it comes before the full House for a vote.

MILITARY DISCHARGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. NEDZI) is recognized for 5 minutes.

Mr. NEDZI. Mr. Speaker, the Committee on Armed Services has had referred to it several bills which would provide statutory safeguards in the awarding of administrative discharges from the services and the retirement or separation of officers as the result of board hearings. These bills include H.R. 52, H.R. 262, H.R. 548, H.R. 549, H.R. 647, H.R. 1186, H.R. 2455 and companion measures.

The Military Personnel Subcommittee of the Committee on Armed Services will conduct hearings commencing on November 5, 1975 to receive testimony on these proposals with a view to reporting legislation at an early date.

The Department of Defense will open the hearings and Members of Congress are invited to appear or submit for the record testimony with regard to military discharge procedures. Representatives of interested organizations who wish to present views on these bills may submit them in writing or appear to testify as time may permit. Inquiries may be directed to the committee.

QUESTIONS AND ANSWERS ABOUT FOOD FOR PEACE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the issues of food and energy, more than any others, demonstrate the inadequacy of giving separate treatment to foreign and domestic policies. The growing impingement of international issues on domestic policies, and vice versa, should be obvious by now to all.

It is conventional wisdom today that international issues are interdependent. But what is not yet fully appreciated is the interdependence of internal and external affairs. These policy areas have become so intertwined that domestic policies and considerations now impact on almost every important "foreign policy" decision.

How U.S. policy toward the world food problem is handled affects producers and consumers abroad, but it also has a major impact on our domestic front. And what we do here at home about expanding cropland, production, and stockpiles must take account, of course, of the growing global need for food.

With the growth in the interdependency between international issues, and between them and domestic policies, and with the rapidly expanding world population and global demand for food, it is not surprising that the U.S. food for peace program should again be given special scrutiny as regards its purposes and effectiveness.

With this in mind, I took the liberty of asking the Agency for International Development for responses to six broad questions about our Public Law 480 program. I believe these questions, answers, and my replies which are printed below can be helpful to those interested in the critically important planetary problem of food and population.

It is appropriate, moreover, to summarize here the major concerns of some of us that global demand for food is now outdistancing global food production.

It took from the beginning of man to about 1830 A.D. for the earth's population to reach its first billion inhabitants. It took 100 years to add the second billion, and 30 years—1930–60—to add the third billion. The fourth billion has been added this year. If we assume a continuation of present rates of high fertility and declining mortality, the fifth billion will be reached in 9 years from now, and the sixth billion 8 years after that. The seventh billion will take 5 years so that by the end of this century, the planet will have 7.5 billion inhabitants.

The implications of the rapid population growth for the welfare of mankind are frightening.

Needless to say world demand for food is expanding more rapidly than at any time in history. But until recently, food demand was almost exclusively a function of population growth—a race between food and people. Today, however, rising affluence has emerged as a major new claimant on world food resources. As much as 20 percent of the food consumed last year was attributable to affluence.

This effect of rising affluence can be measured and illustrated dramatically on grain requirements. In the less developed countries the annual availability of grain per person averages only about 400 pounds per year. This is mostly consumed directly and very little is converted into animal protein. In the developed countries, on the other hand, per capita grain utilization is about 1 ton per year but only about 200 pounds of this is consumed directly while the remainder is consumed indirectly in the form of meat, milk, and eggs.

Affluence has, in addition, reshaped the world trade in food. In the 1960's the less developed countries, India and Pakistan in particular, were the major importers of U.S. grains. Today the rich countries, the U.S.S.R. and Japan especially, are the major food importers.

In sum, food scarcities are not a passing, temporary phenomenon. World food demand, the evidence strongly indicates, has outpaced world productive capacity. Not many realize that in 1972 world food production actually declined by 1.6 percent. After recovering somewhat in 1973, production again declined in 1974. This year we can fortunately anticipate a record crop in the United States, although it will be lower than forecasted last month. But other countries are experiencing major production difficulties. The grain shortfall in the Soviet Union, for example, might be as large as 20 percent. The likely result of all this is a continuation of declining food reserves and higher prices, both domestically and abroad.

It is then with these brief introductory comments that I insert the following materials, which consist of my letter to the Agency for International Development, raising certain questions, the Agency's reply, and my comments on the reply:

House of Representatives,
Washington, D.C., June 24, 1975.

Mrs. Jeanne Lewis,
Acting Assistant Administrator, Agency for International Development, Office of Legislative Affairs, State Department, Washington, D.C.

Dear Mrs. Lewis: I would appreciate having responses to the following questions concerning our Food Aid program under PL 480. While I do not necessarily support the point of view expressed in these questions, I do believe that your responses will serve my purpose of gathering many different points of view on this subject.

1. At a time of expanding global demand for food, is it wise for the U.S. to allow its grain reserves to fall to their lowest level in twenty years?

2. Would you comment on the point that the PL 480 program is the worst of both worlds in that it provides too little for humanitarian purposes while at the same time it is not used to achieve major U.S. foreign policy goals?

3. Why doesn't the U.S. begin to relate our PL 480 program assistance more meaningfully to efforts in population control in the less developed countries? In other words, why should the countries which make little efforts to curb their own population continue to receive U.S. food assistance?

4. Why does the U.S. provide PL 480 assistance to governments which deny fundamental rights and freedoms to their population? For example, South Korea and Chile are the largest recipients of Title I PL 480 in East Asia and Latin America.

5. Why does the U.S. make concessional rates available under Title I to Egypt, when that country could use its oil subsidies received from Saudi Arabia to pay for food in regular international commerce transactions?

6. Would an increased PL 480 program of 10 million tons of grain per year threaten U.S. domestic supplies or substantially reduce export earnings?

Sincerely,

Edward I. Koch.

Department of State, Agency
for International Development,
Washington, D.C., July 23, 1975.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Congressman Koch: Thank you for your letter of June 24, 1975 concerning our Food Aid Program under P.L. 480. The following paragraphs respond in order of the questions raised in your letter.

1. Grain reserves have fallen to low levels worldwide because of expanding global demands during a period of unprecedented production difficulties, with resulting price increases. Those increases have helped stabilize consumption, and stocks in the U.S. have not gone below adequate levels. We are permitting full U.S. production, and current U.S. policy is to allow commercial forces—supply, demand, and prices—to provide the incentives for this production. While the U.S. Government has the authority to intervene if necessary to retain sufficient grain for domestic consumption, such intervention is not considered to be necessary. Grain exports at the relatively high prices of the last two years have also been beneficial to the U.S. balance of trade.

2. We do not consider humanitarian efforts and U.S. foreign policy goals as distinct and separate concepts without interrelation. The P.L. 480 Act is multipurpose and includes provision for expanding markets, economic development, humanitarian assistance as well as the promotion of other foreign policy goals. Elements of all of these purposes are usually present in each program approved under P.L. 480. It is therefore difficult if not impossible in most cases to characterize a given program as humanitarian, market development oriented or political. Nonetheless, in our view the P.L. 480 program has served all of these purposes well over the years. Large markets have been developed in former P.L. 480 recipient countries and balance of payments and budget support provided have fostered economic development in many countries. The P.L. 480 program is also overwhelmingly humanitarian in character. In addition to $363,400,000 in food donations under Title II during this past fiscal year, approximately 80 percent of Title I allocations were to countries listed by the United Nations as most seriously affected by increased costs of energy, fertilizer and other key imports. (This is not to say that the remaining 20 percent of the food allocations were not humanitarian as P.L. 480 assistance was also directed to a number of non-MSA countries that have large food deficits). Finally, the P.L. 480 program has often served political purposes as well—the most recent example being its contribution to the U.S. effort to achieve stability in the Middle East.

3. The Foreign Assistance Act stipulates that family planning activity support be on a voluntary basis. A.I.D. has not made food aid contingent upon the adoption of population programs by recipient countries. Moreover, since population and family planning are sensitive subjects in many developing countries, it is likely that any U.S. effort to tie food assistance to population control would be politically counterproductive.

We do, however, encourage recipient countries to adopt and expand fertility control programs that are based upon voluntary participation. Funds are provided for training and research designed to inform other countries of the negative impact of rapid population growth. A.I.D. also encourages recipient countries to utilize the same distribution system for both P.L. 480 Title II maternal-child health programs and family planning advisory programs. Mothers who come to MCH centers for Title II foods have family planning advice and service made available to them at the same time. In addition, Title I Sales Agreements with a number of countries where population programs are active have included self-help provisions directed towards various aspects of these programs. In the final analysis, however, the initiative for implementing population programs must come from the countries themselves.

4. While we understand your concern about the human rights situation in both the Republic of Korea and Chile, we do not believe that curtailing food assistance would serve to improve political conditions in these countries. Both countries suffer severe balance of payment problems and large food deficits. Were concessional food assistance to be cut or stopped it would ultimately be the Korean and Chilean populations that would bear the brunt of reduced food availabilities.

5. Notwithstanding the assistance provided to it by Saudi Arabia and other Arab oil producing countries, Egypt continues to suffer from substantial food deficits as well as a severe shortage of foreign exchange. While Egypt purchases most of its food imports on commercial terms, it would, however, find it extremely difficult to cover all of its food requirements without concessional assistance. In this connection Egypt was added this year to the United Nations' list of countries most seriously affected by the increased costs of petroleum, fertilizer and other key import items. In addition, P.L. 480 assistance is also related to United States efforts to encourage the development of a stable situation in the Middle East.

6. Under current U.S. supply/use projections for all grains, the answers to both parts of the question would be no. Combined supplies of wheat, rice, and feedgrains should be sufficient to support shipments at that level under P.L. 480 if there were concessional need for those c ommodities and sufficient budgetary resources available. However, such a program level could not have been sustained during the past two years given unprecedented production difficulties.

Thank you for bringing this matter to our attention. Please let us know when this office can be of assistance.

Sincerely yours,

Jean P. Lewis,
Acting Assistant Administrator
for Legislative Affairs.

Reply to Answer 1

There are several disturbing points in answer one. It does not, for example, provide any reassurance that we will not have a repeat of the 1972 syndrome when the Soviets purchased huge amounts of grain at bargain prices causing the American consumer to pay higher food prices. Nor does answer one, more importantly, indicate that the government is concerned about what might happen, given the extreme dependence of the world on U.S. and Canadian food exports, if the North American crop declined even modestly or, more likely, the world soon experienced another year like 1972 in which drought in the Soviet Union, West Africa, South Asia, China, Australia, and in Central America reduced food production. But perhaps the most shortsighted part of this answer is its point that recent increases in food prices have helped stabilize consumption and thus keep grain reserves at an acceptable level. A twenty percent rise in food prices will not, needless to say, dent the $40,000 plus salary of a Congressman or a senior official in the executive branch of government. On the other hand, recent food price increases are merciless to the some 20 million Americans who are malnourished, and the some one billion people in the world who are already spending on food 80 percent of their $100 annual per capita income.

Reply to Answer 2

This answer is grossly misleading about the size and adequacy of our PL 480 Food for

Peace Program. That the U.S. gave $363.4 million in food aid under Title II is nothing to be proud of—it is, instead, cause for a searching reexamination of our commitment to humanitarian food programs.

The fact is that as food prices have increased, seriously curtailing the capability of the less developed world to buy our food, the U.S. food aid program has been reduced as well. In 1965, the U.S. sent abroad under Title II of PL 480, 199,000 tons of milk. In 1974, we gave nothing. In 1972 our Title II rice aid was 248,000 tons, in 1974, it was nothing. Wheat shipments under Title II are down from 1.6 million tons in 1972 to now about one-third of that.

We have changed, in sum, from food for peace to food for cash. We have stopped sending food to people who need it and started selling it to feed livestock so that affluent people can eat beef. Our food is no longer a force for good in the world—rather it is like a drug, addicting people to a lifestyle they can maintain only at the price of widespread malnutrition and hunger elsewhere on our planet.

And what do we get from the Russians in return for access to our food? Do we get increased cooperation on curbing armaments to the Middle East, on negotiating SALT agreements, or on any major foreign policy issue? No. Do we, indeed, get increased cooperation in formulating a planetary policy to curb a rapidly expanding population in the third world? No. In fact, it was official Russian policy at the UN Population Conference in 1973 not to acknowledge the global population problem and to actually encourage third world countries to believe U.S. concern was an imperialistic plot to suppress third world liberation movements.

Reply to Answer 3

The very essence of the problem with U.S. policy on the global population issue is, itself, found in this answer. Our present policy can be characterized at best as being lackadaisical and nonchalant in the face of a planetary peril.

Curbing population growth should be, instead, one of our key global interests. It is more than a nuisance problem, it should be nothing less than a priority goal of U.S. foreign policy.

We are possessed of a food weapon far more potent than the oil weapon. Indeed, our monopoly over food exports is far greater than the Arab control over oil. We should use our food weapon to promote population programs.

If we merely use our surpluses to feed the hungry, they will be fed today, but they are likely to starve tomorrow. For when the world population grows to 7.5 billion in just some twenty-five years, American surpluses will no longer suffice even if we curb our consumption and re-direct our exports. We must use food to alleviate hunger now by feeding the starving and in the future by insisting on current family planning measures. We must not be timid about asking a nation what it is doing to curb world hunger in the future while we are asked what we are doing about it in the present.

Reply to Answer 4

This answer illustrates how we fail to use our food as a foreign policy tool. (If only the Arabs would do the same with their oil.) The net result is that third world governments know they can continue to suppress human rights and the U.S., for its part, will continue to help them stay in office by providing food assistance.

We must also use our food weapon to press for world order through stopping the spread of nuclear weapons. Our silence in the face of the Indian detonation of an atomic device in May 1974, and our subsequent grain sales to India, is another example of our failure to use our natural assets as an instrument of our policy objectives. We rewarded the Indian government for its misallocation of its own scarce national resources—thereby making policy by default.

No reply required to answer 5.

Reply to Answer 6

PL 480 has dropped from more than 10 million tons a year in the mid-1960s, to 5.5 million tons in 1974, and to about 4 million tons this year.

The debate over PL 480 has so far largely centered around the relatively minor question of how much of PL 480 assistance should go for humanitarian purposes. The Administration takes the view that the Congressional mandate of 70 percent is determined by using Title I only. Liberals in Congress contend that it applies to Titles I and II.

But that debate is not the real issue. The total allocated to PL 480 is so minor that the key issue is how to increase it.

A rationale PL 480 program that responds to humanitarian needs and reflects major U.S. foreign policy security objectives should consist of 10 million tons of grain a year or 20 percent of all American food experts, whichever is less. Eighty percent of the aid given under that level of PL 480 program should be required to flow through Title II and all of that must go to nations having food shortages. It should further be required that those nations implementing affirmative action programs to curb their population should receive absolute priority in PL 480 distribution.

Answer 6 admits that such an increased PL 480 program would not threaten U.S. domestic supplies or substantially reduce export earnings.

Such a revised PL 480 policy would make a true U.S. Food for Peace effort—not merely food for temporary relief and not food for cash or for short-term political benefit. Such a changed program would end the use of PL 480 for narrow diplomatic objectives and begin to use it for planetary purposes.

TRUTH WILL PREVAIL

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, another attempt to subvert truth has been perpetrated by the Soviet Union. From the October 30 issue of the New York Times comes this news story:

> The Communist rulers of Czechoslovakia have downgraded the 57th Anniversary of the October 28 founding of the country from the status of a national holiday to a "commemorative day". No reason was given for the change.

The Soviets may wish to deny that Czechoslovakia was ever independent, but all of us who took part in the celebration of Czechoslovak Independence Day know that the zeal for freedom still burns fiercely in the hearts of Czechoslovaks around the world. No edict can destroy that.

One of the Czechoslovaks who participated in the celebration here at the Capitol last Tuesday was Dr. Jan Papanek, who was the last Czechoslovak Delegate to the United Nations during its freedom after the war. Dr. Papnek, who worked closely with Dr. Eduard Benes and Jan Masaryk, presented the Czechoslovak case before the U.N. in 1948. At present, he is president of American Fund for Czechoslovakia was ever independent but the anniversary of Czechoslovak independence was I thought, so eloquent that I am appending it for the information and consideration of my colleagues:

Statement of Jan Papanek

This solemn commemoration of the 57th Anniversary of Czechoslovakias independence with the distinguished members of Congress, with members of sponsoring organizations that have branches all over the United States and with other friends of the Czechoslovak Republic creates a joy that has been lacking in programs that marked the day for the past 27 years.

Many here present fought for the freedom, democracy and independence established on October 28, 1918. They rejoiced in witnessing the Republic flourish for 20 years in the image of the United States under T.G. Masaryks guidance. After the occupation and subjugation by its aggressive neighbor, they aided in bringing about the restoration of its Sovereignty at the end of the Second World War, though tragically it was so short-lived. Since 1948, they strove to keep alive the best attributes and traditions of the Czechoslovak people. They encouraged resisting the oppressors and aided those who succeeded in escaping the present oppressive rule to start new lives in freedom.

Today for the first time in a generation representatives of the United States Government on Capitol Hill are again expressing their concern for and good will toward the people of Czechoslovakia. The significance of this fact is great and heartening like the welcome gleam of light after a stormy dark night.

I would believe that the participation of representatives of the legislative branch of our government will be followed with action by the Executive to insist upon the restoration of human rights, justice and freedom to the people of Czechoslovakia and peoples in all C. Europe.

I thank you for this memorable demonstration that supports the hopes of all those who struggle against tyranny.

BIGOTRY IN THE UNITED NATIONS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, what began 30 years ago is now in ashes. I speak of the United Nations. Had anyone prognosticated than that the institution founded to be the repository of world morality would 30 years later be responsible for reviving anti-Semitism they would have been considered lunatics. Yet, three decades later, the United Nations invites to speak from its platform a terrorist Yasir Arafat, bearing a gun on his hip, and Idi Amin, a lunatic responsible for the deaths of tens of thousands of his own people in Uganda.

In today's news we read that fossils have been found in East Africa establishing that true man had evolved almost 3.75 million years ago. Unfortunately the bestial instincts of that first man are evident today at the U.N. forum.

I should like to bring to the attention of our colleagues a brilliant statement issued by the Synagogue Council of America on the subject of bigotry in the United Nations:

Bigotry in the United Nations

The designation of Zionism as a form of racism by an agency of the United Nations is a calumny that debases the world organization, for it represents the triumph of falsehood and bigotry.

As the Synagogue Council of America, a religious organization, and more particularly as the voice of the Synagogue in the largest Jewish community in the world, we speak out to express our outrage over this action for a very special reason.

Zionism is the liberation movement of the Jewish people in modern times. As such it is a movement whose essential thrust has been and continues to be profoundly humanitarian and egalitarian. The charge of racism could not be more absurd. There are few liberation movements whose moral credentials are its equal.

But Zionism is more than a political phenomenon. It is an expression of Jewish religious belief and hope, for it witnesses to the most distinctive aspects of Jewish faith. Specifically, it is profoundly spiritual expression of Jewish fidelity to the Biblical covenant which links a people, a faith and a land in an indissoluble religious unity. It is that unity which is most characteristic and distinctive of Jewish spirituality.

Even in its most secularized manifestations, Zionism retains at its core the ancient Jewish hope for the redemption of the Jewish people and of all mankind. In our own day, Zionism has been given a tragic nobility and urgency by the massacre of European Jewry, fully one-third of the Jewish people.

The action of the United Nations therefore not only does violence to history, but is flagrantly offensive to Jewish religious sensibilities.

A recognition of the inseparability of Zionism and Jewish religious faith does not create immunity from all criticism of specific social and political policies. But the possibility of such criticism offers no license for the vilification of Zionism. Such vilification constitutes an unprecedented attack against central values of Jewish religious faith. Ostensibly directed at the State of Israel, the action is in fact inspired by an anti-Jewish animus. It is an ancient hatred, as familiar as it is vile, renewed and writ large on a global canvas. For if traditional anti-semitism denied the individual Jew his personhood, this new anti-semitism seeks to deny the Jewish people its nationhood.

To those nations that have joined Communist and Arab countries in this base attack, whether out of ignorance of the Jewish religion or out of political expediency, we say by having allowed yourself to revile an ancient religion, you have brought dishonor and shame on yourself.

To the spokesmen of the world's great faiths, on whom the recent lessons of silence in the face of assaults on the Jewish people and their faith surely have not been lost, we express both the hope and expectation that they will declare their unqualified abhorrence and rejection of this shameful act.

SYNAGOGUE COUNCIL OF AMERICA

Rabbi Joseph H. Lookstein, president.

Rabbi Henry Siegman, executive vice-president.

CONSTITUENT ORGANIZATIONS

Central Conference of American Rabbis (Reform), president, Rabbi Arthur J. Lelyveld.

Union of American Hebrew Congregations (Reform), president, Rabbi Alexander Schindler.

Rabbinical Assembly (Conservative), president, Rabbi Mordecai Waxman.

United Synagogue of America (Conservative), president, Arthur J. Levine.

Rabbinical Council of America (Orthodox), president, Rabbi Fabian Schonfeld.

Union of Orthodox Jewish Congregations of America, president, Harold Jacobs.

THE FEDERAL HIGHWAY ADMINISTRATION RESPONDS TO GAO BRIDGE DATA REPORT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in my efforts to reduce allowable truck weights on the Interstate Highway System, I requested the GAO to obtain information concerning the number of structurally deficient and functionally obsolete bridges on the Interstate System. The Federal Highway Administration provided the GAO with the information, but when I tried to learn which specific bridges may be unsafe, I was more than surprised to learn that the FHA did not know which bridges were the unsafe ones. I expressed by apprehension to the Federal Highway Administrator, Norbert Tiemann, in a letter of October 17. I have received a response from Mr. Tiemann, and in fairness, I am setting forth my correspondence with him.

The FHA Administrator admits his original letter did not have accurate information and has asked the States to submit current bridge and inventory inspection data by November 1, which will "enable him to physically locate those structures that are found to be deficient on any Federal-aid system."

I await that report with bated breath.

The correspondence follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 17, 1975.

Mr. NORBERT TIEMANN,
Administrator, Federal Highway Administration, Washington, D.C.

DEAR MR. TIEMANN: As you are aware, in support of my proposal to reduce truck weights on the Interstate Highway System, I asked the General Accounting Office to obtain information from your Bridge Inventory concerning the number of structurally deficient and functionally obsolete bridges on the Interstate System. The data which you provided showed that 105 bridges are "structurally deficient" and that 741 are "functionally obsolete".

I then sought to find out which bridges on which highways are involved, in order to ascertain both if trucks carying the maximum 80,000 lb. gross loads or the maximum axle loads are allowed on the bridges, and if these bridges are marked so as to warn those who might otherwise drive on them with the maximum loads.

I was shocked to learn that the Federal Highway Administration does not even know which are the unsafe bridges—and that your office, which is supposed to be responsible for vehicular and truck safety, has been sitting with information that there are 105 structurally deficient and 741 functionally obsolete bridges and yet not moved to identify the bridges affected.

Only now, after the story on the GAO report using your data broke in the press, you are taking action both to verify the statistics provided by the states and requesting information identifying the bridges. Should you not also be ascertaining whether the bridges are capable of carrying today's heavy trucks?

This matter is of great urgency, particularly since the Department of Transportation has endorsed the heavier truck weights. Surely you must agree that an extremely dangerous situation may exist. Indeed, the existence of so many structurally deficient and obsolete bridges further reinforces the need for my legislation to roll back truck weights.

Sincerely,

EDWARD I. KOCH.

FEDERAL HIGHWAY ADMINISTRATION,
Washington, D.C., October 30, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in reply to your letter of October 17 in which you expressed concern over the possibility that there are structurally deficient bridges on the Interstate System which cannot be identified by the Federal Highway Administration (FHWA).

The Federal-Aid Highway Act of 1968 established the mandate that all bridges on the Federal-aid system be inspected, inventoried, and classified as to load carrying capacity. The legislation was soon implemented and the States embarked upon the tremendous task of complying with what has now come to be known as the National Bridge Inspection Standards. These standards require that any bridge on the Federal-aid system that is not capable of carrying legal loads must be posted. The standards further require that the States retain all bridge inventory data in their files. Periodically, portions of this data are requested by FHWA for use in responding to congressional inquiries and in the preparation of our annual report to Congress.

Due to the enormous and tremendous cost of the task at hand, most States found it difficult to complete their bridge inventory on time. In an effort to incur as little hardship as possible to the States, we requested that their initial submissions consist only of data which would enable us to compile general statistics without physically locating the structure. One must realize that when working with an inventory of this magnitude (230,000 bridges on the Federal-aid system) errors are continually being located and corrected.

When the General Accounting Office (GAO) urgently requested that we furnish them with the number of structurally deficient and functionally obsolete bridges on the Interstate System, we proceeded to retrieve this data from our computer file. When we compiled this raw data, it became obvious that two of the States were grossly in error. To respond promptly to the GAO request, an advance copy of the unchecked data was furnished. The two States in question, concerned over these obvious errors, checked their submissions as a top priority item and informed us that the data was miscoded and that in fact they had no structurally deficient bridges on the Interstate System. This accounted for 82 of the 105 structurally deficient bridges initially reported. The status of the remaining 23 bridges is presently being verified, and the States have been requested to furnish us this information by November 15.

The bridges categorized as functionally obsolete are identified as those structures whose deck geometry, clearances, and approach roadway alignment have become substandard due to increase in traffic volume or revision in design specifications. Bridges in the functionally obsolete group are all considered to be structurally sound.

The FHWA is continually checking inventory and inspection data prepared by the States. On June 5 we requested that the States submit their most current bridge inventory and inspection data by November 1. This new submission, which will probably be available by the end of the year, will include more comprehensive information, which will enable us to physically locate those structures that are found to be deficient on any

Federal-aid system. The Interstate System has top maintenance priority in every State and we can assure you that if and when a State highway department locates a structurally deficient bridge on the Interstate System, by the time the inspection report is documented, the structural repairs are made and the bridge rendered safe.

Let us assure you that if we had any doubt that our Interstate System did not have the capability of carrying the slight increase in gross loads, we would have never endorsed the legislation.

Sincerely yours,

NORBERT T. TIEMANN,
Federal Highway Administrator.

LOBBYING BILL

(Mr. CARR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CARR. Mr. Speaker, the proposal I am introducing today is designed to correct one of the most inequitable features of the Internal Revenue Code. Briefly stated, the inequity is that businesses are permitted to deduct expenses incurred for lobbying activities, but individuals who participate in lobbying activities are generally denied these same deductions.

For example, an automobile manufacturer can communicate with a Member of Congress against pollution control legislation and then claim a tax deduction for expenses incurred when making that appearance. The deduction can include the expenses of transportation to Washington, D.C., the costs of lodging, and meals, and even the costs of preparing the testimony. In contrast, an individual who writes to his Representative about pollution control legislation or any other matter usually cannot deduct the cost of even the envelope and stamp.

While it is true that individuals and businesses are governed in this regard by the same section of the Internal Revenue Code, as a practical matter this section—section 162(e)—generally works more to the benefit of businesses than to the benefit of individuals, because of the way it is worded. The section states that the expense must also qualify as an "ordinary and necessary business expense."

In order to claim a business deduction for expenses incurred as a result of lobbying activities, a taxpayer must be able to prove a "direct interest" in the legislation with which his activities are concerned. To prove a "direct interest" is generally very easy for businesses but very difficult for individuals.

In an attempt to make their voices heard in legislative matters, individuals frequently ban together to form a public interest group to lobby on their behalf. Such groups can generally gain recognition as tax-exempt organizations but are generally denied tax-exempt status which makes it possible for them to receive tax deductible contributions.

The benefits of receiving tax deductible contributions are available only to organizations that meet the requirement of section 501(c)(3) of the Internal Revenue Code. To gain and maintain section 501(c)(3) status, however, an organization must not: First, carry on a "substantial" amount of propaganda or otherwise attempt to influence legislation, or, second, intervene in any campaign on behalf of any candidate for public office. Again we see how the individual, even when he bans together with others of similar interest in order to lobby effectively, is at a disadvantage when compared to businesses.

Present tax law has the effect of making lobbying expenses of individuals much greater than lobbying expenses of business. For example, consider the fact that corporations may lobby with "before tax" dollars while individuals must lobby with "after tax" dollars. Thus, a corporation can buy a dollar's worth of lobbying activity with each dollar it earns. An individual, however, must pay taxes on each dollar he earns before he can spend it on lobbying. Therefore, an individual in the 30-percent tax bracket can buy only 70 cents worth of lobbying activity with each dollar of income. This example is not one of equity and my proposal would force businesses to lobby with "after tax" dollars in the same way individuals must.

Some have suggested that the dissatisfaction with present tax treatment of lobbying expenses might be reduced if it were made easier for individuals to deduct their lobbying expenses. If this were done we might also be able to reduce the lobbying restrictions which apply to tax-exempt organizations. It is true that this approach is a possible alternative to present law as well as to the proposal I am introducing today. However, the approach of liberalizing the tax treatment of lobbying expenses incurred by individuals would reduce revenues from the income tax system and further complicate the Internal Revenue Code.

I believe my proposal represents an appropriate way in which to correct the unfairness in present law. I propose that the Internal Revenue Code be amended to deny the deduction of expenses incurred for lobbying. After all, why should the individual taxpayers continue to subsidize the lobbying efforts of big business? Business should pay its own way by lobbying with "after tax" dollars.

I urge the Ways and Means Committee to give serious consideration to this proposal in its consideration of tax reform legislation.

INNOVATIVE SUGGESTIONS IN RE-ADJUSTING PRINCIPAL BALANCES ON MORTGAGE LOANS AND SAVINGS ACCOUNTS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, Mr. Arthur Courshon, chairman of the board, Washington Federal Savings and Loan Association of Miami Beach, Fla., former president of the National League of Insured Savings and several times representative of the United States in aiding the Latin American countries in setting up savings and loan associations, a man of wide experience in the savings and loan and bank industries, on September 25, 1975, testified before the Subcommittee on Housing and Urban Affairs of the Senate Committee on Banking, Housing and Urban Affairs. In his testimony Mr. Courshon developed some innovative suggestions in respect to adjusting principal balances on mortgage loans and savings accounts while maintaining a homeowner's ratio of income to his housing expense. Mr. Courshon's proposals in this respect were based upon a system inaugurated in Chile by him and which has been operating successfully in Chile now for two decades. Mr. Courshon believes that this kind of a program might have a very significant application to the mortgage and savings markets in the United States as a more equitable alternative to variable-rate mortgages. I believe the Members of the Congress who read this RECORD will profit by reading Mr. Courshon's testimony pertaining to a critical area of national need. I include, therefore, Mr. Speaker, Mr. Courshon's testimony to which I have referred to immediately following my remarks in the body of the RECORD:

STATEMENT OF ARTHUR H. COURSHON

HEARINGS ON HOUSING NEEDS AND GOALS

SEPTEMBER 25, 1975.

Mr. Chairman and members of the Committee, I am very pleased to have the opportunity to present testimony to you on a proposal which I believe can have far reaching and positive effects in helping our nation achieve an ample flow of mortgage credit during any kind of economic cycle.

The full Senate Banking Committee is about to begin mark up work on the very critical legislation for financial institution restructuring, and I would hope that my views at this time could be taken into consideration when the FIA is considered.

We are today witnessing the cyclical recurrence of a pattern that has plagued prospective homeowners as well as mortgage lenders ever since the rate of inflation in the United States began to take on runaway proportions: long term mortgage money is getting tight.

The Congress, the Administration, and the lending community all have come up with suggestions over the years to alleviate the crunch that invariably hits housing each time credit becomes tight.

The proposals for restructuring financial institutions, which today take on the form mainly of revamping the authorities of savings and loan associations in another effort to ease the burden on housing, is the latest such attempt.

In the Financial Institutions Act is a proposal to eliminate rate control authority in five and one half years. This would, in effect, allow the liability side of a lender's ledger to float freely.

Earlier this year the Congress took definitive action, however, to stop any attempt of the Federal Home Loan Bank Board to permit variable rate mortgages—or to allow some freedom to apply to the asset side of the ledger.

Now I do not advocate a variable rate mortgage program, but the VRM does have pertinence to my proposal—which goes further than the VRM on the one hand, or the elimination of rate controls on the other.

For Congress to suggest that the thrift industry can become viable through the relatively few consumer-bank type authorities contained in the FIA, while at the same time eliminating rate controls, is to ignore the problems of the home mortgage market.

The FIA still will require thrift institutions to maintain some 70 per cent of its assets in the mortgage field—and that means that while 100 per cent of its liabilities will be working in a free market because of the absence of rate controls, a minimum of 70 per cent of its assets will continue to be locked into long term fixed rate mortgage loans.

Clearly there are going to be major problems if this occurs.

Just as I believe the proponents of the VRM are short-sighted when they seek to de-control just one side of the balance sheet, the asset side, I believe you cannot de-control the liability side alone either.

If we are ready for free markets in housing, then there must be a totally free market.

What I would propose is some serious examination at the Federal level of a time-tested device that goes further than the variable rate mortgage; and goes much further than merely ending rate controls in five and one half years.

What is needed is a program that will accomplish true equity for all parties in savings and mortgage lending: the saver, the borrower and the lender.

What I think the United States housing agencies should develop, after serious study, is an adjustable mortgage, accompanied by an adjustable saving balance—all tied to the rate of inflation.

The suggestion here is, of course, related to the idea of indexing—and this I am aware is a term we don't like to consider in the U.S.

But the program that I have in mind has a track record of achievement that we can point to and, perhaps, emulate in developing a mortgage market that avoids the ups and downs helped along by the bandaid approach we have put up with in the past.

The point here is that if the Congress wants restructuring of financial institutions, it needs to avoid piecemeal approaches that may well do more harm than good.

In a recent edition of the newsletter of the Mortgage Guaranty Insurance Corporation, Professor Edward E. Edwards of Indiana University advocates some form of indexing for mortgage markets.

In rejecting variable rate mortgages, Professor Edwards says, and I quote, "Indexing is the fairest way of dealing with inflation in long term financial contracts. If indexing has been permitted, its use would at least be understood and perhaps be widespread. But the private market has not had freedom to develop new methods. A good case can be made that it is this lack of freedom, this excessive government regulation, that has brought home mortgage markets to their present state." End quote.

Unfortunately, Dr. Edwards in that same article dismisses the notion of indexing the mortgage market because he doesn't think it can be sold to the Federal Government.

Well, I disagree, and I believe the Congress, since it is serious about breathing life into the mortgage credit markets, must give this idea a chance to work in this country as it has worked in other countries.

We are all too eager to accept continued Government intervention in our marketplace in the forms of additional subsidies. Why not develop a device that is equitable to everyone . . . that gives the small saver his due . . . that gives the borrower and the lender the protections they need against Government policies that repeatedly fall short of the mark.

My own experience with a form of indexing is based on a program I helped develop as far back as 1958, in Chile.

I was sent to Chile by the State Department's Agency for International Development, expressly to develop a savings and loan system for that developing country.

The conditions for such a system when I arrived there were incredibly bad. Chile was in the grip of a runaway inflation where it required eleven hundred pesos to equal an American dollar. This was an increase of four hundred pesos in two years, and the rapid increase in the inflation rate destroyed any business incentive to make long term loans for housing or for any other purpose. It equally destroyed the incentive for anyone to save because of the diminishing purchasing power of their money.

The impact of this situation on the housing market was as one might expect—a disaster. Home construction was at a standstill, and no one was making a mortgage loan if he could help it, and no one was willing to accumulate savings.

We saw about the same thing in the United States last year.

With the assignment in Chile in 1958, what was recommended to the Government at the time was that the rate of inflation had to be a prime consideration before any savings and loan system could be feasible.

This was the element that had to be dealt with first.

What we recommended at that time was to set up a savings and loan system that adjusted savings and mortgages with the inflation, with both the mortgages and savings accounts guaranteed by the Government of Chile.

We were suggesting that in order to make a mortgage a sound business loan, the rate of inflation needed to be taken into consideration.

I submit we can say the same thing about mortgage loans in our own country.

But the Chilean system was more than a simple adjustable mortgage clause. If that were the only thing we went after, we'd have had a variable rate mortgage loan.

And it is here I think that the proposals for VRM loans fall down. They never consider the other side of the coin: to wit, equity and incentive to the saver.

Let me point up what was recommended —and which has worked—in Chile.

First, we felt that the solution to the problem required the re-establishment of confidence that monies saved or loaned would be repaid in Pesos with equal purchasing power.

This meant that the principal amounts deposited in savings accounts or loaned on a long term mortgage basis would be protected against inflation through readjustments of principal balances which reflect the inflation.

In this way a depositor in a savings account knows that whenever he withdraws his funds he is going to get money that had been adjusted on the basis of the current value of the money in purchasing power by an adjustment of the principal balance. He would also receive dividends on the funds deposited which would be paid on the basis of a readjusted principal balance each year.

Likewise on money loaned on a long term mortgage to finance housing, the principal balance of the loan would be readjusted each year to reflect changes in the same inflation index.

There would also be changes each year in the amount of the monthly payments to be made by the borrower which would increase in the same percentage as the increase in the inflation rate.

The lender would be assured that it is obtaining repayment of the loan in funds with equal purchasing power, together with the interest earned on the loan.

As in the case of savings, the interest earned on the loan would likewise be computed on the basis of the balances of principal outstanding from year to year as readjusted to reflect changes in the inflation index. By this device interest rates did not soar, as interest was not used to reflect the inflation.

The system adopted a procedure whereby if the inflation index has risen in several years, and then there is an annual period when the index falls, the readjustment is downward. However, in no case would the amount of the principal of a mortgage be reduced below the amount originally loaned, including credit for principal repayments.

Another feature of the program recommended in Chile, and which was adopted and continues to thrive is one where the borrower pays no more than a stated percentage of his income toward the mortgage. We settled on 25 per cent of monthly take-home pay as the recommended percentage of earnings.

What about the index used? That has been the big problem in the United States insofar as the variable rate mortgage is concerned, and it seems that no one is able to arrive at an index where everyone is satisfied.

In Chile we recommended the index be based on the average increase in earnings for the labor force.

We wanted to come up with something that would be equitable to the lender, so he could make a long term mortgage and not worry about the inflation rate. We also wanted to be equitable to the borrower, who would have to pay the mortgage.

We settle on an index reflecting the average increase in earnings because it bears a reasonable and steady relationship, over a period of time, to changes in the cost of living.

Changes in the average salaries and wages are subject to less variations and represent a steadier course of adjustments—and what's more the changes in the monthly payments in the mortgage would then be within the ability of the borrower to pay, since monthly payments in mortgages would be initially computed on the basis of a fixed percentage of earnings, which percentage of earnings then remains constant.

All readjustments were done on an annual basis.

I do not suggest a carbon copy of the Chilean system for the United States. We have 50 states, all with differing laws and customs related to real estate transactions.

But I am suggesting that the Chilean system, which preceded by several years and was the foundation for the highly touted Brazilian system of indexing, has a seventeen year track record of success.

It works.

And what's more it works even when inflation does go to 500 per cent a year, as it did while the Marxist regime of Salvatore Allende was in power in Chile. But even then the savings and loan system and housing not only survived, but grew tremendously.

I believe the problems of today's mortgage market are compounded by our extremely inastute manner of applying tourniquet after tourniquet to stop our bleeding.

My feeling, however, is that if we would ever stop and say, "enough," we might recognize that the free—and by that I mean truly free—market is really the only lasting salve for housing's wounds.

And if that means recognizing that inflation is here to stay for the foreseeable future, then we ought to deal with that problem squarely—not with more piecemeal approaches.

What I would propose to the Committee is an amendment to the Financial Institutions Act which would provide for an experimental program for adjustable mortgages and adjustable savings balances, tied to the rate of inflation in the United States.

We can shrink from the term "indexing" if we choose to do so, but if we are in fact in a period of sustained inflation—and certainly that would seem to be the case—then an adjustable mortgage/savings program deserves a chance.

An experimental program developed under the auspices of HUD, the Federal Home Loan Bank System and the Federal Reserve Board would provide the Congress with conclusive evidence as to whether such a program, which has been successful in Chile and Brazil, can work here.

I appreciate the opportunity to present my views on what I believe can become an important development in insuring the housing credit needs of Americans are met in the future.

Thank you very much.

FAIR PLAY WITH THE CONCORDE

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, the House will soon be called upon to consider various amendments which could prohibit the FAA from allowing the British-French supersonic aircraft from landing in the United States, even at Dulles or Kennedy.

Mr. Speaker, I feel strongly that such a legislative prohibition would be unwise and shortsighted. I have been in the Concorde, and I have watched it fly at very close quarters. I do not believe it is appreciably different, either in terms of noise or emissions, from many of our own subsonic jets. Moreover, it does provide a highly useful service in cutting present trans-Atlantic flying times in half. Maybe not everyone needs or wants such speed. But there might be times when all of us would enthusiastically welcome such speed—such as when a friend or relative might be ill somewhere abroad.

Finally, the Concorde is a joint commercial feature of two of our key European allies, the British and the French. I do not know whether the Concorde will prove to be economically viable or not. Probably not, but I think it would be a very serious mistake for us to take any action that could appear to be the direct cause of the Concorde not surviving financially. Already our own aircraft companies have taken away much of the business of British and French companies.

Since international aviation is obviously an enterprise involving mutual concessions, cooperation, and agreements among countries, we would not be well advised to appear to be pushing too vigorously for ourselves and blocking too stubbornly efforts on behalf of our friends and allies to utilize their aircraft.

In this connection, Mr. Speaker, I wish to bring to the attention of my colleagues two thoughtful editorials that deal directly with some of the questions raised about the Concorde. Under leave to extend my remarks I include an editorial from the Baltimore Sun of October 18, 1975, and another editorial from the Washington Star of October 16, 1975.

The editorials follow:

Giving Concorde a Fair Trial

The British-French Concorde supersonic transport will begin its first regular commercial service, between Paris and Rio de Janiero, on January 21, but the U.S. Department of Transportation has yet to clear the jetliner for flights between Europe and the United States. DOT approval of Transatlantic flights to Kennedy and Dulles airports has been held up by environmentalists, who undoubtedly will continue to oppose the supersonic aircraft in the courts after DOT and the Council for Environmental Quality give their expected approval. At best, the Concorde could be in Transatlantic service by April, but the delay likely will be much longer. Since the heavily-traveled North Atlantic routes offer the best potential for Concorde to come out in the black, the delays could be seriously damaging.

Indeed whether the touted "transportation revolution" the Concorde is supposed to bring will become reality depends, ultimately, on economic rather than environmental considerations. The British and French governments have sunk about $2.8 billion in Concorde, and each airplane costs about $70 million. As a result, fares will be some 20 per cent higher than subsonic first-class fares, which themselves are nearly twice as high as tourist fares. Whether the one great advantage of the Concorde, travel times cut in half, will compensate for the additional cost in the minds of enough potential passengers is a question yet to be answered. Concorde's supporters point to the rush to make the first Paris-Rio flights as evidence of passenger interest in the aircraft, but novelty may be its chief appeal.

Environmentalists object to the proposed six Concorde flights daily to the United States on what seem flimsy grounds. While the Concorde does not meet the newest federal noise standards, it is not appreciably noiser than many subsonic jets now flying, and application of the new standards to Concorde seems unfair in view of the fact the British and French governments could not have anticipated the new noise standards when they plowed billions of dollars into the aircraft. The noise problem seems one easily handled: should Concorde succeed economically, and appreciably more U.S. flights be proposed, the Federal Aviation Administration can then demand noise abatement for the future flights. Disturbances to the ozone layer are possible results of great fleets of SSTs, but six flights daily will have no measurable effect.

Another consideration is the need for the United States to avoid doing gratuitous economic harm to two major allies. Undoubtedly, a U.S. ban on the SST would prompt retaliation against Americans doing business in France and Britain. The Concorde may finally turn out to be an economic flop, but it ought to be allowed to show its competitive mettle without onerous restrictions due to essentially minor environmental objections. Transportation Secretary Coleman should delay no longer in clearing Concorde for the next step in the approval process.

The 120-Decibel Headache

If there were anything to the old wives' tale that anger at inanimate objects is a sign of madness, the fury stirred by the supersonic jets would fill a dozen Bedlams.

Now the leftover emotion from the great battle over the proposed American SST—and we still think it was a good decision to spare U.S. taxpayers that burden—spills over into the issue of American landing rights for the Anglo-French Concorde. The question has tied the Federal Aviation Agency in a knot and has reportedly set the State Department and the Environmental Protection Agency at odds. It has also given Transportation Secretary William Coleman a 120-decibel headache.

The issue of immediate Washington concern is whether the Concorde should be allowed to land twice a day at Dulles Airport. Whether it may also land more frequently at New York's Kennedy Airport is not altogether in federal hands. Even if Mr. Coleman and the FAA give the go-ahead in Washington, the New York Port Authority can veto landings in New York.

For both airports, the issue turns on noise and vibration levels, since the Concorde will have braked to subsonic speeds as it approaches them. It is generally agreed that peak noise levels from the Concorde are only marginally greater in decibels than those from comparable four-engine subsonic jets. But the low-frequency pitch of the Concorde engine noise does generate substantially more vibration, so that the plane's visits to Dulles would bring more teacup rattling and window shaking than before. The French-co-contractor, Aerospatiale, does claim that previous Concorde visits brought no written complaints.

If heavy schedules were proposed, the nuisance might be overwhelming. But two flights a day might be tolerable. It is like the taste of sweetness, of which a little more than a little is by much too much.

This is the delicate judgment now up to Mr. Coleman, and we don't envy him its making. It does seem to us that if we can do our friends the British and French a commercial favor without jeopardizing the teacups and windowpanes of the capital we ought to do it. Both governments have put a lot of money into the plane and probably deserve some reasonable return on their investment.

In any case, let us have a decision based on measurable nuisance factors and not, as some seem to be advocating, a principled decision to turn away the Concorde because it is supersonic and it is naughty to fly above the speed of sound.

"Our position," says the State Department, which is urging Mr. Coleman and the New York Port Authority to co-operate, "is that we don't think the plane should be subject to arbitrary measures that discriminate against the plane per se."

We'll buy that.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Corman, after 4:10 p.m. for the balance of today, on account of official business.

Mr. Eshleman (at the request of Mr. Michel), for today, on account of attending a funeral.

Mr. Flynt (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Helstoski (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Lloyd of California (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Robinson (at the request of Mr. Michel), for today, on account of official business.

Mr. Pritchard, for Monday, November 3, 1975, and Tuesday, November 4, 1975, on account of surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Holland) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Ms. Holtzman, for 15 minutes, today.

Mr. Howe, for 15 minutes, today.

Mr. Patman, for 20 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Nedzi, for 5 minutes, today.

Mr. Delaney, for 60 minutes, November 4, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. Pettis) and to include extraneous matter:)

Mr. Sarasin.
Mr. Fish.
Mr. Crane.
Mr. Gilman.
Mr. Archer.
Mr. Sebelius in two instances.
Mr. Shuster.
Mr. Hagedorn.
Mr. Wydler.
Mr. Hastings.
Mr. Heinz.
Mr. Pressler in two instances.
Mr. Ketchum.
Mr. Whalen.
Mr. Michel in two instances.

(The following Members (at the request of Mr. Holland) and to include extraneous material:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Mathis.
Mr. Staggers in three instances.
Mr. Murtha.
Mr. Mottl.
Mr. Edwards of California.
Mr. James V. Stanton in two instances.
Mr. Rosenthal in two instances.
Mr. Ford of Michigan.
Mr. Aspin in 10 instances.
Mr. Waxman in two instances.
Mr. Seiberling in 10 instances.
Mr. Hungate.
Mr. Hicks.
Mr. Dellums.
Mr. Simon.
Mr. Nolan.
Mr. Rangel.
Mr. Obey.
Mr. St Germain in 10 instances.
Mr. Jacobs.
Mr. Vanik.
Mr. McDonald of Georgia.
Mr. Howard.
Mr. Moffett.
Mr. Harrington in two instances.
Mr. Bingham.
Mr. Hightower.
Mr. Long of Maryland.
Mr. Roe.
Mr. Taylor of North Carolina.
Mr. Roberts.
Mrs. Boggs.
Mr. Bowen.
Mr. Stokes.

SENATE BILL REFERRED

A Bill of the Senate of the following titles was taken from the Speaker's table and, under the rule, referred as follows:

S. 327. An act to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes, to the committee on Interior and Insular Affairs.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a Joint Resolution of the Senate of the following titles.

S. 584. An act to amend ttile 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes;

S. 1542. An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes; and

S.J. Res. 134. A joint resolution to extend the authority for the direct purchase of U.S. obligations by Federal Reserve banks.

ADJOURNMENT

Mr. HOLLAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Monday, November 3, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1963. A letter from Deputy Secretary of Defense, transmitting the annual report of the Reserve Forces Policy Board for fiscal year 1975, pursuant to 10 U.S.C. 133(c)(3); to the Committee on Armed Services.

1964. A letter from the Secretary of Housing and Urban Development, transmitting the second report on implementation of the Emergency Homeowners' Relief Act of 1975, pursuant to section 111 of the act (Public Law 94–50); to the Committee on Banking, Currency and Housing.

1965. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of a proposed amendment to the regulations governing the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1966. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain military equipment and services, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1967. A letter from the Chairman, Board for International Broadcasting, transmitting its second annual report, together with its review and evaluation of Radio Free Europe and Radio Liberty, pursuant to section 4(a)(8) of Public Law 93–129; to the Committee on International Relations.

1968. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations of the Department of Commerce to be available until expended or for periods in excess of 1 year; to the Committee on Interstate and Foreign Commerce.

1969. A letter from the Chairman, Consumer Product Safety Commission, transmitting a copy of materials requested by the Office of Management and Budget, pursuant to section 27(k)(1) of Public Law 92–573; to the Committee on Interstate and Foreign Commerce.

1970. A letter from the Administrator, Federal Energy Administration, transmitting a report on the distribution of motor gasoline by domestic refiners and importers between January 1972, and December 1974, pursuant to section 4(a)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1971. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of June and July 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1972. A letter from the Assistant Attorney General, transmitting a section-by-section analysis of the administration's bankruptcy bill; to the Committee on the Judiciary.

1973. A letter from the Deputy Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

Received From the Comptroller General

1974. A letter from the Comptroller General of the United States, transmitting a report on the need for legislation to change Federal white-collar pay systems; jointly to the Committees on Government Operations, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee on Agriculture. H.R. 2343. A bill to designate the new Forest Service laboratory at Auburn, Ala., as the George W. Andrews Forestry Sciences Laboratory (Rept. No. 94–606). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 30. A bill to establish the Hells Canyon National Recreation Area in the States of Oregon, Idaho, and Washington, and for other purposes; with amendment (Rept. No. 94–607). Referred to the Committee of the Whole House on the state of the Union.

Mr. ADAMS: Committee on the Budget. House Concurrent Resolution 466. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action (Rept. No. 94–608). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG (for himself, Mr. D'Amours, Mr. Frey, Mr. Henderson, Mr. Howard, Mr. Kasten, Mr. Ketchum, Mr. Mann, Mr. Mosher, Mr. Schulze, Mr. Thone, Mr. Treen, and Mr. Winn):

H.R. 10479. A bill to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972; to the Committee on Agriculture.

By Mr. KRUEGER (for himself, Mr. Broyhill, Mr. Brown of California, Mr. Brown of Ohio, Mr. Coughlin, Mr. Derrick, Mr. Flowers, Mr. Horton, Mr. McCloskey, Mr. McKinney, Mr. Mosher, Mr. Preyer, Mr. Pritchard, Mr. Runnels, Mr. Satterfield, and Mr. Charles Wilson of Texas):

H.R. 10480. A bill to provide authority to institute emergency measures to minimize the adverse effects of natural gas shortages, to provide authority to allocate propane, to regulate commerce to assure increased supplies of natural gas at reasonable prices for consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHLEY (for himself, Mrs. Sullivan, Mr. Rees, Mr. Patterson of California, Mrs. Spellman, Mr. Tsongas, Mr. St Germain, and Mr. McKinney):

H.R. 10481. A bill to authorize emergency guarantees of obligations of States and political subdivisions thereof; to amend the Internal Revenue Code of 1954 to provide that income from certain obligations guaranteed by the United States shall be subject to taxation; to amend the Bankruptcy Act; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. CARR:

H.R. 10482. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for amounts paid or incurred for lobbying before Congress or other legislative bodies; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 10483. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. CONABLE:

H.R. 10484. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 10485. A bill to amend title 5, United States Code, to prohibit the maintenance of local offices by executive agencies, and for other purposes; to the Committee on Government Operations.

By Mr. DAVIS (for himself and Mr. Holland):

H.R. 10486. A bill to amend the Military Selective Service Act in order to reinstate for 10 years the induction authority under that act; to require 36 months of service in the Armed Forces of each person so inducted; and to make female persons liable for registration, induction, and service under such act; to the Committee on Armed Services.

By Mr. DRINAN (for himself, Mr. AuCoin, Mr. Carr, Mr. D'Amours, Mr. Gude, Mrs. Heckler of Massachusetts, Mr. Hughes, Mr. Mikva, Mr. Oberstar, Mr. Patterson of California, and Mr. St Germain):

H.R. 10487. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. DRINAN (for himself, Ms. Abzug, Mrs. Heckler of Massachusetts, Mrs. Spellman, Mr. Studds, Mr. Udall, and Mr. Wolff):

H.R. 10488. A bill to amend the Solid Waste Disposal Act to encourage research, development, and implementation of energy and resource recovery from solid waste, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. GILMAN:

H.R. 10489. A bill to amend titles IV and XIX of the Social Security Act to provide that the Federal payment to a State for any quarter on account of aid to families with dependent children or medical assistance shall be at least equal to 75 percent of the expenditures made by the State for such aid or assistance if unemployment in the State exceeds 7 percent, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HARRIS (for himself, Mr. Brodhead, Mr. Clay, Mr. Davis, Mr. Dellums, Mr. Dodd, Mr. du Pont, Mr. Fauntroy, Mr. Fisher, Mr. Ford of Michigan, Mr. Miller of California, Mr. Mineta, Mr. Nichols, Mr. Ottinger, and Mr. Riegle):

H.R. 10490. A bill to amend title 5, United States Code, to eliminate the President's authority to submit to the Congress alternative comparability pay plans for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARRIS (for himself, Mr. Collins of Texas, Mr. D'Amours, Mr. Davis, Mr. Dellums, Mr. Downey of New York, Mr. du Pont, Mr. Edgar, Mr. Evans of Indiana, Mr. Fisher, Mrs. Meyner, Mr. Nichols, and Mr. Symington):

H.R. 10491. A bill to provide that the rates of pay for Members of Congress shall be the rates in effect on September 30, 1975, until such time as they are fixed otherwise by law, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JONES of Oklahoma:

H.R. 10492. A bill to facilitate in a realistic manner the implementation by States of child day care services programs under title XX of the Social Security Act, and to encourage the employment of welfare recipients in the provision of child day care services under such programs; to the Committee on Ways and Means.

By Mr. LITTON:

H.R. 10493. A bill to provide Federal revenue assistance to local governments by extending Federal revenue sharing for local governmental units for 5¾ additional years; to the Committee on Government Operations.

By Mr. MADIGAN:

H.R. 10494. A bill to amend chapter 39 of title 38 of the United States Code in order to provide automotive adaptive equipment to certain veterans who do not presently qualify for benefits under such chapter; to the Committee on Veterans' Affairs.

By Mr. MELCHER:

H.R. 10495. A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes; to the Committee on Agriculture.

By Mr. MYERS of Pennsylvania:

H.R. 10496. A bill to amend title II of the Social Security Act to liberalize the earnings test, to provide that the remarriage of a beneficairy age 60 or over shall not terminate or reduce his or her benefit entitlement, to provide for the payment of a benefit to a qualified individual for the month of his or her death, and to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits; to the Committee on Ways and Means.

By Mr. NOLAN:

H.R. 10497. A bill to provide for hospitals to allow the biological father to attend the birth of his child if the woman consents; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. Preyer, Mr. Symington, Mr. Scheuer, Mr. Waxman, Mr. Florio, Mr. Carney, Mr. Maguire, Mr. Hastings, and Mr. Heinz):

H.R. 10498. A bill to amend the Clean Air Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SHIPLEY:

H.R. 10499. A bill to amend the Land and Water Conservation Fund Act of 1965 to establish a special annual entrance permit for handicapped persons; to the Committee on Interior and Insular Affairs.

By Mr. SULLIVAN (for herself, Mr. Ruppe, Mr. Lent, Mr. Rinaldo, Mr. Breaux, Mr. AuCoin, Mr. Eilberg, Mr. de la Garza, Mr. Bowen, and Mr. Bauman):

H.R. 10500. A bill to amend the Merchant Marine Act, 1936, and the Maritime Academy Act of 1958 to provide for an integrated system of education and training of officers for the U.S. Merchant Marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VIGORITO:

H.R. 10501. A bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible under the medicare program at its 1975 level; to the Committee on Ways and Means.

H.R. 10502. A bill to amend the Internal Revenue Code of 1954 to provide reasonable and necessary income tax incentives to encourage the utilization of recycled solid waste materials and to offset existing income tax advantages which promote depletion of virgin natural resources; to the Committee on Ways and Means.

By Mr. WHITE:

H.R. 10503. A bill to amend title 5, United States Code, to provide for the restoration of health benefits coverage in certain cases of restored survivor annuity; to the Committee on Post Office and Civil Service.

By Mr. BAUCUS:

H.R. 10504. A bill to amend the Congressional Budget Act of 1974 to require a budget surplus whenever the national unemployment rate drops below 4½ percent; to the Committee on Rules.

By Mr. EDGAR:

H.R. 10505. A bill to require that a national cemetery be established at Indiantown Gap, Pa.; to the Committee on Veterans' Affairs.

By Mr. FORD of Tennessee (for himself, Mr. Traxer, and Mr. Evans of Indiana):

H.R. 10506. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWE (for himself, Mr. Hechler of West Virginia, Mr. de Lugo, Mr. Devine, Mr. Whitehurst, Mr. Obey, Mr. Roe, Mr. Roush, Mr. Edgar, Mr. Mann, Mr. Harrington, and Mr. McCormack):

H.R. 10507. A bill to establish a Federal Regulatory Agency Review Commission; to the Committee on Interstate and Foreign Commerce.

By Mrs. SPELLMAN:

H.R. 10508. A bill to amend section 213 of the Housing and Community Development Act of 1974 to assist in implementing fair share housing allocations; to the Committee on Banking, Currency and Housing.

By Mr. HECHLER of West Virginia:

H.R. 10509. A bill to provide certain special rules with respect to the application of the Internal Revenue Code of 1954 to certain flood victims; to the Committee on Ways and Means.

By Mr. ADAMS:

H. Con. Res. 466. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1976, and directing certain reconciliation action.

By Mr. DRINAN:

H. Con. Res. 467. Concurrent resolution disapproving the proposed management of the construction of a Saudi Arabia National Guard Headquarters complex by the U.S. Army Corps of Engineers; to the Committee on International Relations.

By Mr. HASTINGS:

H. Res. 839. Resolution to disapprove of the Final System Plan prepared by the United States Railway Association and submitted to the House of Representatives on July 26, 1975; to the Committee on Interstate and Foreign Commerce.

By Mr. O'NEILL (for himself, Mr. Harsha, Mr. Patman, and Mr. Ketchum):

H. Res. 840. Resolution to condemn the United States Third Committee resolution equating Zionism with racism; to the Committee on International Relations.

By Mr. THONE (for himself and Mr. BOWEN):

H. Res. 841. Resolution to insure that the quality and quantity of free broadcasting service not be impaired; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT (for himself and Mr. KETCHUM):

H. Res. 842. Resolution commending Glenn Hampton, District Ranger, Valyermo Ranger District, Angeles National Forest, Calif., for his efforts in saving taxpayers funds; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

274. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to Lebanon; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN:

H.R. 10510. A bill for the relief of S. Sgt. David C. Bonner; to the Committee on Armed Services.

By Mr. FISHER:

H.R. 10511. A bill for the relief of Miss Lindaura DaSilva; to the Committee on the Judiciary.

By Mr. GINN:

H.R. 10512. A bill for the relief of Julious Killingsworth; to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of October 6, 1975, page 31888.

H.R. 9600. September 17, 1975. Appropriations. Rescinds budget authorizations, pursuant to the Impoundment Control Act of 1974, for certain community programs in the Department of Health, Education and Welfare, for forest development roads and trails under the Department of Agriculture, and for the helium fund under the Department of the Interior.

H.R. 9601. September 17, 1975. Armed Services. Makes service overseas during World War I performed by any female United States citizen who was a member of the telephone operating units, signal corps, creditable military service for all purposes except the right to promotion.

H.R. 9602. September 17, 1975. Government Operations. Directs the Comptroller General to conduct a study on the effect of reporting requirements of Federal regulatory programs on business establishments.

H.R. 9603. September 17, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every two years. Specifies the review method to be followed.

H.R. 9604. September 17, 1975. Judiciary. Establishes a Federal minimum death benefit to be paid to eligible survivors of Federal, State, or local law enforcement, corrections, and firefighting personnel.

Authorizes the Commissioner of Education to award a scholarship to any dependent of a public safety officer who was killed in the line of duty.

H.R. 9605. September 17, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by (1) revising the procedures and eligibility standards for receiving black lung disability benefits; (2) creating a Black Lung Disability Insurance Fund and requiring coal mine operators to pay premiums into such fund; (3) transfering certain functions under the Act from the Secretary of Health, Education, and Welfare to the Secretary of Labor; and (4) revising the name, membership, and responsibilities of the committee on coal mine health research.

H.R. 9606. October 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow a capital loss carryover to each of the 8 taxable years succeeding the loss year for a regulated investment company.

H.R. 9607. September 17, 1975. Ways and Means; Interstate and Foreign Commerce. Establishes a Long-Term Care Services program under the Medicare program of the Social Security Act to provide home health, homemakers, nutrition, long-term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long-term care centers under the direction and control of a State long-term care agency.

H.R. 9608. September 17, 1975. Interior and Insular Affairs. Authorizes the establishment of a constitution for the Virgin Islands.

H.R. 9609. September 17, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants and enter into contracts for projects to provide Huntington's disease screening, and research in the diagnosis, treatment, and prevention of Huntington's disease. Directs the Secretary to disseminate information on Huntington's disease and to provide voluntary screening, counseling, and treatment therefor within the Public Health Service.

H.R. 9610. September 17, 1975. Interstate and Foreign Commerce. Requires the Director of the National Institutes of Health to establish a National Commission on Arthritis and Related Musculoskeletal Diseases.

Establishes within the National Institute on Arthritis, Metabolism, and Digestive Diseases the position of Associate Director for Arthritis and Related Musculoskeletal Diseases.

Authorizes the Secretary of Health, Education, and Welfare to provide for the establishment and operation of centers for, and the funding of, research in screening and early detection, diagnosis, prevention, and treatment of arthritis and related musculoskeletal diseases.

H.R. 9611. September 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a limited credit against the income tax $10 for each ton of post-consumer waste paper processed in the United States by the taxpayer during the taxable year into commercially marketable pulp, paper, paperboard, or other similar products.

H.R. 9612. September 17, 1975. Ways and Means. Amends the Social Security Act by entitling an Old-Age, Survivors, and Disability Insurance claimant to a reconsideration of the initial decision concerning such claimant's eligibility for benefits. Allows such claimant to request a hearing on the reconsideration determination. Requires that such a hearing be presided over by an administrative law judge and conducted on the record.

H.R. 9613. September 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 9614. September 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow an individual a limited credit against the tax imposed for amounts paid by him during the taxable year as tuition fees, and expenses for the education in a private nonprofit elementary or secondary school of any dependent for whom he may claim a personal exemption.

H.R. 9615. September 17, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend various authorization provisions of such Act through fiscal year 1977.

Authorizes approval of waste treatment user charge systems based upon ad valorem taxation by the Administrator of the Environmental Protection Agency. Extends Federal reimbursement for advanced construction to publicly owned treatment works on which construction began between July 1, 1972, and June 30, 1973, inclusive.

Allows the Administrator to accept state certification as discharging his responsibilities under certain provisions of the Act. Authorizes extensions for certain compliance deadlines contained in the Act by the Administrator within prescribed limits.

H.R. 9616. September 17, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a clothing allowance of $150 per year to each veteran who because of a disability compensable by the Veterans' Administration is blind in both eyes.

H.R. 9617. September 17, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to release certain restrictions on the use of property conveyed to the city of Alva, Oklahoma, for airport purposes.

H.R. 9618. September 17, 1975. House Administration. Prohibits all persons, other than individuals or certain political party organizations, from making contributions to a candidate for Federal office.

Restricts the amount which an individual may contribute to any candidate to $1,000, and the amount which a committee of a political party may contribute to $5,000.

H.R. 9619. September 17, 1975. Judiciary. Establishes a Federal minimum death benefit to be paid to eligible survivors of Federal, State, or local law enforcement, corrections, and firefighting personnel.

H.R. 9620. September 17, 1975. Banking, Currency and Housing. Amends the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes.

H.R. 9621. September 17, 1975. Small Business; Banking, Currency and Housing. Amends the Small Business Act by authorizing the Small Business Administration to make loans to individuals and home-builders for the purchase and installation of qualified solar heating and cooling equipment procured from small business concerns.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment; (2) review new equipment as developed; (3) periodically review certifications of such equipment for validity; and (4) transmit pertinent data to the Small Business Administration for its use in certifying equipment for purposes of the loan program created by this Act.

H.R. 9622. September 17, 1975. Ways and Means. Amends the Internal Revenue Code to increase the retirement income credit.

H.R. 9623. September 17, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare, to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 9624. September 17, 1975. Banking, Currency and Housing. Directs the Secretary of the Treasury to strike and furnish to the

American Revolution Bicentennial Administration certain commemorative medals.

H.R. 9625. September 17, 1975. Armed Services. Authorizes the Secretary of the Navy to convey certain lands at a naval air station in New Jersey to a nonprofit organization for use as an airship museum.

H.R. 9626. September 17, 1975. Armed Services. Authorizes the Secretary of the Navy to convey certain lands at a naval air station in New Jersey to a nonprofit organization for use as an airship museum.

H.R. 9627. September 17, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 9628. September 17, 1975. Ways and Means. Amends the Social Security Act to postpone the application of certain Federal standards governing the provision of child day care services.

H.R. 9629. September 17, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to extend Federal revenue sharing for local governmental units until September 30, 1982. Stipulates that amounts equal to each State's share of revenue-sharing funds be allocated among cities with a population of 500,000 or more, commencing with the entitlement period beginning July 1, 1976.

H.R. 9630. September 17, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize appropriations for grants for construction of noncommercial educational broadcasting facilities, for telecommunication demonstrations, and for the Corporation for Public Broadcasting.

Revises the criteria for approval of grants by the Secretary of Health, Education, and Welfare for educational broadcast facilities construction. Authorizes the Secretary to make grants for nonbroadcast telecommunications facilities demonstrations for the transmission, distribution, and delivery of health, education, and social service information.

H.R. 9631. September 17, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies, including the eligibility certification procedure and duties imposed on issuing agents; and (4) the method of computing the Federal share of program costs and of making payments to the States. Transfers the functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 9632. September 17, 1975. Ways and Means. Amends the Social Security Act to increase the amount of outside earnings permitted each year without reduction in Old-Age, Survivors and Disability Insurance benefits.

H.R. 9633. September 17, 1975. Armed Services. Authorizes eligible persons to receive health benefits under contracts entered into by the Secretary of Defense without regard to such persons' eligibility for compensation for service-connected disabilities or death from the Veterans' Administration.

H.R. 9634. September 17, 1975. Interstate and Foreign Commerce. Extends appropriations for emergency medical services systems, under the Public Health Service Act.

Authorizes the Secretary of Health, Education, and Welfare to make certain additional grants for emergency medical services projects and to make grants and enter into contracts with eligible schools and training programs in the techniques and methods of providing emergency medical services.

H.R. 9635. September 17, 1975. Judiciary. Establishes specific penalties for anyone who robs any pharmacy of any controlled substance and for any assault or kiling which occurs during such robberies.

H.R. 9636. September 17, 1975. Public Works and Transportation. Revises the special economic development and adjustment assistance program under the Public Works and Economic Development Act of 1965 to establish priority for areas suffering from long-term economic dislocation. Establishes criteria for determination of such priority regions by the Secretary of Commerce. Increases the appropriation authorization for the special economic development and adjustment assistance program for fiscal year 1976.

H.R. 9637. September 17, 1975. Judiciary. Requires that the period in which the broadcasting of professional football games not conflict with interscholastic and intercollegiate football games commence on the last Friday in August rather than on the second Friday in September.

H.R. 9638. September 17, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 9639. September 17, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 9640. September 17, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by allowing the Secretary of Health, Education, and Welfare to establish a State as one area for which a Professional Standards Review Organization may be designated, under certain circumstances.

H.R. 9641. September 17, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation, with approval of the Secretary of the Treasury, to guarantee obligations issued to enable common carriers to refinance existing obligations. Requires the Secretary to prescribe and collect an annual guarantee fee from common carriers sufficient to cover the administrative expenses of such program.

H.R. 9642. September 17, 1975. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 by lowering the age at which certain railroad employees, their spouses and survivors become entitled to annuities.

H.R. 9643. September 17, 1975. Ways and Means. Amends the Social Security Act to revise the procedure for Federal payment and adjudication of claims submitted by the States under the programs of Old-Age Assistance, Aid to Families with Dependent Children, Services to the Aged, Blind, or Disabled, Aid to the Blind, Aid to the Permanently and Totally Disabled, Supplemental Security Income, Medicaid, and Social Services.

H.R. 9644. September 17, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers:

H.R. 9645. September 17, 1975. Ways and Means. Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 9646. September 17, 1975. Banking, Currency and Housing. Amends the Defense Production Act of 1950 to authorize the President to make commitments to purchase products produced from coal gasification and liquefaction for Government use or resale in order to encourage the development of such fuels.

H.R. 9647. September 17, 1975. International Relations. Allows the President under the War Powers Resolution, to introduce United States Armed Forces into hostilities in order to rescue United States citizens in foreign countries.

Defines "member of the Armed Forces of the United States" for purposes of this Act.

Amends the War Powers Resolution to require that in every possible instance the President shall seek the advice and counsel of the Congress prior to making a final decision to introduce United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

H.R. 9648. September 17, 1975. Ways and Means. Amends the Social Security Act to postpone the application of certain Federal standards governing the provision of child day care services.

H.R. 9649. September 17, 1975. Interior and Insular Affairs. Reauthorizes the McKay Dam and Reservoir project in Oregon for irrigation, flood control, and recreational purposes. Authorizes the Secretary of the Interior to make certain modifications in the project and reallocate project costs.

H.R. 9650. September 17, 1975. Interstate and Foreign Commerce. Establishes national standards for State no-fault benefit plans for motor vehicle accident victims. Sets forth an alternative Federal no-fault benefit plan which shall be applicable when a State does not have an approved State plan. Creates a No-Fault Insurance Plan Review Board, in the Department of Transportation, to establish guidelines for and review State plans under this Act.

H.R. 9651. September 17, 1975. Ways and Means. Amends the Social Security Act by (1) removing the limitation on the amount of outside income which an individual may earn while receiving Old-Age, Survivors and Disability Insurance Benefits; (2) revising certain eligibility requirements for Old-Age, Survivors and Disability Insurance benefits; and (3) authorizing direct payment to the provider of services to Medicare supplementary medical insurance beneficiaries under certain circumstances.

Amends the Social Security Act and the Internal Revenue Code to allow individuals 65 years of age or older to elect to exempt wages and self-employment income from social security taxation.

H.R. 9652. September 17, 1975. Ways and Means. Amends the Social Security Act to revise the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance.

H.R. 9653. September 17, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to revise the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance.

H.R. 9654. September 17, 1975. Interstate and Foreign Commerce. Limits the authority of the Secretary of Health, Education, and Welfare, under the Federal Food, Drug, and Cosmetic Act, to regulate vitamins and minerals.

H.R. 9655. September 17, 1975. Judiciary. Amends the Gun Control Act of 1968 to make the unlawful possession or use of a firearm in connection with a felony a separate offense from the felony charged. Provides that imposition of prison terms for such offense shall not run concurrently with prison terms imposed for the felony conviction.

H.R. 9656. September 17, 1975. Banking, Currency and Housing: Armed Services; Education and Labor; Government Operations; Ways and Means. Establishes in the Executive Office of the President an office of Economic Adjustment and the Defense Economic Adjustment Council to facilitate the economic adjustment of communities, industries, and workers who may be substantially affected by reductions in defense contracts and facilities.

Requires defense contractors to make plans for the continued employment of workers and utilization of facilities once such defense contract is completed, curtailed, or cancelled.

Authorizes financial assistance to the unemployed or under employed employees of defense contractors.

H.R. 9657. September 17, 1975. Education and Labor. Establishes an Institute for the Improvement of Museum Services within the Department of Health, Education, and Welfare which is authorized to make grants to museums to improve and increase museum services.

Amends the National Foundation on the Arts and the Humanities Act of 1965 to authorize the Chairman of the National Endowment for the Humanities to establish and carry out a program of grants-in-aid to assist the States in meeting the costs of certain programs with the purpose of developing and supporting the humanities.

Authorizes the Chairman for the National Endowment for the Arts to make grants to the American Film Institute.

H.R. 9658. September 17, 1975. Agriculture. Amends the Federal Meat Inspection Act to direct the Secretary of Agriculture to appoint inspectors to examine and inspect the method by which cattle, sheep, swine, goats, horses, mules, and other equines are slaughtered and handled in slaughtering establishments inspected the Act.

Directs the condemnation and destruction for food purposes of all carcasses and parts thereof which are not slaughtered in accordance with the prescribed methods of humane slaughter.

Prohibits the importation of any carcasses and parts thereof not slaughtered in accordance with such humane methods.

H.R. 9659. September 17, 1975. Post Office and Civil Service. States that it is the policy of Congress that Federal employees be encouraged to voluntarily participate in the political process. Sets forth guidelines for such participation. Establishes a Board on Political Activities of Federal Employees to hear and decide alleged violations of the guidelines set forth in this Act.

H.R. 9660. September 17, 1975. Interior and Insular Affairs. Authorizes the establishment of a constitution for the Virgin Islands.

H.R. 9661. September 17, 1975. Interstate and Foreign Commerce. Stipulates that the Interstate Commerce Commission, under the Federal Hazardous Substances Act, shall by regulation define the terms "extremely flammable", "flammable", and "combustible" as applied to any substance, liquid, solid, or the content of a self-pressurized container. Directs such regulations to specify the test methods generally applicable for defining such terms.

H.R. 9662. September 17, 1975. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 to authorize financial assistance to States and local educational agencies for alternative education programs and projects designed to reduce delinquency and crime and increase the safety and security of the students, employees, and facilities of elementary and secondary schools.

H.R. 9663. September 17, 1975. Judiciary; Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 9664. September 17, 1975. Government Operations. Requires that all forms in use by executive agencies be discontinued or revised every 5 years. Requires all new and revised forms to be approved by the Comptroller General prior to use.

H.R. 9665. September 17, 1975. Government Operations. Requires that all forms in use by executive agencies be discontinued or revised every 5 years. Requires all new and revised forms to be approved by the Comptroller General prior to use.

H.R. 9666. September 17, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to prescribe the procedures for and the circumstances under which private communications can be disclosed in response to a subpena. Eliminates the provision of the Act allowing such disclosure on demand of other lawful authority.

H.R. 9667. September 17, 1975. International Relations. Creates a Japan-United States Friendship Trust Fund and a Japan-United States Friendship Commission to promote scholarly, cultural, and artistic activities between the United States and Japan.

H.R. 9668. September 17, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 9669. September 17, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to exempt certain sales of natural gas from regulation.

H.R. 9670. September 17, 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to shorten the period of daylight savings time.

H.R. 9671. September 17, 1975. Public Works and Transportation. Directs the Administrator of General Services and the Secretary of Defense to establish guidelines for the conservation of energy and the efficient use of solar energy systems in buildings financed with Federal funds. Requires submission of an energy use analysis to the Congress with specific energy requirements for such buildings.

Authorizes increases in cost limitations for Federal and Federally assisted buildings to include increased costs due to energy conservation regulations.

H.R. 9672. September 17, 1975. Judiciary; Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 9673. September 17, 1975. Agriculture. Stipulates that the Commodity Credit Corporation, under the Commodity Credit Corporation Charter Act, shall be the seller or marketing agent for all export sales of certain agricultural commodities.

Authorizes the Corporation (1) to negotiate sales for export of such commodities; (2) to accept purchase bids from foreign purchases; (3) to offer selling bids in the world market; (4) to acquire commodities on the domestic market; and (5) to establish reserves to meet future export sales and provide for the security of domestic supply.

H.R. 9674. September 17, 1975. Interstate and Foreign Commerce. Requires that the labels of any aerosol consumer commodity, under the Fair Packaging and Labeling Act, shall bear statements concerning the category of ingredients which are propellants and the category of ingredients which are not propellants, including the generic name and popular name of each propellant and the percentage of the net quantity of contents of the commodity which are propellants.

H.R. 9675. September 17, 1975. Interstate and Foreign Commerce. Requires that the labels of any aerosol consumer commodity, under the Fair Packaging and Labeling Act, shall bear statements concerning the category of ingredients which are propellants and the category of ingredients which are not propellants, including the generic name and popular name of each propellant and the percentage of the net quantity of contents of the commodity which are propellants.

H.R. 9676. September 17, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 9677. September 17, 1975. Post Office and Civil Service. Repeals the Executive Salary Cost-of-Living Adjustment Act.

H.R. 9678. September 17, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9679. September 17, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9680. September 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow energy public utilities to exclude from gross income up to 10 percent of its gross receipts by utilizing such receipts solely for a qualified capital expenditure within one year from the time they are received.

H.R. 9681. September 18, 1975. Ways and Means. Amends the Internal Revenue Code to permit as a limited deduction payments by an individual for his benefit to an individual retirement account, an individual retirement annuity, a retirement bond, an employee's trust, or an annuity contract.

H.R. 9682. September 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 9683. September 18, 1975. Post Office and Civil Service. Prohibits Members of Congress from using the franking privilege for mass mailings within 90 days prior to an election.

H.R. 9684. September 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 9685. September 18, 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 9686. September 18, 1975. Education and Labor. Amends the Emergency School Aid Act to stipulate that educational agencies shall be ineligible for assistance based on disproportionate assignment of minority full-time faculty only in those cases where it is determined that such disproportionate assignment cannot reasonably be the result of any lawful factor other than racial or ethnic discrimination.

Authorizes the Secretary of Health, Education, and Welfare to grant applications for waivers of up to two years in order to allow applicants to develop plans for teacher reassignment in order to meet criteria with respect to proportionate assignment of minority faculty.

H.R. 9687. September 18, 1975. Government Operations. Authorizes appropriations to the State and Local Government Fiscal Assistance Trust Fund for revenue sharing purposes through fiscal year 1981.

Stipulates that payments under the State and Local Government Fiscal Assistance Act which are waived by the Indian Tribe or Alaskan Native Village entitled to receive them shall become part of the entitlement of the county government in which such Tribe or Village is located.

H.R. 9688. September 18, 1975. Interstate and Foreign Commerce. Prohibits the use of vehicles powered by gasoline or diesel fuel for the transportation of public school students to any public school other than the closest public school within the pupil's school district.

H.R. 9689. September 18, 1975. Interstate and Foreign Commerce. Enables the Federal Communications Commission, under the Communications Act of 1934, (1) to authorize translator broadcast stations to originate limited amounts of local programming, and (2) to authorize radio translator stations to operate unattended in the same manner as television broadcast translator stations are now permitted.

H.R. 9690. September 18, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to impose certain limitations on the business interests of commissioners and employees of the Federal Communications Commission.

H.R. 9691. September 18, 1975. Armed Services. Prohibits the Secretaries of the military departments from making certain disability retirement determinations without prior approval of the Secretary of Defense on the recommendation of the Assistant Secretary of Defense for Health and Environment.

H.R. 9692. September 18, 1975. Education and Labor. Directs the Commissioner of Education, to increase the local contribution rate for a local educational agency having property of insufficient assessed valuation to generate revenue from a reasonable tax levy necessary to provide a level of education for all children of such agency equivalent to that maintained in the school districts of the State which are generally comparable to the school district of such agency in order to provide a comparable level of education for such local educational agency.

H.R. 9693. September 18, 1975. Ways and Means. Amends the Internal Revenue Code to permit taxpayers to deduct all medical and dental expenses not compensated by insurance or otherwise.

H.R. 9694. September 18, 1975. Government Operations. Requires that all forms in use by executive agencies be discontinued or revised every 5 years. Requires all new and revised forms to be approved by the Comptroller General prior to use.

H.R. 9695. September 18, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to remove Federal controls on certain sales of natural gas produced by independent producers on non-Federal lands. Authorizes the Federal Power Commission to issue certificates of public convenience and necessity for the transportation of such national gas to certain high-priority areas of consumption where a shortage of natural gas exists.

H.R. 9696. September 18, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to extend Federal revenue-sharing for local governmental units until September 30, 1982. Stipulates that amounts equal to each State's share of revenue-sharing funds be allocated among cities with a population of 500,000 or more, commencing with the entitlement period beginning July 1, 1976.

H.R. 9697. September 18, 1975. Agriculture. Establishes, within the Department of Agriculture, the Federal Grain Inspection Agency, under the United States Grain Standards Act, and directs all required inspections of export grain to be performed by employees of such Agency.

Requires the Director of such Agency to license any individual employed by the Agency.

Prohibits certain conflicts of interest of official inspection personnel.

Requires the Director of such agency to provide for the registration of all persons engaged in the buying, handling, weighing, or transporting of grain for sale in interstate or foreign commerce.

H.R. 9698. September 18, 1975. Interstate and Foreign Commerce. Prohibits the United States Railway Association, under the Regional Rail Reorganization Act of 1973, from authorizing the abandonment of any railroad line prior to December 31, 1976.

H.R. 9699. September 18, 1975. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to increase the amount of the Federal grant which may be made for long range and emergency mass transportation projects from 80 to 90 percent of the project costs.

H.J. Res. 644. Sept. 9, 1975. Post Office and Civil Service. Authorizes the President to designate January 4, 1976, as "Haym Salomon Day".

H.J. Res. 645. September 9, 1975. Post Office and Civil Service. Designates the week beginning on the third Sunday in January of each year as "National Respect for Human Life Week".

H.J. Res. 646. September 9, 1975. Judiciary. Proposes an amendment to the Constitution limiting appropriations to the amount of revenues, except during a national emergency.

H.J. Res. 647. September 9, 1975. Post Office and Civil Service. Requests the President to declare the week which includes Thanksgiving Day as "National Family Week".

H.J. Res. 648. September 9, 1975. Judiciary. Proposes an amendment to the Constitution giving students the right to attend the public school nearest their residence.

H.J. Res. 649. Sepember 9, 1975. Post Office and Civil Service. Authorizes the President to designate the third Sunday in October of each year as "National Shut-In Day".

H.J. Res. 650. September 10, 1975. Agriculture. Amends the Agricultural Act of 1949 to require quarterly adjustments in the support price for milk.

H.J. Res. 651. September 10, 1975. Agriculture. Amends the Agricultural Act of 1949 to require quarterly adjustments in the support price for milk.

H.J. Res. 652. September 10, 1975. Post Office and Civil Service. Authorizes the President to designate September 8 of each year as "National Cancer Day".

H.J. Res. 653. September 10, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning on the second Monday in November as "Youth Appreciation Week".

H.J. Res. 654. September 10, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit the interpretation of the Constitution to empower any official or court of the United States to order that funds be used or withheld to promote involuntary busing of students.

H.J. Res. 655. September 11, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 656. September 11, 1975. Creates a Joint Committee on Intelligence Operations to study and exercise oversight of all intelligence gathering operations and activities of the U.S. Government.

H. Res. 700. September 8, 1975. Rules. Establishes a Senate Select Committee on Missing in Action to study all matters relating to U.S. servicemen missing as a result of military operations in Southeast Asia.

H. Res. 701. September 8, 1975. Rules. Sets forth procedures for the commemoration of Citizenship Day and Constitution Week by the House of Representatives on September 17, 1975.

H. Res. 702. September 9, 1975. Elects John G. Fary to the Committee on Public Works and Transportation of the House of Representatives.

H. Res. 703. September 9, 1975. House Administration. Requires that the House Employees Position Classification Act apply to all positions of the House Press Gallery, the Official Reporters of Debates, and the Official Reports to Committees.

H. Res. 704. September 9, 1975. Judiciary. Refers H.R. 9548 to the Chief Commissioner of the Court of Claims.

H. Res. 705. September 9, 1975. Sets forth the rule for the consideration of H. Res. 335.

H. Res. 706. September 9, 1975. Sets forth the rule for the consideration of H.R. 8150.

H. Res. 707. September 9, 1975. Sets forth the rule for the consideration of H.R. 9005.

H. Res. 708. September 10, 1975. House Administration. Disapproves the proposed regulation of the Federal Election Commission which pertains to the filing of required statements and reports by a candidate for the office of Representative, Delegate, or Resident Commissioner, and by political committees supporting such candidate.

H. Res. 709. September 10, 1975. Sets forth the procedure for handling a subpoena duces tecum addressed to the Clerk of the House of Representatives.

H. Res. 710. September 10, 1975. House Administration. Disapproves certain provisions of the regulations proposed by the Administrator of General Services on January 13, 1975, and March 19, 1975.

H. Res. 711. September 10, 1975. International Relations. Expresses the disapproval of the United States of the attempts to expel Israel from the United Nations. Declares that in the event that Israel is expelled the Senate will consider implications of continuing United States membership in the United Nations.

H. Res. 712. September 10, 1975. Judiciary. Refers H.R. 9495 to the Chief Commissioner of the United States Court of Claims.

H. Res. 713. September 10, 1975. Sets forth the rule for the consideration of H.R. 5620.

H. Res. 714. September 10, 1975. Sets forth the rule for the consideration of H.R. 7656.

H. Res. 715. September 10, 1975. Sets forth the rule for the consideration of H.R. 8757.

H. Res. 716. September 11, 1975. Rules. Establishes a House of Representatives Select Committee on Missing in Action to study all matters relating to United States servicemen missing as a result of military operations in Southeast Asia.

EXTENSIONS OF REMARKS

WILLIAM HENRY HARRIS, EDITOR, BUSINESSMAN, AND CIVIC LEADER

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. BOWEN. Mr. Speaker, Mississippi and the Nation lost one of our great editorial voices this past week when untimely death stilled the pen of William Henry Harris, editor and publisher of the West Point Daily Times Leader and publisher of the Starkville Daily News.

Henry Harris wrote clearly and concisely, from his heart, and throughout our State his editorials and personal column were widely read and respected. Henry Harris prided himself in being an old-fashioned editor, and he was an expert in every facet of the business of publishing a daily newspaper, from the pressroom to the publisher's offices. He had an extremely keen perception of the public interest and his grassroots commentaries were straight to the point.

I know, because Henry Harris was a personal friend and supporter of mine, but he never hesitated to let me know publicly when he disagreed with a position of mine or a vote here in the Congress. But those of us in public office need great editors such as Henry Harris to keep us alert and to remind us to consider all aspects of an issue in making our decisions. The Mississippi University for Women school of journalism in 1968 named him the State's outstanding journalist.

Not only was Henry Harris a newspaperman's editor, he was also an outstanding business and civil leader. His career stands as a monument to the American free enterprise system and the opportunity for personal achievement and success. Henry Harris was a success because he worked hard and inspired those around him to work hard, also.

Henry Harris was a great leader in our State, one of those men who had the vision and foresight to work tirelessly for the progress and advancement of all Mississippians. He served as president of the Mississippi Press Association and as president of the Mississippi Economic Council, which is the State Chamber of Commerce. It was Henry Harris who conceived the "Colonel MIM" program, or the "Money in Mississippi" idea to stimulate Mississippians to invest in their own future and prosperity.

Another monument to Henry Harris' vision and foresight is the Golden Triangle Regional Airport, which provides modern aviation service to Lowndes, Clay and Oktibbeha counties and the cities of West Point, Columbus, and Starkville. Henry Harris correctly foresaw that the regional concept would be the economic salvation for many of our communities, which are struggling to provide the facilities and services necessary to survive and prosper economically in today's society.

Henry Harris loved his country and believed in its rich traditions and heritage as well as in its future. He served his country during World War II as a bomber-navigator. Henry Harris was a graduate of Mississippi State University, and as a distinguished alumnus of that great institution continued to support its programs enthusiastically.

He served in many leadership capacities in his home community of West Point and Clay County. In addition to providing the citizens a good, informative newspaper and a voice of editorial integrity, he was active in many civic and religious affairs. Henry Harris was a deacon in the First Baptist Church of West Point, where he taught adult and young men's Sunday School classes. He was a past president of the Clay County Chamber of Commerce and served on the board of trustees of Mississippi Baptist Hospital, a fine medical institution serving the entire State.

This great Christian gentleman died an untimely death, at the age of 50 while still in the prime of life. His passing is a shock and a personal loss to all of us who knew him. West Point and the Golden Triangle area will miss him. Mississippi will miss him. The Nation will miss him. In our sadness at his passing, we can only assume that God had a higher calling for Henry Harris than our need for his leadership and wisdom here on this Earth.

WATER WONDERLAND

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. FORD of Michigan. Mr. Speaker, one of my constituents is the coauthor, with two colleagues, of a song, entitled "Water Wonderland," which has been proposed as the official State song of Michigan.

Gerald Harris, of Westland, in my congressional district, wrote the song in 1953 in collaboration with Donald Large and Harlan Moore. It was copyrighted at that time, and again this year.

A resolution designating "Water Wonderland" as the official State song has been introduced in the Michigan Legislature, and is now under consideration.

Originally written during Michigan Week in 1953, and first played publicly on the "Make Way for Youth" radio program over station WJR, the song gives musical tribute to Michigan as a vacation paradise, offering lakes, woodlands, wildlife, historic locations, and natural beauty.

Although Michigan already has officially designated a State flower, fish, gem, stone, bird, nickname, and flag, we do not yet have a State song, and "Water Wonderland" would appear to fill this need.

In a time when inflation, unemployment, and other problems hang heavily over all Americans, it is refreshing to ponder instead the cheerful words of a musical tribute.

Mr. Speaker, I would like to publicly commend Jerry Harris and his two colleagues for their efforts, and at this point insert "Water Wonderland" in the RECORD:

WATER WONDERLAND

When I hear the song of Hiawatha,
Then I dream about an island grand,
I see those woodland trails I used to wander,
In Michigan, that Water Wonderland.

Every wave that breaks at Gitchegumi,
Seems to say "Won't you come back again?"
There is always something new,
From Muskegon to the Soo,
In Michigan, that Water Wonderland.

You can boast of sunny California,
You can play on old Miami's sand,
But when it comes to taking my vacation,
It's Michigan, that Water Wonderland.

There's a Tulip Festival in Holland,
That I wouldn't miss for all the world,
And to ski and snowmobile, here the weather is ideal,
In Michigan, that Water Wonderland.

Robins sing beneath the apple blossoms,
Trout are leaping in a placid stream,
Our cereals and furniture are famous,
Our Coho and our deer a sportsman's dream.

Don't forget about the Motor City,
The town that really put the world on wheels,
Two peninsulas are joined by Big Mac,
And hand in hand together form that Water Wonderland.

A LITERARY LOSS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. SARASIN. Mr. Speaker, the literary world and society in general suffered a major loss this week with the death in Danbury, Conn., of noted author Rex Stout. Millions of Americans over the years have been entertained by Mr. Stout's writings, and his principal character, Nero Wolfe, has attained the stature of a kind of folk hero.

But Mr. Stout was more than simply a writer. Over the 88 years of his life he engaged in an incredible range of activities and pursuits. He was a unique individual who contributed much to society and he shall be missed. This was summed up very well by a recent editorial in the Washington Post, which I would like to enter in the RECORD for those who may have missed it.

REX STOUT

The dean of America's mystery writers, Rex Stout, died at his home in Danbury, Connecticut, the other day at the age of eighty-eight. It had been some eighty-eight years—for Mr. Stout, for the 45 million people who purchased copies of his Nero Wolfe books and for uncountable others who came across Mr. Stout in his myriad capacities over the years. We quote from a 1949 New Yorker profile to give you some idea of what those capacities were: ". . . banker . . . bookkeeper, yeoman on the Presidential yacht Mayflower, boss of 3,000 writers of propaganda in World War II, gentleman farmer and dirt farmer, big businessman, cigar salesman, pueblo guide, hotel manager, architect, cabinet maker, pulp and slick magazine writer, propagandist for world government, crow trainer, jumping-pig trainer . . . president of the Author's Guild, usher, ostler and pamphleteer." That, you understand, was simply what he had done up until a quarter of a century ago.

What most people will remember Mr. Stout for, of course, is the immensely popular series of forty-six Nero Wolfe mysteries and—specifically—the imaginative tour de force that created its hero: the sedentary, seventh-of-a-ton sophisticate of West 35th Street in New York, a cranky gourmet and grower of orchids, who used words like "Pfui!" and "Bah!", who believed that all motorized vehicles were in imminent peril of blowing up and who managed by sheer brainpower and observation to outsmart everybody else. The Wolfe books are immensely entertaining; they are funny; they engross. And Nero Wolfe has long since enjoyed a place beside Poirot and Holmes and the other great figures of detective fiction.

But lovers of Nero Wolfe mysteries would argue that there was a special dimension to these books, a quality that transcended simple detective fiction. To say as much is neither to put down the competition (which has its equally devoted following) or to freight these books with some presumed heavy message. Rather it is simply to acknowledge that Mr. Stout managed to create more than curiosity, suspense and mental challenge via his improbable hero. He also created, through Wolfe, a world of particular values that was as much of an attraction to his readers as the labyrinthine criminal schemes they were invited to figure out. Those values embodied and animated in the portly hulk of Wolfe were independence, irreverence, an unashamed commitment to the pleasures of the senses, an unsentimental ability to choose between greater and lesser virtues and a boundless (if chairbound) curiosity about the way everything works.

We gather that Mr. Stout was himself something of an embodiment of these values. We doubt he could have been otherwise as the creator of the memorable Nero Wolfe. Like many other avid fans we are trying to reconcile ourselves to the prospect of life without yet one more Nero Wolfe mystery to read.

TV FAMILY VIEWING CODE

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. STAGGERS. Mr. Speaker, in answer to criticisms of crime, violence, and sex on the daily fare of television viewers, especially during the hours when children constitute a large part of the audience, the National Association of Broadcasters has put into operation what is called a "Family Viewing Code." This code would eliminate the objectionable material from two of the early evening hours, one taken from what is called prime time, and the other from the hour immediately preceding prime time.

Federal Communications Commissioner Abbott Washburn characterizes the code as a "constructive self-regulatory action." He says further:

> It is the first positive action to counter a serious danger which was first highlighted twenty years ago by the Kefauver crime investigations. It deserves to work.

But he also notes that critics of the code predict that if it does work, "it will turn all prime time programing into bland pabulum."

To both of these diverse views, most of the critics of television programing—and I am one—can agree. Early promises of TV possibly—maybe probably—promised more than it could deliver. As we understood those promises, they would give us the highest in entertainment, in news, and in enlightened opinion that was available in the land. We believed that television could, and would, raise standards of excellence in public doing and thinking immeasurably. Television has within itself the possibility of creating a new and nobler world. It would be the modern outlet of the fine arts, taking up where the artists and musicians and writers of the historic past left off.

However, television is a commercial enterprise. It must make money. Its main source of revenue is advertising. Advertising to be effective must find viewers—viewers who have money to spend for the goods or services advertised. We do know from experience that people in general are attracted by the sensational. Indeed, the whole art of advertising lies in providing something sensational. It has yet to be proven that the kind of television we approve would attract viewers in numbers sufficient to pay its high cost. Would we prefer to destroy television, or let it destroy our children—and all of us, for that matter?

Most of us, I am convinced, would say that we must make the code succeed. It is the beginning of something highly desirable. From the start it may be possible to go on to something better. It is my feeling that all of us should support the code. We can see that our children confine most of their viewing to the hours set aside for the code. We can express our approval of the programs produced. And especially we can patronize the advertisers who alone may be able to make the children's hours profitable.

CONGRESSMAN ROY A. TAYLOR INCOME REPORT

HON. ROY A. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. TAYLOR of North Carolina. Mr. Speaker, for each year I have been in Congress through 1973 I have published in the CONGRESSIONAL RECORD a report on the sources and amounts of income received by Mrs. Taylor and me, in addition to my salary as a Member of Congress, and I have published a report on the amount of income tax, both Federal and North Carolina State, which we paid for calendar years 1969 through 1973. In order to bring this financial disclosure up-to-date, I hereby submit the following information applicable to calendar year 1974:

Income received in 1974:	
From a family-owned dairy farm in Leicester Township of Buncombe County, N.C	$2,398.39
From dividends from a variety of stocks and bonds (most belong to me; some are owned by my wife)	3,241.94
From interest on purchase money real estate notes; savings deposits; Swannanoa, N.C. Baptist Church bonds, etc	572.40
From North Carolina Employees' Retirement Fund (based on service as Buncombe County Attorney before coming to Congress	1,310.16
	7,522.89
Income tax paid in 1974:	
Federal	10,640.90
North Carolina state	2,357.84

DANGER ON THE HIGHWAYS: BRAKE STANDARD 121

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. SHUSTER. Mr. Speaker, despite protests over inadequate testing, the National Highway Traffic Safety Administration persisted in promulgating a new mandatory standard for big trucks known as Brake Standard 121. The following article written by Lee Hickling of the Gannett News Service aptly demonstrates how an agency charged by Congress with responsibility for highway safety can actually increase the danger on America's highways through inept regulation. I commend this article to my colleague:

TRUCKER WANTS BRAKE INVENTOR TO TAKE A RIDE

(By Lee Hickling)

WASHINGTON.—A veteran Idaho truck driver has invited the inventor of a new braking system required by the federal government to come for a ride with him during this year's first snowfall.

"After a few close ones, I would like his opinion on the safety of front wheel brakes," said Don Bennett of New Plymouth, Idaho, in a letter to Secretary of Transportation William T. Coleman Jr.

Bennett, 45, drives for the Northwest Agricultural Cooperative Association of Ontario, Ore.

He told the DOT secretary—in a letter made public by the American Trucking Associations—that in three weeks he has twice barely escaped a serious accident caused by the anti-lock system required by the powerful new brakes.

He has been invited to testify at hearings here later this month, called by the National Highway Safety Administration, which wrote and enforced the new brake standard.

Since Jan. 1 on new trailers and March 1 for tractors and trucks, the rule requires an anti-lock system to maintain stability and directional steering of big trucks under conditions that would otherwise cause a wheel lockup.

Bennett says the system has been malfunctioning on him, causing the lockups that it is supposed to prevent.

There is a computer in the system that is supposed to prevent a front wheel lockup during heavy braking. "I have had two new computers installed in the last week, approximately 3,000 miles," wrote Bennett.

". . . I personally have talked to the factory representative at Seattle. They sent me to a place to replace a bad computer, and before I got to Boise, the new computer was not working properly."

Bennett's letter went on: "I have driven a truck for 20 years and not had one accident, but with new brakes I have had two close calls in three weeks' time by having to stop fast. The brakes grab and pull the truck into another lane of traffic.

"Now, the fellow that thought this idea up—I would like to have this man come and make a trip with me the first snowfall, and tie him in so he can't get out. After a few close ones, I would like his opinion on the safety of front wheel brakes.

"I know this man isn't a truck driver; if he is, he's an idiot. I don't know why someone sitting at a desk can dictate safety procedures that he knows nothing about, only from his slide rule or whatever he uses."

REPRESENTATIVE GOVERNMENT RESPONSIBILITY

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. REGULA. Mr. Speaker, I was pleased to read a thoughtful editorial in the October 16, 1975 issue of the Akron Beacon Journal, published by Knight Newspapers in Akron, Ohio, regarding the responsibility each of us accepted when seeking election to Congress.

I believe that this editorial has captured the essence of representative democracy. I recommend this article to the attention of our colleagues.

VOTING ON CONSCIENCE

When there is a major issue before Congress, should congressmen vote according to their consciences or according to the wishes of the majority of their constituents?

This question goes to the heart of the republican system of representative government.

The decline in understanding and acceptance of representative government and the trend toward plebiscitary democracy are illustrated by the fact the question needs to be asked. The depth of the decline is illustrated by the fact that more and more candidates for public office—national, state and local—seem to believe that the only way to "represent" their constituents is to become a mirror of the lowest common denominator among those constituents.

It is physically impossible for every citizen to be fully informed on every issue—even if they wanted to be. It is impossible for every citizen to have all the evidence at hand, and to have the opportunity to assess the interest of the community as a whole rather than a small portion of that community.

Representatives, whether they are in Congress, the state legislature, city council or on a school board, are elected to do what each citizen is unable to do on his own—become fully informed on the issues, form a responsible opinion based on the evidence and vote on the basis of that evidence for the course he believes is best for the community as a whole.

In doing that, the representative becomes a kind of higher conscience for each citizen while voting his own conscience. In short, the citizen who elects a representative vests that representative with the duty and responsibility to use his best judgment in casting a vote in place of the citizen on each issue.

Not every citizen will be pleased with the vote of his representative on every issue. That gives the representative an opportunity to fulfill another duty—the duty to be a leader and opinion maker based on his exposure to the information and analysis unavailable to the average citizen.

If the representative fails as a leader, if he fails to persuade the majority of his constituents that he has taken the correct course on most issues, or on the issues of most importance, then it is the genius of the system that the representative can be replaced with one who may exercise his own conscience and judgment in a manner more convincing to the constituents.

It is a mistake, however, for any representative at any level of government to attempt to be a mirror for his constituents. That robs him of the one ingredient the constituents should be seeking above all others in a representative—the ability to make clear, conscientious choices on the evidence, unswayed by pressure or opinion.

To argue for independent judgments by elected representatives regardless of constituent opinion is not to argue for an elitist form of government. Quite the contrary. It is to argue for a responsible democracy as opposed to an irresponsible one. It is to argue for a republic in which the citizen may look with pride and respect at people who have voted their consciences and who are proud to stand on those votes.

Conscience might be faulty. Judgment might be wrong. But there is something noble about people who are able to stand and say, "This is my stand. I am doing this, casting this vote, because I know in my heart it is right."

By the same token, there is nothing noble about those who are reduced to standing and saying, "I did it because my people told me to. That's where the votes were."

Such attitudes lead only to disillusionment with the representatives and with the system.

DISAPPOINTMENT IN CONGRESS CONCERNING FEDERAL ELECTION COMMISSION VOTE

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. PRESSLER. Mr. Speaker, the vote against House Resolution 780 disapproving the Federal Elections Commission's first proposed regulations is the most disappointing single act this Congress has engaged in since I have arrived. About a year ago Congress set up the Federal Elections Commission to independently oversee campaign reporting. The campaign reform law was sold to the country on the basis that now an independent voice would bring greater integrity to campaign finance reporting.

But what happened regarding the Commission's first ruling indicates that Congress is not really interested in reform at all. The facade of reform in the creation of a commission occurred—but when that Commission attempts to put any restrictions on Congressmen's activities the Congress quickly strikes the regulations down. With this attitude it cannot be the independent commission it was designed to be, rather it will become little more than a clerk's office to carry out the wishes of the majority party in Congress. If confidence in Government is on the decline it is because Congress refuses to reform itself.

The Federal Elections Commission is now little more than window dressing. People had hoped that the creation of this Commission would be a major governmental reform. If the public is disgusted and disappointed with Congress and with Washington, it is with good reason.

TRIBUTE TO SERGEANT O'KEEFE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. RUSSO. Mr. Speaker, today I would like to share with my colleagues a tribute to a gentleman in my district. I am proud to be his Representative and to have this opportunity to commend him on the occasion of his retirement from the Marines.

We are in the midst of preparing for a most special celebration in our country and it is appropriate that as we approach our Nation's 200th birthday, we take note of not only those special people in the past that contributed immeasurably to our country's greatness, but also of those people in our midst today who willingly shoulder the responsibilities of maintaining our way of life and perpetuating traditions that keep our Nation strong.

One such individual is 1st Sgt. Walter O'Keefe, recently retired from the U.S. Marines after 25 years of service, and as the Representative in Congress for this gentleman, I want to extend a heartfelt "thank you" and acknowledge the debt that we all owe this fine Marine. Throughout our country's history, there have been men like Sergeant O'Keefe who served willingly and capably. All too often they are taken for granted as we sit comfortably within our own secure lives, knowing that people "out there somewhere" are guarding our shores and fighting in distant corners of the world or serving in thankless jobs that are still a vital part of our country's defense system.

Sergeant O'Keefe began his service career in 1943, served in three wars and saw action during the Cuban Crisis as well as the Panama campaign. He retires with numerous awards and medals and I want to cite just a few of them: The presidential unit citation, six Marine good conduct medals, the medal for the American theater, Armed Forces defense ribbon, World War II victory ribbon, United Nations medal, Korean presidential unit citation, Marine expeditionary medal, Vietnam service and campaign medal as well as three combat stars for World War II and the Navy occupational award.

I commend Sergeant O'Keefe for his record, for his unflagging devotion to his country and I wish for him a retirement that is complete with the blessings of a full and happy life. He has earned the rest, as well as a special spot in the hearts of his countrymen.

FOX BUTTERFIELD OF NEW YORK TIMES HAS DISTORTED SENSE OF VALUES ON CONGRESSIONAL TRIPS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. KETCHUM. Mr. Speaker, I feel I must comment on a recent New York Times article by Fox Butterfield. The commentary implied that certain of my colleagues were guilty of illegal or at least improper behavior in accepting trips to Taiwan from a private Republic of China organization.

The Pacific Cultural Foundation—PCF—the organization in question, is registered as a private, nonprofit corporation of the Republic of China. However, Mr. Butterfield suggests that close examination reveals the foundation to "serve largely as a front for the nationalist government," and that it is "the latest incarnation of the China Lobby, the once powerful pro-nationalist group." As corroboration for this allegation, Mr. Butterfield indicates that three senior officers of China Airlines serve on the board of PCF, and that they are "all retired nationalist generals considered close to Chiang Ching-Kuo." He also produces a statement by a nameless China Airlines staff member, stating that while the foundation paid for Members' airfares, it was in turn reimbursed by the Taiwan Government.

Mr. Butterfield believes his evidence to be solid enough to link PCF with the government, despite reassurances by PCF Executive Secretary Huang Sheng Ti that no government moneys were involved. His line of reasoning leads him to conclude, therefore, that gifts to congressional personnel from PCF are, in fact, gifts from an agent of a foreign power.

United States Code, title 5, section 7342, specifies that gifts to employees of the Federal Government—including Congressmen—of more than minimal value are "deemed to have been accepted in behalf of the United States, and shall be deposited by the donee for use and disposal as the property of the United States."

In 1974, the Comptroller of the United States observed that "because of the impossibility of surrendering the gift of a trip once it has been accepted and taken," donees would be unable to comply with the law. Based on this, the Committee on Standards of Official Conduct issued an advisory opinion, declaring:

> That acceptance of travel or living expenses, in specie, or in kind by a Member or Employee of the House of Representatives from any foreign government, official agent, or representative thereof is . . . prohibited.

Now, I am struck here by a certain incongruity in the Times' reporting. A great deal of space has been devoted to "exposing" congressional dealings with an alleged Nationalist Chinese Government "front," basing insinuations on rather tenuous shreds of evidence. Yet, the very same article treats congressional trips to mainland China, which are completely and openly paid for by the Peking Government, in a very matter-of-fact manner.

Granted, in the case of the People's Republic of China, the rules have been smoothly circumnavigated. The comptroller opined, in 1975, "* * * it would appear that the benefits have in reality been extended to the United States, and not to the recipients at all * * *" in reference to an early congressional tour of the PRC. However, it is clear that the visit to the People's Republic of China was essentially the same as visits to any other nation. The Congressmen wanted firsthand information; the hosts wish to provide a guided tour, supplying that firsthand information, and leaving their guests with a good impression.

What, then, are Mr. Butterfield and the Times objecting to? Perhaps they feel that the spirit of the law was violated when congressional personnel accepted trips from an organization which they allege has connections with a foreign government. But, if the spirit of the law is their concern, would they not be demanding that individual members, or the United States, pick up the tab for the mainland tours? Instead, we find the author calling on the Taiwan-traveling members to explain their activities, and insinuating improper behavior on their part.

One is left with the suspicion that the Times' real objection is with congressional visits to Taiwan. If this is the case, they have approached the question by a route more devious than that they accuse the Pacific Cultural Foundation of taking.

DO NOT TAKE THE AMERICAN FARMER FOR GRANTED

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. SEBELIUS. Mr. Speaker, a series of advertisements by Far-Mar-Co. Inc., Hutchinson, Kans. recently appeared in U.S. News & World Report magazine publicizing the farmers' situation in light of the controversial grain sales to Russia.

Mr. George Voth, executive vice president of Far-Mar-Co. Inc. is to be commended for his fine efforts to keep the public informed on matters affecting U.S. agriculture and how agriculture relates to all Americans. For the benefit of my colleagues who may have missed this series the following is the first of the series:

The Farmer Is Paying the Piper, But Look Who's Dancing

To put things into perspective, let's take a look at what the American farmer is paying.

He paid 81% more in 1974 for fertilizer than he did in 1973. And that's when he could get it. His building and fencing supply costs were up 23%. When he planted his crops, the farmer paid 20% more for his seed in 1974 than he did in 1973.

These are just three examples. But they show what the farmer is having to pay to the large, powerful corporations from whom he has to buy.

It becomes even more shocking when prices are compared with 1967 levels. For the seven year period, the above percentages explode to 212%, 191%, and 263% respectively.

As the American farmer is feeling this extraordinary cost squeeze, he is also feeling the threats against his only real hope for survival.

Cooperatives are his method of dealing with the powerful buyers and sellers on a somewhat more equal basis. Yet there are some who seek to destroy this efficient marketing system.

Especially with today's strangling inflation, we can no longer take the American farmer—and his production—for granted. His valuable contribution to this nation can be continued only if we provide an atmosphere conducive to profitable farm operations.

The American farmer. Let's not take him for granted.

ATTENTION, HENRY KISSINGER—HOWARD PRESTON TELLS WHAT HE WOULD DO "IF HE WERE IN CONGRESS"

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. MOTTL. Mr. Speaker, I would like to call the attention of Secretary of State Henry Kissinger—and every Member of this House—to an article which appeared in the Cleveland Plain Dealer last October 27.

The article is a column by Howard Preston, who has the distinction of being one of Ohio's leading journalists.

Mr. Preston has a message for Dr. Kissinger and for every Member of this House with which I heartily concur.

Mr. Preston's column follows:

If I Were In Congress

(By Howard Preston)

If I were a member of Congress, I would address myself to the State Department as follows:

"Do not tell me anything you do not want me to report back to my constituents. They sent me here to assist in making laws, to oversee the country's health and welfare, to watchdog its financial and economic operations and to be a check on the other branches of government."

I would go on record with Henry A. Kissinger, the secretary of state, in this manner:

"Every American citizen is entitled to know what goes on officially in our dealings with other nations. Secret treaties, secret understandings and secret commitments down through history have sparked wars and revolts and have destroyed faith in free government. Therefore, if you want to explain some international pact already decided on, with the stipulation that I not tell my people, then count me out."

I can see that preliminary meetings and initial steps leading toward an agreement involving the United States could be private matters. There is give-and-take involved which shapes a final outcome. And until finalization, steps are tentative.

But after the chief negotiators agree, then the people have the right to hear the whole thing explained.

I hope that Americans never forget how they were misled and bamboozled by the Johnson and Nixon administrations concerning America's role in the fighting in Southeast Asia. The President, cabinet members, military leaders and at least one senator were part of the deception.

There was a lesson there to be learned. It was generally agreed that never again would Congress be so lax as to let the executive branch handle things on a basis of "trust us now and we may explain later."

Then came Kissinger's Middle East peace plan which includes U.S. personnel as peacekeepers and huge wads of taxpayers' money to be paid to the squabbling nations as long as they do not go to war again.

And Kissinger, despite his promise that every item of the agreement would be displayed for Americans, then tried to play the old shell game. He vowed complete disclosure. But first he wanted to brief congressional committees in private. Then he suggested that he and Congress decide just how and in what manner the material would be divulged. In other words, the American people should be spoon-fed, as Nixon implied.

If I were a congressman, right then I would have asked Kissinger what was wrong with telling the truth, the whole truth. If he persisted in his devious way, I would have said, "You do not trust the people. I do. They are old enough to hear the facts. So do not tell me anything I cannot relate to them."

SICK MINDS AND JOURNALISM

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. STAGGERS. Mr. Speaker, a few days ago television station WSVA-TV, Harrisonburg, Va., broadcast an editorial deploring the tendency of journalists to glorify "perverted psychopaths." It speaks, "loud and clear," on a matter which should reach every TV listener between the Atlantic and the Pacific. The station gives reasons why the journalists use valuable time in analyzing the vagaries of sick minds. No hearer can fail to understand the station's concern over the results of "sensational gossip."

Station WSVA-TV reaches a large part of the Second Congressional District of West Virginia, which is my home and the home of my constituents. I am happy to have a television station of such pronounced honesty and straightforwardness to speak to our people. In my opinion, telecasts such as the following represent accurately the feeling of the majority of its audience:

It has been dismaying to see and hear the journalists of this country spending their talent in the examination of perverted psychopaths. The glorification of people who threaten the life of the President of the United States has . . . as the Supreme Court used to say about pornography . . . no redeeming social value.

We all thought it was just a characteristic of the national news services. But now, we know it isn't so. We have discovered that a man charged with plotting to harm the President once—six years ago—lived in the Shenandoah Valley, and reporters are falling all over themselves to discover more details of the individuals kinky past.

Gossip sells. Sensational gossip sells sensationally. But at the risk of airing our profession's laundry, I have to say that journalism and gossiping ought to be different.

Sick minds are triggered, and sick actions produced, by forces we don't clearly understand. But if we glorify suicide, more suicides will result. If we glorify drugs, more drugs will be used. And it is not necessary to approve the thing glorified . . . just talk about it all the time, marvel about the horror of it, examine it, and above all keep talking about it.

In this way the journalists of America are themselves seriously endangering the life of the President of the United States. And now I'm afraid the journalists of the valley are following suit.

I wish we could all agree to leave the sick actions of warped minds to the professional help they need and the obscurity they deserve until the tragedy or the futility of their actions is overwhelmingly apparent.

AGENCY FOR CONSUMER PROTECTION—LOOK WHO IS FOR IT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ROSENTHAL. Mr. Speaker, next week, the House will have an opportunity to vote on the establishment of an Agency for Consumer Protection, H.R. 7575. This bill has been termed by the leading consumer groups as "the most important consumer bill ever considered by the Congress."

The legislation should have become law years ago. The establishment of a Consumer Agency is more important today than it was a year ago when first proposed.

I insert into the CONGRESSIONAL RECORD at this point, the very impressive list of only a number of the supporters of H.R. 7575:

SUPPORTERS OF H.R. 7575

This coalition, consisting of various consumer, farm, senior citizen, religious, and community groups, labor unions, and state and local officials, favor enactment of the agency for consumer advocacy legislation.

NATIONAL GROUPS

Amalgamated Clothing Workers of America (AFL-CIO).
Amalgamated Meat Cutters and Butcher Workmen (AFL-CIO).
American Association of Retired Persons.
American Association of University Women.
Americans for Democratic Action.
B'nai B'rith Women.
Common Cause.
Communications Workers of America (AFL-CIO).
Consumer Action for Improved Food and Drugs.
Consumer Federation of America.
Consumers Union of the United States, Inc.
Cooperative League of the United States of America.
Friends of the Earth.
International Association of Machinists and Aerospace Workers (AFL-CIO).
International Union of Electrical Radio and Machine Workers (AFL-CIO).
International Ladies Garment Workers Union (AFL-CIO).
Movement for Economic Justice.
National Black Media Coalition.
National Congress of Hispanic-American Citizens.
National Consumers Congress.
National Consumers League (Esther Peterson, President).
National Council of Senior Citizens.
National Farmers Union.
National Political Women's Caucus.
Oil, Chemical and Atomic Workers International Union (AFL-CIO).
Public Citizen (Congress Watch).
Retail Clerks International Association (AFL-CIO).
Sierra Club.
United Auto Workers.
United Mine Workers of America.
United Presbyterian Church (Washington Office).
United Steelworkers of America (AFL-CIO).
Women's Equity Action League.
Women's Lobby.
Women's National Democratic Club.
Consumer Advocates.

LOCAL GROUPS AND INDIVIDUALS

Alabama

Alabama Labor Council (AFL-CIO).
Julian Butler, Attorney-at-Law (Huntsville).
Morris Dees, Civil Rights Attorney (Montgomery).
Elmore Community Action Committee (Wetumpka).
Dr. Higdon Roberts, Jr., Director, Center for Labor Education and Research, University of Alabama (Birmingham).
Ronald Menton, Director, Alabama Credit Union League.
William Baxley, Attorney General.

Arizona

Paul Castro, Governor.
Arizona Consumer Council.
Arizona Committee for Social Utility.
Tucson Public Power.

Arkansas

David Pryor, Governor.
Earl Anthes, Community Development Consultant (West Memphis).
Arkansas Community Organization for Reform Now (Little Rock).
Arkansas Consumer Research (Little Rock).
Jim Guy Tucker, Attorney General.

California

Alameda County Consumer Action, Inc.
California Citizen Action Group.
California Public Interest Research Group.
CalPIRG Advocates.
Coalition for Santa Clara Valley.
Consumers Cooperative (Don Rothenberg, Richmond).
Consumers Coop of Palo Alto.
Consumers United of Palo Alto.
Fight Inflation Together (Los Angeles).
Friends Committee on Legislation of Southern California.
Gil Graham, Esq., Lawyers Committee for Urban Affairs (San Francisco).
Bob Fellmeth, Deputy District Attorney (San Diego).
People's Lobby (Los Angeles).
San Francisco Consumer Action.
San Francisco Consumer Advocates.

Colorado

Colorado League for Consumer Protection.
Colorado Public Interest Research Group.

Connecticut

Connecticut Citizen Action Group.
Connecticut Consumer Association, Inc.
Connecticut Public Interest Research Group.

Delaware

Mrs. Frances West (Director, Consumer Affairs Division).

District of Columbia

District of Columbia Public Interest Research Group.

Florida

Reuban Askew, Governor.
American Consumer Association, Inc.
Concerned Consumers of Dade County.
Congress of Senior Citizens.
Consumer Information Center of Central Florida, Inc.

Georgia

Citizens Consumer Council of Georgia.

Guam

Ricardo Bordallo, Governor.

Idaho

Cecil D. Andrus, Governor.

Illinois

Dan Walker, Governor.
Illinois Public Interest Research Group.

Indiana

Indiana Public Interest Research Group.

Iowa

Iowa Consumers' League.
Iowa Public Interest Research Group.

Kansas

Consumer Relation Board, Kansas State University.
Consumer United Program.
William Griffin, Assistant Attorney General & Chief, Consumer Protection Division.
Kansas City Consumers Association.
Richard L. D. Morse, Professor, Family Economics, Kansas State University.
Earl Sayre, Legislative Chairman, Kansas Council on Aging.
Curt Schneider, Attorney General.

Kentucky

Consumers Association of Kentucky, Inc.
Kentucky Public Interest Research Group.

Louisiana

Acadiana League.
Consumer Protection Center.
William Guste, Attorney General.
Louisiana Consumers' League.
Mayor's Office of Consumer Affairs (New Orleans).
Charles W. Tapp, Director, Louisiana Governor's Office of Consumer Protection.

Maine

Combat, Inc. (Portland).
Maine Public Interest Research Group.

Maryland

Marvin Mandel, Governor.
Alliance for Democratic Reform (Montgomery County).
Maryland Citizens Consumer Council.
Maryland Public Interest Research Group.
Montgomery County Office of Consumer Affairs.

Massachusetts

Father McEwen, President, Association of Massachusetts Consumers (Boston).
Massachusetts Public Interest Research Group.

Michigan

William G. Milliken, Governor.
Consumer Alliance of Michigan.
Michigan Citizen's Lobby.
Michigan Consumer's Council.
Michigan Public Interest Research Group.
Esther K. Shapiro, Director, Consumer Affairs Department, City of Detroit.
Robert Leonard, District Attorney (Flint).

Minnesota

Wendell R. Anderson, Governor.
Sherry Chenoweth, Director, Minnesota Office of Consumer Services.

Missouri

Housewives Elect Lower Prices.
Mid-American Coalition for Energy Alternatives (Clinton).
Missouri Public Interest Research Group.
St. Louis Consumer Federation.

Montana

Thomas L. Judge, Governor.
Consumer Affairs Council, Inc., of Montana.

Nebraska

J. James Exon, Governor.
Consumer Alliance of Nebraska.

Nevada

Consumer League of Nevada.
Rex Lundberg, Commissioner of Consumer Affairs.
Robert List, Attorney General.
Elliott Sattler, Deputy Attorney General.

New Jersey

Brendan Byrne, Governor.
Center for Consumer Education Services (Edison).
New Jersey Public Interest Research Group.

New Mexico

Toney Anaya, Attorney General.
Emily Belasquez, Director, Consumer Education Program, All Indian Pueblo Council.
Delacroix Davis, Jr., Chairman, FEB Consumer Issues Committee (Albuquerque-Santa Fe).
Herman Grace, Director, Division of Human Resources, Office of the Governor.
Mrs. Viola Pena, Director, Consumer Protection Division (Albuquerque).
New Mexico Public Interest Research Group.
Jerry Apodaca, Governor.

New York

Adolfo Alayon, Consumer Action (Bedford Stuyvesant).
Center for Community Issues Research (Rochester).
Consumer Action Now (CAN).
Consumers Association of New York (Rochester).
Consumer Protection Board (Huntington).
Metro-Act of Rochester.
New York Consumers Assembly.
New York Public Interest Research Group.
James Picken, Commissioner of Consumer Affairs (Nassau County).

North Carolina

North Carolina Consumer Council.
Consumer Center of North Carolina.
Conservation Council of North Carolina.
North Carolina Public Interest Research Group.

North Dakota

Arthur A. Link, Governor.
Community Action Line (Grand Forks).

Ohio

Consumer Action of North Dayton.
Consumer Conference of Greater Cincinnati.
Consumer Protection Association of Cleveland.
Consumers League of Ohio.
Ohio Consumers Association.

Oregon

Community Care Association, Inc. (Portland).
Oregon Consumers' League.

Pennsylvania

Milton Shapp, Governor.
Alliance for Consumer Protection.
Bucks County Consumer Organization.
Pennsylvania League for Consumer Protection.
Philadelphia Area Consumers' Council.
Ruth Rodman, Director, Consumer Affairs Education Division, Philadelphia School District.

Rhode Island

Philip W. Noel, Governor.

South Dakota

Richard F. Kneip, Governor.

Tennessee

Tennessee Consumer Alliance.

Texas

John Hill, Attorney General.
Texas Consumer Association.
Texas Public Interest Research Group.

Vermont

Thomas P. Salmon, Governor.
Vermont Public Interest Research Group.

Virginia

Virginia Consumers Citizens Council.

Washington

Daniel J. Evans, Governor.
Washington Committee on Consumer Interests.

West Virginia

West. Va. Citizen Action Group.

Wisconsin

Patrick J. Lucey, Governor.

Wyoming

Wyoming Public Interest Research Group.

COMMISSION ON OLYMPIC SPORTS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. MICHEL. Mr. Speaker, the President formed his Commission on Olympic Sports on June 19. Since that time the Commission has conducted one hearing and will conduct its second hearing in New York on November 10 and 11. As a member of the Commission I have participated in the Commission's work and have noted its progress. To that end the Commission's executive director, Michel T. Harrigan, made an important address before the General Assembly of International Sports Federations in Montreal on October 7. I feel that his remarks were particularly significant and portray accurately the point of decision that the United States faces in its role in international amateur sports competition.

To show what I mean, the recent U.S. performance in the Pan American Games in Mexico City was outstanding. However, it should be noted that the Cubans won 50 gold medals while they won only eight 4 years ago in Cali, Colombia. The Cubans did so well, not so much because they are a regimented society, but because they are organized and structured along the lines of competence. This is what the United States has to do and it is through the study being conducted by the President's Commission on Olympic Sports that we as a country can reach this goal. I ask that Mr. Harrigan's speech be reprinted at this point in the RECORD:

PRESIDENT FORD'S COMMISSION ON OLYMPIC SPORTS

I want first to thank Mr. Thomas Keller and the other officers and council of GAIF for providing me the opportunity to address the 1975 GAIF meeting here in Montreal on behalf of President Ford's newly created Commission on Olympic Sports. I have had the great pleasure of meeting many of you and before our work as a commission is completed, I hope that I and other members of the commission will have had the opportunity to meet with you all.

The late Chief Justice of our Government's Supreme Court, Earl Warren, used to say: "I always turn to the sports pages of a newspaper first to read about man's accomplishments before I turn to page one to read about man's failures." While that thought may have been accurate some years ago, I question whether it is true today in the United States.

For many years now, the United States position in International amateur competitive sport has deteriorated. In my view, there are several principal reasons for this.

1. The other countries of the world have improved their level, quality and participa-

tion in international competitive amateur sport at a rate far in excess of the improvements made by the United States.

2. The increasing preoccupation in the United States with professional sport has relegated amateur sport to an ever declining degree of emphasis.

3. Enormous conflicts among the organizations which govern amateur sports in America have hindered American sports development at the grass-roots level, have limited effective solicitation of financial support and have created a pattern of facility use based upon jurisdictional rather than cooperative lines.

I welcome the fact that so many more countries are today presenting outstanding athletes for world amateur competition. But I do want to discuss with you the other two reasons for America's deterioration in world amateur competition because it is here that you distinguished ladies and gentlemen can help and should help as presidents and secretarys general of your respective federations.

Professional sport has become the dominant form of American sport. We have professional teams and leagues in American football, basketball, baseball, athletics, ice hockey, soccer football, boxing, tennis, lacrosse, golf, bowling and perhaps another one or two I have forgotten. I do not quarrel with the existence of these leagues and teams. What I quarrel with are the results of this situation. There seems now to be a growing appetite—an apparently insatiable one—for money in American sports, with a total emphasis on "how much" instead of "how good", a preoccupation with money instead of quality sport competition.

Our newspapers and television sports broadcasts assist in the development of this condition by focusing much of their effort on discussions of professional sports players strikes, salary disputes, transfer of players from one league to another to earn more money and professional sports organization owners moving their teams from city to city unless demands are met or profits are healthy. In addition, professional sports do little to help amateur sports. This is self-defeating since it is from the ranks of amateur sports that our professional sportsmen come.

This is not to say that our media totally ignores all aspects of international amateur sport. The Olympics receive enormous attention every four years. There is also much discussion in America that amateurism is violated throughout the world, that the rules are not abided by in most countries and that Americans are at a disadvantage in international competition because our professional athletes cannot compete under the so-called amateur rules. Some Americans even suggest we should not compete at all. I, for one, do not agree for although I am aware of violations of amateurism in the world, I believe that the advantage of competition and contact through sport among peoples of different nations serves the world community of nations very well.

While I do not believe America has lost the competitive urge, the enormous preoccupation with professional sports in America and its attendant emphasis on money causes these results:

1. Americans are becoming ever increasingly a nation of spectators rather than participants. Huge stadiums are constructed to view these teams and individuals but little or no money is available to finance amateur sports and its required facilities.

2. Very young Americans adopt professonal sportsmen as their idols rather than some of the great American amateur sportsmen, as in the past. Therefore, these young Americans are not as motivated to compete as in the past.

3. Young Americans never hear of many of our amateur sportsmen because the media is too busy telling the public of a salary dispute or a player strike. Very few Americans could even tell you what team handball or luge is.

As an example and as you know, world championships were recently held in rowing, weightlifting and wrestling. Accounts of these sporting events were barely reported in the American media.

An American athlete who participates in these and other international sports is therefore hardly appreciated because most Americans do not even know if he or she exists.

As international sports federations you can help to rectify this situation. By constantly promoting and scheduling international competitions in your sport around the world, perhaps a change in direction can be made. But success is not possible unless the third reason for U.S. deterioration, the present organization for amateur sports in the United States, is improved. It is here that you can also help.

Let me explain what I mean. Suppose the United States wishes to send an athletics team to Moscow to compete against the Soviet Union. As you know, such a competition would have to be approved by the I.A.A.F. although the details of the competition are worked out between the American and Soviet affiliates of I.A.A.F. The U.S. affiliate then sets about determining with its Soviet counterpart the date of the meeting and determines who the coaches and officials will be to accompany the team. Then it chooses the athletes based upon recent performances or from the placings of athletes in a particular competition. Now here is where the trouble begins. The governing body asks other jurisdictions governing our schools, colleges and others to provide the athletes they are training and for whom they are responsible. The organizations which are asked to provide the athletes too frequently decline to provide the athletes because they believe that they should have more of a voice in the governing body for the sport. The governing body refuses to give up much control and the result is that the athlete from the schools and colleges is denied the right to represent his country against the Soviets. If he goes ahead and competes anyway he may be denied further eligibility as an athlete at his school and his school may also be punished.

We can conclude from this not-so-hypothetical example that:

1. Athletes are used as pawns in the struggle among our amateur sport organizations for power.

2. The American goal of building international understanding among peoples is damaged when less than our best athletes represent America in competition.

3. By inference, the participation base is eroded because these organizations are so preoccupied with combatting one another rather than developing sport.

It is because these conditions exist in athletics as well as other sports in America and have lasted for too long that President Ford formed the Commission on Olympic Sports. The commission's role is one of inquiry-of-study-into the problems confronting American participation in international competition in the olympic sports. Our goal is to develop an organizational plan which sets forth the best overall organization for amateur sports in America as well as the organization for each sport. We will also be examining the requirements for money, facilities, better coaching and other matters.

American international amateur sports is at an important juncture in its history. A decision must be made regarding whether the United States wants to put its best forward in amateur sports or retreat to being a nation of professional sportsmen and spectators. America has done relatively well in amateur sports in recent years only due to the great personal and financial sacrifice on the part of its athletes, their parents, and the selfless dedication of many of our coaches and officials. The United States is the only country in the world which does not receive money directly from its government for sports. It is all done through private and corporate contributions.

President Ford's Commission on Olympic Sports needs your assistance, guidance and knowledge in order to succeed. The commission may have to recommend that certain governing bodies are not the most representative of a particular sport in America and that others may need to be reorganized. If so, we want to design our recommendations so that they are fully consistent with your rules and the rules of the I.O.C. For these and other reasons we must meet with each of the Olympic Federations during the course of our study to gain the benefit of your views and we must have a copy of your statutes and regulations so that we may study them thoroughly. We have already had very good meetings with some of you. We will be in contact with the remainder of you soon to arrange meetings. I do hope you will honor our request. In the meantime, please send to us a copy of your statutes and regulations if you have not already. We have notified each of your national affiliates in the United States that we are meeting with you and they welcome our initiative. They are all also in favor of this commission and have stated so.

TRIBUTE TO RAYMOND J. LANE, RECIPIENT OF RED CROSS CERTIFICATE OF MERIT

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ST GERMAIN. Mr. Speaker, on February 27, 1975, my constituent, Mr. Raymond J. Lane of Cumberland, R.I., was working in the rear of the supermarket he manages when a call for a doctor was heard over the store's public address system. Mr. Lane rushed to the scene, found that a woman in an automobile parked outside the store had apparently suffered a cardiac arrest, and, utilizing skills he had learned in a volunteer Red Cross first aid training program, immediately began mouth-to-mouth resuscitation. By acting swiftly and decisively, Mr. Lane had restored the victim's breathing by the time a local rescue unit took her to the hospital, and there is no doubt that he saved her life.

This praiseworthy action qualified Raymond Lane for the Red Cross Certificate of Merit, which is the highest award given by the American Red Cross to a person who saves or sustains a life using knowledge acquired through special Red Cross safety training programs. Raymond Lane's compassion for another human being, and his quick reaction in a crisis—so crucial to the life of the heart attack victim—qualifies him also for the gratitude and esteem of all citizens.

Understandably, in Rhode Island we are proud of this gentleman and, although a date for the award presentation by the Greater Woonsocket Chapter of the American National Red Cross, Woonsocket, R.I., has yet to be announced, it is a very great pleasure to ask that Raymond Lane's story now be inscribed in the CONGRESSIONAL RECORD so that his good deed may be called to national attention.

NEW YORK PAPERS RESPOND TO PRESIDENT'S "DROP DEAD" MESSAGE TO NEW YORK CITY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Ms. HOLTZMAN. Mr. Speaker, the New York Times, the New York Daily News, and the New York Post rarely agree editorially, but yesterday each reacted similarly to President Ford's callous, irresponsible, and dishonest attack on our city. I would like to call my colleagues' attention to these editorials, because they cogently point out the misstatements and distortions in the President's speech. I would also like to bring to the attention of my colleagues the Daily News headline of yesterday, which sums up President Fords' speech in the following words:

[From the Daily News, Oct. 30, 1975]

FORD TO CITY: DROP DEAD

FORD'S STAB IN THE BACK

President Gerald Ford made it abundantly clear yesterday that the White House wants no part of any constructive effort to help New York City avoid default.

Indeed, the President seems to feel that we ought to welcome insolvency as a healthy, purifying atonement for all our past fiscal sins of omission and commission.

With that in mind, Mr. Ford proposes to "aid" the city by having Congress adopt a municipal bankruptcy law. He argues that it would afford New York breathing room for refunding its debts while maintaining essential services.

This totally negative approach was accompanied by a great deal of solemn sermonizing on the city's abysmal record for waste, extravagance and financial finagling, the lushness of its welfare-state programs, the exorbitant salaries and pensions it has granted civil servants.

This recital of wrongdoing was nothing less than a stab in the back of a great city—an act of cheap politics that plays recklessly on anti-New York sentiment across the nation.

To further fan such feelings, Mr. Ford resorted to—gross distortions—in describing the proposals for federal assistance that have been offered. According to the chief executive, we are seeking a straight handout from the government so that New York can continue on its merry, spendthrift way with the rest of the country picking up the tab.

No responsible person who has recommended loan guarantees or other forms of federal help has ever suggested that the city be given a free ride. On the contrary, the pleas have been coupled with demands that the city be required to make stringent economies, and to repay within a reasonable time any money Washington had to pay out.

Mr. Ford also chose to ignore, in a statement given in a national forum, the—real and earnest efforts—that the city and state have made to cope with our fiscal crisis.

Not a word did he mention about the Municipal Assistance Corp., the Emergency Financial Control Board, accounting reforms, pay freezes, program cutbacks and the dismissal of thousands of police, firemen and other public employes.

Surely, in fairness to New York, Mr. Ford ought to have informed the millions of Americans unfamiliar with day-by-day developments here about those painful measures that have been adopted.

But it appears that Mr. Ford has not the slightest interest in being fair or helpful to New York.

Instead, he has offered a "solution" which would be ruinous to New York, and which many hard-headed financial experts—including some within the President's close circle of advisers—believe would send damaging shock waves through the entire national economy.

[From the New York Times]

PRESIDENTIAL DEFAULT . . .

Like a bemused stranger from another place and time, President Ford yesterday addressed the contemporary crisis in urban America's largest city in terms of the political and economic dogmas of an 18th-century rural confederacy.

Mr. Ford's "fair and sensible" plan for purging New York of its fiscal sins and restoring the city to solvency is neither sensible nor fair. It does not begin to offer solutions to the city's complex problems, let alone to the deeper national urban crisis of which New York's acute budgetary disorder is merely a symptom.

The President's pietistic lecture on the city's ills and his prescription for dealing with them are based on a number of fundamental fallacies which his Administration has been promoting for weeks:

New York's situation is unique and the city's collapse would have no serious repercussions on other cities which "simply have been better managed." As we have often noted, New York's elected officials certainly have helped precipitate the city's present predicament through political chicanery and fiscal mismanagement. But to reiterate that truism is no service now. Congress, and presumably the White House, have heard the testimony of Mayors from across the country indicating that they too are struggling with many of the problems that have pushed New York to the brink. But, as New York is the largest city, the magnitude of its crisis is obviously larger and less tractable than any other city's—and the effects on the nation correspondingly more profound and far-reaching.

New York's default would have no lasting effects on financial institutions or the national economy. There is an accumulating weight of expert testimony to the contrary—enough, in our view, to convince any prudent person that the President is taking unacceptable risks with the fate of the nation in dismissing this indeterminate question so cavalierly. The fragile interdependence of a modern industrial society cannot be brushed aside with slogans from an agrarian past.

Default could still be averted through local efforts by city and state officials who have "abandoned" New York on Washington's doorstep. That is an ignorant insult to New Yorkers, of both parties and from many walks of life, who have performed superhuman feats of rescue and reform, to keep the city afloat through the agonizing months of recurring crises.

The Federal Government has no business intervening on behalf of a troubled city, a concept of federalism that has no constitutional validity and which has been repeatedly belied by Federal interventions on behalf of distressed communities, corporations, interest groups and even foreign countries.

The President's plan for a court-managed default could sustain the essential life of this city with only "temporary inconvenience" to its citizens and at no cost to the Federal Government. If it would work at all, which is doubtful, Mr. Ford's vaguely defined scheme would in fact result in a far higher cost to the Federal taxpayer and a much deeper and more enduring Federal involvement in the affairs of the city than any of the so-called "bailout" plans that are gestating in Congress. Contrary to the President's assertion, all of those plans involve tough restrictions that would compel New York or any other endangered city to put its fiscal house in order as a condition for aid.

The difference between the Ford plan and those being advanced by concerned members of Congress is that Congress is seeking a way to help the city help itself back to fiscal health. The President indulges in moralistic posturing from his shaky pulpit, as he recklessly waits for the city to founder, dragging state and nation in its train.

. . . PRESIDENTIAL PIETY

Although it was not clear that President Ford had a firm grip on just how his plan to sweep up after a default would actually work, he displayed a firm grasp of his own particular vision of sin and sinners. The President's rigid and punitive moralism pierced several secondary targets—cities generally, profligate urban officials, doomsayers and welfare cheats among them—before hitting the principal source of his dismay, which is adequate funding for public programs designed to improve American society by meeting urgent human needs.

Beyond announcing that New York has to swallow bitter medicine because it has been bad, the President was in effect making a ringing and heartfelt reaffirmation of the fact that he has declared war on the country's most generous public impulses. The speech was of a piece with his vetoes of health, education and child nutrition measures and his continuing war against the food stamp program. In his peroration, Mr. Ford warned that providing more benefits and services than the nation can afford would bring on a day of reckoning in Washington and asked, "When that day of reckoning comes, who will bail out the United States of America?"

What the President is really doing is waging an intense and dishonest battle on the issue of national priorities. While his Defense Secretary bemoans "savage" cuts which would pare his budget down to a mere $90.2 billion for the next year, the President is busy warning that spending money on social needs is the quickest way to perdition and setting New York up as the horrible proof of his assertions. In a society strained by economic inequality and not yet recovered from a major recession which has left millions still jobless, the President's comments ring with a quaint McKinleyesque authenticity. For once, he read a speech as though he really believed it.

A rational debate on how to allocate the limited resources available for urgent national needs is both fair and necessary. Mr. Ford, however, is employing emotionalism and thinly disguised antiurban bigotry to help him withdraw funds directed at those places where the nation's social fabric is stretched thinnest and where acute suffering could well grow to cause severe social disintegration.

There is no question that funds available to meet those problems are not unlimited. But it is also beyond question that failure to face up to those problems will not only continue to devalue the quality of life for everyone in this society, but could also bring on a different kind of day of reckoning that Mr. Ford now has in mind. If that day should ever come, it is doubtful that the President would find his simple pieties very helpful.

[From the New York Post]

FORD VS. NEW YORK . . .

What President Ford seemed to be saying yesterday is that it is a waste of time to throw a drowning man a life preserver; rescuers should instead practice artificial respiration. Put another way, he is telling us it is costly and unwise to prevent a building collapse; the prudent policy is to come forward after the dust settles with a home improvement loan.

That was essentially the policy self-righteously outlined by Ford before the National Press Club in Washington during a hastily scheduled speech dealing with the New York City fiscal crisis. It was perhaps the least responsible, most politically contrived and operationally barren program he has offered since entering the White House.

Nowhere, in an address devoted exclusively to New York's situation and lasting more than 25 minutes, did the President make a single reference to the extraordinary emergency plan of fiscal reform and rehabilitation that city, state and financial community leaders have developed and imposed here in recent months.

Instead he derisively depicted them as unrepentant, incorrigible spendthrifts demanding a "federal blank check" to finance "patently bad policies."

He maintained that New York's confrontation with default is virtually unique, arising solely from the mismanagement of its government leaders, blandly ignoring the fact that this city's pleas to Washington have been echoed repeatedly by governors and mayors the country over.

He projected only "temporary difficulty" or "temporary fluctuations" in the securities markets should default occur, despite massive and mounting evidence that financial disaster would engulf other cities and states. He decricd the fiscal excesses forced by "pressure groups" in New York, less than 24 hours after he had met with police and fire union leaders from this city who were rewarded with his public pledge that "essential services" would be maintained by Washington if the worst occurs.

But none of the President's alternately contemptuous and complacent observations was equalled by his own reform program: amendment of the federal bankruptcy law to permit "orderly" financial reorganization here after default. It would, he explained coolly, require that the city make good on its debts and develop a long-term program for lasting reform to recover from the consequences of its leaders' "past folly."

Yet it is precisely these objectives that the city and state reforms—the thousands of job layoffs, the hundreds of millions in economies, the Municipal Assistance Corporation borrowing program, the supervision of the Emergency Financial Control Board—were designed to reach. They were not conceived in Washington this week; they have been in place for months. There is real hope, given relatively short-term federal support, that they could forestall default and chaos to follow.

Yet the President has not only failed to acknowledge this conscientious effort. He has blandly claimed vital elements of the same program as his own—with one incredible exception. He will not apply it for the purpose intended: preventing default. He would allow default to occur first, thus making far more difficult the subsequent quest for enduring stability.

That time schedule is as inexplicable as the President's assertion that the city and state can still escape default by increasing taxes or reducing spending when they have pressed both measures to the maximum. His own plans for financing "essential services" were left wholly vague. Asked for details after his address, he fumbled uncertainly and then declined to furnish any specifics. Who is kidding whom?

The realities are plain. The Ford Administration is not proposing to relieve New York's ordeal but to exploit it.

The President's vision grows steadily narrower. His astonishing announcement that the rest of the nation's cities are largely "healthy," that New York is the only one suffering from fiscal malaise, was almost instantly challenged by the U.S. Conference of Mayors, which took special note of "the national economic condition which has brought cities to current crisis."

Ford has resisted the most earnest, reasoned appeals for a minimal federal commitment to preventive measures.

His exercise in self-fulfilling prophecy was a tragic abdication of his pledge to serve "all the people."

...THE CHALLENGE TO CONGRESS

Lacking any coherent or constructive guidance from the White House, members of both the House and Senate return today to the task of forming a federal aid program to rescue New York City—and to protect countless others. But the very absence of White House direction may provide new incentives for creative response.

Judging from some of the early Congressional reaction, the President's plan to allow default has sharpened the sense of concern and even outrage. There is an infinitely more acute perception of a New York City default's potential fallout.

The formulas vary, even when such a mechanism as loan guarantees are involved. Before the President spoke, the Senate Banking Committe's "compromise" plan appeared punitive. It now appears even more questionable. There is, for instance, a provision that a three-member board of Administration officials supervise city fiscal affairs: what sense does that make when the Administration has so little appreciation of the situation now that it regards default as a tolerable event?

In fact, the most plausible, practical plans for New York's fiscal salvation have been drafted here by an alliance of public and private representatives. Will Congress offer a serious challenge to the bankruptcy of the White House?

BICENTENNIAL PROJECTS

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mrs. BOGGS. Mr. Speaker, I would like to take this opportunity to call to the attention of interested Members a new source of information for Bicentennial projects.

The Anti-Defamation League of B'nai B'rith has just published a brochure listing their publications and audiovisual materials which describe the struggles and the contributions of ethnic minorities in America. The material includes the histories of blacks, Jews, Italians, the Spanish speaking, Indians, and countless others within the American experience. One of the titles available is "West To Freedom," a color sound filmstrip produced under a grant from the American Revolutionary Bicentennial Association, which recounts the untold story of minority groups who were in the country during the Revolutionary period and of their participation in the struggle for independence. Other selections of interest are "A Brief History of Mexican Americans," "Black History: Lost, Stolen or Strayed," "The Indian Heritage of Women."

In recognition of the pluralism that gives our Nation its great diversity, the B'nai B'rith is making available movies, filmstrips, video tapes, and books which may be of special interest to schools or community groups planning Bicentennial activities. I would like to commend the B'nai B'rith for its fine work on this outstanding project.

SCHLESINGER ATTACKS DEFENSE BUDGET CUTS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HARRINGTON. Mr. Speaker, in view of the current White House emphasis on budgeting control, recently dramatized by the President's announcement that he would veto any legislation designed to help New York City avoid default, I wish to draw my colleagues' attention to an article published in the Wall Street Journal, October 28, 1975.

The article, written by Richard J. Levine, exposes an underlying contradiction in the administration's stringent position on budgetary excesses.

In the article Secretary of Defense, James Schlesinger, attacks the House approved $7.6 billion defense cut for the fiscal year which started July 1, 1975.

There is a certain irony in Mr. Schlesinger's attack of the defense cut. Although the administration has repeatedly stressed the need for absolute fiscal austerity, we are asked to accept the proposition put forth by Secretary Schlesinger that the ceiling which we have established for defense spending is inadequately low.

Mr. Schlesinger warns that such a reduction in defense appropriations will cause us to fall substantially behind the Soviet Union militarily. It is, frankly, difficult to accept such forewarning from the same administration which characterizes the grave consequences, predicated on a probable New York City default, as scare talk.

The President and Cabinet members accuse the Congress of failure to act on issues compatible with national policy and goals. So, as we have acted in peacetime to appropriately reduce the defense allocations, the Defense Department, whose major programs were not affected by the cut, has attacked the budget decrease. This seems to indicate that the present administration is irreparably divided in its interests.

The text of the article follows:

SCHLESINGER ATTACKS DEFENSE BUDGET CUTS BY HOUSE UNIT, SEEKS SENATE RESTORATION

(By Richard J. Levine)

WASHINGTON.—Defense Secretary James Schlesinger has begun a broad counterattack designed to keep Congress's new budget-review process from making sizable cuts in Pentagon spending.

The Schlesinger offensive has included an unusually harsh attack on the House Appropriations Committee—a traditional bastion of Pentagon support—and a steady stream of ammunition for use by the Senate Appropriations Committee. Mr. Schlesinger wants the Senate panel, led by Arkansas Democrat John McClellan, to restore almost $2.6 billion of the $7.6 billion cut by the

House from the defense appropriations bill for the fiscal year that started July 1.

In a five-page letter to Sen. McClellan, Mr. Schlesinger warned that if the House cuts, which reduced the budget to $90.2 billion, are sustained, "I can not assure that we will be able to maintain an appropriate and stable (military) balance in the future" with the Soviet Union. "Soviet military expenditures might be as much as 50% greater than our own" when pay for retired servicemen is excluded from comparisons, Mr. Schlesinger added.

FEAR OF NEW BUDGET PROCESS

Such warnings are standard fare at defense appropriations time. But the Defense Secretary's blast at the House in a press conference last week for "deep, savage and arbitrary cuts" isn't the Pentagon's normal way of doing business. What prompted this unusual step, insiders say, is Mr. Schlesinger's growing fear that the new budget process poses long-run dangers to the Pentagon.

"Schlesinger believes the whole defense position is under real threat and that the dynamics (in Congress) are different this year" because of the new budget procedures, a top Pentagon official says. "Once the momentum gets started, you wonder where it will stop. So we're on the offensive. This isn't a game."

The Defense Secretary believes the Pentagon lulled itself into a false sense of security about its budget prospects earlier this year, when Vietnam was collapsing and unemployment was a major congressional concern. In the spring, it was assumed that lawmakers would be reluctant to make deep reductions in the Pentagon's budget for fear of sending out isolationist signals and driving up the jobless rate.

Congress did follow this script in the early stages of considering the defense budget, making only modest reductions in the weapons-procurement authorization bill. But now that it is time to appropriate the money, the protective effects of Vietnam and unemployment seem to have worn off, and legislators working under the new budget process have been cutting deeper.

CONGRESSIONAL SPENDING LIMIT

Basically, the new budget procedures involve the establishment of a congressional ceiling on federal spending and appropriations and the establishment of separate targets for major categories of government activity, such as national defense. The process is intended to strengthen Congress' hand in controlling the federal budget, helping it set national priorities. It seems to be working—to the satisfaction of legislators and the unhappiness of the Pentagon—though with some start-up difficulties.

Most apparent is the confusion over whether the House-passed reductions would leave defense appropriations and expenditures above, at or below the congressionally established target for the national defense. This year, the lawmakers didn't establish individual targets for various appropriations bills that make up the national defense function. As a result, a group of liberal Senators has said the House-passed appropriations bill exceeds congressional guidelines by $932 million, while Rep. Les Aspin (D., Wis.) figures the House bill is $661 million below the guidelines.

And Sen. Edmund Muskie (D., Maine), chairman of the Senate Budget Committee, has told Sen. McClellan, who wants to add $1 billion to the House bill, that it appears the guidelines are being exceeded. But Sen. Muskie seemed to leave open the possibility of compromise.

While the total House cut was sizeable, it is equally true the Pentagon didn't lose any major programs in the paring process. There were, however, big reductions in money for operations and maintenance and some slowdowns were directed in research-and-development and procurement programs.

COMPARISON TO SOVIETS

Mr. Schlesinger contends that if this pattern of cutting continues year after year, the combat readiness of U.S. forces will suffer and the military balance of power will swing in favor of the Soviets. To dramatize his case, the Defense Secretary chose this year to focus on the differences in military spending levels in the U.S. and the Soviet Union.

But the value of spending comparisons is coming into question. Over the weekend, Sen. William Proxmire (D., Wis.) released testimony on military spending given last summer by William Colby, director of the Central Intelligence Agency. A spending comparison, Mr. Colby said, "reflects the general magnitude of the programs but it isn't by itself a measure of military capability. Equal levels of spending don't necessarily result in equal military effectiveness."

Some congressional experts believe Sen. McClellan's committee will restore some of the money eliminated by the House. Whether such additions can survive on the Senate floor, where they would almost certainly provike a fight, is still an unanswerable question.

Another imponderable is just how big a price Mr. Schlesinger might end up paying for such a victory. There are many experts on Capitol Hill who believe the Defense Secretary made a mistake in openly attacking the House Appropriations panel and its longtime chairman, Democrat George Mahon of Texas.

"In the short run, Schlesinger might increase his budget slightly but in the process could end up alienating Congress," a House specialist in defense matters says. "He's been a little heavy-handed."

THE LATE HONORABLE JOHN J. ROONEY

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. DEVINE. Mr. Speaker, it is with deep sadness that I pay tribute to a friend, former colleague, and a gentleman, Congressman John J. Rooney, of Brooklyn, N.Y., who departed this life on Sunday, October 26.

Because of failing health, and with reluctance, in June 1974, John announced his decision to retire at the end of the 93d Congress after 30 years of deep dedication in this body.

During his lengthy tenure, John Rooney served as chairman of the Subcommittee on Appropriations for the Departments of State, Justice, Commerce, the Federal judiciary, and related agencies. Always referred to as the "watchdog" of the State Department budget, he was also an ardent protector of the Federal Bureau of Investigation, an agency in which I proudly served for 5 years as a special agent.

I had great admiration and respect for this great man, and he will be sorely missed by all who had the honor of knowing him. To Mrs. Rooney, his daughter and sons and other members of his family, I extend my deepest sympathies and prayers in their great loss.

CONSERVATIONIST OF THE CENTURY

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. STAGGERS. Mr. Speaker, my native State of West Virginia is blessed by Mother Nature with resplendence and magnificence unmatched anywhere, either in the old world or the new. We are determined to preserve its glories for the benefit of future generations, so that the appellation, "Almost Heaven," may have meaning and substance through coming ages.

Habitually we honor our citizens who dedicate their lives and their talents to the improvement of nature in all its aspects. This year our West Virginia State Wildlife Federation has conferred an unprecedented title. It is not simply, "The Conservationist of the Year," but "The Conservationist of the 20th Century." The recipient is Ted Fearnow, well known to all lovers of nature from Maine to California, from the gulf to the frozen Arctic.

In the hope that Ted Fearnow's example may inspire others to go and do likewise, I offer a copy of his citation for the RECORD.

MOUNTAIN STATE CONSERVATIONIST OF THE 20TH CENTURY

The West Virginia Wildlife Federation each year honors a small, carefully chosen group of West Virginians who have made outstanding contributions to the conservation of game, fish, forests and other renewable resources in the Mountain State. This year a special award is being added in a special category—emphasizing long service and dedication. The new category: "West Virginia's Outstanding Conservationist of the 20th Century".

The recipient of this award has been actively identified with conservation for more than a half century. He began his career as a high school summer student working at the White Sulphur Springs, West Virginia fish hatchery in 1920. In subsequent assignments while completing his formal education, he worked in the national headquarters of the U.S. Bureau of Fisheries at Washington and on one of the early railroad fish cars used to transport fish from hatcheries to streams before the era of good roads and motor trucks. He studied the intricacies of trout propagation at many famous hatcheries, ranging from White Sulphur Springs, West Virginia to Leadville, Colorado. Later he was assigned to a warm water hatchery in South Carolina where he studied techniques for producing black bass. In 1926, he entered the competitive U.S. Civil Service as a full-time employee of the Federal Bureau of Fisheries.

Two years later, in 1928, the recipient was named first chief of the West Virginia Fisheries Division. He scouted streams of the state, located fish hatchery sites, designed and superintended construction of hatcheries and finally trained men from the game protector force to serve as the first hatchery managers. The recipient of this award remained with the West Virginia Game and Fish Commission for more than six years, returning to the U.S. Bureau of Fisheries under an appointment as Aquatic Biologist in 1934.

One year after returning to the Bureau of Fisheries the recipient of this award was "loaned" to the U.S. Forest Service as a fisheries advisor. Here he was active in promoting stream management as an integral part of forest management. The Forest Service never "returned" the awardee. Instead, they promoted him to the post of Regional Biologist in charge of both game and fish management for fourteen eastern states from Maine to Kentucky including West Virginia. He was a prime mover in creating cooperative agreements under which the Monongahela and George Washington National Forests now provide a million acres of managed public hunting and fishing for West Virginians under joint supervision of the Department of Natural Resources and the U.S. Forest Service. He also left a trail of accomplishments of benefit to sportsmen in our neighboring states, Virginia, Kentucky, and Pennsylvania.

During a 30-year career with the U.S. Forest Service the recipient qualified for advancement under competitive civil service to the post of Regional Wildlife Biologist and later Assistant Regional Forester. At this point, he also became an early recipient of a Nash Award for achievements in conservation.

This Wildlife Federation award, first of its kind, is made to Theodore C. Fearnow, better known as "Ted," a native of Morgan County who has maintained a home in Berkeley Springs throughout his far-ranging conservation career.

Since "retiring" from the U.S. Forest Service at the end of 1965, Mr. Fearnow has served as Director of National Affairs for the West Virginia Wildlife Federation. He has worked as a consultant to game and fish clubs and as a land management consultant and advisor to industry. He is Chairman of the Middle Atlantic Environmental Council, serving Maryland, Pennsylvania, Virginia and West Virginia. He has served as West Virginia's representative on the Potomac Basin Advisory Committee at Washington under appointment by Governor Arch Moore. Last year he spoke before an Inter-American conference of engineers at Toronto, Canada on "The Environmental Aspects of Natural Resource Development." He has been the author of many conservation articles, revealing in unmistakable ways his deep love for the Mountain State.

For more than a half century, Ted Fearnow has been a champion of conservation and good resource management and he continues to be an active leader in his profession. For dedicated service to West Virginia and the nation in conservation and resource management extending over more than a half century, the West Virginia Wildlife Federation has designated "Ted" Fearnow "Mountain State Conservationist of the 20th Century."

SADAT'S LETTER CONGRATULATING HITLER

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Ms. HOLTZMAN. Mr. Speaker, next week President Anwar Sadat of Egypt will address the Congress. I think, therefore, my colleagues should be acquainted with an important aspect of his past—Mr. Sadat's collaboration with and admiration for the Nazis.

The following is an excerpt from the book, The New Anti-Semitism:

The current leader of Egypt has a long history of pro-Nazi sympathies and anti-Semitic pronouncements. Anwar Sadat in his young days was associated with the fanatical, anti-Semitic Moslem Brotherhood. He was a major conspirator in the clique surrounding Nasser, who had attempted to arraign Egypt on the side of Nazi Germany, and Sadat had acted as liaison with the Third Reich during the war. In September 1953, several news agencies reported that Hitler was still alive; on the basis of this report, a Cairo weekly, *Al Mussawar*, asked a number of Egyptian personalities the following question: "If you wished to send Hitler a personal letter, what would you write to him?" And twenty years ago the man who is now president of Egypt offered this response:

MY DEAR HITLER: I congratulate you from the bottom of my heart. Even if you appear to have been defeated, in reality you are the victor. You succeeded in creating dissensions between Churchill, the old man, and his allies, the Sons of Satan. Germany will win because her existence is necessary to preserve the world balance. Germany will be reborn in spite of the Western and Eastern powers. There will be no peace unless Germany once again becomes what she was. The West, as well as the East, will pay for her rehabilitation—whether they like it or not. Both sides will invest a great deal of money and effort in Germany, in order to have her on their side, which is of great benefit to Germany. So much for the present and the future.

As for the past, I think you made some mistakes, like too many battlefronts and the shortsightedness of Ribbentrop vis-a-vis the experienced British diplomacy. But your trust in your country and people will atone for those blunders. You may be proud of having become the immortal leader of Germany. We will not be surprised if you appear again in Germany or if a new Hitler rises up in your wake.

(Signed) ANWAR SADAT.

SADAT'S ATTACK ON ZIONISM AND JEWS CONDEMNED

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ROSENTHAL. Mr. Speaker, the recent comments here in Washington by the President of Egypt attacking Zionism and Jews are an insult not only to one of America's closest and most faithful allies, but also to all Americans who believe in religious tolerance.

Nine of our colleagues have today joined with me in issuing the following statement in response to President Sadat's remarks:

STATEMENT

We deplore the virulently anti-Semitic remarks made by Egyptian President Sadat at the National Press Club this week. For a man who claims to be a recent convert to the cause of peace, he has a strange way of expressing his newfound creed.

Mr. Sadat's comments that the Jews of Egypt "had our economy in their hands up till 1950 or more" not only distorts Egyptian history but also recalls the more blatant, though no less vicious, charges by Jew-baiters and haters throughout history.

To describe Zionism as the cause of "bitterness, violence, hatred (and) killing" in the Middle East, as Sadat does, is to ignore history and deny truth.

In recognition of this, the entire Senate and nearly every Member of the House have gone on record condemning the resolution before the United Nations General Assembly linking Zionism with racism.

We are profoundly disappointed by the silence of President Ford in the aftermath of the Sadat remarks on Zionism, although he has spoken out against the U.N. resolution.

That resolution condemning the philosophical foundation of the only viable democracy in the Middle East is the product of the poisoned pens of totalitarian regimes and police states that have no respect for freedom or human dignity, which are basic principles of Zionism.

Signed:

Benjamin S. Rosenthal, Jonathan B. Bingham, Phillip Burton, Robert F. Drinan, Elizabeth Holtzman, Edward I. Koch, William Lehman, Richard L. Ottinger, Stephen J. Solarz, Charles A. Vanik.

VETERANS DAY—1975

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ROBERTS. Mr. Speaker, although it is both fitting and proper that the Nation pause and pay respect on Veterans Day to those who have given their lives that the ideals of our Nation might be preserved, it is also fitting that we recognize that fully two-thirds of all those who have ever donned the Nation's military uniforms in all wars during the past 200 years, are alive today. Thus, the living veteran, as well as his dead comrade in arms, is deserving of our continued loyalty, respect, and concern.

These facts were highlighted in an address given by the Honorable Richard L. Roudebush, Administrator of Veterans Affairs, when he spoke at the annual Veterans Day ceremonies at Arlington National Cemetery, October 27, 1975.

Mr. Speaker, I feel that Mr. Roudebush's remarks should be of keen concern to all thoughtful Americans and I respectfully request that they be placed in the RECORD:

VETERANS DAY—1975

Last year the President of the United States led the Nation in observance of Veterans Day by participating in these ceremonies after laying a wreath at the Tomb of the Unknowns.

Earlier this morning the President was again here to lay a wreath, thus paying his personal tribute to veterans and once more leading all Americans in a reverent salute to those who have defended and protected our country.

The President asked me to represent him in the later ceremonies at the Tomb and in delivering the traditional remarks at this gathering.

I am sure you appreciate the honor I feel in occupying the spot he filled last year and in being here in his place this morning.

In the proclamation he issued setting aside this day, President Ford said:

"Of all the important days to be celebrated during America's Bicentennial, none is more worthy of special observance than Veterans Day. Had not the patriotic men and women, to whom we pay deserved and grateful tribute on Veterans Day, heard and answered freedom's call during the past

200 years, there would be no American Bicentennial of freedom."

I think it is inevitable . . . and it is fitting . . . that today's events marking Veterans Day, events all over the Nation as well as here in the Capital, will be devoted to recalling our history and our heritage even more than in past observances.

We are completing our two-hundredth year. It is a time for celebration.

It is also a time for contemplation, for considering how we came to be where we are.

And I think that, particularly on Veterans Day, it is a time for consecration . . . for declaring ourselves to be up to the tasks that face us if we are to not only keep intact but to nurture and develop the rights, the privileges and the institutions that fighting men have defended and sacrificed for throughout all our generations.

President Ford's proclamation recalls two centuries of gallant service by our armed forces.

One hundred and twelve years ago this fall, another President delivered what would have been considered a perfect Veterans Day address if there had been a Veterans Day then.

It was at a time when there was great uncertainty whether the Nation would last for even *one* hundred years, when there was a monumental and bloody struggle going on to keep the Union from complete and final dissolution.

In his speech he spoke of the obligation we have to those who died for their country:

"It is for us, the living . . . to be dedicated here to the unfinished work which they . . . have thus far so nobly advanced. It is . . . for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave their last full measure of devotion. . . ."

The "great task" that Lincoln spoke about at Gettysburg was successful completion of the Civil War and reuniting the country. We do not face such an immediate and dangerous task today.

But we do face tasks and bear obligations of citizenship. The Nation is ours to keep strong, to keep free, to keep true to its principles.

And, as Americans, we are governed by the same moral imperative not to forget those who have given "their last full measure of devotion."

The words Lincoln spoke at the resting place of those who fell at Gettysburg are just as appropriate at this cemetery here today. In fact, their meaning is enhanced by the fact that some 700,000 Americans have died in battle since they were first uttered.

But Veterans Day is not just a day to honor the dead.

Forty-four and one-half million Americans have worn their country's uniform during the last two hundred years. Two-thirds of them live today.

There are 29½ million veterans in the United States. About forty per cent of all adult males are veterans.

It is, thus, apparent that there is nothing numerically unique about being a veteran. But it is apparent, also, that Veterans Day, if it were measured simply by the number of persons involved, would be an important day.

This is a special day for all Americans, though, and I do not want to make too much of the statistics that pertain to one particular group of Americans.

Just as we would be making a mistake if we were to consider this just a day for honoring the dead, we would be making a mistake if we thought of this only as a day of veteran interest and participation.

This is a day for all citizens to be proud of America.

This is a day for us to recall our battles, our dark periods of adversity. It is a day for us to remember the bright victories that followed, thanks to the devotion and bravery of our fighting men and the spiritual and moral strength their country gave them.

This is a day, as I said earlier, for us to reflect on our heritage . . . nearly 200 years now as one people . . . and to be thankful for those who have contributed to it.

The trappings of Veterans Day . . . uniforms, cannon, military music . . . have a martial characteristic that is both traditional and understandable.

But we must remember that Veterans Day is a day of peace and that if it is to have full meaning for us it must be observed that way.

The day and the events that mark it took their form and their original place on the calendar not because of war, but because a great war was over.

I think it is appropriate that we will soon return to that original date, not only because it has special meaning as a day in the lives of nearly one million veterans but also because it is remembered as a day of peace by all Americans.

We have seldom known more than a generation of peace during the last two centuries. The period from the end of the Civil War until the outbreak of the Spanish-American War . . . the period that included our Centennial celebration . . . is the longest we have spent without going into battle.

There is irony in this because we are a peace-loving people. We have no desire to dominate others. We have no territorial designs and our relations with other countries have been characterized by unselfishness.

But we have learned that a desire for peace does not always bring peace. We have found that the cause of freedom, for ourselves and for others, often requires armed service by our citizens, their suffering and their bloodshed.

Today we are at peace once more after recent long eras of combat. We pray that it will last.

This is a land of people with diverse outlooks and a wide range of tastes and interests. It is a country where a great variety of beliefs and philosophies exists, where differences of opinion abound.

But I am certain that, if all Americans were called on to state one goal the Nation must seek as we enter our third century, the goal of lasting peace would be chosen with near unanimity.

And I am certain our people would mean peace that is more than the absence of war . . . peace with justice and equality, a peaceful condition that promotes opportunity and happiness, peace with safety, peace with freedom.

The kind of peace for which Americans have yearned throughout the years and for which so many have served, sacrificed their health and given their lives.

Let us dedicate ourselves to that kind of peace for our people and for all peoples.

Let us remember this day not just as a day devoted to history and past achievement, but as a day when we looked ahead with firm resolution that there could be a future without war, without war suffering, without war dead.

I will conclude these remarks by, first, commending you for the interest that has brought you here to participate in this event and, second, assuring you of my continued personal dedication to the needs of the men and women we honor here today.

I join with my more than 200,000 colleagues at the Veterans Administration in pledging the best service we know how to give and, beyond that, an approach to veterans programs that reflects the great appreciation and respect the American people feel for those who have earned that service.

I thank you all for your interest in this program and my special thanks goes to those who worked so hard to arrange it.

A SALUTE TO HUGH CAREY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. RANGEL. Mr. Speaker, in these times of rapid change and advancement this country needs leaders who have the courage to face the many problems at hand and the strength not to succumb to the demands of a few at the expense of the majority in this country.

The presentation of the Eleanor Roosevelt Humanitarian Award to Gov. Hugh L. Carey of New York State proves he is that type of a leader. In public and private life Governor Carey has been a champion of humanitarian causes. I am sure my colleagues will remember the governor's fine work on the Ways and Means Committee while he was a Member of Congress.

With this in mind I would like to introduce into the RECORD the full text of Governor Carey's remarks upon receipt of the Eleanor Roosevelt Humanitarian Award. I am sure my colleagues will enjoy reading the comments of this distinguished former Member. His remarks follow:

TEXT OF REMARKS BY GOV. HUGH L. CAREY

Thank you.

It is indeed an honor to receive an award named after one of the greatest humanitarians who ever lived.

The only other wish I might have is to have Eleanor Roosevelt here herself. She could be helpful these days . . . to all of us. She once said: "You gain strength, courage and confidence by every experience in which you really stop to look fear in the face. You are able to say to yourself, I lived through this, I can take the next thing that comes along . . . you must do the thing you think you cannot do."

We need people who believe that today . . . people who believe problems can be overcome. People willing to put themselves on the line to overcome them.

People, in fact, like those who started this League . . . who would not accept the word defeat, but fought back instead . . .

Who would not accept that those with hearing impairments were unemployable, and started the first programs for vocational counseling and guidance and education.

People who believed that to reach those with impairments when they were children would give them a better chance, and started the first program for children . . .

Who believed that no one was too old to be helped, or beyond contributing their part to society at any age, and started the first program for senior citizens with hearing impairments.

With individuals like this in every area affecting the handicapped, we have turned people's attitudes around during the last sixty years. We have opened windows and let the light shine through the myths of ignorance that enchained helpless thousands before these efforts succeeded.

And today we can see the rewards of those efforts—the countless thousands of individuals with impairments, trained for and performing technical, highly skilled jobs. Men and women performing at the highest levels. Men and women contributing to this society instead of being victimized by misfortune.

That's what America has always been about. Treating the least strong among us, and by so doing making us, and this country, stronger in the process . . . educating the children and the newcomers . . . helping the sick and the elderly.

It is the kind of commitment no budget austerity can ever cancel, as long as we believe in this country. Because the basic strength of this country is, and always has been, its people . . . its most basic resource.

I've just come from a meeting of the Emergency Finance Control Board. And the decisions we are facing for New York City—as cities across this country are facing—are hard ones. But they are not ones where essential human needs are going to be ignored.

We believe even in hard times there is a way to act responsibly.

Unfortunately, at the national level we see men willing to gamble on people's lives for the sake of politics . . . who still believe in the worn-out trickle-down theory, that if you put enough money at the top it will trickle down to those who need it.

Who put oil companies and private corporations ahead of jobholders and homeowners and school children.

We know where we stand on the issue. We want to keep building schools and housing. We want to give the sick and the mentally and physically disabled the help they need . . . the help we owe them. We want our neighborhoods, our cities, our very lives wherever we live—to reflect our basic humanity. We are not simply machines to make and dispense money. We are human beings who believe some things can't be balanced in a checkbook, but must come from the heart.

And it's because you believe these things too and have demonstrated that commitment for 65 years of fine service, that I am proud to receive this award from you today.

I consider it more than thanks for anything I may have done. I consider it a continuing pledge, to do my part in continuing to keep alive the ideals and the commitments which Eleanor Roosevelt, and this League, best exemplify.

THE U.N. RESOLUTION ON ZIONISM

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. LONG of Maryland. Mr. Speaker, I protest the resolution by the United Nations' Third Committee which has equated Zionism with racism, an action that can only erode further the U.N.'s usefulness. The Third Committee vote is partly another example of the anti-Semitism which has lately acerbated the debates of the U.N., and partly a cowardly surrender by many nations to the Arabs' use of their oil to manipulate world politics. There is a total disingenuousness in the "racist" labeling of the Jewish people, who have suffered centuries of persecution for their "race." It is a further demonstration of double-speak that this resolution comes as part of a yearly review of the U.N.'s so-called "Decade of Struggle Against Discrimination."

If the Third Committee's stand is not repudiated by the U.N. General Assembly, I would urge that the U.S. publicly question the sincerity of the so-called "Decade of Struggle Against Discrimination," and indicate the possibility of reducing the U.S. financial contribution to the U.N. until it turns its back on this kind of demagoguery.

GENERAL REVENUE SHARING

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. NOLAN. Mr. Speaker, the National Association of Towns and Township Officials has unanimously endorsed the reenactment of the general revenue sharing program. General revenue sharing has succeeded in responding directly and effectively to the needs of small towns and communities. By eliminating redtape, it has permitted Federal funds to reach small towns that would otherwise receive no assistance. Further, it has reduced the need for increases in burdensome local taxes.

Mr. Martin Sabo, Speaker of the Minnesota House of Representatives, has compiled some convincing statistics regarding the importance of revenue sharing to State and local governments. In Minnesota, if we were to replace all State and local general revenue sharing funds which have come into the State, we would be forced to choose between a number of equally disastrous options:

First, increase individual income tax by 11.4 percent.

Second, increase corporate income tax by 71.2 percent.

Third, increase sales tax by 30.1 percent.

Fourth, reduce school aid by 16.7 percent.

Fifth, reduce aid to local governments by 86.5 percent.

Sixth, eliminate public welfare aid to families with dependent children.

Seventh, eliminate all legislative, judicial and executive departments general fund expenditures.

Eighth, allow local governments to raise property taxes by 10 percent combined with a 4 percent increase in individual income tax.

Mr. Wally Gustafson of the Natonal Association of Towns and Township Officials recently testified before the House Subcommittee on Intergovernmental Relations and Human Resources in support of the General Revenue Sharing Program. Mr. Gustafson's remarks are persuasive and noteworthy. I hope that my colleagues will read this statement carefully and give serious consideration to the extension of this important program.

Mr. Gustafson's remarks follow:

REMARKS OF WALLACE GUSTAFSON

Mr. Chairman and Distinguished Members of this Committee: I am Wallace Gustafson, attorney from Willmar, Minnesota and represent the National Association of Towns and Township Officials. Joining with me in this presentation are members of the Board of Directors of the National Association who also represent the several state associations of townships and township officials from throughout the United States. There are twenty-one states in the United States that afford to their people the benefits of a township form of government, and most of these state associations of township officials are members of the National Association of Towns and Township Officials under whose auspices we appear before you today.

When the State and Local Fiscal Assistance Act of 1972 was enacted establishing general federal revenue sharing, the Congressional mandate was to "help assure the financial soundness of state and local governments which is essential to our federal system." As a further affirmation of Congressional intent, Congress determined that the sound financial condition of local governments in our country was critical to their survival, and hence it provided that two-thirds of the general revenue sharing moneys allocated to each state be provided to local governments and one-third to the state government. To date of the twenty billion dollars of funds disbursed in the form of revenue sharing, approximately one billion or 5% has been allocated to the townships in the United States. The more than three years of participation of 16,467 townships exceeded in number only by the 18,651 cities who have registered a minimum of complaints and unanimously endorse re-enactment beyond 1976 dramatically demonstrates that the program has been a success and ought to be continued.

At the outset, the National Association of Towns and Township Officials and its constitutent members believe that revenue sharing embodies those original constitutional principles of government by the people which we will soon celebrate during the Bi-Centennial of our nation's birth. The fundamental premise underlying the American federal system is a concept that government must remain close to the people it serves. Within this system we suggest it is the townships and their elected officials that are most directly in contact with their constituents, and we believe most responsive to the individual communities' real needs. Federal revenue sharing encourages orderly local planning since officials know in advance the funds they will receive; its procedures are elementary and recipient governments need not employ additional expensive staff to cope with federally designed paper work.

Of equal importance is the objective of revenue sharing to provide federal assistance to all units of general government in the United States. Most other federal aid programs are targeted at one or another specified level of government and each of the hundreds of categorical aid programs addresses a particular need that may exist in only a few jurisdictions. One of the tragedies of categorical aid programs is the difficulty most local governments encounter in identifying the sources of the grants and preparing and coping with the applications in compliance with the diversity of federal regulations and procedures that apply to all of these programs. The result has been that too often only the more affluent, sophisticated and well-staffed units of government can compete successfully in such "grantsmanship" exercises. On the other hand, the association that we represent applauds this new federal revenue sharing program, being mindful that Americans in all communities have basic needs that require public services and assistance.

When the Federal Revenue Sharing Act was enacted, it was understood that decisions concerning the use of federally shared revenues would be made by the recipient governments and not by the Treasury Department.

Priorities for the uses of moneys are ordained locally and the citizenry of each community hold their officials accountable for the decisions made. Township officials who are public-spirited individuals that give of their time for minimum, if any, remuneration are in no position to go to Washington and roam the halls of HEW, HUD, DOT and other departments to coax aid out of these agencies laden with red tape. Federal prescriptions developed for universal application may be laudable, but we do not have the time, patience or expertise to prepare the reams and reams of paper necessary to justify and document our qualifications for the hundreds of possible grant-in-aid programs. We in township government believe that townships and their elected officials are in a better position to determine the priorities of their own communities rather than appointed officials far removed from us, especially since their decisions are subject to evaluation by their constituents at the ballot box.

Our association supports the growing acceptance of the principle that revenue sharing is a necessary element in a 3-part federal aid mix. A well rounded federal aid system needs (a) categorical grants to stimulate and support state and local programs and areas of specific interest; (b) block grants to give states and localities greater flexibility in broad functional areas of national interest and (c) general support grants (revenue sharing aid) to reduce intergovernmental fiscal disparities and to enhance the ability of states and localities to meet their own diverse budgetary needs.

Those of us who work closely with state governments recognize that state revenue sharing with localities is a practice at least a generation old, whereas federal revenue sharing is a new concept or experiment in our American political system. The public debate over federal revenue sharing is in high gear and the greatest danger in evaluating the program is to exaggerate its benefits or condemn its shortcomings. Certainly the enactment of revenue sharing has not ushered out financial predicaments and crises in local governments nor has it produced a new generation of free-wheeling spenders of public moneys because of the minimum of red tape entailed in securing federal revenue sharing funds. One of the most valued by-products of this new federal program has been to reverse the trend of power and authority accumulating in Washington at an ever-increasing rate.

There are many critiques that must be applied to evaluate this program, but we believe that the townships in America must score high marks when one asks, "Has the program increased local decision-making, increased citizen participation, properly husbanded funds with a minimum of compliance violations, and operated with dependability yet flexibility in such a way as to recognize and encourage the combination of national unity and local diversity that has made ours the strongest of nations for nearly 200 years?"

We are sure that the virtues and merits of the program have been outlined to you with repetition ad nauseam and little new or imaginative light has been cast on the subject. However, we are now in October 1975 and all units of government including the various states, cities and counties have urged upon you the importance of an early congressional decision about the future of continued revenue sharing. The need of townships to know about their future revenue sharing entitlements at an early date is greater than their need for advance information about categorical aids. Shared revenues become a part of the general fund of townships which is not necessarily the case with other aids. These funds support essential day-to-day service which in many cases would be eliminated or paid for with higher local taxes should revenue sharing terminate. As reported by the Department of the Treasury, the program was intended to allow, along with other things, hard-pressed jurisdictions to maintain essential existing services, to reduce taxes or to prevent tax increases.

In this current period of national economic uncertainty and unprecedented deficits, the economic situation at our local governmental level is also severe where the problems resulting from inflation and rising unemployment have reached crisis proportions. As distinguished from the townships, the federal government has preempted many sources of taxation and has a superior revenue-raising instrument in the income tax—the most responsive and equitable tax in use—as well as other fiscal and monetary tools that it alone possesses. Additionally, the federal government has the primary responsibility for the management of our economy. If revenue sharing is to remain true to its original concept and is to serve its purpose of underpinning local budgets, it should not be cyclical but a stable and continuing program.

Mr. Chairman, we are honored to have had this opportunity to present testimony and would be pleased to submit any other material or data which might be useful in your deliberations. For the remainder of our allotted time, we invite your questions and will attempt to supply the answers to the best of our ability.

REVOLUTIONARY PACIFISM AND SABOTAGE: THE WAR RESISTERS LEAGUE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. McDONALD of Georgia. Mr. Speaker, from the early years of this century, militant, revolutionary "pacifists" have considered sabotage a "morally just" act as long as directed against property. The revolutionary pacifists consider as legitimate targets property or facilities of the Armed Forces, the property or facilities of corporations doing business with the Armed Forces or the Government, and various other inanimate "symbolic" targets. In this they are no less a threat to the peace and internal security than the Weather Underground Organization which also regards its actions as "armed propagada" against the State.

One of these revolutionary pacifist organizations, the War Resisters League—WRL—recently held its annual conference to develop new organizing issues now that Southeast Asia has been won by the Communists. A prime topic for discussion was the antinuclear power campaign developed so successfully by radical environmentalist groups. Featured at the WRL meetings was Sam Lovejoy, the admitted saboteur of a weather tower at a planned nuclear powerplant in Montague, Mass.

Samuel H. Lovejoy, 30, a member of the environmentalist group, Nuclear Objectors for a Pure Environment—NOPE—and a resident of an organic farming commune formerly the headquarters of the radical Liberation News Service, surrendered himself to police on February 22, 1974, after toppling the $50,000 tower. In a previously prepared statement, Lovejoy admitted "full responsibility for sabotaging that outrageous symbol of a future nuclear powerplant."

After a 7-day jury trial in September 1974, in which Lovejoy defended himself as having acted "in the public interest." Before the case went to the jury, Judge Kent B. Smith of Greenfield, Mass., directed acquittal on grounds that the indictment was faulty, having charged Lovejoy with destruction of "personal" property rather than with "real" property.

In a press interview, Lovejoy jubilantly stated:

> The publicity given the trial was a great victory, and we've entered the issue of civil disobedience into the environmental movement.

He was not retried.

Lovejoy was present at the War Resisters League meeting to discuss "organizing against nuclear powerplants" and to show a film glorifying his sabotage exploit called "Sam Lovejoy's Nuclear War."

Held at Park College in Parkville, Mo., the WRL reported that the principal aim was to develop "cooperation among pacifist groups, women's liberation, men's liberation, socialist's liberation, pacifist's liberation, anarchist's liberation, (groups interested in) the Middle East, nuclear power, et cetera."

The WRL's contempt for the moral standards of conservative religious groups was expressed in a report on the meeting by two leaders in these terms:

> Our finest moments came during the off-hours, however. After the beer was snuck past the watchful Mormon eyes of the campus officials we adjourned to our rooms for partying and to the corridors for some good old-time radical songfesting.

The War Resisters League, founded in 1923, is the American section of the War Resisters International. The WRL has its headquarters at 339 Lafayette Street, New York, N.Y. 10012, and regional offices in Atlanta, Austin, Kansas City, and San Francisco.

WRL's parent, the War Resisters International, a militant pacifist organization active in some 60 countries, was organized by three Socialist-feminists—Jessie Walace Hughan, Tracey McGat, and Francis Witherspoon—from the remnants of the anti-enlistment campaigns of World War I. From the beginning, the WRI contained a strong Marxist element which saw capitalism and free market competition as the ultimate cause of war.

From 1923 until the end of World War II, the WRL's principal activities were antiwar counseling and distributing antimilitary literature. Various WRL activists served prison sentences for their draft resistance.

However, in 1947, at the beginning of the Soviet Union's Cold War of aggression, a Marxist revolutionary faction gained control of the WRL executive committee which resulted in the organization's acceptance of its current revolutionary viewpoint.

WRL organizer Ed Hedemann discussed this process in an interview in the radical Atlanta tabloid, "The Great Speckled Bird," September 28, 1975:

> In 1947, there were a series of executive committee meetings, with resolutions calling for a more revolutionary viewpoint, getting people in the streets, having demonstrations. There was even a call for sabotage of war industries, for taking food out of the groceries and distributing it to [the] poor.

The War Resisters League organizer continued:

> Dave Dellinger, Jim Peck, Dell Rudenko [Igal Roodenko?], Bayard Rustin, and people like them were in the forefront making WRL more revolutionary. * * * they started

> resisting, not paying taxes, and saying the capitalist system was in fact a major cause of war.

The public record of work against the interests of America by those individuals is prodigious. Rustin, a Communist Party, U.S.A., member and Young Communist League organizer in the 1930's and early 1940's, states he broke with CPUSA over racial discrimination issues. Rustin, while serving as executive secretary of the WRL, served from 1955 to 1960 as a secretary to Rev. Martin Luther King, helping to set up the Southern Christian Leadership Conference. His career has included support for a wide range of Socialist and left causes ranging from the League for Industrial Democracy through the Peace Information Center and the Medical Aid to Cuba Committee. David Dellinger, one of the principal leaders of the so-called "anti-war" movement in support of North Vietnamese Communist aggression, has stated that he is a "Communist, although not of the Soviet variety." Currently active with several New Left publishing projects, Dellinger shares with Rustin yet another bond of emnity against traditional American values—a record of conviction for sexual perversion in public places.

In the late 1960's, the War Resisters League joined with WIN, a counterculture youth oriented magazine, with which WRL commenced to build a wider base among the Marxist Socialists, anarchists, and women's and homosexual liberationists of the New Left.

During the demonstrations in support of North Vietnam and the Vietcong terrorists, the WRL took an important organizational role in the SPUSA-dominated People's Coalition for Peace and Justice—PCPJ—and its many predecessors. In these coalitions, the WRL took a leading role in establishing the pattern of "mass civil disobedience" and "nonviolent resistance"—including the physical and psychological conditioning of militant pacifist "shock troops"—which so greatly assisted the spreading of contempt for the laws created through our constitutional, representative system of government.

Hedemann's definition of the WRL's "nonviolent resistance" is enlightening as to the militance and fanaticism found among its members:

The nonviolence we are talking about is different from the old-style, in which pacifists did not want to get their hands dirty, did not want to get involved in a conflict situation. To fight causes of war, we have to risk getting arrested, going to jail where necessary, getting killed. There are times when we must put our lives on the line.

Presumably sabotaging nuclear plant facilities falls within the acceptable risk category for the WRL.

The War Resisters League's plans include organizing against all forms of defense spending, against military recruiting, and supporting the Communist-sponsored "liberation struggles" in third world countries. In this connection, WRL states:

We sympathize with these movements, we want the same ends they want. What is most important for people in this country to do is not to run over and join the Black Liberation Army or to send weapons over, but to fight the military in our own country, to get our oppressive military and oppressive government and corporations off their backs—get Gulf Oil out of Angola, for example.

It is noted with interest, but without surprise that the War Registers League views Communist China's totalitarian regime with affectionate admiration, equating China's decentralized "village industries"—which are run on a centralized top-down basis by Chinese Communist Party functionaries—with Gandhi's proposed ideal pacifist society.

The recent War Resisters International Triennial meeting held in Noordwijkerhout, near Amsterdam, Holland, discussed a broad range of topics "related to Namibia—Southwest Africa—Northern Ireland, the Middle East, India, ecology, sexism, militarism and conscription, arms sales, pollution and ecology, nuclear energy, et cetera."

The WRI has elected as its new "chairperson," Myrtle Solomon of the British Peace Pledge Union to replace retiring Devi Prasad of India. It is understood that Prasad will soon be on a speaking tour of the United States to spread the WRI/WRL "peace" line.

WRL leader Ann Morrissett Davidon reported that while the two previous WRI Triennials, whose themes were "Liberation and Revolution: Gandhi's Challenge," and "Revolution: Prospects and Strategies," were largely "caught up in the exigencies of the Vietnam war." However, she wrote:

> This year WRI was more clearly seen by most participants as a trans-national Left-oriented group ready to undermine not only militarism but also capitalism, imperialism, multinational corporations, racism, sexism, and totalitarian repression of any kind.

The War Resisters League is more and more focusing its attention on the antinuclear power movement. WIN magazine since spring has been featuring accounts of militant antinuclear demonstrations, sit-ins, and plant occupations in Europe. Taken together with the presence of succesful saboteurs like Sam Lovejoy at the recent WRL conference, a new militancy may be injected into the antinuclear powerplant effort—this being timed to coincide with a rising need for nonpetroleum energy sources for American homes and industry.

A wide range of militant environmentalist and Marxist revolutionary organizations have jumped on the antinuclear bandwagon and have so far with their attacks created a situation in which nearly half of the planned U.S. nuclear powerplants have been postponed or canceled.

Let us see to it that forcible occupation of construction sites and destruction of equipment does not add to the delay in making America self-sufficient in energy.

ABE SAID IT LONG AGO

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. MATHIS. Mr. Speaker, I recently received a copy of a quotation attributed to Abraham Lincoln from some constituents of mine, Mrs. Iva P. Goolsby and Mr. Vernon Phillips both of Cuthbert, Ga. I feel that the contents of the quote are very applicable at this time in our American history and I would like to share it with my colleagues:

> ABE SAID IT LONG AGO
>
> "You cannot strengthen the weak by weakening the strong. You cannot help small men by tearing down big men. You cannot help the poor by destroying the rich. You cannot lift the wage earner by pulling down the wage payer. You cannot keep out of trouble by spending more than your income."
>
> "You cannot further brotherhood of man by inciting class hatreds. You cannot establish security on borrowed money. You cannot build character and courage by taking away a man's initiative and independence. You cannot help men by doing for them what they could and should do for themselves."—Abraham Lincoln.
>
> This was good philosophy then and is still good now.
>
> Sincerely,
>
> VERNON PHILLIPS.
> IVA PHILLIP GOOLSBY.

H.R. 66—FOR THE ANIMALS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ANDERSON of California. Mr. Speaker, on November 18 the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Merchant Marine and Fisheries Committee will hold hearings on H.R. 66, legislation I introduced which would discourage the use of painful devices in the trapping of animals and birds. I would like to take this opportunity to thank my distinguished colleague from California, BOB LEGGETT, who chairs the subcommittee, for recognizing the intense interest in this legislation by scheduling these hearings—the first ever since the inception of this type of legislation.

The useless slaughter each year of millions of wild and domestic animals by the cruel steel-jaw leghold trap must cease, and effective alternative devices must be found. H.R. 66 encourages both.

In these days preceding the November 18 hearing, I intend to provide for the RECORD a series of factual presentations focusing on the inhumaneness, unreliability, and ineffectiveness of the antiquated steel-jaw trap. I sincerely hope that my colleagues will take a few minutes each day to review these very interesting stories.

The following is from the most recent publication of Defenders magazine:

> "A STAR SAYS NO"
>
> (By Mary Tyler Moore)
>
> It was the end of a busy day of shooting. I was stopped at a red light on Sunset Boulevard. Suddenly there she was—a woman sauntering across the street in not just a leopard coat but a leopard hat too. Something in me snapped. In my mind's eye I didn't see that woman at all. I saw one of the most beautiful creatures in the world moving gracefully through his jungle—and then I also saw his torment and his agony.
>
> It was too much for me. I opened the window. "Are you happy now?" I shouted. "Are

you happy that you killed those leopards?" She looked around. For an instant our eyes met. "I hope you know," I said, "you look awful."

I don't know whether she recognized me or not. But I do know that, after our confrontation, I trembled a little—and I wasn't sorry. I was still mad. I want to say I'm not usually one to make scenes like that. I'm no cause monger; I value my privacy and my right to free thinking, and I assume others do, too. I wouldn't attack a guest at a dinner party or embarrass a stranger shopping, though I'm always ready to be vocal should the subject come up. Sometimes, however, my horror at cruelty and ignorance overwhelms my reserve, and I have to speak out. Calling to that woman was one of those times. This is another.

Let me begin at the beginning. I wish I had always felt the way I do now about furs, but I didn't. I grew up in a normal middle-class family, moving from Brooklyn to Los Angeles at an early age. I was a kind and decent child, like most children, and I dearly loved animals. Furs weren't worn in my family—there were always more important things to buy—and we certainly didn't need them for warmth in Southern California. But fur is beautiful and wonderful to touch. More than that, it is a traditional symbol of a certain success. So, when I bought my first mink stole several years ago, I was naturally pleased. It never once occurred to me that in order for that soft beauty to be on my back, innocent animals had to die.

I believe it is the same with the leopard-clad woman—in fact, with most people we see wearing furs. Their imaginations have not made the leap. They do not think that the coat they are wearing rightfully belonged to something else, that the toy they are using to stroke their vanity is made out of the pain and death of fellow creatures. Someone has to help our minds make that leap.

It happened to me when I first saw a film Cleveland Amory showed about the clubbing of the baby seals. I was as shocked as if I had been hit in the face. I immediately called my local station to find out what could be done to stop that outrage. They told me to call Cleveland at The Fund for Animals. When I talked to him and later met him and learned firsthand about the realities of "fur production," I was of course sickened. At the same time, however, I was grateful. I was grateful, first, that I would no longer be an unwitting party to brutality by using fur ands, second, that I could actually be of some use in the fight. At first, I was concerned mainly with the torture of wild animals with clubs and steel-jaw leg-hold traps. But eventually I came to believe that even farmed furs were wrong. What can be right with raising animals simply for death—not for food, or out of need, but for the sake of "glamour"?

Shortly after meeting with Cleveland, Jayne Meadows, Doris Day, Amanda Blake, Angie Dickinson, and I did an advertisement for the Fund—paid for by E. F. Timme & Son, makers of fake furs. Through this advertisement we hoped to communicate with people through our familiar names. We felt that fur is not necessary to make a women feel beautiful or glamorous. The real glamour is a result of the imagination that goes into the garment. Why put a dead thing on your back when we have all these creative new fabrics and designs that can be put together to achieve a dazzling effect and one uniquely our own, which is really the important thing.

The response I received after that fake fur ad amazed me. I don't think that my statement was anywhere near strong enough. Frankly I couldn't imagine anyone arguing for cruelty, but some people did. I actually received hate mail. I even received threatening letters from furriers and trappers trying to force-feed me their propaganda. It consisted of a lot of rhetoric selfishly defending their right to make money and was rounded out with the usual nonsense about rabies and mange. It was an eye-opener. I remember I received one letter calling me Mary Blyer Boore and suggesting that perhaps I would like to stand at a deer or skunk crossing and see that the animals crossed safely.

Such letters did not, of course, have the effect the other side might have desired. In fact they had the opposite. I went on and did a public service announcement for the Fund, and this time my statement was very strong. "Behind every beautiful wild [illegible]," I said slowly, "there is an ugly story. It is a brutal, bloody, barbaric story. The animal is not killed—it is tortured to death. I don't think a fur coat is worth it."

I believe we are winning. I really do. So many people are working to get the word out; the truth is becoming harder and harder to escape. Most people by now have at least an idea of the stigma of a fur. The people I see and know have no desire to wear furs; even at premieres and parties I rarely see a fur coat or hat anymore. We're lucky in that our message seems to be falling on fertile times. Values are changing. We have more awarness of the concepts of equality and rights. The people I meet are more sensitive to communication, have more of a desire for a code and a philosophy to live by and less and less of an interest in the outer "trappings." These days, status is related more to actions and beliefs than to what we put on our bodies.

Just ten years ago people weren't thinking so much about things like animal suffering. Now, we're not only thinking about it, we are actually living and applying what we know. Take my business. I would never consider wearing a fur on the screen, no matter what the script called for. On our show we've even gone back and removed old format shots in which fur appears. And I keep an eagle eye on everyone—from guest stars to extras. If I seee anyone wearing fur, even if it is just a walk-on, I go straight to Leslie in Wardrobe and say, "Can you fix that women up with a decent coat?"

Whenever a scene involving references to animals comes up on the set, we are all conscious of its implications. Just recently, for example, "Mr. Grant" (Ed Asner) was supposed to be having a bad day. When he arrived to knock on my door, a dog that had been barking suddenly yelped and then was silent. The inference was that Ed had kicked the dog. We had the scene rewritten; we don't want to influence kids with that mentality. On another occasion, the prop men were setting up for a bar scene, and they wanted an overly masculine quality in the motif of the bar. They came up with stuffed trophy heads and guns to make the bar look like a hunting club. Now these are men who would no more go out and hunt than they would shoot people on the street, but the fact that that motif might promote the sport of hunting had been missed. They were just doing something without thinking. Now we think. The particular scene, incidentally, was redone with a football motif.

We're getting there, but we must keep working. People will always reward themselves with presents and luxuries; but soon, furs will be such a criticized "luxury" they will simply not be worn by any thinking person. When that day comes, we will all sleep better at night.

SWEDEN REACHES 1 PERCENT FOR FOREIGN AID

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. SIMON. Mr. Speaker, my colleagues will recall that some weeks ago during the debate on H.R. 9005 Congressman Steve Solarz offered an amendment which would require the United States, over a period of years, to meet the United Nations goal of seven-tenths of 1 percent of our gross national product for development in the poorer areas overseas.

We are not now meeting that modest goal, though following World War II we did four times that much under the Marshall plan.

The article from the New York Times that I am inserting in the Record here points out that Sweden is now devoting 1 percent to foreign economic assistance.

Some of the statistics from various sources differ slightly, with some sources indicating that the Netherlands is already devoting 1.2 percent. But whatever the minor differences in the statistics, what is clear is that many other nations are doing more than we are.

We need to reexamine our expenditures, and where we can without damage to the defense of this Nation assist the developing nations with economic assistance rather than guns and tanks and bombers, I favor doing that.

The article follows:

[From the New York Times, Oct. 27, 1975]

Sweden Meets Third-World Aid Goal

(By Bernard Weinraub)

Stockholm, October 20.—Sweden has quietly emerged as the first industrial nation to spend 1 per cent of her gross national product on foreign aid. In doing so, she is meeting a major demand placed before wealthy nations by the third world.

"We have made a conscious effort to try to fulfill our obligation to the poor countries," said Premier Olof Palme. "We say, 'What can we do to help you in your national effort?' We don't say, 'You do this or that.' We let them decide. Aid can be difficult and complex but it has been worthwhile from our point of view and theirs."

Although some problems have arisen in Sweden's aid programs, officials here are exultant at reaching the 1 per cent aid figure, a goal for several years. The aid itself serves to underline Sweden's public and political support for "progressive" nations, especially North Vietnam, Cuba and Tanzania.

For the current fiscal year ending in June, the Swedish Parliament has appropriated $660-million for foreign aid, or 1 percent of the G.N.P. The Netherlands and Norway are approaching the 1 percent figure, and are expected to reach it within the next year or two. Gross national product is the total value of goods produced and services performed in a country.

Sten-Olof Doos, deputy director general of the Swedish International Development Authority, which overseas aid, said that only 400 to 500 Swedes were working abroad on aid and that the program ranged from specific projects—such as helping build a paper and pulp mill in North Vietnam—to direct financial contributions for India, which needs foreign currency to buy food and other imports.

"We want to give our aid in such a way that recipient countries have a high degree of influence over what our resources are used for," he said. "We prefer to give aid to countries which promote the interests of poor people. If some countries wanted a blank check, they could have it, so long as we know how it will be used."

One major project, a hospital in Tunisia, is viewed as a virtual failure. "It was built in the mid-sixties and it was too Swedish," Mr. Doos said. "We tried to imitate a Swedish hospital and, of course, it didn't work. Everything—the machinery, the spare parts, the construction, even the light bulbs have been a problem. All too Swedish. It's now working at only a small level of planned capacity."

Major beneficiaries of Swedish foreign aid this year are India, Bangladesh, Cuba, North Vietnam and African nations that include Tanzania, Ethiopia, Guinea-Bissau, Zambia and Botswana. A major aid program to Chile was abruptly halted with the overthrow in 1973 of President Salvador Allende Gossens. Almost 40 percent of Swedish development aid is channeled through the United Nations Development Program and other international organizations.

In recent years Sweden has largely supported the demands of the third world at special economic sessions of the General Assembly and, in some cases, has used some of the rhetoric of the poorer countries. As Carl Lidbon, the Swedish representative at the recent special session of the General Assembly, pointedly said:

"The share of the rich countries of the world's resources is unreasonably large. It is also partly put to absurd use. To mention but one example: the value of the production of arms and military equipment by the rich world amounts each year to more than the G.N.P. in all the countries in Africa, the Middle East and South Asia."

Sweden herself has the fourth largest military budget in the world, on a per capita basis, spending 4 percent of G.N.P. and using 12 percent of the Government's budget. Only the United States, the Soviet Union and Israel exceed this per capita outlay.

ARMS CONTROL AND CHEMICAL WARFARE

HON. FLOYD V. HICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HICKS. Mr. Speaker, for the last 3 years, the United States has been involved in chemical warfare arms control negotiations at the Conference of the Committee on Disarmament, CCD, in Geneva. The object of these negotiations is to conclude a comprehensive agreement banning research, development, production and stockpiling of chemical weapons. At present, the United States and the Soviet Union are signatories of the Geneva Protocol of 1925 which prohibits "first use" of chemical weapons. The Geneva Protocol does not deal with research, development, production, and stockpiling of chemical weapons.

The CCD has discussed chemical warfare issues over the last 3 years. At various times during this period, the two principal negotiating parties and co-chairman of the CCD, the United States and the Soviet Union, seemed intent on making a major effort to draft an agreement. At the conclusion of the Moscow summit, on July 3, 1974, President Nixon and General Secretary Brezhnev stated:

> Both sides reaffirmed their interest in an effective international agreement which would exclude from the arsenals of states such dangerous instruments of mass destruction as chemical weapons. Desiring to contribute to early progress in this direction, the U.S.A. and the U.S.S.R. agreed to consider a joint initiative in the Conference of the Committee on Disarmament with respect to the conclusion, as a first step, of an international convention dealing with the most dangerous, lethal means of chemical warfare.

At the Vladivostok summit, President Ford and General Secretary Brezhnev reaffirmed this goal. The joint communique of November 24, 1974 stated:

> It was noted that, in accordance with previous agreements, initial contacts were established between representatives of the U.S. and the U.S.S.R. on questions related to . . . measures dealing with the most dangerous and lethal means of chemical warfare. It was agreed to continue an active search for mutually acceptable solutions to these questions.

It is now almost 1 year since the last U.S.-U.S.S.R. summit communique concerning a joint initiative at the CCD. There still has been no sign of that joint initiative. A number of the delegations at the CCD have begun to express impatience with the lack of progress in the negotiations for a comprehensive chemical warfare treaty. The Canadian Ambassador to the CCD summed up the feelings of many of the delegates:

> Last year our Co-chairmen indicated that they would be undertaking a joint initiative on the most lethal chemical weapons. No doubt many delegations around this table have thus felt constrained in putting forward further proposals of their own, preferring to await this joint initiative. Recognizing that the Co-chairmen have perhaps the largest stocks of chemical weapons among nations here represented and recognizing that they possess the most sophisticated technology in this area, this reluctance on the part of other members of the Committee is quite understandable. Nevertheless, we must remember that at its twenty-ninth session the United Nations General Assembly repeated the call upon us to continue our negotiations on chemical weapons "as a matter of high priority." The Canadian authorities therefore are concerned about the apparent hiatus in our discussions of this subject. It has been our hope that the Co-chairmen would soon be able to present us with the results of their bilateral consultations. . . .

The Ambassador from Sweden stated the matter in this way:

> In the joint communique from the summit meeting in Moscow about a year ago the United States and the U.S.S.R. announced that they were considering a "joint initiative" in the CCD. . . . This announcement was welcomed as it seemed to signify that the United States and the U.S.S.R. had at last decided to find, or had even found, a way to overcome their outstanding differences on the implementation of a first step of a ban on chemical weapons. As we know, this intention was confirmed later during the summit meeting in Vladivostok last November. . . . But what has happened since? A year has elapsed without any signs of a result whatsoever. Concerned questions have been put to the two delegations here in the CCD. So far we have only learned that discussions are going on between them but not a word has been given as to what is being discussed, or how long we shall have to wait.
>
> The almost complete silence which this "joint initiative" has brought to CCD discussions on chemical weapons this year has certainly been detrimental to our work on this subject. . . .
>
> We have also to say, very clearly, that the "joint initiative" really will have to materialize at the start of next year's session at the latest, if it is not to lose its credibility.

The negotiations at the CCD are to resume in February. The Congress has given an added boost to these negotiations by denying the Army's request to set up a manufacturing facility and production line for binary nerve agent munitions. Many of the delegates to the CCD voiced apprehension over the binary program and its potential impact on arms control negotiations in chemical warfare. As the Iranian Ambassador stated:

> We are often informed by the news media about refinements of chemical weapons, particularly of the so-called "binaries" . . . We cannot expect the evolution of this or any other weapons system to stop by itself. We must move quickly to head off its development before we are faced with a problem as enormous as that of halting nuclear weapons development.

In denying funds for the binary production line, the House Appropriations Committee has addressed this concern:

> In the meantime, it is sincerely hoped that genuine progress can be made during the forthcoming year at the U.N. Conference of the Committee on Disarmament in Geneva on a realistic and workable treaty to ban all means of chemical warfare. If no progress is made in these negotiations at the time we are to consider the Fiscal Year 1977 Defense budget, the Committee may have to reappraise its position on this overall matter.

Thus, if the negotiations at the CCD are to move forward on outstanding chemical warfare issues, they must move forward soon. In my view, there will be no forward movement until there is a "joint initiative" by the United States and the U.S.S.R., and there will be no joint initiative until the United States formulates a negotiating position on chemical warfare issues. The Soviet Union has done so and has presented a negotiating proposal at the CCD; the United States has not.

Based on testimony presented to congressional committees, it is apparent to me that the executive branch has yet to formulate a position on chemical warfare. For the last 2 years, Pentagon officials have argued that we must produce binary nerve agents munitions. For the last 2 years, the Director of the Arms Control and Disarmament Agency has testified that we should not produce binaries—that production would harm the negotiations which two Presidents of the United States have pledged to support.

In light of recent congressional actions concerning chemical warfare, it is my hope that the executive will formulate its position on chemical warfare issues. It appears unlikely that there can be any joint initiative or successful conclusions to the CCD negotiations if the United States continues in its present nonposition.

CONCORDE SST

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. WYDLER. Mr. Speaker, I would like to introduce, for the record, a letter which the Environmental Defense Fund sent to the Honorable William T. Coleman, Jr., Secretary of Transportation, on Wednesday, October 22. This letter asks Mr. Coleman to recirculate a revised environmental impact statement for further comments prior to making any decision on admitting the Concorde SST to the United States.

As the EDF letter points out, this is the same request that was made in very strong terms last spring, by the State of New York. The State felt that the original draft statement was so deficient as not to even provide a basis for informed discussion. I think the EDF letter shows some of the reasons why the State, and others, came to that conclusion.

Mr. Speaker, I would like to identify myself with this request, and to urge my colleagues to join me in recommending this approach to Secretary Coleman.

Environmental Defense Fund,
Washington, D.C., October 22, 1975.

Re Concorde SST: Petition for Recirculation of Impact Statement.

Hon. William T. Coleman, Jr.
Secretary of Transportation,
Washington, D.C.

Dear Mr. Secretary: The Environmental Defense Fund ("EDF") on behalf of its 55,000 members throughout the United States, hereby petitions you to recirculate the Department of Transportation's forthcoming revised environmental impact statement on the Concorde SST for further comments, as a second draft, before making any decision on admitting that aircraft to John F. Kennedy Airport in New York ("JFK") or Dulles International Airport near Washington, D.C. ("Dulles").

This procedure was requested last May by both EDF and the State of New York. The reason for the request, then as now, was that the FAA's draft impact statement on the Concorde was not merely uninformative on many crucial issues, but also affirmatively misleading—so much so as to flout the Council on Environmental Quality's Guidelines. Preparation of Environmental Impact Statements, 40 C.F.R. § 1500.7(a), which require that:

"Each environmental impact statement shall be prepared and circulated for comment in accordance with the provisions of these guidelines. The draft statement *must* satisfy to the fullest extent possible at the time the draft is prepared the requirements established for final statements by section 102(2) (c) [of the National Environmental Policy Act, 42 U.S.C. § 4332(2)(c)]." (Emphasis added.)

The draft impact statement on the Concorde fell so far short of this requirement that, as the State of New York put the matter:

"In these circumstances, the only appropriate course of action for the FAA is to prepare a second or revised Draft EIS which, hopefully, will adequately and completely consider the many important environmental, social and economic impacts not adequately dealt with in its first DEIS. This second Draft should then be circulated to the appropriate states, agencies, individuals, etc. for further consideration and comment. Such a process should provide the basis for the preparation of an adequate and complete Final EIS if the inadequacies and omissions noted in New York State's comments, as well as those of others are properly addressed. The preparation of a final EIS at this time would be premature *and would effectively deny New York State and others an opportunity to comment on the [FAA's] assessment of all the relevant potential impacts. . . .*" [1]

In EDF's comments of May 6, we pointed out some of the specific ways in which the draft statement was affirmatively misleading as to particular issues, especially the ozone and cancer issue (pp. 2–7 of our comments) and the noise issue (pp. 8–14).

Since last May, though, further information has come to light which shows that we—and the other parties who commented on the draft—were able to identify and document only a fraction of the misinformation contained in the draft impact statement.

I. Range, Fuel Reserves, and Air Traffic Control

For example, the draft flatly asserted (pp. 52–53) that:

"The Concorde does not require any unique air traffic procedures in which to operate in the approach, cruise or departure phases of flight. . . .

* * * * *

"If traffic delays are encountered at an airport, the Concorde will hold at 15,000 feet MSL [mean sea level] or higher. Holding at or above this altitude will have no significant impact on other air traffic or the air traffic control system in the U.S."

Not until mid-September did we discover that, in the words of the FAA's Eastern Regional Office:

"The statement made on Page 52 of the subject draft that 'the Concorde does not require any unique air traffic procedures to operate in the approach, cruise or departure phases of flight, is not completely accurate.

* * * * *

"It has not yet been established to FAA's satisfaction that the Concorde can hold within present protected holding airspace areas above 14,000 feet.

* * * * *

"The Concorde is exceptionally fuel critical. Special procedures must be set up if delays of 30 minutes or more are expected at [a] destination airport. These procedures would have to include relaying anticipated delay information to the operator prior to scheduled departure." [2]

Not until September 23 did we learn the opinion of the Professional Air Traffic Controllers Organization ("PATCO")—which was never invited to comment on the draft impact statement—that:

"The Federal Aviation Administration has attempted to delude the public in a recent statement that no 'unique air traffic procedures' are needed for the SST. Nothing could be farther from the truth. We have here a plane which can fly at 1,200 mph, that has special landing and climbing profiles, including a special profile to go supersonic, and which has a critically low fuel reserve." [3]

At the time that we submitted our comments, on May 6, we were also thrown somewhat off the scent by a full page advertisement purchased in the New York Times for April 17 by British Aircraft Corporation, which advised us that the "Concorde is simply just another jet from the points of view of both the passengers and the airport communities," [4] and specifically that the Concorde does not need "special control treatment." It was not until later that we discovered the *Concorde Appraisal Report By British Airways* (1974) which candidly advised the British Secretary of State for Trade, the Rt. Hon. Peter Shore, M.P., that:

"For payload and economic assessments, minimum safety fuel reserves have been employed, *although regularity/punctuality of operation, especially to New York and Washington, may be adversely affected by such an approach in practice.*

"London-New York * * * [I]f, in order to improve regularity of direct service to New York, holding fuel is increased by 15 minutes, then payload penalties [are] estimated of between 6,000 and 11,000 lbs., i.e. 26/43% reduction.

"London-Washington * * * Night departures from Washington necessary in summer to avoid too large a payload loss due to temperature. (If holding increased at WAS by 15 minutes, payload reduced to approximately 13,000 lbs. summer, 6,000 lbs. winter)." [5]

This same document adds that:

"In order to minimise estimates of sector payload penalties, alternate airfields have been assumed as near as possible to the prime destination. * * * (*In practice, the effect of such an approach would be to reduce regularity and punctuality of service*). *Id.* (Emphasis added.)

Surely this information was available to the FAA when it prepared its draft impact statement. The FAA also had available, when it prepared the draft, the *Final Report of the Ad Hoc Supersonic Transport Review Committee, White House Office of Science and Technology* (1969) (the "Garwin Report"). Much like the 1974 British Airways *Appraisal Report,* the Garwin Report concluded (p. 9) that:

"[T]he Concorde of the present size, and its production versions (unless they are entirely different aircraft) are too small *and have too little margin* to be productive aircraft for trans-oceanic flight. For example, the production Concorde, with capacity for more than 124 seats, is now expected by the airlines . . . to carry only 95 passengers Paris-New York and only 66 Frankfurt-New York, *with further restrictions at New York on days warmer than 82° F.* and at Madrid beyond 45° F." (Emphasis added.) [6]

The FAA, to our knowledge, has never explained *what* restrictions are to be imposed at New York on days warmer than 82° F.; *who* is to impose them; or who is to enforce them. Are Concorde passengers, holding longstanding reservations and paying a large surcharge over first class fare, subject to being "bumped" at the last minute because of ambient air temperature at takeoff time? If so, why would any rational person pay the surcharge? If not, can the Concorde operate safely in the summer months? The draft impact statement not only fails to answer these questions; it fails to give any clue that the questions exist. And the point of our present complaint is that one cannot reasonably be expected to comment on questions whose very existence has been concealed from him.

II. NOISE (CONTINUED)

In our May 6 comments, we pointed out in some detail that the FAA's discussion of Concorde noise in its draft impact statement was affirmatively misleading. The extent of the misinformation contained in the draft statement is now revealed by measurements made at Heathrow Airport near London. According to yesterday's Washington *Post*:

"A report by the Greater London Council show[s] that the [Concorde] may be the world's noisiest plane. On takeoff, Concorde is *six times as loud as the new generation of quieter jets . . . and three times as noisy as the veteran Boeing 707.*" (Emphasis added.)

The Boeing 707, of course, is one of the worst of the present subsonic jets, in terms of noise. Suffice it to say that nothing in the FAA's draft statement remotely tended to convey this information. Indeed, the same newspaper, the *Post,* read the draft impact statement and concluded editorially that:

"As best we can make out from the data available [i.e., the draft statement] the Concorde makes slightly less noise landing than do some of the 707s and DC–8s now flying [and only] *slightly more noise than those planes make taking off . . . .*" *Post,* April 24, 1975. (Emphasis added.)

If the draft statemenths managed to fool the Post, it coud easily have fooled any other non-expert reader.

III. BEATING THE BLACK BOX

The FAA's draft statement observed offhandedly (p. 86) that "it *may* be possible to initiate a turn after takeoff to avoid populated areas." (Emphasis added.)

This is the statement's only reference to the takeoff maneuver by which the Concorde proposes to "beat the black box" at JFK, aid thus attain technical compliance

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Footnotes at end of article.

with the noise limit imposed on takeoff by the Port Authority of New York and New Jersey, the airport operator.

Nothing in the draft statement describes the maneuver itself. (This maneuver, as we understand it, is a 26° bank turn, begun at an altitude of only 100 feet.) The draft statement omits such a description even though (a) the FAA was advised by the Port Authority, on February 10, 1975, that:

"Since this procedure represents a departure from those customarily used by subsonic aircraft, we have expressed concern with its safety aspects;"[7]

and (b) at the time of the draft impact statement it was the FAA's "understanding that as yet a final determination has not been made by either the pilots' groups involved or the government aeronautical authorities of the U.K. or France as to the acceptability of the proposed departure procedure."[8]

On July 30, the FAA certified the maneuver as safe[9] notwithstanding that (a) the maneuver had never been described, much less analyzed, in the draft statement (b) no final inmpact statement had been prepared which mentioned this maneuver; (c) the maneuver *still* had not been approved as safe by the British Airline Pilots Association; and (d) it was still being criticized as unsafe by the International Federation of Airline Pilots Associations. The FAA thus attempted to remove entirely from the impact statement procedure a major federal action which has significant environmental impacts,[10] as to which there was substantial room for legitimate disagreement.

Moreover, neither the draft impact statement nor the July 30 certification mentioned one of the most important questions as to the safety of this maneuver. That question is as follows: The maneuver can be executed only on a takeoff from Runway 31L at JFK. It is not claimed that the Concorde can comply with the JFK noise limit—even nominally—on any other runway. A certain, significant portion of the time, due to wind changes, a takeoff on Runway 31L will be *counter* to the prevailing traffic pattern at the airport.[11] What happens at such times? Will the Concorde attempt to take off counter to the prevailing pattern, with all of the safety problems that this entails? Or will the Concorde take off on some other runway, in frank violation of the airport's noise rule? The FAA has never publicly acknowledged this question, much less answered it.

IV. FUEL TANK EXPLOSIONS

In August, 1975, we learned for the first time that:

"The FAA has requested for safety purposes that the Concorde manufacturers install a nitrogen-inerting system in the fuel tank. The estimated cost for all Concordes is approximately 25 million dollars. It also would probably result in a loss of one to two seat payload capacity. Discussions with the British and French have taken place over the last year and a half on this problem."[12]

Not until October did we learn the point of those discussions. See your letter of October 8 to Sen. William Proxmire, answering questions which he had submitted:

"*Question*: Will the Concorde manufacturers install a nitrogen-inerting system in the fuel tanks? If not, why not and what became of the FAA request that they do so?

* * *

"*Answer:* The FAA suggested at one time that the manufacturers install a nitrogen inerting system in the Concorde fuel tanks, but the FAA does not specifically require that such a system be installed. The FAA has, however, promulgated a special rule which will have to be complied with prior to the issuance of a U.S. type certificate. *The issuance of a type certificate will be required only if a U.S. air carrier decides to purchase or operate the Concorde.* The FAA does not have authority to require other governments to meet our airworthiness standards.

"*The special rule, FAR 121.255, requires that a means must be provided for the prevention or suppression of fire or explosion within the fuel tanks.* The Concorde will not be fitted with a nitrogen-inerting system, but that system is only one of many ways by which the aircraft might comply with the rule. * * * *[T]he FAA has not yet determined by what method the Concorde will attempt to comply with the rule or whether that method will be adequate.* * * *" (Emphasis added.)

In other words, if the Concorde were now proposed to be operated by a U.S. flag carrier, rather than Air France and British Airways, it would be illegal because unsafe, for lack of compliance with FAR 121.255. Yet the FAA's draft impact statement made literally no mention of this point, and no one outside the FAA was able to comment on it.

V. OTHER ELEMENTS OF THE COVER-UP

The foregoing list of issues concealed from public view by the FAA is neither exclusive nor meant to be. We suspect that there are numerous other problems, just as serious or more so, which were likewise never identified for public comment in the draft impact statement.

But the foregoing list is surely enough to show that the State of New York was right when it said that the draft impact statement was so inadequate as to "effectively deny New York State and others an opportunity to comment on the [FAA's] assessment of all the relevant potential impacts. . . ."[13]

VI. APPROPRIATE RELIEF

Under the circumstances, the proper thing to do is to issue the revised impact statement as a second draft, and solicit comments on the basis of this (presumably) more complete and candid exposition of the Concorde's safety and other environmental problems, meanwhile withholding action on the Concorde for the brief period that this procedure would require. As the State of New York further pointed out in its comments:

"This suggested course of action is a fair and appropriate administrative procedure in these circumstances. The preparation of a second or revised Draft EIS for circulation and comment is an established procedure utilized by other Federal agencies. For example, the Army Corps of Engineers (ACE) and the Department of Transportation (DOT) have both utilized a two-draft procedure in a number of cases. In certain circumstances, ACE and DOT have issued preliminary Draft EIS's and circulated them for comments prior to preparing and circulating a Draft EIS. In these cases, such a two-draft approach was initially decided upon as being appropriate to fulfill NEPA's requirements.

"The two-draft EIS procedure has also been utilized in circumstances where the federal agency had not initially planned to prepare more than one draft. For example, the ACE prepared a second Draft EIS for a proposed Vehicle Maintenance Facility in Lower Manhattan after its first Draft EIS had come under considerable criticism for its various omissions and deficiencies. The United States Navy likewise prepared a revised Draft EIS, subsequent to its first draft, for its proposal to dredge the Thames River in New London, Connecticut and to dispose of the dredged materials by dumping in the ocean. Finally, the Atomic Energy Commission (now the Nuclear Regulatory Commission) prepared and circulated both initial and revised Draft EIS's for the proposed Newbold Island Nuclear Facility in the Delaware River.

"In the present case, the FAA should follow these precedents and issue a revised Draft EIS which fully corrects the many shortcomings of the first DEIS prepared. The revised statement must not only respond to criticism of the original DEIS but must also broaden its unnecessarily and improperly narrow scope of impact analysis. A comprehensive and vigorous impact assessment must be completed before any commercial SST service is initiated. Such a statement must assess the environmental, social, and economic impacts of instituting commercial SST service in the United States, as well as all reasonable alternatives to such general SST use. The limited and narrow scope of the FAA DEIS does not permit this necessary assessment. A major revision must occur to correct these shortcomings."[14]

As we pointed out in our May 6 comments, EDF believes that this procedure is not only equitable, but also, under the circumstances, legally required. If necessary, we are willing to resort to legal action to enforce the rights we and our members have in this regard, but we would prefer first to submit the matter to your sense of fairness.

Sincerely yours,

JOHN F. HELLEGERS,
Washington Counsel.

FOOTNOTES

[1] Comments of the State of New York, pp. 6–7, transmitted under cover letter from Hon. Ogden Reid, May 23, 1975. (Emphasis added.)

[2] Memorandum, Walter D. Kies, Chief, Planning Staff, FAA Eastern Regional Office, to APS–1, May 2, 1975. (Emphasis added.)

[3] PATCO News Release, Sept. 23, 1975. PATCO also observed that:

"[T]he problems of coordinating such a plane [the Concorde] in the same sky as planes going as slow as 150 mph are immense . . .;"

that "the possibility of delays to other flights can be anticipated;" and that "The Concorde demands [a] disproportionate amount of attention" from air traffic controllers because "perceptual judgments . . . vis a vis the radar scope, will be increasingly different and difficult. . . ." *Id.*

[4] Compare R.C. Collins, "Through the Blue at Mach 2," *Air Transport World*, February, 1975, p. 33. Mr. Collins, a vice president for engineering, United Airlines, gives the following description of a Concorde departure from San Francisco International Airport.

"I'm not sure what kind of flight rules they have in France, but the crew paid little attention to the 250 kt. speed limit that exists below 10,000 ft. in the U.S. At 5000 ft. we were indicating 350 kt.; at 6000 ft. 400 kt. ATC [Air Traffic Control] seemed to accept this as normal for an SST."

The FAA's draft impact statement mentioned neither this speed limit nor the Concorde's ability or inability to comply with it.

[5] British Department of Trade, *Concorde Appraisal by British Airways*, Appendix A (1974). (Emphasis added.) A 6,000 lb. payload [sic!] is the equivalent, of course, of *thirty* 200 lb. passengers, none carrying so much as a briefcase as luggage. One is left to wonder what the Paris-Dulles payload would be "if, in order to improve regularity of direct service . . . holding fuel is increased by 15 minutes," since the Paris-Dulles route is 173 statute miles longer than the London-Dulles route.

[6] The runway heat problem is one of air density. Air at 82° F., for example, is 7% less dense than air at 45° F., assuming constant altitude. "This would correspond to about 7% reduction in thrust, except that the [Concorde] engine is turbine-inlet-temperature limited and so loses even more thrust than that." Letter, Dr. Richard L. Garwin to the undersigned, Oct. 16, 1975.

[7] Letter, C. B. Pattarini, Director of Aviation(Port Authority, to Alexander P. Butterfield, Administrator, FAA, Feb. 10, 1975.

[8] Letter, Alexander P. Butterfield to C. B. Pattarini, March 7, 1975.

[9] Letter, James E. Dow, Acting Administrator, FAA to C. B. Pattarini.

[10] Section 101 of the National Environmental Policy Act, 42 U.S.C. § 4331, twice mentions safety as an environmental amenity which that Act seeks to protect.

[11] A related question is whether the Concorde will be able to take off with a tailwind—not a headwind—on Runway 31L on days when, because of ambient air temperature, it is already near its payload limit. This is another question which the draft impact statement failed even to suggest.

[12] Minutes of Interagency Meeting October 10, 1972, on Regulatory Actions Affecting SSTs, p. 2. These minutes were turned over to us in connection with a pending lawsuit *Environmental Defense Fund* v. *Butterfield,* Civ. No. 74–217 (D.D.C.)

[13] See text at note 1, *supra.*

[14] New York State Comments, note 1, *supra,* pp. 7–8.

AGENCY FOR CONSUMER PROTECTION

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. MOFFETT. Mr. Speaker, the House is scheduled to consider on Wednesday legislation which would create an Agency for Consumer Protection. I view this bill as a small but urgently needed step toward correcting the tremendous imbalance in lobbying strength that exists between consumer groups on the one hand and business lobbies on the other.

To help illustrate this, I would like to place in the RECORD an April 23 article from the Washington Post and an article which appeared in the Washington Star on October 28. The Post article gives a good picture of the overwhelming financial capabilities of certain business lobbies, while the Star article shows the trouble that consumer groups are having just trying to survive. I would ask my colleagues to read and contrast these articles as they make up their minds on H.R. 7575.

[From the Washington Post, April 23, 1975]

LOBBYING ENTERS THE COMPUTER ERA

(By Jack Anderson and Les Whitten)

The delicate art of influencing legislation—popularly known as lobbying—has been moved a great distance from the days when professional pleaders prowled the Capitol corridors twisting legislative arms.

Today, the U.S. Chamber of Commerce uses a computer to keep track of the members of Congress who may need a little gentle persuasion. The infernal instrument identifies not only the legislator who may require some quiet pressure but the businessmen back home who can best apply it.

This scientific system is now being brought to bear upon consumer legislation. With a whirring of little wheels, the electronic mastermind is helping the chamber to deploy its forces most effectively to kill the Consumer Protection Agency bill.

The chamber's chief lobbyist, Hilton Davis, has developed computerized files that list members of Congress and the home-state businessmen who have the most influence over them.

"What I'd like you to do," he wrote to corporate executives whose names went into the computer, "is indicate those senators and representatives with whom your company has a constituent relationship . . . That will permit me to signal the right people when special need arises for assistance with a specific legislator."

Then the big names are brought in from home states to make the personal contacts. They are guided unerringly to the right doors by the clocking, whirring machine in the chamber's headquarters.

We have now cracked the secret code on the chamber's master computer, which sorts the wheat from the chaff on Capitol Hill not by name but by number. To the computer, for example, Senate Democratic leader Mike Mansfield is "S0605" and Senate Republican leader Hugh Scott is "S0851." Speaker Carl Albert, who presides over the House, is "H0055."

The chamber's chief defender on Capitol Hill, Sen. James R. Allen (D-Ala.), is depersonalized into "S0036," while consumer champion, Sen. James Abourezk (D–S.D.) has been assigned the James Bondian code number of "S0010."

The system works this way:

Suppose the chamber wanted to put the squeeze on pro-consumer Sen. Mark O. Hatfield (R-Ore.). The computer operator would punch Hatfield's code, "S0451." The machine would spit out the names of all chamber members who own businesses in Oregon and who might be enlisted to join in pressuring Hatfield.

The computer would automatically address tabs or envelopes to these key businessmen. Clerks would insert specially prepared chamber instructions, calling upon the businessmen to make personal phone calls and write letters to Hatfield. The ones with the most influence upon Hatfield would be hauled to Washington for personal visits.

The chamber even encourages executives to enlist their employees in the pressure campaign to defeat the consumer bills that would protect the employees.

Davis assured us there was nothing sinister about the chamber's computerized lobbying, although he conceded the computer's codes and records were "confidential."

Davis said the system will merely cut mailing and clerical costs by getting out appeals selectively instead of to the general membership. "It doesn't frighten me at all," he said.

[From the Washington Star, Oct. 28, 1975]

LACK OF MONEY PINCHES THE MOVEMENT—CONSUMERISM IS NOW A LUXURY ITEM

(By Bailey Morris)

The cost of food still outrages it and cancer-causing substances still frighten it, but the preoccupation of the consumer movement these days is money—the lack of it.

The movement is almost broke. It is living a precarious, hand-to-mouth existence dependent largely on the survival instincts of its leaders, who scratch around for the few public-interest dollars still left.

The pickings are pretty slim during shaky financial times because most supporters of the movement come from the middle class, consumer leaders say. This means that a $15 contribution to a consumer group is one of the first expenses to be cut by a family trying to stay within a household budget.

"Consumerism is a luxury item during bad economic periods. . . . It's as simple as that," says a Washington-based public interest lawyer.

It is the government, always a fat target for the lean, hungry consumer movement, which is now a major financial supporter of it.

Most groups, while willing to alter their activities to qualify for government money, would rather die a natural, economic death than grasp at the carrot of corporate money which often is dangled before them.

The effects of the lack of money on the work of the movement are sometimes subtle and sometimes so obvious they are painful for its members to see.

Lack of money means fewer professionals in the movement, less visibility on Capitol Hill, less time to argue matters of health and safety before regulatory agencies and no funds to organize the grass roots, especially on election issues.

The impact has been felt nationally in planned programs that never got off the ground. Most were intended to supply organizations with funds and expertise before the coming elections.

At the state and city levels the combination of no money—and in many cases smaller memberships—is more obvious. Consumer leaders say the money crunch is likely to be felt locally in the following areas:

Utility rate cases and the expert testimony local public interest groups have provided.

Consumer representation on and before local public service commissions.

Lobbying before state legislatures on issues including prescription drug prices, milk marketing orders, hospital costs and no-fault insurance.

Consumer pressure on local candidates to endorse public-interest projects as part of campaign platforms.

Eileen Gorman, executive director of the National Consumers Congress, finds herself hustling for dollars for the first time in her consumer-oriented career. But she says the NCC, which grew out of the meat boycott of 1973 and has stayed alive on food and energy issues, refuses to touch corporate money.

"There's money in industry we could tap into . . . but there's no way we would tap into it because there are strings attached. . . . Mobil Oil says we can have money. But how would it look to our constituency?" Gorman asks.

The alternative for NCC, which cannot afford the $20,000 cost of a mass-mail money campaign, is grants, both government and private.

So far, a winning streak in the grantsmanship game has kept Gorman's group alive. Grants from Consumers Union, the Office of Economic Opportunity and some foundations have allowed NCC to stay in business, if not to expand its operations.

Carol Foreman plays the survival game on a one-night-stand speaking tour.

"It's a tough way to earn money. I feel like somebody trying to make it in show biz . . . a different town every night," Foreman says.

Rumors began to spread several months ago that Consumer Federation of America, the organization Foreman runs and the largest of the consumer groups, might have to close for lack of funds.

That's not true, according to Foreman. "The wolf may be knocking at the door in January 1976," but not this year, she says.

Foreman's speaking tour and a large chunk of money received this past January from Consumers Union have given CFA "some cushion" to ride out the bad months, she said.

But the CFA's future rests, in domino-like fashion, on the solvency of its sister organization, Consumers Union.

"We get money from 226 organizations but Consumers Union is our biggest piece of pie. . . . If their money grant to us is cut down we need 15 or 20 new funding sources and they are not available right now," Foreman says.

Consumers Union, which survived the Great Depression and which has remained the most solvent and visible of the consumer groups, is now having severe money problems.

For its 1974–75 fiscal year ended last May, CU, which publishes Consumer Reports, announced a "large and troubling deficit" of more than $3 million.

A lag in new subscriptions to Consumer Reports, which tests and rates products by brand name, created "an unprecedented drop in income," coupled with rising costs for printing and mailing, CU said.

* * * money, and CPA which lost a major portion of its CP financing—have been curtailed.

CU suffered staff layoffs during the fiscal year ended in May and has deferred the planned construction of a new auto testing facility.

In Washington, the layoffs reduced the professional staff from five to three attorneys. In the organization's newly opened West Coast office, there is only one attorney in residence instead of a planned three or four.

CU's troubles are one example of the effects economic uncertainty has on otherwise healthy organizations. Foreman, of the CFA, says many groups that are not on the brink of folding are in a holding pattern, staying alive until the economy gets better. Her own group also is among them.

In the past, CFA, whose large membership draws on labor unions, rural electric cooperatives and other consumer groups, has shied from endorsing local and national candidates for office.

This year it has set up a study group to find the best way of mobilizing its large membership to make endorsements, but Foreman says the money crunch "may affect our ability to do that."

And because she spends at least one day a week on the road, she says she has less time to lobby and not enough staff to take up the slack. That means "we should have spent more time lobbying against the Beef Research and Information Act than we did and more time lobbying in favor of no-fault insurance," Foreman explains.

At the NCC, the effects of the holding pattern are similar.

"We haven't had to actually cut out any program," Gorman says. But NCC did have to postpone planned activities and spend less time on others because of its stepped-up fundraising.

A program to provide technical organizing assistance to local groups across the country had to be put aside as was a legislative-lobbying program which NCC lacks the funds to put into operation.

"There are a lot of consumer groups around the country who are only working at half speed because of not enough money," Gorman says.

Even Ralph Nader is said to have some financial troubles in his multi-tiered operation. Nader was not available to confirm or deny the rumor, which has circulated among others in the consumer movement.

The annual reports of Public Citizen Inc. for the past three years indicate that public contributions, the main source of funding for the Nader conglomerate, are up slightly from 1973, a depressed year, but still down from 1972 levels.

AGENCY FOR CONSUMER PROTECTION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. WAXMAN. Mr. Speaker, landmark legislation establishing an Agency for Consumer Protection will shortly come before the House. If enacted, this measure will provide American consumers with access to an agency which is directly responsive to their interests, and which will represent them before existing Federal regulatory and judicial bodies. I do not think I need belabor the fact that such an agency is vitally needed. As legislators, we have all received hundreds of letters from individuals who have been frustrated in their attempts to purchase safe and effective products at a reasonable cost.

Their frustration has generated a variety of programs aimed at resolving consumer complaints, ranging from Nader's Raiders to televised "action lines." Yet within the Federal Government, whose byzantine labyrinth of departments, commissions, and agencies would put Daedalus to shame, the individual consumer has little opportunity to redress his grievance. The time has come to correct this inadequacy, and I believe H.R. 7575 is the vehicle with which to do it.

Last June, the Los Angeles Times featured an article which summarizes the need for and purposes of the proposed Consumer Protection Agency. I would like to take this opportunity to commend it to my colleagues for their consideration.

The article follows:

[From the Los Angeles Times, June 7, 1975]

CONSUMER ADVOCATE—BUSINESS WATCHES WATCHDOG BILL

(By Ellen Stern Harris)

Suppose you'd like to take a week off and go to Washington, D.C., to give "them" a piece of your mind on an important consumer issue. If you're a businessman you might buy a first-class round-trip airline ticket from Los Angeles for $488.73. And you'd probably be prepared to spend at least $100 a day on hotel and other expenses.

You may, in addition, pay dues to a trade association to alert you as to exactly when and how to take action in your company's best interest. Further, you might engage the services of an attorney or lobbyist to enhance your effectiveness before whatever agency is involved with the pending decision that concerns you. Of course, all of these expenses will be tax deductible as part of your cost of doing business.

Now let's suppose instead that you're simply a very concerned consumer who wants to participate in the governmental decision-making processes that will affect your life, too. You could buy a round-trip coach ticket for $346.73 and expect to spend a minimum of $50 a day for a not-so-great hotel room plus other expenses. If you have children at home, the cost of hiring a baby sitter must be considered, too. And, rather than receiving a tax deduction for taking time out and for spending several hundred dollars to present the consumer's point of view, you will have lost a week's wages, if not your job.

It's hardly any wonder that consumer representation in Washington is no match for industry's clout. For six years efforts have been made by underfunded, understaffed consumer organizations to help rectify this untenable state of affairs. The legislation these groups have been seeking has been known as the Consumer Protection Agency bill. This year's version is called the Agency for Consumer Advocacy bill, or S. 200.

It does not create another layer of regulatory government but rather provides for sustained, effective consumer representation before existing commissions, boards and agencies, as well as the federal courts, in matters affecting consumer interests. For lack of balanced representation, these federal agencies have all too often become captives of the very industries they were originally set up to control on behalf of all citizens.

The only way to get them back on the track is to have them regularly receive expert testimony from an independent source whose sole accountability is to the consumer. Unlike the U.S. Department of Commerce, which represents business interests so thoroughly, the ACA will not be headed by a cabinet-rank officer. It will have an administrator and an annual budget equivalent to the Pentagon's budget for one two-hour period—$15 million.

In contrast, the Department of Commerce's current budget is in excess of $1.5 billion. Further, the ACA, if enacted into law, will be established on a three-year trial basis only. In fact this bill has been so modified to accommodate industry objections that Ralph Nader has said it is "honed down to its bare bones."

On May 15 the Senate overwhelmingly voted its approval of S. 200 but, in so doing, included an amendment that would prohibit the ACA from participating in any matters involving agriculture until farm products are in the hands of processors or retailers. Consumer groups are hopeful this limitation will be removed by a congressional conference committee following the bill's expected passage by the House of Representatives. If this amendment remains, it means the Agriculture Department's policies concerning DES in cattle feed, the routine application of antibiotics to poultry, pesticides to produce, etc., cannot be addressed by the ACA.

In speaking for S. 200, Sen. Abraham Ribicoff (D-Conn.) appears to have updated President Calvin Coolidge's pre-Depression remark of 50 years ago, "The business of America is business." Ribicoff has said, "This bill is not anti-business. It is pro-consumer and what is good for consumers is good for responsible businesses. It will make our government more responsive to the needs of the American people and thereby help restore dwindling confidence in our free enterprise system." Some notable corporations are in agreement and are now endorsing S. 200.

A month ago, before ACA's passage in the Senate, President Ford requested that action be postponed on the bill. He said, "It is my conviction that the best way to protect the consumer is to improve the existing institutions of government, not to add more government." Proponents of S. 200 believe improvement will only be achieved with the creation of a full-time agency for consumer advocacy to assure such needed institutional improvements. Opponents of S. 200 claim that Ford will veto the bill. Proponents fear they may be right. The President has not said what he will do. Perhaps he's wating to hear from you.

LEGISLATION AMENDING SOCIAL SECURITY ACT WOULD HELP STATES WITH RESPECT TO AFDC

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. GILMAN. Mr. Speaker, I rise today to introduce legislation amending titles IV and XIX of the Social Security Act to provide that the Federal payment to any State for any calendar quarter with respect to amounts expended during such quarters as aid to families with dependent children or medical assistance shall be at least equal to 75 percent of the expenditures made by the State for such aid or assistance if unemployment in the State as determined by the Bureau of Labor Statistics in the Department of Labor exceeds 7 percent.

Presently, Mr. Speaker, the 26th Congressional District of New York which I represent, as well as the whole of New York State, faces an emergency situation that has reached near crisis proportion. In my district, Rockland County is $5 million short of meeting this year's welfare commitments and estimates that its 1976 budget may rise as much as 40 percent. In neighboring Orange County, the county legislature has refused to borrow money to meet an apporpriation for supplemental welfare commitments.

My proposal attempts to alleviate this crisis by distributing costs on the basis of capacity to pay and by sharply reducing the gap between States like New York, which must under the present system pay 50 percent of the costs of AFDC and medicaid, and those States like Mississippi that pay only 20 percent of their AFDC costs.

My bill does not involve any basic change in the philosophy that underlies the existing welfare system. Federal law now recognizes that the basic economic health of a State should be taken into account when determining what share of AFDC and medicaid costs the National Government should bear. What this legislation does permit is a more realistic distribution of costs on the basis of capacity to pay.

The current basis for determining the Federal share of AFDC and medicaid costs, generally the percentage of a State's population with incomes below a given level, is inadequate. First, it does not consider geographical variations in living costs; and second and more importantly, this basis provides only a static picture of economic health, unrelated to the economic cycles that so seriously affect the costs of relieving dependency.

It has been estimated that my proposed formula would result in a substantial reduction in State and local welfare costs in as many as 38 States. In New York, the impact would be dramatic—a reduction in State expenditures during the current fiscal crisis of approximately $700 million, a reduction in city expenditures out of tax levy funds of over $400 million, and a reduction in expenditures out of county funds of over $175 million, all during the current fiscal year.

I recognize that this legislation is an interim measure, a stopgap attempt to reduce the strain felt by States and their localities, toward the day that we finally enact a more equitable and rational welfare system. But something must be done and it must be done quickly.

I hope that the Congress, and particularly those Congressmen and Senators who represent the States most adversely affected by the current system of welfare financing, will not leave the initiative solely to the administration, but rather will act quickly and effectively to bring to our States and local governments the relief they so desperately need.

The full text of this bill is as follows:

H.R. 10489

A bill to amend titles IV and XIX of the Social Security Act to provide that the Federal payment to a State for any quarter on account of aid to families with dependent children or medical assistance shall be at least equal to 75 percent of the expenditures made by the State for such aid or assistance if unemployment in the State exceeds 7 percent, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 403(a) of the Social Security Act is amended by striking out "shall pay" in the matter preceding paragraph (1) and inserting in lieu thereof "shall (subject to subsection (i)) pay".

(b) Section 403 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of this section or of section 1118, the Federal payment to any State for any calendar quarter with respect to amounts expended during such quarter as aid to families with dependent children under paragraph (1) or (2) of subsection (a) shall not be less than 75 percent of such amounts (determined without regard to any maximum on the dollar amounts per recipient which may be counted under such paragraph) if the rate of unemployment in the State (as determined by the Bureau of Labor Statistics in the Department of Labor) exceeded 7 percent during the second quarter preceding such calendar quarter."

Sec. 2. Section 1903 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of this section, the Federal payment to any State for any calendar quarter with respect to amounts expended during such quarter as medical assistance under paragraph (1) of subsection (a) shall not be less than 75 percent of such amounts if the rate of unemployment in the State (as determined by the Bureau of Labor Statistics in the Department of Labor) exceeded 7 percent during the second quarter preceding such calendar quarter."

Sec. 3. Section 402(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (26),

(2) by striking out the period at the end of paragraph (27) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that no limitation on the number of hours which an individual may work (or other durational limitation on the amount of work which an individual may perform) will be imposed (under the provisions of the plan required by paragraph (7) or (8) of this subsection or under any other provision of the plan or of this part) in determining the eligibility of any dependent child, relative, or other person for aid under the plan.".

Sec. 4. The amendments made by this Act shall apply with respect to quarters beginning on or after the date of the enactment of this Act.

JONATHAN, MINN.

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HAGEDORN. Mr. Speaker, the Subcommittee on Housing and Development of the Committee on Banking, Currency and Housing, recently held a series of oversight hearings on the new community program authorized by the Housing and Development Act of 1970. In view of the fact that there is a title VII-assisted new community in the Second Congressional District of Minnesota, I presented testimony to the subcommittee about some of the growing problems this new community has encountered as the first new town in the United States, its rapid rate of growth that saw the hopes and plans of the town's creators evolve into reality, as well as the potential its residents feel this successful community has for the future.

Mr. Speaker, under leave to extend my remarks in the Congressional Record, I would like to include the following statement which I submitted before the Subcommittee on Housing and Community Development concerning Jonathan, Minn.'s first completely new town.

The statement follows:

STATEMENT BY REPRESENTATIVE TOM HAGEDORN

Mr. Chairman: I appreciate your invitation to testify before this subcommittee concerning the adequacy of the Title VII program and its administration as well as the problems which have arisen in my district as a result of its having within it the first federally guaranteed New Town in the United States. The New Community of Jonathan currently has a population of approximately 2300 people, 700 housing units and approximately 1400 jobs in its flourishing industrial park. The community is located within the City of Chaska, and its political and service infrastructure is supplied by that City. The City of Chaska and the new community of Jonathan have worked very closely over the years to provide a superior living environment for the people moving into Jonathan; and the relations between the public and private sector are almost a model of public-private partnership. In addition to strong municipal support the New Community of Jonathan has a strong and viable residents' association which has a remarkable record of working to achieve the established social goals of the New Community legislation. Jonathan is an outstanding illustration that people of differing backgrounds, economic levels, and races can live together in harmony and to their mutual benefit. It has been, I think, the leader of all the New Communities in carrying out the express goals of the original legislation.

Today and over the past two years, Jonathan has faced financial difficulties due primarily to the unexpected death of its founder and principal investor, Henry McKnight. Mr. McKnight's death understandably resulted in changes in the investment objectives of that part of the ownership of the development company. In addition, of course, the general economic environment in recent years has been very poor for the housing industry. I am happy to inform the Committee, however, that an experienced land development company is well along in its negotiations with Jonathan and the Department of Housing and Urban Development in securing control and management of Jonathan so that I believe we will see Jonathan go forward in achieving its original planning, economic and societal goals.

It is, however, distressing that the original objectives of the new community legislation have not been carried forward by the Department of Housing and Urban Development with the kind of vigor that Congress envisioned. Since 1970, there has been little evidence of strong administrative support for this program. Over the past year or two, during a period which everyone agrees has been catastrophic for the development industry because of forces outside of that industry's control, the department's support for the program has been at its lowest ebb. Generally, any support given has been too little and too late. This is not to say, however, that the New Communities Administration does not have dedicated people within it. I believe, however, that without strong support and interest from higher levels within the administration, the New Communities Administration cannot be very effective in meeting the challenges arising in the New Town industry.

Congress enacted good and reasonably complete legislation when it enacted new community legislation in Title IV of the 1968 Housing Act, and improved and expanded that legislation through Title VII of the 1970 Housing Act. However, as has been previously stated before this Committee, and I concur, the legislation as enacted, has never been fully implemented in the manner envisioned by Congress. The comprehensive Title VII program has become almost solely a federal bond guaranty program with a few categorical grants thrown in.

The original reasons for this legislation are still compelling and even more apparent. We are still duplicating urban environments along the same lines as over the past thirty or forty years, and all of us can agree that must be improved upon. Preservicing of urban development was and still is a worthwhile objective. Creation of New Communities which contain their job basis and service for their people makes more sense than ever in view of the energy problems which we face today. We have barely scratched the surface of the real potential of this program.

We do have problems. But I believe we also have many successes. We should expect problems and we should do those things necessary to correct those problems so that we may continue to make progress towards achieving the goals and objectives of the original legislation. Perhaps we have found that the limitations of federal participation are too low to build a community. We certainly have witnessed a lack of interagency and interdepartmental administration to help support the New Communities which have been approved. Perhaps we should look toward legislation which requires, at least on an interim basis, support from other agencies and departments. Block grants to governmental units containing New Communities should, I believe, receive priority consideration particularly where such local governments have demonstrated by their action strong support for the New Community in their midst. In any event, I believe Congress should continue its strong support for this program and should foster the partnership of the public and private sector in the development field.

CONSUMERS STILL NEED CHAMPION

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. OBEY. Mr. Speaker, in the past I have supported legislation establishing a consumer agency because I support the creation of a mechanism which will protect consumers against the various cozy relationships between the Government and big business in this country which have resulted in a lack of competition.

But, I have just finished reading the article which I am inserting for reprinting in the RECORD. That article raises serious questions in my mind about my ability to support the Consumer Protection Act when it comes before the House next week. The article reflects an antirural, antiproducer bias which will be, in the long run, economically disastrous to the country. If supporters of the legislation envision the kind of know nothing intervention on questions involving producer prices for agricultural commodities which is suggested by this article, then I want no part of it.

In the last year we have seen a distressing indifference on the part of some self-styled consumer advocates toward the rural poor. Nowhere was that indifference more blatantly exhibited than during the lobbying surrounding the farm bill earlier this year. If these same groups intend to carry their "don't give a damn" attitude toward the rural poor over into the operation of this new agency as the article suggests, I would be hard pressed to support the upcoming legislation. I am perfectly willing to be convinced that that is not so, but based on past experiences, I am dubious.

The article follows:

[From the Washington Star, Oct. 29, 1975]

CONSUMERS STILL NEED CHAMPION

(By Goody L. Solomon)

We're in for another round of price hikes on milk and dairy products and can't do much about it.

The minimum price for fluid milk (which is set by a complicated system of federal milk marketing orders) as of November 1 will be $8.27 for 100 pounds, which compares with $6.80 in March. At retail, that $1.47 jump translates into at least four cents a quart and in many localities more than that because:

The U.S. Department of Agriculture (USDA) sets the minimum price according to prevailing rates in Minnesota and Wisconsin but each of 56 regions around the country has a specified formula for setting its floor price which accounts for transportation and production costs and therefore usually is above the federal rate. In addition, dairy cooperatives set so-called "negotiated" prices (also referred to as "over order premium") which push retails still higher.

Although the system of setting regional formulae allows for public hearings if USDA is petitioned to hold them and therefore consumers theoretically have the chance to present a case against certain price hikes, actually petitions for hearings come from industry while consumer groups lack the expertise and resources to participate, according to Robert March of USDA's dairy division. He said:

"We've been trying to work with consumer groups to help their representatives get better understanding of the problems in marketing milk . . . But it's a very difficult (subject) and the groups lose continuity; often are unable to be expert in a number of different areas (of consumer concern)." He also noted that the milk industry has econmists and laywers whose careers are devoted to milk matters.

March was attempting to show USDA's interest in helping consumers. In effect, he gave the argument of consumer activists who have been struggling for almost a decade to get a federal consumer advocate—an independent agency that would act as a spokesman for consumers when U.S. departments and commissions make decisions or promulgate rules. The agency would deal with the gamut of federal proceedings regarding food, household products, automobiles, advertising, airline rates, highway construction, moving practices and the rest.

Since the late 1960s, bills to create such an agency have passed either the House or Senate, never both. In the current session, this embattled legislation again faces tough terrain. This time food regulations have taken the spotlight in the debates.

Last May, the Senate passed S. 200 which would establish an Agency for Consumer Advocacy (ACA); however, the Senate also voted for an amendment sponsored by Robert Dole (R-Kan.) that exempts from ACA's jurisdiction "any proceeding or activity directly affecting producers of livestock, poultry or agricultural crops."

Senator Charles H. Percy (R-Ill.), who opposed the amendment, wrote a letter urging Jack Brooks (D-Tex.), chairman of the House Government Operations Committee, not to "include any such arbitrary exclusion for agricultural proceedings" in the House version (H.R. 7575). Percy wrote:

"This amendment . . . would exclude the consumer advocate not just from Department of Agriculture proceedings but from many proceedings under the Food and Drug Administration, the Federal Trade Commission, the Environmental Protection Agency and other federal regulatory commissions and agencies. . . .

"The agriculture exemption presumes that the Department of Agriculture always favors, and consumers always oppose, positions taken by farmers. That is just not so. Moreover, the exclusion ignores the fact that more vigorous action by the Department of Agriculture, the Federal Trade Commission and the Department of Justice in tracing, investigating and prosecuting price-fixing and other anticompetitive situations in the food industry would benefit farmers as well as consumers."

The House committee apparently agreed with Percy and voted out a bill sans the food exemption. It is expected to come to the House floor on November 5. At that time, consumer activists fear that, as happened in the Senate, the food exemption could be tacked on.

In any event, there are several differences between the House and Senate versions to embroil the conference committee. (The administrator's term and exemptions for labor and broadcasting are examples.)

Then, there looms a promised presidential veto regardless of specific provisions. President Ford has argued that instead of spending roughly $10 million a year on a new agency, more attention should go toward improving consumer functions throughout the bureaucracy. Supporters of the bill say that might be a good idea, but it would not mean real machinery for expressing the consumer viewpoint.

Moreover, Congressman Benjamin Rosenthal (D-N.Y.), earliest champion of the consumer agency, has said that $10 million a year spent on an independent consumer advocate could save consumers more than $300 million a year in monopolistic overcharges, unsafe products and such.

If the bill reaches the point of a presidential veto, the next and toughest job would be mustering the two-thirds vote to override. A loss there won't put this bit of legislation to rest. Ralph Nader has said, "While the consumer bill has led a tortuous path through Congress . . . it is an idea that will persist until enacted into law."

SCHOOL LUNCH AND CHILD NUTRITION ACT OF 1975

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. FORD of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

SPECIAL REPORT FROM CONGRESSMAN WILLIAM FORD: SCHOOL LUNCH AND CHILD NUTRITION ACT OF 1975 AS PASSED BY THE U.S. HOUSE OF REPRESENTATIVES

As a result of the President's veto of the School Lunch and Child Nutrition Act of 1975 and the subsequent Congressional override, I have received a lot of questions from my constituents regarding this legislation. Because the debate was long and the issue controversial, I would like to review the history of this legislation.

On October 7, the House and Senate overrode the President's veto of the School Lunch and Child Nutrition Act of 1975, which is without doubt the most important child nutrition legislation in recent years. The Act, which became law, despite the President's opposition, significantly strengthens the Federal programs which provide essential nutrition assistance to needy youngsters. In addition to increasing the amount of Federal assistance for the various anti-hunger programs for children, the bill extends such assistance, for the first time, to many groups of children previously excluded from program participation.

This legislation does not contain all of what I had hoped for, nor what I fought for during the last eight months. It is legislation which I wholeheartedly support and, though I fought for an even stronger bill, this is one of the best school lunch and child nutrition bills we have ever considered.

THE LEGISLATIVE STORY

The House version of the bill, H.R. 4222, was a balanced piece of legislation which was designed to help in improving the nutritional status of all children. That bill, which was approved in the House overwhelmingly by a vote of 355–39 on April 28, provided needed additional financial support for all aspects of the lunch program. Additional funds were to be provided not only for the free and reduced program, but also for that portion of the program under which students pay the full price for their lunch.

You will recall that this latter provision authorized an additional five cent subsidy on each paying lunch during this current fiscal year. Just before the August recess, an agreement was reached in conference which, in every detail, made substantial and important improvements in all the child feeding programs.

That Conference Report, like the original House bill, was a balanced piece of legislation. Twenty-four of the thirty Conferees on the bill signed the Conference Report, on July 30 with 19 of the 22 House Conferees agreeing to the Report.

There was not one provision in that report that any organization or person interested in nutrition and well-balanced and adequate diets for our children could have justified opposing. The provisions contained in that report (especially the five cent subsidy on each paying lunch) were to keep the constantly rising prices of school lunches within the means of all children. In light of the overwhelming votes on H.R. 4222 in both the House and the Senate, and the compromises contained in the Conference Report, we should have been able to expect prompt and favorable action by both Houses. However, on September 5, the Senate unanimously voted to recommit H.R. 4222 back to the Conference Committee. There were no instructions with the recommittal. The discussion on the floor of the Senate indicated that the principle opposition to the Conference Report was related to the budgetary concerns—and more particularly, to our agreement to provide a three cent subsidy on each lunch other than a free or reduced price lunch.

The justification and necessity for providing at a minimum a three cent subsidy was clearly documented in the House debate on H.R. 4222. All the studies which came to our attention during the course of the hearings clearly demonstrate that a successful school lunch program depends not only upon adequate federal support for the free and reduced price lunch programs, but also on adequate participation of paying students in the program.

When we went back to conference, it was my position that the House stand firm on the three cent subsidy, and on another provision which required the service of a reduced price lunch to students from families with incomes up to 95 per cent above the income poverty guidelines ($9,770 for a family of four).

The Senate insisted that we do away with the three cent provision and lower the income eligibility guideline to 90 per cent above the poverty level. We refused. In lieu of the three cent subsidy, we offered a compromise under which additional commodities would be distributed this year equal to one cent per lunch on every lunch served, and that we go to 100 per cent above the poverty index. This was rejected by the Senate Conferees.

We then offered a compromise under which we would recede on the three cent subsidy but insisted on 100 per cent above the poverty index as was the case in the House bill. This too was rejected by the Senate Conferees.

We were, however, able to retain the 95 per cent figure. In summary, in the last conference, the House was asked to give in on two points—elimination of the three cent subsidy and the lowering of the income guidelines. We lost the subsidy entirely, but we were able to hold firm on the guidelines.

The bill was trimmed by $75 million, and approved by both Houses. In spite of our efforts, the President waited until the last possible day (October 3) and then vetoed it, thus insuring the greatest possible damage to the programs. Finally, on October 7, the veto was overridden by both the House and the Senate and the School Lunch and Child Nutrition Act of 1975 became law.

THE PROVISIONS OF THE ACT

1. *The Reduced Price Lunch Program:* As I mentioned above, the original House bill required reduced price meals to be offered in every school and placed the eligibility ceiling for reduced price meals at 200 per cent of the Secretary of Agriculture's "income poverty guideline" (which comes out to $10,020 for a family of four during the current school year). The Senate bill contained no comparable provision.

Essentially, the House prevailed on this issue, with the conference making only a slight modification. The conference agreed to mandate the provision of reduced price meals in schools, and lowered the eligibility ceiling only slightly—to 95 per cent above the income poverty guideline (or $9,770 for a family of four). Because of this, an additional 2.2 million students will qualify for a reduced price meal for which the price to the student cannot exceed twenty cents.

This provision will be of great benefit to children from low income working families. At present, many of these children are paying 46–65 cents for a school lunch.

2. *The School Breakfast Program:* This legislation makes the school breakfast program a permanent program. It also encourages the expansion of the breakfast program to reach more students, particularly those who qualify for a free or reduced price lunch.

3. *Free or Reduced Price Lunches for Children of Unemployed Parents:* Provides that any child whose parents are unemployed shall be served a free or reduced price lunch. This was amended, thereby watered-down in conference to require that in addition to being unemployed, family income guidelines would also have to be met.

Current rates of income shall be used as the basis for determining such income eligibility. It was my concern that substantial numbers of children from families whose parents have recently become unemployed are not receiving the benefits of the free or reduced price lunch program.

I introduced this amendment to provide immediate eligibility for a free or reduced price lunch to any child whose parent (head of the household) becomes unemployed. The family would be eligible during the entire period of unemployment, so long as it meets the income eligibility criteria.

In addition, my amendment directs the Secretary of Agriculture to issue appropriate regulations requiring local school districts to develop and make available informational materials, relating to the income eligibility criteria for free and reduced price lunches to local unemployment offices and to major employers contemplating large layoffs throughout the school year. Such a procedure should serve to alert unemployed persons to the potential eligibility of their children to receive free lunches or to purchase reduced price lunches.

4. *Commodity Distribution Program:* The necessary authority for the Secretary of Agriculture to purchase agricultural commodities for donation to the child nutrition programs and programs for the elderly is extended.

5. *The Summer Feeding Program:* The summer feeding program for children, which I also sponsored, is extended through September 30, 1977, and specific reimbursement rates are set. Advanced funding of the summer program is authorized and the program is modified to provide that all meals served to the needy in the summer program are served without cost. Virtually all of the problems which have traditionally plagued this important program of summer nutrition are remedied by this legislation.

6. *The WIC Program:* This program of preventive nutrition assistance for pregnant and lactating women and their infants is strenthened considerably. The legislation raises the level of funding to $250 million annually and insures that the money is spent; increases the amount of administrative funds provided by USDA, and includes funds for nutrition education and starting WIC program services. It makes the package of high-protein foods for program participants more flexible to allow necessary variations based on health needs and cultural preferences, and increases the age eligibility limit for children by one year (up to the fifth birthday). Finally, it allows mothers to receive assistance up to six weeks, after the baby is born.

7. *The Food Program for Residential Institutions:* For the first time, children in residential child care facilities like orphanages and homes for the mentally retarded are made eligible for the school lunch program. The year-round phase of the special food service program for children is revised to establish a child care program for children in nonresidential child care institutions, and the program is extended through September, 1978. Previously, children in such institutions had to suffer substandard nutrition assistance because of such institution's inability to afford proper meal services.

SUPPORT FOR THE AGENCY FOR CONSUMER ADVOCACY

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. JAMES V. STANTON. Mr. Speaker, I would like to bring to the attention of my colleagues the statement in support of the proposed Consumer Protection Act which was authored by Dr. Samuel S. Epstein of the School of Medicine of Case Western Reserve University, and was signed by over 100 scientists, physicians and educators from all parts of the country.

The statement follows:

STATEMENT IN SUPPORT OF LEGISLATION TO CREATE THE AGENCY FOR CONSUMER PROTECTION, JULY 7, 1975 *

As scientists, physicians and educators concerned with problems of preventive medicine, and consumer health and safety, we express strong support for legislation to create the Agency for Consumer Protection (H.R. 7575). Similar legislation has already been passed in this Congress by the Senate (S. 200).

The proposed Agency for Consumer Protection would be independent and non-regulatory. Uniquely, it would be responsible for representing the interests of consumers before Federal regulatory agencies, departments and the courts, and to present facts and arguments to Federal decision-makers as to how their various decisions would benefit and harm consumers, both directly and indirectly. The Consumer Protection Agency will additionally be provided with the means to disseminate relevant consumer information.

Modern industrial society places undue emphasis on initial sales and initial costs of products and processes, rather than on product lifetime costs, including use and repairs, and social costs, including environmental degradation and adverse effects on human health and safety. The Agency for Consumer Protection would address itself to challenge the technological and social basis for our throw-away economy, as embodied in narrowly-based decisions of regulatory agencies, and thus assist in re-orientation towards an economy reflecting life-time use and the wellbeing of society as a whole.

While numerous agencies, particularly the Department of Commerce and the Small Business Administration, in one way or another, already support the positions and interests of industry, no agency of government is charged with the advocacy and protection of consumer interests. Whether these interests relate to concerns such as clean air, auto safety, meat inspection or land use, there is no currently adequate mechanism for presenting the consumer perspective or the perspective of scientific and legal representatives of consumer viewpoints.

In recent Congressional testimony, an official of the Federal Trade Commission stated that business representatives out-number consumer representatives by 100 to 1 in appearances before Federal agencies. The offices of consumer affairs of the various agencies are small and relatively ineffectual, reflecting as they do overall agency policies and pressures, and are clearly no substitute for an independent agency, uniquely and solely charged with representing consumer interests. This is a critical deficiency in regulatory practice, especially as the health, safety and other interests of the consumer have been and can be massively influenced by the decisions and actions of a wide range of Federal agencies including the Energy Research and Development Administration, the Consumer Product Safety Commission, the Environmental Protection Agency, the Departments of Interior, Labor, Housing and Urban Development, Transportation—including the National Highway Traffic Safety Administration and the Federal Aviation Administration—the Civil Aeronautics Board, and the Food and Drug Administration of the Department of Health, Education and Welfare.

By comparison with the Department of Commerce budget request for FY 1976 of $1,738 million and the Small Business Administration budget request of $289 million, the estimated budget of only $16 million for the proposed new consumer agency is extremely modest and incommensurately low in relation to the importance of its proposed functions. The cost to the average American family for the Agency will be approximately 25¢ per year.

Many case studies were cited in recent Congressional debate to illustrate the lack of adequate scientific, legal, and other representation of consumer interests in Federal decision-making processes. It is well recognized that these processes are systematically subjected to pressures of special interests. A series of varied examples, illustrating the extent and scope of this problem are presented below.

EXAMPLES RELATING TO THE FOOD AND DRUG ADMINISTRATION

The FDA has repeatedly delayed implementing its authority, failed to regulate (except in certain cases of proven human deaths from known products) and relied on voluntary compliance from the industry it is charged to oversee. Thus, in September 1972, the FDA finally classified all products containing hexachlorophene (HCP) as prescription drugs, ending its extensive use in hundreds of over-the-counter remedies and cosmetics, but only after some 30 French children had died from exposure to HCP in baby powder. Experimental toxicological data on HCP had, in fact, been available to FDA from its own scientists for several years, and FDA admitted at the time of the action that the central nervous system lesions in these infants were identical with those induced in experimental animals.

FDA has resisted implementing the 1962 Drug Efficacy amendments to the Federal Food, Drug, and Cosmetic Act, which require most drugs marketed after 1938 to be proven effective. In 1966, FDA belatedly began working on the law by commissioning the National Academy of Sciences (NAS) to report on the effectiveness of a representative group of drugs. The NAS found that some 60% of the drugs studied has not been proven effective for any purpose. Taking ineffective drugs may not only cause serious side effects, but also reduces the opportunity to benefit from effective drugs. Thirteen years after passage of the Act, FDA has still taken no regulatory action on 2,300 of the 2,800 drugs found to be ineffective by the NAS.

The failure of the FDA to institute an investigation of recalled pacemakers which would have revealed that hermetic sealing could have avoided unnecessary harm or deaths. Senator Ribicoff commented upon this:

"The pacemaker incident showed great neglect on the part of FDA. If there had been a consumer's advocate who could have pointed to the fact that there was another good pacemaker devised by the U.S. Navy, we would not have had to recall thousands and thousands of pacemakers. If there is one particular agency that needs the oversight of a consumer advocate, it is the Food and Drug Administration."

On August 15, 1972, the FDA promulgated performance standards for diagnostic x-ray equipment, which would significantly reduce the major source of man-made radiation exposure. The FDA subsequently extended the deadline for compliance to 1974. Present levels of radiation exposure from diagnostic x-rays have been recognized by a 1972 NAS committee as unnecessarily high, with significant potential for reduction without impairing diagnostic benefits. These performance standards, which apply only to new equipment (and not to old equipment which often emits excessive radiation), came four years after passage of the 1968 Radiation Control Act, during which time several hundred million annual x-ray examinations were performed, with unnecessary risk from somatic and genetic efforts to both the patient and operator.

The aspirin order of February 16, 1972 was the first regulation under the Poison Prevention Packaging Act of 1970, an Act which allows FDA to prescribe childproof safety packaging for hazardous household substances. The regulation took over two years to formulate. When finally published, the FDA took the extraordinary step of soliciting the pharmaceutical industry for petitions for exemptions. Thereafter, FDA granted permission for non-compliance to three categories of aspirin products, and extended the deadline for compliance by other categories up until July 1, 1973. According to FDA figures, approximately 800 children under the age of five years suffer accidental aspirin poisoning each month, and 90% of these would be prevented by special packages.

EXAMPLES RELATING TO OTHER AGENCIES

The auto safety regulation decisions of the National Highway Safety Traffic Administration Department of Transportation, are strongly influenced by the business emphasis on initial sales. The industry loudly protests that safety features automatically increase cost (with the usual profit taken on these features). Some safety features can be adopted without increasing costs, simply by redesign of body work to exclude sharp and protuberant edges. Other safety investments can be more than compensated by reducing styling or other such frivolous investments. Not to be discounted are the "penumbra" savings of insurance repairs, time lost and accidents. But where is the consumer voice adequately protesting the 46,000 killed and the estimated 4.6 million injured in one year, and the other social costs of cars? Would it not be better to raise the cost of the car with safety features and lower the cost of insurance and hospital bills? This has not been proposed strongly enough by the present government bodies, and the Agency for Consumer Protection could strengthen this consumer voice.

In 1972, after a DC-10 passenger plane was involved in a near fatal crash, the Federal Aviation Administration (FAA), Department of Transportation, discovered the cargo door was at fault. The FAA drafted a directive requiring the manufacturer, McDonnell-Douglas, to correct the defect. McDonnell-Douglas intervened directly with the FAA, successfully urging that the modification be made voluntary, rather than mandatory. Changes thus were not made on all DC-10's. In March 1974, a DC-10 crashed near Paris, killing 344 people. The plane's door had not been modified, and this defect is believed responsible for the crash. Had there been a Consumer Protection Agency with power to subpena documents in the course of this informal agency activity, it could have subpenaed manufacturers' safety testing records, indicating the extent of the danger, and manufacturers' and operators' records, indicating the extent of cooperation with the voluntary rule. Pressure on the FAA to promulgate a mandatory safety regulation might have meant the difference between life and death to the 344 persons killed in the crash.

The Civil Aeronautics Board, according to a recent report of the Senate Subcommittee on Administrative Practice and Procedure, has for the last five years regularly violated its own rules, and sometimes Federal law, while acting to protect the interests of the airlines at the expense of the traveller. Violations of the Board include closing of an investigation on possibly illegal campaign contributions by airlines, failure to follow "commonly accepted standards of fairness and openness", and failure to hold hearings on decisions not to grant new routes to airlines.

The Cost of Living Council, now defunct, in 1973 permitted domestic auto makers to raise their prices an average of $70 per car. Although the cost of this to the American public was approximately $54 million per

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* Revised draft of June 20, 1975 Statement.

month in increased costs, the Council notified the public of its proposed action only one day before the deadline for requesting an opportunity of appeal and only four working days before the hearings. The Council also failed to provide the public with the basic information necessary to prepare meaningful comments.

A Federal Energy Administration (FEA) regulation issued in November 1974 mandated that oil refiners treat refinery-fuel costs as a non-product cost subject to profit margin limitations, rather than as a product cost which could be automatically passed through dollar-for-dollar to the consumer. The FEA decided not to make the new clarification retroactive. The potential cost to consumers of that refusal is estimated at $750 million. Had there been a Consumer Protection Agency, it could have urged the FEA to make the ruling retroactive. Increases in natural gas prices are approved without adequate consumer data. The economic impact is enormous. In December 1974, the Federal Power Commission set a nationwide rate of 54¢ (including production taxes) per mcf of natural gas. The previous rate set in Southern Louisiana was 26¢ per mcf in July of 1971. Calculating on the basis of 12 trillion cubic feet of gas used by consumers, this rate hike cost consumers approximately $3,360,000,000.

The Consumer Product Safety Commission has recently set permissible levels of 0.5% lead in paint, in spite of the overwhelming objections of expert independent scientists, including the Director of the Center for Disease Control, who recommended maximal levels of 0.06%. This action places at risk thousands of children to lead poisoning, with attendant potential massive social and economic costs.

The Consumer Product Safety Commission delayed banning the sale of aerosol cans containing vinyl chloride propellants, in spite of the overwhelming data on carcinogenicity of vinyl chloride, until six months following petition by a public interest group (The Health Research Group).

In the face of evidence that about 5,000 deaths and 200,000 injuries result each year from burns associated with flammable fabrics, Congress strengthened the Flammable Fabrics Act in 1967. The Commerce Department, charged with administering this law, waited four full years before establishing a strict flammability standard covering sizes 0–6X of children's sleepwear. When the Consumer Product Safety Commission was formed in April 1973, it inherited authority to administer the Flammable Fabrics Act from the Commerce Department. In desperation over the series of inexplicable government delays, a group of Boston parents of burned children pleaded with the Commission for over a year to act. The Commission took a full year to issue the flammability standard for children's sleepwear, sizes 7–14, which the Commerce Department had finally proposed in March 1973—six years after the Act was passed—and the standard did not go into effect until May of 1975. The Commission has failed to issue any other flammability standard proposed in earlier years by the Commerce Department, or to initiate new standards.

This miscellaneous and broad range of case studies illustrates the critical and urgent need to create the Consumer Protection Agency to represent effectively the interests of the consumer in Federal decision-making. By advocating broadly based consumer perspectives and viewpoints, the Consumer Protection Agency can attempt to restore to the regulatory processes the necessary checks and balances which are inherent in the democratic practice and fundamental to our system of government.—SAMUEL S. EPSTEIN, M.D.

RAILROAD COMMISSION OF TEXAS DISAPPROVES S. 2310

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HIGHTOWER. Mr. Speaker, the Railroad Commission of Texas, which was established in 1871, is my State's regulatory body for the oil and gas industry. Its members and staff have few peers in their knowledge and understanding of this complex industry.

The Senate has passed S. 2310 and has now transferred to the House of Representatives the responsibility for determining what course the Nation must pursue in assuring adequate and continuing supplies of this precious natural resource. We must act soon. We must act responsibility.

Anticipating that we would be considering this critical legislation, Mr. Mack Wallace, a highly respected member of the commission, wrote a letter to me giving the most careful and detailed analysis of the original Senate bill I have seen. The factual information he presents is especially pertinent to our deliberations about this issue. I commend Mr. Wallace's letter to the attention of my colleagues.

RAILROAD COMMISSION OF TEXAS,
Austin, Texas, September 17, 1975.

Hon. JACK HIGHTOWER,
House Office Building,
Washington, D.C.

DEAR JACK: After studying the provisions of Senate Bill 2310, I feel it is my duty to express a considered viewpoint on the inadvisability of this type of legislative approach to our energy problems.

S. 2310 is wrong for several reasons.

First, the attitude of the bill's authors is that a gas shortage has suddenly hit us and must be handled by emergency government action for the immediate winter heating season. The same states named in the Act as the principal beneficiaries have ignored over two decades of warnings by Texas Railroad Commission members and others that to follow the Federal Power Commission policy on gas pricing and the New England philosophy on imported oil would lead this nation into a gas and oil shortage and dependence on foreign oil. Now that their actions have borne fruit, these states refuse to even sample its bitter taste, much less adopt a responsible attitude regarding the utilization of the nation's total energy resources. Instead, these states choose to punish producing states with discriminatory legislation such as this Act.

Second, S. 2310 provides no incentive to increase the nation's supply of natural gas. It merely provides a means of allocating existing gas production—generally by taking intrastate gas and diverting it into interstate markets. This Act is probably counterproductive in enhancing gas supply due to its blatant use of federal power to reallocate property rights, and to displace free enterprise with legislative fiat in meeting a national problem.

Third, S. 2310 represents a myopic approach to the energy shortage faced by this nation. The authors have drafted a bill that speaks to the upcoming shortage of gas this winter in their states as if it were the most important problem facing the nation. They are willing for the producing states to suffer permanent damage to their natural resources for one winter's economic comfort for the benefiting states. Senator Glenn mentioned several times that all energy resources should be shared, but this Act places no burden on the benefiting states to contribute anything. The Act relies on government price control, severe penalties, and the equity power in federal courts to force the producing states into line, and effectively prevents free market forces from working to solve our long range energy shortage. The verbage in the Act assumes that large volumes of new gas are available and can be quickly put on stream. The truth is that during the short time frame of this Act the only gas that can be quickly put into the interstate market is that gas which is currently moving in the intrastate pipelines. Due to the very real limitations of labor, material supply, and drilling rigs this Act will not bring on stream any unconnected gas from the Outer Continental Shelf or federal lands. Instead, it will do what it is intended to do, and that is take intrastate gas from Texas citizens and industry and move it into interstate commerce for the benefit of industry and citizens in the Northeast and Upper Midwest.

Fourth, S. 2310 sets up a nightmarish system whereby five federal agencies are to act quickly and harmoniously in securing, classifying, and handling natural gas producers, transporters, and purchasers. Many potential conflicts are built into the general authorities contained in the Act. Based on past and present experience with federal agencies, there is every reason to believe that the regulation proposed by this Act would simply result in confusion and would paralyze the intrastate and interstate natural gas industries. The chaos resulting from the FEO's attempt to allocate gasoline and fuel oil would be nothing compared to the confusion and uncertainty that could be generated by this proposal.

Fifth, S. 2310 is totally inequitable in its impact in that the benefiting states are essentially those fourteen states named in the Act, while the states for which a sacrifice is demanded are limited to those with an intrastate gas market—principally Texas. The stated purposes of the act are to minimize the detrimental effects on employment, food production, and public health, safety, and welfare caused by natural gas supply shortages. The fact is, however, that this special treatment is reserved for only those states served by a "priority interstate purchaser." Texas will be sacrificing once again, possibly permanently, for the benefit of the identical consumers and states that orchestrated the policies that precipitated the current energy shortage. Several of the fourteen states named by Senator Glenn have refused to allow exploration for oil and gas or construction of refineries within their boundaries or off their shores. There is no equity available for intrastate high priority users, and under this Act it is entirely possible that identical users will be treated differently. One in Texas on an intrastate line will be shut off while another served by a "priority interstate purchaser" pipeline will continue to operate through the winter. The Act includes expiring intrastate contracts within the definition of "new natural gas," but no mention is made of expiring interstate contracts. Producers tied to interstate contracts will be left with the Federal Power Commission's policy against allowing abandonments even after such contracts have terminated.

Sixth, by virtue of its status as having the largest gas reserves in the nation and being the largest consumer of its own produced natural gas, Texas labor, industry, schools, and future tax revenue could pay a tremendous price if this bill is passed. This bill seems to recognize what a maximum efficient rate (MER) means to a producing gas or oil reservoir, but then with godlike simplicity proceeds to adopt regulations specifically designed to require production at rates in excess of the MER. And what's the tradeoff? What's the cost/benefit ratio for this permanent loss in the oil and gas reserves of this nation? The benefit is jobs, heat, and light this winter for several states served by interstate pipelines. It is ironic that an elected official in at least one of these benefiting states has stated publicly that he prefers freezing in the dark to marring the environment of his fair state with drilling rigs or offshore platforms. The cost to Texas of providing this benefit is the permanent loss of oil and gas reserves. Since it would be very difficult to quantify the loss of recoverable reserves in a reservoir until that reservoir is depleted, the stated compensation for such damage through federal condemnation proceedings is rather hollow. Texas will lose substantial amounts of tax revenue if its reserves of oil and gas are reduced. In addition, Texas will suffer the loss of royalty income from both state and school lands. In addition to the reservoir damage possible from exceeding a reservoir's MER, Texas would lose tremendous amounts of hydrocarbons if gas being used for pressure maintenance or recycling were diverted into interstate markets. The bill contains no provision for protecting pressure maintenance gas, recycling gas, or lease use gas. The burden placed on the Texas Railroad Commission to establish an MER or a temporary emergency production rate for all oil and gas fields in Texas would be very difficult to accomplish within the forty-five day period allowed in the Act. Since production in excess of a reservoir's MER constitutes waste in that it leaves recoverable hydrocarbons in the ground, this Act represents a direct attack on the Texas Railroad Commission's conservation responsibility as outlined in the Texas Constitution.

Lastly, the Texas economy is energy intensive, and the massive chemical and petrochemical complexes along the Texas Gulf Coast are largely dependent on natural gas and natural gas derivatives for feedstock to these industries would represent the loss of 30,000 Texas jobs. A loss of natural gas to supply feedstock for other than agricultural products would delay or possibly prevent the economic recovery so desperately needed in Texas. In Texas, two of seven nonfarm workers work directly or indirectly in oil and gas related jobs. Any misallocation of our energy resources, such as this proposed diversion of intrastate gas out of Texas, multiplies the damage to the Texas economy.

In conclusion, it is time that all citizens—including elected public officials—recognize the importance of the oil and gas resources of this state to its economy and tax base. It is equally important to recognize that Texas and Texans have been victimized for many years by the Northeastern consuming states' lobby. Consider the identity of the real benefactors under such federal policies as the Federal Power Commission's price control on natural gas, the destruction of the Mandatory Oil Import Program to allow the importation of "cheap" foreign oil, the Old Oil Entitlements program, a stiff tax on, or the rationing of, gasoline, and the Act under consideration, S. 2310. In each case the answer is the same: The real benefactors are essentially the same states named in S. 2310, with New England thrown in for good measure. Now consider who has suffered, under each of the above federal policies. Once again, the answer is the same: The producing states, principally Texas, have paid for these benefits in terms of jobs, tax revenue, and permanent loss of natural resources.

Texas has suffered a tremendous loss in gas reserves and tax revenue as a result of the Federal Power Commission's pricing of natural gas in the interstate market at below replacement costs. Texas has suffered a loss of oil reserves and tax revenue by the misuse and elimination of the Mandatory Oil Import Program and other oil price control techniques dictated by the Northeastern states. Texas citizens and consumers are paying higher prices for gasoline and refined products because under the Old Oil Entitlements Program refiners in this state who use Texas produced crude oil, (sold at a controlled price of $5.50 per barrel for old oil) are forced to send money to refiners in the Northeast who are dependent on foreign oil which costs $14 to $15 per barrel. Texans would suffer more from either a large federal tax on gasoline or gasoline rationing by virtue of the fact that Texas is a large state and Texans travel more miles per capita per year than the citizens of states located in the Northeast and Upper Midwest. The cost to Texas of underwriting the benefits sought by these same consuming states in S. 2310 has been outlined above. I believe the citizens of this state are entitled to have all their elected officials exert every effort to prevent this great state from being once again served up as a sacrificial lamb on yet another altar of federal regulation.

Sincerely,

MACK WALLACE,
Commissioner.

EPILEPSY: FOUR MILLION AMERICANS SHOULD NOT HAVE TO LIE ABOUT THEIR HEALTH

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HASTINGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: The following article appeared in the September 1975 issue of Today's Health. This appears to be an excellent summary of problems that exist due to public misunderstanding and I am including this in the CONGRESSIONAL RECORD for the attention of my colleagues:

FOUR MILLION AMERICANS SHOULD NOT HAVE TO LIE ABOUT THEIR HEALTH

(By Dodi Schultz)

If you want to pick a fight with Garry Howatt, you are likely to make rapid contact with the floor. Howatt, 5' 8" and 170 pounds of instant muscle, is the smallest and admittedly the scrappiest player in the National Hockey League. He openly leads his fellow players on the New York Islanders team in minutes spent in the penalty box—all for being fast and uncommonly effective with his fists. Garry Howatt is demonstrative about another fact: He has epilepsy and doesn't care who knows it. "Epilepsy," he declares, "has been in the closet too long."

David Spivak, of Brooklyn, New York, also has epilepsy, but he does care who knows. At 20, he has already had a vocational door slammed in his face. He is, at this writing, about to start a summer job, and he has deliberately deceived his employer—despite his conviction that the most important thing in any relationship is honesty.

Gordon Morris, a high-level sales executive with a nationwide insurance firm headquartered in the Midwest, cares, too—so much that his identity has been carefully disguised in this article. "It hasn't stopped me yet," he asserts, and I intend to get to the top."

Why, in our medically enlightened age, is epilepsy a "closet" condition—one that can move a person who reveres the truth to outright deception?

Perhaps it is because some people still believe that the disorder is a form of mental illness. Though the full range of causes is not yet known, it has long been understood that epilepsy—which is characterized by recurrent, chronic seizures (see page 16 for a thorough discussion of the condition and its treatment)—is not a mental or emotional illness. But that knowledge has not diminished the tenacity of the superstitions surrounding the affliction.

Nor did it stop R. V. Pierce, M.D., of Buffalo, New York, from confiding to his readers in the 36th (1895) edition of *The People's Common Sense Medical Advisors in Plain English* (which sold upwards of 930,000 copies) that, "The predisposing causes [of epilepsy] are an hereditary tendency to the disease, and everything which impairs the constitution and produces nervous prostration and irritability. Syphilis, phimosis [constriction of the penis], sexual abuses, uterine disease, and the use of alcoholic liquors are prominent predisposing causes. Many of the cases treated by us have been brought on by masturbation. Others are the results of injuries to the head. . . . The exciting causes include everything which disturbs the equilibrium of the nervous system . . . indigestible particles of food, intestinal worms . . . grief, anger, constipation . . . malaria, and disease of the kidneys or liver."

Except for his reference to head injuries, Dr. Pierce's statements were utter nonsense. But his pronouncements, and those of others like him, were popular and reinforced the misconceptions that exist even today. Indeed, epilepsy has been attributed to everything from lizards in the brain to radioactive fallout, and one in every seven Americans still believes that it is a form of insanity.

According to David A. Kahn, M.D., a psychiatrist at the Children's Service Center of Wyoming Valley, Pennsylvania, such prejudices reflect basic human fears. "Even if the idea of 'demonic possession' no longer has many adherents," he explains, "epilepsy retains something of that atmosphere. To the uninformed observer, a seizure is still an extremely mysterious event. After all, something is going on within the brain, something over which the individual has no control. Finally—and I think this is really the bottom line—that loss of control, occurring unpredictably and for reasons that are ill-understood, touches a deep dread. We fear loss of control in anyone, in any form whether temporary or permanent. Most of all, we fear the possibility within ourselves—and each reminder in others renews that fear."

Conservative estimates put the worldwide incidence of epilepsy at approximately 2 percent: That is a minimum of 4 million Americans—approximately 1 in every 50 persons—who are victims of the disorder.

Epilepsy strikes most often in childhood. Physicians have suggested that there may be a disproportionate number of youngsters with epilepsy simply because children have a lower "seizure threshold."

In children, special problems inevitably arise. Most important, they must learn how to live with their disorder. Parents and family become deeply involved.

Sidney Carter, M.D., chief of the Child Neurology Service at Columbia-Presbyterian Medical Center, in New York City, notes that "prejudice—unreasoning and illogical as it is—does exist. Many parents, understandably, don't want the word 'epilepsy' to appear on a child's school record, which often follows a person for an entire lifetime, for just that reason. They also do not want the teacher jumping every time a youngster sneezes—which is only a slight exaggeration of how many teachers behave toward children they know are subject to seizures. And some schools, due to widespread misunderstanding, have been known to exclude children from sports and other activities in which they are perfectly capable of participating."

Many youngsters, Dr. Carter adds, do achieve control or near control with drugs. Currently, it is believed that most children do not outgrow the problem and that regular medication usually must continue for life. However, a 1972 study by physicians at the St. Louis Children's Hospital in Missouri suggests that drugs could be safely withdrawn, without recurrence of seizures, in a possible 75 percent of child-onset cases, after a period of time that must be individually determined. The study found that the prognosis also varies with different types of seizures.

Children with epilepsy can be as normal and capable as other children. Irene Odinov, a professional rehabilitation counselor for the Epilepsy Foundation of America (EFA), a national organization devoted to research and public information, explains, "We try to make people aware that epilepsy is not an ugly thing, and we try to dramatize the fact that most children with the condition can live very full lives."

Recently, many epileptics have found themselves making headlines. They have not sought publicity—merely their rights as human beings.

Steven Frazier, of Renton, Washington, had worked for the Container Corporation for five years when he was abruptly fired late in 1974 following a minor seizure at work. He had, the firm claimed, "falsified his job application" by failing to mention his epilepsy. Frazier learned his lesson, and now duly notes his epilepsy on all job applications. No one has refused him a new job outright; he simply has heard nothing at all. His suit against his former employer for reinstatement under Washington's antidiscrimination statute is still pending. Collecting unemployment benefits is not to Steve Frazier's taste: "Let's give it to someone who needs it—someone who can't work."

In Oswego, New York, a mother and father—both epileptics—finally won a court battle for custody of their own six-month-old baby. State welfare officials argued that the child would not be cared for properly because of the parents' afflictions. Judge Donald Comstock sought more information. After, hearing testimony from John K. Wolf, M.D., associate professor of neurology at the Upstate Medical Center of the State University of New York, and after learning that no ill had befallen the mother's now-teenage daughters from her previous marriage, Judge Comstock ruled in favor of the parents.

Said Dr. Wolf, "We all run risks in raising our children. So far, I haven't seen any children injured because of a parent's seizures."

Susan Lifson graduated from college in 1973, ready, willing, and prepared to teach—but not able to: The New York Board of Examiners advised her that she could not be licensed until she had not experienced a seizure for two full years (her last was in January 1973) it took a concerted effort on the part of Ms. Lifson and the Epilepsy Foundation of Long Island, but finally, in the fall of 1974, the board's rigid ruling was overturned by the state education commissioner.

Nondiscrimination laws have improved matters recently—to a degree. But even those steps forward are in some cases extremely recent. Many states, for example, formerly denied epileptics the right to marry. None now retain such restrictions but the prohibition persisted well into the 1950s, in a quarter of the states, and six still had such laws in 1960. The last to repeal the ban, North Carolina, did so in 1967. But these moves have not changed the fact that epileptics, like other minority groups, continue to suffer from discrimination that is, for the most part based on ignorance.

By far the biggest problem revolves around employment—an issue that can have devastating impact on an individual's life. An EFA survey conducted earlier this year found that more than 40 percent of adult epileptics polled reported that they had indeed encountered barriers affecting their livelihood. Also, just over one-third of the parents of epileptic children fear that unreasoned bias will affect their youngsters' futures.

* * *

David Spivak, who will be 21 in June, is outgoing and articulate. He likes to dress casually and has a beard and mustache. David had his first seizure just after his seventh birthday, in 1962. His seizures were infrequent at first, and their cause is still unknown. But within a few months they were occurring at the rate of one to three each night. David's family doctor referred his parents to a major New York City hospital where, for the first time, he heard such terms as "grand mal" and "petit mal."

During the ensuing 13 years, David continued under the care of various specialists. His medication has changed a number of times in that period; his present combination of two drugs—phenytoin and methsuximide—seems, thus far, to be effecting control. David's parents do not feel that epilepsy is a mark of shame. Nor does David. But he is very much aware that some people do.

"I think many people see epilepsy as a disease that somehow makes you less of a person," says David. "Not that the epileptic is 'looked down on' exactly, but that he is seen as 'different,' as someone who has something 'wrong' with him. It's not viewed the same way as other chronic problems like heart disease or arthritis. Epilepsy is seen as a mental disorder, simply because the problem is located in the brain." He shakes his head, his tousled hair brushes across his eyebrows, and he continues. "I think that's due mainly to ignorance. It may be hard for some laymen to understand, especially if they have seen an epileptic having a major seizure. They conclude that he has 'something wrong up there.' They avoid him. And he becomes a second-class person."

A basketball enthusiast and amateur guitarist, David feels he was relatively inhibited until recently. "I was afraid to ask girls out," he admits. "I had to think up some excuse why we had to take the subway or bum a ride in some other guy's car. I really didn't know what to say when somebody asked why I didn't drive." (New York State laws requires a one-year seizure-free period to issue a driver's license to epileptics. At the time we spoke, David had gone a month and a half without a seizure.)

"I resent it, sure," says David. "But I have to admit it's logical. I could kill people if I had a seizure behind the wheel. Of course I want to drive, but I'll just have to wait and see how it goes. When I've been seizure-free for 365 days instead of only 45, then I'll make plans. The girl I'm going with now knows the whole story, and she doesn't think epilepsy is any kind of bad scene. That's important to me; the vital thing in a relationship is honesty."

David graduated from high school in 1974 and began attending Brooklyn College in the fall. Eventually, he wants to follow his father, a school principal, into education—perhaps teaching or public school administration. Last year, with those plans in mind, he got a job as a summer camp counselor.

"I was there one day, and I was asked to leave," he reports. "I was told that the camp director didn't think I would get along with the children. But I'd just arrived the day before and hadn't even had a chance to get acquainted with the kids, let alone get into arguments with them. I think I probably had a seizure during the night; I sleep soundly—it's possible that I had a seizure without waking up. But nobody would tell me the truth."

There were immediate dilemmas—such as how to answer friends who asked, "Hey, what are you doing around here I thought you were working at a camp this summer." But another, more serious question was to arise.

This year, David again applied for a camp job. And he did something that goes against his own standard of scrupulous honesty. He "neglected" to mention on his application that he is an epileptic. "I just figured I wouldn't get the job if I told them. If everything goes okay, and my medication continues to do its job, there'll be nothing to tell."

Suppose he were the owner or director of a camp: How would he handle this situation? David was quite definite. "If I ran a camp, I would not hesitate to hire an epileptic. I think the feeling of camp directors is that if they know a counselor has epilepsy, they worry that he will have a major seizure in front of the kids, and that it will frighten them. I see their point, and I'd consider it if I were in the hiring position; I think I would do two things. I would probably assign that counselor to older kids—15-year-olds rather than 6-year-olds, since 6-year-olds could probably panic pretty easily. And I'd suggest strongly to him that he discuss the subject with the kids, so they would really know the facts."

Gordon Morris has a medium build, is of medium height, and has a go-getter air about him. Epilepsy was just a word to Gordon until five years ago when, early one Saturday morning, he was starting off on a fishing trip.

"It was a beautiful spring day," Gordon recalls, "and I was heading for a lake about 50 miles out of the city. I was driving along without a care in the world. I remember I was approaching a traffic circle, and I'd slowed down so I'd be sure to spot the turnoff to the lake; I'd only been there once before, and I wasn't sure which road to take. The next thing I knew, my car was jammed into the back of a small pickup truck. Luckily, no one was seriously hurt; I was emotionally jolted more than anything else. I couldn't understand why I had no memory of the moment before the collision; I didn't even remember seeing the truck in front of me. I finally concluded that I must have struck my head on something at the time of the collision causing sort of a selective amnesia. Now, of course, I know that I had had a seizure, and that I had blanked out before I hit the truck."

The next episode occurred several weeks later on a visit to his parents. "We were sitting around on the front porch after breakfast one morning. Again, I 'lost' a period of time; it was like a cut in a motion picture—a sudden jump from one scene to another, with no transition between. One moment I was in the middle of a conversation. Then, out of nowhere, my father was standing beside my chair with a glass of water in his hand, asking me if I was all right. He told me I had suddenly become glassy-eyed and then was apparently 'out'—completely unresponsive—for about 30 seconds. We concluded it must have been some aftermath of the accident and dismissed it."

What Gordon now knows were his third, and fifth epileptic seizures could not be so easily dismissed: The next time, Gordon continued, "I was on a weekend business trip to the East Coast. Two mornings in a row, I woke up in my hotel room with a cut lower lip. That was pretty frightening. Of course, I know now that I must have had seizures in my sleep and bitten my lip. Nocturnal seizures are pretty rare in my case; mostly, they're in the morning. My next one was. It was the following week—Thursday, I think. One of my associates found me on the floor of my office and from his description, I had been convulsing to some extent. By then, I was really scared; I didn't need any urging to go to the emergency room of the nearest hospital. Later I went to see my own internist. When I'd told him the whole story, starting with the accident, he looked at me and said, 'You are going into the hospital for a complete neurological work-up.' I spent a week there, and I came out with a definite diagnosis; psychomotor epilepsy."

Gordon's neurological work-up included an electroencephalogram (EEG), a painless electrical test that measures, locates, and records electrical discharge patterns of brain cells. It has proved extremely useful in pinpointing and diagnosing the epilepsy patient's problems and progress.

Gordon's seizures, which his doctor termed "idiopathic" (the cause is unknown), are still not fully controlled. He knows he is likely to have one once or twice a month. Yet he has not permitted his epilepsy to interfere with his life, and he intends to keep it that way.

He plans, for one thing, to get married this winter: "My fiancée—she's a freelance illustrator—knows all about it, and it makes absolutely no difference. I work out at a gym, I play tennis, I go biking; I don't see any reason to give up any of those things.

"Two people at my present company do know about it," he explains, "because I thought it was necessary from a safety viewpoint. Both are good friends of mine. I see no need to tell anyone else. Let's face it—society isn't sufficiently educated on the subject of neurological disorders. If people in my industry were to find out, I foresee two possible reactions. One might be a lot of misdirected pity; I can do without that. The other—and I think it would be the more likely—could be a subtle kind of discrimination. Not that I'd be fired. But there would be limits to how far I could go; I don't think I'd continue to enjoy the unlimited upward mobility I have now. I'm frankly ambitious, and I know I'm good at what I do. I want to get to the top, and I think I can."

Harry Sands, Ph.D., a New York City psychotherapist and consultant to the EFA, feels that a lot must be done to improve the welfare of epileptics.

"Certainly science should continue efforts to develop better medications that will effect greater control," he says. "But that is by no means an answer to the attitudinal problem: epileptics are tagged with societal and occupational stigmata even when medication has rendered them free of seizures for years. Physicians must not merely see that their patients are properly diagnosed and medicated: They must develop far more understanding of what the epileptic patient feels and thinks."

Dr. Sands supports the efforts of public figures like hockey star Gary Howatt. But the main thrust, Dr. Sands feels, must be one of active advocacy involving full and effective use of the force of law.

"There have been gratifying reforms in state statutes, such as the elimination of those laws denying epileptics the right to marry. Some laws based on outdated misconceptions still exist, and we should continue to fight for their repeal."

It's encouraging that for the most part epilepsy is no longer attributed to heredity, masturbation, worms, or venereal disease. David Spivak, who has been giving long, hard thought to his future, offers some advice to epileptics: "Live with it!" he emphasized. "Remember to take the prescribed medications—but other than that, ignore it. Do whatever you want to do, whatever you're interested in. Be limited only by your own abilities. And don't accept any other limitations."

FOOD STAMP PROGRAM REFORM NEEDED

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ARCHER. Mr. Speaker, I was shocked to read recently that the Department of Agriculture had estimated that $264 million was wasted last year as a result of overpayments or payments made to persons not eligible in the food stamp program. The error rates were discovered in a quality control study based on a scientific sampling of 29,000 nonwelfare food stamp households in all the 50 States and the District of Columbia. The study revealed an error rate of 28.5 percent which included 17.5 percent of food stamp dollars paid to ineligible households and 8.4 percent which were overissued to eligible households. In this study, only 2.6 percent of food stamp dollars were underissued.

However, the Washington Star in its own study of error in the food stamp program believed the Department of Agriculture estimate was too low and that the true figure of waste in the program was closer to $797 million.

What does this mean for the average American taxpayer? The food stamp rogram cost a total of $4.75 billion in fiscal year 1975 and may cost as much as $6.6 billion in the current fiscal year. For the average taxpayer the food stamp program has been misspending as much as $1 out of every $5.

I am a cosponsor of the National Food Stamp Reform Act and have joined as a cosponsor of the bill incorporating the recommendations of the President in reforming the program. I recently had the opportunity to submit testimony to a Senate subcommittee on the urgent need to reform this program and would like to include this testimony in the CONGRESSIONAL RECORD:

Testimony Submitted to the Subcommittee on Agricultural Research and General Legislation by Representative Bill Archer of Texas on the Food Stamp Program.

Mr. Chairman, I am pleased to have the opportunity to testify before the Agricultural Research and General Legislation Subcommittee of the Senate Agriculture and Forestry Committee on the Food Stamp Program. I wish to commend the Chairman for having these hearings on such an important matter.

The food stamp program has become our fastest growing welfare program. Any investigation of this program reveals that the federal government is spending billions and billions of dollars in issuing food stamps while having very little in the way of effective controls over this massive program. In the current fiscal year, this program will cost about $6.6 billion. In June of 1975, 19.2 million were receiving food stamps. All present evidence indicates the cost and the number of recipients will increase.

I have very serious concerns with the direction of this program. Administrative mistakes have brought about an error rate of about 20%. Cases of fraud have been reported throughout the country. The eligibility requirements are so shot full of loopholes that over a fourth of the American people are now technically eligible for benefits, many of whom earn far in excess of poverty wages. People who earn good incomes, but are living beyond their means, are turning to food stamps as a crutch to help them continue in that lifestyle. That has never been the purpose of the program.

The question here is one of restructuring the program to remove non-needy Americans from the welfare rolls, not to reduce benefits for those Americans who are truly needy. The great tragedy with any welfare program with lax controls and poor administrative procedures is that the program allows ineligibles to participate while denying assistance to the really needy. If we can cut out the waste and the ineligibles in the food stamp program, we can better utilize our resources to help those in need.

Every dollar that is spent to provide welfare benefits for the non-needy is another wasted tax dollar that contributes to the inflation that we are all suffering from. If this Congress truly wants to help the needy, and the taxpayers of this country at the same time, it will act quickly in adopting the responsible provisions contained in the National Food Stamp Reform Act. Congress needs to take action. Adoption of the National Food Stamp Reform Act, which I am proud to co-sponsor, would tighten up administrative regulations, reduce the number of those who should not be recipients of the program, and yet still increase benefits to the really needy.

I urge this Subcommittee to take action to adopt meaningful reform of the food stamp program.

H.R. 8603

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. EDWARDS of California. Mr. Speaker, since the passage of the Postal Reorganization Act of 1970, we in Congress, as well as our constituents at home, have become increasingly aware of the fact that the term U.S. Postal Service is a misnomer. Clearly the emphasis is not on service.

The break-even concept embodied in the Postal Reorganization Act of 1970 has caused the Postal Service to look upon itself as more of a business than a public service. This is a mistake since the U.S. mail is the most visible and pervasive public service which this Government renders to the American people. In the face of rising taxes and declining public confidence in government, the Congress must not allow the further erosion of this very basic and far reaching service.

Under the presently proposed Postal Service regulations there is no option for providing door-to-door service in new residential or urban renewal areas. This limits the options of the mail recipient to either curbline or clusterbox delivery. These mailboxes may be located as far from a residence as the length of a football field. This creates considerable burdens for the aged and handicapped, especially in regions where winters are severe and sidewalks icy. In many localities environmental problems and vandalism have forced the passage of local zoning ordinances which do not allow curbline service. In these areas the resident is forced to choose between collecting his or her mail at a clusterbox down the street, at the nearest post office, or not at all.

In my own district there have been repeated cases of confusion over whether a new residential area would receive door or curbline delivery. Often this confusion has result in no mail service at all. Both individuals and businesses have complained bitterly about the Government's apparent inability to deliver their mail.

The regulations which the Postal Service now seeks to impose would eliminate door-to-door delivery in all new residential areas throughout the country. This would be done without any consideration for the needs of the local community. In contrast, the delivery requirements of H.R. 8603 establish certain standards of distribution and involve local jurisdictions in some of the decisions affecting adequate mail delivery.

My colleague from San Jose, Norman Mineta, offered this provision of the bill based on his experience with delivery problems in our area of California. It has received the careful consideration and endorsement of the Committee on Post Office and Civil Service. The thrust of this language is to guarantee quality delivery service to the public while at the same time placing the decisionmaking process regarding local delivery where it should be: at the local level.

TALKING WITH THE SECRETARY OF DEFENSE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. MURTHA. Mr. Speaker—

> In the longer run, the U.S. (defense) is going down, has been going down; its forces have been dwindling. The effect of this over several years—a continuation of these trends—will be major difficulties for the U.S. and its allies

So said Secretary of Defense James Schlesinger in an executive interview with me recently which highlighted a number of key areas where Mr. Schlesinger believes U.S. defenses are in imminent danger of becoming second rate. While some may dispute his assessments, no one can ignore the warnings of this intelligent, dedicated man who sits at the center of our worldwide defense system.

In the course of our conversation, Schlesinger covered four items that have become standard features of U.S. defense thinking that may be rapidly developing into myths.

First, I asked him about the long-held superiority of the U.S. Navy. Schlesinger replied:

> The Navy in the last eight years has shrunk from 976 ships to 483 in the active fleet.
>
> I think in a side-by-side engagement, the United States Navy may still have an edge (over the Soviet Union). But . . . we have to protect the sea lines of communication between ourselves and our many Allies that are separated by the oceans' waters. And it is far easier to interdict those lines of communication than to protect them . . . consequently, mere equality is insufficient from the standpoint of our naval forces and we are today living with a higher level of risk than I think the American people really want.

The second myth I questioned him about is our technological superiority. Schlesinger said:

> The most interesting development in the last decade has been that the Soviets are becoming more sophisticated; that they are improving the quality of their weapons . . . the notion of the Soviets as being armed in massive numbers with primitive weapons is beginning to fade.

What about these "massive numbers" of Soviets under arms, I asked. How do they stack up against the myth of wide-ranging American troop commitments throughout the world?

Schlesinger replied:

> First, I'd stress that we have half the number under arms today that the Soviet Union has. We had cut our armed forces in the last eight years by 1.5 million men . . . we are about 600,000 to 700,000 men below what we were pre-Vietnam in the face of major buildups on the other side.

Finally, we discussed the idea that détente would lessen our need for military strength. Schlesinger said it was "appropriate to attempt to achieve improved relations," but added:

> If our forces continue to shrink and the military balances are consequently upset, our hopes for improved relations and greater stability will disappear and there will be important political changes in the world that will adversely affect the United States.

The Secretary believes that recent budget cuts will prevent us from countering these trends. It is my own belief we have failed to focus on the long-range implications of our spending; failed to realize what we decide now will set the pace for the next decade.

Not everyone agrees with Secretary Schlesinger. But I congratulate him for directly confronting the issue of what kind of defense system our country wants. He is stimulating a national debate of the highest priority, and its resolution is essential to our future security.

MULTIPLY BY THE DIGIT YOU FIRST THOUGHT OF

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HUNGATE. Mr. Speaker, as we drift relentlessly toward a computerized Congress, perhaps the Members will appreciate a picture of what the future will be like:

Multiply by the Digit You First Thought of

(In which Richard Gordon is programmed into the world of computers)

My 1954 edition of the *Concise Oxford* had never heard of a computer. In 1975, dictionaries are being printed by them. But we never throw computers a complimentary or even cordial word. We curse them, make jokes against them, develop paranoia over them. This is unfair. The introduction of computers from America in the mid-twentieth century only complicated and incommoded habits already widespread in European society. It was the same with the introduction of syphilis by Columbus's returning sailors at the end of the fifteenth.

After World War II Europe grew horribly impersonal, because there were too many people demanding too much notice. A few million serfs could rub along comfortably from cradle to early grave without anyone bothering insuring them, taxing them or even counting them. About 1950, they all jumped into their motor-cars and drove off rapidly in chromium-plated isolation, glaring and shouting at perfect strangers who behind their windscreens were possibly the most amusing and agreeable of company.

Commerce became dehumanized. Even the wickedest of Chesterton's grocers—shovelling sugar into stiff little blue bags in a deliciously aromatic shop amid roll-necked sacks of split peas and lentils—wrote his bills in copperplate and presented them with his compliments. Post-war banks still contained high desks and decent, semi-stiff collared clerks, labouring with fountain pens in beautiful leather-bound ledgers with gorgeously marbled crimson and purple edges. Then all the serfs wanted an account at the bank and at Harrods. Most of all, they wanted to take the waiting out of wanting. The numerical mechanics of providing these blessings for civilization overstretched its brains, and the computer was invented to prevent the top mathematicians going even madder than I have always found them to be.

Computers must be sold frantically, to make a profit on a vast outlay. IBM provide lovely brochures of their machinery looking well styled but intensely purposeful, like the male and female models playing with it. Once sold, computers must be worked incessantly to write off the stupendous expense. This has incited the invention of several million unnecessary and wildly extravagant schemes based on them. Governments have eagerly joined the game, reducing each of their citizens to ugly strings of numerals, governments of all political hues having in common an enthusiastic contempt for the people whose interests they represent.

VAT scourges the British public only to provide full employment for a computer at the end of the pier in Southend. Mr. Healey's "pipsqueak" system of taxation was imposed simply to justify the Revenue computer at Bootle. The same attitude afflicted the Government of Queen Elizabeth the First, with a perfectly good rack standing idle in the Tower.

Computers make our unsociable society the bleaker. When you knew the Bobby on the corner personally, you didn't ruin his evenings by breaking the law. When you said good morning to your boss, you didn't go on strike. Now the cops chase the robbers by computer, every firm hastens to get itself run by one, bank clerks are kept behind bullet-proof glass, and the only personal service you get at the grocer's is a cold from the girl at the supermarket check-out

Such icy indifference being clearly bad for business, ardent attempts are made to personalize computers. Admittedly, computers like humans can make mistakes, and like humans always in their own favour. They can write letters in capitals and breathlessly short of commas. They have other human traits, all feminine. They will answer only acceptable questions, and only in their own way. Arguing with them enmeshes you in such a tangle you never dare try again. Though their behaviour is generally reliable and predictable, when they go wrong they go wildly wrong, causing havoc for everybody in sight.

In the 1960s, Lyons teashops' Electronics

Office christened their computer Leo, instantly giving it a cosy teddy-bear image. Since 1956, everyone has known Ernie up at Lytham St Annes, the retired seaside comic with a complexion like sliced salami who laughingly scatters tenners from a top hat into the breezes of the Ribble estuary. I resent less getting a bill from Gloria if I can fantasize her as a quiet, smooth industrious girl, with her only excess an addiction for noughts-and-crosses. One razor-minded, computerized unit trust advertised itself with an old-fashioned apple-cheeked, silvery-haired bank manager, fingertips together and watch chain agleam, expressing over his half-moon glasses the reassuring essence of financial wisdom and benevolence. People prefer risking their money with men rather than machines. This is proved by the continuing popularity of bookies over the Tote.

The medical profession employs so many computers it has unleashed an epidemic of new diseases. Some make diagnoses. You press "Yes" or "No" buttons in response to questions flashed on a television screen. This has the boon of saving you from facing a forbidding middle-aged man in a white coat, himself in the pink of condition, demanding why you smoke and drink so much and aren't losing weight.

One medical computer was human enough to create a pregnancy. The patient was asked the usual questions about menstruation, morning sickness and marital relations, and the print-out established a normal gravidity of eight weeks. Over the following seven months, the computer disgorged relentlessly regular bulletins on the patient's condition, calculated from its original feed of information. It finally produced a pair of twins, female, weighing five and a half pounds, blood group O. The patient was a retired Naval captain in his sixties, not at all pleased to be given an electronic bun in the oven.

The inflexible, absurd Gilbertian logic of faulty computers is a blessing to our comfortless age. An incorrect bank balance, five hundred tons of steel delivered inexplicably at the vicarage, a warehouseful of eggs going bad in the docks—the fault is not in ourselves but in our tapes. Once, men blamed the weather for their induced misfortunes. Now the hilariously inaccurate long range weather forecasts are blamed on the Met Office computer. A company could ascribe the loss of a contract, a government the loss of an election or a war on the shortcomings of their computer, which can never answer back and only blow a fuse in exasperation. Which makes them earn their keep handsomely, in a century when man's inventiveness has outrun his idiocy.

TAX-INDEXING: THE REAL TAX REFORM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. CRANE. Mr. Speaker. The income tax system provides government with a windfall benefit as a result of inflation. If the inflation rate is 12 percent a year, and your salary is fortunate enough to increase at the same rate of 12 percent a year, you will not even remain at the same place—but will suffer a dramatic decline in real, after-tax income.

A 1974 income of $25,000 would have to expand to $168,188 in 20 years to keep pace with a 10 percent inflation rate. Even if it did, the taxpayer would be the loser. In 1974, such an individual would have paid Federal income taxes of $6,020—or 24 percent of his income. This left him with 76 percent for personal use. By 1994, with an inflation-swollen income of $168,188, the tax bite would be $89,148—a huge 53 percent of his income. In 1994, he would have only 47 percent of his income for personal use. Thus, such an individual would suffer a 38-percent drop in his living standard.

Inflation throws us into artificially higher tax brackets. Thus, Government has a vested interest in the current system of inflation. Individual citizens have a vested interest in changing it. A solution, which I have proposed in legislation, is what has been called "tax-indexing." This would provide an annual, automatic correction of the tax schedules for inflation.

Discussing this question on his radio program, former California Gov. Ronald Reagan gives this example:

> The man who earned $10,000 a year in 1966 earns (if he is the average) $15,000 today. That $5,000 increase is a little more than the increased cost of living. Actually $3,800 of his raise is eaten up by inflation. Still he should be $1,200 better off than he was in 1966—but not after taxes. At $15,000 he is in a higher tax bracket. The government takes the $1,200 plus $159 more, making him $159 worse off than he was in 1966.

Governor Reagan declares:

> There is a solution, a very simple one . . . indexing the progressive tax brackets so as to reflect the lowered purchasing power of the dollar. In other words, you would move up to a higher tax bracket only to the extent that your increased income exceeded the cost of living.

Clearly, the time has come to enact this tax-indexing approach. Governor Reagan concludes:

> Congress is very busy talking tax reform. Now's the time for you to start those cards and letters. If government suffered the same pain from inflation that you do, instead of making a profit on it, they'd do something about it.

I wish to share with my colleagues the text of Ronald Reagan's radio broadcast entitled "Inflation as Tax" and insert it into the RECORD at this time:

VIEWPOINT WITH RONALD REAGAN

(Reprint of a radio program entitled "Inflation As Tax")

I know it's a cliche, and we've all heard it and said it ourselves, that inflation is the cruelist kind of tax—hitting hardest those who can least afford it. I wonder, though, if we really understand that inflation is in fact a tax increase—a way government can raise more revenue without raising the rates.

Take capital gains. This is the profit you make if something you bought awhile back has become more valuable and you sell it for more than you paid for it. This can be a farm, a home, a lot you were going to build on and didn't, that old car that suddenly became valuable to a collector, or stock you bought.

But what if your increased sale price is an increase in dollars that aren't worth as much as they were when you bought it? If you sell your home for twice what it cost, but all homes are now worth twice what they cost because the present dollar is worth only 50 cents, then you haven't made any profit. But the tax collector says you have. If you paid $20,000 and sell for $40,000, he says you've made $20,000 upon which you must pay a tax even though $40,000 today will only buy what $20,000 bought at the time of purchase.

The answer is very simple, but not too many politicians are going to suggest it. The sale price should be computed in constant dollars—meaning the dollars should be valued at their purchasing power now compared to their purchasing power when you first acquired the property.

Let's turn to your paycheck because here is where the government really profits from inflation. We have a "progressive" income tax. As your income increases, you find the government takes a higher percentage, say, of the second ten thousand dollars you earn than of the first. Let's say you get a raise simply to keep even with the increased cost of living to make you able to buy what you could before the raise, but you can't for that increase in the number of dollars put you into a higher tax bracket. The government takes a greater share of those new dollars and, suddenly, you find you haven't kept up with inflation. After taxes, you're worse off than you were before the raise. Nine times out of ten, though, you blame high prices, not your taxes.

Let's take an actual example—the man who earned $10,000 a year in 1966 earns (if he is the average) $15,000 today. That $5,000 increase is a little more than the increased cost of living. Actually $3,800 of his raise is eaten up by inflation. Still he should be $1,200 better off than he was in 1966—but not after taxes. At $15,000, he is in a higher tax bracket. The government takes the $1,200 plus $159 more, making him $159 worse off than he was in 1966.

There is an answer—a very simple one, a proposal by Senator James Buckley of New York, which has been greeted with thunderous silence by his liberal colleagues. He proposes what is called indexing the progressive tax brackets so as to reflect the lowered purchasing power of the dollar. In other words, you would move up to a higher tax bracket only to the extent that your increased income exceeded the increase in the cost of living.

In the example I just gave, that $10,000 a year man would stay in the same tax bracket for $3,800 of his $5,000 raise and would only pay an increased rate on the $1,200 if that moved him into a new bracket.

Congress is very busy talking tax reform. Now's the time for you to start those cards and letters. If government suffered the same pain from inflation that you do, instead of making a profit on it they'd do something about it.

PLUTONIUM: A FEARSOME FUEL

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. FISH. Mr. Speaker, perhaps no greater hazard exists as a result of our growing dependence on nuclear fission power than the increases of plutonium shipments in the United States. Plutonium, a byproduct of present nuclear reactor processes and fuel for the controversial liquid metal breeder reactor, is one of the most toxic substances known to man. It is also the material of which nuclear weapons are made. The concept of a "plutonium economy" is terrifying to say the least, and the following article from the Wall Street Journal clearly depicts the present and future hazards of shipping plutonium. I hope my colleagues will keep this article in mind when deliberating upon whether to increase this country's use of nuclear fission powerplants.

The article follows:

FEARSOME FUEL: NEW LAWS ARE STUDIED TO PROTECT SHIPMENTS OF DEADLY PLUTONIUM

(By Les Gapay)

One day early this summer a deadly cargo of several steel containers arrived by ship from Belgium at the docks at Elizabeth, N.J. But for all the security that was evident on board they might just as well have been a load of Volkswagens.

The containers were loaded onto a tractor-trailer, which then took off for Pittsburgh with the two armed drivers radioing in their location every two hours. About 12 hours later the drivers reported the rig had arrived safely.

This seemingly innocuous incident is likely to be repeated many times in the future. And the fear is being increasingly voiced that unless security is stepped up, one day a rig will be hijacked before it reaches its destination. Because inside those steel containers is the stuff of nuclear weapons: plutonium.

Nuclear materials such as plutonium which is a byproduct of the uranium "burned" in nuclear power plants, have been shipped within the U.S. without incident for several years now. This is partly due to the fact that there have been relatively few shipments to date and it may be partly due to sheer luck, given the minimal security precautions that federal law requires. But as nuclear power grows so will the shipment of nuclear materials—and so will the very real danger of hijacking by terrorists, extortionists or others bent on nuclear blackmail.

WARNING OF "PIRACY"

Before this happens, politicians and government officials want to see a considerable tightening of security not only around these shipments, but also around nuclear power stations, which many see as prime targets for sabotage. Democratic Sen. Stuart Symington of Missouri warns of "the possibility of piracy." And Victor Gilinsky, a member of the Nuclear Regulatory Commission, speaks of the ultimate peril of the "illicit manufacture of nuclear explosives."

The problem is that there are no easy answers to real security. Probably the simplest proposal is the creation of a federal police force to handle shipments and protect plants and the requiring of all nuclear industry workers to submit to security checks. But many Americans would no doubt see this as leading to infringements on civil liberties. Consumer advocate Ralph Nader asks if "someone found carrying a paperback in his lunchbox criticizing nuclear power (would) be looked upon as a security risk?" And even Mr. Gilinsky admits that "these measures have a potential for abuse."

Another proposal has come in the House, where 29 Congressmen are cosponsoring legislation that would continue the present ban on the use of plutonium instead of uranium to fire nuclear plants until the risks have been thoroughly studied. But this angers the nuclear industry, which is anxious to use the plutonium (which is essentially "free" fuel for the utilities, whose plants produced it in the first place) and thereby save on uranium fuel costs.

NEW YORK BANS SHIPMENTS

There is a further, much longer range proposal that nuclear stations and plants for plutonium processing be located together in massive nuclear parks, which would eliminate the risks involved in transportation. But this is certain to meet with opposition from environmental groups, as well as residents close to the proposed parks.

In the absence of federal action, one city at least has taken action on its own. New York City is trying to stop shipment through the city's streets of such radioactive materials as plutonium. And the city is proposing to amend its health code to make the ban permanent.

The nuclear materials causing the most concern are plutonium and bomb-grade uranium. Most nuclear plants are fueled with uranium in which the atoms capable of fissioning to produce heat, called uranium-235 atoms, have been increased about five fold (in natural uranium these atoms are so rare that only one out of every 140 atoms in the metal is a uranium-235 atom.)

However, when this so-called slightly enriched uranium is "burned" in nuclear plants plutonium is produced as a side product. Although utilities would like to "recycle" this plutonium by burning it instead of uranium, a far more important future role for plutonium would be in the proposed—and controversial—new generation of nuclear power plant called the fast breeder reactor. This reactor would be able to "burn" the large amounts of discarded uranium that can't be used in present power plants. In the process it would also spew out large amounts of plutonium.

A GREATER RISK OF THEFT

If the breeder does become a commercial reality, then shipments of plutonium between reactors and processing plants would become a daily routine, vastly increasing the risk of theft.

The amount of nuclear material in national transit each year will be enough to make 20,000 nuclear bombs. "New international institutions will be needed to prevent criminal diversion from the flow of nuclear materials," says Fred C. Ikle, director of the U.S. Arms Control and Disarmament Agency.

At present these shipments are limited mainly by the fact that at present there aren't any commercial plants in the U.S. to extract plutonium from nuclear stations' used fuel rods. According to hard-to-get government figures, recently revealed in a court affidavit, last year there were 1,532 separate shipments totaling about 50,000 pounds of highly enriched uranium and 372 shipments of about 4,600 pounds of plutonium (most of which was produced by private contractors under government supervision). Just about all of this material was being used for research.

The plutonium that arrived in Elizabeth, N.J., this summer had begun life inside the used uranium fuel rods from an Italian nuclear station. The rods were sent to a Belgian plant where the plutonium was extracted and processed into plutonium oxide powder. From there the powder was being sent to a Westinghouse Electric plant near Pittsburgh to be turned into fuel for the Italian station.

The shipment of 93.7 pounds of plutonium was enough to make a number of small nuclear weapons. Officials don't like to say how much is needed to make a bomb. But a report by the General Accounting Office urging stricter security says a crude nuclear weapon can be made from 17 kilograms of highly enriched uranium or six kilograms of plutonium (a kilogram is about 2.2 pounds).

Even so, under existing federal law, no guards were required on board ship and only two armed company drivers were necessary for the journey by road. Federal law also leaves the security at nuclear plants to private guards together with such conventional protection as fences and alarms (at present there are only 55 nuclear stations in operation, but a further 150 are being built or are planned).

The government has found fault with this security. Recently the Energy Research and Development Administration (which, like the Nuclear Regulatory Commission, was formed from the old Atomic Energy Commission) received a study from its Sandia Laboratories that said that "a determined group with a high degree of technical competence could probably perform acts of sabotage which can endanger the public" at nuclear plants.

Nuclear reactors, of course, can't blow up. But if the fuel core melts it's possible that radioactive materials could be released into the atmosphere. Thus ERDA warned that a determined group of saboteurs with equipment and explosives could "disable critical plant systems and possibly cause a radioactive release."

To help thwart both sabotage and theft the NRC is to report to Congress in January on the feasibility of having the federal government take over all or part of the nuclear industry's security. One possibility is the creation of a government agency to guard all fuel-making plants and shipments of plutonium and bomb-grade uranium. Another is the creation of a special force within the NRC or the Federal Bureau of Investigation. (Actually, the NRC already has proposed beefing up security, including the mandatory use of armed guards for air or sea shipment.)

But industry executives don't like much of what the NRC has in mind. Bill Teer, vice president of Transnuclear Inc., of White Plains, N.Y., a major hauler of nuclear materials, worries that airlines might refuse shipments if armed guards are required. And Arthur E. Lundvall Jr., vice president of Baltimore Gas & Electric, says such measures as armed guards and TV cameras are adequate. "A determined insurgent group is going to get into anything unless we have the U.S. Army in there," he says.

One way to protect materials such as plutonium is to make them so tricky to handle that thieves will have great difficulty in turning them into bombs. Right now, many experts believe, it's relatively simple to make a crude bomb from plutonium or highly enriched uranium, requiring about the level of knowledge of a college physics student.

Crude it may be, but says Theodore B. Taylor, a nuclear consultant who once designed nuclear weapons for the government, such a bomb could kill tens of thousands of people if detonated in a crowded area. Plutonium also could be fashioned into a so-called radiological weapon, which wouldn't explode but would spew out dangerous radioactive gases.

Thus the NRC is considering a proposal to require all plutonium to be "spiked" before it's shipped. Spiking essentially means increasing the level of radioactivity to make the material more dangerous to handle.

Of course, it would be possible for the government to eliminate the transportation of dangerous fuels altogether by requiring the building of nuclear parks. Such a site could well be massive, including 10 to 40 reactors, a plant for processing plutonium and another for turning it into fuel.

But such energy centers would require massive amounts of land and water and would generate so much heat that some experts believe they could change local weather patterns by increasing rainfall and perhaps causing permanent cloudiness. "The public reaction to possibly large, persistent, visible plumes, extending for many miles has not been evaluated," says an NRC report.

BAN ON HANDGUN—NO. 11

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. BINGHAM. Mr. Speaker, one reason why handgun control is such an emotional and controversial issue is simply that the American public is largely uninformed about the dangers of private handgun possession. The gun lobbies would have us all believe that handguns are "the law-abiding citizen's first line of defense," and that strict handgun control legislation would violate the second amendment right of the people "to keep and bear arms." Both of these contentions are simply untrue. It is a tragic fact that the armed private citizen is far more likely to use his handgun against a family member, friend or acquaintance than to defend himself against a criminal, and the U.S. Supreme Court has repeatedly ruled that the second amendment pertains to the right of States to maintain a militia, not to a right of individual possession. It is the task of handgun-control advocates to inform the public of the menace of private handgun possession, and the duty of the Congress to protect our society from that menace by enacting legislation that will ban handguns.

I commend to the attention of my colleagues two recent articles that illuminate the bare facts about handgun ownership and the attitudes of the Nation's law-enforcement agencies toward handgun control. The first is an interview with **Nelson T. Shields, executive** director of the National Coalition to Control Handguns, which appeared in the October 20 issue of People magazine. The second is an editorial from the October 16 issue of the Washington Post that deals with the testimony of law-enforcement officials before the Senate Government Operations Committee. Both of these articles help to clear the record on several myths concerning handgun possession:

IN HIS OWN WORDS

(Recent assassination attempts against President Ford, combined with increasing street crime, have brought a new urgency to handgun control. One convert is Du Pont Co. executive Nelson Turner Shields III, who admits he was only mildly concerned with the problem until last year when his 23-year-old son, Nicky, eldest of his four children, was senselessly gunned down in one of San Francisco's notorious "Zebra" killings. Then, a few weeks later, the elder Shields was driving to his home in Wilmington, Del. when he cut off another motorist. The driver pulled alongside Shields, pointed a snub-nosed revolver in his face and shouted, "Move your ass over or I'll blow your head off." Shields says: "I don't even remember the man's face. When you're staring down the barrel of a gun, that is all you see." Now on leave from Du Pont Co. to head up the Washington, D.C.-based National Council to Control Handguns, Shields discussed the firing range called America with Christopher P. Andersen of People.)

Just how many handguns are there in the U.S. today?

Almost one for every family. Of the 135 million firearms, at least 40 million are handguns. And the traffic in handguns is staggering: 2.5 million guns are manufactured or imported each year into this country.

What is the toll taken by the handguns?

Each year handguns are involved in at least 300,000 violent crimes, including 11,000 murders, 175,000 armed robberies, 100,000 aggravated assaults, 4,000 suicides and 3,000 accidental deaths. To show you what this means, during the peak years of the Vietnam war 42,300 Americans were killed in combat. During those same years 103,000 civilians were murdered in the United States. Of those murders, at least 80 percent involved handguns.

What about rifles?

Long guns—rifles and shotguns—are generally used legitimately by the estimated 20 million hunters in the U.S. They account for less than 12 percent of all homicides. By contrast, about 96 percent of all armed robberies are committed with handguns.

Why do handguns play such a large role in crime?

Handguns are for one thing—shooting people. No one goes out hunting game with a pistol.

What kind of person is more apt to commit a violent crime with a gun?

Stanford psychiatrist Donald Lunde recently attempted to find the answer to that. He gathered data on education, age, race, income, sex, demographics, but failed to come up with any real common denominator. Then he went one step further and took into account where the people who committed the crimes were born. It turned out that a vastly disproportionate number of them were born in the South. This included whites who moved West and blacks who moved North to the urban slums.

Why is this so?

Perhaps it's the frontier mentality, but there is no place in the country where the possession of firearms is more cherished. Atlanta, for instance, heads the list of homicides among American cities.

Do your friends sometimes question your concern?

Yes. At a dinner party in Texas the hostess leaned over to my wife and said, "Please don't mention your husband's interest in gun control. I don't want to lose all my friends." A close family friend who lives in Arizona begged me never to ask him to join the movement for gun control. He said it would be social suicide for him to do so.

What laws govern handguns?

There are 20,000 state and municipal statutes governing handguns, but they just don't work. Only four states—New York, Hawaii, New Jersey and Massachusetts—have reasonably restrictive gun laws. In Texas it's illegal to carry a concealed, loaded gun, except on business. Now how in the hell do you define "business"?

What about federal laws that are already on the books?

This is the only major country without effective national laws controlling handguns. In Europe, only a few are allowed to carry a handgun. In the U.S., only a few aren't. Our 1968 federal law is riddled with loopholes. For example, importation of guns from outside the country is outlawed, but not the importation of parts. So the parts are simply made in Germany and Italy and Spain and shipped here for assembly.

What are current restrictions on retail sales of handguns?

A dealer is required to keep records of all sales and is prohibited from selling to known felons, drug addicts and mental defectives. But nobody ever comes to look at those records, and there is no way for a dealer to find out about a prospective buyer's background. The dealer should definitely have more guidance, more access to government records on known undesirables.

Are the existing laws being enforced?

Not really. Not many officials like to cross the National Rifle Association, one of the most powerful lobbies in the country.

But aren't most Americans in favor of gun control?

Polls taken since the late 1930s consistently show that around 70 percent favor stricter gun controls. More than 40 percent actually favor banning handguns altogether, except for use by the police.

Why then have no stronger laws been enacted?

There is fear and confusion in the minds of many, particularly among those in rural areas. They think that the law-abiding citizen will be left with no means to defend himself against criminals. There is also the erroneous fear that effective handgun controls are the first step toward a ban on rifles—and hunting. They see gun-control advocates as a bunch of raving leftists. One NRA executive told me that his organization would be "the last line of defense when the Red Chinese invade."

What about the argument that stronger regulations would abridge the Second Amendment right "of the people to keep and bear arms"?

The Supreme Court has ruled five times that the Second Amendment pertains to the states' right to maintain a militia. It is a collective right, not an individual one.

How do you respond to the gun lobby slogan: "If guns are outlawed only outlaws will have guns"?

The grim fact is that handguns used in the commission of a crime are often stolen from law-abiding people to be used against law-abiding people.

If only one out of twenty hunters in this country belongs to the National Rifle Association, why is the gun lobby such a powerful force in Washington?

Even though 70 percent of the American people favor stronger gun controls, the issue itself is not No. 1 on the public's list of priorities. The economy, for example, is far more pressing. But for those who oppose control, it is the single most important issue—and they will go to the wall on it. That's why a liberal like Sen. Frank Church always votes against gun controls. Most elections in this country are decided by less than 10 percent of the electorate, and no politician wants to risk alienating that deciding vote.

What impact do you think the two attempted presidential assassinations will have on Congress?

I don't think these incidents have changed anybody's mind in Congress, and unfortunately the public's memory is awfully short. But before the furor subsides, I hope we will have succeeded in establishing the National Council to Control Handguns as a lobby strong enough to battle the NRA.

What do you think of the Administration bill now before Congress?

The Ford Administration wants to crack down on so-called "Saturday night specials"—the cheap, six-inch long handguns used in street crime. But if the law defines the Saturday night specials as six inches or shorter, criminals will start packing seven-inch guns. It would affect less than half the guns used in street crime, but it's a step in the right direction.

What legislation would you like to see put into effect?

A ban on the manufacture, sale and importation of all handguns and handgun ammunition. To reduce the 40 million handguns already in circulation, we might institute a buy-back program whereby gun owners would be reimbursed for turning their guns over to the government. Of course, it will take time for the supply to dry up. But in five years or so I think we would see the beginning of the end of wholesale terror on the streets.

GUNS AND THE POLICE CHIEF

According to surveys, over 70 per cent of the American people support legislation that would control the ownership of handguns. This has been true for many years, despite the outcry of the gunlobby whenever the subject is raised. But many people who are concerned about crime and crime-control have been confused as to where law enforcement leaders stand. The impression has been cultivated by the gun-promoters that serious-minded law enforcement officials oppose the control of handguns. That impression has been augmented by the gun lobby lectures of Los Angeles Police Chief Edward Davis.

Well, law enforcement came to Washington the other day, and by the time a handful of chiefs of police from some of the nation's largest cities finished telling the Senate Government Operations Committee where they stood, a compelling case against permissive handgun policies had been made. In fact, some of the senators were taken aback by the forthrightness with which they spoke on the subject. Chief Hubert Williams, Newark, N.J.: "Dealing with crime at the local level is dependent to a great degree on whether or not strict federal controls on handguns will be introduced. The fact of the matter is that local efforts to control handguns cannot succeed without strong national controls."

Los Angeles County Sheriff Peter Pitchess called the nation's gun mania a "plague" and underscored the need for congressional action by reminding the committee of recent news events. "It is a national disgrace," he said, "when we must fear for our President's life every time he is within shooting range of the public." And the director of the Secret Service told the committee that "handguns have to rank near the top" of his organization's worries when trying to protect the President.

Police chiefs from Atlanta, San Antonio and Boston added their voices to the demand that Congress move swiftly to enact a comprehensive gun control law. They do not represent all the police chiefs in the country. They represent the big cities—and the nation's largest county—where the message is clear that crowded urban civilization and handguns do not mix well.

Now the question is whether Congress can act on that message. The majority—by far—of the public has repeatedly said it wants action. Now the police chiefs have made it clear that they want action too. What stands between the desires of the people and the performance of their leaders? Mostly the gun lobby with its political intimidation and misleading slogans. The question is whether there is enough courage in Congress to say "no" to the gun lobby once and for all.

OAHE: A POSITIVE ALTERNATIVE

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. PRESSLER. Mr. Speaker, first, I include the following summary sheet:

I. SUMMARY SHEET

	Present Oahe project	Alongside-the-Missouri Pressler alternative
1. Cost per acre.	$1,766	$500.
2. Time for completion after project development begins.	12 to 20 yr	3 to 5 yr.
3. Amount of farmland destroyed by project features.	90,000 acres	Almost none if pipe used. Very small amount if ditches used.
4. Project planning.	Bureau of Reclamation.	Individual farmers or groups of farmers if they so choose.
5. Relocation	50 farm families and 120 cottages.	None.
6. Land acquisition.	110,000 acres	Very little, if any.
7. Environmental impacts.	Stream channelization and several thousand acres of wetlands destroyed.	No stream channelization and very few wetland acres sacrificed, if any.
8. Water pollution.	Severe	Slight.
9. James River Impact.	Channelize the James.	None.
10. Total potential irrigation.	200,000 to 500,000	Well over 1,000,000 acres.

II. BACKGROUND

Mr. Speaker, on May 7, 1975, I became the first member of the South Dakota delegation to ever raise any questions about the Oahe project before a congressional committee. On that date I asked for a moratorium in construction funding. Later, on the floor of the House of Representatives, during debate on general appropriations I read a letter from the Environmental Protection Agency stating that Agency's objections to approving the Oahe irrigation plan as presently proposed. Since that time there have been many editorial criticisms of my actions—particularly in the Huron and Aberdeen newspapers. Indeed, attached to this proposal is one such critical editorial which illustrates the height of feeling that has arisen on this issue.

I support a referendum on the Oahe irrigation project. However, since my days of working on irrigation projects in the U.S. Army as an assistant to David Lilienthal—one time Chairman of the Tennessee Valley Authority—I have become convinced that irrigation is futile if it does not have grassroots support. If our State legislature does have a referendum on the project, and if that referendum indicates the people do not want the project, it does not mean that South Dakota must lose the basic authorization for the project.

The nearly $400 million that have been authorized can be preserved without a new authorization and appropriated on an annual basis to develop an irrigation project immediately adjacent to the Missouri River. I would not propose doing so unless the farmers and citizens in those areas indicated through referendum that they wanted irrigation. My point is that an end to the Oahe irrigation project does not mean that South Dakota necessarily must lose irrigation—indeed, by shifting the appropriations to projects closer to the Missouri we might have irrigation from 3 to 5 years while the Oahe project will require between 12 to 15 years at the optimum.

IF AN ALTERNATIVE IS ADOPTED, WILL OAHE FUNDS BE LOST FOREVER

The Oahe irrigation project, like its sister—the Garrison Diversion Unit, may be in serious trouble with environmentalists, farmers, legislators, taxpayers, and youth. Some signs are quite ominous—increasing opposition within the U.S. Government itself through the Environmental Protection Agency and the President's Environmental Quality Council; growing farmer opposition has led to the formation of the United Family Farmers, comprised of a combination of dry-land farmers, large operators, environmentally concerned farm operators, and older farmers resistant to change; increasing farmer opposition in the representation on the Oahe Conservancy Board as evidenced in last November's election; the break in solid citizen support which was recently shown by the action of the League of Women Voters and the South Dakota Farmers Bureau in endorsing a moratorium on construction; and the legislative impasse on Oahe resolutions at the 1975 session calling for a moratorium. I might add that as a Republican candidate for Congress in 1974 and committed to a moratorium on construction funding, I received my largest majority in Brown County—one of the Oahe counties—and normally a heavily Democratic stronghold.

These developments which have literally exploded overnight have raised the specter that the Oahe unit may not be built—or drastically changed from its original plan. Therefore, I believe that consideration of alternatives is necessary if South Dakota is to assure itself of the beneficial use of waters impounded in the Missouri River reservoirs.

If the State legislature schedules a referendum on Oahe for next spring, and if that referedum results in a negative vote, I contend that we should preserve the congressional authorization of nearly $400 million and seek annual appropriations from this ongoing, existing authorization for alongside-the-Missouri irrigation. Similar project changes have been made in numerous States on numerous projects. The basic authorization need not be lost: it could be converted in June of 1976 to appropriations for other projects in South Dakota.

POSSIBLE AREAS OF IRRIGATION

The concept of alongside Missouri River irrigation is hardly new. Some preliminary studies have been made of these areas, but these have never been given the major attention accorded Oahe. This was understandable in the past when the Oahe project was sailing along full steam. But now that there are problems—we must examine other alternatives more comprehensively. Private irrigation development along the Missouri River is already on the move. The State Department of Natural Resources was recently reported to have issued permits for irrigating 123,587 acres directly out of the Missouri. Permits for some 27,000 acres were issued in 1975, giving evidence of the rapidly developing interest. Thirty new permits were issued for river irrigation in Union County this year.

Also, in recent conversations with a representative of an irrigation equipment firm in Ft. Pierre, we were advised that many more farmers are looking into sprinkler irrigation systems with pumping directly from the Missouri. This movement is proceeding without direct Federal investments although, of course, there has been a great deal of State and Federal technical assistance. The piecemeal private development of alongside river irrigation illustrates graphically that irrigation is indeed feasible today with new technology in sprinkler irrigation. I daresay that studies made 10 years or more ago can hardly be up to date.

I envision the development of a series of Missouri River irrigation districts operating alongside-the-Missouri River and extending away from the Missouri River with central water supplies provided primarily by pipelines or smaller canals. I understand that there is new technology being developed that promises a dozen to 100 center-pivot rigs can be served from a single system.

Certainly, if we can develop alongside river irrigation privately on 125,000 acres, as we have already done, or are in the process of doing, it would be possible to expand this figure to 1 million acres if we make a concerted effort. Indeed future use permits have been issued for over 1,500,000 acres of land that might be irrigated directly from the Missouri River. We know that stretching along the 300-plus-mile stretch of the river there have been numerous proposals including Shamrock, Pollock-Herreid, and the BCD project in the Ft. Randall Conservancy Subdistrict.

Others are in the talking stage. Many of these should go forward—and in addition on the Missouri River slope in central South Dakota, there is a potential for one or more projects. I will work for speedy congressional appropriations of these new projects where there is a favorable cost-benefit ratio, and a referendum that people want them. However, in many cases, the lengthy congressional approval procedures should be bypassed and State-local-private funds used to carry out development. The industrial bond concept should be extended to water development projects.

COSTS

It seems to me that it is elementary that the closer we can irrigate to the river, the lower the cost. I am advised that in one instance a farmer operator near Pierre will make an investment of over $350,000 to irrigate nearly 1,000 acres and the irrigation consultant believes this would be increased to $500,000 if maximum utilization were sought. This is a cost factor of approximately $500 per acre inclusive of pumps, pipeline, and center-pivot sprinklers. While this may be considered low due to the proximity to the river, advantages of scale coming with a large central pump and distribution system would probably offset disadvantages of distance up to a reasonable point.

Compare this with the costs of the Oahe unit where public investments, according to a fact sheet issued earlier this year, are placed at $1,766 per acre and this only brings the water to the farmers' land. The farmer will still need to invest in the sprinkler and water distribution system on his own land. A complete financial analysis would undoubtedly see this disparity narrowed as certain sunk costs in the reservoir and main pumping units would need to be redistributed if the Oahe project were not developed as originally planned. But it does give me some basis to believe that the ranges suggest that the alongside river plans would have favorable C/B ratios and merit more serious developmental efforts.

Last, would these projects meet the critical environmental test? Tests lead me to believe that the soils in these areas are sandy loams which are much less conducive to salt and water build-ups. Return flows could be accommodated by the Missouri River itself without serious degradation problems. As of this time, I know of no serious environmental problems that would be encountered.

III. PROPOSAL

Irrigating adjacent to the Missouri River—a plan for a possible alternative to the Oahe irrigation plan or a possible supplement to the Oahe irrigation plan. The plan would involve irrigating with the use of pumps and pipes in an area 50 to 100 miles immediately adjacent to the Missouri River on either side and in particular in those counties where irrigation permits have already been issued and where there is a growing amount of private irrigation. The counties that have land that is irrigable, and in many cases more irrigable than the land in the Oahe area include: Campbell—particularly the Pollock-Herreid proposed area; Walworth—particularly the proposed Shamrock irrigation project; Dewey; Potter; Sully; Hughes; Buffalo; Lyman; Brule; Gregory; Charles Mix; Douglas—the proposed Ft. Randall conservancy subdistrict BCD project; Bon Homme; Yankton; Clay; and Union.

The idea of irrigating immediately adjacent to the Missouri River is not new—but for some reason the Bureau of Reclamation has designed it to carry water nearly 180 miles to begin irrigation while much irrigable land immediately adjacent to the Missouri is being ignored. The problem of runoff waters in the James River would not exist because most of the runoff waters could be channeled back into the Missouri. Private irrigators along the Missouri utilize pumps and pipes as opposed to digging canals. As the summary on page one indicates, irrigating adjacent to the Missouri River first would result in virtually no land being destroyed while the present Oahe plan calls for destruction of between 90,000 and 110,000 acres.

Congress has made a basic authorization for irrigation in South Dakota—if the plan should be changed that authorization could be retained and the specific annual appropriations changed to supplement and support irrigation immediately adjacent to the Missouri River. Irrigation could be achieved more quickly close to the Missouri River—private irrigators have shown that substantial amounts of land can be irrigated from 1 to 5 years. The present Oahe plan envisages from 12 to 15 years of preparations before it is operational.

The basic costs of irrigating close to the Missouri are much less. According to the Bureau of Reclamation's own figures, the costs per acre for the Oahe irrigation project will be at least $1,766—while private irrigators adjacent to the Missouri are accomplishing their task for less than $500 per acre.

Also, more land could be irrigated adjacent to the Missouri River than under the present Oahe project.

Indeed, future use permits have already been issued for 1,500,000 acres of land that one day might be irrigated directly from the Missouri River. These permits included for over 1,000,000 acres issued to the Lower James and Ft. Randall Conservancy subdistricts; one for the Pollock-Herreid project in Campbell County; one for the Shamrock project in Walworth County; and three for the Oahe subdistricts close to the Missouri River. The Oahe project envisages somewhere between 200,000 and 400,000 acres.

IV. CONCLUSION

On balance, I believe that this proposal should be considered as not only a reasonable alternative to Oahe, but as a posible add-on if that project survives. With the water available, and we should never forfeit it, we need to expand our vision beyond considering the Alongside-the-Missouri River irrigation as an afterthought and consider it as a top priority. That is what I hope my proposal will do. However, this is not a grand plan for the bureaucrats, but rather one which the people are evolving slowly for themselves as evidenced by the growth in irrigation along the river. As a public policymaker, I think we have an obligation to assist in providing leadership to encourage these piecemeal efforts and to develop the means by which this movement can expand.

The late Senator Francis Case and other early supporters were not for Oahe irrigation alone, but saw the bigger picture of Missouri River development. I hope to help in that great effort. I welcome your comments and suggestions to this proposal. Whatever is done in the future should be with grassroots inputs and with referendum by the people involved. It is possible that the people of our State will decide against irrigation in many instances. This is a question of values, but such a value judgment should rest with the people.

V. ATTACHMENT—A CRITICAL EDITORIAL

The attached editorial contains a good deal of critical analysis of an Alongside-the-Missouri alternative plan. Although the editorial is highly critical of me, I include it because the statistics it cites shed a good deal of light on the irrigation controversy in South Dakota. I would contend that the facts cited strongly support Alongside-the-Missouri irrigation as a possible alternative. The editorial was run in two major South Dakota daily newspapers—in the Huron Daily Plainsman on September 21, 1975, and in the Aberdeen American News on September 23, 1975.

The editorial follows:

PRESSLER—NAIVE OR?

Proponents of water development in South Dakota should be happy to learn that First Disrtict Congressman Larry Pressler has finally conceded that irrigation will work in South Dakota even though this revelation is couched in strange and naive terms.

Pressler said Wednesday that he has come up with a reasonable alternative plan for the Oahe Irrigation project. He thinks that the Bureau of Reclamation has overlooked natural irrigation possibilities along the Missouri River. And he suggests that around a million acres of land along the Missouri River could be found that is suitable for irrigation, a project that could be developed in two or three years as an alternative to Oahe.

What Pressler himself has overlooked is all of the research, planning and work that has been going on over the past 15 or 16 years in the state he is attempting to represent.

The Bureau of Reclamation did conduct an exhaustive survey of the Missouri River perimeter which was completed in 1959. At that time there were several feasible projects that showed promise but later were put on the shelf, either because of lack of local interest or lack of economic feasibility. The Oahe project had and has both, another fact that Rep. Pressler chooses to ignore.

However, the state of South Dakota and the conservancy subdistricts (the locally elected entities of government responsible for water resource development that Pressler refuses to listen to) have not been idle.

According to the Department of Natural Resources in Pierre, the office responsible for this sort of thing, permits for irrigating directly out of the Missouri have been issued for 123,587 acres of land. This is nearly one-fourth of all of the acreage (537,200 acres) for which irrigation permits have been issued in the entire state.

In addition, future use permits (excluding Oahe) have been issued for 1,500,840 acres of land that might one day be irrigated directly from the Missouri River. These permits include one for 1,150,000 acres issued to the Lower James and Ft. Randall conservancy subdistricts; and three for the Oahe subdistrict; one for 305,000 over and abve the Oahe project, one for Pollock-Herreid in Campbell County for 25,200 acres and one for the Shamrock project in Walworth County for 20,640 acres.

This comes out to a considerably larger acreage than Pressler had in mind, but the subdistricts and the state have done a great deal more research in this area than the congressman has. And none of this has ever been considered an alternative to Oahe.

As for developing all or a major part of this in two or three years, it is difficult to believe that a freshman congressman could be so naive. Pollock-Herreid has been in the planning stages for a dozen years and the local support has been very enthusiastic. Even though the project is economically feasible the Congress has failed to authorize it. This is the way federal projects work, and a congressman should know this.

Efforts have been made, unsuccessfully, to have the Shamrock project funded with state funds. Efforts to steer state funds into irrigation development are being revived again in Pierre, but even if they are successful these funds will be limited, and large scale progress will be slow.

South Dakota needs the million plus acres of irrigation that can and will be developed directly out of the Missouri River. It also needs the Oahe project. Neither can be considered an alternative for the other.

Congressman Pressler would serve his state better if he would spend a little more time researching his ideas and a little less time putting out uninformed press releases that make him appear either naive or stupid. And he might begin by talking with some of the people in the conservancy subdistricts and state government who have been doing the things he is beginning to dream about.

OUR NATION SALUTES THE HONORABLE RICHARD ZUIDEMA OF PROSPECT PARK, N.J., UPON THE CELEBRATION OF THE CENTENNIAL YEAR OF HIS BIRTH

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. ROE. Mr. Speaker, as our Nation's Bicentennial Celebration moves forward and America places its house in order to receive visitors throughout the world to relate the history of our United States, it is indeed my privilege and honor to point with pride to a leading citizen of our community who has seen the wonders of our country's maturity and evolvement during this past century and activity participated in the vast communion of effort among our people that has achieved the highest preeminence and esteem as a representative democracy among all nations throughout the world. I ask you and our colleagues here in the Congress to join with me in extending our warmest greetings and felicitations to my good friend and great American, the Honorable Richard Zuidema of Prospect Park, N.J., in observance of the 100th year of his birth.

Since coming to the United States from the Netherlands in 1890, Mr. Zuidema has earned the fullest confidence and respect of his fellowman. The quality of his leadership, his standards of excellence, and sincerity of purpose are mirrored in the success of his achievements, the richness of his wisdom, the warmth of his friendship, the strength of his doctrines, affection, and respect among his family members, and the refreshment of his musical artistry.

With your permission, Mr. Speaker, I would like to insert at this point in our historical journal of Congress a news article that appeared in the September 19 issue of the Paterson Evening News, one of New Jersey's most prestigious newspapers, under the byline of the highly rerespected news correspondent, Bert Nawyn, which presents a centennial profile of Richard Zuidema, the councilman, the financier, the educator, the organist, the religious man, the man next door, the family man, the lovable senior citizen of our Eighth Congressional District, State of New Jersey. The news article is as follows:

[From the Evening News, Sept. 19, 1975]

RICHARD ZUIDEMA AT 100: "GOD HAS BEEN GOOD TO ME"

(By Bert Nawyn)

PROSPECT PARK.—Richard Zuidema of 208 Fairview Ave. is 100 years old today. Open house, to afford his many friends an opportunity for a short visit, will be from 2 to 5 and 7 to 9 p.m.

Mr. Zuidema, who during his business career was also known as Richard Southman, has probably lived in Prospect Park longer than any other resident. He moved into the borough before it broke away from Manchester Township, 85 years ago, during the presidency of Grover Cleveland.

This pioneer of the community has led an active life. He has never shunned work or responsibility. He is one of the founders of the Prospect Park National Bank and still serves as director emeritus.

He was a founder of the Prospect Park Savings and Loan Association and served for years on the board of directors of that institution. Until a few years ago, he attended meetings of the board of directors of both financial institutions and was a bank appraiser.

SERVED ON COUNCIL

Mr. Zuidema also served as a councilman of the borough. For years he was president of the Board of Directors of the North Fourth Street Christian School before that school consolidated with five other Christian schools to form the Eastern Christian School Association.

In the Second Christian Reformed Church of the borough, he served as organist for 55 years, director of the choir for almost an equal number of years, and as an elder in the consistory of the church.

How does it feel to be 100 years old?

Mr. Zuidema will tell you, "I'm not as spry as I was a few years ago. My eyesight is dimmed. I've got a hearing aid, any my legs are not as strong as they used to be. Otherwise I'm fine."

A deeply religious man, he says, "Life has been good to me simply because God has been good to me. Without faith in God there is no fulfillment in life here or after this life.

"ETERNAL LIFE"

"My faith in God gives me assurance of eternal life. My days on this earth are numbered, but there's a glorious future waiting for me in Heaven."

The Zuidema home has a large pipe organ which this old gentleman still plays. Wednesday night, with his children gathered around him, he played his favorite hymn while they sang the words.

Old age has never hampered his activities. Just a few weeks ago he attended Sunday night worship services in the church he attends. Last fall he went away for a three day motor trip with two of his children to the Poconos, and last December he attended a dinner at the Wayne Manor.

Mr. Zuidema's last plane ride was at the age of 95 years when he traveled to Grand Rapids, Mich., to be present at the college graduation ceremonies of his youngest granddaughter.

It's a pleasure to hear this old gentleman talk about the past. He recalls, "When President Teddy Roosevelt was running for president in 1904, he campaigned in Paterson. He decided to pay a visit to Mrs. Garret Hobart, the vice-president's widow. President Roosevelt came up Haledon Avenue, which then was just a dirt road, in a horse-drawn buggy and stopped at the corner of North 11th Street and Haledon Avenue to make a campaign speech. I was standing on the front porch of the house on the corner and listened to him talk."

Mr. Zuidema later bought that house, which in the late 1920s was moved about 30 feet to make way for the corner building now housing Wilkins Formal Wear.

UP TO DATE

Although age has dimmed his eyesight, he has been able to keep up with world events by listening to tapes he receives from various publications, including the Reader's Digest.

A staunch Republican, he admits to voting for only one Democrat. At the age of 97 years he voted for Rep. Robert A. Roe.

Mr. Zuidema was born in The Netherlands and, with his parents and brothers and sisters, came to this country in 1890. His father died aboard ship and was buried at sea, leaving his mother to care for a large family in a strange land. Very shortly after coming to the United States, the family settled in Prospect Park, which was to become a borough 11 years later.

As soon as he arrived in this country, Mr. Zuidema established himself in the construction business and was for years a well-known builder of homes and commercial buildings.

Mr. Zuidema has been a reader of The News since the year it began publishing.

His children who are celebrating his birthday with him are William Zuidema of Bloomingdale, Miss Grace Zuidema, Mrs. Ethel Van Dyke, Mrs. Dorothy Roukema and Nicholas Zuidema, all of Prospect Park, and Mrs. Carrie Vroom of Florida. Also, numerous grandchildren, great-grandchildren, and great-great-grandchildren.

Mrs. Zuidemas, the former Gertrude Udes, died 23 years ago.

Mr. Speaker, Mr. Zuidema is 100 years young and I am especially proud to seek this national recognition of his contribution to our society. He is a great American whose pursuit of happiness in our country has richly endowed the cultural, recreational and educational endeavors of our community and truly personifies the quality of life in our United States of America. We do indeed salute the Honorable Richard Zuidema of Prospect Park, N.J.

TORTURE IN BRAZIL—PART II

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. HARRINGTON. Mr. Speaker, in yesterday's RECORD I inserted the first of a two-part account, appearing recently in Harper's, of the degrading circumstances surrounding the arrest, late last year, of an American citizen in Brazil. I am inserting the second part of the text for the benefit of my colleagues:

IN THE PRESENCE OF MINE ENEMIES—PART II

(By Fred B. Morris)

I was unstrapped, handcuffed, and then dragged off, again to be hung on the cell door. I was to pass the rest of the night standing up, my hands shackled to the door directly in front of my eyes. My left wrist was quite swollen by now, and the handcuff was cutting into the flesh, cutting off the circulation. My body was aching all over, my head was throbbing, I was thirsty and very tired, but I had a strange feeling of exhilaration. I had made it through the day. They had done everything at least once, and I had survived. I didn't have any idea what Tuesday would bring, except probably more of the same, but I had made it through this day, I could make it through the next. For some reason, I remembered the AA dictum that one should stay sober one day at a time. Can one survive torture the same way, one day at a time?

Now I began fantasizing that they would release me. I knew that prisoners were often dumped on the street at night when the army was through with them, and, though I did not really believe their promise to let me go after getting Luis's address, they might do it. I desperately *wanted* to believe they might. I began to think about what I would do. I conjured up the image of myself arriving at my fiancée's house, the embrace we would have, the joy I would have in reassuring her that I had survived. It was an image I was to nourish often during the days ahead.

I knelt to relieve my aching legs. Often, at intervals, I took advantage of the symbolic position and prayed. I didn't pray for deliverance; my idea of God does not include the Lone Ranger. But I gave thanks for having survived so far and prayed for strength.

A couple of hours after daylight, they came again. I was ordered to replace my hood, the door was opened, the handcuffs were removed and refastened behind my back, and I was led off for more questioning. Again I found myself affirming the Psalm: "The Lord is my shepherd. . . ."

After about an hour of torture, I was returned to my cell and left hanging on the door again. I could still hear Luis. His screams were more varied now, mostly weaker, and occasionally he burst forth with a series of barkings. I couldn't imagine what horror they were practicing on him; nothing they had done to me had produced that kind of noise.

Sometime Tuesday morning I was taken to another room and seated in the armchair again, my arms and legs strapped as before. But this time no wires were attached to me. Now a new voice began, saying quietly, "Fred, how are you feeling?"

I immediately thought to myself, this must be the "good guy" of the team. I felt like laughing at the transparency of their technique, yet it was bliss to hear a pleasant voice. I had nothing to hide from them; they could get no more out of me by kindness than by force. I decided to enjoy the respite. It lasted an hour or so. The next session was with the "bad guy," as were all subsequent ones that Tuesday.

Sometime in the evening, while hung on the cell door, I was surprised by the turnkey opening the peephole and wordlessly offering me a piece of bread and a glass of water. As I had had no food or water at all since my breakfast Monday morning, I was nearly overwhelmed by the unexpected humanity of the gesture, especially as his clandestine manner suggested he was acting on his own. The jailer asked me if it was true that I was a pastor and I said it was. He shook his head in obvious confusion and closed the peephole again.

I was taken back for another hour or so of questioning and then returned to the cell, with a bathroom stop on the way. Now, however, for the first time, I was not hung on the door, but simply shoved into the cell, the handcuffs removed. There was no bedding at all, not even a blanket. I was still wearing only my shorts, but I was so tired that I'm not sure I even missed the amenities as I took off the hood and folded it for a pillow and lay down on the bare concrete and fell asleep. Once or twice during the night I awoke as someone opened the peephole to look in at me, but I was otherwise allowed to sleep through till morning.

At about 6:30 the jailer woke me by opening the peephole to ask if I wanted some bread and coffee. I did, and afterward I started off to the first of the day's encounters, affirming once again the Shepherd's Psalm. I felt much rested from the night's sleep and was hopeful that maybe we were reaching an end.

In the chamber, my hopes were dashed. Instead of being strapped to the chair, I was hung by the handcuffs from a hook high over my head and close to the wall.

My chief tormentor began by saying that they were tired of my lying and that today I was going to confess my sins one way or another. He started by asking when I had introduced Luis to Dom Helder, and, when I said never, he struck me in the middle of the back with his fist, then slapped me on the back of the head. Even though I was hooded, as always, the blow smarted and stunned me. These blows were followed by a rapid-fire series of questions and more beatings. I could hear them questioning Luis in the next room, since they apparently had left the door open. He sounded only semiconscious; his answers to their questions were only moans and grunts.

My inquisitor now produced a new (to me) gadget. He began rolling what must have been a spiked wheel over my back, scratching the skin. As I flinched he laughed and pushed down harder, closing some sort of electric circuit and giving me a shock. This was to be the procedure: the wheel was passed back and forth, and each time I refused to answer he pressed the device down into my naked back, closing the circuit.

After what seemed like forever, he stopped and walked away, leaving me semiconscious and dangling by the handcuffs on the wall. Suddenly I felt someone coming up to me again, and I braced myself for the pain. A piece of cold metal was placed on my chest and I flinched. A voice said, very quietly, "It's all right. I'm not going to hurt you." The cold metal moved to another spot and I perceived that it was a doctor's stethoscope. Apparently they wanted to check my heart to see how I was bearing up. Nothing more was said, but as soon as he finished I was taken down and returned to my cell. The day passed, periods of questioning and torture alternating with fitful rest.

A CHANGE OF CHARGES

That evening I dozed off, only to be awakened when Major Maia, chief inquisitor of the Fourth Army, opened the peephole about an inch and said, "Fred, we're beginning to have second thoughts about you. 'We're beginning to think maybe you're connected to official organs." "Uh" was my only response. "Yes, we know you're guilty, or we wouldn't have brought you here," he said, "but we think now you might be working for the CIA. How about it?"

"No thank you," I said. "I've got enough trouble already." With that he shut the peephole and I lay there for a moment. Then I began to laugh to myself. They must really be confused by now, I thought. They bring me in for being a Communist and want to send me out as a CIA agent. I flirted with the idea of leading them along a bit on the CIA line, to see if I didn't fare better, but I soon decided it was too risky. Moreover, if I ever got out, I didn't want to have to answer questions from the American government about having pretended to be a CIA agent. With that I drifted off to sleep.

It must have been around midnight when they came for me again. I obediently put on my hood, still warm from having served as my pillow, the handcuffs were fastened behind my back, and once more I made the thirty-yard trip to the torture chamber to the accompaniment of the Twenty-third Psalm. There I was made to sit down and was greeted by the major and one of his colleagues. "Fred," began the major, "to be or not to be, zat is the question." Obviously he had been practicing that little bit in English for a while. He continued in English, "Are you a Communist, or are you a CIA agent?"

"Did it occur to you that I might not be either?" I replied, in Portuguese. "Can you imagine that I might be just what I am, a former missionary who is trying to make an honest living in business here in Recife and who happens to have some friends that you don't like?"

"Fred, we wouldn't have brought you here if we weren't sure you are guilty. Your case was discussed and discussed before we had you brought in. I can say that we suffered much more trying to decide if we should bring you in or not than you have suffered here."

"I doubt that very much," I answered. "But if you were so sure of my guilt, then why all the questions? If you have any real evidence, which you haven't mentioned yet, why not just take me to court, rather than torturing me?"

"Look, you are here to answer questions, not ask them." He then proceeded to rehearse the string of coincidences and circumstantial evidence that they had against me, most of it based on depositions made by people I had never met who had implicated me while being tortured. My friendship with Dom Helder and with Luis, which I had never denied, were the only concrete things on the whole list. We went round and round a few more times before I was taken back to my cell and hung on the door to spend the rest of the night standing up.

That night was the worst. I began thinking once again about what I would do when and if I finally got out. Would I be allowed to stay in Brazil? What would I do if I went back to the States? It was then that I resolved to tell my story to as many people as would hear me. Afraid that I might forget the details of these days before I could set them down, I rehearsed everything verbally, from Monday morning to that moment. I went over every session of torture, remembering every word said and every barbarity practiced. I recalled my own feelings, moment by moment, up to that hour. I decided to do that at least once a day until I got to a typewriter or tape recorder, even if it took months, or years. I knew that that was the only way to keep the story straight. After a couple of hours, I had told myself the whole thing. Then I started composing, in Portuguese, a poem of protest, dedicated to my fiancée. I had never before written a poem, but I found it diverting, and even exciting, trying to tell something of myself and my beliefs to my future wife. I would compose a strophe, repeat it a dozen times so as not to forget it, and go to work on another. I was to spend many hours in the next days on this project, composing, rearranging, polishing.

Dawn finally came, and a new jailer arrived with coffee and a piece of bread. After breakfast I was allowed to take a bath in the wretched bathroom next to my cell. This was a great relief since I was beginning to find my own smell one of the worst parts of the torture. Back in my cell I was permitted to lie down.

It must have been about 8:30 when they came again. One of my interrogators now explained that the reason I was always hooded was that I would then be unable to recognize them on the streets and so could not try to kill them. The questions continued much as they had the day before, with particular efforts being made to persuade me to confess to being a CIA agent. I was not beaten or shocked during the sessions on Thursday, and most of the time I was allowed to sit down. In the afternoon the major returned. "Fred, how do you feel? Everything okay?" he asked cheerfully. "Just great," I responded. "Never better." I don't know why I had the courage to be sarcastic, but his cheery friendliness provoked me.

"Well," he continued, "as you know, Brazil belongs to the community of nations. We have treaties with many countries, including the United States. One of those treaties gives you the right to see your consul, so of course we are going to let you do that. We are going to have you take a bath, shave, put on your clothes, and we will take you to see your consul. I just want you to remember that you are to speak only in Portuguese since we want to know what you are saying. Afterward you will be coming back here, so be careful not to exaggerate anything that has happened to you up to now."

I was standing in front of him, my head hooded, naked except for my shorts, my hands manacled behind my back. My wrists were cut and bruised, the left one sprained, I had no feeling in either hand, and my back was scratched and bruised, as were my buttocks. I had spent two of the past three nights standing up, had had only one meal of any sort in four days, had been threatened, beaten, cajoled, kicked, and shocked into unconsciousness. But at the end of his little speech I burst out laughing.

"What in hell are you laughing about? There's nothing funny about your situation."

"I'm sorry, but I just thought of a joke."

"Jesus Christ! How can you think of jokes? What is it?"

I told him I had remembered, while he was talking, the old story about President Eisenhower's visit to Moscow. The Russians, wanting to show that theirs is an open and free society in which everyone is happy, brought in a peasant from the interior, put him on TV, and told him he could say anything he wanted as the American President was there and people all over the world were watching him on TV. The peasant, thoroughly intimidated, remained silent. They insisted repeatedly that he should say anything he wanted, until finally he took courage, looked straight at the TV camera and said, "Help!"

The major was so taken aback that he had to laugh too, but immediately went on to warn me again not to say too much to the consul, as I would be coming back to my cell.

As it happened, I told the consul everything, and he, for his part, offered me the strongest assurances that the highest authorities would see to it that I be tortured no longer. He could do nothing, however, about any charges that might be brought against me, and I would of course have to return to my cell. His very presence was a welcome reminder of a world of reason and predictability, and he also brought news that my fiancée's parents had hired a lawyer for me. This was very risky for them, and I was moved to tears by the gesture.

Once again in my cell, after the interview, I was required to give up my clothes and all other symbols of so-called civilized man. Once more I found myself sitting on the floor of my cell in my shorts, wondering if that interlude of quasireality had been only a hallucination.

It must have been about 7:30 when they sent for me again. Hooded and handcuffed, I was led off to the chamber where my principal torturer was waiting for me. In a most businesslike fashion, he told me that I was to make a formal statement about my ten-and-one-half years in Brazil, all that I had done, my relations with Dom Helder, *Time*, and Luis. He was going to take it all down, it would then be typed, and I would be asked to sign it the next day.

It must have taken three or four hours, but at least we were done. He called the jailer to escort me back to my cell, and then he decided to go along. As we came near my cell, he said, "So you turned us all in, huh?" With that he gave me a violent kick and walked away. I confess that it didn't hurt at all: I saw how frustrated he was and realized that I was, in fact, safe from real harm at his hands.

I awoke on Friday with the certainty that the worst was over, and with the hope that I would soon be released. My jailer said that all the little signals were that they were getting ready to let me go. I assumed, and he confirmed, that people were almost always released at night, so I waited impatiently for nightfall.

This was to become a pattern. Each day began with the promise that it would be my last one in prison. After my morning coffee, I would do some exercises in my cell—push-ups, sit-ups, running in place; then a bath, dressing (my clothes getting riper each day), off for a ride, head covered, through the streets of Recife for about fifteen minutes, only to return to Fourth Army Headquarters for a fifteen-minute encounter with the consul, Richard Brown, in Colonel Meziat's office. Mr. Brown would bring me news of Tereza and my friends and family, and tell me how things were going in general. He would inquire about my treatment in great detail, and through much insistence, gradually secured the return of some of the amenities of life. (After five days I was given a mattress; in a few more I began to get edible food.) He had no word ever about my possible release.

The questioning continued, but only sporadically. Sometimes I wasn't questioned for an entire day, then I would be grilled for five or six hours at a stretch, once even all night. But each day began with the hope that it would bring en end to the nightmare, and each night saw that hope fade into the darkness.

Twice I heard someone taking a shower in the bathroom next to my cell. Thinking it might be Luis, I began singing hymns in a loud voice so he would know I was all right. The jailer confirmed by suspicion by motioning for me to be quiet. Then I heard Luis begin to sing softly a famous Brazilian protest song, "Disparada," and my heart truly leapt with joy.

On Tuesday afternoon, October 15, I was officially informed that I was to be expelled from the country and was delivered over to the federal police. I was taken to my home to pack a suitcase and to sign a power of attorney over to my financée's father to handle my affairs in Brazil. Then I was taken to Federal Police Headquarters, where I spent the night on the floor of an office.

Arrangements had been made for me to meet with my future father-in-law again on Wednesday morning to go over my affairs. I was also to go to the bank and get some money, and was promised an hour with my financée for making our plans.

However, on Wednesday morning, at 8:10 I was informed that I should get ready, as I was taking the 9:00 a.m. plane to Rio. In ten minutes I found myself in a station wagon, racing with siren screaming toward the airport.

When I arrived, I saw Mr. Brown and four friends at the other end of the terminal, waiting for me. The police agents clearly didn't want me to sepak to anyone, but I delayed, fussing about my suitcase until they caught up with me. Then, ignoring the mutterings and fussing of the police agents, I embraced my friends, one by one, thanking them by coming and tearfully receiving their good wishes. Then I was taken by the arm, and accompanied by Mr. Brown, was led to the waiting plane. Mr. Brown said my fiancee was on her way, but he didn't know if she would make it, as there had been an accident, and traffic was jammed up.

On the plane I was seated in the front row, with an armed guard by my side. Major Maia came on board to bid me farewell, and, after hesitations that I meant to be obvious, I shook his extended hand. I thanked Richard Brown profusely for all he had done for me, and he was escorted off the plane by the major.

At 8:55 I saw some commotion at the foot of the stairs leading up to the plane and saw Tereza, with Mr. Brown in tow, coming up the stairs. Without even thinking, I climbed over my startled guard and met her at the head of the stairs for what can only be described as a Hollywood embrace. With tears streaming down both our faces, we hugged and kissed for about ninety seconds while being pulled into the plane where the press wouldn't see us, until Tereza, having promised to follow me as soon as she could, was forcefully taken from me and off the plane. At nine o'clock, we took off for Rio, where I was to pass the day in a jail cell before being placed on a Varig flight to New York, by armed guard, at 11:00 P.M. that evening.

I was to discover later that Tereza, arriving late, had actually jumped over the wall separating visitors from the apron and had run out to the plane, with no authorization from anyone. When Mr. Brown saw her he ran to meet her and insisted that she be allowed to say goodbye to me.) *

As the plane arrived at Kennedy Airport in New York at about 8:00 A.M. on Thursday, October 17, the man seated next to me looked up from the Rio English-language paper he was reading, pointed to a headline saying that I was about to be expelled from the country, and said: "I wonder where that poor son of a bitch is now?" I replied: "That poor son of a bitch is me." He was shocked into total silence and only recovered in time to say "Good luck" as we got off the plane.

As my passport had been given to the crew, I was escorted by a crew member straight to immigration. The immigration officer looked at my passport with the brand-new rubber stamp saying "EXPULSO" covering one whole page and said. "What did you do?" "I was too friendly with the archbishop," I replied. "Well," he said, "sometimes they do strange things down there. Welcome home."

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* Tereza was eventually allowed to leave Brazil. She and the author were married on December 28, 1974, and are now living in Virginia.

THE PRESIDENT'S TAX AND SPENDING PROGRAM: SOUND POLICY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. MICHEL. Mr. Speaker, the Wall Street Journal earlier this week provided an excellent analysis of the President's recently announced tax cut/spending cut program.

Their conclusion is that the program is sound policy, well conceived to bring about substantial economic benefits for the Nation. The editorial rebuts the concerns of some in the financial community, and places the issue squarely where it belongs: On the imperative that the Federal Government reduce the share of the gross national product which it is consuming.

That is the prescription for economic progress for the Nation, and it would be the result of the President's program. The program, for this reason, is sound, and deserves the support of the Congress.

For the benefit of my colleagues, I would like to have the editorial printed here in the RECORD:

[From the Wall Street Journal, Oct. 28, 1975]

A BUM RAP

While President Ford's tax-cut and spending-ceiling proposals have finessed and disconcerted his Democratic opponents in Congress, they have drawn a coolish reception from much of the President's natural constituency. In particular, sentiment runs strong in the business community that the program is purely political.

The reason for this reaction is not hard to see. As proposed by the President, the $28 billion tax cut would take effect when withholding rates are set January 1, and the $28 billion cut in projected spending would take effect with the fiscal year starting October 1. That is, taxes would be reduced and the economy stimulated well before the election, but the unpopular cuts would come so close to the election their effects might not be felt by November.

In the intervening nine months, also, the program would increase the federal deficit and government borrowing demands. Henry Kaufman of Salomon Brothers estimates the federal borrowing needs in the first half of 1976 will be $29 billion if the 1975 tax cuts are allowed to expire, $35 billion if the cuts are extended and $40 billion if the President's program is enacted. Presumably the higher borrowing will drive up interest rates and exacerbate the problem of government borrowing crowding out private investment.

This is perfectly straight-forward logic with which we fundamentally agree. But to the extent the President's program is judged by analysis going no further than this, it is getting a bum rap. For the expenditure limitations were ever enacted, they would have a profoundly beneficial economic effect. If Congress does not enact them, at least the President is forcing the right issue, acting politically not in the worst sense but in the best one, trying to find a political solution to a political problem.

In the first place, if the President's program were enacted even with the nine-month lag, there are excellent reasons to believe the impending spending reductions would moderate the interest-rate effects of temporarily higher borrowing. Since the President's program includes corporate tax reduction, crowding out of investment would be further moderated by allowing corporations both more internal financing and more favorable access to the equity markets. To accept extension of the 1975 tax cuts but balk at the President's program, as many of his congressional critics do, is to swallow an elephant and strain at a gnat.

More profoundly, it helps to review the crowding out debate held last spring. The whole point was that the government does not get a free lunch by covering its spending by borrowing instead of taxing. Since this notion is so ingrained, the focus naturally was on the distortions caused by borrowing. But we are aware of no proponent of the thesis who turned the proposition on its head, saying the government gets a free lunch by covering its spending wholly by taxes.

In either case the government takes the money away from private citizens, and in either case it directs the subsequent spending toward consumption rather than savings. With lower saving and less incentive to invest and produce, there is lower private investment and lower economic growth. The way to avoid this is to leave the resources in the private sector to begin with; that is, to reduce government spending.

We can see from Great Britain what happens when the government takes an ever-increasing share of national production. In Great Britain that share is now about 60%, which is far above the U.S. level, but stands as a warning that past a certain point a vicious spiral takes hold. In the U.S. government took about 25% of the Gross National Product in 1955, Climbing up to around 27% in the early 1960s. The Great Society boosted the plateau to about 32%. The current recession is taking it higher, to 37% in the second quarter this year. It remains to be seen if this new figure goes down with economic recovery.

The President deserves great credit, it seems to us, for devising a program to deal with this problem, or at least focus national attention on it. He probably ought to send up spending cuts that take place January 1, if only to further clarify the political issue. But if he is willing to abide by this pledge to veto tax cuts unaccompanied by spending reductions, we do not see how he can be faulted on the grounds of either crowding out or political courage.

It seems to us that the President's natural constituency should be telling him not that his program is political, but that he had better make sure he does have the courage to carry out the veto threats.

SMALL TOWN BANKER PROVIDES ABA LEADERSHIP

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1975

Mr. SEBELIUS. Mr. Speaker, for the first time in the history of the American Bankers Association, the President of the ABA is a small town banker. Earlier this month J. Rex Duwe, President of the Farmers State Bank of Lucas, Kans., was installed as president of the American Bankers Association in New York City.

I think it is especially appropriate that during a time when the citizens of our Nation are confronted by very serious economic problems, as personified by the fiscal problems of our Nation's largest city, the American Bankers Association selected as their leader a man whose background and record stresses community involvement and the positive accomplishments of the private enterprise system.

Rex Duwe's election and installation is a significant milestone in banking. His election is a tribute to small community banks throughout our Nation—financial institutions that truly are involved in their communities and synonymous with progress.

Mr. Speaker, at a time when some question the ability of our financial institutions to provide stability and the necessary leadership so essential to the successful future of our country, let me say I believe the leadership of the American Bankers Association is in good and capable hands.

I commend to the attention of my colleagues the following newspaper article from the Lucas-Sylvan News. The article sums up very well the contribution Rex and Winnie Duwe have made to their home community, their State, and the leadership Rex has and will provide to the American Bankers Association and this Nation:

J. Rex Duwe, president of the Farmers State Bank of Lucas, was installed as president of the American Bankers Association in New York City on October 8. The president and chairman of the board of The Farmers State Bank of Lucas and The Traders State Bank of Glen Elder and director of The Sylvan State Bank has served the past year as president-elect of the national organization.

Duwe is the second Kansan ever to be elected president of the ABA, P. W. Goebel, Kansas City banker, served in 1916–17.

His election and installation is a significant milestone in banking, a significant step for a Kansas banker from Lucas who will carry the colors of small community banks throughout the nation.

Duwe, and his wife, Winnie, travel constantly throughout the United States and Kansas.

Despite all his travels outside the state, Duwe finds time to fill engagements in Kansas. He spoke at the Kansas Bankers Association Convention in Topeka and conferred diplomas to bankers attending the Kansas School of Agricultural Banking in Manhattan.

During September he spent considerable time in conference with ABA officials in preparation for the convention in New York City. The format of the convention was designed to maximize banker participation in the ABA's educational activities and increase banker awareness of the historical significance of the industry and its contributions to the U.S. economic development.

Duwe is strong in belief that today's banker must practice what he preaches about community involvement. His favorite speech before banker groups is "The community banker must get involved".

The civic leader has been active on a national scope with ABA the past few years. He has served as chairman of the ABA's Special Task Force on Regulation Y—the Federal Reserve Board's regulation concerning bank holding companies. He has been a member of the association's Government Relations Council and the ABA's Administrative Committee.

Closer to home, he has served as vice-chairman and executive committee member of the Kansas Development Credit Corporation and chairman of the Wichita District Advisory Council for the Small Business Administration. He is a past head of the Kansas Council on Economic Education.

At Lucas, he has been mayor, treasurer of the Wesley Methodist Church, director of the Lucas board of education and city council chairman.

Among his hobbies is planning and taking cruises on cargo ships.

Duwe often speaks on the free enterprise system; many of the talks have been published and widely circulated.

A surprise visitor to the ABA convention in New York was Shelby Smith, Lt. Governor of Kansas, who made an appearance at Radio City Music Hall, site of the convention, to present Mr. Duwe with a proclamation from Kansas Governor Robert F. Bennett proclaiming Wednesday, October 8, 1975, as J. Rex Duwe Day in Kansas, and to congratulate him on behalf of the people of Kansas for his many accomplishments and his newest honor.

HOUSE OF REPRESENTATIVES—*Monday, November 3, 1975*

The House met at 12 o'clock noon.

Rabbi Mendel L. Abrams, Beth Torah Synagogue, West Hyattsville, Md., offered the following prayer:

It once happened that a famous mountain climber was being interviewed by a journalist. "Why do you climb mountains?" asked the reporter. "To get to the top," was the reply. "Why do you want to get to the top?" "In order to see other mountains," answered the climber.

On this day, November 3, You, O God, have given us another opportunity to scale the heights; to lift ourselves nearer to Thee.

May those of us blessed with the opportunity of serving our fellow men, utilize our inner strength and commitment to help lift others toward the heights. Help us, O God, to draw ever nearer to Thee. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1699. An act for the relief of Mrs. Hope Namgyal.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PROVIDING FOR DISPOSITION OF FUNDS APPROPRIATED TO PAY JUDGMENT IN FAVOR OF COWLITZ INDIANS

The Clerk called the bill (H.R. 5090) to provide for the disposition of funds appropriated to pay a judgment in favor of the Cowlitz Tribe of Indians in Indian Claims Commission docket numbered 218 and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McKAY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

AMENDING SECTIONS 2734a(a) AND 2734b(a) OF TITLE 10, UNITED STATES CODE, TO PROVIDE FOR SETTLEMENT, UNDER INTERNATIONAL AGREEMENTS, OF CERTAIN CLAIMS INCIDENT TO NONCOMBAT ACTIVITIES OF THE ARMED FORCES

The Clerk called the bill (H.R. 7896) to amend sections 2734a(a) and 2734b (a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the armed forces, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 7896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended—

(1) by amending section 2734a(a) to read as follows:

"(a) When the United States is a party to an international agreement which provides for the settlement or adjudication and cost sharing of claims against the United States arising out of the acts or omissions of a member or civilian employee of an armed force of the United States done in the performance of official duty, or arising out of any other act, omission, or occurrence for which an armed force of the United States is legally responsible under the law of another party to the international agreement, and causing damage in the territory of such party, the Secretary of Defense or the Secretary of Transportation or their designees may—

"(1) reimburse the party to the agreement for the agreed pro rata share of amounts, including any authorized arbitration costs, paid by that party in satisfying awards or judgments on claims, in accordance with the agreement; or

"(2) pay the party to the agreement the agreed pro rata share of any claim, including any authorized arbitration costs, for damage to property owned by it, in accordance with the agreement."; and

(2) by amending section 2734b(a) to read as follows:

"(a) When the United States is a party to an international agreement which provides for the settlement or adjudication by the United States under its laws and regulations, and subject to agreed pro rata reimbursement, of claims against another party to the agreement arising out of the acts or omissions of a member or civilian employee of an armed force of that party done in the performance of official duty, or arising out of any other act, omission, or occurrence for which that armed force is legally responsible under applicable United States law, and causing damage in the United States, or a territory, Commonwealth, or possession thereof; those claims may be prosecuted against the United States, or settled by the United States, in accordance with the agreement, as if the acts or omissions upon which they are based were the acts or omissions of a member or a civilian employee of an armed force of the United States.".

Mr. DANIELSON. Mr. Speaker, the bill, H.R. 7896, was introduced in accordance with the recommendations of an executive communication from the Department of the Air Force in behalf of the Department of Defense which recommends its enactment.

The Status of Forces Agreements typified by those entered into by the United States under the North Atlantic Treaty provide for the reimbursement or payment to the other country for claims which are settled or adjudicated under such Status of Forces Agreement. These agreements provide that the receiving state shall investigate, settle, adjudicate, and make final awards direct to claimants when the claim arises out of the acts or omissions of members of a force or a civilian component of the sending state done in the performance of official duty and claims arising out of other acts, omissions, or occurrences for which a force or civilian component is legally responsible under local law. The usual reimbursement under the agreements is made on a pro rata basis of 75 percent of the amount paid by the receiving state. Section 2734a provides the authority for the reimbursement of other countries for claims settled and paid under a status of forces agreement and the parallel language of section 2734b provides the authority for the United States to settle, pay, and seek reimbursement for claims settled under such an agreement which arise in the United States as the result of property loss, personal injury, or death as the results of military activity of foreign forces which may be present in the United States subject to a status of forces agreement. As presently written, sections 2734a(a) and 2734b(a) do not clearly fully implement the agreements because the language does not specifically refer to claims for which an armed force of the United States is legally responsible as provided in the status of forces agreements.

The basic principle for claims settlements under status of forces agreements is that the claims will be settled by the receiving state; that is, the state in which the United States has forces, as if the claims were against the receiving state and were generated by activity of its own military forces. Therefore, the claims are adjudicated and paid on the basis of the laws and procedures of that particular state. The language of this bill providing for the inclusion of the words "legally responsible under the law of another party to the international agreement" in sections 2734a(a) and 2734b(a) of title 10 expresses this basic principle. It is logical and appropriate that the implementing section contain these words.

The executive communication indicated that the deficiency in the existing language has raised a question as to the ability of the United States to fully comply with its treaty obligations in some instances. While the number of claims affected are not large, the question as to statutory authority has from time to time caused some difficulty. The executive communication points out that the law of one NATO country provides that the party initiating the transportation of inherently dangerous material such as explosives and high-octane gasoline is to be held liable for any damage which may occur. The law provides that transportation of such material is to be accomplished by licensed independent contractors, but this would not insulate the contracting party from liability. In the country concerned, the transportation of military explosives would be subject to this type of liability, but the United States is presently unable to give assurances that the provisions of section 2734(a) are sufficiently broad to implement the treaty obligations to reimburse the country for its pro rata share of any claims that might arise as a result of an accident involving such explosives. In that event, the United States under the agreement would be responsible for reimbursement for damages under the law of the receiving state.

In such a case, it would not be possible in most of such cases to trace the cause of an explosion to an act or omission of a member of the Armed Forces or civilian component acting in the performance of official duty. The language added by this bill would meet this sort of problem and make it clear that the United States would have the authority to implement its claims obligations under the NATO Status of Forces Agreement and similar bilateral agreements. Other examples cited by the Air Force in its communication relate to claims based upon liability of the owners of property with particular reference to automobiles and aircraft.

The bill also provides for amendments to the sections to remove a possible ambiguity as to the authority of the United States to reimburse for claims settled by administrative action. The specific language in the present statute referring to claims "adjudicated" by a country under its laws and regulations is interpreted as authorizing reimbursement for claims settled by administrative action which is the method generally followed in claim settlements abroad as well as in this country. In other words, it is not limited to claims subject to adjudication by the courts.

The executive communication also points out that the status of forces agreements provide that as to claims for damage to the property of a foreign state, the settlements are to be made by arbitration unless the contracting parties agree otherwise. The amendment proposed in this bill in providing for settlements would clarify the procedures under the agreement since, in practice, settlements for this type of damage have been made by negotiation between the parties concerned. The new language to subsections (a) of sections 2734a and 2734b specifically referring to "settlement" under international agreements therefore more specifically provides for procedures now being followed in claims settlements and reimbursements under those agreements.

The bill provides for amendments to sections 2734a and 2734b which implement the international claim agreements to which the United States is a party. It is recommended that the bill be considered favorably.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOUTHEASTERN UNIVERSITY OF THE DISTRICT OF COLUMBIA

The Clerk called the Senate bill (S. 661) for the relief of Southeastern University of the District of Columbia.

There being no objection, the Clerk read the Senate bill as follows:

S. 611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the certificate of incorporation and certificate of amendment thereto for the incorporation of the Southeastern University of the District of Columbia under subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia (1929 D.C. Code, title 5, ch. 8) be and the same are hereby approved and confirmed, except as herein specifically altered and amended.

Sec. 2. That the name of the corporation shall be Southeastern University.

Sec. 3. The management of the said corporation shall be vested in a board of trustees consisting of not less than nine nor more than thirty in number as determined from time to time by said board of trustees, one-third of whom, at all times, shall be graduates of said university, of the qualifications prescribed by said board of trustees, nominated by the alumni of said university in the manner prescribed by said board of trustees, and all of whom shall be elected by said board of trustees. Each trustee shall be elected for a term of office of three years from the date of expiration of the term for which his predecessor was elected; except that (1) in expanding or reducing the number of trustees under this Act, the board of trustees shall have the authority to fix or adjust the terms of office of such additional or remaining trustees, as the case may be, so that the term of office of not more than one-third of the trustees shall expire annually; and (2) a trustee elected to fill a vacancy occurring prior to expiration of the term for which his predecessor was appointed shall be elected only for the unexpired term of such predecessor.

Sec. 4. That the said board of trustees is authorized to (a) make, alter, and repeal bylaws for the management of the said corporation and rules and regulations for the government of the university and the schools, faculty, and students thereof; (b) elect as officers of the said corporation and fix the salaries of a president, a treasurer, and a secretary, and such other officers as it may find necessary, for the respective terms and with the respective powers and duties as fixed by the bylaws of the said corporation; (c) appoint, from among their number, as officers of the said board of trustees and fix the salaries of a chairman, a vice chairman, and a secretary, and such other officers as it may find necessary, for the respective terms and with the respective powers and duties as fixed by the laws of the said corporation; (d) remove any trustee when, in its judgment, he shall be found incapable, by age or otherwise, of performing or discharging, or shall neglect or refuse to perform or discharge, the duties of his office; (e) determine and establish from time to time additional schools in all departments of sciences, liberal arts, and the professions, and the courses of instruction therein; (f) determine and establish, from time to time, additional professorships; (g) appoint, from time to time, such deans, professors, tutors, and instructors as it may deem necessary, and fix their respective terms, duties, and salaries; and (h) grant and confer degrees, but only upon the recommendation of the appropriate school.

Sec. 5. That the said corporation may have and use a common seal and alter and change the same at pleasure, and shall have power, in its corporate name, (a) to sue and be sued; (b) to plead and be impleaded; and (c) to acquire real, personal, and mixed property by grant, gift, purchase, bargain and sale, conveyance, will, devise, bequest, or otherwise to hold, use, and maintain the same solely for the purposes of education and to demise, let, mortgage, or otherwise lien, grant, sell, exchange, convey, transfer, place out at interest, or otherwise dispose of the same for its use in such manner as shall seem most beneficial thereto; subject to conforming to the express conditions of the donor of any gift, devise, or bequest with regard thereto accepted by it: *Provided,* That it shall not hold more land at any one time than necessary for the purpose of education, unless it shall have received the same by gift, grant, or devise, in which case it shall sell and dispose of so much of the same as may not be necessary for said purposes within fifteen years from the date of acquisition, otherwise the same shall revert to the donor or his heirs.

Sec. 6. The income of said corporation from all sources whatsoever shall be held in the name of the corporation and supplied to the maintenance, endowment, promotion, and advancement of the said university, subject to conforming to the express conditions of the donor of any gift, devise, or bequest accepted by said corporation, with regard to the income therefrom.

Sec. 7. That no person shall ever be required to profess any particular religious denomination, sentiment, or opinion as a condition to becoming and continuing a member of the faculty or a student, with the full benefits, privileges, and advantages thereof.

Sec. 8. That no institution of learning hereafter incorporated in the District of Columbia shall use in or as its title, in whole or in part, the words "Southeastern University".

Sec. 9. Upon dissolution of the corporation, the board of trustees shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for educational purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future

United States internal revenue law, as the board of trustees shall determine.

SEC. 10. That nothing in this Act contained shall be construed as preventing the Congress from amending, annulling, or repealing the same or any part thereof.

With the following committee amendment:

Page 5: After line 22, insert:

"SEC. 11. The provisions of sections 2 and 3 of the Act of August 30, 1964 (Public Law 88-504; §§ 2 and 3, 73 Stat. 636; 36 U.S.C. 1102, 1103) entitled 'An Act to provide for audit of accounts of private corporations established under Federal law' shall apply with respect to corporation."

The committee amendment was agreed to.

Mr. DANIELSON. Mr. Speaker, the bill would amend the charter of Southeastern University in order to insure the continued eligibility of that university for benefits of acts providing aid to higher education and, in addition, make possible the continued operation of the university as a nonprofit, tax-exempt educational institution under the applicable provisions of the Internal Revenue Code. The amended bill would also require that the corporation would be subject to an annual audit and report to Congress as required in Public Law 88-504.

The Southeastern University charter from the organization of the university in 1879 until 1966 provided for the operation of the university under the sponsorship of the Young Men's Christian Association of Washington, D.C. In 1966 it was necessary to amend the charter to eliminate the managerial control of the Young Men's Christian Association so that the university would be eligible for the benefits of the several acts of Congress providing for aid to higher education. The university could not qualify for these important benefits as long as the Young Men's Christian Association had control of the university and had access to its funds. Since 1966, the university has annually received the benefits provided by the Congress in acts for aid to higher education.

The bill S. 611 will insure the continued eligibility of the Southeastern University for these important benefits and, in addition, will make possible the continued operation of the university as a nonprofit, tax-exempt education institution under the provisions of section 501(c)(3) of the Internal Revenue Code of 1954. To accomplish this, the charter must specifically provide that in the event of dissolution of the university, the net proceeds of all the assets will be paid by the board of trustees to a like organization or organizations. organized and operated exclusively for educational purposes as provided in section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provisions of any future U.S. Internal Revenue law, as the board of trustees shall determine. The bill would accomplish this by providing for the disposition of assets on dissolution in a new section 9. The new section added by this bill would provide:

SEC. 9. Upon dissolution of the corporation, the board of trustees shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for educational purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law, as the board of trustees shall determine.

This language insures that upon any dissolution of the university, the net proceeds of all assets will be made available to a like nonprofit, tax-free educational institution. The language of the bill is a restatement of the present law with the addition of a new section 9 with a renumbering of present section 9 as section 10. The other changes are technical in nature in that they provide for the elimination of quotation marks in several instances and the transposition of the word "gift" in section 5.

The committee recommends that the bill be amended by the addition of an additional section 11 providing that the corporation will be subject to the provisions of sections 2 and 3 of Public Law 88-504, the act of August 30, 1964 (73 Stat. 663; 36 U.S.C. 1102; 1103); requiring an annual audit of the corporation and that the report of that audit be filed each year with the Congress. That public law originated as a bill before the Judiciary Committee and embodies the policy that Federal nonprofit corporations should be subject to these requirements.

Mr. Speaker, I recommend that the amended bill be considered favorably.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT ENTITLED "AN ACT GRANTING A CHARTER TO THE GENERAL FEDERATION OF WOMEN'S CLUBS"

The Clerk called the Senate bill (S. 240) to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs".

There being no objection, the Clerk read the Senate bill as follows:

S. 240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act granting a charter to the General Federation of Women's Clubs", approved March 3, 1901, as amended by an Act approved June 7, 1934, be, and the same are hereby, amended to read as follows:

"SEC. 2. That the said corporation is authorized to acquire, by devise, bequest, or otherwise, hold, purchase, and convey such real and personal estate as shall or may be required for the purpose of its incorporation with authority in said corporation, should it be by it deemed necessary so to do, to mortgage or otherwise encumber the real estate which it may hereafter own or acquire and may give therefor such evidences of indebtedness as such corporation may decide upon."

With the following committee amendment:

Page 2, after line 6, insert:

SEC. 2. Section 1 of Public Law 88-504 (78 Stat. 635; 36 U.S.C. 1101) is amended by adding a new item 49, as follows:

"(49) General Federation of Women's Clubs."

The committee amendment was agreed to.

Mr. DANIELSON. Mr. Speaker, this bill, as amended by the committee, would delete the existing monetary limit on the value of corporate property in the incorporation statute of the General Federation of Women's Clubs so that its property will not be subject to such a limit.

The amended bill also provides that the General Federation of Women's Clubs will be added to the list of private corporations established under Federal law as contained in Public Law 88-504 so that the corporation will be subject to the requirements of that law concerning an annual audit and a report of that audit to the Congress.

The General Federation of Women's Clubs is incorporated under an incorporation statute passed by the Congress and approved March 3, 1901.

Founded in 1890, the General Federation is the largest organization of women in the world with a membership in excess of 10 million members in thousands of clubs and associate organizations throughout the United States and abroad.

The real and personal estate of the general federation consists primarily of three adjacent buildings in Washington, D.C.: 1734 N Street NW., purchased in 1922; 1738 N Street NW., purchased in 1951; and 1728 N Street NW., purchased in 1959. The main building at 1734 N Street NW., is a five-story residence originally built in 1875. The international president of the general federation lives in this building during her 2-year term of office. The reception area has been the scene for entertainment of prominent visitors as well as Government officials and Members of Congress. This building also houses the office of the president where business for the federation is handled by a staff of 30 people under her direction. Offices of the federation are also located in the two adjoining buildings.

Previous amendments were made necessary to compensate for the changing value of the three buildings of the general federation. It has been necessary to again petition Congress for an amendment because as the result of inflation and the increase of land values the value of the property has again exceeded the amount designated by the charter.

In view of the fact that this has been a recurring problem involving the same properties. it is proved that the monetary figure be deleted and that the corporation be permitted to hold, manage and dispose of corporate property as provided in its charter in accordance with the purpose of its incorporation.

The committee amendment to the bill adds a new section 2 to the bill amending section 1 of Public Law 88-504 (78 Stat. 635; 36 U.S.C. 1101) to add a new item (49) providing—

(49) General Federation of Women's Clubs.

This adds the General Federation of Women's Clubs to the list of similar organizations contained in Public Law 88–504 and thereby makes the corporation subject to the requirements of having an annual audit and making a report of that audit to the Congress as provided in sections 2 and 3 of that same law. Public Law 88–504 originated as a bill before the Judiciary Committee and embodies the policy that such Federal corporations should be subject to those requirements.

I urge that the amended bill be considered favorably.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bills (H.R. 7896, S. 611, and S. 240) just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDING INTERNAL REVENUE CODE OF 1954 IN ORDER TO PROVIDE FOR QUARTERLY PAYMENT, RATHER THAN ANNUAL PAYMENT, TO THE GOVERNMENT OF VIRGIN ISLANDS OF AMOUNTS EQUAL TO INTERNAL REVENUE COLLECTIONS MADE WITH RESPECT TO ARTICLES PRODUCED IN THE VIRGIN ISLANDS AND TRANSPORTED TO THE UNITED STATES

The Clerk called the bill (H.R. 9432) to amend the Internal Revenue Code of 1954 in order to provide for quarterly payment, rather than annual payment, to the Government of the Virgin Islands of amounts equal to internal revenue collections made with respect to articles produced in the Virgin Islands and transported to the United States.

There being no objection, the Clerk read the bill as follows:

H.R. 9432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7652(b)(3) of title 26, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "Beginning with the calendar quarter ending September 30, 1975, and quarterly thereafter, the Secretary or his delegate shall determine the amount of all taxes imposed by, and collected during the quarter under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States.";

(2) by amending the first sentence of subparagraph (A) to read as follows: "There shall be transferred and paid over, as soon as practicable after the close of the quarter, to the Government of the Virgin Islands from the amounts so determined a sum equal to the total amount of the revenue collected by the Government of the Virgin Islands during the quarter, as certified by the Government Comptroller of the Virgin Islands."; and

(3) by amending the sentence immediately following subparagraph (C) by striking out "at the beginning" and inserting in lieu thereof the following: "with respect to the four calendar quarters immediately preceding the beginning".

SEC. 2. The amendments made by paragraphs (1) and (2) of the first section of this Act shall apply with respect to all taxes imposed by, and collected after June 30, 1975, under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States.

With the following committee amendment:

Page 1, line 3, strike out "title 26, United States Code," and insert in lieu thereof "the Internal Revenue Code of 1954 (68A Stat. 907) as amended (26 U.S.C. 7652(b)),".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

DR. MENDEL L. ABRAMS

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, today we were honored to have the rabbi of the oldest conservative synagogue in Hyattsville, Md., Beth Torah, as the guest Chaplain. He is Dr. Mendel L. Abrams and we are indebted to him for his fine message.

I would like to share with you some of Dr. Abrams' background.

He is a Midwesterner by birth and was ordained at the Jewish Theological Seminary of America. In the true spirit of ecumenism, Rabbi Abrams holds a doctor of ministry degree from Wesley Theological Seminary here in Washington.

A senior counselor at the Washington Pastoral Counseling Service, Rabbi Abrams aids people of all faiths and all ages in coping with their personal problems.

His varied activities in the community include participation on the executive boards of many community organizations such as the National Conference of Christians and Jews, the American Civil Liberties Union and the Washington Board of Rabbis. As Jewish chaplain at Prince Georges Community College, Dr. Abrams counsels the young adult generation in my congressional district.

I know you join me in welcoming Dr. Abrams today as well as the members of his fine family who are here today on this occasion.

SCHLESINGER AND COLBY FIRINGS RAISE GRAVE QUESTIONS ABOUT THE FUTURE OF OUR SECURITY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I am shocked and troubled by reports that Defense Secretary Schlesinger and CIA Director Colby have been fired. Both actions I regard as serious mistakes. Secretary Schlesinger is one of the greatest Secretaries of Defense we have ever had. He is intelligent. He is honest. He is no patsy for the Pentagon. He has done an outstanding job of selling the Congress and the country on the fallacies of weakening our national defense.

His firing appears to stem directly from his well-known fear that in our rush to détente, in our efforts to get a SALT II agreement in time for the 1976 election, we could be endangering our national security.

Is not that a valid danger, after we have seen some of the things that have occurred as a result of loopholes in the SALT I agreement? Is honest dissent over a matter of vital national interest—now to be outlawed in our highest Government councils?

The abrupt firing of Mr. Colby is likewise a crude and unwarranted insult to a very capable public servant. Mr. Colby has defended his agency well under very difficult circumstances.

The allegation that he is being fired now because he talked too much is strange indeed. After all, it should be the President, not the Director of Central Intelligence, who determines how much can be released in the face of all these new public investigations. If Mr. Colby was not to cooperate with the Congress then he should have been so instructed at the top. To make him now the scapegoat of the change in congressional mood is a sad commentary of the lack of White House leadership more concerned with frantic barnstorming around the country than in protecting the vital bastions of our national security.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am privileged to associate myself with the remarks of the gentleman from New York and I feel just as strongly as that gentleman does about the unquestioned situation to which he has made reference.

Mr. STRATTON. I thank the gentleman. I hope our comments will be heard in the White House before tonight's broadcast.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE REPORT ON H.R. 8578, AMENDING COMMUNITY SERVICES ACT OF 1974

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight tonight to file a report to accompany the bill H.R. 8578, a bill to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE CERTAIN REPORTS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture may have until midnight tonight to file reports on H.R. 8529, as amended, the Rice Production Act of 1975, and Senate Joint Resolution 121, as amended, to provide for quarterly adjustments in the support price for milk, and H.R. 10073, the rabbit meat inspection bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I missed rollcall Nos. 612 and 613. I wish the RECORD to show how I would have voted on these questions had I been present.

THURSDAY, OCTOBER 9, 1975

Rollcall No. 612. An amendment to H.R. 200, to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, which sought to allow the President to suspend the provisions regarding enforcement if he deems it is in the national interest. I would have voted "aye."

Rollcall No. 113. H.R. 200, to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry. I would have voted "nay."

REMOVAL OF JAMES R. SCHLESINGER

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the removal of James R. Schlesinger as Secretary of Defense is a great loss to the country. The Secretary was a leavening force within the administration and was, in addition, uniquely equipped for the position he held. He brought great rigor, imagination, and insight to the office of Secretary of Defense; he brought, as well, a deep and learned understanding of nuclear technology, the strategic force posture, organizations and planning, and indeed, all elements of national defense.

Secretary Schlesinger was especially well-qualified to deal with such complex matters as the limitation and control of strategic armaments, knowing the technical and political importance of distinctions which others might dismiss as "irrelevant." In addition, he was a man of great conviction and personal rectitude in a period of moral confusion. No administration could ask for more.

One can only hope that the policies being advanced by Secretary Schlesinger—a more rational defense posture for Europe; the maintenance of a strong strategic posture for the United States; an increasing role for technologies of precision and discrimination in weaponry—will be carried on by his successor with comparable vigor and forthrightness.

We now owe it to our country to look searchingly and critically at the emerging outline of the Salt II agreement, and in that examination the role of the Congress becomes even more important.

PERSONAL EXPLANATION

(Mr. ROBINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBINSON. Mr. Speaker, on Friday last, I was necessarily absent on official business in connection with my duties as Chairman of the Board of Visitors to the U.S. Air Force Academy.

I was properly recorded as paired against the bill, H.R. 10024, to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure. Had a recorded vote been taken on the motion of the gentleman from California (Mr. TALCOTT) to recommit the bill to the Committee on Banking, Currency and Housing with instructions, I would have been recorded as paired for the motion.

Had I been present when the vote was taken on the amendment offered by the gentleman from Georgia (Mr. STEPHENS), to strike section 103 of the bill, which would have authorized negotiable order of withdrawal accounts—known as NOW accounts—I would have voted "aye," and I was glad to note that the amendment of the gentleman from Georgia was approved by a substantial margin.

SCHLESINGER'S DEPARTURE LOSS TO COUNTRY

(Mr. HAYS of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS of Ohio. Mr. Speaker, for the past few weeks I have been telling audiences that the President's Cabinet consisted of two very brilliant men and eight nonentities. I hope it will not be one and nine.

To prove to the Members that the rest of them are nonentities, I addressed an audience of 1,200 people on Friday night in Ohio, and I made that statement. I said, "I have a crisp new $100 bill in my pocket for anybody in this audience who will bring me a list of the President's Cabinet within the next 10 minutes." Nobody came by to collect the $100 because nobody knew them—outside of Mr. Butz, and he is not favorably known.

They do not do much; they do not make any impact, and I just wonder what is going to happen.

I thought Mr. Schlesinger was doing a great job as Secretary of Defense. At least, he kept Congress informed of what was going on. I thought his posture made good sense.

I think his departure is a loss to the country and to the American people, and I am sad to see him go.

THE PRESIDENT HAS THE CONSTITUTIONAL RIGHT TO CHOOSE HIS CABINET

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I, of course, was interested in the comments of my good friend, the gentleman from Ohio, concerning the President's Cabinet. I think the gentleman would agree with me that the authority and the right to pick his own Cabinet has rested in every Chief Executive right up to the present time. I do not think that there is any intent on the part of the gentleman from Ohio, nor certainly on my part, to change that.

I agree with the gentleman from Ohio as to the competence and excellence of Mr. Schlesinger. I think he is a completely competent individual. He has been a good Secretary of Defense; but on the other hand I have no quarrel with the President if the President wants to put somebody else into this particular position. It is his duty; it is constitutional; it is his responsibility.

While I certainly have no quarrel with the gentleman for commenting on the quality of the President's Cabinet, if that is the way he feels; nevertheless, I think we should make it plain that it is the President's Cabinet, and it is up to him to decide the identities of the people with whom he wants to serve.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I thank the gentleman for yielding.

I would not disagree with the gentleman. The President has the right to pick anybody he wants. I am sad that he picked some of the people that he did.

Mr. RHODES. I understand the gentleman's point; I, of course, disagree with it most heartily.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AMENDING FEDERAL RULES OF EVIDENCE AND FEDERAL RULES OF CRIMINAL PROCEDURE

Mr. HUNGATE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9915) to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of titles 18 and 28 of the United States Code, is amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Rules of Evidence (Public Law 93–595; 88 Stat. 1926 et seq.) are amended as follows:

(1) In the table of contents, in the item relating to rule 106, by striking out "on" and inserting "or" in lieu thereof.

(2) In the table of contents, in the item relating to rule 301, by inserting "in" immediately after "general".

(3) In the table of contents, in the item relating to rule 405(a), by inserting "or opinion" immediately after "Reputation" but before the period.

(4) In the table of contents, by amending the item relating to rule 410 to read as follows:

"Rule 410. Inadmissibility of pleas, offers of pleas, and related statements.".

(5) In the table of contents in the item relating to rule 501, by striking out "General Rule." and inserting "General rule." in lieu thereof.

(6) In the table of contents, in the item relating to rule 608(a), by striking out "Reputation" and inserting "Opinion and reputation" in lieu thereof.

(7) In the table of contents, in the item relating to rule 901(b)(8), by striking out "compilations" and inserting "compilation" in lieu thereof.

(8) In the table of contents, in the item relating to rule 1101(c), by striking out "Rules" and inserting "Rule" in lieu thereof.

(9) By amending rule 410 to read as follows:

"Rule 410. Inadmissibility of Pleas, Offers of Pleas, and Related Statements

"Except as otherwise provided in this rule, evidence of a plea of guilty, later withdrawn, or a plea of nolo contendere, or of an offer to plead guilty or nolo contendere to the crime charged or any other crime, or of statements made in connection with, and relevant to, any of the foregoing pleas or offers, is not admissible in any civil or criminal proceeding against the person who made the plea or offer. However, evidence of a statement made in connection with, and relevant to, a plea of guilty, later withdrawn, a plea of nolo contendere, or an offer to plead guilty or nolo contendere to the crime charged or any other crime, is admissible in a criminal proceeding for perjury or false statement if the statement was made by the defendant under oath, on the record, and in the presence of counsel.".

(10) In the final sentence of rule 606(b), by striking out "what" and inserting "which" in lieu thereof.

(11) In the catchline of rule 803(23) by inserting a comma immediately after "family".

(12) In the catchline of rule 804, by striking out the colon and inserting a semicolon in lieu thereof.

(13) In the final sentence of rule 804(b)(3), by striking out "admassable" and inserting "admissible" in lieu thereof.

(14) In rule 1101(e), by striking out "admirality" and inserting "admiralty" in lieu thereof.

SEC. 2. Section 2076 (relating to rules of evidence) of title 28 of the United States Code is amended by inserting a period at the end thereof.

SEC. 3. Section 3491 (relating to authentication of foreign documents) of title 18 of the United States Code is amended by striking out "the requirements of section 1732 of title 28" and inserting "the authentication requirements of the Federal Rules of Evidence" in lieu thereof.

SEC. 4. Section 3492(a) (relating to authentication of foreign documents) of title 18 of the United States Code is amended by striking out "the requirements of section 1732 of title 28" and inserting "the authentication requirements of the Federal Rules of Evidence" in lieu thereof.

SEC. 5. The Federal Rules of Criminal Procedure (as amended by the Federal Rules of Criminal Procedure Amendments Act of 1975) are further amended by striking out paragraph (4) of rule 16(a) and paragraph (3) of rule 16(b).

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. HUNGATE) will be recognized for 20 minutes and the gentleman from California (Mr. WIGGINS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 9915 makes technical and conforming amendments to the Federal Rules of Evidence, to certain provisions of titles 18 and 28 of the United States Code that are related to the Federal Rules of Evidence, and to the Federal Rules of Criminal Procedure. Let me stress that the bill makes no changes in the substance of any of the provisions it deals with. It makes spelling, punctuation, and conforming changes but not changes of substance.

The bill has bipartisan support and no opposition of which I am aware. Indeed, the bill was drafted by the staff of the Subcommittee on Criminal Justice working in close cooperation with the Justice Department.

I will briefly outline the changes that the bill will make and comment upon some of the more noteworthy ones. Section 1 of the bill makes changes in the Federal Rules of Evidence. Some of the changes correct misspelled words, some conform table of contents entries with actual titles of rules, and some make punctuation changes. The most noteworthy change involves rule 410, which deals with the use at trial of statements made during plea negotiations, often termed "plea bargaining."

When the 93d Congress enacted the Federal Rules of Evidence, it was agreed that the issues raised by rule 410 would be dealt with by the 94th Congress during its disposition of certain amendments to the Federal Rules of Criminal Procedure. Thus, rule 410, as it presently reads, provides that it—

> shall be superseded by any amendment to the Federal Rules of Criminal Procedure which is inconsistent with this rule, and which takes effect after the date of enactment of the Act establishing these Federal Rules of Evidence [January 2, 1975].

Last July 31, Public Law 94–64 became effective. It amended the Federal Rules of Criminal Procedure. One of the amendments it made was to rule 11(e)(6) of the rules of criminal procedure, which deals with the use at trial of statements made during plea negotiating. Rule 11(e)(6) is inconsistent with rule 410 of the rules of evidence and therefore supersedes it.

H.R. 9915 proposes to change rule 410, which now has been superseded. The bill will delete the present language and add new language so that the provisions of rule 410 will be identical to the provisions of rule 11(e)(6) of the Federal Rules of Criminal Procedure.

Section 2 of H.R. 9915 inserts an omitted period at the end of section 2076 of title 28, United States Code, which relates to rules of evidence.

Section 3 of the bill corrects a cross-reference in section 3491 of title 18, United States Code. Section 3491 relates to authenticating foreign documents and contains a cross-reference to a section of title 28, United States Code, that was repealed when the Federal Rules of Evidence were enacted. It is therefore necessary to correct the cross-reference to refer to the relevant provisions of the Federal Rules of Evidence.

Section 4 of H.R. 9915 corrects a cross-reference in section 3492 of title 18, United States Code. The reason is the same as I have just stated.

Section 5 of H.R. 9915 strikes two paragraphs of rule 16 of the Federal Rules of Criminal Procedure. These two paragraphs are unnecessary in light of recent congressional action with regard to rule 16. As you may recall, it was proposed to amend rule 16 to provide that each party, prosecutor and defendant, had to give the other party a list of its witnesses prior to trial. The House agreed to this provision, the Senate did not, and the conference report adopted the Senate position. Both Houses approved the conference report, so the witness list requirement was dropped from rule 16. Two paragraphs in rule 16 dealing with collateral aspects of the witness list requirement were not struck from the rule at the time the conference report was agreed to. Section 5 of this bill will strike these two paragraphs.

Mr. Speaker, I urge my colleagues to vote to suspend the rules and pass H.R. 9915.

Mr. Speaker, I reserve the balance of my time.

Mr. WIGGINS. Mr. Speaker, I rise in support of H.R. 9915 which merely makes technical changes to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of the United States Code.

Spelling errors are corrected, grammatical mistakes are changed, and passages no longer applicable are deleted or substituted in order to conform to controlling sections of the United States Code. For example, the present rule 410 of the Federal Rules of Evidence has been superseded by rule 11(e)(6) of the Federal Rules of Criminal Procedure. One of the provisions of H.R. 9915 replaces the obsolete rule 410 with the exact words of section 11(e)(6) of the Rules of Criminal Procedure in order to avoid confusing cross references.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I rise in support of H.R. 9915 making technical changes to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and related provisions of the United States Code.

As my colleague from California has stated, the bill merely makes corrections and does not work any substantive revisions. Spelling errors and grammatical mistakes are changed, while obsolete passages are deleted or substituted to reflect the controlling statutory law.

Mr. WIGGINS. Mr. Speaker, I reserve the balance of my time.

Mr. HUNGATE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from Missouri (Mr. HUNGATE) that the House suspend the rules and pass the bill (H.R. 9915), as amended.

The question was taken.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the chair's prior announcement, further proceedings on this motion will be postponed.

CALL OF THE HOUSE

Mr. FORD of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 659]

Abzug
Addabbo
Andrews, N.C.
Annunzio
Barrett
Bell
Biaggi
Boland
Brodhead
Burke, Fla.
Carney
Casey
Chisholm
Cleveland
Conyers
Corman
Cotter
Coughlin
Dent
Diggs
Early
Eilberg
Esch
Eshleman
Fary
Fish
Flood
Flowers
Fountain
Fraser
Frey
Giaimo
Gonzalez
Harkin
Harrington
Harsha
Hébert
Helstoski
Holtzman
Jarman
Kemp
Koch
Lent
Litton
McEwen
Matsunaga
Mazzoli
Melcher
Meyner
Milford
Moffett
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nix
O'Neill
Patten N.J.
Perkins
Peyser
Poage
Richmond
Risenhoover
Rose
Rosenthal
Rostenkowski
Rousselot
Ruppe
Sarbanes
Scheuer
Shuster
Smith, Iowa
Snyder
Stanton, James V.
Stuckey
Udall
Ullman
Walsh
Whitten
Wirth
Wolff
Wydler
Yatron
Young, Ga.
Zeferetti

The SPEAKER pro tempore. On this rollcall 347 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DÉTENTE CONTINUES TO TAKE ITS TOLL

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, I am dismayed at the firing of the Secretary of Defense James R. Schlesinger. It is one thing for a President to expect loyalty and support from the members of his Cabinet after he makes an official decision. It is quite another matter for his personnel decisions to become embroiled in the strugglings between his chief aids. From what is now known about this unfortunate situation, Secretary Kissinger has won out in a struggle with Secretary Schlesinger over détente and the American policies and practices that relate to it.

Apparently, the President and/or Secretary Kissinger cannot stand the articulate, reasoned, and determined loyal opposition of Mr. Schlesinger within the Cabinet. There is no evidence that the Secretary of Defense has violated any of the bounds of loyalty, propriety, or service. His "sin" appears to be his refusal to accept the chimera of détente that Henry Kissinger is so busily trying to palm off on the White House and the American people. Mr. Schlesinger wants a strong, well defended America. He wants a nation that can advocate peace from a position of strength. He cannot give up the idea that ideology is still an important element in Communist thinking and action.

No matter what was and is President Ford's intention in this matter, the inexorable result will be the discouragement of informed, independent thinking within the Cabinet. Lack of well-reasoned, articulate dissent is as stultifying to healthy decisionmaking as the denial of water is to the proper growth of plants. With Secretary Schlesinger in the Cabinet America stood some chance of having the "clouds" of foreign policy decisionmaking intelligently seeded. With him gone. Secretary Kissinger will stand unopposed. There will be no effective advocate to challenge his grand design, to ask timely questions, to oppose when it is healthy and necessary. Given that climate, Kissinger may well be able to proceed unimpeded in his pursuit of the elusive chimera of détente. The fate of America hangs in the balance.

IMPLEMENTING PATENT COOPERATION TREATY

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 24) to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes.

The Clerk read as follows:

S. 24

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 35, United States Code, entitled "Patents", be amended by adding at the end thereof a new part IV to read as follows:

"PART IV.—PATENT COOPERATION TREATY

"Chapter 35.—DEFINITIONS

"Sec.
"§ 351. Definitions

"When used in this part unless the context otherwise indicates—

"(a) The term 'treaty' means the Patent Cooperation Treaty done at Washington, on June 19, 1970, excluding chapter II thereof.

"(b) The term 'Regulations', when capitalized, means the Regulations under the treaty excluding part C thereof, done at Washington on the same date as the treaty. The term 'regulations', when not capitalized, means the regulations established by the Commissioner under this title.

"(c) The term 'international application' means an application filed under the treaty.

"(d) The term 'international application originating in the United States' means an international application filed in the Patent Office when it is acting as a Receiving Office under the treaty, irrespective of whether or not the United States has been designated in that international application.

"(e) The term 'international application designating the United States' means an international application specifying the United States as a country in which a patent is sought, regardless where such international application is filed.

"(f) The term 'Receiving Office' means a national patent office or intergovernmental organization which receives and processes international applications as prescribed by the treaty and the Regulations.

"(g) The term 'International Searching Authority' means a national patent office or intergovernmental organization as appointed under the treaty which processes international applications as prescribed by the treaty and the Regulations.

"(h) The term 'International Bureau' means tne international intergovernmental organization which is recognized as the coordinating body under the treaty and the Regulations.

"(i) Terms and expressions not defined in this part are to be taken in the sense indicated by the treaty and the Regulations.

"Chapter 36.—INTERNATIONAL STAGE

"Sec.
"361. Receiving Office.
"362. International Searching Authority.
"363. International application designating the United States: Effect.
"364. International stage: Procedure.
"365. Right of priority; benefit of the filing date of a prior application.
"366. Withdrawn international application.
"367. Actions of other authorities: Review.
"368. Secrecy of certain inventions; filing international applications in foreign countries.

"§361. Receiving Office

"(a) The Patent Office shall act as a Receiving Office for international applications filed by nationals or residents of the United States. In accordance with any agreement made between the United States and another country, the Patent Office may also act as a Receiving Office for international applications filed by residents or nationals of such country who are entitled to file international applications.

"(b) The Patent Office shall perform all acts connected with the discharge of duties required of a Receiving Office, including the collection of international fees and their transmittal to the International Bureau.

"(c) International applications filed in the Patent Office shall be in the English language.

"(d) The basic fee portion of the international fee, and the transmittal and search fees prescribed under section 376(a) of this part, shall be paid on filing of an international application. Payment of designation fees may be made on filing and shall be made not later than one year from the priority date of the international application.

"§362. International Searching Authority

"The Patent Office may act as an International Searching Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau.

"§363. International application designating the United States: Effect

"An international application designating the United States shall have the effect, from its international filing date under article 11 of the treaty, of a national application for patent regularly filed in the Patent Office except as otherwise provided in section 102 (e) of this title.

"§ 364. International stage: Procedure

"(a) International applications shall be processed by the Patent Office when acting as a Receiving Office or International Searching Authority, or both, in accordance with the applicable provisions of the treaty, the Regulations, and this title.

"(b) An applicant's failure to act within prescribed time limits in connection with requirements pertaining to a pending international application may be excused upon a showing satisfactory to the Commissioner of unavoidable delay, to the extent not precluded by the treaty and the Regulations, and provided the conditions imposed by the treaty and the Regulations regarding the excuse of such failure to act are compiled with.

"§ 365. Right of priority; benefit of the filing date of a prior application

"(a) In accordance with the conditions and requirements of section 119 of this title, a national application shall be entitled to the right of priority based on a prior filed international application which designated at least one country other than the United States.

"(b) In accordance with the conditions and requirement of the first paragraph of section 119 of this title and the treaty and the Regulations, an international application designating the United States shall be entitled to the right of priority based on a prior foreign application, or a prior international application designating at least one country other than the United States.

"(c) In accordance with the conditions and requirements of section 120 of this title, an international application designating the United States shall be entitled to the benefit of the filing date of a prior national application or a prior international application designating the United States, and a national application shall be entitled to the benefit of the filing date of a prior international application designatnig the United States. If any claim for the benefit of an earlier filing date is based on a prior international application which designated but did not originate in the United States, the Commissioner may require the filing in the Patent Office of a certified copy of such application together with a translation thereof into the English language, if it was filed in another language.

"§ 366. Withdrawn international application

"Subject to section 367 of this part, if an international application designating the United States is withdrawn or considered withdrawn, either generally or as to the United States, under the conditions of the treaty and the Regulations, before the applicant has complied with the applicable requirements prescribed by section 371(c) of this part, the designation of the United States shall have no effect and shall be considered as not having been made. However, such international application may serve as the basis for a claim of priority under section 365 (a) and (b) of this part, if it designated a country other than the United States.

"§ 367. Actions of other authorities: Review

"(a) Where a Receiving Officer other than the Patent Officer has refused to accord an international filing date to an international application designating the United States or where it has held such application to be withdrawn either generally or as to the United States, the applicant may request review of the matter by the Commissioner, on compliance with the requirements of and within the time limits specified by the treaty and the Regulations. Such review may result in a determination that such application be considered as pending in the national stage.

"(b) The review under subsection (a) of this section, subject to the same requirements and conditions, may also be requested in those instances where an international application designating the United States is considered withdrawn due to a finding by the International Bureau under article 12(3)

"§ 368. Secrecy of certain inventions; filing international applications in foreign countries

"(a) International applications filed in the Patent Office shall be subject to the provisions of chapter 17 of this title.

"(b) In accordance with article 27(8) of the treaty, the filing of an international application in a country other than the United States on the invention made in this country shall be considered to constitute the filing of an application in a foreign country within the meaning of chapter 17 of this title, whether or not the United States is designated in that international application.

"(c) If a license to file in a foreign country is refused or if an international application is ordered to be kept secret and a permit refused, the Patent Office when acting as a Receiving Office or International Searching Authority, or both, may not disclose the contents of such application to anyone not authorized to receive such disclosure.

"CHAPTER 37.—NATIONAL STAGE

'Sec.

371. National stage: Commencement.
'372. National stage: Requirements and procedure.
"373. Improper applicant.
"374. Publication of international application: Effect.
"375. Patent issued on international application: Effect.
"376. Fees.

§ 371. National stage: Commencement

"(a) Receipt from the International Bureau of copies of international applications with amendments to the claims, if any, and international search reports is required in the case of all international applications designating the United States, except those filed in the Patent Office.

"(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22 (1) or (2) of the treaty, at which time the applicant shall have complied with the applicable requirements specified in subsection (c) of this section.

"(c) The applicant shall file in the Patent Office—

"(1) the national fee prescribed under section 376(a)(4) of this part;

"(2) a copy of the international application, unless not required under subsection (a) of this section or already received from the International Bureau, and a verified translation into the English language of the international application, if it was filed in another language;

"(3) amendments, if any, to the claims in the international application, made under article 19 of the treaty, unless such amendments have been communicated to the Patent Office by the International Bureau, and a translation into the English language if such amendments were made in another language;

"(4) an oath or declaration of the inventor (or other person authorized under chapter 11 of this title) complying with the requirements of section 115 of this title and with regulations prescribed for oaths or declarations of applicants.

"(d) Failure to comply with any of the requirements of subsection (c) of this section, within the time limit provided by article 22 (1) or (2) of the treaty shall result in abandonment of the international application.

"(e) After an international application has entered the national stage, no patent may be granted or refused thereon before the expiration of the applicable time limit under article 28 of the treaty, except with the express consent of the applicant. The applicant may present amendments to the specification, claims, and drawings of the application after the national stage has commenced.

"(f) At the express request of the applicant, the national stage of processing may be commenced at any time at which the application is in order for such purpose and the applicable requirements of subsection (c) of this section have been complied with.

"§ 372. National stage: Requirements and procedure

"(a) All questions of substance and, within the scope of the requirements of the treaty and Regulations, procedure in an international application designating the United States shall be determined as in the case of national applications regularly filed in the Patent Office.

"(b) In case of international applications designating but not originating in the United States—

"(1) the Commissioner may cause to be reexamined questions relating to form and contents of the application in accordance with the requirements of the treaty and the Regulations;

"(2) the Commissioner may cause the question of unity of invention to be reexamined under section 121 of this title, within the scope of the requirements of the treaty and the Regulations.

"(c) Any claim not searched in the international stage in view of a holding, found to be justified by the Commissioner upon review, that the international application did not comply with the requirement for unity of invention under the treaty and the Regulations, shall be considered canceled, unless payment of a special fee is made by the applicant. Such special fee shall be paid with respect to each claim not searched in the international stage and shall be submitted not later than one month after a notice was sent to the applicant informing him that the said holding was deemed to be justified. The payment of the special fee shall not prevent the Commissioner from requiring that the international application be restricted to one of the inventions claimed therein under section 121 of this title, and within the scope of the requirements of the treaty and the Regulations.

"§ 373. Improper applicant

"An international application designating the United States, shall not be accepted by the Patent Office for the national stage if it was filed by anyone not qualified under chapter 11 of this title to be an applicant for the purpose of filing a national application in the United States. Such international applications shall not serve as the basis for the benefit of an earlier filing date under section 120 of this title in a subsequently filed application, but may serve as the basis for a claim of the right of priority under section 119 of this title, if the United States was not the sole country designated in such international application.

"§ 374. Publication of international application: Effect

"The publication under the treaty of an international application shall confer no rights and shall have no effect under this title other than that of a printed publication.

"§ 375. Patent issued on international application: Effect

"(a) A patent may be issued by the Commissioner based on an international application designating the United States, in accordance with the provisions of this title. Subject to section 102(e) of this title, such patent shall have the force and effect of a patent issued on a national application filed under the provisions of chapter 11 of this title.

'(b) Where due to incorrect translation the scope of a patent granted on an international application designating the United States, which was not originally filed in the English language, exceeds the scope of the international application in its original language, a court of competent jurisdiction may retroactively limit the scope of the patent, by declaring it unenforceable to the extent that it exceeds the scope of the international application in its original language.

"§ 376. Fees

"(a) The required payment of the international fee, which amount is specified in the Regulations, shall be paid in United States currency. The Patent Office may also charge the following fees:

"(1) A transmittal fee (see section 361(d));

"(2) A search fee (see section 361(d));

"(3) A supplemental search fee (to be paid when required);

"(4) A national fee (see section 371(c));

"(5) A special fee (to be paid when required; see section 372(c));

"(6) Such other fees as established by the Commissioner.

"(b) The amounts of fees specified in subsection (a) of this section, except the international fee, shall be prescribed by the Commissioner. He may refund any sum paid by mistake or in excess of the fees so specified, or if required under the treaty and the Regulations. The Commissioner may also refund any part of the search fee, where he determines such refund to be warranted.".

Sec. 2. Section 6 of title 35, United States Code, is amended by adding a paragraph (d) to read as follows:

"§ 6. Duties of Commissioner

* * * * *

"(d) The Commissioner, under the direction of the Secretary of Commerce, may, with the concurrence of the Secretary of State, allocate funds appropriated to the Patent Office, to the Department of State for the purpose of payment of the share on the part of the United States to the working capital fund established under the Patent Cooperation Treaty. Contributions to cover the share on the part of the United States of any operating deficits of the International Bureau under the Patent Cooperation Treaty shall be included in the annual budget of the Patent Office and may be transferred by the Commissioner, under the direction of the Secretary of Commerce, to the Department of State for the purpose of making payments thereof to the International Bureau.".

Sec. 3. Item 1 of section 41(a) of title 35, United States Code, is amended to read as follows:

"§ 41. Patent fees

"(a) The Commissioner shall charge the following fees:

"1. On filing each application for an original patent, except in design cases, $65; in addition on filing or on presentation at any other time, $10 for each claim in independent form which is in excess of one, and $2, for each claim (whether independent or dependent) which is in excess of ten. For the purpose of computing fees, a multiple dependent claim as referred to in section 112 of this title or any claim depending therefrom shall be considered as separate dependent claims in accordance with the number of claims to which reference is made. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.".

Sec. 4. Section 42 of title 35, United States Code, is amended to read as follows:

"§ 42. Payment of patent fees; return of excess amounts

"All patent fees shall be paid to the Commissioner who, except as provided in sections 361(b) and 376(b) of this title, shall deposit the same in the Treasury of the United States in such manner as the Secretary of the Treasury directs, and the Commissioner may refund any sum paid by mistake or in excess of the fee required by law."

Sec. 5. Paragraph (e) of section 102 of title 35, United States Code, is amended to read as follows:

"§ 102. Conditions for patentability; novelty and loss of right to patent

* * * * *

"(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent, or".

Sec. 6. The first sentence of section 104 of title 35, United States Code, is amended to read as follows:

"§ 104. Invention made abroad

"In proceedings in the Patent Office and in the courts, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country, except as provided in sections 119 and 365 of this title.".

Sec. 7. The second sentence of the second paragraph of section 112 of title 35, United States Code, is amended to read as follows:

"§ 112. Specification

* * * * *

"A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

"Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

"A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.".

Sec. 8. Section 113 of title 35, United States Code, is amended to read as follows:

"§ 113. Drawings

"The applicant shall furnish a drawing where necessary for the understanding of the subject matter sought to be patented. When the nature of such subject matter admits of illustration by a drawing and the applicant has not furnished such a drawing, the Commissioner may require its submission within a time period of not less than two months from the sending of a notice thereof. Drawings submitted after the filing date of the application may not be used (i) to overcome any insufficiency of the specification due to lack of an enabling disclosure or otherwise inadequate disclosure therein, or (ii) to supplement the original disclosure thereof for the purpose of interpretation of the scope of any claim.".

Sec. 9. Section 120 of title 35, United States Code, is amended to read as follows:

"§ 120. Benefit of earlier filing date in the United States

"An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, by the same inventor shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.".

Sec. 10. The first paragraph of section 282 of title 35, United States Code, is amended to read as follows:

"§ 282. Presumption of validity; defenses

"A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.".

Sec. 11. (a) Section 1 of this Act shall come into force on the same day as the entry into force of the Patent Cooperation Treaty with respect to the United States. It shall apply to international and national applications filed on and after this effective date, even though entitled to the benefit of an earlier filing date, and to patents issued on such applications.

(b) Sections 2 to 10 of this Act shall take effect on the same day as section 1 of this Act and shall apply to all applications for patent actually filed in the United States on and after this effective date, as well as to international applications where applicable.

(c) Applications for patent on file in the Patent Office on the effective date of this Act, and patents issued on such applications, shall be governed by the provisions of title 35, United States Code, in effect immediately prior to the effective date of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. RAILSBACK. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. RAILSBACK) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Judiciary Committee recommends that the House pass without amendment the bill S. 24, to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes.

ORIGIN AND PURPOSE OF S. 24

S. 24 passed the Senate on June 21. Its purpose is to implement the Patent Cooperation Treaty, a treaty to which the Senate gave its advice and consent on October 30, 1973.

The treaty itself resulted from a U.S. initiative in 1966, requesting a study of means for reducing the duplication of effort involved in the filing and processing of a patent application on an invention in each of two or more countries.

In recommending that the Senate give

its advice and consent to the ratification of the Patent Cooperation Treaty, the Senate Committee on Foreign Relations indicated (Ex. Rept. 93-20, p. 4) that the administration has agreed that the executive would withhold filing the instrument of ratification until the implementing legislation—that is, S. 24—is enacted.

ADVANTAGES OF PCT

Important advantages are claimed for the treaty. It simplifies the filing of a patent application on a single invention in different countries by providing, among other things, for centralized filing procedures and a standardized application format. It lengthens to 20 months the present 12-month period within which an applicant must commit himself to translation, filing fees, and prosecution. Also, it facilitates the examining process in member countries which examine applications for patents.

OPERATION OF CHAPTER I OF PCT

Under chapter I of the Patent Cooperation Treaty the applicant would file an international application with a receiving officer—usually the Patent Office of his own country—in a specified language—English for U.S. applicants—in a standard format. The application would include designation of member countries in which protection is desired.

An international search report would be prepared by an international searching authority and copies would be sent to the applicant, to the World Intellectual Property Organization, WIPO, and to the designated countries in which patent protection is desired. Although an international fee would be payable at the time of filing, the payment of national filing fees and translation expenses in each of the designated countries will usually be deferrable until as late as 20 months from the priority date of the international application. In the ensuing national stage, domestic search, examination and processing are to be completed.

PROVISIONS OF S. 24

The first section of S. 24—comprising new part IV and chapters 35, 36, and 37 of title 35, United States Code—enacts chapter I of the treaty into U.S. law. Beyond this, in sections 2 through 10, S. 24 would amend title 35—patents—of the U.S. Code by adding new international procedures in applying for patent protection. However, substantive law is unaffected and the new procedures are optional and do not replace existing procedures or diminish the rights of priority and national treatment.

Chapter II of the treaty provides optionally for new international procedures whereunder an applicant may demand an international preliminary report with respect to one or more designated countries. The United States has concluded that adherence to chapter II is impracticable at this time and the bill does not contain any proposals implementing this chapter.

PCT ENTRY INTO FORCE

The treaty will enter into force 3 months after eight governments ratify it—including four nations considered "major" in terms of patent activity. The six leading patent issuing countries are the United States, the U.S.S.R., Japan, West Germany, United Kingdom, and France. To date 35 nations have become signatories but only five countries with minor patent activity have ratified or acceded to it—the Central African Republic, Senegal, Madagascar, Malawi, and Cameroon.

U.S SUPPORTERS OF PCT

The following U.S. agencies and organizations favor the Patent Cooperation Treaty: Department of State, Justice, Commerce, American Bar Association, American Patent Law Association, U.S. Group of the AIPPI—International Association for the Protection of Industrial Property, National Association of Manufacturers, U.S. Chamber of Commerce, Pacific Industrial Property Association, Association for the Advancement of Invention and Innovation, Chicago Patent Law Association, Milwaukee Patent Law Association.

HEARING

On July 31, the subcommittee held a public hearing on S. 24 at which representatives of the Department of State, Justice and Commerce appeared in support of S. 24. It was indicated that the European countries are moving ahead on two European patent conventions and it was urged that entry into force of the European conventions without concurrent entry into force of the PCT would be to the disadvantage of American nationals.

COST TO THE UNITED STATES

The Commerce Department has submitted the following estimate of additional costs of the Patent and Trademark Office operating under the Patent Cooperation Treaty:

Fiscal year:	
1976	$0
1977	530,100
1978	750,800
1979	993,500
1980	1,225,500
1981	1,479,800

At the subcommittee's hearing on S. 24, the Justice Department's witness state his understanding that the Antitrust Division has no reservations about the treaty and the State Department witness testified, "We have no indication of any opposition to S. 24. In fact the committee knows of no objection to the bill.

As recently as October 16, moreover, Thomas E. Kauper, Assistant Attorney General in charge of the Antitrust Division of the Department of Justice reconfirmed to Chairman RODINO that the testimony given at the hearing in favor of S. 24 by Assistant Attorney General Lee accurately reflects the Department's support of the bill.

By the same communication, moreover, Mr. Kauper on behalf of the Department rejected the suggestion that implementation of the PCT should be deferred.

The committee notes that the proposal for a Patent Cooperation Treaty has been under active consideration as a product of U.S. initiative for nearly 10 years and, so far as the subcommittee knows, no antitrust based criticism has been heard. In these circumstances the subcommittee believes that enactment of S. 24 should no longer be delayed.

Mr. Speaker, I urge that S. 24 be enacted by the House without amendment.

Mr. RAILSBACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 24. Mr. Speaker, I know of no opposition to this legislation. It has the support of the Department of State, Justice, and Commerce. This is widespread support for the Patent Cooperation Treaty from the American industry and the Patent BAR. In addition, it has the endorsement of the American Bar Association, the U.S. Group of the International Association for the Protection of Industrial Property, the American Patent Law Association, the Association for the Advancement of Invention and Innovation, and the Chicago and Milwaukee Patent Law Associations, among many others.

The Senate gave its advice and consent to the treaty October 30, 1973. The treaty, however, is not self-executing. The other body passed this implementing legislation (S. 24) June 21, 1975. There are a number of significant advantages offered by S. 24, all of which are procedural in nature:

First. It would simplify the filing of patent applications on the same invention in different countries by providing, among other things, centralized filing procedures and standardized applications;

Second, it lengthens the present 12-month period to 20 months within which an applicant must commit himself by undertaking translation, filing fees and other measures necessary to perfect such a patent, and

Third. It would reduce duplication of effort for patent applicants with respect to the filing and processing for the same invention in different countries.

Mr. Speaker, I would like to emphasize that the international advantages which would result from this legislation would not affect domestic operation of present patent law. In other words, no change would be made by this act in the present law insofar as the substantive requirements for obtaining patents are concerned. And use of the procedures established by this act are entirely optional. Applicants may continue to file individual patent applications in each country in which they seek protection.

Mr. Speaker, I urge my colleagues to support this worthy bill.

Mr. KASTENMEIER. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I thank the gentleman for yielding.

As a member of the subcommittee that developed this legislation, I want to endorse it and to state that the Department of Commerce made a very persuasive case for the necessity of having machinery to permit the filing of a patent in one place in such a way that it will have multinational effect.

This will be less costly and much more efficient than the present arrangement.

There is no opposition to this, as the chairman said, not merely within the United States, but in the developing nations. They are very enthusiastic about this particular bill.

My particular congressional district specializes in high-technology industry, in electronics, in computer science, and in optics.

This bill would be needed and is strongly endorsed by corporations in the high-technology area.

The example of the United States ratifying this treaty will give a signal to other highly industrialized nations so that worldwide cooperation in this area will, hopefully, follow very soon.

Mr. Speaker, I urge an affirmative vote on S. 24.

Mr. **KASTENMEIER**. Mr. Speaker, I have no further requests for time.

Mr. **RAILSBACK**. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. MILLER).

Mr. **MILLER** of Ohio. Mr. Speaker, I would like to ask the chairman of the committee this question: What will this legislation accomplish that we don't already have? Our Patent Office at the present time will cross-file with other patent offices for reference in other countries. How will it affect us any differently if we would have an international patent system? For instance, if a patent is filed in this country, we also would find that it would be necessary to refer to patents in France or Britain, as an example. How would we be affected differently from what we are doing right now?

Mr. **KASTENMEIER**. If the gentleman will yield, this provides machinery for those member nations whereby, for example, in this country an individual or corporation could file an initial application here, and it would be processed as though it would have been made in a number of other member nations abroad which could be specially designated.

A 20-month period is established in which priority would be given to that applicant with a single application. At a later stage, not later than 20 months, that patent could be perfected in the other countries but prior to that there would be no necessity for the applicant for moving beyond Washington in terms of filing those applications.

Mr. **MILLER** of Ohio. If a patent application is filed in the United States under this new program, is it necessary to file separate applications in the other countries. Now if they would file one application does that mean they would automatically be filed for a patent in every member country?

Mr. **KASTENMEIER**. They would automatically be filed for a patent in so-called designated countries, those countries which are designated on the original application in this country, in which you have designated an interest. That is all you would be required to do. It would therefore obviate the necessity of making filings in other countries in which you might have an interest.

Mr. **MILLER** of Ohio. Then is the gentleman saying that you would receive one patent, or you would receive a patent from each one of the member countries?

Mr. **KASTENMEIER**. In due course patents would have to be perfected and would have to be completed, and these would have to be filed in each of the countries, but you would have an extended period of time from having to undergo the rather expensive translations in other countries in perfecting that particular application. You would have to obtain patents in those countries. But the initial filing and the initial fee paid, and, in fact, the regulations under this bill for individual filing for a U.S. patent application, interested in international filings, would be very substantially reduced, so that really one filing process would be sufficient rather than a series of duplicative processes.

Mr. **MILLER** of Ohio. When an American citizen files for a patent that application would indicate exactly the technology that they were covering. Would this mean that we would then give that information to other people in other countries?

We perhaps have the highest amount of patent applications filed for, right in this country, and we are moving along fast in new technologies. Will this, in turn, turn over our corporate and our individual ideas to people in other countries and create additional foreign competition because of that?

Mr. **KASTENMEIER**. The gentleman from Ohio has a very good question. I am not an expert in patent law but I would say to the gentleman that the United States has three reservations under the treaty. One of them has to do with publication, that is international publication. I think that goes to the gentleman's question. Presumably the purpose of that reservation is to withhold that sort of information that the original patent applicant desires to withhold. We have reserved this under the treaty. In other words, present American substantive law in that regard is not changed.

Mr. **MILLER** of Ohio. What about patents that would affect our international security, or our military? And some of those ideas are patented, would that automatically fall into the hands of all of the member nations?

Mr. **KASTENMEIER**. If the gentleman will yield further, I think the same answer applies, that is to say, this reveals nothing internationally which is not now revealed or is not now protected.

Mr. **MILLER** of Ohio. I thank the gentleman.

Mr. **DRINAN**. Mr. Speaker, will the gentleman yield?

Mr. **MILLER** of Ohio. I yield to the gentleman from Massachusetts.

Mr. **DRINAN**. I thank the gentleman for yielding.

I think section 17 of the bill is relevant to this in that every contracting State can take steps to preserve its own national security, and there are elaborate provisions made so that no secret thing developed in the interest of national security need be revealed to any foreign power.

Mr. **MILLER** of Ohio. I thank the gentleman.

Mr. **KASTENMEIER**. Mr. Speaker, I have no further requests for time.

Mr. **RAILSBACK**. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the Senate bill S. 24.

The question was taken.

Mr. **LATTA**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order of no quorum?

Mr. **LATTA**. I do, Mr. Speaker.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question, on each motion on which further proceedings were postponed, in the order in which the motion was entertained.

AMENDING FEDERAL RULES OF EVIDENCE AND FEDERAL RULES OF CRIMINAL PROCEDURE

The **SPEAKER** pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 9915, as amended.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. HUNGATE) that the House suspend the rules and pass the bill H.R. 9915, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 360, nays 0, answered "present" 1, not voting 72, as follows:

[Roll No. 660]

YEAS—360

Abdnor
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel

Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory

McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino

Roe
Rogers
Roncalio
Rooney
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NAYS—0

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—72

Abzug
Addabbo
Andrews, N.C.
Annunzio
Barrett
Bell
Biaggi
Boland
Brodhead
Burke, Fla.
Carney
Cleveland
Conyers
Corman

Cotter
Coughlin
D'Amours
Dent
Early
Eilberg
Esch
Eshleman
Fary
Fish
Flood
Flowers
Fountain
Fraser

Frey
Goldwater
Harkin
Harrington
Hébert
Helstoski
Holtzman
Koch
Lent
Litton
McEwen
Mazzoli
Melcher
Milford

Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nix
O'Neill
Patten, N.J.
Perkins
Peyser
Richmond

Rose
Rosenthal
Rostenkowski
Rousselot
Ruppe
Scheuer
Shuster
Smith, Iowa
Snyder
Stanton, James V.

Stuckey
Ullman
Walsh
Whitten
Wolff
Wydler
Yatron
Young, Ga.
Zeferetti

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Early.
Mr. Addabbo with Mr. Flowers.
Mr. Hébert with Mr. Fraser.
Mr. Zeferetti with Mr. Litton.
Mr. Eilberg with Mr. Richmond.
Mr. Patten with Mr. Scheuer.
Mr. Fountain with Mr. Smith of Iowa.
Mr. Barrett with Mr. Whitten.
Mr. Biaggi with Mr. Yatron.
Mr. Cotter with Mr. Eshleman.
Mr. Murphy of New York with Mr. Esch.
Mr. Mottl with Mr. Bell.
Mr. Morgan with Mr. Rousselot.
Mr. Murtha with Mr. Andrews of North Carolina.
Mr. Nix with Mr. Ruppe.
Mr. Boland with Mr. Lent.
Mr. Rosenthal with Mr. Ullman.
Mr. Rostenkowski with Mr. Fish.
Mr. James V. Stanton with Mr. Burke of Florida.
Mr. Mazzoli with Mr. Shuster.
Mr. Koch with Mr. Stuckey.
Ms. Holtzman with Mr. Milford.
Mr. Flood with Mr. Cleveland.
Mr. Melcher with Mr. McEwen.
Mr. Carney with Mr. Snyder.
Mr. Conyers with Mr. Harkin.
Mr. Dent with Mr. Frey.
Mr. Harrington with Mr. Coughlin.
Mr. Rose with Mr. Walsh.
Mr. Brodhead with Mr. Wydler.
Mr. Corman with Mr. Young of Georgia.
Mr. Fary with Mr. D'Amours.
Ms. Abzug with Mr. Helstoski.
Mr. Murphy of Illinois with Mr. Wolff.
Mr. Goldwater with Mr. Perkins.
Mr. O'Neill with Mr. Peyser.

Mr. DEVINE changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

IMPLEMENTING PATENT COOPERATION TREATY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the Senate bill S. 24.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the Senate bill S. 24.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. Two hundred seventy-five Members are present, a quorum.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 349, nays 5, answered "present" 1, not voting 78, as follows:

[Roll No. 661]

YEAS—349

Abdnor
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums

Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson

Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Myers, Ind.
Myers, Pa.
Natcher

Neal
Nedzi
Nichols
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Pettis
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—5

Gonzalez
Latta
Miller, Ohio
Symms
Young, Fla.

ANSWERED "PRESENT"—1

Nolan

NOT VOTING—78

Abzug
Addabbo
Andrews, N.C.
Annunzio
Barrett
Bell
Biaggi
Boland
Bonker
Brodhead
Burke, Fla.
Carney
Chisholm
Cleveland
Conyers
Corman
Cotter
Coughlin
Dent
Early
Eilberg
Esch
Eshleman
Fary
Fish
Flood
Flowers
Fountain
Fraser
Frey
Harkin
Harrington
Hébert
Helstoski
Holtzman
Jarman
Koch
Lent
Litton
McEwen
Mazzoli
Melcher
Milford
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nix
O'Neill
Patten, N.J.
Perkins
Peyser
Pickle
Richmond
Risenhoover
Rose
Rosenthal
Rostenkowski
Rousselot
Ruppe
Satterfield
Scheuer
Shuster
Smith, Iowa
Snyder
Stanton, James V.
Steelman
Stuckey
Teague
Ullman
Walsh
Whitten
Wolff
Wydler
Yatron
Young, Ga.
Zeferetti

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Early.
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Mr. Hébert with Mr. Fraser.
Mr. Zeferetti with Mr. Litton.
Mr. Eilberg with Mr. Richmond.
Mr. Patten with Mr. Scheuer.
Mr. Fountain with Mr. Smith of Iowa.
Mr. Barrett with Mr. Whitten.
Mr. Biaggi with Mr. Yatron.
Mr. Cotter with Mr. Eshleman.
Mr. Murphy of New York with Mr. Esch.
Mr. Mottl with Mr. Bell.
Mr. Morgan with Mr. Rousselot.
Mr. Murtha with Mr. Andrews of North Carolina.
Mr. Nix with Mr. Ruppe.
Mr. Boland with Mr. Lent.
Mr. Rosenthal with Mr. Ullman.
Mr. Rostenkowski with Mr. Fish.
Mr. James V. Stanton with Mr. Burke of Florida.
Mr. Mazzoli with Mr. Shuster.
Mr. Koch with Mr. Stuckey.
Ms. Holtzman with Mr. Milford.
Mr. Flood with Mr. Cleveland.
Mr. Melcher with Mr. McEwen.
Mr. Carney with Mr. Snyder.
Mr. Conyers with Mr. Harkin.
Mr. Dent with Mr. Frey.
Mr. Harrington with Mr. Coughlin.
Mr. Rose with Mr. Walsh.
Mr. Brodhead with Mr. Wydler.
Mr. Corman with Mr. Young of Georgia.
Mr. Fary with Mr. Jarman.
Ms. Abzug with Mr. Helstoski.
Mr. Murphy of Illinois with Mr. Wolff.
Mrs. Chisholm with Mr. Bonker.
Mr. Pickle with Mr. Peyser.
Mr. Teague with Mr. Satterfield.
Mr. Risenhoover with Mr. Steelman.

Mrs. SMITH of Nebraska, Mr. ASHLEY, and Mrs. FENWICK changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TWENTY-NINTH ANNUAL REPORT ON U.S. PARTICIPATION IN WORK OF THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–266)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

I am pleased to send to the Congress the 29th annual report on United States participation in the work of the United Nations.

This report, which covers the Calendar Year 1974, shows how U.S. national interests were affected by the work of the United Nations, its specialized agencies and its special programs. It shows the many ways in which the United States utilized the United Nations to promote world peace, economic progress and social justice. It also shows that at times a majority, unfortunately, took decisions on important political and economic issues without taking into consideration the views of some of the nations most importantly involved.

During 1974, the Third Law of the Sea Conference in Caracas, the World Population Conference in Bucharest, and the World Food Conference in Rome all focused attention on worldwide problems that can be solved only by international cooperation. The United States made constructive contributions to all these conferences.

The report gives special attention to UN efforts designed with U.S. support:

—to keep the peace on Cyprus, in the Middle East and elsewhere;
—to strengthen international arms control and disarmament programs;
—to find a solution to the problem of world food shortages and maldistribution;
—to control population growth;
—to relieve the victims of natural and other disasters;
—to promote international economic and social development;
—to develop more effective procedures to protect human rights; and
—to improve the functioning of the United Nations itself.

Not all the work of the United Nations is cited in this report. Many U.N. activities of great importance to the United States do not make headlines. This is particularly true of the regular economic, social, and service types of activities which account for the employment of more than 90 percent of total U.N. personnel and the expenditure of more than 90 percent of the funds made available by governments to the United Nations. For example, the World Weather Watch of the World Meteorological Organization, the worldwide smallpox eradication program of the World Health Organization, the work of the International Civil Aviation Organization, and the work of the International Atomic Energy Agency—particularly its application of safeguards to nuclear fuel and the by-products of nuclear plants—all contribute to the safety, health and well-being of American citizens and those of other nations throughout the world.

Nevertheless, some of the actions taken by the United Nations in 1974 threaten to distort this positive thrust and make cooperation within the organization more difficult. There was, for example, a clash of interests between the industrialized nations and developing nations. This was particularly evident in the sixth special session of the General Assembly when the majority of developing countries insisted on the adoption of a program of action for a "new international economic order" despite the serious reservations of the industrialized nations about its acceptability and even its workability. Other divisive actions included the invitation by the 29th General Assembly to the Palestine Liberation Organization to participate as an observer in the work of the organization, the discriminatory treatment accorded Israel by UNESCO and the improper suspension of South Africa from participation in the General Assembly. However, by the end of the year there were signs of a growing awareness of the dangers from confrontation and of a willingness to explore the possibilities of conciliation and compromise.

In this 30th anniversary year of the United Nations, the underlying purposes and principles of the Organization remain as valid as when they were first set forth in Article 1 of the U.N. Charter:

—to maintain international peace and security;
—to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples;
—to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character;
—to promote respect for human rights; and
—to harmonize the actions of nations.

Despite difficulties, I believe there has been progress toward achieving these purposes. The United States is seeking to promote cooperation among U.N. members and to discourage confrontation. In our increasingly interdependent world there is no practical alternative to cooperation, and if the United Nations continues on a course of confrontation this can only result in the serious weakening of that body. The United States, for its part, will stand firm in support of the principles embodied in the United Nations Charter.

GERALD R. FORD.

THE WHITE HOUSE, *November 3, 1975.*

THE HARRY S. TRUMAN VA HOSPITAL

(Mr. ICHORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, on October 19, 1975, the Veterans' Administration hospital at Columbia, Mo., was renamed the Harry S. Truman VA Hospital in honor of our 33d President. On that occasion, the Honorable Richard L. Roudebush, Administrator of Veterans' Affairs paid tribute to Mr. Truman as "a common citizen and a veteran who knew the need people have for medical assistance and help of all kinds." It is appropriate to honor the former President in this manner, Mr. Roudebush said, "because President Truman was a believer in good care for veterans and was President at a time of rapid VA growth."

Mr. Speaker, all Missourians share in this new honor that will further preserve Mr. Truman's memory. We are proud that the fine VA medical facility at Columbia has been rededicated in his name and we take equal pride in the remarks of Mr. Roudebush at the rededication ceremonies. Mr. Speaker, I include those remarks in the RECORD:

REMARKS BY HON. RICHARD L. ROUDEBUSH

When this hospital was dedicated less than three and a half years ago, Donald Johnson, my distinguished predecessor as Administrator of Veterans Affairs, said that it was destined to be a key institution in the VA medical care system and a symbol of good service to Missouri veterans.

It has become these things already in its short history. I am sure that its importance and its prestige will grow as it becomes even more firmly established.

The task I have been assigned here today, the task of helping to associate a distinguished name with a Veterans Administration hospital, is one that brings me great honor and great pleasure. I am delighted to be with you and I appreciate the efforts of those who have arranged this ceremony.

It occurs to me that Harry Truman would have understood the purpose and the possibilities of this hospital as few men would. I am sure he would have had great understanding of those who use its services.

He was a government official who knew what government could accomplish in a facility of this kind. And he was a common citizen and a veteran who knew the need people have for medical assistance and for help of all kinds.

Our ceremony today calls attention to a man and what he stood for and is remembered for . . . and to an institution, what it is here for and what it can do for those who have earned its services.

I think it is particularly fitting that this man's name and this institution should get together . . . and when I say "institution" I hope you understand that I am talking about something more than a building and its equipment.

I am talking about the spirit of this hospital and about the traditions that will build as it gets a little older. I am talking about its staff and employees, its volunteers, its supporters in the community.

I am talking about the concept behind it, the service it gives, the promise it holds for those who use it or are eligible to use it.

I think it is fitting that the name of Harry S Truman should be honored here for a number of reasons.

First of all, Mr. Truman was President at a time when VA built a great many hospitals. The return of large numbers of World War II veterans required a construction and acquisition program that has never been equaled and during the Truman years some 90 hospitals were brought into the system.

Mr. Truman understood the need for a strong medical program for veterans and for a strong agency to run it. He remembered the experiences of veterans of a generation earlier, a time when he had returned home from service. And he also made it his business to keep in touch with the men of World War II, learning their problems through visits and conversations.

He signed the law creating VA's Department of Medicine and Surgery.

It could be argued that any man who was President at the time World War II came to an end would have had to preside over a large expansion of VA facilities, that what President Truman did with regard to hospitals and other veterans' programs was dictated by the times.

We don't know what reactions another President might have had. But we do know that growth of facilities was rapid under President Truman and that he had a genuine interest in, and a real concern for, activities in behalf of veterans.

We know that he took an action early in his service as President that was popular among all Americans and that was seen as an indication of this interest and concern. It was an action that I am sure was quite popular in this section of Missouri.

President Truman asked that General Omar Bradley be called home to become head of the Veterans Administration. General Bradley, who was known for understanding his troops and for being solicitous for their welfare, brought the same friendship and sympathy to the veterans he served.

He was an Administrator who set high marks of accomplishment for all of us who have followed him to shoot at. He became a legend at VA . . . and President Truman was responsible for his being there.

I think another reason that the name of Harry S. Truman is such an appropriate one for this hospital to bear is that President Truman throughout his public life always had such an interest in the possibilities of medicine and in ways to get good health care to all the people.

In statements and speeches throughout his Presidency he showed great appreciation for medical advances being made and was a strong advocate of new knowledge being used as widely as possible.

He was fascinated by the improvements made in battlefield care during the Korean Conflict and hoped that civilians would benefit. He was a strong supporter of VA research. He constantly called for better ways to deliver health care and did constant battle with those who opposed his views of what should be done.

He would have liked the arrangement here where you have a hospital that is a federal facility working so closely with a distinguished medical school that is a state institution. He would have applauded the good sense of it and been pleased by the results.

And I am sure he would have liked improvements made within VA that enable our hospitals to work together so much better, under regional arrangements. The result has been better care for the individual, something President Truman constantly called for.

Mr. Truman had strong feelings about the responsibility of government toward the people but he was never one to think that an individual's responsibility to another person should be lessened because of government action.

He was impressed by the way VA uses volunteers and I am sure he would have liked the service volunteers give at this hospital.

He once told a national meeting of the VA Voluntary Service Advisory Committee:

"When you can get people to put aside their own business and go to work in the hospitals as you are doing it is real public service.

"You people can furnish something the government can never provide, and that is the personal touch—just a little bit of home.

"Keep up the work for the veterans . . . nobody appreciates it more than I do."

So it is appropriate that this became the Harry S. Truman Hospital because President Truman was a believer in good care for veterans and was President at a time of rapid VA growth . . . because he was a strong advocate of health services for all Americans and understood the role government could play in providing them . . . and because he would have approved of what is being accomplished here.

It is also appropriate that this hospital be named for President Truman because he was a Missourian and you are proud of him.

But let me advance another reason . . . and do so by trying to draw some parallels between President Truman and the people this hospital is all about, the patients who are treated here.

Mr. Truman was a soldier, a citizen who was interested in the military and did well in his assignments.

He joined the National Guard as soon as he was old enough.

He was a reserve officer. He was on the Senate Military Affairs Committee and while a member he tried to volunteer for active duty during World War II.

But it would be a mistake to think of Mr. Truman as a military man, just as it is a mistake to think of other millions of Americans who have done their duty in uniform as military people.

He came back to the joys and challenges of civilian life and it would be an understatement to say that he made the most of his opportunities.

Mr. Truman was, of course, exceptional in what he did. But I think he always made it plain that he did not think of himself as exceptional in what he was.

This hospital is devoted to serving Missouri citizens who went away to war and then came back. That's what Harry Truman did and that's who Harry Truman was.

This hospital is for those who answered a call to duty, did their duty as well as they could and then returned to civilian pursuits and occupations, just as Harry Truman did.

I think, then, that the things Mr. Truman had in common with the patients and potential patients here is another factor in making this redesignation fitting.

The Truman name has been given to many things built during the last quarter of a century . . . here in Missouri and throughout the Nation.

I know of none that can wear it with greater suitability or more grace than this hospital.

But I would like to suggest that we do something a little different here, although it will have no bearing on the signs or plaques the hospital bears, the letterheads that are printed or the way it is listed in the telephone book.

How would it be if we dedicate this hospital to Harry Truman, the veteran? Harry Truman, the President, Harry Truman, the statesman, already has monuments in large number.

And let us do something else that I believe he would have liked. Let us also dedicate this hospital . . . and this is a rededication, really . . . to all his fellow veterans from Missouri, the people who are cared for here.

We won't put their names on the signs or the plaques or in the telephone book because the name of Missouri's most distinguished veteran will stand for them all.

They will know by our using it that this is an institution that tries to live up to his ideas of public service, reflect his compassion and embody his love for mankind . . . and that they will be welcome here.

Thank you for allowing me to participate in this enjoyable event and thank you for your hospitality.

EXPLANATION CONCERNING RESOLUTION OF DISAPPROVAL OF U.S. RAILWAY ASSOCIATION'S FINAL SYSTEM PLAN

(Mr. **HASTINGS** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **HASTINGS**. Mr. Speaker, last week I introduced a resolution of disapproval of the U.S. Railway Association's Final System Plan submitted to the House on July 26, 1975, pursuant to section 208(b) of the Rail Revitalization Act of 1973.

I feel it necessary to explain my intentions in offering the resolution. As my colleagues know, the USRA, under a congressional mandate, was assigned the task of reorganizing the ailing railroad structure in the 17-State Northeast and Midwest regions into a competitive, profitable, and efficient rail system. That configuration, ConRail—Consolidated Rail Corporation, is scheduled to go into operation on November 9, only 6 days from today.

As a prime sponsor of the 1973 enabling legislation, a member of the Subcommittee on Transportation and a representative of the southern tier of New York State whose rail service was scheduled for restructuring and alteration, I have been keenly involved and interested in the evolution of the final system plan.

The industry structure outlined in the USRA plan met with my general approval. Although several branch lines in my district were not included in the ConRail structure, I was pleased with the association's attempt to develop a new, slimmed-down, viable rail system within the region. The rail structure outlined in the final system plan consisted of the operation of essentially a two-carrier system—ConRail and Chessie—with the support from the N&W and other solvents. The combined service of these two roads appeared to adequately meet the goals of the act and my support for the plan was based on this complementary framework of routes. In fact, the final system plan states:

> Implementation of the structure depends on the Chessie System's final acceptance of its conditional agreement with USRA to acquire certain properties and services . . .

However, there is now the possibility that Chessie will not participate in the plan. With failure to declare their intentions and provide the Congress and my subcommittee with a definitive and complete picture of the industry structure, I introduced this resolution for the purpose of discussion. We should note that the act does not mandate the publication of purchases of bankrupt lines by the solvents until December 9. However, I am of the opinion that the Chesapeake and Ohio is near enough to arriving at a decision to make an announcement and allow us to visualize the permanent system without dangerous speculation—this announcement is crucial.

As I have stated, I have not been opposed to the ConRail plan up until now nor am I opposed today. Doubt, however, plagues me and I felt it necessary to exercise the option of disapproval that Congress gave itself in the 1973 legislation as a means of reexamining the validity of the plan without the large contribution of the Chessie system. I might add, Mr. Speaker, that I am aware of the repercussions a vote of disapproval would have on the industry. I fully realize that the alternatives to ConRail are limited and rather gloomy, but it is my belief that now is the time to carefully weigh these alternatives in the face of a final system plan lacking the key role of Chessie.

My colleagues, you and I are today faced with a $2.5 billion dilemma. Without a commitment from the solvent, we will in effect continue to speculate on the final industry structure and permit a billion dollar corporation supported by the Federal Government to go into effect on November 9. And yet, on that date we may see implementation of a system that will not meet the goals which Congress mandated. To blindly permit initiation of the system which may not cure the ills Congress saw needed correction in 1973 is one we need to carefully assess and I am hopeful that my Subcommittee on Transportation will be able to begin this assessment process at the earliest date possible.

STATEMENT

(Mr. **BRADEMAS** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **BRADEMAS**. Mr. Speaker, I insert in the RECORD at this point a statement regarding several recorded votes which, because of a death in the family I missed, and an indication of how I would have voted had I been present.

SEPTEMBER 29, 1975

Rollcall No. 559, on House Resolution 726, providing for consideration of H.R. 8603, Postal Reorganization Act amendments. The resolution was agreed to by a vote of 344 to 19. I was paired for this resolution, and had I been present, would have voted for it.

Rollcall No. 560, on an amendment offered by the gentleman from Arkansas (Mr. ALEXANDER) to H.R. 8603, Postal Reorganization Act amendments, to require the Postal Service to come before Congress each year for authorization and appropriations of its total budget. The amendment was passed by a vote of 267 to 123. Had I been present, I would have voted against this amendment.

SEPTEMBER 30, 1975

Rollcall No. 561, on House Resolution 752, providing for consideration of H.R. 9861, Department of Defense appropriations for fiscal year 1976. The resolution was agreed to 370 to 11. I was paired for this resolution and had I been present would have voted for it.

Rollcall No. 563, an amendment offered by the gentleman from Ohio (Mr. STOKES) to H.R. 9861, the DOD appropriations bill for fiscal year 1976, to add $5 million in funds to the bill for recruiting for personnel counseling services. The amendment was rejected by a vote of 112 to 296. Had I been present, I would have voted against this amendment.

Rollcall No. 564, on an amendment offered by the gentleman from New York (Mr. MURPHY) to H.R. 9861, the DOD appropriations bill for fiscal year 1976, to restore $15.6 million in funds for Army recruiting activities. The amendment was rejected by a vote of 117 to 228. Had I been present, I would have voted against the amendment.

OCTOBER 1, 1975

Rollcall No. 566, on a motion to table a previously offered motion to discharge the Committee on Post Office and Civil Service from further consideration of House Resolution 688, to disapprove the President's pay plan. The motion carried by a vote of 278 to 123. Had I been present, I would have voted for the motion.

Rollcall No. 567, on an amendment by the gentleman from Connecticut (Mr. GIAIMO) to H.R. 9861, the DOD appropriations bill for fiscal year 1976, to require disclosure of the amount of funds appropriated for activities of the CIA. The amendment was rejected by a vote of 147 to 267. I was paired for this amendment, and had I been present, I would have voted for it.

Rollcall No. 569, on a motion offered by the gentleman from Texas (Mr. MAHON) to limit debate on the pending amendment offered by the gentleman from Florida (Mr. CHAPPELL) to an additional 30 minutes. The amendment was rejected by a vote of 187 to 223. Had I been present, I would have voted against the motion.

Rollcall No. 570, on an amendment by the gentleman from Florida (Mr. CHAPPELL) to strike out $58.2 million in funds for the development of the F-18 Navy air combat fighter. The amendment was rejected by a vote of 173 to 243. I was paired for the amendment, and had I been present, I would have voted for it.

Rollcall No. 571, on an amendment by the gentlewoman from Maryland (Mrs. SPELLMAN) to prohibit use of funds in the bill for the relocation of the National Oceanographic Office headquarters of the Navy. The amendment was passed by a vote of 219 to 193. I was paired for this amendment and had I been present, would have voted for it.

Mr. Speaker, I insert at this point in the RECORD a statement regarding several other recorded votes I missed recently, and an indication of how I would have voted had I been present.

OCTOBER 20, 1975

Rollcall No. 617, on a motion to suspend the rules and pass H.R. 9924, to provide for a National Women's Conference in 1976. The motion failed to carry by a vote of 233 to 157. I was paired for this motion, and had I been present, would have voted for it.

Rollcall No. 618, a vote on a motion to suspend the rules and pass House Resolution 780, to disapprove a regulation proposed by the Federal Election Commission. The motion failed to carry by a vote of 220 to 169. I was paired for this motion, and had I been present, would have voted for it.

OCTOBER 21, 1975

Rollcall No. 623, on an amendment offered by the gentleman from Virginia (Mr. FISHER) to H.R. 8617, the Federal Employees Political Activities Act, to prohibit Federal employees from engaging in political activities or being a candidate for elective office unless it is a part-time elective office of a State or local political subdivision. The amendment was rejected by a vote of 147 to 260. Had I been present, I would have voted against the amendment.

Rollcall No. 624, on a motion to recommit H.R. 8617, the Federal Employees Political Activities Act, to the Committee on Post Office and Civil Service with instructions to report it back to the House with an amendment that sought to retain only those provisions in the bill consistent with the Hatch Act. The motion was rejected by a vote of 81 to 327. I was paired against this motion and had I been present, would have voted against it.

Rollcall No. 625, on final passage of H.R. 8617, the Federal Employees Political Activities Act. The bill was passed by a vote of 288 to 119. I was paired for this bill and had I been present, would have voted in favor of it.

Rollcall No. 626, on final passage of H.R. 7222, Federal Employees Group Life Insurance. The bill was rejected by a vote of 172 to 225. I was paired for this bill and had I been present, would have voted in favor of it.

OCTOBER 31, 1975

Rollcall No. 657, a vote on an amendment offered by the gentleman from Michigan (Mr. BROWN), to H.R. 10024, extending regulation Q for financial institutions, to insert a new title III that would limit the application of the reporting requirements to financial institutions in 20 selected metropolitan statistical areas. The amendment was rejected by a vote of 165 to 167. Had I been present, I would have voted against this amendment.

Rollcall No. 658, a vote on final passage of H.R. 10024 extending regulation Q for financial institutions. The bill passed by a vote of 177 to 147. I was paired for this bill and had I been present, I would have voted in favor of it.

THE NEW YORK CRISIS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, for many years we have felt an uneasiness about the financial soundness of New York City. Since last March, we have all known that the city is in failing financial health; it cannot meet its operating costs from current income, and it has at long last run out of ways to borrow more money to cover the deficits that have existed not only this year, but perhaps for a decade.

Now we are given crisis legislation, intended to save the city from almost certain disaster. It is bad enough to have to legislate in a hurry; it is far worse to do so in an atmosphere that is supercharged with politics.

No matter how great the sin of a political body, the functions of that body have to be carried on. No matter what the exigencies of the moment in political life, human life goes on. So it will be with New York. No matter what happens, New York will continue to exist, and it will continue to function as a city for as long as there is any reason for a city to exist in that particular spot on the globe. So we are not going to wish New York away; it will not go away. The city cannot save itself, and no amount of preaching from us will give it absolution.

But the irony is that this emergency legislation for New York City cannot save the situation, either. In my judgment, there is not enough time for us to enact and put into place the machinery that would salvage New York, permit the restructuring of its debt, and set it on the road to decent management and fiscal integrity. That is a task that defied the government of the city for a decade; ti is a task that overwhelmed Governor ROCKEFELLER's most brilliant improvisations; and it is a task that is clearly beyond the limits of this body, working in feverish haste, in an atmosphere that has been saturated with political feeling by the deliberate actions of our former colleague, who by the grace of the 25th amendment now occupies the White House.

We all have our feelings about New York, one way or another. We all have our opinions about the management of the city; we can find ample evidence in the record to support feelings of praise or despair. But we cannot legislate with feelings; emotions cannot be expressed in law, if it is good law. Good law must deal with issues, not feelings; good law must resolve substantive problems, not emotions. So we must legislate with our heads, not our hearts.

I believe, as I have said, that it is very unlikely that we can enact a law providing for the rescue of New York, and place into operation the machinery for such a rescue, in time to prevent the city's collapse. Even if we could do that, I do not believe that such hastily drawn legislation could provide the ways and means to resolve the problems that have proved intractable to a succession of mayors, Governors, and legislatures in New York. Beyond those bitter realities, we should recognize that in this bill, this emergency legislation, we would be establishing a precedent whose reach we do not really comprehend.

We do not know what this precedent would do to disrupt the foundations of the Federal system, any more than we knew how far askew the Lockheed and Penn Central deals would knock the proper relationships between the Federal Government and private enterprise. There is no question that such a precedent as this legislation would establish would disturb in a profound way the relationships and responsibilities of the Federal, State, and local government structure—not only in New York, but everywhere else as well. It is not an argument that we should brush aside lightly.

It is true that the collapse of a great city cannot be viewed as less than an unmitigated disaster. The collapse of New York City might create great problems only there; but no one knows how far the damage might spread or what effects it might have. Only the most obtuse could view with equanimity, let alone pleasure, the impending doom of a financial structure as large as that of New York City. The health of the Nation's biggest financial institutions is at stake; and likewise there are any number of small investors who might lose everything, or a very large part of their whole life's savings, in a collapse of the city.

Like everything else in this muddle, there is a mirror image for all arguments. The financial institutions are assured of survival by the Fed and the FDIC. Small investors are assured of nothing by anybody. But a guarantee would create immense profits for speculators who have bought New York paper at a discount, gambling that a guarantee would be forthcoming. The whole scene is like a carnival house of mirrors; it is impossible to say whether the greatest evil would lie in leaving New York to fry in its own fat, or to mount some kind of rescue.

The greatest irony of all is that it is very unlikely that any action we take on this matter in the next few days will make any difference at all.

My opinion is that since we cannot wish New York away, and since it cannot save itself, and since it will not go away, the Federal Government has no real choice but to aid the city in some way. It is very likely that the least costly aid to the city would be predefault aid. But if a guarantee cannot be established in time, and if that raises enormous questions as a precedent, what then is left?

I submit that the Federal Reserve system can best assist New York, and that it can do so under its present authority, namely section 14(b) of the Federal Reserve Act. This authority is clear and explicit. It reads as follows: The statute says that any Federal Reserve Bank has the power to, quote, "buy and sell, at home or abroad, bonds and notes of the United States, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board."

If this power is aggressively and imaginatively employed, the problems of New York can be ameliorated. It is possible that use of this power might provide the space and resources needed for the city to get its affairs into order. We need not rush into any new legislative enactments.

We should be reluctant to undertake an action that sets a precedent of enormous, largely unknown proportions, as an emergency loan guarantee would do. We should be even more reluctant to do so if there is any other possible recourse. I believe that there is such a recourse, in the powers of the Federal Reserve System. I believe that we should be calling on the Fed to use the power it has, rather than rushing to create a statute that has only a little chance of success, and would have only a small chance of success even if the administration supported it fully, which of course it does not.

At the very least, action by the Fed could provide us the time in which to act with the deliberation that this complex situation requires. Candidly, I believe that action by the Fed could allow New York's problems to be resolved without resort either to bankruptcy or loan guarantees; I believe that the Fed, by applying the powers that a wise Congress bestowed on it in a time unafflicted by crisis, could resolve a problem that we cannot, and perhaps should not; and which the Fed might best of all resolve. After all, the Fed is the most independent of agencies; it is the very purse of the country; it is governed by people who are seized with a sense of caution; it is chaired by a governor of righteousness and zeal; it is staffed by the most competent of technicians anywhere; and it is well above the daily scrimmage of partisan politics.

New York's problems and ills can be resolved, and I think that we need not reinvent the wheel to make that possible. I believe that in the Fed we already have the necessary tools and authorities.

Mr. Speaker, I wish to place into the RECORD at this point a copy of a resolution I have introduced today:

H. CON. RES. —

Concurrent resolution expressing the sense of the Congress that section 14(b) of the Federal Reserve Act authorizes the Federal Reserve System to assist the City of New York in its financial problems

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that section 14(b) of the Federal Reserve Act authorizes the Federal Reserve System to purchase short term obligations of the City of New York so as to assist that City in its current financial crisis, and that such a purchase should be made and is consistent with the Federal Reserve's public service function as a lender of last resort.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

Mr. MIKVA. Mr. Speaker, last Friday afternoon I had to return to Chicago to appear on a television panel about the need for gun control legislation in this country. As a result I was not present for three votes concerning the Depository Institutions Amendments of 1975. Had I been present I would have voted "no" on rollcall No. 656 and "no" on rollcall No. 657 in order to maintain the disclosure requirements for home mortgage data by financial institutions as reported out by committee. I also would have voted "yes" on rollcall No. 658, enacting H.R. 10024, the Depository Institutions Amendments of 1975.

PRESIDENT SADAT'S VISIT TO THE UNITED STATES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, President Sadat's visit to the United States is of particular significance to the free world. He has made it very clear that the Egyptians are seeking the friendship of the United States and that they believe the solution to the long-standing difficulties betwen the Israelis and the Arabs in the Middle East can only be solved peaceably through the good efforts of the United States. His visit is also an indication that the Arab States are willing to forgo Russian economic and military support in order to seek lasting peace through negotiations.

There are those who would question whether the United States should provide economic and other aid to Egypt. There must be limits, of course, to U.S. aid to other countries. Particularly is this true of countries in the Middle East where oil-rich Arab nations could provide much more help to their less fortunate neighbors. Nevertheless, it must be considered that help to Egypt, within reason, represents one of the best investments the United States can make. Egypt is still a leader among the Arab countries and the Egyptian population is roughly half that of the entire Arab world. As long as there is cooperation and understanding between Egypt and the United States, there is little likelihood of conflict in the Middle East. If Mr. Sadat's mission to the United States were to fail, his place of leadership in Egypt could be jeopardized and more volatile and quarrelsome policies could result.

There is still far to go before peace can be firmly established in the Middle East. Syria is unhappy about not reaching a settlement on the control of the Golan Heights, but Syria will not undertake a war alone. There should be assurances to the Syrians that the United States will undertake to bring about an agreement on the Golan Heights. Apparently, this is what the Syrians want most.

The point of greatest danger in the Middle East undoubtedly is in Lebanon where sporadic fighting continues between Moslem and Christian factions. The government there is walking a tight rope in trying to maintain a balance between the two groups. There is a danger, and possibly serious danger, that the Palestinians, who are present in large numbers in Lebanon and well armed, may attempt to seize control of the country. They could then become a thorn in the side of Israel and might provoke another conflict. The help of the Egyptians in avoiding this situation could be very important.

It is worthy of note that both Presidents Ford and Sadat were honored guests in Florida during the past weekend. They continued their discussions under bright and pleasant Florida skies and together with members of their respective staffs, were honored guests at a dinner given by Gov. Reuben Askew in Florida on Sunday night.

THE PRESIDENT, COMMUNIST CHINA, AND TAIWAN

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Secretary Kissinger has recently completed a trip to Communist China. Apparently it was an advance mission to establish the ground rules for a trip which President Ford reportedly is planning to Peking in late November to further normalize our relations with Communist China. Accounts thus far on Mr. Kissinger's trip indicate a certain coolness on the part of the Red Chinese. They may feel that we are devoting too much attention to Russia and not enough to them.

Mr. Ford is to be encouraged in his attempts to establish contacts which improve the prospects for peace and world understanding. It is important that the President also know of the desire of the American people and the Congress that we continue our support for friendly nations in the free world who are struggling to determine their own destiny.

Portugal is a very good example. The Communists made an all-out effort to snatch that country's government from the Portugese people despite a nationwide vote in which over 80 percent of the Portugese voted against communism. This effort, which is sponsored by Russia, came on the heels of the Helsinki world conference in which Russia gained world acceptance of her control over countries seized by the Communists during and after World War II. But Russia does not reciprocate by allowing other nations to settle their own affairs.

There is now concern in the Congress that the President may be pressured into an agreement that the United States abandon support for the Republic of China on Taiwan. This would give Communist China a free hand to attempt to strangle the Taiwan Government. It must not be forgotten that in Taiwan the free Chinese have established a remarkable record of sound growth and economic prosperity under very adverse conditions. Only Japan has a higher per capita income in the Pacific. No Communist country in Asia approaches the standard of living enjoyed by the people of Taiwan. Many Members of the House are urging the President to take no steps that would jeopardize the freedom of the people of the Republic of China on Taiwan.

CANADIAN BROADCASTING POLICY

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, actions taken by the Canadian Radio and Television Commission to require deletion of commercials from U.S. television programs rebroadcast on Canadian cable television and a new legislative proposal to eliminate tax deductions for Canadian companies expenses for advertising on U.S. stations have raised serious concern in Congress over Canada's uncharacteristic lack of cooperation in amicably resolving disputes between our two countries.

In view of congressional interest in broadcast policy as it relates to Canada, I want to call the attention of interested Members of Congress to a notice of inquiry by the Federal Communications Commission into a related issue involving a proposal to the FCC to restrict the licensing for exhibition by foreign stations of programs produced in the United States and shown on foreign stations whose signals are regularly received in the United States. The notice appears on page 50309 of the Federal Register of October 29, 1975.

For several years now Canada has taken no substantive action on U.S. complaints about new Canadian broadcast policies. It certainly would appear that Canada is acting within its legal rights but the United States, too, has its legal rights and I am glad to see that the FCC has issued this notice of inquiry and that efforts are being made to protect the rights of our own broadcasting industry.

HUMAN RIGHTS IN CHILE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, Congress last year expressed its deep concern over the violation of human rights in Chile through an amendment to the Foreign Assistance Act curtailing military assistance. While it is always difficult, if not impossible, to precisely monitor conditions with respect to individual rights in a foreign nation it is clear that conditions in Chile remain bad. The country has refused admittance to an investigating team from the Human Rights Commission of the United Nations and has generally remained unresponsive to international concern. The executive branch of our own Government has apparently decided to not even request military aid for Chile this year in view of the policies of the Chilean Government.

A recent example of the Chilean Government's apparent attitude toward courageous people in Chile concerned with protection of human rights was the decision of the junta to refuse to allow Bishop Helmut Frenz, a German citizen, to return to Chile as leader of that nation's Lutheran community. This decision has brought criticism from a wide variety of religious groups which I would like to take this opportunity to bring to the attention of the House:

LUTHERAN COUNCIL,
New York, October 8, 1975.

Hon. DANTE FASCELL,
House of Representatives,
Washington, D.C.

DEAR MR. FASCELL: The entire Christian community and others dedicated to the enforcement of human rights on this planet are distressed at the action of the Chilean government in barring Bishop Helmut Frenz from reentry into that country. For your information, I am attaching copies of telegrams which have been sent to General Pinochet by national and international church agencies protesting this action.

This is the most recent of a series of systematic attacks on the Committee for Peace in Chile. On or about 9 September of this year, Georgina Ocaranza Muñoz, an employee of the Committee for Peace, disappeared and has not been heard from since. She is in the fifth month of pregnancy. Moreover, another employee of the Peace Committee, Juan Polanko, and his family have been arrested. The systematic repression of the Committee for Peace gives credence to the allegations that the Chilean government is guilty of gross violations of human rights as a matter of policy.

We ask that you use your influence to pressure Chile through the State Department and through legislative acts so that human rights will be restored in that country.

Very sincerely yours,
EDWARD C. MAY,
Director, Office on World Community.

STATEMENT FROM AMERICAN LUTHERAN CHURCH PRESIDENT DAVID W. PREUS

The American Lutheran Church is deeply distressed by the unofficial report that the Rev. Helmut Frenz, bishop of the ELCC, has been barred from returning to Chile. We deplore the enforced separation of Bishop Frenz from his family, his church and his ministry.

We have come to know and respect Bishop Frenz as a dedicated servant of God who is willing to risk all for the sake of the Gospel and for his countrymen.

To refuse to permit him to return to Chile from Europe where he has been participating in an International Consultation of the Lutheran World Federation only serves to give credence to the disturbing reports concerning oppressive conditions in Chile.

The ALC stands with Bishop Frenz in his concern for the Chilean people, we urge the Chilean government to reconsider its action so that Bishop Frenz may resume his ministry with the ELCC and with the Committee for Cooperation for Peace in Chile.

NATIONAL COUNCIL OF CHURCHES

We firmly protest the action taken by the Chilean government to prohibit the re-entry of Lutheran Bishop Helmut Frenz. Such a decision taken against a Christian leader known for his humanitarian commitment will serve only to damage further the image of the Chilean junta.

We strongly urge you to rescind this action and permit Bishop Frenz to return to his Christian ministry in Chile.

(Signed by Claire Randall, General Secretary; Eugene Stockwell, Assoc. General Secretary; William Wipfler, director of Latin American office.)

CANADIAN COUNCIL OF CHURCHES

Protest in strongest terms refusal to readmit Bishop Helmut Frenz to Chile, despite promise of non-interference in church affairs. Also protest arrest of pastors in Antofogasta. Such actions in face of their humanitarian work only damages further the reputation of junta in the eyes of Christians throughout the world. Urge readmission of Frenz and release of pastors.

STATEMENT BY DR. GEORGE F. HARKINS, GENERAL SECRETARY, LUTHERAN COUNCIL/USA TO GENERAL PINOCHET

Lutherans in the United States indignantly protest the recent action of your government which declared Bishop Helmut Frenz personna nongrata. Because we know him personally and hold him in highest esteem we cannot but ask why such action was deemed desirable or necessary.

Bishop Frenz has enthusiastically endorsed every action of the government of Chile which indicated respect for people as individuals who are significant to themselves, to their neighbors and to their government. He has zealously supported the inalienable rights of the citizens of Chile. He has registered firm opposition to grievously oppressive measures against some Chileans. Why?

STATEMENT FROM CARL MAU, GENERAL SECRETARY, LUTHERAN WORLD FEDERATION TO GENERAL PINOCHET, PRESIDENT OF CHILE, OCTOBER 4, 1975

The Lutheran World Federation has received information that Bishop Helmut Frenz, head of our member church in Chile, has been barred from reentering Chile, and his residence permit has been cancelled.

He is at present in Geneva for our global consultation on the Identity of the Church, being attended by church leaders from all parts of the world.

Bishop Frenz is known throughout the Lutheran World Federation for his courageous Christian witness and leadership to secure the human rights of all people. He has taken a clear stand for reconciliation and justice, which can be the only basis for peace and tranquility in any nation.

The work of Bishop Frenz has been recognized by the world community of nations. The High Commissioner for Refugees of the United Nations has awarded him the Nansen Medal in 1974.

If these reports about his expulsion are true the Lutheran World Federation protests this action of the Chilean Government strenuously, asking the government to rescind this harsh step and allow Bishop Frenz to return to his rightful position as head of the Evangelical Lutheran Church in Chile and as co-president of the Committee of Cooperation for Peace in Chile.

STATEMENT BY DR. PHILIP A. POTTER, GENERAL SECRETARY, WORLD COUNCIL OF CHURCHES, TO GENERAL PINCHET, PRESIDENT OF CHILE, OCTOBER 4, 1975

The World Council of Churches received news from Chile late last night that on Friday afternoon the Chilean press reported the cancellation of the permission for Bishop Helmut Frenz to reside in Chile. Bishop Frenz is head of the Evangelical Lutheran Church in Chile, Co-president of the Ecumenical Committee of Cooperation for Peace in Chile and the most recent recipient of the UNHCR Nansen Medal for his outstanding leadership of the Chilean churches' National Committee for aid to Refugees.

At the time the report was received he has attending a study consultation of the Lutheran World Federation at Bossey, near Geneva.

While no text of the communique said to have been made public by the Chilean Ministry of the Interior is available here, it is reported to deny as well his right to return to Chile. If such decision has indeed been taken, the World Council of Churches would consider it to be an extremely serious and unjustified attack on a distinguished church leader, his church—which is a member of the

World Council of Churches—and an ecumenical work in Chile on behalf of persons in that country whose human rights are violated.

Last June General Pinochet gave public assurances that his government would take no steps which would prejudice Bishop Frenz' continued presence and work in Chile. This reported decision is therefore all the more astonishing. If it has in fact been made, the World Council of Churches publicly and forcefully demands that it be rescinded immediately.

GENERAL PINOCHET, SANTIAGO, CHILE

DEAR PRESIDENT PINOCHET: It has come to my attention as president of the Lutheran Church-Missouri Synod, one of the three major Lutheran Church bodies of the United States of America, that the government of Chile has barred former Bishop Frenz reentry into Chile.

I believe that he has served his people and a portion of the population of Chile faithfully and well and I would certainly request that you give serious consideration to the possibility of getting this action reversed.

J. A. O. PREAUS,
President,
Lutheran Church-Missouri Synod.

AMERICAN FRIENDS
SERVICE COMMITTEE INC.,
Philadelphia, Pa.

Representative DANTE FASCELL,
House of Representatives,
Washington, D.C.

DEAR DANTE FASCELL: We have recently learned that Helmut Frenz, Lutheran Bishop of Chile and co-chairman of the interfaith Committee of Cooperation for Peace in Chile, has been denied readmission to Chile and has had his permanent resident visa revoked by the Chilean government. His family must also leave Chile.

Helmut Frenz is known to us personally and by reputation as a man of great courage, integrity and commitment to human rights and dignity. He has been in the forefront of efforts in Chile to preserve these rights for Chileans and for aliens as well as to obtain accountability on the part of the current government for its actions towards individuals. His work has represented the finest expression of Christian concern for the oppressed, and, as you know, he was awarded the United Nations' Fridtjof medal in 1974 for his work with refugees.

We believe that the United States Government must protest with all possible moral force the exclusion from Chile of this man who has worked so selflessly for the rights of others, and should demand to know why a man with such credentials is denied admission to a country, especially one where he has lived and worked for many years. We ask that you urge the President and the Secretary of State to communicate deep distress on behalf of the U.S. government and people over this action, and to recommend in the strongest terms the readmission to Chile, and the right to continue their work, for Helmut Frenz and his family.

Sincerely,

LOUIS W. SCHNEIDER,
Executive Secretary.
CORINNE B. JOHNSON,
Director, Latin America Program.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FOUNTAIN (at the request of Mr. O'NEILL) for today, on account of a necessary absence.

Mr. CORMAN (at his own request) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MYERS of Pennsylvania) and to revise and extend his remarks and include extraneous matter:)

Mr. KEMP, for 30 minutes, today.

(The following Members (at the request of Mr. HARRIS and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. MIKVA, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. ASPIN, for 10 minutes, today.

Mr. CORNELL, for 15 minutes, on November 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MYERS of Pennsylvania) and to include extraneous matter:)

Mr. ARCHER in two instances.

Mr. YOUNG of Florida in five instances.

Mr. EMERY.

Mr. SYMMS.

Mr. ROUSSELOT.

Mr. WHALEN.

(The following Members (at the request of Mr. HARRIS), to revise and extend their remarks, and to include extraneous matter:)

Mrs. LLOYD of Tennessee in five instances.

Mr. SISK.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BINGHAM in 10 instances.

Mr. SARBANES in five instances.

Mr. O'HARA.

Mr. DE LA GARZA in 10 instances.

Mr. MCDONALD of Georgia in two instances.

Mr. DOWNEY of New York in two instances.

Mrs. SPELLMAN in 10 instances.

Mr. RANGEL.

Mr. LEVITAS.

Mr. MIKVA.

Mr. WOLFF.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1699. An act for the relief of Mrs. Hope Namgyal; to the Committee on the Judiciary.

ADJOURNMENT

Mr. HARRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Tuesday, November 4, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1975. A letter from the President of the United States, transmitting notice of his intention to amend Executive Order 11844 by withdrawing the designations of the Khmer Republic and Vietnam (South) as beneficiary developing countries for purposes of the Generalized System of Preferences, pursuant to section 502(a)(2) of the Trade Act of 1974 (H. Doc. No. 94-294); to the Committee on Ways and Means and ordered to be printed.

1976. A letter from the Administrator, Energy Research and Development Administration, transmitting a summary of the effects of proposed amendments to ERDA's budget submitted by the President on October 22, 1975; to the Committee on Appropriations.

1977. A letter from the Acting Assistant Administrator of General Services, transmitting the statistical supplemental to the stockpile report for the 6 months ended June 30, 1975, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committe on Armed Services.

1978. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 1-59, "To remove the requirement that District revenues be collected into and expended from various funds," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1979. A letter from the Assistant Secretary of Agriculture, transmitting notice of a delay in the submission of the Secretary recommendations based on the advisory committee study of the methods available to evaluate the health benefits of the special supplemental food program, required by section 17(f) of the Child Nutrition Act, as amended (80 Stat. 520); to the Committee on Education and Labor.

1980. A letter from the Secretary of Labor, transmitting a report on progress in the review of the operation of the Federal employees' compensation program required by section 27 of Public Law 93-416; to the Committee on Education and Labor.

1981. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on excess defense articles delivered to foreign governments in the fourth quarter of fiscal year 1975 and the entire fiscal year, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

1982. A letter from the Administrator, Federal Energy Administration, transmitting the final report of the administration on the Nation's oil and gas resources, reserves, and capacity to produce petroleum products, pursuant to section 15(b) of Public Law 93-275; to the Committee on Interstate and Foreign Commerce.

1983. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act [8 U.S.C. 1254(c)]; to the Committee on the Judiciary.

1984. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act

[8 U.S.C. 1254(c)]; to the Committee on the Judiciary.

1985. A letter from the Corporation Agent, Legion of Valor of the United States of America, Inc., transmitting the financial statement of the Legion for the fiscal year ended April 30, 1975, pursuant to section 14(b) of Public Law 84–224; to the Committee on the Judiciary.

Received From the Comptroller General

1986. A letter from the Comptroller General of the United States, transmitting a report assessing the Federal program for strengthening developing institutions of higher education; jointly, to the Committees on Government Operations, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on October 30, 1975, the following reports were filed on November 1, 1975*]

Mr. FOLEY: Committee on Agriculture. H.R. 7862. A bill to amend the Farm Credit Act of 1971 relating to credit eligibility for cooperatives serving agricultural producers, and to enlarge the access of production credit associations to Federal district courts; with amendment (Rept. No. 94–609). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 7863. A bill to amend the Farm Credit Act of 1971 to authorize the Federal Farm Credit Board to fix the compensation of the Governor and Deputy Governors of the Farm Credit Administration; with amendment (Rept. No. 94–610). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 10027. A bill to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes; with amendment (Rept. No. 94–611). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 10339. A bill to encourage the direct marketing of agricultural commodities from farmers to consumers; with amendment (Rept. No. 94–612). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 1617. An act to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes; with amendment (Rept. No. 94–613). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum (Rept. No. 94–614). Refererd to the Committee of the Whole House on the State of the Union.

[*Submitted November 3, 1975*]

Mr. DIGGS: Committee on the District of Columbia. H.R. 10035. A bill to establish the Judicial Conference of the District of Columbia (Rept. No. 94–615). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 10041. A bill to amend section 739 of Public Law 93–198 (Rept. No. 94–616). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. Senate Joint Resolution 121. Joint resolution to provide for quarterly adjustments in the support price of milk; with amendment (Rept. No. 94–617). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 8529. A bill to establish improved programs for the benefit of producers and consumers of rice with amendment (Rept. No. 94–618). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 10073. A bill to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes with amendment (Rept. No. 94–619). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 8578. A bill to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies with amendment (Rept. No. 94–620). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN (for himself, Ms. Abzug, Mr. Baldus, Mr. Cornell, Mr. Edgar, Mr. Harrington, Ms. Holtzman, Mr. LaFalce, Mr. Mottl, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Scheuer, and Mr. Stark):

H.R. 10513. A bill to prohibit the introduction or delivery for introduction into commerce of the chemical compounds known as polychlorinated biphenyls; to the Committee on Interstate and Foreign Commerce.

By Ms. COLLINS of Illinois (for herself, Ms. Abzug, Ms. Burke of California, Ms. Chisholm, Mr. Conyers, Mr. Drinan, Mr. Edgar, Mr. Fascell, Mr. Ford of Tennessee, Mr. Harrington, Mr. Harris, Mr. Hawkins, Mr. Hinshaw, Ms. Holtzman, Mr. Mitchell of Maryland, Mr. Moss, Mr. Rangel, Mr. Rodino, Mr. Rosenthal, Mrs. Spellman, Mr. Thompson, and Mr. Vander Veen):

H.R. 10514. A bill to amend the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers; to the Committee on Banking, Currency and Housing.

By Mr. FLORIO:

H.R. 10515. A bill to extend authorizations for appropriations for the Lead-Based Paint Poisoning Prevention Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 10516. A bill to amend title XVIII of the Social Security Act to provide for the establishment of a Nursing Home Affairs Advisory Council; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HARRIS (for himself and Mr. Maguire):

H.R. 10517. A bill to amend the act of April 7, 1954, which preserved within Manassas National Battlefield Park, Va., important historic properties relating to the battles of Manassas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KASTEN:

H.R. 10518. A bill to repeal the Real Estate Settlement Procedures Act of 1974; to the Committee on Banking, Currency and Housing.

By Mrs. MINK:

H.R. 10519. A bill to amend the Internal Revenue Code of 1954 to provide that certain organizations established before 1913 shall not be treated as private foundations; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 10520. A bill to amend title II of the Social Security Act to increase to $4,560 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. ROUSH (for himself, Mr. Sharp, and Mr. Fithian):

H.R. 10521. A bill to amend section 600 and section 601 of title 18, United States Code, relating to the granting or deprivation of benefits provided for or made possible by any act of Congress, on the basis of political activity, and for other purposes; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 10522. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

H.R. 10523. A bill to amend the Securities Act of 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNEY of New York:

H.R. 10524. A bill to amend section 226 of the Social Security Act to make inapplicable, in the case of individuals suffering from multiple sclerosis, the present requirement that an individual under age 65 must have been entitled to benefits based on disability for at least 24 consecutive months in order to qualify for medicare benefits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HASTINGS introduced a bill (H.R. 10525) for the relief of Joel Morrissey, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7575

By Mr. FUQUA:

Page 28, line 17, delete the comma and insert a period. Delete all language after the period through line 25.

By Mr. LEVITAS:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS

Sec. 2. The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy; that it is the primary responsibility of each Federal agency to serve and protect the consuming public and to orient its operations toward this goal; and that it is within the legitimate oversight authority and responsibility of the Congress to establish mechanisms whereby the operations of Federal agencies may be subjected to critical examination to insure that those purposes are faithfully pursued.

ESTABLISHMENT

Sec. 3. (a)(1) There is hereby established an office of the Congress to be known as the Office of Consumer Protection. The Office shall be headed by a Director who shall be nominated by the President pro tempore of the Senate and the Speaker of the House of Representatives, and confirmed by majority vote of the Senate and of the House of Repsentatives. The Director shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Office a Deputy Director who shall be appointed by the Director. The Deputy Director shall perform such functions, powers, and duties as may be prescribed from time to time by the Director and shall act for, and exercise the powers of, the Director during the absence of disability of, or in the event of a vacancy in the office of, the Director. The Director and Deputy Director may be removed by either House by resolution.

(2) The term of office of the Director first appointed shall expire at noon on January 3, 1979, and the terms of office of Directors subsequently appointed shall expire at noon on January 3 of each fourth year thereafter. Any individual appointed as Director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed. Any Deputy Director shall serve until the expiration of the term of office of the Director who appointed him (and until his successor is appointed), unless sooner removed by the Director.

(3) The Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as in effect from time to time, for level III of the Executive Schedule in section 5314 of title 5, United States Code. The Deputy Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as so in effect, for level IV of the Executive Schedule in section 5315 of such title.

(b) No employee of the Office while serving in such position may engage in any business, vocation, or other employment or have other interests which are inconsistent with his official responsibilities.

POWERS AND DUTIES OF THE DIRECTOR

SEC. 4. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of the Office and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Director is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of busines, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Director compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

(4) promulgate such rules as may be necessary to carry out the functions vested in him or in the Office, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of Federal agencies and of State and private agencies and instrumentalities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Office and on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(c) Upon request made by the Director, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Office in the performance of its functions.

(d) The Director shall transmit to the Congress and the President in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the Office during the preceding calendar year including a summary of consumer complaints received and actions taken thereon and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the interests of consumers within the United States. Each such report shall include a summary and evaluation of selected major consumer programs of each Federal agency, including, but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration, or enforcement of such programs.

FUNCTIONS OF THE OFFICE

SEC. 5. (a) The Office shall, in the performance of its functions, advise the Congress as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Office shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) encourage and support research, studies, and testing of consumer products and improved products, services, and consumer information, to the extent authorized in section 8 of this Act;

(3) submit recommendations annually to the Congress on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies; and

(6) keep the appropriate committees of Congress fully and currently informed of all its activities, except that this paragraph is not authority to withhold information requested by individual Members of Congress.

CONSUMER COMPLAINTS

SEC. 6. (a) Whenever the Director receives a consumer complaint with regard to a Federal agency proceeding or activity substantially affecting an interest of consumers, and he determines that such complaint has a reasonable probability of being true and of being motivated by a significant grievance, he shall solicit the response of such agency to such complaint, and conduct such further investigation as he deems necessary to the making of a report under subsection (b)(2).

(b)(1) The Director shall, on a monthly basis, publish in the Federal Register and submit to the Committees on Government Operations of the House of Representatives and of the Senate a complete list, by general subject matter, of all consumer complaints which were the subject matter of investigations conducted pursuant to subsection (a).

(2) The Director shall maintain a file with regard to each consumer complaint investigated pursuant to subsection (a), which file shall be available to Members of Congress, to either House of Congress, and, to the extent of matter within its jurisdiction, to any committee of Congress, whether joint, standing, or select, or to any subcommittee thereof. Such file shall contain—

(A) the allegations contained in the original consumer complaint or complaints prompting the investigation;

(B) the response of the respective agency to such allegations;

(C) any additional factual material resulting from further investigation;

(D) a report by the Director setting forth—

(i) his conclusions as to any facts in dispute between the complainant and the agency;

(ii) the extent to which investigation of the complaint resulted in agency action favorable to the complainant, or the extent to which information supplied by the agency under subsection ( ) resulted in further administrative or judicial proceedings;

(iii) the extent to which agency action in response to the complaint is impeded by the current state of the law;

(iv) the extent to which agency action in response to the complaint is based on the exercise of discretion vested in the agency;

(v) any recommendations for legislative action which might help to avert future legitimate complaints of a similar nature;

(vi) a brief estimate of the cost of the investigation to the Office, including the cost of preparation of the report and recommendations.

(c)(1) Whenever the Office receives from any source, or develops on its own initiative, any complaint or other information affecting the interests of consumers and disclosing a probable violation of—

(A) a law of the United States,

(B) a rule or order of a Federal agency or officer, or

(C) a judgment, decree, or order of any court of the United involving a matter of Federal law,

it shall take such action within its authority as may be desirable, including the proposal of legislation, or shall promptly transmit such complaint or other information to the Federal agency or officer charged with the duty of enforcing such law, rule, order, judgment, or decree, for appropriate action.

(2) The Office shall ascertain the nature and extent of action taken with regard to respective complaints and other information transmitted under subsection (c) of this section.

(d) The Office shall maintain a public document room containing an up-to-date listing of all signed consumer complaints of any significance for public inspection and copying which the Office has received, arranged in meaningful and useful categories, together with annotations of actions taken by it. Complaints shall be listed and made available for public inspection and copying only if—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had sixty days to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the entity to which the complaint has been referred has had sixty days to notify the Office what action, if any, it intends to take with respect to the complaint.

REPRESENTATION OF CONSUMERS

SEC. 7. (a) Whenever a committee of the Congress having specific oversight responsibility with respect to the operations of a Federal agency determines that the result of a proceeding or activity of such agency may substantially affect an interest of consumers, such committee may by resolution order the Director to intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. The Director shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Director in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Except as provided in subsection (c), the Director may be directed to intervene as a party or otherwise participate in any Federal agency proceeding which is subject to section 553, 554, 556, or 557 of title 5, United States Code, or to any other statute or regulation authorizing a hearing, or which is conducted on the record after opportunity for an agency hearing.

(2) Except as provided in subsection (c), in any Federal agency proceeding not covered by paragraph (1), or any other Federal agency activity, the Director may be directed to participate or communicate in any manner that any person may participate or communicate under Federal agency statutes, rules, or practices. The Federal agency shall give consideration to the written or oral submission of the Director. Such submission shall be presented in an orderly manner and without causing undue delay.

(b) At such time as the Director is ordered to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth the findings of the oversight committee under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of this statement in the proceeding.

(c) In—

(1) any Federal agency proceeding seeking primarily to impose a fine or forfeiture which the agency may impose under its own authority for an alleged violation of a statute of the United States or of a rule, order, or decree promulgated thereunder, or

(2) any action in any court of the United States to which the United States or any Federal agency is a party,

and which in the opinion of the Director may substantially affect the interests of consumers, the Director upon his own motion, or upon written request made by the officer or employee who is charged with the duty of presenting the case for the United States or the Federal agency in the proceeding or action, may transmit to such officer or employee all evidence and information in the possession of the Director relevant to the proceeding or action and may, in the discretion of the Federal agency or court, appear as amicus curiae and present written or oral argument to such agency or court.

(d) To the extent that any person, if aggrieved, would have a right of judicial review by law, the Director may, at the direction by resolution of the committee of the Congress having primary oversight responsibility, institute, or intervene as a party, in a proceeding in a court of the United States involving judicial review of any Federal agency action which such committee determines substantially affects the interests of consumers, except that where the Director did not intervene or participate in the Federal agency proceeding or activity involved, the court shall determine whether the Director's institution of the judicial proceeding would be necessary to the interests of justice. Before instituting a proceeding to obtain judicial review in a case where the Director did not intervene or participate in the Federal agency proceeding or activity, the Director shall petition the Federal agency for rehearing or reconsideration of its action if the Federal agency statutes or rules specifically authorize rehearing or reconsideration. The petition shall be filed within sixty days after the Federal agency action or within such longer time as may be allowed by Federal agency procedures. If the Federal agency does not act finally upon such petition within sixty days after filing thereof, or within any shorter time, less five days, as may be provided by law for the initiation of judicial review, the Director may institute a proceeding for judicial review immediately. The participation of the Director in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

(e) When the committee of the Congress having oversight responsibility determines it to be in the interests of consumers, such committee may by resolution order the Director to request the Federal agency concerned to initiate such proceeding or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Office of the reasons for its failure and such notification shall be a matter of public record. To the extent that any person, if aggrieved, would have a right of judicial review by law, such committee may by resolution order the Director to institute a proceeding in a court of the United States to secure review of the action of a Federal agency or its refusal to act.

(f) Appearances by the Office under this section shall be in its own name and shall be made by qualified representatives designated by the Director.

(g) In any Federal agency proceeding to which the Office is a party, the Office is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(h) The Office is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Nothing in this section shall be construed to prohibit the Office from commencing with Federal, State, or local agencies at times and in manners not inconsistent with law or agency rules.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) The Office shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data concerning—

(1) the functions and duties of the Office;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Director possess information which would be useful to consumers are authorized and directed to cooperate with the Office in making such information available to the public.

TESTING AND RESEARCH

SEC. 9. (a) The Office shall, in the exercise of its functions—

(1) encourage and support through both public and private entities the development and application of methods and techniques for testing materials, mechanisms, components, structures, and processes used in consumer products and for improving consumer services;

(2) make recommendations to the Congress with respect to research, studies, analyses, and other information within the authority of Federal agencies which would be useful and beneficial to consumers; and

(3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation which would administer a voluntary, self-supporting, information tag program (similar to the "Tel-Tag" program of Great Britain) under which any manufacturer of a nonperishable consumer product to be sold at retail could be authorized to attach to each copy of such product a tag, standard in form, containing information, based on uniform standards relating to the performance, safety, durability, and care of the product.

(b) All Federal agencies which, in the judgment of the Director, possess testing facilities and staff relating to the performance of consumer products and services, are authorized to perform promptly, to the greatest practicable extent within their capability, such tests as the Director may request in the exercise of his functions under sections 6 or 7 of this Act, regarding products, services, or any matter affecting the interests of consumers. Such tests shall, to the extent possible, be conducted in accordance with generally accepted methodologies and procedures, and in every case when test results are published, the methodologies and procedures used shall be available along with the test results. The results of such tests may be used or published only in connection with operations which the Office is conducting pursuant to sections 6 or 7. In providing facilities and staff upon request made in writing by the Director, Federal Agencies—

(1) may perform functions under this section without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

(2) may request any other Federal agency to supply such statistics, data, progress reports, and other information as the Director deems necessary to carry out his functions under this section and any such other agency is authorized and directed to cooperate to the extent permitted by law by furnishing such materials; and

(3) may, to the extent necessary and authorized, acquire or establish additional facilities and purchase additional equipment

for the purpose of carrying out the purposes of this section.

(c) Neither a Federal agency engaged in testing products under this Act nor the Director shall declare one product to be better, or a better buy, than any other product; however, the provisions of this subsection shall not prohibit the use or publication of test data as provided in subsection (b).

INFORMATION GATHERING

SEC. 10. (a) (1) To the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, the Director is authorized, upon direction by resolution of a committee of the Congress of appropriate jurisdiction, to issue written interrogatories or requests for reports and other related information to any person engaged in a trade, business, or industry which substantially affects interstate commerce. Such interrogatories or requests shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought.

(2) Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person, or shall require the disclosure of information which would violate any relationship privileged according to law.

(3) The Director shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record;

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending Federal agency proceeding against the person to whom the interrogatories are addressed.

(4) In the event of noncompliance with any interrogatories or requests submitted to any person by the Director pursuant to paragraph (1), any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Director. The district court of the United States shall issue an order upon petition by the Director or on a motion to quash, and upon the Director's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excessively burdensome.

(b) (1) Upon written request by the Director, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Director deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Director access to and copies of—

(A) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(B) policy recommendations by Federal agency personnel intended for internal agency use only;

(C) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(D) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(E) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency; and

(F) trade secrets and commercial or financial information described in section 552 (b) (4) of title 5, United States Code—

(i) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Director that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Director for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(ii) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Director access to trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity to comment or seek injunctive relief. Where access to information is denied to the Director by a Federal agency pursuant to this subsection, the head of the agency and the Director shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections. The Director may file a complaint in court to enforce its rights under this subsection in the same manner and subject to the same conditions as a complainant under section 552(a) (3) of title 5, United States Code.

(2) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Director from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof or any book containing any abstracts or particulars thereof to be seen or examined by the Director, except as provided by law.

(c) (1) The Office shall not disclose to the public or to any State or local agency—

(A) any information (other than complaints published pursuant to section 6 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b) (4) of title 5, United States Code, obtained from a person and privileged or confidential; or

(B) any information which was received solely from a Federal agency when such agency has notified the Office that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, the Office may disclose such information in such form or manner.

(2) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which is prohibited by law.

(3) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 7 the following additional provisions shall govern:

(A) The Director in releasing information concerning consumer products and services, shall determine that (i) such information, so far as practicable, is accurate, and (ii) no part of such information is prohibited from disclosure by law. The Director shall comply with any notice by a Federal agency pursuant to section 10(c) (1) (B) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(B) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (i) not all products of a competitive nature have been tested, if such is the case, and (ii) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(C) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

PROTECTION OF THE CONSUMER INTEREST IN ADMINISTRATIVE PROCEEDINGS

SEC. 11. Every Federal agency in considering any Federal agency action which may substantially affect the interests of consumers including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions, shall—

(1) notify the Office at such time as notice of the action is given to the public, or at such times and in such manner as may be fixed by agreement between the Director and each agency with respect to the consideration of specific actions, or when notification of a specific action or proceeding is requested in writing by the Office; and

(2) consistent with its statutory responsibilities, take such action with due consideration to the interest of consumers.

In taking any action under paragraph (2), upon request of the Office or in those cases where a public announcement would normally be made, the Federal agency concerned shall indicate concisely in a public announcement of such action the consideration given to the interests of consumers. This section shall be enforceable in a court of the United States only upon petition of the Office.

SAVINGS PROVISIONS

SEC. 12. (a) Nothing contained in this Act shall be construed to alter, modify, or impair the statutory responsibility and authority contained in section 201(a) (4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 481(a) (4)), or of any provision of the antitrust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

(b) Nothing contained in this Act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

DEFINITIONS

SEC. 13. As used in this Act—

(1) The term "Office" means the Office of Consumer Protection.

(2) The words "agency", "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding" shall have the same meaning as set forth in section 551 of title 5, United States Code.

(3) The term "consumer" means any person who uses for personal, family, or house-

hold purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territories of the Pacific Islands.

EXEMPTIONS

SEC. 14. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Energy Research and Development Administration, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

SEX DISCRIMINATION

SEC. 15. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or deny any other legal remedies available to a discriminatee.

APPROPRIATIONS

SEC. 16. There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1976, for the transitional period July 1, 1976, through September 30, 1976, for the fiscal year ending September 30, 1977, and for the fiscal year ending September 30, 1978.

EFFECTIVE DATE

SEC. 17. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 18. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

SENATE—*Monday, November 3, 1975*

The Senate met at 12 meridian and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who art ever the same yesterday, today, and forever, amid all the changes of this life help us to keep our faith in Thee sure and strong. When we cannot see the distant scene help us to live 1 day at a time in Thy grace. Grant to us clarity of thought and soundness of judgment amid the uncertainties of this world. Prepare us for the surprises of history and steady us in all conflicts and tempests. May we open our hearts to Thy spirit, our minds to Thy truth, our wills to Thy will, and hear the "still small voice" say, "This is the way, walk ye in it."

In the name of the Master we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 3, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, October 30, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

FEDERAL POWER COMMISSION

The second assistant legislative clerk read the nomination of James G. Watt, of Wyoming, to be a member of the Federal Power Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, with the exception of unobjected-to items, be dispensed with, under rule VIII.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE VICE PRESIDENT'S STATEMENT

Mr. HUGH SCOTT. Mr. President, I read the statement of the Vice President. I think it is typical of this man. It is a brave statement. It is a statement made out of consideration for others. It is a statement made to relieve the President from political pressures at a time when his mind needs to be on the performance of the duties of his office. My delegation is pledged to the President and the Vice President in the next election. We have made no attempt to release that delegation. I regard my pledge as personal and will continue to adhere to it unless personally released by the Vice President. I do not regard what he says as a Sherman-like statement, but I hope it will relieve the pressures upon him.

Be that as it may, I continue to hold the Vice President in the highest regard and I continue to honor my pledge. For the time being, verbum sat sapienti.

Mr. MANSFIELD. Will the Senator yield?

Mr. HUGH SCOTT. I am glad to.

Mr. MANSFIELD. Mr. President, I think it is appropriate for someone on this side to speak about the announcement by the Vice President, the Presiding Officer of the Senate. I, too, am disappointed that he has withdrawn from the field. I think he has carried out his duties with circumspection, dignity, and integrity. I think it was a mistake for him to make the announcement he did, but it was made voluntarily. While I am disappointed, I appreciate what caused him to make such a statement. My admiration for him increases by that much more.

Mr. HUGH SCOTT. I thank the distinguished majority leader.

THE SUNDAY NIGHT SHAKEUP

Mr. ROBERT C. BYRD. Mr. President, I share the viewpoint that has just been expressed by my distinguished majority leader.

On another matter, but one that is perhaps not unrelated, the American people have seen a lot of their President on television in recent weeks. News conferences, proposals, and announcements have all been beamed into the homes of the people.

But what happens when the administration conducts the biggest shakeup of its existence?

No television. No formal announcements. Nothing. Instead the news leaks out on a Sunday night. The Secretary of Defense is fired. So, too, is the Director of the CIA. The Secretary of State decides to give up his post as head of the National Security Council. And all the American people get are bits and pieces throughout the night and next morning.

The manner in which the actions were handled does little for the credibility of the administration, and does little to serve the best interests of the citizens of our Nation.

As to the shakeup itself, I am disturbed, particularly with the firing of Secretary Schlesinger. Mr. Ford has removed the one man who articulated best the dangers of overemphasis on détente with the Russians. Differing points of view within the administration are vital if correct conclusions and sound decisions are to be made. The Secretary of Defense has been performing that useful and necessary function in raising questions about the wisdom of traveling what is more and more a one-way street, in which the United States gives and the Soviet Union takes.

There is no doubt that the real winner this weekend was Secretary Kissinger. President Ford, through his actions, showed the extent of his dependence on Dr. Kissinger.

The architect of détente, Secretary Kissinger, has performed valuable services for his Government, but he is not omniscient. I fear that his replacement as head of the National Security Council by his chief deputy is just what it seems to be—cosmetic.

If Secretary Kissinger is going to continue to use his position of power within the administration to stifle all dissent to his policies, then the country and the administration could suffer.

My views about the removal of Mr. Colby at CIA are less strongly held. George Bush is a good man, and the CIA may well benefit from new leadership. But this country can delude itself over détente only at peril of its future security.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) is recognized for not to exceed 15 minutes.

NEW YORK CITY'S FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. Mr. President, New York Federal Reserve Bank President Paul Volcker, in congressional testimony, has said the debt to commercial banks totaled nearly $3 billion of New York City paper, not counting the $2 billion in Municipal Assistance Corporation bonds. The Municipal Assistance Corporation was formed just a few months ago designed to help New York City with its financial difficulties.

Mr. President, the major bondholders of New York paper are the New York City banks. Today I again urge the Senate Banking Committee when it reports on the Senate legislation dealing with New York City's financial problems that it present to the Senate precise information as to the amount of bonds held by each of the New York City banks. That is fundamental information which should be made available to the Senate.

When the New York banks seek to have their investment guaranteed by the Federal Government—by the American taxpayer—then it is only appropriate and, indeed, necessary that Congress and the American people know to what extent each of these banks is to benefit. So I hope the committee will have that information for the Senate.

Now, on the same problem, in regard to New York City, Eliot Janeway, the able economist and syndicated writer, had a thoughtful and interesting article in the Washington Star of yesterday, Sunday, November 2. Mr. Janeway says that:

> Bankruptcy for New York City is no longer a prediction or a theory. Two convergent developments have made bankruptcy a fact.
>
> The New York State Legislature has decreed the first development in establishing the Governor as receiver for the city. The financial marketplace reflects the second development. The financial equivalent of rigor mortis has set in for New York.
>
> Prophets who say disaster will be precipitated by a New York default suffer from poor timing. In reality, the disaster occurred when bankruptcy became official in the statutory sense and functional in the financial sense. Default creates a problem, the solution for which is bankruptcy. But bankruptcy is a condition in which default is automatic, and renegotiation necessary.

Mr. President, the article by Mr. Janeway is an excellent presentation of the situation facing both New York City and the Senate in considering new legislation which, I understand, will be presented to the Senate in several days. It is necessary to take into consideration the facts which Mr. Janeway has pointed out in his piece in yesterday's Washington Star.

Mr. President, I ask unanimous consent that the article by Mr. Janeway be included in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

New York Financial Woes Make Strange Political Bedfellows

(By Eliot Janeway)

Demagoguing about default has become the name of the political game about New York. The reality behind the posturing is that New York City's bankruptcy has been established for months. Only the terms of trade between New York City and its harassed creditors remained to be settled.

All the political players are getting in on the action. Ford has been able to use the New York crisis to stage a comeback in the running debate over whether he is performing or is just another "no show."

The Democrats have been able to use the crisis to stage their own updated replay of the classic Republican scenario—snatching defeat from the jaws of victory. Ford, playing the heavy, clearly came out ahead of lightweight Democrats who were misplaying the pressure for bailout as a "bleeding heart" issue.

The lineup of the players on the "pro-New York" side of the issue would provoke chuckles reminiscent of the Keystone Cops if the financial strains weren't so serious.

Traditionally, the "do-good" liberal establishment has lined up against the banks as a matter of principle, and it hasn't fared badly as a result. But this crisis has frightened the limousine liberals into forging an alliance with the Cadillac conservatives. Anything ever said about politics making strange bedfellows certainly applies to the present spectacle of 1972's McGovernites sharing pillow talk with 1964's Goldwaterites.

Ironically, the "do-gooders" who are for a bailout are tub-thumping to the same beat as professional lobbyists who expect to be paid top dollar—leading their clients into losing campaigns.

The "do-gooders," however, aren't even getting reimbursed for their telephone calls to Democratic presidential candidates who are interested in lining up New York delegates.

The slogan of the New York do-gooders echoes that of the New York Mets: "You gotta believe." Unfortunately, the notion that nothing has changed in New York City is no longer believable. Bankruptcy for New York City is no longer a prediction or a theory. Two convergent developments have made bankruptcy a fact.

The New York State legislature has decreed the first development in establishing the governor as receiver for the city. The financial marketplace reflects the second development.

The financial equivalent of rigor mortis has set in for New York.

Prophets who say disaster will be precipitated by a New York default suffer from poor timing. In reality, the disaster occurred when bankruptcy became official in the statutory sense and functional in the financial sense. Default creates a problem, the solution for which is bankruptcy. But bankruptcy is a condition in which default is automatic, and renegotiation necessary.

If there is any single axiom about which liberals and conservatives agree, it is that bankruptcy puts an overriding priority on meeting the payroll before paying debt and interest on debt. This fact of life under bankruptcy respects neither geographical nor sociological boundaries, much less ideological ones.

Even in Switzerland, where banks are supposed to be in the saddle, meeting the payroll in a bankruptcy takes precedence over satisfying the creditors.

The iron law of bankruptcy makes even stranger bedfellows than the usual fanciful fictions of politics. By going all out for debt service as usual, Democratic liberals have invited Ford to steal their liberal thunder. Ford has grabbed a "can't lose" position by criticizing the New York bankers. The New York bank lobby of liberal Democrats has landed in a "can't win" position by advocating "payments as usual" to the banks as the alternative to default.

There's no way for the city to bargain for contracts from the unions and their pension funds short of coming to the bargaining table armed with an agreement with the banks for debt deferrals plus interest forgiveness. The unions can't be expected to go along with any renegotiation of claims while the banks are being paid as usual. Furthermore, New York hasn't a chance of scaring up enough money for both social service and debt service. The point about bankruptcy is that it relies on a holiday on debt service and pension-fund contributions to permit a bill to be paid.

The irony of Gov. Carey's position in the crisis goes back to his feat in getting elected as present-day reincarnation of the New Deal coalition. Whereas Roosevelt met the banking crisis of his time with cheerful plausibility by threatening "to drive the money changers out of the Temple," Carey's advisers have saddled him with the unbearable political and fiscal burden of elevating the Wall Street bankers to top-drawer political claimants on New York's empty treasury.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I yield back my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes with statements therein limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEFENSE SECRETARY JAMES R. SCHLESINGER

Mr. THURMOND. Mr. President, I have known all of the Defense Secretaries who have served during my 21 years in the Senate. In my judgment, none has been more able, dedicated, and knowledgeable than Secretary James R. Schlesinger. He has understood the need for military preparedness and the dangers posed by a lack of preparedness. He fully understood the Soviet threat and his recommendations on policy were aimed at meeting that challenge. He has served our country exceedingly well, not only as Secretary of Defense but in other high posts such as Director of the Central Intelligence Agency and head of the Atomic Energy Commission.

It is, indeed, regrettable that this man's vision and knowledge about our overall policy of defense and world affairs is being lost to the administration and the Nation. His appearances before Congress showed clearly he was firm in his convictions and sound in his judgment on defense matters. The defense policies he has promulgated and enunciated were timely and vital to our national security. His views threw a harsh light on détente, and his tough position on issues being discussed at the Strategic Arms Limitation Talks had my full support.

In my judgment, the country needs a Secretary of Defense who understands strategic international pressures and espouses the defense posture necessary to protect our national interests around the world. Dr. Schlesinger comprehends these matters thoroughly and has acted to preserve a defense posture second to none.

Mr. President, it was with deep regret that I learned Sunday of the departure of this loyal and able voice from President Ford's Cabinet. I have expressed to the President in a telegram this morning my disappointment over this development.

PRIVILEGE OF THE FLOOR— H.R. 9005

Mr. HARRY F. BYRD, JR. I ask unanimous consent that Peter Hughes, of my staff, be granted the privilege of the floor during the consideration of H.R. 9005.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The secod assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF PEACE CORPS ACT

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6334.

The ACTING PRESIDENT pro tempore laid before the Senate the message from the House of Representatives announcing its action on amendments of the Senate to H.R. 6334, as follows:

> *Resolved,* That the House agree to the amendment of the Senate numbered 3 to the bill (H.R. 6334) entitled "An Act to amend further the Peace Corps Act".
>
> *Resolved,* That the House disagree to the amendments of the Senate numbered 1, 2, and 4, to the aforesaid bill.
>
> *Resolved,* That the House agree to the amendment of the Senate to the title of the aforesaid bill.

Mr. HUMPHREY. Mr. President, this legislation passed the Senate on October 9, 1975, with two major amendments dealing with the Peace Corps' readjustment allowance and the VISTA volunteers' stipend.

The House-passed bill had increased the maximum amount of the Peace Corps readjustment allowance for regulars volunteers from $75 per month to $125 per month. In so doing, the House chose to lump together the authorization of appropriations needed to grant a readjustment allowance increase and the general authorization of appropriations to carry out the Peace Corps program.

The Senate-passed version approved the increase, but separated the authorization of appropriations—$7.642 million for fiscal year 1976 and $2.158 million for the 3-month transition budget period—for it from the authorization for the general Peace Corps program. The reasons for this separate treatment were to prohibit the use for program expenses of additional sums which may be appropriated for a readjustment allowance increase should the Director decide not to grant volunteers any increase; and to prohibit the use of program funds to finance an increase—thereby bringing about a reduction of overall volunteer and trainee strength—should additional funds to provide for a readjustment allowance increase not be appropriated.

To accomplish these purposes, the Senate-passed bill provided that the increase in the readjustment allowance would be effective only to the extent of, and in the amount of, funds specifically provided, preferably through earmarking, in appropriations acts.

The Senate version also provided for an increase in the maximum amount of the VISTA volunteers' stipend—from the present $50 to $75 per month. The VISTA stipend, established in the Economic Opportunity Act of 1964, is the counterpart of the Peace Corps readjustment allowance. The Foreign Relations Committee recommended that the

Senate accept this amendment after receiving two letters from eight members, including the chairman and ranking minority member of the Committee on Labor and Public Welfare, which has jurisdiction over the domestic volunteer programs of the ACTION Agency, indicating there is no jurisdictional objection, and urging the Foreign Relations Committee to approve this provision.

As with the Peace Corps readjustment allowance increase, the amendment to the law authorizing an increase in the VISTA stipend would be effective only upon enactment of an appropriation specifically earmarked for the purpose of providing a stipend increase over the present $50 a month level. Such sums as are necessary to meet the costs of providing for such an increase would be authorized to be appropriated. The estimated first full-year cost is $1,778,000 for fiscal year 1976 and $426,300 for the 3-month transition budget.

The House, on October 28, 1975, accepted the Senate amendment with respect to the VISTA stipend and disagreed with the Senate version concerning the readjustment allowance.

In view of the fact that Congress can exercise its oversight authority during the annual authorization process to insure that the readjustment allowance increase is not misused or granted at the expense of Peace Corps programs, I believe that the House version represents a reasonable compromise. However, in its parliamentary process, the House inadvertently—and I repeat, the House inadvertently—omitted the provision increasing the Peace Corps' readjustment allowance. Consequently, I believe that the following motions are necessary to rectify this oversight and to reach a final compromise.

Mr. President, I move that the Senate: First, recede from its amendments Nos. 1 and 2; and second, further insist on its amendment No. 4.

The motion was agreed to.

PRIVILEGE OF THE FLOOR— H.R. 9005

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Norvill Jones and Richard Moose of the staff of the Foreign Relations Committee, Daniel Spiegel of my staff, and Michael Glennon of the Office of the Legislative Counsel, be allowed to remain on the floor during the consideration of H.R. 9005.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. Bumpers) laid before the Senate the nomination of Gerald B. Tjoflat, of Florida, to be U.S. Circuit Judge for the Fifth Circuit, which was referred to the Committee on the Judiciary.

AUTHORIZATION OF FOREIGN ASSISTANCE PROGRAMS FOR 1976 AND 1977—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I sent to the Congress on May 15 draft legislation to authorize foreign assistance programs for fiscal years 1976 and 1977, and for the transition period July 1, 1976, through September 30, 1976. At that time, because of uncertainties caused by changing events, particularly in the Middle East and Indochina, I was unable to propose specific amounts for security assistance programs. I said I would return to the Congress with specific proposals for these programs as soon as possible.

The review of security assistance programs now has been completed and my revisions to the draft legislation are being transmitted today. My initial legislative proposal was printed in the House of Representatives as House Document No. 94–158 and was introduced in the Senate as S. 1816. The revisions transmitted with this message will supersede sections 10, 11, 12, 15, 16, 17 and 18 of that proposal.

The world is different and far more complex than the world we knew in the 1950's. So are the problems confronting it. However, the United States Government still has a primary responsibility to take the lead in creating conditions which will insure justice, international cooperation and enduring peace. The program of security assistance I am transmitting today will contribute significantly toward meeting this responsibility.

PEACE IN THE MIDDLE EAST

Nothing so underscores how essential the American peacekeeping role is than our current efforts in the Middle East. Since the October 1973 War, our Middle East policy has been based on the following three principles:

—First, a firm resolution to work for a just and lasting settlement of the Arab-Israeli conflict taking into account the legitimate interests of all states and peoples in the area, including the Palestinians.

—Second, a commitment to the improvement of our relations with all the states of the Middle East on a bilateral basis, maintaining our support for Israel's security while strengthening our relations with the Arab countries.

—Third, continued dedication to avoiding great power confrontation in the Middle East.

The October 1973 War was the fourth, and most devastating, round of hostilities between Arab and Israeli forces. Moreover, the impact of this last collision between opposing forces was not confined to the Middle East. The spectre of armed confrontation between the United States and the Soviet Union hung over the crisis. Disruption of the economies of Western Europe, Japan and other nations was an important by-product of the conflict. In addition, the likelihood existed that the period immediately after October 1973 would merely represent a pause between the fourth and fifth rounds of conflict.

The quest for peace in the area was of the highest priority. Our most immediate objective was to encourage the disengagement of the contending military forces. Disengagement was accomplished in 1974. This year, we dedicated ourselves to the goal of withdrawal in the Sinai—and an agreement was negotiated as a result of the efforts of Secretary of State Kissinger. We believe that the step-by-step approach to negotiations offers the best prospects for establishing an enduring peace in the region. We expect to proceed on an incremental basis to the next stage of negotiation within the near future.

I believe the hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century. A new era also is opening in our relations with Arabs and Israelis. This security assistance program will give substance to these new relationships and help preserve the momentum toward peace.

My proposals have three basic purposes:

—First, to provide Israel with the assistance needed to maintain security and to persevere in the negotiating process.

—Second, to give tangible expression to our new and fruitful relations with the Arab nations most directly involved and to encourage those which are seriously prepared to work for peace.

—Third, to encourage the peaceful development of the area, thereby reducing the incentives to violence and conflict.

The Security Assistance Program I am transmitting to Congress is heavily weighted with requirements to sustain the peace in the Middle East. Fully 70 percent of the program for fiscal year 1976 is to be concentrated in this region. It proposes:

—For Israel, $740 million in security supporting assistance and $1,500 million in military credits. Israel's ability to defend herself and to relieve some of the burdens of her defense reduces the prospect of new conflict in the Middle East.

—For Egypt, $750 million in supporting assistance. Egypt has made the bold decision to move from confrontation to negotiation as a means of resolving the Arab-Israeli dispute. Its leaders also must cope with serious economic problems whose resolution the United States is in a position to assist.

—For Jordan, $100 million in military assistance grants, $78 million in security supporting assistance, and $75 million in military credit sales. This assistance will strengthen Jordan's ability to hold to the course of moderation it has consistently followed.

- For Syria, $90 million in security supporting assistance. This assistance will enable our development cooperation with Syria to go forward, furthering our efforts to reestablish more normal bilateral relations.
- In addition, I am recommending a Special Requirements Fund this fiscal year of $50 million. The fund is to be used to reinforce the peace process in the area and, in particular, to defray the costs of stationing American civilian technicians in the Sinai area.

All of this aid will contribute to the confidence that Middle Eastern nations must have in the United States if we are to maintain our momentum toward peace.

EAST ASIA

The collapse of friendly governments in Indochina has necessitated a thorough review of the situation and of our policies and objectives throughout East Asia. The program I am proposing therefore recognizes the new realities as well as our enduring responsibilities as a leading participant in the affairs of the Asia Pacific region. For the first time, military sales credits exceed grants in our proposals for security assistance to Asian countries. These proposals include Foreign Military Sales credits in the amount of $80 million for the Republic of China, $126 million for Korea, and $37 million for Thailand, with smaller but no less significant amounts for Indonesia, Malaysia, and the Philippines. Grant assistance programs include $19 million for Indonesia, $74 million for Korea, $20 million for the Philippines, and $28 million for Thailand. This funding pattern reflects the improved economic circumstances of several of our allies, their decreasing dependence on grant aid, and a greater ability to pay for defense purchases on a deferred basis.

EUROPE

The program that I am proposing for Europe is focussed primarily on two countries with whom the United States shares extraordinary mutual defense interests: Greece and Turkey. For Greece, I am proposing more than $50 million in MAP and $110 million in FMS credits. Over the same period, Turkey would receive $75 million in MAP and $130 million in FMS credits. These amounts take into consideration urgent needs for defense articles and services on the part of these two important NATO allies. Implementation of the respective programs would allow the United States to resume its traditional cooperative role following the unfortunate disruptions occasioned by the Cyprus crisis. In this traditional role, the United States can work more effectively to alleviate regional tensions and rectify recent misunderstandings which have had an adverse impact on the interests of all our European allies.

AFRICA AND LATIN AMERICA

In these two geographic areas where there were widespread special development problems, I am proposing security assistance programs with emphasis on training as a common denominator. While the training programs are not individually costly, the fact that they are distributed among many countries should contribute to the strengthening of our regional relations well beyond the military sector. The only significant MAP proposal in either area involves a $12 million program for Ethiopia, where we have been committed to an armed forces modernization program of reasonable dimensions. No other grant aid funds are envisioned elsewhere in Africa. MAP proposals throughout Latin America are confined to small sums, mainly for vehicles, communications equipment and spare parts. FMS credits for Latin America are proposed in amounts commensurate with the relative sizes of the recipients' armed forces, their repayment ability and overall development needs. In Africa, the only significant FMS credit proposals are $10 million for Ethiopia and $19 million for Zaire.

SECURITY SUPPORTING ASSISTANCE

Aside from the special programs for the Middle East states which I have described previously, my proposals for security supporting assistance include $35 million for Cyprus, including $10 million for the United Nations Forces there, $55 million for Portugal, $65 million for Greece, and $23 million for Zaire. Other small programs and administrative expenses will total $33 million. In all instances, these programs reflect enlightened self-interest for the United States and a carefully documented need.

CONCLUSION

While the extraordinary recent developments in Indochina and the Middle East have necessitated a re-examination of our policies and changes in the focus of our security assistance programs, there can be no doubt that bilateral and multilateral cooperation in the defense sector remains a vital and necessary component of American foreign policy. The proposals that I am now able to make after this reappraisal are addressed specifically to a new global situation and to the extraordinary challenges and opportunities confronting us in the international sphere. Just as it would be a grievous mistake to base our current and future security assistance programs on the precepts of the past, it would be an even greater error to ignore our enduring responsibilities as a major world power by failing to exploit these opportunities. After twenty-five years of seemingly irreconcilable differences, two parties to the Middle East dispute at last have taken a decisive stride toward settling their differences, in joint reliance on our good offices and continuing support. In the strategic Eastern Mediterranean, two of our long-standing NATO allies look to us for a tangible sign of renewed support and traditional friendship. In East Asia, friends and allies are anxiously awaiting evidence that the United States intends to maintain its stabilizing role in Pacific affairs.

DEVELOPMENT ASSISTANCE

I am also pleased to note the progress made by the Congress on H.R. 9005, the International Development and Food Assistance Act of 1975, which authorizes funds for our development and disaster assistance programs. Although we have minor differences with the Congress on the formulation of this legislation, I expect these to be resolved in the legislative process. The 244–155 vote in the House clearly indicates that the Congress and the executive branch jointly endorse the current reorientation of our bilateral development assistance program focusing on basic human problems in the poor countries.

We must reaffirm our humanitarian commitment to some 800 million people in the Third and Fourth World, who live in poverty, facing the daily reality of hunger and malnutrition without access to adequate health and education services and with limited productive employment. Improving the quality of life for one-third of mankind living in conditions of despair has become a universal political demand, a technical possibility, and a moral imperative.

Our foreign assistance programs, both development and security, are essential for achieving world peace and for supporting an expanding international economy which benefits all nations. Our national security and economic well-being in a world more interdependent than ever before in the history of mankind warrant the fullest support of the American people and the Congress for our foreign assistance programs.

In regard to the impact of these proposals on overall federal budget levels, I fully recognize the proposed amounts are substantial. I should emphasize, however, that total fiscal year 1976 expenditures for all types of foreign aid including economic and military will still be roughly ten percent below the amounts originally contained in my January budget because of the withdrawal of the request for Indochina funding.

I am confident the Congress shares my desire to see the United States continue to manifest to all nations its determination to play a role in the search for a more secure international environment which is worthy of its greatness as a nation.

GERALD R. FORD.

THE WHITE HOUSE, *October 30, 1975.*

U.S. PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. BUMPERS) laid before the Senate the following message from the President of the United States which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to send to the Congress the 29th annual report on United States participation in the work of the United Nations.

This report, which covers the Calendar Year 1974, shows how U.S. national interests were affected by the work of the United Nations, its specialized agencies and its special programs. It shows the many ways in which the United States utilized the United Nations to promote world peace, economic progress and social justice. It also shows that at times a majority, unfortunately, took decisions on important political and economic issues without taking into consideration the views of some of the nations most importantly involved.

During 1974, the Third Law of the Sea Conference in Caracas, the World Population Conference in Bucharest, and the World Food Conference in Rome all focused attention on worldwide problems that can be solved only by international cooperation. The United States made constructive contributions to all these conferences.

The report gives special attention to U.N. efforts designed with U.S. support:

—to keep the peace on Cyprus, in the Middle East and elsewhere;
—to strengthen international arms control and disarmament programs;
—to find a solution to the problem of world food shortages and maldistribution;
—to control population growth;
—to relieve the victims of natural and other disasters;
—to promote international economic and social development;
—to develop more effective procedures to protect human rights; and
—to improve the functioning of the United Nations itself.

Not all the work of the United Nations is cited in this report. Many UN activities of great importance to the United States do not make headlines. This is particularly true of the regular economic, social and service types of activities which account for the employment of more than 90 percent of total U.N. personnel and the expenditure of more than 90 percent of the funds made available by governments to the United Nations. For example, the World Weather Watch of the World Meteorological Organization, the worldwide smallpox eradication program of the World Health Organization, the work of the International Civil Aviation Organization and the work of the International Atomic Energy Agency—particularly its application of safeguards to nuclear fuel and the by-products of nuclear plants—all contribute to the safety, health and well-being of American citizens and those of other nations throughout the world.

Nevertheless, some of the actions taken by the United Nations in 1974 threaten to distort this positive thrust and make cooperation within the organization more difficult. There was, for example, a clash of interests between the industrialized nations and developing nations. This was particularly evident in the sixth special session of the General Assembly when the majority of developing countries insisted on the adoption of a program of action for a "new international economic order" despite the serious reservations of the industrialized nations about its acceptability and even its workability. Other divisive actions included the invitation by the 29th General Assembly to the Palestine Liberation Organization to participate as an observer in the work of the organization, the discriminatory treatment accorded Israel by UNESCO and the improper suspension of South Africa from participation in the General Assembly. However, by the end of the year there were signs of a growing awareness of the dangers from confrontation and of a willingness to explore the possibilities of conciliation and compromise.

In this 30th anniversary year of the United Nations, the underlying purposes and principles of the Organization remain as valid as when they were first set forth in Article I of the U.N. Charter:

—to maintain international peace and security;
—to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples;
—to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character;
—to promote respect for human rights; and
—to harmonize the actions of nations.

Despite difficulties, I believe there has been progress toward achieving these purposes. The United States is seeking to promote cooperation among U.N. members and to discourage confrontation. In our increasingly interdependent world there is no practical alternative to cooperation, and if the United Nations continues on a course of confrontation this can only result in the serious weakening of that body. The United States, for its part, will stand firm in support of the principles embodied in the United Nations Charter.

GERALD R. FORD.

THE WHITE HOUSE, *November 3, 1975.*

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of October 30, 1975, a message from the House of Representatives was received on October 31, 1975, stating that the House has agreed to the concurrent resolution (S. Con. Res. 71) to correct the enrollment of S. 1542.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also stated that the Speaker had signed the following enrolled bill and joint resolution:

S. 584. An act to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; and

S.J. Res. 134. A joint resolution to extend the authority for the direct purchase of United States obligations by Federal Reserve Banks.

The enrolled bill and joint resolution were signed on October 31, 1975, by the Acting President pro tempore (Mr. METCALF).

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes, in which it requests the concurrence of the Senate.

The message also annouced that the House has passed the bill (S. 1281) to improve public understanding of the role of depository institutions in home financing, with amendments in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. BUMPERS).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. BUMPERS) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE RESERVE FORCES POLICY BOARD

A letter from the Deputy Secretary of Defense transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board (with an accompanying report); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to authorize appropriations of the Department of Commerce to be available until expended or for periods in excess of one year (with accompanying papers); to the Committee on Commerce.

REPORT OF THE BOARD FOR INTERNATIONAL BROADCASTING

A letter from the Chairman of the Board for International Broadcasting transmitting, pursuant to law, the report of the Board for the period July 1, 1974 through June 30, 1975 (with an accompanying report); to the Committee on Foreign Relations.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered concerning visa petitions (with accompanying papers); to the Committee on the Judiciary.

REPORT ON THE PUBLIC HEALTH SERVICE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the 1973–74 report on the Public Health Service (with an accompanying report); to the Committee on Labor and Public Welfare.

AMENDMENT OF EXECUTIVE ORDER

A communication from the President of the United States notifying, pursuant to law, the Senate of his intention to amend Executive Order 11844 of March 24, 1975, by withdrawing the designations of the Khmer Republic and Vietnam (South) as beneficiary developing countries for purposes of the Generalized System of Preferences; to the Committee on Finance.

FINANCIAL PROBLEMS ASSOCIATED WITH DEVELOPMENT OF TRANSPORTATION SYSTEMS FOR ARCTIC GAS

A letter from the Assistant Secretary of the Interior transmitting a study of the financial problems associated with development of transportation systems for Arctic Gas (with accompanying papers); jointly, by unanimous consent, to the Committee on Commerce and the Committee on Interior and Insular Affairs.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a communication from the U.S. Department of the Interior, relating to a study of the Financial Problems Associated with Development of Transportation Systems for Arctic Gas, be referred jointly to the Committee on Commerce and the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate the following petitions, which were referred as indicated:

A resolution adopted by the Western States Republican Conference in opposition to automatic increases for elected officials; to the Committee on Post Office and Civil Service.

A telegram from the Navajo Tribal Council relating to the passage of S. 1337; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MANSFIELD, from the Committee on Appropriations, with amendments:

H.R. 10029. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–442).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without reservation:

Ex. I, 93–2. Protocol to the Treaty with the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on July 3, 1974 (Exec. Rept. 94–14).

By Mr. HUMPHREY (for Mr. Sparkman), from the Committee on Foreign Relations:

Lessel Roy Papp, of Illinois, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Political Contributions of Mr. and Mrs. Lessel Roy Papp 1971–75

1. We have only made JE contributions of over $100.00 in our lives:

1972 Committee to Reelect Senator Percy	$100.00
1972 Sam Young for Congress Committee	200.00
1972 Committee to Reelect President Nixon	500.00
1973 Percy Exploratory Committee	200.00
1974 Bradley Glass for Illinois State Senate Committee	100.00
1974 Daniel Pierce for Illinois Representative Committee	25.00
1974 Brian Duff for Illinois Representative Committee	25.00
1974 Lola Flamm for Cook County Clerk Committee	75.00
1975 Evanston Republican Organization	50.50

2. To the best of my knowledge the above list includes all political contributions made by my wife and me for the last 4 years.

3. To the best of my knowledge my son (age 21), my daughter (age 18) and my only sister, who is single, made no political contributions. I have no other living relatives.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that he presented to the President of the United States the following enrolled bills and joint resolution:

On October 31, 1975:

S. 584. An act to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; and

S.J. Res. 134. A joint resolution to extend the authority for the direct purchase of United States obligations by Federal Reserve Banks.

On November 3, 1975:

S. 1542. An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. INOUYE:

S. 2599. A bill for the relief of Mr. Faatoaga Laufou; and

S. 2600. A bill for the relief of KeLi Wang. Referred to the Committee on the Judiciary.

By Mr. CASE:

S. 2601. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 in order to provide certain additional requirements in establishing standards pursuant to such act. Referred to the Committee on Commerce.

By Mr. CURTIS:

S. 2602. A bill to extend for 2 years a transitional rule under which certain charitable remainder trusts may be amended or modified to conform to the strict requirements of the Tax Reform Act of 1969. Referred to the Committee on Finance.

By Mr. MONDALE:

S. 2603. A bill to amend the Vocational Education Act of 1963 to assure equal educational opportunities in vocational education programs for individuals of both sexes, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 2604. A bill entitled the "Adoption Information Exchange Act of 1975." Referred to the Committee on Labor and Public Welfare.

By Mr. CRANSTON:

S. 2605. A bill for the relief of Si Kon Won, his wife, Wha Jo Won, and their children, Myung Kun Won and Myung Ae Won. Referred to the Committee on the Judiciary.

By Mr. HATHAWAY:

S. 2606. A bill to provide for the establishment of a National Center for Statistical Analysis of Highway Operations. Referred to the Committee on Public Works.

By Mr. HATFIELD (for himself, Mr. McGovern, and Mr. Packwood):

S. 2607. A bill to amend the Trading With The Enemy Act to repeal the embargo on United States trade with North and South Vietnam. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CASE:

S. 2601. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 in order to provide certain additional requirements in establishing standards pursuant to such Act. Referred to the Committee on Commerce.

NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT STANDARD

Mr. CASE. Mr. President, I introduce today a bill to make the setting of motor vehicle standards more responsive to national needs.

This bill is necessary because DOT has occasionally overlooked the very significant social and economic consequences of their proposed standards. Congress must, therefore insist that DOT function in a responsible manner by assuring that each standard is warranted on safety grounds.

This relatively brief amendment to the National Traffic and Motor Vehicle Safety Act of 1966 requires the Secretary of DOT to state clearly the safety bases of any proposed standard. DOT would be required to determine explicitly the scope of the safety problem addressed by the standard and the probable effectiveness of the standard in redressing the problem. The assumptions used by DOT in making there safety determination must also be made public under this amendment. The amendment will permit DOT, the public, and the Congress the opportunity to assess the merits of each standard and the relative importance of various standards. This bill will not hinder the Department from fulfilling its safety mission—and will help protect the public from arbitrary administrative action.

I ask unanimous consent that the text of my bill be printed in the Record.

There being no objections, the bill was ordered to be printed in the Record, as follows:

S. 2601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103(f) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392(f)) is amended by striking out "and" at the end of clause (3), striking out the period at the end of clause (4) and inserting in lieu thereof a semicolon and the word "and", and after such clause (4) inserting the following.

"(5) determine the annual number of fatalities, injuries, and other accidents causing property damage which have resulted from the problem area which the standard would assist in correcting; estimate the expected annual reduction in fatalities, injuries, and other such accidents which would result from the imposition of such standard; and publish along with such proposed standard the data, calculations, assumptions and conclusions used in arriving at such determinations and estimates.".

By Mr. CURTIS:

S. 2602. A bill to extend for 2 years a transitional rule under which certain charitable remainder trusts may be amended or modified to conform to the strict requirements of the Tax Reform

Act of 1969. Referred to the Committee on Finance.

Mr. CURTIS. Mr. President, I am today introducing legislation to extend for 2 years a transitional rule under which certain charitable remainder trusts may be amended or modified to conform to the strict requirements of the Tax Reform Act of 1969.

The Tax Reform Act of 1969 radically changed the forms for deferred gifts to charitable institutions. After 1969, for a charitable contribution of a remainder in property—other than a farm or residence—to be tax deductible, the transfer had to be a charitable remainder "unitrust," a charitable remainder "annuity trust" or a "pooled income fund." With the enactment of these complex provisions, Congress reversed over 50 years history by requiring these unusual types of trusts to be used in the place of the prior, more simpler format. Today, the failure of a decedent's will expressly to provide for the proper form for a charitable remainder bequest means the estate tax charitable deduction is not allowable and the charitable remainder trust itself is not exempt from income tax. Of deep concern to our Nation's schools, hospitals, and other charitable beneficiaries is the fact that the disallowance of the estate tax charitable deduction reduces the value of property eventually passing to it since the charity's remainder interest normally bears the estate tax.

In Public Law 93–483, Congress recognized that these stringent rules could work particular hardship with respect to wills and trusts drawn before the Tax Reform Act of 1969 and, accordingly, enacted section 2055(e)(3) of the Internal Revenue Code. Under this transitional rule, which applies only to decedents dying after December 31, 1969, and with respect to wills and trusts drawn before September 21, 1974, an otherwise nonqualified charitable remainder trust, if amended before December 31, 1975, to meet the 1969 act standards, will be treated as having met those standards as of the date of the decedent's death. Thus, the estate tax charitable deduction and the other tax benefits accorded to qualified charitable remainder trusts will be available.

The legislation I propose today, Mr. President, will merely extend for 2 years to December 31, 1977, the date by which wills and trusts otherwise covered by the existing transitional rule must be amended. It will make no other changes in existing law. Two factors prompt me to propose this legislation. First, although Public Law 93–484 was signed by President Ford on October 26, 1974, implementing regulations have not yet been published. I am informed that many public charities believe that this absence of final regulations has resulted in delays in reformation actions and a deferral of the receipt of charitable bequests. Thus, a further extension of the transitional rule seems appropriate.

A second and more general reason for this legislation is that, as time passes, additional unqualified wills and trusts are being discovered. Unless reformation of these existing wills and trusts continues to be possible, funds flowing to our schools, hospitals, and other charitable organizations could be decreased notwithstanding a donor's clearly expressed intent to make such bequests.

Mr. President, I hope this important legislation will be acted upon promptly by the Congress.

By Mr. MONDALE:

S. 2603. A bill to amend the Vocational Education Act of 1963 to assure equal educational opportunities in vocational education programs for individuals of both sexes, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, I am pleased to have the privilege today of introducing in the Senate the Women's Vocational Education Amendments of 1975.

This legislation would provide a new, much-needed emphasis on women's roles within the vocational education system, and would aim to eliminate existing barriers to the full participation of both sexes in vocational education programs.

I am proud that the Congress has strengthened its commitment to vocational education in recent years. But although we have been working hard to provide youths and adults with adequate job training through our schools, it is becoming painfully apparent that a large segment of the population has in too many cases been denied the full benefit of this increased emphasis.

While in recent years women have comprised over half of the vocational education enrollees, a large majority of them have been confined to programs which are not designed to develop marketable skills, and to "women's fields" which often lead to low-paying, dead end jobs.

We know that women currently constitute a major portion of the work force. We also know that women are working to fill serious economic needs. According to a 1974 Labor Department survey, nearly two-thirds of working women are single, divorced, widowed, separated, or have husbands who make less than $7,000 per year. Just a year before that, however, the median salary for full-time female employees was $6,335 per year, in contrast to $11,186 per year for full-time male workers. One of the reasons for this major discrepancy in earnings is that women remain clustered in fewer and lower paying occupations than men. Yet vocational education has not always adequately encouraged women to prepare for and enter higher paying, traditionally male dominated fields.

Evidence of this ambivalence toward the increased training needs of women, as well as toward the full participation of women in all phases of vocational education is abundant and convincing. For example:

First. According to Pamela Roby, associate professor of sociology at the University of California at Santa Cruz, 49 percent of the 6.4 million women and girls enrolled in public vocational programs in 1972 across the Nation were being trained in home economics. Another 28 percent were being trained in office practices. Very few were being prepared for the better paying trades, for industrial and health occupations other than nursing, or for technical jobs.

Second. A recent Office of Civil Rights survey of area vocational schools identified 17 single-sex vocational education institutions despite the title IX requirements to the contrary.

Third. A 1974 General Accounting Office report on vocational education noted that several States have practices that could discourage women from preparing for nontraditional roles. Catalogs for vocational programs, for instance, used the exclusive pronoun "he" for nearly all subjects, and used the exclusive pronoun "she" when describing secretarial and nursing courses.

Fourth. GAO further reported that sometimes classes were physically located in a manner which could encourage sex role stereotyping by grouping traditionally "feminine" courses in one building, and "male" courses in another.

Fifth. At high administrative and advisory council levels, women appear in only token numbers. In a random sample of 400 area vocational school directors, men comprised 93 percent of the directors. Also no woman is currently employed as a State director of vocational education or as a State supervisor outside of the field of business, distribution, health and home economics.

Congress has repeatedly affirmed its commitment to providing equal educational opportunity to women—first in 1972 through title IX of the education amendments, and more recently through the Women's Educational Equity Act, which I introduced in the Senate. As vital as this legislation is to educational equality in general, the continuing underrepresentation of women in the vocational education system requires an immediate, special focus.

The aim of the legislation I am introducing today is to advance the full participation of both sexes in vocational education in a variety of areas including administration—both at the national and State levels—counseling, curriculum development and materials, as well as research and training, to mention only a few.

The bill I am introducing today is the product of several months of analysis and work by a group of interested persons and experts in vocational education. It consists of a series of amendments to the Vocational Education Act, including creation of a new section authorizing special assistance to programs which show promise of addressing the problems of sex discrimination in vocational education.

In coming weeks the Subcommittee on Education will begin its intensive review of this and other expiring legislation. I am hopeful that the principles embodied in the bill introduced today can be reflected in the omnibus education bill which will be developed by the subcommittee and the full Labor and Public Welfare Committee in coming months. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Women's Vocational Education Amendments of 1975".

SEC. 2. Section 101 of the Vocational Education Act of 1963 is amended by inserting before the word "and" the second time it appears in such section a comma and the following: "to develop and carry out programs of vocational education within each State so as to overcome sex discrimination and sex stereotyping in all occupations (including the occupation of homemaking), and thereby furnish equal education opportunities in vocational education to persons of both sexes".

SEC. 3. (a) Section 104(a)(1) of the Vocational Education Act of 1963 is amended by redesignating clauses (F) and (G) as clauses (G) and (H), respectively, and by inserting immediately after clause (E) the following new clause:

"(F) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education,".

(b) Section 104(a)(1) of such Act is further amended by inserting after the second sentence thereof the following new sentence: "In making appointments under this paragraph the President shall assure that there is a balanced representation on the National Council on the basis of race, color, sex, and national origin."

(c) Section 104(b)(1)(A) of such Act is amended by redesignating subclauses (viii) and (ix) as clauses (ix) and (x), respectively, and by inserting immediately after clause (vii) the following:

"(viii) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education,".

(d) Section 104(b)(1) of such Act is amended by inserting at the end thereof the following new sentence: "In making appointments under this paragraph the Governor or the State board, as the case may be, shall assure that there is a balanced representation on the State Advisory Council on account of race, creed, color, sex, and national origin so that the Council is representative of the population of the State which that council will serve."

SEC. 4. Section 122(a)(6) of the Vocational Education Act of 1963 is amended by inserting "(A)" after "(6)" and by adding at the end thereof the following new subclause:

"(B) vocational guidance and counseling training designed to acquaint guidance counselors with (i) the changing work patterns of women, (ii) ways of effectively overcoming occupational sex stereotyping and (iii) ways of assisting girls and women to select careers solely on their occupational needs and interests, and to develop improved career counseling materials which are free.

(b) Section 122 (a) of such Act is further amended by—

(1) striking out "and" at the end of clause 7,

(2) redesignating clause 8 as subclause (B), and

(3) inserting immediately after clause 7 the following:

"(8)(A) the development of curriculum and guidance and testing materials and for in service training programs designed to overcome sex bias in vocational education programs, and support services designed to enable teachers to meet the needs of individuals enrolled in vocational education programs traditionally limited to members of the opposite sex;".

SEC. 5. (a) Section 122 of the Vocational Education Act of 1963 is amended by adding at the end thereof the following new subsection;

"(d)(1) In addition to the amounts appropriated pursuant to section 102, there are authorized to be appropriated $5,000,000 for each fiscal year in order to establish within the State board or any other appropriate agency of the State, an office for women. Each such office shall assist the State board in fulfilling the purposes of this Act by—

"(A) taking such action as may be necessary to create awareness of programs and activities in vocational education that are designed to reduce sex stereotyping in all vocational education programs,

"(B) gathering, analyzing, and disseminating data on the status of men and women students and employees in the vocational education programs of that State,

"(C) developing and supporting actions to correct any problems brought to the attention of that office through activities carried out under clause 2 of this sentence;

"(D) reviewing the distribution of grants by the State board to assure that the interests and needs of women are addressed in the projects assisted under this Act,

"(E) reviewing all vocational educational programs in the State for sex bias,

"(F) monitoring the implementation of laws prohibiting sex discrimination in all hiring, firing, and promotion procedures within the State relating to vocational education,

"(G) reviewing and submitting recommendations with respect to the overcoming of sex stereotyping and sex bias in vocational education programs for the annual State vocational education plan,

"(H) assisting local educational agencies and other interested parties in the State in improving vocational educational opportunities for women, and

"(I) developing an annual report on the status of women in vocational education programs in the State and furnish the report to the State Commission of Vocational Education, the State board, the State and National Advisory Councils on Vocational Education, the State Commission on the Status of Women, and the Commissioner.

Each report prepared and submitted under clause I of this subsection shall be made available to all interested persons. Each such report shall contain the self-evaluations required by regulations implementing Title 9 of receiving Federal assistance.

"(2) From the funds appropriated to carry out this subsection each State shall receive $100,000 in each fiscal year in which an office for women has been established in accordance with this subsection.

"(3) For the purpose of this subsection, the term 'State' means the several States and the District of Columbia."

(b) Section 123(a)(2) of such Act is amended by inserting before the semicolon a comma and the following: "and establishes an office for women as an agency of such board in accordance with the provisions of section 122(d)".

SEC. 6. (a) Section 123(a) of the Vocational Education Act of 1963 is amended by redesignating paragraphs (17) and (18) of such section as paragraphs (18) and (19), respectively, and by inserting immediately after paragraph (16) the following new paragraph:

"(17) sets forth the conduct of a thorough study of the policies, procedures, materials, and administrative procedures that the State will follow in vocational education programs so as to permit equal access to such programs by both men and women, including (A) a detailed description of the policies and procedures to be followed, (B) actions that will be taken to overcome sexism in all vocational education programs, (C) incentives which will be provided to local educational agencies to develop model programs to reduce sex stereotyping in all occupations and provides for making the results of study required by this paragraph available to the public;".

(b)(1) Section 123(a)(18) (as redesignated by subsection (a) of this section) is amended by inserting after the word "title" a comma and the following: "including statistical reports of enrollments in vocational education programs by sex, by race, by sex and race, by type of program, and by level of educational achievement".

(2) Section 123 of such Act is amended by adding at the end thereof the following new subsection:

"(e) For each fiscal year beginning after fiscal year 1976, the Commissioner shall prepare and make available to the public the statistics for each State submitted pursuant to paragraph (18) of subsection (a) of this section."

(c) Section 123(b) of such Act is amended by inserting "(1)" after "(b)" and by adding at the end of such section the following new paragraph:

"(2) Beginning in fiscal year 1976, and for each fiscal year thereafter, the Commissioner shall not approve a State plan submitted under this section until he has received assurances that the office for women established by the State pursuant to section 122 (d) has reviewed the plan, and that the State board has given due consideration to the needs of female students and the State board provides assurances that all vocational education programs described in the plan are designed to attract individuals of both sexes and that no sex stereotyping exists in such programs.".

SEC. 7. (a) Section 132 of the Vocational Education Act of 1963 is amended by inserting "(a)" after the section designation, and by adding at the end thereof the following new subsection:

"(b) In making grants and entering into contracts under section 131(a), the Commissioner and the State board shall give priority to programs and projects designed to reduce sexual stereotyping in vocational education."

(b) The section heading of such section 132 is amended to read as follows:

"USES OF FEDERAL FUNDS; PRIORITY"

SEC. 8. Section 143(b) of the Vocational Education Act of 1963 is amended by redesignating paragraph (4) of such section as paragraph (5) and by adding after paragraph (3) the following new paragraph (4):

"(4) In making grants or entering into contracts the Commissioner or the State board, as the case may be, shall give priority to programs and projects designed to reduce sex stereotyping in vocational education".

SEC. 9. (a) Section 161(a)(1) of the Vocational Education Act of 1963 is amended to read as follows:

"SEC. 161 (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1970, $25,000,000, for the fiscal year ending June 30, 1971, $35,000,000, for each of the succeeding fiscal years ending prior to July 1, 1975, $50,000,000, for the fiscal year ending June 30, 1976, $60,000,000, for the period beginning July 1, 1976 and ending September 30, 1977 such sums as may be necessary and for each fiscal year thereafter, $75,000,000, for the purposes of this part. For the sums appropriated pursuant to this paragraph for each fiscal year ending prior to July 1, 1975, the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103 except that, for the purposes of this section, there shall be no reservation of 10 per centum of such sums for research and training programs and 100 per centum of the amount appropriated pursuant to this section shall be allotted among the States. For fiscal year 1976 and each fiscal year thereafter the Commissioner shall reserve 10 per centum of the sums appropriated pursuant to this paragraph for each fiscal year for demonstration and model programs in family life education authorized under section 163, and from the remainder of such sums the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103, except that for the purposes of this section, there shall be no reservation of 10 per centum of such remainder for research and training programs and 100 per centum of the amount of the remainder of the amount appropriated pursuant to this section shall be allotted among the States.".

(b) Section 161 of such Act is amended by striking out subsection (b) and by redesignating subsection (c) and subsection (d) of such section as subsection (b) and subsection (c), respectively.

PART K. SPECIAL PROJECT GRANTS TO ASSIST IN OVERCOMING SEX BIAS

Sec. 199. Authorization of Appropriations.

There are authorized to be appropriated, to carry out the purposes of this part, $5 million for the fiscal year commencing July 1, 1976 and ending July 1, 1977, and for each subsequent fiscal year.

Sec. 199 A. Program Authorization

(a) The Commissioner is authorized to pay the Federal share of supporting activities which show promise of overcoming sex stereotyping and bias in vocational education.

(b) The Federal share shall not exceed 75 per centum of the cost of the application.

By Mr. MONDALE:

S. 2604. A bill entitled the "Adoption Information Exchange Act of 1975." Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, I am introducing today a bill which would authorize creation of a national adoption information exchange in the Department of Health, Education, and Welfare.

This is a bill which was passed by the Senate in the 93d Congress but was not enacted because it was part of a bill which was never reported from conference committee.

If anything, the need for this legislation is better documented now than it was then.

For nearly a year the Subcommittee on Children and Youth, of which I am chairman, has been looking into adoption and foster care practices in this country. We have learned that there are more than 100,000 youngsters available for adoption who do not have permanent homes. And we have also learned that there are thousands of American families who are eager and able to provide loving homes for these youngsters.

One reason that these families and children are not being brought together is that we simply do not have an effective national system for making these placements. Some States and cities and some private agencies have done a masterful job of bringing these youngsters together with families. Even in cases where a child is older, or handicapped, or from a minority group, it is clear that successful placement can occur if a family is provided with the necessary supportive resources.

This bill has the support of a broad range of organizations which are members of the adoption and foster care cluster of the National Council of Organizations for Children and Youth. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Adoption Information Exchange Act of 1975".

The Secretary of Health, Education, and Welfare is hereby authorized to provide information, utilizing computers and modern data processing methods, through a national adoption information exchange system to assist in the placement of children awaiting adoption and in the location of children, including cooperative efforts with any similar programs operated by or within foreign countries, and such other related activities as would further or facilitate adoptions.

There are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1976, and such sums as may be necessary for succeeding fiscal years, to carry out this section.

By Mr. HATHAWAY:

S. 2606. A bill to provide for the establishment of a National Center for Statistical Analysis of Highway Operations. Referred to the Committee on Public Works.

Mr. HATHAWAY. Mr. President, I am introducing a bill to establish a National Center for Statistical Analysis of Highway Operations within the Department of Transportation. In 1973 Congress recognized the need for such a center to provide current and comprehensive data to support highway safety programs, and to insure that safety moneys will be spent on programs which will yield the greatest results. In the 1973 Highway Act, we directed the National Highway Traffic Safety Administration to do a feasibility study of such a Center, and in February of this year, NHTSA released its report. The feasibility and the utility of such a center, with a wide range of responsibilities, was affirmed in the NHTSA report to Congress. My legislation implements the finding of this report and directs that a national center be established within NHTSA to acquire, coordinate and analyze data bases for highway safety purposes.

Since 1966, the Federal Government has participated actively in the area of highway safety. Despite this activity, however, the human and financial cost of maintaining our automobile dominated society remains unacceptably high. In 1972, NHTSA estimated the annual financial cost of all motor vehicle accidents at over $46 million, in addition to the human loss of 55,000 lives and the injury of some 3,800,000 people. Although the death rate fortunately declined in 1973, presumably as a result of the energy crisis and the subsequent decline in highway travel, indicators for this year are that these beneficial aspects of the energy crunch were temporary; 1975 highway accident figures are largely increasing over those of 1974.

A national center, with high visibility within NHTSA, can provide needed data and analytical support for ongoing highway safety programs at all levels of government and private activity. Although we presently have broad indicators of the dimension of the highway safety problem—such as the number of people killed and injured per year, the correlation of the use of drugs and alcohol to the occurrence of accidents—standardization and more detailed analysis of our data is needed to determine the actual causes of highway accidents, and to point the way toward the most efficient means of reducing the accident statistics.

The center, an orderly and coordinated outgrowth of work currently being done throughout various Government agencies, will be an invaluable tool in providing an accurate foundation for ongoing and future highway safety efforts.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Center for Statistical Analysis of Highway Operations Act of 1975".

Sec. 2. (a) The Secretary of Transportation shall establish within the National Highway Traffic Safety Administration a National Center for Statistical Analysis of Highway Operations and through such center shall acquire, store, retrieve and analyze highway accident data and promote the standardization of information and procedures for reporting accidents on a nationwide basis.

(b) Such center shall—

(1) be established and expanded according to a phased and justified growth plan from the existing statistical and analytical effort within the National Highway Traffic Safety Administration;

(2) be initiated on a modest basis working initially to develop a few key data bases in order to facilitate future data base development by the experience gained with the initial bases, and expanded as justified by user demands;

(3) function as a complete service and support organization and liaison for the highway safety community;

(4) make major use of statistical sampling methods in obtaining nationally representative data, including maximum utilization of existing national and other statistical center services and facilities;

(5) cooperate with various State and other Federal agencies in a Federal-State-local cooperative program in order to promote definition and standardization of data requirements for the various government levels;

(6) aid in identification of problem areas and provide information for countermeasure development to remove or lessen the consequences of such accidents;

(7) assist in evaluation of existing and proposed countermeasures, including cost evaluation of those measures and the development of alternative measures;

(8) produce statistical and analytical reports on a continuous periodic basis which portray the magnitude and nature of the national highway safety problem; and

(9) maintain an adequate staff to develop, implement, and maintain improved national data bases and related services and otherwise carry out the provisions of this Act.

Sec. 3. The Secretary of Transportation shall establish an Advisory Board for the National Center for Statistical Analysis of Highway Operations. Such Board shall be made up of representatives of public and private entities which use such National Center and shall serve to advise on and to promote the proper utilization of the Center's services and data by appropriate public and private entities.

Sec. 4. In carrying out the provisions of this Act the Secretary shall—

(1) establish appropriate procedures and mechanisms to assure the protection of individual privacy; and

(2) make an annual report to the Congress summarizing current achievements, fully detailing and justifying any request for additional resources, and containing a report

from the Advisory Board established pursuant to section 3 with respect to its activities.

SEC. 5. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this Act.

By Mr. HATFIELD (for himself, Mr. McGovern, and Mr. Packwood):

S. 2607. A bill to amend the Trading With the Enemy Act, to repeal the embargo on U.S. trade with North and South Vietnam. Referred to the Committee on Banking, Housing and Urban Affairs.

RENEWING TRADE WITH NORTH AND SOUTH VIETNAM

Mr. HATFIELD. Mr. President, I am today introducing legislation which will lift current trade restrictions against the governments of North and South Vietnam. I do so with the hope that my colleagues will join me in this effort and break the pointless and destructive diplomatic deadlock that now exists between the United States and these governments.

Consideration of the matter has been made all the more urgent, given the recent decision by the Government of North Vietnam to allow American missionaries, left behind in Vietnam following the evacuation last April, to return to their homeland. This action should be recognized by Congress and the administration for what it is: A clear indication that the governments of Vietnam are willing to take part in a settlement of difficulties that have arisen following the end of the Vietnam war. The United States asked for the release of these missionaries, and the Vietnamese responded. The burden of actively and positively responding to this action now falls on the Congress and the administration.

It is essential and timely that Congress move with dispatch toward a reconciliation of our differences and toward the formulation of a constructive relationship with the people of Vietnam. For by easing the trade embargo that now exists against the Governments of Vietnam we can begin a normalization of relations which will, I am convinced, prove a benefit to both the people of Vietnam and ourselves.

By easing the current trade restrictions against these governments Congress can bring to an end a counterproductive policy which is destructive of logic and purpose; a policy that has denied any possibility that the United States may gain information concerning our 1,300 MIA's and POW's still missing in Indochina; a policy which currently prohibits humanitarian organizations from carrying out basic efforts to assist in the rebuilding of a society decimated by decades of violent conflict; a policy which has contributed mightily to the view by the world community that the United States is vengeful in its motives and hopelessly embittered by the failure of its policies in Indochina.

Mr. President, we have refused to recognize or deal with the Governments of Vietnam from the mistaken belief that such refusal may, in the future, be used as a "bargaining chip" in securing concessions we seek from North and South Vietnam.

But we have accomplished little by our intransigence and we have raised unnecessarily the alienation of governments who possess information that is of infinite value to the families of those men missing in North and South Vietnam.

It has been nearly 3 years since the Paris Peace Accords were signed, and many American prisoners of war have been reunited with their families. However, for the families of the 1,300 MIA's and POW's left behind, these years have represented only a nightmare of uncertainty. They have been years filled with worry, frustration and anger over the failure of this Government to obtain a final determination as to the fate of these men.

During this period, numerous resolutions have been introduced in Congress with the purpose of securing an accounting of these 1,300 servicemen, resolutions aimed at finally ending the prolonged emotional ordeal of their families. For the most part, these measures have sought to contact the Governments of Vietnam indirectly, through intermediary nations. Some measures have sought to impose sanctions against other countries or organizations who do not willingly participate in an effort to account for our MIA's and POW's. In all these congressional efforts one specific, if obvious, component has been lacking: achieving direct contact with the Governments of Vietnam.

As a result, all congressional efforts on behalf of our MIA's and POW's, while undertaken with every good intention, have unfortunately not proven successful.

In the 7 months since the war ended the administration has apparently hardened its position on this matter. In these 7 months the executive branch has failed to pursue diplomatic initiatives by the South Vietnamese Government to begin a normalization process between our countries; the administration has, while allowing minimal humanitarian assistance, denied licenses to organizations such as the American Friends Service Committee and the Mennonite Central Committee, to supply fishing nets, basic agricultural tools and other assistance to help the people of Vietnam recover from the effects of a devastating war waged on their homeland—assistance that inexplicably was allowed North Vietnam in 1973 when the war was raging; and finally the administration has taken no visible steps to allow for the reestablishment of trade despite the fact that the Governments of Vietnam have chosen not to expropriate an estimated $110 million of American property in Vietnam and have, in fact, expressed an interest in pursuing an economic relationship with the United States.

In short, both the administration and Congress has avoided the precise course which may help us open a rational and sane dialog with the Vietnamese on the MIA/POW problem.

We have avoided helping the citizens of a war-torn land to rebuild their lives. We have not followed the course we chose at the conclusion of World War II, a course of reconciliation, compassion and assistance to both ally and enemy alike. We have chosen not to pursue an economic relationship which may prove of benefit to all parties concerned.

Instead, we have followed a blind policy of retribution and neglect which has undermined efforts to seek an accounting of our men, which has denied the historic charity of Americans to those whose lives have been shattered by war, and which has served no useful or constructive purpose.

I firmly believe that the easing of trade restrictions contained in this legislation can promote a frank and open dialog with the Governments of Vietnam, a dialog which may lead to the recovery of information as to the fate of our missing men. I am strengthed in this belief by the decision made by these Governments to allow American missionaries and other civilians to return home. My intensive personal inquiries on behalf of these missionaries convinces me that this action represents a good faith effort on the part of the Governments of Vietnam to normalize relations with us in all matters of mutual concern in the aftermath of the Vietnam conflict.

I believe the Congress should recognize the potential in this situation and move expeditiously to establish positive relationship with the people of Vietnam necessary to receive a final accounting of our MIA's and POW's. I urge my colleagues to seize this opportunity, and alter U.S. policy toward Vietnam.

To continue our present policy of refusing to recognize or have dealings with these governments is pointless. It offers no hope for the families who want desperately to know if their loved one is living or dead and it does a disservice to the image of America around the world.

I reiterate to my colleagues that I am convinced that this bill will open possibilities, where none now exist, for recovering information on these missing men. In light of recent decisions made of officials of North and South Vietnam, I urge the Senate to give thorough and expeditious consideration to easing trade restrictions. Congress can, through this action, begin to end the nightmare of uncertainty that has shadowed the families of our MIA's and POW's for the past 3 years, and restore a positive, peaceful relationship, after so many years of violent struggle, between the people of Vietnam and the citizens of this Nation.

Mr. President, I ask unanimous consent that this bill and an October 30 story by United Press International relating to the safe return of American civilians and missionaries from North Vietnam be printed in the Record.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 2607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 5(b) of the Trading With the Enemy Act as amended (50 U.S.C. App. 5) is further amended by adding at the end thereof the following new subsection:

"(4) Notwithstanding any provision of this or any other Act, no embargo on trade with North or South Vietnam shall be authorized or implemented except with respect to war and other materials defined by the Mutual Defense Assistance Control Act of

1951 as amended (22 U.S.C. 1611–13) and regulations pursuant thereto."

[From United Press International, Oct. 30, 1975]

Viet Prisoners

Bangkok.—Nine smiling Americans flew out of North Vietnam to freedom today, nearly eight months after being captured during the Communist conquest of South Vietnam.

The Americans, looking thin but exuberant, landed with five other freed foreigners at Bangkok Airport this afternoon after a stopover in Vientiane.

Peter Whitlock, a released Australian communications expert, was grabbed by what appeared to be embassy officials after landing and was pushed into a car. He was whisked away from the airport for reasons not clear.

The other 13 refugees were greeted by U.S. Ambassador Charles Whitehouse, who boarded the Royal Air Lao plane briefly as it rolled to a stop and then descended to the tarmac with the group.

The nine Americans, two Canadians, two Filipinos and one Australian left the North Vietnamese capital of Hanoi shortly before noon on a flight sponsored by the United Nations Commission for Refugees.

"We're fine, really fine," said Mrs. Carolyn Miller of Houghton, N.Y. Mrs. Miller and her husband, John, were missionaries.

The refugees said they were well treated during their detention. All 14 of the group were expected to stay in Bangkok until they can arrange for their future.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1776

At the request of Mr. Hugh Scott, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 1776, a bill to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

S. 2132

At the request of Mr. Proxmire, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 2132, the form reform bill.

S. 2350

Mr. SYMINGTON. Mr. President, I would like the Record to show that Senators Chiles, Haskell, and Humphrey have requested they be considered as cosponsors of a bill I introduced last month, S. 2350, which would make the Secretary of the Treasury a member of the National Security Council.

This bill passed the Senate on October 9, and is now pending before the House Armed Services Committee. I am very glad these distinguished colleagues have associated themselves with this legislation.

S. 2370

At the request of Mr. Huddleston, the Senator from Georgia (Mr. Talmadge) was added as a cosponsor of S. 2370, a bill to amend section 403(i) of the Federal Food, Drug, and Cosmetic Act to require that the labels on foods disclose the kinds of oil contained in such foods.

S. 2394

At the request of Mr. Mondale, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of S. 2394, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the estate tax exemption, to provide that certain farmland included in the gross estate be valued according to its use as farmland, and for other purposes.

S. 2451

At the request of Mr. Dole, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2451, a bill to amend the Food Stamp Act of 1964.

S. 2516

At the request of Mr. Dole, the Senator from Hawaii (Mr. Fong), the Senator from Utah (Mr. Garn), the Senator from Texas (Mr. Bentsen), the Senator from Oklahoma (Mr. Bellmon), and the Senator from Alaska (Mr. Gravel) were added as cosponsors of S. 2516, a bill to provide for further assistance to Senate committees in conducting evaluations of the efficiency and economy of Federal Government programs and their operation.

S. 2537

At the request of Mr. Talmadge, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 2537, a bill to reform the Food Stamp Act of 1964, by improving the provisions relating to eligibility, simplifying administration, and tightening accountability.

S. 2541

At the request of Mr. Tunney, the Senator from Maryland (Mr. Beall) was added as a cosponsor of S. 2541, a bill to provide for the establishment of model programs to foster equal opportunities for displaced homemakers.

S. 2545

At the request of Mr. Kennedy, the Senator from Iowa (Mr. Clark), the Senator from Pennsylvania (Mr. Hugh Scott), and the Senator from Minnesota (Mr. Mondale) were added as cosponsors of S. 2545, a bill to amend the Internal Revenue Act.

SENATE RESOLUTION 288

as a cosponsor of Senate Resolution 288, relating to an action of the United Nations concerning Zionism.

SENATE CONCURRENT RESOLUTION 70

At the request of Mr. Humphrey, the Senator from Indiana (Mr. Hartke), the Senator from Illinois (Mr. Stevenson), the Senator from New Mexico (Mr. Domenici) and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of Senate Concurrent Resolution 70, relating to broadening the observance of Thanksgiving to an occassion of sharing our plenty with the hungry of other lands.

SENATE RESOLUTION 291—SUBMISSION OF A RESOLUTION RELATING TO CABLE TELEVISION

(Referred to the Committee on Commerce.)

Mr. BEALL submitted the following resolution:

S. Res. 291

Whereas the Congress, in the Communications Act of 1934, as amended, stated, in section 1 thereof, that its primary purpose was "to make available, so far as possible, to all the people of the United States, a rapid, efficient, Nation-wide and world-wide wire and radio communication service with adequate facilities at reasonable charges . . ."; and

Whereas, pursuant to this statutory mandate, the Federal Communications Commission has allocated television facilities so that virtually all the American people now can enjoy the availability of service provided by a capable commercial television system through over-the-air reception; and

Whereas the programing provided by this system is without direct additional cost to the viewer, and in reliance upon this system more than 97 per centum of the population of the United States has available and uses one or more television receivers; and

Whereas there are many existing and proposed pay television operations which require the subscriber to pay for each program viewed or for each particular channel used; and

Whereas many of the citizens of this Nation who now have purchased television receivers for their homes cannot afford the payment required to watch such programs; and

Whereas reliable predictions suggest a rapid expansion and growth in pay television to a substantial and affluent minority; and

Whereas such a system of pay television may well have the economic potential, even though available only to a small minority, to outbid the free television system for the most attractive sports and other entertainment programs now available to all; and

Whereas it is the sense of the Senate that it would be inconsistent with the public interests if programing, now avaliable to all at no charge, were diverted to a system of pay television available only to a minority: Now, therefore, be it

Resolved, That the Federal Communications Commission and other appropriate executive and administrative agencies shall be encouraged to exercise their full legal authority to insure that the quality and quantity of over-the-air broadcasting service which is now avaliable to the public shall not be reduced or impaired by the operations of pay television and that pay television develop in such a way as to provide increased outlets for local expression and programing and for new services which are innovative and complementary to, free broadcasting, rather than to transmit programs on pay television which have been diverted from or otherwise would be available over free television broadcast stations; and be it further

Resolved, That the development of pay television should be regulated in a manner consistent with the establishment and healthy maintenance of over-the-air television broadcast services available to all members of the public, including persons who are not able, or willing, to subscribe to pay television.

Mr. BEALL. Mr. President, on July 30, 1973, in the 93d Congress, I introduced legislation designed to assure the continuance of our present free television system. This bill, the Preservation of Free Television Act, would have required the Federal Communications Commission to make certain that the future development of pay television would not reduce or impair the amount or quality of programing now offered to the viewing public by free TV. However, because of the pressure of other important business, this legislation did not receive a hearing in the last Congress.

Today, I am again bringing the issue to the attention of my colleagues, but this time in the form of a resolution, which I believe makes the issue more clearly understood and lessens grounds for objections that were heard from some quarters in the last Congress.

The resolution I submit today makes it clear that the objective is the continuation of an entertainment and information medium that performs a valuable public service. The resolution would give to the regulatory agency, the congressional direction to assure that the free broadcasting system does not lose premium programing to new systems that would be available only to those willing and able to pay a special charge for this programing. It would require regulation that would protect the average viewer from a new assault on his pocketbook, while still allowing new forms of television communication to flourish and develop alternative programing for those who wish to see it and pay for it.

Mr. President, this resolution is not directed against any new or existing industry nor will it prevent any industry from competing on an even keel with our present free broadcasting system. It is not anti-cable and would not affect in the slightest degree any cable system now operating in this country. Cable is a valuable and necessary addition to the communication facilities of this Nation. Many thousands of Americans would be unable to view any programing were it not for the classic cable system that now picks up and transmits broadcast signals to areas where reception would not otherwise be available. Cable has continued to grow using the programing presented by broadcasters as a base of service and no one wishes to see this service curtailed in any way.

Likewise, when so-called pay television entrepreneurs develop programing on their own initiative and provide it either over the air, or by cable or some other method, to those who wish to subscribe for this service, then we welcome them as an important new part of our communications system. My resolution in no way, prevents such new and innovative programing, but merely makes clear congressional intent to preserve for the citizen the choice of continuing to receive premium broadcast programing, including first-run movies, and sporting events, for no more cost than the few cents needed to power a television set each day.

Mr. President, I know there are many issues facing this Nation that have a higher priority—but there are few which could affect the daily living habits of Americans in a more dramatic fashion. The Federal Communications Commission has shown a continuing trend to soften needed regulations in the siphoning of programing from free television to pay television. With the likelihood of greatly expanded audiences for pay television comes the danger that further relaxation of the regulations of siphoning will mean a loss of programing from free television to a system supported by the elite who can afford to pay for what they want to see.

Those who criticize this resolution will say that such a thing will not happen, but I say it is a distinct possibility that we must deal with now to make sure that it does not happen.

My resolution would put the Congress on record in this area, and give notice to the Federal Communications Commission that we are watching this area with intense interest, in order to protect the public interest.

The citizen who has purchased his television set with the thought that he will be able to see the world's series, or the super bowl, or first-run movies soon after appearing in theatres across the land, must not be defrauded. We can make sure that he continues to get this bargain—and still has the right to pay for more if he wishes, by approving this resolution. I am submitting with this statement some information that I submitted with the bill in 1973, and I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement

S. 2283. A bill to amend the Communications Act to clarify the intent of Congress regarding regulation of CATV and broadcast pay television. Referred to the Committee on Commerce.

Mr. Beall. Mr. President, I am today introducing legislation to preserve our free system of television and encourage new electronic services to expand on and complement these present services. My bill, the Preservation of Free Television Act of 1973, would require the Federal Communications Commission to make certain that the future development of pay TV will not reduce or impair the amount or quality of free television to the viewing public.

Mr. President, in the past 25 years, communications technology has leaped ahead making the wonders of the 1940's relics of the past. Without any doubt the most significant development in communications for the vast majority of our citizens and others throughout the world has been the advent of television. Through its magic, millions of people have been entertained and informed by viewing events that none would have hoped to witness 25 years ago. For the initial investment in a television receiver and the few dollars needed each year to supply power, the average viewer gets a ringside seat at events which make history. World renowned entertainers, championship sporting events, theater, movies, public affairs programs and indeed coverage of events the world over are commonplace on free TV today.

The fact that these programs are free, Mr. President, is ever more important today at a time when inflation is pinching so many pocketbooks. To many, the television set offers many hours of entertainment that cannot be afforded elsewhere. Many of our less affluent citizens can afford a television set where they cannot afford vacations, trips to movies or stadiums or to other events where the cost is prohibitive to them. It is a form of recreation and entertainment that is available to virtually all our citizens.

The bill I am introducing today would direct the FCC to make certain that this present situation is preserved in the future when developments in pay and cable television might make it possible for programing now seen at no charge to be taken out of the free system and placed on a pay system. This bill would allow cable and pay systems to develop, and offer to those who wish to pay, new programing not now regularly seen on free television. I believe that protection is going to be needed for the future and I believe the public wants this protection for the present system.

There is no question, Mr. President, that pay television has a great future in this Nation. There are now dozens of events and shows which do not appear regularly on free TV and which many members of the public will gladly pay to see.

Under this proposal pay TV will be able to develop its own new programing and develop its own audience. It will complement and add to the present free programing that hopefully will be continued.

Cable TV will also be able to grow steadily under this proposal. This bill will not change in any respect the present operation of cable television. Cable TV is a service which has brought home viewing to millions who were without television before. My home in western Maryland is one of those areas and is well serviced by an efficient cable system. Under this legislation, cable will be able to retransmit programs from free TV broadcasts, just as it does today. If the cable system wants to, it can, under this bill, tie in with pay television and offer, for more money presumably, a more diverse selection than what is available on free television. My bill would not interfere with the great service provided to Americans by cable television.

Mr. President, in conclusion, let me say that I believe this bill will benefit all concerned. It will give the FCC needed direction in dealing with the problems of television in the future. It will preserve for millions of Americans access to free television programing of a quality and quantity now enjoyed.

It will provide for the orderly development of pay television and allow pay systems to create new programing that will be available to those who want to pay for it.

It will confirm the place that cable holds in the present system and allow cable systems to expand and grow in conjunction with pay television.

Mr. President, I ask unanimous consent that material in connection with this subject be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Capital Costs of a Wired Nation Are Prohibitive

The 1968 report prepared for the President's Task Force on Communications Policy, the most recent authoritative study available, estimates that it would cost $123 billion to wire all the 100 million television homes projected for the early 1980's. This would be equivalent to spending $25,000,000 a day for the next 12 years.

Today even the $123 billion is much too low an estimate:

(a) The report did not consider new FCC requirements for two-way capability and access channels, conservatively estimated to increase costs by about another $20 billion.

(b) It was based on 1967–1968 costs and annual inflation of 4% will add about another $90 billion over a 15-year period.

These two items alone almost double the estimated costs—to about $230 billion, more than one-half the national debt.

Moreover, much of the components in the wired nation will require replacement every generation—each 15 years—which means that if the country were wired by 1985, most of the $230 billion plant would shortly thereafter have to be replaced, at newly inflated costs.

Recognizing the enormity of these costs—even at 1968 figures—the report to the President concluded that it was economically unfeasible to wire the entire country and that a more realistic objective would be to wire 50% of the homes—those where the population density is greatest—which it concluded could be accomplished for about $8 billion. Other studies show that if as few as 25% of the homes were wired, cable pay television could outbid free television for its most attractive programs, with the result that those not reached by cable and those unable to pay the subscriber fees would lose the service they now receive free.

Aware that private investment cannot possibly provide funds of the magnitude required for a wired nation, the suggestion has been made by some that Federal assistance—direct grant or low interest loans—be used to help finance a nationwide system. These suggestions raise the issue of "national priorities"—should the Federal Government use funds urgently needed for important national goals to subsidize a wired nation. The attached table, taken from the most recent U.S. Government Budget, shows proposed expenditures totalling $232 billion over the next 10 years for the vital national programs listed, including pollution control and abatement, energy research, mass transit development, low and moderate income housing, education, health research, among others. The total projected expenditures over the next ten years for all these vital programs ($232 billion) approximate the costs of the wired nation alone.

The budget of the U.S. Government, fiscal year 1974

[In billions of dollars]

	Fiscal year 1974	*Estimated, 1974–84*
Space research and technology	3.1	31.0
Rural electricfication, housing and water and waste disposal programs	.7	7.0
Pollution control and abatement	2.1	21.3
Mass transit development	.5	4.9
Aid for low- and moderate-income housing	2.03	20.3
Community planning, management and development (including OEO, water and sewer facilities, urban renewal, model cities, etc.)	2.6	25.9
Education (including revenue sharing, child development and emergency school assistance programs, etc.)	6.3	63.0
Support for biomedical research (primarily for cancer and heart disease)	1.7	16.9
Training health manpower	.7	7.1
Construction of health facilities	.2	1.9
Prevention and control of diseases	.5	4.7
Consumer safety	.2	1.9
Law enforcement and justice	1.9	18.8
Energy research	.8	7.7

	United States	*Maryland*
Total number of homes	67,475,900	1,262,700
Number of homes with television	65,101,280	1,232,590
Pecentage of homes with television (percent)	96	98
Number of homes with cable connections	6,033,840	59,830
Percentage of homes with cable connections (percent)	9.3	4.9
Number of homes with pay TV connections	29,000	0

Blackout Now: Pay TV Later?

(By Robert J. Samuelson)

Ask Bob Cochran about football blackouts and he will give you a short lecture.

"There are too many spoiled people who think they're owed everything that's available," says the National League's director of broadcast. "We don't owe anybody anything. We owe our teams the protection of selling their tickets at home . . ."

The blackout: It's one of the great issues of the times. On football Sundays, it probably enrages more people than high meat prices, gasoline shortages and Watergate-stained politicians all put together.

It's also one of the great mysteries of the times. Last year the NFL sold 96 per cent of its seats. That doesn't satisfy the football owners. They recall that pro football wasn't always a national obsession. And they cling to the blackout like a security blanket.

Is that all there is to it? Is that the only reason the NFL maintains its bearing on the blackout? A lot of people don't think so. They suggest another motive for the NFL's obstinacy. It's the Great Unmentionable of American sports and media: Pay TV.

Pay television, like a dark figure in the closet, has been lurking on the edge of American broadcasting for at least two decades. It's finally coming out, and, when it does, pro football could be one of the great beneficiaries.

The NFL will never admit this. Its commissioner, Pete Rozelle, is a shrewd man. To mention pro football and pay television in the same breath would kill the courtship before the marriage. It would destroy the very argument that the NFL is advancing for preserving the blackout—the fear that fans will abandon the stadium for the comfort of their living rooms.

Others aren't so reticent.

PROFITS AND LOSSES

Testifying before a Senate subcommittee last year, John A Schneider, president of the CBS Broadcasting Group, expressed the networks' fears that football games might ultimately end up exclusively on cable television. "In the language of football, I recommend that this committee clearly rule that passing professional football games to CATV is offside and illegal," he said.

"Pay TV is clearly the issue," says one congressional aide. A senior official at the FCC puts it this way: "The NFL knows that once the public gets its lollipop (over-the-air broadcasts of home games), it can't be taken away."

Even the NFL's Cochran indicates that pay TV has its potential attractions. Asked about the practical possibilities of cable TV for pro football, he dismisses the thought with a wave of the hand. Pay TV (which is really just a variant of cable TV)? Well, he admits, "then you've got an argument . . ."

The owners of football teams aren't innocents; most are independently wealthy businessmen or professionals. However genuine and deep their love for the game, they aren't opposed to making money. Pro football may have once qualified as a quasi-public form of charity, but it doesn't anymore. Although most team financial records aren't public, the available information indicates that the teams are profitable—and comfortably so.

The NFL Players Association last year estimated that an average team has total revenues of $5.6 million and an operating profit—before taxes and interest on debt—of $1.7 million. At least two teams, the Green Bay Packers and the New England Patriots, have public shareholders and make their financial results public. They are not on the edge of poverty. Last year, the Packers had an after-tax profit of $480,203 (their worst year since 1965) and the Patriots had a profit of $545,313. As the Patriots (3 wins, 11 losses) show, football is one of the few busineses where you can succeed without being good.

But good businessmen are always looking to the future. NFL owners can expect their revenues from gate sales—where ticket prices will gradually rise—and from the networks to increase steadily if not spectacularly. The only prospect for a major breakthrough is pay TV—in essence, a massive extension of the stadium. It's a prospect for which any sound businessman would want to wait. It's not hard to see why. For the first time, pay TV is more than an abstraction. Some background:

Last year, the Federal Communications Commission approved new regulations for cable television designed—so the commission said—to allow CATV to expand into the nation's major cities. Cable television is already a $400 million industry, serving 6.5 million homes (about 10 percent of the country's TV households), and with the FCC's rules, it could get much, much bigger.

Cable TV is the vehicle for pay TV. Subscribers pay a monthly fee (usually $5 or $6); but after that, they get everything—weather service channels, stock prices, local programming—free. Pay TV is something else; it's an extra channel of programs—such as first-run movies or exclusive sports events—that can be received only by subscribers who pay a separate charge. The "pay TV" channel would be one of the open channels of the CATV system, whose coaxial cable can carry 20 or more television channels.

By the end of the year, there may be more than 100,000 homes receiving this kind of pay TV. But no one, including the NFL, knows quite what to expect from pay TV. It's destiny is a quagmire of uncertainties, to be shaped by more rules from the FCC, the possibility of congressional legislation, and the unpredictable reaction of the American public.

Granted then, the future is fuzzy. But if pay TV matures, it could be immensely profitable for professional football. It's easy to play with figures. Consider metropolitan Washington, the nation's 10th largest television "market" with approximately 3 million people. There are 950,000 "television homes." Suppose half of those homes subscribed to a cable system. Suppose, then, that one-third of these homes decided to buy Redskins' home games at, say $2 per game. With seven home games (and a $2 price), that totals more than $2 million, a large part of which would surely be paid to the Redskins for the rights to their games. The $2 price isn't unreasonable; in fact, it might be low. As long ago as 1964, an experimental pay television system in Hartford charged $2 for prize fights.

AMERICA'S SPORTS MANIA

To succeed, however, cable TV and pay-TV will clearly have to capitalize on America's sports mania. The new television entrepreneurs understand this. In New York, home games of the hockey Rangers and basketball Knicks are already offered on regular cable TV to attract subscribers. In the future, popular games probably won't come so cheaply; they'll be limited to pay TV.

"Our research indicates that obvious (sports) interest is largely confined to the male member of the family," an official of Home Box Office (a 70 per cent-owned pay TV subsidiary of Time, Inc.) recently told a pay TV seminar. "Our research also makes it pretty unmistakably clear that the ultimate go, no-go decision in the family on subscribing to this kind of service (pay TV) is made by the male head of the household. Thus, while the whole family enjoys the movies, uncut and uninterrupted, the sports events may or may not be likely to tip the scales of decision-making in the family."

Although started just this year (and now serving only about 12,000 subscribers in eastern Pennsylvania), Home Box Office has already purchased sports packages from pro basketball's New York Nets, Milwaukee Bucks, Boston Celtics and Cleveland Cavaliers; hockey's New York Raiders and Cleveland Crusaders; and baseball's Cleveland Indians.

Home Box Office executives approached five or six NFL teams this year and got a cordial reception—until the teams were apparently asked by the commission's office to suspend any pay TV discussions. According to a Home Box Office spokesman, "The commissioner's office is in the middle of a pretty tough fight over (blackout) legislation and hearings . . . They're not really looking for another problem."

If it is ever to explore the tantalizing prospects of pay TV for home games, the NFL needs the current blackout. This is more than a matter of practical politics; it's also a legal necessity. Under the existing FCC rules, pay TV systems are barred from broadcasting any type of sports event that has been seen on local, over-the-air television during the previous two years—and chances are this two-year period will soon be lengthened to five years. Although the rules—from a legal point of view—are still a bit murky, it's likely that "home" and "away" games will be considered separate types of sports events.

This means that once the Redskins—or any other professional football team—begin showing their home games on over-the-air television, the team may not be able to switch to pay TV for at least five years (during which time home games couldn't be broadcast). So putting the home games on television wouldn't simply be an experiment; it would be a legal precedent, and, as a practical matter, would probably rule out forever the possibility of selling the games to pay TV.

THE ANTITRUST EXEMPTION

Although Cochran doesn't think the NFL owes anyone anything, there are a lot of congressmen who feel otherwise. During the last session of Congress, at least 20 different bills were introduced which would have modified existing sports broadcasting practices.

Most students of the game, including Cochran, trace football's phenomenal rise in popularity to TV. If that's so, Congress might rightfully claim a small debt of gratitude Back in 1961, Congress gave the football owners something that just about every businessman in America would like to have: an exemption from the anti-trust laws. The NFL desperately needed the exemption. A U.S. District Court judge had ruled that the teams could not bargain together (that is, as a league) with the television networks without running afoul of the anti-trust laws.

Even if Congress hadn't provided the exemption, there still would be football on TV, but each team would have to negotiate separately with local stations or the networks. Presumably, the teams in the bigger cities (with large advertising audiences) would receive bigger packages, while weaker teams in smaller cities would get less. And, taken together, it's probable that the teams would not do as well as they have by bargaining with the networks as a single unit on a take-it-or-leave-it basis.

In any case, the exemption became law in 1961, and the rest is history. In 1960, the 14 NFL teams received $3.1 million together for their television rights, today, the network package reportedly comes to $47 million annually or about $1.8 million for each of the 26 teams. TV revenues now account for about one-third of pro football's total.

The medicine being proposed—either for the NFL, to swallow voluntarily or to be forced down its throat by legislation—seems mild enough; some might reasonably complain that it is too mild. The bill offered by Sen. John Pastore (D-R.I.), chairman of the Senate Subcommittee on Communication, wouldn't automatically lift the blackout. Only if a game is sold out 48 hours before kickoff—and Pastore has indicated he's willing to haggle over the time period—would there be local television. If there's no sellout—even if 99 per cent of the seats are sold—there's no local TV. Last year, according to the NFL, 82 of the 182 regular-season games would not have been affected, because they weren't sold out (even though 96 per cent of the seats were sold).

The NFL isn't buying this idea.

A COUNTERPROPOSAL

After mulling it for six months, the league told Pastore this spring that it feels as kindly toward his proposal as, say, Sam Huff used to feel toward Jim Brown. But to prove that he is a reasonable man. Rozelle made a counterproposal. He would be willing to:

Provide local television of the Super Bowl (a concession made last year) and

Consider lifting the blackout in the Hartford-New Haven area once the New York Giants move to the Yale Bowl late this season. (Connecticut fans have always been able to view the Giants' home games, and, under the NFL's proposal, New York would remain blacked out—even when the Giants are at Yale.)

Pastore isn't buying. So now it's a contest to see who understands the Congress better.

From a public relations standpoint, the NFL clearly has problems. No longer can it claim that modifications of the blackout will cause short-term financial harm; Pastore's bill—which requires the prior sell-out before all television—makes that argument virtually impossible, so the NFL isn't pushing this theme. Now, the NFL contends that the game's intangible livelihood—the wild scrambling masses of a packed stadium that provide on-the-spot excitement—is threatened, because not all the ticket holders will show up if they can watch the game on television.

NO-SHOWS

This is the so-called "no-show" problem. The NFL says that it will not only smother the game's vitality, but also result in economic harm to people who live on stadium attendance—parking lot owners, hot dog concessionaires, and sometimes, local governments and stadium authorities which take a cut of the consessionaire income.

There are such creatures as no-shows. Last year, according to the NFL, 624,000 people bought tickets but didn't take their bodies to the game. That's about 6 per cent of total ticket sales (about 10 million).

But it's also true that about one third of the "no-shows" occurred during the last two games when the weather turned especially cruel, or when a team's dismal record had confirmed its mediocracy, or when a crucial game for a playoff berth could be seen on television.

These defections occurred without televising the home games, and there are lots of people, including Pastore, who think that the NFL's fears about soaring numbers of no-shows are wildly exaggerated "These tickets don't go for pennies," says Pastore. "They go for big dollars. If you're a devotee of football, you like to see the real action.

These concessionaires—often firms like ARA Services or the Canteen Corp., an ITT subsidiary—aren't likely to win much sympathy. And it's dubious that many congressmen will be shaken by the distant spectre of unemployed, part-time hot dog vendors. The unfortunate middlemen are the cities and counties which own the stadiums—and which aren't collecting enough from the teams to pay off the debts. "We love the teams, but we are subsidizing them," one Kansas City official told Pastore's subcommittee last year. Some local officials have opposed lifting the blackouts and it's a tough position to take. They're saying that they've spent to much money to keep the teams happy that they can't afford to let the fans—whose money it ultimately is—watch.

All this may make the blackout issue look simple, but there are a few complications. Pastore's bill also covers pro basketball, hockey and baseball, and—as a result of the current FCC rules—involves the ultimate viability of pay TV.

Pay TV advocates argue that they can actually increase the amount of televised sports available to viewers. They contend that many professional teams—which don't regularly have sellouts and which aren't nearly as profitable as pro football—won't permit the televising of home games on "free TV" for fear of destroying gate attendance, but that they might put the games on pay TV for two reasons:

Because the pay TV audience is smaller, the threat to the home gate is less.

There's more money in it for the team.

By this logic, almost everyone is better off. The games would be available on some type of TV, and many teams' financial position would be improved, enhancing their ability to bid for top players and, thus, raising the quality of competition.

This is pay TV's pitch; it may ultimately turn out to be so much propaganda, but it should be given a chance to succeed or fail on its own merits—rather than be killed by legislative or regulatory fiat. That means a change in the current FCC rules, which, combined with Pastore's legislation, would effectively prevent pay TV from ever bidding for the home games of many pro teams. Once a team has lost its local blackout for even one game—as a result of a local sold-out game being telecast regionally or nationally over the network—the rules would prevent the team from offering any of its games to pay TV—even those games that aren't sold out.

You don't have to be against pay TV—which may ultimately prove a good way of widening viewers' television choice—to be against the current blackouts. No pro league should be able to use its bargaining power, which stems from anti-trust immunity granted by Congress, to impose a local blackout on sold-out games that are being televised nationally or regionally. The NFL is clearly betting that Congress won't be able to bestir itself to modify the blackout. Inertia is a powerful force. The House has done nothing yet, but last week Pastore easily pushed his bill through the Senate Commerce Committee.

The senator is betting that the NFL doesn't understand Congress. "I am not," he says carefully, "in this for the exercise."

[From the Washington Post, May 10, 1973]

INDIANS LEAD BASEBALL INTO PAY TV

(By Dave Brady)

Major-league baseball has taken a small but fateful step into pay TV, the next gold mine of electronics.

The Cleveland Indians made extensively unnoticed history on April 21, when their home game with the Boston Red Sox was transmitted by cable television exclusively to customers in such Pennsylvania communities as Allentown, Bethlehem, Wilkes-Barre, Mahoney City and Hazleton. It was the first time ever that a major-league game was carried on pay cable TV.

The Indians contracted to show home games this season with Home Box Office Co. of New York City—which shortly will be 80 percent owned by Time, Inc.—with the approval of baseball commissioner Bowie Kuhn.

In the next week or so, a town named after Jim Thorpe, another, Lansford, where the first cable television system in the country was built, and Lehighton-Palmerton will be added to the network, which will then represent 100,000 potential customers.

Presently, most of them subscribe to systems that for $4.50 a month pick conventional television programs from about 12 stations and feed them into mostly mountainous terrain where signals otherwise would be difficult to pull by. Receivers in homes are converted for an installation fee.

In addition to that service, the Home Box Office firm offers executive sports events and current movies for another $6 a month. This system also requires a converter. Box Office now has 11,000 subscribers.

It has signed a five-year contract for the rights to American Basketball Association games since beginning operation in November and has bought the rights for showings outside the New York City area for most events in Madison Square Garden, including the Knicks and Rangers. Home Box Office also has contracts with the World Hockey Association and club deals with the Boston Celtics and Milwaukee Bucks.

Monday night the service carried a fight from Felt Forum in the Garden. Wrestling and roller derbies are on the schedule. The Westminster dog show also was televised and John Barrington, Home Box Office vice president, was asked about the appeal of such an event in the coal-mining towns.

"Our research shows that people like variety," Barrington said, "We researched the response to an Indians-Red Sox game and an ABA game we carried on viewed 114 customers in Hazleton.

"We got a pretty positive reading on the first Indians-Red Sox game the night before, but on Saturday night the ABA game drew 61 of the 144 viewers, or 42.4 per cent, and the baseball game 32, or 22.2 per cent.

"Of course, it was not a baseball attraction of great interest at this time of the year, while the ABA contest had continuity going for it as a playoff game.

"Of the programs picked up from conventional stations by the other cable systems, only 'Hawaii Five-O' and a special, 'Man Without a Country,' outdrew the basketball game on our outlet. We outdrew 'Maude' and a National Hockey League game.

"Most pay cable systems around the country show movies not available on conventional, or home TV, but we are unique in getting so much sports. We find that the family votes for movies but Dad makes the decisions and he likes sports, thus a combination makes more sense.

"Some nights we show two sports events or two movies, or a mix. We are on the air from about 7 p.m. to 11 p.m. We recently showed movies such as 'The French Connection' and 'Dirty Harry.' "

The indicators are that the Indians are not getting rich as baseball's pioneers on pay cable TV, with the system collecting only $56,000 a month.

"I would say the Indians are getting peanuts now because of our limited income," Barrington said. "It is rather expensive to bring their games into Pennsylvania."

Bob Brown, public-relations director for the Indians, said from Cleveland, 'I don't know how far the telecasts of the Indians' games will go; I doubt if it lasts. The Indians have been on a few times; the Cleveland Cavaliers (basketball) and Cleveland Crusaders (hockey) quite a lot.

"One deal make sense (for basketball and hockey); one (for baseball) did not. There are many aspects; financial is only one of them." Brown declined to elaborate.

Baseball has beaten profootball to pay cable doubtless recalling that football teams once settled for as little as $125,000 a season individually before selling their TV rights as a league-wide package. For the first year on that basis, each NFL club got $332,000; now it is up to $1.5 million. In 1973, the Redskins will get $125,000 just for their radio rights. In 1964, they brought $32,000.

Barrington says, in answer to criticism that pay cable is siphoning sports attractions from free or home TV: "Most events are not being seen now, despite so much expansion. Less than 30 percent of all sports are shown on any kind of television."

SENATE RESOLUTION 292—SUBMISSION OF A RESOLUTION CONCERNING AGREEMENTS WITH SPAIN

(Referred to the Committee on Foreign Relations.)

Mr. CLARK. Mr. President, during the Senate's recent consideration of the Sinai agreements, one of the fundamental questions at issue was whether several of those agreements should not have been formulated as treaties, and approved as such by the Senate. I regret to say that many of us who raised this issue were interpreted by some observers as having done so only as a tactical device for opposing the agreements. This was far from the truth—in my own case and, I know, in others. Although I do maintain certain reservations about the content of the Middle East agreements negotiated by Secretary of State Kissinger, I nevertheless supported their approval by the Senate. Indeed, I recognized the possibility that a Senator could personally disapprove the agreements, in the belief that they do not represent a sound approach to a lasting settlement, while still with consistency voting to approve them, in the belief that Senate rejection would have the worst possible effects on the prospect for peace.

But in favoring Senate approval of the Sinai agreements, Mr. President, I was at the same time deeply concerned about the constitutional aspects of the process. Important questions of procedure as well as policy were at issue, and, in my view, these questions could not be passed over lightly notwithstanding the sense of urgency surrounding the need for progress toward a settlement in the Middle East. What emerged from the debate on the Sinai agreements was a basic difference of interpretation concerning the constitutional role of the Senate in the contracting of major international commitments—a difference which has been expounded in lengthy momoranda prepared by the Senate's Legislative Counsel and the State Department's legal adviser. Both views begin with a recognition of the Constitution's provision that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

But from that simple provision, which is the Constitution's only declaration on this question, the two sides proceed to wholly opposite conclusions. While the argumentation presented by both sides is extensive, the two views may be briefly, and I think fairly, summarized.

In the State Department's view, because the Constitution "provides no guidance" on the question of what should be a treaty and what should be an executive agreement, the President "has the discretion to choose whether to conclude any particular agreement as a treaty or as an executive agreement." "U.S. law," according to the State Department interpretation, "permits the President to choose the form of international agreement he prefers. A treaty on a particular subject with one nation may best be done as an executive agreement with another nation; an executive agreement with a nation this year may better be entered into as a treaty relationship next year."

In the view of the Senate Legislative Counsel, however—and it is my own view as well—such an interpretation renders the constitutional provision essentially meaningless. For to allow unlimited Presidential discretion to conclude any international agreements as an executive agreement is to leave empty the Constitution's requirement that the Senate grant approval for treaties, unless the Constitution is interpreted, rather nonsensically, to intend that the Senate consider agreements only when the President at his pleasure chooses to submit them. I think it is unreasonable to suppose that the intent of the framers was to place into the Constitution a nonsensical provision, particularly in this important area. If the provision is to have meaning, it is that some international agreements must be regarded, constitutionally, as treaties. What the framers in their wisdom were surely seeking was not a procedure whereby the President could acquire Senate affirmation of international agreements only when he thought the Senate's approval would be convenient or expedient, but rather a procedure by which the Senate could check the President and balance his authority by being regularly involved in the creation of agreements between the United States and other nations.

But while I submit that the Constitution is clear in requiring Senate participation in the contracting of at least some international agreements, I do at the same time acknowledge that the Constitution is not at all explicit as to what agreements fall within the compass of that requirement. We who must live by the Constitution are thus left with the duty to interpret as best we can the intent of the framers—in the spirit of Thomas Jefferson who, upon becoming President, pledged himself to administer the Constitution "according to the safe and honest meaning contemplated by the plain understanding of the people at the time of its adoption—a meaning to be found in the explanations of those who advocated . . . it." On another occasion, I might add, James Madison emphasized the importance of so adhering "to the sense in which the Constitution was adopted and ratified by the Nation," because, as he said, "if that be not the guide in expounding it, there can be no security for a consistent and stable Government. * * *"

Reviewing the literature in which the framers of the Constitution expounded their views makes amply clear that the Senate was intended, through constitutional procedure, to be a regular and active participant in the conduct of the Nation's international affairs. Even so ardent an advocate of Executive power as Alexander Hamilton, in explaining that the Constitution gave the Government broad power to "make treaties of alliance, treaties of commerce, treaties of peace, and every other species of convention usual among nations," explained further that "it was emphatically for this reason that (this power) was so carefully guarded; the cooperation of two-thirds of the Senate, with the President, being required to make any treaty whatever." Others—and the literature is extensive—voiced a similar view; and there is nowhere on record an indication that the framers contemplated that the President should undertake significant agreements without the Senate's formal participation.

Obviously the framers could not have anticipated the complexity of today's world; nor, more specifically, could they have anticipated the vast number of agreements—many technical in nature and not of major consequence—which modern diplomacy would entail. But most certainly, if so informed about the future, they would not have indicated it to be their intention that the constitutional requirement should apply to the less significant agreements, leaving the President free to undertake the more important agreements at his own discretion. On the contrary, a fair reading of the framers' own words surely indicates the expectation and intent that the constitutional requirement apply—at a minimum—to agreements of significant consequence.

Ironically, Mr. President, for all of the recent efforts of the Congress to reassert its role in foreign policy—efforts usually justified by references to the Constitution and the intent of the framers—the area in which Congress has perhaps been least successful is the one area in which the Constitution is specific: the requirement for Senate consent in the creation of international agreements. Indeed, we find ourselves today with procedures which have inverted what the framers of the Constitution might reasonable have expected. Agreements involving minor, noncontroversial matters are routinely submitted to the Senate as treaties, while agreements of far greater consequence are entered into as executive agreements—and submitted to the Congress by ad hoc Executive decision only when such legislative participation is seen as politically expedient or necessary.

The month of October of this year provides several cases in point. Among the agreements submitted for Senate advice and consent were a protocol to perpetuate the International Coffee Organization, a convention on regulations to prevent collisions at sea, and an agreement with Brazil concerning shrimp. I do not wish to devalue the importance of any of these agreements, nor do I wish to take issue with the propriety of their submission as treaties. All pertain to matters of some significance, and all should have been submitted as treaties, just as they were. But I think it is fair to say that these agreements do not begin to compare in importance with another agreement which the administration was also in the process of negotiating in October, but which it apparently does not intend to submit as a treaty for Senate approval. I refer, Mr. President, to current negotiations to renew the bilateral Spanish-American agreement concerning U.S. air and naval bases in Spain, U.S. military and economic aid to Spain, and U.S. cooperation with Spain in a whole range of activities from science and technology to cultural exchange. This agreement was concluded as an executive agreement in 1970, despite strong expressions by members of the Senate Foreign Relations Committee that it should be submitted for consideration as a treaty. The agreement expired in September of this year, and is now operating in a grace period which the agreement provides for negotiations toward renewal. On October 23, the Foreign Relations Committee was briefed in executive session on the status of these negotiations; and from the indications at that briefing, I think it reasonable to infer that, if given latitude in the matter, the administration once again is unlikely to submit any agreement for Senate approval as a treaty.

Mr. President, my colleagues will remember that in recent years the Senate has on several occasions addressed the question of the proper responsibilities of this body in the creation of such significant international agreements relating to U.S. military bases. I regret to say that little has been accomplished, despite admirable efforts by a number of my colleagues, most particularly the distinguished senior Senator from New Jersey (Mr. Case).

In the 92d Congress, the Senate by a wide margin passed a resolution sponsored by Senator Case and other members of the Foreign Relations Committee, stating the sense of the Senate that U.S. agreements with Portugal and Bahrein concerning American military bases should be submitted as treaties. When the administration failed to comply, the Senate responded by approving another provision sponsored by Senator Case denying the use of funds to implement those agreements until they had been submitted to the Senate as treaties. My colleagues may remember that that provision, an amendment to the Foreign Assistance Act of 1972, assumed such importance as to become the principal reason that the bill was never enacted, leaving foreign aid to be funded from a continuing resolution for the entire year.

Again in the 93d Congress, the issue was raised by Senator Case by means of amendments to annual State Department authorization bills. In 1973 the Senate passed two Case amendments to the State Department bill: One which denied funds for implementation of the Azores agreement until it had been submitted to the Senate as a treaty, and a second which denied funds for the implementation of any significant military base agreement unless first approved as a treaty. Unfortunately, after two conferences with the House, neither provision was enacted. In 1974, the Senate again passed two provisions sponsored by Senator Case: One dealing specifically with the base on Diego Garcia, and a second relating broadly to all military base agreements, Again, unfortunately, both provisions were lost before enactment.

Mr. President, I believe that this effort must be continued, and pursued to a successful conclusion. Expediency and ill-founded custom cannot be allowed to stand against the requirements of the Constitution. I therefore wish to submit at this time a Senate resolution specifically calling on the administration, at such time as an agreement with Spain has been concluded, to submit that agreement to the Senate for consideration as a treaty. I ask unanimous consent that the text of the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

S. Res. 292

Whereas the Constitution states that the President of the United States must have the advice and consent of the Senate in order to make treaties; and

Whereas a comprehensive agreement with Spain providing, among other things, for the stationing of American military forces in that country is clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty: Now, therefore, be it

Resolved, That any agreement with Spain providing, among other things, for the stationing of American military forces in that country should be submitted as a treaty to the Senate for advice and consent.

Mr. CLARK. I emphasize, Mr. President, that my purpose in submitting this resolution is not to raise an obstacle against the conclusion of a reasonable agreement with Spain, but rather to continue the effort to rectify this Nation's procedures with respect to international agreements. I do, of course, recognize that any agreement with the Franco government or its immediate successor may be controversial. But such controversy would exist whether the agreement were concluded by the executive branch alone, or submitted for approval by resolution of both Houses, or submitted—as I believe it should be—to the Senate for approval as a treaty. My purpose, I reiterate, is constitutional. Because the Constitution is not explicitly worded, we have allowed practices to gain acceptance which are in obvious conflict with any reasonable interpretation of the intent of the framers. My purpose is to take a step toward removing this disparity and toward bringing our practices into line with constitutional intent.

Having introduced this resolution, Mr. President, I would like to address three arguments which may well be raised against it.

First, the argument that some form of congressional approval will suffice.

The first argument is that this resolution is largely unnecessary because the administration has already indicated that it intends to submit the agreement, in some form of the administration's choosing, for approval by the Congress. I am aware of such indications, Mr. President. Indeed, Ambassador McCloskey, the State Department's representative on this matter, stated to the committee that the State Department was now considering the form which such congressional participation should take.

Apparently, having recognized that Congress is concerned about American relations with Spain and that congressional participation is necessary in the implementation of any agreement involving economic and military aid, the administration has made the expedient decision to involve Congress in some way in the approval of the agreement. In my view, Mr. President, this approach is wholly unsatisfactory. My reference point is not the delicacy of U.S. relations with the Spanish Government, nor the State Department's tactics for securing congressional approval of its actions. My reference point is the Constitution. Plainly and simply, the nature of the agreement now being negotiated with Spain, whether that nation has a controversial government or not, is clearly such as to fall within the compass of those agreements which the Constitution requires be approved as treaties by a two-thirds vote of the Senate. While submission in some other form might satisfy the desire of many individuals in this body and in the House of Representatives to participate in the making of American foreign policy—a reasonable desire—it would not satisfy the Constitutional requirement. I therefore reiterate my view—which, I willingly add, is shared by most constitutional scholars—that the Constitution clearly mandates that such significant international agreements be approved as treaties by the Senate.

Second, the argument from past practice.

A second argument which may be voiced against this resolution, Mr. President, is that such a requirement has not been imposed in the past—either generally, in the case of a large number of agreements of comparable importance, or specifically, in the case of previous similar agreements with Spain. My reference, Mr. President, is again to the Constitution, which I submit is not subject to de facto amendment simply because its provisions, once or over a period of time, have not been scrupulously followed. In this connection, I would cite the analysis of former Senator Sam Ervin, a redoubtable constitutional scholar who found that, in matters relating to the Constitution, reliance on past usage is a "wholly unacceptable" guide. Senator Ervin wrote as follows:

> The legal basis for the use of executive agreements is unclear at best, and most frequently has been grounded on the argument of usage—a legal justification that is not entirely satisfactory. As I have often noted in various other contexts, murder and rape have been with us since the dawn of human history, but that fact does not make rape legal or murder meritorious. In effect, reliance on usage in this instance grounds concepts of constitutionality on acquiescence rather than on the written document, and is, to my mind, wholly unacceptable. It always has been my view that the Constitution means what it says. Moreover, I am not impressed with the recitation of so-called precedents to support de facto constitutional amendments. Even 200 years cannot make constitutional what the Constitution declares is unconstitutional.

One may add to this, Mr. President, the eloquent words of George Washington, who issued this warning in connection with the "reciprocal checks" established by the Constitution:

> To preserve them must be as necessary as to institute them. If in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Third, the metaphysical argument.

A third argument which may be voiced against a requirement that the treaty form be employed in the agreement with Spain, Mr. President, is that a treaty will entail or imply a formal American commitment to Spain's defense, or that it will somehow "lend dignity" to the agreement, thereby implying approval of the Spanish Government. This might be described as the metaphysical argument—the idea being that somehow a treaty carries with it a great deal of sometimes unwanted metaphysical baggage such as "commitment" and "dignity." This argument was in fact mentioned during the State Department's recent briefing of the Foreign Relations Committee. In all frankness, Mr. President, I find this argument ill-conceived, if not a little disingenuous.

Any agreement, whether it be executive agreement or treaty, formally commits the American Government to adhere to the terms which the agreement contains. Indeed, the two forms have equal standing in international law, both of them being solemn contractual pledges by this Nation. The difference between them inheres neither in formality nor in the degree of commitment once the contract is made, but solely in the domestic procedures by which we as a nation, in keeping with our Constitution, decide to enter into contract.

I do recognize that casual usage of the word "treaty" may have contributed to a mistaken impression that treaties inherently relate to matters of war and peace, and that to employ the treaty form is therefore to undertake a defense commitment. But such a misunderstanding, if it exists, it easily corrected. Each year the United States enters into hundreds of treaties on matters far removed from questions of national defense. Quite obviously, for example, our treaty agreement with Brazil on shrimp does not entail a commitment to Brazil's defense. Equally, a treaty with Spain covering base rights, aid, and cooperation does not inherently involve a commitment to Spain's defense.

To be sure, the presence of bases, under any kind of agreement, raises certain important questions about reponsibilities in the event of domestic strife or international hostilities. But that is exactly why the Senate should be involved, playing its constitutional role. Precisely because there are important implications, the commitment, military or otherwise, which is or is not involved should be carefully weighed and then clearly and publicly delineated—for the information of the American people and the world. Otherwise, we as a nation shall be subject to such casual enunications of commitment as that supplied several years ago by General Wheeler who, as Chairman of the Joint Chiefs of Staff, wrote to the Spanish authorities to say that the presence of American bases in Spain constituted more of a miltiary commitment than any document could ever provide. As this example indicates, the risk of misunderstanding may easily be greater if the Senate does not play its constitutional role—because in the process of Senate consideration and approval, areas of possible doubt may be made clear. In short, while I would never accept the argument that we should ignore our constitutional processes for fear that foreign observers might misunderstand our intentions, I submit that even that alleged risk is a false issue. As to the notion that we may confer dignity on others by use of the treaty form, I suggest that we attend first to the dignity of our Constitution.

In conclusion, Mr. President, I refer to a proposition which appears in the State Department's memorandum contending that the President has full latitude to enter into agreements in any form he chooses, thus deciding whether or not the Senate will be involved. In the course of so arguing, the memorandum states that "an executive agreement with a nation this year may better be entered into as a treaty relationship next year." In one limited sense, I concur with that statement, Mr. President. I agree that the accord with Spain, which was entered into as an executive agreement in 1970, may better be entered into as a treaty in 1975—not, however, because of Presidential fiat but because the time has now come, after years of neglect, for the Senate to reassert its constitutional role in the contracting of international agreements.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL GOVERNMENT IN THE SUNSHINE ACT—S. 5

AMENDMENT NO. 1027

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

AMENDMENT NO. 1039

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 5), supra.

Mr. STEVENS. Mr. President, I would like to make a short statement concerning two amendments that I wish to submit at this time.

I am not sure which will be used, either the amendment to the Senate rules or S. 5, but I would like to submit alternative amendments to the so-called sunshine bill. I believe it will be very fitting to call these the "midnight sun" amendments to the sunshine bill.

I am worried about the fact that as we open these meetings to the public there is no record that is kept of the normal operation of the committee meetings or the conference committee meetings.

In the conference on the energy bill we are in fact keeping a record. I have been a party to some open committee meetings, both executive markup sessions and open conference committee meetings, where records have not been kept. This leads to a conflict as to what actually took place. It means that we will have public witnesses who would be able to testify as to what our expressed intention was but very often what we intend to express is not what we actually said.

I think it is imperative that we have a record kept of these committee meetings so that the future interpretation of our intent will be clear, as clear as it can possibly be from an accurate record. I think it is necessary to know what actually has been said in these meetings. We need to avoid the disputes that will come from various interpretations of what has been said if there is no record. Mainly, and the reason that I offer it, being from the State that I represent, so far away from this Nation's Capital, is all of the public cannot attend these meetings. But they can read the transcript of what went on at conference committee meetings or open executive sessions if, in fact, we keep a record. So there will be an accurate record of our intent.

For that reason, Mr. President, I submit and ask that there be kept at the desk waiting for the sunshine bill or rule to be presented to the Senate alternative amendments to carry out this intent.

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT—H.R. 9005

AMENDMENTS NOS. 1028, 1029, AND 1030

(Ordered to be printed and to lie on the table.)

COVERT OPERATIONS AMENDMENTS

Mr. CRANSTON. Mr. President, I am sending to the desk the texts of three amendments to the Foreign Assistance Act dealing with congressional oversight of covert operations. I ask unanimous consent that my amendments be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1028

SEC. . The Foreign Assistance Act of 1961, section 662(a), is amended to read as follows:

"(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and provides in a written report a full description of such operation to the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and International Relations of the House of Representatives. Such reports shall be available to all members of these committees."

AMENDMENT No. 1029

SEC. . Chapter 3 of part III of the Foreign Assistance Act of 1961, is amended by substituting the following new language for the existing wording of section 662:

"SEC. 662. LIMITATIONS ON INTELLIGENCE ACTIVITIES.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency or any other agency of the United States Government for the conduct of covert action operations, other than operations intended solely for obtaining necessary intelligence. Notwithstanding the foregoing limitation, the President may authorize and direct that any covert action operation be resumed or that any other covert operation be initiated, and funds may be expended therefor, if, but not before, (1) he finds that such operation is vital to the defense of the United States, and (2) he transmits a written report of his finding, together with a detailed description of the nature and the scope of such operation to the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and International Relations of the House of Representatives.

(b) Operations under (a) may be terminated at any time when as many as two of the six committees vote, in executive session, to disapprove of a specified operation.

(c) The provisions of subsections (a) and (b) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the war powers resolution (Public Law 93-148)."

AMENDMENT No. 1030

SEC. . Chapter 3 of part III of the Foreign Assistance Act of 1961, is amended by substituting the following new language for the existing wording of section 662.

"SEC. 662. LIMITATIONS ON INTELLIGENCE ACTIVITIES.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency or any other agency of the United States Government for the conduct of covert action operations, other than operations intended solely for obtaining necessary intelligence. Notwithstanding the foregoing limitation, the President may authorize and direct that any covert action operation be resumed or that any other covert operation be initiated, and funds may be expended therefor, if, but not before, he (1) finds that such operation is vital to the defense of the United States, and (2) transmits a written report of his finding, together with a detailed description of the nature and the scope of such operation to the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and International Relations of the House of Representatives.

(b) Operations under (a) may be terminated at any time when either House, in executive session, passes a simple resolution of disapproval specifying the kinds of operations and the geographical area involved.

(c) The provisions of subsections (a) and (b) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the war powers resolution (Public Law 93-148)."

Mr. CRANSTON. Let me hasten to add, Mr. President, that I do not intend to call up the amendments at this time. I may desire to do so at a later time, perhaps when the foreign military assistance bill comes to the floor. However, I prefer to wait until we have received the report of the Select Committee on Intelligence, chaired by the distinguished Senator from Idaho. I hope the recommendations that committee will address the concerns expressed in my amendments.

In the amendments I submit today, I only address the congressional procedures for improving oversight of CIA covert operations. In no way do I wish to seem to be approving such operations. Indeed, I may vote to ban all such operations, depending upon the recommendations of the Church committee and my own conclusions on this matter.

I. THE PRESENT SYSTEM (LAW) AND HOW IT WORKS

Last December, Mr. President, Congress added the following language to the Foreign Assistance Act:

"SEC. 622. Limitations on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the war powers resolution."

That law requires only that the President inform the appropriate committees of Congress "in a timely fashion." The notification need not be in writing and may be carried out after an operation is completed. There is no way for the committees to explicitly know that the President is aware of the operation and is in favor of it. Under the present system it is quite possible to later declare that the President was never personally informed, or that the CIA Director fudged the truth when he told Congress that the President knew about the plan.

Here is the way the present system works, to the bets of my understanding, based on press reports and discussions within the Senate: CIA Director Colby notifies the Senate Foreign Relations Committee chief of staff, the chairman of the committee and the ranking minority member that he has a report to make on a CIA operation—sometimes several weeks after an operation has begun. He has alerted them in four or five instances since January. He comes down to the committee and orally briefs the three on the general outlines of the operation. In other words, the committee has delegated the responsibility under the law to the chairman and ranking minority member. The other members of Foreign Relations are then notified, merely informing them that a briefing by Colby has taken place, with no hint of the subject or country involved; not even the relevant subcommittee chairman is given a clue. So a member must ask to be briefed on whatever it was Colby came to talk about. But even then the details are few.

I am informed that Director Colby briefs the intelligence oversight Subcommittees of Armed Services and Appropriations on covert operations.

Note that the report is not from the President; it is after the fact; and it is not in writing His latter practice is a violation of section 654 of the Foreign Assistance Act as amended in 1971, which reads in part:

> Presidental Findings and Determinations—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.
>
> (b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

Further note that there is no recourse for the committee members once they are informed. To bring it to the floor could expose them to the charge of endangering national security. The information on covert operations is locked up in the minds of a few; the Foreign Relations Committee has been coopted by the CIA. What is the point of being informed if there is no way to stop covert operations? The committee becomes part of the closed system of nonaccountability.

II. WHAT THE AMENDMENTS DO

I have composed three versions:

First. The first is more simple than the others. It would require a signed letter from the President—as opposed to having an aide verbally inform Congress—prior to the commencement of a covert operation. Representative ADDABBO has introduced comparable language in the House. It would also require explicitly that such reports be available to all Members of the appropriate committees.

In other words, the amendment would encourage the committee members to be informed and not to delegate this responsibility.

Second. The second leaves the arrangements—once a written report is submitted—to the committee. But it requires a "detailed" description of the nature and scope of an operation and, most importantly, it establishes a legislative veto. The idea is to permit any two of the six committees to say "no" to a covert operation. Of course, they could approve it by doing nothing. The timing of their action is left indefinite.

Third. The third version is the same as No. 2, with the important difference that it places the burden of disapproval with the Senate and House as a whole. Any member could request an executive session and introduce a resolution addressing the specific operation in general terms.

Finally, note that all three versions are in the spirit of restraint, not prohibition of covert operations. As I indicated earlier, Mr. President, I intend to address the question of a ban on covert operations at a later time.

III. THE CONTEXT FOR THESE AMENDMENTS

In conclusion, I cannot help but note that the pressures for cover up and closing down are growing on the Church committee. I support their efforts to achieve a comprehensive investigation, and to come forward with sound recommendations for the future, while providing in a responsible way the maximum amount of information to the public. They have a most difficult job, especially when—as the junior Senator from Colorado recently documented—there are constant leaks from the executive branch. I hope the committee will recommend very strict controls, at least, on covert operations—with some means for Congress to say "no." But even if there are effective reforms, such as a permanent oversight committee, there will be a continuing necessity for the Foreign Relations and International Relations Committees to be informed about covert operations as they relate to foreign policy.

The time has come to strike a blow against the closed system that permitted 40 or so covert operations to be conducted between 1972 and 1974 without a single meeting of the 40 Committee of the NSC, and with the approval of only Kissinger or Kissinger and the President. For all we know, this is still the case, with the appropriate congressional committees roped in after the fact.

Tax moneys are being spent for covert operations abroad today. What is different from voting military aid or economic aid by country, and approving covert funding to factions in Portugal and Angola? The latter is just another kind of foreign aid. Congress should have a say.

AMENDMENT NO. 1031

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENTS NOS. 1034, 1035, AND 1036

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR., submitted three amendments intended to be proposed by him to the bill (H.R. 9005), supra.

AMENDMENTS NOS. 1037 AND 1038

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted two amendments intended to be proposed by him to the bill (H.R. 9005), supra.

AMENDMENT NO. 1040

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself and Mr. MATHIAS) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 9005), supra.

AMENDMENT NO. 1042

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, I am today, releasing a letter from the Comptroller General, reporting the conclusions of an investigation undertaken by the GAO at my request. I am at the same time submitting amendments to the Foreign Assistance Act to correct certain flaws and weaknesses in this legislation on the question of religious discrimination in international business practices.

The GAO investigation grew out of an agreement, signed on February 27, 1975, between the United States and the Government of Saudi Arabia, which authorized the operation of a program of the Overseas Private Investment Corporation in Saudi Arabia. The signing of this agreement followed disclosures made only weeks before by the Senate Foreign Relations Committee of the continued participation of the Government of Saudi Arabia in Arab blacklist policy and the increased use of that blacklist.

The Overseas Private Investment Corporation is authorized under the Foreign Assistance Act of 1961 as amended. As such, its programs and policies have been placed by Congress clearly within the goals and objectives of U.S. developmental and economic assistance. However, it was my opinion at the time this agreement was signed—and it remains so today—that without a clear understanding from the Saudi Arabia Government such an arrangement plainly violates, at least in spirit and intent, several provisions of the Foreign Assistance Act. Without such an understanding, I believe it puts the U.S. Government in a position of implicitly acquescing, approving, and participating in a policy of discriminatory financial, investment, and business relationships.

Mr. President, existing statutes in the Foreign Assistance Act make explicit both overall policy guidelines and the intentions of Congress on the matter of discrimination against Americans, and the GAO report which I am releasing offers the legal opinion that such a statement of policy by Congress is "significant in that it sets forth the concerns of the Congress in enacting the legislation." "However," the report continues, "existing law does not specifically prohibit assistance under the act to any foreign nation that discriminates against American citizens on the basis of race, color, or religion."

The purpose of my amendment is to correct this weakness in the Foreign Assistance Act. The amendment adds statutory language establishing an affirmative requirement that this principle of nondiscrimination against American citizens, be applied during negotiations with foreign countries.

Also, on the basis of the GAO investigation, its report concludes that "since under the terms of the agreement, OPIC can only insure those projects in Saudi Arabia that are acceptable to Saudi Arabia, any pattern of religious discrimination by the Saudi Arabian Government will in effect by ratified and approved by OPIC."

This means that, if such OPIC programs, authorized under the February agreement already signed with the Government of Saudi Arabia, actually begin operating, the U.S. Government and the taxpayer will be guaranteeing the investments of only those American companies which are acceptable to the Government of Saudia Arabia; that is, those which have not engaged in activities which result in their being placed on the blacklist.

The second part of my amendment will insure that this does not happen. The Overseas Private Investment Corporation is a Government agency which was created to encourage the participation of American private capital and skills in the economic and social development of the third world. It was designed to a partnership between American business and Government to direct investment toward countries urgently in need of economic development. I personally have deep reservations about OPIC's effectiveness in achieving its stated aims. But there is one matter on which there can be no disagreement among Americans: That this partnership must at all times reflect the principles and goals which our society has set for itself. It must never be used when those principles are threatened.

The rest of my amendment would add language to title IV of the Foreign Assistance Act, which authorizes OPIC, prohibiting that agency from issuing any contracts for insurance or guarantees of proposed investment in countries which either in principle or in practice makes distinctions between American citizens because of race, color, or religion.

I hope that this amendment will clarify any ambiguities which exist in this legislation, concerning congressional intentions with regard both to OPIC and to other aspects of U.S. foreign assistance.

I ask unanimous consent that the text of the Comptroller General's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., October 15, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate.

DEAR SENATOR KENNEDY: Reference is made to your request that our Office review the legality of an agreement signed on February 27, 1975, by representatives of the Government of the United States and Saudi Arabia, authorizing the operation of an Overseas Private Investment Corporation (OPIC) program in Saudi Arabia.

You question the legality of the agreement in light of recent disclosures made by the Senate Foreign Relations Committee concerning the continued participation of Saudi Arabia in the Arab blacklist policy. In this regard your letter reads, in pertinent part, as follows:

"* * * It is my opinion that this agreement therefore plainly violates several provisions of the Foreign Assistance Act, and puts the Government of the United States in a position of implicity acquiescing, approving, and participating in this policy of business relationships. It means that the U.S. Government and the U.S. taxpayer will be engaged in guaranteeing the investments of those companies which are acceptable to Saudi Arabia; i.e. those which have not engaged in activities which result in being placed on the blacklist.

"In passing the Foreign Assistance Act of 1961, Congress specifically linked all economic and developmental assistance to progress in the pursuit of basic individual freedoms. Section 102 of the Act states that: 'it is the policy of the United States to support the principles of increased economic cooperation and trade among countries . . . freedom of religion, and the right of private persons to travel and pursue lawful activities without discrimination as to race or religion.'

"Section 102 further declares that 'any distinction made by foreign nations between American citizens because of race, color or religion . . . is repugnant to our principles.' "

You letter also directs our attention to provisions of the Foreign Assistance Act of 1961, as amended, which set forth certain of the major purposes, policies, and objectives of OPIC. You conclude by stating that the "agencies of the United States Government are legally bound to discourage such discriminatory practices" and "should not be engaged in indirectly supporting those policies." Specifically, our Office is requested to review the legality of the U.S.-Saudi Arabian agreement in the context of the provisions cited above, and any other relevant law.

An initial issue to be considered is whether the Saudi Arabian Government does in fact discriminate against individuals or businesses on the basis of religion. The question arises as a result of Saudi Arabian participation, as a member of the League of Arab States, in the Arab boycott of Israel. A significant aspect of the Arab boycott has been the attempt to inhibit third parties from assisting in Israel's development by the formation of a so-called "blacklist" of companies to be boycotted by the members of the League of Arab States. The primary basis for this secondary boycott is a document adopted by the Arab League entitled "General Principles for the Arab Boycott of Israel Relating to Manufacturing and Trading Companies."

We understand that this document, which is subject to the interpretation of individual Arab Governments, provides that foreign companies and institutions will be considered to be operating in support of the Israeli economy and therefore will be subject to the Arab boycott for the following reasons:

a. if they have established a plant (a branch or a main one) in Israel;

b. if they have established an assembly plant in Israel (the ban includes foreign companies and institutions the agents of which assemble their products in Israel);

The ban also applies to a foreign company (its branches or subsidiaries) which supplies more than 50 percent of the constituent parts (or the engine) of a product assembled in Israel.

c. if they possess general agents or head offices for the Middle East in Israel;

d. if they have granted the right to use their name or manufacturing licenses to Israeli companies;

e. if they have become partners in Israeli companies or manufacturing plants;

f. if they have supplied advice or technical expertise to Israeli manufacturing plants;

g. if they act as agents for Israeli companies or principal importers of Israeli products anywhere outside Israel;

h. if, within the period of warning, they refuse to reply to questions submitted to them with a view to clarifying their position and determining their relationship with Israel.

In addition the "Principles" specify that foreign persons who are "Zionist sympathizers" as well as institutions and commercial companies that are considered to be "pro-Zionist" fall within the scope of the boycott.

Our review of the cited document indicates that the boycott principles as expressed therein do not appear to be based primarily on religion, although it is apparent that the prohibition against dealing with Zionist sympathizers or pro-Zionists could readily be interpreted and applied by an Arab Government on a religious basis. However, the significant issue is how these principles are and would be applied by the Saudi Arabian Government and whether the primary basis for boycotting businesses is or might become, in reality, that of religion. In this regard, we direct your attention to the enclosed copy of a letter to us dated May 28, 1975, from the Acting Deputy Assistant Secretary for Budget and Finance, Department of State concerning this matter. Although the State Department concluded that the Arab boycott of Israel is not expressly based on religion and does not differ significantly in concept from prior international practice, it acknowledged that each Arab country has much discretion in applying the boycott principles. The State Department also concedes that there have been numerous examples in the past of a failure on the part of Saudi Arabia "to distinguish between supporters of Israel and a person's religion or ethnic origin," including a general refusal to issue visas to persons who state on the Saudi Arabia visa application form that they are Jewish or have no religious affiliation. It has also been alleged that the Saudi Arabian Government along with other Arab Governments have included discriminatory provisions in contracts with American companies.

The question of possible religious discrimination by Saudi Arabia has been and is being investigated by various congressional committees as well as the Justice Department. In light of the complex background, conflicting allegations, and various investigations concerning the question of religious discrimination by the Arab Governments in general and Saudi Arabia in particular, we cannot resolve this issue. However, for purposes of addressing the legal questions presented, we will assume arguendo that Saudi Arabia does discriminate against American citizens and businesses on religious grounds.

OPIC operates under the provisions of title II of the Foreign Assistance Act of 1961, as amended, 22 U.S.C.A. sections 2191 et seq (Pocket pt., 1975). 22 U.S.C.A. section 2191 provides in part:

"Congressional statement of purpose—

"To mobilize and facilitate the participation of United States private capital and skills in the economic and social development of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States there is hereby created the Overseas Private Investment Corporation * * *."

In carrying out the foregoing purposes, OPIC is directed by this section to undertake, inter alia, the following, utilizing broad criteria:

* * * * *

(g) to consider in the conduct of its operations the extent to which less developed country governments are receptive to private enterprise, domestic and foreign, and their willingness and ability to maintain conditions which enable private enterprise to make its full contribution to the development process;

"(h) to foster private initiative and and competition and discourage monopolistic practices;

* * * * *

"(j) to conduct its activities in consonance with the activities of the agency primarily responsible for administering subchapter I of this chapter and the international trade, investment, and financial policies of the United States Government;"

In order to implement these and other objectives set forth in the Foreign Assistance Act of 1961, as amended, OPIC is authorized to insure United States investors against political risks of loss of their overseas investment in less developed friendly countries or areas due to inconvertibility of currency; expropriation; and war, revolution, or insurrection, and to issue guarantees of loans and other investments. See 22 U.S.C.A. § 2194. Furthermore, 22 U.S.C.A. § 2197 provides in effect that before OPIC can issue insurance or guarantees to cover overseas investments, the President of the United States must have agreed to institute such a program in the particular country or area involved.

It was pursuant to this statutory requirement that OPIC entered into the agreement in question, on February 27, 1975, entitled "Agreement on guaranteed private investment between the Government of the United States of America and the Government of the Royal Kingdom of Saudi Arabia." Paragraph I of the Agreement reads as follows:

"In order to increase participation by United States private enterprise in projects bringing new technology to Saudi Arabia, persons eligible under applicable United States legislation may be issued guaranties by the United States Government against loss due to specified risks relating to contracts or investments in Saudi Arabia which are approved by the Government of Saudi Arabia (hereinafter, "guaranties"). The Government of the United States of America agrees that a contract or investment shall be deemed approved for purposes of this Agreement only if entered into with the Government of Saudi Arabia, or an agency thereof, or otherwise approved in accordance with the applicable laws and regulations of Saudi Arabia."

As noted previously, you question the legality of this agreement in light of certain of the provisions contained in OPIC's enabling legislation, specifically 22 U.S.C.A. §§ 2191(g), (i), and (j), *supra.*, as well as section 102 of the Foreign Assistance Act of 1961, as amended, 22 U.S.C.A. § 2151 (Pocket pt., 1975), which reads in pertinent part as follows:

"(a) The Congress declares that the freedom, security, and prosperity of the United States are best sustained in a community of free, secure, and prospering nations. In particular, the Congress recognizes the threat to world peace posed by aggression and subversion wherever they occur, and that ignorance, want, and despair breed the extremism and violence which lead to aggression and subversion. The Congress declares therefore that it is not only expressive of our sense of freedom, justice, and compassion but also important to our national security that the United States, through private as well as public efforts, assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political and social institutions which will meet their aspirations for a better life, with freedom, and in peace.

"In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. *The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles.*" (Emphasis added.)

The above-quoted Congressional statement of policy expressing the general objectives of the Foreign Assistance Act of 1961, as amended, is, of course, significant in that it sets forth the concerns of Congress in enacting the legislation. However, it appears that this section does not specifically prohibit assistance under the Act to any foreign nation that discriminates against American citizens on the basis of race, color, or religion.

In this regard, we point out that the inclusion of more specific language into section 102 was proposed, but ultimately rejected, during congressional consideration of the Foreign Assistance Act of 1962, approved August 1, 1962, Pub. L. No. 87-565, 76 Stat. 255. Section 101 of H.R. 11921, 87th Cong., the House version of the legislation ultimately enacted as the Foreign Assistance Act of 1962, as passed by the House of Representatives, would have amended the then-existing language of section 102 by adding the following:

"The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nations in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion, is repugnant to our principles; *and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act these principles shall be applied.* The Secretary of State shall report annually on the measures takén to apply the principles stated above." (Emphasis added.)

H.R. Rep. No. 1788, 87th Congress, 2d Sess. 6 (1962), explained this amendment in part as follows:

"The committee was deeply disturbed to receive, during its consideration of the Foreign Assistance Act amendments of 1962, evidence that certain foreign nations continue to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access and in the exercise of rights available to American citizens. The committee believes that such discrimination against American citizens is totally unwarranted and repugnant to our principles. The amendment embodied in section 101 contains a strong expression to that effect. It declares that discrimination because of race, color, or religion against American citizens is repugnant to our principles. These principles shall be applied in all negotiations with foreign nations with respect to any funds appropriated under the authority of this act. The amendment further requires the Secretary of State to report annually on the measures taken to implement this directive."

However, when the 1962 legislation was ultimately enacted by Congress, the requirement that the foregoing principles applied "in all negotiations with foreign nations with respect to any funds appropriated under authority of this Act" had been deleted. The explanation for the change was set forth in the conference report on S. 2996, the version enacted, as follows:

"The managers on the part of the House accepted a revision of the provision of the House amendment which constitutes a clear and strong declaration of the attitude of the United States toward distinctions made by foreign nations between American citizens because of race, color, or religion in the granting of or the exercise of rights to which all American citizens are entitled.

"The change in the language agreed to should not be interpreted as an indication that the Congress is reconciled to the present state of affairs or that it is opposed to the administration of U.S. assistance programs in such a way as to discourage the violation of the rights of all American citizens. Strong and continuous action must be taken to end the present discriminations practiced by certain countries against Americans with respect to personal and commercial access, and the availability of U.S. assistance must be influenced by the attitudes and policies of its recipients.

"Section 302(e) of the bill requires an annual report from the President on progress in the elimination of such discriminations." H.R. Rep. No. 2008, 87th Cong., 2d sess., 13 (1962).

Although the foregoing explanation from the Conference Report does contain a strong expression of congressional sentiment condemning "discrimination practiced by certain countries against Americans," it must be noted that the actual statutory language that would have established an affirmative requirement that this principle be applied during negotiations with foreign countries was removed. However, we do recognize, as indicated by H.R. Rep. No. 1788, *supra*, that the primary justification for the proposed amendment, a portion of which was enacted into law, was the Arab boycott and its effects on Americans of the Jewish faith. See Hearings on the Foreign Assistance Act of 1962 before the House Committee on Foreign Affairs, 87th Cong., 2d Sess. 1055–1081 (1962). It must also be noted that the cited hearings contain references to other bills, H.R. 10787 and H.R. 10856, 87th Cong., which did not receive favorable consideration by the House committee, but which would have prohibited the United States from furnishing any aid or assistance to any foreign nation or citizen thereof to be used in carrying out any activity under which American citizens would be discriminated against.

We believe that the following explanation of the legal effect of the policy section of a statute and its closely related counterpart, the preamble, is also of relevance here, Sands, Statutes and Statutory Construction, § § 20.03, 20.12 (1974).

"The function of the prearble is to supply reasons and explanations and not to confer power or determine rights. Hence it cannot be given the effect of enlarging the scope of effect of a statute."

* * * * *

"In place of a preamble it has become common, particularly in federal legislation, to include a policy section which states the general objectives of the act in order that administrators and courts may know its purposes. This is frequently of significance where the enforcement of the act depends principally upon administration and the administrative officers have not participated in the preparation of the legislation.

"The policy section like the preamble is available for the clarification of ambiguous provisions of the statute, but may not be used for the creation of ambiguity."

In accordance with the foregoing we must conclude that the language of 22 U.S.C.A. § 2151 does not prohibit the agreement in question.

Our views are similar as concerns the effect of 22 U.S.C.A. § § 2191(g), (i), and (j), quoted previously. These provisions express general guidelines to be considered by OPIC in administering the substantive sections of the act. To the extent that subsection (j) in effect incorporates the policies of 22 U.S.C.A. § 2151, our views concerning that section, set forth above, are applicable.

Apart from the statutory provisions discussed above (and assuming that religious discrimination is involved), implementation of the agreement could conceivably raise constitutional issues. Thus, while the policy of 2 U.S.C.A. § 2151 against discrimination between American citizens on the basis of race, color, or religion is not strictly operative as a matter of statutory law, reinforcement or ratification of, or substantial entanglement in, such discrimination by a Federal agency might potentially violate the First and/or Fifth Amendments to the Constitution. If Saudi Arabia pursues a policy of religious discrimination and therefore refuses to deal with certain American businesses on the basis of religion, and since the agreement specifically provides that contracts and investments must be approved by the Saudi Arabia Government before becoming eligible for OPIC insurance, it would appear that OPIC would necessarily become involved in a discriminatory scheme, albeit indirectly and involuntarily. In other words, since under the terms of the agreement OPIC can only insure those projects in Saudi Arabia that are acceptable to Saudi Arabia, any pattern of religious discrimination by the Saudi Arabian Government will in effect be ratified and approved by OPIC. Businesses meeting the religious requirements of Saudi Arabia (asuming again that such requirements exist) will thereby realize the advantages of OPIC insurance and those that do not meet such requirements will be at a definite competitive disadvantage as a direct result of OPIC's action in establishing an insurance program in Saudi Arabia.

Of some relevance here are OPIC's views concerning the legality of this agreement as set forth in a letter dated June 25, 1975 (a copy of which is enclosed), from Cecil Hunt, Deputy General Counsel for OPIC. This letter reads in pertinent part as follows:

"As the Saudi Arabia Bilateral Agreement is merely an executory agreement defining the rights of the signatories if OPIC issues insurance in Saudi Arabia, OPIC believes that the execution of such agreement was legally permissible and did not violate any statutory provision. The legal and policy considerations involving the economic boycott and charges of discrimination mentioned in your letter are relevant to the issuance of insurance contracts by OPIC in Saudi Arabia. No insurance has been issued as yet and, before it is, OPIC will carefully evaluate the conformity of such coverage with American law and the economic and foreign policy objectives of the United States. In making that evaluation we will, of course, take particular care to assure that issuance of insurance is consistent with United States law and policy with regard to economic boycotts and discrimination directed at American citizens."

Thus, OPIC adheres to the position that the agreement with Saudi Arabia merely authorized the establishment of an OPIC program in Saudi Arabia and therefore could not violate any statutory or presumably constitutional provisions since it merely defined the rights of the respective parties and did not involve the actual issuance of insurance. We are assured that prior to the issuance of any insurance, "OPIC will carefully evaluate the conformity of such coverage with American law." However, it is not clear that any satisfactory mechanism exists or could be developed by OPIC to guarantee that American citizens and businesses are not being discriminated against on a religious basis. Presumably an American company desirous of contracting with or investing in Saudi Arabia and thereby obtaining the benefits of OPIC insurance would be required to make at least tentative arrangements with Saudi Arabia prior to applying to OPIC for insurance. In this regard, the agreement itself specifies that "a contract or investment shall be deemed approved for purposes of this Agreement only if entered into with the Government of Saudi Arabia, or agency thereof." Of course, if Saudi Arabia refuses, for whatever reasons to enter into a contractual arrangement with an interested company, there would be nothing for OPIC to insure. OPIC might be unaware of such rejections by Saudi Arabia. Furthermore, another even more difficult problem would appear to exist under the terms of this agreement. We assume that any American companies that are on the existing "blacklist" would not take the time or trouble to apply to either Saudi Arabia or OPIC for participation in this program. Therefore, if the blacklist has been established or is applied by Saudi Arabia even partly on religious grounds, OPIC might not learn of the magnitude or existence of such a discriminatory "chilling effect."

To summarize, in light of the all important but unresolved factual questions concerning the nature of the blacklist policy as applied by Saudi Arabia, we are not in the position to conclude that this agreement establishing an OPIC program in Saudi Arabia is illegal. However, if it could be determined that the blacklist effectively operates in practice to discriminate against American citizens on the basis of religion, we believe for the reasons stated above that the constitutionality of the instant agreement would be subject to serious doubt.

Sincerely yours,

Elmer B. Staats,
Comptroller General of the United States.

RENTAL OF RAILROAD ROLLING STOCK BY FOREIGN CORPORATIONS—H.R. 5559

AMENDMENT NO. 1032

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HATHAWAY. Mr. President, when the Finance Committee takes up some of the tax legislation now pending in the Committee, there are two amendments of primarily a technical nature I am planning to offer.

The first of these, for the "clarification of the tax status of certain independent fishermen" does two things. First, for boats manned by crews of five or fewer people, the bill provides that if an individual's remuneration for his services is not wages but a portion of the catch, he shall be treated as self-employed for certain tax purposes. More specifically, the legislation amends the Internal Revenue Code by specifically excluding the services performed by such individuals from the definition of employment under the Federal Insurance Contribution Act, by excluding wages paid for services from the definition of wages under the withholding provisions of the Federal income tax, and by excluding such individual's services from the Social Security Act definition of employment and including those services in the definition of self-employment income.

The amendments will allow such individuals to continue to enjoy the benefits of the Social Security Act as participating self-employed individuals and such individuals will continue to be eligible to recover under the Jones Act for personal injury suffered while working.

The second thing the amendment would do is include the harvesting of marine resources within a definition of agriculture for purposes of establishing tax-exempt organizations.

This would extend the benefits of having a tax-exempt organization to the Nation's fishermen. These include, but are not limited to, lobstermen, oystermen, clammers, fishermen, shrimpers, and all others who reap the harvest of the sea.

Labor and farm organizations were recognized long ago by the Congress and the Federal Government as institutions which provided a service to their constituents—a service that benefited society as a whole. Federal law offers these organizations tax-exempt status to enable them to provide information and counseling services, as well as publicize events which have particular meaning to those organizations. My amendment would do the same for fishing organizations.

I ask unanimous consent that the text of this amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1032

At the end of the bill, add the following new section:

Sec. .—Clarification of the Tax Status of Certain Independent Fishermen.—That (a) section 3121(b) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding after paragraph (19) the following new paragraph:

"(20) service performed by an individual on a boat engaged in catching fish or other forms of marine animal life under an arrangement with the owner or operator of such boat pursuant to which—

"(A) such individual does not receive any cash remuneration,

"(B) such individual receives a share of the boat's catch of fish or other forms of marine animal life, and

"(C) the amount of such individual's share depends on the amount of the boat's catch of fish or other forms of marine animal life,

but only if the operating crew of such boat is normally made up of fewer than six individuals.".

(b) Section 1402(c)(2) of such Code (relating to definition of trade or business) is amended by striking out "and" at the end of subparagraph (D), by striking out the semicolon at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding after subparagraph (E) the following new subparagraph:

"(F) service described in section 3121(b) (20)".

(c) Section 3401(a) of such Code (relating to definition of wages for purposes of withholding) is amended by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; or", and by adding after paragraph (16) the following new paragraph:

"(17) for services described in section 3121(b)(20).".

Sec. 2. (a) Section 210(a) of the Social Security Act is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding after paragraph (19) the following new paragraph:

"(20) service performed by an individual on a boat engaged in catching fish or other forms of marine animal life under an arrangement with the owner or operator of such boat pursuant to which—

"(A) such individual does not receive any cash remuneration,

"(B) such individual receives a share of the boat's catch of fish or other forms of marine animal life, and

"(C) the amount of such individual's share depends on the amount of the boat's catch of fish or other forms of marine animal life,

but only if the operating crew of such boat is normally made up of fewer than six individuals.".

(b) Section 211(c)(2) of such Act is amended by striking out "and" at the end of subparagraph (D), by striking out the semicolon at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding after subparagraph (E) the following new paragraph:

"(F) service described in section 210(a) (20);".

Sec. 3. That section 501 of the Internal Revenue Code of 1954 (relating to exemption from tax on corporations, etc.) is amended by redesignating subsection (g) as (h) and by inserting after subsection (f) the following new subsection:

"(g) Definition of Agricultural.—For purposes of subsection (c)(5), the term 'agricultural' includes, but is not necessarily limited to, the art or science of cultivating land, harvesting crops or marine resources, or raising livestock.".

Sec. 4. The amendments made by the first section of this Act shall apply with respect to services performed after December 31, 1969, in taxable years ending after such date. The amendments made by section 2 of this Act shall apply with respect to services performed after such date. The amendment made by section 3 of this Act shall be in effect for all taxable years beginning after January 1, 1974.

AMENDMENT NO. 1033

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HATHAWAY. The second amendment I am submitting is an amendment to encourage the implementation of the Federal-State Tax Collection Act of 1972. As chairman of the Finance Committee's Subcommittee on General Revenue Sharing, I became aware that the Federal-State Tax Collection Act of 1972, enacted as title II of the State and Local Fiscal Assistance Act of 1972, along with general revenue sharing, has never been implemented. This title provided for the Federal collection of State income taxes—called piggybacking by the authors of the bill—if a State government so desired, and if certain criteria were met with regard to the State's own income tax. The act has never been implemented, in part, because of certain objections of the States. My amendment makes three changes that would, hopefully, meet some of those objections, and enhance the changes that the will of the Congress, as expressed by this act, will be carried out.

The three changes my piggybacking amendment would make are as follows:

First, it would allow implementation of the act as soon as any one State desired it. At present the act may be implemented only when two States with at least 5 percent between them of all the Nation's tax returns request its implementation. Lowering that number to any one State would encourage a smaller State that wanted to make use of the program to do so and would enable the Treasury to deal with the problems of implementation on a smaller scale before more States got involved.

Second, it would extend from November 1 to January 1 of the following year the period during which a State could make alterations in their own tax code to take into account any last minute changes the Federal Government may have made in its Tax Code. This extra 2 months at the end of the year to make alterations and adjustments would make them less paranoid of being tied to Federal law, as they must be to qualify for the piggybacking provisions.

Third, it would allow States to provide their citizens with a credit for sales taxes against their State income taxes and still be eligible for piggybacking. At present, such an allowance is not made in the act and States who allow such a credit argue, quite correctly, that to give it up would damage the progressivity of their own tax laws. Such an allowance should be made if we are to encourage the implementation of piggybacking.

A second problem with the implementation of this act has been the failure to implement a set of regulations to carry it out. I am hopeful that this problem too, will soon be solved.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1033

At the end of the bill, add the following new section:

SEC. . IMPLEMENTATION OF FEDERAL-STATE TAX COLLECTION ACT OF 1972.

(e) ELECTION BY STATES TO PARTICIPATE.—Section 204(b) (2) of the Federal-State Tax Collection Act of 1972 is amended to read as follows:

"(2) The first January 1 which is more than one year after the first date on which at least one State has notified the Secretary of the Treasury or his delegate of an election to enter into an agreement under section 6363 of such Code."

(b) TIME WHEN CHANGES IN STATE LAWS MAY BE EFFECTIVE.—Section 6362(f) (2) (b) of the Internal Revenue Code of 1954 is amended by striking "enacted before" and all that follows, and inserting in lieu thereof the following: "enacted before January 1 of the succeeding calendar year."

(c) PERMITTED ADJUSTMENTS TO QUALIFIED RESIDENT TAXES FOR PURPOSES OF FEDERAL COLLECTION OF STATE INDIVIDUAL INCOME TAXES.—

(A) TAX BASED ON TAXABLE INCOME.—Section 6362(b) (2) of the Internal Revenue Code of 1954 (relating to permitted adjustments) is amended by adding at the end thereof the following new subparagraph:

"(C) A credit is allowed against such tax for all or a portion of any State or local sales tax imposed by the State or a political subdivision thereof on the taxpayer and his dependents."

(B) QUALIFIED RESIDENCE TAX WHICH IS A PERCENTAGE OF THE FEDERAL TAX.—Section 6362(c) (4) of such Code (relating to further permitted adjustments) is amended to read as follows:

"(4) Further permitted adjustments.—A tax which otherwise meets the requirements of paragraphs (1) and (2) shall not be deemed to fail to meet such requirements solely because it provides for one or both of the following adjustments:

"(A) A credit determined under rules prescribed by the Secretary or his delegate is allowed against such tax for income tax paid to another State.

"(B) A credit is allowed against such tax for all or a portion of any State or local tax imposed by the State or a political subdivision thereof on the taxpayer and his dependents.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first January 1 following the date of the enactment of this Act.

OPEN COMMITTEE MEETINGS IN THE SENATE—S. RES. 9

Amendment No. 1038

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

OPEN SENATE COMMITTEE MEETINGS—S. RES. 9

Amendment No. 1041

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

ADDITIONAL COSPONSORS OF AMENDMENTS

Amendment No. 968

At the request of Mr. ROTH, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of amendment number 968 intended to be proposed to Senate Resolution 9, a resolution amending the rules of the Senate relating to open committee meetings.

Amendment No. 974

At the request of Mr. ROTH, the Senator from New York (Mr. BUCKLEY) and the Senator from Michigan (Mr. GRIFFIN) were added as cosponsors of amendment number 974 intended to be proposed to H.R. 9005, an act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Blair A. Griffith, of Pennsylvania, to be U.S. attorney for the western district of Pennsylvania for the term of 4 years, vice Richard L. Thornburgh, resigned.

Paul R. Thomson, Jr., of Virginia, to be U.S. attorney for the western district of Virginia for the term of 4 years, vice Leigh B. Hanes, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, November 3, 1975, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rule of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

November 7.—Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, hearing, information hearing on ocean mining industry.

November 10.—Full committee, 10 a.m., room 3110, hearing, nomination of Michael F. Butler to be General Counsel of Federal Energy Administration.

November 12.—Full committee, 10 a.m., room 3110, business meeting pending calendar business.

November 13.—Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing, S. 867, Fire Island amendments; S. 2158, Vicksburg authorization increase; S. 1689, to amend Pennsylvania Avenue Development Corporation Act of 1972; and S. 1847, to authorize 101st Airborne Division Association to erect a memorial in District of Columbia.

November 17.—Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing, S. 2125, issuance of permits on public domain forest lands for outdoor recreation.

November 18.—Full committee, 10 a.m., room 3110, hearing, Alaska D-2 lands proposals.

November 19.—Full committee, 10 a.m.,

room 3110, business meeting pending calendar business.

November 20.—Full committee, 10 a.m., room 3110, hearing, Alaska D–2 lands proposals.

NOTICE OF HEARING

Mr. MAGNUSON. Mr. President, I wish to announce for the information of the Senate and the public the rescheduling of hearings before the Senate Committee on Commerce on the nomination of Karl E. Bakke, of Virginia, to be a Federal Maritime Commissioner.

The hearing will be held on Wednesday, November 5, 1975, in room 1114 Dirksen Senate Office Building, commencing at 2 p.m.

Senator Daniel K. Inouye, Democrat, of Hawaii, will chair the hearing. Individuals who wish further information on this hearing should contact Richard Daschbach, staff counsel, at (202) 224–1262.

NOTICE OF HEARINGS ON RICE LEGISLATION

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, of the Committee on Agriculture and Forestry, will hear testimony beginning at 9 a.m. on Friday, November 14, 1975, in room 1114 of the Dirksen Senate Office Building on S. 1645, S. 2260, and S. 2385, bills to amend the rice programs of the Department of Agriculture.

Witnesses who desire to testify should contact the clerk, Senate Agriculture Committee, 324 Russell Senate Office Building, Washington, D.C. 20510, telephone (202) 224–2035, before the close of business on Tuesday, November 11.

Each witness will be asked to submit three copies of a prepared statement to the committee clerk on Thursday, November 13, and to bring 50 copies of the statement to the clerk on the day of the hearing.

Each witness will be limited to ten minutes for oral testimony in order to permit the maximum number of witnesses, and to permit more time for questioning. Written statements of greater length will be accepted in full for the hearing record.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of two hearings before the Committee on Interior and Insular Affairs.

The hearings are scheduled to begin at 10 a.m. in room 3110 Dirksen Senate Office Building, on November 18 and 20. Testimony will be received on S. 1687 and S. 1688, two bills which, pursuant to section 17(d)(2) of the Alaska Native Claims Settlement Act, would designate 83 million acres and 106 million acres, respectively, of public domain lands in the State of Alaska for inclusion in the four national conservation systems—the National Forest, Park, Wild and Scenic Rivers, and Wildlife Refuge Systems. The committee has invited representatives of the proponents of the two measures—the administration and the Sierra Club—to testify. We expect the testimony they will present to contain descriptions of the principles and policies which served as a basis for, and the procedures followed in, the preparation of their proposals and analyses of the specific provisions in those measures.

In addition, invitations to testify have been extended to the three members of the Alaska congressional delegation and the Governor of the State. Further hearings will be scheduled for early this spring in order to receive testimony from interested citizens.

Mr. President, these proposals are of critical importance to this Nation and to the State of Alaska. Either bill, if enacted, would more than double the National Park System and National Wildlife Refuge System and would profoundly affect Alaska's future land use patterns. Fortunatley, as section 17(d)(2) of the Settlement Act provides that most of the lands involved in these two bills will be withdrawn until December 18, 1978, the Congress has sufficient time to give to these proposals the careful consideration they deserve. The two November hearings may be considered as the initial step in this committee's deliberations concerning this legislation and a preparatory step for this spring's public hearings. The record of the November hearings will provide for the committee members and the public the first readily accessible statements of the purposes, policies, and provisions of the "d–2 lands" proposals. Hopefully, the record will serve as a basic resource document to which public witnesses may refer in preparing their testimony for the spring hearings and which the committee members may consult in receiving and analyzing that testimony.

For further information regarding the hearings you may wish to contact Mr. Steven P. Quarles of the committee staff at 224–9894.

ANNOUNCEMENT OF HEARINGS ON THE DEVELOPMENT OF SOLAR ENERGY BY SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will continue hearings on the development of solar energy by small business on November 18, 1975, at 10 a.m. in room 1114 of the Dirksen Office Building. They will be chaired by the Senator from New Hampshire (Mr. McIntyte), as a continuation of solar energy hearings the committee held on May 13 and 14, and October 8 and 22, 1975.

For further information, please contact the committee offices, telephone 224–5175.

NOTICE OF HEARING—TO AMEND THE BANKRUPTCY ACT TO ADD A NEW CHAPTER THERETO PROVIDING FOR THE ADJUSTMENT OF THE DEBTS OF MAJOR MUNICIPALITIES—S. 2597

Mr. BURDICK. Mr. President, I wish to announce that an open public hearing has been scheduled by the Subcommittee on Improvements in Judicial Machinery on President Ford's proposal for amendment of the municipal bankruptcy and reorganization provisions of title 11 of the United States Code.

The hearing will be held on Tuesday, November 4, 1975, commencing at 10 a.m. in room 6202 Dirksen Senate Office Building.

Persons who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the subcommittee office, 6306 Dirksen Senate Office Building, telephone 224–3618.

Further, Mr. President, I ask unanimous consent that the 7-day rule be waived due to the nature of this legislation.

NOTICE OF HEARING

Mr. HUDDLESTON. Mr. President, I wish to announce that the Senate Subcommittee on Environment, Soil Conservation, and Forestry, chaired by Senator Eastland, of the Committee on Agriculture and Forestry will hold a hearing on S. 2081 to provide for furthering the conservation, protection, and enhancement of the Nation's land, water, and related resources for sustained use. The hearing will be held at 1 p.m. on Monday, November 10, 1975, in room 324 of the Russell Senate Office Building.

Witnesses who desire to testify should contact the clerk, Senate Agriculture Committee, 324 Russell Senate Office Building, Washington, D.C. 20510, telephone 202/224–2035. Each witness is asked to provide 50 copies of his statement to the committee clerk on the day of the hearing.

NOTICE OF CHANGE IN ROOM NUMBER IN BANKRUPTCY HEARINGS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearings for the consideration of S. 235 and S. 236, two proposals to revise the bankruptcy laws of the United States, scheduled for November 5 and 6 in room 6202 have been moved to room 6226 Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

A PLEA FOR PATRIOTISM

Mr. FANNIN. Mr. President, last May 1, it was my privilege to introduce Senate Joint Resolution 78 whch would designate the week commencing with the third Monday in February of each year as National Patriotism Week. It was my hope that we could approve this resolution quickly so that the first National Patriotism Week would be held during our Bicentennial year.

The idea for National Patriotism Week came from an outstanding, energetic, determined Scottsdale girl, Lori Cox, who is 16 years old.

The fight she has put up to promote patriotism in Arizona schools is a wonderful testimony to her dynamic character and devotion to country. The opposition she has encountered is a sad testimony as to the attitude of too many teenagers and adults who seem to feel that patriotism is out of style or simply too much trouble.

The campaign by Lori Cox has had great impact not only in Arizona but in many other parts of the nation. I have received many letters from other States mentioning Miss Cox and commending Senate Joint Resolution 78. Other Senators have contacted me to become cosponsors after receiving contacts from their constituents who became aware of the resolution because of her campaign.

Mr. President, this has not been an easy crusade for Lori Cox, and I doubt there are many teenagers—or adults—who would have had the courage to carry forward in the face of the obstacles she has encountered. Recently she gave a speech which recounted the struggle and her motivation in trying to restore pride in our country. This is an extremely meaningful speech, and I ask unanimous consent that it be printed in the RECORD so that my colleagues will gain a better understanding of why we need Senate Joint Resolution 78.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

MY PLEA FOR PATRIOTISM

(By Lori Cox)

I would like to tell all Americans what it was like during my campaign to restore a time in my school to have the opportunity for the Pledge of Allegiance. When I first requested a classroom time for the Pledge of Allegiance my school administrators were reluctant to initiate a time for such an observance. My principal explained we no longer have the Pledge of Allegiance in the classroom because some of the students do not respect the ceremony and the teachers complained about their conduct. I waited for weeks for a response from the administrators. My request was ignored! I then went to the school board. In opposition to my request the Superintendent of Secondary Education testified by saying, "The Pledge of Allegiance on a daily basis may prove to be a traumatic experience for some students." The school board members said they would consider my request and seek legal advisement before making a decision.

The following week I began working with several friends in front of super-markets gathering over 3,000 signatures on a petition that requested the school board to allow a time in the classroom for the Pledge of Allegiance. The school board then granted the daily opportunity. During the following five months a minority group of students and some teachers began to display signs of protest. Numerous news articles were printed in school and local newspapers that did not encourage respect for the Scottsdale School Board's ruling. During this period our Nation's flag was stolen from my school premises. Once during the National Anthem a student paraded down the hallway proudly displaying a communist flag. The flagpole lines were cut so that our Nation's flag did not fly over my school for eleven days. One school was vandalized, an American flag was cut in pieces and parts of it burned. My efforts for a Memorial Assembly were denied because it involved, and I quote, "Too much patriotism."

Students testified before the school board that our flag is nothing more than a piece of cloth and said the pledge was meaningless. They complained they were too tired to stand in the morning and that the repetition made the Pledge of Allegiance meaningless! Others stated that peer pressure made them stand. In answer to those complaints I said, "We high school students had better learn to take the pressures now if we are to become responsible adults." As for the repetition, I ask those students, "If one minute a week is going to bother them, what were their plans when they enter the adult world and have to work 40 hours a week at a job which may be very repetitious?" There are many things we all do each day, but that does not mean we all find them repetitious or meaningless. I pray each day and find it very meaningful!

At the end of five months the school board gave in to the students protest by voting to eliminate the daily Pledge of Allegiance entirely and substituting it with a once a week patriotic observance. I pleaded with the board to continue with their previous ruling by saying, "We need the support of all teachers and administrators to help solve the rebellion problem instead of running from it. Why do those of us who love America have to suffer for the disrespect of a few? Give us the opportunity to find the solution and hopefully build some patriotism among the students."

The school board denied my plea, so I went to the Arizona State Legislature. I made my plea before the Senate Education Committee urging passage of a bill that would afford the daily opportunity for the Pledge of Allegiance in all public schools in Arizona. I made many trips to the state Capitol and witnessed several of my state Legislators openly arguing against the bill. It was upsetting to hear some of their views. As some students called the Pledge of Allegiance meaningless so did several of the state Legislators. This experience has taught me the important responsibility we all have as voters. It is important that we vote so that those elected to office will represent and protect the American ideals.

After a lot of hard work and the support of many organizations and concerned citizens the bill for the Pledge of Allegiance was passed and signed into law by Arizona's Governor, Raul Castro. The bill forces no one, but allows the opportunity for those who wish to participate in pledging allegiance. Because of the attitudes and actions of some students I initiated an idea for a National Patriotism Week. It is my hope and feeling that if young Americans better understood the meaning of our Nation's symbols they would not ignore or disrespect them. We need to learn about the basics of our heritage because when some high school and grammar school students were asked to write the Pledge of Allegiance or the National Anthem many of them could not do it.

I compiled my idea and then wrote to one hundred national leaders and to the President of the United States explaining my suggestions for a National Patriotism Week and why such a program was so important. National Patriotism Week would encourage primary and secondary schools to adopt an appropriate curriculum for a designated week in February including such elements as the study of the Pledge of Allegiance, the National Anthem, National symbols, seals, mottos, monuments, heros, and accomplishments.

I requested the President to proclaim a National Patriotism Week. Here I am, sixteen years old, not even old enough to vote, and yet our leaders in Washington listened. I began receiving many letters of encouragement from leaders throughout the United States. Then one day the mailman delivered a most unusual letter. It was quite different from any stationery I had ever seen. Realizing then it was a letter from the President of the United States, I was overwhelmed. My eyes filled with tears, so my mom had to read the letter to me. His letter was very friendly, encouraging, and very inspiring.

About five days later another letter arrived from the White House. This letter was written by the Acting General Counsel by order of the President. He suggested I ask a Representative in Congress or one of my Senators to introduce legislation (a joint resolution) calling upon the President to proclaim a National Patriotism Week. He said such an observance would be more meaningful if it had the endorsement of the Congress as well as the President.

It seems unbelievable when I think, my lesson in national legislation did not come from a textbook, but from the President of the United States. Since then I have written to every Congressman in Washington, D.C. In reply, I have found that many of our government leaders have been like teachers, by advising, assisting, and showing me the way to succeed with my efforts for legislation. Congressman John Rhodes has written me over a dozen letters and has sent countless letters to his colleagues in Washington to request their support for a National Patriotism Week. My program was adopted into bill form and presented to Congress by Congressman John Rhodes along with 37 co-sponsors. Senator Paul Fannin introduced the legislation in the Senate. Senator Fannin too has corresponded frequently and has been very helpful in working for a National Patriotism Week. I am now waiting to hear as to when I will be allowed to speak before a Congressional committee on behalf of the importance of National Patriotism Week.

I hope you all will share my story with your friends and families. It is my hope that through my experience Americans young and old will realize the importance of becoming involved in our schools and in our government. It is important that our American ideals are protected and patriotism is restored. Nowadays people are quick to criticize our government. They seem to blame and label all politicians as bad, possibly because of the Watergate incident. We must realize that the Watergate affair involved only a handful of people, and certainly those individuals do not represent all. We must not blame all of our leaders for the mistakes of a few.

I have received over 150 letters from government leaders and found many who care, who are honest, hardworking, and dedicated Congressmen, working for the goodness of America. Often we hear the wrongs of our Nation. We surely must recognize our faults and work to correct them, but please keep in mind the scarring impressions being formed by children younger than myself. Stripping a child of his pride may cause him to lose all incentive to go forward.

It is time we all join together and restore the pride that is due our Nation and show her we are loyal. We will be a better people because of pride and by transmitting those attributes unto one another we will find our Nation's stars and stripes reflect truth. You know our permissive society has not taught us responsibility, instead it has made us lazy. Give us discipline and rules. We will become better citizens by being made to follow and respect the rules set forth.

Someday we will be your leaders and where are the adults of today going to be if we, your future leaders, have never learned to abide rules or respect others? Patriotism and respect go together. I want my children to be morally righteous, unselfish, patriotic, and thankful for being an American. If they have these values they will secure my future as we should secure theirs. They will be the ones to hold our great Nation on the pedestal where she so rightfully belongs.

In one of the letters I received from Senator Strom Thurmond of South Carolina he said, and I quote, "Patriotic Americans must continue to set the example for those who do not have sufficient love for our Country, its people, institutions and symbols. By their loyal example perhaps they can inspire these persons to show more respect for America. We must never forget that the willingness to support one's country through interest, participation, and if necessary, through sacrifice provides the framework of a great Nation."

People often ask me why I have become involved with my efforts for patriotism. . . . I have been taught by my parents that it is everyone's duty to be a concerned and working citizen. It is important to preserve and protect the traditions and symbols that represent our free Nation. You know, Joseph Stalin once said, and I quote, "If we can effectively kill the national pride and patriotism of just one generation, we will have won that country. Therefore, there must be continued propaganda abroad to undermine the loyalty of the citizens in general and teenagers in particular. By making readily available drugs of various kinds, by giving a teenager alcohol, by praising his wildness, by strangling him with sex literature and adverting to him or her the psychopolitical preparation can create the necessary attitude of chaos, idleness, and worthlessness."

It is the responsibility of the American people not to let this happen! People have asked me too where I get the courage and strength to continue with my efforts. I would like to say a word or two about my parents whom I love very much. They have taught me the values I practice each day, basically those values are to love, honor, respect, share, and give of yourself as God would want all of us to do. My strength I am sure comes from our creator in heaven. God's love and guidance supports me and I am very thankful to Him.

I will conclude my address to you by telling you about what it has been like now that school is back in session. The jeers and mockery continue, however, the ridicule from fellow students and some teachers will not discourage me. My experience has made me a stronger person and determine to continue my plea for patriotism. I regret the first day of school some teachers snickered and reminded the students they did not have to participate in the Pledge of Allegiance. I was hopeful they would have encouraged respect. To the students who have openly ridiculed me I answer them by saying:

"Our flag represents each and everyone of you. It is all of us together, united as Americans, and representing freedom for all. It represents choice. When I first asked for the Pledge of Allegiance in our classrooms a choice was there and still is! Either you participate or you do not participate. That is freedom! My opposition wanted to take that choice from me. It does not make sense to neglect the symbols that represent the freedoms that we all enjoy each day. Think of our forefathers and the toil it took to build such a great Nation. Then be grateful! Think of those men who sacrificed their lives during war, some of those men may have been your fathers, your brothers, or possibly a close friend. You have the choice to pledge or not to pledge, so if I stand alone in my classroom to recite the Pledge of Allegiance, then I will stand alone; but before you ridicule my patriotism, learn a little about it before you criticize.

"Go to a Disabled American Veterans meeting. Listen to them, take a good look at those veterans. I have! Some veterans are young, some are old, some crippled and confied to wheelchairs, some are without limbs, but when it comes time for the Pledge of Allegiance they stand proud. Those men in wheel chairs unable to stand seemed to be ten feet tall. I thought about some of those students who had complained before the school board that they had to stand everyday for fifteen seconds to pledge our flag, yet those veterans without limbs live every minute of their lives with remembrance of preserving this Nation. These brave men in spite of their handicaps continue to work for America without complaint! They paid the price for our freedoms yet continue to serve our country with interest and allegiance to America. Ask yourself for whom did they risk their lives and for whom did they become disabled? The answer is for you and for me! Can you afford fifteen seconds a day to pledge allegiance to a flag that represents them? I can and I hope all Americans will."

IT'S VERY, VERY LATE—BUT STILL THERE IS TIME

Mr. TALMADGE. Mr. President, there recently was brought to my attention an excellent sermon delivered by Dr. Robert V. Ozment, pastor of the First Methodist Church in Atlanta.

Dr. Ozment, in a most eloquent and forceful message, expresses concerns about our Nation which I believe are shared by an overwhelming majority of Americans today, myself included. In an age of moral and economic permissiveness and indulgence, Dr. Ozment issues a very strong call for more self-reliance, self-discipline, and old-fashioned individual responsibility.

I congratulate Dr. Ozment on his inspiring address, and bring it to the attention of the Senate.

I ask unanimous consent that Dr. Ozment's sermon be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

IT'S VERY, VERY LATE—BUT STILL THERE IS TIME!

(By Dr. Robert V. Ozment)

I was driving through South Georgia this week and came into a place where there were wagons and trucks just lining the streets in this small country town. Generally we go down the expressways and we really miss seeing Georgia. I was going to Cairo, Georgia and Donalsonville, which is almost on the Florida line and almost on the Alabama line in Southwest Georgia. I spoke in Cairo and I told them I used to have a hard time pronouncing their city. I would say Kiro and finally Mr. Hatcher got it through my head that you don't pronounce it like you do in Egypt. It's Karo.

I saw loads and loads of peanuts. There's little cotton in South Georgia. It's all peanuts. I love peanuts and so I stopped by this place and thought I could buy me a sack of peanuts. In this particular place, they process 100,000 tons a day. Now that's a lot of peanuts. I mean they were just as far as you could see. I went into the office and said, "I'd like to buy some peanuts." And the man said, "We don't sell peanuts here!" I said to him, "It looks like you'd have a good thing here with all these peanuts." But of course, I understood because he said they belonged to the farmers. "We just buy them and process them and send them on to someone else." This was a jobber.

He looked at me and said, "Do I know you?" I said, "I don't know." But I told him who I was and do you know he got me a sack of peanuts in a hurry! And I said, "I want to pay you for these." He said, "No, preacher, I told you we don't sell peanuts but I can give you some." That was even better! I took the peanuts and thanked him. When you get a gift from someone you don't always look for the price tag—it isn't proper—but I just wanted to know how much peanuts are bringing. They are bringing $450.00 a ton. He had a sack about this big and I said, "I'd just like to know how much these peanuts are worth because when you come to Atlanta, I want you to take it out in preaching." He said, "Well, preacher, that bag of peanuts I'd say would wholesale for about $4.00." I said, "But I don't preach any $4.00 sermons. "But" he was quick to reply, "I could come twice!"

I want to lift a page out of history this morning. It's really a familiar page. We read it and forget it so easily and so quickly. It's the story of a great empire that is simply read about now and studied in the pages of history. A powerful empire that has gone from its splendor and power to dust and ashes. It seems to me that intelligent people could learn from the past because the past speaks very clearly and offers good advice. The past speaks to us in many ways. Penicillin was discovered by Alex Fleming and when we think about penicillin we think about him. When we talk to someone across the Atlantic Ocean we think about Cyrus Field. That's the past speaking to us. When we turn on an electric light, we think about Thomas Edison. The past speaks to us in so many different ways. When we read the morning newspaper, it tells us that thousands of people have died in order to keep us free. Daniel Boorstin, a great historian, said, "The ills of the world are caused by the fact that we have lost our sense of history. We forget about our heritage."—even though the past has been written on pages of sacrifice with the blood of martyrs.

Mr. Boorstin said this, "We are obsessed by where we are and we forget where we came from and how we got here. We're just obsessed with today—getting the pleasures of the flesh now—forgetting about the past and what the past means to us and especially forgetting about the Creator; where we came from, how we got here and what the future ought to be."

Rome was very rich. Rome was a mighty empire. She was strong in military power, a market place of the world. People came to Rome from all over the known world. Rome felt she was impregnable; her walls were solid, her banks were full but her walls were crumbling and the splendor she knew turned to ashes. Now a student of history need not ask why because we know the answers. The historian, Gibbon, answers these questions in "The Decline and Fall of the Roman Empire." He focuses upon three or four major points. First of all he said one of the major factors in the crumbling walls of the great empire could be attributed to the divorce rate. The breaking up of that little family unit which is the basis of morals, which is the basis of all that is good in this country—the family unit, their love, their courage, their fortitude, what they are being taught and what we learn in the family unit.

Sometimes we think maybe Gibbon was writing about our day, and if you read this book you will discover many things are very current and it might have been taken out of the daily papers. The United States leads the way in broken homes and broken homes will finally result in broken lives. Now there are many, many people who get divorced each year and some of them are obviously good people and maybe most of them are good people. But the truth is, someone is always hurt. You do not invest five years, or ten years or thirty years together and then separate and not be hurt. Divorce is in one measure, the flag of failure, not on the part of two individuals but at least on the part of one. We sometimes get our priorities mixed up and we push God out of our lives. We forget that we belong to a community, we belong to one another and so selfishness, pride and ego all become a dominating force in life. When God is pushed out you cannot have the marriage you ought to have. I tell folks it takes three people to make marriage work. It takes a couple who are dedicated and committed to one another and committed to righteousness, and God must be that third person. But whenever there is divorce, always one person is wrong and most of the time two persons are wrong. I dare say there are very few perfect marriages.

I heard about a lady who said her husband was a perfect husband. I never met him. I never saw him, but at least she said he was a perfect husband. Then this man spoke up and said, "My wife is always right!" You see, you wonder about this. Maybe he is a story teller. I don't know, but if he is perfect, I just say to you that I have never seen the perfect husband. I have come pretty close when I look in the mirror—but I'm not perfect—I really wouldn't say that at all!

This man was reading the sports page and his wife was watching television. She said, "You don't love me like you used to." He answered, "I do love you. What makes you think I don't?" "Well," she said, "when we were first married we would sit together on the couch and you would run your fingers through my hair and you would put your arm around my shoulder and bite me a little on the ear." With this, he got up and walked out. She said, "I didn't mean to make you mad. Where are you going?" He replied, "I'm just going to get my teeth!" Well, you don't prove love that way. I know that. That isn't genuine love but the truth is the families are breaking apart in this country and that was one of the major causes of the greatest empires in history becoming dust and ashes. You can't build a civilization upon anything but honesty, upon concern, upon respect, upon love, upon trust and basically upon the principles we find in this life.

Gibbon said that was one of the underlying forces; one of the things that rooted out the foundation of the greatest empire we have ever known. Secondly, he said there were high taxes and lavish government spending. Now, read your business page in the newspaper today. I have not read it yet but it will tell you somehing about that. Read any current magazine on the market and it will tell you something about what I am saying here, and this is what Gibbon said about the Roman Empire. High taxes, lavish government spending.

I have had the opportunity to do a little research with figures and they are interesting. I'm not sure you'll remember any of them after the service is over but I hope they will make some impression on your mind. From 1789 to 1946 in this country—157 years of our history—we spent 167 billion dollars in government spending. Now then, in the four years between 1946 and 1949—four years—the government spent 177 billion dollars, more than it spent during the 157 previous years. That makes you think! I don't understand that! Those figures are beyond my ability to comprehend!

How much is a billion dollars? Did you read in the paper as I did some time ago, that a billion dollars in new one thousand dollar bills, if you stacked them up on top of each other, would reach a height of 660 feet? And that's 110 feet higher than the Washington Monument. Most of us have never seen a thousand dollar bill. If you take the total national debt—that's what the government owes—not what we owe Rich's and the bank and other people—that's the total national debt piled up in one thousand dollar bills—stacked on top of each other—it would require a beacon light mounted on top of the stack to keep the astronauts from running into it. That boggles my mind! I just cannot fathom that!

Someone else put it another way. If you took a billion dollars and you spent a thousand dollars every day and you started spending that money in 748 BC, you still would be very wealthy. Even if you lived 2,720 years, you'd still have half a million dollars left. No interest on that—just spending the principal. That's a lot of money.

Capt. John Smith had a motto. He said, "No work—no eating!" St. Paul had the same motto. Capt. John Smith didn't come up with that motto first. St. Paul said that in his writings. There were those people who were gathering their friends and loved ones around them, waiting for the second coming of Christ. They said, "He will be here any time now so there's no need to work!" And they were living off their relatives. St. Paul wrote a letter. He said, "If they don't work, don't give them anything to eat." He said, "That's the principle, they need to go to work and then you can feed them. Don't let them just take advantage of you while you get up and go to work in the morning. They are waiting for Christ to come back. Maybe He will and maybe He won't, but let everyone go to work."

The 1976 budget is over $500,000,000,000. I'm not sure exactly. I didn't have enough time to research this. But the gross national debt is over five hundred thirty six billion ($536,000,000,000). The interest alone is over forty billion ($40,000,000,000) a year. Now, maybe we're following in the footsteps of Rome: lavish government spending. Is there one among us who would say that taxes are not too high? That's the second thing mentioned by this great historian, as the cause of the fall of Rome.

Then, thirdly, the mad craze for pleasure. Everyone wanted pleasure! The population was infected like a fearful plague with seeking pleasure—something for themselves! So they were spending more on sports in the Roman Empire than they were spending on education. I didn't have time to check that, but it just might be that we are following in the same footsteps.

In families today there are children who are spending 25 hours a week watching television, and by the time they are 13 years of age they have already witnessed 13,000 murders on television, of all sorts and all descriptions. The most brutal forms of violence that one could imagine are coming into our homes on television. And it's becoming a sport. We don't mind seeing it any more. As a matter of fact, the television programs with the greatest ratings are those that are uncomplimentary to the finer senses of every human being here.

Gambling is illegal and the biggest illegal business in the world. Much of it takes place in the sporting arena. Now, I'm not against sports—you all know that—but as a matter of fact, we must not let sports become the very first and the only thing in life. Don't let it push God out. You must let God be a part of it.

Someone comes along every year and talks about gambling. They say, "Well, let's legalize it and tax it." Now, that doesn't make it right you see, and we would not need to tax it if we had honest politicians who are concerned about our society and our government. But we just don't have that any more in many of them. Now, I know many of the politicians really are. You just can't put them all in one classification. I know many of them are and they feel just like I feel. Many people are for legalized anything but the problem is when you legalize it, it doesn't make it right. We legalized liquor—but it still isn't right in my judgement. There are those who say, "Legalize prostitution!" That won't make it right. "Legalize gambling!" That won't make it right. So we just want to make everything legal. If we could make everything legal, we wouldn't need any policemen. We wouldn't need any guards because there wouldn't be anything that would be against the law. But the morals—that's where we must begin and we must get back to that in this country.

Then Rome spent money on arms like it was just water to protect herself against her external foes. It's interesting to note that in most of the periods of our country in recent years, the largest section of our budget was the defense section. Now they tell us that human resources—health, education and welfare, I believe—take a larger slice out of our budget than any other thing. But Rome said they had to spend money on arms to protect themselves against their enemies. I'm one who believes that a strong defense is the best deterrent to war we can have. America must remain strong because communism hasn't rewritten its textbooks and its major goal is still the same—the domination of the world!

America is communism's greatest—its first—its foremost—its greatest enemy to conquer—so we must remain strong. But we are beginning to rot and decay on the inside as Rome ultimately did. It wasn't any great enemy that defeated her. She was defeated because the moral foundation on the inside began to decay and just fall apart. We can defend ourselves from our enemies but do we have the spiritual fortitude and the faith and the strength to defend ourselves from ourselves? So I suggest to you this morning that we are our worst enemy. It isn't someone else. It's what we have accepted as good and respectable in our society.

We come to Church every Sunday—thank God we do—but we come to Church every Sunday and we go back out into the world and we accept again the values which are not Christian in this country. Then Gibbon said, "The decline of religion was also significant in the fall of the Roman Empire." He said that the people just didn't support those institutions that stood for character building.

During W.W. II I'd say we wouldn't fit here at all. We are out of character here. But when you think about the fact that only 25% of Americans go to church every Sunday, then where are the other 75%? Maybe we are declining in our religious support. But on the other hand, I could turn that around and say, "Just think about it—here we have almost 50,000,000 Americans going to church every Sunday and that's exciting. There's something great about that." But then there are many, many other people who are not going to church.

I just cannot end this sermon on a negative note but I could not help but notice that at Georgia Tech they have discontinued their prayers at the beginning of the football games. The only reason I have heard is that some people have written to request the prayer be eliminated before the game. Sports minded—but not prayer minded! The Bible tells us, "In all thy ways acknowledge God." St. Paul said, "In everything—it may be something you are going to for pleasure—but in everything, remember to give thanks to God." But we are slowly chipping away—gradually but surely—at those things America has been built upon. We no longer salute the flag—no longer sing the national anthem—in many, many places. I'm very much disturbed and disappointed. I know people don't go to hear a preacher pray at football games. I know that. I'm not suggesting that—but still we should acknowledge Almighty God!

It's also interesting to note that I have a letter that came not so very long ago, from the Navy. They're coming here to play Tech before long and this great institution wrote and said, "Would you mind coming down to the Marriott on Saturday morning at 8 o'clock and give a devotion to the Navy football team?" They still believe in it. Thank God for that. And I'm going! Yes, I'll be there! Only sad to say, we will not acknowledge God when we play Navy at Tech and when we play any other team. A decline of the support of religion. A decline of respect for Almighty God.

Now, today—maybe it does apply at many points—religion takes what's left. It takes what's left of a man's time basically. I know there are people who give, who make room and who plan, but for the masses we have to take what's left over of a man's time and his talents and his money. And it's hard to get teachers who are dedicated and people to do the work that needs to be done. Rome fell for these reasons and I say basically because she neglected the spiritual foundation of her life and her existence.

Egypt ignored God and fell too—not only Rome. Persia with all her wealth and her proud cities, fell. And Greece with all her culture is gone because they basically ignored God. Now are we going to do the same thing? What about America? It's late! It's very, very late—but it's not too late for us to do something if we're willing to come back. St. Paul said, "We are troubled but not distressed. Persecuted but not forsaken. Cast down but not destroyed!"

So I am saying there is still time left. There is still hope for us. We can be what God wants us to be. As Jesus suggested, "All things are possible with God." That's the reason for this little addition on the sermon subject, "It's very, very late for America—but it isn't too late if we are willing to turn around and give God a chance. "Be of good cheer," Jesus said, "I have overcome the world." But He didn't overcome the world until He was willing to discipline Himself and to give His best and follow in the footsteps of God. We too, can overcome if we are willing to do that. Are we willing to pay the price? The answer is up to us as individuals.

CONGRESSIONAL COURTESIES

Mr. GOLDWATER. Mr. President, in recent weeks the Washington newspapers have been full of stories about large companies, especially Government defense contractors, treating Members of Congress and Pentagon officials to plane rides, duck hunting trips or weekends at country lodges. In all these stories the inference is strong that the activities of the companies were more than courtesies and more in the nature of corporate bribes to influence votes by Members of Congress or decisions by Government officials in favor of projects desired by the companies in question.

Mr. President, without passing on the propriety of these activities and certainly without condoning them as legitimate business expense write-offs for tax purposes, I am, nonetheless, forced to ask why we do not hear and read more about labor union influence in the seats of Government. Those persons in the media and elsewhere who cry "shame" and point a finger at companies such as Northrup, Martin-Marietta, Lockheed, General Dynamics, and others do not seem to be at all impressed with what some observers have described as a hundred million dollar pay-off of Congressmen by elements of organized labor. It does not seem to shock them at all that some labor bosses have allegedly claimed that as a result of the 1974 election they control 57 out of 100 Members of the U.S. Senate and 230 of the 435 Members of the House of Representatives. They do not seem to be at all concerned that the labor unions now have a "labor Congress" and are working toward making it a veto-proof Congress. In other words the present goal of the big unions in this Nation is to have two-thirds of the Members of both Houses beholden to them for special gifts handed to them during their election campaigns.

Mr. President, if corporations can be suspected of attempting to influence congressional votes by providing Members of the House and Senate with a duck hunt or a day in the country, it behooves us to ask what the unions expect to receive from their vast and growing contributions to liberal candidates for the House and Senate. What, for example, do they expect from the members of the Labor and Public Works Committee on legislation such as that to legalize secondary boycotts in the huge construction industry or to legalize strikes by public employees? Let me illustrate what I mean by listing how the labor unions divided up nearly half a million dollars in campaign contributions in 1974 to members of the House Committee that handles labor legislation. The list is as follows:

Michael Blouin (D–Iowa)	$36,900
Paul Simon (D–Ill.)	34,400
John Dent (D–Pa.)	29,275
Robert Cornell (D–Wis.)	29,175
Frank Thompson (D–N.J.)	26,300
Ron Mottl (D–Ohio)	23,830
Lloyd Meeds (D–Wash.)	22,550
Peter Peyser (R–N.Y.)	21,555
William Clay (D–Mo.)	18,850
John Brademas (D–Ind.)	18,700
Ted Risenhoover (D–Okla.)	18,600
William Lehman (D–Fla.)	18,550
Leo Zeferetti (D–N.Y.)	15,062
James O'Hara (D–Mich.)	14,300
Phillip Burton (D–Cal.)	13,050
Dominick Daniels (D–N.J.)	12,550
George Miller (D–Cal.)	12,000
Tim Hall (D–Ill.)	11,150
William Ford (D–Mich.)	10,650
Mario Biaggi (D–N.Y.)	7,400
Joseph Gaydos (D–Pa.)	6,450
Ike Andrews (D–N.C.)	6,250
Edward Beard (D–R.I.)	5,350
Patsy Mink (D-Hawaii)	3,560
Ronald Sarasin (R-Conn.)	2,350
Shirley Chisholm (D-N.Y.)	2,125
Al Quie (R-Minn.)	2,000
Alphonzo Bell (R-Cal.)	1,900
Marvin Esch (R-Mich.)	1,900
Augustus Hawkins (D-Cal.)	1,400
John Ashbrook (R-Ohio)	500
Bill Goodling (R-Pa.)	500
Carl Perkins (D-Ky.)	500
John Buchanan (R-Ala.)	None
John Erlenborn (R-Ill.)	None
James Jeffords (R-Vt.)	None
Edwin Eshleman (R-Pa)	None
Larry Pressler (R-S.D.)	None
Virginia Smith (R-Neb.)	None
Total	$429,632

Now that list merely includes financial contributions by the labor unions which were reported to the Clerk of the House as required by the law. It does not include the thousands upon thousands of dollars in what are called in-kind contributions by the labor unions. These donations include such things as manpower, mailing facilities and other expensive items of campaign work. Officials of the National Right to Work Committee point out that the reported totals never contain the huge sums which union organizers routinely provide to liberal candidates in cash-equivalent manpower and services. The cost of these in-kind contributions is believed to run at least 9 or 10 times the amount of the actual cash contributions. The cash accounting is devastating enough but it is only the tip of the iceberg on what the large labor unions actually do to elect members beholden to their legislative interests.

Mr. President, we are treated periodically to these so-called horror stories about corporate attempts to influence the Congress and each time questions are raised—and always belatedly—about how the labor unions get away with their illegal activities in financing and promoting specially selected candidates for public office. During the Watergate investigation liberal Democrats who controlled the Senate investigating committee actually made some moves in the direction of investigating union political activity. What happened was this. Late in its investigation the Ervin committee announced it was going to inquire into the political activities of top union officials. Now the committee's decision to move in this direction came as somewhat of a surprise but the most surprising aspect of the announcement was the fact the committee investigators said that they would not limit themselves to investigating cash contributions but would also ask the union bosses for a rundown on contributions of goods and services as well.

Needless to say these are the multimillion dollar expenditures that union officials do not like to talk about. They are funds which are extracted from American workers as a condition of their employment. They are the tens of millions of dollars which are spent on politics but never recorded as political contributions by the union bosses.

Mr. President, students of this problem such as labor columist Victor Riesel, estimate that union expenditures of this type run between $50 and $60 million even in non-Presidential election years.

There is no doubt, Mr. President, that the Ervin committee could have found ample reason for investigation if it had really gone to work on labor's political contributions. But anyone who expected this to happen had to be naive. So far as I can find out the Ervin committee merely talked to a few people, sent out their questionnaires and then dropped their whole investigation of labor contributors. After the fanfare of the announced investigation, this action merely looked as though the Ervin committee had investigated but found no irregularities. I suggest they would have had to work overtime to avoid encountering irregularities on a vast scale.

But the inclination where labor contributions and political activity are concerned is not to criticize but to acclaim. At least this is the way most liberals in the Congress treat the subject. For example, organized labor through heavy infusions of money and manpower was a decisive factor in the recent Senate election in New Hampshire which was won by liberal Democrat JOHN DURKIN.

Mr. President, the activities of the labor unions in New Hampshire on this occasion were nothing short of scandalous but do we find any concentrated criticism in the media or in the Congress over this state of affairs? Far from it. Indeed my friend and colleague from Minnesota, Senator HUBERT HUMPHREY went before the AFL–CIO convention in San Francisco on October 6 to congratulate the Nation's labor leaders on electing Senator DURKIN. Let me quote Senator HUMPHREY verbatim:

> By the way . . . you did well in New Hampshire, thanks. Al Barkan (head of organized labor's political arm, COPE) has asked for an increase in pay. I'm handling his negotiations. But I will tell you it was a great job and we thank you very much.

The great job Senator HUMPHREY spoke of carried a big price tag. Records of the Federal Elections Commission show that labor contributions to Democrat DURKIN for the special election only, totaled $90,000. This, of course, did not include money the unions had kicked in for DURKIN's first campaign and contributions which helped the Democrat candidate pay off some of the indebtedness from that earlier campaign.

In view of this it is not surprising that the new Senator from New Hampshire was given a membership on the Senate Labor Committee.

Mr. President, I do not mean to indicate that labor union favoritism is confined to committees which handle only labor legislation. Over the years, the unions have done almost as well for other liberals in positions of power. For example, in 1974 the unions contributed a total of $233,779 to the campaigns of liberals who either were or who wound up on the House Ways and Means Committee. Of course they could not find a single Republican on that committee worthy of their financial aid. But I have not heard a single complaint or question about this situation, which is loaded with conflict of interest. Not even those who have been running around the country talking about taking the power out of politics have been brave enough to raise a complaint. The Ways and Means Committee of the House originates all tax legislation for this country. It also handles social security and many other matters of great interest to Big Labor. In view of this, let us take a look at how the unions split up their contributions to the members of the Ways and Means Committee in the 1974 election. The list is as follows:

Ways and Means Committee union contributions, 1974

DEMOCRATS	
*Richard Vander Veen (D-Mich.)	$50,852.00
*Abner Mikva (D-Ill.)	33,800.00
*Martha Keys (D-Kan.)	24,063.57
*Andrew Jacobs (D-Ind.)	18,650.00
Joseph Karth (D-Minn.)	17,150.00
*Henry Helstoski (D-N.J.)	13,350.00
*Fortney Stark (D-Calif.)	12,290.00
James Burke (D-Mass.)	10,950.00
*William Cotter (D-Conn.)	7,500.00
Dan Rostenkowski (D-Ill.)	6,000.00
Wilbur Mills (D-Ark.)	5,900.00
*Otis Pike (D-N.Y.)	5,900.00
*Joseph Fisher (D-Va.)	5,423.64
William Green (D-Pa.)	5,180.00
*James Jones (D-Okla.)	4,450.00
*Charles Rangel (D-N.Y.)	3,450.00
Al Ullman (D-Oreg.)	3,210.00
James Corman (D-Calif.)	2,860.00
Joe Waggonner (D-La.)	1,500.00
Phil Landrum (D-Ga.)	1,000.00
Richard Fulton (D-Tenn.)	300.00
Omar Burleson (D-Tex.)	0
Charles Vanik (D-Ohio)	0
*J. J. Pickle (D-Tex.)	0
Total	$233,799.21
REPUBLICANS	
*James Martin (R-N.C.)	0
*Guy Vander Jagt (R-Mich.)	0
*William Steiger (R-Wis.)	0
*Bill Frenzel (R-Minn.)	0
*L. S. Bafalis (R-Fla.)	0
*Phil Crane (R-Ill.)	0
Bill Archer (R-Tex.)	0
Donald Clancy (R-Ohio)	0
John Duncan (R-Tenn.)	0
Herm Schneebeli (R-Pa.)	0
Total	0

*Indicates new members.

In conclusion, Mr. President, let me ask once again whether this Congress is going to accept the idea that only big business has any interest in influencing elections of those men in public life who pass on legislation of benefit to them, or will it at long last enlarge its awareness to include the irregularities of big labor. I, for one, am sick and tired of the dogooders in this Chamber and in the House who believe labor unions can do no wrong. This is a righteous double standard approach to the political system that is far overbalanced in behalf of the unions. If it is not corrected soon it can wreck our entire system of ordered justice.

POLLUTION CONTROL AND THE SMALL FAMILY FARM

Mr. HUMPHREY. Mr. President, in rural America we are faced with the problem of controlling point source pollution from feedlots while avoiding restricting the production of our small farmers.

The Environmental Protection Agency, in attempting to implement programs to control this pollution, has been subject to much criticism. Both environmentalists and farm producers are concerned with what constitutes a source of pollution.

The requirement that all dairy and cattle farmers obtain a discharge permit from the Government prior to operating a feedlot would create a major problem for small farm operators, and the paperwork for the Government would be more than it could handle.

We need to find a balance between our concerns for the environment and establishing new requirements which would not drive farmers out of production.

This issue was addressed recently at hearings conducted by the Senate Select Committee on Small Business and the Committees on Agriculture and Forestry and Public Works.

Mr. President, because of the importance of this issue, I ask unanimous consent that my statement and that of Mr. Peter L. Gove, executive director of the Minnesota Pollution Agency, be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUBERT H. HUMPHREY

POINT SOURCE POLLUTION IMPACT OF E.P.A.'S REGULATIONS ON SMALL FAMILY FARMS

OCTOBER 22, 1975.

Mr. Chairman, I appreciate the opportunity of appearing at this hearing. The issues raised here are complex in attempting to develop a realistic course which balances the concern of all of us for improving the environment and at the same time avoiding placing major new requirements on our small farmers.

During the past two years, over 5,000 dairy farmers were driven out of production in Minnesota alone. I do not want to support an unreasonable approach which would add to these numbers.

In my statement, I refer to the experience of Kansas and Nebraska in developing a set of livestock numbers—300 head of beef cattle or its equivalent—which would provide some useful guidance in balancing the needs of our farmers and our concern over improving the environment. I would suggest that this experience be reviewed carefully in terms of whether it would serve as an approach in resolving this issue.

During the period 1954 to 1973, the U.S. agriculural production was taken for granted as food production increased faster than demand. But today we cannot take these things for granted and we must be cognizant of the impact of constraints placed on agriculture.

Prior to 1972, agricultural producers were largely unaffected by pollution control legislation. The one exception stems from the reactivation of the Refuse Act of 1899 in April 1971. This Act required that all persons discharging wastes (excluding sewage, street runoff and boat discharges) into waterways to apply for a permit or face prosecution. Enforcement, related to agricultural producers, was suspended for small producers and applied to those having 1,000 or more head of beef cattle and equivalent size operations.

Enactment of PL 92–500, the Federal Water Pollution Control Act Amendments of 1972, increased the emphasis on controlling effluents. EPA was given greater authority to improve water quality through effluent control under the National Pollutant Discharge Elimination System (NPDES) and Effluent Guidelines and Standards provisions of the Act. This authority creates a new challenge for agriculture.

Initially, EPA proposed regulations to establish uniform application forms to secure information from "all" engaged in agricultural production. Each operator was to complete the application fee. The sweeping regulations issued on December 5, 1972, led to strong protests from farmers and agricultural organizations. In response to these protests, EPA reproposed regulations after establishing a cutoff for application at the level of 1,000 head or more of beef and numbers of the livestock with excretions roughly approximating the wastes of 1,000 beef cattle. The minimum number of animals under these regulations are as follows.

Type of animal	Number of animals per feedlot	Number of applications expected
Slaughter and feeder cattle	1,000	2,500
Mature dairy cattle (milker or dry)	700	125
Swine over 55 lb	2,500	800
Sheep	10,000	100
Turkeys	55,000	300
Laying hens and broilers in confinement facilities with continuous overflow watering	100,000	100
Laying hens and broilers in confinement facilities with liquid manure handling systems	30,000	100
Ducks	5,000	80
Total		4,105

Source: 38 F.R. 10960, May 3, 1973.

This size cutoff became the basis for both the NPDES Program (finalized on July 5, 1973) and the effluent guidelines and standard of performance for new animal feedlots on February 14, 1974. Although these regulations appeared to be generally acceptable to agricultural interests, they did not fulfill the recent goals of Congress and environmentalists.

The legislative history of PL 92–500, however, provides some insight into the development of EPA's exclusions: the debate between Senators Dole and Muskie identifies 1,000 head of beef as the level for distinguishing between "point and non-point" sources.

Mr. DOLE. Another question of real concern to many farmers, stockmen and others in agriculture involves the terms "points source" and "nonpoint" source.

Most sources of agricultural pollution are generally considered to be non-point sources.

My question is: Simply, to what sources or guidance are we to look for further clarification of the terms "point source" and "nonpoint source"—especially as related to agriculture?

Mr. MUSKIE. Guidance with respect to the identification of "point sources" and "nonpoint sources," especially as related to agriculture, will be provided in regulations and guidelines of the Administrator. The present policy with respect to the identification of agricultural point sources is generally as follows:

First. If a man-made drainage ditch, flushing system or other such device is involved and if measurable waste results and is discharged into water, it is considered a "point source."

Second. Natural runoff from confined livestock and poultry operations are not considered a "point source" unless the following concentrations of animals are exceeded: 1,000 beef cattle; 700 dairy cows; 290,000 broiler chickens; 180,000 laying hens; 55,000 turkeys; 4,500 slaughter hogs; 35,000 feeder pigs; 12,000 sheep or lambs; 145,000 ducks.

Third. Any feedlot operation which results in the direct discharge of wastes into a stream which traverses in the feedlot are considered point sources without regard to the number of animals involved.

I would like to say that the measure we are now considering is legislation which, at least in its first stage, the first 5 years, is an enormous step forward in our common struggle to restore the quality of our environment. It is legislation which will establish a specific timetable for the achievement of national water quality standards, and I believe it correctly seeks to achieve these standards during this first phase by requiring that the best practical technology be applied to the control of industrial discharges of pollutants.

It also requires periodic review of applicable regulations, so that they can be tightened from time to time in the light of new technological developments.

In November 1973, the Conservation and Natural Resources Subcommittee of the Committee on Government Operations held hearings to determine whether Federal pollution control laws are being administered efficiently, economically and implemented in a manner to control pollution from feedlots. The Committee recommended that EPA re-evaluate their regulations and propose and promulgate regulations that would encompass all concentrated animal feeding operations and not just those with over 1,000 or more animal units.

The Natural Resources Defense Council, Inc. filed suit against EPA to regulate several categories of point sources that are currently exempted by EPA regulations. The Courts have directed EPA to bring the excluded categories into the permit program within one year. Thus, EPA must comply with the Courts' decree.

Many questions arise from attempts to implement the regulations. The most important are these:

1. Should there be exclusions for agricultural and silvicultural activities? If so, at what level or under what conditions should the exclusions be granted?

2. How much will agricultural pollution control cost?

3. Will pollution control reduce agricultural production?

4. Will the livestock production industry face serious disruptions?

5. What impact will pollution control have on consumer prices?

EXCLUSIONS

The controversy that became evident by EPA's early attempt to implement the program to control pollution from feedlot sources has not been resolved despite hearings held by a Subcommittee of the House Government Operations Committee and the suit by the National Resources Defense Council. The controversy is a legal as well as a semantical question.

The legal question stems from the promulation of July 5, 1973, which states in part:

1. *General exclusion of discharges from agricultural and silvicultural activities.* In the United States, there are three million more farmers engaged in a variety of agricultural and silvicultural activities. In connection with crop production, some water from most farms is returned to navigable waters, as the term "navigable waters" is defined in the Act. The expenditure in time, dollars, and resources necessary to process applications from every small farmer subject to NPDES requirements would be disproportionate to the water quality benefits obtained. In order to prevent the diversion of the Agency's limited resources from the larger, significant point sources of pollution, the amendments proposed herein exclude the smaller, insignificant agricultural and silvicultural discharges (including minor irrigation return flow discharges and runoff from fields, orchards, and crop and forest lands) from the requirements of the NPDES.

EPA's initial attempt to control feedlot pollution was viewed as a prospective agricultural inventory for land use planning, while the second attempt was viewed as administratively twisting the law and thwarting congressional intent by excluding some point sources from permit requirements.

The dichotomous views on what constitutes a source of pollution has not been resolved despite the congressional hearings and the legal decision that EPA was not fulfilling the intent of the Act.

The solution to this problem is not likely to come from producers or environmentalists. Instead the solution might come from experience. Kansas and Nebraska were among the States that responded to pollution problems prior to any Federal efforts. Their regulations are summarized below:

GREAT PLAINS

Kansas.—Kansas regulations pertaining to livestock producers are specified in the State Board of Health regulations. In these regulations, a confined feeding operation is defined as:

1. Any confined feeding of 300 or more cattle, swine, sheep, or horses at any one time, or

2. Any animal feeding operation less than 300 head using a lagoon, or

3. Any other animal feeding operation having a pollution potential, or

4. Any other animal feeding operation whose operator elects to come under these regulations.

The operator of any newly proposed confinement feeding operation must register prior to construction and operation of the lot, pen, pool, or pump. The operator of any existing feeding operations, as defined by these regulations, was required to register by January 1, 1968, by completing a State-provided registration form.

Kansas regulations specify minimum requirements which must be met unless other available information indicates that adequate water pollution control can be effected with less than these requirements. These requirements are as follow:

Cattle: The minimum water pollution control facilities for confined feeding of cattle are retention ponds capable of containing three inches of surface runoff from feedlot area, waste storage areas, and all other waste-contributing areas. Diversion of surface drainage prior to contact with confined feeding area or manure or sludge storage areas shall be permitted. Waste retained in retention ponds should be disposed of as soon as practicable to insure adequate retention capacity for future needs.

Swine: Waste retention lagoons for swine feeding operations may be allowed in lieu of waste treatment facilities. Waste retention lagoons must be capable of retaining all animal excretia, litter, feed losses, pooling waters, wash waters, and any other associated materials and shall additionally be capable of retaining three inches of rainfall runoff from all contributing drainage areas. Diversion of surface drainage prior to contact with the confined feeding area or manure or sludge storage areas shall be permitted. Provision must be made for periodic removal of waste material from retention lagoons.

Sheep: The minimum water pollutions control facilities for confined feeding of sheep shall be retention ponds capable of containing three inches of surface runoff from the confined feeding area, waste storage areas, and all other waste contributing areas. Diversion of surface drainage prior to contact with the confined feeding area or other storage areas shall be permitted. Waste retained in retention ponds shall be disposed of as soon as practicable to insure adequate retention capacity for future needs.

Other Animals: Other confined feeding operations involving other animals shall be evaluated on their own merits with regard to the water pollution control facilities required, if any.

The Kansas State Department of Health views the primary air pollution problem associated with livestock facilities to be odor; however, the State does not currently have any odor regulation applicable to odors from livestock production facilities. The Kansas State Board of Health adopted new regulations, which were effective on January 1, 1971, relative to air pollution emission control. Pertaining to livestock operations, the only applicable regulation among those which went into effect would be the one which placed limitations on particulate emissions. This regulation will apply to particulate emissions from feed mills, including those located on livestock farms.

Nebraska.—Nebraska regulations are specified under the Water Pollution Control Act. Water quality standards applicable to Nebraska waters were adopted by the Nebraska Water Pollution Council in January, 1969. These standards classify all waters in the State and establish for various parameters below which these waters cannot be degraded. Runoff from confined feeding operations entering a stream cannot degrade the receiving stream below the water quality limits which have been established for that class of stream. Adjustments by livestock firms could, thus, differ from one class to another.

All feedlots in Nebraska must be registered if any of the following conditions exist:

1. If the maximum number of feedlot animals in confinement at any one time is:

(a) Three hundred or more feeder or fat cattle,

(b) One hundred or more beef cows,

(c) One hundred or more dairy cattle,

(d) Five hundred or more swine,

(e) Two thousand or more sheep,

(f) Three thousand or more turkeys or

(g) Ten thousand or more chickens, ducks, or geese;

2. Any feedlot that is smaller than the above but is located within 500 feet of any watercourse;

3. Any other feedlot that has water pollution potential; or

4. Any feedlot whose operator elects to register.

Nebraska Water Pollution Control Council has an approval system for feedlots. Feedlot operators file initial information on their operations on a State-approved registration form. With this system, waste control facilities are approved if all runoff from the feeding area is contained through natural or constructed control facilities.

At this time, there are no air pollution control regulations applicable to Nebraska livestock producers.

Other States have patterned their regulations after Kansas and Nebraska. Furthermore, Secretary Butz suggested that EPA adopt such a program nationally. He outlined the following as a possible solution in a letter to EPA in January 1973.

A "concentrated animal feeding operation" is a feed lot, feed yard, or confined feeding facility having more than 300 animal units at one time. Feed lots, feed yards, or confined feeding facilities shall mean the feeding of livestock on sites or facilities from which wastes must be removed and that are not normally used for raising crops, or on which no vegetation intended for livestock feeding is growing. Thus, permit applications will be required from operators of feed lots, feed yards, or confined feeding facilities having the equivalent of 300 animal units. The following data are suggested as a minima for the requirement of a permit:

Slaughter steers or heifers	300
Dairy cows	200
Broilers	35,000
Laying hens	32,000
Turkeys	10,000
Butcher hogs	1,200
Feeder pigs	10,000
Sheep	2,300

Although the Department of Agriculture later retreated from this suggestion, this level appears to be in concert with the efforts of many States, and thus appears to be a feasible solution to the controversy.

The following tables show the number of farms affected by various levels of control as well as the percent of animals covered. With 300 head equivalent cutoff, 65 percent of the beef cattle would come under control, 8 percent of the dairy cattle, 23 percent of the swine, 84 percent of the turkeys, 87 percent of the ducks, 40 percent of the hens and 54 percent of the broilers.

COSTS

There are numerous factors that affect the impact of pollution control. Responses will vary and could include these.

(1) Some producers will not attempt to comply with pollution regulations; they will either quit the livestock production business and concentrate on other commodity alternatives.

(2) Some will comply with regulations and absorb the cost, however, they may enlarge herd size to capture economies of scale and leave their net income unchanged.

(3) Others will shift to new technology to accomplish the goals of effluent control, and the new technology permits expansion and greater efficiency.

DAIRY

Because of the great regional differences in the structure of the dairy, a regulation based on herd size will affect some regions more than others. The northern herds tend to be smaller, housed in stanchion barns and few have special runoff problems. Nevertheless if all farms were to have runoff control, the smaller farms are more apt to discontinue production, thereby hastening the trend to fewer and larger farms. Pollution control would increase costs by over 50 cents a hundred-weight of milk at a 15 cow herd size and require investments of about $200 per animal, which would result in cost increases of $.04 to $.11 per hundred-weight of milk.

The data suggests that adverse economic impacts in dairy producers although higher, would not be disastrous at the level of a 200 cow herd.

The capital investment requirements at various levels of control can also be informative. If all producers are subjected to controls, the investment cost will be $779.8 million, at the 20 cow herd and larger level the investment will be $528.3 million and at the 100 cow herd the investment is $80.1 million. Details by region are shown below:

DECREASE IN TOTAL INVESTMENT BY EXEMPTING SMALL PRODUCERS

Item	North (millions)	Southeast (millions)	Southwest (millions)	South Central (millions)	Plains and Mountains (millions)	Northwest (millions)	Total (millions)	Per farm
Total investment to control runoff:								
All producers	$504.3	$25.9	$27.0	$120.3	$81.0	$21.3	$779.8	$2,550
Producers with 20 or more cows	369.3	21.1	20.9	64.9	37.3	13.8	528.3	2,481
Percent decrease	27	19	23	46	54	31	32	
Producers with 100 or more cows	19.7	13.4	18.0	22.2	3.8	3.1	80.1	5.50
Percent decrease	96	48	33	82	95	85	90	

BEEF

As with dairy cattle, the economies of scale play an important role in the severity of economic impact of pollution control. If all producers are subject to controls the costs will rise to $132.2 million.

Details by region are shown as follows:

NUMBER OF FED-BEEF OPERATIONS REQUIRING RUNOFF CONTROL, CAPITAL OUTLAYS REQUIRED FOR RUNOFF CONTROL SYSTEMS, AND PERCENT AND CUMULATIVE PERCENT OF CAPITAL OUTLAYS, BY FED-BEEF OPERATION SIZE

Size or capacity class	Fed-beef operations with problems	Capital outlays (millions)	Percent to total capital outlays	Cumulative percent of total capital outlays
Eastern States:				
Less than 100	38,129	91,789	69.2	69.2
100 to 199	4,248	12,435	9.3	78.5
200 to 499	2,896	10,053	7.6	86.1
500 to 999	706	3,736	2.8	88.9
Western States:				
Less than 1,000	2,244	7,413	5.6	94.5
Eastern States:				
1,000 over	471	5,212	3.9	98.4
Western States:				
1,000 to 7,999	107	771	.6	99.0
8,000 to 15,999	19	434	.3	99.3
16,000 and over	13	943	.7	100.0
Total	48,833	132,780	100.0	

Translating these investments into per animal costs suggests that considerable control can be attained without bankrupting the producer if one is conscientious of the economic impact.

CONCLUSION

The continual uncertainty of feedlot pollution-control fostered by lawsuits and congressional inquiry does not provide a comfortable base for farmers' decisionmaking. It is understandable that anxiety has been strong in the case of the small producers.

Existing studies tend to suggest that establishing pollution control levels on the basis of herd size is not a sure cure for pollution. However, studies and the experience of some States indicate that pollution control regulations based at or near the level of 300 head of beef or its equivalent does provide a workable means of compromising environmental goals with the economics problems facing the farmer.

TESTIMONY OF PETER L. GOVE, EXECUTIVE DIRECTOR, THE MINNESOTA POLLUTION CONTROL AGENCY, OCTOBER 22, 1975

Mr. Chairman, Senator Mondale, and members of the Senate Select Committee on Small Business, thank you for inviting the testimony of the Minnesota Pollution Control Agency on Federal and State regulatory efforts to control pollution from farm animal wastes. I am appearing here today on behalf of Mr. Peter L. Gove, Executive Director of the Minnesota Pollution Control Agency. My name is Louis J. Breimhurst, and I am Director of the Agency's Division of Water Quality. With me is Mr. Randy Burnyeat and Mr. Terry Huntrods, both staff agricultural engineers with the Agency.

We were present yesterday when representatives of the U.S. Environmental Protection Agency outlined alternative approach to comply with the U.S. District Court ruling that disapproved the U.S. EPA's previous threshold level of 1,000 animal units for feedlots that must obtain a discharge permit as required by regulations promulgated under provision of the Federal Water Pollution Control Agency of 1972 (Public Law 92–500). We will offer some comments on the U.S. EPA testimony, but those comments do not appear in the text before you.

In general, we as staff of a pollution control agency that has had extensive experience in dealing with animal feedlot pollution do not feel that it is necessary or realistic to require that every farmer tending animals must obtain a discharge permit from the federal government prior to operating a feedlot, a dairy farm or other livestock operation. Such a requirement would means that extensive time and effort would be spent in needless paperwork both for government and for the farmer because there are countless thousands of livestock operations that do not pose a serious pollution problem.

Unless the Government would provide the substantial funding necessary to properly enforce a pollution-control program effecting hundred's of thousands of permittees, we fear that the regulatory effort would become so bogged down in needless paperwork that success in abating pollution from agricultural sources would be seriously jeopardized. If the courts subsequently determine that the law, as written, requires that all livestock managers must receive a Federal discharge permit, then we would strongly support amending P.L. 92–500 so that pollution from animal wastes is controlled rather than livestock operations being licensed for the sake of being licensed.

In his letter to Mr. Gove inviting testimony from the Minnesota Pollution Control Agency, Senator Mondale asked that we provide the committee with an explanation of Minnesota's efforts in pollution control from animal wastes. First, I will provide a brief overview of the situation in Minnesota.

Latest surveys and estimates indicate that there are approximately 90,000 animal facilities in the State of Minnesota of which 32,800 are dairy operations. The vast majority of these are small family operations with an average size of about 40 animal units (one animal unit is the equivalent of one beef animal). We estimate there are approximately 100 operations which fall within the 1,000 animal unit limit under the current NPDES* feedlot permit program.

Most of our existing operations were built before 1900 on sloped lots to promote rapid drainage. This fact, combined with the high recreational quality of our many lakes and streams and the humid climate in this area, has created a unique problem. Very few of our livestock operations, taken by themselves, could be considered significant contributors to the pollution of a watershed. Taken collectively, the livestock operations in a rural watershed are usually a major point source of pollution.

STATE PERMITTING PROGRAM

During the 1960's water quality problems related to agricultural feedlot sources were discovered. As a result, in 1969, the Minnesota Pollution Control Agency was assigned to work with the Governor's Agricultural Advisory Committee toward development of regulations to control agricultural point source pollution. This group, composed of farmers, agribusiness representatives and farm organizations, prepared a draft copy of the regulations which was finally approved by the Agency Board on April 16, 1971. These regulations recognize that animal waste need not be a pollution hazard, but rather a valuable resource that should be managed properly. They also recognize that even the very small feedlots can present a pollution hazard if not properly managed. Using these regulations, a program was developed to both correct existing pollution problems and to insure that new installations do not create pollution hazards. This is done by reviewing feedlot operations at the time a farmer makes a monetary investment into the operation. A state agency permit to construct and operate a feedlot is required when a feedlot operator is:

1. Starting a new operation.
2. Expanding existing operations.
3. Modifying an existing facility.
4. Purchasing an existing feedlot.

The permit application is reviewed to insure that the operation meets state location requirements, that it is managed properly and that the feedlot wastes are properly applied to the land as fertilizer. Since the inception of the Minnesota state feedlot pollution control program, approximately 4,300 permits have been issued.

As the state feedlot permitting program became operational, it was recognized that there was a need for increased input at the local and county level. In January of 1974, state regulations were adopted to allow the counties to enter into a joint working agreement with the Minnesota Pollution Control Agency.

Under these regulations, County Boards may, at their option, and upon approval of our Agency, choose to issue, deny, modify, impose conditions on, or revoke feedlot permits in their county. The counties designate a county feedlot officer who acts as the local laison official. He conducts inspections and makes recommendations back to the Minnesota Pollution Control Agency staff and to his County Board. This program is advantageous to both the county and the Minnesota Pollution Control Agency by insuring that county and state regulations are met in the permitting process.

We have received support from such farm organizations as the Minnesota Farm Bureau, the Minnesota Livestock Feeders Assn., and the Minnesota Farmers Union. Representatives from these organizations along with the Soil Conservation Service, Minnesota Department of Agriculture, University of Minnesota Agricultural Extension, and the Minnesota Association of Counties are among members of our state Agriculture Advisory Committee. This group is invaluable in keeping our Agency's program responsive to the needs and concerns of the agricultural community.

It is apparent that regulations alone are not the answer. Technical and financial assistance to the farmer should be available. The assistance received by the farmer from the Federal Soil Conservation Service has been an important factor in the success of our program. In fact, about one third of all Soil Conservation Service assisted feedlot pollution control systems installed in the United States have been installed in Minnesota. Cost sharing administered through the rural conservation program of the United States Department of Agriculture—Agricultural Stabilization and Conservation Service has been of great benefit to those feedlot operators who are required to install various pollution control structures. We would like to see this program continued and expanded by Congress.

FEDERAL PERMITTING PROGRAM

In the spring of 1974, the U.S. EPA, in cooperation with the Minnesota Pollution Control Agency, began soliciting permit applications from feedlot operators having 1000 or more animal units as required under the regulations promulgated pursuant to PL 92-500. Initially, applications were received as a result of notifications sent by the U.S. EPA which were prepared from a list of names and locations of known sources which we prepared. In addition to this, a few applications were submitted on a voluntary basis. To inform the large feedlot operator of the NPDES permit program and his obligations under the law, we held a number of informational meetings, prepared a newsletter for distribution to agricultural organizations, and prepared a news release for the media. To date, 41 applications have been received where a permit has been or will be issued. Under the existing U.S. EPA Feedlot Regulations, we estimate there are at least 100 operations that should be permitted either because of size or the presence of a significant pollution hazard.

STATE AND FEDERAL PROGRAM COMPARISON

Both the Minnesota and the Federal Feedlot Pollution Control programs have as a goal the abatement of feedlot point source pollution. However, these programs differ in two significant areas. Under the State program, all feedlots, regardless of size are required to apply for a construction and operation permit at the time of monetary investment. Large feedlot operations of over 1000 animal units, or those who are determined to be significant contributors of pollution, are required to obtain a NPDES permit under current regulations. The NPDES program requires on-site containment of runoff with a discharge tolerated only if an unusually heavy rainfall occurs. Compliance with NPDES permit requirements usually involves the construction of a conventional runoff control system. In the Minnesota program we consider alternate methods of discharge control selecting the best management practice suited to the site. The best management practice varies from natural nutrient assimilation to complete collection and containment.

COORDINATION OF STATE AND FEDERAL PROGRAMS

We have coordinated the State feedlot and the NPDES feedlot programs wherever possible and found this most effective in our dealings with the feedlot operator. Oftentimes because of a facilities expansion or the start of a new operation a State and Federal permit is required. To minimize paperwork and confusion, we have been issuing joint permits in these situations. We cooperatively inspect the facilities and arrange to have officials of the Soil Conservation Service and the county meet with us at the time of inspection to present all regulatory requirements to the applicant. Cooperation between governmental agencies has made our program more efficient and more effective.

ASSESSMENT OF PROPOSED FEEDLOT REGULATION

With the U.S. EPA now in the position to propose now feedlot regulations which are to include all those point source operations previously excluded from permit program requirements, we will have to permit many operations, probably in the thousands. Because of the large numbers of feedlots involved, we believe that a traditional discharge permitting approach without some sort of lower limit on size is impractical. We feel a workable solution would be to allow those states having an approved feedlot pollution control program to accept responsibility for and administer such an expanded program. We believe that because climatic, geologic, and feedlot industry conditions vary so much throughout the country, that the states would be best able to evaluate what is needed to effectively abate pollution from agriculture.

The present no-discharge limitations are not feasible or practical for many of the smaller operations. We feel that various levels of "best management practices" could be established and implemented that recognize the reality of the economic situation and yet provide for an acceptable level of pollution abatement, "Best Management Practices" could include such things as: grass filter strips, clean water diversion, different manure management techniques, or, if necessary, complete runoff retention.

Any practical program along these lines will require some catagorizing of feedlot pollution problems. On a practical level this means that information about existing feedlots be collected and examined with respect to size, location, and method of operation.

Because no inventory of livestock operations exists, it is nearly impossible to determine which of the feedlots in any watershed are doing the damage. Until an inventory is taken, all feedlots must be treated as if they are significant contributors. This creates inconsistencies in that a feedlot may come to our attention through a permit application and the operator may be required to invest several thousand dollars in pollution control structures, while another feedlot in the same area may have a much more serious problem and yet go undetected.

We believe the only equitable method of determining which feedlot operation needs pollution control is to conduct a feedlot inventory. Information from this inventory could be merged with existing information about the stream or lake water quality to categorize the feedlots according to size, degree of pollution hazard and the overall watershed water quality problem. If the U.S. EPA adopted a program of state determination according to pollution hazard, Minnesota could merge its existing program with the Federal program.

The impact of agricultural pollution is very significant but, to this point, State and

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*The National Pollutant Discharge Elimination System (NPDES) is a Federal program developed by the U.S. Environmental Protection Agency pursuant to the Federal Water Pollution Control Act (P.L. 92-500).

Federal regulatory agencies have not adequately addressed the problem.

The U.S. EPA is currently faced with the difficult task of developing all-inclusive feedlot regulations which are equitable, practical, feasible, and within the terms and conditions of the PL 92-500. At present, Law requires that all point source dischargers, implement "best practicable control technology currently available" by July 1, 1977. It is virtually impossible at this late date to develop and implement a worthwhile program and meet the July 1, 1977 deadline. If the PL 92-500 needs to be amended to do the job which needs to be done, we would be in support of the necessary legislation.

SMALL INDUSTRIES

In Minnesota, there are a number of small industries who will be unable to meet the July 1, 1977 deadline because of economic hardship. One of the hardest hit is the small creamery, a phase of the dairy industry which is of vital importance to the small dairy farmer and the rural community. A review of our NPDES permit files indicates that there are approximately 45 small creameries in this situation. On July 22, 1975, our Agency's nine-member citizen board passed a resolution which supports amending Public Law 92-500 to provide that extensions to the July 1, 1977 compliance date be authorized for small point sources other than publicly owned treatment works for which the following can be demonstrated:

1. The existence of economic hardship
2. The benefits from compliance are not justified by the social and economic disruption, and
3. The non-complying discharge will be corrected during the time extension.

Attached to our statement is a copy of that resolution. We would like to express our strong support of this resolution even though it is not directly related to the development of new feedlot regulations, which is the primary purpose of this meeting.

In summary, we believe that any new feedlot regulatory program should take the following points into consideration:

1. The traditional approach to discharge permitting would prove to be unworkable if applied to all feedlots. New approaches must be found and implemented.
2. We believe that the concept of "Best Management Practices" is highly desirable as compared to the relatively rigid concept of "Best Practicable and/or Available Technology" in terms of both economic factors and site-specific considerations.
3. We believe that any practical attempt to solve the agricultural pollution problem must include the ranking of feedlots according to their existing pollution potential.
4. Minnesota has had extensive experience in administering a feedlot program this is applicable to local conditions. We believe that the States, following Federal guidelines, should be given the latitude to determine which feedlot operations are in compliance and do not need the NPDES permit, and which operations requires a NPDES permit.

In light of our experience with the regulation of feedlots at both the State and Federal level, the State of Minnesota would like to assist the U.S. EPA in the development of new feedlot regulations and is ready to serve as a demonstration State for any programs which would involve State participation.

STATE OF MINNESOTA,
MINNESOTA POLLUTION CONTROL AGENCY,
July 22, 1975.

RESOLUTION

Whereas, Section 301 of Public Law 92-500 provides that in order to carry out the objective of this Act there shall be achieved not later than July 1, 1977, effluent limitations for point sources, other than publicly owned treatment works, which shall require the application of the best practicable control technology currently available, and;

Whereas, many small industries and other facilities in the State of Minnesota are in such locations or under such constraints that provision of independent treatment at prohibitive costs would be their only alternative to comply with the above mentioned effluent limitations by July 1, 1977, and;

Whereas, the benefits derived from compliance with the required effluent limitations may not outweigh the social and economic costs and dislocation which will result in some cases, and;

Whereas, an extension of time beyond July 1, 1977 will provide an opportunity for certain of the above mentioned industries and facilities to develop alternative treatment methods or make connection to municipal treatment facilities completed after July 1, 1977 and thereby come into compliance. Now therefore, be it

Resolved, That the Minnesota Pollution Control Agency Board hereby supports amendment of Public Law 92-500 to provide that extensions to the July 1, 1977 compliance date be authorized for certain point sources other than publicly owned treatment works for which the following can be demonstrated:

1. the existence of economic hardship;
2. the benefits from compliance are not justified by the social and economic disruption, and;
3. the noncomplying discharge will be corrected during the time extension.

RETURN OF THE SPOILS SYSTEM

Mr. HUGH SCOTT. Mr. President, a recent editorial in the Christian Science Monitor entitled "Return of the Spoils System" effectively states the case against the so-called reform of the Hatch Act. Such legislation is a long step backward and would politicize the civil service. This editorial clearly points that out. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RETURN OF THE SPOILS SYSTEM

The United States House has passed and sent to the Senate a measure which would effectively destroy the 1939 Hatch Act in the name of reforming it.

If the measure is enacted, a large part of the federal government's huge work force of 2.8 million employees could be turned into a vast patronage army similar to the Daley machine which has dominated Cook County politics for the last two decades.

The Hatch Act came about in response to the patronage abuses and political coercion rampant in the New Deal public jobs programs of the 1930s.

It was obvious that these abuses could not be curbed simply by making it illegal for public officials to order their employees to perform political work. The bosses could always find ways to "persuade" the employees to take part in political action on a "voluntary" basis.

The Hatch Act served to eliminate this evil by making it illegal for federal employes to perform political work even on a "voluntary" basis, immunizing them from any kind of pressure.

It is this protection that the "reform" measure, sponsored by Rep. Bill Clay [D., Mo.], would remove. Though there would still be some minor restrictions on the kind of political activity in which federal employes participate, they could be sent into the precincts to get out the vote on a voluntary basis.

Under a federal court order, municipal employes in Chicago can only voluntarily do political work. They do so in swarms—every election—or else.

As Rep. Edward Derwinski [R., Ill.] who led the opposition to the Clay measure, pointed out, there are other evils in the proposal. Democratic businessmen could find their tax returns audited by an Internal Revenue Service agent who doubled as a Republican ward leader.

A survey taken by the National Federation of Federal Employes of its members a few years ago found 89 percent supporting the Hatch Act and only 1 percent favoring its repeal. The Clay measure was opposed by the federation, as well as by the U.S. Civil Service Commission, the Postal Service, the comptroller general, the IRS, and the FBI.

Yet the measure was steam-rolled through the House by a vote of 288 to 119. This is a reflection of the Democrats 2 to 1 margin of power in the House and the massive support given the measure by Big Labor. Interestingly, many federal workers belong to public employe unions and most are considered to be Democrats.

Should the bill be passed by the Senate, it faces an expected veto from President Ford. An override by the House could be prevented if enough of its members are made to see what a monster they are creating.

JIM FARLEY

Mr. TALMADGE. Mr. President, one of the most distinguished and beloved Democrats of all time is the Honorable James A. Farley, who now serves as honorary chairman of the board of the Coca-Cola Export Corp. in New York.

Jim Farley was adviser and confidant to President Franklin D. Roosevelt and a prominent figure in the Roosevelt administration. An excellent column, in the Atlanta Constitution, by the syndicated writer and splendid reporter, Celestine Sibley, was recently brought to my attention, and I would like to share it with my colleagues in the Senate.

I ask unanimous consent that the Sibley column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"WHO IS JIM FARLEY?" INDEED

(By Celestine Sibley)

All I said, somewhat smugly to be sure, was that I had received a nice note from Mr. Jim Farley. "Who's he?" asked my young colleague.

"Who's Jim Farley?" I yelped, "Why just about the most famous Democrat of this century, why a maker of presidents, a celebrated postmaster general, a . . . "Words failed me.

In a way it's sad to be so young that you haven't heard the marvelous stories about tall, bald "Genial Jim" Farley, the man who was credited by President Franklin D. Roosevelt for his landslide victories—up until the last one, when they fell out, and Mr. Farley tried for the presidency himself. Politics is still fascinating, of course, but I don't know anybody, any contemporary practitioner of the art about whom as many colorful stories have been told as fill the archives about Mr. Farley.

When his note came the other day I took down a couple of books the 87-year-old New York Democrat wrote and dipped into them here and there, just for the flavor of old political triumphs. With his note—apropos of a column here about how tacky our new post office it—Mr. Farley enclosed a leaf from the Congressional Record in which he was praised as a politician of "preeminent ability and respectability," a member of the breed who cleanses "the stigma attached to our profession."

The stories I enjoy most about Mr. Farley are those having to do with his fantastic memory for names and faces. Once when he came to town in his role as honorary chairman of the board of the Coca-Cola Export Corp., I interviewed him. He told me then the legend originated in Salt Lake City during the first Roosevelt campaign when somebody in the crowd yelled, "Hello, Jim!" and he was able to yell back, "Hello Frank!" He had been in correspondence with a railway mail clerk between Salt Lake City and San Francisco who read the Literary Digest's postcards in a poll on the presidential election and dispatched their results to Jim Farley. Mr. Farley was guessing the person who yelled out to him from the crowd was the postal clerk—and he was right. Their friendship continued until Frank died a few years ago—an example of the kind of loyalty for which Mr. Farley was famous.

Now about that note of which I bragged to my young friend, Mr. Farley said several friends of his in Atlanta "were kind enough to send me a copy of your article with reference to the Atlanta post office."

With typical Farley tact he said he understood my jeremiad against moving post offices about and switching from stately marble halls to tacky wall-papered quarters in a mirrored office building.

"While I have not been in the building to see the situation as described by you," he says, "from your description, I am sure I would thoroughly agree with what you had to say."

And that is pleasant to me and not too unpleasant to the builders and movers—since Mr. Farley hasn't inspected their handiwork in person.

SENATOR HRUSKA RECEIVES CREIGHTON U. ALUMNI ACHIEVEMENT CITATION

Mr. CURTIS. Mr. President, recently, my colleague from Nebraska received a very distinguished honor from his alma mater Creighton University in Omaha.

The occasion was the dedication of the Ahmanson Law Center at Creighton, a fine new facility that compares favorably to any law school in the country.

Senator Hruska, who received his J.D. from Creighton in 1929, was presented with the school's Alumni Achievement Citation. This honor is richly deserved. Senator Hruska is the ranking minority member of the Committee on the Judiciary and has served honorably and faithfully on many commissions dedicated to the improvement of this country's system of justice. Among his accomplishments is the chairmanship of the National Commission on Revision of the Federal Court Appellate System. He also is the author of a bill to revise the Nation's Federal criminal code for the first time and a bill recently signed into law, which established rules of evidence for the Federal courts.

Mr. President, because of his dedication to Creighton University's law program, Senator Hruska now has a reading room named in his honor at the Ahmanson Law Center.

The Solicitor General of the United States, Robert Bork, was the principal speaker at the dedication dinner on September 13. He had some very poignant comments about our system of justice in this country.

So that my colleagues and others may benefit from his words, I ask unanimous consent that the comments of Mr. Bork, a news story on the event and a portion of the dedication program be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Dedication Speech by Mr. Bork

President Labaj, Chief Justice White, Dean Frankino, ladies and gentlemen. I wish particularly to say how pleased I am to be on the dais tonight with Senator Hruska. Few men have played a greater role in shaping the law of our time than has Senator Hruska. In his capacity as ranking minority member of the Senate's Committee on the Judiciary he has taken a leading part in shaping our laws and has screened those nominated as federal judges and as Attorneys General and other posts in the Department of Justice. He has been personally friendly and helpful to me and I wish to express my gratitude and feeling of personal warmth toward him tonight.

It is a great pleasure to participate in the dedication of the Ahmanson Law Center of Creighton University. You have built a magnificent facility. For me, for most of us, a center of legal scholarship is virtually hallowed ground because law is the ultimate value in our society. Law is not ultimate because it is final, but because upon it depend all of the other values we cherish.

The dedication of a new center of legal training and scholarship gives us the sense of a new beginning, of the law's capacity to regenerate and recreate itself.

Just being here and seeing your splendid facilities and meeting Dean Frankino and the faculty makes me feel at home. I can hardly wait to leave Washington and return to the academic world—and not merely to enjoy what some genius has called the leisure of the theory class.

It is the special province of the law schools to mount a sustained study and evaluation of our legal culture. Now more than ever our attention should be drawn to the condition of our legal order and the institutions that sustain it. If at moments I sound alarmist, I do not mean to sound pessimistic. There is always reason for concern, never reason for despair.

Law is never secure. It is true that we rely upon law for our security but also true that law relies upon us for its strength. We tend to forget this. We tend to forget that our form of law is not immortal. It is a social creation of enormous value and great strength, but it is also complex, delicate, and distinctly vulnerable.

We live in a time—and perhaps we always do—when there are serious threats to our legal order. But—and perhaps there is also always true—we also live in a time when the real threats to constitutional government are largely unperceived.

We are immeasurably blessed in this country with a cadre of influential, articulate, and self-assured commentators who possess the uncanny knack of studying any situation and unerringly drawing precisely the wrong conclusions.

Since we survived the crisis of Watergate due to the strength of our institutions, they conclude that our institutions must be restructured. I would commend to them the words of Mark Twain: "We should be careful to get out of an experience only the wisdom that is in it—and stop there; lest we be like the cat that sits down on a hot stove-lid. She will never sit down on a hot stove-lid again—that is well; but also she will never sit down on a cold one any more."

Translated that means presidential power can be abused, as can be and has been all power, but that is no reason to destroy strong presidential leadership that has over almost two centuries proved indispensable to our national health and vitality.

The real agenda for reform is more mundane but absolutely crucial. Threats to our legal order are developing rapidly, but almost unnoticed—and these are older, subtler, and infinitely more difficult to cope with.

The law schools, for example, are coming out of a very difficult period. Their self-confidence was shaken badly by the student turmoil of the late 1960's and for some years afterward legal educators seemed unsure of themselves and their roles.

The schools of law mold the future of our profession and hence of much of our government. To one who believes that we owe our national stability and good fortune to the solidity of our institutions, it was disheartening to see that many of our law schools were manned by faculties that displayed, and hence taught, an unlawyerly concern for ideological outcomes rather than for orderly, neutral processes. Being attached to universities, the law schools shared to some extent the intellectual residue of the revolutionary '60's: an antipathy to intellectualism, a denial of the value of rationality, and a disdain for traditional institutions.

Ideologically, many of our major law schools were, and a few of them still are, so far out of balance that the range of respectable discourse was only a fraction of the spectrum in the society at large. That is not good for the schools, for legal education, or for the development of the law.

I am confident that Creighton was not among the law schools of this sort, and I think I see signs that many schools are returning to the thoughtful professionalism that was the special virtue of American legal education. Robert Hutchins once said that the best education anywhere in American universities is to be found in our schools of law. Some of us lost that virtue for a while but we are ready to earn the compliment once more.

But there is another problem in the law that I would particularly like to discuss tonight. It is not preposterous, I hope, to begin with what I have observed in the Office of the Solicitor General. It is a small, specialized unit but in the matters I am discussing it is a microcosm in which the larger problems of government and something of their causes may be discerned.

We are sitting in the center of an explosion of federal litigation. A comparison of two years is illuminating. In the 1963 Term of the Supreme Court, the office handled 910 filings in the Supreme Court. Eleven years later, in the 1973 Term, we handled 2,428, or well over two and one-half times as many.

A main problem of the office, then, is simply a staggering workload. The staff is enlarged but coordination of work and positions to be taken inevitably suffer. This rising torrent of federal litigation might not be very worrisome if it damaged only the Solicitor General's office but, in truth, it is only one manifestation of overload that threatens all of our major governmental institutions and is even now altering their nature, perhaps irreversibly.

The reasons for the accelerating workload are also suggested by a statistic. The Solicitor General's cases in the 1963 Term comprised 33% of the Court's total docket. My cases in the 1973 Term comprised 48% of the docket, and the percentage will rise again. That means government litigation is rising not only absolutely but as a proportion of all litigation.

The reasons are obvious. We, along with every other western nation, are steadily transforming ourselves into a highly-regulated welfare state. The tasks government undertakes grow steadily more numerous and always more complex. Under this accelerating workload all of our basic governmental institutions are changing and they will not be the same again.

The deleterious effects upon the Presidency are obvious. The Presidency now in large measure exists in the enormous staff known as the Executive Office of the President. The Executive Office includes such organizations as the Office of Management and Budget, the Council of Economic Advisers, the Domestic Council, the National Security Council, and many more. Post-Watergate critics of the Presidency note that anonymous, unelected, unconfirmed men and women make decisions crucial to the nation. That is certainly true and worth thinking about. But some analysts attribute the White House apparatus to something they call the "imperial Presidency" and a growing lust for power. They would legislate the bureaucracy away.

That analysis could not be more inaccurate and the proposed cure could not be more harmful. The presidential bureaucracy is not a manifestation of a power drive but the inevitable response of the Executive to the enormous tasks of regulation and coordination that a welfare state thrusts upon him. To legislate away that staff is merely to render the President helpless to control, or even substantially to affect, the policies of his own branch of government.

Had presidential staff grown because presidents have usurped power, congressional staffs should have diminished or grown idle. In fact, however, during the same period, congressional staff sizes have exploded, and on those staffs, just as in the White House, anonymous, unelected, unconfirmed men and women help make decisions crucial to the nation.

These developments are ominous for the future of responsive and open institutions of representative government. The institutions of our democracy were designed in 1787 upon an assumption of limited government and it may be that to function tolerably they required a substantial measure of laissez faire in social as well as economic policy.

As lawyers, however, we should be particularly concerned for the federal judiciary which is equally threatened by this trend. The proliferation of social policies through law creates a workload that is even now changing the very nature of courts, converting them from deliberative institutions to processing institutions, from a judicial model to a bureaucratic model. The signs are everywhere. Caseloads rise steadily. Time for oral argument is steadily cut back and is frequently eliminated altogether. Many cases are decided without opinion. Some cases are decided in minutes rather than hours. Courts are adding more clerks, more administrative personnel, moving faster and faster. They are in imminent danger of losing the quality of collegiality, losing time for conference, time for deliberation, time for the slow maturation of principle.

Ironically, these changes that threaten the ability of the courts to give every case its due spring precisely from the desire to extend law to more and more subjects and to give every one perfect justice.

We are attempting to apply law and judicial processes to more and more aspects of life in a self-defeating effort to guarantee every minor right people think they ought ideally to possess. Simultaneously, we are complicating trial and pretrial procedures in what must ultimately be an impossible effort to make every trial perfect. The two trends, I think, are flatly imcompatible. We are seeking to handcraft every case. At the same time we are thrusting a workload upon the courts that forces them towards an assembly line model.

Assembly line processes cannot sustain those virtues for which we have always prized federal courts: scholarship, a generalist view of the law, wisdom, mature and dispassionate reflection, and—especially important for the perceived legitimacy of judicial authority—careful and reasoned explanation of their decisions.

We cannot afford an erosion of these judicial virtues. As law proliferates and is made up faster it has less time for theory and tends to become both simplistic and inconsistent within itself. That raises several dangers, not least of which is contempt for law. The perception that despite its procedural guarantees, law may be substantively arbitrary, damages its moral authority, and law cannot be effective unless it carries moral authority as well as the threat of sanctions. Should any sizeable number of people come to feel that the only reason to obey law is the possibility of unpleasantness with the courts, the cost of maintaining social order with our present degree of individual freedom will approach the prohibitive. We cannot afford to dissipate any more of law's moral authority.

Something must be done and done within the next several years if we are to preserve the judicial system as we have known it. The altered nature of the executive branch and the Congress makes it more imperative that the judiciary be preserved.

The preferred solution would be to reverse the movement toward ever more regulation. That may, in the long run, be the only solution that can preserve our traditional legal order. Karl Mannheim noted a long time ago that the western concept of the rule of law can survive only under conditions of limited government.

But that is an issue beyond our immediate control. The legal profession must pay attention now to the plight of the federal judiciary. It is to the great credit of Senator Hruska that he has helped focus discussion, heading a Commission that has proposed major reforms in our national appellate system. The problem of overload, however, affects the entire system, from district court to Supreme Court. The federal judicial system is being nickeled and dimed to death by the immense quantity of legal trivia that a welfare state generates.

One solution might be to take such matters out of Article III courts. The social policies are important but the legal questions are not difficult. Thus, in addition to considering the abandonment of diversity jurisdiction, we ought to consider an entirely new set of tribunals, analagous to small claims courts that would take over completely litigation in a variety of areas such as Social Security litigation, federal housing programs, consumer protection, truth in lending, environment disputes, and so forth. Appeals from those tribunals could be funneled into an administrative court and stop there. Only the occasional serious constitutional claim or issue of statutory interpretation need move from the administrative court into an Article III court.

Senator Hruska and his Commission on Revision of the Federal Court Appellate System have made a notable start on one aspect of the problem, but, as he would be the first to agree, much more remains to be considered. It is a task that belongs to all branches of the profession. I have recommended that the Department of Justice take the lead in a study of the entire system and I hope that it will.

But the Department cannot do it all. We look to the other branches of the profession—the organized bar and the law schools—to face with us this slow crisis in our legal system.

We ought not tinker with institutions lightly, for, as a wise conservative put it, "Unless it is necessary to change, it is necessary not to change." But right now we are changing the federal court system, and hence our legal order and our concept of the rule of law, not in detail but in essential nature, and we are doing it not deliberately but through sheer inattention to the pressures that are warping it.

Only by reducing their caseload can we preserve our courts to handle the central problems of our society—the constitutional protection of individual liberties and of democratic processes of government. These are precisely the values that will be increasingly threatened in the regulatory-welfare state.

We have lived through times of grave turmoil and division, but we have learned again that our institutions were not built only for the easy, sunny days. They were built in the confident anticipation of trouble, and they were ready when trouble came.

Of all the institutions that preserved us, none was more important than the federal judiciary. We must pay attention to the federal courts. We must not take their virtues and strengths for granted. We are facing an ever-deepening crisis but we can deal with it as we have dealt with others. If we go forward toward reform, calmly, without either gimmicky tinkering or panicky overreaction, in the light thrown by the highest traditions of the law, there is no doubt whatever that our institutions will continue to prevail over our troubles.

[From the Omaha World-Herald, Sept. 14, 1975]

LITIGATION IS CALLED THREAT TO GOVERNMENT

(By John Taylor)

The United States in the center of an "explosion of federal litigation" that is threatening major government institutions and "is even now altering their nature, perhaps irreversibly," Robert Bork, solicitor general of the United States, said Saturday.

Speaking to about 450 persons at a Creighton University dedication dinner at the Hilton Hotel, Bork warned of "serious threats" to the legal system developing.

He said that in 1963 his office, which handles all the federal government's cases before the U.S. Supreme Court, had 910 filings before the high court. Ten years later, he said, the solicitor general's office handled 2,428 cases.

"This rising torrent of federal litigation might not be so worrisome if it damaged only the solicitor general's office but, in truth, it is only a manifestation of overload that threatens all of our major government institutions and is even now altering their nature, perhaps irreversibly," he said.

Bork spoke at the concluding ceremony of a week-end long dedication of Creighton's new Ahmanson Law Center.

The reason for the increasing workload in the courts, he said, is that "we, along with every other Western nation, are steadily transforming ourselves into a highly regulated welfare state."

Besides the courts, Bork said this shows up in the "enormous staff" of the President.

He said that the increasing numbers of persons who work in the Executive Branch are not a result of a "growing lust for power," but "the inevitable response to the enormous task of regulating and coordinating a welfare state."

Bork said that congressmen, too, are surrounded by large staffs, "anonymous, unelected, unconfirmed men and women" who are making decisions crucial to the nation.

"Staffs, often with an ideological slant of their own, have become forces to be reckoned with, even by congressmen," he said.

MINOR RIGHTS

As for the increasing workload on the courts, Bork said it was a result of a "self-defeating effort to guarantee every minor right people think they ought to possess."

In an effort to handcraft every case, he said, the courts are being swamped and this has led to treatment of cases on an assembly line basis.

The preferred solution, he said, is to "reverse the trend toward more regulation."

Since that doesn't seem to be possible, he said, "we ought to consider an entirely new set of tribunals, (similar) to small claims courts that would take over completely litigation in a variety of areas"—such as Social Security, consumer and environmental protection.

"Only by reducing their caseload can we preserve our courts to handle the central problems of our society—the constitutional protection of individual liberties and of democratic processes of government," Bork said.

Ahmanson Law Center Dedication Program

THURSDAY, SEPTEMBER 11, 1975

8:00 p.m. Inaugural TePoel Lecture, Daniel J. Gross Appellate Court, "The Crisis in Law and Legal Education", Harold J. Berman, Story Professor of Law, Harvard University Law School.

FRIDAY, SEPTEMBER 12, 1975

9 a.m. to 12:30 p.m. Continuing Education Programs, Gross Classroom Complex.

I. Appellate Advocacy Chairman: Honorable Donald P. Lay, Judge, U.S.C.A. Eighth Circuit.

II. New Federal Rules Evidence Chairman: Professor G. Michael Fenner.

III. Recent Development in Labor Law Chairman: Professor Bernard Dobranski.

4:30. Blessing of the Law Center, Most Reverend Daniel E. Sheehan, Archbishop of Omaha.

5:30. Red Mass. Traditional Mass of the Legal Profession.

Saint John's Church Concelebrants: Most Reverend Daniel E. Sheehan, Reverend Joseph J. Labaj, S.J., Reverend Donald I. MacLean, S.J., Reverend Carl M. Reinert, S.J., Reverend Michael P. Sheridan, S.J., Reverend Robert F. Drinan, S.J., Homilist: The Reverend Robert F. Drinan, S.J., Member of Congress.

Choral Director: Robert Ruetz, Ph.D., Professor of Music, University of Nebraska at Omaha.

7:00 p.m. Cocktails Followed by First Annual Alumni Dinner, Ballroom, Omaha Hilton.

Speaker: Mr. V. J. Skutt '23, Chairman of the Board, Mutual of Omaha Insurance Companies.

SATURDAY, SEPTEMBER 13, 1975

10:00 a.m. Academic Convocation and Dedication of the Ahmanson Law Center, Daniel J. Gross Appellate Court.

1:00 p.m.–4 p.m. Tour of the Law Center.

7:30 p.m. Cocktails followed by Dedication Dinner, Ballroom, Omaha Hilton, Speaker: Honorable Robert H. Bork, Solicitor General of the United States.

Robert Heron Bork, Doctor of Laws, *Honoris Causa*, Hon. Robert H. Bork is professor of law at Yale University. As Solicitor General of the United States he is the primary lawyer for the federal government before the Supreme Court of the United States.

MINNESOTA HIGH SCHOOL SETS 4-DAY WEEK

Mr. HUMPHREY. Mr. President, many of our school districts are still concerned about the problems caused by increased enrollment coupled with limited classroom space and a lack of money for new constructions.

Stillwater High School in Stillwater, Minn., is one of them. To cope with this problem, Stillwater is participating in the latest major experiment in Minnesota schools—the 4-day week.

Mr. John Lundquist of Associated Press has written an excellent article which reflects a mix of the pluses and minuses of this approach. Mr. President, I ask unanimous consent that Mr. Lundquist's article from the October 29 edition of the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Minnesota High School Sets 4-Day Week

(By John Lundquist)

STILLWATER, MINN.—On Tuesday, while her sister and most of her sophomore high school friends were in class, Diane Arndt was home making a skirt. Her sister, Joanne, a senior, was back in school after waiting on tables a day earlier to make some spending money.

The two sisters weren't skipping school. They were taking Stillwater High School's new four-day week in stride.

The school operates Monday through Friday, but each student goes four days. Each day is stretched an hour to 7½ hours.

It's the latest major experiment in Minnesota schools, brought on by an increasing enrollment coupled with limited classroom space and a lack of money for new construction.

School officials selected the four-day system as the best alternative after voters rejected three bond issues in four years.

From contacts with school administrators, teachers, student and parents, these observations can be made:

Administrators find the system generally is working well, although they admit there are some "bugs" and it means more work for them.

Teachers are more apt to have some classes of 30-to-35 pupils than 15-to-20, and they may "spin their wheels" at some sessions because they can't inject new lessons when some youths are on their day off.

Pupils count it a mixed blessing. There is more free time for recreation, outside work and special-interest studies. But the four-day operation means less flexibility in scheduling.

Starting this fall, students attend classes on their four days from 7:50 a.m. to 3:50 p.m. with a half-hour for lunch. It meets the state's required minimum of 1,050 hours per school year.

The Arndt sisters appreciate an extra day off, because it gives them a chance to earn money. But Diane finds the new class schedule somewhat upsetting. Her class of 9 or 10 students in Spanish drops to herself and another student one day a week, and she couldn't bend her schedule enough to take a typing class.

Teachers voice some criticism of the four-day program.

Merlyn Erickson, a math-science teacher, complained that the scheduling can create a situation that puts all the students in one of his classes together Tuesday, Wednesday and Friday but only half on hand Monday and Thursday.

"I spin my wheels two days of the week when I have to review while half the class isn't there," he said.

Barbara Mraz, assistant principal, acknowledges there are some scheduling problems, "but we're still shaking it down at this point."

The high school was forced into the innovative program because, while many school districts in the nation report declining enrollments from a lower birth rate, enrollment at Stillwater has climbed at all levels.

After voters rejected the three bond issues, including one for another high school, administrators were wondering how to jam 1,800 students into a building made for 1,550.

Parents emphatically rejected the idea of year-round school, with students in school 45 days and out 15.

So the four-day program was put into effect. A computer matched students with classes.

SCIENCE AND TECHNOLOGY POLICIES IN THE DECADE AHEAD

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an excellent speech at the Medalist Dinner of the Franklin Institute in Philadelphia by Dr. H. Guyford Stever be printed in the RECORD.

As Director of the National Science Foundation and Science Adviser to the President, I think Dr. Stever's remarks on "Science and Technology Policies in the Decade Ahead" will be of interest to my colleagues.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Remarks of Dr. H. Guyford Stever

SCIENCE AND TECHNOLOGY POLICIES IN THE DECADE AHEAD

It is good to be among so many men and women of accomplishment, as we are this evening. We should be grateful for the twenty-two medalists being honored here. Never has there been a time when we needed "winners" more than now—"winners" in the sense of men and women who have made a significant contribution to society, and are continuing to give their all and inspire others to do the same. Such a need is particularly felt in the fields of science and technology. And, therefore, we congratulate you and thank you for your contributions.

But, in the case of these needs, why now? Why science and technology? And for those of you who have been attending the conference discussions here during the past two days on Science Policies in the Decade Ahead, why this decade? What is so special, so crucial about the next ten years? Without attempting to lessen tonight's ambiance, I'd like to focus briefly on these questions, and perhaps suggest some of the directions our science policies might take in these coming years.

Why now? I think we as a nation must engender a sense of urgency in our science policies, not because we face any immediate crisis, or because we are in danger of running out of any particular resource or running into any major environmental disaster within the next few years, but because—to put it bluntly—time is not on our side in many of the things we have to do for the future, and many of the transitions we must make. These transitions, in energy, in industry, in institutional and social changes, and in our international activities, will take time—more time than is generally believed. They will take that time particularly if they are to be made in a thoughtful way based on sound research.

In the case of energy changes, they will have to be carried through their developmental stages and implemented in ways that minimize costly technological blunders and unforeseen harmful environmental impacts.

In the case of industrial changes, they will have to be made in ways that do not cause economic dislocation, but introduce new ways of using energy and material resources that contribute to both our environmental and employment situations.

In the case of institutional and social changes—those in our various levels of government, our educational system, and our public and private business—they will have to be made in ways that take present and future human implications into full consideration.

And in the case of changes in our international relations, they will have to be made, as they are beginning to today, in full consideration of the new needs and demands being made in the world forums.

There are no shortcuts to carrying out these processes. Within our own country they involve not only scientific and technical advances, but thorough exposure to the crucible of the democratic system. On an international level there are different dimensions.

From all this you may gather that I believe we are in for some big changes. You are right. We do face—and as a matter of fact may be well into—a significant transition period, nationally and globally. Mankind is at a turning point. And I think it is one in which the role of science and technology will be crucial—particularly during the coming decade.

I do not feel it is an exaggeration to say that during this period the major science policy decisions that the world's advanced nations make, and the major actions they pursue—together with the degree of cooperation they provide to and receive from the less industrialized nations—could have a major effect on such things as:

The future size of the world's population;

How well fed and nourished that population is;

The economic standard of living of most of the world's people;

The quality of our global environment;

And, generally speaking, social and political conditions throughout the world.

All of these, and many other conditions, will be highly influenced by the directions in which we move in science and technology, and the kind of progress we make in pursuing those courses that come out of our science policy decisions.

Let me be more specific.

If we look at our resource situation—both energy and materials—we see one in which demand is rising rapidly while the supply of many conventional resources is becoming scarcer and more costly. In energy in particular we have been tapping the least abundant resources—natural gas and oil—the most, and consuming them at a prodigious rate. Some economists tell us to depend principally on market forces to handle this situation; that as the price of these resources rises, demand will automatically drop, and as those go even higher economic incentive will stimulate development of conservation measures and alternative resources. This is the way that market forces have always worked—and still do.

But market-induced change can cause major hardships. And in the case of energy supply and conservation in particular we must intervene. The availability of energy is too crucial to too many aspects of our economic and technological systems to allow a slowing down or disruption of supply at any point (even though higher energy costs will force us to conserve, to produce more efficiently, and perhaps live more frugally). The size of the capital plant devoted to our electricity production alone is staggering. Upwards of $75 billion has been invested in it during the past ten years, and some projections show the investment need growing to $235 billion by 1980. Changes in a system of this size cannot be made easily to accommodate a shift away from gas and oil.

In addition, we do not have the time—considering population and social pressures today—to allow development of substitute resources and alternative technologies in the manner and time span historically seen. In the past it has usually taken more than 50 years for a transition from one energy source to another; that is, from the introduction of the new source until it has become the mainstay of the society. Of course, there is no certainty that we can move much faster today. The supply of both current and future energy resources poses many new obstacles we have to overcome. Tapping oil and gas on the continental shelf will require improved technology, and greater care. Extracting geothermal heat and shale oil each present difficulties. And the best uses of uranium, deuterium, and sunlight require not only difficult technological advances but the overcoming of safety, environmental, and socioeconomic obstacles that will take a considerable amount of time and ingenuity.

Nevertheless, we must make every effort to speed up our energy transition. And as part of this acceleration process it is essential that science and technology policy anticipate energy needs and problems and help industry to move ahead of market forces in energy development, lest we get caught in an energy crunch that could have serious implications for our entire economic and social system. What happens in this area of science policy and the research and development it generates during the next decade could determine our energy future for decades to follow and perhaps most of the 21st century.

We face a similar situation with regard to the way in which our industrial society manages its future material needs. Here again science policy can determine the speed and effectiveness with which we develop recycling systems and substitute resources, how we channel today's resources into new and more valuable uses as their scarcity increases, and the ways we can increase the efficiency and productivity of industry. It can also, through engineering research, improve the design and use of its end products so that society in effect can do more with less and improve the quality of life without substantially raising its costs. Toward all these ends science policy should act not to dictate the directions in which we should go, but to stimulate new ideas and innovations and suggest options. We need some truly imaginative leaps in this direction, but leaps based on sound research and development.

I realize this is a big order, and certainly not the responsibility of the science and engineering communities alone. But we should exercise some leadership. I think the public expects it of us for the support they offer—even as they hold us increasingly accountable for the blunders we may make. This is all part of the burden we will have to bear in this new age of accountability, one heavily involving Congress and often State and local government. As as result, we in science are now in politics—we are there whether we like it or not.

The kind of changes that science policies should stimulate in the next decade will have to give major consideration to domestic problems such as the decay of urban areas and the management difficulties of many of our major cities. This is related to the broad problems we face in many fields in learning to deal more effectively with large, complex systems. We hear much talk these days about "diseconomies of scale" and that "small is beautiful"—raising fundamental questions about the efficiency and manageability of large systems. These questions must be faced and answered successfully in the years ahead.

All the answers we seek in these matters should give the utmost consideration to environmental aspects. Contrary to some opinions, Americans are not about to sell out their environment for economic reasons. As a recent national poll indicated, 60 percent of the public thinks it is worthwhile to pay the costs of environmental protection; and that those costs are not economically prohibitive. To date, most evidence shows that the environmental movement has not had a significant adverse economic impact in this country, and is, as a matter of fact, stimulating the development of whole new industries that will conserve energy, recover and recycle resources, and in general improve the quality of life. This is not to say we are getting something for nothing. These advances will only come from input into, and output from, the Nation's research and development—from a range of research in the physical and biological sciences, in engineering and the social sciences. Unfortunately, there is far too little public understanding and appreciation of the variety and depth of that research going on today—and that which will be necessary in the future—to balance our energy-environment-economic needs. Helping to improve such understanding offers an important challenge to organizations such as the Franklin Institute, and one I am sure they are taking quite seriously.

One reason why there is a certain urgency in advancing research and development to meet this balance of needs is tied to the huge capital requirement projected for U.S. business in the coming decade. As reported in Business Week magazine, the figure currently being quoted for that need is $4.5 trillion for the next ten years, usually with the prediction added that we will fall short of that mark by some $650 billion.

What is particularly significant is that a substantial part of that total figure—the $4.5 trillion—will be needed to replace obsolete capital equipment. Some 40 percent of our industrial capacity is already more than ten years old and 17 percent more than 20 years old. Replacing this capacity—which is essential to our economic health and determines how well we fare in international economic competition—is more than a matter of replacement, it is a matter of revitalizing, and in many cases, redirecting, industrial growth so as to fulfill newer and changing needs. Some areas of industry have begun to do this, but so many new ideas are emerging from the laboratory and so many new concepts are being pursued that they could radically affect such things as an industry's productivity, its use of energy, its environmental impact, and its use of resources and the kind of product it turns out.

Many of these new ideas are coming from the chemical and biological sciences which, through different avenues of research, are revealing efficient, low-energy catalytic processes that could replace some of our more energy-intensive industrial methods. Some of these processes employing microbes and enzymes make possible the use as feedstock of large supplies of materials which were previously considered waste and often posed environmental and disposal problems. They also make possible the production of many new products, replacement products at lower costs, and products that are biodegradable and/or recyclable. It has been envisioned that, in addition to the more conventional approaches to using these processes, entire new integrated industrial systems could be based on them—industrial complexes that would take organic waste of all kinds in one end and put out at the other a variety of useful materials and products. These might include everything from new fuels, solvents, plastics, and elastics to textiles, foods, pharmaceuticals, and even recreational equipment. Because of the nature of their energy demands and efficiency such complexes may some day be operating principally on solar energy and pose no waste heat problems whatsoever. The full realization of such a concept may be many years off and does not lessen the need for more rapid development and improved utilization of our fossil fuel and nuclear energy resources now. But much of the research to make such advanced technologies possible is already taking place. And now—during this coming decade—is the time to make the kind of science policy decisions and commitments that could carry us through in this and other new directions.

Admittedly, these will involve some bold and risky commitments, and some sacrifices.

They will involve the Federal Government supporting a strong foundation of basic research and stimulating private industry to do likewise.

They will require the close cooperation of the Government and the private sector in carrying the results of that research into the innovation and development and beneficial, economic products and services.

And they will call for conceiving and implementing social and economic measures—laws, incentives, and disincentives—that will stimulate early markets for these new products and services.

Such science policy, of course, should be an integral part of our national policy for advancing the country socially, economically, environmentally, and any other way deemed important.

As has been pointed out in our two-day conference, and as we are reminded almost daily, our national science policies have an international dimension of great impact. The science and technology policy decisions we follow in this country influence both our competitive and cooperative positions globally.

The next decade is going to make great demands in both these areas, and both will be important. For example, we are going to see a continued and growing interest in the investigation of the oceans and atmosphere. The oceans are an important source of living resources, and, as we are rapidly discovering, a potential storehouse of valuable minerals. For these reasons, and because traditionally they are open equally to all nations for freedom of passage, the seas are an international commons which we must learn to manage better, and for which we will soon have to reach agreements that will enable them to be used for the mutual benefit of all nations. Time is running out on this important task.

Likewise, the atmosphere is a subject of growing international cooperation and the need for such cooperation. We are already participating in large international research programs, such as the Global Atmospheric Research Program (GARP) to understand better the generation of worldwide weather by the interaction of the oceans and atmosphere. We are also finding, as in the case of the widely publicized stratospheric ozone situation, that our technological activities can pose global threats if not better understood and managed. Therefore, it is going to be essential in the years ahead that we study this and similar situations thoroughly and reach—on the basis of sound scientific evidence—international agreements on such things as the release of chloro-fluorocarbons, the control of stratospheric aircraft, and the management of weather modification programs.

On the international front one of the most important aspects of our science policy decisionmaking is going to involve our relations with the Third World. We are hearing a great deal about this these days, and we shall hear more. These relations will pose some of the major economic and social questions of this last quarter of the 20th century, and science and technology decisions will have a strong influence on their outcome.

There are several reasons for this. One has to do with the fact that science and technology tied to agricultural research and production can influence world food supply by increasing the supply in the developed nations and making surpluses available to others. Another reason is that agricultural research can be pursued in ways that will allow the developing nations to improve their own agricultural production and perhaps someday gain self-sufficiency in food supply. We are moving in both these directions today. But if one considers that more than 90 percent of the world's population growth over the next few decades will take place in the developing nations, and that some 800 million people in these countries are undernourished today, the commitment and work ahead seems staggering.

There are those who still see this food problem primarily as a poverty problem. Give these nations an opportunity to gain their fair share of the world's wealth, they say, and ways will be found to meet their demand for enough food. In order to increase their share of that wealth the nations of the Third World, which hold many of the commodities the industrialized nations require, are seeking more equitable trade arrangements and other advantageous economic agreements. We and other developed nations recognize the needs of the developing world and are going to extend greater cooperation in this direction. But such agreements are only part of the changes that will call for, as Secretary Kissinger indicated in his recent UN speech, "the broadest application of skills, resources, and information" of science and technology. And among some of the instruments which Dr. Kissinger proposed to implement this were, "an International Industrialization Institute to sponsor and conduct research on industrial technology together with governments, industries, and research facilities of developing countries," and "an International Center for the Exchange of Technological Information" to serve as "a clearinghouse for the sharing of ongoing research and new findings relevant to development." Whether or not such specific proposals come into being, I think they are indicative of the movements we will see that will increasingly involve science and technology in the support of new opportunities for some two to three billion people and perhaps more.

All this leaves no doubt in my mind that science and technology policymaking for the coming decade poses economic, environmental, and social questions for us, the likes of which we are just beginning to experience. And it confirms a belief I have long held that the growth of science and technology forces on us not only a need for greater knowledge and rationality, but an even stronger and more binding morality. As the world grows more crowded and more complex, each of us is increasingly affected by the activities of our fellow man. Therefore, the quality of life will increasingly be determined by the quality of individuals the world creates and how they conduct their lives.

And this leads to my final point—and to the issue last discussed in the conference—the effect of science policies on the human dimension. Perhaps it is significant to point out that within the next decade lies the year 1984—the title of George Orwell's classic novel of the totalitarian state. We might reflect on this as we recognize such things as the growing concern with privacy and individual rights in a computerized and electronic society, and increasing interest in social and behavioral science. At the same time that these concerns and interests are growing, we should note the rising pressures around the world to foster individual and civil rights, guarantee religious freedom, safeguard consumer interests, and protect the rights and values of minority groups whether of the different ethnic background or varying environmental or political interests. All this seems to indicate that at the same time that science and technology is creating a world dependent on more organization, planning, and cooperation, it is promoting a counter or dialectic effect that agitates for greater individual and group freedom and assertiveness, more libertarianism and diversity. The result seems to make one wonder at times where we are headed ideologically in the years ahead, and there is a great deal of interest thinking and writing being done on this subject today. But in whatever direction we move ideologically during the next ten years, you can be sure that science will significantly affect and be affected by that movement.

During these remarks many of you will note that I have concentrated on that aspect of science policy which bears on science for policy and not policy for science. But I believe that they both go hand in hand, and if the need for science is felt strongly, and science proves its effectiveness in helping the country meet its need, then the support that science needs will be forthcoming in adequate measure. We have no privileged place in this society, much as we might like to believe. Our fortune and our favor with the public have to be earned—and the competition for such things is very stiff these days.

In reviewing some of the considerations involving policies in the next decade, I hope I have added a few thoughts to the many expressed at this Second Franklin Conference that indicate the importance of science and technology for our next ten years. We in the science and engineering community will have an important role in the human drama that unfolds during those years. While it may not be the central role, it will be a pivotal one—one on which the outcome of much of the future depends. It is encouraging, as this Medal Day demonstrates, that we have men and women in science and engineering whose work and accomplishments continue to raise the prospects and hopes of society. Their positive contributions, and those of other medalists over the coming years, should add to the importance and the challenge of the job that all of us will be called upon to do.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, despite the fact that the United Nations General Assembly adopted the Genocide Convention a quarter of a century ago, its relevance to the contemporary state of world affairs is such that the United States must ratify this basic tenet of human rights.

Looking forward to our Bicentennial anniversary, our country must seek to examine our faithfulness to the values upon which the United States was founded. The American ideal of respect for human rights and liberties can never be realized until we are willing to affirm our commitment to international efforts to assure such rights. We, ourselves, have no right to condemn the action of others unless we allow the full moral and legal weight of the international community to fall upon us when we fail to live up to our ideals. This entails ratifying the Genocide Convention immediately.

In a world full of hate and human misery, the United States must stand out as a moral community dedicated to respect for human dignity. To fail to ratify the Genocide Convention is to fail in our obligation to our citizens and to the rest of the world, which looks to us for moral leadership.

THE FEDERAL FLOOD INSURANCE PROGRAM

Mr. GARN. Mr. President, I recently added my name as a consponsor to S. 810, introduced earlier this year by Senator EAGLETON, which would eliminate the more undesirable effects of the present Federal flood insurance program. The program was initiated in 1968 as a voluntary program under which individuals could obtain subsidized insurance under certain conditions. In 1973, the Congress made the program mandatory within "flood prone" areas, designated by the

Department of Housing and Urban Development.

As it now stands, this program consists of the very worst kind of Federal land use planning. To begin with, the designation of "flood prone" areas is capricious and arbitrary. This point is best illustrated by a recent letter to the editor of the Salt Lake Tribune, giving the example of Grantsville, Utah. It appears that in the thirties, Grantsville was designated a "dust bowl" by the Federal Government, and so eligible for Federal assistance. Now, with no change in annual rainfall, Grantsville has been designated by HUD as "flood prone," which means that residents must comply with unrealistic, expensive conditions or be unable to get home financing. I ask unanimous consent that a copy of the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune, Oct. 20, 1975]

FEDERAL IMAGINATION

Editor, Tribune: When it comes to stretching "the imagination" you just can't beat the federal government. Example—the City of Grantsville was nearly half a century overcoming the federal designation and public image as the "Great Dust Bowl."

A large dam, nicknamed "Ethiopian Dam," was federally constructed during the extreme drought of the early 1930s to conserve flood waters that never came.

Now, with no additional moisture, the federal government has designated Grantsville as a "flood area," requiring special home owner flood insurance—which must merit the most flagrant insurance rip-off of the century. Unless we convince the federal government to reverse the designation, Grantsville, with flood insurance coverage, can now look forward to a half of a century of overcoming the designation and image of "Great Flood Area."

JACK SMITH.

Grantsville.

Mr. GARN. Mr. President, another program is the severity of the sanctions which are imposed by HUD if towns and residents do not comply. In some cases, zoning laws must be changed; now it happens that local communities in some parts of the country do not have the right to make zoning changes. Since it is apparent to State legislatures that what is involved in this program is Federal land-use planning, the zoning changes are denied, and entire communities find themselves unable to get any form of financing, either for their own development, or for the use of their residents.

And, Mr. President, I am not talking about federally insured financing: I am talking about conventional mortgage and improvements. Unless communities comply with the land use regulations, no financing can be had from any institution which participates in a Federal program, such as the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. Surely a sanction of this magnitude, applied across the board, in contravention of the principle of local control, is a prime example of the fallacy of uniform, ironclad Federal programs.

Note a further irony, Mr. President. Suppose an individual lives in such a "flood prone" area of a community—which could mean that once in 100 years his lawn gets wet from spring runoff, and he is unable to meet the HUD guidelines. No assistance, of course, not even any financing, but he goes ahead anyway, and builds his house.

He cannot now receive any form of Federal disaster assistance, even if his house is hit by a tornado. What we see here is the use of a Federal sanction to impose a Federal standard on individuals and towns which are perfectly competent to handle their own affairs. We have seen sanctions of this sort before, Mr. President, in the Udall land-use planning legislation introduced in the last Congress. That bill provided that if a State did not adopt a conforming plan, that State would lose all Federal assistance, including highway and airport funds. The citizens of my State were highly incensed at this intrusion into local affairs, and made their displeasure known at the polls. Land-use planning was an important issue in my campaign for the Senate, and my opponent, who was a cosponsor of the Udall bill, felt the strength of the opposition.

The incredible thing to understand, Mr. President, is the lack of attention which has been paid to the identical provisions of this flood insurance program. It is time for all of us to mobilize against the rigidity of the situation, and to make the needed changes. Senator EAGLETON and I can not be said to represent the same part of the political spectrum, but we see eye to eye on this issue. It is an issue on which both parties and all segments can agree. We do not need this particular straitjacket.

Fortunately, we will soon have an opportunity to do something about it. The Senate Committee on Banking, Housing and Urban Development will hold hearing on S. 810 on November 12 and 13. At that time Senator EAGLETON and I will attempt to marshall some of the arguments against the present program, and we invite other Senators to join with us. With a concerted effort, we can all show our constituents that we are able to be responsive to their wishes, and that at least one undesirable Federal program can be eliminated.

MEETING OUR FUTURE RENEWABLE RESOURCE NEEDS

Mr. HUMPHREY. Mr. President, on October 7, 1975, I had the honor of addressing the centennial meeting of the American Foresty Association—AFA. The AFA is a citizen's group dedicated to the wise management and conservation of this country's renewable resources.

The outstanding physician-conservationist, Dr. John Warder, provided the leadership necessary for the formation of the AFA in September 1875. Thirty-five individuals founded the AFA, and today the membership has reached 80,000 members.

Due to the changes in the energy situation over the past few years, America's forests and rangelands are assuming a new and larger importance. We also are beginning to understand the ecological interconnections existing in nature. We need to understand these interconnections, if we are to work with nature and not against it. This means that we must follow a policy that improves nature, while at the same time examining its impact on nature and society. We must also be willing to make the policy shifts needed to meet changing conditions and problems.

The Forest and Rangeland Renewable Resources Planning Act of 1974 provides for a flexible program to meet the inevitability of changing conditions. The 1974 act establishes a process through the Department of Agriculture whereby the executive branch, Congress, and the public analyze the proposals presented as alternative solutions to the problem of improving our renewable resources. This process offers the opportunity to assure that the best policy is developed for the years ahead.

Periodic reviews of program priorities are provided for in the law as an opportunity to implement any significant changes in policy that are required in response to changing conditions. The AFA helped to develop this model legislation.

Mr. President, I ask unanimous consent that my remarks to the AFA be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HUBERT H. HUMPHREY

When the first Congress of the United States met, our Nation had barely 3.9 million people. And the forest was viewed as a barrier to development. Exploiting it was a challenge.

When in September 1875 the American Forestry Association was formed in Chicago under the leadership of that outstanding physician-conservationist, Dr. John Warder, the effects of a century of wasteful exploitation of our forest were becoming all too clear.

Credit also should go to the American Association for the Advancement of Science and to the huge cross-section of interested citizens for alerting the American people to the need for the conservation of our renewable resources.

I am here today as a citizen with long and deep interests in the relation between our spiritual and economic well being and the condition of our natural and human resources.

I am a conservationist, and proud to be one.

I also am a professional policy maker—a politician if you wish—one of 100 Senators selected by the voters to translate ideas into national policies.

I am a politician who believes that there is an evolution of policy just as there is for plants and animals. I believe we must try to improve things, while being willing to examine what is evolving.

I also believe very strongly that we should bring people and ideas together in this evolutionary process. I am a Democrat in political philosophy—a member of the Party that believes that an elected government is the peoples' way of fashioning and achieving those goals.

Today let us talk about the Forest and Rangeland Renewable Resources Planning Act of 1974. This Act, which I helped initiate, is dedicated to the principle of policy evolution. It seeks to address the situation on some 700 million acres of range and grass lands and some 700 million acres of forested lands—two-thirds of the 2.2 billion acres in our United States.

It gives us a nation the ways and means to shape the destiny of our land by helping determine the way we address the issue of our renewable resources.

The Act provides the means to assess regularly our renewable resources—including soil, water, forest and range plants, animals, fish, birds and even the insects.

It then provides the vehicle for focusing public policy decisions on these 1.4 million acres.

What for example, should be the role of the private land owner as well as the Federal, State and local governments?

Another important concept imbedded in the bill is flexibility. In this Act we recognized the inevitability of change and provided the basis for developing improved information on which to gear policies and programs.

We tried to create the machinery that gives us facts so that the fear and uncertainty of change is reduced. And we sought to avoid being caught up by events because we were not looking at what was happening around us.

In this Act we also tried to keep the range of actions within manageable proportions. The Act, recognizes the pivotal role the Department of Agriculture and its Forest Service play in administering forest and range lands, and in aiding the private sector management of similar lands.

It is one thing to recognize that there is a governmental role, but is quite another to be able to respond. A major challenge that we face as a people and as a Nation is to improve our ability to come to grips with issues.

Today, with well over 200 million people in the United States, decision making and policy formulation are far more complex than when we had but 4 million people in our new Nation.

When the AFA was founded, I am told you had perhaps 35 members. They looked at the resource situation, as they saw it, and they hammered out a policy and a program which was a good one. Today you have 80,000 members.

AFA is an excellent example, of how the coming together of a group of people—who are willing to get the facts and bring them to the attention of their fellow-citizens—helped focus on the issues and identify the needs.

The whole system of renewable resource conservation still rests on the foundations that this small band of pioneers helped to design. When they began, lumbermen thought that forest management on a scientific basis was pure folly.

Fire protection was viewed as perhaps useful for mature timber lest it be burned up before it was cut down. The public forest—whether Federal or State was regarded as a public picking ground. The best thing that could happen was to get rid of the trees and convert the land to a farm.

The range lands of the United States were the battlegrounds of the homesteader and the cattleman. The only question was whether the sod would be broken by the plow or by the thousands of cattle and sheep that ranged across the grasslands.

I do not suggest that all that happened was bad, either in outcome or in motivation. But the record is clear that the 35 original members of your association were forward-looking. They said that if man uses the renewable resources wisely, they will help man sustain himself in perpetuity.

Now, 100 years later, we have a much clearer understanding of the fundamental truth of this fact.

This past century has been one of major change. Oil and the internal combustion engine—both reliant on non-renewable resources—have worked changes on our whole way of life.

I am sure that when the first meeting of AFA was held in 1875, a number of your members came on a passenger train whose engine equaled 500 horses. Some probably came via "one-horse power"—a horse, pulling a "Democrat"—the popular two seater shay of the day.

For your meeting here today some came by 727—a jet powered by the equivalent of about 9,000 horses. A few probably came by train pulled by 4,000 horses, and many came by car with a 200 to 300 horse power engine.

Our use of energy these past few decades has been as profligate as our use of wood used to be. When your organization first assembled in Chicago, many of the city streets were cobbled with wood paving blocks. And the rails the trains ran on were ties of now prized and expensive hardwood lumber.

It is clear that the energy events of the past few years are going to change how we view and how we use the forest resources.

America's forests and rangelands are assuming new and larger importance. We are learning to work with nature, but time is not on our side.

We have learned that some resources are renewable. They can be husbanded or used again and again if not abused.

We know that we have a massive job of reclamation on both forest and range land in order to restore the vigor and quality of their resources.

We have learned that the forest and the range have many resources and their uses can be multiple.

And we have learned that there is a value to the quality of wildness.

In addition, we have learned to respect Nature—there are ecological interconnections that we must work with, not against.

In January, 1976, we are going to test ourselves on how to apply what we have learned. Under the Forest and Rangeland Renewable Resources Planning Act, this process already is well under way.

The Department of Agriculture now has in circulation for public study the raw material that every interested citizen is asked to study. In fact, the law—which provides the rules for this test—requires you as citizens to contribute to the body of facts and to the proposals.

In January you will be asked to come forward and tell the Congress whether or not all of the relevant facts are there and whether they are comprehensively displayed. You will be asked in the second part of that test either to pick what you think is the best course, with your reasons, or to suggest other alternatives and back them up with reasons.

And further, you will be asked to help us in the Congress to select the best course to chart for the years immediately ahead.

In this unique and comprehensive test, we in the Congress will likewise be examined on our ability to carry out our responsibilities under this new law.

We will be evaluating your ideas and measuring them against the proposals of the Executive. And, you will have an opportunity to examine the answers we give.

This legislation was the product of many people working together with diverse views. I am confident that when AFA decided to support this legislation, it did so with the understanding that it was making a commitment for its 80,000 members to work actively and continuously toward the improvement of our renewable resources.

This law is not a one-time thing. It provides that annually we can adjust our sights, and that each 5 years we can substantially overhaul our priorities and program. Every 10 years we will have a new comprehensive resource assessment that will give us the base for significant changes in both direction and speed.

I certainly hope that this Act will do more than help us chart the right courses for our renewable resources. It also should serve as a model that can be applied to many other areas.

Last week when I spoke to the Society of American Foresters, I discussed in some detail the West Virginia timber harvesting decision and some of its impacts.

I will not replow that ground today. However, I would like to expand a bit on what I said.

I called on the membership of SAF as professional foresters to express their views and cooperate in positive and constructive reform.

And I call on you as a key citizen group to help work out this issue, as you helped get the Resources Planning Act adopted. I hope that your Areas of Agreement approach will help galvanize all conservationists toward some cooperative solution as to how the National Forests should be managed.

I am prepared to help.

Shortly, I plan to re-introduce Section 201 of the original version of the Resources Planning Act. This will give the public and the Executive agencies a bill on which to focus in order to decide what form new legislation should take.

The fundamental issue we must face is whether forestry should be practiced in the courts, or in the woods.

The next issue we face is whether Congress should write tight instructions into law, or allow the professional resource manager the flexible authority needed to apply the best scientific forestry practices in a manner that assures complete respect for the environment.

My sentiments are similar to those of a former chief of the Forest Service, who told your organization in 1935, "Forestry is a profession that will not tolerate political dominance."

To best resolve these issues, Congress is going to need all of the help that you can give.

In 1905 at the American Forest Congress, Teddy Roosevelt issued marching orders for all of us here today when he said:

"You are mighty poor Americans if your care for the well-being of this country is hoping that well-being will last out your own generation. No man here or elsewhere is entitled to call himself a decent citizen if he does not try to do his part toward seeing that our national policies are shaped for the advantage of our children and our children's children."

We have a right to be confident about the future because we have accomplished so much. We have no right to be complacent because there is so much to do.

For many years it was my good fortune to work closely with Senator Clinton Anderson of New Mexico, both in the Congress and earlier when he was a Secretary of Agriculture. Let me shape with you a thought of his—a philosophy that I share.

"Conservation is to a democratic government by free men as the roots of a tree are to its leaves."

On this occasion which marks your 100th anniversary, I want to join with you in saluting that hardy band of 35 conservationists who set us on the course of wise resource management. Now, as a group with 80,000 members, I hope you will swell your impact to meet the challenges ahead.

I see no reason why we cannot be pragmatic and idealistic at the same time. As the great American conservationist Carl Schurz said:

"Ideals are like stars; you will not succeed in touching them with your hands. But like the seafaring man on the desert of waters, you choose them as your guides, and following them you will reach your destiny."

READING IMPROVEMENT PROGRAM AMENDMENT OF 1975

Mr. BEALL. Mr. President, on October 20, 1975, Senator EAGLETON and I introduced legislation to motivate children to read.

Because of the interest in this measure, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2535

A bill to amend title VII of the Education Amendments of of 1974 to provide for a program of distribution of inexpensive books to schoolchildren

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reading Improvement Program Amendments of 1975".

SECTION 1. Part C of title VII of the Education Amendments of 1974 (20 U.S.C. 1961 et seq.) is amended by adding at the end thereof the following new section:

"INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION

"SEC. 724. (a) The Commissioner is authorized (1) to enter into national contracts with public agencies and private nonprofit organizations (hereinafter referred to as 'national contractors'), which have as their primary purposes motivating children to learn to read, to support and promote the establishment of reading motivational programs which include the distribution of inexpensive books to students and (2) to pay the Federal share of the cost of such programs.

"(b) Each such national contract shall provide that—

"(1) the national contractor will enter into subcontracts with public agencies or private nonprofit community organizations (hereinafter referred to as 'subcontractors') under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which include the distribution of books by gift, loan, or sale at a nominal price to children in pre-elementary, elementary, or secondary schools;

"(2) funds made available by the Commissioner to a national contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1), except that the national contractor may retain an amount not to exceed 10 per centum of the total funds made available pursuant to such contract for the purpose of paying the cost of providing technical assistance to subcontractors with respect to the establishment and operation of such reading motivational programs;

"(3) at least one-half of the funds made available by the Commissioner pursuant to such contract will be used for the establishment and operation of reading programs as described in paragraph (2) of this subsection in localities or neighborhoods having high concentrations of children from low-income families;

"(4) national contractors and subcontractors will meet such other conditions and standards as the Commissioner determines to be necessary to assure the effectiveness of the programs authorized by this section.

"(c) The Commissioner shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless he determines that the national contractor or the subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

"(d) For purposes of this section—

"(1) the term 'nonprofit', when used in connection with any organization, means an organization no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

"(2) the term 'Federal share' means 50 per centum of the cost of a reading motivational program established and operating pursuant to this section, except that the Federal share may be up to 80 per centum of the cost of any such program which is composed predominantly of children from low income families whenever the national contractor determines, in accordance with criteria established by the Commissioner by regulation, that the operation of such program without such additional payment would not be possible due to the limited resources available to the subcontractor responsible for establishing and operating such program;

"(3) the term 'pre-elementary school' means a day or residential school which provides pre-elementary education, as determined under State law, except that such term does not include education for children who have not attained three years of age;

"(4) the term 'elementary school' has the same meaning as provided in section 801 (c) of the Elementary and Secondary Education Act of 1965; and

"(5) the term 'secondary school' has the same meaning as provided in section 801(h) of the Elementary and Secondary Education Act of 1965.".

SEC. 2. Section 732 of such Act is amended by adding at the end thereof the following new subsection:

"(e) There are authorized to be appropriated to carry out the provisions of section 724, relating to inexpensive book distribution programs for reading motivation, $4,000,000 for the fiscal year ending September 30, 1976, and $9,000,000 for each of the fiscal years ending September 30, 1977 and 1978.".

THE U.S.S. *EISENHOWER*

Mr. NUNN. Mr. President, October 11, 1975, was a significant milestone in the history of the U.S. Navy. On that day, the nuclear powered aircraft carrier, *Dwight D. Eisenhower*, was launched at Newport News, Va., and the keel was laid for its sister ship, the *Carl Vinson*. The *Vinson*, when commissioned in 1978, will join the *Enterprise*, the *Nimitz*, and the *Eisenhower* in providing the United States the most powerful carrier warships in the world.

Due to illness, former Congressman Vinson was not able to be present for the ceremony. It was my great honor to deliver his prepared remarks on his behalf.

Carl Vinson has always maintained that America's first line of defense is adequate military preparedness. As chairman of the both House Armed Services Committee for 14 years and its predecessor, the Naval Affairs Committee for 16 years, Carl Vinson played a major role in determining the defense posture of the United States in the first half of the 20th century. He is credited with founding the two-ocean Navy, a concept which contributed significantly to the U.S. victory in World War II. In light of recent cuts in the fiscal year 1976 defense budget and mounting criticism of defense spending, I believe his remarks are worthy of careful review by every Member of Congress.

In addition, Vice President NELSON ROCKEFELLER, a stalwart supporter of a strong national defense, delivered the keynote address on the occasion of the launching of the U.S.S. *Eisenhower*.

I ask unanimous consent that these two speeches, as well as Adm. Hyman Rickover's introductory remarks made at the October 11 ceremony, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTRODUCTION OF THE HONORABLE CARL VINSON BY ADM. H. G. RICKOVER

I regret that the Honorable Carl Vinson is unable to attend the ceremony authenticating the keel of our fourth nuclear carrier. However, we are fortunate to have present his great-nephew, the Honorable Sam Nunn who represents Georgia in the United States Senate. Senator Nunn has kindly consented to stand in for his Uncle Carl. However, I do wish to say what I was going to say about Carl Vinson because he's one of our great Americans and you must become acquainted with what he did for this country and I will repeat the remarks I would have made if he were here.

It is a pleasure to introduce the man who honors the Navy by giving his name to our most powerful warship. Just as the carrier is the mightiest ship, so is he in a sense our mightiest warrior, for no other man alive has done so much for the defense of our country and that is literally true.

Titles such as "Father of our Modern Navy" and "Aviation's Elder Statesman" barely describe his contributions during a half-century in the House of Representatives—the longest service of any House Member in our history.

He was first appointed to the Naval Affairs Committee in 1917; by 1923 he was its ranking Democrat. In 1931 he became Chairman. When that Committee became the Armed Services Committee in 1947, he continued as Chairman. He held that position, except for two short periods when the Republicans controlled the House, until he retired in 1965.

More than any other person, he was responsible for the build-up of the U.S. Navy and its air power before World War II. Had it not been for his foresight and wisdom, the United States would not have been as well prepared following the Pearl Harbor attack.

Fleet Admiral Nimitz, Commander of the Pacific Fleet, said of him: "I do not know where this country would have been after December 7, 1941, if we had not had the ships and the know-how to build more ships fast, for which one Vinson bill after another was responsible."

Carl Vinson's philosophy concerning military preparedness is just as valid today as it has ever been: "The most expensive thing in the world is a cheap Army and Navy. History has clearly shown that weakness invites attack."

Recently he was asked what advice he would give to the new members of the House Armed Services Committee. He said "Never allow geographic concerns or narrow constituent concerns, or private or vested interests, or any such interests to influence your vote on issues of national security. Your main concern, always, must be the welfare of the United States of America."

He treated me kindly and listened patiently to my arguments for a nuclear Navy. He backed the policy that our naval strike forces must be nuclear powered.

Needless to say, I would have been proud to introduce that great American, but instead I will now introduce Senator Nunn of Georgia.

OPENING REMARKS OF U.S. SENATOR SAM NUNN

Thank you Admiral Rickover. Uncle Carl, as you know, is in the Milledgeville Hospital, but he told us in strong voice last night "I am holding my own."

His faithful friend and companion of 41 years, Tillman Snead, and his loyal secretary, Clyde Petty, are by his side.

Many of the Vinson family and loved ones are with us today. His beloved Molly Snead is in the audience and will return to him this afternoon. Tillman Snead, III and his beautiful wife, Karen, who in March will make Grandpa Vinson, Great Grandpa Vinson, are here. Tillman's brother and Uncle Carl's namesake, Carl Snead, is also with us.

Tillman and Carl are the sparks that have motivated Uncle Carl for years. They gave his life purpose, and it is fitting that they carve his initials on the Keel in a few moments.

Thus, our God above has, in many ways, made it possible for Uncle Carl to remain in Milledgeville and yet be with us in Newport News, in spirit and in thought.

Now let us hear his exact words of wisdom and love.

PREPARED REMARKS OF HONORABLE CARL VINSON AS DELIVERED BY U.S. SENATOR SAM NUNN

Mr. Vice President, Governor Godwin, Secretary Clements, Mr. John Diesel, Mr. Secretary of the Navy, Mrs. Mamie Doud Eisenhower, Mrs. John Eisenhower, Ambassador John Eisenhower, Admiral Rickover, Members and former Members of the Congress, distinguished guests, ladies and gentlemen:

On November 18, 1973, when the Walter F. George School of Law, my Alma Mater, at Mercer University in Macon, Georgia, celebrated its 100th Anniversary, with it was entwined my 90th birthday.

President Nixon on that day at Mercer University in closing a most forceful and eloquent address said, "As you know, we have just begun to develop nuclear carriers. The first one was named the *Eisenhower*, the second was named the *Nimitz*, the great Naval Commander of World War II, the third is just beginning and it will be called the *Carl Vinson*."

Well, as you can all imagine I was the most amazed and surprised man in America at that moment.

I never dreamed that some day my name would be on one of the greatest aircraft carriers ever to be built.

My cup runneth over—my star has reached its zenith.

Needless to say, I am humbled beyond words that my contributions should receive the recognition that is being accorded me now, and for the life of this ship.

Now, I am here to participate in the Keel-Laying and, notwithstanding my advanced age, I am going to do my level best to be back here at this privately owned shipyard at the christening in the fall of 1978.

In a few moments we will witness the christening of the great *Eisenhower*, on its way to sea.

However, at this moment we turn our hand to another great carrier—the CVN 70—powered with nuclear energy which will enable her to sustain herself at sea without refueling for an unbelievable period of time, on which I will write my initials with an acetylene torch on the keel block.

She will carry many sophisticated aircrafts and will be home for more than 6,000 skilled and highly motivated naval personnel.

When this ship joins the *Enterprise*, the *Nimitz*, the *Eisenhower*, and their nuclear escorts in 1978, our supremacy at sea for the time being will be assured so far as air power is concerned.

America is strong, but she is in danger of becoming weak. This great aircraft carrier will add strength. But it must not stop here.

By the end of this fiscal year, we will only have 490 naval vessels in commission. We are fast falling back to becoming the second greatest sea power in the world.

When that day arrives, and it may be sooner than we realize, we will be forced out of the Mediterranean, the Indian Ocean, the Western Pacific and possibly even the Caribbean.

The time has come for the Congress of the United States to recognize and meet squarely the responsibilities imposed upon the Congress by the Constitution.

The Congress must provide for a strong national defense. I sincerely hope that it will have the courage and foresight to authorize and fund a five-year ship building program that will assure our supremacy on the high seas of the world.

We especially need attack submarines, as well as missile carrying cruisers.

Only with a determination on the part of our people to remain militarily strong, will we survive.

Today marks a step in the right direction. Let us pray that this course of action will continue and that we will not allow ourselves to become a second-class naval and military power.

I call your attention that just two days from now, on October 13th, the United States Navy will celebrate its 200th Anniversary.

Imbued with the spirit of John Paul Jones, the Navy has written on the pages of history a glorious and heroic record.

God bless this wonderful land of ours.

Thank you.

REMARKS OF THE VICE PRESIDENT AT THE CEREMONY LAUNCHING OF THE DWIGHT D. EISENHOWER NUCLEAR-POWERED AIRCRAFT CARRIER

Mrs. Eisenhower, and members of the Eisenhower family, Mr. Vinson, Distinguished representatives of the Congress, Governor Godwin, Secretary Clements, Secretary Middendorf, Admiral Holloway, Admiral Rickover, Mr. Diesel, Honored guests, and men and women of Newport News shipyard—builders of our Nation's entire nuclear carrier force: It is a privilege—it is a high honor—to participate in this unique ceremony as a representative of our great President, Gerald Ford.

We are here on the eve of the Navy's 200th anniversary to hail a most significant and timely investment in the future of America: To launch this awe-inspiring nuclear powered aircraft carrier, proudly bearing the illustrious name of our great military leader and President, Dwight D. Eisenhower; and to lay the keel of a sister-ship most appropriately named and with warm affection for that far-sighted advocate of a strong Navy in war and peace, Representative Carl Vinson.

Together, these mighty vessels evidence the will and the resolve of the United States of America: To preserve an endangered freedom of the seas, and to meet the growing challenges we face with strength and with confidence.

From the beginning of this Nation, we have looked to the sea for our safety, our security, our well-being. Our competence to defend the sea lanes, protect our commerce, shield our coasts, has been crucial to our survival and our success: We won our freedom with French naval support at Yorktown, and spanned vast oceans to tip the scales for the victories of two World Wars.

In World War II, we rebounded from the crushing attack on Pearl Harbor, and the terrible days when American shipping was burning and sinking off our Atlantic Coast, to build the greatest Navy the world has ever known, a Navy that insured Allied victory. That Navy has underwritten our commitment to freedom ever since—with the aircraft carrier as a key. But today we confront an increasingly formidable challenge—and this occasion presents an opportunity to examine that challenge realistically—"to tell it like it is".

During the last two decades, the Soviet Union has been building a totally new Navy: An impressive missile-oriented force, that will include new aircraft carriers, a Soviet Navy that was capable of mobilizing its nuclear submarines, some 200 surface ships and 400 aircraft in three oceans and four seas for maneuvers last April, controlled through a sophisticated, world-wide communications network including satellites.

One must respect Fleet Admiral Gorshkov, the architect of this unique achievement, for what he has accomplished for his country in the short space of two decades. He has transformed the Soviet Navy and effectively integrated it with a total Soviet effort that challenges us in every important element of military strength.

But today, we are increasingly, formidably challenged. This occasion permits an opportunity to examine that challenge realistically, to tell it like it is.

During the last two decades, the Soviet Union has built a totally new Navy, an impressive, missile-oriented force that will include two new aircraft carriers; a Soviet Navy that was capable of mobilizing its nuclear submarines, some 200 surface ships and 400 aircraft in three oceans and four seas for coordinated maneuvers last April, all controlled through a sophisticated worldwide communications network, including satellites.

One must respect Fleet Admiral Gorshkov, the architect of this unique achievement, for what he has accomplished for his country in the short space of two decades. He has transformed the Soviet Navy and efficiently integrated it with a total Soviet effort that challenges us in every important element of military strength.

The Soviets have developed the most comprehensive intelligence complex the world has ever known, while we run the risk of destroying our own intelligence system with headlines.

(Applause.)

They have a massive investment of scientists and resources in military research and development that pares away our qualitative lead in strategic missiles, sophisticated aircraft, and modernized armies.

In the fact of all this, while the Red Fleet has been growing, ours has been cut in half, back to the days before Pearl Harbor.

What of detente? Under the skillful leadership of President Ford and Secretary Kissinger, we have made solid progress towards reducing the risks of global destruction and building a more peaceful world. They are keenly aware that in a complex, competitive, ideologically-divided world, we can achieve the benefits of detente only if we maintain our will as a free people, only if we are strong militarily, economically, and politically.

Freedom of the seas is crucial to that strength in all these categories; therefore, the strength of the United States Navy is critical to the future of freedom in the world.

(Applause.)

Militarily, we have security pacts with some 40 nations. Our NATO lifeline across the Atlantic is essential to the defense of Western Europe. Our close security relationships with our Western Hemisphere neighbors has just been reaffirmed. Our presence in the Mediterranean and other seas is a strong influence for stability and peace in areas of turmoil and danger.

Economically, we rely on the sea lanes for 99 percent of our overseas trade, vitally affecting the jobs and the living standards of all Americans. Our dependency on imported energy and raw materials is still growing dangerously. Our allies are even more dependent upon our open sea lanes for their energy and their resources, which affect not only their standard of living but their freedom itself.

Politically, we are witnessing the use of naval forces to support political goals by those who still firmly believe that ideological struggle is objectively inevitable.

Admiral Gorshkov has observed in his writings how political goals can be achieved by merely threatening to initiate military operations. Soviet warships are now a constant presence in strategic ocean areas and off the shores of world trouble spots.

Seven years ago, Admiral Gorshkov announced, and I quote his words, that "Sooner or later, the United States will have to understand that it no longer has mastery of the seas." Three years ago Admiral Gorshkov observed, I quote, "History shows those states that do not have naval forces at their disposal have not been able to hold the status of a great power for very long."

Thus, today, we launch the *Eisenhower* and lay the keel of the *Vinson* with realistic appreciation that the price of liberty is not cheap, that our strength is the only basis of detente, and that the preservation of American ideals, with all that they mean for the dignity of the individual as a spiritual being and the welfare of mankind, demands sustained devotion to freedom and sacrifice on the part of all of us.

Let these great ships stand to sea in the name of human freedom, glorious symbols of the renewed Declaration of Independence from tyranny, triumphant proof that an awakened America sails forth into the Third Century, dedicated anew to the preservation of life, liberty, and the pursuit of happiness.

I thank you.

Mr. TALMADGE. Mr. President, I associate myself with the remarks of my colleague (Mr. NUNN) in paying tribute to the Honorable Carl Vinson.

In all the history of our Republic, no other Member of Congress has done more to guarantee the United States a strong and ready defense establishment than Carl Vinson, former chairman of the Armed Services Committee of the House of Representatives. It is fitting indeed that a nuclear-powered aircraft carrier be named in his honor, and I extend to Chairman Vinson my heartfelt congratulations. Carl Vinson is an outstanding statesman and a distinguished citizen who has served his State and Nation above and beyond the call of duty, and the aircraft carrier *Carl Vinson* will be a splendid addition to the U.S. Fleet.

SENATOR MATHIAS ADDRESSES CRITICAL ISSUES FACING OUR COUNTRY

Mr. HATFIELD. Mr. President, one of our colleagues, Senator CHARLES "MAC" MATHIAS, spoke last week at the National Press Club. His speech touched on a number of critical issues confronting our country as we near our bicentennial. Senator MATHIAS, as we would expect, provided a clear analysis of several important issues in his comments at the Press Club.

I particularly was impressed with his comments about how the political parties have not really addressed the issue of improving the significance of human life.

I call the attention of my colleagues to this speech of our distinguished colleague from Maryland. It makes worthwhile food for thought for us all.

I ask unanimous consent that this speech, given before the National Press Club on October 30, 1975, be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR CHARLES MCC. MATHIAS, JR.

The press has long been revered as an American institution. In 1787 Thomas Jefferson wrote" . . . were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hestitate a moment to prefer the latter."

This, of course, was written before Jefferson had held a high elective office. After he had assumed the Presidency, his views were somewhat modified. In 1807 he wrote to John Norvell that "nothing can now be believed which is seen in a newspaper. Truth itself becomes suspicious by being put into that polluted vehicle." He added that "the man who never looks into a newspaper is much better informed than he who reads them."

It is unfortunate that Jefferson was not exposed to the creative genius of daytime television so that we could have his views on that as well.

We meet today in the shadow of a momentous occasion in the life of the republic. 1976 marks the Bicentennial of the signing of the Declaration of Indepndence and, 1976, is also a Presidential election year. These two events serve as touchstone for my comments today.

On the one hand there is the Declaration of Independence, a glorious statement of the humane principles that underlie the republic. Both as a reminder of that which is best in our traditions and as a check list of unfulfilled aspirations, it acts as a needle on a compass directing us on a course of action that is true to the finest of our ideals.

The coincidence of a Presidential election during the Bicentennial, on the other hand, focuses our attention to the machinery of government on the means for accomplishing the goals articulated in the Declaration. How adequate are our institutions as a vehicle for turning the promises of 1776 into reality for the generation of 1976?

The answer, I would argue, is mixed at best. There *is* much to be proud of as we move into our Bicentennial. We are strong, we are at least relatively well off, and the aftermath of Watergate allows us to assert that we are capable of self-correction.

But, there is also the negative side. Our people, I believe, do not sense a purpose or direction to our national life. There has been a failure of leadership for which all of us in public life—including you in the media—must take some responsibility. Throughout the nation there is a call for leadership that must be—but is not being—met. In particular, we must articulate the tough issues of our day in ways that can translate into public dialogue. This is not taking place and all of us share the blame.

I should like to focus today on the political parties for I believe they have singularly failed—both internally and in competition with each other—to raise and define many of the crucial issues facing us. Let us look at but some of these issues.

They have failed on the issue of crime. Major crime rose 148% under the Kennedy and Johnson administrations. Under President Nixon's administration, criminal activity was not only on the rise in the White House, but in the school house. While crime increased an additional 30% on the streets of America, assaults on students in schools rose 83% and drugs and alcohol abuse in school rose 37.5%.

No-knock raids by Narcs in the night are not the answer. We not only have made no significant effort in combatting crime, but we have not even begun to understand what causes it. It has been years since political parties seriously asked why America's prisons have been allowed to remain graduate schools in the criminal arts instead of providing industrial type employment within prison facilities so that workers can learn meaningful jobs and support their families while they are in prison?

Our political parties have failed on the issue of jobs. The promise of the Employment Act of 1946 is unfulfilled. Eight million Americans today are unemployed and looking for work, and neither party has come up with the only viable answer, a job for every American ready, willing and able to work.

America's political parties have failed on the issue of welfare reform. From 1964 to 1975, Federal, State and local welfare expenditures rose from $5.6 billion to more than $37.7 billion. Today one person in every six in New York City is on welfare. The present welfare system has wasted money. But it also has wasted human lives. It has created a cycle of dependency that feeds people and keeps them alive. But it gives them no hope for a better tomorrow.

Our political parties have failed on the issue of tax reform. If you earn $8,000 a year working in a steel mill, you pay the full tax. If you earn $8,000 a year buying and selling General Motors stock, you pay only half as much tax; and if you earn your living busily clipping coupons from municipal bonds, you may pay no tax at all. Both parties give lip service to tax reform—but no real tax reform has been enacted. My colleague, Senator Hatfield, has proposed a simplified tax system with no loopholes. It has been given thoughtful consideration and a decent bipartisan burial. I believe that such a tax plan could be modified to incorporate a negative income tax sufficient to permit a dismantling of much of the present welfare system. For all willing to work, we should guarantee jobs. For those unable to work, a negative income tax would treat poverty for what it is—an economic disability, rather than a social disease.

Despite all of the rhetoric, our parties have failed to surmount bureaucratic red tape. Businessmen are confronted with more than 50,000 pages of federal regulations which appear each year in the Federal Register. I am told that the ICC has more than 43 trillion railroad rates on file without an index. Professor Moore has calculated that the ICC has cost consumers up to $7 billion a year in excess freight rates. Its delays in the Rock Island merger unquestionably contributed to the bankruptcy of that railroad. And what do you think they are doing now? They are asking Congress for more regulatory authority. Unfortunately reform is at the bottom of the political shopping list. The tragic fact is that both parties know that you can get more attention playing garbage man for a day than you can by wading into the complex and tedious area of regulatory reform, even though in the long run, it could save America's consumers billions of dollars.

Our parties have tragically failed to deal with the problem of race relations in America. Race relations today may very well be worse than they were a decade ago. South Boston may only be a more visible aspect of that problem. The problem of race relations has been allowed to fester by the lack of creative thinking in the political processes. Everything is over simplified with code words and slogans. You are either for busing or you are against it; you are either for racial quotas or you are against them. While tied up in such simplistic approaches, our political parties have failed to explore the use of new tools to promote equal opportunity, such as civil damages which have been effective in the antitrust area. Worse yet, there are important questions which neither party is even willing to ask. We must consider, for example, whether the EEOC has inadvertently provided a disincentive to locate manufacturing plans in the inner cities thereby compounding the employment problems of the very people it was designed to help.

Our political parties have failed on the issue of health. If the Republicans have a health program, I don't know what it is. As for the Democrats, repudiations are stamping out ideas faster than they can sprout. We are making a grand campaign issue of health while thousands of Americans continue to live in counties with no doctors at all, and other Americans suffer from tragic illnesses because they cannot afford proper medical care.

Our parties have failed to improve the quality of life in urban America. Urban renewal has torn up neighborhoods and repackaged the slums in glass and concrete cages where a man cannot get his shoes fixed or buy a beer. If technocrats of the future have us living with artificial grass under giant domes, there may be air conditioning and all the amenities of modern living. But without trees, grass, wind and rain, without buildings on a human scale, life will not be enriched. Chickens may thrive in automated hen houses, but man will not.

Every weekend, our highways are filled with people trying to escape the sterile life of the city and renew their communion with nature. Our goal should be to develop cities so that they will be suitable for the full expression of human potential.

While regional planning and metropolitan government provide certain economies of scale, they are often too remote and unreachable. They make people feel powerless and frustrated. Parks, recreation, zoning and other matters of neighborhood concern can be left to neighborhood control—an important first step if we are to turn services areas into communities.

But the greatest failure of our political parties is the failure to improve the significance of human life. American youth are protesting the dehumanization of society. Their sisters are on drugs and their mothers are on valium. They live in look-alike houses, eat artificial food, and often end up in meaningless jobs. There is a loss of community, a loss of self-reliance and a loss of purpose. Microbiologist Rene Dubos has stated:

"Cultural homogenization and social regimentation resulting from the creeping monotony of overorganized and overtechnicized life, of standardized patterns of education, mass communication, and entertainment, will make it progressively more difficult to exploit fully the biological richness of our species and may handicap the further development of civilization."

The failure of our political parties has been accompanied by a rise in the number of persons who register as Independents. In 1964, 22% of the registered voters were Independents. Today this has grown to 32%. More interestingly, the percentage of Independents increases with education. Among Americans with only a grade school education, 21% are Independents, while 38% of college graduates are Independents. The percentage of Independents is also higher among the upper income groups and among young people. For those under 30, 45% are Independents as opposed to 40% Democrats and 15% Republicans.

Being an Independent today may not so much reflect apathy, as a disgust with the alternatives. Independents may be like Jefferson who said, "If I could not go to Heaven but with a party, I would not go there at all." Bill Moyers has added that "of course there will be no partisanship in Heaven: no Democrats, no Republicans, no socialists, no libertarians, no conservatives, no liberals, no radicals. Just us Baptists."

Not only are most Independents disaffected with our political parties, but millions of Americans are only nominally registered as Republicans and Democrats. For them the parties are nothing more than flags of convenience.

I would warn both parties that there will be a major political realignment in 1976 if they do not respond now to the basic concerns of this country. 1 have been to the streets of Boston and the union halls of Baltimore and the people out there couldn't care less what party you belong to.

Americans are no longer willing to accept a political party as the lesser of evils. They are no longer willing to accept the old pol technique of never mentioning issues or moving so fast that issues don't arise and contradictions can't be spotted. Nor will people continue to accept thirty-second subliminal spots of daisies or giant saws cutting off the Eastern Seaboard. And they won't accept parties which have no vision for America. The pap that comes out of both National Committees is a fraud on their contributors. I have seldom been able to use any of it, and it would be a sad day if anyone was elected to high public office who did.

On the Democratic side there are nine candidates at last count. Several more wait in the wings.

As they push and shove from state to state, it might be expected that they would stumble onto the issues, but so far they seem to be stumbling over each other. No clear directions seem to emerge and no new confidence is being instilled in the political leadership of the country.

But on the Republican side it is harder and the outlook dimmer. It is not merely a matter of President Ford's fascination with a very real threat on his right that is limiting debate among Republicans. It is time to recognize the attrition that has debilitated the Republican Party. In 1964 when Edward Bennett Williams left the Party and five or six years later when John Lindsay and Ogden Reid left the Party it was easy for the regulars to say "Good riddance—those are just the rats leaving!"

But it wasn't only the restless, bright, liberal young men who were leaving. It was also thousands of thoughtful, serious, concerned and moderate women and men of every age and economic status. Many more didn't even bother to drop out—they went into hibernation. And the trend continues. One straw in the wind is the new freshman class of 1980 at Goucher College—with students who will admit to being Republicans down 7% from last year.

And so the intraparty debate grows more and more tepid, and less and less relevant. And so a great creative force is wasted and dissipated at a time it is most needed.

If the political parties are to survive, they must become more than election vehicles.

They must do more than follow public opinion polls.

In the last analysis they must begin to do what is right, to provide for the full development of the potential of every American.

We can provide jobs for all those willing to work—and we must.

We can tax all income the same—and we must.

We can become blind to race—and we must.

We can rejuvenate our cities and schools—and we must.

And we can improve the significance of life for each individual—and we must.

As Americans, we have a unique capacity for regeneration. The Civil War, the riots in our cities and Watergate, rather than destroying us, were followed by a renewal of our institutions.

Yet, we also have the capacity for change. As a revolutionary people, we broke the bonds and traditions of the Old World. We have reached across the frontiers of time, space and knowledge. We have brought new ideas to the world in science, industry and democracy.

Like young trees, we have been ready to shed old bark for new growth. Do we dare to be revolutionary still?

If our parties do not respond, there are precedents for what must happen. Republicans and Democrats, like Whigs and Federalists, will pass into history as others emerge who speak to modern man.

Long shadows are cast across the land—there is too much decay in our cities—

Too much crime in our streets—

Too much cancer in our bodies—

And too much discontent in our hearts.

But if you listen in the quiet of the morning, or the stillness of the night, you can hear a sound—it is the energy of the people.

The surging of hopes unfilled.

The striking of visions unreached.

The burning of desires unmet.

It is the sound of a great people. They are saying, with leadership we can reach across the valleys of fear, and build the bridges of hope. With leadership we can work together, dream together, and achieve together to make a better land.

THE FOOD STAMP REFORM ACT OF 1975—S. 2451

Mr. KENNEDY. Mr. President, I am honored to join our distinguished colleagues, Mr. DOLE and Mr. McGOVERN, in introducing a bill that will improve and equalize the existing food stamp program.

The food stamp program has been the subject of substantial public debate for a very long time, in the Congress and in the administration.

Originally enacted in 1964, its purpose was to provide needy families with the opportunity to purchase nutritionally adequate low cost domestic food products. It has accomplished this objective, in most instances; however in doing so, along the way, it has also caused critical concerns, demanding changes to ensure that the needy are clearly the beneficiaries of the program.

With the administration of any new program, there are certain to be "growing pains." The food stamp program has been no exception. While it has been in existence for little more than a decade, it has had an interesting history. During the first year, only 110 counties participated in the program in the country. Most counties still used the food commodity program.

Yet between 1965 and 1971, the program grew to include almost 15 million persons, virtually replacing the food commodity program entirely. The substantial growth in the rise of food stamps very pointedly emphasized its need. By 1974, the number of persons using the food stamp program had risen to 19.5 million. This rapid rise in the program's use parallels the rise in the unemployment rate, which had reached 9.2 percent in 1974. The serious state of our national economy focuses attention on the food stamp program.

It is now claimed that too many people are using food stamps who do not need them. With widespread use, there is believed to be widespread abuse. And so there is now a call for a critical reappraisal of the food stamp program. With the food stamp reform bill of 1975, we intend to make the program available only to the needy and in such a way as to eliminate bureaucratic hassles and recipient degradation. These are unpleasant features of the program that have for too long been associated with public support programs.

In addition, there is a need for reducing the cost of administering the program. The public criticizes the management of the program and its cost to the taxpayer.

With this new bill the cost of administering the program will be reduced substantially with the introduction of a standard deduction which will be used for all families across the board. That procedure will erase the double standard used to automatically provide benefits for some food stamp recipients but not for others. So that all families earning up to $9,000 are eligible for food stamps regardless of their participation in public assistance programs.

Household income for purposes of the food stamp program will be the gross income of the household less a standard deduction of $100 a month applicable to all households and an additional deduction of $25 a month for any household where there is at least one member who is age 65 or older.

This important new provision would also eliminate the tedious process used in the current program in determining food stamp costs for the participants, and would eliminate those high income persons who manage to qualify using erroneous deductions.

In eliminating the nonneedy from participation in the food stamp program, this bill restricts students from higher income families from participation, thereby reducing the cost of the program.

Another important feature of the Food Stamp Reform Act would eliminate the cash transaction in the purchase of food stamps. This has important implications for the food stamp program participant who has had to wait in long lines during inclement weather to purchase food stamps and especially for those recipients who are unable to get to the food stamp office. This is another major step in eliminating some of the degradation associated with public support programs.

Food stamps will be issued to families without the cash transaction. The family who has normally paid $100 for $200 worth of food stamps will receive $100 worth of food stamps without having to purchase them.

It is the intent of the Food Stamp Reform Act of 1975 to make food stamps available to only those persons in the most need and to upgrade the program in such a way that it is more responsive to the needs of the recipient. The food stamp program is an important and much needed program which assures that needy people can receive nutritionally adequate diets.

I am pleased to join our colleagues in supporting a bill that will accomplish that goal.

WARREN COMMISSION REPORT

Mr. SCHWEIKER. Mr. President, John Hart Ely, who served as an attorney on the staff of the Warren Commission wrote a thought-provoking article in last Thursday's New York Times. Although I do not agree with all of Mr. Ely's conclusions, I do concur that many important questions remain unanswered about the role of U.S. intelligence agencies in investigating the assassination of President Kennedy for the Warren Commission. That is precisely why Senator GARY HART and I have been designated by the Senate Select Committee on Intelligence Activities to study the effectiveness of the FBI, CIA, and other agencies in working for the Warren Commission. And these are the questions we hope to answer in the weeks ahead.

Mr. President, I ask unanimous consent that Mr. Ely's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ABOUT THE EVIDENCE

(By John Hart Ely)

(The evidence reviewed above identifies Lee Harvey Oswald as the assassin of President Kennedy and indicates that he acted alone in that event. There is no evidence that he had accomplices or that he was involved in any conspiracy directed to the assassination of the President.)

McLEAN, Va.—I served on the staff of the Warren Commission. And although it is voguish to say otherwise, I think we wrote a good report. I continue to be amazed at how many "new" discoveries that appear in critical literature were discussed in the report, and at how many people are prepared to dismiss the report without having bothered to read it.

Attention-getting criticism has proved easy; we knew it would be when we published, in 26 volumes, the great variety of testimony, other evidence, speculation and rumor that had come before us.

But devising a coherent and credible theory to explain what happened in Dallas on Nov. 22, 1963—one that isn't forced to hypothesize a number of duplicate Lee Harvey Oswalds or a diobolical command center with absolute control over the thoughts and actions of the thousands of persons involved in the events and their investigation—has proved quite a different matter.

For all its inevitable loose ends, the Commission's account of the evidence in those 26 volumes remains, eleven years later, the only really coherent account that has been put forth.

Recently, however, another set of issues has begun to surface—having to do not with the way the Commission analyzed the information to which it had access but rather with the way the commission obtained, or, more accurately, the way it was provided its information.

The Commission, of course, lacked real investigative resources of its own and was therefore heavily dependent, at least for leads, on the Government's existing investigative agencies.

To the extent that we could, we checked the information we were furnished against other information we had from the same or other sources, but such cross-checking was obviously of limited value.

Naturally we were troubled by this investigative dependence to an extent, but there did not seem to be any plausible alternative way of proceeding. With a staff comprised almost entirely of lawyers, we were not structured as an investigative agency; analysis, asking the right questions, and evaluating the alternative answers to them was what we were obviously suited to. And that simply seemed to be that.

Eleven years later, it seems that should not simply have been that. Why, then, did we not make an issue of it? How could anyone, no matter how inexperienced in matters of investigative politics, have been so oblivious to the risks of reliance on the existing agencies for information in a matter like this?

The explanation, I think, is that this was 1964, not 1975. We were all more innocent a decade ago. Since that time, to our collective sorrow, we have learned many things. We have learned, contrary to what once seemed common sense, that persons in high places will, at substantial risk to themselves, cover up for the misdeeds of subordinates who seem of little consequence.

We have learned that investigative agencies are not the monoliths we once thought they were; that schemes of substantial moment are planned and sometimes executed at relatively low levels; that they may be carried out by persons who are in no true sense "members" of those agencies but rather independent contractors with an on-again off-again sort of association, and even that people can be led to think they are working for such agencies when in every official sense they are not.

In 1964, one had to be a genuine radical to take seriously the thought that other Federal agencies were withholding significant information from the Warren Commission. In 1975, it would take a person of unusual naiveté to ignore that possibility.

I confess I personally am only partly reconstructed: I still cannot take seriously the notion that Government agencies were involved in President Kennedy's assassination.

I suspect that the facts, even assuming they could all be learned, would disclose a suppression of nothing more sinister than evidence of inadequate vigilance on the part of the agency or agencies concerned.

But however that may be, it is important to distinguish the issue of how the Warren Commission analyzed the information it had from the issue of what information others decided it was and was not to get. It seems to me unlikely that the data we had before us would be analyzed any better a second time than it was the first. Nor does a second analysis seem likely to attain any broader credibility. (I don't know who there is with credibility to match the late Chief Justice Earl Warren's). That is why I have always resisted suggestions that the investigation be "reopened."

But an investigation of how the Commission got its information, of what it was and was not provided, would not be a reexamination, for the simple reason that it went unexamined at the time.

Perhaps his is naive in itself: *Perhaps* there is no realistic possibility that those in possession of the facts bearing on this issue will ever reveal them. But even that is something we are entitled to know.

Certainly I can imagine no reason why those of us who worked on the report should resist efforts to investigate the mechanisms by which the Commission was provided (or not provided) information. Every American is entitled to be angry about the recent disclosures and accusations, but perhaps our entitlement is the greatest of all.

THE PARTNERS OF THE AMERICAS PROGRAM

Mr. McGEE. Mr. President, the Partners of the Americas program was established by the Agency for International Development in 1964 as a private sector component of the Alliance for Progress. I was an original supporter of this idea and urged its adoption by the Agency in 1974.

Since that time, the Partners have been a mechanism through which private citizens of the United States and Latin America work directly together, not as donor-receivers, but on a people-to-people basis. As a result, I believe understanding and cooperation in the Americas has been significantly improved, while specific continuing self-help programs of economic, social, and cultural development has been carried out.

Since June 30, 1974, the administrative and servicing functions of the Partners have been carried out by the National Association of the Partners of the Alliance—or NAPA as it is more commonly known—a private, nonprofit organization. There are currently 43 U.S. state partnerships paired with 43 counterpart areas in 18 nations of Latin America and the Caribbean.

Partnership projects emphasize the volunteer exchange of technicians and the implementation of programs in such areas as education, sports, medicine, mental health, rehabilitation, agriculture, culture, business investment, tourism, environmental protection, and emergency relief. A number of these programs also involve cooperative self-help development programs such as the construction of schools, the improvement of hospitals, the training of technicians, the improvement of communications, and a host of similar activities.

In 1967, the Wyoming-Goias, Brazil program was founded. As a result, significantly support for the Partners' effort has been developed in my State. Some of our projects include cooperation with the Instructional Services Division of the State Department of Education in which Wyoming Partners prepared a text for use in secondary schools in Goias. Dr. Dale Harding, superintendent of the Evanston, Wyo., schools, established a community education and school construction program in Goias.

In the area of rehabilitation and special education, Dr. Owen Barnett, State Director of Vocational Rehabilitation, recently returned from his second trip this year to Goias, where he assisted in the initiation of a vocational rehabilitation program. While in Goias, Dr. Barnett conducted audiometric testing for hearing-impaired children and helped to develop a low-cost rehabilitation program.

These are just a handful of examples of the quality of work being accomplished by the Wyoming Partners program.

Except for NAPA service staff, the thousands of program participants are all volunteers and include educators, businessmen, physicians, students, housewives, agronomists, civic club leaders, and legislators.

Although these programs cost the U.S. taxpayers only minimal amounts, the program has far-reaching results. It is, therefore, even more important now that this country has become more sensitive than ever before to how our foreign aid dollars are used. The Partners stand as an exceptional example of what can be accomplished with a relatively small amount of Government money, coupled with efficient, enthusiastic private volunteers. This success is due to the Partners working in consultation and cooperation with their Latin American counterparts.

A severe cutback in funding by AID of the Partners for fiscal year 1976 is proposed, as well as the idea of completely discontinuing funding for the Partners after fiscal year 1976. The proposed funding cutback amounts to 50 percent of the fiscal year 1975 AID funding level and comes at a time when the Partners are contributing more than ever to people-oriented programs. To terminate assistance could well mean the death of this program.

Therefore, Mr. President, I support language found in the House International Relations Committee report on H.R. 9005, where the committee noted the following, which I ask unanimous consent be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE COMMITTEE ON INTERNATIONAL RELATIONS TOGETHER WITH ADDITIONAL AND SUPPLEMENTAL VIEWS ON H.R. 9005

PRIVATE INSTITUTIONS AND VOLUNTARY ORGANIZATIONS

The committee continues to endorse strongly the policy adopted in 1973 foreign aid reforms that "U.S. cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies."

Pursuant to that objective, the committee has included in this legislation a number of provisions directly aimed at assisting and enhancing the work of private institutions and voluntary organizations. Among them are:

An earmarking of $20 million for development of cooperatives in the less-developed countries;

Establishment of a minimum amount title II food commodities in order to assure long-term continuity of supplies for distribution programs of the private and voluntary organizations (PVO's).

Creation of a new title XII designed to enlist more fully American universities with capabilities in agriculture in the work of rural development in poor countries; and

Authorization of a new program of "intermediate technology" appropriate to less-developed countries to be carried out through the private sector.

In the context of its desire to see greater use made of private entities in AID's programs, the committee noted with appreciation the humanitarian work overseas of American private and voluntary organizations. During the past year, the planning and management skills of some of these agencies have been assisted by AID through a new program of development program grants. Similarly, the overseas programs in food production and nutrition, population planning and health, and education and human resources development of some of these agencies have been expanded through operational program grants. The committee heard testimony from PVO's on the need to expand further their overseas programs. The Agency confirmed that it may not have budgeted sufficient funds to cover PVO requests for operational program grants in fiscal year 1976.

Rather than consider an amendment which would mandate AID to make available for operations purposes the sum of $10 million in addition to its budgeted request, the committee agreed that its report should reflect a request that the Agency make available for this purpose from other funds available to it the maximum possible amount above its fiscal year 1976 request, and that AID should strive for a level of $25 million for this purpose in fiscal year 1977.

It should be noted no separate funding resource exists with AID for the exclusive funding of operational program grants to PVO's. As a result, the organizations compete for such funds with projects submitted from a variety of sources, including U.S. Government departments and agencies, developing country governments, universities and foundations, and private consulting firms. AID, in moving to honor the committee's request, may need to take internal administrative steps to assure that more funds will in fact become available for operational program grants in the coming 2 years from permissible accounts within the Agency. Should the amount of funds ultimately made available by the Congress for fiscal year 1976 be somewhat less than the congressional presentation requests, we would urge that high priority be given to insuring the availability of funds for this purpose.

While a higher dollar figure for operational program grants for fiscal year 1976 has not been stipulated by the committee, a target level of $25 million in fiscal year 1977 has been indicated. This is designed to provide for the orderly but rapid expansion of private and voluntary organization programs desired by AID, the committee, and the private and voluntary organizations themselves. It is intended to help accelerate the fulfillment of the mandate of the Foreign Assistance Act of 1973 toward a broader partnership between AID and the private agencies in their humanitarian work overseas.

This year the committee also heard testimony from the National Association of the Partners of the Alliance, Inc. (NAPA), a voluntary organization operating in Latin America. The committee is aware of the activities undertaken by NAPA in providing development assistance on a voluntary and people-to-people basis. In providing the services of voluntary technicians through the vehicle of partnerships between groups in the various United States and geographical areas in Latin America, NAPA serves the interests of both the United States and Latin America. The committee notes that the value of the goods and services provided by NAPA's volunteers greatly exceeds the amount of funds provided by AID for support of NAPA's program. The committee is concerned that volunteers greatly exceeds the amount of $250,000 for fiscal year 1976 for support for NAPA's program is inadequate. Because NAPA has demonstrated its effectiveness in Latin America, and has pledged itself to "New Directions" goals, the committee believes that AID support for NAPA's program should be substantially increased for fiscal year 1976 over the level budgeted. Furthermore, the committee is concerned that proposed termination of AID assistance to NAPA after 1976 is premature. To terminate assistance could well mean the death of the program. The committee emphasizes that the value of NAPA's program is such that AID support of NAPA should be continued beyond 1976.

REGULATORY OVERKILL IN ENERGY

Mr. FANNIN. Mr. President, perhaps no field has suffered more from regulatory overkill than energy. Government overregulation of the petroleum industry is the primary cause of America's current shortages of oil and natural gas. Rather than encourage the oil and gas companies to increase exploration and step up production of new domestic reserves, the Congress, through punitive legislation, and the Federal agencies, through price and allocation control programs, have retarded new energy supply development. Instead of trying to work with the administration on formulation of a long-range national energy policy aimed at national self-sufficiency, the Congress has been playing politics with our energy crisis.

No one is more aware of the shortcomings of the Government's energy control measures than Mr. Charles J. DiBona, executive vice president of the American Petroleum Institute. In remarks prepared for the recent Conference on Regulatory Reform jointly sponsored by the American Enterprise Institute and the Hoover Institution, Mr. DiBona discusses various aspects of Government regulation and its effects on our country's energy situation.

First, he breaks down regulatory programs into the categories of productive and counterproductive regulation. Productive regulation covers such things as the conservation of reservoir energy, strategic reserves, antitrust laws, and some environmental measures. Examples of counterproductive regulation are local laws on the size of tank trucks and underground storage tanks and Federal entitlements and crude oil pricing programs, gasoline allocation, and rationing.

While distinguishing both kinds of regulation, Mr. DiBona stresses that the relevant question "is not whether to regulate business enterprises such as companies, but what kinds of regulation on balance will prove beneficial." He argues that regulations which: First, establish and enhance certain market conditions that improve resource use and foster competition; and second, provide the best and most efficient means to that end are beneficial—or "productive"—and should be encouraged. On the other hand, regulations which do not provide single standards for all businesses competing in the same industry and which promote industry concentration, prevent free entry for new competitors and hinder profitability are not beneficial—are "counterproductive"—and should be discouraged or repealed.

As Mr. DiBona points out, in approaching energy regulation, Members of Congress and regulators ignore certain basic facts about the petroleum industry, its highly competitive nature and modest or relatively low rate of return. In addition, efforts to break up or change the structure of the industry or to reinstate price controls will prove counter-productive. As experience has shown, regulation of oil and natural gas has been injurious to producers, refiners, and retailers; costly to consumers who, in the long run, must pay higher product prices and hidden costs of inefficiencies and supporting the bureaucracies; and harmful to America's long-term energy needs and interests.

Mr. President, I ask unanimous consent that the text of Mr. Charles DiBona's statement of September 10 at the session on power-energy regulation be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Regulatory Overkill

(By Charles J. DiBona)

I. INTRODUCTION

I feel very much at home with the subject matter here today—regulation.

The fact is that the petroleum industry is probably one of the most heavily regulated industries in the nation today. Or, at least we were up to Sunday night, August 31st. We may be still, but I guess that will have to be clarified today, or some day soon, on Capitol Hill.

Oil people are governed by regulations—local, county, state and federal—in everything they do. Looking for the minute at just the Federal regulations that bound us through August 31, government could largely dictate to oil people where they could look for oil, where they could locate pipelines to move it, where they could put refineries to process it, what they could make in the way of products, to whom they could sell the products, where, in what quantities, and at what price.

This pattern of regulation, I believe, has greatly reduced the efficiency and the effectiveness of the petroleum industry.

This is not to suggest that the people in our industry think that all regulation is bad or that we are the kind of people who advocate a return to a laissez-faire economic system. But we feel that regulation of the petroleum industry has simply gone too far and is now in the phase of "regulatory overkill."

What I would like to do today is to talk about four aspects of regulation:

1. Productive regulation;
2. Counterproductive regulation;
3. Some principles by which we can identify which is which; and
4. Three persistent errors that lead to counterproductive regulation of the petroleum industry.

II. SOME EXAMPLES OF PRODUCTIVE REGULATION

Let me first cite a few very simple examples of what is certainly productive regulation.

The petroleum industry starts the long process of finding oil with seismic exploration. This involves the use of explosives. Step one is to get permits.

It is certainly productive to have a permit system on the local level regulating the activities of people who are handling explosives, transporting them in populous areas, and using them in places where people could be upset or even injured.

Here are some other examples of local regulations.

Crude oil is a sticky, smelly substance. It is hard to move and hard to store. It usually occurs with salty water, sulfur and gas which produce another whole list of handling problems. Crude will burn and, under certain conditions, may even be explosive. It's not much to look at and isn't what you like to run into at a beach picnic.

It's reasonable, therefore, for the public to expect that oil people will keep crude oil out of their way, and protect them from the hazards of fires, odors, spills. This is regulated chiefly at the local level and, generally, is effectively accomplished throughout the United States. Some states have laws of this type and, of course, the Federal government has regulations covering navigable waterways under its jurisdiction.

On the State level. Each state is reasonably concerned with the efficient exploitation of its mineral resources, whether on private or public land.

Oil and gas are produced from underground reservoirs and the energy of the reservoirs—the trapped pressure of the reservoir as distinct from the oil and gas itself—is a vital part of our petroleum resources. The conservation of this reservoir energy increases the total oil and gas recovered.

We feel that regulations that bring about the conservation of reservoir energy are productive. Under a proper legal framework operators conserve reservoir energy in their own self-interest. But the history of the oil business has had some dark chapters—mostly in the nineteenth century, but some in the twentieth as well—where the legal concept of the right of capture plus impatience overruled common sense and reservoir energy was wasted to the disadvantage of us all.

On the Federal level. As a nation, we have learned that imported oil can be cut off. Events such as the Arab embargo of 1973 should teach us to provide a reasonable reserve of readily available oil that can act as a stopgap should such an incident again occur. We in the oil industry have supported the proposals for security storage. We hope that our involvement will be by contract. Nonetheless, the nation's plan must have the force of law and be binding on all.

As believers in the market system and in the idea that competition is the best economic regulator, we feel that strong Federal anti-trust laws, vigorously enforced, are productive.

Since protection of the environment is frequently a matter that transcends state lines, we believe that it is productive for the Federal government as well as State governments to be involved in the regulation of activities that can affect the environment.

So there are seven examples from among the dozens and dozens that exist of regulations that we consider productive.

III. SOME EXAMPLES OF COUNTERPRODUCTIVE REGULATION

Now let's look at the other side of the coin. The petroleum industry is the unhappy target of a huge number of counterproductive regulations, some of which started out productively.

Let me illustrate that. Regulations of the size of tank trucks and the size of underground storage tanks at service stations are certainly a proper exercise of local authority. But in some localities the limits were held to very low levels. Why? To protect the local owners of small, inefficient trucks and stations from competition. So a good regulation can become a bad one.

On the state level, laws and regulations have been passed that segregate petroleum installations to heavy industrial zones. This is reasonable. But now some states have passed regulations that effectively prevent building petroleum installations anywhere. The rationale varies, but the effect is the same: other states must find homes for the installations that the regulating states keep out. We believe this kind of action is both unreasonable and counterproductive. We know, of course, that the electric power industry shares this problem.

On the Federal level three examples of counterproductive regulation come quickly to mind.

Allocating crude oil among refineries

During the 1973–74 oil embargo the supply of crude available to various refineries in the nation differed substantially. Some companies had access to domestic crude or to crude imported from secure foreign sources so that their supplies were only slightly affected by the embargo. Other refineries that had depended heavily on crude oil from Arab countries found their supplies cut back severely.

In a well-intentioned effort to spread out the shortage the Federal Energy Office (predecessor to the FEA) established an allocation program requiring those refineries with relatively large supplies of crude to sell some of their supply to those refineries relatively short of crude. The maximum price the selling refiner could charge for crude sold under this program was the weighted average price of its total crude supply. The idea was to even out both supplies and costs of crude oil among refineries during the embargo.

However, in their concern to manage the shortage, the regulators forgot that the way to solve the shortage was to get a larger total supply of crude. Under the allocation program, there were powerful incentives for individual refiners to cut down their purchase of imported oil which reduced the total supply of crude available to consumers.

Foreign oil was selling, on average, at prices substantially above domestic price-controlled oil. Thus, refiners that had relatively little domestic crude had an incentive to reduce their imports and buy oil through the allocation program at a price less than the import price.

Refiners with large supplies of domestic oil, on the other hand, found themselves forced to sell oil at a weighted average acquisition cost when the last barrel they bought from foreign sources cost them substantially more. Thus, refiners with relatively large supplies of crude were also encouraged to cut back their imports of foreign oil.

What was the result? The allocation program actually discouraged foreign oil imports during the embargo. This was the opposite of the national interest.

These deficiencies in the allocation program were subsequently pointed out to the FEO and prompted FEO to issue still more regulations designed to correct the problem they had created.

New pricing regulations were designed to allow refiners who sold oil under the allocation program to recover their "losses" on such sales. In fact, a firm that conscientiously followed these new regulations could more than recover their losses on forced sales—and this practice became known as "double-dipping."

When all this came to public attention, who was criticized? The oil companies, of course.

The point of this example is simply that regulation to solve one problem often creates a second problem. The result is an expanding mass of regulation that gets even more complicated and further divorced from the objectives it was designed to attain.

Two-tier pricing of crude oil

Under authority granted in the Emergency Petroleum Allocation Act, the FEA has maintained a two-tier price system for crude oil in the U.S. As you have been hearing so often lately "old" oil, from properties in production prior to 1972, was price-controlled at $5.25 per barrel. Imported oil, "new" domestic oil, stripper well oil and "released" oil are exchanged at world market prices.

Because refineries have varying access to these sources of oil, the cost of crude to different refiners varies markedly. To offset these differences, the "entitlements" program was started. This program makes the supply of price-controlled domestic crude oil available proportionately to all refiners. This practice results in refiners with relatively large supplies of "old" crude oil making payments to refiners with relatively small supplies of old crude oil.

Most supporters of these price controls feel that this policy prevents OPEC from setting domestic oil prices and weakens the cartel.

However, an analysis of the situation suggests that the current system of price controls and entitlements actually works to strengthen the OPEC cartel in both the short and long run. By holding the domestic price of old oil and thus the average price of all oil consumed, under the world market price the U.S. is encouraging consumption in both the short and longer run. And, the price control on old oil is discouraging the longer run supply expansion from old oil fields.

Ironically, the old oil price ceiling provides a subsidy to OPEC oil importers. Because of the "entitlements program" that accompanies the price ceiling, those refiners importing oil at the market price are given a share in the pool of price-controlled oil. This practice subsidizes the importation of every barrel of foreign oil and increases the total imports into the U.S.[1]

The supply of old oil is a stock that has been tapped to yield flow over time. But normal aging of the wells reduces the flow. The quantity of "cheap" price-controlled old oil will decline steadily without further investment and can only be replaced with new domestic oil or foreign oil at market prices. Thus, the effect of keeping a price ceiling on old oil will disappear anyway.

The benefits of such a program can only be relatively short run and must be weighed against the costs of not encouraging the development of our own resources and allowing consumers to continue to overuse a resource that we price domestically below the world market price.

Again, we see a program designed first to control prices and later to even out costs to refiners. While the two-tier pricing and entitlements program may generally achieve those objectives, the longer run objectives of energy policy are being thwarted. The price controls and entitlements program are encouraging domestic consumption subsidizing the importation of foreign oil, and discouraging domestic supply expansion on "old" oil properties. All of these impacts contradict the generally agreed upon objectives of domestic energy policy.

Natural gas pricing

While I have given some examples of specific recent instances where regulation has caused problems for oil companies, I would be remiss not to mention the longer history of price regulation of natural gas where the long run impact is clearly evident. We point to this example as a place where reform is needed and as an example of what could happen to the oil business under continuing counter-productive regulation.

Natural gas producers have been subject to interstate price regulation since 1954. Rate regulation prevented prices from rising in response to growing demand, presumably in an effort to benefit consumers. As a result, there was less incentive to expand supply at the same time that the lower prices encouraged consumption. Since the late 1960's there has been a decline in natural gas reserves, greater diversion of gas to uncontrolled intrastate markets, increasing curtailments of service to "interruptible" customers and refusals of service to new customers. The effort to hold prices below a market clearing level has created a shortage which imposes great costs on the economy.

What is ironic about the natural gas situation is that some individuals view the problem as insufficient regulation instead of too much and unwise regulation. Thus, rather than freeing the market price to allocate the existing gas supply and encourage new supply development, some observers would propose to expand controls to intrastate markets and to allocate supplies to customers. It is true, again, that regulation breeds regulation.

Regulation by historical precedent

Markets are very efficient at matching up buyers and sellers through a process of constant adjustment. Attempts to regulate markets typically utilize some historical base period, freeze a set of conditions as of that base period, and then provide a mechanism to consider special cases.

This is the procedure that was used during the oil embargo. Gasoline supplies were allocated to regions according to the supplies received in 1972. Essentially each wholesaler was to supply the same quantity to the same retail dealers as in the 1972 base period.

The system did not work well for the simple reason that it was based on a static concept while the world is changing. Population growth rates differ, weather patterns change, tastes change, and marketing patterns are altered. As a result, during the embargo, some areas had no gasoline lines while other areas had horrendous lines at service stations.

One specific example of how this system misallocated gasoline was the absence of lines in upstate Vermont while tremendous lines were encountered in New York and Boston. The reason was that in 1972 (the base period) skiing conditions in Vermont were excellent and lots of gasoline was bought by skiers. In the winter of 1974, skiing conditions were terrible and few skiers went to Vermont. However, the 1972 base period gasoline supply went to Vermont, eliminating the need for local residents to ration a short supply by arbitrary closings and long lines.

The mechanism by which dealers could seek a greater gasoline alloction was to file a "form 17" with the FEO. It is reported that thousands were filed but the FEO did not get around to acting on these until the spring of 1974 when gasoline supply was plentiful and allocations were not necessary.

One cannot help but suggest that the price system could have done a much better job of allocating supplies and eliminating long lines at gasoline stations than any system based on historical precedent.

IV. SOME CRITERIA BY WHICH WE CAN DISTINGUISH PRODUCTIVE FROM COUNTERPRODUCTIVE REGULATION

Let us turn now to some criteria by which we can distinguish productive from counterproductive regulation.

Government is an institution whose specific purpose is to regulate the conduct of members of the society. In a sense, government is regulation.

The relevant question therefore is not whether to regulate business enterprises such as petroleum companies, but what kinds of regulation on balance will prove beneficial.

I will propose two criteria which I believe can be used to distinguish such kinds of regulation.

Economists are fond of arguing that under certain conditions market processes will yield the highest possible return to the society's limited resources. They also sometimes argue that if these conditions are met and market processes are allowed to operate, individuals will have greater personal freedom to choose for themselves amongst alternatives than under any other socioeconomic system.

The conditions the economists have in mind have to do with (1) the specification and enforcement of rights to use resources, (2) competition among buyers and sellers, and (3) the bringing to bear of the consequences of actions on their initiator.

Better identification of who has what rights, less restraint on competition and stronger ties between actions and responsibility for the consequences of those actions all enhance the ability of market processes to yield socially desirable outcomes.

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[1] The subsidy works approximately like this: "Old oil" at $5.25 per barrel accounts for about 40 percent of the U.S. consumption. When a barrel of oil is imported at the market price, the importer is "entitled" to buy 0.4 barrels of old oil at the regulated price. Thus, the subsidy is equal to 0.4 times the difference in price between old oil and foreign oil. Subsidy=0.4 ($14.50–$5.25=$3.70).

I submit the judgment that a regulation that establishes and enhances these conditions is proper, legitimate and productive. It is a regulation that will virtually always prove beneficial on balance to the society. This, then is our first criterion.

A second criterion follows immediately.

Is the regulation the right one? Is it efficient? Let us suppose that a particular regulation does actually improve resource use, reduce restraints on competition or better bring to bear the consequences of actions on their initiator. Is that regulation the most efficient means to do so?

Regulatory choices should be made not only on the judgment that they improve an existing situation, but also on how well those choices compare to other alternatives. Regulatory overkill sometimes has occurred not because it was wrong for the government to change an existing situation but because the wrong regulatory choice was made.

The following example illustrates what I am saying. As you know, the oil industry operates off the coast of the United States, both in its drilling and producing activities and via tankers carrying imports of crude and refined oil. On occasion, oil spills occur that damage the surrounding environment as well as coastal commercial and residential interests.

Federal, state and local governments have moved to specify legal liability for such damage as well as to require that contingency funds be available to compensate those harmed.

These regulations have accomplished the specification of legal liability for oil spill damage, have better specified rights to the use of offshore waters, and have more closely aligned the consequences of actions with the actions themselves. This is proper regulation by my first criterion.

Further, contingency funds make sense where there is danger some offshore operators may not be able to compensate those damaged when a spill occurs. Thus, this too is proper regulation under my first criterion.

But there has been a proliferation of such funds. As of last summer, the U.S. was party to two international oil spill compensation funds, there were two such funds at the Federal level and six at the state level.

In addition, proposals existed to establish two new international funds, two more national funds, four more state funds, and various regional funds.

This proliferation I would call regulatory overkill.

A clear alternative is the establishment of one giant fund at the Federal level to replace the many previously legislated funds. Such a fund can accomplish the same objectives more efficiently than the multiple existing and proposed compensation funds and hence would be good regulation by my second criterion.

V. THREE PERSISTENT ERRORS THAT LEAD TO COUNTERPRODUCTIVE REGULATION

Let me comment here on three persistent ideas that are advanced in support of continued economic controls on the U.S. oil industry. All three are wrong.

First is the idea that there must be a double standard in every regulation that says in effect, "We must make it tough on the big guys and help the little guys."

This idea is illustrated by a bill now before the Senate which provides different selling prices for three kinds of producers of natural gas. "Small producers" may sell at a price fifty percent over the controlled price; so-called "independent producers"—companies with less than a billion dollars of assets—can sell at a price equal to the new domestic price for crude oil on a BTU basis; and finally just plain "producers" will sell at a fixed price prescribed by the FPC under a cost methodology spelled out by Congress. Can anyone guess which gas will be bought first?

The most polite thing we can say about such a proposal is that it is a "hodgepodge."

Regardless of how the idea is characterized, however, it is clearly nonproductive in our economy. There should be a single standard for all who compete.

The second idea I'd like to talk about claims that there is no competition in the oil industry, and that controls are needed to offset what is called "the monopoly power of large oil companies."

About the only evidence ever offered in support of this bafflingly incorrect contention is that several U.S. oil companies are among the largest corporations in the country.

I would simply point out the old, but true, observation that size and monopoly power are not necessarily synonymous. In petroleum there are many large and small firms competing for business. Available research suggests that there is no basis for government intervention because of monopoly power. The competitive nature of the petroleum industry is clear when three factors are examined: first, the lack of concentration; second, the freedom of entry for new competitors; and, third, the history of modest rates of return.

There are more than 10,000 producers of crude oil, 131 refining companies, and over 15,000 wholesalers of petroleum products competing for business. No firm controls more than 11 percent of the national volume at any of the levels of industry operation. In fact, the petroleum industry is less concentrated than the average for all U.S. industries and considerably less concentrated than most other important industries.

There are no barriers to prevent the entry of firms that might want to begin to operate in the petroleum business. The use of joint ventures in both bidding for leases and in production has served to lower entry barriers to crude oil and natural gas production. Thus, not only is there active competition from existing firms but also the frequent injection of additional competition from new firms.

And the profits of the industry—when compared with other industries—have been moderate on average, another sign of competition. Over the 10-year period, 1965–1974, the average return on stockholder equity for the petroleum industry was 13.4 percent, slightly more than the average return for all U.S. manufacturing (13 percent) but less than the return on mining (14.7 percent). 1974 profits jumped to a 19.9 percent return. But the unusualness of that year is shown by a comparison of the first half of 1974 which produced a 20.1 percent average rate of return with the same period of 1975 when the average rate of return was 11.9 percent.

A more instructive measure of petroleum industry profitability is return on total assets. In the first six months of 1975 this stood at 6.1 percent down from 11.1 percent in the same period of 1974.

More evidence could be cited. However, it is sufficient to say that no empirical study has yet been able to refute the hypothesis of a workably competitive petroleum industry. Numerous independent economic studies have documented the competitive nature of the industry.[2] It seems unreasonable to continue controls or to pass legislation changing the structure of the industry where a viable competitive structure already is operating.

The third erroneous idea we find is one that assumes that prices to consumers in a competitive industry can be reduced in the long run through controls.

Price controls, to be legally enforceable, must provide for the recapture of costs plus a reasonable return on investment. The experience of our nation with price controls has shown that controlled prices eventually go only one way—up. The consumer pays increased costs that would occur anyway under a market price system, but he must pay for two other costs. First, the cost of inefficiencies which would be eliminated under market price competition but which thrive under price controls, and second, the cost of supporting the huge bureaucracy and the huge special information systems necessary to run the controls.

For example, Sun Oil Company reports it is spending 280,000 man-hours annually on Federal government forms.

Another oil company figures it is sending 400 reports per year totalling 24,000 pages to the Federal government and 400 more reports to various states.

Still another oil company calculates it has 115 *technical* people tied up full time on reports to the Federal government.

Another company had to write, test and install 22 new computer programs just to produce data the FEA has required.

And a small refiner tells us that out of his 135 total employees in plant and office, three or four work full time on FEA reports.

In the short run it may be possible to redistribute income from producers to consumers via price controls. But, even then, some if not all of the redistribution is dissipated as competing consumer groups try to secure what they consider their fair share of price-controlled oil. But even if we grant short term consumer gains, the long run effects inevitably are fewer domestic petroleum reserves and less production, and hence higher petroleum prices and imports.

Such consequences have been well-documented in other industries that have experienced price controls, so that the argument is not merely theoretical. Further, estimates of reduced future production from the present system of oil price controls range from several hundred thousand barrels to well over a million barrels daily, so the magnitudes are not trivial.

I question how many consumers given full information about the consequences of oil price controls would opt for their continuation.

SPANISH SAHARA RECOLONIZED

Mr. KENNEDY. Mr. President, at the moment, a new drama is being acted out in the decolonization of African States. The Spanish colony of Spanish Sahara is being buffeted from several sides, in an effort by at least three nations to gain control over what are potentially valuable resources in this desert nation.

This issue has now reached the flashpoint, where diplomacy could easily give way to open fighting. This would be in no one's interest, and could easily lead to heavy loss of life and needless human suffering.

U.N. Secretary-General Kurt Waldheim has been tireless in his efforts to head off a direct confrontation, and to find a way of resolving this crisis by peaceful means. Yesterday, the U.N. Security Council urged all parties to avoid actions that "might further escalate the tension in the area," and reaffirmed its support of the Secretary-General's efforts.

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[2] Recent studies include: Edward W. Erickson and Robert M. Spann, "The U.S. Petroleum Industry," in The Energy Question, Vol. 2. edited by Edward W. Erickson and Leonard Waveman, 1974, pp. 3–24; Thomas D. Duchnesneau, Competition in the U.S. Energy Industry, 1975; Jesse W. Markham, "The Competitive Effects of Joint Bidding by Oil Companies for Offshore Lease Sales," in Industrial Organization and Economic Development, edited by Jesse W. Markham and Gustav F. Papanek 1970, pp. 116–135; and Edward J. Mitchell, U.S. Energy Policy: A Primer, 1974, especially pp. 85–103.

Spanish Sahara is far from the United States and its principal concerns. But I believe that we should join in demonstrating our support for the efforts of the U.N. Secretary-General, and indicate our concern that one form of colonization not be replaced by another. The world community should not stand by as the wishes of the people of the Spanish Sahara, themselves, are ignored.

I ask unanimous consent that an editorial on this subject, from the Washington Post of October 30, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Oct. 30, 1975]

Spanish Sahara Recolonized

The situation in Spanish Sahara is as rich in ironies as the place itself, on Africa's northwest shoulder, is in phosphates. The imperial power, Spain, which has yet to offer such a boon to its own people, has been ready to conduct among the colony's 60,000 mostly nomadic people a referendum on self-determination. Not just noble impulse but the distraction of its own succession crisis presumably dictated this stand. But Morocco, a Third World state ostensibly dedicated to decolonization, has wished simply to grab Spanish Sahara and annex it. The World Court has denied Morocco's claim to sovereignty over the territory, and the United Nations' own decolonization committee has spoken for its self-determination. But this has not stopped King Hassan. He apparently has one eye on Spanish Sahara's vast phosphate reserves and the other on the appeal of the territory to Moroccan nationalism. The other day he threatened to send 350,000 "unarmed Moroccans on a peace march" into Spanish Sahara and—not incidentally—thereby to fend off Algeria's claim to a slice of its own. This threw the United Nations into a swivet, and the Secretary General was dispatched to find a way out.

We have full confidence that the Secretary General will perform his mission well. But we cannot forbear from dwelling briefly on the double standard being applied. Morocco's motives, and its partner Mauritania's, not to speak of its rival Algeria's, are entirely imperialist: they variously seek natural resources, real estate, influence in a neighboring land. If the United States or another Western country were asserting any such interest in Spanish Sahara (and none is), the sky would be dark with denunciations of their wickedness and guile. In this instance, however, because the predators are themselves former colonies and credentialed anti-colonists in good standing, only a few peeps can be heard—from some black African states. Morocco is determined to throttle self-determination in Spanish Sahara, to the point of demanding to truck in up to 30,000 Spanish-Saharans-for-a-day to participate in a phony referendum. Even Morocco's Communists are reported backing King Hassan on this issue: the class war has been momentarily stilled. The Soviet Union, author of the original (anti-Spanish) resolution urging Spanish Saharan independence in 1960, is silent now. The United States is "neutral" on the sidelines.

We hold no particular brief for the people of Spanish Sahara: in fact, we know little about them. We merely note that their decolonization is evidently leading to recolonization, a status beneath that which they enjoyed before. If it is an outrage of modest proportions in a world with many other cares, it is nonetheless an outrage, no less so for being perpetrated by "good" Third World states.

NEW YORK AFL–CIO 1975 CONVENTION

Mr. JAVITS. Mr. President, on Friday, October 31, 1975, I had the privilege of addressing the New York State AFL–CIO at its annual convention. Our New York labor federation has a long and proud history of commitment to betterment of the working conditions for New York workers. Of course it is now vitally concerned about the financial status of New York City and the State, which I discussed in my address.

I ask unanimous consent that my remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Senator Jacob K. Javits

First of all, let me take a moment to thank this great organization and the many friends I have among you for your support during my 1974 campaign. It was, as I am sure you will recall, not an easy race for me, and your support was truly valuable. I wish also to express my gratitude to A. Phillip Randolph, Ron Feldman and Arthur Harckham, who served as the officers of the "Labor for Javits Committee".

One of my proudest achievements in public life has been to earn the support and trust of the trade union movement—and equally important—to work with you toward enactment of the great social legislation that helps to make America a better and more productive place to live for all of us. We have worked together on many fronts—education, health, manpower, labor standards legislation like pension reform, OSHA, and minimum wage, to cite just some of the areas that come immediately to mind. They are all within the jurisdiction of the Committee on Labor and Public Welfare, on which I sit as the ranking Republican. Working closely with Senator Harrison Williams, the Chairman of the Committee, we have built a track record of which I, and I hope you, are very proud, because directly and through your Washington representatives you rightfully have been very much "part of the action" in these struggles.

The struggle all of us are most concerned about today, of course, is the economy of New York City and the entire State, and of New York's capacity to produce jobs for every working man and woman. Maintaining the jobs we now have, and creating the thousands of additional jobs we must have in the near term future—as well as maintaining the huge Federal taxpaying capacity of New York—vitally depends on the health of the City and our State. Also, at the very least, there is a real risk to the nation's economy depending on the economic health of the City and our State; I therefore firmly believe that there is a direct and unavoidable Federal responsibility to help to restore New York's economic viability. There is much to be done, and with your continuing support, we will resolve this crisis together. I call on you, as never before, to support the steps that must be taken now.

The most immediate problem is that of restoring the financial integrity of America's premier city—New York City. I cannot accept the view expressed by the President two days ago that this great city must be humiliated by defaulting on its financial obligations through bankruptcy. The consequences that would follow, for the city itself and for other municipal governments across the country, would be disastrous—and the risk to the nation's economic recovery very grave. I assure you that our Federal system of government is not offended by recognizing the economic reality that the future of our urban centers is of paramount national interest—we are all citizens of the United States too.

Over five months ago I introduced the first legislation in the U.S. Senate to provide loan guarantees to any U.S. cities facing the threat of bankruptcy because of the current recession. Six weeks ago I submitted amendments to this bill to address the ever-worsening economic prospects of New York City. This bill offers what I believe to be the best Federal response to this economic crisis, the creation of an emergency loan guarantee mechanism.

I commend my colleagues who support the loan guarantee approach and understand its urgency and importance, especially Senator Proxmire of Wisconsin and Senator Stevenson of Illinois and Senator Packwood of Oregon all of whom worked so actively. We must find a way to erase the line now drawn between those who support this Federal legislation and those who would rather see New York City default and bankrupt. Let's ask the President and others who oppose this legislation how they can justify their stance against a measure that only asks for a bridge of Federal credit that allows the City and State to help themselves, and it involves no Federal cost as it is generally agreed the City will pay its bond and noteholders in time.

I have no argument with those who say New York City must put its house in order as a prerequisite for temporary Federal assistance under new legislation. We all know by now the root causes of the City's economic decline, and that some of them are of its own making. The skeptics, however, cannot ignore what has already been done by the State and the City working closely with responsible labor representatives. Labor should be commended generally for its spirit of cooperation in this crisis. Albert Shanker has already displayed statesmanship for his role in temporarily averting the City's default. I know that similar efforts will be undertaken by labor organizations in the same spirit of civic devotion to New York City. Thousands of city employees have already been laid off and more will be; wage increases have been curtailed; City services have been cut back across the board; vital capital projects have been halted. The impact on workers, including police, fire, and hospital workers, and other critical public employees has already been substantial. This year the City's municipal employment level has declined by more than 10 per cent.

The exact impact on private employment is as yet unknown, but there is no question that it will be enormous. The building trades are painfully aware that their already high unemployment rate of 20 per cent threatens to increase by massive proportions because of the cutback in City and State construction projects. The loss of jobs involved in cutting back industrial parks, marine terminals, office centers, the Convention Center, the Westside Highway and other construction jobs, approaches a staggering total.

We cannot allow New York City's financial crisis and the nation's current recession to combine to erode even future jobs and even the future tax revenues needed for public services. It is grim enough to consider the prospect of reduced fire and police protection, overcrowded classrooms, and understaffed public hospitals. But, consider for a moment the quality of life both in Now York City and the State if we fail our own future. The more than one half million jobs that have been lost since 1969, and the unemployment at highs unprecedented in the post-war period, will seem mild by comparison.

So, I ask my friends in the labor movement to reaffirm their commitment and support for the solution to this crisis—in all types of self help including a fair share of investment money from pension funds. I pledge to you that I will do everything possible in Washington to bring about a solution and to fulfill the trust you placed in me a year ago at this time.

The quest for full employment also entails the problems besetting the nation's economy as a whole.

This morning I also want to share with you my thoughts on the pace of the Nation's economic recovery and my proposals for a new and major manpower initiative.

I don't have to tell you that the proclaimed "end" of the nation's worst recession in 35 years is more a statistical phenomenon than a fact of economic life. While real GNP and pre-tax profits have risen sharply in recent weeks, very little has yet to trickle down to labor.

In July 1975, real spendable average weekly earnings of workers were lower than they were in 1972.

There were 7.8 million persons unemployed in September, essentially unchanged from the levels prevailing since July. The unemployment rate was 8.3 per cent, only six-tenths of one percentage point below the recession peak.

Significantly, the unemployment rate of experienced wage and salary workers is still above 8 per cent, while that of household heads—an important indicator of the health of the labor market—actually turned up again in September.

In recent months the American economy has operated far below its potential—on an annual basis of $133 billion below to be exact. Since the third quarter of 1973, this recession has cost the U.S. and its people over $200 billion in lost GNP, which can never be recovered. This amounts to an incredible $3,400 for every American family.

Regrettably, Administration and congressional initiatives to deal with this problem do not nearly go far enough. The size of the Federal budget deficit is preoccupying to the point of an obsession. There is a reasonable risk to be run and I am not asking for more than a reasonable risk and shared cuts across the board including defense. But it makes little sense to propose tax reductions to help the economy with one hand, and to demand drastic spending reductions on the other hand. Such a program leads merely to a transparent bubble of short run euphoria instead of to basic economic progress. Moreover, the program would, more than likely, cause the unemployment rate to rise again in mid 1977, and put the economy through the wringer of another—and perhaps worse—serious recession. This is "stop-go" economic policy at its worst!

The Federal government cannot afford to reduce permanently it revenue base. We must retain the flexibility we may need in the future to move decisively and rapidly to provide job-creating funds for recession-wracked industries and regions. I am convinced that sustained economic recovery and a speedy return to full employment do not rest only on budgetary policy.

I maintain that the surest way to balance the Federal budget and prevent inflation, while at the same time restoring full employment, is to bring about rapid production and economic recovery. For that reason, I support extension of the Tax Reduction Act of 1975 through all of 1976 as is.

Since the Tax Reduction Act may benefit the economy only after an undetermined lag, I intend to propose a broad manpower program designed to create one million jobs immediately. As part of a comprehensive new employment package, I intend to propose a new job creation program; subsidized loans for projects with higher than average labor intensity; tax incentive credits for creating more jobs; and accelerated Federal government purchases of durable goods. Taken together, these new programs can provide the stimulus that the economy needs without creating a new inflationary push. By instituting public service employment programs during periods of high unemployment, the Federal government can and should use its resources to create and continue jobs that fall victim to a recession. These basic tools will give business a boost, and bring about more employment.

The unemployment rate continues to be a "lagging indicator" of the economy. Even as other economic indicators show positive signs, unemployment is predicted to remain over 7 per cent for the next year or two, even by the most favorable projections.

In light of this intolerable unemployment forecast, a program to create jobs is essential now for our country's economy. Other than unemployment insurance we have no significant program protecting unemployed persons adversely affected by insufficient productions. The manpower initiative I will introduce will be a temporary measure designed to operate during periods of high unemployment.

My program is to be targeted specifically at those men and women in the labor force who have been directly affected by the slow pace of economic recovery, and by its general failure to return the nation to full employment. This program is not intended to replace present manpower programs that are designed to assist the structurally unemployed and the poor. Such programs ought to be continued and expanded.

I am pleased to be identified as a leader in the manpower field, and to have authored the Comprehensive Employment and Training Act. There has been criticism and misunderstanding about CETA and its progeny, Title VI, the new public service employment program created by the Emergency Unemployment Assistance Act of 1974. The problems of administering a new program, and most important, the increased strain on employment because of the 1974–75 downturn of the economy, have caused legitimate concerns. The intent of the original CETA legislation was to provide comprehensive manpower assistance to those who have never been in the labor market, the structurally unemployed and the economically disadvantaged. I do not plan to abandon those most desperately in need of training and jobs. The original transition goals in the legislation should be enforced and not waived or ignored. Training programs must be directed to projected identifiable jobs that will be needed and useful. The problems of the structurally unemployed must be a priority, and I shall continue to work to improve and strengthen CETA's manpower training components in addition to the manpower legislation I will introduce.

The new manpower legislation which I will introduce shortly deals with the recovery from recession. It creates an expanded temporary job program to allow laid off workers to gain employment until they have found jobs again in the private sector. The program will be open to those unemployed for three months or more. Those who have exhausted all unemployment benefits, and whose family has no other sources of income, will be given preference. Funds will be allocated based upon an unemployment formula for projects lasting up to one year, so that it would not create a permanent addition to municipal payrolls.

Individuals, nonprofit organizations, and community action agencies will submit proposals for work projects that would benefit the community and would not otherwise be done. Local governments could also submit proposals for work projects; however, these must be in keeping with the temporary nature of the job creation program, and not simply result in an increase in the size of the municipal payroll.

Recreation and conservation projects, mass transportation, and the rehabilitation of inner-city areas, could all benefit under this project approach. Under this manpower legislation, projects will be evaluated in cost, the service to the community, and the number of people to be employed. The need for increased community participation and input in designing projects is recognized, and it is hoped that innovative proposals will be developed and given priority. The competition of ideas for projects is recognized, and it is hoped that innovative proposals will be developed and given priority. The competition of ideas for projects will invigorate the community and have a direct effect on those who need community rehabilitation projects.

I believe that government ought to be the employer of the last resort for those who lose their jobs through no fault of their own, as well as for those with a history of long-term unemployment. It is government's responsibility to provide full-time jobs at decent wages for these unemployed men and women on whom our real economic strength depends.

The Congress cannot afford to wait until 1983 for the restoration of full employment! American working people are not interested in Pyrrhic victories over inflation; and I am not interested in economic theories or policies that suggest that long-term price stability can be achieved only by long unemployment lines.

You also know that your work cannot stop with economic remedies. Much work still needs to be done in the area of protective labor legislation generally. I will continue to be in the forefront of these matters as they are considered by the Senate. We have to plow some new ground as in the area of National Health Insurance legislation which should have been enacted many years ago. We must also carefully evaluate and take some strong steps to bring up to date some of the social programs we have all taken for granted.

Take, for example, workers' compensation, one of our first great social insurance programs. Because it had been initiated and administered at the State level, there has always been a pretty strong "hands-off" policy. In the mid-fifties, for example, Congress specifically prohibited the Labor Department from spending funds on developing a model workers' compensation law. Even the slightest hint of Federal interest, much less involvement, was immediately slapped down as an interference with State prerogatives.

In 1968, I took a look at what had resulted from that hands-off policy and I was shocked. Despite all sorts of almost universally agreed upon standards, most State laws were way below even minimal standards of decency. Over half the states, for example, had maximum limits on benefits for permanent total disability that were below the poverty level. What had started as a system to aid workers cope with work-related disability injuries had turned into a gigantic rip-off of workers, the main rationale of which seemed to be keeping employer costs down, rather than humane treatment of injured workers.

All of this was confirmed by the National Commission on State Worker's Compensation laws which was established under legislation I authored in 1970. And based largely on the Commission's report and recommendations, Senator Williams of New Jersey and I have joined in sponsoring legislation to establish Federal minimum standards for all state workers' compensation laws. Our bill doesn't wipe out state laws or agencies—that would be a tragic mistake—but it does mandate

Federal minimums in areas like income replacement, medical and rehabilitation benefits, that may be inserted within the existing state systems, subject to review in the Federal courts. It also provides for the establishment of Federal standards in the area of occupational disease to ensure that our workers' compensation systems respond promptly and uniformly to the discoveries now being made about the toxicity of various substances. What happened in the case of "black lung", which most states have refused to recognize as compensable until decades after most European countries had, must not be allowed to happen again.

As a result of the National Commission's report and our bill, there has been lots of improvement in State laws during the past few years. But many, if not most (including our own New York State law), still fail to comply with the Commission's recommendations and I am convinced that the only way to ensure compliance is through Federal legislation.

But make no mistake about it—this is not going to be an easy fight. Much of the business community is lined up to fight this legislation, just as it has fought improvements in many states over the years, and the only way we can succeed in mustering the votes is by showing that the people most affected by it, namely the workers, really care about it.

The fact that you really care—about New York, about your country, and about your fellow workers—is why I am here to discuss these serious issues here today. I know that the challenge will bring out the best in you. Your long tradition of full commitment to social progress and full opportunity for all can lead to nothing else. I, too, welcome the challenge, and look forward to working with you so that next year at this time we can point with pride to our solid accomplishments.

DR. WILLIAM MIDDLETON

Mr. CRANSTON. Mr. President, on September 9, Dr. William Middleton, former Chief Medical Director of the Veterans' Administration's Department of Medicine and Surgery, died after a heart attack at his home in Madison, Wis. Dr. Middleton was 85 years old.

Dr. Middleton's exceptional medical career spanned 65 years, during which he distinguished himself as a physician, scientist, teacher, administrator, and humanitarian. For more than half a century, he was associated with the veterans' medical care program, and played a major role as physician and researcher in improving rehabilitation programs for combat-injured veterans, in treating tuberculosis and mental illness, and in exploring the causes and treatment of hypertension. His work, of course, benefited all Americans.

Dr. Middleton was one of the original members of the VA's Special Medical Advisory Group, established by Congress after World War II to advise the Administrator of Veterans' Affairs on the care and treatment of disabled veterans. In 1955, Dr. Middleton was appointed Chief Medical Director, the highest-ranking medical official in the VA, a position he held until 1963. Dr. Middleton was the only person in the VA's history to serve two 4-year terms as Chief Medical Director.

Mr. President, nothing illustrates Dr. Middleton's career-long devotion to the welfare of America's veterans more clearly than the fact that at the time of his death last month, he was still actively caring for ill and disabled veterans as a "distinguished physician" at the VA hospital in Madison, Wis. He was a dedicated physician, a warm and friendly human being, and a gentleman whose contribution to American medicine and to the VA will never be forgotten.

Mr. President, I ask unanimous consent that an article on Dr. Middleton, from the Washington Post of September 11, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Guided Research Programs in Veterans Hospitals: Dr. William Middleton, Ex-VA Medical Director

Dr. William S. Middleton, 85, chief medical director of the Veterans Administration here from 1955 to 1963, died Tuesday in Madison, Wis.

An overseas veteran of both world wars, he had been associated with the veterans medical program since 1922, when he was an attending specialist in tuberculosis to the former U.S. Veterans Bureau.

The only VA chief medical director to serve two four-year terms, Dr. Middleton was active on the staff of the VA Hospital in Madison until his death.

His contributions to the VA medical program involved improved rehabilitation for combat-injured veterans and revolutionized treatment of tuberculosis, mental illness and hypertension.

He guided the development of the research programs at VA hospitals and clinics. The agency's highest research award, presented annually since 1960, is named in his honor.

Dr. Middleton was one of the original members of the VA special medical advisory group, established by law after World War II to improve the care and treatment of disabled veterans.

The group played a leading role in establishing the VA and leading medical schools in this country.

While Dr. Middleton was chief VA medical director, an organized program for VA hospital care of long-term aging patients also was established.

Born in Norristown, Pa., Dr. Middleton received his medical degree from the University of Pennsylvania in 1911 and interned at Philadelphia General Hospital.

He became an instructor in clinical medicine at the University of Wisconsin medical school in 1912, and an assistant professor in 1915.

During World War I, he was on active duty with the U.S. Army Medical Officers Reserve Corps and served with both the British and American expeditionary forces. He received the Victory Medal with seven battle clasps.

Returning to the University of Wisconsin medical school, he became an associate professor in 1925, a professor in 1933 and dean of the medical school in 1935. He was named dean emeritus in 1960.

Dr. Middleton returned to active duty with the U.S. Army Medical Corps during World War II and was chief consultant in medicine for the European Theater of Operations from June, 1942, to July, 1945.

For this service, he was awarded the Distinguished Service Medal, the Legion of Merit with Oak Leaf Cluster, the Order of the British Empire (officer) and the French Croix de Guerre with Palm.

Dr. Middleton, who was a regent of the National Library of Medicine, held a number of honorary degrees.

He was a past president of the American College of Physicians, the Central Society for Clinical Research and the American Association of the History of Medicine. He also was an honorary fellow of the Royal Society of Medicine and a fellow of the Royal College of Physicians in London.

Dr. Middleton was a member of the American Medical Association, the American Association for the Advancement of Science, the Association of American Physicians and the American Society for Clinical Investigation.

He also belonged to the American Clinical and Climatological Association, the Association of Military Surgeons of the U.S., the Society of U.S. Medical Consultants to the Armed Forces, the Society for Experimental Biology and Medicine, and was a member of Phi Beta Kappa and the American Legion.

He is survived by his wife, Ruth Addams Middleton, former assistant director of VA nursing service, of the home in Madison.

THE VOCATIONAL REHABILITATION PROGRAM

Mr. BEALL. Mr. President, as a member of the Senate Subcommittee on the Handicapped, I wish to take this opportunity to congratulate the distinguished Senior Senator from Maryland (Mr. Mathias) on receiving the Special Public Service Award from the National Rehabilitation Counseling Association at its National Conference in Cincinnati, Ohio, and to place in the Congressional Record his remarks at their recent meeting.

Over the past several years, Senator Mathias has shown keen personal interest in the vocational rehabilitation program. He has been most cooperative in supporting Federal legislative initiatives to both improve the program and provide adequate funding to meet the needs of rehabilitating the Nation's handicapped citizens.

As a member of the Senate Appropriations Committee, Senator Mathias personally appeared to testify in behalf of full funding for the State-Federal vocational rehabilitation program. As many members of the Senate know, the research and training funds for fiscal year 1975 for the vocational rehabilitation program were increased to authorized levels mainly due to the specific efforts of Senator Mathias' work in the Senate Appropriations Committee.

In addition to vocational rehabilitation, Senator Mathias has introduced important legislation, which I cosponsored, regarding adequate funding and programing for the education of handicapped children. The House-Senate conference committee of which I was a member, recently reached agreement on S. 6, the Education for all Handicapped Children Act of 1975. This bill would extend the present Mathias-Beall handicapped formula for assistance and then distribute funds under the new program. Senator Mathias also has a keen interest in the improvement of our entire health care delivery system.

Senator Mathias has previously been recognized by the Maryland Rehabilitation Association and the Mid-Atlantic Region of NRA for his legislative efforts in behalf of rehabilitation and our handicapped citizens.

Senator Mathias, in his remarks, points out that America's disabled citizens have not achieved the basic human rights to which all Americans are entitled.

In his address, Senator Mathias listed

goals "to remove the obstacles to the pursuit of a full life guaranteed in our Constitution to all our citizens, be they handicapped or be they whole."

The list of "basic human rights" proposed by Senator Mathias includes:

Education for every citizen with a disability "to the fullest extent to which he or she is capable, through the regular channels of education."

Training for vocational or avocational pursuits.

The right to work at any job for which he or she has the qualifications and the interests.

Barrier-free access to public facilities such as mass transit systems, shopping facilities and public buildings; and

Access to medical care, including the special medical assistance required because of the disability.

As Senator Mathias pointed out, a recent estimate shows only one-third of those who could benefit from vocational rehabilitation were in fact being served. He also noted budget problems at the State level, leading to slowdowns and deferrals which are hitting hardest at new applicants for rehabilitation programs. "It is frustrating for us to see the most severely handicapped go without help that could make them sufficiently productive to make it worth their while, as well as returning them to society as tax producers rather than burdens to others", Senator Mathias noted.

Needless to say, I am extremely pleased to bring these remarks to the attention of my colleagues. As a member of the Labor and Public Welfare Committee, I look forward to continued leadership from Senator Mathias and I shall continue to work closely with him to meet the basic needs of our Nation's handicapped citizens.

I ask unanimous consent that Senator Mathias' remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Charles McC. Mathias, Jr.

I am most pleased and honored to have been invited to address this, the fourth general session, of the 1975 annual conference of the National Rehabilitation Association.

It is important for all Americans to note that this is the 50th anniversary year of the National Rehabilitation Association, and recognize the leadership role this association has had in the creation, implementation, and expansion of the rehabilitation movement in the United States.

Throughout the past 50 years, millions of handicapped Americans have been able to benefit from vocational rehabilitation services because of the leadership, advocacy, and legislative initiatives of the National Rehabilitation Association.

Yet, in spite of this record of accomplishment, I believe the next 50 years will present an even greater challenge for the rehabilitions movement for much remains to be done if all handicapped Americans are to indeed enjoy all the good things America had to offer. The fact several million American citizens still do not share the fruit of the productivity of our economy, because of physical or mental handicaps, leaves a large task ahead which will demand even greater leadership from the National Rehabilitation Association in the years ahead.

As a member of the United States Senate, and as a private citizen, I fully recognize that citizens with disabilities have not enjoyed fully the fruits of our society. Alternately, they may have been stereotyped by disability label, forced to form separate and unequal subcultures, or they have been thrust into our mainstream institutions without adequate preparation.

Neither alternative is proper. All citizens, including those with disabilities, enjoy the rights and privileges of our Constitution. Definitive guarantees, however, are needed by citizens with disabilities, so that adequate access to basic freedoms can be assured.

Much of the "handicap" faced by citizens with disabilities is man-made, both physically and psychologically.

I believe it is proper for members of the National Rehabilitation Association, then, to strive to remove barriers, both physical and psychological, so that citizens with disabilities can lead fuller and more meaningful lives. In doing this, the National Rehabilitation Association must recognize that first and foremost, citizens with disabilities are citizens; persons with rights and obligations.

Citizens with disabilities do not wish to be set apart from the mainstream America by virtue of their disability, nor do they wish to avoid their responsibilities. I hope that you as members of the National Rehabilitation Association will work hard to remove the obstacles to the pursuit of a full life guaranteed in our Constitution to all our citizens, be they handicapped or be they whole.

I hope that you as members of the National Rehabilitation Association will work actively to achieve for all citizens with disabilities the basic rights to which all American citizens are entitled. In doing so, you can assure that obstacles to a full and meaningful life for all citizens with disabilities can be removed.

I will remind you that there are several basic human rights which every citizen should enjoy. These basic rights include:

1. Every citizen with a disability should have the right to receive medical care for the protection of his or her well-being, and such additional special medical assistance as is required because of his or her disability.

2. Every citizen with a disability should have the right to receive an education to the fullest extent to which he or she is capable, paid for and provided through regular channels of American education. They should have available special educational help as needed by virtue of their disability.

3. Every citizen with a disability ought to be able to receive training for vocational and avocational pursuits as are dictated by his or her interests and talents.

4. Every citizen with a disability should have the right to work at any job for which he or she has the qualifications and interests, including sheltered and other subsidized forms of employment, if such is appropriate to their needs.

5. Every citizen with a disability should have access to barrier-free public facilities, including polling places, public buildings, general mass-transit systems, supplemental mass-transit systems, social and recreational facilities, shopping facilities and entertainment opportunities.

I would now like to turn for a few moments to some legislative concerns regarding the Rehabilitation Act of 1973 (Public Law 93–112) and the Rehabilitation Amendments of 1974.

I am very pleased with the 54 year old program of vocational rehabilitation and positive economic effect that it has had on our country.

The Rehabilitation Act of 1973 and the 1974 amendments have created an environment in which we can assure the disabled of this country that with effective implementation of this legislation, the handicapped can be provided with the training and opportunities necessary to engage in gainful employment and become productive members of our society. However, I do share some of your concerns about the ability of the State-Federal rehabilitation programs to meet the current demands for vocational rehabilitation of the severely handicapped in our States.

It is because of these concerns that I urged my colleagues to provide appropriations for basic State grants in the full amount authorized, namely $720 million, for fiscal year 1976. I am pleased that they agreed with my recommendation. I fully realized that it is indeed difficult, in these times of extremely high inflation and pervasive economic uncertainty, to ask for more money before the Congress, but the realities of the new mandate that priority be given to the rehabilitation of the severely handicapped must be taken into consideration. We must provide the means whereby we can assist first those who, in many cases, heretofore, were relegated to what can be only described as custodial stagnation if we are to meet the mandates of current rehabilitation legislation. Its costs, however, are great. But they must be met. It is frustrating for us to see the most severely handicapped go without help that could make them, if not as productive as those without their handicaps, certainly sufficiently productive—(here I am speaking solely in an economic sense), to make it worth their while, as well as the taxpayers.

However, I believe one must not speak, only in economic terms. Vocational rehabilitation is not only an economic necessity. It is a humane necessity if we are to guarantee that handicapped persons can be employed and can stand tall, knowing that they are again self-sufficient and are repaying in taxes what their rehabilitation cost.

I am readily aware that even under optimum conditions and support thus far, the number of disabled individuals being reached by the vocational rehabilitation program has been but a small portion of the total population of handicapped individuals who could be benefited by such services. During his tenure as acting commissioner of the rehabilitation services administration, Corbett Reedy estimated that only one-third of those who could benefit from vocational rehabilitation were being served. Again in the past year, many State rehabilitation agencies have found it necessary to slow down or defer service programs, especially for new applicants. This is the inevitable result of the increased emphasis on rehabilitation of the severely disabled, a group for whom vocational rehabilitation requires more time and more effort. We must provide the means to continue this effort!

There are two specific sections in the current rehabilitation legislation in which I have a special interest.

The first is that of innovation and expansion grants. The increased emphasis on the rehabilitation of the severely handicapped does entail an increased burden upon the State rehabilitation agencies, its personnel and its facilities. It is because of this increased burden that the innovation and expansion grant program, which has always been significant, takes on an even greater importance. As you know, the Congress appropriated $23 million for innovation and expansion grants for fiscal year 1976. I realize that this amount was in conflict with the administration; since the administration recommended nothing whatsoever for innovation and expansion grants in rehabilitation.

I must say, that it is indeed puzzling that the administration should choose to invest no funding for this useful and consequential program when the President stated, in signing the Rehabilitation Act, that "its funding levels, which are adequate, do not abrogate the fiscal disciplines essential for a non-inflationary balanced budget." If the administration is indeed serious about realizing the potential of the Rehabilitation Act, it could evidence that intent by supporting the funding levels, which the President himself referred to as both "adequate" and "non-inflationary."

Adequate funding for innovation and expansion grants are important in that they allow for experimentation by the State rehabilitation agencies to find new methods and ways of serving the severely handicapped. The innovation and expansion grant program is designed to better "leading edge" in giving direction to future services and programs to handicapped individuals. It deserves to be fully funded.

The other specific area in which I have a great personal interest in the rehabilitation program, is that of *research*. Suffice it to say that while we all live in a more practical world, one of applying methods and procedures developed elsewhere, we must be mindful of the extent to which we are all dependent upon our colleagues in the field of research for the great strides that have been made in rehabilitation. I believe that for the research program in rehabilitation to have a measurable impact, we needed the full $32 million authorization for the fiscal year 1976. Unfortunately, my colleagues felt they could only provide $24 million. But that amount will greatly help. For without adequate research, we cannot continue to make the strides that will be necessary to rehabilitate our severely disabled citizens.

I would like to briefly touch on one more concern. As I mentioned previously, for more than fifty years, the State Vocational Rehabiliation Agencies in the various States have been providing Rehabilitation Services and rehabilitating thousands of handicapped persons, thus making it possible for these people to reach their vocational goal. The unique State-Federal partnership that exists between the State Vocational Rehabilitation Agency and the Federal Government has been extremely successful throughout its history and a model that numerous other agencies have attempted to emulate.

However, it now appears that we have now reached a point in time and a situation that not only is threatening the successful, traditional vocational rehabilitation program as we know it, but one that has the potential of endangering the entire rehabilitation movement in the United States. A recent law enacted by the Florida State Legislature has reorganized the Florida State Department of Health and Rehabilitative Services. The law organizes the department into an "allied services" posture, completely destroying lines of authority, minimizes fiscal control, and provides for no real accountability system. The new organization has the potential of making a "generalist" out of the rehabilitation counselor thus completely destroying the profession of rehabilitation counseling and eliminating the professional rehabilitation counselor who has been the key in the vocational rehabilitation process. This new law allows funds to be diverted from one program to another, thus creating the possibility that rehabilitation funds could be diverted to other purposes than providing services to handicapped people in the State of Florida.

The new Florida law reorganizing the Department of Health and Rehabilitative Services may well be in conflict with the Federal Rehabilitation Law. In fact, the Governor of Florida has recognized the conflicts between the two laws and has requested the U.S. Secretary of Health, Education and Welfare to waive Federal law requirements.

This alarming situation should be of great concern to the Congress who has made clear its position with respect to the proper delivery of services to handicapped citizens by State Vocational Rehabilitation Agencies. The Congress has fully recognized the importance and value of cooperating with various agencies in the private and public sector to help assure that adequate, quality services are provided to disabled persons. However, the Congress in the Rehabilitation Act of 1973, clearly spelled out that there are certain conditions it considers absolutely essential in any State Vocational Rehabilitation Program.

The new law in the State of Florida that reorganizes the Department of Health and Rehabilitative Services may well violate, to some degree, each of the stipulated basic provisions of the Rehabilitation Act of 1973. If this is the case, it also appears that the scope and quality of services to disabled people in the State of Florida will be significantly diminished. Congress should act immediately, through additional oversight hearings to determine if the Florida reorganization plan has national implications to the detriment of other state vocational rehabilitation agencies, and to the provision of rehabilitation programs to handicapped people.

In spite of the organizational problems, funding problems, and the ever present need to continue to improve the service delivery system, I hope that the members of the National Rehabilitation Association will never lose sight of the fact that the essence of rehabilitation must retain its focus upon the individual, his dignity, his uniqueness, his inviolable right to function at a level consistent with his capacity.

The continued success of the rehabilitation movement is directly related to how well you continue to understand and respect the individuality and uniqueness of the person. Accommodation and adjustment should remain the mechanisms of rehabilitation; counseling the essential tool of rehabilitation; and the maximal realization of individual potential must remain its goal. But the essence of rehabilitation, its most distinguishing characteristic, is its recognition and respect for the dignity of man. The legislative future of vocational rehabilitation, as well as the movement itself, must never lose sight of this goal.

"FACE THE NATION" DISCUSSES NEW YORK CITY'S PROBLEMS

Mr. ALLEN. Mr. President, on Sunday, November 2, along with the distinguished senior Senator from New York (Mr. Javits), I participated in the CBS program, "Face the Nation." Reporters questioning us were George Herman, George F. Will, and Robert Schakne, and the entire program was devoted to a discussion of New York City's problems.

Because of the widespread interest in this subject, I ask unanimous consent that the transcript of "Face the Nation" for Sunday, November 2, be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Transcript From Face the Nation as Broadcast Over the CBS Television Network and the CBS Radio Network, Sunday, November 2, 1975

Herman. Senator Javits, Senator Allen, New York City is coming rapidly up on the next in its series of payment crises. Will there be legislation in Congress to help it out in time? Senator Javits?

Senator Javits. I believe there will be, because I believe the Congress is impressed with the fact that there is no reason why New York should be allowed to go down the drain or be compelled to go into bankruptcy. The city can be saved, and the state can be saved, and that's the big vacuum in President Ford's outlook. He doesn't realize that if the city goes, the state is likely to go.

Herman. Senator Allen?

Senator Allen. I do not believe that there'll be any such legislation. This legislation that is proposed merely postpones the day of reckoning. It sets a bad precedent. It's just like giving alocohol to an alcoholic on his pledge that he's going to quit drinking. I think that Congress realizes this, and I do not believe that Congress will yield to the pleas of the—of the New York politicians.

Announcer. From CBS News, Washington, a spontaneous and unrehearsed news interview on Face the Nation, with Senator Jacob K. Javits, Republican of New York, and Senator James B. Allen, Democrat of Alabama. They'll be questioned by CBS News Correspondent Robert Schakne, Syndicated Columnist George F. Will, and CBS News Correspondent George Herman.

Herman. Well, we have a sharp difference of agreement. Senator Javits thinks there will be legislation; Senator Allen thinks there will not. Senator Allen, a lot of people seem to think if there will not be legislation to help New York City, it's largely going to be because of your doings. Is that correct? Are you sort of the leader of the bloc to stop—

Senator Allen. Well, I wouldn't say that. Senator Harry Byrd of Virginia is taking a very active interest in seeking to defeat this legislation. We both believe that it would be bad for the nation, it'd be bad for local governments generally, be bad for New York City, it'd be bad for the people, it'd be bad for the taxpayers, and it will just postpone the day of reckoning, unless New York is to become a ward of the federal government. And I don't suppose anybody wants that.

Will. Senator Javits, if New York City does get federal aid, it will largely be because of two fears. One is the fear that it'd have a bad effect on the economy, and the second, that there might be payless paydays and even civil disorder in New York. If such fears produce federal aid for New York this time, won't the city of New York be able to use such fears forever to avoid the necessity of balancing its budget?

Senator Javits. That is not the case at all, and for this reason. New York is going to be subjected to great privation. There have already been 31,000 employees released, and there will—and there should be more. And the people of New York are now the highest taxed in the nation, and they're going to continue to be taxed enormously. New York capital improvement projects cannot go forward, and won't for years, under the regime which the state is already imposing. New York, which has been so proud of home rule, will not run its own affairs for at least five years, and must cut its costs by at least eighteen percent to balance its budget in three years. It's got a very Spartan regime, and the future of New York could never be in any way promising if it had to continue this way; so that the city has got to pull itself out, and will. It is not a bail-out. It is the most condign repentance which any American city has had to endure, including those that went into default in the Great Depression.

Senator Allen. Senator Javits, I might say that the Wall Street Journal, which I assume is the oracle of the financial community, takes a different view. They say that if you do bail out New York, you'll have Mayor Beame coming back in a very short time asking for more and larger guarantees, that the only sound way to handle this is for New York City to go into bankruptcy, where they'll have the power to get concessions from the big labor unions, where they'll get the opportunity to cut back. And they say the cuts won't be made unless they go into bankruptcy.

Senator Javits. Well, now, the cuts have to be made, or they cannot get any federal guarantee on the tough board which the federal government has put up—will absolutely guarantee that. So the Wall Street Journal can fume all it wishes about its ultra-conservative positions but it can't deny the facts. And the Bank of America, which—

Herman. Senators, we have our own questions, as well as those raised by the Wall Street Journal.

Senator Javits. Well, let me just say what the Bank of America——

Herman. Why don't we get Mr. Schakne's question in first, and then we can return to some other newspaper's question. Let that—let that Wall Street Journal question you on its own time.

Senator Javits. All right.

Schakne. Senator Allen, I take it you hold the position that a default in New York will not seriously harm the rest of the country, but the argument has been made that indeed it will, that—the argument has been made by major banks. The Bank of America today said it would have national implications. In addition, Federal Reserve Chairman Arthur Burns said that recovery will be hindered. You can get scenarios that the consequences of default will be very, very serious. Doesn't that worry you?

Senator Allen. Well, yet Chairman Burns is recommending bankruptcy. He recommended that to the Senate Committee on Banking. I don't suppose anybody will know the full consequences of default by New York City until we experience it. Actually, they're in de facto default now, as everybody knows. Now I do not believe that it would hurt. We see——

Herman. What does that mean, Senator?

Senator Allen. I don't believe it would affect the ability of sound municipalities to——

Herman. No. I mean what does de facto default mean?

Senator Allen. Sir?

Herman. I don't understand the——

Senator Allen. Well, they're not able to pay their obligations without coming to the federal Treasury for assistance. That's the reason I say they're in de facto default now. They wouldn't be here today; we wouldn't be on this program right now if New York City was not in de facto default.

Schakne. But how can you be so sure, Senator, that other cities will not have trouble marketing their bonds——

Senator Allen. Well, we see them in the market place right now. We see them in the market place right now.

Schakne. But they're paying huge interest rates in many cities.

Senator Allen. Well, no, the state of Maryland was able, just the other day, to sell 85 million dollars worth of bonds at 5.27 per cent interest—five point two seven. That's a very low rate of interest any way you look at it.

Schakne. But you can—aren't you picking and choosing which city——

Senator Allen. Well, I don't know of any others that have paid exorbitant rates of interest except New York City, which has been paying about ten per cent. So I think you'll find the financial community, right up until the time that New York goes into actual bankruptcy—you'll hear them say that this is having a bad effect on the economy, a bad effect on the municipal market; but you're going to find them changing their tune, once New York goes into bankruptcy, to, why, it hasn't hurt us at all.

Senator Javits. Well, now, in the first place, New York is not in any default, de facto or otherwise in the—and that's a very, very serious charge which is completely baseless, and indicates the kind of argument we're getting. Second, fourteen mayors appeared before the Joint Economic Committee and testified that they had to pay a minimum of two points, or two per cent, more on their paper, and that they believed the whole municipal market—for cities—we're talking about cities—would have to be shut down. And Chicago, just the other day, couldn't sell its bonds; and yet its senator, Senator Percy, brags about what great shape Chicago is in, because of Mayor Daley. Now I'll take the word—if I may, Senator—I'll take the word of the Bank of America, the largest bank in the country, and a California, not a New York bank, which says default in the national interest should be averted: New York would be punished, surely, but the punishment cannot be localized; the entire nation would suffer. Now there's no reason whatever for pulling the plug on New York's first city, when it will cost the nation nothing to save it, and when it's saved Lockheed and is about to save Penn Central and lots of other commercial concerns.

Herman. Here we go again. We're going to have the battle of the editorials. I see Senator Allen—

Senator Allen. That's certainly interesting, saying it's not going to cost the Treasury anything, because initially they're going to put four billion dollars into this, and then they'll be coming back for more.

Senator Javits. I'd like to answer that.

Senator Allen. You had something about the Bank of America. This is what Mr. Eliot Janeway, one of the foremost economists in the country, had to say this morning—says "demagoguing about default has become the name of the political game about New York." The reality behind the posturing is that New York City's bankruptcy has been established for months. So if that's not de facto bankruptcy, I don't know what is.

Will. Senator Javits, you're accepting the position that some strings must be attached to federal aid given to New York, and let me ask you about a few specific strings. Thirty-one per cent of New York City's assessed valuation is in apartments that are rent-controlled, and that restricts the growth of its tax base. Do you think the federal government should require repeal of rent control?

Senator Javits. No, I cannot say that, because the federal government should require what is necessary to the financial health of its people. It should not punish its people when it isn't necessary.

Will. Two hundred—

Senator Javits. And I don't believe—just a second—I don't believe that with the economies, which are in—definite in the plan—the plan will not be approved otherwise, and the guarantee will not be forthcoming otherwise, it will be necessary to have this drastic elimination of rent control; and the United States should not be a stalking horse for a people who've been after eliminating it for years. The vacancy rate in New York is still too low to accept an abandonment, the complete abandonment of rent control.

Senator Allen. That's not in the bill, by the way, Senator Javits.

Senator Javits. Well, it's in the Senate bill, and the Senate committee has the power to do it.

Herman. Well, we're never going to get through the list of amendments that George Will has to propose if we have a—

Will. Another possible string that could be a requirement—that those among the 220,000 students at the city university who can pay tuition should pay a tuition comparable to what they pay in Michigan or Wisconsin or at other state universities. Would you be in favor of that?

Senator Javits. I am in favor of reviewing the tuition problem in connection with the possible entry of the city university into the state university, but I'm not simply for accepting the condition of elimination because 32 million dollars has already been cut out of the budget of the city university, which is the exact amount of tuition that would be paid. So the other students are dividing the burden. Now whether it's desirable to go beyond that, I'm not going to foreclose right now. But I certainly wouldn't accept the fact that that's got to go out the window.

Will. Okay, I think you've rejected two possible strings. Would you—

Senator Javits. I haven't rejected a thing, sir. I've qualified how they're to be applied with some intelligence and not to serve the will of those who have been seeking to eliminate these things for years, long before the financial crisis.

Will. Would you suggest a specific string the federal government should attach to its aid?

Senator Javits. Yes, the specific string must be, in my judgment, the restructuring of the debt of the city of New York, which will be done; the balancing of its budget within three years, which will be done; and a renegotiation of the pension agreements with the New York unions. Those are certainly—there may be others that I'm not thinking of this minute. In addition, let's remember that the city has already met one of the big strings, which is to increase the fare of its people. And let us remember that in New York, about half the people have less than the median national income. That's the position to which the city has been reduced, increase that fare from 35 to 50 cents.

Herman. Are you basically through your list of conditions? I don't mean to interrupt, but I want to get to Senator Allen.

Senator Javits. No, my fundamental point is really two. One, and I'd like to answer what Senator Allen has said, it is unnecessary because the federal government is asked to give a guarantee, and the taxable real estate in New York is worth $100 billion. And everybody that testified before us in the Congress has admitted that New York will ultimately pay. Now if the federal government's guarantee is called, it will not pay in cash—it will issue bonds, long-term bonds, so under no circumstances is the federal government at hazard unless it lets the city go. If it does, and then it foots the bill for the damage, which the President indicates he will, then it is really at risk.

Schakne. Can I ask Senator Allen—your contention is that the federal government should not pay for New York's sins, but the argument is made that if the city does default, in fact, legally and technically, that the federal government will have to pay more than its loan guarantee costs. For instance, a billion dollars shortfall in cash—

Senator Allen. I haven't made that argument, and I haven't made that concession, because I believe if New York City can get a moratorium on its debt—you know, it is taking in over $11 billion a year, its budget is 12.2, and it's taking in within $600 billion (sic) of that, so it will have plenty of money if it can get a moratorium on its debt.

Schakne. But if it has a moratorium on its debt in December alone, it will be short something close to $300 million for its payroll, vendor payments, and other things—a billion dollars in its payments other than debt, between now and next month.

Senator Allen. Well, of course if it goes into bankruptcy, the trustee could issue certificates, conditioned on the tax anticipation, and have plenty of money.

Schakne. But suppose no one bought them—why would anyone buy bankrupt—

Senator Allen. Because it would be a saleable security, because it would come ahead of everything else, and would be a lien on the anticipated tax revenue. I believe New York has the financial know-how, the fiscal know-how, to solve its problems. It's the capital of the financial world, it has the best financial brains in the country there, and I believe they can work this out—

Schakne. How?

Senator Allen.—and I believe that voluntary bankruptcy is the solution.

Senator Javits. Well, why run all that risk—

Herman. May I pursue something with Senator Allen for a moment, Senator Javits. We asked Senator Javits at some length about strings to be attached to any federal bail-out legislation. Is there any set of strings which would make guaranteeing or assisting through legislation the City of New York—is there any set of strings or conditions which would make such legislation acceptable to you?

Senator Allen. No, but I don't think the way to approach it is with strings, because you're going to find—

Herman. Is there any way of conditioning it?

Senator Allen. You're going to find—well, just remain aloof from it, because it is a local problem, and if we take over New York City——

Herman. The answer is no.

Senator Allen. You're going to come out——

Herman. You wouldn't accept it with any——

Senator Allen. Well, I want to state this—the imposing of conditions has already made Senator Javits irate right now. The imposing of these conditions would make New York City politicians and people mad at the federal government, and they're going to claim that the federal government, even though it lends a helping hand, is the villain, so if we leave them to work out their own problems, which I think they have the ability to do, I believe that's the best in the long run, and I believe that will be of benefit to the citizens of New York. I believe I'm standing up for the citizens of New York, because they've been ripped off by the politicians, and have been ripped by by the big banks, and have been ripped off by the municipal labor union leaders, and I might say they've been ripped off by the bond service companies as well, the bond——

Herman. You said this a number of times in the Senate and various writings—what I'm trying to get is, without worrying about the feelings of the people of New York, I gather from what you say that you would not support legislation to assist New York, whatever conditions or strings were attached to it?

Senator Allen. No, it's not necessary, and it would lead to the nationalization of all of the municipal deficits throughout the country, and it would lead us down the primrose path of national bankruptcy, in my judgment.

Senator Javits. I'd like to answer some of those things. The main one is that it's a great day when Jim Allen is going to stand up for the eight million citizens of New York, and the implication is that I'm not, and that he knows better than we do exactly what is good for us; and secondly, about this temporary financing, without which the city could grind to a halt or have tremendous commotion, which you mentioned, Mr. Schakne—the bankers have testified before us time and again that nobody will buy New York paper. Therefore only the federal government stands in the way, and let us talk about the federal government for just one minute. This is the government of all the people of the United States, including the eight million in New York, and it is unfair to divide the country, and it is divided, according to a survey this morning, by 49 who say don't help New York, but 42 percent who say do. Now that's a lot of people, and it includes most of the young. And finally, what the President has failed to tell the American people, and this is critical, is that the Governor of New York says that if New York City goes, we are likely to go. And this is a union of states, and we have not let a state go, and the least the President can do, in fairness to the nation, is to say we will not let New York State go, we will finance New York State so that it doesn't go. The minute he says that, it changes the whole situation, both for the state and the city.

Schakne. Well, why doesn't the state do some things it has been argued in testimony before Congress that it has not yet done—like assume the welfare burden, as 49 other states do.

Senator Javits. The state cannot assume the welfare burden because the welfare formula developed in the Congress by senators who think just like Senator Allen does, is very harmful to New York and comparable states because it gives us 50 per cent of the welfare burden and most other states up to 80 per cent. The state can't do it; it hasn't got it.

Schakne. But the state can take over New York City's share of the welfare burden, as, say, the State of Illinois takes all of Chicago's welfare burden by an act of the state legislature.

Senator Javits. But it hasn't got it. It is $600 million a year, and the state is nearly down the drain now, and that's not my opinion, it's Moody's and Poor's, the people who rate state bonds. That's why I say what I do. Let the President in all fairness tell New York State—we won't let you go, now you take care of New York City; that's a very different tune than he's been singing up to now.

Will. Senator Javits, New York is a wealthy state, and New York City is a wealthy city within that state, and the median family income is about the national average; the median family income of black families is above the black median family average. The welfare caseload, measured by Aid for Dependent Children, is lower than in Baltimore, St. Louis, Washington, Philadelphia, Newark and other cities. How is it New York can't pay its bills?

Senator Javits. I'll tell you exactly. There are three reasons for that. One is it's got a 12 per cent unemployment. Two, it suffers from many iniquities and wrongs of the past, but I challenge any American to say that that is a reason for punishing eight million people, five per cent of the population of the United States, in round figures. And thirdly, and very importantly, New York has taken a welfare load, because from the South in the 60's came well over a million migrants, and from Puerto Rico, American citizens entitled to go anywhere, came, roughly, between 750,000 and a million. They replaced the taxpaying population; they are a welfare population. And with all the chiseling or anything else anybody wants to accuse welfare people of, the highest conceivable figure anybody mentions is 15 per cent—that still leaves 85 per cent of the lame, the halt, the blind, the poor, and the helpless. And New York, unlike other states, including Senator Allen's Alabama, pays $80 a person a month—that ain't no fortune to a mother who is getting federal-state-city aid, whereas Alabama pays $20. Now I'm not casting stones at Alabama, but I say that's not profligate, as far as New York is concerned.

Herman. Something has been cast at Alabama, and I think Senator Allen deserves a little time. I have a specific question I want to ask you, if it doesn't interrupt what you were planning——

Senator Allen. Well, I wanted to say—Senator Javits talking about punishing New York. Well, he's the man who's advocating this legislation, which he says punishes New York. Now I'd like to point out that this legislation that has come out of the Banking Committee will certainly perpetuate this shortfall there in New York, because it carries over New York's old nemesis which is short-term credit. This bill limits the term of this borrowing to one year, and a $4 billion guarantee would not be able to be paid at the end of one year, and it would freeze in their short-term borrowings that has brought them to this state of affairs.

Schakne. It could be rolled over.

Herman. You give New York City no chance, if they are given a brief respite of any kind, of getting its house in order? You think it is going to continue to be an alcoholic, so to speak?

Senator Allen. I see no chance whatsoever, except by the long-range method of going into bankruptcy and standing on their own feet. I believe that's the way to do it. In the long run this is best for the average citizen of New York. Now Senator Buckley takes a long-range view, and he's got the courage and the statesmanship to stand up in an election year and say that it's best for the people of New York to solve this thing on a long-range basis. And much as I admire Senator Javits, whom I feel is one of the greatest senators from the standpoint of ability—I'll have to take my hat off to Senator Buckley, who has the courage to say let's solve this thing on a long-term basis, and I stand with him.

Herman. Senator Allen, you, as did Senator Javits, voted for aid to Lockheed Corporation, when it was in trouble.

Senator Allen. Yes.

Herman. The President referred to that as probably a mistake. Do you think it was a mistake?

Senator Allen. No, I don't think so. That did no violence to our federal system, and certainly Lockheed was a defense supplier, and you know, government doesn't produce anything. Lockheed was producing something. Also we have the precedent that in the Depression, 4,770 local government units went under, and the government did not come to their rescue, and the RFC did lend to thousands of private enterprises in order to keep jobs going. Now then too, this has been a great investment for Lockheed and the American taxpayer because they have——

Herman. In mid-Lockheed, Senator, I have to choke you off. Thank you very much for being with us, Senator Allen and Senator Javits, on Face the Nation today.

Announcer. Today on Face the Nation, Senator Jacob K. Javits, Republican of New York, and Senator James B. Allen, Democrat of Alabama, were interviewed by CBS News Correspondent Robert Schakne, Syndicated Columnist George F. Will, and CBS News Correspondent George Herman. Next week another prominent figure in the news will Face the Nation.

THE NEW YORK SITUATION

Mr. TUNNEY. Mr. President, we have reached the point of no return for New York City. If the city receives no Federal aid, if it is unable to make a fresh start in marketing its municipal securities, the overwhelming likelihood is that the city will default by December 1 or sooner.

It is also clear that the choices available to the Federal Government have come down to two: First, to try to prevent default; or second, to permit default and try to pick up the pieces afterward. Risks are attendant upon whichever course is chosen. At the very minimum, the result of Federal action should be to force New York's politicians and fiscal managers to return the city to a solvent state.

For months now, debate has raged on the fate of New York City. On the one hand, the President and many others insist that default will not be difficult for the United States to bear. On the other, big city mayors, economists, and others maintain that default will imperil not only New York City, but the State of New York, the borrowing power of other local governments throughout the United States, and ultimately, the Nation's fragile recovery from the most severe recession since the Great Depression.

It is my view that the potential disaster of default by New York City is far more dangerous to the welfare of the Nation than minimal costs to the Federal Treasury of guaranteeing New York's obligations.

The financial collapse would have dire consequences. First, the State of New York could be exposed to grave dangers of default on its own obligations. Through its Financial Emergency Act to bail out the city, the State has entwined its future with the city's. The State must borrow $3.5 billion during the spring to meet its own needs, a task which will be difficult if not impossible if the city defaults. If both the city and the State were to plunge into default, the economic stability of the entire Nation would be threatened.

Second, default by Nation's largest city inevitably will affect the borrowing market for other cities, counties, and local governments throughout the country. The Los Angeles Times, in a long and thoughtful article on October 29, describes the impact on the Nation's city, State, and local governments from the New York situation, even in advance of default. Governments with impeccable credit ratings are paying higher interest rates to purchasers of their securities and notes. In my home State of California, where the State and many local governments have exemplary records of fiscal management, interest rates have climbed. In fact, only last week, the Los Angeles Department of Water and Power has projected that it may have to pay rates up to one-half percent higher on November bonds than it paid in May, specifically attributing the increase to the situation in New York. Taxpayers will be faced with millions of dollars of new taxes—new property taxes, new sales taxes, new user fees, new income taxes—to pay inflated interest rates on local governmental bonds.

Third, the default of New York City would work untold economic hardship on tens of thousands of private investors scattered throughout the country. Over one-half of the bondholders of New York City are persons with incomes of $25,000 or less.

Finally, default could cripple police, fire and other fundamental services in our biggest city. The arithmetic is stark. Between December and March alone, the city will fall $1.2 billion short of its needs for cash even if it does default and it does not pay a dime of interest on its obligations. In addition, it is now conservatively estimated that the city's revenue base would be eroded by default by more than $1.2 billion between now and June. Thus the city is going to have to meet at least $2.4 billion of bills between now and June with money it would not have. Most of that money will go for provision of essential services. And that financial shortfall will be perpetuated for the next several years, regardless of what happens, but especially in case of a default.

To prevent anarchy and chaos in New York City, the Federal Government undoubtedly, would be the insurer of last resort. It will have to subsidize essential services, and maintain the basic necessities of community survival. Even President Ford recognizes that, although he is remarkably opaque when it comes to specifying details, "the Federal Government will work to assure that police, fire, and other essential services for the protection of life and property in New York are maintained."

If indeed, the Federal Government were to underwrite basic services, the cost could far exceed the cost of averting default. Somewhere over $2 billion will be required before next June, and New York's default could commit the Federal Government to additional billions of dollars of aid for years to come.

Various proposals have been presented to the Congress to prevent or ease default. One which particularly impressed me was advanced by James Abrams, an expert on municipal finance with Allen and Co., an investment banking firm in New York City. His plan would have two facets—first, conversion of the $2.8 billion in short-term notes naturing by the end of fiscal year 1976 into securities with 10-year maturities, paying off at negotiated interest rates, with no return for at least 5 years; second, the purchase of 15-year New York City issues in the amount of $1.2 billion by the Federal Reserve Board or the Federal Financing Bank.

The merits of this plan are considerable. It is simple, direct, restructures much of New York City's debt, and it leaves the Federal Government with long-term obligations which are secure, and which might even be sold for a profit at a later date.

The proposal reported by the Senate Banking Committee reported by the Senate Banking Committee contains many of the strong features of Abrams' proposal. It reforms the debt of New York City, and it requires long-overdue reforms in the city's administration. It imposes hard-fisted conditions on the city preceding the guarantee of Municipal Assistance Corporation bonds.

Most important, this program of bond guarantees need not cost the Federal Treasury and the American taxpayer 1 cent. The psychological stimulus of the guarantee, if it does nothing else, should encourage investors and restore New York City to the municipal money markets. Once investment is revived, the city should be able to pay off its obligations without the need of a single Federal dollar.

This approach would permit New York City to pull itself out of the hole that, in part, was dug by the swirling ebbtide of our economy in the last few years. The city confronts gargantuan pressures for services to the millions who live, work and travel there, and its tax base, because of its reliance on business taxes, has been harder hit than many communities by the precipitous erosions of inflation and unemployment.

The bill would guarantee the city's loans and allow it to work out its own redemption through a return to selling its own notes and securities. Additionally, it would insist on tough, relentless reforms whereby the city would avoid possible profligacy in the future.

The legislation would establish a three-person Emergency Municipal Debt Guarantee Board—Secretary Simon, Secretary Dunlop, and Chairman of the Federal Reserve Board Burns—with the authority to guarantee up to $4 million in MAC bonds during the remainder of fiscal 1976, $3.5 billion during fiscal year 1977, $2.5 billion during fiscal year 1978, terminating with $1.5 billion for fiscal year 1979.

To qualify for the guarantee, the legislation insists that New York must do the following: First, it must present a plan for balancing its budget by 1978, including adjustments in its costly pension schedules, and must turn over its fiscal affairs to the State—which has been done already; second, it must open its books to the Federal Government; third, the State must in turn pay a guarantee fee of up to 3½ percent, and must pass new taxes which would cover half the anticipated deficit of the city until it balances its budget—an amount estimated to be about $400 million per year; fourth, finally, and perhaps most importantly, the city and State must take steps to reform the structure of city and MAC debt. The pending legislation would require that 65 percent of all MAC debt and 40 percent of city debt to mature in this fiscal year be converted into bonds and securities of 5 years' maturity or more. Moreover, the section would require that nonguaranteed bonds be bought by private investors in maturities of 5 years or longer to the maximum extent possible.

In sum, the preconditions of any loan guarantees squarely place the burden on the city to restructure its own credit and meet its own obligations. If it should fail in its plans, all the guarantees under the legislation could be withdrawn at the end of a fiscal year.

The question before the Congress now is whether to accept the massive and expensive uncertainties occasioned by a default, or to attempt to minimize New York's fiscal crisis by a direct intervention now which could protect private capital markets throughout the Nation.

HARTFORD CIVIC CENTER PLAZA

Mr. RIBICOFF. Mr. President, last week Mrs. Ribicoff and I went shopping in the new Civic Center Plaza in our hometown of Hartford, Conn. It was an exciting experience.

Added to the basic civic center, its sports arena, and convention facilities, is a series of specialty stores of the highest quality and greatest variety. The key store is Luettgens Ltd., under the ownership and management of William L. Luettgens. Bill Luettgens, one of the country's outstanding merchants, showed us around his beautiful and well stocked new store. The personnel is of the highest caliber. The merchandise supplies the needs of every shopper.

A complete description of this store may be found in the October 22, 1975, issue of Women's Wear Daily, and I ask unanimous consent to print this article in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered

(See exhibit 1.)

Mr. RIBICOFF. The new Civic Center Plaza is a remarkable example of an imaginative city government and responsible leaders in private industry working together in a unique commitment to the survival of the inner city.

The activities centering around the center have transformed Hartford from an 8 a.m. to 5 p.m. city into a place which all its residents can enjoy for 24 hours a day.

Singular praise should go to Councilman Nick Carbone and to John Filer, chairman of the board of Aetna Life and Casualty Co., for their good faith, determination, and hard work in making this noble experiment a reality.

Special commendation should also be given to Gene Ross and Don Conrad of Aetna; Jack Dollard of the Knox Foundation; Stan Schultz of the Downtown Council; and former Councilman George Levine.

My commendation and praise go to all who have made such a success of the Hartford Civic Center.

The article follows:

[EXHIBIT I]

Civic Center Plaza, Hartford, Conn., is the location of one of the most encouraging exercises in confidence in the economy since the onset of recession.

On Thursday, William L. Luettgens will open Luettgens Limited, a two-floor, downtown store of 70,000 square feet. It will be both the largest locally-owned-and-managed specialty store begun in the area in many years and a singular example of its type and size starting from scratch anywhere in the country.

Luettgens, president of the new enterprise, and a native of Hartford, retired as senior vice-president and director of personnel and customer services at G. Fox & Co. in October, 1973 at 58. He was with that store for 38 years, rising from stock boy during a summer vacation from the University of Cincinnati which he quit after completing his freshman year. He became a salesman and was promoted through a wide variety of buying and operation posts to vice-president and general manager of operations and then to his senior vice-presidency.

Bill Luettgens had no plans to work after his retirement. He thought his time would be filled with his grandchildren, 3, 7 and 8. However, it wasn't long before "they were ready to kill me, and I to kill them." He started to write a book—"a series of vignettes about life and how to motivate people but I lost interest in it after five chapters. Four months following my retirement, I knew this wasn't for me."

He joined a friend in a personnel and consulting business, thinking he would work only two or three days a week. He found himself occupied full time and "this didn't stimulate me either."

In August, 1974, Luettgens "had a dream to open a big store." He signed a 20-year lease on a percentage arrangement with Aetna Life & Casualty, owner of Civic Center Shops, part of the Hartford Civic Center, a 7½-acre urban redevelopment undertaking. Aetna contributed certain leasehold improvements which will be paid off in rent. Financing came from a local bank as well as his own funds.

At 60, Luettgens has embarked upon a career as chief executive and sole shareholder of the retail corporation.

All women's, men's, juniors', accessories and gift departments at moderate-to-better price ranges will be represented. Infants' wear and some children wear up to size 6X will be carried plus kids' toys, games and furniture. There will be a Granny Botique providing gifts for children, a Guilty Conscience Shop of gifts from $1,000 down to $4.95, and a unisex hair and beauty salon. The store will not have boys' wear.

Luettgens' executive staff comprises John P. L. Gillespie, vice-president and general manager, formerly G. Fox operations manager; John A. Spicola, vice-president and general merchandise manager, formerly G. Fox branch store manager; David MacNeil, controller, formerly senior accountant at Casual Corner headquarters; and George Brown, store superintendent, formerly assistant to G. Fox's downtown store manager.

Five buyers include Jean Kirby, sportswear, formerly Casual Corner assistant buyer; Alice Willis, designer, contemporary and intimate apparel, formerly G. Fox better dress buyer; Debora Murtha, cosmetics and accessories, formerly G. Fox branch store department manager; Ronald Brueggman, shoes, formerly vice-president and Eastern division manager, Wohl Shoe Co., and Ronald Pitt, men's wear, formerly G. Fox, department manager of men's sport coats and slacks. Corky Miller, fashion consultant, was formerly a sportswear buyer at B. Altman.

The staff, which will total about 140 "when they've all gone through our training program," will consist of 125 salespeople and 15 office and other operational personnel.

Store hours are 10 to 9 Monday through Saturday.

The store head projects first-year volume of more than $4,500,000 "just to make a profit" and of $7 million "to make substantially more." Taking inflation into effect, he expects sales in the next five years to increase appreciably in the same space.

Luettgens believes "our concept will be salable in branches in other urban New England redevelopment programs as soon as the success of this store is assured."

The store is the anchor tenant of two floors, each containing 110,000 square feet, of a four-story building. Fifty-three specialty stores and restaurants are fellow tenants. The fourth floor is office space.

The Luettgens store, logo and packaging have been designed by Norwood Oliver Design Associates, New York. All store space opens on a central core or atrium built around an open well rising from the ground floor to the center's skylight 53 feet overhead. The well contains an exposed elevator with a half-cylindrical, glass-enclosed cab connecting all four floors of the building. The atrium is the hub of the wheel serving all departments separated only by movable fixturing. At the outside mall entrance are escalators to the two floors of retailing.

Each of the five "worlds" of 20 shops is given its own ambience although warm earth tones establish a total personality.

The Civic Center Shops mall is physically connected with 88,000 square feet of convention and exhibition area, a 12,000-seat coliseum, a 22-story Sheraton-Hartford Hotel, and a 500-car underground garage.

Among other retail tenants are Ann Taylor, Jaeger, Pappagallo, Wrangler Wranch, Lady Madonna Maternity and Hallmark. On the level below Luettgens is "The Market"—four food stores and a liquor bar. On the street level is "The Promenade"—seven self-service ethnic restaurants with common seating area. In addition to Luettgens, NODA is the designer of one of the restaurants, a bake shop and an art and ceramics gallery.

Aetna is also a partner in the hotel. All other facilities are owned by the city. Nearby are G. Fox and other retailers which combine with Civic Center Shops to lend added vigor to what Norwood Oliver describes as a "Shop and Stroll" downtown.

Oliver prefers the term, "shop and stroll—activities and experience scaled down to the comfort of the human factor," to malls—"massive, cold, inarticulate." He believes Mama and Papa stores, which can't afford to be in the larger malls, will go into many smaller centers, now being planned, in both reclaimed downtown and suburban areas and be protected against duplications. The big malls, he concedes, "are not dead; in fact, some of them are being expanded, making them even more monolithic and intimidating."

Oliver has a degree in industrial design from the University of Illinois. Before he went into business for himself, he was with the store design division of Raymond Loewy Corp. for 11 years, most recently as director. NODA has designed four Lord & Taylor branches in the past five years, the latest of these the Northbrook, Ill., store opening next February with 126,000 square feet. He is also the designer of a Shillito branch of 120,000 square feet in Florence, Ky., to open in February, 1977. Among other projects is the redesign of a former Sears, Roebuck store of five floors in the J. C. Nichols center in Kansas City, Mo., into about 60 little shops, theatres and office space. He is also working on plans for a Doylestown, Pa., branch of Hess's—a one-floor store of 120,000 square feet to open next August.

Oliver's philosophy of store design:

"For years, store designers allowed the merchants (merchandising and buying staffs) to dictate their needs. However, during the past few years, extraordinary pressures on buyers have caused a revolution in store design. Stores have had to reflect an increasingly insistent requirement for fad versus fashion in fixturing and merchandise presentation. The display man, in origin a window trimmer, has had to become an expert in visual merchandising.

"Store planners have come into their own through development of flexible, functional fixtures tied in with general design and decoration. This is different from the former approach of the merchandise man setting forth his requirements, then throwing it in turn to the design department and to the decorating department. In effect, this was a veneer on top of a veneer. It is now understood that all of these must work concurrently.

"We are using a lot of theatrical approaches to design—for example, stretched canvas for ceilings and curtain walls. Today, merchandise presentation requires niches, alcoves, breakups of vertical hangings, different ways of shelving goods. The aim is both flexibility and cost savings.

"If the designer and the retailer can define the basic profiles they wish to project, there is a very happy marriage and the result is a more satisfied customer and, *hopefully*, more dollars and profit per square foot."

FINANCIAL DISCLOSURE BY SENATOR TUNNEY

Mr. TUNNEY. Mr. President, because of my firm belief an officeholder should disclose completely his income and holdings, I submit the following report on my income and on my assets and debts.

It lists my taxes, the loans I owe, my car, my homes in a total disclosure of my finances.

I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INCOME (GROSS—1974)

Salary from the United States Senate	$42,500
Honoraria	25,875
Property Rental	7,800

STOCKS AND BONDS—1975

865 shares of Washington Group, Inc.**
1500 shares of Lord Simcoe Hotel, Ltd.

CAPITAL GAINS—1975

$8,980 from sale of Washington Group, Inc. stock.

CURRENT REAL ESTATE INTERESTS—1975

Residence, Property Tax Assessed—Market Value, and Property Taxes

Northwest, Washington, D.C.—$123,721; $2,264.10.

Los Angeles, Calif.—$71,200; $2,517.71.

Two mortgages at Riggs National Bank; Washington, D.C.

OTHER ASSETS—1975

Ancient coin collection;
1972 Pontiac LeMans;
Household furniture;
Books.

TAXES PAID IN 1974

Federal	$10,023
California	2,901

LOANS—1975

Security Pacific National Bank	$15,000.00
Riggs National Bank; Washington, D.C.	5,500.00
Senate Employees Federal Credit Union; Washington, D.C.	5,088.68

TWO-HUNDRED-MILE FISHERIES ZONE

Mr. STEVENS. Mr. President, last Friday the Senate Foreign Relations Committee conducted public hearings on a bill that I am privileged to cosponsor S. 961—the Magnuson Fisheries Management and Conservation Act. For many years I have actively sponsored and supported efforts to affectively protect and conserve U.S. fisheries resources. S. 961 would accomplish this difficult task by establishing a 200-mile U.S. fisheries zone; as well as providing for a procedural and a substantive framework within which fisheries management regulations can be developed and implemented.

Any individuals who do not understand either the problems facing the U.S. fishing industry or the purposes and intent of S. 961 have erroneously stated that this legislation would cause the termination of the ongoing U.N. Law of the Sea Conference. In addition, many opponents to this legislation claim that it violates international law. I believe both of these allegations are erroneous and are based upon a misinterpretation of the Law of the Sea negotiations and international law on the subject of coastal State control over adjacent fishery resources. In my testimony before the Foreign Relations Committee, I addressed the issue of the relationship of S. 961 with the Law of the Sea Conference and international law. I ask unanimous consent that my testimony before the Senate Foreign Relations Committee in support of S. 961 be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I very much appreciate the opportunity to testify today in support of S. 961, the Magnuson Fisheries Management and Conservation Act. I believe this legislation is critically needed to enable the United States to adequately and effectively control foreign fishing activities within a 200-mile fishery zone and would provide the basis for a revitalized and dynamic U.S. fishing industry.

S. 961, a bill that I have cosponsored, would extend, on an interim basis, U.S. jurisdiction and management authority over fisheries resources to a distance of 200 nautical miles from the base line of the U.S. Territorial Sea. In the case of anadromous species spawned in U.S. waters, such jurisdiction would extend throughout the migratory range of each applicable species. Such legislation is necessary to enable the United States to adequately protect and conserve fishery resources adjacent to our coast. Existing domestic legislation and bilateral and multilateral international fisheries agreements are clearly inadequate to achieve this objective.

While all the members of this Committee are aware of much of the data concerning foreign fishing activities off our coast, I think it is informative to briefly review this information to appreciate the enormity of the problems facing the United States fishing industry While world fish landings have tripled since 1938, from approximately 50 billion pounds to over 150 billion pounds, U.S. landings in the same period rose only slightly, from 4.3 billion pounds in 1938 to 4.7 billion pounds in 1973. The volume of fish harvested off the U.S. coast has increased dramatically from approximately 4.4 billion pounds in 1948 to 11.6 billion pounds in 1973. Here again, landings by U.S. vessels remained virtually constant throughout the 25-year time span while the foreign catch in U.S. coastal waters increased to an annual level of 7.9 billion pounds, a figure that represents nearly 70 percent of the commercial U.S. coastal fish harvest.

In the same 25-year period consumption of fish products in the United States has more than doubled, from 3.1 billion pounds in 1948 to 7 billion pounds in 1973. Under existing growth patterns, this figure could increase by an additional 3 billion pounds by 1935. Nearly the entire growth in U.S. fish consumption has been supplied by imports that are often harvested in U.S. coastal waters by foreign fishing fleets, processed in the home port of the foreign fishing vessel, and exported for sale to the United States.

Today, the United States imports over 60 percent of its fish product needs. In 1974 alone, the U.S. balance of trade deficit in fishery products alone amounted to nearly $1.5 billion. It has been estimated that if imports of foreign fisheries products were replaced by domestic production, the additional economic impact on the U.S. economy would approach $3 billion and result in an increase of 200,000 man-years in employment.

As a result of virtually unrestrained harvesting of U.S. coastal fishery resources, particularly by large-scale foreign fishing fleet operations, at least 14 fish species of interest to U.S. fishermen have been overfished and their continued economic viability has been threatened.

As impressive as these statistics may be in indicating the need for the United States to take some positive action concerning conservation of its coastal fishery resources. I am well aware of the need to consider additional factors when considering the advisability of this legislation. One such concern that has frequently been mentioned by those individuals opposing the passage of S. 961 is the potential effect such legislation would have on the ongoing U.N. Law of the Sea Conference. I have closely followed the progress of the LOS Conference, from its genesis in 1967 through the progress made at the Geneva meeting this Spring and the ongoing preparations for the upcoming New York session. I unequivocally support this effort to achieve international agreement on a new Law of the Sea regime. The events of these last 8 years, however, lead me to conclude that the prospects for a rapid settlement of the many ocean issues before the Conference are remote at best.

This conclusion is not surprising when one considers that there has yet to be any final agreement on any of the over 100 issues presently before the Conference. Adding to the difficulty of reaching agreement is the fact that nearly 15 nation states are participating in the Conference, each seeking to achieve a regime that best serves their own national interest. In addition, the cumbersome rules of procedure adopted by the Conference and the announced objective of seeking agreement on one comprehensive treaty rather than a series of separate agreements dealing with specific topics mitigate against any rapid settlement emerging from the Conference. Immediate and decisive action, however, is needed to protect and conserve U.S. fisheries resources. Solutions to the many and critical problems facing the U.S. fishing industry cannot depend upon unduly optimistic projections for a rapid and responsive agreement at the U.N. Law of the Sea Conference.

I find statements to the effect that passage of S. 961 would jeopardize what chances currently exist for any settlement at the Law of the Sea Conference unpersuasive. As I have indicated earlier, the prospects for any agreement emerging from the Conference in the near future are not very optimistic. This evaluation is unaffected by any decision the United States makes regarding its fishery jurisdiction. In addition, areas of disagreement at the Conference are focused on other issues and not upon the question of coastal state control over fishery resources. In fact, the positions contained in S. 961 closely parallel those contained in the single negotiating text that emerged from the 1975 Geneva session. S. 961, therefore, is reflective of the positions of the vast majority of nations attending the Conference concerning the question of coastal state jurisdiction over fishery resources.

Additionally, it must be noted that S. 961 is an *interim* piece of legislation that would terminate upon the implementation of a comprehensive Law of the Sea treaty which the United States has signed or is a party to. It is thus clearly not intended to preempt any international agreement concerning fishery resources but is designed to conserve and protect U.S. fishery resources pending an international settlement on the question. S. 961 protects U.S. and international interests in the living resources of the sea. U.S. coastal waters contain upward of 20 percent of the world's living resources and positive U.S. action to protect and conserve these resources, as exemplified by S. 961, pending international settlement on the question of coastal state control over fishery resources, not only protects the resource for the United States but also for the world community at large.

Another position that has been put forth in opposition to S. 961 concerns the issue of its legality under international law. Proponents of this position argue that S. 961 is in direct violation of both the 1958 Convention on the High Seas and the 1958 Con-

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**Blind Trust at White, Weld & Co., Inc.; c/o Mr. Thatcher M. Brown, Jr.; 55 Water Street; New York, New York dissolved April 15, 1975.

vention on Fishing and Conservation of the Living Resources of the High Seas. Here again, I find this position unpersuasive. Neither of these conventions specifically provide any language concerning the limitation of either the territorial sea or a coastal state fishery jurisdiction zone. In point of fact, a subsequent international conference was convened in 1960 to address these two deficiencies in the 1958 conventions. As was the case in all previous international conferences, agreement on these two critical areas of international law of the sea eluded negotiators. As a result of these failings, one must look to customary international law in an attempt to ascertain what indeed is international law concerning the territorial sea and coastal state jurisdiction over fishery resources.

As members of this committee are well aware, the customary international law of the sea has a rich and long tradition and has been the product of mutual accommodation, reasonableness, cooperation, and a process of claims and counterclaims. Under generally recognized principles of customary international law, the former laissez faire treatment of living resources of the sea has been replaced by a recognition of the need and duty for states to take positive action to conserve these resources. A fair statement of fact is that customary international law with respect to the question of the limits of coastal state jurisdiction over the living resources of the sea is in a state of flux.

As the International Court of Justice recently stated in the 1974 fisheries jurisdiction case, no rule on the maximum limit of coastal state fisheries jurisdiction appears to have yet emerged to be finally established in international law. The fact that nearly 40 coastal states of the world have already unilaterally extended their exclusive fishery jurisdiction zones beyond 12 nautical miles provides additional substance to this statement by ICJ. Given this uncertainty in international law concerning the limits of coastal state jurisdiction over fishery resources, the positions taken at the Third U.N. Law of the Sea Conference concerning this very issue take on added significance.

While I would agree that the proposals and statements made at the Conference concerning this issue do not in and of themselves constitute customary international law, they are strongly indicative of a new consensus on the question of fisheries jurisdiction, particularly, as I indicated above, when combined with the fact that customary international law is currently in the process of being remolded. The action taken under the provisions of S. 961 can best be seen as being in concert with this rapidly emerging principle of customary international law.

Additional opposition against S. 961 has been voiced by those individuals advocating increased reliance on existing bilateral agreements as a means to solve U.S. fisheries problems. As with the ongoing efforts by the U.S. to reach an international settlement of fisheries problems at the U. N. Law of the Sea Conference, I fully support efforts to negotiate more effective bilateral fishery agreements. I am also aware, however, as is the case with the Law of the Sea Conference, of the enormous difficulty faced by U.S. negotiators in reaching acceptable and effective international agreement on fisheries issues. Past efforts to reach such agreement, either on a multilateral or bilateral basis, have clearly been ineffective. While I am aware and fully support the State Department's increased efforts to achieve more equitable bilateral fisheries agreements, I remain unconvinced that this process, alone, will prove sufficient to the task at hand. Basic institutional and substantive difficulties associated with existing bilateral agreements mitigate against any long-term reliance on the effectiveness of this course of action to solve the problems facing the U.S. fishery resources. In addition, any progress that might be forthcoming from such negotiations can reasonably be expected to take years to achieve. We simply cannot continue to delay in our response to the problems associated with U.S. fisheries.

I must point out that passage of S. 961 would not obliterate the need for the U.S. to reach either multilateral or bilateral agreements with foreign states concerning fishery resources. As you are undoubtedly aware, S. 961 provides that foreign states may continue to fish in the U.S. 200-mile zone, but only for those species that cannot be optimally utilized by U.S. fishermen. In addition, the United States would be able to charge reasonable fees to foreign states for the right to fish for such U.S. species and would be able to clearly establish a strong conservation program to ensure that fishing activities do not harm the resource. Thus, S. 961 would greatly facilitate the process of reaching effective bilateral agreements with foreign states concerning U.S. fishery resources.

In closing, I wish to indicate that S. 961, in my opinion, provides the United States with an effective means to conserve and protect U.S. fishery resources. Passage of such legislation would not detrimentally affect U.S. interests, either at the U.N. Law of the Sea Conference or in the international community at large. In addition, S. 961 does not violate any existing provisions of international law and is clearly reflective of the positions put forth at the Law of the Sea Conference and developing customary international law. It is my hope that the Senate will very shortly act favorably upon this legislation, as did the House with respect to a companion bill, H.R. 200.

Thank you, Mr. Chairman.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of H.R. 9005, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments, and from the Committee on Agriculture and Forestry with further amendments.

The amendments of the Committee on Foreign Relations are as follows:

On page 3, beginning in line 9, strike out, "There is authorized to be appropriated to the President to carry out section 491, $25,000,000 for each of the fiscal years 1976 and 1977".

and insert in lieu thereof:

"In addition to amounts otherwise available for such purposes, there is authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations for disaster relief and rehabilitation assistance authorized by this section: *Provided, however*, That availabilities of funds which have not been previously obligated shall at no time exceed $20,000,000. Amounts appropriated hereunder shall remain available until expended".

On page 4, at the end of line 12, strike out "and".

On page 4, line 13, strike out "639" and insert:

"639; and"

"(7) by striking out the word 'Sahel' from the section caption; by inserting in section 639B, as amended by clause (5) of this section, the letter '(a)' immediately after the section caption; by striking out the word 'supports' in such section and inserting in lieu thereof 'reaffirms its support of'; and by adding the following new subsections at the end thereof:

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, to carry out a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

"(c) In developing this long-term program, the President shall—

"(1) consider international coordination for the planning and implementation of such program;

"(2) seek greater participation and support by African countries and organizations in determining development priorities;".

"(3) begin such planning and implementation immediately; and

"(4) devote sufficient resources to such program by 1985 to reduce the need for more costly measures later.

To meet these objectives, the President shall submit to the Congress, together with the fiscal year 1977 budget materials, a comprehensive proposal for carrying out the provisions of this section.

"(d) There are authorized to be made available to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes $50,000,000 for the fiscal year 1976 and such sums as may be necessary for fiscal year 1977, from the funds made available pursuant to section 103(e) of this Act, which amounts are authorized to remain available until expended.";

(8) by adding the following new section immediately after new section 494B:

"SEC. 494C. Angolan Airlift.—In order to assist persons who seek to escape from the conditions of civil and military turmoil presently existing in Angola, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to facilitate the movement of persons from Angola by aircraft. There are authorized to be appropriated for the purposes of this section, $20,000,000 for the fiscal year 1976. The President shall submit quarterly reports during such fiscal year to the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.".

On page 7, line 3, after "and" insert :"by".

On page 8, in line 7, after "assistance" insert "to needy nations".

On page 10, in line 3, strike out "and".

On page 10, beginning with line 5, insert:

(2) by inserting immediately after "the Senate Committee on Agriculture and For-

estry" each time it appears "and the Senate Committee on Foreign Relations"; and

On page 10, at the beginning of line 9, strike out "(2)" and insert "(3)".

On page 11, in line 8, after "distribution" insert "of food commodities".

On page 11, in line 10 after "Act", strike out "subject to the policies, procedures, restrictions, and other provisions applicable to funds provided under" and insert "and which programs are directed at and likely to achieve the policy objectives of".

On page 12, in line 2, after "terms", insert "under this title".

On page 13, in line 16, strike out "30" and insert "20".

On page 14, in line 4, strike out "may" and insert "shall".

On page 14, line 6, strike out "70" and insert "80".

On page 14, in line 8 after "from", strike out "significantly changed" and insert "critical and unforeseeable".

On page 15, at the end of line 16, strike out "one and a half million" and insert "1,300,000".

On page 15, in line 19, strike out "one million" and insert "900,000".

On page 16, in line 15, after "(3)" insert "such agreement provides that".

On page 16, in line 16, strike out "are" and insert "will be".

On page 16, beginning in line 18, strike out "in accordance with the limitations, restrictions, and other provisions applicable to funds provided under such section."

On page 17, at the end of line 5, after "designees", insert "(who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate)".

On page 18, in line 6, strike out "Congress" and insert "House Committee on Agriculture, the House Committee on International Relations, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Foreign Relations".

On page 19, beginning with line 3, insert:

"REPORTS REGARDING IMPLEMENTATION OF RECOMMENDATIONS OF WORLD FOOD CONFERENCE

"Sec. 213. The Congress calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference. The President shall submit a detailed report to the Congress not later than ninety days after the date of enactment of this section with respect to the steps he has taken to carry out the recommendations of the World Food Conference, including steps to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population."

On page 21, in line 24, strike out "$628,800,000" and insert "$603,800,000".

On page 21, at the end of line 25, strike out "$760,000,000" and insert "$735,000,000".

On page 23, in line 5, after "legislation," insert "which are received by the United States on and after July 1, 1975".

On page 23, in line 12, after "purpose," insert "subject to appropriate participation by other donors".

On page 23, in line 14, after "103A," insert "providing long-term development assistance to drought stricken areas of Africa in accordance with section 494B".

On page 23, in line 16, after "loans" insert "and grants".

On page 24, in line 18, strike out "$248,100,000" and insert "$243,100,000".

On page 24, in line 19, strike out "$280,600,000" insert "$275,000,000".

On page 24, in line 24, after "planning," insert "either in separate programs or as an element of health programs".

On page 25, in line 19, after "305." insert "(a)".

On page 26, beginning with line 14, insert:

(b) Of the amount authorized to be appropriated under section 105, not less than $1,000,000 shall be available to support the southern African student program and the southern African training program, for the purpose of providing educational assistance in south Africa.

On page 28, in line 19, strike out "$99,550,000" and insert "$92,400,000".

On page 28, in line 20, strike out "$104,500,000" and insert "$96,000,000".

On page 29, begining with line 5, strike out:

COST SHARING

Sec. 307. Section 110(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof the following: "and except that the President may waive this cost sharing requirement in the case of a project or activity in a country which meets the United Nations' criteria for relatively least developed countries".

On page 29, in line 19, strike out "308" and insert "307".

On page 30, in line 4, strike out "309" and insert "308".

On page 30, beginning with line 7, strike out:

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

Sec. 310. Part 1 of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

"Sec. 116. Human Rights.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights (including torture or cruel, inhuman, or degrading treatment or punishment), prolonged detention without charges, or other flagrant denials of the right to life, liberty and the security of a person, unless—

"(1) the President determines that such assistance will directly benefit the needy people in such country and reports such determination to the Congress together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country; and

"(2) neither House of Congress adopts, within 30 days (excluding days when both Houses are not in session) after receiving such report, a resolution stating in effect that such House objects to furnishing such assistance to such country.

"(b) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.".

and insert in lieu thereof:

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

Sec. 309. Part 1 of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following section:

"Sec. 116. Human Rights.—(a) The Congress recognizes that the economic assistance and development programs authorized in this Act are most likely to be successful where individual economic and political choices can be freely expressed, where an open opportunity exists for citizen participation, and where basic human rights are respected.

"(b) Where the Congress, by simple resolution of either House, indicates concern regarding denial of basic human rights in a potential recipient country, the Administrator primarily responsible for administering part 1 of this Act shall transmit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House a detailed description of how proposed assistance under this chapter can be provided in a manner which will accomplish the purposes of this Act without contributing to the perpetuation of practices inimical to human rights.".

On page 32, in line 11, strike out "311" and insert "310".

On page 32, beginning with line 13, insert:

"(1) by adding the following new section 208A:

"'Sec. 208A. Criteria To Measure Progress in Development.—(a) United States programs of bilateral development assistance shall be increasingly concentrated on those less developed countries which are making maximum efforts to (1) carry out land reforms and cooperative arrangements designed to insure that persons who make their living from farming hold, as owners or in ownership-like tenure, all or substantially all of the land they farm; (2) seek to achieve a greater degree of self-sufficiency in food production; (3) reduce infant mortality; and (4) control population growth. The President shall establish appropriate criteria to measure progress by recipient countries in meeting these objectives.

"'(b) The President shall endeavor to bring about the adoption by international development organizations in which the United States participates of criteria which would make assistance through such organizations conditional on satisfactory progress by recipient countries in carrying out land reforms, achieving a greater degree of self-sufficiency in food production, reducing infant mortality, and controlling population growth.

"'(c) The congressional presentation materials for development assistance programs proposed for the fiscal year 1977 and each subsequent year shall contain detailed information concerning 'the steps being taken to carry out the provisions of this section.'".

On page 33, in line 16, strike out "(1)" and insert "(2)".

On page 33, in line 24, strike out "(2)" and insert "(3)".

On page 34, in line 1, strike out "(c)—" and insert "(c)".

On page 34, in line 2, strike out "(i)".

On page 34, beginning with line 5, strike out

"(ii) by adding at the end thereof the following new sentence: 'Amounts appropriated under this subsection may not be used to furnish assistance under this section in any fiscal year to more than four institutions in the same country, and not more than one such institution may be a university and not more than one such institution may be a hospital.'"; and

On page 34, at the end of line 15, strike out "and".

On page 34, beginning with line 16, insert:

"(4) in section 221, by striking out '$355,000,000' and inserting in lieu thereof '$505,000,000';

"(5) in section 222(c) by striking out '$550,000,000' and inserting in lieu thereof '$650,000,000';

On page 34, in line 20, strike out "(5)" and insert "(6)".

On page 34, in line 20, strike out "223—" and insert "223".

On page 34, in line 21, strike out "(A)".

On page 34, in line 23, after "September" insert "30, 1978";

On page 34, at the end of line 23, strike out

"and

"(B) by adding at the end thereof the following new subsection:

"'(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements on a pilot basis. Of the aggregate face value of such guaranties hereafter issued, not less than 90 per centum shall be issued for housing suitable for families with incomes below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed $5,000,000 in any fiscal year.'."

On page 35, in line 20, strike out "312) and insert "311).

On page 39, beginning with line 14, strike out:

"(d) As used in this title, the term 'universities' means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia now receiving, or which may hereafter receive benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as 'land grant' universities and other United States universities which

and insert in lieu hereof:

"(d) As used in this title, the term 'universities' means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as 'land grant universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea grant colleges; and other United States universities which—

On page 40, beginning with line 19, insert:

"(f) As used in this title, the term 'agriculture' shall be considered to include aquaculture and fisheries.

"(g) As used in this title, the term 'farmers' shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters."

On page 43, in line 19, strike out "circumstances." and insert "circumstances; and (4) be carried out within the developing countries."

On page 43, line 23, strike out "Agricultural" and insert "Food Resource".

On page 44, in line 3, strike out "Agricultural" and insert "Food Resources."

On page 44, in line 5 after "of", insert "not less than".

On page 44, in line 6, after the comma, insert 'not less than one to be selected from a sea grant institution, as defined in section 295(d) of this title,".

On page 44, in line 8, after "from" insert "other than a land-grant or sea-grant institution".

On page 48, in line 16, strikeout "313" and insert "312".

On page 48, beginning with line 21, insert "Of such amounts, not to exceed $250,000 during the fiscal year 1976 and $500,000 during the fiscal year 1977 shall be available for contribution to the Namibia Institute".

On page 49, beginning with line 13, insert:

"(c) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"'(f) The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine.'."

On page 49, beginning with line 22, strike out:

"ASSISTANCE TO THE CAPE VERDE ISLANDS

"SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended—

"(1) by striking out '$5,000,000' and inserting in lieu thereof '$7,750,000';

"(2) by striking out '$20,000,000' and inserting in lieu thereof '$17,250,000', and

"(3) by adding at the end thereof the following new sentence: 'Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a $3,000,000 loan on June 30, 1975.'."

On page 50, beginning with line 11 insert:

"ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

"SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"'(b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of $3,000,000 loan on June 30, 1975.

"'(c) Notwithstanding any other provision of law, there is authorized to be made available to the President for the fiscal year 1976, from sums appropriated to carry out this Act, in addition to such other sums as may be available, $30,000,000 to remain available until expended, for use by the President to provide economic and relief and rehabilitation assistance (including assistance through international or private voluntary organizations), to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.'.

"FURNISHING OF SERVICES AND COMMODITIES

"SEC. 314. Section 607(a) of the Foreign Assistance Act is amended by deleting the second full sentence, and inserting in lieu thereof the following: 'Such advances or reimbursement may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

"'(1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered; or

"'(2) Advances or reimbursement received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: *Provided,* That such agreements require the payment of interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: *Provided further,* That funds available for this paragraph in any fiscal year shall not exceed $1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act. Interest shall accure as of the date of disbursement to the agency or organization providing such services;'."

On page 52, beginning with line 11, strike out:

"SEC. 315. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out 'in each of the fiscal years 1975 and 1976' and inserting in lieu thereof 'in the fiscal year 1975 and $2,000,000 in each of the fiscal years 1976 and 1977'.

and insert in lieu thereof:

"SEC. 315. Section 661 of the Foreign Assistance Act of 1961 is amended as follows:

"(1) strike out 'in each of the fiscal years 1975 and 1976' and insert in lieu thereof 'in the fiscal year 1975, $2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977,';

"(2)(A) immediately before the words '—The President is authorized', insert '(a)'.

"(B) At the end thereof add the following new subsection:

"'(b)(1) The President shall not take into account, in assigning officers and emplyees of the United States to serve in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

"'(2) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, no assistance may be provided under this Act or sales made under the Foreign Military Sales Act to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out the provisions of this Act or the Foreign Military Sales Act, on the basis of the race, religion, national origin, or sex of such officer or employee.

"'(3) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this subsection.'"

On page 54, in line 7, after "appropriated" insert "for each program or activity".

The amendments of the Committee on Agriculture and Forestry are as follows:

On page 7, at the beginning of line 2, strike out "to" and insert "required".

On page 7, in line 4, after "requirements" insert "which such countries are unable to meet on a normal commercial basis".

On page 7, at the end of line 10, strike out "and".

On page 7, in line 13, after "production," strike out "with emphasis on development of labor-intensive, small-farm agriculture." and insert

and improve their facilities for transportation, storage, and distribution of food commodities;

"(4) assure that allocation of commodities or congressional financing is based upon the potential for expanding markets for America's agricultural abundance abroad; and

"(5) give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world.".

On page 8, in line 18, after the comma, strike out "especially through labor-intensive, small-farm agriculture," and insert "to improve their facilities for transportation, storage, and distribution of food commodities,".

On page 8, at the end of line 24, strike out "and".

On page 9, in line 5, strike out "determination" and insert "waiver".

On page 9, in line 5, after "Congress" insert within 10 days of the date of such waiver,"

On page 9, at the end of line 6, strike out the period and insert a semicolon.

On page 9, beginning with line 7, insert

(4) by striking out "and" at the end of subsection (p); and

(5) by adding the following new subsections at the end thereof:

"(r) to the maximum practicable extent require that United States processed grain products, including blended and protein fortified foods, be supplied under each agreement involving grain which is negotiated pursuant to this title.

"(s) in providing for the sale of high-protein blended or fortified foods under this title, be authorized to waive repayment of that portion of the sales price thereof which is attributable to the costs of processing, enrichment, or fortification, so that purchasing countries may improve the nutritional levels of their neediest individuals.".

On page 10, line 4, insert "and".

On page 10, beginning with line 5, strike out (2) by inserting immediately after "the Senate Committee on Agriculture and Forestry" each time it appears "and the Senate Committee on Foreign Relations"; and

On page 10, in line 9, strike out "(3)" and insert "(2)".

On page 10, beginning at the end of line 20, insert Notwithstanding any other provision of this Act, no proceeds from the sale of the commodities in the recipient country shall be used for the development of abortifacients or techniques of aborton."; and

On page 11, at the end of line 7, insert "transportation".

On page 11, in line 9, strike out "section 109" and insert "sections 109 and 406".

On page 11, in line 13, after "of" insert "this Act and".

On page 11, at the end of line 18, strike out "and" and insert except that for any fiscal year the total value of such payments may not exceed 10 per centum of the total value of each agreement entered into under title I of this Act for such fiscal year. Such payments

On page 12, at the beginning of line 16, insert "transportation,".

On page 13, in line 12, strike out Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

On page 13, at the beginning line 15, strike out

"SEC. 111. Not

and insert

(a) For fiscal year 1976 only, not

On page 13, in line 16, strike out "20" and insert "30".

On page 13, in line 17, strike out "this".

On page 13, in line 17, after "title" insert "I of the Agricultural Trade Development and Assistance Act of 1954".

On page 14, in line 2, after the period, strike out "In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as 'Most Seriously Affected' by the current economic crisis.".

On page 14, in line 6, strike out "80" and insert "70".

On page 14, at the end of line 14, strike out the quotation marks and the period.

On page 14, beginning with line 15, insert:

(b) For purposes of applying the provisions of this section, the President shall determine which countries are most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad. The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world. Such list of countries shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Agriculure and Forestry of the Senate not later than thirty days after the enactment of this section. Any subsequent revision in the list of countries shall be submitted to such committees not later than thirty days after the date of such revision.

On page 15, in line 17, strike out "and".

On page 16, in line 14, after "forth" strike out "and agreed to by" and insert "in a written agreement between".

On page 16, in line 18, after "1961" strike out the comma.

On page 17, in line 12, strike out "and".

On page 17, beginning with line 13, insert "(2) by strike out 'calendar' in the first sentence and inserting in lieu thereof 'fiscal'; and".

On page 17, at the beginning of line 15, strike out "(2)".

On page 18, in line 5, strike out "October 1" and insert "November 1".

On page 18, in line 8, after "Relations," insert "and".

On page 18, in line 9, after "Forestry," strike out "and the Senate Committee on Foreign Relations."

On page 18, in line 20, after "agreement," insert "subject to Congressional approval,".

On page 18, in line 21, strike out "national".

On page 19, beginning with line 16, insert

"LONG TERM COMMERCIAL AGREEMENTS

"SEC. 214. Section 22(f) of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624) is amended—

"(1) by inserting '(1)' immediately after '(f)'; and

"(2) by adding at the end thereof the following new paragraph:

"'(2) With respect to any trade agreement or other international agreement involving or affecting any agricultural commodity covered under any program or operation referred to in subsection (a), other than agreements specifically authorized under existing statutes, the President shall, prior to entering into discussions to negotiate such agreement and every ninety days thereafter until such negotiations have been completed, consult with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate, unless the urgency of the negotiations and the national interest of the United States make prior consultation impracticable, in which case the President shall consult with each committee as soon as possible after entering into such discussions.'.

"AMENDMENT TO FARMER-TO-FARMER PROGRAM

"SEC. 215. Section 406 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

"(1) by striking out 'the Secretary of Agriculture' in subsection (a) and inserting in lieu thereof 'the President';

"(2) by striking in paragraph (1) of subsection (a) 'through existing agencies of the Department of Agriculture';

"(3) by amending paragraph (5) of subsection (a) to read as follows:

"'(5) to coordinate the program authorized in this section with other foreign assistance activities of the United States;'."

On page 35, in line 20, strike out "Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new title:".

On page 35, beginning at the end of line 22, insert "The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new title:".

On page 36, in line 3, strike out "XII" and insert "V".

On page 36, in line 5, strike out "296" and insert "501".

On page 36, in line 10, after "research," strike out "consistent with sections 103 and 103A,".

On page 40, at the end of line 9, insert "colleges and".

On page 40, in line 25, strike out "297" and insert "502".

On page 41, in line 9, strike out "300" and insert "505".

On page 43, in line 23, strike out "298" and insert "503".

On page 44, at the end of line 7, strike out "295(d)" and insert "501(d)".

On page 44, at the beginning of line 19, insert "and".

On page 44, in line 22, strike out "297" and insert "502".

On page 46, in line 8, strike out "297" and insert "502".

On page 46, in line 19, strike out "297(a)(3)" and insert "502(a)(3)".

On page 46, in line 23, strike out "297(a)(2), 297(a)(4), and 297(a)(5)" and insert "502(a)(2), 502(a)(4), and 502(a)(5)".

On page 47, in line 4, strike out "300" and insert "505".

On page 47, in line 6, strike out "299" and insert "504".

On page 47, in line 8, strike out "this Act" and insert "the foreign Assistance Act of 1961, as amended, and to apply all the authorities in such Act that would be applicable to such section,".

On page 47, in line 14, strike out "this Act." and insert "such Act.".

On page 48, in line 4, strike out "300" and insert "505".

On page 48, in line 11, strike out "298" and insert "503".

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so *ordered*.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendments of the Committee on Foreign Relations and the amendments of the Committee on Agriculture and Forestry, including its amendments to the amendments of the Committee on Foreign Relations, be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, will the distinguished floor manager yield to me at this point?

Mr. HUMPHREY. I yield.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during consideration of H.R. 9005, including all rollcall votes thereon: Michael R. McLeod, Henry J. Casso, Carl P. Rose, Thomas R. Saylor, William A. Taggart, and Forest W. Reece.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. HUMPHREY. I yield.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James P. Lucier, a member of my staff, be accorded the privilege of the floor during the discussion of this measure and any votes thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I send to the desk a technical amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY) proposes certain technical amendments.

Mr. HUMPHREY. I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY's amendment is as follows:

On page 44, line 6, immediately after the comma, insert the following in linetype: "and one of the seven shall be selected from a non-land grant university".

On page 44, line 8, strike out the matter printed in roman and insert such matter in italic.

On page 50, strike out lines 13 and 14 and insert in lieu thereof the following:

"1961 is amended as follows:

"(1) Immediately after the section caption insert '(a)'.

"(2) (A) Strike out '$5,000,000' and insert in lieu thereof '$7,750,000'.

"(B) Strike out '$20,000,000' and insert in lieu thereof '$17,250,000'.

On page 50, line 12, strike out "Sec. 314." and insert in lieu thereof "Sec. 313."

Mr. HUMPHREY. This amendment corrects two errors in the bill. The first relates to the composition of the Board for International Food Resource Development and the second to assistance to the Cape Verde Islands.

I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, those are the corrections that we need to make in the original text of the bill. Now I shall proceed to describe the features of H.R. 9005, the International Development and Food Assistance Act, which is now before the Senate.

It is notable in that it is the first foreign assistance legislation to be considered since the end of the Indochina war.

Significantly, this bill is the product of a bipartisan congressional initiative.

It responds to heightened public concern over food, population, and development problems in the less developed areas of the world.

We believe that it is fiscally responsible.

This measure is solely concerned with disaster relief, food aid, and economic development. It contains no provision for military or political assistance.

This will be the first opportunity which Congress has had to address itself to a purely humanitarian and economic assistance bill, unencumbered by military or political considerations.

The decision to separate economic and military assistance legislation was made by our Committee at the outset of the legislative cycle. Two recent, prestigious public opinion polls and an unprecedented outpouring of mail have underscored the public's readiness—and even the public's enthusiasm—for the concept for providing assistance designed to help the world's poorest majority meet their basic human needs.

This legislation is also fiscally sound. Having examined and adjusted the requests submitted by the President to carry out programs authorized in this bill, we are recommending to the Senate authorizations of $1.325 billion for fiscal year 1976 and $1.47 billion for fiscal year 1977.

It will, of course, be noted that this is a 2-year authorization.

This measure is $100 million below the House-passed bill. At the beginning of debate on the bill, I will propose an amendment to strike an additional $20 million. That amount had been added by the Committee on Foreign Relations at the request of the executive branch in order to finance the airlift of Angolan refugees. Although we approved the request, we asked the executive branch to reexamine its original request and over the weekend we were informed that the additional funds will not be needed. Approval of this amendment will lower the authorization request for fiscal year 1976 to within $19 million of the President's original budget request.

Even more important is the fact that, according to the Senate budget scorekeeping report of October 27, H.R. 9005 is within the target contained in the first concurrent budget resolution.

I emphasize, Mr. President, that our action in the authorizing committee is within the target set under the first concurrent budget resolution.

The latest scorekeeping report also indicated that in terms of budget outlays, this bill will leave economic assistance below the target figures as established by our Committee on the Budget.

I think it is important to note the kind of budgetary discipline that we are exercising here in the Senate on these measures.

The process which produced this fiscally sound measure began with a hearing in June on the subject of foreign assistance philosophy and strategies. In that hearing our distinguished witnesses, former high executive branch officials, urged the separation of economic and military assistance program. Five subsequent public hearings dealt with food, population planning, the role of voluntary agencies and land-grant colleges in foreign assistance, human rights and other economic development issues.

Two days of public markup sessions were held by the Subcommittee on Foreign Assistance on September 17 and 23, 1975. These sessions were, I might say, the first such public markup sessions ever held by our committee. That is the Committee on Foreign Relations. They were well attended by the public, including representatives of the many voluntary, religious, educational, and cooperative groups which have taken such a deep interest and make such a substantial contribution to our foreign assistance programs.

Following the completion of action by the Committee on Foreign Relations, H.R. 9005 was referred, at my request and at the committee's request, to the Committee on Agriculture and Forestry which has jurisdiction over matters relating to the food for peace program and land grant universities.

The distinguished Senator from Georgia (Mr. TALMADGE) will discuss those features of this bill. We have had excellent cooperation between the Committee on Foreign Relations and the Committee on Agriculture and Forestry in handling this particular piece of legislation which has within it both economic assistance, on the one hand, and food assistance, on the other.

After a careful review and certain additions and changes by that committee, the bill now comes to the floor having been reported favorably by both the Foreign Relations and Agriculture and Forestry Committees by sizable margins.

The present form and content of this bill are very similar to the bill which passed the House of Representatives in September of this year by a majority of 89 votes, and, by the way, that is a very large majority for foreign assistance legislation in recent years.

In large measure the present bill represents a consolidation and strengthening of the new criteria and priorities which Congress began to write into foreign assistance legislation in 1973, and which are referred to as the "new directions."

I add that the former Senator from Vermont (Mr. AIKEN) was very instrumental in those new directions, as is the distinguished ranking member of the Committee on Foreign Relations (Mr. CASE). We were able to work out our own foreign assistance legislation which we believe emphasizes the proper use of American foreign aid.

The new directions concepts and the emphasis which the bill places on increased and more imaginative efforts to meet world food needs account for the broad public support which H.R. 9005 enjoys. The legislation continues the effort, begun in 1973, to shift our economic assistance program away from expensive infrastructure projects—such as dams and highways—and capital transfers toward programs designed to bring about direct improvements in the lives of the majority of the less fortunate in the poorest countries. Primary emphasis is placed upon food production, nutrition, rural development, population planning and health, education and human resource development.

It is these very categories, Mr. President, which the public opinion surveys show have overwhelming support from the American people.

Henceforth, the U.S. development assistance resources are to be allocated primarily to countries and activities which will enable the poor to better their lives through their own efforts. By creating new policy sections built around this principle, by conforming existing programs to the new priorities and by creating new mechanisms and incentives, this bill gives coherence and sharp, new direction to our economic assistance efforts. The bill also gives added meaning to the existing goals of the food for peace program by setting mandates for the overseas allocation and distribution of food commodities and by providing for closer integration of the food program with programs carried out under the Foreign Assistance Act.

Some of the highlights of this bill are as follows:

It provides for a better coordinated U.S. response to natural disasters;

It will provide continued assistance to the drought-stricken countries of Africa, to the former Portuguese colonies and it will provide new educational opportunities for Southern Africans;

It continues and strengthens the congressional mandate that no more than 30 percent of U.S. food aid be allocated where humanitarian needs are greatest.

It assures a continuous level of food supplies for distribution abroad through private American voluntary organizations and the world food program;

It provides incentives through the Public Law 480 program for greater self-help efforts by poor countries;

It directs repayments of previous development loans into specific productive agricultural development uses;

It earmarks funds for the development of cooperatives and for population planning;

It seeks to insure against the misuse of economic assistance programs by repressive governments;

It continues U.S. support for multilateral development efforts and encourages strong U.S. efforts to carry out the recommendations of the World Food Conference, encourages U.S. participation—subject to congressional review—in a system of international food reserves, and it provides for a U.S. contribution to the newly created International Fund for Agricultural Development;

The bill also extends the requirement that development programs be administered so as to give particular attention to the integration of women into the national economies of foreign countries.

One of the major innovations of the bill provides a means for enlisting American land- and sea-grant colleges and other eligible institutions of higher education in the fight against hunger and famine. We firmly believe that viable foreign assistance programs must engage the participation of such private groups. Encouragement of this participation was mandated in the 1973 act and the Famine Prevention title of this bill continues and expands this effort.

The genius of our domestic agricultural institutions has contributed in large measure to our present ability to feed so many of the world's hungry people. We hope that this provision will result in the better application of that same knowledge and skill to the task of enabling others to feed themselves.

The increasingly important role of private voluntary organizations is also recognized in this bill with language designed to increase the funds available to defray the ocean freight costs as noted earlier, to insure that adequate and predictable amounts of title II food are available to them for distribution. Moreover, it is the intent of the Foreign Relations Committee that during the authorization period the Agency for International Development should increase the funds available to private voluntary organizations for program grants.

It may be necessary during the deliberations on this bill to make that language more precise, which I intend to do. Moreover, it is the intent of the Committee on Foreign Relations that during the authorization period, the Agency for International Development should increase the funds available to provide voluntary organizations for program grants.

This particular section of the bill has received editorial praise all across the country, from the press in rural areas as well as metropolitan areas. It is the first time that we have specifically enlisted in the foreign assistance effort, particularly as it relates to food production and to nutrition, the vast body of knowledge and expertise that is readily available out of the land-grant college system of the United States.

I wish to underscore again the importance of the private voluntary organizations in our foreign assistance programs. They have a splendid administrative establishment. They are on the spot, on location, ready and able, with competent, trained personnel, to do a marvelous job of assisting the needy and carrying out the objectives of the Foreign Assistance Act.

Before closing, I should anticipate certain questions which may be raised concerning the cost and effectiveness of the operations and programs of the Agency for International Development. Over the years, it has been alleged that AID's operating expenses have been concealed and that they are excessive. In response to these concerns, the Committee on Foreign Relations—our distinguished ranking member, Senator CASE, insisted upon this—has examined the cost of AID's operating expenses in some detail. At our request, the Agency provided us with detailed breakdowns of its operating expenses by geographic and functional categories. Their original initial request for operating expenses was $205 million. On examination we found that the amount actually necessary for the programs in this bill was some $176.4 million and a corresponding adjustment was made. Not content with that figure, we have asked AID to go back to its books and to seek further reductions.

In other words, Mr. President, the Subcommittee on Foreign Assistance is monitoring the activities of the AID administration; and we are going to continue to monitor these activities, not only in Washington but also out in the field. In fact, during the August recess, members of the staff of the Committee on Foreign Relations and the Subcommittee on Foreign Assistance did visit several countries to monitor the work in the field of food distribution and food assistance, as well as other activities being administered by the Agency for International Development. We believe that by more carefully monitoring and more careful oversight, we can save considerable sums of money and at the same time make this program more effective.

Our committee intends to pursue this scrutiny of AID's operating and administrative cost intensely during the coming year. Our new Foreign Assistance Subcommittee is assembling a staff of highly qualified and experienced analysts and investigators.

I note that the able and distinguished Senator from Hawaii (Mr. INOUYE) is in the Chamber. We are most grateful for the meticulous care with which the Appropriations Subcommittee on Foreign Assistance examined into the work of the Agency for International Development. It is the intention of our subcommittee to cooperate very closely with the Foreign Assistance Subcommittee on Appropriations, so that we can do a better job, not only at the appropriations level, where considerable work has been done, but also at the authorization level.

One of their initial tasks will be a close examination of AID's operating structure and budget. Out of this intensive oversight will come a clearer and more comprehensive picture of how the Agency is doing its job.

We recognize that it is not enough for the Senate's purposes to make judgments regarding AID operations on the basis of isolated anecdotes designed to illustrate some bureaucratic folly. Anyone can find such examples in the operation of any office in Washington, either in the executive or legislative branch. What is more important is continuous, comprehensive oversight which will assure that congressional mandates are carried out on a day-to-day basis in the most economical manner possible. That is the assurance which we intend to provide under the guidelines established in this legislation.

This bill also contains an important new section designed to address the question of whether our assistance efforts are producing the desired results. This section calls for the development of specific criteria for measuring progress in development. While the committee recognizes the difficulty inherent in seeking to quantify the measurement of complex development objectives, it is determined to see that our development assistance dollars are not wasted. This new section marks an important first step in developing measurement criteria for foreign assistance programs. We hope to make further progress in this area.

I would hope that as we proceed with debate on this bill that Members of the Senate will bear in mind some of the precepts which have guided those of us who have worked on this bill in committee stages. This bill is designed to provide those in need in the Third and Fourth Worlds with the knowledge, and to some extent the physical means, whereby they can help themselves. It is not a bill which is designed to further our foreign policy objectives in the usual sense. We would not ask Senators to vote for it on the theory that the programs provided for will buy friends for the United States. We hope that people will be appreciative, but we are not in the business of buying friends. These programs will not enable the United States to establish or maintain military bases.

Instead, the programs which we propose are ones which spring from the traditional American concern for the less fortunate. They reflect the view that the problems of one country and of one people are the problems of all mankind. But, while these programs are not politically motivated, we believe that our generosity and our compassion may in the long term result in a more just and stable world order; and it is exactly that kind of world situation which relates to the objectives of American policy.

There was a time not long ago when we approached world problems in a vastly different frame of mind. There were some who believed we were the guardians of the world, and there were those who believed that we would make the world safe for democracy, that we would lift up the poor, that we would feed the hungry. Now we realize that these tasks, while important and, indeed, are basically desirable, are beyond our own means and our own abilities.

We know that we must act in concert with others. The problems of 1975 and beyond are too great and too complex for the solutions to be solely American. The industrialized world and oil-rich nations must now pool their resources and their talents to tackle global problems.

I note that the International Agricultural Development Fund in this bill would provide for generous contributions on the part of the so-called OPEC countries. It is a $1.2 billion program that has been negotiated internationally. The American contribution would be $200 million. More than half of that total cost would come from the OPEC countries. This means that for the first time, we are beginning to get the kind of assistance we should have had long before from countries that have a vital interest in the poor of the world.

This bill provides a number of important new means for us to engage in cooperative efforts with all the nations of the world, both rich and poor, in an effort to anticipate and meet the needs of both the present and the future.

H.R. 9005 is within both the President's and the Congress budget figures. I believe it should be kept that way.

I urge my colleagues on both sides of the aisle to support this initiative. As our first depoliticized and demilitarized foreign assistance legislation in the post-Indochina era, it carries our country into the forefront of the global struggle against hunger, disease, and overpopulation.

In closing, let me say that we believe that this bill represents a carefully considered response to the needs of the developing world. Its goals are realistic and its cost is reasonable. Its objectives are consistent with our interests and responsibilities.

The programs which this bill proposes are focused directly on the needs of the poor majority of the world's neediest nations. Above all, it is a bill designed to respond to the crises of food, population, and poverty which promise to dominate the coming decade. The programs proposed in this bill will not solve those problems, but they will do much to enable the recipients to meet their own needs. Passage of H.R. 9005 by the Senate will be a signal to the rest of the world that the United States is sensitive to the legitimate needs of the less fortunate nations and stands ready to assist those who wish to help themselves.

Mr. President, I strongly commend this legislation to the Senate, because it is my judgment, after having served on the Committee on Foreign Relations for years, that this is the finest piece of foreign assistance legislation that has come from that committee, and it is thoroughly within the American tradition of assistance to those who need it. It is, as I have said before, separate and distinct from military and budget support legislation.

Mr. BUMPERS. Will the Senator yield for a unanimous-consent request and a couple of questions?

Mr. HUMPHREY. Yes, I yield for that purpose.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Robert Brown of my staff be granted the privilege of the floor during consideration of this bill.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

Mr. BUMPERS. I commend the Senator for what I think has been an interesting statement, one that is edifying to me.

One, on the question of family planning that the Senator touched on, I was curious about two things. The thing that precipitated this is a story I read in the Post yesterday about India losing the battle in her efforts to control the population. Apparently, the population rate there is increasing at the rate of about 23 million a year. Out of a total budget of over $14½ billion, which does not sound like much for a nation of 700 million people, they are using $80 million for family planning. I have two questions.

One, do we require any matching funds from the nations who get family planning money under this bill; and, two, if not, do we make any other requirement as to what kind of undertaking or commitment they are willing to make to a family planning program in order to get these funds?

Mr. HUMPHREY. First, do we require matching.

Second, we have in this bill language which directs the AID administration to take a look at what countries are doing in terms of family planning and what they are doing also in terms of land reform—which means individual land ownership—and to adjust our assistance accordingly; in other words, an incentive to family planning, to population control, and to land reform measures.

By the way, we had testimony on this from very distinguished witnesses and we believe that it does meet some of the requirements or some of the needs that are so evident.

Mr. BUMPERS. Did the committee make any finding as to whether or not we are making any progress in any of the nations that are receiving this family planning money? Are there any definitive results that we can point to and say that this money is being used effectively and successfully?

Mr. HUMPHREY. Let me say, first of all, in reply to the Senator's question about matching funds, we do provide—there is a requirement that a country pay at least 25 percent of the cost of family planning programs which we assist.

Mr. BUMPERS. It can be in-kind services?

Mr. HUMPHREY. It can be in-kind or services, yes, but at least, there is a requirement of assistance on the part of the recipient country. One example is in our report, that I think the Senator will find is worthwhile:

> In Indonesia, as a result of the first 5 years of U.S. assisted efforts on the densely populated islands of Java and Bali, an estimated 2 million couples, about 14 percent of those eligible, are practicing family planning.

The truth is it is very difficult. It is a battle that could be carried on. It is tied in, as the Senator can well imagine, with the problems of illiteracy and communication, as well as with the trained personnel that are needed.

There are several population committees, as the Senator knows. There is an excellent group of voluntary organizations work in this field.

Mr. BUMPERS. I am familiar with it.

Mr. HUMPHREY. They are waging a continuous effort in this area. Our effort to assist these voluntary organizations is the best approach we can make. But for me to tell the Senator that any country has really produced the results that we might think are desirable would be, I think, to stretch the point.

Mr. BUMPERS. We get into a sort of hen or egg thing here, because we are trying to assist these people to develop economically, which, in turn, has an effect on birthrate. Kerala, which is the most affluent state in India, has reduced the birth rate from something like 45 per 1,000 annually to something like 27. India is shooting for a goal of 25 or 23 per 1,000 throughout the Nation. The birth rate is still running in the 40s per 1,000 on an annual basis, and that is the reason for the tremendous increase. So I suppose we do have to attack the problem on both fronts.

Mr. HUMPHREY. On both fronts. Might I say that this legislation does direct that effort. We do attack on both the economic development front as well as the family planning front.

I read with great interest the arguments at the Bucharest Conference on Family Planning, on world population. There were a number of people who took exception to some of the arguments that were made there. One of the arguments made by the developing countries, as the Senator may recall, was that population, the slowdown in population growth comes as we have an increase in economic growth. The two sort of phase in together. The countries today, of course, that show the very best results in population control are the countries that are the most affluent. If we take Japan or the Western European countries, the United States, the Soviet Union, countries of considerable means, they are the countries which have the best programs.

There is one other country that has come to grips with it and it has done so under very stern measures, as the Senator knows, and widespread effort. That is the People's Republic of China. We do not have what we might call solid statistical evidence, but we have reason to believe, from all that is known, that the People's Republic of China has a very effective family planning and population control program. Needless to say, the country to the southwest, the subcontinent of India, as well as other countries in that area, have not done too well.

Mr. BUMPERS. Let me change the subject for one final question. The Senator made a statement to the effect that we would continue the previous program of not allowing more than 30 percent of the funds to be spent for political purposes. I was curious as to what that meant.

Mr. HUMPHREY. "Political purposes," I think, is a phrase that we have used, but I do not think it is exactly appropriate. First of all, last year, we directed that 70 percent of all the title I sales of American food to be to those countries defined by the United Nations as the most seriously affected.

Mr. BUMPERS. Yes.

Mr. HUMPHREY. Actually, about 79 percent of all of our food shipments under Public Law 480 last year went to the countries most in need of food aid. In the previous years, the administration had, I believe regrettably, adversely affected the whole concept of Public Law 480 by having over 60 percent of all of the overseas shipment of food under Public Law 480 go to Indochina for the purposes of the struggle there, the war there. That brought forth from Congress a strong protest. The former Senator from Iowa (Mr. Hughes) was one of the leaders at that time in protesting the use of food for peace for what appeared to be food for war. I joined him in that protest. We urged upon the administration by resolution, sense of the Senate, and so on, that they change the allocations, that they give priority to the food for the countries that were impoverished.

Nothing was done. Therefore, last year, with the distinguished Senator from Iowa (Mr. CLARK) and the distinguished Senator from Oregon (Mr. HATFIELD), myself, and others, we put into the bill language that not more than 30 percent could be used for political purposes.

Mr. BUMPERS. If I may interrupt the Senator, I heard that expressed around the Senate here for some time, that 70 percent of the food—this is saying the same thing in a different way—must go to those nations which have been classified by the United Nations as the most in need; is that not about it?

Mr. HUMPHREY. That is correct. That is what we had last year.

Mr. BUMPERS. Right.

Mr. HUMPHREY. We used the word for the other 30 percent of "political" but that is not necessarily so. It may very well be, as a part, yes, as a part of our diplomatic efforts; it may be for market development; it may be for economic assistance for countries that are not the poorest of the poor but are still very poor, and I think we ought to be very clear about that and, therefore, of course, there has been a struggle between the administration, on the one hand, and Members here in the Senate and the House, on the other, as to whether there ought to be any of these kinds of limitations, 30–70, for example.

Then, may I ask the Committee on Agriculture and Forestry, when this bill was referred to that committee, the members of that committee felt, that is, the majority, that for the United States of America to be governed by the criteria established by the United Nations was giving authority to the United Nations that we ought to preserve for ourselves.

It was agreed—I believe the language of the bill indicates—that we called upon the President to give us a listing of those countries which would be eligible, and that list is——

Mr. TALMADGE. Within 90 days.

Mr. HUMPHREY. Yes.

Mr. TALMADGE. It cannot be changed without being resubmitted.

Mr. BUMPERS. Is that the language of the bill as it now stands?

Mr. HUMPHREY. The language of the bill as it now stands, if the Senator will bear with me—I misplaced my glasses here—it states:

> For purposes of applying the provisions of this section, the President shall determine which countries are most seriously affected—

In other words, the President shall determine—

> by inability to secure sufficient food for their immediate requirements through their own production or commercial purchases from abroad. The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world. Such list of countries shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Agriculture and Forestry of the Senate not later than thirty days after the enactment of this section. Any subsequent revision in the list of countries shall be submitted to such committees not later than thirty days after the date of such revision.

So that we can get revisions every 30 days, if need be.

The President undoubtedly, under the language of the bill as it came from the Committee on Agriculture and as it modified the language of the Committee on Foreign Relations, will take into consideration what the United Nations has to say, and he will take into consderation many other factors, but we will have available for the Congress of the United States the countries that are to be receiving food aid under the 70–30 percentage. We will also have the President reporting regularly to Congress in case of revisions; in other words, as developments take place in the world there will be some revisions.

Mr. BUMPERS. Does this mean that both Houses can reject that or does it mean that committees may reject his revision?

Mr. HUMPHREY. No, it does not provide that. It is an informational requirement.

Mr. BUMPERS. But if Congress chooses it can act on it, that is, if it chooses to do so.

Mr. HUMPHREY. Of course, Congress can act and, by simple resolution, concurrent resolution, saying that such provisions do not apply.

Mr. BUMPERS. I thank the Senator for his clarifying remarks.

Mr. HUMPHREY. Mr. President, I have concluded my statement. I know the Senator from Georgia wanted to make a statement, as well as the Senator from New Jersey.

Mr. CASE. The Senator from Georgia has spoken to me about his interest and, so far as a formal introductory statement goes, I am waiving that, and I am quite prepared to rest upon the excellent statement made by the acting chairman of the committee and the manager of the bill, and let debate take its course, with the Senator from Georgia starting it off.

Mr. HUMPHREY. I thank the Senator.

Mr. TALMADGE. Mr. President, the bill now before the Senate, H.R. 9005, the International Development and Food Assistance Act of 1975, was approved by the International Relations Committee of the House of Representatives on August 1, 1975—House Report 94-442. It passed the House on September 10, 1975.

This bill, to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes includes a title II which amends Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, in a number of ways. It also includes a section 311, which authorizes assistance to land-grant universities and other eligible institutions in the United States, to enable them to carry out programs overseas in an attempt to solve the food, agriculture, and nutrition problems of the developing countries.

In the Senate, H.R. 9005 was referred to the Foreign Relations Committee on September 11, 1975 and reported by the committee to the Senate on October 1, 1975—Senate Report 94-406.

Mr. President, those parts of the bill relating to Public Law 480 and the section dealing with land-grant universities are clearly within the jurisdiction of the Senate Committee on Agriculture and Forestry.

The committee has no jurisdiction over sections of H.R. 9005 other than title II and section 311. It does not expect to participate in the probable conference with the House of Representatives except as to those provisions within its jurisdiction. However, as to those provisions within its jurisdiction, the Committee expects to participate on an equal basis with the House conferees. The matter of jurisdiction is covered fully in our committee report on the bill.

Recognizing this, the Foreign Relations Committee had the bill referred to the Committee on Agriculture and Forestry on October 2, 1975, to consider those sections within its jurisdiction.

We recognize that the House International Relations Committee has been assigned jurisdiction over certain aspects of Public Law 480 and, therefore, we understand the basis for including amendments to Public Law 480 in this foreign aid bill. But, it is our hope that in future years any provisions amending Public Law 480 not be encumbered by including them in foreign aid legislation.

In this regard, I wish to commend Senators Sparkman and Humphrey for their cooperation and contribution in facilitating the problems which arose because of this complicated jurisdictional agreement.

On October 22, the Committee on Agriculture and Forestry held an executive session to consider the amendments proposed to Public Law 480 and the provisions of section 311, relating to land-grant colleges, of H.R. 9005.

On October 28, the Committee on Agriculture and Forestry filed its report on H.R. 9005—Senate Report 94-434.

Mr. President, I want to make it abundantly clear that the Committee on Agriculture and Forestry considered only those parts of the bill clearly within its jurisdiction. It took no cognizance of any other part of the so-called foreign aid bill. It makes no judgment on those parts. It neither supports or disapproves. Each member will make his own judgment on foreign aid.

In its deliberations, the Senate Committee on Agriculture and Forestry made numerous changes in the provisions of H.R. 9005 relating to Public Law 480 and land-grant institutions and added other amendments.

In amending the bill, the committee sought to assure that the basic market development and domestic aspects of the program were properly respected. And on the basis of its long experience and recent work on the program, the committee attempted to refine some of the humanitarian food assistance aspects of this legislation.

Among other changes, the committee limited to 10 percent of any one agreement the proposed grant back program whereby the President can forgive a part of title I loan if a country uses the proceeds from the sale of title I commodities for certain development purposes. The committee is aware of problems in the use of such self-help provisions in the past. We feel the concept must be tested on a limited scale before providing blanket authority to the President to forgive title I loans.

The committee changed the provision which allocated a percentage of title I sales to the most needy countries in several ways. The committee changed this to require that 70 rather than 80 percent of the program go to the most needy countries and limited it to 1 year, rather than making it a permanent provision. We believe that Public Law 480 food assistance should be allocated on the basis of need and available supplies and not on some arbitrary formula. We also removed the requirement that the President be guided by the United Nations list of most seriously affected countries. We could see no reason why the United Nations should dictate how we must spend the American taxpayer's dollars. Rather, we think that it makes more sense to establish certain guidelines and require the President to develop a list of those countries which he feels are in most need of food aid—a list that must be submitted to the Congress.

The committee also proposed that any agreements to establish an international system of food reserves be subject to congressional approval and that the President should consult with the Agriculture Committees of the Congress with regard to agreements affecting agricultural commodities covered under the programs over which our committee has jurisdiction. Many of these agreements can substantively affect the operations of our farm programs to the point of rendering them ineffective. We feel, then, that it is our responsibility to make sure that domestic interests are protected before, not after, the United States has made such an international commitment.

The committee established the provisions of H.R. 9005 which would broaden the role of land-grant and similar institutions in the area of international agricultural development as a new title of Public Law 480, rather than as a title of the Foreign Assistance Act. Because of the important role that Public Law 480 plays in supporting international agricultural research, our committee felt that it was appropriate to combine the international agricultural research activities of land-grant institutions into Public Law 480.

The committee has sought to offer important and constructive amendments to those portions of the International Development and Food Assistance Act of 1975 which were referred to us.

Since the Committee on Agriculture and Forestry originally reported this legislation over 20 years ago, about $25 billion worth of agricultural commodities have gone to needy people abroad. But Public Law 480 is no give away. Unlike other U.S. foreign aid, Public Law 480 returns real and long-term benefits to the American farmer, taxpayer and consumer. It is this most important balance of benefits that have made this program so successful and offer a breadth of support unmatched by any program in the area of foreign affairs.

When Senator Andrew Schoeppel of Kansas first introduced the food for peace concept, the Senate Committee on Agriculture and Forestry immediately recognized the ingenuity of using our abundant agricultural productivity to bolster our balance of payments through farm sales abroad, while, at the same time, meeting the immediate food requirements of the developing world. Since then, the committee has provided the leadership in structuring the program to meet changing needs and the changing supply situation.

It is with great interest that the Committee on Agriculture and Forestry participates in the current effort to improve the benefits of this program to producers and consumers alike. In fact, our committee, last February had committed itself to completely review all aspects of Public Law 480. Many of the concepts which are contained in title II of H.R. 9005 have been derived from the work of our committee and certain bills pending before it.

It is the intention of the Senate Committee on Agriculture and Forestry to continue its review of Public Law 480.

Mr. President, I ask unanimous consent that a short explanation of title II and section 311 of H.R. 9005 be placed in the Record at this point, along with a complete list of the amendments made by the Committee on Agriculture and Forestry to these two parts of the bill.

There being no objection, the article was ordered to be printed in the Record, as follows:

Short Explanation

Title II and section 311 of H.R. 9005, as amended by the Committee on Agriculture and Forestry, would amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The principal provisions would—

(1) Expand the statement of the purposes of Public Law 480 to include certain humanitarian and other policy objectives.

(2) Authorize the President to credit, or grant back up to 10 percent of Title I loan repayment obligations if proceeds derived by the recipient government from the sales of Title I commodities are used for certain specified self-help purposes.

(3) Provide more general authority for the President to waive the prohibition of Title I sales to countries trading with Cuba or North Vietnam.

(4) Establish a minimum volume of food assistance to be distributed under Title II of 1.3 million metric tons, of which a minimum of 900,000 metric tons would be distributed through nonprofit voluntary agencies and the World Food Program.

(5) Place limitations on the circumstances under which commodities donated under Title II may be sold by the recipient government.

(6) Permit members of the joint executive-legislative Public Law 480 advisory committee to appoint representatives to serve in their place.

(7) Add a new Title V containing provisions to increase the participation of the land-grant colleges and other universities and colleges in solving the food, agriculture, and nutrition problems of the developing world.

Title II of H.R. 9005, as amended by the Committee on Agriculture and Forestry, would also—

(1) Require, for fiscal year 1976, that at least 70 percent of the food commodities distributed under Title I of Public Law 480 be allocated to countries most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad.

(2) Authorize and encourage the President to seek international agreement, subject to Congressional approval, for a system of food reserves to meet food shortage emer-

gencies and provide insurance against unexpected shortfalls in food production.

(3) Require a report on the implementation of the recommendations of the World Food Conference.

(4) Require the President to consult with the Agriculture Committees of the Congress in regard to negotiations involving agricultural commodities covered under farm price support and other agricultural programs of the United States Government.

LIST OF AMENDMENTS MADE BY THE COMMITTEE ON AGRICULTURE AND FORESTRY TO TITLE II (P.L. 480) AND SECTION 311, (LAND-GRANT UNIVERSITIES) OF H.R. 9005

The Committee amended Title II and section 311 in the manner that is described below. This list of amendments refers only to the differences between the bill as reported by the Committee on Foreign Relations and the bill being reported by the Committee on Agriculture and Forestry. It does not include technical and clarifying changes. For a more complete description of this Committee's actions, see the section of the report entitled "Committee Consideration".

1. (*a*) In the policy statement of Public Law 480 (section 201), the Committee modified the mandate that the President give priority to making food aid available to needy nations to the food aid required by those nations to meet their food requirements which they are unable to meet on a normal commercial basis.

(*b*) The policy statement was further modified to eliminate the requirement that aid-receiving countries emphasize labor-intensive, small-farm agriculture. Other provisions of Title II of the bill were changed to conform to this amendment.

(*c*) The Committee added to the policy statement the requirement that aid-receiving countries improve their facilities for transportation, storage, and distribution of food commodities. Other provisions of Title II of the bill were amended to conform to this amendment.

(*d*) The Committee added to the policy statement a new paragraph to direct the President to assure that the allocation of Public Law 480 resources is based on an assessment of commercial market potential for U.S. farm commodities.

(*e*) The Committee added to the policy statement the requirement that the President give appropriate recognition to, and support of a strong and viable American farm economy in providing the food security for the consumers of this Nation and the world.

2. The President is required to notify the Congress within 10 days of his intent to exercise the waiver of the prohibition on sales to countries trading with Cuba and North Vietnam.

3. The President must emphasize the sale of processed grain products, including blended and protein fortified foods, in sales of grain under Title I of Public Law 480.

4. The President is authorized to waive repayment of that portion of the value of a loan under Title I of Public Law 480 which represents the cost of processing high-protein blended or fortified foods.

5. The Committee deleted the requirement that the President transmit intentions to utilize releases and grant-backs (described in section 104 of Public Law 480) of U.S.-held foreign currencies to the Senate Foreign Relations Committee.

6. The Committee adopted an amendment which would prohibit the use of foreign currency proceeds from sale of commodities made available under Title I of Public Law 480 for the development of abortifacients or techniques of abortion.

7. The Committee adopted an amendment to direct that uses of foreign currencies under the "grant-back" procedure under Title I of Public Law 480 be directed at achieving the policy objectives of Public Law 480 (as well as the Foreign Assistance Act of 1961).

8. The Committee also made eligible the activities of the "farmer-to-farmer" program (section 406) under the "grant-back" procedure in Title I of Public Law 480.

9. Section 406 itself was also amended to vest responsibility for the "farmer-to-farmer" program in the President, rather than the Secretary of Agriculture.

10. The Committee amended the "grant-back" procedure authorized under section 106(b) to limit, for each fiscal year, payments to not more than 10 percent of the total value of each agreement.

11. The Committee amended the provision of H.R. 9005 regarding assistance to "most seriously affected countries" to—

(*a*) Make it a 1-year provision rather than a permanent part of Public Law 480;

(*b*) Reduce the requirement that 80 percent of Title I, Public Law 480, food aid go to "most seriously affected countries" to a 70 percent requirment; and

(*c*) Authorize the President (rather than the United Nations) to determine which countries are most seriously affected by inability to secure sufficient food. The President would be required to base his determinations on certain criteria prescribed by the bill. The President would be required to submit his determinations to the appropriate congressional committees within 30 days.

12. The Committee adopted an amendment to section 408 of Public Law 480 to change the annual report required by that section from a calendar year to a fiscal year basis.

13. The Committee modified the reporting requirement for "a revised global assessment of food production and needs" by changing the report deadline from October 1 to November 1.

14. The provision which authorizes and encourages the President seek agreement on an international system of national reserves was modified by the Committee to delete the word "national" from the phrase "national food reserves" and provide that any such agreement would be subject to congressional approval.

15. At the end of Title II of H.R. 9005, the Committee added a new section amending section 22 of the Agricultural Adjustment Act of 1933. The new provision provides that the President shall consult with the Agriculture Committees of the Congress, whenever possible, before entering into discussions to negotiate any international or trade agreement affecting any agricultural commodity covered under domestic price support or other domestic farm programs of the United States Government. The President is to continue to keep the Committee informed of all matters relating to such discussions at least every 90 days during the course of these discussions. The new provision does not apply to agreements specifically authorized under existing statutes.

16. The Committee amended section 311 of H.R. 9005 to structure the provisions relating to land-grant and similar institutions as a new title of Public Law 480 rather than a new title of the Foreign Assistance Act.

17. The Committee amended the definition of the institutions eligible under section 311 of H.R. 9005 to permit community colleges, which would otherwise qualify, to participate in this program.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

Mr. ABOUREZK. Mr. President, will the Senator withhold that request?

Mr. TALMADGE. Yes. I withhold it.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Alan Chvotkin, a member of my staff, be granted privilege of the floor during this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I yield to my distinguished friend from Kansas.

Mr. DOLE. Mr. President, I ask unanimous consent that Robert Downen and Claude Alexander be granted privilege of the floor during consideration of H.R. 9005.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I yield to my distinguished friend from Oregon.

Mr. HATFIELD. I thank the Senator from Georgia.

Mr. President, I ask unanimous consent that Wes Michaelson, of my staff, be granted privilege of the floor during the discussion on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I listened with great interest to the distinguished Senator from Georgia. We covered much of the same ground in our statements.

Mr. President, the Congress and this Nation accepted an obligation 21 years ago to provide foreign food assistance to less fortunate peoples than our own with our bountiful agricultural resources. In 1954, the 83d Congress set forth the policy under Public Law 480 which is as valid today as it was then.

Mr. President, I am pleased to join the chairman of the Committee on Agriculture and Forestry in support of title II and section 311 of the International Development and Food Assistance Act of 1975 (H.R. 9005), those sections of the bill over which the Committee on Agriculture has jurisdiction. I am confident title II, amending Public Law 480, the food for peace program and section 311, the famine prevention provision, have been greatly improved by committee amendments. I join the chairman in asking my colleagues of the Senate to support these improvements.

Essentially, our amendments complement other original provisions of the House-passed version in that we recognize the growing demand for food in the world and that the United States can best help meet that need by sharing both food and the knowledge of how to produce food. In recent years we have gone from a surplus, controlled production position in food stocks to an all-out, expanded production position. We no longer spend a million dollars a day of taxpayers' money for surpus grain stocks, but instead have sold those stocks and billions of bushels more to hungry people in foreign countries. We still have adequate supplies and we still continue to share them with other nations—to those who can afford to buy and to those who are not completely financially capable. This legislation is concerned with this latter group of nations.

There is still tragic evidence that vitamin and protein deficiencies are robbing many people throughout the world of their productive capacities. Malnutrition takes its worst toll in the first 5 years of human growth, blunting the physical development of preschool children, and very often retarding their mental growth as well. In countries where food shortages are both chronic and widespread, this irreversible process affects up to 50 percent of the infant population.

IMPROVED NUTRITION PROVIDED

New provisions of this bill will provide better nutrition to millions of youngsters in many lands through a unique partnership between the public and private sectors of this country. Now, blended improved high protein foods can be sold with new incentives under title I of the act.

These youngsters will have a better chance of survival to adulthood and a productive useful life: and, as a result, their countries have a greater hope of economic progress—and the world a greater hope of peaceful existence.

SUPPLEMENTS VOLUNTARY PROGRAMS

They are the youngsters fortunate enough to be included among the organized child-feeding activities of America's great voluntary agencies for overseas relief and rehabilitation, organizations such as CARE, the Protestant Church World Service and Lutheran World Relief, Catholic Relief Service and its Charitas counterparts, the American Jewish Joint Distribution Committee, and a number of similar privately supported humanitarian organizations helping to carry out the U.S. Government's food-for-peace program. This bill will assure these voluntary agencies and the world food program a minimum of 900,000 tons of food aid annually.

We need to advance to the goal that has been sought by all men since before the dawn of human history. Long before men formulated slogans—indeed, before they had developed much use for words—they sought to allay hunger. Thus, the policy we set forth in Public Law 480 is to fill one of the most basic needs common to all mankind.

Mr. President, we have seen many nations receive food donations under title II of food for peace convert over the years through title I concessional sales purchased to regular cash buying customers for our agricultural commodities. Japan is perhaps the best example of such a transition from donations to our largest single customer for these commodities.

With the new section 311 of the bill, this program will be improved so that we may also share more of our agricultural technology with the nations to help them help themselves in food production to prevent famine. The program will authorize our land-grant colleges to lend their expertise in food production to these nations. Still another provision will authorize the farmer-to-farmer program under which American farmers will visit these nations and work directly with their farmers in improving food production, processing, and distributing abilities.

FARMER-TO-FARMER PROVISIONS

The farmer-to-farmer provisions to the food-for-peace program were made part of the law—section 460—in 1966, but have never been implemented. The new provisions enable the administration to utilize the program as an incentive to nations that need more food. The administration will now be able to utilize the farmer-to-farmer program in conjunction with other foreign assistance programs in a manner which will complement a comprehensive self-help effort in lesser developed nations.

The program will bring a new flexibility to foreign aid. Today's American farmer is a businessman, a food distributor, a food processor, a community leader. He will take a broad range of talents and practical knowledge with him which will assist individual and groups of farmers and rural areas in general.

He can teach: How to improve cultivation practices; how to use improved seed; how to improve harvest techniques; how to store and market commodities; how to initially process some commodities on the farm or through a local group of farmers working together; and how groups of farmers may work together to organize various groups such as we know here as conservation districts, extension councils, or local processing or storage cooperatives.

PRACTICAL EXPERTISE ESSENTIAL

Our farmers have a wide range of expertise from which to draw. The program must be administered so as to draw on the proper practical and appropriate expertise to fit the needs of the nations desiring help. The program would be carried out with the cooperation and participation of U.S. organizations and institutions best qualified and experienced in American agriculture and in the transfer of technology to developing countries. This would include coordination and utilization of Peace Corps and AID personnel as well as other participating organizations and institutions such as our land-grant colleges and universities, other educational institutions and private organizations offering resources relevant to the program.

The matching of personnel to fit the specific needs will be difficult, but the appraisal of the need first will require intimate knowledge of the people involved. Selection of participants should not necessarily be on the basis of advanced educational degrees so often used as criteria. In some cases older farmers with considerable practical experience could best serve the need. In other cases, a program utilizing the youth and energies of the 4-H foundation or the Future Farmers of America or other comparable groups of farm youth would be more appropriate. Possibly a farmer who has management knowledge of commodity processing or storage would be best suited to deal with particular problems in a special climatic region. It is entirely possible that a community leader could be needed to organize farmers to accomplish a project as a group which would benefit each individual.

Assessment of need, recruiting of personnel, prior training to minimize disruption to social customs and language barriers are all principle considerations to the proper administration of this program. It will take time, but is well worth the effort and can result in providing the proper incentives to make lesser developed nations more self-sufficient.

Mr. President, I sincerely urge my colleagues to support the improvements the Agriculture Committee has made to this legislation. These changes will lend great support to the hungry people of other nations and further enhance our position of agricultural leadership in the world.

Mr. CASE. Mr. President, may I ask if the Senator from Iowa wishes to speak at this time?

Mr. CLARK. Mr. President, I would like to make a very brief statement.

Mr. CASE. On the time of the Senator from Minnesota.

The PRESIDING OFFICER. There is no time limitation.

The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I ask unanimous consent that Jodie Levin-Epstein and Marianne Albertson of my staff have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, this foreign assistance legislation deserves the full support of the Congress.

Two years ago, Congress made a commitment that U.S. development assistance would be focused on helping the poorest people of the world. This legislation reaffirms and strengthens that commitment.

A year ago, the international community decided at the World Food Conference to make a major joint effort to solve the growing world food problem. This legislation commits the greatest share of U.S. development assistance to that effort.

I think it can be improved and intend to offer an amendment to do so later, but I think the bill as a whole is excellent. It has great emphasis on world development, on nations developing their ability to feed themselves.

Two months ago, at the seventh special session of the United Nations, a new spirit of cooperation replaced the old one of confrontation in the economic discussions between the United States and the developing countries. This legislation is proof that the United States is willing to commit some of its resources to the new cooperative effort to solve the world's economic problems.

Today, the Senate will decide whether to make this investment in foreign assistance. It is an investment in a better future for the world's poorest people. It is an investment in the ability of the world's poor to feed themselves at a time when the world's rich are demanding an ever greater share of the agricultural production. It is an investment in the economic development of countries whose natural resources we need to keep our own economy going. In short, it is an investment we cannot afford not to make.

The most important feature of this legislation is its emphasis on development in the rural areas—where the vast majority of the world's poorest people live. We have learned, along with the rest of the international donor community and the developing countries themselves, that trickle down does not work. Many countries have invested heavily in industrial development only to see their agricultural production decline and their dependence on imported food and industrial goods increase. Many large hospitals have been built but have not provided the majority living in rural areas with even the most basic health care. Much has been invested in education, often with the result that a few are prepared for jobs that do not exist in their countries while the many have received no training in basic skills that could greatly increase their incomes.

Many have concluded that development must begin with the vast majority who are poor rather than with the few who are wealthy—that is with the small farmers. This is where foreign assistance should be focused not only for humanitarian reasons but also for economic reasons. Most developing countries rely on agricultural exports for the foreign exchange they need in all areas of development. Agricultural development is the key to solving the problem of having to import food when foreign exchange is badly needed for development. Training and education that will improve small farmer productivity will have particularly high returns for countries whose economies are predominantly agricultural. And health services aimed at delivering basic preventative care to the majority in the rural areas will not only have the greatest effect on the health and productivity of the people, but also on population control efforts.

I recently visited several African countries, and it was clear that agricultural development was very important to each of them. Between 80 and 90 percent of their populations were living in rural areas. Tanzania decided some time ago to give agriculture the highest priority in its economic development effort. It is now in the process of moving people from isolated, single-family dwellings into villages where they can be provided with education, health services, agricultural inputs, and marketing facilities. Tanzania's development priorities are very close to those in this bill. It is concentrating on the rural masses rather than on the urban elite. It is trying to become self-sufficient in food production rather than in industrial production. It is attempting to provide basic health services and education for everyone rather than elaborate services for the few. Representatives of the Tanzanian Government recognized that this kind of development would be a long, slow process. When there is nothing to begin with, it is harder to provide even the basic essentials for everyone than it is to build great wealth for a few. Tanzania demonstrated that the approach to development in this bill will not result in large, impressive projects that can be completed overnight. But it did prove that this approach to development is right, because the poorest people were gaining access to education, training in new farming methods, and health services.

Zambia and Zaire are just now beginning to focus on their agricultural development needs. Both countries have relied heavily on copper for their income and have invested much of their earnings in mining and industry. As a result, both have had to increasingly rely on imports for food, capital equipment, and industrial raw materials. In Zaire, much of the population is malnourished and totally left out of the development process, even though the economic growth rate has been high. With the fall in copper prices, both countries have realized that they have to invest much more in developing their rich potential in agriculture and their vast, untapped human resources in the rural areas.

This bill includes some important new initiatives in strengthening U.S. commitment to world agricultural development. First, it ties food aid to self-help in agricultural production. It instructs the President to take into account a country's own efforts to increase its food production in allocating Public Law 480 food aid. It also enables the President to forgive a portion of a country's Public Law 480 title I debt if that money will be used for agricultural development. It is very important that agricultural development be included in this way in U.S. food aid. Food aid has been used in the past by some countries in a way that discourages their own agricultural production. They have relied on cheap food from abroad to keep their own food prices down, thus discouraging their farmers and increasing their reliance on food imports. At a time of growing world food scarcity, U.S. food aid must be used in a way that will encourage world food production.

A second important contribution this legislation makes to world agricultural production is the provision of $200 million for the International Fund for Agricultural Development. The contribution will come from the reflows from prior aid loans. This is an important multilateral effort, involving the newly rich oil-producing countries as well as the industrialized states, to solve the problem of world hunger. It is fitting that the income generated from economic development assistance be ploughed back into this multilateral fund.

This legislation will improve U.S. efforts to help small farmers by initiating research in intermediate technology. Most research in new technologies is done in industrialized nations where labor is scarce and capital is abundant. If we are to effectively contribute to world economic development, however, we will have to use some of these research skills in developing technologies that are appropriate to the labor-intensive, capital-scarce economies of the less developed countries. A small, easily managed farm implement can greatly increase production where larger, complicated machinery might simply replace workers without increasing yields.

Finally, this legislation provides for $50 million of this year's reflows from past aid loans to be used to help the drought-stricken nations of Africa to begin economic recovery. These are among the poorest countries in the world. Their farmers and nomadic herdsmen have been using the same production techniques for centuries. Their water resources go largely untapped. An investment in agricultural development in these countries will make the desert bloom. It will enable those who have relied heavily on international food aid to feed themselves. The drought in the Sahel cost the international donor community $900 million. If it happens again in 1985, it will cost $3 billion. The investment this bill makes in agricultural development in Africa and throughout the world is obviously well worth it.

Mr. President, this legislation provides the kind of foreign assistance the American people can and will support. None of the money in this bill goes for military assistance. Rather, it will go directly to the world's poorest people. It will go to the fight against hunger, ignorance, and disease. It will use the tremendous agricultural research and technological resources of this country in the effort to increase world food production. It not only provides the most effective kind of bilateral assistance, but also increases this country's participation in important multilateral efforts. I am confident that this legislation will be enthusiastically supported by the American people and the Senate.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I am about to make a very important point of order. Before I do so, I wish to have Senator HUMPHREY, the manager of the bill, present.

Mr. TALMADGE. Will the Senator yield at that point?

Mr. INOUYE. Yes.

Mr. TALMADGE. Senator HUMPHREY indicated to me, when I was presenting my brief remarks, that he had to visit with an important constituent. He suggested that I ask for a quorum call and he would return to the Chamber. I did so, but he has not yet returned. I would suggest that we have a quorum call at this time and ask the aides in the Chamber to see if they can locate the Senator.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Hawaii.

Mr. INOUYE. Mr. President, with great reluctance I rise to raise a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. INOUYE. Mr. President, I raise a point of order with reference to section 492(d), (page 5, line 17) and section 302(e) (page 23, line 6), authorizing funds "to be made available" which violates section 401(a) of the Budget Act, Public Law 93-344, which states:

> It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts.

The PRESIDING OFFICER. The Chair rules the point of order is well taken under section 401(a) of Public Law 93-344. Therefore, the bill cannot be considered.

What is the pleasure of the Senate?

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I understand the concern that the Senator from Hawaii has expressed. Might I say most respectfully that in the other body, and I say this to the Parliamentarian, as the Parliamentarian knows, the ruling of the Parliamentarian was that the language was in order in the bill.

This is the language from the other body, but we have our own rules; I understand that.

I suggest to the Senator from Hawaii that the report indicates what has been our practice, that the use of funds for these purposes, whatever the purposes as outlined were, would of course be contingent upon the appropriations action. So it might be, if the Senator will withhold his point of order, that we might be able to reconcile our differences here, because there is no desire to escape the appropriations process.

For example: On line 6, the language "after July 1, 1975, are authorized to be appropriated for each of the fiscal years 1976 and 1977" instead of "authorized to be made available."

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that to vitiate the point of order and the rulings would require unanimous consent.

Mr. HUMPHREY. Well, there is nothing that would prevent the Senator from Minnesota from making an amendment, is there?

Mr. INOUYE. Mr. President, if the Senator will yield, I know that this procedure is rather drastic. I know this is the first time this section has been reviewed by this body. But I can assure the Senate that the Appropriations Committee will handle this provision expeditiously, and it should be brought back to the Senate floor not later than this weekend.

We have great concern over the matter of reflows and back door financing. The bill as reported is in violation of the Budget Act. Furthermore, it exceeds the limit set forth by the Budget Committee by $392,000,000. The Appropriations Committee is also quite unhappy with the treatment of the operating expenses account. Therefore, we would like very much in accordance with the Congressional Budget and Impoundment Control Act, to take jurisdiction of this bill and to return it to the floor at an appropriate time.

Mr. HUMPHREY. Mr. President, let me say most respectfully that each year the Appropriations Committee has in fact always appropriated these reflows. We are not going to violate the budget act at all. The House of Representatives is subject to the same act; it is a public law. The House passed this bill with this provision in it. All appropriation bills originate in the House.

Our report on this particular measure says that the use of these funds for these purposes would, of course, be contingent upon the appropriations action; and, speaking for the committee, if there is any concern that the distinguished Senator from Hawaii has, on line 6 on page 23, if the Senator will look at those words, what it says is:

"after July 1, 1975, are authorized to be made available for each of the fiscal years".

I do not see how there could be any doubt at all that the jurisdiction of the Appropriations Committee is fully preserved there in specific language, even as it has been fully preserved in precedent and tradition.

Mr. INOUYE. Mr. President, before addressing myself to the amendment suggested by my distinguished friend, I would like to have the Senate note that from fiscal year 1962 to fiscal year 1975, the reflows that we are speaking of for AID amounted to a grand total of $1,299,923,000. That is not peanuts. It is big money, money over which we have had no jurisdiction.

Mr. HUMPHREY. Let me say most respectfully that this is money over which the committee has had jurisdiction. These are moneys that they have appropriated.

Mr. INOUYE. They were loan reflows. They were not appropriated in the fiscal year in which they were used. Second, according to the estimates submitted by AID, from fiscal 1976 to and including 1980, we would have reflows in the amount of $2,554,000,000.

Mr. HUMPHREY. That is correct.

Mr. INOUYE. These are large sums of money.

Mr. HUMPHREY. Large sums of money, and that is why in this language we are authorizing their use only on the basis of the appropriations process. We authorize them for specific purposes, such as for the International Fund for Agricultural Development the sum of $200 million. But it is not to bypass the Appropriations Committee. And I think it should be noted that when this point was raised in the other body, the chairman of the House International Relations Committee rose in opposition to the point of order.

He noted some of the same points that are being made here. Here is the House debate. He said:

> The committee does not intend that these funds be exempt from the appropriation process, as can be seen from the following language. The clear language of the bill, Mr. Speaker, proposed in section 103 specifically provides that amounts repaid are authorized to be available for use and authorized for appropriation. It does not provide that they be available for use as an appropriation.

In other words, for use as an appropriation; it provides that they be authorized first, and then the Appropriations Committee works its will in the appropriations process.

Then Representative BAUMAN, who was raising the point of order, said:

> I am making the point of order for the express purpose of preventing the consideration of the bill, inasmuch as the public law to which I have referred says that it shall not be in order for either House to consider a bill which contains such a provision.
>
> I would, therefore, in response to the statement of the chairman of the committee, refer to the committee report on page 46 which says:
>
> The third subsection added to section 103 authorizes repayments on prior year aid loans to be made available for specified purposes.
>
> This would remove it from the appropriation process.

The Speaker then said:

> The Chair is ready to rule. The gentleman from Maryland is making the point of order that the portion of the bill under section 302(e) constitutes new pending authority and violates section 401(a) of the Budget Act, Public Law 93-344.
>
> The Chair has reviewed the language shown in the bill and in the report which shows that it is subject to the appropriation process because the whole intent and thrust is predicated on the words "are authorized to be made available." In other words, the reflow funds are to be appropriated by the Committee on Appropriations and by subsequent legislative actions and not as a result of the passage of this bill.

Last year, in the Foreign Assistance Appropriations Act, the language read as follows:

> Food and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, $300,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended.

Section 203 is the loan reflow authority. Furthermore, it goes on, in the matter of population planning and health, development assistance, with the same proviso, reading:

> *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans.

So, Mr. President, my point is that in last year's act and every appropriations bill, this language has obtained, namely, that the Appropriations Committee takes jurisdiction over the use of the reflows. There is nothing in the act that automatically permits the reflows to be used without regard to the Appropriations Committee.

In order to make that very clear, if there is any doubt, despite the fact that the other body, in which appropriation acts originate and to which the same budget act applies, did not support the position taken by the Parliamentarian and the Chair here today, but in order to clarify it, I propose and urge upon my friend, the Senator from Hawaii, that on page 23, line 6, where we use the words "are authorized to be made available," we strike out the words "made available" and say "are authorized to be appropriated" and in that way we have full and complete control in the Appropriations Committee under the terms of the Budget Act.

The PRESIDING OFFICER. The Chair advises, in that regard, based on the point of order originally made and the ruling by the Chair, that the bill is not before the Senate to be so amended, unless by unanimous consent, and the point of order would be withdrawn, even though that would allow the point of order to be raised again, but, if by unanimous consent the point of order were withdrawn, the Senate could move to consideration of such an amendment.

Mr. HUMPHREY. I wish very much to have a chance to visit with the distinguished chairman of the Subcommittee on Appropriations. I say that the bill has been on the calendar for a considerable period of time. The Committee on Foreign Relations never had any indication of this. We had seen that this problem was met in the other body, on the subject of reflows. We are fully cognizant of the budget act, and this bill is within the budget targets.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. HUMPHREY. I yield.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL THE HOUR OF 11:30 A.M., WEDNESDAY, NOVEMBER 5, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until the hour of 11:30 a.m., Wednesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Robert Turner, of my staff, have the privilege of the floor during the consideration of this bill and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BEALL). Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent to withdraw my point of order.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that his point of order be withdrawn?

Mr. INOUYE. I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, in light of the discussion which we have had, both here and in the colloquy, as well as our private discussions, I now move, on page 23, on line 6, after the words, "to be," to strike the words "made available," and insert in lieu thereof the word "appropriated." The line will then read: "and after July 1, 1975, are authorized to be appropriated" for each of the fiscal years, and so on.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, on page 5, on line 17, I move to strike the words "made available," and insert the word "appropriated."

On line 21 into line 22, I move to strike the words "from the funds made available pursuant to section 103(e) of this act,". The language will then read, on line 17, "There are authorized to be appropriated"; on lines 21 and 22, the language will read "be necessary for fiscal year 1977, which amounts are authorized to remain available until expended."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MUSKIE. I would like to put this question: As I understand the bill, according to the floor manager, total authorizations were $1,325,000,000.

Mr. HUMPHREY. I believe that is the correct figure, yes.

Mr. MUSKIE. These reflow moneys were not reflected by that number. The effect of the Senator's amendment, then, is to increase that number by the amount of the reflow moneys.

Mr. HUMPHREY. No, only if they are appropriated.

Mr. MUSKIE. I know. But under the spending practices of the Government we have two kinds of commitments to spend: Budget authority and outlays. Now, actual appropriations will produce outlays, depending on the spend out rate.

Mr. HUMPHREY. The Senator is correct.

Mr. MUSKIE. But the total commitment is budget authority which has never been reflected by the reflow money in the budget documents or the other instruments in which we record the financial commitments of the Government.

By converting this to an appropriation it seems to me you are increasing the authorization beyond $1.325 billion by the amount of $353 million in fiscal 1976 and $403 million in fiscal 1977. In other words, you are eliminating the distinction between the authorization to spend the reflow and the authorization to spend from the Treasury.

Mr. HUMPHREY. Yes. In other words, for example, there would be an item here for the Sahel, one item of $50 million, as I recollect. Therefore, that would be an increased authorization.

Mr. MUSKIE. If my interpretation is correct, then, the effect of this amendment would put us over the budget authority target.

Mr. HUMPHREY. May I say to the Senator, according to the Senator's latest score card it would be $400 million below the projected outlays.

Mr. MUSKIE. On outlays, yes.

Mr. HUMPHREY. Yes.

Mr. MUSKIE. But at budget authority we are on target, $4.9 billion.

Mr. HUMPHREY. Right.

Mr. MUSKIE. On outlays we are under by $400 million.

Mr. HUMPHREY. $400 million.

Mr. MUSKIE. But that $4.9 billion does not reflect the $353 million in reflow of money. This cannot be recorded until the Appropriations Committee acts.

Mr. HUMPHREY. Correct.

Mr. MUSKIE. But reflow moneys have always been recorded in a different way. They show up in the outlay column, but not in the budget authority column. That is one of my objections to the use of reflow moneys in this way.

Mr. HUMPHREY. May I say to the Senator from Maine, of course, he makes a very valid point. I want to point out, however, that we do preserve the integrity of the appropriations process, which was one of the dangers that was involved in reflow money before.

Second, we will undoubtedly in the military assistance bill, which will be before us very shortly, make rather substantial reductions. That is at least the way the current view of the committee seems to be.

Mr. MUSKIE. If we want to make this whole process operate effectively, we ought to eliminate the reflow mechanism and eliminate any possibility of confusion.

I would remind Senators that we have the new security assistance request from the administration; there is not much room here. We are going to have to breach the budget authority target to accommodate the security supporting aid package, most of which is designated for the Middle East confrontation countries. Anything we can save here will be all to the good when we reach the point where we have to fund those Middle East requests that the administration sent over last week.

Mr. HUMPHREY. I am sure the Senate is going to have to make some re-evaluations of some budget targets with the budget request of the administration as to the Middle East.

Mr. MUSKIE. That is why I am trying to squeeze a little money out of this.

Mr. HUMPHREY. No. 2, the Committee on Appropriations is going to squeeze a little out of the assistance and grant money from the administration's request, there is not a shadow of any doubt in my mind. We will be well within any budget target. I am sure, the Committee on the Budget lays down before us on foreign aid matters, no doubt about it.

Might I also say that the amendment we adopted on page 5, lines 21 through 22, provides a specific authorization for $50 million that would otherwise be taken from reflow funds.

Mr. MUSKIE. What is left——

Mr. HUMPHREY. It makes a difference of $50 million, I should say.

Mr. MUSKIE. What is left is $353 million.

Mr. HUMPHREY. I believe that is about correct.

The Senator means the new authorizations, with the reflow funds?

Mr. MUSKIE. That is right. The total amount.

Mr. HUMPHREY. About $353 million.

Mr. MUSKIE. Added to $1.3 billion. In other words, if this were treated——

Mr. HUMPHREY. May I say, Senator, if it were all used.

Mr. MUSKIE. No, but this is an authorization, of course. The total bill is subject to the appropriations process.

Mr. HUMPHREY. Of course.

Mr. MUSKIE. And the distinguished Senator from Hawaii will influence that. But, nevertheless, the total amount involved now, given the Senator's amendment, should be clearly reflected on the face of the bill as $1.325 billion plus $353 million, if Senators want to know exactly how much money is being committed.

Mr. HUMPHREY. May I say the difference is we are just listing out exactly what is in the bill rather than having the confusion that was before with the reflow not being accounted for.

Mr. MUSKIE. Will the Senator answer this question for me: If, in fact, the intent of this amendment is to eliminate the confusion between the use of reflow money and the use of Treasury money directly, what is wrong with going the whole way and simply using the authorization of Treasury money so that there is no confusion?

Mr. HUMPHREY. An amendment will be offered by the Senator from Idaho (Mr. CHURCH) on this very item. But we have not in the committee report, may I say, attempted to disguise this at all. The committee in its report says:

> The committee estimates that the cost of implementing this bill will be approximately $1,678,000,000 for FY 1976.

And we point out this, as compared to what you might call the budget items, the different things in the reflow, that is, in terms of authorization of use of reflows.

The use of reflows authorized by this bill are subject to the appropriation process. They are not automatically available simply because their use is authorized.

Mr. MUSKIE. I compliment the Senator on that, but that would be subject to the appropriation process in any event. It has always been subject to the appropriations process.

Mr. HUMPHREY. I have said that, but there was some doubt about it here.

Mr. MUSKIE. Where the confusion arises is not on that point. The confusion arises out of the fact that when the use of these funds is authorized, the amount of these funds is never included in any totals disclosing the obligational authority which has been approved by the Congress.

Mr. HUMPHREY. Might I say——

Mr. MUSKIE. It never appears in that column, and as a result there is a tendency to confuse the question, whether or not this is subject to the appropriations process.

Mr. HUMPHREY. We have eliminated any confusion about the appropriation process.

Mr. MUSKIE. I do not think we will have changed the bookkeeping on it.

Mr. HUMPHREY. Second, the committee report itself stated what the total cost would be of the bill.

Mr. MUSKIE. Will not have changed the bookkeeping on it.

Mr. HUMPHREY. That is because the bookkeeping is not good then.

Mr. MUSKIE. I do not create bookkeeping.

Mr. HUMPHREY. May I say that there was no attempt on the part of the committee to be deceptive on the part of the bookkeeping.

Mr. MUSKIE. Would the Senator then come back to my question. If this is as straightforward in the Senator's own mind, using appropriations directly, why bother with the reflow mechanism at all? Why not just add this amount to the authorization?

Mr. HUMPHREY. It is agreeable to me.

Mr. MUSKIE. And then make it all identical.

Mr. HUMPHREY. I am perfectly agreeable. I have no objection to that at all, if that is what the desire is.

The point is that it is a reflow from funds that have been loaned out. It is not as if someone is being denied the revenue of those funds. They come into the Treasury and they are subject then to the appropriation process.

What the Senator from Maine is suggesting is to eliminate the reflows, put the items in just as they are and add them into the budget authority, which would give a clear budgetary picture of the actual amount of authorized funds.

Mr. MUSKIE. Let me point out what happens if one does that.

Mr. CHURCH addressed the Chair.

Mr. MUSKIE. That response comes out of the Senator's generous heart.

With respect to the bookkeeping involved, the President's request, covering this bill, is $1,293,000,000.

Mr. HUMPHREY. But, wait a minute, he had——

Mr. MUSKIE. If we add and do what I suggest on reflows——

Mr. HUMPHREY. We have included in this bill items which the administration has asked us to include for certain other purposes which were not in the original budget request.

Mr. MUSKIE. But not the reflow money.

Mr. HUMPHREY. No.

Mr. MUSKIE. His request does not cover the reflow money.

Mr. HUMPHREY. No; but the President's request covering the reflow——

Mr. MUSKIE. The $1,293,000,000 would have to be increased by the $353 million which puts us over the budget target.

Mr. CASE. Will the Senator permit an intervention?

Mr. MUSKIE. Yes.

Mr. CASE. I think that the Senator from Maine will have to recognize that in order to accomplish this budget tightening operation, that is to say, insuring that the Appropriations Committee has a veto or—on the appropriation of any of this money so made available here, that we do have to raise the budget ceiling by the amount we are putting in here, and that that is not a breach of the ceiling. It is a recognition that we are bringing within the budget process expenditures which, really, as far as availability went were not, and, therefore, he should not feel that this is breaching the ceiling in any sense.

The ceiling should be raised automatically by this action to the extent of these reflows.

Mr. MUSKIE. It is a breach of the ceiling because the law with respect to reflows did not permit their use for this purpose when the budget ceilings were set. The Senate, of course, can vote, as it has in the past, to make them available for that purpose.

The law covered by the budget ceilings was set on the assumption that the numbers of 1.3 billion was the amount that we were talking about for authorization in this field.

If that authorization number is going to be increased, either using reflows in the way they were before the law was changed or converting reflows to regular appropriation authorizations, the total amount then is above what the concurrent budget resolution assumed.

Mr. CASE. I would suggest to the Senator that what we did in the Foreign Relations Committee in respect to this matter when we made our estimates, which were given to the Senator's committee for the purpose of arriving at their final figure, was to exclude this because it was expected that this amount would be outside the budgetary authority and in addition to it, and if we are going to change the rules on that matter then we ought to change them openly and frankly.

Mr. MUSKIE. The law at that time did not permit the use of reflows.

Did the letter from the Foreign Relations Committee explicitly recommend changing the law on reflows?

Mr. HUMPHREY. We will get the letter for the Senator. I will have the chairman (Mr. SPARKMAN) here, but let us see what it says. I believe the letter did indicate the use of reflows. We will get the letter here for the Senator in a minute.

Mr. MUSKIE. We will check it out, but our recollection is that no mention was made of reflows in Chairman SPARKMAN's letter to me of March with regard to the President's budget request.

Mr. CHURCH. Will the Senator yield to me just to clarify something?

Mr. HUMPHREY. I am just being told by staff that our recent response to the committee did tell the Budget Committee of the use of reflows, the projected use of reflows.

Mr. CHURCH. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. Yes.

Mr. CHURCH. Because I do have a problem to get back to a committee, but I would like to speak for a moment on this.

Mr. HUMPHREY. I yield to the Senator.

Mr. CHURCH. I appreciate the generosity of the Senator.

This has been an old fight. We have been trying to stop back-door financing on this program for a long, long time. I thought we had it stopped last year finally when we adopted an amendment that I sponsored which finally required that repayments from foreign governments go back to the Federal Treasury and not be recycled once more into the foreign aid program.

When we did that, the distinguished Senator from Minnesota applauded it just last year, when the amendment was adopted. He said in connection with it:

> This is an extremely important amendment and a distinct contribution to this legislation. I do believe that Congress should have control over the recycling of the funds and I believe that the Committee on Appropriations should be the authority and the power to decide the amount of the funds to be appropriated, not to be just backdoor financing. Therefore, as the manager of the bill, having consulted with our colleagues here on the other side of the aisle, we are more than pleased to accept it and I want to thank the Senator from Idaho for his amendment.

When that amendment was finally passed, I thought we had put an end, once and for all, to back-door financing, but at the next opportunity a bill brought to the floor of the Senate has a footnote in it which has $353 million added to the face of the bill this year and $403 million next year.

That is footnote foreign aid and I think it must break all records in the history of footnotes.

Mr. HUMPHREY. Now, wait a minute——

Mr. CHURCH. In the way of cost.

Let me say this——

Mr. HUMPHREY. If the Senator will yield, because after all, there was no— it is not only a footnote, on page 15, in large print, it is not a footnote, so I want the Senator to know it is in two places.

I do not have any objection to what the Senator is talking about.

Mr. CHURCH. I am saying that we tried to put a stop to back-door financing and it is back in this bill once more. Every time one turns his head, it reappears.

Furthermore, nobody asked for this extra money. The committee comes in with a report that gives the administration every dime and more that they want for foreign aid and this is just one-sixth of the foreign aid package this year.

Nobody asked for this money. It was put in by the Foreign Relations Committee by footnote or otherwise, and it increases the administration's requests for economic assistance by 27 percent.

If that is not budget busting, I do not know what budget busting is.

If one wants to do that, remember, this is just the first of a series of bills. This bill does not involve Israel, it does not involve the Middle East, it does not invole all the additional payments we are going to be asked to take care of.

This is just the beginning, and by way of footnote in the beginning we are asked to increase the administration's request 27 percent.

If we start that way, we have got no chance to keep the budget. It is going to be blown sky high and that is why I am not very satisfied to be content once more to say, "Strike the back-door method because it is wrong." We tried to do it before and finally thought we had.

Strike the whole provision. We need that $353 million coming back to the Treasury this year. Instead of back-dooring it, let us open door it and let it flow back into the coffers of the Treasury. And we need the $403 million next year. The last thing we need is to increase the administration's request by 27 percent on the first foreign aid bill we have before us, equal to about one-sixth of the total.

I would hope that in addition to correcting the footnote aspect the Senate would adopt my amendment striking this additional three-quarters of a billion dollars out of the bill for the next 2-year period.

Mr. HUMPHREY. Mr. President, the Senator from Idaho is a very persuasive man. No. 1, I do not believe in back-door financing. That is why I believe in the Appropriations Committee process. There is a big argument as to whether or not the inflow of funds are back-door financing when they go through the Appropriations Committee process. I say that is not. Every Senator knows what he is voting for. It is not as if somehow or another they are just shoved along with our eyes closed and we do not know what we are doing. It is simply that insofar as the budget outlays were concerned, the out of reflow was not put in the budget item but is in the outlays which are laid down and appropriated by the Congress of the United States— appropriated. It is not something that is just handed along as if somebody is a good Samaritan or the national social worker. Let us get that cleared up.

As far as the amendment of the Senator from Idaho, I am perfectly willing to vote for it again much as I did before.

The second point I make is that the administration has asked, or plans to ask, for $200 million for the International Agricultural Development Fund, a proposal which came up after the budget had been presented to us. The additional $50 million for the Sahel is an item that is desperately needed and was put in out of consideration of the facts of life in West Africa.

I might also add that the very tight fisted other body of the Congress passed this bill with a larger amount of money than we have in it for the Senate, considerably larger, as a matter of fact. We reduced the House bill by a considerable sum of money.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. I want to say that no one is trying to disguise what the facts are.

On page 13 of the committee report under the cost estimates this committee tells the Senate what this bill has involved in it.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. Furthermore, I have said to the chairman of the Senate Appropriations Subcommittee on Foreign Assistance that a line item on items that relate to the administrative expenses is acceptable and desirable, and he will offer such an amendment.

The Senator from Idaho was not here earlier when we said that we were expecting his amendment. We knew that we would vote on it one way or another. What we were attempting to do was to clarify language which is presently in this bill and to make it very clear that we are not permitting what we call the reflows to be used exclusive of the appropriations process. We already adopted one amendment on page 23 of the bill. An amendment I just offered on page 5 I believe would be helpful. Then we can come to the amendment of the Senator from Idaho (Mr. CHURCH) on the whole subject of reflows. We will have it in proper sequence.

I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. On page 1 of the bill it says:

> The principal purpose of the bill is to authorize appropriations totaling $1,325 million for fiscal year 1976.

Mr. HUMPHREY. That is correct.

Mr. HARRY F. BYRD, JR. As I understand it, the actual authorization will not be that figure, but it will be $1,678 million.

Mr. HUMPHREY. It will be, with the reflows which we have indicated.

Let me just say nobody is trying to skin anybody and nobody is trying to deceive anybody. We have been following this procedure for many years. The other body voted to continue the practice. We have always felt that the use of the reflows was subject to the authorization process. This year I said, "Let us remove any ambiguity. My amendment makes that clear."

We are going to go up the hill and down the hill because there need not be this problem.

Mr. HARRY F. BYRD, JR. I do not agree with that.

Mr. HUMPHREY. The problem is the one which has been raised by the Senator from Idaho. We can reconcile it quickly. As far as the reflow funds are concerned, the Senator can offer his amendment again. My only point is I hope we will authorize the $200 million for the International Agricultural Development Fund, which is desperately needed.

Just the other day 66 nations agreed on an international food aid, and of that amount a similar amount of $200 million will be contributed by the Common Market countries. Fifty percent of the total package will be contributed by the OPEC countries. Two hundred million dollars will be contributed by the United Sttates. That can come out of reflow funds or it can be a separate item. It is all the Government's money. It all comes into the U.S. Treasury one way or another.

We make something so complicated that is really not that complicated. It is U.S. Government money, the taxpayers' money. The difference is that there is a certain amount of money coming back from the foreign aid loans. Of that amount of money that is coming into the Treasury under foreign aid loans, there is an authorization in this bill that a portion of that money be used for the International Agricultural Development Fund; that another $50 million of it be used for the purposes of relief in West Africa, in the Sahel.

The Senator from Minnesota said:

> I want to make sure the appropriations process works here because there is no requirement upon the Appropriations Committee to appropriate the amount that you authorize. You can authorize an amount and generally the appropriation is less.

The language of the bill as it came from committee might have had some doubts as to whether or not the appropriations process was to work its will.

It has always been my feeling that, of course, the appropriations process must work. Now the question is have we been deceptive? I say we have not been.

I repeat there is no law in the Senate that says we have to read only the first page of a report. As a matter of fact, it would be well for Members to read all of this report. If the Senators will read it all, they will see why this is a good bill.

On page 13 it gives the cost estimates and it says exactly what the cost estimates are. They are listed out there as $1,678,000,000. That amount of money, may I say, is not excessive.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. I believe the Senate has the right to assume that the figure on page 1 is the total figure.

Second, when the Senator from Minnesota reads from page 13 he read only part of it. It says:

> The committee estimates that the cost of implementing this bill will be approximately $1,678,000,000 for fiscal year 1976, plus amounts available from reimbursements and recoveries.

Mr. HUMPHREY. Yes; plus amounts "other than loan reflows which are included in this estimate" which we are talking about, loan reflows.

Mr. HARRY F. BYRD, JR. The point the Senator from Virginia would like to get clear is that the figure on page 1 is not the total authorization. It is actually $353 million more. Is that correct?

Mr. HUMPHREY. Might I say to the distinguished Senator from Virginia I believe the law requires the total cost estimate. That is why these paragraphs on page 13 are there.

Mr. HARRY F. BYRD, JR. I am just asking the Senator from Minnesota if he will confirm or deny that the total authorization is not what it says on page 1; that the total authorization being requested is $1,678 million, which is $353 million more than is on page 1. Is that correct or is it incorrect?

Mr. HUMPHREY. I would say to the Senator that the total amount of specific authorizations that we agreed to in the committee was $1,325 million. We did not know how much would be reused of the reflow funds. We have not tried to conceal. If it makes the Senator and the Senate feel any better, I like to be an accommodating man. The total amount is estimated at $1,678 million.

Mr. CASE. Mr. President, if the Senator will yield, I would like to make a minor comment on this matter.

What we said was that the principal purpose of the bill is to authorize these amounts. In other words, the bill authorizes to the extent of whatever legal authority is necessary the appropriation of the reflows, which is not unusual.

Mr. HUMPHREY. Which has happened repeatedly.

Mr. CASE. Which has been customary all along. The Senator from Minnesota, the Senator from Idaho (Mr. CHURCH), and I have always felt that a single appropriation of everything would be desirable, no matter where the money comes from; and if anyone was misled by this, I certainly would want to accept my share of the responsibility in behalf of the committee. We are sorry about it.

Mr. HUMPHREY. Let me say that I am not going to apologize, because when we wrote this up, I asked the staff of the committee to put in the total cost of the bill.

Mr. CASE. And we have it here.

Mr. HUMPHREY. And we have it here, because the law required one thing in terms of the estimates. The total cost estimates are there. We are not trying to deceive anyone, and if anyone cannot read page 13 of the report, I would say he is not much interested in the legislation, it says:

> The Committee estimates that the cost of implementing this bill will be approximately $1,678,000,000 for FY 1976, plus amounts available from reimbursements and recoveries (other than loan reflows which are included in this estimate). The estimated cost for FY 1977 is $1,881,300,000, including loan reflows but no other recoveries or carryover funds.

Because we do not know what they are. We have no way of knowing that, unless one has the gift of prophecy of an Ezekiel or an Isaiah. How do we know what the recoveries or reimbursements are going to be? There is no way to know that.

Mr. HARRY F. BYRD, JR. Do I understand the Senator from Minnesota correctly to say that the total authorization being sought for fiscal 1976 is $1,678 million, and not $1,325 million?

Mr. HUMPHREY. In using the loan reflows, the Senator is correct.

Mr. HARRY F. BYRD, JR. That is the total loan authorization?

Mr. HUMPHREY. That is correct, using the reimbursement as reflows.

Mr. CASE. If the reflows were larger, the amount authorized would be larger.

Mr. HARRY F. BYRD, JR. Oh; then that makes it an open-ended proposition.

Mr. CASE. To the extent of the possible reflows.

Mr. HUMPHREY. No, it is one open-ended.

Mr. HARRY F. BYRD, JR. It is open-ended as far as possible reflows are concerned; the Senator from New Jersey just so stated.

Mr. HUMPHREY. It is not, because we put in language specifying how reflow funds can be used. We said, "You can use $200 million of the reflows for the agricultural development fund."

Mr. HARRY F. BYRD, JR. Well, do we put a cap on the appropriation of $1,678 million, or do we let the amount go above that, if the reflows exceed the estimate?

Mr. HUMPHREY. Will the Senator repeat that? I am sorry; I say respectfully I did not pay attention, and I am sorry.

Mr. HARRY F. BYRD, JR. Is it a firm ceiling of $1,678 million, or is that ceiling flexible, to be determined by the amount of reflows?

Mr. HUMPHREY. It is our judgment that the estimated cost is what we have said here, $1,678,000,000, but it is flexible in the sense that there can be more reflows.

Mr. HARRY F. BYRD, JR. So that is an open-ended proposition.

Mr. HUMPHREY. But the Senate Committee on Appropriations is not exactly Santa Claus twice a year. It could be less, depending on what the reflows are. However, we tried to specify in the language of the bill what the reflows would be used for. We indicated, for example, a total of $200 million of such reserves may be used only, and we listed it for this purpose. Then we listed another $50 million of the reflows for relief in West Africa and the Sahel. One of these items was suggested by the administration—which, by the way, will come up, as I understand, in an additional budget estimate—and the $50 million was felt necessary by the committee in the light of testimony we had received.

I offer my amendment on page 5, as previously described. Has that been adopted?

The PRESIDING OFFICER. It has not been adopted.

Mr. HUMPHREY. On page 5, line 17, "there are authorized to be appropriated" instead of "there is made available," and on lines 21 and 22, to strike out "from the funds made available pursuant to section 103(e) of this Act,".

Mr. MUSKIE. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. MUSKIE. Just to make the colloquy we had earlier complete, I have checked the letter we received from Senator SPARKMAN last March on the subject of reflows, and the subject was not covered in that letter. It was covered in an October letter, reporting the action taken by the Foreign Relations Committee as reflected in this bill. The committee has not been able to identify that item in the letter of March 14, which, of course, formed the basis for the first current budget resolution.

Mr. HUMPHREY. May I say the bill had not come to us, as I understand, at the time of the letter we addressed to the Senator last March, as I recollect. So therefore those were, may I say, very flexible estimates.

Mr. MUSKIE. Let me recite what I understand to be the facts: First, reflows were not covered by the President's budget.

Mr. HUMPHREY. I believe that is correct.

Mr. MUSKIE. His budget was based on the existing law, which does not permit the use of reflows for this purpose.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. Second, the Committee on Foreign Relations, having the President's budget before it, did not include its letter to the Budget Committee the subject of the use of reflows this year.

Mr. HUMPHREY. Well, the President's budget, but not the Foreign Assistance Act——

Mr. MUSKIE. The Foreign Assistance Act, which was submitted by the agency, is the only place reflows is cited, and that document was not available to the Budget Committee during its first concurrent resolution mark-up.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. And that is the only place where this issue was raised for a possible modification of the law.

The point I wish to make, may I say to the Senator, is that the targets were set in the first concurrent resolution based upon the situation as it existed last May. If the result of the Senate's action is to change the law, and thus to increase budget authority or authorizations for appropriations, that needs to be taken into account.

The Senate, of course, can vote to breach the target at any time for a good reason, or a not so good a reason. The only point I am trying to make for the Record is that if we judge the use of reflows, as recommended to the Senate by the Committee on Foreign Relations now to be the equivalent of an appropriation or budget authority approved in the legislative process, the effect of it will be to raise the spending commitments above those assumed by the Budget Committee last spring.

I state that simply as a statement of fact. The Senator from Minnesota, as always, is being very forthcoming in his acceptance of that fact, and urging the Senate nevertheless to support what he believes to be a worthwhile program. But I think the Senator, in addition to his advocacy of the program, needs to take into account the fact that the acceptance of reflows for spending purposes can have the effect of passing the spending targets we adopted last spring. That is the clear and simple point I wish to make.

There is one other point I wish to make. That is that reflows represent returns to the Treasury of money that went out of the Treasury in the form of loans.

Mr. HUMPHREY. Correct.

Mr. MUSKIE. And this repaid loan money is going to be used for the purpose of giving grants. So not only are we respending the money, but we are converting the spending from the form of loans to the form of grants.

Mr. HUMPHREY. That is correct.

Let me say, first of all, that the Senate committee acted on a resolution adopted overwhelmingly by the House of Representatives, which also has a budget resolution. The bill passed the House under date of September 11. The House, I am sure, is also somewhat concerned about budget targets.

Mr. MUSKIE. Did the House include the reflows?

Mr. HUMPHREY. Oh, yes. This is the language of the House.

Second, I say that the Budget Committee has a global picture of foreign assistance, both economic and military. Those of us who have some responsibility here for looking at this global picture of military assistance and economic assistance, have different priorities than have been sent to us by the administration. For example, I happen to personally believe—and I have checked around with many members of our committee—that some of the requests for military assistance and military grant authority are excessive. I am sure that we will be well within the budget and I can assure the Senator we will be well within the target of the Budget Committee on overall global assistance, because we have a second bill coming down to us now from the administration, of approximately a little over $4½ billion, and we are going to have to excise that, and it is our judgment that in excising that we will make substantial changes in it and substantial reductions so that the overall budget figure, I believe, will be on track with the Committee on the Budget.

Mr. MUSKIE. I make this point insofar as the military assistance portion of the new security proposal is concerned. That comes under the national defense function. So cuts there, where we can use some cuts, will not be reflected in this foreign economic aid function which reflects only the supporting assistance and special requirements fund requests, and I suspect those may be more difficult to cut.

Mr. HUMPHREY. I realize how the Budget Committee acts because we have its scorecard report here. In the committee, as the Senator, who was on the committee, knows, we kept these two items literally working together in tandem side by side or had them all together in one bill. We have now separated them into two separate functions, so that we have nothing but the economic food assistance and humanitarian assistance in one package. We have the supporting assistance and the military assistance, military grant package in the second. It is our judgment that we will be well within it whatever targets the Budget Committee may set.

But I wish to be very frank with the Senator. We received the bill from the House. Actually the bill of the House of Representatives is much more generous than we are.

Mr. MUSKIE. That is sort of a reversal.

Mr. HUMPHREY. It is a reversal, I might add. They are generally substantially less than we. We took the language of the bill, and we worked on the subject matter. We revised some of the authorization figures that the House had. I believe our bill is $125 million less than the House bill. The House bill did have the reflow provision with language that is less precise than that which we are trying to work out. I believe that we will have another amendment offered by the Senator from Hawaii that will put a line item in on what we call administrative expenses which will again tighten up on the structural organization of the Foreign Assistance Act.

It is my feeling that the Senate budget scorekeeping by the Congressional Budget Office does not find us particularly out of line here in terms of the current status. It says under target in outlays by $400 million.

Mr. MUSKIE. That is correct. But is correct. But if the reflow of authorizations stays in the bill——

Mr. HUMPHREY. It will still be under it.

Mr. MUSKIE. No. If it is spent, that will reduce the $400 million margin that we have there by whatever amount out of the reflow which is appropriated and spent. I do not know what it will be; it depends on the programs.

Mr. HUMPHREY. Yes.

Mr. MUSKIE. In other words, that $400 million does not reflect on the other side.

Mr. HUMPHREY. I say, if the Senator will note, that it takes account of the House action, and the House passed this bill as with the reflows in it, if I am not mistaken. The Senator knows this book better than I.

Mr. MUSKIE. This does not include House action which increases the President's request.

Mr. HUMPHREY. This only includes Senate action.

Mr. MUSKIE. Yes, but only when spending requests are reported in the Senate or finally enacted.

Mr. HUMPHREY. It says total category 2C taken in account of House action to date. That is on page 17.

Mr. MUSKIE. I shall read from the Senate Scorekeeping Report which says the President's spending requests not yet reported in the Senate are "adjusted, where applicable, to reflect—completed congressional action on legislation that authorizes appropriations for ongoing programs at levels lower than the President's appropriation request."

But the point I do wish to make, may I say to the Senator, treating these reflows in the unusual way that they would be even with the Senator's amendment is not the conventional way to handle appropriations, meaning there will not be reflected in any accounting of the obligations in which the U.S. Government is committed. It will never show up in the budget authority.

Mr. HUMPHREY. I do not disagree with that. I simply say that is a lousy way to keep books. I think they ought to keep books better than that.

Mr. MUSKIE. No. Now the Senator is off target.

Mr. HUMPHREY. I am not speaking of the Senator's committee. I am simply saying there is a better way of keeping books than that.

Mr. MUSKIE. I will tell the Senator why the bookkeeping is not accurate is because gimmicks like this have crept into the law. The bookkeeping would be accurate if it were not for these kinds of gimmicks. I say to the Senator I am not talking about the merits of the proposals he would follow. The Senator is a much more articulate and eloquent spokesman of those kinds of programs than I am. I am running into this problem of trying to explain to other Senators why certain numbers in the budget documents are misleading. They are always being thrown back at me as though I were responsible for their misleading character. I am not accusing the Senator of saying that.

Mr. HUMPHREY. I am the last one to do that.

Mr. MUSKIE. No. But the problem is, if we are really going to make this bookkeeping accurate with what it reflects to those who read the numbers, we have to take on a more straightforward habit of entering into obligations and accounting for them.

I was not around when the reflow gimmick was first devised. I doubt very much that those who devised it were as straightforward in acknowledging its essential nature as the Senator from Minnesota and the Senator from New Jersey have been this afternoon.

I suspect it was devised, in the first instance, as a way of finding an indirect means for adding to foreign aid spending.

Mr. HUMPHREY. The Senator is absolutely right.

Mr. MUSKIE. All right. If that is the case, then it seems to me that we can further eliminate the misleading quality of Federal bookkeeping if we eliminate these gimmicks rather than try to doctor them up some more so they become barely acceptable. I would wish to see them go the whole straightforward route and eliminate this reflow gimmick and make their case on the merits. The Senator obviously believes that this $1,678,000,000 is solid on its merits. Here we are diverted this afternoon into talking about something other than the merits, because of this bookkeeping device that was put into the law years ago before I was around and which now ought to be wiped off the statute books, in my judgment.

Mr. HUMPHREY. I agree with the Senator. I agree with the philosophy of the Senator and not only his philosophy but his detailed explanation of how the budget process ought to work.

Let me just state the history a little bit. When Public Law 480 was first established, there were funds that were generated from Public Law 480 that came back into the Treasury that were used for whatever purposes anyone wished to use them without the appropriations process. At that time the distinguished Senator from Louisiana (Mr. ELLENDER) raised the point that this was not the way to handle funds that were being paid back under title I sales of Public Law 480.

Indeed, what we called the soft currency that we got under Public Law 4-80 was being used without the appropriation process. That was a type of reflow. I was one of those who supported the appropriation process on those soft currencies and on funds that were generated under title I.

In this bill, I thought we were being budgetarily responsible; but I see the merit of the argument of the Senator from Maine, when we were insisting that the reflows at least must go through the appropriation process. But I can see that from the point of view of giving an accurate picture in advance to the electorate, as well as to the Senate, it is much better to have it as a line item. This is why a moment ago I said to the Senator from Hawaii, in reference to administrative costs, that we would make it a line item, even though this committee went to great efforts to try to get the Department of State and the AID administration to give us estimates of what the administrative costs would be.

We turned back those estimates two times, because we felt they were not satisfactory. We now, I think, have an understanding with the Senator from Hawaii in reference to a line item on the administrative or operating costs.

I wish the discussion we had here today had taken place before the Committee on Foreign Relations. The House bill was passed on September 11, and we had not heard a word about this. It would be well if, once and for all, we could get this thing straightened out.

This is what I propose. I propose that we do away with the concept of reflows and that we then put on the basis of merit the items we are talking about—the $200 million for the international agricultural fund, the $50 million for the Sahel, and the other items that are included in those additions which are from reflow funds.

The Senator from Hawaii is cognizant of those items. Ordinarily, they would have been taken care of under the appropriation process. I see no reason why we should not try to handle them in a forthright manner now.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MUSKIE. I have here a table of what these reflows have amounted to since 1962 and what the projected receipts for the next 5 years are likely to be. It would be very useful to Senators to have a table prepared by the Appropriations Committee, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Agency for International Development loan reflows available for reuse

Fiscal year:	Amount
1962	$220 ,000
1963	1, 799, 000
1964	7, 942, 000
1965	14, 907, 000
1966	23, 354, 000
1967	38, 695, 000
1968	53, 441, 000
1969	65, 370, 000
1970	166, 295, 000
1971	168, 495, 000
1972	189, 617, 000
1973	204, 710, 000
1974	[1] 167, 884, 000
1975	[1] 197, 194, 000
Grand total	1, 299, 923, 000

[1] Fifty percent of scheduled receipts. The full amounts of scheduled receipts estimated for the next five fiscal years are as follows:

Fiscal year	Amount
1976	$353, 000, 000
1977	511, 000, 000
1978	540, 000, 000
1979	580, 000, 000
1980	570, 000, 000
Total	2, 554, 000, 000

Mr. MUSKIE. Mr. President, in 1962, the amount of reflows available for use totalled $220,000. That amount climbed. By 1975, it amounted to $197 million, or a total over those years of $1,299,000,000 in reflow funds that have been subject to this reflow technique.

This is the reason why many of us, including the Senator from Minnesota, believe that this particular door to the Treasury should be closed. I compliment the Senator for the changes he is proposing.

Mr. HUMPHREY. Mr. President, the amendment is now before the Senate. If it is adopted, we will proceed with the other amendment, which the Senator from Hawaii has to offer, and then we will proceed with the amendments in order.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. INOUYE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. INOUYE. Mr. President, I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 25, strike out "$603,800,000" and insert in lieu thereof "$500,400,000".

On page 22, line 1, strike out "$735,000,000" and insert in lieu thereof "$631,600,000".

On page 24, line 18, strike out "$243,100,000" and insert in lieu thereof "$203,700,000".

On page 24, line 19, strike out "$275,600,000" and insert in lieu thereof "$236,200,000".

On page 25, line 22, strike out "$89,200,000" and insert in lieu thereof "$74,000,000".

On page 25, line 23, strike out "$101,800,000" and insert in lieu thereof "$86,600,000".

On page 28, lines 19 and 20, strike out "$92,400,000" and insert in lieu thereof "$76,000,000".

On page 28, lines 20 and 21, strike out "$96,000,000" and insert in lieu thereof "$79,600,000".

At the end of the bill add the following new section:

"OPERATING EXPENSES

"SEC. 317. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"'SEC. 666. Operating Expenses. There is hereby authorized to be appropriated to the President for the fiscal year 1976, $174,400,000, and for the fiscal year 1977, such sums as may be necessary, for operating expenses of the agency primarily responsible for administering Part I.'"

Mr. INOUYE. Mr. President, this amendment has been discussed with the manager of the bill. It relates to the so-called cost of doing business. The President of the United States and AID have officially approved of the objective of this amendment. They are in favor of this concept. OMB approves this budgetary concept. The GAO and the Comptroller General approve this amendment. Finally, the appropriating committees of both Houses concur in this amendment.

I point out that until a year ago, we had an account known as administrative expenses and several program accounts.

What this amendment does, very simply, is to separate the operating accounts from the program accounts and put it into a line item called "operating expenses."

From the inception of the foreign assistance program, operating expenses, representing AID's "cost of doing business" was funded from a number of different appropriation accounts. This flawed system led many if not most Members of Congress to the mistaken impression that AID's "cost of doing business" was the $40 to $50 million authorized and appropriated for administrative expenses rather than the $237 million cost subsequently identified by the Agency at the Appropriations Committee's insistence.

The exercise of management and oversight of these funds has been little more than a "shell game." It has been little less than a tragedy that the situation became so bad that in 1 year—fiscal year 1972—when the authorizing committee ordered a reduction of AID's personnel and reduced administrative expenses from $60,200,000 to $50,000,000, AID simply transferred charges for 324 personnel involved from administrative expenses to program funds. Thus, the Agency continued, as before, having flaunted the expressed will of the Congress by a single act of bureaucratic legerdemain.

It was also under this system that AID let its personnel management get so out of hand that it was necessary to single it out for rather harsh comment in the committee's fiscal year 1975 report. These practices have improved in recent months but the funding system which permitted these excesses is about to be reinstituted and perpetuated. I, therefore, ask unanimous consent to have the pertinent section of this report printed at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERSONNEL PROBLEMS OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For a number of years the Committee has taken the position that the Agency for International Development is overstaffed and that it poorly utilizes the personnel resources at its disposal.

Pursuant to the Committee's request, the General Accounting Office conducted a thorough and detailed review of the Agency's personnel costs and utilization. This study was carried out during the first half of calendar 1974 and the highly informative results are contained in GAO Report (B-165731) entitled *Cost And Use Of Personnel In The Agency For International Development* dated August 29, 1974.

Among GAO findings were the following:

Of the 645 Foreign Service Reserve officers assigned as of January 14, 1974 to AID headquarters in Washington, 415 (64 percent) were assigned to positions rated for personnel one to four grades below the grade for which they were being paid.

The average AID Foreign Service officer received an average annual salary of $26,878 as of December 31, 1973. This amount was $3,948 more than the average annual salary for Department of State Foreign Service officers; $3,173 more than for USIA Foreign Service Information Officers and $7,406 more than comparable staff personnel of the Peace Corps.

While only 20 percent of the U.S. nationals employed by nine American voluntary agencies engaged in overseas relief and development receive more than $14,500, 68 percent of AID's personnel receive more than this amount.

AID promoted 348 Foreign Service Reserve officers between March 1973 and May 1974 in the face of severe problems relating to overgrading. Of these 215 were promoted to positions receiving annual salaries in excess of $20,000. Following the Committee's annual hearings, however, AID did suspend promotions of high level Foreign Service personnel.

AID's personnel in Washington awaiting permanent assignments averaged over 150 between December 1973 to September 1974 at an annual cost estimated to be in excess of $4.5 million. A sampling of these employees revealed that over 40 percent had been waiting for assignments for over six months and that a number of employees had not even been given temporary work assignments for periods of from six weeks to three months. Furthermore, one employee—a class one Foreign Service Reserve officer ($36,000 per annum)—had been regularly paid although he had not performed any service or even reported for duty for over six months.

In connection with its own review of AID's proposed fiscal year 1975 personnel program and related budget estimates the Committee notes:

AID's new Auditor General has pledged to improve the management and quality of AID's Internal Audit operations while reducing the audit staff from 314 at the time of the Committee's last report to 242 (152 Americans) by the end of the fiscal year. This would reduce the percentage of AID's personnel resources committed to audit work from the excessively high 4.9 percent to 3.1 percent. The Committee applauds this move; however, it remains unconvinced that even these new levels are justified.

It is difficult to believe that AID can justify more positions for U.S. personnel in Washington (projected 2,621 as of June 30, 1975) than in its missions overseas (projected 1,756 as of June 30, 1975) and the Committee requests detailed justifications for this allocation in the Agency's fiscal year 1976 budget presentation.

At long last the Agency has moved to correct the problem of overgrading and overstaffing which has sapped its strength and depleted its resources for many years. It is hoped that this difficult and painstaking readjustment will resolve the problem once and for all and that it will be completed at the earliest possible date.

The Committee expects AID's fiscal year 1976 personnel report to be substantially improved; however, the magnitude of its personnel problem is still reflected in the following table which lists the distribution of AID employees by category and pay grade as of May 25, 1974.

AGENCY FOR INTERNATIONAL DEVELOPMENT, DISTRIBUTION OF FULL-TIME EMPLOYEES IN PERMANENT POSITIONS AS OF MAY 25, 1974

	Number of employees	Percent in each grade—by each pay schedule	Percent in each grade of agency total
Presidential appointees:			
EX-II ($42,500)	1	09.09	00.01
EX-III ($40,000)	1	09.09	00.01
EX-IV ($38,000)	7	63.64	00.08
EX-V ($36,000)	2	18.18	00.02
Total	11	100.00	00.12
Average salary, $38,227.			
Chiefs of Missions:			
FA-02 ($40,000)	1	12.50	00.01
FA-03 ($38,000)	6	75.00	00.07
FA-04 ($36,000)	1	12.50	00.01
Total	8	100.00	00.09
Average salary, $38,000.			
Foreign Service Reserve:			
FSR-01 ($36,000)	132	05.23	01.44
FSR-02 ($32,581 to $36,000)	429	17.01	04.69
FSR-03 ($25,800 to $30,960)	813	32.24	08.89
FSR-04 ($20,677 to $24,811)	658	26.09	07.20
FSR-05 ($16,799 to $20,159)	431	17.09	04.72
FSR-06 ($13,863 to $16,635)	38	01.51	00.42
FSR-07 ($11,641 to $13,969)	21	00.83	00.23
FSR-08 ($9,969 to $11,961)			
Total	2,522	100.00	27.59
Average taxable income,[1] $29,686.			
Foreign Service staff:			
FSS-01 ($25,800 to $33,540)			
FSS-02 ($20,677 to $26,873)			
FSS-03 ($16,799 to $21,839)	10	02.40	00.11
FSS-04 ($13,863 to $18,021)	40	09.59	00.44
FSS-05 ($12,429 to $16,155)	78	18.70	00.85
FSS-06 ($11,144 to $14,483)	122	29.26	01.34
FSS-07 ($9,989 to $12,986)	161	38.01	01.76
FSS-08 ($8,954 to $11,645)			
FSS-09 ($8,028 to $10,440)	3	00.72	00.03
FSS-10 ($7,198 to $9,358)	3	00.72	00.03
Total	417	100.00	04.56
Average taxable income,[1] $14,752.			
Classification Act:			
GS-18 ($36,000)	1	00.06	00.01
GS-17 ($36,000)	4	00.23	00.04

	Number of employees	Percent in each grade—by each pay schedule	Percent in each grade of agency total
GS-16 ($32,806 to $36,000)	11	00.62	00.12
GS-15 ($28,263 to $36,000)	186	10.55	02.03
GS-14 ($24,247 to $31,519)	153	08.68	01.67
GS-13 ($20,677 to $26,878)	179	10.15	01.96
GS-12 ($17,497 to $22,744)	113	06.41	01.24
GS-11 ($14,671 to $19,072)	133	07.54	01.46
GS-10 ($13,379 to $17,393)	6	00.34	00.07
GS-09 ($12,167 to $15,821)	145	08.23	01.59
GS-08 ($11,029 to $14,341)	67	03.80	00.73
GS-07 ($9,969 to $12,957)	222	12.59	02.43
GS-06 ($8,977 to $11,668)	182	10.32	01.99
GS-05 ($8,055 to $10,467)	209	11.86	02.29
GS-04 ($7,198 to $9,358)	118	06.69	01.29
GS-03 ($6,408 to $8,334)	32	01.82	00.35
GS-02 ($5,682 to $7,383)	2	00.11	00.02
GS-01 ($5,017 to $6,520)			
Total	1,763	100.00	19.29
Average salary, $17,058.			
Administratively determined:			
AD-18 ($36,000)	9	12.68	00.10
AD-17 ($36,000)	6	08.45	00.07
AD-16 ($32,806 to $36,000)	15	21.13	00.16
AD-15 ($28,263 to $36,000)	16	22.52	00.17
AD-14 ($24,247 to $31,519)	6	08.45	00.07
AD-13 ($20,677 to $26,878)	5	07.04	00.06
AD-12 ($17,497 to $22,744)	1	01.41	00.01
AD-11 ($14,671 to $19,072)	2	02.82	00.02
AD-10 ($13,379 to $17,393)	1	01.41	00.01
AD-09 ($12,167 to $15,821)	5	07.04	00.06
AD-08 ($11,029 to $14,341)			
AD-07 ($9,969 to $12,957)	3	04.23	00.03
AD-06 ($8,977 to $11,668)	1	01.41	00.01
AD-05 ($8,055 to $10,467)	1	01.41	00.01
AD-04 ($7,198 to $9,358)			
AD-03 ($6,408 to $8,334)			
AD-02 ($5,682 to $7,383)			
AD-01 ($5,017 to $6,520)			
Total	71	100.00	00.78
Average salary, $29,314.			
Wage systems:			
WP-16 ($12,626 to $13,957)	1	04.55	00.01
WP-15 ($12,272 to $13,562)	1	04.55	00.01
WP-12 ($11,190 to $12,355)	3	13.63	00.03
WP-10 ($10,483 to $11,586)	5	22.72	00.06
WP-08 ($9,755 to $10,795)	1	04.55	00.01
WG-06 ($9,402 to $10,982)	1	04.55	00.01
WG-05 ($8,944 to $10,442)	10	45.44	00.11
Total	22	100.00	00.24
Average salary, $10,906.			
Total U.S. Nationals	4,814		52.67
Average Taxable Income, $23,710.			
Average nontaxable benefits but excluding allowances for cost of living, quarters, education, representation, and official residence expenses $1,930.			
Total foreign nationals (not included in table above)	4,326		47.33
Total AID	9,140		100.00

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[1] Includes overseas post differentials.

The Committee will continue to carefully monitor the distribution of AID personnel and operating costs by country and program. A most informative table reflecting this data appears at the beginning of page 1484 of the Committee's fiscal year 1975 hearings. There follows an extract of some of the more pertinent sections of this table:

AGENCY FOR INTERNATIONAL DEVELOPMENT,[1] OVERSEAS MISSIONS AND OTHER OFFICES, STAFFING, OPERATING EXPENSES AND PROPOSED PROGRAMS

[Dollar amounts in thousands]

Region and country	Total personnel as of Dec. 31, 1973[2]	Operating expenses fiscal year 1975 (estimated)	Pipeline, June 30, 1973, AID	Proposed program fiscal year 1975, as of Apr. 29, 1974		
				AID	Public Law 480	Total
Latin America:						
Argentina	11	$530	$8,438			
Bolivia	151	1,899	37,339	$22,239	$7,175	$29,414
Brazil	218	4,571	255,701	2,800	2,178	4,978
Chile	24	532	15,336	26,035	37,097	63,132
Colombia	106	1,897	174,569	21,908	9,986	31,894
Costa Rica	37	1,161	18,652	834	209	1,043
Dominican Republic	53	1,786	16,205	5,456	7,888	13,344
Ecuador	103	1,273	27,711	2,050	3,327	5,377
El Salvador	44	934	14,903	11,561	833	12,394
Guatemala	99	1,381	52,345	17,090	781	17,871
Guyana	31	814	22,926	3,550	74	3,624
Haiti	10	301	6,279	8,179	2,676	10,855
Honduras	53	1,191	13,303	22,038	698	22,736
Jamaica	13	335	25,158	8,450	1,558	10,008
Nicaragua	70	1,500	37,915	27,826	688	28,514
Panama	106	2,357	47,721	21,360	338	21,698
Paraguay	65	1,178	21,250	4,756	69	4,825
Peru	92	1,838	54,758	13,489	2,513	16,002
ROCAP	53	1,220	107,081	1,634		1,634
Uruguay	34	342	5,319	775		775
Venezuela	14		347			
Latin America regional	80		82,560	45,431	49	45,480
Asia:						
Afghanistan	313	4,016	35,746	14,647	1,175	15,642
Bangladesh	64	1,664	175,969	65,220	39,449	104,669
India	80	1,370	89,250	75,500	38,083	113,583
Indonesia	140	3,245	233,254	71,460	120,909	192,369
Korea	136	1,707	49,617	25,176	154,990	180,166
Nepal	171	1,674	9,869	5,721	402	6,123
Pakistan	223	2,962	93,063	78,745	43,299	122,044
Philippines	260	3,060	100,963	49,844	26,043	75,887
Sri Lanka	4	87	19	8,000	10,786	18,786
Thailand	563	3,190	30,143	6,005		6,005
Turkey	122	2,192	98,628	23,064	4,396	27,460
Yemen	4	627	1,865	11,496	2,078	13,574
Asia regional	25		18,960	4,231	5,774	10,005
Supporting assistance:						
Burma	5	$52	$923			
Cambodia	34	1,762	52,711	$110,000	$77,011	$187,011
Egypt				250,000		250,000
Israel				50,000		50,000
Jordan	21	447	12,438	78,175	10,277	88,452
Laos	1,108	8,277	26,812	56,000	253	56,253
RED—Thailand	53	806		15,220		15,220
Vietnam	1,807	31,225	234,356	751,000	160,553	911,553
Middle East unallocated				100,000		100,000
Supporting assistance regional			22,476	17,300	26,400	43,700
Africa:						
CWR—regional	79	2,326	46,867	26,874	9,090	35,964
Ethiopia	128	816	40,586	25,037	1,204	26,241
Ghana	81	1,369	26,365	13,746	692	14,438
Kenya	104	1,130	12,431	7,493	299	7,792
Liberia	97	1,230	24,654	7,206	458	7,664
Morocco	49	1,093	20,617	15,210	17,781	32,991
Nigeria	191	2,067	27,189	3,682	2,300	5,982
OSARAC	54	561	37,702	10,123	3,170	13,293
RDO—East Africa	17	191	4,395	1,563		1,563
REDSO—East Africa	21	1,032				
REDSO—West Africa	32	2,166				
Sudan	5	318	11,000	10,850	5,060	15,910
Tanzania	60	987	10,037	10,659	1,395	12,054
Tunisia	109	1,781	15,994	5,809	10,587	16,396
Uganda	35		1,537			
Zaire	46	1,618	23,524	6,013	336	6,349
Africa regional	61		43,358	24,727	4,001	28,728
Nonregional	22	6,506	243,092		104,234	104,234
AAG and ILS	262	7,106				
Unallocated				539,338	35,306	574,644
Washington, D.C.	3,181	92,400				
Total	11,234	[3] 220,100	2,922,229	2,842,415	995,928	3,838,343

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[1] For complete table with footnotes see Senate hearings fiscal year 1975 pp. 1485 through 1489.

[2] Total of 11,234 AID personnel consist of the following: 4,969 U.S. direct-hire full-time employees in permanent positions; 4,649 foreign national direct-hire, full-time employees in permanent positions; and 1,616 U.S. contract and participating agency services agreement (PASA) personnel.

[3] As of Feb. 14, 1975, AID's estimate of its operating expenses was revised upward to $237,444,000.

Mr. INOUYE. Mr. President, in the words of John Murphy, Assistant Administrator of AID "it became more or less routine to transfer personnel to program accounts when 'administrative' funds were limited." Mr. Murphy went on to say that "upon discovery of this practice by various oversight committees much unhappiness ensued. In fact," he said "the problem in recent years has become a more or less continuing bone of contention in our relations with some committees."

Yes, Mr. President, much unhappiness did ensue when the Senate Appropriations Subcommittee on Foreign Operations focused on this confused state of affairs. This is why, on December 16, 1974, I took strong exception to AID's proposal to submerge all operating expenses into authorizations and appropriations for the functional accounts.

Mr. President, I ask unanimous consent to have the letter setting forth my position printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Mr. John E. Murphy,
Deputy Administrator, Agency for International Development, Department of State, Washington, D.C.

Dear Mr. Murphy: I have your letter with further reference to the matter of funding AID's Management and Operating Expenses, and acknowledging the Agency's past highly questionable practices in this area.

After reviewing this matter carefully, I proposed the language in last year's Committee report stating, "The preference of the Committee would be to have all operating expenses authorized and budgeted through this [AID Administrative Expenses] account." The name of the account is relatively unimportant but my position is still the same.

I am disappointed to learn that you apparently do not share my view and that the Agency will propose that while Management and Operating Expenses would be identified as such, "they would be fully funded from program accounts and make unnecessary continuation of a separate annual Administrative Expense appropriation." I regret that I cannot concur.

Sincerely,

Daniel K. Inouye,
Chairman, Subcommitte on Foreign Operations.

Mr. INOUYE. The committee's fiscal year 1974 report had stated:

> The preference of the Committee would be to have all operating expenses authorized and budgeted through this (Administrative Expense) account. In the absence of such action, however, the Committee serves notice that it will not again fund AID's cost of doing business through two accounts.

The committee's fiscal year 1975 report stated:

> The Committee again requests that an all inclusive Operating Expense appropriation be established in the fiscal year 1976 amendments to the Foreign Assistance Act through which these expenses can be authorized, appropriated and carefully monitored.

The House committee also requested this change in its fiscal year 1975 report stating:

> The Committee believes it would make more sense to drop the administrative expense title and create an operating expense title so that all the operating expenses are reflected in one account.

I should also note that the Comptroller General has recommended that "all of the Agency's administrative and overhead dollar costs should be funded by the administrative expense account."

In response to these urgings, Mr. Daniel Parker, the Administrator of AID, agreed to propose an operating expense account that would, at long last, reflect these funds in a single appropriation.

Mr. President, I ask unanimous consent that a letter from Mr. Parker, dated March 17, 1975, a subsequent letter, announcing final approval of the President's Office of Management and Budget, dated March 18, 1975, together with pertinent portions of the administration's requested draft bill and analysis be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of State,
Agency for International
Development,
Washington, D.C., March 17, 1975.

Hon. Daniel K. Inouye,
Chairman, Senate Appropriations Subcommittee on Foreign Operations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Among the items discussed with you during John Murphy's and my visit to your office on March 14, 1975 was our plan for seeking authorization and appropriation for Operating Expenses of A.I.D. for Fiscal Year 1976. This letter confirms our oral advice.

As a result of recent action of the House Appropriations Committee, as expressed in its Report 94–53, and of our understanding of the strong position of your Committee, we will propose alteration of the President's FY 1976 Budget to establish an Operating Expense account for A.I.D. We have in mind that budget provision will be made available for this account by transferring funds from other accounts administered by A.I.D. so that no overall increase in the budget will be involved. Assuming approval by the Executive Office of the President, the proposed authorizing legislation to be submitted to the Congress for FY 1976 will reflect this change and we will request that necessary budget amendments be submitted at the appropriate time.

Sincerely yours,

Daniel Parker,
Administrator.

Department of State, Agency for
International Development,
Washington, D.C., March 18, 1975.

Hon. Daniel K. Inouye,
Chairman, Senate Appropriations Subcommittee on Foreign Operations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: With reference to my letter of March 17 in which I outlined A.I.D.'s plans for the treatment of Operating Expenses in FY 1976, I am now pleased to inform you that the plan as presented to you has been approved by the Director of the Office of Management and Budget.

We will, therefore, proceed exactly as indicated in my letter. With this assurance, I trust that you will see your way clear to appropriate the full $45 million authorized for Administrative Expenses for FY 1975.

Sincerely yours,

Daniel Parker,
Administrator.

OPERATING EXPENSES

Sec. 13. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 665. *Operating Expenses.* There is hereby authorized to be appropriated to the President for the fiscal year 1976 $205,200,000, and for the fiscal year 1977 such amounts as may be necessary for operating expenses of the agency primarily responsible for administering part I. These amounts may be increased by transfer of other funds made available under this Act, but the total amount available to carry out this section shall not be increased by more than 10 per centum of the amount initially made available."

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED FOREIGN ASSISTANCE ACT OF 1975

Section 13. Operating Expenses.

This section creates a new category of funding designed to cover all AID operating, administrative and personnel expenses. An authorization is provided for fiscal year 1976 at a level of $205,200,000 and for fiscal year 1977 at whatever level may be necessary. Because the Agency cannot project with absolute precision the travel requirements and operating costs connected with new programs, some funding flexibility is required. This is provided by the authority to augment the new account by no more than 10% with other funds made available under the Foreign Assistance Act.

Mr. INOUYE. Mr. President, where do we stand?

The Appropriations Committees of both the Senate and the House have requested a separate and discrete account for operating expenses.

The Comptroller General has recommended the isolation and separate funding of these costs.

AID has detailed the account in a massive study of manpower and operating expenses, fiscal year 1974–76, and justified a separate fiscal year 1976 appropriation to the Appropriations Committees.

The President and the Agency have agreed to a separate account and requested its authorization.

I am at a loss to know why it was not done in the manner requested, but I can tell you that unless it is, the Appropriations Committee will be severely hampered in its ability to analyze these costs and insure that funds appropriated for these purposes are wisely and prudently administered.

My amendment simply authorizes a separate account for $174,400,000 in operating expenses already identified and requested by the Agency for International Development and reduces program funds by a like amount.

It is a good housekeeping amendment having no budgetary impact whatsoever. I not only strongly commend it to the Senate, but also, I believe it is a necessary practice vital to congressional control of these costs.

Mr. HUMPHREY. Mr. President, so that we may understand the attitude here of the committee, this is what I said on behalf of the committee:

> Over the years, it has been alleged that AID's operating expenses have been concealed and that they are excessive. In response to these concerns—

By the way, these concerns were expressed by the Senator from Hawaii as well as others.

> In response to these concerns, the Committee on Foreign Relations has examined the cost of AID's operating expenses in some detail. At our request, the Agency provided us with detailed breakdowns of its operating expenses by geographic and functional categories. Their original initial request for operating expenses was $205 million. On ex-

amination we found that the amount actually necessary for the programs in this bill was some $176.4 million and a corresponding adjustment was made. Not content with that figure, we have asked AID to go back to its books and to seek further reductions.

So I think it is fair to say that we are on the same wavelength.

Mr. INOUYE. We are in tune.

Mr. HUMPHREY. The situation that we want to be sure does not develop is that a function of the program—such as, let us say, the family planning function or the food function—is not denied the personnel it should have. As I understand it, the Senator from Hawaii, in his subcommittee, will be careful to see that there is no shifting of personnel which could cripple the operation of a certain function that the Senate feels is a vital part of the Foreign Assistance Act.

Is that correct?

Mr. INOUYE. The manager of the bill can be assured of that.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Frank DuBois, of my staff, be granted the privilege of the floor for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I have great confidence in the chairman of the subcommittee, and I have reason for this, as we have had much to do with each other in respect of these matters for years.

As I read the situation, the Appropriations Committee is taking the precaution, through the Senator, of having a firm grip on the amount which is expended for administration, so that, as I understand it from him, people cannot be put on various projects which are administration, but one really cannot pin it down to get an aggregate amount of what administration is costing.

I want to say this for the record. I know it, but I think it would be good to have it in the record for the benefit of the staff at AID, whose morale we want kept high. The idea is to tighten up, to make more efficient, and especially to have complete accountability. However, it does not represent any disguised effort to cut the heart out of administration and thereby to make it either too difficult or impossible to run the program, or to prejudice it in advance because it just will not have the personnel and the backing in order to do the kind of effective job we wish.

Mr. INOUYE. The Senator can be assured of that.

Mr. President, it is no secret that this bill, the foreign aid bill, is the most unpopular measure in Congress. If we are to bring about any credibility, if we are to convince our constituents that their tax moneys are being properly used, the least we can do is assure them that the bookkeeping will be clear, precise, and understandable. This amendment will bring about such credibility. I hope that it will be adopted by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

ANGOLA AIRLIFT

Mr. HUMPHREY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 5, line 23, strike the semicolon and insert in lieu thereof a period.
>
> On page 6, beginning with line 1, strike out through line 14.

Mr. HUMPHREY. Mr. President, I am offering an amendment on behalf of the committee to strike the authorization of an additional $20 million for the Angola airlift. In other words, it reduces the bill by another $20 million.

The provision originated as an amendment requested by the executive branch. The Subcommittee on Foreign Assistance adopted it with the clear understanding that we would have a status report on the Angola airlift before we brought this bill to the floor. During the subcommittee hearings, I strongly urged that AID request other countries to provide assistance. AID indicated that a willingness to make this commitment would encourage other donor participation.

Mr. President, I have the report from Mr. William Dalton, Acting Foreign Disaster Relief Coordinator from AID, and without objection, I ask unanimous consent to have it printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE, AGENCY
FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., November 2, 1975.

DISASTER MEMORANDUM: ANGOLA CIVIL STRIFE—SUMMARY

BACKGROUND

In the summer of 1974 Portugal announced it would grant independence to its colonies. Following up on this, in January of 1975 a formal agreement was signed setting independence date for Angola as November 1, 1975. Rival factions in the country had been struggling to gain control since long before the announcement was first made, and this has resulted in a reported 10,000 deaths in the past year alone.

Several months ago there was some indication that the opposing groups might be able to reach a compromise before Independence Day that would permit Angola to make a peaceful transition from a colony to a sovereign nation, but no agreement was reached and civil strife continues unabated. Portugal has been gradually withdrawing its troops since February, and those remaining in the country are there to give what protection they can to Portuguese Nationals until November 11.

SITUATION

The deterioration of security in Angola left the remaining Portuguese Nationals, variously estimated at from 240,000 to 300,000, and thousands of native Angolans in hazardous and deprived circumstances. Tens of thousands fled Angola—some Portuguese Nationals returned to Portugal on their own while native Angolans moved from the cities to safer rural area. As the situation worsened, the problem of providing food and medical care became increasingly difficult. Most roads became impassable and in-country air travel non-existent or dangerous. This past summer some planes were shot at and some hit. White Portuguese moved from outlying towns and villages to Nova Lisboa and Luanda and plans were drawn for their mass evacuation to Portugal. If there is no agreement between the warring factions by Independence Day, expectations are that fighting may become even more fierce and Portuguese Nationals will be at even greater risk because Portuguese troops will not be there to protect them. Therefore, it is urgent that the mass evacuation be completed prior to November 11.

Outside assistance as a result of the civil strife is needed for three separate emergencies:

Within Angola—for native Angolans and for the displaced Portuguese Nationals until they can be moved to Portugal;

In support of the evacuation airlift;

Within Portugal—for the repatriates.

Angola in-country emergency

The first and most important observation was the catastrophic medical situation. Most doctors had departed the country leaving behind whole populations without medical care. Due to the paralysis of road transport, basic food supplies were begining to run short. Emergency intervention was clearly necessary and ICRC offered its services to all the parties involved in the conflict.

On June 11, ICRC opened a delegation in Luanda and at the same time set up a headquarters organization in Geneva with the participation of the League of Red Cross Societies (LICROSS). On July 1 it launched an appeal to 17 National Red Cross Societies and obtained the support of Angolan authorities who provided necessary facilities and guarantees for the movement and transport of delegates and supplies. ICRC received prompt assistance from several National Societies and Governments, and the first medico-surgical team was able to leave for Luanda on July 10.

ICRC chartered a DC–6 for distribution of supplies, evacuation of the wounded and sick and the movement of its delegates to otherwise inaccessible places. As of September 30, 140 tons of medicines, medical and surgical equipment, food and other supplies had been distributed. ICRC has a medical team at Carmona serving the northern region, a surgeon and one nurse from the Danish Medical Team at Daltatando and a French medical team at Nova Lisboa. A fourth mobile team was to be recruited for Luanda. As of September 30, ICRC had 31 personnel in Angola, plus local employees. An ICRC report of August 28 indicated the following numbers of displaced: Luanda—20,000; Carmona—20,000; Ucua (east of Luanda)—5,000; Delatando—5,000; Nova Lisboa—30,000; Lobito—15,000 and Sa Da Brandeira—8,000, for a total of 103,000.

The United Nations Disaster Relief Office (UNDRO) is cooperating with ICRC and the League in in-country emergency relief operations.

Evacuation emergency

Faced with an airlift evacuation of from 240,000 to 300,000 people by November 11, the Portuguese Government sought assistance in making the airlift from other countries. People who wished to leave Angola had to move either to Nova Lisboa or Luanda since the evecuation plans called for departure from these two cities only. Relief centers were set up and operated by CNAD, the National Committee for Aid to Displaced Persons.

The Committee consisted of one representative each from the Departments of Social Assistance, Housing, Portuguese Armed Forces, Commerce and Health, plus the National Red Cross and Caritas. This Committee became the responsible Government executing agency for handling reception, shelter, feeding, health, equipment, tickets, social reintegration, transport and baggage.

Airlifts were begun by the Portuguese Government in August. By October 20, returnees who had arrived in Portugal via the airlift or other means totaled 187,400. The U.S. portion of the operation was started at Nova Lisboa and was completed there on October 4. On October 5 our operation was switched to Luanda. While most planes have been leaving from Luanda as scheduled, numerous flights are departing with less than full loads. Reasons advanced for this are that there may not be as many refugees as originally estimated, or those left are waiting to see if a sealift will be made so they will be able to take their personal belongings. However, regular flights will continue and may be expanded as Independence Day draws closer. The following countries have provided aircraft:

Belgium—one C–130.
France—one DC–8.
Federal Republic of Germany—one 747.
Democratic Republic of Germany—one IL–62.
Great Britain—one RAF VC–10.
United States—two DC–8s.
USSR—one IL–62.

TAP (Portuguese civil airlines). TAP is performing the major portion of the operation, utilizing their own aircraft and chartering four from other countries.

Displaced Persons Emergency—In Portugal

The Portuguese Red Cross has appealed to ICRC to support its efforts to assist persons repatriated from Angola, and UNDRO has received a similar request from the Portuguese Government. There is no indication at this time on how many of the repatriates will need emergency help. ICRC and LICROSS have contributed 5 tons of powdered milk and $6,000 to start the program. UNDRO has sent a representative to Lisbon to discuss the needs.

ASSISTANCE PROVIDED BY THE U.S. GOVERNMENT

On July 12, Consul Killoran in Angola declared U.S. Government assistance was appropriate to assist in caring for Portuguese Nationals who had been displaced from their homes. He presented $25,000 in emergency funds to the Portuguese High Commissioner on July 16 to help with emergency feeding programs. On August 14, AID made a cash grant of $200,000 to ICRC to support ICRC's relief program in various parts of Angola.

On August 19, Ambassador Carlucci in Portugal declared a second emergency to exist and asked that U.S. aircraft be supplied to support the evacuation operation already launched by the Government of Portugal. AID/FDRC arranged with the Department of Defense Coordinator for the Military Airlift Command (MAC) to charter two DC–8's from U.S. commercial airlines, and the U.S. airlift began in Nova Lisboa on September 7. Operations were completed there on October 4, and on October 5 the airlift was switched to Luanda. On October 25, escalation to three DC–8's and one DC–10 was implemented. As of October 27, U.S. planes had carried 26,512 passengers to Lisbon, averaging 1,100 passengers daily. Our most recent estimate of those remaining to be evacuated was on October 31, when the figure stood at approximately 6,000. As of October 24, the U.S. Government had allocated $12 million for airlift, but it is anticipated that a portion of these funds will not be utilized due to the early termination. The airlift terminated on October 31, 1975; however, a DC–10 will remain available for airlifting purposes through November 3, 1975.

Total U.S. Government assistance to Angola/Portugal—$12,225,000.

ASSISTANCE BY U.S. VOLUNTARY AGENCIES

Church World Services sent $5,000 through the World Council of Churches (WCC) for a relief program of the United Methodist Church in Luanda and Malanje area. The WCC issued an emergency appeal to member churches for $100,000.

The only other information available on U.S. voluntary agencies is that Catholic Relief Services offered to send a shipment of rice on one of the Portuguese planes.

ASSISTANCE FROM THE INTERNATIONAL COMMUNITY

The following is only a partial report on the cash donations and value of supplies and services from international organizations and donor governments. For example, aircraft were provided by Belgium, France, the Federal Republic of Germany, the Democratic Republic of Germany, Great Britain and the USSR, but information is not available on the value of this assistance.

ICRC and LICROSS

Red Cross activities are reported in a previous section of this memo and the assistance channeled through ICRC and LICROSS are credited below to the appropriate country.

United Nations

United Nations Disaster Relief Office—for blankets and food	$20,000
United Nations Development Program	20,000
World Food Program—for feeding program for 15,000	220,000
UNICEF—primarily for medical needs	150,000
	410,000

International relief agencies

OXFAM—9,000 blankets and nonfat dry milk	33,300
Caritas Freiburg—5,500 blankets	22,000
Catholic Fund for Overseas Development	2,300
Save the Children Fund	2,640
	60,240

Governments and Red Cross Societies through ICRC (as of 9/16/75)

Canada Government ($89,600); Red Cross ($16,059)	105,659
Belgium Red Cross	6,628
Denmark Government ($54,000); Red Cross ($18,000)	72,000
Federal Rep. of Germany Government ($64,440); Red Cross ($53,940)	118,380
France Red Cross	15,200
Ireland Red Cross	4,506
Japan Red Cross	3,601
Netherlands Government ($202,800); Red Cross ($18,000)	220,800
Norway Government ($39,640); Red Cross ($29,640)	69,280
Poland Red Cross	5,200
Sweden Red Cross	73,440
Sweden Government—Provided funds for Portugal for chartering airplanes	11,000,000
Switzerland Government ($446,120); Red Cross ($108,426)	574,546
United Kingdom Government ($56,500); Red Cross ($4,656)	61,156
	2,330,396
Total Assistance from the International Community	*2,800,636

*Incomplete.

Mr. HUMPHREY. I commend AID for accepting the committee's encouragement and finding other donors. As a result of these efforts, our need to commit funds for the Angola airlift has been reduced from our initial estimate of $20 million to less than $10 million. Thus, we will not require this additional $20 million for Angola disaster relief because the necessary funds can be provided from the regular Famine and Disaster Relief Fund for which a $25 million permanent authorization is already in the committee bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1026

Mr. HATFIELD. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> Strike from page 13; line 12, through page 15, line 7, and insert in lieu thereof the following:
>
> SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:
>
> "SEC. 111. Not more than 20 per centum of the funds for all commodities provided under this title shall be allocated and agreed to be delivered to countries other than those most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as "Most Seriously Affected" by the current economic crisis. A reduction below 80 per centum in the proportion of food aid allocated to most seriously affected countries which results from critical and unforseeable circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons, therefor, to the Congress.".

Mr. HATFIELD. Mr. President, I think this would be an appropriate time to give a brief résumé of the travels of this bill from committee to committee of the Senate and also from the House of Representatives. First of all, I wish to say that the Senate Committee on Foreign Relations reported this bill with a provision declaring that not more than 20 percent of the food aid commodities provided under title 1 of Public Law 480 could be allocated to countries other than those most seriously affected, commonly referred to as MSA countries, because of inability to secure sufficient food for their immediate requirements through their own production or commercial purchase abroad. In determining those countries most seriously affected, the President was to be guided by the United Nations designation of countries most seriously affected by the current economic crisis. The provision was very similar to the one in the Foreign Assistance Act of 1974, imposing a 30-percent limitation on title 1 of Public Law 480 for political purposes. Unfortunately, Mr. President, the Committee on Agriculture struck the 20 percent limitation on political food aid and replaced it with a very soft 30 percent limitation, virtually self-imposed by the President.

Last years' restriction of 70–30 on nonpolitical-political food aid is no longer a meaningful limitation of political food aid because of changes in the United Nations' most seriously affected list, which was amended to add Egypt and seven other countries. Combined with the broad discretion given the President in the version of the bill of the Committee on Agriculture, the restriction has no meaning at all. This year's title I program is projected to be $876.4 million, and 30 percent of this amount the total amount of this aid for political purposes, would equal $262 million. That compares to only $182 million, which was allocated last year to non-MSA countries. Thus, one can see that a 70–30 split on this year's bill will actually increase the political food aid by $80 million.

The main candidates for political food aid which are not on the MSA list are Chile, Korea, and Indonesia. Smaller amounts are projected to go to non-MSA countries in the Middle East. A 70–30 split on this year's bill will allow the administration to proceed with all these political allocations increasing significantly over last year's political food aid.

An 80–20 percent split would allow $175.2 million for political food aid, almost the same as last year's $182 million figure. The difference would be accounted for by the fact that $8 million worth of food aid last year was shipped to Vietnam, which will not be shipped this year. Therefore, an 80–20 percent split simply maintains the status quo and curtails political programs of food aid from rapidly expanding over last year.

Mr. President, we must remember that the food deficit for this year in the MSA countries is projected to be between 14 and 20 million tons, compared to last year's 15.9 million ton need. Thus, the need is likely to be greater in fiscal 1976 for humanitarian aid programs. Yet, this year's projection, with a 70–30 split, would allow for only $614 million for MSA countries in title I food aid, compared to last year's $679 million. It seems imperative, therefore, to adjust the percentage figure simply to keep pace with last year's efforts while the need continues to rise.

In addition, Mr. President, I believe another change needs to be made in the bill. Specifically, the 20-percent limitation which I propose in this amendment would read:

> Not more than 20 percentum of the funds for all commodities provided under this title shall be allocated.

As presently drafted, the law would apply to a percentage of the commodities instead of a percentage for the commodities, as was the case last year. The difference is that rice costs twice as much as wheat and is generally used more for political purposes for countries such as Korea. If the percentage limitation applies to commodities, it is likely that more political food aid will be given than if it applies to the funds, as it did last year.

This does not take into consideration cotton and tobacco which we ship out under this food for peace program, which is a ludicrous part of the whole program, especially tobacco, and we are spending millions of dollars trying to alert the American people to the dangers of tobacco, and here we have the audacity to send it out under food, the category of Food for Peace. But that is another story.

Mr. President, I think it is very important for us to recognize that this matter is not new that I am bringing to the floor today, that is, it is not new to either this body or to the House Chamber.

I would refresh our memories by restating the fact that last year this body chose to apply a percentage differential between political and humanitarian food aid. We applied the 70–30 split, and we chose at that time to require that the humanitarian aid be allocated on the basis of the MSA list drafted by the United Nations.

Mr. President, this year the House of Representatives held extensive hearings in the International Relations Committee on this whole matter of the proper division.

It is very interesting to note that the House of Representatives, after extensive hearings, in their wisdom chose a 70–30 split, but they also chose to retain the MSA designation as the basis upon which to give the humanitarian allocation.

On page 9, line 17 of H.R. 9005, which is an act for the authorization for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, and to amend the Foreign Assistance Act of 1961, it states:

> that the President shall be guided by the United Nations' designation of countries as most seriously affected.

But then, at the last minute, on the floor of the House, an amendment was offered, after the committee's careful deliberations, and they provided the President with the discretionary power that he may be guided by the United Nations' designation of such countries.

It moves to the Senate side and, I think, it is very important for the record to be established clearly today that again the Senate Foreign Relations Committee gave careful consideration to this whole question as to the allocation, both percentage and the basis upon which humanitarian food should be allocated. The percentage was determined to be 80–20, 80 percent was for humanitarian and 20 percent for political; and it was further determined, after careful deliberation by the Senate Foreign Relations Committee, that the MSA countries, as designated by the United Nations, should be used as the basis of distribution.

I would like to quote from the report of the Committee on Foreign Relations on H.R. 9005, dated October 1, 1975, from page 18, section 207—Assistance to Most Seriously Affected Countries.

> Section 207 adds a new section 111 at the end of Title I of Public Law 480. It requires that not more than 20 percent of food aid under Public Law 480 Title I shall be allocated to countries other than those countries most seriously affected (MSA countries) by inability to obtain enough food for their immediate requirements through domestic production or commercial purchase from abroad. The calculations are to be made by commodity weight, not by dollar value. The President may waive the percentage limitation if he certifies to Congress that such use of food assistance is required for humanitarian food purposes.
>
> In that event, such food assistance may be provided if neither House of Congress disapproves by resolution within 30 calendar days after the certification. In determining which countries are most seriously affected, the President shall be guided by the United Nations list of countries most seriously affected by the current economic crisis.
>
> A reduction below 80 percent in the proportion of food aid allocated to MSA countries resulting from critical and unforeseeable circumstances occurring after initial allocation shall not constitute a violation of the percentage requirement. Any reallocation of food aid due to changed circumstances shall be in accordance with this section so far as practicable, and the President shall promptly report to Congress any reduction below the 80 percent, if it occurs, and the reasons therefor. This emergency provision is intended to apply only to circumstances which were unforeseeable, and the time so critical, that the President cannot wait thirty days for Congressional action on a deviation from the 80–20 formula. It would apply, for example, in the case of an immediate need for Title I food aid in a non-MSA country due to a disaster. It would also apply if there were a cancellation of a major allocation to an MSA country that was so large it could not be re-distributed among other MSAs and so late in the year that the President could not wait thirty days for Congress to act. In all cases where action is less than thirty days is not essential, the President is expected to follow the waiver and certification procedure outlined in this section.
>
> This section is similar to, but stronger than section 55(a)(5) of the Foreign Assistance Act of 1974 which expired June 30, 1975. That provision provided for a 70–30 ratio. Under this provision the 80–20 ratio "shall" apply, rather than "should" as in the 1974 law, and it carries no termination date. It requires a Presidential certification to Congress for any waiver, compared with the 1974 provision for waiver when the President "demonstrates to the appropriate committees of Congress" the humanitarian purpose therefore; and it provides that no such waiver can take effect until 30 calendar days after certification, during which period the waiver can be rejected by either House or Senate by simple resolution.
>
> The 70/30 ratio of last year no longer is a meaningful limitation of political food aid because of changes in the UN's MSA list which added Egypt, along with seven other countries. Once Egypt was added to the MSA list, the actual split in allocations for fiscal year 1976 was 80–20 percent, as shown in the table below:

Then there is a table.

This year's title I program is projected to be $876.4 million. Thirty percent of this amount for political purposes would equal $262 million. That compares to only $182 million which was allocated last fiscal year to non-MSA countries. Thus, a 70–30 split this year would actually increase political food aid by $80 million. The food deficit for this year in the MSA countries is projected to be between 14–20 million tons, compared to last year's 15.9 need. Thus, the need is likely to be greater in fiscal year 1976. Yet, this year's projection with a 70–30 split, would allow for only $614 million allocated for MSA countries in title I food aid, compared to last year's $679 million. The 80–20 ratio recommended by the committee, thus, has only the effect of maintaining last year's effort.

The Public Law 480 title I program

proposed by the executive branch is shown below:

And there follow the various statistical data on this.

The Foreign Relations Committee lists the so-called MSA countries on the current U.N. list which, under the amendment I have offered, would return that as the base for allocation for the humanitarian program. These are referred to as MSA or the most seriously affected nations:

Afghanistan
Bangladesh
Burma
Cambodia
Burundi
Cape Verde Islands
Central African Republic
Chad
Dahomey
El Salvador
Egypt
Ethiopia
Ghana
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
India
Ivory Coast
Kenya
Laos
Lesotho
Madagascar
Malawi
Mali
Mauritania
Mozambique
Niger
Pakistan
Rwanda
Senegal
Sierra Leone
Somalia
Sri Lanka
Sudan
Cameroon
Tanzania
Upper Volta
Uganda
Western Samoa
Democratic Republic of Yemen
Yemen Arab Republic

We come now, Mr. President, to the Agriculture Committee's interesting wording on page 14 of H.R. 9005, subsection (b), starting on line 15, which I submit means nothing. It states:

> (b) For purposes of applying the provisions of this section, the President shall determine which countries are most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad. The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world. Such list of countries shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Agriculture and Forestry of the Senate not later than thirty days after the enactment of this section. Any subsequent revision in the list of countries shall be submitted to such committees not later than thirty days after the date of such revision.

Mr. President, I submit this is language that comes out with a big cipher as far as any meaning or any purpose to which it might serve the humanitarian needs of countries that are now so designated as MSA countries. It gives no formula, it gives a lot of rhetoric, a real fine sounding rhetoric in some instances, but it does not say what allocation or what weight the President shall give.

Mr. TALMADGE. Will the Senator yield?

Mr. HATFIELD. To the main quality that shall not exceed—I yield to the Senator.

Mr. TALMADGE. What is the formula the U.N. would require to spend American tax money?

Mr. HATFIELD. Mr. President, very simply, that the U.N. has had a very careful study made of the MSA countries on many criteria to determine their needs and they allocate and they weigh according to their production.

We have no allocation listed here. The President may say global food production is 90 percent of his equation, or he may say that there are shortfalls in food available there by 10 percent of his equation.

Mr. TALMADGE. Will the Senator yield further?

Mr. HATFIELD. Yes, I yield.

Mr. TALMADGE. The American Government provided $25 billion worth of foreign aid food since the conclusion of World War II, how much has the U.N. provided?

Mr. HATFIELD. Mr. President, I think we are getting some sand in the eyes now as to the issue at hand. We are not debating, I believe, the basic philosophy of whether we should be a participant in the U.N. or what rate of participation. We are talking about hungry people.

Mr. TALMADGE. That is exactly what I am talking about.

Mr. HATFIELD. We are talking about a program that has been very successfully administered under the U.N., it has been more successfully administered under the U.N. than by the U.S. Government that has played politics with its food aid, that was more frequently food for war than food for peace.

We can go back to Vietnam and see the distribution formula used by our own United States Government as to whether the food got to hungry people or whether it got to political military alliances.

The U.N. in this instance has a pretty fair record. In fact, I would like to compare that record in greater detail, between that and what the United States distributed under food for war, Public Law 480, in the last 8 to 10 years of the war in Vietnam.

These are objective criteria suggested by the United Nations. This is objective criteria that was carefully reviewed by the House Foreign Relations Committee, by the Senate Foreign Relations Committee.

If we want to get out of the U.N. and reduce the U.N. and get the United States into another relationship with the world than under the U.N., let us debate that issue.

This is an issue on food, this is an issue on food for hungry people and whether it has gotten to the stomachs of hungry people or into the coffers of the military elite and the political elite that have made money off our food for aid for too long in Southeast Asia.

The record is not that good on the United States, but it is under the United Nations.

I would like to read again from the report of the Committee on Agriculture and Forestry on page 54, under the Notes on page 55:

> Criteria for determining a country as "most seriously affected" was set forth in declaration on the establishment of a new economic order, adopted by the General Assembly of the United Nations in May 1974. The purpose of this designation was to indicate those countries for which the increased prices of petroleum and food created the most serious need for economic assistance.
>
> The specific criteria for designation of "most seriously affected" countries is economic in nature and consists of a projected balance of payments deficit at year end of greater than 5 percent of imports and a per capita gross national product of less than $400. Other but less influential, criteria such as economic growth rate, foreign exchange reserves and access to International Monetary Fund reserves and financial facilities were also considered in this designation.
>
> The absence of balance of payments projections for many of the countries on this list is due to the fact that these figures have not been available from the World Bank or the International Monetary Fund. The balance of payments figures which appear in this table are projections for those countries which were designated as "most seriously affected" in the Secretary General's original listing.

This is the U.N. criteria in the Agriculture Committee report itself. It certainly is a definitive criteria, especially in comparison to what we read on page 14 which I consider bureaucratic gobbledegook. It means very little.

Why do we ask for this 80 to 20 division in the light of today's situation on the decrease of money for humanitarian and increase for political?

I will say why, Mr. President. Here are some projections on the AID program for political food, for using food for political purposes. These are projections:

Chile, 55.1 million; Korea, 150 million; Indonesia, 30 million; Morocco, 13.8 million; Israel, 15 million; Syria, 30 million; Jordan, 7 million.

In other words, the projections at this point total over $300 million just for political aid and if we went with the Agriculture Committee even on a 70 to 30, we would find that that is over the target of the $262 million.

That is why we have to put breaks on this administration's distribution of food for political purposes, to make sure that more of it gets to the needs of hungry people.

I want to also say, Mr. President, we would be wise to recognize that the hunger of people is certainly something far greater than any humanitarian objective.

I recognize there are those that are not moved by the fact that there are hungry people in the world, some are not even moved by the fact that there are hungry people in this country. But let me also point out, if we are not moved by the humanitarian objectives of people in trying to help solve their problem, I would suggest that the most destabilizing force in the world today, the most threatening force to the Western World and particularly to the United States security stability, is hunger and famine. A far greater threat than any bomb or any kind of military hardware system they want to identify because it is out of the bellies of hungry people that people become reckless and that we find politicians rising to exploit that situation.

Bear in mind that in many of these parts of the world today, they have nuclear materials. So it is no longer just having hungry people over there to organize against us, the countries that have surpluses. I think, therefore, we ought to look at it from the pure political point of view, from the pure military point of view, from the pure self-interest point of view, if we please, if we are not moved by the humanitarian needs.

Therefore, I consider this the most grave division in the world today. It is no longer the division between east and west; it is no longer an ideological division between the Communist and non-Communist world, but, rather, the division of the world today which should concern us most as far as the future of this Nation as an economic division, and a division between the north, as in the case of the United States, Europe, Japan and the Soviet Union, all the industrialized developed powers of the world, and the division with the south of the world, the 49 nations of the world with a per capita gross national product of less than $275.

This is the poverty belt, the Fourth World, where the wretched of the world's poor struggle for existence. How the rich nations relate to their poor neighbors will determine the prospects for true peace for us in all the decades ahead.

I believe that hunger and starvation most vividly portray the realities of this division and the suffering which is the result. Our foreign policy for the future should be more concerned about the balance of bread than the balance of power.

Alan Berg describes the effects of the constant hunger in his book "The Nutrition Factor" when he said, "The light of curiosity absent from the children's eyes, 12-year-olds with the physical stature of 8-year-old bodies, youngsters who lack the energy to brush aside the flies collecting about the sores on their faces, agonizing slow reflections of adults trying to cross traffic, 30-year-old mothers who look 60. All are common images in developing countries, all reflecting inadequate nutrition, all having societal consequences" and, I might add, global consequences.

Only this kind of effective language can make the numbing statistics sensible. We talk about 10,000 people starving every day, but we can pass that across our tongue with little response or little reaction. We can read about 400 million people, almost a half billion people, severely malnourished. We can talk about children's minds and bodies permanently stunted by poor diet; hungry populations decimated by ordinarily mild diseases. The media has jammed us with a recitation of these facts and their graphic depiction. Hunger still is remote to us, most of us, for our stomachs are full as we consider such legislation here.

We talk about the energy crisis because it is perhaps more manageable. We have had no more success in finding solutions to the problems it has caused. An insufficient energy afflicts our machines more than people.

Food is essential. Its absence means death, not just a loss of convenience. Rich in food, the richest nation in food, since World War II, we as Americans have been slow to realize the complexities of the world food crisis. We have made noble efforts to try to alleviate the crisis. I give great credit to the American public for its voluntary contributions through nonpolitical organizations and through the Government of the United States which has extended itself in many billions of dollars to help these people. But this means that we are still in the battle. We cannot withdraw. We cannot retract. We cannot pull back our efforts any more than we could when we were in the midst of a military battle and we said the light is at the end of the tunnel.

The capriciousness of our corn blights, the changes in Pacific currents, the recurrence of bad weather and other unpredictable developments frustrate the attempts to deal with food shortages in traditional ways. I admit to that. There is the fatigue of tackling the problem that has been around at least as long as Joseph in the Old Testament.

But this time I believe a world food shortage has come upon us concurrent with a failure of will. It is not that there is not enough food to go around but that we lack the resolve to see that it is distributed properly to those in need.

Our problem is not supply; our problem is distribution. Vietnam, Watergate, the deterioration of our inner cities all have eroded belief in the efficacy of our ideals and our ability to respond to a crisis with courageous and principled leadership. Wendell Berry, a Kentuckian of compassion and not without hope, has made the observation that as a nation we no longer have a future that we can imagine and desire. We have become the worshippers and evangelists of the technology and wealth and power which surpass the comprehension of most of us and for which the wisest of us have failed to conceive and name. And we have become, as a consequence, more dangerous to ourselves and to the world than we are yet able to know.

Mr. President, all of our confusion and uncertainty have driven the discussion of the world food crisis into the language of cynicism and apocalypse, both of which paralyze our imaginations. Cynicism mocks all meaning, whether it be true of deceiving and becoming self-fulfilling in its low estimate of man. Talk of apocalypse is, of course, provocative, but to the degree it convinces, it immobilizes.

The reality of overwhelming human suffering that hunger causes is staggering. In our action to end this suffering there is equally great potential to revive our own humanity. The great world problems of energy, pollution and war are primarily problems involving the machines that we have created. By contrast, insufficient food for people has at its root a human matter of the individual and his body.

Terminal guidance warheads are a luxury and a luxurious absurdity for someone who dies for lack of a potato or a bit of wheat. If we can muster the will to end world hunger through attention to human needs rather than technological imperatives, it is possible that we can rediscover the essential oneness of mankind and reject the narrow nationalism that can drive us all further apart.

Let me indicate that when I happened to be a delegate to the World Food Conference in Rome, there were great discussions of what we were to do about the immediate needs of people who were hungry under the heading of food aid and the problems of what we were going to do in the long range, in the long term, to help increase food production. These are two different and yet interrelated problems.

I think we found in that conference there was great emphasis on the part of the developing world to attain from the industrial world great sums of money.

Mr. President, I do not support the proposition that great sums of money poured indiscriminately into the developing part of the world will solve its long-term food production problem. We will find that politicians there are like politicians here. More frequently they like to see great material developments upon which they can place a bronze plaque with their name having been developed and created under their administrations. What we really are talking about is a minimal of capital outlay because we should put the emphasis on labor-intensive investment rather than capital-intensive investment.

This is an illustration of what I am asking for today in this amendment. It is not a great sum of money to build great dams and reclamation projects, but it is, under food aid, a short-term effort to try to reduce the number of deaths and the misery that now exists.

I think we have to attack and address ourselves to the long-term problem. Again, I would support those efforts for labor-intensive investments rather than the quickie answers that we like to hear or see through the engineer mind which says, "Build a huge reclamation project representing the capital-intensive investment."

I am reminded of the day I was chairing the American delegation and we were sitting next to the delegate from Tanzania. Another African delegate was making a statement on the floor in which he was calling for large capital investments for the third world from the industrialized world. He was, of course, espousing the cause of capital-intensive investments. A very bright-eyed and very alert young man who was representing the country of Tanzania turned to me and said, "You know, he is precisely in error. If you send a tractor to my country, you would have one man operate it and you would have 1,000 men watch him operate it. What we need in our country is labor-intensive investment which puts 1,001 persons into food production."

So it is that we are not going to solve all of these problems, either the short term or the long term, in this measure or in my amendment.

But I think it does do this: It announces to the world that we are putting our emphasis upon human beings, upon life, upon that which is the greatest destabilizer of the stability and peace of one country, and it reaches the entire globe.

One might ask the question, how did we get to this crisis in the world today? Because the present world food crisis, as generally understood, emerged fairly recently, in fact in 1972, with widespread crop failures and dislocations in world trade, exacerbated by the effect on demand of rising affluence in the rich nations and increasing population in the poor world.

World production of cereal grains fell 58 million tons short of what was needed to meet demand.

Per capita food production in the developing countries dropped and has not recovered to 1971 record levels.

Obviously, the effects of this world food shortage did not fall equally on the rich and the poor alike. While the increase in food prices affected virtually everyone, it was not a matter of survival to citizens of rich nations. While people were dying for lack of a pound of grain a day, livestock in affluent nations were consuming vast quantities of grain to produce meat.

I might indicate that in the United States, our per capita grain production is about a ton a year. About 1,850 pounds of that ton go for meat production, and about 150 pounds of that ton of per capita consumption go for production of bread, pastries, et cetera; whereas in the developing parts of the world, people are lucky if they can scratch out 400 pounds of grain per year per capita, and practically all of that is used for direct consumption.

The 370 million tons of grain used to feed animals in 1969–71 exceeded the total human consumption of cereals by the combined populations of China and India, which together comprise 30 percent of the world's population.

Recently increased grain prices have slowed increases in animal grain consumption, and more cattle are being range-fed for longer periods, but the basic pattern has not been altered.

The food shortage does not appear to be as severe today as a year ago. At least it is no longer a news item; it has disappeared from the headlines and our television screens, and occasions fewer world conferences. There is every indication, however, that this relief from famine is only temporary.

The food shortage is not an aberration, but the logical result of an ongoing process, for this reason: Between 1970 and 1985, food demand in developed countries is expected to rise at an annual rate of 1.5 percent. That means a 26-percent increase in demand in that 15-year period.

But for the same period, food demand in the developing countries is projected at an annual growth rate of 3.6 percent, an increase in total food volume of about 70 percent between 1970 and 1985. Higher than expected income growth rates could raise that figure even more, since greater affluence means greater food demand.

To satisfy these increases in world demand, world agriculture in 1985 will have to provide additional annual outputs of: 230 million tons more of cereals for direct human consumption than in 1970; 40 million more tons of sugar; 110 million tons more of vegetables; 60 million tons more of meat; and 140 million more tons of milk.

Therefore, the total requirements in terms of cereals for all purposes in 1985 will be 520 million tons more than in 1970; an increase of 43 percent in 15 years.

That, again, illustrates why we cannot slide behind. We cannot permit this momentum that we have built since last year's 70 to 30 division to fall behind by this kind of unrealistic approach.

The demand increase in developing countries will be about 63 percent of the total; the demand increase in the developed countries will be about 29 percent of the total.

If we extrapolate from these production demand figures, it is possible to project a net cereal deficit in the developing countries in 1985 of almost 85 million tons. In Africa, for example, between 1970 and 1985, food demand will rise by 76 percent, but production will only rise 45 percent. Also, food production in poor countries may often be less than that necessary for adequate nutrition.

These figures and projections are all taken from the United Nations' report on world food issued as the working document for the World Food Conference last November. They do not convey the solution but only the immensity of the problem.

What is to be done? To meet the world food crisis, most traditional proposals advanced by national and international agencies and private aid organizations have been based on the following concepts:

First, an increase in support for rural development, with particular emphasis on productive investments in the agricultural sector and technical assistance for the farmer, especially sophisticated technology.

Second, reliance on the high-yield varieties of grain and the technologies needed to support their production—that is, the green revolution.

Third, increasing attention being paid to the other half of the Malthusian equation, population, with the developed nations seeking to impose zero population growth on the developing nations as a means of curbing demand.

Fourth, the creation of a world food bank controlled by an international agency, and drawn upon in time of need.

I mention these data because when we talk about increasing our food aid on a short-term basis and making it available on an 80-percent allotment for humanitarian needs, again we are trying to maintain a nutritional level which will help these people solve their long-term needs of increasing food production.

The problem is that as we look at these traditional methods of trying to increase food production, these proposals have formed the core of existing plans to deal with the world food crisis of recent years. Yet none of them offers anything really new: they are all traditional concepts of the conventional wisdom which has done nothing to help the poor, and has, in fact, worsened their plight as the gap between the rich and the poor continues to widen.

The fatal flaw of these traditional propositions is that they are all paternalistic, or what some will call culturally imperialistic, in the sense that they seek to impose our wishes and our concepts; rooted in our particular history, on different cultures, societies, and economies that have entirely different dreams.

Among the myriad of studies that have been made on the world food shortage is one which identifies a constellation of 64 different factors that affect food production and demand. Any attempt to deal with the elimination of world food shortages on a lasting basis by addressing any one or only a few of these factors will achieve only temporary, palliative results.

For example, why advocate increasing irrigation if the technology to do so is not available in the developing nation, and is too expensive to purchase?

How will proposals to improve production and yield be received if there is not attention to how the benefits of these improvements accrue to the producers, who need to pay for the necessary technological inputs?

What is the point of increasing agricultural output if the potential consumers lack the fund to purchase the goods?

So long as the continuing food crisis is seen as a simple failure to produce enough food, proposals to feed the world's hungry will either rely on increased food aid from the rich to the poor nations, or efforts to increase the food production of the poor nations themselves, and that is our objective, to help them stand on their own feet.

So we do not have to have these debates and arguments on whether we should extend food aid.

There are two responses that can be identified as strategies of assistance and development, and I wish to identify them today in this debate.

In the strategy of assistance, the basic goal is to meet commodity shortages in stricken nations through direct aid from surplus nations, and that is what this 820 is all about. A classic example is the vast amount of American food aid provided to India in the mid-sixties when U.S. storage bins were full to bursting and the Indians were in the midst of an extended drought.

A strategy of "development" sees direct aid as an emergency stopgap measure useful only in times of disaster, and that is what we are proposing today, with the real goal the development of the recipient countries' own resources and productive capacity so that direct aid will eventually become unnecessary.

Both theories have their advantages, but both are, as presently conceived, inadequate for dealing with a continuing food crisis.

Programs of assistance are based on "surplus charity"—the aid is provided not necessarily when it is needed, but when there are surpluses to be disposed of in the donor nation, and that is an example of Public Law 480. We are talking about food surpluses in the United States.

The U.S. Public Law 480, food for peace program originally permitted shipment of only those commodities officially designated as surplus by the Secretary of Agriculture.

In 1966, the commodity availability criteria were changed to permit shipment of commodities after domestic needs had been met, a carryover accounted for and commercial exports anticipated.

Commodities available for aid shipments were relegated to the lowest priority, and food for peace became a "residual" program.

As domestic consumption climbed and exports increased substantially, Public Law 480 dropped to its lowest point ever in the same year that the full effects of food shortages were descending upon us.

The strategy of "development," on the other hand, has been more in vogue in recent years, in part a reaction to the poor nations' resistance to what they perceived as paternalism; in part in response to pressures within the rich nations against helping those who supposedly would not help themselves. The idea has been to provide technology and technical assistance, and let the developing nations "bootstrap" themselves up onto the high plane of affluence.

The Public Law 480 program has its developmentalist aspects, in that it provides agricultural commodities for resale in the developing nations, with the revenues from the sales to be devoted to improving the recipient nations' economy in general and their agricultural productivity in particular. But this part of Public Law 480 serves our own interests at least as much as those of the developing nations.

All agreements carry the proviso that the receipt and resale of the commodities, and the improvements made by use of funds generated by the sales, cannot be used to disrupt "usual marketings" of American agricultural commodities.

As the recipient nation manages to develop its own agricultural capacity and markets, it must also increase its imports of American commodities.

Whatever exports it may eventually be able to muster cannot displace American exports in other markets.

Resale revenues must frequently be used to purchase other American goods, as when India was persuaded to buy fertilizer from Standard Oil as a condition of the massive food aid she received in the sixties.

An even more clear-cut example of shortcomings in the strategy of development is the green revolution, which has its origins in the high-yield dwarf wheat strain developed by Dr. Norman Borlaug.

There is not doubt that the miracle wheat strains have helped a number of developing countries tremendously, and saved many thousands of lives.

But their production requires heavy applications of fertilizer and a good deal of irrigation.

Fertilizer has been in critically short supply and quite expensive, and may likely remain so because of the world petroleum situation in part.

Irrigation systems are also expensive, and require fuel for pumps.

One of the more poignant scenes in recent months has been the sight of Indian farmers waiting in line for days to get fuel for their pumps, while we have grumbled about waiting to get gas for our automobiles.

In short, the green revolution is a success for those who can afford it, but simply does not exist for the small farmer, the person who lives on the edge of starvation and who has the least resources to pull himself up out of his plight.

In this respect, the green revolution is typical of development programs that rely heavily on the transfer of technology.

Too often, such assistance programs produce benefits that primarily accrue to those that are already well off, rather than the poor who are in the greatest need.

It is afflicted with the short-sightedness that makes us assume that what is good for the rich must be good for the poor, irrespective of social, political, and economic structures in the recipient country that are no less complex because they exist in an "underdeveloped" country.

It is imperative to remember that the principal cause of world hunger is poverty. No one starves who has money in his pocket.

We need only remember that the United States feeds animals more grain per year than the anticipated deficit in the poor nations of 85 million tons of grain in 1985 to realize this.

The principle cause of poverty, in turn, is unemployment.

It is utter foolishness, therefore, to offer poor farmers diesel tractors at $5,000 each rather than employing 100 men at $50 each to do the job.

Continuing such counterproductive activities indicates that this kind of aid may be more for the development of the seller than the purchaser.

Why has aid failed?

We might ask why has U.S. aid for "development" to poor taken the form of self-benefiting government-to-government sales through Public Law 480, the advocacy of energy intensive agriculture, or the sale of labor-saving equipment in lands that are afflicted with severe unemployment?

The answer is that such aid is based on the belief that sooner or later the benefits will "trickle down" from those who are able to afford them to those who need them.

The same idea prevails in our country.

But even at home, the poor have benefitted from the trickling down of wealth from the rich only to the extent that the official definition of poverty has been revised upward by several hundred dollars.

The poor's share of the wealth has not increased, and the gap between rich and poor has not narrowed, with all our foreign aid and with all of our welfare at home.

In traditional strategies of development, "the message to the poor and discontented is that they must not impatiently upset or kill the goose that will assuredly, in due course, lay golden eggs also for them. And the message to the rich is that they must be intelligent enough from time to time to help the poor, because this is the way by which they will become richer still."

Our economic system does not respond to need, only demand, and demand is created by money. The perniciousness of this doctrine is trenchantly expressed in the words of one of its titans, Lord Keynes:

> There might come a day when we will value needs above means and prefer the good to the useful. But beware. The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair, for foul is useful and fair is not. Avarice and usury and precaution must be our gods a little longer still. For only they lead us out of the tunnel of economic necessity into daylight.

Through the travail of our recent experience in Indochina we should be wary of anything that rejects a change of course on the basis of light at the end of the tunnel.

World hunger exists not because of insufficient food, but because its distribution is determined by those who can pay the price. Since the rich can pay the price, they eat and others do not. Hence we may say that the food crisis "is caused by plunder, not scarcity."

For better or worse, our own economic system is unlikely to change dramatically of its own accord any time soon. It is equally unlikely that we and the other rich nations will relinquish our claim to a highly disproportionate share of the world's resources by 1985, the year the World Food Conference has designated as the year by which we should end world hunger.

First. The fact is inescapable that millions will starve in the meantime if we wait for man to abandon his vices.

Second. What will we do in the meantime to prevent a calamity without planting the seeds for a recurrence of food shortages.

Third. Let me make some suggestions.

It is hard to envision successful development in the poor nations of the world if comprehensive land reform and income redistribution are not made the first tasks.

First. This reform should be aimed at eliminating sharecropping and farm operations too small to accomodate the single family living on them.

Second. The new units created should be large enough that the land can be worked without the substantial inputs of technology and energy required by American methods of agriculture.

Third. Heavy capital investments that are needed would be financed by cooperatives serving these small landowners rather than urban bureaucrats or foreign corporations.

Fourth. Outside assistance in the form of technical aid should all be directed toward facilitating the operation and production of these small units and their cooperative organizations, as much as possible bypassing profiteering bureaucrats and middlemen.

This emphasis on relatively small operations replacing majority of peasants would accomplish several goals at once.

First. It would help stop the flight from rural areas to the even worse conditions of urban slums by protecting the small farmer's land form acquisition by the rich elite.

Let us bear in mind that in some of the developing countries today we see what has happened is that they have replaced a foreign elite with a domestic elite. Oftentimes today, the domestic elite in control is as little sensitive to the needs of the people of their own country as were the foreign elite when they were in colonial status.

Second. Rural development in this fashion would foster rural employment by the use of labor-intensive methods to the maximum extent possible.

Third. Rural employment would begin to create for the rural poor the small measure of prosperity that so enhances population control efforts.

Fourth. Marketing procedures would be simplified, and distribution costs reduced through the operation of cooperatives, to the benefit of rural producer and urban consumer alike.

Adopting a policy relying on the participation of millions of Lilliputs rather than a handful of Gullivers will require fundamental changes in the way we see the world's economy, for this means turning consumers into producers. So long as price remains a barrier to the fulfillment of basic human needs, we must move more people from the distribution end of the market system to the production end.

There is no question about the obstacles which lie in this path. Chief among them are national elites in poor countries who resist such fundamental internal reforms because of the threat such steps would pose to their own base of power.

First. There is no assurance that the leaders of poor nations will naturally choose those policies most beneficial to the whole of their people.

Second. In such situations, the danger is that our external assistance, regardless of the motivations behind it, only further solidify the power of such elites.

When those governments have been loyal or friendly to us, we have tended to overlook the shortcomings of their internal policies, and given aid for political advantage rather than human development. This is what the whole crux of the 80-20 and 70-30 is all about.

First. If we are to put conditions on our foreign assistance, let them be humanitarian rather than political ones.

Second. Let us recognize that our national interest is best served by a world freed from hunger, and extend our assistance only as we know it will be used to that end.

Then, to those who rightly point out the impossibility of feeding a world that is so rapidly increasing in population, I would point out the impossibility of controlling the birth rate among the poor and hungry as long as they have no hope. This is a two-sided coin.

One. What we must increasingly realize is that any strategy of population must not be isolated from steps which give concrete hope to the impoverished.

Two. Children are social security to the poor, and seen as needed colaborers.

Three. Without hope for a better future, the poor will fear that contraceptives may worsen their plight rather than better it.

I also believe that part of this change must involve the readjustment of our rapacious lifestyles. The resources of poverty is the "Fourth World" will not be available if we continue to regard our planet as a quarry for exploitation.

One. Kenneth Boulding said years ago that anyone who believes that man can go on forever plundering the resources of a finite earth must be either a madman or an economist.

"Forever" is the key word, for time is what the growth/no growth debate is all about.

Two. But whatever the specific time frame, it is apparent now that the size of the pie is limited, and the amount we consume, and the way in which we consume it, is going to affect our ability to transfer resources to the poor and help them become producers rather than consumers.

Three. If we have a commitment to ending world hunger, then it is best we begin this change now, before we come to regard a fixed, inequitable portion of the world's resources as intrinsically "ours."

At the heart of the issue are questions of global morality and ethics.

It is in the long-range interest of our security as a people to overcome the gap between the world's rich and impoverished and heal the division between the North and the South.

When we consume one-third of the world's energy resources, and at least 40 percent of its other basic raw materials and reserves, all for the primary benefit of 6 percent of the world's population, we are inherently in a situation prone to breed instability and violence and war.

Establishing a more just balance of food is essential to our security and to the world's peace. This is the realistic component that should motivate us to meet such challenges.

Yet, I do not stop there, and I am convinced that we must ultimately seek as a frame of reference matters which transcend formulations of "national security."

Many have warned against a "new isolationism," and I share this concern. But the real isolationists, I believe, are those who seek to find our national identity in the world through relying on our supremacy and might.

One. Those who believe that our self-concept of being "number one" is essential to our foreign policy are those who would isolate us from the plight of the world's masses of poor.

Two. True leadership in today's world will come from those nations and people who can most authentically identify with the world's wretched and impoverished millions, sensing their suffering, joining their struggles, and providing the compassion and resources which give them hope for their future.

We have, then, the task of meeting the needs of those millions who are hungry, fundamentally, because they, and we, are neighbors in this global village, and because they are hungry and we are well fed.

One. The separation of the world into warring camps is accomplished and perpetrated by governments, not by the people they represent. Dwight Eisenhower once said that "the people want peace so much that some day governments had better get out of the way and let them have it."

Two. I suspect the same holds true for the elimination of hunger.

The way we go about devising and implementing development policies must be grounded in an ethics that recognizes the essential oneness and commonality of mankind.

One. That conviction will put an end to self-serving "foreign aid" programs and make possible the kinds of programs I have suggested as a step toward the fair distribution of the world's resources.

Two. Ghandi said "The earth provides enough for every man's needs, but not enough for every man's greed."

Three. By using this maxim to replace Keynes sanctification of greed, we may be able to accomplish the task.

To sense our common humanity, and shape our lives by that reality, requires resources and compassion that are nurtured in our spiritual depths.

In the end, there is no rational justification or no nationalistic motivation for the impulse of compassion which reaches toward another's suffering as if it were his own.

Two. It is a leap of faith which allows us to declare that ultimately, we are bound to a love which transcends the boundaries of nations.

Three. Yet, it is by such a leap, and only by one, that the hungry will finally be fed.

So let us build a new balance of food in the world, with a true vision of peace in our hearts. And let us search, and even pray, for the courage to make our own leap of faith, for the sake of those who today face starvation and death.

I urge again, Mr. President, that as we reach this decision, it can be reached from many directions and for many reasons and from many motivations. We can move from the purely pragmatic, the purely practical, the purely political, the purely military, and we will reach the same goal if we would but shed those causes and objectives and recognize the humanitarian objectives that should motivate us. Because, under either motivation, we will reach out to help the poor and stress that emphasis in our 80–20—rather than to fall back, back, as we have been falling back—in sharing more for aid for people than for political and military purposes.

Mr. CLARK. Will the Senator from Oregon yield for a question or two?

Mr. HATFIELD. I shall yield to the Senator from Iowa for only a question.

Mr. CLARK. The Senator's amendment, as I understand it, will simply restore last year's legislative formula, will it not? It is simply going back to the formula which we used in the last fiscal year, or does it do something more, or less, than that?

Mr. HATFIELD. The Senator is correct. As the Senator realizes, through his leadership on the floor, along with Senator HUMPHREY and others, we established the 70–30. Then there was a change in the listing of MSA by the transfer of countries like Egypt, in which the actual application turned out to be 79–21. Therefore, we achieved, in effect, almost 80–20 in that percentage division. What the Committee on Foreign Relations did this year was review that change in the MSA's and the change in Vietnam, which received $8 million last year which it will not be receiving this year. So the Committee on Foreign Relations recognized that, by adopting the 80–20 division this year, it would, in effect, be carrying us at approximately the same level of what we realized last year in actual distribution.

If we fell back, as the Committee on Agriculture has proposed, to 70–30, then we would find that it would be more for political aid this year and less for humanitarian aid.

Mr. CLARK. As I understand the Senator's amendment, it would try to do again, for this pending fiscal year 1976, exactly or almost exactly what was done in the last fiscal year, except it would be—the total amount shipped last year was 79 percent and the actual amount of the amendment of the Senator from Oregon would be 80 percent; is that correct?

Mr. HATFIELD. That is correct. The Senator from Iowa is precisely on target. Let me translate this into dollars to illustrate the point further.

When we had the 79–21 of the current fiscal year, the MSA countries received $679 million for humanitarian purposes. When the Senate Committee on Foreign Relations met this year and considered this matter and decided that they should move to an 80–20 percent division, it would provide $701 million for humanitarian purposes. In other words, a very close amount there, a slightly larger amount for humanitarian purposes. But if we fell back, if we went in a retreat, as proposed by the Committee on Agriculture, under a 70–30 division this year, we would find $614 million, or in other words, $65 million less for humanitarian needs.

Translating to the other side, playing politics, on the political side, so to speak, I would phrase it—and I do so to emphasize my point—instead of last year's 79–21, there was $182 million for political purposes and the Senate Committee on Foreign Relations this year, in its wisdom adopting the 80–20, would keep that at $157 million, which is only $70 million less for political purposes. But if we retreat under the Committee on Agriculture formula to 70–30, we would rise from $182 million to $262 million for political purposes in this year—a total of $876 million in the bill authorization.

So whatever we do, in this amendment that I am introducing, we are only on the dollar question then and on the percentage question. There is another question which we must stress and that is how we determine what must be the MSA or humanitarian need base.

On the percentage question, that part of my amendment would only maintain the status quo of what we have actually done this fiscal year and support what the Committee on Foreign Relations approved by, I understand, a unanimous vote.

Mr. CLARK. I have a further question. As I understand what the Senator said in his opening statement, and as I recall it occurring on the floor, it was partly because of the revelations of the amounts, the levels, of money that were being allocated to Southeast Asia or Indochina—something over 60 percent—that, combined with the world food conference at Rome stimulated a great number of people here—I think Senator HUMPHREY, the Senator from Oregon, and many others—to offer the so-called MSA 70 percent amendment. Did that not work? Has there been strong objection raised to that question? What is the opposition to it?

Mr. HATFIELD. I have to respond again by saying that when we look at what Senator HUMPHREY, Senator CLARK, and others offered on the floor last year as an amendment, the 70–30, that evidently did not inhibit the Department of State or our conduct of foreign relations as it related to the distribution of food. As I indicated, because of a shifting base, it ended up at approximately 80–20 anyway in the distribution formula.

The thing that concerns me this year, in addition to maintaining the level for humanitarian purposes of last year, is the communication we received from the AID agency indicating their projected political food aid that now is totaling $301 million, which compares to only $182 million last year, and which is over the target of even the Committee on Agriculture formula of 70–30, which would be $262 million. These are projected. These are anticipated or projected expenditures. So there is obvious movement here. I listed in my opening remarks the countries and the amounts of money that the Department of State and others are trying to move back into the political realm—raising the question that I think the chairman of the committee (Mr. HUMPHREY) raised in our Committee on Foreign Relations hearing about the distortion of what seemed to be a fairly noble program of Public Law 480 during the Vietnam war, now that we are out of Southeast Asia, we have that sort of behind us. But this opens a whole new ball game in my vision. I am not so sure it is all behind us. It may be all behind us in relation to those specific countries, but not in the question of priority. It looks to me as though, from these statistics, the State Department is moving back to the old habits of priority for political-military aid and decreasing the priority that they had already established in 1 year's experience for humanitarian aid.

Mr. CLARK. Will the Senator yield for a further question? He is speaking now of the 1976 proposal by the administration, is he not?

Mr. HATFIELD. I am.

Mr. CLARK. Within that, it is my understanding that 85 percent of all food aid that is to go to Latin America goes to one country, namely, Chile.

Mr. HATFIELD. It goes to Chile. The Senator is right. It is a $55.1 billion project.

Mr. CLARK. So 85 percent of all the food aid to Latin America goes to Chile alone?

Mr. HATFIELD. Yes, as far as Latin America is concerned. The aid to Korea has more than doubled in the projections, too. The aid to Korea is now projected at $150 million, from this year's approximately $75 million.

Mr. CLARK. How does that compare to a country like Bangladesh, where there is the greatest hunger, I suppose, in the world?

Mr. HATFIELD. No marked increase for Bangladesh.

Mr. CLARK. How does Korea compare to Bangladesh? Bangladesh, I guess you could say, is the hungriest nation in the world or one of the two or three. How does that compare with Korea?

Mr. HATFIELD. The dollar volume is $150 million for Korea, and it is $154 million for Bangladesh.

Mr. CLARK. So they are virtually the same.

Mr. HATFIELD. Approximately the same.

Mr. CLARK. It is my understanding that the situation in Korea is much healthier in the sense of food needs, at any rate, is it not? Why would we propose to send as much to South Korea as Bangladesh?

Mr. HATFIELD. I think there is no question that the productive capacity, agriculture productive capacity, of Korea is far more developed, far more sophisticated, than that of Bangladesh, even though Bangladesh has an even larger population. I do not have the population statistic comparison immediately before me, but it is larger, and it is certainly far more primitive in its agricultural productive capacity than is Korea.

I think this illustrates again, you see, I would say to the Senator from Iowa, why the division is so important in that we are talking in the case of Bangladesh of getting food to hungry people, and that is the primary purpose under the most seriously affected nation category in this aid as determined by the United Nations.

I think we would have to say that in Korea there may be a certain amount of gap between production and need, but it is so far less it becomes obvious that the aid going there is for other than humanitarian purposes, which is perfectly legal and legitimate. I am not questioning the legality of this under Public Law 480, section 1, but I say it puts so much into the policy of where we want our priority.

If Korea is in any kind of military danger, let us face that on the basis of a military question. Where there is such great need for people to have the bare necessities of life vis-a-vis Bangladesh in comparison to Korea, let us move the food to Bangladesh and move more arms to Korea. I will vote against it, but let us take it on as a military question.

Mr. CLARK. Is it true we are proposing to send more food assistance under title 1 to Egypt than to Bangladesh?

Mr. HATFIELD. It could be higher. I must say that at this point the Egyptian figures have not been announced, to my knowledge. They were not in the list we received most recently from the AID agency.

Mr. CLARK. But, in any case, the Senator is saying, as I understand it, that the administration proposal for fiscal 1976 would exceed the 30-percent requirement that was imposed on last year's, on fiscal 1975's, legislation.

Mr. HATFIELD. That is true. The most imminent and most pertinent question that confronts us is not the administration's figure and the proposal of my amendment on 20 percent, but it is what we have before us today as the proposal conditionally approved by the Foreign Relations Committee, and then that which retreated under the formula of the Committee on Agriculture.

My amendment, if the Senator will yield, restores, in effect, what the Foreign Relations Committee had approved unanimously and which, in effect, was the distribution in this fiscal year lacking 1 percent, 79–21 versus 80–20.

Mr. CLARK. Will the Senator be a little more specific about how funds were used for food for peace prior to the imposition of the 70–30 MSA amendment? This was applied in fiscal 1975. What kind of distribution was used, how was food aid used, let us say, in fiscal 1974, 1973? It is my recollection that it was my former colleague, Senator Hughes, who made quite a revelation on this floor that, in fact, food aid was not food aid. It was not food for peace but food for war, and most of it was being used, title I being sold on the open market in South Vietnam and as supportive of the war effort. Was he accurate in that revelation?

Mr. HATFIELD. I say to the Senator that in 1973, take 1973, as the date prior to our effort to get a better distribution, we had about 60 percent going for political purposes, and of that 60 percent, about 55 percent was going to Southeast Asia and, therefore, it was predominantly political.

Let me translate that further into an example to confirm that particular statistic. In that year we were exporting about 600,000 tons of fertilizer in the world market, but 530,000 of it was going to Vietnam, as an example, to take this commodity that could produce food, to take the food materials and commodities themselves, and to place them upon the base of political distribution for military purposes rather than upon the human need of meeting hungry bellies.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield briefly?

Mr. HATFIELD. I yield.

VISIT TO THE SENATE BY MEMBERS OF THE ITALIAN PARLIAMENT

Mr. HUMPHREY. Mr. President, we are privileged to have as visitors in the Senate today members of the Italian Parliament, and we are very honored to have them with us. I know those of our colleagues who are present here would like to greet them individually and collectively.

May I say the relationships between the United States and Italy are good, cordial, strong, and friendly, and we are always very honored when we have representatives of the Parliament of a great and free country to pay us a visit. We generally learn a great deal from them as they talk to us. We hope they may find in the United States matters worth their time for each of them.

Mr. President, I shall ask unanimous consent that we stand in recess for a period of not to exceed 5 minutes so that we can cordially welcome our visitors from Italy and can pay our respects to them.

Mr. President, I ask unanimous consent to place in the RECORD the names of the Italian delegation.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Sen. Giuseppe Vedovato, Christian Democratic Party, Chairman of Delegation, President, Italian Group of the Interparliamentary Union, Member Foreign Affairs Committee of Italian Senate.

Dep. Giulio Andreotti, Christian Democratic Party, Twice Prime Minister of Italy (1972–1973), currently Minister of the Budget.

Dep. Sergio Segre, PCI, Member of Foreign Affairs Committee in Chamber of Deputies.

Sen. Franco Calamandrei, PCI, Member of Foreign Affairs Committee of Italian Senate.

Dep. Pietro Lezzi, Socialist Party, Member of Budget Committee in Chamber of Deputies.

Dep. Giuseppe Amadei, Socialist Democratic Party, Former Minister of Post and Telecommunications, Secretary of Italian Group of the Interparliamentary Union.

Dep. Fausto Quilleri, Liberal Party, Member of Public Works Committee in Chamber of Deputies.

Dep. Luigi Turchi, MSI, Member of Committee on Budget Programs and State Participation in the Chamber of Deputies.

RECESS FOR NOT TO EXCEED 5 MINUTES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate stand in recess for not to exceed 5 minutes.

There being no objection, the Senate, at 4:58 p.m. recessed until 5:02 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STONE).

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. CLARK. Will the Senator from Oregon yield for a couple more questions?

Mr. HATFIELD. I am happy to yield to the Senator from Iowa.

Mr. CLARK. As I understood the Senator's answer to the last question, there has been a great deal of misuse of food aid in the past and we did, in fact, pass this 70–30 MSA amendment last year. It worked effectively.

Is there a greater shortage or is there less need for it in this year in the Senator's judgment?

Mr. HATFIELD. The question on need is, of course, that it will be computed by the input of new data on crops coming to harvest.

The most data we can get, there is a projection of shortage of 14 to 20 million tons.

That, to give us a point of reference, would compare to this current year where our allocations are on the base of 15.9 million tons.

So, in effect, to answer the question, the best data we have at hand is a larger deficit of food in this coming year, a greater need, a greater potential for famine.

The Senator asked me a while ago, if I may go back to a point, about comparing Bangladesh and Korea where we have $150 million allocated for Korea and $154 allocated for Bangladesh.

I indicated the difference in general terms about the sophistication of agricultural production, that Korea was far more capable of producing food and such than was Bangladesh.

At that time I did not have the population statistics, I have since acquired that, and I would like to give to the Senator, as a further example of the disproportionate share between these two particular countries, the population of South Korea based on 1974 figures is 33,333,000, the 1974 population of Bangladesh is 71,000,316. More than double the size in population, Bangladesh is with less capability of production and getting only $4 million more, in effect, under this program as between the political aid and the humanitarian aid.

I think it illustrates again very vividly the fact that the aid that we are trying to put an emphasis on here in this suggested formula of 80–20 is an attempt to get more food to people of need than for people to utilize for economic or political or other purposes.

Mr. CLARK. As I understand the Senator's statement, then, if I may ask further, he indicates that South Korea is about twice as small as Bangladesh, twice as populous as South Korea, and yet under this formula proposed by the administration both would get approximately the same dollar amount of aid.

Is it not also a fact that South Korea has a per capita income of 5 or 6 or 8 or 10 times that of Bangladesh?

As I recall Bangladesh, its per capita income is about $70 a year.

I do not frankly know what it would be for South Korea, but it must be significantly higher.

Mr. HATFIELD. The Senator is correct.

Another way to make a judgment on the question of need as between two countries, one for political and one for humanitarian aid, is to look at the relative income.

I believe the Senator has suggested that to meet the objections raised by some that the United Nations should not be the determining factor for those who receive food aid for humanitarian purposes, he has an amendment proposed to put it at a GNP level.

Mr. CLARK. Yes.

Mr. HATFIELD. I would say to the Senator that I am not wedded to my particular formula as incorporated in this amendment because there are some advantages, I would say, in the Senator's proposal of moving from an MSA list of countries to a GNP designation, provided—and I state a very strong proviso—that when we set the level at the GNP that they would qualify, I would think that we ought to set it whereby we would get the broadest distribution within that formula for the people in need.

I think the Senator knows what I am speaking of here, or referring to, and that is whether to go to a $200 GNP, or a $250 per capita GNP, that if we go the

250, we get a little distortion by the inclusion of Egypt, which could, based upon our projections now that we think we know of 22 percent of the aid, would tend to distort again the ability of that formula to get the aid out to the greatest number of need.

Mr. CLARK. If I may ask the Senator more specifically, I have an unprinted amendment which I will be proposing to call at a later time and I would like to read it to the Senator and see if this would meet the criteria he is outlining:

> In no case shall countries with a per capita gross national product of $200 or less (as adjusted to reflect that country's annual rate of inflation). In determining gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank and relied upon by the Secretary of the Treasury.

It is my understanding that this would include 39 of what I would call the hungriest nations in the world, the poorest nations in the world, that is almost one-fourth of the world population that live on an annual per capita income of less than $200 a year, would that in the Senator's judgment meet the criteria that he is trying to achieve with his amendment?

Mr. HATFIELD. I would say in response to the Senator's question that I have before me, based on the World Bank annual report, a per capita income list of countries below $150, countries $150 to $175, countries $176 to $200, $201 to $225, $226 to $250, $251 to $275, $276 to $300.

As I glance at the MSA countries, as designated by the United Nations, it would seem to me that a cutoff of the countries on the basis of GNP per capita of $200 or less would pretty well correspond to the countries designated by the United Nations under the MSA classification.

I know the feeling that people have about the United Nations and many of its activities. Let me say that I am no carte blanche, enthusiastic supporter of the U.N. in everything that it does or does not do. I certainly do not have that kind of commitment to the U.N. point of how we distribute the food that is the base for the formula. If we want to set the formula on the Senator's amendment base of $200 or less, I certainly would yield to that point as compared to holding tight on the MSA list as determined by the U.N.

Frankly, I could not care less whether it is the U.N. list or whether it is the Senate and the Congress working together with the President as long as we are getting the major part of this food surplus into the hands of the people in need. I am not wedded to the exact detail of the formula of how we distribute it. I am wedded to the 80–20 but certainly I would yield on this part of the question that has raised concern in the minds of a number of our colleagues about the role of the U.N. I can understand that viewpoint. I may not agree with them on this particular part of the U.N., but there are certainly many other parts of the U.N. that I would agree with them on in expressing some displeasure and some concern about whether or not it is working to the advantage of the world, let alone just the United States. But on this point I certainly am not inflexible.

Mr. CLARK. Let me ask the Senator further. As I understand what he is saying, in view of the strong opposition to the use of the most severely affected nations, the MSA list, the United Nation's list, the Senator would be prepared to support this amendment as a substitute that would be a $200 per capita income amendment, is that correct?

Mr. HATFIELD. That is correct. I would say to the Senator from Iowa if there is reason to believe that we could get more support in this body for the approach the Senator's amendment has taken in determining the list on the basis of GNP per capita, rather than the United Nation's MSA list, I certainly am not going to hold out for the U.N. list. I would be very happy to accept the substitute of the Senator from Iowa.

Mr. CLARK. I appreciate that. I wonder if I might ask a couple of additional questions along the lines we were talking about earlier.

Mr. HATFIELD. Before the Senator goes to those additional questions, I would like to add one addendum. I would like to say to the Senator I think we ought to do some checking to make sure that we are not backing off of a part of this battle that we were waging here and then find ourselves not really gathering in more support by taking a little different turn on this matter of what should determine the neediness. I am sure there are those colleagues of ours who object to the whole 80–20 proposition regardless of how it is allocated. I believe there are others who probably resist the allocation formula as expressed in my amendment and perhaps would be more prone to the approach expressed in the amendment of the Senator from Iowa.

I do think rather than yielding in just a form of colloquy here, we ought to have the opportunity, perhaps overnight, to discuss this with some of our colleagues and see what the reaction is. I feel that might be the best strategy at this point.

Mr. CLARK. May I ask the Senator further in view of that fact whether he would not feel that the time to get some additional cosponsors of this amendment would give him that kind of assurance. I do want to say that to date there are a number of cosponsors: Senators SCHWEIKER, MONDALE, METCALF, MCINTYRE, MCGOVERN, MCGEE, JAVITS, HARTKE, PHIL HART, DURKIN, CRANSTON, CASE, PELL, ABOUREZK. If the Senator were to cosponsor, that would be 16 Members of the Senate.

My question is this: Is it the Senator's proposal that we try to get additional cosponsors to this amendment?

Mr. HATFIELD. I would suggest to the Senator from Iowa that perhaps he might consider changing the formula on his proposal to 80–20 with GNP and $200 and let us make a move to substitute his amendment. That would give us an opportunity for a vote on that proposal. If it fails, we will still be in place, parliamentarily speaking, to consider the merits of the pending amendment. I would think that that might be the best way to determine the support or the lack of support for both of our amendments. I would like to think that perhaps the 80–20 based upon our record of this year, along with the $200 level of cutoff for the GNP per capita, would be a very fine substitute that I would enthusiastically support. We could then take that to a vote and, as I said, if that fails, we would have this pending amendment to fall back upon and see where we go from there.

Mr. CLARK. Let me ask the Senator is he suggesting in view of the fact that another proposal is pending for tomorrow that this one be set aside until Wednesday or Thursday in an effort to try to find out whether there is that kind of support for this kind of substitute amendment?

Mr. HATFIELD. I would only say to the Senator that I am ready to vote tonight on a substitute. I am willing to set it aside, if it is agreed by the body, to a later time. I think we have covered a great part of this ground already when we consider two committees of the Senate have studied this and deliberated upon it. I do not know the calendar the leadership has established for the next day or so. I would think before we made a unanimous consent, which would probably have to follow, we should confer with the leadership on that proposal. I would be reluctant to attempt to make that determination without consultation with the leadership.

Mr. CLARK. Let me ask the Senator some further questions.

Is it not true that, in fact, the food aid that has gone through the food for peace program over the last several years has significantly declined? It is my understanding that 10 years ago, or as recently as 9 years ago, 1966, the levels of our food aid were something like 18 million tons. Last year, as I recall, we delivered 4.9 million tons. This year the administration's proposal before us for fiscal 1976 is 6 million tons. That would be only one-third of the total amount that we actually gave in food aid 9 years ago. Is it true that there has been a declining volume of food aid going abroad?

Mr. HATFIELD. The Senator is correct. I believe the Senator cited the figure of 18 million tons in 1966. I think it would be very interesting if we went back to a further point of reference in history. In the year 1918 we were supplying much of the food aid for our allies in World War I. We exported 18 million tons, the same figure, with far less capacity and far less sophisticated technology than we had in 1966 or have in 1975.

Interestingly, in 1919, we exported 20 million tons to the war effort and the aftermath of the war, World War I. This was a result of the genius of American agriculture, but it was also in large part the result of effort on the part of the American consumer to make it available for the war effort by reducing domestic consumption.

I think it also interesting to note that we had this sharp decline in production in 1972, for reasons of drought, bad weather, and what have you.

All I am saying is, I do not believe American agriculture has less capacity today than in 1918 and 1919, nor do I think the American consumer is less compassionate today, to make food available through reduced consumption, if the issue is squarely presented.

These are peculiar trends. I do not have the statistics before me, but I imagine an interesting graph could be drawn showing the increase in arms exports at the same time that food exports went down, that I dare say would show we produced a pretty steady level, or even an increase, of arms exports.

I believe the question is not so much one of technology as it is of priority. Our Government seems willing, today, to take $50 out of our foreign aid budget for life-destroying instrumentalities for every $1 it spends for life-sustaining programs. This to me is an imbalance, and represents the wrong priorities. I do not believe it has brought us greater peace, security, or military or diplomatic understanding in the world. If anything, I think probably our problems in those areas have increased.

Mr. CLARK. Is it not true that if our volume of food aid constantly declines, if it has gone down from 18 million tons to less than 5 million tons delivered in the last fiscal year, it becomes all the more important that the food aid we give go to those areas where people are hungry? Is that not even more important, that if we give less food aid it go to those areas where people are hungry, rather than places like South Korea, Indonesia, and the Philippines, which are in for very large volumes this year?

Mr. HATFIELD. I would say to the Senator one might accuse us, perhaps, of speaking on the same frequency or from the same soapbox, with the same principles and priorities, and, therefore, I might be expected to reply to the Senator's question in a certain way because of our shared viewpoint.

I would say to the Senator, yes, it seems to me only logical that if we have less food and are talking about a food for peace program, the criteria should be overwhelmingly in favor of getting that food from the source of supply to the point of need, and the point of need should be that of human beings for food, for nutrition, to build strong bodies.

But it would also seem to me to be a very pragmatic argument. I cannot conceive of anything, looking at the conditions in the world today from a military or political point of view, and the present political situation, which breeds autocracies of the right and the left, which breeds communism and facism, and more than dispirited people, people who have nothing to lose and no hope, and who consequently will follow after any kind of ideology or any kind of promise made by those who would exploit their condition.

What has communism been, other than exploitative of people's misery and the injustices they have suffered, rather than creative? But these are the breeding grounds of that kind of political instability and rivalry in the world we have today. I cannot understand how anyone could not be moved by the humanitarian purposes, objective, or goals, and be able to blind themselves to the political reality of the importance of eliminating the breeding swamps of the isms, the arrogance, the autocracy of governments and political ideologies that would be considered our adversaries in the world today.

I am always reminded of what I consider to be a very poignant analogy or simile used by some writer—I do not recall his name—who indicated that in trying to deal with those forces that create revolutions in the world, we should remember that when scientists determined it was a mosquito that caused malaria, they did not recommend going out and shooting all the mosquitoes, but that we drain the breeding swamps.

I believe that with our military firepower, we went out there with a hammer to kill a mosquito, and thinking we are going to meet the adversary and defeat him on that ground is about as vain and futile as our effort to meet him in Vietnam; whereas, if we would drain those swamps and increase the spirit of people who are totally demoralized because they have no hope of being able to build a stable future, that would be the greatest offensive that we could take in the world today. And I believe that is as pragmatic an argument as any the Pentagon could present.

Mr. CLARK. Let me ask the Senator one further question, to make sure I understand his position and the basis of his amendment.

It seems to me that what the Senator is saying is that because there has been a great deal of misuse of food aid, because we found, in fiscal 1973 and 1974, that more than half of all food aid going abroad in the food for peace program was going to South Vietnam, that because of misuse of food aid and the problem of food shortages itself, that because of all these factors there has been the decision to go ahead with the 70–30 MSA amendment; that because of the desire to limit the amount of food aid being used for political purposes, this body went ahead with that amendment in the last fiscal year, and the Senator's effort—I ask this—is based on the assumption that we ought to continue that kind of allocation, that it is necessary to continue that kind of allocation in this fiscal year as in the last. Is that the basis of the amendment?

Mr. HATFIELD. Before I answer the question of the Senator from Iowa, I yield to the majority leader, without relinquishing my right to the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, we have been having some conferences as to the future time period for this bill, and I would like at this time to yield to the distinguished assistant majority leader, who will propound a unanimous-consent request that might hopefully be agreeable.

Mr. ROBERT C. BYRD. Mr. President, with the understanding that there will be no rollcall votes tonight, I ask unanimous consent that on each of four amendments to be offered by the Senator from Virginia (Mr. HARRY F. BYRD) there be a 1-hour limitation, to be equally divided between the Senator from Virginia and the Senator from Minnesota (Mr. HUMPHREY); that on each of two amendments to be offered by the Senator from Alabama (Mr. ALLEN), there be a 1-hour limitation, to be equally divided between Senator ALLEN and Senator HUMPHREY; that on any amendments to those amendments, there be a limitation of 20 minutes to be equally divided, in accordance with the usual form, the understanding being that the final vote on passage would not occur tomorrow, that there would probably be one or two rollcall votes tomorrow, and that rollcall votes, in addition thereto, would be put over until the next day on Wednesday.

Mr. TALMADGE. Mr. President, reserving the right to object, I do not know what the nature of the amendments are. I am floor manager for title II and section 311. It is under the clear jurisdiction of the Committee on Agriculture and Forestry. So if those amendments relate to that particular provision of the bill, as the pending amendment does, I wish time, as chairman of the committee, to yield as may be appropriate under the circumstances.

Mr. ROBERT C. BYRD. I so modify my request, Mr. President, to provide that if any of the Allen amendments or Byrd of Virginia amendments——

Mr. TALMADGE. Or any other amendment. There is one pending now, and Senator CLARK has another.

Mr. ROBERT C. BYRD. The time agreement is only with respect to those, approving of the amendment.

Mr. TALMADGE. Yes.

Mr. ROBERT C. BYRD. If any of those amendments go to the section of the bill over which the Agriculture Committee has jurisdiction and the time in opposition to the amendment be under the control of Mr. TALMADGE.

Mr. TALMADGE. This is as to title II and section 311.

Mr. CURTIS. Mr. President, reserving the right to object, and I shall not object, is there anything in this request that would preclude the junior Senator from Nebraska speaking on another subject for about 15 minutes this afternoon?

Mr. ROBERT C. BYRD. No, not a thing.

Mr. CASE. Reserving the right to object, is there an understanding that the last vote tomorrow will take place not later than 4:45 p.m.?

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for reminding me of that other element of the request. I include that provision to the effect that no rollcall votes occur tomorrow after the hour of 4:45 p.m.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HUMPHREY. The unanimous-consent request does not preclude a motion to table.

Mr. ROBERT C. BYRD. It does not.

Mr. HUMPHREY. On other amendments that we may have, would the Senator include a request that that is not including the one that is pending now?

Mr. HATFIELD. Or the substitute.

Mr. HUMPHREY. Or the substitute. But on other amendments, which I have gone over I believe with all of the proponents of those amendments, will the Senator include that there be time limitation of 30 minutes to the amendment equally divided?

Mr. HARRY F. BYRD, JR. Reserving the right to object.

Mr. ROBERT C. BYRD. Could we get the request I have first?

Mr. HUMPHREY. Yes, indeed.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. CLARK. This does not include a time agreement for vote on final passage?

Mr. ROBERT C. BYRD. It does not.

The PRESIDING OFFICER. Is there further objection?

Mr. HARRY F. BYRD, JR. Reserving the right to object, may I ask the assistant majority leader, does the unanimous-consent request include the proviso there might be several votes tomorrow?

Mr. MANSFIELD. Yes.

Mr. ROBERT C. BYRD. Yes. One or two, at least.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Does it also include the rule of germaneness?

Mr. CASE. Yes, it does.

Mr. ROBERT C. BYRD. Mr. President, I ask that the agreement, with respect to each amendment, be in the usual form.

Mr. ALLEN. Does that have reference to the six amendments with respect to which the agreement is made?

Mr. ROBERT C. BYRD. Only to the six amendments and amendments thereto.

Mr. HUGH SCOTT. Mr. President, reserving the right to object, I understood there probably would not be more than two votes tomorrow. I think the Senator said several.

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. Mr. President, reserving the right to object, is there any agreement on the pending amendment?

Mr. HUMPHREY. No.

Mr. ROBERT C. BYRD. No.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TALMADGE. Is it the Senator's desire that we lay aside the business that was announced tomorrow and continue on this bill tomorrow?

Mr. ROBERT C. BYRD. Yes. The so-called sunshine measures would come after the action on this measure.

Mr. TALMADGE. What time does the Senator intend the Senate to come in tomorrow?

Mr. ROBERT C. BYRD. 10 a.m.

Mr. TALMADGE. I have no objection.

Mr. HUMPHREY. On Wednesday?

Mr. MANSFIELD. 9 a.m.

Mr. ROBERT C. BYRD. Nine.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M., TUESDAY, NOVEMBER 4, 1975, AND 9 A.M., WEDNESDAY, NOVEMBER 5, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today and tomorrow it stand in adjournment until the hours of 10 a.m. on Tuesday and 9 a.m. on Wednesday respectively.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS addressed the chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. CURTIS. Yes. I have the floor.

ANNOUNCEMENT OF JOINT MEETING ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, the Senate and House will assemble in joint meeting on Wednesday, and Senators will proceed in a body from the Senate Chamber to the other body around 12 o'clock noon on Wednesday.

ORDER OF BUSINESS TODAY

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TALMADGE. Is it the intention to have any votes tonight?

Mr. ROBERT C. BYRD. There will be no rollcall votes tonight.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon had the floor. Has he given up the floor?

Mr. HATFIELD. No, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon has not yielded.

Mr. HATFIELD. No, I have not yielded.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I will yield for a moment to the Senator from Nebraska, if he asks unanimous consent that I not lose the right to the floor, if he has something he wishes to say.

Mr. CURTIS. Mr. President, will the distinguished Senator yield? Will the distinguished Senator yield for a unanimous-consent request?

Mr. HATFIELD. I will yield for a unanimous-consent agreement.

Mr. CURTIS. Mr. President, I ask unanimous consent that the distinguished Senator from Oregon be permitted to yield to the junior Senator from Nebraska for a period of 10 minutes without losing the floor and on the completion of the remarks that the floor then go to the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JEREMIAH O'LEARY ARTICLES

Mr. CURTIS. Mr. President. I find it is necessary that I make a statement to the Senate and to the public on a very important matter. It is important because I shall speak of some actions which interfere with the orderly operation of this Government. I shall speak concerning the scandalous, false, and misleading articles written by Mr. Jeremiah O'Leary and published in the Washington Star.

For me to keep silent would be unfair to myself. It would be unfair to a distinguished public servant, the Honorable Turner Shelton, who is in the process of being appointed Ambassador to the Bahamas, and to others mentioned in the O'Leary articles.

During Ambassador Shelton's 28 years in government service, he served under seven Presidents beginning with President Franklin D. Roosevelt. He has received commendations for outstanding performance and the highest awards for excellence given by the Government of the United States. These have included both the Distinguished Service Award and the Award of Valor.

He was selected to initiate and help to negotiate the Cultural Exchange Agreement with Russia and Romania and spent approximately 6 months in those countries. He was complimented by Secretary Dulles for his performance.

He served 2 years as Counselor of the American Legation in Budapest, Hungary, and on the basis of his performance there was made Consul General to the Bahamas. Because of the excellent efficiency reports while serving in the Bahamas, President Nixon selected him as Ambassador to Nicaragua. I do not believe that any Ambassador ever had a better record representing the United States than he did in Nicaragua as attested by the fact that then Secretary of State William Rogers personally presented him and his staff with one of the highest awards the State Department can give—the Award of Valor.

The Government of Nicaragua, upon his departure, presented him with the highest award available to any individual, the Ruben Dario Award.

Every American can take pride in Ambassador Shelton's service in connection with the disastrous 1972 earthquake in Nicaragua. On January 8, 1973, Maurice J. Williams, the President's Special Coordinator for Emergency Relief to Nicaragua in a signed memorandum to the President said:

> It is a pleasure to report that the performance of Ambassador Turner B. Shelton and his staff during the recovery was outstanding, even heroic. * * * In particular, Ambassador Shelton is deserving of special commendation. Throughout the emergency he performed with exceptional skill and courage a task that would test great generals. Nicaragua and we are fortunate that he was there when the challenge came.

Mr. President, in pointing out the wrongful acts and the falsehoods of this one writer, and this one newspaper, I want to express my respect and admiration for the honest, conscientious, and reliable members of the press. I am sure that the vast majority of the men and women of the media fall into that category. I appeal to them and to their sense of fairness in this matter.

Mr. O'Leary's articles, because they were false and unreliable, have been damaging and unfair not only to Ambassador Shelton, but also to many others mentioned. The O'Leary articles have been false and unfair to me. Mr. O'Leary's irresponsible writings have been most unfair to President Ford.

We live in troubled days, and the burdens and responsibilities falling on the President of the United States are tremendous. Of course, it is in the public interest that all the facts be presented to the American people; and it is clearly in the public interest that positions, acts, and issues be challenged and debated.

But, it is not in the public interest for a reporter to resort to falsehoods, innuendoes, misleading propaganda, and lies because they make it more difficult for the President and all public officials to make a sound judgment based on truth.

Mr. President, in order to set the record straight, I wish to report the words of Mr. O'Leary and then in each instance set forth the true facts in the form of a statement made by Ambassador Turner Shelton.

Mr. O'Leary:

Why did Shelton acquire ground from Nicaraguan President Anastasio Somoza for a new embassy in earthquake-shattered Managua without a written lease and for a 10-year-span at a token payment of $1 a year?

Ambassador Shelton's statement of facts:

The 10 year lease for the land on which the temporary prefabricated chancery in Managua is constructed is a written lease and was obtained for $1.00 a year in order to provide a location outside of the earthquake zone for the construction of this temporary facility. Further negotiations are successfully going forward for an extension of this lease and I had President Somoza's personal assurance that he would ask his family to approve a 20 year extension to this lease.

Mr. O'Leary:

Did Shelton, while serving as ambassador there, use embassy stationery to write wealthy friends in the California movie colony urging them to contribute to Nixon's second presidential campaign?

The facts as stated by Ambassador Shelton:

I have never written a letter on any stationery, official or otherwise, soliciting funds for any individual or political campaign. I may add that neither have I solicited such funds orally.

Mr. O'Leary:

Did Shelton, while serving in both the Bahamas and in Nicaragua, order U.S. consular employees to cut legal corners to send Bahamian and Nicaraguan maids to friends in the United States, including at least one member of the House?

The facts as stated by Ambassador Shelton:

I have never "cut legal corners" in connection with any matter relating to immigration or otherwise.

Mr. O'Leary:

Why did Shelton receive Hughes' security chief, Jim Golden, as a house guest in his official residence on the outskirts of Managua before the eccentric multi-millionaire moved into the Managua Intercontinental Hotel early in 1972?

The facts as stated by Ambassador Shelton:

Jim Golden, a former White House secret service agent, has been a personal friend of mine for a number of years. His wife is the daughter of the former Turkish Ambassador to Peru and Brazil, and a personal friend of my wife. They came to Nicaragua on a vacation and were guests in my home for approximately three days. Mr. Golden is now with the Department of Justice. His connection with Hughes, if any, had nothing to do with the visit to my home.

Mr. O'Leary:

Why did Shelton arrange a personal meeting between Gen. Somoza and Hughes after Hughes arrived for a stay that lasted only until the Christmas week earthquake destroyed the Nicaraguan capital?

The facts as stated by Ambassador Shelton:

I arranged a personal meeting between Mr. Howard Hughes and President Somoza at the request of Mr. Hughes who stated that he wished to express his personal appreciation to President Somoza and to me for the courtesy and hospitality with which he had been treated during his stay in Nicaragua. It was a purely social meeting and no business was discussed.

Mr. O'Leary:

For what purpose did Shelton make a number of trips to Key Biscayne, Florida, to see Rebozo and Nixon while he was ambassador to Nicaragua?

The facts as stated by Ambassador Shelton:

I have never visited Key Biscayne, Florida, for the purpose of seeing either President Nixon or Mr. Rebozo. To the best of my knowledge Mr. Nixon was never in Florida when I visited Key Biscayne.

Mr. O'Leary:

The contributions of Shelton and his wealthy wife, the former Lesly Starr, to Nixon's campaigns are not in contention.

The facts as stated by Ambassador Shelton:

Neither my wife nor I has ever made a contribution to any political campaign or to any candidate.

Mr. O'Leary:

Shelton unquestionably ingratiated himself with Nixon in 1961, when Nixon's political career was at low ebb and Shelton was counselor of the American legation in Budapest, Hungary.

Shelton gave Nixon the red-carpet treatment when Nixon was touring Europe after his defeat for the presidency.

The facts as stated by Ambassador Shelton:

When former President Nixon visited Hungary while I was serving in Budapest as Charge d'Affaires I treated him with every courtesy I would show to any American citizen who had been a Member of the House, a Member of the Senate and Vice President. I should add that the treatment I accorded Mr. Nixon was given to others regardless of political affiliation.

Mr. O'Leary:

His reporting was challenged in 1974 by a young political officer in the Managua embassy, James R. Cheek. When Kissinger saw Cheek's report, he concluded that Shelton was presenting far too optimistic a picture of Somoza's popularity and the nature of opposition to the general.

The facts as stated by Ambassador Shelton:

The error of the Cheek dissent seems obvious in light of subsequent election in Nicaragua. The tenor of the Cheek dissent was that I did not recognize the strength of the political opposition to President Somoza. In the election following that dissent President Somoza's party received approximately 92% of the vote which would seem to make the dissent quite questionable.

Mr. O'Leary:

That he paid for personal services and expenses out of government funds . . . Officials in the State Department, who declined to be identified, said Shelton habitually gave a loose interpretation to what were personal expenses and what were governmental duties in his use of consulate and embassy funds.

The facts as stated by Ambassador Shelton:

I have never confused Embassy or Consulate business with personal affairs. I have never paid any private bills with public funds. I have on occasion advanced my own personal funds for official business when the official funds were inadequate.

Mr. O'Leary:

There also are unconfirmed reports that Shelton left unpaid debts in Nassau when he shifted to Managua.

The facts as stated by Ambassador Shelton:

I have never left unpaid personal debts anywhere in my life and did not leave unpaid debts in Nassau.

Mr. O'Leary:

. . . that he (Shelton) used embassy phones to make long distance calls to try to drum up support for keeping his ambassadorial post.

The facts as stated by Ambassador Shelton:

In order to pay for any portion of these calls referred to in the closing portion of my service in Nicaragua, I gave my personal check to the Embassy's Finance Officer in the sum of approximatley $600.00 and left a memorandum asking that if any other bills came in of personal charges, I be notified so that I might pay them.

Mr. O'Leary:

Mysterious trips to Managua, Nicaragua, by President Richard M. Nixon's finance chairman, Maurice Stans, and by White House 'plumber' E. Howard Hunt in 1972 have been uncovered in connection with the current investigation of former Ambassador Turner B. Shelton. . . . Vesco lived in the Bahamas and then in Costa Rica, where he still resides, during the period of the Stans trip to Nicaragua.

The facts as stated by Ambassador Shelton:

I have never met or even seen Mr. Vesco. I have never met or even seen M. E. Howard Hunt. I have never communicated in any way with Mr. Vesco or Mr. Hunt. I have seen Howard Hughes once when I introduced him to the President of Nicaragua at Mr. Hughes' request.

Mr. O'Leary:

Informed sources said Stans returned to Managua after he resigned from the cabinet to become finance chairman of the Committee to Re-elect the President. The sources said Hunt, involved in the Watergate burglary and other arcane operations during his service in the White House, also visited Nicaragua in period before the 1972 election.

The facts as stated by Ambassador Shelton:

Former Secretary of Commerce Stans visited Nicaragua during the first month of my assignment there as Ambassador. He was on an official visit as Secretary of Commerce and was treated accordingly. If Mr. Stans ever came to Nicaragua at any other time I have no knowledge of it. I seriously doubt that he was ever in Nicaragua except on the official visit mentioned.

Mr. O'Leary:

It was in the same period that the Watergate investigation linked the Nixon re-election committee (CREP) with money-laundering operations in Mexico to conceal the source of illegal campaign contributions to the committee.

The facts as stated by Ambassador Shelton:

I have never received, transmitted, handled or in any manner had any connection with political contributions to former President Nixon or anyone else.

Mr. O'Leary:

> Shelton was a small contributor to Nixon's campaign but ingratiated himself with the former president in the early 1960s.

The facts as stated by Ambassador Shelton:

> I have never contributed to former President Nixon's campaigns or to any other political campaigns. Neither has my wife. I have never written a letter on any stationery, official or otherwise, soliciting campaign funds for former President Nixon or any other politician.

Mr. President, the facts are that the Honorable Turner Shelton, who is about to be appointed Ambassador to the Bahamas, is an honest, dependable, outstanding American citizen. He has a long record of public service to which our Nation can point with pride. The smears and the innuendos and falsehoods, of which Mr. O'Leary is guilty, represent a black mark in the public life of America. What Mr. O'Leary has done is unfair to every newsman of integrity in our country.

Mr. President, in discussing this matter with the distinguished Committee on Foreign Relations of the Senate, we have but one request. Let us develop the facts in a fair and judicious manner, and on that we rest our case.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Oregon yield to me for a unanimous-consent request?

Mr. HATFIELD. I yield.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

ORDER FOR ROUTINE MORNING BUSINESS ON TOMORROW AND WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow and Wednesday, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF H.R. 9005, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of routine morning business, the Senate resume consideration of the then unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 9, OPEN COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 9, open committee meetings, upon the disposition of the pending measure, the International Development and Food Assistance Act of 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 5, OPEN MEETINGS OF GOVERNMENT AGENCIES AND CONGRESSIONAL COMMITTEES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Senate Resolution 9, the Senate proceed to the consideration of S. 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Oregon yield a couple of minutes to the Senator from Virginia, without losing his right to the floor?

Mr. HATFIELD. Without losing my right to the floor, I am happy to yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 1034, 1035, 1036

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk three amendments to the pending measure.

The first amendment would reduce the funds for the United Nations from the amount listed in the bill to the same figure as was authorized for the past fiscal year.

The second amendment would confine the authorization to 1 year, instead of having the funds for international organizations authorized for 2 years. I do not know why the Senate wants to abdicate its responsibility by making a 2-year authorization. It eliminates the opportunity to oversee the programs.

Of course, it can be argued that appropriations must be made subsequently, and that is correct, but it would eliminate any opportunity for legislative amendments which normally would be considered in an authorization bill and which are prohibited in an appropriation bill.

The third amendment I offer is the following:

> No debt owed to the United States by any foreign country may be settled in an amount less than the full amount of such debt unless the Congress, by concurrent resolution, approves of such settlement.

FOREIGN DEBT SETTLEMENTS

Mr. President, my proposal would require congressional approval for any settlement of a debt owed the United States in an amount less than face value.

In the past 3 years, the State Department has negotiated debt settlements which piped out over $5 billion of outstanding debt settlements which wiped out over $5 billion of outstanding foreign indebtedness to the United States.

The net return: about $112 million.

Looking at it another way, we netted or will net about 2 cents on the dollar.

The largest settlement was signed in 1972 in the first wave of "détente." We agreed to cancel $2.6 billion in claims arising from Russian lend-lease indebtedness.

The State Department negotiators agreed to the following settlement by the Soviets: a pledge for the payment of $48 million, and an additional $674 million, plus interest, if Russia is granted most favored nation status. Russia has refused to comply with certain MFN limitations, and as a result, has not paid off any of this latter sum. Thus the United States has received from the Soviet Union less than 2 cents on the dollars owed.

The second major debt settlement was the cancellation of about $2.2 billion of debt owed to the United States by the Indian Government in rupees. These debts are in addition to the $3 billion owed in dollars by the Government of India.

It should be noted that in spite of U.S. generosity India faces continued economic stagnation. Now, Prime Minister Ghandi has eliminated democracy in that massive nation.

The most recent settlement is an agreement to settle a $370 million claim against the Government of France arising out of Charles DeGaulle's 1967 ouster of NATO forces.

President Ford has agreed to settle this for $100 million. Under a standing agreement with our NATO partners, they will receive 36 percent of that sum. Remaining French indebtedness to the NATO organization still remains to be settled. The United States stands to gain approximately one-third of the final settlement.

The total of the claims: $5,170 million.

The total which will be received. $112 million.

All of these settlements were made without congressional approval. Yet, these debts are owed to the people of the United States. Only Congress can appropriate U.S. reserves.

It has been said that such a requirement would violate the executive branch's authority to conduct foreign affairs.

On the contrary, the State Department would still be empowered to negotiate with foreign nations.

This measure will, however, prevent money owed to the people of the United States from being given away without congressional approval. The Constitution delegates to the Congress the power to appropriate funds. Congress which answers to the people will have final responsibility for approval of these debt settlements.

It should be made clear that this measure would not restrict the right of the managers of foreign loans owed to the United States, to reschedule these loans. Under certain circumstances, it is a prudent and needed arrangement to protect U.S. investment. Although there are indications that rescheduling of loans is excessive, it is not the intention of this amendment to regulate this practice.

Finally, Mr. President, it should be recognized that the Senate is already on record in favor of the principle embodied in my legislation.

On September 28, 1973, by a vote of 67

to 18, the Senate approved an amendment to the military procurement authorization bill which provided that any settlement of India's debt to the United States at less than face value would need congressional approval before it could take effect. That amendment was, unfortunately, not enacted into law having been deleted in conference.

The State Department reports that the principal of debts owed to the United States as of December 31, 1974 totaled $33,359,613,931, of which $600 million was delinquent. In addition, World War I debts still outstanding was $23.9 billion.

Thus the total owed the American people by foreign nations exceeds $57 billion.

Mr. President, I ask unanimous consent that all of these amendments be printed in the Record and that the amendments be printed and made available to the Senate tomorrow.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table; and, without objection, the amendments will be printed in the Record.

The amendments are as follows:

Amendment No. 1034

On page 48, line 19, strike out all after "1976" through the period at the end of line 20, and insert in lieu thereof "150,800,000."

On page 49, between lines 21 and 22, insert the following:

"(d) Funds made available to the United Nations, or any affiliated agency or program, under Section 302 of the Foreign Assistance Act of 1961 shall not exceed $125,000,000 for the fiscal year 1976."

Amendment No. 1035

Amendment to be offered by Senator Harry F. Byrd, Jr. to H.R. 9005.

At the end of the bill, insert the following new section:

"No debt owed to the United States by any foreign country may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement."

Amendment No. 1036

On page 5, line 14, insert the following: Strike after the word "Congress", the following: "together with the fiscal year 1977 budget materials".

On page 5, line 21, Strike after 1977 "from the funds made available (through line 22) pursuant to section 103(e) of this Act,"

On page 21, line 25 through page 22, line 1, Strike after 1976 "and $760,000,000 $735,000,000 for the fiscal year 1977,"

On page 23, line 7, Strike "for each of the fiscal years 1976 and 1977" and insert in lieu thereof "the fiscal year 1976"

On page 24, line 19 through 20, Strike after 1976 "and $280,600,000 $275,600,000 for the fiscal year 1977,"

On page 25, line 23, Strike after 1976 "and $101,800,000 for the fiscal year 1977,"

On page 28, line 20 through 21, Strike after 1976 "and $104,500,000 $96,000,000 for the fiscal year 1977,"

On page 29, line 23, Strike after than "$20,000,000" and insert in lieu thereof "$10,000"

On page 29, line 24, Strike after the "fiscal years 1976 and 1977," and insert in lieu thereof "fiscal year 1976,"

On page 34, line 2 through 3, Strike after for "each of the fiscal years 1976 and 1977," and insert in lieu thereof "the fiscal year 1976,"

On page 34, line 14, Strike "each of the fiscal years 1976 and 1977," and insert in lieu thereof "the fiscal year 1976,"

On page 48, line 20, strike all after the figure, "$194,500,000," and insert in lieu thereof a period, ".", after the figure, "$194,500,000."

On page 48, line 22 and 23, strike the following, "and $500,000 during the fiscal year 1977".

On page 49, line 9, strike the following, "and 1977.".

On page 52, lines 20 and 21, strike the following, "$2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977," and insert in lieu thereof, "and $2,000,000 in the fiscal year 1976,".

Mr. CHURCH. Mr. President, will the Senator yield to me pending action on the amendment?

Mr. HATFIELD. I am very happy to yield to the Senator from Idaho without losing my right to the floor.

Mr. CHURCH. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 23, beginning with line 3, strike out through line 20.

The PRESIDING OFFICER. There is an amendment pending. It will take unanimous consent to consider this amendment at this time.

Mr. CHURCH. I ask unanimous consent that the amendment I have just sent to the desk may be considered at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I propose an amendment to H.R. 9005, the foreign aid bill, which will, over the next 2 years, eliminate $756,000,000 in unbudgeted spending that would be authorized in this bill.

H.R. 9005 allows vast sums, estimated at $353,000,000 in fiscal year 1976, $403,000,000 in fiscal year 1977, to be used to give additional foreign aid beyond the specific dollar amount requested by the President.

This bill authorizes $1,325,000,000 in foreign aid for fiscal year 1976 and $1,473,000,000 for fiscal year 1977, a total of $2,798,300,000 for the 2 years, $58,000,000 more than the President's request. But an estimated $756,000,000 more than that will be available from loan repayments, a 27-percent increase above the amounts listed.

Senators should understand precisely what is involved here. The bill before the Senate would allow more than three quarters of a billion dollars to be siphoned out of the Treasury for unbudgeted foreign aid during this and the next fiscal year.

The President did not ask for this additional foreign aid money.

The Director of the OMB did not give his approval.

And the Secretary of the Treasury certainly has not found an extra $756 million hidden in a closet.

These are hard dollars which, if this bill goes through, means that the $72 billion budget deficit we face for 1976 will be increased by $353 million. And $453 million will be added on to next year's deficit. This bill is already above the budget, without these additions.

It must be remembered that this bill is only a part of the American foreign aid program. A total of $7.83 billion in foreign aid was proposed in the original program request. Soon Congress will be faced with a multibillion-dollar request for foreign military aid and for aid to the Middle East bringing the total to $8.5 billion in program requests. In spite of the fall of Indochina, which consumed such vast amounts of our aid, there is no peace dividend. With the overall dimensions of the foreign aid program so uncertain, this is no time to increase this one segment 27 percent beyond the President's request. The Congress has taken great strides to strengthen its hand over the Government's fiscal affairs through the new budget review process. For Congress to turn around and allow use of vast sums above the budget would be both foolish and fiscally irresponsible.

There are a number of other points about this matter that Senators should bear in mind. We do not know how the bulk of these funds will be used. Only $250,000,000 of the $756,000,000, to be available in the 2-year period is slated for specific projects, $50,000,000 for Africa and $200,000,000 for support of the International Fund for Agricultural Development, a proposal which has not yet been presented to Congress.

I do not believe that foreign aid of this size can be justified to the American people. This bill is deceptive. The totals for the 2-year authorization period that Senators see in the report are actually $756 million less than the foreign aid program that would be authorized, all of that above the President's budget request. If the Senate is really serious about fiscal responsibility it must adopt my amendment.

I urge that my amendment be adopted.

Mr. President, the distinguished floor manager (Mr. Humphrey) is acquainted with the nature of the amendment and I understand is willing to accept it for purposes of facilitating the business of the Senate.

Mr. HUMPHREY. Mr. President, this amendment relates to the reflows. It has been discussed with the ranking minority Member (Mr. Case). Senator Javits participated in the colloquy about it as well. In behalf of Senator Case and myself, as I have indicated earlier, we think the amendment is appropriate and we support the amendment.

As I have indicated to the Senator from Idaho, I shall offer, later on, for the consideration of the Senate, an item of authorization which would have been covered by the reflow proposal that was in the bill.

Mr. JAVITS. Mr. President, if the Senator will yield, is this the same item which we have agreed with Senator Inouye would be open to appropriations, if authorized in this bill?

Mr. HUMPHREY. This is a separate item, I say to Senator Javits. Those amendments were agreed to with Senator Inouye. This item simply removes from the bill the category of what we call reflow funds and requires that any authorization that would have been taken care of by reflow would have to be taken care of by precise language in the bill.

Mr. JAVITS. Yes, but does the authorization now appear in the bill, or will it have to be put in by amendment?

Mr. HUMPHREY. It will have to be put in by amendment.

Mr. JAVITS. Does the Senator not feel that we should first put it in by amendment before we agree to this? We may be left with nothing to do in the bill if this amendment is accepted, and that is the end of it.

Mr. HUMPHREY. I say most respectfully that this item, insofar as reflows are concerned, primarily relates to the $200 million requested for the International Agricultural Development Fund and the $50 million for the Sahel. The administration is sending us a request that will be here, we hope, by tomorrow for the $200 million on the International Agricultural Development Fund. I shall offer such an amendment and hope that the Senate will agree to it, since both committees—the Committee on Agriculture and the Committee on Foreign Relations—did agree to that under the terms of reflow.

Mr. JAVITS. But it is a fact, is it not, that if we take out this provision, we leave nothing in the bill for that to be included as an amendment, whereas if we waited for the amendment to be enacted, then it will be taken out, which will be much more safe than doing it this way. I am not saying we shall not do that, but we should be quite realistic about it.

Mr. CHURCH. I might say I was doing this partially because of my own schedule, which has made it very hard for me to come to the floor; partially to accommodate the manager of the bill, and because I did not think it would occasion any argument, I felt that I would not insist on a record vote. If it is going to occasion an argument, I shall withdraw the amendment and ask for a record vote tomorrow.

Mr. JAVITS. May I ask my colleague, instead of doing that—I do not want to put him to a lot of trouble—if he will refrain from moving reconsideration at this time so we may see what our situation is tomorrow. That is all I care about. I have no doubt it will work out. I just did not want to lock the door completely on this.

Mr. CHURCH. I would have preferred a record vote to begin with, because I think it strengthens our position. I have been trying to stop back door financing for 5 years. Every time we get it stopped, it opens up again.

Mr. JAVITS. I am not disagreeing with the Senator. I am asking the Senator if he would mind not moving reconsideration. Then we at least will have some opportunity if nothing happens on what Senator HUMPHREY calls a necessary amendment. That is all.

Mr. CHURCH. I say to the Senator that if that is going to be the case, I should have to be assured that I shall be notified and have an opportunity to come to the floor.

Mr. JAVITS. Absolutely.

Mr. CHURCH. I should have to be assured that on reconsideration, I would have a chance to ask for a rollcall vote. Otherwise, I may just simply withdraw my amendment now and ask for a rollcall vote when it is on the floor.

Mr. JAVITS. I would rather the Senator not do that. I shall accept all those conditions. The Senator will be notified.

Mr. CHURCH. On those conditions, just to protect my rights, I shall be happy to have this go to a vote now and I shall not, at this time, insist on reconsideration on a motion to table.

Mr. HUMPHREY. Mr. President, I have no further comment. I agree fully with the understanding that has been arrived at.

I assure the Senator from Idaho that there will be advance information of any such possibility of reconsideration.

Mr. CHURCH. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GLENN. Will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. Yes, I yield.

Mr. GLENN. I ask unanimous consent that Jim Humphrys of my staff be accorded floor privileges during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HATFIELD FOLLOWING MORNING HOUR TOMORROW

Mr. HUMPHREY. Mr. President, I ask unanimous consent, so that we may expedite the work of the Senate tonight, that following the morning hour tomorrow—I believe that has been called for in the majority whip's announcement—the Senator from Oregon be recognized when we take up consideration of H.R. 9005.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on behalf of Senator McGEE, I offer an amendment which has also been cleared. It is really a technical amendment. It has been cleared with the minority as well as the majority of the committee.

The PRESIDING OFFICER. The Senator is advised that it will take unanimous consent, since an amendment is pending.

Mr. HUMPHREY. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

Mr. HUMPHREY. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, after line 4, insert the following:

The Agency for International Development shall prepare a detailed proposal to carry out this section and shall keep the Senate Foreign Relations Committee and the House Committee on International Relations fully and currently informed concerning the development of the proposal. The proposal shall be transmitted to these Committees no later than March 31, 1976 and shall not be implemented until thirty days after its transmittal or until passage by each Committee of a resolution in effect approving its implementation.

Mr. HUMPHREY. Since the establishment of an intermediate technology is a new innovation in the new directions of the congressional mandate, it is important that AID not be required to establish a mechanism to facilitate this section immediately upon enactment of this bill.

Since there is still considerable discussion as to whether an intermediate technology institute should be established within AID, or in the private sector on a contract basis with AID, this amendment requires that a detailed proposal be prepared by March 31, 1976, as to how the institute will be established and its functions carried out. In the meantime, AID would not be able to implement this new function until March 31 of next year.

In essence, this amendment would reflect the desire of the committees to proceed cautiously in this area until all wrinkles are ironed out. It is in no way intended to diminish the importance to intermediate technology flows to the less-developed nations or the dissemination of intermediate technology information to the LDC's. It just allows more time to establish what would be the most effective means of carrying out this section.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I also send to the desk another amendment for myself and Senator CLARK. This amendment relates to the disaster assistance for the Sahel West African countries. We will take up those amendments, hopefully tomorrow.

The PRESIDING OFFICER. Is that amendment for printing?

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, if the Senator from Massachusetts is ready with some of his amendments, may I say there are certain amendments which we have talked over, discussed, with the distinguished Senator from New Jersey (Mr. CASE) and others that we can act upon here tonight without a rollcall vote, and others where that may not be the situation. So if the Senator wishes to call up his amendments, I will inform him as we go along as to those I believe it will be necessary to have a rollcall on, if there are any such, and those we can act upon by voice vote.

Mr. KENNEDY. That is fine.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered would require unanimous consent as an amendment is pending.

Does the Senator make such a request?

Mr. KENNEDY. I make such a request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

LIMITATION ON ASSISTANCE TO CHILE

SEC. 317. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guarantees and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed $90 million during the fiscal year 1976 and $50 million during the fiscal year 1977.

Mr. KENNEDY. This is an amendment dealing with our economic aid to Chile, Mr. President. It places a limit on that assistance.

Mr. President, a year ago, Congress adopted section 24 of the Foreign Assistance Act to prohibit any military aid to the Government of Chile. I sponsored that amendment. In addition, the provision limited the level of economic assistance to some $25 million. Yet, in fact, the United States provided a grand total of more than $112 million to the Government of Chile in economic assistance in fiscal year 1975.

It did so by adding to the $20 million in economic assistance development loans, agreements providing $30 million in housing guarantees and $57.8 million in title I Public Law 480 food assistance to Chile, and $4 million in title II programs.

I should add that initially we were told the Chile Public Law 480 program last year would be only $17 million. Then it was modified in late November to $33 million. Then in April it jumped to $51.7 million, and in May again it was amended to reach $57.8 million—all without any regard to the congressional intent and all without regard for an actual increase in Chile's own wheat production.

During this past year, the Inter-American Commission on Human Rights issued a report, after an onsite investigation, that concluded Chile had engaged in "repeated violations of the rights set forth in articles I, II, IV, VIII, XVII, XXV, and XXVI of the American Declaration of the Rights and Duties of Man."

It found that the right to life was violated by the junta's actions, that torture, inhumane treatment including the application of electric shock during interrogations, arbitrary imprisonment, threatening relatives of detainees, and physical and psychological mistreatment had occurred. They found the violation of due process of law, the nonexistence of freedom of expression, thought or information, suspension of the right to meet, denial of the freedom of association, absence of equal treatment before the law and the abolition of all political rights.

The Organization of American States in its general assembly meeting in May accepted that report and passed a resolution directing Chile to abide by the recommendations to halt the violation of human rights.

In July, the junta denied entrance to the ad hoc working group of the United Nations Commission on Human Rights. Only a few weeks ago, the Commission, based on its other investigations and documentations, issued a report condemning in the most direct manner the continued violations of human rights within Chile, and I might add, adopted a resolution, supported by the U.S. Delegate, deploring those violations.

Also, continual reports, which I shall place in the RECORD, from newspaper reporters and from individuals and respected international groups with access to direct testimony, have confirmed the continuing repression, the continuing use of torture and the continuing violations of human rights.

Yet, we find the economic aid package for Chile this year to be as sweet as it was a year ago—a grand total of $102 million.

Knowing that the Congress would once more prohibit military assistance—and I will file an amendment this week to insure that result—they have submitted a military aid bill without a provision for direct aid to Chile.

But let us look at the economic aid package proposed for Chile.

And let us start with Public Law 480 title I. The administration is proposing—at this time—for a $55.1 million title I program for Chile. That represents 85 percent of the total title I program requested for all of Latin America.

Is Chile a "most severely affected" nation as defined by the United Nations?

No. Chile is not but four others in Latin America are and only two of them are receiving any title I help.

Is Chile one of the poorest nations and those which the Congress has urged receive particular attention?

No. Chile's per capita income is now $793. Haiti has a per capita income of $123. Honduras has a per capita income of $276. El Salvador has a per capita income of $352. Guyana has a per capita income of $390.

Yet only Haiti and Honduras are scheduled in fiscal year 1976 to receive assistance on title I Public Law 480 at all and then only 15 percent of the total funds. In fact, Chile has the fifth highest per capita income in the hemisphere.

Does Chile have a substantially larger population than the other countries on the MSA list?

No. Haita, Honduras, and El Salvador have total populations which when taken together—not even including Guyana—are greater than that of Chile.

Or does Chile have a substantial portion of its population which has per capita income under $150, again the target presented by the Congress in the past? Again, the answer is "No."

Chile only has approximately 16 percent of its population with a per capita income under $150. El Salvador has more than 43 percent of its population in that category, yet it receives no title I Public Law 480 funds at all. Honduras has 58 percent of its population in that category, yet it receives one-eighth that which Chile receives. Haiti has, according to the Library of Congress, more than 60 percent of its population with income less than $150, yet it receives less than one-sixteenth what Chile receives. If one then looks at the relative populations—in those countries alone—one finds that there are 5.7 million persons with incomes below $150 in Haiti, Honduras, El Salvador, and only 1.6 million in Chile. Yet Chile receives, under the administration plan, $55.1 million of the total $65 million proposed under title I Public Law 480 in all of Latin America.

Under the agreement, the proceeds from the sale of this wheat we have been granting to Chile are to go into the same programs for which we are also providing direct development loans of $22 million under the foreign assistance act—agricultural and nutrition assistance.

Also, let me emphasize that apart from MSA countries, there is only one country which receives more than Chile in title I Public Law 480 under the administration proposal worldwide and that is Korea.

Finally, it should be noted that in addition to the $55.1 million for title I, Public Law 480, there is also $8.9 million in title II, Public Law 480 funds, some $25 million in additional housing guarantee funds, $22 million in direct development loans, and $1 million economic aid grants.

The end result is that Chile would receive more than double the total economic aid package of any other Latin American country and nearly one-fifth of our total assistance to Latin America.

The reality is that this is a request framed out of a perceived political interest in maintaining close relations with the military junta of Chile.

It is a political request that disregards the evidence of human rights violation. And it is a political request made under the same shortsighted view of our interests that in the past has seen us embrace a dictatorial regime of colonels in Greece, a dictatorial regime in Portugal, and a dictatorial regime in Spain.

Conditions have changed in Greece and Portugal and we are suffering today for our past support of the previous authoritarian regimes. That may soon be the result of our past relations with Spain.

In the case of Chile, we have followed the same policy of operating within a moral vacuum and in the long run that may prove contrary to our own interests.

Finally, I would note for my colleagues something else of interest before I conclude.

My intention was to restrict the level of assistance from all sources—including but not limited to Public Law 480 housing guarantees, and development loans—to $50 million. This would represent approximately a 50-percent reduction in the level of assistance planned by the administration.

However, I understand now that the Ambassador to Chile on July 21, 1975, signed an agreement providing for $45.7

million in Public Law 480 title I assistance to Chile for fiscal year 1976. I also understand that he signed a similar authorization in August for the housing guarantee program of $25 million. And an $8.7 million title II contract with the voluntary agencies. I also understand that some $200,000 has been expended for educational grants. Thus, in fiscal year 1976, there already—even without any development loan program—has been a commitment of $79.4 million to Chile.

Therefore, this amendment does two things. First, it limits the total level of assistance for this fiscal year, from all sources and including Public Law 480, the housing guarantee program and the development loans to $90 million permitting only what has been already obligated and reducing in half the AID program. This would mean a $21 million savings. For the following fiscal year, this amendment would place a $50 million ceiling on all sources of economic assistance, including Public Law 480 and the Housing Guarantee program, and under all present indications it will mean at least a $50 million reduction in the administration's likely aid request.

Mr. President, I ask unanimous consent that articles on this subject by Jack Anderson and Anthony Lewis be placed in the Record as well as an excerpt from the U.N. Human Rights Commission report on Chile.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Oct. 11, 1975]

U.S. Aid to Chile Growing Larger

(By Jack Anderson and Les Whitten)

The closer we examine the relationship between the U.S. government and the Chilean dictatorship, the more curious it becomes.

The military regime in Chile holds the dubious distinction of being one of the most repressive in the world. Thousands of Chileans have been arrested, beaten and tortured for their political beliefs. Hundreds more have simply disappeared without a trace.

Yet U.S. support for the dictatorship has never waned. Indeed, it's getting stronger.

The year after Chilean strongman Augusto Pinoche took over, for example, U.S. economic assistance to Chile doubled from $9.8 million to $20.5 million. According to current plans, Chile will get $77 million in 1976.

Of this, $55 million in "Food for Peace" funds alone will be earmarked for Santiago. Chile in short, will get 85 per cent of the food aid that will be pumped into all of Latin America.

On Dec. 30, 1974, Congress cut off all military assistance to Chile. Until Congress intervened, however, military aid to Santiago was steadily climbing. It stood at $16 million in fiscal 1974.

These are merely the obvious ways Washington has helped keep the junta afloat. Occasionally we also get a glimpse of the covert assistance given to Chile.

Take, for example, the Army's "School of the Americas," located in the Panama Canal Zone. The school, stuck back in the jungle near the Caribbean coast, has been around in one form or another for three decades. It is specifically designed to train Latin American soldiers; all classes are taught in Spanish.

To no one's great surprise, we discovered about a third of the school's students in 1975 came from Chile—575 out of a total enrollment of 1,765.

One popular course entitled "Officer Combat Arms Orientation," was attended by 993 students. Over half of them—504—were Chilean officers.

They were given standard military training in such subjects as map reading, first aid and signal communications. The emphasis, however, was on anti-guerrilla warfare.

A full 16 hours of instruction, for example, were devoted to "basic concepts of counterinsurgency in urban areas." Nine hours of "psychological operations" were taught. But the most intensive instruction was given in 125 hours in "counterinsurgency operations; anti-guerrilla warfare in the field."

Until Congress put an end to military assistance to Chile nine months ago, in short, the U.S. Government was teaching the junta's foot soldiers how to repel the "dissidents" who oppose them.

Footnote: Ten of the 11 countries that sent soldiers to the basic officers course in 1975 are outright dictatorships. Bolivia, presided over by the repressive Col. Hugo Banzer, sent 1,203 students. The once-democratic Uruguay, which now has what experts believe is the highest per capita ratio of political prisoners in the world, sent 37 students.

[From the Washington Post, Oct. 16, 1975]

Two Chilean Aides Get U.S. Red Carpet

(By Jack Anderson and Les Whitten)

Chile's controversial military dictatorship appears to have an inside track in Washington.

At least two top-level representatives of the junta have paid recent visits to the nation's capital, where the red carpet was rolled out for them. A third delegate is expected to hit town this week.

The most notorious of the Chilean visitors was Col. Manuel Contreras-Sepulveda, head of the infamous National Intelligence Directorate, known as DINA. It is this military organization—a Latin American version of the CIA, FBI and Defense Intelligence Agency all lumped together—which has been directly responsible for the arrests and torture of hundreds of political prisoners over the past two years.

Before coming to Washington, Contreras stopped off in New York. He paid a quiet visit to the United Nations, where officials are preparing a report on violations of human rights in Chile.

Three months ago, a U.N. working group on human rights attempted to visit Santiago for an investigation, but the junta abruptly canceled the invitation. In his talks with U.N. officials, say our sources, Contreras attempted to convince them the U.N. group was barred only because it consisted of Marxists, assorted leftists, and troublemakers.

Contreras then hopped down to Washington, where his goings-and-comings were considered so secret that even the Chilean embassy was kept in the dark.

We have learned, however, that the colonel stopped off at the CIA where, say our sources, a private chat was arranged with the deputy director, Lt. Gen. Vernon Walters.

The State Department, meanwhile, was unofficially asked to suggest a few people Contreras might see. The department cooperated, but recommended the colonel visit some members of Congress who are critical of the junta.

On Capitol Hill, Contreras faced his only unfriendly audience. He wandered into the offices of Sen. Frank Church (D-Idaho) but could find no one to talk with. Staffers recall him as a "short, round" man who appeared "blase and somewhat disoriented."

Contreras also visited the House International Organizations Subcommittee, headed by Rep. Donald Fraser (D-Minn.). There he was sternly interrogated by a subcommittee staff member about human rights violations in Chile. The colonel responded with the familiar claim that reports of the killing and torture of political prisoners were a Marxist plot to embarrass the junta.

Another prominent Chilean who passed through Washington, shortly before Contreras, was the junta's press attache, Federico Willoughby. He suffers from a chronic kidney problem and came to the United States primarily for medical tests at Johns Hopkins Hospital in Baltimore.

During his 10-day stay, however, Willoughby visited the CIA, the State Department, and several members of Congress. He managed to see Church, who told our associate Joe Spear that he gave the Chilean a long, stiff lecture on human rights.

On Friday the junta's Minister of Justice, Miguel Schweitzer, is scheduled to arrive in Washington. His main mission, say our sources, will be to lobby in favor of a resumption of U.S. military aid to Chile, which was cut off by Congress last December.

Meanwhile, Sen. Edward Kennedy (D-Mass.) has informed the Senate CIA committee of the Contreras trip and has requested it be investigated. We have learned independently that committee staff members are preparing written requests for information concerning the visit.

Our own inquiries at the CIA about the Walters-Contreras meeting, meanwhile, produced only a curt "No comment."

Footnote: The Chilean visitors are not the only controversial people who have been able to gain access to top U.S. officials. Giorgio Almirante, the Italian neo-Fascist leader, came to Washington in September and met with two officials of the National Security Council.

[From the New York Post, Oct. 25, 1975]

Secret Trials in Chile

(By Jack Anderson, With Les Whitten)

Washington.—Back in 1972, we exposed how ITT plotted against any government that dared to oppose the conglomerate's financial interests.

There had been talk in Argentina, for example, of nationalizing the ITT telephone system. The company immediately tried to stir up a revolution.

In 1968, the governor of Puerto Rico considered taking over ITT's profitable but poorly serviced telephone company. ITT threw its resources against the governor, who was defeated at the polls.

In 1970, the Marxist Salvador Allende, campaigning on a platform of nationalization, won Chile's presidential election. Without waiting to see whether he would be able to keep his promises, ITT tried to stop him from taking power.

ITT owned 60 per cent of the Chilean telephone company and intended to keep it. On Oct. 23, 1975, ITT's Washington vice-president, William Merriam, sent a message to Henry Kissinger in the White House. It was a stilted, rather ungraceful demand for tough American action to stop Allende.

Kissinger endorsed a CIA–ITT conspiracy to block Allende from becoming president. When this failed, the CIA began to undermine the new Allende regime. The idea was to set him up for a fall.

The CIA spent an admitted $8 million on the anti-Allende campaign. This helped to bring Allende's subsequent downfall. For their money, the American taxpayers now have as an ally a military dictatorship far more oppressive than the Allende government ever was.

Since we have a proprietary interest in the story, we have continued to keep an eye on Chile. We have reported how the Chilean junta first turned upon the communists and leftists, then upon democratic leaders. We have also told how the junta tortures political prisoners and burns books.

The dictatorship has responded by sending representatives to Washington to assure U.S. officials that the repression is over and that human rights are now respected in Chile.

The ugly truth is, however, that the junta not only has renewed its repression of Allende's associates but of religious leaders and democratic politicians as well. At this moment, for example, the Chilean Navy is preparing three secret trials of about 100 political prisoners in the port city of Valparaiso.

Ten prominent Chileans will be charged, according to smuggled documentation, with "collaborating and participating in an illegal government." Yet it is the junta that is illegal; the Allende government was legally elected and illegally deposed. Thus the prisoners are being tried for a crime that was actually committed by their accusers.

Among those who will be hauled before the junta's kangaroo court are the following:

Pedro Felipe Ramirez, 34 former housing minister under Allende and son-in-law of Radomiro Tomic, the Christian Democrat who ran against Allende in 1970. Ramirez was among those released by the junta with great fanfare a month ago, as part of its second anniversary celebration. Minutes after Ramirez walked through the prison doors, he was re-arrested by Navy agents.

Andres Sepulveda, about 50, former congressman and Socialist Party leader. He was arrested after the coup, released on Sept. 20 and re-arrested five days later.

Sergio Vuskovic, 49, former mayor of Valparaiso and professor of philosophy. He also was arrested after the coup, released about Sept. 15 and re-arrested five days later.

Luis Corvalan, 56, former senator and acknowledged Communist. Although suffering from a bleeding ulcer and a serious spinal disorder, he has spent the last two years in prison.

The second secret Navy trial, also in the works, will bring about 55 political prisoners before the bar on charges of illegal arms importation during the Allende years.

The third secret trial will take up vague charges of "treason" against a number of other prisoners.

No one is immune, it seems from the junta's paranoiac purge of dissenters. Last month, the military dictators zeroed in on a private church group, known as the "Committee for Cooperation and Peace," which has been trying to keep account of the thousands of imprisoned Chileans.

The committee's secretary, Gina Ocaranza, simply disappeared on Sept. 12. She was five months pregnant at the time. Her associates believe she has been secretly arrested.

A few days later, according to diplomatic sources, the two top leaders of the Presbyterian church in Chile, Pastor Juan Polanco and his assistant, Pastor Dennis O'Shay, were detained.

The committee's co-chairman, Lutheran Bishop Helmut Frenz, was in West Germany on church business when he received word on Oct. 3 that the junta had barred him from returning home. Frenz has been internationally recognized for his work with Chilean refugees.

Footnote: At the urging of the Chile Solidarity Committee, a District of Columbia group pushing for human rights in Chile, several members of Congress have written to junta leader Gen. Augusto Pinochet demanding that the secret trials be stopped. Sen. Kennedy (D-Mass.) has also asked the State Dept. to issue a formal protest over the Frenz expulsion. The Chilean embassy had no comment.

[From the New York Times, Oct. 2, 1975]

For Which We Stand: II

(By Anthony Lewis)

Boston, October 1.—When Americans hear about repression in another country, about concentration camps and torture, our concern is often limited by a sense of distance from the horror. After all, what has it to do with us? In any case, what can we be expected to do about it? There are so many wrongs in the world. . . .

It is true enough that the United States cannot right all the world's inhumanity. Recent history permits no confidence in visions of global American benevolence. But it does not follow that we can feel detached from particular outrages to human rights, in terms either of responsibility or of the ability to help.

The reasons we cannot escape involvement are indicated by the example—the acute example—of Chile. It is two years now since the Allende Government was overthrown. The killing and torture and mass arrests that followed might have been thought a transitional phenomenon. But by all accounts, the military junta that governs Chile has institutionalized repression.

The junta admits that it has 5,000 political prisoners now; others say there are twice that many. By official count, 40,000 persons have been held in detention camps altogether since the coup; sources in the Catholic Church put the figure at 100,000—one in a hundred Chileans. The equivalent in this country would be two million political prisoners.

Torture has been widely used by the secret police and military. There are numerous verified reports, so gruesome in detail that one shrinks from description. An unknown number, probably thousands, have been killed.

Why does the terror go on without end in Chile? Part of the answer may be beyond reason, the paranoid character that right-wing military regimes assume. The Economist of London, a most conservative paper, said recently that such dictatorships tend toward "senseless, undirected, confused brutality."

But the repression may also be related to an economic policy that could not be imposed on a free society. Consumer prices rose 370 per cent in the junta's first year, and inflation is still running at about that rate—225 per cent from January to August this year. Unemployment is around 20 per cent. Industrial production fell 20 per cent in the first six months of 1975. The real income of lower-income families has been cut in half in two years.

What has it all to do with us? Why should we feel any connection with the cruelty and misery in Chile?

The first inescapable reason is that we share responsibility for bringing about the siuation that exists. The Central Intelligence Agency, under orders of the Nixon White House, worked to destabilize Allende's legitimate government by helping opposition forces. Overtly, the United States cut off financial aid to Chile at a time when the result was devastating to her stability.

Even beyond the official connection there are areas of American responsibility. A very interesting one is economic. The Chilean junta's economic policy is based on the ideas of Milton Friedman, the conservative American economist, and his Chicago School. Friedman himself has visited Santiago and is believed to have suggested the junta's draconian program to end inflation.

The policy, in keeping with the Chicago School's theories, is to cut public expenditure, curb monetary expansion and sell off publicly owned facilities. If there is a growing disparity between the incomes of rich and poor, that would in the Friedman view have the desirable effect of increasing investment and eventual economic growth.

Of course, any political or economic theory may be perverted from what its framers intended. But if the pure Chicago economic theory can be carried out in Chile only at the price of repression, should its authors feel some responsibility? There are troubling questions here about the social role of academics.

American universities should feel particular concern about Chile because academic life there has been so decimiated. Just two months ago the junta expelled seventy faculty members from the University of Chile and the Catholic University, many of them with degrees from the United States. Some were arrested.

In fact, many American institutions have been concerned and helpful. For example, pressure from deans of medical schools has helped some Chilean doctors get out of prison, though not all, and invitations to lecture in American universities have led to the release of some former officials.

American attitudes do make a difference—an enormous one. We cannot remove totalitarian regimes, but we can shame them. And we can help their victims. All of which makes it depressing that the reaction of the United States Government to official terror, in Chile and elsewhere, so often appears to be a studied indifference. The attitude was exemplified by Secretary of State Kissinger's famous remark when he heard that Ambassador David Popper was cautioning Chile's junta about the repression: "Tell Popper to cut out the political science lectures".

Excerpt From "Report of the Ad Hoc Working Group of the Commission on Human Rights" Concerning Chile

D. QUESTION OF TORTURE, CRUEL AND INHUMAN TREATMENT, INCLUDING THREATS TO HUMAN LIFE AND SECURITY OF THE PERSON, AND THE ALLEGED EXISTENCE OF "CONCENTRATION CAMPS"

184. The attention of the Commission on Human Rights has been specially drawn by the Sub-Commission on Prevention of Discrimination and Protection of Minorities and by the General Assembly to the torture and other cruel, inhuman or degrading punishment and treatment reported to be practised in Chile. The Sub-Commission expressed its concern in its resolution 8 (XXVII). This text was endorsed and adopted by the General Assembly, which had itself made its views clearly known in its resolution 3059 (XXVIII), in which it expressly rejected any form of torture and other cruel, inhuman or degrading treatment or punishment. The General Assembly, in its resolution 3219 (XXIX), urged the Chilean authorities to respect fully the relevant principles of the Universal Declaration of Human Rights, particularly those relating to safeguards against threats to human life and liberty.

185. Under the terms of article 3 of the Universal Declaration, "everyone has the right to life, liberty and security of person". The same principle is formulated in article 6, paragraph 1, and article 9, paragraph 1, of the International Covenant on Civil and Political Rights. The principle that "no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment" is set out in article 5 of the Universal Declaration and article 7 of the Covenant. Moreover, the Standard Minimum Rules for the Treatment of Prisoners provide in article 31 that "corporal punishment, punishment by placing in a dark cell, and all cruel, inhuman or degrading punishments shall be completely prohibited as punishments for disciplinary offences".

186. Many of the persons heard by the Group testified to the existence of themselves had been the victims of torture or ill-treatment. Other persons testified that they had seen other detainees being tortured: others still testified to their conviction that certain persons had been tortured. Earlier themselves on strong indications of this, as for example, the physical state of the alleged victims and screams heard in the places of detention. Several persons said that they had been tortured only a short time prior to their appearance before the Group; this confirmed the Group in its belief that it is nec-

essary to continue its investigations to verify these allegations.

187. The Group also heard a few persons who denied any knowledge of the existence of torture. These persons expressed their conviction that detainees enjoyed satisfactory protection and that whenever any abuses were alleged, these were quickly checked out, and, if necessary, remedial action was taken. None of these persons, however, was able to give precise information on any such investigation or remedial action, if any. Some of the persons who gave a reassuring picture of the situation in Chile maintained that they were wholly unaware of certain torture centres that are well known and that are systematically mentioned by alleged torture victims.

188. Although most of the places of detention are located in Santiago, the Group received evidence showing that ill-treatment took place in other parts of Chile. The persons who appeared before the Group made the distinction between detention centres, where several hundred persons—most of whom had been arbitrarily arrested—are detained, and places where persons are taken for interrogation. The latter were mentioned as being predominantly used for obtaining information, or for intimidation by methods of systematized torture, although some persons testified that torture also occurred in detention centres. Certain detention centres were in operation immediately after 11 September 1973, whereas others were established later. The following locations were mentioned as detention centres: (1) Pisagua (in the province of Tarapaca); (2) Chacabuco (in the desert of Atacama); (3) Tres Alamos (in Santiago, Calles Vicuna Mackenna y Departamental, the former Seminario de los Oblatos de Maria Immaculada), and Cuatro Alamos, commonly described as the place where detainees are held incommunicado ("Patellon de Incommunicado"); (4) Melinka, also called Puchuncavi (in the province of Valparaiso; a former popular summer resort); (5) Ritoque (in the province of Valparaiso; also a former popular summer resort); (6) Dawson Island (in the province of Magallanes); (7) Quiriquina Island (facing "Bahia de Talcahuano", province of Concepción); (8) Academia de Guerra Aérea (AGA); (9) "Las Meloras"; (10) Pirque (for women); (11) Carcel Correccional de Mujeres (for women). Some of these centres are reported to have since been closed down.

189. The evidence shows that prisoners are periodically taken from the detention centres to places where they are interrogated by methods amounting to torture. The location of these interrogation centres, commonly referred to as "torture centres", is often shifted to minimize the possibility of their being traced. It is, therefore, impossible to determine if these centres are still being used or if new ones have been established. The follow places have been referred to as having been used at one time or another: (1) Calle Londres 42 (former Socialist Party headquarters); (2) Tajas Verdes (120 kilometers west of Santiago).

(3) José Domingo Canas 1367; (4) José Domingo Canas 1347 (at the corner of Calle República de Israel); (5) Villa Grimaldi, in Calle José Arrieta (at one time a discothèque "El Paraiso"); (6) Villa Macul, in Calle Irán, Punta de Rieles; (7) Los Torres de San Borja; (8) Colonia Dignidad (in Ciudad de Parral, province of Linares); (9) Calle Santa Lucia 124 (former MAPU Party headquarters), used for recuperation after particularly severe torture; (10) the naval base of Talcahuano; (11) Fuerte Borgono (in Talcahuano, Cerro Las Canchas). Villa Grimaldi was mentioned often in this respect and by many persons.

190. Detention and interrogation are essentially the responsibility of the intelligence agencies pertaining to the three armed services and the *carabineros*, of the civil police and of the Direccion de Inteligencia Nacional (DINA). These agencies are described in section B above. Among these intelligence agencies, the Servicio de Inteligencia de la Fuerza Aérea was said to be especially known for its refined techniques in torturing political detainees. The DINA, it was reported, has houses and centres where it carries out torture on detainees. Practically all testimony of torture shows DINA as being the agency primarily responsible in the present situation for the degrading and inhuman treatment of persons under detention.

191. The evidence before the Group has further shown that torture mostly takes place in the period immediately following arrest, before any legal safeguards against arbitrary arrest, such as *amparo*, can be invoked. In this context it may be recalled that, as explained in chapter III, legislation has been promulgated in Chile prolonging the permissible period of preventive detention from 48 hours to five days, for offences within the competence of military courts. In practice, however, according to the evidence, persons are held incommunicado and under interrogation for longer periods, often running into months. It is during these periods that most of the torture described to the Group takes place. . . .

195. It is with profound disgust that the *Ad Hoc* Working Group feels that it is obliged to report these elements to the General Assembly, which were presented to it by many Chileans of both sexes, of all ages, and of many political convictions or none, some of whom had left Chile in the very recent past. Whether it is for the purpose of punishing past political enemies or extracting in a haphazard way information which might possibly endanger the régime which has now been in power without significant disturbance for nearly two years, such acts are forbidden by international law even under an emergency situation, and it goes without saying that many of them are inexcusable and constitute an affront to the elementary moral standards of mankind and the dignity of the human individual. The fact that massive torture methods appear to be taught and learnt by investigating officers, whether members of the armed forces or not, as a technique or a new science, merely from the standpoint of their effectiveness and without consideration of any human standards, is ominous and calls for strong reprobation. The Group feels that the question of torture and cruel and inhuman treatment, including threats to human life and the security of the person, and the allegations relating to the existence of "concentration camps", should continue to retain the urgent attention of all organs of the United Nations concerned in one way or another with the implementation of the United Nations provisions concerning human rights.

Mr. HUMPHREY. Mr. President, I think it should be noted that this amendment, as the Senator from Massachusetts said, does reduce the overall authorization by $20 million which again is helpful in terms of our budget resolution and in bringing this within the budget target. The amendment is acceptable and I hope the Senate will agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. It requires the unanimous consent.

Mr. KENNEDY. I ask unanimons consent for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 48, line 18, immediately after the word "by" insert "(A)".

On page 48, line 24, add the following: "and (B) by inserting "(1)" immediately after "(a)", and by adding at the end of such new paragraph (1) the following new paragraph:

"(2) The Congress reaffirms its support for the work of the Inter-American Commission on Human Rights. To permit such Commission to better fulfill its function of insuring observance and respect for human rights within this hemisphere, not less than $357,000 of the amount appropriated for fiscal year 1976 and $358,000 of the amount appropriated for fiscal year 1977, for contributions to the Organization of American States, shall be used only for budgetary support for the Inter-American Commission on Human Rights.".

Mr. KENNEDY. Mr. President, one of the really most effective instruments of the Organization of American States has been their Human Rights Commission which has done very exceptional work under difficult financial pressure over the past 4 years.

Mr. HUMPHREY. On this one would the Senator withhold his amendment? I regret to say I did not have a chance to discuss this amendment with the Senator from New Jersey, and I believe if the Senator will do so we can take care of it tomorrow.

Mr. KENNEDY. I had an opportunity to talk this over with the minority, not personally. I understand it is acceptable to them, but I will follow the Senator's advice.

I will tell the Senator that if he will accept it, I will not ask for reconsideration. If it should be reconsidered I would understand that to be——

Mr. HUMPHREY. Is that agreeable?

Mr. JAVITS. I will take a chance that it is agreeable. I will vote "aye" so as to be able to move to reconsider.

Mr. HUMPHREY. If it is not I would be quite willing to——

Mr. JAVITS. Knowing Senator CASE as we do, that would really be better, to wait for Senator CASE. I am willing to do it. I have no quarrel here, but if the leader has not——

Mr. HUMPHREY. I mentioned the matter to him. I did not have a copy of the amendment, and I just want to be exceedingly fair and careful here.

Mr. KENNEDY. I do, too.

Mr. HUMPHREY. I know the Senator

does. We might accept the amendment with the full understanding that if in any way tomorrow it is in disagreement I shall move to reconsider.

Mr. KENNEDY. That would be completely agreeable.

It is my understanding that the ranking Republican Member has seen it and is in support of it.

It is also supported by Assistant Secretary of State for Inter-American Affairs William D. Rogers for the administration.

The purpose of the amendment is to further indicate the support of the Senate for the activities of the Inter-American Commission on Human Rights and to increase the contributions of the United States to that agency.

The amendment would direct a 2-year contribution of $715,000 by the United States to the Commission, an increase of some $300,000 in the anticipated allotment over those 2 years.

These additional funds are being proposed after consultation with the Bureau of Inter-American Affairs of the Department of State and with the support of the Department.

The level of funding is crucial to prevent a drastic cutback in the operations of the commission as a result of a budgetary restriction within the OAS.

The Commission's proposed budget was cut back by more than $150,000 as a result of budgetary restrictions.

As a result it would have to cancel its planned seminars, special studies, and certain pending investigations of the situation of human rights in the Americas.

This amendment will prevent that severe curtailment of the Commission's activities as well as to permit an expansion planned and authorized by the OAS in the past.

If there is one area of increasing concern to the people of the United States and the people of the hemisphere, it is the growing evidence of human rights violations within the hemisphere.

We have seen the evidence of that in Chile, Brazil, and Uruguay, and the documented reports of greatest substance have consistently been the work of the Commission. The Commission has reported—although it was denied an onsite inspection—on allegations of violations of human rights in the case of Cuba as well.

In many instances, most recently with regard to Chile, its activities have at least spotlighted the continued concern of the hemisphere that member states respect the Universal Declaration of Human Rights and the provisions of the OAS Charter protecting human rights.

Article 3 of the Charter of the OAS, states, The American States proclaim the fundamental rights of the individual without distinction as to race, nationality, creed or sex.

In our relations with other Latin American nations, it is invaluable to have an inter-American agency with the prestige of the Commission available to investigate, report, and make recommendations with regard to the condition of human rights within the hemisphere.

That is why it is essential to continue to have an independent and vigorous agency. I believe the current executive secretary of the Commission, who has been with the Commission since its inception, has consistently produced thoroughly documented reports which are of inestimable utility to those concerned with human rights.

The Commission has the duty to devote its attention and concern to the task of insuring observance and respect for the: Right to life, liberty, and personal security; right to equality before the law; right to religious freedom and freedom of worship; right to freedom of investigation, opinion, expression, and dissemination of ideas; the right to a fair trial; the right to protection from arbitrary arrest; and the right to due process of law.

I can conceive of no more important organ within the OAS than the Commission and I urge support for this amendment to increase its ability to fulfill its functions.

I would like to submit for the RECORD a letter indicating strong support for this amendment from Mr. Rogers, Assistant Secretary for Inter-American Affairs. So it has the strong support of the administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., November 3, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I have learned this morning of your proposed amendments to the International Development and Food Assistance Act of 1975, one of which would increase the funds granted to the Inter-American Human Rights Commisison during fiscal years 1976 and 1977, the other which would delete that provision of Public Law 480 which prohibits Title I sales agreements with countries trading with Cuba.

I wish to express my wholehearted support for strengthening the Inter-American Human Rights Commission for earmarking additional resources. All of us are concerned when any of the peoples of the Hemisphere are denied their basic human rights. The Inter-American Human Rights Commission is one of the more effective instruments available for focusing the attention and concern of the governments and peoples of the Hemisphere on this problem. Furnishing additional funds to the Commission will hopefully enable it to engage in even more effective programs in future years. Time has not permitted obtaining advice from the Office of Managment and Budget as to the relationship of this proposed amendment to the program of the President.

With respect to the provision of Public Law 480, I have previously stated that modifications of those aspects of our Cuban denial policy which affect other countries are a logical and practical corollary to the termination of mandatory OAS sanction. [Thus, the Administration has previously expressed support for the provision in H.R. 9005, which gives the President broader waiver authority to provide P.L. 480 Title I food sales to countries which trade with Cuba.]

Sincerely,

WILLIAM D. ROGERS,
Assistant Secretary for
Inter-American
Affairs.

Mr. HUMPHREY. This is one that the administration sent the amendment on?

Mr. KENNEDY. The Senator is correct that the administration supports this amendment to provide an additional $300,000, over the currently planned contribution of $415,000 to the Human Rights Commission of the Organization of American States or a 2-year U.S. contribution of $714,000 which should permit the Commission to operate on a budget of some $922,000.

I ask unanimous consent that a description of the Commission be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

1. What is the Inter-American Commission on Human Rights?

It is one of the principal organs of the Organization of American States (OAS) the main function of which is to promote the observance and protection of human rights and to serve as a consultative organ of the Organization in these matters.

2. What are human rights?

Human rights are not the rights of man derived from the fact that he is a national of a certain state, but the rights that are based upon attribute of the human individual.

3. Which are the human rights protected by the American regional system?

The American Declaration of the Rights and Duties of Man adopted by the Ninth International Conference of American States (Bogotá, April 1948), established the following rights:

Right to life, liberty, and personal security;
Right to equality before the law;
Right to religious freedom and freedom of worship;
Right to freedom of investigation, opinion, expression, and dissemination of ideas;
Right to protection of honor, personal reputation, and private and family life;
Right to a family and to the protection thereof;
Right to protection for mothers and children;
Right to residence and movement;
Right to inviolability of the home;
Right to the inviolability and transmission of correspondence;
Right to the preservation of health and to well-being;
Right to education;
Right to the benefits of culture;
Right to work and to fair remuneration;
Right to leisure time and to the use thereof;
Right to social security;
Right to recognition of juridical personality and of civil rights;
Right to a fair trial;
Right to nationality;
Right to vote and to participate in government;
Right to assembly;
Right of association;
Right to property;
Right of petition;
Right to protection from arbitrary arrest;
Right to due process of law;
Right of asylum:

It is the duty of the Inter-American Commission on Human Rights to devote special attention to the task of insuring observance and respect of the following rights:

The right to life, liberty, and personal security; the right to equality before the law; the right to religious freedom and freedom of worship; the right to freedom in investigation, opinion, expression, and dissemination of ideas; the right to a fair trial; the right to protection from arbitrary arrest; and the right to due process of law.

4. What duties does the American Declaration of the Rights and Duties of Man establish?

The duties are:

a. Duties to society;

b. Duties toward children and parents;

c. Duty to receive instruction;

d. Duty to vote;

e. Duty to obey the law;

f. Duty to serve the community and the nation;

g. Duties with respect to social security and welfare.

5. When did the Inter-American Commission on Human Rights begin functioning?

The Commission was set up in 1959 and began functioning in 1960, following the approval of its Statutes by the OAS Council and after the election of the first group of seven members who compose it. The members are chosen in their personal capacity from panels of three persons presented by the governments of member states and they are elected for a term of four years.

6. Whom do the seven members of the Commission represent?

They represent all the member states of the Organization and act following the dictates of their consciences. They must approve the Rules of Procedure of the Commission and elect, every two years, the Chairman and Vice-chairman who are the officers of the Commission.

The American Convention on Human Rights approved in San Jose, Costa Rica, on November 22, 1969, which will enter into force upon its ratification by eleven member states of the Organization, recognizes the following rights: right to judicial personality; right to life; freedom from torture; freedom from slavery; right to personal liberty; right to a fair trial; freedom from ex post facto laws; right to compensation; right to privacy; freedom of conscience and religion; freedom of thought and expression; right of reply; right of assembly; freedom of association; rights of the family; right to a name; rights of the child; right to nationality; right to property; freedom of movement and residence; right to participate in government; right to equal protection; right to judicial protection.

7. Where is the seat of the Commission?

The permanent seat of the Commission is the city of Washington, D.C., but the Commission may go to the territory of any American republic with prior consent of the government thereof to hold meetings or for other purposes within its scope of action.

8. When does the Commission meet and who convokes it?

The Commission meets for a maximum of eight weeks a year, in one or two regular meetings, as it may decide, and it may hold special meetings when so convoked by the Chairman or at the request of a majority of its members.

9. Who provides the secretariat services the Commission requires?

The secretariat services are provided by a specialized functional unit of the OAS under the direction of an Executive Secretary.

10. What is the competence of the Commission?

In accordance with its Statute, the Commission has two main functions which, as has been said above, are:

a. To develop an awareness of human rights among the peoples of America;

b. To watch over the respect and observance of the rights in the American states.

11. By what means does the Commission develop an awareness of human rights?

For this purpose, the Inter-American Commission on Human Rights engages in the following activities:

a. Carrying out a General Work Program under which it examines fundamental aspects of human rights, prepares studies, reports, legal research and compilations, which are published and distributed to official institutions, educational centers, civic associations, labor unions, etc.

b. Organizing series of lectures, university seminars, and exchange of information to further interest in the study of human rights at the academic and professional levels.

12. By what means does the Commission perform its function of watching over the observance and respect of human rights?

The Inter-American Commission on Human Rights carries out this task by the following means which are found in its Statute:

a. It examines the communications and complaints addressed to it by individuals or institutions, denouncing violations of human rights in American countries;

b. It requests from the governments of member states information that may clarify the facts that have been denounced and that refer to their respective authorities;

c. It requests from a government, when it deems it advisable, consent for it to visit the territory of the state in order to examine the situation regarding human rights there;

d. It recommends to the governments of member states that they adopt progressive measures in favor of human rights, within the framework of their national legislation and, that, in accordance with their constitutional precepts, they take appropriate measures to further the faithful observance of those rights.

13. What requirements should communications or claims meet?

In order to be considered by the Commission, a denunciation must include in the first place, the full name, address, and signature of the claimant or claimants, together with an account of the act or acts denounced and the name of the victim or victims of the supposed violation, and it may not contain disrespectful or offensive language. The denunciation should be submitted in writing but may be presented orally when the claimant is illiterate or unable to write.

The Secretariat verifies whether the denunciation fulfills the above requirements. If it does not, it requests the claimant to complete his claim in accordance with the provisions of the Regulations of the Commission.

Communications should be addressed to:

Inter-American Commission on Human Rights, Organization of American States, Washington, D.C. 20006, United States of America.

14. What action does the Commission take regarding the denunciations submitted to it?

Prior to any other action, the Commission requests information from the government concerned.

If the government does not supply the information requested within a period of 180 days, which may be extended by the Commission, the Commission will presume that the occurrence of the events denounced has been confirmed. If the information is supplied, it is transmitted to the claimant so that he may establish other aspects of his denunciation.

In cases involving violations of the rights to life, to equality, to religious freedom and freedom of worship, to freedom of investigation, opinion, expression and dissemination of ideas, to a fair trial, to protection from arbitrary arrest, and to due process of law, the Commission verifies that all internal legal remedies of the state concerned have been exhausted and that not more than six months have passed since the date of the final domestic decision unless recourse to such remedies has been prevented or unduly delayed.

On the basis of the information provided by the government and the claimant, the Commission decides on the admissibility of the claim.

If the denunciation is not admissible, it will be placed in the files of the Commission.

15. What are the reasons underlying the requirements of previous exhaustion of internal remedies?

The fact that the protection of the human rights of people within the territory of each country is one of the basic duties of the government concerned. Thus, organs of international protection are entitled to take action only when the government fails to discharge that duty.

16. What other procedure does the Commission follow after admitting a denunciation?

After admitting a denunciation the Commission may, when it deems this necessary, request from the government concerned and from the claimant additional information it may require for the proper examination of the case.

The Commission may ask the government concerned to allow one or more of its members to carry out an investigation of the facts in its territory.

If the Commission considers that a violation of human rights has taken place, it will prepare a report and make appropriate recommendations to the government concerned with a view to the adoption of appropriate measures within a specified term.

Should the government fail to adopt the recommended measures within that term, the Commission will make the observations it considers appropriate, to the General Assembly of the OAS, in the annual report it is to present to that organ. Finally, if the General Assembly does not make any observations on the report of the Commission and if the government referred to has not adopted the measures recommended, the Commission may publish its report.

17. Does the Commission withhold the name of claimants?

In accordance with its regulations, the Commission withholds the identity of claimants along with any other information that might serve to identify them when transmitting the pertinent parts of claims to the governments concerned, unless disclosure is expressly authorized by the claimants.

18. May claimants appear in person before the Commission?

Anyone may appear before the Commission in person or represented by another person for the purpose of presenting, clarifying, or completing a denunciation involving violation of human rights in American states.

Mr. HUMPHREY. Mr. President, as the manager of the bill, I will accept the amendment with the clear understanding that as of tomorrow, if there is any misunderstanding with the Senator from New Jersey, that we will have reconsideration, and I shall move the reconsideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, there is one amendment here that I think the floor manager is aware of, that is the antidiscrimination amendment, the OPIC amendment, which I understand the staff has discussed with the Senator.

Mr. HUMPHREY. Is that the OPIC amendment?

Mr. KENNEDY. Yes, OPIC, that is correct.

I am just wondering if we could dispose of this as well while we have the opportunity to do it.

Mr. HUMPHREY. Mr. President, on this one, I will ask the Senator to withhold that.

Mr. KENNEDY. Very well.

Mr. HUMPHREY. I thank the Senator.

Mr. KENNEDY. Mr. President, I have an amendment to change the Cyprus assistance from the military, the security assistance, into the humanitarian assistance program. I ask unanimous consent that we may proceed to the consideration of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. Kennedy) for himself and Mr. Mathias and Mr. Javits proposes an amendment, on page 6, line 1, strike out "section" and insert in lieu thereof "sections".

On page 6, between lines 14 and 15, insert the following:

"Sec. 494D. Cyprus Relief and Rehabilitation.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There are authorized to be appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, $30,000,000. Such sums are authorized to remain available until expended.".

Mr. HUMPHREY. Yes, we are familiar with that amendment and the Senator from New York, I believe, wants to be associated with it.

Mr. KENNEDY. He wants to be a cosponsor of this amendment, and the Senator from Maryland (Mr. Mathias) is a cosponsor.

The purpose of this amendment is twofold. First, it simply continues American humanitarian concern and assistance to Cyprus, at an amount only slightly higher than last year. And second, it insures that this assistance is unmistakably humanitarian, by authorizing it under the humanitarian aid provisions of the regular foreign assistance bill.

As we know from the President's security and supporting assistance message, submitted to Congress last week, the administration is proposing to ask for $35 million for Cyprus under security and supporting assistance—with $10 million of this amount earmarked for U.N. forces on Cyprus—UNFICYP. This leaves some $25 million for refugee relief and rehabilitation.

I believe it would be a serious mistake, both symbolically and substantively, to have our humanitarian assistance for Cyprus allocated under security and supporting assistance. It would raise some troubling questions over the intent of our aid, and could create needless misunderstanding in a politically sensitive area of our foreign policy. The pending bill, which authorizes humanitarian and general development assistance, is the logical place to authorize assistance to people in need on Cyprus.

Mr. President, as chairman of the Subcommittee on Refugees, I have closely followed developments on Cyprus, and a few days ago I received a preliminary report from subcommittee staff, who visited Cyprus on my behalf just 2 weeks ago. Their report, which I shall file shortly, indicates that massive humanitarian needs continue on the island.

Although the emergency situation has passed, the crisis of people very much remains—especially among the nearby 200,000 displaced and needy people in government-controlled areas of the island. The immediate issue last year for most Cypriots, both Greek and Turkish, was food and shelter and security. And thanks to the assistance of the international community, and substantial contributions by the United States, these initial needs have been met. But Turkish forces still occupy 40 percent of Cyprus. And the Greek refugees cannot return to their homes. And until an equitable solution is found to the human and political tragedy of Cyprus, these refugees will need our help and concern.

The purpose of this amendment is to continue this help—and to give meaningful support to the very effective refugee programs of the Cyprus government and the U.S. High Commissioner for Refugees, who has been designated coordinator of U.N. humanitarian assistance on Cyprus by Secretary General Kurt Waldheim.

This amendment does not really add to our national allocation of foreign assistance. It merely transfers humanitarian aid to Cyprus from the security and supporting assistance bill to the pending bill, where this aid belongs.

Mr. HUMPHREY. Yes.

Mr. KENNEDY. If the Senator is prepared to accept that.

Mr. HUMPHREY. Mr. President, let me just say to the Senator from Massachusetts, I did discuss this with the Senator from New Jersey (Mr. Case) and it is our understanding that what the amendment basically does is to take the funds which the administration is requesting to be placed in the military assistance, Middle East military assistance package, that is now in the hands of the Congress and to move it out of that package and put it into the economic assistance and humanitarian assistance bill that is before us now.

Mr. KENNEDY. That is correct. I think that is just where it belongs.

Mr. HUMPHREY. It does belong there, indeed it does.

Mr. KENNEDY. That would be——

Mr. HUMPHREY. Does it add additional moneys?

Mr. KENNEDY. It does for humanitarian purposes—about $5 million. It does, Mr. President. It will be subject, of course, to the appropriations and a full justification for it.

Mr. HUMPHREY. But we have discussed this amednment and as the manager of the bill I am prepared to say that both minority and majority on the committee are in support of it.

Mr. KENNEDY. I ask unanimous consent to be able to have printed in the Record a statement by the Senator from Maryland (Mr. Mathias).

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Mathias

I am pleased to join with the distinguished Senator from Massachusetts in sponsoring this amendment for relief and rehabilitation on the island of Cyprus. On the 16th of May, I introduced S. 1761 which was designed to accomplish this same end. The reasons that existed in May, Mr. President, exist today. If anything, the situation on the island of Cyprus is more serious and the demands for humanitarian aid to the refugees on the island are even more imperative.

It is vital, Mr. President, for the reduction of tension in the eastern Mediterranean that an overall political settlement be arrived at on the island of Cyprus. I believe that the climate for such a settlement is emerging between the Greek and Turkish communities. But, as history has so well demonstrated, the humanitarian needs of a significant refugee population can pose problems to ultimate political settlements. Therefore, based on both a humanitarian concern for the people directly involved and on a concern for restoring stability to the island, I urge support for this amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may be joined as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I have an additional amendment which I sent to the desk.

Mr. President, I ask unanimous consent that it be in order to consider this amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, between lines 14 and 15, insert the following:

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT AMENDMENTS

Sec. 102. The Indochina Migration and Refugee Assistance Act of 1975, Public Law 94–23; 22 U.S.C. 2601, is amended as follows:

(1) In section 2, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam, or Laos".

(2) In section 3, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam, or Laos".

(3) In section 4(b), strike out "Cambodia and South Vietnam" and insert in lieu thereof "Cambodia, South Vietnam, and Laos".

(4) In section 4(b)(3), strike out "South Vietnam and Cambodia" and insert in lieu thereof "South Vietnam, Cambodia, and Laos".

Mr. KENNEDY. Mr. President, this is a very simple amendment to update the

Indochina Refugee and Migration Assistance Act of 1975.

Under this statute—enacted last May—some $405,000,000 was made available to the President for the movement, resettlement, and care of refugees from Cambodia and South Vietnam.

Since then, however, several thousands of Lao nationals have left their country for Thailand—and following consultations with the Judiciary Committees of both Houses, the Attorney General is now paroling into the United States some 3,400 of the Lao refugees.

Funds are currently available for the transportation, processing and initial resettlement of these Lao refugees. But none of the special education, health care and public assistance benefits granted by law to refugees from Cambodia and South Vietnam, are available to the refugees from Laos. Nor will State and local governments receive reimbursements for any expenses incurred in the resettlement of the refugees from Laos.

Mr. President, separate treatment for the refugees from Laos is discriminatory and inequitable. It is confusing to the American people and Congress. And it needlessly complicates and makes more difficult the search for refugee sponsors.

The Indochina refugee program should be viewed as a whole. And I share the view of the Department of State, the voluntary resettlement agencies, and many of our colleagues in Congress, that a remedy is urgently needed to meet our obligations to the refugees from Laos, on the same basis that we are meeting our obligations to the refugees from Cambodia and South Vietnam.

The pending amendment accomplishes this end. It simply adds refugees from Laos to the categories of people eligible for benefits under the Indochina Refugee and Migration Assistance Act of 1975. I am assured by the Department of State that no additional funds are needed to carry out the intent of this amendment.

I urge its adoption by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, finally, I send to the desk an amendment and ask unanimous consent that it be in order to be considered.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, can we hear what the amendment is before we get the consent that it be considered?

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment, on Page 28, lines 19–20, strike out "$92,400,000" and insert in lieu thereof "$99,550,000".

On Page 28, lines 20–21, strike out "$96,000,000" and insert in lieu thereof "$104,500,000".

On Page 28, line 22, immediately after the word "expended." add the following: "Of the amounts made available under this section, not less than $14,750,000 shall be available only during Fiscal Year 1976, and not less than $16,100,000 shall be available only during Fiscal Year 1977 for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations."

Mr. LONG. Mr. President, what is the purpose of the amendment?

Mr. KENNEDY. This is at the request of American voluntary agencies. If this is accepted, it increases the——

The PRESIDING OFFICER. The Chair would ask the Senator to withhold for a minute.

The Senator's previous amendment dealing with Cyprus relief and rehabilitation affected a part of the bill that had already been struck, and, therefore, was not in order.

The Senator should have the staff redraft the amendment to the appropriate section and the Chair will act on it.

Mr. KENNEDY. Fine.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment as agreed to be placed at an appropriate place in the bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator will proceed.

Mr. KENNEDY. Mr. President, I send to the desk an amendment to H.R. 9005, which will strengthen our Government's support of private voluntary agency relief programs overseas.

This amendment would increase the ability of America's voluntary agencies to meet international humanitarian needs by restoring $7.15 million for fiscal year 1976, and $8.5 million for fiscal year 1977, for the reimbursement of ocean freight costs incurred in the export of food and nonfood commodities, which are privately donated to support ongoing voluntary relief programs.

Mr. President, for many decades, U.S. voluntary agency relief programs have been recognized as an essential counterpart to our national foreign assistance effort. By channeling privately donated relief contributions to meet vital humanitarian needs, the voluntary agencies have been able to create a direct people-to-people flow of relief assistance. The voluntary agencies have provided a critical link between the humanitarian goodwill of the American people and the basic needs of people in distress overseas.

For years, our Government has assumed the responsibility for the cost of ocean freight shipments of title II commodities under the food for peace program, as well as the cost of shipping privately donated relief assistance—relieving voluntary agencies of a significant burden, and permitting them to divert their limited resources to the more important task of operating viable humanitarian and development programs across the globe.

Unfortunately, because of the increasingly limited funds made available by AID in recent years, the voluntary agencies have been forced to absorb tremendous costs in transporting donated commodities, such as medical and food supplies. This burden has become all the more constraining in the wake of massive humanitarian disasters in India, Bangladesh, and the Sahel.

While our Government should not shoulder this burden alone, we can increase our assistance in order to minimize the diversion of scarce voluntary agency resources. This amendment has the strong support of the American Council of Voluntary Agencies for Foreign Service.

I urge its favorable consideration.

Mr. President, I ask unanimous consent that the text of correspondence I have had recently with the voluntary agencies and AID in support of this amendment, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL OF VOLUNTARY
AGENCIES FOR FOREIGN SERVICE,
INC.,
New York, N.Y., October 9, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In view of your interest in the voluntary agencies' need for increased ocean freight funds, as represented in your bill S. 1816, I am enclosing a background paper outlining voluntary agency participation in the ocean freight program, along with a rationale for increasing the ocean freight subsidy for FY 1976 and 1977.

We greatly appreciate your continuing interest in the private voluntary organizations.

Sincerely,

FRED W. DEVINE,
Chairman, Material Resources Committee.

STATEMENT ON THE OCEAN FREIGHT SUBSIDY, OCTOBER 10, 1975

HISTORICAL BACKGROUND OF THE OCEAN FREIGHT SUBSIDY

From the very beginning of the ocean freight subsidy, which began in 1947 under Public Law 84, it was emphasized that American voluntary relief is an essential counterpart to the foreign relief and recovery programs conducted by the Government.

Since then, the Government has periodically acknowledged and encouraged the voluntary contribution in overseas aid. Section 216 of the Foreign Assistance Act provides for the ocean freight subsidy "in order to further the efficient use of United States voluntary contributions for relief and rehabilitation of friendly peoples." This subsidy is used for the shipment of other than PL 480 cargo; PL 480 shipments are covered under a separate ocean freight arrangement.

THE POSITIVE IMPACT OF THE OCEAN FREIGHT SUBSIDY

The voluntary agencies are doing their best to reach the poorest people in the developing countries. By channeling the contributions made in case and in kind (now at unprecedented levels) from their constituencies, the agencies are able to create a direct, people-to-people flow of assistance.

The ocean freight subsidy enables voluntary agencies to ship the basic materials needed to help people stay alive, develop, and reach self-sufficiency—food, medicines, seeds, tools, housing materials, clothing, and so forth. The ocean freight cost to the U.S. Government is pennies per year for each person reached by the subsidy program.

Because of the unique character of voluntary agency programs, the ocean freight subsidy of agency shipments creates a greater impact than would be possible for either voluntary agencies or from Government resources alone.

THE FY 1976 VOLUNTARY AGENCY REQUESTS FOR OCEAN FREIGHT

As part of the recently implemented AID procedures for better pre-planning, the voluntary agencies have submitted to AID requests for FY 1976 ocean freight funds for ongoing, normal program needs which total approximately $14 million.

THE NEED TO INCREASE THE OCEAN FREIGHT SUBSIDY

The problems of unprecedented worldwide need are being tackled by voluntary agencies through ongoing programs in over one hundred countries. In response to their constituencies' desires, the agencies have intensified and broadened their efforts wherever possible to respond to disaster and emergency situations. But in addition, voluntary agencies have been especially active in subsequent rehabilitation and long-term redevelopment in the aftermath of massive disasters in the areas of chronic need, including India, Bangladesh, the Sahel, Nicaragua, Haiti, and the Dominican Republic, to name only a few areas of activity.

In addition to increased need and the increased volume of materials to be shipped, higher freight costs continue to put a severe drain on the ocean freight subsidy. The rise in shipping rates, fuel costs, bunkerage charges and related costs have raised per-unit shipping expenses for FY 1975 by an estimated 35 to 50 per cent over FY 1974. High inland transportation costs to designated points of entry for landlocked recipient countries, particularly in the Sahel, have put additional pressure on U.S. Governmental ocean freight resources.

THE ADVERSE EFFECT OF INSUFFICIENT OCEAN FREIGHT FUNDS

The need for ocean freight funds *already* is greater than the availability. Some voluntary agencies have had to refuse requests from abroad for food, medical supplies, and other materials because of a lack of ocean freight funds. CARE, for example, recently could not honor food requests from Bangladesh, Chad and Niger. Church World Service has had to refuse shipments of food to relieve famine in India and Bangladesh, pending the availability of more ocean freight funds in the future. Medical Assistance Programs (MAP) has had to curtail shipments of medical supplies.

The fact that the need exceeds availability also means that each agency has had to further narrow down its existing priorities in making sometimes agonizing shipping decisions. Far from shipping materials indiscriminately, some agencies can document instances when they have had to decline valuable donations of materials for humanitarian relief and development programs because they lacked the funds for shipment.

Agencies have already had to pay for shipping out of their own funds, and spending agency funds on ocean freight puts a severe drain on normal program resources. The well known multiplier effect works in reverse, so that for every dollar taken out of the ocean freight subsidy, several dollars' worth of material aid is withdrawn, many dollars' worth of potential programs are lost, and there is an incalculable effect on people who might have been reached.

A RANDOM SAMPLING OF RECENT VOLUNTARY AGENCY SHIPMENTS UNDER THE OCEAN FREIGHT SUBSIDY PROGRAM

Garden seeds and soybean seeds to Bangladesh.

Seed corn to Haiti.

Wheat to India.

Medical equipment and pharmaceuticals to Bangladesh.

Windmills, and road and garden tools to the Sudan, Niger and Haiti.

High quality livestock for breeding to Tanzania, Korea, the Philippines, Ecuador, Guatemala, Dominican Republic.

Water tank trucks to Ethiopia.

Clothing to Bangladesh, Jordan, Indonesia, Zambia, Cambodia.

Medical supplies to Honduras, Rwanda, Israel.

Beans to India.

Milk to Haiti.

Machine tools to Iran, Israel.

Wheat and cottonseed oil to Bangladesh.

Foodstuffs and clothing to Morocco.

Medicines and household goods for Angolan refugees.

Educational supplies and soap to Brazil, Hong Kong, Haiti, Tanzania.

Irrigation pipe to Israel.

Medical supplies, including complete hospitals to Indonesia, Dominican Republic, New Guinea, Brazil.

THE VOLUNTARY AGENCIES' SHARE OF TRANSPORTATION COSTS

The ocean freight subsidy only covers shipments from the U.S. port to the foreign point of entry. The voluntary agencies use their own resources to cover administrative costs, domestic pre-shipment expenses (including costs of acquiring, processing, packing, warehousing, and transporting the materials to the U.S. port), and, in a number of cases, inland freight in the receiving countries. Various agencies have estimated that these costs represent *at least* 20 per cent (and often a much higher percentage) relative to the amount paid by the Government for ocean freight, depending on the type of shipment, the agency, and the country involved. Clearly the voluntary agencies' moral commitment to their programs is backed up by a deep financial commitment.

OTHER POINTS ABOUT THE OCEAN FREIGHT SUBSIDY

The voluntary agencies must give preference to shipping on U.S. lines, with the effect that the ocean freight subsidy is predominately used in support of U.S. commercial shipping concerns.

In many instances, the availability of the ocean freight subsidy is a decisive inducement for voluntary agencies to buy materials domestically instead of overseas.

Each voluntary agency is accountable to the Government for reporting its use of ocean freight funds through the submission of a quarterly report to AID.

The ocean freight subsidy is available only to the American National Red Cross and to U.S. voluntary agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid, and only in support of approved programs overseas.

CONCLUSION

Based on the factors outlined above, the voluntary agencies strongly urge that the Senate and the full Congress authorize additional funds to help pay for the increased ocean freight costs expected to be incurred by the private voluntary organizations in transporting commodities overseas. The additional amount needed (beyond $7.6 million) is an estimated $7.15 million for FY 1976 and $8.5 million for FY 1977.

Congressional action to provide this level of funding would be fully in keeping with other provisions in HR 9005 which are designed to facilitate a more effective partnership between the Government and the private voluntary organizations in the field of development assistance.

OCEAN FREIGHT SUBSIDY PROGRAM

FISCAL YEAR 1975

In the Fall of 1973 in preparing the FY 1975 budget, A.I.D. estimated the PVO requirements for ocean freight at $4.5 million Early in FY 1975, it became apparent that we had under-estimated the requirements, and at least $6 million would be needed. By the time the appropriations for FY 1976 were enacted in March of 1975, the requirements had increased to $9.9 million. Of this, we were able to fund only $7.5 million.

These startling changes were required by the unusual success achieved by the PVOs in their fund raising efforts. In CY 1974 funds totalling two-thirds of a billion dollars had been collected by the registered voluntary agencies. This represented an increase of approximately $200 million over the performance in CY 1973.

FISCAL YEAR 1976

In the Fall of CY 1974, while we were preparing the FY 1976 budget request, we had some inkling of the increasing requirements and our estimate was set at $7.6 million. This is the figure which appears in the Congressional Presentation. Now, it is apparent that the continued success of the PVOs in their fund raising campaign will lead to a requirement which is estimated at somewhere between $13 and $15 million. We will thus be short from $5.4 to $7.4 million.

OCEAN FREIGHT

	Fiscal year—	
	1976 estimates	1977 estimates
American Community for Shaare Zedek Hospital	$180,250	$180,000
American Friends Service Committee	25,000	49,000
American Jewish Joint Distribution	30,000	39,000
American-Korean Foundation	75,000	95,000
American National Red Cross	48,586	48,586
American ORT Federation	33,000	26,000
CARE	3,416,100	4,500,000
Catholic Relief Services	3,059,000	4,207,350
Christian Reformed World Relief Committee	6,000	2,000
Church World Service	2,746,000	3,041,000
Thomas A. Dooley Foundation	80,000	95,000
Foster Parents Plan	2,050	4,000
Friends of Children	25,000	40,000
Friends of Children of Vietnam	11,454	1,000
HADASSAH	200,000	200,000
Heifer Project	207,000	441,500
Holt Adoption Program	21,100	26,700
International Educational Development	78,000	75,000
International Institute of Rural Recon	2,450	2,700
Iran Foundation	2,500	----------
Lutheran World Relief	1,047,500	1,146,800
Medical Assistance Programs	230,000	230,950
Meals for Millions	8,000	4,500
Mennonite Central Committee	950,000	1,000,000
Pan American Development Foundation	150,000	200,000
Project Concern	3,600	3,600
Project HOPE	137,000	175,000
Rizal-MacArthur Memorial Foundation	10,000	15,000
Seventh-day Adventist World Service	477,634	546,804
Summer Institute of Linguistics	55,000	55,500
United Israel Appeal	150,000	150,000
World Relief Commission, N.A.E.	72,500	182,500
World Vision Relief Organization	346,000	373,000
Y.M.C.A.—International Committee	47,000	59,000
Total	13,932,724	17,216,490

Mr. LONG. Why is it necessary to increase the dollar amount?

Mr. HUMPHREY. I believe I can help the Senator. We made an overall reduction in a certain category in the bill. The voluntary agencies are very concerned that in the coming year the same thing will happen as happened in the past year; namely, that they have the structure, they have the administrative people, they are in place in the countries that we seek to help. They can get the supplies but they cannot get any help on the freight. In the meantime, in the past year ocean freight has gone up considerably. It is necessary to assure these voluntary agencies that there will be at least enough authorized so that if they can make their appeal and their justification to the Appropriations Committee, the funds will be available. That is what it really boils down to.

Mr. KENNEDY. I just say also to the Senator from Louisiana, this has been a procedure which has been followed since the beginning of the American voluntary agency program overseas. If this provision was not enacted, it would be very serious.

Vote, Mr. President.

The PRESIDING OFFICER. Is there objection to considering the amendment?

Without objection, it is so ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, there are other amendments that the Senator from Massachusetts has, but I have indicated to him that we will have to hold off until tomorrow.

Mr. KENNEDY. As the Senator knows, we were here at about 2:15, ready to offer these amendments and to get into as much discussion and debate as the membership wanted. We were unable to gain the floor. I think that these amendments improve the bill.

I finally ask, Mr. President, that on the Chiles amendment Senators McGEE, TUNNEY, and ABOUREZK be included, and that on the Commission on Human Rights Senator McGEE be associated with that.

Mr. HUMPHREY. I would like to be associated with those amendments. I believe I am, as manager of the bill, but I would like to be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator from Massachusetts for his helpful contribution to this bill. He is chairman of our Subcommittee on Refugees and has done a marvelous job in watching out for this area of our international policy.

The amendment on the overseas freight is very vital and very important. I am glad we had the clarification so that there is no doubt as to the intent of the committee.

By the way, the committee report will fully support the amendment of the Senator from Massachusetts.

Mr. KENNEDY subsequently said. Mr. President, earlier we had consideration of an amendment to increase the authorization of funding in the pending legislation to provide for the deferral of trade breaks for voluntary agencies. I ask unanimous consent that it be in order to have considered that amendment in spite of previous action taken by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENT SUBMITTED ON H.R. 9005

Mr. BAKER. Mr. President, I am pleased that we have come to the consideration of H.R. 9005, the International Development and Food Assistance Act of 1975. It is gratifying, perhaps encouraging, that this significant legislation has generated such widespread public interest and support.

We have heard a great deal lately of the "isolationist" attitude prevalent throughout the United States. I believe the attention this legislation has been given would indicate that the people of this country are not becoming isolationists at all. In fact, it is my belief that there is an ever-growing awareness throughout the Nation that interdependence has truly become the watchword of this and the coming decades.

This legislation is important to the proper development of our national approach to interdependence. It is a clear expression that this Nation understands its vested interest in improving the quality of life of people throughout the world. I think we can make no greater contribution to the hopes for peace and stability than this act. The interests of peace, and correspondingly, the interests of the United States will be well served whenever we can contribute to a nation's ability to improve the subsistence level of its people and further the growth of a developing economy.

There are several features of this bill that I think particularly important. First, I believe this legislation to be an enlightened, further implementation of the "New Directions" which we began several years ago with the Foreign Assistance Act of 1973. It is at least of symbolic importance that this program of humanitarian and peaceful design is no longer tied to military assistance. I believe the firm allocation of food assistance to these nations most severely in need appropriately emphasizes the true nature of this assistance. Finally, I strongly endorse the emphasis of this act on the human values for which this Nation has traditionally stood.

In conclusion, Mr. President, I commend the various committees who have worked at such length and with such dedication on this bill. On the whole, it is exemplary legislation for exemplary purposes, and I am happy to lend it my support.

SHOULD THE FEDERAL GOVERNMENT STOP A NEW YORK BANKRUPTCY?

Mr. PROXMIRE. Mr. President, the issue we will be discussing in the next few days is:

Should the Federal Government act to prevent a New York City bankruptcy?

The President, many Members of Congress, and many other Americans say: No.

The case for New York City's bankruptcy is very strong. Is it strong enough?

Listen to the case against the Federal Government simply permitting New York to go under:

CONSEQUENCES

If New York City defaults here are some of the consequences: The Federal Government will probably have to risk far more money for a far longer time than if it prevents default. Here is why: New York State will be in jeopardy and will probably default.

Some other cities in New York State may go bankrupt.

A few—not many—other cities in the country may go under.

Some cities—possibly thousands—including some in Wisconsin would have to pay higher interest rates on their bonds. If you live in those cities your property taxes would go up to enable your city to pay those higher interest rates. Experts before our committee estimated that increases in interest rates paid by all American cities following a New York default would over the years increase by $10 billion—maybe more. That would translate into about $250 more in property taxes out of your pocket of the average American family.

NEW YORK—A HIGH LIVER?

How about the argument that New York City has been wasteful, lived beyond her means—now she should be required to pay for it?

I agree with that argument entirely.

New York has been wasteful. She has paid salaries and pensions that are too high. She has provided free tuition at her city university. She has undoubtedly had thousands of people on city payrolls who do nothing but draw pay and loaf.

This has to be stopped and now. The only question is how.

Bankruptcy would do this one way. It would tell all the investors who had loaned money to New York City that they would have to stand back until the city could balance its operating revenues. It would also require that the city suffer a sudden and drastic reduction in: schools, police protection, fire protection, garbage collection, and hospital treatment or the Federal Government would have to move in with massive loans.

This is true because, even if not a penny is paid to the city's lenders, there is a billion dollar shortfall in the city's operating revenues in the next few months.

ESSENTIAL SERVICES

Where would the money come from to maintain the "essential services" President Ford says are vital? Who would lend to the bankrupt giant? Would you? Would the bank you put your money in?

Answer: The Federal Government would either let New York disintegrate or it would lend the money. And once the Federal Government goes down that path, there is no way—with the best intention in the world that New York can get off the Federal Government's back for years and maybe generations.

A BANKRUPT NEW YORK ON FEDERAL BACK

Consider:

Once New York defaults she cannot legally sell her bonds to banks or other institutions in 30 States for many years—in some cases as many as 20.

Once New York defaults, trustees in many States cannot buy New York bonds for estates—a major market for municipals—for many years.

I might point out, Mr. President, that banks are the principal customers for municipal bonds.

Once New York defaults most investors—even without legal constraints—would not buy a New York City—and maybe not a New York State—obligation for years to come.

REVENUE DRIES UP

Furthermore once New York defaults some of the revenue she now receives will stop. Hundreds of millions in property tax revenues will not be paid. These taxes have been earmarked for service on the debt. But default means debt service stops. So would the revenue.

The situation will be even tougher because New York State would be in such dire jeopardy of default if the city goes down that the State would not be able to continue the hundreds of millions of dollars she is now paying the city, once the city defaults.

I conservatively estimate the loss to the city in the event of default at least at $1.3 billion. It is more likely that the loss would exceed $2 billion. Who would make that up?

The Federal Government would be the only source.

PROXMIRE PROPOSAL

You might say, all right—what would we on the committee who disagree propose?

We have put together a package in the Banking Committee that is tough—so tough that some New York City Congressmen have indicated that they could not support it.

NEW YORK PROGRESS

First, it recognizes that in the past few months, since New York State has taken over New York City finances, real progress has been made. Here it is:

More than 31,000 employees have been taken off the payrolls.

Wages have been frozen for 3 years.

The budget must be balanced for the year beginning July 1, 1977—less than 2 years from now.

Eighteen percent of New York City's teachers have been laid off. Almost every child is attending a class that is the biggest allowed under New York State law.

Sixty percent of paraprofessionals and 30 percent of teachers aides have been cut.

The school week has been reduced by two periods.

With the worst drug problem in the country, the antinarcotics force of the New York police department has been cut 17 percent.

The unit fighting organized crime has been cut 58 percent.

The fire department has been cut to the point where response time is measurably slower.

Garbage pickups have been sharply reduced.

Libraries and museums are only opened on shorter hours.

So New York has made progress.

WOULD IT CONTINUE?

What our bill would do would be to force that progress to continue until the budget is balanced and New York is back on its feet. The guarantee would be reduced each year and eliminated entirely in 5 years.

HOW WOULD WE ENFORCE IT?

The Federal loan guarantee would be strictly conditioned by continual compliance with the financial plan that would balance the budget. If the city gets off target, the guarantee stops.

How do we know the plan would be enforced?

Consider who we put in charge.

THE BOARD

The Chairman would be Secretary of the Treasury William Simon, as tough and tightfisted a foe of excessive spending as the administration has.

The other members of his board are Arthur Burns, a solid conservative whose prime article of faith has been for many years that spending must be reduced.

The third member is John Dunlop, Secretary of Labor and probably the most successful negotiator in reducing excessive wage demands in the country.

A FIGHTING CHANCE

Our solutions would prevent a New York City default, but it would assure that New York would have a fighting chance to get back on her feet. If the State had not made the progress it has already made, I would accept the default route. But New York in the past few months with her successful efforts to cut spending has earned a chance.

And what chance is New York asking?

A chance for the time necessary to stand on her own feet, pay off her creditors and get off the Federal Government's back.

THE LESSON

And above all the whole country should learn the lesson:

We cannot spend beyond our means without a day of reckoning. New York has its day of reckoning now.

The Federal Government must learn that the appalling inflation, that has sickened the country's economy, is the product in large part of reckless, deficit spending by Government.

The New York problem was that her heart ran away with her head. That is exactly the Federal Government's problem. Simply because better education, health, scientific research, law enforcement are great goals does not mean that we can spend unlimited money on them. All Federal programs including those with the best purpose must be held down to what we can afford. The Nation has been spending too much. That is the lesson of New York. We must not forget it.

Mr. President, on Thursday, October 30 the Banking Committee voted 8 to 5 to report out a bill to provide loan guarantees to New York and other municipalities unable to obtain credit needed to finance vital ongoing services, including education and health services, debt service and capital program. The guarantees would start at $4 billion this year and decline over the next 4 years to zero. The guarantees would be given only if certain tough conditions were met. All sectors of the city's economy, including the political infrastructure, the State in its capacity as overseer, residents, employees and the financial community, will have to pull their share of the load as the city works its way back to fiscal integrity and financial health. The city's fiscal and financial affairs will be closely controlled, services will be cut, pension and other employment costs reduced, taxes raised, debt stretched out and interest costs reduced. It is a bill we worked hard on.

Mr. President, I ask unanimous consent that Governor Carey's speech detailing what the city has done be printed in the RECORD at this point, together with an article from the New York Times dated October 31, 1975, written by John Darnton and an editorial from the Washington Post analyzing President Ford's speech on New York City, and an article published in the New York Times on Sunday, November 2, 1975 entitled "The Potentials in a Default Are Many and Perilous."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, Nov. 2, 1975]

TEXT OF THE GOVERNOR'S SPEECH ON NEW YORK CITY'S FINANCIAL CRISIS

(NOTE.—Following is the text of Governor Carey's address on New York City's fiscal crisis.)

The City of New York is a few weeks from bankruptcy. The Congress of the United States may well pass a bill designed to prevent that bankruptcy. But on Wednesday, the President declared that he would veto any bill designed to "bail out" New York City to avoid bankruptcy.

I am here tonight to say that I agree with Gerald Ford; Washington should not bail out New York. I am here to tell New Yorkers and all Americans, that the bill we seek will impose on New York City the obligation to pay its bills in full, and to put its fiscal house in order. It is the Ford bankruptcy plan that would cost the cities, states, and taxpayers of this nation billions of dollars that need not be spent.

This may not sound like the claims you've been hearing lately. That's probably because this whole crisis is enormously difficult to understand, and very easy to distort with half-truths and fabrications. It's also true that the undeniable dislike of many Americans for the cultural climate of New York makes intelligent debate very difficult.

But I still believe that if Americans understand what New York is really asking for, they will support it; because it will save them money.

FACTS CALLED IGNORED

This is the single most important fact that the White House chooses to ignore: the loan guarantee plan now before Congress does not give New York City one red cent. It gives the city time to pay its debts and reform its practices. Our case rests on one simple idea; we don't think it's right for the people of Iowa or California or Michigan to pay for the mistakes of New York City. The problem is that Mr. Ford has attacked New York for something we do not want or seek: a Federal bailout from the Treasury.

Some of what Mr. Ford said was exactly right. There is a sorry history of reckless fiscal policy in New York City going back years—perhaps decades. And there is blame enough for everyone:

City officials and interest groups.

Banks that did not ask the hard questions.

A State Legislature and hand-picked Vice President—that specifically authorized every fringe and pension benefit and every unwise borrowing Mr. Ford now attacks so righteously.

And Presidents who diverted tens of billions of dollars to foreign dictatorships and senseless war, and who plunged our economy into its worst crisis in 40 years.

We all share the responsibility. And the city record, particularly in caring for those driven from other states and other lands by poverty and oppression, is far more honorable than that of most. But it is not our job to point fingers of blame. It is our job to face what has happened, and to set it right with the least damage possible.

What Mr. Ford says he's for is what we're for—we don't want to fling open the doors of the Treasury to New York City or anybody else. We don't want to be bailed out. We don't want any city to be a ward of the Federal Government.

What do we want? We want Washington, in effect to stand behind us—to give investors the confidence they now lack to invest in New York City. That money will enable us to pay our debts and to keep public services alive, while we work our way back to a balanced budget.

NO FEDERAL MONEY NEEDED

Washington need not put up a dime. Those notes will be repaid by New York City with an added cost to pay back Washington for any expense of running this guarantee. Further, this guarantee would be strictly supervised. New York with a balanced budget will have to control the fringe benefits to city workers; reform its jumbled books once and for all; and not spend a dime unless the money is there to meet these obligations.

What we're hoping to buy is time to finish the job we've started. For, contrary to the deliberate impression left by Mr. Ford, New York has imposed on itself painful and unprecedented budget-cutting. The state has taken the financial power out of the city's hand. With the constructive and invaluable support of Republicans and Democrats, with the steadfast help of Senate Majority Leader Warren Anderson, we have shaped a control board run by state officials and business people who are determined to rebuild fiscal integrity.

TIME IS NECESSARY

That board has ordered reform of the city's books. It's presided over the cutting of 30,000 jobs from the city's payroll—and within three years, that payroll must be cut by 70,000 jobs. The transit and commuter fare's been raised to one of the highest of any city. Wages have been frozen for every city worker. The City University's budget has been cut by $30-million—the equivalent of imposing tuition. The capital budget's been reduced $800-million, and all housing programs have been suspended.

These are not cosmetic steps. They mean fewer police, fewer fire-fighters, less education, health care, a lessened quality of public life. But it had to be done.

We are going once and for all to end fiscal mismanagement in New York. And to provide time to do that job, the state has put forth more than $1.5-billion of its own money—with the support of Mayors all over the State—to protect not just New York City's future, but the future of Yonkers, Buffalo, Rochester, Syracuse and towns and counties all over the state. That is not the record of a state which has abandoned New York City.

Now we need time to finish the job. But Mr. Ford chose to ignore these steps. That is as unfair to us as it would be to argue that this President is no different in integrity from his immediate predecessor.

Nor did Mr. Ford recognize the single key fact of our proposal: that it does not require a dime of Federal money. Instead, he proposed a bankruptcy bill.

That bill would tempt any careless local government to avoid paying its debts by sliding into bankruptcy. By itself, that will scare off investors and drive up costs—and therefore taxes—to every local government.

His plan would threaten the whole Federal structure—because instead of forcing spendthrift governments to mend their ways, it would throw the entire financial operation of an enormously complicated city into the hands of an unelected Federal judge. Americans are already deeply concerned by judges taking control of their social and political institutions. What will happen if judges now take control of the entire structure of local government?

"REAL COST" CITED

But here is what the real cost, in dollars and cents would be to the American people.

First—every government borrows—to build, or to pay bills before tax money comes in. A New York default will make borrowing more expensive for every locality in America. We have already seen cases from Florida to Illinois to Massachusetts where credit has been denied, or made more costly, to local governments. That will be the wave of the future if New York defaults.

Second—New York's total debt is $14-billion. If the city defaults, note and bondholders will lose, conservatively, $6-billion in the value of those notes and bonds. That money will be written off tax returns—and that means $2-million less in Federal tax payments. Who will make that up? Either the ordinary taxpayer, or else there will be another $2-billion in deficits. That is not fiscal responsibility.

Third—Mr. Ford has already said essential services will be maintained if New York defaults. The only source for that money is the Federal Treasury. So American taxpayers will be paying for the police, fire, sanitation, and possibly educational and health needs of New Yorkers. That is not fair to them. Let New York bear its own burdens. And when businesses owed money by New York go under—businesses located in communities such as Grand Rapids, Michigan—who will pay the cost of unemployment and welfare? The American taxpayer.

NO PARDON SOUGHT

Fourth—I tell you bluntly that if New York City defaults, there will be other tremors and collapses in local governments around America including agencies of New York State. And it is the people of those localities across America, who will pay to pick up those pieces as well. That is why the U.S. Conference of Mayors, the National League of Cities, the Counties, and the Municipal Financial Officers Association all overwhelmingly support loan guarantees.

We are not trying to scare anyone unless the time has come when Americans fear the truth. We are trying to tell the truth about what we've done and what we want. We do not seek a pardon for past errors, or a bailout. The fight we must wage on a skeptical, hostile terrain won't be won by making excuses for the indefensible past. We will win if America, the Congress, and the White House have the facts to measure the cost of action, and inaction, in hard, practical terms.

I spent more than a decade with Gerald Ford in Congress. We disagreed about many things. But I always found him a man ready to negotiate and compromise for a practical result. I cannot believe that the specter of temporary political gain will lead him into driving a city into bankruptcy and risking the loss of billions of taxpayers dollars. If the financial structure of government is shaken, it is Mr. Ford who will be accountable to all the people. I will be working in the days ahead to make New York accountable. I ask Mr. Ford not to work against us to make New York a bankrupt.

For New Yorkers, a final note: our city is often abrasive and arrogant, sometimes cold and unfeeling, always challenging. For a lot of reasons, it has incurred the scorn of some of our countrymen; because of our pace and tone of voice, because of the colors of our skins and the accents in which we speak, and our tradition as a magnet for the disaffected, the dispossessed, the dissenters.

Whether we shall escape fiscal default I do not know. Our fate is in the hands of people who, for now, appear determined not to let facts get in the way of what they want people to believe—and who are seeking political advantage by kicking the city when it's down.

But whatever happens, New York will survive. We will remain a home for the exiled and oppressed. And perhaps we will have learned the lesson of fighting among ourselves, instead of standing together to wage a common fight for each other. Come what may, we will win that fight.

[From the New York Times, Oct. 31, 1975]

EXACT EFFECTS OF CITY DEFAULT IMPOSSIBLE TO PREDICT

(By John Darnton)

If no way can be found to avert it, what would be the impact of default upon the life of the city? Would there be any noticeable difference right away? How would it affect bondholders and pensioners, city employes and residents? Would taxes go up? Would real estate values go down? The answers to these and other questions are, at the moment, largely guesswork. They depend upon myriad interconnected imponderables—the day on which default occurs, for example, and how much money is in the city treasury at the time, or the terms of a city plan to restructure its debt and the outcome of a resultant Pandora's box of lawsuits.

Despite months of debate, legal research, special state legislation, and now a proposed revision of Federal bankruptcy statutes, no one can say for sure what would happen, over either the short or long run.

TOP PRIORITIES LISTED

"You can't prepare a map for territory that is unknown to begin with," summed up Ira Millstein, whose law firm of Weil, Gotshal and Manges has a city contract to handle the legalities of a default. But there has been much speculation, nonetheless.

President Ford has vowed that essential services—such as police and fire protection—would be maintained, and the city, too, has placed these at the top of a "priorities" list in the event of a default.

If as a result of default the city's tangled fiscal affairs should end up in a Federal bankruptcy court, as recommended by President Ford, then the court would confine itself to restructuring the city's debt and not intrude upon the city or state's governmental powers, according to most legal experts. The court's jurisdiction is to deal with the assets and liabilities of the debtor, the city.

POWERS VARY

Thus it is unlikely, many feel, that the court's powers would extend to, say, overturning rent control or rent stabilization, which are state law. By contrast, a loan-guarantee bill under consideration by the United States Senate would place this power within the hands of a three-member Federal board.

At the same time, however, one part of the court's function would be to determine whether a repayment plan submitted by the city was feasible. If it is found not to be, the court could in effect negotiate a new plan that might, say, scrap rent control as a means of increasing real-estate taxes.

A Federal court, unlike a state court, has the power to "scale down" the city's debt as well as "stretch it out"—to have the city repay 90 cents on the dollar, rather than repay the full dollar at a later time.

This could mean that holders of city notes and bonds could conceivably never be paid off in full. But the city is not, after all, a corporation liquidating itself; it will have future revenues coming in. The likelihood is that holders of notes and bonds would receive full payment, albeit late.

LEGAL CHALLENGE SEEN

By the same token, the court could conceivably, if it chooses, invalidate union contracts or perhaps pension agreements if they were deemed to be "onerous and burdensome." This could mean that city employees might find wages subject to renegotiation or that retired workers could have pension payments cut.

Either action could engender a strong legal challenge, many experts feel, and thus neither is probable.

In terms of immediate impact of default, should it occur, one critical factor is the amount of cash in the city's treasury on the actual day on which the city cannot repay its bond and note holders. Revenues do not flow into city coffers in a steady stream, but come in chunks as many taxes, for example, are collected by the state and then forwarded periodically to the city.

If the city is totally without cash, it will need a quick infusion of money to avoid such things as "payless paydays" or furloughs for city workers and to maintain welfare payments.

"WON'T BE ORDERLY"

"This visible impact will be determined by how much money there is in the bank on that day," said Mr. Millstein. "We may have enough for payrolls. We may have absolutely nothing. The immediate impact will depend upon the difference."

"The one thing the Federal law doesn't do is give you money," he continued. "You can have all the machinery in place to make a default orderly, but if you don't have the money, it won't be orderly."

According to the City Controller's office, the amount of money in city coffers in early December will be "zilch." Default could occur before then, however, if a $2.3-billion package of financing assembled by the Municipal Assistance Corporation should disintegrate. Or it could be postponed or even averted altogether, if a plan succeeds to use union pension-fund borrowings to invest in M.A.C. securities.

If default should happen and there are sufficient funds on hand, then it would be not at all apparent to New Yorkers. City workers would report to work as usual, and the city's operations would be normal.

ALTERNATE IS NECESSARY

Soon, however, the city would feel a cash shortage. Even if not a single dime were used to repay debt service, the city's shortfall just for operating expenses between December and March would amount to $1.2-billion. Over the next two months alone, almost three-quarters of a billion dollars is needed just to keep the city operating at normal tempo.

For this reason, it is important, according to city officials, that some alternative mechanism for the city to borrow must be in place, and in place quickly. In a Federal bankruptcy proceeding, the borrowing would be done by the city's issuing certificates of indebtedness—just as corporations do in bankruptcy—under court supervision. They would have a first claim on new revenues coming in.

The problem would be how to make these new certificates marketable, given investor hostility in the last eight months toward any security associated with New York City. To sell, many financial experts feel, they would need the backing of a Federal guarantee—which is what Washington has refused for city notes and bonds.

MANY UNKNOWNS

If the certificates are not marketable and the cash is not forthcoming from some other source, the city is launched into uncharted waters. It is this that city officials have had in mind lately as they privately paint apocalyptic visions of employees refusing to work, and welfare checks stopped.

There would be many unknowns. Mr. Millstein's law firm, for example, is currently researching a question involving welfare and Medicaid payments: If the city is unable to meet its matching contributions, can the Federal and state contributions—amounting to 50 and 25 per cent respectively—be paid out? "We don't know yet whether if you pull out the city's piece the whole package comes apart," Mr. Millstein said.

Of equal concern to city officials is the possibility that vendors, who provide everything from food in city prisons and hospitals to paper and pencils, might refuse to extend further credit in the event of a cash shortage. Even if they do, on the ground that the Federal court would deem their products essential and reimbursable, delays in payment could well lead to higher costs. These, in turn, would mean the city would need more revenue.

Another key problem of default is that it might decrease the revenues coming into the city through taxes. Real-estate taxes, for example, might not be paid, especially by persons holding city securities. Or they might be paid in the form of the securities themselves, which would drop in value.

"If you were a note-holder and the city defaults, would you pay your taxes?" asked Peter Goldmark, the State Budget Director. "If you were Con Ed and your bill wasn't paid, would you continue to supply electricity? The city's nerve system is so complicated it's impossible to tell how far up the line the shock of default might travel."

One city official has estimated that the fall-off from unpaid taxes could reach as high as $100-million a month. Added to the deficit for operating expenses of $1.2-billion, that would mean a shortfall in the next four months of $1.6-billion—which is 50 per cent of the city's nondebt-service budget for that period of time.

One immediate effect of a default is that the city's outstanding $12.4-billion in notes and bonds would drop in value, weakening the position of banks, businesses and individuals holding them.

Perhaps especially vulnerable would be the major New York City banks, whose holdings—amounting to $1.25-billion in April—are now thought to be about $750-million. The banks' equity has been weakened lately from other investments—in real-estate investment trusts for example—and City Controller Harrison J. Goldin has warned that a city default could "pave the way for a run on the banks."

[From the Washington Post, Oct. 31, 1975]

THE PRESIDENT AND NEW YORK CITY

Undoubtedly there have been presidential speeches more outrageous than the one President Ford delivered on New York City's financial problems. But it is hard to remember one. Mr. Ford used all the demagogue's tricks: misstating the problem, distorting the facts, running down the critics, resorting to pious platitudes and appealing to prejudice. In the end, he contradicted himself by recommending that the federal government, in the person of a federal judge, supervise New York's future finances after he had explained why supervision by the federal government would be disastrous. One way or another, the nation and New York City will survive the agonies that are now inevitable for that city but they will do so in spite of the President's leadership, not because of it.

Item: Mr. Ford says that New York's leaders are asking for a "blank check" which would require other Americans to support advantages for New Yorkers that they cannot afford themselves. The reality is that New York's leaders are not asking the federal government for an open-ended supply of federal cash; they are asking that it arrange for the city to borrow money, which it would have to repay, on terms that would require it to submit to considerable financial discipline.

Item: Mr. Ford says that New York's political leaders have "abandoned" the city's financial problems on the federal doorstep like some foundling. The reality is that New York State has not only taken financial control of the city and has committed millions of dollars to its aid but has forced a wage freeze, job cutbacks, a curtailment of construction and the renegotiation of a major labor contract.

Item: Mr. Ford claims all of the city's financial woes are due to bad management. The reality is that some of the city's problems have been forced upon it by events beyond its control; the price New York City has paid over the decades as the receiver of immigrants—first from abroad and later from the South and Puerto Rico—has been enormous.

Item: Mr. Ford says that the only losers if New York City goes bankrupt will be the "large investors and big banks." The reality is that thousands of little investors, in New York City and elsewhere, stand to lose directly and many more will be placed in indirect peril if the shock waves of such bankruptcy spread.

Item: Mr. Ford says that "a few desperate New York officials and bankers" have been trying to stampede Congress into action. The reality is that deep concern about the impact of a New York default on the nation's entire economy exists among mayors, bankers and financial experts all across the country—including, among other ranking officials of Mr. Ford's own administration, his Vice President.

Item: Mr. Ford says that there are choices available to New York leaders other than default or bankruptcy or federal aid if only they would seize them. The reality is that New York almost certainly cannot avoid defaulting on its debts within a few weeks unless it gets help from somewhere.

Item: Mr. Ford says that most other big cities have faced the same problems as New York's and have stayed financially healthy. The reality is that New York's problems are unique if only because of their size and that some other big cities are in serious financial difficulty.

Item: Mr. Ford says that the "cities and the federal government were the creatures of the States." We had thought that John Marshall and a Civil War had put this old states rights' shibboleth to rest more than a century ago.

There are more examples. But these should be sufficient to demonstrate the general character of the President's speech. Two additional aspects of the President's approach deserve mention. It is ironic that a President whose first budget recommended the largest governmental deficit since the pharaohs built the pyramids should choose to attack so viciously the officials of New York City for running a deficit less than half as large in relation to total spending as that of the federal government. And it is ironic that a President who has been a vigorous critic of the federal courts when they have taken partial control of a local school system should recommend that those same courts take total control of the nation's largest city.

As to the substance of Mr. Ford's program, it is clear that Congress should pass quickly the changes in the bankruptcy act he supports. Indeed, it ought to have passed these some time ago. Similar proposals were urged upon it last spring by the Advisory Commission on Intergovernmental Relations. And, despite the President's opposition, Congress does need to continue work on a program to provide an emergency federal guarantee for municipal bonds. It is faintly possible, although not likely, that somewhere—perhaps in the treasuries of the labor unions—

New York City will find the money to avoid formal bankruptcy. But if it does not, its bankruptcy could create chaotic conditions in the municipal bond market which would make a federal safety net of some kind essential.

It is conceivable that by turning this icy shoulder to New York City, President Ford will force its leaders to take painful steps they would not otherwise have taken and to find solutions to their own problems that are not now visible. If so, his judgment on what the role of the federal government should have been will be vindicated. But that will still not excuse the rhetoric of a speech which deliberately conceals from the American people the potential seriousness of a problem for which there is no assured solution. To build political capital on the latent antagonism that exists toward New York City, and all it stands for, is no way for a national leader to prepare public opinion to deal with a crisis which may well turn out to have profound consequences nationwide.

[From the New York Times, Nov. 2, 1975]

THE POTENTIALS IN A DEFAULT ARE MANY AND PERILOUS

(By John Darnton)

For New York City, there are only three choices left.

The first is a loan-guarantee bill, with provisions repugnant to the city. It has little chance of Congressional passage and the President has vowed to veto it. The second is use of the city's pension funds to borrow money. It would entail considerable logistical and perhaps legal complications.

The third is default and then bankruptcy. While most onlookers would agree that this alternative has perhaps become the most likely, they also would agree that it is the least known.

The question of what default would mean cannot be answered by lawyers, because the spiral of lawsuits that default would engender will make new law. It cannot be answered by economists, because the unknowns, beginning with the anonymity of the city's lender-creditors, are simply too numerous. It cannot be aswered by historians, because it has never happened before on such a scale.

"When the President says that default can be 'orderly,' we get upset," said Ira Millstein, a lawyer now continually on call at City Hall. "None of us has ever seen an orderly default."

Predictions of what New York would be like after default have come from President Ford, who foresaw "temporary inconveniences" for city residents, and from Governor Carey, Mayor Beame and other local officials, who have conjured up apocalyptic images for the benefit of Congressmen considering Federal assistance. No one can say who is right.

Under the proposed revision of Federal statutes, if the city defaults, it would file a petition of bankruptcy in Federal court. It would be protected against the seizure of assets or revenues by creditors and the court would supervise a plan to restructure the city's payments. The court also would oversee the sale of debt certificates to keep the city's vital services going.

It is improbable that the effects of a default would be seen on the day it occurs. Providing that the city's treasury is not totally depleted, city workers would not face a "payless payday" immediately. City operations would be normal. And, providing that the debt certificates are marketable, some revenues from borrowing would continue to come into city coffers in the days ahead.

But the effects of default could soon become all too apparent—for the city's cash shortage between December and March, even if not a single note or bond were paid off, amounts to $1.2-billilon. It would seem unlikely that enough debt certificates could be sold, or would be permitted by the court to be sold, to maintain services at such an expensive outlay. At a time when past creditors would be kept waiting, the court would have difficulty countenancing such a heavy borrowing schedule.

The problem is compounded by the fact that default could trigger a falloff in the city's anticipated revenues. Noteholders, bondholders, venders, contractors and other creditors who go unpaid might well refrain from paying taxes. Some estimates place this falloff as high as $100-million a month. This would increase the city's revenue shortfall to $1.6-billlion by March, or about 50 per cent of the amount that the city had expected to spend on operating expenses during that time.

"Taken at its worst," said one city official, "that means 50 cents on the dollar that we won't be able to pay out. So what are we going to do? Pay cops 50 cents on the dollar? Pay welfare checks 50 cents on the dollar?"

The choices would be painful. The Federal legislation insures that essential services, such as police and fire protection and health services, be maintained. But it does not say they must be maintained at their former levels. Garbage pickups could be cut back. There could be fewer policemen in neighborhood precincts. More firemen could be laid off.

The federal legislation appears to insure a continuity of payments for welfare and Medicaid. But a host of supportive services for the poor, day-care centers, job programs, senior citizen centers, could be curtailed.

The tangle of litigation that a city default would incur could last as long as a decade. A seemingly straightforward question, such as who should be designated to represent the city's thousands of creditors, becomes enormously complicated. In the recent bankruptcy case of the Herstatt Bank in Germany, a sports stadium in Cologne had to be used just to bring together all the creditors who insisted on separate representation. "If we have a default," remarked one observer, "the only growth industry in the city will be law."

For municipal employees, a default could mean that their contracts could be invalidated. For venders—all except those whose services and materials were provided within four months before the bankrptcy filing—it could mean long waits for payment, which could hurt their own solvency.

Default would be felt immediately and most severely among the holders of the city's $12.4-billion in outstanding securities. The securities would drop in value, perhaps precipitously. One estimate by Lebanthal & Co., a Wall Street bond house, estimates that two-thirds of the city's bonds, as distinct from notes, are held by individuals and not banks. The estimate was based on the firm's own past sales, amounting to about 5 per cent of the city bonds sold. City securities that have been used as collateral for loans by individuals and businesses alike could be called in question.

Banks, especially those in New York City, which are thought to hold about three-quarters of a billion dollars in city securities, would be faced with overnight losses. A recent Federal survey has concluded that about a hundred of the 14,000 banks in the nation holding large quantities of city bonds and notes would be in serious difficulty in the event of a default. Arthur Burns, the Federal Reserve chairman, has promised that the Reserve would come to the aid of member banks, permitting them large-scale borrowing with city securities as collateral at face value. But the Securities and Exchange Commission, which regulates stock trading, is apt to insist that the banks account for their portfolio losses.

The banks have been rendered more vulnerable by other losses recently—in real estate investment trusts, on oil tanker loans and by the recent bankruptcy of the W. T. Grant Company. They could also be inundated with litigation from stockholders or note buyers asserting that there should have been ample warnings that city securities were not a good buy.

As a consequence of their difficulties, the banks could restrict their own money lending. This would mean that small businesses in New York could find it more difficult to obtain loans, and individuals could find it harder to get mortgages.

Default would make it extremely difficult for the city to re-enter the money-lending market on its own for years and years. This is a serious consequence, because the city needs borrowed money to bridge the periods between the arrivals of Federal and state aid and also for capital construction projects. If the city were unable to borrow over a long term, it could not build schools, fire houses or sewers.

The problem is made still worse by the fact that 30 states have laws prohibiting various institutional investors, from insurance companies to commercial banks to guardians, from buying securities from a municipality that has previously defaulted for periods of up to 10, and in some cases, 20 years.

If default should lead to increases in taxes or a drastic reduction in city services, which is difficult to predict at this juncture, it could well hasten the exodus of businesses and the middle class from the city, further eroding its already shrinking tax base. Were this to occur, real estate values could drop and whether it happens or not, the fear of it could produce a similar result. Some say it already has.

Over the long run, it is the intangibles—fear and uncertainty—that can wreak a stark change in the quality of life of the city, that could make it a place not quite as attractive for corporations to locate in, tourists to visit and residents to live.

Mr. PROXMIRE. I thank the distinguished Senator from Minnesota, and I yield the floor.

ADJOURNMENT TO 10 A.M.

Mr. HUMPHREY. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 6:39 p.m. the Senate adjourned until tomorrow, Tuesday, November 4, 1975, at 10 a.m.

NOMINATION

Executive nomination received by the Senate November 3, 1975:

In the Judiciary

Gerald B. Tjoflat, of Florida, to be U.S. circuit judge for the fifth circuit vice Bryan Simpson, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 3, 1975:

Federal Power Commission

James G. Watt, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1979.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the National Oceanic and Atmospheric Administration

National Oceanic and Atmospheric Administration nominations beginning Roy K. Matsushige, to be commander, and ending Gerald E. Wheaton, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on October 20, 1975.

EXTENSIONS OF REMARKS

IT'S A GREAT PUMPKIN STORY, DICK BENSON

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, November 3, 1975

Mr. RANDOLPH. Mr. President, on the night of October 31, across this Nation, millions of youngsters were a part of the world of make-believe peopled by witches and goblins. It was an exciting fantasy, and one in which adults shared the thrills and joys of children.

In recent years, however, the celebration of Halloween has assumed an ominous and dangerous dimension. "Trick or treat" has, for many parents, portended waves of vandalism and destruction by tricksters, and the threat of poisoned candies and other deadly objects delivered to trusting children by treaters. Such incidents have led some persons to suggest that Halloween be dispensed with or discouraged. Mrs. Randolph and I do know that this year only six children came to our home. Last year there were 28 girls and boys who knocked at the door, laughing and costumed, and with dads and moms standing nearby. There was fear of what could happen—and the visitors lessened.

I feel there can still be a celebration—not because of my recollections of what a happy and festive occasion the end of the harvest brings—but because I know that Halloween is a celebration that children of all ages can enjoy.

An example of how to do this in a community occurred in my hometown of Elkins, W. Va. Students from three schools, led by a member of the Elkins High School Key Club, began harvesting a 5-acre field of pumpkins, to distribute to children throughout Randolph County. The goal was to allow as many children as possible to have their own jack-o-lanterns.

The project started a year ago when State Senator Richard Benson, an Elkins businessman, noticed a shortage of pumpkins, and that those available were selling for as much as $3 each.

"I think every kid ought to have a pumpkin on Halloween," he commented. Last spring, he began planting a 5-acre section of his farm with 10,000 pumpkins. As they grew, dozens of volunteers joined in and others donated equipment to tend the pumpkin crop. Teenagers worked 3 days last week picking the pumpkins and hauling them over country roads to area schools for distribution.

As the world shudders in crises, Project Pumpkin is not a momentous event. Yet, it is a warm and human story of people helping people and easing the problems of daily living for a few brief hours. For this reason, I share a news article in the October 24 edition of the Elkins Inter-Mountain, edited by Eldora Nuzum, which details the good work that Dick Benson and volunteers performed. And it was front page. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEN THOUSAND PUMPKINS "JUST FOR CHILDREN"—HALLOWEEN PROJECT OF SENATOR BENSON

School children at Highland Park refused to go out for recess on Wednesday afternoon.

They were afraid somebody might steal their pumpkins.

They were not alone. Thousands of grade school children across the country this week received a "jack-o-lantern" pumpkin all their own, compliments of Senator Dick Benson, who grew 10,000 of the large, orange vegetables this year especially so that they could be distributed to the school children.

"Linus" and "Charlie Brown," costumed members of the EHS Key Club, passed out the pumpkins to children from a truck which assured the youngsters, "Yes, Virginia, there is a Great Pumpkin."

Approximately 8,000 of the pumpkins have already been given away. Children who were absent from school, or who did not get one for some other reason, are welcome to go to Benson's farm on the Ward Road and pick out their own, he said today. There are about 2,000 left in one end of the field and loaded on a flat-bed truck parked there.

Receiving pumpkins were children at Beverly Elementary School, Central School Annex, Central School, Coalton Elementary School, Vocational Center in South Elkins, Elkins Kindergarten Center, Highland Park Elementary School, Homestead Elementary School, Kerens Grade School, Montrose Grade School, Norton Grade School, First Ward School, Third Ward School, Harman Elementary School, Whitmer Elementary School, Pickens Grade School, TRY Center at Davis and Elkins College, Children's Home and the Creative Day Care Center, Mill Creek Grade School, Valley Head Grade School, Lutheran Day Care Center, and Valley School.

That's the end of a story that began a year ago, when Benson noticed that there appeared to be a shortage of pumpkins and that what few there were were selling for as much as three dollars each.

"I think every kid ought to have a pumpkin at Halloween," Benson says. "They can't go out trick-or-treating now because of the hazard to their safety, so what's left?"

Consequently, this spring—when planting season rolled around—Benson ordered 35 pounds of pumpkin seed from a company in Illinois, and he and his friends began planting them in a five-acre field.

They had an awful time. First they began to plant the seeds by hand, but it soon became evident that "that would have taken approximately 400 years," Benson laughs now.

They located Jack Harper, a farmer with an old corn planter, and asked to use it. The seed-selecting mechanism was removed because the pumpkin seeds were too large to go through it, and replaced with a funnel. Two people rode in seats mounted on the back of the planter and fed the pumpkin seeds by hand into the funnel.

It took a while, but the job got done.

"We were late getting them out because of the wet ground, too," Benson recalls. "It was about mid-June when we planted them, so consequently many of the pumpkins didn't get too big."

The pumpkins grew in the field all summer, slowly getting larger and turning orange under the bright sunny skies.

When fall came and it was time to pick them, there were 10,000 pumpkins ready and waiting.

"At first I estimated there were probably about 5,000," Benson laughs now. "They started picking and counting and giving them away, and I figured there were 7,000.

"Now, when it's all done, I'd guess there were closer to 10,000."

When Nella's Nursing Home heard that the schools were getting pumpkins, they called and asked if they could have 80—one for each of their patients. Before long, the pumpkins were there.

Word of the project spread as far as Buckhannon and after all schools in Randolph County had received their pumpkins, 2,000 more were shipped off to Upshur County for children there.

The project was not Benson's alone, however. It was more of a community activity involving residents of the entire county.

But by far the biggest amount of help came from the Key Club at Elkins High School, which—with the blessing of school principal Charles Basil—spent the better part of three days harvesting the pumpkins and delivering them around the country.

Helping with the project were Key Clubbers Randy Sharps (president), Bill Powell (secretary), Sam Maynard, Rusty Doerr, Jay Wallace, Larry Ward, Larry Andrews, Joe Barkman, Greg Jones, Jeff Zurbach, Dave Davis, Bill Santmyer, Butch Antolini, Logan Landrum, Doug Rinnell, Steve Ross, Eddie Phares, Frank Mams and Bob Wilmoth (adviser).

Randolph County Board of Education president Carole Hyre contacted other members of the school board, getting permission for the pumpkins to be delivered to county schools.

"They even offered to send the pumpkins out in school buses," Benson notes, "but we had adequate trucks to haul them so we didn't have to take them up on that."

Volunteer artist Peggy Howell designed "Great Pumpkin" posters to deck the sides of the trucks in which the pumpkins were delivered.

Mrs. Betty Armstrong called all schools in the county, clearing the project with them and seeing how many pumpkins they would need.

Dr. Paul Snedegar, Charles McClintic of Beverly, and A. D. McLaughlin of Massey Ferguson Tractor Sales both provided equipment to help with the planting. Kermit Rinell, a fishery biologist with the Department of Natural Resources, and Brownie Kennedy supplied the farm "know-how," Benson recalls.

Charles McClintic of the Department of Agriculture provided technical advice on the planting. And Douglas and Karen Rinell were in the field for two or three days working along with the adults.

Donating trucks to help haul the harvest were Gino's Paul Bunner of Czar, Fred DeMotto of Coalton, Builder's Supply Company, and Burns Motor Freight of Marlinton.

Tractors were provided by Valley Supply and Randy Marson.

Mike Pomp came from Belington to help with the pumpkin harvest.

A COMMUNITY THAT CARES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. DOWNEY of New York. Mr. Speaker, I would like at this time to address the Congress about one of my young constituents, Miss Kim Kelley of West Islip. Kim, who is a victim of cerebral palsey, is legally blind and a quadraplegic. She is currently awaiting a pacemaker implant operation that might give her a whole new life.

Because of the prohibitive cost of this operation many generous and concerned people in the Babylon-Islip area have formed the "We Care Club" to raise funds to help the Kelley family finance Kim's operation. As of this date almost $3,000 has been raised for this fund through personal donations and such community activities as a recent fair organized and run by a group of West Islip youngsters that raised $141.30.

With efforts like these and continued community support the Kelley family hopes to reach its goal before the November 25 operation.

At this time I would like to commend all those who have already opened their hearts to aid Kim. It is tremendously rewarding, particularly in these times of economic hardship, to see a community join together so willingly to aid a young person in need of assistance. The articles reprinted below give an idea of how wonderful this effort has been put forth by the residents of Suffolk County:

[From the Babylon Beacon, Oct. 16, 1975]

More Funds for Kim Kelley

(By Ann Gilmore)

Each day brings more money, more messages of encouragement and more fund raising plans to help Kim Kelley and her family of West Islip meet the incredible costs of the pacemaker operation scheduled for Nov. 25th, an operation which will probably mean a whole new life for Kim.

Although the Kelley's have Blue Cross insurance, it only pays a portion of the $20,000 needed for the operation. Medicaid, which the Kelley's thought would pay half of the expenses, does not cover the operation because it is still considered experimental. Kim is a cerebral palsy spastic who is not able to walk or use her hands and is considered blind. It is hoped that the pacemaker will relieve most of the spasticity and allow Kim to lead an almost normal life.

The Beacon, along with the We Care Club, has been receiving checks and cash each day to add to the Kim Kelley Fund. As of this week a total of $500 has been deposited in the fund account, all of which are contributions from our readers.

In addition to this, the We Care Club has collected $2,604.50, some of which has been given by the Cerebral Palsy Association. The We Care Club is planning a Walk-A-Thon for Kim on Nov. 2 in Huntington. More information on that event is available by calling 277–9664 or HA 7–5992.

As announced in last week's Beacon, Flynn's Restaurant in Bay Shore is sponsoring a dinner dance for Monday, Nov. 3rd, with all profits going to the Kim Kelley Fund. The tickets are being sold for $50 a person either at the Beacon office or at Flynn's.

It will include cocktails, from 8 to 9 P.M., which includes a smorgasbord buffet, followed by a roast beef dinner, unlimited liquor all night and dancing. The waitresses, the chefs, the men in the orchestra, the suppliers—all of them are donating their time for Kim.

It was also noted this week that the Student Government Organization of the West Islip High School, of which Kim is a 1975 graduate, has donated $200 from various fund-raising events.

Jo Kelley, Kim's mother, said on Tuesday that Congressman Thomas Downey's office had called to ask the Kelley's to appear at a hearing at the Bay Shore Memorial Building on October 24th to talk about the operation before a hearing being held by the Suffolk County Board of Health and Medicaid. Medicaid has been unable to assist patients who have had or need the operation that Kim will have because it is considered experimental. "If they can change the law to include this operation for people, it will be a wonderful thing", Mrs. Kelley said. "It will be too late to help Kim but it may help other people who need it in the future." The hearing was arranged through Congressman Downey's office.

Contributions will continue to be accepted at the Beacon office on Deer Park Avenue or mailed to Beacon, Box L, Babylon, N.Y. 11702. Tickets for the dinner are also available at the Beacon office. Among the donors who sent money to the Kim Kelley Fund this week were Phil and Jean Clark, Mr. and Mrs. Thomas Valerius, the Richard Trumble family, the John McKeown family, Mr. and Mrs. Jere Zimmerly, Mr. and Mrs. Rhodes Copithorn, Mrs. Elizabeth Quinn, and Theresa Giorgianni.

A typical message sent along with one contribution read: "Our prayers will be with you on your big day, Kim. God bless you and best wishes."

[From Newsday, Oct. 22, 1975]

"Speaking Out To Fill the Medicaid Gap"

("The girl next to me couldn't move before the operation—the cerebral palsy had made her stiff as a board. Then they put the pacemaker in her brain, placed something tempting, a soda, on her night table and left the room. She turned over, grabbed the can, pulled it through the bars of her bed and drank it. I had all I could to keep from crying, it was so beautiful.")

(By Neill S. Rosenfeld)

West Islip.—Recalling that incident, Kim Kelley, a cerebral palsy victim, lolled back in her wheelchair, then, with an effort, brought her arm down from the air. She is going to have a similar operation Nov. 24, and that makes her very happy. But the circumstances surrounding the operation have left her frustrated.

Implanting a cerebellum stimulator to improve her muscle control will cost $20,000, her mother, Jo, said. Her mother says the family can't afford it, and it is unclear who will pay for it. But one thing is quite clear: Medicaid won't.

Miss Kelley's father, Lee, is a machinist, and the family income is too high to allow them to qualify for Medicaid. But Miss Kelley, who though legally blind, graduated from West Islip High School in June, is not employed and she has qualified recently for Medicaid as an individual. "We had hoped that when Kim turned 18 in May and got her Medicaid card that they would pay for it," Mrs. Kelley said. "But they won't. They consider it experimental."

But a local newspaper, the Babylon Beacon, and the We Care Club of East Islip are willing to back the operation. Together they have raised $2,200 so far. A walk-athon is scheduled for Nov. 2 and a $50-a-plate dinner is set for Nov. 3. That will help Miss Kelley, but she is concerned about others.

HEARING ON STIMULATORS

"The government will pay for wheelchairs and crutches and any other gadget except for the one that will really help us," Miss Kelley said. She plans to say it again Friday at a hearing Rep. Thomas Downey (D-Islip) and Assemb. Paul Harenberg (D-Bayport) are holding to see why the stimulators are still considered experimental. The hearing is part of a general exploration of gaps in Medicare and Medicaid coverage. "Changing the law won't help me," Miss Kelley said. "I'm getting my pacemaker Nov. 24. But there are other kids who need it."

During the operation at St. Barnabas Hospital in the Bronx, doctors will place wires on the membrane surrounding her cerebellum. The wires will extend to her chest where a radio receiver will be implanted and a transmitter attached externally. Like a heart pacemaker, the stimulator delivers a minute electric current to the brain, removing the spasms that overwhelm Miss Kelley's voluntary movement. The device is also similar to one recently implanted into the spine of Ronald Coren of West Sayville, a multiple sclerosis victim.

According to neurosurgeons, neither device cures the disease or inhibits its spread, but through a process not entirely understood, the electrical pulses restore close to normal functioning in some patients.

RESEARCH UNDERWAY

Dr. Heinrich Bantli, a neurophysiologist at the University of Minnesota Medical School, has an $87,000 federal contract to find out how the device works on the nervous system and to develop an animal model to show what it can do for cerebral palsy and epilepsy. Bantli estimated that between 200 and 300 of the cerebellum stimulators have been implanted since 1971, compared with about 3,000 spinal stimulators in the same period.

But neither device is covered by Medicaid or Medicare. In July, Social Security promised an investigation of both devices, but last week, Dr. Linda Cohen of the Public Health Service Bureau of Quality Assurance said, "The only things in the file are letters from patients and congressmen and newspaper articles. There's absolutely no new information."

While bureaucrats may have their doubts, Miss Kelley doesn't. When doctors at St. Barnabas told her she is one of the few cerebral palsy victims suitable for implantation, she decided not to start classes at the State Agriculture and Technical College at Farmingdale, where she has been accepted into a five-year program for a degree in rehabilitation therapy, she wants to wait until after the operation when, with physical therapy, she will, she said, be able to take care of her needs, feed herself and focus her eyes. "And," she said, "I want to walk into my first day of classes."

THE HONORABLE JOHN J. ROONEY

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. DE LA GARZA. Mr. Speaker, the passing of our former colleague, the Honorable John J. Rooney, brought sorrow to my heart. Congressman Rooney was a valued personal friend of mine and during his long service as chairman of a key House Appropriations Subcommittee he proved himself a friend of the south Texas district I represent here.

My area owes a tremendous debt to this man. My district is on the border between the United States and Mexico, and time and time again Congressman Rooney's power over expenditures by the Departments of State and Justice proved crucial in advancing projects of benefit to both countries.

He traveled into south Texas to determine for himself whether these projects were justified. Once convinced that they were, he was instrumental in bringing about the appropriation of funds to finance Falcon Dam and Anzaldous Dam.

He again came to my district's aid by throwing his strength behind efforts to obtain Federal assistance to finance a far-reaching Rio Grande flood control project after the devastation caused by Hurricane Beulah in 1967.

We will long remember and honor John Rooney in the 15th Congressional District. I mourn his passing.

"BUSINESSMAN OF THE MONTH"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. RANGEL. Mr. Speaker, every day consumers experience the frustrating and oftentimes despairing consequences of car trouble—either through accidents or normal wear and tear. The initial inconvenience is only the beginning of a conglomeration of events which are usually unnecessary and more than likely, overly expensive. I am certain the train of events are very familiar to each of us—car breakdown, estimate of repairs, long delays, return of car, hiked up costs, faulty craftsmanship, return of car to repairmen, long delays again, and ultimately another unexpected debit from our tightly squeezed budget. Of course, some of these events are unavoidable but then again, many of us are the victims of services of which we are highly ignorant, that is, the ability to intelligently evaluate how much, what for, and why this.

Recently, an article in the Washington Sun, a local newspaper, provided the Washington community with one solution to the problem. Junius W. Gray, Jr., operates a garage on 14th Street which is consumer oriented rather than "rip-off" oriented. I, personally, have availed myself of Mr. Gray's services and was quite pleased with the end result. I commend Mr. Gray for proving that we as consumers can place our trust in honest persons and expect in good faith, a fruitful outcome. At this point, I share with my colleagues, "A Washington Sun Tribute to Gray's Auto Repairs, Inc."

The article follows:

A Washington Sun Salute to Gray's Auto Repairs, Inc.

(By Dorothy Pritchett)

If you're one of many persons who have been "ripped off" after having your car or truck repaired, you may wonder why the Washington Sun is saluting an auto repair shop. Our reason is simple. Unlike the others, Gray's Automotive Repairs, Inc. is customer-oriented, not money-oriented, and quite frankly, operator, Junius W. Gray, Jr., will have it no other way. Customers driving into his garage not only get superior service, but preferential treatment, as well, and complete assurance that all repair work is guaranteed. The shop, which is located at 1630 14th St., N.W. employs 9 trained expert servicemen and mechanics in all areas. Complete automobile (including foreign cars) and truck service includes: body and fender work and auto painting; air conditioning repairs and service; brake work; engine tune-ups; minor transmission repairs; replacement of U-joints and axlebearings; shocks installed; front-end repairs; and towing service.

The garage first opened its doors in October 1969, under the name of Gray's Auto Service at 6403 Blair Rd., N.W., as a small, 2-bay facility with only two full-time and two part-time employees. In April 1973, the repair shop was relocated to its present address, and at that time, it became a corporation with Mr. Gray as president; his wife, Dr. Verna K. Gray, as secretary; and their son, Charles, as treasurer. Progressive in its outlook, the shop has facilities large enough to accommodate from 40 to 50 cars. It specializes in body and fender work and auto painting. The body, fender work and painting are done on the second floor of the garage. This leaves the first floor free for air conditioning and heating services, as well as general auto and truck repairs. Customers who wait while their vehicles are being serviced may relax and read or watch television in the waiting area of the shop. Ample parking space is available in the rear of the building.

Junius Gray has 22 years of experience in automotive repair work. He decided to open his own business after becoming disenchanted with many of the policies and practices of some automotive * * * decided that his shop would focus on the interests and the needs of customers. He believed that he could give them their dollars' worth and still operate successfully. To date, his formula has proved to be a winner, as satisfied customers are his best source of advertisement. The shop is centrally located, which makes it convenient for people who have to leave their cars to be serviced. Taxicabs and buses are readily accessible in the 14th street area. The garage is able to handle any type of customer problems.

Civic minded, Junius Gray involves himself in several community projects. His main hobby is motorcycling, which he says, enables him to "unwind" after a hard day's work. He strongly supports the adage, "Behind every successful man is a woman." He credits much of his success to his wife, Verna, whom he calls his right arm. She handles the public relations aspects of the business, including advertising and helps with the financial aspects, including record keeping. Fulltime, Dr. Verna K. Gray, who earned a Ph.D. degree in English and reading from the University of Maryland, is Head of the Reading Department of Coppin State College in Baltimore, Maryland.

The Grays have two sons, Charles, a graduate of Howard University; and Francell, a graduate of Yale University; and a daughter, Rita, who is a senior at Vassar College. They reside in northwest Washington.

Junius Gray enjoys meeting the public almost as much as giving them A-1 service at his garage. As a result, he has converted scores of customers into friends, and is helping to change the public's negative image of automotive repair shops. For this, we feel he deserves the title of "Businessman of the Month."

HEADLINES

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. JACOBS. Mr. Speaker, well, what else is new?

"Ford Won't Help N.Y., Simon Says"—headline from October 20 Washington Post.

"Ford Asks $4.7 Billion Foreign Aid"—headline from October 31 Washington Post.

NEW BUREAUCRATIC POWER-GRAB

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. SYMMS. Mr. Speaker, the power of the Health, Education, and Welfare bureaucracy continues to grow. Many of us have always felt that the goal of the Federal "educationists" is complete control over all educational institutions, curriculum, and teaching methods. Now, I think most of us expect that Federal aid to education leads to Federal control of one sort or another; this has been fairly well proven. But a number of schools and colleges have avoided Federal controls and regulations by refusing direct Federal aid to the institution.

However, the HEW folks have come up with a way to circumvent this. They are using title IX regulations to say that if there are students at a particular institution who are receiving some kind of Federal financial assistance, then the entire institution must comply with Federal regulations and edicts. This new bureaucratic power-grab has caused particular concern to Hillsdale College in Michigan. Hillsdale is an institution of noted academic quality which refuses Federal aid, as well as State of Michigan aid. Recently, Hillsdale's president, George Roche, sent a letter informing supporters of the college of these new HEW regulations.

Mr. Speaker, nearly 200 years ago a group of men who signed the Declaration of Independence made a decision; that decision was that they choose freedom, as opposed to material security offered by the Crown of England.

Hillsdale College has made the same decision—a position that I praise them for making.

This is a very significant decision on the part of a very courageous board of trustees at Hillsdale College and by a very dedicated college president, Dr. George Roche III. This decision is totally consistent with the principles from which our country was founded.

The bottom line is very simply this—do the people who pay for the operation of Hillsdale College also enjoy the responsibility of the schools management, or will the ever expanding greedy arm of dictocratic bureaucrats in HEW run Hillsdale College.

God willing Hillsdale will be successful as were the Founding Fathers.

I commend the following letter from Dr. Roche and resolutions from the board as recommended reading for my colleagues and all freedom loving Americans:

Hillsdale College,
Hillsdale, Mich., October 1975.

Dear Friend of Hillsdale: Hillsdale has long prided itself on its independence from political funding. That independence has permitted the maintenance of high standards because we have avoided the pressures which politicized education produces. We have been able to offer quality education to generations of students, without regard to race, sex or religion.

Our independence has been based upon the non-acceptance of federal funds for any purpose whatsoever. There have been students on campus who are individual recipients of federal loans, grants, veterans benefits and similar programs, but such funds have never been accepted by the school as an institution. Now the federal bureaucracy has changed the rules. Beginning in October, 1975, Hillsdale College and all other independent colleges and universities are to be regarded as "recipient institutions" if they have any students on campus who receive individual funding through government programs. The American Association of Presidents of Independent Colleges and Universities has recognized the threat and is marshalling a campaign of determined resistance.

Acceptance of such status as a "recipient institution" opens the door to federal control of Hillsdale College. The entire weight of federal guidelines, covering faculty, students, curriculum, dormitories and every aspect of our existence, would potentially dominate our campus if we once accept the premise that aid to an individual student makes Hillsdale College a recipient of federal funds.

The issue at stake is *not* equal treatment for minority groups or women. Hillsdale College had already pioneered in non-discriminatory treatment for over a century before the first federal legislation on the subject. Our record of non-discrimination speaks for itself. We have consistently displayed a willingness to measure our faculty and students by the only yardstick with any real meaning: individual performance.

Now through a bureaucratic ploy, Hillsdale's independence is presumably to give way to the social engineers in Washington. Rather than allow such a federal takeover of our campus, we are prepared to refuse compliance with the government edicts now proposed. None of us at Hillsdale underestimates the power of the federal government to harass and possibly destroy those who do not comply, but we feel the fight must be made if independent education is to endure in America.

At the October 10, 1975, meeting of the Board of Trustees, the decision was unanimously and vigorously made to resist federal control with every means at our disposal. It is with great pride that I enclose a copy of the Trustee Resolution.

The Trustees fully appreciated how high the stakes are likely to be. If the bureaucracy now withdraws the scholarships and veterans benefits of those students attending Hillsdale College, the federal government will be discriminating against those students and will in effect be denying them an education at the accredited college of their choice. The college itself will also be penalized. In an age when independent higher education already faces inflation, governmentally subsidized competition, and a continuing reduction of private revenue through more and more stringent tax policy, the difficulties of meeting the budget and surviving have grown larger each year. Now we are faced with the additional burden of aiding those students against whom the government proposes to discriminate.

The additional financial burdens are enormous, but Hillsdale College feels the fight must be made. In addition to the large operating deficits which the school must face, the October 10 meeting of the Trustees also discussed an endowment campaign of $25,000,000 for scholarships and faculty salaries to perpetuate our independence—whatever new tax policies or bureaucratic whims may lie ahead.

We need help now as never before. The question involved is nothing less than whether or not the private sector can survive in our present society. At Hillsdale, we believe the answer is a resounding affirmative. With your help, we will prove that the job can be done.

All my best,

GEORGE ROCHE.

RESOLUTION

Whereas the Board of Trustees of Hillsdale College has been made aware of new restrictive regulations imposed by the Department of Health, Education and Welfare promulgated under the guise of implementing Title IX of the Education Amendments of 1972; and

Whereas Hillsdale College has maintained its freedom and independence of federal control by consistent refusal of federal aid to education, federal grants and any and all forms of subsidy by the Federal government; and

Whereas, by the regulations aforementioned, the Federal government now seeks to impose its control over such freedom and independence through the subterfuge that a few of the students of Hillsdale College receive federal aid through the medium of such programs as Veterans Benefits and the National Direct Student Loan Fund; and

Whereas it is the conviction of the Board of Trustees of Hillsdale College that such regulations are excessive of the authority granted by Congress and violative of the inalienable rights of freedom and choice of this institution and are therefore immoral and illegal; and

Whereas Hillsdale College has traditionally far exceeded the social benefit purported to be achieved in such regulations by natural and voluntary non-discrimination: Now therefore be it

Resolved, That Hillsdale College will hold its traditional philosophy of equal opportunity without discrimination by reason of race, religion or sex, but such non-discrimination will be voluntary, thus preserving equality with dignity and encouraging friendship based on recognition of equal worth and mutual respect; and be it

Resolved further, That Hillsdale College will, to the extent of its meager resources and with the help of God, resist by all legal means this and all other encroachments on its freedom and independence.

CUBANS JOIN MARXISTS IN ANGOLA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. McDONALD of Georgia. Mr. Speaker, if there is any doubt as to whether or not Communist Cuba is interfering in other people's internal affairs, they should read the item that will follow from the Daily Telegraph of London on Friday, October 24, 1975. The story details the landing of Cuban soldiers in Angola to fight on behalf of the Popular Movement for the Liberation of Angola—MPLA. This is not the first time Cuban soldiers have been in African fighting.

I heartily commend this item to the attention of my colleagues who may feel that Fidel Castro and Cuba have changed and that revolution is no longer being exported. The item follows:

CUBANS JOIN MARXISTS IN ANGOLA

More than 1,000 Cuban mercenaries are reinforcing one of Angola's Nationalist movements, the Marxist-backed Popular Movement for the Liberation of Angola (MPLA), in the country's civil war.

New evidence from Lusaka sources suggests that Cuba, with the full backing of Russia, has sent troops to help tip the balance of power in MPLA's favour before Angola becomes independent next month.

The Cuban troops are being landed in Angola with the assistance of the Congo which is heavily influenced by the Soviet Union.

According to observers at least three Cuban ships have been operating in Angolan and Congolese waters in late September.

Two were reportedly sighted during the first week of October in the harbour of Pointe Noire, on the Congo Coast, where numerous deliveries of military supplies from Communist countries destined for the MPLA have been landed.

VEHICLES OFF-LOADED

One of the Cuban ships was identified as the Vietnam Heroico. The two ships off-loaded trucks, some armoured vehicles and numerous crates to the Angolan vessel Luanda.

The Luanda also took on contingents of mainly Black Cubans wearing military uniforms. They described themselves to people in the port as volunteers on their way to Angola.

Between 500 and 600 Cubans are reported to have been involved in this operation.

A third Cuban ship, the La Playa de Habana, docked at Pointe Noire on about Oct. 12 and about 500 Black Cubans in battle dress disembarked with full equipment which included 49 trucks, two tanks and a considerable number of crates. They have now moved to Angola.

The ships arrived at a special dock area where Congolese troops have, in the past, unloaded arms from the Soviet bloc destined for the MPLA. It is now under Cuban supervision.

From Pointe Noire it is possible to move men and material by various routes into Angola. Sources say between 1,400 and 1,700 Cuban volunteers are in or on their way to Angola.

They are being sent to the various war fronts where the MPLA is preparing a new offensive against the other two nationalist movements, the National Union for the Total Independence of Angola (UNITA) and the National Front for the Liberation of Angola (FNLA).

"BEAUTIFY FOR THE CENTENNIAL" IN PRINCE GEORGES COUNTY, MD.

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mrs. SPELLMAN. Mr. Speaker, I wish to commend to the attention of my distinguished colleagues a most noteworthy beautification effort in Prince Georges County, planned and implemented by an outstanding group of dedicated Prince Georgians as part of our county's celebration of the Nation's Bicentennial.

Our Beautify for the Bicentennial project is an extension of a countywide program conceived several years ago by the Prince Georges Chamber of Commerce to enhance our environment through various beautification projects, thereby adding a new dimension to our quest for quality living. Enlisting the cooperation of our business community, civic and social organizations, our schools, municipal and county government, and the individual homeowner, the task of coordinating this far-reaching and optimistic program fell to our county beautification committee.

Chaired by prominent civic activist Ted Miazga with whom I had the pleasure of working on the tree planting program, the beautification committee has spent countless hours and days in planning and carrying out this most beneficial program at great personal sacrifice and, all too often, at their own expense. A broad cross-section of our community is represented in this volunteer effort, and they have united to help assure a "new quality of life" in Prince Georges County. I have the highest admiration for the work of this committee and their substantial accomplishments.

I wish also to salute Mrs. Marguerite Suite of Camp Springs, chairperson of the beautify for the Bicentennial breakfast program to be held tomorrow at historic Old Adelphi Mill. This program will spotlight considerable achievement, and expanded beautification programing will be unveiled.

Mr. Speaker, I am honored to represent in the Congress people throughout my district who are responding in their individual and collective ways to promote in a positive way the image of our county in preparation for the Bicentennial year, when over a million Americans are expected to visit Prince Georges County.

THIRTY-FIVE YEARS OF SERVICE IN AIR FORCE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. WHALEN. Mr. Speaker, today I wish to pay tribute to J. Arthur Boykin on his retirement from the Aeronautical Systems Division—ASD—at Wright-Patterson Air Force Base. Mr. Boykin's retirement brings to a close a distinguished 35-year career service to the Air Force.

Mr. Boykin began his engineering career in 1940 as a junior engineer in the engineering division at Wright Field, working on all major Air Force aircraft and missiles. In October 1946, following his separation from active military service, he began work as the Assistant Chief of the Bombardment Aircraft Division of the Air Material Command. In 1956, he was appointed technical director for aircraft weapons systems at ASD where he served until his appointment as technical director for the Deputy of Systems in 1964. It is from this position that he is now retiring. During the past 20 years, Mr. Boykin has been instrumental in establishing policies and procedures for selection of contractors for more than 75 percent of the Nation's aeronautical weapons systems, through his work as a member of the ASD Source Selection Board. He will continue as a consultant to the Board during his retirement.

Mr. Boykin has received numerous awards and citations throughout his engineering career. In 1971, he was presented the Distinguished Civilian Service Award by former Secretary of Defense Melvin Laird. This award, the highest which can be presented to civilian employees of the Department of Defense, recognized the technical and management excellence which Art brought to his position. It was noted at the time that he had played a key role in the development of the Nation's first strategic deterrent capability with heavy bombardment aircraft. In addition, he received the Exceptional Civilian Service Award in 1963 for his contributions to the efficiency, economy, and improvement in operations of the Air Force.

Mr. Speaker, I join with Mr. Boykin's many friends in offering my best wishes for continued success during his retirement years.

BAILOUT OF NEW YORK CITY

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. MILFORD. Mr. Speaker, for the last few weeks and months when we have been hearing the debate over the plight of New York City, and the Nation, I have been listening for some reasonable excuse to vote for a bailout of the city.

I have found none.

New York City officials blatantly have ignored economic principles. And they have practiced double accounting procedures to dupe the public and the bonds market. Now their duplicity has come home to roost.

It is unfortunate. It is unfortunate for the banks which hold the bonds. It is unfortunate for the Nation to see one of its key cities at the brink of disaster. And it is most tragic for the people who have lived in New York City and paid taxes in good faith that their public officials would handle those moneys wisely.

But it is because of "good faith" that I must sound a ringing "no" to any Federal bailout of New York City. The people of the 24th District of Texas, the people of Texas, and the people of the United States have placed good faith in us to use their tax moneys wisely.

If we should pull their money out of the Federal coffers for one city's help, we are in the position of helping the few at the expense of the many. Because, certainly, the Federal Government cannot afford the indebtedness of one city or a string of cities which are facing economic crisis. And if we help New York City, we would be committed to help other cities having difficulty.

If we were to do that, we would place this country in the throes of bankruptcy. We as a Congress would have violated the faith of the people who elected us to protect the Federal Treasury.

And who would bail out the United States?

Fellow colleagues, I am afraid that is a risk and a breach of faith that I cannot vote for—the bailout of New York City.

Hopefully, this is one time when we as Members of this great body will look beyond the immediate crisis and look to the future—the future problems a bailout would hold.

And hopefully, also, this will be a lesson to all of us—a government's money and credit will not last forever without matching income. The day of accounting is not as far off now as it was 10 years ago. We cannot afford massive social engineering programs and practices which destroy tax bases in our cities—rent control, urban renewal, housing projects and regulations which restrict private enterprise from operating the goods and services needed by the people of a city.

In trying to determine a responsible position on the New York City issue, I contacted people in my district who are aware and responsible for their city's resources. Typical of the attitude there is the response of a large city mayor—Cliff Overcash of Fort Worth—who told me he was foursquare against bailing out New York City.

"Surely," he said, "it may hurt our bond market for a while—but it only will be temporarily. And bailing out New York City would set a terrible precedent."

I could not agree more with the mayor. And I believe he is a responsible official of a major city, aware of the financial world and the ramifications of a big city's default on its financial obligations.

I hope that towns, cities, States, and Federal agencies will take note of one more principle displayed in New York's failure: powerful, striking civil servants can destroy a government and a city.

Sanitation workers, firemen, police, and teachers have used the power of the strike to strangle New York City's fiscal base. Through this stranglehold, they have gained whopping salary raises, retirement and hospitalization benefits.

New York long has been criticized for its welfare payments—larger than most and well above the average. For example, in New York the average payment under aid to dependent children is $98.07. The national average is $64.78; New York's is more than $30 per person per month greater than the national average.

The average in New York City for all welfare payments—ADC, general assistance, and SSI—is $110.34. The U.S. average is $80.90.

Another statistic that has relevance to the city's financial straits in the number of city employees in proportion to residents. New York has 1 employee for every 43 residents.

In Dallas and Fort Worth—the large cities in my area, for example—there is 1 city employee for every 73 residents.

And when I tried to find out the cost of this municipal package, I was unable. City officials were unable to tell me what their salary budget was, much less what portion of that was for retirement and other fringe benefit packages.

If city management does not know these items, or is reluctant to report them—New York City was a major city which did not report their statistics in the municipal yearbook of the International City Management Association—that is a sure sign of poor management.

I contend that the city needs to trim back its salary package—and that includes a reduction in force of city employees, reduction in salaries and in benefits. This might help get the local government's treasury off its back.

The city must also bring its welfare payments in line with the rest of the Nation—including a tightening of eligibility and a reduction in all the welfare packages.

And, the city must enact laws with teeth in them which would prevent municipal employees from striking. It is inconceivable to me how fire, police, health, and educational personnel can—in good conscience—leave their duties and the people they serve unattended while they haggle over a few dollars in first this package and then the other.

Until the city of New York acts to insure fiscal responsibility—acts toward having a reasonable expectation of repaying its debts—then I cannot in good conscience advocate a Federal bailout of the bankrupt system.

There comes a time when we have to pay the piper. And it is my opinion that it is time for New York City to quit believing in Santa Claus. They may have to default. That is unfortunate. But certainly, it is better than the Federal Government having to default in a scant few years hence, should we get into the position of bailing out cities which fail to meet their fiscal responsibilities.

THE EARLY RETURNS OF NO-FAULT INSURANCE SHOW IT IS WORKING

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. SCHEUER. Mr. Speaker, 2 days ago the Subcommittee on Consumer Protection and Finance of the Interstate and Foreign Commerce Committee, on which I serve, voted narrowly to approve legislation which would provide for national no-fault motor vehicle insurance.

I have for years supported the concept of no-fault auto insurance and accordingly voted last Wednesday to extend this concept to the Federal level: The vote in the subcommittee, 5 to 4 in favor of approving no-fault, was gratifying, if suspenseful.

The following article from the New York Times of Sunday, October 5, 1975, suggests that although no-fault is working well in New York, New Jersey, and Connecticut, the vast difference in the laws of the three States "produce some peculiarities and paradoxes."

It is precisely for this reason that legislation establishing Federal standards for State no-fault laws should be approved by the full 94th Congress and signed into law by the President.

The article is thoughtful and I recommend it to my colleagues:

[From the New York Times, Oct. 5, 1975]

THE EARLY RETURNS ON NO-FAULT INSURANCE SHOW IT'S WORKING

(By Arnold H. Lubasch)

Recent reports indicate that no-fault automobile insurance works reasonably well in New York, New Jersey and Connecticut, although the results may fall short of the expectations.

Under the old insurance system, when lawsuits were frequently necessary to decide who was to blame for car accidents, there were complaints that too much time and money were spent on determining the blame instead of helping the victims.

Under the no-fault concept, which pays victims without regard to blame, there were hopes that proper payments would go to more people more quickly, that insurance premiums would drop and that negligence cases would no longer clog the courts.

It is difficult to assess the no-fault results in the tristate area, especially since each state has adopted a different program. But all three use the same basic formula: The victims are paid for medical expenses and income losses, regardless of who was at fault, and they lose the right to sue for "pain and suffering" unless they have serious injuries or relatively high expenses. The programs cover only personal injury, leaving property damage to the traditional collision and liability insurance.

New York's no-fault law went into effect Feb. 1, 1974, requiring all motor-vehicle insurance policies in the state to provide benefits up to $50,000 for medical expenses and income losses for drivers and passengers injured in the state, regardless of fault. It limits income-loss payments to $200 a week and pays no funeral expenses unless extra insurance was purchased.

New Jersey, where no-fault began Jan. 1, 1973, decided that all private passenger vehicles must carry the insurance to provide unlimited payments for medical expenses, up to $100 a week for lost income and up to $1,000 for funeral expenses.

Connecticut, whose law also took effect Jan. 1, 1973, requires that all private cars have the insurance, providing up to $5,000 for medical expenses and income losses. Funeral expenses are limited to $2,000, and lost income to $200 a week.

In all three states, victims can sue for serious injuries, ranging from loss of limbs to broken bones and also if their medical expenses reach a specific "threshold," which is $500 in New York, $400 in Connecticut and $200 (excluding hospital expenses) in New Jersey.

No-fault is still too new in the tristate area to furnish definitive results, according to state insurance department officials. But they report that it does favorably affect benefit payments, premium costs and court caseloads.

Regarding benefit payments, New Jersey says $35-million was paid on 82,856 claims in its first year of no-fault, compared with $30-million on 54,419 claims the previous year. Connecticut estimates that since no-fault began the number of victims being paid has increased 25 per cent. New York says the average time needed to settle a claim has dropped from 16 months to two.

As for premiums, all three states required insurance companies to lower their premiums, 10 per cent in Connecticut and 15 per cent in the other two states, when no-fault began. The average premiums dropped even more at first, but began rising again, largely due to inflation. Officials believe premiums would be even higher, however, without no-fault.

No fault's impact on the courts is difficult to measure because of a litigation lag in the filing and disposition of suits as well as the absence of comparable statistics for the three states. But New Jersey said its cases went down "as much as 25 per cent." And Connecticut indicated that relatively minor cases declined more than 20 per cent. Based on preliminary data, in New York, with eight million cars and 300,000 personal-injury claims a year, Civil Court cases have dropped 5 to 10 per cent since no-fault. The state's Supreme Court cases, covering claims over $10,000, increased substantially, however, apparently under inflationary pressure.

Different regulations in the three states produce some peculiarities and paradoxes. For instance, basic no-fault covers a New Jersey driver in New York, but it does not cover a New York driver in New Jersey, while it could cover both of them if they crashed in Connecticut.

Besides requiring all the state's vehicles to carry no-fault, New York law compels all insurance companies doing business in the state to provide it for their out-of-state drivers when they are in New York. Connecticut has similar requirements, limited to cars.

New Jersey, however, provides no-fault only for New Jersey cars, excluding out-of-state vehicles from coverage. But for New Jersey drivers, it extends coverage throughout the United States and Canada, as does Connecticut. New York covers its drivers only in New York, though they can buy out-of-state coverage for a few more dollars.

Policy holders who have no-fault disputes with their insurance companies can sue or obtain binding arbitration.

Critics of no-fault, primarily lawyers who challenge its constitutionality, contend that insurance companies are delaying payments and raising premiums. A New York court has ruled that no-fault violates due process, equal protection and the right to sue, but the law remains in effect pending a decision by the Court of Appeals.

Major insurance companies support no-fault, though they call for correcting abuses and raising the "thresholds" that permit lawsuits. Otherwise, they say, the cost could become too high.

Many other states have adopted no-fault, with varying results, and Congress is considering legislation to require it throughout the country.

STOP WASTING NATURAL GAS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. WOLFF. Mr. Speaker, when I recently reintroduced my bill to ban pilot lights on natural gas cooking stoves because of the proven waste of natural gas caused by pilot lights, the oil-energy lobby cranked up its predictable responses—gas really is not wasted, the consumer cannot afford to install manual devices, and so on.

Fortunately, thanks to the excellent study conducted by the New York State Public Service Commission, we can predict precisely what the waste will be in New York, and can suggest with some certainty that the national waste will be proportional.

Mr. Speaker, colleagues, the *innocent* pilot light on cooking stoves, burning away 24 hours a day, 365 days a year, could be wasting up to 500 million cubic feet of natural gas every year, according to the New York study.

That means that up to 50 percent of all, repeat, all the natural gas sold in this country for cooking stoves is being literally thrown away. We get nothing from it but a critical shortage, higher rates, and crocodile tears from the oil-energy lobby about the difficulties of financing new discoveries.

Bear in mind that this colossal and horrifying waste covers stoves only, and does not include the similar waste caused by pilot lights in space heaters, clothes dryers, and other household appliances which could equally well be served by manual ignition devices.

To those who say that the consumer

cannot bear the burden of an extra $10 or even $20 to install manual devices, I must ask how the critics would explain to the consumer why they should continue to pay that much and more every month in increased rates because of waste. There is no rational answer to that question, and the oil-energy lobby does not even try.

Finally, let me note that my legislation would not require "retroactive" installation of manual devices in any event—as desirable as that might be. My legislation would merely encourage the installation of such devices, and would help Congress address itself to the serious nature of the problem. Hopefully, we can then develop legislation which would prohibit the needless waste of pilot lights on new appliances to be sold in the future.

I now submit for the Record an excellent editorial from the Long Island Press which eloquently outlines the present situation, and issues a call to action to Congress which I sincerely hope my colleagues will heed:

[From the Long Island Press, Oct. 22, 1975]

Needless Waste of Natural Gas

Two years ago, Rep. Lester Wolff thought he had hit upon a way to conserve gas used in millions of American homes for cooking, heating and other purposes. He introduced a bill to require that pilot lights on stoves be replaced with manual devices which can be turned off when not in use instead of burning away, 24 hours a day, 365 days a year.

But the gas companies convinced Mr. Wolff's colleagues that pilot lights didn't waste much gas, and so his bill got nowhere.

Rep. Wolff is back again, however. He has convincing evidence that nonstop pilot lights are "gouging a large hole in our pocketbooks and wasting a natural resource which is already seriously depleted."

A study conducted by engineers for the New York State Public Service Commission found that pilot lights on ovens, space heaters, clothes driers and water heaters in this state alone consume enough natural gas to serve all the needs of 220,000 homes.

Reliable national figures are lacking, but as the Kensington Democrat says, "there are well over 40 million natural gas cooking stoves in the U.S. that use well over a trillion cubic feet of natural gas every year. We also know, from the New York study, that anywhere from 30 to 50 per cent of the total gas consumed simply goes to keep the pilot light burning 24 hours a day."

That's a persuasive argument. Tolerating that kind of waste simply doesn't make sense. If Congress isn't persuaded to agree with Mr. Wolff this time, certainly the State Legislature should heed the findings of the Public Service Commission, put an end to the needless waste of a natural resource, and give New York consumers a break.

HIGHER TUITION VERSUS HIGHER EDUCATION

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. O'HARA. Mr. Speaker, as we approach closer to legislative consideration of a student financial assistance bill, the argument is heard insistently that college tuitions can be increased without causing any problem for students, because student financial aid money can be increased sufficiently to meet those costs.

It is reassuring to note that not all higher educators have adopted this view of the student as merely a conduit of Federal money to the institution.

The American Association of State Colleges and Universities has recently concluded a survey which highlights the fact that high tuition is a major barrier to educational opportunities, that this barrier does not adversely affect only those who have higher than average incomes, and that it has particularly adverse effects on students coming from rural and small-town areas.

The "Let the river rise and hope we can raise the bridge" policy with regard to tuition is not one to which the Federal Government should lend its encouragement and support, if we truly believe in increasing higher education opportunities for all our people.

I include the AASCU statement to be printed at this point in the Record:

Higher Tuition Versus Higher Education

Young people in many parts of the country—especially in the Middle West, West, and the South—are being prevented from going to college by high tuition and other student costs.

This is the conclusion of a survey made by the American Association of State Colleges and Universities (AASCU), of enrollment and tuition in all parts of the country.

The survey made the following five points:

1. In many states, especially those which already charge high tuition at state colleges, increases in tuition in the years 1969–74 were accompanied by considerably lower rates of enrollment growth—at the very time when ever larger number of students were graduating from high school.

2. This survey confirms new U.S. Census data which shows that a considerably lower percentage of high school graduates have been going on to *any* college, in the years since 1969. This decline in educational opportunity is especially great in middle-class and working-class families, with incomes from about $7,500 to $15,000 a year. Such families are often not eligible for much, if any student aid, but must pay increasing tuition and student charges. Families over $15,000 have done better, but less of them are sending children to college, too.

3. Many colleges located in rural and small-town areas have been especially hard hit by rising costs. "Rural students are more affected by rising costs because rural income is usually considerably lower than urban income," AASCU said. "Special state policies—such as lower tuition or reduced dormitory charges—may be necessary to help students attending such colleges."

4. Colleges able to attract large numbers of part-time and commuting students, especially located in urban areas, have usually done better in terms of enrollment. But, even these have been hard hit in some parts of the country.

5. While some colleges have had unusual increases in enrollment in the current year (Fall 1975), there is good reason to believe this is a temporary phenomenon, related to very large high school graduating classes last June.

"Governors, state legislators, and other state policy-makers need to be made aware that increases in tuition and student charges are keeping qualified students out of college," AASCU said. "Some policy-makers seem to believe that tuition can be raised indefinitely without affecting educational opportunity. Our survey shows that this is simply not the case."

"Every state should review its tuition policies in relation to state enrollment trends and educational opportunity," AASCU concluded. "Each state should also make studies to determine to what extent the percentage of high school graduates going to college is falling, and the reasons why."

RELIGION REMAINS A STRONG FORCE IN COMMUNIST POLAND

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. CRANE. Mr. Speaker, despite their efforts to eliminate the influence of religion upon the people of the Soviet Union and the satellite nations of Eastern Europe, the Communists have been notably unsuccessful.

In fact, religion is becoming such an important force in the Communist world that a new campaign against it has been initiated. In Romania, for example, the Interior Ministry is currently implementing a decree that calls for state confiscation of all church archives of historical value.

In Bulgaria, Nikolay Mizov, a well known party ideologist and expert on atheistic education, has recently called for stepped-up antireligious propaganda and instruction. Mizov expressed concern about "an obvious revival of church and religious activities."

Perhaps no place in the Communist world is religion a more powerful and potent force than in Poland.

On a recent visit to Warsaw, Chicago Tribune Columnist Bill Anderson reported that,

> It is frustrating to the party that more people in Poland go to mass than to political rallies. At least 90 per cent of the people are Catholic, faithful to their vows.

Concerning the important role being played by Stefan Cardinal Wyszynski, the primate of Poland, Mr. Anderson writes that,

> . . . he has thwarted party plans to "consolidate" schools in many rural areas. The scheme—sort of a Polish busing redistribution of students—could take Catholic youth away from their religious studies.

Mr. Anderson reports that Cardinal Wyszynski "is not especially happy with the way the United States is rushing détente" and points out that, "he is more than a religious leader in an area of the world where balancing of power is a most delicate task."

Despite the Communist effort to destroy religion and faith in God and to elevate the state to the highest level of man's loyalty and consciousness, men and women continue to reject this materialist view of the world. Clearly, communism has failed to create the "new man" about whom Marx, Stalin, and Mao have told us so much. No place is this failure more evident than in Poland.

I wish to share with my colleagues the column, "Poland's Primate: Militant, Strong" by Bill Anderson, as it appeared in the Chicago Tribune of October 9, 1975, and insert it into the Record at this time:

Poland's Primate: Militant, Strong

(By Bill Anderson)

Warsaw.—There is a certain calm of high authority in the gray building with the courtyard adjoining the busy Warsaw street.

Moving quietly on the oriental rugs of the shiny hardwood floors inside are priests, not Communist officials, because this is the private residence of Stefan Cardinal Wyszynski, the primate of Poland.

Without question he is the spiritual leader of Poland, a land of 44 million church-going people with a civil authority which is godless. But also without question, the cardinal is a symbol of national pride and historical cultural continuity—a strong clergy who daily resists the potential weakening pressures of the party.

It is frustrating to the party that more people in Poland go to mass than to political rallies. At least 90 per cent of the people are Catholic, faithful to their vows. Also in this picture of church and state is the fact that while the Poles live in the East, they lean West with some fairly strong emotional feelings.

There is a saying here in the American community: Every second Pole you meet will have a cousin in Chicago." This isn't statistically accurate, but the cardinal is grateful for the financial assistance received from the large Polish-American sections of Chicagoland. A fund drive is on in Chicago to send some of the abundance of Polish priests to educational institutions in Rome and in Paris.

The plan is simple. It is to continue to restore and raise educational levels for Polish institutions, so badly retarded during the German and Russian occupation of World War II. The church, then and now, has had a leading if not dominant role in that restoration.

The primate himself well remembers his house arrest in the Stalin period. It was his release that helped stop bloodshed in the streets, with the primate later moving to restore calm when Polish workers [supposedly represented by the party] rebelled against their own Communist leadership.

The present regime of Edward Gierek, first secretary of the Workers Party, privately recognizes the power of the cardinal—and officially recognizes the presence of the church by the appointment of what amounts to a liaison minister.

Because of this tacit recognition the cardinal has been successful in reducing state taxes on vast amounts of church property.

So far he has thwarted party plans to "consolidate" schools in many rural areas. That scheme—sort of a Polish busing redistribution of students—could take Catholic youth away from their religious studies.

Perhaps to compensate, the primate has been known to cooperate. During a serious sugar beet crisis, dispensations were given to allow farmers to work on Sundays. The state also opposes alcoholism—and gets rehabilition assistance from the church.

An ongoing problem has been the absence of new churches in state-planned urban redevelopment centers. The state has balked for obvious reasons at their inclusion, but now may be making some concessions.

[A party official alibied to us that specialized construction firms were hard to find to build churches.]

Cardinal Wyszynski is regarded by some as too militant. We know he is physically vigorous at 73, with a heavy daily appointments schedule, and is outspoken. We learn too that the cardinal isn't specially happy with the way the United States is rushing detente.

Almost all parties who observe these activities, however, agree that he is more than a religious leader in an area of the world where balancing of power is a most delicate task.

TRIBUTE TO CORNELIUS P. HAGGARD

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. ROUSSELOT. Mr. Speaker, it is appropriate that, on behalf of the people of the 26th Congressional District of California, I pay tribute to a much beloved community leader, Cornelius P. Haggard, president of Azusa Pacific College for 35 years. It was with deep sorrow that we received from the board of trustees, the administration, the faculty, the staff and associated students of Azusa Pacific College the announcement of the homecoming of their president on Saturday the 16th day of August, 1975.

Cornelius P. Haggard, an educator, a churchman, a missionary, a family man dedicated himself absolutely to the service of God and the principles of christianity. He kept a commitment which he wrote in his Bible in December of the year 1934—he was then 23 years old—which has left an immeasurable influence for good on our society. "Dear Lord," he wrote, "I hereby pledge that: By Thy grace, Thy cause shall supercede all others. Anything that would keep me from being at my best in it shall—with Thy help—be discontinued." Indeed, he was an outstanding educator, a devoted and inspired churchman, a sincere missionary, and a loving family man. His life exemplified what he taught and believed. I join those who mourn his passing. Although our community has lost a wonderful man, we are blest by his legacy. The following is a brief eulogy prepared for the memorial service for Cornelius P. Haggard which I attended at Azusa Pacific College, in Azusa, Calif. on Thursday, the 21st day of August.

The eulogy follows:

Dr. Cornelius P. Haggard—A Man of God

Dr. Cornelius P. Haggard—loving husband, father, grandfather, brother—caring pastor, educator, missionary—but above all—a man of God!

Those who knew him loved him, respected him and admired him. He was a committed man, with a faith and vision difficult to match. His work, faith and vision will live on in the hearts and lives of those left behind, not only among his family, among faculty, staff and students at Azusa Pacific, but in the lives of thousands of people across the world.

Born September 11, 1911 in Pomona, California, Dr. Haggard was serving in his thirty-sixth year as President of Azusa Pacific College. At the time he accepted the presidency of the college in 1939, Dr. Haggard was twenty-seven, thereby becoming the youngest college president in the United States. Under his leadership, Azusa Pacific has grown from a student body of less than 100 to more than 1,200 students, and is recognized as one of the leading Christian liberal arts colleges in the nation.

Dr. Haggard received his Baccalaureate and Masters degrees from the University of Southern California. He earned his Doctorate of Theology degree from the Los Angeles Baptist Theological Seminary in 1943, and was granted an honorary Doctorate of Literary Letters degree by Azusa Pacific College in 1964.

Dr. Haggard received numerous academic honors including Phi Beta Kappa. He was listed in Whos' Who in American Education, Personalities of the West and Midwest, Who's Who in California, Who's Who in Religion, Leaders in Education, and "1970 Creative and Successful Personalities of the World."

He was founding pastor of the Los Angeles Community Church as well as pastoring the Eleventh Street Baptist Church in Los Angeles and the Rees Memorial Church in Pasadena.

He was active in community activities, and served as president of the Azusa Rotary Club during 1972–73 and as the Rotary governor's representative from 1974 until his death. He was named a Paul Harris Fellow in 1971 for his outstanding service in Rotary International.

Dr. Haggard's career of professional and dedicated leadership included regional and national administrative positions in the following associations: Evangelistic Tabernacle Association, National Holiness Association, National Association of Evangelicals, Evangelical Released Time Education, Inc., Greater Los Angeles Sunday School Association, Evangelical Methodist Church Association, American Association of Bible Colleges, and the Christian Holiness Association.

President Haggard was respected as an outstanding church leader not only in the United States but around the world as well. He traveled extensively throughout the world as Chairman of the Board of World Gospel Mission. During his travels, Dr. Haggard visited many of the now more than 4,000 alumni of Azusa Pacific College who pastor churches, direct and teach in Christian schools and serve as missionaries throughout the world. He also was a consultant to other mission boards, including the Oriental Missionary Society, Voice of China and Asia, and Peniel Missions.

One of the most successful ventures undertaken by Azusa Pacific College, the International Student Program, was initiated in 1951 through the efforts of Dr. Haggard. Since then hundreds of students from many different countries have graduated from the college and returned to their native homelands to fill responsible and influential positions in their churches and communities.

Because of Dr. Haggard's great missionary heart and the effectiveness of his concern, he leaves a rich heritage for those who heard the call of Christ through his ministry. While he can never be replaced, there are thousands throughout the world who, because of his inspiration and vision, will carry on his beloved work—the work of the Kingdom of God.

Outstanding in his courage, determination, patience and faith, Dr. Cornelius P. Haggard, has exhibited a life which reveals that the daring quest of seemingly impossible is not an unrealistic dream, but through the strength and guidance given to us by God, a part of everyday life.

For this we admired, appreciated and respected him. He has our heartfelt gratitude for the contributions he has made to us and to the youth of this world as President of Azusa Pacific College during the past thirty-five years. This contribution will leave its impact on the generations yet to come.

His life has been, and always will be, an inspiration to our own personal lives. No goal has been too high for him—it will not be for us.

CHILD LABOR IN MAINE HARVEST

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. EMERY. Mr. Speaker, I recently had the good fortune to read an article in the Los Angeles Times by David Lamb which celebrated the tradition of the potato harvest in Aroostook County, Maine.

Aroostook County, the Nation's largest potato-producing county, has had a long-standing tradition of having the children recess from school for 3 weeks to work with their parents, neighbors and friends to harvest the annual potato crop. However, a new Federal regulation which prohibits the use of children in agriculture has abruptly ended this tradition.

If there are no objections, I would like to submit Mr. Lamb's article which captures the sense of tradition during this seasonal ritual among the townpeople, old and young alike and verbalizes the feelings of the Honorable William Cohen, Aroostook's Representative, on the imposition of Federal standards without consideration of local customs or tradition.

The article follows:

Child Labor—U.S. Digs at Maine Roof of Spud Crop

(By David Lamb)

Houlton, Me.—These are the final days of the potato harvest, cold blustery days that speaks of winter, and, in the rain-soaked fields stretching across Aroostook County, a dwindling army of pickers hurries to beat the autumn frosts.

The elms and maples, stripped bare after a brief, blazing foliage, sway in the northwest winds, and under darkening skies last week the thousands of local children who provide the backbone of the seasonal work force left the fields and returned to school, their three-week harvest recess over.

For as many harvests as anyone can remember here in the nation's largest potato-producing county, the children have toiled alongside their parents and neighbors in the autumn ritual, earning 40 cents for every 165-pound barrel they fill and perpetuating a local belief that honest work is an honorable pursuit.

"The financial benefits are secondary—it's the learning experience that's so important-for the kids," said Nancy Moody, a registered nurse and the mother of two "The Aroostook County people have brought their children up with this tradition and I think it's made them more independent. They're not afraid of work. They understand the value of an honest dollar."

It is difficult, if not impossible, to find a conflicting opinion in Aroostook, a county so geared to the agricultural community that schools start in mid-August and then recess for three weeks in September and October for the harvest that is worth $70 million to Maine.

So it is hardly surprising that the people of northern Maine are both angry and confused about a federal regulation banning their children from the fields on grounds that the harvest work is detrimental to their health and social development.

"We're talking about more than a dollars-and-cents issue, although it's certainly true that a lot of the smaller farmers simply couldn't harvest the smaller potatoes without the kids," said John Moorers, former president of the Maine Potato Council.

"But what ever happened to the belief that this country was built on hard honest work? That you work for what you get and that work builds character? These are the values the whole country's losing. We've kept them here in Maine and now some know-nothings down in Washington are trying to tell us what we've done for generations is wrong," he said.

Of 22,000 pickers used in harvesting this year, an estimated 60% were students—3,000 of them under the age of 12. The students earned more than $400,000 during the harvest for their nine-hour days, and the sons of lawyers worked beside the sons of janitors, as has always been the custom in upstate Maine.

Congress banned industrial child labor in 1938. It was not until 1974 that Congress prohibited the use of children in agriculture by passing a rider attached to the minimum wage bill. The rider slipped into law without debate—so quietly that Maine agricultural officials admit they knew nothing of its existence until it went into effect in May, 1974, resulting in a bellow of protest from Maine farmers.

"Sadly enough," said a congressional source who did not want to be identified, "these people from Maine can protest and write all kinds of letters and it's not going to change anything. It's the classic example of applying national standards to local customs, of the federal government being insensitive to the needs of a particular people."

The Child Labor Provisions of the Fair Labor Standards Act—which also make it illegal for children under 16 to be in a yard occupied by "a cow with newborn calf (with umbilical cord present)"—caused so much resentment locally that federal hearings were held in Presque Isle, Me., last January.

During two days of testimony, state officials, agricultural experts, educators, potato growers, parents and children unanimously spoke in favor of the continued use of student labor for the three-week harvest. Mothers with placards protested the law—although they marched in front of the Marine Employment Security Commission, which had nothing at all to do with the issue.

Sen. William D. Hathaway (D-Me.) came away from the hearing and said the law may "not be valid in a short-term, single-crop harvest employing local children outside of school hours."

Back in Washington, the House agriculture labor subcommittee voted 5 to 1 to waive the ban, a vote supported by Washington state, where students help harvest strawberries. But in April, the full House Labor Committee voted against the waiver, 21 to 11, under pressure from the AFL-CIO. And now, although the law has not been stringently enforced this harvest, potato growers like Doug Lowrey, 59, are bitter.

"The law may apply in the South and West, but I don't see what it's got to do with us," said Lowrey, who used 40 pickers to harvest his 73 acres.

"I've had hundreds of kids here over the years," he said "and I don't know of a single one who's ever gone bad. Here I am feeding a lot of people—one farmer in the country feeds 55 people in the city—and I'll tell you what I think. I think those people in Washington don't give a damn. How else can you figure it?"

Part of the answer comes from Rep. William S. Cohen, 35, the second-term Republican congressman representing Aroostook County. At home he is an immensely popular figure whose candor often has ruffled his colleagues on Capitol Hill. In March, for example, he wrote an article for the Washington Post chiding Congress for its nonaction, unnecessary recesses, short working days and susceptibility to special interest group pressure.

"I think we've done a great disservice by imposing federal standards without taking into account local tradition." Cohen said the other day in his Washington office. "In this case labor supported the bill and what congressman from the city is going to get up on the floor and argue in favor of child labor?

"These people in Aroostook are basically hard-working, decent, self-sufficient people. The family is still a strong unit and the harvest has always been a family effort. It's really a shame to start destroying that type of life-style and spirit and philosophy, especially when there's no social advantage to doing it and the use of child labor wasn't abused in the first place.

"Unfortunately, the fact is that Washington just isn't very relevant to what's going on or being thought in rural America. Issues tend to get sterilized here and it's a strange town in that news generates itself and then feeds off itself and people tend to take themselves very seriously.

"You come here as a freshman congressman full of ideas on reform and helping people and then you realize that legislation often doesn't stand or fall on its merits; it's what special-interest groups support the legislation that matters. So when you come right down to it, we're isolated in Washington, living sort of an artificial existence amid all this white marble."

For anyone who understands a bit of Washington's character, Cohen's explanation is acceptable. But to farmers in northern Maine like Irene Bradford, 61, a former school teacher who has carried on with the potato harvest in Patton (pop. 1,200) since her husband's death in 1958, there is only the knowledge that Congress in a single institution and it doesn't seem to be speaking for her.

The last of her 50 acres had been harvested and she sat in the warmth of her kitchen the other afternoon, a chunk of birch crackling in her Franklin stove.

"I guess this whole thing started within some do-gooders who thought it was dangerous for the kids to be in the fields," she said. "Dangerous? Nonsense. It's a character-builder. It puts a little iron in their soul.

"These kids are so proud of the work they do and the money they earn. We're pretty fortunate. We come from an area where we have to work and I'll tell you what: we've only had one criminal boy in this town in 100 years. The boys here go pretty straight because they know what it means to have done something constructive and seen the results.

"You take these kids on drugs. They say, 'I don't know who I am. I don't have a purpose, a goal.' Well, it's no wonder they don't know who they are. But I'm willing to bet that if they had learned what it's like to work for what they wanted, they'd find out who they were in a hurry."

A WABASH CANAL: DESTRUCTIVE AND UNNECESSARY

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. ROUSH. Mr. Speaker, many of my constituents are very disturbed about the possibility of a cross-Wabash canal or any channelization of the Wabash River. I would like at this point to include in the Record a letter from the Fish and Wildlife Service, U.S. Department of the Interior, to the district engineer, Corps of Engineers, Louisville, Ky. There is presently underway a study regarding the lower reaches of the river as to the feas-

ibility of some construction there. The damage this would cause is evidenced by this letter.

FISH AND WILDLIFE SERVICE,
Twin Cities, Minn., July 3, 1975.
Col. JAMES N. ELLIS,
District Engineer, U.S. Army Engineer District Louisville, Louisville, Ky.

DEAR COLONEL ELLIS: This fish and wildlife report concerns proposed navigation improvements from the Ohio River to Mt. Carmel, Ill., via the Wabash River, Indiana and Illinois, with a cut-off channel between the Little Wabash River and the Wabash River. The navigation improvements have been titled the Cross Wabash Valley Waterway, hereafter referred to as the Waterway. Authorization for the reconnaissance study is by resolutions of the Committee on Public Works of the U.S. House of Representatives and Senate during the period from 1967 through 1971. These authorizations also approve a study of a waterway between the Ohio River and the Great Lakes via the Wabash River and adjacent streams.

This report has been prepared in accordance with the Fish and Wildlife Coordination Act and has been reviewed by the Indiana Department of Natural Resources and the Illinois Department of Conservation (copy of Illinois letter attached).

Several points in the letter of May 28, 1973 from Illinois Department of Conservation have been incorporated into this report. Some of these points concerned the value of the cut-offs of the meanders and oxbows to waterfowl, furbearers, and fish. Due to the operation of the proposed canal, the water level in the oxbows would fluctuate to some degree to provide water for canal operations. The amount and periodicity of water level fluctuations that would occur in the oxbows is unknown at this time. Therefore, we are uncertain as to what effects this water level fluctuation would have on waterfowl, furbearers, and fish. However, it is likely that water quality and flow in the oxbows could be adversely affected, thereby reducing the value of these areas for fish and wildlife resources.

PROJECT DESCRIPTION

The purpose of the study is to investigate the possibility of providing a Waterway suitable for commercial barge traffic between the Ohio River and Mt. Carmel, Illinois, via the Wabash River. This portion should be considered the first segment of the through Waterway between the Ohio River and the Great Lakes. In addition to commercial navigation, project purposes include small boat navigation, municipal and industrial water supply, fish and wildlife enhancement, and flood control.

The District Engineer has recommended that additional survey investigations continue on that portion of the Cross Wabash Valley Waterway from the Ohio River to Mt. Carmel, Illinois.

The project area is in the lower Wabash River Basin, Indiana and Illinois, between Mt. Carmel, Illinois and the junction of the Wabash and Ohio Rivers. Within the project area, the Wabash River flows 94 miles from Mt. Carmel to the junction of the Ohio River and forms the Indiana-Illinois State boundary. The project would consist of constructing: (1) a 7-mile long canal from the Ohio River, Mile 833.5, overland to the Wabash River, Mile 22, and (2) a 35-mile long canal utilizing channelization, levee works, and overland construction on the remaining 72-mile reach of the Wabash River. The total new canal length would be 42 miles. In addition to the 42-mile canal, a 10-mile long connecting canal is proposed between the Little Wabash River and the Wabash River. The lower 22 miles of the Wabash River would remain in its existing state with the exception of an unspecified amount of water being diverted to the lower connecting channel for lockage.

The Waterway would have a 200-foot minimum width and 9-foot navigable depth. Two locks and two dams are proposed with the Waterway to overcome the 38-foot total lift. The locks would be 110 feet wide and 600 feet long. The Waterway would extend from Ohio River Mile 833.5 to Mt. Carmel, Illinois, in a northerly direction and would utilize the straighter, more navigable reaches of the river, and bypass the meandering reaches (oxbows) by following optimum topography. The profile would begin at elevation 342, normal pool of the Uniontown Lock and Dam on the Ohio River, and end at elevation 380, normal pool considered necessary for terminal barge operations at Mt. Carmel.

The connecting 10-mile canal to Carmi, Illinois also would be 200 feet wide and have a 9-foot project depth. A weir would be necessary at the end of the connecting canal near the Little Wabash River to maintain the navigation pool and avoid backwater up the Little Wabash River.

Approximately 8,800 acres of land would be acquired for the waterway. About 2,000 acres of such acquired land is proposed by the U.S. Corps of Engineers for development as wildlife management areas for waterfowl and furbearers.

FISH AND WILDLIFE RESOURCES

The lower Wabash River is a meandering, free-flowing river with a drainage area of about 33,100 square miles. The average discharge (1927 to 1973) measured at Mt. Carmel, Illinois is 26,496 cfs. but flows are usually high during winter and spring, and low during summer and fall. The Wabash River from its mouth to Mt. Carmel occupies a valley averaging about 6 miles in width. The channel width in the project reach averages 1,200 feet. The river bottom consists primarily of sand or gravel or mixtures of each. Flow over the sand bottom is usually sluggish and moderately fast-flowing in reaches of gravel. Remaining natural vegetation in the lower Wabash Valley is chiefly oak-hickory forest along with vegetative types characteristic of wetlands such as oxbows, bayous, and swamps.

Located approximately 3 miles south of Mt. Carmel, on the Illinois side of the Wabash River is Beall Woods, a State Nature Preserve and a registered National landmark. Beall Woods Nature Preserve is an excellent example of the remaining natural vegetation in the lower Wabash Valley. In addition, another distinctive vegetation type consisting of American elm, silver maple, boxelder, green ash, American sycamore, hackberry, and additional tree species occur along much of the Wabash river banks. At the river's edge, pure stands of sandbar and black willow often are evident. The project area contains the northermost range of several plant species. For example, across the Wabash River from Mt. Carmel are the northernmost cypress stands in Indiana.

A total of 45 species of fish were collected by the Illinois Department of Conservation in 1967, during a fishery survey of the lower Wabash River. Fish species providing sport fishing in the lower Wabash River include largemouth bass, spotted bass, smallmouth bass, flathead catfish, channel catfish, white crappie, white bass, sauger, carp, black crappie, freshwater drum, yellow bullhead, black bullhead, golden redhorse, blue sucker, and a variety of sunfishes. The 1967 fishery study revealed that spotted bass represented 44 percent of the total number of game fish collected. Other fish species, including forage fish, are gizzard shad, goldeye, mooneye, skipjack herring, smallmouth buffalo and bigmouth buffalo, river carpsucker and quillback carpsucker.

In addition to rod- and reel-fishing, trotline fishing is very popular on the Wabash River. In the primary project area (Gibson and Posey Counties, Indiana) there were 2,993 Indiana resident hunting, fishing and trapping licenses, and 2,294 resident fishing licenses sold in 1974.

A commercial finfishery still exists on the Wabash River. Channel catfish, carp, freshwater drum, and three species of buffalo account for over 90 percent of the catch. The most popular methods of commercial fishing are trap and hoop nets, followed by trotlines, and seines. The reported catch of all commercial species by Illinois commercial fishermen on the Wabash River from 1953 to 1972 was 1,520,147 pounds. In 1973, the reported catch of fish by the 22 Illinois commercial fishermen from the Wabash River was 173,030 pounds with a value of $28,068.58. On the Indiana portion of the Wabash River there is no data available on the pounds of commercial fish taken from the Wabash River.

In 1974, however, 661 resident commercial fishing licenses were sold in Indiana. Within the primary project area of Gibson and Posey Counties, Indiana, 357 tags for commercial fishing nets (1 tag per net) were sold in 1974.

The Wabash River contains one of the most commercially valuable and ecologically significant concentrations of freshwater mussels to be found in the world. According to Illinois records of 1966, 1,279 mussel fishing licenses were sold and 2,389,300 pounds of mussel shells were harvested from the Wabash River at a value of $364,041. More common species of mussels include Quadrula quadrula, Actinonaias carinata, Obovaria olivaria, Amblema costata, Tritogonia verrucosa, Quadrula pustolosa, Megalonaias gigantea, Lasmigona complanata, Lampsilis anodontoides and Proptera alata. One species of mussel, Sampson's Pearly Mussel, Epioblasma sampsoni, found in the Wabash River is currently under review by the U.S. Fish and Wildlife Service (Fed. Register, Vol. 39, No. 202, October 17, 1974) to determine whether this mollusk should be classified as either an endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531–1543). A special study of the status of Sampson's Pearly Mussel within the proposed project area should be undertaken to determine what effects the project would have on this significant mollusk.

Principal terrestrial game species in the project area include white-tailed deer, bobwhite quail, cottontail rabbits and fox squirrel and gray squirrel. Ring-necked pheasants are found in the lower Wabash Valley in low numbers.

The Wabash River is well known as a major flight stream for migration of waterfowl within the Mississippi Flyway. Waterfowl utilize the Wabash and adjacent wetlands and oxbows during spring and fall migration for resting and feeding. The project area also is utilized as a wintering area, especially by mallards and black ducks. The project site contains some of the best wood duck production habitat in the nation. In addition to resident hunting, fishing and trapping licenses mentioned above, 1,588 resident hunting and trapping licenses were sold in Gibson and Posey counties in 1974.

The raccoon, and both the red fox and gray fox, offer limited hunting opportunities. Other furbearers found in the project area include muskrat, mink, beaver and opossum. Species most commonly trapped for fur are muskrat, raccoon and mink. According to the Annual Statewide Fur Harvest and Value Study conducted by Indiana Department of Natural Resources in 1973–74, the southwest portion of Indiana (which includes the project area) reported the following numbers of furs and resulting value: Muskrat numbered 32,492, valued at $68,913; Raccoon numbered 22,471, valued at $151,079; and, mink numbered 938, valued at $8,763.

The swamp rabbit, *Sylvilagus aquaticus*, is quite rare in Indiana and restricted to a few counties in extreme southwestern Indiana and in one county in southeastern Illinois. Specimens have been recorded from both counties (Gibson and Posey) in the Indiana portion of the project area as late as 1967. In addition, the swamp rabbit may still be found in White County, Illinois. Therefore, there is a strong possibility that the swamp rabbit may still be found in the project area. An investigation of the status of this rabbit within the proposed project area should be accomplished in the early planning stages.

DISCUSSION

The proposed Waterway is of great environmental significance. The Wabash River is a major spring and fall migration route for waterfowl within the Mississippi Flyway. The lower Wabash River (the proposed project site) is ranked among the best in the nation for wood duck production. The Wabash River contains one of the most commercially valuable and ecologically significant concentration of freshwater mussels in the world. Further, a viable sport and commercial finfishery also exists within the proposed project area.

The effects of the proposed canal construction and operation would irreparably damage the environmental resources of the lower Wabash River.

Construction of the canal could cause changes in the permanent water level of the Wabash River. Any such change at Beall Woods would affect the ecology of the woods through its effect on the water table, as well as that of bottom lands along the present channel. Channelization could destroy the natural river bank community at Beall Woods and adjacent areas if the spoil is piled along the river banks. In addition, there would be a loss of aesthetic value caused by channelization in the Beall Woods area.

The diversion of a portion of the normal river flow for the 7-mile long project canal would lower the volume and velocity of the water in the lower 22 miles of the Wabash River. This reduced flow would remove a portion of the aquatic habitat now existing in the lower river. In addition, the reduced velocity could destroy or seriously damage certain fish and mussel populations now existing under present flow conditions. Channelization of portions of 94 miles of the Wabash River would destroy the diversity of pools and riffles now providing aquatic habitat for a variety of finfish, mussels, amphibians, waterfowl, and aquatic-oriented mammals. Slackwater pools created by the construction of two locks and dams would destroy, or greatly alter, the productivity of fish, mussels and other aquatic organisms which require the swift current and habitat of a free-flowing river.

There is a natural rock ledge which forms a series of rapids in the Wabash River near New Harmony, Posey County, Indiana. It provides habitat for a large number and diversity of fishes, including many interesting riffle species. It is also the type locality for two fishes (black crappie and grass pike) and four turtles (spiny softshell, smooth softshell, false map turtle and red-eared turtle), as well as many invertebrate animals. If the canal is built, it appears that this valuable feature would be destroyed outright.

In addition, channelization could destroy the riffle near the mouth of Coffee Creek, a tributary of the Wabash River. This could cause a loss of habitat for many fishes, including the northern madtom. This fish is on the endangered species list for Illinois and is known in Illinois only from this locality in Wabash County and one locality in the Lower Vermilion River near Danville, Illinois. Further, the locks and dams would adversely affect fish passage. The destruction of 6,800 acres of land in the form of Wabash River Channel, associated with bottom land hardwood forests, wetlands and cropland for Waterway construction, would be permanent loss of existing fish and wildlife habitat.

CONCLUSION

We know of no form of compensation which could offset the expected environmental damages attributable to this project. Certainly, the two parcels of land totalling 2,000 acres which will be acquired 7 miles below New Harmony, Indiana, to minimize the anticipated loss of fish and wildlife resources is not adequate for this purpose and is not acceptable to us. Accordingly, we are opposed to the Cross Wabash Valley Waterway as presently defined. We fully expect that eventually the environmental impact statement, further studies by us, and methodology and data used to comply with the new Principles and Standards will support our position.

Sincerely yours,

CHARLES A. HUGHLETT,
Acting Regional Director.

TEP MAN OF THE YEAR

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. LEVITAS. Mr. Speaker, it was recently my pleasure to spend some time in the company of a greatly respected former Member of the House of Representatives, Louis B. Heller, now a justice of the Supreme Court of the State of New York. The occasion was a banquet at the 65th anniversary convention of his college fraternity, Tau Epsilon Phi, held in my congressional district at which Justice Heller was named TEP Man of the Year. Justice Heller is remembered warmly by many of you who served with him in the House from 1949 through 1957.

As those of you who have the good fortune to know Justice Heller are aware, he is a renowned trial lawyer, statesman, judge, and author, as well as a delightfully entertaining speaker. I would like to share a portion of his remarks, reminiscences, wisdom and humor with you. I believe they are instructive and helpful to us today:

When six months ago, in February, my long and valued friend, Sidney Suntag, wrote me that I had been designated TEP Man of the Year 1975, I had, on the 10th of that month reached my 70th birthday. I had just about resigned myself, after a full and tempestuous life, to go quietly—but TEP decided otherwise.

As I sat in my chambers wondering why I was chosen for this great honor, I could only ascribe the reason to the fact that TEP wanted to show remorse and penance for the excruciating pain inflicted upon me when I was paddlewacked into our fraternity almost 50 years ago.

Strictly speaking, you must know that it is not customary for a judge to be out making speeches. However, TEP, in bringing me here tonight, has provided me with a forum which I have decided to use and to share with you some of my experiences, which I hope may prove interesting.

As you already heard, I have had the great honor to serve the public on a national, state, and city level. I wish I could tell you a little, in the time allotted me, of some of the great and distinguished men it was my good fortune to have been associated with.

To speak of the Presidents, Governors, Mayors, Judges of the U.S. Supreme Court, Senators and Congressmen with whom I have had contact over the years would be an insurmountable undertaking—so perhaps I had better reserve that task for my memoirs.

As I look back over the span of years, I note that the year 1974 was, like Dickens' characterization of the period preceding the French Revolution—the best of times, and—the worst of times for our country. It suffered the worst of times—a disaster—when we witnessed a series of agonizing revelations which led to the resignation of the President of the United States, and the best of times when the Supreme Court of the United States, in an unanimous opinion, reiterated the rule of law that this nation is based on laws, not men, and reaffirmed the principle that no one is above the law.

It emphasized the values of living under a system of law and independent courts, which make possible a free society. It demonstrated that our legal system is strong, viable, and works, and that our Supreme Court possesses the highest judicial intellect, integrity and devotion to the principles and standards of the American system of justice.

In passing, it might be of some interest to note that I served in the House of Representatives with almost all of the leading characters involved in the Watergate incident.

Former President Nixon was a colleague of mine in the House of Representatives. Too bad he failed to bear in mind Sir Walter Scott's admonition, "Oh, what a tangled web we weave when first we practice to deceive."

The distinguished Speaker of the House, the Honorable Carl Albert, was Minority Whip; my dear friend, Pete Rodino, who guided the House Judiciary Committee in the impeachment proceedings, was low man on the totem pole—on that Committee; President Jerry Ford, an effective member, a man of rectitude and good intentions, sat on the other side of the aisle, and, parenthetically, the late President Kennedy was, likewise, my colleague at that time.

In preparing this speech, I confess that I spent many hours trying to come up with something which might be of special interest to you, and, with all modesty—to posterity.

Observing, as we all have, that President Ford, since assuming the Presidency, has, on numerous occasions, praised and glorified the late President Truman, I decided to relate some personal experiences with "Give-em-Hell, Harry," whose memory seems to be greening to the point where he is becoming the Robin Hood of modern politics and a folk hero. In doing so I might add that I have never publicly mentioned them before. Let me share them with you tonight.

When, in 1948, Truman ran for President, I was not then a candidate for Congress. Sometime between November and December of that year Congressman John J. Delany, who, for almost 20 years had represented the district in which I lived, suddenly died. I was designated by the Democratic party to run for the vacancy thereby created.

The Governor ordered a special election to be held on February 15, 1949. In early 1949, one month before my election, President Truman, in his State of the Union address to the Congress, enunciated what he called the "Fair Deal Program." Immediately the press assailed him, charging that he was parroting F.D.R.'s New Deal philosophy, and that in his campaign he had misled the electorate in that he had intended, from the beginning of his campaign, to follow and expand upon F.D.R.'s highly controversial policies.

The editorials were vicious and violent. They took the view that if the electorate had been told in advance of November 1948 of President Truman's contemplated Fair Deal Program, he would have been soundly repudiated at the polls.

In my campaign, therefore, I had the choice of being non-committal or aligning myself with Truman's post-election program.

I chose to accept and embrace Truman's philosophy in its entirety and pledged my full support for his program. Instantly the media focused its attention upon my campaign, which attracted national interest.

President Truman did not remain passively on the sidelines and watch me carry the burden myself. Instead, he sent his personal representative into my district to encourage and accompany me at all campaign addresses I made in my Congressional area, and, if my memory serves me correctly, I must have addressed close to 100 meetings. He directed the National Democratic Finance Committee to send me a substantial contribution (by check—and not, in washed one-hundred dollar bills a la Watergate). I won the election handily, and, with my victory the warm and deep friendship of a man I came to love and admire dearly.

When I arrived in Washington after the election I found a large, beautifully framed photograph of the President on my desk. It now adorns my chambers and bears the following inscription: "To Hon. Louis B. Heller, M.C. With kindest regards from his friend. (signed) Harry S. Truman"

On March 7, 1949 I wrote and thanked him for this magnificent gift. A week later he responded to that letter, and in a postscript, in his own handwriting, requested my picture. Thereafter, our friendship grew more cordial and I was privileged to visit with him, on occasions, in the Oval Room—sans tapes.

In early 1952, during one of our meetings, he invited me to accompany him on a contemplated campaign tour across the country. He assigned a number of chores to me. Several months later, on March 29, 1952, I attended the Jefferson-Jackson Day Dinner. He arranged for me to sit at a table directly in front of the dais. While seated there with some of his most intimate friends and advisers, all I could think about was the prospect of, in a few months, accompanying him on his next cross-country "whistle stop" campaign. Imagine, therefore, how stunned and flabbergasted I was when, as the President was addressing the audience, he suddenly announced to everyone's consternation and surprise that he had made up his mind not to run again. I shall never forget that historical moment when he took a sheet of paper out of his jacket pocket and read his "General Sherman" pronouncement. Tears welled up in my eyes.

That night when I returned to my apartment, sleep completely eluded me. I was extremely upset at this unexpected turn of events. I wanted so much to try to talk him out of it.

Since I doubted that I could see him the following day, I did the next best thing. I sat down at the kitchen table in my apartment and wrote a letter in longhand, with a copy for my files, which I shall now read. I ask your indulgence.

"U.S. CONGRESSIONAL COMMITTEE, ON PUBLIC LANDS, HOUSE OF REPRESENTATIVES"

[March 30, 1952 5:00 a.m.—in my apartment]

DEAR MR. PRESIDENT: I stayed awake most of the night thinking about the statement you made at the Jefferson-Jackson Dinner. I just couldn't believe it. I didn't want to believe it. As I told a Life reporter who asked for my reaction to your statement less than one hour after you uttered it—I was shocked to think that the architect of our great foreign policy, who made collective security a reality, would not be at the helm to steer, guide and control the ship of freedom right into the port of peace.

You will recall that last August when I had the honor to visit with you I expressed the hope that you would be the candidate and I told you then that Roosevelt was my great hero until you acted—(1) in the Korean matter; (2) in the MacArthur case, and in general, towards the attainment of universal democracy.

I realize many in the Democratic Party have let you down—but the People never lost faith in you. When I was a youngster my mother used to lose patience with my brothers, sister, and myself—and I recall she would "bawl us out" and on occasion, with her patience sorely tried, threaten to put a coat on and leave the house forever. And as she would be going through the motions of leaving us, we would all beg her not to leave us—and she would relent and agree not to go if we would behave. And harmony would reign, at least, until the next quarrel.

My hope, Mr. President, is that when the people of America will feel the impact of losing you as its standard bearer, they will rise, as we kids used to, and beg you not to leave us.

That is—and will continue to be—my fervent prayer until the Convention. And I know if the call comes, you will react as mother did—you, too, will stay.

With best wishes for long life and good health to you, Mrs. Truman and your charming daughter, I am

Sincerely,

LOUIS B. HELLER,
Member of Congress.

His reply, dated April 7, 1952 delivered by hand, is as follows:

THE WHITE HOUSE,
Washington.

Hon. LOUIS B. HELLER,
House of Representatives,
Washington, D.C.

DEAR MR. HELLER: You have my heartfelt thanks for the very touching sentiments in your letter, occasioned by my announcement at the Jefferson-Jackson Day Dinner that I shall not be a candidate for reelection, nor shall I accept a renomination.

It is fine of you to commend me so highly on my leadership and to extend such good wishes to me and the family for a long, healthful and happy life together.

I do want to say that the confidence the people imposed in me since I became President has always been a source of satisfaction to me, and this fact I treasure. But, inasmuch as I have served my country long, efficiently and honestly, I do not feel it is my duty to spend another term in the White House. I truly, mean that I am proud of the things our Party has done, of the high ideals that have made it great, and, most of all, I'm glad to have such an honorable record to hand over to the chosen nominee.

Very sincerely yours,

HARRY S. TRUMAN.

I hope I have not trespassed upon your patience in relating this incident.

You can sense from his letter an earthy and pithy style and that he was, above all, human, gentle, humble, proud, courageous and imaginative. Today eminent students of American government are of the opinion that President Truman has won a place alongside Washington, Jefferson, Lincoln, Wilson and Roosevelt.

Small wonder President Ford, now taking a leaf out of Truman's book, is employing, as campaign strategy, Truman's qualities of "integrity," "honesty," and "forthrightness." And I predict that whoever his opponent may be at the polls next year—the race will not be an easy one.

So again, brothers, thank you so much for the great honor you have conferred upon me. It has been a most kind recognition, which my dear wife, Ruth, and I appreciate and shall always treasure.

In closing, I offer this prayer for all present:

"May the roads rise with you,
May the wind be always at your back,
May the sun shine warm upon your face,
The rains fall soft upon your fields.
And, until we meet again,
May God hold you in the palm of His hand."

COMPUTERIZED CHECK-OUT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. FORD of Tennessee. Mr. Speaker, it was my pleasure this morning to appear before the Senate Subcommittee on Consumers to discuss the issue of price marking. I introduced H.R. 3126, the consumer price-marking bill, last spring because I have the firm conviction that prices on all packaged products are a consumer's clear right—not anything that is subject to profit margins or cost-benefit trade offs. Many of my fellow colleagues agree with this viewpoint, as evidenced by the 73 Members who have cosponsored my bill.

It was my privilege to introduce to the subcommittee the leading grocer in my home district—Memphis, Tenn. Mr. Frank Montesi has been in the retail supermarket business all his life and those years of experience plus his natural concern for the rights of consumers led him to his strong support of Federal price marking legislation. I have inserted the text of Mr. Montesi's testimony this morning in order to give my fellow colleagues the opportunity to read his unique point of view:

LIBERTY CASH GROCERS, INC.,
Memphis, Tenn.

Mr. Chairman, Senator-Members of the Commerce Committee, I thank you for the privilege of appearing here today and especially I thank the Honorable Harold Ford, Congressman Representative from my District in Memphis, Tennessee who made this possible.

My name is Frank Montesi, I am 48 years of age and have been in the wholesale and retail grocery business since I was twelve. I have been a clerk, a store manager, an executive for a national chain, and am presently an owner-executive in two companies operating a wholesale business in Memphis, Tenn. which services some 500 independently owned retail markets as well as eight company-owned supermarkets of approximately 72,000 sq. ft. per store, operating in St. Louis, Birmingham, and Memphis. I wish to give witness to the Senate Bill S. 997 and House Bill HR 3126, and urge their passage. It is not in the best interest of the consuming public of this country to purchase merchandise in a supermarket without the price being marked on each and every item. The Universal Product Code which is to be used in conjunction with a laser-scanner in order to speed up the checking-out of groceries without those groceries being price-marked, would be a true disservice to the American public. As a grocer, I have an obligation to render good service to the public, and by rendering it well, the public, in turn, will have confidence in our stores and the way we do business and will return to shop with us week after week. If the price is left off the merchandise due to the failure of passage of this bill, the opportunity to "rip off" the American public will be the greatest in history. As groceries are checked out in a supermarket today, the price is on every item, and when the housewife has her groceries checked out, she can instruct the checker to "slow down", that she wants to watch carefully to be certain she is being charged the price that is on the item. If the housewife chooses not to do this at the check-out terminal, she can still check item by item at home against a register receipt and she can readily discern any overcharge and go back to that store and get it straightened out. With the use of the Universal Product Code and scanner as it is planned to be used at this time, without legislation such as this Bill, the scenario is going to read like this:

The housewife is going to travel through a supermarket and a shelf tag will tell her that a can of asparagus is 67 cents, a can of pork and beans is 27 cents, and the price won't be marked on the cans. After she selected forty or fifty items, and enters the check-out terminal, the merchandise will pass over a scanner-beam, and unless she has written down the price of every item, there isn't any way for her to know whether the price she paid for it was the price on the shelf tag. The price will be programmed into a computer which will translate the UPC markings on the items and that's the price that will be rung up and that's the price that she will have to pay. She will be rendered a receipt and the receipt will say "pork and beans" and the price beside it, "asparagus" and the price beside it, etc., and slowing down the checker won't make any difference because the customer will be at the mercy of the computer and if the computer isn't price-programmed in perfect accuracy on those and all other items, I believe the customer is going to be cheated in many, many cases.

Further, if she wants to recheck her groceries at home, she can only discern the price she paid and whether or not she got the items she paid for at the check-out terminal. She cannot prove that the prices she paid were the prices as marked on the shelves, because the items are not price-marked. The only way she can verify the integrity of the scanner programmer will be to write down the price of every darn item when she puts it in her basket at the time she makes her selection. Consequently, you are dependent on the shelf tag being accurate and you are dependent on the computer price programming being perfect. You will have no way of knowing if it is correct, if it is honest, and if it is up-to-date. In other words, the service to all consumers is going to be reduced and the supermarkets are going to save on labor by putting a blindfold on the eyes of the consuming public. The labor savings will come about by eliminating all price marking. Stock clerks will simply open a case and throw it in the shelf.

That would save labor, and it would also put people out of jobs by reducing the number of stock clerks needed in supermarkets. Thereby, increasing unemployment simply by eliminating a vital service to the consumer, literally eliminating the consumers' right to know if they paid the correct price for the merchandise. We have many instances of price fixing by supermarketing groups, such as a recent one in California, in which the price of meat was fixed by groups powerful enough to impose their wills on the public. More recently, a large chain was fined for not reducing the shelf price to the advertised, special price. I become frightened when I think of what opportunities to proliferate this practice that will be available in the event this bill is not passed, simply because the merchandise will not be price marked, each and every can or package.

At the check-out terminal, the scanner is faster than a human being by about 17 percent, under comparable conditions, but the scanner will be just as fast if the merchandise is price marked because it will still be reading the UPC and translating it through a computer, and the housewife will still have the right to slow down the checker and she will still be able to check out her groceries at home, and that's the way it should be. There are 7-million, or more, dyslexic people in this country, millions who are foreign-born, millions more who are poor and uneducated. These millions add up to 20 percent of the American adult public who are literally overwhelmed by the electronification of their lives taking place, and they are unable to cope with today's society. They can't read a newspaper help-wanted ad, or figure the best buy in grocery items, or even make a reservation with an airline or train. These are the results published last week by the University of Texas at Austin, under a one-million dollar contract with the U.S. Office of Education. With the price being left off the merchandise, these people are going to be plunged even deeper into the darkness of hopelessness. These are the people who most need the protection of unit pricing, which is also part of your Bill.

It took nearly one-half a century to get the suggested retail price for an automobile put on the window of every car, and cars are not purchased every week, every month, or every year. Gasoline is precious, and we have laws to protect the consumer by way of inspection and certification of the accuracy of the meter on the gas pumps. Food is purchased every week, sometimes twice a week, and it would be tragic to have laws guaranteeing the accuracy of gasoline being pumped, guaranteeing the price sticker on every automobile, and not have a law requiring that the price be on the goods that sustain life.

I was a member of a Union once for seven years, and I believe the country is much better off with Unions than without them. Today, I am an owner-executive of companies which are fully Unionized and my experience tells me that in almost every instance Unions believe in improved productivity through efficiency, but no Union wants to see improved productivity and efficiency at the expense of the rights of the people to know that they are getting what they pay for and at the stated price. Putting people out of work on such immoral grounds is simply asking the Unions to protect their membership and they have every right to do this. If this type of unemployment comes about, the Unions have no recourse but to further protect their members by really socking it to the grocery industry, and then what do you have? Most of the savings in not pricing the merchandise will be eaten up by a natural Union reaction to protect its members. I believe the Unions are representing the majority of the American purchasing public when they tell you they are against the scanner and the price being left off the merchandise. My company is not against the scanner, as such, and in our eight stores we were the first to install the very sophisticated NCR No. 255–726 equipment. We are ready to use the scanner, when and if it appears workable, useful and necessary. I don't believe the equipment manufacturers care whether the merchandise is marked or not. They shouldn't!!!! It isn't any of their business.

Some members of the Congress might think that if the public doesn't like the price being left off the merchandise, the public can choose a supermarket that does mark the merchandise. Senators, if powerful supermarket groups can fix prices, then what is to prevent them from converting quickly to non-pricing of merchandise and introducing scanners, and cutting prices to below cost, thereby alluding to the fallacy of "the price went down after the scanner and non-pricing went in. Therefore, the non-pricing and the scanner were responsible for the prices going down." Such groups could eliminate local independent competition in a short while and then the prices would go up, and the public would be at the mercy of the conspiring groups.

Regardless of these considerations, if this is a "Government for the people," then the price should be on every darn item, by law, so that the consumer can check and recheck at the store level, or at home, without having to write down the price of every item in a notebook at the time the selection from the shelf is made. If this law is not passed, then I believe that technology will have abrogated the rights of the American public, that they will be "ripped off" because familiarity breeds attempt.

When I was managing a store, a bread vendor I had known for a long time came in at 6:15 A.M. one morning and put his bread on the shelf, and put his surplus in the rear stockroom. He came in the front door (the receiving clerk didn't begin work until 7:00 A.M.). He brought me a ticket for $117.00, and I said, "I didn't count the bread." And he said, "I've known you for 15 years and I saw you were busy and I didn't want to bother you." He said, "Don't you trust me?" I thought for a few seconds, then paid the bill. The next morning he did the same thing, and the bill was $142.00, but I was ready for him this time. I had put a bunch of dollar bills and change in my coat pocket, and when he handed me the bill, I just took a big handful of it and put it in his leather pouch that he carried his money in. Bread men carried leather pouches in those days. He said, "What's that?" And I said, "I just paid you for your bread." He said, "But I didn't count the money." I said, "Well, since we've known one another so long and yesterday you asked me to trust you, then I figured today you ought to trust me." I then said, "Look, if I don't count your bread, you don't count my money."

Senators, that's carrying trust too far, and I think the same applies here, if you leave the price off the merchandise.

Respectfully,

FRANK MONTESI,
Executive Vice President and Secretary.

AID TO VICTIMS OF MULTIPLE SCLEROSIS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. DOWNEY of New York. Mr. Speaker, the social security law now requires that all persons who become disabled must be entitled to disability benefits for 24 consecutive months before they are eligible to receive medicare coverage. Today I have introduced a bill to eliminate this section for people disabled by MS. This provision creates untold hardship for those between 20 and 40 who are most frequently struck by crippling and incurable disease. In this age range, when family responsibilities are greatest, the victim must choose between spending his family's soon-to-be-needed savings, or waiting 2 years for Government assistance. A multiple sclerosis disability is not like many others—it is treated best and at least expense during the initial stages when no direct Government aid is available. When the law was passed this inequity was obviously not taken into consideration. This is no reason not to change it now and relieve the frustration that now accompanies the fear and pain of incurable disease.

This problem was most vividly brought to my attention recently when I held a hearing in my district on the problems with medicare. This particular gap in coverage was repeated by a number of constituents, especially those who are MS victims.

Multiple sclerosis is a degenerative, incapacitating, and incurable disease that is most successfully dealt with in its early stages. The average life expectancy for MS patients is 10 to 20 years. Nothing should hinder these individuals, who are at the age of greatest personal responsibility, from obtaining adequate medical coverage. Section 226 of the Social Security Act provides that hindrance.

A close examination of the original purpose of this section is necessary for full understanding. The waiting period was written into the law to hold down costs by recognizing that many persons are only temporarily disabled and would be likely to recover within 2 years and, therefore, never need the broader coverage of medicare. My amendment is different from the current law because it takes into account the dissimilarity between MS disability and most other disabilities. The MS victim has no chance of recovery and will eventually be collecting medicare benefits. The 2-year wait forces the patient to make the difficult decision whether to seek good medical attention immediately with his own resources, or to neglect that need for 2 years in order to save his own resources for his dependents who will undoubtedly be facing financial straits in the near future.

Since the disabled individual is likely to be at an age of high family responsibility it would be wise to aid him in the hope that he will meet as many responsibilities for as long as possible. Since the disease is treated best in the early stages, a 2-year wait for medical benefits contradicts this objective. Not only is the disease treated best, but also at less expense.

Further, the removal of this requirement would also remove from the minds of MS sufferers and their families an understandable bitterness that is generated by a seemingly arbitrary regulation. The purposes of section 226 do not properly apply to MS victims. They should be exempt from its provisions.

THE SOCIALIST WORKERS PARTY SUPPORTS TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 3, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the November 7 issue of The Militant, official newspaper of the Trotskyist Communist Socialist Workers Party—SWP—carries an article in which I am characterized as "The FBI's mouthpiece in Congress."

This, the most recent in a series of personal attacks by the various Marxist-Leninist groups whose activities I have exposed in the CONGRESSIONAL RECORD, is written by Cindy Jacquith. Miss Jacquith is presently head of The Militant's recently opened Washington bureau which operates from 1345 E Street, NW., fourth floor, Washington, D.C. 20004 [202/638-4081].

Examination of the internal documents of the Socialist Workers Party indicates that the SWP, its youth arm, the Young Socialist Alliance—YSA—and its international leadership in the United Secretariat of the Fourth International have many activities to conceal from anti-Communist eyes as well as from other leftist groups. During the next few weeks I plan to deliver a series of reports which will clearly demonstrate that the Trotskyist Communist advocate terrorism and guerrilla warfare. These reports will also bring into sharp focus the fact that the SWP acts in violation of the Voorhees Act because of its relationship to the Fourth International, and will examine various aspects of the internal life of the SWP that the party is so anxious to conceal.

And contrary to the theory of Jacquith and other revolutionaries, I am not privy to the secrets of the Federal Bureau of Investigation. My information is indeed obtained from analysis of public and private radical documents, but it is supplemented by reports obtained from a number of patriotic Americans in various parts of the country who have penetrated these violent Marxist-Leninist organizations, sometimes at the risk of their life.

Since the House Committee on Internal Security has been abolished and the Judiciary Committee has not exercised its responsibility in this regard, I have attempted to fill the gap by publishing the information provided by these reliable sources. On a number of occasions I have offered the evidence to the Judiciary Committee and urged them to commence investigations and hold hearings on our domestic terrorists and their support groups.

As one example of Jacquith's lack of veracity, she wrote:

> One such "speech" printed in the June 27 RECORD, tried to portray the Socialist Workers Party as a "terrorist" organization, even though McDonald had to admit that the SWP's political position is against individual terrorism.

Actually in my speech of June 27, 1975—pages 21370–21371—you will find the statement of Peter Camejo, a leader of the SWP, admitting that "in the process of an insurrection, terrorist acts may be advantageous to the workers movement." Camejo said this in the June 1973, confidential International Internal Discussion Bulletin of the Fourth International.

And it is most interesting to note that Mr. Camejo, in order to take advantage of the opportunity to appear on television time provided for Presidential candidates, has announced his candidacy on the SWP ticket. Despite his own advocacy of the use of terrorism and violence to effect a revolution, he has, reports a rival Trotskyist group, asked for the protection of the U.S. Secret Service during his campaign.

SENATE—*Tuesday, November 4, 1975*

The Senate met at 10 a.m. and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, whose Word declares—"they that wait upon the Lord shall renew their strength," we wait in Thy presence for renewal of our strength. Speak to us the word Thou hast for each of us this day. Show us when to speak and what to say, when to act and how to act. Spare us from doing too much or too little; but give us wisdom to do what is right. Grant, O Lord, that our days may be lived and our deeds may be done as befits a people in "one nation under God."

And to Thee shall be all the praise and thanksgiving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., November 4, 1975.*
>
> *To the Senate:*
>
> Being temporarily absent from the Senate on official duties, I appoint Hon. PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.
>
> JAMES O. EASTLAND,
> *President pro tempore.*

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, November 3, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

ASIAN DEVELOPMENT BANK

The second assistant legislative clerk read the nomination of Lessel Roy Papp, of Illinois, to be U.S. Director of the Asian Development Bank, with the rank of ambassador.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the acting minority leader seek recognition?

Mr. McCLURE. No.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be taken out of the time of the first speaker.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Illinois (Mr. PERCY) is recognized for not to exceed 15 minutes, less the time consumed for the quorum call.

THE UNITED STATES AND CHINA

Mr. PERCY. Mr. President, I am very pleased this morning to be joined by our distinguished colleagues, Senator JAVITS and Senator STEVENSON. They constituted, together with Senator CLAIBORNE PELL, Representatives PAUL FINDLEY, MARGARET HECKLER, and PAUL N. McCLOSKEY, a delegation that went to the People's Republic of China in August 1975.

A joint report to the Senate Committee on Foreign Relations and the House Committee on International Relations on this factfinding mission, which began in Japan and then proceeded directly to the People's Republic of China, a mission that took from August 1to August 16, has been filed with the Senate Committee on Foreign Relations and the House Committee on International Relations.

Ours was the first congressional delegation to visit the People's Republic of China since the National People's Congress in January 1975. A major purpose of our visit to the People's Republic of China was to better understand its governing system, to estimate future direction, and to try to perceive its external purposes and motives.

Only with a better understanding of the Chinese system and the Chinese revolution can the United States hope to make wise policy decisions concerning the People's Republic of China.

Each member of the delegation, of course, reached separate conclusions on the visit and major subjects covered; many of us will be making individual observations and recommendations where appropriate. China, a large and diverse country, inevitably strikes each visitor differently. Background, interests, and personal encounters significantly affect individual views formed over so short a time and without previous experience in China. Our hope is that the report we made will make visits of future delegations to the People's Republic of China more meaningful, and that over time more definitive conclusions on the People's Republic of China and on United States-China relations by Congress will be possible.

Our perspectives from this 2-week visit came together on several major points, however.

We agree that China, already a major force in Asian politics, has the resources, the energy, the will, and the leadership to join eventually the world's great powers and, as it moves in that direction, relations between the People's Republic of China and the United States will have an increasing bearing on international peace. These ties must be developed through constant contact and consultation at all possible levels so that the hazards of misunderstanding or misperception can be minimized. With the consequences of United States–People's Republic of China relations so vital to us all, we hope consultations will increase and come to deal regularly with all common objectives and differences. The opportunities for peace in these new relations now appear to us to outweigh the possibilities for conflict.

The Chinese believe that, although our two countries have vastly different political systems, the recent development of our bilateral relations has been satisfactory. Today, the fundamental unsettled issue between the United States and the People's Republic of China is the status and future of Taiwan. China's desire to resolve the Taiwan issue on its terms, however, is tempered by strategic considerations. The Soviet threat to China, we believe, remains the dominant rationale underlying Peking's desire to normalize relations with the United States. Within this strategic context, the P.R.C. now approaches the Taiwan issue on a step-by-step basis and does not appear to place the highest priority on its immediate resolution. For now, it is satisfied with the formulation in the Shanghai communique of 1972.

Mr. President, later this month President Ford is scheduled to visit the P.R.C. The Chinese clearly place a high value on that visit, even if no major substantive issues are resolved.

As a matter of fact, the period of time that we were in China was immediately following the President's visit to Helsinki, and the Chinese repeatedly asked us whether or not the President looked upon his forthcoming trip to China as more important than the trip that he had recently completed to Helsinki.

The Korea question was also an important topic of discussion, and I will deal with that in a few moments. But, first, I should like to make a few acknowledgments and then yield to my distinguished colleagues.

On behalf of my colleagues, I express great appreciation to Secretary of State Henry Kissinger, Gen. Brent Scowcroft, and others in the White House, the National Security Council, the Department of Defense, the Department of State, particularly Oscar Armstrong, the head of the China desk, who assisted us and helped facilitate our trip.

Prior to departure, Secretary Kissinger met with us for an extended conversation about relationships with China—past, present, and future.

Our thanks also go to the Chinese Liaison Office in Washington—certainly, to Ambassador Huang Chen, Ambassador Han Hsu, and the other members of the Liaison Office here who were so gracious and helpful to us prior to our departure. We also thank the People's Institute of Foreign Affairs and the Chinese U.N. mission in New York, who were most helpful.

Mr. President, before our departure, the delegation decided that it would be highly desirable for us to have on the trip with us a China scholar. A great many names were discussed. At the recommendation of Senator ADLAI STEVENSON, we met and talked with Dr. John W. Lewis, who is the William Haus professor of Chinese politics at Stanford University. He was invited to go on our trip with us, and this was agreed to by the People's Republic of China Liaison Office. On behalf of our entire delegation, I express our appreciation to Dr. Lewis for his expert assistance prior to, during, and since our trip. Having him available throughout our visit to China to interpret, to provide historical background, and to appraise and analyze as we traveled proved invaluable.

Also, on behalf of my colleagues, I express appreciation to Mr. Calvin Fentress for his editorial assistance in putting together the report we filed.

Mr. President, I was very pleased indeed to have been joined on this trip by some of the most distinguished Members of our body and the other body. The Senator from New York (Mr. JAVITS) and the Senator from Rhode Island (Mr. PELL) served as cochairmen. Senator ADLAI STEVENSON accompanied the group and proved to be a major factor. He has long had an interest, as all of us have had, in China. We from the Senate were very grateful, indeed, for the distinguished colleagues we had from the House—Paul Finley, Margaret Heckler, and Pete McCloskey. The group was a cohesive group. Prior to the trip, we met frequently, and we continued our planning efforts during the flight across the Pacific.

We felt it very wise to stop in Japan and receive a briefing from the Foreign Ministry there and from Japanese specialists on China and Sino-Japanese relations. The stopoff in Japan did prove invaluable.

As the chairman of the group, I simply point out that there were seven chairmen. We all rotated the responsibilities. Each of us selected areas of particular concern and interest and expertise and concentrated on those.

The report is very much a composite effort. It includes contributions from all seven Members, and the editorial work has helped to make it a cohesive whole. I express great appreciation to my colleagues for the way in which they all cooperated to make the work of the chairman a very easy job.

I yield at this time to my distinguished colleague, Senator Javits, who may wish to comment on an area in which he has had a great deal of interest and expertise—the trade relationships that we have with China today and might have in the future and the economy of China.

The ACTING PRESIDENT pro tempore. The Senator from New York, under the previous order, is recognized for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, the chairman of our delegation has explained exactly how we were organized.

I might inform the Senate that it was one of the most productive and constructive trips I have ever taken. Also, I believe it was very useful to our country, both in what we taught and in what we learned.

I, too, join in and endorse the appreciation expressed by Senator Percy for those who guided us about in China and the list of municipal and other officials who entertained us.

If my colleague is willing, I ask unanimous consent that that list be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

List of Chinese Officials

Senior Vice Premier Teng Hsiao-p'ing.

Chiao Kuan-hua, Minister of Foreign Affairs.

Agriculture Vice Minister Hao Chung-shih.

Foreign Trade Vice Minister Chai Shu-fan.

Hsu Ching-hsien, Vice Chairman, Shanghai Municipal Revolutionary Committee.

Yang Kuang-li, Vice Chairman, Kiangsu Provincial Revolutionary Committee.

Su I-jan, Vice Chairman, Shantung Provincial Revolutionary Committee.

Chou Chiu-yeh, Vice President, Chinese People's Institute of Foreign Affairs, CPIFA.

Officials of CPIFA and Ministry of Foreign Affairs who traveled with the Congressional group: Kang Tai-sha, Deputy Secretary-General, CPIFA; Chao Chi-hua; Fan Kuo-hsiang (administrator); Cheng Wan-chen (senior translator); Ho Chu-cheng; Ku Ke-ping; Tu Chi-wen; and Meng Chien-cha.

U.S. State Department Officials in Peking: Ambassador George Bush, United States Liaison Office, Peking; Mr. Thomas Stanley Brooks, Chief, Political Section, USLO; and Mr. Lynn Pascoe, Political Officer, USLO.

Mr. JAVITS. Mr. President, I also express appreciation to Ambassador Huang Chen, and Han Hsu, here, and Ambassador Huang Hua, in New York, with whom I have had particular contact, for facilitating this trip for us.

My colleagues will take different parts of the entire situation in China, but I should like to deal with the matter of trade and exchanges.

My impression—and I believe the general impression we had of the economy of China was that in the countryside, which contains 80 percent or more of the people—is that the People's Republic has done quite well. The morale factor is high. The principle of sharing, which is the essence of their society, and the teachings of Chairman Mao, as they put it, are generally equal, and the cooperative basis is accepted.

Their attitudes seemed well-grounded in the incentive of collective well-being as well as national progress, especially the former—collective well-being—which is so heavily built upon the family system of China.

Indeed, I believe that the situation in the "production brigades" are really the operative unit of production in the country, generally consisting of 500 to 1,000 persons in a village and generally part of an administrative unit called the commune, which generally has some 50 of such production brigades, or roughly 50,000 people. They seem to be very well organized in that regard.

They are by no means free of incentives. Some in the commune are paid more than others if their work is more productive. They even have some private property incentive, in terms of a vegetable garden and a pig or a chicken—the household animals for food.

There are collective means by which that is established. Nonetheless, one individual can do better than another individual. Essentially, however, it is a collective system, with sharing being on the basis of the earnings of the commune or the production brigade.

My observation—and I think that of the others—was that they are doing quite well in the country, certainly as compared with recent Chinese history which shows of a pestilence and flood and chronic famine and a down-trodden peasantry.

Their public works was impressive. We saw a great flood control project. The worst area of China, where the Huai River joins the Yangtze, has been quite well subdued, with electric power production, irrigation, and flood control as its principal considerations, and it is quite a modern complex.

However, my judgment is that in the cities they do not do as well and that they are not performing up to expectations, which are keyed to their industrial production. There are two reasons for that.

One, the effort being to apply egalitarian principles to industrial workers and to inspire them with Chairman Mao's teachings, in terms of the highest quality of national life being collective well-being, lags behind the success these ideas achieve in the countryside, because it is very much more difficult to do it when it is a one-on-one proposition—that is, a worker working for wages or a salary, and the effort being made to compress all those within a common denominator of literally, in many cases, one wage or salary regardless of proficiency.

Second, the Chinese pride themselves greatly—it is almost an obsession with them—on self-help and reliance upon themselves. This leads to a very material denial of technical progress for them and a lack of capital with which to acquire really advanced machinery. That does not mean that there is not a good deal of modern machinery in China and that, for example, the public utilities and public works project that I described we came to, does not seem to be well-equipped. But modern machinery is limited in amount and obviously cannot be as modern as it would be if there were an opening to the industrialized world.

That is a real sticking point, we found, with the top people in the People's Republic of China. For example, they made it quite an article of faith that they would not ask for loans and would accept only genuine—and the word "accept" is quite indicative of their attitude—export credits, meaning medium-term deferred payments, something in the area of 5 years. Nor are they interested in joint venture investments, such as have characterized, for example, other Socialist or Communist states.

Peking does not expect to negotiate large grain purchases from the United States, for, in the words of one of their highest officials, "No country can offer significant enough amounts of grains to such a large population as ours."

For example, China is not developing, according to their high officials, its offshore oil reserves. Yet they claim them to be larger than the total onshore and offshore oil reserves of the United States. The People's Republic, according again to its high officials, will concentrate on exploiting its land reserves of oil first. The reason for that, obviously, is that they do not wish to seek the credit which the development of offshore oil reserves requires. They would like to use U.S. oil technology and, indeed, will use it, in respect of their onshore reserves, but they will hope to obtain it through normal trade channels and, therefore, they do not expect their country to become a major oil exporter, though it does export a good deal to Japan. If it depends solely on its onshore reserves, they expect that they will be using a good deal of that oil themselves.

Again, even at the sacrifice of material development, the emphasis is on self-reliance and self-sufficiency, principles which permit little opportunity for international collaboration on either a bilateral or a multilateral basis. So the Chinese have opted not to rely particularly on significant amounts of capital, or equipment, which is brought over from the industrial world.

In my observation, there seems to be a good deal of redundant employment in the industrial establishment, such as it is, and some idleness, and the Communist Party of the People's Republic and the state itself, in terms of its own political organization, do not seem to have cracked the riddle of how to inspire the worker through social incentives when dealing individually with the employer, which is the state, as the recipient of a wage or salary.

Ideological arguments do not appear to be as convincing to urban workers as they are among workers in the communes, the urban workers being much more interested in housing and health—they have a pretty good health system—and food. The appearance is quite good in the cities; that is, people seem to be reasonably fed. Clothing is extremely simple.

My feeling was, for example, that the large numbers of people devoted to factories which are dealing essentially in the kind of luxuries one sells to tourists would indicate that there is a good deal of industrial progress which they would like to make, but which is not being made and which they will not make with their present opportunities unless they are ready to have a more open door in terms of the industrialized countries of the world. That will come, in my judgment, because I believe that there is great pressure in China, in the cities, for exactly that kind of eventuation. In the meantime, the opportunities are going to be very limited, and while I favor strongly the development of trade with the People's Republic of China, we do not contemplate, and we say so in our report, a very broad-scale trade. The general order of magnitude envisaged is something in the order of $1 billion—perhaps $2 billion, perhaps less—but something in that area.

More and more, there will have to be a balance in the trade. At one time, in 1973, it was running 11 to 1 in favor of the United States and the officials of the People's Republic are trying, in a very considered way, to bring down that percentage. It is estimated that for 1975 or 1976, that will be down to 3 to 1 or even 2 to 1, again still favoring the United States, but on a very much reduced basis.

There is no question about the fact that the People's Republic is interested in a favorable trade balance with the United States if it can achieve one, and feels that its exports are blocked by U.S. requirements, what are called nontariff barriers, as well as by our high tariffs, and the failure, of course, to afford their exports the most-favored-nation treatment. Even if we did, in my judgment, the expansion would not be overly great.

One thing, however, that we can do, and in a sense, we pledged ourselves to do it when we were there, is to engage in some outreach to see what can be done for Chinese exports to this country. It may be that there are markets which, without materially interfering with our own production and employment here, could broaden the market for the People's Republic exports. I emphasize that because of its difference with Taiwan. That would be a good thing to do, and we should try to do it, because it would be a real improvement of the bond between the People's Republic and the United States which is gradually being forged by the Secretary of State and the President, if we could improve the trade picture.

As to exchanges, this is a considerable encouragement, but a built-in limitation in the fact that hotel accommodations and transportation, even railroad transportation, certainly automobile transportation and air transportation, are extremely limited. I wish to say to many who are disappointed in not being able to get to the People's Republic as quickly as they would like, having applied, that really, these built-in limitations make it very difficult, if not impossible, to accommodate large numbers of tourists. As a matter of fact, we were surprised that there were quite so many Americans, considering the paucity of facilities.

The facilities, however, are by no means bad. They are, by no means, modern, anything that we are accustomed to in industrialized countries. They are tolerable, but they are extremely limited.

We seek to encourage visits between their Government officials and ours. We think that would be extremely helpful. Again, we think that, sooner or later, the People's Republic will be seeking credit in this country for the purpose of expanding its tourism opportunities, and again, we should encourage it.

I think that is a fairly general picture at least of their economy as we saw it.

The ACTING PRESIDENT pro tempore. The time of the Senator from New York has expired.

Under the previous order, the Senator from Rhode Island (Mr. PELL) is recognized for not to exceed 15 minutes.

Mr. PELL. Mr. President, I am delighted to join in this colloquy concerning our trip to the People's Republic of China.

I would like to particularly congratulate our chairman, Senator PERCY, on the way he handled his responsibilities and the way he chaired our group. He made a tremendous effort to insure that every member of the delegation felt part of the exercise, where he or she would have ample opportunity to ask questions, to develop information, and to obtain the results which he or she was seeking.

In addition, and it was much appreciated by our spouses, or, I guess, the plural would be our "spice," was the way he permitted each of them also to ask questions. This was one of the few congressional trips I have ever taken where "spice" were permitted to participate and contribute to the discussions, and they did a very excellent job in this regard.

I would also like to comment on the exquisite hospitality of the Chinese—and to thank them for it. I do not think any group could receive more hospitality, or more expressions of concern, in order to make sure we saw what we wanted to see. They permitted us to move freely around in any community in which we were visiting. We had no sense of being harassed or followed in any way. It was rather just the opposite. Our Chinese hosts did all they could to make sure that our visit was a free and perfect one.

Mr. Chou Ch'iu-yeh, the Vice President of the Chinese People's Institute of Foreign Affairs, and his whole team of co-hosts certainly made this trip, this mission, a memorable one.

It meant a great deal to me because for some years I had wanted to visit China—I think for 4 or 5 years, during which time I had been putting in my application for such a visit, both to see China and also to visit my old friend Ambassador Etienne Manaćh of France who was there at the time. Alas, by the time we visited China, he had been transferred back to France, but the trip was all we expected and more.

Mr. President, during our 2-week visit to China, we observed many fascinating aspects of life in China and came away with a deeper appreciation of conditions in that vast country and its emerging place in the family of nations.

Each of us, I think, went for different reasons and for different interests, but I think the basic conclusion we all came back with was that for the foreseeable future China offers no threat to the peace of the world outside its borders. It has ample problems within its own borders.

The history of China is not one of an aggressive nation but rather a nation that has been overrun and absorbed its conquerors. The great question in my mind in wanting to go on this trip, in order to make up my mind in future debates on the floor of the Senate and future votes, is what was the foreseeable threat of China for the peace of the world for the rest of this century. I think all of us came back with the view that it was no threat outside its own borders in this period of time.

I know that China sees itself threatened by the Soviet Union and has almost a paranoic concern with regard to a possible attack from that quarter.

I would like to concentrate on two aspects of Chinese society: the attention paid to fisheries, especially aquaculture, a subject of particular relevance to the people of my State of Rhode Island; and developments in Chinese education, which all Americans should understand better if they are to have a vision of what the China of tomorrow will be like.

There is much to be learned from the Chinese in the emphasis they give to fish farming, or aquaculture, in the context of their agricultural development. The Chinese breed, feed, and harvest their fish just as they do any other crop and do not rely on catching fish by hunting as we do.

In the communes that we visited, from 5 to 10 percent of the area was devoted to fish cultivation, and the production achieved was impressive. Even when young fish, or fry, took up 30 percent of the fish pond area, a production of 4.8 tons per acre is achieved. Fish are harvested four to five times per year, and only the larger fish are taken. Different fish are at different water levels—fish near the surface are fed with grass; bottom fish feed off snails. As a further indication of the full use to which these ponds are put, the mud at the bottom of the ponds is used as organic fertilizer.

Aquaculture is not yet a major industry in China, and the traditional catch from the sea and the rivers still provides the greater part of China's fish. Most fish farming is found in the interior where poor transport facilities and the absence of many lakes make it difficult to provide people with fish, except salted fish, from distant sources.

Overall, however, it is clear that China leads the world in the field of fish farming—an activity which will be increasingly important to the rest of the world if the protein requirements of a growing population are to be met.

Another aspect of Chinese life which left a great impression on me was the great importance attached to education, particularly the constant scrutiny it receives in order to insure that the educational system adapts to the changing needs of the regime and of what they call their revolutionary development. I only wish that in our democratic society we could relate as quickly our educational system to the changing needs of our own society.

One of the primary forces shaping Peking's domestic priorities is its preoccupation with insuring that future generations adhere to China's revolutionary values. Youth are enjoined daily to "serve the masses" and to reduce the "three major differences"—those between mental and manual labor, between town and country, and between workers and peasants. The municipal vice chairman in Shanghai, who was worried about the ideological upbringing of youth, told us that only education could innoculate the young against "rightist" ideas.

As the Senate majority leader observed in a report he made earlier this year:

> The People's Republic places great stress on basic education. China's leaders are well aware that literacy is essential both to effective political communication and to economic growth. . . . Education in China is directed to practical application, not to learning for the sake of learning. . . . By all accounts, higher educational concepts are still unsettled.

The decade-long debate about education is no longer referred to as "struggle, criticism, reformation." The watchword now is experimentation. Kiangsu Province, for example, has begun low-level agriculture colleges where students study agriculture, agricultural machinery, water construction, and fertilizers. The students are peasants and "those who will be helping to develop China's agriculture." The first enrollment in six colleges came this year in the Province, and they now have 2,000 students. Kiangsu also has 30 agricultural middle schools with 1-year courses. There were 3,000 students in these schools in 1975. In the four teachers' colleges in the Province the emphasis is on ideology, subject matter, and then technique—a rather different approach than found in our own teacher training. One hundred and twenty workers' universities—kung-jen ta hsueh—have also been set up and these now experiment with 1-, 2-, and 3-year programs. "The educational revolution is a new thing; experimentation will go on and on and there will be new kinds of innovations," we were told.

One province we visited now has 11 million primary and middle school students out of a population of 50 million. Education in this province is now 10 years in the city and 7 years in the countryside. The goal is universal education at the city level. By contrast, the Province's university student population is now 30,000 where it was only 10,000 in 1972; its peak was 38,000 before the universities were closed in 1966. The total university population in the PRC is now 400,000, a figure less than half the peak—955,000—reached in 1960 and less than one-half of 1 percent of the current total population.

The Vice Chancellor of Peking University, Chou P'ei-yuan, gave our delegation the most comprehensive view of higher education in China. The purpose of this education, as he described it, is to train intellectuals to serve the "proletarian power." Universities no longer exist simply to pass on knowledge and conduct research; "our universities are created to serve the politics of proletarian dictatorship and combine education and and labor."

Students thus must develop in three ways: Morally, educationally, and physically; "they must leave the university as common laborers with socialist consciousness." Such Chinese graduates he contrasted to those in the Soviet Union, which, he said, "is attempting to train intellectual aristocrats."

China already had many universities, but after the Cultural Revolution it tried to create new types of universities. Factories and communes set up universities, and colleges for the first time selected students principally from among factory workers and peasants. They sought to find candidates having a junior middle school level and so-called "socialist consciousness." The universities shortened their training period and established short-term training courses that last anywhere from 1 week to a year. The 1-week courses are for training in how to solve specific technical problems.

Peking University, established in 1898, has 20 departments with 75 disciplines. There are 2,600 faculty members and more than 5,000 students in 1974–75. The enrollment should go up to 8,000 next year and to 10,000 in 2 or 3 years time, we were told. The present student body includes 200 foreign students from some 20 countries. Students have had practical experience and have normally worked in a factory or a farm for 2 or 3 years. The average age of a freshman is 20. Some of those who apply are veteran workers or peasants. They are not limited by age although the older applicants are very few in number.

The conditions for application and admission are that the applicants must: First, have a "high social consciousness,"—by high social consciousness is meant adherence and demonstrated belief in Mao's sayings; second, have a minimum academic level of a junior middle school graduate; third, have a good health record; and fourth, be chosen by coworkers in a commune, factory, or Army unit. Special preference is given to students from China's 54 different minority peoples.

Workshops are established within the university, as well as links for on-the-job training with 65 factories off the campus. The production of the seven "factories" within the Department of Natural Sciences comes within the unified plan of the State. Part of the profit from their production is used to support part of the university's budget. Students are in this way confined to the classrooms but must work in factories to gain workshop experience right up to the time of their graduation. In the past students were confined to the classroom and they thus separated theory and practice. They then could not start to work right away. Now, however, they can start to work immediately in a factory or research institute.

Every student also must study politics and engage in frequent dialectic discussion and self-criticisms, as well as work in production and on fundamental theory. In this way "we do continue to stress basic research." PRC educators attach particular importance to research that strengthens China's defense. In a war people play the most important part, but weapons are also important. We use science and technology to develop our industry and agriculture, but the development of our defense is equally important and we are concentrating on it.

The thing I found most disturbing about their educational system was their emphasis upon conformism and their discouragement of independence.

This was the one impression which one was left in traveling through China, the tremendous degree of sameness, even people wearing the same kind of clothes. They seem to have the same kind of expressions. They repeat the same phrases when asked questions.

If ever a 1984 society was being developed, it would be as a result of such an educational process.

But in commenting on this, I think we must also remember that there always has been an emphasis in China on conforming, on not rocking the boat, on stressing the interdependence of human beings rather than the independence of human beings, which latter is more in the tradition of our democratic societies.

In fairness and in balance though, their education has increased the literacy of the people and the ability of the people to handle the increasing technological needs of the future.

Mr. PERCY. Mr. President, I ask unanimous consent that any time remaining for any one of the four of us be reserved at the end for colloquy purposes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I will make my comments on Korea following Senator STEVENSON. Senator STEVENSON is going to address his own individual views on the Taiwan question and United States-China relations and then I will appropriately follow with a very brief statement on Korea.

Mr. STEVENSON. Mr. President, I first want to join my colleagues in thanking Senator PERCY for the remarkable job he did of planning and leading our visit to China last summer.

I also want to join my colleagues in expressing with them our thanks for the very warm and generous reception which we received from our Chinese hosts last summer.

Mr. President, without experiencing a part of China and its revolution, one cannot begin to perceive the gulf which divides our systems and ourselves. It still is difficult to grasp the objectives and methods of the Chinese revolution and put aside the ignorance which has led the United States to misunderstand the Chinese and miscalculate their intentions.

Euphoric talk about expanded trade, joint ventures, oil deals, and cooperative aid arrangements in the Third World is unrealistic. Our systems are incompatible. But it is not unrealistic to say that China and the United States can coexist in peace if they understand the limits of cooperation, do not create expectations bound to be disappointed and do settle upon some common objectives, including a stable political order in East Asia.

At present there is little understanding, each of the other's system and objectives, in Washington and Peking. The gulf has been too wide for too long. The Chinese reaction to the existence of a small Tibetan exile group in the United States is an example. Chinese leaders are barred by self-imposed political constraints from even entering the United States. We still have little access to China. We communicate ineffectively across the language barrier and only then on occasions chosen by the Chinese.

It never was realistic to expect that by pretending China did not exist it would go away—or that Chiang could be "unleashed"—or that the United States could advance to the Yalu River without Chinese intervention.

To move now to a coherent policy with respect to China, the United States should act upon reality. If public support is essential to the success of a policy, and if that support is to be obtained, the policy must be bottomed upon reality.

In the Washington view today, the U.S. relationship with China is moving steadily ahead. That is an unrealistic view. Throughout our trip to China, including a 4-hour meeting with Vice Premier Teng Hsiao-P'ing, it was made plain that in the Chinese view, though the current situation was basically satisfactory, no progress was being made. And that is right.

The much publicized audience of Secretary Kissinger with Chairman Mao 2 weeks ago was more theater. The Presidential visit to China this fall is for symbolic purposes only. It does not signify progress. The Chinese are to be assuaged with a Presidential presence in Peking for the Presidential presence in Helsinki which placed the symbolic American stamp of approval on Soviet domination in Eastern Europe.

Indeed, substance should not be placed upon the agenda for a summit attended by the electioneering President boxed in from the right and stymied by the dilemmas of Taiwan and détente with the Soviet Union. And without a substantive agenda, this unpremeditated summit is of doubtful wisdom. A vulnerable President could make unwise concessions under pressure, or be embarrassed by appearances of failure. At best the quadrennial Presidential visit to Peking will be purely ceremonial.

It would be wiser to get on realistically with the hard business of normalizing relations between the United States and the People's Republic. That is a business which should be conducted without the fanfare of ceremonial summits attended by leaders about to be overtaken by the mortalities of human life or American politics.

So, let us look at realities.

The most significant impediment to full normalization of relations with China is Taiwan. The Peking government makes it clear that the unconditional abandonment of all U.S. ties to Taiwan is a prerequisite to full normalization.

Taiwan is one reality. The central importance of relations between the United States and the People's Republic is another. Unless we devise a policy that deals with both of these realities at the same time, we will deal with neither. We will go on drifting in a sea of pretense.

I do not propose that the United States cast Taiwan adrift. It is a self-reliant political and geographical entity with all of the attributes of a small, modern nation state. It has a right to live. Besides, a unilateral withdrawal by the United States from its commitments to Taiwan would have adverse repercussions throughout East Asia.

I do suggest that the United States consider seriously the feasibility of maintaining its defense commitment to the island of Taiwan while withdrawing recognition of Taipei as the government of China. Our real purpose, whatever the Shanghai communique may say, must be to establish relations with the PRC on a sound footing and insure the continued security of Taiwan until we are assured that its fate will not be determined by force. At present our purpose is ambiguous. Our recognition of Taiwan stands in the way of normalization, and our interest in normalization raises doubts about the validity of our treaty commitment to Taiwan.

That ambiguity could be reduced by an overt shift in our Taiwan relationship, ending our anomalous position of dealing with Taipei as the rightful Government of China. We could suspend "diplomatic" ties with Taipei, replacing embassies with unofficial trade and cultural offices. At the same time the United States would signal Peking that while it was changing the form of its relations with Taiwan, it was not changing the substance of its defense commitment to the island. The United States would reiterate that any change in Taiwan's status by other than peaceful means was unacceptable.

This arrangement would not lead immediately to formal diplomatic relations between the United States and Peking. The new reality of a Taiwan no longer recognized by the United States as the government of all China, but still protected by a conditional U.S. commitment, could only be digested in Peking over time.

I cannot argue with full confidence that this formula would square the circle and achieve a successful end to the unreality of our present position.

There are other more limited steps toward normalization that are deserving of consideration. The United States could:

First. Inform the ROC that henceforth it will discourage anything but a purely defensive military force for the island and tell Peking that it will not supply equipment or spare parts for amphibious or other units which could threaten the mainland.

Second. Encourage ROC withdrawal from the offshore islands of Chinmen—Quemoy—and Matsu which have little remaining strategic significance in the light of modern warfare and are a provocation to the PRC.

Third. Make efforts to open up more areas of communication with the PRC: cultural and educational exchanges, air services, commercial missions, banking services, accessibility of business representatives, and expanded tourism.

Fourth. Inform the PRC that even in the absence of diplomatic relations there are no legal bars to full normalization of a trading relationship. We would express a willingness to examine the modalities of arriving at a trade agreement to include MFN in conjunction with the mutual settlement of claims.

Fifth. Concurrently with the withdrawal of uniformed U.S. personnel from Taiwan, reiterate the importance we attach to a peaceful settlement of the Taiwan issue. It should be emphasized that any attempt by either party to solve the issue by military means was inimical to a continuing relationship with the United States.

Sixth. While maintaining recognition of the ROC, reduce the size of the embassy in Taipei—now much larger than the office in Peking—progressively shaping it along the lines of the commercial/cultural/consular-type of mission maintained by the Japanese. If the present Ambassador should retire, do not replace him. Leave the Embassy under a charge d'affaires.

Time for such steps may be growing short. The present relationship with the PRC may be tied to the fate of personalities at the highest levels in Peking. The prestige of Chairman Mao, Premier Chou, and other senior, but aging, figures, still gives unchallengeable support to that relationship. Once such men are gone, China's relationship to the capitalist United States could be challenged anew by a younger generation of Chinese ideologies. Criticism of the United States remains an element in China's foreign policy; it informs and shapes the attitudes of Chinese leaders. The next generation can be expected to be weaker, more divided and, for a time, to be less confident of itself in the face of criticism. Unless advanced, the normalization of United States-China relations could stalemate or even reverse during the transitional period after Mao and Chou. Moscow is counting on the normalization process to end with the death of Mao.

The United States-China relationship is based on a common antagonist in Moscow more than on any basis of friendship or common purpose. Despite official U.S. pronouncements to the contrary, the United States has an obvious interest in continuing the separation of Soviet and Chinese interests while taking an evenhanded approach toward both. The notion of a Sino-Soviet rapprochement can be viewed with even less equanimity today than in the 1950's when, by all measures, the United States and its European allies were the predominant force in the world.

Experience cautions the United States to expect the unexpected. A semblance of calm and order reigns in most of East Asia now, but the seeds of conflict lie beneath the surface. The present circumstances allow the United States to take steps toward normalization; different circumstances in the future could prevent it. U.S. policy would then again be the creature of events.

Some combination of these moves ought to improve relations with Peking, opening the way for visits by senior Chinese leaders to the United States. The one-way traffic could end. The liaison offices would gain stature. Leaders in Peking who have gone out on the U.S. limb could show progress for the risks they have taken. United States-People's Republic of China relations now based on a common strategic concern would find a firmer foundation. It would be less difficult to resolve issues involved in granting the PRC most-favored-nation status, in reaching formal trade and long-term exchange agreements and in beginning productive discussions on the environment, health, energy, food, nuclear proliferation, and disarmament.

An improved relationship could be obtained before China's key leaders have passed from the scene. It would make Sino-Soviet rapprochement less likely. It would help create a more stable political context within which problems involving China, the U.S.S.R., Japan, and the United States—including the Korean peninsula—are more likely to be handled by diplomacy than violence. The trend would be welcome in Tokyo which hopes that the U.S. will continue the process of normalizing relations with the PRC, while taking account of security implications for Japan.

Some will contend that the United States should go all the way at once. But there are unnecessary risks for the U.S. in precipitously meeting the conditions Peking has laid down for full diplomatic relations. Those risks are understood by Peking. The leaders on Taiwan would certainly prefer the status quo, but they are more concerned about Taiwan's military security than about their continued recognition as the Government of China. With their security assured, they could continue to attract commercial investment and maintain their access to the world market. This would be critical to the stability of the island's economic and military position. The annulment of the treaty combined with the severence of diplomatic relations could drive Taiwan into an outlaw, what-do-we-have-to-lose mentality. Under those circumstances, Taiwan would probably build nuclear weapons to insure its survival. The continuation of International Atomic Energy Agency supervision of Taiwan's nuclear facilities would be jeopardized. The People's Republic of China appreciates the seriousness of these possibilities. In fact, its leaders state that they are in no hurry to have the United States abandon its commitment to Taiwan.

Only after our relationship with the People's Republic of China is placed on a more normal footing and with the passage of healing time can we hope for Peking's agreement in principle to the peaceful reunification of Taiwan and the mainland or whatever other arrangements the two sides can work out. The People's Republic of China has never agreed to the nonuse of force and probably never will, until the process and manner of mainland Taiwan reunification or separation are detached from the question of which is the recognized government of the Chinese people. But it is not recognition that gives us leverage. It is the defense commitment to Taiwan. And that I would retain.

Peking appears to understand the U.S. dilemma with respect to Taiwan and is neither pressing the issue nor preparing to resolve it by military force. The strengthening of U.S. ties with the People's Republic of China could decrease Peking's incentives to escalate the Taiwan issue into confrontation. It would be consistent with the Shanghai Communique provision that Taiwan's fate should be settled by the Chinese themselves and in a peaceful manner.

A move toward normalization of relations with the People's Republic of China is not an end in itself. It is a means by which the United States could seek:

First. An Asian community sufficiently freed from war and political strife to concentrate on poverty, illiteracy, and oppression.

Second. United States-Asian policies that command broad national and international support.

Third. A relationship to Asia which does not force the United States to take a militantly defensive or offensive posture.

For the first time in decades, East Asia is not embroiled in conflict. In this context the Asian peoples are taking the principal initiatives for peaceful relations with each other. Asia's problems are far from solved but already there is a more positive spirit in a number of countries, including a belief that accommodation with China is possible and can now yield important rewards. The United States, too, can accommodate differences, explore possibilities for trade and technical cooperation and look forward to an era of peaceful coexistence.

The administration has given greater emphasis to détente with the Soviet Union than with China. Why, the Chinese ask, did the United States at the European Security Conference in Helsinki approve Soviet-defined borders which technically include the disputed Russo-Chinese border? Why does Washington continue to make major concessions to Soviet demands in the strategic arms field on the assumption that these will lead to arms stability and dismiss Chinese statements about disarmament as propaganda. These and related questions about détente were reportedly those which Mao asked Secretary Kissinger. They deserve to be answered.

No country is more interested in maintaining the stalemate in United States-China relations than the Soviet Union. An evenhanded policy might mean less freedom of action for Moscow against China. I do not imply that the United States should play off the two major Communist states. I do say that our objective should be a balanced approach to the two principal Communist states. A changed relationship with Peking now would come when the Sino-Soviet dispute is not in such an intense phase that Moscow could rightly take it as a hostile move by the United States. It properly could only be taken for what it is: an attempt to be evenhanded.

The stalemate can only be broken if we take new steps. Formal relations may be delayed. But the objective is a secure political order in which all Pacific States shape their own destinies peacefully. Normal relations between the United States and the People's Republic of China are essential to that objective—and while full normalization is not possible now, these steps deserve study as a positive move in that direction.

Mr. PERCY. I certainly appreciate the comments of my distinguished colleague.

The PRESIDING OFFICER. The Senator from Illinois has 3 minutes remaining.

Mr. PERCY. It was a particular pleasure to be on the trip with my colleague and his very able wife.

Mr. President, I shall conclude my remarks with a short statement on Korea.

"THE KOREAN QUESTION IN UNITED STATES-CHINA RELATIONS"

One of the high points of our trip to China last August was the opportunity for a very frank discussion of foreign policy issues, including the Korea question, with Teng Hsiao-ping. He is the senior Vice Premier and in charge of day-to-day administration of the Government during Chou En-lai's illness.

In the course of our 3-hour discussion, I emphasized the fact that the American people stand behind the U.S. treaty commitment to support the balance of power in Korea. I told the Chinese leader that both our countries have a responsibility to do whatever we can to prevent the outbreak of another Korean war, because this could involve the major powers with interests in the area.

The Chinese leader replied that his Government supports the "independent and peaceful reunification of Korea." He argued that the real danger was an attack by South Korea against the North. He said that, if this danger is averted, "nothing significant" would happen on the Korean peninsula.

There are signs that Peking may have helped to moderate North Korean interest in attacking South Korea last April—when Saigon and Phnom Penh were crumbling. The Chinese have often hinted, in recent years, that they favor the continued presence of U.S. forces in East Asia—except on Taiwan. They do not want to see an expansion of Soviet influence in the region.

The Sino-Soviet dispute produces conflicting pressures on Peking in regard to the Korean question. China's interests would certainly be gravely threatened by a new Korean war. Yet North Korea's Kim Il-song is very skilled at exploiting the Sino-Soviet dispute to gain support for his political aims—particularly from Peking.

While Sino-Soviet rivalry continues to exert these conflicting pressures on Peking's policy, we cannot expect China to collaborate with us openly in the cause of peace in Korea. China will continue to support the North Korea aim of a unified Communist Korea. However, China will probably also continue to restrain North Korea from trying once again to conquer the South by force.

I believe that America's support of the balance of power in Korea remains the key to continued peace in Northeast Asia.

Mr. President, I would presume and would urge that this be a matter for high priority and discussion by President Ford with the Government of the People's Republic of China. Wars are created through miscalculation and misunderstanding. In this regard, there should be no opportunity for miscalculation on the other side. We had no treaty of any kind with South Vietnam and we pointed this out to the leaders of the People's Republic of China. We do have a treaty with Korea, which was ratified by the Senate. What happens in Korea would certainly affect Japan. Japan would have to look very, very closely at their whole foreign policy, and there are those who feel that Japan might be moved to become once again a military power, and might even move into the area of nuclear weapons, if there was a change in the political-military status in Korea.

Mr. President, in conclusion, I should simply like to say that it was the decision of our delegation to issue a joint report. Each of us hold our own individual views and we are free to express those as we have in the past and will undoubtedly in the future.

To have seven Members of Congress agree on 45 pages in a report to both the House and the Senate I think is a remarkable accomplishment in itself. Once again I should like to express my deep appreciation to my distinguished colleagues and the members of our delegation with whom I had the pleasure of making this exploratory study trip to China. Their inquisitive minds and their creative approach helped us to arrive at a first-rate agenda and to establish cordial relationships with our counterparts in the People's Republic of China and this added so much to the significance of the trip, so far as the Senator from Illinois is concerned.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE OF REFERENCE—S. 2581

Mr. MANSFIELD. Mr. President, I ask unanimous consent—and this has been cleared by both sides—that the Committee on Labor and Public Welfare be discharged from further consideration of the bill (S. 2581) to amend the Menominee Restoration Act and that the bill be referred to the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT H.R. 9915 BE HELD AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message from the House of Representatives on H.R. 9915, a bill to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and related provisions of titles 18 and 28 of the United States Code, be held at the desk until further action is taken.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Howard Segermark and Peter Hughes of my staff be accorded the privilege of the floor during the consideration of H.R. 9005.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PROPOSED FEDERAL BAILOUT OF NEW YORK CITY

Mr. HARRY F. BYRD, JR. Mr. President, again I wish to express strong opposition to the Federal bailout for New York City. I think it would be a great mistake for the Federal Government to guarantee the bondholders against default. Investors, when they purchase securities, whether it be bonds or stocks, realize that risks must be taken, and they are paid for those risks in the interest rate which they receive from the issuer of the bonds.

New York City bonds, particularly the ones more recently issued, have had a very high tax-free income. A guarantee by the Federal Government against default by New York City on those bonds would give the bondholders a guarantee despite the high income which they have been receiving.

KREMLIN INTEREST KEEN IN SCHLESINGER DEPARTURE

Mr. HARRY F. BYRD, JR. Mr. President, I note today in the Washington Post a dispatch from Moscow under the byline of Peter Sosnos. The dispatch from Moscow begins thus:

> Nowhere else in the world is the departure of James Schlesinger from the Defense Department likely to be as closely watched—or as warmly received—as in the Kremlin.
>
> To the Soviets, Schlesinger was a powerful and persuasive opponent to détente in the highest reaches of the Ford administration. Publicly, Moscow assailed the defense secretary's policies. Privately, Soviet officials voiced alarm at each sign of his apparently increasing influence.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 4, 1975]

KREMLIN SAW DEFENSE CHIEF AS FOE

(By Peter Osnos)

MOSCOW, November 3.—Nowhere else in the world is the departure of James Schlesinger from the Defense Department likely to be as closely watched—or as warmly received—as in the Kremlin.

To the Soviets, Schlesinger was a powerful and persuasive opponent of detente in the highest reaches of the Ford administration. Publicly, Moscow assailed the defense secretary's policies. Privately, Soviet officials voiced alarm at each sign of his apparently increasing influence.

Just this weekend, the widely read magazine, Ogonyok, in an unusually detailed account of the strategic arms negotiations, blamed Schlesinger—"the representative of the interests of the military-industrial complex"—for posing new obstacles to a SALT accord.

The article said that Schlesinger was deliberately contradicting Secretary of State Kissinger's assertion recently that the arms pact was 90 per cent completed—one of the first specific references in the Soviet press to a policy split between the two men.

However, specialists at Kremlin think-tanks like the U.S.A. Institute and the Institute for International Relations and World Economics have been carefully following reported differences between Schlesinger and Kissinger for nearly a year.

These experts believed that to a large extent the future course of Soviet-American relations depended on whether Kissinger's approach to bargaining with Moscow prevailed over Schlesinger's harder-line stance.

The Defense Secretary's departure now is bound to increase Kissinger's prestige here, restoring the authority that he seemed to be lacking in recent encounters with the Soviet leaders.

The changes in Washington will also provide some badly needed good news for those in the top Soviet leadership who argue that detente, along the general lines of recent years, should be reaffirmed at the 25th Communist Party congress in February.

Over the past few months, as President Ford and even Kissinger appeared in speeches and press conferences to be sharply stiffening their rhetoric on matters such as Soviet interference in Portugal, the Kremlin stepped up its own attacks on "enemies of detente . . . gathering momentum" in the U.S.

That sort of sour exchange, combined with the problems in SALT, the Middle East and other areas, put strains on the superpower ties that at times appeared likely to overwhelm whatever mutual confidence and understanding has been achieved since the U.S.-Soviet Summit in 1972.

Fortunately, one success was achieved during these difficult months with the agreement on long-term Soviet grain purchases from the United States. This agreement assured Moscow the food supplies it badly needs and defused the controversial grain issue in

Washington, a satisfactory balance of interests for the two sides.

Grain, however, was one aspect of the U.S.-Soviet relationship that did not involve Schlesinger. Most other important Moscow-Washington negotiations touched on the Defense Secretary's responsibilities.

Hence, so long as Schlesinger seemed to be on the ascendancy in Washington, there was considerable doubt here about the possibilities of ever achieving a genuine compromise on the complex arms and disarmament questions that must be decided if international tensions are to subside.

The Kremlin's own military-industrial strategists presumably argued that the best answer to the Schlesinger hard line was an equally firm Soviet weapons policy.

Whether the Schlesinger resignation will lead quickly to a breakthrough in the SALT talks is hard to predict. But there is no doubt that the Soviet leader, Leonid Brezhnev, wants the pact, and the summit signing in Washington, completed before the party congress takes place.

The shuffle in Washington will certainly be regarded by the Kremlin as a step in the right direction.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. LEAHY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 10:31 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed without amendment the bill (S. 24) to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 7896. An act to amend sections 2734a (a) and 2734b(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the armed forces, and for other purposes;

H.R. 9432. An act to amend the Internal Revenue Code of 1954 in order to provide for quarterly payment, rather than annual payment, to the Government of the Virgin Islands of amounts equal to internal revenue collections made with respect to articles produced in the Virgin Islands and transported to the United States; and

H.R. 9915. An act to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of titles 18 and 28 of the United States Code.

The message further announced that the House has passed the following bills, each with an amendment in which it requests the concurrence of the Senate:

S. 240. An act to amend the Act entitled "An act granting a charter to the General Federation of Women's Clubs; and

S. 611. An act for the relief of Southeastern University of the District of Columbia.

ANNOUNCEMENT BY THE SECRETARY OF THE SENATE

In the CONGRESSIONAL RECORD of July 16, 1974, there appears a statement by the Senate joint leadership—Senators MANSFIELD and SCOTT—setting forth the following principles for the guidance of Senate staff personnel in participating in exchange programs abroad. The guidelines are as follows:

First. Their principal objective is educational;

Second. They serve to enhance the capacity of the Senate employee to perform his duties in the Senate and to serve the Government and people of the United States with greater understanding;

Third. Knowledge of the program is not withheld from the public;

Fourth. The staff employee, in every instance, participates only with the full awareness and approval of his employing Senator, committee or Senate officer;

Fifth. Reference in detail to the participation is inserted by the authorizing person in the CONGRESSIONAL RECORD.

Pursuant to these guidelines, as the authorizing officer, this is to announce the participation of Robert Dove, Assistant Parliamentarian, in a German exchange program beginning November 22, 1975, and continuing for 12 days thereafter, to be briefed in Bonn by members of the Foreign Office, the Bundestag, and the staff thereof on the legislative and executive system in the Federal Republic, as well as by members of appropriate governmental units in Berlin, Munich, and Hamburg.

A letter from the Senate Parliamentarian, the supervisory officer, follows:

NOVEMBER 3, 1975.

Hon. FRANK VALEO,
Secretary of the Senate,
Washington, D.C.

DEAR FRANK: As you know, Bob Dove has been invited by the German Embassy to participate in their on-going program of inviting key congressional staff to visit the Federal Republic for the purposes of studying the German relationship between the executive and legislative branches of government at all levels and discussing in detail the comparability between that relationship and the relationship as it exists in our system.

Having participated in the program almost four years ago in the first group that the Germans invited, I can state unequivocally that I found the principal objective of the program to be educational and thought that it certainly enhanced my capacity to perform my duties here in the Senate with greater understanding; therefore, I fully recommend that Bob be allowed to accept the invitation and to participate.

Sincerely,

MURRAY ZWEBEN,
Parliamentarian.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. LEAHY) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE ASSISTANT SECRETARY OF DEFENSE

A letter from the Acting Assistant Secretary of Defense transmitting, pursuant to law, a report of Department of Defense Procurement from small and other business firms for July 1974–June 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

AMENDMENTS TO THE BUDGET FOR THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

A letter from the Administrator of the Energy Research and Development Administration transmitting a summary of the effects of proposed amendments to its budget for the fiscal year 1976 on programs of the Energy Research and Development Administration (with accompanying papers); to the Committee on Appropriations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States reporting, pursuant to law, on the release of $16.5 million in impounded budget authority; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget, and ordered to be printed.

POSTPONEMENT OF REPORT OF THE SECRETARY OF AGRICULTURE

A letter from the Assistant Secretary of Agriculture announcing a postponement on the report of the Advisory Committee relating to the Special Supplemental Food Program for Women, Infants, and Children; to the Committee on Agriculture and Forestry.

REPORT OF THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, the second report on the Emergency Homeowners Relief Act (with an accompanying report); to the Committee on Banking Housing and Urban Affairs.

PROPOSED ACTS OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

Two letters from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, copies of two proposed acts adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF THE DEPARTMENT OF STATE

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the fourth quarter of fiscal year 1975 (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

Four letters from the Comptroller General of the United States transmitting, pursuant to law, reports entitled "Assessment of Overseas Advisory Efforts of the U.S. Security Assistance Program"; "Academic and Military Programs of the Five Service Academies"; "Assessing the Federal Program for Strengthening Developing Institutions of Higher Education"; and "Federal White-

Collar Pay Systems Need Fundamental Changes" (with accompanying reports); to the Committee on Government Operations.

REPORTS OF THE FEDERAL ENERGY ADMINISTRATION

Three letters from the Administrator of the Federal Energy Administration transmitting report respecting changes in market shares for petroleum products (with accompanying reports); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE DEPARTMENT OF STATE

A letter from the Deputy Secretary of State and the Deputy Attorney General transmitting a draft of proposed legislation to define the circumstances in which foreign states are immune from the jurisdiction of United States courts and in which execution may not be levied on their assets, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

Two letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered by the Service relating to suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

PROPOSED REGULATIONS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Five letters from the Executive Secretary to the Department of Health, Education, and Welfare transmitting copies of published regulations on aid-to-education programs (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, the third annual report of the Commission (with an accompanying report); to the Committee on Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. 2615. An original bill to provide for a volunteer reorganization of municipal debt under conditions of fiscal reform, and for other purposes (together with minority and additional views) Rept. No. 94–443).

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing and Urban Affairs, I report favorably a committee bill (S. 2615) to provide for a voluntary reorganization of municipal debt under conditions of fiscal reform, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with minority and individual views, and that the committee have until midnight tonight to deliver the copy for printing purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Harold F. Eberle, of California, to be a Deputy Under Secretary of the Treasury.

Marjorie Ward Lynch, of Washington, to be Under Secretary of Health, Education, and Welfare.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 7896. An act to amend sections 2734a(a) and 2734b(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the Armed Forces, and for other purposes; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. FANNIN:

S. 2608. A bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to the exhaustion of geothermal steam and geothermal resources. Referred to the Committee on Finance.

By Mr. CANNON:

S. 2609. A bill for the relief of Josie Dondich. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. ABOUREZK, Mr. McGOVERN, and Mr. PHILIP A. HART):

S. 2610. A bill to encourage the direct marketing of agricultural commodities from farmers to consumers. Referred to the Committee on Agriculture and Forestry.

By Mr. INOUYE:

S. 2611. A bill for the relief of Felipe Cardines Mejia. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 2612. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations. Referred to the Committee on Commerce.

By Mr. MORGAN (for himself, Mr. GARN, and Mr. TOWER):

S. 2613. A bill to amend the Small Business Investment Act of 1958, to change the title and duties of the Associate Administrator for Finance and Investment of the Small Business Administration, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. WILLIAMS:

S. 2614. A bill to amend the Regional Rail Reorganization Act of 1973. Referred to the Committee on Commerce.

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. 2615. An original bill to provide for a volunteer reorganization of municipal debt under conditions of fiscal reform, and for other purposes. Placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FANNIN:

S. 2608. A bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to the exhaustion of geothermal steam and geothermal resources. Referred to the Committee on Finance.

Mr. FANNIN. Mr. President, the bill I am introducing today is designed to provide the incentives necessary for the expeditious development of geothermal energy resources. Geothermal energy is an infant industry by comparison to existing, developed resources. Its potential for utilization in the near future and beyond is dramatic. However, in order for this potential to be realized, Congress must act to spur the development of our bountiful geothermal resources. The U.S. Geological Survey has classified about 2.9 million acres of land as rich in geothermal resources. Another 96 million acres are believed to be prospective geothermal resource areas.

The Congress has compiled a strong record in recent years in support of geothermal energy. In 1970 the Geothermal Steam Act became law. The Geothermal Research, Development and Demonstration Act of 1974 provided the Energy Resource and Development Administration with certain responsibilities in the promotion of geothermal activities.

Mr. President, my colleagues in the Senate continue to consider legislative action in this particular energy area. In recent months, the Finance Committee has taken favorable steps in the area of geothermal energy during its deliberations of H.R. 6860, the Energy Conservation and Conversion Act of 1975. The Interior Committee has drafted a loan guarantee program for the development of synthetic fuels as well as facilities for power generation from geothermal deposits.

Mr. President, I believe it is important to keep in mind that geothermal and synthetic fuels are distinctly different sources with equally distinct developmental problems. Synthetic fuel programs are complex undertakings with many technological difficulties to overcome before commercial production is economically feasible.

On the other hand, geothermal enery as a natural resource is available for commercial development at the present time. While technological problems presently exist in the development of certain geothermal sites, they are insignificant by comparison to those confronting synthetic fuel development. The major stumbling block at the present time is the lack of adequate incentives for the investment of capital in geothermal resources.

Congress has correctly identified geothermal as a potential source of future energy. However, we have not done enough. The steps already taken assist the geothermal industry only if one should develop. We now must take appropriate action to spur the production of geothermal steam and associated resources. The bill I have introduced today adresses this initial problem so that this infant energy industry will take hold and begin producing the energy our Nation needs.

Mr. President, my bill is designed to provide the investment incentives necessary to attract adequate capital to the geothermal industry. This would be achieved by granting a deduction from taxable income of 25 percent of the gross income from the property and allowing the current deduction of exploration expenses as well as intangible drilling and development costs. These incentives must be enacted if our plentiful geothermal resources are to be developed.

It is my view that the long-range interests of our Nation would be served by passage of this bill. Our increasing dependence on foreign energy sources and our dwindling domestic energy production is of grave concern to me. I am certain all of my colleagues share this concern. Geothermal energy is a domestic source of energy in its purest form. Its unhindered development will provide an important thrust toward energy independence, thereby enhancing our national security.

As I stated previously in these remarks, the principal stumbling block to the development of geothermal as a major source of energy is the lack of incentives for capital investment. My colleagues are familiar with the severe capital shortage already existing in this country. It is clear that without additional incentives legislated by the Congress, geothermal resources will not be developed to their full potential. For this reason I offer my bill.

Mr. President, the Senate Finance Committee has been privileged to have testimony from an eminent geologist, Dr. Carel Otte, an acknowledged expert in geothermal matters. I ask unanimous consent that Dr. Otte's testimony submitted on July 18, 1975, to the Finance Committee be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATEMENT OF CAREL OTTE

Mr. Chairman and Members of the Committee: The prompt development of geothermal energy can be of major importance in meeting the future energy needs of the nation. It is urged, therefore, that in its consideration of H.R. 6860, the Energy Conservation and Conversion Act of 1975, the Committee consider appropriate legislation designed to assist and promote the development of geothermal energy.

BRIEF HISTORY OF GEOTHERMAL ENERGY DEVELOPMENT

The only major U.S. geothermal energy development is The Geysers field located about 90 miles north of San Francisco in California's Sonoma County. The development began in 1960 with a 12.5 megawatt generating plant. In 1973, it became the largest geothermal development in the world, with a capacity of 400 megawatts. The installed generating capacity now exceeds 500 megawatts, sufficient to supply electrical requirements of a city of 500,000. The Geysers eventually is expected to achieve a capacity of more than 1,500 megawatts, but it will have required more than 20 years to achieve it.

Other areas which have promise for early development in the near future—given the needed incentives—are in north central New Mexico and the Imperial Valley of California, and active exploration is also being carried on in other parts of California and New Mexico and in Nevada, Oregon, Idaho, Utah and Arizona. The geopressured areas of Louisiana and Texas hold promise for the longer range future.

Everything accomplished in the geothermal energy field up to the present time has been financed by private companies. There have been no grants or encouragement from the Federal government; however, although The Geysers itself is of commercial significance, the industry is still clearly in its infancy.

PRACTICAL UTILIZATION AND POTENTIAL ROLE IN NATIONAL ENERGY PICTURE

Geothermal energy undoubtedly has the potential for a fairly wide range of use in coming decades, and even today in some nations it is utilized for space heating and industrial process heat, such as in the New Zealand paper industry. However, the immediate and near-term practical use in the United States is and will almost certainly continue to be primarily for electrical power generation. A pound of steam from the earth is indistinguishable from a pound of steam from a fossil-fuel-charged boiler and has been proven to be as effective in powering conventional electrical generating equipment.

The outlook for geothermal energy production has been studied extensively in recent months by the Federal Interagency Panel for Geothermal Energy Research, the Energy Research and Development Administration and its industry liaison group. The consensus emerging from this review of all factors is that there is the geological opportunity for up to 20,000 megawatts of electrical generating capacity by 1985. Indeed, the Project Independence report has set this 20,000 megawatts as a 1985 goal for the nation. Such capacity—equal to 5% of current national electrical capacity—represents the equivalent of almost 300 million barrels per year of low sulfur crude oil. And this amount of energy could be developed in an acceptable environmental manner.

But there are tremendous economic barriers which this industry must overcome: the tremendously high costs of drilling for geothermal deposits in hard rocks, with high temperatures and corrosive fluids; the very large capital investments required over several years before revenues can begin for a geothermal project; the requirement for drilling many replacement wells at each development site to maintain a constant stream of energy; and the present discouraging Federal income tax treatment.

The projected investment for achieving the 1985 goal includes the costs of drilling at least 800 exploratory wells and 6,000 development wells at a minimum cost of $500,000 per well, or a total of $3.4 billion in 1975 dollars in drilling costs alone. Depreciable investment in hook-up facilities will add another $2 billion. Moreover, some 2,000 replacement wells will be required, with the attendant depreciable investment, bringing the total investment requirement to about $10 billion.

TAX CONSIDERATIONS

It is extremely unlikely that the 1985 goal of 20,000 megawatts of geothermally-generated electric power will be achieved unless encouraging tax legislation is enacted and tax incentives thereby clearly established.

At the present time the Federal income tax treatment of geothermal well costs and production is in doubt. In spite of the decision of the Circuit Court of Appeals in the *Reich* and companion cases (*Reich et al.* v. *Commissioner*, 454 F. 2d 1157 (9 Cir. 1972), affirming 52 T.C. 700 (1969)) and the clear scientific evidence that geothermal energy is an exhaustible natural resource, the national office of the Internal Revenue Service is disallowing intangible drilling cost treatment and percentage depletion in respect of all geothermal activity and has announced its intention to press its position in the courts.

Discouraging uncertainty has resulted from this IRS position, and geothermal development is consequently being held back. Loss of the right to expense intangible drilling costs would itself involve an estimated $2.5 billion in after-tax costs to the industry in achieving the 1985 goals.

As a fledgling industry, geothermal energy must compete with the lowest cost alternative energy available to electric power utilities. In the west, where geothermal resources are most prevalent, the alternative is low-cost, strip mined coal. Loss of percentage depletion and the right to deduct intangible drilling and development costs for geothermal energy would mean that many of the geothermal resources needed to achieve the 1985 and later goals would be noncompetitive with coal and other alternative sources of energy which have the benefit of more favorable tax treatment. As a result, the nation's geothermal resources would remain largely undeveloped.

The language included in the Tax Reduction Act of 1975, as enacted, will not provide a satisfactory solution because of expressed Congressional intention, as evidenced in the report of the House Ways and Means Committee on this subject (93rd Congress, 2nd Session, House of Representatives Report No. 93–1502, p. 54). The Ways and Means Committee, after referring to the probability of future litigation of the tax issues, indicated that no inference was to be drawn from the language of the Act that the depletion deduction for geothermal steam under present law had been approved by the Committee or by Congress, and further stated that the issues peculiar to geothermal steam should be considered at a later time.

Thus, because of the present position of the Internal Revenue Service and the need of this infant high-cost industry for assured tax incentives, specific legislation is now required. It is proposed that the Congress adopt an amendment to the Internal Revenue Code to provide percentage depletion and to provide for the current deduction of intangible drilling and development costs for geothermal energy. It is further proposed that such amendment include the option to expense geothermal exploration costs, similar to such treatment now applicable to mining exploration costs.

A copy of proposed draft legislation to accomplish these objectives is attached.

CAREL OTTE,
Vice President, Geothermal Division,
Union Oil Company of California.

Mr. FANNIN. Dr. Otte points out that today there is only one major U.S. geothermal energy development in the United States. "The Geysers" field located about 90 miles north of San Francisco was developed beginning in 1960 with a 12.5 megawatt generating plant. By 1973 it had become the largest geothermal development in the world. Its installed generating capacity now exceeds 500 megawatts, sufficient to supply electrical requirements of a city of 500,000. This project can be duplicated elsewhere if adequate capital can be attracted.

The United States has many areas of known geothermal deposits available for development. While most of these known fields are located in the Western part of the Nation, their commercial development would release other energy resources presently utilized in the West for use elsewhere.

The outlook for geothermal energy production has been studied extensively in recent months by the Federal Interagency Panel for Geothermal Energy Research, the Energy Research and Development Administration and its industry liaison group. From a review of all factors it appears that the geological opportunity exists for generating up to 20,000 megawatts of electrical engineering capacity by 1985. The Project Independence report has set the amount of 20,000 megawatts as a 1985 goal for the nation. This is the equivalent of 5 percent of current national electrical capacity and represents the equivalent of almost 300 million barrels per year of low sulphur crude oil.

This goal is obtainable, only if there is a great expansion of exploration and development. As of July 1975, there have been 38 geothermal wells drilled in the United States. It is projected that there will be another 12 wells developed this year making a total of 50 wells at the end of 1975.

Present plans call for the drilling of approximately 75 geothermal wells in 1976. In order to achieve the 1985 goal of 20,000 megawatts there would have to be drilled at least 800 exploratory wells and 6,000 development wells at a minimum cost of $500,000 per well. This amounts to a total of $3.4 billion in drilling costs alone.

It is unreasonable to believe that this 1985 goal will be achieved without Congress providing additional incentives for investment.

The revenue impact of enacting this bill would be minimal. Based on current expectations of geothermal activity it is anticipated that the total reduction of revenues in 1976 should not exceed $20 million. On the other hand, it is probable that the revenues from commercial development of geothermal resources will greatly exceed the $20 million estimated cost of this incentive.

Mr. President, the substance of this legislation has been previously approved by the Senate in H.R. 2166 during the 93d Congress. Unfortunately, these provisions were eliminated in conference with the House. In adopting this proposal, the Senate would be repeating its previous commitment to this alternative energy source.

I believe it is important to note that the administration has gone on record in favor of this additional incentive.

Mr. Donald B. Craven, Acting Assistant Administrator, Energy Resource Development, Federal Energy Administration, in a letter to Mr. Karl S. Landstram of Arlington, Va., clarified this support. I ask unanimous consent that Mr. Craven's letter be printed in the RECORD at this point.

In addition, I recommend to my colleagues an article from the January–February 1975 issue of Engineering and Mining Journal entitled "Geothermal Energy: Slow-growing Industry Finally Heats Up." This article is an excellent background resource. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., June 13, 1975.

MR. KARL S. LANDSTROM,
Arlington, Va.

DEAR MR. LANDSTROM: Mr. Zarb has asked me to thank you for your letter of April 14, 1975, regarding the tax treatment of income derived from geothermal resource exploitation.

We have determined that income derived from geothermal development should be accorded the same tax treatment as income derived from oil and gas exploration and development. Accordingly, we feel that the percentage depletion allowance should apply to geothermal resource exploration and development to the same extent it applies to oil and gas exploration and development.

By the same token, we have taken the position that intangible drilling and development costs for geothermal resource exploitation obtain the same treatment accorded such costs in the case of oil and gas drilling and development. We have made our views in this area known both within and without the Administration. We hope that legislation will soon be passed putting the tax treatment of geothermal resource development on a par with the tax treatment of oil and gas drilling and development.

Thank you for your interest in these matters.

Sincerely,

DONALD B. CRAVEN,
Acting Assistant Administrator, Energy Resource Development.

GEOTHERMAL ENERGY: SLOW-GROWING INDUSTRY FINALLY HEATS UP

(By Robert L. Fuchs and Gerald W. Huttrer)

The stepped-up tempo of geothermal developments in 1974 made it a milestone year for the industry. A significant increase in exploration and development of geothermal energy sources was accompanied by a growing public awareness of the potential of this fledgling business.

On a very minor scale, geothermal usage began over a century ago, when the earth's internal heat was used in a few scattered localities for space heating.* Geothermal generation of electricity began in 1904, when steam from fumaroles at Lardarello, Italy, was used to drive a small turbogenerator that lit five electric bulbs. Since then, development of geothermal energy as a significant energy source has proceeded at a snail's pace, impeded by the abundance, portability, and low cost of fossile fuels. At the end of 1973, geothermal sources were used to generate electricity in minor amounts in only eight countries.

However, various economic, political, sociological, and technical factors, evolving over a period of years, culminated in 1974 in a spurt of growth for geothermal energy. The stimuli came from:

Potential unavailability of certain important fuels. The onslaught of the energy crisis in 1974 brought a realization of the stark truths of the reserve-production picture for fossil fuels: the classic patterns of power sources, transport, and consumption have been or soon will be disrupted. Large industrial users of power, becoming anxious about the future availability of public utility power, have turned directly to geothermal exploration as one means of assuring future energy supplies.

Need for environmentally acceptable US energy sources. Because geothermal resources production involves minimum disruption of the environment, this energy form is relatively clean in comparison with power generated from fossil fuels. Those problems which do exist with geothermal energy, such as noise pollution and brine disposal, have not appreciably tarnished its environmental appeal.

Dramatically escalating cost of fossil/nuclear power. Power generation from geothermal energy has a definite cost advantage over fossil fuels and nuclear power. In the capital sector, geothermal plant costs are at the low end of the spectrum, as indicated in Fig. 1. In the operating sector, steam costs have risen somewhat—in parallel with the recent multifold increases in fossil fuel costs—but still remain below coal and petroleum costs on a Btu basis. However, those steam price increases which have occurred have stimulated geothermal exploration in recent months.

Initial availability of Federal land. Federal lands first became available for geothermal exploration in January 1974, when the Geothermal Steam Act of 1970 was implemented. In the most prospective portion of the US—the West—75% of the land is held by the government.

It is becoming apparent that a long-term restructuring is needed in the energy sector of the natural resources system. The future value of coal and petroleum as chemical building blocks (higher usage) will preclude their consumption in boilers and internal combustion engines (inferior usage). Civilization will rely increasingly upon energy sources that do not have higher applications—solar, nuclear, wind, wave, and geothermal. While the upsurge in geothermal activity during the past year mainly reflects short to medium term factors, a long term trend is developing that should ultimately establish geothermal energy as an important source of power in many parts of the world.

STEAM ACT OPENS UP RESOURCES ON FEDERAL LAND

The Geothermal Steam Act (Public Law 91-581) was enacted in December 1970, authorizing the leasing of Federal land for development of geothermal resources. However, implementation of this act has been a lengthy, bureaucratic process. Proposed leasing and operating regulations were published in July 1971, revised in November 1972 and July 1973, and corrected again in August 1973. Draft Environmental Impact Statements (EIS) were released in October 1971 and supplemented in May 1972. The final EIS was published on Oct. 23, 1973, and the Federal leasing regulations for competitive and noncompetitive filing were put into effect on Jan. 1, 1974—more than three years after passage of the original Steam Act! As yet, however, not a single acre of Federal land has been leased under noncompetitive filing.

Under the Geothermal Steam Act, Federal lands are categorized as being either in or out of Known Geothermal Resources Areas (KGRA). Areas designated as KGRA's are leasable only by competitive bid, while areas outside of KGRA's are available noncompetitively. KGRA's can be created by the Bureau of Land Management upon advice of the US Geological Survey or by "evidence of competitive interest" in an era, as shown by the filing during any one month of noncompetitive lease applications overlapping one another by 50% or more. A number of areas will fall within this statutory provision due to overlapping filings in 1974.

Prior to implementation of the Steam Act in January 1974, all geothermal leasing was restricted to fee and state lands. Strong interests in targets on Federal lands was shown after Jan. 1, 1974, with 2,456 applications for noncompetitive leases filed during January in the 11 western states (see Table 1).

TABLE 1.—APPLICATIONS FOR NONCOMPETITIVE FEDERAL GEOTHERMAL LEASES

[Filed in January 1974 in 11 Western States]

State	Number of applications	Approximate area (in acres)	Percent of total January filings
California	528	1,070,000	21.5
Oregon	458	1,000,000	18.6
Nevada	433	900,000	17.7
Idaho	265	580,000	10.8
New Mexico	274	630,000	11.2
Utah	207	450,000	8.5
Washington	151	340,000	6.1
Colorado	64	120,000	2.6
Montana	55	100,000	2.2
Arizona	18	40,000	0.7
Wyoming	3	6,000	0.1
Total	2,456	5,236,000	100.0

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*An in-depth historical summary is provided by *Geothermal Energy*, endited by P. Kruger and C. Otte.

TABLE 2—SELECTED 1974 KGRA SALES

Area	High bid (gross value)		High bid (per acre)	
	Company	Amount	Company	Amount
Geysers, Calif.[1]	Shell Oil	$3,200,000	Natomas Oil	$3,297.00
Mono-Long Valley, Calif.[2]	Republic Geothermal	515,767	Republic Geothermal	210.00
East Mesa, Calif.[2]	do	432,810	do	170.00
Vale, Oreg.[3]	do	13,831	do	10.25
Roosevelt, Utah[4]	Phillips Petroleum	314,200	Philips Petroleum	128.06
Brady, Nev.[5]	Southern Union Production	15,108	Geothermal Res. Int	10.16

[1] Proven field.
[2] Existing high temperature water wells.
[3] Boiling springs in area.
[4] Shallow steam well exists.
[5] Several steam/water wells exist.

In February, lease applications in California, Idaho, Oregon, and Nevada dropped to approximately 45% of the January volume. Since then, the number of monthly filings has declined gradually; only 10 or so have recently been received in each state per month. The decrease in Federal lease applications is partly attributable to the fact that no noncompetitive leases have been issued to date: in addition, most exploration groups are evaluating those lands already applied for and are adjusting applications to hold the best possible land position when leases are issued.

As of mid-October 1974, competitive KGRA sales had been conducted in California, Utah, Oregon, and Nevada. Selected results of these sales are presented in Table 2, which indicates that those interested in geothermal competitive leasing are primarily large oil companies and certain specialized geothermal companies. Significantly, in highly prospective areas such as The Geysers Field of California, industry is willing to enter multi-million-dollar bids.

There is at present a continuing dispute over whether geothermal resources are water or mineral. The most recent decision in this matter was handed down on Oct. 30, 1973 in the US District Court for the Northern District of California. This decision, in the case of *United States vs. Union Oil Co. of California et al.*, held that geothermal resources are waters belonging to the owner of the surface and/or the water rights on a certain property. Since the loser in this case —the US government—has appealed the decision, the ultimate legal status of the resource remains somewhat undecided. If the decision is upheld, as anticipated by most experts in the geothermal field, modification of water laws will be required by several states, to realistically encompass geothermal resources.

GEOTHERMAL EXPLORATION USES VARIETY OF TECHNIQUES

In the early days of geothermal exploration, the primary technical parameters were thermal manifestations such as hot springs, fumaroles, and mud volcanoes—paralleling the early history of mineral and petroleum exploration, in which surface indications and seepages played the commanding role. Modern geothermal exploration uses various techniques developed to facilitate the assessment of blind targets, as well as those with obvious thermal evidence. Exploration techniques include:

TABLE 3.—*Geothermal wildcats (outside of Geysers KGRA)*

AREA, COMPANY, WELL NAME

1972

Imperial Valley, Calif:

Magma-San Diego Gas & Elec: Magmamax 1, Dearborn 1, Sharp 1, Woolsey 1, Holtz 1, Holtz 2, Magmamax 3, Magmamax 4.

U.S. Bureau of Reclamation: Mesa 1.

Calif. Dept. of Water Res.: Dunes 1.

Chevron Oil: Nowlin Partnership 1.

Mendocino County, Calif.: Sun Oil; Torchio-Ferro.

Lake County, Calif.: Getty Oil; Kettenhafen 1 (deepen). E. B. Towne, Sullivan 1.

Steamboat Springs, Nev.: Gulf Oil.

Surprise Valley, Calif.: Magma; Phipps 2.

1973

Imperial Valley, Calif.: Magma; Mary Casey 1, Bonanza Farms 1, Fed-Rite Bonanza 1, KK Sarph Farms Inc., Sharp 3, Bonanza 2.

Chevron Oil: Nowlin Partnership 2.

Phillips Oil: Sinclair 3, Sinclair 4.

U.S. Bureau of Reclamation, Mesa 2.

Lake County, Calif.: Pacific Energy Corp.; Kettenhofen 1 (deepen). E. B. Towne, Sullivan 2.

Mendocino Co., Calif.: Sun Oil-Al Aquitaine.

Sonoma County, Calif.: Signal Oil; Bianchi 1.

Surprise Valley, Calif.: Gulf Oil; SV-1 ST, SV-2 ST.

Honey, Lake, Calif.: Gul Oil; Honey Lake 1, Honey Lake 2.

Lakeview, Oreg.: Gulf Oil; Favell-Utley-1-ST.

Chandler, Ariz.: Geothermal Kinetics; Power Ranches 1, Power Ranches 2.

Chocolate Mtns., Calif.: QB Resources.

1974 (to August 31)

Imperial Valley, Calif.: Chevron Oil; J. D. Jackson, C. B. Jackson, Hulse.

U.S. Bureau of Reclamation: Mesa 5-1, Mesa 8-1, Mesa 3-1.

Magma: Elmore 1.

Mendocino County, Calif.: Sun Oil; Macii-State, Torchio-Ferro 2.

Plumas County, Calif.: Phillips Oil; Filippini A-1.

Surprise Valley, Calif.: American Thermal Resources; ATR-1, ATR-2, ATR-3.

Magma: Phipps 2 (deepen).

Valles Caldera, N. Mex.: Atomic Energy Commission; -1, -2.

Union Oil: Baca 11, Baca 12.

Brady, Nev.: Union-Magma; SP-1. Phillips-Southern Pacific, Desert Peak 1-29.

Indian Hot Springs, Ariz.: Nix Drilling Co.

Pine Farms, Ariz.: Geothermal Kinetics-Amax; Pima Farms 1.

Oreana, Idaho: Anschutz Corp. (O & G).

Raft River, Idaho: Griffith.

Beowawe, Nev.: Chevron-ATR; Ginn.

Brigham City, Utah: Geothermal Kinetics-Utah; Steam Ventures. Power & Light, Davis 1.

Canby, Calif.: Geothermal Power Corp.; Kelly Hot Springs 1.

Marysville, Mont.: National Science Foundation.

San Luis Valley, Colo.: Mid-American Pipeline Co.

Hot Lake, Oreg.: Magma.

Regional fabric studies. The relatively recent availability of Earth Resources Technology Satellite (ERTS) photographs and images of all parts of the world has greatly enhanced the ability to study large-scale geological structural patterns. Utilization of ERTS data reveals large lineaments, circular volcano-tectonic features, structural trends, intersections and the regional extent of various tectonic patterns. Since geothermal emanations are most commonly localized along zones of crustal weakness and/or movement, delineation of such zones is a primary goal.

Gravity/magnetic surveys. In addition to the application of ERTS image evaluation, indirect geophysical tools such as gravity and magnetics are used to assist in developing the broad structural and stratigraphic picture of an area of geothermal interest. Gravity/magnetic surveys are conducted after identification of areas of interest by other techniques (ERTS, surface mapping, air photo interpretation, etc.). Improvements in instrumentation and in survey techniques have upgraded the reliability and applicability of gravity/magnetic surveys. However, interpretive ambiguities preclude their utilization as a specific locator of geothermal prospects.

Passive seismic studies. Economic geothermal fields are often characterized by abnormally intense microearthquake activity and ground-noise spectra. It is believed that these phenomena are caused by ground and fluid movements, created in the vicinity of live geothermal cells by abnormal thermal stresses. By accurately locating micro-earthquake hypocenters, the open conduits required for convection within geothermal cells can be defined. Recent electronic refinements in seismograph sensitivity, data recording, and computerized seismic signature analysis have enabled faster, more accurate mapping of geothermally interesting fracture patterns. As a result, microearthquake and seismic noise surveys are popular for both semi-reconnaissance and detailed prospecting.

Electrical methods. Because the presence of geothermal heat is known to affect local electrical conductivity and electromagnetic fields, various types of electrical resistivity, self-potential, and electromagnetic surveys can be used to help map geothermal targets. In the last few years, improvements in electrical switching and generating equipment and increasingly sensitive detection devices, plus more computer-assisted interpretive experience, have made electrical exploration tools more effective.

Ground water geochemistry. Geochemical analysis of ground waters (both thermal and nonthermal) is helpful in assessing the possible base temperatures in an area and in studying the regional ground water regimen. Information on base temperatures is of primary concern in geothermal exploration, while data on ground water regimen are vital in understanding the reservoir characteristics of a potential geothermal field. Studies spearheaded by the US Geological Survey have greatly increased comprehension of the chemical makeup of hot water and hot water-steam systems. Geothermal exploration companies often use published data on this subject to help evaluate the relative merits of hot springs and to rank the potential of various geothermal target areas.

Direct heat detection. One exploration field method favored by some geologists involves measurement of heat flow, temperature gradients, and infrared emission characteristics of a region. While the average heat flow throughout the world is 1.5 HFU (Heat Flow Units in microcalories per sq cm per sec), the western US (specifically parts of the Basin and Range province) exhibits 2.0 to 2.3 HFU, with local heat anomalies over 20 HFU. To discover such hot spots, published data are supplemented by field measurements of heat flow and temperature gradient. Interpretation of infrared thermal emission data is improving, and this technique may in the future become sufficiently sophisticated to penetrate the background (solar radiation, vegetation, cultural features, etc.) and detect hidden thermal features.

WILDCAT DRILLING IS ON THE UPSWING

While the number of wildcat holes drilled for geothermal energy is insignificant when compared with the volume of oil and gas tests, the rate of geothermal tests has been increasing significantly. Drilling in 1973 was up 44% over the 1972 level, and the first eight months of 1974 showed a 22% increase over the full year 1973.

Wildcat geothermal tests drilled outside of The Geysers KGRA during 1972, 1973, and 1974 are listed in Table 3. Although some borings in the Imperial Valley of California and Beowawe and Brady, Nev., cannot be called rank wildcats, most of the remaining tests probed previously unproven ground. Among the most significant of these recent wildcat geothermal tests are:

The AEC experimental holes in the Valles Caldera at Jemez, N. Mex.

The 1973–74 Geothermal Kinetics Inc. wells at Chandler, Ariz. and near Brigham City, Utah.

The NSF-sponsored "hot-dry rock" hole at Marysville, Mont.

The Union Oil Co. discovery in the Valles Caldera.

The AEC holes are being drilled within a Pleistocene volcanic caldera to test the feasibility of creating a geothermal heat exchange system in situ, perhaps utilizing innovative rock fracturing techniques. Success would mean the possibility of creating useful geothermal systems in hot areas that lack sufficient natural fluids and adequate reservoirs.

The Geothermal Kinetics wildcat wells in Arizona and Utah represent the end stage of grass roots exploration in areas previously unrecognized as having geothermal potential. The commercial feasibility is yet to be decided

The NSF-sponsored well at Marysville, Mont., tested the applicability of some geophysical techniques to the delineation of a heat source in an area devoid of surface thermal phenomena. Temperatures in the test bore increased dramatically in the upper part of the hole, then remained steady, and finally decreased significantly with depth. Though the well was collared in granitic rock, metasediments were eventually encountered, and a hole that was expected to be dry ended up making considerable water. The negative results of this project indicate the need for continued research into indirect geothermal prospecting methods. The well will serve as a laboratory to generate nonproprietary information on the correlation of surface and subsurface data.

The Union Oil Co. wells in the Valles Caldera, N. Mex., penetrated what appears to be the second economically viable geothermal field in the U.S. Although available data are few, it seems likely that a steam or steam-water powered generating plant will be built in the near future. This discovery, coupled with The Geysers Field and the potentially viable areas in California's Imperial Valley, virtually insures the removal of geothermal resources from the "exotic fuel" category.

Significantly, wildcat geothermal drilling is testing additional geothermal areas each year, and an increasing number of companies are wildcatting rather than working in or near previously drilled areas, as indicated in Table 4. In this infant industry, moves into virgin regions are very important in terms of initiative and risk acceptance.

TABLE 4.—EXPLORATION DRILLING IN UNITED STATES BY AREA

Region	1972	1973	1974 (to Aug. 31)
Imperial Valley, Calif	11	10	7
Geyers (step-outs)	3	4	2
Surprise Valley, Calif	1	2	4
Beowawe, Nev			1
Brady, Nev			2
Steamboat Springs, Nev	1		
Arizona		2	2
Canby, Calif			1
Chocolate Mountains, Calif		1	
Honey Lake, Calif		2	
Idaho			2
Marysville, Mont			1
New Mexico			4
Oregon		1	1
Colorado			1
Sierra Valley, Calif			1
Utah			1
Total	16	22	30
New areas	0	4	9
Companies wildcatting for first time		6	10

HOW GEOTHERMAL POWER GENERATION IS GROWING

Electrical power generation using geothermal energy began in the US in 1960, when the first Geysers unit put 11 megawatts (Mw) on stream. In the subsequent 14 years, nine additional units, ranging in size from 13 Mw to 53 Mw, have gone into service, bringing today's capacity to 396 Mw. Environmental legislation permitting, it is anticipated that 106 Mw will be added in January 1975, 216 Mw in 1976, 190 Mw in 1977, and 110 Mw in 1978, raising Geysers production to 1,018 Mw by 1979. Pacific Gas and Electric Co. believes that the ultimate capacity of The Geysers Field may approach 2,000 Mw. (By comparison, the capacity of a modern large nuclear plant is 1,000 Mw.)

Until recently, producers at Geysers (Union-Magma-Thermal Power) received payment for steam at the rate of 3 mills per kwh. Because steam prices are tied to the cost of competitive fuels, the current 3.73-mill rate is forecast to escalate to about 7 mills by 1975.

Currently two new geothermal fields are believed to be entering the development/production phase. Union Oil's geothermal field at Jemez, New Mex., in the Valles Caldera appears to be viable, and unconfirmed reports indicate that a 50- to 110-Mw plant is planned initially. At Heber in the Imperial Valley of California, Chevron Oil Co. is proceeding with development plans that may include the installation of a 50-Mw binary production system.

Additional production schemes may emerge from the Imperial Valley, long an area of geothermal activity and a vast storehouse of thermal energy. High salinities (330,000 ppm) of some Imperial Valley waters require special engineering and handling. The consortium of San Diego Gas and Electric and the Magma Companies has been investigating the feasibility of generating electricity by the Magmamax method, a binary process whereby the heat from geothermal fluids is transmitted to a turbine using an intermediate low boiling point liquid as a carrier within a closed circuit. Members of the consortium recently stated that construction of a generating plant at Niland appears feasible and economically justified.

The scheduled price increase for steam at The Geysers is a portent of improved geothermal economics. The artificially high petroleum price levels imposed by exporting nations have made geothermal energy competitive on a cost basis. Barring a return to 1972 petroleum prices—a highly unlikely development—geothermal energy will continue to offer an economically attractive alternative for power generation.

While electric power generation will continue to be the main use of geothermal energy, nonelectrical applications on a local basis should get a boost from the long term outlook for fossil fuels. Geothermal energy is now being used for space heating on a large scale in Klamath Falls, Ore., and in Boise, Ida., and on a small scale in other scattered areas of the West. Rapid development of underground heat resources in Iceland has made them this country's primary energy source. Other applications of geothermal energy include hothouses, swimming pools, therapeutic centers, and refrigeration. In Japan, geothermal power is the prime energy source at one lead-zinc plant. The identification of small, low-enthalpy fields will spur local uses.

WHAT LIES AHEAD FOR THE GEOTHERMAL INDUSTRY?

By nearly every parameter, 1974 was the landmark year in development of geothermal energy. Growth of this infant industry will command increasing attention from the existing main sectors of the natural resources industry—mining and petroleum. Significantly, geothermal energy technology lies between these two sectors, employing various operation unique to either petroleum or mining. As a result, considerable interplay between the mining and petroleum communities will occur as the problems of geothermal energy are met and resolved.

Meanwhile, geothermal development will not proceed at an unchecked pace, as it must overcome significant constraints in the areas of exploration, drilling, completion, and production.

GEOTHERMAL ENERGY: THE CHALLENGES THAT LIE AHEAD

(By Robert L. Fuchs and Gerald W. Huttrer)

While geothermal energy is experiencing a significant increase in the tempo of exploration and development, further expansion of the industry will be slowed by problems that arise largely from its pioneering nature. Finding solutions to these problems is both a challenge and an opportunity for earth scientists and engineers.

The obstacles to geothermal energy development are varied in nature:

Technical. Most of the problems affecting the industry are technical in nature. The few commercial geothermal fields now in production may be viewed as technically unique occurrences that required customized approaches to development. Much of the operating manual for geothermal exploration, drilling, completion, and production is still being written. Hardware and software to meet every application have yet to be developed. In some instances, technical problems remain unresolved due to gaps in the state of the art. In other instances, solutions lie in petroleum, mining, or chemical technologies that have not yet been recognized as applicable to a particular problem in the geothermal field.

Political. Geothermal progress has been hindered by unresolved questions about land use and property rights. Also in the political sphere, the mechanism of government has moved exceedingly slowly in matters of regulation, taxation, and overall policy for geothermal energy.

Economic. The economic questions that face the industry stem from unanswered technical problems or from the absence of any significant established cost history. The situation in regard to competing fuels weighs heavily upon geothermal economics.

Educational. Earth scientists, engineers, landmen, administrators, and operating personnel have not obtained their geothermal expertise through formal courses of study, nor are there textbooks devoted to geothermal energy instruction. Professional associations and universities, recognizing the educational gap, have begun offering seminars and short courses, but trained personnel will be in tight supply for some time.

Sociological. Although the geothermal industry must function in the public domain, few laymen are aware of the nature of this energy source or the special aspects of its discovery and utilization. The ability of the geothermal industry to share land with established users such as agriculture and forestry must be emphasized. Geothermal power plants now operating in Italy and New Zealand demonstrate the possibilities for coexistence with agriculture.

Fortunate, the obstacles to geothermal progress can be attacked without creating entirely new scientific and business disciplines. Geothermal energy is an interesting hybrid, incorporating certain aspects of petroleum, mining, chemicals, and electric power generation (see table). These four industries have developed much of the know-how that is needed to solve geothermal problems. Geothermal exporation combines the subsurface techniques of petroleum geology with the hydrothermal concepts and geophysical tools of mining. Drilling and completing steam wells is based largely upon a hundred years of expertise built up in the oil and gas business. The handling of hot, corrosive brines under pressure is commonplace in the chemical industry. Electricity generation and transmission is the sole business of electric utilities and equipment suppliers.

The numerous constraints on geothermal expansion thus appear to be manageable largely within known technological and business procedures. What is needed in a concerted effort to apply these procedures to geothermal problems. Until recently, there has been little economic incentive to synthesize the expertise from a number of diverse industries for application to geothermal energy. However, the extreme concern over the future of conventional energy sources has put the spotlight on development of alternative resources, including geothermal energy.

EXPLORATION HINGES ON SECURING PROPERTY RIGHTS

The ability to acquire adequate property rights with clear title at minimum cost is essential to high-risk exploration. This basic building block has proved elusive to geothermal explorers.

The industry has faced problems both in the availability of land and an acquiring title to the hidden resource. The vast land holdings of the Federal government, which account for 75% of the surface area in the western US, fall under the Geothermal Steam Act of 1970. Implementation of that act, designed to make Federal lands available for geothermal leasing, took more than three years. The first noncompetitive lease filings and competitive sales took place in January 1974. However, while noncompetitive applications have been accepted, only one token acreage award in this category has been made made!

Efforts to obtain title to land for geothermal development are complicated because the fundamental nature of the resource is in question: Is geothermal energy gas, water, mineral, or a unique substance? A firm answer to this question will establish title with either the surface owner, the mineral rights owner, or the holder of the water rights. Litigation now underway in the U.S. District Court for the Northern District of California will hopefully resolve this issue. Meanwhile, enterprising geothermal operators leasing private lands have attempted to insure clear title by obtaining overlapping leases from each of the various rightholders where there is divergence of ownership.

For the petroleum and mineral industries, land acquisition customs and procedures have been well established through years of usage. In petroleum and mineral producing areas, the populace is generally aware of the nature of the industries and is attuned to land leasing procedures. On the other hand, the infant state of the geothermal industry creates difficulties in leasing. Because land owners are unfamiliar with geothermal energy, initial leasing procedures in a new area are anything but routine. The leasing company will often encounter apathy, reticence, and/or ignorance in regard to the sale of geothermal rights on fee land. Ideas of value may be grossly out of line. It is not unusual for the leasing company to be forced to embark upon an educational program in the local area before any leases can be acquired.

Local, state, and Federal government policies for geothermal energy vary from confused to nonexistent. No effective Federal tax policy for geothermal energy has been established. The industry needs legislation to provide exploration incentives, such as the writeoff of intangible drilling costs that are available to petroleum companies. The depletion allowance situation is unclear. Current proposals in Congress dealing with the reinvestment of oil and gas profits in new drilling do not allow such drilling to include exploration for geothermal energy—even thought improvement of the nation's energy supply is the ultimate goal.

At state government levels, there is often no coordination between development, regulatory, and tax authorities within an individual state, and there are vast differences between the various states in their handling of geothermal energy. Petroleum and minerals, by virtue of an established operating history, do not suffer to the same degree from these land and legal difficulties. There is no question that much of the political confusion can be ascribed to lack of familiarity with the geothermal industry.

Affinities of geothermal energy with petroleum and mining

Category:	Mining	Petroleum
Geologic province	x	
Hydrothermal characteristics	x	x
Hydro geochemistry		x
Geophysics	x	
Prospect size		x
Property acquisition		x
Exploration prospect synthesis		x
Exploration drilling		x
Production engineering		x
Development and production timing	x	
Capital requirements	x	
Expenditure timing	x	
Marketing	x	
Frequency of commercial occurrences	x	
Production life	x	
Environmental impact		x

After H. J. Olson and W. M. Dolan, "Geothermal Characteristics—Exploration Consideration and Property Acquisition Techniques," paper presented at GSA Annual Meeting, Miami Beach, Fla., November 1974.

THE DIFFICULTIES IN INTERPRETING EXPLORATION DATA

Except for wildcat drilling, the tools of geothermal exploration are indirect techniques that are valueless without expert interpretation. Ambiguities in exploration are common, arising primarily from the present lack of survey calibrations. Thus, while a great number of geological prospects have been identified in the western US, it is difficult to judge their relative merits with any degree of assurance since there are only a handful of successful exploration case histories to fall back upon.

Regional structural assessment from ERTS photos can lead to the delineation of zones of intrusion or crustal weakness. Such zones are attractive geothermal areas of interest. However, the fact that a particular zone may be old and tectonically inactive might not be discerned until more expensive geophysical studies have been conducted throughout the area.

Passive seismic surveys such as microearthquake and ground noise are key geophysical tools, but are far from foolproof indicators of local geothermal conditions. First of all, accurate interpretation of seismic signatures is essential but often extremely difficult. Second, ultilization of a valid crustal velocity model is also important but not always possible. Existing velocity models simply may not be applicable to the conditions in the prospect area. Finally, even if a passive seismic survey accurately detects anomalous microearthquakes or ground noise activity and locates tectonically active, uncemented faults, not all such fractures are the loci of geothermal phenomena. The generating mechanisms of these events are not yet fully understood.

Electrical dipole-dipole resistivity studies are subject to ambiguous interpretation. Though the objective is to locate a subsurface, high temperature anomaly, apparent resistivity lows can also be caused by high salinity, high clay concentration, local metallic mineralization, and increases in porosity in the presence of saline fluids. Another factor that restricts the value of dipole-dipole E_r data is depth penetration. The present limit of accurate investigation is about 2–3 km. This limit can be overcome by utilization of magnetotelluric techniques, but at the expense of areal resolution.

The interpretation of gravity and magnetic data for geothermal applications is very difficult. Gravity highs can indicate the presence of a shallow, buried intrusion, or can reflect an upthrown structural feature. Anomalously low gravity readings could either suggest the existence of a concealed volcano-tectonic structure filled with low density, pyroclastic rocks, or could delineate the boundaries of structurally low areas filled with alluvial materials. Similarly, anomalous magnetic highs could reveal contact metamorphic magnetite deposits surrounding a buried intrusive, or could mirror basic volcanic rocks lying on the surface. Magnetic lows could reveal zones of hydrothermally altered volcanic rock in which magnetite has been oxidized, or simply indicate an area in which magnetic rocks never existed.

Utilization of any one of the various geophysical tools by itself is not effective for detection and analysis of a geothermal prospect. All geophysical data must be integrated with geological and geochemical information before even tentative conclusions can be drawn. In addition, the hydrology of the prospect area must be understood—particularly such parameters as recharge, fluid dynamics, and entrapment. Finally, shallow drilling over the prospect to determine temperature gradients can provide significant information upon which to base a deep drilling decision. However, even this more expensive form of exploration—a nearly direct technique—has not proven to be infallible, as steep temperature gradients in the shallow section have in some instances been found to flatten out and even reverse with depth.

The state of the art in exploration has made notable advances in the last three years, if for no other reason than that the increased tempo of field activity has provided the geothermal industry with more opportunity to really understand the indirect tools available. However, the most important gap remains to be narrowed—the results of exploration must be confirmed and calibrated with the drill. Feedback from a wide-ranging program of wildcat drilling on blind anomalies is essential to final determination of the validity of current exploration techniques.

DRILLING AND COMPLETION PROBLEMS: A BIG BOTTLENECK

Geothermal drilling techniques are generally similar to procedures used in drilling deep oil and gas tests. The objective in each case is basically the same: to produce a liquid and/or gas from permeable rock units. The major difference is that geothermal wells encounter abnormally high temperatures at much shallower depths than oil and gas wells. It is this difference that causes most of the problems in the drilling and completion phase of the geothermal industry. Temperature-induced problems occur in the drilling, logging, cementing, and testing stages.

The extreme temperatures encountered in drilling high enthalpy steam zones may exceed 300° C. Both drilling tools and mud systems suffer under such high temperatures, as conventional hardware loses tensile strength and becomes far more prone to failure. Tools built of special high temperature alloys are available, but they cost more. In wells drilled with air, high air/steam velocities can severely erode metal, to the point that in some Geysers wells, 50% of the drill pipe is useless after one hole. Mud coagulation at high temperatures is a serious problem, especially when cuttings cannot be carried to the surface and when potentially productive zones are mudded off. Further research and development is needed for versatile high temperature mud systems.

Geothermal wells are often drilled in highly fractured areas since the reservoir objective is fracture porosity and permeability. Loss of circulation in such rocks is always a potential danger. A steam blowout from loss of pressure control within the hole can be every bit as troublesome as an oil or gas blowout, and might prove more lethal in terms of immediate danger to drilling personnel.

High temperatures at depths in the borehole cause logging malfunctions—both physical breakdowns of equipment and changes in the electrical properties within the logging environment. Specialized electronic devices are needed to cope with this situation, to allow more definitive downhole evaluation.

Cementing problems occur when high borehole temperatures prevent adequate hydration of cement, weakening the material and reducing its efficiency for casing support and grout. High temperature cements which have been developed are more costly.

Difficulties in testing and completing geothermal wells are among the most serious bottlenecks in the growth of geothermal energy. Definitive evaluation of the productive capability of a geothermal reservoir may be retarded or even prevented by mud coagulation or by aquifer chilling. Chilling may be caused by cold water entering the borehole from shallower aquifers. During the course of drilling and logging operations, the reservoir may also be chilled as cold water is introduced from the surface into the circulation system.

When any of these problems arises, stimulation is essential to test and complete the well. Stimulation involves cleaning out the borehole and/or lowering the hydrostatic head so that fluid from the reservoir may enter the well. Perforating and acidizing techniques are used to improve permeability at the borehole-rock interface. Techniques for lowering the hydrostatic head, thereby allowing steam to flash in the well bore, include the introduction of liquid nitrogen or downhole pumping equipment. However, reliable downhole pumps that can function in geothermal temperature environments are still in the prototype stage.

Significantly, definitive results at several western US geothermal prospects are still lacking, even though deep wildcats have been drilled to test the features. The reason is the inability to satisfactorily stimulate a well and assess productive capability.

PRODUCTION PROBLEMS: ENERGY TRANSFER, IMPURE FLUIDS

Electric power generated at The Geysers, California; Larderello, Italy; and Matsukawa, Japan is derived from dry steam geothermal reservoirs. The high enthalpy gas produced in all three cases is almost devoid of undesirable components that could require disposal or cause chemical and/or physical production problems. Such dry steam reservoirs present minimum problems in development and production.

However, earth scientists believe, correctly or incorrectly, that the major portion of geothermal fields to be found in the future will be of the hot water and hot water-steam types. Most of these fields will be of lower enthalpy than dry steam fields and will contain undesirable impurities in the liquid phase. Thus, the major problems facing the production segment of the geothermal industry are the materials from the types of geothermal fluids that are forecast to compromise the bulk of the resource.

Efficient exploitation of low and medium enthalpy geothermal systems requires the development of special hardware—most notably, appropriate turbines. Research efforts are presently moving in two directions: development and improvement of binary systems and the design of downhole generators.

A binary system consists of a closed circuit heat exchanger in which heat from geothermal fluid is transferred to allow boiling point fluid such as isobutane or freon, causing these fluids to boil. The resulting gaseous phase is used to propel the turbine, which in turn powers the generator. The vapors condense upon cooling and are then returned to the heat exchanger to be reheated. The Magmamax process, under development by Magma Power Co. of California, and the Paratunka freon system of the USSR are examples of binary devices.

Downhole generators are currently the subject of intensive experimentation by several US companies. Using this concept, clean water is injected into the geothermal well to the depth of the reservoir. The water is heated, evaporation takes place, and the resulting steam is used to power a downhole turbine. The condensed effluent is then returned to reservoir depth for reheating. Advantages of this system are the elimination of salt precipitation and waste disposal, and the utilization of clean steam in the turbines. The chief drawback seems to be the low generating capacity of each downhole unit, requiring a large number of units to fully exploit a geothermal field.

High concentrations of dissolved materials plus particulate matter pose significant problems in developing hot water and hot water-steam geothermal resources. In the Imperial Valley of California, for example, dissolved solids locally exceed 30%. Closed circuit heat exchange systems appear to be the technical answer to effective utilization of fluids with high impurity levels. Another approach is being developed at California's Lawrence Livermore Laboratory—the total-flow impulse turbine. Basically a water wheel, this turbine would run on the mixture of concentrated brine and steam from the wellhead. Though handling of such high temperature brines is common in the chemical industry, little of this expertise has yet been applied to the geothermal industry—a situation which can be expected to change with sufficient economic incentive.

GEOTHERMAL INDUSTRY NEEDS TECHNICAL PIONEERS

The various constraints to growth of the geothermal industry also represent a technical challenge for earth scientists and engineers, offering numerous opportunities to undertake creative, pioneering work.

The principles of geology, geophysics, and geochemistry, plus numerous specialties such as mineralogy and petrography, must be employed in the search for geothermal resources. Up to now, only a handful of exploration specialists have been involved deeply in the geothermal energy field, and only the first steps have been made toward unraveling the geological puzzle. Increasing geological, geophysical, and drilling work will require the services of many more scientists capable of interpreting geothermal data.

The specialized technology of defining, isolating, evaluating, and producing subsurface fluids is the realm of the petroleum engineer. Geothermal wildcat and development drilling, well completion, reservoir production, field economics, well workovers, and reservoir maintenance will require more engineers with expertise focused specifically on geothermal techniques.

Handling of fluids produced, extraction of the contained heat energy, and conversion into electricity require the special talents of chemical, mechanical, and electrical engineers. There is no shortage of engineers with training and experience in these disciplines, but only a minute amount of such talent has been applied to the geothermal industry.

Since there is presently no geothermal energy science per se, specialists in various parallel sectors in other industries will gradually move in to fill the positions created by the expansion of the geothermal industry. Research projects now underway, such as those sponsored by the Earth Resources and Development Agency and the National Science Foundation, can be expected to stimulate specific training programs in geothermal science at the university level, probably incorporating several earth science or engineering disciplines.

The birth of a natural resource industry is a rare occurrence, and today's mining and petroleum scientists and engineers are fortunate to experience such an event during their productive years. Unlike future geothermal specialists, who can be expected to receive specific college training in this field, today's exploration specialists and engineers working in related fields have an unprecedented opportunity to apply their expertise to meet the challenges in developing geothermal resources.

Mr. FANNIN. Mr. President, I seek the support of my colleagues for this measure which is basic to the expeditious development of geothermal energy. The Congress must take quick action on this matter so that another step is taken in our complex and difficult struggle for energy independence.

I also ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. EXHAUSTION OF GEOTHERMAL STEAM AND GEOTHERMAL RESOURCES.

"(a) IN GENERAL.—There shall be allowed as a deduction, under regulations prescribed by the Secretary or his delegate, an amount equal to 25% of the gross income from a geothermal steam and geothermal resources property for the taxable year.

"(b) LIMITATION.—The deduction allowed under subsection (a) may not exceed 50% of the taxpayer's taxable income from the geothermal steam and geothermal resources property for the taxable year, computed without regard to the deduction allowed by this section.

"(C) SPECIAL RULES.—

"(1) LEASES.—In the case of a lease, the deduction allowed under subsection (a) shall be equitably apportioned between the lessor and lessee.

"(2) LIFE TENANT AND REMAINDERMAN—In the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant.

"(3) PROPERTY HELD IN TRUST.—In the case of property held in trust, the deduction allowed under subsection (a) shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or in the absence of such provisions, on the basis of the trust income allocable to each.

"(4) PROPERTY HELD BY ESTATE.—In the case of an estate, the deduction under this section shall be apportioned between the estate and the heirs, legatees, and devisees on the basis of the income of the estate allocable to each.

"(d) DEFINITIONS.—For purposes of this section—

"(1) GEOTHERMAL STEAM AND GEOTHERMAL RESOURCES PROPERTY.—The term 'geothermal steam and geothermal resources property' means property from which the taxpayer extracts any product included in geothermal steam and associated geothermal resources, as defined in subsection 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001).

"(2) GROSS INCOME FROM THE PROPERTY.—The term 'gross income from the property' means the gross income from extracting geothermal steam and associated geothermal resources from the property.

"(3) PROPERTY.—The term 'property' has the same definition it has under section 614. For purposes of applying such section 614 with respect to this section, a well producing geothermal steam and associated geothermal resources shall be considered to be a gas well.

"(e) APPLICATION WITH SUBCHAPTER I.—No deduction shall be allowed under section 611 with respect to exhaustion of geothermal steam and associated geothermal resources if a deduction is allowable under this section with respect to such exhaustion."

(2) The table of parts for such part VI is amended by adding at the end thereof the following new item:

"SEC. 189. EXHAUSTION OF GEOTHERMAL STEAM AND ASSOCIATED GEOTHERMAL RESOURCES."

(3) Section 57(a)(8) of such Code (relating to items of tax preference) is amended by inserting immediately after "section 611" the following: "or the deduction for exhaustion allowable under section 189."

(4) Section 62(6) of such Code (relating to definition of adjusted gross income) is amended by striking out "and the deduction allowed by section 611." and inserting in lieu thereof a comma and "the deduction allowed by section 189, and the deduction allowed by section 611.".

(c) Section 263(c) of such Code (relating to deduction for intangible drilling and development costs in the case of oil and gas wells) is amended—

(1) by adding at the end thereof the following new sentence; "Such regulations shall also grant the option to deduct as expenses intangible drilling and development costs in the case of wells drilled for geothermal steam and associated geothermal resources, as defined in section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001), to the same extent and in the same manner as such expenses are deductible in the case of oil and gas wells.", and

(2) by amending the caption of such section to read as follows:

"(c) Intangible Drilling and Development Costs in the Case of Oil and Gas Wells and Geothermal Wells.".

(d) Section 613A(b)(1) of such Code (relating to limitations on percentage depletion in case of oil and gas wells) is amended—

(1) by inserting immediately after the comma in subparagraph (A) the following: "and",

(2) by striking out "and" in subparagraph (B), and

(3) by striking out subparagraph (C).

(e) Section 617(a)(1) of such Code (relating to deduction and recapture of certain mining exploration expenditures is amended by striking out "is not allowable under section 613." and inserting in lieu thereof "is not allowable under section 613 or section 189.".

(f) The amendments made by this Act apply to taxable years beginning after December 31, 1975.

By Mr. HUMPHREY (for himself, Mr. ABOUREZK, Mr. MCGOVERN, and Mr. PHILIP A. HART):

S. 2610. A bill to encourage the direct marketing of agricultural commodities from farmers to consumers. Referred to the Committee on Agriculture and Forestry.

FARMER TO CONSUMER DIRECT MARKETING ACT OF 1975

Mr. HUMPHREY. Mr. President, I am today introducing a bill to encourage direct marketing of agricultural commodities from farmers to consumers.

This is an idea which has aroused increasing interest in the last few years as people have indicated an increased interest in fresh produce without the intervention of middlemen in the marketing process. Direct marketing may also result in reducing the cost as well as increasing the quality of food to consumers while providing increased financial benefits to farmers.

This bill has been introduced on the House side by Congressman VIGORITO of Pennsylvania.

Hearings have been held, and extensive support was indicated by farm organizations such as the National Farmers Union and the National Farmers Organization. In addition, the witnesses of the Department of Agriculture indicated that this bill would be helpful in terms of providing the Department with tools to stimulate direct marketing of commodities which would not be carried out otherwise. Unfortunately, the OMB felt compelled to oppose this measure because it would involve spending the modest sum of around $8 million over 3 years.

There has been an enhanced interest in recent years in roadside stands, city markets, house-to-house marketing, and other such direct marketing methods. This bill would build upon that experience and interest, and encourage the further use of direct food marketing wherever it is feasible.

Specifically, the bill does essentially four things:

First, it provides for the Economic Research Service of the U.S. Department of Agriculture to conduct a survey of direct marketing arrangements across the United States.

Second, it provides for the Extension Service of the Department of Agriculture, the State Departments of Agriculture and other institutions of Government, to provide technical and other assistance for the establishment and operation of direct marketing arrangements within the States. At least one State extension marketing specialist in each State would be designated as responsible for activities designed to promote direct marketing.

Third, it provides for the Farmer Cooperative Service of the Department of Agriculture, in cooperation with consumer organizations and agencies, to foster "innovative" arrangements whereby farmers and consumers might jointly develop and operate direct food marketing facilities. The Farmer Cooperative Service is specifically directed either itself or through public or nonprofit private contractors to develop at least five distinct direct marketing arrangements over a period of 3 years.

Fourth, it provides for the Secretary of Agriculture to report annually to the Congress on progress made in facilitating farmer-to-consumer marketing arrangements.

Mr. President, this bill represents a modest step in dealing with an important problem. I urge that it be given careful consideration by the members. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Farmer-to-Consumer Direct Marketing Act of 1975".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) direct sales from farmers to consumers of fresh or processed farm produce and commodities can improve the markets of and financial returns to farmers, assist small-scale farmers in becoming economically viable, and improve the quality and reduce the cost of foods to consumers;

(2) because of increased transportation and fuel costs, consumer preferences for fresh or natural foods, increased prices of food marketed through conventional retailing channels, and other reasons, there is an enhanced interest among farmers and consumers for direct farmer-to-consumer marketing channels;

(3) there is a need to provide information, technical assistance, and other assistance to individuals and groups undertaking the establishment and operation of traditional methods of direct marketing from farmers to consumers; and

(4) there is a need for planning, incentives, and other assistance to develop innovative commercial arrangements that can facilitate, on a continuing basis, the interface of farmers as sellers and consumers as buyers for their mutual benefit.

(b) It is the purpose of this Act to foster and promote, through appropriate means and on an economically sustainable basis, the development and expansion of both traditional and innovative approaches to direct marketing of agricultural commodities from farmers to consumers. To accomplish this objective, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall initiate and coordinate a program, which includes the activities described in sections 4 through 7, designed to facilitate direct marketing from farmers to consumers for the mutual benefit of consumers and farmers.

DEFINITION

SEC. 3. For purposes of this Act, the term "direct marketing from farmers to consumers" shall mean the marketing of agricultural commodities at any marketplace (including, but not limited to, roadside stands, city markets, and vehicles used for house-to-house marketing of agricultural commodities) established and maintained for the purpose of enabling farmers to sell (either individually or through a farmers' organization directly representing the farmers who produced the commodities being sold) their agricultural commodities directly to individual consumers, or organizations representing consumers, in a manner calculated to lower the cost or increase the quality of food to such consumers while providing increased financial returns to the farmers.

SURVEY

SEC. 4. The Secretary shall provide, through the Economic Research Service of the United States Department of Agriculture, or whatever agency or agencies the Secretary considers appropriate, a continuing survey of existing methods of direct marketing from farmers to consumers in each State. The initial survey, which shall be completed no later than two years following the date of enactment of this Act, shall include the number and types of such marketing methods in existence, the volume of business conducted through each such marketing method, and the impact of such marketing methods upon financial returns to farmers (including their impact upon improving the economic viability of smaller farmers) and food costs to consumers. This survey shall be updated every five years.

TRADITIONAL METHODS OF DIRECT MARKETING FROM FARMERS TO CONSUMERS

SEC. 5. In order to foster and promote the establishment and operation of traditional methods of direct marketing from farmers to consumers, the Secretary shall provide that funds be utilized by State Departments of Agriculture and the Extension Service of the United States Department of Agriculture for the purpose of conducting or facilitating activities designed to foster direct marketing from farmers to consumers, including—

(1) the designation of a State extension marketing specialist in each State as responsible, on a continuing basis, for the purpose of initiating, encouraging, or coordinating activities related to methods of direct marketing from farmers to consumers or to the development of such methods within the State;

(2) the sponsorship of regional and statewide conferences within each State which are designed to facilitate the sharing of information (among farm producers, consumers, and other interested persons or groups) concerning the establishment and operation of direct marketing from farmers to consumers;

(3) cooperation and coordination with the State department of agriculture, the land-grant college or university, and the county agricultural agents of each State for the purposes of conducting studies of direct marketing from farmers to consumers within the State, compiling the relevant laws and regulations relevant to the conduct of the various methods of such direct marketing within the State, formulating drafts of enabling legislation needed to facilitate such direct marketing, determining feasible locations for additional facilities for such direct marketing, and preparing and disseminating through appropriate means (including mass communication media and conferences as described in paragraph (2) of his section) practical information on the establishment and operation of such direct marketing; and

(4) providing technical and other assistance for the purpose of aiding interested individuals or groups in the establishment of arrangements for direct marketing from farmers to consumers.

(b) In the implementation of this section, the Secretary shall take into account consumer preferences and needs which may bear upon the establishment and operation of arrangements for direct marketing from farmers to consumers.

INNOVATIVE METHODS OF DIRECT MARKETING FROM FARMERS TO CONSUMERS

SEC. 6. (a) The purpose of this section is to foster the development of innovative farmer-to-consumer marketing arrangements and networks designed to encourage the interface of farmers and consumers, including organized farmers and consumers, on a sustainable basis, for the purpose of facilitating direct marketing from farmers to consumers.

(b) To achieve the purpose of this section, the Secretary shall foster activities including, but not limited to, the establishment of—

(1) bona fide cooperative enterprises, for the benefit of farmers and consumers, which are designed to enhance a sense of identification, participation, and an economic stake in the enterprise on the part of individual farmers and consumers;

(2) arrangements for organizations of farmers and consumers, acting jointly or otherwise, to contract with processors for the preparation of farm commodities which require processing prior to their sale directly from farmers to consumers;

(3) methods and procedures to facilitate the interface of organized farmers and consumers (including food buying organizations), on an economically stable and routine basis, for the purpose of providing for the direct sale of farm commodities to consumers; such methods and procedures may include the following: joint planning between farmers, labor unions, and other consumer groups; contractual arrangements between farmer and consumer groups; joint ownership of physical facilities used in the direct marketing from farmers to consumers; and single corporate organizations with joint representation of farmers and consumers on the policymaking bodies of such organizations; and

(4) methods of cooperation among farmers involved in direct marketing of agricultural commodities to consumers within a State or across State boundaries, including the development of—

(A) facilities at which farmers may pool their agricultural commodities for the purpose of having them sold directly to consumers;

(B) methods for moving agricultural commodities from one marketing area to another for the purpose of affording greater balance of supply and demand; and

(C) methods whereby marketplaces engaged in direct marketing from farmers to consumers may legally associate with one another for the purpose of developing a common label by which they can market their produce, and for other purposes.

(c) Within three years of the date of enactment of this Act, the Secretary shall establish and maintain, under the auspices of the Farmer Cooperative Service of the United States Department of Agriculture, at least five distinctively different projects involving the formation of innovative methods of direct marketing from farmers to consumers. These projects shall be established in different regions of the United States and shall be concerned with different economic and social situations. In carrying out such projects, the Administrator of the Farmer Cooperative Service—

(1) shall consult and cooperate with the Bank for Cooperatives, the Extension Service of the United States Department of Agriculture, State departments of agriculture, the United States Department of Health, Education, and Welfare, and any Federal agency hereafter established which is charged with the promotion of consumer interests within the Government; and

(2) is authorized, for the purpose of administering projects developed under this section, to enter into contracts with, and make grants to, public or private nonprofit agencies or organizations, agencies of a State government or a political subdivision of a State, or a combination of such political subdivisions; the Administrator is authorized to prescribe and amend regulations which are necessary to administer effectively such contracts and grants.

(d) In the implementation of this section, the Secretary shall take into account consumer preferences and needs which may bear upon the establishment and operation of arrangements for direct marketing from farmers to consumers.

ANNUAL REPORT

SEC. 7. The Secretary shall periodically review the activities carried out under sections 4, 5, and 6 of this Act and shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, within one year of the date of enactment of this Act, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall include in such report at least a State-by-State summary of the results of the survey conducted under section 4 of the Act, a summary of the activities and accomplishments of the Extension Service and the State Departments of Agriculture in the development of direct marketing from farmers to consumers during the previous year, and a description of activities carried out by the Secretary during the previous year to develop innovative farmer-to-consumer cooperative marketing arrangements (including the status of projects under contract with the Farmer Cooperative Service).

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) For purposes of carrying out the provisions of sections 4 and 7, there are authorized to be appropriated such sums as are necessary.

(b) For purposes of carrying out the provisions of section 5, there is authorized to be appropriated $1,500,000, for each of the fiscal years ending September 30, 1976, September 30, 1977, and September 30, 1978.

(c) For purposes of carrying out the provisions of section 6, there is authorized to be appropriated $1,000,000 for each of the fiscal years ending September 30, 1976, September 30, 1977, and September 30, 1978.

By Mr. BENTSEN:

S. 2612. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations. Referred to the Committee on Commerce.

Mr. BENTSEN. Mr. President, due to the currently complicated and *disruptive* procedures for the renewal of broadcast licenses, the very future of many television and radio stations throughout the country is in question. Every station in every State is affected by present license renewal policy which is confusing and ambiguous.

The power to choose broadcast licensees and impose conditions on licenses is the power to control broadcasting in this country. It is in the interest of everyone that such power be exercised fairly and with restraint to provide a stable, responsible broadcasting service as free as possible from Government control. And it is vital that the limits of such power be clearly and unequivocally defined by the Congress.

At present, the obligations and responsibilities of broadcasters are not clear. My bill is designed to clear up the ambiguities and uncertainties involved. The Congress must specify what those holding licenses will have to do to be able to renew them and we must delineate in plain language and well-defined terms the authority of the Federal Communications Commission in this regard. This bill will assure broadcasters that if their broadcasting efforts reflect a good-faith effort to serve the community then their licenses will be renewed—but only if they have, indeed, proven that they have served their community well. I believe than an FCC policy that results in licenses being auctioned off to whatever bidder makes the most promises tends to produce instability, loss of freedom, and irresponsibility.

I wish to emphasize, Mr. President, that I in no way oppose the right of the challenger to challenge. What I do oppose is a lengthy, costly, chaotic renewal process which fails to take into full consideration the licensee's past record of service to the community. Until fairly recently a broadcaster could rely on his having substantially met and served the public interest to give him preference over a new applicant for the license. However, in the landmark WHDH case in 1969, the FCC, giving little credit to the licensee for past performance, took the license away and awarded it to the competing applicant. This decision injected into the license renewal procedure a degree of instability which goes against the public interest.

A series of further FCC and U.S. Court of Appeals decisions has done little to clarify the situation. Broadcasters are just not sure what criteria they must meet to have their licenses renewed. Management assumes an unnecessarily high risk in making long-term capital commitments to improve the quality of transmission and service of its station. The costs of such investments may not be amortized over a reasonable length of time because of the increased possibility of arbitrary or capricious cancellation of licenses for factors beyond the control of the licensee. Broadcasting thereby suffers and this is a disservice to the public.

The importance of this issue to the public cannot be overemphasized. The value to the public of a free broadcasting system lies in unintimidated broadcasting and news coverage. Therefore, a stable license renewal procedure is not only beneficial to broadcasters but also it is indispensable to the public. The public deserves to have a broadcasting free from pressure emanating from the threat of irresponsible license challenges.

Failure to take prompt action to enact license renewal legislation will result not only in continued instability in the broadcasting industry but also in a lack of faith in the media by the very community the media serve. Freedom of the press is frequently attacked on all sides. We in the Congress must move to assure that this freedom is preserved and protected.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended to read as follows:

No license granted for the operation of a broadcasting station may be for a longer term than five years, and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience and necessity would be served thereby.

In order to expedite action on application for renewal of broadcasting station licenses and in order to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly material to the considerations that affect the granting or denial of such application, but the Commission may require any new or additional facts it deems necessary to make its findings. Pending any hearing and final decision on such an application and the disposition of any petition for rehearing pursuant to Section 405 of this title, the Commisison shall continue such license in effect. Consistently with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewed for particular classes of stations, but the Commission may not adopt or follow any rule which would preclude it, in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, the public interest, convenience, or necessity would be served by such action.

SEC. 2. Section 309(e) of the Communications Act of 1934 (47 U.S.C. 309(e)) is amended by adding the following at the end thereof: "Notwithstanding the preceding sentence, in any hearing involving an application for renewal of a broadcast license an applicant for renewal who is legally, financially, and technically qualified shall be awarded the grant if such applicant shows that its broadcast service during the preceding license period has reflected a good-faith effort to serve the needs and interests of its service area as represented in its immediately preceding and pending license renewal applications and if it has not demonstrated a callous disregard for law or the Commission's regulations, but if the renewal applicant fails to make such a showing or has demonstrated a callous disregard for law or the Commission's regulations, such failure or demonstration shall be weighted against the renewal applicant.

SEC. 3. (a) The Federal Communications Commission shall review its rules and regulations relating to the broadcast license renewal process to determine whether the forms, documents and other data presently required of each licensee by the Commission for renewal considerations can be reduced and consolidated. In carrying out this review, the Federal Communications Commission shall give special consideration to reducing and consolidating the forms, documents, and other data presently required for license renewal consideration of small broadcast stations.

(b) This review shall be completed within six months after the date of enactment of this Act and the Federal Communications Commission shall promptly report to Congress any changes it has made in its rules, regulations, and procedures as a result of this review.

By Mr. MORGAN (for himself, Mr. GARN, and Mr. TOWER):

S. 2613. A bill to amend the Small Business Investment Act of 1958, to change the title and duties of the Associate Administrator for Finance and Investment of the Small Business Administration, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS OF 1975

Mr. MORGAN. Mr. President, I introduce a bill pertaining to small business investment companies, on which Senator GARN and Senator TOWER have joined with me as cosponsors.

The desirability of this legislation was suggested during hearings held in July by the Small Business Subcommittee of the Senate Banking Committee. The subcommittee has been particularly attentive to the capitalization needs of small business, and the provisions of this bill focus particularly on the requirements of small business investment companies—SBIC's—organized to offer equity capital, long-term credit, and management assistance to small business concerns owned by socially or economically disadvantaged persons. In the future, I will refer to these specialized SBIC's as limited SBIC's. The bill also identifies an administrative division within SBA which will concentrate on investment policy and operations.

In its original form, the Small Business Investment Act of 1958 provided for a "Small Business Investment Division" in the Small Business Administration to administer the act. The Division was to be headed by a Deputy Administrator. The Administrator's title was subsequently changed by regulation to Associate Administrator, and his responsibilities were broadened to include the supervision of all regional and district office operations and field activities as well as the administration of SBA's disaster operation program for all disasters.

Section 1 of the bill would circumscribe the responsibilities of the Administrator in conformity with the intent of the original act. He would be directed to "devote his full time exclusively as head of the Small Business Investment Division." This alteration would once again provide sufficient administrative attention to the small business investment company programs.

Section 2 of the bill authorizes limited SBIC's to sell two tiers of preferred stock to SBA as opposed to the current one tier, clarifies the rate of interest to be paid on preferred stock purchased from limited SBIC's by the Small Business Administration, and provides for a permanent subsidy for the first 5 years on debentures purchased from a limited SBIC by SBA.

In authorizing the organization and funding of the specialized SBIC's, Congress allowed SBA to purchase, in lieu of debentures, $1 of preferred stock for each $1 of private capital, within the overall leverage ratio set by the 1972 Act. The purpose of the provision was threefold: first, to authorize SBA to participate in the capitalization of such SBIC's by providing equity funding which need not be amortized nor interest bearing; second, to account for

State law prohibitions against the issuance of nonprofit corporations of classes of such stock; and third, to make clear that it is not intended for SBA to participate in the management of the SBIC. Section 2 of the bill would increase the benefits accruing from the sale of preferred stock by authorizing the sale of $2 worth of preferred stock for each $1 of private capital.

The rate of interest on the preferred stock was set at 3 percent. However, the securities carried a preference on liquidation or redemption to the extent of par value. In the event of any liquidation or redemption of the securities by the SBIC, the legislation specified that SBA could require the preferred payment of the difference between dividends actually paid and what would have been paid according to the cost-of-money formula prescribed in section 303(b) of the Small Business Investment Act. Evidently SBA has interpreted the legislation to allow it a discretionary right to raise the dividend rate to whatever the cost of money is at the time of SBA's purchase of the preferred stock. This action puts limited SBIC's at a disadvantage since they cannot forecast a future return on investment for their private common shareholders. Section 2 would rectify this difficulty by entitling SBA to any unpaid dividends only "to the extent retained earnings shall permit."

In consideration of start-up costs and in order to alleviate the initial debt burden for limited SBIC's, the 1972 Act granted an interest subsidy on the first 5 years of debentures purchased by SBA. The rate was pegged at the greater of 3 percent or 3 percentage points below the rate certified by the Secretary of the Treasury as representing the borrowing cost of the Government for comparable remaining maturities.

However, SBA was entitled to the difference between the subsidized and the full interest rate before any distribution to private shareholders could be made. In practice, the agency requires a balloon payment at the end of the debenture. Section 2 of this legislation would substitute a permanent subsidy for a deferred one, eliminating the possibility of any balloon payment covering the difference on the lower interest rate charged on the first 5 years of the life of a debenture.

The purpose of introducing this legislation at this time is to provide a forum for discussing these possible means of further benefitting the economically disadvantaged small businesses in which the limited SBIC's were created to invest.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Associate Administrator for Finance and Investment of the Small Business Administration shall hereafter be referred to as the "Associate Administrator for Investment".

(b) The Associate Administrator for Investment shall devote his full time exclusively as head of the Small Business Investment Division and shall be responsible to the Administrator for its policy and operations.

SEC. 2. (a) Section 303(c) of the Small Business Investment Act of 1958 is amended to read as follows:

"(c) Subject to the following conditions, the Administration is authorized to purchase preferred securities of any incorporated small business investment company operating under authority of section 301(d) of this Act, and to purchase, or to guarantee the timely payment of all principal and interest payments as scheduled on debentures issued by any small business investment company operating under such authority. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this subsection.

"(1) The Administration may purchase from such incorporated companies shares of nonvoting stock (or other securities having similar characteristics), provided—

"(i) dividends are preferred and cumulative to the extent of 3 per centum of par value per annum;

"(ii) on liquidation or redemption, the Administration is entitled to the preferred payment of the par value of such securities and any unpaid such dividends to the extent retained earnings shall permit;

"(iii) the purchase price shall be at par value and in any one sale, $50,000 or more; and

"(iv) the amount of such securities purchased and outstanding at any one time shall not exceed (A) from a company having a combined private paid-in capital and paid-in surplus of less than $300,000 and licensed on or before October 13, 1971, 200 per centum of such capital and surplus invested after such date, (B) from any company having a combined private paid-in capital and paid-in surplus of $300,000 or more but less than $500,000, 200 per centum of such capital and surplus in excess of $300,000, and (C) from any company having a combined private paid-in capital and paid-in surplus of $500,000 or more, 200 per centum of such capital and surplus.

"(2) The Administration may purchase from or guarantee for any such company debentures subordinated pursuant to subsection (b) of this section (other than securities purchased under paragraph (1) of this subsection (c)), provided—

"(i) such debentures are issued for a term of not to exceed fifteen years,

"(ii) the interest rate is determined pursuant to sections 303(b) and 317, and

"(iii) the amount of debentures purchased or guaranteed and outstanding at any one time pursuant to this paragraph (2) from a company having a combined private paid-in capital and paid-in surplus of less than $500,000 shall not exceed 300 per centum of such capital and surplus, less the amount of preferred securities outstanding under paragraph (1) of this subsection, nor from a company having a combined private paid-in capital and paid-in surplus of $500,000 or more, 400 per centum of such capital and surplus less the amount of such preferred securities.

"(3) The Administration may require, as a condition of the purchase or guarantee of any securities in excess of 300 per centum of the combined private paid-in capital and paid-in surplus of a company, that the company maintain a percentage of its total funds available for investment in small business concerns invested or legally committed in venture capital (as defined in subsection (b) of this section) determined by the Administration to be reasonable and appropriate."

(b) Section 317 of such Act is amended to read as follows:

"SEC. 317. Notwithstanding section 303(b) the effective rate of interest after October 13, 1971, during the first five years thereafter of the term of any debenture purchased by the Administration from a small business investment company under authority of section 303(c)(2), shall be the greater of 3 per centum or 3 percentage points below the interest rate determined pursuant to section 303(b). The Administration is authorized to apply interest paid to it by any such company for the period from October 13, 1971, to the effective date of this section, without interest thereon, to interest payable after such effective date."

By Mr. WILLIAMS:

S. 2614. A bill to amend the Regional Rail Reorganization Act of 1973. Referred to the Committee on Commerce.

Mr. WILLIAMS. Mr. President, I am introducing today a bill to amend the Regional Rail Reorganization Act of 1973. This amendment is designed to rectify a U.S. Railway Association decision to exclude from the final system plan 14 branch lines which were included in the preliminary system plan. The Association's decision was made in spite of assurances to the contrary and without the benefit of public hearings. I feel it violates the spirit and intent of the Rail Reorganization Act.

The act provides for public participation in every stage of the planning process up to the issuance of the final system plan. At hearings held after the release of the preliminary plan, shippers and other users of lines excluded from the preliminary plan had the opportunity to comment before the lines' designation became final. In public meetings and in correspondence to the entire New Jersey congressional delegation, the USRA gave assurances that any line included in the preliminary plan would also be designated for inclusion in the final plan. Therefore, no effort was made to offer further evidence in support of retention of lines included in the preliminary plan.

Unfortunately, the Association's assurances proved unreliable. Fourteen lines located in New Jersey, New York, Pennsylvania, Ohio, and Indiana were excluded from the final system plan despite their inclusion in the preliminary plan. Among the lines in this category are the segment of New Jersey's Morris and Essex Branch of the Erie-Lackawanna Railroad from Orange to Summit, and two segments of the Southern Division of the Central Railroad of New Jersey. The Morris and Essex Branch is a busy commuter line and carries substantial freight traffic.

The southern division is the vital link between sand producers in southern New Jersey and glass manufacturers in the north. In including the line in the preliminary plan, the association stated that "No reasonable routing alternative exists." If this line were severed, the sand shippers would be forced to turn to trucks. The result would be loss of revenues to the railroads, increased highway maintenance, greater energy use, and increased pollution. The inconvenience and expense of this alternative could eventually force the sand producers out of the market and have a severe impact on New Jersey's industry and employment.

The USRA offered an ironic justification for the exclusion of the 14 lines. As the ICC stated in its evaluation of the final plan—

Part of the rationale for these decisions was that no witnesses testified in favor of retaining these lines . . . To expect testimony in favor of retaining a line which, by all pronouncements, is to be retained, makes a mockery of the very clear Congressional intent that there should be effective public input in the planning process.

Upon receipt of the final galley proofs, I vehemently protested this but to no avail. I repeatedly urged the association to reconsider its decision because of the denial of due process involved. However, since the association has failed to act, the only way to correct this injustice is through legislation. This is the intent of the bill I am introducing today. It would require that all rail lines designated for inclusion in the preliminary system plan be included automatically in the final system plan. Only 14 lines, totaling 133 miles would be affected. Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 207(c) of the Regional Rail Reorganization Act of 1973 is amended by including at the conclusion thereof the following:

"Any line of railroad or segment of a line of railroad on which rail service was being provided as of the effective date of the Act and which was recommended in the preliminary system plan for transfer to the Corporation shall be deemed to be designated in the final system plan for transfer to the Corporation under Section 206(c)(1)(A) of this title."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. CHILES, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 5, the Federal Government in the Sunshine Act.

S. 772—WITHDRAWAL

At his own request, the Senator from Vermont (Mr. LEAHY) was withdrawn as a cosponsor of S. 772, a bill to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

S. 1847

At the request of Mr. HUMPHREY, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1847, a bill to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs.

S. 2371

At the request of Mr. METCALF, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 2371, a bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes.

S. 2492

At the request of Mr. STEVENSON, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 2492, a bill to amend the Export Administration Act of 1969 in order to subject agricultural export agreements to congressional review.

S. 2498

At the request of Mr. MORGAN, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 2498, the Small Business and Small Business Investment Act Amendments of 1975.

S. 2524

At the request of Mr. MCINTYRE, the Senator from Colorado (Mr. HASKELL), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2524, a bill to require that the Secretaries of the military departments be kept fully and currently informed regarding matters considered and acted upon by the Joint Chiefs of Staff.

SENATE RESOLUTION 251

At the request of Mr. BIDEN, the Senator from Alabama (Mr. SPARKMAN), the Senator from New Hampshire (Mr. DURKIN), the Senator from Ohio (Mr. TAFT), the Senator from Hawaii (Mr. FONG), the Senator from Idaho (Mr. MCCLURE), the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BARTLETT), the Senator from Delaware (Mr. ROTH), and the Senator from Iowa (Mr. CLARK) were added as cosponsors of Senate Resolution 251, relating to the President's trip to China and American POW's and MIA's.

SENATE JOINT RESOLUTION 93

At the request of Mr. TALMADGE, the Senator from Florida (Mr. STONE) was added as a cosponsor of Senate Joint Resolution 93, a joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL GOVERNMENT IN THE SUNSHINE ACT—S. 5

AMENDMENT NO. 1043

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

AMENDMENT NO. 1045

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, this amendment deletes section 202(b), which amends section 554(d) of the Administrative Procedure Act to delete the prohibition against a presiding employee "consulting a person or party on a fact in issue unless on notice and opportunity for all parties to participate."

Section 202(b) was intended as simply a conforming change in view of the more comprehensive prohibition against ex parte contacts added by section 202(a). However, the deleted material in section 554(d) covers certain communications not prohibited by section 202(a)—that is, the new position added to the APA by S. 5 does not wholly overlap the deleted APA section, leaving a gap in the areas involving ex parte consultations between the presiding officer and anyone on a fact in issue.

Section 202(a) prohibits ex parte consultations only between the presiding officer and an interested person. Thus, ex parte communications with a party outside the agency who is not an "interested person" under the act or with an employee inside the agency are presently prohibited but would not be under S. 5.

The amendment would leave the present section 554(d) prohibitions intact, with their full present coverage.

SITUS PICKETING IN THE CONSTRUCTION INDUSTRY—S. 1479

AMENDMENT NO. 1044

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY. Mr. President, I have been wrestling with the question of on situs picketing for some time, and have come to certain conclusions that suggest the need to amend S. 1479, the bill to permit on situs picketing in the building and construction industry.

In the first instance, I believe the building trades have a legitimate complaint. Because of the way the existing law is interpreted and applied, these unions are currently precluded from certain types of job actions that are available to members of industrial unions. In reaching this conclusion, I am very much persuaded by the position taken by the author of the Taft-Hartley Act, the late Senator Robert A. Taft, Sr., who stated that the Denver case which placed the current tight restrictions on on situs picketing, went well beyond the intentions of the Taft-Hartley Act. I therefore believe that it is reasonable and just to loosen the current restrictions on on situs picketing provided the legislation accomplishing this end does not end up providing the building trade with rights superior to those enjoyed by other unions under the Taft-Hartley Act.

This brings me to the second point I would like to make: I believe that S. 1479 would go well beyond placing the rights of members of the building trades on a par with those of members of other labor unions. It would, in effect, exempt the building trades from the operation of section 14b. It would also allow what would be tantamount to secondary boycotts in situations that are not analogous to the right of industrial unions to use job actions as a means of persuading their employer to limit employment to members of unions in those States where this kind of action is not prohibited.

Finally, the bill as reported out by the Labor Committee contains a startling provision that would greatly strengthen the power of national and international labor organizations at the expense of the traditional independence enjoyed by their affiliated local organizations. Under the bill, a local union would no longer be able to undertake those job actions currently sanctioned without the express consent of their national or international organizations. This imposes a serious contribution on the right of locals to strike.

In order to correct these shortcomings, I am introducing today an amendment to S. 1479 that will accomplish the following:

First. It will eliminate the requirement that a union receive the approval of its national or international labor organization before it is able to order a job action. I believe this measure is important not only to the local unions, but to everyone who believes that the increasing trend towards centralization of power and authority in this country is inherently dangerous.

Second. The amendment stipulates that the provisions of the bill will not be construed to diminish the jurisdiction presently held by the States over the construction trades, and will maintain equal treatment as between members of the construction trade and industrial unions.

Third. It will prohibit any job action by employees of a subcontractor whose purpose it is to force the unionization of the employees of any other subcontractor working on the job. I believe that this limitation will, in effect, parallel the rights of members of a union in the industrial sector to resort to job actions to bring pressures to bear on their employer, because it recognizes the contractor to be, in a very real sense, in an employer status vis-a-vis the subcontractor, for which they work. It would not, however, permit job action that is intended to affect other subcontractors or contractors who are working on separate jobs.

Mr. President, I send my amendment to the desk and ask that it be printed and lie on the table. I also ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT No. 1044

On page 5, line 9, insert the following: after "organization:": "Provided further, that nothing in the above provisions shall be construed to authorize employees of a subcontractor to picket, threaten to picket, or cause to be picketed any other employer where an objective thereof is to require any other employer, other than the contractor employing such subcontractor, to recognize or bargain with any labor organization:"

On page 5, line 25, strike "Provided further, that at."

Beginning on page 6, line 1, strike through line 9.

On page 6, line 10, strike "to the above proviso;".

On page 8, line 5, strike "agreement."." and insert in lieu thereof "agreement.".

On page 8, insert between lines 5 and 6, the following:

"(j) Nothing in subsection (b) shall be construed to permit the application of such subsection in a State or Territory in which the execution or application of agreements requiring membership in a labor organization as a condition of employment is prohibited.".

COLLECTIVE BARGAINING IN THE CONSTRUCTION INDUSTRY — S. 2305

AMENDMENT NO. 1046

(Ordered to be printed and to lie on the table.)

Mr. CURTIS (for himself and Mr. GOLDWATER) submitted an amendment intended to be proposed by them jointly to the bill (S. 2305) to establish a national framework for collective bargaining in the construction industry, and for other purposes.

CRIMINAL JUSTICE REFORM ACT OF 1975—S. 1

AMENDMENT NO. 1047

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BAYH. Mr. President, on September 10 I removed my name as a cosponsor of S. 1, the Criminal Justice Reform Act of 1975, and said that I would oppose, and do everything possible to defeat this bill unless certain far-reaching amendments are adopted. These amendments would eliminate the many features of S. 1 which I consider repressive and violative of our fundamental civil liberties. I said in my statement that the amendments included a series which I would be introducing, as well as a number that would be introduced by Senators KENNEDY, MATHIAS, BURDICK, HART, JAVITS, CRANSTON, NELSON and MOSS in areas of their respective expertise and concerns.

Since that time the Subcommittee on Criminal Laws and Procedures has continued its consideration of S. 1. I had hoped that in its consideration, the subcommittee, of which I am not a member, would respond favorably to the concerns I expressed and would amend S. 1 accordingly. Regrettably, it did not.

On October 21, the subcommittee favorably reported S. 1 to the full Judiciary Committee without any of the amendments I had outlined. Before the committee begins its consideration of S. 1, which I understand will be within the next several weeks, I believe it is the appropriate time for me to introduce my amendments. As a member of the Judiciary Committee, I intend to urge strongly, at the markup sessions on S. 1, adoption of each of these amendments. As I said previously, unless these amendments are adopted, I will vote against S. 1, and that statement applies with equal force at the committee and full Senate levels. I will so vote, Mr. President, because I deeply believe that if S. 1 were enacted in the form approved by the subcommittee, the state of our criminal law and the protecton of our civil liberties would, without exaggeration, recede a full century.

Mr. President, I ask unanimous consent that the text of my amendments be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1047

On page 69, beginning with line 1, strike out all through line 22 and insert the following new section 1121.

"§ 1121. Espionage

"(a) OFFENSE.—A person is guilty of an offense if, with intent that national defense information be used to the injury of the United States or to the advantage of a foreign power, he:

"(1) transfers national defense information directly to a foreign power, or agent of a foreign power;

"(2) obtains or collects national defense information with the intent that it be transferred directly to a foreign power, or agent of a foreign power; or

"(3) enters a restricted area with intent to obtain or collect national defense information for transfer directly to a foreign power, or to an agent of a foreign power.

"(b) GRADING.—An offense described in this section is:

"(1) a Class A felony if it occurs in time of war and includes vital defense secrets as defined in section 1125(d));

"(2) a Class B felony in any other case.".

On page 69, beginning with line 23, strike out all through line 32 and insert the following:

"SEC. 1122. DISCLOSING VITAL DEFENSE SECRETS

"(a) OFFENSE.—A person is guilty of an offense if he knowingly communicates information containing vital defense secrets to a person who he knows is not authorized to receive it and he does so with an intent to injure the United States.

"(b) GRADING.—An offense *described* in this section is:

"(1) a Class C felony if the offense is committed in time of war;

"(2) a Class D felony in any other case."

On page 68, in lieu of the matter contained in the analysis for subchapter C and designated as "1122. Disclosing National Defense Information.", insert the following: "1122. Disclosing Vital Defense Secrets.".

On page 69, beginning with line 33, strike out all through line 15 on page 70 and insert the following:

"§ 1123. Mishandling National Defense Information

"(a) OFFENSE.—A person is guilty of an offense if, being in authorized control of national defense information, he fails to report to the agency authorizing him to possess or control such information, its loss, destruction, or theft, or recklessly causes or permits its loss, destruction, or theft.

"(b) GRADING.—An offense described in this section is a Class D felony.".

On page 70, beginning with line 16, strike out all through line 26 and insert the following:

"§ 1124. Unlawfully Disseminating Classified Information

"(a) OFFENSE.—A person, employed by the Federal Government or by a contractor with the Federal Government, is guilty of an offense, if being in authorized possession or control of classified information he knowingly and directly transfers such information to a foreign power, or an agent of a foreign power, or he obtains or collects such information for the purpose of directly transferring it to a foreign power, or an agent of a foreign power.

"(b) DEFENSE PRECLUDED.—It is not a defense to a prosecution under this section that the information was not lawfully subject to classification at the time of the offense.

"(c) GRADING.—An offense described in this section is a Class D felony.".

On page 68, in lieu of the matter contained in the analysis for subchapter C and designated as "1124. Disclosing Classified Information.", insert the following: "1124. Unlawfully Disseminating Classified Information.".

On page 72, beginning with line 33, strike out all through line 26 on page 74 and insert the following:

"§ 1128. Definitions for Subchapter C

"As used in this subchapter:

"(a) 'authorized', when used in relation to the receipt, possession, or control of classified information or national defense information, means with authority to have access to, to receive, to possess, or to control such information as a result of the provisions of a statute or an executive order, or a regulation or rule issued pursuant thereto;

"(b) 'classified information' means any information, not already made public in any form, that is marked or designated pursuant to the provisions of a statute or an executive order, or a regulation or rule issued pursuant thereto, as information requiring a specific degree of protection against unauthorized disclosure for reasons of national security;

"(c) 'national defense information' means information not already made public in any form which is classified within the meaning of subsection (b) and which directly relates to:

"(1) the military capability of the United States;

"(2) military planning or operations of the United States;

"(3) military communications of the United States;

"(4) military installations of the United States;

"(5) military weaponry, weapons development, or weapons research in the United States;

"(6) intelligence operations, activities, plans, estimates, analyses, sources, or methods of the United States;

"(7) intelligence with regard to a foreign power;

"(8) communications intelligence information or cryptographic information;

"(9) restricted data as defined in section 11 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2014);

"(d) 'vital defense secrets' means:

"(1) information which is classified within the definition set forth in subsection (b); and which constitute a direct, immediate and irreparable harm to the security of the United States, if it were disclosed; and which directly concerns the operation of:

"(A) cryptographic information regarding the nature, preparation, use or interpretation of a code, cipher, cryptographic system, or other method used for the purpose of disguising or concealing the contents of a communication by a foreign power or by the United States;

"(B) operating plans for military combat operations;

"(C) information regarding the actual method of operation of weapons systems;

"(D) restricted data as defined in section 11 of the Atomic Energy Act of 1954.".

On page 149, between lines 4 and 5, insert the following:

"(c) Bar to Prosecution. It is a bar to prosecution under Sections 1731, 1732 or 1733 that the property that is the subject of the offense:

"(A) is a record, document, or other compilation owned by, or under the care, custody, or control of, the United States; and

"(B) was not obtained by means of conduct constituting an offense under section 1711, 1712, or 1713 of this title, or constituting a trespass under civil law."

On page 59, beginning with line 3, strike out all through line 11 and insert in lieu thereof the following: "defendant was induced to commit the offense charged by a federal public servant acting in his official capacity, or by a person acting as an agent of such a public servant or of a federal agency, using persuasion or other means likely to cause a normal law-abiding person to commit the offense. The employment of a stratagem or deception, or the provision of a facility or an opportunity for commission of an offense, or the failure to foreclose such an opportunity does not in itself constitute unlawful entrapment."

On page 52, line 9, insert "and" to the end of the line; on page 52, line 11, strike out "and" from the end of the line, and on page 52, strike out lines 12 and 13.

On page 60, line 35, after the period, add the following new sentence: "A person though guilty of an unlawful agreement or conspiracy is not guilty of an offense in connection with any substantive offense in furtherance of that agreement or conspiracy unless such person engages in some specific conduct which is substantially corroborative of his intent to engage in that substantive offense."

On page 61, beginning with line 28, strike out all through line 12 on page 62.

On page 62, beginning with line 24, strike out all through line 28 and insert in lieu thereof the following: "under this chapter to attempt to commit or to conspire to commit an offense described in Section 1001 or 1002; an offense described in section 1202; or an offense described outside this title that consists of an attempt or a conspiracy."

On page 65, beginning with line 13, strike out all through line 35.

On page 66, strike out line 9 and insert in lieu thereof "tivities, he communicates a false statement as fact knowing such statement to be false concerning:"

On page 116, line 10, strike out "opens, or reads", and on page 117, strike out lines 29 and 30 and insert "action in the course of its transmission to a party to the communication or to the intended recipient."

On page 82, beginning with line 3, strike out all through line 5 and insert in lieu thereof the following:

"(a) OFFENSE.—A person is guilty of an offense if he engages in conduct involving the intentional obstruction, impairment or perversion, in a substantial manner, of an essential governmental function by means of physical interference or obstacle.".

On page 91, beginning in line 30, strike out all through line 35 and insert the following:

"(a) OFFENSE.—A person is guilty of an offense if, with intent to influence another person in the discharge of his duties in a judicial proceeding, he engages in conduct, which poses a substantial threat to the integrity of the judicial process by means of picketing, parading, displaying of signs, using a sound amplifying device, or otherwise engaging in a demonstration in, on the grounds of, or, after notice of a potential violation of this section, within 200 feet of:".

On page 92, strike out lines 10, 11 and 12 and insert the following:

"command of a court; or

"(3) as an officer of a court, misbehaves in an official transaction; and

such misbehavior, disobedience, or resistence did, in fact, actually obstruct the administration of justice."

On page 92, beginning with line 25, strike out all through line 30 and insert the following:

"(d) GRADING.—An offense described in this section is an infraction.".

On page 94, strike out lines 13 and 14 and insert the following:

"(f) GRADING.—An offense described in this section is a Class A misdemeanor.".

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT

AMENDMENT NO. 1048

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD submitted an amendment intended to be proposed by him to the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1049

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN. Mr. President, I am submitting an amendment to this bill to authorize Federal savings and loan associations to invest, up to 1 percent of their assets limitations, in the share capital and capital reserve of the Inter-American Savings & Loan Bank.

Mr. President, the Congress has for many years supported the concept of thrift and private homeownership through the development of specialized credit institutions in the United States and has been instrumental in fostering the development and growth of national systems of credit institutions throughout Latin America similar in many respects to our savings and loan associations.

Our credit institutions could not function effectively as they do were it not for the secondary mortgage market represented by the Federal National Mortgage Association, the Government National Mortgage Association, and the Federal Home Loan Mortgage Corporation. These agencies, acting as our secondary mortgage market, provide a stabilizing mechanism to cover the ebb and flow of available mortgage credit.

The Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings & Loan Bank.

Mr. President, I believe it would be useful here to outline briefly for the Senate the background of the Inter-American Savings & Loan Bank.

The initiative for the establishment of the bank, dedicated to housing finance, originated in the late 1960's under the auspices of the Inter-American Savings and Loan Union. The ISLU, which was founded in 1964, has as its principal objective the promotion of permanent, effective means of providing housing finance in both North and South America. Inasmuch as its membership includes virtually every public and private housing finance entity in Latin America as well as a large number of U.S. savings and loan associations, their national trade organizations, Federal Home Loan Banks, and the Federal Home Loan Bank Board, the Inter-American Savings and Loan Union enjoys broad multinational support in the hemisphere.

The basic motivation for establishing an inter-American bank specializing in housing finance is to provide an international market for home financing. In this context, the bank will be empowered to engage in secondary mortgage operations across national boundaries and to utilize its own standing in the international financial community to mobilize funds for relending to member institutions.

Sufficient capitalization for the bank to commence operations was subscribed in January of this year by 11 Latin American countries. What is currently lacking is a mechanism by which U.S. housing finance institutions could participate in the bank. My amendment involves no expenditure of Federal funds. It merely allows Federal savings and loan associations, which are already authorized to invest in AID's housing program up to 1 percent of their assets, to invest in the Inter-American Savings and Loan Bank within that 1-percent limitation up to an aggregate of $3.5 million.

Between the savings and loan industries of the United States and Latin America there is a strong bond of friendship, born not only of common objectives and interests but also of more than a decade of close cooperation in the establishment and development of housing finance institutions in Latin America, significantly through the AID housing guaranty program and the efforts of the membership of the National Savings and Loan League.

In the interests of U.S. foreign policy toward Latin America and of the very tangible benefits which can accrue to the United States, this bond of friendship must be maintained and strengthened.

Mr. President, the Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings and Loan Bank. These mortgage credit systems have come of age to the point where the establishment of this facility, with or without U.S. participation, will be accomplished. The United States has been asked to participate and I believe it is very much within our national interest to do so. I further believe that this natural evolution of mortgage credit systems will benefit from our participation just as the various Latin American savings and loan systems came into being through our earlier assistance.

Mr. President, the Agency for International Development has long encouraged the establishment of the Inter-American Savings and Loan Bank as a means of strengthening savings and loan systems and home financing resources in Latin America. I ask unanimous consent that a letter from Mr. Peter Kimm, Director of the Office of Housing at the Agency for International Development, expressing AID's support for legislation permitting the U.S. savings and loan industry to participate in the subscription of equity capital in this new institution, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 1, 1975.

Hon. THOMAS E. BOMAR,
Chairman, Federal Home Loan Bank Board Washington, D.C.

DEAR MR. CHAIRMAN: Luis Carlos Vieyra da Fonseca of Brazil and Tulio Pinedo of Venezuela recently visited Washington to bring us up to date on the imminent formation of an Inter-American Savings and Loan Bank (BIAPE). I understand that these gentlemen called on you to discuss a possible subscription of capital to BIAPE by the U.S. savings and loan system. The inauguration of BIAPE, scheduled for early April, marks the culmination of a decade of planning and is a truly inter-American initiative.

Current legislative and policy constraints preclude the subscription of equity capital by A.I.D. We have been approached concerning a line of credit under our housing guaranty program, and we do expect to give further consideration to such a proposal, if it is aimed at lower-income groups.

At the same time, we would like to emphasize our support for legislation or regulations which would permit the U.S. savings and loan industry to participate in the subscription of equity capital in this new institution.

If we could be of any help to you or provide further information and background on the BIAPE endeavor, please let me know.

Sincerely yours,

PETER M. KIMM,
Director, Office of Housing.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 974

At the request of Mr. ROTH, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of amendment No. 975 intended to be proposed to the bill (H.R. 9005), the International Development and Food Assistance Act of 1975.

NOTICE OF HEARINGS

Mr. STONE. Mr. President, I wish to announce that the Subcommittee on Housing and Insurance, which I chair, of the Committee on Veterans' Affairs will hold hearings on housing and insurance bills referred to the Committee on November 12 at 10:00 in room 412 of the Russell Office Building.

In particular, attention will be directed to S. 2539, the Veterans Housing Amendments Act of 1975 and S. 1911, the Veterans Insurance Amendments Act of 1975. The committee will also receive testimony concerning S. 1991, S. 2159 and S. 2200.

The hearing will further focus on implementation of the various provisions of the Veterans Housing Act of 1974 (Public Law 93–569), and the Veterans' Insurance Act of 1974 (Public Law 93–289).

Interested parties who wish to appear or to submit testimony for the record should contact Stephen Cloud at 224–9126.

NOTICE OF HEARING

Mr. CANNON. Mr. President, the Committee on Rules and Administration will hold public hearings on the Oklahoma Senate election contest on Monday, November 17, 1975, beginning at 2 p.m., and on Tuesday, November 18, 1975, at 10 a.m.

The hearings will be held in the committee hearing room 301, Russell Senate Office Building.

ADDITIONAL STATEMENTS

OUR OVERCROWDED PRISONS

Mr. KENNEDY. Mr. President, our soaring crime rate continues to be a major problem which plagues all of our citizens. Despite the rough talk and promises of recent years, relief is not yet in sight.

It is time to recognize that if any gains in the war against crime are to be achieved, the court systems of our Nation must receive the consideration and assistance necessary to promote the fair administration of justice. Court congestion must be eliminated, and plea bargaining—which allows prosecutors to reduce crowded court dockets by offering the criminal a chance to plead guilty to a lesser offense, thus avoiding a jail term—must be reduced. In all too many cases today certainty of punishment has been sacrificed in favor of assembly-line justice.

Mr. President, I ask unanimous consent that an article which recently appeared in the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR OVERCROWDED PRISONS

(By Martha K. Kwitny)

We desperately need a new way of handling criminals. The billions of dollars we are spending on criminal justice buys neither the safe streets and honest commerce nor the humane treatment of lawbreakers.

We have invested the guilt-determining process with great pomp, expense and respect for the rights of the accused. But criminal convictions have become statistics without consequence. The courts are mere record-keepers. Like baseball players, many criminals are given three strikes (or convictions) before being taken out of circulation, and then in short order they are back in the game again.

During the past 10 years, I have worked inside a dozen correctional institutions in the East, as a prisoner therapy volunteer, a prison employe, an acting director of a bail-re-evaluation project, a defense attorney and an assistant prosecutor. It hasn't been what I expected.

In college I dreamed of becoming a new Clarence Darrow. I was obsessed by the Kafkaesque image of innocent men caged by a cruel or indifferent state power. The lawbreakers I knew were friends who took part in civil rights or anti-war demonstrators or who smoked a little marijuana.

Later, as an appellate defense attorney, I examined the transcripts of hundreds of criminal cases and found one possible civil rights demonstrator, two men who might have been innocent and very few persons charged solely with possession of marijuana. None received prison sentences. Rarely, in all my work, have I seen cruelty or indifference among judges, assistant prosecutors, prison administrators or guards.

The time a convicted person serves in prison usually is much shorter than generally believed. Rarely do even judges and lawyers comprehend the obscure parole system or the various "good time" or "work time" credits that count off against the sentence.

How it works

The prosecutor's rule of thumb is that a "first offender" in state prison in New Jersey serves one-fifth the maximum sentence. Thus a man given an eight-to-ten year term will be free in two years.

By "first offender," the parole system means a man serving his first state prison term. He may have a four-page record of prior convictions and several prior reformatory stays, but if he is serving his first state prison time, he is a first offender for parole purposes. Moreover, if the hypothetical man serving an eight-to-ten year term had to wait several months in jail pending trial, this time will be credited to him and his total stay in prison reduced to considerably less than two years.

Even a murderer serving a life sentence is eligible for parole in New Jersey after 14 years. Parole from a life sentence in federal prison is possible in less than 15 years, and in some parts of the country life sentences may be served in as little as seven years. The much publicized debate over restoration of the death penalty overlooks the middle step of a really stiff penitentiary term such as 25 years without parole.

We urgently need improved and enlarged prisons, but not for the idealistic reasons usually cited. Rehabilitation is beyond the reach or desire of many prisoners. Frills such as swimming pools, stereo equipment and steak, and even the so-called reform expenses for psychologists and vocational training, have little effect in maintaining inmate calm or, studies show, in lowering the rate of repeat offenses.

Some correctional facilities do indeed have astoundingly poor physical plants. Such problems, however, seem to matter less to prisoners than they do to liberal reformers.

For example, the District of Columbia jail dates back to 1875 and resembles a dungeon, whereas the Lorton, Va., Youth Center for Men, which also is run by the District of Columbia corrections department, looks like a college campus. When I worked for the department in 1966, the guards at Lorton were B.A.s, psychological counseling was offered and steak was served once a week. Nevertheless, the institution with a history of prisoner riots and where we felt the constant danger of further trouble was not the antiquated jail, but the model Youth Center.

Recently, as an assistant prosecutor negotiating plea recommendations in Union County, N.J., I have learned that most accused persons would prefer a one-year sentence in the teeming county jail to an effectively shorter term in a less-crowded state prison. One day this summer several prisoners at the jail had to be hospitalized after the temperature in the poorly ventilated metal cells reached 109 degrees. But the prospective inmates still prefer it because they believe that two of the three state prisons are an inconvenient commute for visitors and that the jail has a nicer clientele.

Numerous discussions with inmates over the years have convinced me that the worst part of any prisoner's life isn't the regimentation, or the overly salted luncheon meats, but rather the dangers of living among other inmates. Many a confession has been wrung not because of police brutality, but because the accused so feared the possibility of being made a concubine of his cellmates that he spilled his guts to avoid a single night in custody.

Incarceration is an evil necessary to remove the prisoner from society and to deter crime. But confined persons ought to receive a healthful environment, including a private room that can be locked against the predatory impuses of fellow prisoners. The reasons for this are practical as well as humane.

Judges simply won't impose lengthy sentences to institutions that are overcrowded or that lack minimal standards—and most institutions fit this category. At a judges' convention in New Jersey the first week of September, state Chief Justice Richard Hughes instructed the trial courts to postpone all sentences to prisons and reformatories for several weeks because these institutions could not accommodate any more inmates. Law suits in a number of states have petitioned the courts to prohibit sending convicted persons into crowded or inhumane prisons.

Even if the courts refuse to order a blanket prohibition on prison sentences, however, the criminal trial judges will adjust their individual sentences in the light of their knowledge of conditions in the institutions. In my experience, judges now rarely send an urban resident to state prison unless he has committed murder, or is over 25 and has committed rape, armed robbery or atrocious assault.

Younger men who have committed violent crimes but who have never served time in state prison usually are sentenced to a reformatory or youth complex instead. County jails accept prisoners serving shorter terms (in New Jersey, up to a year), as well as persons awaiting trial. Some areas have workhouses or county farms for minimum security prisoners serving short terms.

In practice, each of these alternatives turns out to be less punishment than one might expect. Riot scares and health hazards impel judges to empty out jails as much as possible in summer. Last spring the sheriff and the criminal assignment judge in my county instructed the trial judges to restrict jail sentences on all guilty pleas to less than eight months. More recently, a trial judge told me that he wouldn't impose a jail term longer than three months.

Overcrowding's effect

I have seen judges tell defendants in open court that they were receiving probation instead of a jail term because of overcrowding in the cells. Thus defendants, even repeat offenders, who formerly were punished with substantial jail terms, now know they can commit certain nonviolent crimes and remain free, or suffer at most a few months in jail.

Reformatories, or youth centers, were designed for indeterminate sentences so that parole would coincide with successful rehabilitation instead of coming on a predetermined date. Reformatories were given better rehabilitation facilities than the state prisons on the theory that young men would be confined long enough to produce the educational, vocational and psychological changes needed for adjustment to society.

These institutions were intended to avoid exposing suggestable young men to the influence of career criminals at state prisons. (Most states have only a single institution for their limited number of women prisoners.)

But in practice, the reformatories have received far too many prisoners even to attempt their intended rehabilitative function. Although New Jersey law gives youthful offenders sentences of from one day to five years (the maximum can be extended in exceptional cases), the constant press of new inmates has reduced the time spent in these reformatories. Prosecutors commonly find repeat offenders who have been released after only eight months.

Even persons who believe that rehabilitation is possible would say that these prisoners have problems that require several years to modify.

Also, because judges hate to send younger men into state prisons, the youth centers have been receiving inmates for a third or fourth stay. Such men, with several indictable convictions behind them, already the career criminals whose influence the reformatories were designed to prevent.

Judges' disdain for state prisons has led to lighter sentences than would otherwise be imposed, even for men convicted of violent crime. Younger men are sent into a reformatory and out, often in less than a year. Many men over 30 who have committed burglaries, larcenies or other nonviolent crime, receive just a few months in county jail.

No wonder that witnesses who are reluctant to testify because they are physically afraid of the defendants find little comfort in the thought that the accused may be convicted. In many cases, the defendant will be free before the victim has recovered from the crime.

COURTROOMS WITHOUT KOJAKS

Crime fighting as portrayed on television bears little relationship to criminal justice as it is practiced in the United States. In fact, to a surprising degree, the inaccuracy of most detective stories and courtroom dramas helps make our real criminal justice system work ineptly.

During the past 10 years I have held professional but not command positions in the Washington, D.C. Department of Corrections, the Vera Institute of Justice (a nonprofit reform organization with headquarters in Manhattan), the Public Defender Office of New Jersey, the Central Research Staff of the New Jersey Appellate Court, and the Prosecutor's Office of Union County, N.J.

I have seen that crime does pay. Society extracts a very cheap price for committing it. Contrary to the popular myth that the accused man is an underdog, most real confrontations are stacked heavily against the state. Only a small fraction of all crimes lead to convictions, and only a small fraction of all convictions lead to incarceration. Even the confined, convicted criminal is likely to be free within a few years.

As a practicing assistant prosecutor, the first thing I tell jurors is that a courtroom trial won't produce the kind of case they see presented on "Columbo," "Kojak" or "Ironside." On TV, a dropped matchstick or napkin often leads to the killer. In my experience the police have unremarkable intelligence and rarely seize evidence less obvious than a gun.

On TV the fingerprints from a glass inevitably match those of a suspect. In real life, when footprint or fingerprint analysis is attempted, it often fails. If a surface is irregular or greasy, clear prints won't show up. On many objects the prints are incomplete, overlapping or smudged. Critical evidence may have been touched too often, or the culprit may have moved his fingers. The police may have no suspects.

Of hundreds of files I've studied, only half a dozen cases were solved through fingerprints. A detective with more than 20 years experience testified in a trial I was presenting that he had ordered fingerprints in 2,000 cases with matching results in less than 5%. The same detective stated that in 20 years he had used shoe molds successfully only twice.

The real world

On TV, a murder case is concluded in 30 minutes or an hour including commercials. In the real world, robbery or breaking and entering trials continue a week or two, or even more. Interruptions are frequent for legal debate. The jury is shuffled out of the room for numerous coffee breaks. Many obvious questions remain unasked because of complex rules of evidence.

Sometimes important witnesses conspicuously do not testify. The jury is left to wonder why. Usually these witnesses have claimed legal privileges—marital, priest-penitant, lawyer-client, right against self-incrimination, right not to respond to an out-of-state subpoena not issued through elaborate interstate agreements. But at times witnesses have not been interviewed or even located.

Thus juries don't often deliberate on the sort of neatly wrapped cases that Kojak presents to his supervisors. If the defendant has confessed or is caught "redhanded" he usually pleads guilty. Cases remaining for trial are mostly those that rely on eyewitness testimony combined with circumstantial evidence.

If the eyewitness knows the accused, usually he also either dislikes the accused, has a criminal record or has some motive to lie. If the witness does not know the accused, in most cases the crime occurred quickly, the witness was excited and the defense will question the accuracy of an identification made under such difficult conditions. The trial often is held long after the criminal incident when the witness's memory of events has faded.

Trial judges frequently are asked by defense attorneys to exclude certain admittedly relevant information (such as other crimes committed by the accused for which he was not prosecuted) on the ground that it is "more prejudicial than probative" or that it is improper under the evidence rules. Even a confession may be challenged because of how the police obtained it.

A decision must be reached quickly. If the judge errs by admitting evidence favorable to the state, the defendant may have his conviction reversed on appeal. If judicial error excludes valid evidence and leads the defendant to an acquittal, there can be no appeal for the state.

Thus, on a subconscious level, judges are sorely tempted to favor the defense in their rulings. Appellate review is the only real supervision most judges receive. Nearly all defendants who are convicted by trial will appeal their cases. So while judges receive no censure for rulings that result in acquittals, they face appellate reversal if they erroneously favor the state.

In similar fashion, defense attorneys are tempted toward improper conduct more than prosecutors are. If a defense attorney asks improper questions suggestive of facts not admissible in evidence, or misleading to the jury, he faces merely a prosecutor's objection and the judge's ruling "sustained." The facts are at least implicitly before the jury and the resulting acquittal is safe from appeal. A prosecutor behaving in the same overly aggressive manner subjects any conviction to reversal on appeal.

Jury verdicts must be unanimous. If a defense attorney succeeds in confusing or convincing just one juror, he is well on his way to a compromise verdict or a hung jury. A jury which cannot reach unanimity for conviction often eventually acquits, because those holding out for acquittal argue that it is better to free 999 guilty men than to convict one innocent man.

If a jury remains divided, a new trial will be ordered at which the defense will have an advantage. Since the majority of trials have more state's witnesses than defense witnesses, it is the state's witnesses who will have their credibility impeached by inevitable inconsistencies between their testimony at the second trial and the transcript of the first trial testimony.

An experienced trial attorney can make most lay witnesses look foolish through cross-examination. Many attorneys choose not to present a defense case at all because they believe that so long as only the state offers evidence the jury will scrutinize that testimony by the rigorous standard of "beyond a reasonable doubt," but if the defense provides testimony the jury will be tempted to lapse into asking, "Which side do I believe?" This defense strategy is helped by an instruction to jurors that they are not to consider for any purpose or even to mention in their deliberations the fact that a defendant chose not to testify.

Small wonder then that he repeated adumbration to jurors that the burden of proof is on the state to show guilt beyond a reasonable doubt often leads to acquittals. Jurors have been conditioned by watching "Perry Mason" and "The Defenders" to adopt a skeptical attitude toward the state's case. They are waiting for the prosecutor to call Kojak to the witness stand, and instead the prosecutor puts on the boy next door.

Discounting justice

In most cases the assistant prosecutor realizes that there is a chance the jury may acquit. So a plea bargain is offered. And the price of justice is discounted, rather like bonds that may never be honored.

Even in a case where conviction seems certain, the assistant prosecutor feels pressure to offer a deal. Trial calendars are backed up so that matters cannot be presented until many months after indictment. Meanwhile, accused persons are sitting in overcrowded jails. Without bargains, defendants would stop pleading. And without pleas the entire criminal justice system would collapse.

In Manhattan at least 88% of all cases must be disposed of by plea if the calendar is to move at its present slow pace. In Union County, N.J., the plea bargain rate is 89%.

Plea bargaining sets off a downward spiral in sentencing. Most sentences come after guilty pleas rather than after trials. So the discounted price of justice becomes the norm.

After a defendant is convicted at trial, his counsel urges that he should not be penalized with a stiff sentence for exercising his constitutional right to plead innocent. If the trial judge accepts this argument and imposes a sentence in conformity with previous bargained sentences, a new discounted rate for the crime is needed to induce future pleas.

When a case is assigned to a particular judge's calendar shortly after arraignment, the assistant prosecutor and public defender regularly practicing in that court know the judge's sentencing idiosyncrasies. The prosecutor is likely to aim his recommendations near the level of the judge's previous sentences for the same crime. These plea bargaining recommendations become a ceiling to replace the statutory maximum.

Sometimes the judge sentences a defendant to less than the prosecutor's recommendation. The defendant is an individual portrayed sympathetically in court by his attorney and by the pre-sentence report. The victim, on the other hand, is an abstract person the judge has never met.

If the judge sentences below the state's recommendation, a new, lowered guideline is established. The system would work better if a defendant did not know which judge would handle his case until jury selection. Then early plea arrangements would be made with both sides aware that the stiffest sentencing judge in the courthouse could be assigned.

Overcrowded jails and reformatories have made short sentences or noncustodial sentences commonplace for all crimes other than murder. When Kojak gets his man, the TV show is over. When our police get their man, a trial is held and win or lose the defendant often goes free.

The criminals in the TV series are unusually bright, chess-playing maniacs or mobsters. In real life the person committing a crime is usually sane by standards of his immediate peer group. But he is so removed from the mainstream of society by low intelligence, lack of education and drug or alcohol abuse as to make crime his career. No short jail term will change such criminals. Probably no long prison sentence would change them either, but it would remove troublemakers from the streets.

THE ACCUSED'S RIGHTS

Over the past 20 years the rights of the accused have steadily increased, while the actual penalties for convictions have shrunk. I am often surprised in reviewing an older person's record sheet to note the relatively stiff penalties imposed in the 1950s. In some parts of the country, particularly the South and the Midwest, states still exact stiff penalties; not so in the Washington to Boston corridor.

The guilt-determining process is expensive, even for a simple one-week trial. The taxpayer supports salaries for a judge, an assistant prosecutor, a public defender, four sheriff's officers, detectives who aid the attorneys, a stenographer, a court clerk, countless jurors (12 to deliberate, two alternatives and a panel of hundreds to select those 14 from), as well as the upkeep of a courtroom. Should the defendant be convicted there will be a taxpayer financed appeal in most cases, without regard for whether the defendant has been sentenced to confinement or whether meritorious legal issues exist.

Such substantial costs may be tolerable for the murder cases Columbo solves. But if we are not prepared to incarcerate a criminal for years, and if his convictions are subject to expungement, then we ought to rethink which charges deserve indictment and formal jury trial.

SHACKLED JUSTICE—SOME SOLUTIONS

Because correctional institutions are crowded, persons labeled criminals after expensive grand jury trial proceedings are rarely incarcerated long. The public safety, a concern for civil liberties and the drive to economize all require a statutory change in the classification of certain crimes. Only by reducing those crimes to petty offenses can society insure that real criminals remain in custody.

Although the terminology differs from state to state, lawbreakers usually are treated either as accused criminals, who are exposed to potential long-term imprisonment, or as disorderly persons, who face only fines and brief imprisonment in local jails or workhouses.

The accused criminal receives a full panoply of rights—indictment by grand jury, trial by petit jury, defense attorneys appointed for indigents and appeals supported by taxpayers if the convicted person lacks funds to appeal on his own. The accused petty offender, on the other hand, receives summary treatment before a magistrate, much the *same as* that faced by a traffic violator.

Obviously the process for judging disorderly persons is quicker and cheaper than the elaborate constitutional rituals of trial. The rationale for abridging the rights of the accused petty offender is that there is less at stake for him than for the criminal.

Many actions now called crimes carry long potential sentences on the law books, but no substantial sentences in practice. In my experience as a public defender, appellate research aide and prosecutor, I have observed that certain crimes are rarely treated by incarceration and therefore should be reduced to disorderly persons offenses.

They include possession of drugs (marijuana, hashish, cocain, heroin, pills) in quantities that sell for less than $2,000; sales of the so-called soft drugs (marijuana, hashish, pills) for less than $2,000; sales of obscene materials, even to minors; first offenses of cashing bad checks, or fraud or forgery or embezzlement schemes netting under $5,000; or first offenses of breaking and entering, larceny, receiving stolen property or other nonviolent crimes netting under $5,000.

Cutting the caseload

Redefining these crimes to petty offenses would cut the caseload of county judges and prosecutors in half. This alone would have funds, since municipal hearings are far cheaper and shorter than jury trials. The decreased caseload would reduce the need to bargain for guilty pleas, and would insure defendants speedier trials. The public safety would not be jeopardized by making law of what is now common practice, because prospective defendants already know the score.

The rights of the accused petty offender, though abridged in formalities, would still include a fair trial before an impartial magistrate. Numerous charges punishable by up to six months in jail already are decided by magistrates under the current system. Moreover, a disorderly persons conviction does not carry the stigma of a criminal conviction. It need not appear on most job applications. It could not be used for impeachment purposes in subsequent trials.

For those actions remaining as crimes—robberies, rapes, possession of weapons, assaults with serious injuries, repeat offenses of nonviolent crimes—I would prescribe a statutory minimum sentence. The prosecutor should not be permitted to plea bargain for a term below the statutory minimum, although—importantly—the judge should be permitted to waive the minimum for reasons stated at the time of sentencing (for example, duress in committing the crime, or exceptional services to law enforcement after apprehension).

The concept of parole for convicted criminals should be eliminated. The sentencing judge has a pre-sentence report containing all the information needed to impose sentence. The inmate's subsequent behavior at the penal institution is not sufficiently predictive of his conduct in society to be a determining factor in the length of incarceration.

Proponents of the parole system offer a variety of inadequate rationales. The first—that sentences should be modified if rehabilitation progresses well—relies on the erroneous assumptions that prisons can change criminals and that a penitentiary staff can predict which inmates will not return to crime.

The second rationale—that the disparate sentences of different judges should be adjusted—addresses a real problem with an improper solution. Parole does not quiet prisoner resentment by equalizing sentences. Rather, it allows inmates to focus hostility on the parole board. A system of statutory minimum sentences would improve sentencing uniformity. Should further equalizing be needed it should be called just that and should be done by an equalization board at the start of the prisoner's term, not mid-way through. Additionally, the governor of a state could exercise a pardon-like power to modify sentences in truly exceptional cases of injustice.

The third rationale for a parole system is that it enables correctional authorities to better control the behavior of inmates in the institution. Other mechanisms of control exist—for example, a system of cell blocks with gradually improving privileges and amenities. Prisoners would be assigned on the basis of their conduct. This, plus "good time" and "work time" credits, would reward a cooperative inmate adequately. Cooperation should not be confused with reformation.

An improved criminal justice system would retain a place for experimental rehabilitation programs, but eligibility in such projects would be limited to volunteers or to those convicted as disorderly persons. Thus, a young man or woman convicted of possession of heroin or a first-offender larceny would be offered the chance to reside at a community-based half-way house or drug treatment program in lieu of a maximum jail term of up to six months.

The probation department and citizen volunteer programs could serve a useful role with some nonviolent offenders. At present, probation is much overworked. It is often used as a cop-out by judges who seek a compromise between jail and the lack of any sanction whatever on those too poor to pay fines.

Jails should be expanded and workhouses built for these lesser offenders. Service programs should be instituted in lieu of fines for some offenses. Probation should be reserved for those who are likely to respond well to it. In general, probationers also should be young. There is something ridiculous about sentencing a 45-year-old professional con artist to probation with a 22-year-old social worker.

MAINTAINING GUIDELINES

The need to decriminalize certain activities has been recognized by many prosecutors on an ad hoc, or discretionary basis. Although prosecutors are reluctant to admit publicly that there are classes of cases not pursued, nearly every office maintains guidelines to determine which complaints for indictable offenses will be presented to the grand jury.

In Washington, D.C., for example, thefts under $2.50 or possession of small amounts of marijuana almost never are indicted although statutes make such indictments possible. In Manhattan the law makes possession of stolen cars and possession of marijuana for personal use felonies but these commonly occurring events are routinely rejected for indictment. Many jurisdictions do not process as crimes cases of adultery, bigamy, nonsupport, fornication, criminal libel, incest, pornography sales, one-on-one assault, death by auto and shady business deals which can be characterized as "civil action in disguise."

Some prosecutors in New Jersey and other States have set up so-called diversionary programs on their own because of inaction by the legislatures. The object of such programs is to sidetrack the prosecution of certain accused persons and impose an informal probationary status without trial. If the participant in the divisional program isn't arrested again for a stipulated period of time the original charge will be dismissed and he will have no criminal record. If the participant becomes reinvolved with the law, prosecution of the complaint will be resumed.

Such diversionary programs are a promising approach when they result from a statute that is uniformly applicable around a state. In New Jersey, for example, the legislature has provided such program for first offenders accused of simple possession of drugs.

But the ad hoc approach of individual prosecutors is less successful, because there isn't any central registry to assure that an accused gets only one free bite of the apple. Furthermore, the ad hoc approach forces a prosecutor to take positions that could land him under indictment for nonfeasance in office if the administration changes.

Even statutory, uniformly-applied diversionary programs have substantial drawbacks. They may place the state at a disadvantage in proving its case if prosecution must be resumed after a long delay. And so long as crimes remain on the book it seems fair to impose some sanction, however minimal, for violating them.

Transferring less critical criminal matters to the disorderly persons category is preferable to abandoning all prosecution because records are maintained and some penalties may be imposed. Certain defendants will seek out rehabilitation programs in lieu of serving even minimal jail time.

The present criminal justice system is tied in knots. It is time for the legislation to begin untangling the skein.

SENATE AND HOUSE INTELLIGENCE INVESTIGATIONS SHOULD BE HALTED

Mr. GOLDWATER. Mr. President, for some time now, I have seriously doubted the advisability of continuing the congressional investigations into the CIA and other segments of the Nation's intelligence community. Now that CIA Director William E. Colby has been replaced and Secretary of State Henry Kissinger has been relieved of his post as the President's National Security Advisor, I believe the time has come to call a halt to both the Senate and House intelligence investigations.

As a member of the Senate investigating committee, I can attest to the fact that we are turning up no new material that would assist anyone in drafting legislation for a more effective and more ethical intelligence operation. In fact, I believe the congressional investigations into intelligence activities are now becoming counterproductive. I believe if they are allowed to continue indefinitely that they will do serious harm to this Nation's intelligence activities and therefore to its security.

Mr. President, in the Senate's investigation most of our time has been expended in attempting to trace down long-past actions by the CIA aimed at the assassination of Cuban dictator Fidel Castro and other foreign leaders. The information which has been uncovered is hazy and indecisive in many respects. I can say definitely that it in no way supports Senator CHURCH's contention that the CIA functioned in the uncontrolled fashion of a "rogue elephant" for many years of its existence.

In conclusion, Mr. President, I believe that enough is enough. I believe we have given the congressional investigators all the time they should need to look into the operations of the intelligence communities in the hope of finding areas that could be corrected or improved through legislative action. Any further probing into these sensitive affairs can only prove harmful to the United States and to freedom everywhere.

ALABAMA ENVIRONMENTAL QUALITY ASSOCIATION

Mr. SPARKMAN. Mr. President, I recently received a letter which was mailed to Alabamians by Governor Wallace in support of the Alabama Environmental Quality Association.

The AEQA was formed by a small group of concerned Alabamians over 10 years ago, before environmental concerns came into vogue. They have taken the lead in studying environmental issues, and can take much of the credit for Alabama's lead in the area of environmental law.

I ask unanimous consent that Governor Wallace's letter and the AEQA pamphlet "Your Little Corner of the World" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF ALABAMA,
GOVERNOR'S OFFICE,
Montgomery, September 26, 1975.

MY FELLOW ALABAMIANS: We in Alabama have a story to tell our nation. It is a story about people who did not sit back and wait for government to come up with all the answers.

Over ten years ago a few concerned citizens formed the Alabama Environmental Quality Association to find solutions to our environmental problems. Armed only with initiative and pride, they built a model program for America which now involves literally thousands of people throughout our state.

This grassroots program—the very essence of democracy—is helping to bring orderly growth and a quality life to Alabama.

I hope that you will study the enclosed material and join with this organization which is concerned about our environment and matches that concern with responsible action.

Sincerely yours,
GEORGE C. WALLACE,
Governor.

YOUR LITTLE CORNER OF THE WORLD

All too often we read that Alabama ranks forty-ninth in the nation in this—or fiftieth in the nation in that.

We rarely hear about it when Alabama becomes a recognized leader—and we do have that distinction in a number of fields. We'd like to share with you one of those success stories.

Long before the environment became a critical issue and a common subject for coffee-break chit chat, a group of Alabamians joined together to pioneer an environmental program and insure that any development in our state would be compatible with a quality life.

That movement became the Alabama Environmental Quality Association, a nonprofit, educational and public service organization. AEQA brought together citizens, government, interested organizations, business and industry to combat pollution of our air, earth and water.

And the results have been astounding. Environmental laws on the books for years have been dusted off and are being enforced.

Public attention has been focused on strip-mining, which became the subject of recent regulatory legislation.

Serious study is being given to a concept for conversion of garbage to steam power in Alabama which will contribute to solid waste disposal and energy conservation.

Congress now has before it a proposal for a national scenic trail for hiking—a route followed through Central and South Alabama by the 17th Century naturalist and artist, William Bartram.

Publications are available on a wide range of ecological concerns. A sampling might include: guidance in organizing community recycling programs; information for the layman on surface mining and reclamation; identification of resources and resource persons in Alabama active in environmental affairs.

Regional Councils cover Alabama monitoring potential concerns and actively conducting community environmental programs with the direct assistance of an AEQA Field Representative.

An annual awards program recognizing outstanding achievement has led to spirited competition among businesses, cities, counties, and state agencies.

National personalities like Interior Secretaries Walter Hickel and Rogers Morton, Dr. Wernher von Braun, Russell Train, head of the U.S. Environmental Protection Agency, and Jules Bergman, ABC News Science Editor have visited AEQA to lecture and to learn. They have been unanimous in their acclaim for Alabama's program.

There are dozens of other examples but these convey the wide range of AEQA's accomplishments. The Alabama Environmental Quality Association, in this decade, has had a mighty impact on environmental affairs. We have been successful because it is a grassroots movement made up of people. Our funding has been from grassroots contributions and limited governmental assistance.

THE CONSEQUENCES OF BUSING

Mr. BAKER. Mr. President, an editorial which appeared in Sunday's Washington Star calling for the courts to take note of the consequences of busing is both timely and appropriate. I, too, believe that it is time for the Federal judiciary to remedy its mistake and to seek redemption at the bar of public justice by dispensing with court-ordered busing.

If the courts do not reverse their stand, I expect that Congress again will try, as we have tried so often, to prohibit statutorily busing beyond neighborhood schools to achieve a racial balance. And there is the ultimate solution of a constitutional amendment, which is the focus of the ongoing Judiciary Committee hearings. But the preferred course, in my opinion, is for the courts to take stock of the ravages of busing upon American education, and to undo the judicial mischief which they have perpetrated.

Mr. President, in view of the distress prompted by busing in Louisville, Boston, and other American cities, and in view of the societal burdens and disruptions encountered by my Tennessee constituency as massive, judicially ordered busing plans have been implemented, I find it noteworthy that the Boston plan apparently has resulted in increased segregation. The Star editorial, which is entitled "'Missing' in Boston," notes that due to transfers from public to parochial schools, and to approximately 5,000 students who have apparently dropped out of school altogether, white enrollment in Boston public schools has dropped from 57 to 48 percent in the wake of 2 years of court-ordered busing.

The editorial correctly questions, in my opinion, as to "what profit there may be in policies that in the pursuit of integrated schools serve to segregate them further" and asks how many similar experiences must we incur before the courts will take note that busing is placing many school systems "beyond the reach of meaningful desegregation." These sentiments capture the essence of one effect of the mechanistic busing of children to achieve a racial balance, a policy which the Star labels as "wrong headed," and one which I prefer to call judicial mischief.

Thus, I am pleased that the Committee on the Judiciary is taking a new look at proposed constitutional amendments to prohibit the assignment of students to schools other than that nearest their residence; and I am privileged to cosponsor the Tower and Roth resolutions proposing such an amendment. Furthermore, I am encouraged by the President's recent directive to the Department of Justice and HEW to study alternatives to busing that would achieve reasonable desegregation and provide equal access to quality education. These initiatives are promising, and I support them; but we must look to the Federal courts themselves for immediate relief from the racial and social divisiveness, and the diminution of quality education that has been caused by court-ordered busing.

Moreover, I believe that the United States has been exceedingly lucky during the course of the busing experience. By and large, our country has been the fortunate beneficiary of responsible officials, careful law enforcement, and vociferous, but restrained citizenry as we have faced the busing issue. Our luck, however, may soon run out; and I think that it is time for the Federal courts to reconsider the busing precedent in the light that busing not only has nothing to do with reducing institutional segregation and insuring equality of opportunity, but also undermines parent participation and public support, which contributes significantly to a quality public school education.

Finally, as has been widely recognized since the 1954 Supreme Court decision in Brown against Board of Education, the achievement of school desegregation and true equality of opportunity requires much more than legislation and court decisions; it requires an advancement in public attitude and belief. Since that 1954 decision, progress has been made in the areas of voting rights, open housing, equal employment opportunity, and in the elimination of the so-called separate but equal schools. These initiatives have enjoyed the significant and widespread support of a wide segment of American people; but I fear that massive busing, by placing an unconscionable burden upon schoolchildren and their parents, is poisoning the atmosphere for further progress and the new generation to whom we must look for final resolution in the area of civil rights.

Mr. President, it is for this reason that I commend the Washington Star editorial to our colleagues. I support the sentiments contained therein, and I ask unanimous consent that it be printed in the Record.

There being no objection the editorial was ordered to be printed in the Record, as follows:

[From the Washington Star, Oct. 26, 1975]

"MISSING" IN BOSTON

Some 5,000 students, black as well as white, are officially listed as "missing" this year from the Boston public schools. Together with several thousand official transfers from public to parochial schools, they account for the saddening but unsurprising news that after two years of accelerated racial cross-busing the Boston schools are tipping toward a black majority. In two years, this noble experiment has reduced white enrollment from 57 to 48 per cent.

One mentions these sad figures with reluctance. There is an intimidating kind of moral obloquy in store for anyone who talks about practical consequences in this matter, And of course, the usual alibis are being readied. Prof. Robert Dentler of Boston University, who has assisted Federal Judge Arthur Garrity in overseeing the desegregation program, has "cautioned" reporters, we note, against drawing sweeping conclusions from the figures—which, incidentally, were withheld for a time in the hope that these conclusions could be made less obvious. The professor, who is dean of the school of education at BU, said some of the changes might be traced to "normal demographic patterns." And so some may be.

There is an entirely human and quite compassionate double standard at work in the evaluation of the Boston figures. Those who encourage judges and school officials to overcome their fears about cross-busing are quick to seize upon evidence that it is working well, but slow to draw sad conclusions from unfavorable figures.

In fact, it really doesn't matter whether the melancholy figures from Boston are read to indicate significant resistance to a disruption of neighborhood school patterns, or are seen as the result of "normal demographic patterns." Either way, they raise the question of what profit there may be in policies that in the pursuit of integrated schools serve to segregate them further.

However one interprets the Boston figures, they lend urgency to an already urgent message. It should be federal (and state) policy to attract all children to good schools, not to ship them off to schools perceived by their parents as bad ones, from which they are shortly reported, "missing."

Prof. James Coleman, who is sometimes thought of as the architect of cross-busing, has been saying so for some time. But his warnings arouse a chorus of quibbling and complaint over his figures and his conclusions. The crying need, in any case, is for the courts to take note—to have the flexibility to take note—of practical consequences. In a less emotion-ridden problem, that need would not be disputed. Yet it continues to be disputed in every city where the courts are pursuing this wrong-headed policy. How many school systems, along with Boston's must be put beyond the reach of meaningful desegregation before the risk begins to register?

LIABILITY INSURANCE FOR NUCLEAR POWER ACCIDENTS

Mr. GRAVEL. Mr. President, Congress will soon take up the issue of liability insurance for nuclear power accidents. We will be called upon to decide whether the liability limit which is provided to the nuclear industry under the Price-Anderson Act should be renewed for another 10 years.

Price-Anderson's liability ceiling was enacted with the express purpose of promoting nuclear power. At the time of enactment, in the mid-1950s, this goal seemed salutary. But today, when we have learned so much more about the great hazards inherent in atomic energy, it is not appropriate that we perpetuate the false economic environment of the Price-Anderson liability limit.

Significantly, it is not only questions of reactor safety which put the nuclear option in doubt. It is, in addition, questions of waste management, of nuclear weapons proliferation, even of the viability of our civil liberties, that are involved in a nuclear power future.

Mr. President, even in its original formulation, the Price-Anderson liability limit was meant to be only a temporary stimulant. It is understandable that the nuclear industry does not want to give up this unique protection. But with industry assurances on all sides that nuclear power is safe and economical, it is time to remove the liability shield.

Mr. President, I ask unanimous consent to have printed in the Record two sets of questions and answers about the Price-Anderson Act. The first has been prepared by my staff. The second is by Hugh Nash, senior editor of "Not Man Apart," the newspaper of Friends of the Earth.

There being no objection, the material was ordered to be printed in the Record, as follows:

Introduction

One early opponent to nuclear power said: "We have been launched headlong into the peaceful atom program not by reason, but by an insurance policy."

He was talking about the Price-Anderson Act. This public law, although it is little known, has had immeasurable effect on America's energy decisions.

Price-Anderson deals with the terrible damages that could follow a nuclear accident. It was written to shield nuclear industries from the huge damage claims which might follow such an accident.

The Act provides funds, mostly in taxpayer money, to compensate the victims of an accident. But it limits these funds to an amount much less than possible total damages.

More important, the Act suspends the citizen's right to sue for full compensation from those responsible for the accident.

The accompanying series of questions and answers explains the Price-Anderson Act and tells why I believe the Act must be changed.

I believe the nuclear industry must accept the responsibility of full liability—not only in order to protect the public, but also to assure that we make the right energy choices.

Harold P. Green, an attorney respected by both sides in the nuclear power controversy, has written eloquently about the meaning of the Price-Anderson Act. He says:

"The fact that the technology exists and grows only *because* of Price-Anderson has been artfully concealed from public view so that consideration of the indemnity legislation would not trigger public debate as to whether *nuclear power* was needed and whether its risks were acceptable."

"It is remarkable that the atomic energy establishment has been so successful in procuring public acceptance of nuclear power in view of the extraordinary risks of the technology that are so thoroughly and incontrovertably documented by the mere existence of [the Price-Anderson Act]."

Congress has the opportunity this year to rewrite the Price-Anderson Act. If enough citizens learn about this law and what it means, Congress will rewrite it.

Questions and Answers About the Price-Anderson Act

1. What is the Price-Anderson Act?

The Price-Anderson Act is legislation that deals with the consequences of a large-scale nuclear accident. It has two stated purposes: to provide money for the public in the event of a nuclear catastrophe and to protect the nuclear industry from the huge damage claims that could result from such a catastrophe. The Act took effect in 1957 and it was renewed in 1965. It will expire in 1977 unless renewed again, but its provisions continue to apply to all facilities that were licensed while it was in effect.

2. How does it work?

First, it provides that $560 million will be available on a "no-fault basis to pay public damage claims following an accident. About one-fourth of this coverage is provided by insurance companies. The rest would be paid by the federal government.

Second, it prohibits the public from suing utility companies or others if the accident causes more than $560 million in damages. When they passed the law, Congressional leaders said they would consider appropriating more disaster money if damages exceeded $560 million.

3. Why was it passed?

In 1954, the government decided to encourage private industry to enter the nuclear power business. Industry reacted enthusiastically at first, but then backed off. Electric utility companies and manufacturers like General Electric and Westinghouse studied the damages that could follow a large nuclear accident, and they decided the risk was too great. They said that if a catastrophic accident occurred, they could be bankrupted by public damage claims, since insurance companies refused (and still refuse) to write full coverage on nuclear plants. The companies came to Congress and said they needed protection from public liability before they would build nuclear plants.[1]

4. Did the companies really need a liability shield?

When industry balked at nuclear power, the Atomic Energy Commission ordered a full study of the possible damages of a nuclear accident. The study concluded that the worst conceivable accident at that time could kill 3,400 people, injure 43,000, contaminate 150,000 square miles, and cause $7 billion in property damages.[2] Nuclear supporters point out that this estimate applies to a very unlikely event: the worst accident at the worst time in the worst weather and plant siting conditions. But further studies by the AEC and others produced even more horrific estimates: 133,000 killed outright, according to a University of Michigan report on Detroit's Fermi reactor; [3] or 45,000 killed with contamination of an area the size of California and damages from $17 billion to a conceivable $280 billion, according to a study initiated (and then, for eight years, suppressed) by the AEC.[4] Even the AEC's recent Rasmussen study, which many critics consider a whitewash, concedes possible damages of $6.2 billion.[5] Industry recognized that even if such accident were extremely unlikely, they posed an unacceptable risk. An accident on this scale, including accidents less than the worst case, could bankrupt even the largest corporations.

5. Why was the limit set at $560 million?

According to the Columbia University study "Issues of Financial Protection in Nuclear Activities:" "In the end the figure . . . was chosen because it was small enough to 'not frighten this country to death' but probably large enough to protect industry." [6]

6. Is the public covered in a nuclear catastrophe?

If total damages exceed $560 million, the injured public must share the money on a pro-rated basis. In the worst accident, this means Price-Anderson money could provide only a few pennys to every dollar. The Act bars the public from obtaining further relief from the nuclear companies. And a citizen's private insurance does not cover nuclear accidents. "Homeowners" and other policies exclude nuclear damage claims.

If total damage is less than $560 million, or if Congress provides more money, coverage could be complete, subject to certain problems.[7]

7. What problems?

First, before Price-Anderson money can be made available, the government must proclaim that the accident is an "extraordinary nuclear occurrence." Price-Anderson's no-fault provisions, which are meant to speed relief to victims, do not apply unless this determination is made. And the decision is final: under Price-Anderson, no court may review it.[8]

Second, victims must accept the amount offered by insurance companies and the government. If the victim feels he deserves more than he's offered, he must sue and await judgment much as though Price-Anderson did not exist.[9]

Third, under Price-Anderson the statute of limitations is ten years. As much as 20 years may pass from the time of radiation exposure until the detection of cancer or genetic injury, but after ten years, no claims relating to the accident will be paid.[10]

Fourth, even under Price-Anderson's "no-fault" provisions, the victim must prove that his damages and injuries result from the accident. Radiation exposure is the main hazard, and the law is unclear on establishing proof of radiation-induced health damage. The government and the insurance companies will surely contest any claims involving cancer that develops after an accident. The case of Edward Gleason, a truck dock worker, is instructive. In 1963, Gleason handled an unmarked, leaking case of plutonium that was being shipped to a nuclear facility. Four years later, he developed a rare cancer; his hand and then his arm and shoulder were amputated. He sued, but even though plutonium is among the deadliest of radioactive poisons, company insurers contended that Gleason's cancer could not be proven to have resulted from his contamination. Gleason's suit was dismissed in 1970 on statute of limitations grounds, although a settlement was later made. He died of cancer in 1973 at the age of 39.[11]

Fifth, the utility's legal fees are to be paid out of the $560 million, as are utility losses at facilities other than the reactor.[12]

Finally, the promise of additional federal disaster money is not completely reassuring. In the past, appropriations like this have pro-

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Footnotes at end of article.

vided only partial compensation and have been subject to long delays. A Columbia University study related to Price-Anderson cites the Texas City disaster of 1947. Some 570 persons were killed and 3,500 were injured in an explosion at a government facility. Property damage was estimated at $80 million to $300 million (1947 dollars). The Texas City Disaster Relief Act was not passed until eight years later, and in the intervening time, the government fought public liability claims. In the end, about $21 million (1955 dollars) was awarded. The study says:

"Except for limited benefits from insurance . . . the victims were left substantially or completely uncompensated for a period of time from eight to ten years, and then in many cases received grossly inadequate compensation." [13]

Elmer Anderson of Valparaiso, Ind., testified in 1974 before the Joint Committee on Atomic Energy. He described what would happen to him in the event of a bad accident at the nuclear plant planned near his home. He explained that a $2 billion steel plant is adjacent to the nuclear facility. He said:

"I would be allowed pennies on the dollar—$560 million does not go very far compared to $2 billion for one plant, not including any of the other surrounding facilities.

"I also would need temporary shelter at best. A court battle would definitely ensue because I would not accept partial payment for my property because I have spent 31 years of my life in obtaining that property.

"Here the problems get further out of hand. Indiana's Burns statutes indicate clearly at the end of six months my property could be sold at a sheriff's sale, and possibly even the federal government would want me to pay off my mortgage so that they would have a clear title in the case of condemnation.

"Also my credit rating would be gone. My bank and I would both be short of thousands of dollars. Where would I live and on what? Obviously I would be out of a job. I am a steelworker; steelworkers would be a dime a dozen in northwestern Indiana.

"To complicate matters, the Federal District Court in Hammond, Ind., is at least two years behind. Additional hardships would be brought to bear on the entire process. . . ." [14]

8. Shouldn't Price-Anderson provide more money?

Everyone involved with Price-Anderson legislation has conceded that damages in a nuclear catastrophe could exceed the $560 million limit, perhaps by many times. The very existence of the Act and the limit are evidence of this. A report by the government's Congressional Research Service suggests several reasons we might want to raise the $560 million ceiling;

Since the ceiling was set, in 1957, the real value of the $560 million has been eroded by inflation.

Reactors are now larger, accumulating more radioactive poisons during their operation.

Population density has increased in the vicinity of the reactors. More reactors are being built closer to major cities. The Rasmussen report says 15 million people are located within 20 miles of current or planned nuclear plants. The Indian Point reactors are 24 miles from New York City.

The study suggests that an appropriate increase of no-fault coverage, taking into account these factors, might require a new ceiling of around $3 billion. (The study was written in June. 1972.) [15]

9. Would $3 billion be enough?

The public would be better protected with a higher Price-Anderson ceiling. But as long as any liability cut-off is retained, protection remains incomplete. The industry would still be shielded from the full risks of nuclear power while the public would still be exposed to those risks. This would perpetuate the artificial economy of nuclear power.

10. What's "artificial" about nuclear power economics?

Price-Anderson created an artificial legal and economic situation. After the Act was passed, the nuclear industry, in its policy-making, no longer had to consider the full risks of nuclear power. This doesn't mean the companies became reckless.

But consider:

Before Price-Anderson was passed, the industry voted against nuclear power. The companies, even though they were enthusiastic about the nuclear alternative (and about the subsidies the government was offering), judged in the end that atomic energy was too dangerous. They made that decision on the hard-headed basis that insurance firms, the risk experts, refused to provide full coverage; and their own assets could not bear the financial consequences of a bad accident.

After Price-Anderson was passed, industry decisions on nuclear power no longer reflected the full risks of the technology—even though the risks were still there. The nuclear power industry has grown, not because it was competitive, but because risks (and many costs, like fuel production and waste disposal) have been socialized, while profit (insofar as nuclear energy has produced any) remains private. Without Price-Anderson, nuclear power would not have grown until its gains were in better balance with its risks.[16]

The corollary effect is even more important: without Price-Anderson, we would have had the money and the impetus to develop the clean energy technologies that have been starved of research funds while we were making our $50 billion commitment to nuclear energy.[17]

11. What should be done?

We should restore the citizen's right to sue for damages above the no-fault limit. The no-fault provision itself should be retained, and the amount of money available under this provision should be increased. In addition, the statute of limitations should be extended, and the states should be assured of the right to set indemnity standards higher than the federal minimum.

In this way, the full risks of nuclear energy will be borne by industry as well as the public.

The nuclear utilities and manufacturers tell us that their technology is safe and desirable. If that's true, these companies should be able to build and operate their plants without special immunity from liability.

If the technicians and businessmen who know nuclear energy best say that it is too dangerous for their shareholders, then it is too dangerous for our citizens.

FOOTNOTES

[1] Wilson Clark, *Energy for Survival*, Garden City, N.Y.: Anchor Books (1974), p. 276.

[2] *Theoretical Possibilities and Consequences of Major Accidents in Large Nuclear Power Plants, Wash–740*, Washington DC: U.S. Atomic Energy Commission (1975), pp. 1–6, quoted in Clark, op. cit., p. 277.

[3] Quoted by John Holdren & Philip Herrera, *Energy*, San Francisco: Sierra Club (1971), p. 76.

[4] Quoted in *Hearings before the Joint Committee on Atomic Energy*, "Possible Modification or Extension of the Price-Anderson Insurance and Indemnity Act," 1974, p. 260.

[5] Bob Augustine, "AEC Finds Safety in Numbers," *Environmental Action* (October 12, 1974)

[6] Columbia University, *"Issues of Financial Protection in Nuclear Activities,"* quoted in *Hearings*, p. 256.

[7] Herbert Denenberg, "Nuclear Energy is an Insurance Swindle," *Prevention* (January, 1974), in *Hearings*, p. 212.

[8] Harold P. Green, "Nuclear Power: Risk, Liability and Indemnity," *Michigan Law Review* (January, 1973), pp. 478–510. Included in *Selected Materials on Atomic Energy Indemnity and Insurance Legislation*, Joint Committee on Atomic Energy, 1974, pp. 185–217.

[9] Testimony of Elmer Anderson, *Hearings*, p. 116.

[10] Green, op. cit., in *Selected Materials*, p. 204.

[11] *Hearings*, pp. 231, 238; *Selected Materials*, p. 460.

[12] *Hearings*, p. 212.

[13] Green, *Selected Materials*, p. 206, note 107.

[14] Hearings, p. 119.

[15] *Selected Materials*, p. 449.

[16] Green, *Selected Materials*, p. 216.

[17] Clark, op. cit., p. 280.

SOME QUOTES

"If there were 1,000 reactors operating and the probability for a major accident were one in a million per reactor year, the probability would be less than one in 33 that such an accident would occur at one or more reactors during the 30-year lifespan of the reactors."—"Study of the Reactor Licensing Process," Atomic Energy Commission, October 1973.

"When the Joint Committee considered extension of the Price-Anderson Act in 1965, the committee reported that one of the Act's objectives had been achieved—the deterrent to industrial participation in the atomic energy program had been removed by eliminating the threat of large liability claims." —Dr. Dixy Lee Ray, Chairman, Atomic Energy Commission, in testimony January 31, 1974, before JCAE.

"The Act thus did not fully achieve the legislative goal of assuring compensation to the public * * * the decision to limit liability—represents a determination that a major share of the costs of an accident should be borne by its victims."—Columbia University study, "Issues of Financial Protection of Nuclear Activities," 1974.

"Insurance coverage in the event of a nuclear accident is totally inadequate . . . if an accident occurs, the utility is not responsible for one dollar of compensation to the victims of that accident."—Herbert Denenberg, Pennsylvania Commissioner of Insurance, July 26, 1973.

"There are some risks which not even the skillfully applied monetary balm of insurance can make acceptable, and I judge that this is plainly one of them."—Denenberg, November 7, 1973.

QUESTIONS AND ANSWERS

Isn't the nuclear industry insured under the Price-Anderson Act?

The Price-Anderson Act does not insure nuclear equipment manufacturers against liability in case of accident involving their equipment; it simply declares them exempt from any responsibility. And it does not insure utility companies that operate nuclear plants against liability in excess of $560 million per accident; it simply declares them not liable.

Isn't $560 million per accident plenty of liability insurance, though?

No, not in relation to potential claims. A 1965 AEC study (which the agency suppressed until threatened with suit under the Freedom of Information Act) indicated that a single major accident might kill 45,000 people outright, injure 100,000 (whose radiation exposure in many cases would condemn them to lingering death), and cause $17 billion worth (in 1965 dollars) of property damage. No one knows what claims in behalf of 145,000 casualties might total, but assuming that the entire $560 million would be applied to property-damage claims of $17 billion, it would only cover 3.3 percent of them for every dollar's worth of loss; a claimant would get about 3 cents.

Even so, doesn't $560 million represent a *pretty impressive vote of confidence in the nuclear industry by the insurance industry?*

Only $125 million is underwritten by a pool of insurance companies. This is less than 0.65 percent of the $17 billion (in 1965 dollars) that property damage alone could amount to.

Who would put up the rest of the $560 million?

The glib answer is that you would. More specifically, the other $450 million would be paid by the US government, which, of course, means the taxpayers. Among those whose previously-collected taxes would help make up the public's 80 percent share of the $560 million total would be the accident victims themselves—the dead, the injured, and those who suffered property losses.

Isn't it reassuring that insurance pools have sent rebates to utilities with nuclear plants because of their safety record?

Not unless you are easily reassured. Rebates merely reinforce the conclusion that Price-Anderson provisions aren't insurance in any recognized sense of the word. Have you ever received a rebate from an insurance company because you hadn't made any claims lately? Has any company ever tried to sell you a policy that might cover 3 percent or less of your potential losses?

But the utilities have never made a claim; doesn't that suggest that rebates reflect a judgment by the insurance pools that premium payments have been too high on an actuarial basis?

There is no actuarial basis worth mentioning. The nuclear industry boasts of its 200 reactor-years, or thereabouts, of operation without a catastrophic accident—which, even if there weren't any jokers in this deck, would be a totally inadequate actuarial basis for the determination of risks and the establishment of fair premiums.

Two hundred reactor-years sound like a lot; why do you call it "totally inadequate"? And what jokers?

Two hundred reactor-years is the equivalent of 73 days' operation by 1,000 reactors, the number the AEC hoped to deploy by the turn of the century. The equivalent of 73 days of operation by the 1999 nuclear industry is totally inadequate as a basis for actuarial calculations.

What about the jokers you mentioned?

Here are a few: (1) Virtually all nuclear plants now in operation are one-of-a-kind designs, so the safety record of one plant proves little or nothing about another, (2) Most reactor-years have been logged by a few of the older, smaller, and least dangerous plants. (3) Time logged by plants comparable in scale and in design to the 1,000-megawatt-or-more plants now coming into use is negligible. (4) Thousands of "abnormal incidents" serious enough to cause plant shut-downs have occurred, and an AEC safety expert has said that catastrophe has been avoided so far more by good luck than by good management. There are others, but these jokers are enough to make any actuary blanch.

If the Price-Anderson Act offers as little protection as you say, how do you account for Congress's passage of it?

Price-Anderson offers a lot of protection, but offers it to the wrong people. It gives virtually total protection to the people who might cause accidents through errors of commission or errors of omission, the manufacturers and operators of nuclear power plants. Protection of potential accident victims, on the other hand, is arbitrarily limited to a tiny fraction of the losses that AEC studies have conceded are possible.

The question still remains, why did Congress pass the Price-Anderson Act?

From the start, Congress relied on its gung-ho Joint Committee on Atomic Energy. The JCAE often relied not so much on its own independent judgment as on the advice of the agency it oversaw—the Atomic Energy Commission. And to a startling degree, the AEC relied for information and took its lead from the industry it was supposed to regulate. It is hardly an oversimplification to say that Congress passed Price-Anderson because the JCAE told it to.

Well, then, why did the Joint Committee advise passage of Price-Anderson?

Without something resembling Price-Anderson, there could not have been a nuclear power industry in the US. A genuine insurance program was impossible because the chance of billions of dollars in claims resulting from a single accident, however remote, would force insurance companies—if they were willing to participate at all—to charge prohibitive premiums. And without insurance, or some substitute form of guarantee that they would not be held accountable for billions of dollars in claims, the utilities wouldn't "go nuclear."

If a nuclear industry didn't exist yet, where did pressure for passage of the Price-Anderson Act come from?

A nascent industry existed in Westinghouse, General Electric, and other suppliers of nuclear reactors and equipment to the AEC and the Department of Defense, and these suppliers hoped for an immense civilian market. The utilities were not, as you might suppose, part of a pro-Price-Anderson lobby. In fact, they dragged their feet. It took none-too-subtle blackmail by AEC Chairman Strauss to overcome their reluctance; Admiral Strauss warned the utilities that if they didn't fall in line, the government might feel obliged to build nuclear power plants itself and compete with private industry for electricity sales. Utility companies are an important part of the Nuclear Establishment, but it wasn't always so.

Was the nascent nuclear industry powerful enough to put Price-Anderson across despite foot-dragging by the industry's potential customers, the utilities?

Congress, the Executive Branch, and the citizenry in general were very eager at that time to demonstrate that atomic energy, so terribly unleashed by America over Hiroshima and Nagasaki, could be a boon to mankind. The political climate favored passage of something that would set "the peaceful atom" up in business. The blame for Price-Anderson must be very widely shared.

That was a long time ago, and there has been plenty of time for second thoughts; if Price-Anderson is as bad as you say, why hasnt it been repealed?

There has been time enough, yes, but there has not been much thinking of second thoughts. Congressmen still rely on the experts, and the experts are nearly all members of the Nuclear Establishment, in league with or employed by what has become a multi-billion dollar industry with powerful vested interests. Repeal isn't the only way out, however. Price-Anderson was enacted for a specified term of ten years, and will expire automatically if Congress ever fails to pass legislation extending it before the expiration date.

Price-Anderson must have been extended at least once already, then, hasn't it?

Yes. It was extended in the sixties, and Congress has already voted to extend it again beyond the current expiration date in 1977. President Ford vetoed the last extension, however, because Congress provided, in deference to growing anti-nuclear sentiment, that the extension would become invalid if Congress was disturbed by the findings of a forthcoming study of reactor safety.

Why did the last Congress vote to extend Price-Anderson in 1974 when the act was not due to expire until 1977?

The official explanation is that utilities need a lot of lead time for advance planning. What boosters don't explain is why, if nuclear power is as safe as they say it is, it makes so much difference to utilities whether Price-Anderson is extended or not. Critics believe it is all-important to the utilities because they have nowhere near the confidence in nuclear safety that they pretend to have. Incidentally, Price-Anderson was never meant to be permanent, which is why it was originally enacted and later extended for fixed ten-year terms. The act was intended to be a temporary expedient to tide the industry over until it could stand on its own feet and buy liability coverage in the open insurance market as other industries do.

You mentioned a study of reactor safety; has it been published yet?

Yes. It is usually referred to as the Rasmussen Report. To anticipate your next question, the report says what the Nuclear Establishment would like it to say: that the chance of a catastrophic accident at a nuclear power plant is so small that it can be disregarded.

Has the Rasmussen Report changed any minds?

It may have convinced a few fence-sitters, but the report has credibility problems. For example, it doesn't seem to have convinced insurance companies to insure reactor operators against all potential risks. If reactors were as safe as the Rasmussen Report claims, insurance companies would be standing in line for a chance to fully insure reactors. As Paul Ehrlich aptly notes, it would be like insuring concrete airplanes against mid-air collisions. The planes would never fly, operators would pay premiums, and insurance companies would clean up.

Name some of those credibility problems.

The Rasmussen study was sponsored and funded by the AEC, which was hardly a disinterested party. Some of the members of the study team were actually employees of the AEC. Under the circumstances, a report that says so precisely what the AEC wanted it to say must be viewed with some skepticism. Besides, experts have cast serious doubt on some of the study team's methodology.

Can you give me an example of the doubts about method?

Perhaps the most important is the study's heavy reliance on fault-tree analysis. William Bryan, who was formerly a reliability-analysis expert for NASA, says fault-tree techniques are useful only to gauge the *relative* reliability of two comparable systems; they tell you nothing about the *absolute* reliability of either system. For example fault-free analysis might show pretty clearly that System A is more reliable than System B, which is useful information to have, but it doesn't tell you whether either system is reliable enough for your purposes. Both systems might be adequately reliable (in which case you might prefer System B if it were cheaper, despite System A's relative superiority); System A might be reliable enough and System B inadequately reliable; or both systems might be too unreliable for your purposes. Fault-tree analysis leaves you guessing. The Rasmussen study used fault-tree analysis inappropriately to arrive at an estimate of the absolute (rather than relative) reliability of nuclear plants.

Is that likely to produce a significant error?

Apparently so. Mr. Bryan points out that wishful thinking is very likely to distort the result when fault-tree analysis is inappropriately used to estimate reliability in absolute terms. Such analysis assigns an estimated failure rate for every component of the system, down to the last nut or bolt. A consistent (though perhaps unconscious) bias toward optimism may result in a seriously over-optimistic conclusion about over-all system reliability. Consistent bias may be present, too, when fault-tree analysis is appropriately used to compare two systems; but since it affects the reliability estimate of both systems equally, it does not invalidate conclusions as to the two systems' relative merits.

If I could have only one more question, what would you like me to ask?

Why don't you ask whether fault-free analysis can be deliberately manipulated to produce a wished-for result?

Can fault-free analysis be manipulated to produce a desired result?

That is a good question. Mr. Bryan says fault-free analysis can be—and frequently has been—misused to provide a welcome answer. If the first answer doesn't suit, merely assign more optimistic failure-rate estimates all up and down the line. If that doesn't do the trick, revise the failure-rate estimates as often as you need to. This hanky-panky works very well because (1) usually, no one questions the result or the way it was obtained, and (2) the determination of failure rates is not an exact science, and the final guesses may be about as defensible as the first. In fact, the manipulators probably succeed more often than not in convincing themselves that the manipulation was thoroughly justified; that the answer turned out to be very close to the answer hoped-for is one of those fortuitious and delightful accidents that occasionally befall a clean-living and right-thinking person. Irony aside, it is not necessary to equate manipulation with deliberate falsification of results. The power of wishful thinking is only equalled in most of us by the power of self-deception.

DEFENSE SPENDING

Mr. GOLDWATER. Mr. President, the Joint Economic Committee has recently published testimony from Mr. Colby, Director of Central Intelligence, and General Graham, Director of the Defense Intelligence Agency, concerning trends in military activity within the Soviet Union. A speech on the Senate floor by Senator PROXMIRE, and related articles in the recent press, have interpreted this testimony as contradicting statements by Defense Secretary Schlesinger in which he expresses the basis for his serious concern regarding these trends, particularly as they relate to the trend in U.S. military funding.

Senator PROXMIRE has sharply disagreed with Secretary Schlesinger's view that U.S. military power is declining compared to that of the Soviets, and that trends in U.S. defense spending jeopardize security. In so doing, the Senator implied that the testimony provided by Mr. Colby and General Graham is at variance with Secretary Schlesinger's contentions. This implication is incorrect. In fact, the data which Mr. Colby presented in his testimony before Senator PROXMIRE in June is the same data which Secretary Schlesinger personally presented to Senator PROXMIRE in February. The hard data presented by Mr. Colby and General Graham specifically support the Secretary's conclusions. General Graham's concerns with methodology have been that the dollar model data underestimated Soviet spending as a burden upon the Soviet economy. And as Mr. Colby established at the outset of his testimony in June, a record amount of our economic analysis has been made available on an unclassified basis to scholars and Government components outside the intelligence community over the past year.

Indeed, I see the testimony of Mr. Colby and General Graham as substantiating the picture which the Secretary has portrayed throughout his term in office. It is a picture of sustained growth in Soviet resources allocated to the military. When measured in constant 1974 dollar terms the Soviet growth averaged somewhat over 3 percent per year over the 1964 to 1975 period. This steady increase in resources available to the Soviet military has supported the introduction of new strategic missiles, new aircraft, new ships and submarines, and new ground force systems which, in general, incorporate greatly increased technical sophistication and military capability over their predecessors.

Among the qualitative and quantitative improvements in Soviet capabilities which most concern us are the development of our new intercontinental ballistic missile systems, several of which include MIRV capability. Submarine-launched ballistic missiles have been modernized, and some have now been equipped with multiple reentry vehicles. And the Soviets are now producing a new generation of nuclear-powered ballistic missile submarines, one version of which will be capable of carrying a new, 4,000-mile range SLBM.

Over this period the Soviets have introduced substantial numbers of increasingly sophisticated tactical aircraft, such as the Fitter C, Flogger B and D, Fencer A, and Foxbat, and the strategic-capable Backfire bomber.

In the realm of ground forces the Soviets have since the late 1960s introduced new weapons systems in virtually every major category, and many of these systems contain significant improvements over their predecessors. They have introduced a new tank, a new armored personnel carrier, their first self-propelled armored artillery pieces, and two new surface-to-air missile systems. These are not experimental weapons, but systems actually deployed with Soviet ground forces at this time. While the advances are unclear in some cases—such as the Soviet tank, in vehicles such as the Soviets' armored personnel carrier—the BMP—it is evident that significant advances have been made. This new personnel carrier, for example, carries the first semi-automatic loader, a new antitank gun, a separate antitank missile, and the first complete CBR protection system. Self-propelled artillery has been introduced into a number of divisions facing NATO. Adding armor and tracked propulsion to artillery tubes provides the Soviets with a significant growth in the ability to rapidly deploy artillery even under fire.

In addition to changes in the quality of Soviet weapons there have been increases in the quantity of men and systems in their ground forces. Even considering the increases in Soviet forces to meet the perceived threat from China and to reestablish control in Czechoslovakia, Soviet ground forces focused on Western Europe have increased by almost 100,000 men in the last decade. Moreover, the Soviets have reorganized their divisions since 1964 and have increased the numer of personnel, the number of surface-to-air missile launchers, the number of armored personnel carriers, and the number of tanks and air defense gun systems. Indeed, a comparison of the 1964 Soviet division with the 1975 division shows that not only has the number of weapons increased, but there has been substantial substitution of improved weapons for older versions.

Soviet naval forces also now include well over 100 nuclear-powered submarines, a very modern surface combatant fleet soon to be augmented with a number of specialized aircraft carriers, and a formidable naval air force recently enhanced by the introduction of the Backfire bomber. Soviet naval weaponry now includes a proliferation of antiship cruise missiles capable of being launched from aircraft, surface ships, and submarines. Some of these cruise missiles can be launched by submerged submarines, and they are now introducing a long-range, submerged launch, antiship ballistic missile.

Let me also emphasize the sophistication of these new weapons. For the first time we are having to significantly raise our estimate of the cost of Soviet weapons when we obtain them, as we did after the October 1973 Middle East war. Previously we usually had to depreciate our estimates when we saw the actual hardware, because the interior features were less sophisticated than we had *thought* they might be. This is proving no longer to be the case.

The Soviets now support, in addition, military manpower which is more than double the U.S. level: the Soviets have some 4.7 million men under arms, while we have 2.1 million.

The Soviet buildup has not been sudden, nor confined to recent years, but the cumulative increase in military resources of approximately 35 percent over the last 11 years can be reasonably described as very substantial. Yet the significance of this increase in Soviet military effort cannot be fully appreciated without placing it in the context of the trend in comparable U.S. military activity. Over the same period, again measured in terms of 1974 dollars, resources allocated to the U.S. military have declined in real terms, interrupted only by the war in Southeast Asia—a factor which had no counterpart in Soviet experience of that period. Indeed, as a result of these contrasting trends in Soviet and U.S. military activity, the Soviet effort exceeded that the United States in 1971, *and has* continued to do so every year since, reaching a level approximately 35 percent above the United States when retirement expenses are included for both forces, and approximately 45 percent above the United States when retirement is excluded. These data are based on our best and most recent estimates, and represent a slight adjustment from previously available data which the Secretary of Defense has been using. These are CIA estimates that I cite here. They have some uncertainties in them, but they are the best we have. And despite the uncertainties, they have been consistently applied, and thus do not distort the trends. Indeed, if anything, they are likely to underestimate the resources available to the Soviet military because of the methods used in their construction. And the relative trend they portray cannot be doubted seriously: The fact is that, while the U.S. military has been receiving steadily decreasing resources, and the Soviet military has had the resources for a sustained long-term buildup such that the annual Soviet military effort has for some years exceeded that of the United States.

Some, including Senator PROXMIRE, may not be concerned about such divergent trends. I am. And I believe Secretary Schlesinger is well justified in bringing these issues to the attention of the Congress and the public. The trends are adverse to the interests of the United States and our allies; they cannot long continue without altering the world balance of power to the U.S. disadvantage. However confident one may be regarding the precision with which these contrasting trends are estimated, one conclusion seems clear: If we were comfortable with the military balance in 1964, we must be much less comfortable with it now, and we will be increasingly uncomfortable with it should these trends be allowed to continue.

Senator PROXMIRE has argued, as though it somehow solved the whole question, that the Soviets have not dramatically increased their expenditures for military programs, calling their increase "steady but not massive." Such complacency badly misses the point. It is precisely the cumulative impact of the steady rise in Soviet military capacity, year after year, at the same time the United States has been drastically reducing its own forces, that presages an inevitable descent into military inferiority for the United States, unless these trends are reversed. In any 1 year, it may be rationalized that the impact of inferior defense expenditures on our military capability as compared to that of the Soviets is not critical, and this may indeed be the case. But year after year, as we cut back and they increase, the eventual result is clearly the increasing inferiority of U.S. military forces. And this is precisely the message that was so clear in the last posture statement and numerous other statements by Defense spokesmen.

The American public will not accept inferiority, and it is willing to pay for the forces we need to maintain comparable military strength. Similarly, I am convinced, the members of this body do not want to be responsible for relegating American military forces to an inferior position.

The United States has for some time relied upon her superior military technology to maintain the military balance in the face of more numerous Soviet forces. And it remains true that the United States leads the Soviet Union in virtually every area of advanced military technology. But there is a limit, not precisely definable, to the quantitative disadvantage which our technology can offset, and it is clear that the quantitative disparity between the two forces is increasing. In those areas in which we have had numerical superiority as well as technological superiority, the Soviets have overtaken us numerically. Strategic forces and naval forces are examples. Moreover, Soviet weaponry is becoming significantly more sophisticated, and the Soviets are upgrading the technology and military capability of their weapons systems across a broad range. In short, U.S. military forces are increasingly outnumbered, while the technological gap upon which we have relied to offset this appears to be narrowing in important areas. Again, should these trends continue, the implications for the U.S. position in the military balance are clear, and adverse.

Senator PROXMIRE has pointed out that dollar cost comparisons are not reliable measures of relative strength or capability in the military area. This is correct, of course, and no such claim has been made for them by Secretary Schlesinger or any other responsible official of whom I am aware.

But these estimates do provide a measure of the relative size of the aggregate military activities of the Soviets and the United States. And I believe that the relative size of military activities is a useful indicator of the relative capabilities of the two forces, and one which needs to be weighed heavily along with many other qualitative factors in attempting to arrive at a complex judgment regarding capabilities.

It is true also that the dollar cost sizing of the Soviet military reflects certain inefficient resource usages by the Soviets, and also certain Soviet military resources which may not directly threaten the United States due to mission asymmetries between the two forces. But such arguments cut both ways. If the Soviets feel compelled to maintain extensive strategic defense systems which have no comparable counterpart in the U.S. force, is this not analogous to the greater demands placed on the U.S. Navy to maintain the ability to control the seas in order to secure U.S. lines of communications to its allies and foreign resources, demands which have no comparable counterpart in the Soviet force? Moreover, does he not appreciate that those extensive Soviet strategic defense forces would in fact threaten U.S. interests should our air force be called upon to respond to a Soviet attack on Europe or the United States itself? There are indeed significant mission asymmetries between the Soviet and U.S. forces which severely complicate the interpretation of the status and trends in the military balance. But these complexities are hardly to be resolved by such easy subtraction from the Soviet forces as the Senator seems to suggest.

The United States is not burdened, thankfully, with such an additional preoccupation as has stimulated the Soviet buildup along her border with China. Here is an example of some Soviet military resources which do not threaten the United States from their present deployment. But to what extent are these forces to be discounted in the dollar-sizing comparisons? Would they all be "pinned down" against China in the case of a United States-Soviet confrontation? Does not their very existence, on the China border or elsewhere, contribute to the perception of Soviet power in the appraisals of third countries and thereby influence the world's perception of the military balance between the Soviets and us? Such relevant reservations notwithstanding, the Soviet forces arrayed against China do constitute a portion of Soviet military activity which does not represent as immediate and direct a threat to U.S. interests as other elements of the Soviet force. As the dollar sizing analyses become more refined some effort should be made to appropriately reflect this contrast.

Senator PROXMIRE indicates that the Soviets are inefficient, but without giving specific examples. But the U.S. military have special costs to bear that the Soviets do not, and which are not reflected in the dollar estimates used to compare the size of Soviet and U.S. efforts. For example, we provide better living standards to our military than they. One result is that our comparable ships are larger than theirs so as to provide more space per man and more comfort.

This reflects not only our concern for human values, but also considerations of longer endurance of deployed forces. These are costs we incur so as to attract and keep the men we need and enable them to operate at peak efficiency. Soviet soldiers and sailors are subjected to more cramped design conditions. Our reliance on a volunteer force, as compared to the Soviets' use of conscripts, means that our manpower expenditures are substantially greater; in fact, they now account for some 55 percent of our total defense costs.

The recent discussion of relative economic indicators of defense spending has been, to many, confusing at best. But it requires no esoteric insight to compare the concrete evidence of increasing Soviet military capability and simultaneously decreasing U.S. forces and equipment.

It does require a massive effort of the will, in the face of these realities—and they are not in dispute, to claim as Senator PROXMIRE, that "assertions of a massive Soviet military buildup" and "insinuations of a widening gap between Soviet and U.S. military power, to the advantage of the Soviet Union," are nonsense and unsupported by the facts. To the contrary, the facts are clear, as are the continuing trends they illustrate: inexorable increases in Soviet military capacity, and steadily diminishing U.S. military might. Even more clear is the inevitable result of continuation of these trends: military inferiority for the United States. The only nonsense would be to allow this trend to continue.

In summary, then, it is clear that the testimonies of Mr. Colby and General Graham wholly support the picture which Secretary Schlesinger has repeatedly portrayed. Our best estimates of the facts clearly indicate that Soviet military activity has experienced for more than a decade a sustained increase which aggregates into a growth of most serious proportions, particularly when viewed in relation to the substantial resource decline which our military force has experienced. Such adverse contrasting trends cannot long continue without reaching, as the Secretary has said, a peril point with serious implications for U.S. interests. I view these trends with great concern, and I do not believe the American public, once apprised of them, will tolerate their continuation.

DEATH OF PETER FOSCO, PRESIDENT, LABORERS' INTERNATIONAL UNION

Mr. STEVENSON. Mr. President, I am deeply saddened by the death of Peter Fosco. Peter Fosco was a fine man and a good friend to two generations of Stevensons. His involvement in the labor movement began in Chicago where in 1920 he became president of his local chapter of the Laborers' International Union. From this beginning, Peter Fosco's leadership brought him to elected office in the national union. American workers were fortunate to have him as a spokesman and his last 8 years as president of the Laborers' International Union were the capstone to a life devoted to improving the welfare of America's working men and women. They will miss him—so will we all. Carmela and her sons have my deepest sympathy.

THE HIGHWAY PROGRAM

Mr. BAKER. Mr. President, the Committee on Public Works is currently working on the Federal-Aid Highway Act of 1975. Interested parties—both within and outside Congress—have speculated that this year would be a watershed for the highway program. A decision must soon be made about the highway trust fund, which is scheduled to terminate on September 30, 1977. The Interstate System is nearing completion in many States but is several years away in others. Thus, the existing statutory scheme which assumes simultaneous completion of the System needs revising. States, pointing out increasing categorization and resulting inefficiency in the Federal-aid program, suggest they are well able to bear the major decision-making responsibility for their own highway programs.

In addition to major questions about highway transportation, Congress must deal with a deteriorating rail system. Some have suggested that this is the year to tie together and rationalize Federal assistance to all forms of surface transportation.

We are faced with a dilemma. It appears that several States will exhaust apportionments in one or more major categories before the beginning of fiscal 1977. Unless there are new authorizations—at least for the July–October transition quarter—the highway programs in these States could be severely disrupted, and employment gains generated by the 1975 surge of Federal funding could be erased.

To enact changes in just the highway program, however, will require action by four congressional committees—the Committees on Ways and Means and on Public Works and Transportation in the House and the Committees on Finance and on Public Works in the Senate. It appears doubtful that consideration of major changes in Federal assistance to transportation could be completed in time to insure uninterrupted highway programs in the States. With this problem in mind the members of the Transportation Subcommittee agreed with the able chairman of the subcommittee, the distinguished Senator from Texas (Mr. BENTSEN), that the wise course is to write a 2-year bill. Such a bill would make certain modest modifications in the highway program, but would leave major changes to be dealt with at the beginning of the next Congress.

I believe the subcommittee has made a sound decision. I am disappointed that circumstances seem to preclude earlier action on major highway and transportation issues. However, I welcome the opportunity for the beginning of thoughtful debate, and hope the cognizant committees over the next several months will develop a transportation program which recognizes the needs and goals of the country during the last quarter of this century.

Turning to the future of the highway program, I would like to outline a few of my thoughts. Perhaps first on the list of issues we must eventually confront is the question of how best to provide for completion and adequate maintenance of the Interstate System. When I first came to the Senate, the estimate of the Federal share of the cost to complete the Interstate System was $42 billion. At that time 22,150 miles were open to traffic. In 1968 we added 1,500 miles to the original designation of 41,000 miles. Now, 36,905 miles are open to traffic. But the Federal share of the cost to complete the system has dropped by only $6.5 billion.

Looked at in one way, the number of miles remaining to be opened to traffic declined by 75 percent but the Federal cost to complete the System decreased by only 15 percent. At an annual funding level of $3.0 billion, the General Accounting Office estimates that funding for the System will not be completed until 1991, assuming a modest 5 percent inflation rate.

One problem with all these estimates is the way we define completion of the System. Many older segments no longer meet current safety design standards. The cost of upgrading these segments is included in estimates of completion costs. I do not believe anyone disagrees with the necessity to make the Interstate System as safe as we know how. But developments in highway design will continue to evolve and segments of the System will continue to be outmoded.

Perhaps the time has arrived when we ought to acknowledge the Federal interest in seeing that the Interstate System continues to incorporate the best proven design features. Perhaps we should work to close the remaining intercity gaps as quickly as possible, admit that the System will never be "finished," and commit the Federal Government to keeping it as safe and efficient as the state of the art at any given time permits.

There is general acceptance that the Interstate System is a national system, one where the Federal interest is clear. The success of the interstate program—and it has been enormously successful—in my opinion is due largely to the fact that the concept was easy to understand and generated wide support. Whatever form future Federal assistance to highways and transportation takes, I think it is important to strive for the same simplicity of concept and widespread appeal. Certainly continued upkeep of the Interstate System meets these requirements. But beyond this, the structure of a Federal program is not so easily arrived at.

We have passed the time when we can create a Federal program by agreeing to new lines on a national map. A simple conceptual goal would be elimination of the backlog of needed improvements on our existing roads. We are told, however, that bringing nonlocal roads up to desirable standards and maintaining them at that level would cost from $400 to $600 billion between now and 1990. Clearly, that goal is beyond our means.

It is my view that wise use of transportation dollars from now on will require that we identify certain economic and social goals and make transportation investments serve those goals.

This could be accomplished within the context of a highway or transportation program. The economic growth center development highway program, created by the Federal-Aid Highway Act of 1970 and expanded in 1973, is an example of this approach. Under this program, a Governor designates specific areas in his State which are believed to have a potential for economic growth. Special highway funds are then available to construct or upgrade roads which will serve these areas. This approach could be expanded to cover all Federal aid to highways. Federal funds would be available to States for road projects which met certain federally defined objectives.

Another approach to making transportation investments serve broad goals would be to integrate Federal transportation assistance into other Federal programs, such as those promoting economic development or urban revitalization. This method was used by the Committee on Public Works in the Appalachian Regional Development Act of 1965, the goal of which is the economic development of a depressed region of our Nation. The act recognized that adequate transportation will not, by itself, produce economic growth. But its provisions made clear that the authors considered good transportation fundamental to a successful development program.

The Committee on Public Works took this same approach in the Regional Development Act of 1975, passed by the Senate on July 17 of this year. This bill provides that the regional commissions may plan for transportation facilities and construct transportation demonstration projects as part of their economic development activities.

Whether we retain highway or transportation programs as distinct elements of Federal assistance, or whether these are subsumed under broader categories, is less important than defining the purposes to be served by Federal transportation assistance. I would hope that in the next several months those of us in Congress with the responsibility for portions of the Federal transportation program will be able to fashion a rational program with comprehensible objectives.

SCIENTISTS QUESTION 200-MILE LIMIT

Mr. GRAVEL. Mr. President, on November 2, the New York Times reported that scientists attending the Gulf and Caribbean Fisheries Institute in Bal Harbour, Fla., warned against passage of legislation to unilaterally establish a 200-mile fisheries management zone. I ask unanimous consent that the article from the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 2, 1975]

SCIENTISTS OPPOSE 200-MILE SEA LIMIT

MIAMI BEACH, November 1.—If the United States unilaterally extends its coastal control 200 miles offshore, it may face loss of sea and air navigation rights along the coasts of other countries, scientists here have warned.

The House has approved the extension.

Dr. William Royce of the National Marine Fisheries Service, said, "Unilateral action should not be undertaken." He said that other countries might claim jurisdiction over shipping and aerial navigation within 200 miles of their shores.

Dean Warren Wooster of the University of Miami's Rosenteil School of Marine and Atmospheric Sciences, said, "If there is no international agreement, each country acts as it sees fit. A unilateral United States action would place scientists in jeopardy. I'm sure there will eventually be 200-mile zones, but the timing is unfortunate."

Both men were attending the Gulf and Caribbean Fisheries Institute meeting in nearby Bal Harbour.

The House-passed bill would block all foreign fishing, except for species deemed "ample," and foreign mining and certain types of scientific research within 200 miles of the coastline.

COMMENDATIONS FOR DR. SCHLESINGER AND MR. COLBY

Mr. GOLDWATER. Mr. President, when the President announced on Monday of this week a new lineup of the top offices in his administration, two names were included that I must comment on. Having served 37 years in the Reserve, National Guard and regular Air Force, and having been a member of the Committee on Armed Services most of my time in the Senate, I have had, not just the occasion, but every reason to observe the activities of the Secretary of Defense. We have had some very good ones in that time. We have also had some bad ones, but I feel I can truthfully say that none has surpassed Dr. James Schlesinger. Dr. Schlesinger brought to the office a determination to conduct the affairs of our military in a way that would be beneficial to our country. He has always argued for strong forces in being and he has always promoted the idea that we can provide these forces at lesser costs. He has also made it clear as many of us believe, that détente cannot be achieved with the Soviets if our bargaining position is weak and that is where it has been headed. I take this opportunity to thank Dr. Schlesinger for his great service to our country and tell him he will be sorely missed.

The other gentleman whose name was also included in that announcement was Mr. William Colby. While I have not known him for any great length of time, I have been privileged to sit as a member of the Select Committee To Study Governmental Operations with Respect to Intelligence Activities and in that position to have heard Mr. Colby on occasions too numerous to mention. Mr. Colby provided exemplary leadership for the CIA at a time when it seems the whole country turned against this organization, started and nurtured by the press and media whose opposition to intelligence is beyond my ability to understand. Mr. Colby has strengthened the CIA, has used his office properly, and the important subject of morale is beginning to improve. Again, I have great confidence in the man who will replace him, even though he has no experience in the field. I thank Mr. Colby for the dedicated way he has headed the CIA under almost impossible conditions.

REVENUE SHARING

Mr. MONDALE. Mr. President, the Congress should soon decide on the need for the continuation of general revenue sharing. I believe wholeheartedly that the program should be continued, and I think that the following testimony by Martin Sabo, speaker of the Minnesota House of Representatives, shows clearly the value of the program.

There can be no doubt that revenue sharing has been a success in assisting State and local governments to provide much needed programs and services, which otherwise would not have been possible. It has helped to make our Nation's overall tax system more progressive. It has reaffirmed and strengthened our federal structure of government. And it has prevented tax increases by State and local governments that would have slowed the pace of our economic recovery. As Mr. Sabo puts it, general revenue sharing has "kept the wolf from the door of many State and local treasuries." He also makes clear the fact that it is very important for Congress to act quickly to renew this program. Quick affirmative action will eliminate a source of uncertainty from local budgetary planning and will insure that the Federal assistance is put to the best possible use.

Mr. President, I commend Representative Sabo's testimony to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

GENERAL REVENUE SHARING

(Testimony by Martin Olav Sabo, Speaker, Minnesota House of Representatives)

Mr. Chairman, members of the committee, New Orleans Mayor Moon Landrieu recently expounding on the golden rule of government is quoted as saying, "He who has the gold gets the rule."

As Speaker of the House in the Minnesota legislature, I can fully appreciate Landrieu's comments and find them particularly insightful in getting to the heart of the discussion of general revenue sharing.

REVENUE SHARING BENEFITS

My advocacy of general revenue sharing is based upon the program's achievements as well as fear of the serious fiscal problems that will befall all of us at the State and local level if revenue sharing is discontinued.

There are three very basic accomplishments of general revenue sharing:

1. It has kept the wolf from the door of many State and local treasuries;
2. It has allowed creation of new programs and expansion of existing programs;
3. It has fostered a more equitable and progressive means of financing State and local services.

ACCOMPLISHMENT NO. 1—A PARTIAL SOLUTION TO THE STATE AND LOCAL FISCAL CRISIS

State and local government are already increasing taxes and cutting back services. A recent study by the joint economic committee shows that our economic crisis has put a severe strain on State and local government's ability to provide needed services. To cut our resources at this point would mean to force us to retrench further or to increase our taxes which are, in the main, more regressive than Federal taxes.

In Minnesota, if we were to replace all State and local general revenue sharing moneys which have come into the State, we would have a number of options, all equally disastrous.

1. Increase individual income tax by 11.4%.
2. Increase corporate income tax by 71.2%.
3. Increase sales tax by 30.1%.
4. Reduce school aids by 16.7%.
5. Reduce aid to local governments by 86.5%.
6. Eliminate public welfare aid to families with dependent children.
7. Eliminate all legislative, judicial and executive departments general fund expenditures.
8. Allow local governments to raise property taxes by 10% combined with a 4% increase in individual income tax.

ACCOMPLISHMENT NO. 2—NEW AND EXPANDED SERVICES

I don't intend to recite for you a litany of accomplishments which general revenue sharing funds have made possible in Minnesota.

I, as you, have a healthy skepticism, or more accurately, a positive realism about the reports that state and local governments file with the office of revenue sharing.

I agree with those who assert that revenue sharing funds are not *"radioactive"* and traceable. The use of revenue sharing funds reflects the needs and priorities of different levels of Government in terms of their development patterns. A government's use of revenue depends upon its level of development, its current needs, its current tax burden and its community priorities.

Revenue sharing, because it strengthens the fiscal position of governments, in Minnesota and elsewhere, helps expand existing social services and helps to provide new services. However, revenue sharing money is woven into the fabric of our total revenue and expenditure picture, so much so, that it is impossible to trace the source of moneys in trying to sort conflicting priorities and establish program levels.

ACCOMPLISHMENT NO. 3.—A MORE EQUITABLE AND PROGRESSIVE MEANS OF FINANCING STATE AND LOCAL SERVICES

The lessons which Minnesota has to teach relative to the success and continuance of revenue sharing are not primarily based upon the State's particular use of general revenue sharing funds. Rather, the lessons are to be learned through an examination of Minnesota's own State-local fiscal relationships.

What Minnesota has in fact done, according to the advisory commission on intergovernmental relations, is to "rewrite the 'book' on State-local fiscal relations."

The key to understanding the Minnesota experience, and hence the lessons which that experience has for Congress, is to examine the impact of the State and local tax structure and the impact of state aids to local governments.

1. Development of a progressive tax structure

Our philosophy and goal over the past four years of tax reform has been to establish a means of raising revenues that is efficient, equitable and progressive.

Looking at the State and local per capita tax burden, Minnesota's relative position among the States has not changed significantly over the past few years. What has changed is that our taxes have become more progressive. In 1971, property tax levies were 47% of all State and local taxes; in 1975, property taxes represented only 35% of State and local taxes.

In 1975, we reached a milestone in our tax reform when we firmly established that even the property tax should be related to income.

So while it is true that Minnesota continues to be among the highest income tax States, most of the money derived from the income tax and other State-collected taxes is used to provide local government aids, local school aids and property tax relief to homeowners and business property in the State.

Minnesota has been at the forefront among the States in tax reform; however, this reform has worked to our disadvantage in at least one way. Minnesota is penalized in the present general revenue sharing formula because of its level of State income tax.

The current formula in measuring State tax effort provides that income tax collections in excess of 40% of Federal income tax liability are excluded in the computation of State tax effort. The most recent data I have seen showed Minnesota to be the only State affected by this 40% limitation. While the fact that we have been so penalized is regrettable, the data is a further indication of the high level of effort we have made in using the more progressive income tax as a means of financing State and local government.

The lesson which Congress can learn from the Minnesota tax structure is obvious. The Federal income tax is, with all of its shortcomings, still more clearly tied to ability to pay than most State taxes, and this certainly is true if one combines State and local taxes. In addition, the Federal Government can collect taxes more efficiently than many State and local governments.

In Minnesota, the legislature has agreed to raise revenues to be used and controlled by local governments because we are convinced that it is the only way to raise funds in an equitable manner. Sound Federal policy calls for Congress to act in a similar fashion.

2. Sharing the revenues raised by a progressive tax structure

A commitment by elected officials to raise revenues progressively and equitably puts elected officials in an uncomfortable position. The position is uncomfortable because it requires a sharing of revenues with others and inevitably involves decisions about control of the usage of funds.

In Minnesota we do not believe that all wisdom, efficiency, and good judgment is to be found in St. Paul, nor do we believe that it is all to be found in Washington, D.C.

In a September 1975 bulletin of the advisory commission on intergovernmental relations which summarizes State aid to local governments, Minnesota ranked 2nd among the 50 States in fiscal 1972 in State intergovernmental expenditures as a percent of total State general expenditures. Minnesota spent 51.5% of its total budget on intergovernmental expenditures. This was exceeded only by the State of New York, which spent 59.5% of its budget on intergovernmental expenditures.

Our own data corresponds with that of the ACIR. In the 1970–71 biennium, when the state's general fund appropriation was $2 billion, approximately 50% of the funds were passed through to local governments. In the 1976–77 biennium, with a general fund appropriation of $5 billion, over 64% of the funds will be passed through.

Those congressmen who oppose revenue sharing because they believe in the letter of Moon Landrieu's golden rule will probably shake their heads in wonderment at the Minnesota legislature. While not all of the 64% of our funds are passed through with no strings attached, a very large percentage of them are. And this, I believe, is very important to strengthening local governments.

The lesson which Minnesota's own revenue sharing has to teach Congress is that it isn't necessary to control every dollar given to state and local governments, even when these amounts are substantial. The success which we have had with our own form of revenue sharing has been substantial. We attribute this success to the fact that we act, whenever possible, as partners with local government and we foster self-determination.

NEED FOR CONGRESSIONAL ACTION

If we are to have sound federal-state-local fiscal policy, Congress must enact laws to maximize the use of progressive taxes while ensuring responsible use of revenue sharing funds by state and local officials.

Congress should also, I believe, reduce the current restrictions on use of general revenue sharing money. State and local governments need flexibility.

I not only urge you to continue general revenue sharing at the level of funding at least equal to that which has been proposed by the President. But I further suggest that it be made a permanent feature of federal-state-local fiscal policy. And it is essential, I believe, that your decision be made as soon as possible to allow state and local governments adequate time to make their budgetary plans.

Mayor Landrieu last summer said that, "General revenue sharing has been the best thing since ice cream." It is more than a dessert to most of us—to most states, it has become the main course.

A SYMPOSIUM FOR EXCEPTIONAL CHILDREN

Mr. MATHIAS. Mr. President, the Parent Advisory Council of Region III and the Area for Exceptional Children, Baltimore City Public Schools, recently conducted a symposium for exceptional children at the Lake Clifton High School in Baltimore, Md., on October 24 and 25, 1975.

It was my pleasure to participate in the symposium, which was aimed toward apprising the parents of exceptional children of their legal rights.

Although I joined in the symposium to exchange views with parents and teachers of exceptional children, I tried to assemble facts that might be useful to all of us who bear a share of the responsibility for programs in this area. The Senate has consistently demonstrated its interest in and concern for these children.

I request unanimous consent, therefore, that the text of my remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Charles McC. Mathias

The first article of the American faith holds that all men and women should have an equal chance to make as much of themselves as they can, to go as far as their innate abilities and energies and interests can take them. Every American, we have believed, should be the arbiter of his or her own fate and the architect of his own future—every man should be free to find and fulfill himself.

Undergirding our commitment to equity and equal opportunity we tell ourselves, is the fundamental belief that every person in our society has an intrinsic value. And we have always prided ourselves on holding these beliefs. The trouble is that for decades, society forgot to tell the handicapped.

The Congress took positive steps to correct this national shortcoming when the Education Amendments of 1974 were considered by the Senate in April 1974. As you know, an amendment was introduced, passed by the Senate, and subsequently signed into law by the President which authorized approximately $660 million for the education of handicapped children. The funds in this were aimed toward assisting the States in meeting the mandate set forth by amendment; namely, to identify, locate and evaluate all handicapped children and to establish a policy of providing full educational opportunities for all handicapped children—and to establish a timetable for accomplishing this goal. This new amendment laid the basis for comprehensive planning on the part of the States, and most important, provided for the protection of handicapped children's rights by due process procedures and assurances of confidentiality.

The amendment, while authorizing $660 million, was actually funded at the level of $100 million for FY 1975 by a subsequent act of Congress. Nonetheless, since the passage of the Education of the Handicapped Act in 1967, Federal financial assistance has grown from $2.5 million to $100 million. Maryland alone, as a result of the education appropriations bill which the Congress recently enacted over the President's veto, will receive over $5 million for the education of handicapped children.

Today, we are at a unique point in the history of the Nation's treatment of handicapped children. Because of the legislation which we enacted last year, and court decisions such as Judge Raine's, equal educational opportunity is within the grasp of all handicapped children. Equal educational opportunity can become a reality for each child in America with a handicapped condition, provided that the Congress and the courts and parents and educators keep up the momentum now established.

Courts across America are virtually speaking with one voice: They are saying that handicapped children have the right to free publicly supported education. We incorporated that view in our legislation last year. We, however, did more. We added provisions which require the States to establish a goal of providing full educational opportunities to all handicapped children; to provide procedures for insuring that handicapped children and their parents or guardians are guaranteed procedural safeguards in decisions regarding identification, evaluation, and educational placement of handicapped children; to establish procedures to insure that, to the maximum extent appropriate, handicapped children, including children in public or private institutions or other care facilities, are educated with children who are not handicapped: and that special classes, separate schooling, or other removal of handicapped children from the regular education environment occurs only when the nature or severity of the handicapped is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily; and to establish procedures to insure that testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children will be selected and administered so as not to be racially or culturally discriminatory.

The Congress now stands on the brink of enacting additional legislation which will extend temporarily the provisions of the Mathias amendment. I understand that the House-Senate Conference Committee which is meeting to resolve the differences between the recently passed Senate bill S. 6 and House bill H.R. 7217 are in general agreement that the entitlement formula for payments to the States now in the Mathias amendment should be extended for two years. We can all be pleased with this development. This action will make it possible for the Congress to appropriate additional funds beyond the current $100 million ceiling now contained in the law due to the one year nature of the amendment we enacted last year.

I believe we can anticipate the conferees reaching an agreement to extend the protections afforded under last year's amendment assuring that handicapped children and their parents would be guaranteed procedural safeguards in any decisions affecting the education of such children. I think we should expect the conferees to report to both Houses a final bill which will focus the distribution of funds to the States based on an incentive formula related to the actual delivery of special education and related services by a time certain to all handicapped children. The within State distribution of these funds, however, is still up in the air. I understand that the conferees are leaning toward an agreement which extends my amendment through fiscal years 1976 and 1977. In fiscal year 1978, funds would be distributed to an individual State on a 50–50 basis; that is, the State would receive 50% of the funds with the remaining amount passed through directly to local school districts within the State. In fiscal year 1979 and for every year thereafter, funds will be distributed on a 25–75% basis, with the State receiving the smaller amount.

With the conference still in progress, it is difficult, as you can imagine, to know precisely the final shape of the bill.

It is, however, safe to say that this Congress will continue the active role it has assumed to guarantee that all handicapped children are provided equal educational opportunity; that we shall accomplish this while at the same time insuring that the rights of children and their families are protected. What can parents do?

Parents of handicapped children must approach their school boards and public officials, not with their hats in their hands, but rather with the firm view in mind that their children are entitled to a publicly supported education . . . education which is a fundamental right in our society. Parents of handicapped children should not expect or want charity; instead they must demand justice. To provide a non-handicapped child with an enriched and meaningful life and to deny this to an exceptional child is inconsistent with the values of our society. Government at all levels must recognize this fact and begin to act accordingly. This is what we are trying to do in Congress. Our State is coming to grips with this mandate. Together we can put dignity and independence and self-fulfillment within reach of every handicapped child in America.

FISHERIES ENFORCEMENT ON THE INTERNATIONAL SCENE

Mr. GRAVEL. Mr. President, a major issue has arisen during consideration of proposed legislation that would create a 200-mile limit off the American coast through unilateral action. The issue is that of enforcement. When the United States moves unilaterally, claiming sovereignty over the area within 200 miles of its coastline, the enforcement will be left to the military establishment. The Coast Guard, the Navy, and probably the other armed services as well, will be called on to enforce our claim, in light of the fact that no other nation will be supporting our contention.

For this reason, I can only contemplate millions of dollars being spent by the United States alone, to maintain the national sovereignty of the unilateral 200-mile zone.

Another option exists, which is the International Law of the Sea Conference. As some recognize, the Conference is preciously close to completing its work and is within two or three sessions of sending delegates back to their respective countries to seek ratification of the Law of the Sea treaty.

Contemplate the distinction, between the enforcement question as it relates to an international agreement, and compare that to the enforcement needs relative to unilateral action. Obviously, when all nations agree to a program, the enforcement program is an easier task compared to a situation where one country is in the position of physically enforcing an action it has chosen to take without the counsel or even acquiescence of other nations concerned.

I present, in this context, an article written by a close friend and constituent from Anchorage, Alaska, Mr. Robert M. Goldberg. The article appeared in The Future of International Fisheries Management, published by the American Society of International Law.

Mr. Goldberg is a distinguished member of the bar in the States of Illinois and Alaska and currently practices law in Anchorage. I have talked with Mr. Goldberg at length about the Law of the Sea, and I know the depth of his concern for this vital issue.

Mr. Goldberg's father, U.S. Supreme Court Justice Arthur J. Goldberg, is well known to us all.

In hopes of encouraging study of the issue of fisheries enforcement on the international scene, I ask unanimous consent that Mr. Robert Goldberg's article, "Ends and Means: The Role of Enforcement Analysis in International Fisheries Regulation," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VI. ENDS AND MEANS: THE ROLE OF ENFORCEMENT ANALYSIS IN INTERNATIONAL FISHERIES REGULATION

(By Robert M. Goldberg) *

A. INTRODUCTION

We are on the eve of the third attempt in fifteen years to fashion a workable scheme for the regulation of international fisheries. Two previous efforts have failed. In their place nations either go it alone, setting limits and policies, or enter into multi-lateral agreements over shared fisheries.

From a global standpoint, these results have not been salutary. Their consequences are all too well-known—a range of national maritime claims, cod wars, tuna boat seizures, and great dissatisfaction among governments and their citizens whose lives and livelihood depend on the sea.

If anything, fisheries now present an element of potentially dangerous instability in foreign relations. At best, we have a patchwork pattern of fisheries regulations with changes depending on the species sought, the region fished, gear, quantities, and other factors. At a time when the major powers seem to be narowing many long-standing areas of differences, the unpredictability over fisheries has caused enough concern to bring about this third attempt to formulate a universally acceptable regulatory system.

In approaching the forthcoming Conference on the Law of the Sea, most nations have understandably attempted to take positions which they calculate will avoid the mistakes of the past, however these are perceived. Almost all have adopted the slogan of conservation for the living resources of the sea, while in reality they are looking to guarantee entrance or participation in established fisheries, maximize (or even to monopolize) their national shares in a particular fishery, or to preserve a given fishery.

The past "mistake" a nation most usually identifies is a failure to maximize its share or to secure adeqaute participation in the fishery. And the commonest national "plan" is one intended to ensure that this will not happen again. Thus, nations are formulating negotiating positions which begin with their expresed goals, and the implementation plans are subsequently tailored to fit. Since the goals are fairly absolute, they allow little room for accommodation or negotiation. At times the prospects for settlement seem distant.

The question remains whether proceeding backwards by designing implementation around the objective is the most useful way to ensure long-range agreement. Yet, few nations have proceeded otherwise. No nation seems to be suggesting that nations should first look at what is enforceable and only then see what policy approach this supports. It may be that, like contemplation of the consequences of "non-agreement", this methodology is too threatening to consider at this time.

From several points of view, this seems regrettable. In the first place, there is good reason to believe that some of the dissatisfaction with the status quo stems from enforcement problems (*e.g.*, nations which can not protect a 3-mile zone seek 12 miles; the failure to enforce the 12-mile zone leads them to a 200-mile limit). Second, and perhaps more important, because enforcement is so central to the entire fisheries regulation process it must influence the success of any regulatory agreement.

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* A member of the bar of the states of Illinois and Alaska, Mr. Goldberg presently practices law in Anchorage, Alaska.

This is of no little importance, since much discussion now seems focused on the need for a plan "which can last." That few systems of law, particularly ones involving so many changing variables as fisheries policies, can accommodate such potential for change seems of little concern. As much as anything, the effort now is to "settle" the matter.

That being so, enforcement, the expectations behind it, the values it supports, and its results, must not be ignored. If we are seeking regulation which can cope with future change, we must take a hard look at what we can be sure of enforcing now and in the foreseeable future.

In taking such a look we must first focus on enforcement itself—what it is generally, what roles it serves specifically, what results it intends to achieve in a regulatory process. Broadly seen, it comes afterwards, to secure the interests protected by regulation.

In enforcement, the abstract codes of lawmakers become the sanction for difficult and dangerous work. The consequences of national legislation or international interplay are transformed into hostile events. It is sometimes sordid, always dangerous, and never easy. Enforcement is another word for policing.

When applied to fisheries regulation, it boils months of debate in Geneva and New York into a 13 hour chase across the Bering Sea. It reduces weeks of argument at the Hague into deadly gunboat clashes in the North Atlantic. It challenges years of practice with destroyed gear and damaged equipment.

Nevertheless, we have learned that laws are rarely completely enforced. That is to say all who violate regulations are not apprehended; many who are apprehended are not tried; and many who are tried are not convicted. To be sure, there are many factors involved, including constitutional issues, special attitudes toward law, corruption, and the like. But, above all, we do not fully enforce laws because we are rarely willing to pay the social or economic price of doing so.

Our police departments are undermanned and our court systems are overcrowded. While we express concern about violations of law, we are reluctant to increase taxes to provide better enforcement. The result is an enforcement system which functions through compromise. Yet, it is not one which is perceived as satisfactory. It merely does enough to provide some assurance of safety and to protect the interests behind it.

We repeatedly settle for less than what the terms of the regulatory system would seem to require. Yet it is widely believed that if we were willing to pay for enforcement, all regulation would be vindicated, legislation would operate meaningfully, and lives would be more secure. The law would "function" as intended.

This belief in maximizing the effect of regulation through maximizing the investment in enforcement should theoretically apply equally to fisheries. If, for example, the United States were willing to pay for enforcement in our territorial waters, would not things be better? How much of America's dissatisfaction with present regulation is based on this is hard to gauge. If nations were satisfied with the thoroughness of enforcement, there would not be such a demand for an international conference now.

The answers to these issues are not clear. Nevertheless, it seems reasonable to assume that if enforcement could be made more generally effective, the present unpredictability would be reduced, the pressures to change would be lessened, and a more rational process of formulating international policy could be followed.

This chapter then will look at enforcement in the context of all the factors which influence it and make it work. The effort here is not to make a detailed review of existing enforcement practice (that has been done more than adequately elsewhere.)[1] Rather it will raise issues presented by enforcement of fisheries arrangements, consider the problems this raises, and speculate on how all these issues can best be resolved.

B. THE ELEMENTS OF ENFORCEMENT

1. Who Enforces

There are four groups of nations involved in enforcement, distinguished by their possession or lack of fishing presence, and their degree of enforcement ability. We have seen all these variables in operation in some way or another these past few years.[2] In the order of the least effective to the most effective, they are:

a. *Nations with no Fishing Presence and no Enforcement Ability.*

Such nations will be involved in fisheries either because of short-range entry interests or because of values relating to long-range protection of the fishery. In either case, a country in this group lacks significant ability to enter into the fishery, nor can it enforce the regulations it imposes. Continuing monitoring is probably well beyond its capabilities; arrest would be virtually impossible.

This nation is not to be confused with those countries which have a "fishing presence" off the coast of other nations (the distant water fishing nations). This nation has neither a "fishing presence" off its own coast, nor effective enforcement capability.

Nevertheless, as a sovereign nation, the country can seek to impose some form of limits on its fishery. Violation of its regulations, even regulations made in the absence of present interest and devoid of any means of enforcement, still presents an issue for the violating country. So, too, does the problem posed for fishermen and governments if the regulating nation seeks another nation's help, particularly if this other nation has some ability to enforce. Thus, while at first glance nations in this group may seem to have the least problems of enforcement, the very nature of what they may try to do (high risk, but high return if successful) could well make this group the source of the most international instability.

b. *Nations with Fishing Presence, But no Enforcement Ability.*

Although such a country has an existing interest in the fishery, it has no ability to enforce limits. From a moral and economic standpoint, it has the basis for some claims about the fishery. Moreover, from a diplomatic standpoint, such a country at least is in a better position to assert its interest in calling for change.

History suggests that a nation in this category will probably seek its interests through association with others who seek the same protections. Together they probably still do not have the necessary strength, economic or military, to enforce; but common interests and numbers may be such as to provide them some leverage.

c. *Nations with no Fishery Presence, but with Enforcement Ability.*

This nation will have the ability to enforce through some market interest, economic leverage, or military strength. It is, of course, rare for a country to have the enforcement ability and not the fishery presence, if only because enforcement ability—to whatever degree—really presupposes some naval strength; countries with this capacity usually also have fisheries interests.

This category can also include countries which may not be exploiting a particular fishery, but are using another fishery and have the ability to enforce in either or both. These countries may have an interest in protecting the fishery which they are not exploiting. Alternatively, such a country may have an interest in the issues raised in the depletion of a fishery, even without having a fishing presence there.

This category also would include a nation with enforcement capability which is willing to assist a weaker nation in dealing with a fisheries problem. For example, a strong maritime power might come to the aid, for any number of reasons, of a weaker country, and by so doing, give that country an enforcement capacity it would otherwise lack. The international problem in such a case is that assumptions about enforcement, particularly when they involve calculations of the likelihood of actions against the interests or established standards of others, are most often based on appraisal of a country's relative strength or weakness in enforcement. Possible alliances between countries with fisheries interests and no enforcement abilities and countries with enforcement capabilities change this equation. It lends a disconcerting degree of unpredictability to national and international decision-making.

d. *Nations with Both Fishing Presence and Enforcement Ability.*

Such a nation or group of nations has it all. Not only does it have an established fishing presence, but it can enforce (to varying degrees) the regulations it promulgates.

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[1] *See, e.g.*, J. Carroz and A. Roche, The International Policing of High Seas Fisheries, The Canadian Yearbook of International Law 1968, 61; Koers, The Enforcement of International Fisheries Agreements, 1 Netherlands Y.B.Int'l L. 1 (1970); FAO Department of Fisheries, Report on Regulatory Fishery Bodies, FAO Fisheries Circular No. 138 (1972.)

[2] A "fishing presence" as it is used here denotes the ability of a nation to exploit a given fishery. Enforcement ability, perhaps more aptly "capability," is that power of a nation to effectively (undoubtedly a question of degree) police its waters.

This latter consideration, *i.e.*, enforcement capability, is one of the most difficult variables to meaningfully quantify. The conditions which may support an effective capability in one instance, *e.g.*, small coastlines, good climate, known fishing areas, simply may not be present elsewhere. A small nation could have a much more effective capability than a large, far more powerful nation.

Clearly the measurement of enforcement capability does not then lend itself to easy quantification. It is something more than Mr. Justice Stewart's oft-quoted "I know it when I see it." It involves a whole series of factors which come down to one question. If a foreign fleet or boat violates accepted (by whatever method) national waters or claimed fishing areas, can the enforcing nation impose some degree of meaningful sanctions on the violators and thereby prevent or limit reoccurrence.

Given this imprecision of measurement, it may see that enforcement capability is not the most significant issue. Yet, the nation of enforcement capability has dominated the historic developments of this aspect of international law and policy. And it still must speak to the point of whose interests and views must be respected in determining future regulation.

The nations which under any type of measurement appear to have this capability will simply not be ignored. The test here is perhaps more of a quantitative, rather than qualitative, one, viz., how effective is their capability in fact. The answer, however, merely ranks within one category enforcement capable nations. There can be little doubt that these nations differ from those without any capability whatsoever. Between these and nations with some capability, there *is* a difference.

Accordingly, for the purposes of this discussion, the quantitative difference, if any, will be understood. Enforcement capability would seem to remain a meaningful distinction. It is in all events treated as one here.

This leads to relatively great predictability, because not only is there a readily-perceived basis for the regulation (whether or not universally seen as "valid"), but it is also evident that the country regulating can enforce its policies.

Within this group, of course, nations do vary. For example, some countries may have both a fishing presence and an enforcement ability against some but not all countries. Thus, Britain (unlike navy-less powers) can enforce its policies against Iceland, but possibly not against the Soviet Union. On the whole, however, these gradations do not seem to loom as serious sources of international instability.

2. Goals in enforcement

There are a number of ends or goals which a nation's enforcement efforts are intended to secure. (The number actually achieved, of course, depends on the ability and determination of the particular nation.) Specifically, the ends include:

a. *Keeping Other Nations Out of the Fishery.*

This is an absolute and maximum result of good enforcement. To achieve it, the regulation must be enforceable and the mechanics of enforcement must be adequate to secure its enforceability.

The result is an exclusive or monopoly fishery. There are a number of ways for a nation to achieve this which will be discussed *infra*.

b. *Preserving the Stocks.*

In this situation, the effort of enforcement is directed at conserving the resource and at maintaining its viability. Here the problem is to limit exploitation so far, but only so far, as it threatens the stock. The fact may be, of course, that the stock would be threatened by almost any exploitation. If so, then the effort will be directed at keeping everyone else out—or perhaps even at prohibition of exploitation, including that by fishermen from the regulating state itself.

c. *Maximizing the Nation's Share of a Common Fishery.*

To achieve this goal enforcement obviously will be aimed at insuring that the regulating state does as well as possible in securing its share of a common fishery. Enforcement could be directed at excluding others from the fishery, or at preventing any increase in their fishing presence there. It could also be aimed at ensuring that the fishery is exploited as intended under past agreements or other norms.

d. *Achieving Entry into a Fishery.*

By setting limits on a not-yet-exploited fishery, the enforcing nation may secure the objective of achieving its entry thereto. By exercising its enforcement prerogatives, the nation may be able to call sufficient interest to itself to achieve some degree of entry.

e. *Preserving an Interest in an Unfished Fishery.*

It may be that a nation does not have the ability to fish the stock or the present desire to achieve entry into the fishery. However, it may still want to preserve a situation where at some future time it could enter into the fishery. Alternatively, it may recognize that depletion of a certain fishery it does not fish threatens or would threaten one it does fish. Thus, some intervention over the unfished stock may be necessary to protect its exploited fisheries.

f. *Revenue Generation.*

In some instances a nation will seek to raise revenues through a licensing program. This enforcement will be geared to securing as full a return as possible from the licensing of access or participation in a fishery. Some degree of revenue generation may also be significant in justifying the costs of enforcement. If a nation can show some degree of return, it will both prove its capability and satisfy any of its own domestic critics of the cost of its own enforcement.[8]

g. *Other Factors.*

It is well known that fisheries regulation is only one question of many being addressed at the law of the sea meetings. Virtually everyone realizes that fisheries policies, insofar as the major maritime powers are concerned, also bear on other matters of vital interest. These include territorial seas and related defense questions; the further development of the continental shelf and the deep sea beds; related resource and energy issues; and environmental and conservation questions. The degree of vigorous enforcement or its acceptance can also depend on these factors, as they stand now and to the extent that they are resolved in the future.

3. The enforcement process

a. *The Need for Regulation is Perceived.*

The enforcement process begins with the recognition that some form of authority must be imposed to protect a fishery. For example, if Nation A sees Catch Y (regarded by A as being its own) being depleted by Nation B, Nation A's perceived enforcement need will be centered around preventing further depletion of its resources by Nation B. To do this, it may wish to bar Nation B from its fishery altogether, to limit Nation B's entry, or to protect its fishery collaterally by, for example, extending its territorial seas. The choice it makes will depend on a number of variables including the source of the pressures to regulate, (*i.e.* the present market) the pressure for regulation, the ability to regulate, and other related factors.

b. *A Regulatory Program is Created.*

The above choice becomes treaty or law. It is made either solely by one nation or else results from multi- or bilateral discussions and negotiations. If unilateral, then *all* the enforcement decisions will be made by the affected state alone, based on its interests as it determines them. In effect, then, whatever domestic pressures give rise to the need for regulation will determine the type of enforcement mechanism.

If the treaty approach is taken, then other factors must necessarily come into play (that is, of course, unless the interests of the treaty-making nations are identical in their approach to the fishery being regulated). In this instance, the enforcement scheme will reflect mutual national interests and accommodations. It may also relate to certain facts of international life as well as other issues which are not related to fisheries.

In both cases, the result of the drafting process is a program which must be implemented. Since implementation usually involves persuading or keeping other states from doing something, enforcement now becomes the consequence of all these earlier actions and negotiations.

c. *The Regulations are Tested*

It has been the nature of fisheries regulation that the mere establishment of limits is not sufficient to guarantee universal accession. Like all laws, treaties are also subject to testing. Regulated nations are always interested in determining at what point the enforcing nation "really" draws the line. This is, of course, set off against the point the regulator would really *like* to draw the line, *i.e.*, the limits in the regulation. The lines may be the same.

There usually has been some interest by the regulated nations in the fishery in the first place. Unless the new limits are so extreme, or the evidence of regulatory intent so overwhelming, as to raise a great risk in testing them, sooner or later the regulated nations will again manifest their interest in the fishery by testing.

d. *The Limits are Exceeded.*

It is almost axiomatic that once set the limits or standards will be exceeded. The violations may involve gear damage, some depletion of the resource, or a territorial incursion.

Depending on the regulation and on the "trespasser," the violation may be deliberate or it may be accidental. Depending on the method by which the regulation was developed, the violation may be a concerted effort by nations to test the limit or it may be a unilateral action. And, depending on the focus of the regulation, other nations may be encouraged to violate it, since the regulation may be against their own national policies.

e. *Limits Exceeded Will be so Identified.*

It is one thing for limits to be broken. It is quite another for them to be observed to have been broken. Again, the type of regulation will determine in part how easy it is to monitor. For example, catch size is much harder to monitor internationally than is regulation of species fishing; species fishing is harder to monitor than distance regulation; and so on.

Monitoring also involves some degree of cost. As we shall discuss later, nations willing to regulate are often unwilling to pay for adequate enforcing. Thus, the extent to wihch enforcement funds are needed will ultimately depend on how successfully the regulation is monitored. Of course, if initially there is no effort to monitor the limits, it is likely that the abuses will become so great as to make detection inevitable. One way or another, violations will finally be noted.

f. *Monitoring Must be Followed Up.*

Monitoring the limits alone is not enough. The charge of violation must be clearly supportable. The unverified claim that someone was fishing illegally carries far less weight than confirmed sightings. Even confirmed sightings, whether the nation is as small as Iceland or as large as the United States, are second in value to apprehension.

The actual process of monitoring can vary from sweeps by airplanes and ships covering vast amounts of territory, to checks by inspectors placed on factory ships or in home ports, to gathering of ad hoc intelligence from fishermen, to the study of market figures by bureaucrats. Each of these obviously differs widely in cost consequences. It would seem, however, that as a general rule, the nation that can best monitor can also best enforce through apprehension and arrest.

g. *Violations Bring Apprehension or Arrest.*

This is often the critical enforcement stage. Apprehension confirms violations as does no other act. It establishes that limits have possibly been exceeded and that the enforcing state has some capacity to uphold the limits. Repeated arrest or confirmed sightings will further demonstrate the point at which the regulations are being meaningfully enforced.

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[8] The whole question of costs in enforcement is certainly one of more than routine interest to all nations affected. All aspects of enforcement have a cost. Costs are measured both in direct outlays as well as the indirect cost of things not done at the expense of enforcement.

The direct costs are increasing with development of and rise in prices in new technology. Each improvement in detection and apprehension systems costs money. To the extent that the costs are beyond the ability of a nation, then the security of the enforcement program (the nation's present capability) will suffer. At the same time the pressure on the enforcers will grow to prove their systems. And this, in turn, could create a dangerously unstable situation.

Finally, there may also be a point where a nation would prefer making any additional expenditures in enhancing its own productivity, reasoning that the extent of violation can be more than offset by the improvements in its own capacity.

Beyond this, arrest achieves other values of law enforcement. These include the traditional understandings of deterrence, retribution and ultimately rehabilitation. Arrest is also the first stage which deals with the internal pressures which brought about the fisheries regulation, because it is a political gesture domestically as well as internationally.

Arrest clarifies very quickly the attitudes of the violating nations toward the regulation. If they see fisheries policy only within the context of fishermen, then the arrest will be treatly merely as an incident to pursuit of the resource. If, however, fisheries regulation impinges on other values, *e.g.*, naval power or maneuverability, or policy on territorial sea—as in the U.S. Ecuador tuna disputes—then the arrest may set off another chain of consequences.

h. *Trial.*

By the time of the trial, the interests within the regulating state are becoming as great as the effect of the regulation on those who violated it. Trial also provides a further test of enforceability—is the scheme already shown to be effective in monitoring and policing sufficient (as a matter of the law of the trying state) to sustain conviction. This involves national standards of legal process.

It may also be the case that the trial is not held in the country responsible for the limit and arrest; trial then becomes an important test of the participating country's willingness to abide by the rules of the regulating authority.

The result of the trial will further bear on enforcement. It does not necessarily follow that the harsher the sentence the greater the deterrence—if a violator knows that the verdict will subject him to extraordinary costs and other penalties, he may not be deterred but, if monitored, will do everything possible to escape arrest. Nevertheless some balance should ultimately be worked out where the penalty is sufficient enough to secure respect but not so large as to make serious law-breaking inescapable.

i. *Post Trial Developments Occur.*

What happens after trial often affects the enforcement. For example, if the regulation or the actual enforcement process does not conform to national law as determined at trial, then the process must be changed. If the regulated nation's response is extreme, it might seek to impose sanctions on the enforcing nation. The nature of these sanctions may be such as to affect the zeal with which the enforcing nation goes about upholding the regulation.

Further, the experience of enforcement will undoubtedly be evaluated. The evaluation will focus on such things as the cost of mounting the enforcement effort, risks taken during apprehension, the costs of trial, and the trial's result. In effect, trial is bound to create an opportunity for enforcers to weigh some costs against the return.

4. Direct Factors in Enforcement

The actual factors involved in the enforcement act are not many, but they are critical to the process because the degree to which they are maximized will depend on the efficacy of a nation's enforcement scheme. They include:

a. *Commitment to the Process.*

Obviously if a nation does not have the will to enforce, it will not actively enforce, regardless of its resources. It takes more than regulation to secure this commitment; a nation must identify with the values sought to be gained to a point of wanting to see the regulation upheld.

The commitment in principle must also be matched by a commitment in fact, to the operation of the program. This means a willingness to make the investment in enforcement.

b. *Investment in Enforcement.*

This is strictly a question of money. Unless a nation opts for no enforcement or for giving a nation unregulated entry into a fishery as part of the regulatory scheme, paying for policing is inescapable. The actual costs come in a number of categories.

(i) *Monitoring.* This is an important stage in the enforcement process. In order to enforce a nation must know if regulations are being violated. However these discoveries are made (whether by overflight, radar, boat, in-port or other type of intelligence gathering) some expense must be borne by the monitoring country.

(ii) *Reporting.* Monitoring must be followed by some form of disclosure. The reporting function is more administrative than anything else. But the process of record-keeping entails costs in administrative terms.

(iii) *Apprehension.* This is the most costly part of the enforcement process. It requires expenditures for equipment and men. It can be thorough only after the achievement of adequate monitoring.

(iv) *Trial.* This is generally a marginal cost if a nation's existing judicial system is used. Still it requires a willingness to support a prosecution team, take up court time, and tie up witnesses, possibly at the expense of field enforcement.

c. *Personnel.*

Enforcement requires people. It is the officers in the patrol craft, the pilots and observers in airplanes, technicians in ground-based detection systems, ship monitors, port monitors, administrators, and the legal personnel who must make the system work. And people take up space, require support, and cost money.

It does not necessarily follow that the more complex the enforcement plan, the more peope involved. It is conceivable that a highly sophisticated program involving satellite and computer technology could be developed which would require few hands to administer. Yet, the fact remains that no such program has yet been devised and that enforcement, as has been noted repeatedly, has not varied in essentials for several hundreds of years. It still boils down to ship against ship across miles of ocean.

As any government which has tried to proceed in this area knows, ship against ship means a Navy and an Air Force, and these are quite expensive. In all cases, people must be available to monitor, to report, to arrest, and to try.

d. *Equipment.*

Enforcement is not just by people. It is by people using things. The things they use are costly—ships, airplanes, ports, airports, reporting and monitoring equipment, to name just some. Almost all of these are major capital items. Each requires an investment at the expense of something else.

Moreover, since much of the hardware required for meaningful enforcement relates to other activities of a non-pacific nature, their acquisition by non-major powers only comes at some expense and, for other reasons, often at the risk of considerable disapproval by the major powers. Again, this is another costly item.

e. *Ability to Withstand Collateral Attack.*

The final direct factor arises from indirect effects. The ability to withstand collateral attack is important for the enforcing country.

If it cannot tolerate sanctions of whatever nature outside the area of enforcement, it should probably forget about anything but the spottiest of enforcement. Yet, often the difference between spotty enforcement and effective enforcement is very little—both require virtually the same personnel, equipment and cost. Thus, unless the nation is willing to accept all the international consequences of its enforcement policies, it probably should not undertake them.

5. INDIRECT FACTORS OF ENFORCEMENT

In considering enforcement, numerous indirect factors which bear on the process must be considered. The following list is certainly not exhaustive, but it does indicate related issues which will bear on the enforcement process. Each is of some influence, although not every one has the same influence on every nation, and the greatest significance of some is now only prospective.

a. *Market Control.*

If the market is tightly controlled by a regulated nation or by another nation not even party to the regulations, then regulation may be less effective than economics in determining what happens to the regulated species. Thus enforcement could be rigorous, spotty, deliberately occasional, or even token. The effect in any case would be marginal since market control in the end would determine what happens to the catch.

b. *Research.*

This is important to enforcement because it not only functions as a monitoring agent, but because the nation with the best research can knowledgeably appraise the enforcement system established against it. In other words, enforcement may be meaningless if, through research, a nation knows what factors are important to exploit a fishery. And if they do not involve values in the enforcement scheme or indicate how the enforcement scheme can be avoided, then the regulated nation will know how to proceed.

From the standpoint of the enforcing nation, research may allow it to determine whether it has to enforce at all, and if so, how and where it chooses to act. While spot enforcement may appear to be poor enforcement by other nations, for the enforcing nation such a method of enforcement may be good sense.

c. *Other Types of Monitoring.*

A third element relates to the effect of other types of monitoring on fisheries enforcement. If a nation is called upon to perform several different monitoring tasks which relate to different international obligations and interests—one of which is fisheries—it is likely that it will seek to rationalize its system of monitoring by seeking to cover a number of monitoring activities at once. Thus, surveillance for one purpose could lead to surveillance for other purposes. Alternatively, even if this type of streamlining does not take place, sweeps for one purpose could incidentally uncover information relevant to other purposes.

On the other hand, the cost of enforcement of a number of international obligations may be so great that far from rationalizing its approach, a nation may be simply unable to do any type of surveillance well. The result is poor enforcement and an invitation to violation. This is not an unlikely thing. Maritime nations are now subject to many types of regulation. Policing these has become a very expensive process even for the larger states.

d. *Technology.*

Technological changes will obviously bear on the future pattern of enforcement. Indeed, there is much in enforcement which could respond to technological change. It is fair to say that the mechanics of fisheries enforcement have not changed dramatically in hundreds of years. It is still the same, boat against boat with the weather ever a factor. To be sure, there have been some changes—the airplane, for one, has aided detection. Radar has helped when it has been possible to use it to assist in apprehension. But by and large fisheries enforcement boils down to cutters chasing after trawlers.

The problem is that technology has probably made enforcement more difficult by increasing a nation's ability to exploit a fishery. Most technological advances have been in this area. Built-in inefficiencies which in the past made the enforcement process less critical are now gone. The pressure is on technology of enforcement, yet the economic return is with the technology of exploitation and the distance between the two seems to be widening.

What technology can do for enforcement, then, is still not that clear. It could depend in part on the type of enforcement scheme in operation. For example, if enforcement is based on distance limits, then through the emplacement of monitoring devices on the fisheries fleets of a nation it will be possible through some sort of satellite scanning to determine where given boats are at any given time.

Technology could also merge with the research function, given a species scheme, to show where enforcement is necessary. In this manner, instead of monitoring the full areas of a nation's seas where the resource might be, the monitoring fleets or ships could be directed through resource satellites equipped to sense fishing potential only to those areas where violations were most likely.

Finally, technology can also assist in the intelligence-gathering functions. As we become more knowledgeable about the qualities and potential of a resource, information analysis (when sifted and directed through numerous types of relevant data) may indicate where enforcement should also be directed.

There are undoubtedly many areas where the impact of technology will be profound. What is needed now is a study of the short-range and long-range technological influences on the enforcement process. The impact of this on the forthcoming negotiations, however, remains speculative.

e. *Policy effects—Domestic and Foreign.*

Effective enforcement may not be synonymous with zealous enforcement, but the way a nation's enforcement effort is perceived by its own citizens and others certainly will. As has been shown, vigorous enforcement is one very good way, even if it is not too effective, to demonstrate an interest in fisheries. It can also be used to demonstrate other national concerns.

For example, at times of detente between major powers there is less of an interest in enforcement which appears to be basically hostile. Enforcement at these times must appear to be routine, and enforcement issues between major powers must be handled differently than at other times. Of course, any enforcement efforts between the major powers must be handled carefully, particularly when a chase is involved. The 1973 American apprehension near the Aleutians of Russian trawlers after almost a 24-hour chase through the Bering Sea and the North Pacific is a good example. That shows that a chase is more than just firing up the boilers and going after someone. On the high seas it requires elements of authority combined with good diplomacy. And the powers in the hands of the cutter commander often must be exercised at times when he is unable to communicate with higher government authority.

Selective enforcement, or even the appearance of selective enforcement, may also affect policy or be the instrument of policy. While this could be a tactical choice of enforcement (like the autoworkers' decision to single out one of the three major automakers as a strike target each contract-renewal time), it could also be seen as a highly antagonistic act toward a single nation. Of course, if a nation does not signal in some way that it is engaged in selective enforcement, its efforts may simply be seen as weak, occasional enforcement.

The nature of enforcement also relates to domestic policy. A country is unlikely to spend heavily on fishery enforcement at the expense of other needs, but this could occur. Governments change, and a new government might spend less on limits enforcement as a matter of national policy. Or, as in the case of Iceland's claims, a government may decide to strengthen enforcement in response to domestic demands.

f. *The Structure of the Fishery.*

If the fishery involved supports small coastal efforts, enforcement will have to cover vast distances and many, many boats. If the fishery is highly centralized, perhaps with trawlers operating from factory ships, it will be easier to monitor for location.

In addition, a major centralized fishing effort will also be easier for other fishermen to monitor. They will certainly be more aware of the competing fleet and better able to observe its actions. Finally, a centralized effort off factory ships can make for in-place monitoring on such ships. Placing observers on a single craft is a much less costly and easier venture than individually monitoring an entire fleet.

g. *Effect of In-House Enforcement.*

This paper has concentrated on international enforcement issues, but these are not the only enforcement questions. Generally a nation mounts substantially regulatory and enforcement efforts within its own fishery. These efforts raise several issues for *national* enforcement.

First there is the question of cost. There is only so much in each nation's budget for enforcement. If a nation has to spend substantial amounts on one type of enforcement, this may undercut its efforts to achieve another type. Its failure to spend in domestic enforcement can lead to international problems. (This would be the case particularly where one country believed another to be lax in its domestic enforcement, thereby threatening the conservation of the resource on which both depend).

Of course, simultaneous domestic and international enforcement could be more efficient, since the requirements for one mode could also be required for the other. Here, cost works in favor of effective enforcement, since the same enforcement dollars pay for several types of enforcement activities.

Domestic enforcement may also influence certain market factors. If demand is high, releasing restrictions on domestic quotas may reduce the significance of international quotas. Alternatively, if domestic needs require a tightening up of regulation, then it will be neceessary to move vigorously internationally if the effect of national enforcement is not to be wasted. Should domestic needs so require, domestic pressures are likely to build up to demand effective international enforcement.

6. Types of Enforcement Action

Enforcement will come through certain types of international practices, from unilateral actions to multi-national understandings about divided catch and allocated benefits from the resource. Each has bearing on enforcement, if only in terms of cost. They are:

a. Unilateral Actions.

This is probably the most costly type of enforcement action. By its very nature, there is no other nation with which to share costs; there is no other nation with which to exchange information; and there is no other nation with which to cooperate in arrest and trial.

The risk cost is also the highest. Because the action is taken alone, a nation by itself will have to accept the consequences.

Unilateral actions can vary in cost. If the enforcement is based on species concerns, then it will probably be cheaper than enforcement based strictly on distance. The cost of patrolling territorial waters effectively is very high, and indeed, in the context of unilateral action be the most expensive type of enforcement.

There is one area where unilateral action could be significant and enforceable. This involves the home state's management of anadromous fish. The home state has considerable power in this case since it has great power to control the fisheries.

B. Bi-Lateral Actions.

This results in shared costs whatever the scheme. The risk cost is also reduced. Again, if the regulation is based on species, it will tend to be cheaper than if it were based on area.

Bi-lateral actions may be costly if there are other parties interested in the regulated fishery. Then, in addition to enforcing within the rules of the bi-lateral system, the participants will also have to guard against any party who is not within the rules, but is within the fishery.

C. Multi-Lateral Actions.

These provide what is probably the least expensive and most enforceable approach to regulation. Multi-lateral arrangements including all fishery participants tie everyone into the enforcement pattern and should reduce costs for everyone.

Here, too, the cost will vary depending on whether the approach is one of species management or area management. Multi-lateral arrangements can allow for the placement of observers, data exchange monitoring, and flag state enforcement. In any case the overall cost should be less in this case than in any of the other categories.

7. Results of enforcement

The results that enforcement can either guarantee or seek to guarantee range from absolute enforceability to the barest appearance of enforcement.

The maximum result would be absolute enforcement. Here all the goals of effective enforcement would be realized. The regulations would be completely policed. Other countries would either respect the enforcement system, or would be caught when they abused it. All fishermen would be adequately monitored. Apprehension would occur with frequency. Trials would be just (and would be seen to be just), and fines would be sufficient enough to both secure deterrence and to satisfy retributive needs of the enforcing state.

The maximum result at this point occurs nowhere. No nation, not even the United States, has been able to achieve that result. It would probably require such a preponderance of power on the part of the enforcing nation that if it had it it would not need the pretense of rule-making, and could "regulate" by fiat.

The most realistic result obtainable may be the ability to enforce with some degree of certainty. That is, to enter into a regulation pattern which satisfies national interests and to be able to secure a reasonable amount of the interest sought. This will require a good deal of expense and effort.

An alternative would be some form of intentionally selective enforcement. This could either take the form of an effective pattern of occasional monitor-arrest sequences, i.e., ones with enough authority to have achieved some deterrent effect. Another spot approach would be more closely geared to the biological needs of the stock. Thus, there would be a greater effort to enforce when it appeared that the stock was threatened, and much less enforcement when the stock was plentiful.

A lesser result would be modes enforcement with no pretense of a selective design. Intentionally selective enforcement incorporates the premise that absolute enforcement would be possible if the enforcer ever chose to seek it. Modest enforcement holds no such promise; it does provide some monitoring and apprehension, and also should have some deterrent value.

There is also the appearance of modest enforcement which shields the reality of lesser enforcement, or in other words, a national bluff based on an investment in the monitoring function but with relatively little force by way of arrest. This allows for some national credibility, perhaps more domestically than internationally.

There is, next, the appearance of little or no enforcement along with the reality of little or no enforcement. In this instance, the country has indicated what it wants but it simply is unable to secure it.

The final stage is possibly the most deceptive: no effort to enforce. In this situation, a nation may simply be unable to do anything and therefore does not try. However, by participating in the regulating process, a nation serves other national goals. This may also reflect a highly-sophisticated national approach toward enforcement: after adding up the cost of what it would take to secure enforcement of its fisheries regulatory scheme, a nation may simply conclude that the cost of meaningful enforcement, when compared to the value by which the fishery is diminished is simply too great to justify even a token attempt. After such analysis, our hypothetical logical state could conclude that it can best achieve its interests by developing a regulatory scheme which is more or less acceptable to all concerned, domestically and internationally, counting on a reasonable degree of other nation's respect for the scheme, and then doing very little about any other nation which seeks to violate it. For such a nation, rational analysis could lead to a conclusion that it is more efficient to grow soybeans for protein than to invest in fisheries enforcement.

C. TABLE OF VALUES AND CONCLUSION

The "Table of Values" appended as Annex A to this chapter sets out diagramatically all the enforcement factors which have been considered above.

The table does not purport to weigh the factors with great accuracy, nor does it guarantee predictability. It does set out the elements of enforcement in such a way as to be useful in assessing the enforceability of a regulatory scheme.

From the analysis undertaken to develop the table, it seems clear that these elements are as diverse and contingent as any of the factors which make up any of the great issue areas before the law of the sea conferees.

Above all, the table shows that there are reasons for the great variances in enforceability in fishery regulation. It confirms the thesis of this paper that there is considerable room for improvement in enforcement, and that better enforcement could significantly alleviate the pressures which may distort the forthcoming negotiations. The table reminds us of the controlling effect of enforcement capability and the practical value of scaling our goal to what we can enforce instead of formulating ideals and leaving enforcement for tomorrow.

ANNEX A

TABLE OF VALUES

Who Enforces[1]	Goals in enforcement[3]	The enforcement process[3]	Direct influences[3]	Indirect influences[3]	Types of action[2]	Results[2]
Fishery presence, enforcement ability.	Exclusion of other nations.	Need for regulation perceived.	Will to enforce.	Market control.	Unilateral species area.	Total exclusion deliberate.
Fishery presence, no enforcement ability.	Presentation of stock.	Regulation promulgated.	Cost; Monitoring[3], Arrest[4], post trial[3]	Research[3]	Bilateral species area.	Occasional or selective enforcement.
No fishery presence, enforcement ability.[3]	Maximizing share.	Limits tested.	Personnel.[3]	Other types of monitoring[3]	Multilateral species area.	Modest enforcement.
No fishery presence, no enforcement ability.	Achieving.	Limits monitored.[3]	Equipment.[3]	Technology[3]		Appearance of enforcementl
	Protection of unfished fishery.	Reporting.[3]	Ability to withstand collateral attack	Foreign and/or domestic policy.		No enforcement.
	Other factors.	Apprehension.[4]		Status of fishery.		
		Trial.[3]		Effect of national enforcement.		
		Post trial.[3]		Other LOS issues.		

[1] Scaled as to enforcement potential.
[2] Scaled as to cost.
[3] Cost noted.
[4] Degree of cost noted by number.

SUPPORT FOR SENATE RESOLUTION 288

Mr. BAYH. Mr. President, in the near future the General Assembly of the United Nations will vote on a resolution which associates Zionism with racism. The resolution was adopted earlier this month by the U.N.'s Social, Humanitarian, and Cultural Committee, and event which marks a sad chapter in the history of the U.N.

I sincerely hope that the General Assembly will reverse the action of the Third Committee. As has been pointed out by U.S. representatives to the United Nations:

> Under the guise of a program to eliminate racism, the United Nations is at the point of officially endorsing anti-semitism, one of the oldest and most virulent forms of racism known to human history.

Such a position is entirely inconsistent with the guiding purposes of the U.N. to promote world peace and to respect the dignity of all mankind.

Mr. President, the concept of a Jewish homeland is not new. The State of Israel has been recognized and supported by this Nation and, indeed, the U.N. for the better part of three decades. To now attempt to equate Zionism, the principle on which that nation was founded, with racism is a perversion of truth which demeans the U.N.

If the resolution adopted by the Social Humanitarian and Cultural Committee is accepted by the General Assembly, it will become a most dangerous precedent. The cause of peace can never be furthered by abuse of the rights of member nations, vilification, and slander.

Mr. President, the United States must do all it can to defeat the resolution on Zionism. We must not adopt a passive role. I was pleased to cosponsor Senate Resolution 288 which condemned the Third Committee resolutions, and I hope and trust that this country's representatives at the U.N. will act with vigor in the General Assembly.

Mr. President, the United States should be proud of its support for Israel. Israel has always been a working democracy. It is seen by the American people as an embodiment of our own ideals and values. We must now strongly and unequivocably reaffirm our support.

A PLEA FOR LESS GOVERNMENT

Mr. McCLELLAN. Mr. President, all Members of Congress are receiving much mail today from their constituents regarding the many major current issues and perplexing problems of Government that command our attention and which demand solution. They express apprehensions and deep concern about irresponsible fiscal policies that we have been and are still pursuing. They are becoming disillusioned with social programs that too often penalize thrift and reward indolence.

They cannot understand Government programs that compensate unemployment—pay people who are not working and who are not willing to work—when the jobs are available with pay above the minimum wage. They register with us many other valid complaints to which Congress has not yet been responsive.

Mr. President, we had better heed these pleas of substantial citizens and take legislative action to rectify these untenable conditions before it is too late.

Mr. President, typical of the letters to which I have referred is one I have just received from Mr. John E. Anthony of Bearden, Ark. The information it contains is factual, and his opinion are persuasive. I am in accord with most of the views he expresses. I think his letter will be of interest to my colleagues and to the readers of the CONGRESSIONAL RECORD.

I, therefore, ask unanimous consent that Mr. Anthony's letter to me of October 31, 1975 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BEARDEN LUMBER COMPANY, INC.,
HOT SPRING COUNTY LUMBER CO., INC.,
Bearden, Ark., October 31, 1975.

Senator JOHN L. MCCLELLAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCCLELLAN: The flood of federal benefits (money) presently (and suddenly) being paid local citizens has reached such a volume that its impossible to ignore. This flood of welfare, unemployment, child support, disability, social security and other benefits has become so great that it dominates our economy. In the largest grocery store in our town, almost 40% of the purchases are with food stamps. In the local bank, the 3rd of the month has created such a crush of people that the lobby will not hold them, and additional personnel and extended hours are necessary to cash government checks.

The flow of normal, healthy individuals now presenting their government check for payment, and in some instances several checks, makes most working people shake their head in wonder, and the remaining proud few who have always avoided the free ride, are losing their will to resist what appears to be a government determined to pay their way—like it or not.

The very basic principal being violated is that government is inadvertently creating the incentive to get on the federal payroll rather than to get a job, be productive and earn your own way.

How else can you explain the problem of a mill in Bearden, Arkansas, being unable to fill good jobs at rates of pay in excess of $3.50 per hour, or even worse, a plant in Malvern in a county with 25% unemployment that cannot staff its mill at similar rates because the benefit of being unemployed is greater than that of working.

The President and some leaders of congress are pleading for "less government". It is disappointing to read statements by senate leaders indicating that the only solution to our problems is more government. I think everyone in Washington should remember that our nation has done quite well for many years with less government than today, and it appears to me the less we had, the better we did.

Too big government is making it practically impossible for small businesses to operate. Federal laws, tax laws, rules, regulations, requirements, guidelines, reports and directives on production, safety, personnel, raw materials used, fuel required, vehicles operated, pension plans, hospitalization policies, minorities employed, sex discrimination, pollution (water, air, noise), ecological considerations and endless reports so complex that the average man cannot even fill them out, are in the mail almost daily. Regulations in manuals thousands of pages long, dictate how we must perform what used to be simple acts. Unless a company has the resources to employ a safety director, a CPA, an engineer, and has a computer (or service), he cannot abide by the law. The result is that only the major corporation can, or is willing to, meet the standards prescribed by the federal government. The small, independent company just isn't able to cope.

The schools where our children are educated have deteriorated to intolerable levels because HEW forbids discipline. The majority of the students who go there do simply because their parents have no alternative.

The affairs of our nation have reached such a sorry state that I would like to encourage you to oppose any issue that does not diminish federal control, reduce its spending, and return our money and our lives to us.

I believe all reasonable men know these things when they are part of the everyday life here at home. However, it seems that when our elected officials get to Washington and are exposed to the "great minds" with their "great theories" and their "great experiments", too many of these things are forgotten. It just isn't possible to pass laws to solve problems in New York or Chicago ghettoes and apply them to a small Arkansas town. It makes no sense to legislate solutions to Los Angeles pollution problems and apply them to a West Texas community. These are local conditions that should be solved by local people.

It took England 500 years to get down the road we are now traveling at breakneck speed. Surely a look at them now should tell us something.

Sincerely,

JOHN E. ANTHONY, *President*

THE HUMAN ANGUISH OF UNEMPLOYMENT

Mr. BENTSEN. Mr. President, I invite the attention of my colleagues to an article appearing in this morning's New York Times which reminds us once again that the most crucial issue facing this Nation today is jobs.

Too often, I am afraid, the human dimension of the problems measured by graphs, tables, and numbers is overlooked. Martin Waldron, in his "After 5 Months Without a Job, Hope Grows Dim," captures the frustration, anxiety, and discouragement of one man who lost his job last June and, despite his best efforts, has since been unable to find work.

Mr. Alfred Prato, whose experience is the subject of the article, has concluded that "nobody really cares" about the millions who have lost their jobs during the past year. Mortgages are threatened, life and medical insurance policies are lost, diets are cut back, and the questions of children young but old enough to understand go unanswered by their fathers.

As I have said repeatedly, unemployment today is our most serious national problem. More than 25 million Americans will experience the personal tragedy of being without work at one time or another this year. This Nation has never accepted joblessness of that magnitude, and it cannot now. For if we do, we doom ourselves to massive budget deficits, idle industrial capacity, and economic drift. And, most importantly, we doom millions of Americans and their families to prolonged anguish, suffering, and uncertainty. This Nation and its people certainly deserve better.

I commend Mr. Waldron on his article and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 3, 1975]

AFTER 5 MONTHS WITHOUT A JOB, HOPE GROWS DIM

(By Martin Waldron)

Sometimes at night, after another lonely disappointment-filled day, Alfred Prato will try to still the apprehensions in his household by letting the children climb into bed with him and Marie for a few minutes.

They hug and say how much they love one another.

But sometimes that is not enough to overcome the anxieties of the Pratos' eldest son, 7-year-old Anthony, who hears the talk about the mortgage, the cost of food and the lack of a job.

"He's worried," said Mr. Prato the other day. "He expects to wake up and find us out in the street."

When Anthony starts asking, "What's going to happen to us?" Mr. Prato wraps his arms about the son and roughouses a bit with him. "I tell him, 'You concentrate on being a little boy, you don't have to worry about grown-up stuff yet.' "

Mr. Prato is 30 years old and lives at 70 Buffington Avenue, on Staten Island. He is one of an estimated 20,000 New York City employes who have lost their jobs this year as the result of budget cuts.

For 10 years, Mr. Prato was a proud laborer for the city Parks Department. He made $12,000 a year, owned a 1972 Chevrolet Nova automobile for which he paid $2,600 cash and he and his wife bought a small ranch-type house.

Last June, along with 500 other park laborers, Mr. Prato was laid off.

He is no longer proud.

"SHE IS MY STRENGTH"

Alfred Prato is unsure of himself. After more than 20 job interviews, he has not had an offer.

He worries constantly.

"It's with you 24 hours a day," he said. "When I got laid off, I weighed 172 pounds, Now I weigh 157."

Mr. Prato was born in Manhattan. His mother died when he was born. The aunt who raised him now lives in Italy. His father has remarried and lives at Port Richey, Fla.

When he was a student at Chelsea Vocational High School, Mr. Prato went to Coney Island one day with a "couple of my friends" and there he met Marie, a red-haired girl who was born in Italy.

They were married in September 1965. In November of that year he was hired by the Parks Department and he has worked there ever since.

Five months of job hunting has left Mr. Prato with nervous trembling in his fingers and the beginnings of a facial tic. He feels that he might disintegrate, were it not for his wife.

"She is a good woman," he said. "She is my strength. She keeps me going. She tells me that someday I'll walk into a place and get a job. She's sure of it."

When Mr. Prato was a little boy, growing up under the guidance of his thrift-conscious aunt from Italy, he was constantly urged, "Make something of yourself."

He and Marie refused to live on credit after they married. She worked for Metropolitan Life until she was eight months pregnant with Anthony, and they saved their money to buy a house.

"EVERYTHING WAS FINE"

"Everything was just fine," said Mr. Prato, sitting with his wife in soft lamplight at evening, playing with the new baby, Dominick, while Anthony struggled with his first-grade readers.

"Then came June; everything just ended," Mr. Prato said. "We had a little money saved. We cashed in my insurance policy."

He applied for unemployment benefits and gets $95 a week. "I'm eligible until next July," he said.

For a time after he was laid off, Mr. Prato tried to do some unpaid union work, going to Albany to help lobby through the General Assembly a special appropriation of $330-million. When that became law, 235 of the park laborers were rehired. Mr. Prato was 255th on the seniority list.

When it became evident that there was little likelihood that he would get his city job back soon, Mr. Prato began a serious search for work.

"I went to the unemployment center," he said. "I wasn't even interviewed. The woman there wrote on my application, 'Come back Jan. 26.'

"I remember one day the United States Public Health Service hospital on Staten Island was hiring. Marie and I both went down. I said I would take any job. The hospital said they had 50 teachers that came in to look for menial work. That got to me—all those well-educated people who couldn't find jobs.

"I heard about an opening at another place. We got up early. My wife said, 'Don't be nervous, you'll do fine.' When I got there, there were 50 guys waiting for the job. What bothered me was that I'm 30 years old and I was the oldest guy there.

"My wife saw an ad in the paper for a girl. They were giving interviews on Monday and Tuesday. My wife got dressed up to go apply for it. I told her to telephone first because it was a holiday. She did. The girl who answered the phone said, 'I already got the job.'

"At the unemployment center, the lines are running out the doors. It's really pathetic. Firemen, policemen, laborers, teachers—decent people who put a lot of time and energy on their jobs.

"I had 10 years with the city. Those are 10 years blown away. I'm put on the preferred list for four years. If I don't get called back, forget it.

"Nobody really cares. Politicians don't care. The people who are supposed to represent you don't care. You don't hear nothing from them. The President, the Governor, the Mayor, the Senators. They're playing games. We are playing with our lives."

A FEELING OF HELPLESSNESS

The Pratos, with the help of their savings, are almost able to handle the mechanics of living. They eat a lot of macaroni. Mrs. Prato saves an estimated $4 a week on foods by using coupons clipped from newspapers. The Pratos do not drink, smoke or entertain. On Fridays Mr. Prato's older brother comes over and brings a cake for the children.

Mr. Prato is sometimes tempted to stop trying, to sit back and let the future wash over him.

"The worst thing, I guess, that could happen to someone is when someone you love dies," he said. "The next-worst thing is for a man to lose his job."

He said that some nights after everybody else in the family has gone to bed, he takes a final check of his sleeping sons.

"I stand there looking at them and thinking, 'I brought them into the world, and I can't even provide for them.' You feel like a failure. Less than a man."

REFUGEE RESETTLEMENT PROGRAM

Mr. PELL. Mr. President, on October 31, the Inter-Agency Task Force on Indochina Refugees closed its facility at Camp Pendleton, Calif., this Nation's first and busiest center for receiving Indochina refugees. This closure, reducing the number of settlement centers to two, from the original four, foreshadows the early termination of the refugee resettlement program. On this occasion, I would like to pay tribute to the task force, the various private voluntary agencies, and, most important, to the American people for the generosity and humanitarian concern which they demonstrated in responding to the plight of the Indochinese refugees.

Since the refugee program began about 6 months ago, some 140,000 refugees have entered the U.S. resettlement system. Of that number, over 124,000 have been sponsored out, including 8,000 families to third countries or repatriated to Indochina. The remaining 16,000 or so are expected to be settled by the end of the year.

This is a remarkable achievement in such a short time. The success of this operation can in part be illustrated by comparing it with the Hungarian refugee program of 1956–57 with which I myself was associated as vice president of the International Rescue Committee.

At the time, I thought we did an excellent job, and I was very proud to have made a contribution to that successful humanitarian effort. The entire Hungarian program, however, involved only about a quarter of the number of refugees settled to date by the Indochina program. Yet, it took us the same amount of time—6 months—to settle 32,000 Hungarians as it has taken the Indochina task force and the cooperating volunteer agencies to settle 124,000 Indochinese.

In paying tribute to the success of the Indochina task force and the associated volunteer groups, I realize that some mistakes and delays occurred. But I have been struck by the energy and diligence with which the task force has moved to correct the deficiencies in the program.

As we look back on the achievements of the past 6 months and look forward to the total phaseout of the resettlement effort by the end of this year, we should not be lulled into thinking that with a new year the refugee problem will be behind us. It will not, for resettlement is really only the beginning of the process of integrating the Indochinese refugees into American society. In a very real sense, the test of the success of the Indochinese refugee problem lies ahead of us.

We must remember that the short term requirement of finding homes and sponsors for the refugees is giving way to the longer term needs of the refugees. Many must learn English, be provided with vocational retraining, adjust to an alien culture, and find permanent jobs and homes. This will not be easy, and it will require a continued commitment to and compassion toward this latest wave of immigrants.

The Department of Health, Education, and Welfare is already preparing to assume an important role in this connection after resettlement is complete. I hope that all of my colleagues in the Senate as well as the House of Representatives will give their enthusiastic support to HEW in the difficult task ahead.

This task cannot, however, be primarily a Federal responsibility. The strength of the settlement effort to date has depended on the compassion and cooperation of the American people, and that will continue to be the case as the short term resettlement effort gives way to the permanent settlement process. I am confident that the American people will continue to provide the help and understanding required to enable the Indochinese refugees to overcome the hurdles and challenges which all refugees and immigrants have faced in building new lives in a new land.

BAYH SEEKS SUBCOMMITTEE ACTION ON HANDGUNS

Mr. BAYH. Mr. President, I have instructed my staff of the Subcommittee to Investigate Juvenile Delinquency, Committee on the Judiciary, to draft amendments to my Violent Crime and Repeat Offender Control Act of 1975, S. 1880, which is designed to help put an end to the terrible toll inflicted on our society through the use of handguns in crime. These additional provisions will insure that handguns will not find their way into the hands of felons or other persons who will misuse them. I intend to distribute this measure and a draft report to the members of my subcommittee in order to solicit their views and support.

For more than a decade the subcommittee has conducted extensive investigations on a broad range of proposed firearms legislation. These efforts led to the passage of the Gun Control Act of 1968 which was written and developed by the subcommittee. In 1972, the Senate by a vote of 68 to 25 passed a bill I introduced which would have applied to all commercial handgun sales the criteria currently applied only to imported handguns. Unfortunately, the House failed to act on this measure. Since April of this year we have been holding a series of hearings designed to explore current and suggested additional initiatives to more effectively curb the senseless slaughter of innocent human beings and the ever-escalating number of armed assaults and robberies involving handguns. Over the past 8 months we have heard testimony from numerous witnesses including Attorney General Levi and Assistant Secretary of the Treasury David Macdonald.

Our extensive study has shown that the nonsporting, easily conceable handgun demands our immediate attention because of its popularity and use as the favorite side arm of the street criminal.

These are the weapons that are the instruments of crime.

These are the instruments that allow every petty criminal to terrorize our neighborhoods and streets into ghost towns after dark.

The former Director of the Bureau of Alcohol, Tobacco, and Firearms put it quite correctly when he told the subcommittee:

> What criminals want are small, compact, light weight weapons. They want weapons with no handgrips or sights to catch in a pocket. Concealability is the prime requisite.

Mr. President, nonsporting, easily concealable handguns are of no use to the Americans sports shooter or target shooter, but are found in an overwhelming number of gun-related crimes. It is time we put an end to this American tragedy.

My proposal to ban the commercial sale of these nonsporting handguns, along with important additional provisions, form a comprehensive and workable strategy which will reduce the number of handgun crimes and restore a lost sense of security to our homes and neighborhoods.

My strengthened bill will include the following major provisions:

Prohibit the commercial sale of all nonsporting handguns, including the infamous Saturday night special. According to Treasury officials substantially more than 75 percent of the handguns used in crime would be prohibited under this approach.

Establish a mandatory waiting period for all handgun sales in order to give Federal, State, and local officials workable law enforcement tools to insure that felons and other persons currently prohibited by law from possessing firearms will not be able to buy handguns.

Ban multiple purchases of handguns by individuals in order to curb the serious problems of interstate traffic in handguns.

Prohibit citizens from selling or giving handguns to felons.

Require firearm manufacturers and dealers to promptly report the theft or loss of firearms.

Institute reasonable and balanced provisions to insure that licensed handgun dealers are legitimately engaged in firearms commerce.

Institute mandatory penalties for persons convicted of using firearms to commit crimes and require that trials of such cases are expeditiously handled by the courts.

Increase penalties for those involved in illicit interstate traffic in firearms and institute special provisions aimed at eliminating the type of "straw man" purchases used to circumvent the Gun Control Act.

Mr. President, anyone familiar with the problem of firearms in crime readily recognizes the incredible complexities involved in these issues and should also recognize that we cannot hope to solve them through the imposition of simplistic solutions. The program which I have briefly outlined above is not aimed at the legitimate sports shooter or sporting handgun, but is tough on the kinds of firearms used as instruments of terror and those people who would use them in that manner. It is not everything some would want and far more than others are prepared to accept. I believe, however, that this approach represents a workable measure which can pass the Congress, can become law and will save lives and reduce crime.

GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, despite the passage of many years Congress still has not ratified the U.N. Genocide Convention. I feel that it is imperative that the United States take a stand against such vile acts as murder, mental and physical harm, and mandatory sterilization of entire groups. In assenting to this document, the United States would prove that it is against such atrocities.

Unfortunately, one cannot deny that these actions have occurred. Under Hitler, Jews, gypsies, and Slavs were mercilessly slaughtered. There were forced ingestions of drugs for the purpose of destroying minds. Both concentration and slave labor camps existed and it also is a fact that the Nazi and Czarist Russia regimes required sterilization of certain groups.

The United States has an obligation to see that these actions do not recur. Being a heterogeneous nation in origins and beliefs, we must seek to ascertain that unpopular ethnic and religious groups of other countries are given their rights. It is our moral obligation to take a stand against these iniquitous crimes against people.

The United States has had approximately 30 years in which to give their agreement to this document. For three decades, the United States has refused to take a stand concerning this devastation of peoples. Congress should come to terms with this issue and prove that the United States is for the preservation of human rights for all people.

CAN NEW YORK SAVE ITSELF? PRESIDENT OF THE UNIVERSITY OF SOUTH ALABAMA SAYS "YES"

Mr. **ALLEN**. Mr. President, Dr. Frederick P. Whiddon, president of the University of South Alabama in Mobile, has written me a most thoughtful letter regarding the fiscal crisis faced by the city of New York and the legislation pending before the Congress that would have the Federal Government rush to the rescue.

I believe Dr. Whiddon's observations on the reasons for the crisis, and also, his suggestions about how the city might act to restore fiscal integrity and confidence in the management of the city, will be of interest to our colleagues and I ask unanimous consent that his letter, dated October 30, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF SOUTH ALABAMA,
Mobile, Ala., October 30, 1975.

Hon. JIM ALLEN,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLEN: A major effort is now being mounted to have the federal government of the United States bail out New York City. Whichever method is used to rescue New York City, the practical effort of the bailout will be to impose additional financial burdens on the rest of the country. Your efforts to block this action must succeed, in my opinion, for many reasons.

The underlying reasons for New York City's current financial collapse are complex. One basic reason may be summed up by the former Mayor Wagner's 1965 remark, "I do not propose to permit our fiscal problems to set the limits of our commitments to meet the essential needs of the people of the city." One cannot but wonder if this statement marked the beginning of the total fiscal responsibility. For example, one has heard of the $17,000-a-year garbage collectors of New York City. Dr. Ingolf Otto, Professor of Finance at the University of South Alabama, has recently called into question the wisdom of the salaries of garbage workers. What has not been realized is that $17,000 is only a part of the actual cost. At the end of twenty years of service, a garbage collector can retire at 50% of his last year's salary, *including overtime*. On that basis, even a garbage collector can figure out how to retire on $15,000 per year. Using the Settlement Option Table of a typical life insurance company, the value of such a pension at age 37 is in excess of $360,000 per year. If one-twentieth of that amount is added to the $17,000 salary, it becomes $35,000 a year. In addition to having the equivalent of a $32,000 salary, the garbage collector works fewer days than the average employee in industry. Consequently, this $32,000 salary would have to be increased substantially, perhaps doubled.

Few thoughtful Americans wish to see a catastrophe befall New York City. But while we are thinking of the catastrophe that is likely to befall that city and the fiscal waves that would come from such a default, it is necessary to remind oneself of the waves that will result if the federal government guarantees six billion dollars of municipal bonds. How long will it be before other cities or areas stand in line for the same kind of assistance? A sensitive area and one which those in public life are least inclined to speak about, is that of the innumerable municipal unions. The leader must be strident. He must produce results of a most significant nature to retain his creditability. How demanding and how unreasonable will the municipal union leaders all over the United States become if they realize that no matter what is demanded and, indeed, required, the federal government will bail them out. In a recent issue of the New York Times, an encouraging sign is noted: any person offering himself for a public office in the New York area has to condemn soundly the practice of putting pressure on those employed by an arm of the government to elect their own people. Surveys indicate that unless a candidate is very definite in condemning the yielding to pressure of the municipal unions, he does not stand a chance of receiving more than 40% of the vote. My understanding is that six months ago a person who did not have the firm support of the municipal unions did not stand a chance of being elected.

Ample grounds, perhaps, exist for giving assistance to New York City. I wonder, however, if the following contingencies should not be seriously considered. First, which is more than obvious, is that New York put its house in order by cancelling its exorbitant capital improvement program until adequate financing is available. The cloth may be cut many ways to fit the pattern. This is what every corporation and every institution in the country is required to do. When this is done, and when New York City has its house in order and will be able to meet its obligations in a sound fiscal way and when the city meets its obligations in ways which will insure that the federal government will not be taking undue risks in underwriting the bonds, then, perhaps, it may be worthwhile for the federal government to consider giving assistance. But this question should be asked: when this sound fiscal state is reached, is it not reasonable to assume that banks can make the necessary loans? If government on every level handled its affairs in this way it would undeniably lead to the collapse of our economy. Now, why should the federal government stimulate, reward, and foster a conditioned response which is highly questionable by bailing out the grossly inefficient by rewarding those who have handled their jobs poorly?

Another example of New York's lavishness is its famous tuition-free City University. It includes nineteen colleges and community colleges in which full professors average more than $30,000 a year. The injustice in the case of students is just as striking: why should a student too poor to be able to go even to a tuition-free college be taxed to support another student in more affluent circumstances? If CUNY charged tuition, the truly needy and deserving students would not have to be deprived of their education: they could receive scholarships, veterans' benefits, student loans, work-study grants, and the like. Such benefits, however, would be given to those who merited them, not broadcast in the present profligate manner. In many cases, the present system taxes the poor to benefit the well-to-do.

There are 240 thousand enrolled in CUNY and with an expenditure of three thousand dollars per student (which is probably under what is actually expended both in direct operating budgets and capital overhead), this would come to three quarters of a billion dollars, or approximately 750 million dollars per year. Many salient considerations are here: a primary one is open admissions. Following the dictates of the democratic society and justice for all classes and an opportunity for an education for all classes, the open admission system appeared to be the ultimate in providing opportunities, particularly for the underprivileged. However, educators have no wish to keep people out of their institutions or to prevent them from obtaining an education by means of admissions standards. Admissions standards exist to assure that the student has the minimum requirement for success. By not having an open admissions standard, it simply means that the door is not closed on the underprivileged; it means that they are requested to secure these skills on the high school level or by other means which are much less expensive than admitting them to the university campus without adequate preparation and having them taught on a ratio of, perhaps, 20 students to one professor. Remember, the average salary of a full professor at CUNY is $30,000.

Other reasons for New York City's present financial plight are its nineteen municipal hospitals, welfare payments for 14% of its residents, day-care center, free tuition, foster homes and the like. These all represent a noble and compassionate effort to aid the unfortunate. All this money may have been spent to buy votes in the time-honored fashion of big-city machines. Fifty years ago, votes were typically bought with a $2 bill; today, in some big cities, very substantial sums in public funds purchase the election. Naturally, the effect of such generosity was to create a flood tide of immigration into New York City, further increasing its financial difficulties.

And from where did the money for all this come? Since taxes were clearly inadequate to support such luxurious habits, recourse was had to borrowing, then to concealing $722 million of current costs in the capital budget, then to creating a series of peculiar corporations to raise money (the Stabilization Reserve Corporation, the Municipal Assistance Corporation), then by accelerating the collection of fees and taxes, then by begging for advance payments of sums due from the state and the federal government, then by dipping into the pension funds, and so on.

One reason that has been advanced in favor of the federal bailout is that New York City would collapse without it. Many actions can obviously be taken to restore confidence and fiscal responsibility: cut CUNY loose; abandon the $2 billion rebuilding of the West Side Highway; hire private garbage collection firms to replace the municipal garbage collectors; charge $5 on every bridge and tunnel leading to Manhattan; change the status of the city hospitals and day-care centers; and many, many more. Much can be done and should be done: the one thing that must not be done if the United States is to get through the next twenty years intact is to furnish New York City with a federal bailout. A few years before his death, Arnold Toynbee was asked to distill the quintessence of his study of history. He said that it came down to the question of whether we would let ourselves go to pieces or do what is necessary to prevent that. With the New York City crisis, the United States may have already come to that fateful decision.

Sincerely,

Frederick P. Whiddon.

IN SUPPORT OF "PARTNERS OF THE AMERICAS"

Mr. PELL. Mr. President, I would like to join my distinguished colleagues, Senators Humphrey and McGee, in urging that the Agency for International Development continue its support for the Partners of the Americas program beyond 1976 and that the funding of the Agency's support for this valuable program not be reduced in fiscal year 1976, as proposed by the administration.

The Partners of the Americas program has been in existence since 1964 and directly supports the Congress view expressed in the 1973 foreign assistance reforms that "U.S. cooperation in development should be carried out to the maximum extent possible through the private sector."

My own State of Rhode Island has long been associated with the Partners of the Americas program. Since 1969, a partnership has existed between Rhode Island and the State of Sergipe in Brazil. Mr. President, I request unanimous consent that a paper entitled "Facts About the Rhode Island-Sergipe Partners of the Americas 1975," which was prepared by the National Association of the Partners of the Alliance, be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

Facts About the Rhode Island-Sergipe Partners of the Americas 1975

The Rhode Island-Sergipe (Brazil) Partnership was founded in 1969, and it has focused its activities in the areas of health services, education, and cultural exchange.

During the most recent fiscal year, the Rhode Island Partners conducted nine projects with a value of approximately $61,000, exchanging 20 specialists who provided almost $30,000 in technical services to the partnership.

Among the current projects are:

A joint program between the University of Rhode Island, Brown University, and the University of Sergipe to improve the level of medical teaching at the University of Sergipe Medical School.

The development of a curriculum about Sergipe for elementary schoolchildren throughout Rhode Island.

The development of agricultural extension teaching services from the University of Sergipe with assistance from the Agricultural Extension Service of the University of Rhode Island.

Coaching in basketball and swimming at community clinics in Sergipe by instructors and coaches from Rhode Island.

A two-week tour of Sergipe by a renowned puppet theater from Rhode Island, which gave workshops in puppet theater techniques.

NEW YORK'S TROUBLES—ALL OUR TROUBLES TOO

Mr. HUMPHREY. Mr. President, a very thoughtful commentary on the New York City financial crisis and its broad national implications appeared in the New York Times this morning. The article, entitled "The Trauma of Default: A Wave Effect Beyond the Hudson," was written by Charles W. Bailey, the highly respected editor of the Minneapolis Tribune.

Mr. Bailey points out that—

> There are several reasons—some purely a matter of enlightened self-interest, some compelling even if they do not carry a price tag—why New York's troubles are our troubles, too.

More specifically, Mr. Bailey outlined the following reasons:

New York's troubles have already boosted current and future costs of public financing across the Nation by upward of $3 billion, due to higher interest rates.

New York's problems differ from those of other American cities only in degree.

New York is the financial, cultural, and communications linchpin of the country.

New York is the place where many American families can trace their beginnings.

Mr. Bailey concludes:

> It will not hurt, as we debate the wisdom of helping this sick metropolis, to remember how many of our forebears used it as a way station on a journey to better places and better lives.

Mr. President, this excellent article clearly and succinctly states the logic of assisting New York. As importantly, it tells us why we should want to do so. For this reason, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Trauma of Default: A Wave Effect Beyond the Hudson

(By Charles W. Bailey)

Minneapolis.—A number of people, many of whom should know better, seem intent these days on rearranging the map of this country. Their purpose appears to be to convince us that New York City is not really a part of the United States—and that what happens there is of little or no concern to the rest of us.

We can begin by conceding a number of things that tend to make this thesis attractive. New Yorkers are not the most lovable people in the Republic. They are aggressive and cynical, they tend to suffer from delusions of superiority, and they talk with a funny accent. The city's government is notably inefficient, profligate and corrupt. The air is foul. The streets are choked with traffic, paved with refuse and riddled with chuckholes. The residents have only themselves to blame for many of their current municipal woes.

But to concede all that and more does not mean that the rest of us either can or should let Fun City stew in its own juice, President Ford and assorted Congressional yahoos notwithstanding. There are several reasons—some purely a matter of enlightened self-interest, some compelling even if they do not carry a price tag—why New York's troubles are our troubles, too.

The fiscal collapse of the nation's largest city would inevitably affect every taxpayer in every other city. There is evidence that New York's money troubles have already boosted the current and future costs of public financing elsewhere by upward of $3 billion, because of higher interest rates on city and state bonds. If the big city goes bust, this will get worse, and of course higher bond interest is paid by higher taxes.

New York's troubles may be larger than those of other American core cities, but they differ only in degree. Even a cursory review of New York's current difficulties makes it clear that Minneapolis, for example, has many of the same problems—though on a much smaller scale at the moment. New York's success or failure in dealing with them now will tell us a good deal about whether, and how, we can deal with them later.

Like it or not—and many of us do not like it a bit—New York is the financial, cultural and communications linchpin of the country. It is also immensely important to transportation, foreign trade, retailing, and other enterprises. A nation struggling to pull itself out of a severe recession can ill-afford to let so important a segment of its economy collapse into insolvency.

Certainly New York must clean its own fiscal house thoroughly if it is to expect substantial Federal help. It will have to stop borrowing for current expenses, for example—a practice that has rotted its fiscal structure in the past decade. It must cut back, in a major way, on scores of current services and benefits to its private citizens and public employees alike. But the rest of the country cannot wait until these reforms are fully effective before it offers assistance.

There is something else, too. New York is where many Americans began in this country. My grandfather landed at Ellis Island, for example, and it was from New York that he set out with a peddler's pack to find a new home. So did the parents and grandparents of a lot of us. New York has always been our great gateway; it has paid, and indeed is still paying, the social-services price of that role.

That is a small point, perhaps, and certainly not so compelling as other more pragmatic arguments for aiding New York. But it will not hurt, as we debate the wisdom of helping this sick metropolis, to remember how many of our forebears used it as a way station on a journey to better places and better lives.

COURT FINDS EXEMPTION 5 INHERENTLY INAPPLICABLE TO ADVISORY COMMITTEES

Mr. METCALF. Mr. President, U.S. District Judge Charles R. Richey has held that the Food and Drug Administration's Over-the-Counter Antacid Drugs Advisory Review Panel is not an agency within the meaning of exemption 5 of the Freedom of Information Act and has rejected the assertion that the Federal Advisory Committee Act recognizes applicability of exemption 5 to advisory committees.

Indeed, Judge Richey has found that exemption 5—which shields interagency or intra-agency memorandums or letters from mandatory public disclosure—is "inherently inapplicable to advisory committees."

As a result, he has ordered the Department of Health, Education, and Welfare to make available to the plaintiff, Dr. Sidney Wolfe, for inspection and copying, all transcripts of the meetings of the Antacid Panel. His order of October 31 gives the Department 10 days in which to comply.

Mr. President, Judge Richey's decision strips off the exemption 5 coating which the FDA had applied to its advisory committees like weatherproof paint. Neither the FDA nor any other agency may use exemption 5 to disclosure-proof its advisory committees.

For example, defendant argued that the Antacid Panel functions "as an integral part of a public rulemaking process" and is a body consisting "of special Government employees whose deliberations are functionally equivalent to those of full-time agency employees who review scientific problems and make recommendations for regulatory action." Judge Richey rejected that view.

He also found that exemption 5 is inapplicable to the Antacid Panel under the scheme of the Federal Advisory Committee Act, as read in conjunction with the Freedom of Information Act. In so doing, he cited Judge Aubrey Robinson's "convincing argument" in Gates against Schlesinger to the effect that an advisory committee cannot have a "double identity" as an agency and thus cannot invoke exemption 5.

In concluding this point, Judge Richey declared:

> In this case, to allow the Antacid Panel to avail itself of the (b)(5) exemption in denying requests for transcripts of the panel's meetings would be tantamount to burying the type of deliberations which the Advisory Committee Act sought to bring to the light of day. This Court cannot accept defendant's literalistic approach to the statute and will not, as Judge Learned Hand put it, "be bound by the letter, when it frustrates the patent purpose of the whole statute."

Mr. President, I ask unanimous consent that Judge Richey's memorandum opinion and order be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[U.S. District Court for the District of Columbia, C.A. No. 74-454]

MEMORANDUM OPINION OF UNITED STATES DISTRICT JUDGE CHARLES R. RICHEY

Sidney Wolfe, Plaintiff, versus Caspar W. Weinberger, Secretary of the Department of Health, Education, and Welfare, Defendant.

Appearances: For the Plaintiff: Larry P. Ellsworth, Esquire, Anita Johnson, Esquire, Washington, D.C.

For the Defendant: Earl J. Silbert, United States Attorney, Arnold T. Aikens, AUSA, Peter C. Schaumber, AUSA, Washington, D.C.

Of Counsel for the Defendant: Peter Barton Hutt, Assistant General Counsel, Thomas Scarlett, Attorney, Office of the General Counsel, Food and Drug Division, Department of Health, Education, and Welfare, Rockville, Maryland.

I. BACKGROUND

This is an action in which plaintiff, Dr. Sidney Wolfe, seeks to compel the production by the Department of Health, Education, and Welfare of the transcripts of all meetings of the Food and Drug Administration's Over-the-Counter Antacid Drugs Advisory Review Panel (hereinafter, "the Antacid Panel"). The meetings in question took place between February 22, 1972, and January 9, 1973. On December 17, 1973, plaintiff Wolfe requested the transcripts from the FDA, which is a unit of the Department of Health, Education, and Welfare, in a letter in which he invoked the Freedom of Information Act, 5 U.S.C. § 552, as the basis for his request. On January 21, 1974, his request was denied in a letter by the Acting Assistant Commissioner for Public Affairs of the FDA. On January 25, 1974, Wolfe appealed the denial to Dr. Charles C. Edwards, Assistant Secretary for Health, Education, and Welfare. With his appeal unanswered, Wolfe filed this action on March 20, 1974. On May 15, 1974, Dr. Edwards denied Wolfe's request on appeal, concluding that "transcripts of those meetings must be regarded as internal agency records reflecting the deliberations of those engaged in the policy-making process, and thus exempt from disclosure under 5 U.S.C. § 552(b)(5) . . . ."[1]

Jurisdiction in this case is based upon the Freedom of Information Act, 552(a)(3). Plaintiff claims that disclosure is compelled by 5 U.S.C. § 552(a)(3), which provides, in pertinent part, that: ". . . each agency, on request for identifiable records . . . shall make the records promptly available to any person." Plaintiff also contends that disclosure is required by § 10(b) of the Federal Advisory Committee Act, 5 U.S.C. App. I, which provides, in pertinent part, that: ". . . the records, reports, transcripts, minutes, . . . or other documents which were made available to or prepared for or by each advisory committee shall be available for public inspection. . . ."

The defendant's response, as noted above, is that exemption five of the Freedom of Information Act, 5 U.S.C. § 552(b)(5), which protects "interagency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency," interposes a bar to discovery under the Act. With respect to plaintiff's claim under the Advisory Committee Act, defendant points out that the discovery rights granted by § 10(b) of that statute are specifically made "subject to section 552 of Title 5," including the exemptions thereto. Accordingly, defendant again invokes the (b)(5) exemption as to plaintiff's Advisory Committee Act claim.

The case is currently before the Court on cross-motions for summary judgment. Both parties assert, and the Court agrees, that no material facts are in issue. The case turns on the availability of the (b)(5) exemption to shield records of this advisory committee, sought under the Freedom of Information Act and the Advisory Committee Act.

II. DISCUSSION

A. The Antacid Panel is not an Agency Within the Meaning of the (b)(5) Exemption.

As noted above, plaintiff claims that the transcripts of the panel's meetings must be disclosed as "identifiable records" under the Freedom of Information Act. Defendant apparently does not deny that the panel is an advisory committee,[2] that the transcripts are in the possession of the Department of Health, Education and Welfare,[3] or that the transcripts are "records" within the meaning of the Freedom of Information Act.[4] However, defendant submits that the panel functions "as an integral part of a public rulemaking process"[5] and is a body consisting "of special government employees whose deliberations are functionally equivalent to those of full-time agency employees who review scientific problems and make recommendations for regulatory action."[6] In short, the defendant's position would seem to be that, in addition to being an advisory committee, the panel is an agency within the meaning of the Freedom of Information Act, specifically exemption (b)(5), and that its deliberations are therefore entitled to protection from disclosure within the terms of that exemption.

In order to determine whether the panel is an agency within the meaning of (b)(5), it is first necessary to briefly consider the nature of the panel's role in the FDA's Over-the-Counter (OTC) Drug Review Program. The goal of the program as a whole is to establish regulations specifying the conditions under which over-the-counter drugs, divided into various therapeutic categories (such as antacids) for purposes of the program, are to be considered as safe and effective and not misbranded. For each therapeutic category, a panel of experts (such as the Antacid Panel) is appointed to receive and evaluate information on drugs. The panel receives written data and views and hears oral presentations from all interested parties. It also discusses and evaluates such submissions and presentations. (In the case of the Antacid Panel, those discussions were closed to the public and are the subject of the transcripts to which the plaintiff seeks access in this action.)

The end product of the panel's deliberations is a report to the Commissioner of the FDA containing the panel's conclusions as well as recommended regulations. The Commissioner reviews the panel's recommendations and formulates proposed regulations for publication in the Federal Register. The Commissioner can, and on occasion does, simply adopt *in toto* the panel's recommendations. Opportunity for public comment and objection is provided before the Commissioner promulgates the final regulations.

It cannot be doubted that OTC panels perform a crucial role in the decisionmaking process. In the instant case, the Commissioner adopted the OTC Antacid Panel report as his own. But, as the Court of Appeals for this Circuit has stated, ". . . the degree of scrutiny its [an advisory panel's] decisions are given on review is . . . beside the point" in determining whether that panel is an agency. *Washington Research Project, Inc. v. Department of Health, Education, and Welfare*, 504 F.2d 238, 248 (D.C. Cir. 1974).

Footnotes at end of article.

"The important consideration," the court continued, "is whether it has any authority in law to make decisions." *Id.* The FDA has, in effect, admitted (and the description of the drug review program contained in the pleadings in this case certainly indicates) that the OTC Antacid Panel has no such authority to make decisions. In the final regulations adopted as a result of the review of over-the-counter antacid drugs by the panel and the Commissioner, the Commissioner noted:

"Some of the comments reflected an erroneous impression about the role of a panel in the OTC drug review. Pursuant to section 9(b) of the Federal Advisory Committee Act, the OTC drug review panels are utilized *solely for advisory functions*. Determinations of action to be taken and policy to be expressed with respect to matters upon which an advisory committee reports or makes recommendations to the Food and Drug Administration *must be made solely by the Commissioner*." 39 *Fed. Reg.* 19862 (June 4, 1974) (emphasis added).

It is clear to this Court that the Antacid Panel does not have that "substantial independent authority in the exercise of specific functions" which would qualify it as an "agency" within the meaning of the Freedom of Information Act. *Soucie* v. *David*, 448 F.2d 1067, 1073 (D.C. Cir. 1971). Accordingly, the (b)(5) exemption to the Act for "inter-agency or intra-agency memorandums" is not available to prevent disclosure of the panel's deliberations as recorded in the transcripts, for the panel is not an "agency" within the meaning of the Act and, specifically, the (b)(5) exemption.

B. The (b)(5) Exemption is Inapplicable to the Antacid Panel Under the Scheme of the Federal Advisory Committee Act, as Read in Conjunction with the Freedom of Information Act.

Defendant asserts that the Federal Advisory Committee Act explicitly recognizes an advisory committee's right to invoke (b)(5) for discovery of advisory committee records under the Act is made subject to the Freedom of Information Act, including the exemptions thereto. This Court's reading of the two statutes leads to precisely the opposite conclusion In *Gates* v. *Schlesinger*, 366 F. Supp. 797 (D.D.C. 1973), *appeal dismissed*, D.C. Cir. No. 74–2013 (Jan. 23, 1975), Judge Aubrey Robinson articulated a convincing argument to the effect that an advisory committee cannot have a "double identity" as an agency and thus cannot invoke the (b)(5) exemption:

"The Federal Advisory Committee Act utilizes the definition of agency contained in the Administrative Procedure Act, 5 U.S.C. § 551(1), which is applicable also to the Freedom of Information Act. It is significant that the Federal Advisory Committee Act contains a separate and distinct definition of an 'advisory committee,' thus supporting the proposition that an advisory committee is not an 'agency'." 366 F. Supp. at 798–99 (footnote omitted).

The Court concurs in Judge Robinson's reasoning. The Court also notes that the definition of "advisory committee" in the Advisory Committee Act specifically excludes "any committee which is composed wholly of fulltime officers or employees of the Federal Government," thus providing further evidence that "agency" and "advisory committee" were not meant by Congress to be congruent concepts. See § 3(2) of the Advisory Committee Act.

Defendant asserts that to conclude that the (b)(5) exemption is not available to shield transcripts of Antacid Panel deliberations would be tantamount to ignoring the clear language of the Advisory Committee Act, which specifically stakes the Freedom of Information Act exemptions are not available to advisory committees. Such a conclusion is not necessarily warranted, however, for this Court could merely adopt an interpretation of the Advisory Committee Act, suggested by Judge June Green n *Nader* v. *Dunlop*, 370 F. Supp. 177 (D.D.C. 1973), which would make (b)(5) available to an advisory committee when it *considers* an actual agency memorandum otherwise protected by that exemption. In the context of the present case, however, such an exemption would be of no use to defendant, for, as noted above, defendant seeks to shield transcripts of the committee's actual deliberations under the (b)(5) umbrella. Moreover, this Court finds that an interpretation of the Advisory Committee Act which would allow defendant to invoke (b)(5) in the context of this case would be in clear contravention of the purpose of the Act, as revealed by its legislative history, to insure "openness in the operations of advisory committees" and to allow "public access to [their] deliberations." H.R. Rep. No. 1017, 92d Cong., 2d Sess. 10 (1972). In Gates, supra, a case in which the Department of Defense sought to invoke (b)(5) to close to the public working sessions of one of its advisory committees, Judge Robinson stated:

"Congress established openness to public scrutiny as the keystone of the Advisory Committee Act. Arguments that public participation and disclosure would inhibit debate and the frank expression of views were heard and rejected by Congress. . . . In the circumstances of this case, the Court finds exemption 5 inapplicable by its terms and irreconciliable by result with the very purpose of the Federal Advisory Committee Act." 366 F. Supp. at 799–800 (footnote omitted); see also legislative history sources cited at n. 9, 366 F. Supp. at 800.

Notably, several other members of this court have also considered this very issue, the applicability of (b)(5) to advisory committees, and have come to similar conclusions. *Aviation Consumer Action Project* v. *Washburn*, C.A. No. 1838–73 (D.D.C. Sept. 10, 1974) (Bryant, J.), *appeal docketed*, No. 75–1086 (D.C. Cir.); *Don't Tear it Down, Inc.*, v. *Sampson*, C.A. No. 74–381 (D.D.C. April 16, 1974) (Gasch, J.); *Nader, supra*. In this case, to allow the Antacid Panel to avail itself of the (b)(5) exemption in denying requests for transcripts of the panel's meetings would be tantamount to burying the type of deliberations which the Advisory Committee Act sought to bring to the light of day. This Court cannot accept defendant's literalistic approach to the statute and will not, as Judge Learned Hand put it, "be bound by the letter, when it frustrates the patent purpose of the whole statute." *Cabell* v. *Markham*, 148 F.2d 737, 739 (2d Cir.), *aff'd*, 326 U.S. 404 (1945); *see N.L.R.B.* v. *Sears, Roebuck & Co.*, 421 U.S. 132 (1975).

C. Additional Considerations.

Two additional points must be made in considering the contentions of the parties. First, it is important to understand exactly what the defendant is and is not claiming with respect to the (b)(5) exemption. Defendant's position is that the "records" in question (the transcripts of the Antacid Panel's deliberations) are memoranda within an "agency," i.e. the committee itself. Defendant does not claim that these transcripts are deliberative memoranda within the larger agency, the FDA. The latter situation arose in *Washington Research Project, Inc.*, v. *Department of Health, Education, and Welfare*, 504 F.2d 238 (D.C. Cir. 1974). The documents in question in that case were reports prepared by a panel, known as an "initial review group," of the National Institute of Mental Health, which is a unit of the Department of Health, Education, and Welfare. The Court of Appeals rejected the contention that the initial review group was an agency within the meaning of the Freedom of Information Act and found instead that the group was an advisory committee and, as such, "merely a unit within another agency." *Id.* at 245. As in the instant case, the documents were in the possession of the parent agency. Unlike the instant case, however, the documents in *Washington Research Project* were relied upon by the agency in the course of decision-making. The documents were "an integral part of the deliberative process," of the agency, *id.* at 250, and as such were entitled to the protection afforded by the (b)(5) exemption, since they were internal agency memoranda.

In the instant case, defendant does not claim that the transcripts in question were part of the agency's deliberative process. To the contrary, defendant acknowledges that the transcripts "form no part of the record transmitted to, or read or relied upon by the Commissioner. The Commissioner bases his decision exclusively on the contents of the panel's report and supporting minutes, and the evidence on which the report is based." [7]

Second, it should be noted that the applicability of the Federal Advisory Committee Act to this case is problematical. The Act became effective on January 5, 1973. 5 U.S.C. App. I. § 15. All but one of the transcripts in question are of meetings which took place before that date. Thus, unless this Court were to apply the Act retroactively, plaintiff could not maintain his claim for transcripts of meetings that occurred prior to the effective date of the Act. In addition, defendant's position that the Advisory Committee Act explicitly recognizes the applicability of the (b)(5) exemption to advisory committees would be undermined. However, in light of this Court's holding that the transcripts are available under the Freedom of Information Act, it is not necessary to reach the retroactivity issue.

III. CONCLUSION

This Court holds that the Antacid Panel is not an agency within the meaning of exemption (b)(5) of the Freedom of Information Act. Further, this Court rejects defendant's assertion that the Federal Advisory Committee Act recognizes the applicability of 5 U.S.C. § 552(b)(5) to advisory committees and finds that the (b)(5) exemption is inherently inapplicable to advisory committees. Accordingly, the defendant must make the requested transcripts promptly available to plaintiff, in compliance with the requirements of the Freedom of Information Act, 5 U.S.C. § 552.

An order in accordance with the foregoing will be issued of even date herewith.

FOOTNOTES

[1] Letter, Edwards to Wolfe, exhibit 8, affidavit of Gary L. Yingling.

[2] See, *e.g.*, Defendant's Memorandum in Opposition to Plaintiff's Cross-Motion for Summary Judgment, at 22, n.5.

[3] See, *e.g.*, Defendant's Answer, ¶ 4.

[4] Case law supports the proposition that advisory committee records in the possession of an agency are "records" within the meaning of the Freedom of Information Act. "[A]ny report prepared by the agency *or its consultants* must be regarded as a record of the agency." Soucie v. David, 448 F.2d 1067, 1076 (D.C. Cir. 1971) (emphasis added). See also Washington Research Project, Inc., v. Department of Health, Education and Welfare, 504 F.2d 238 (D.C. Cir. 1974); Wellford v. Hardin, 315 F.Supp. 175 (D.Md. 1970), *aff'd*, 444 F.2d 21 (4th Cir. 1971).

[5] Defendant's Memorandum in Opposition to Plaintiff's Cross-Motion for Summary Judgment, at 7.

[6] Memorandum in Support of Defendant's Motion to Dismiss or for Summary Judgment, at 43.

[7] Id., at 7.

[U.S. District Court for the District of Columbia, C.A. No. 74–454]

ORDER

Sidney Wolfe, Plaintiff, v. Caspar W. Weinberger, Secretary of the Department of Health, Education, and Welfare Defendant.

This case comes before the Court on defendant's motion to dismiss or for summary judgment, and plaintiff's cross-motion for summary judgment. In accordance with the memorandum opinion of even date issued in this case, it is, by the Court, this 31st day of October, 1975,

Ordered, that plaintiff's motion be, and the same hereby is, granted; and it is

Further ordered, that defendant's motion be, and the same hereby is, denied; and it is

Further ordered, that within ten (10) days of the date of this order, defendant shall make available to plaintiff for inspection and copying all transcripts of the meetings of the Over-the-Counter Antacid Drugs Advisory Review Panel.

CHARLES R. RICHEY,
U.S. District Judge.

GOOD FOOD HELD CRITICAL FOR SOUND DEVELOPMENT OF CHILDREN

Mr. HUMPHREY. Mr. President, I wish to bring attention to an article entitled, "Brain Harm in United States Laid to Food Lack," by Harold M. Schmeck, Jr., in the November edition of the New York Times.

The article bears out what we in the Congress, and I in particular, felt when we initiated the supplemental feeding program for women, infants and children—WIC—in 1973.

The article begins:

> More than a million American infants and young children have either suffered stunting of their brains or are under the risk of that kind of damage because of malnutrition, a team of scientists has estimated on the basis of national nutrition data.

The article also indicates that difficulties children experience in school and in their later development may well be due to undernutrition affecting their brain growth in the early stages of their life.

It was on the basis of these facts and assumptions that the Senate initiated the WIC program. We are still attempting to improve and refine on this program, but it is clear from the essence of this article that we are headed in the right direction. Sound investments at this early stage in life will be well worth their cost, in my view.

We will obviously be looking at the results of these studies identified in the article in order to develop any improvements in the WIC program.

Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRAIN HARM IN UNITED STATES LAID TO FOOD LACK

(By Harold M. Schmeck, Jr.)

WASHINGTON, November 1.—More than a million American infants and young children have either suffered stunting of their brains or are under risk of that kind of damage because of malnutrition, a team of scientists has estimated on the basis of national nutrition data.

The cause of the malnutrition is poverty. When malnourished pregnant women are considered in the estimates, one million babies yet to be born are added to the total in jeopardy.

"Finding evidence that a substantial proportion of the population of an affluent country like the United States is in jeopardy for brain growth and development comes as a shock to us," the scientists said in a report to be published soon.

"It implies," they said, "that a corresponding proportion of the difficulties children experience in school and later in their career development may be due to undernutrition affecting their brain growth in utero and during early life, thus interfering in the most serious way with the quality of their lives, and placing an unmeasured but probably significant burden on the rest of United States society."

The study results imply as others have suggested in the past, that poverty is a vicious cycle trapping the children of the poor and dooming them to the same environment their parents endured.

NUTRITION SURVEYS USED

The studies were done by scientists of the University of California using data from two national nutrition surveys completed several years ago. The original surveys were not done with brain research in mind.

The scientists matched the nutrition and income data from the surveys with the items of physical data that give clues to nutrition and brain development. They estimated from this how many Americans were so severely malnourished as to put their brains in jeopardy.

Many individuals living near or below the poverty level showed serious chemical deficiencies. Furthermore, the malnourished infants and young children had head circumferences so far below the normal range for their ages as to suggest hampered brain development, the scientists said.

The team estimated the average deficit in brain weight among the severely malnourished children at 125 grams. This is a substantial fraction of the 1,400 grams weight of a normal 4-year-old's brain.

In a normal population there is no clear correlation between head size and intelligence, one of the scientists noted in a recent conversation, but the degree of deficit of the malnourished children appeared to be so great that he estimated the odds as less than one in a million that they could represent normal variation.

As further evidence that malnutrition effects were involved, the scientists cited recent studies by scientists at St. Judes Hospital in Memphis. These studies by Dr. Paulus Zee indicated that malnourished infants and young children experienced spurts in general growth and in head circumferences when they were given special diets to supplement their previously deficient nutrition.

NEW YORK REPORT DUE

Dr. Robert B. Livingston, of the Department of Neurosciences, University of California, San Diego, will present details on the study tomorrow night at an opening symposium of the Society for Neuroscience Annual Meeting in New York City.

A report of the work has also been written for a volume on growth and development of the brain which will be published this fall by Raven Press, New York, for the International Brain Research Organization. This organization is devoted primarily to the international dissemination of information on current brain research.

In addition to Dr. Livingston the research group in California consists of John S. MacGregor, Gary J. Fisher and Dr. A. Baird Hastings, and of San Diego, and Dr. Doris H. Calloway of the University of California Department of Nutritional Sciences, Berkeley.

They used extensive data from the 10-state nutrition study done several years ago by the Department of Health, Education and Welfare and a study of nutritional status of pre-school children in the United States done collaboratively by Ohio State University and University of Georgia.

Using data from these and from the 1970 United States census, the scientists in California, estimated that the total number of pregnant women in the United States suffering malnutrition serious enough to endanger their babies was more than 945,000 then and is presumably greater now.

They estimated the number of infants and children in the jeopardized group already born at more than 1,100,000.

In the surveys used, data were compiled on eating habits, income and physical factors such as body size, weights and development as well as evidence of biochemical deficiencies.

NUCLEAR SUPPLIERS' ILLUSION

Mr. SYMINGTON. Mr. President, France's sale of nuclear reprocessing equipment to South Korea—the subject of a recent editorial in the New York Times—is just one more example of how national commercial interests continue to override any consideration of nuclear weapons control.

Note that France is one of the nuclear supplier nations meeting in London in semisecrecy, supposedly to come up with a plan to control nuclear weapons spread.

Note also that West Germany—which recently sold a complete nuclear weapons fuel cycle to Brazil—is also a participant in this suppliers conference.

From the actions of these nations it would appear there is a lack of progress at that meeting though the illusion of progress is being maintained by public spokesmen.

One can only wonder whether the desire to control nuclear weapons spread really exists among certain supplier nations.

I ask unanimous consent that this editorial, "French Nuclear Spread," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 29, 1975]

FRENCH NUCLEAR SPREAD

By deciding to sell South Korea equipment and technology to produce weapons-grade plutonium, the explosive material for atomic bombs, France has taken mankind a long step toward worldwide spread of nuclear weapons—and ultimate disaster.

For thirty years, the United States and other advanced nuclear countries have refused to sell such equipment. Then West Germany broke ranks in June by agreeing to sell Brazil a similar pilot reprocessing plant.

Apart from the threat to non-proliferation policy—and violation of the spirit of the Nuclear Non-Proliferation Treaty, which both West Germany and France have pledged to honor—the Korean deal poses special dangers.

Divided Korea is the tinder box of Asia, with massive armies of the Communist North and the American-backed South facing each other across the 38th Parallel. North Korean ambitions to reunify the country by force, as was attempted in the 1950–53 war, have been reawakened by American withdrawal from Indochina. The South Korean nuclear move could provide a pretext for a Northern attack—or lead to the even more dangerous nuclear arming of North Korea, stimulating dormant pressure for nuclear weapons in Japan.

The prolonged efforts of American officials to discourage France and West Germany from their nuclear deals undoubtedly would have had a far better chance of success if Secretary Kissinger and President Ford had not over-pessimistically refused to engage their own personal prestige, and the full influence of the United States, for fear of a profitless crisis with major allies.

After an overly cautious approach to the issue, Secretary of State Kissinger has belatedly underscored the awesome risks involved, when he told the United Nations General Assembly last month: "The greatest single danger of unrestrained nuclear proliferation resides in the spread under national control of reprocessing facilities for the atomic materials in nuclear power plants."

* * * * *

One urgent need is to step up American efforts to establish multi-national regional nuclear fuel centers. Spent but still radioactive fuel rods could thus be securely stored for possible future use, if reprocessing ever becomes safe and commercially feasible.

More important would be a genuine effort to provide the world with an assured supply of enriched uranium, a far cheaper fuel than plutonium would be even if the breeder reactor proved safe and commercially feasible by the 1990's. Neither this country nor the world can afford further delays in expanding uranium enrichment capacity.

Finally, it is essential that the United States hold firm in its thirty-year policy of refusing to spread nuclear weapons capability around the world, whatever the French and Germans do now. The pressures undoubtedly will be intense. A $7-billion reactor order from Iran is hung up right now on Washington's insistence that the site and form of plutonium reprocessing, if ever economic, be subject to joint agreement. To hold firm on this position and the American refusal to sell power reactors to Egypt—unless there is a guarantee that the spent fuel rods will be processed abroad—will be difficult unless a more vigorous effort is made to reverse French and West German policy or, at the very least, to obtain assurances that no further such sales will be made.

The alternative is a world of a dozen or more states brandishing their nuclear arsenals within the next decade; in such a circumstance, the threat of nuclear holocaust would be immeasurable.

W. J. USERY, JR.—WISE REMARKS ON AMERICA'S FUTURE

Mr. HUMPHREY. Mr. President, last month at the 11th Constitutional Convention of the AFL–CIO in San Francisco, Mr. W. J. Usery, Jr., Director of the Federal Mediation and Conciliation Service, made an extremely thoughtful and important speech.

In his remarks, he pointed out that, despite the differences that exist, both labor and management "are beginning to recognize that for both their sakes—for the sake of American society—they have to work together on many issues." Mr. Usery provides a number of convincing examples of this critically important progress.

Mr. Usery wisely observed that "we have at last learned that the natural riches of America are not inexhaustible." Therefore, we must all become conservationists. Yet, if we are to provide jobs for everyone, resume our climb in living standards, and overcome the long list of shortcomings in America, Usery notes "we are going to have to achieve all of these worthy goals through the genius of man rather than the generosity of nature." Of course, genius requires an outlet and that is a job where it can be applied.

Mr. Usery's point is that these jobs must be directed to developing human and natural resources, not exploiting them.

In this regard he observed that archaic work rules, irrelevant in our modern technological world, must be scrapped; "collecting for what we do not do is in the same class today as cleancutting a national forest or dumping raw sewage into the Hudson.

I fully endorse Mr. Usery's strong and reasoned appeal to both unions and corporations that they accommodate their views to a full recognition that our Nation's resources are not inexhaustible . . . recognition that they must be utilized intelligently if America's true potential is to be tapped, if our recognized needs are to be fulfilled.

Mr. President, I ask unanimous consent that Mr. Usery's important remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY W. J. USERY, JR.

President Meany, Secretary-Treasurer Kirkland, officers and officials, distinguished guests, and you delegates out there who belong to and represent the greatest free trade union movement anywhere on Earth:

The opportunity to speak from this platform is an honor and a privilege in many ways.

It enables me to express my gratitude to President Meany for the kindness and forbearance he has extended to me personally over the years.

Obviously there is much more I could say about George Meany. But I am saving the rest of it in the hope that he will accept our invitation to our FMCS National Seminar in November.

His presence will honor us and at the same time we want to honor him with our highest award.

In a broader sense, this platform is the best possible place to thank you, the top leaders of the hundred-odd AFL–CIO unions, and through you, the thousands of local and regional leaders back home, for the friendship, support and cooperation you have given me during the seven years I have been in government service.

I have had the benefit of this friendship, support and cooperation even though, at times, the administration that put me in office has not always been—let us say—on the best possible terms with the AFL–CIO.

I got the impression from President Meany's address this morning that there are still a few little differences to be ironed out.

However, you in the AFL–CIO, at all levels have recognized that the Federal Mediation and Conciliation Service is not an instrument of partisan politics, no matter which party is in power—and that is certainly the way it should be.

You have also given me your confidence, and I shall never betray it.

There is still another reason why it is a special thrill for me to be on this platform. After all, I am a card-carrying machinist who spent nearly two decades in the service of the labor movement, in positions that were, in most cases, distinguished by their obscurity.

So I fully realize that the recognition I am enjoying here this afternoon is not being extended to Bill Usery as an individual, but rather to the agency I have the honor and privilege to head.

As many of you know from firsthand experience, the Federal Mediation & Conciliation Service now gets involved in more cases, concerning more workers, in a wider variety of occupational areas, dealing with a broader range of issues than at any time in its history.

In the past three years we have made every effort not only to increase the number of mediators and to upgrade our facilities, but to improve the quality of mediation services we offer by trying to develop a cadre of truly professional mediators, skilled in all aspects of labor-management relations, aware of the new developments taking place, dedicated to fostering and promoting the collective bargaining process, and committed—as I am—to the all-important cause of industrial peace.

As many of you know, in the past months—and particularly in the past few weeks—I have been extremely busy.

If I wanted to lead an easy life, I could just take the U.S. postal service and the railroad disputes, and forget about the school boards, supermarkets, small factories and local construction disputes that, by comparison, affect only a small number of employees.

So could any of our mediators. But we have a limited form of democracy in FMCS that requires that everyone—including the director—does his share of housekeeping.

And no matter how we arrange it, the fact remains that mediation has become an increasing factor in labor-management relations everywhere in the country.

Yes, we're still firemen answering alarms. That's when we get into the headlines. But like the real firemen who are among the delegates here today, we are working harder than ever before at fire prevention.

We get our greatest satisfaction from transforming hostility into understanding . . . not necessarily total agreement, but a recognition that there will have to be an agreement, sooner or later; and the sooner the better.

No longer will this service sit idly by and have the parties say: "The strike is not ready for settlement."

Through intensive mediation, we escalate protracted labor disputes from the local to the regional level.

We bring in our own cadre of troubleshooters from Washington.

And as a last resort, we call the parties to Washington for a final resolution of the dispute.

Furthermore, we do all in our power before a strike is called to make a quick settlement possible.

For openers, the parties must forever abandon the hope and desire to destroy each other.

That's a kind of detente I think even President Meany would approve.

But this isn't really my point.

My point is that the larger role of mediation is one manifestation of a far broader change in labor-management relations.

The change may not be obvious at every bargaining table—especially at the local level. Not yet. But it is increasingly obvious elsewhere.

If you leave aside a handful of die-hard managements, most enlightened industrial leaders of today realize that dealing in good faith with a good union isn't just good law and good morals—it's good business.

These leaders have finally learned what the labor movement has been trying to tell them for as long as I can remember—that a well-administered union contract, with terms clearly spelled out, and with grievance procedures and arbitration to settle disputes, is the easiest and best way ever devised for labor and management to live together and avoid personnel problems.

Now I am not suggesting that the management lions are ready to lie down with the labor lambs—or vice versa—and that an era of pure peace and goodwill is just around the corner.

There are still plenty of differences today and there will be plenty of differences tomorrow.

But finally, at long last, both sides are beginning to recognize that for both their sakes—for the sake of American society—they have to work together on many issues, even though they may still squabble—and probably should—over many others.

The evidence of such cooperation is all around us.

I'm speaking of the many joint labor-management committees that have been established at the local level and others that have been forged at the industrial level.

I'm talking of such things as the President's Labor-Management Advisory Committee, of which President Meany is a member.

I'm talking about the increasingly open and honest dialogue taking place today between spokesmen for both sides.

Much of the credit for this health change from the way things used to be belongs to the American labor movement, for one reason above all: From the time of Samuel Gompers to the present day, it has been concerned with economics instead of radical social change.

Over the years there have been critics, including powerful men within the union ranks, who have opposed this policy . . . socialists, communists and proponents of a labor party. But they have never prevailed. And because of that—although it has taken almost a century—businessmen are beginning to see that the Gompers slogan of 'more' means more for everyone, including themselves.

It is not a moment too soon. For unless we—all of us—do our part from now on, we won't be getting more; we'll be hard put to avoid getting less.

If all of we Americans—laborers, professionals, craftsmen, farmers, businessmen, teachers, and so on—are going to have 'more' in the future, or even maintain what we have, there will need to be some profound changes in the way we handle our human resources as well as our natural resources.

Ever since I have been in this office I have preached to businessmen, to industrial relations experts, to economists and professors that there is a fair, reasonable, rock-bottom price that any labor force deserves. And that price, I have said, includes a good living wage, protected against inflation; the best job security provisions within the power of the enterprise; insurance against illness and accident, and an adequate pension program for retirees.

This didn't always go over so well at the Rotary Club. But as I have already noted, a growing number of major employers have bought it—certainly not on my say-so—but because with your help, they have come to realize that a well-paid, reasonably secure work-force is essential to America and to themselves.

What I want to say to you, with the same frankness I have used with the other side, is that labor has a parallel obligation.

As the building and construction trades department has put it so bluntly, the man who gets a fair day's pay has an obligation to do a fair day's work to earn it.

That means taking a new, clear-eyed look at work rules and work practices in a lot of occupations and industries—rules and practices that may have had an understandable basis when they started, but are simply irrelevant in this new and changing technological world.

I don't need to be educated in the old tradition of sticking it to the boss. I passed my apprenticeship in that trade a long time ago.

But believe me, sticking it to the boss—collecting for what we don't do—is in the same class today as clearcutting a national forest or dumping raw sewerage into the Hudson or the Potomac or San Francisco Bay. We used to think it didn't really matter, but now we know better.

To put it another way: We have at last learned that the natural riches of America are not inexhaustible. On the contrary, since we have consumed them so heedlessly in the past, we must all become conservationists in order to pass on to future generations some share of the physical estate we inherited from our forebearers.

At the same time, if we are to regain and then retain jobs for everyone—and I say we must;

If we are to resume the interrupted climb in general living standards—and I say we must;

If we are to overcome the long list of shortcomings, from health care to housing, from education to transportation, that still afflict our society—and I say we must;

We are going to have to achieve all of these worthy goals through the genius man rather than the generosity of nature.

I am not suggesting that all of these goals can be reached without the support of sound Government programs.

A man's genius doesn't function very well unless he has a job where he can apply it.

My point is that the jobs this country needs—and we certainly need them—must be keyed to developing human and natural resources, not exploiting them.

Through science and technology, we must produce more and better products without wasting our precious natural resources—not only in this country but throughout the world.

I am convinced that from now on our economic growth depends on these two things: Using our human and our natural resources more intelligently.

The world has changed. A new gold strike at Sutter's Mill would be romantic. But in today's world, individual miners wouldn't get rich. It would be companies and the workers they employ.

Less than a hundred years ago, there was still an American frontier—a place where a man with courage, perseverance, gumption and good luck could stake out and develop his own personal empire.

It wasn't much as empires go—40 acres was one of the historic sizes—but it was all his own.

The changes that have occurred in American life since that time, in day-to-day terms, have been more revolutionary than the American Revolution itself. And the changes are still going on.

Because I mentioned the revolution I can hardly go on without mentioning the bicentennial.

I wish I could collect a ten-dollar bill everytime the bicentennial is mentioned by a speaker here during the next week.

In fact, I wish I had ten dollars for every time I have mentioned it myself during the past few days.

But I think we should also take proper note of a couple of anniversaries that have been treated to casually in this year of 1975, anniversaries of achievements the AFL worked hard for.

One of them was the 40th anniversary of the Wagner Act, last spring. And the other was the 40th anniversary of the social security system, a little more than a month ago.

Maybe 1935 is no match for 1776, but it was quite a year just the same. It can even be argued that the impact of these measures on American wage-earners, 40 years ago, was even greater than the impact that wage-earners felt from the Declaration of Independence a century and a half earlier.

True, the social security system and the national labor relations structure couldn't have evolved in anything like their present form except in a free society—the kind of society that was conceived by the Declaration of Independence and given substance by the Constitution.

These two legislative landmarks—which, as some of you may remember, had to go through hard-fought constitutional tests of their own—typify the flexibility that over many years has enabled the design and the functions of our Government to keep in step with enormous social and technological changes of the last 200 years.

It is no longer valid, as Thomas Jefferson once claimed—before he was elected President—that "that government is best that governs least."

As the record shows, the great Jefferson changed his mind almost as soon as he took office.

Another quotation—also from Jefferson—is, it seems to me, much closer to the mark, and could serve as a guide today.

The goal, said Jefferson, should be "a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned."

In the context of today, with a whole new set of unforeseen problems confronting us, I would translate Jefferson's advice something like this:

We need a wise and compassionate government that will promote the general welfare by establishing sound economic policies and programs, that will protect and guard the rights of all under law, and that will provide for the just resolution of conflicts when they arise. In other words—as Lincoln said—do for the people that which they cannot adequately do for themselves.

This concept of government, with the freedoms it implies, leaves a large measure of responsibility for economic success on the shoulders of the Nation's labor and business communities.

The best brains, the most enterprise, the richest mixture of idealism and pragmatism in America is found—not in Washington, D.C., but at gatherings like this.

I am convinced that these best brains, with a bit of friendly encouragement, help and support from government, are now, or should be, working together with a greater degree of unity and with more determination to succeed than at anytime since World War II.

As we enter our third century as a Nation, I am confident that they will mobilize the human resources, confound the pessimists, and create a new century of prosperity and progress for America.

And I am convinced that the American trade union movement will be in the forefront in bringing about these changes, and will continue to insure that the American worker is first among workers of the world in the wages he receives and the quality of life that is open to him.

For if we can develop a rocket so powerful and a guidance system so accurate that we can land a man on the moon, explore its surface, and return him safely home, I am convinced that there is virtually nothing that American imagination, technology and craftsmanship cannot achieve.

OCEAN POLICY AND OCEAN ENERGY

Mr. HOLLINGS. Mr. President, in the recent past, man has not had to draw very heavily upon the oceans to fulfill his resource needs. Agricultural, mineral, and basic energy resources have been so abundant on land—at least in this country—that we have more or less ignored the oceans, where extraction and production costs have been higher and the technical problems thornier. Those countries that have looked more to the sea have been the ones poor in domestic resources such as Greece, Japan, and Britain.

Now, however, almost all of the developed countries are feeling the pinch in resources. The economics of scarcity is turning all our heads to the seas around us. The handwriting is on the wall for greater use of the oceans, and the pen that wrote it is "unmet need". What remains is further technical ingenuity on our part and, hopefully, greater wisdom in dealing with natural environments. Both require a coherent national policy toward the oceans—something we managed to muddle through without in the past, when the oceans, perhaps, were less important. We are trying to forge such a policy in the Commerce Committee and, in particular, in the national ocean policy study.

Much national attention has been focused on those resources under the sea that have been gotten primarily from the land, such as oil, gas, and manganese. Some attention has been turned toward managing those renewable ocean resources like fish and kelp that we have just hunted and let grow willy nilly in the past. Lastly, those with some imagination who are not cowered by new technical challenges are seeing wholly new types of resource potential in the oceans.

An important example is harnessing the enormous quantity of energy stored in the oceans and its winds. The subject of energy from the oceans invited skepticism so long as it only cost our oil companies 20 cents to pump up a barrel of oil in the Persian Gulf and so long as we chose to ignore the environmental costs of burning fossil fuels. The solar energy stored in ocean surface waters, winds, and waves is free; but cursory analysis indicated that the capital costs of harnessing this energy with existing technology would be high relative to cheap oil. With oil approaching $13 a barrel, however, the zero fuel costs of ocean energy are appearing more and more attractive.

Lockheed has established the technical feasibility of using the temperature differential between surface and deep waters to power electrical generating turbines. The electricity could be sent ashore or used at sea for the production of ammonia, aluminum, or hydrogen for a future hydrogen based economy.

Capital costs using known technology are still high; but Lockheed holds that with a modest amount of technical development, requiring no new major breakthroughs, that ocean thermal energy conversion could be very competitive with other methods of electrical energy production. According to TRW Systems, the technical improvements required for commercial feasibility of ocean thermal conversion are relatively simple when compared with the outstanding problems surrounding the nuclear breeder reactor.

Meanwhile Britain is developing a large floating structure to be powered by waves off Scotland that would provide 50 megawatts of electricity. Our own American Gas Association is providing on the order of one-half million dollars for research on large-scale kelp farming. The kelp would be utilized for protein, natural gas, fertilizer, and a variety of industrial uses. Ocean winds are steadier and stronger than those on land. Tides are generating electric power in France and the Soviet Union. England turned down a tidal project several years ago which would have paid for itself by now in light of higher oil prices.

Deriving energy from the ocean is also attractive because no land need be removed from other uses and because of low environmental impact. Also there is no storage problem, in contrast with some land-based solar technologies. Temperature differences and waves do not disappear at night. Marine plants store the energy from the Sun in chemical form.

Despite all these pluses for ocean energy, we have no comprehensive national program in ocean energy research. The research that has been federally funded has been fragmented under different headings, despite the fact that a single ocean structure could combine different ocean energy technologies.

Within ERDA, for instance, we find ocean thermal energy conversion lumped in with other solar thermal projects despite big differences in the technology involved. The nutrient-rich cold water from an ocean thermal plant could be utilized to bathe marine plants grown for protein, fuels, and chemicals. A windmill could even be located on top of an ocean thermal plant. Yet within ERDA we find little apparent connection between wind, marine plant, and ocean thermal research. It is my understanding that ERDA is funding no research in the areas of wind and tidal power.

Finally, the ERDA budget for general solar energy allocates only a small portion of funds to ocean energy research. For fiscal 1976 ERDA requested a total of $89.2 million for solar energy R. & D. Less than 10 percent of these funds would be available for ocean-related projects. I suspect that a careful analysis of the relative promise of different solar technologies might justify a higher proportion of ocean energy funding.

Mr. Chairman, we have gone the way of fragmented marine research in the past. Over 25 Federal agencies are now conducting it. I am not advocating restructuring ERDA, only that the time has come to think "ocean" at least as strongly as other category headings for solar energy research. I am advocating a comprehensive ocean energy outlook within ERDA that would tie the various marine-related projects together and not let others fall between organizational cracks.

I recommend to my colleagues an article on ocean energy that appeared in the September issue of Audubon magazine. The article by Mr. Gary Soucie discusses the current status of several ocean energy technologies in a way that is interesting for the lay reader. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

PLUGGING IN THE OCEANS FOR FUTURE ENERGY NEEDS

In the great global rush to find and develop new sources of energy, man is looking not only at the 30 percent of Earth's surface covered by rock and soil but also at the greater part covered by saltwater. Lamentably, the economic and political might of industry and government is massing behind offshore oil production. But there is a growing band of unconventional thinkers plying the underfunded backwaters of government, industry, and academia who are investigating cleaner, safer, and perhaps bigger energy resources of the sea. Some of the process being studied are technologically or economically iffy, but others are merely revivals of old ideas discarded when hydropower and cheap fossil fuels came to dominate the energy market.

Now that hydropower has been pretty well exploited in the industrialized nations and fossil fuels are growing scarce and expensive, these old ideas are being dusted off and new ideas explored. Energy systems once rejected as being too expensive, even within the last decade, are beginning to look attractive. The environmental problems associated with the production and burning of fossil fuels and with the whole nuclear energy cycle, from uranium mining to the disposal of radioactive wastes, have contributed mightily to the new interest in alternatives, most of them based on solar energy. In the ocean solar energy is converted and stored in forms more easily harnessable by current technologies and ocean-based facilities do not have to compete with as many spatial demands as do land-based systems.

From the very beginning the power of the sea has fascinated and awed man. At its wildest and most furious ("The scrotumtightening sea," James Joyce called it), the sea can instill dread. Even in *its* routine manifestations, the power of the sea is awesome. Contemplating the rush of tides in the Bay of Fundy, the novelist Gerald Warner Brace wrote:

"To feel the whole mass of Fundy rushing inexorably, six hours one way and six hours the other, can be almost frightening. We mesh our lives with the universal action of earth and sea and all the seasons, we make use of the forces as best we can, we base our faith and our philosophy on them, but then we have glimpses of cosmic power so vast and inexplicable that we see ourselves carried along like the unseen bits of plankton in that rolling flood."

But that is the poet and the philosopher speaking. The scientist and the engineer can, within limits, explain the power of the sea, measure it, and determine how to harness it, in theory if not in hardware.

The energy resources of the sea include offshore winds, ocean thermal differences, tides, ocean currents, waves, salinity gradients, and the extraction of hydrogen, fusion fuel, and phytoplankton for synthetic fuel production. The potentials of these resources vary considerably in magnitude (from many times world energy need to small fractions of it), in harnessability, in geographic applicability, in practicability, and in environmental impact.

Proponents of each ocean energy system are fond of describing their proposals as safe, clean, nonpolluting, and environmentally benign. But all energy extraction and power production exacts an environmental price. (Barry Commoner, calling it the Fourth Law of Ecology, put it this way: "There is no such thing as a free lunch.") Certainly, however, the ocean energy systems offer a promise of escaping the worst forms of pollution associated with fossil and nuclear fuels.

OFFSHORE WINDPOWER

Harnessing offshore winds to produce electricity was covered at length in the May 1974 issue of *Audubon* ("Pulling power out of thin air"). Since then, the Energy Research and Development Administration and the National Aeronautics and Space Administration have embarked upon a joint project to test a 100-kilowatt wind generator at Sandusky, Ohio, near the Lake Erie shore. Grumman Aerospace Corporation and Boeing Vertol Company are independently studying designs and testing small wind generators for use on offshore oil platforms and for similar small-scale applications.

In addition, Boeing Vertol and the Southwest Research Institute have designed a system using windpower to store compressed air underground for use during peak demand periods to drive gas-turbine generators. Block Island Power Company has drawn plans for a 250-kilowatt wind generator, and four Oregon public utilities are studying that state's offshore and coastal windpower potential.

Most recent studies confirm the earlier estimates of windpower advocates: harnessing wind energy is technically feasible, escalating costs of conventionally fueled power systems have erased doubts as to its economic feasibility, and America could get 5 to 10 percent of its electricity from the winds by the 1980s, or twice that proportion by the end of the century.

William E. Heronemus, the University of Massachusetts engineering professor whose proposed New England Offshore Wind Power System was described in the *Audubon* article, has catalogued the other promising offshore sites for harnessing the winds: "The shelf off our middle-Atlantic states; the shelf off Nova Scotia; the shelf to the westward of Ireland; the Irish Sea; the eastward edges of the North Sea; the near-shore portion of the Baltic off Sweden and Finland; the shelf adjacent to the entire Aleutian archipelago; the narrow shelf west of and the broader shelf east of South Africa; the shelf south of Australia; and the shelf adjacent to the Kurils. Any of the islands in the stronger trade regimes and those, like the Falklands and the Prince Edwards, in the roaring forties are excellent sites."

Windpower's potential is somewhat limited by the difficulty in harnessing more than a minute fraction of the atmosphere's kinetic energy, in the large number of windmills necessary for a commercial-scale system, and in the unreliability of the winds over large areas of the globe. But windpower is available now, when the energy situation is particularly gloomy. Windpower's only major environmental impact, the scenic intrusion of hundreds or thousands of windmills, is considerably reduced by offshore siting, where the winds tend to be strongest and most dependable anyway.

OCEAN THERMAL ENERGY

In 1881 the French physicist Jacques Arsène d'Arsonval predicted that man would someday "mine" the tropical ocean for its heat energy rather than the earth for fossil fuels, a forecast that now looks reasonable. Another French physicist, Georges Claude, actually demonstrated d'Arsonval's theory in hardware, even though his ocean thermal powerplants were beset by technical and economic problems, but his success was virtually forgotten during the worldwide economic depression of the 1930s. A postwar attempt by the French government to pursue development of the so-called Claude process died with the collapse of the French colonial empire and the glittering promise of the peaceful atom.

Ocean thermal energy conversion is theoretically simple. Because heat naturally moves from a warm body toward a cooler one (one night spent on an unheated water bed can be an excruciatingly unforgettable demonstration), a heat engine can be made to turn the flow into useful work. Steam engines in fossil-fueled and nuclear powerplants use the heat produced by fuel combustion or fission to vaporize water into steam. As the steam expands in the boiler it is drawn toward a condenser (which is constantly chilled by cooling water), passing en route through a vapor turbine that converts the heat energy into mechnaical energy to drive an electric generator.

The cooling water passing through the condenser maintains the lower temperature of the cold side of the heat engine (which keeps the steam flowing through the turbine), carries off much of the steam's heat that was not converted into mechanical energy (this waste heat is the source of thermal pollution), and condenses the steam back into water (which can then be pumped back to the boiler to start the process all over again).

In the ocean, solar energy is stored as heat in the warm surface layers of water—especially in the tropics where solar radiation is most intense and where seawater covers 90 percent of the Earth's surface. But just below the warm surface layers, seawater is constantly cold, just a few degrees above freezing, because sunlight cannot penetrate deeply enough to warm it. The reservoir of cold water is constantly replenished by the seasonal meltdown of the polar icecaps and by precipitation in the higher latitudes. The cold water, being heavier, sinks and then migrates toward the equator to replace the warm surface waters lost to evaporation and the poleward flow of tropical surface currents.

Across the vertical temperature gradient of seawater (which ranges from 30 to 45 degrees Fahrenheit in the tropical and subtropical seas), a heat engine can operate at an overall thermodynamic efficiency of about 3 or 4 percent. That is only about a tenth the efficiency of a steam engine. But what an ocean-based heat engine gives up in efficiency it more than makes up for in getting its heat free from the sun, rather than from costly and polluting fuels, and without utilizing large areas of land for collecting surfaces.

Still, industrialized areas tend to be situated a long way from the tropical seas. In 1964–66, two engineers from York, Pennsylvania—J. Hilbert Anderson and his son James H. Anderson Jr.— published a series of papers proposing that ocean thermal energy be harnessed in the Gulf Stream, which every second of every day brings more than 74 billion pounds of tropical water past the coasts of Florida and Georgia. The Andersons calculated that the Gulf Stream could yield enough electricity at three mills per kilowatt-hour to supply 150 times the entire United States electricity demand. At first no one paid much attention; oil was cheap and plentiful and the Atomic Energy Commission was predicting electricity from nuclear plants at 1.5 mills/kwh. Now that oil is neither cheap nor abundant and nuclear energy costs have escalated past ten mills with no end in sight, researchers are beginning to look at ocean thermal energy.

By mid-1975, the Energy Research and Development Administration was funding twenty-five to thirty ocean thermal research projects, including those at the Universities of Massachusetts and Hawaii, Carnegie-Mellon University, Union Carbide Corporation's Linde Division, Ocean Systems of Lockheed Missiles and Space Company, TRW Systems and Energy Group, DSS Engineers Inc., and the Andersons' Sea Solar Power Inc.

Not all of the institutions are looking at the Gulf Stream. The Carnegie-Mellon researchers are concentrating at sites in the Antilles on the eastern edge of the Caribbean. At the University of Hawaii, scientists are looking at local applications, especially where the principle might be enhanced by the use of hot water or steam from geothermal reservoirs to increase the temperature difference. Professor Heronemus, who also directs the University of Massachusetts research program on Gulf Stream thermal differences, suggests the Gulf of Mexico as another potential site.

Research results to date are extremely promising. No technological breakthroughs are required, and analyses indicate that ocean thermal plants will be immediately cost-competitive with fossil-fueled and nuclear plants.

The principal environmental impact of ocean thermal energy conversion involves the release of waters rejected by the boiler and condenser. Bringing cold water up from the depths and releasing it nearer the surface could be beneficial. Cold, deep waters are richer in nutrients than surface waters, so rejection of cooling water might approximate the natural upwellings that enhance fisheries production; in the Humboldt Current off Peru and Chile, natural upwelling of deep water supports a fishery that contributes almost a fifth of the world's catch. Columbia University's Lamont-Doherty Geological Observatory, in experiments conducted on St. Croix in the Virgin Islands, has demonstrated that artificial upwelling associated with ocean thermal energy development might support the mariculture of valuable shellfish.

Removal of heat from the ocean is another story. Even though most of the heat would be returned, the volumes of water involved are so large there would be a net decrease in thermal energy stored near the surface. Some researchers predict a drop in surface temperature of one degree centigrade. Others predict an increase of one degree because solar energy will be able to penetrate the water more deeply, causing temperatures to rise. A one-degree temperature change, *up or down*, in a current like the Gulf Stream might cause it to alter course, to flow faster or slower, or to flow farther or less far, with possible consequences to weather systems far away from the point of energy extraction. There is no way of knowing until the first prototype plants are built and tested.

Desalinization of seawater is an easy and inexpensive byproduct of ocean thermal energy production, so it might be possible to produce energy, food, and freshwater from a single facility, along with ammonia for fertilizers and oxygen for industrial use, sewage treatment, or revitalization of polluted coastal waters.

TIDAL POWER

Harnessing the energy of the tides dates back at least to ancient Egypt; drawings show waterwheels in the Nile estuary supplying pumping power for irrigation. Between the eleventh and nineteenth centuries, tidal mills were used in western Europe, Russia, and North America to pump water and sewage and to mill grain. But cheap electricity drove tidal mills off the map, and of numerous schemes that have since been proposed, only two ever reached fruition, at La Rance in France and at Kislaya Guba in the Soviet Union.

At Brittany's Rance River estuary, the tides have been generating 500 million kilowatt-hours of electricity every year since 1968. The Soviet Union's 400-kilowatt Kislaya Bay powerplant is the pilot facility for a planned system of tidal plants along the shores of the White Sea and the Sea or Okhotsk.

Until very recently tidal plants were considered too expensive. But Middle Eastern politics and the mushrooming problems of nuclear power have changed all that. A tidal powerplant turned down several years ago for England's Severn River estuary would have paid for itself by now and be supplying virtually free electricity to that energy-starved country. In the late 1960s a joint U.S.-Canadian tidal power project proposed for Passamaquoddy Bay at the eastern edge of Maine, the only potential tidal power site in the Bay of Fundy involving American waters, was rejected because of costs. Now Canada is preparing to go it alone.

In most tidal power schemes two things are necessary: tide ranges of at least sixteen feet and coastal embayments that can be dammed to function something like conventional hydropower reservoirs, by trapping the waters at high tide and dumping them back into the ocean through turbines at low tide. Besides Passamaquoddy Bay, the relatively few places in the United States where tidal power could be harnessed include Cook Inlet near Anchorage, smaller bays along the Gulf of Alaska, and perhaps Puget Sound; in Canada, the Bay of Fundy between New Brunswick and Nova Scotia, and Ungava Bay on the Hudson Strait in northern Quebec; in Europe, several estuarine river mouths along both sides of the English Channel and the North Sea; in Argentina, the Gulf of San Jorge; in India, the Bay of Bengal; and in several bays and gulfs along the coastlines of Pakistan, China, Korea, and Australia.

Tidal impoundment and back-pumping can enhance the power potential of these favorably endowed sites, but only by sacrificing other estuarine resources such as navigation, fish and wildlife, recreation, and scenic beauty. Thus the ubiquitous Professor Heronemus suggests reviving the old Egyptian, French, and Spanish concepts of using floating, tethered, undershot paddlewheels on tidal rivers. Such floating tidal mills, he says, could produce locally significant amounts of electricity with no more environmental impact than scenic intrusion.

The U.S. Navy is studying the feasibility of using the strong tidal currents in eastern Long Island Sound to power NOMAD (Navy Oceanographic and Meteorological Automatic Data) buoys. NOMAD buoys elsewhere are powered by tiny atomic reactors, small windmills, and solar cells. The Navy thinks it might even be feasible to harness tidal currents to furnish power for larger federal installations at remote sites in and around the sound: Coast Guard stations at New London Ledge and Little Gull Island, and the U.S. Department of Agriculture Animal Disease Research facility on Plum Island.

OCEAN CURRENTS

Thermal energy extraction would be limited to the great tropical currents, but ocean currents of all temperatures possess kinetic energy. They are slower than river currents, but the great volume of moving water provides a sizable power potential. The flow of the Gulf Stream off Florida, for example, is more than 50 times greater than the combined freshwater flow in all the rivers of the world. Nevertheless, energy extraction from ocean currents is limited by several factors. The low speed and large volume of water would require extremely large, inefficient, slow-speed turbines. River currents physically restricted by banks, can be speeded up by constriction in weirs, millraces, and Venturi tubes, but ocean currents would bypass physical restrictions. Again unlike river currents, ocean currents do not have the added power potential of gravitational force.

In February 1974, researchers from across the country gathered at a Workshop on the Feasibility of Extracting Usable Energy from the Florida Current. They concluded that the proposal is technically feasible and might be economically competitive in the 1980s. Although the kinetic energy of the Florida Current (that portion of the Gulf Stream passing through the Straits of Florida between Miami and Bimini) is very large, energy extraction probably would be limited to four percent of the total by physical problems and by the meteorological and other environmental impacts of a higher rate. Even at this low rate, the Florida Current could yield 1,000 megawatts of electricity, the equivalent output of a large nuclear plant.

Because the cost of turbine blades is expected to be the key to the economic viability of ocean current energy, much attention is being paid to turbine design. Numerous underwater turbine schemes have been proposed, including turbines like those used in hydroelectric dams, open propellers ("underwater windmills"), the eggbeater-like Savonious Rotor, and the Water Low Velocity Energy Converter, a series of large parachutes attached to a continuous rope belt.

In the Mediterranean and Red seas, solar evaporation losses are so high that powerful currents of inwardly flowing seawater are produced in the Strait of Gibralter and Bab el Mandeb. These inward flows are amplified by strong outward flows of hypersaline brines on opposite sides of the channels. Dr. William von Arx of the Woods Hole Oceanographic Institution suggests that 1,000 megawatts of electricity might be harvested from the flows in both directions by placing submerged turbines or tidal mills in the channels.

WAVEPOWER

Extracting energy from the ocean's surface wind waves has long fascinated scientists, but engineers tend to despair of ever being able to design economically reasonable structures for harnessing the power in the complex play of forces and motions in waves. Marching waves do not come neatly packaged, and each wave may be of a different height, period, wavelength, and velocity. Waves moving at different speeds tend to capture one another, which is why there are moments of calm water between breakers and even in the most furious of storms. Near the beach, where wave energy is naturally concentrated and where it would be technically most desirable to harness wave energy, energy dissipation in the converging, rebounding waves gets almost hopelessly complicated.

There are three kinds of energy in waves. Visualize a wave in action, moving along the surface of the sea like a section of pipe rolling along a tabletop. First there is the kinetic energy of its orbital motion, probably not harnessable because successive waves vary so much. Second, there is the kinetic energy of the wave's forward motion. This, too, may be difficult to harness because waves, like ocean currents, move rather slowly and resist being concentrated through restriction. And waves do not have the offsetting advantage of a current's incessant transport of huge volumes of water.

Third, and considered most promising, the vertical distance between the crest and the trough of a wave represents a potentially harnessable gravity head. Imagine a ship bobbing up and down on a typical trade-wind swell. Whereas the tide would raise that ship six feet only once every twelve hours, it would be raised six feet every twelve seconds by the wave swell. Still, this is low-density energy, and hydroelectric dams are more typically 600 rather than six feet high. This gravitational energy could be magnified—as it is naturally when waves pass over reefs, shoals, and other bottom formations—but mile after mile of rocks, concrete, or steel "lenses" (artificial shoals) necessary for wave energy magnification would be expensive, scenically disturbing, and might be disastrously erosive of beaches by upsetting the delicate energy balance of shoreline processes (which use sediment transport to absorb incoming wave energy).

Despite all these problems, last year Great Britain's Central Policy Review Staff selected wavepower as Britain's most promising alternate source of energy. The consternation among engineers was further compounded when the no-nonsense British Department of Trade a few months later put up $140,000 to support development of a pilot wavepower system west of the Hebrides off the northwest coast of Scotland. When the Central Electricity Generating Board expressed interest in participating in the project, the detractors of wavepower really began feeling outflanked.

What the British will test is a large, floating, rectangular concrete-and-steel structure about the size of a supertanker, containing for each generator 20 to 40 vanes over which waves will roll. Electrical output is estimated at a steady 50 megawatts.

Edinburgh University's Dr. Stephen Salter, whose work on wave energy is responsible for Britain's new interest, predicts commercial-scale wavepower development within ten to fifteen years and says there is enough extractable wave energy "to satisfy the present electrical requirements of the United Kingdom cleanly, safely, and forever." In fact, Dr. Salter says that 50-megawatt wave generators placed every 100 miles along the eastern edge of the Atlantic could supply all of Europe with electricity.

SALINITY GRADIENTS

Converting ocean salinity gradients into usable power is a long way off, but the energy dissipation rate in seawater salinity is many times that of world energy demand—and ranks second only to thermal differences among the ocean energy resources in potential magnitude. The trouble is, the chemical energy of osmotic attraction is not very well understood, difficult to explain, and seems to pose insurmountable obstacles to extraction.

Researchers like Scripps Institution's Dr. John Isaacs are intrigued by the energy potential of the salinity interface where rivers flow into the sea. The osmotic pressure generated when the freshwater rushes to dilute the saltwater theoretically could produce as much energy as water falling 700 feet. A colleague of Isaacs' has calculated that this energy potential where the freshwater of the Amazon flows into the South Atlantic is half again as great as that of all the world's hydropower dams combined.

ENERGY BIOCONVENTION

Converting the solar energy stored by photosynthesis in green plants into fuels like methane or synthetic oil is a siren song to growing numbers of scientists and technologists. Land-based bioconversion schemes are plagued by the huge energy input necessary for intensive agriculture or for a continued throwaway economy (if solid wastes are to be converted to fuel), and the capital, space, and energy requirements of algal culture. The appeal of bioconversion at sea is that it does not require land, expensive culturing laboratories, or energy input. Except for the energy required for transplanting and havesting, the green phytoplankton needs only the sun's energy and the nutrients of the marine ecosystem.

In a special energy issue of Oceanus, William von Arx of Woods Hole calculated that phytoplankton production could conceivably yield enough energy, through conversion to methane fuel by anaerobic digestion, to supply all the world's energy needs, assuming 10 percent efficiency rates in capturing or culturing and in methane conversion. No one, however, has calculated how much phytoplankton could be harvested without impacting fisheries and other living resources of the sea which, through the food web, depend on plankton.

Recently a research team at the Naval Undersea Center in San Diego began studying the possibility of "farming" giant kelp for conversion to methane through digestion or to synthetic petroleumlike compounds through heating. Last year the Navy team placed its first seven-acre experimental kelp farm in 300 feet of water about 60 miles west of San Diego. If the experiment works—and the researchers are a little worried that disease or kelp-eating fish might wipe out their mari-monoculture—the next phase will be experimental placement of two 1,000-acre kelp farms in deep Atlantic and Pacific waters. It is estimated that a 100,000-acre kelp farm could produce enough fuel to satisfy the energy needs of a coastal community with 50,000 people.

Kelp mariculture might better be aimed at feeding people, because we are likely to be shorter of food than of fuel in the near future.

FUSION FUEL

If controlled thermonuclear fusion becomes a reality, any large-scale use (for electrical generation, sewage treatment, waste disposal and recycling, desalinization, etc.) would be utterly dependent on the sea for fuel. All the controlled fusion reactions under consideration use deuterium, an isotope of hydrogen that is sometimes called heavy hydrogen. A gallon of water contains one-eighth gram of deuterium which, if fused completely, could yield 7 billion calories of heat energy or about as much as can be obtained by combusting 300 gallons of gasoline. The water in the world's oceans contains enough deuterium to supply the present world energy demand through fusion for 40 billion years.

Whenever fusion turns out to be a good idea, if it turns out at all, is anyone's guess. Proponents promise it will be safe, but fission was supposed to be safe, too. The real danger is that the first fusion reactors will be used in a hybrid fusion-fission fast-breeder reactor, so fusion could turn out to be nothing but a crutch for the fission breeder, which isn't a very good idea at all.

FUELING THE HYDROGEN ECONOMY

Most ocean energy systems produce electricity. Electricity itself is clean energy, despite our present dirty methods of producing it. But it is far from being the ideal energy form. Electricity is difficult to store, and generating capacity must be far in excess of actual energy needed, because in transmission it dissipates with distance. Also, high-voltage cables emit powerful and probably dangerous electrical fields. And there are some energy needs that cannot be met by electricity. Airplanes certainly will need portable fuel, and so probably will cars, trucks, and buses.

Enter hydrogen, the lightest of all gases—and the most abundant element on Earth.

Hydrogen can be substituted for natural gas and other fossil fuels for domestic heating and cooking, for fueling the machines and furnaces of industry, for generating electricity, and in the manufacture of many chemicals. It also can be used for cooling and refrigeration, in condoluminescent lighting, as a reducing gas in metallurgical and other processes, to gasify coal or to produce methanol, to make ammonia fertilizers, and for food production. Like natural gas, hydrogen can be stored or transported as a gas or a liquid. Liquified hydrogen has been used to power experimental automobiles, and NASA is studying its use as an aviation fuel.

Water can be electrolyzed into hydrogen and oxygen. The only drawback is that it takes a lot of electricity. But if it becomes possible to generate large amounts of electricity at sea, then hydrogen becomes the logical energy product. It can be transmitted more cheaply than electricity and used to meet energy demands that electricity cannot.

Ocean energy systems are sometimes criticized by conventional thinkers as being too remote to be practical. But if petroleum can be tankered from the Persian Gulf or piped from Prudhoe Bay, there is no good reason why hydrogen cannot be shipped or piped from the ocean to energy-demanding cities and industries. It has been estimated that hydrogen produced by ocean thermal energy in Micronesia could be shipped to Tokyo at costs comparable to those Japan is paying for Mideast oil. Already, in this country, the natural gas industry's pipeline network has more energy transport capacity than the electric utilities' cable transmission grids.

As a fuel, hydrogen is as clean as they come. When burned with air at high temperatures, its byproducts are heat, water vapor, and oxides of nitrogen. Burned with air in a low-temperature catalytic burner, where hydrogen works better than natural gas, emissions of nitrogen oxides can be controlled within acceptable limits. Burned with oxygen instead of air, the only combustion products are heat and water vapor. Hydrogen-oxygen fuel cells, such as are routinely used on spaceflights, produce only electricity and freshwater.

In recent years more and more planners have come to the conclusion that hydrogen is the way to go. Dr. Alvin M. Weinberg, director of the Oak Ridge National Laboratory (where the liquid-metal fast-breeder reactor is being developed), has said, "Ultimately, civilization will depend on hydrogen as its energy source." What Dr. Weinberg and other nuclear proponents foresee is a hydrogen economy that uses atomic reactors to generate the electricity for hydrogen electrolysis. And what a reactor market that would be! If hydrogen were to become the universal fuel, our electrical generating capacity would have to be multiplied to about 100 times its present level to produce enough hydrogen. Hydrogen is not likely to become the only energy source, and even then chemical or other means of hydrogen production will probably replace or supplement electrolysis. In the meantime, there is enough energy in the ocean's resources to electrolyze hydrogen without reactors.

PROSPECTS

Ocean energy extraction appears to be a virtual certainty in the future. The questions are not if or whether, but when, where, how, and how much. Because of the remoteness and instability of so many ocean energy resources, the hydrogen fuel link may be the key to their largescale use.

Because the recoverable energy in ocean currents, tides, and waves is considerably less than the world demand projected for the end of this century, these systems probably will become of major importance only in those areas favorably situated. Kinetic energy in the atmosphere is very large, but the harnessability of winds will limit windpower's contribution to a fraction of total energy use. It will be a significant fraction and it will become available in the very near future. Fuel production from kelp or plankton could contribute a sizable portion of our energy needs, but its overall contribution probably will be limited by the capital and energy costs and by constraints imposed by the sea's own needs for phytoplankton nutrients. Salinity gradient energy potential is large, but no one can predict when or whether we shall be able to harness it.

Thermal conversion looms as the major energy resource of the sea. Thermal energy dissipation is estimated to be more than 1,200 times the world demand forecast for the year 2000. Harnessing even a small portion could buy us the time we need to come to grips with the profligate use of energy and material resources that, with the world demographic-trend, portends another dark age.

While no technological breakthroughs are required for harnessing ocean thermal energy, unanswered questions do remain. Most involve technical choices between design and material options, and normal technological improvement is expected to answer many of them.

On economic feasibility, thermal energy conversion looks good. Large nuclear and fossil-fueled plants being built today are costing $400 to $500 per installed kilowatt, and cost estimates for ocean thermal plants run from $96 to $650 per kilowatt. Moreover, these figures are not directly comparable because fossil-fuel and nuclear plants have never-ending fuel costs. At the Marine Technology Society's annual conference last fall, a panel on the economics of unconventional energy systems revealed that a no-fuel powerplant costing $1,200 per kilowatt to build could produce electricity as cheaply as an oil-fired plant paying $10 a barrel for its fuel. New York's Consolidated Edison currently is paying about $14 a barrel for oil.

William Heronemus says that an ocean thermal plant off Miami that cost $1,100 per kilowatt would win the Florida market away from atomic or fossil-fueled plants, and that each $100 reduction in capital cost per kilowatt would mean the plant could retain that competitive edge over 200 miles of transmission distance. "The fast-breeder reactor doesn't have the slightest chance of competing against this system," Heronemus insists. Dr. Clarence Zener at Carnegie-Mellon University shares his optimism, declaring that the fast-breeder reactor "will be economically obsolete before development is completed." (Cost estimates of wind, tidal, and ocean current powerplants are in the same economic ballpark as ocean thermal facilities.)

Technically and economically, then, several ocean energy systems seem capable of making their contributions to U.S. energy needs in the very near future. Politically, the picture is more cloudy. Federal research and development support for ocean energy conversion is pretty much limited to ERDA's programs in windpower and ocean thermal energy conversion. This is probably as it should be, for these systems are the most promising. Windpower, while more limited in energy potential, is nearer at hand, and we may have a small commercial system in operation by 1980. Ocean thermal energy conversion is proceeding at a more conservative pace, constrained by a meager budget. Some researchers think we could have a prototype plant in the water and generating within four to six years, but ERDA's timetable is fifteen years. Until a prototype is tested we will not know whether ocean thermal energy development is environmentally acceptable especially in ocean currents like the Gulf Stream.

In former President Nixon's report, *The Nation's Energy Future,* federal energy research expenditures projected for 1975–79 allotted only 0.32 percent to windpower and 0.27 percent to ocean thermal energy; other forms of solar energy are slated to get another 1.4 percent of the research and development budget. According to John Hussey, staff director of the Senate's National Ocean Policy Study, "There has been a huge void in the Executive with regard to an ocean energy policy, and this has delayed progress in the field. We seem to have a land-based ethic down at the other end of Constitution Avenue."

With Uncle Sam dragging his feet on ocean energy development, private industry has not been too eager to get its feet wet. Windpower is close enough to reality and to the generation of profits to have attracted aerospace companies into at least tentative forays, but the only private research programs in ocean thermal energy are those few small ones funded by ERDA. According to a spokesman at General Electric, "We're evaluating the opportunity that ocean energy represents for us, but until the government funds the research and development—or at least the research—and until we see some profitability, we're not going to get into the area at all."

Project Independence, the administration's crash program to develop oil, gas, coal, and nuclear power by 1985, ignores ocean energy systems. This causes William Heronemus to fume: "We should be embarking on a Project Solar Dependence, a deliberate plan of action that would place us in harmony with the biosphere, using nothing other than renewable energy resources. Intelligent use of the oceans and their overlying atmosphere will permit us to get started on the project right now."

In the long run, Uncle Sam's money is riding on the liquid-metal fast-breeder reactor. The old Atomic Energy Commission spent $1.7 billion on the LMFBR program, and ERDA's nuclear arm plans to spend another $9 billion by the year 2020. The first commercial breeder reactors are expected to go on line in the early 1990s. Also by 2020, it is forecast that both the public and private capital investment in the LMFBR will have topped $300 billion.

Pressing ahead with ocean energy development is something we should do now, so long as solution of the technical and economic problems does not get ahead of answering the environmental questions. But we also need to forge a strong energy conservation policy and program. Unless we learn to use energy more wisely at the same time we are learning to produce it more safely, we are facing a future landscape and seascape virtually covered with facilities for producing, converting, and transmitting energy. Every time the environmentalist in me thrills to the prospect of harnessing the solar energy in the heat and motion of the Gulf Stream, the conservationist in me quails somewhat in remembering what Hemingway wrote in one of his Gulf Stream letters published nearly 40 years ago in *Esquire:*

"The Gulf Stream and the other great ocean currents are the last wild country there is left. Once you are out of sight of land and of the other boats you are more alone than you ever can be hunting, and the sea is the same as it has been since before men went on it in boats. In a season fishing you will see it oily flat as the becalmed galleons saw it while they drifted to the westward; white-capped with a fresh breeze as they saw it running with the trades; and in high, rolling blue hills of water with your fish jumping from the top of the farthest one . . ."

We need wild oceans as much as we need energy, and some of us need the wildness even more.

Architecture, Energy, Economy, and Efficiency

While President Ford and Congress have been engaged in a titanic and well reported squabble over competing plans to reduce oil consumption by one million barrels a day by the end of the year and conserve eight million barrels of oil per day by 1985, the American Institute of Architects has announced, to considerably less press, a less costly proposal that could reduce oil consumption by more than 12.5 million barrels a day by 1990.

What's more, these savings would be accomplished by more efficient energy use in only one sector of the energy market—the heating, cooling, and lighting of buildings.

Existing buildings, the architects say, could be converted to reduce energy consumption from 10 to 50 percent by installing solar panels to capture and generate energy at the building site and provide part of the power needs. This, plus further conservation by adding insulation, installing smaller windows, using double glazing, reducing lighting, and utilizing what is now waste heat, would cut a building's need for power supplied by traditional public utilities.

Along with this retrofitting of existing buildings, new structures would be designed to include these features and would be 60 percent more energy efficient than present ones.

The American Institute of Architects proposal is set forth in a report title "A Nation of Energy Efficient Buildings by 1990," produced by AIA's energy steering committee, which was organized to "explore the relationship between energy and the built environment." None of this daily energy saving—equivalent to more than ten times the capacity of the trans-Alaska oil pipeline—would require any "Buck Rogers" technology, the report says, nor would it make for a less comfortable building environment.

The economic advantages of the plan are fascinating. At first, the cost seems staggering: To convert present buildings by 1990, from $729 billion to $1,460 billion! But subtract from that the cost of the fuel that would be saved—$829 billion to $1,499 billion (depending on fuel-price increases)—and the capital investment ($415 billion) that otherwise would be required to generate the "saved" energy.

Using various "scenarios" (combinations of increasing energy-cost rates and incremental costs of building energy-efficient buildings), the report shows that actual working capital requirements would range from $86 billion to $568 billion, or from considerably less than to only slightly more than the cost of building the otherwise necessary energy supply facilities.

Environmentally, the advantages would include the need for fewer nuclear plants, open-pit coal and oil shale mines, offshore oil wells, and refineries and pipelines, and considerably less air and thermal pollution.

POLLSTERS FIND ECONOMIC SKEPTICISM

Mr. HUMPHREY. Mr. President, on October 20, 1975, the Joint Economic Committee received testimony from six of the top pollsters in the country. They reported on the mood of American consumers and businessmen.

Their findings are particularly relevant to decisions we make here in the Congress. For that reason, I have requested the JEC staff to make available a special publication of this testimony to all Members of Congress as soon as possible. It is my view that their findings are so important that I plan to schedule hearings with pollsters on this subject on a regular basis. Our economic forecasts cannot be accurate without careful analysis of consumer confidence and plans.

In addition, I ask unanimous consent that reprints of articles by Mr. Art Pine of the Baltimore Sun, and Mr. Michael Satchell of the Washington Star, leading financial writers, who covered this hearing be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star, Oct. 30, 1975]

Pollsters: The Public Is Gloomy, Skeptical, and Scared

(By Michael Satchell)

Six of the nation's top public opinion pollsters today pictured an American society deeply dissatisfied with the downturn in the quality of life, disturbed about the continuing economic problems, skeptical of big business and pessimistic over the ability of the government to improve things in the near future.

This overall gloomy outlook by a majority of Americans, the pollsters feel, is hampering the government's efforts for economic recovery. According to a spokesman for the Gallup organization this lack of confidence, if it persists, could plunge the country into its greatest crisis of confidence since the early 1930s, the depth of the Great Depression.

The pollsters testified before the Joint Congressional Economic Committee, chaired by Sen. Hubert H. Humphrey, D-Minn. At the request of the committee, the pollsters had tested the mood of American consumers and businessmen with their findings designed to help policy makers in Washington get the country back on the road to economic recovery.

Besides Gallup, the polling organizations included Louis Harris Associates, Cambridge Reports, Inc., the Institute for Social Research, Research Associates Inc., of Washington and The Conference Board.

Patrick H. Caddell, president of Cambridge Reports, said that despite signs of recovery, the American public—deeply scarred by the impact of double digit inflation—is showing a lack of confidence in institutions and a deep suspicion of government. "They are reluctant to support many forms of economic planning," Caddell said.

"Antagonism to business is high with most Americans believing that many businesses are making excess profits at their expense and violating the spirit of our society." He cited major oil companies as the target of this antagonism and said about one-third of the people support nationalization of the oil companies as a means of curbing and controlling them.

Confidence in almost all institutions has declined dramatically, he added, and the only government or economic institution receiving over a 30 percent confidence rating are banks which about one person out of two has confidence in.

Peter D. Hart, operator of Research Associates of Washington, said his polling had found the American public not only deeply dissatisfied with the current performance of the economy but doubting and mistrusting the basic institution arrangement between government and the private sector which has shaped the economic system for the last 40 years.

"It is critical that the public does not expect any substantial improvement in economic conditions in the foreseeable future," Hart told the committee, "We have consistently found, typically by margins of five to three, that most people feel the country's worst economic times are ahead of us, not behind us."

Despite the so-called objective indicators which the administration so cheerfully cites as evidence that the recession has bottomed out, the public believes that the current respite from the severe difficulties of a year ago is nothing more than the *calm before* the storm.

"All of the President's statistics and all of the President's men cannot put confidence back together again," Hart said. "To expect some spontaneous turnabout in public attitudes without a fundamental shift in who decides economic policy and who benefits from it is to seriously misunderstand the mood of the nation."

Hart cited a few figures to bolster his observations.

58 percent of the public feels that Washington bureaucrats are dominated by the country's big corporations.

Anti-trust laws are regarded by almost two-thirds of the public as being ineffective.

57 percent believe that both the Democratic and Republican parties favor big business more than the average worker.

72 percent believe profits are the major goal of business even if it means unemployment and inflation.

[From the Baltimore Sun]

Economic Polls Show Skepticism

(By Art Pine)

Washington—A group of the nation's leading public-opinion pollsters told Congress yesterday that despite the recent upturn, Americans still are apprehensive about the future and decidedly skeptical about government economic policies.

In testimony before the congressional Joint Economic Committee, six nationally-known researchers agreed consumers have become more bullish over short-run economic prospects, but warned that many are still unsettled about the longer-term.

Several cautioned that unless confidence is rebuilt quickly, it could slow the pace of the current recovery more than most mainstream economists have forecast—possibly even heading to another slump after mid-1976.

The six represented a broad range of viewpoints, from the highly-respected Survey Research Center of the University of Michigan to the Harris and Gallup organizations and more liberal and business-linked groups.

Their testimony appeared to contradict, at least in part, recent assurances by the Ford administration that consumer sentiment is rebounding rapidly. Ford officials have claimed voter confidence in the economy is returning.

The findings presented yesterday included these principal conclusions:

Consumers have become somewhat more optimistic about the economy in recent months, but their confidence level still is low, and in many cases has slipped visibly since last August.

Many consumers—a sizable majority, according to at least three of the pollsters—do not yet believe the recession is over, despite recent favorable economic statistics. A significant portion fears a resurgence of inflation.

Despite the President's recent initiatives to cut taxes and spending, very few Americans have confidence in the government's economic policies—particularly in officials' ability to control inflation and avert recession.

The recent upswing in consumer confidence is fragile at best, and could easily be upset. Some of the pollsters said they believed the spending urge was an artificial one, fueled primarily by fears of higher prices later.

The conclusions were part of a generally gloomy picture of the nation's outlook, in which the pollsters depicted Americans as deeply dissatisfied with the quality of life in this country, and disturbed about its future.

Jay Schmiedeskamp, research director of the University of Michigan center, said on the basis of recent polling he believes that rebuilding consumer confidence should be "a top priority of government."

In discussing their findings yesterday, the pollsters generally agreed that a major factor in the public's continuing pessimism was a lack of confidence in the government's ability to deal with economic problems—particularly the President's.

Louis Harris, whose organization regularly polls voters on economic questions, said his surveys show the public is especially dissatisfied with President Ford's performance on that issue, with 68 per cent saying his policies are ineffective.

Several pollsters said they believed government officials consistently underestimated the willingness of the public to make sacrifices to help resolve economic issues. They said voters felt challenged by actions last year to ration gasoline.

The researchers agreed almost unanimously that consumers were far more sophisticated now than they had been in previous years, with most decidedly more interested in economic affairs and more knowledgeable about what is going on.

However, they said the public has been so buffeted by traumatic economic events during the past several years that it will take a long period of relative stability to restore confidence completely.

The importance of consumer sentiment in determining the course of the economy has been recognized increasingly by mainstream economists—particularly in recent years, after retrenchment by buyers has played havoc with analysts' forecasting.

The government has been counting on the resurgence in consumer sentiment to provide the initial thrust for the recovery this year and next. Although these hopes have been fulfilled so far, some forecasters fear spending will fall off.

Along with Mr. Schmiedeskamp and Mr. Harris, the group yesterday included Irving Crespi, executive vice president of the Gallup Organization, and Patrick Caddell, president of Cambridge Report, Inc.

Also testifying were Fabian Linden, director of research for the Conference Board, a New York-based business organization, and Peter D. Hart, president of Peter Hart Associates, a Washington polling group.

CURRENT STATUS OF THE HIGHWAY CONSTRUCTION PROGRAM

Mr. RANDOLPH. Mr. President, the February 1975, release of $2 billion of highway money by President Ford was extremely helpful for construction. The passage of Senate Resolution 69 in April 1975, released a total of $11.1 billion for construction to move into full gear this past summer. Numerous States which had previously called highway construction contract moratorium were back in business.

Subsequent events, however, have resulted in numerous States again being in the position of "no" new work, slow downs, and the inability to finance additional highway lettings.

Some 35 States have obligated substantial portions of their fiscal year 1976 money. In fact, 16 States including Oklahoma, West Virginia, Nebraska, Arkansas, Indiana, and Kentucky have already obligated more than 80 percent of this year's funds.

Recognizing that the interstate highway programs of a number of States would be seriously hampered without additional funds, the Senate on September 8 approved Senate Concurrent Resolution 62 authorizing the Secretary of Transportation to an apportion of interstate funds for fiscal year 1977. These funds were previously authorized and their apportionment by the Secretary would enable the States to continue their orderly interstate program. Senate Concurrent Resolution 62 is now awaiting action by the House of Representatives.

The passage of a new highway bill, with the approval of the 1975 interstate cost estimate and apportionment of 1977 interstate funds, is essential at this time. Without such action, more than 20 States will again be subject to highway construction program shutdown or slowdown. This result would be an economic and human tragedy and again force several hundred thousand—estimated 450,000 construction workers—to the unemployment lines.

JOHN O. PASTORE—40 YEARS OF PUBLIC SERVICE

Mr. HUMPHREY. Mr. President, it was with great sadness that we received the news on October 6, 1975, that our good friend and distinguished colleague, John Pastore, will not seek reelection to this body from the State of Rhode Island when his term expires next year.

In a commentary of October 7, the respected CBS reporter and news analyst, Walter Cronkite, paid great tribute to John Pastore and to a remarkable career spanning 25 years of Senate service. I ask unanimous consent that this commentary be printed in the Record, at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, it is almost always difficult, if not impossible, to accurately assess the contributions of a public official while he is still with us. It will remain for history to provide the final summary of John Pastore's contributions to this body, to his beloved State of Rhode Island, and to the Nation.

But at this hour we can look with great pride and gratitude to the clear mark he has made on those of us who are fortunate to be his colleagues in the Senate and to those Americans whom he has never met, but who have benefited from his dedication and tireless efforts to make this a better country.

John Pastore's life is a sterling example of the kind of complete, unreserved, public-spirited commitment to a broad, public good that is to be admired and cherished as symbolic of public service. He is one who decided early in life that his mission was to be public service and, just 3 short years after his admission to the Rhode Island bar, he was elected to the State House of Representatives, serving there from 1935 until 1937. From this time on, his public service has been unbroken. He became assistant attorney general of Rhode Island in 1937; then, in 1939, he became a member of the Providence Charter Revision Commission, after which service he was again made assistant attorney general. In 1944 he was elected Lieutenant Governor of Rhode Island and on October 6, 1945, he assumed the Office of Governor of the Ocean State. He was elected Governor in 1946 and again in 1948. Having been elected in a special election to fill the seat vacated by the resignation of J. Howard McGrath, he took office in the U.S. Senate on December 19, 1950, and has served consecutively since, having been reelected in 1952, 1958, 1964, and 1970.

This is an incredible record, Mr. President. Our friend has given 40 years of his life to the service of his State and the Nation, and I can think of no one who is more deserving of time to rest and reflect. I fully understand and appreciate his desire to have time with his family and friends. This is a well-deserved retirement. But we will nevertheless miss his counsel, his fine-tuned understanding of national issues. We will miss the spice which John inevitably brings to a heated, controversial debate in this Chamber. We will miss his good humor and we will, more than anything, miss having the day-to-day benefits of his warmth and friendship.

These things we are able to judge at this hour. In the years to come, I believe that John Pastore will be viewed as one who did more than perhaps any other individual to promote the development and growth of the broadcasting industry. Assuming the chairmanship of the Communications Subcommittee in 1955, when television was still in its infancy, he was, as Mr. Cronkite points out, deeply involved in the shaping of virtually every piece of broadcasting legislation in recent times.

He was present at the creation of public broadcasting and the communications satellite—two of the most important innovations in broadcasting of our time. His love for the Constitution and our cherished liberties has strengthened his determination to fight any foe of free speech and free enterprise. In his capacity as subcommittee chairman, John Pastore has made it his business to understand in every detail the complex and difficult issues of the airwaves. We are fortunate to have had the benefit of his indepth knowledge of the communications industry and Federal regulatory involvement in this industry, which probably is the single most influential medium in the Nation.

What more can be said of a man than that his presence has been vivid and rewarding, and that his absence will leave a profound void.

But, John Pastore's true character is revealed in his love and devotion to his wife Elena and his family. His justifiable pride in his fine family is well known by all of his Senate colleagues. We love and admire him for it.

Mrs. Humphrey joins me in wishing John and Elena a restful and bountiful retirement.

Exhibit 1

CBS Radio Network—Walter Cronkite Reporting

Walter Cronkite. This is Walter Cronkite reporting with news and commentary on the CBS Radio Network.

Back in 1963, Columnist Joseph Kraft was lamenting what he perceived to be the decline of Democratic leadership in the Senate. Kraft offered the names of several senators who he felt could provide the Democrats with strong leadership. One of them was a man he described as a "master of debate and maneuver, with a tongue that can cut", Senator John Pastore of Rhode Island. It was an apt description. Pastore has been a power to be reckoned with—a hard, diligent worker with a quick mind and a booming voice that commands attention, the Senator from Rhode Island has been a prime mover in Congress, especially in the field of communications. Yesterday, however, he announced that will end next year. John Pastore has decided not to seek reelection, thereby bringing to a close a Senate career that spans 25 years.

John Pastore, now sixty-eight-years-old, came to the Senate in December of 1950 to finish someone else's term and stayed on. He was elected in his own right four times. Before moving to Washington, Pastore had been Governor of Rhode Island. For many years, Pastore has headed the Senate Subcommittee on Communications, probably his most influential post. In that role, he's helped shape virtually every piece of broadcasting legislation in recent times.

In 1968, Pastore mounted a campaign against violence on television with public hearings of his Subcommittee. He is convinced that there is a causal relationship between such fictional violence and violent behavior among young people. Curiously, he also once allowed as how his favorite television series was "Gunsmoke." But Pastore has not been an enemy of broadcasting, even with respect to his pet peeve, the depiction of violence. He once told an interviewer "I can complain about violence on television and some of their programming, but I have no authority to tell them how to program". That expressed an appreciation of the proper reach of the First Amendment, not always evident in some branches of Government. Pastore believes that one of the major accomplishments of his Senate career was the establishment of public broadcasting, and he vigorously defended it against what he felt were attempts at intimidation by the Nixon administration.

The Rhode Island Democrat also shares credit for one of the most important technological innovations in modern broadcasting: the development of communications satellites, those orbiting contraptions which allow Americans to watch and hear, live, events taking place on the far side of the globe.

John Pastore is not unanimously admired. Even in the Senate he has his critics, though they frequently ask that their remarks be quoted anonymously, a fact which attests to his power. Some people call him the patron saint of broadcasting. Others have called him a sycophant to the broadcasting industry. Both descriptions are exaggerations. He has been important to broadcasting, but he also has been mindful of the constitutional restraints placed on those who regulate it.

Pastore's often has been the loud voice of reason when tempers got out of hand on the Senate floor, but he also is known to love a good fight. That tendency has earned him adjectives such as "peppery" and the label awarded him in one headline "the happy scrapper".

Looking back on a quarter-of-a-century in the Senate, Pastore says he agrees with Harry Truman that being a Senator is the best job in the world. He has performed that job longer than most and better than many, and his retirement will cap a long career that has been a substantial value to his country.

This is Walter Cronkite reporting for CBS news.

BEDFORD-STUYVESANT SHOWS THE WAY IN URBAN REBIRTH

Mr. KENNEDY. Mr. President, Bedford-Stuyvesant is a well-known community in Brooklyn, N.Y., that stands today as a living symbol of the way that central cities can be salvaged from the onslaught of the wrecker's ball.

It is a neighborhood that could have been destroyed to make way for parking lots, office buildings, or a freeway to the suburbs. Instead, the residents of that community bound themselves together in a commitment to make that area vital and serviceable.

Personal resolve, local pride, and government assistance were combined to produce a bright new neighborhood with warmth and charm. More than a decade ago Bedford-Stuyvesant was virtually a dying inner city complex.

Today Bedford-Stuyvesant represents positive proof that when people care, our neighborhoods can be saved.

John J. Goldman, staff writer for the Los Angeles Times has written in "Bedford-Stuyvesant Shows the Way in Urban Rebirth" about the transition of one of the Nation's worst slums into a vital community. Through a combined effort of its residents, this community has put on a new face and provides an incentive for neighborhoods across the country to follow.

I believe that article deserves the attention of the Senate and I ask unanimous consent that the Los Angeles Times article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Oct. 2, 1975]

Bedford-Stuyvesant Shows the Way in Urban Rebirth

(By John J. Goldman)

New York.—The commercial center is a suburban developer's delight.

A plaza and stores on two levels create a feeling of spaciousness. An old brick facade provides visual continuity with the surrounding community. There is a 218-seat theater, an underground parking garage, an ice skating rink larger than Rockefeller Center's.

Tenants include national chain stores, local merchants and professional people.

The scene, however, is not suburban Scarsdale or Grosse Point. It is the inner-city neighborhood of Bedford-Stuyvesant in Brooklyn, once one of the nation's worst slums. Now, after eight years of intense effort, there are signs transition is under way here.

The commercial center—to be dedicated today—and all that anchors it are testimony to a notable social invention, the community development corporation. Such corporations—in north Philadelphia, southeast Alabama, Hancock County, Ga., Chicago, the Mississippi Delta and other areas—share some common characteristics and aspirations.

Locally controlled and tax-exempt, they operate programs aimed at relieving poverty and revitalizing the areas they serve. Funding generally comes from government grants and foundations.

Their approach is often broad—to attack unemployment, improve housing, sponsor businesses, instill neighborhood pride and struggle to obtain better service from local governments and utilities.

Beyond all this, experts say, they have encouraged the emergence of a core of skilled, highly motivated, young, black, middle-class managers.

With their college and graduate-school degrees, many could have slipped easily into suburbia and found higher-paying jobs. But they have chosen to practice capitalism and to sink roots in other kinds of neighborhoods—in some cases returning to the streets of their childhood.

"We're beyond the days of the hot summers and the bricks going through windows," said Jim Pickman, a vice president of the Bedford-Stuyvesant Restoration Corp. "We're dealing with economics. We think this is business. It's not only real estate but also is social development."

Like his co-vice president, Bernard McDonald, who is in his early 30s, Pickman has settled in Bedford-Stuyvesant with his family.

"Now is the time to invest in this community," McDonald said. "The area is on the move."

Their judgment is reflected in rising estate values and in the judgment of some others; a few white families are beginning to move in.

At a time when the Ford Foundation has been making deep cuts in other programs, it has continued its strong commitment to community development corporations. The foundation is spending $9.6 million during a two-year period to aid nine corporations. Bedford-Stuyvesant receives the largest amount, more than $1.7 million, and has served as a model for many of the other efforts.

"In urban areas, it is a star," says Sol Chafkin, officer in charge of social development programs at the foundation.

". . . Bedford-Stuyvesant has done as much as any institution," he said, to justify the notion that "maybe we ought to have communities."

The progress in Bedford-Stuyvesant has been overshadowed by New York City's deep fiscal crisis. But in a city facing possible default on its debts, the project is a plus.

In February, 1966, the late Sen. Robert F. Kennedy toured Bedford-Stuyvesant and was challenged to improve it by a group of skeptical residents who had seen politicians on walking tours before.

One year later he returned with a comprehensive program to help the area, the nation's second largest black neighborhood (after the south side Chicago). Now, eight years later, the progress is apparent.

Eighty banks and nine insurance companies have formed a $65 million mortgage pool. A total of 1,014 mortgages for $20,052,746 have been closed at reduced rates. Before the pool was formed, most money had dried up and what little was available carried such high interest that properties could not be improved.

About 6,500 residents have been put to work, at positions ranging from construction worker and secretary to a department store executive and insurance salesman.

One hundred and six local businesses have been financed, and some have been notable successes. The owner of one fast food franchise, who got his start through the Bedford-Stuyvesant Restoration Corp., is opening his third store in less than two years. Profits from the first franchise financed the other two.

International Business Machines, which opened a Bedford-Stuyvesant plant in a converted warehouse in 1968, is now planning to build a new factory. IBM started with one product line in the community but now has four. The company employs about 400 persons in the community.

More than 3,000 local residents have received training from the restoration corporation in welding, scaffolding, painting, masonry and carpentry in a program designed to renovate 3,049 home exteriors. Eighty-six square blocks has been restored.

"The blocks have not only held up," McDonald said, "but have improved. Block associations have flourished."

A number of construction projects are under way—using workers trained during the renovation program in cooperation with outside contractors. The largest job involves building 267 units of new housing on the site of an old orphanage.

On another site, five abandoned buildings and a vacant lot have been turned into 42 apartments and space for stores. There is a particular gracious touch, a courtyard—financed by the Brooklyn Union Gas Co.—with old fashioned lighting.

Today more than 2,000 guests are scheduled to gather for ribbon cutting ceremonies at the new commercial center. Seventy-five percent of its space has been rented—and the effects extend far from the site.

For the outside corporations, opening shops marks a major investment in the inner city. The center will mean 700 to 1,000 jobs for local residents. Community pride cannot be reduced to numbers—but it is high.

A complex of office buildings at the center will serve as Bedford-Stuyvesant's unofficial city hall. Two of Brooklyn's congressional representatives, Shirley Chisholm and Frederick Richmond, have rented space.

Based on its success thus far, the restoration corporation is trying to assemble land for two more shopping centers.

Even Bedford-Stuyvesant's most ardent supporters agree that the total of what has been done must be judged against the mammoth tasks remaining in the 653-square-block neighborhood.

"The center is really an additional bit of evidence that Bedford-Stuyvesant has a sustaining, positive force out here. It does not mean problems have been arrested," said Franklin A. Thomas, a former New York City deputy police commissioner who is the restoration corporation's president. "But there is a definite positive uplifting in terms of jobs, capital and amenities.

"There is a good sense about the values of each other and the community we live in. Its dollar impact is still small in terms of what we need. But the impact on values is larger."

No one—even the most optimistic—can say problems caused by decades of neglect have been solved. Just one index of the difficulty: While the number of school years completed by community residents has climbed from 7.9 in 1960 to 10.3 in 1970, that figure contrasts with 11.5 years citywide. Median family income in Bedford-Stuyvesant is $6,300—more than $3,000 below the citywide median.

But, clearly, the commercial center marks a milestone. Some of the lessons that have been learned over eight years can be applied elsewhere, experts say.

The partnership between the Bedford-Stuyvesant community and New York's larger business community is basic. It is formalized through the Development and Services Corp. board of directors. The directors meet bimonthly in conjunction with the restoration commission.

Development and Services Corp. board members include Sen. Jacob K. Javits, Mrs. Robert F. Kennedy and leading New York businessmen and bankers.

The confidence that can emerge from such a partnership is summed up by Chafkin, of the Ford Foundation:

"When a community development corporation like Bedford-Stuyvesant shows it can run a program, an urban affairs officer of a bank is a hell of a lot more comfortable taking to his boss the notion we ought to help them out."

An equally basic lesson has been the realization that the rehabilitation process will be long and very difficult—and should involve residents of the blighted area at every stage.

"The process is the industry," Thomas explained. "The people in the area have to benefit throughout from the process. You have to build from the bottom up. You see the gang kids out there on scaffolds. That's their community. That's their skill that no one can take away."

Thomas has found that the simplest programs carry potentially larger ripples, that improvement of just one abandoned house on a block can convince neighbors the block is worth saving.

But with this has come an understanding of the difficulty of basic economic development. One-third of the businesses helped by the Bedford-Stuyvesant Restoration Corp. succeed with little trouble. The other two-thirds require careful nurturing. Eventually one-third will fail.

When progress comes, it can be major and very pleasing. For six years, the restoration corporation worked and struggled with Design Works of Bedford-Stuyvesant, a design and fabric printing company employing 40 local residents. Now its goods are well known outside of Brooklyn, and its decorated sheets, towels, pillow cases and drapes are in thousands of homes across the nation.

FOOD AND AGRICULTURAL POLICY STILL NEEDED

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of this body a series of informative and thoughtful articles regarding the recent Soviet-American grain agreement and the impact which it is likely to have on food supplies and the international export market.

The articles are: "Soviets Still Face Severe Problems on Grain Crop," by Peter Osnos in the October 29 edition of the Washington Post; "Soviets as an Agripower," by William Robbins in the October 26 edition of the New York Times; and "Japanese Foresee Major Food Crisis," by Richard Halloran in the October 29 edition of the New York Times.

A great deal has been written recently about the agreement with the Soviet Union and the likely impact which it will have. Many people in the grain trade have already indicated their view that the agreement is likely to have only a minimal impact on the world grain markets. There may well be some softening of the major ups and downs of Soviet purchases from the U.S. market. But the full impact of the agreement will only be seen in time, and it is likely to be dependent on the world food supplies and the manner in which the agreement is carried out.

Many American farmers have been angry because the embargo undoubtedly resulted in lost sales for American producers. In addition, the lack of any tangible results with regard to the negotiation of a concurrent petroleum agreement has reduced the attractiveness of the grain agreement.

It has also thrown into a cocked hat the effort of this administration to prove that it was a "smart Yankee trader."

The agreement with the Soviet Union in fact still leaves a great deal of uncertainty as to our future policies with regard to agricultural production and trade. We still have not faced up to the need for a balanced food and agricultural policy which addresses the needs of our consumers, producers, foreign buyers, and needy nations.

The grain agreement with the Soviet Union is really only one further ad hoc step to deal with some of the major uncertainties which we face.

The Japanese obviously are concerned over the fuutre food availabilities. They are now stressing self-sufficiency as their objective with regard to food production.

Obviously, this is of major importance to us since they have been purchasing about $3 billion in food supplies from us in recent years. We have to take such regular customers into account in developing our policies. And we should give careful consideration to the impact of negotiating bilateral agreements on our trade with customers such as Japan.

A balanced food and agricultural policy is needed which pulls together all aspects relating to food production and marketing. We are still obviously a long way from that goal.

Mr. President, I ask unanimous consent that these three articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 29, 1975]

SOVIETS STILL FACE SEVERE PROBLEMS ON GRAIN CROP

(By Peter Osnos)

MOSCOW, October 22.—Despite last week's lifting of the embargo on U.S. grain sales to the Soviet Union, Moscow still faces very severe problems in coping with what has apparently been the worst harvest in nearly a decade.

With the crop now expected to be a full quarter below original estimates, Western experts believe that purchases from the United States and other countries—no matter how extensive—cannot wipe out substantial deficits. Only the most stringent conservation program will prevent widespread slaughtering of livestock and poultry for lack of feed—a sharp blow to long-term hopes for improving the national diet.

The newspaper "Ekonomicheskaya Gazeta" has already reported that slaughtering of pigs is up almost 20 per cent from last year and that the increase for poultry is even greater. Figures for cattle have remained relatively stable, but only because the Soviets are determined to maintain those herds as long as possible, specialists say.

The five-year Soviet-American agreement regulating grain sales signed here last week will enable the Soviets to better prepare for future disastrous harvests like this one by assuring them of a steady source of good quality feed. That should largely do away with the need for precipitious actions.

But the pact does not take effect until next fall, meaning that current purchases—probably totaling more than 17 million metric tons from the United States alone—will suffer from the haphazard storage and distribution that inevitably accompany an unexpected crisis.

As late as the end of May, when the ultimately debilitating countrywide drought was already under way, most Soviet and foreign analysts here thought the Soviets would come close to the announced 1975 target of 215 million tons. The most recent U.S. estimate is a harvest of about 160 million tons, the lowest since 1966.

If the Soviets were now to process as much incoming grain as they are technically able to, there would still be a substantial shortfall from the initial estimates, on which all agriculture planning was based. Moreover, Kremlin policy is not to announce grain purchases abroad, so that getting accurate information is difficult even for many bureaucrats and farm managers.

Rumors of impending shortages will only compound existing problems.

Exactly how the Soviets will carry out the essential conservation measures in the coming months is not clear.

For several years, bakeries and cafeterias have had signs urging people not to waste bread. Although too many new warnings could lead to hoarding of flour and other staples, some published exhortations on the virtues of thrift are likely.

The most important savings must be made in the expanded livestock herds which account for most of the increased consumption of grain in recent years. Experts say that livestock will undoubtedly be switched from what is called a "fattening" ration to a "maintenance" one. That means next year's meat will be less appetizing, but the alternative—slaughtering now—would guarantee serious shortages for some time.

Tightening farm discipline is another strategy. Since August, newspapers have been reporting a campaign to enforce strictly regulations on protecting grain and fodder from spoilage and theft. As much as 10 per cent of the annual crop in the Soviet Union is thought to be squandered through misuse.

In one recent case, three workers on a state farm in Kromy were tried for stealing more than 80 pounds of grain to feed cows they maintained privately. The leader received a three-year jail term and the others two years.

A successful conservation program will reduce problems, but not solve them. The Soviet food supply even in bumper years nowhere near approaches that in the West—a point that frequently gets overlooked in measuring Moscow's grain needs.

A recent visitor to Krasnoyarsk in eastern Siberia said that residents had no meat at all last winter and hardly any sausage. In the past months, eggs and other diary products have appeared, along with some imported chickens. But most people evidently subsist, as Russians have for centuries, on bread, potatoes and the meager outputs of their little gardens.

[From the New York Times, Oct. 26, 1975]

SOVIET AS AN AGRIPOWER

(By William Robbins)

WASHINGTON.—The Soviet Union, free to purchase United States grain now that this country's moratorium on further sales has been lifted and a new purchase agreement signed, appears to have shifted its posture from pursuer to pursued and to be in no rush to lock in vast amounts of additional supplies.

Three deals, totaling 1.2 million tons, for corn were announced Friday after a week of bargaining with sellers, and others are expected, but they are relatively small in comparison with earlier contracts and the large quantities the Soviet Union is now free to purchase. Meanwhile, wheat sellers are said to be meeting unusual resistance, despite known Russian needs for that grain.

"The Russians can sit back now and let the sellers come to them, and that's what they seem to be doing," one Government expert observed, noting that the Russians seemed to have put themselves in a commanding position during the moratorium.

The situation could have serious implications for the Ford Administration, which imposed the moratorium and attempted to link the five-year grain agreement to a still unsettled oil deal.

Midwestern farmers, normally among the most reliable constituents of Republican administrations, are already angry about the moratorium and unhappy about the grain agreement's specifications of sales of 6 to 8 million tons a year. Consultations between Moscow and Washington would be required for any additional sales. And they could become angry enough to strike back at election time, feeling that they alone are being made to pay for food-price stability.

Farm leaders, who had been protesting the moratorium imposed last July, expressed their displeasure with the grain agreement immediately after last Monday's announcement.

Not only did they feel doublecrossed by an Administration that had urged full production while asserting there would be no new export controls, but also they felt the limits of the agreement curbed their productive capacity—and the moratorium had continued long after there was any economic need, considering the record 1975 American harvest.

"The United States has the capability to make regular sales to the Soviet far in excess of the figure of the agreement," said Don Woodward, president of the Association of Wheat Growers.

"The State Department has used farmers as political pawns in its diplomatic game through its manipulation of the marketing of agricultural commodities," said William Kuhfuss, president of the influential American Federation of Farm Bureaus, reflecting a widespread feeling.

The purpose of a five-year pact and the controls in it is to stabilize world markets. In past years massive, but sporadic, Soviet buying has driven up the world market price for later buyers, including Americans.

One result of the new controls, aside from tending to limit boom-time prices in years when Russian supplies fall short, is that they are likely to divert some Soviet buying to other world markets, the experts say.

Russian priorities, they say, are likely to go like this: Each year the Soviet traders will first buy the 6 millions tons of grain to which they are committed inasmuch as that commitment will already have been discounted in world markets. They may even buy the full 8 million tons before shopping elsewhere even though they dislike the United States requirement that large deals be made public.

But at that point, in order to deal quietly, without the publicity consultations would entail, they are likely to turn to other sources and to come back to the United States only if the need is greater—as it has been this year—than the rest of the world can meet, the experts say.

Thus, they say, the United States will once again become the residual supplier, especially in years when higher exports would be most beneficial.

In the nearly three months of the moratorium, according to Government and private sources, the Russians managed to improve their bargaining position substantially, despite a disastrous 1975 Soviet crop.

Besides the 10.3 million tons of American grain and four to five million tons bought from other countries by the end of July, the Russians have since managed to obtain additional supplies to raise commitments to 23 to 24 million tons, Assistant Secretary of Agriculture Richard E. Bell estimated last week.

Meanwhile, the Russian traders were shifting contract delivery dates for American wheat forward and arranging to take delivery this month and next on Canadian wheat, according to the sources.

Australian wheat will become available in December and January. Meanwhile, new-crop American corn will be moving.

Secretary of Agriculture Earl L. Butz said in announcing the lifting of the moratorium that Moscow had agreed to consult with Washington before buying more than seven million additional tons of this year's American wheat and corn. Other department experts said that additional sales of six or seven million tons were likely putting total Soviet purchases worldwide around 30 million tons.

But the Soviet port and transportation systems, according to the estimates, can handle only two million tons a month, so it is problematical how long it will take to deliver the grain.

Because the Russians are said to be canny traders, some experts here think they might want to wait for any market weakness.

Other experts, however, argue the Russians might move more quickly, first, to plan ahead and eliminate uncertainties about supplies, and second, because there are already indications of a poor Soviet crop next year.

The winter-wheat planting season has been unusually dry in the important Volga Valley and the Ukraine, travelers have reported to the Department of Agriculture.

Without seasonable rains, next year's Russian needs could again be massive. That factor, of course, could be bullish in world grain markets, and any delay by the Russians in making commitments available now could boomerang.

But American farmers fear that as a result of the controls built into the grain agreement foreign suppliers will benefit from the Soviet need, where they might have.

At the same time it announced the grain agreement and the end of the moratorium, the White House released a "letter of intent" constituting an agreement to negotiate a deal for 200,000 barrels a day of Soviet oil.

Earlier the Administration had attempted to link the grain and oil deals, an effort that is acknowledged to have delayed the grain pact.

But the extent of the delay has not been generally known. According to Government sources, Soviet representatives welcomed a long-term deal from the beginning, once they were assured that the United States would regard itself as legally committed to make at least 8 million tons a year available, even if the atmosphere of détente should deteriorate.

An agreement, according to the sources, could have been wrapped up in a matter of days early in September, when the United States trade mission was dispatched to Moscow.

[From the New York Times, Oct. 29, 1975]

JAPANESE FORESEE MAJOR FOOD CRISIS

(By Richard Halloran)

TOKYO, October 28.—The Minister of Agriculture and Forestry cautioned today that Japan was heading into a food crisis as severe as the oil crisis.

Shintaro Abe, the minister, addressing a luncheon audience of Japanese and foreign businessmen, said that the international food supply was "quite volatile" and that there was "no room for optimism in the future for Japan, the world's largest food importer."

The minister reviewed his Government's recently announced food policy, which calls for greater self-sufficiency, stabilized imports, stock-piling and protection of fishery resources.

He made no mention, however, of what Japan might do to assist other nations, especially developing countries, to increase food production with Japanese technology, financing and expertise.

Ministry officials later conceded that while Japan rendered some agricultural assistance, this was not a major element in the new food policy, even though Japan might consequently benefit from access to increased supplies. The new policy also provides that Japan will refrain from exporting surplus rice as a form of economic aid because it would be too expensive.

THREAT TO SECURITY SEEN

Mr. Abe made the opening remarks of his address, then returned to Parliament where a supplementary budget was being debated. The Deputy Minister, Shinji Miyoshi, delivered the main part of the address.

He said that the food crisis would not come next year or in the year after but that "in a long-range perspective, we must be prepared to take a not necessarily optimistic view."

"We have often spoken of the oil crisis," Mr. Miyoshi said. "But just as in the crisis over oil, the international and domestic food problem will very seriously affect the livelihood and even the security of the Japanese people."

Japanese awareness of the food issue was aroused in 1972 when the Soviet Union purchased large quantities of grain from the United States, a major supplier to Japan, thus sending prices up. It was intensified in 1973 when the United States temporarily restricted the export of soybeans, a staple in the diet here.

The Ministry of Agriculture then sent four fact-finding missions abroad and in 1974 ran the collected data through a computer. It predicted world-wide shortages of milk and meat by 1980, and of rice, soybeans, wheat and corn by 1985.

After that, the ministry ran a computer study to see what the result would be if all food and animal-feed imports to Japan were halted and every available bit of land here was farmed—including golf courses for growing sweet potatoes.

WORRY SHOWN IN POLLS

The result was a projected 70 to 80 per cent drop from current levels of nutrition. That may explain why in recent polls the Japanese have put the food problem close to the top of their worry list.

Japan today provides only about 40 per cent of her own food, the rest being imported. That is down from 83 per cent in 1960, according to statistics from the Agriculture Ministry. Japan must import 95 per cent of her wheat, 92 per cent of her barley and almost all her corn.

Part of the drop in self-sufficiency is explained by the increase in caloric intake, from 2,300 calories a person daily in 1960 to about 2,800 calories recently, Mr. Miyoshi said.

But more has come from problems on Japan's farms, he said. Young men and even farmers owning land have been leaving rural areas for better-paying jobs in factories and cities. Land is often used for only one crop a year when it could produce two. Prosperity and industrialization have increased the demand for land for housing and industry. Since only 16 per cent of Japan's mountainous land is arable, the impact of such inroads is direct.

The Japanese obtain half their annual protein from fish, Mr. Miyoshi said. But coastal fishing here has diminished, largely because of pollution. Prices of fish have gone up because of increased fuel costs. And the prospect that Japanese fishermen may be kept 20 miles from the shores of other nations, if the economic zone concept is adopted, is a new threat.

Mr. Abe outlined, and Mr. Miyoshi elaborated on, Japan's new food policy intended to meet the anticipated crisis.

"Whatever we can produce in Japan, we should," Mr. Miyoshi said. "This is an important new attitude we have taken." He said that by 1985 Japan intended to be 73 per cent self-sufficient in cereals.

The Government's policy calls for encouraging consumption of rice, which Japan has been overproducing, and switching rice fields to other foods to meet the changing demands in Japan's diet, especially toward wheat.

THE 25TH ANNIVERSARY CONFERENCE OF THE NATIONAL COUNCIL ON THE AGING

Mr. KENNEDY. Mr. President, a few weeks ago I was privileged to address the 25th Anniversary Conference of the National Council on the Aging.

Throughout its 25-year history, the Council has succeeded not only in improving the quality of life for the elderly of the Nation, but also strengthening a national commitment to help meet the critical social needs of our older citizens.

The conference deliberations assumed particular importance this year because of our approaching Bicentennial—and the important conference recommendations will serve to continue this national commitment into our Nation's third century.

These legislative and social proposals warrant the close attention of all Americans who share in this common goal to improve the quality of life of the elderly. I ask unanimous consent that my address to the conference, along with selected statements by conference participants, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD M. KENNEDY

It is a pleasure once again to meet with the National Council on the Aging. I am particularly pleased to be able to share this 25th anniversary with you.

The National Council on the Aging continues to trailblaze, focusing the spotlight of research on the aging in a rapidly changing world and perfecting innovative programs to meet their needs.

There is no better symbol of the aggressiveness of your organization than the woman who first directed its operations, Ollie A. Randall. I am proud to say that she hails from New England. She continues to be a forceful, articulate and respected advocate of the nation's elderly.

I have served on the Labor and Public Welfare Committees, as Chairman of its Subcommittee on Aging and I remain a member of that Committee and of the Special Committee on Aging.

After serving on these Committees, I am convinced that the ideal of social justice in America will never be achieved until we improve the quality of life for the elderly of this nation.

I can think of no group that deserves more attention from its elected representatives than the nation's elderly. They have built the factories and mills of America. They have fought in its defense. They have paid the taxes to finance the growth of its cities and towns. And they have worked and struggled and sacrificed for a lifetime to see that their children and your children might have a better chance to realize their dreams.

And government—which they served so well throughout their lives—has failed them too often in their moment of need. Particularly this Administration, in virtually every major aspect of domestic policy, has slammed the door on the hopes of the elderly.

You know that, the Federal Council on Aging now knows that, and I believe the nation's elderly know it as well.

The theme of this meeting is "Aging in America's Third Century." To a remarkable degree, the answer to how we meet the challenges facing the nation's elderly will determine the quality of life and the quality of social justice for all Americans in this third century.

I pledge my efforts—as my brothers have before me—to see that those challenges are met.

The first challenge is to end the economic policymaking that discriminates against the elderly.

We heard the Administration call for a 5 percent cap on social security cost of living increases for the elderly.

But we haven't heard any call for a reduction in price hikes by the major oil companies. We haven't heard any call for major corporations to tighten their corporate belts.

All we have heard are calls for policies that heap an unfair share of the impact of recession and inflation on the backs of the elderly.

When President Ford vetoed the Health Services bill, he said it was to hold the line on spending and on inflation. And then he imposed a $2 per barrel tariff on oil imports that sent our fuel bills soaring.

When he vetoed the appropriations bill for education programs and proposed rescissions in basic aging programs, he said it was to fight inflation; but then he proposed a $15.7 billion hike in Defense Department spending.

When he rejected the recommendations of the Federal Council of Aging for an end to cutbacks in elderly programs, he argued that reduced federal spending on those programs would reduce the burden of inflation on the elderly. But then he turned around and proposed a $100 billion partnership with the major oil companies.

Congress has not bought the Administration Alice-in-Wonderland argument that you ease the burden of inflation on the elderly with policies that force them to pay more for health care, more for fuel, more for food, and more for rent, while you put a cap on their income.

The Administration budget proposed to increase the costs for Medicare by more than a billion dollars.

Congress rejected that proposal.

The Administration proposed to raise the cost of food stamps by up to 30 percent.

Congress rejected that proposal.

The Administration proposed to renege on the promise in the Federal law for guaranteed Social Security cost of living increases.

And Congress rejected that proposal as well.

We will not find the answer to our economic crisis now or in the future by denying dignity to older Americans. We will not accept that answer in Massachusetts. We will not accept that answer in Washington. We will not accept that answer in America.

I believe that we can find the right answers to our economic problems. We know it can be done because we remember what it was like in the early 1960's. We remember that we had the greatest economic growth without inflation in our history. We did it before and I believe we can do it again.

A second challenge as we enter this new century is to unlock the door to quality health care for all of our citizens and especially for the elderly.

The Administration proposal to make elderly citizens pay more out of their pockets for health care than in 1965 in added deductibles and co-insurance is simply unacceptable.

With health care costs rising 50 percent faster than the general price level, and elderly health expenditures more than three times that of the average 16 to 64 year old, it makes no sense to add to their out of pocket health bills.

Senator Church and I plan to introduce legislation this week to freeze the Part A medicare payment which had been scheduled to rise by more than 10 percent.

To improve elderly health care this year, we provided start-up grants for home health care, encouragement of geriatric specialties and the establishment of a Commission on Mental Health Care for the Aged, in the Nurse Training and Health Services Act. But we had to override a Presidential veto to do it.

Although the National Health Insurance legislation I introduced this year also has a new grant program for home health care services, I have asked the Committee for National Health Insurance to study the possibility of including in a revised bill next year a full range of long-term care services, as the National Council on the Aging's policy statement recommends.

Ultimately, removing the final barrier to quality health care means enactment of a comprehensive national health insurance program.

We remain the only industrialized nation without a national health insurance program. And that is inexcusable as we approach our bicentennial.

If we want a bicentennial monument that will be looked back on by our descendants as truly meaningful, let us enact a National Health Security program that brings the highest quality care to every citizen at a price he can afford.

I want a health care system that covers workers all of the time, so they don't lose their health protection when they change their jobs or when they lose their jobs.

I want a health care system where they ask how sick you are when you enter a hospital, not how much insurance you carry.

I want a health care system where quality health care is a basic right for all Americans and not just an expense expensive privilege for the few.

And I am here to tell you that I need your help and I want your help to see that these principles of health security are enacted into law.

A third challenge facing us is to assure the elderly decent housing, so that no one faces unsafe or deteriorating living conditions. All too often the lack of adequate housing is the real reason for individuals being forced into a nursing home that is more costly, in dollars and in independence.

That is why we have just witnessed a tragic chapter of history. Congress last August passed an extension of Section 202, one of the best and most successful subsidized elderly housing programs ever developed.

For nine months, the Administration did not even propose to issue regulations. They asked for no funding at all in their budget; even though Congress had appropriated some $215 million for that program last December. I wrote the Comptroller General in protest. He ruled that the failure to spend the $215 million constituted an illegal impoundment. But he said it was too late to go to court.

Then HUD issued draft regulations which totally violated the congressional intent and virtually insured the program would not work. But they have been rejected.

Finally, I can tell you that we have passed a new $315 million appropriation—all for permanent financing—and we hope that more than a year after its passage, this vital program will finally begin producing adequate housing for the elderly.

A fourth challenge is to achieve federal leadership in the area of crucial services like transportation and nutrition and employment.

We must provide adequate public transportation so that the elderly are not isolated. We passed a program in the older Americans Act to experiment with special fare and no fares. Even though the Administration has opposed that program, we intend to see it move forward.

We must multiply the nutrition programs for the elderly. I authored the original legislation three years ago in the Senate, and we know now that the program works and works well. Yet the Administration proposed to send $25 million that we had appropriated back to the Treasury instead of spending it on increasing the number of hot meals available to the elderly. We have rejected that proposal.

We must expand the opportunities in employment so that the elderly are not shut out of the job market. The Title IX Older Worker Community Service Employment Program that I introduced, which was based on the experiments pioneered by this organization, is a first step. My bill to expand and extend it for three years has been adopted and I am pleased to report that it will survive the current Senate-House Conference. It authorizes 190,000 part-time jobs over the next three years.

Finally, as we look beyond the immediate challenges, and into the future we must change our attitude toward aging.

Too often we display an attitude that all of the skills, all of the experience and all of the knowledge that men and women have acquired in their careers disappear like Cinderella's Coach at age 65.

Old age cannot be allowed to be a time of silence, a time of isolation, or a time of inactivity.

Benjamin Franklin replied long ago, when asked his age, "I am in the prime of senility." For those who would question that tart reply, let them recall that it was at age 69 that Benjamin Franklin helped draft the Declaration of Independence. It was from age 70 to 79 that he served as Ambassador to France. It was at age 81 that he participated actively in the Constitutional Convention that set this nation on the democratic road it has pursued for two centuries.

This Conference honored four individuals Tuesday night—Governor Averell Harriman, Artist Abraham Rattner, Educator Benjamin Mays and Ollie Randall. All beyond the 80-year-old threshold and all still contributing impressively to our nation.

We forget too often that the exceptional older men and women in public life are multiplied a million-fold by men and women in public life are multiplied a million-fold by men and women who in their own communities and in their own ways still have a great deal to contribute to their families and their nation.

We must find ways to break down the barriers of age discrimination—not just in employment where the age discrimination in the Aging Act still requires far greater enforcement—but in education, in civic affairs, in the arts and in community activities. We must insure that those with the capacity to contribute and the will to contribute are given the chance to contribute in our third century.

In these ways, we can change our attitude toward aging. We can tear down the barricades. And we can open a new path to improving the quality of life for the nation's elderly.

We have the resources to insure that the heritage of old age is one of dignity not despair. We have the resources and we have the capacity. It is only to be determined whether we have the wisdom.

If we stand together, if we keep faith with our two centuries of tradition, and if we keep faith with ourselves, then we can achieve a richer quality of life and a new standard of social justice for all Americans, young and old alike. This third century will then be a century of promise, of hope and of justice.

Remarks by Stanley B. Thomas, Jr., Assistant Secretary for Human Development

It is a great pleasure to be here today and share with you some of my thoughts on what the future may hold for the far end of that universal human process, aging. It is interesting to observe that, despite the reams and streams of books and articles on the future which have flooded the public domain at least since Toffler's popularization of the subject with *Future Shock*, there has been very little written on the future with respect to the elderly. Perhaps this is because so much of the futurists' work is oriented toward assessment of technological impact on the society as a whole and on its social arrangements. But we see again the unspoken assumption that society consists of adults between 21 and 60—children, youth, and the elderly are but temporary deviations from the norm.

To say that rapid social change, particularly since World War II, has had an enormous impact on our society is almost trite, yet nowhere has it been more devastating and less examined than with respect to the elderly. Our society no longer has any consistent expectations or values about the elderly, for the very speed of change has deprived them of their traditional role as special contributors to society by making suddenly obsolescent their accumulated experience and wisdom, once needed by each succeeding generation to assure continuity of culture, civilization, knowledge and skill development.

The present ambiguity of roles for the elderly in our society today flows not only from the demise of their clearly delineated traditional roles, but also from our increasing reliance on economic valuation at a time when the elderly have been almost summarily excluded from employment opportunities by the intervention and pervasive use of mandatory retirement.

This exclusion from participation in the central world of work—basic in our society to both the individual's self-definition and his or her valuation by others—is a problem which the elderly share in common with other elements of our society who have been excluded from that world of work. Neither the elderly, nor these other vulnerable groups, have routine access to meaningful roles or to opportunities for productive activity in our society.

Those who are elderly today grew up in a very different world with very different cultural norms and expectations than the world in which they now live. Consider the simple fact that an elderly person today was born before World War I. There was little reason to suspect then the coming extinction of the extended family; the urbanization of the Nation; the tremendous extension of life expectancy from 47 to 71 years; the incredible changes wrought by technology we now take for granted in such things as the telephone, the jet airplane, television, computers, skyscrapers, pacemakers; the mercurial growth of corporate capitalism; the massive involvement of the Federal government in domestic social welfare; the so-called sexual revolution; the rise of environmental concerns; and so on.

There is no reason for us to suspect, either, that social change will slow down in the foreseeable future. In speculating on what the future holds for those who will be elderly in 1990 or in the year 2000, therefore, it is wise for us to remember that the same dramatic difference will probably exist for us between the world we've grown up in and the world we will live in.

Everyone in this room born before 1940 will be part of the elderly population by the year 2000, at least by current definitions! Since there is some talk of further extending life expectancy rates and of developing wonder drugs to retard the aging process itself, and we may find ourselves merely middle-aged when we reach 60. Nevertheless, it seems to me that over the next twenty-five years or so, distinct changes are going to occur in the experience of being elderly in our society.

Bearing in mind that I am hardly an expert in this area, I am going to cite some Census Bureau figures, then offer you my speculations—probably mixed with some degree of wishful thinking—on what the future may hold for those of us who will be old folks by the year 2000. The Census Bureau has done some population projections for the year 2000, and estimates that the number of elderly people in this country will increase from around 31 million in 1974 to around 41 million in 2000. Depending on the fertility rate over the next twenty-five years, the elderly will constitute anywhere between 14.6% and 16.6% of the total population of the United States. In addition, the female, Black, and the very oldest segments of the elderly population will become an increasingly larger proportion of the total elderly.

Now, I mysef suspect that the latter projection will not quite hold up because of a recent but very strong trend: the women's movement. And because Black women tend to outlive Black men, the women's movement is going to affect the proportion of the elderly population which is Black, as well as that which is female, for one simple reason. Equal opportunity in the job market ultimately means greater female involvement in high pressure jobs with responsibility; women are going to have equal opportunities to develop heart attacks, ulcers, high blood pressures, strokes, and all those other physical problems that men have traditionally been heir to, along with their new jobs.

So I think fewer women will outlive men than has been the case thus far, and that women in general will be more accustomed to both economic and social independence, as well as to greater active involvement in all aspects of society.

Indeed, that is the primary change I see coming for the elderly over the next twenty-five years: They will engage in many more activities than is generally now the case, and not only more, but more diverse. Those who will be moving into old age are now the middle-aged—people in their thirties, forties, and fifties. Each succeeding generation has been exposed at an earlier age to accelerating change, and each succeeding generation of the elderly will be more accustomed to the swiftness of change, will be better able to cope with it, to expect it, and eventually, to prepare for it as the ordinary way of life.

Mandatory retirement ages will all but evaporate under the combined pressures of the older Americans' advocacy groups such as this one, the enhanced political power of the elderly themselves, the decreasing pressures on the job market as we move past the war-baby boom generation's entrance into the labor force, and the probability of sufficient individual exemptions to establish easy precedent. At the same time, people will be wanting to retire from their primary careers earlier in order to develop second careers and/or to have more time for the pleasures of leisure time and leisure time activities.

Leisure time activities themselves will diversify. While outdoor recreation and sports will continue to be popular, older people will become more interested in less physically strenuous activities which are still challenging. Serious study of music, painting, and drama will become more popular, and will probably contribute a great deal to expanding the availability of art to the entire population. Astronomy, biology, geology, sociology—all sorts of subject areas will become attractive as leisure time studies, particularly to those engaged in primary careers far removed from them. The line between leisure time activities and second careers will increasingly be blurred by informal consulting, in which the elderly will be consulted by small groups and individuals who either cannot afford professional consultants or who desire types of assistance not ordinarily available.

Bartering for goods and services will become more common outside chain stores, corporations and other large institutions. This will become more common particularly among individuals and will usually involve at least part of the exchange in service such as house- or apartment-painting, different kinds of cooking, story-telling, music lessons, clothes-making, family-mediating, interior-decoration advising, money management, and so on. Both bartering and consulting will become a major way in which unrelated young and elderly people interact.

Both the interest in second careers and the diversification of leisure time interests will generate increasing demand for response from the formal educational system. Even now, adult continuing education is experiencing an unprecedented demand for more than career advancement or refresher courses. If the push to move the elementary and secondary school systems more heavily into career education and work-study program's succeeds, demands on adult education will increase even more heavily as people return to the educational system to feed their human potential as well as their pocketbooks. This demand will be particularly great from both women and the increasing numbers of men involved in homemaking who will see their spouse's retirement as a natural hiatus in which to begin a joint venture of some sort, or simply perhaps to engage in new pursuits.

Because of the increased amount of activity among the elderly, they will be less isolated, less segregated, more credibly integrated into this society than they now are. What will, of course, make a fundamental difference is their enhanced political power. At the moment, older people are discovering the tremendous leverage of the vote, and as every disenfranchised group before them, are beginning to demand with greater success that politics respond to their needs. Use of this leverage coupled with the greater proportion of the population they will represent will give them a political voice heretofore unimagined. This is likely to be most vociferously exerted at the local and State levels which are more easily accessible and more directly related to every day needs, than at the Federal or national.

Another result of this increased activity will be a reduced need for nursing homes and institutions. Some form of national health insurance will enable preventive health care to become common, and a greater number of day hospitals will flourish.

Increasingly, networks of unrelated individuals of varying ages—probably within a ten-to-fifteen-year range—will form out of shared interests and friendships; these networks will be fairly fluid and of long duration, sometimes spread out geographically, and their members will rely on one another for help in times of trouble or crisis, much like the extended family of old. These networks will consist of an assortment of individuals and households, many of which will be mini-urban communities of couples and unrelated individuals pooling durable goods, operating medium-scale food cooperatives, and supporting one another during illness or other crises. Materialism will not be a dominant value of these mini-communities and networks, and their standards of living will perhaps be lower than the Nation as a whole, but they will be relatively self-sufficient and independent.

Some form of national health insurance, an integrated social security system, less stringent retirement and pension plans, plus income from second careers and consulting, combined with reduced resources necessary to support more communal or cooperative living arrangements will generally mean less financial concern for the elderly of the future. In addition, greater value in the society at-large will be placed on decreased waste, more imaginative uses of what already exists, and the greatest use for the least expense. There will be less interest in what we now call conspicuous consumption, less faddishness in clothing, automobiles, and so on, creating circumstances for the society as a whole in which the gap between the income of the elderly and the income of the middle-aged is substantially less.

Each succeeding generation of older people will have lived through not only the tremendous technological changes of the last thirty years, but more importantly, through the quite amazing attitudinal changes and reverberations: the intense challenging of all types of authority, from parental to administrative to religious to scientific to medical to business authority; the Black movement, and the struggles of other minority groups as well; the women's movement; the sexual revolution; experimentation with family structuring; gay liberation; the self-assertion of handicapped people; the decline of traditional religions and the rise of new forms of religion, including the spread of Eastern religions; fragmentation of the family; environmental concerns; decline of public confidence in government and in institutions in general; these are some of the major changes we have experienced, and there are hundreds more.

It is the ability to adapt to change and to re-shape it that will characterize the elderly of the future. These attitudinal changes have created an enormous reservoir of imagination and venturousness in devising ways to meet human needs of the future. Each succeeding generation of the elderly will be increasingly endowed with both the necessary skills and the opportunities, indeed, the need to use them. The elderly of the future will wield greater political power than ever before, not as Elders in the traditional sense, but as political activists with time and interest, whose judgment has been tempered by the certainty of change. New forms of unrelated kinship will flourish in greater variety, forms which will include the elderly and on which they will be able to depend. Second careers, more active involvement of women, more serious use of leisure time, altogether much more diverse activities can't help but make it true that we're not getting better, for the elderly even today, continue to stand as living testaments to the incredible and unknowable potential of the human being.

This vignette of the future for the elderly is certainly appealing and probably tainted by my own vested interest in the subject. The problems which the elderly face today are undeniably real and hardly likely to vanish in the face of a distant and rosy future. Getting to the year 2000 means going through today and tomorrow and the next day and the next year, and the future is shaped by the fluid course of decisions and events as they unfold now, as we make them now. While the income gap between the elderly and the rest of society may diminish over the years, it is real now, and for a significant number of older Americans, devastating. They can't wait for the future.

As I mentioned in the earlier part of my remarks, the elderly today grew up and matured in a world rather unlike this one. Their expectations for their old age were very different from what they now must contend with. There was relatively little in their lifetimes which could have prepared them to deal with the world as it is and themselves as elderly people in it.

The economic problem is a substantial one, the problem of social and physical isolation another. No adequate equivalent to the extended family has yet developed, for instance, and so the elderly are relegated to nursing homes and institutions of all sorts, even State mental hospitals. A fortunate few have been able to find apartment complexes and hotels which provide more than mere housing, but this is not yet available on a wide enough scale to be a viable alternative for most of the elderly, nor would it ever be for those who need nursing care.

Increasingly the tempo of life in our society is adjusted to fit the metabolism and vigor of younger adults, and the physical isolation of the elderly simply compounds our general thoughtlessness regarding their needs, their slower but still quite functional pace. It is in this thoughtlessness, however, that the root of the problem lies, for the major handicap in resolving the present problems of the elderly is one we have all given ourselves: we have simply gone along comfortably assuming that things would take care of themselves, or at least that somebody else would. Lo and behold, they haven't! And we have very secretly assumed that each of us would not ever really grow old, so why think about it?

Today is yesterday's future; tomorrow is today's. Those of us who would like to look forward to good things in our own old age must realize that the future begins now with the care and attention we pay, both individually and collectively, to the older people in our midst who suffer our thoughtlessness, our exclusion, our myths, our neglect. We can have the future we want if we are willing to take responsibility for creating it. Now.

[Address by Representative MORRIS K. UDALL]

PUBLIC POLICY AND THE FUTURE OF AGING

I would like to think that this Bicentennial Year, marked by celebration and reflection on our heritage, will also be the time that America finally becomes aware of and makes a commitment to end the last and most pervasive segregation in our country. I do not need to tell this audience what that is.

In a country that seems to be obsessed with youth and with staying young, the problems of the elderly have been given short shrift. The programs we developed in the last decade are a good beginning, but they have often fallen far short of expectations, reflecting our half-hearted commitment to real help for these 21 million Americans.

The problems of the elderly have not yet become a popular cause like the Civil Rights movement of the 60's, or the Women's Movement and the environmental cause of the 70's. Their problems are still only dimly understood. They are just beginning to attract attention among the bulk of citizens and policy makers.

The way we treat our older citizens in this country is like certain ancient tribal societies, where a person who became too old for hunting and warfare was placed ceremonially on a raft and allowed to float down a river.

In modern society we repeat in many symbolic ways that ceremony. We who participate in it doubt its validity, fear its implications for ourselves, yet yield to what appears to be its necessity in the pursuit of our immediate preoccupations.

There must always be a justifying mythology when a dominant group systematically disadvantages a less powerful minority. In this case, we have developed two stereotypes of the aged to justify our neglect—serenity and senility.

On the one hand our images of old age are idealized images of the beloved and tranquil grandparents, the wise elders, the serene and gracious white-haired matriarch dispensing wisdom from the kitchen or the patriarch from the front porch rocker. On the other hand, the opposite image disparages the aged. Old age is viewed as irreversible decay, decrepitude and loss of mental powers.

The Louis Harris poll commissioned by this organization found that younger people regarded the aged as an "inept, ineffectual, physically depleted group waiting for death." We see them as rigid, querulous and resistant to change; narrow and superficial in intellectual activity; and almost universally senile.

Most tragically of all, these stereotypes are self-perpetuating. Cut off from the society they built, their self-esteem undermined by prejudice and discrimination, too many of our elderly lapse into patterns of despair and decay simply because they are afforded no opportunity to remain active.

Yet we need not look far to find abundant evidence that old age need not mean physical and mental disability. Hoyt Catlin, honored here yesterday, began at 65 to build a multimillion dollar enterprise with the help of his contemporaries. The artistry of a Picasso, a Casals, a Rubenstein is not cut off at 65. The heroic leadership of Winston Churchill, the humanitarianism of Albert Schweitzer, the moral and legal brilliance of Holmes and Black and Hand—all reached their greatest heights years and decades beyond the age of 60.

If, as I am convinced, the age of cheap and abundant natural resources is irrevocably over, there can be no higher national priority than the full and creative cultivation of our human resources—resources that flourish with age and experience. We must heed the words of the philosopher Paul Weiss—himself a victim of age discrimination while at the height of his intellectual powers—who said, "America will never be of age until it knows how to make full use of its people, no matter what their color, sex or years."

Yet the men and women who brought this country out of a shattering depression and a cataclysmic world war today are discarded by society. The actions of their President tell them, in effect, "We have no further use for you; we cannot afford to make use of your talents and your desire to continue working; we cannot afford to help you keep and improve your homes; we cannot afford to preserve your health; we cannot afford to keep you out of a bleak and fear-ridden poverty."

We have no national policy for enriching the lives of our parents. Worse, the patchwork of well-intentioned programs which, in piecemeal fashion, address the problems of the aging have been poorly planned, underfunded, understaffed, and undercut by those charged with carrying them out.

The outlook for older Americans today is bleak. It is getting bleaker. And it cannot get better until all of us—professionals in the field, policy-makers in government, the young, and the elderly themselves—look behind the stereotypes and idealizations and understand what it means to be old in America.

It means economic hardship. One in four Americans over the age of 65 lives below the official poverty line. Another quarter cannot afford the official "modest but adequate" standard of living. Only one in six is employed at even a part-time paying job. Sixty percent receive no pension benefits.

In this poverty, older Americans must devote 80 percent of their income to food, shelter, health care and transportation—areas where prices have frequently risen faster than the national inflation rate while Social Security "catch-up" increases lag a year or more behind.

Being old in America means taking the leftovers from a health care system that caters to the young. The 10 percent of our people over 65 account for 28 percent of the nation's total medical bill. Yet Medicare—for all the good it has done—pays less than 40% of the medical bills of its recipients, and the proportion has been declining. The strength of the medical lobby has prevented needed changes in the health care delivery system, perpetuating needless inefficiencies that drive the costs of Medicare skyward. The first, halting steps toward such a change—the national Professional Services Review Council set up to determine whether services paid for by Medicare and Medicaid are medically necessary—has not one member with a background in or special knowledge of geriatrics.

We have lengthened the lifespan of our people by eliminating many of the diseases of youth, but we mask our failure to address the health needs of the elderly by ascribing their illnesses to "old age", and by putting the elderly out of sight in nursing homes that, as periodic investigations reveal so shockingly, are often little more than waiting rooms for death.

Being old in America also means living in fear. Urban renewal programs too often have destroyed vital neighborhoods, and those most likely to suffer are the black, the brown—and the gray. With limited income and uncertain life expectancy, they are shut off from mortgage money and are forced into other, more crowded substandard housing further from their families and from essential commercial and governmental services. Impoundments and red-lining assure that there are no funds to maintain or improve these neighborhoods.

And the aged are the easiest targets for the crime inevitably bred by such overcrowding and squalor. In 1970, more than one third of the crime victims in the District of Columbia were over 50. A study made last year involving elderly residents from 54 different low-rent housing environments showed a pervasive fear of crime: two-thirds restricted their daytime activities in some way, and 69 percent never left home at night.

These are some of the problems. There are many others—a transportation system that all but excludes those who do not drive; environmental pollution that breeds heart and respiratory disease; nutritional deficiencies; I'm sure anyone here could name a dozen more.

Faced with prejudice, with poverty, with disease, with fear, aging Americans have sought help from the government. They have received endless reassurances, countless pious expressions of concern. But the seven-year record of the current Administration demonstrates no more sensitivity to the needs of the aging then it has shown to the needs of other disadvantaged.

The Administration has opposed full cost-of-living increases for Social Security recipients;

The Administration has attempted to increase the share of Medicare borne by the elderly;

The Administration opposes National Health Insurance in any form;

The Administration has vetoed attempts to extend and expand the Older Americans Act;

The Administration has frozen subsidized housing programs and, for a time, entirely eliminated the most successful of these efforts, Sec. 202 housing for the elderly;

The Administration attempted to increase the price of food stamps from 23 to 30 percent of the recipient's net income;

The Administration has failed for a year to name a director for the National Institute of Aging;

The Administration has attempted to erect demeaning, intrusive barriers of red-tape at the door of Senior Citizen Centers;

The Administration has channelled only 4 percent of emergency employment funds to the 35 percent of our work force over the age of 45;

At a time when economic distress deals most cruelly with the aged, the Administration has attempted to reduce the budget for services to the elderly by $2 billion;

The Administration has mishandled the SSI program from the outset, with inadequate staffing, insufficient planning, and incompetent leadership—and I doubt that there is anyone in this room who doesn't expect to see these self-inflicted shortcomings used as an excuse to reduce assistance to the destitute and the disabled.

In many ways, the problems of the aging

reflect wider social failures, and can only be cured by fundamental reforms in our social and economic institutions. But we should insist that these changes be undertaken with a special sensitivity to the needs of old people.

We must shatter the myth that a person's social productivity ends at the age of 65. A few moments ago I mentioned a few famous individuals who disprove any such contention; to that list we can add more than three million elderly still in the laborforce, and millions more who make non-economic contributions through volunteer work or family participation. There is simply no justification for the assumption that the ability to do a job is necessarily a function of age.

I believe that we have an obligation to give every member of our society the chance to perform useful work through the Hawkins-Humphrey Equal Opportunity and Full Employment Act. This basic right of social participation must not be cut off by the turning of a calendar; neither private nor public employers should be allowed unilaterally to impose mandatory retirement upon workers still capable of performing their jobs.

To the great majority who will at some time choose retirement we have another obligation—the duty to help them obtain economic security in their last years. It's very important to reassure Americans that in spite of all these right wing scare stories we hear, the Social Security Trust Fund is not bankrupt, and it is not about to go bankrupt. But it is also important that we understand the implications of declining birth rates for Social Security, and that we plan now to reallocate our social resources to follow shifts in age patterns expected for the future.

To begin with, we must reduce unemployment to get more people contributing to the trust fund. In addition, we should gradually increase the contribution base to restore the degree of participation intended by the designers of the system and reduce the regressiveness of the payroll tax. In times of rapid inflation, automatic benefit adjustments should be made every six months rather than annually, in recognition of the inadequacy of individual resources to cushion the blow of enormous price increases. Partial financing from general revenues, as contemplated when Social Security was created, should also be phased in to reflect the shared interest of employer, employee and the public at large in providing for the elderly. In conjunction with private pensions, full employment, and a national income maintenance program, these steps can help achieve the vital goal of adequate retirement income. Social Security is the finest example I know of FDR's creative leadership in the 30's. It has helped millions of Americans since it was established in 1935—and it can continue to be one of the finest examples of a government program that does work.

Six million older Americans need better housing and they need it now. We are in desperate need of a total revamping of the hodgepodge of federal housing programs. I am encouraged that the House Subcommittee on Housing is about to undertake a thorough review of all our efforts to assure decent shelter of our people. The special needs of the elderly must be recognized in our public housing system through improved design standards for both general and Section 202 projects, elimination of the deliberate bureaucratic confusion that has all but stopped public housing, a commitment of resources to rehabilitate existing homes, and secure, long-term financing to enable nonprofit groups again to take part in providing new housing for the aged. These reforms will not only benefit older Americans—they will help reinvigorate our construction industry and will benefit all of us by helping to make our cities more livable.

Our efforts to reduce crime must focus on protecting the most vulnerable victims. Community support systems have proven effective in reducing crime rates in some areas; they should be expanded. Planning for community development must assure easier access to stores and mass transit for the elderly to reduce their exposure to potential assailants. New housing designs must pay greater attention to security for public areas and the prevention of burglary.

We are going to have National Health Insurance—if not in this Administration, then in the next. But in the interim, there are some improvements we can make to alleviate the heavy medical bill burden now borne by the elderly.

For example, one of the most basic of health costs to the elderly is for prescription drugs—which are only covered by Medicare when the individual is institutionalized. Many, therefore, must pay $20–$30 a month in drug bills—and this cost should be covered.

We can also make some changes in the Medicare program so that patients won't have to pay more than 20% coinsurance which so often happens now. This can be done by going to a system of participating physicians who would abide by the "reasonable charge" determination.

But even the best of the proposed National Health Insurance proposals persist in ignoring the distinct needs of the aging. The health care needs of the elderly are less intensive but more chronic and continuous than those of the general population. At the same time, their social needs are more intensive and more acute. Since these emotional and social problems often bear upon the aged person's eating and physical habits, they may seriously affect his health and in turn his need for professional medical attention. Our priorities in establishing national health care, and in making the National Institute on Aging operative, should concentrate on preventive and curative services so that fewer will face the prospect of hospital or nursing home confinement. Older Americans fear, above all, institutionalization—and we should do everything possible to alleviate this fear.

A related question requires our attention: whether it is appropriate for government to finance placement in proprietary nursing homes. The answer, as I have said before, is no. The nursing home operator seeking profit has a constant incentive to reduce patient services. It is intolerable for the government to continue to subsidize—to the tune of as much as $1.5 billion a year—that kind of trade in the economics of misery. The sickening disclosures in New York and elsewhere, tracing the corrupting web of money flowing into the political process to keep the operators of proprietary homes plugged into the treasury, leave room for no half-way solutions. By beginning now to re-design delivery systems and improve treatment methods, we can phase out our subsidies to such establishments while assuring time to develop a system of nonprofit facilities geared to extending the independence of the aged through medical and social support.

The policy changes I have outlined are needed. They are sound, reasonable, achievable steps toward dignified, humane treatment of our elders. But even if they were all enacted into law today, they could not achieve much. The essential element of improvement is commitment—commitment to carrying out these policies, commitment to making America work for all our people—and this kind of commitment simply has not been demonstrated by those charged with serving this nation's aged.

The voice of older Americans must be heeded in government. The National Council on the Aging, and the dozens of co-sponsors of this silver anniversary conference, do a superb job with tightly limited resources; the Federal Council on Aging, established by the 93rd Congress, provides a formal means for articulating the needs of the elderly. But neither the private groups nor the Federal Council on Aging, established by the 93rd Congress, provides a formal means for articulating the needs of the elderly. But neither the private groups nor the Federal Council are involved in the continuing process of policy making and implementation. Lacking adequate authority, their voices are easily ignored—as we have seen this year.

To assure continued attention to these issues, and to give the President independent counsel, there should be a White House advocate for aging Americans.

To promote attention to the special needs of the elderly in policy formulation and implementation, there should be Assistant Secretaries for the Aging in Departments of Health, Education and Welfare, Labor, and Housing and Urban Development, with the authority and accountability necessary for transforming noble sentiment into concrete accomplishment.

And to assure that all the elderly have the opportunity to participate in the political system that affects them so directly, we should enact post card voter registration this year. Though older people who register are among the groups most likely to cast their ballots, restrictive, overly technical registration laws have operated with particular severity against people with limited income and limited mobility—a double burden on the aged poor.

Old age is the last and most devastating segregation in our country. But, just as the other cruel and demeaning forms of degregation are slowly and painfully being erased, older Americans are rightfully demanding their just share in the rewards of our society. They are raising their voices and are beginning to be heard. It is noteworthy—both in symbol and in substance—that one of the most dedicated and vocal Congressional advocates for the aging is our youngest member, Tom Downey of New York. And, I am impressed and heartened by the vigorous growth of organizations committed to working for change, committed to achieving a better life for this neglected class of our people. Older people are increasing their activism, and this should be encouraged.

The French philosopher Montaigne once said, "I speak truth, not so much as I would, but as much as I dare; and I dare more as I grow older." I believe we will elevate the problems of the aging to their rightful level in the order of domestic priorities. We will, because it is right, and because 21 million older citizens of this nation are finally demanding it. They have begun to dare more.

Remarks of Joseph L. Rauh, Jr., General Counsel, Leadership Conference on Civil Rights

Distinguished Chairperson, Members and Friends of the National Council on the Aging: I am not quite sure just what I am doing at this luncheon today. Up until a couple of months ago my major insight into the problems of the ageing and the various classifications of older people came from that famous Holmes-Brandeis story—when a pretty woman passed them on their daily walk, Justice Holmes, then 90, looked over at Justice Brandeis and said wistfully: "Oh, to be 70 again."

Actually, I guess what explains my presence here today is that two con-men by the names of Ossofsky and Hausman fasttalked me into an address on the civil rights of older people on the assumption that my experience in the fields of race and sex discrimination was somehow transferable over here. Nothing could be farther from reality. A couple of months of what might euphemistically be called thought and research has convinced me that the similarities are quite minimal and the differences many times greater.

Yes, of course, economic distress and even survival threaten large segments of both groups. Yes, of course, 10% of our population is 65 or over and considered ageing on that fanciful standard without historical or factual basis and 10% of our population is also Black. Yes, of course, there are those in our society who suffer from the bigotry of ageism; as a British physician reviewing the book "Why Survive" bluntly suggested, these ageists turn "almost all the arms of bigotry on the old—they are tiresome, stupid, different, not to be trusted. . . ." But I can't bring myself to believe that ageism is comparable in any substantial degree to the breadth and intensity of Black racism. The virus of ageism can never infect the body politic to the degree that racism did and does, for all of us must know that we are going to grow old one day and that there is no occasion for slashing our own tires.

Black racism is a positive hostility; ageism comes closer to being a negative apathy. Actually, the results of apathy may be as bad, or worse, than those of outright hostility. For the real point highlighting the difference between the civil rights of the two groups is that the status of Blacks has improved in the Twentieth Century and that of the ageing has deteriorated. Indeed, I wonder if it wouldn't be fair to suggest that the ageing are the largest identifiable minority whose relative situation in society has deteriorated in this century.

The Blacks have been the subject of a legal revolution over the past 25 years. Our generation, through legislation and court decisions, has transformed a legal system imposing segregation of the races and generally discriminatory against Blacks into a legal system outlawing segregation and discrimination and providing some measure of legal favoritism, though not nearly enough, as a minimal remedy for past wrongs. That the legal revolution has not been followed by an economic and social revolution wiping out the inequalities resulting from 300 years of slavery and post-bellum segregation and discrimination cannot hide the mammoth strides that have been made.

But, as Twentieth Century medical science increased the percentage of the population 65 and over from 4% in 1900 to 10% now, the civil rights of the ageing have not been correspondingly protected. Congress passed the Age Discrimination in Employment Act in 1967 with the avowed purpose of prohibiting "arbitrary age discrimination in employment [and] to help employers and workers find ways of meeting problems arising from the impact of age on employment." Yet, despite this lofty avowal of intent, Congress limited the half-hearted protections of that law to persons from 40 to 64.

Nothing could have been a clearer hunting license for discrimination against persons 65 and over than that Act solemnly adopted by the Congress of the United States. Likewise, the Social Security laws, initiated in the Great Depression of the 1930s when unemployment was at its peak, pressure the older worker to stay out of the labor market by placing a limit on the income he or she may earn without incurring a reduction in benefits, an instance of reverse discrimination where earned income from honest work is treated less favorably than unearned income from any source; although moderated somewhat by the S.S.I. program, social security remains a serious force against the working aged. The proliferating statutes and rules mandating retirement at varying ages require people ready, able and willing to work to leave their jobs, with the result all too often of psychological as well as economic disaster. Let us face it, the law as it stands today discriminates against the employment of the aging.

Strangely enough, the Supreme Court has never heard a case involving a challenge to a Federal, State or local mandatory retirement rule. (Private mandatory retirement plans raise different legal problems, as I'll come to in a moment.) I say "strangely enough" because such governmental action appears on its face to reject a most fundamental concept of our Constitution that every person shall be treated equally under the law and shall have an individual, not a class, determination of his or her rights in society—in this case an individual determination on the merits of his or her job capabilities and performance. Judgments on individuals, not group assessments, are the fair and democratic ways of doing things.

I was arguing the issue of mandatory retirement at a specified age versus individualized determination of ability to do the job with a friend the other day. He thought he had driven me from the field with the argument that mandatory retirement age at 65 might rid the labor movement of some of those undemocratic union presidents he had heard me talk about. But that misses the point. It isn't age but length of service that endangers union democracy and maybe there should be a rule directed towards insuring institutional democracy by providing that a person has to resign his or her position as union, corporate or other institutional president after a certain number of years. This would give democracy a chance to function through new elections unfettered by the power of the incumbent to maintain his office. Such enforced sabbaticals, putting the reins of power in new hands, older or younger, might help democratize a great many American institutions.

After all, it was not Tony Boyle's age but his dictatorship growing out of his years in power that led to the murderous conditions in the United Mine Workers.

Now, at long last, the issue of mandatory retirement is coming to the Supreme Court for argument and decision this fall or winter. The case comes up from a federal district court in Massachusetts which held unconstitutional the State's 50-year-old mandatory retirement age for police officers. Of course, I don't know what is going to happen to this case in the present Supreme Court, but I would have bet my bottom dollar that the Warren Court, which strengthened civil rights and liberties in so many areas, would have required individualized determinations of job capability and outlawed mandatory class retirement if the case had reached that Court 10 years ago. It is a tragedy for the present and future of the movement of the aged that for years to come the great decisions involving their rights will be in the hands of the most conservative Supreme Court in recent history.

The Supreme Court decision in the Massachusetts public case will likely decide the validity under the Constitution of mandatory retirement rules of federal, state and local agencies and of other institutions where federal, state or local funds are utilized, as, for example, in the case of private higher education. But, as I already indicated, private mandatory retirement plans raise a different question, for the Fifth and Fourteenth Amendments of the Constitution are directed by their terms to actions by the Government rather than by private persons and institutions. Whatever the Supreme Court rules in the Massachusetts police retirement case, there is power in the Congress to outlaw such mandatory retirement plans by both private and Governmental agencies. Congress, unlike the Supreme Court, will be influenced by the strength you can amass at the voting booth as well as by the strength of your arguments against mandatory retirement rules.

Mandatory retirement is not, of course, the only situation where further legislation is necessary for the protection of the civil rights of the aged. The 64-year-old ceiling should be removed from the Age Discrimination in Employment Act; the Social Security laws should be made less onerous on the working aged. The anti-discrimination amendments to the Older American Act, now in conference between the Senate and House, provide an immediate focus for your agencies. So does discrimination in adoptions, mortgages, credit cards, and a host of other areas; so also the myriad of problems involving nursing homes and related issues require legislative attention.

It seems to this neophyte in the problems of the ageing that it is about time for you gray panthers to be a little less gray and a lot more panther.

Turning to the question of legal assistance for the aging, it is hard to determine whether one can properly call such assistance a civil right. There's no sense wasting time on semantics and quite likely we haven't reached the stage in this country where either medical care or legal care are treated as civil rights. But one thing does seem clear even from the most modest study: Legal assistance to the aged in this country is a national disgrace and the legal profession has once again been found wanting.

The special need of the aged for legal representation is quite obvious. It has been estimated that at least 25% of older Americans live in poverty and an additional 15% subsist on incomes at the margin of poverty. Often the aged live in isolation; most are unable to pay the customary high legal fees; many fear reprisals if they assert their rights or air their complaints themselves. They are badly in need of legal assistance with wills, credit problems, recovery of loans made, malpractice, landlord-tenant disputes, social security problems. For want of legal assistance the aged tend to overpay their federal income taxes, a clear illustration of the fact that the aged have the greatest need for legal assistance and the least capacity for getting it. One of the worst problems, of course, is the technical language of federal regulations and the difficulties of the aged with the Social Security Administration in the areas of disability and old-age benefits. Judicial studies have confirmed this. In a case in the federal Court in New York some time ago the Judge noted that in 10 volumes of federal decisions the Social Security Administration was reversed 47 times and upheld only 27 times. In another case in the federal Court in Pennsylvania the Judge found that the government was reversed 75% of the time in a 3-month sampling of reported cases. Only last week a federal appeals court in Richmond reversed the Social Security Administration's policy of refusing hearings under the SSI program. With this kind of record where the claimant apparently has a lawyer, just think what happens to the aged trying to handle their own claims at the Social Security Administration. And I can personally attest to pitiful letters and phone calls from around the country where older persons were unable to obtain legal assistance and where I was incapable of giving it.

Sadly, one cannot look to the organized bar for help. The American Bar Association and most of its local groups are far too busy representing the "haves" in our society to take on the task of providing legal representation for the "have nots." One can hardly put one's hopes for help in the area of civil rights and legal representation of the aged in an organiaztion which continued its own color bar long after segregation had been outlawed by the courts in other areas of public participation and which just a couple of years ago supported the elevation of an unabashed racist to the highest Court of the land. Indeed, only very recently did the ABA even set up a Committee on the Ageing and that Committee has yet to be heard from in any way, shape or form.

Hope for the future must come from new developments in the legal profession flowing from the determination of idealistic younger lawyers to see that the day comes when there will be legal assistance for everyone, including the much put-upon aged. One such development is evidenced by the growing number of public interest law firms supported by Foundations and others. These firms have done great work in developing new legal principles in the public interest and they will certainly be helpful in shaping the law towards the best interests of the ageing. We cannot, however, look there for the solution of the day-to-day needs of the aged for legal representation.

Prepaid legal services is another new development that will certainly broaden the parameter of those who can obtain legal assistance in this country. One very fruitful area for prepaid legal services is in union contracts where the employer will be paying part or all of the premiums for legal services. But prepaid legal services, hopeful as it appears to be, is in its infancy and it will be a long time before these services will be available to retirees as well as the active union workers themselves.

The greatest immediate hope for legal representation of the aged comes from programs like the one presently conducted by the National Law Center of George Washington University for the elderly poor of the District of Columbia with federal funds and the one being conducted in Sacramento and Yola Counties in California with county funds derived from revenue-sharing. The George Washington program includes both law students and paralegals; the California program includes a director, three other attorneys and nine paralegals. Since many of the problems of the aged are highly repetitive (wills, leases, social security regulations, etc.), they would not seem beyond the capabilities of law students and paralegals (which incidentally can be older people highly sympathetic to the problems of the elderly). Legal back-up centers, such as the highly-respected Legal Research and Services for the Elderly and the National Senior Citizens Law Center can provide advice where new or more difficult problems are faced.

The time has certainly come for Legacare, a nationwide program of legal assistance for the aged. Such a Legacare program could be funded on a quite reasonable basis. Students would receive credit for their work. Paralegals would receive modest payments. Offices in storefronts and other accessible places might be made the responsibility of the local community. Back-up centers are already available. It is about time that the outrage of an unrepresented segment of our society be brought to an end and the means are at hand to do just that.

Anyway, that's the way it looks to this ancient civil rights warrior. I have just one more thing to add and then I am finished. On January 3, 1976 I become a senior citizen, and for such years as may be mine, I am a recruit in your ranks.

Address by James R. Dumpson, Administrator/Commissioner, New York City, Human Resources Administration, Department of Social Services

It is a great pleasure to be with you today, as you celebrate one quarter of a century's dedication to enhancing the lives of older Americans. I believe it is indeed fitting that, at this 25-year mark, we who are involved in the "helping professions"—and in the provision of that often elusive term "services"—take the time to reflect on both our past accomplishments and failures, as well as on our plans and hopes for the future.

It is, in a sense, a time of inventory for us. It is a time to take stock of our assets and abilities, as well as our shortcomings. It is a time for us to project on the very real needs which will confront us in the next generation. Many of us lived through and personally witnessed significant social change. The decade of the depression. The birth of social security in the 30's. The war years. The industrial expansion of the 50's. The re-discovery of poverty and the needs of poor people in the 60's. A renewed awareness, and the fragmented promise of *a great society*.

Three fourths of the way through the 20th century, on the eve of our nation's bi-centennial, we are trying again to solve, or at least come to grips with, old problems and frustrations. They confront men, women and children; the old or young, black or white, comfortable or destitute, who collectively make our society what it is.

I would be dishonest if I were even to imply to you that I could dig into some magical bag of cerebral tricks and pull-out the solutions to the pyramids of problems which beset us.

I am reminded of a two line poem by the late Robert Frost, a most distinguished older American, (and I quote)

> "We dance round in a ring and suppose—
> But the secret sits in the middle and
> knows"

I think that it is this very *secret*—The quest for ways to unleash human potential—that we seek! . . . I believe it is important for us to remember, particularly at this time, that all through civilized man's struggle for social justice, the providing of basic human services under the *law*, is only a child of this 20th century.

Our quarter-century celebration should underscore a clear and present mandate. We must begin to fully employ the fruits of the past generation's technologies which have prolonged life. We must devise irrefutable means to insure the best possible quality for that life. We define social services as any action taken on behalf of an individual aimed at improving the quality of his or her life. In a very real sense, such action makes the difference between mere existence and essence; for while the mere adequate provision of money can sustain life, the provision of services makes for a better and more satisfying and potentially productive life. It is towards this very goal that our efforts are, and must continue to be aimed, and we must make abundantly clear this message to our leadership here in Washington. We must determine that the programs built on government's responsibility to assure the general welfare of all Americans will not be reduced for any reason, including efforts to reverse inflation and to affect an upward turn from what for many is an economic depression.

New York City is not unlike most major cities in the U.S.A., with its vast array of problems that for a while threatened its very existence as a viable community. It is its growing number of people in need of both financial assistance and services that has yet to be put into perspective with its much heralded fiscal problems. In spite of these problems, and the growing limitation on the availability of funds, we have begun to experiment with new and promising methods for service delivery. This is both a challenge and a responsibility which is awesome in light of both the sheer numbers to be served and the belief among many that New York City, indeed that this nation, cannot afford whatever personal services people need. I reject that position whether it is proclaimed in New York City or given circulation by the national administration in Washington. Maladministration and welfare cheating are *not* the causes of New York's fiscal crisis, Secretary Simon's uninformed diagnosis notwithstanding. It is and has been New York's commitment to meet human need and to meet it for people neglected by other states and the federal government. If we cannot afford to assure not only life to people, but a quality of life for all people in this country, we don't deserve to glorify our two-hundred years of history or assert our leadership role abroad.

Central to the new designs for service delivery we are trying in New York will be a radical reformulation of the relationship between public and private agencies which exist to provide these services. There also will be complete restructuring of social services, emphasizing and moving toward realization of a decentralized, or neighborhood service delivery. Much of this approach has been adapted from the concepts of neighborhood government, allowing people to have a stronger, more influential voice in defining their problems and the manner in which programs of services should be geared to their needs. This approach reasserts that people have a right to participate in those decisions that affect their lives, and this right is not a condition of age, economic status, ethnicity, or any other variable.

There is not time for me to here develop a total socio-economic profile of New York City for you. Unfortunately, people less informed than I have done this on their determination to gain support for their belief that the federal government has but a responsibility for the cities of our nation best described by the doctrine of benign neglect. Suffice it for me to point out that over 1 million persons, approximately one out of every eight in the City, is currently in receipt of some form of public assistance. In addition, our SSI population, and our marginally employed thousands, receive supplemental aid through the food stamp and medicaid programs. These income support programs cost New York City $1 billion and this cost has contributed greatly to the much publicized fiscal crisis that faces our City—a crisis that is bound to beset every City that continues to subsidize the federal government in dealing with a problem that is a national one—not one that belongs to any City or State!

It is not a rosy picture. It is particularly shameful when we look at the plight of older New Yorkers, the segment of our population which has most suffered from crippling inflation, rising crime rates, and unscrupulous proprietors of institutional care, to the confusing and often demeaning character of legislation and programs which are, ironically or perhaps simply politically, designed to help them.

Perhaps it is illuminating to realize that in a "modern" capitalistic society such as ours, once a person is no longer able to work, or is forced to retire, he is deemed "economically unproductive" by society. He is then deposited, along with welfare recipients and disabled persons—in short, all those outside the realm of "productive" wage-earners—into an inescapable "pit" of those deemed by society as "dysfunctional" or, as the British say, "superfluous".

This provokes subtle, but very real harm. One has only to look at the SSI program for confirmation. There, older Americans are lumped together with the disabled and blind, as though senior age itself is some distorted disability rather than a new phase of living. Older Americans, along with all others in the imprisoning "pit", become scapegoats for society's problems. Public attention, in the midst of the severe New York City fiscal crisis, is focused on welfare dependents, not on dysfunctioning systems that create welfare dependends, on high rents imposed on welfare recipients, not on landlords who are free to demand and receive payments far in excess of the value of the housing or the services provided; on Medicaid patients, not on unscrupulous medical and pseudo-medical providers—a whole pattern emerges in which "victims" are portrayed as the "villains" . . .

In New York State, with more than two (2) million people over age 65, we have the largest number of older Americans in the entire country. Almost one half of these older Americans reside within the five boroughs of New York City. It is a population that has continued to increase yearly over the past decade, rising from 7.8% of our population in 1950, to almost double that figure today; with 34% over the age of 75. It is a population of which almost 80% exists on an annual income below $4,000; where one-third lives on less than $2,000 a year. It is a population with a median income slightly under $47 a week for all needs; including rent, food, clothing, and personal and medical care. And all of this despite the fact that the Bureau of Labor Statistics estimates that rent alone is 37% higher in N.Y.C. than in other urban areas!

In the ten years between 1960 and 1970 alone, there was a 17% increase in persons over age 65, or some additional 134,000, bringing our population of elderly New Yorkers to well over one million. Half of them live alone. Almost all must somehow manage on the most meager of incomes.

Despite the enormous fanfare surrounding the introduction of the SSI program in January of 1974, it was disclosed one year later that only about 10% of the City's elderly population had availed itself of this benefit. It has been repeatedly demonstrated that elderly persons are the least likely, for a variety of reasons, to come forward and seek public aid.

I do not have to document for you the shortcomings and inadequacies of our present system of social security. Only 5 years ago, in 1970, the President's Task Force on the Aging reported that: (and I quote)

". . . in the 1970's it is no longer economically necessary or socially acceptable for millions of Americans to live in poverty merely because they are old. . . ." The Task Force went on to document how in 1968 some 4.6 million older persons were forced to live below the poverty line. Certainly we know that with the enormous rise in prices, and with the number of persons who have reached 65 since that time, the number of older Americans living in poverty indeed has increased dramatically.

I present these facts, not to be "gloomy," but rather to emphasize my belief, that no "service" in the world can ever replace the value of an adequate and liveable income for any individual, whether old or young; and to share with you my profound belief in the Federal Government's responsibility to assure that this very basic requirement is satisfied.

In the past decade older Americans have begun to acquire the sophistication to make their voices heard; to recognize the enormous strength of their vote; and to "pull together", They confront legislators and policy makers not only with their demands, but the wisdom of experience. They ask fulfillment of the years of great expectation of the capability of our nation to meet human need equitably and humanely.

I cannot stress too heavily the importance of older Americans exercising their perogatives at the ballot box, at the policy-decision-making table; wherever decisions are made that affect their lives. The provision of services to any age group is the result of legislatively mandated programs, determined at the Federal, State, and local levels by the officials whom we elect to serve; and within that context it is a political decision. It is therefore our job to see that they do in fact render service to the people. It is a responsibility held by each and every one of us present in this room today. But it is also our responsibility to help form coalitions that are sophisticated in the political processes. Coalitions that insist that those social supports required by all of us are kept at the top of the political agenda.

Organizations such as yours have indeed lent great impetus to the strides which have been made—in raising the levels of social security, in the passage of Medicare, and in the creation of nutrition programs and centers designed to meet these special needs. But let me repeat! Older Americans have begun to vocalize their own needs, and this is an effective fulcrum for social planners and practitioners in social services.

No longer can we afford, or dare to think in terms of "what do they need." At last we have begun to listen, and to learn how we can best meet their needs—as perceived by the consumers of such services.

This is precisely the point I would leave you with today. We in the service professions are now required under the Law, to plan with people, and not for them, and to recognize the right and necessity of recipient participation in selection and delivery of services. Not only have we begun particularly to recognize the enormous value of the maturity and wisdom of older people in service planning, but they, in turn, have begun to recognize and utilize their own strengths.

In writing an essay on his work, Robert Frost once remarked that "Scholars and artists thrown together are often annoyed at the puzzle of where they differ. Both work from knowledge; but I suspect they differ most importantly in the way their knowledge is come by" . . . So it is with social service providers and our legislators, and it is a dichotomy which we can and must seek to eradicate.

The passage of Title XX in the Social Security Act has at last provided us with a number of new freedoms, and new responsibilities. The first time in history, localities will be enabled to draw up their own local plan for social service delivery. In New York City, this has enormous implications. We will now be able to draw up neighborhood service delivery plans, tailor-made to the individual needs of a community as that community sees them.

Thus, we must significantly add to our intensive effort to minimize past damage. We must take decisive action in the planning, implementation and improvement of various supportive, preventive and protective services. That is an essential prerequisite to alleviating the condition of the City's one million older persons. The services mandated by Title XX are a good first step in this general direction, because they implicitly assume a basic integration of social services at the critical points in a person's life.

Central to this planning, is the simple, yet profound concept of the Ecosystem. It is a concept in which all persons and institutions are seen as interlaced systems, interacting with the galaxy of all other systems. In it, no one person or need exists in a vacuum, isolated from the rest of the social environment. Thus, in child welfare, the housing condition of the family, the employment status of the parent, school factors, the health of the family, all become important integrated system to be considered in terms of the total needs of the child. Hopefully, too, this "systems" concept, this idea of the inter-relatedness of all parts, will permeate our collective consciousness. Society as a whole will then realize that when we demean older people—when we ignore their needs and insult their intelligence—we denigrate ourselves, and forecast how society will treat us when we reach what should be in reality our "Golden Years" . . .

As with the medical profession, and its drastic shortage of general practitioners and family doctors, we have begun to see the very real need for the professional social work "generalist", one who can practice not only on a psychological or casework level, but on a very real and concrete level, to come to terms with the various systems in the environment that affect the individual's well being.

What this concept of the Ecosystem will translate into programmatically in N.Y.C., is the Neighborhood Service Delivery System; an independent and highly flexible network of local units, geared to the service needs of that community's population. It will concentrate on the needs of the whole person—from the time that person walks in the door, until the point at which all his needs have been met.

Built into this concept is the central role of the General Practitioner or Case Manager. Responsibility here will include: formulation of a total case plan, with client input as an essential ingredient; referral to, or involvement in, the appropriate public or private service provider; and, perhaps most importantly, follow-up to insure that all the individuals' needs have been met. The second important feature of the Neighborhood Delivery Systems is the concept of neighborhood saturation, whereby, everyone, regardless of ability to pay, age, or other factors, becomes a target client, and is actively sought out and made aware of existing benefits and services.

Experience has taught us that people do not come to a place just to see a social worker, or for some vague kind of "counselling". They do come, and will come, for clearly defined, recognizable assistance from someone who can be helpful.

The model we are currently implementing is therefore a "task-oriented" approach to the pervasive service-delivery problems of fragmentation, unresponsiveness and inaccessibility—in short, the present jig-saw puzzle where, too often one cannot bridge the missing pieces.

The client in need of services, whether it be an elderly person requiring housekeeping services, or a parent concerned about hazardous living conditions, will be assured of all services through one single, responsible case manager. Assured, too, will be the back-up support of the entire network of public and private agencies which exist to provide these needed services.

The program goals are not necessarily new ones. But the means towards these goals, represent an innovative and radical approach to service delivery. Essential to the overall integration of the Neighborhood Service Delivery System, will be a program of sound and thorough evaluation. That is contrary to the past, where judgement was so out of tune with reality. It was like the Emperor judging a singing contest—he heard only the first finalist and promptly gave the prize to the second. The evaluator now will be called upon to periodically examine the program and constantly will be called upon for suggestions for programmatic improvement.

I regret that we do not have time today to outline all of the new programs which we hope will swell the "wave of the future" in delivering needed services. Yet I would mention two projects recently initiated: Project CAUSE, and the Lower East Side Family Union Project, both of which involve the joint co-operation of the City and selected private agencies; and both of which focus on preventive services rather than on trying to affect a cure after the damage has been done.

A number of innovations have been enacted in the field of child welfare; these include:

(1) The creation of a "parent-rights" unit to work specifically with the rehabilitation of natural parents and aid in the return of children from foster care

(2) The creation of an Ombudsman in child welfare to act as a voice for natural parents whose children are in placement

(3) Establishment of an Information and Referral "Hot-Line" service for troubled adolescents.

In the area of services to adults, (and I speak here of both the public and private systems of service which co-exist and complement each other) the Social Service community has a right to be proud of the advances that have been achieved in the development of programs for the elderly. However, the desire for more progress and extensions of these programs is dampened because of lack of funds. When we say lack of funds, we mean specifically federal funds. In the face of the double digit inflation which has occurred, basic funding of social welfare programs in the service sector has not increased since 1972. In spite of this freeze, New York City continues to be the exemplar of what can be done in terms of services to the elderly.

Our senior centers grew from one experimental center in 1944 to a network of over 200, including those publicly and privately operated. These centers now provide over

650,000 lunches a month to elderly persons and offer programs in consumerism, arts and crafts, home management and other educational courses designed to meet the goal of self-sufficiency for seniors. In addition, the centers provide concrete services that assist in helping older people cope with their daily problems. They also offer an important means of socialization for isolated elderly; again, often the difference between mere existence and a fuller life.

What I would like to see in the not too distant future is a senior citizen center completely staffed and administered by older persons, with outside professionals employed only as consultants, or for special needs,

In response to the curve of rising demand in the area of supportive services, we expect to see a systematic extension of such programs as Homemaking and Housekeeper Services as well as a broad expansion of Home Attendant Services.

At the present time, we provide home care services to nearly 14,000 cases. That is almost equal to the number of adults in residential care, most of whom are elderly persons with limiting disabilities, who require some assistance to remain in their homes and in their communities. This is in line with our strong commitment to keep people, whether children or older persons, out of large, impersonal institutions and in their own environment. On a larger scale, it is to utilize the Systems' Approach we spoke of earlier, doing all we can to improve that environment.

How well we accomplish this will determine how we are judged by future generations.

In closing, I would leave you with the words of that eminent journalist of our time, the late Walter Lippman, who long ago wrote:

"What is left of our civilization will not be maintained, what has been wrecked will not be restored, by imagining that some new political gadget can be invented, some new political formula improvised which will save it. Our civilization can be maintained and restored only by remembering and rediscovering the truths, and by re-establishing the habits on which it was founded. There is no use looking into the blank future for some new and fancy revelation of what man needs in order to live."

Let us, together, remember and rediscover those truths in building our better now and still better tomorrow.

STATEMENT OF WILLIAM POTHIER, MEMBER OF THE BOARD OF DIRECTORS, THE NATIONAL COUNCIL ON THE AGING, PRESIDENT, NATIONAL INSTITUTE OF SENIOR CENTERS AND DIRECTOR, SAN FRANCISCO SENIOR CENTER, SAN FRANCISCO, CALIF.

Mr. Chairman, distinguished members of the House Select Committee on Aging: My name is Bill Pothier, and I am Executive Director of the San Francisco Senior Center and Chairman of NCOA's National Institute of Senior Centers (NISC). I thank the Committee for this opportunity to present the views of NCOA on the status and needs of Senior Centers throughout the country.

Mr. Chairman, I would like to describe briefly for you some of the activities of NISC. Founded in 1970, it represents more than a decade of NCOA activity to meet the widespread demands for expert technical assistance required for effective Senior Center planning and programming. Today, NISC's ever-expanding constituency includes public and private agencies, professionals and volunteers—all who are concerned with developing and expanding opportunities for older persons. NISC's broad range of programs are directed to the creation and growth of Multipurpose Senior Centers to assure that meaningful and creative services and activities are provided for and by the elderly.

NISC has just completed a major two-year study of the Senior Center movement through a grant from the Administration on Aging. Findings from the NISC Multipurpose Senior Center Research Project affirm the role of the Senior Center as a community focal point for older person services and activities. Nutrition, health and social services plus educational, recreational and community service opportunities are made accessible and available for older persons through Multipurpose Senior Centers in thousands of communities throughout the country. There are, however, great gaps in the development of Multipurpose Senior Centers. In rural areas, for instance, where services are particularly sparse and accessibility a major problem, there are great numbers of older persons who could benefit from Center services; yet, these are the communities which do not have sufficient local resources for such programs.

The rapid growth of Senior Centers in this country over the past three decades is impressive. Yet, this is an achievement that says more about the validity of the Center concept than it does about society's support of the special needs of the elderly.

This growth has not been in response to massive federal funding because little money has been available for capital building programs. It has been a self-help, grassroots, bootstrap operation from the start; to a great extent it is that today.

The Older Americans Act is providing new and expanded opportunities for service to older Americans and many of these programs are conducted at Senior Centers. But neither this act nor any other federal legislation has provided a satisfactory basis for getting Centers built. And that is the problem for Senior Centers—inadequate funds to build a proper facility.

Some money has come from the federal government through H.U.D. for Senior Centers in public housing projects. In most cases these community facilities are for all age groups in the project—the "Senior Center" becomes a few token rooms set aside for the elderly in the community building.

The lack of money for construction is the most outstanding constraint affecting the optimum functioning of the physical facility. Senior Centers have proven their worth; they have survived and grown strong but they have facility problems and no satisfactory way of raising funds to build properly.

The best Senior Centers in the country have facilities, furniture and equipment which are in some ways less than adequate and in some instances totally inadequate. Two out of three Centers are too small to function properly. Even when the overall size is satisfactory, some of the rooms are too small or are missing entirely. These are the rooms needed for programs—the Multipurpose Room, Lounge, Kitchen and Craft Rooms.

All rooms are continually pressed into service; in effect all rooms become "multipurpose" rooms and consequently fail to perform well in accommodating the activities for which they were originally designed.

The second problem is quality of environment: the character, appearance and esthetic quality of the Senior Center. The design of our community facilities reflect society's concern for its institutions; architecture is its mirror. In the case of Senior Centers the reflected image is weak and sometimes blurred. It shows an uncertain attitude, a hesitation, an unwillingness to make a full commitment. How does the quality of environment among Senior Centers compare with that of our other community facilities—our parks, our libraries, our schools? It compares poorly.

This is not to say that the best of Senior Centers are unattractive or poorly designed. They are not. What it is saying is that the level of quality is not what it could be or should be. This level of quality plays a vital part in the Centers' goal of enhancing the older person's perception of his own self worth.

The Directory of Senior Centers and Clubs: A National Resource has been made available to each Congressman and Senator as well as to select Congressional Committees as a guide to the services available throughout the country in such community-based programs. This directory includes more than twice as many Centers as were identified in the original 1969 study. Gleaning over the 541 pages of the directory, one sees the variability of the programs. Certainly, not every site is a Multipurpose Senior Center—a focal point for service delivery. Yet every site has that potential.

NCOA makes the following specific recommendations to help Senior Centers achieve that potential:

FIRST, the Congress should appropriate funds to provide Title V of the Old Americans Act with the means to do the task it was authorized to accomplish. At the minimum, each planning and service area should have a Multipurpose Senior Center from which service delivery could be coordinated—in a sense the action arm of the Area Agency on Aging.

Some say that the new Community Development Act of 1974 does what Title V was established to do. It does not. Title V was never intended to provide for the construction of Senior Centers. That is certainly needed and, of course, we hope that Community Development funds will be used for construction. To date, reports from across the country indicate few Senior Centers receiving these funds, somewhat due to administrative regulations which restrict these monies to public agencies. In addition, as the Committee is aware, Community Development funds are properly allocated based on local community needs.

However, in many communities which do not qualify for these funds, there is a large older population which is in dire need of such support. Unfortunately, requests for construction of Senior Centers in these areas have been rejected because the community as a whole is declared ineligible.

Second, the current focus of Title V, however, is too limited—reflecting a major limitation of service delivery throughout the Older Americans Act—no support for ongoing programs. Emphasis is on new projects, with nothing to maintain the services and activities which have proven themselves to be life-sustaining to millions of elderly in America. NCOA urges a Part C for Title V which would provide assistance to existing programs which qualify or have the potential to become Multipurpose Senior Centers by authorizing grants to sustain all or part of the costs of staff.

Third, while the extension and ultimate funding of Title V remains the primary route of federal support for Senior Centers, we urge legislative action authorizing Community Development funds for nonprofit Senior Centers in addition to those which are publicly sponsored. We also urge the Department of Housing and Urban Development to encourage support of Senior Centers in the Community Development program.

Fourth, NCOA urges the Administration on Aging to encourage Area Agencies on Aging to develop service contracts with Senior Centers whenever possible, thus recognizing and extending the comprehensive service delivery system which Multipurpose Senior Centers represent.

Finally, to assure more consistency in quality and as a means to maintain programs meaningful to the community and to older persons, NCOA proposes the development of standards for Senior Centers. The Administration on Aging should provide support for the accomplishment of that goal because it would be an important step forward in the provision of services for older people. The Senior Center field as a whole should assist in the development of these standards and be involved subsequently in their adoption as a means of promoting the best for those who deserve the best—the older people of America.

Thank you, Mr. Chairman.

STATEMENT OF HOBART JACKSON, VICE PRESIDENT, THE NATIONAL COUNCIL ON THE AGING, AND EXECUTIVE DIRECTOR, STEPHEN SMITH GERIATRIC CENTER, PHILADELPHIA, PA.

Mr. Chairman, distinguished members of the House Select Committee on Aging: I am Hobart Jackson, Executive Director, Stephen Smith Geriatric Center in Philadelphia, and a Vice President of The National Council on the Aging. I also serve on NCOA's Advisory Committee on Social Security, Pensions and Income Maintenance.

I thank you for this opportunity to appear before this Committee. My remarks will focus on the income and employment problems of older people—the jurisdiction of your Subcommittee on Retirement Income and Employment.

INCOME

Inflation attacks the economic security of all Americans, but few would disagree that it has the most damaging effect on those who must survive on fixed incomes. In recent months, most Americans have been faced with a lowering of living standards due to inflation and recession, but many elderly have been faced with real suffering.

About 78 percent of elderly males and 92 percent of elderly females are not in the labor force. Their income is fixed Social Security and/or pension benefits combined with whatever savings they have been able to build over the years. Despite the fact that Social Security payments have increased in recent years, these increases have not kept pace with the unexpected double-digit inflation. The elderly are particularly hard hit by this inflationary spiral because those items which take up the bulk of their tight budgets—food, housing, medical expenses, fuel and other public utility costs—have suffered the highest cost increases. The aged spend proportionately more of their incomes on food, housing and medical expenses than any other group in the country. A report by the Joint Economic Committee of the Congress concluded that the impact of higher prices on lower income consumers was about one-third larger than on other consumers.

In the last few years, there has been a sharp reduction in poverty for persons 65 and older, from one out of four older Americans in 1969 to one in six by 1973. Nevertheless, the elderly are still the most economically disadvantaged age group since the proportion of aged living in poverty (16.3 percent) is higher than for any other age group. The majority of aged persons in poverty are women living alone.

Many more older Americans, although not considered to be in poverty, do not have incomes sufficient to meet a modest standard of living. Almost half of all aged couples have incomes below the Bureau of Labor Statistics intermediate budget for a retired couple which was recommended as a standard by the 1971 White House Conference on Aging:

When Congress passed the Older Americans Act of 1965, income adequacy—"an . . . income in retirement in accordance with the American standard of living"—was cited as the primary goal. Since that time the Social Security system has been improved; most recently private pension plans have been strengthened and the Supplemental Security Income (SSI) program which federalized old age assistance has been established.

At the same time that these improvements have been made, however, inflation has offset their impact on retirement income. Social Security increases have lagged behind price increases. In the SSI program, recipients in at least 21 states will not even receive the benefits of a recent eight percent cost-of-living increase which they are entitled to along with other Social Security and SSI recipients.

Reduced Social Security taxes because of the recession and a long-term change in the population mix, have generated questions about the financing of the Social Security program. NCOA makes the following recommendations in this area:

Income and outgo of the Social Security trust funds should be brought into balance within the next few years and maintained in balance over the long-range future. There is no need to achieve a close balance in the present recessionary period or to maintain such a balance in the future over every year or short period of years.

The suggested measures to achieve this goal are:

The amount of earnings subject to Social Security taxes and counted in determining Social Security benefits should be increased substantially, as of 1977, from the present $14,100, and from then on adjusted, on an automatic basis, to increases in average wage levels. An increase to $24,000 in 1977 could be expected to bring the Social Security system as a whole (cash benefits and Medicare) into financial balance for the next several decades without an increase in the tax rates.

Beginning in about 1985 and increasing over the following three or four decades until covering about one-third of costs, a contribution from general tax revenues should supplement employer and employee tax contributions to the Social Security cash-benefits program. The general revenue contribution should begin within the next decade and be phased in gradually.

In order to achieve more adequate Social Security benefits (and supplemental work income) NCOA recommends:

An increase in the amount of earnings covered which would lead to higher future benefits and therefore greater economic security for workers in the middle and upper income brackets.

Gearing benefits to total wages in covered employment instead of to changes in the cost of living. Thus, as standards of living and levels of living increased for the working population, the retired would have a share in the increases.

Abolishing the premiums paid by beneficiaries for Part B Medicare.

Increasing the amount a Social Security beneficiary may earn in a year without reduction in benefits from $2,520 to $3,000.

SUPPLEMENTAL SECURITY INCOME

Turning next to the SSI program—its objective for the elderly is to provide an adequate standard of living for those who do not have income, or enough income, from Social Security, pensions or savings. It provides a federal "income floor" for those without other adequate income resources. Experience with the program has shown, however, that a) although there are some 2.3 million aged persons receiving benefits, there are still many aged persons not receiving benefits to which they are entitled and b) implementation of the program is reducing already limited benefits.

To achieve the goal of bringing all eligible aged person into the program, The National Council on the Aging recommends that the Social Security Administration take the following administrative steps.

Field visits to those potential beneficiaries who are homebound and unable to come to local SSA offices.

Development and implementation of a permanent outreach and information program to inform potential recipients of their rightful benefits.

To provide a more adequate income from SSI benefits, the Committee recommends that:

States should be mandated to pass along all costs-of-living increases in the federal portion of the SSI payment by requiring states to at least maintain supplementation payments at June, 1975 levels.

SSI recipients should be guaranteed that SSI benefits will not be reduced when Social Security benefits rise.

All applications for SSI benefits should be processed with the utmost promptness, preferably within thirty days. The present $100 advance should be increased to cover the full amount of the standard monthly payment for two months, and the present provision for advance payments on the basis of presumptive disability should be broadened to include presumptive blindness.

Legislation should be enacted authorizing the Secretary of HEW to provide a permanent mechanism for ongoing emergency assistance, as often as needed, effective within twenty-four hours of a recipient's application for such aid.

The use of an ombudsman at the state or regional level to respond to claims that individuals have been denied benefits to which they are entitled should be studied and seriously considered for use in the program.

PRIVATE PENSIONS

In the private pensions field, the Employee Retirement Income Security Act of 1974 provides some new protections and *guarantees* for the some 30 million employees covered by private pension plans.

Enforcement of the new pension reform law has just begun and it is too early to assess its impact. Studies will be needed (and some are provided in the law) to determine its impact in such areas as the employment opportunities of middle-aged and older workers, the improvement of survivor provisions and the expansion of private plan coverage. The provision establishing individual retirement accounts for those not covered by other pension plans is already quite popular, but there is little information if the additional requirements provided by the law have had any effect on establishment of additional group plans. It is important that additional plans be established to extend coverage, for less than half of the work force in private industry is now covered by retirement plans.

The Committee recommends two goals with regard to private pensions:

Existing pension plans should continue to be liberalized with regard to such features as early vesting, portability between employers and the provision of survivor benefits.

The establishment of new pension plans should be encouraged so that coverage would be extended to a larger proportion of the workforce.

Specific legislation and other recommendations await further study and experience under the new pension reform law.

EMPLOYMENT

Another area of vital concern these days to all Americans including the nation's older citizens is employment. The nation is experiencing its highest unemployment rates since the Depression. Millions, regardless of occupation or age, are suffering. Middle-aged and older workers, with heavy family and financial responsibilities, tend to suffer special hardships when the economy takes a downward turn. Men and women over 40 constitute almost half of the present labor force and more than a fourth of all unemployed. As Bureau of Labor Statistics figures indicate, they undergo longer terms of unemployment than younger age groups. They tend to drop out of the labor force through discouragement in a futile job search. Advocates of a broader definition of unemployment believe that present figures—which categorize discouraged workers as not-in-the labor force—understate by a considerable extent the true unemployment rate. Middle-aged and older workers are often victims of age discrimination on the part of both employers and employment-manpower service agencies.

One goal of a national employment policy should be to assure continued participation for all age groups since it is a major factor in a full and satisfying life style. It should also be noted that periods of unemployment have serious repercussions in terms of unemployment insurance, welfare costs and Social Security benefits.

The basic premise of employment and manpower programs from the inception of the Wagner-Peyser Act of the 1930s to the categorical manpower development and training programs of the 1960s and the present Comprehensive Employment and Training Act approach, has been that all Americans in need of assistance related to employment may fully participate in available programs. The desired outcome is free access for all individuals to the job market regardless of age and other possible limiting factors over which the individual worker has no control.

There is no question that middle-aged and older workers are not receiving an equitable share of manpower services through the CETA and the United States Employment Service networks. These groups of workers lack priority in these systems—only 4 to 8 percent of the CETA participants are men and women over 45 and analysis of Employment Service data reveal that middle-aged and older workers are less likely to receive services than those under age 40.

NCOA's concern, therefore, with the current regulations pertaining to CETA is that they in no way guarantee improved status for middle-aged and older persons in need of employment assistance. CETA regulations must be established which assure that funds allocated to prime sponsors be equitably distributed across all participating age groups.

NCOA recommends that the Department of Labor include the following general guidelines and specific changes in revised regulations pertaining to Title I and II of the Comprehensive Employment and Training Act.

A. Prime sponsors and their agents in order to assure fair and equitable participation of middle-aged and older men and women of all racial and ethnic backgrounds in CETA programs must include within any state plan an analysis of the universe of need of individuals they intend to serve by age and sex categories. The following groupings are suggested: Under 22; 22–39; 40–45; 55–65, 65 plus.

B. An appropriate reporting system should be standardized whereby Prime Sponsors and any Subcontractor can report comparative services to age groups on a monthly basis.

C. Prime Sponsors should see to it that middle-aged and older individuals, familiar with the manpower and employment needs of workers over 40, are included in fair proportions of all state and local manpower planning committees.

D. Any Prime Sponsor with responsibilities for implementing a Title II Public Employment Program must develop an Affirmative Action Plan to accommodate individuals within the protected group of the Age Discrimination in Employment Act. All state and local government and/or public employers are now covered and bound by federal age discrimination in employment legislation.

E. Middle-aged and older workers, by reason of their long neglect on the part of the Department of Labor, should be regarded as a new minority. Each Prime Sponsor, therefore, should be bound to submit within his state plan special training and technical assistance provisions to agents, or subcontractors on how to:

Assess the needs of middle-aged and older workers within a community.

Develop outreach capabilities to bring these older workers into CETA training and employment programs.

Develop special training methodologies and skills conversion techniques for middle-aged and older men and women.

Develop job placement strategies, in cooperation with other employment related agencies (e.g., the State Employment Security Agency) for those older individuals.

F. Appropriate Prime Sponsors should be informed and directed by the Manpower Administration that it is their responsibility to support all Senior Aide programs currently being funded by the Department of Labor through national contractors. These are programs of demonstrated effectiveness.

G. A separate title should be established under CETA that will address the manpower needs of the middle-aged and older worker, just as the Job Corps has been established for youth. It is important to note that although older workers were specifically mentioned along with Indians and youth in Title III, no money has ever been appropriated for this group.

MANDATORY RETIREMENT

A recent survey conducted by Louis Harris and Associates for NCOA found that a large majority of Americans feel that "nobody should be forced to retire because of age," and a smaller majority agree that "most older people can continue to perform as well on the job as they did when they were younger." Yet in mid-1974 there were over four million unemployed or retired persons age 65 and over who wanted to work but were not employed, compared to some 2.5 million who were working full- or part-time.

NCOA strongly urges that flexible rather than fixed retirement ages be adopted by employers and unions, allowing those who wish to retire early or at the "normal" retirement age of 65 to do so and allowing others to work as long as they are able, perhaps as determined by a physical examination or an objective scale such as that employed by the Industrial Health Counseling Service for the last four years in Portland, Maine. The fact that not all employers require mandatory retirement is evidence that flexible retirement is administratively feasible.

UNITED STATES EMPLOYMENT SERVICE

To increase services to middle-aged and older workers, NCOA recommends that the Manpower Administration mandate that the Older Worker Specialist be a full-time position at the state and local office level and institute a system for financial incentives to local offices that do an outstanding job of placing older workers. In addition, we recommend that the Manpower Administration set up on a pilot basis an employment service based on the 40-plus methodology to test techniques and procedures for adequate service to middle-aged and older workers.

SENIOR COMMUNITY SERVICE PROJECT

The Senior Community Service Project has clearly demonstrated that older workers can adequately carry out diverse work assignments, involve people in meaningful relationships, motivate them to initiate action on their own behalf, mobilize community resources and generally serve as a bridge between the consumer of services and the agency providing the services. It has also demonstrated that the program participants measured up in all ways to standards for younger workers—and often exceeded these standards. SCSP is a manpower model for the older disadvantaged worker. It has successfully carried out its primary mission of providing meaningful public service employment for older workers.

NCOA believes that the funds available for this program and similar ones are totally inadequate and that steps should be taken by the national Manpower Administration, local prime sponsors and national contractors to establish these projects at the local level on a permanent basis.

FUNCTIONAL CAPACITY

NCOA believes that middle-aged and older persons should be assured of opportunities for continuing employment. The extension of employment opportunities for this group and the removal of barriers to their employment remain primary goals. There is a need for the expanded use of techniques which have been developed for relating the functional abilities of workers to the functional requirements of jobs. In general, functional capacity and not chronological age must become the primary employment standard.

PRE-RETIREMENT PLANNING

Planning ahead for retirement can significantly reduce the mistakes and frustrations that accompany a trial-and-error approach after retirement. Problems may still arise, but the individual will be better prepared to cope with them. The three critical elements are opportunity and incentive to plan, and concrete relevant data on which to base the planning.

NCOA recommends that the Federal government recognize the need for planning and assume a partnership with educational institutions and private industry by funding research and training programs, sponsoring demonstration projects and providing incentives for employers to pay the tuition for appropriate courses as well as setting an example as a model employer for its own employees.

SECOND CAREERS

A change in mid-life from one job pursuit to a different field is no longer considered unusual in our rapidly changing society. For some workers, because of technological displacement or involuntary early retirement, the need for a second career is a necessity. To fill the need, career oriented educational and training programs should be developed which are aimed not at the beginning worker but at thoses who must transfer from one career track to another.

WOMEN AND MINORITIES

Unemployment and poverty among middle-aged and older single women and members of minority groups are particularly severe problems. NCOA urges that special attention be paid to the employment problems of these groups in Employment Service job development and in training programs.

Thank you, Mr. Chairman, for your consideration of our views on these matters.

Statement of Sidney Spector, Vice President, the National Council on the Aging and Managing Partner, Senior Housing Associates, Cleveland, Ohio

Mr. Chairman, distinguished members of the House Select Committee on Aging: I am Sidney Spector, Managing Partner of Senior Housing Associates, Cleveland, and a vice president of the National Council on the Aging. I am also the chairman of the NCOA Board of Directors' Advisory Committee on Housing. I welcome this opportunity to appear before this distinguished committee and present the views of NCOA on those areas which are the primary concern of the Subcommittee on Housing and Consumer Interests. I will focus my remarks on two specific areas—housing and energy.

For the nation's older citizens, housing costs (including rent and home ownership expenses) account for 35 percent of their incomes, compared to 23 percent for those under 65. Although it is true that approximately 70 percent of the aged own their own homes, the increasing costs of property taxes, home maintenance and insurance have soared in recent years. In too many instances, these inflated costs have resulted, or threatened to result, in the loss of homes these people have worked all their lives to maintain. If this threat to the independent living of older people is not soon averted, increasing numbers of the elderly will find themselves without suitable housing.

For the aged person paying rent the situation is even more critical. Not only are these people faced with the same rent increases as those on non-fixed incomes, but in many cases the elderly pay more for a great deal less. Millions of older persons live in dilapidated or substandard housing, 1.6 million live in units without basic plumbing facilities and 500,000 live in overcrowded housing situations.

I wish to stress the point, Mr. Chairman, that with the moratorium on subsidized housing, instituted in the last several years, the need for suitable housing for older persons has reached critical proportions. Waiting lists for existing low and moderate income housing for the elderly are extensive and growing. Hundreds of thousands of America's older people are forced to live in environments which are substandard, too expensive, too difficult to maintain, too inefficient for their age and capacities. Older people everywhere find it difficult to understand why a demonstrated need for a program which has been singularly successful—financially and socially—should be suspended and unfulfilled. Because of time, because of special needs with age, older Americans require a special priority today.

I am sure this Committee would agree, Mr. Chairman that older people have the right to make independent choices of their living arrangements regardless of their current income situation. These choices can include single family homes, independent apartments, congregate facilities and rehabilitative centers. In all instances such as housing should have easy access to senior center activities, health services, therapy programs, nutrition programs, cultural activities—all designed and implemented to maintain independent living even when disability occurs. To achieve such choice all the programs of low and moderate income housing authorized by the Congress should be used fully and immediately.

First, of vital importance in this regard is the full implementation of the Section 202 program. Congress has authorized and appropriated substantial funds for a new beginning of this very successful program of housing for the elderly. The Administration should accept this action and institute an effective program of direct financing both in the construction period and for the permanent loan for qualified nonprofit applicants. Such loans should have available to them a special setaside of Section 8 subsidy to insure that low incomes will not bar older people from suitable housing. This is a priority, major action required today.

Second, there should also be enactment and execution of full appropriations under the Section 8 program and Section 236. These programs individually and in combination could generate the volume of specially-designed housing older Americans need and require.

Third, a substantial program of special grants to senior citizens who own their own homes should be underway on a sizeable basis. This will permit older persons of modest incomes to improve and rehabilitate their own homes and go on living independently in neighborhoods of their own choice.

To make these programs effective, Congress and the Administration should insure the following:

That more than sheer shelter is required. Urgently needed senior centers, adequate nutrition programs, physical and occupational therapy, health programs, cultural enrichment programs, etc., should be financed by grants rather than out of the rents of residents.

That the administration of the subsidy programs must be realistic. This means reassessing fair market rents, construction costs, methods of financing and speed of administrative processing.

That new construction will be emphasized. Too many older persons live in homes which are too old and too inefficient for them. They require having arrangements suitable to their age and physical conditions at rentals and prices they can afford.

Beyond these measures there is a great need for a new investment in research on the physical and social aspects of housing for the elderly. New generations of older Americans with different values and different abilities will soon constitute our retirement populations. We need to evaluate the past, conduct research on the frontiers of our knowledge and develop criteria for the near future.

Finally, Mr. Chairman, there should be legislative enactment creating the Office of Assistant Secretary of HUD for Housing for the Elderly. The field is so large and so important that overall policy and planning should be centered by law in an Assistant Secretary with trained staff to insure effective knowledge, coordination and administration.

Mr. Chairman, now I would like to address another area which NCOA believes should be a priority concern for the Subcommittee on Housing and Consumer Affairs because it is an increasing problem for the elderly and the entire nation—energy. A limited supply of electricity, natural gas, heating fuel and motor oil at inflated prices is potentially damaging to the lives of older people, as well as to the institutions and programs which serve them.

As prices have continued to rise in the energy area, increasing numbers of older people living on fixed incomes are forced to decide between heat or food. Cost-of-living increases in Social Security and Supplemental Security Income benefits are quickly eroded by inflation's impact on energy costs alone.

Already inadequate public and private transportation become either too expensive or non-existent. Before the energy crisis, transportation accounted for between 7 and 11 percent of a retired couple's budget. But as gasoline prices soar, taxi-cabs and buses are forced to raise fares, making it more difficult for those on a fixed income to continue an adequate transportation allowance.

At a time when the cost of food and home heating fuel is also escalating at record-breaking rates, the increase in public transit fares places yet another strain on the elderly's already flattened pocketbooks. In effect, there simply may not be enough money in their budgets to pay for all these items any more, and we fear that transportation, which is thought of as the most expendable item, will be omitted.

It is true, of course, that more fortunate elderly have not had to spend a great deal of their limited funds on transportation, because free or low-cost transportation has been made available to them in a few communities. But even in these places, with the gasoline shortage reaching critical proportions, NCOA believes that the older person faces a real danger of being left not only without transportation services but without a whole host of other services as well, such as nutrition, health, employment and recreation.

Perhaps the most critical and far-reaching effect of the energy crunch on service agencies has been their loss of volunteer drivers. The loss of volunteer drivers due to the lack of or high cost of gasoline can cripple many programs geared to serve older Americans, including homemaker-home health aide projects, escort services and senior centers and food delivery programs.

I don't have to tell this Committee that reduced heat in the home is especially harmful to older persons suffering from arthritis and other chronic conditions. If the cost of heating fuel goes any higher or the fuel becomes difficult to obtain, the health of the nation's elderly will surely suffer.

In addition to personal suffering, the elderly are likely to see a reduction in benefits of programs designed to serve them, including those authorized under the Older Americans Act. The appropriations for these programs fail to recognize the increased costs for lighting, heating, cooking, transportation and other essentials which depend on the energy supply.

To avoid or alleviate these present or potential problems, NCOA recommends that:

The development and implementation of a national energy policy should assure that all citizens are equitably treated and that the elderly and other vulnerable groups are not adversely affected.

The use of any gasoline allocation formula should include extra supplies to agencies who operate elderly transportation services and unrestricted access for volunteer agency drivers.

Any fuel allocation and/or rationing, if developed, should take into consideration the special needs of the elderly.

Government program regulations which restrict reimbursement of drivers should be periodically changed to reflect the higher price of gasoline.

The appropriations for service programs dependent on energy resources should be increased to account for inflation in this area.

The Federal government should institute a program of low-cost loans for housing insulation.

Comprehensive consumer information on energy conservation and rights should be developed for the elderly and effectively distributed to them.

Thank you, Mr. Chairman. I hope these suggestions are useful to your Committee in its significant efforts to improve life for the aged.

STATEMENT OF ROBERT AHRENS, MEMBER OF THE BOARD OF DIRECTORS, THE NATIONAL COUNCIL ON THE AGING, AND EXECUTIVE DIRECTOR, MAYOR'S OFFICE FOR SENIOR CITIZENS, CHICAGO, ILL.

Mr. Chairman and distinguished members of the House Select Committee on Aging:

I am Robert Ahrens, Executive Director of the Mayor's Office for Senior Citizens in Chicago, a member of the National Council on Aging Board of Directors and chairman of the NCOA Public Policy Committee.

On behalf of NCOA, its Board of Directors, staff, members from throughout the nation and other participants in our 25th Annual Meeting, I wish to take this opportunity to express our appreciation for the scheduling of this hearing to coincide with our annual meeting. NCOA has long supported the establishment of a Select Committee in the U.S. House of Representatives to deal with the broad range of issues which affect the well being of the nation's 21 million older citizens. Therefore, we were most pleased when you and your colleagues in the House voted a year ago to establish this Committee. We are honored that you have joined us on our 25th anniversary and we would like to congratulate the Committee for the work it has done so far, and for its own first anniversary which is approaching. We look forward to working with you in the future to ensure a better life for all older American.

Following my prepared statement, you will hear from other members of the Board of Directors—each of whom will focus their remarks on the respective jurisdictions of your four subcommittees. In addition, you will hear the views of the President of the National Institute of Senior Centers, a major program of NCOA.

As you are aware, the National Council on the Aging is a private, nonprofit organization whose membership consists of individuals and organizations throughout the country who serve the nation's older citizens. For 25 years NCOA has provided leadership in the field of aging to public and private agencies at the national, state, and local levels. We continue to be a national resource for planning, information, and service in those areas affecting the lives of the nation's elderly population.

First, I would like to discuss briefly some of NCOA's general public policy concerns. We would like to stress our continued strong support for the Administration on Aging (AoA) and its efforts to administer effectively the programs authorized in the Older Americans Act (OAA) and to serve as a focal point at all levels of government for aging matters. As AoA marks its 10th anniversary this year, we applaud the untiring and dedicated efforts of Commissioner Flemming in attempting to carry out these mandates.

Yet, I am sure this Committee is aware, Mr. Chairman, that throughout its history and into the present day, AoA has been burdened with a discrepancy between its general mandates and the resources provided to achieve those ends. We look forward to the day that the objectives outlined in Title I of the OAA—an adequate retirement income, suitable housing, good physical and mental health, restorative services, employment opportunities, dignified retirement, opportunities for meaningful activity, efficient community services, benefits from research and personal independence—can be achieved. To date, AoA has only just begun to address itself to many of these problem areas. We further look forward to the day when the administrative structure established by the 1973 Amendments to the OAA can work effectively throughout the nation to coordinate and plan comprehensive services for the elderly and to represent their interests at all levels of government.

Second, NCOA has recently inaugurated a major program to alter the image of aging in America. We consider this effort a priority endeavor because its success can have a positive effect on all areas of public policy for the elderly. We have established the National Media Resource Center on Aging, the first major, nationwide effort to develop greater public understanding of the diverse character and characteristics of older persons and their vast potential to contribute to the social and economic growth of the nation.

The first product of the Center was the most extensive study ever conducted to determine the American public's attitudes toward aging and the aged. Conducted for NCOA by Louis Harris Associates, this study, *The Myth and Reality of Aging in America*, documents some dramatic findings, especially in the area of public policy:

97 percent of the American people believes that, as the cost of living increases, Social Security payments to retired people should also increase;

81 percent believe that the government should help support older people with the taxes collected from all Americans; and

76 percent believe that no matter how much a person earned during his working years, he should be able to have enough money to live comfortably when he is retired.

NCOA believes that this overwhelming support of the American people for such programs should serve as an impetus to the Congress and the Administration to initiate a national commitment on aging—to achieve the goals outlined in Title I of the Older Americans Act. The nation has the resources, it has the understanding of the need, and it has the knowledge of what to do. What is missing is the national will—that national commitment—to assign a high priority to improving the quality of life for the elderly.

Third, extension of the General Revenue Sharing program will be dealt with by the Congress in the coming months. Since the inception of the program NCOA has provided technical assistance to public and private local, state and national agencies serving the elderly and poor on how they should go about obtaining their "fair share" of the allocated funds. We were pleased that social Services to the poor and aged was one of the priority areas in which local governments were required to spend their funds. Yet in a recent study the General Accounting Office revealed that less than half of one percent of the total monies authorized for expenditure by the local governments surveyed were directed specifically to programs to benefit the aged. To compound the problem, cutbacks in and even complete elimination of categorical programs benefiting the poor and aged have been justified on the existence of general and special revenue sharing funds to take their place.

It is clear that, without additional safeguards in the legislation being drafted to extend the program, the needs of the poor, especially the elderly poor will not be a significant objective of revenue sharing programs. Therefore, NCOA urges the Congress and the President to support in any legislation extending the State and Local Fiscal Assistance Act of 1972 the following provisions:

A restriction on the use of general revenue sharing funds by both state and local governments to the eight priority areas in the current legislation.

A requirement that states and local governments spend no less of these funds on social services for the poor and aged than the percentage of aged and poor in that particular political jurisdiction as determined by the Bureau of the Census data.

Fourth, as you know, Mr. Chairman, the elderly are not a homogeneous group. The character of the older population includes a broad spectrum of needs, talents, capacities and abilities. We must not lose sight of these differences which pose some problems, but also offer great opportunities. Therefore, we wish to stress to this Committee the unique needs and potentials of the rural elderly, the minority aged and older women.

I think it is apparent to all of us that to be poor in our society is a heavy burden. But, to be poor and old places even greater burdens on the individual. It should also be apparent that to be poor and old and non-white is a triple handicap. And, finally, to be poor and old and non-white and a woman is to face almost insurmountable burdens.

All of the problems and recommendations for action my colleagues will outline are of special significance for these segments of the older population. Priority attention must be given to the minority group elderly to assure that they receive programs and services which are geared to their special needs and in ways compatible with their culture and preferences.

Moreover, NCOA wishes to underscore the fact that, for an older adult living in rural America, the problems of poverty, isolation, poor heatlh, inadequate housing and lack of visibility are compounded.

The National Council on the Aging calls for a national effort through the voluntary, public and private sectors to utilize the capabilities of rural older adults to restore them to productiveness and to expand and develop services to enable rural older adults to enjoy a life of dignity, health and safety. To this end, we make the following recommendations:

In non-metropolitan society, pensions or annuities are almost nonexistent. Therefore, older adults rely on social security benefits or income maintenance programs for their only source of income. To relieve the burden of these often inadequate income levels for older adults in rural areas, we advocate:

An accelerated effort to develop rural manpower programs to enable older adults to remain self-sufficient.

An income maintenance program tailored and directed to meet the needs of the rural older adult. Such programs should take into account the traditional multi-generational family model which is still common in rural America since this structure often prevents older family members from receiving full income benefits although they must contribute to the family's income in order to avoid impoverishing them.

An effort by Federal, state and local governments to protect the independence of rural older adults by reducing property taxes, especially those of persons on limited incomes.

Noting that, in 1973, the U.S. Department of Health, Education and Welfare spent only $7 million out of $175 million on health services delivery in rural areas although statistics show that approximately 140 rural counties in the nation do not have a physician and very limited auxiliary health services, NCOA recommends the following:

That the Federal government collaborate with medical schools in planning for special stipends for medical students who make a commitment to serve in rural areas (as well as other delivery areas) following their training as well as field placements during their training.

That more support be given to developing other professionals such as doctor's assistants, nursing and medical aides to provide supportive medical services to older adults in rural areas.

That mobile health service units, mini-medical clinics, visiting nurses services and emergency transportation services be developed to alleviate this serious problem.

That more emphasis be given to medical service development, linkage of auxiliary services and provisions to enable the utilization of these services.

Public transportation is virtually nonexistent in most rural areas and medical and social facilities are too distant from residential areas to be reached by taxi or by walking. These conditions immobilize older adults and keep them from making social contacts and reaching professional services. NCOA would recommend:

That the National Mass Transportation Act of 1974 be re-examined and new allocations made to offer more than token assistance to rural areas.

That efforts be made toward ensuring the full development and utilization of volunteer transportation services, mini-bus services and school buses during "off hours" to fill this transportation gap.

That State Public Commissions remove those regulations which might restrict the implementation of transportation programs, and that State Agencies on Aging be prepared to follow-up such action with recommendations of transportation programs which would benefit the elderly.

Sixty percent of the substandard housing reported in the nation's counties is in rural areas; one-fourth of those dwellings are occupied by the older adult. NCOA recommends the following:

A major national housing focus directed at rural America with particular emphasis given to the housing needs of older adults. An effort to broaden the programs of, and the appropriations for, the Farmers Home Administration specifically to meet the housing needs of rural America would be an important step in this regard.

Legislation to make available funds for low-interest rate loans for major home repairs. The development of community services to provide minor home repairs could enable many older adults to maintain their independence by remaining in their own homes and, for many, by using their skills in carpentry, masonry and plumbing to earn extra income.

Greater efforts by planners and administrators to provide social services, which are so often denied the rural elderly because of their limited mobility, with public housing projects for the elderly.

Clearly, Mr. Chairman, this previous emphasis on the rural elderly should not in any way imply that we are not cognizant of the real problems facing the aged living in urban America. We have in the past, and will continue to place special emphasis and energy on solving the problems of the urban elderly. These special areas of concern include housing, crime, income maintenance and the coordinated provision of social services.

In conclusion, I wish to emphasize NCOA's belief that in a democratic society the development and implementation of a public policy responsive to the needs and capacities of the nation's older citizens is an obligation we all share. While that responsibility rests ultimately with our elected officials, NCOA feels that the voluntary sector has a vital educational and informational role to play in this area. Those who serve the elderly throughout the nation—whether as social workers, doctors, nurses, educators, administrators, researchers, volunteers or any other essential service providers—observe first hand the needs of the older population as well as the effectiveness of programs and services designed to respond to these needs. One of NCOA's essential roles, it seems to us, is to serve as a conduit of such information to policymakers at the national and local levels.

As we approach the nation's 200th anniversary, NCOA remains hopeful that concrete advances will be forthcoming on a number of priority issues which directly affect the lives of most older Americans. My colleagues who follow me this morning will address themselves to these issues.

Following the lead of the elderly themselves, and working together with all those concerned for their wellbeing, NCOA will continue to encourage the development of a social policy responsive to the nation's older citizens. We are confident that this committee can and will play a vital role in that development and we look forward to facing that challenge in cooperation with you in the years ahead.

STATEMENT OF MOTHER M. BERNADETTE DE LOURDES, O. CARM., VICE PRESIDENT, THE NATIONAL COUNCIL ON THE AGING, AND ADMINISTRATORS, ST. JOSEPH'S MANOR, TRUMBULL, CONN.

Mr. Chairman, distinguished Members of the House Select Committee on Aging:

I am Mother M. Bernadette de Lourdes, Administrator of St. Joseph's Manor in Trumbull, Connecticut. I am also a Vice President of The National Council on the Aging and chairman of the Social Services and Transportation Committee.

I am most grateful for this opportunity to appear before this committee to present the views of The National Council on the Aging in the Social Service area. Your Subcommittee on Federal, State and Community Services has a key role to play in studying and drawing attention to a broad range of problems which directly affect the well being of most older people—social services, nutrition, transportation, crime, research, training and education.

First, in the general area of Social Services: A social service system exists to help individuals and families to make optimal use of the resources which exist to sustain and enhance social functioning in our very complex society and its physical environment. Social services are needed by all people at some time in their lives to maintain or to attain their roles as socially or economically productive members of society, and to effectively cope with their environment.

The elderly particularly, because of their vulnerability and the impact of their problems on family and society, as well as their lack of knowledge about the social interventions which are needed, represent a primary target for social services. The provision of social services in their preventive, supportive and restorative functions can provide for the individual and collective needs of older persons.

Where responsibility rests for providing needed social services for the aged has not been clearly defined. Neither has accountability been clarified nor the mechanisms for this developed. Perhaps most importantly, the resources which are provided are insufficient.

Social services have developed in three separate systems, one private profit-making one, and the others private-voluntary and public. None of these systems functions adequately for the aged and the separation of the three systems has been dysfunctional to meet all needs of the total elderly person. The identification of this group as a special category to receive government resources has weakened not only the principle of right to service but the integration of all services, private (profit-making and voluntary) and public, into one cooperative system which functions effectively.

The National Council on the Aging is aware, Mr. Chairman, of the wide disparity which exists at present between the needs of the elderly and the social services which are provided to meet the greatly varied needs and wishes of this diverse population. No national policy now exists regarding meeting the needs of all Americans; this should be a primary goal. There should be a public commitment to the elderly so that necessary steps may be taken to ensure that the gap be closed between service needs and services for Older Americans.

I wish, Mr. Chairman, to make a few remarks concerning the new Social Service Amendments of 1975 (Title XX) which basically represent special revenue sharing as applied to public service programs. Unfortunately, Title XX does not mandate the provision of essential services and omits the specific language permitting group eligibility or standards for adult care; it does not define strongly what constitutes an eligible service. What is most important, moreover, is that no attempt has been made to coordinate this social service program with other programs—private and public—which provide services to the elderly.

NCOA has continually worked for improvements to insure that the current delivery and future expansion of critical social services to older Americans be facilitated. Delivery and expansion of services, however, is not enough. NCOA is concerned with regulation and means to insure the quality of the services.

The assumption is that there will be little change this year in provision of social services, and the present pattern will continue until review and planning can affect new modes of implementation. Since Title XX provides for public review and comment, mechanism for utilization of these to maximize for the elderly are essential. In this way changes may take place in direct response to service needs of the elderly.

The National Council on the Aging makes the following policy recommendations accordingly:

Title XX should make explicit that services be designated for the elderly specifically, so that low-income elderly are not in competition with other groups for services;

Group eligibility in the provision of services to adults should be allowed under Title XX;

Standards which ensure quality adult care must be established under Title XX. Funding to ensure enforcement of these standards through inspection and education must also be forthcoming;

Attempts should be made to coordinate the Title XX programs with other service programs—private and public—which serve older people;

Provision of services under any law is useless unless knowledge and access to the services is made readily available to the group which needs them. Thus, a system which will provide information and make referral for the elderly to link them to services is imperative;

Transportation is a means to bring services and older people together. There is a continued need for the development of mass transportation and/or diverse mobility systems which are responsive to the unique needs of older people;

Levels of appropriation for services should meet the massive needs of the elderly. Insufficient funding represents tokenism and results in inadequate services and blocks access to services;

Second, transportation provides a link to needed services for the elderly, who are more reliant on transportation than any other segment of the population. Yet the elderly are least likely to be served by the present transportation system. Most transportation money goes to networks serving the private automobile, and the elderly are generally nondrivers. Where transportation is available—and almost none is available in rural areas—the elderly either can't afford it or design, routing or scheduling make use of facilities difficult. Thus, barriers are created to service and employment for the elderly, particularly the elderly poor. NCOA, therefore, recommends:

The Federal government must take the leadership in increasing the mobility of older people through subsidization and promotion of free or low-cost coordinated accessible transportation systems with special attention to their unique needs. Ultimately, the responsibility in this area must rest with state, regional and local transit authorities;

The provision of transportation is an essential part of any social service, welfare or health program serving older people. Any of these which receives subsidy from local, state or federal government should include transportation as the vital linkage between the older person and the service;

Funds should be provided by all levels of government to test out new alternative ways to provide low-cost transportation to meet the needs of older persons in both urban and rural areas and,

Older people themselves should be actively involved in the planning, policy making and development of transportation programs designed to serve them.

Third, in the area of nutrition, inflation has increased food costs alone by 20 percent in the last year. Thus, the elderly poor are forced to "pay more to eat less."

NCOA believes:

Title VII of the Older Americans Act should be fully funded to provide the necessary support for the Nutrition Program for the Elderly which, despite its success, now reaches only a minority of those who need such support.

The food stamp program needs an expanded outreach as well as an improved administration in order to be of greatest value to older persons.

Information about the influence of nutrition on the aging process should be incorporated into all health education programs. Such programs should be given in the public schools, be an integral part of the health education functions of the proposed national health security program, and be a significant part of Senior Center programs and of other services through which large numbers of older persons can be reached.

Standards for nutritional quality for food services for older people should be established at the federal level and be included in the licensing and inspection procedures in every state and community.

Fourth, crime against the elderly has become a national problem and disgrace. The elderly, and especially the urban elderly, are the most vulnerable victims of the recent dramatic increase in crime in America. Millions of the aged are virtual prisoners in their own homes, self-confined victims who fear even going out in the streets. The quality of life for thousands and thousands of elderly people is degraded by not only the existence of robberies, assaults, fraud and rape, but also by the threat of such crime. In a recent study conducted by pollster Louis Harris, those over 65 rate crime or the fear of crime as their most serious personal problem.

Unfortunately, there is no reliable index of the volume of such offenses against the elderly because only the age of the criminal not the victim is usually recorded. In addition, numerous studies have shown the high numbers of unreported and underreported crimes, especially among this age group.

NCOA believes it is essential that a number of steps be immediately taken to make America safe for its nearly 21 million older citizens. There is a need now for a national Senior Citizens Crime Index to monitor the growth and delineate the development of offenses against older people. Local police authorities should be encouraged to set up strike forces to prevent attacks on the elderly and to pinpoint the locations and modus operandi of the attacks. There is a definite need for the Law Enforcement Assistance Administration (LEAA) of the Justice Department to undertake studies to determine how localities may best cope with the problem of crime against older people and to use its resources to fund programs which protect the elderly. At the local level a number of steps should be encouraged, including:

Regular visits and liaison by police to facilities used by the elderly such as senior centers, housing projects, etc.

Self-help programs, training the elderly themselves in crime-prevention procedures.

Train senior center leaders to train their members in crime prevention.

Establish community watch programs, involving community groups of all ages to be alert to threatening or suspicious activities: Teen patrols, radio-dispatch cab drivers, police hookups, high school student escorts etc.

Patrol of streets (perhaps by retired policemen or police cadets) and areas older people use that have high incidences of criminal activities; escort services to and from transportation services to housing projects, shopping and senior centers, clubs, clinics, etc.

Assign and train the elderly stay-at-homes or homebound to observe streets or sections of their neighborhoods, reporting suspicious behavior to the police.

Regular police security checks of buildings and sites housing the elderly (just as the fire department makes regular fire prevention inspections).

Install in housing for the elderly (on government subsidy or as tax-deductible expense) burglar-proof photoelectric beams on windows and doors; one-way glass; TV monitors in elevators and corridors; central alarm buzzer systems linked to police dispatchers or patrol units.

Since crime against the elderly is reduced in specific housing as compared to intergenerational housing, encourage and build more housing especially for the elderly.

Mail government checks to banks for individual deposit; banks should provide free checking accounts for the elderly.

Make an offense against an older person a Federal crime if committed in federally funded facilities such as housing projects, centers, etc.

Fifth, I would like to discuss the growth of research in this field. During the past decade there has been a substantial degree of federal government support for research and development of social, behavioral, and biomedical research on aging. This has come through as many as 30 government agencies and departments, each of which has found that it needs to support research on problems of aging and evaluation of its programs for the elderly.

There is naturally some question whether this variety of research projects and programs is well planned and coordinated so as to cover essential problems without overlapping in some places, and serious gaps in other areas.

The situation is now ripe for a major effort to get more coherence and better planning into the federal government's support of research on aging.

The New National Institute on Aging is now almost ready to function, and it has a National Advisory Committee which has been at work for several months. Also, the Department of Health, Education, and Welfare has a Federal Council on Aging consisting of nongovernmental personnel which advises on programs in HEW. We urge these two groups to get together, and perhaps to jointly create a Task Force on Research and Development in Social Gerontology, with the mission of producing a Five Year Plan for government support of research and development in this area.

Some of the most needed research can be foreseen. For example:

Long term care of elderly persons in feeble physical condition. This involves studies of standards and methods of financing nursing homes; but also studies of facilities that can serve home-bound or physically impaired people through homemaker services and home-delivered meals—thus avoiding the cost and difficulty of moving into a nursing home.

Research on ways of protecting the incomes of elderly people from erosion by monetary inflation.

Research on the programs of Senior Centers. These agencies are increasing in numbers, and probably are the most useful single service facility for the elderly. A variety of model programs should be studied, evaluated, and then those that work well should be spread over the land.

The media in service to the elderly. Television and radio programs, as well as the printed media, should be monitored and evaluated for their values to elderly viewers. Possibly some experimental programs should be created and tried out.

Research on the adequacy of existing retirement roles and programs for development of new retirement roles.

Research on factors that affect policies governing retirement age.

Sixth, with what is bound to be a major expansion of services and programs for the elderly during the next few years, there is need for the continuing education of people already in the field as well as supplementary training of a large number of people with a three-month to one-year program, to serve as staff members of area agencies, as staff members of Senior Centers, and as staff of long-term care institutions.

It is also desirable to maintain the present flow of young people through doctoral programs in gerontology and related disciplines. The provision of a limited number of fellowships for doctoral candidates in the spring of 1975 was a good move and should be continued. Training grants for university programs in the social and biological aspects of aging should be maintained with funds that will guarantee the supply of research and university teaching personnel at a somewhat increased level.

The continuing needs for training persons at the doctoral and the semi-professional levels should be worked out with the aid of the Councils mentioned in the section on Research. The time has come to set up an ongoing program for at least five years, with funding authorized by the Congress. The Congress has been appropriating funds for training at the level of $8 million in the most recent years. Support should be assured for five years at least at this level.

Seventh, there are needs in the field of education for older people. Programs of general cultural and socio-civic education provided for people in their 50s, 60s, and 70s are now beginning to catch the attention and interest of mature people much more than they have in the past. This is partly due to the ingenuity and effort of educators, working especially in community colleges and in extension divisions of the state universities. It is also partly due to the increasing level of formal education of elderly people. Within ten years, the majority of people aged 65 will be high school graduates. And those who have the most formal education are the ones who want more continuing education.

Educational programs should be effectively free of tuition charges for all people over age 60, which means that colleges and public school systems should have access to federal or state funds to support such programs. Legislation has paved the way for such support, but very little money has yet been appropriated and made available. Federal funds should be appropriated specifically for these purposes.

In addition, curricula regarding the aging process should be developed and introduced at all educational levels.

And finally, NCOA has a special concern for Older Americans and the Arts. For 25 years The National Council on the Aging has sought to facilitate the full utilization by the aged of services and programs that could make their lives more meaningful and personally gratifying.

NCOA continues to seek new alliances that can improve the quality of life of older people particularly as that quality relates to the loneliness, isolation and lack of new social roles that exist in the world of the aged. Leaders and policy-makers in the burgeoning field of cultural services must be increasingly made aware of how the arts network, both public and private, can serve and be served by older Americans. Agencies and practitioners in the field of aging must become active advocates for older persons in the field of the arts.

NCOA believes that while the aged's involvement in cultural services and programs may not be a matter of life and death for older persons, it can be a matter of happiness or unhappiness, usefulness or uselessness. The overal goal in this area is to ensure that older persons have an equal opportunity, with other population groups, to participate in and have access to cultural programs and services. In particular, NCOA recommends:

A broadening of the arts constituency to include the elderly;

An upgrading in the quality of arts programs now available to older people;

The provision of new employment opportunities for artists young and old in the field of aging;

The preservation of art forms which otherwise might be lost forever;

A broadening of the cadre of support for the arts through better use of the energy and ability of older persons whether as volunteers or as paid professionals; and

The mobilization of arts resources at local, state and national levels in both the public and private sectors that are currently overlooked or underused in the field of aging.

NCOA recognizes the need to preserve the folklore and forgotten arts of America including the ethnic heritages of our diverse population, for the enjoyment of all citizens. It is the older adult who has the knowledge and skills not only to produce early American crafts and artwork, but also the capability to teach others the techniques of these accomplishments. Therefore, NCOA would make the following recommendations:

Local initiative can be encouraged by developing co-ops and/or channels to the retail market where they reach the consumer. Any public effort to develop such channels should ensure that the proceeds of sales benefit the older artisan.

Older artisans should be given opportunities to share their knowledge with others and be provided opportunities to improve their skills. Both Federal and state governments need to be sensitive to these needs and provide avenues by which this unique talent can be shared and enhanced.

To date, cultural services for, with and by the aged is a concept without priority status in either the arts or aging fields. We recognize that promoting a new concept which is not considered as important as survival support services is difficult at best and is more so in two fields that are currently under funded.

As you know, Mr. Chairman, and as our statement illustrates, the term social services covers a broad spectrum of activities and programs. All of them may not be essential for survival, but all of them can turn mere existence into a meaningful life. I know that this Committee shares our concern over the quality of life afforded all our older citizens. NCOA has dedicated itself to improving their lives and hopes you will join us in this difficult, but infinitely rewarding effort.

Thank you for your attention this morning.

STATEMENT OF DR. PETER MEEK, MEMBER OF THE BOARD OF DIRECTORS, THE NATIONAL COUNCIL ON THE AGING, AND FORMER EXECUTIVE DIRECTOR, THE NATIONAL HEALTH COUNCIL, RIDGEWOOD, N.J.

Mr. Chairman, distinguished Members of the House Select Committee on Aging:

I am Peter Meek, retired Executive Director of the National Health Council of Ridgewood, New Jersey and chairman of The National Council on the Aging's Health Advisory Committee and, as a member of NCOA's Board of Directors, I am pleased to have the opportunity to speak before this distinguished committee. My remarks will concentrate on those areas which are the primary concern of your Subcommittee on Health and Long-Term Care.

Good health and proper nutrition are basic ingredients of a satisfactory life for all people. For older Americans these goals are more difficult to attain and maintain than for the remainder of the population. Growing older is almost always accompanied by an increasing need for health care services (people aged 65 and over, while approximately 10 percent of the population, account for 30 percent of health care costs.

While recognizing that good health and proper nutrition should be public policy goals for all Americans, The National Council on the Aging is particularly concerned that there be a public commitment to assuring that the necessary steps are taken so that older Americans can live healthfully and can choose and purchase appropriate health care services. To this end the Council has adopted the following public policy recommendations:

HEALTH

NCOA belives that the final responsibility for comprehensive health services, both physical and mental, for older Americans lies in the public sector at the federal level. The objective of such health services should be the provision of expanded and specialized health programs and facilities and rehabilitative and preventive care, including mental health services, for older persons. The provision of these facilities and services must be complemented by the establishment and enforcement of national standards to guarantee quality physical and mental health care and decent living conditions.

As first priority, Mr. Chairman, NCOA supports the early establishment of a national health security program which incorporates the following principles:

Comprehensive physical, mental, environmental and social health care benefits for all Americans;

The integration of Medicare into a national health security program for Americans throughout the life span;

The elimination of all co-insurance, deductibles and premiums; Administration and fiscal management of the new health security program by a public agency without an intermediary between the providers and the public agency;

Financing of the health program through general revenues and payroll taxes.

Consumer participation of the aged in the development and implementation of this program including involvement in quality controls (in such areas as accessibility, acceptability and accountability) and in cost controls.

Coverage for the full range of long-term care services, including home-based, community-based and institution-based services, with appropriate quality and cost controls specifically designed for the aged.

Monies allocated to research and output measurement to include appropriate attempts to develop criteria for evaluation of health care delivery of the aged related to functional capacity, ranging from minimal self-care to full independence; and

The exclusion of means tests from any aspect of the program.

Secondly, pending the establishment of a national health security program and recognizing that:

Health care costs are now increasing 50 percent faster than the economy as a whole;

Per capita health care costs in 1973 were 3½ times greater for people aged 65 and over than for younger age groups;

Medicare, which covered 49 percent of the total costs for medical expenses in 1969 covered only 38.1 percent of these expenses in 1974; and,

That skyrocketing costs of health programs do not reflect advances in health services for older people.

The National Council on the Aging urges immediate improvement in, and expansion of, the present Medicare and Medicaid programs to meet more adequately the health needs of older persons. Specifically, these improvements should deal with matters such as:

Length of stay in acute hospitals.

Coverage for home care.

Diagnostic and preventive services.

Out-of-hospital drugs and medicines.

Elimination of the premium paid for Medicare Part B and the co-insurance features related to hospital care.

In addition, greater coverage should be provided for dental care, eye and hearing care and aids as well as for other prosthetic devices which contribute to social and health functioning, and which facilitates mobility.

Third, we urge better enforcement of present standards of care and, when promulgated, vigorous state implementation of national standards for nursing homes and personal care homes, not only to assure the safety and appropriate levels of health care for older persons, but also to assure the inclusion of social care perspectives which help to preserve the human rights and dignity of the older residents.

Fourth, the encouragement of specialties in geriatric medicine and other health professions should be a matter of national policy, with funds made available for recruiting and training these specialists required to staff a comprehensive health service for older persons.

Fifth, a national policy and program on the physical fitness of older Americans should be developed.

Mr. Chairman, The National Council on the Aging has some very specific recommendations to make in the long-term care area. As this committee is aware, the growth of the nursing home industry in recent years has been phenomenal; and, for the most part, caused by the introduction of Federal funds through Medicare and especially the Medicaid program. In fact, public funds now account for approximately $2 out of every $3 in nursing home revenues. In 1973, Medicare contributed $200 million and Medicaid $2.1 billion to the industry. In addition, there are almost 50 other Federal programs which assist nursing homes. These public funds support an industry in which 77 percent of the nursing homes are operated for profit, 15 percent are philanthropic, and only 8 percent are government owned.

Despite this rapid growth and public support, a recent study by the Subcommittee on Long-Term Care of the Senate Special Committee on Aging concludes that there is no coherent Federal policy on the long-term care of older Americans. As a result, in too many cases, public funds are used to perpetuate deficient care for thousands of older people, thus causing them to live in unconscionable conditions. That Senate report concludes that the majority of nursing homes in the country do not meet minimum standards of acceptability.

It is critical that the Federal government redirect public funds to encourage the development of quality long-term care institutions. Therefore, NCOA believes that there should be a systematic diversion of Federal funds now being spent on proprietary nursing homes (estimated between $3.5 and $7.5 billion) into public or private nonprofit social utilities for long-term care. By social utilities we mean facilities or services not exclusively oriented to the care of in-patients, but also planned to provide services beyond their walls. In other words, these facilities would not provide services exclusively to institutionalized aged, but would become an integral component of the service delivery network to the elderly throughout the community.

The possible services are many and diverse—day care, congregate dining, disease detection, intellectual and social programs, group and individual counseling and psychotherapy, outreach care, social services and health education. Thus, while offering a quiet sanctuary for those who require it, these facilities for long-term care could also become lively places with ties to the larger community. Instead of the dread of inhumane treatment or the fear of being left in a home only to die, an older person entering such a facility would expect and receive the kind of care which offers rehabilitation and a renewed sense of hope and self-esteem.

The elderly need and deserve long-term care facilities geared to meeting the full range of their medical and social needs, places where they can go and be assured of quality treatment. In the best tradition of American society, public support for the social utilities described here would reinforce competition in the nursing home industry and encourage proprietary homes to develop similar constructive programs.

In closing, Mr. Chairman, I wish to point out some other areas which we feel would be beneficial for your Subcommittee on Health and Long-Term Care to investigate:

The continuing need for institutional staffs to be trained in how best to adopt their professional skills to the particular needs of aged patients;

The extent to which ancillary services (occupational, physical, recreational therapy) are provided in long-term care institutions and,

The need to develop and support options to institutionalization which ensure a quality continum of care for the nation's older citizens.

The mechanisms which need to be developed to aid in the de-institutionalization of elderly patients from long-term care institutions, as well as acute care hospitals.

Thank you, Mr. Chairman, for your consideration of these recommendations which we believe are vital to the health of America's older citizens.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT FOR 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 9005, which the clerk will state,

The assistant legislative clerk read as follows:

> A bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Oregon (Mr. Hatfield) is recognized.

Mr. HUMPHREY. Mr. President, the Senator is not here at the moment. I suggest the absence of a quorum, without the Senator from Oregon losing his right to the floor, which was previously agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon has the floor.

Mr. HATFIELD. I yield to the Senator from South Dakota for a unanimous-consent agreement only.

The PRESIDING OFFICER. It takes unanimous consent to yield for anything other than a question.

Mr. HATFIELD. I ask unanimous consent to yield the floor temporarily to the Senator from South Dakota for a unanimous-consent proposal, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota is recognized.

Mr. ABOUREZK. Mr. President, with the preservation of the rights of the Senator from Oregon (Mr. Hatfield), those rights including his right to retain the floor once my business is completed, I ask unanimous consent that it be in order that I offer two separate amendments and one resolution and then following the disposition of those the floor be returned to the Senator from Oregon.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFICER. Is there objection?

Mr. HUMPHREY. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order, without the distinguished Senator from Oregon losing his right to the floor, to call up at this time the Clark substitute, on which there will be a time limitation of 40 minutes, to be equally divided between the manager of the bill and the Senator from Iowa; that immediately upon the conclusion of that vote, the floor revert to the distinguished Senator from Oregon (Mr. Hatfield).

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, did the Senator include in that request the two amendments I talked about, prior to the Clark amendment?

Mr. MANSFIELD. I include the two Abourezk amendments, which I understand will be accepted by the committee.

Mr. HUMPHREY. We are not sure about one. Let us take up the amendments; and if we need to, we can displace the one. There have been some revisions in it, have there not?

Mr. ABOUREZK. Yes.

Mr. CASE. I have not seen the revisions.

Mr. MANSFIELD. Mr. President, I repeat my request, and I ask that it be applicable only to the Clark substitute, on the same terms.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered

The Senator from Iowa is recognized.

Mr. McGEE. Mr. President, I ask unanimous consent that Dick McCall of my staff be permitted the privileges of the floor for the duration of consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I send to the floor an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> Section 207 is amended as follows:
>
> (1) on page 13, line 15, strike the phrase, "For fiscal year 1976 only,"
>
> (2) on page 13, line 18, after the word "allocated" insert "under agreement for delivery"
>
> (3) on page 14, line 25, after the phrase "the developing world," insert the following new sentence: "In no case shall countries with a per capita gross national product of $200 or less (as adjusted to reflect that country's annual rate of inflation) receive less than 70% of Title One allocations. In determining gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank and relied upon by the Secretary of the Treasury."

Mr. CLARK. Mr. President, I am pleased to announce the following cosponsors: Senators Schweiker, Mondale, Metcalf, McIntyre, McGovern, McGee, Javits, Hartke, Philip Hart, Durkin, Cranston, Case, Pell, Bayh, and Abourezk.

Mr. President, time is often a test of our true purpose. Thus it is appropriate that in this week which marks the first anniversary of the World Food Conference in Rome, we are now reviewing certain aspects of our food for peace policy in the context of H.R. 9005.

Just a year ago, the World Food Conference—which many of us attended as congressional advisers—directed international attention to world hunger and the need for governmental action to deal with it. At the Conference, all nations, with the United States providing major leadership, pledged to take decisive steps, a number of which are reflected in H.R. 9005. Governments agreed not only to seek to increase levels of food aid but also to assure that it serve human needs, particularly in the hungriest nations. Food was deemed too unique and precious a resource to be used as a political weapon.

Shortly after the Conference, in December of last year, Congress acted upon the predecessor of the bill we are considering today. We recognized that while world food needs were expanding, our food for peace program had become a tool of U.S. foreign policy, often at the expense of the hungriest nations. We, therefore, adopted an amendment which imposed a 70-to-30 allocation formula on the concessional sales program of Public Law 480, title I, we required that at least 70 percent of title I commodities should be allocated to countries on the U.N.'s list of nations most seriously affected by the worldwide food and economic crisis—the so-called MSA's.

The results indicate our action. In fiscal year 1974, only 32 percent of our title I food aid went to the hungriest nations. Last year, on the other hand, almost 80 percent was directed to them. Yet, despite this success, H.R. 9005, as reported to us today, has no provision to assure that in fiscal year 1976 and 1977, as in fiscal year 1975, the bulk of title I food aid will go to the neediest nations. It does have, I think, some valuable criteria to guide the President, but it has no requirement of any percentage, and that is why I am proposing this substitute amendment.

There is no reason to chronicle the past abuses of Public Law 380. Some might assume that with the Indochina war now terminated, food aid as a means of assisting political friends, whether or not they be hungry, had also ended. Unfortunately, an analysis of the administration's proposed allocations for fiscal year 1976 indicates otherwise.

The eight nations—Chile, Indonesia,

Jordan, Morocco, Syria, Korea, Israel and probably Portugal—which are not among the MSA's—are slated to get more than 33 percent of this year's total title I food aid, and perhaps even more. Clearly, the administration anticipated that Congress would lose interest in this issue and would not extend the allocation formula on which we insisted last year.

The amendment I am offering continues last year's 70-to-30 formula. However, it bases food allocation on a $200 per capita gross national product list rather than the U.N.'s MSA list. This should not suggest, as far as I am concerned, that my support for either the United Nations or the MSA list is weakening. I still support both. Rather, since many Members have serious objections to the U.N. list, it is imperative that we agree upon an alternative approach which accomplishes our own overriding goal—food aid allocations based primarily on human need.

Countries which have a per capita GNP of $200 per year or less are categorized as the poorest of developing nations. Nearly one-quarter of the world's population lives in overwhelming, stark poverty in 39 such countries.

Thirty-nine countries constituting a fourth of the world's population, earn less than $200 per capita. If we want to insure that the bulk of our food aid should get to the neediest—as surely we all do—then a list based on per capita GNP offers us the best single objective indication that a country has severe eonomic and food problems.

Some may argue that a low per capita GNP is not exactly synonymous with food need. I agree. The $200 per capita GNP list is placed within the Senate Agriculture Committee's instruction to the President that he submit to the appropriate committees in Congress a list of countries based on "an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world." Thus, my amendment simply adds another specific criterion of food need which the President is required to use in allocating food for peace commodities. It keeps the language as it was passed in the Senate Committee on Agriculture intact and simply adds one additional criterion.

Although I offer this criterion as a requirement, I am the first to admit that no list is perfect. Lists only provide the rule to which we can make an exception. By definition, the $200 per capita GNP allocation formula rule excludes a wealthier country from receiving part of the 70 percent set aside for humanitarian food aid even if it has a real food need. However, the legislation, as approved by the Senate Agriculture Committee, includes a waiver provision which allows Congress to consider any exception. So that, if a flood occurs, if any unforeseen matter happens, any kind of disaster, or, indeed, if we simply find that our criterion of $200 per capita does not fit a needy nation, the President may come in with the waiver and Congress will have the final approval. If it considers a nation to be needy under Public Law 480, then certainly we would not deny that request.

The $200 per capita GNP list is flexible because of the waiver provision as well as two additional features within the Public Law 480 program. In the first place, some countries not on the list may receive food under title I from within the 30 percent allowed for countries not on the $200 per capita GNP list. If the administration, for one reason or another, wants to send food aid, certainly it can send as much as it wants under the 30 percent, as long as the humanitarian needs are met in accordance with our formula.

Second, they may receive food aid under the grant provisions of title II.

Our title I program must be flexible enough to reach nations in need. Of the 39 countries with a per capita GNP of $200 or less, only nine are programed for Public Law 480 concessional sales in fiscal year 1976. Title I must be greatly expanded to reach more nations which are suffering hunger and malnutrition during this period of continued food shortage.

The Food and Agricultural Organization has estimated that the food requirement of needy nations is at least 14 and as much as 20 million tons. Under a 70-to-30 allocation formula, only 3.2 million tons of food aid is projected for humanitarian purposes. Congress must insure that limited food for peace commodities reach the hungriest or the program will lose all of the credibility it gained last year.

In short, the allocation formula I propose allows us to continue a humanitarian food-aid mandate.

Time is, Mr. President, a test of our true purpose. What better way is there for the Senate to commemorate the first anniversary of the World Food Conference than by extending the gains made last year to insure that food aid will continue to be available to those nations needing it most?

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, I yield myself 10 minutes.

If the amendment of my distinguished friend from Iowa were to be agreed to, we would have the unusual and phenomenal situation that the President of the United States would be severely restricted in making loans under title I of Public Law 480. That is, 70 percent of the loans made under this title would have to go to nations with a per capita income of $200 or less. But, under title II of Public Law 480, there would be no restrictions whatever, and he could make grants to nations with more than $200 per capita income. So, we would be treating nations with greater wealth more generously than we would be treating nations with the least wealth.

Now, Mr. President, the amendment of my friend from Iowa would do two things: It would base allocations for the purpose of the 70–30 limitation on countries with a per capita gross national product of $200 or less, and it would establish this limitation as a permanent provision of the law.

When our committee dealt with this situation we wanted to use the constitutional approach. We required the President of the United States 30 days after this bill becomes law to submit to the International Relations Committee of the House and the Agriculture Committee of the Senate a list of nations that he proposed to provide food aid to, and they would be submitted to our committee within 30 days. The committees could act or fail to act in accordance with what they thought the appropriate remedy should be.

This procedure preserves the constitutional process of the executive branch of Government to operate the Government subject only to legislative restraint, and that is how I understand our constitutional system ought to work.

The Government has sent a protest, a very vigorous one, opposed to the Clark amendment.

I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CLARK AMENDMENT

EXECUTIVE BRANCH POSITION

In our judgment it would be counterproductive to introduce an amendment establishing a $200 per capita GNP as a criterion for establishing eligibility as a needy country for the purposes of Section 207 of H.R. 9005.

The $200 per capita GNP list is not adequate from the standpoint of addressing actual food requirements.

A $200 per capita GNP level excludes many countries that have legitimate food needs while including others that have no real food requirement. For example, this criterion would exclude Egypt, Honduras, and Mozambique which are presently under consideration for P.L. 480 assistance this fiscal year and are presently on the UN MSA List.

The $200 per capita list includes several countries that have no particular food problems or have sufficient foreign exchange to provide for their own needs. Examples of such countries are Burma, Indonesia, Malawi (which exports food supplies) and Nigeria. Most of the serious food needs of many of the countries on the list are being met already under the Title II program, i.e., Chad, Kenya, Lesotho, Mali, Mauritania, Niger, Rwanda, Sierra Leone, Togo, Upper Volta, and the Yemen Arab Republic.

Many countries on the $200 per capita list are unable to absorb food assistance in the amounts we have available. They have other established markets for food imports or grow enough food domestically. The least developed countries tend to have their production concentrated in the agricultural sector. Suddenly increased imported food shipments due to an arbitrary formula could be a disincentive to domestic production. Also, the Administration would not plan to program food to several countries on the list (e.g., Uganda, Vietnam, Cambodia).

The low level of actual tonnage requirements in the countries on the list, compared with past P.L. 480 export levels, means that the Administration would have to either reduce the amount of food going to the 70% portion and the 30% portion, to keep within the formula (thereby cutting back on overall food shipment levels) or enlarge the program and provide commodities in excess of absorptive capacity, acting as a disincentive to internal agricultural production in those countries.

The provision for a waiver of the $200 per capita income criterion would not solve the problem. If the amendment were adopted, several waiver requests would have to be brought forward immediately if the level of food shipments under P.L. 480 is to be maintained. Programming and shipments under both the 70% and 30% portions would be thrown into disarray while waivers were pending, meaning a lower level of total shipments by the end of the Fiscal Year.

The present draft legislation requires the Administration to develop a suitable list of needy countries in place of the UN MSA List. We fully intend to comply with this requirement in the spirit that the Congress intended and with the criteria suggested by the Senate Agriculture Committee. We believe that this list should include a variety of considerations such as history of food and other imports and ability to finance them, balance of payment considerations, caloric intake, per capita GNP, etc. If such a list is not acceptable or needs further refinement, the Congress can amend or reject it later.

Mr. TALMADGE. Mr. President, the committee gave full attention to the allocation criteria of Public Law 480 commodities. I regret that the Senator from Iowa did not bring his approach before our committee when we were considering this matter because it is a very complicated thing and it requires considerable study.

Frankly, I can see major problems with the concept of using the $200 per capita gross national product figure on which to base our title I allocations.

While gross national product might be one criterion of economic development, it does not have anything to do with food needs. I grew up in Telfair County in south Georgia during the darkest days of the Depression. People were going barefooted 12 months in the year because they did not have shoes. They were wearing guano sacks and flour sacks for clothing. Some of them never saw a $5 bill the year round.

There almost was no money economy existing at the time. But those people were comparatively well-fed. They had chickens, they had cows, they had gardens, they had hogs. They ate regularly, but they had no money.

Mr. President, if you have a $200 per capita GNP level it excludes many countries that have legitimate food needs while including others that have no real food requirements. For example, the $200 per capita list includes several countries that have no particular food problems or have sufficient foreign exchange to provide for their own needs, such as Burma, Indonesia, Malawi—which exports food supplies—and Nigeria. Most of the serious food needs of many of the countries with very low per capita GNP are being met already under the title II program, such as in the case of Chad, Kenya, Lesotho, Mali, Mauritania, Niger, Rwanda, Sierra Leone, Togo, Upper Volta, and the Yemen Arab Republic.

The second problem with using a $200 per capita GNP basis for determining countries which would be eligible under the percentage limitation is the imperfect nature of these types of statistics. I would like to ask whether the Senator from Iowa knows how the per capita income in Togo or Mali is determined. Per capita GNP figures are, at best, the rough estimates of governments with only the most primitive census and accounting systems. In India, for example, we have no way of knowing with any accuracy whether the population is 600 or 800 million. And India has a relatively sophisticated census system compared to most of the developing world. Most of the African nations have essentially no way of knowing how many people they have, much less what these people earn.

In fact, many of them do not even live in a money economy. They live off the land. They are farmers. They live with livestock and they do not get any money at all so there is no way of telling what they earn.

Furthermore, in these nations trade is primarily on a barter basis, and subsistence is almost entirely drawn directly from the land.

What relevance does per capita income have in these settings? And how can we exclude almost 60 percent of the developing world on the basis of such figures, and that is what the Senator's amendment would do. It would exclude 60 percent of the developing world and give priority to 40 percent. And are we going to assume that a country we guess has a per capita GNP of say $210 has less food needs than a country which we guess has a per capita GNP of $200? In discussing this matter with the experts, I am told that the error alone in per capita GNP figures could itself be greater than $200.

Even the experts could debate forever on a single criterion to base humanitarian need.

The Committee on Agriculture and Forestry has laid out several useful criteria upon which the President must base his list of needy nations: food production and needs, nutritional situation, shortfalls in food availability, and balance of payments difficulties, in addition to gross national product. Here we have placed the responsibility on the President to base his determination of needy nations on several criteria, rather than insist he rely on one criterion that says nothing about food needs.

In addition, the President would be required to submit his list of eligible nations to the appopriate committees of the Congress within 30 days of enactment of this provision. Any subsequent revisions must also be transmitted to these committees.

Congress can go just so far in spelling out guidelines for administration of Public Law 480. But at some point, we are just going to have to rely in good faith on the machinery the Constitution created to execute the will of the Congress.

Finally, the pending amendment would make the restrictions on Public Law 480 title I allocations a permanent provision of law rather than for fiscal year 1976 as provided for in the bill reported by the Committee on Agriculture and Forestry.

Some of my colleagues have not lived with agricultural policies and the operation of the Public Law 480 program through periods of surplus, as well as periods of reduced commodity supplies. Some of my colleagues did not suffer through the accusations that we were "dumping" commodities on developing countries which acted as a disincentive to agricultural production in those countries.

If this provision to make Public Law 480 allocations on the basis of a somewhat arbitrary formula is enacted we will be tying our hands although the supply situation will change in the years ahead. We will be establishing long-term policy on assumptions based upon the short-term supply situation.

Between the fiscal year 1973 and 1974, title I shipments fell from about 5 million metric tons to less than 2 million metric tons. Over the history of the program, Public Law 480 title I shipments have varied from 15 million tons to less than 2 million tons. It does not seem wise that we should be permanently bound to ship a potentially widely variable volume of commodities to a fixed set of nations.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TALMADGE. I yield myself 2 additional minutes.

Congress can go just so far in tying the hands of the administration in the execution of foreign policy. At a certain point these restrictions become legislative overkill.

It is time that we put an end to these foreign policy controversies motivated in no small way by bitter partisanship. At this point, an amendment such as this is "beating a dead horse" and is designed only to tighten the screws further over the administration of foreign policy.

I believe the American people would prefer that the Congress and the President work together for a more effective foreign as well as domestic policy.

They are appalled by the constant partisan bickering between the President and the Congress.

They want a return to effective government and they do not care which political party gets the credit for it.

It is my feeling that this amendment is not based on sound criteria, is too inflexible, and would defeat the basic purpose of this entire provision—which is to bring sound judgment into the Public Law 480 allocation process, into fighting human suffering and hunger worldwide.

I hope my colleagues will reject the amendment because if it is agreed to we will have the peculiar situation of a firm, inflexible rule that will give the President, the State Department and the Congress no leeway in meeting conditions as they arise; whether it be revolutions, wars, floods, tornadoes, disease, or panic.

Suppose one of these little countries seizes an American vessel, and executes the American Ambassador. We would still be tied to that ridiculous criteria and have no freedom of action. The Congress and the executive branch need and deserve freedom of action in fighting hunger.

I resent the fact that some of our colleagues seem to think this country has done nothing.

Since Public Law 480 has been in effect, we have given away $25 billion in food aid to the world.

Never in all human history has any Nation been so generous, never in all human history can any group of nations in the world, including the whole world combined, claim credit for having been so generous.

Let us continue within the means of our resources, but let us do it under a constitutional system, with the executive and legislative branch of Government working together with reason, as the situation occurs, and not have a mathematical formula that binds our hands in perpetuity.

I urge my colleagues to vote against the proposal of the Senator from Iowa.

How much time does the Senator from Kansas want?

Mr. DOLE. Four or 5 minutes.

Mr. TALMADGE. I yield 4 minutes to the distinguished Senator from Kansas, and I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ABOUREZK. Will the Senator yield?

Mr. DOLE. I yield to the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that three members of Senator KENNEDY's staff be granted privilege of the floor: Mark Ginsberg, Dale DeHaan, and Jerry Tinker.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, let me state my concern with reference to this amendment. I think it is a ridiculous proposal and I think it should be treated as such.

In my view, the Senator from Georgia laid out many good reasons why we should oppose it, but if we look at the legislation itself, we can see yet another reason. As the Senator from Georgia alluded to, the President is required to submit a list to our committee within 30 days. If we do not like the list, or if any other Senator dislikes the list, we can take action at that time.

But, it seems to me, the $200 figure is totally arbitrary. It cannot be properly arrived at, as the Senator from Georgia indicated. In the very primitive economies, the error itself might be off more than the $200.

There has been an effort, at least publicly, to depoliticize this bill. What we are doing, in effect, is politicizing it more than we ever have before.

Many of these efforts stem from aid to South Vietnam and Cambodia. As far as this Senator is concerned, that conflict is behind us. We ought to take a look at our total program. I share the views expressed.

There is a feeling by some that this country has done nothing. It is my recollection the total funding for 1976 is about $876 million under this program.

But as far as the $200 per capita figure is concerned, it is the feeling of this Senator that it is too rigid from the standpoint of addressing actual food requirements in various countries. As has been pointed out before, many countries would be excluded. Many needy countries would be excluded, and countries that were not in need would be eligible.

I cannot for the life of me understand how this formula was arrived at, why it should be relied upon.

Many countries on the $200 per capita list would likely be unable to absorb food assistance. They might have no place to store it, they might not have a use for it after they receive it.

The Senate Agriculture Committee, after careful consideration of the problem, included appropriate language to give this committee—and the Congress—if there is disagreement with the President's list and the President's allocation.

I would ask the Senator from Iowa the same question discussed by the Senator from Georgia: how does he arrive at the gross national product of the countries on this list?

Mr. CLARK. First of all, for those countries that report their GNP, we simply divide the number of people in the country as determined by the U.N. census, if there is one available.

Obviously, they spent a great deal of time over the last several years determining the populations of the various countries. In the case of the United States, obviously they take our country's GNP, divide it by the number of people.

Mr. DOLE. Would that include food raised by people who live in an agrarian or primitive society?

Mr. CLARK. Would that include what?

Mr. DOLE. The food and other agricultural products in that $200 figure?

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. TALMADGE. I yield 1 additional minute.

Mr. CLARK. Let me answer very briefly. If there is no clear figure for GNP and for per capita and census, a world bank sends a team in and does a very careful study and analysis and tries to determine as best they can. Obviously, it would not be perfect, but here is an objective body that comes in, analyzes the population, the GNP, and they use that as their estimate.

Mr. DOLE. I appreciate the comment and I want to say to the Senator from Iowa that I share his concern that we should make certain where we can that people who need food assistance receive it. But I just do not believe in the formula.

We have been concerned about this problem in the Senate Agriculture Committee and while it is my feeling that we have made the best possible legislative formula, it is probable that no set formula will resolve the problem altogether. The Senator from Kansas would expect that the actual implementation of the program must be closely observed in congressional oversight to insure the implementation consistent with the desires and interests of the American people.

But my concern centers primarily around whether the $200 per capita gross national product accurately indicates the actual food needs of the people in a given country.

The problem, as this Senator sees it, arises from the agricultural nature of economies in some less developed nations. As I understand, it is difficult to measure in terms of gross national product the food and agricultural products raised by people in a predominantly agrarian society. So while these agricultural products are not included in the per capita gross national product, they do contribute substantially to the standard of living of the people in that country. That means the people in such a society may have a relatively high standard of living as far as the nutrition in their diet is concerned, while their per capita gross national product may be well under $200. I have been advised that the countries of Burma, Indonesia, Nigeria and Malawi—which actually export food supplies—are examples in this category.

Conversely, a country with a relatively high per capita gross natural product may not have an adequate agriculture sector so that their people may actually be in greater need of food assistance than those in some other country with a lower per capita GNP. As I understand, this group would include Mozambique, Honduras and Egypt.

Mr. President, this amendment would impose a rigidity in our food assistance that would be detrimental to many countries. We have all been through the era of the so-called "ugly American." The Senator from Kansas is greatly concerned that this amendment, if enacted, could put the Congress in the position of ugly Americans. For if we push the administration into granting food assistance to those countries with less than $200 per capita GNP but not in actual need of it, as I pointed out earlier, then we could actually discourage agricultural production in those nations. Such a disincentive for internal farm production would undoubtedly be to the disadvantage of those less developed nations in the long run.

So in the opinion of this Senator, we should avoid the restrictions of this amendment that could force us into the position of giving aid to those who do not need it or withholding aid to those who do need it.

I hope that the Senate in its wisdom defeats the amendment.

Mr. CLARK. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. CLARK. Very briefly, Mr. President, I do not intend to use the remainder of my time unless someone else wishes to speak on the amendment, but I would like to just point out two or three facts.

First of all, this amendment would not exclude sending food to any country in the world. It in no way excludes sending food under title 1 or title 2 to any nation in the world regardless of how wealthy or how poor it may be.

What it does say is that 70 percent of the food under title 1 must go to these countries which are identified as most needy by a $200 per capita, GNP.

That list is not perfect. It does not include all needy nations. Some people on that list, as Senator TALMADGE points out, probably should not be included, and they might not be. It does not mandate that any country in the world get food. Not a single country is mandated under this amendment to get food and not a single country is excluded under this amendment.

But it does say that of title I, 70 percent, 7 out of every 10 bushels of wheat, rice, and corn must go to them.

Mr. TALMADGE. Will the Senator yield?

Mr. CLARK. Yes.

Mr. TALMADGE. That is a committee provision, also.

Mr. CLARK. Yes, it is. This would add a criterion to that. I think the amendment we adopted in the Agriculture and Forestry Committee is a wise one. It sets up several criteria for the President to use. This simply adds one. It mandates that 7 out of 10 bushels go to the neediest nations as defined by this imperfect list.

If a country does not fit in this list, if it is a needy nation but does not fit this criterion, we have a waiver, which was, again, wisely passed in the Senate Agriculture and Forestry Committee to allow the President to make exceptions subject to congressional review.

Title II is not even covered by the amendment. If we have needy nations, title II can go to any nation in the world without restriction.

So it seems to me that this is simply a guideline, a mandated guideline, on how our food is going to be used. It is going to the neediest nations.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. I yield to the Senator from South Dakota.

Mr. ABOUREZK. I ask unanimous consent that Christine Cohagen and Bill Jackson, of Senator Cranston's staff, be granted the privilege of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. TALMADGE. Briefly in conclusion, Mr. President, I again want to point out that a yardstick of $200 per capita income is no way to determine whether the people in a particular nation are hungry. Many of the people with very low incomes are nomads who live off the land. They have livestock and eat relatively well. Others with higher per capita incomes over and above $200 never know when they are going to have a flood, disease, revolution, war, pestilence, a tornado, typhoons, or things of that nature. Trying to determine which people in the world are going hungry or may become hungry by some rigid mathematical yardstick is utterly ridiculous and absurd. All it does is bind the hands of the Government in such a way that it will not have the flexibility to deal adequately with real need when real need comes.

Suppose we have a situation in one of these countries now where some of these people execute the American Ambassador or seize one of our ships that goes in there to try to rescue him. We are tied to give that country its food needs. It is an absurdity. We ought to have some flexibility in our Government.

The Congress represents the people of the United States. The President represents the people of the United States. It is our responsibility under the Constitution to make decisions for the United States as the need may arise.

There is no argument about trying to help needy people. We all want to do that. Our Government has been the most generous in the world. We want to continue to be just as generous as our ample food supplies and our Treasury will permit us to be. But we want flexibility to deal with the real world as it is today, not some mythical arithmetic that tries to cover a country where the majority of the people do not know what money is, have never seen money, have never heard of money, and would not know what to do with money if they had it. They live outside the money economy. They live on a barter system.

I hope the Senate will reject the amendment of my friend from Iowa and let the Congress and the executive branch of Government handle this problem as the need arises, with flexibility.

Mr. HATFIELD. Will the Senator yield?

Mr. CLARK. How much time remains?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. CLARK. I will yield to the Senator from Oregon.

Mr. President, I ask that Senators Biden and Haskell be added as cosponsors to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I have listened carefully to the presentation by the distinguished chairman of the Agriculture and Forestry Committee. I constantly hear him talk about the matter of the responsibility of the Congress to decide. Yet it is very interesting that in the wording of the committee on page 14 it has given to the President of the United States sole discretion. There is nothing in it, nothing at all in that language that goes from page 14 to page 15, other than it says that the President shall send his list back to the committee. Where is there any approval language for the committee?

Mr. TALMADGE. Will the Senator yield?

Does the Congress have power to legislate?

Mr. HATFIELD. Where is the wording that says that the Senate shall review, approve, or disapprove?

Mr. TALMADGE. The Constitution gives the power to Congress to legislate. If the President sends up something that Congress does not approve, we can at that point submit a resolution that would negate the President's action.

Mr. HATFIELD. Mr. President, I think we ought to be aware of the legislative procedures. There is no language in here that says the committee shall other than receive it. If the committee is going to propose a whole new bill after the President sends up a list——

Mr. TALMADGE. We do not have to add to the Constitution. As the Senator knows, the Constitution grants this body the power to legislate. To add that language in a bill would be the height of folly, superficial, and redundant.

Mr. HATFIELD. Then, Mr. President, this is more ridiculous than I thought it was in the first place. What it does now is it puts the whole thing into limbo. It puts the President of the United States into an impossible situation. It says on one line he shall determine the list and then it says, under the interpretation of the chairman, that everything is going to be in limbo waiting for the Congress to either deny the President's list or to approve it. But there is absolutely no language in this bill that gives the committee any responsibility other than to receive the list.

I would only say this makes it even more vague. It makes it more impossible for this program to function since it does not give a time factor as to when the committee should act. The President of the United States could make a list, send it up to the Agriculture and Forestry Committee, the committee could sit on it for a year and there would be no violation of this law. So there would be no program.

I would only say that maybe there is more to this than I thought of in the first instance. Maybe there is more than meets the eye. Maybe this is one way of really sabotaging the whole program when there is no limitation on the time the committee would have to act. The committee could sit on this proposal for a whole year.

Mr. President, this is even more dangerous language than I anticipated in the first place. I hope we will clear it up and clearly define the powers of the President, clearly define the powers of the Congress, and support the proposal, the substitute motion, offered by the Senator from Iowa.

The PRESIDING OFFICER (Mr. Durkin). The Senator from Iowa has 3 minutes.

Mr. CLARK. I yield back the remainder of my time.

Mr. TALMADGE. I yield back any time remaining.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. Burdick), the Senator from Mississippi (Mr. Eastland), the Senator from Kentucky (Mr. Ford), the Senator from Colorado (Mr. Gary Hart), the Senator from Indiana (Mr. Hartke), the Senator from Kentucky (Mr. Huddleston), and the Senator from Utah (Mr. Moss) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) and the Senator from Mississippi (Mr. Stennis) are absent because of illness.

I further announce that, if present and voting, the Senator from North Dakota (Mr. Burdick) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. Pearson) and the Senator from Pennsylvania (Mr. Hugh Scott) are necessarily absent.

I further announce that, if present

and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT) would vote "nay."

The result was announced—yeas 36, nays 53, as follows:

[Rollcall Vote No. 463 Leg.]

YEAS—36

Abourezk
Bayh
Biden
Brooke
Bumpers
Chiles
Clark
Cranston
Culver
Durkin
Gravel
Haskell
Hatfield
Hathaway
Inouye
Jackson
Javits
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Nelson
Packwood
Pastore
Pell
Proxmire
Ribicoff
Roth
Schweiker
Stafford
Weicker

NAYS—53

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Humphrey
Johnston
Kennedy
Laxalt
Long
McClellan
McClure
Montoya
Morgan
Muskie
Nunn
Percy
Randolph
Scott, William L.
Sparkman
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NOT VOTING—11

Burdick
Eastland
Ford
Hart, Gary
Hart, Philip A.
Hartke
Huddleston
Moss
Pearson
Scott, Hugh
Stennis

So Mr. CLARK's amendment was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Oregon.

Pursuant to the previous order, the Chair recognizes the Senator from Oregon.

Mr. HATFIELD. Mr. President, will the Chair restate the parliamentary situation? What is it?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon.

Mr. HATFIELD. Mr. President, there is no time agreement; is that correct?

The PRESIDING OFFICER. There is no time limit on the amendment.

Mr. HATFIELD. Mr. President, I send to the desk an amendment in the form of a substitute for my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Is this a substitute for the Senator's amendment or modification?

Mr. HATFIELD. It is a modification in the form of a substitute.

The PRESIDING OFFICER. The Senator has the right to so modify. His modification will be made.

The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike from page 13, line 12 through page 15, line 7, and insert in lieu thereof the following:

ASSISTANCE TO MOST SERIOUSLY AFFECTED COUNTRIES

SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 111. Not more than 20 per centum of the funds for all commodities provided under this title shall be allocated and agreed to be delivered to countries other than those with a per capita gross national product of $250 or less (as adjusted to reflect that country's annual rate of inflation), and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining per capita gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank and relied upon by the Secretary of the Treasury. A reduction below 80 per centum in the production of food aid allocated to most seriously affected countries which results from critical and unforeseeable circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reason therefor, to the Congress.".

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. HATFIELD. I will yield without losing my right to the floor.

Mr. TALMADGE. Mr. President, will we enter into a limitation of time on this substitute?

Mr. HATFIELD. Mr. President, I am willing to enter upon a time agreement on this particular amendment.

Mr. TALMADGE. Will the Senator suggest what that limitation might be?

Mr. CASE. Five minutes to each side, for a total of 10 minutes.

Mr. HUMPHREY. Five minutes.

Mr. TALMADGE. I am agreeable to 10 minutes to a side if the Senator is.

Mr. HATFIELD. Mr. President, I am willing to accept 10 minutes, 5 minutes to a side.

Mr. TALMADGE. Five minutes to a side is agreeable to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Will the Senator yield for an unanimous-consent request?

Mr. HATFIELD. I yield to the Senator from New York.

Mr. JAVITS. I ask unanimous consent that Frank Ballance be accorded the privilege of the floor during debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I thank our colleague.

Mr. HATFIELD. Mr. President, I think we all either have read the discussion of yesterday or are aware of the basic issues that we are attempting to resolve.

This is an attempt to further compromise the proposal that I offered yesterday, to require an 80–20 division between the humanitarian aid under Public Law 4–80 and the political aid. Objection was raised to that proposal yesterday because it used the MSA list of the United Nations as the base for determining the allocation of the humanitarian aid.

Today, the Senator from Iowa offered a substitute amendment, which would have provided for a 70–30 division, based upon a $200 GNP per capita for humanitarian aid allotment. That was rejected by the Senate.

By discussing the matter with our colleagues, it appeared as though many of those who voted "no" on the Clark amendment voted that way because it exempted Egypt from the inclusion on the allotment of humanitarian aid.

Mr. President, this, basically and simply, provides for an 80–20 division between humanitarian aid and political aid; and instead of a $200 GNP per capita, it raises the GNP to $250. What it does in the raising of this from $200 to $250 is to include Egypt, and it makes the reassessments and reallocations to meet most of the objections that were voiced during the discussion on the previous amendment.

So I urge that we adopt this amendment, because it does give us primarily the same level of political aid that it did last year, when we had a 79–21 division of the aid between humanitarian aid and political aid.

Mr. President, I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, this amendment refers to the second chapter, second verse of the amendment the Senate just rejected.

The Committee on Agriculture and Forestry, when considering this food need proposition, provided that the President must make 70 percent of all food exported to any country in the way of concessional sales or grants to the most needy nations. We did that because we wanted the food need to go to those who were suffering the most. The Senator's amendment would restrict that further.

However, over and beyond that, we would have the ridiculous situation, if the Senator's amendment were agreed to, of the President of the United States being able to make Title II grants to countries with per capita incomes greater than $250, but he would be required to make 80 percent of the loans to the poor nations of the world. It is a rather absurd proposition. on the face of it.

Another factor about the amendment is absurd. No Member of the Senate today can write a formula that can say what nations may be ill, diseased, hungry, or poverty-stricken a year from now, 2 years from, 3 years from now. The weather, disease, revolutions, wars, and many other things determine that. It is an absurdity to try to write a rigid formula that would bind the President of the United States and the executive branch of Government in distributing food need to the hungry people of the world.

What did the Senate Committee on Agriculture and Forestry provide? We provided, first, that this food must be made available to the neediest countries.

The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross national product, overall nutritional status, shortfall and food availability, and the balance of payments difficulties of the countries of the developing world. Such list of countries shall be submitted to the House Committee on International Relations and the Senate Committee on Agriculture and Forestry within 30 days after the passage of the bill. If the President changes his list in any way, that also must be submitted to Congress. That would give us an opportunity, if we thought the President was not carrying out the provisions of law in a responsible way, to provide for a joint resolution which we could bring before Congress and, if passed, negate the action of the President.

In matters of this kind, the Government of the United States operates on a cooperative basis. We have only one President; he is the Chief Executive. The Constitution provides that. We have only one legislative body—Congress. The Constitution provides that. It is my impression that Government should be run on a cooperative basis between the executive branch of Government and Congress. That is what our bill provides.

However, the Senator wants to put a rigid formula in here that has nothing to do with food need. Who knows what the population of Togo is? Who knows what the per capita income of Togo is? Nobody. But we know whether or not they are hungry, and we can take action accordingly, and that is what we should do.

Mr. President, I reserve the remainder of my time. I hope the Senate will reject this amendment.

How much time do I have available?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. TALMADGE. I yield 1 minute to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I share the views expressed by the Senator from Georgia.

I reemphasize that the Committee on Agriculture and Forestry does not want to deny food to anyone.

Mr. TALMADGE. The Senator knows that we made available $25 billion worth to the people of the world since Public Law 480 was enacted.

Mr. DOLE. It is my contention that it is the way this is done. The Senator from Georgia pointed out earlier, with reference to the Clark amendment, that in a society where the people live on goats and sheep, or some basic form of agriculture, we do not know precisely what their GNP might be, and no one else knows, but they might have adequate food. They might have adequate milk and meat and might not need food aid; but they might be qualified under this kind of amendment, which is based on a GNP determination by the World Bank.

This Senator does not know how many people work for the World Bank, but they cannot check on what the GNP is in every country in the world. We have difficulty determining the exact GNP in this country, with thousands and thousands of bureaucrats trying to make that determination.

It is the opinion of this Senator that we should give the President, whoever he might be, some latitude. We have a 70–30 formula. That is restrictive enough. This is even more restrictive. There is the same error in this amendment as was in the previous amendment, and it should be defeated. The fact that we raise it $50 means nothing, because the error itself might be greater than the total amount. The error might be more than $250.

We should leave this decision with the discretion of the President—what little he has remaining.

Mr. CLARK. Mr. President, will the Senator from Oregon yield?

Mr. HATFIELD. I yield 1 minute.

Mr. CLARK. Mr. President, the issue with respect to this amendment is very simple. The President should be given more latitude, we have heard. That is exactly what the President had before the MSA 70–30 formula. What did the President do with that latitude? He sent almost two-thirds of all the food aid this country gave in 1974 to the war effort in South Vietnam. The proposal for this fiscal year says that two-thirds of all the food aid that is to go to Latin America goes to Chile. We are going to send more food to Korea, with a per capital income of $390 a year, than we are going to send to Bangladesh. That is what the President's proposal is.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, will the Senator yield me 30 seconds?

Mr. HATFIELD. I yield.

Mr. HUMPHREY. Mr. President, I believe that the amendment of the Senator from Oregon is a reasonable proposal that fits within the guidelines which have been used by the Government in the past, and it should produce more favorable results in terms of the better distribution of our food reserves where they are needed. It does not change in any way the criteria in the bill in terms of the listing of the nations.

Mr. HATFIELD. I thank the Senator from Minnesota and the Senator from Iowa for their support.

Mr. President, we have tried diligently to work out a compromise here between the various parties to this discussion. I am grateful that Senator HUMPHREY, Senator CASE, Senator CLARK, and others have agreed to this compromise.

I close my comments by saying that when we hear these great questions raised about the so-called inability to determine which are the poor countries, I think this is so much sand in the eye. Let us remember that the United Nations has analyzed carefully the problems of the hungry people of the world.

It is interesting that we are raising such doubtful questions now about whether we use a GNP or an MSA list because we do not have the ability to gather the statistics.

All the other countries in the world that are engaged today in trying to help relieve the hungry people use these lists. They have been proved. They have been used, and therefore they are not some theoretical, new list that has been gathered for the moment or upon the most recent kind of frenetic activity to bring to this floor. It has been determined and has been exercised and has been proved to be an adequate base to determine the needs of the hungry people.

That is why I believe this is a reasonable compromise, and I am very pleased to know that the leadership has agreed to this compromise. I am hopeful that we shall have the support of the body for the passing of this substitute amendment.

Mr. President, I ask for the yeas and nays on this motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. TALMADGE. I point out that this amendment is vigorously opposed by the administration as being unduly restrictive, without the flexibility to meet emergencies in wars, famine, disease, and pestilence, as the need may arise. I ask unanimous consent that a statement in opposition be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE 80/20 FOOD ALLOCATION RESTRICTION (HATFIELD AMENDMENT)

The Hatfield Amendment would require 80% of P.L. 480 Title I commodities to be allocated to countries contained on the U.N. list of Most Seriously Affected Countries.

Executive Branch Position: The Executive Branch strongly opposes this amendment.

Comment: The effect of an 80% to 20% most seriously affected (MSA) country to non-MSA country legislative requirement would be to seriously inhibit the United States' flexibility in effectively allocating P.L. 480 resources. This, in turn, could have a serious effect upon the attainment of U.S. foreign policy goals. Among other considerations an 80/20 ratio could—

Severely limit future market development activities in non-MSA countries.

Put the U.S. in a position in which, solely to meet the 80/20 ratio, it would be necessary to offer an unjustifiably large P.L. 480 program to one or more recipient countries. As more countries become knowledgeable of 80/20 formula, it could erode the U.S. bargaining position and distort effective programming of P.L. 480 commodities.

Inhibit the attainment of foreign policy goals when food assistance has been a part of negotiations with MSA and non-MSA countries.

Restrict the Administration in its ability to respond positively to non-MSA countries which have, short of a major disaster, suffered severe downturns in their economy over a sustained period of time as the result of natural or man-made factors.

Under certain circumstances, create a disincentive effect in chronically food deficit MSA countries which might be brought about as the result of overprogramming in an effort to meet a mandatory 80 percent allocation requirement to MSA countries.

Unless exceptions were permitted, it would pose difficulties in matching food availability with the import requirements of individual nations. In some cases MSA countries might not need or want commodities that we have available, however, we would be unable to reprogram these commodities to other non-MSA countries because to do so would upset the 80 to 20 percent ratio. It should also be noted that the list of MSA countries developed by the United Nations represented an attempt to identify those countries which were most seriously affected by the energy crisis from the standpoint of adverse balance of payments, increased costs of fertilizer, and other key imports. The list did not directly address food deficits in these countries, although in some cases the twin problems of energy costs and food deficits overlapped. Thus for example, the MSA list included the Ivory Coast which did not have a food problem, while at the same time initially excluded Afghanistan which was not as hard hit by the energy crisis but had a food deficit. In summary, a 80/20% restriction would considerably hinder our ability to respond on a timely basis to changing requirements of the food deficit developing nations.

Mr. TALMADGE. I point out again that per capita income is no determination of hunger. Many people in the world live outside the money economy, but they have gardens, hogs, chickens, cows, and so on. If we write this into law, if some country has disease, famine, or pestilence, next year or the year after, we would have our hands tied by the restrictive language.

Changing the restriction to apply to funds rather than volume would skew the commodity mix which could be shipped under the program. Since rice is about twice the price of wheat, this would mean that rice would be penalized under this change.

The commodity mix should be based upon supply availability. Carryover stocks of wheat and feedgrains are unusually low at this time. Rice stocks, on the other hand, are exceptionally high, expected to be up almost 170 percent over last year. Furthermore, rice is one of the most important foodgrains consumed in the developing world. Bangladesh, Pakistan and Sri Lanka, three of the neediest countries of the world are major importers of U.S. rice.

Hungry people eat units of food—not dollars—and, therefore allocations should be based on volume under this provision.

The PRESIDING OFFICER. The Senator's time has expired.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Kentucky (Mr. Ford), the Senator from Indiana (Mr. Hartke), the Senator from Kentucky (Mr. Huddleston), and the Senator from Utah (Mr. Moss) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart), and the Senator from Mississippi (Mr. Stennis) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. Pearson), and the Senator from Pennsylvania (Mr. Hugh Scott) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. Hugh Scott) would vote "aye."

The result was announced—yeas 52, nays 39, as follows:

[Rollcall Vote No. 464 Leg.]

YEAS—52

Abourezk
Bayh
Biden
Brooke
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Fannin
Garn
Gravel
Hart, Gary
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stevens
Symington
Taft
Tunney
Weicker
Williams

NAYS—39

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Fong
Glenn
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Johnston
Long
McClellan
McClure
Montoya
Morgan
Nunn
Roth
Scott, William L.
Stevenson
Stone
Talmadge
Thurmond
Tower
Young

NOT VOTING—9

Eastland
Ford
Hart, Philip A.
Hartke
Huddleston
Moss
Pearson
Scott, Hugh
Stennis

So Mr. Hatfield's amendment, as modified, was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABOUREZK. I move to lay that motion on the table, and then I ask for recognition.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. There was a vote on the Hatfield amendment to the bill. Does it need any further vote to lock it into the legislation?

The PRESIDING OFFICER. It does not.

Mr. HATFIELD. Mr. President, will the Senator yield for just a moment? Do I understand the parliamentary situation to be that the amendment has been adopted by record vote and there are no further requirements for motions? What about a motion to reconsider?

Mr. HUMPHREY. That has been done.

Mr. HATFIELD. That has been done.

The PRESIDING OFFICER. The motion has been made to reconsider and a motion made to lay that on the table. The Senator's understanding is correct.

Mr. HATFIELD. Mr. President, I would just like to take this opportunity to thank the chairman of the subcommittee, Senator Humphrey, the ranking Republican member, Senator Case, for their fine assistance on this matter, as well as Senator Clark from Iowa.

I believe the committee now is in the position where the conferees can go to conference with the House with a very clear indication that the Senate, after long deliberation of two committees and then by the number of votes we have had on the floor has clearly placed itself on record as wanting to tighten up on the political aid of Public Law 480.

I feel confident our conferees will fight this out and resist any effort on the part of the House to reduce the percentages or the GNP, as has been so well established by this vote today and the debate over the last 2 days.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ABOUREZK. I yield briefly to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I rise for only one purpose, and that is to commend the distinguished Senator from Oregon (Mr. Hatfield) and the able distinguished Senator from Iowa (Mr. Clark) for their valiant work in this area of food assistance.

I think I can speak for both the Senator from New Jersey and myself in stating we feel that this is a good, sound piece of legislation and that it will fulfill the basic responsibility of our Government in terms of humanitarian assistance to the poorest of the poor and to those countries that have the difficult problems that may require humanitarian assistance.

I want to compliment the Senator from Oregon. It has been a pleasure to work with him.

Mr. HATFIELD. I thank the Senator from Minnesota.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that, reserving my right to hold the floor, I yield 5 minutes to the Senator from Kansas (Mr. Dole) for the purpose of offering an amendment.

AMENDMENT NO. 1031

Mr. DOLE. Mr. President, I call up my amendment No. 1031 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Hathaway). The clerk will state the amendment.

The assistant legislative clerk read as follows:

Sec. 317. It is the sense of the Senate that the President should attempt to negotiate an equitable share of participation by the countries of Western Europe, Japan, and the United Nations in providing assistance to Israel or Egypt.

Mr. DOLE. Mr. President, the amendment I am offering today would simply express the sense of the Senate that the President should negotiate with other nations benefiting from the Middle Eastern peace accord that they might share part of the pledge of assistance given earlier this year by the President and the Secretary of State.

When I first introduced this amendment on October 9, during Senate consideration of Senate Joint Resolution 138, I emphasized the importance of giving early attention to the matter, before Congress is asked to provide the specific aid appropriation. At that time, I withdrew the amendment after receiving assurances from Senator HUMPHREY that my proposal would receive full consideration, as well as his own support, during debate on the Foreign Assistance Act.

This amendment is now made all the more urgent in light of the President's announcement just last Thursday that he would ask Congress to provide some $3.3 billion in spending authority for military and economic assistance to the Middle East during fiscal year 1976. It seems to me that it would be most appropriate at this time for Congress to urge the President to undertake immediate negotiations with the governments of Western Europe, Japan, and with the Secretary General of the United Nations, to encourage participation by other interested nations in making this "investment" in peace in the Middle East. The Senator from Kansas feels that unless the Congress expresses some concern and reservation about the United States bearing the entire share of such assistance, we will be unnecessarily adding additional strain to an already overburdened budget for the coming fiscal year.

PEACE IMPORTANT

This Senator is not opposed to peace in the Middle East, and I am not opposed to American resources being used to create that peace.

But there are many countries that benefit as much or more than we do from peace in the Middle East. It seems only fair that they should bear part of the expense involved in maintaining it.

Beyond this immediate interim agreement, we can realistically conceive of later agreements—between Israel and Syria, or between Israel and the Palestinian movement, for example—which may also call for commitments of aid to the adversaries. How much will we, as a nation, be expected to bear alone as the "price for peace"? Surely the petroleum resources of the Middle East are just as valuable to Europe, to Japan, and to other nations, and they should be asked to bear a fair share of that price.

BENEFITS TO OTHER NATIONS

We should realize that political and military stability in the Middle East serves the interests of all those nations who rely heavily upon that area for oil and for trade.

The United Kingdom, West Germany, and France respectively imported 58 percent, 64 percent, and 76 percent of their petroleum from the Mideast in July 1975.

The Japanese imported 2.4 million barrels per day from the Mideast, which was 55.1 percent of their total imports in July 1975.

The United States by comparison imported only 804,000 barrels per day, or about 13 percent of our total imports and only about 5 percent of our total petroleum consumption from the Mideast nations in the second quarter of 1975.

So clearly, Western Europe and Japan stand to lose much more than we do from another war and another oil embargo in the Mideast.

There is also the benefit gained from keeping the Suez Canal open. I do not have tonnage figures for European and Russian shipping through the canal compared to the United States, but the closer physical proximity indicates the greater benefit to them than to us.

Although the U.S. Government commendably took the forefront in negotiating this initial settlement, peace is by no means important only to the welfare of this country. Just as the benefits of peace will be shared by our allies, so should they share the expense of maintaining it.

I do not believe it is unfair or unrealistic to expect the governments of Western Europe, of Japan, and of the U.N. to participate in providing the valuable forms of aid which will strengthen this peace. An equitable sharing of the costs of this assistance among ourselves and our allies will prevent an undue economic strain upon our own budget, or that of any other nation. I believe that these allied governments will favorably consider a request by our President to join in this effort to maintain peace in the Middle East.

For this reason, I ask that my colleagues in the Senate join me in supporting at this time a declaration of intent to that effect, so that appropriate executive negotiations can begin immediately. In that way, we in Congress will be prepared to act knowledgeably upon the authorization request at such time when that request comes to the floor for review and debate.

Based on what I have said, perhaps the Senator from Minnesota and the Senator from New Jersey may want to respond.

Mr. HUMPHREY. Mr. President, the amendment of the Senator from Kansas is one that was offered before, as he said, and at that time I asked that it wait over until we came to this particular legislation.

I have no objection to it, I find it acceptable. I think the Senator from New Jersey may want to comment.

Mr. CASE. Mr. President, I want to comment only to the extent of saying it is an admirable amendment, it strengthens the legislation, and I fully support it.

Mr. DOLE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 960

Mr. ABOUREZK. Mr. President, I call up my amendment on human rights which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK), for himself and Mr. McGOVERN, proposes an amendment numbered 960, as modified.

The amendment is as follows:

On page 31, line 19, strike all through page 32, line 9, and insert in lieu thereof the following:

SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House may require the Administrator primarily responsible for administering part 1 of this Act to submit in writing information demonstrating either

(1) that the government of such country is not engaging in a consistent pattern of gross violations of internationally recognized human rights, or

(2) that the existing or proposed programs will directly benefit the needy people in such country and that such programs will not directly or indirectly be used to maintain in power those authorities responsible for practices which are inimical to human rights.

If either committee or either House of Congress disagrees with the Administration's justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Senators CRANSTON, TUNNEY, and PELL be added as cosponsors, along with Senator McGOVERN and me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, this is the human rights amendment that puts into law what was a sense of the Congress resolution on the bill last year. It says that we will not provide U.S. foreign aid to governments which consistently and systematically oppress the human rights of their own people.

Along with Senator CASE and Senator HUMPHREY, we are attempting to object to the consistent use of torture and imprisonment of people for political purposes.

Mr. President, in 1973, for the first time, the Congress enacted a provision which added a new section to the law. That section expressed concern for the human rights of citizens of nations that receive U.S. foreign aid. It was the sense of the Congress at that time that no funds shall be given to any country which holds its citizens for political purposes.

Our amendment today is quite simple. The amendment would put into law, for the first time, the same recognition of basic human rights as the earlier sense of the Congress resolution. In addition, the amendment establishes a mechanism whereby U.S. economic assistance to any country could be terminated if the government of that country engages in a "consistent pattern of gross violations of human rights, including torture or cruel, inhuman or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person."

Our Government policy with respect to support for bilateral assistance is quite clear. But this commitment should in no way detract from our concerns for basic human rights. The argument has been made that the bilateral assistance programs help the individual citizens of a particular country, and that we would be penalizing these people doubly if we were to cut off U.S. economic assistance in addition to their plight under a repressive regime.

We have taken account of this argument in our amendment. In determining whether the human rights standard is being met, and whether funds provided under this program should continue to be sent to a particular country, the administration responsible for this program—namely the Administrator of AID—may be required to demonstrate in writing to the House or Senate Committee that the existing or proposed recipient either is *not* engaged in a consistent pattern of gross violations of human rights *OR* that the existing or proposed program will directly benefit the needy people in such country.

If either committee, or either House of Congress disagrees with the Administrator's justification, it may initiate action to terminate that assistance under section 617 of the Foreign Assistance Act, a provision already in law. The amendment is drafted in such a way to allow either the Foreign Relations Committees, or any individual Member of Congress, to initiate a review of the human rights impact of our bilateral assistance program. Unless we are willing to cut off economic assistance to those countries that engage in a consistent pattern of gross violations of human rights, I believe it is fair to state that the United States, either explicitly or tacitly, is sanctioning those activities.

I believe that we have the right to determine the conditions and circumstances under which the United States is willing to spend its money. And that we are perfectly justified in demanding a respect for human rights as a basis for receiving U.S. aid.

I do want to say one thing before I yield to Senator HUMPHREY. This amendment is one that I have introduced in similar form for the last 3 years. It is one that Representative TOM HARKIN of Iowa has introduced and passed on the House side. It is very similar to the Harkin language and I want to compliment and congratulate him for the fine work he did on this amendment and for the cause of human rights.

Mr. HUMPHREY. Mr. President, I just want to note for the RECORD the diligence and perseverance of the Senator from South Dakota (Mr. ABOUREZK) in forwarding this particular proposal.

This matter has been given consideration at length in the Committee on Foreign Relations, not only this year but the previous 2 years. Each year we have moved along, I think, just a little better, and this particular amendment has now been carefully worked out and I believe it will accomplish our objectives.

On the one hand, it will prevent the use of foreign assistance funds for those governments that have a consistent pattern of oppression of their people.

On the other hand, it does not deny the assistance that we might want to give to needy people, needy people who are facing a critical situation of life or death, and I believe that the amendment deserves our support.

Since we have had a good deal of time to talk it over in committee, as well as here in discussion, and in private discussion, I am fully prepared to accept the amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CASE. Mr. President, I join the Senator from Minnesota in commending the Senator from South Dakota for his persistence and his generous spirit in connection with this amendment.

We have worked it over. We have produced what has already been described as a very useful way of helping people, the only qualification being that in the case of countries where the kind of action against humanity goes on as a matter of governmental policy, we say that the aid may not be given if it is going to assist in the perpetuation of that sort of thing.

That is the intent of the fact, and I join with my colleague, the chairman of the subcommittee and the manager of the bill, in accepting the amendment with great pleasure.

Mr. McGOVERN. Will my colleague from South Dakota yield?

Mr. ABOUREZK. I yield to my colleague.

Mr. McGOVERN. Mr. President, I commend my colleague (Mr. ABOUREZK) for his leadership on this amendment and also Senator HUMPHREY and Senator CASE, the managers of the bill, for accepting it because I think it does reinforce the humanitarian thrust of this bill.

The foreign assistance legislation now before us has greatly improved over the form in which it has come before the Senate in the past. A great many reforms have been made in the other body and also in the Committee on Foreign Relations.

I think the legislation before us is basically good legislation and serves the interests of the United States and those we seek to help in other parts of the world, but the amendment offered by Senator ABOUREZK, which I am happy to join as a cosponsor, further strengthens this legislation.

I would just like to add that a similar amendment sponsored by Representative HARKIN over in the House passed that body by a substantial margin on September 10.

So it is reassuring to know that this principle has been not only accepted by the House, but accepted overwhelmingly in the other body.

I think our action here this afternoon included in the Senate legislation is very significant and very important.

Mr. President, I want to say at the outset that this amendment represents a continuation of an effort begun by a distinguished Member of the other body, Representative TOM HARKIN, of Iowa. We have made a few minor refinements in the language to accommodate concerns raised in the Foreign Relations Committee and by other Senators. But this is almost exactly the same amendment which was authored by Congressman HARKIN and which the House adopted, by an impressive vote of 238 to 164, on September 10.

I also want to say that the aid bill itself is a dramatic achievement.

We all know that foreign aid has become unpopular. I do not regard that as either a signal of isolationism sentiment or a lapse in the generous instincts of the American people. On the contrary, I think it grows mostly out of a frustration over the failures of aid. We have been involved in too many boondoggles abroad—in costly, high visibility projects which have little if any impact on people's lives. It is fair to say that some development programs, especially those funded by loans, have actually worsened the plight of developing countries, by saddling them with enormous long-term costs and debts in exchange for enterprises which do not meet their basic needs. And we know, too, that aid has been too often distorted into a political device to prop up a particular regime or to win the favor of a ruling elite, with no reference to the real needs of the people.

In this sense H.R. 9005 is a reform bill as much as an aid bill. It has been carefully structured to avoid the old mistakes. It concentrates on such fundamental needs as food and agriculture, education, and health. It favors projects designed not simply to export our way of doing things, but to fit the particular conditions and customs of the countries we would help.

The bill itself, reinforced by the committee report, also seeks to separate development from politics. It properly recognizes that in providing our aid our interest is not in making other countries behave a certain way in the short term, but in bettering the long-term condition of the human family.

In this connection the committee has stated its belief:

> . . . that the comprehensive approach to humanitarian and developmental assistance provided for in this bill is reinforced by its separation from the more controversial and politically oriented military and security supporting assistance programs. In this respect, the bill reflects the Committee's belief that, insofar as possible, economic and disaster assistance should be insulated from traditional political considerations and the vicissitudes of the day-to-day conduct of foreign policy. The resources provided for in this bill are not to be regarded as tools for the pursuit of short term political objectives.

Those are sentiments, I believe, the American people will support. And I believe they will welcome the new aid directions, which are the best we can fashion to assure that our aid will truly have an effect.

Though it has been interpreted otherwise, I suggest that the pending amendment will strengthen the bill in precisely those respects. I think it is a further step to remove political considerations from economic aid, and to channel our assistance—our limited assistance—where it will do the most good.

Aside from the procedural difficulties, which we have remedied, the main reason why the committee did not approve the Harkin amendment was the fear that it would, in the language of the report—

> . . . risk interjecting a political element in the development assistance program, which the committee has sought insofar as possible to insulate from political considerations.

But let us see what the amendment really provides.

First, it states a general principle that our aid should not be provided to a country which engages in a consistent pattern of gross violations of human rights. It provides specific examples of what Congress has in mind—such activities as torture, degrading treatment, and other flagrant denials of basic human decency.

Obviously those are modest standards. We are not saying that a government must conform to some lofty ideal of political and personal freedom in order to receive U.S. aid. What we are saying is that both the Congress and the executive branch ought to examine the situation closely if we are sending American taxpayers' dollars to a government which is consistently and brutally repressing its people.

And what would the amendment do under those circumstances? The committee report argues that we should—

> . . . not rule out assistance to needy people simply because they are also politically oppressed.

That is an attractive argument. However, it does not have the slightest bearing on the amendment we have proposed. For this amendment explicitly states that it would permit aid to continue if the Administrator demonstrates—

> . . . that existing or proposed programs will directly benefit the needy people in such country.

If that demonstration cannot be made—or if the Congress finds the evidence wanting—then our amendment proposes action under section 617 of the Foreign Assistance Act to terminate aid to the country involved. Section 617 provides that Congress can end aid to a specific country by concurrent resolution.

So we propose two conditions for terminating aid. One is the existence of consistent, flagrant denials of human rights. And the other is a failure of our aid to help the needy people of that country. Only if both conditions were met would aid be ended.

And if both of those conditions exist, I submit that it is not the decision to terminate aid, but the aid itself, that is political. If there is someone here who thinks our amendment is political, I would like to have them explain to me how there can be any motive other than pure politics and influence buying for sending aid to a repressive government, when we also know that the aid is not fulfilling the intent of this bill to reach needy people.

The fact is that our amendment is wholly consistent with the objectives of this legislation. The amount of aid we offer in the bill is very small compared to the need. It recommends $1.325 billion in fiscal 1976 and $1.473 billion in fiscal 1977. That is for the entire developing world. Next year we will spend nearly 70 times that to deal with what we perceive as military threats. I have no doubt that we lose that much each year in the Pentagon budget through accounting errors alone.

This is how little we have been able to spare for the threats of hunger and disease and poverty which we ought to recognize as at least as dangerous as war. So this is a modest bill indeed.

And since that is the case, I contend that we must be especially careful to see that these funds are not wasted. They are wasted when aid does not directly help needy people. And the waste becomes all the more offensive when it identifies the United States with the deprivation of human rights.

It has also been argued that if we detect human rights violations Congress can always move under section 617 to terminate aid, even without this amendment. That is true. But cutting off aid is not the purpose of either the bill or the amendment. It is the result we want to avoid. We are asking the Congress to set specific standards, to give aid recipients fair warning and to give them a chance to reform. Economic development is a long-term process. We do not want it to be a program of fits and starts. And in the same spirit that the bill seeks to inspire self-help in an economic sense, our amendment seeks to inspire self-help in the realm of fundamental human rights, so that long-term programs can proceed.

Finally, Mr. President, let me place this amendment in the perspective with which I began.

I think nothing has damaged the support of the American people for aid programs more than our identification—through economic as well as military aid—with corrupt and brutal regimes overseas. Perhaps a body of experts can find reasons why it is acceptable for us to be sending money into a country whose prisons are jammed with political dissenters, or whose leaders amuse themselves by tearing people's fingernails out. But I do not think the American people will or should accept it. We must notify such governments in unmistakeable terms that our aid is on the line, not only because it is morally right, but because it is true. Unless we begin standing for at least these fundamental human rights, I think the entire program could whither, and these hopeful new aid directions could die, for want of public support.

In recent years our entire approach to the world has been shaken. We wasted our worth on a corrupt dictator in Vietnam. We tilted against the Bengalis, and we tilted toward the colonels in Greece. We have stood with the likes of Marcos in the Philippines, Park in Korea, and Franco in Spain. We have learned of CIA assassination schemes, dirty tricks, and political fixes. Of course, that is only part of what we have done. But the cumulative record of abuses is abysmal, and it overshadows all we have attempted to do that was good.

So let us begin now to reclaim our moral credentials. Let us take at least this modest step, to demonstrate that we want to reflect in our foreign policy the most basic principles we believe in for ourselves.

It is a declaration that will be welcomed by people who live in fear of their leaders. Beyond that, I believe it will permit an aid program that squares with the humane and decent aspirations of the American people.

Mr. President, I ask unanimous consent to have printed in the RECORD the Supplemental Views.

There being no objection, the Supplemental Views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS

H.R. 9005 as reported by the Senate Committee on Foreign Relations is, on the whole, an excellent initiative in the direction of reforming our foreign economic assistance programs. New directions in this bill will help assure that the limited amounts we can offer developing countries will be used in the most productive possible ways.

I do have some concerns, however, about the language on human rights, section 309, which was adopted in lieu of the approach adopted by the House of Representatives.

In the first instance, this language appears to restrict the right of the Senate Foreign Relations Committee, the House International Relations Committee, and individual Senators and Representatives to question AID administrators about AID programs. The amendment can be interpreted, and may be used by the executive branch, to delay responses to questions about the effect of AID's programs on denial of human rights in recipient countries until a resolution has been adopted by the Senate or House. These committees should certainly have the opportunity to question AID administrators about such matters, which are clearly within their jurisdiction, without going to the Senate or House floor for permission. To limit that opportunity would reduce the oversight capacity of these committees on vital human rights questions.

Second, the House amendment focused directly on the human rights issue, and attempted to set standards by which AID programs could be judged. The committee's language is much broader, dealing also with freedom of "individual economic and political choice" and opportunity for "citizen participation." These are commendable considerations with which each member of the committee identifies. But they are so broad as to raise serious problems of definition, and dilute the emphasis on human rights which was the primary purpose of the House amendment. Since few governments can meet those standards, the committee language can be advisory only. It would be better to set more realistic standards, and provide methods to assure that we can at least have an impact on the most flagrant denials of human dignity.

That means we should include a specific concern for human rights in the standards we set for AID programs. The Congress may also wish to note the value of freedom of economic and political choice and citizen participation, but it would seem desirable to do so in a way which does not detract from our concern for policies of recipient nations which engage in "a consistent pattern of gross violations of internationally recognized human rights," in the wording of the House amendment.

It is important to note that the human rights standard set forth in the House amendment has already been adopted once by the Congress. It appears in section 502B added by section 46 of the Foreign Assistance Act of 1974. In that "sense of Congress" section the executive branch has already been advised that whenever it proposes to furnish security assistance to any government which is "engaged in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person * * * the President shall advise the Congress of the extraordinary circumstances necessitating the assistance." That language creates a valid and useful precedent for what the House has attempted to do in this legislation.

There is no question here of denying aid to impoverished people on the grounds that they also suffer from a lack of political freedom. The language of the House amendment does permit assistance to needy people regardless of the repressive nature of their government. But it does, quite properly, require a demonstration that aid in such cases will directly benefit needy people. That should have a salutary effect, by redirecting aid away from programs which primarily benefit the government in power or have only a minimal impact on the well-being of the poorest people in the country.

There may be some deficiency in the way the issue is raised procedurally in the House version. This problem could be resolved by the following language, which also stresses Senate concern for human rights:

SECTION—HUMAN RIGHTS.

(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

(b) In determining whether this standard is being met with regard to funds allocated under this Part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House may require the Administrator primarily responsible for administering Part 1 of this Act to submit in writing information demonstrating either,

(1) that the Government of such country is not engaging in a consistent pattern of gross violations of internationally recognized human rights, or,

(2) that existing or proposed programs will directly benefit the needy people in such country.

If either Committee or either House of the Congress disagrees with the Administrator's justification it may initiate action to terminate such assistance under Section 617 of this Act.

GEORGE MCGOVERN.

Mr. ABOUREZK. Mr. President, I want to thank my colleague from South Dakota for his work in the Foreign Relations Committee on this amendment and for his great assistance in getting this moved out to the floor, and also thank Senator CASE, of New Jersey, and Senator HUMPHREY for their acceptance of this particular language.

Mr. CLARK. Mr. President, I simply want to be recorded in favor of the amendment which has been offered, and to also say that I feel the amendment offered by Congressman HARKIN, in the House of Representatives, which was adopted by that body is an excellent approach to the problem of human rights and the distribution of foreign assistance.

I know that a compromise has been worked out here in the Senate which is somewhat different from the amendment which was adopted in the House of Representatives. I know that as we go to conference, both of those will be very carefully considered.

I want to speak strongly in support of Congressman HARKIN's human rights amendment.

Mr. CASE. Is the Senator ready to yield back his time?

Mr. ABOUREZK. I am ready to move on the question.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABOUREZK. Mr. President, I call up my amendment to Public Law 480, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. I ask unanimous consent that further reading of the amendment be dispensed with:

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 13, delete the comma after "production" and add the words: "and consumption,"

On page 7, line 16, immediately following "commodities;" add the words: "and insure the expansion of food consumption in balance with any increases that are to be achieved in food production and food aid supplies; and"

On page 8, line 18, delete the comma after "production" and add the words: "and consumption,"

On page 11, line 7, delete the comma after "production" and add the words: "and consumption,"

On page 36, line 14, delete the comma after "production" and add the words: "and consumption,"

Mr. ABOUREZK. Mr. President, I am offering what I think is an important clarifying amendment to the International Development and Food Assistance Act of 1975.

This amendment is based on the belief that increasing food production does not assure that the hungry will be fed. Consequently, if our aid to other countries is based solely on their producing more food, the important goal of actually getting food to hungry people might be overlooked.

Even here in our country, as we have learned, we had millions of people suffering from malnutrition in the early 1960's at the same time we had all-time-record "surpluses" of food.

Unless we include provisions that mandate efforts to get increased food production to the people who need the food desperately, large amounts of food could be produced for sale on the world market with the effect of undermining the prices paid to farmers.

We do not need tons of grain dumped on the market, and I know this is not the purpose of this act. I am sure the authors of the International Development and Food Assistance Act would not want American farmers to be singled out to face the threat of subsidized competition and economic ruination as the price of our country's efforts to relieve world hunger.

This amendment merely adds the words "and consumption" wherever the act mentions increasing food production.

I believe this clarifying change would be in the interests of American food producers as well as the starving people in the world. Truly, our priority must be to get food to the people who need it.

Mr. TALMADGE. Mr. President, I have examined this amendment, as has the ranking minority Member. We can see no objection to the proposal. It merely adds "and consumption" to the other criteria that the President will consider in making available food aid to needy nations. I urge approval of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

RESOLUTION AFFIRMING SUPPORT FOR THE PEOPLE OF LEBANON—SENATE RESOLUTION 293

Mr. ABOUREZK. Mr. President, I have a separate resolution at the desk and I ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 293

Whereas Lebanon is a peaceful country which has consistently attempted to maintain a non-combatant position in the current Middle East situation; and

Whereas Lebanon has been a longtime friend and ally of the United States; and

Whereas Lebanon has been a haven for peoples from all over the world; and

Whereas the current disorder constitutes a tragedy in domestic terms and a threat to the peace and stability of the region and the world: Therefore be it

Resolved, That it is the sense of the Senate that the current violence taking place in Lebanon is deplored.

That the United States Senate views with disfavor any unilateral, uninvited intervention of any nation or armed force in the current conflict.

That the shipment of arms and continued encouragement of the conflict by external forces is deplored.

That the United States supports all efforts to resolve the internal conflict and achieve a return to normalcy through peaceful negotiations and the Lebanese political process.

That the United States should provide, through the United Nations, on request of the Government of Lebanon, such immediate, emergency, and appropriate humanitarian aid and assistance as may be necessary to further the cause of peace, humanity and stability in that area.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. CASE. Will the Senator yield for a brief quorum call?

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. I want to add cosponsors to Senate Resolution 293.

Mr. President, I ask unanimous consent that the following cosponsors be added to that resolution: Senators EASTLAND, CLARK, BURDICK, MCGEE, PHILIP HART, PROXMIRE, CULVER, HARTKE, MONDALE, HASKELL, HUMPHREY, and HATFIELD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senate again proceed to the immediate consideration of the Lebanon resolution which I have just offered.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ABOUREZK. Mr. President, this resolution is a statement of two things. First of all, it is a statement on the part of the Senate that we deplore the violence in Lebanon that is tearing that country apart and destroying it; second, we deplore outside intervention from all parties into Lebanon including those who are shipping arms in on either side, and that we go on record as favoring humanitarian assistance to Lebanon, should they request that of this Government. It is a very simple and straightforward statement that I believe should be adopted.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I have been through this resolution. I did not ask that it be referred to committee because, obviously, if it is going to do anything, it should be done promptly. But beyond that, Mr. President, without in any way passing on the political aspects, the fact that there has been a very terrible problem with Lebanon being abused by the Palestine Liberation Organization and other terrorist elements as a base for terror not only on Israel but on many other nations in the world not part of the conflict at all, wreaking their terrible vengeance upon people who have no relation whatever to the issue, I still would like to state my own profound sympathy with the people of Lebanon. For generations Lebanon was a place in which a highly evenly divided population between Christians and Moslems lived in tranquility. My mother's family well over 100 years ago entered into Palestine through Bierut, from the Port of Odessa, in what is now the Soviet Union. My mother was actually born in the town of Safad, through which many of these pilgrims passed in those days.

It is really tragic that this small country, which has for so long managed to maintain some kind of a balance between these populations, with many, many difficulties, has now been rent asunder. There are many deeply religious people in this whole area, and I really hope that even if their consciences somehow or other are immune to the tragedy which has been imposed in the constant war respecting Israel, their consciences will respond to the fratricide among their own brethren.

I express my deepest sympathy to the people of Lebanon, and to the mothers who have lost sons, children, and kinfolk in this terrible fighting, and who suffer just as much and are just as deeply grieved as mothers in Israel or mothers in the Arab countries who have seen their sons subjected to such wars.

Perhaps the sheer intensity and tragedy of the conflict will bring people to their senses.

I thank my colleague for yielding.

Mr. ABOUREZK. Mr. President, I move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HUMPHREY. Mr. President, I see the Senator from Virginia has now arrived.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I ask the Senator from Minnesota this question: as I understand it, when the debate is concluded on the amendment I shall call up now, there will be a vote at that time?

Mr. HUMPHREY. The understanding, may I say, was that there was a time limitation on the amendments of the Senator from Virginia, I believe an hour; is that correct?

Mr. HARRY F. BYRD, JR. Well, there were four amendments limited to an hour each.

Mr. HUMPHREY. Each, yes.

Mr. HARRY F. BYRD, JR. But there will be other amendments on which there is no time limitation.

Mr. HUMPHREY. Yes, that is correct. There were four on which there was a time limitation on each side, and we were going to vote on at least one today, and possibly two.

Mr. HARRY F. BYRD, JR. Yes.

Mr. HUMPHREY. That was the understanding.

Mr. HARRY F. BYRD, JR. That is correct, but I was wondering if it is the intention of the Senator from Minnesota to vote on the amendment which will next be called up at the conclusion of the debate on that amendment?

Mr. HUMPHREY. Yes. What is that amendment, may I ask the Senator?

Mr. HARRY F. BYRD, JR. The amendment reads as follows:

> No debt owed to the United States by any foreign country may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

That is amendment No. 1035.

Mr. HUMPHREY. We shall have a veto on that amendment today, if the Senator so desires. The main purpose of limiting voting today was because of the elections.

Mr. HARRY F. BYRD, JR. I understand. But what I am attempting to clarify is whether it is the Senator's intention that we vote immediately after the debate?

Mr. HUMPHREY. Yes, as soon as the debate is over.

AMENDMENT NO. 1035

Mr. HARRY F. BYRD, JR. Mr. President, I call up amendment No. 1035, and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Virginia (Mr. HARRY F. BYRD, JR.) proposes an amendment numbered 1035, as follows:
>
> At the end of the bill, insert the following new section:
>
> SEC. . No debt owed to the United States by any foreign country may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

Mr. HARRY F. BYRD, JR. Mr. President, I will state at the outset that this is not one of the amendments covered by the 1-hour limitation, but I do not anticipate that it will take longer than that, if that long.

This amendment (No. 1035) would require congressional approval for any settlement of a debt owed the United States in an amount less than face value.

In the past 3 years, the State Department has negotiated debt settlements which wiped out over $5 billion of outstanding foreign indebtedness to the United States.

The net return: about $112 million.

Looking at it another way, we netted or will net about 2 cents on the dollar.

The largest settlement was signed in

1972 in the first wave of "détente." The State Department agreed to cancel $2.6 billion in claims arising from Russian lend-lease indebtedness.

The State Department negotiators agreed to the following settlement by the Soviets: A pledge for the payment of $48 million, and an additional $674 million, plus interest, if Russia were granted most-favored-nation tariff status. Russia has refused to comply with certain MFN limitations, and as a result, has not paid off any of this latter sum.

The second major debt settlement was the cancellation of about $2.2 billion of debt owed to the United States by the Indian Government in rupees. These debts are in addition to the $3 billion owed in dollars by the Government of India.

It should be noted that in spite of U.S. generosity India faces continued economic stagnation. Now, Prime Minister Gandhi has eliminated democracy in that nation.

The most recently conducted foreign debt settlement is an agreement to settle a $370 million claim against the Government of France, arising out of Charles DeGaulle's 1967 ouster of NATO forces.

President Ford has agreed to settle this for $100 million. Under a standing agreement with our NATO partners, they will receive 36 percent of that sum. Remaining French indebtedness to the NATO organization still remains to be settled. The U.S. stands to gain approximately one-third of the final settlement.

The total of the claims: $5,170 million.

The total which will be received: $112 million.

All of these settlements were made without congressional approval. It is time that congressional consent is obtained for these deals.

It has been said that such a requirement would violate the executive branch's authority to conduct foreign affairs.

On the contrary, the State Department would still be empowered to negotiate with foreign nations. This measure will, however, prevent money owed to the people of the United States from being given away without congressional approval. The Constitution delegates to the Congress the power to appropriate funds. Congress, which answers to the people, should, therefore, have final responsibility for approval of these debt settlements.

I would like to make clear that this measure would not restrict the right of the managers of foreign loans owed to the United States, to reschedule these loans. Under certain circumstances, it is a prudent and needed arrangement. Although there are indications that rescheduling of loans is excessive, it is not the intention of this amendment to regulate this practice.

Finally, Mr. President, it should be recognized that the Senate is already on record in favor of the principle embodied in this amendment. On September 28, 1973, by a vote of 67 to 18, the Senate approved an amendment to the military procurement authorization bill which provided that any settlement of India's debt to the United States at less than face value would need congressional approval before it could take effect. That amendment was, unfortunately, eliminated in conference.

The State Department reports that the principal of debts owed to the United States as of July 31, 1974 totaled $33,359,613,931, of which $600 million is delinquent. In addition, World War I debts still outstanding are $23.9 billion.

Thus, a total owed the American people by foreign nations exceeds $57 billion.

Mr. CASE. Mr. President, the Senator from Minnesota and I have discussed this amendment. We think it is a good amendment, and we are prepared to accept it.

I say that the Senator from Virginia and I have often found ourselves in agreement on matters of this kind, bearing upon the relative authority of the Executive and of Congress in matters of international relations. I think that there is no reason in the world why Congress should permit the Executive to settle a debt for less than its full amount without congressional approval. I regard this as beyond the power of the President.

So I welcome this initiative on the part of the Senator from Virginia. As he knows, I would extend the principle into many other fields, as well, and considerably circumscribe the freedom which the Executive, regardless of party, has exercised in treating as executive agreements many kinds of agreements with foreign countries, which I think under the Constitution's both letter and spirit should be handled as treaties.

While I do not oppose an authorization for debt settlements when they are approved by act or by concurrent resolution as this amendment would provide, I think we still have to deal with a difficult problem of restoring the authority of the Senate in regard to treaties, and I know that I will find the Senator from Virginia active in that effort, as he has been in the past.

Unless there is someone else who wishes to talk about this, I am quite prepared to have the matter go to a voice vote.

Mr. HARRY F. BYRD, JR. First, let me say that I thank the Senator from New Jersey for his comments and support of this proposal.

As the Senator from New Jersey indicated, the Senator from New Jersey and the Senator from Virginia have been in basic agreement on many issues of this type, and I am pleased that today we are in agreement on this particular amendment.

Mr. President, I suggest the absence of a quorum.

Mr. CASE. Will the Chair withhold the order please for just one moment?

The PRESIDING OFFICER. Does the Senator ask unanimous consent?

Mr. CASE. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. I appreciate the consideration of the Chair. There are a few matters that for the sake of the legislative history I think it would be well for the Senator from Virginia and me to discuss.

I take it there are some small amounts of obligations which the Senator from Virginia would regard as de minimis for the purpose of his amendment.

Mr. HARRY F. BYRD, JR. Yes.

Mr. CASE. Those relatively minor matters could be handled by executive agreement as too small to properly engage the attention of the Congress of the United States.

Mr. HARRY F. BYRD, JR. I think that is appropriate.

Mr. CASE. I take it, also, that the amendment would not be intended to permit the indefinite postponement of loan repayments or interest payments, too, while Congress considered any proposal for a debt settlement. In other words, the debt would continue to exist and continue to run until Congress actually deals with the matter.

Mr. HARRY F. BYRD, JR. That is the intention of the amendment; yes. The debt would continue to run and, if interest is being charged, the interest would continue to accrue until such time as Congress acts.

Mr. CASE. It was my understanding, and I did not hear all of the remarks because I was engaged in conversation with another Member of this body during a part of his statement, that the Senator from Virginia indicated he did not intend to prohibit reasonable agreements on rescheduling or moratoriums or that sort of thing.

Mr. HARRY F. BYRD, JR. This amendment does not get to the question of rescheduling.

Mr. CASE. Right. It would be a question then of what was a reasonable action and what was not when it comes to actions of that sort.

Mr. HARRY F. BYRD, JR. That is right, insofar as rescheduling is concerned.

Mr. CASE. I am grateful to the Senator from Virginia for helping develop these points, and I will not again interrupt the Chair in his effort to get the matter to a vote if that is the desire of the Senator.

Mr. HARRY F. BYRD, JR. Let me say that this amendment was originally introduced as a bill, cosponsored by the Senator from Alabama (Mr. ALLEN), the Senator from New Mexico (Mr. DOMENICI), and the Senator from North Carolina (Mr. HELMS). In the House of Representatives, a similar bill has been introduced by the Honorable JACK KEMP, and I understand that it has almost 100 cosponsors.

Mr. CASE. As a matter of interest, I think that we have already closed the loophole insofar as settlement of loans made under foreign aid legislation goes and that the intent and purpose of this amendment is to spread it across the board.

Mr. HARRY F. BYRD, JR. The intent of this amendment is to take care of any sums owed by foreign governments to the United States.

Mr. CASE. However the debt originated.

Mr. HARRY F. BYRD, JR. However the debt might have occurred, that is correct.

Mr. CASE. I thank the Senator.

Mr. HARRY F. BYRD, JR. As I understand the floor manager of the bill, we planned to have a rollcall vote on this at the appropriate time.

Mr. CASE. We will if someone asks it. The manager of the bill would not ask for a rollcall but we would certainly not oppose it.

Mr. HARRY F. BYRD, JR. It is such an important amendment. I am inclined to think it would be well to have a rollcall vote, not at the moment but at some time.

Mr. CASE. If the Senator will yield, my only instruction from our colleagues, including the manager of the bill, is that as far as the manager goes, he will be back at 1:45 p.m, and certain of my Republican colleagues asked that there be no vote until 2 p.m. because they are having a conference.

Mr. HARRY F. BYRD, JR. I think that is appropriate.

Mr. CASE. It is all right. I will ask unanimous consent that the debate will be considered concluded and the vote occur on this amendment at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Very good. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. CASE. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 1:41 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STAFFORD).

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on amendment No. 1035.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HARRY F. BYRD JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BEALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that David Rust of my staff be granted the privileges of the floor during the consideration of this bill and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the amendment of the Senator from Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the role.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. FORD), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Utah (Mr. MOSS) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. PEARSON) and the Senator from Pennsylvania (Mr. HUGH SCOTT are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT) would vote "yea."

The result was announced—yeas 85, nays 5, as follows:

[Rollcall Vote No. 465 Leg.]

YEAS—85

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F , Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin

Fong
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Haskell
Hatfield
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf

Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott,
William L.
Sparkman
Stafford
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—5

Clark
Culver

Hathaway
Stevenson

Tower

NOT VOTING—10

Ford
Goldwater
Hart, Philip A.
Hartke

Huddleston
McGee
Moss
Pearson

Scott, Hugh
Stennis

So the amendment (No. 1035) was agreed to.

Mr. PERCY subsequently said: Mr. President, I inadvertently was recorded as voting "nay" on the Harry F. Byrd, Jr., amendment. I intended to be recorded as voting "aye." I ask unanimous consent that the vote be corrected accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally reflects the above order.)

Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator from Michigan.

Mr. GRIFFIN. Mr. President, on behalf of the Senator from Oregon (Mr. PACKWOOD) I ask that Robert Jerome of his staff be granted privilege of the floor during the remainder of the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN addressed the Chair.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

(a) "The Director of the Agency for International Development shall, not later than July 7, 1976, transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, a full report on all loans outstanding which have been made to foreign countries by the Agency for International Development and predecessor agencies from all appropriation accounts, including Support Assistance and Contingency Funds."

(b) "The report shall indicate on a country-by-country basis,

(1) the terms of such loans, including provisions for repayment in local currencies;

(2) the repayment record (including defaults or postponement or extension of time repayment, if there be such) of each such loan;

(3) an estimate (which may be classified) of the likelihood of repayment of such loans in accordance with their terms; and

(4) such recommendations as the Director of the Agency may find appropriate."

Mr. BIDEN. Mr. President, I rise today to offer an amendment to H.R. 9005, the International Development and Food Assistance Act of 1975.

This amendment is relatively simple. It would require that the Director of the Agency for International Development prepare a report on all outstanding loans to the Agency no later than July 1, 1976.

The report would indicate on a country-by-country basis, the terms of these loans, including provisions for repayment.

Additionally, it would include the repayment record to date of each country and an estimate, which may be classified, of the likelihood of repayment.

I think that the preparation and submission of such a report would be useful to the Congress at this time and in this form.

Currently, the Agency for International Development does publish a volume called "U.S. Overseas Loans and Grants."

While this volume does give some useful information, it is too general in scope, in my opinion.

Further, it does not contain estimates of repayment nor recommendations on repayment or possible defaults. The Congress needs the information that this report would provide not to embarrass any country but rather to make certain that the U.S. Congress knows what is happening with this outstanding loan money. I would not want to see the executive branch unilaterally forgiving or extending the terms of these loans without congressional knowledge. This report would give us valuable information.

In light of the amendment we just passed, it seems to me it would be particularly appropriate to pass this amendment at this time.

This report which we are requesting would be particularly timely in view of the state of world economy where we may see in the next year or so, the beginning of defaults, rollovers, and maybe even moratoria on over $18 billion worth of debts owed to the United States under past aid programs. Perhaps an accumulation of significant amounts of dollars owed to the United States will come into default.

An example of this phenomenon is Zaire.

Senator CLARK's Subcommittee on African Affairs held a very good hearing last week on the question of assistance to Zaire who is already in default.

I do not think it is farfetched to expect other countries in similar straits to follow suit.

I would like to emphasize that this amendment, if adopted, would require nothing except preparation and submission of information in a compact form.

This amendment makes no recommendations regarding the possible forgiveness of any loans.

I hope that my colleagues will support this amendment as questions regarding the status of these outstanding loans are raised.

I understand that the manager of the bill has no objection to that amendment. I would like to emphasize once again that the purpose of this amendment is more a bookkeeping or scorekeeping amendment than it is anything else. There are no policy considerations in it. I am not suggesting that we either let nations default or, in fact, we take any procedure whatsoever. It is sort of like what we receive on our desk every day in the Senate, a copy of the Senate scorekeeping budget report. I would like to have one of those for our international obligations.

Mr. HUMPHREY. Mr. President, the amendment is indeed well drawn and I think it is a valuable asset to the bill. I feel that the Senator from the minority, the Senator from New York, and the Senator from New Jersey have also looked at it. I have no objection to it. I yield to the Senator from New York.

Mr. JAVITS. I certainly have no objection to it. If the agency finds any technical difficulties in respect of it, they can be worked out.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. JAVITS and Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. I will tell Senator HELMS I shall be just 1 minute. I have no amendment.

May I have the attention of the chairman of the Agriculture and Forestry Committee?

Mr. President, I would like to raise a point of clarification with the chairman of the committee with jurisdictional responsibility over Public Law 480 legislation, about a matter which has caused some controversy.

Section 103(e) of Public Law 480 mandates that private trade channels be used whenever practicable to carry out the provisions of this program. In section 103(e), the President, in exercising the authorities conferred upon him by this title, is required to "take appropriate steps to assure that private trade channels are used to the maximum extent practicable, both with respect to sales from privately owned stock and with respect to sales from stocks owned by the Commodity Credit Corporation," and, while there is not explicit language in title II, it is my understanding that it has been the intent that private trade channels should be used whenever practicable with regard to that program as well.

The voluntary agencies which participate in our title II donation program have been permitted to use private freight forwarders for many years but the other major program sponsor of title II activities, the world food program, has not been permitted to utilize a private freight forwarder. It seems reasonable that permitting the world food program to use a private forwarder could result in possible savings of U.S. tax money.

I think a great deal of confusion over this issue could be eliminated if the chairman could clarify what I feel is the intent of this provision, and what has been repeatedly stated as U.S. policy in carrying out other foreign assistance activities.

Is it the chairman's understanding, then, that the mandate to utilize private trade channels whenever practicable, explicitly stated in section 103(e), is implicitly intended to cover the operations of the Public Law 480 program generally, including title II?

Mr. TALMADGE. As a member and now chairman of the committee which originally considered this provision, that is my understanding.

Mr. JAVITS. I thank the chairman for this clarification. I think it will be helpful to the administering agencies in interpreting the will of the Congress in regard to this provision.

Mr. President, I have something I would like to ask Senator HUMPHREY.

Mr. President, I address my questions to the manager of the bill on the majority side.

Senator HUMPHREY was one of the original authors of this famine prevention title which has been removed from the Foreign Assistance Act and I now see is part of Public Law 480.

Is it not true that AID has been carrying out agricultural research and institution building activities essentially similar to those authorized by the title for 15 years under the authority of the Foreign Assistance Act?

Mr. HUMPHREY. The Senator is absolutely right.

Mr. JAVITS. And is it not true that during that 15 years nobody suggested that those AID programs should be in agricultural legislation any more that it was suggested that AID's health program be in health legislation?

Mr. HUMPHREY. I agree with the Senator.

Mr. JAVITS. That was not suggested? That has not been suggested?

Mr. HUMPHREY. That has not been suggested, of course not.

Mr. JAVITS. Now, is it not also true that many of the activities under the title—such as aid to international research centers—may have nothing to do with domestic, agricultural universities?

Mr. HUMPHREY. The Senator is correct.

Mr. JAVITS. And is it not also true that the basic purpose of the title is to make AID's food and nutrition program better by bringing the U.S. universities into a more carefully defined, cooperative relationship with AID that takes into account the problems of both parties. But that the purpose of the title is not to provide indiscriminate support to the land-grant universities' international activities?

Mr. HUMPHREY. As I understand it, the Senator is correct.

Mr. JAVITS. I thank my colleague.

I have tried to make these points because I am not at all convinced of the soundness of putting this provision in Public Law 480 and I am particularly concerned that foreign assistance funds, which I think are awfully scarce, not be used for anything but the highest priority programs. I hope that the conferees will take a very careful look at this aspect of the bill.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) offers the following amendment:

At the end of the bill, add the following new section.

"PROHIBITION AGAINST ASSISTANCE TO COUNTRIES DETONATING NUCLEAR DEVICES

"SEC. 317. No assistance provided under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954 may be made available for any country which has detonated a nuclear explosive device within 5 years of the time such assistance is proposed to be provided.".

Mr. BAKER. Will the Senator yield for a unanimous-consent request?

Mr. HELMS. I yield, gladly.

Mr. BAKER. I ask unanimous consent that George Montgomery of my staff be granted the privilege of the floor during the continuation of debate and the vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. Mr. President, the amendment now pending would eliminate assistance under the Foreign Assistance Act or the Agricultural Trade Development and Assistance Act for any country which has detonated a nuclear explosive device within 5 years of the time such assistance is proposed to be provided.

There is no secret that, at the present time, only one country in the world would be actually affected. That country is India. Only five nations in the world have detonated nuclear devices besides ourselves. We provide no aid under these acts to the U.S.S.R., to the United Kingdom, to France, or to the People's Republic of China.

It is also well known that the aid to India requested in this year's proposal is the resumption of an aid program that had been abandoned because of India's own actions against the international community of peaceful nations. It is not the continuation of programs already going forward.

By thus resuming our aid program to India, we are signaling to India that we approve of the priorities which India has adopted for her people. It means that we approve of what India has done to the Christians in Nagaland, to the Sikhs in the Punjab, to the Sikkimese in the formerly independent country of Sikkim, to minority religious groups such as the Ananda Marga. Most of all it means that we approve of what India has done to the millions of Indian citizens in suspending the constitution, arresting the opposition leaders, hobbling the press, and maintaining a system of widespread political corruption for the sake of controlling political power.

India's domestic affairs are properly not the concern of the United States. But the amount of foreign assistance to be provided under this act is strictly limited, and if it is to be given at all it should be channeled toward those countries which adopt priorities that suit our own scale of values.

The United States has signed a treaty on nonproliferation of nuclear weapons. India has not. Indeed, India has chosen to develop its nuclear technology in a direction that is open to nuclear weapons production. Even though her people are starving—and they are starving, I might add, because India refuses for ideological reasons to adopt a nonideological system of agriculture that would encourage production—even though India's people are in want of food and housing, she has chosen instead to put her available resources into aggressive nuclear technology.

Let me recount India's development of nuclear technology, as compiled by the Stockholm International Peace Research Institute:

1948: The Indian Atomic Energy Commission was set up by act of Parliament.

1954: The Indian Government announced the setting up of a separate department of atomic energy under the direction of the Prime Minister.

1956: The first nuclear reactor in Asia went into operation at Trombay. It was a reactor of 1 megawatt of thermal energy output.

1960: It was announced that India and the Soviet Union had agree to collaborate in the peaceful uses of nuclear energy, including the design and construction of nuclear power stations. In the same year the Canadian-Indian research reactor went into operation. This reactor has a power output of 40 megawatts of thermal energy. It is thought that it is from this reactor that the Indians produced the plutonium to construct the device that was detonated in 1974.

1961: India's third research reactor, designed, engineered and built entirely by Indian personnel, was put into use with a power output of 100 megawatts of thermal energy.

1962: India's first heavy-water plant was commissioned at Mangal.

1963: India signed in New Delhi an agreement with the United States to construct a nuclear powerplant at Tarapur.

1965: The Prime Minister, Mr. Shastri, formally opened the reprocessing plant at Trombay for the separation of plutonium.

1969: India's first nuclear powerplant went into operation at Tarapur. This has an output of 400 million watts of electricity produced by two reactors using enriched uranium fuel.

1970: Prime Minister Indira Gandhi rejected pleas in the Parliament to limit nuclear explosions for peaceful purposes.

1971: India signed an agreement with the International Atomic Energy Agency to allow inspection of the Rana Pratap Sagar reactor.

1972: India's fourth research reactor went into operation.

1973: The first of two nuclear power reactors at Kota, Rajasthan, went into operation with a power output of 200 million watts of electricity. A second unit of the same size is under construction at this site. A third nuclear station with two 200-million-watt electricity output power reactors was under construction at Kalpakkam.

1974: The Prime Minister laid the foundation stone of India's fourth nuclear power station at Narora. It will contain one 200 million watts of electricity power reactor and is expected to be completed by 1981.

So at present, India has four research reactors and seven power reactors.

Then, on May 8, 1974, India detonated her first nuclear explosion in the Rajasthan desert in the northwestern part of her country. The strength was equivalent to between 12 and 15 kilotons of TNT. This may be compared to the 20 kiloton bomb which we dropped on Nagasaki.

Mr. President, I point out that there is no technical difference between the initial stages of a program to develop "peaceful" nuclear devices and a program to develop nuclear weapons. It is merely a matter of intention and political decision. By the 1980's, India may have a booster vehicle capable of delivering nuclear weapons as a spinoff of their civil space program.

Mr. President, it is certainly difficult to judge India's intentions. We have seen her aggressive designs against Goa, Pakistan, Bangladesh, and Sikkim. We have seen the dictatorship over her own people established through political corruption and suspension of constitutional rights when that corruption was challenged by the judiciary. One may well express doubt that India's policies under the Gandhi regime are nonaggressive.

If India is willing to divert her resources from feeding her people to conduct nuclear development programs that may well be aggressive, should we reward that decision with American assistance? The Senator from North Carolina says, "No."

The combined aid to India contemplated in this bill is $235 million. How much did India spend on her nuclear explosion? If you believe the statements of Mrs. Gandhi, the cost was $400,000. Needless to say, that is a minimum estimate. But if we believe Mrs. Gandhi's estimate, we have to make a number of suppositions.

In general, the factors affecting the cost of the explosion would include the degree to which the testing nation desires to adhere to the provisions of the Limited Test Ban Treaty, whether there was to be full geological exploration of the test hole, or whether an existing mine shaft or drill hole were used, the degree to which the testing nation desires secrecy, and so forth. It would also depend upon equipment and wage costs, and the logistics of getting equipment and labor to the site.

It is clear therefore that the costs, just for development of the device itself, would depend upon the goals of the nation, the configuration of the device, and the degree of assured results desired. Given the low costs of Indian labor for excavating an emplacement hole, and assuming minimum assurances and monitoring of results, it is quite possible that Mrs. Gandhi's estimate is correct.

But on October 27, 1974, the Associated Press quoted an unidentified high Indian official as saying that India had spent $216 million to produce its nuclear explosion. This is also a reasonable estimate if one includes the reactor costs, chemical reprocessing costs, plutonium fabrication costs, and costs for designing and testing the device. At any rate, we know that between 1969 and the 1974 explosion, India on the public record spent at least $174 million on nuclear energy.

In the same period, India spent $200 million on housing.

Thus in 1 year, U.S. assistance programs would more than repay the cost to India of developing explosive nuclear technology.

The list of nations that have regretted India's decision to explode a nuclear device is a long one. They include, among others, Australia, Belgium, Canada, Finland, West Germany, Japan, the Maldives, the Netherlands, New Zealand, Nigeria, Pakistan, Sweden, the United Kingdom, the United States, and Zambia. All of these nations regretted the proliferation of nuclear technology. Nor must we overlook the swing in the balance of power in the subcontinent, particularly in relation to Pakistan.

Mr. President, there are some who may say that, for humanitarian reasons, we ought to let this assistance, composed mainly of food and fertilizer go forward. But this assistance is only marginal in India's problem. An ideological dedication to socialism has robbed India's agriculture and distribution system of its productivity. If India would drop its ideological insistance on socialist agriculture—a system that has never worked properly anywhere in the world by the way—a great part of the world's food problem would be solved. The Library of Congress has furnished me with a partial listing of food riots in India, as reported in the American press, between 1971 and 1974. From this list, we can see that food and proper distribution is a problem throughout India.

Mr. President, I ask unanimous consent that this list just referred to be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. I thank the Chair.

In my judgment, we ought to channel assistance to those nations which take the proper steps to become self-sufficient in agriculture. India refuses to take those steps. Her people are becoming poorer as a result. A recent New York Times Magazine article, for instance, pointed out that the percentage of Indian citizens close to starvation is increasing. In 1971, about 220 million were living on 20 cents a day or less. Today, it is 385 million, or about two-thirds of the total population. According to the same article, the average Indian in the early 1960's consumed 480 grams of food per diem; today it is 418 grams per diem. Seventy-five percent of the people have no assured work, and earn less than $50 per year. Rural unemployment has increased 600 percent in the last 20 years.

Mr. President, the problem of hunger is so staggering that the assistance proposed in this bill will have very little impact on solving that problem. There are not enough ships in the world to carry the amount of food needed in India, nor are there port facilities to unload food were it to arrive miraculously at the docks. The same is true of fertilizer, which is used by Mrs. Gandhi's corrupt party officials to reward the party faithful and penalize those who oppose her.

At the time of India's nuclear explosion, Mrs. Gandhi had jailed 20,000 strikers on the railroads, and starved the rest of the workers back to work. The nuclear explosion extricated her from the growing crisis of public confidence in her regime.

By providing U.S. assistance, simply said we are giving Mrs. Gandhi more resources to prop up her crumbling regime, both internally and externally.

Mr. President, I ask unanimous consent that the article from the New York Times Magazine which I alluded to earlier be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. I also ask unanimous consent that a list of nuclear explosions by the nations in the nuclear club, compiled by SIPRI, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. I thank the Chair.

Mr. President, in conclusion, I do not think that we should provide aid when it is going to be used as a political weapon against freedom, and that is the point of this amendment. Now I point out one other aspect of my amendment: and that is, it is not merely punitive. It is designed to encourage nations which have detonated nuclear explosions to avoid further experimentation along this line. If India refrains from nuclear explosions for 5 years, then it would be eligible for aid at that time. The aid would have to be cut off if nuclear explosions were resumed. Furthermore, any nation which may be contemplating nuclear explosions will be deterred from that course if they wish to receive such assistance in the future.

Although India is the only nation to which my amendment currently applies, it is clear that it sets up conditions that are favorable to nonproliferation among all countries of the world.

EXHIBIT 1

[From the Library of Congress, Congressional Research Service, Washington, D.C., Sept. 9, 1975]

To: Honorable Jesse A. Helms.

Via: Head, Regional Section, Foreign Affairs Division.

From: Robert Shuey, Analyst in Asian Affairs.

Subject: Food Riots and Demonstrations in India, 1970–75.

Numerous riots and demonstrations have occurred in India over the lack of food and high food prices. Following is a list of such incidents which have been reported in the American press since 1970.

June 25–29, 1971: Riots occurred in Shillong, capital of both Assam and Meghalaya states in response to food shortages caused by the presence of refugees from East Pakistan.

April 18–25, 1973: Riots due to food shortages occurred in Nagpur and Sinnar in Maharashtra state. In the following few days riots occurred in Masik, Kamptee, and Klameshwar.

August 4–6, 1973: Several demonstrations occurred to protest rising food prices and food hoarding by stores in Madhya Pradesh. Riots broke out in Bombay and several other cities.

September 12–15, 1973: Riots protesting food shortages and prices occurred in three Indian states: Tamil Nadu, Mysore, and Manipur. Violence was reported in Maddur, Tumkur, and Kolar, all in Mysore state, and Imphal, Manipur state.

January 10–28, 1974: There were food riots in Ahmedabad, Baroda, and fourteen other towns in Gujarat state.

February 22, 1974: Bombay experienced a food riot.

September 11, 1974: There was a march in Bombay demonstrating against high food costs.

September 23, 1974: There were reports of hunger and violence almost everyday in Uttar Pradesh, Gujarat, West Bengal, and Rajashtan states. In the previous week there had been riots in Agra, Uttar Pradesh.

October 5, 1974: There was a general strike in Bihar state protesting rising prices and food shortages. On October 6 there was a peaceful demonstration and march in New Delhi.

EXHIBIT 2

[From the New York Times Magazine, Aug. 10, 1975]

RULER OF 600 MILLION—AND ALONE

(By Claire Sterling)

The news, flashed from New Delhi last June 12, made stunning headlines around the globe. Indira Gandhi, Prime Minister of what was then the world's biggest democracy—India has nearly 600 million people, a seventh of the human race—had been found guilty of corrupt electoral practices by the High Court of Allahabad, and would have to step down.

She didn't step down, and India isn't exactly a democracy any more.

Indeed, Mrs. Gandhi didn't even wait for the Supreme Court to hear and rule on her appeal before arresting upwards of 3,000 people, including all major opposition leaders and 30 or 40 from her own Congress party (but not the pro-Moscow Communists, who praised her "firm action" as "long overdue"); imposing rigid press censorship; suspending constitutional rights, and proclaiming, on June 26, a state of emergency giving her full dictatorial powers. "There is a higher court than the High Courts, and Indira Gandhi is not a mere Prime Minister," said a newspaper close to her.

She herself claimed she did it "to save democracy," and hoped the emergency would "not last long." But the clockwork precision of her crackdown suggests that it must have been planned well in advance, and it seems plain from her brutal performance that her countrymen are going to have to put up a stiff fight for their freedom if they want it back again.

There was supreme irony in the verdict of that upright judge in Allahabad who brought the crisis to a head. Of all the opposition charges hurled against Mrs. Gandhi, accused among other things of turning India into a sink of corruption, the charge that finally tripped her up was simply that she had used somebody on the Government payroll to manage her election campaign. When she did that, in 1971, she needn't have bothered. At that dazzling zenith of her career, she could have romped home in any election without help from anyone. Not now, though. Her decline from popular grace began long before the Allahabad court ordered her to resign. If she had dumped constitutional government rather than obey the order, it isn't because she was "indispensable to India," as her Congress party claimed, but because too many Indians seemed all too ready to dispense with her.

The fact is that Mrs. Gandhi had a chance rarely given to any national leader in our time to change the face of her immense, tormented, poverty-stricken country, and she muffed it. In the train of her failure, the demoralization spreading across India has been so profound that it is hopeless to attribute it to any single cause. Drought, floods, famine, starvation, punishing inflation, economic stagnation, black marketing, colossal corruption and "one of the most dramatic erosions in living standards ever experienced," as The Economist of London called it, have been part of it, but not all. What has made the whole bigger than its parts has been a "collapse of moral authority," according to a distinguished Indian editor, George Verghese—"a failure of leadership that has bred cynicism, frustration, indiscipline, anger, violence, visible signs of disintegration and enveloping chaos."

These are strong words from a man who had long been at Mrs. Gandhi's side as press counselor and personal friend. Yet, traveling around the country not long before the crisis broke, I found them borne out at every turn. From Bombay in the west to Calcutta in the east, from Trivandrum in the south to the "rice bowl" of Madhya Pradesh and the "breadbasket" of the Punjab in the north, I heard nothing but bitter complaints. Gujarat, where Mrs. Gandhi's Congress Party took a calamitous beating in local elections on the very day of her court conviction, had been paralyzed throughout the previous year by strikes, sit-ins and popular demonstrations against rocketing food costs and blatant graft in high places. Bombay, when I was there, was averaging 24 mass public protests a day! Calcutta, where one in every five people can find no work at all, was more mutinous still. Bihar's jails were literally overflowing (into schools, parks, zoos) with 70,000 political prisoners. About half were left-wing Naxalite terrorists; the rest were peaceful followers of Mrs. Gandhi's implacable adversary, Jaya Prakash Narayan, a saintly 72-year-old intellectual who in recent years had become the principal articulator of the country's desperation and the first real threat to Mrs. Gandhi's power. He is now among those jailed. Much of the unrest India is the product of three years of relentless, catastrophic drought. But there is nothing supernatural about the forces of corruption that have emptied the shelves of the Government's Fair Price Shops (at which food and household essentials are rationed at fixed official prices); diverted rice to the black market, (where its price has shot up 300 per cent); closed an eye to these and every other illicit financial operation so as to collect "black money" for election campaigns; let the poor go poorer, the hungry go hungrier, the youth go jobless, the small farmers go under while big landlords flourish. Resigned as they are to such timeless afflictions, India's impoverished masses have given signs of growing feeling that this time "she" is to blame.

When they speak of Mrs. Gandhi as "she" nowadays, it is not always with their old affection. Still, when she declared that "the Indian people have known me since my childhood" (in the same speech in which she proclaimed the state of emergency), the claim was fair. They remember her as the granddaughter of hard-as-nails Motilla Nehru, one of the founders of India's Congress movement, which brought independence from the British; as the daughter of deft, charismatic Jawaharlal Nehru, India's first Prime Minister after independence; as the little girl who sat on the knee of Mahatma Gandhi, the lay saint of India, and as a pupil of the venerated national poet Rabindranath Tagore.

Indira was a lonely child; both her parents spent more time in jail than out, fighting British colonial rule. Her grandmother used to lament to her that it was all occuring in expiation of the lofty, elite Nehru family's past transgressions. Her mother, the beautiful but frail Kamala, too was given to interludes of soul-searching, even mysticism—hers inspired by the disdain with which the more high-born and better-educated Nehru clan treated her. Much later, after her beloved mother's death of tuberculosis in Switzerland, Indira said, "I saw her being hurt, and I was determined not to be hurt."

Mother and daughter often prayed together, and to this day Indira reveres holy men and frequents shrines, though she claims to be a scientific-minded radical Socialist like her father. After her mother's death, she became sickly herself, but gamely studied on in Switzerland and at Oxford. Not until the outbreak of World War II did she return to India for medical care. Going back with her was a fellow Indian student, a budding lawyer named Feroze Gandhi. (Neither he nor she is related to Mahatma Gandhi.) They were married in 1942, but drifted apart after about 10 years.

In 1947, when Nehru became Prime Minister, Indira moved in with her widowed father in Delhi. There, as his official hostess, she assumed the role of his closest political confidant and became a power in her father's Congress party, the machine that to this day dominates the Indian political scene. As president of the party, she came to know its leaders first-hand, and from her father she began to learn how to manipulate them. She learned, among other things, that the party's main role was to garner votes in elections and that, in furtherance of this end, it was necessary to tolerate a certain amount of corruption, even to help cover it. As for the real power, she was taught by Nehru that it belonged in the Prime Minister's hands.

This was the woman, then, still shy, still a bit irresolute, not yet deeply experienced, that the party bosses picked as their Prime Minister two years after Nehru's death. They agreed on the choice because they believed Indira would be a cinch to push around. Goongi Gudiya, the Dumb Doll, they called her in those days, never dreaming they would live to regret it.

At first, Goongi Gudiya played along. She had to, for the party was at a low ebb, scarcely able to cling to its long-accustomed majority in the Parliament. In 1969, three years after she became Prime Minister, she even seemed complacent when the party bosses moved to displace her. They earmarked for the office of president a man opposed to Indira Gandhi, clearly planning to have him appoint a new Prime Minister at the first opportunity. Transparent as was the plot, Indira Gandhi seemed to accept her fate, and even filed the papers for her camouflaged adversary's nomination to the Presidency. At the same time, she was secretly operating in a circle of deception inside that of the party leaders, emplacing her own people in the party machine. One day, suddenly, she moved. From that day to the next, she threw her support to a Presidential candidate not beholden to the bosses and mounted a campaign in his support that left the old party leaders reeling.

Her man won in a landslide, and in the 1971 general elections, she won an unprecedented two-thirds majority in Parliament. Her next opportunity came with the Pakistani Government's harsh crackdown on the Bengali autonomy movement in East Pakistan and the resultant flood of Bengali refugees into India. Seeming for months to disregard domestic calls for intervention, she waited masterfully for the right moment and struck with the $2-billion in arms she had obtained from the Soviet Union. It was a *blitzkrieg*, a soaring victory that led to the creation of the independent state of Bangladesh, a reduction of Pakistan to subordinate status on the subcontinent—and another triumph at the ballot box. In the 1972 state elections she swept all but two of the 21 states.

Next came the annexation, without so much as by-your-leave, of defenseless Sikkim, a tiny, sovereign border princedom. Then came a satellite launched into space. Then a nuclear test explosion. "The only man in India," was the verdict of her grateful and proud people.

The trouble was that although she delivered so much in political, military and prestige terms, she had promised ever so much more in matters of economic betterment—nothing less than Garibi Hatao, the abolition of poverty. Yet, under the rule that Indira Gandhi persisted in calling Socialist, the rich continued to be pampered; only 1,700 of them in all of India declared taxable incomes of more than $1,300 last year. In 1971, the year she pledged to abolish poverty, some 220 million of her countrymen were living on 20 cents a day or less. Today, the number has swelled to 385 million, nearly two-thirds of the population. With each succeeding year since she made that vow, more and more Indians have been slipping below the officially computed poverty line—in effect, starvation line—of 15 cents a day.

And grumbling more and more. Not even her consummate grandstanding in the arena of world politics could any longer deflect the vital concern of the Indian public about the effects of the drought. It had become too big, too hurtful, ravaging the country's grain crops while water itself was running desperately short.

Nobody knows how many Indians have starved to death in this fourth famine year. In the countryside, especially, members of Parliament have testified to "horrible" famine conditions. One local Congress party official who toured 40 villages in Madhya Pradesh found that nine in every 10 families did not have a grain of wheat or rice and were living on wild fruit. Others have told of people driven by hunger to suicide, or eating grass and roots. In the Cooch Behar region of West Bengal, there are reports of people eating their own dead children. The Government has released no figures on deaths by starvation; nor, if it did, would they be likely to include those too undernourished to resist the mildest illness. "When a weak old man died after waiting in a queue for hours under a hot sun to get his food ration, the police said he died of sunstroke," says the Bombay editor of The Times of India, Ajit Bhattachargea. "Is that an accurate statistic?"

Nevertheless, there are plenty of statistics to show how much poorer India's poor are getting. The current five-year plan estimates that not until 1989, will the bottom fifth of the population (about 120 million now, about 190 million by then) be eating as much as they did in 1960. Meanwhile, the average Indian, who used to consume 480 grams of food grains a day in the early nineteen-sixties, is down to 418 grams a day while his consumption of meat has dropped from three kilos a year to less than two. Three-quarters of the Indian people have no assured work and earn less than $50 a year; nearly half earn less than $40 a year, and per capita income has been falling steadily for the last three years in a row. Thirty million adult Indians are unemployed; rural unemployment has risen 600 percent in the past two decades; and unemployment among the educated is increasing by 20 percent a year. Of the 16 million youths who graduated from Indian colleges in 1974, one in three cannot find a job of any kind.

Meeting her for the first time, you'd never believe she was a decision-maker. The woman waiting serenely at her uncluttered desk when I came to see her last winter in Delhi's *Lok Sabha* (national Parliament) was unexpectedly small, delicate and feminine. The stark white streak in her short black hair seemed more a touch of elegance than a token of her 57 years. Her voice was soft, and her glance often strayed with a glint of humor to the deferential aide hovering at her elbow, for the statistics she told me she could never keep in her head. She dismissed, as uninteresting or unimportant, my suggestion that she must occasionally feel crushed by the weight of her moral authortiy. "What can you do with moral authority?" she asked, with a small amused smile.

The rest of the interview she kept on the same neutral plane: detached, patiently evasive, the sheathed sword. For example, when I asked her how she viewed the nation's economic problems and the Government's ability to cope with them, she answered, "Surely we have problems, but many are due to causes beyond our control, like the weather. Most others are of a passing nature, inevitable in the growth process." "In any case," she said with utter confidence, "India will certainly manage to keep up in its food production with the growth in population, and we will be getting out of our economic troubles soon." When I asked her how she planned to achieve this, she went on to speak of something else.

While conceding that "in some cases we are not as efficient as we should be," she evidently considered that a minor obstacle. The big problem, as she saw it, was that "certain opponents are getting in the Government's way by taking political advantage of our economic difficulties in the name of democracy"—a pointed thrust at her increasingly troublesome opponent, J. P. Narayan. In fact, she appeared to believe, or wanted me to believe, that such troublesome opposition was the one thing "preventing" her Government from "solving India's food problems right away." When I observed that she was being accused of trying to suppress the opposition—if only to get on with the solution of such urgent problems—she replied in that soft voice, "It is the responsibility of the ruling party not to suppress the opposition." Adding, still softly, "Of course, it is also the responsibility of the opposition not to obstruct the functioning of the Government."

That is her style. Most of the several hundred people passing through her office daily do all the talking, while she listens, or doesn't, without comment. Many a reporter has gone through the ordeal of an interview with the Prime Minister when, not caring for their questions, she has sat in stony silence as though the questions had never been asked. A high international official told me that, after calling at her invitation, he had tried to make conversation for 20 minutes and finally left, without her having once lifted her head from the letters she was signing, still less uttering a word to him. The tacit message of her behavior is that the Prime Minister is there to dispose, not discuss, especially a Prime Minister who is a Nehru, the scion of India's founding family.

And so, though she can rightfully claim that all of India has known her since childhood, it is also true that, outside her innermost family circle of two sons, an Italian daughter-in-law and two grandchildren, nobody really knows her. Described as a "very private person" or a "haughty Kashmiri Brahmin," depending on who does the describing, she holds almost all her closest collaborators at arm's length.

One day when Indira was an adolescent, according to her latest biographer, Krishan Bhatia, an aunt saw her standing at the window, gazing out over the garden of the family residence, her eyes burning with passion. Asked what she was thinking of, she said she was dreaming of Joan of Arc. It seems that from childhood her greatest ambition was to become the Joan of India, and from the time she first became active in the Congress party, the model of the superheroine of world politics has dominated her feelings about her own. And, for a while, as Prime Minister, her vision of herself, holding high the emblem of Socialism as she led her people into battle against the tyranny of poverty, was shared by a good part of the country. She is still a larger-than-life heroine to millions of Indians, especially in the countryside, but from a daughter of the people she has evolved into India's most adroit and ruthless politician. "My father was a saint who strayed into politics . . . but I am not of the same stuff," she has said of herself, while Henry Kissinger said of her, "The lady is cold-blooded and tough." How tough, she demonstrated last June. Today, many might say, her claim to visionary leadership has been succeeded by an assertion of dictatorial authority, her Joan-of-Arc mission replaced by the mission of staying in power.

The way she now runs the country, every Cabinet minister, party functionary or other high office-holder knows he holds his job solely at her pleasure. In the 18 states (all but three) now under the party's control, every chief minister has been hand-picked by her. None has had his own local power base. None has dared to decide anything of importance without consulting her: During his first 666 days in office as Chief Minister of West Bengal, Siddhartha Sankar Ray spent 306 days in the national capital, mostly in Mrs. Gandhi's waiting room. And none has had to worry much about his personal future, provided he showed undeviating loyalty to the Prime Minister and could produce at election time.

Naturally, producing at election time is no simple matter anywhere. Among a Congress party politician's heaver duties has been the collection of undeclared "black money"—from businessmen, black marketeers, hoarders, smugglers and assorted tax dodgers—for financing election campaigns. The sums thus collected (or extorted, some say) have run into many millions, with estimates going as high as $26-million for last year's election in Mrs. Gandhi's home state of Uttar Pradesh. Nationwide, says Krishan Bhatia, the Congress party itself has become "one of the biggest hoarders of undeclared cash in the country."

Provided an appointee of Mrs. Grandhi's can produce in that sense, he can generally count on her protection, however grossly inefficient he may be at anything else, beyond his own enrichment. Time and again, she has shielded national and state officials with egregious records of corruption. Among a few random examples are a former Chief Minister of Orissa who accepted $100,000 from *kendu*-leaf traders for favors rendered; the Punjab's Minister of Agriculture, formally accused of setting up commercial private farms on lands set aside for redistribution to the Untouchables; three ministers of the Madhya Pradesh government charged with misappropriating $3-million of the $4-million allocated for "scarcity relief operations" in the state; and the use by the Revenue Minister of Andhra Pradesh of vast state resources for his daughter's 10-day wedding celebration, including official cars, guest houses, furniture, state-employed servants and huge quantities of ghee, rice, vegetables and fruit meant for religious pilgrim but impounded to feed the minister's 10,000 guests.

None of these cases can hold a candle, of course, to the one involving Mrs. Gandhi's 24-year-old son Sanjay, entrusted several years ago with $40-million and 300 acres of choice real estate to turn out a small Maruti car, for which he has yet to produce the prototype. The cumulative effect of all these scandals has been devastating. "Indira . . . has failed her country in many more ways than her response to the economic disasters wrought by war and capricious monsoons," writes Krishan Bhatia. "Her years of power have witnessed a distressing debasement of political values, a staggering increase in corruption at all levels, including the top, callous misuse of authority and a sharp decline in administrative efficiency."

What kept her popular among the masses was a brilliantly intuitive sense of the political master stroke. The greatest of these, perhaps, was the nationalization of the banks in 1969. The move had nothing to do with ideology. Locked in battle for control of the party, she seized on the issue to pose as a champion of the poor seeking to free the party of its reactionary old guard. For weeks afterward, her house was thronged with the capital's humblest citizens—ricksha pullers, petty traders, junior clerks—bearing garlands of flowers. Though the nationalized banks promptly went into the red, and stayed there, she never lost that radiant humanitarian image. "At that moment," observed a veteran Western European diplomat, "Mrs. Gandhi may not have known precisely what a bank was, and she certainly didn't know what nationalization was, but she knew it was time to do it."

Judged by results, her economic record can only be called dismal. Mostly, it has consisted of Socialist experimentation. On paper, the country's industrial capacity ranks ninth in the world. But its public sector industries, on the average, are working at less than half of capacity, steel mills at 40 per cent, electrical power plants at 35 per cent; and nearly a third of all the capital invested for development has been wasted on idle plant and equipment. The resulting shortages, blockages, bottlenecks and breakdowns in practically every vital sector—coal, steel, railroad transport, fertilizer and food distribution, electric power—are maddening and incalculably costly. Production of *essential* consumer necessities keeps dropping, while television sets, air-conditioners, cosmetics, crockery, detergents, chocolates and talcum powder choke the market. Medicines are desperately short, cooking oil is adulterated past edibility, and the country produces just enough cotton cloth for 12 yards of cotton per person per year in statistical terms—enough for two saris for the average Indian woman, who wears this form of dress throughout the year.

The most damning indictment of Socialism, Indian style, however, has been the Government's "colossal apathy toward and appalling neglect of agriculture," says former Planning Director B. S. Minhas. He and other experts claim that India, even with her mushrooming population, ought to be able to feed herself. Yet, with much more of her arable land under cultivation than any other country, she is getting much lower yields than her Asian neighbors. China, for instance, is feeding her 800 million people, notwithstanding droughts, floods and other acts of God; India is still importing food to fill the gap between production and consumption, even at the shockingly low consumption level.

There was a time, from 1951 to 1973, when this gap was made up by 92 million tons of free or concessional food grains from abroad, mostly from the United States (American aid to India in all forms has exceeded $10-billion since independence in 1947.) That made it pretty simple to keep up an industrial growth rate of 8 per cent—until Indira Gandhi decided she didn't want or need foreign food aid any more.

Mrs. Gandhi's proud announcement to that effect in 1971 was made in a moment of euphoria never attained before or since. The previous year's monsoons had been marvelous, and she had a sensational crop of 108 million tons. In 1972, however, the rains failed disastrously, worse than in any year that anyone could remember. The harvest was some 10 million tons below the previous year's. It was then that Indira Gandhi launched a crash program aimed at increasing wheat production by a third and more than doubling the summer rice crop, all in a single year. This was to be done by bringing 20 per cent more acreage under cultivation and providing special farm credits, more fertilizer, high-yield seeds, pesticides, tube wells, pumpsets and extra electric power.

It was an incredible supposition, a Socialist planner's pipe dream. India hadn't a prayer of procuring even half the fertilizer needed, still less the indicated quantities of seeds, pesticides, cement and drilling rigs. Perpetual and worsening power failures made it useless to provide new electrical pumpsets or even to "energize" old ones. The "input shortages" alone would have ruled out achieving anything near the projected gains—which, to have any chance of success, would have had to be planned at least two years ahead. On top of that, India was faced with an accelerating breakdown in transport services and power, and with the irresistible temptations for local government officials to juggle with such an unexpected bonanza in money supply. By 1973, the misuse of Government funds for this or anything else was so widespread and so taken for granted that most observers assume that 20 or 30 of every 100 rupees spent on the program went into kickbacks in one form or another.

Still, the central Government kept handing out the money, while local administrators enthusiastically reported overfulfillment of their agricultural goals. They did so with the use of what the Russians would call "ceiling statistics"—a phrase coined in the early days of Soviet planning, when a collective farm manager, asked, say, how much livestock he had, would look up at the ceiling, scratch his neck and come up with a figure. A later report by India's Auditor-General revealed that not one of the 21 states had come remotely near meeting its targets. Although the 1973 summer rains were good, food grain output, far from rising by a projected 15 million tons, fell by 3.5 million tons below the previous year's. Having renounced food aid, India had to pay for what she got from abroad, and Mrs. Gandhi has had to spend up to $2-billion a year on food imports.

Ever since her election victory of four years ago, Indira Gandhi has had all the power she required to accommodate the radical changes that India needs in order to begin curing her profound debilities. Draft legislation for this has been available for some time, gathering dust in ministry files. Some of it is designed to redress the hopeless lot of the Indian peasant.

Under the land-reform law on the books, there has been redistribution—in name—of agricultural holdings. In actual fact, however, large landowners have managed to keep huge holdings by using members of their families and front names to put plots together. And although land values have risen fivefold since strains of "miracle grain" were introduced in the mid-sixties, the big owners have been able to find enough cash and credit to expand their holdings. Meanwhile, more than two-thirds of India's rural population owns no land at all or, at best, less than five acres per family. Most in the second category are so heavily in debt to big landowners that they cannot really be called owners of their land. True land reform would cancel their indebtedness, make credits easily available to them, and effectively break up large and illegal holdings so that the small farmer could have his share. But the landlords oppose any such reform. And the Congress party depends more heavily on the big landowners than on any other single sector in the country. And Mrs. Gandhi depends on the party. Even a dictator needs a country-wide organization in order to assert control, and Mrs. Gandhi, not yet an outright dictator, remains beholden to her party as the only country-wide political organization in existence in India. She also needs it to keep up a facade of the constitutional government she claims to want to uphold.

Since making that claim and using it to justify imposition of the state of emergency, she has withdrawn more than ever into her private circle. Old advisers have disappeared, to be replaced by a handful of new ones, notably her young son Sanjay. She still rushes home every lunch to play with her two grandchildren, ever more the Oriental dowager, ever more closely drawn into the dynasty founded by grandfather Motilal Nehru. It is the sort of environment she is known to prefer in times of stress.

Yet her position could become intolerable at almost any time. Expressions of solidarity from the Congress party are all very well. The question is, what value to place on this support. It comes from a party, after all, set up to be of help to the Prime Minister mainly at election time. Indira Gandhi has deliberately kept it flabby in other respects, so that it would not get in her way—as her father did before her. When she needs people out in the streets on her behalf—and thousands were said to have been paid a dollar apiece to cheer her at mass rallies in New Delhi last June—only the pro-Moscow Communist party is in a postiion to turn them out.

A Communist party claiming a mere 350,000 members (more likely closer to 250,000) may look like a pretty weak reed in a nation of 600 million. Nevertheless, it has long provided Mrs. Gandhi with some of her most trusted advisers, ideological guidance in the pursuit of Socialism, and the capacity to mobilize street mobs at a moment's notice. This is not to say that Mrs. Gandhi necessarily *likes* the Indian Communists of the pro-Soviet variety, or even the Soviet Union, though Russia looms larger than any other state in her foreign relations. It does mean that she has some ideological affinity with both, in her marked preference for "Socialism" of some kind over capitalism of whatever kind, especially American.

Yet her relations with the Russians before the "emergency" werent' all that thick. Publicly, Mrs. Gandhi has never tired of pointing out how loyally the Soviet Union has supported India in crises like the Bangladesh war. She doesn't mention the fact that the Russians have given her no new economic credits since 1966. Nor that the renewed trade agreement with them for 1975 did not include the urgently needed petroleum, fertilizers, raw materials and wheat she had counted on—this compared to continuing aid from a Western consortium, including the United States, that has committed $1.4 billion to India this year.

Indira Gandhi is perhaps more powerful than ever before, but she is also more alone. There is no one left to share with her the blame of the regime's failings, no one of any stature to partake with her in the task of running her vast, benighted nation.

So desperately isolated has she become, so driven into new repressions that cut off her line of retreat, that the dynamics of staying on top may well push her into becoming a real dictator. And, though she is not the woman to make India anyone's satellite if she can help it, her increasing dependence on Moscow and the Communists could send the country lurching into the Soviet orbit. Neither development is likely to leave the Indian Army unmoved. And that gets to what is perhaps the crux of the situation.

India's standing army of nearly a million men has been resolutely nonpolitical since independence. But it is also sensitive to the smallest slight on its honor, dignity and military independence, not to mention the nation's sovereignty; and it is stepped in loyalty to constitutional principles. It was altogether her army when she enjoyed unquestioned legitimacy of constitutional rule. It may not be, should its ranking officers conclude that she has become something else. More than ever now, her fate hangs on the army's continuing loyalty.

Somebody once told me, as I was traveling around India, that the one thing worse than trying to govern the country by democratic persuasion would be trying to govern it by force. Yet that is how Mrs. Gandhi is trying to do it now. Depending on how fast and how far she goes in changing from a traditional Prime Minister to the one-woman ruler of a police state, the Indian Army—the one group with the power to stop the process—could intervene. If it were to do so, it would almost certainly be not to replace her with a military dictator but to restore the institutions it has been drilled into defending since birth.

EXHIBIT

APPENDIX 15B

NUCLEAR EXPLOSIONS, 1945–74 (ANNOUNCED AND PRESUMED)

a—atmospheric, u—underground and underwater (the latter are put in parentheses)]

Year	United States		U.S.S.R.		United Kingdom		France		China		India		Total
	a	u	a	u	a	u	a	u	a	u	a	u	
I. 1945, Aug. 5, 1963 (the signing of the partial test ban treaty):													
1945	3	0											3
1946	1	1											2
1947	0	0											0
1948	3	0											3
1949	0	0	1	0									1
1950	0	0	0	0									0
1951	15	1	2	0									18
1952	10	0	0	0	1	0							11
1953	11	0	2	0	2	0							15
1954	6	0	2	0	0	0							8
1955	13	[1] 2	4	0	0	0							19
1956	14	0	7	0	6	0							27

Footnotes at end of table.

EXHIBIT 3—Continued

APPENDIX 15B

NUCLEAR EXPLOSIONS, 1945–74 (ANNOUNCED AND PRESUMED)

[a—atmospheric, u—underground and underwater (the latter are put in parentheses)]

Year	United States		U.S.S.R.		United Kingdom		France		China		India		Total
	a	u	a	u	a	u	a	u	a	u	a	u	
1957	26	2	13	0	7	0							48
1958	53	[2] 13	26	0	5	0							97
	155	[4] 19	57	0	21	0							252
			[1] +33										[1] 33
1945–58	155	[4] 19	90	0	21	0							285
1959	0	0	0	0	0	0							0
1960	0	0	0	0	0	0	3	0					3
1961	0	9	30	[1] 2	0	0	1	1					43
1962	38	[1] 50	41	1	0	2	0	1					133
1963, Aug. 5, 1963	0	11	0	0	0	0	0	2					13
1959, Aug. 5, 1963	38	[1] 70	71	[1] 3	0	2	4	4					192
1945–58	155	[4] 19	90	0	21	0	0	0					285
1945, Aug. 5, 1963	193	[5] 89	161	[1] 3	21	2	4	4					477
II. Aug. 5, 1963 to Dec. 31, 1974:													
Aug. 5, 1963 to December 1963	0	14	0	0	0	0	0	1					15
1964	0	28	0	6	0	1	0	3	1	0			39
1965	0	28	0	9	0	1	0	4	1	0			43
1966	0	40	0	14	0	0	5	1	3	0			63
1967	0	28	0	14	0	0	3	0	2	0			47
1968	0	[2] 37	0	12	0	0	5	0	1	0			55
1969	0	28	0	15	0	0	0	0	1	1			45
1970	0	30	0	13	0	0	8	0	1	0			52
1971	0	12	0	18	0	0	5	0	1	0			36
1972	0	7	0	22	0	0	3	0	2	0			34
1973	0	9	0	14	0	0	5	0	1	0			29
1974	0	[3] 6	0	20	0	1	7	0	1	0	0	1	[6] 36
Aug. 5, 1963–74	0	267	0	157	0	3	41	9	15	1	0	1	[6] 494
		[4] +23											[4] 23
		[5] +18											[5] 18
III. 1945–Dec. 31, 1974:													
1945, Aug. 5, 1963	193	[5] 89	161	[1] 3	21	2	4	4	0	0	0	0	477
Aug. 5, 1963–74	0	267	0	157	0	3	41	9	15	1	0	1	[6] 494
		[4] +23											[4] 23
		[5] +18											[5] 18
1945–74	193	[5] 397	161	160	21	5	45	13	15	1	0	1	[6] 1,012

[1] Up to 1958. The dates of these explosions are unknown.

[2] Including 5 devices used simultaneously in the same test (Buggy) counted here as 5.

[3] 1 of these explosions may have been a British explosion conducted in Nevada, United States.

[4] Explosions conducted between Sept. 5 1961 and Aug. 20 1963. Their dates are not specified in the lists available.

[5] Explosions conducted from 1970 to 1973. Their dates are not specified in the lists available.

[6] The data for 1974 are preliminary.

Mr. HUMPHREY. Mr. President, let me direct my attention for a few moments to the theme of the argument made by the able Senator from North Carolina in reference to India.

I realize his amendment is broader in its scope. They are adjusting it. But the country it applies to quite obviously is India.

First of all, I wish that this Chamber were filled with the representatives of States that are large producers of wheat. The largest cash customer last year for American wheat was India—$750 million in cash. I think we ought to realize that it was the largest commercial wheat customer. I think we also ought to recognize that India over the past decade, about the last 15 years, has approximately doubled its own production of feedgrains.

Last year India had no aid program from the United States. It did receive $232 million in Public Law 480 commodities, which was approximately one-third of what it had purchased in the commercial channels.

Mr. HELMS. Mr. President, will the Senator yield so I can obtain the yeas and nays on my amendment?

Mr. HUMPHREY. Surely.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair and I thank the able Senator from Minnesota.

Mr. HUMPHREY. Mr. President, there will be undoubtedly other countries, as time goes on, that will develop nuclear technology. Nuclear technology is a creation of the United States of America. I think we ought not to forget that. We are the country that let the genie out of the bottle, and science knows no boundaries or frontiers, nor does technology. It is only a matter of time.

Our country today is busily engaged in making available to other countries nuclear reactors, and every nuclear reactor has within it the potentiality of a nuclear explosion for destructive purposes.

But we are not here to discuss the nonproliferation treaty, even though I have been a sponsor of it, and during the time that I served as Vice President I helped negotiate understandings and agreements relating to it. We are here to discuss whether or not, under the terms of the Agriculture and Trade Development and Assistance Act of 1954, known as Public Law 480, we should utilize the terms of that law for the purpose of economic development, humanitarian assistance, nutrition, and food production.

If the amendment of the Senator from North Carolina is adopted, what we are simply saying to a country like India, which by the way does not have a socialist agriculture—as a matter of fact, the socialist agriculture is in China—which works. The communes in China really produce. In India they have land tenure, that is individual ownership, and they have agriculture cooperatives. India does not have a socialized agriculture. China does. I say that I have been in both countries, and one of the great achievements of the People's Republic of China is its agriculture. One of the problems of India is its agriculture, and one of the reasons that the Indian agriculture is in trouble is that God Almighty just did not give them the right kind of weather. They are victimized more by the uncertainty of the monsoon rains than almost any other country in the world save the unpredictability of the weather of the Soviet Union.

One of the reasons that the Soviet Union is not very good in agriculture is because 90 percent of all the arable and tillable land in the Soviet Union is in a latitude north of Minneapolis, and that means that their growing season is short and the possibility of an early frost is ever present.

So we can argue ideology here all day long, if we wish to argue ideology. The simple fact is that a country that is as Communist as Poland has a private agriculture. Poland has individually owned farms. It gave up these individually owned farms and the state farm system. A country as socialized as India has a private agriculture, and a country that is as Communist and as totalitarian as the People's Republic of China has one of the most efficient agricultures.

I think I know this subject. I have studied it not only from theory, but also on the spot.

This Government is engaged in a foreign assistance program not because we love everybody else in the world but because we think it is good national policy and because the American people overwhelmingly, in every survey of public opinion, have stated that they are prepared to share and share and share our food. For Congress to place a roadblock to assistance to a country like India merely because she has detonated a nuclear explosive within the last 5 years is to cut off our nose to spite our face.

I think it would be interesting to note some of the things that have happened in India in terms of its economy, in agriculture. Wheat production has increased twofold, through the introduction of high yielding varieties and improvement in farming practices since the middle 1960's. Irrigation has reduced extreme variations in agricultural output caused by the monsoons. Overall agricultural production has increased 3.5 percent a year, in spite of the fluctuations experienced during recent years. India's fifth 5-year plan emphasizes increased food production.

I am simply pointing out that India, with all its problems, represents still one of the countries in the world where we should be looking toward better relationships rather than worse, where tremendous efforts have been made by their people and their government against almost insuperable odds to improve the lot of the average citizen.

They are a long way from doing what we would hope for them. But India has tried since the 1940's, since its freedom in the late 1940's, to govern itself under democratic institutions. Just in the last year has that been violated.

As a matter of fact, many times it has been said, not only in the Senate, on both sides of the aisle, but also through the world, that the contest between India and China would tell which of the two systems could succeed in the developing countries—a system under which there was parliamentary government, such as India had, or a system under which there was a totalitarian Communist regime, such as Mainland China had. As of now, it must be said in the case of India that there has been the use of emergency powers, that the present Prime Minister of India has violated civil liberties and civil rights. But I still point out that people have not been shot. I point out that the opposition still speaks in the Parliament. I point out that the case is still in the law courts of India, that it is not a totalitarian regime, but that it is a country that is in serious difficulty.

During the last 20 years, India has developed her food production. The current crop in India is the largest in her history. It is 114 million tons.

So I just indicate to the Senator from North Carolina that all he has said here today does not stack up with the facts.

For example, the Indian production in rice has increased by 50 percent in the last 20 years; in wheat, by 250 percent. These are not small gains. But India's population today is approximately 616 million. The population has outstripped production, and that has been a problem.

The bill before the Senate, under the terms of Public Law 480, our food for peace program, provides proceeds for increased food production, for better nutrition, for family planning.

If we are really interested in what is happening to the people of India rather than what is happening to the Prime Minister, we will back this bill and we will reject this amendment. This amendment is nothing more or less than saying to the Government of India, "We don't like what you did."

If that were the case, we would not be talking to very many of the nations in the world today. We would not be doing business with the common market, because many of the things they are doing we do not like. Those of us from agricultural States find the common market countries causing us all kinds of trouble; yet, they are our best allies. We cause people all kinds of troubles. The fact that we have a recession in this country is causing people a lot of trouble. The fact that the American dollar has been devalued has caused people a lot of trouble.

If we are going to pass legislation on the basis that somebody may have done something we do not like, we are not even going to be able to do anything in the Senate for each other; because I imagine that some of us here have done something that the other fellow did not like.

So, Mr. President, I hope and pray that we will not find ourselves falling prey to an amendment which, on its face, seems to have some interesting features, an amendment that deplores a nuclear explosion, an amendment that says that any country that has detonated a nuclear explosive device within 5 years of the time that such assistance is proposed under this act shall receive no assistance. To do this will not be the end of India, but to do this might very well be injurious to our relationships with a country of 616 million people. More important, it could deny people a chance to live. Sometimes the difference in food aid from America to India is the difference between life and death for hundreds and thousands—yea, millions—of people.

I introduced the first bill in Congress for aid to India, in 1940—4 million tons of wheat. That bill was passed overwhelmingly in this body. The Government of India has been making repayments to America under title I sales of our product. The Government of India today and the people of India are one of our largest customers for commercial food exports. All we have to do is to kick them around, tell people how to run their affairs, and we are going to find that we have lost another customer.

We have a government that imposed an embargo on the Soviet Union recently, on food supplies, and I am here to tell the Senate that it cost us millions and millions of dollars in exports.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield. I thought the Senator would jump at that one.

Mr. DOLE. It was not the Government; it was George Meany. It appeared that he was running the Government.

Mr. HUMPHREY. Regrettably, it was not George Meany; it was the President of the United States.

Mr. DOLE. But George Meany told him what to do.

Mr. HUMPHREY. George Meany took care of his merchant marine. I wish the President and Senators would take care of the public.

What George Meany did was to say:

> I want a little better charge on the freight that is coming over here. I want to have American ships used.

By the way, we should be thanking George Meaney. He got American ships used, with American sailors. Instead of kicking around George Meaney, he is the one fellow who got a few jobs for somebody and got them paid a good salary.

Here we have a proposition that says we are not going to let India even be able to buy title 1 purchases, much less—and I hope we realize the full impact of this—title 2, which is humanitarian assistance of donations which would be prohibited under this amendment.

In other words, no matter what the tragedy would be in India, no matter what tragic circumstances might prevail—an earthquake, a typhoon, an epidemic, or some unbelievable act of nature—this amendment would say that no assistance provided under the Foreign Assistance Act of 1961 or the Agriculture Trade and Development Act of 1954 may be available for any country which has detonated a nuclear explosive device within 5 years of such time that such assistance is supposed to be provided.

Now, let us take the worst of all possible cases. Let us say that our beloved friend, Great Britain, were to have such a tragedy. They have detonated some nuclear devices. Within the last 5 years, the French have detonated nuclear devices. I do not think they are going to need our assistance, but who knows? Sometime, they may. Sometime, we may need theirs.

As a matter of fact, Mr. President, since we are getting close to the Bicentennial, it might be well to remember that we got our freedom because the French helped us. We got our freedom because of their loans, because of their manpower, and because of their fleet.

Almost half of our total program of title II, worldwide, goes to India. We are going to take on every church, every nonprofit voluntary organization in America with this amendment. I am sorry that more Senators are not here, but if we want to take on Catholic Welfare, if we want to take on the Lutheran Church World Service, if we want to take on Jewish relief, if we want to take on every single nonprofit organization in America and every church in America and say to them, "You cannot help starving people, you cannot heal the sick, you cannot teach the ignorant, you cannot feed the hungry," then we should adopt the amendment of the Senator from North Carolina.

That may be bravery, but to me, it looks a little foolish. I am not prepared to tell every one of the people in the United States who belongs to the churches of this country, to the nonprofit organizations of this country that are working their hearts out to save suffering humanity—and some of that suffering humanity is in India—I am not prepared to tell them that they cannot distribute a food package. I am not prepared to tell them they cannot go over there with some medicine. Yet this does not only apply to public aid, it does not only apply to assistance under this act.

How can we contemplate this? It does not get to the problem of nuclear proliferation.

Mr. President, let me summarize: This amendment is primarily directed at one country. That is India. I do not stand here as a proponent of what has happened in recent months in India. To the contrary, I have not only spoken out against it and deplored it, I have stated again and again that it violates the hopes and the aspirations of the Indian people as I see them. It is very easy for those of us in the United States to talk about what they ought to do in India. We are not there. We do not have to face their problems.

I point out that parliament still sits in India. The opposition is still in parliament in India. I point out that the cases of law are still in the courts relating to the Prime Minister of India. And I point out that, regardless of what civil liberties have been violated, it is not a consistent pattern; it is not as if India has engaged in wholesale oppression of her people. It is that she has been fighting a hard battle to try to lift her people out of the depths of poverty.

I submit that the Senator from North Carolina cannot deny that, in the last 20 years, food production has doubled in India. He cannot deny that India has become one of our best commercial customers. And he cannot deny that India has spent hundreds of millions—yea, billions—of dollars in an effort to improve her structure, both industrial and agricultural.

When I heard the comment that India has a socialist agriculture, I could not help but think that my colleague from North Carolina must be mixed up in his countries. I repeat what I said in the beginning of my remarks: whether we like it or whether we do not, whether it offends our belief in free enterprise or not, the agriculture in Asia that works is in China. It works because they work. And it is not private—it is communal, it is Communist, it is Socialist, it is organized, it is authoritarian.

In India, it is cooperatives, some land owned by the State, much of it owned by private entrepreneurs, much of it land tenants, a mixed system such as we have and other countries of the world have. India's problems have been lack of capital, to be sure; an unbelievable population explosion which the government has made some effort, may I say, over the years to try to control, but unsuccessfully—which, by the way, is true of all of Latin America, which is true of Africa, which is true of much of Asia. The only countries that are controlling their population at all are the countries of the industrialized world, the affluent countries: Japan, yes; the Western European countries, the Soviet Union, the United States, Canada. And China.

I do not suppose we want to have China as our model here, despite the fact that the Secretary of State pays regular visits and despite the fact, may I say, that the President of the United States is going to visit there. I am here to tell the Senate that it is in our interest and it is in the interest of decency and of humanity, it is in the interest of our commerce, it is in the interest of our conscience, to continue these food assistance programs where they are needed, and we are going to do it.

I understand, Mr. President, that we are honored right now by a visit of a group of distinguished parliamentarians from no other country than India. I consider it a privilege to occupy the floor at this time as I speak in behalf of a foreign assistance program that is offered, not as a bribe, not as a way of buying friends, but as a way of economic development, a way of cooperation, and a way of compassion and concern. This is what the American people are all about. I want Congress to reflect the image of the American people.

The American people want to help people. The American people want to share with the world. The American people want to build, not destroy. The American people want to see other countries improve, not retreat. Somehow or other, I think I am in the wrong body when I hear the comments that I hear. I think we must be failing to hear what every church and what every group in America is saying.

I remind the Senators of the public opinion surveys that have been made. The American people have said repeatedly that they would go with less food to help others, overwhelmingly. Eighty percent of the American people, in one public opinion survey after another, from 75 to 80 percent say they would go without a meal, that they would sacrifice a day of food to help somebody else. But apparently, not here in the Senate.

I say this body is representative of the American people. We are not being asked to sacrifice our food. We waste more food than most people eat. What we are being asked to do here is use what we call Public Law 480 food for peace—food for freedom—to help develop the capacity of other people to produce for themselves. I listened to the Senator from North Carolina say that there are not enough ships to carry all the food that these countries need. Of course there is not. America cannot feed the world. America does not even intend to try. But America can help others feed themselves. That is why we have, in this bill, the Famine Prevention Act. That is why we are harnessing the land grant colleges of America—title V of Public Law 480. That is why we are harnessing the land-grant college expertise, so that we can give the world the benefit of our experience.

Let us make it clear that, as generous as we want to be, there is no way that we are going to feed the hungry peoples, even though we can help and do our share. I do not regret one single dime of assistance that we have given anybody in the name of food. I am proud that I come from a State, as does, indeed, the current presiding officer of the Senate, that has produced food and fiber, and particularly food, that has saved millions of lives.

The food from this country has not taken anybody's life. It has given life. That is why the American people will back food assistance. They will back it to the hilt.

That is why the American people want us to be a participant in the International Fund for Agricultural Development. That is why the American people back Public Law 480. That is why they back every program we have for food assistance, and we are not going to let anything stand in the way of it, Mr. President, if I can help it. I shall be back to say more if need be.

Mr. HELMS. Mr. President, again, our distinguished colleague is so eloquent, as always. However, I found myself wondering where he got his figures. It is a minor point, but if his figures specifying India's standing as a customer of U.S. grains are correct, then the figures supplied me by the Foreign Agricultural Trade of the U.S. Division of ERS of the U.S. Department of Agriculture are inaccurate. In 1974 India ranked No. 11—not 1 or 2, first or second—in customers. It ought to be pointed out to the Senator that we are talking about both feedgrains and wheat.

Mr. HUMPHREY. When you put them all together, I say to the Senator, that is a different proposition.

Mr. HELMS. Why not put them all together?

Mr. HUMPHREY. I am telling the Senator they bought $750 million worth, and that is not peanuts, even in North Carolina.

Mr. HELMS. The Senator from North Carolina does not suggest that they are peanuts, but the Senator's figures are not compatible with the ones furnished me by the USDA.

As to the Senator's ringing defense of the Government of India, I suppose if the Senator took a referendum over there he might have some interesting results from it in terms of humanitarianism and similar concerns.

But let me quote Planning Director B. S. Minhas of India in the New York Times of August 10, 1975:

> The most damning indictment of socialism Indian style has been the government's colossal apathy toward and appalling neglect of agriculture.

Then the New York Times article goes on to say:

> He and other experts say India, even with her mushrooming population, ought to be able to feed herself. Yet with much more of her arable land under cultivation than any other country, she is getting much lower yields than her Asian neighbors. China, for instance, is feeding her 800 million people notwithstanding drought from floods, and

other Acts of God. India is still importing food to fill the gap between production and consumption even at the shockingly low consumption level.

Now, Mr. President, let me make one point clear. The most humanitarian thing we can do for the people—not only of India but of the entire world—is to stop the proliferation of nuclear weapons. If India wants to stop developing nuclear weapons and exploding nuclear devices, no problem insofar as this Senator is concerned. My amendment simply gives the Senate an opportunity to go on record. We talk about nonproliferation treaties and all the rest of it, and here we come with a simple amendment, and we have a splendid 45-minute lecture by the eloquent Senator from Minnesota on the virtues of George Meany and how wonderful the Government of India is. Yet the press reports and other reports constantly have told us to the contrary.

I respect and admire my friend from Minnesota as much as any Member in this Chamber. I differ with him frequently, of course. But if he tries to convince the Senator from North Carolina that the development of nuclear devices in India is not a problem to the world, he can just forget it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HELMS. I am glad to yield.

Mr. HUMPHREY. I am not very happy about nuclear devices anyplace.

Mr. HELMS. I assumed that was correct until today.

Mr. HUMPHREY. I want to say that I spent most of my public life here in trying to prevent the proliferation of nuclear technology.

Mr. HELMS. Then the Senator will vote for my amendment today.

Mr. HUMPHREY. I simply say we started it. I simply say to the north of India China has it; I simply say that the Soviet Union has it.

Mr. HELMS. We do not give them any aid.

Mr. HUMPHREY. Wait a minute. We have given them some aid; do not think we have not.

Mr. HELMS. Under this bill we do not give them any aid.

Mr. HUMPHREY. But, be that as it may, I say to the Senator——

Mr. HELMS. It is not irrelevant.

Mr. HUMPHREY. It is irrelevant, and I will prove it is irrelevant. If you want to take on anybody—all of these assistance programs that provide a little lunch for a child, that provide a little food for a family, when the churches of America are over there and the relief groups are over there, the Senator can go ahead and do it.

Mr. HELMS. Come on, the Senator knows better than that. I am not talking about any groups. I am just saying to India and all other nations, "If you explode a nuclear device, no money from the taxpayers of the United States."

Mr. HUMPHREY. I heard what the Senator said.

Mr. HELMS. Yes.

Mr. HUMPHREY. I heard exactly what the Senator said.

Mr. HELMS. And I meant it. I do not believe the American taxpayers ought to finance nuclear proliferation among nations hostile to freedom.

Mr. HUMPHREY. May I say on that basis all that the Senator is doing is simply saying that because 50 percent of all of title II funds in Public Law 480 goes to India, 50 percent, and all of title II is conducted by the humanitarian voluntary organizations, I am simply saying to the Senator nuclear device or no nuclear device there are a lot of plain, little, ordinary people out there hungry, and they need some help. They are sick, and our Government through its churches——

Mr. HELMS. Let us feed them a nuclear reactor. How about that? That appears to be the Senator's position.

Mr. HUMPHREY. We have done that, too, I say to the Senator, and the Senator voted for them.

Mr. HELMS. I have not. The Senator is in error.

Mr. HUMPHREY. In other countries, I say to the Senator. I have not noticed the Senator from North Carolina being against nuclear weaponry. I have been around here when we have had votes in this body on whether or not we ought to have more nuclear bombs, whether or not we ought to have nuclear submarines, whether or not we ought to have nuclear aircraft, and no one has been more diligent in providing that than the Senator from North Carolina.

Mr. HELMS. I thank the Senator from Minnesota. What he is accusing me of is being in favor of a strong national defense. I say he is correct about that.

Mr. HUMPHREY. May I say the Indians feel the same way.

Mr. HELMS. That is fine—but I would say to them, "Not with our money."

Mr. HUMPHREY. It is not our money. We are not talking about our money. We are not providing them our money for the nuclear devices.

We are talking about whether or not the Senator wants to have a little program out there in the countryside sponsored by a program, let us say, such as that of the Lutheran World Service, whether or not we were going out to feed somebody with extra food, whether the Senator is going to cut it off because that is what the Senator's amendment does, and then the Senator is asking whether or not he wants to stop title I sales. That is what the Senator's amendment does.

Mr. HELMS. I am simply amazed at the broadness of the Senator's interpretation. The money we furnish India in assistance allows India to divert her own resources from food to weapons.

Mr. HUMPHREY. Because the Senator has a mind that is broad enough to see what the consequences of this amendment are.

Mr. HELMS. The Senator knows this amendment is simply saying to all the nations of the world, "Stop this nuclear proliferation or you are not going to participate in this program."

Mr. HUMPHREY. I will tell the Senator what I will do then. I will offer an amendment as a substitute that will stop all nuclear testing by the United States of America so that we set the example. Will the Senator cosponsor that?

Mr. HELMS. I will agree——

Mr. HUMPHREY. Will the Senator cosponsor that?

Mr. HELMS. If the Senator will let me answer his question——

Mr. HUMPHREY. I am waiting.

Mr. HELMS. Well, scarcely. I will be glad to vote for any amendment which will cut off foreign aid to the United States from any other country.

Mr. HUMPHREY. Well now, may I say to the Senator, we have had some help in our days.

Mr. HELMS. From whom in any recent time?

Mr. HUMPHREY. From whom?

Mr. HELMS. Yes.

Mr. HUMPHREY. The first 100 years of this country's existence we received help. Up until 1915 we were borrowers around the world. Let me take the Senator to Yorktown, and I will show him help, the graves of the French soldiers who fought at Yorktown, the French Fleet that bottled up the British; the $75 million loan of the French Government.

We are going to celebrate the Bicentennial, and we will start it here today. I know my American history. We got some help.

Mr. HELMS. The Senator's reference predates any recent historical context. I thought we were talking about contemporary times. In any case, I would say that we have amply repaid France. But the Senator is getting a little far afield.

Mr. HUMPHREY. That is all right, may I say to the Senator. A man who does not know his history is forced to relive it, so the Senator had better learn it.

I will tell the Senator we got help when we needed it. We received money, we received men, and we received ammunition. We received medicine, we received all kinds of help.

Now the Senator from North Carolina comes along and he does not like something that happened over in a country, and he is going to say, "We are going to starve you; that is what we are going to do."

I want to say I did not approve—nobody asked me in the first place, but I do not like to see—nuclear technology spread. But, Mr. President, we invented it, let us face it. It is our achievement whether we like it or not. We detonated the first nuclear explosion. We split the atom; we dropped the bomb at Nagasaki and Hiroshima. We are the people who are a major nuclear power, and I say we have used it for the cause of peace. But here is a country like India that has to her north China with nuclear weaponry, that has just off to the angle the Soviet Union with nuclear weaponry, that has fleets in the Indian Ocean with nuclear weaponry, and we stand around here and say, "With 650 million people, if you detonate a nuclear device, you are not going to ever see us again, you can starve, you can have earthquakes, you can have typhoons, you can have the plague, but you will never get any help from us," I do not think the Senator from North Carolina is that kind of man at all. I think he is generous, considerate and kind. I think he just has got a bad amendment, and I would hope he would withdraw it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to the Senator from Kansas.

Mr. DOLE. I listened to the debate with great interest, and maybe a way to resolve some of the controversy is at hand. I am wondering if the Senator from North Carolina might accept an amendment which would add the language: "unless the President determines that exceptional or unusual circumstances would make such prohibition against the national economic or humanitarian interests of the United States."

This would provide some relief in cases mentioned by the Senator from Minnesota in the event of drought or starvation or threatened famine, and it would seem to me it could ease some of the pressures on the amendment. The intent of the Senator from North Carolina is not to starve anyone or let anyone go hungry.

Mr. HELMS. Of course not.

Mr. DOLE. This would make that "perfectly clear"—that is the term used years ago.

Would the Senator from North Carolina have any interest in such an amendment?

Mr. HELMS. I will say to the distinguished Senator from Kansas, I would have some interest.

All I want to accomplish is to put an end to financing governments. Leave out the starving people because we are talking about governments, Mr. President. I want this Senate to go on record as saying that we are not going to assist any government that insists on the proliferating of nuclear explosive devices.

I suggest, Mr. President, that it would be helpful to talk with the distinguished Senator from Kansas at his desk.

Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Will the Senator withhold that?

I want to debate this for a minute, unless the Senator would rather listen to the Senator.

Mr. HELMS. I would rather listen to the Senator and let the quorum call go for a moment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous censent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I shall be very brief.

I feel that I must oppose this amendment, and the reason for my opposition is the following:

There is no question about the fact, Mr. President, that India ought to sign the Nonproliferation Treaty, which it has not done.

Indeed, every nation in the world ought to sign it, and it is a shocking fact of life, considering the relatively unappreciated dreadfulness of the atomic weapon, that we do not have a universal agreement not to use it, and certainly not to proliferate it.

Mr. President, India has not done that, and I am very critical of India for that, as I would be of any other country.

But the point is, Mr. President, that in this working world, is the remedy apposite to the problem and will it induce India, or will it work exactly to the contrary, to enter into the Nonproliferation Treaty?

It is my judgment that the matter of relief and of assistance in terms of the feeding of people, to wit, the punitive method of starvation and of denial of economic assistance—and, certainly, India needs it probably as much as any nation on earth—simply puts up the backs of desperate people and enables governments to lead them rather in a contrary direction.

So it is not a remedy at which we should be quick to jump.

In addition, this whole amendment bars all foreign aid. It is not just food. Thus, it deprives us of any leverage whatever on India, which is already quite close to the Soviet Union right now, and, indeed, voted in the United Nations on the very disreputable, I feel, Zionism resolution with that bloc.

Mr. President, I think we are better off having the negotiating authority, the ability to give aid, if we think it should be given, with freedom of action rather than being absolutely inhibited by an event of this character which, in my judgment, will only make more stubborn the situation which it is trying to cure.

In addition, this is a massive amendment. It may be written on four lines, Mr. President, but you could also write on four lines the elimination of the Constitution of the United States, if you could get the votes to pass it. So the fact that it is brief and can be talked about in a very short compass does not make it less lethal than it really is.

I would feel it impossible for me, Mr. President, as one U.S. Senator, to support an amendment like this, no matter how specious it looked on its face or how speciously it was written on its face, without a consideration by the Foreign Relations Committee, with all sense of responsibility and authority as to what it would mean. Would it advance the objectives of peace and nuclear nonproliferation, or would it, on the contrary, make them very much more difficult?

This is altogether too profound a question. It involves much too much of the policy of the United States to be decided in a relatively empty Senate Chamber as an amendment on election day, picked up by one Member and sought to be put into the bill.

I believe a sense of responsibility would dictate that the committee should give a matter of this character a little consideration.

Mr. President, even if we should be successful in defeating the amendment, as I hope we are, I believe that in deference to Senator HELMS I would pledge myself to obtain an effective consideration. I am not asking him to withdraw the amendment as I know he will not and he should not, if that is his conviction; he should stay with it. I am saying to him I think it is a policy decision of such great consequence, and it is. I used the word "specious" not invidiously, but it does sound like maybe it could get us to where we want to go.

I would like to say to the Senator, not as a promise for which I would need anything in return, that I will do my utmost to get an effective consideration by the committee as to what sanctions we could properly and intelligently impose upon those who imperil the peace of the world, like India did—and I am the first to say so—as they did in exploding this nuclear device out of materials sent to her in the utmost good faith by our Canadian brethren for the peaceful purpose of lighting and heating Indian homes. I am outraged by it, too, just as is the Senator. But it is the majesty, dignity and intelligence of a great power as we are—and we still are the greatest on Earth—to be entrusted with that sense of responsibility that I would want to look into the permeations.

Mr. HELMS. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. HELMS. I thank the Senator. His words are a great comfort. He understands the motivations of the Senator from North Carolina. It is not a matter of anybody wanting to starve anybody. None of us wants that. I am just concerned about the proliferation of nuclear devices. As the Senator suggests, I do want a vote on my amendment. I shall cheerfully accept whatever are the consequences.

I do commend the Senator and thank him for his voluntary suggestion that he will take the lead in looking into this matter.

Mr. JAVITS. I promise that I will dig into it.

Mr. HELMS. I thank the Senator most sincerely.

Mr. President, if there are no further comments, I am ready to vote.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I thought we ought to make sure that the RECORD is complete. I want to say I have just had the staff consult with the U.S. Department of Agriculture. Indian purchases of U.S. agricultural commodities in 1974 were $311,584,000; in 1975, thus far, they have been $758,548,000. I thought that would be of some interest.

I think it would also be of some interest to note that India's grain production has grown from 48 million tons in 1948 to 114 million tons this year. Irrigated lands have grown from 56 million acres to 111 million acres; fertilizer production, from a mere 525,000 metric tons to over 2.5 million metric tons. There are a number of things in the agricultural field which I point out that are of great significance.

Let me also say this: As I said during the debate, I have spent much of my public life in the field of arms control. I believe I am correct in saying that I authorized the amendment that established the Arms Control Subcommittee.

I authored the legislation which established the Arms Control and Disarmament Agency. I sponsored in this Chamber the resolution with the former Senator from Connecticut for the Nuclear Test Ban Treaty. I am happy to say that I was one of those who was sent to the Soviet Union at the time President Kennedy signed the Nuclear Test Ban Treaty to be present for the signing in the Soviet Union.

I have always believed in trying to put a stop to this nuclear proliferaton. It has been my life's work. That is why I have been deeply concerned over any failure to make progress on the Nonproliferation Treaty, or to strengthen the standards of inspection in the International Atomic Energy Agency as they relate to nuclear reactors.

My concern on this amendment was that it was directed primarily, because of its statement, toward one country, and that country has been in desperate need from time to time, of American assistance. That country represents approximately one-sixth of the population of the world. That country has been a customer of the United States. It is very important to our agriculture.

As a matter of fact, as I recollect, in 1974, India bought on a cash basis approximately 5 million tons of food grains and was the largest single buyer of wheat in the U.S. market, which I stated before.

I have studied this carefully. I repeat my earlier statement that to chop off or to do anything that would fundamentally alter our basic arrangements—and they have been long-time arrangements—in foreign assistance and in Public Law 480 with any country, and particularly one of the significance of India, I think would be a very unwise decision.

The Senator from New York has stated very well the attitude that we should have; namely, that this is a serious matter; that it ought to have the most serious consideration, not only of the Committee on Foreign Relations, but the Committee on Armed Services and the Joint Atomic Energy Committee. There are jurisdictions in this body that have to be considered.

Therefore, Mr. President, I am now going to move to table the amendment——

Mr. HELMS. Will the Senator withhold that motion a moment?

Mr. HUMPHREY. Yes, I withhold it.

Mr. HELMS. I appreciate the Senator's consideration.

Mr. President, I ask unanimous consent that a table of India's standing as a customer of U.S. grains be printed at this point in the RECORD.

There being no objection, the table ordered to be printed in the RECORD, as follows:

INDIA'S STANDING AS A CUSTOMER OF U.S. GRAINS

FEEDGRAINS AND WHEAT

Fiscal year 1975

1. Japan, $1,557,535,000.
2. India, $657,026,000.

Fiscal year 1974

1. Japan, $1,645,871,000.
2. P.R.C. $505,968,000.
3. Russia, $451,177,000.
4. Netherlands, $399,643,000.
5. W. Germany, $392,417,000.
6. Rep. of Korea, $391,072,000.
7. Mexico, $306,241,000.
8. Spain, $299,049,000.
9. Brazil, $283,822,000.
10. Italy, $280,965,000.
11. India, $202,504,000.

Fiscal year 1973

1. Japan, $836,101,000.
2. Russia, $749,343,000.
3. Netherlands, $288,338,000.
4. Korea, $208,018,000.
5. Italy, $187,798,000.
6. W. Germany, $133,010,000.
7. Spain, $121,973,000.
8. United Kingdom, $101,548,000.
9. P.R.C., $101,127,000.
10. Mexico, $97,650,000.
11. Brazil, $93,843,000.
12. Pakistan, $74,243,000.
13. Canada, $66,567,000.
14. Bangladesh, $65,564,000.
15. Venezuela, $49,206,000.
16. India, $46,777,000.

WHEAT ONLY

Fiscal year 1975

1. India, $657,026,000.
2. Japan, $575,224,000.

Fiscal year 1974

1. Japan, $495,504,000.
2. P. R. C. $317,280,000.
3. Brazil, $283,822,000.
4. Rep. of Korea, $281,368,000.
5. Russia, $217,418,000.
6. India, $202,504,000.

Source: Foreign Agricultural Trade of the U.S. (FATUS), Division of E.R.S. of the U. S. D. A. "U.S. Agricultural Exports: Quantity and Value by Commodity and Country." Includes donations and purchases on the open market.

Mr. HELMS. There seems to be some disparity between the figures made available to the Senator from Minnesota by the Department of Agriculture and the figures made available to the Senator from North Carolina by the Department of Agriculture. I do not know who is right and who is wrong. His may be in tons and mine are in dollars.

Mr. HUMPHREY. On a cash basis India bought nearly 5 million tons of food grains, not just wheat. It was the largest single buyer of wheat in the U.S. market last year.

Mr. HELMS. My figures do not agree with that, I will say to the Senator.

Mr. HUMPHREY. I just had the Department of Agriculture give me these facts. The table is entitled "Indian Purchases of All U.S. Agricultural Commodities," and I have put those figures into the RECORD. If there are differences, I am sure we can reconcile the differences.

I say to the Senator, we do not want to drive away a good customer.

Mr. DOLE. We do not want to blow him up, either.

Mr. HUMPHREY. That is true. But we are not in a position to cast the first stone, and may I say, there is no country that has more need of what I call humanitarian assistance from time to time than India; and I did not want us to get into a situation of locking the door and not being able to open it.

Therefore, Mr. President, I move to lay the amendment on the table.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina (Mr. HELMS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. GARN). The Senate will be in order. The rollcall will be suspended until order is restored. Senators will please take their seats or retire to the cloakrooms.

The rollcall was resumed and concluded.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. FORD), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Utah (Mr. MOSS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) and the Senator from Mississippi (Mr. STENNIS) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. PEARSON), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT) would vote "yea."

The result was announced—yeas 62, nays 28, as follows:

[Rollcall Vote No. 466 Leg.]

YEAS—62

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Eagleton
Eastland
Fong
Glenn
Gravel
Griffin
Hart, Gary
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Schweiker
Sparkman
Stafford
Stevens
Symington
Tunney
Weicker
Williams

NAYS—28

Allen
Byrd,
Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Domenici
Fannin
Garn
Goldwater
Hansen
Helms
Hruska
Johnston
Laxalt
McClellan
McClure
Metcalf
Montoya
Morgan
Nunn
Ribicoff
Roth
Scott,
William L.
Stone
Taft
Talmadge
Thurmond
Tower

NOT VOTING—10

Ford
Hart, Philip A.
Hartke
Huddleston
Moss
Pearson
Scott, Hugh
Stennis
Stevenson
Young

So the motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 10, between lines 4 and 5, insert the following:

(2) by inserting immediately after "the Senate Committee on Agriculture and Forestry" each time it appears "and the Senate Committee on Foreign Relations"; and

On page 10, line 9, strike out "(2)" and insert in lieu thereof "(3)".

On page 15, line 2, strike out "Committee on" and insert in lieu thereof "Committees on Foreign Relations and".

On page 18, line 9, immediately after "Forestry" insert a comma and the following: "and the Senate Committee on Foreign Relations".

On page 20, line 8, strike out "Committee on" and insert in lieu thereof "Committees on Foreign Relations and".

Mr. TALMADGE. Mr. President, the amendment proposed by the Senator from Alabama would require certain information regarding Public Law 480 to be submitted also to the Committee on Foreign Relations of the Senate. I have no objection to the amendment, provided it is clearly understood that the legislative jurisdiction of Public Law 480 is vested in the Committee on Agriculture and Forestry of the Senate.

Will the Senator from Alabama, the chairman of the Committee on Foreign Relations, concede that fact?

Mr. SPARKMAN. We certainly do. There is no intention to take away or to infringe upon in any way the jurisdiction which we recognize as being in the Committee on Agriculture and Forestry.

The Senator will recall that in considering this matter in the committee, we referred it to the Committee on Agriculture and Forestry.

Mr. TALMADGE. I thank the distinguished chairman of the Foreign Relations Committee. Both he and the floor manager of the bill, the distinguished Senator from Minnesota, were completely cooperative.

Mr. President, the situation now is this, with reference to jurisdiction of Public Law 480. Last year, the House changed their rules, and they vested jurisdiction of part of Public Law 480, commonly referred to as the food for peace bill, in what they now call, I believe, the International Relations Committee. The International Relations Committee of the House passed a bill containing several titles. Title I was the common Foreign Aid Authorization Act, which is clearly within the jurisdiction of the Committee on Foreign Relations of the Senate. Title II of the bill, as it came from the House, related to Public Law 480 and amendments thereto.

There was another provision in the bill, referred to as section 311, relating to land grant colleges, over which the Committee on Agriculture and Forestry also has jurisdiction.

There has been no problem whatever regarding the divided jurisdiction on this bill. The Committee on Foreign Relations and the Committee on Agriculture and Forestry have worked together in complete harmony and complete cooperation.

I have asked the distinguished chairman of the committee, the floor manager of the bill, Senator Humphrey, to appoint conferees from the Committee on Agriculture and Forestry as it relates to our jurisdiction and conferees from the Committee on Foreign Relations as it relates to the jurisdiction of that committee. We will divide the conference on title 2 and other titles of the bill. I suppose the distinguished chairman has no objection to that.

Mr. SPARKMAN. I have no objection. Our committee has not split the bill as the House committee did. We are dealing here simply with one phase of it, and without any intention whatsoever to impose upon the jurisdiction of the Committee on Agriculture and Forestry.

Mr. TALMADGE. I have no complaint whatever as to the cooperation of the Committee on Foreign Relations. It has been complete, cogent, and absolute.

We only want the jurisdiction under the rules of the Senate. I am sure that the distinguished chairman of the Committee on Foreign Relations is only interested in jurisdiction as it may be applicable under the rules of the Senate.

Mr. President, in our committee report, beginning on page 29, we have recited the history of Public Law 480, and it continues through page 41 of the committee report. I ask unanimous consent to have that portion of the report printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

History of Public Law 480

The origin of Public Law 480 grew out of the American farm community. Recognizing that America's agricultural abundance could be put to work toward developing commercial markets for our farm production and helping meet the food needs of the developing world, the Senate Committee on Agriculture and Forestry went to work in 1953 on legislation which would permit developing countries to purchase U.S. farm commodities on highly concessional terms for foreign currencies.

On July 24, 1953, Senator Andrew Schoeppel (R-Kansas), from the Committee on Agriculture and Forestry, reported S. 2475, a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes. On July 28, only four days after being reported, the bill passed the Senate by voice vote after a short debate.

Referred to the House Committee on Agriculture, the bill was not acted upon before the adjournment of the first session of the 83rd Congress and was carried over into the second session of that Congress.

In the interim, support grew for enactment of a foreign food assistance program.

Representative Clifford Hope reported an expanded version of S. 2475 out of the House Committee on Agriculture on June 9, 1954, and it was passed by the House on June 16, by voice vote.

On June 22, 1954, the Senate requested a conference with the House and appointed Senators Aiken, Young, Thye, Schoeppel, Ellender, Johnston of South Carolina, Holland, and Anderson as conferees.

The House agreed to a conference on the same date and appointed Congressmen Hope, August H. Andresen, Hill, Cooley, and Poage.

On June 29, 1954, the Conference Report (H. Rept. 1947) was submitted to the House. Both Houses of Congress approved the report of the Conference Committee on June 30, and the bill was signed into law on July 10, 1954.

II.

As originally enacted, Title I of Public Law 480 provided for sales of U.S. agricultural commodities to foreign governments for local currencies. Title I authorized the President to use, in agreement with the recipient country, foreign currencies accruing from the sale of agricultural commodities for eight purposes: for promoting economic development, for developing new markets for American farm products abroad, for the payment of U.S. obligations abroad, for international educational exchange, for the procurement of military supplies and military expenditures abroad, for carrying out programs of U.S. Government agencies, grants for financing the purchase of goods or services for other countries, and purchase of strategic materials. At least 10 percent of the currencies so generated were to be subject to congressional appropriation. Title II provided for the donation of food commodities for famine relief or other emergency needs abroad. Title III authorized food donations to be made available for emergency situations within the United States. Title III also permitted the Commodity Credit Corporation to make commodities available to nonprofit organizations for distribution in the United States or abroad. Finally, Title III permitted the President to barter agricultural commodities for strategic materials or other goods not produced in the United States.

Public Law 480 was amended in the 1957 extension of the program to provide authority for the President to enter into barter arrangements with Soviet satellite nations and to permit foreign currencies generated under Title I sales to finance projects which would promote consumption of U.S. agricultural commodities. This latter arrangement, which came to be known as "Cooley loans," further enhanced the development and private sector aspects of Public Law 480.

Restrictions on countries which could receive assistance under Public Law 480 were further liberalized under the 1958 extension of the Act.

III.

Throughout the history of Public Law 480, the Senate Committee on Agriculture and Forestry has led efforts to strengthen and improve the humanitarian aspects of the program. In 1956, Chairman Ellender commissioned Senator Humphrey to make an extensive study of the Public Law 480 program. Among the recommendations of this report, which was submitted to the Committee on February 18, 1958, was the creation of a "Peace Food Administrator" at the White House level.

The informal title of the Public Law 480 program was proposed by President Eisenhower in his January 1959 farm message to the Congress in which he referred to the use of American farm commodities to promote the well-being of friendly countries throughout the world as "using food for peace." The President then announced that all the programs using surplus agricultural commodities abroad would be combined under one general administration into the Food for Peace program. In the authorization extension for Public Law 480 that year, the Senate Committee on Agriculture and Forestry changed the short title of the Act to read the "Food for Peace Act of 1959."

IV.

In addition to extending and increasing the Title I and Title II authorization, the 1959 legislation amended Public Law 480 to provide that at least 5 percent of the Title I sales proceeds be made available for agricultural market development activities. The

1959 extension further amended Public Law 480 to expand, limit or redefine several other specified uses of foreign currency proceeds. This legislation also added a requirement that any commodity which has been determined to be in surplus must be first made available for donation to needy persons in the United States, insofar as possible, before being made available under Title I. A requirement was also placed on Titles II and III to identify commodities made available abroad under each program to be identified as being furnished by the people of the United States.

The most important change in the 1959 legislation was the addition of a new title to the Act stemming from an amendment proposed by Senator Humphrey. This new Title IV authorized long-term credit sales of agricultural commodities for dollars to friendly nations. Commodities could be delivered annually for periods up to 10 years with payments to be made over a period up to 20 years. This authority for long-term dollar credit was not utilized until 1961, but with the transition away from sales for foreign currencies which was mandated in the 1966 legislation, this type of credit arrangement has come to exclusively dominate the present Public Law 480 sales program.

V.

Responding to a growing awareness of the development needs of the poor nations of the world, the Agriculture Committees of the Congress, led by Congressmen Cooley, Poage, and Dole in the House, and Senators Humphrey, McGovern, and Aiken in the Senate, began to redirect Public Law 480 in addition to the market development function of the Act, to stress the humanitarian and development aspects of the program. In 1960, Title II, which at that time was limited to disaster and emergency food relief, was extended for one year to provide for the use of Public Law 480 commodities in programs whereby food might be used as payment for the poor and jobless in public works projects in developing countries. This use, which came to be called "Food for Work," became permanent authority under Section 202 the following year.

The Private Trade Entity program (PTE) was established by an amendment to Title IV in 1962. Under this authority the Secretary of Agriculture is permitted to enter into agreements with U.S. or foreign private enterprise to finance the sale of U.S. agricultural commodities for dollar credits. The proceeds accruing from resale of such commodities in a developing nation must then be applied to a specified project to improve consumption of U.S. farm products or to contribute to the economic development of the country concerned.

VI.

The Agriculture Committees made sweeping changes in Public Law 480 in 1964 and 1966 which further strengthened the development and humanitarian aspects of the program.

Most of the leadership in clarifying the shifting purpose of Public Law 480 from a program for disposal of surplus agricultural commodities to a vehicle for assisting the needy abroad and developing foreign markets for U.S. farm production was provided by the Committee on Agriculture and Forestry in 1964. In the report of the Committee on the legislation to extend Public Law 480, the program was claimed to be of ". . . incalculable benefit to many recipient countries of the free world as well as to the United States . . ." in terms of "opening . . . effective outlets for America's abundance . . ." and for enabling the ". . . United States to combat famine, malnutrition, and hunger in less developed countries and to promote their growth—a growth it is hoped, that eventually will mean enlarged commercial export markets for U.S. agriculture and industry."

In order to better address these objectives, the Congress made several changes in the legislative extension of 1964. The limitations on the accumulation of currencies generated from Title I sales which could be used for Cooley loans was eliminated and the percentage of foreign currencies for use by U.S. agencies abroad was increased from 10 to 20 percent.

The Act was further amended to provide that foreign currencies be convertible into dollars insofar as such currencies are not needed for the purposes described within the Act.

The 1964 extending legislation also amended the terms of sale under Title I by providing that the exchange rate used in sales for local currencies shall be the highest rate obtainable by any other nation.

Another amendment provided that long-term dollar credit sales under Title IV could not be more favorable to the recipient country than the terms extended for development loans under the Foreign Assistance Act.

The 1964 legislation placed a prohibition on the sale of Title I commodities to communist controlled governments, countries trading with Cuba, countries which are involved in military aggression against nations with which the United States has diplomatic ties, and countries using funds from the United States for purposes which are against American interests. Internal security was added to the Act as an acceptable use of foreign currencies generated from Title I sales. In addition, congressional scrutiny over agreements providing for the grant of foreign currencies for other than military purposes or any use or loan repayments was increased by requiring the review of all such agreements by the House and Senate Agriculture Committees.

The 1964 legislation also established an advisory committee to oversee and advise the President on the status and use of foreign currencies accrued under Title I, composed of the chairman and ranking minority members of the House and Senate Agriculture Committees and the chief executive officer of the Bureau of the Budget, Agency for International Development, and Department of Agriculture. While the functions and membership of the Committee were subsequently expanded, this body has met infrequently.

This legislation established authority for the purchase of foreign currencies accruing under Title I to be used to carry self-help activities under Public Law 480 donation programs.

Finally, the 1964 extension also included permanent authority for the Commodity Credit Corporation to finance the differential between U.S. and world shipping rates which arises as a result of the requirement that 50 percent of Title I shipments are transported on U.S. vessels.

VII.

The most comprehensive restructuring of Public Law 480 was accomplished in 1966. Led by the House Agriculture Committee, the Congress reorganized the Act combining Title I foreign currency sales and Title IV long-term dollar credit sales into the present Title I. A progressive transition away from sales for foreign currencies was required under these amendments and a mechanism by which the United States could accept convertible local currencies over 40 years with a 10-year grace period was authorized to ease the transition requirement. The Act was also amended to require a down payment of at least 5 percent on Title I sales whenever practicable.

The reorganization also folded Title III (donations through nonprofit voluntary and international agencies) into Title II (donations for famine relief). The barter authority remained under Title III.

A significant addition to Public Law 480 was the mandate that the assistance extended under it be used to the maximum extent possible to complement the development activities within the recipient countries. These amendments required that countries receiving assistance under Title I of Public Law 480 demonstrate an interest and an effort to develop their agricultural production potential. Twenty percent of the foreign currencies accumulated under Title I sales were required to be used for such "self-help" programs in these countries.

It was at this time that the Agriculture Committee formally removed the emphasis of the program from surplus disposal toward market development and humanitarian and development assistance. Drawing on their long history of leadership in domestic nutrition programs, the Agriculture Committees mandated maternal and child help and population control programs to be carried out using Title II commodities.

Maternal and child care activities and population control were added to the list of programs which could be funded with foreign currencies grants under Title I. Up to 25 percent of the U.S. held foreign currencies were specified for sale to American tourists in excess currency countries, and most of the foreign currency uses were made subject to the congressional appropriations process.

In the House Agriculture Committee, Congressman Dole, now a member of the Senate Committee on Agriculture and Forestry, offered an innovative program under the 1966 extension providing for the exchange of farmers and the expertise of the American agricultural community between the United States and the developing world. However, without support from the Executive Branch, this program has never been put into effect.

The 1966 extension also added countries trading with North Vietnam to the list of nations ineligible for Title I assistance.

The 1966 extension amended the Act to further strengthen the protection of foreign commercial markets for U.S. farm commodities. Title I was amended to require that the President take steps to assure that the United States obtain a fair share of any increased agricultural purchases of a participating developing country. The Title III barter program was amended to prevent transshipments of U.S. agricultural commodities obtained under the authority of that ttile. The 1966 extension reduced the membership of the congressional executive Advisory Committee, provided for four meetings of the committee annually, and specified rotation of the chairmanship.

VIII.

The 1968 legislation extending Public Law 480 provided for several changes. The Senate Committee on Agriculture and Forestry amended the Act to provide that 5 percent of Title I local currencies were required to be made available for voluntary population control programs, and established voluntary population control programs as one of the self-help measures to be considered before entering into a Title I agreement with a certain country.

The Senate Committee on Agriculture and Forestry also added language to the Act requiring that at least 2 percent of the local currency received from each country be set aside to finance international, educational and cultural exchange activities and activities of American educational institutions under various education acts. The amounts of foreign currencies needed for five selected currency uses were required to be specified under the Title I sales agreement. Where currencies are so used such amount would be paid at the time the commodities were delivered and would then be considered as an advance payment of the earliest installments of such agreements. Up to 50 percent of the foreign currencies earned from the sale of Title I commodities could be converted for sale to U.S. or participating country contractors to pay wages earned in public works projects and 50 percent of the foreign currencies could be converted for sale to U.S. importers who buy materials from the participating country. The 1968 extension authorized the use of foreign currencies for carrying out programs to control rodents, insects, weeds, and other animal and plant pests. Finally, the extension tightened the prohibition on sales to North Vietnam by excluding any exporter doing business directly or indirectly with that country from Title I financing.

IX.

Since 1968, Public Law 480 has been amended only infrequently. The Agricultural Act of 1970 extended the authorization for the program and added uses of foreign currencies by U.S. agencies for educational and cultural exchange to those uses which may be subjected to the congressional appropriations process.

The Agriculture and Consumer Protection Act of 1973 extended Public Law 480 through 1977 with minor amendments. It amended the law to require that the President take steps to assure that commercial supplies are available to meet demands developed through programs carried out under Public Law 480. Another amendment prohibited Public Law 480 sales or donations to North Vietnam unless specifically authorized by act of Congress enacted after July 1, 1973.

Amendments to the Foreign Assistance Acts of 1973 and 1974 affected the Public Law 480 Title I program. The Foreign Assistance Act of 1973 prohibited the use of foreign currency proceeds from loan repayments to be used for common defense or military purposes. This effectively repealed the common defense currency uses in Public Law 480. The Foreign Assistance Act of 1974 provided that, for fiscal year 1975, not more than 30 percent of U.S. foreign food assistance be made available to countries other than those designated by the United Nations as "most seriously affected" by the current economic crisis.

While Public Law 480 has remained substantially unchanged over recent years, the Committee on Agriculture and Forestry has conducted extensive hearings on the program. Most recently the Chairman of the Committee on Agriculture and Forestry directed the Committee staff to conduct an in-depth field review of the operations of the program overseas.

The Chairman of the Subcommittee on Foreign Agricultural Policy appointed three task forces of noted experts in food aid and agricultural development to review all aspects of our Food for Peace program. These groups met throughout the spring and summer of 1975 with the staff of the Committee on Agriculture and Forestry to consider legislative reform of the existing Food for Peace Act. A number of areas of concern have come to the attention of the Committee as a result of this process.

The Committee on Agriculture and Forestry now has before it several bills designed to amend Public Law 480 in a number of ways.

These are S. 455, S. 513, S. 883, S. 1305, S. 1641, S. 1654, S. 1668, S. 1889, and S.J. Res. 105.

The Committee intends to consider all aspects of these and related issues pertaining to Public Law 480.

RECENT HEARINGS OF THE COMMITTEE ON AGRICULTURE AND FORESTRY RELATED TO THE CONSIDERATION OF TITLE II OF H.R. 9005

The Committee on Agriculture and Forestry and its Subcommittee on Foreign Agricultural Policy have held frequent hearings concerning aspects of Public Law 480 over the past several years.

The full Committee held hearings on the extension of Public Law 480 during February, March, and April, 1973, in connection with the consideration of legislation to extend other farm and related programs.

Public Law 480 and U.S. foreign food assistance policies were discussed at length in Foreign Agricultural Policy Subcommittee hearings on "U.S. Foreign Agricultural Trade Policy" held in March and April, 1973.

On July 11, 1973, attention was given to the impact of agricultural export controls on Public Law 480 programing within a hearing on "Export Control Policy" held by the Foreign Agricultural Policy Subcommittee.

The U.S. and world food situation was explored in subcommittee hearings on October 17th and 18th, 1973, during which attention was given to the adequacy of Public Law 480 programing.

On April 4, 1974, the Foreign Agricultural Policy Subcommittee held a day-long hearing on all aspects of foreign food assistance. On December 10 and 12, 1974, the U.S. food situation and foreign commercial and food aid demands were considered in a hearing before this subcommittee.

On February 18, 1975, the full Committee held an extensive hearing on Public Law 480 in conjunction with the consideration of the proposed Agriculture and Anti-Depression Act of 1975.

On April 17, 1975, many of the basic concepts embodied in Title II of H.R. 9005 were considered in a hearing on the relationship between foreign food assistance and agricultural development held by the Foreign Agricultural Policy Subcommittee.

Food aid was again considered in a hearing before the Foreign Agricultural Policy Subcommittee on the implementation of the recommendations of the World Food Conference on May 1, 1975.

OUTLINE OF LEGISLATION AUTHORIZING AND AMENDING PUBLIC LAW 480

(Unless otherwise noted, all of this legislation was considered by the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry).

1954

P.L. 480, 83rd Congress, July 10, 1954:

S. 2475, July 24, 1953, Sen. Schoeppel (for himself, Sens. Anderson, Clements, Eastland, Hoey, Johnston (S.C.), Mundt, Aiken, Thye, Welker, Young).

To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

S. Report 642.

H. Report 1776 (Hope).

1955

P.L. 84–25, April 25, 1955:

S. 752, Jan. 26, 1955, Sen. Eastland.

H.R. 3231, Jan. 27, 1955, Rep. Poage.

To amend section 102(a) of the Agricultural Trade Development and Assistance Act of 1954, so as to eliminate the requirement that privately owned stocks exported thereunder be replaced from Commodity Credit Corporation stocks.

S. Report 40, March 2, 1955 (Eastland).

H. Report 309, March 29, 1955 (Cooley).

P.L. 84–387, August 12, 1955:

S. 2253, June 15, 1955, Sen. Ellender (for himself, Sens. Eastland, Holland, Scott, Young, Schoeppel, Aiken, Thye, Johnston (S.C.), Humphrey, Mundt, Anderson, Long, Clements, Carlson, Dworshak).

To reemphasize trade development as the primary purpose of Title I of the Agricultural Trade Development and Assistance Act of 1954.

S. Report 767 (Eastland).

1956

P.L. 84–540, May 28, 1956:

H.R. 10875, April 27, 1956, Rep. Cooley.

H.R. 10604, April 18, 1956, Rep. Hope.

S. 3675, April 18, 1956, Sen. Aiken.

To provide for the protection and conservation of national soil, water and forest resources and to provide an adequate, balanced and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes. (Authorized appropriations for ocean transportation under Titles II and III and otherwise amended Titles II and III of P.L. 480.)

P.L. 84–726, July 18, 1956:

H.R. 11356, May 22, 1956, Rep, Richards.

To amend the Mutual Security Act, as amended. (Amended Sec. 104(h) and added subsection (i) of P.L. 480.)

H. Report 2213, May 25, 1956, Foreign Affairs Committee.

P.L. 84–962, August 3, 1956:

S. 3903, May 21, 1956, Sen. Ellender.

H.R. 11708, June 12, 1956, Rep. Cooley.

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of Title I of the Act, and for other purposes.

H. Report 2380 (Cooley).

S. Report 2290 (Ellender).

1957

P.L. 85–128, August 13, 1957:

S. 1314, Feb. 20, 1957, Sen. Ellender (by request).

H.R. 6974, April 17, 1956, Rep. Cooley.

To extend the Agricultural Trade Development and Assistance Act of 1954 and for other purposes.

S. Report 188 (Ellender).

H. Report 476 (Cooley).

P.L. 85–141, August 14, 1957:

S. 2130, May 22, 1957. Sen. Green (for himself and Sen. Wiley).

(No House bill).

To amend the Mutual Security Act of 1954, as amended, and for other purposes. (Amended Sec. 104(h) of P.L. 480.) Foreign Relations Committee.

H. Report 804.

S. Report 417.

Conf. Report H. 1042.

P.L. 85–241, August 30, 1957:

S. 1940, May 1, 1957, Sen. Russell (for himself and Sen. Saltonstall).

H.R. 8240, June 19, 1957, Rep. Vinson (Note: Rep. Vinson also introduced H.R. 7130, May 2, 1957.)

To authorize certain construction at military installations, and for other purposes. (Use of P.L. 480 funds for military housing.) Continued authority in ***P.L. 84–968*** (Aug. 1956). Armed Services Committee.

H. Report 638 (Vinson).

S. Report 842 (Stennis).

1958

P.L. 85–477, June 30, 1958:

S. 3318, Feb. 19, 1958, Sen. Green (for himself and Sen. Wiley).

To amend further the Mutual Security Act of 1954, as amended, and for other purposes. (Added subsection (k) to P.L. 480.) Foreign Relations Committee.

P.L. 85–483, July 2, 1958:

H.R. 12164, April 24, 1958, Rep. Johnson.

To amend the Agricultural Act, as amended, to permit use of Federal surplus foods in nonprofit summer camps for children. (Amended Section 416 of the Agricultural Act of 1949.)

P.L. 85–766, August 27, 1958:

H.R. 13450, July 18, 1958, Rep. Cannon.

Making supplemental appropriations for fiscal year ending June 30, 1959 and for other purposes. (Funds appropriated to the President. Translation of Publications and Scientific Cooperation. Authorized use of $5,100,000 in foreign currencies accrued under P.L. 480 for translation of publications and scientific cooperation.) Appropriations Committee.

P.L. 85–931, September 6, 1958:

H.R. 12954, June 16, 1955, Rep. Cooley (superseded H.R. 9614, Jan. 7, 1958, Rep. Abernathy).

S. 3039, Jan. 16, 1958, Sen. Schoeppel.

S. 3420 (Committee reported out original bill).

To extend and amend the Agricultural Trade Development and Assistance Act of 1954.

S. Report 1323, Feb. 26, 1958 (S. 3039, with amendments).

S. Report 1357, Mar. 8, 1958 (S. 3420).

H. Report 1939, June 19, 1958 (H.R. 12954).

Conf. H. Rep. 2694 Aug. 22, 1958.

1959

P.L. 86–108, July 24, 1959:

H.R. 7500, June 2, 1959, Rep. Morgan.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes. (Amended Section 104(k) and the Agricultural Act of 1949.)

H. Rep. 440, June 5, 1959 (Com. on Foreign Affairs).

P.L. 86–149, August 10, 1959:

H.R. 5674, March 13, 1959, Rep. Vinson.

To authorize certain construction at military installations, and for other purposes. (Authorized the use of currencies acquired under P.L. 480 for the construction of family housing.)

H. Report 223 Rep. Vinson (Armed Services Committee).

P.L. 86–341, September 21, 1959:

S. 1711, April 16, 1959, Sen. Humphrey (Sen. Carlson added as sponsor, Aug. 7).

S. 1748, April 21, 1959, Sen. Ellender (by request).

H.R. 8609, Aug. 11, 1959, Rep. Cooley.

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of Titles I and II, strengthening the program of disposals through barter, and for other purposes. (Added Title IV.)

S. Report 632, Aug. 10, 1959 (on S. 1711).

S. Report 657, Aug. 11, 1959 (on S. 2522, an original bill).

H. Report 908, Aug. 15, 1959 (on H.R. 8609).

Conference Report, Sept. 11, 1959 (on H.R. 8609).

1960

P.L. 86–472, May 14, 1960:

H.R. 11510, April 4, 1960, Rep. Morgan.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes. (Amended Title II of P.L. 480).

H. Report 1464, Apr. 7, 1960 (Com. on Foreign Affairs).

1961

P.L. 87–28, May 4, 1961:

S. 1027, Feb. 22, 1961, Sen. Ellender (by request).

H.R. 4728, Feb. 22, 1961, Rep. Cooley.

To amend Title I of the Agricultural Trade Development and Assistance Act of 1954.

S. Rep. 175, Apr. 20, 1961 (Sen. Ellender).

H. Rep. 196, Mar. 23, 1961 (Rep. Cooley) on H.R. 4728.

P.L. 87–92, July 20, 1961:

S. 1720, April 27, 1961, Sen. Humphrey. (No House bill).

To continue the authority of the President under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world. (Foreign Relations Committee).

S. Report 290, May 26, 1961.

H. Report 579.

P.L. 87–128, August 8, 1961:

S. 1643, Sen. Ellender.

H.R. 8230, July 19, 1961, Rep. Cooley (superseded H.R. 6400).

To improve and protect farm prices and farm income, in increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes. (Extended Titles I and II of P.L. 480 for three years to Dec. 31, 1964. Added Subsection 101(f) and 104(s) and otherwise amended Section 104. Amended Section 106.)

H. Rep. 754, July 22, 1961.

Conference Rep. H. 839, Aug. 2, 1961.

P.L. 87–195, September 4, 1961:

S. 1983, Aug. 18, 1961, Sen. Fulbright.

H.R. 8400, July 31, 1965, Rep. Morgan.

To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in efforts toward economic and social development and internal and external security, and for other purposes. (Amended subsection 104(e).)

S. Report 612, July 24, 1961 (Com. on Foreign Relations).

H. Report 851, Aug. 4, 1961 (Com. on Foreign Affairs).

Conference Report H. 1088 (Rep. Morgan).

1962

P.L. 87–548, July 25, 1962:

H.R. 10595, March 7, 1962, Rep. Rutherford.

S. 2955, March 8, 1962, Sen. Hayden (and others).

To facilitate the sale and disposal of Government stocks of extra long staple cotton. ("Foreign-grown cotton may be disposed of under P.L. 480.")

H. Report 1680, May 15, 1962.

S. Report 1724, July 12, 1962 (on House bill).

P.L. 87–565, August 1, 1962:

S. 2996, March 14, 1962, Sen. Fulbright.

H.R. 11921, May 28, 1962, Rep. Morgan.

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. (Repealed provision in Foreign Assistance Act of 1961 providing for transfer to AID of Export-Import Bank's assets and liabilities under Section 104(c) of P.L. 480.) (Foreign Relations Committee).

S. Report 1535, May 28, 1962.

H. Report 1788, June 7, 1962.

Conference Report H. 2008 (on S. 2996), July 20, 1962.

P.L. 87–703, September 27, 1962:

S. 3225, April 27, 1962, Sen. Ellender.

H.R. 12391, July 2, 1962, Rep. Cooley.

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes. (Amended Title III and Title IV of P.L. 480.)

S. Report 1787, July 25, 1962.

Conf. Report H. 2385, Sept. 17, 1962 (Cooley).

P.L. 87–839, October 18, 1962:

S. 3389, June 8, 1962, Sen. Engle.

To amend Merchant Marine Act, 1963, to develop American flag carriers and promote the foreign commerce of the United States through the use of mobile trade fairs. (Amended Section 104(m) of P.L. 480.) (Commerce Committee).

S. Report 1850, Aug. 7, 1962, Sen. Engle.

H. Report 2463, Sept. 21, 1965, Rep. Bonner.

Conference Report 2538.

1963

P.L. 88–205, December 16, 1963:

H.R. 7885, Aug. 1, 1963, Rep. Morgan.

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. (Amended Section 104(f), Section 105, Section 106, and Title II, and otherwise affected P.L. 480.) (Foreign Affairs Committee.)

S. Report 588, Oct. 22, 1963.

H. Report 1006, Dec. 6, 1963.

1964

P.L. 88–638, October 8, 1964:

S. 2687, March 25, 1964, Sen. Ellender.

H.R. 12298, Aug. 6, 1964, Rep. Poage.

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

S. Report 1467, Aug. 18, 1964.

H. Report 1787, Aug. 11, 1964.

1966 (LEGISLATED THROUGH AGRICULTURE COMMITTEES)

P.L. 89–808, November 11, 1966, the Food for Peace Act of 1966:

Effective January 1, 1967. Substantially amended P.L. 480 to provide for (1) self help; (2) elimination of surplus concept; (3) transition to dollar sales by the end of 1971; and (4) 2-year extension through 1968.

1968 (LEGISLATED THROUGH AGRICULTURE COMMITTEES)

P.L. 90–436, July 29, 1968:

To provide for 2-year extension through 1970; Purcell amendment to negotiate advance payment in local currency for certain uses; and other currency use amendments.

1970

P.L. 91–524:

(Title VII of Farm Bill), November 30, 1970, 3-year extension through 1973.

1973

P.L. 93–86:

(Farm Bill) S. 1888, August 10, 1973, 4-year extension through 1977.

1974–1975

Section 55(a) of the Foreign Assistance Act of 1974 (S. 3394) enacted the so-called 70/30 provision in Title I allocations for FY 1975 programing. H.R. 9005 (H.R. 94–442) was passed by the House in September 1975 as the International Development and Food Assistance Act of 1975 and contains Title II, "Food Aid to Poor Countries." The Senate Committee on Foreign Relations submitted a report (S. Report 94–406) on the bill October 1 (legislative day September 11), 1975.

Mr. TALMADGE. Mr. President, the origin of Public Law 480, as the distinguished Senator from Alabama and the distinguished Senator from Minnesota know, dates back to the time when Andrew Schoeppel, the distinguished Senator from Kansas, served on the Committee on Agriculture and Forestry. He and others were authors of Public Law 480 at that time.

Mr. HUMPHREY. I might add that I was proud to be his cosponsor.

Mr. TALMADGE. I congratulate the Senator. I recall that incident.

Since that time, we have made available to the hungry people of the world some $25 billion in food aid. It has been the most humane project in the history of the world. This Nation has done more to feed the needy and the hungry than all other nations on the face of the earth combined.

I congratulate and thank my distinguished colleague, the chairman of the Committee on Foreign Relations, the Senator from Alabama. I hope the Senate will concur in the amendment he has offered.

Mr. SPARKMAN. Of course, the Senator from Georgia knows that what we are asking for in this amendment is information.

Mr. TALMADGE. I know that. I have no objection to any information with reference to Public Law 480 or any other agricultural information being made available to any committee of the Senate or of the House, for that matter, at any time.

Mr. SPARKMAN. I thank the Senator.

Mr. TALMADGE. I thank my colleague and friend, the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I move the adoption of the amendment.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BENTSEN. Mr. President, I call up my amendment at the desk.

The **PRESIDING OFFICER.** The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

On page 26, line 22, insert "(a)" immediately after "SEC. 306."

On page 29, between lines 4 and 5, insert the following:

(b)(1) The Congress finds and declares that—

(A) the foreign policy of the United States has as one of its primary goals the encouragement of the bonds of friendship with all countries of the Americas;

(B) there have been established and developed systems of housing finance institutions during more than a decade by Latin American countries;

(C) the Inter-American Savings and Loan Bank is a cooperative effort on the part of the various housing finance institutions to form what is in effect a Housing Finance Development Bank; and

(D) the Federal savings and loan associations of the United States would under their present statutory authority and limitation to invest 1 per centum of their assets in Agency for International Development housing guaranty investments also be authorized within such 1 per centum limitation to invest in the share capital and capital reserve of the Inter-American Savings and Loan Bank up to an aggregate amount of $3,500,000.

(2) The twelfth undesignated paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended, is amended by adding in the first sentence, immediately after the words "made pursuant to either of such sections" and before the period the following language: "and in the share capital and capital reserve of the Inter-American Savings and Loan Bank".

Mr. BENTSEN. Mr. President, I am offering an amendment to this bill to authorize Federal savings and loan associations to invest, up to 1 percent of their assets, in the share capital and capital reserve of the Inter-American Savings & Loan Bank.

The Congress has for many years supported the concept of thrift and private homeownership through the development of specialized credit institutions in the United States and has been instrumental in fostering the development and growth of national systems of credit institutions throughout Latin America similar in many respects to our savings and loan associations.

Our credit institutions could not function as effectively as they do were it not for the secondary mortgage market represented by the Federal National Mortgage Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation. These agencies, acting as our secondary mortgage market, provide a stabilizing mechanism to cover the ebb and flow of available mortgage credit.

The Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings & Loan Bank.

Mr. President, I believe it would be useful here to outline briefly for the Senate the background of the Inter-American Savings & Loan Bank.

The initiative for the establishment of the bank, dedicated to housing finance, originated in the late 1960's under the auspices of the Inter-American Savings & Loan Union. The ISLU, which was founded in 1964, has as its principal objective the promotion of permanent, effective means of providing housing finance in both North and South America. Inasmuch as its membership includes virtually every public and private housing finance entity in Latin America as well as a large number of U.S. savings and loan associations, their national trade organizations, Federal Home Loan Banks, and the Federal Home Loan Bank Board, the Inter-American Savings & Loan Union enjoys broad multinational support in the hemisphere.

The basic motivation for establishing an Inter-American bank specializing in housing finance is to provide an international market for home financing. In this context, the bank will be empowered to engage in secondary mortgage operations across national boundaries and to utilize its own standing in the international financial community to mobilize funds for relending to member institutions.

Sufficient capitalization for the bank to commence operations was subscribed in January of this year by 11 Latin American countries. What is currently lacking is a mechanism by which U.S. housing finance institutions could participate in the bank. My amendment involves no expenditure of Federal funds.

It merely allows Federal savings and loan associations, which are already authorized to invest in AID's housing program up to 1 percent of their assets, to invest in the Inter-American Savings & Loan Bank within that 1-percent limitation up to an aggregate of $3.5 million.

Between the savings and loan industries of the United States and Latin America there is a strong bond of friendship, born not only of common objectives and interests but also of more than a decade of close cooperation in the establishment and development of housing finance institutions in Latin America, significantly through the AID housing guaranty program and the efforts of the membership of the National Savings and Loan League. In the interests of U.S. foreign policy toward Latin America and of the very tangible benefits which can accrue to the United States, this bond of friendship must be maintained and strengthened.

Mr. President, the Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings & Loan Bank. These mortgage credit systems have come of age to the point where the establishment of this facility, with or without U.S. participation, will be accomplished. The United States has been asked to participate and I believe it is very much within our national interest to do so. I further believe that this natural evolution of mortgage credit systems will benefit from our participation just as the various Latin American savings and loan systems came into being through our earlier assistance.

Mr. President, the Agency for International Development has long encouraged the establishment of the Inter-American Savings & Loan Bank as a means of strengthening savings and loan systems and home financing resources in Latin America. I ask unanimous consent that a letter from Mr. Peter Kimm, Director of the Office of Housing at the Agency for International Development, expressing AID's support for legislation permitting the U.S. savings and loan industry to participate in the subscription of equity capital in this new institution, be printed in the RECORD.

I ask the Senate's concurrence in my amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 1, 1975.

Hon. THOMAS E. BOMAR,
Chairman, Federal Home Loan Bank Board, Washington, D.C.

DEAR MR. CHAIRMAN: Luis Carlos Vieyra da Fenseca of Brazil and Tulio Pinedo of Venezuela recently visited Washington to bring us up to date on the imminent formation of an Inter-American Savings and Loan Bank (BIAPE). I understand that these gentlemen called on you to discuss a possible subscription of capital to BIAPE by the U.S. savings and loan system. The inauguration of BIAPE, scheduled for early April, marks the culmination of a decade of planning and is a truly inter-American initiative.

Current legislative and policy constraints preclude the subscription of equity capital by A.I.D. We have been approached concerning a line of credit under our housing guaranty program, and we do expect to give further consideration to such a proposal, if it is aimed at lower-income groups.

At the same time, we would like to emphasize our support for legislation or regulations which would permit the U.S. savings and loan industry to participate in the subscription of equity capital in this new institution.

If we could be of any help to you or provide further information and background on the BIAPE endeavor, please let me know.

Sincerely yours,

PETER M. KIMM,
Director, Office of Housing.

Mr. HUMPHREY. Mr. President, I commend the able Senator from Texas for his amendment. As a matter of fact, it fits very well into the earlier initiatives that were taken some years ago about the development of savings and loan associations and credit unions, particularly in the Latin American countries. It is a good amendment. It is a proper addition to this bill and will strengthen it.

I have talked this over with Senator CASE and Senator JAVITS and others on the minority side, and we are more than happy to accept the amendment as a constructive amendment to the bill.

Mr. BENTSEN. I appreciate very much the cooperation of the distinguished manager of the bill.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SYMINGTON. Mr. President, will the Senator yield for 5 minutes to me?

Mr. HUMPHREY. Mr. President, I yield to the Senator from Missouri for a statement, whatever time he needs. There is no limitation on time.

Mr. SYMINGTON. Mr. President, I appreciate the typical courtesy of the distinguished Senator from Minnesota.

FOREIGN AID BILL: TIP OF THE ICEBERG

Mr. President, since the end of World War II, the United States has contributed hundreds of billions of dollars to a list of countries which reads like a world atlas.

An administration which prides itself in its conservatism today requests billions more.

The foreign aid bill now before us—H.R. 9005—lists some $2.8 billion in proposed foreign economic assistance for fiscal years 1976 and 1977.

This bill is only the tip of the foreign aid iceberg, which includes billions more for military and financial assistance.

Last Thursday, President Ford asked for an additional $4.7 billion in military and economic aid—the bulk of which is earmarked for the Middle East, but which also includes major spending on other countries, including $80 million for Zaire, which is on the brink of bankruptcy.

Previously, the administration also requested $1.3 billion for the food for peace program, as well as $500 million for various financial institutions such as the Inter-American Development Bank and the African Development Bank, which have "soft loan" windows.

It is also interesting to note that the administration is requesting $7 billion in guaranteed loans as the amount of U.S. participation in a "financial support fund" for industrialized nations as a hedge against oil price increases.

Altogether, billions in foreign aid—gifts, loans, and credits—are proposed at a time when our own fiscal problems are becoming ever more serious.

Should there not be limits to our generosity abroad at a time when it would appear charity and concern should begin at home? Our business is great enough—as example, the condition of New York—and it is time we tend to it.

The Federal deficit of the past 2 years—this year, especially, now running at around $90 billion—is unprecedented. It is not just New York, therefore, which faces a financial show-down. Were it not for the printing presses of the Federal Government, it could be in even worse shape than New York.

Let us at least try to begin to live within our means.

The various foreign aid requests which come before us in piece-meal fashion amount to a substantial drain on our increasingly limited resources.

It is one thing to provide emergency relief to prevent starvation or to lend a hand to disaster victims; it is quite another thing to continue massive military and economic transfusions for every country that places its financial burdens at our doorstep.

For these reasons, I would oppose most of the foreign aid spending that comes before us.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

Mr. HUMPHREY. Will the Senator from Delaware yield to me for correction of an amendment?

Mr. ROTH. I am happy to yield.

Mr. HUMPHREY. Mr. President, I have just been informed that, with regard to the amendment sponsored by Senator SPARKMAN that related to the reporting provisions of the bill, because of a previous amendment—namely, the Hatfield amendment—there is an error. I ask unanimous consent that, in the Sparkman amendment relating to page 15, line 2, that part be stricken from the Sparkman amendment so it will conform with the bill as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 974

Mr. ROTH. Mr. President, I call up my amendment No. 974.

The PRESIDING OFFICER. The clerk will state it.

The second legislative clerk proceeded to read the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following section:

MEMBERSHIP OF NORTH VIETNAM OR SOUTH VIETNAM IN THE UNITED NATIONS

SEC. 317. It is the sense of the Congress that the President should direct the United States Ambassador to the United Nations to vote in the Security Council against any proposal to admit North Vietnam or South Vietnam to membership in the United Nations as long as the Governments of North Vietnam and South Vietnam have failed to provide the fullest possible accounting of members of the United States Armed Forces missing in action in Southeast Asia and fulfill all their obligations under the provisions of the Agreement on Ending the War and Restoring Peace in Vietnam of January 27, 1973, relating to the return of captured military personnel and foreign civilians.

Mr. ROTH. Mr. President, I ask unanimous consent that Senator GRIFFIN be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, my amendment to the Foreign Assistance Act expresses the sense of the Congress that the President should direct our Ambassador to the United Nations to vote against the admission of North and South Vietnam in the Security Council until these governments have provided the fullest possible accounting of all MIA's.

Hitherto, the United States has vetoed North and South Vietnamese membership on the basis that the Communist powers refuse to accept South Korean membership. I support this policy of opposing "selective universality." But I believe that we should make it crystal clear that something more is involved and that as long as the governments of North and South Vietnam continue to disregard their obligations under the Paris Peace Accords to provide a full accounting of those missing in action, they will just never, never get into the United Nations because we will veto it.

It is one of the continuing tragedies of Vietnam that 1,300 servicemen are still unaccounted for in Southeast Asia. The uncertainty which surrounds the fate of these men causes the deepest anguish to their family and friends. The American people have not forgotten the plight of these men. Congress has passed resolutions; the President has expressed his commitment to these men; our diplomats have raised this matter repeatedly with Communist leaders; appeals have been made through the United Nations and third countries; and thousands of Americans have sent Christmas cards addressed to MIA's in Hanoi.

In callous disregard for all standards of human decency, the leaders of North Vietnam have been completely unresponsive to these appeals.

They have tried to exploit our deep concern for these men to their political and diplomatic advantage.

Unfortunately, we have never been in good bargaining position. We had no real clout to back up the Paris Peace Accords. Now, however, we have a very direct and real way to apply pressure on North and South Vietnam. Both governments wants admission to the United Nations. The United States can deny admission through use of its Security Council veto.

We are in a strong moral position to use this veto. Any government that has so blatantly abused the solemn pledges made to another government, which has disregarded all international codes relating to the treatment of POW's and MIA's, and which has shown no comprehension of the nature of the humanitarian principles involved, has no business being part of the United Nations anyway. Such a government richly deserves to be ostracized from the international community.

I hope that, by adopting this amendment, Congress will at last have found a tool for prying loose the information which North Vietnam and its allies in Indochina have on those Americans still missing in action in Southeast Asia.

Mr. HUMPHREY. Mr. President, we discussed this amendment with the distinguished Senator from Delaware and we believe that it is good, sound policy. I believe we had a similar amendment on the State Department authorization bill—am I not correct?

Mr. ROTH. That is correct.

Mr. HUMPHREY. I am sure that all of us in Congress are deeply concerned about the failure of the North Vietnamese, and now, the current government in South Vietnam to make any response that is significant, or any response that is even worthy of being considered, relating to the missing in action. The amendment expresses the sense of Congress that the President should direct the U.S. Ambassador to the United

Nations to vote in the Security Council against any proposal to admit North Vietnam or South Vietnam to membership in that body—the United Nations—as long as the Governments of North and South Vietnam have failed to provide the fullest possible accounting of the members of the United States Armed Forces missing in action in Southeast Asia.

I think it is a good amendment. I commend the Senator for his persistence in this matter. I want to associate myself with the endeavor that he makes. I can assure him that we will fight to the last man, so to speak, to keep it in the final bill, because it is needed.

I accept the amendment on behalf of both the minority and the majority.

Mr. ROTH. I wish to express my appreciation to the Senator from Minnesota for his support. I know of his own great personal interest in securing information of this type and his interest in such humanitarian proposals. I hope he is successful. I do think it is important that we get this information to help these families as promptly as possible.

Mr. HUMPHREY. The Senator from New Jersey, who is the ranking minority member, is strongly in support of the amendment. I speak for him, as I do for the Senator from New York (Mr. JAVITS).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I believe there are other amendments. We have an understanding that there will be no rollcall votes later than 4:45. That means there will be no further rollcall votes tonight, so all Senators can be on notice.

I yield now to the Senator from Virginia.

Mr. President, before I do, will the Senator yield to me briefly?

Mr. HARRY F. BYRD, JR. I yield.

H.R. 9432 ORDERED HELD AT THE DESK

Mr. HUMPHREY. Mr. President, I ask unanimous consent that H.R. 9432 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Would the Senator from Minnesota indicate the nature of the bill, H.R. 9432, that he just asked to be held at the desk?

Mr. HUMPHREY. I am not sure. It was a request from the leadership.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

> H.R. 9432. An act to amend the Internal Revenue Code of 1954 in order to provide for quarterly payment, rather than annual payment, to the Government of the Virgin Islands of amounts equal to internal revenue collections made with respect to articles produced in the Virgin Islands and transported to the United States.

Mr. HARRY F. BYRD, JR. I have no objection. I wanted to be sure it was not the New York bailout.

Mr. HUMPHREY. No; this is just a bill being held at the desk for its appropriate disposition.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HUMPHREY. Mr. President, one other matter, if the Senator from Virginia will just permit me to make an observation here on an amendment. I just wanted to point out that last evening an amendment by the Senator from Massachusetts (Mr. KENNEDY) relating to funds for the Organization of American States for the Human Rights Commission was adopted.

It was said at that time that because we were uncertain as to the views of the minority of the committee we would adopt it tentatively pending the possibility of reconsideration.

However, since that time we have discussed this amendment with Senator CASE and with other members of the committee, and the amendment is perfectly in order and agreeable.

I just wanted the RECORD to be clear now that there is no effort to reconsider; that the amendment stays in the bill as adopted last evening.

I thank the Senator.

Mr. HARRY F. BYRD, JR. May I ask the manager of the bill a question?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. I note that it is a 2-year authorization. Why would it be a 2-year authorization?

Mr. HUMPHREY. The bill came to us from the House of Representatives, as I indicated earlier, with a very substantial majority vote. The 2-year authorization was felt desirable there, and in our Committee on Foreign Relations, because of the necessity for some lead time in planning, particularly as it relates to the agricultural production parts of the bill, to the proper use of the land-grant college features in the bill, and to better use of our economic assistance generally.

We have, however, had 1-year extensions in some years for some programs.

Mr. HARRY F. BYRD, JR. It seems to me it would be better to have a 1-year extension than it would be to have a 2-year extension.

Mr. HUMPHREY. We have had 1-year extensions on the military assistance, and I have been informed, and I recollect, we have generally had 2 years on the economic.

This bill, as the Senator knows, is a strict economic and food assistance bill. There is no military assistance in this bill.

Mr. HARRY F. BYRD, JR. There was not a 2-year authorization last year.

Mr. HUMPHREY. Yes, there was on the economic side, may I say to the Senator.

Mr. HARRY F. BYRD, JR. Why does this bill provide for 1976 if it was covered in last year's bill?

Mr. HUMPHREY. Well, there are some features of the bill that were provided for 2 years and some features that were not, is my recollection. I will get those sections for the Senator, but I have been informed by committee counsel and the staff that we have had both instances, we have had 1-year bills and we have also had 2-year bills. I am asking the staff to get us the details on that.

Mr. HARRY F. BYRD, JR. Does the Senator think it would be better procedure to have a 1-year bill? In my opinion a 1-year authorization would give Congress greater control over the program.

Mr. HUMPHREY. There are many times I feel where that is desirable. From the point of view of Congress I can understand it. From the point of view of program planning, where you have to gear up, where you have to make investments, it is sometimes, I believe, a wasteful procedure.

I will say maybe this is one great weakness in Congress that we do not have any longtime planning, and I have watched it.

May I just digress to say I have seen, for example, road construction projects underway only to find they are stopped midstream because there was an annual appropriation for 1 year.

Mr. HARRY F. BYRD, JR. That does not change the annual appropriation process. There would still be annual appropriations.

Mr. HUMPHREY. There would still be annual appropriations, but the appropriations permit the agency itself to develop its program within the authorization to make its presentation to the Appropriations Committee.

Mr. HARRY F. BYRD, JR. It is much easier, I agree, for the agencies involved. But I do not agree that it is better from the point of view of the taxpayers, or better from the point of view of Congress. Congress is relinquishing certain authority when it does this. It will not have the opportunity to review the fiscal year 1977 program.

Mr. HUMPHREY. We will be reviewing it. We will review it through our oversight operations. And it will also be reviewed in the appropriations committees.

Mr. HARRY F. BYRD, JR. I am not concerned about the committees. I am concerned about the floor of the Senate.

Mr. HUMPHREY. It will be reviewed fully in the appropations process and the bill must be voted on by this body.

Mr. HARRY F. BYRD, JR. In terms of the appropriation. But, as the Senator knows so well, amendments of a legislative nature cannot be put on appropriations bills.

Mr. HUMPHREY. The Senator means they are not supposed to be, but they usually are.

I have been informed that economic aid was last authorized for fiscal 1974 and 1975, so we have had 2-year authorizations, but not 2-year authorizations for military assistance.

In previous legislation, as the Senator knows, we have had those all in one bill, so we have had military aid, supporting assistance, economic assistance, and humanitarian assistance all in one measure. This time the authorizations have been separated completely.

Mr. HARRY F. BYRD, JR. The Senator is also authorizing appropriations for the United Nations for a 2-year period in this bill.

Mr. HUMPHREY. I believe that is correct, yes.

Mr. HARRY F. BYRD, JR. I do not recall whether that has been done before. In any case——

Mr. HUMPHREY. I believe, it is my judgment, that you had 2-year authorizations in the United Nations activities as well. I shall ask the counsel of the committee, Mr. Norvill Jones, if he could give us some guidance on that so that I can inform the Senator. I do not want to misstate to the Senator.

Mr. HARRY F. BYRD, JR. In any case, it seems to me unwise to authorize United Nations programs 2 years at a time. The only control Congress has got, or what little control it has over the United Nations—it has virtually none—is in the appropriation process of which the authorization is a part.

Mr. HUMPHREY. May I say most respectfully to the Senator that we have established in the Committee on Foreign Relations a Subcommittee on Foreign Assistance with what we think is some limited number, a very small but very good staff, to do monitoring and oversight of the Foreign Assistance Act, as never has been done before. I take some credit for this. I insisted upon it because I felt the administration needed to be tightened up.

I understand the Senator's concern. Foreign aid programs are authorized in a number of different bills, each authorization of varying duration. For example, this bill does not reauthorize Public Law 480. That is approved on a long-term basis.

Mr. HARRY F. BYRD, JR. Yes; but an annual authorization does not adversely affect the Public Law 480 programs.

Mr. HUMPHREY. No; it would not. But I think the Senator should note that Public Law 480 is, I think, a long-term authorization.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. I notice under section 302 of the Foreign Assistance Act there are authorizations for international organizations for 2 years, 1974 was $127,828,000 and for fiscal year 1975 $165 million.

So that we have had 2-year authorizations, I believe in most everything except, as I said, military assistance and what we call supporting assistance.

Mr. HARRY F. BYRD, JR. What are those figures the Senator from Minnesota was reading a moment ago, 100-some million?

Mr. HUMPHREY. Section 302, the authorization for 1974.

Mr. HARRY F. BYRD, JR. Authorization for what?

Mr. HUMPHREY. For international organizations.

Mr. HARRY F. BYRD, JR. What are those figures again?

Mr. HUMPHREY. The authorization was $127,822,000.

Mr. HARRY F. BYRD, JR. $127,822,000, that is for 1974?

Mr. HUMPHREY. Yes; and $165 million for 1975.

Mr. HARRY F. BYRD, JR. And $165 million?

Mr. HUMPHREY. The Senator is correct, $165 million.

Mr. HARRY F. BYRD, JR. One hundred sixty-five million dollars.

Mr. HUMPHREY. Yes, that is under section 302, under chapter 3 of the Foreign Assistance Act. The general authority is included in section 301, the authorization is in section 302, and then it is spelled out in detail in the subsections relating, for example, to the children's fund for 2 years, there is United Nations Relief and Work Agency for the 2 years, there is the Indus Basin development for the 2 years, and so on down the line.

Mr. HARRY F. BYRD, JR. The committee has worked out a very fine program, I think, which is relatively new, to have listed country by country just how much aid each country will get. We have that in the committee report on page 3 for fiscal year 1976, but there is no such listing for fiscal year 1977, so far as the Senator from Virginia can determine.

Mr. HUMPHREY. For the international organizations.

Mr. HARRY F. BYRD, JR. This is economic assistance broken down by individual countries.

Mr. HUMPHREY. The individual countries, as I recollect it, I do not believe we have the details on that.

Mr. HARRY F. BYRD, JR. Yes, we have for 1976.

Mr. HUMPHREY. We do not have a proposed program for the international organizations yet for fiscal 1977. We have the general figure that the administration requested.

Mr. HARRY F. BYRD, JR. That is what I am suggesting. This 2-year authorization bill does not provide the Senate with a breakdown for fiscal year 1977. We do know what it will be for 1976.

Mr. HUMPHREY. The Senator is correct.

I guess one might call it a global figure for fiscal 1977. We have a more detailed breakdown figure for fiscal 1976, but this, I may say, is not uncharacteristic. We have had this in the past.

I do not believe we are breaking the line of tradition as we have handled this legislation.

The only break in it, I may say, is that there has been much more careful scrutiny of the program. We have had field investigations, many more days of hearings, we have had staff that has been working on this, and the other body put months of effort into it.

So that we feel that, at least—I do not argue now the merits of one or two years—that a very careful examination has been made of the proposals before us.

I must say that there is considerable merit in the idea of the keeping of the authorization of authority on a yearly basis, that keeps a tighter control by the Congress of any piece of legislation. The Senate has often voted for one year authorization bills only to have them rejected by the House in Conference.

Mr. HARRY F. BYRD, JR. Yes.

Mr. HUMPHREY. But the practice which had developed and which I think up until now has not been particularly contested has been for Congress to give a 2-year authorization for development programs.

We used to have 5 years. The Senator may recall way back in the 1950's and the early 1960's, there was 5 years and then it was cut back to 3 years.

Now we have a 2-year authorization for economic assistance, a 1-year authorization only for military assistance, and that is the pattern that we have had recently.

Mr. HARRY F. BYRD, JR. Perhaps under the leadership of the distinguished Senator from Minnesota we could have it improved even more, and so to the 1-year authorization.

Mr. HUMPHREY. The Senator from Virginia is always so persuasive in his calm and deliberate manner and also his essential decency and charming demeanor that I sometimes find myself being overwhelmed, if not by his logic, but by his approach.

But might I just add that it is our judgment, and it was the testimony of those who came before us, not just from the AID agency, but from many others, that the 2-year program does permit better utilization of the resources that are made available and does result in better administration and greater efficiency.

That is the judgment of many of the witnesses we had because we did not enter into 2 years lightly.

Mr. HARRY F. BYRD, JR. I should think it would be a judgment of all the witnesses, every——

Mr. HUMPHREY. But I do not mean just the AID agency.

Mr. HARRY F. BYRD, JR. I think such witnesses would be very pleased to have a 2-year, 3-year, 4-year—even glad to have a 10-year authorization.

Mr. HUMPHREY. I do not mean just the AID administrators. I am speaking of others who came before us.

Mr. HARRY F. BYRD, JR. No representatives of the taxpayers.

Mr. HUMPHREY. They were all taxpayers, unless the IRS is after them and they have forgotten to file, but these are taxpayers, and some of them were not so big and some of them were.

Mr. HARRY F. BYRD, JR. Well, the taxpayers I was speaking of have an immediate interest in the problem.

Mr. HUMPHREY. I understand.

Mr. BURDICK. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. BURDICK. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. BURDICK. I believe the Senator from Minnesota said that the Public Law 480 program and the economic aid program would be coming on as foreign aid in one package?

Mr. HUMPHREY. There are items in this bill for both programs.

Mr. BURDICK. Is it not a fact that in the Farm Act of 1973, the authorization was made to carry Public Law 480 to December 31, 1977?

Mr. HUMPHREY. I believe—and I would stand corrected if I am ill-advised here—that the basic law is a standing authorization, but there are features of the program which are extended or modified on a periodic basis.

Mr. BURDICK. Under the 1973 legislation no program to finance sales under title 1 and no program under title 2——

Mr. HUMPHREY. Yes.

Mr. BURDICK. Shall be entered into after December 1, 1977, and that is in the Farm Act.

Mr. HUMPHREY. That was an effort in that act to make some adjustment. I can go back and I think we will find the act of 1954 is a continuing authorization.

Mr. BURDICK. The point I make, there is authorization to December 31, 1977.

Mr. HUMPHREY. That is correct.

Mr. BURDICK. I thank the Senator.

Mr. HUMPHREY. There is, indeed, up until that time.

Mr. HARRY F. BYRD, JR. May I clarify a point with the Senator from Minnesota. Earlier the Senator from Minnesota cited $127,822,000 as the figure for the authorization for the international organizations in fiscal year 1974.

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. The committee report carries the actual at $125,025,000.

Mr. HUMPHREY. I wonder if that is not what ultimately happened in the——

Mr. HARRY F. BYRD, JR. Page 44 of the committee report.

Mr. HUMPHREY. Yes. The appropriation was $125 million, but for fiscal 1975 the authorization was $165 million.

I believe, if the Senator will go back to fiscal 1974, he will see that the authorization was larger than the appropriation. That is where the discrepancy comes in.

Mr. HARRY F. BYRD, JR. I have one additional question, Mr. President. In regard to the United Nations, as I understand it, one or more Members preferred that the United Nations amendment not be brought up tonight.

Mr. HUMPHREY. Yes. It was the feeling, I believe, of the Senator from Wyoming (Mr. McGEE) that he would prefer that we do not have a vote on it, either a voice vote or a rollcall vote. The hour of 4:40 has arrived. We will not have any votes at all after 4:45.

Mr. HARRY F. BYRD, JR. That is correct. Might I ask the Senator from Minnesota this question: Is the proposal for the United Nations programs for fiscal 1976 $168,700,000?

Mr. HUMPHREY. For fiscal 1976?

Mr. HARRY F. BYRD, JR. For fiscal 1976.

Mr. HUMPHREY. The committee proposed $168,700,000, that is correct.

Mr. HARRY F. BYRD, JR. I want to compare that with the fiscal 1975.

Mr. HUMPHREY. That was $165 million.

Mr. HARRY F. BYRD, JR. That was $125 million.

Mr. HUMPHREY. The appropriation was $125 million, but we are talking authorizations.

Mr. HARRY F. BYRD, JR. We are talking authorizations in this bill, but I am comparing it with the actual appropriation.

Mr. HUMPHREY. The Senator is correct. We understand that.

Mr. HARRY F. BYRD, JR. That represents a 33-percent increase.

Mr. HUMPHREY. But the Senator is comparing oranges and apples. We have to compare authorizations with authorizations and appropriations with appropriations.

Mr. HARRY F. BYRD, JR. Any way we phrase it, what the committee is seeking is an authorization to spend 33 percent more dollars than was spent in fiscal 1975.

Mr. HUMPHREY. But what the committee is seeking on the basis of its judgment is to authorize $3.7 million more in fiscal 1976 than was authorized in fiscal 1975. We have had an average inflation rate of over 8 percent; about 9 percent. If we were to add on the inflation and accommodate even that in our authorization, we would have added on even more. But we did not.

Mr. HARRY F. BYRD, JR. The fact is that the committee bill proposes to authorize 33 percent more than was appropriated for fiscal 1975.

Mr. HUMPHREY. The Senator is correct, but may I say that the bill authorizes approximately 2 percent more for U.N. programs than was authorized in 1975, and the inflation rate is about 9 percent. The world's population has gone up and there are some other factors in here that are rather important. For example, this time we increased our meteorological fund for weather gathering, which is part of the world food program. We have increased one other feature in this bill. It was a modest increase in the U.N. Relief and Works Agency. I think that is about $2.5 million. There are some items where there were reductions.

We are not far off the target of a year ago.

Mr. HARRY F. BYRD, JR. The Senator is quite far off the target insofar as the appropriation is concerned. That is the milk in the coconut so far as the taxpayer is concerned. Funds cannot be spent on an authorization but only on an appropriation.

Mr. HUMPHREY. That is about the way the Congress runs time after time. There is hardly a bill, as the Senator and I know, because we are both old hands around here, where the authorization is not considerably larger than the appropriation. There is a reason for it. Sometimes we need some flexibility to meet conditions that we could not foresee and, therefore, authorizations are frequently larger than appropriations. Also, I think it is a fact that when we get down to the appropriation process is when we put the tight rein on to make sure that we get the most out of our dollars.

The real truth is that authorizations only cost the taxpayer what it costs to print the document. Authorizations are like political promises. Appropriations are performance.

The Senator would not want people in public life to always be judged by promises and performance, even though I think they ought to be.

Mr. HARRY F. BYRD, JR. If they were, a great many folks would not be in public life very long.

Mr. HUMPHREY. That is correct. What we have done here is to show to the public that while we have larger hopes for what we can do, we recognize the limitations of the current situation, and, therefore, as of last year there was about $40 million less appropriated than authorized. This year we authorized $3.7 million more for U.N. programs than was authorized a year ago. I would say that under any fair accounting method, taking into consideration the cost of wages, materials, supplies and transportation, that $3.7 million authorization is very, very modest.

When the Appropriations Committee considers the appropriation it may very well decide it wants to appropriate the whole $165 million. It may decide it only wants to appropriate $100 million. Then there will be Senators who will rise up who will want to add additional amounts. I know, for example, my good friend, the Senator from Wyoming, who feels strongly about these international organizations, has been very unhappy at times because there has not been a greater consideration of international organization appropriations.

What we are talking about here is what the Senate may do. I cannot predict what it is going to do. I can only say that it was the judgment of the Foreign Relations Committee and the House of Representatives, which is a rather substantial body with a huge vote, that the 2-year authorization made sense.

Mr. HARRY F. BYRD, JR. It will be the judgment of the Congress this year that a $70 billion deficit makes sense. I just do not happen to agree with that.

Mr. HUMPHREY. I know the Senator does not.

Mr. HARRY F. BYRD, JR. Although the Congress overwhelmingly favors that, it does not to my mind make it right.

Mr. HUMPHREY. It apparently is the judgment of some people in the Congress that it is good to have 8.5 million people unemployed. I do not agree with that.

Mr. HARRY F. BYRD, JR. I do not agree with that either. But that is not the subject upon which we are legislating.

Mr. HUMPHREY. The greatest deficit is the lack of wages, of production, of income. That is the deficit. You cannot get water out of a dry well. The Government of the United States is just like a pump. It can only pump out what is in the well. When the well runs dry, when people are out of work, when the income is down, when recession afflicts us, we are bound to have the pump not pulling up what it ought to pull.

May I say that neither of us are happy about deficits. The Senator can be assured that the Senate is going to look at these authorizations very carefully. The Appropriations Committee has never shown itself to be overly generous in these matters.

I think the Senator is making the best case I could possibly make for the sense of prudence and frugality that is exercised here in the Senate.

Mr. HARRY F. BYRD, JR. Of course, I cannot agree that there has been much prudence and certainly no frugality exercised in the Senate or the House of Representatives for the last 10, 15 or 20 years. If there has been, it has entirely escaped the Senator from Virginia. It does not show up in the figures in the budget reports. It does not show up in the deficit figures. It does not show up in the total national debt. It does not show up in the interest charges to the American people on the national debt. So I do not think the Congress has been very frugal.

I am just suggesting that we be a little bit frugal and reduce this authorization from the tremendous figure of $168,700,000. If we are not willing to reduce foreign aid, where are we willing to reduce? Maybe the Senator from Minnesota and the Senator from Virginia could get together tomorrow and try to work out some reasonable reduction in these things.

Mr. HUMPHREY. I am always happy to get together with the Senator from Virginia. Even if we do not arrive at what I would call policy accommodations, the social accommodations are so benefiting.

But I assure the Senator that these figures in this bill were not arrived at by picking them out of thin air. They were arrived at after many weeks of discussion. The administration came in and made its own proposal. It was examined in the House committee and the Senate committee, and adopted by the full House of Representatives, which, by the way, in the past has been much tougher on foreign aid than we have here in the Senate.

Mr. HARRY F. BYRD, JR. That is not says much.

Mr. HUMPHREY. Well, no, perhaps it is not saying enough for the Senator from Virginia, but I am merely citing what is the fact. And I am hopeful that at least tomorrow, when we get a chance to vote on the matter, we will sustain the committee; but if we do not, we shall continue to live.

Mr. HARRY F. BYRD, JR. While we are on the subject of the United Nations, what is the total from all bills, not just this bill, but what is the total that the United States is contributing to the United Nations? It was, as I recall, $418 million last year.

Mr. HUMPHREY. I would have to look at it. The Senator means all activities.

Mr. HARRY F. BYRD, JR. All activities.

Mr. HUMPHREY. The General Assembly, the Security Council, and all?

Mr. HARRY F. BYRD, JR. Right.

Mr. HUMPHREY. The Senator is probably not too far off. I think it is in the $400 million area, if I am not mistaken. By the way, we contribute an ever-decreasing amount of our gross national product. Our friends in Canada do a much better job; our friends in The Netherlands do a much better job; the Swedes do a much better job in terms of their percentage of production, their budget, and their income. The Norwegians do a much better job. We are down pretty far on the list now, as far as foreign aid of all kinds is concerned.

Mr. HARRY F. BYRD, JR. If the Senator can cite me countries that have been more generous in foreign aid than the United States, I would like to see him present the figures for the RECORD.

Mr. HUMPHREY. Over the years I do not think there has been any more generous, I agree with the Senator. But I think we have to relate it to gross national product and ability to pay. Otherwise it would be like comparing the generosity of a multimillionnaire with that of a factory worker, in some instances. But I would be the last one to say that America has not been generous. As a matter fact, no country has been more generous over a sustained period of time to friend and foe alike than the United States of America; I believe the Senator is correct.

Mr. HARRY F. BYRD, JR. I will close the discussion, so that the Senator from Minnesota can keep a very important engagement which I know he has——

Mr. HUMPHREY. The Senator is thoughtful.

Mr. HARRY F. BYRD, JR. Let me emphasize again, that regardless of what might be considered the merits of this legislation, the bill before us requests for the United Nations an authorization of 33 percent more than was appropriated for the past fiscal year.

I thank the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Virginia.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HANSEN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1038

Mr. HUMPHREY. Mr. President, I call up my amendment No. 1038, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Minnesota (Mr. HUMPHREY), for himself and Mr. CLARK, proposes an amendment numbered 1038.
>
> On page 5, line 20, beginning with the word "such", strike out through the comma on line 22 and insert in lieu thereof "$50,000,000 for fiscal year 1977,".
>
> On page 5, line 23, immediately before the period, insert the following: "The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977.".

Mr. HUMPHREY. Mr. President, as I understand, this amendment will be the pending business tomorrow.

The PRESIDING OFFICER. It will be.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GARY HART). Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, the International Development and Food Assistance Act of 1975, marks a major breakthrough in U.S. foreign assistance policies. Developed largely by experts in the U.S. Congress after consultation with the Agency for International Development, it includes only economic assistance—development aid, food supplies for the needy, and voluntary contributions to U.N. agencies like UNICEF. H.R. 9005 is an example of what can be accomplished when Members of Congress work together to outline a reasonable and consistent policy which can then be implemented by the executive branch. Military aid, involving entirely different assumptions, will be considered as a separate piece of legislation.

Before addressing the constructive features of H.R. 9005, Mr. President, I would point out that I do not think it is perfect legislation. I plan to support several amendments that will improve it; for example, I am offering with Senators McGOVERN and ABOUREZK an amendment on human rights and economic assistance.

The main directions of this legislation, emphasizing economic and social development, are summarized in a new statement of policy:

> Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in the development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

What does this mean? For one thing our previous policy of providing large loans for industrial facilities usually in the capital city, is being replaced by a grassroots technical assistance approach. Importantly, primary emphasis is put on helping those in need to help themselves.

This new approach should mean greater emphasis on programs reaching rural areas where most people in developing countries live, strengthening indigenous institutions and services at the local level, and providing employment and opportunity for the poor majority to help themselves. Specifically, of the funds authorized in this bill, nearly 50 percent is for food and nutrition, nearly 20 percent is for population planning and health, and the remainder for education, development of technology appropriate to the economic, social and educational concerns of the developing countries.

Needless to say, a program of this type will not be easy to carry out. However, I am hopeful it will encourage the developing countries to generate the will and ability to focus on their own poor majorities.

With respect to food policy, the legislation emphasizes increasing the productivity and income of the rural poor and improving conditions of land tenure, credit, access to fertilizer, water supplies, marketing, transportation, and storage. U.S. agricultural research skills gained by our land-grant colleges will be applied to the particular needs of small farmers in developing countries. These countries must be able to increase their own food productivity and help their own farmers to grow and market larger crops. Unless they do so, foreign food supplies will soon be inadequate to feed rapidly growing populations.

H.R. 9005 calls for increased food aid to those countries most severely affected by inflation, energy problems, and other market conditions. But in the long run, as Norman Borlaug, the Nobel prize winner, has pointed out, "Additional food aid can only buy time to resolve the problems of population growth and low agricultural productivity."

To this end, the legislation stresses population planning and health programs. Congress played an important role in prodding AID to start population work. And now Congress is urging AID to move beyond the traditional, high costs of Western medical systems, which rely primarily on highly trained physicians and stationary clinics. The bill calls for:

> . . . low-cost integrated systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

In both the health and population aspects of this bill, the emphases are on health education, preventive care, and improvement of the health and status of women and the poor. Family planning, in other words, the spacing of pregnancies and prevention of high risk pregnancies to women who are too young, too old, or too ill for uncomplicated pregnancies, is a vital health measure.

In some countries of Africa and Latin America, for instance, family planning is more acceptable when combined with maternal and child health services. But in all countries it is clear that health and family planning services are not now reaching the majority of fertile couples. A renewed effort must be made to increase the availability of services to rural areas.

In the last 2 years there has been a substantial increase in public interest within the developing countries in establishing or expanding family planning programs. Increased requests for assistance for family planning programs now substantially exceed the capacity of bilateral and international funding agencies. For example, the United Nations Fund for Population Activities hopes to have contributions next year of from $90 to $100 million. But, to date, the fund has received requests from governments exceeding $150 million. Considering the urgency of the world population problem, it is a hopeful sign that more than 60 developing countries support population and/or family planning programs either directly or through private voluntary organizations.

A good example of United States assistance encouraging governments to move ahead is evidenced in the Indonesian program. Today in both Java and Bali, 18 percent of married women ages 15–44 are using some form of contraception provided by the Government program—mainly oral contraceptives and IUD's. The U.S. Government contribution to this program, for a number of years larger than the Indonesian contribution, is now significantly less than the money provided for the program by the Indonesian Government. Support from the Indonesian Government can be expected to increase while U.S. aid will eventually be phased out.

Mr. President, I ask unanimous consent to have printed in the RECORD a table which illustrates this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

UNITED STATES AND INDONESIAN GOVERNMENT SUPPORT FOR FAMILY PLANNING PROGRAM IN INDONESIA

[In millions of dollars including contraceptives]

	Fiscal year—								
	1968	1969	1970	1971	1972	1973	1974	1975	1976
U.S. aid	$0.235	$1.237	$0.323	$1.559	$2.158	$7.072	$6.405	$4.233	$7.801
Government of Indonesia	0	.075	.300	1.323	2.300	5.134	5.885	8.400	12.500

Source: U.S. aid Indonesian Presentation Book, August 1975.

Mr. CRANSTON. Although it usually takes at least 5 years for the family planning programs to show a measurable impact, data from a number of countries which initiated programs in the 1960's are now showing declining fertility and increased acceptance of many different forms of family planning.

Mr. President, I would also like to bring to the attention of my colleagues the result of a recent survey on foreign aid. The Chicago Council on Foreign Relations, in a survey conducted by the Harris organization, found that 79 percent of the American public supports the kind of aid program proposed in H.R. 9005—economic aid to the truly needy in poor countries.

I believe that the reasons for encouraging legitimate U.S. foreign aid policies range from the humanitarian to the pragmatic. In a basic sense, it is in our own national interest to support this new approach to foreign assistance. By fortifying the economies of the impoverished countries, we not only promote world stability, but we also promote future markets for U.S. goods and services, as well as guarantee access to essential raw materials. To illustrate our reliance upon third world countries, nearly 40 percent of the U.S. requirements for strategic commodities are met through imports from the developing countries. These nations supply 95 percent of our tin consumed, 75 percent of our manganese, 45 percent of our cobalt, and 43 percent of our bauxite, to name but a few. In 1974, while the United States suffered from an overall balance-of-trade deficit of $3.1 billion, we enjoyed a $2 billion trade surplus with the developing countries. Just as the developing countries want and need our technology and capital, we need the vital resources they can provide.

Summarizing, Mr. President, H.R. 9005 directs the executive to focus its actions on the related problems of food and population to tackle the world food crisis of the past few years. The new approach is, in my judgment, a correct one: to encourage and help the developing countries produce more food and reduce current high fertility levels. The tactics spelled out call for maximum local involvement and participation through programs that reach, above all, the rural poor.

To my mind, this direction is both sensible and humanitarian. Success will not be achieved quickly or easily. However, I believe the American people support an effective approach to provide assistance to people in the developing countries needing and asking for our help. I conclude with a quote from Willy Brandt, who said:

> Morally it makes no difference whether a man is killed in war or is condemned to starve to death by the indifference of others.

Mr. HASKELL. Mr. President, the International Development and Food Assistance Act of 1975 for the first time offers Congress a chance to send to the President a bill containing humanitarian assistance and no military or security aid. This bill, H.R. 9005, fully incorporates the "new directions" mandate of the Foreign Assistance Act of 1973. The highest priority is given to projects which directly improve the lives of the poorest people and which allow them to participate in their countries' development.

There are many commendable features to this bill. The emphasis is on aid to people rather than to governments. Increased production of food is stressed over industrialization. In addition, the development aspect of the legislation is sensitive to the economic and cultural patterns of the recipient nations. U.S. disaster relief efforts are consolidated so as to be more immediately responsive and effective in coping with natural disasters. A start is made on a program of maintaining a system of international food reserves to minimize the impact of severe local food shortages. The full range of problems confronting the people of lesser developed countries are attacked through projects for improving nutrition, rural development, education, population planning, and public administration.

Because H.R. 9005 contains no funds for military or security aid and because of many positive humanitarian aspects, this bill has received unprecedented support from the U.S. public and from private agencies.

For years, it has been maintained that a foreign aid bill could not pass on its own. But the response to the International Development Act belies this claim. It also belies the contention that Americans are isolationists. It is clear that the public has little enthusiasm for U.S. military involvement abroad. And many thoughtful citizens have pointed out the contradiction of sending massive amounts of weapons to indigent countries. The International Development and Food Assistance Act offers a positive alternative to those discredited policies. The resources, the good will, and the knowhow of the American public are mobilized to benefit the people who need it most. Voluntary agencies and the world food program are given primary responsibility for distributing the food available under title II of the food-for-peace program. The land- and sea-grant colleges of the United States, which have done so much to make American agriculture the most productive in the world, are enlisted in the challenge to provide enough food for the world. It is this type of American participation in world problems around which the public can rally.

This year the separation of the economic and military aid bills resulted from delays in the request for military aid to the Middle East. The American people, however, have demonstrated their support for a bill which is designed exclusively to provide humanitarian aid to the poor and hungry of the world. The lesson is clear. The precedent of this year should become the policy of the future. Let us continue to separate military from economic aid, and let foreign assistance bills become an annual testiment to the generosity and concern of America.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standard order, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF H.R. 9005

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the conclusion of routine morning business, the Senate resume consideration of the bill H.R. 9005. The pending question at that time will be on the adoption of the amendment by Mr. HUMPHREY.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK CITY AND DETROIT—TALE OF TWO CITIES

Mr. GRIFFIN. Mr. President, in reporting recently on the financial problems of New York City, the Wall Street Journal noted that President Ford's proposal bears a close resemblance to a plan already put forth by the New York State Emergency Financial Control Board. That plan would put New York City under a type of State-administered receivership, not unlike a city in bankruptcy. The Journal article went on:

> Such receiverships have worked in the past. Bond analysts say no local governmental body has ever failed to pay off general obligations bonds, despite bankruptcy, although the holders had to wait for their money.
>
> Detroit provides an example of how this can be done. In the 1920's the city boomed, riding on the coattails of the burgeoning automobile industry and soaring real-estate prices. But with the coming of the Depression, the city was in trouble.
>
> The city slashed its operating budget, fired hundreds of employees, cut services and reduced salaries. For a while, salaries were paid only in scrip.
>
> Even so, the city went into default February 14, 1933. The city administration and a bondholders' committee declared a moratorium on debt payments and agreed to a refunding plan. The refunding plan cost Detroit several million dollars in fees and $125 million in added interest costs.
>
> But according to the Advisory Commission on Intergovernmental Relations in Washington, "the refunding plan worked out even better than could have been expected," and the city eventually paid off all of its back debts.

The people of Detroit have reason to be proud of the management and effort which enabled that city, notwithstanding its bankrupt condition in the thirties, finally to recover and regain the solid financial footing it enjoyed prior to the Depression.

Since that time, Detroit has remained subject to the ups and downs of the national economy to a far greater extent than most American cities. It is often said, with good reason, that when the rest of the country catches an economic cold, Detroit gets pneumonia. Today, Detroit again is suffering economic problems—problems not unlike those experienced by New York City in some respects. There is, however, one major difference. Detroit is not about to default.

There has been a good deal of testimony about the efforts made by New York City to put its fiscal house in order. The witnesses—bankers and city officials for the most part—have tried hard to convince Congress that New York City has instituted severe and painful cutbacks both in its budget and the number of city employees. But, frankly, the record so far is not very impressive, particularly when one compares New York's efforts with the current efforts being made by Detroit to maintain financial stability.

We are told that New York City will reduced its payroll from the staggering total of 294,000 employees to 263,000. But that is a cutback of only about 10 percent. During the past 18 months Detroit has reduced the number of employees on its payroll by 20 percent.

We are told that New York City will reduce its $12.3 billion budget by $200,000,000, which amounts to a reduction of about 1.6 percent. That is a lot of money. But it is nowhere near the 8-percent budget cut recently made by Detroit. Frankly, I find it hard to take Mayor Beame seriously when he pleads, "We can do no more."

In Detroit, there are opportunities to gain an excellent college education. But a Detroit student who attends Wayne State University, for example, pays up to $1,200 a year for tuition. By contrast, students who attend the City University of New York pay no tuition and only $110 a year in fees.

A recent report on New York City, prepared by the Congressional Budget Office, reflects quite a difference between Detroit and New York City in the cost to taxpayers of essential municipal services. For example, in New York City there are 243 employees per 10,000 of population who perform the same services that are performed in Detroit by 202 employees per 10,000 of population. Furthermore, it costs New Yorkers $435 per person to provide those services, whereas Detroiters pay $396. And it should be noted that cost of living in the two cities is very nearly the same.

It was reported last week that Detroit could face a budget deficit of up to $55 million by June 30. Mayor Young and his city council are considering ways to deal with the problem. One solution proposed is to raise the city income tax from 2 percent to 3 percent—that would be a hike of 50 percent. In addition, Detroit officials are considering ways to cut back still further on city services to bring its budget into balance.

In an October 23 editorial, the Wall Street Journal pointed out that, with a debt service suspension and a cutback of 8 percent in spending, New York City's income and outgo would be in balance. I cannot believe that is too much to expect—in light of the fact that Detroit has already cut its budget by 8 percent and is prepared to do more, if necessary, to meet its current fiscal problems.

There are times in the life of a city when it encounters unfortunate—even grave—reverses in fortune. Such times work hardships and burdens upon the city and its people, which no one enjoys. But dealing with the crisis provides a real test of the city's leadership and the concern of its people for maintaining it as a good place in which to live and work. Indeed, it is not uncommon for a city to emerge from difficulty all the wiser for the experience—and, having corrected past mistakes, to go on to build a better life.

I would like to believe that lessons learned by the city of Detroit in the past may have enabled its leaders and its people to deal with recent problems in a sensible, business like manner. Detroiters suffered during their crisis; they worked together and pulled the city through.

New Yorkers, I believe, have the same resourceful qualities and energies as Detroiters. I am confident that they, too, have the ability to work and pull together. And if they do so, it will be good for the country as well as for New York City.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 9:30 a.m. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume consideration of bill H.R. 9005. The pending question at that time will be on the adoption of the amendment by Mr. HUMPHREY.

At the hour of about 12:15 p.m., the Senate will proceed in a body to the Hall of the House of Representatives to hear an address in a joint meeting by President Sadat of Egypt. That address will be delivered about 12:30 p.m. Upon the conclusion of that address, the Senate will reassemble and will resume action on H.R. 9005.

Rollcall votes could occur prior to the hour of 12:15 p.m., when the Senate will proceed in a body to the Hall of the House of Representatives, and rollcall votes will certainly occur upon the reassemblage of the Senate following the address by President Sadat.

There will be rollcall votes tomorrow. I think there is a 1-hour limitation on each of three remaining amendments by the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.). Other amendments may be offered, and hopefully, the Senate will complete action on the bill, H.R. 9005, tomorrow.

Upon the disposition of H.R. 9005, the Senate will take up Senate Resolution 9, and upon the disposition of Senate Resolution 9, the Senate will take up S. 5.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. GRIFFIN. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:29 p.m., the Senate adjourned until tomorrow, Wednesday, November 5, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 4, 1975:

DEPARTMENT OF TRANSPORTATION

Robert W. Hooker, Jr., of the District of Columbia, to be an Assistant Secretary of Transportation, vice Robert Timothy Monagan, Jr., resigned.

DEPARTMENT OF DEFENSE

Donald Rumsfeld, of Illinois, to be Secretary of Defense, vice James R. Schlesinger.

CENTRAL INTELLIGENCE

George Bush, of Texas, to be Director of Central Intelligence, vice William Egan Colby.

CONFIRMATION

Executive nomination confirmed by the Senate November 4, 1975:

ASIAN DEVELOPMENT BANK

Lessel Roy Papp, of Illinois, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, November 4, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

O taste and see that the Lord is good: blessed is the man that trusteth in him.—Psalms 34: 8.

O God, our Father who giveth life to all and light for each new day, we lift our hearts unto Thee praying for wisdom, strength, and love as we face the tasks of this week. Help us to be great in heart, genuine in faith, generous in spirit, and good in mind that the work done may be for the highest welfare of our Nation and of all nations.

Whatever experiences come to us this day, grant that we may meet them with quick confidence, true faith, and neverending good will. Keep us ever faithful to our faith and loyal to our Lord, in whose spirit we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had receded from its amendments numbered 1 and 2 to the bill of the House of the following title:

H.R. 6334. An act to amend further the Peace Corps Act.

And that it further insisted on its amendment numbered 4, to the foregoing bill.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

BOULOS STEPHAN

The Clerk called the bill (H.R. 1391) for the relief of Boulos Stephan.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

KEVIN PATRICK SAUNDERS

The Clerk called the bill (H.R. 1645) for the relief of Kevin Patrick Saunders.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 1647) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2399) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask

unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

JULIET ELIZABETH TOZZI

The Clerk called the bill (H.R. 1425) for the relief of Juliet Elizabeth Tozzi.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VALERIE ANN PHILLIPS, NEE CHAMBERS

The Clerk called the bill (H.R. 4046) for the relief of Valerie Ann Phillips, nee Chambers.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MITSUE KARIMATA STONE

The Clerk called the bill (H.R. 4113) for the relief of Mitsue Karimata Stone.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DAY'S SPORTSWEAR, INC.

The Clerk called the bill (H.R. 4654) for the relief of Day's Sportswear, Inc.

There being no objection, the Clerk read the bill, as follows:

H.R. 4654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Day's Sportswear, Incorporated, a corporation organized under the laws of the State of Washington, the sum of $23,077.01. The payment of such sum shall be in full settlement of all claims of said corporation against the United States for credit or refunds of customs duties arising out of the classification of certain imported textile fabrics in chief weight of wool entered by said corporation at the port of Tacoma, Washington, between August 10, 1970, and July 19, 1971, inclusive.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN J. EGAN

The Clerk called the resolution (H. Res. 222) referring the bill (H.R. 3374) for the relief of John J. Egan to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code.

There being no objection, the Clerk read the resolution, as follows:

H. Res. 222

Resolved, That H.R. 3374, entitled "A bill for the relief of John J. Egan", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JAMES J. CALDWELL

The Clerk called the bill (H.R. 2943) for the relief of the estate of James J. Caldwell.

There being no objection, the Clerk read the bill, as follows:

H.R. 2943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of James J. Caldwell, of Menominee County, Wisconsin, the sum of $19,145.18, in full settlement of all claims against the United States of the said James J. Caldwell, or his successors, arising out of the erroneous action of the Bureau of Indian Affairs in deducting civil service retirement benefits from the salary of the said James J. Caldwell and failing to deduct appropriate contributions for social security retirement purposes from such salary while he was employed at the Menominee Indian Mills, Menominee County, Wisconsin, during the period from October 31, 1957, through March 25, 1961.

Sec. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in an amount not in excess of $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN T. KNIGHT

The Clerk called the bill (H.R. 6852) for the relief of John T. Knight.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that further reading of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE ADMINISTRATION'S CHANGES ARE UNFORTUNATE

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the President's action in replacing Defense Secretary Schlesinger and CIA Director Colby is disappointing and, in my opinion, unfortunate.

The breakup of a highly qualified defense team is not in the best interest of our country. Mr. Schlesinger's work as Secretary has been of superior quality. He knows the job. The Congress appreciates his expertise and his sincerity. Regardless of the ability of his successor, there must be a learning stage and a period of wait and see, which is unfortunate particularly at this time.

There have been basic differences between Mr. Kissinger and Mr. Schlesinger. In part, those differences have been over the amount of money needed for defense. It is to be hoped that the present action does not result in a weakening of the Nation's defense posture and the placing of too much authority in the hands of one individual in the administration.

Mr. Colby has demonstrated his ability to hold the CIA together despite determined efforts to discredit and to weaken and, perhaps destroy the Agency. Those efforts will be renewed rather than reduced with a new hand at the helm.

Mr. Rockefeller may have seen the handwriting on the wall. There has been general speculation that the President wanted a new running mate. Mr. Rockefeller's basic differences with many Republican leaders has not improved and his presence on the President's team has not brought the liberal support which was anticipated.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8365, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8365), making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR ADMINISTRATION OF FOREIGN AFFAIRS; INTERNATIONAL ORGANIZATIONS, CONFERENCES, AND COMMISSIONS; INFORMATION AND CULTURAL EXCHANGE; AND FOR OTHER PURPOSES

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that it shall be in order in the House to take from the Speaker's table the Senate bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes, and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof as one amendment in the nature of a substitute the provisions contained in the bills H.R. 4510, H.R. 5810, H.R. 7500, and H.R. 7567, as passed by the House.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill as follows:

S. 1517

An act to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Relations Authorization Act, Fiscal Year 1976".

TITLE I—ADMINISTRATION OF FOREIGN AFFAIRS

PART 1—DEPARTMENT OF STATE

AUTHORIZATION

SEC. 101. (a) There are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for the "Administration of Foreign Affairs", $435,755,000; and

(2) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

(c) The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 17. The Secretary of State is authorized to use appropriated funds for unusual expenses similar to those authorized by section 5913 of title 5, United States Code, incident to the operation and maintenance of the living quarters of the United States Representative to the Organization of American States.".

(d) Of the funds authorized to be appropriated by subsection (a)(1) of this section, the sum of $1,000,000 shall be available for the establishment of a new travel document and issuance system by the Passport Office.

BEQUEST OF AMBASSADOR THURSTON

SEC. 102. There is authorized to be appropriated to the Department of State for fiscal year 1976 the sum of $125,000, to remain available until expended, for the purpose of furnishing or refurnishing the diplomatic reception rooms of the Department of State, such sum representing the amount bequeathed by the late Ambassador Walter Thurston to the United States of America.

CRITERIA REGARDING SELECTION AND CONFIRMATION OF AMBASSADORS

SEC. 103. The Act of August 1, 1956 (Public Law 84–885; 70 Stat. 890) is amended by adding at the end thereof the following new section:

"SEC. 18. It is the sense of the Congress that the position of United States ambassador to a foreign country should be accorded to men and women possessing clearly demonstrated competence to perform ambassadorial duties. No individual should be accorded the position of United States ambassador to a foreign country primarily because of partisan political activity or financial contributions to political campaigns.".

REOPENING OF UNITED STATES CONSULATE AT GOTHENBURG, SWEDEN

SEC. 104. (a) It is the sense of the Congress that the United States Consulate at Gothenburg, Sweden, should be reopened as soon as possible after the date of enactment of this Act.

(b)(1) There are authorized to be appropriated for the Department of State for fiscal year 1976, in addition to amounts authorized under section 101 of this Act, such sums as may be necessary for the operation of such consulate.

(2) Amounts appropriated under this subsection are authorized to remain available until expended.

AGRICULTURAL ATTACHE IN CHINA

SEC. 105. It is the sense of the Congress that the President should establish an agricultural attaché in the Peoples' Republic of China.

PART 2—ARMS CONTROL AND DISARMAMENT AGENCY

AUTHORIZATION

SEC. 141. Section 49(c) (22 U.S.C. 2589 (a)) of the Arms Control and Disarmament Act is amended by inserting in the second sentence thereof, immediately after "$10,100,000", a comma and the following: "and for the fiscal year 1976, the sum of $12,130,000".

STUDY REGARDING IMPACT OF CERTAIN ARMS CONTROL MEASURES UPON MILITARY EXPENDITURES

SEC. 142. Of the amount authorized under section 141 of this Act, not to exceed $1,000,000 shall be available for the purpose of conducting a study regarding the impact upon military expenditures of arms control agreements entered into by the United States and the Soviet Union. The Director of the Arms Control and Disarmament Agency shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate not later than July 1, 1976, a report with respect to the study conducted pursuant to this section.

RESEARCH REGARDING DEVELOPMENT OF NUCLEAR SAFEGUARD TECHNIQUES

SEC. 143. Of the amount authorized to be appropriated under section 141 of this Act, not to exceed $440,000 shall be available for the purpose of conducting research, in consultation with the International Atomic Energy Agency, with respect to the development of nuclear safeguard techniques.

PURPOSES OF ARMS CONTROL AND DISARMAMENT ACT

SEC. 144. Section 2 of the Arms Control and Disarmament Act (22 U.S.C. 2551) is amended by striking out "It must be able" in the second sentence of the third paragraph and inserting in lieu thereof "It shall have the authority, under the direction of the President and the Secretary of State,".

NATIONAL SECURITY COUNCIL

SEC. 145. Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by inserting ", the National Security Council," immediately after "Secretary of State" in the first sentence.

ARMS CONTROL AND DISARMAMENT IMPACT STATEMENT

SEC. 146. Title III of the Arms Control and Disarmament Act (22 U.S.C. 2571–2575) is amended by adding at the end thereof the following:

"ARMS CONTROL IMPACT INFORMATION AND ANALYSIS

"SEC. 36. (a) In order to assist the Director in the performance of his duties with respect to arms control and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

"(1) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to nuclear armaments, nuclear implements of war, military facilities or military vehicles designed or intended primarily for the delivery of nuclear weapons,

"(2) any other program involving weapons systems or technology which such Government agency and the Director agree may have a significant impact on arms control and disarmament policy or negotiations, shall, on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

"(b)(1) The Director, as he deems appropriate, shall assess and analyze each program described in subsection (a) with respect to its impact on arms control and disarmament policy and negotiations, and shall advise and make recommendations, on the basis of such assessment and analysis, to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program.

"(2) Any request to the Congress for authorization of appropriations for any program described in subsection (a) shall include a complete statement analyzing the impact of such program on arms control policy and negotiations.

"(3) Upon the request of the Committee on Armed Services of the Senate or the House of Representatives, the Committee on Appropriations of the Senate or the House of Representatives, the Committee on Foreign Relations of the Senate, or the Committee on International Relations of the House of Representatives or the Joint Committee on Atomic Energy, the Director shall, after informing the Secretary of State, advise such committee on the arms control and disarmament implications of any program with respect to which a statement has been submitted to the Congress pursuant to paragraph (2).

"(c) No court shall have any jurisdiction under any law to compel the performance of any requirement of this section or to review the adequacy of the performance of any such requirement on the part of any Government agency (including the Agency and the Director).".

SECURITY REQUIREMENTS FOR CERTAIN CONSULTANTS AND CONTRACTORS

SEC. 147. (a)(1) The second sentence of section 45(a) of the Arms Control and Disarmament Act (22 U.S.C. 2585(a)) is amended by striking out "The Director" and inserting in lieu thereof "Except as provided in subsection (d), the Director".

(2) The fifth sentence of section 45(a) of such Act is amended by striking out "No person" and inserting in lieu thereof "Except as provided in subsection (d), no person".

(3) Section 45 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The investigations and determination required under subsection (a) may be waived by the Director in the case of any consultant who will not be permitted to have access to classified information if the Director determines and certifies in writing that such waiver is in the best interests of the United States.".

(b) Section 45(b) of such Act (22 U.S.C. 2585(b)) is amended by adding at the end thereof the following: "Notwithstanding the foregoing and the provisions of subsection (a), the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned; except that any access to Restricted Data shall be subject to the provisions of subsection (e).".

ACCESS TO CLASSIFIED INFORMATION

SEC. 148. Section 45(b) of the Arms Control and Disarmament Act is amended by adding at the end thereof the following: "Notwithstanding the foregoing and the provisions of subsection (a) of this section, the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned, except that access to restricted data shall be subject to the provisions of subsection (c) of this section."

PUBLIC INFORMATION

SEC. 149. Section 49(d) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (d)) is amended by striking out "None" and inserting in lieu thereof "Except as may be necessary to carry out the purposes of this Act specified under section 2(c), none".

REPORT TO CONGRESS; POSTURE STATEMENT

SEC. 150. Section 50 of the Arms Control and Disarmament Act (22 U.S.C. 2590) is amended by adding at the end thereof the following new sentence: "Such report shall include a complete and analytical statement of arms control and disarmament goals, negotiations, and activities and an appraisal of the status and prospects of arms control negotiations and of arms control measures in effect.".

CONSULTATION REGARDING ARMS TRANSFERS

SEC. 151. (a) Section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934) is amended by adding at the end thereof the following new section:

"(f) Decisions on issuing licenses for the export of articles on the United States munitions list shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.".

(b) Section 42(a) of the Foreign Military Sales Act (22 U.S.C. 2791(a)), is amended by striking out "(3)" and inserting in lieu thereof "(3) in coordination with the Director of the United States Arms Control and Disarmament Agency, the Director's opinion as to".

(c) Section 511 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321(d)) is amended by striking out the words "take into account" and inserting in lieu thereof "be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account his opinion as to".

PART 3—FOREIGN SERVICE BUILDINGS

AUTHORIZATION

SEC. 171. Section 4 of the Foreign Service Buildings Act 1926 (22 U.S.C. 295), is amended—

(1) by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (g) the following new subsection:

"(h) In addition to amounts authorized before the date of enactment of this subsection, there is authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums:

"(A) for use in the Near East and South Asia, $3,985,000 for the fiscal year 1976; and

"(B) for facilities for the United States Information Agency, $2,800,000 for the fiscal year 1976;

"(2) for use to carry out the other purposes of this Act for the fiscal year 1976, $32,840,000,"; and

(2) by striking out paragraph (2) of subsection (i) as so redesignated by paragraph (1) of this Act, and inserting in lieu thereof the following new paragraph:

"(2) Not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), and (h) of this section may be used for any of the purposes for which funds authorized under any other subparagraph of paragraph (1) of any such subsection.".

TITLE II—INTERNATIONAL ORGANIZATIONS, CONFERENCES, AND COMMISSIONS

GENERAL AUTHORIZATIONS

SEC. 201. (a) There are authorized to be appropriated for the Department of State for the fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for "International Organizations and Conferences", $250,228,000;

(2) for "International Commissions", $19,993,000; and

(3) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

SPECIAL AUTHORIZATION FOR UNESCO AND ICAO

SEC. 202. There are authorized to be expended $3,089,000 to complete the United States contribution toward the calendar year 1974 budgets of the United Nations Educational, Scientific, and Cultural Organization and the International Civil Aviation Organization and the International Civil Aviation Organization, notwithstanding that such payments are in excess of 25 per centum of the total annual assessment of such organizations.

LIMITATIONS ON CONTRIBUTIONS AND PAYMENTS TO IAEA, ICAO, AND UNITED NATIONS PEACEKEEPING ACTIVITIES

SEC. 203. Public Law 92–544 (86 Stat. 1109, 1110) is amended, in the paragraph headed "CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS" under "INTERNATIONAL ORGANIZATIONS AND CONFERENCES", by inserting a period after "organization", striking out the text following and inserting in lieu thereof the following: "Appropriations are authorized and contributions and payments may be made to the following organizations and activities notwithstanding that such contributions are in excess of 25 per centum of the total annual assessment of the respective organization or 33⅓ per centum of the budget for the respective activity: the International Atomic Energy Agency, the joint financing program of the International Civil Aviation Organization, and contributions for international peacekeeping activities conducted by or under the auspices of the United Nations or through multilateral agreements.".

ANNUAL CONTRIBUTION TO INTERPARLIAMENTARY UNION

SEC. 204. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended by—

(1) striking out $120,000" and inserting in lieu thereof "$170,000"; and

(2) striking out "$75,000" and inserting in lieu thereof "$125,000".

DELEGATES TO INTERPARLIAMENTARY UNION

SEC. 205. The Act of June 30, 1958 (Public Law 85–474; 72 Stat. 244) is amended by adding at the end thereof the following new sentence: "Not less than two Senators so designated shall be members of the Committee on Foreign Relations.".

TITLE III—INFORMATION AND CULTURAL EXCHANGE

PART I—UNITED STATES INFORMATION AGENCY AUTHORIZATIONS

SEC. 301. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1976, to carry out international information activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 8 of 1953, and other purposes authorized by law, the following amounts:

(1) for "Salaries and Expenses" and "Salaries and Expenses (special foreign currency program)", $157,692,000;

(2) for "Special International Exhibitions", $6,187,000;

(3) for "Acquisition and Construction of Radio Facilities", $10,135,000; and

(4) such additional amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, or other nondiscretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

VOICE OF AMERICA CHARTER

SEC. 302. Title V of the United States Information and Educational Exchange Act of 1948 is amended by adding at the end thereof the following new section:

"VOICE OF AMERICA CHARTER

"SEC. 503. The long-range interests of the United States are served by communicating directly with the peoples of the world by radio. To be effective, the Voice of America (the Broadcasting Service of the United States Information Agency) must win the attention and respect of listeners. These principles will govern Voice of America (VOA) broadcasts:

"(1) VOA will serve as a consistently reliable and authoritative source of news. VOA news will be accurate, objective, and comprehensive.

"(2) VOA will represent America, not any single segment of American society, and will therefore present a balanced and comprehensive projection of significant American thought and institutions.

"(3) VOA will present the policies of the United States clearly and effectively, and will also present responsible discussion and opinion on these policies.".

PART 2—EDUCATIONAL EXCHANGE

AUTHORIZATION

SEC. 341. (a) There are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for "Educational Exchange", $74,000,000; and

(2) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

PART 3—RADIO FREE EUROPE AND RADIO LIBERTY

AUTHORIZATION

SEC. 371. Secton 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

(1) by striking out "$48,990,000 for fiscal year 1975, of which not less than $75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than $75,000 shall be available solely to initi-

ate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof "$65,640,000 for fiscal year 1976"; and

(2) by striking out "fiscal year 1975" in the second sentence and inserting in lieu thereof "fiscal year 1976".

TITLE IV—MISCELLANEOUS

PART 1—FOREIGN SERVICE

LIMITATION ON NUMBER OF SCHEDULE C-TYPE FOREIGN SERVICE RESERVE APPOINTMENTS

SEC. 401. Section 522 of the Foreign Service Act of 1946 is amended as follows:

(1) Immediately after "SEC. 522." insert "(a)".

(2) At the end thereof add the following new subsections:

"(b) The Secretary of State shall by regulation establish procedures to insure that—

"(1) all persons hired as Foreign Service Reserve officers are selected in accordance with generally established merit-hiring principles, intended to assure that the best available personnel are hired as such officers;

"(2) all Foreign Service Reserve officers are assigned and promoted on a strictly competitive basis in accordance with recognized merit standards; and

"(3) all Foreign Service Reserve officers are selected for conversion to career status on the basis of (A) merit standards and the needs of the Service, or (B) for officers hired prior to the enactment of this section, policies announced by the Department of State.

"(c) The Secretary of State is authorized to employ and assign persons to serve as Foreign Service Reserve officers in policy support or confidential employee positions without regard to subsection (a) of this section or any provision of law relating to employee classification, except that on and after October 1, 1976, not more than fifty persons may serve at the same time in the Department of State in such positions. The Secretary of State shall transmit as part of the annual budget presentation materials to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report concerning any assignments under the authority of this section.".

FOREIGN SERVICE ASSIGNMENTS TO PUBLIC ORGANIZATIONS

SEC. 402. (a) Section 576 of part II of title V of the Foreign Service Act of 1946, as amended, is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) Each Foreign Service officer shall before his fifteenth year of service as an officer, be assigned in the United States, or any territory or possession thereof, for significant duty with a State or local government, public school, community college, or other public organization designated by the Secretary. Such duty may include assignment to a Member or office of the Congress, except that of the total number of officers assigned under this section at any one time, not more than 20 per centum may be assigned to Congress, and no officer assigned to Congress may serve as a staff member of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives.

"(2) To the extent practical, assignments shall be for at least twelve consecutive months and may be on a reimbursable basis. Any such reimbursements shall be credited to and used by the appropriations made available for the salaries and expenses of officers and employees.".

(2) Strike out the second and third sentences of subsection (b).

(3) At the end thereof add the following new subsections:

"(e) Not later than six months after the date of enactment of this section, the Secretary shall transmit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate describing the steps he has taken to carry out the provisions of this section; and he shall transmit such reports annually thereafter.

"(f) The provisions of this section shall apply only to a Foreign Service officer who has completed his tenth year of service as such an officer on or after October 1, 1975. The Secretary may exempt any Foreign Service officer from the provisions of this section if he determines such exemption to be in the national interest; however, he shall include a full explanation of any such determination in the annual report to the Congress required under subsection (e) of this section.".

TECHNICAL AMENDMENTS RELATING TO PERSONNEL ADMINISTRATION

SEC. 403. (a) Section 621 of the Foreign Service Act of 1946, as amended, is further amended by adding the following sentence at the end thereof: "A Foreign Service officer who has executed the affidavits described in sections 3332 and 3333 of title 5, United States Code, shall not again be required to execute such affidavits upon successive promotions to higher classes without a break in service.".

(b) Section 625 of such Act is amended to read as follows: "Any Foreign Service officer or any reserve officer whose services meet the standards required for the efficient conduct of the work of the Service and who has been in a given class for a continuous period of nine months or more, shall, on the first day of the first pay period that begins on or after July 1 each year, receive an increase in salary to the next higher rate for the class in which he is serving. Credit may be granted in accordance with such regulations as the Secretary may prescribe toward such nine-month period for prior Federal or District of Columbia civilian government service performed subsequent to the officer's last receipt of an equivalent increase in pay and subsequent to any break in service in excess of three calendar days. Without regard to any other provision of law, the Secretary is authorized to grant to any such officer additional increases in salary, within the salary range established for the class in which he serves, based upon especially meritorious service.".

GRIEVANCE PROCEDURE

SEC. 404. (a) Title VI of the Foreign Service Act of 1946 (22 U.S.C. 981) is amended by adding at the end thereof the following new part:

"PART J—FOREIGN SERVICE GRIEVANCES

"STATEMENT OF PURPOSE

"SEC. 691. It is the purpose of this part to provide officers and employees of the Service and their survivors a grievance procedure to insure the fullest measure of due process, and to provide for the just consideration and resolution of grievances of such officers, employees, and survivors.

"REGULATIONS OF THE SECRETARY

"SEC. 692. The Secretary shall, consistent with the purposes stated in section 691 of this Act, implement this part by promulgating regulations, and revising those regulations when necessary, to provide for the consideration and resolution of grievances by a board. No such regulation promulgated by the Secretary shall in any manner alter or amend the provisions of due process established by this section for grievants. The regulations shall include, but not be limited to, the following:

"(1) Informal procedures for the resoluton of grievances in accordance with the purposes of this part shall be established by agreement between the Secretary and the organization accorded recognition as the exclusive representative of the officers and employees of the Service. If a grievance is not resolved under such procedures within sixty days, or if no such procedures have been established, a grievant shall be entitled to file a grievance with the board for its consideration and resolution. For the purposes of the regulations—

"(A) 'grievant' shall mean any officer or employee of the Service, or any such officer or employee separated from the Service, who is a citizen of the United States, or in the case of death of the officer or employee, a surviving spouse or dependent family member of the officer or employee;

"(B) 'grievance' shall mean a complaint against any claim of injustice or unfair treatment of such officer or employee arising from his employment or career status, or from any actions, documents, or records, which could result in career impairment or damage, monetary loss to the officer or employee, or deprivation of basic due process, and shall include, but not be limited to, actions in the nature of reprisals and discrimination, actions related to promotion or selection out, the contents of any efficiency report, related records, or security records, and actions in the nature of adverse personnel actions, including separation for cause, denial of a salary increase within a class, written reprimand placed in a personnel file, or denial of allowances; and

"(C) 'foreign affairs agency', 'agency', and 'agencies' shall mean the Department of State, the United States Information Agency, and the Agency for International Development.

"(2)(A) The board considering and resolving grievances shall be composed of independent, distinguished citizens of the United States well known for their integrity, who are not officers or employees of the Department, the Service, the Agency for International Development, or the United States Information Agency. The board shall consist of a panel of three members, one of whom shall be appointed by the Secretary, one of whom shall be appointed by the organization accorded recognition as the exclusive representative of the officers and employees of the Service, and one who shall be appointed by the other two members from a roster of twelve independent, distinguished citizens of the United States well known for their integrity who are not officers or employees of the Department, the Service, or either such agency, agreed to by the Secretary and such organization. Such roster shall be maintained and kept current at all times. If no organization is accorded such recognition at any time during which there is a position on the board to be filled by appointment by such organization or when there is no such roster since no such organization has been so recognized, the Secretary shall make any such appointment in agreement with organizations representing officers and employees of the Service. If members of the board (including members of additional panels, if any) find that additional panels of three members are necessary to consider and resolve expeditiously grievances filed with the board, the board shall determine the number of such additional panels necessary, and appointments to each such panel shall be made in the same manner as the original panel. Members shall (i) serve for two-year terms, and (ii) receive compensation, for each day they are performing their duties as members of the board (including traveltime), at the daily rate paid an individual at GS-18 of the General Schedule under section 5332 of title 5, United States Code. Whenever there are two or more panels, grievances shall be referred to the panels on a rotating basis. Except in the case of duties, powers, and responsibilities under this paragraph (2), each panel is authorized to exercise all duties, powers, and responsibilities of the board. The members of the board shall elect, by a majority of those members present and voting, a chairman from among the members for a term of two years.

"(B) In accordance with this part, the board may adopt regulations governing the organization of the board and such regulations as may be necessary to govern its proceedings. The Board may obtain such facilities and supplies through the general administrative services of the agencies, and appoint and fix the compensation of such officers and employees as the board considers necessary to carry out its functions. The officers and employees so appointed shall be responsible solely to the board. All expenses of the board shall be paid out of funds appropriated to the agencies for obligation and expenditure by the board. The records of the board shall be maintained by the board and shall be separate from all other records of the agencies.

"(3) A grievance under such regulations is forever barred, and the board shall not consider or resolve the grievance, unless the grievance is filed within a period of three years after the occurrence or occurrences giving rise to the grievance, except that if the grievance arose prior to the date the regulations are first promulgated or placed into effect, the grievance shall be so barred, and not so considered and resolved, unless it is filed within a period of five years after the date of enactment of this part. There shall be excluded from the computation of any such period any time during which the grievant was unaware of the grounds which are the basis of the grievance and could not have discovered such grounds if it had exercised, as determined by the board, reasonable diligence.

"(4) The board shall conduct a hearing in any case filed with it. A hearing shall be open unless the board for good cause determines otherwise. The grievant and, as the grievant may determine, his representative or representatives are entitled to be present at the hearing. Testimony at a hearing shall be given by oath or affirmation, which any board member shall have authority to administer (and this paragraph so authorizes). Each party (A) shall be entitled to examine and cross-examine witnesses at the hearing or by deposition, and (B) shall be entitled to serve interrogatories upon another party and have such interrogatories answered by the other party unless the board finds such interrogatory irrelevant or immaterial. Upon request of the board or grievant, the agencies shall promptly make available at the hearing or by deposition any witness under the control, supervision, or responsibility of the agencies, except that if the board determines that the presence of such witness at the hearing would be of material importance, then the witness shall be made available at the hearing. If the witness is not made available in person or by deposition within a reasonable time as determined by the board, the facts at issue shall be construed in favor of the grievant. Depositions of witnesses (which are hereby authorized, and may be taken before any official of the United States authorized to administer an oath or affirmation, or, in the case of witnesses overseas, by deposition on notice before an American consular officer) and hearings shall be recorded and transcribed verbatim.

"(5) Any grievant filing a grievance, and any witness or other person involved in a proceeding before the board, shall be free from any restraint, interference, coercion, discrimination, or reprisal. The grievant has the right to a representative of his own choosing at every stage of the proceedings. The grievant and his representatives who are under the control, supervision, or responsibility of the agencies shall be granted reasonable periods of administrative leave to prepare, to be present, and to present the grievance of such grievant. Any witness under the control, supervision, or responsibility of the agencies shall be granted reasonable periods of administrative leave to appear and testify at any such proceeding.

"(6) In considering the validity of a grievance, the board shall have access to any document or information considered by the board to be relevant, including, but not limited to, the personnel and, under appropriate security measures, security records of such officer or employee, and of any rating or reviewing officer (if the subject matter of the grievance relates to that rating or reviewing officer). Any such document or information requested shall be provided promptly by the agencies. A rating officer or reviewing officer shall be informed by the board if any report for which he is responsible is being examined.

"(7) The agencies shall promptly furnish the grievant any such document or information (other than any security record or the personnel or security records of any other officer or employee of the Government) which the grievant requests to substantiate his grievance and which the board determines is relevant and material to the proceeding.

"(8) The agencies shall expedite any security clearance whenever necessary to insure a fair and prompt investigation and hearing.

"(9) The board may consider any relevant evidence or information coming to its attention and which shall be made a part of the records of the proceeding.

"(10) If the board determines that (A) a foreign affairs agency is considering any action (including, but not limited to, separation or termination) which is related to, or may affect, a grievance pending before the board, and (B) the action should be suspended, the agency shall suspend such action until the board has ruled upon such grievance.

"(1) Within sixty days after the conclusion of any hearing, the board shall make written findings and issue a statement of reasons for its decision. If the board resolves that the grievance is meritorious—

"(A) and determines that relief should be provided that does not directly relate to the promotion, assignment, or selection out of such officer or employee, it shall direct the Secretary to grant such relief as the board deems proper under the circumstances, and the resolution and relief granted by the board shall be final and binding upon all parties; or

"(B) and determines that relief should be granted that directly relates to any such promotion, assignment, or selection out, it shall certify such resolution to the Secretary, together with such recommendations for relief as it deems appropriate and the entire record of the board's proceedings, including the transcript of the hearing, if any. The board's recommendations are final and binding on all parties, except that the Secretary may reject any such recommendation only if he determines that the foreign policy or security of the United States will be adversely affected. Any such determination shall be fully documented with the reasons therefor and shall be signed personally by the Secretary, with a copy thereof furnished the grievant. After completing his review of the resolution, recommendation, and record of proceedings of the board, the Secretary shall return the entire record of the case to the board for its retention. No officer or employee of an agency participating in a proceeding on behalf of an agency shall, in any manner, prepare, assist in preparing, advise, inform, or otherwise participate in, any review or determination of the Secretary with respect to that proceeding.

"(12) The board shall have authority to insure that no copy of the Secretary's determination to reject a board's recommendation, no notation of the failure of the board to find for the grievant, and no notation that a proceeding is pending or has been held, shall be entered in the personnel records of such officer or employee to whom the grievance relates or anywhere else in the records of the agencies, other than in the records of the board.

"(13) A grievant whose grievance is found not to be meritorious by the board may obtain reconsideration by the board only upon presenting newly discovered relevant evidence not previously considered by the board and then only upon approval of the board.

"(14) The board shall promptly notify the Secretary, with recommendations for appropriate disciplinary action, of any contravention by any person of any of the rights, remedies, or procedures contained in this part or in regulations promulgated under this part.

"RELATIONSHIP TO OTHER REMEDIES

"SEC. 693. If a grievant files a grievance under this part, and if, prior to filing such grievance, he has not formally requested that the matter or matters which are the basis of the grievance be considered and resolved, and relief provided, under a provision of law, regulation, or order, other than under this part, then such matter or matters may only be considered and resolved, and relief provided, under this part. A grievant may not file a grievance under this part if he has formally requested, prior to filing a grievance, that that matter or matters which are the basis of the grievance be considered and resolved, and relief provided, under a provision of law, regulation, or order, other than under this part, and the matter has been carried to final adjudication thereunder on its merits.

"JUDICIAL REVIEW

"SEC. 604. Notwithstanding any other provision of law, regulations promulgated by the Secretary under section 692 of this Act, revisions of such regulations, and actions of the Secretary or the board pursuant to such section, may be judicially reviewed in accordance with the provisions of chapter 7 of title 5, United States Code.".

(b) The Secretary of State shall promulgate and place into effect the regulations provided by section 692 of the Foreign Service Act of 1946 (as added by subsection (a) of this section), and establish the board and appoint the member of the board which he is authorized to appoint under, as provided by such section 692, not later than ninety days after the date of enactment of this Act.

PREDEPARTURE LODGING ALLOWANCE

SEC. 405. Paragraph (2) of section 5924 of title 5, United States Code, is amended by striking out clause (A) thereof and inserting in lieu thereof the following:

"(A) a foreign area (including costs incurred in the United States prior to departure for a post of assignment in a foreign area); or".

AUTHORITY OF CERTAIN OFFICERS AND EMPLOYEES TO CARRY FIREARMS

SEC. 406. The Act of June 28, 1955 (22 U.S.C. 2666), is amended to read as follows:

"Under such regulations as the Secretary of State may prescribe, security officers of the Department of State and the Foreign Service who have been designated by the Secretary of State and who have qualified for the use of firearms, are authorized to carry firearms for the purpose of protecting heads of foreign states, official representatives of foreign governments, and other distinguished visitors to the United States, the Secretary of State, the Deputy Secretary of State, official representatives of the United States Government, and members of the immediate families of any such persons, both in the United States and abroad. The Secretary shall transmit such regulations to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate not more than twenty days before the date on which such regulations take effect.".

PLAN FOR IMPROVING THE FOREIGN SERVICE

SEC. 407. It is the sense of the Congress that the proliferation of personnel categories within the State Department and the United States Information Agency—the several categories being characterized by various standards for hiring, tenure, and pay—has resulted in a personnel system susceptible to inefficiency, inequity, and abuse. Therefore, within one hundred and twenty days after the enactment of this Act, the Secretary of State shall transmit to Congress a comprehensive plan for the improvement and simplification of this system, such plan to include a reduction in the number of personnel categories, and proposed legislation if necessary.

PART 2—GENERAL

TRANSFER OF APPROPRIATION AUTHORIZATION

SEC. 451. In addition to the amount authorized under section 101(a), 201(a), 301(a), 341(a), or 453(b) of this Act, any unappropriated portion of the amount authorized under any such section is authorized for appropriation under any other such section, provided the amount authorized under such section is not increased by more than 10 per centum.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

SEC. 452. Section 2 of the Act of June 4, 1936 (41 Stat. 1463), is amended by (a) striking out "$3,000,000" and inserting in lieu thereof "$4,500,000"; and (b) striking out "exceed $4,000,000", and inserting in lieu thereof "exceed $5,500,000".

MIGRATION AND REFUGEE ASSISTANCE

SEC. 453. (a) Section 2(c) of the Refugee and Migration Assistance Act of 1962 is amended to read as follows:

"(c)(1) Whenever the President determines it to be important to the national interest he is authorized to furnish on such terms and conditions as he may determine assistance under this Act for the purpose of meeting unexpected urgent refugee and migration needs.

"(e) There is established a United States Emergency Refugee and Migration Assistance Fund to carry out the purposes of this section. There is authorized to be appropriated to the President from time to time such amounts as may be necessary for the fund to carry out the purposes of this section, except that no amount of funds may be appropriated which, when added to amounts previously appropriated but not yet obligated, would cause such amounts to exceed $25,000,000. Amounts appropriated hereunder shall remain available until expended.

"(3) Whenever the President requests appropriations pursuant to this authorization he shall justify such requests to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives, as well as the Committees on Appropriations.".

(b)(1) There are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(A) for "Migration and Refugee Assistance," $10,100,000; and

(B) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(2) Amounts appropriated under this subsection are authorized to remain available until expended.

(c) In addiiton to amounts otherwise available, there are authorized to be appropriated to the Secretary of State for fiscal year 1976 not to exceed $20,000,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972 (relating to Russian refugee assistance) and to furnish similar assistance to refugees from Communist countries in Eastern Europe. Not to exceed 20 per centum of the amount appropriated under this subsection may be used to resettle refugees in any country other than Israel. Appropriations made under this subsection are authorized to remain available until expended.

UNITED NATIONS COOPERATION REGARDING MEMBERS OF UNITED STATES ARMED FORCES MISSING IN ACTION IN SOUTHEAST ASIA

SEC. 454. (a) The President shall direct the United States Ambassador to the United Nations to insist that the United Nations take all necessary and appropriate steps to obtain an accounting of members of the United States Armed Forces and United States civilians missing in action in Southeast Asia.

(b) Not later than six months after the date of enactment of this section, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate a report on actions taken by the United Nations to obtain such an accounting.

CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

SEC. 455. (a) It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should be convened as soon as possible and should consider, among other things, limitations with respect to—

(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

(3) the type and number of military forces and facilities allowed therein.

(b) Not later than July 1, 1976, the President shall transmit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate with respect to steps he has taken to carry out the provisions of this section.

(c) Not later than November 1, 1975, the President shall transmit a detailed report to the Speaker of the House of Representatives and to the President of the Senate with respect to—

(1) the history of all United States Government agreements, commitments, and financial arrangements regarding persons who inhabited, or were native to, the island of Diego Garcia prior to 1972;

(2) the history of any other United States requests, understandings, and relevant communications with the Governments of the United Kingdom, or Mauritius, or the inhabitants of Diego Garcia themselves concerning these persons; and

(3) the current status of any United States Government obligations to, proposed efforts to assist, or estimated cost of assistance for, these persons.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BROOMFIELD. Reserving the right to object, Mr. Speaker, I would ask that the gentleman from Ohio explain this procedure.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I thank the gentleman for yielding.

Mr. Speaker, the House, earlier this session, approved three seperate bills authorizing appropriations for the fiscal year 1976 for Department of State, foreign buildings program, and Arms Control and Disarmament Agency.

In addition, the House approved the bill H.R. 4510, relating to an exchange of property in Egypt, which involved fiscal year 1975 funds.

The Senate, instead of taking up the House-approved bills, decided to pass its own omnibus bill containing comparable authorizations—but also adding funds for the U.S. Information Agency, for which Agency the House has not authorized funds to date.

The only way in which we can get all of these bills into conference is for the House to take up the Senate bill, strike out all of its language, and substitute the texts of the House-approved bills.

This is what my motion is intended to accomplish.

We are not including the U.S. Information Agency in the House amendment because the Committee on International Relations has not completed action on that authorization—and we will bring it up before the House separately at a later date.

So all we are attempting to do right now is to get the House-approved bills in a conference with the Senate omnibus bill.

The appropriations for these agencies, by the way, have already been approved by the two Houses and signed into law.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MOTION OFFERED BY MR. HAYS OF OHIO

Mr. HAYS of Ohio. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HAYS of Ohio moves to strike out all after the enacting clause of the Senate bill (S. 1517) and to insert in lieu thereof as one amendment in the nature of a substitute the provisions contained in the bills H.R. 4510, H.R. 5810, H.R. 7500, and H.R. 7567 as passed by the House, as follows:

That this Act may be cited as the "Foreign Relations Authorization Act, Fiscal Year 1976".

TITLE I—STATE DEPARTMENT AUTHORIZATIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. (a) there are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) For the "Administration of Foreign Affairs", $444,204,000.

(2) For "International Organizations and Conferences", $270,118,000.

(3) For "International Commissions", $19,993,000.

(4) For "Educational Exchange", $89,000,000.

(5) For "Migration and Refugee Assistance", $10,000,000.

(6) For increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs, such amounts as may be necessary.

(b) Amounts appropriated under this section are authorized to remain until expended.

TRANSFER AUTHORITY

SEC. 102. Funds authorized to be appropriated for fiscal year 1976 by any paragraph of section 101(a) (other than paragraph (6)) may be appropriated for such fiscal year for a purpose for which appropriations are authorized by any other paragraph of such section (other than paragraph (6)), except that the total amount appropriated for a purpose described in any paragraph of section 101(a) (other than paragraph (6)) may not exceed the amount authorized for such purpose by section 101(a) by more than 10 per centum.

RESIDENCE EXPENSES FOR THE UNITED STATES REPRESENTATIVE TO THE ORGANIZATION OF AMERICAN STATES

SEC. 103. The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, is amended by adding at the end thereof the following new section:

"SEC. 17. The Secretary of State is authorized to use appropriated funds to defray unusual expenses incident to the operation and maintenance of the living quarters of the United States Representative to the Organization of American States to the extent that such expenses are similar to the unusual expenses incident to the operation and maintenance of official residences in foreign countries which may be defrayed under section 5913(b) of title 5, United States Codes.".

EXCEPTION TO LIMITATION ON PAYMENTS TO THE INTERNATIONAL CIVIL AVIATION ORGANIZATION

SEC. 104. (a) Notwithstanding the proviso in the seventh paragraph of title I of the Act of October 25, 1972 (86 Stat. 1110), there is authorized to be appropriated $366,675 for the contribution of the United States toward the calendar year 1974 budget of the International Civil Aviation Organization.

(b) The proviso in the seventh paragraph of title I of the Act of October 25, 1972 (86 Stat. 1110), the sixth and seventh paragraphs of title I of the Act of July 10, 1952 (66 Stat. 550–551), and section 602 of the Act of October 22, 1951 (65 Stat. 599), shall not apply with respect to contributions and other payments (including commitments and appropriations therefor) for international peacekeeping activities conducted by or under the auspices of the United Nations, any affiliated agency, or any other international organization.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

SEC. 105. Section 2 of the Act of June 4, 1936 (49 Stat. 1463), is amended—

(1) by striking out "$3,000,000" and inserting in lieu therefof "$4,500,000"; and

(2) by striking out "$4,000,000", and inserting in lieu thereof "$5,500,000".

INTERPARLIAMENTARY UNION

SEC. 106. (a) The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended to read as follows: "That there is authorized to be appropriated for fiscal year 1976 and for each subsequent fiscal year—

"(1) for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration, an amount equal to 13.61 per centum of the budget of the Interparliamentary Union for the year with respect to which such contribution is to be made if the American group of the Interparliamentary Union has approved such budget; and

(2) to assist in meeting the expenses of the American group for such fiscal year, $45,000, or so much thereof as may be necessary.

Funds made available under paragraph (2) shall be disbursed on vouchers to be approved by the president and the executive secretary of the American group.".

(b) Such Act is further amended by adding at the end thereof the following new section:

"SEC. 3. After January 1, 1976, there shall be not to exceed nine delegates from the House of Representatives to each Conference of the Interparliamentary Union, such delegates to be appointed by the Speaker of the House of Representatives. Not more than five delegates from the House of Representatives to any such Conference may be of the same political party.".

ASSIGNMENT OF FOREIGN SERVICE OFFICERS TO PUBLIC ORGANIZATIONS

SEC. 107. (a) Section 576 of the Foreign Service Act of 1946 (22 U.S.C. 966) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) A substantial number of Foreign Service officers shall, before their fifteenth year of service as such officers, be assigned in the United States during each fiscal year for significant duty with the Congress, State or local governments, public schools, community colleges, or other public organizations designated by the Secretary. To the extent practical such assignments shall be for at least twelve consecutive months and may be on a reimbursable basis.".

(2) The second and third sentences of subsection (b) are repealed.

(b) Section 9(b) of the State Department/United States Information Agency Authorization Act, fiscal year 1975 (22 U.S.C. 966 note), is repealed.

DEATH GRATUITIES FOR CONSULAR AGENTS AND UNITED STATES REPRESENTATIVES TO INTERNATIONAL ORGANIZATIONS

SEC. 108. (a) Paragraph (1) of section 14 (d) of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, is amended to read as follows:

"(1) the term 'Federal Service employee' means any national of the United States who is a chief of mission, a Foreign Service officer, a Foreign Service information officer, a Foreign Service Reserve officer of limited or unlimited tenure, a Foreign Service staff officer or employee, a consular agent, or a United States representative to an international organization or commission;".

(b) The amendment made by subsection (a) shall apply with respect to deaths occurring on or after January 1, 1973.

WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS

SEC. 109. Section 625 of the Foreign Service Act of 1946 (22 U.S.C. 995) is amended to read as follows:

"SEC. 625. (a) Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of the first pay period that begins on or after July 1 each year, receive an increase in salary to the next higher rate for the class in which such officer is serving. Credit toward such nine-month period may be granted to an officer in accordance with such regulations as the Secretary may prescribe for any civilian service of such officer with the Government or with the government of the District of Columbia which was performed subsequent to any break in service in excess of three calendar days and subsequent to the officer's last equivalent increase in pay. As used in this subsection, the term 'equivalent increase in pay' means—

"(1) any increase in basic salary resulting from—

"(A) a grade or class promotion,

"(B) a regularly scheduled within-grade or within-class step increase, or

"(C) a salary adjustment or combination of adjustments—

"(i) made since the last equivalent increase in pay,

"(ii) resulting from conversion from one pay system to another, and

"(iii) equal to or greater than the amount of the within-class increase for the class to which the officer was appointed; or

"(2) such other increases in salary as the Secretary may by regulation designate;

but does not include any general increase in salary granted by law or any within-grade or within-class increase in salary awarded for meritorious performance.

"(b) Without regard to any other law, the Secretary is authorized to grant to any Foreign Service officer or any Reserve officer additional increases in salary, within the salary range established for the class in which such officer is serving, based upon especially meritorious service.".

ELIMINATION OF CERTAIN AFFIDAVIT REQUIREMENTS FOR FOREIGN SERVICE OFFICERS WHO ARE PROMOTED

SEC. 110. Section 621 of the Foreign Service Act of 1946 (22 U.S.C. 991) is amended by adding at the end thereof the following new sentence: "The affidavit requirements of sections 3332 and 3333(a) of title 5 of the United States Code shall not apply with respect to a Foreign Service officer who has complied with such requirements and who is subsequently promoted by appointment to a higher class without a break in service.".

PROHIBITION ON USE OF FUNDS FOR A NEW PASSPORT SYSTEM

SEC. 111. No part of any funds authorized to be appropriated by this title may be used for the development or implementation of the Travel Document and Issuance System which has been proposed by the United States Passport Office (and which involves a restructuring of the passport issuance function and the issuance of machine readable passport books), or of any other new passport system.

INCREASE IN AVAILABILITY OF FUNDS FOR MIGRATION AND REFUGEE NEEDS

SEC. 112. Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended by striking out "$10,000,000" and inserting in lieu thereof "$25,000,000".

REFUGEE ASSISTANCE

SEC. 113. In addition to amounts otherwise authorized, there are authorized to be appropriated to the Secretary of State for the fiscal year 1976 not to exceed $20,000,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972 (relating to Russian refugee assistance) and to furnish similar assistance with respect to refugees from Communist countries in eastern Europe. Not to exceed 20 per centum of the amount appropriated under this section may be used to resettle refugees in any country other than Israel. Appropriations made under this section are authorized to remain available until expended.

UNITED STATES CONTRIBUTION TO THE UNITED NATIONS UNIVERSITY ENDOWMENT FUND

SEC. 114. There is authorized to be appropriated, upon request of the President, to the President for fiscal year 1977, $20,000,000 to be used for a contribution of the United States to the United Nations University Endowment Fund, such contribution to be made on such terms as the President finds will promote the purposes of the University as stated in University Charter approved by the General Assembly of the United Nations in December 1973; except that the contribution of the United States to the United Nations University Endowment Fund may not exceed 25 per centum of the total amount actually contributed to such fund by other members of the United Nations. Amounts appropriated under this section are authorized to remain available until expended.

TITLE II—ARMS CONTROL AND DISARMAMENT AMENDMENTS

PURPOSES OF ACT

SEC. 201. Section 2 of the Arms Control and Disarmament Act (22 U.S.C. 2551) is amended by striking out "It must be able" in the second sentence of the third paragraph and inserting in lieu thereof "It shall have the authority, under the direction of the President and the Secretary of State,".

NATIONAL SECURITY COUNCIL

SEC. 202. Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by inserting ", the National Security Council," immediately after "Secretary of State" in the first sentence.

ARMS CONTROL AND DISARMAMENT IMPACT STATEMENT

SEC. 203. Title III of the Arms Control and Disarmament Act (22 U.S.C. 2571–2575) is amended by adding at the end thereof the following:

"ARMS CONTROL IMPACT INFORMATION AND ANALYSIS

"SEC. 36. (a) In order to assist the Director in the performance of his duties with respect to arms control and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

"(1) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, or military facilities, having—

"(A) an estimated total program cost in excess of $250,000,000, or

"(B) an estimated annual program cost in excess of $50,000,000, or

"(2) any other program involving weapons systems or technology which such Government agency or the Director believes may have a significant impact on arms control and disarmament policy or negotiations,

shall, on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

"(b) (1) The Director, as he deems appropriate, shall assess and analyze each program described in subsection (a) with respect to its impact on arms control and disarmament policy and negotiations and shall advise and make recommendations, on the basis of such assessment and analysis, to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program.

"(2) Any request to the Congress for authorization or appropriations for—

"(A) any program described in subsection (a)(1), or

"(B) any program described in subsection (a)(2) and found by the National Security Council, on the basis of the advice and recommendations received from the Director, to have a significant impact on arms control and disarmament policy or negotiations,

shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations.

"(3) Upon the request of any appropriate committee of either House of Congress, the Director shall, after informing the Secretary of State, advise the Congress on the arms control and disarmament implications of any program with respect to which a statement has been submitted to the Congress pursuant to paragraph (2).

"(c) No court shall have any jurisdiction under any law to compel the performance of any requirement of this section or to review the adequacy of the performance of any such requirement on the part of any Government agency (including the Agency and the Director).".

SECURITY REQUIREMENTS FOR CERTAIN CONSULTANTS AND CONTRACTORS

SEC. 204. (a) (1) The second sentence of section 45(a) of the Arms Control and Disarmament Act (22 U.S.C. 2585(a)) is amended by striking out "The Director" and inserting in lieu thereof "Except as provided in subsection (d), the Director".

(2) The fifth sentence of section 45(a) of such Act is amended by striking out "No person" and inserting in lieu thereof "Except as provided in subsection (d), no person".

(3) Section 45 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The investigations and determination required under subsection (a) may be waived by the Director in the case of any consultant who will not be permitted to have access to classified information if the Director determines and certifies in writing that such waiver is in the best interests of the United States.".

(b) Section 45(b) of such Act (22 U.S.C. 2585(b)) is amended by adding at the end thereof the following: "Notwithstanding the foregoing and the provisions of subsection (a), the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned; except that any access to Restricted Data shall be subject to the provisions of subsection (c).".

AUTHORIZATION OF ADDITIONAL APPROPRIATIONS

SEC. 205. Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (a)) is amended by inserting in the second sentence thereof immediately after "$10,000,000," the following: "and for fiscal years 1976 and 1977 the sum of $24,000,000,". Of the amount appropriated for fiscal year 1976 under the amendment made by this section, not exceeding $1,000,000 shall be used by the Director of the Arms Control and Disarmament Agency to conduct a study of the impact upon military expenditures of arms control measures mutually agreed to by the United States and the Soviet Union. The Director of the Arms Control and Disarmament Agency shall submit to Congress every three months reports on the research conducted pursuant to the preceding sentence.

PUBLIC INFORMATION

SEC. 206. Section 49(d) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (d)) is repealed.

REPORT TO CONGRESS; POSTURE STATEMENT

SEC. 207. Section 50 of the Arms Control and Disarmament Act (22 U.S.C. 2590) is amended by adding at the end thereof the following new sentence: "Such report shall include a complete and analytical statement of arms control and disarmament goals, negotiations, and activities and an appraisal of the status and prospects of arms control negotiations and of arms control measures in effect.".

MUTUAL SECURITY ACT OF 1954

SEC. 208. Section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934) is amended by adding at the end thereof the following new section:

"(f) Decisions on issuing licenses for the export of articles on the United States munitions list shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.".

FOREIGN MILITARY SALES ACT

SEC. 209. Section 42(a) of the Foreign Military Sales Act (22 U.S.C. 2791(a)), is amended by striking out "(3)" and inserting in lieu thereof "(3) in coordination with the Director of the United States Arms Control and Disarmament Agency, the Director's opinion as to".

FOREIGN ASSISTANCE ACT OF 1961

SEC. 210. Section 511 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321(d)) is amended by striking out the words "take into account" and inserting in lieu thereof "be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account his opinion as to".

TITLE III—FOREIGN SERVICE BUILDINGS ACT AMENDMENTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Subsection (g) of section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295) is amended—

(1) in subparagraph (1)(A), by striking out "$2,190,000" and inserting in lieu thereof "$850,000";

(2) in subparagraph (1)(B), by striking out "$375,000" and inserting in lieu thereof "$240,000";

(3) in subparagraph (1)(C), by striking out "$4,780,000" and inserting in lieu thereof "$682,000";

(4) in subparagraph (1)(D), by striking out "$2,585,000" and inserting in lieu thereof "$1,243,000"; and

(5) in subparagraph (1)(E), by striking out "$3,518,000" and inserting in lieu thereof "$10,433,000".

(b) Section 4 of such Act is further amended—

(1) by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (g) the following new subsection:

"(h) In addition to amounts authorized before the date of enactment of this subsection, there is authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums—

"(A) for use in Africa, not to exceed $865,000 for the fiscal year 1977;

"(B) for use in the American Republics, not to exceed $2,450,000 for the fiscal year 1977;

"(C) for use in Europe, not to exceed $6,725,000 for fiscal year 1977;

"(D) for use in East Asia, not to exceed $875,000 for the fiscal year 1977;

"(E) for use in the Near East and South Asia, not to exceed $8,005,000, of which not to exceed $3,985,000 may be appropriated for the fiscal year 1976;

"(F) for facilities for the United States Information Agency, not to exceed $3,745,000, of which not to exceed $2,800,000 may be appropriated for the fiscal year 1976; and

"(G) for facilities for agricultural and defense attaché housing, not to exceed $420,000 for the fiscal year 1977; and

"(2) for use to carry out the other purposes of this Act for fiscal years 1976 and 1977, $71,600,000 of which not to exceed $32,840,000 may be appropriated for fiscal year 1976."; and

(2) by striking out paragraph (2) of subsection (i) as so redesignated by paragraph (1) of this Act and inserting in lieu thereof the following new paragraph:

"(2) Not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), and (h) of this section may be used for any of the purposes for which funds are authorized under any other subparagraph of any of such paragraph (1).".

TITLE IV—UNITED STATES INFORMATION AGENCY

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid upon the table.

APPOINTMENT OF CONFEREES ON S. 1517, AUTHORIZING APPROPRIATIONS FOR FOREIGN AFFAIRS

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? The Chair hears none, and appoints the following conferees: Messrs. MORGAN, ZABLOCKI, HAYS of Ohio, FOUNTAIN, FASCELL, DIGGS, BROOMFIELD, FINDLEY, and BUCHANAN.

AMENDING PEACE CORPS ACT, H.R. 6334

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6334) to amend further the Peace Corps Act, and for other purposes, together with Senate Amendment No. 4 thereto, to recede from disagreement to such amendment, and to concur in such amendment with an amendment as follows:

SEC. 6. Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "$75" and inserting in lieu thereof "$125".

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report Senate Amendment No. 4.

The Clerk read the Senate amendment, as follows:

Page 2, after line 20, insert:

SEC. 6. (a) Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "$75" and inserting in lieu thereof "$125."

(b) There are authorized to be appropriated to carry out the amendment made by subsection (a) of this section, $7,642,000 for the fiscal year ending June 30, 1976, and $2,158,000 for the period beginning July 1, 1976, and ending September 30, 1976. Such amendment is to be effective for any fiscal year only to such extent and in such amounts as are specifically provided for such purpose in appropriation Acts.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

PROVIDING ADDITIONAL FUNDS FOR MAINTENANCE AND IMPROVEMENT OF ONGOING COMPUTER SERVICES FOR COMMITTEE ON APPROPRIATIONS

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged Resolution (H. Res. 772) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 772

Resolved, That the Committee on House Administration is authorized to incur such further expenses (not in excess of $80,000) as the committee considers advisable to provide for maintenance and improvement of ongoing computer services for the Committee on Appropriations of the House of Representatives. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the RECORD at this point, and then I will give a brief explanation.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, this appropriation to the Committee on House Administration is for an additional $80,000 for purposes of improving the ongoing computer services for the Committee on Appropriations. In other words, in our budget we agreed to do so much work for the Committee on Appropriations. Now they have found, with the new Budget Committee, and so on, and so on, they need further computer time and further computer work done and we simply did not have the money to do it in our appropriation, so we chose this route for two reasons: First, to get the money, and second, to make it perfectly clear that it is money solely for the use of the Committee on Appropriations.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. WYLIE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 662]

Addabbo
Andrews, N.C.
Annunzio
Ashley
Badillo
Barrett
Beard, R.I.
Bell
Biester
Bingham
Buchanan
Burke, Fla.
Burton, Phillip
Chisholm
Cleveland
Cohen
Conyers
Derrick
Derwinski
Diggs
Drinan
Eckhardt
Eilberg
Esch
Eshleman
Fary
Flowers
Foley
Ford, Mich.
Fraser
Goldwater
Green
Harkin
Harrington
Hébert
Heckler, Mass.
Henderson
Jarman
Krueger
McDade
McKinney
Macdonald
Madden
Martin
Mazzoli
Meeds
Moakley
Moorhead, Pa.
Morgan
Mosher
Murphy, N.Y.
Nix
Nolan
O'Neill
Pepper
Pike
Rooney
Rousselot
Shuster
Stanton, James V.
Stark
Stephens
Teague
Thompson
Tsongas
Udall
Whitten
Wiggins
Wilson, Bob
Wydler
Young, Ga.

The SPEAKER. On this rollcall 362 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4, of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

INCREASING APPROPRIATION AUTHORIZATION FOR VOLUNTEERS IN THE PARKS PROGRAM

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 896) to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

The Clerk read as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to increase the appropriation authorization relating to the volunteers in the parks program, section 4 of the Act of July 29, 1970 (84 Stat. 472; 16 U.S.C. 18j), is amended by deleting the figure "100,000" appearing therein and inserting the figure "250,000" in its place.

The SPEAKER. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 896 would increase the authorization ceiling for the operation of a volunteer program in the National Park System from the current $100,000 to $250,000 per year.

This program was first authorized by Congress in 1970. It was recognized at that time that a great many of our citizens were willing and eager to contribute without pay their time and talents toward enhancing the operation of our national parks. In response to that need, the original Volunteers in the Park Act established a program which included certain protections for volunteers, such as coverage under workman's compensation. We also authorized the Secretary of the Interior to reimburse volunteers for incidental expenses such as transportation, uniforms, lodging, and subsistence. A limit of $100,000 was placed on the sums to be appropriated each year for this purpose.

Since that time, the program has had a remarkable history of success. In fiscal year 1975, some 5,800 volunteers contributed over 300,000 hours of their time in 145 different national park areas. Their contributions to such diverse programs as living history programs and other interpretive programs. Historic research assistance, and operating children's programs have been beyond price. Yet this highly skilled time cost the Federal Government only 28 cents an hour. Through this program the Government receives many hours of valuable time contributed by highly skilled, dedicated individuals. This program is the biggest bargain in the Park Service budget.

Mr. Speaker, the National Park Service has requested that the authorized funding for this program be increased to $250,000 annually, and the administration supports this increase. Passage of S. 896 would allow an additional 6,000 volunteers to participate in this activity. In fact, program requests to fund this activity have totalled over $300,000 for this year.

S. 896 makes no other changes in the volunteers program. Permanent employees would not be replaced in this way. No additional benefits would be authorized by this bill. We will simply allow a proven, effective program to serve more people at a very modest cost.

Mr. Speaker, I urge the passage of S. 896 at this time.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very simple bill and I support its adoption by the House.

The bill before us merely increases the appropriation authorization for the existing volunteers in the parks program from its current annual level of $100,000 to a new level of $250,000. This legislation is supported by the administration, and was in fact proposed by the administration.

This money is used to reimburse the out-of-pocket expenses of persons who volunteer their time and services to the National Park Service in various parks across the Nation. They offer their assistance in interpretive and living history programs, the giving of information, and in many other ways. They are reimbursed for their incidental expenses such as transportation and subsistence, but are not paid a salary or any form of remuneration for their donated services.

The legislation initially establishing this program was enacted in 1970, and I believe the record to date has shown this to have been an exceptionally worthwhile program, particularly considering the great benefits derived from a relatively minor investment of Federal funds.

I seriously doubt that any Federal dollar applied to any Federal program has brought a greater return to the Government and the public than has been the case with this Volunteers in the Parks program, and it is something for which we in the Congress and the many employees and volunteers of the National Park Service connected with this program can be very proud.

Mr. Speaker, in addition to the tangible benefits this program produces in the form of providing increased service to the public in the parks, we should not underestimate the pride and dedication which exudes from those dedicated volunteers themselves as they devote many hours of their time free to projects to which they are committed. A great deal of talent and skill is given free of charge to the Government by these thousands of volunteers, and I know their hearts are deeply into their work.

The Volunteers in the Park program is one of the great successes of our Government, and is certainly one worthy of support and expansion. I take pride in having been a cosponsor of this legislation to advance this program's efforts, and I urge the passage of this bill by the House.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I support this bill, and I urge its passage by the House.

This program constitutes a "seed money" type of effort. For a rather token amount of Federal expenditure, the tax paying public receives that value back in personal services amplified many times over. In fiscal year 1975, 5,000 volunteers contributed, free of charge, 300,000 hours to park programs at a cost to the Federal Government of 28 cents per hour. This hourly cost represented the payment of money authorized by this program to the volunteers to help defray their transportation and various subsistence expenses; it does not pay a cent of salary or any form of remuneration for their donated services.

The National Park Service is a principal Government agency which will be deeply involved in the observance and celebration of our Nation's Bicentennial, which is now upon us. The media has been quite vocal recently in pointing out how stretched the National Park Service has been in having sufficient funds and personnel to properly protect and operate the national park system. Fortunately, the Volunteers in the Parks program will help alleviate that situation in some small measure, even though it in no way begins to solve the more pressing problems of the great dearth of manpower and funds to operate our national park system properly.

Mr. Speaker, this legislation has had no controversy whatever, and it has the full support of the administration. I urge its adoption by the House.

Mr. CONTE. Mr. Speaker, I rise in support of this bill to increase the appropriation for the "Volunteers in the Parks program," S. 896.

"Volunteers in the Parks" began in 1970 and has been tremendously successful. It is composed of private citizens who donate their time to supplement the operations of the national park system. Volunteers have been used to assist in technical conservation programs, work with educational groups, act as tour guides, and assist the many national park system's operations in a variety of ways.

In 1974, more than 5,000 volunteers contributed over 300,000 hours to the various park programs. The Department of the Interior reports that the cost to the U.S. Government was less than $2.60 per day per volunteer. While the volunteers do not receive a salary, they are provided with uniforms, transportation, lodging, and meals. This program cost amounts to less than 32 cents per hour.

The increased authorization could support a total of 12,000 volunteers per year, contributing more than 700,000 work hours. The program has been so widely received in our national park system that it is clear the increase in the authorization is justified.

I urge my colleagues to support this legislation.

Thank you, Mr. Speaker.

Mr. DON H. CLAUSEN. Mr. Speaker, I strongly support increasing the funding authorization for the Volunteers in the Parks program and urge passage of this bill.

It is a very simple and straightforward proposal which raises the existing authorization level from $100,000 to $250,000. The original level was based on the idea that the program was new and experimental. We can now say that it has been an overwhelming success and deserves our fullest support.

I am happy to say that I have heard nothing but good reports on the activities that have occurred under this program. During the testimony given before our Subcommittee on National Parks and Recreation witnesses praised the program emphatically and the bill was passed without amendment.

As our Bicentennial approaches we will be placing more and more emphasis on the need to interpret the history of our Nation and share this information with visitors to our parks. The Volunteers in the Parks program is timely and will play a key role in meeting this need.

It is particularly important to note that those taking part in the program are not paid. The funds are to be used to reimburse the incidental expenses of the volunteers for such items as their gasoline costs for transportation, occasional meals or lodging while on duty in the park, and uniforms. The cost to the Federal Government has been estimated to be 28 cents per volunteer per hour. There are few programs which can boast such a high return for so low an outlay of funds.

The volunteers have demonstrated remarkable talents. Their duties range from giving information to visitors, to participating in living history demonstrations. It should be noted that those who benefit include not only the visitors but the local communities, the Park Service and the volunteers themselves. They are very dedicated to their work and take great pride and enjoyment in doing it well.

I know of no controversy over this legislation and urge its adoption by the House.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time.

Mr. SEBELIUS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the Senate bill (S. 896).

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

APPOINTMENT AS MEMBERS OF JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of section 4(a), Public Law 94-118, the Chair appoints as members of the Japan-United States Friendship Commission the following Members on the part of the House:

The gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from California (Mr. TALCOTT).

PROVIDING FOR ESTABLISHMENT OF FATHER MARQUETTE NATIONAL MEMORIAL NEAR ST. IGNACE, MICH.

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2724) to provide for establishment of the Father Marquette National Memorial near St. Ignace, Mich., and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the area of Saint Ignace, Michigan, is recognized as an appropriate location for a national memorial to commemorate Father Jacques Marquette, who was buried there in 1678 and that the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to take appropriate action, as hereinafter provided, to commemorate the advent and history of Father Marquette in North America, including his establishment of a mission at Saint Ignace in 1671, and his historic exploration, in company with Louis Joliet, of the Mississippi River in 1673.

SEC. 2. The Secretary shall enter into an agreement, satisfactory to him, with the Governor of the State of Michigan providing for the location, design, construction, and operation by the State of Michigan of the Father Marquette National Memorial in the area of Saint Ignace, Michigan. Upon conclusion of that agreement, and when in the opinion of the Secretary sufficient lands have been acquired by the State of Michigan to constitute an efficiently administrable memorial for the purposes of this Act, the Secretary is authorized to designate the Father Marquette National Memorial by publication of notice thereof in the Federal Register.

SEC. 3. In conjunction with the development and operation of the memorial provided for by this Act, the Secretary is authorized to render to the State of Michigan such assistance, including, but not limited to, technical advice and grants of funds for land acquisition and development, as he deems appropriate to promote public understanding and appreciation of the significant role of Jacques Marquette in the history of the Nation: *Provided,* That before any such assistance is rendered by the Secretary, the agreement referred to in section 2 of this Act shall have been concluded.

SEC. 4. There are hereby authorized to be appropriated such sums, but not to exceed $1,000,000, as may be necessary for assistance rendered by the Secretary pursuant to the provisions of this Act.

The SPEAKER. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2724 would authorize the Secretary of the Interior to establish the Father Marquette National Memorial in the State of Michigan.

Congress recognized the importance of Father Jacques Marquette to our history in 1965. Public Law 89-187 established a Commission to commemorate the 300th anniversary of Marquette's coming to America. The Commission was also instructed to investigate the suitability of establishing a permanent national memorial to Father Marquette. H.R. 2724 is the result of the recommendations received from the Commission.

Father Marquette, a French Jesuit Missionary, was one of our most notable 17th century explorers. His work took him through much of the Great Lakes country, and his exploration and mapping of the Mississippi River Basin led to much of the later settlement of that part of America. The National Memorial is planned for a location near St. Ignace, Mich., the site of the mission established by Father Marquette.

H.R. 2724 provides that the memorial will be developed and operated by the State of Michigan under a cooperative agreement with the Secretary. An amount of $1,000,000 is authorized as the Federal share of developing the memorial site, but all other costs will be borne by the State.

The bill designates the National Memorial for State operation. This will mean a savings to the Federal Government of all the operating and maintenance expenses involved. Also, the Michigan State Parks Department, which now operates a State park adjacent to the proposed site, is well equipped to efficiently manage the memorial.

The State has already acquired a 70-acre tract of land near the Straits of Mackinac—pronounced Mack-i-naw—and has prepared a development plan. A simple stone and wood memorial structure in a natural setting would be the central feature, with a separate visitor center and outdoor amphitheater elsewhere on the site. In addition, the mission site itself in St. Ignace is intended to be restored and interpreted by the State at a future time.

Mr. Speaker, the first two amendments adopted by the committee are simple correcting changes. The third amendment increased the authorization for this project from $500,000 to $1,000,000. The committee adopted this increase as a result of testimony by the witness for the State of Michigan indicating that total project costs for both the memorial location and the mission site would be about $2,000,000. Therefore, this bill would authorize the Federal Government to pay for approximately half of the total anticipated acquisition and development costs of this undertaking. The appropriations will likely be spread over a period of years.

I believe H.R. 2724 represents an example of excellent cooperation between the State and Federal Governments. Through this cooperation we will provide for a continuing memorial to this early explorer and the part of our heritage which he represents. I urge the passage of H.R. 2724, as amended.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Speaker, I thank the gentleman for yielding and I rise in support of this legislation which was introduced by the very able gentleman from Michigan (Mr. RUPPE) a very fine and outstanding member of our committee. I hope we can have a unanimous vote and pass this bill which I think is a fine piece of legislation.

Mr. TAYLOR of North Carolina. I thank the gentleman.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Ohio, a member of our committee (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding and I rise in support of this bill. I believe that the chairman of the subcommittee, the gentleman from North Carolina (Mr. TAYLOR) has stated very well the reasons for its enactment and I want to commend him, and also the gentleman from Michigan (Mr. RUPPE) for taking the initiative in getting this bill this far.

Mr. Speaker, having spent many happy hours during the years of my childhood, swimming, fishing, and hunting on Pere Marquette Island, near St. Ignace, and being an admirer of that magnificent country, and knowing of the historical achievements of Pere Marquette, I think it is entirely appropriate for this Congress to participate in this effort to recognize his contributions to our country by means of a suitable memorial overlooking the magnificent Straits of Mackinac.

Mr. TAYLOR of North Carolina. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill under consideration.

Mr. Speaker, I support the bill now under consideration, H.R. 2724, which authorizes the establishment of, as well as a Federal financial contribution to, the Father Marquette National Memorial in the State of Michigan.

This bill authorizes an appropriation ceiling of $1 million, which constitutes about half of the anticipated cost of completing this memorial project. The other half will be borne by the State of Michigan.

The memorial contemplated here is not to be merely a stone marker. Rather, it will involve a visitor center and amphitheater complex, along with a memorial structure with historical exhibits and interpretations worked into it all. The site for all of this is to be incorporated within an existing State park, and appropriate recreational use will also be a feature of the entire completed park project.

Mr. Speaker, this legislation has had no controversy and it has had the support of the administration. I urge its adoption by my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. RUPPE) the author of the bill.

Mr. RUPPE. Mr. Speaker, today is a significant day for the citizens of Michigan and indeed the entire Midwest as the House gives consideration to H.R. 2724, to establish a National Memorial to Father Jacques Marquette.

Father Marquette, a French Jesuit Missionary, explored much of the Mississippi River and northern bodies of water in what is today the United States.

He established a mission to St. Ignace on the north shore of the Straits of Mackinac, now part of the Upper Peninsula of Michigan. The mission eventually became a center of study and religion in the area.

The Jesuit Missionary died in 1675 and was eventually buried in the St. Ignace area.

In 1965, Congress enacted Public Law 98–187, which established a Tercentenary Commission to honor Father Marquette and investigate the suitability of establishing a national monument or memorial to commemorate events associated with his life. The Commission chose St. Ignace, Mich., as a fitting site for this memorial. Representative ZABLOCKI was a most active member of that Commission.

In attempting to carry out the recommendations of the Tercentenary Commission, I introduced legislation on February 4, 1975, to authorize the expenditure of the Federal share of funds to assist in establishing a suitable memorial.

The bill, H.R. 2724, authorizes the Secretary of the Interior to commemorate the history of Father Marquette and recorganize the St. Ignace area as an appropriate site. The legislation further directs the Secretary to enter into an agreement with the Governor of the State of Michigan with respect to the location, design, construction, and operation of the memorial.

In addition, the bill requires the Secretary to assist the State by providing technical advice and granting funds for acquisition and development of the area. This is to begin only after proper Federal-State agreements have been reached.

The State of Michigan has, incidentally, already acquired the necessary land area and appropriated $665,000 for the project. It is also worth noting that similar federally owned but State-operated facilities have been set up at more than a dozen historic preservation sites throughout the country.

Finally, H.R. 2724 authorizes the expenditure of $1,000,000 as the Federal share in financing the memorial project which, when completed, will cost in excess of $2,000,000. No additional moneys will be available through the Land and Water Conservation Fund or the Historic Preservation Act.

The Committee on Interior and Insular Affairs held hearings on the bill and all appropriate Federal agencies supported the legislation. The committee reported the bill to the floor with a recommendation for final passage.

I urge my colleagues to give prompt consideration and approval to this legislation. I especially thank those who have worked for the passage of this legislation in the Interior Committee. The people of northern Michigan, with their history so interwoven with the life of Father Marquette, will be very grateful.

Thank you.

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this legislation and wish to associate myself with the remarks of my distinguished colleague, the gentleman from Michigan. I wish to commend him for the excellent statement and the work he has done on behalf of the people of Michigan, and I urge my colleagues to support the bill.

(Mr. CARR asked and was given permission to revise and extend his remarks.)

Mr. RUPPE. I thank the gentleman for that comment. I should like to say that the gentleman has been a very excellent, strong supporter of this legislation, and he has been most active and very instrumental in getting it through the subcommittee and the full committee.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the gentleman from Michigan (Mr. RUPPE) for the outstanding and scholarly job he did in presenting this bill to our committee for consideration and action. I heartily endorse the bill, and I ask this body to give it an overwhelming vote.

Mr. Speaker, H.R. 2724 authorizes the establishment of a national memorial at St. Ignace, Mich. to commemorate the life and historic contributions of Father Jacques Marquette, a missionary who explored much of the Great Lakes and Mississippi River region of North America.

While this bill recognizes the memorial as being nationally significant and authorizes some funding for its development, the largest share of the memorial's development will be borne by the State of Michigan. Likewise, the continued ownership, operation, and maintenance of the memorial through the years will be borne by the State of Michigan. In essence, the Federal Government, by terms of this legislation, recognizes the national stature of this undertaking and provides a one-time financial contribution to it. From that point on, all responsibility for the memorial is that of the State of Michigan. However, the Federal Government's investment will be amply protected, as the bill provides that all this action must be preceded by a cooperative agreement concluded to the satisfaction of the Secretary of the Interior, which terms must assure the proper continued operation and protection of the memorial.

Mr. Speaker, this bill constitutes a joint venture between the Federal Government and the State of Michigan, and I think it is a sound and responsible approach in memorializing the contribution to our Nation's history made by Father Jacques Marquette.

I urge favorable action by my colleagues on this bill.

Mr. ZABLOCKI. Mr. Speaker, it is with pleasure today that I present these brief remarks in favor of H.R. 2724, which would provide for the establishment of a Father Jacques Marquette National Memorial near St. Ignace, Mich.

As you know, Mr. Speaker, in 1965 the Congress enacted Public Law 89–187, establishing the Father Marquette Tercentenary Commission which was to investigate the desirability and suitability of establishing a permanent national monument or memorial honoring Father Jacques Marquette for his contributions to America. Pursuant to that mandate, the Tercentenary Commission, under the able leadership of Mr. J. C. Windham, sought the most fitting location for such a memorial.

In coordination with the Michigan Department of Natural Resources, the Marquette National Memorial Committee of St. Ignace, and the Department of the Interior, the Commission found St. Ignace, Mich. to be a fitting and suitable location for the establishment of a commemorative memorial.

Mr. Speaker, as the Vice-chairman of the Father Marquette Tercentenary Commission and a cosponsor of this legislation along with my colleague from Michigan, Representative PHILIP E. RUPPE, it is my hope that H.R. 2724 will receive favorable action and the efforts of the Commission will finally be realized. It is fitting that the site selected by the Commission, St. Ignace, Mich., was where Father Marquette established a mission in 1671—later to become a great center of learning—and embarked upon the historic exploration of the Mississippi River with Louis Joliet in 1673.

Truly, we all owe a great deal to the memory of this courageous explorer and honorable man. Students of early American history are familiar with the many contributions made by the French Jesuit missionary in his selfless quest for the unknown and truth. Father Marquette's zeal in his life as a missionary was equaled only by his zeal as an explorer. North American historians are beyond a doubt indebted to him. Accounts of his journeys through unmapped wilderness with Louis Joliet have proved invaluable.

Father Marquette was believed to be the first to visit this area from the outside world. Besides his mission at St. Ignace, he assisted in developing missions at Sault Ste. Marie, Mich., and La Point—now Ashland, Wis. For years, his explorations along the Mississippi River and the Great Lake regions have been vital to North American historians. Showing an incredible comprehension of natural beauty and a never-ending interest in furthering religion and learning, he endured almost unbearable physical hardships in his selfless dedication.

Mr. Speaker, as we prepare for our country's 200th birthday, I believe this is an appropriate time for our Federal Government to join State efforts to memorialize the contributions of this great man. I urge passage of H.R. 2724, which would insure that the memory of Father Marquette and his contributions to the history of our Nation are not forgotten. Truly, the proposed national memorial would be a fitting and proper tribute to his outstanding achievements.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 2724, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AUTHORIZING VOLUNTARY WITHHOLDING OF STATE INCOME TAXES IN THE CASE OF MEMBERS AND CONGRESSIONAL EMPLOYEES

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 732) to authorize voluntary withholding of State income taxes in the case of Members and congressional employees, as amended.

The Clerk read as follows:

H. RES. 732

Resolved, That (a) until otherwise provided by law, the Clerk of the House of Representatives (hereinafter in this resolution referred to as the "Clerk") and the Sergeant at Arms of the House of Representatives (hereafter in this resolution referred to as the "Sergeant at Arms") shall, in accordance with the provisions of subsections (b), (c), and (d) enter into an agreement with any State, at the request for agreement from the proper State official. The agreement shall provide that—

(1) the Clerk, in the case of employees whose compensation is disbursed by the Clerk; and

(2) the Sergeant at Arms, in the case of Members of the House of Representatives; shall withhold State income tax in the case of each Member and employee who is subject to such income tax and who voluntarily requests such withholding.

(b) Any agreement entered into under subsection (a) shall not require the Clerk or the Sergeant at Arms to remit sums withheld pursuant to any such agreement more often than once each calendar quarter.

(c) (1) The Clerk and the Sergeant at Arms shall, before entering into any agreement under subsection (a), transmit a statement with respect to the proposed agreement to the Committee on House Administration of the House of Representatives (hereinafter in this resolution referred to as the "committee"). Such statement shall set forth a detailed description of the proposed agreement, together with any other information which the committee may require.

(2) If the committee does not disapprove, through appropriate action, any proposed agreement transmitted to the committee under paragraph (1) no later than ten legislative days after receiving such proposed agreement, then the Clerk or the Sergeant at Arms, as the case may be, may enter into such proposed agreement. The Clerk or the Sergeant at Arms, as the case may be, may not enter into any proposed agreement if such proposed agreement is disapproved by the committee under this paragraph.

(d) (1) A Member or employee may have in effect at any time only one request for withholding under subsection (a), and such Member or employee may not have more than two such requests in effect with respect to different States during any one calendar year. The request for withholding is effective on the first day of the month in which the request is processed by the Clerk or the Sergeant at Arms, but in no event later than on the first day of the first month beginning after the day on which such request is received by the Clerk or the Sergeant at Arms, except that—

(A) when the Clerk or the Sergeant at Arms first enters into an agreement with a State under subsection (a), a request for withholding shall be effective on such date as the Clerk or the Sergeant at Arms may determine;

(B) when an individual first receives an appointment as an employee, the request shall be effective on the day of appointment, if the individual makes the request at the time of appointment; and

(C) when an individual first becomes a Member, the request shall be effective on the day such individual takes the oath of office as a Member, if the individual makes the request at such time.

(2) A Member or employee may change the State designated by such Member or employee for purposes of having withholdings made, and may request that the withholdings be remitted in accordance with such change. A Member or employee also may revoke any request of such Member or employee for withholding. Any change in the State designated or revocation is effective on the first day of the month in which the request or the revocation is processed by the Clerk or the Sergeant at Arms, but in no event later than on the first day of the first month beginning after the day on which such request or revocation is received by the Clerk or the Sergeant at Arms.

(e) This resolution imposes no duty, burden, or requirement upon the United States, the House of Representatives, or any officer or employee of the United States, except as specifically provided in this resolution. Nothing in this resolution shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, the House of Representatives, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this resolution. Any paper, form, document, or any other item filed with, or submitted to, the Clerk or the Sergeant at Arms under this resolution is considered to be a paper of the House of Representatives within the provisions of the Rules of the House of Representatives.

SEC. 2. For purposes of this resolution—

(1) the terms "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States;

(2) the term "Member" means a Member of the House of Representatives, the Delegates from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner from Puerto Rico; and

(3) the term "legislative days" does not include any calendar day on which the House of Representatives is not in session.

The SPEAKER. Is a second demanded?

Mrs. HOLT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 732 reported unanimously by the Subcommittee on Accounts of the Committee on House Administration and unanimously by the full committee. It represents a consensus of the views on a withholding provision after 14 years of consideration by the House.

I might say although the bill bears my name that it has in its precise form a great many cosponsors, particularly the gentlewoman from Maryland (Mrs. HOLT) and the gentleman from Maryland (Mr. GUDE) and other Members from nearby Maryland and Virginia, and many others including the Californians. I would like to express my appreciation to them and to the chairman of our committee, the gentleman from Ohio (Mr. HAYS), for his sympathetic cooperation, and also to express a need for this legislation.

Federal employees, Mr. Speaker, in the Executive branch, have been covered by withholding provisions for over 20 years, but the efficacy of that has never been demonstrated. The other body began voluntarily withholding on January 1 of this year and the architect of the Capitol began on September 1.

This legislation is totally voluntary. Members and employees must take affirmative action to include themselves under the program. They may change the designated State or may revoke their request for withholding at will.

The Committee on House Administration in order to insure that none of the prerogatives or rules of the House are offended, is authorized to review the program and to revoke any inappropriate provisions.

House Resolution 732 is a simple resolution involving principally the accounting and administrative problems. More than 40 States have withholding laws and many others are considering them. In the absence of a withholding provision most employees are required to file quarterly estimated returns along with quarterly payments. A withholding provision would obviate the need for such quarterly filing and payments. For those who inadvertently overlook a filing it would eliminate penalties, interest on the payments, and a violation of the State tax laws.

It will also assist those individuals who have difficulty setting aside a sufficient amount of funds to meet the quarterly or yearly payments.

For the States it will substantially relieve the burden of administering and collecting the quarterly filings. The Federal withholding experience, I think, has been a happy one and speaks for itself.

The committee desires, as expressed in the legislation, that the Clerk and Sergeant at Arms have operable programs by January 1, 1976, but in no case later than April 1, 1976, after the first calendar quarter.

I commend this legislation, Mr. Speaker, and I reserve the balance of my time.

Mrs. HOLT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I certainly want to commend the chairman of our subcommittee and the chairman of the full committee for helping us to get this legislation to the floor. I think it is long overdue and I certainly support it. As the Representative of a district with a large number of congressional employees, I see the difficulties that they face in trying to pay their taxes. Each year employees face the problem of raising substantial sums to pay their taxes and I think they should certainly not be discriminated against.

This does make it possible for the employees of the Congress to voluntarily check off State taxes. It is also applicable to the Members of Congress.

I am certainly not a fan of taxation, but I think this is a means for easing some of the burden of the dispirited taxpayers.

Mr. THOMPSON. Mr. Speaker, I yield briefly to the gentleman from Maryland (Mr. Gude).

Mr. GUDE. Mr. Speaker, I thank the gentleman from New Jersey for yielding and I wish to commend the gentleman on his leadership in bringing this long overdue measure to the floor.

Also I commend the gentlewoman from Anne Arundel County for her leadership in this effort. This is not a new idea. The Senate began a similar procedure last January. Other recently enacted legislation also covers employees of the Library of Congress and the Architect of the Capitol. Employees of the executive branch have been included for a long time, so this leaves the House Members and employees who are the subject of this legislation.

Mr. Speaker, it is with a sigh of relief that I rise in support of House Resolution 732, as this is legislation I have been working on for a long time. This resolution would provide for the voluntary withholding of State income taxes for House employees. My distinguished colleague from New Jersey (Mr. Thompson), to whom should go the credit for obtaining action on this proposal, has already provided a background on the issue. Let me briefly emphasize several points.

First and most important, the legislation provides for voluntary withholding. It imposes no requirements on anyone who does not ask for them. Neither is it a negative option. Implementation of the withholding is contingent upon a specific request by an individual who wishes it.

Second, this is not a new idea. The Senate began a similar procedure last January. Other recently enacted legislation covers employees of the Library of Congress and the Architect of the Capitol. Employees of the executive branch have been included for a long time. This leaves House Members and employees, who are the subject to this resolution.

Third, this is more than a matter of convenience. The Maryland State government, for example, informs me that each year a number of employees have tax difficulties when they file their returns because they have failed to pay estimated tax and cannot afford to pay the entire amount at one time. These are not people seeking to evade the laws, but rather innocent victims of a complicated law and bad economic planning on their part. The State of Maryland for one wants this law to prevent its citizens from having this kind of difficulty.

Fourth, the resolution will certainly be welcomed by House employees. Last June I took a survey to which 220 Members' offices and 23 committee staffs and other offices ultimately responded. Of those, 3,787 people supported the idea of voluntary withholding and 205 did not. This represents approximately 95-percent approval.

Fifth, problems of cost and administration which existed in the precomputer days have been resolved. These procedures can be introduced quickly and easily at minimal cost. The House Administration Committee was convinced of the cost effectiveness of voluntary withholding, and so am I.

In short, what we have here is a piece of legislation whose time has clearly come. It is widely perceived as being both appropriate and necessary, as well as inexpensive, and I urge my colleagues to support passage of this resolution.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman and the many, many Members who have cosponsored or assisted with this resolution.

Mrs. SPELLMAN. Mr. Speaker, I rise in support of this resolution that has been so ably piloted by our colleague, Congressman Thompson. Certainly, Members and House employees should have the same opportunity to voluntarily have their State income taxes withheld from their paychecks that private citizens now enjoy.

Whether the private citizen realizes it or not, the withholding of State income taxes is a luxury that Members and House employees do not enjoy. They have to "cough-up" their State income taxes by April 15, and I have heard from employees who have ended up floating loans to make those payments. The government in my own State of Maryland has repeatedly expressed the hope that this bill will pass so that employees will have sufficient funds to pay their taxes in April. Many of those employees, acting in good faith, simply did not have enough set aside on their own to make those payments; with such a voluntary withholding program as this measure establishes, those employees will have sufficient funds.

This bill was first introduced in 1961, and has been reintroduced in nearly every Congress since that time. It is now time that this simple measure to provide the same assistance to House employees as private employees, and even Senate employees, receive, be passed by us.

I think that we can take the Senate example to heart. They implemented their voluntary withholding program in January of this year. By mid-year, approximately 80 percent of the eligible Senate Members and employees had elected to participate. The Senate has experienced no difficulties either in the implementation or the operation of the withholding provision.

Finally, a very impromptu poll of members of my staff and their colleagues in other offices showed that every one of them would like to have the money withheld. I have the feeling that other staffs will respond in a very similar vein.

Mr. Speaker, there is every reason to support and pass this bill. I know I join many of my colleagues in thanking Mr. Thompson, for his efforts and in voting for passage of House Resolution 732.

Thank you.

Mr. ROBINSON. Mr. Speaker, I rise in support of the resolution (H. Res. 732), which is an expansion of the bill (H.R. 5166) introduced by the gentleman from Maryland (Mr. Gude) on March 19, 1975, in which I joined as a cosponsor.

Voluntary withholding of State income taxes has been available to employees of most Federal activities for a number of years.

The bookkeeping complications which were a factor in the exemption of legislative employees from this privilege are no longer significant because of the availability of computers for the management of our payroll accounts.

It seems entirely appropriate, therefore, that the Members and employees of the House now have available, as a matter of choice, this means of assisting in budgeting for the current payment of State income taxes.

In particular, I am glad to have the opportunity of supporting the resolution in the interest of taxpaying residents of Virginia who are on the House payroll.

The SPEAKER pro tempore (Mr. Bolling). The question is on the motion offered by the gentleman from New Jersey (Mr. Thompson) that the House suspend the rules and agree to the resolution (H. Res. 732), as amended.

The question was taken.

Mr. MILLER of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order that a quorum is not present?

Mr. MILLER of Ohio. I do, Mr Speaker.

FARM CREDIT ELIGIBILITY STANDARDS REVISIONS

Mr. BERGLAND. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7862) to amend the Farm Credit Act of 1971 relating to credit eligibility for cooperatives serving agriculture producers, and to enlarge the access of production credit associations to Federal district courts, as amended.

The Clerk read as follows:

H.R. 7862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Farm Credit Act of 1971 (Public Law 92-181, 85 Stat. 583) is amended as follows:

(a) Section 3.8(d) is amended by inserting after "80 per centum" the following: "(70 *per centum* in the case of rural electric, telephone, and public utility cooperatives)".

(b) Section 5.24 is amended by striking out all after the first sentence.

The SPEAKER pro tempore. (Mr. BOLLING). Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BERGLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7862, as amended, a bill which amends the Farm Credit Act of 1971. The present Farm Credit law restricts the Banks for Cooperatives to making loans to cooperatives in which 80 percent of the voting control is vested with farmers. H.R. 7862 would lower that eligibility requirement to 70 percent making it possible for more public utility cooperatives to borrow from the Banks. This bill would also allow Production Credit Associations access to Federal district courts, which they were denied in the 1971 act.

The communities which have been historically serviced by the rural cooperatives are constantly changing. More and more nonfarm people and businesses are moving to rural America. This type of movement was indeed encouraged by the Congress in its passage of the Rural Development Act of 1972. However, along with this movement, comes the increased need for credit by public utilities and cooperatives. Congress, in adopting the Rural Electrification Act, recognized this need and adopted a policy designed to move rural electric cooperatives into the private money markets, and indicated that the Banks for Cooperatives are among the "legally organized lending institutions" authorized to make loans to rural electric cooperatives.

The proposed legislation is written so as to make the use of the reduced farmer voting membership requirement optional with each Bank. Any Bank that so chooses can adopt the 70 percent eligibility requirement or one that is more stringent. However, by making available financing for rural electric service to residents and establishments in farm communities, the Banks would strengthen their own earnings base and their capacity to serve all farmer cooperatives. It will provide additional rural electric cooperatives with an additional source of supplemental financing and tend to reduce Government involvement in the rural electric and telephone program.

The banks currently are owned by some 4,00C agricultural cooperatives of which 3,000 are active borrowers. The bill will not detract from the ownership and control of the banks by these cooperatives. Their eligibility for loans will not be changed.

This provision of H.R. 7862, as amended, has the support of the Farm Credit Administration, the U.S. Department of Agriculture, the Board of Directors of the National Rural Electric Cooperative Association, and a number of farm organizations.

The other provision of H.R. 7862, as amended, deletes language from the act which prohibits access to Federal district courts by production credit associations.

The Farm Credit Act of 1971 contains, among several new authorities, one which allows production credit associations to make loans to producers and harvesters of aquatic products. In making such loans, production credit associations frequently find it prudent and desirable to take liens on fishing boats. These liens are called "preferred ship mortgages." The maritime laws of the United States, however, place exclusive jurisdiction of the foreclosure of the preferred ship mortgages in the Federal district courts.

The provision in the Farm Credit Act which states that the district courts of the United States shall not have jurisdiction—except in certain limited situations—of any suit by or against a production credit association presents substantial difficulties in enforcing a lien of a preferred ship mortgage and serves as an impediment to financing fishermen.

The committee estimates that there will be no costs incurred by the Federal Government under this bill inasmuch as all farm credit institutions are privately financed.

My colleagues, H.R. 7862 is a good bill, it is a needed bill, and deserves your support. I now urge you to join me in voting in support of H.R. 7862 as amended.

Mr. MADIGAN. Mr. Speaker, recognizing the excellent detail with which the gentleman from Minnesota (Mr. BERGLAND) has explained the bill, and also recognizing that we have more than a dozen bills on the calendar this afternoon, I yield myself 1 minute for the purpose of explaining that the bill before us was supported by all of the minority members of the subcommittee and of the committee. It is supported by the administration.

We do regard it as a necessary piece of legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota (Mr. BERGLAND) that the House suspend the rules and pass the bill H.R. 7862, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

GIFTS OF PROPERTY TO THE NATIONAL ARBORETUM

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1649) to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

The Clerk read as follows:

S. 1649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of March 4, 1927, is amended to add the following:

"SEC. 5. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized to accept, receive, hold, utilize, and administer on behalf of the United States gifts, bequests, or devises of real and personal property made for the benefit of the National Arboretum or for the carrying out of any of its functions. For the purposes of the Federal income, estate, and gift tax laws, property accepted under the authority of this section shall be considered as a gift, bequest, or devise to the United States. Any gift of money accepted pursuant to the authority granted in this section, or the net proceeds from the liquidation of any property so accepted, or the proceeds of any insurance on any gift property not used for its restoration shall be deposited in the Treasury of the United States for credit to a separate fund and shall be disbursed upon order of the Secretary of Agriculture.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 20 minutes.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1649.

This bill would authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

A law enacted in 1927 authorized and directed the Secretary of Agriculture to establish and maintain a National Arboretum for purposes of research and education concerning tree and plant life.

In keeping with the development goals of the National Arboretum, various individuals and groups have, over the past 48 years, made a wide variety of contributions. These range from small sums of money to major collections of plants, such as the Gotelli Dwarf Conifer Collection, which is valued at $500,000. Financial support from major garden organizations— such as the Garden Clubs of America, the Women's National Farm and Garden Association, the National Capital Area Federation of Garden Clubs, the National Council of State Garden Clubs, Inc., and the American Association of Nurserymen—have assisted in the creation of significant gardens for both research and educational purposes. A collection of 8,000 large azaleas was donated by the Netherlands. Recently, a rare and priceless collection of Bonsai plants was donated by the Nippon Bonsai Association of Japan to commemorate America's Bicentennial.

As the Bicentennial celebration approaches, there are other groups which would like to make donations of plants and also funds to provide for putting plants in place so they can be viewed by the public.

In past years, gifts to the National Arboretum have been accepted by the trustees of the "Friends of the National Arboretum," an organization formed pursuant to a memorandum of understanding between the advisory council of the Arboretum and the Agricultural Research Service. However, the General Counsel's office of the Department has advised the Agricultural Research Service that the memorandum of understanding does not form an adequate legal basis for the acceptance of gifts to the National Arboretum. The Department has thus asked for enactment of this bill to give it the necessary authority.

I urge my colleagues to join me in voting in support of this measure.

Mr. MADIGAN. Mr. Speaker, again in the interest of conserving time, may I simply say that minority members also support this bill, and the administration has no objection to it.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. de la Garza) that the House suspend the rules and pass the Senate bill, S. 1649.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. de la GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GEORGE W. ANDREWS FORESTRY SCIENCES LABORATORY

Mr. LITTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2343) to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory".

The Clerk read as follows:

H.R. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Forest Service laboratory being constructed at Auburn, Alabama, shall hereafter be known and designated as the "George W. Andrews Forestry Sciences Laboratory". Any reference in a law, map, regulation, document, record, or other paper of the United States to such laboratory shall be held to be a reference to the "George W. Andrews Forestry Sciences Laboratory".

The SPEAKER pro tempore. Is a second demanded?

Mr. SYMMS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. Litton) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. Symms) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. Litton).

Mr. LITTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2343, legislation reported from the Committee on Agriculture to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory."

The bill is in recognition of the contribution made by the late Congressman Andrews in the establishment of the Auburn laboratory. George W. Andrews served in the House for 26 years. At the time of his death, he was the dean of the Alabama delegation and a ranking member of the Committee on Appropriations, where he served as chairman of the Subcommittee on Legislative Appropriations.

Mr. Andrews had a longstanding interest in the development of this project because of the benefits this facility will provide for residents of the Southeastern part of the United States. He was instrumental in obtaining the funds from Congress for the planning and designing of the laboratory.

The bill has the support of the members of the Alabama delegation to the House of Representatives and the Board of Trustees of Auburn University. The Department of Agriculture has refused to honor the request to honor Congressman Andrews because of a policy it claims to have observed not to name research laboratories for individuals. There have, however, been exceptions to this rule and because of the outstanding contribution made by Mr. Andrews, the committee is of the view that the Forest Service Laboratory at Auburn University should be designated as "The George W. Andrews Forestry Sciences Laboratory" in honor of the late Congressman from the Third District of Alabama.

Congressman Bill Nichols, along with the entire House Delegation from Alabama, introduced H.R. 2343 on January 29, 1975.

A hearing was held by the Subcommittee on Forests on this legislation on September 25, 1975. Testimony was received from Congressman Bill Nichols, the principal sponsor of the bill, and the Honorable Richard A. Ashworth, Deputy Under Secretary, appearing for the Department of Agriculture. Additional statements were received for the hearing record from other members of the Alabama delegation.

Testimony received by the subcommittee indicated a close relationship between the work of George W. Andrews as a ranking member of the Committee on Appropriations and the facility presently under construction at Auburn, Ala.

Congressman Andrews' interest in this project dated from the mid-1960's, at which time the U.S. Forest Service and Auburn University agreed on a site for the laboratory. Acting at the request of Mr. Andrews and based on information he provided as to the need and potential for the entire southeast as a result of locating this facility at Auburn, Ala., the Committee on Appropriations approved an add-on of $110,000 in fiscal year 1972 for the planning and designing of this facility.

The Subcommittee on Forests on October 7, 1975, in an open business meeting, in the presence of a quorum, ordered H.R. 2343 favorably reported to the full committee by a rollcall vote of 8 "yeas" to 1 "nay." The bill was reported by the Committee on Agriculture by a voice vote in the presence of a quorum on October 29, 1975.

Mr. Speaker, I urge my colleagues to join with me in support of this legislation to honor the memory of the late Congressman George Andrews for his work in the House, particularly in the planning and construction of this facility at Auburn University, Auburn, Ala.

Mr. SYMMS. Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. LITTON. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. Hungate).

Mr. HUNGATE. Mr. Speaker, I would like to urge the support of the Members for this legislation as a particular tribute to our late colleague, George W. Andrews.

George Andrews was one of the finest storytellers in the House. One of us could tell George Andrews a story, and a week later he could retell it and it would be funnier than when it was told the first time.

He was also a great believer in this House as the "people's body. He said that one could go to the Supreme Court without being elected, one could go to the White House without being elected, but no one could get into the House of Representatives unless the people voted for him. That is the philosophy he impressed on us constantly.

Mr. Speaker, we would do well to pass this bill in honor of the memory of the late George Andrews.

Mr. LITTON. Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from Alabama (Mr. Nichols), who is the principal sponsor of this legislation.

Mr. NICHOLS. Mr. Speaker, I thank the gentleman for yielding time to me.

I would just like to inform the Members of the House that this bill is jointly sponsored by the entire Alabama delegation. It also bears the unanimous approval of the Auburn University Board of Trustees, and that was by unanimous resolution.

Mr. Speaker, I appreciate the fine work that the committee has done in getting this bill out. It is very much the order of the day to honor a very fine individual, without whose services the laboratory would never have been established. I appreciate the opportunity to speak on the bill, and I thank the gentleman from Missouri for this opportunity.

Mr. BEVILL. Mr. Speaker, it gives me great pleasure to rise in support of H.R. 2343. As you know, this bill would designate the new Forest Service Laboratory at Auburn University as the George W. Andrews Forestry Sciences Laboratory.

Naming this modern complex after the late George Andrews seems only fitting.

George W. Andrews was a man all Alabamians could be proud of. He served his State and Nation diligently as a Member of the U.S. House of Representatives from 1944 until his death in 1971.

Representing the old Third District, which was composed of the southeast corner of Alabama, Congressman Andrews was the epitome of the hard-working public servant which has characterized our country's governmental history.

George Andrews was quite simply a man devoted to serving the people he represented.

One of the many areas George Andrews served was the field of education. He particularly worked hard in the interest of Auburn University, the largest campus in our State, which was located in his district.

In the midsixties, Representative Andrews started working with the U.S. Forestry Service and Auburn University on a project to build a Forest Service laboratory on the Auburn campus.

As a member of the House Appropriations Committee, George Andrews soon became the leader in the drive to bring the research lab to Auburn.

Congressman Andrews' tireless efforts in behalf of the lab turned out to be fruitful with the complex being built on the sprawling Auburn campus.

Today, we are asking that this building which George Andrews worked so hard for be named in his behalf as a fitting tribute to his efforts.

As a cosponsor of this bill, let me urge your support for H.R. 2343 which will give the State of Alabama a lasting tribute to one of its most devoted lawmakers, the late George W. Andrews.

Mr. JONES of Alabama. Mr. Speaker, I want to join with my colleagues from Alabama in urging favorable consideration of H.R. 2343 to designate the new Forest Service Laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory." Because of our long service together in the House, I am pleased to be a coauthor of this legislation.

Congressman George W. Andrews served in the House of Representatives for nearly 28 years and was highly regarded by all who knew him.

During his distinguished service to his country as a Member of the House, he was especially active in encouraging programs to promote the development of forests and forestry in the Eastern United States.

During his tenure, he witnessed great strides in the improvement of forests and the advancement of the forestry profession.

The designation of the Forest Service Laboratory for consideration at Auburn University, near his home, will be a particularly fitting tribute to his dedication to the enhancement of forestry.

I respectfully urge approval of H.R. 2343.

Mr. LITTON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. LITTON) that the House suspend the rules and pass the bill (H.R. 2343).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LITTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AGRICULTURAL PEST CONTROL

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1617) to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes, as amended.

The Clerk read as follows:

S. 1617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of the Act of September 21, 1944 (58 Stat. 735, 7 U.S.C. 147a), as amended, is further amended to read as follows:

"SEC. 102. (a) The Secretary of Agriculture either independently or in cooperation with States or political subdivisions thereof, farmers' associations, and similar organizations, and individuals, is authorized to carry out operations or measures to detect, eradicate, suppress, control, or to prevent or retard the spread of plant pests.

"(B) The Secretary of Agriculture is further authorized to cooperate with the Governments of Canada, Mexico, Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, the Bahama Islands, the Greater Antilles, and the Lesser Antilles, or the local authorities thereof, and with international organizations or associations, in carrying out necessary surveys and control operations in those countries in connection with the detection, eradication, suppression, control and prevention or retardation of the spread of plant pests.

"(c) In performing the operations or measures herein authorized, the cooperating foreign country, State, or local agency shall be responsible for the authority necessary to carry out the operations or measures on all lands and properties within the foreign country or State other than those owned or controlled by the Federal Government and for such other facilities and means as in the discretion of the Secretary of Agriculture are necessary.

"(d) As used in this section—

"(1) 'Plant pest' means any living stage of any insects, mites, nematodes, slugs, snails, protozoa, or other invertebrate animals, bacteria, fungi, other parasitic plants or reproductive parts thereof, viruses, or any organisms similar to or allied with any of the foregoing, or any infectious substances, which can directly or indirectly injure or cause disease or damage in any plants or parts thereof, or any processed, manufactured, or other products of plants.

"(2) 'Living state' includes the egg, pupal, and larval stages as well as any other living stage.

"(3) 'State' includes the District of Columbia and the territories and possessions of the United States.

"(e) The Secretary of Agriculture is authorized to promulgate such rules and regulations and use such means as he may deem necessary to provide for the inspection of plants and plant products offered for export or transiting the United States and to certify to shippers and interested parties as to the freedom of such products from plant pests according to the phytosanitary requirements of the foreign countries to which such products may be exported, or to the freedom from exposure to plant pests while in transit through the United States.

(f) There are hereby authorized to be appropriated such sums as the Congress may annually determine to be necessary to enable the Secretary of Agriculture to carry out the provisions of this section. Unless otherwise specifically authorized, or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injury or destroyed.".

SEC. 2. Section 1 of the Act of October 6, 1917 (40 Stat. 374; 7 U.S.C. 145) is hereby repealed.

SEC. 3. Section 1 of the Act of February 28, 1947, as amended (61 Stat. 7, 80 Stat. 330, 85 Stat. 418; 21 U.S.C. 114b), is further amended by (1) inserting in the first sentence after the words "any communicable disease of animals" the words "or vectors thereof", (2) inserting after "Canada" a comma and "the Bahama Islands, the Greater Antilles, and the Lesser Antilles, and with international organizations or associations", and (3) by deleting "British Honduras" and inserting in lieu thereof "Belize".

The SPEAKER pro tempore. Is a second demanded?

Mr. SYMMS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1617, as amended. This bill broadens and strengthens the authority of the Secretary of Agriculture to control and eradicate agricultural pests and to control and eradicate animal diseases and carriers of animal diseases.

I would like to discuss some of its principal features. First, the bill would permit the Secretary of Agriculture to carry out eradication and control programs with respect to plant pests not now covered by the Organic Act of 1944. Authority is also provided for the first time for the detection of plant pests in the United States.

Second, S. 1617, as amended, extends the Secretary's authority to cooperate with foreign governments in carrying out eradication and control programs. The bill would: First, permit the Secretary to cooperate with the Governments of Canada, Mexico, Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, the Bahama Islands, the Greater Antilles, and the Lesser Antilles, and second, cover "plant pests" in general. Existing law authorized cooperation only with respect to Mexico and only for specified pests.

Third, the bill makes discretionary the Secretary's authority to provide phytosanitary inspection and certification service for domestic plants and plant products for export, and extends such authority to inspection and certification of any plants or plant products offered for export or transiting the United States.

Finally, the bill makes it clear that the Secretary's authority to cooperate with certain Western Hemisphere countries in animal diseases control covers carriers of animal diseases and extends the authority to additional countries in the Caribbean area.

Over the years, legislation has been enacted at various times authorizing the Secretary of Agriculture to cooperate with foreign countries in detecting, controlling, and eradicating agricultural pests and animal diseases. The authority of the Secretary to combat animal diseases, for example, was first extended to Mexico in 1947. In 1971, the Secretary's authority for cooperative programs on animal disease control was extended to Canada, the Central American countries, and Colombia. This broadened authority provides the authority and opportunity to work effectively toward eradication and also to avoid reintroduction of certain animal diseases.

However, such comprehensive authority does not exist for plant pests. A recent outbreak of the Mediterranean fruit fly, an extremely destructive insect to citrus and vegetables, has been detected in Central America. It is imperative that this pest be prevented from spreading into the United States.

After several years, during which the known distribution of the Mediterranean fruit fly remained relatively stable in Costa Rica, Nicaragua and Panama, it has been trapped this year in large numbers throughout El Salvador and in the bordering areas of Honduras and Guatemala. This northward spread poses a definite risk to both Mexico, and the United States, both in terms of damage to host fruits and vegetables and the disruption of normal marketing patterns.

The Mediterranean fruit fly has a host range of over 200 fruits and vegetables, many of which are important food crops. The annual Central American production of host fruits is valued at $58.2 million. Annual citrus losses to the Mediterranean fruit fly in the Central American countries is estimated to reach $6.1 million annually. Proportional losses in Mexico on citrus and coffee would amount to $7 million, while potential losses on citrus and deciduous fruits in the United States could reach $285 million annually.

Six separate infestations of the Mediterranean fruit fly in Florida—1929 and 1956–63—and Texas—1966—have been eradicated at a total cost of $23 million. The cost of eradicating incipient infestations and of added pest control measures and reduced yields of host fruits and vegetables would amount to many millions of dollars annually. Reduced yields and higher production costs would be passed on to the consumer in the form of higher prices.

Current legislative authority does not permit the Department of Agriculture to go beyond Mexico in cooperative plant pest control and eradication programs. This means that further spread and buildup of the Mediterranean fruit fly will occur unless the authority is given to the Secretary to cooperate with El Salvador and Guatemala to control and eliminate this pest.

The most effective control of agricultural pests is preventive, but the programs must also have the capability for quick response to any disease or insect outbreak. This permits the most efficient solution by stopping the problem before an infestation reaches unmanageable proportions. The enactment of "emergency" legislation is, of course, subject to delays that could be devastating to agriculture and, ultimately, the American consumer.

The Secretary of Agriculture must, therefore, have the authority to deal effectively with destructive agricultural pest outbreaks, not only in the United States but in those areas abroad where the incidence of such pests represents a threat to U.S. agriculture. Such authority is especially necessary in view of the expansion of agricultural trade and the increased opportunities for the accidental introduction of destructive agricultural pests.

The bill also amends the statutory authority of the Secretary to cooperate with certain Western Hemisphere countries in animal disease control in two respects. First, it would make clear that authority covers carriers of animal disease such as the cattle fever tick which has become a major source of concern to areas in the Southern part of the United States. Second, it would extend the countries with which the United States could engage in cooperative programs to include the same countries provided by the provisions of the bill relating to plant pests. The committee is of the view that it is important that the Secretary should have comparable authority in these two types of control programs.

Mr. Speaker, this bill has the support of the administration. It is important to the welfare of the farm community of the United States. It was approved by the committee with strong bipartisan support. I urge its adoption by the Members of the House.

Mr. SYMMS. Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. DE LA GARZA) that the House suspend the rules and pass the Senate bill (S. 1617), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DOMESTICATED RABBIT MEAT INSPECTION

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10073) to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes.

The Clerk read as follows:

H.R. 10073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as provided in section 2 of this Act, all the penalties, terms, and other provisions in the Poultry Products Inspection Act (71 Stat. 441; 21 U.S.C. 451–470) are hereby made applicable (1) to domesticated rabbits, the carcasses of such rabbits, and parts and products thereof, and to the establishments in which domesticated rabbits are slaughtered or in which the carcasses, or parts or products thereof, are processed, (2) to all persons who slaughter domesticated rabbits or prepare or handle the carcasses of such rabbits or parts or products thereof, and (3) to all other persons who perform any act relating to domesticated rabbits or the carcasses of such rabbits or parts or products thereof, and who would be subject *to such* provisions if such acts related to poultry or the carcasses of poultry, or parts or products thereof; and such provisions shall apply in the same manner and to the same extent as such provisions apply with respect to poultry and the carcasses of poultry, and parts and products thereof, and to persons who perform acts relating to poultry, the carcasses of poultry, or parts or products thereof.

SEC. 2. (a) The provisions in paragraph (a)(2) of section 15, section 24(a), and section 29 of the Poultry Products Inspection Act shall not apply with respect to domesticated rabbits or the carcasses of such rabbits, or parts or products thereof. The two-year period specified in paragraph (c)(1) of section 5 of such Act and the periods contemplated by paragraph (c)(4) of such section shall commence upon the date of enactment hereof, with respect to domesticated rabbits and the carcasses of such rabbits, and parts and products thereof; and in applying the volume provisions in paragraphs (c)(3) and (c)(4) of section 15 of such Act, the volume restrictions applicable to turkeys shall apply to domesticated rabbits.

(b) For purposes of this Act—

(1) wherever the term "poultry" is used in the Poultry Products Inspection Act, such term shall be deemed to refer to domesticated rabbits;

(2) wherever the term "poultry product" is used in the Poultry Products Inspection Act, such term shall be deemed to refer to domesticated rabbit products; and

(3) the reference to "domesticated bird" in section 4(e) of the Poultry Products Inspection Act shall be deemed to refer to domesticated rabbit.

(4) the reference to "feathers" in section 9(a)(4) shall be deemed to be "pelt".

SEC. 3. This Act shall become effective upon enactment, except that no person shall be subject to the provisions of this Act prior to January 1, 1977, unless such person after enactment of this Act applies for and receives inspection for the processing for commerce (as defined in the Poultry Products Inspection Act) of domesticated rabbits or the carcasses of such rabbits, or parts or products thereof, in accordance with the provisions of this Act and pursuant to regulations promulgated by the Secretary of Agriculture under this Act. Any person who voluntarily applies for and receives such inspection after enactment hereof shall be subject, on and after the date he commences to receive such inspection, to all of the provisions (including penalties) of the Poultry Products Inspection Act as applied hereby in relation to domesticated rabbits, the carcasses of such rabbits, and parts and products thereof.

SEC. 4. The provisions hereof shall not in any way affect the application of the Poultry Products Inspection Act in relation to poultry, poultry carcasses, and parts and products thereof.

The SPEAKER pro tempore (Mr. BOLLING). Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. POAGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Agriculture has favorably reported H.R. 10073, calling for mandatory inspection of rabbit meat by the Federal Government. The bill was ordered reported to the House on October 30 by a unanimous voice vote in the presence of a quorum.

Presently all meats with the exception of rabbit meat are inspected by the Federal Government. Since rabbit meat is a high quality nutritious meat that is gaining in popularity with the American consumers, the committee sees no reason the Federal Government should not pay for its inspection just as it does for other meats. This bill will require the Department of Agriculture to inspect rabbit meat which will assure the Nation's consumers of a wholesome product. At this time I yield to the gentleman from Kansas (Mr. SEBELIUS) who is the sponsor of this legislation, so he may describe in further detail the merits of the legislation.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate this opportunity to discuss H.R. 10073, legislation to amend the Meat and Poultry Products Inspection Act to include inspection of domesticated rabbits slaughtered for human consumption.

This legislation would extend USDA inspection services to the producer of domesticated rabbit meat who market over 5,000 rabbits a year. This inspection service would be identical to that currently provided for all other competing types of meat. The USDA stamp of approval provides the consumer a reassuring guarantee of product wholesomeness which makes the expense of inspection an investment rather than a cost. Furthermore, it will insure a steady and dependable supply of top-quality rabbit meat to consumers.

The Federal-State meat inspection program has been quite successful in its basic objective of protecting the consumer from dangerous and unwholesome meat products. As a result, consumers have responded to USDA inspection by demonstrating a growing preference for reliable meat and meat byproducts.

In 1906 when the first Wholesome Meat Act was passed, beef consumption was 71.3 pounds per capita and in 1909, the first year when poultry consumption figures were calculated, 14.7 pounds of chicken were consumed per person. By 1974, beef consumption reached 116.8 pounds per capita and chicken consumption was 41.1 pounds per capita.

Of course, other variables such as income and demand influence these figures, but the protection afforded by inspection has contributed significantly to consumption of meat. Consumers of domesticated rabbit meat should have the assurance that it is wholesome, unadulterated, and properly labeled, as they presently do for other meat and poultry products.

At the present time inspection is available for rabbit processing under a voluntary program in which processors pay for the services. This bill would require mandatory inspection of rabbit processing and assure the uniform certification of the wholesomeness of domesticated rabbits. This would relieve an unfair and inequitable burden to a struggling, marginally profitable industry.

In view of the well-documented need for high quality protein in the human diet, I believe that USDA-inspected rabbit meat and rabbit products can help satisfy this demand and in a most nutritious and efficient manner.

Rabbit meat is similar to the white meat or the breast of chicken. In fact, rabbit meat is higher in protein and much lower in fat and cholesterol than other red meats. This underscores its dietary importance in our health-conscious society. Rabbit meat is recommended for heart patients and approved by Weight Watchers.

The rabbit has a feed conversion efficiency of about 4 to 1—4 pounds feed per 1 pound gain. The meat has a high meat-to-bone dressing percentage with the meat being 85 percent digestible.

Three domestic rabbit does and one buck can produce more meat in a year than one cow, at less cost per pound of meat gained. In fact, the domestic rabbit has the genetic capacity to produce about 25 times its weight in fryer offspring each year.

Rabbit by-products are important in the production of certain pharmaceuticals. For example, rabbit blood is reduced to plasma for diagnostic purposes while rabbit brains are used to produce thermo plastin for testing the coagulation of human blood in the laboratory.

I feel that to date, rabbit consumption has been limited, in part, due to the lack of consumer guarantees of wholesomeness and the retail price of rabbit which is inflated by the cost of inspection. The competitive disadvantage of absence of quality guarantees has overshadowed the dietary and economic benefits of rabbit consumption.

Federal inspection as required by this bill would accelerate consumer acceptance, would create stability and provide economic incentive for expansion of the rabbit processing industry.

There has been some concern that mandatory Federal inspection will eliminate the small rabbit processors. This is not the case. There are liberal exemptions for small processors and they would stand to gain more than large processors since inspection fees as high as $12 per hour represents a greater percentage of their production costs.

There is ample evidence that a significant percentage of the domesticated rabbit meat retailed in this country is imported without USDA inspection and is produced under very questionable sanitary conditions. This bill would authorize spot checks of imports and require foreign plants to comply with sanitation standards that are required for other meat imports.

A stable rabbit processing industry could create economic opportunity for many unemployed or underemployed citizens in rural and smalltown areas. Rabbit production as a source of supplemental income appeals to hobbyists, senior citizens, young people, handicapped, the disadvantaged and various ethnic and minority groups.

Raising domesticated rabbits requires a limited investment and operating capital as well as minimum labor requirements. This makes rabbit production a promising source of income and meat production in the future.

In short, the time has come to include rabbit processing under the mandatory inspection provisions of the Meat and Poultry Inspection Acts. This would stabilize the rabbit processing industry without forcing undue costs on the smaller processes who could be exempt. This act would open new doors of opportunity for senior citizens youth, handicapped and others in search of gainful employment and economic returns and could offer our rural and small-town areas additional economic activity, an important consideration during these times of high unemployment.

More importantly, the consumer would be guaranteed wholesomeness and an increasing supply of a most nutritious and healthful food which is high in protein and low in fat. This bill would also give the rabbit producer and consumer some measure of protection from cutrate, low-quality imports.

I am hopeful that we will take prompt and favorable action on this proposal.

Mr. POAGE. Mr. Speaker, I have no further requests for time.

Mr. SEBELIUS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Speaker, I rise to commend the committee for its pluck in reporting out this bill. It would accomplish something not yet done on the House floor.

By hopping over some hare-splitting definitions, the committee has shown that Congress as well as magicians can make rabbits out of chickens.

This is the kind of hare-raising scheme that is rapidly proliferating in the Congress. There seems no tail-end to it.

Critics will have a field day pelting Congress for passing a bill that does not know the difference between chickens and rabbits, or feathers and skins.

In shifting inspection costs from processors to the Department of Agriculture, this bill gives rabbit growers the carrot and taxpayers the stick.

Of course, I understand that this bill is intended to stop the spread of tuleremia and to provide a procedure for inspecting rabbits imported from mainland China. Tuleremia is an infectious disease—which may or may not come from red rabbits—that causes hot and cold flashes and the appearance of jitters and nerves.

The administration opposes this bill on the grounds that it already has sufficient authority to control this disease. If so, I wish they would start using that authority. Every time I look across the aisle, I see dozens of freshmen cases of jitters, nerves, and hot and cold flashes.

Mr. Speaker, I am no chicken when it comes to voting on important issues, but this poultry bill is one I am going to duck. This bill is a turkey, and I say it is for the birds.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. Poage) that the House suspend the rules and pass the bill H.R. 10073.

The question was taken; and (two-thirds having voting in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COOPERATIVE AGREEMENTS FOR CERTAIN FOREST SERVICE PROGRAMS

Mr. LITTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10027), to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit Certain Forest Service Programs and to advance or reimburse funds to cooperaother purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to facilitate the administration of the programs and activities of the Forest Service, the Secretary is authorized to negotiate and enter into cooperative agreements with public or private agencies, organizations, institutions, or persons to construct, operate, and maintain cooperative pollution abatement equipment and facilities, including sanitary landfills, water systems, and sewer systems; to engage in cooperative manpower and job training and development programs; to develop and publish cooperative environmental education and forest history materials; and to perform forestry protection, including fire protection, timber stand improvement, debris removal, and thinning of trees. The Secretary may enter into aforesaid agreements when he determines that the public interest will be benefited and that there exists a mutual interest other than monetary considerations. In such cooperative arrangements, the Secretary is authorized to advance or reimburse funds to cooperators from any Forest Service appropriation available for similar kinds of work or by furnishing or sharing materials, supplies, facilities, or equipment without regard to the provisions of the Act of January 31, 1823 (Rev. Stat. 3648, as amended; 31 U.S.C. 529), relating to the advance of public moneys.

Sec. 2. In any agreement authorized by section 1, cooperators and their employees may perform cooperative work under supervision of the Forest Service in emergencies or otherwise as mutually agreed to, but shall not be deemed to be Federal employees other than for the purposes of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code.

Sec. 3. Nothing in this Act shall be construed as limiting or modifying the authority of the Secretary to enter into cooperative agreements otherwise authorized by law.

The SPEAKER pro tempore. Is a second demanded?

Mr. SYMMS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. Litton) and the gentleman from Idaho (Mr. Symms) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Missouri.

Mr. LITTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 10027, as amended, legislation authorizing the Secretary of Agriculture to enter into cooperative agreements which benefit certain Forest Service programs and to advance or reimburse funds to cooperators for work performed.

H.R. 10027, as amended, is necessary to clarify and expand existing authority relating to cooperative agreements which may be entered into by the Forest Service. The bill will provide clear authority to the Forest Service to engage in cooperative activities to construct, operate, and maintain cooperative pollution abatement equipment and facilities, including sanitary landfills, water systems, and sewer systems; to engage in cooperative manpower and job training and development programs; to develop and publish cooperative environmental education and forest history materials; and to perform forestry protection, including fire protection, timber stand improvement, debris removal, and thinning of trees.

At times the Forest Service has been unable to enter into cooperative arrangements which would benefit the program because of the lack of statutory authority. In other cases there have been inconsistent and uneven administrative practices throughout the country because of the lack of clear authority either to negotiate an agreement or to reimburse cooperators for work performed or for services, facilities, or equipment provided by the cooperator.

The authority provided by H.R. 10027, as amended, would enable States to make maximum use of fire crews so they may be maintained on a year-round basis. States, such as Oregon, are having difficulty maintaining their crews throughout the year thus endangering the boundaries. The new authority would allow the use and reimbursement periods of relatively low fire hazard as part of the cooperative arrangement and assure that the crews would be readily available in emergency fire situations.

It is the committee's intention that the authority for cooperative agreements for forestry protection would not be used for the purpose of commercial timber sales. Further, the authority provided by this legislation would be applicable only to land and programs within the jurisdiction of the Forest Service.

Mr. Speaker, H.R. 10027, as amended, is a revised version of H.R. 5634, legislation introduced by Mr. Ullman for himself and the other House Members of the Oregon delegation on March 26, 1975.

Hearings were held by the Subcommittee on Forests on H.R. 5634 on June 19, 1975. All testimony received at that time by the subcommittee was favorable, including testimony from the Chief of the U.S. Forest Service.

H.R. 5634 was revised to meet certain objections to the scope of the authorization contained therein and Mr. Ullman introduced the revised version as H.R. 10027 on October 3, 1975.

On October 7, the Subcommittee on Forests, meeting in an open business meeting and with a quorum present ordered H.R. 10027 reported to the full committee by a rollcall vote of 10 "yeas" to 0 "nays," with the recommendation that it do pass with two amendments. One provided further restrictions on the types of cooperative agreements covered by the legislation; the second amendment specified that this legislation does not affect the authority of the Secretary to enter into cooperative agreements otherwise authorized by law.

On October 30, 1975, the Committee on Agriculture after adopting two technical amendments reported the bill by a unanimous voice vote in the presence of a quorum.

Mr. Speaker, the Department estimates no cost to the Federal Government in enacting this legislation.

Mr. Speaker, the committee has been advised informally that the Department supports H.R. 10027, as amended. I know of no objections to it in its present form and urge my colleagues to support this legislation.

Mr. SYMMS. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I associate myself with the remarks of the chairman of the Forests Subcommittee, the gentleman from Missouri (Mr. Litton).

Mr. LITTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. AuCoin), one of the cosponsors of the legislation.

Mr. AuCOIN. Mr. Speaker, I rise in support of H.R. 10027. Beyond that, I am here today to convey the compliments of my friend and distinguished colleague, the gentleman from Oregon (Mr. Ullman) to the chairman of the committee and the members of the committee for the fine work and initiative they have performed on this piece of legislation.

The gentleman from Oregon (Mr. Ullman) would have been here on the floor today, were it not for the particularly heavy responsibilities that he is carrying this week in the Committee on Ways and Means as it considers the tax reform bill. He has asked me to extend his compliments to the gentleman from Missouri (Mr. Litton) for the initiative he has shown on this bill. I am here to do this and to echo Mr. Ullman's comments.

Mr. ULLMAN. Mr. Speaker, I rise in support of H.R. 10027, a bill I have introduced to authorize the Federal Government to reimburse public and private parties for work performed which benefits Forest Service programs.

First, let me commend my good friend, Jerry Litton, the chairman of the Subcommittee on Forests, for his initiative and leadership in bringing this bill through the hearings and markup process so smoothly this year. This legislation has been introduced by the Oregon delegation in previous Congresses and again this year. It is now getting the attention and focus it deserves, thanks to Jerry Litton.

Under the provisions of this measure, the Secretary of Agriculture would be granted the authority to reimburse State governments and private parties when the Forest Service makes use of non-Federal crews for forest maintenance tasks. The Forest Service has authority under existing law to reimburse these cooperators for the performance of certain limited services, including fire suppression. However, reimbursement for performing work of a general nature or for providing most services and facilities is prohibited under 41 U.S.C. 252, since it constitutes contracting for personal services. The effect of this legislation, therefore, would be to merely broaden and clarify the Secretary of Agriculture's existing authority to reimburse non-Federal parties with which the Forest Service has entered into a cooperative agreement.

With the passage of this legislation, the States would hire and train needed additional maintenance crews to perform services on both State and national forests. The double advantage of this measure is that not only are needed maintenance projects accomplished which would otherwise be postponed or left undone, but fire protection is significantly improved. By having these additional crews in the forest instead of at distant stations, firefighters are immediately available when a fire breaks out, perhaps making the difference between a brush fire and a catastrophe.

This legislation offers a number of further benefits in addition to increased fire protection and maintenance capabilities. First, by putting on these additional crews, highly skilled Forest Service personnel are able to return to the high priority forest management functions for which they were trained and educated. Second, by bringing Federal, State, and private forest management efforts into cooperation, overall efficiency will be increased. Third, H.R. 10027 will assist local economies directly by providing season employment for youths who badly need monetary payment as well as a constructive outlet of energies. The benefits amount to millions of dollars in Oregon alone, while the Forest Service estimates that this program will be of no cost to the Federal Government.

Wood is a basic resource, and like other resources, it must be managed wisely in order to insure that America will have many more years of the prosperity and enjoyment which our forests give us. H.R. 10027 is a significant and meaningful step toward the efficient and productive management of our forest resources. I urge that my colleagues approve this legislation.

Mr. LITTON. Mr. Speaker, I have no further requests for time.

Mr. SYMMS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. Litton) that the House suspend the rules and pass the bill H.R. 10027, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LITTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1975

Mr. VIGORITO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10339) to encourage the direct marketing of agricultural commodities from farmers to consumers, as amended.

The Clerk read as follows:

H.R. 10339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farmer-to-Consumer Direct Marketing Act of 1975".

PURPOSE

Sec. 2. It is the purpose of this Act to promote, through appropriate means and on an economically sustainable basis, the development and expansion of direct marketing of agricultural commodities from farmers to consumers. To accomplish this objective, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall initiate and coordinate a program designed to facilitate direct marketing from farmers to consumers for the mutual benefit of consumers and farmers.

DEFINITION

Sec. 3. For purposes of this Act, the term "direct marketing from farmers to consumers" shall mean the marketing of agricultural commodities at any marketplace (including, but not limited to, roadside stands, city markets, and vehicles used for house-to-house marketing of agricultural commodities) established and maintained for the purpose of enabling farmers to sell (either individually or through a farmers' organization directly representing the farmers who produced the commodities being sold) their agricultural commodities directly to individual consumers, or organizations representing consumers, in a manner calculated to lower the cost and increase the quality of food to such consumers while providing increased financial returns to the farmers.

SURVEY

Sec. 4. The Secretary shall provide, through the Economic Research Service of the United States Department of Agriculture, or whatever agency or agencies the Secretary considers appropriate, a continuing survey of existing methods of direct marketing from farmers to consumers in each State. The initial survey, which shall be completed no later than one year following the date of enactment of this Act, shall include the number of types of such marketing methods in existence, the volume of business conducted through each such marketing method, and the impact of such marketing methods upon financial returns to farmers (including their impact upon improving the economic viability of small farmers) and food quality and costs to consumers.

DIRECT MARKETING ASSISTANCE WITHIN THE STATES

Sec. 5. (a) In order to promote the establishment and operation of direct marketing from farmers to consumers, the Secretary shall provide that funds appropriated to carry out this section be utilized by State departments of agriculture and the Extension Service of the United States Department of Agriculture for the purpose of conducting or facilitating activities which will initiate, encourage, develop, or coordinate methods of direct marketing from farmers to consumers within or among the States. Such funds shall be allocated to a State on the basis of the feasibility of direct marketing from farmers to consumers within that State as compared to other States and shall be allocated within a State to the State department of agriculture and to the Extension Service on the basis of the types of activities which are needed in the State and on the basis of which of these two agencies, or combination thereof, can best perform these activities. The activities shall include, but shall not be limited to—

(1) sponsoring conferences which are designed to facilitate the sharing of information (among farm producers, consumers, and other interested persons or groups) concerning the establishment and operation of direct marketing from farmers to consumers;

(2) compiling laws and regulations relevant to the conduct of the various methods of such direct marketing within the State, formulating drafts of enabling legislation needed to facilitate such direct marketing, determining feasible locations for additional facilities for such direct marketing, and preparing and disseminating practical information on the establishment and operation of such direct marketing; and

(3) providing technical assistance for the purpose of aiding interested individuals or groups in the establishment of arrangements for direct marketing from farmers to consumers.

(b) In the implementation of this section, the Secretary shall take into account consumer preferences and needs which may bear upon the establishment and operation of arrangements for direct marketing from farmers to consumers.

ANNUAL REPORT

SEC. 6. The Secretary shall periodically review the activities carried out under this Act and shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, within one year of the date of enactment of this Act, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall include in such report a State-by-State summary of the results of the survey conducted under this Act, and a summary of the activities and accomplishments of the Extension Service and the State departments of agriculture in the development of direct marketing from farmers to consumers during the previous year.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) For purposes of carrying out the provisions of sections 4 and 6, there are authorized to be appropriated such sums as are necessary.

(b) For purposes of carrying out the provisions of section 5, there is authorized to be appropriated $1,500,000 for the fiscal year beginning October 1, 1976.

The SPEAKER pro tempore. Is a second demanded?

Mr. SYMMS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. (VIGORITO) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. VIGORITO).

Mr. VIGORITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill takes note of the current interest among both farmers and consumers in the sale of fresh fruits and vegetables and other food commodities at roadside stands, downtown markets, and other places where the sales are direct from the farmers to consumers.

The bill provides a small measure of technical assistance to private individuals and groups who wish to establish and operate a direct food marketing facility.

Specifically, the bill does essentially three things.

First, it authorizes a nationwide survey of direct marketing arrangements, to be carried out by the U.S. Department of Agriculture.

Second, it provides for the State departments of agriculture and the Agricultural Extension Service to provide some technical assistance for direct marketing within the respective States.

Third, it calls for a year-end report from the Secretary of Agriculture to the Congress describing how the bill has been carried out.

One of the two committee amendments is purely technical, simply changing a section number. The other committee amendment reduced the effective period of the bill from 3 years to 1 year, and reduced the funding accordingly.

Consequently, the only explicit funding authorization in the bill is $1.5 million for fiscal year 1977.

Mr. Speaker, I urge passage of the bill, and I reserve the balance of time.

[Other debate, followed by voice vote unless someone asks for record vote—in which event final vote postponed until completion of debate on other suspension items.]

Mr. Speaker, I reserve the balance of my time.

Mr. SYMMS. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, the idea of direct farmer to consumer marketing is not new. It is the oldest form of marketing of agricultural products. The large number of currently successful farmers markets like the ones in Los Angeles, South Bend, and the District of Columbia testify to the role and the support that this type of marketing has had over time. Just recently I read that 60 new farmers markets have been started over the past several years. This does not include the increase in the countless number of roadside markets. Farm organizations have increased their efforts to market their own products by pooling resources and products and have begun to market the products under the farmers own label. The help of the extension service and governmental publications has often helped the individual or group with the technical information needed to make this type of marketing successful.

This bill gives added emphasis to the Department of Agriculture to facilitate farmers and others in their efforts to directly market their products. To the degree that it encourages market entry, it is a positive measure to insure and increase market place competition for the benefit of the American consumer. In fact, the legislation will help bring useful information to the farmers and State agencies as to the economic and aesthetic factors needed to sustain a sound farmer to consumer marketing system.

The bill requires the Department of Agriculture to complete a survey of direct marketing from farmers to consumers. The Department has already expressed its interest in completing this type of survey. The survey will serve as a bench mark for the would-be entrants into the direct farmer to consumer marketing system. It would also serve as a guide to the situations where it would not be economically viable for farmers, as individuals or groups, to directly market to the consumer.

It should be remembered that none of the marketing functions are eliminated in direct farmer to consumer marketing. Any savings or profits result from the shift and assumption of various marketing functions by different participants in the marketing system.

This bill is a substantial improvement over an earlier version.

This bill will help provide information to the farmer to help him determine if it is to his economic advantage to deliver goods directly to the consumer. The consumers will benefit from the bill to the degree that the farmer can supply their needs in both quality and price. The Government's role is one of providing technical information to the participants. Under this bill the Government will not itself become a participant in the marketplace. Nor does this bill authorize Government grants. Rather, the Government is to provide information and technical assistance to those who desire to participate in this oldest form of food marketing.

Mr. SYMMS. Mr, Speaker, I yield myself such time as I may consume.

Mr. SYMMS. Mr. Speaker, we are

Mr. Speaker, we are caught once more in a snarl of conflicting Government policies. On the one hand, this Congress is proposing to spend $1.5 million a year to promote farmer-to-consumer direct marketing. On the other hand, farmers labor under earlier legislation which all but prohibits classical direct marketing techniques—the provisions of the Highway Beautification Act which prohibit roadside signs for the advertising of goods and services. The teeth in this Highway Beautification Act are so strong that States stand to lose Federal highway construction money, if local advertising is not removed. Right now, in my State, farmers who market produce direct to the consumer are being ordered to take down their billboards. For most, this means an end to roadside marketing and contact with potential consumers.

What is needed is certainly not a $1.5-million boondoggle. We should instead be considering this afternoon an amendment to the Highway Beautification Act which allows farmers direct access to consumers via advertising on roadways. Growers understand marketing. What they do not understand is Government regulation which prevents them from marketing. Take out those regulations and you will see increased productivity and sales without any sort of burden on the taxpayer.

Mr. Speaker, I oppose this bill not because it fails to present a good idea, but because it just is not needed.

Farmer-to-consumer direct marketing. It has a very appealing ring, doesn't it? As a matter of fact, this means of marketing agricultural products apparently is becoming increasingly popular as individual farmers and farm groups are assuming a more active role in marketing their products than they have at any time in recent years. I think this trend is evidenced by the fact that farmers within reasonable distances from population centers are not only putting more efforts into farmer markets and roadside stand activity, but are also making more acres available to urban and suburban dwellers for "grow-your-own" and "pick-your-own" produce operations. One national farm organization has even sponsored a direct farmer-to-consumer meat marketing campaign.

I want to make it very clear that I am in full support of the direct marketing concept. In fact, my family runs a roadside fruit stand in Idaho where we sell produce from our farm directly to consumers.

The point I want to make, however, is that the emerging trend of farmer-to-consumer marketing is coming about because economic conditions are such that this practice is beneficial to both producers and consumers—that is, producers are receiving compensation for the extra effort they put forth in marketing their products while at the same time consumers are paying lower prices for these products than they would otherwise have to pay in the supermarket. This is the way it should be. If economics dictates that direct marketing should continue to flourish, fine and good.

On the other hand, no matter how many laws the Congress might pass affecting direct marketing, such as H.R. 10339, direct farmer-to-consumer marketing approaches will probably never be feasible for certain commodities and in certain locations because of transportation problems, including both distance and cost, perishability difficulties with some commodities, health and sanitation requirements and so forth.

So, I ask, what is the need for H.R. 10339? Absolutely none, in my opinion. This bill represents very little more than legislation for the sake of legislating. It does authorize $1.5 million or more for the Department of Agriculture to study and support the farmer-to-consumer marketing concept. I submit that this bill is a total waste of the taxpayers' money, for the reasons I have just stated. Furthermore, I am amazed at some of the proponents of H.R. 10339 who are the very same people who opposed so strenuously Government intervention in our foreign agriculture markets, inasmuch as this bill takes a significant step in increasing the Government's role in our domestic agricultural markets.

I cannot stress strongly enough the notion that even though H.R. 10339 has an attractive title and ranks right up there with motherhood and patriotism, it is an unnecessary and fiscally wasteful bill; $1.5 million or more does not sound like a great amount, but remember that a number of $1.5 million boondoggles add up to $70 billion in deficits.

Mr. VIGORITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to respond very briefly to my friend from Idaho.

In response to my friend, I would say that State governments and the Extension Service of the USDA are already involved, in those cases where they have been approached by farmers, Chamber of Commerce members, and others who want to set up a direct market in their town. I know that this has been happening in Pennsylvania, and it is happening in other States.

This bill would only extend a very small amount of money to the State departments of agriculture and extension personnel in the States, so that they can more effectively accommodate those requests for assistance.

There are some things that the State departments of agriculture and extension people can do, which others could not do as readily. They can provide know-how advice on how to operate a direct market stand. They can advise on applicable State laws and local ordinances that must be complied with. They can provide basic information on successful experiences elsewhere with direct marketing operations.

Mr. SYMMS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I take this time for the purpose of asking a question of my friend, the gentleman from Pennsylvania.

I would start on page 3 of the legislation, where it says:

> Such funds shall be allocated to a State on the basis of the feasibility of direct marketing from farmers to consumers within that State as compared to other States and shall be allocated within a State to the State department of agriculture and to the Extension Service on the basis of the types of activities which are needed in the State and on the basis of which of these two agencies, or combination thereof, can best perform these activities. The activities shall include, but shall not be limited to—

This is the point of my question—

> (1) sponsoring conferences which are designed to facilitate the sharing of information (among farm producers, consumers, and other interested persons or groups)

Some people might be attacked for doing that by the Federal Trade Commission and the Justice Department. They call that collusion. We are advocating that from a different standpoint.

> (2) compiling laws and regulations relevant to the conduct of the various methods of such direct marketing within the State, formulating drafts of enabling legislation needed to facilitate such direct marketing.

The question I would like to ask my friend from Pennsylvania is, would he interpret this as a Federal subsidy for lobbying? In other words, formulating enabling legislation needed to facilitate such direct marketing? Would this not be a Federal subsidy to lobbying of the State legislatures?

Mr. VIGORITO. If the gentleman will yield, I wish to state that the extension services throughout the 50 States are already doing just what the gentleman mentioned. They are providing information and assistance on a variety of agricultural programs.

Mr. SYMMS. I thank my friend very much. That is what I thought. In other words, we are already lobbying State legislatures and the gentleman is saying that he is approving giving another $1.5 million to continue an even bigger and better lobbying program to try to write laws to somehow encourage something the marketplace will surely take care of.

If people want to go out and buy potatoes, apples, peaches, whatever the produce may be—in California it may be oranges—I think this is the thing they may probably want to do. I cannot for the life of me understand why the Congress can somehow sit here in its all-powerful wisdom and think that we can help the situation when really what we ought to do is get out of the way and let the market system work.

Mr. MILLER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I am happy to yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Speaker, on page 3 it says:

> Such funds shall be allocated to a state on the basis of the feasibility of direct marketing from farmers to consumers within that state . . .

How would the funds be allocated? Would the chairman of the committee have that answer?

Mr. SYMMS. I am happy to yield to the chairman of the committee on that. I am sure he would have that information.

Mr. VIGORITO. Mr. Speaker, the Secretary of Agriculture would use his discretion in allocating funds to the individual States upon request.

Mr. MILLER of Ohio. Upon request. As I understand it, we have $1.5 million in the legislation. The Secretary of Agriculture then would divide among the 50 States that amount. Would that include the territories, as we have had included in several pieces of legislation that have been approved here today?

Mr. VIGORITO. I will read the relevant paragraph from the committee report, if the gentleman will yield.

Mr. SYMMS. I am happy to yield.

Mr. VIGORITO (continuing):

> The Committee expects that the Secretary, in allocating funds within any State under section 5, will take into account such factors as the relative experience and historical involvement of the department of agriculture and extension personnel, and the customary division of responsibility among them in performing research, education, direct action, and other activities which will facilitate direct marketing most effectively within the State.

Mr. MILLER of Ohio. If the chairman would answer another question pertaining to that, I would like to ask why would each State not furnish the funds within their own State, because if we are talking about agricultural products, we are talking about many different things such as cotton, peanuts, wheat, feed grains, poultry. Why would that individual State not allocate its own funds for this study? Why would the Federal Government furnish and allocate the funds to the State for the study within the State on the particular produce they wish to study?

Mr. VIGORITO. This legislation will act as an inducement for the separate States to go ahead and offer any assistance they can to any community that wishes to have it. I would add that the State departments of agriculture, in their recent convention, have endorsed this bill.

Mr. MILLER of Ohio. I can understand why the State departments of agriculture would endorse the bill. They are going to receive the money, naturally. At the Federal level, has the Department of Agriculture endorsed the bill?

Mr. SYMMS. Mr. Speaker, I would just like to help answer that question. It says on page 3, "Such funds shall be allocated to a State on the basis of the feasibility of direct marketing from farmers to consumers."

Perhaps a State such as Ohio, where the gentleman comes from, or a State such as Pennsylvania, where Mr. VIGORITO comes from, where there are large populations but which also have rural farms where they do grow the types of crops where people go out and buy them, these States may get all of the money. The State of Washington, for example, where they grow 40 million boxes of apples, most of which are grown around the towns of Wenatchee and Yakima.

There is not too much local market there. They have to export the apples to the East, to California, overseas, et cetera, to sell that crop of apples. I think it does raise a big question. If you divide a $1.5 million by 50 States, I think you come out about $30,000 a State. Some of those stand to come out better than others. I believe the smaller, sparsely populated States will be the ones which will come out on the short end of the stick in this matter.

Mr. MILLER of Ohio. Mr. Speaker, will the gentleman yield further?

Mr. SYMMS. I will yield further to the gentleman from Ohio on this matter.

Mr. MILLER of Ohio. Is it the intent that this bill will grow so that in the next year we will have $10 million or $20 million or $50 million or $100 million requested for the bill, as so many of the programs have?

Mr. VIGORITO. If the gentleman will yield, in answer to the gentleman's question, I hope it does not grow. This is only a 1-year bill. When the report comes back from the Department of Agriculture to the Congress and to the Agriculture Committee, we will take a look at it.

Mr. SYMMS. Mr. Speaker, I will just say that the record in the House Committee on Agriculture is that in 1964 they passed a little trial bill through the House Agriculture Committee, to see how some food stamps would work out. And in the past 10 years it has only gone up 14,000 percent.

I think, in answer to the question the gentleman raised, I would not anticipate that this program would become a $6 billion program as food stamps, but there is no end to where bureaucrats can decide to spend money, as long as one provides a funnel and a hose to spray it out on the countryside as if it is coming from the printing press and the pockets of the middle class, which it does. After all, Mr. Speaker, we do have a $70 billion deficit, and if the people want to buy farm products from the farms, the farmers who are producing it have the most to gain by selling it directly and cutting out the middleman.

Mr. Speaker, I think in a free-market system that free men, working through free institutions, can do it much better than with the long interventionist arm of Uncle Sam in there, paid for and enforced with all the whips and guns of the Federal Government.

Mr. MILLER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Speaker, I am not opposed to farmers selling products and getting the maximum amount of profit. I am concerned about the bill, where it does state we will have additional reports to be made out.

Mr. Speaker, we approved in an Appropriations Subcommittee last week, $4 million for the Commission on Paperwork to stop some of the paperwork. In that bill, also, was $2 million for the transition period, a total of $6 million.

Then we come in and pass more bills that will require additional paperwork. It seems we are playing both ends into the middle.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for his comments, and oppose this legislation.

Mr. MEZVINSKY. Mr. Speaker, I would like to speak in favor of this bill. I introduced a similar bill last spring directed toward farmers markets, and I am pleased to see that H.R. 10339 would encourage not only farmers markets but all forms of direct marketing between farmers and consumers. Direct marketing has such obvious benefits to consumers in their fight against inflation, and is a concrete, proven way to help increase the markets and income of small and part-time farmers, even home gardeners. These farmers have not received enough encouragement and solid advice on how to go into direct marketing and do it successfully. A modest amount of money will fund a program that will make a real difference to these people.

Mr. VIGORITO. Mr. Speaker, I have no further requests for time.

Mr. SYMMS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Wright). The question is on the motion offered by the gentleman from Pennsylvania (Mr. Vigorito) that the House suspend the rules and pass the bill (H.R. 10339), as amended.

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

AMERICAN BATTLE MONUMENTS COMMISSION PER DIEM

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8507) to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status.

The Clerk read as follows:

H.R. 8507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (42 Stat. 1509, as amended by the Act of July 25, 1956, 70 Stat. 640, and by the Act of October 21, 1970, 84 Stat. 1081; 36 U.S.C. 121), is amended to read as follows:

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Roberts) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. Hammerschmidt) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. Roberts).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reported bill, H.R. 8507, would revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status outside the continental United States. The present rate of $40 per day is well below subsistence costs in the areas where the Commission's facilities are located.

The reported bill would authorize the members of the Commission, when traveling outside the continental United States on Commission business, to receive the per diem allowances established for members of the uniformed services.

Mr. Speaker, the enactment of H.R. 8507 would increase the annual travel allowance for the entire Commission by approximately $1,900. I also want to point out that at the time the bill was reported by the committee, the Office of Management and Budget had not responded to the bill. At this point, Mr. Speaker, I would like to insert in the Record a copy of a letter I have received from Maj. Gen. A. J. Adams, Secretary of the Commission, informing the committee that the Office of Management and Budget has no objection to the bill.

THE AMERICAN BATTLE
MONUMENTS COMMISSION,
Washington, D.C., November 3, 1975.

Hon. Ray Roberts,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of August 6, 1975 giving this Commission an opportunity to report on H.R. 8507, a bill to revise the per diem allowance authorized members of the American Battle Monuments Commission for travel outside the continental United States. The present rate is well below subsistence costs in the areas where our facilities are located.

The members of this Commission are distinguished Americans appointed by the President from the nation at large to oversee its activities and report to him how well they are being performed. The Commissioners receive no pay for these services.

In 1956, Congress authorized $20.00 per diem in lieu of subsistence for members of the Commission. At that time the standard rate was $9.00. The higher rate was an attempt to ensure that the per diem received would defray all reasonable subsistence costs.

By 1970, the fixed rate of $20.00 authorized in 1956 was inadequate. New legislation was enacted in October 1970 increasing the overseas rate for members of the Commission from $20.00 to $40.00. Today, hotel and related subsistence costs overseas again exceed per diem authorized, often by a substantial amount.

H.R. 8507 would authorize the members of this Commission, when traveling outside the continental United States on Commission business, to receive the per diem allowances established for members of the uniformed services. The Department of Defense has two schedules for such travel, one with standard rates and one with rates slightly higher. The schedule with the higher rates would be used for Commissioner travel overseas as its rates would approximate more closely actual subsistence costs. Enactment of this legislation also would eliminate further need for periodic Congressional action to adjust the per diem rates for Commissioner travel as the Department of Defense Per Diem and Transportation Allowance Committee reviews its rates periodically and adjusts them up or down as current costs dictate.

For administrative convenience, the Office of Management and Budget suggests, and we have no objection, that the bill be amended to authorize the Commission to travel under rates of the Department of Defense whether they are traveling overseas or in this country.

During the last five years the members of this Commission received a total of $11,340 per diem in lieu of subsistence for travel outside the Continental United States. The average annual expenditure was $2,268. Enactment of H.R. 8507 would increase this average annual expenditure by $1,618 provided a similar amount of travel was performed.

This Commission respectfully recommends enactment of H.R. 8507. The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

A. J. ADAMS,
Major General, USA,
Secretary.

Mr. Speaker, I yield 3 minutes to the chairman of the subcommittee, the gentleman from California (Mr DANIELSON).

Mr. DANIELSON. Mr. Speaker, H.R. 8507 is a simple bill which would revise the per diem allowance authorized for members of the American Battle Monuments Commission. This bill has a twofold purpose. First, it would revise the current rates of per diem to more realistic levels, and, secondly, it would eliminate the need for periodic legislation to revise the rates in the future.

The American Battle Monuments Commission is composed of 11 distinguished Americans appointed by the President and charged with the responsibility for American monuments and cemeteries abroad which commemorate the sacrifices made by American servicemen in the two World Wars. The members of the Commission receive no pay or allowances and are reimbursed only for their expenses. The current per diem rate was established by law in 1970. The bill before us today would revise that law to provide for the payment of per diem at the same rate which is authorized for special per diem allowances established in the joint travel regulations of the uniformed services. The cost of this bill has been estimated at less than $2,000 per year.

Mr. Speaker, I feel that this is the least we can do to express our appreciation for the outstanding individuals who contribute so much of their valuable time and effort to honoring the memory of those American servicemen who died abroad.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. TEAGUE).

Mr. TEAGUE. Mr. Speaker, I take this time to say a good word for our Battle Monuments Commission.

I think that any person who would go to Europe and see our monuments over there would be very proud of what the Commission has done, and I would just like to add that I think the Battle Monuments Commission has done a great job.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 8507, a bill which would increase the per diem travel allowance for members of the American Battle Monuments Commission. This Commission was created in 1923. It is composed of 11 members appointed by the President, and it is responsible for the erection of monuments on foreign soil to commemorate the accomplishments of our Armed Forces while serving abroad. In addition, it oversees the operation and care of American cemeteries located in various areas throughout the world.

These members serve without recompense and have done a magnificent job in supervising the care and maintenance of our overseas cemeteries. It is only fitting, therefore, that their daily travel allowance incurred in the pursuit of their duties be increased. The last increase was granted in 1970. It is obvious that a further adjustment is long overdue. This bill would make the members of the Commission subject to the same special per diem allowances established in the joint travel regulations of the uniformed services. This will prevent their lagging behind in their allowances in the future, and eliminate the need for further legislative review.

There should be no inflationary impact on the economy by the passage of this bill. The cost of the measure is estimated at $1,900 a year. During the past 5 years, members of this Commission received a total of $11,340 per diem in lieu of subsistence for travel outside the continental United States. The average annual expenditure was $2,268.

Mr. Speaker, since the report accompanying this measure was filed, we have received the report from the American Battle Monuments Commission cleared by the Office of Management and Budget. I am pleased to note that the administration supports the bill and recommends its enactment.

I recommend favorable consideration of this legislation to my colleagues.

Mr. Speaker, I yield such time as he may consume to the ranking minority member of the committee, the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 8507, a bill which revises the per diem allowance authorized for members of the American Battle Monuments Commmission when in a travel status.

This Commission, created in 1923, oversees and controls the erection of monuments and markers on foreign soil and commemorates the sacrifices and achievements of American Armed Forces where they have served since April 6, 1917.

In addition to administering and maintaining 23 permanent American military cemetery memorials, 11 separate monuments in 9 foreign countries, and 3 memorials here in the United States, this Commission monitors the state of maintenance and repair of 150 private monuments and memorials in foreign countries.

The 11 members of the Commission, chaired by Gen. Mark Clark, serve with distinction and without pay. They are accorded no funds except transportation expenses and a small per diem in lieu of subsistence when travelling on Commission business.

Due to additional increases in subsistence costs, the current per diem rates authorized are no longer adequate.

H.R. 8507 would provide per diem rates similar to those rates established for members of the uniformed services when accompanying Members of Congress, secretaries, and assistant secretaries of military departments and other civilian dignitaries on official trips overseas.

These equitable rates are necessary because the subsistence costs ordinarily exceed standard per diem rates.

I would point out that the schedule for per diem rates is reviewed periodically by the Department of Defense and adjusted to reflect current costs.

Mr. Speaker, the cost of this legislation is minimal. In fact, it is less than $2,000 per year. The purpose is merely to insure that the distinguished members of this Commission are reimbursed for the expenses which they incur while representing the American Battle Monuments Commission.

In view of these facts, I pledge my support and urge all of my colleagues to join me in supporting this important legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. TALCOTT), a member of the Committee on Appropriations that handles appropriations for this authority.

Mr. TALCOTT. Mr. Speaker, I thank the gentleman for yielding.

I would like to join other Members in recommending passage of this bill.

The function of the Commission is to supervise our memorials overseas. Actually, this Commission probably performs as well as any other commission of the Federal Government. However, it would be impossible for them to carry out their functions at the per diem rate that is in existence now, and it is absolutely essential that these commissioners actually visit overseas where the memorials are located.

They have a tremendously important responsibility to make sure that these memorials are maintained in perpetual, excellent condition. This requires continual supervision.

Mr. Speaker, I have had an opportunity to visit some of the memorials. I recommend such visits to any American anywhere in the world. They will be tremendously proud of these memorials, but it is very important that the commissioners have an opportunity for continual supervision of the memorials.

Without this bill, they could not perform their function. The cost of living increases in Europe, especially, absolutely require this, and I strongly urge the passage of this bill.

Mr. GUYER. Mr. Speaker, I rise in support of H.R. 8507, which will implement a provision revising the per diem allowances for members of the American Battle Monuments Commission. The members of this Commission do not receive any pay or consultant's fees for their dedicated service, so it is all the more important that they are justly compensated for their travels. They currently receive $40 per diem, which was passed in 1970.

This bill, if enacted, will entitle members of the Commission to per diem at the rate established for members of the uniformed services as specified by table F of the Joint Travel Regulations. The per diem schedule varies from a low of $43 to a high of $83, with the average in countries in which our cemeteries are located being $55.30.

This Joint Travel Regulations rate schedule is reviewed periodically by the Department of Defense Per Diem and Travel Allowance Committee and is adjusted to reflect current costs. Therefore, the necessity of this body and our committee to continually review and adjust this rate would be obviated. In the past 5 years, the whole per diem costs have been under $12,000. And, if enacted, this bill will carry a cost of under $2,000. Therefore, I strongly endorse this legislation, and recommend its passage by the whole House.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. WRIGHT). The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill (H.R. 8507).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ESTABLISHMENT OF NATIONAL CEMETERIES IN CALIFORNIA AND MASSACHUSETTS

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8891) to require that a national cemetery be established in the vicinity of Riverside, Calif., as amended.

The Clerk read as follows:

H.R. 8891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Administrator of Veterans' Affairs (hereinafter in this Act referred to as the "Administrator") shall establish within the National Cemetery System a national cemetery at March Air Force Base (Camp Haan), California, on the real property described in subsection (b).

(b) The Secretary of the Air Force shall transfer to the Administrator jurisdiction over that real property consisting of six hundred and eighty acres, more or less, described in Department of the Air Force, March Air Force Base, California, Land Utilization Map (March 1974).

(c) The Administrator and the Secretary of the Air Force shall enter into such arrangements as may be mutually agreeable to provide that the real property consisting of five hundred and sixty-two acres, more or less, described in Department of the Air Force, March Air Force Base, California, Land Utilization Map (March 1974), which is adjacent to the real property described in subsection (b), shall be available for the future expansion of the national cemetery required to be established by this section.

SEC. 2. (a) The Administrator shall establish within the National Cemetery System a national cemetery at Otis Air Force Base, Massachusetts, on the real property transferred to him by the State of Massachusetts for that purpose and described in subsection (b).

(b) The Administrator shall accept jurisdiction over that real property consisting of seven hundred and fifty acres more or less described in Boundary Survey for Federal Region I National Cemetery, Otis Air Force Base, Bourne, Massachusetts, June 27, 1975.

SEC. 3. The national cemeteries required to be established by this Act shall be administered and maintained in accordance with the provisions of chapter 24 of title 38, United States Code.

SEC. 4. There is authorized to be appropriated the sum of $4,300,000 to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 8891 as originally introduced would have required that a national cemetery be established at March Air Force Base in California. However, in accordance with an amendment offered by the distinguished Congresswoman from Massachusetts (Mrs. HECKLER), and unanimously adopted by the committee, as amended the bill would also require that a national cemetery be established at Otis Air Force Base in Massachusetts.

The reported bill would authorize the expenditure of $4.3 million in fiscal year 1976 for the development of the two cemeteries.

Mr. Speaker, the one existing national cemetery in southern California will reach capacity and close for further interments this year. The situation in the New England area is just as critical in view of the fact that six New England States are without national cemeteries.

I understand the sites have been selected and the Veterans' Administration is proceeding with its plans for development of cemeteries in these two regions of the country.

Before yielding to the distinguished gentleman from California, the very able chairman of our Subcommittee on Cemeteries and Burial Benefits (Mr. DANIELSON), I want to commend him for the leadership he has provided in carrying out our legislative and oversight responsibilities regarding the National Cemetery System. I also want to thank the distinguished ranking minority member of the subcommittee, the gentleman from Indiana (Mr. HILLIS), and other members of the subcommittee for their outstanding contributions to both the subcommittee and full committee.

I now yield 5 minutes to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, the bill which we are considering, H.R. 8891, would enlarge the National Cemetery System by authorizing the establishment of two new national cemeteries, one at March Air Force Base in Riverside, Calif., and the second at Otis Air Force Base near Bourne, Mass. Both the bill, which was originally introduced to provide for the California site, and the amendment, to include a Massachusetts site, were approved unanimously by the Committee on Veterans' Affairs.

The National Cemetery System was established by Public Law 93-43 in 1973. It brought together within the Veterans' Administration most of the Federal cemeteries in which veterans of the Nation's wars are interred. The system comprises 103 national cemeteries which were previously operated by the Department of the Army, the Interior Department, or the Veterans' Administration. More than half of these are closed for further interment. Since 1950 when the last of five World War II era cemeteries were created, only one addition has been made to the National Cemetery System while 39 have filled to capacity and have been closed.

Mr. Speaker, the traditional right of a veteran to be buried in a national cemetery originated more than a century ago and will always be remembered for the stirring words spoken by President Lincoln at the dedication of the Gettysburg battlefield cemetery. In 1973 the Congress recognized this right in the National Cemeteries Act while simultaneously providing a $150 plot allowance for those veterans who chose to be buried in a private cemetery. Today, as more and more locations reach capacity and are forced to close, this right of a veteran to choose between burial in a national cemetery and a plot allowance for private burial is being limited. In many areas of the Nation the right to choose is meaningless since the nearest cemetery may be hundreds or even a thousand miles away.

In California there is only one active national cemetery. It is located in Los Angeles and it too will reach capacity by the end of this calendar year. When the Los Angeles National Cemetery closes, the nearest alternative for the 3 million California veterans will be Willamette, Oreg., or Santa Fe, N. Mex. Similarly, the veterans of the six New England States have no facility where they may exercise their option of burial in a national cemetery. The bill before us today would alleviate the pressing problems in these two areas.

The Committee on Veterans Affairs has been diligently studying this problem. We have held hearings in Washington to review the activities of the Veterans' Administration. At that time we heard representatives of the cemetery industry, major veterans' organizations, the Advisory Committee on National Cemeteries, representatives of the administration and the public. In addition, Mr. Speaker, members of the committee have personally visited the proposed sites both in California and Massachusetts. We met with local officials and interested persons on the scene and can report back to the Congress with confidence. As I mentioned earlier, both the bill and the amendment were approved unanimously by the committee. We have a responsibility to our veterans who answered their country's call in time of need. We must now answer their call and make a reality of the right to choose burial in a national cemetery which has been guaranteed by Public Law 93-43. The passage of H.R. 8891 is a first step in meeting that responsibility.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am delighted to yield to my colleague, the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, I appreciate the gentleman yielding to me. I wish to take this time to thank my colleague and to thank the gentleman from Rhode Island and other members of the subcommittee for their work and their efforts in connection with the location of a National Veterans Cemetery in California.

I particularly appreciate the language that is contained in the report on page 5 as follows:

> The Committee recognizes the need for eventual further expansion of the National Cemetery System on the west coast. In particular, the large population of central and northern California will remain hundreds of miles from the nearest national cemetery. Accordingly, the site at Los Banos, which was visited by the Committee, is strongly endorsed as the site for future expansion. Nestled in the golden hills adjoining the San Luis Reservoir, it provides an exceptionally attractive site protected from commercial encroachment. Surrounded by state and federally owned property, this land is similarly available by transfer from the existing Government owner-agencies at no cost. The area has adequate available acreage and lies within a brief commuting distance from the major population centers of the San Francisco Bay area, as well as Sacramento to Fresno.

I wish to express appreciation for those comments and hope the committee in the future continues to pursue what I understand to have been said in connection with the remarks here in the hope that the time will come when the veterans in the great northern and central areas of California will have a cemetery in that vicinity that they can look forward to.

Mr. DANIELSON. I thank the gentleman for his comments.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 8891. This bill would establish national cemeteries in California and Massachusetts.

Since 1862, the Government of the United States has maintained a National Cemetery System. In 1973, the National Cemeteries Act incorporated within the Veterans' Administration the Federal cemetery installations which had been administered by the Departments of the Army and Navy, the Interior, and Veterans' Administration.

At the present time, there are approximately 30 million veterans plus their dependents who are eligible for burial in a national cemetery. The existing cemeteries can accommodate less than 10 percent of these eligibles. It is evident, therefore, that some expansion of the system is necessary.

The Veterans' Administration conducted a study of the system and recommended that a least one national cemetery be established in each of the 10 standard Federal regions. The three-State area of Arizona, Nevada, and California has only one operating cemetery in Los Angeles and that will be closed for future interment by the end of 1975. Therefore, the acute need of a cemetery in this area is manifest. March Air Force Base, Riverside County, Calif., has been selected as the appropriate site for several reasons. There is surplus property that is available. It was the first choice of the Veterans' Administration and also that of an independent firm of architects and engineers, and finally, it is believed that the location would best serve the need of the largest number of veterans.

New England does not have an open national cemetery. Consequently, the need in that area is as acute as that in the Southwest. This bill would designate Otis Air Force Base at Bourne, Mass., as the site for the cemetery for the New England region. The land owned by the State of Massachusetts would be transferred to the Administrator of Veterans Affairs.

The number of eligible veterans and their dependents has grown while the number of cemeteries has decreased. The need for this legislation is obvious if we are to live up to our commitments to our veterans. Accordingly, I intend to vote for this bill.

Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member on the subcommittee, the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 8891, a bill to establish national cemeteries for veterans near Riverside, Calif., and Otis Air Force Base in Massachusetts.

One of the most cherished rights of our veterans is to be laid to rest with fellow comrades-in-arms in a national cemetery. There are now almost 30 million eligible veterans plus their dependents, and the National Cemetery System, under the jurisdiction of the Veterans' Administration, can accommodate less than 10 percent of that number. Therefore, limited expansion of the system is necessary.

The first national cemeteries were created in 1862, but, since World War I, only five new cemeteries have been established, and none have been created since 1950.

The Subcommittee on Cemeteries and Burial Benefits has thoroughly studied the recommendations contained in the VA study of the National Cemetery System. That study recommended the expansion of the system by establishing at least 1 regional cemetery in each of the 10 standard Federal regions, plus the District of Columbia.

This does not necessarily mean that 10 additional cemeteries will be established. Some of the existing cemeteries, because of their regional location, size, and capability for expansion could be designated regional cemeteries. Some new cemeteries will, of course, have to be established.

In determining site selection, this committee was guided by sound criteria. Serious consideration was given both the density of the veteran population in each region and the availability of gravesites in those national cemeteries already existing.

Proposed sites were visited by committee members, and field hearings were held.

Sites were chosen first in those areas where the demographic characteristics of the veteran population dictated need.

Such is the need in the Southwestern United States. California has more veterans than any other one State in the entire country—almost 3.3 million. The only national cemetery for the States of Arizona, Nevada, and California will be closed to future interments in 1976.

The 750-acre site at March Air Force Base near Riverside, Calif., has been declared excess to the needs of the Department of Defense and has been deeded to the VA for use as a cemetery site. The new cemetery site will eventually provide for 390,000 gravesites.

The situation in the New England area is quite similar. The new national cemetery in Massachusetts, which will eventually provide 360,000 gravesites, will be the first in New England. The 750-acre tract of land at Otis Air Force Base is being deeded to the VA for development as a national cemetery.

Mr. Speaker, funds have already been appropriated to carry out the purposes of this bill, and we can do no less to provide for the veterans of this country. I therefore urge my colleagues to join in supporting this important legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. TALCOTT).

Mr. TALCOTT. Mr. Speaker, I have requested this time for the purpose of asking the gentleman from Texas or the gentleman from California some questions concerning this bill. Actually is this not a moot exercise we are going through here now? The Veterans' Administration, according to my understanding, has the authority to establish these and other national cemeteries. As a matter of fact, the Congress has already appropriated money for the two cemeteries that are under consideration today, the bill has been signed by the President, they have the money.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from California.

Mr. DANIELSON. I thank the gentleman for yielding.

There is a grain of truth in the implication of the first portion of the gentleman's observation. However, there is at most an unclear authority in the Veterans' Administration to establish these cemeteries, and this act would certainly make it legal and ratified and binding.

As to the second aspect of the observation, the appropriation of money, I should like to acknowledge that the gentleman's subcommittee and the Committee on Appropriations did indeed provide for the appropriation of money. At the time the bill was up on the floor, I made a public statement on the floor that I was waiving the point of order because I did not want to obstruct passage of that appropriation. However, it is true that the gentleman's subcommittee did appropriate funds, and this act, of course, would ratify that appropriation.

Mr. TALCOTT. Then may I ask, is this really the forerunner of a national cemetery for every State? At many public meetings I have heard Members of Congress advocate, even promise, a new national cemetery for every State.

Mr. DANIELSON. Will the gentleman yield further?

Mr. TALCOTT. Certainly.

Mr. DANIELSON. No, it is not. There are two parts to my answer: First, the Veterans' Administration in response to our mandate has filed a report in which they recommend that there be established, probably in the next several years, a cemetery in each of the 10 Federal regions, plus one adjacent to the District of Columbia, because Arlington is filling up. Second, the subcommittee will—and I can assure the gentleman of this—exercise most diligent oversight to determine that there be no cemeteries needlessly established, certainly not one in every State.

Mr. TALCOTT. Does the gentleman's subcommittee understand that the policy is that every veteran is entitled to burial in a national cemetery?

Mr. DANIELSON. Will the gentleman yield further?

Mr. TALCOTT. Certainly.

Mr. DANIELSON. Yes, I understand the concept. However, that must be understood and viewed in the light of the facts.

Historically, approximately one-sixth of the eligible veterans exercise their option to be buried in a veterans' cemetery. Out of the 30 million veterans who now live in the United States probably 5 million will exercise their option.

Mr. TALCOTT. Then it is probably true that the veterans overwhelmingly prefer to be buried in their own local cemeteries or their own church yards.

Mr. DANIELSON. The gentleman's observation is correct. For that reason, for the other five-sixths who seem to prefer to be buried in other cemeteries, we have provided a plot allowance. This is to enable them to exercise their choice to be buried in a private or church cemetery or wherever they choose.

Mr. TALCOTT. In addition to the 30 million, is it not correct that there probably could be 40 million others eligible? The policy includes dependents, so it could be 100 million who could be buried in these national cemeteries?

Mr. DANIELSON. The gentleman's fears are not well grounded.

Mr. TALCOTT. It is not a fear, I am simply seeking factual information for the record.

Mr. DANIELSON. But of the 30 million who may be eligible, history shows one-sixth or 5 million will choose this option. We do have a provision that dependents may be buried also. Historically and customarily that usually means the wife, the spouse.

The SPEAKER. The time of the gentleman from California has expired.

Mr. HAMMERSCHMIDT. I yield the gentleman from California (Mr. Talcott) 1 additional minute.

Mr. DANIELSON. Mr. Speaker, if the gentleman will yield further, if I may conclude that statement, we provide for allowing the spouse to be buried in the same grave, a dual occupancy of one grave site, so it really does not add to the burden.

Mr. TALCOTT. Mr. Speaker, obviously I am not going to have an opportunity to ask, or get answers to, some of the questions I would like to ask. I am concerned that we are starting on the wrong course, the wrong concept, where we are establishing new national cemeteries near metropolitan areas, or within 60 miles of metropolitan areas, something like that, so that our national cemetery instead of being an honor cemetery for veterans will become primarily an indigent cemetery for those who live near cities.

So I am hoping the committee will consider this potential development and a number of other matters, such as permitting veterans to be buried in their own church yards, larger burial allowances, new methods of burial, review of the policy for site location, the purpose of national memorials for distinguished service personnel, eligibility for VA burial, honor plots for veterans in private cemeteries.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Teague).

Mr. TEAGUE. Mr. Speaker, I asked for this time so we might have the chairman of the committee tell us what happened in this matter as far as plot allowance.

Mr. ROBERTS. Mr. Speaker, if the gentleman will yield, we have now $150 plot allowance if the veteran chooses to be buried in some other place besides a national cemetery.

Mr. TEAGUE. Is there anything to say how that affects the veteran, whether many of them have chosen the plot allowance?

Mr. ROBERTS. Many of them have, but I am not able to give the gentleman the exact figure. Many of them have used the plot allowances.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Massachusetts (Mrs. Heckler).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in support of H.R. 8891, as amended. This bill, which was unanimously reported last Thursday by the Committee on Veterans' Affairs, would require that national cemeteries be established at March Air Force Base, Riverside, Calif., and at Otis Air Force Base, Bourne, Mass.

It was my privilege to propose the amendment which would authorize the establishment of the national cemetery in Massachusetts—an amendment which gained the unanimous approval of my colleagues on the committee. It was my pleasure last September to go with the members of the Subcommittee on Cemeteries and Burial Benefits to make an onsite inspection of the land in question: a 750-acre tract at Otis Air Force Base, 7 miles northeast of Falmouth.

When the site was approved by the Veterans' Administration, it became the first new national cemetery site designated since 1950. The site itself is being deeded by the State of Massachusetts to the Veterans' Administration for a national cemetery which will eventually provide 360,000 gravesites. Development of the first 20 acres will permit interments as early as fiscal year 1977.

The establishment of a cemetery in Massachusetts—on a site transmitted to the Federal Government with the support and cooperation of the Commonwealth of Massachusetts Government—is a tribute to veterans and their families in the State and throughout all New England. This is especially significant because the cemetery would be the only active national cemetery in New England, a region whose men and women have served, in various capacities, since the Revolutionary War. It is altogether fitting that a national cemetery be created at Otis Air Force Base. The veterans of New England deserve the honor and distinction which burial in a national cemetery connotes. I urge the Members of the House to give H.R. 8891 their full support.

Mr. TALCOTT. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER of Massachusetts. I yield to the gentleman from California.

Mr. TALCOTT. Mr. Speaker, since the gentlewoman is a member of the committee, I wonder if I could ask about the cost estimates? If it were not for the suspension of the rules, the bill would not be in order, because there is no cost estimate for the future run-out costs. We only have the statement of this year's cost and from the statements in the report there is no cost to the Government. I assume that is just the cost of the land. However, there could be run-out costs for 2,000 years.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Speaker, both of these tracts are donated and there is no cost. The gentleman is making a mountain out of a molehill.

Mr. TALCOTT. Well, we hope these cemeteries last for thousands of years. I hope there is no suggestion that these cemeteries are going to be removed in the near future.

I do not know what the costs are, but I think the Congress ought to be given the costs. Perhaps the committee was in a hurry and this can be provided at a later time, but certainly the run-out costs are very important to the veteran and the taxpayer. In many instances they are one and the same.

Again, I thank the gentlelady for yielding.

Mr. BOLAND. Mr. Speaker, I rise in support of the two new national cemeteries—one at March Air Force Base in California, and one at Otis Air Force Base in Massachusetts. The need for these cemeteries is long overdue. There are in the United States today a record number of 30 million veterans. At present, the National Cemetery System can accommodate less than 10 percent of that number. The problem is aggravated by the fact that the present 103 national cemeteries within the system provide many gravesites in areas where there are only marginal requirements, while other regions have had little or no space available for years.

An area that has been especially deprived is New England. The six States that comprise region I contain 1,800,000 veterans eligible for burial in a national cemetery. But there is only one national cemetery in New England, and that is in Maine, and it has been closed for many years. The closest national cemetery that has space available for a New England veteran is the Long Island National Cemetery in Farmingdale, N.Y., and I understand that it will be closed next year.

So there is no question that there is an acute need for a new national cemetery in New England. While I strongly support this bill, I am pleased to note that the 1976 HUD-Independent Agencies Appropriation Act, which was signed into law on October 17, includes $8,550,000 for four new national cemeteries and $2,115,000 for the new national cemetery at Otis Air Force Base. These funds will begin to provide adequate cemetery space in New England, and help to insure the veterans' right to burial in a national cemetery in that region.

Mr. BOB WILSON. Mr. Speaker, I rise in support of H.R. 8891, to establish a national cemetery at March Air Force Base, near Riverside, Calif. The creation of a new national cemetery in southern California has been a goal of mine for many years and I would like to thank the distinguished chairman and members of the House Veterans' Affairs Committee for ending the seemingly interminable stalemate on the establishment of new national cemeteries.

For many years, the agency administering the National Cemetery System, the Department of the Army, steadfastly resisted any and all attempts to expand the National Cemetery System. The last expansion occurred in 1965 with the establishment in Houston, Tex., of the first new cemetery in 15 years. In 1973, Congress took the long-overdue step of transferring jurisdiction over national cemeteries from the Army to the Veterans' Administration. This was a logical reorganization, since the vast majority of those seeking burial in national cemeteries were veterans, rather than active duty personnel. The legislation we are considering today represents the fruition of this transfer.

The Veterans' Administration regional office in San Diego disburses pension, compensation, and educational benefits to 60,000 veterans and their survivors, and this substantial veteran population is reflective of much of the rest of our State. In the Southwestern United States, there is only one operating cemetery to serve the needs of the States of Arizona, Nevada, and California. That cemetery will be closed to future interments by the end of 1975.

In my district, Fort Rosecrans National Cemeteries has had no new gravesites since September 1966—more than 9 years ago—and I have been urging the creation of a new national cemetery on several attractive sites in San Diego County for many years. We have a sufficient veteran population to justify a national cemetery in San Diego, and I hope that this area can be reconsidered in the future. In the interim, the March Air Force Base site is a major step in the right direction, and I am pleased to add my wholehearted endorsement.

Located near Riverside, it will be within Sunday driving, if not daily visiting, range of a number of major population centers in southern California. I understand that the March site was the first choice of the Veterans' Administration, as well as the independent National Advisory Committee on Cemeteries, chaired by Adm. John S. McCain, Jr., USN, retired.

I know I speak for my thousands of veteran constituents, and the many thousands more throughout California and the Southwest in urging approval of H.R. 8891. I hope that this is just the beginning of a new era to bridge the neglect gap from which our National Cemetery System has suffered so long.

Mr. CONTE. I am pleased to rise in support of the bill to establish national cemeteries in California and Massachusetts (H.R. 8891).

Since my freshman days in the Congress, back in 1959, establishment of a national cemetery in New England has been one of my aspirations.

I filed legislation continually since the 91st Congress to create a national cemetery in Massachusetts to serve the six New England States. Out of 103 national cemeteries—none are located in any of the six New England States.

Our National Cemetery System has not grown in proportion to the vast growth of our military forces. By 1899, we had a total number of 81 national cemeteries. More than 75 years later, we have increased that number by only 22 additional national cemeteries. However, we must realize that in 1899 the United States had less than 3 million veterans. That number has multiplied to a veteran population of more than 30 million.

We should also realize that since 1950 almost 40 cemeteries have been closed. Fellow Members, this legislation has been a long time coming. The site selected by the committee at Otis Air Force Base in Bourne, Mass. will provide the first real national cemetery for New England. Until this time, the closest locations have been Farmingdale and Elmira, N.Y.

Although establishment of these two new additional cemeteries is a step in the right direction—we must continue our efforts. The situation is critical and must be met with definitive action. Even with these additional locations, there is still an inadequate number of plots. This has resulted in veterans and their families resorting to private cemeteries. Only too recently, we learned of fraudulent acts on the part of private cemetery operators across the Nation. They have allegedly made false promises of free plots for veterans, through their advertising have attempted to show an affiliation with the Veterans' Administration, and some are known to exert high-pressure sales tactics on the elderly. These are only a few of the reasons why we must accelerate our efforts to insure a consecrated resting place for every member of the military forces, who so rightfully deserves such a place of honor.

I would like to compliment the members on the Committee on Veterans' Affairs for this welcomed piece of legislation. I sincerely hope this bill represents a commitment by the Congress to continue with similar legislation to provide every region of the Nation with convenient access to a national cemetery.

I urge my colleagues to support this bill.

Mr. GUYER. Mr. Speaker, I rise in support of H.R. 8891, a bill which as amended, would authorize and direct the Administrator of Veterans' Affairs to establish two new national cemeteries at Riverside, Calif., and Otis Air Force Base in Bourne, Mass.

The March Air Force Base site at Riverside, Calif., has been thoroughly studied and reviewed by the Subcommittee on Cemeteries and Burial Benefits, and hearings have also been held in California. Three sites were considered by the subcommittee, and the Riverside, Calif., site being closest to the major population centers was found to be the most advantageous to the greatest number of veterans.

This site is also preferred by the Veterans' Administration, and the National Advisory Committee on National Cemeteries. Mr. Speaker, this site also has been endorsed by the Sierra Club, has strong community backing, and will cost no money to acquire because the land is surplus Government property.

This bill will also establish a National Cemetery at Otis Air Force Base in Bourne, Mass. This site has been visited by committee members and staff and represents a logical needed addition to the National Cemetery System. This cemetery proposal is preferred by the Veterans' Administration and also has unanimous support of the full committee. Therefore, Mr. Speaker, I recommend its unanmous passage by my colleagues in the House.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and pass the bill (H.R. 8891), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended, was passed.

The title was amended so as to read: "A bill to require that a national cemetery be established at March Air Force Base in California and at Otis Air Force Base in Massachusetts.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this legislation (H.R. 8891).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1975

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10355) to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes.

The Clerk read as follows:

H.R. 10355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1975".

SEC. 2. Section 521 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b) (1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his or her spouse) and has no child, pension shall be paid to the veteran according to the following formula:

The monthly rate of pension shall be $173 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.03	$300	500
.04	500	700
.05	700	1,200
.06	1,200	1,700
.07	1,700	2,000
.08	2,000	3,300

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than $5.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds $3,300.

"(c) (1) If the veteran is married and living with or reasonably contributing to the support of his or her spouse, or has a child or children, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension for a veteran shall be— $186 if he or she has one dependent; $191 if he or she has two dependents; and $196 if he or she has three or more dependents; reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$500
.02	$500	700
.03	700	1,300
.04	1,300	2,800
.05	2,800	3,200
.06	3,200	3,800
.08	3,800	4,500

"(2) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds $4,500.

"(3) In no case may the amount of pension payable to any veteran under this subsection be less than $5.";

(2) by amending subsection (d) by striking out "$123" and inserting in lieu thereof "$133"; and

(3) by amending subsection (e) by striking out "$49" and inserting in lieu thereof "$53".

SEC. 3. Section 541 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b) (1) If there is no child, pension shall be paid to the widow or widower according to the following formula:

"The monthly rate of pension shall be $117 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.01	$300	600
.03	600	900
.04	900	1,500
.05	1,500	2,700
.06	2,700	3,300

"(2) In no case may the amount of pension payable to any widow or widower under this subsection be less than $5.

"(3) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds $3,300.

"(c) (1) If there is a widow or widower and one child, pension shall be paid to the widow or widower according to the following formula:

"The monthly rate of pension shall be $139 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$700
.01	$700	1,100
.02	1,100	1,800
.03	1,800	2,700
.04	2,700	2,500
.05	2,500	4,500

"(2) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds $4,500.

"(3) Whenever the monthly rate payable to any widow or widower under paragraph (1) of this subsection is less than the amount which would be payable to the child under section 542 of this title if the widow or widower were not entitled, the widow or widower shall be paid at the child's rate."; and

(2) by amending subsection (d) by striking out "$20" and inserting in lieu thereof "$22".

SEC. 4. Section 542 of title 38, United States Code, is amended—

(1) by amending subsection (a) by striking out "$49" and "$20" and inserting in lieu thereof "$53" and "$22", respectively; and

(2) by amending subsection (c) by striking out "$2,400" and inserting in lieu thereof "$2,700".

SEC. 5. Section 544 of title 38, United States Code, is amended by striking out "$64" and inserting in lieu thereof "$69".

SEC. 6. Section 4 of Public Law 90–275 (82 Stat. 68) is amended to read as follows:

"SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $2,900 and $4,200, instead of $2,600 and $3,900, respectively."

SEC. 7. Section 415 of title 38, United States Code, is amended—

(1) by amending subsections (b), (c), and (d) to read as follows:

"(b) (1) Except as provided in paragraph (4) of this subsection, if there is only one parent dependency and indemnity compensation shall be paid to the parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $133 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$800
.03	$800	1,000
.04	1,000	1,200
.05	1,200	1,500
.06	1,500	1,700
.08	1,700	3,300

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $5.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to any parent if the annual income of such parent exceeds $3,300.

"(c) (1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $93 reduced by—	For each $1 of annual income of such parent	
	Which is more than—	But not more than—
$0.00	0	$800
.02	$800	1,100
.04	1,100	1,600
.05	1,600	2,400
.06	2,400	3,300

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $5.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to any parent if the annual income of such parent exceeds $3,300.

"(d) (1) If there are two parents who are living together, or if a parent has remarried and is living with his or her spouse, dependency and indemnity compensation shall be paid to each parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $90 reduced by—	For each $1 of the total combined annual income	
	Which is more than—	But not more than—
$0.00	0	$1,000
.02	$1,000	2,300
.03	2,300	3,300
.04	3,300	4,500

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $5.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to either parent if the total combined annual income exceeds $4,500."; and

(2) by amending subsection (h) by striking out "$64" and inserting in lieu thereof "$69".

SEC. 8. Section 322(b) of title 38, United States Code, is amended by striking out "$64" and inserting in lieu thereof "$69".

SEC. 9. Subsection 102(a)(2) of title 38, United States Code, is amended to read as follows:

"(2) Dependency of a parent shall not be denied (A) solely because of remarriage, or (B) in any case in any State where the monthly income for a mother or father does not exceed minimum levels which the Administrator shall prescribe by regulation, giving due regard to the marital status of the mother or father and additional members of the family whom the mother or father is under a moral or legal obligation to support.".

SEC. 10. This Act shall take effect on January 1, 1976.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. ROBERTS. Mr. Speaker, we are before the Congress in a period of 11 months asking for a cost-of-living increase for pensioners, which include veterans, widows, children, and also dependent parents receiving dependency and indemnity compensation. We have coordinated this request with the Budget Committee and the budget resolution reflects amounts sufficient to cover the cost of this legislation.

We are very conscious of the need to keep this program current with changes in the Consumer Price Index because we are dealing with veterans, widows, and children who are in the lower income groups and rely on pension payments to supplement their income. Naturally this group is quite vulnerable to inflationary pressures. Therefore, we recognize the necessity of keeping the program current.

The non-service-connected pension program is based on the concept of need. In other words, to qualify a veteran or widow must meet certain income limitations. In the case of the veteran, he must also have certain non-service-connected disability in relation to his age. Essentially it is a program for veterans 65 years and older and for widows and children with reduced income. To be eligible for the program, a veteran must have served in one of the Nation's wars. We commonly think of the non-service-connected pension program in connection with World War I veterans and their widows. As a matter of fact, World War I veterans make up 36 percent of the veterans on the rolls and approximately 58 percent of the widows on the rolls are World War I widows. The reason for this obviously is because this group has reached an advanced age. It is a fact, however, that any veteran of any war who meets the requirements of the program may be eligible and to demonstrate this I would remind you that nearly 100,000 Vietnam veterans are already on the pension rolls. Most of these cases involve young veterans who have experienced extremely serious health disasters and have lost their earning powers. Eligibility is based on need and the program is designed so that those in the lowest income bracket get the most help with the amount of payment decreasing as the veteran's or widow's income increases. Income limits are set which if exceeded terminate eligibility for pension payments. These limits which will be raised by this bill by $300 are $3,000 for the single veteran and $4,200 for the veteran with dependents.

There is a good bit of confusing talk about the relationship between these income limits and so-called poverty levels. Based on information supplied our committee by the research units of the Library of Congress, I can assure you that these income limits are substantially above the established poverty level and, as a matter of fact, they are in the vicinity of the median income patterns for retired Americans age 65 and above. I would like to point out, Mr. Speaker, that even though the income limits established by this bill are $3,300 for the single veteran and $4,500 for the veteran with dependents, the pensioner is permitted to deduct 10 percent of all retirement income. This is to account for his contribution to the retirement plan. In addition, if the veteran is married and his wife is working her income does not count against him at all. If she is not working and has unearned or retirement type income, he is not required to count the first $1,200 of her income in establishing his eligibility. Another very important exemption is that the veteran may deduct costs for unusual medical expenses. In a great many cases this creates eligibility for a higher pension during the year when the veteran experiences high medical expenses.

In addition to the income exclusions, we have special features to protect those with unusual health problems. If a veteran is housebound, he receives an additional $49 per month. For those veterans who are so ill as to require the aid and attendance of another person, his pension is increased by $123. Widows requiring aid and attendance have their pensions increased by $64. In other words, Mr. Speaker, the non-service-connected pension program is designed with emphasis on helping those with the lowest income, those with serious and unusual health problems, and those of advanced age. These rates are being increased.

We have enjoyed a very pleasant relationship with the veterans of World War I, U.S.A., Inc. The leadership of that organization has exhibited a very understanding and compassionate attitude and are genuinely interested in helping the World War I veterans and widows in the lower income groups who need the most help. I want to express my personal thanks to National Commander Louis F. Zaruba and National Legislative Director, Harold Say.

I hope that this legislation can be acted on promptly by the other body. It is important that it be enacted soon so that the Veterans' Administration can implement its regulations and get ready for placing these new rates into effect at the end of the year when veterans will be submitting their income questionnaires to establish pension eligibility for 1976.

Mr. Speaker, I am pleased to advise the House that the reported bill has the strong support of most of the major veterans organizations. Although each organization may have different views concerning various features of the pension program, the organizations understand the necessity of getting this bill enacted without delay. There follows letters received from the Disabled American Veterans, the American Legion, Veterans of World War I of the U.S.A., Inc., and AMVETS in support of H.R. 10355:

DISABLED AMERICAN VETERANS,
Washington, D.C., November 3, 1975.

Hon. RAY ROBERTS,
Chairman, House Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN ROBERTS: On behalf of the Disabled American Veterans, I wish to commend the House Committee on Veterans' Affairs for its dedicated efforts to improve the welfare of America's veterans and dependents and their survivors.

H.R. 10355, recently reported by your Committee, would provide urgently needed cost of living increases in the income limitations and DIC rates for dependent parents of our country's veterans who have died from service connected causes and we urge early Congressional approval of this equitable legislation.

Sincerely,

CHARLES L. HUBER,
National Director of Legislation.

THE AMERICAN LEGION,
Washington, D.C., November 3, 1975.

Hon. RAY ROBERTS,
Chairman, House Committee on Veterans' Affairs, Cannon House Office Building, Washington, D.C.

DEAR CHAIRMAN ROBERTS: The American Legion supports H.R. 10355, as favorably reported by your Committee to provide cost of living increases and other improvements in the veterans pension program.

While H.R. 10355 does not do all that The American Legion is seeking, the eight percent increase in monthly benefits and the $300 expansion of income limitations will cushion the effects hikes in social security and other retirement type incomes received this year will have on pensioners commencing January 1, 1976.

It is hoped that your Committee will be in position to further consider the pension program prior to the expiration of the fiscal year with the view of reporting additional legislation to eliminate once and for all the necessity of enacting stop-gap legislation each year to offset the effects of increases in the cost of living.

Your effort to have H.R. 10355 passed by the House at the earliest opportunity, and referred to the Senate for further study is appreciated.

Sincerely,

MYLIO S. KRAJA, *Director,*
National Legislative Commission.

VETERANS OF WORLD WAR I
OF THE U.S.A., INC.,
Alexandria, Va., October 31, 1975.

Hon. RAY ROBERTS,
Chairman, Veterans' Affairs Committee, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE ROBERTS: We understand HRR 10355, calling for an eight percent increase in pension rates and a lifting of income limitation by $300 is scheduled for a House vote early next week. Our organization testified on this measure, and urged passage.

This brief letter is to inform you that Veterans of World War I of the U.S.A., Inc. is solidly in favor of the legislation, and urges its passage. It only regrets the increase is not greater. However, any increase will be a prime benefit to our people, many of whom are in dire straits.

To you and your committee, our appreciation and gratitude.

Sincerely,

HAROLD B. SAY,
Legislative Director.

AMERICAN VETERANS OF WORLD
WAR II—KOREA—VIETNAM,
Washington, D.C., November 3, 1975.

Hon. RAY ROBERTS,
U.S. House of Representatives, Chairman, Committee on Veterans Affairs, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN ROBERTS: We are writing to present the support of AMVETS (American Veterans of World War II, Korea, and Vietnam) of pension legislation presently under consideration. We are supporting H.R. 10355, and wholeheartedly urge favorable consideration of this bill.

On September 29th, the Chairman of our National Legislative Committee testified before your Sub-Committee on Compensation, Pension and Insurance. At that time, Mr. Earl B. Wright presented our position that we are not advocating pension benefits without a needs clause. We feel that pension benefits should be adequate and maintained without reduction due to increases in other Federal benefits.

Very truly yours,

PAUL C. WELSH,
National Commander.

Mr. ROBERTS. Mr. Speaker, a memorandum sent to each Member of the House states that approximately 655,268 pensioners will suffer a reduction in their pension payments if the bill before us becomes law.

The facts are that if we do not pass this legislation, practically all of the 2,227,000 veterans, widows, and children receiving non-service-connected pension payments will experience a reduction in 1976 and about 42,000 will be completely removed from the pension rolls solely because of the recent social security increase. If we do pass this legislation, which I strongly recommend, 1,098,565 veterans, widows, and children will receive an increase in their pensions in addition to any increases they may have received in social security or other retirement income. The 655,268 pensioners that the Veterans of Foreign Wars referred to as losing pensions will lose less if we pass this legislation.

By passing this legislation we will guarantee that no pensioner will be removed from the pension rolls solely because of the recent increase in his or her social security benefits. This legislation will provide $200 million a year additional benefits to veterans, widows, and children. The payments will be made directly in relation to need. It is extremely misleading to infer that 655,268 veterans will suffer a reduction when in fact the bill is designed to minimize their reduction which will be much greater if the bill is not passed. It should be emphasized that, even though veterans with a substantial increase in income may have an adjustment in their pensions, the pension formula is designed in such a way as to guarantee that there will be no reduction in net income. In other words, the veteran will have a total increase in income as a result of his social security increase and the action we are taking on this bill.

Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, since the time of the Revolutionary War the American people have felt a special responsibility for the men and women who served the Nation in time of war and for their widows and orphans. For those disabled and for the survivors of those who died of service caused disease or injury a special burden of care was assumed; yet, for those who were aged and disabled through non-service-connected causes and for the widows and orphans of those dying on non-service-connected disabilities who became in need, the Nation's conscience dictated an honorable measure of assistance.

The pension system that existed prior to July 1, 1960 was an all-or-nothing system paying the same amount of pension to the single veteran that was available to the veteran with a wife and children. The same amount of pension was paid to a veteran with no income as was paid to one having but 1 cent less than the amount of income which would have terminated his entitlement to pension. With the enactment of Public Law 86-211, the pension system was changed so that the largest payments of pension were to those having the least income from other sources, and as outside income increased, the amount of pension decreased.

Historically, the Congress has reviewed the pension program with a view toward an equitable adjustment of pension rates and income limitations governing pension entitlement to assure that needy, disabled, wartime veterans and their survivors do not suffer unduly because of inflation. The following table shows the percent of increase in pension rates vis-a-vis the percent of increase in cost-of-living indices and a comparison of such increases with the current cost-of-living index and the increased rates the reported bill proposes:

TABLE 1.—PENSION RATES CORRELATED TO COST OF LIVING

Law	Effective date	Monthly rates, veteran an 3 or more dependents minimal income	Consumer Price Index[1]	Percent of change in monthly pension rate over July 1933 rate	Percent of change in cost of living index over that for July 1933[1]
Veterans Regulations 1(a)	July 1, 1933	$30.00	38.1		
Public Law 601, 77th Cong.	June 10, 1942	40.00	48.8	33⅓	28.1
Public Law 313, 78th Cong.	May 27, 1944	50.00	52.4	66⅔	37.5
Public Law 662, 79th Cong.	Sept. 1, 1946	60.00	60.5	100.0	58.8
Public Law 356, 82d Cong.	July 1, 1952	63.00	79.5	110.0	108.7
Public Law 698, 83d Cong.	Oct. 1, 1954	66.15	80.4	120.5	111.0
Public Law 86-211	July 1, 1960	100.00	88.7	233.3	132.8
Public Law 88-664	Jan. 1, 1965	115.00	93.6	283.3	145.7
Public Law 90-77	Oct. 1, 1967	119.00	100.7	296.7	164.3
Public Law 90-275	Jan. 1, 1969	130.00	106.4	333.3	179.3
Public Law 91-588	Jan. 1, 1971	142.00	119.1	373.3	212.6
Public Law 92-198	Jan. 1, 1972	150.00	123.1	400.0	223.1
Public Law 93-177	Jan. 1, 1974	164.00	138.5	446.7	263.5
Public Law 93-527	Jan. 1, 1975	182.00	155.4	506.7	307.9
H.R. 10355, 94th Cong.	Jan. 1, 1976	196.00	[2]162.8	553.3	327.5

[1] As of January 1971, the CPI has been connected to the new base, 1967=100.

[2] August 1975.

It is readily apparent from this table that the Congress had addressed the task of providing adequately for the needy, wartime veteran.

Currently, there are 2.74 million pensioners of whom 1.01 million are veterans and the remainder are their survivors. The present cost of the non-service-connected pension program is approximately $2.8 billion a year. A significant number of pensioners have little or no other source of income other than their pension. The annual income of pensioners—other than their pensions and excludable income—is shown in the following tables:

TABLE 2.—ALL VETERANS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total	Old law	New law	Percent old law	Percent new law
$100	158,507	9,121	149,385	5.8	94.2
$200	4,229	656	3,573	15.5	84.5
$300	4,233	576	3,657	13.6	86.4
$400	3,424	540	2,884	15.8	84.2
$500	3,648	452	3,196	12.4	87.6
$600	3,155	429	2,726	13.6	86.4
$700	3,296	434	2,862	13.2	86.8
$800	2,766	386	2,380	14.0	86.0
$900	8,524	482	8,042	5.7	94.3
$1,000	15,057	795	14,262	5.3	94.7
$1,100	37,638	3,219	34,419	8.6	91.4
$1,200	18,966	1,570	17,396	8.3	91.7
$1,300	18,946	1,627	17,319	8.6	91.4
$1,400	21,777	2,025	19,752	9.3	90.7
$1,500	28,581	2,676	25,905	9.4	90.6
$1,600	29,112	2,754	26,358	9.5	90.5
$1,700	33,439	3,436	30,003	10.3	89.7
$1,800	31,524	3,520	28,004	11.2	88.8
$1,900	34,390	4,183	30,207	12.2	87.8
$2,000	33,722	4,401	29,321	13.1	86.9
$2,100	35,604	5,028	30,576	14.1	85.9
$2,200	33,351	4,672	28,679	14.0	86.0
$2,300	37,965	5,359	32,606	14.1	85.9
$2,400	39,391	6,686	32,705	17.0	83.0
$2,500	39,860	4,621	35,239	11.6	88.4
$2,600	42,534	5,355	37,179	12.6	87.4
$2,700	39,321	3,388	35,933	8.6	91.4
$2,800	35,343	2,803	32,540	7.9	92.1
$2,900	26,312	2,817	23,495	10.7	89.3
$3,000	26,248	2,937	23,311	11.2	88.8
$3,100	20,882	2,867	18,015	13.7	86.3
$3,200	18,504	2,939	15,565	15.9	84.1
$3,300	16,306	2,842	13,464	17.4	82.6
$3,400	14,480	2,898	11,582	20.0	80.0
$3,500	13,942	2,899	11,043	20.8	79.2
$3,600	12,790	2,257	10,533	17.7	82.3
$3,700	11,549	1,972	9,577	17.1	82.9
$3,800	12,621	1,448	11,173	11.5	88.5
$3,900 to $4,200	28,919	1,115	27,804	3.9	96.1
Total	1,000,963	108,232	892,731	10.8	89.2

TABLE 3.—ALL WIDOWS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total	Old law	New law	Percent old law	Percent new law
$100	126,514	2,001	124,513	1.6	98.4
$200	4,987	153	4,834	3.1	96.9
$300	6,460	147	6,313	2.3	97.7
$400	5,695	142	5,553	2.5	97.5
$500	6,200	162	6,038	2.6	97.4
$600	7,576	238	7,338	3.1	96.9
$700	7,510	283	7,227	3.8	96.2
$800	8,137	259	7,878	3.2	96.8
$900	10,838	334	10,504	3.1	96.9
$1,000	28,745	1,133	27,612	3.9	96.1
$1,100	53,584	2,180	51,404	4.1	95.9
$1,200	26,162	1,603	24,559	6.1	93.9
$1,300	27,936	1,943	25,993	7.0	93.0
$1,400	31,472	2,789	28,683	8.9	91.1
$1,500	37,419	3,555	33,864	9.5	90.5
$1,600	37,068	3,734	33,334	10.1	89.9
$1,700	38,291	4,239	34,052	11.1	88.9
$1,800	39,942	4,869	35,073	12.2	87.8
$1,900	42,548	5,652	36,896	13.3	86.7
$2,000	45,682	5,971	39,711	13.1	86.9
$2,100	45,185	6,209	38,976	13.7	86.3
$2,200	44,530	8,713	35,817	19.6	80.4
$2,300	40,565	6,432	34,133	15.9	84.1
$2,400	45,388	7,979	37,409	17.6	82.4
$2,500	36,656	3,783	32,873	10.3	89.7
$2,600	38,456	2,517	35,939	6.6	93.4
$2,700	28,395	28	28,367	.1	99.9
$2,800	21,787	41	21,746	.2	99.8
$2,900	11,822	34	11,788	.3	99.7
$3,000	7,319	37	7,282	.5	99.5
$3,100	2,071	30	2,041	1.5	98.5
$3,200	1,911	27	1,884	1.4	98.6
$3,300	1,681	28	1,653	1.7	98.3
$3,400	1,630	17	1,613	1.0	99.0
$3,500	1,595	21	1,574	1.3	98.7
$3,600	1,533	14	1,519	.9	99.1
$3,700	1,376	24	1,352	1.7	98.3
$3,800	2,271	5	2,226	.2	99.8
$3,900 to $4,200	4,588	15	4,573	.3	99.7
Total	931,575	77,356	854,219	8.3	91.7

Given the foregoing, the committee believes that the reported bill is warranted.

Mr. Speaker, when the President submitted his budget to the Congress this year the estimated cost of the nonservice-connected pension program was $2.7 billion for fiscal year 1976. The administration's estimate was underestimated by $100 million. At the time the budget was submitted the administration did not recommend any increase in pensions.

When the first concurrent budget resolution was reported by the Committee on the Budget, it included target outlays for a 5-percent increase in pension rates.

During hearings by the Subcommittee on Compensation, Pension, and Insurance, the administration opposed an 8-percent increase in rates, but did support an increase of 5 percent; however, the administration recommended no increase in the maximum annual income limit. Because of the social security increase in June of this year, unless the maximum annual income limit is raised thousands of veterans and their survivors will be terminated from the pension rolls.

Mr. Speaker, the reported bill (H.R. 10355) will prevent this from happening. The bill would provide an 8-percent increase in current pension rates and would also raise the maximum annual income limits by $300. The provisions of the bill would become effective January 1, 1976. The House will recall that with the enactment of Public Law 93–527 in December of last year, we provided a 12-percent increase in rates and we raised the maximum annual income limits by $400 effective January 1, 1975. In other words, should the reported bill become law, the Congress will have increased the rates by 20 percent and will have raised the income limits by $700 within 11 months. According to the Department of Labor, the Consumer Price Index has risen 5.3 percent since the first of the year when pension rates were last adjusted. Since the proposed increases in the reported bill would become effective January 1, 1976, the 8 percent rate increase would offset expected increases in the Consumer Price Index for all of 1975.

The reported bill's increases in maximum rates of 8 percent will be spread by the formula throughout the range of payments relating to each dollar level of other income.

Since pension rate increases standing alone would not benefit the relatively few who would, in 1976, exceed current income limitations, the bill is further designed to increase the upper limits controlling pension entitlement by $300 for each group of pensioners. The $300 additional income allowance will prevent termination of pension for any pensioners solely because of the 8 percent increase in his or her social security benefits.

The income limit provided under current law for veterans and widows without dependents would be increased from $3,000 to $3,300. The income limit for a veteran or a widow with dependents would be increased from $4,200 to $4,500.

These figures do not tell the entire story. Since current law counts only 90 percent of a pensioner's income from social security and other retirement type payments that represent most pensioners' income, the effective income limits for them could be as high as $3,666 and $5,000 respectively.

Mr. Speaker, most pensioners are elderly—and the most common source of income available to them is social security. The amendments proposed by the reported bill would insure that there will be no termination of pension or reduction in net annual income of the pensioner resulting solely from his or her 8-percent social security increase which became effective in June of this year. Many reports were received this year attributing loss of pension or loss of income to last year's social secuity increase. A large group of cases was submitted by two national service organizations to show that pensions were reduced or terminated simply because of the social security increase. All of these cases were thoroughly reviewed and in no case was there a termination of pension because of the pensioner's social security increase. There were, further, no cases in which such social security increase alone resulted in a loss of total combined annual income.

Mr. Speaker, at this point I would like to provide the Members with a detailed explanation of the reported bill:

SECTION-BY-SECTION ANALYSIS OF H.R. 10355

The first section provides that the Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1975."

Section 2 would increase by approximately 8 percent the monthly rates for veterans under the current pension program, including the housebound and aid and attendance rates, and would increase their maximum annual income limitations by $300.

Section 3 would increase widows' monthly pension rates by approximately 8 percent, and would increase their maximum annual income limitations by $300. The latter section would also increase the rate for each child in excess of one (with a widow) from $20 to $22 per month.

Section 4 would increase the monthly pension rate for a surviving child where there is no widow entitled from $49 to $53, and the rate for each additional child from $20 to $22. Also, section 4 would increase a child's unearned annual income limitation from $2,400 to $2,700.

Section 5 of the bill would increase from $64 to $69 the special monthly aid and attendance allowance payable to widows on the pension rolls.

Section 6 of the bill would increase from $2,600 to $2,900 and from $3,900 to $4,200 the applicable maximum income limitations governing payment to persons receiving pension under the prior program in effect on June 30, 1960.

Section 7 would increase by approximately 8 percent the monthly dependency and indemnity compensation payable to eligible surviving parents of persons who died of service-connected causes. Further, it proposes to increase by $300 the applicable maximum income limitations governing the payment of such compensation. Another feature of section 7 is a proposal to increase the monthly aid and attendance allowance payable to parents under the dependency and indemnity compensation program from $64 to $69.

Section 8 would increase the monthly aid and attendance allowance of widows and dependent parents receiving death compensation from $64 to $69.

Section 9 would require the Administrator to prescribe, by regulation, minimum levels of monthly income which, if not exceeded, would preclude denial of dependency of a parent for the purpose of payment of death compensation under 38 U.S.C. 322, or additional disability compensation to a veteran under 38 U.S.C. 315.

Section 10 provides an effective date of January 1, 1976.

Mr. Speaker, the first full year cost of the proposed bill would be approximately $200 million. The cost estimate does not exceed the estimate your committee submitted to the Committee on the Budget earlier this year, although the increase coupled with the compensation increase enacted earlier this year will exceed the Budget Committee's recommendation by about $144 million in fiscal year 1976.

We must enact this legislation in order to minimize any potential adverse impact on pension entitlement by reason of the 8-percent social security increase that became effective June 1 of this year. Equally important, this bill will provide an increase to those drawing pensions and dependent parents drawing DIC benefits and thereby help offset inflationary pressures. I urge that the bill be adopted.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 10355, a bill to liberalize the provisions of the non-service-connected pension program and the dependency and indemnity program for parents of service-connected diseased veterans.

At the outset, Mr. Speaker, I want to express my appreciation to the distinguished chairman of the Subcommittee on Compensation, Pension, and Insurance, Mr. MONTGOMERY, and to the ranking minority member, the gentleman from Ohio (Mr. WYLIE) for their diligence in bringing this extremely important measure to the floor. I think my colleagues will agree that no single issue in the field of veterans' affairs has sparked more interest in recent weeks than has the subject of pensions.

This measure, Mr. Speaker, will increase by approximately 8 percent the various rates of pension payable and will increase by $300 the maximum annual income limitation that determines whether or not any pension is payable.

Generally speaking, to be entitled to a pension, a veteran must have served for 90 days during time of war, have been honorably discharged. He must be 65 years of age or be suffering from a permanent and total non-service-connected disability which renders him unemployable.

Widows and children are entitled to pension if the veteran served during time of war and died of causes unrelated to military service.

Parents are entitled to dependency and indemnity compensation only if the veteran's death was service connected.

Veterans, widows, and children with respect to pension and dependent parents with respect to dependency and indemnity compensation payments must not have income from other sources that exceeds certain statutory limits. Under this measure, the new limits will be $3,300 annually for a veteran or widow with no dependents or for a single parent. For the veteran or widow with dependents or for two parents, the maximum income limit will be $4,500. In determining annual income, certain types of income and amounts are not counted. The amount of pension payable, of course, varies with the amount of income received from other sources, with the greatest pension payable to those with the least income.

Much of the interest in pension increases at this time, Mr. Speaker, stems from the fact that the most recent increase of 8 percent in social security payments could result in many pensioners exceeding the maximum income limitation for entitlement to pension, but for this legislation. Fortunately, H.R. 10355, in authorizing a $300 increase in the annual income ceilings, insures that there will be no termination of pension resulting solely from the receipt of the 8-percent social security increase.

Additionally, the formula that determines the amount of pension insures against any loss of total income, that is pension and social security, as a result solely of the increased social security.

Mr. Speaker, this is a good bill. It is equitable and I urge that it be passed.

Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I am pleased to be a cosponsor of H.R. 10355, the Veterans and Survivors Pension Adjustment Act of 1975. In increasing maximum annual income limitations by $300, this bill provides an essential readjustment while at the same time acknowledging the need for Federal budgetary restraint. In offering an approximate 8-percent increase in current pension rates, it compensates for rises in the cost of living this calendar year.

This bill is directed to those veterans who served during time of war. Many of them are elderly persons who rely upon their pension benefits as their major source of income. As they compete in the marketplace with other Americans, many of whom have received cost-of-living increases during the past year, they should not bear the brunt of the inflation which plagues us all.

H.R. 10355 authorizes payments which are in line with the increased costs which veterans, their dependents, and their survivors must pay. And, since the veterans' pension program is based upon need, it counteracts the adverse effect which recent increases in social security would have on those veterans who receive both Social Security and Veterans' Administration benefits. This point is extremely troublesome to veterans and to veterans' widows and widowers, as indicated by correspondence which many Members of the House—especially members of the Committee on Veterans' Affairs—have received.

I am glad to add my voice to those of my colleagues in sponsoring and endorsing this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 10355, a bill which increases, by approximately 8 percent, the monthly rates for veterans under the current pension program, including housebound and aid and attendance rates, and would increase their maximum annual income limitations by $300.

The veterans of this country must be afforded the right of living with dignity and honor, and, for many of them, the veterans' pension has been the honorable means of support.

Some form of pension program for these veterans has been with us as long as we have been a nation.

During the last 5 years, over 600,000 new veteran pensioners and over 1 million new widow and children pensioners have been added to the pension rolls. This is an increase of more than 360,000 persons each year.

Historically, the Congress has given consideration to pensioners by increasing the pension benefits whenever there has been an appreciable increase in social security payments.

H.R. 10355 is designed to offset the adverse effect upon veterans pensions that would otherwise result from the increases in social security payments authorized earlier this year. The increase in pension rates provided by Congress have kept well ahead of the rate of inflation.

For instance, since January 1, 1975, there has been a 5.3-percent increase in the cost-of-living index. The 8-percent increase in pension rates proposed by H.R. 10355 will exceed the projected rate of increase in the cost-of-living index for this year by 2.7 percent. Further, this bill would provide a $300 increase in the income limits.

Mr. Speaker, H.R. 10355 is vital to insure that 2.2 million Americans now receiving pension benefits are not subjected to substandard living conditions in order to make ends meet.

Our veterans are most deserving of special consideration, and I urge my colleagues to join in support and to give this legislation priority consideration.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I rise to support this legislation and to commend the authors and the committee for moving to prevent the serious financial impact on the pensions of our Nation's veterans and their survivors that will occur in January of 1976 unless Congress acts promptly. I regret that this bill does not fully protect all veterans and their survivors from reductions in their pensions as a result of the June 1975 increases in social security payments. However, I strongly urge my colleagues to vote for this action today, as a first step in providing much needed help to approximately 1.1 million veterans and their survivors in coping with the rising costs resulting from inflation. I would also further urge the committee to act promptly on legislation that will protect the pensions of all veterans and their survivors who have received limited income increases from social security and other retirement income.

I will be introducing a bill this week to provide income protection for all veterans and their survivors from any decreases in veterans' pensions that will result from the social security and other retirement income increases.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. TEAGUE).

Mr. TEAGUE. Mr. Speaker, the Veterans of Foreign Wars has asked that this bill be voted down. The American Legion is for it, and the Disabled American Veterans is for the bill. Veterans of World War I, and AMVETS has recommended its passage.

This is a problem we have faced ever since I have been in Congress, and I am constantly reminded by our Budget Committee that the veterans budget has gone from $7 billion to $19 billion in the last few years. I am cautioning the Appropriations Committee that we should be careful. I am cautioning the administration that we ought to be careful about the money we are putting into our pension and compensation programs.

So, I would like for the Members to know that this is not unanimous with the veterans groups, and that there are two sides to the question. The various letters and press releases of the VFW are included at this point:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
October 8, 1975.

From Thomas C. (Pete) Walker, Commander-in-Chief, Veterans of Foreign Wars of the United States.

To All Members, Veterans' Affairs Committee, United States House of Representatives.

Subject Pending Non-Service Connected Pension Legislation.

Your Subcommittee on Compensation, Pension and Insurance recently held hearings with respect to pending non-service connected pension legislation. The bill to which the thrust of most testimony was directed, H.R. 9045, is considered wholly inadequate to accomplish that which must be done for our pensioners if they are to live in dignity. Inflation over a protracted period has so eroded the purchasing power of those in receipt of pension and who are at the bottom of the economic ladder that many are forced to live below an established poverty level.

In view of the foregoing, I earnestly urge each one of you to set aside time in your busy schedule to read in its entirety the statement of my Legislative Director of October 3, 1975, a copy of which is enclosed. We must, in this calendar year, establish a guaranteed income well above the poverty level for those who served this nation in uniform in time of war and hostility befitting the greatest, wealthiest nation on earth.

The pension program has been neglected too long by inadequate patch-up legislation. Furthermore, while hundreds of thousands have annually suffered reduction or loss of pension, only 19,000 have been added to the pension rolls the last five years, notwithstanding an increase in the veteran population of over seven million in the same period.

We of the Veterans of Foreign Wars of the United States strongly support H.R. 5926, now pending before your Committee. With modifications, this bill would accomplish what the President of the United States said should be done in 1973, and what your Committee alluded to doing in 1974.

Prior to advancing any pension legislation, I again urge you to look well into this matter, since your actions will dictate whether those who served will live with pride of self and country or continue to be relegated to a poverty welfare status.

With best wishes and kind personal regards, I am

Sincerely,
THOMAS C. (PETE) WALKER,
Commander-in-Chief.

V.F.W. WARNS OF COMING PENSION CUTS

WASHINGTON, D.C., October 17, 1975.—Warning that legislation presently under consideration which would merely increase VA pensions by eight percent and raise the income limitation by $300 will *not* offset the increase in social security payments, Thomas C. "Pete" Walker, said "What is needed is the establishment of an income level well above the poverty level for those who served this nation and their widows.

"Once an income level is established which will allow the man who fought for his country to live with dignity, realistic exclusions adopted and adjustments made for increases in the cost of living, then and only then, will an equitable pension program be in effect," said Walker.

The Veterans of Foreign Wars of the U.S. National Commander-in-Chief pointed out that the majority of pensioners receive income from social security alone. When increases are made in these payments, a simple percentage increase in VA pensions does not offset the social security increase.

"We saw what happened last year when people assumed that a simple percentage increase would take care of social security increases—about three hundred thousand veterans and widows actually received cuts in their VA pension," said Walker. This was caused by two factors—if social security income is the majority of income, an increase in the smaller VA pension cannot mathematically offset the increase of the larger social security increase; and, the VA pension payment reduction for income received tables (decrements) were modified in favor of the government.

"We envision a repetition of this shame treatment of disabled veterans and their widows. There are only two months to rectify this injustice. I urge all Members of Congress to look into this matter, said Walker.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
October 29, 1975.

COMMITTEE ON VETERANS' AFFAIRS,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. CHAIRMAN: It has been brought to my attention that your Committee will take up and consider H.R. 10355, the Veterans and Survivors Pension Adjustment Act of 1975, on Thursday, October 30, 1975. Further, that this bill is a rewrite of H.R. 9045 from which it does not differ in substance but merely in the number of cosponsors.

As pointed out in my letter of October 8, 1975, we consider legislation to grant an 8 percent increase in pension rates and a $300 increase in income limitations as wholly inadequate. This, since 50 percent of those in receipt of pension are living below the poverty level and as reflected in the report on needs of veterans and widows 72 years of age or older, one-third of those surveyed cannot afford all of the food they need; that 28 percent cannot pay for all of the medical attention needed; that 35.9 percent have housing problems; 24.4 percent need more money, and 45.5 percent have to pinch pennies. Therefore, the legislation advanced by your Subcommittee on Compensation, Pension and Insurance is analogous to a physician applying a band-aid to a superficial cut, while the patient is experiencing a massive, internal hemorrhage.

The Veterans of Foreign Wars strongly supports H.R. 5926, which would establish a guaranteed annual income above the poverty level for those on the pension rolls. It would appear with modification of the income level, the cost of H.R. 5926 would be tenable and permit those who served our nation in time of need and their widows to live with a measure of dignity and above the poverty level.

Again, I urge you to consider well the ramifications of H.R. 10355, which is merely an extension of previous patch-up legislation, which has proved to be inadequate.

With best wishes and kind personal regards, I am

Sincerely,
THOMAS C. (PETE) WALKER,
Commander-in-Chief.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
October 31, 1975.

From Thomas C. (Pete) Walker, Commander-in-Chief, Veterans of Foreign Wars of the United States.

To All Members of the United States House of Representatives.

Subject: Pending Pension Legislation.

The House Veterans' Affairs Committee favorably reported H.R. 10355 to amend Title 38 of the United States Code to liberalize the provisions relating to the payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes, which will be considered by the full House on November 3.

This bill would increase pension rates by 8 percent and increase income limitations by $300 to purportedly offset the July 1975 8 percent increase in social security benefits. A press release by the Honorable Elwood H. Hillis, a member of the House Veterans' Affairs Committee, dated October 30, reads, in part, and I quote: "Current monthly pensions will be increased by approximately eight percent."

This is inaccurate. The pension rate will be increased by 8 percent but not pensions per se. We have been advised that approximately 655,268 will, in fact, suffer a reduction in their pension payment and that the average annual reduction of such pension will be $82.00, if this legislation should become law.

The Veterans of Foreign Wars believes this bill to be inadequate, patch-up legislation, as we have so testified and brought to the attention of the full Committee. Such is borne out by the facts presented in the Veterans Administration study of older veterans, which revealed the following shameful facts:

Nearly fifty percent of those in receipt of pension are living below the poverty level and as further reflected in the report on needs of veterans and widows 72 years of age or older, prepared by the Veterans Administration, one-third of those surveyed cannot afford all of the food they need; that 28 percent cannot pay for all of the medical attention needed; that 35.9 percent have housing problems; 24.4 percent need more money, and 45.5 percent have to pinch pennies.

In view of the foregoing, I strongly urge you to return this legislation to the full Committee for further consideration. We believe every veteran who served this country and the widow who stood by him should be assured an income above the poverty welfare level.

With best wishes and kind personal regards, I am

Sincerely,
THOMAS C. (PETE) WALKER,
Commander-in-Chief.

EFFECTS OF 8 PERCENT OASI INCREASE ON JAN. 1, 1976 WITH PASSAGE OF H.R. 9045 (ESTIMATED)

	Terminations	Number losing pension	Average amount lost	Number unchanged	Number gaining pension	Average amount gained	Number losing in aggregate	Average amount lost
Veterans:								
Alone	0	130,597	−92.51	450	202,825	121.54	0	0
With dependents	0	202,319	−111.07	1,012	364,175	92.97	0	0
Widows:								
Alone	0	308,983	−60.44	698	400,171	76.37	0	0
With dependents	0	13,369	−18.09	299	131,395	109.60	0	0
Total	0	655,268	−81.60	2,414	1,098,565	94.19	0	0

Mr. Speaker, I support H.R. 10355 and urge its approval to my colleagues.

Historically, the Congress has taken appropriate action to increase non-service-connected pension and other veterans' benefits whenever there has been an appreciable increase in the cost-of-living index. The latest increase in pension benefits became effective January 1, 1975, as a result of the enactment of Public Law 93–527. As of January 1, 1975, there had been a 307.9-percent change in the cost-of-living index since the date of the creation of the non-service-connected pension program. Over that same period of time, the Congress has provided a 506.7-percent increase in pension rates, which, Mr. Speaker, I feel clearly shows the Congress concern over the welfare of the elderly disabled veteran, as the percentage of increases that have been provided in the pension program has far exceeded the percentage of increase in the cost-of-living index.

This bill proposes to provide a cost-of-living increase of 8 percent to persons receiving non-service-connected pension benefits as well as dependent parents receiving dependency and indemnity compensation benefits. In addition, the bill would increase by $300 the annual income limitation for the non-service-connected pension program as well as the income limitation for dependent parents receiving dependency and indemnity compensation benefits. Thus, the annual income limitation for a person without dependents would be increased to $3,300 or $4,500 for a person with dependents. The median annual income for retired persons 65 years of age or older is $3,180. Therefore, VA non-service-connected pension benefits are paid to persons whose annual income exceeds the annual income of well over 50 percent of the Nation's elderly retired persons.

Although the non-service-connected pension program applies equally to World War I and all subsequent war veterans, the increased benefits the bill provides will be extremely beneficial to the World War I veterans as almost 50 percent of the living World War I veterans receive non-service-connected pension benefits.

I feel it should be emphasized, Mr. Speaker, that the committee has been assured by the Veterans' Administration that the $300 increase in the limits proposed by this bill will prevent any non-service-connected pensioner or dependent parent receiving dependency and indemnity compensation benefits from having such benefits terminated solely because of the recent social security increase in the claimant's income.

Mr. Speaker, the cost estimate on this bill is $200 million, first year additional cost. Eleven months ago we passed another non-service-connected pension increase granting a 12-percent increase in rates, and together these two raises in a period of 12 months represent a 20-percent increase in rates, a $700 increase in income limits and additional benefits of almost one-half billion dollars.

The administration opposed this 8-percent increase and recommended that it be limited to 5 percent. The VFW in appearing before the committee recommended H.R. 5926. This bill has a cost estimate of $5 billion, first year additional cost. However, I must point out that the VFW recommended the bill with some modifications, and since the organization has not advised the committee as to the proposed modifications, we cannot be sure as to the exact cost of the VFW proposal; but obviously it is in the billions of dollars.

In addition, the VFW recommended a separate pension program for World War I veterans which would cost about $2.8 billion, first year additional cost. Included with the statement presented our committee during the hearings was a resolution adopted by the VFW at its most recent convention recommending that social security and other retirement income not be counted for pension purposes. The cost of this proposal is well in excess of $2 billion.

Mr. Speaker, I mention these various proposals supported by the VFW and their cost to emphasize that none of these kinds of bills can be enacted without adding very substantially to the VA budget, which now exceeds $19 billion. We have approval for H.R. 10355 from the Budget Committee. We do not have approval for any other pension bill costing in the billions of dollars from either the Budget Committee or Appropriations Committee or administration. I recognize that there is always a desire to do more than the proposal under consideration, but I must say in all candor that these proposals which run into the billions of dollars have little likelihood of becoming law.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I am delighted that the gentleman from Texas, a very distinguished Member of this body and one who has an extremely fine record as a serviceman and also as a former chairman of the Veterans Affairs Committee, and one who has done so much over the years for veterans' legislation, has raised a word of caution concerning this bill.

All of us would like to give more than what this bill provides for, but as the distinguished gentleman from Mississippi has pointed out, and the chairman of the committee has pointed out, the first full year cost of just this bill will be $200 million. The original VA budget request for fiscal year 1976 was $16.4 billion. Subsequent budget amendments increased that request to $17.8 billion. That level has been provided by the Congress in the HUD—Independent Agencies Appropriation Act.

We already know that the $17.8 billion will not be sufficient to meet all the anticipated funding requirements for the balance of 1976. We have pending before the Congress a supplemental request for $449 million for compensation and pensions. In addition, we expect a supplemental request in the spring for $100 million for this bill. There will be another supplemental request in the spring for an additional $800 million for readjustment benefits.

And finally, there may be a supplemental in the spring for $87 million for hospital needs resulting from increased outpatient caseloads.

I support this bill and I think it is one that we can all support. But as has been indicated by the gentleman from Texas, we have to exercise caution in the amounts of money made available to the Veterans' Administration for compensation and pensions, readjustment benefits and veterans care in the VA hospital system.

Mr. Speaker, I take this time to compliment the gentleman from Texas for the statement he has made with reference to the amount we are spending for veterans programs and the relationship of that amount to the total budget picture.

Mr. GUYER. Mr. Speaker, as a cosponsor of this bill, H.R. 10355, I want to give my whole-hearted support to this necessary legislative proposal. This bill will provide an approximate 8 percent increase in the current Veterans' Administration pension rates and will increase the maximum annual income limitations by $300.

Since the pension rates were last adjusted on January 1, 1975, the Consumer Price Index has risen 5.3 percent, and as this bill will become effective January 1, 1976, it should compensate for further increases in the Consumer Price Index this year. It should also be noted that this 8-percent increase will also include the housebound and aid and attendance rates.

Because the Veterans' Administration pension program is a needs based program using total income as a pension payment criteria, the recent increase in social security will have an adverse effect on many who receive Veterans' Administration pensions.

Many of these veterans would be forced off the pension roles if the upper limits of the pension limitations were not increased. Thus included in this bill is a $300 increase in the income limitations, and therefore, no eligible veteran, widow or dependent or eligible dependent parent should be forced off the pension roles solely because of the recent 8 percent social security increase.

Mr. Speaker, this pension program is very essential to many veterans who have so faithfully served their country in our time of need. It can, by law, only be provided to those eligible veterans who served during a wartime era. To many elderly veterans, this pension is often their major source of income. Although they may be eligible for food stamps or welfare, they are, many times, too proud to accept it. Thus, it is necessary that this body continue to keep this program, as it has in the past, current with the increases in the cost of living.

The Subcommittee on Compensation, Pension, and Insurance held hearings on September 29 and October 3, and recommended this proposal to the full committee on October 23. On October 30, the full committee unanimously ordered this bill reported, and I, therefore, strongly urge that this body also unanimously pass the proposal.

Mr. BROYHILL. Mr. Speaker, I rise in support of H.R. 10355, the bill to increase the rates and income limitations of pensions for nonservice-connected disabled wartime veterans. This legislation also increases death pension rates and dependency and indemnity—DIC—compensation benefits for parents of deceased service-connected wartime veterans. In close analysis, I observe that the committee's bill is identical to H.R. 9198, the one I introduced on August 1, 1975. I am certainly pleased that the House Veterans' Affairs Committee saw fit to report the measure I introduced.

I believe that a change in the law is necessary to insure that no pensioner suffers a net loss in overall income next year because he has received an increase in social security or other retirement income this year.

The Congress initially established the pension program to provide a measure of assistance to the nonservice-connected disabled veteran and his survivor who is in financial need. If this legislation is not approved, many pensioners will be forced to seek public assistance. The 8-percent increase in social security, for example, places the annual income for many pensioners over the limits established by law last year. It has been estimated that over 41,000 veteran pensioners will lose their pensions altogether and many many more will have a large reduction in their benefits.

As I stated in my testimony before the committee, any savings we accomplish by defeating this proposal will be eaten up by increased costs in other Federal and State sponsored welfare programs. We do not want our deserving veterans to be forced to seek public assistance.

Again, let me say how pleased I was that the committee accepted my proposal. The legislation does not resolve the continuing problem of the pension program nor does it prevent every pensioner from suffering a loss in their pension benefits. But I do believe that overall it will prevent most pensioners from suffering a net loss in their overall incomes during 1976. We owe this to our deserving veteran population and to their families during a time of severe inflation.

Mr. BOB WILSON, Mr. Speaker, I rise in support of H.R. 10355, the Veterans and Survivors Pension Adjustment Act of 1975. On January 1, our nation's veterans and their widows face a substantial reduction or loss of their V.A. pensions unless Congress acts to increase the earnings ceiling and pension rates to offset the effect of this summer's social security raise.

H.R. 10355 would provide an 8-percent increase in current pension rates and would raise the maximum annual income limit by $300. The Consumer Price Index has risen 5.3 percent since pension rates were last adjusted on January 1, 1975, and the 8-percent figure offsets the amount the CPI is expected to rise by the end of this year. The $300 increase in the earnings ceiling applies to both old and new law pensioners. Thus, the maximum rate for veterans and widows without dependents would be increased from $3,000 to $3,300. The income limit for a veteran or widow with dependents would go from $4,200 to $4,500. The old law ceilings would increase from $2,600 to $2,900 and from $3,900 to $4,200.

According to the Veterans' Affairs Committee report accompanying H.R. 10355, the $300 additional income allowance will prevent termination of pension for any pensioners solely because of the 8-percent increase in his or her social security benefits. I urge prompt action by both the House and Senate well in advance of the January 1 deadline. In the past, legislation to offset social security increases has bogged down in the final months of the session, causing much unnecessary anxiety and distress to our Nation's older veterans, who do not understand why this legislation so often goes down to the wire.

In the future, I hope that the Veterans' Affairs Committee will consider some type of more permanent solution to the annual increase in the income ceiling for VA pensions, such as my bill, H.R. 10313. This legislation would exempt increases in social security and railroad retirement from being counted as income for VA pension purposes. Social security increases are now on an automatic cost-of-living basis, and I urge favorable action on H.R. 10313 or similar legislation to eliminate the annual exercise of adjusting VA pension rates to conform. In addition, I hope that the committee will take a close look at the establishment of a special pension program to meet the unique needs of our World War I veterans.

Elderly pensioners do not understand the logic of the earnings limitation or the "means" test. They only know that the Government raises social security benefits with one hand and reduces their VA pensions with the other, resulting in no increase despite spiraling inflation all around them. I urge prompt action on H.R. 10355 before us now, but also hope we will take a closer look at assuring greater equity to our Nation's veterans in the future.

Mr. MILLER of Ohio. Mr. Speaker, I rise in strong support of this bill, H.R. 10355. As we all know, the manner in which the present veterans pension system works requires a decrease in that pension for every dollar earned over the limit of his income category. Since outside income is often derived from social security, the 8 percent benefit increase received several months ago means that by January 1st of next year veterans will be receiving lower pensions or may even be removed from their veterans pension entirely. This bill will prevent that injustice from taking place since it provides for an increase of 8 percent in veterans' and survivors' pensions and raises the income limitation by $300.

Mr. Speaker, this bill will only help in a temporary fashion the plight of many of our veterans. The next time a social security increase is enacted we shall once again have to confront stopgap legislation such as this to aid the veterans. It would be far better to take the approach embodied in a bill I have sponsored, H.R. 5477, which will permanently prevent any lowering of veterans benefits when a raise in social security benefits takes place. Consideration and enactment of this bill should not be delayed any longer.

The SPEAKER pro tempore (Mr. BRADEMAS). The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 10355.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: House Resolution 732, de novo; and H.R. 10339 and H.R. 10355, on which the yeas and nays were ordered.

AUTHORIZING VOLUNTARY WITHHOLDING OF STATE INCOME TAXES IN THE CASE OF MEMBERS AND CONGRESSIONAL EMPLOYEES

The SPEAKER. The unfinished business is the question of suspending the rules and agreeing to the resolution (H. Res. 732), as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and agree to the resolution, House Resolution 732, as amended, on which the yeas and nays are ordered.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 394, nays 7, not voting 32, as follows:

[Roll No. 663]

YEAS—394

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDonald
McEwen
McFall
McHugh
McKay
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—7

Collins, Tex.
Kindness
Landrum
McKinney
Miller, Ohio
Steiger, Ariz.
Symms

NOT VOTING—32

Addabbo
Annunzio
Barrett
Beard, R.I.
Bell
Biester
Buchanan
Burke, Fla.
Burton, Phillip
Cleveland
Conyers
Eilberg
Eshleman
Fary
Flowers
Fraser
Green
Kelly
McCloskey
McDade
Macdonald
Madden
Mazzoli
Morgan
Murphy, N.Y.
Nix
Pepper
Rousselot
Udall
Wydler
Young, Fla.
Young, Ga.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Bell.

Mr. Addabbo with Mr. McDade.

Mr. Pepper with Mr. Burke of Florida.

Mr. Nix with Mr. Flowers.

Mr. Barrett with Mr. Eshleman.

Mr. Eilberg with Mr. Buchanan.

Mr. Morgan with Mr. Fraser.

Mr. Murphy of New York with Mr. Kelly.

Mr. Green with Mr. Cleveland.

Mr. Macdonald of Massachusetts with Mr. McCloskey.

Mr. Phillip Burton with Mr. Biester.

Mr. Young of Georgia with Mr. Madden.

Mr. Mazzoli with Mr. Udall.

Mr. Fary with Mr. Rousselot.

Mr. Conyers with Mr. Wydler.

Mr. Beard of Rhode Island with Mr. Young of Florida.

Mr. FORSYTHE and Mr. McDONALD of Georgia changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof), the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) (3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1975

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill (H.R. 10339), as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. VIGORITO), that the House suspend the rules and pass the bill H.R. 10339, as amended, on which the yeas and nays are ordered.

The question was taken; and there were—yeas 299, nays 95, not voting 39, as follows:

[Roll No. 664]

YEAS—299

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth

Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCormack
McFall
McHugh
McKay
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Neal
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
White
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—95

Anderson, Ill.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bevill
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Butler
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Devine
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Erlenborn
Ford, Tenn.
Forsythe
Frenzel
Frey
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Hansen
Hastings
Hechler, W. Va.
Heinz
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Johnson, Colo.
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
McClory
McCollister
McDonald
McEwen
McKinney
Martin
Michel
Miller, Ohio
Moorhead, Calif.
Mottl
Myers, Pa.
Nedzi
Nichols
Passman
Pettis
Regula
Rinaldo
Robinson
Rogers
Roush
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Shuster
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Treen
Vander Jagt
Waggonner
Whalen
Whitehurst
Wiggins
Winn
Wylie
Young, Alaska

NOT VOTING—39

Addabbo
Annunzio
Barrett
Beard, R.I.
Bell
Biester
Breckinridge
Brooks
Buchanan
Burke, Fla.
Burton, Phillip
Cleveland
Conyers
Eilberg
Eshleman
Fary
Fenwick
Flowers
Heckler, Mass.
Jarman
Kelly
McDade
Macdonald
Madden
Mazzoli
Meeds
Morgan
Mosher
Murphy, N.Y.
Nix
Nolan
Pepper
Pritchard
Rousselot
Ruppe
Udall
Wydler
Young, Fla.
Young, Ga.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Breckinridge.

Mr. Barrett with Mr. Burke of Florida.

Mr. Addabbo with Mr. Buchanan.

Mr. Meeds with Mr. Conyers.

Mr. Murphy of New York with Mr. Fary.

Mr. Morgan with Mr. Eshleman.

Mr. Nix with Mr. Madden.

Mr. Phillip Burton with Mr. Mazzoli.

Mr. Young of Georgia with Mr. Udall.

Mr. Flowers with Mr. Jarman.

Mr. Eilberg with Mr. Rousselot.

Mr. Beard of Rhode Island with Mr. Cleveland.

Mrs. Heckler of Massachusetts with Mr. Nolan.

Mr. Pepper with Mr. Bell.

Mr. Wydler with Mr. McDade.

Mr. Macdonald of Massachusetts with Mr. Kelly.

Mr. Biester with Mr. Mosher.

Mr. Brooks with Mr. Young of Florida.

Mr. Pritchard with Mr. Ruppe.

Mr. McCLORY changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1975

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 10355.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 10355, on which the yeas and nays are ordered.

The question was taken; and there were—yeas 400, nays 0, not voting 33, as follows:

[Roll No. 665]

YEAS—400

Abdnor
Abzug
Adams
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—33

Addabbo
Alexander
Annunzio
Barrett
Beard, R.I.
Bell
Biester
Brooks
Burke, Fla.
Burton, Phillip
Carr
Cleveland
Conyers
Eilberg
Eshleman
Fary
Flowers
Fuqua
Kelly
McDade
McKinney
Macdonald
Mazzoli
Morgan
Murphy, N.Y.
Nix
Pepper
Poage
Rousselot
Udall
Wydler
Young, Fla.
Young, Ga.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Mazzoli.
Mr. Addabbo with Mr. Alexander.
Mr. Eilberg with Mr. Beard of Rhode Island.
Mr. Morgan with Mr. Young of Florida.
Mr. Barrett with Mr. Cleveland.
Mr. Nix with Mr. McKinney.
Mr. Macdonald of Massachusetts with Mr. Eshleman.
Mr. Brooks with Mr. Biester.
Mr. Phillip Burton with Mr. McDade.
Mr. Fary with Mr. Bell.
Mr. Murphy of New York with Mr. Kelly.
Mr. Pepper with Mr. Wydler.
Mr. Young of Georgia with Mr. Udall.
Mr. Fuqua with Mr. Rousselot.
Mr. Conyers with Mr. Carr.
Mr. Flowers with Mr. Burke of Florida.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUBBARD. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days in which to extend their remarks, and to include therein extraneous material, on the bill H.R. 10355, which passed the House today.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TEXT OF THE GOVERNOR'S SPEECH ON NEW YORK CITY'S FINANCIAL CRISIS

(Mr. HANLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, as the city of New York approaches another crisis period, both the House and Senate are preparing to consider legislation to assist that city in its attempts to avoid default. On October 29, the President stated that he would veto any legislation aimed at bailing out the city. On November 1, Gov. Hugh Carey addressed the people of New York State responding to the President's comments. In his remarks the Governor points out many fallacies in the President's thinking on this important issue, and I would like to insert the full text of the Governor's comments in the RECORD at this time.

TEXT OF THE GOVERNOR'S SPEECH ON NEW YORK CITY'S FINANCIAL CRISIS

Following is the text of Governor Carey's address on New York City's fiscal crisis:

The City of New York is a few weeks from bankruptcy. The Congress of the United States may well pass a bill designed to prevent that bankruptcy. But on Wednesday, the President declared that he would veto any bill designed to "bail out" New York City to avoid bankruptcy.

I am here tonight to say that I agree with Gerald Ford; Washington should not bail out New York. I am here to tell New Yorkers, and all Americans, that the bill we seek will impose on New York City the obligation to pay its bills in full, and to put its fiscal house in order. It is the Ford bankruptcy plan that would cost the cities, states, and taxpayers of this nation billions of dollars that need not be spent.

This may not sound like the claims you've been hearing lately. That's probably because this whole crisis is enormously difficult to understand, and very easy to distort with half-truths and fabrications. It's also true that the undeniable dislike of many Americans for the cultural climate of New York makes intelligent debate very difficult.

But I still believe that if Americans understand what New York is really asking for, they will support it, because it will save them money.

This is the single most important fact that the White House chooses to ignore; the loan guarantee plan now before Congress does not give New York one red cent. It gives the city time to pay its debts and reform its practices. Our case rests on one simple idea; we don't think it's right for the people of Iowa or California or Michigan to pay for the mistakes of New York City. The problem is that Mr. Ford has attacked New York for something we do not want or seek: a Federal bailout from the Treasury.

Some of what Mr. Ford said was exactly right. There is a sorry history of reckless fiscal policy in New York City going back years—perhaps decades. And there is blame enough for everyone:

City officials and interest groups.

Banks that did not ask the hard questions.

A State Legislature and hand-picked Vice President—that specifically authorized every fringe and pension benefit and every unwise borrowing Mr. Ford now attacks so righteously.

And Presidents who diverted tens of billions of dollars to foreign dictatorships and senseless war, and who plunged our economy into its worst crisis in 40 years.

We all share the responsibility. And the city record, particularly in caring for those driven from other states and other lands by poverty and oppression, is far more honorable than that of most. But it is not our job to point fingers of blame. Is is our job to face what has happened, and to set it right with the least damage possible.

What Mr. Ford says he's for is what we're for—we don't want to fling open the doors of the Treasury to New York City or anybody else. We don't want to be bailed out. We don't want any city to be a ward of the Federal Government.

What do we want? We want Washington, in effect to stand behind us—to give investors the confidence they now lack to invest in New York City. That money will enable us to pay our debts and to keep public services alive, while we work our way back to a balanced budget.

Washington need not put up a dime. Those notes will be repaid by New York City with an added cost to pay back Washington for any expense of running this guarantee. Further, this guarantee would be strictly supervised. New York with a balanced budget will have to control the fringe benefits to city workers; reform its jumbled books once and for all; and not spend a dime unless the money is there to meet these obligations.

What we're hoping to buy is time to finish the job we've started. For, contrary to the deliberate impression left by Mr. Ford, New York has imposed on itself painful and unprecedented budget-cutting. The state has taken the financial power out of the city's hands. With the constructive and invaluable support of Republicans and Democrats, with the steadfast help of Senate Majority Leader Warren Anderson, we have shaped a control board run by state officials and business people who are determined to rebuild fiscal integrity.

That board has ordered reform of the city's books. It's presided over the cutting of 30,000 jobs from the city's payroll—and within three years, that payroll must be cut by 70,000 jobs. The transit and commuter fares have been raised to the one of the highest of any city. Wages have been frozen for every city worker. The City University's budget has been cut by $30 million—the equivalent of imposing tuition. The capital budget's been reduced $800-million, and all housing programs have been suspended.

These are not cosmetics steps. They mean fewer police, fewer firefighters, less education, health care, a lessened quality of public life. But it had to be done.

We are going once and for all to end fiscal mismanagement in New York. And to provide time to do that job, the state has put forth more than $1.5-billion of its own money—with the support of Mayors all over the state—to protect not just New York City's future, but the future of Yonkers, Buffalo, Rochester, Syracuse and towns and counties all over the state. That is not the record of a state which has abandoned New York City.

Now we need time to finish the job. But Mr. Ford chose to ignore these steps. That is as unfair to us as it would be to argue that this President is no different in integrity from his immediate predecessor.

Nor did Mr. Ford recognize the single key fact of our proposal: that it does not require a dime of Federal money. Instead, he proposed a bankruptcy bill.

That bill would tempt any careless local government to avoid paying its debts by sliding into bankruptcy. By itself, that will scare off investors and drive up costs—and therefore taxes—to every local government.

His plan would threaten the whole Federal structure—because instead of forcing spendthrift governments to mend their ways, it would throw the entire financial operation of an enormously complicated city into the hands of an unelected Federal judge. Americans are already deeply concerned by judges taking control of their social and political institutions. What will happen if judges now take control of the entire structure of local government?

But here is what the real cost, in dollars and cents would be to the American people.

First—every government borrows—to build, or to pay bills before tax money comes in. A New York default will make borrowing more expensive for every locality in America. We have already seen cases from Florida to Illinois to Massachusetts where credit has been denied, or made more costly, to local governments. That will be the wave of the future if New York defaults.

Second—New York's total debt is $14-billion. If the city defaults, note and bondholders will lose, conservatively, $6-billion in the value of those notes and bonds. That money will be written off tax returns—and that means $2-billion less in Federal tax payments. Who will make that up? Either the ordinary taxpayer, or else there will be another $2-billion in deficits. That is not fiscal responsibility.

Third—Mr. Ford has already said essential services will be maintained if New York defaults. The only source for that money is the Federal Treasury. So American taxpayers will be paying for the police, fire, sanitation, and possibly educational and health needs of New Yorkers. That is not fair to them. Let New York bear its own burdens. And when businesses owed money by New York

City go under—businesses located in communities such as Grand Rapids, Michigan—who will pay the cost of unemployment and welfare? The American taxpayer.

Fourth—I tell you bluntly that if New York City defaults, there will be other tremors and collapses in local governments around America including agencies of New York State. And it is the people of those localities across America, who will pay to pick up those pieces as well. That is why the U.S. Conference of Mayors, the National League of Cities, the Counties, and the Municipal Financial Officers Association all overwhelmingly support loan guarantees.

We are not trying to scare anyone unless the time has come when Americans fear the truth. We are trying to tell the truth about what we've done and what we want. We do not seek a pardon for past errors, or a bailout. The fight we must wage on a skeptical, hostile terrain won't be won by making excuses for the indefensible past. We will win if America, the Congress, and the White House have the facts to measure the cost of action, and inaction, in hard, practical terms.

I spent more than a decade with Gerald Ford in Congress. We disagreed about many things. But I always found him a man ready to negotiate and compromise for a practical result. I cannot believe that the specter of temporary political gain will lead him into driving a city into bankruptcy and risking the loss of billions of taxpayers dollars. If the financial structure of government is shaken, it is Mr. Ford who will be accountable to all the people. I will be working in the days ahead to make New York accountable. I ask Mr. Ford not to work against us to make New York a bankrupt.

For New Yorkers, a final note: our city is often abrasive and arrogant, sometimes cold and unfeeling, always challenging. For a lot of reasons, it has incurred the scorn of some of our countrymen; because of our pace and tone of voice, because of the colors of our skins and the accents in which we speak, and our tradition as a magnet for the disaffected, the dispossessed, the dissenters.

Whether we shall escape fiscal default I do not know. Our fate is in the hands of people who, for now, appear determined not to let facts get in the way of what they want people to believe—and who are seeking political advantage by kicking the city when it's down.

But whatever happens, New York will survive. We will remain a home for the exiled and oppressed. And perhaps we will have learned the lesson of fighting among ourselves, instead of standing together to wage a common fight for each other. Come what may, we will win that fight.

MRS. MRIKA MRNACAJ BEGINS PROCESS OF BECOMING AMERICAN CITIZEN AT AGE 111

(Mr. BIAGGI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, every once in a while a story appears which touches the heart of every American. Such a case is the poignant story of Mrs. Mrika Mrnacaj, a former resident of Communist Albania who yesterday began the formal process of becoming an American citizen at the age of 111.

Mrs. Mrnacaj's incredible story started when she was born in Albania in 1864. She lived there until the Communist takeover of that nation in 1959. She, her husband, and 7 of their 13 children fled Albania on foot in the middle of the night to Yugoslavia. She undertook this arduous journey at the age of 95. At 110, she made another journey to America to join two of her sons and 10 grandchildren. She wants to live out her remaining years as an American citizen.

I was so moved by the events of this case, that I have today introduced legislation which will waive the 5-year waiting period and the English language requirement necessary to acquire citizenship. Mrs. Mrnacaj today is a permanent resident. Prompt action by the Congress on my bill will allow her to achieve her dream of becoming an American citizen.

I am proud to claim Mrs. Mrnacaj as a constituent. She has been living with her two sons in the Bronx portion of my congressional district since coming to this country last year.

Today when so many Americans take their Nation and the privileges of citizenship for granted, it is heartwarming to know there are people such as Mrs. Mrnacaj who still cherish the ideals of U.S. citizenship.

At this point in the RECORD, I wish to insert an article in this morning's New York Daily News which provides a further account of this remarkable story:

AT 111, SHE APPLIES FOR U.S. CITIZENSHIP

(By Lawrie Mifflin)

When Mrika Mrnacaj was born in Albania in 1864, the young United States, in the throes of bitter civil war, looked as though it might never reach its centennial as a nation.

Yesterday, with the U.S. on the eve of a bicentennial, Mrs. Mrnacaj—now aged 111—took her first steps toward becoming an American citizen.

Accompanied by her sons Peter and Marash, with whom she has lived in the Bronx for the last year, Mrs. Mrnacaj arrived at the Immigration and Naturalization Service offices, 20 West Broadway, to complete the paperwork for becoming a permanent legal resident.

Now she hopes to become a citizen—a procedure that requires a five-year waiting period.

Dressed all in black except for two colorfully flowered kerchiefs tied around her head in her traditional style, the spry little lady smiled delightedly at the crowd of reporters that surrounded her at the immigration office.

"I came here because I want to be with my sons and be American like them," she said in Albanian, her sons translating. "There is no other country like this, and I am happy to be here."

The desire to live in a free country has shaped Mrs. Mrnacaj's life before. In 1959, after the Communists took over Albania, she and her husband and seven of their 13 children fled their homeland for Yugoslavia. She was a mere 95 when they made the covert journey, all on foot, in the middle of the night.

Her husband, Nua, died in 1972 at the age of 108. She lived with another son in Yugoslavia before coming here in September 1974.

Marash Mrnacaj, 55, of 2796 Bainbridge Ave., has six children. His brother Peter, 46, of 340 E. 198th St., has four. Both said that their mother was "overjoyed" to see her 10 grandchildren for the first time, and to have time now to play with them. She divides her time between the two neighboring households.

At her desk on the 11th floor, immigration examiner Evadny Canegata marveled over Mrs. Mrnacaj's Yugoslavia travel permit, on which the 1864 birthdate is neatly penned.

"I never dreamed I'd have someone this old applying for citizenship," she said. "It's wonderful—and she looks just marvelous."

Marash and Peter beamed proudly, and Mrs. Mrnacaj's creased face broke into a broad grin when she was handed the precious "green card" verifying her permanent resident status.

As for the future, Maurice Kiley, director of the New York office of Immigration and Naturalization, said the only way Mrs. Mrnacaj can become a citizen without waiting the required five years would be for Congress to pass special legislation.

HON. JOHN J. ROONEY, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from New York (Mr. DELANEY) is recognized for 60 minutes.

Mr. DELANEY Mr. Speaker, George Chapman wrote:

Give me a spirit that on this life's rough sea
Loves t'have his sails fill'd with a lusty wind,
Even 'til his sail-yards tremble, his masts
crack,
And his rapt ship run on her side so low
That she drinks water, and her keel ploughs
air;
There is no danger to a man, that knows
What life and death is; there's not any law,
Exceeds his knowledge . . .
He goes before them, and commands them
all . . .

Mr. Speaker, we are here this afternoon to honor the memory of a dear friend and colleague, and U.S. Representative for 30 years before his death—the Honorable John J. Rooney of New York's 14th Congressional District. His was a truly outstanding example of dedication in the public service.

My association with John goes back many years. In the early 1940's, he was assistant district attorney in Kings County, N.Y., while I was serving in the same capacity in the adjoining county of Queens—many were the nights we worked later hours together on difficult cases.

John had an incredible ability to get to the bottom of things and his record stands today as a model for investigators and prosecutors throughout the criminal court system of our State.

John's parents emigrated from Ireland and settled in the Brooklyn district where he grew up. It was there he attended St. Paul's, and St. Francis Prep and College, before studying at Fordham University's School of Law. In 1944 he became their Representative and in Congress, as elsewhere, his hard work and dedication became an inspiration to Members on both sides of the aisle.

As a member of the House Appropriations Committee, and chairman of its Subcommittee on State, Justice, Commerce, and the Judiciary, John was a champion of the taxpayers' interests. It is incredible that in one 10-year period he cut more than $1 billion of extraneous funds from budgets under his supervision and that his attention to detail and personal integrity resulted in over 98 percent of his recommendations being approved by Congress. None of his bills were ever vetoed by any of the seven Presidents under whom he served.

As dean of our New York congressional delegation, he was especially close to the problems and concerns of our own city and State and to the Members of our delegation.

I know that I speak on behalf of all Members of Congress and all who knew him when I say that we will miss John Rooney, our colleague, our neighbor, and our good friend, and once again I extend my deepest personal sympathies to his wife, Catherine, and his family.

Mr. SLACK. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Speaker, today we pay tribute to Congressman John Rooney, a man whose presence in the House had major impact on the work of Congress and the policies of our Government during some 30 years.

Each of us, when first elected to the House of Representatives, comes in contact with more senior Members whose experience is helpful, and as we continued to serve, we remember one particular outstanding attribute which personifies the older Member.

And so it has been with me, as I recall many important discussions with our late colleague from New York. When I think of John Rooney, above all else I think of him as a man of unflinching principle.

Whatever way the winds of controversy might blow, and however strong might be the tide of opposition or criticism, if his judgment and experience convinced him that action should be taken on the basis of principle, then he would never retreat. The passage of time has revealed that he was rarely incorrect in his assessment of the proper approach to the solution of problems.

During the 15 years I served with him on the State, Justice, Commerce Appropriations Subcommittee, it was my good fortune to observe his work at very close range, and to talk with him about the underlying principles which supported his convictions. He had "feel" for the flow of American history and a sense of certainty about the specific decisions that should be taken from day to day and year to year so that the flow would continue in the direction charted by the founders of this Republic.

In his committee work, he demonstrated a talent for the reduction of budget requests by agencies when the justification for the funds was unconvincing. He was firm, but no posturing "tough guy," and there was a wide streak of kindness in his makeup.

In speaking of prominent individuals, we frequently use the phrase "a great American." But what is a great American? To earn that description, need a man be a leader in battle, or a discoverer or inventor, a talented artists or philosopher, a business tycoon, or even a President of the United States?

I think not. John Rooney was a great American because a glance backward through his lifetime of public service reveals that his every action and conviction was based on a firm belief that it would best serve the interests of the United States and its people.

When his decision to retire was announced last year, a reception was scheduled in his honor. Among those present was the President of the United States, the Chief Justice of the Supreme Court, and the leadership of both Houses of Congress, assembled in a group which recognized by its presence the end of a career of matchless public service.

Those of us who serve today must carry on, and we will face problems no less challenging than those of the years 1944–74 when John Rooney was among us. His part in the making of our national history will always serve as a useful reference point when we are required to adopt and defend American principles.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Speaker, Members of Congress who have served over the many years with our former colleague, John J. Rooney, were greatly grieved to learn of his passing on last Sunday.

Congressman Rooney's legislative service over a period of 30 years will rank along with many of the most outstanding statesmen who have served in the House of Representatives during this century.

Congressman Rooney was not only an outstanding legislator but also a prominent practicing attorney in the city of Brooklyn and also served several years as district attorney of Kings County, N.Y. He retired from Congress in the last session for reasons of failing health.

The State of New York and the Nation as well as Congressman Rooney's district have lost an outstanding, devoted public servant. He had a reputation for honesty, sincerity, and his many friends respected his judgment on legislation both pertaining to domestic and foreign affairs.

The Members of the House of Representatives grieve his passing and will certainly miss his presence in this legislative body and would like to extend to his wife and family our deepest sympathy in their bereavement.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I want to express my sorrow and profound sense of personal loss in the passing of John Rooney who retired from the Congress last year after having served in the House of Representatives for 30 years. His record of public service was outstanding and it covered a very broad range of issues. At the time of his retirement, John Rooney was the third ranking Democrat on the House Appropriations Committee and was chairman of the State, Justice, Commerce, and Judiciary Subcommittee. As subcommittee chairman, he exercised the congressional power of the purse in firm but fair fashion and he exercised great leadership in guiding an expanded Federal financial effort to deal with crime.

He was unique in that he was born in the congressional district he served for so many years, and his family lived in that district for more than 100 years. He was one of the few among us whose roots were so deeply founded in the traditions of the district which he served and he effectively helped to protect and preserve those traditions.

John Rooney's influence was felt far beyond the boundaries of New York's 14th District. His efforts also extended beyond the Halls of Congress and the Capitol of our Nation. He traveled to war fronts in the 1940's; to the Pacific to witness atomic testing, and to Japan for the 1951 peace conference.

It would be impossible to chronicle all the achievements of our beloved friend and former colleague from New York. He was a tireless worker for the people of his district and our Nation. We worked closely together for many years and I shared with him a warm and understanding friendship.

In this time of great loss and sorrow, I want to join my colleagues in extending my deepest sympathy to Mrs. Rooney and other family members and hope that they may find comfort in the knowledge that they are in our thoughts and hearts today.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, this is a very fitting occasion. Here are JIM DELANEY of New York, who stands in the well leading these ceremonies, and DAN FLOOD of Pennsylvania standing here talking about this subject. We are talking about John Rooney of New York. Could anything be more fitting?

I cannot imagine that any Member in the House would believe that FLOOD of Pennsylvania would ever be without words or be at a loss for words, but believe me, Mr. Speaker, that situation confronts me today. There are no words to express what is in my heart. I speak as well for Mr. Flood, Catherine, who was also a great friend of John's.

John was an usher at our wedding 26 years ago. He made quite a thing of it. You can imagine what a wedding that was. We had two groups of ushers in spats, gray spats and white spats. John Rooney never got over the fact that he was head of the white spat detail. He talked about that for years, if you can imagine that.

When I first became a member of the Committee on Appropriations 30 years ago, I was assigned to the subcommittee presided over by John Rooney of New York.

Mr. Speaker, I have seen some hearings since then on appropriations.

I preside over a subcommittee myself, the Subcommittee on Labor—Health, Education, and Welfare. I serve on the Subcommittee on Defense of the Committee on Appropriations—since it was first set up. The Members can imagine what I have been through since, and what I have heard, but never, never, oh, never has there been a chairman of an appropriations hearing like the chairman I referred to in the well one day, with the acclaim of the House: "I yield to the gentleman from Brooklyn." Everybody understood, and I am sure that Brooklyn does.

John Rooney was born in the city which gave refuge and a home to millions of immigrants. Not far from the symbol of welcome and our sacred shrine of freedom, the Statue of Liberty, John Rooney grew up in times and circumstances when to hold a job was a luxury, and to hold American citizenship was a cherished possession. Many years later when he would assume the prestigious chairmanship on the Appropriations Subcommittee for State, Justice, Commerce, and Judiciary, John would conduct himself as the architect of policies which for years to come would indicate concern and care for those who left their fatherland to call the United States their new home.

He had that dry wit in the best tradition of the Irish. John was a patriotic American, a devout Catholic, and a loving and caring husband and father in the very best tradition.

I traveled half way around the world with John Rooney, kings and emperors, potentates and popes; but never was there a time when John did not remind me that we possessed the greatest heritage of all; our American citizenship.

If I were a sculptor, I would chisel from the marble my ideal of a Member of Congress. It would be Mr. Rooney of New York. If I were a poet, I would melt the world to tears with the pathos of my song today, and I would wring the hearts of this House and of Brooklyn with my sad tale.

But if I were a painter, I would make the canvass eloquent with the deeds of one of the most distinguished Members who ever sat here with us, whose proud spirit, whose faith to his church, whose loyalty to his friends, whose respect for his citizenship and his country could ever be exceeded or excelled. I would have called that picture "the distinguished gentleman from the great State of New York, John Rooney."

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. Yes, I yield to the gentleman from New York.

Mr. PEYSER. Mr. Speaker, I thank the gentleman in the well for yielding.

I merely want to add my comments to many that have already been stated by other Members who recognize the real loss that we have suffered through our colleague's death.

Mr. Speaker, I also wish to comment on the great service that Mr. Rooney gave his district for so many years. He was so dedicated in his efforts in his last years of service here when his health was obviously failing, and he still made a point of being here and working and representing the people so well.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ADDABBO. Mr. Speaker, this week this Nation lost one of its outstanding public servants when our former colleague in the House of Representatives, the Honorable John Rooney of Brooklyn, N.Y. passed away. John retired from elective office at the end of the 93d Congress following a career filled with activity and accomplishments. He served his constituents from Brooklyn for 30 years as a Congressman but he also served the entire Nation as an Appropriations Subcommittee chairman determined to account for every taxpayer's dollar, before such economic oversight was fashionable in the Congress.

John Rooney retired as dean of our New York congressional delegation and I shall never forget the personal guidance which he offered to me when I joined the House Appropriations Committee and when I succeeded him as chairman of the New York congressional patronage. He was a political institution in Brooklyn, N.Y. and he understood the immigrant tradition of America because he was born of immigrant parents. He fought hard for his people and for all deprived Americans.

The legislative skills of John Rooney were his finest tools and he stood in this Chamber on many days leading us in debate and managing his bills with energy and flawless technique.

For a number of years John Rooney showed his style and courage in his battle against serious illness. In and out of hospitals John Rooney never stopped fighting to retain his mental strength and his will to live. Now that he has passed away, we owe him a huge debt of gratitude for a career devoted to the people—the people of New York and of America.

I join with the many admirers and friends of this great American and our former colleague in extending personal sympathies to the members of the Rooney family. This period of sorrow of John Rooney's passing will be filled with memories of a two-fisted public servant who always placed the needs of the people above partisan politics and who built a record of achievement in politics which all of us can study and admire for many years to come.

Mr. MORGAN. Mr. Speaker, I rise at this time to eulogize the late John J. Rooney, one of the truly outstanding Members of the House of Representatives. Chairman Rooney's retirement at the end of the 93d Congress left a great void in this Chamber. It can honestly be said that no Member was a more tenacious watchdog of the taxpayers' funds. John was a tough adversary for those who were less diligent than he in insuring that the Federal Government served the people well.

As chairman of the House Appropriations Subcommittee with jurisdiction over the State Department's budget, John and I worked closely to monitor the operation of this key department, and his cost-cutting suggestions provided valuable guidance to me as chairman of the House International Relations Committee and the other members of our panel.

John's Brooklyn district chose to return him to Congress for 30 years, and the people's respect for him was shared by the Members in this Chamber. His illness in 1973, when he was hospitalized with complications from the lung surgery he underwent in 1966, mandated his retirement, but I know he appreciated the thoughts of all of us here. The loss for both his congressional district and the Nation is great. Mrs. Morgan and I extend our sympathy to all of John's family and friends.

Mr. GIAIMO. Mr. Speaker, I rise today to pay tribute to the memory of a devoted public servant and former Member of Congress, the honorable John J. Rooney of Brooklyn.

John Rooney won a special election to the 79th Congress in 1944 and was elected to each succeeding Congress. His retirement last year marked the end of a public service career that stretched over four decades. I was privileged to serve in the House of Representatives with John from the 86th Congress through the 93d Congress. During the 16 years we worked together, I came to know John Rooney as a dedicated and hard-working public servant.

As a Member of the House of Representatives, Congressman Rooney built a record of solid achievement, a record in which he could take pride, and for which his fellow citizens can express real gratitude. As chairman of the State-Justice-Commerce-Judiciary Appropriations Subcommittee, John fought vigorously—and successfully—to cut spending on Federal programs of dubious or minimal value to Americans. He worked equally vigorously in support of the independence of Israel and for the rights of organized labor. He was admired even by those who frequently disagreed with him.

It was with the deepest sense of sorrow that I learned of the death of my good friend, John Rooney. It too is sad that he was unable to enjoy, a little longer, his leisure and time with his family. I sincerely extend my deepest sympathies to his devoted wife, Catherine, and to his family.

Mr. JOHNSON of California. Mr. Speaker, it was with great sadness that I learned of the passing of our former colleague and my good friend, John J. Rooney. He was an outstanding public servant who had the needs and desires of the people of his district and the Nation foremost in his mind as he carried out the duties of being the people's representative.

His career of public service was capped by his fair and effective service as chairman of the House Apppropriations Subcommittee with responsibility for drafting legislation allocating funds for the Departments of State, Justice, Commerce, and the Federal judiciary. It began many years before, however, when John served as assistant district attorney for Kings County, N.Y. He was a promising young attorney who saw the the need to devote himself to the service of his friends and neighbors by participating in local government.

Congressman Rooney was a real crime fighter in those early days, and he had a distinctive ability to get to the source of the problem. This ability was to serve him well throughout his service in Congress. He came to the House in 1944 and began a career in this body which was to span 30 years. He was widely recognized by his colleagues as a dedicated, hard-working, forceful, and effective legislator. Honesty and sincerity were the keystones to his reputation.

It was through his service on the Appropriations Committee that he had his greatest opportunity for service. John Rooney became known as the "watchdog" of the State Department budget. He was also well known for his careful review of the budget for the Federal Bureau of Investigation.

Testimony to his effectiveness as a budget watcher is the fact that over a

10-year period, John Rooney is credited with saving the taxpayers $1 billion in extraneous funds. Furthermore, he had the enviable record of never having had one of his bills vetoed by any of the seven Presidents of the United States under which he served.

John Rooney was truly a public servant. As dean of the New York delegation and as chairman of the Appropriations Subcommittee he had a special opportunity to make a contribution to the effective operation of the House of Representatives. He fulfilled this role with dedication and dilligence, and this body is better for his having served among us.

We will miss him, and I know that my colleagues join with Mrs. Johnson and I as we express our deep-felt sympathy to his wife, Catherine, and to his children. They can be comforted by the knowledge that John Rooney made his fullest contribution to the improvement of this great Nation of ours.

Mr. WHITTEN. Mr. Speaker, I join with the many fine tributes that have been made here today with regard to our late friend and colleague, the Honorable John J. Rooney, Democrat, of Brooklyn, N.Y.

Many of us in the Congress served with John; and may I say to those who did not have that pleasure that they truly missed something. His contributions to the Nation, I know, are a source of real pleasure and pride to his family. The many friends he left here are a tribute indeed to his fine character.

John was an excellent lawyer, a loyal friend, and tireless when it came to looking after the public's business. In fact, those who are knowledgeable in the law will greatly appreciate the wonderful trait that John had in the examination of witnesses, in formulating policy, and presenting a most convincing argument.

I join with his family in a sense of personal loss but with a feeling of thanks, too, that it was my privilege to work with him through the years.

Mr. MAHON. Mr. Speaker, I am pleased to join my colleagues from the State of New York and elsewhere in paying tribute to our former colleague, John J. Rooney. He was an outstanding legislator; he was one of the most unique and capable individuals that I have encountered in my years in Congress; he was my loyal friend. I was indebted to him for his stalwart support and encouragement during my years as chairman of the Committee on Appropriations.

He served with distinction as a Member of this body for more than 30 years and since 1947 served as either chairman or ranking minority member of the State, Justice, Commerce, and Judiciary Subcommittee. He had also been a member of the Foreign Operations Subcommittee since 1953.

Among many capable subcommittee chairmen, he was a shining light; in handling legislation on the floor he was superb, and in conducting hearings and interrogating witnesses, he did not have a peer. American people can be thankful for his dogged determination in seeing that funds were wisely spent and that waste and foolishness were not tolerated.

John Rooney knew that there was no substitute for hard work and he always labored diligently in the committee and otherwise. John Rooney was a great American. We shall continue to miss him in the House of Representatives.

Mr. ROONEY. Mr. Speaker, since August of 1963 until the 94th Congress convened, whenever the name Rooney was called in this Chamber it was followed by the words "of New York" or "of Pennsylvania" to distinguish between John J. Rooney of Brooklyn and myself.

In part, because we shared the same name, John Rooney and I were great friends during the years we served together in the House. His death Sunday, October 26, following surgery at Georgetown University Hospital meant, to me, the loss of a good and dear friend.

Through shared names, we came, also, to share mutual enjoyment of Irish humor, interest in each other's biennial congressional campaigns, and during one campaign several years ago John shared with me some of his "Rooney for Congress" campaign buttons.

During his 30 years in the House of Representatives, John Rooney grew in public stature and became recognized as one of the most influential Members of Congress. For many of those years, he chaired the Subcommittee on Appropriations for the Departments of State and Justice and the Judiciary.

He was an ardent foe of frivolous programs or spending excesses, and served his constituency and all Americans well by his careful scrutiny of the manner in which their tax dollars were being spent.

Mrs. Rooney and I share with his dear wife and their family the sadness of John's passing. To them, we extend our most sincere sympathy.

While the sense of loss weighs heavily on all his loved ones, friends and former associates, we can derive much comfort from the knowledge that his lifetime was full and rich with the satisfactions of outstanding service to his fellow man, his city, State, and Nation. We shall miss him.

Mr. BIAGGI. Mr. Speaker, I join with many of my colleagues in mourning the death last week of our beloved former colleague from New York, John J. Rooney. It is fitting at this time to pay tribute to the memory of this outstanding American whose career in public service spanned almost 50 years, including 30 distinguished years as the Representative of the 14th Congressional District of New York.

John J. Rooney was a lifelong and proud resident of Brooklyn, N.Y. He attended local schools and acquired his law degree from Fordham University in 1925. One short year later after passing the bar exam, he embarked on his career in public service as an assistant attorney general under William O'Dwyer. During his almost 20 years as a prosecutor he acquired the skills and ability which were to distinguish him later in the House of Representatives.

He was first elected to Congress in 1944 and was to serve consecutively for the next 30 years until ill health forced his retirement last year. John J. Rooney was an outstanding Congressman both for the people of Brooklyn and for the Nation as a whole. He distinguished himself in the House as the chairman of the Appropriations Subcommittee which oversaw the budgets of the Departments of State, Commerce, and Justice including the Federal Bureau of Investigation. In this capacity he gained a national reputation as an advocate for fiscal responsibility and accountability in the Federal Government. There was no such thing as a "rubber stamp" budget while John Rooney was in charge of this subcommittee. His tirades against wasteful and unnecessary Federal spending were legendary, and budget officials from these three Government agencies knew to come prepared to have their budget sails trimmed. Perhaps the most outstanding testimonial to John's legislative abilities was the fact that never did any appropriations bill reported from his committee fall victim to a Presidential veto.

Yet, John Rooney was not imbedded to this philosophy in his other dealings in the House. His name was found on many important pieces of legislation to benefit Americans. These included programs to benefit the working man, and John was recognized as one of organized labor's best friends in Congress. He also supported necessary social and education programs as well as key foreign assistance programs.

I had the pleasure of serving with John Rooney in the 91st, 92d, and 93d Congress during which time he was the dean of the New York City congressional delegation. I sought his advice regularly in my early days in Congress and always found John Rooney to be both available and knowledgeable about the workings of the House, and I owe him a great deal of gratitude for helping me get established in the House. John was an inspiration to the entire New York delegation as well. All knew that John was considered a legend among the people of his congressional district.

I also considered John Rooney to be one of my closest friends in the Congress. He was a man whose life was provided with many experiences and he was a generally entertaining man, warm and dedicated to his friends. Even after his retirement, I kept in contact with John Rooney and just several weeks ago spoke with him.

The death of John J. Rooney is a loss to this Nation. Here was a man who was credited with saving the American taxpayers more than $1 billion in frivolous Federal spending. Here was a man dedicated to improving the quality of life for the American working man, as well as the underprivileged of this Nation. Here was a man who recognized the importance of America's foreign commitments and will be remembered as being one of the staunchest supporters of our relationship with Israel, and saw it as being critical for the security of this Nation.

Above all, the people of Brooklyn have lost a dear friend and dedicated public servant. Despite his national prominence in Congress, John never forgot the needs of the people who elected him, and their gratitude was demonstrated by the fact that they returned him to Washington on 14 consecutive occasions.

I regret that John could not have enjoyed a healthier and longer retirement. Those who knew John, realized and regretted the fact that his last years were spent in poor health. His retirement from the House was a sad occasion, but for John it was the right thing to do. His retirement was noted by many, including President Ford, who paid tribute to Rooney as a guardian of the taxpayers dollar.

The passing of John Rooney marks the end of an era. During his 30 years in service, he was known on a first name basis by several Presidents and hundreds of Members of the House and Senate. The people have lost one of their most distinguished native sons, who grew to become an institution. I will miss the friendship and guidance of John Rooney. His wife and family have lost a loving husband and father. I extend my deepest condolences to his wife Catherine and assure her that we all share her loss and know that John's legacy will live on for years.

Mr. RODINO. Mr. Speaker, I was saddened to learn of the recent passing of my former colleague, John J. Rooney of New York.

I was pleased to know John when he first came to Congress to represent the people of New York's 14th District over 30 years ago. I always found him to be a dedicated and effective legislator and a friendly and congenial person. He served this Nation well as chairman of the House Subcommittee on Appropriations for the Departments of State, Commerce, and Justice.

I join my colleagues, his wife and family in mourning his passing.

Mr. HANLEY. Mr. Speaker, the recent passing of our former colleague, Congressman John Rooney, leaves this world of ours a bit less happy, a lot more sad.

I recall so clearly as a newly installed Member of Congress meeting this man of basic good nature and firm high principle; a help to all who called on him for advice or aid; a friend, a counselor, a credit to this House.

As chairman of the House Appropriations Subcommittee for State, Justice, Commerce, the Judiciary and Related Agencies, John Rooney could be insistently tough mined on funding requests either by expansive executive agencies or by wizened solons of Congress who might be given to self-aggrandizement at taxpayers' expense. Many were the trembling hands and knocking knees of budget witnesses attempting to justify appropriation levels which raised the eyebrow and the ire of the man from Brooklyn.

Honored by his church, by academia, by international awards, and by his political party, John Rooney always kept hearth and home the focal point of his life. Knowing that the forbearance and understanding of a loving family are the truest inspiration of worthwhile achievements, he sought the privacy and peace of wife and children as much as others sought power and public acclaim. In doing so, he was granted widespread public respect without the sacrifice of his personal life.

This House can rightly extend its condolence and sympathy to his wife, Catherine, and to their family. Though their reflections have an intimacy and reference that only a family can share, we who knew him professionally can join their sadness and their confident expectation that the richest eternal rewards have been reserved for his lifelong dedication to service to the Nation and the Lord. We will miss John Rooney. We wish him peace and everlasting glory.

In the words of an old Irish prayer:

> May the blessing of the earth be on you—the great round earth; may the earth be soft under you when you rest out upon it, tired at the end of the day, and may it rest easy over you when, at last, you lay under it; may it rest so lightly over you, that your soul may be off from under it quickly and up, and off, and on its way to God.

Mr. MURPHY of New York. Mr. Speaker, the name of John J. Rooney always evoked in the House of Representatives the image of an able and competent man of conviction; one whose reputation for honesty, sincerity, and economy far outdistanced the average Member of Congress. For John Rooney was not an average man. He devoted almost 50 years of his life to public service, including almost 20 years as a prosecutor, district attorney of Kings County, and assistant attorney general under William O'Dwyer. His election to the House of Representatives in 1944 began a 30-year career of distinguished service to the people of New York's 14th Congressional District.

His life was dedicated not only to the people of Brooklyn, but to the citizens of the entire Nation. His chairmanship of the Appropriations Subcommittee which oversaw the budgets of the Departments of State, Commerce, and Justice, including the FBI, gained him a national reputation as an advocate of fiscal responsibility and accountability in the Federal Government. He was a determined foe of wasteful programs and excessive Federal spending, and his wary eye on the budgets of Government agencies was a legend of the Congress. Appropriations bills reported from his committee were never vetoed.

John Rooney was the dean of the New York delegation, and each of us who served with him owe a debt of gratitude for his guidance and inspiration. Our deepest condolences are extended to his wife and family. Our city, State, and Nation have lost not only an able leader, but a great friend.

GENERAL LEAVE

Mr. DELANEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TRIBUTE TO PETER FOSCO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, I rise at this time with great sadness at the passing of an exceptional and dedicated man, Peter Fosco. Peter was the general president of the Laborers' International Union as well as a member of the executive council of the AFL–CIO.

A great humanitarian, he was the guiding force behind such monumental legislation as the minimum wage bill, situs picketing, and pension reform that did so much to enhance the dignity and standard of living of America's working class.

There are few such men whose skillful undertakings and decisive accomplishments have had such a profound and lasting effect on the people to whom he dedicated his efforts.

I ask that all my colleagues join me in extending our heartfelt sympathy to his family and to his darling wife, Carmela at this hour of sadness and great loss.

DR. BURNS, AND DR. JEKYLL AND MR. HYDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, I appear today to relate to the House another chapter in the life and times of Dr. Arthur Burns, Chairman of the Federal Reserve System.

You will recall that on October 15, 1971, by Executive Order 11627, President Nixon created the Committee on Interest and Dividends, and charged it with formulating and administering "a program for obtaining voluntary restraints on interest rates."

The President named his old friend and adviser Dr. Burns as Chairman, even though he was then, and had been since 1970, Chairman of the Board of Governors of the Federal Reserve System. In this capacity he also presided over the Federal Reserve Open Market Committee. This dual role involved Dr. Burns in what can only be described as a classic case of conflict of interest, with Dr. Burns as a kind of Dr. Jekyll and Mr. Hyde turned loose on our American economy.

As the annexed charts clearly establish, during the life of the Committee on Interest and Dividends, October 15, 1971 to April 30, 1974, the prime rate nearly doubled from 5¾ percent at birth, to 10¾ percent at death.

Mr. Speaker, I do not call an 87 percent increase restraining interest rates. Significantly, the only restraint was to hold the discount rate at 4½ percent and the prime rate at 5¾ percent until after the 1972 Presidential election—thereafter, the sky was the limit.

Who was responsible for this modest and temporary restraint? Dr. Burns, of course, since he was playing both ends against the middle.

Our story begins on February 2, 1973, safely after the election, as the Girard Bank of Philadelphia raises its prime rate from 6 to 6½ percent, and Dr. Burns, as Dr. Jekyll of the Committee on Interest and Dividends, demands that Girard justify the increase.

What the Girard Bank told Dr. Burns, was simply that to obtain Federal funds to loan would cost over 5½ percent—with the prime rate at 6 percent there was not sufficient spread for Girard to cover its overhead expense.

This made sense to Dr. Burns since, in his alter ego, Mr. Hyde of the Federal Reserve, he had 1 month earlier raised those very rates. Indeed, he was getting ready to push the Federal funds rate to over 10 percent in a few months. Thus, as Dr. Jekyll, Dr. Burns had no difficulty in approving what the Girard Bank had done, and in a February 23 letter allowed the increase. Naturally, the rest of the banks followed Girard's lead.

As you will note in chart I, Mr. Speaker, the Federal funds interest rate began increasing in December 1972. This interest rate is controlled by the Federal Reserve, operating through the Federal Reserve Open Market Committee which sets a range of interest rates, and proceeds to expand or contract bank reserves, to keep the Federal funds rate within that range.

It should be noted, Mr. Speaker, that the Open Market Committee kept conditions tight against the advice of their staff of advisers. As early as February 1973, the staff advised that reserves available to support nonbank deposits should be allowed to grow from 0.5 to 2.5 percent.

However, the Open Market Committee decided to let these reserves shrink, dictating that no active reserve supplying should take place unless reserves were decreasing by more than 2.5 percent. Again, in June 1973, the staff recommended that reserves be allowed to grow from 9.5 to 11.5 percent, but once again the committee lowered the goal, this time to 8 percent.

The minutes of the June 19, 1973, meeting of the Open Market Committee contains the following highly revealing information:

> On May 24 and again on June 8, a majority of the Committee members concurred in recommendations by the Chairman that money market conditions should be permitted to tighten still further. . . .

It is crystal clear from this that Dr. Burns, as Mr. Hyde of the Federal Reserve, was working to raise interest rates, and keep them prohibitively high. Yet, at the same time he was masquerading as chairman of the committee to restrain increases in the rates of interest.

There was one other bit of deception, Mr. Speaker, that Dr. Burns used to hide his dual role in this affair—the so-called dual prime rate. Dr. Burns knew that Congress and the people were most concerned about the effect of rising interest rates on small businesses and consumers, and he therefore created on April 16, 1973, the diversion of a "small business prime rate."

While in an April 16, 1973, press release it was said that if increases in the small business prime rates occur, "they are to be decidedly smaller, and are also to be made less frequently than changes in rates on loans to large firms." This turned out to be a smokescreen as can be seen in chart II which shows an annual rate of interest of over 31.5 percent from July 1973 to May 1974.

Another press release issued April 26, 1973 admitted as much:

> It is not likely that rates to small business in general will be lower than rates to large business. However, the rate to a particular small business borrower of high credit standing may be below rates to some large business borrowers.

The "dual prime rate," Mr. Speaker, was a sham created to hide the failure of the Committee on Interest and Dividends to control interest rates, a failure which can only be attributed to the use of voluntary, instead of mandatory, control.

It is clear that Dr. Burns as Mr. Hyde at the Fed was actively opposing Dr. Burns as Dr. Jekyll at the committee. It is also clear that Mr. Hyde won, and all of us lost.

CHART I.—*Weekly Federal funds rates*

[In percent]

1971:	
Aug. 7	5.75
Aug. 14	5.59
Aug. 21	5.59
Aug. 28	5.48
Sept. 4	5.59
Sept. 11	5.73
Sept. 18	5.59
Sept. 25	5.46
Oct. 2	5.43
Oct. 9	5.32
Oct. 16	5.29
Oct. 23	5.14
Oct. 30	5.11
Nov. 6	5.16
Nov. 13	4.93
Nov. 20	4.88
Nov. 27	4.86
Dec. 4	4.68
Dec. 11	4.59
Dec. 18	4.20
Dec. 25	3.89
1972:	
Jan. 1	4.05
Jan. 8	3.57
Jan. 15	3.71
Jan. 22	3.54
Jan. 29	3.43
Feb. 5	3.23
Feb. 12	3.25
Feb. 19	3.43
Feb. 26	3.34
Mar. 4	3.18
Mar. 11	3.43
Mar. 18	3.88
Mar. 25	3.91
Apr. 1	4.09
Apr. 8	4.16
Apr. 15	4.18
Apr. 22	4.05
Apr. 29	4.20
May 6	4.25
May 13	4.20
May 20	4.32
May 27	4.24
June 3	4.38
June 10	4.48
June 17	4.46
June 24	4.39
July 1	4.49
July 8	4.61
July 15	4.62
July 22	4.46
July 29	4.54
1972:	
Aug. 5	4.56
Aug. 12	4.69
Aug. 19	4.87
Aug. 26	4.75
Sept. 2	4.90
Sept. 9	4.89
Sept. 16	4.69
Sept. 23	4.93
Sept. 30	4.99
Oct. 7	5.15
Oct. 14	5.09
Oct. 21	4.91
Oct. 28	5.01
Nov. 4	5.06
Nov. 11	5.25
Nov. 18	4.89
Nov. 25	4.97
Dec. 2	5.03
Dec. 9	5.17
Dec. 16	5.29
Dec. 23	5.38
Dec. 30	5.34
1973:	
Jan. 6	5.61
Jan. 13	5.66
Jan. 20	5.86
Jan. 27	6.03
Feb. 3	6.35
Feb. 10	6.21
Feb. 17	6.58
Feb. 24	6.79
Mar. 3	6.75
Mar. 19	7.02
Mar. 17	7.13
Mar. 24	6.96
Mar. 31	7.11
Apr. 7	7.18
Apr. 14	6.84
Apr. 21	7.23
Apr. 28	7.14
May 5	7.43
May 12	7.60
May 19	7.81
May 26	8.06
June 2	7.95
June 9	8.43
June 16	8.17
June 23	8.55
June 30	8.59
July 7	10.21
July 14	9.52
July 21	10.22
July 28	10.58
1973:	
Aug. 4	10.57
Aug. 11	10.39
Aug. 18	10.39
Aug. 25	10.52
Sept. 1	10.79
Sept. 8	10.79
Sept. 15	10.74
Sept. 22	10.80
Sept. 29	10.84
Oct. 6	10.72
Oct. 13	9.87
Oct. 20	10.07
Oct. 27	9.98
Nov. 3	9.90
Nov. 10	9.71
Nov. 17	10.03
Nov. 24	10.23
Dec. 1	10.09
Dec. 8	10.17
Dec. 15	10.04
Dec. 22	10.18
Dec. 29	9.52
1974:	
Jan. 5	9.87
Jan. 12	9.76
Jan. 19	9.77
Jan. 26	9.60
Feb. 2	9.47
Feb. 9	9.13
Feb. 16	8.93
Feb. 23	9.07
Mar. 2	8.81
Mar. 9	8.98
Mar. 16	9.03
Mar. 23	9.33
Mar. 30	9.61
Apr. 6	9.93
Apr. 13	10.02
Apr. 20	10.36
Apr. 27	10.78
May 4	[1]11.17
May 11	11.29
May 18	11.46
May 25	10.95

June 1	11.54
June 8	11.45
June 18	11.46
June 25	10.95
July 6	13.55
July 13	13.34
July 20	13.04
July 27	12.60

[1] The Committee on Interest and Dividends expired April 30, 1974.

CHART II.—*Changes in the prime rate*

[In percent]

PRIME RATE

1971:	
July 7	6
Oct. 20	5¾
Nov. 4	5½
Dec. 31	5¼
1972:	
Jan. 24	5
Jan. 31	4¾
Apr. 5	5
June 26	5¼
Aug. 29	5½
Oct. 4	5¾
Dec. 27	6
1973:	
Feb. 27	6¼
Mar. 26	6½

LARGE BUSINESS PRIME RATE

1973:*	
Apr. 18	6¾
May 7	7
May 25	7¼
June 8	7½
June 25	7¾
July 3	8
July 9	8¼
July 18	8½
July 30	8¾
Aug. 6	9
Aug. 13	9¼
Aug. 22	9½
Aug. 28	9¾
Sept. 18	10
Oct. 24	9¾
Nov. —	9¾
Dec. —	9¾
1974:	
Jan. 29	9½
Feb. 11	9¼
Feb. 19	9
Feb. 25	8¾
Mar. 22	9
Mar. 29	9¼
Apr. 3	9½
Apr. 5	9¾
Apr. 11	10
Apr. 19	10¼
Apr. 25	10½
May 2	10¾
May 6	11
May 10	11¼
May 17	11½
June 26	11¾
July 5	12
Aug. —	12
Sept. —	12

SMALL BUSINESS PRIME RATE

1973:*	
July 3	7.27
Aug. 6	7.83
Sept. 18	8.17
Oct. 24	8.31
Nov. —	8.30
Dec. —	8.33
1974:	
Jan. 29	8.37
Feb. 11	8.38
Mar. 9	8.30
Apr. 3	8.57
May 2	9.18
June 26	9.47
July 5	9.82
Aug. —	9.97
Sept. —	10.22

*Beginning on April 16, 1973, the Prime Rate was split into a Large Business Prime Rate and a Small Business Prime Rate. Figures for the Small Business Prime Rate from April to July 1973 are unavailable.

Figures for the Small Business Prime Rate are average rates in effect on the last business day of the first full calendar week of the month.

Large Business Prime Rate figures are shown as of the date of change.

CHART III.—*Discount rate changes*

[In percent]

1971:	
July 23	5
Nov. 11	4¾–5
Nov. 19	4¾
Dec. 13	4½–4¾
Dec. 24	4½
1972:	
No changes	
1973:	
Jan. 15	5
Feb. 26	5–5½
Mar. 2	5½
Apr. 23	5½–5¾
May 4	5¾
May 11	5¾–6
May 18	6
June 11	6–6½
June 15	6½
July 2	7
Aug. 14	7–7½
Aug. 23	7½
1974:	
Apr. 25	7½–8
Apr. 30	8

REVISED ANNOUNCEMENT OF HEARINGS ON "GOVERNMENT IN THE SUNSHINE" LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, the Subcommittee on Government Information and Individual Rights, which I chair, will begin hearings on H.R. 10315 and H.R. 9868, popularly known as "Government in the Sunshine" legislation, this Thursday, November 6, at 10 a.m. in room 2247 of the Rayburn Building.

The second day of hearings, originally scheduled for Friday, November 7, will instead be held on Wednesday, November 12, at 9:30 a.m. in room 2203 of the Rayburn Building.

Witnesses on November 6 will include Representative DANTE FASCELL, Chairman Richard O. Simpson of the Consumer Product Safety Commission, Commissioner Glen Robinson of the FCC, and Prof. Jerre Williams, chairman of the Section on Administrative Law of the American Bar Association.

Witnesses on November 12 will include Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, Deputy Assistant Attorney General Mary Lawton, John Seigenthaler, publisher of the Nashville Tennessean, a representative of the Association of the Bar of the City of New York, a representative of Common Cause, and Stan Cohen, Washington bureau chief of Advertising Age.

NONPROLIFERATION TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, since the nonproliferation treaty was signed on July 1, 1968, it has been marked by two conspicuous failures: The detonation on May 18, 1974, of a so-called peaceful nuclear explosive—PNE—by India and the unwillingness of 52 nations including several so-called near-nuclear powers to either sign or complete ratification of the accord.

Today, three of the world's six nuclear explosive powers—India, China, and France—have not signed the treaty. Israel, South Africa, Brazil, Spain, and Argentina are among the near-nuclear states that have neither signed nor ratified the treaty. Japan, Egypt, and Switzerland have signed the treaty but have not yet completed the process of ratification. In total, 38 nations have neither signed nor ratified the NPT and 14 nations have signed the treaty but have not yet ratified it. At the moment, there are 95 full parties to the pact.

Why have so many nations failed to become a full party to the NPT?

A variety of countries, including such diverse nations as Nigeria, Egypt, Indonesia, Romania, Switzerland, Argentina, and Brazil have all expressed reservations about either signing or ratifying NPT because of a lack of security assurances from the nuclear weapons states. These nations want to know what security guarantees they gain in exchange for giving up all rights to ever possess nuclear weapons by becoming an NPT party. They also complain that the nuclear weapon states have never lived up to article VI of the NPT treaty which calls for negotiations "relating to the cessation of the nuclear arms race at an early date and to nuclear disarmament."

In response to security concerns of the nonnuclear weapons states three original NPT nuclear weapons parties—United States, U.S.S.R., United Kingdom—spearheaded the passage of U.N. Security Council Resolution on June 19, 1968, reaffirming their rights of self-defense under article 51 of the U.N. Charter and promising to use the Security Council mechanism to assist nonnuclear NPT parties who are attacked by nuclear weapons states. Since all five nuclear weapons states including China have veto power, the U.N. resolution did nothing to allay the justifiable security concerns of the nonnuclear weapons states.

To revitalize the NPT treaty and provide some equity for nonnuclear weapons states, I am introducing a resolution today which states:

> It shall be the policy of the United States not to make any first use of nuclear weapons or threaten the use of nuclear weapons against any nonnuclear weapons state which is a party to the Treaty on Non-Proliferation of Nuclear Weapons unless such state is engaged in aggression in concert with a nuclear weapons state.

What advantages does the proposed resolution have?

The first advantage of a unilateral no first use pledge would be to provide a degree of security assurance to the NPT parties. The passage of the proposed resolution would ease the anxieties of nonnuclear weapons states who feel that their security would be jeopardized by fully complying with the treaty's provisions and would be a positive incentive for states to sign, ratify, and adhere to the NPT. Nigeria, Egypt, Romania, Indonesia, and Switzerland had sought action in various international forums over the years to encourage a declaration by nuclear weapons states of their intentions never to use nuclear devices against nonnuclear powers.

In addition, Argentina, Brazil, Spain, and India have cited a lack of national security and no use guarantees as a principal rationale for not signing the treaty. Similarly, Switzerland, Spain, and Japan have expressed reluctance to ratify the pact because of inadequate national security guarantees. All of these nations would be encouraged to fully comply within the NPT if the United States made a unilateral no use declaration.

Second, there is clear precedent for a no use pledge in Protocol II of the Treaty of Tlateloloco. The Protocol approved in 1970 says:

> The government represented by the undersigned Plenipotentiaries also undertakes not to use or threaten to use nuclear weapons against the Contracting Parties of the Treaty for the Prohibition of Nuclear Weapons in Latin America.

The United States, United Kingdom, France, and China have all accepted the no first use pledge contained in the treaty. The Soviet Union has made similar proposals in the past.

Third, a unilateral declaration of no use allows the U.S. to make a commitment to another country's security which would never involve the introduction or use of U.S. forces. While the United States and other nuclear weapons states are reluctant to expand the nuclear umbrella, a no first use pledge does provide a measure of security guarantees to nonnuclear parties of the NPT accord at no real cost to the nuclear weapons states.

Fourth, since the executive branch refuses to endorse a policy of no use for NPT parties, Congress should take the lead in encouraging adherence to the provisions of the NPT by adopting no use for NPT parties. When the executive branch was preparing for the NPT review conference held in May 1975, a serious effort was made within the administration by some agencies to include as part of the American position precisely the kind of resolution that I am introducing today. However, consensus was unattainable within the executive branch and based on the specious argument that the NPT review conference came "too soon after Vietnam," the proposal was dropped.

In summary, this resolution provides a positive incentive for nonnuclear weapons states to sign and ratify the NPT. It enhances non-nuclear weapons states' security at no cost to the United States and could easily lead to a multilateral declaration by all nuclear weapons powers of no use.

A TRIBUTE TO PETER FOSCO, AMERICAN LABOR LEADER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

Mr. HOWARD. Mr. Speaker, the American people and the American labor movement in particular have suffered a great loss in the death of Peter Fosco, president of the Laborers' International Union of North America and vice president of the AFL–CIO. Mr. Fosco died Sunday, October 26, at the age of 81.

All great social movements can boast of the quality of leadership which led to their success—to the men and women whose foresight and determination dictated the course of millions' lives and whose words and actions will serve as reference books for the decisionmakers of the future. The labor movement particularly has had more than its share of great leaders: Of men who rose from among the rank and file to meet head-to-head with industry at the bargaining table, but who always remained akin to the workers from whence they sprang.

Peter Fosco was such a leader and it was with much sadness that we in Congress learned of his death.

Mr. Fosco devoted over 60 years of his life to the American labor movement, beginning in 1914 when he became a member of the Laborers' Union. Two years later he was elected to the post of secretary-treasurer of Chicago Local No. 2 and in 1920 became president of the local.

It was in that Chicago office that he embarked on the activities which soon brought him respect from his labor colleagues and recognition from millions of indebted Americans.

In 1936, the International Union named him manager of the union's Chicago region, the Laborers' largest region encompassing nine States and two Canadian provinces. It was while he was serving in this post that he became chairman of the organizing committee for heavy highway and utility construction that led the way to unionization of this important area.

The pattern of organization he used in the Chicago region was adopted and used to organize this sector of the industry throughout the Nation.

In 1951 he served as secretary-treasurer of the Labors' International Union and became president in 1967. In that position, he keenly affected the lives of more than 600,000 members and set an example for other labor leaders and members who will remember him with great affection and respect.

As a labor executive, he experienced great success in expanding the international union and in establishing pension funds and highway and pipeline agreements. The training and educational programs within the union grew at their greatest speed under his leadership.

He also fought for Federal construction safety legislation and devoted much of his time to the adoption of pension reform legislation which was enacted into law last year.

Indeed, the tributes which have poured forth from this body in recognition of Peter Fosco cannot begin to do justice to the many ways this great man has served his union and his country. The imprint he has left behind will serve as an inspiration to all of us who seek in our own ways to provide leadership and affect change as this man did for the last 60 years of his life.

SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS TO HOLD HEARINGS, NOVEMBER 6 AND NOVEMBER 12 ON LABOR RELATIONS IN THE PUBLIC SECTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, last week we celebrated the 40th anniversary of the National Labor Relations Act. I think most of us can agree that it was a joyous occasion. When men of goodwill are concerned, the act has worked, and worked well. Employees vote their choice of unions—or no unions—in secret-ballot elections, and labor-management confrontations have been removed from the streets to the bargaining conference. Tens of thousands of collective bargaining relationships are established or renewed annually in this country, with a minimum of acrimony and disruption.

State and local government employees were excluded from the protections and restraints of the National Labor Relations Act when it was enacted in 1935. Absolutely no one at that time, or during the 1947 Taft-Hartley amendments, foresaw the need for regulating labor-management relations in the public sector.

But what is the situation today?

In contrast to the relatively stable and long-established collective bargaining patterns which exist in the private sector we find increasing employee militancy, a tremendous growth in public employee unions, a spiraling wave of strikes; and a totally inadequate crazy-quilt pattern of State laws which range from the progressive to the reactionary: with many States taking no action at all.

The time has come, many of us think, for a solution to these problems. I am not sure what kind of framework there should be, or whether it should be an exclusive Federal one. But I do know that the problems will not go away, and must be faced.

As a beginning to the task of finding answers, the Subcommittee on Labor-Management Relations will begin public hearings on labor relations in the public sector on November 6 and November 12.

We will be inviting testimony from a number of individuals and groups representing as many points of view as possible and, of course, we welcome testimony from our colleagues.

FBI ENTERS CUBAN TERRORISM CASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, I was gratified to learn from an October 11 report in the New York Times that Attorney General Edward Levi has finally directed the FBI to undertake an investigation of terrorist activities against Cuban exiles in the United States.

The seriousness of this problem came to my attention when two witnesses—Cuban exiles—who testified before my Subcommittee on International Trade and Commerce reported that they have received threats against their lives because of their views supporting normalization of United States-Cuban relations. Shortly after their appearance, I wrote to Attorney General Levi urging the kind of investigation by the FBI that has now been ordered. I can only say that it is about time.

It is now essential that members of the Cuban exile community and others who may have been terrorized because of their views on Cuba come forward and cooperate with this investigation, and that appropriate Federal and local police protection be provided these individuals until those responsible for this terrorism can be brought to justice.

Mr. Speaker, my letter to Attorney General Levi and the recent New York Times report of FBI action follow:

JULY 3, 1975.

Hon. EDWARD H. LEVI,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR ATTORNEY GENERAL LEVI: On June 26 the Subcommittee on Trade and Commerce and the Subcommittee on International Organizations, heard testimony from Reverend Manuel Viera and Reverend Michael Rivas, two officials of an organization known as Cuban Christians for Justice and Freedom, in the course of legislative hearings on H.R. 6382, a bill that would remove the U.S. embargo of Cuba.

These witnesses testified that they and other Cubans and Cuban-Americans who have publicly expressed the belief that U.S.-Cuba relations should be normalized have received threats against their lives. Under questioning, they indicated that parties unknown in the State of Florida have printed and circulated lists of individuals against whom threats are made based on their views regarding U.S.-Cuba relations.

The purpose of this letter is to inquire whether any effort has been taken by the Justice Department to determine whether there is adequate cause to believe that violations of the Civil Rights laws (particularly Sections 241, 242 and 245 of the Federal Criminal Code) have occurred in this or similar cases which would permit Federal protection of these individuals, FBI investigation of the threats against them, and possible Justice Department prosecution of the individuals or groups found to be responsible. If such an effort has not been undertaken, I request and urge you to do so.

For this purpose, the Subcommittee will be happy to make available to you the transcripts of its hearings which suggest that violations of the civil rights of leaders and members of Cuban Christians for Justice and Freedom may have occurred. I will appreciate a response to this inquiry, along with any information you can provide regarding the actions of Federal agencies in this matter, at the earliest possible date.

Sincerely,

JONATHAN B. BINGHAM,
Chairman, Subcommittee on International Trade and Commerce.

[From the New York Times, Oct. 11, 1975]

CUBAN TERRORISTS SOUGHT BY FBI

MIAMI, OCTOBER 11.—The Federal Bureau of Investigation is making a determined effort to halt terrorism here attributed to unidentified Cuban exiles.

The F.B.I. action was ordered by Attorney General Edward H. Levi, sources close to the investigation said yesterday. It was prompted by the bombing Monday of the offices of the Consul General of the Dominican Republic in downtown Miami.

All of the windows of the consulate, which occupies a two-story building, were damaged by the homemade bomb. There were no casualties.

Police sources said that the blast was the work of Cuban terrorists. In telephone calls to the local news media, a man with a Spanish accent said the bomb was placed by an exile group called the "Youths of the Star."

EXILE ARRESTED

Investigators believe that the bombing was connected with the arrest a few days earlier of Humbert Lopez Jr., a Cuban exile who was deported to the United States by the Dominican Government.

Mr. Lopez, a 34-year-old resident of Miami, had fled the United States to avoid serving a possible 15-year jail term for violating Federal and state laws regulating the use of firearms and explosives. He is being held here without bail, pending arraignment on a variety of Federal charges.

The State Department has also become involved in the crackdown on terrorist groups in Miami.

At the request of Robert A. Hurwitz, United States Ambassador to the Dominican Republic, Mayor Maurice A. Ferré of Miami asked for special police protection for the Dominican consulate here. Mr. Ferré called the bombing a "cowardly act that can only harm the Latin community in the United States."

BODYGUARDS PLANNED

The Dominican Government is also sending two soldiers to serve as bodyguards to Consul General Aquilino Ricardo Jr., who reportedly has received a number of telephone threats in the last few days.

In the last 18 months, there have been about 50 bombings here attributed by law enforcement officials to Cuban exiles. In addition, three Cuban exiles, two of them prominent political leaders, have been killed by unknown assailants, believed to be Cubans.

There have also been reports of death threats by letters and telephone to prominent Cubans in the Miami area, and a number of extortion attempts. And there have been threats against reporters of The Miami Herald and The Miami News, which have denounced in editorials the incidence of crime among the exiles.

Until the F.B.I. takes over the investigation, the Miami police and the Dade County sheriff's department have been conducting an investigation of the violence on their own. But no arrests have been made by the local law enforcement agencies.

INJURED IN BLAST

Mr. Lopez was arrested because a bomb he was apparently preparing at his home exploded. He lost his left eye and three fingers in the explosion. In a similar incident last year, a friend, Luis Crespo, lost an arm. He is now in jail.

"We are conducting a very intensive investigation," a spokesman for the F.B.I. said here yesterday. "We regard these terrorist activities as extremely dangerous. We have brought enough people into our effort aimed at stopping these activities and presenting persons allegedly responsible to the courts."

"But we need more cooperation from the Cuban community, and we hope that the responsible exile leaders will bring pressure on those criminal elements and those who support them," the F.B.I. spokesman said. "Exile terrorism can be eradicated only with the help of responsible Cubans."

EDITOR AGREES

Max Lesnik, editor of the Spanish-language national magazine Replica, who is one of the few exile leaders to condemn the terrorism, agreed with the F.B.I. statement.

"If the so-called exile leaders don't stand up and condemn these actions—which are criminal * * * not only irresponsible, they are creating conditions for the rebirth of gangsterism as it existed in Cuba in the nineteen-forties," Mr. Lesnik said.

While different groups in the past have claimed responsibility for terrorist actions, claims that are usually accompanied by proclamations of anti-Castro aims, investigators believe that no more than three dozen men are involved.

These men are believed to receive financial support from Cuban merchants whom they threaten and who are afraid, or unwilling, to denounce the extortion practices to the authorities.

GOVERNOR CAREY SETS THE RECORD STRAIGHT ON NEW YORK CITY'S FISCAL CRISIS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, a few days after the President's ill-conceived decision to withhold any Federal aid to the city of New York and to condemn the Nation's largest city to total penury, Gov. Hugh Carey addressed the citizens of our State on the ever-worsening financial crisis.

Throughout the Governor's speech is the central theme of what we have been attempting to communicate to our colleagues in the Congress and to the people of America—New York is not seeking to be bailed out or to receive any large Federal grant. What New York desires is a Federal guarantee for its municipal bonds and securities in order to restore investor confidence and to afford city and State officials sufficient time in which to resolve the city's financial woes themselves.

Since the Governor's statewide address of last Saturday, the House Banking Committee has had the wisdom, courage and foresight to report out legislation authorizing $7 billion in Federal loan guarantees. Discussing this measure Mr. Carey very aptly observed that—

> The loan gaurantee plan now before Congress does not give New York City one red cent. It gives the city time to pay its debts and reform its practices.

I believe Governor Carey's statement is well-reasoned and to the point, both in terms of describing the current situation in New York and the possible effects on the Nation's economy in the event of a default. I insert this speech herewith in the RECORD and urge that our colleagues give it full, careful, and sympathetic consideration:

TEXT OF THE GOVERNOR'S SPEECH ON NEW YORK CITY'S FINANCIAL CRISIS

The City of New York is a few weeks from bankruptcy. The Congress of the United States may well pass a bill designed to prevent that bankruptcy. But on Wednesday, the President declared that he would veto any bill designed to "bail out" New York City to avoid bankruptcy.

I am here tonight to say that I agree with

Gerald Ford; Washington should not bail out New York. I am here to tell New Yorkers, and all Americans, that the bill we seek will impose on New York City the obligation to pay its bills in full, and to put its fiscal house in order. It is the Ford bankruptcy plan that would cost the cities, states, and taxpayers of this nation billions of dollars that need not be spent.

This may not sound like the claims you've been hearing lately. That's probably because this whole crisis is enormously difficult to understand, and very easy to distort with half-truths and fabrications. It's also true that the undeniable dislike of many Americans for the cultural climate of New York makes intelligent debate very difficult.

But I still believe that if Americans understand what New York is really asking for, they will support it, because it will save them money.

This is the single most important fact that the White House chooses to ignore; the loan guarantee plan now before Congress does not give New York City one red cent. It gives the city time to pay its debts and reform its practices. Our case rests on one simple idea; we don't think it's right for the people of Iowa or California or Michigan to pay for the mistakes of New York City. The problem is that Mr. Ford has attacked New York for something we do not want or seek: a Federal bailout from the Treasury.

Some of what Mr. Ford said was exactly right. There is a sorry history of reckless fiscal policy in New York City going back years—perhaps decades. And there is blame enough for everyone:

City officials and interest groups.

Banks that did not ask the hard questions.

A State Legislature and hand-picked Vice President—that specifically authorized every fringe and pension benefit and every unwise borrowing Mr. Ford now attacks so righteously.

And Presidents who diverted tens of billions of dollars to foreign dictatorships and senseless war, and who plunged our economy into its worst crisis in 40 years.

We all share the responsibility. And the city record, particularly in caring for those driven from other states and other lands by poverty and oppression, is far more honorable than that of most. But it is not our job to point fingers of blame. It is our job to face what has happened, and to set it right with the least damage possible.

What Mr. Ford says he's for is what we're for—we don't want to fling open the doors of the Treasury to New York City or anybody else. We don't want to be bailed out. We don't want any city to be a ward of the Federal Government.

What do we want? We want Washington, in effect to stand behind us—to give investors the confidence they now lack to invest in New York City. That money will enable us to pay our debts and to keep public services alive, while we work our way back to a balanced budget.

Washington need not put up a dime. Those notes will be repaid by New York City with an added cost to pay back Washington for any expense of running this guarantee. Further, this guarantee would be strictly supervised. New York with a balanced budget will have to control the fringe benefits to city workers; reform its jumbled books once and for all; and not spend a time unless the money is there to meet these obligations.

What we're hoping to buy is time to finish the job we've started. For, contrary to the deliberate impression left by Mr. Ford, New York has imposed on itself painful and unprecedented budget-cutting. The state has taken the financial power out of the city's hands. With the constructive and invaluable support of Republicans and Democrats, with the steadfast help of Senate Majority Leader Warren Anderson, we have shaped a control board run by state officials and business people who are determined to rebuild fiscal integrity.

That board has ordered reform of the city's books. It's presided over the cutting of 30,000 jobs from the city's payroll—and within three years, that payroll must be cut by 70,000 jobs. The transit and commuter fare's been raised to one of the highest of any city. Wages have been frozen for every city worker. The City University's budget has been cut by $30-million—the equivalent of imposing tuition. The capital budget's been reduced $800-million, and all housing programs have been suspended.

These are not cosmetic steps. They mean fewer police, fewer firefighters, less education, health care, a lessened quality of public life. But it had to be done.

We are going once and for all to end fiscal mismanagement in New York. And to provide time to do that job, the state has put forth more than $1.5-billion of its own money—with the support of Mayors all over the state—to protect not just New York City's future, but the future of Yonkers, Buffalo, Rochester, Syracuse and towns and counties all over the state. That is not the record of a state which has abandoned New York City.

Now we need time to finish the job. But Mr. Ford chose to ignore these steps. That is as unfair to us as it would be to argue that this President is no different in integrity from his immediate predecessor.

Nor did Mr. Ford recognize the single key fact of our proposal: that it does not require a dime of Federal money. Instead, he proposed a bankruptcy bill.

That bill would tempt any careless local government to avoid paying its debts by sliding into bankruptcy. By itself, that will scare off investors and drive up costs—and therefore taxes—to every local government.

His plan would threaten the whole Federal structure—because instead of forcing spendthrift governments to mend their ways, it would throw the entire financial operation of an enormously complicated city into the hands of an unelected Federal judge. Americans are already deeply concerned by judges taking control of their social and political institutions. What will happen if judges now take control of the entire structure of local government?

But here is what the real cost, in dollars and cents would be to the American people.

First—every government borrows—to build, or to pay bills before tax money comes in. A New York default will make borrowing more expensive for every locality in America. We have already seen cases from Florida to Illinois to Massachusetts where credit has been denied, or made more costly, to local governments. That will be the wave of the future if New York defaults.

Second—New York's total debt is $14-billion. If the city defaults, note and bondholders will lose, conservatively, $6-billion in the value of those notes and bonds. That money will be written off tax returns—and that means $2-billion less in Federal tax payments. Who will make that up? Either the ordinary taxpayer, or else there will be another $2-billion in deficits. That is not fiscal responsibility.

Third—Mr. Ford has already said essential services will be maintained if New York defaults. The only source for that money is the Federal Treasury. So American taxpayers will be paying for the police, fire, sanitation, and possibly educational and health needs of New Yorkers. That is not fair to them. Let New York bear its own burdens. And when businesses owed money by New York City go under—businesses located in communities such as Grand Rapids, Michigan—who will pay the cost of unemployment and welfare? The American taxpayer.

Fourth—I tell you bluntly that if New York City defaults, there will be other tremors and collapses in local governments around America including agencies of New York State. And it is the people of those localities across America, who will pay to pick up those pieces as well. That is why the U.S. Conference of Mayors, the National League of Cities, the Counties, and the Municipal Financial Officers Association all overwhelmingly support loan guarantees.

We are not trying to scare anyone unless the time has come when Americans fear the truth. We are trying to tell the truth about what we've done and what we want. We do not seek a pardon for past errors, or a bailout. The fight we must wage on a skeptical, hostile terrain won't be won by making excuses for the indefensible past. We will win if America, the Congress, and the White House have the facts to measure the cost of action, and inaction, in hard, practical terms.

I spent more than a decade with Gerald Ford in Congress. We disagreed about many things. But I always found him a man ready to negotiate and compromise for a practical result. I cannot believe that the specter of temporary political gain will lead him into driving a city into bankruptcy and risking the loss of billions of taxpayers dollars. If the financial structure of government is shaken, it is Mr. Ford who will be accountable to all the people. I will be working in the days ahead to make New York accountable. I ask Mr. Ford not to work against us to make New York a bankrupt.

For New Yorkers, a final note: our city is often abrasive and arrogant, sometimes cold and unfeeling, always challenging. For a lot of reasons, it has incurred the scorn of some of our countrymen; because of our pace and tone of voice, because of the colors of our skins and the accents in which we speak, and our traditions as a magnet for the disaffected, the dispossessed, the dissenters.

Whether we shall escape fiscal default I do not know. Our fate is in the hands of people who, for now, appear determined not to let facts get in the way of what they want people to believe—and who are seeking political advantage by kicking the city when it's down.

But whatever happens, New York will survive. We will remain a home for the exiled and oppressed. And perhaps we will have learned the lesson of fighting among ourselves, instead of standing together to wage a common fight for each other. Come what may, we will win that fight.

ZIONISM AND THE UNITED NATIONS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the pending debate in the United Nations General Assembly is simply the current manifestation of the anti-Semitism practiced by the Soviet, Arab, and African states. The United Nations, at one time the hope of the world, is now the foremost illustration of man's inhumanity to man.

I think it particularly appropriate at this time that I place into the Record for those who are interested an article which recently appeared in the New York Times authored by former Israeli Ambassador and Foreign Minister Abba Eban, as well as excerpts from a speech by Israel's former Ambassador to the United Nations, Yosef Tekoah, both discussing Zionism:

[From the New York Times]

ZIONISM AND THE U.N.

(By Abba Eban)

JERUSALEM.—The United Nations began its life as an anti-Nazi alliance. Thirty years later it is on the way to becoming the world center of anti-Semitism. There is no other tribunal from which such a torrent of abuse is poured forth every year against values, ideals and articles of faith revered by the Jewish people across the centuries. The horrifying truth is that Hitler himself would often have felt at home in a forum which gave applause to a gun-toting Yasir Arafat and an obsequious ovation to the murderous Idi Amin.

There is, of course, no difference whatever between anti-Semitism and the denial of Israel's statehood. Classical anti-Semitism denies the equal rights of Jews as citizens within society. Anti-Zionism denies the equal rights of the Jewish people to its lawful sovereignty within the community of nations. The common principle in the two cases is discrimination.

Zionism is nothing more—but also nothing less—than the Jewish people's sense of origin and destination in the land linked eternally with its name. It is also the instrument whereby the Jewish nation seeks an authentic fulfillment of itself.

And the drama is enacted in the region in which the Arab nation has realized its sovereignity in twenty states comprising 100 million people in four and a half million square miles, with vast resources.

The issue therefore is not whether the world will come to terms with Arab nationalism. The question is at what point Arab nationalism, with its prodigious glut of advantage, wealth and opportunity, will come to terms with the modest but equal right of another Middle Eastern nation to pursue its life in security and peace.

There are many ways in which Zionism can be defined. I hold in memory a concise formulation made 28 years ago: When Arab armies had attacked Israel on the day of its birth, Andrei Gromyko said in the Security Council on May 21, 1948, that Arab military operations were "aimed at the suppression of a national liberation movement." It is as simple as that. Truth does not change just because those who proclaim it get tired of their own veracity.

Recently, a coalition of Moslem and Communist depotisms, reinforced, I hope temporarily, by a few Latin-American governments, produced an innovation. In the past decade it has often been possible for the United Nations to adopt resolutions criticizing the policies of member states—provided only that they are non-Moslem non-Communist states which practice parliamentary democracy and are not in the "third world." There are not very many of these, and they alone are considered fair game.

But never before until recently has the Moslem-Communist coalition sought to deploy its assured majority for the defamation of an ideology, a historic doctrine and a spiritual faith endorsed by the United Nations itself 28 years ago. What the General Assembly's Social, Humanitarian and Cultural Committee conducted was not so much a debate as a doctrinal inquisition, as in the Middle Ages.

The intellectual default is no less spectacular than the moral decline. The charge is, of all things, "racism"! Yet it is just as natural for Arabs to be citizens and members of Parliament in Israel today as it is inconceivable for non-Moslems to be citizens, still less office-holders, in Saudia Arabia or Yemen.

The real essence of the draft resolution is to reaffirm a principle of monolithic exclusiveness for the Middle East, and to iron out all wrinkles of diversity. Thus, Kurdish individuality is brutally suppressed in Iraq; the Christian particularity of Lebanon is to be drowned in a bloodbath; and Israel's specific Jewish vocation is assailed. The purpose of the resolution's sponsors is that in a region where many nations, tongues and faiths had their birth the monopoly of independence must be for Moslem pan-Arabism alone. The paradox is that Israel is less likely than others to be injured by this fiasco. The strongest of certainties is that Israel will not disappear, or be swallowed up into something else, or renounce its name, its tongue, its faith, its Jewish solidarities or its Zionist vocation.

The inadvertent result of this episode will be to strengthen Zionism and to weaken the United Nations, which already stands at its lowest point of discredit.

The United Nations Educational, Scientific and Cultural Organization is languishing because—as a result of its anti-Israeli excesses—few self-respecing scientists, artists or scholars will lend their name to its cause; and the chief sources of its financial stability have dwindled.

The consequence is that we now hear some echoes of penitence from UNESCO. They are to be welcomed, even though they are inspired more by mercantile calculation than by an exercise of conscience. Similarly, a frankly punitive and corrective strategy may be needed to restore the United Nations to its better self. After all, most of the 142 members declined to support the odious text.

If the opponents of the Arab-Communist steamroller intensify their resistance, the lesson that primitive Jew-baiting is unrewarding may yet save the ideal of international organization from tragic eclipse.

WHAT IS ZIONISM?

(By Ambassador Yosef Tekoah)

(Excerpts from a speech by the Permanent Representative of Israel at the U.N. Security Council on October 21, 1973.)

Zionism is the love of Zion. Zionism is the Jewish people's liberation movement, the quest for freedom, for equality with other nations. Yet in an organization in which liberation movements are hailed and supported, the Jewish people's struggle to restore its Independence and Sovereignty is maligned and slandered in an endless spate of malice and venom.

In his drive to annihilate the Jewish people, Hitler began by distorting the image of the Jew, by rewriting Jewish history, by fabricating some of the most odious historic and racial theories. The Arab governments, in their campaign to complete Hitler's crimes against the Jewish people and destroy the Jewish State, have adopted the same method of falsifying Jewish history, and in particular the meaning of the Zionist movement and the significance of its ideals.

WHAT IS ZIONISM?

When the Jews, exiled from their land in the seventh century before the Christian era, sat by the rivers of Babylon and wept, but also prayed and sought ways to go home, that was already Zionism. When in a mass revolt against their exile they returned and rebuilt the Temple and re-established their State, that was Zionism.

When they were the last people in the Mediterranean basin to resist the forces of the Roman Empire and to struggle for independence, that was Zionism.

When for centuries after the Roman conquest they refused to surrender and rebelled again and again against the invaders, that was Zionism.

When uprooted from their land by the conquerors and dispersed by them all over the world, they continued to dream and to strive to return to Israel, that was Zionism.

When they volunteered from Palestine and from all over the world to establish Jewish armies that fought on the side of the Allies in the First World War and helped to end Ottoman subjugation, that was Zionism.

When they formed the Jewish Brigade in the Second World War to fight Hitler, while Arab leaders supported him, that was Zionism.

When Jews went to gas chambers with the name of Jerusalem on their lips, that was Zionism.

When in the forests of Russia and the Ukraine and other parts of East Europe, Jewish partisans battled with the Germans and sang of the land where palms are growing, that was Zionism.

When Jews fought British colonialism while the Arabs of Palestine and neighboring Arab States were being helped by it, that was Zionism.

Zionism is one of the world's oldest anti-imperialist movements. It aims at securing for the Jewish people the rights possessed by other nations. It harbors malice towards none. It seeks co-operation and understanding with the Arab peoples and with their national movements.

Zionism is as sacred to the Jewish people as the national liberation movements are to the nations of Africa and Asia. Even if the Arab States are locked today in conflict with the Jewish national liberation movement, they must not stoop in their attitude towards it to the fanaticism and barbarism of the Nazis. If there is to be hope for peace in the Middle East, there must be between Israel and the Arab States mutual respect for each other's sacred national values—not distortion and abuse.

Zionism was not born in the Jewish ghettoes of Europe, but on the battlefield against imperialism in ancient Israel. It is not an outmoded nationalistic revival but an unparalleled epic of centuries of resistance to force and bondage. Those who attack it attack the fundamental principles and provisions of the United Nations Charter.

STACKING THE DECK ON THE ISSUE OF AN AGENCY FOR CONSUMER PROTECTION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, during the course of the debate on H.R. 7575, repeated reference has been made to certain poll results from a survey sponsored by the Business Roundtable, a New York City-based association of business firms. The following question was asked:

> Those in favor of setting up an *additional* federal consumer protection agency *on top of all the other agencies* say it is needed because the agencies we have are not getting the job done by themselves. Those who oppose setting up the *additional* agency say that we already have plenty of government agencies to protect consumers, and it's just a matter of making them work better. How do you feel? Do you favor setting up an *additional* consumer protection agency *over all the others,* or do you favor doing what is necessary to make the agencies we now have more effective in protecting consumer interests? (emphasis added)

To no one's surprise, more than 75 percent of the respondents said they favored making the existing agencies more effective, which was construed by the polling firm as opposition to the establishment of a consumer advocacy agency.

No provision was made in the survey for recognizing that the two choices—making the existing agencies more effective and setting up an Agency for Consumer Protection to assure more informed input into the decisions of those agencies—are not mutually exclusive but are actually complementary. In fact, the means to make the existing agencies more effective is to have an independent voice for the consumer.

These kinds of polls which tend to distort the truth do no credit to the business community. Public distrust of business concerns me, both because some of the distrust is justified and because ultimately that distrust undercuts our system.

This "poll," because it does tend to mislead the public as to their own views, unfortunately places some of the business community in even greater suspicion. This is not the way to restore public confidence. In fact, I know some businessmen in my district who are supporting H.R. 7575 because it will establish an atmosphere of cooperation and hopefully lead to the restoration of business credibility.

The Library of Congress prepared a report at the request of Senator Charles Percy, which dissects the poll, and reveals how the questions asked prejudiced the results. Due to the length of the report, I am not appending it, but am including a news story which summarizes the results.

If any Member would like to have a copy of the report, please call my office or the Library of Congress.

CONSUMER

(By Michael J. Conlon)

Washington.—A poll which purported to show that 75 percent of the American people do not favor creation of a Consumer Protection Agency was biased, stacked and open to serious question, a Library of Congress study said today.

The order in which the questions were arranged and the wording used played on people's dislike of big government and frustration with existing bureaucracy—rather than addressing the real question of whether the new agency was a good idea, the report said.

The $25,000 survey was paid for by the Business Roundtable, a group of prominent business leaders, and conducted by Opinion Research Corp., Princeton, N.J. It was released just as Senate debate on the legislation was at its peak, but the Senate passed the measure anyway.

Sen. Charles H. Percy, R-Ill., a major backer of the Agency, asked the Library to scrutinize the survey. Commenting on the results he said:

"Who's kidding whom? With the image of American business at an all-time low, it doesn't help business nor is it useful to Congress which is considering this legislation to trump up questions calculated to elicit a particular response and then to foist that response back on the American people while contending that is how they think.

"It just isn't accurate," he added. "My own mail and conversations with consumers around the country testify to that."

The legislation is starting out on the House side next week and Percy was writing to the Government Operations Committee there passing on the poll report and urging speedy action on the bill.

The study, made by a polling expert at the Library, said those surveyed were asked a series of questions, in the middle of which was one on whether they favored setting up a Commission to try to make existing Government regulattory agencies work better.

Introducing that issue, it said, "May bias the remaining questions" by forcing persons "vaguely in favor of change" to commit themselves to the commission idea.

A later and key question in part asked:

"Do you favor setting up an additional Consumer Protection Agency over all the others, or do you favor doing what is necessary to make the agencies we now have more effective in protecting the consumer's interests?"

That question, the report said, "Is worded in such a way as to leave serious doubt as to the meaning of any results obtained."

"By repeating the point that the agency would be 'additional' four times in the course of the question, this item may well have focused the concerns of the respondents on the size of Government bureaucracy," it said. "It is consequently very difficult to know if respondents were reacting to the Consumer Advocacy or if they were expressing their dismay with the complexity and size of government."

The size of the adverse reaction to the question, it added, may have been caused by the 15 preceding questions about other Government agencies.

"It is probable therefore that the results show people are opposed to more bureaucracy, not necessarily that they are opposed to the Consumer Protection Agency," it said.

CIA WINS ONE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on September 17 I placed in the Congressional Record correspondence that I had with the mayor of the city of New York, the chairman of the Metropolitan Transit Authority and Director Colby of the CIA stating my astonishment and anger at the news report that the CIA had used the New York City subway system as a trial model for a study on the vulnerability of subway riders to covert attack. Since that time I have had additional correspondence which I am also setting forth which establishes that the CIA was not the culprit. Director Colby in his recent letter to me states that, "the CIA at no time experimented with gas simulants in New York City subways. Neither did any employee of CIA participate in such an experiment, nor did this Agency request that such an experiment be carried out." The CIA's statement is confirmed by a letter that I have received from the corporation counsel of the city of New York which reports, "It appears that it was the Army and not the CIA that conducted this experiment in the subway." With all of the criticism, well warranted in my judgment of the CIA, of other covert and illegal activities that it engaged in, it is nice to report that one of the charges against it is unfounded.

As you will note from my letter of November 3 to Judith Grad of the corporation counsel office, it is in my judgment, "even more imperative now that we know that other Federal departments were involved in this testing that the illegality, if any, be firmly established."

Mr. Speaker, I am of the opinion that those who violate the law, including U.S. officials, should be prosecuted, and if convicted, punished. It would be a salutory example for the rest of the country, in particular to Government officials who sometimes think they are above the law, to know they are not; and then the ordinary citizen will appreciate the equal application of the law, applying to those in high places as well as low.

In order to set the record straight, I am placing the entire correspondence which I have had on this matter into the Congressional Record. This matter cannot be considered closed until all of the illegalities are made a matter of public record and those who violated the law punished. Only the prosecution of those who violated the law can deter future violations by Government agencies of our citizen's rights.

House of Representatives,
Washington, D.C., September 17, 1975.
Hon. Abraham Beame,
Mayor, City Hall,
New York, N.Y.

Dear Mr. Mayor: I read in today's *New York Times* that the CIA had used the New York subway system as a "trial model" by flooding the subways with a "harmless simulant of a disease carrying gas." I would appreciate knowing whether the records of the City of New York indicate that anyone in authority was ever apprised of this experiment by the CIA in advance or at any time. I also urge that you condemn by letter to Director Colby the use of the subways for that purpose.

In addition I ask that you ascertain from the Corporation Counsel whether the CIA may have violated the City or State law in undertaking such an experiment without lawful permission, if that is the case, from either the City of New York or the MTA.

Sincerely,

Edward I. Koch.

House of Representatives,
Washington, D.C., September 17, 1975.
David L. Yunich,
Chairman, Metropolitan Transit Authority,
1700 Broadway, New York, N.Y.

Dear Chairman Yunich: I read in today's *New York Times* that the CIA had used the New York subway system as a "trial model" by flooding the subways with a "harmless simulant of a disease carrying gas." I would appreciate knowing whether the records of the MTA indicate that anyone in authority was ever apprised of this experiment by the CIA in advance or at any time. I also urge that you condemn by letter to Director Colby the use of the subways for that purpose.

Sincerely,

Edward I. Koch.

House of Representatives,
Washington, D.C., September 18, 1975.
Hon. William E. Colby,
Director, Central Intelligence Agency, Washington, D.C.

Dear Director Colby: I read with shock and anger the report in today's *New York Times* that the CIA had undertaken an experiment using New York City's subways in which the flooded the subway system with a "harmless simulant of a disease-carrying gas."

I should like to know whether permission was secured from the City of New York or the Metropolitan Transit Authority in advance of your undertaking such a test and if not, why not. In addition I would like you to know that I consider such testing under such circumstances to be an outrage. This action gives added reason to those who condemn the CIA out of hand.

I am one of those who believes the CIA has a function to engage in intelligence gathering overseas; unfortunately it has not restricted itself to its legal functions but has in fact engaged in illegal activities which must be condemned.

In all events I should like to have a copy of the report that the CIA prepared on this matter at the time of the experiment providing any or all of the information bearing thereon.

Sincerely,

EDWARD I. KOCH.

THE CITY OF NEW YORK,
LAW DEPARTMENT,
New York, N.Y., October 15, 1975.
Hon. EDWARD I. KOCH,
House of Representatives,
New York, N.Y.

DEAR MR. KOCH: This letter is in reply to a request by Ms. Menchel of your office asking for a written report as to CIA involvement in a test of a simulant disease carrying gas in the New York City subways.

After talking with F.A.O. Schwartz, 3rd counsel to the Senate Select Committee on Intelligence and Robert Andrews—counsel to the Defense Department, it appears that it was the Army and not the CIA that conducted this experiment in the subways and it was admitted in a report of the Army, which was in the possession of the CIA, that this test was done covertly.

Additionally, Mr. Andrews informed me that the U.S. Department of Agriculture and the Surgeon General of the Public Health Service knew of this testing.

Jacques Nevard, Public Affairs Department of the Transit Authority further informed me that no one in the Transit Authority knew of this study and testimony to this affect was given by John G. deRoos, Senior Executive Officer to the Transit Authority, at a transportation committee meeting of the City Council, chaired by Carol Greitzer on September 19, 1975.

We are continuing our investigation into this matter and will inform you if any additional information can be ascertained.

Sincerely,

JUDITH GRAD,
Assistant in Charge.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., October 30, 1975.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to your letter of 18 September 1975 in which you stated that you were shocked and angered by the report in The New York Times that the Central Intelligence Agency had experimented with simulated disease carrying gas in the subways of New York City. Since your letter was dated 18 September, I assume you were referring to the article by Nicholas M. Horrock datelined 16 September and appearing in the 17 September edition of The New York Times.

The CIA at no time experimented with gas simulants in New York City subways. Neither did any employee of CIA participate in such an experiment, nor did this Agency request that such an experiment be carried out. Since this Agency had no part in the experiment, obviously we did not seek permission to perform such an experiment from the City of New York or the Metropolitan Transit Authority.

Perhaps a brief explanation of this Agency's relationship with the organization that did perform the New York City subway experiment would help to further clarify the matter. At the time of the above mentioned experiment, this Agency had a contract with a U.S. Army unit at Fort Detrick known as the Special Operations Division. As a result of the contract, this Agency contributed funds to that Army unit and received in return, reports of studies being made by that organization. This enabled CIA specialists to stay abreast of developments in the experimentation done by the Fort Detrick unit. This Agency received a report of the subway experiment from the Fort Detrick unit. The matter was mentioned in an internal CIA memorandum concerning the various aspects of the contract with the Fort Detrick unit. The report received from the Fort Detrick unit was returned and hence is no longer in our possession. Enclosed is a copy of the applicable portions of the above mentioned internal CIA memorandum. If, after reading the enclosure you still have questions, you may want to examine the record of the Senate Select Committee's hearing of 16 September wherein the matter is more fully explained.

I am at a loss to explain why Mr. Horrock's article contained such a gross inaccuracy. He was present at the public hearing held by the Senate Select Committee on 16 September. I can only surmise that Mr. Horrock failed to grasp the testimony at the hearing. This is borne out by a second article written two days later by Mr. Horrock on the same subject. This second article was datelined 18 September and appeared in the 19 September edition of The New York Times. In the second article, Mr. Horrock states that a witness at a hearing held by the Senate Select Committee on 18 September stated that the New York City subway experiment was performed "on behalf of the Army and the Central Intelligence Agency." The record clearly demonstrates that the witness did not make that statement.

Your letter to me was published in the Congressional Record of 17 September 1975. I trust, out of fairness, you will want to have this reply similarly published.

Sincerely,

W. E. COLBY,
Director.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 3, 1975.
JUDITH GRAD,
Assistant in Charge, Opinions & Legislative Division, Law Department, Municipal Building, New York, N.Y.

DEAR JUDY: I have your letter of October 15 for which I thank you. I am appreciative of the additional information.

It is, in my judgment, even more imperative now that we know that other Federal departments were involved in this testing that the illegality, if any, be firmly established. It may be that the statute of limitations precludes any criminal pursuit of this matter but if that is not the case and the law permits prosecution, I urge that prosecution be initiated.

Therefore, I would very much appreciate your expediting the research into the legality and provide me with the legal opinion which would be the basis for prosecution.

All the best.

Sincerely,

EDWARD I. KOCH.

AMERICAN WORKERS NEED LOWER NOISE LEVELS AT THE WORK PLACE

Mr. GAYDOS. Mr. Speaker, during last June and July, the Occupational Safety and Health Administration conducted public hearings on proposed noise standards.

Unfortunately, the confrontation of opposing views over the question of the proper noise levels at which future generations of working men and women should work, attracted little interest from the daily press.

The sides in this issue are clearly drawn. The Occupational Safety and Health Administration and employers claim workers can tolerate 90 decibels of noise. Labor unions and the Environmental Protection Agency contend workers should not be exposed to noise levels in excess of 85 decibels.

The testimony of some of America's leading labor leaders at these hearings bears witness to the fact that American trade unions have been and still are the defenders of the well-being, not only for their membership, but countless others who have no unions to represent them.

The president of the United Steelworkers of America, I. W. Abel, said that the proposed Labor Department standard of 90 decibels for an 8-hour working day is a "direct violation" of its mandate under the law to protect workers from material impairment.

Leonard Woodcock, the United Auto Workers leader, called occupation noise "a major health problem in this country, the eradication of which is comparable in every way to the conquering of the important infectious diseases in this century."

While the difference between 85 and 90 decibels might appear to some to be a mere numbers game, the potential hearing loss to millions of American workers is at stake in this debate.

The October 1975 issue of the American Federationist magazine contains an important article which tells the history of the long struggle by American working men and women for a safe and healthy occupational noise level.

This article by the distinguished labor editor and writer, Harry Conn, called "Quieting Ear Pollution" tells of the long and intricate struggle for a safe and healthier noise level which has been waged by the trade union movement and many environmental scientists.

Additionally, the July-August 1975 issue of UAW Solidarity reports on the OSHA hearings and what is at stake for the American worker.

Another insight into the OSHA hearings is provided by the article of John Herling in the Washington Post of July 27, 1975.

I insert in the RECORD these articles so that Members can be informed of the significance of the proposed OSHA noise levels:

QUIETING EAR POLLUTION

(By Harry Conn)

A very few years ago, occupational noise was impairing the hearing of millions of workers and literally killing tens of thousands of others—but there was a relative silence on the problem.

True, since the 18th century there has been a growing body of scientific opinion warning of the lethal impact of noise. But noise, unpopular and unwanted, was reluctantly accepted as a fact of life in the nation's workplaces, a grim byproduct of the industrial revolution.

In the last four years that has changed—and much has happened. There is no appreciable evidence that noise's killer qualities have been substantially reduced, but reaction against noise has become loud and clear. Trade union staffs now have a number of experts on noise, mostly young people in their 20s and 30s. Working with authorities from the scientific community and with some cooperative government agencies, they have compiled an impressive body of research and data to support their battle for an 85-decibel standard limited on noise over an eight-hour workday.

The decibel (dB) standard by which noise is measured is based on the magnitude or pressure of a given sound. The faintest audible sound would be designated 0 dB. In addition, there are three frequencies used in measurement, and the one evaluating the effect of sound on people is the A scale. So, in measuring sound or noise in the workplace, DBA is the basis of measurement.

No federal standards or levels were in effect for occupational noise until the waning days of the Eisenhower Administration. Secretary of Labor James P. Mitchell proposed a 90 dBA level for all work under the Walsh-Healey Public Contracts Act for an eight-hour work period.

Labor generally believed this was too high and many acoustical scientists concurred that this level imperiled workers. However, for several years there was no real challenge to the Mitchell standard.

In 1964, a new Labor Secretary, W. Willard Wirtz, recommended that noise limits under Walsh-Healey be set at 85 dBA. The proposal won immediate support of organized labor and others in government and medicine. But opposition from industry was vocal and Wirtz delayed the effective date of the limit for five years.

On Jan. 17, 1969, three days before he and President Johnson left office, Wirtz published in the Federal Register an 85 dBA noise level regulation under Walsh-Healey. The effective date was set for Feb. 12, 1969. Three days before Feb. 12, Nixon's Labor Secretary, George P. Shultz, issued an order postponing the effective date until May 17, 1969.

For three days workers employed in industries working on government contracts were under the 85 dBA limit. Then, on May 20, Shultz officially returned the Walsh-Healey noise standard to 90 dBA.

With the adoption of the Occupational Safety and Health Act of 1970, the 90 dBA level for noise exposure was continued. The same standard exists for the federal Coal Mine Health and Safety Act of 1969, the Construction Safety Act and the Longshoremen's and Harbor Workers' Compensation Act.

Pressures on the Secretary of Labor for a revision of the noise standard have been extensive. However, continued opposition from management—citing both the lack of technical feasibility and the cost—has been just as heavy.

Noise, of course, varies from industry to industry. A consultant to the Labor Department has estimated that 60 to 70 percent of production workers, or 10 million employees, now face a hazardous overexposure to noise. He says that 100 percent of lumber and wood products workers and 95 percent of textile mill workers are over-exposed. The dimension of the problem is outlined by adding the millions of other workers in construction, mining and transportation who are also over-exposed.

Under the Occupational Safety and Health Act, the Secretary of Labor may take certain steps to revise the noise standard. First, he must appoint a Standards Advisory Committee on noise, which must report to him in 270 days.

A 15-member committee was named, including four representatives from labor, four from management. One of the labor members, Joseph K. Hafkenschiel, research associate of the Communications Workers, believes that the committee was in effect stacked because most of the professional members serve as consultants to business and the government members were unlikely to break from the Administration position.

The final vote was 9 to 6 in favor of the 90 dBA standard. The dissents included the four from labor, the Department of the Army and, in part, the National Institute for Occupational Safety and Health, the research arm of the Occupational Safety and Health Administration, which strongly defended the 90 dBA. The Environmental Protection Agency, though it has primary responsibilities in the area of noise, was not even represented on the committee. EPA supports the 85 dBA.

As required under the law, the Secretary published the proposed standard in the Federal Register. However, since written objections were made, he was required to schedule public hearings. They were held in Washington in the summer of 1975, with the Secretary due to make a final decision late in the year.

The six weeks of hearings brought a new and impressive force on the Washington scene. Experienced safety and health experts from labor—such as the AFL-CIO's George H. R. Taylor, the Industrial Union Department's Sheldon Samuels and the Mine Workers' Dr. Lorin E. Kerr—played major roles, and the new union experts made telling arguments while carrying a heavy burden in the fight for more on-the-job quiet.

The new generation of experts includes Claudia Prieve of the Steelworkers, Dan MacLeod of the Auto Workers, Eric Frumin of the Textile Workers Union of America and George Mernick of the Teamsters. The Oil Workers have three young experts, Steve Wodka, Jeanne Stellman and Bob Jennings. Hafkenschiel of CWA was the labor movement's anchor man who wrestled with highly technical questions during the first three weeks of hearings.

Management had a few experts of its own, but it did not have the unity or the compilation of data that the labor group presented. And management had one psychological disadvantage. The more management spokesmen challenged the technological feasibility of noise control and the more they cited the "prohibitive" cost factor in an 85 dBA standard—or, as some said, the cost factor in even a 90 dBA standard—serious credibility questions arose.

Less than one year earlier, management had proclaimed that if a proposed standard to control cancer-causing polyvinyl chloride was made permanent, factories would be forced to shut down, eliminating some 2.2 million jobs and losing as much as $90 billion in production. At the time of the noise hearings not one of the vinyl chloride-using firms had closed down; some were publicly boasting of the success in reducing the work exposure to the chemical. On top of this, four more vinyl chloride plants had started up. So the history of industry rhetoric on polyvinyl chloride served to dilute any contentions about the extreme cost of complying with the new noise standard.

To the uninitiated, the difference between an 85 dBA and a 90 dBA standard may seem small—but it is a vast difference. The decibel progresses at a logarithmic rate. This means that 10 decibels is 100 times louder than one decibel; 20 decibels is 1,000 times louder. So a 90 dBA level is some 60 percent louder than 85 dBA.

An NIOSH survey of occupational noise and hearing found that 49 percent of workers aged 55–77, with 21 years of working experience and exposed to 90 dBA, would exhibit hearing impairment. But the impairment would be reduced from 49 percent to 35 percent for workers in the same age group exposed to 85 dBA. After subtraction of the 20 percent loss of hearing largely attributable to aging, the risk is 29 percent at 90 dBA versus 15 percent at 85 dBA or almost twice as much.

The NIOSH results are comparable to other data published by the Intersociety Committee, the International Organization for Standardization, and the National Physical Laboratory of the United Kingdom. All of these studies concluded that over a working life, the risk at 90 dBA is approximately double the risk at 85 dBA.

Under the Noise Control Act of 1972, the Environmental Protection Agency coordinates and oversees federal noise programs. EPA has concluded that a safe level for protection against hearing loss is an eight-hour exposure level of 75 dBA. This is far below either the OSHA or NIOSH proposals. To support its position, EPA published its notice in the Federal Register and said, in part:

"EPA has reviewed OSHA's proposed standard for occupational exposure to noise and in view of the best available data, has determined that the 90dBA time weighted level for an eight-hour day does not adequately protect public health and welfare. EPA has identified a level of approximately 20 decibels below OSHA's proposed 90 dBA as the safe level for protection against hearing loss, i.e., a yearly equivalent sound level of 70 dBA averaged over a 24-hour period.

"The 70 dBA level would be compatible with an eight-hour exposure level of 75 dBA, so long as the exposure level over the remaining 16 hours is sufficiently low to result in a negligible contribution to the 24-hour average, i.e., no greater than an equivalent sound level of 60 dBA.

"EPA's criterion for the identified level is that it should produce no more than a 5 dB hearing loss at the 4000-Hertz frequency over a period of 40 years in virtually the entire population. Although the identified safe level is not a standard, it provides a basis for judgment in the setting of standards. In that sense, it should be considered a long-range public health goal.

"The data on which EPA's criteria and recommended levels are based have been drawn from three significant bodies of data, those of Baughn, Passchier-Vermeer and Robinson. EPA's conclusions are drawn from the averaged data of more than 10,000 subjects from the 12 studies reported by the above researchers. EPA believes these data represent the best available evidence on the effects of noise on hearing. . . . Regardless of the criteria used to predict the effects of noise levels of 90 dBA represent an unacceptable health hazard."

At the hearing, the Mine Workers' Kerr presented preliminary results of a study by the Mine Enforcement and Safety Administration of the Interior Department on the noise exposure of miners. A part of the study on hearing acuity was conducted by NIOSH. The results were compared with statistics of a National Health Survey (NHS) of the entire population.

For ages 18 to 24 years and 25 to 34 years there was no significant difference in the two surveys. However, in the 35 to 44 age group the miners had large noise-induced losses of hearing, and even greater losses showed up in the 45 to 54 age group. That trend continues even more sharply with age.

What is a tolerable noise level?

Dr. Aage Moller, professor at the Karolinska Institute in Stockholm and head of its Division of Psychological Acoustics since 1970, is a recognized world authority on hearing. If there is sufficient intensity and duration in noise, he told the OSHA hearing, it can result in permanent hearing loss. This is the result of irreversible damage to the sensory cells (hair cells) in the inner ear. There is no known treatment for or recovery from this hearing impairment, Dr. Moller said, "and the psychological mechanism behind this damage to the ear is completely unknown."

Dr. Moller then described the effects of noise on body functions:

"Sound has acted as an important alarm signal ever since the beginning of the evolution of terrestial animals. It is therefore not surprising that sound also arouses in man a number of autonomous reactions. These reactions were originally intended to prepare the animal for flight or fight.

"The reactions consist mainly of changes in the blood circulation brought about by activation of the sympathetic nervous system (generally known as the emergency system of the body) and a release of an increased amount of various hypophysial hormones. That in turn affects most hormone systems in the body.

"In our present industrialized society these reactions are really not appropriate. It is therefore important to consider whether these reactions (1) will adapt during long time exposures, (2) may constitute a health hazard as a result of prolonged exposure.

"The change in circulation is mainly a redistribution of blood from viscera (digestive apparatus and various glands) and skin to muscles and occurs at a relatively low sound level (about 60 dB).

"Theoretically a reduction of the blood supply to the viscera for a long time may affect digestion and may thus theoretically eventually cause an increased probability of illness in the digestive apparatus.

"Activation of the sympathetic nervous system also results in an increased release of free fatty acids and and glucose through an increased adrenalin secretion from the adrenal medulla. The chronic effects of this reaction is not known due to a lack of studies. The acute effect has been demonstrated in a number of studies in man and animals.

"Activation of the sympathetic nervous system by exposure to noise will also result in an increase of the blood pressure. Whether or not such periodic increases brought about by daily exposures to industrial noise affect health is poorly known but it may possibly increase the probability of acquiring a permanent high blood pressure (hypertension). . . ."

Dr. Moller said that while reports are not sufficient to make a definite conclusion about the effect of noise on the occurrence of chronic illness "the available reports show alarming results." He said that it is difficult to "separate the effects of noise from other factors such as air pollution, stress from work and other habits that are peculiar to the same workers who are exposed to high noise levels."

Management contended at the OSHA hearing that it was not technologically feasible to achieve an 85 dBA standard at the workplace. In its definition of feasibility it included, as might be expected, the economic impact.

A Bolt, Beranek and Newman, Inc. study on the Impact of Noise Control at the Workplace, submitted to the Labor Department's Office of Labor Standards, indicates that maximum compliance to either a 90 dBA or 85 dBA could be achieved for 92 percent of the production workforce.

Union spokesmen quoted this section of the study and often made the point that technologically 92 percent of the production force can be protected and it was critical that they not be sacrificed because of difficulties in the 8 percent.

The BB&N study, though, seemed to put practically all of its emphasis on costs, saying: "The primary current limitation to the reduction of noise at the workplace is the level of costs which industry finds acceptable. Noise control technology is another limiting factor but only insofar as its further development involves costs which are presently not being budgeted."

CWA's Hafkenschiel met the technological question head-on in quoting this statement of former Supreme Court Justice Tom Clark in his review of the vinyl chloride standard. He wrote:

"In the area of safety . . . The Secretary is not restricted by the status quo. He may raise standards which require the development of a new technology and he is not limited to issuing standards based solely on devices already developed."

The 90 dBA standard, its opponents stressed, does not encourage management to restrict noise in the workplace. It does not even move management in the direction of controls other than administrative controls or personal equipment for employees.

"The reason that engineering control of noise is not generally considered in the design of machinery is that there is absolutely no incentive to do so," Hafkenschiel said. "The machine that is significantly less noisy and more expensive will simply not be purchased under present conditions. The creation of the incentive to undertake more efficient (and less costly) design changes is one of the prime reasons it is necessary to lower the feasible limit.

"Dramatic change can be effected through inexpensive add-ons or design changes. For example, significant reductions in noise levels have been achieved by substituting plastic for steel gears. In one evaluation, the original paring of steel gears resulted in an overall noise level of 95 dBA. This was reduced to 77 dBA with the introduction of pared plastic gears."

Dr. Alvin F. Meyer Jr., until recently the EPA administrator for noise control, expressed his firm belief that industrial equipment can be qnieted. Some of the possible measures he suggests are:

Add-ons such as enclosures or mufflers;

More basic design of equipment to remove noise sources, and

The substitution of compatible and quieter processes for noisy operations.

An example from General Motors on what can be accomplished in industry was cited by several spokesmen at the OSHA hearing. GM has established sound level specifications for new machinery and equipment requiring that the operators' position and at all points three feet from the equipment shall not exceed 80 dBA.

Meyer gave examples of other steps that could be taken such as a roughing lathe, which operated at 96 dBA, now operates at 89 dBA, and a drill and tap transformer machine that dropped from 97 dBA to 81 dBA. He gave as examples of retrofitting of existing equipment a belt-type washer reduced from 96 dBA to 82 dBA and an automatic polishing machine, down from 102 dBA to 79 dBA.

A significant cost factor, frequently overlooked, is that the supplier had agreed on GM's sound specification, so there was no additional cost. At a minimum, long-term protective goals could be set through standards, easing any cost factor considerably.

The technological feasibility of 85 dBA is accepted in at least seven foreign countries. In another 10 countries, a 3dBA doubling rate, supported by U.S. labor here, is employed. Sweden has achieved dramatic reductions in noise in a cross section of industries. A paper machine at the Hallsta paper mill has been so redesigned that it is known as "The Silent Giant." Some 20 working groups in different industries in Sweden, composed of the unions, employers and technical experts, have initiated noise reduction projects and elevated it to a national cause. Not the least among its expected long-term results is a cost-savings that will place Swedish goods in a far more favorable competitive position.

Personal protective equipment for the worker sounds impressive but it usually means ear muffs or ear plugs to reduce noise. If they are worn—and evidence shows that in some industries only about 50 percent of workers actually wear them—they often itch, don't fit, or give some workers fungus infections from constantly having their ears covered. Worse yet, they may not cut down on the noise. When they do and are well-fitted a worker may not engage in essential conversation or, still worse, may not hear warnings that could save him from injury or death. Dr. Moller severely warns against use of such protections."

Recently, a nationally syndicated columnist seriously wrote that it was sheer insanity to pay $31.6 billion to reduce the noise in the workplace when for tens of thousands of dollars workers could be equipped with personal protective equipment.

The $31.6 billion figure, to start with, is open to serious doubts. It was arrived at by BB&N as the cost to industry of an 85 dBA standard. BB&N said that a 90 dBA standard would cost industry $13.5 billion.

The questions are raised by, among others, the authors of the study, but industry has eagerly clasped it to its collective bosom. Most experts conceive of noise reduction at the source and not along the transmission which is normally more difficult and more expensive. BB&N acknowledges this. It also recognizes that it did not deal with the problem from the standpoint of mass production technology. Because of the limited time period, BB&N made its estimates largely on expensive add-on controls to industry equipment.

The extent to which this approach inflates the BB&N figure is demonstrated in a recent paper, known as the Warnaka paper, which found that with the use of mass production efficiency and technology innovation, the cost of achieving 85 dBA is not $31.6 billion but $11.75 billion.

Another devastating analysis of the BB&N study was presented at the OSHA hearings by economist Ruth Ruttenberg. She said the BB&N study "is an inadequate base for a Labor Department policy decision on adequate noise standards in the workplace. The BB&N study was done too quickly (by their own admission) and consequently relies on tenuous assumptions and broad-based extrapolations in arriving at cost estimates. Not only, however, is their data base untenable, but their analysis is as well. Time kept them from considering major systems redesign or new technology. Time pushed them into constant cost assumption which ignores all the effects of economics of scale. Something kept them from at least cost analysis. And for some reason, they failed to compare economic cost without benefits.

"In light of studies, especially the newly published Warnaka study which cites more reasonable cost estimates, and bearing in mind the contributions noise control expenditures will make in a recession economy, Labor Department reliance on an inadequate and inflated BB&N study seems questionable at least," she said.

The Warnaka study looks at the problem from another vantage point—the cost of not applying noise control.

"High noise levels produce known amounts of hearing loss in affected personnel and this is a compensible loss," Warnaka said. "In a survey we have just conducted of 15 industrial insurance companies, all recognized the importance of noise control. This is because noise control may be the single largest health problem in industry. . . . Noise may result in a loss of more money to industry than any other portion of OSHA standards, simply because noise seems to affect more workers."

Warnaka provided some examples. One large company in New Jersey paid $3.25 million in hearing damage claims in 1974. This year it expects to pay $8 million. The state of Oregon reports that hearing damage claims climbed from two in 1971 to 25 in 1972, then 700 in 1973 and 1,500 in 1974.

Estimates of industrial insurance companies and the government say that some 6 million workers are affected by hearing impairment. Warnaka places the average payment at $2,000 a year or an estimated annual cost of $12 billion—a conservative figure.

Other costs to industry for not controlling noise are astronomical, too: absenteeism, job training, loss of skills and the like. Labor experts believe that industry can save as much as $11.75 billion a year by avoiding these losses through noise control.

But noise in the workplace is not just a dollars and cents proposition. It's health—life and death, on which a dollar figure should not be placed.

NOISE—PUT PEOPLE'S HEALTH BEFORE PROFITS, UNIONS DEMAND

(By Frank Wallick)

It's worker health versus corporate profits. That's what organized labor has been saying at the occupational noise hearing in Washington.

Said UAW Pres. Leonard Woodcock: "We in the labor movement are tired of hearing about economic feasibility. When are we going to talk about people? We must put human health and safety before profits if we want to continue to be called a civilized nation."

The six-weeks-long hearing was sparked by a challenge to the proposed 90 decibel noise standard for the workplace which has been suggested by the Labor Dept.'s Occupational Safety and Health Administration (OSHA).

CHALLENGE FROM EPA

The challenge came from the Environmental Protection Agency. Over 100 witnesses from labor and industry, plus many experts—including two from England and Sweden—are wrestling with this biggest of all occupational health issues. The secretary of Labor, under the law, must make the final decision, and his agents insist he still has an open mind.

So the days and days of evidence which has been accumulating in Washington may make a difference. Part of the problem is that noise is not like cancer or a lost finger. There are many technical disagreements about what noise does to people, and there is no single way to solve the problem of noise. Still, noise looms as a major challenge to worker health at the workplace.

"Many UAW members," Woodcock told the hearing, "find great irony in the auto companies' advertisements for soundproof cars. The workers who build these cars would like quiet too. If the auto companies can build soundproof cars, they can build soundproof surroundings for the people who make these cars.

"Right now," Woodcock insisted, "the employe is suffering all the costs—financial as well as health. These costs become more exasperating since in most states there are no workers' compensation benefits for hearing loss, unless perhaps the loss is total or if it interferes with earning ability.

"The non-auditory health effects (such as high blood pressure, heart trouble and emotional problems) are usually not recognized or related to the workplace."

MANAGEMENT STRATEGY

The strategy of industry in fighting against a safer noise level is to keep the issue in the courts so industry can buy time. Meanwhile, millions of American workers in noisy jobs will suffer loss of hearing and the other lesser understood problems of noise, such as heart attacks, and emotional disorders.

Woodcock said that "noise heightens tensions between workers and their supervisors and thus result in additional grievances against the employer. Noise in a number of cases has been a problem in arriving at local union settlements after national agreements have been made with the employers on major economic and related issues."

The UAW president called occupational noise "a major public health problem in this country, the eradication of which is comparable in every way to the conquering of the important infectious diseases in this century."

Woodcock's personal appeal occurred along with that of Steelworkers Pres. I. W. Abel, Rubber Workers Pres. Peter Bommarito and Machinist Vice Pres. William Winpisinger. The occupational noise question gained more visibility in Washington last month than it has ever had before.

A solid phalanx of unions is working for a safer and healthier noise level. Officials of the Teamsters, Textile Workers, Communications Workers, United Mine Workers, Oil and Chemical Workers, Meatcutters, and the International Union of Electrical Workers also made personal appearances.

The Teamsters hired a top-flight acoustical scientist, Dr. Larry Royster of North Carolina State University, to keep the industry witnesses honest during endless questioning.

There was much nit-picking by industry lawyers to discredit the testimony by labor or government experts. A common theme in this questioning was to find out if any studies had been made to prove a particular point. Then, if a study had been made, to pick it apart.

The tragedy is that the U.S. government, under the authority of the Occupational Safety and Health Act of 1970, has not conducted more studies on noise. Most companies which do audiograms, (a record of your hearing loss) on workers refuse to release information. The law clearly gives the government "the right of entry" to make these studies—yet industry which harps on the lack of study has failed to volunteer data and the federal government has not pushed to seek it under the law.

Despite this, much information is at hand. The labor movement—united in this fight better than at any time since the fight against Taft-Hartley—has mobilized every scrap of information so that workers can work in a quieter workplace.

Industry balks at an 8-hour noise level of less than 90 decibels (the sound of a heavy truck on the highway) and would like to solve the problem by requiring all workers to wear ear muffs or ear plugs. The Textile Workers Union said that lowering the noise at the machine would in the long run be cheaper than requiring ear muffs, which are uncomfortable and can cause infections in the ear.

NOT JUST A NUMBERS GAME

The workplace noise problem has all the aspects of a numbers game.

First, there was the $31 billion tossed out by a consulting firm as the cost of an 85-decibel level, which labor wants. Then the EPA said 85 decibels would cost only $11 billion.

President Ford got into the act before the U.S. Chamber of Commerce, making things worse by claiming it would be $30 billion a year just, as he put it, to save the hearing of a few workers.

What are the facts? Nobody has exact figures.

But midway through the hearings, Tenneco, a multinational corporation which had predicted industry's ruination if a low level for vinyl chloride exposure were made law, bragged in a *Wall Street Journal* ad how they had met the new, safer standard within a year.

This could happen with noise pollution, too, if there were a national commitment required by law.

UAW TRIO DESCRIBES WORK NOISE DANGERS

Three UAW members from the shop floor—Dick Marco from Chicago, Tom Bixler from Mansfield, Ohio and Ed Glowacki from Cleveland—went to the noise hearing in Washington and explained the problem in blunt worker's terms.

Ear plugs and ear muffs are resented by workers, UAW Ford Local 588 Pres. Marco told the hearing.

"People who wear a plaster cast on their arm or leg to mend a broken bone do it willingly, even though it is clumsy and uncomfortable, because they look forward to the day it comes off and they are well again," he said, but ear protection is "resented as a cheap management ploy to put the burden of noise control on workers."

GARBAGE NOISE

Marco said much factory noise is "garbage noise," generated by "worn or poorly lubricated bearings and gears, leaks in air lines, loose machine covers and shields, unbalanced or improperly adjusted components, and just plain wornout equipment.

"There is no known medical or surgical procedure that can restore noise-induced hearing loss," he concluded. "When it's gone, it's gone forever."

Bixler, a big, husky guy who looks as if he could be a linebacker for the Cleveland Browns, spoke for 50,000 UAW members in the General Motors Fisher stamping, hardware, cut and new plans.

He is health and safety rep for the 2,800 UAW members at Local 549 (Fisher Body, Mansfield), and he suggested:

"These hearings should be held in a stamping plant to bring this whole thing into reality. Of course, this would be a contradiction in terms, since it is impossible to hear inside a stamping plant, and this could not properly be called a 'hearing.' "

Bixler cited two UAW members who suffered emotional disorders, which doctors said came from noise on the job, and which were serious enough to qualify them for permanent disability. He told of others injured because noise kept them from hearing warning signals.

VIVID DESCRIPTION

Glowacki, a full-time health and safety representative from UAW Local 1005 (Chevrolet, Parma), gave the hearing an eloquent description of how noise affects workers.

"Your arms quiver and shake by the end of the day. And if you work on the second shift, you can't go home and go to sleep right away. You still hear the presses banging away inside of you."

Glowacki, one of the few witnesses who actually works at the noise levels around which the controversy swirls, said, "I'm sure that if the people who spend their lives working in high noise were the ones who set occupational health standards, there would be no difficulty in deciding that the standard should be 85 decibels right now and changed to 80 decibels in a few years.

"You shouldn't have to wait. The people in my plant will tell you that right now.

"Workers are now starting to place as much value on health and safety as they have for years on wages, vacation pay and relief time," he said.

A DUEL OVER DECIBELS

(By John Herling)

The duel over decibels—the measurement of noise—in the American workplace has increased in intensity. OSHA and the employers say workers can take 90 decibels of noise. The unions and the EPA say no more than 85 should be permitted.

This is a numbers game that directly affects the health of millions of American workers.

In a little-noted spectacular, scores of unions and the Environmental Protection Agency (EPA) have joined forces to oppose the standard proposed by the Labor Department's Occupational Safety and Health Administration (OSHA). Employers support OSHA in the claim that 90 decibels of noise in a continuous 8-hour day will do the workers no harm.

The unions want that standard reduced to 85 decibels. Basing their position on data carefully gathered over many months, the unions insist that 90 decibels of noise endangers the hearing and systemic health—heart, nerves and mental well-being—of workers in noise-producing establishments. For the protection of workers, they say 85 decibels is the maximum feasible limit. Moreover, they say that a noise abatement technology is available to bring down the noise level.

This difference of five decibels would seem to be so narrow as to be hardly worth the argument. But in testimony before OSHA's Administrative Law Judge, Milton Kramer, who is conducting the hearings, and Auto Workers President Leonard Woodcock dramatically illustrated the significance of that difference. Tests show, he said, that a 90 decibel level is one at which a worker has to shout in order to make himself heard at a distance of two feet. 90 decibels are three times noisier, Woodcock says, than the more "appropriate and feasible level" of 85 decibels.

While some of labor's big guns, like Steelworkers President I. W. Abel, Machinists Vice President Bill Winpisinger, and Rubber Workers President Pete Bommarito, have also appeared to cross swords with the representative of corporations and industry associations, the impressive action in this battle against industrial noise is conducted by a group of young union research men and women.

After a recess in the hearings, testimony will now be resumed. The captains of labor having departed, the central role in the often extremely technical contest is now handled by their representatives, a highy spirited and sharply trained staff of people, ranging from 23 to 29 years of age.

Critics of organized labor often inveigh against trade unions because they regard their leadership as middle-aged to old stick-in-the-mud types; simply not contemporary.

But in the cavernous departmental auditorium, the voices of young men and women are raised in behalf of the rank and file with the blessing of and support of the union leadership of the AFL–CIO, the Auto Workers and the Teamsters.

The corporate guns are aimed at these dedicated, college-trained young people who are building a record in their economic and scientific testimony which may alter the standard of permissible noise.

Coordinating the union witnesses is Joe Hafkenshiel, age 29. Swarthmore graduate, with a masters degree in business administration. Like his colleagues, he is completely unawed by the high-priced legal talent on the corporate side. He is on the staff of the Communication Workers of America.

For the Textile Workers Union, Eric Frumin, 26, spars with the textile manufacturers. George Mernick, 23, talks for the Teamsters Union. At the age of 26, Steve Wodka of the Oil, Chemical and Atomic Workers, is a pioneer in the field of noise abatement. Don MacLeod, 27, a graduate industrial hygienist, is the reliable technician of the Auto Workers.

Claudia Prieve, 26, represents the Steelworkers. The other day, Ruth Ruttenberg, 27, an assistant professor at Howard, talking for the AFL-CIO, delivered a scathing paper, contending that noise abatement technology has attained a stage which makes the 85-decibel level not only achievable but at a cost far less than the resisting employers claim.

For two hours, this brilliant young woman was subjected to a relentless cross examination by the corporate lawyers. She parried and thrusted until finally her attackers had to cease and desist.

This is the sort of generally unobserved action that is going on in one place in Washington. It's not always on Capitol Hill at House and Senate hearings where the drama of decision-making is unrolled. Decisive battles occur often in more modest surroundings. For labor the gut fight is a hand-to-hand confrontation between dedicated, young intellectual foot soldiers and the well-armed forces of industrial power.

LEGISLATION INTRODUCED RELATING TO TAX TREATMENT OF CERTAIN PRIVATE FOUNDATIONS

(Mrs. MINK of Hawaii asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I rise to inform the House that I submitted legislation to amend the Internal Revenue Code to provide that certain organizations established before 1913 shall not be treated as private foundations.

The intent of this bill is to remove certain charitable organizations from classification as private foundations under the Internal Revenue Code. The organizations which would be affected are those which were: First, established prior to enactment of the Federal income tax law, and therefore established without any motivation to avoid or reduce income taxes; second, required by their governing instruments to annually account to a court with respect to their administration, investments, use of funds and general condition; and third, have their trustees or directors appointed by a court.

A number of private foundations meeting the three criteria stated above currently may own land that is not producing income at present, or they may presently hold other forms of relatively nonproductive property. Thus, they will be forced to sell some of their assets to meet the minimum payout requirements of section 4942 of the Internal Revenue Code. Yet the sale of land of great value, though not presently producing income, would, in many cases, contravene rather than realize the charitable purposes of such organizations.

In Hawaii one such organization is the Liliuokalani Trust, created in 1909 by the late Queen Liliuokalani, the last reigning Queen of Hawaii, to provide care for orphan and destitute children in Hawaii. In the trust's governing instrument, Queen Liliuokalani directed that all the property of the trust, both principal and income, be used "for the benefit of orphan and other destitute children in the Hawaiian Islands."

The original corpus of the trust consisted primarily of real estate in Hawaii situated on the islands of Oahu and Hawaii. Although small portions of the original lands have been sold, primarily as the result of condemnation or threat of condemnation, the trustees have not made any additional investments in land, or other real estate, except for facilities directly used in its activities of caring for children.

Throughout the years since the trust was created its principal income has been derived from rentals received from long-term leases of its real estate. It has applied its income for the benefit of orphans and other destitute children as directed by the trust instrument through various programs. During each of the years 1971–73, for example, it served over 4,700 children. Its programs, among others, include educational assistance, counseling, financial assistance, adoption planning, assistance to unmarried mothers, and other community services.

The trust is administered by three trustees appointed by a court of competent jurisdiction, and the conduct of its affairs are under the supervision of that court, with which the trustees must file annual accounts.

An appraisal of all of the trust's real property has been made by an independent appraiser whose written report was received early in 1974. The entire real estate holdings of the trust—which represents approximately 90 percent of the value of all of the assets of the trust—were recently valued at approximately $31,700,000. Of this amount, approximately $6,000,000 is used directly in carrying out its purpose of providing care for children and the remaining amount, approximately $25,700,000 is held for investment.

For Federal income tax purposes the Internal Revenue Service in 1952 reconfirmed the tax exempt status of the trust as a charitable organization under section 501(c)(3) of the Internal Revenue Code—the code. The trust is currently classified as a private foundation and for the past 5 years has qualified as an operating foundation by virtue of having made qualifying distributions of substantially all of its income and having met the endowment test of section 4942(j)(3)(B)(ii) of the code—that is, made distributions in an amount equal to two-thirds of a percentage of its investment assets—minimum investment return—fixed initially at 6 percent with provision for annual adjustment to reflect shifts in money rates and investment yields. For taxable years beginning in 1975, the applicable percentage could, depending on such rates and yields, be set above or below 6 percent.

As indicated earlier the problem the trust now faces is that much of the land is currently not income producing although of great value, which means that the trust will be forced to sell some of its assets to meet the minimum payout requirements of the endowment test under section 4942 of the code.

It is recognized that one of the purposes in enacting section 4942 of the code, as indicated in the legislative history of the act, was to prevent avoidance of the requirement for distribution of income by investment in nonproductive land and that if such investments were made, a private foundation might well have to periodically sell a portion of its assets to meet the endowment test. Nevertheless, it would appear that the ultimate concern shown by Congress in enacting section 4942 of the code and the other restrictive provisions relating to private foundations was not directed toward charitable organizations such as the Liliuokalani trust which was established well before the 16th amendment to the U.S. Constitution with no tax motivation whatsoever, is not under the control of any lineal descendants of the Queen who might otherwise benefit from improper financial dealings with the trust and is under court supervision to insure its charitable purpose of functioning for the benefit of orphans and other destitute children rather than making unreasonable income accumulations or improper noncharitable diversions of income. Morever, the sale of currently unproductive land of great value to satisfy the endowment test, without any other considerations in mind, would not be in fulfillment of, but contrary to the trust's charitable purpose to provide for Hawaii's destitute children.

FOOD PRICES EXAMINED BY MONOPOLIES SUBCOMMITTEE OF HOUSE JUDICIARY COMMITTEE

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, rising food prices in recent years have drawn critical attention to the production and marketing structures of the Nation's food industry.

There have been congressional hearings into agricultural information gathering procedures, into the foreign sale of grain, into the farm-retail price spread, meat packing operations, and retail supermarkets.

The General Accounting Office has investigated the 1972 Russian wheat sale, various aspects of the Agriculture Department's management of the wheat export subsidy program, needed regulation in the commodity futures trading program, and commodity shortages.

One of the most commendable efforts made to examine the food price issue was made by the Monopolies Subcommittee of the House Judiciary Committee back in the summer of 1973. These hearings have resulted in the adoption by Congress of antitrust provisions in legislation dealing with the food production industry. These hearings have also led to the adoption by Federal agencies of procompetitive provisions in certain regulatory actions.

In addition to these actions, the FTC has done studies on Capper-Volstead organizations, supermarket chains and many other areas.

Despite these efforts, higher prices continue to exist. An area of special concern to me and my State of Wyoming is the beef sector of the food industry. Paradoxically, while consumers pay even higher prices for beef, beef producers have only recently seen any increase in sale prices over last year's disastrous lows. The feeder and rancher still receive far below what they did 2 years ago despite continued increases in production costs.

Mr. Speaker, I am urging Congress to renew investigations in this area, with special attention to the production and marketing structure of the beef industry. The questions must be answered more fully. Why do cattle growers continue to receive so little for their cattle while consumers continue to pay so much for beef at the supermarket? Where is the profit going?

This Congress has a responsibility to find the answers to these questions and, if necessary, to seek appropriate legislative remedies.

Mr. Speaker, today I have taken initial steps to begin a full-scale investigation. I have written to the General Accounting Office seeking their assistance in analyzing the oversight efforts of the Federal agencies charged by law with insuring competitive practices and a free market system in the food industry. I have also written to the Antitrust Division of the Justice Department, the Secretary of Agriculture, the Federal Trade Commission, and the administrator of the Packers and Stockyards Act seeking information on their efforts to enforce the provisions of those laws passed by Congress intended to insure a free competitive market.

In addition to these steps, I am today introducing two pieces of legislation. One the Food Industry Antitrust Reports Act of 1975, has already received much support in this Congress. It would require the Justice Department, Agriculture Department, and the FTC to report to Congress each year on their antitrust activities in the food industry. These reports would assist in keeping the Congress, the executive branch, and the public fully informed of activities within the food industry; and will allow us to determine whether a healthy competition exists and how anticipated changes in the structure of the industry will effect competition.

No systematic and yearly accounting to Congress is now made by regulatory agencies or departments, with jurisdiction over any segment of the food industry as to the state of competition, litigation initiated, and action necessary to insure competition. This act would require such information and provide a basis upon which to determine policy and formulate legislation where a need is indicated.

My second piece of legislation, Mr. Speaker, seeks to further amend the Emergency Livestock Credit Act under which loans are made available to farmers and ranchers hurt by low livestock prices, bad weather, and rising production costs. The bill would lower the interest rate of loans made to producers facing financial hardships to 4 percent. It would give borrowers up to 10 years to repay the loans, and provide that borrowers would not have to repay any principal for 3 years. This bill is an attempt, Mr. Speaker, to provide much needed and long overdue real relief for this Nation's battered livestock producers. It is help, but it is not a handout. We have an obligation to assure a competitive atmosphere for the survival of a viable livestock industry.

Mr. Speaker, an adequate supply of food is critical to the Nation's health and welfare. No other subject is more basic. If we can reduce food costs for the consumer, increase competition in an industry, and promote a truly free market, all to the benefit of the Nation's food producers and food consumers, we must do so.

Mr. Speaker, I urge my colleagues to join with me in these efforts to investigate, to oversee, and to legislate. As a Congress we can do not more, and we have a responsibility to do no less.

THE CONSUMER'S VOICE: A NEW CHANCE TO BE HEARD

(Mr. GUDE of Maryland asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, Colman McCarthy, in today's Washington Post, has an excellent report on the value of the Agency for Consumer Protection. His article, entitled "The Consumer's Voice: A New Chance To Be Heard," accurately describes why many businessmen are opposed to the agency. He also elaborates on the value of the agency both to consumers and to business.

I heartily commend this article to all of my colleagues for reading prior to tomorrow's vote on H.R. 7575, to establish an Agency for Consumer Protection:

The Consumer's Voice: A New Chance To Be Heard

(By Colman McCarthy)

When the Wall Street Journal editorialized (some months ago) against the proposed Consumer Advocacy Agency, it said that "a strong underlying premise of the legislation is grounded in antipathy toward business." The image of the hassled or hated businessman is easily drawn (as witness the New Yorker cartoon above). But the rest of the Journal that particular day (May 22) carried a number of stories suggesting that antipathy toward businessmen may be exactly what some of them are working overtime to earn.

One story told of a Florida man who "received a $425,000 settlement after the death of his wife, who had used a Dalkon intrauterine shield birth control device marketed by A. H. Robins Co." The firm was defending 226 product liability suits involving the shield. A second story was also a death notice—an FDA recall of "two more defective types of heart pacemakers, one said to be involved in the deaths of two children." A third story said that ITT filed in federal court a $3.7 million settlement of three antitrust suits. A fourth report told of another General Motors recall—this one for 50,000 cars that had "various problems."

If any antipathy is aroused by these cases it is not because people are irrationally antibusiness but because they have old fashioned feelings against law-breaking, deception or shoddiness. Free enterprise ought first to be free of the predator businessman who creates antipathy. That particular issue of The Journal was not unusual; its pages often read like a daily catalogue of wrongdoing by businessmen at the expense of their customers.

The connection between the practices of some corporations and the proposed Consumer Advocacy Agency is topical because Congress is about to debate whether or not the agency is needed. The debate has a long history suggesting that most minds are already made up. Filibusters and House Rule Committee mischief have mocked the strong support the bill has received in both Houses going back to 1969. That a piece of legislation can be tied up in so many Congresses in so many political knots reveals the canny and well-financed maneuvering skills of such opponents as the Chamber of Commerce and the National Association of Manufacturers. The irony of this maneuvering is that the legislation would create an advocacy agency giving the consumer some room to maneuver also. That would bring increased fairness to the marketplace by bringing an open confrontation of ideas.

The function of the agency is not to unsettle anyone but only to make the case as a consumer ombudsman for safety, legality and economy when regulatory agencies are making decisions. From the loudness of their arguments, opponents of the proposed agency sound as if consumers will suddenly have their own mighty Pentagon from which to wage war against the little corner shopkeeper. Actually little mightiness will exist. The first year's funding cannot exceed $15 million, a sum that consumer groups note is but four hours of the annual Pentagon budget. Another graphic comparison places the $15 million figure against the $1.4 billion in public money that the Commerce Department uses to "foster, promote and develop commerce and industry."

That the opposition is fierce and well bankrolled against so small an agency suggests that the agency itself is feared much less than the idea that the carefree days may be ending when government-business deals can be made in secret with no accountability.

Ralph Nader told a House committee in June that "there is scarcely a major business which does not have a federal agency or department designed to promote, subsidize or advocate on behalf of particular business interests (aviation, maritime, trucking, cotton, tobacco, banking, nuclear power, drugs, automobiles, agribusiness, etc.). Consumers are increasingly at the mercy of this joint government-business interlock, and, as the past several years have made evident, it is damaging to economic well being to so imbalance the powers against the consumer."

For those who like simply-defined issues, it would be convenient if this was a straight business vs. consumer issue. But no such simplicities exist, especially not here. Many corporations—Mobil Oil, Montgomery Ward, Gulf and Western—are supporting the agency. Their position is easily understood, if considered as only a public relations gesture. It is the businessmen most chary of their image who cringe when the public is told again and again of the rising white collar crime rate, of slush funds, of false advertising schemes, of deals to get federal contracts. That is grim enough, but another spectacle may be more unnerving: businessmen bemoaning government interference and over-regulation but working quietly to get loans when times are hard or working to maintain subsidies so that times never will be hard.

Businessmen supporting the Consumer Advocacy Agency are making a modest try at regaining the public confidence that has been squandered. These businessmen are likely to be called apostates, especially since they are now on the side of the branded infidel Ralph Nader. The Wall Street Journal has already predicted that the ACA "will be pretty much (Nader's) personal agency." That defines the debate with more simplism: Do businessmen want to institutionalize Ralph Nader? This not only injects personality into the discussion, but it also deflects from the more serious question of how parts of American business have successfully institutionalized anticonsumer ethics into American life. Sen. Philip Hart estimates that a lack of competition costs the public $80 billion a year, a sum that excludes price fixing, deceptive advertising and other practices.

The President has promised to veto the consumer agency bill. His argument is expected to be the familiar one that another government agency is not needed—let's make the present bureaucracy work. This ignores the main justification for the agency—that the nature of advocacy requires an independence of the old habits and tired thinking of the bureaucracies. If anything, such a concept should appeal to Mr. Ford, because if the ASA works it will reduce the bungled regulation and bureaucratic waste that he now rails about. It should also appeal to any businessman who is producing an honest product or service because then competition truly would serve to encourage safety, economy and value. Perhaps this explains the strong support the agency has received: it is antibureaucratic as well as conservative of the old values on which the economy was once grounded.

CONCERNS WITH REGARD TO CONSUMER PROTECTION AGENCY LEGISLATION

(Mr. GUDE of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, there has been much discussion of the Consumer Protection Agency legislation on the part of consumers, business, and the administration. There is support and opposition among all three parties, based on various reasons. Business has been one of the most vocal opponents because it fears governmental takeover and curtailment of activities in order to respond to consumer complaints.

Some of this fear might be justified if the Agency exceeds its congressionally prescribed parameters. However, there is good reason to believe that the Agency will not become oppressive. In fact, one of the largest businesses in the world, the Mobil Oil Corp., has endorsed the Agency as proposed in the current legislation. Mobil Board Chairman Rawleigh Warner, Jr. stated:

> We do support the measure in its present form. . . .

Mobil president William P. Tavoulareas has noted:

> It appears that many of the difficulties in the earlier proposal have been cured.

Mr. Tavoulareas had his staff review the current legislation prior to announcing his company's position. Their assessment showed that the current legislation is far improved over previous versions and that most of their concerns have been resolved.

Mobil Oil Corp. is the largest of many companies that have come out in support of this legislation. These companies are convinced that this legislation will not create a super agency that will hamstring business. They agree with the necessity for a Federal level consumer agency that will improve the existing regulatory agencies and will assist both consumers and business in transacting business more equitably for all. As many of the signs at last Wednesday's Consumer Protection Agency rally demonstrated, caveat emptor is now dead; the consumer has a right to guaranteed quality.

There are several safeguards built into H.R. 7575 which will maintain the balance demanded by the Mobil Oil Corp. executives and other business leaders. The Agency will have no regulatory authority, its intervention ability is limited, it will not be able to delay or disrupt agency proceedings and activities, and it would have limits on being able to interrogate businesses. Confidential information will be protected. False or misleading information regarding business would be protected by requirements that the Agency take all reasonable measures to ensure the accuracy of information disclosed.

I have every confidence that the Consumer Protection Agency will be a responsible and reliable aid for consumers in gaining the rights they deserve. I call upon every one of my colleagues to support this measure. It is long overdue.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. LATTA (at the request of Mr. RHODES), for tomorrow, to attend a funeral.

Mr. PRITCHARD (at the request of Mr. RHODES), for Wednesday, November 5, and Thursday, November 6, 1975, on account of surgery.

Mr. ANNUNZIO (at the request of Mr. O'NEILL), for this week, on account of a necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:

Mr. O'NEILL, for 5 minutes, today.
Mr. PATMAN, for 20 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Ms. ABZUG, for 15 minutes, today.
Mr. ASPIN, for 10 minutes, today.
Mr. HOWARD, for 5 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. BINGHAM, for 5 minutes, today.
Ms. ABZUG, for 60 minutes, November 5, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GAYDOS, to revise and extend his remarks and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,073.

(The following Members (at the request of Mr. MYERS of Pennsylvania) and to include extraneous material:)

Mr. HEINZ.
Mr. ARCHER in two instances.
Mr. SEBELIUS.
Mr. ASHBROOK.
Mr. MCCLOSKEY.
Mr. FORSYTHE.
Mr. GRASSLEY in two instances.
Mr. LAGOMARSINO.
Mr. FRENZEL in three instances.
Mr. HAGEDORN in three instances.
Mr. O'BRIEN.
Mr. ESCH.
Mr. PEYSER in two instances.
Mr. GUYER in three instances.

(The following Members (at the request of Mr. HUBBARD) and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. BEARD of Rhode Island.
Mr. SLACK.
Mr. SANTINI.
Mr. BOLLING.
Mr. GIAIMO in 10 instances.
Mr. CORMAN in five instances.
Mr. BYRON in 10 instances.
Mr. ZEFERETTI.
Mrs. SULLIVAN in two instances.
Mr. RANGEL.
Mr. SCHEUER.
Mr. LITTON.
Mr. BINGHAM.
Mr. SIMON.
Mr. OTTINGER.
Mr. DELLUMS in two instances.
Mrs. COLLINS of Illinois.

Mr. Badillo.

Mr. Downey of New York.

Mr. McDonald of Georgia in two instances.

Mr. Rosenthal.

Mr. Milford in three instances.

Mr. Pickle in five instances.

Mr. Wirth in two instances.

Mr. Burke of Massachusetts.

Mr. Maguire.

Mr. Madden.

Ms. Schroeder.

Mr. Fithian.

ADJOURNMENT

Mr. HUBBARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Wednesday, November 5, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1987. A letter from the Comptroller General of the United States, transmitting a report on the release of $16.5 million in impounded budget authority made available by the Senate disapproval of deferral (D76-49) in budget authority for the Community Services Administration's Emergency Energy Conservation Services program, pursuant to section 1013(b) of the Impoundment Control Act of 1974 (title X, Public Law 93-344) (H. Doc. No. 94-295); to the Committee on Appropriations and ordered to be printed.

1988. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 1-61, "To amend the District of Columbia Professional Corporation Act of 1971 as it affects the imposition of corporate franchise taxes"; to the Committee on the District of Columbia.

1989. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 100-C, *Klamath and Modoc Tribe and Yahooskin Band of Snake Indians, plaintiff,* v. *the United States of America, defendant,* pursuant to 60 Stat. 1055 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1990. A letter from the Administrator, Federal Energy Administration, transmitting information pertaining to the International Energy Agency's report of energy conservation programs adopted by its member countries; to the Committee on Interstate and Foreign Commerce.

1991. A letter from the Chairman, Consumer Product Safety Commission, transmitting the third annual report of the Commission, covering the period July 1, 1974 to June 30, 1975, pursuant to section 27(j) of Public Law 92-573; to the Committee on Interstate and Foreign Commerce.

1992. A letter from the Deputy Secretary of State and the Deputy Attorney General, transmitting a draft of proposed legislation to define the circumstances in which foreign states are immune from the jurisdiction of the U.S. courts and in which execution may not be levied on their assets, and for other purposes; jointly, to the Committees on the Judiciary, and International Relations.

Received From the Comptroller General

1993. A letter from the Comptroller General of the United States, transmitting a report on the academic and military programs of the five service academies; jointly to the Committees on Government Operations, Armed Services, and Merchant Marine and Fisheries.

1994. A letter from the Comptroller General of the United States, transmitting a report assessing overseas advisory efforts of the U.S. Security Assistance Program; jointly to the Committees on Government Operations, International Relations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. Supplemental report on H.R. 8532. A bill to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes (Rept. No. 94-499, Pt. II). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 1396. A bill for the relief of Sang Kook Chung and Hwa Soon Chung; with amendment (Rept. No. 94-621). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1397. A bill for the relief of Ae Sook Song and Mi Yun Lee; with amendment (Rept. No. 94-622). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 2493. A bill for the relief of North Central Educational Television, Inc.; with amendment (Rept. No. 94-623). Referred to the Committee of the Whole House.

Mr. PATTISON of New York: Committee on the Judiciary. H.R. 8027. A bill for the relief of Comdr. Stanley W. Birch, Jr.; with amendment (Rept. No. 94-624). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 10526. A bill to amend the Strategic and Critical Materials Stock Piling Act in order to establish a fund which shall be used for the procurement of, and the carrying out of other functions related to, such materials; to the Committee on Armed Services.

By Mr. BLANCHARD:

H.R. 10527. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide that persons employed in public service jobs shall not be paid at an annual rate exceeding $15,000; to the Committee on Education and Labor.

By Mr. BRODHEAD:

H.R. 10528. A bill to set standards for the maintenance of dwelling units owned by the Department of Housing and Urban Development as a result of foreclosure proceedings; to the Committee on Banking, Currency and Housing.

H.R. 10529. A bill to instruct the General Services Administration to maintain certain dwelling units owned by the Federal Government in accordance with the standards established for the maintenance of Federal buildings; to the Committee on Public Works and Transportation.

By Mr. CRANE:

H.R. 10530. A bill to amend the Securities Act of 1933, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON (for himself, Mr. Brinkley, Mr. Nichols, Mr. Lloyd of California, Mr. Whitehurst, Mr. Bob Wilson, Mr. Won Pat, and Mrs. Holt):

H.R. 10531. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN of Tennessee:

H.R. 10532. A bill to amend section 501(c) of the Internal Revenue Code of 1954 as amended; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 10533. A bill to amend title 37, United States Code, so as to extend from 1 to 3 years the period that a member of the uniformed services has following his retirement to select his home for purposes of travel and transportation allowances under such title, and for other purposes; to the Committee on Armed Services.

By Mr. Fuqua:

H.R. 10534. A bill to amend section 107 of the River and Harbor Act of 1960; to the Committee on Public Works and Transportation.

By Mr. HEINZ (for himself, Mr. Badillo, Mr. Bedell, Mr. Bevill, Mr. Brodhead, Mr. Brown of California, Mr. Cohen, Mr. Cornell, Mr. Duncan of Oregon, Mr. du Pont, Mr. Edgar, Mr. Eilberg, Mr. Frenzel, Mr. Gude, Mr. Harrington, Mr. LaFalce, Mr. Mottl, Mr. Neal, Mr. Pattison of New York, Mr. Rees, Mr. Russo, Mr. Stark, Mr. Thone, Mr. Treen, and Mr. Whitehurst):

H.R. 10535. A bill to amend title 18 of the United States Code in order to provide for greater penalties for persons convicted of conspiring to commit any offense against the United States or to defraud the United States; to the Committee on the Judiciary.

By Mr. HOWARD (for himself and Mr. Pattison of New York):

H.R. 10536. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would effect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of California (for himself, Mr. Roncalio, Mr. Andrews of North Dakota, Mr. Abdnor, Mr. Lujan, Mrs. Pettis, Mr. Ullman, Mr. Don H. Clausen, and Mr. Symms):

H.R. 10537. A bill to authorize and modify various Federal reclamation projects and programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEMP (for himself, Mr. Brinkley, Mr. Devine, Mr. Findley, Mr. Moore, Mr. Moorhead of California, Mr. Taylor of Missouri, Mr. Winn, and Mr. Young of Alaska):

H.R. 10538. A bill to accelerate the formation and accumulation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

By Mr. LITTON (for himself and Mr. Esch):

H.R. 10539. A bill to provide for protection of franchised dealers in petroleum products;

to the Committee on Interstate and Foreign Commerce.

By Mr. McHUGH (for himself, Mr. Mezvinsky, Mr. Milford, Mr. O'Brien, Mr. Pike, Mr. James V. Stanton, Mr. Udall, Mr. Nowak, and Mr. LaFalce):

H.R. 10540. A bill to establish a program whereby payments in lieu of taxes may be made with respect to certain real property owned by the U.S. Government but leased by departments or agencies thereof to private persons not for public purposes; to the Committee on Government Operations.

By Mr. McKINNEY (for himself, Mr. Kasten, and Mr. Symms):

H.R. 10541. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

By Mr. MANN:

H.R. 10542. A bill to grant a Federal Charter to the National Association of State Approving Agencies; to the Committee on the Judiciary.

By Mr. MANN (for himself and Mr. du Pont):

H.R. 10543. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MATSUNAGA:

H.R. 10544. A bill to authorize grants and loans for the development, construction, and operation of an exhibition of Polynesian culture as part of the commemoration of the American Revolution Bicentennial in the city of Philadelphia; jointly to the Committees on Interior and Insular Affairs, and Post Office and Civil Service.

By Mr. MATSUNAGA (for himself and Mr. Emery):

H.R. 10545. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. OBERSTAR:

H.R. 10546. A bill to amend the act of June 22, 1948, as amended, to provide for the acquisition of additional lands, and for other purposes; to the Committee on Agriculture.

H.R. 10547. A bill to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits; to the Committee on Ways and Means.

By Mr. RODINO (by request):

H.R. 10548. A bill to amend title 18 of the United States Code, to define and discourage certain criminal conduct by U.S. nationals and certain foreign nationals in Antarctica; to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 10549. A bill to amend the Emergency Livestock Credit Act of 1974 for the purpose of providing a lower interest rate for recipients of guaranteed loans under that act and for the purpose of providing that such recipients not have to repay any of the principal of such a loan for a period of 3 years; to the Committe on Agriculture.

H.R. 10550. A bill to require the Federal Trade Commission, the Department of Justice, and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes; to the Committee on the Judiciary.

By Mrs. SULLIVAN (for herself, Mr. Downing of Virginia, and Mr. Ruppe):

H.R. 10551. A bill to amend the Internal Revenue Code of 1954 to clarify that the investment tax credit is allowed for property subject to 46 U.S.C. 1177; to the Committee on Ways and Means.

By Mr. SYMINGTON (for himself, Mr. Wampler, Mr. Derrick, Mr. Johnson of Pennsylvania, Mr. Jones of North Carolina, Mr. Solarz, Mr. Davis, Mr. Lujan, Mr. Duncan of Tennessee, Mr. Badillo, Mr. Bolling, Mr. Charles Wilson of Texas, Mr. Runnels, Mr. Ketchum, Mr. Dickinson, Mrs. Burke of California, Mr. Lott, Mr. Taylor of North Carolina, Mr. Hungate, Mr. Burlison of Missouri, Mr. Brodhead, Mr. Robinson, Mr. Hefner, Mr. Cornell, and Mr. Riegle):

H.R. 10552. A bill to amend the act of May 23, 1908, and the act of March 1, 1911, for the purpose of increasing the amount of money paid to States and counties under such acts; to the Committee on Agriculture.

By Mr. TEAGUE:

H.R. 10553. A bill to amend section 1780 (a)(2) of title 38, United States Code, so as to liberalize the absence accounting procedures for veterans or eligible persons enrolled in a course which does not lead to a standard college degree; to the Committee on Veterans' Affairs.

By Mr. WHITEHURST (for himself and Mrs. Pettis):

H.R. 10554. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. ASPIN:

H.J. Res. 713. Joint resolution to declare that it shall be the policy of the United States not to threaten the use of nuclear weapons or to make any first use of nuclear weapons against any nonnuclear-weapon State which is a party to the Treaty on the Non-Proliferation of Nuclear Weapons unless such State is engaged in aggression in concert with a nuclear-weapon State; to the Committee on International Relations.

By Mr. BINGHAM (for himself and Mr. Mikva):

H.J. Res. 714. Joint resolution to renounce the strategy of a first strike with nuclear weapons; to the Committee on International Relations.

By Mr. BLANCHARD:

H.J. Res. 715. Joint resolution designating the composition known as The Stars and Stripes Forever as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE:

H.J. Res. 716. Joint resolution proposing an amendment to the Constitution of the United States to provide that the amounts appropriated for any fiscal year shall not exceed the revenue of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. WHITEHURST (for himself and Mrs. Pettis):

H.J. Res. 717. Joint resolution calling for an immediate moratorium on the killing of the eastern timber wolf; to the Committee on International Relations.

By Mr. GONZALEZ (for himself, Mr. Hanley, Mr. Harrington, Mr. Helstoski, Mr. Koch, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Pattison of New York, Mr. Rangel, Mr. Rosenthal, Mr. Scheuer, and Mr. Stark):

H. Con. Res. 468. Concurrent resolution expressing the sense of the Congress that section 14(b) of the Federal Reserve Act authorizes the Federal Reserve System to assist the city of New York in its financial problems; to the Committee on Banking, Currency and Housing.

By Mr. SOLARZ (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Carr, Mr. Fraser, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Koch, Mr. Krebs, Mr. Ottinger, Mr. Riegle, Mr. Rodino, Mr. Waxman and Mr. Charles Wilson of Texas):

H. Res. 843. Resolution in support of the people of Portugal; to the Committee on International Relations.

By Mr. DENT (for himself and Mr Heinz):

H. Res. 844. Resolution to express concern over the attempted takeover of the Copperweld Corp., by a foreign corporation; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 10555. A bill for the relief of Mrika Mrnacaj; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 10556. A bill for the relief of Guillermo O. Rumingam; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 10557. A bill for the relief of Sung-Jae Park; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 10558. A bill for the relief of Mrika Mrnacaj; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X,

Mr. WIRTH (for himself and Mr. Hayes of Indiana) introduced a bill (H.R. 10559) to amend the Federal Nonnuclear Energy Research and Development Act to include loan guarantees for the construction of demonstration synthetic fuel plants, which was referred jointly to the Committees on Science and Technology and Banking, Currency and Housing.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

279. By the SPEAKER: Petition of Ellis County Board of Commissioners, Arnett, Okla., relative to revenue sharing; to the Committee on Government Operations.

280. Also, petition of Calvin Rucker, member of the Texas State Legislature, relative to proposing an amendment to the Constitution to guarantee the right of students to attend the public school nearst their place of residency, within the school district in which they reside; to the Committee on the Judiciary.

281. Also, petition of Stewart W. Pierce, Richmond, Va., relative to the Transportation Pricing Reform Act of 1975; jointly to the Committee on Public Works and Transportation, and Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7575

By Mr. HARKIN:

Page 17, line 19, insert immediately after "is authorized" the following: ", except as provided in subsection (d),".

Page 22, after line 8, add the following new subsection (d):

"(d)(1) The Administrator shall not have the power to issue written interrogatories or require the production or disclosure of any data or other information under subsection (a) of this section from any small business concern. For the purpose of this paragraph "small business concern" means any person that, together with such person's affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $1,000,000; or does not have more than the equivalent of 25 full-time employees at the time of the proposed discovery by the Administrator. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data.

"(2) Notwithstanding paragraph (1) of this subsection, the Administrator shall have the power, pursuant to subsection (a)(1), to obtain information from a small business concern if necessary to prevent imminent and substantial danger to the health or safety of consumers, and the Administrator has no other effective means of action.

"(3) The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the effect of the limitations contained in this subsection on the purposes of this Act, for such action as the Congress may deem appropriate.

"(4) For the purposes of this subsection, "small business concerns" are affiliates of each other when either directly or indirectly (A) one concern controls or has the power to control the other, or (B) a third party or parties controls or has the power to control both. In determining whether or not affiliation exists, consideration shall be given to all appropriate factors, including common ownership, common management, and contractual relationships."

Page 29, immediately after line 11, insert the following new section 20:

FAIRNESS FOR SMALL BUSINESS

SEC. 20. (a) It is the sense of the Congress that small business concerns should have their varied needs considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(b)(1) In order to carry out the policy stated in subsection (a), the Small Business Administration (A) shall to the maximum extent possible provide small business concerns with full information concerning the procedures provided for throughout this Act which particularly affect such concerns, and the activities of the various agencies in connection with such provisions, and (B) shall, as part of its annual report, provide the Congress a summary of the actions taken under this Act which have particularly affected such concerns.

(2)(A) Every Federal agency in considering any Federal agency action notice of which is required to be provided to the Agency under section 13, shall, at the time of providing such notice, transmit a copy of such notice to the Small Business Administration. The Small Business Administration is authorized and directed to intervene or participate in such Federal agency action if it deems such intervention or participation necessary or appropriate to carry out the purposes of section 5(e) of the Small Business Act or of Executive Order 11518.

(B) Nothing in this Act shall be construed to affect the duty of the Small Business Administration to aid, counsel, assist, and protect the interests of small business concerns, pursuant to section 2(a) of the Small Business Act of 1958 (15 U.S.C. 631(a)), and the Small Business Administration remains the sole executive advocate for the interests of small business concerns.

(3) To the extent feasible, the Administrator shall seek the views of small business in connection with establishing the Agency's priorities, as well as the promulgation of rules implementing this Act.

(4) For purposes of this section, the term "small business concerns" shall have the same meaning as provided in section 10.

Redesignate the following sections accordingly.

By Mr. THONE:

Page 29, immediately after line 11, insert the following:

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 20. (a) In furtherance of the purpose and policy of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the agency's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93-637 (88 Stat. 2193; 15 U.S.C. 57a(b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period of not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 14 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 444(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such non-quantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall include such nonquantifiable costs as this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this section for fiscal year 1976, for the period July 1 to September 30, 1976, and for fiscal years 1977 and 1978.

Redesignate sections 20, 21, and 22 as sections 21, 22, and 23, respectively.

By Mr. THORNTON:

Page 2, strike out line 3 and everything that follows through line 23 and insert in lieu thereof the following:

ESTABLISHMENT

SEC. 3. (a) There is created an establishment of the Government to be known as the Agency for Consumer Protection, which shall be independent of the President and of the executive departments and under the control and direction of an Administrator.

(b) There shall be in the Agency for Consumer Protection an Administrator and a Deputy Administrator, each of whom shall be appointed by the President with the advice and consent of the Senate, and who shall hold office for a term of fifteen years, except as hereinafter provided in this section. The Deputy Administrator shall perform such duties as may be assigned to him by the Administrator, and during the absence or incapacity of the Administrator, or during a vacancy in that office, shall act as Administrator. The Administrator and the Deputy Administrator shall be compensated at the rates of $42,500 and $40,000, respectively, per annum.

(c) The Administrator shall not be eligible for reappointment. The Administrator or the Deputy Administrator may be removed at any time by joint resolution of Congress after notice and hearing, when, in the judgment of Congress the Administrator or Deputy Administrator has become permanently incapacitated or has been inefficient, or guilty of neglect of duty, or of malfeasance in office, or of any felony or conduct involving moral turpitude, and for no other cause and in no other manner except by impeachment. Any Administrator or Deputy Administrator removed in the manner provided in this section shall be ineligible for reappointment to that office. When an Administrator or Deputy Administrator attains the age of seventy years, he shall be retired from his office. Any Administrator who shall be so retired after serving at least ten years in his office, or who completes his term, shall receive an annuity computed in the same manner as that of the Comptroller General under section 303 of the Budget and Accounting Act, 1921; and his survivors may receive benefits in the same manner as survivors of a Comptroller General receive benefits under section 319 of such Act.

(d) No employee of the Agency for Consumer Protection (other than an expert or consultant employed under section 4(b)(2)) while serving in such position may engage in any other business, vocation, or employment, or have other interests which are inconsistent with his official responsibilities.

Page 28, strike out line 1 and everything that follows through line 9 and renumber the following sections accordingly.

EXTENSIONS OF REMARKS

THE GARBAGE EXPLOSION

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, November 4, 1975

Mr. METCALF. Mr. President, with all due deference to my colleagues from Wisconsin, my secretary, who has been with me since I came to Congress, has called my attention to an essay by the niece of a friend of hers, Martha Jeanne Cristy from New London, Wis.

The other week, Martha Jeanne, who is a serious minded 12 year old, put her dolls to one side, forgot about her roller skates, and put her thoughts on paper about a serious subject. The result is the following which she chose as her speech subject in an elementary school contest.

I commend it to our colleagues as encouraging evidence of the wisdom and concern of many of our young people today in an adult world.

I insert this thoughtful exercise to be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE GARBAGE EXPLOSION

One of the worst problems in our world today is disposing of garbage and trash. Ever since first man threw a bone out of his cave, we have dumped, burned, or buried our trash. But these days we can't dump it into rivers or lakes because it pollutes them. Neither can we bury it because there is not enough room. We can't burn it because that causes air pollution and to put a filter on a smoke stack is too expensive and doesn't take all the particles out of the smoke. In 1920 the average American produced about 2¾ pounds of garbage a day, in 1970 the figure was 5 pounds. By 1980 it will be 8 pounds a day. Most cities including New London, use the sanitary landfill process for disposing of their garbage. To make a sanitary landfill first the people dig a hole or find a natural pit, then tractors and graders crush the refuse so that it will take up less space. Each day they cover up with dirt, that which they have compacted so that rats do not breed there. This will also control the smell. I have visited two sanitary landfill sites in my community that have been completely filled up. One of these has been converted into a useful baseball diamond. Here are three ways to reduce the garbage explosion: One is to crush the trash or squeeze it into a smaller size. At home we have a trash compactor that squeezes a weeks trash into a bag the size of a waste basket. Another way would be to manufacture less disposable items. And a third way is to recycle. To recycle paper trash first they shred it and then reprocess it into new paper. What do we do with throw-away bottles? First we crush them and then use them in paving roads. This is called glasphalt. In Appleton they have an incinerator in which they burn the cities trash. It gets so hot that it even burns up the smoke. There are coils inside the incinerator through which water flows. The water gets hot enough to turn into steam. When in the vapor form the steam is pumped to generators which produce electricity. So our trash can be recycled as fuel to run generators which make electricity, to run our motors and to light our homes. As population increases we will have to use some of the methods I have described for disposing of the millions of tons of garbage we will have. If we do not use some of these methods we may end up being buried in our own garbage.

THE BENEFITS OF FREE ENTERPRISE

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. HAGEDORN. Mr. Speaker, the hostility of many intellectuals to the free enterprise system has long perplexed its supporters, who recognize both its abundant material benefits and its compatibility with the individual freedoms that have been our Nation's heritage. How often has it been that these critics have spoken in one breath of the virtues of democracy, and the need to render Government more responsive to the will of the majority, while in the next breath questioning the citizen's ability to make wise purchases of toothpaste or cosmetics? This phenomenon has been studied at some length by, among others, Nobel Prize winner in Economics Friedrich Von Hayek in his works "Capitalism and the Historians," and his classic "The Road to Serfdom." More recently, much analysis has focused on the mutual dependence of political and economic freedoms. These are not distinct concepts that can be observed in isolation. Rather, freedom of the press and freedom of speech are ultimately very closely connected with freedom in the marketplace. As Prof. Ronald Coase of the University of Chicago has observed, perhaps the receptiveness of the intellectual to first amendment freedoms while at the same time deploring economic freedoms is due simply to the fact that his own marketplace is the first amendment. I would like to share with my colleagues the thoughts of our distinguished colleague from Illinois (Mr. CRANE), on this subject, published in the October 20 issue of NAM Reports:

THE BENEFITS OF FREE ENTERPRISE

(By PHILIP M. CRANE)

For some time, free enterprise has received a bad press. The May 14 issue of the Wall Street Journal reports that a federally funded study of public attitudes toward the U.S. economic system shows that 56 per cent of Americans want more government regulation while only 35 per cent want less. In another poll, George Gallup asked, "Is Big Business Bad?" He discovered that many Americans think it is and that college students in particular believe that the major corporations are greedy, too little concerned with their social responsibilities, and not regulated closely enough.

Those of us who believe in free enterprise and believe that it is, essentially, freedom of choice added to economics, should be concerned about this trend. Free enterprise cannot be destroyed without also destroying the other freedoms upon which our society is based—freedom of speech, of the press, or religion.

Unfortunately, many intellectuals and members of the media have set forth the thesis that freedom can exist within a regimented and nationalized economic system. This has never been the case in any country in the world.

What seems clear is that the hostility to free enterprise which has been so vocal in recent years is based upon a real fear of freedom. In his book, "The Affluent Society," economist John Kenneth Galbraith, one of the leading voices calling for the nationalization of our economic system, argues that the average American is not capable of disposing of his income in a rational manner. Galbraith believes that individual choice has led to spending too much money or luxuries, and too little on things he considers worthwhile. The answer: take the ability to choose away from average citizens.

Only when Americans come to understand that the opponents of free enterprise are interested in eliminating their own ability to make choices will they be in a position to assess their motives and the value of their proposals.

Professor Irving Kristol has put this hostility to capitalism in a proper perspective. Of these critics he writes the following: "This attitude may accurately be called 'elitist'. . . . It is basically suspicious of, and hostile to, the market precisely because the market is so vulgarly democratic—one dollar, one vote. A civilization shaped by market transactions is a civilization responsive to the common appetites, preferences, and aspirations of common people. The 'new class' . . . has little respect for such a commonplace civilization. It wishes to see its 'ideals' more effectual than the market is likely to permit them to be. And so it tries always to supersede economics by politics. . . ."

The reason I believe in our system of free enterprise is not because it enables a small number of men and women to become rich, but because it enables the overwhelming majority of Americans to lead decent and comfortable lives while permitting them to make the important choices for themselves.

Americans clearly have the highest standard of living, more evenly distributed, than people in any nation in the world. At the very moment when the opponents of free enterprise have become increasingly vocal, the living standards in our society have been rising dramatically.

In his important book, "The Real America," Ben J. Wattenberg declares that, "The dominant rhetoric of our time is a rhetoric of failure, guilt, and crisis. The evidence of the data is the evidence of progress, growth and success."

Consider some of the data:

Real family income, after inflation, has doubled in a generation.

Job equities, fringe benefits which are not indicated in pay envelopes, advanced from $23.4 billion in 1960 to $79.7 billion in 1972, and are still growing.

In 1959, according to government statistics, one-fifth of all Americans were living below the poverty line. Now, the total is half that, and is still falling.

Between 1960 and 1970 people on the bottom rung gained 0.6 per cent in their income, while those on the top rung lost 2.2 per cent. In 1952, there were 202,000 households with incomes of $25,000 or more. Twenty years later there were 4,225,000.

Thus, according to Mr. Wattenberg, while the critics of free enterprise have been deploring the sad state of our economic system, we have become "the first massive majority middle class society in history."

It is high time that American business and industry ceased to be apologetic and defensive in its defense of free enterprise.

Free enterprise has benefited us materially and spiritually at the same time. We are both free and affluent, a condition which exists in few other places in the world. This does not mean, of course, that our society is free of problems and difficulties.

Being imperfect, we can hardly hope to create a perfect society. We can hope, however, to maintain a society which permits each man to go as far as his ability will take him. The American society has given that opportunity to millions of men and women of every race, religion and ethnic background.

Our society remains the hope of men and women throughout the world. It is up to us to keep that hope alive.

PSRO: THE PHYSICIAN'S TRIAL BY ORDEAL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Professional Standards Review Organizations were created by amendments to the Social Security Act in 1972, allegedly to control the soaring costs of the medicare and medicaid programs. PSRO's were given the authority to standardize, and thus control the quality of, medical services. To accomplish this standardization, PSRO's are given the power to search confidential medical records and establish comprehensive personal data banks on private citizens and medical practitioners.

In short, PSRO's are a mechanism for controlling the quality and quantity of health care of the American people. While they presently pertain only to Government programs such as medicare and medicaid, they are clearly the kind of system that will be applied to every American citizen under a plan of national health insurance.

Since the Committee on Ways and Means will soon hold hearings on legislation to nationalize health care, it is crucially important for us to consider the ominous implications of PSRO's. Therefore, I call my colleagues' attention to the following article by Gordon F. Lupien, M.D., which appeared in the October 1974 issue of Psychiatric Opinion. Dr. Lupien outlines the genesis of how the PSRO program became law and presents evidence indicating that only the outright repeal of this law can be considered appropriate disposition by Congress:

PSRO: THE PHYSICIAN'S TRIAL BY ORDEAL

(By Gordon F. Lupien, M.D.)

INTRODUCTION

The Professional Standards Review Organization Law (PSRO) stands with the Tonkin Gulf Resolution as a tragic legislative misadventure. If at first glance this appears to be overstatement, consider that few physicians realize the extent to which the PSRO Law, if fully implemented, will affect their relationships with their patients and the economics of their practices. The concept of standardized or generic medical care, although fascinating to administrators in government and third party activity, is potentially the most destructive influence which could be brought to bear on our health system. Incredibly, numbers of physicians whose educational backgrounds should have provided them with better judgment have stepped forward to participate in the creation of a federally ordered, fail-safe payment review system which imposes discipline through conformity. Confidential medical records will be searched for the purpose of establishing a comprehensive personal data bank on private citizens as well as on medical practitioners.

At a time when citizen confidence in government has sunken to an all-time low, physicians are being invited to accept subservience to the federal bureaucracy. Yet one of the most important bases of a secure physician-patient relationship is our independence from extraneous and conflicting influences. We are acknowledged to be responsible ethical leaders in the society. The properly placed trust of a patient in his physician is certain to suffer if we fail to refute PSRO's wanton indictment of our profession. Our tradition of self-reliance in maintaining our proficiency and our freedom from outside administrative control account for our remarkable productivity and the high level of patient satisfaction with our voluntary health system. The submission of our individual and collective reputations and good will to the control of a governmental bureaucracy can only result in the loss of our patients' respect and trust.

The genesis of the PSRO program, the politics of its passage by the U.S. Congress, and the responses of individual practitioners and special interest groups will be discussed. The American Medical Association's role in suggesting and later implementing the PSRO program will be presented. Finally, evidence will be presented to indicate why only outright repeal of the statute or a Supreme Court finding of unconstitutionality can be considered appropriate disposition of the PSRO matter.

PEER REVIEW ORGANIZATIONS AND THE AMERICAN MEDICAL ASSOCIATION

Through a series of carefully calculated maneuvers, since 1970 the administration and the Board of Trustees of the American Medical Association have sought an alliance with the Federal Government to perform "peer review." On July 21, 1970, the AMA legal department introduced a draft of the Medicredit Bill containing the Peer Review Organization section. This bill, known as H.R. 18567 of 1970, proposed that Medical Societies establish a contractual agreement with the Secretary of Health, Education, and Welfare to perform the basic functions of claims review by physicians, and that a system of sanctions be established, including the suspension of a provider-physician from participation in federal health programs. On August 20, 1970, Senator Wallace Bennett of Utah introduced a somewhat modified version of the AMA's bill which he termed the Professional Standards Review Organization proposal. The Bennett Amendment removed control from medical societies, imposed a $5,000 fine for "abuse," and mandated the invasion of confidential medical records without consent to create a federally held data bank.

Despite timorous objection by the American Medical Association to some of the changes introduced by Senator Bennett's staff, the PSRO program was approved by the Senate Finance Committee and ultimately by the full Senate. Following Senate passage, the U.S. House of Representatives, which had not fully considered the PSRO rider, accepted its inclusion in the comprehensive Social Security Amendments of 1972 by a conference committee. This occurred on October 17th, the day before adjournment of Congress and less than a month before the national elections. The Social Security Amendments bill, containing some 222 sections dealing largely with the extension of Medicare benefits to individuals and groups not previously covered, appeared very attractive to Congressmen hastening to return to the campaign trail.

However, lurking in the shadow of that tower of beneficence was Section 249F, which establishes Professional Standards Review Organizations. Ironically overextension of the resources of the now bankrupt Social Security Trust Fund is claimed to justify PSRO. In fact, the indictment, trial, and conviction of the medical profession which culminated in PSRO enactment were conducted without publicity by the Senate Finance Committee, which was looking for somebody to blame for the insolvency of the Social Security system. That distinguished committee has completely without cause held the conscientious and faithful physicians of the United States responsible for its own failure to anticipate and control the cost of the Medicare and Medicaid programs.

THE ABSURD CONCEPT OF "MEDICAL NECESSITY"

The Declaration of Purpose of the PSRO law states that "payment for services will be made only when and to the extent medically necessary." Although appearing to have validity at first glance, the concept of "medical necessity" is merely a seductive deception. In a very large percentage of instances, clear documentation on paper of the need for health services is impossible. Much of the physician's day-to-day decision making is based on intuitive and inferential evidence, which cannot and should not be subjected to armchair criticism. The evaluation and management of emotional illness, as well as much of the symptomatology of somatic disorders, are oriented to the physician's personal understanding of the patient's needs and not to impersonal protocols and third party regulations. As with many of the provisions of the PSRO Law, the introduction of "medical necessity" as a criterion unfortunately only serves to harass and distract the practitioner from his proper responsibility to his patient.

As an interesting exercise in testing the principle, the entire PSRO program could be subjected to the test of "medical necessity." The expenditure of several hundreds of millions of dollars to create a new watchdog bureaucracy hardly seems to be justifiable on the basis of any substantiated necessity. Do the rigorous educational requirements for physicians and our ongoing participation in continuing education not qualify us individually to make judgments of "medical necessity"? Experience in our existing peer review activities indicates that the PSRO program itself is by no means "medically necessary."

PSRO'S INVASION OF PRIVACY

The PSRO legislation was passed at a time prior to the public's awareness of government surveillance activities and the proliferation of federal data banks. According to a recent survey by the Senate Judiciary Subcommittee on Constitutional Rights, published in *U.S. News and World Report*, July 1, 1974, more than 50 federal agencies operate 858 separate data banks containing more than a billion records on individuals. The Department of Health, Education, and Welfare alone is reported to be responsible for 61 data banks with 402 million records relating to recipients of Social Security, Medicare and Welfare payments. Other data banks are maintained by the Department of Commerce, the Treasury Department, the Justice Department, the Veterans Administration, the Pentagon, the Department of Labor, the Civil Service Commission, the Department of Housing and Urban Development and the Department of Transportation.

Since the text of the PSRO Law clearly establishes a linkage with other federal agencies and activities, the impact of the PSRO program on individual privacy—and the force of its actions—must not be underestimated. Section 1160 c. of the PSRO Law gives the statewide PSRO "such authority to enlist the support of any governmental organization having influence or authority over health care practitioners in assuring that each practitioner shall comply with all obligations imposed on him." The exchange of information among an unending series of government agencies indicates that PSRO will become a system wherein physicians are compelled to interrogate their patients for the purpose of developing data bank profiles potentially shared by a diversity of federal, state, and local agencies. For instance, despite Massachusetts' decision not to participate in the F.B.I.'s computerized criminal history file, more than 75 public and private agencies and employers in Massachusetts, having nothing to do with criminal justice, have been receiving reports from the criminal offender files, according to Tom Wicker of the *New York Times* (January 20, 1974).

THE BIRTH OF ADMINISTRATIVE MEDICINE

Various critics of health care in the United States have used the terms "cottage industry" and "non-system" to disparage the diversity and openness of the system in which we participate. Our free market in health care, predicated upon the fundamental right of self-determination by both physicians and patients, has created uniquely responsive and productive individual relationships. Our highly differentiated industry, directly oriented to the needs of individuals, is not readily susceptible to administrative control. From the bureaucratic point of view, what is needed is some sort of "handle" whereby management may be imposed.

PSRO is designed to provide the Federal Government with precisely that administrative "handle." By organizing physicians into regionally defined subunits in which we become answerable to authority, the control of our behavior is enhanced. Since every physician is intended to be subject to the conditioning effect of participating in PSRO activity, presumably we will become more readily coerced into a rigidly organized health care delivery system. The restructuring process will replace individual decisions with those of planners and administrative officers within the managerial elite of government. It is no coincidence that many of the organizations designated to receive federal grants for PSRO implementation are "foundations for medical care."

". . . The PSRO program itself is by no means 'medically necessary'."

These changes in the health care system have given birth to a new class of bureaucrats specializing in administrative medicine. During the early phases, some of these functionaries will of necessity be physicians until the supply of lay managers can be increased to meet the massive new demand. From the point of view of the Office of Professional Standards Review of the Department of Health, Education, and Welfare, initially physician-administrators will perform two important duties. In addition to their advice in defining the standards of care to be imposed, physicians will play a major role in recruiting and organizing their colleagues into the review panels. Neither of these critical responsibilities during the start-up phase could be effectively discharged by the lay managers who will follow. In the creation of federally sponsored regional review organizations, holding vast statutory powers, lies the means to impose total control over every aspect of the delivery of health care.

All signs clearly point to an administratively regulated mass production system for which the Health Maintenance Organization is a prototype. Russell B. Roth, M.D., immediate Past President of the American Medical Association, evidently observing this trend, stated that "the greatest danger facing American medicine is the mounting political effort to convert medicine into a public utility." Dr. Roth further said, "It is potentially very dangerous to turn over medicine to political domination. Such legislation would standardize and stereotype medical care. It would put the cost of medical care above the quality, and the quality would suffer" (*Medical News Report*, July 8, 1974).

GENERIC MEDICAL CARE

The output of our newly restructured health system will be identified as generically equivalent units of medical care. Standardization not only introduces the opportunity for controlling the quality of services, but also for imposing rigid cost control upon the overall system. This incredible misapplication of economic theory to medical care threatens to reduce the quality of service to a barely acceptable minimum in order that the politician's obsession with cost can be satisfied. The individual profiles of patients and physicians will be compared with arbitrarily selected norms, typically the 50th percentile (Section 56 d., pertaining to the lengths of stay) in order to identify deviations. Acceptable levels of utilization and the details of treatment programs will be subject to manipulation by the systems manager.

In effect, the disastrous consequences of collectivization and bureaucratic planning now are being visited upon the health care system.

If the reader of this article has any lingering doubts about the administrative goals of PSRO, he should read the monograph *PSRO: Organization for Regional Peer Review*, by Decker and Bonner, published by Ballinger in 1973. This volume presents the results of a study by Arthur D. Little, Inc., commissioned by the Community Health Service of H.E.W. to develop conceptual models for implementation of the then newly enacted PSRO Law. Figure 1 on page 16, captioned "Schema for Peer Review," presents the overall relationship of the various peer review activities and indicates that licensure, privileges, and program participation are subjected to PSRO control. Fines of up to $5,000 may be imposed to discipline physicians who deviate from the norms of care.

Is this any way to treat physicians? When we are confronted with cries for help from individuals in need, we respond to the best of our abilities, using whatever resources we can command. However, now our judgments and our actions are to be reviewed case by case, not on the suspicion that we are failing to serve our patients well, but for another reason. The following quote from the Decker and Bonner book provides the answer:

"Federal health strategy, in the nineteen seventies, is dominated by two related concerns: (1) the imminence of national health insurance; and (2) the need to prevent inflationary pressures produced by augmented purchasing power, a shortage of medical professionals, and an excess of hospital beds." (page 6) . . . "Given the pressures which now exist for national health insurance, failure of PSRO may well initiate other, less workable, forms of *bureaucratic control over the practice of medicine*." (page 7) (Italics are the author's.)

Alas, when all the ribbons are untied and all the fancy wrapping is removed, we find the true purpose of PSRO.

THE ORGANIZATION GAP

"Full disclosure on PSROs" has been called for by Arthur M. Sackler, M.D., International Publisher of *Medical Tribune*, in his paper's issue of July 17, 1974. Since the ultimate role of PSRO in government's regulation of medical practice has become more evident, Dr. Sackler feels that patients and their physicians have "the right to know what PSRO is all about." The failure of the AMA to provide this "full disclosure" before holding out its hand to take money for participating in PSRO is evidence of a cynical conspiracy of silence. The AMA's preoccupation with its own organizational future apparently has rendered it unable to serve the medical profession and protect our patients.

The inability of the AMA to oppose PSRO effectively is a direct result of the divided loyalties of members of both the House of Delegates and the Board of Trustees. For example, AMA Trustee Robert B. Hunter, M.D., who is Chairman of the Board's Advisory Committee on PSRO, also assists H.E.W. as one of 11 members of the National Professional Standards Review Council. Dr. Hunter and the AMA should have recognized the impossibility of his serving two opposing masters. In addition, a number of the deledates attending an AMA session in Chicago in June, 1974, actively were seeking contracts with the Office of Professional Standards Review at the same time they were guiding AMA policy development. The AMA's decision to join forces with the government in imposing PSRO control was the result of a deliberate and intensive campaign by the trustees and others who were committed to PSRO support well in advance of the June meeting.

By definition, those who participate in the PSRO program have chosen to serve the vested interest of government. The irreconcilable conflict of PSRO with the self-determination of individual practicing physicians must be recognized. Accommodation to the demands of third parties and the government must cease if we are to survive professionally. Alonzo S. Yerby, M.D., M.P.H., Associate Dean of the Harvard School of Public Health, in November of 1972 stated at a seminar attended by the author that "If the PSRO program is fully implemented, the practice of medicine will cease to exist as a profession as each individual becomes an agent of the government working against his colleagues."

While the AMA was moving falteringly to assist the Federal Government in PSRO enforcement, a less well-known organization took decisive action. On June 26, 1973, the Association of American Physicians and Surgeons (AAPS) with three individual plaintiffs filed a civil suit in the Federal Courts of Illinois seeking a declaration that the PSRO Law is unconstitutional and that its implementation should be barred. Two of the physician-plaintiffs, Roy R. Grinker, Sr., M.D., and Edward A. Wolpert, M.D., are distinguished psychiatrists, while the third, George E. Shambaugh, Jr., M.D., is a Professor of Otolaryngology at Northwestern University Medical School, Chicago, Illinois. The suit contends that the PSRO statute authorizes numerous violations of constitutionally guaranteed civil rights. The wholesale invasion of privacy, interference with the practice of medicine by overly broad regulation, and the denial of access to due process of law are among the major impacts of the PSRO Law now being considered by a three-judge federal court panel. All physicians should volunteer financial support of this vital legal action.

"The wholesale invasion of privacy, interference with the practice of medicine by overly broad regulation, and the denial of access to the due process of law are among the major impacts of the PSRO Law . . ."

A second organizational "David," the Council of Medical Staffs (CMS) has joined forces with AAPS to fight the federal "Goliath." On April 2, 1974, CMS filed a brief of *amicus curiae* in support of the AAPS civil complaint against PSRO. The CMS brief presents clearly and understandably the legal basis for the traditional inviolability of physician-patient relationships. The AAPS complaint and the supporting CMS brief provide convincing evidence that PSRO is not "peer review" in any sense and that we must resist its imposition by every available means.

By their action in response to PSRO, the AAPS and CMS have assumed the role of leadership in representing the interests of practicing physicians. In the wake of the AMA's decision to play the PSRO game for profit and power, we need an unswervingly loyal and uncorrupted organization to protect our profession from government control. The Association of American Physicians and Surgeons (AAPS), by filling the organization gap left by the demise of the AMA, has earned our support and our membership.

The announcement by H.E.W. on July 19, 1974, of the awarding of $25 million in PSRO contracts, coupled with the AMA's capitulation, indicate that very difficult times lie ahead for our profession. As a tactic to aid in imposing PSRO control the requirement of membership by a majority of physicians was dropped on March 14, 1974, to permit organizations with "the potential to obtain 25 percent of the practicing physicians in their area" to apply for designation as PSROs.

The minority has been given control over the majority. This is being done with the backing of the full power of the Federal Government.

Clearly, H.E.W. intends to seize control of the mind and actions of the practicing physician by whatever subterfuge the situation requires. Some aspiring physician-administrators appear to have sold themselves outright for federal dollars. Others have been coerced and confused into submission, while the vast majority of physicians have rejected participation in the ethical and moral catastrophe of PSRO. These self-reliant physicians of high principles, endowed with the distinguished characteristics of our honorable profession, inevitably must prevail. As the result of a declaration of unconstitutionality by the United States Supreme Court or as a result of its innate defectiveness, eventually PSRO will fall. But the cost of waiting would be enormously and tragically high. The imposition of a Byzantine tyranny supported by space age techology must be prevented. The physician must avert and not simply survive his trial by ordeal.

PERSONAL EXPLANATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. FORSYTHE. Mr. Speaker, since prior commitments in my district necessitated that I leave Washington on Friday while the House was still in session, I unfortunately missed several votes late in the afternoon. Following my usual policy, I would like to make public for the benefit of my constituents how I would have voted if I had been present:

Rollcall No. 656—H.R. 10024—Depository Institutions: Rousselot amendment striking the title providing home mortgage disclosure requirements for financial institutions.

Yeas—152, Nays—191. If I had been present, I would have voted yea.

Rollcall No. 657—H.R. 10024—Depository Institutions: Brown of California amendment to insert a new Title III that would limit the application of the reporting requirements to financial institutions in 20 selected metropolitan statistical areas.

Yeas—165, Nays—167. If I had been present, I would have voted Yea.

Rollcall No. 658—H.R. 10024—Depository Institutions: Passage of the bill to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to extend the National Commission on Electronic Fund Transfers, and to provide for home mortgage disclosure.

Yeas—177, Nays—147. If I had been present, I would have voted Nay.

This bill represents a piecemeal approach to change rather than the comprehensive reform of banking practices and procedures which seems necessary. The House Banking Committee never held hearings on nationwide NOW accounts. The NOW account experiment underway in two States for 3 years has never been evaluated by Federal regulators. And while the concept of consumers' receiving interest on checking accounts is on the surface appealing, a cost is attached to every service. If the practice of paying interest on checking accounts becomes widespread, therefore, there can be no doubt that the price of installment loans, home mortgages, and other banking services, to the consumer will have to rise. The other major provisions of the bill seem equally far-reaching in their effects on the banking public without sufficient evaluation of those effects. While aware of the need for change, therefore, I still could not vote for this particular piece of legislation.

GASOLINE RETAILERS SPEAK OUT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. FITHIAN. Mr. Speaker, information I have received from gasoline retailers and wholesalers in my district indicates that major oil companies are still pressuring dealers to increase their sales to the public. During the past 10 months we have been debating various proposals to promote gasoline conservation.

Congress, the President, and the American public agree that conservation policies are desperately needed to reduce our dependence upon foreign oil. Even the slick public relations compaigns sponsored by major oil companies suggest that fuel conservation is imperative. But the results of my survey indicate that what the major oil companies are telling the public is quite different from what they are telling their dealers.

At the same time that major brand independents are being pressured into increased sales, information I have received from my constituents indicates that oil companies are playing one type of retail outlet off against another, supplying company owned secondary brands and independent outlets against their own independent affiliates. These high-pressure marketing tactics can only spell serious trouble ahead for independent dealers.

The relationship of the dealer to the major oil company has always been an unequal one at best. The majors control more than half of the crude oil production, more than 60 percent of the petroleum refining capacity, and most of the product transportation nation-wide. The dealers at the other end of the pipeline handle only retail sales with individual dealers controlling only a small fraction of the local market. The majors operate in a lofty market in which cooperation and joint ventures in exploration, production and transportation systems are practiced rather than competition. Dealers operate in an extraordinarily competitive market, competing against dealers of other brands, independents, and representatives of their own corporate suppliers. The political power of major oil companies extends far beyond the halls of Congress and into the Federal bureaucracy where former employees of the majors now supposedly police the industry. Recent studies by the General Accounting Office reveal that 65 high level officials with GS-16 ratings or higher are currently employed by the Federal Energy Administration—the agency which is responsible for administering oil policy in this country. Needless to say, retail dealers have no such powerful lobby in Washington.

For these reasons I believe that small businessmen in the energy industry should be heard when we discuss energy.

For these reasons I believe that it is crucially important to listen to what gasoline retailers and wholesalers have to say about energy policy and their treatment by major oil companies. I am inserting a summary of my recent survey of retail gasoline dealers and wholesalers in my district and a recent editorial by the Lafayette Journal and Courier which summarizes the problems small businessmen in the energy industry are facing today:

GASOLINE DEALER'S QUESTIONNAIRE—FINAL REPORT

Small businessmen in the energy industry have mixed reactions over Administration decontrol proposals and strong opinions on oil company treatment of retail gasoline dealers. These were among the findings of a recent survey by Congressman Floyd Fithian of gasoline station owners, operators, and wholesalers.

The survey, mailed to over 500 gasoline dealers and wholesalers in Indiana's Second Congressional District in early October, included questions on Administration oil decontrol proposals, petroleum product allocation, the impact of pollution control equipment, auto repairs and gasoline savings adjustments performed by service stations, oil company treatment of station operators, and Dealer Day in Court legislation currently pending in both houses of Congress. Sixty-three area businessmen responded to the questionnaire.

More than sixty percent of those responding to the survey were indedependent owners of stations carrying major oil company brands. An additional 14 percent owned and operated independent non-branded stations while 24% operated stations owned by major oil companies.

OIL DECONTROL

Slightly more than half of those surveyed (57%) favored the Administration's decontrol proposals. Strongest support for decontrol came from representatives of major oil company owned stations, with 64% supporting the Administration's policies. Least support for Administration policies came from independent owned stations carrying major oil company brands.

ALLOCATIONS

Opinions on petroleum product allocations, established during the 1973 oil embargo and administered by the Federal energy Administration, were also mixed. While dealers were evenly split on the fairness of the present system, which allocates fuel on the basis of 1972 sales, they favored continuation of some type of petroleum allocation system by a margin of 2 to 1. Of those supporting continued petroleum allocation, more than half favored continuing the present system. Yet a slim majority felt that the allocation system had failed to prevent unfair distribution of gasoline, oil, and other petroleum products.

Several dealers had comments on oil allocation policy. James Saunders of Plymouth, Indiana had this to say about petroleum allocation. ". . . allocation would be fine, but only if production is cut. So long as over-supplies exist, prices will be cut to some distributors and gas will be dumped."

Donald Brown, president of a small independent oil distributorship in North Manchester, Indiana, said, "Our biggest problem at the present time is price. We have a competitor down the highway from us selling gasoline from a service station for less than our tank wagon price."

R. M. Muinzer, a retail dealer from Lafayette, Indiana, had this to say: "I sell a major brand of gasoline. Regular gas sells at 62.9 (cents per gallon). Independents sell regular at 54.9 to 57.9 (cents per gallon). I cannot compete with this price differential."

AUTO EMISSION CONTROLS

Service Station operators also report that auto emission control devices, which must be serviced by automobile company authorized shops to maintain new car warranties, have cut into their repair business. 25% of those stations surveyed still performing auto repairs indicated that repair work on new cars has dropped since catalytic converters became required equipment in 1973. More than half of the stations reporting loss of new car repair work indicated that substantial losses had occurred.

TUNE-UPS AND GAS SAVING ADJUSTMENTS

Gasoline saving adjustments and repairs such as tune-ups, alignments, and carburetor adjustments performed for Hoosier motorists by service stations have increased at some stations but decreased at others. Roughly one quarter of those stations surveyed still performing repair work reported increases in gas-saving service work while an equal number reported losses.

MAJOR OIL COMPANY SALES PRACTICES

A significant majority of those surveyed, more than 62%, reported that they had been urged to increase sales of gasoline and oil products. Pressures to increase sales were most frequent among major oil company owned stations where 14 out of 17 operators reported being urged to increase sales. 23 out of 38 independent dealers carrying major oil company brands reported similar pressure. Only one out of seven independent, non-branded dealers reported having experienced pressure from suppliers.

According to survey results the most commonly used techniques being urged by suppliers are extended hours and lower prices. Other methods being urged included gifts to customers, prizes and raffles, installation of car-wash equipment and self-service pumps.

R. M. Muinzer, operator of a company owned station in Lafayette, reported that, "The company would like for us to sell more of their gasoline that they have coming out of their ears by cutting our margin of profit or by self-service. Self-service would cost dealers $1,500 per pump island. In other words, the company wants to keep all of their high profits and would like for us to take a cut in profits. . ."

A significant number of those reporting pressure to increase sales also reported that sanctions were mentioned or suggested if sales were not increased. The most commonly mentioned sanctions were loss of leases, and reductions in service from the present company.

Roughly half of those reporting pressures from suppliers to increase sales also reported that incentives, such as gifts, trips, and vacations as well as cash rewards had been offered if sales were increased.

"DEALER DAY IN COURT" LEGISLATION

By a five to one margin gasoline station owners and operators supported "Dealer Day in Court" legislation now pending in both houses of Congress. The bill would prohibit petroleum refiners or distributors from canceling or failing to renew a franchise if all reasonable and essential requirements of the franchise have been met by the dealer. It would require written notification along with the reasons for termination at least 90 days before the franchise is canceled or renewal rejected. It would also permit dealers to file suit against parent companies if the requirements of the law are not met.

Big Squeeze

A well-known local service station operator announced last week that the price-cost squeeze had forced him to decide to give up his two stations—one in West Lafayette and the other near Lafayette.

It came as a shock, for he was regarded as one of the most successful in the community. But the squeeze does not discriminate, pinching every size of gasoline retailing operation with higher costs and smaller profit margins. In fact the larger businesses might be hardest hit because of volume and staff size, while small and family operations might be able to hang on longer.

The closing announcement pointed up the crack in which brand name gasoline retailers find themselves, principally because of two-level operations of their brand-name suppliers. Most major gasoline brand name producers supply their regular dealers at relatively high, fixed prices, while dumping temporary surpluses at lower prices to discount marketers' stations. The brand name retailer is at extreme disadvantage to try to meet the discounter's price and loses business to him because of higher operating cost involved with service, and the highr prices that must be paid for brand name gasoline and supplies.

The insult on injury is to be hit this way, in some cases, with the gasoline your own brand name producer sold cheaper to the discounter. The catch is supposed to be that the discounter is left high and dry when there are no surpluses, while the brand name stations presumably will continue to receive supplies. But even this has not worked out very much to brand name service station operators' advantage. They found their gasoline almost as short as the discounters' during the last big shortages.

Some Indiana brand name service station operators have testified that they suspect the supplier companies mean to squeeze them out and take over the retailing directly, themselves. While drawing denials that attribute their problems to a 20 per cent cut in gasoline consumption in Indiana, these dealers say they haven't been convinced differently.

Brand name dealers foresee company-owned, company-operated, low-overhead, low- or no-service stations, probably self-serve, replacing them and soon monopolizing gasoline retailing. They predict that if and when this occurs, supplies to discounters will dry up, leaving the company stations and prices without competition.

Maybe this won't happen. But the extending sprawl of oil companies into "vertical integration," meaning that they own, operate and control every stage of the business from the wellhead to your gas tank, and into "horizontal integration," in which they try to corner ownership and control of all kinds of energy, has aroused congressional concern and attracted anti-trust initiatives by the Federal Trade Commission.

Legislation failed last week that would have broken up vertically and horizontally integrated oil companies and discouraged or prevented others from going into them. It promises to return next session. Break-up may not be the answer; the Standard Oil anti-trust case of many years ago spawned the present situation. But from symptoms we can even seen from here, something is needed, and it is a proper subject for the next session of Congress.

AIR POLLUTION STUDY RESULTS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. WIRTH. Mr. Speaker, one of the most important issues facing this Congress is Federal air pollution legislation. After 8 months of admirable work, the Subcommittee on Health and the Environment on Tuesday reported a comprehensive bill entitled the Clean Air Act Amendments of 1975. The Committee on Interstate and Foreign Commerce, on which I serve, is due to consider the bill this month.

As the amendments to the Clean Air Act go to the full committee, my colleagues may be interested in knowing the results of a survey of public attitudes about air pollution conducted for the Federal Energy Administration. Although the FEA has said that they will publicly release the survey on their own initiative, they have had the results for over 2 months and have not yet done so. I can understand their reluctance, for the survey shows that the public does not agree with the administration's deemphasis of pollution control.

The results of the survey convey some unmistakable messages. First and foremost, the American people are willing to pay the cost necessary to clean up our air. Despite the depressed state of our economy, they are willing to pay higher taxes, to pay more for their cars, to pay more for their electricity, to pay more to insulate their homes.

Further, 94 percent of the people sampled are opposed to letting air that is now clean become degraded. And the people are willing to make changes in life styles and habits to help control air pollution.

Opinion Research Corp., of Princeton, N.J., the company that conducted the survey for FEA, has granted me permission to include the results in the Record:

1. Compared to other parts of the country, how serious do you think air pollution is in the town where you live—would you say it is very serious, fairly serious, not too serious, or not serious at all?

15% very serious.
22% fairly serious.
36% not too serious.
26% not serious at all.
1% no opinion.

2. What types of problems are caused by air pollution?

60% health.
17% aesthetic.

3. Have you or anyone in your family suffered any illness during the past year due to air pollution?

11% yes.
88% no.
1% I don't know.

[Questions 4 through 7 pertained to the details of the illnesses suffered due to air pollution. I have not included them because I did not find the answers to be informative.]

8. How willing would you be to pay $200 per year more to make a small reduction in the amount of illness caused by air pollution in this country?

10% very willing.
26% fairly willing.
20% not too willing.
35% not willing at all.
9% don't know.

9. What do you think are the most important causes of air pollution?

52% factories/plants.
55% auto/bus/truck exhaust.
3% garbage dumps.
14% other.
11% don't know.

10. Compared with five years ago, would you say that air pollution in your town has increased, decreased, or remained about the same?

45% increased.
8% decreased.
43% remained about the same.
4% don't know.

11. Thinking of the next five years, do you think air pollution in your town will increase, decrease, or remain about the same?

42% increase.
11% decrease.
40% remain about the same.
7% don't know.

12. How much do you think exhaust from automobiles contributes to air pollution—a great deal, a fair amount, or very little?

42% a great deal.
38% a fair amount.
15% very little.
5% don't know.

13. Do you think that air pollution controls on cars have reduced total air pollution a great deal, a fair amount, a little, or not at all?

7% a great deal.
23% a fair amount.
42% a little.
17% not at all.
11% don't know.

14. America's cheapest energy source is coal, but burning coal to make electricity causes air pollution. At this time, do you think it is more important to have strict air pollution control laws or to allow coal to be used to make cheap electricity?

33% strict air pollution laws.
40% coal for cheaper electricity.
8% other.
19% don't know.

15. To pay for cleaning up the environment, companies will have to charge more for their products and services, and the government will have to increase taxes. Do you think that now it is more important to pay higher prices to protect the environment, or to pay lower prices but have more air pollution?

59% pay higher prices to protect the environment.
17% pay lower prices but have pollution.
8% other.
16% don't know.

16. Has your attitude toward the necessity for clean air changed since the energy crisis occurred last year?

24% yes.
76% no.

[Question 17 was asked only of those who answered "yes" to question 16.]

17. How has your attitude changed?

11% increased concern.
Scattered other.

18. Do you think that areas that now have clean air should be kept as clean as they are now, or allowed to get somewhat more polluted?

94% should be kept as clean as they are now.
2% allowed to get somewhat more polluted.
2% other.
2% don't know.

19. Do you think that power plants and oil refineries cause air pollution?

76% yes.

10% no.

14% don't know.

[Question 20 was asked only of those who answered "yes" to question 19.]

20. Overall, do you think oil refineries and power plants should be built in areas that already have air pollution, or should they be built in areas that do not have air pollution now?

33% in areas that are polluted.

14% in areas that are not polluted.

2% both.

8% build refineries and plants that do not pollute [volunteered response].

9% other.

9% don't know.

21. Do you favor or oppose a government law that would prohibit construction of new industries (steel mills, power plants, etc.) in parts of the country that now have clean air?

44% favor.

41% oppose.

NA other.

NA don't know.

[Questions 22 and 23 were asked only of those who answered "favor" to question 21.]

22. Would you still feel this way if building these plants elsewhere caused an increase in prices of products to the consumer?

28% yes.

7% no.

5% don't know.

23. Would you still feel this way if building factories and plants in areas that already have polluted air caused those areas to become even more seriously polluted?

14% yes.

19% no.

8% don't know.

24. Would you favor or oppose construction of new industries in your state, such as steel mills and power plants, if those new plants caused more air pollution?

32% favor.

52% oppose.

4% other.

12% don't know.

[Question 25 was asked only of those who answered "oppose" to question 24.]

25. Would you still feel this way if not building these plants caused unemployment and power shortages?

21% yes.

21% no.

10% don't know.

26. Which would you prefer—building new plants in areas with clean air, building them in areas with dirty air, or paying more in electric bills so that the plants do not pollute very much?

14% build in clean air.

11% build in dirty air.

50% pay money so plants do not pollute.

6% other.

19% don't know.

[Question 27 was asked only of those who answered "build in dirty areas" to question 26.]

27. Would you still feel this way if these plants built in dirty areas caused more illness due to air pollution?

3% yes.

7% no.

2% don't know.

28. How willing are you to pay $10 per year more in taxes to have the government help the auto industry to produce a car that would cause less air pollution and save you $120 per year in gasoline costs—very willing, fairly willing, not too willing, not willing at all?

46% very willing.

24% fairly willing.

7% not too willing.

19% not willing at all.

4% don't know.

29. It is estimated that it will cost about $250 per car in the next five years to further reduce air pollution caused by automobiles. Do you think it is better to permit present levels of air pollution from cars, or to charge $250 per car to clean the air by another 10%?

24% allow present levels of air pollution from cars.

48% pay $250 to lower 10%.

6% other.

22% don't know.

30. Devices that decrease air pollution from automobiles use more fuel. Do you think it is better to reduce automobile air pollution by 10% even if more gas is used, or is it better to save the gas?

34% reduce air pollution.

46% save gas.

6% other.

14% don't know.

31. Would you be willing to pay $50 more per year for automobile gasoline in order to cut down automobile air pollution?

52 % yes.

38% no.

10% don't know.

32. Would you be willing to pay an additional $30 per year on your electric bill in order to cut down air pollution caused by power plants?

58% yes.

38% no.

7% don't know.

33. To lower air pollution, which would you prefer:

a. Joining a car pool or a van pool to go to work; or paying $50 more per year for gasoline?

63% join car pool/van pool.

17% pay $50 more per year.

9% do not work.

4% other.

7% don't know.

b. Turning off electricity for 5 hours a day; or paying $30 more for electricity?

47% turn off electricity.

44% paying $30 a year more for electricity.

5% other.

4% don't know.

c. Prohibiting use of cars to go to work during times of serious air pollution; or paying $250 more for a better air pollution device on your car?

22% prohibit use of cars.

44% $250 for better air pollution device.

9% other.

24% don't know.

d. Paying $300 for additional insulation in your home; or paying $70 a year more for electricity and fuel?

67% paying $300 for insulation.

14% paying $70 a year more for electricity and fuel.

7% other.

12% don't know.

e. Turning down the thermostat to 65° in winter; or paying $70 more per year in electricity and fuel costs?

73% turn down thermostat.

19% pay $70 more per year.

3% other.

5% don't know.

Mr. Speaker, the above survey and results are copyrighted by Opinion Research Corporation. The attached letter from Mr. Irwin Miller, president of Opinion Research Corporation, is a grant of permission for the material to be reprinted in the CONGRESSIONAL RECORD.

OPINION RESEARCH CORPORATION,
Princeton, N.J., Oct. 27, 1975.

Congressman TIMOTHY E. WIRTH,
U.S. House of Representatives,
Washington, D.C.
Attn: Steven Saunders

DEAR CONGRESSMAN WIRTH: Reference our telephone conversation of Friday with Mr. Saunders, this letter will confirm that you have our permission to reprint in the CONGRESSIONAL RECORD the results of our study on air pollution conducted for the Federal Energy Administration.

Sincerely,

IRWIN MILLER.

CONGRESS MUST ACT ON NEW YORK CITY CRISIS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. PEYSER. Mr. Speaker, the editorial which appeared Friday in the New York Daily News make a number of significant points that Members must consider regarding the New York City fiscal crisis. I believe these points are worth reviewing at this time.

First, the Congress must decide the route that New York City will take. Either it must change the bankruptcy laws as the President suggests or it must provide Federal loan guarantees. It cannot simply do nothing. As the Daily News suggests, there is no doubt in my mind that the loan guarantees are the route to be taken. The guarantees, with strict Federal supervision over the city fiscal affairs, will cost the taxpayers nothing and will allow New York City to restructure its financial affairs without wreaking economic havoc nationally. On the other hand, the bankruptcy route is fraught with uncertainty and at best will cost the Federal Treasury hundreds of millions of dollars in aid to maintain essential services. Moreover, as the News indicates, there almost certainly will be a legal battle over the constitutionality of the new law, so that although the measure would be needed to be implemented immediately, it will be months before it is certain that the plan will be upheld as constitutional.

Second, a very human issue has been seemingly overlooked during this debate. The News points out that there are over 150,000 individuals, many of them with limited means, who are holding New York City bonds. These individuals truly face financial ruin if the city defaults. Moreover, the impact of default upon them will be viewed by small investors across the country, who will no longer choose these securities for investment. There is no relief provided for these individuals, such as the FDIC, and there is really no recourse for them against the issuers of the bonds, as perhaps there might be if the issuer were a private concern subject to SEC regulation. Thus, these individuals must bear the real brunt of the default for having invested their money to help New York City.

These are the basic points that Members must consider next week when the legislation is on the House floor. Frankly, I believe very strongly that the Congress must approve loan guarantee legislation and reject the President's proposal. At stake is not merely the financial future of New York City, but the economic stability of the Nation.

A copy of the editorial is attached:

[From the Daily News, Oct. 31, 1975]

We're Still Fighting

Gov. Hugh Carey, city officials and an imposing cross-section of New York's business community are determined to press the fight for a reasonable federal aid program for the city, despite President Ford's announced determination to pull the plug on us.

The battleground will be Capitol Hill. The issue: Whether Mr. Ford's glib bankruptcy scheme or one of the loan-guarantee plans now pending in Congress is the best means of resolving the city's fiscal crisis.

If the lawmakers will view the question with clear eyes and open minds, we believe that they cannot fail to see the advantages of pursuing the latter course.

To do so, it is essential that they first rid themselves of the notion—so carefully cultivated and promoted by the President—that New York City wants a "bail-out."

That is not, and never has been, the case. The city is asking Washington to provide temporary assurances to the holders of municipal obligations that they will be paid when their money is due.

It needs that support while it overcomes—through its own cost-cutting, program-reducing and management-reform efforts—the effects of a decade of financial irresponsibility.

Basically, the loan-guarantee proposal is a means of letting New York solve its own problems, correct its own mistakes, restore its fiscal integrity and retain control of its own destiny. It would require very painful sacrifices by the people of New York City, but would not cost the taxpayers of the U.S. a penny.

This is a clear-cut, practical proposition, free of—the vagaries and perils—of Mr. Ford's Chapter XVI solution, which could open the most monumental legal can of worms in American history.

The President made it sound so simple and easy. Flatbroke New York City would merely petition a federal judge to declare it insolvent, and tell its creditors to wait for their dough. Meanwhile, a court-appointed receiver would see that "essential services" are continued and, if the city lacks the money to pay for them, it can obtain permission to issue "debt certificates" to raise it.

Mr. Ford made only the feeblest attempt to define what he meant by "essential services." Nor did he attempt to explain how a batch of court-approved credit paper could be marketed by an already-bankrupt city.

Unsecured notes would almost certainly be unsaleable without the kind of federal guarantee that the President is so determined to withhold from outstanding municipal debt instruments.

And if money could not be raised from that source, there would be little choice except for Washington to advance the cash to fill the gap.

The White House proposal—assuming that it is constitutionally feasible—would bring about exactly those consequences that Mr. Ford professes to dread so much—federal intervention in local affairs, making the city chronically dependent on Washington, and creating a constant drain on the federal Treasury.

The members of Congress owe it to themselves and their constituents to examine these fine points of law and fiscal management, all of which the President glossed over in his presentation. They should also question his—casual assertion—that banks and wealthy institutional investors would be the chief victims of default.

For their information—and his—there are 150,000 individuals, many of limited means, who put their hard-earned money into those supposedly gilt-edged bonds to provide funds for retirement, education of their children and so on.

There is no Federal Reserve "discount window" for these little investors, as there is for the banks. It is they who would be hurt the most by Mr. Ford's bankruptcy "out."

Their plight is one more reason—a very human one—for Congress to adopt a loan-guarantee program for New York City rather than accept the punitive, heartless—and probably very expensive—alternative offered by the President.

POSTPONEMENT OF OVERSIGHT HEARINGS ON INDIVIDUAL RETIREMENT ACCOUNTS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. VANIK. Mr. Speaker, on September 17, Congressman J. J. PICKLE, a member of the Ways and Means Oversight Subcommittee, requested that the subcommittee hold hearings on consumer problems in the sale of individual retirement accounts—IRA's—and the failure of the Internal Revenue Service to issue regulations providing for full disclosure. Specifically, the Pension Reform Act conference report stated that, "in accordance with regulations to be prescribed by the Secretary of Treasury or its delegate, there is to be disclosure of such matters as load factors for insurance contracts and earnings factors for individual retirement accounts. These required disclosures are to be made in layman's language, and civil penalties are imposed under the substitute for failure to adequately disclose."

To date, the Internal Revenue Service has failed to issue these regulations, and as a result of Congressman PICKLE's concerns, the subcommittee scheduled a hearing for this Friday, November 7, with IRS officials and consumer experts in the IRA field.

I have just been informed that the IRS regulations are in the process of being issued this week. Our colleague, Congressman PICKLE, deserves great credit for helping to resolve the issue.

The subcommittee's Friday hearing is, therefore, postponed indefinitely in order to give interested parties time to study the new disclosure regulations.

Congressman PICKLE also requested through the Oversight Subcommittee a survey report from the Library of Congress on Individual Retirement Accounts. The Library has completed a preliminary report which outlines many of the factors involved in individual retirement accounts. However, the subcommittee has asked the Library to expand its preliminary work into a more detailed comparison of the advantages and disadvantages of the various types of IRA's available as well as a more detailed accounting of the significance of varying administration costs in certain types of IRA's. The subcommittee is also asking the Library to comment on the regulations that should appear later this week.

The subcommittee regrets the inconvenience the delay of hearings has caused to witnesses who have gone to a great deal of trouble to prepare their materials and may have made travel and other arrangements in order to present their testmony. Because of the timing of the regulations' release, the subcommittee has no choice but to postpone the hearings as all concerned would have had only a few hours to look over the regulations before hearings were scheduled to begin.

I hope that those who were prepared to participate in the hearings will let the subcommittee have the benefit of their comments on the regulations when they do appear.

FOOD STAMP PROGRAM NEEDS REFORM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ARCHER. Mr. Speaker, one of our biggest needs today is to bring meaningful reform to the food stamp program. This program, originally designed to help those in need, has greatly expanded until there are middle- and high-income people receiving benefits.

I have cosponsored the National Food Stamp Reform Act which would provide assistance to the truly needy, eliminate those who do not need the assistance, and would save the taxpayers about $2 billion. I also joined as a cosponsor of the President's proposal which does contain many of the items which I believe are essential to any reform bill and which would save about $1.2 billion. The President's recommendation are a step in the right direction. It is essential that we take action to correct the abuses in the food stamp program.

I would like to bring to the attention of my colleagues two interesting articles on the need for reform in this program: a column by Allan C. Brownfeld entitled "Reform Food Stamp Program," and the editorial from the Chicago Tribune—October 24, 1975—entitled "Enact Some Food Stamp Bill!"

The article follows:

Reform Food Stamp Plan

(By Allan C. Brownfeld)

The number of Americans who live on the earnings of others has been increasing for a number of years.

It is interesting to note that the great jump in government welfare programs has come not with an increasing need for such programs but, quite to the contrary, has accompanied our mounting prosperity.

Between 1952 and 1972, when the Gross National Product in constant dollars expanded by 100 per cent, and when per capita income in constant dollars increased 70 per cent, government spending for domestic social programs took a giant jump—from $12 billion in 1952 to $131 billion in 1972 and to an estimated $167 billion in fiscal year 1975.

Roger Freeman expresses the view that, "We might assume that with incomes rising and the extent of poverty shrinking the need for government intervention on behalf of the poor or low-to-middle-income population might gradually decline. . . As prosperity grew so did the demands on government and the action of politicians to meet them, with leaps forward during periods of actual or claimed economic stagnation or decline. There is always a recession for those who produce little or nothing."

The Food Stamp program is one welfare program which has grown beyond all reason and is now being abused by thousands of men and women for whom it was clearly not meant—such as students from wealthy families at our colleges and universities, employed union members who are striking, the list is endless.

In the last 10 years, the number of people receiving food stamps has multiplied nearly 50-fold from an average of 424,000 in 1965 to nearly 19 million this year. The cost in federal money alone has soared even faster, from about $85 million to $4.9 billion, and this year's cost is expected to be about $6.6 billion. The states, in addition, pay another $250 or $300 million in administrative costs.

When the Food Stamp program was first initiated—to help only the poor—it involved 117 federal employees and a total cost of $31 million. Today it requires 2,000 federal employes and takes more than two-thirds of the entire budget of the Department of Agriculture.

According to the Republican Study Committee, in July of 1974, over half (57 per cent) of those eligible for food stamps had incomes above the poverty line.

One example of the kind of abuses with which we are faced occurred recently in St. Louis. Twelve thousand members of the International Association of Machinists and Aerospace Workers walked off their job at the McDonnell Douglas plant. They earn $7.43 per hour and are demanding more. During their walkout they cannot qualify for unemployment compensation, but they are eligible immediately for food stamps. "If it weren't for the stamps," a union official explained, "we might not be able to sustain the strike. They give us a nice cushion at a time like this."

Deputy U.S. Commissioner of Welfare Carl Williams stated that, "We're giving away food stamps like crazy. There are virtually no controls. The taxpayers ought to be up in arms."

Senator James L. Buckley (R-N.Y.) and Rep. Bob Michel (R-Illinois) have introduced a comprehensive food stamp reform bill that would save the taxpayers at least $2 billion annually and, at the same time, increase benefits to the genuinely needy recipients by 29 per cent. The bill is designed to plug the loopholes in the present law so that only the needy will receive assistance which was clearly meant only for the needy.

[From the Chicago Tribune, Oct. 24, 1975]

ENACT SOME FOOD STAMP BILL!

Congress has before it at least four proposals to change the format of the Agriculture Department's food stamp program, "change" being a code word for "reform." Congress should make reforms in the program, not to deprive those in real need of food, but to eliminate the abuses that have caused much criticism, including ours.

The prospects for reform are good. There is fairly broad bipartisan agreement that something should be done. We only hope Congress doesn't get so bogged down in an argument over specifics that it passes up a chance to act.

The food stamp program, which began as a modest $14 million experiment in 1961, has grown into another multibillion-dollar federal institution. Nearly 19 million Americans participate in the program, and that's fewer than earlier this year when the recession was at its peak. The cost is nearly $6 billion a year, and the program is serving only about half of those who are eligible.

The objection to the food stamp program is not that it provides nutrition to those who otherwise would go hungry, but that it subsidizes people better off than many taxpayers without food stamps. Treasury Secretary William E. Simon has called the program a "haven for chiselers and ripoff artists." Nearly everyone agrees that there have been enough questionable practices so that administration of food stamps should be tightened.

Questioned practices include: letting families with incomes as much as $16,000 or more qualify for stamps; issuing stamps to such "voluntarily poor" groups as strikers and students with well-to-do parents; tolerating trading in food stamps, instead of requiring that only those to whom they are issued can cash them. Ironing out such wrinkles would both rehabilitate the food stamp program with taxpayers and eliminate waste the government can ill afford at this time.

Debate about what the income ceiling should be and about who should be cut from the food stamp program is already at a high volume. President Ford supports a proposal similar to that supported by Sen. James L. Buckley [R., N.Y.] and Rep. Robert W. Michel [R., Ill.]. A competing proposal sponsored by Sen. George McGovern [D., S.D.] and Sen. Robert Dole [R., Kan.] would set the ceiling somewhat higher. Another bill is sponsored by Sen. Lawton Chiles [D., Fla.].

Congress should not get so tied up among competing bills and different claimants to credit for reforming the food stamp program that it fails to act at all. Out of the scrimmage new legislation should emerge, for the sake of both the taxpayers without food stamps and the needy people for whom the program was originally intended—the only ones properly entitled to the food stamp subsidy.

THE EXPLOSION IN NEW YORK CITY SPENDING

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. GRASSLEY. Mr. Speaker, those Members of this body who would require all American taxpayers to underwrite the fiscal irresponsibility of New York City, are attempting to belittle the claims that no one is responsible for the city's problems but the city. That is clearly not the case. The problems of New York City's government were directly and knowingly created by the politicians of that municipality. They are guilty of total reckless abandon in the manner in which they grossly increased city spending year after year without taking the honest step of increasing taxes to pay for this lavishness. I submit for the other Members' consideration the following table which shows the details of the manner in which the city's expenditures have tripled in the last 10 years:

Year	Total expenditures (millions)	Increase in expenditures over previous years in dollars (millions)	Increase percentage
1974	$12,581	$1,045	9.1
1973	11,536	824	7.7
1972	10,712	1,180	12.4
1971	9,532	1,623	20.5
1970	7,909	873	12.4
1969	7,036	1,005	16.7
1968	6,031	889	17.3
1967	5,142	577	12.7
1966	4,547	353	8.4
1965	4,194	227	5.7

LUIS TIANT, MILTON'S MAN OF THE YEAR

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, it is with a great deal of pride that I inform the Members of the U.S. Congress of one of the happiest days in the history of my hometown, Milton, Mass. Luis Tiant, Jr., the great immortal baseball player and pitching star of the Boston Red Sox, was honored Sunday afternoon by the townspeople of Milton in one of the most heartwarming events in the community. People young and old alike turned out by the thousands to show their affection for a man who has captured the hearts of all sports lovers throughout the world of sport. Yes, it was Luis Tiant, Jr., day in Milton and he is recognized as "Milton's Man of the Year." As the Congressman of the district where the great Luis dwells, I too take pride in this great man who has been an inspiration to the young and old alike. Luis Tiant is a good family man, a good father. Luis Tiant demonstrated his great ties to his family by having his father—a great ball player in his own right—travel to Boston to witness the closing games of the division and also the World Series games. No man in recent sports history has done more to renew our faith in the important things in life that Luis Tiant. He is a great human being blessed with a great talent and a courageous heart. Yes, let us pause for a moment today and express our gratitude to Luis Tiant, Jr. for his tremendous accomplishments. Unexpected congressional business prevented me from attending this special celebration, but I did not want to let the occasion pass without making a special note in the RECORD. I would also like to call to my colleagues' attention an article which appeared in the Boston Globe describing the festivities and a telegram I sent expressing my sentiments for the "Man of the Year":

TO ALL MY MILTON FRIENDS: I am very sorry that I am unable to join with you today. Unexpected Congressional duties required my presence in the Nation's Capital this weekend.

Two weeks ago, during the greatest World Series of all time, I joined with the millions of Boston Red Sox fans throughout this country in shouting that now famous first name, "Looee!, Looee!"

And while Cincinnati fans still wondered what we were shouting, the great Luis wound up and threw his stuff past one Cincinnati slugger after another.

Today, November 2 has been proclaimed Luis Tiant Day in Milton. We the citizens of Milton are especially pleased and honored to have the Tiant Family as our neighbors. We hope the Tiants will spend many more years with the Red Sox and in Milton.

Tomorrow, I am introducing into the Record of the United States Congress a statement regarding Luis Tiant Day. We of Milton want all Americans, now and in the future, to know of our special resident, Luis Tiant.

Sincerely,

JAMES A. BURKE,
Member of Congress.

[From the Boston Globe, Nov. 3, 1975]

MILTON TOUCHES ALL BASES FOR LOOO-EEE

(By Joe Pilati)

Milton went wild yesterday over an authentic hometown hero—the incomparable, unconquerable pitching star of the Boston Red Sox, El Tiante.

Bands, banners, cheerleaders and people craning their necks and chanting "Looooo-eeee!" until they were hoarse were the order of the day as a sleek 1919 White Mountain touring bus bore Luis Tiant Jr. and his family along the 3-mile parade route to Kelly Field next to Milton High School.

Flanked by his father and son—Luis Tiant Sr., one of Cuba's greatest pitchers in his prime and Luis Tiant 3d, whose exploits on the Little League mound at the tender age of 13 have garnered local acclaim—El Tiante was resplendent in a green leisure suit and his newly-acquired "astroturf" hairdo.

"Hey, Looie!" one would-be humorist bellowed, "They won't be calling 'Bald One' on you any more!"

What seemed like the entire population of Tiant's adopted community thronged the parade route, and his widely acclaimed arm got a post-season workout comparable to the 163 pitches he threw at Cincinnati batters in the fourth World Series game as he accommodated hundreds of pint-sized fans seeking autographs.

The antique touring bus, on loan from the Museum of Transportation in Brookline and driven by Michael Shenkman of Jamaica Plain, seldom reached a speed of 10 miles an hour.

The Reedsdale road home of the Paul Daly family easily captured the decorative domicile prize of the day, its green wooden frame festooned with five large banners proclaiming, "Honk if you love Luis" and similar sentiments.

When one spoilsport questioned the accuracy of a sidewalk vendor's fistful of "World Champion Boston Red Sox" flags, he was met with withering sneers and several invitations to go to, among other places, Riverfront Stadium in Cincinnati.

At Kelly Field, Rev. Msgr. Thomas J. Finnegan of St. Elizabeth's Parish, delivered what might be termed a grand-slam homily.

"Heavenly Father," the monsignor intoned, "we beg you to especially bless our favorite righthander . . . Prevent his curveball from hanging, his fastball from rising, and always have the wind at his back when he throws another eephus ball, especially at Fenway Park."

A succession of elected officials showered gifts and mementos on the Tiant family: bouquets of roses, a Paul Revere bowl, a plaque bearing the Great and General Court's expressions of esteem, and finally, home plate—a wry reminder of that memorable moment during El Tiante's first-game shutout when he jogged past the bag, only to realize he'd missed it by inches and would have to retrace his steps to score a run.

It was only at the end of the festivities that Luis Tiant Jr. set down his cigar and addressed the crowd.

"For me," he said, "today is a day as long as I live I will never forget."

A minute or so earlier, a preteen poet named Chip De Geronimo, standing before a microphone that towered at least a foot over him, provided the only appropriate response to El Tiante in the last line of his ode to the '75 Red Sox:

". . . Wait till next year!"

WHAT DOES DEFAULT REALLY MEAN?

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. BADILLO. Mr. Speaker, the following articles from today's New York Times really need no comment. They present three different, but equally important views on what default will mean to New York and the country. I particularly commend Mr. Baker's article, in which he eloquently articulates what the President has forgotten, that New York is made up of individual citizens, of every class and background, who will uniformly bear the horrendous burden of New York's default.

The articles follow:

WHAT WE ARE CHEERING FOR

(By Russell Baker)

A man sat in a New York court the other day and watched a judge set free an assortment of rogues, scoundrels and misdemeanants for lack of evidence. The police who had arrested them failed to show up. The city had fired them to cut expenses.

It was one of the early symptoms of the social breakdown President Ford has prescribed for New York as a means of teaching the city a lesson. Other omens of what is to come are already in evidence.

The state's program for middle- and lower-income housing construction, half of it in the city, is coming to a halt. To cut expenses, of course.

A woman tells of a child coming home from school to report there are now 62 children in her class. It cuts expenses.

A flood-control project is stopped in Queens. Its aim was to end the constant flooding of middle-income homes in a low-lying neighborhood. They will go on being flooded. It cuts expenses.

Firehouses and libraries are being closed. It cuts expenses. Fares for subways and buses, the principal way working people in New York get to the job, have just been raised 43 percent. It cuts expenses by cutting service, since fewer people now use the subways and buses.

None of these early signs of a city running down is catastrophic, of course, but then the bankruptcy which is to instruct New York in the evils of bad money management has not yet befallen.

One suspects that the extensive public support for the President's decision to go ahead with this lesson stems from the notion that the people doomed to absorb it are the infamous welfare chiselers and unemployed immigrants, who are widely presumed to be cunning parasites leeching the public treasury.

There is no other way to explain the general huzzah which greeted Mr. Ford's announcement that sinners—at least the New York variety—must suffer. Americans, being a generous people on the whole, though a bit churlish toward the impoverished, would certainly not exult in the prospect of suffering visited on children and working people.

Yet, as the early city breakdowns indicate, bankruptcy will not be reserved for the outcast classes. Working people are already losing their jobs. The construction industry is losing work. Children are losing education. Home owners are losing services and protection.

With bankruptcy, small investors will lose their savings, which may mean the end of retirement plans, the loss of a child's chance to go to college, perhaps thousands of silent little personal bankruptcies.

As the city contracts, businesses presumably will lose income, and middle-income people presumably will be encouraged to move elsewhere, deepening the downward spiral.

Is this prospect as exhilarating to America beyond the Hudson as the first flush of cheers for President Ford suggests? Surely not. Americans have poured hundreds of billions of dollars into altruistic adventures on both sides of the globe for the uplift of troubled aliens, many of them hopelessly poor, ignorant, shiftless, and, in Vietnam, resentful.

It is unlikely that a people so generous prefer to turn their back upon their own. And yet, President Ford's decision to sink New York appears to be as popular as any act he has committed since blasting the bejeebers out of the Cambodian Navy last summer.

It is usually easy for a President to bring out the worst in his people by playing to their delusions. By not explaining who in New York would have to endure the suffering he prescribed, this is what Mr. Ford has done.

He played with the public distaste for welfare chiselers, smooth bankers and devious politicians by suggesting that they were the ones who would pay in anguish for the bankruptcy. Not a word to the country that the agony would be borne equally by working people, children, small businessmen and middle-income householders.

It was an act of demagoguery by omission, hard to match with the President's celebrated reputation for openness, candor and decency Instead of offering candor, he fed regional prejudicies on red meat and, playing to the worst in his people, got them to applaud for the slow destruction of people like themselves. Not one of the Presidency's nobler days.

THE TRAUMA OF DEFAULT: A WAVE EFFECT BEYOND THE HUDSON

(By Charles W. Bailey)

MINNEAPOLIS.—A number of people, many of whom should know better, seem intent these days on rearranging the map of this country. Their purpose appears to be to convince us that New York City is not really a part of the United States—and that what happens there is of little or no concern to the rest of us.

We can begin by conceding a number of things that tend to make this thesis attractive. New Yorkers are not the most lovable people in the Republic. They are aggressive and cynical, they tend to suffer from delusions of superiority, and they talk with a funny accent. The city's government is notably inefficient, profligate and corrupt. The air is foul. The streets are choked with traffic, paved with refuse and riddled with chuckholes. The residents have only themselves to blame for many of their current municipal woes.

But to concede all that and more does not mean that the rest of us either can or should let Fun City stew in its own juice, President Ford and assorted Congressional yahoos notwithstanding. There are several reasons—some purely a matter of enlightened self-interest, some compelling even if they do not carry a price tag—why New York's troubles are our troubles, too.

The fiscal collapse of the nation's largest city would inevitably affect every taxpayer in every other city. There is evidence that New York's money troubles have already boosted the current and future costs of public financing elsewhere by upward of $3 billion, because of higher interest rates on city and state bonds. If the big city goes bust, this will get worse, and of course higher bond interest is paid by higher taxes.

New York's troubles may be larger than those of other American core cities, but they differ only in degree. Even a cursory review of New York's current difficulties makes it clear that Minneapolis, for example, has many of the same problems—though on a much smaller scale at the moment. New York's success or failure in dealing with them now will tell us a good deal about whether, and how, we can deal with them later.

Like it or not—and many of us do not like it a bit—New York is the financial, cultural and communications linchpin of the country. It is also immensely important to transportation, foreign trade, retailing, and other enterprises. A nation struggling to pull itself out of a severe recession can ill-afford to let so important a segment of its economy collapse into insolvency.

NEW YORK'S TROUBLES ARE OUR TROUBLES, TOO

Certainly New York must clean its own fiscal house thoroughly if it is to expect substantial Federal help. It will have to stop borrowing for current expenses, for example—a practice that has rotted its fiscal structure in the past decade. It must cut back, in a major way, on scores of current services and benefits to its private citizens and public employees alike. But the rest of the country cannot wait until these reforms are fully effective before it offers assistance.

There is something else, too, New York is where many Americans began in this country. My grandfather landed at Ellis Island, for example, and it was from New York that he set out with a peddler's pack to find a new home. So did the parents and grandparents of a lot of us. New York has always been our great gateway; it has paid, and indeed is still paying, the social-services price of that role.

That is a small point, perhaps, and certainly not so compelling as other more pragmatic arguments for aiding New York. But it will not hurt, as we debate the wisdom of helping this sick metropolis, to remember how many of our forebears used it as a way station to better places and better lives.

(By Leonard Silk)

The odds are heavy—well-informed observers now put them at five-to-one or higher—that New York City will default within a month. If that happens, what will be the impact on the national economy?

The question cannot be answered "scientifically" because there are too many unknowns; the psychological reaction of financial markets at home and abroad; the degree of Federal support that the Ford Administration will extend to the city after bankruptcy; the actions that will be taken by New York City and state officials to cushion the shock, and the reactions of public officials, bankers, businessmen and individual persons throughout the country to an event that is without precedent.

Despite the forecasting difficulties, however, it is essential to try to anticipate the impact of default—if only to establish the basis for future policy actions.

The shock will be immense, but it will not all be felt on the day of default, or even for weeks and months afterward. The city's publicly held securities total $12.3 billion. Only $3 billion of this amount is held by banks, the balance is difficult to trace, but the bulk of it is held by individuals, many of whom are pensioners and people of modest means, who will suffer serious losses of principal and interest.

The Federal Reserve will keep all major banks from going under by lending against their holdings of city and state obligations at par value. But the Securities and Exchange Commission will require the banks to disclose all doubtful securities in their portfolios, lest stockholders, depositors and other lenders to banks be misled.

Affected banks and other trouble lenders will cut their commitments to small businesses, housing, large corporations of less than the highest credit standing and other municipalities of doubtful creditworthiness. The housing slump will be worsened; plant and equipment spending and state and local outlays will be dragged down.

President Paul Volcker of the Federal Reserve Bank of New York and other competent observers now fear that there is grave danger that a New York State default will follow and compound the risks of a New York City default. This would double the impact, New York State has $12.5-billion in securities outstanding, including Municipal Assistance Corporation bonds replacing $2 billion of city debt. Together, of their combined publicly held obligations of $23 billion, New York City and State owe $10 billion at short term. Defaulting on the short-term debt would be a heavy blow to individuals and businesses throughout this region.

Will other regions benefit if New York and its surrounding region go down? Perhaps, but it is well to remember that the Northeast cannot be sawed off and allowed to float out to sea; it is not an island but part of the mainland. The Administration likes to stress the interntaional interdependence of the United States; we are even more interdependent within the nation.

Quantitative estimates of the cost to the nation of a New York city default vary with the assumptions made and the econometric model used, but they are broadly consistent. The most "optimistic" estimate of Data Resources Inc., a consulting firm used by private corporations and by the President's Council of Economic Advisers, is that a New York City default would cost the nation $14 billion in lost national production and 500,000 jobs. Similarly, the most favorable estimate of the econometric group at the Wharton School of Finance of the University of Pennsylvania is for a loss in national output of $10 billion and a loss of 430,000 jobs. Less optimistic assumptions would roughly double those estimated losses. And a default by New York State, coming on top of the city's bankruptcy, would double the costs once again.

The United States Treasury would be impacted. Tax revenues would fall by billions and Federal spending would rise to make good President Ford's promise to pay for police, fire and other "essential" services—though what that term means remains unknown. New York, its ability to borrow impaired for years to come, and its tax base shrinking as businesses migrate from the area, could become a long-term ward of the Federal Government.

Other cities—especially those of the Northeast but not those exclusively—fear the threat to themselves. Mayor Peter Flaherty of Pittsburgh, who has run a tight fiscal program in his own city, said "I don't want to see the world's most dynamic city go down the tube—it's just too important."

FOREIGN GOVERNMENTS ARE DEEPLY WORRIED

Foreign governments are deeply worried. Chancellor Helmut Schmidt of West Germany vainly tried to convince President Ford of the threat of New York's imminent collapse to the international economy. The loss of New York's position as the world's premier financial center could have reverberations for years to come. Foreign government and banking officials have until recently been unable to believe that the United States Government would permit this to happen. The sudden blow to the international economy, still laboring to climb out of the most severe recession of the post-war period, could be the greatest danger immediately ahead.

Even if the risks of a catastrophic impact are no worse than ten-to-one against, is that risk worth taking?

If New York is forced into bankruptcy and feels itself the victim of self-interested regional plotting and enmity, a serious new trauma would be inflicted not only on this city but on the nation—a nation divided not just regionally but ethnically and in terms of social and economic classes. The consequences of that political and social trauma are even more difficult to estimate than the immediate economic impact of New York's probable collapse, and are possibly even more dangerous.

Is this trip into the unknown and unknowable necessary—or wise?

HOW RECONSTRUCTION FINANCE CORPORATION LOANS AIDED STATES, MUNICIPALITIES, AND BUSINESSES AND ENDED IN THE BLACK

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mrs. SULLIVAN. Mr. Speaker, last Thursday, October 30, I introduced legislation to provide a fair and effective way to allocate vital credit to States and local governments and other major priority areas of the Nation's economy which cannot obtain adequate loan funds at reasonable cost. The bill, H.R. 10452, the Emergency Financial Assistance Act of 1975, is modeled in important respects on the Reconstruction Finance Corporation Act of the 1930's but geared to the distinctive needs of the 1970's.

It was drafted in response to the fact that a growing number of States, municipalities, and other units of local government, regardless of credit worthiness, are being forced to pay an exorbitant price to borrow money in the bond market to finance urgently needed public works and facilities. It also would be in a position to help small businesses and housing.

I am delighted to have as cosponsors of this measure the following Members of the House: Representatives PATMAN, MILLS, MADDEN, PRICE, BARRETT, BOLLING, BURKE of Massachusetts, RANDALL, PEPPER, MINISH, ANNUNZIO, MEEDS, BIAGGI, MURPHY of Illinois, NIX, and ZEFERETTI. Representative PATMAN was serving in the House when the RFC was created in 1932; Representatives MILLS, MADDEN, PRICE, BARRETT, and BOLLING were all serving in the House and Representative PEPPER in the Senate during years when the RFC was in existence.

We tend to remember the RFC as an agency set up to bail out the big banks, the railroads, the insurance companies, and other major businesses during the depths of the Great Depression. What is not generally known is that this agency also extended loans to public agencies for participation in the emergency employment programs of the New Deal, helped finance the Nation's first superhighway, the Pennsylvania Turnpike, and other self-liquidating projects of countless units of local government; rescued Chicago and Philadelphia, among other cities, from default when they were temporarily unable to pay salaries of teachers or municipal workers, and otherwise served as a lender of last resort for the public sector and many businesses. It was a powerful force in the financing of wartime business expansion. And the RFC ended in the black. It invested billions of dollars in America and got back every cent.

NEW YORK NOT ALONE IN NEEDING HELP

H.R. 10452, the Emergency Financial Assistance Act of 1975, could be utilized—if other means to solve New York's emergency problems are not available—to extend aid to New York City provided the city agreed to take the necessary reform steps to make it credit worthy. But more importantly, the bill recognizes that money market conditions have placed many other local governments and States in a financial vise. In some instances—school districts for example—local units of government are being forced out of the money market altogether because no bids are being made on their long-term construction bonds.

The Emergency Financial Assistance Corporation would also provide adequate loan funds on reasonable terms to help establish and improve small and medium size businesses, a section of our economy which is perennially starved for investment capital, and to finance low and moderate income housing, a need, the urgency of which is mirrored by the crisis of our housing industry. The corporation could provide direct loans and guarantee loans to State and local governments, and make direct loans to small and medium size business and low and moderate income housing.

To say that the existence of the Small Business Administration and various Federal housing programs makes additional aid to these areas unnecessary is to ignore the fact that such programs rely almost entirely on the availability of investment funds from private sector lenders. How many times do we have to see small business and housing outbid for loan funds by large corporate borrowers before we become convinced that an effective means must be devised to protect the availability of credit for these priority areas.

LENDER OF LAST RESORT

Mr. Speaker, the Emergency Financial Assistance Corporation, in effect, would be a lender of last resort for priority area borrowers who are unable to obtain adequate credit on reasonable terms from other sources. The measure is meant to furnish a positive, workable method to allocate credit when necessary to the most socially important segments of our economy.

It is true that I have joined with other members of the Banking Committee in sponsorship of the Intergovernmental Emergency Assistance Act, a measure which is aimed at preventing a default by New York City. The bill is a narrow measure, exemplified by the fact that its provisions can only be exercised by States and local governments which are either on the verge of or have actually gone into bankruptcy. I am supporting this bill because it can provide an avenue for immediate response to New York's problems.

At the same time, I wish to emphasize that a much broader measure which would give the means to States and local governments to avoid being forced to the edge of financial crisis through no fault of their own is going to be needed in the immediate months ahead. Such legislation should have the capacity to meet the priority area credit needs of small and medium size business and low and moderate income housing as well as those of state and local governments. It is my hope that the Emergency Financial Assistance Corporation Act will shortly supplant the measures now under consideration in the House and Senate.

Regardless of the legislative actions of the House and Senate in the next several days, I am convinced that an increasing number of State and local governments are going to experience mounting difficulty in their efforts to borrow funds for public works and facilities. Passage of a bill to aid New York will tend to temporarily improve municipal bond market conditions somewhat, but the overall problem confronting our States, cities and other units of local government will remain serious, will inevitably worsen, and the need to enact a long-range, permanent solution will become undeniably clear.

AMPLE PRECEDENCE

Mr. Speaker, the broad financial assistance which would be provided by H.R. 10452 is not without ample precedence. I am, of course, referring to the Reconstruction Finance Corporation, which, for some 20 years beginning with its establishment in 1932, provided assistance to States and local governments, financial institutions, and business and industry in order to help lift the country out of the Depression, restore prosperity, and achieve a full-employment economy and later to marshal the resources necessary to defend the Nation during World War II. The authority and scope of the RFC was greater than the provisions of H.R. 10452, the Emergency Financial Assistance Corporation Act of 1975, which is cosponsored by 16 Members of the House.

For example, the U.S. Government Manual, July 1940 contains the following description of the RFC:

> Loans to public agencies and to business enterprises. For the purpose of maintaining and promoting the economic stability of the country or encouraging the employment of labor, the corporation is authorized and empowered, pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended by act approved April 13, 1938, under such terms, conditions, and restrictions as the corporation may determine, to make loans to, or contracts with, States, municipalities, and political subdivisions of States, with public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States, and with public corporations, boards, and commissions, to aid in financing projects authorized under Federal, State, or municipal law, such loans or contracts to be made through the purchase of their securities, or otherwise, and for such purpose the corporation is authorized to bid for such securities. The corporation is further authorized and empowered to purchase the securities and obligations of and to make loans to, any business enterprise when capital or credit, at prevailing rates for the character of loan applied for, is not otherwise available. All such purchases of securities and obligations and all such loans shall be, in the opinion of the board of directors, of such sound value, or so secured, as reasonably to assure retirement or repayment; may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise; shall be made only when, in the opinion of the board of directors, the business enterprise is solvent; and shall be made under such terms, conditions, and restrictions as the corporation may determine. In carrying out the provisions of this section, the corporation may purchase securities and obligations and may make loans, with such maturities as the corporation may determine, notwithstanding any other provision of law.

President Hoover, in signing the Reconstruction Finance Act into law in 1932, said that the RFC would have the resources to:

> . . . strengthen weaknesses that may develop in our credit, banking and railway structure, in order to permit business and industry to carry on normal activities free from the fear of unexpected shocks and retarding influences.

Its purpose is to stop deflation in agriculture and industry and thus to increase employment by the restoration of men to their normal jobs.

By the end of the 1930's the RFC's authorizing legislation had been amended several dozen times. The corporation's purposes included the financing of agricultural, commercial, industrial and financial institutions, and the purchase of the preferred stock, capital notes of debentures of financial institutions. At the end of the 1930's the RFC was specifically authorized to make loans, advances, and other tvpes of assistance to the following entities:

Financial institutions.
Railroads.
Insurance companies.
National mortgage associations, mortgage loan companies, trust companies, savings and loan associations, and similar financial institutions.
Public agencies and business enterprises.
Drainage and irrigation districts.
Businesses engaged in mining, milling, or smelting ores.
Managing agencies of farmers' cooperative mineral rights pools.
The fishing industry.
Victims of damage caused by catastrophes.
Those engaged in the marketing of agricultural commodities and livestock.
Those engaged in the exportation of agricultural or other products.
State insurance funds to pay injured workmen.
State funds to insure deposits of public moneys.
Processors, producers, and associations of producers who entered into a marketing agreement with the Secretary of Agriculture.
Receivers for taxes on farm real estate.
The corporation of foreign security holders.

The Federal Emergency Administration of Public Works.

The Federal Deposit Insurance Corporation.

$33 BILLION IN LOANS

The final report by the Treasury on the RFC contained the following schedule of RFC discretionary loan authorizations and disbursements as of September 28, 1953:

	Amount authorized	Disbursements to Sept. 28, 1953
Loans to and investment in financial institutions	$4,815,324,697	$3,906,201,681
Loans to business enterprises	5,153,294,815	2,637,329,690
Loans to agricultural financing institutions	2,454,133,430	1,452,502,107
Loans to railroads	1,059,867,787	938,440,875
Loans to and investments in public agencies	1,024,203,892	793,600,115
Investments in RFC mortgage loan subsidiaries	1,831,551,598	1,778,093,357
Loans to foreign governments	495,000,000	460,000,000
Investments in Government agencies	391,991,000	391,933,000
Other loans and investments	97,507,778	77,098,982
Investments in RFC's wartime subsidiaries	21,218,300,001	20,877,617,233
Total	38,541,174,998	33,312,817,040

The original authority given the RFC to make loans to all types of public agencies was temporarily transferred to the Federal Emergency Relief Administration in 1933. The RFC, in turn, was authorized to purchase FERA securities.

Loans made by FERA included: $136 million for the Arkansas State Highway Department, $37 million for the Pennsylvania Turnpike Commission, $20 million for the Philadelphia Gas System, $28 million for the Cleveland Transit Authority and $22.4 million to public utility district No. 1 of Pend Oreille County, Washington.

No statutory limitation as to maturity was applied to these and other relief loans. Such loans were required to be of sound value under conditions and terms that gave reasonable assurance of repayment. Between February 2, 1932, and December 31, 1937, the following FERA loans backed by RFC purchase of FERA securities were made to States:

State	*Amount disbursed*
Alabama	$8,994,391
Arizona	2,834,146
Arkansas	7,410,249
California	15,823,535
Colorado	3,925,050
Connecticut	4,594,154
Delaware	1,010,708
District of Columbia	1,056,174
Florida	13,347,232
Georgia	7,705,354
Idaho	809,957
Illinois	52,240,038
Indiana	11,259,429
Iowa	5,248,789
Kansas	2,732,726
Kentucky	5,945,118
Louisiana	13,034,157
Maine	1,251,414
Maryland	7,171,098
Massachusetts	11,355,140
Michigan	31,369,782
Minnesota	8,830,959
Mississippi	8,550,286
Missouri	6,685,494
Montana	2,853,357
Nebraska	2,125,699
Nevada	370,801
New Hampshire	966,436
New Jersey	15,423,438
New Mexico	889,188
New York	63,131,826
North Carolina	9,709,990
North Dakota	3,612,520
Ohio	36,763,382
Oklahoma	6,309,005
Oregon	3,213,315
Pennsylvania	44,106,509
Rhode Island	1,870,967
South Carolina	10,424,200
South Dakota	7,035,597
Tennessee	6,369,196
Texas	13,249,874
Utah	1,723,352
Vermont	481,544
Virginia	5,594,074
Washington	5,627,175
West Virginia	11,090,599
Wisconsin	9,619,053
Wyoming	190,383
Alaska	349,629
Hawaii	1,110,561
Puerto Rico	1,970,201
Virgin Islands	281,753
Total	499,650,000

SELF-LIQUIDATING PROJECTS

Other examples of financial assistance given States and local units of government by the RFC include loans made for self-liquidating projects. These were public works and facilities so financed between 1932 and 1937 and were comprised of the following public works and facilities:

Bridges	$86,105,842.06
College buildings	1,323,155.71
Docks and terminals	275,000.00
Drainage and irrigation	7,030,600.00
Power	22,901,270.00
Public and semipublic buildings	3,853,500.00
Waterworks	147,713,485.85
All other	4,413,222.80

In all, a total of nearly $300 million was loaned by the RFC for self-liquidating public works and facilities during the 6-year period ending in 1937. The following is a list of the States which received these loans:

State	*Amount disbursed*
Alabama	$74,500.00
Arizona	1,400,000.00
Arkansas	948,851.92
California	223,425,962.26
Colorado	1,429,803.79
Connecticut	--------------
Florida	714,930.78
Georgia	22,000.00
Idaho	60,000.00
Illinois	3,074,473.00
Indiana	60,000.00
Iowa	--------------
Kansas	20,000.00
Kentucky	998,000.00
Louisiana	14,273,222.80
Maryland	59,850.00
Michigan	643,841.47
Minnesota	--------------
Mississippi	275,000.00
Missouri	42,000.00
Montana	180,000.00
Nebraska	15,000.00
New Hampshire	250,000.00
New Jersey	3,276,000.00
New Mexico	5,385,600.00
New York	21,862,000.00
North Carolina	528,000.00
Ohio	453,500.00
Oklahoma	299,982.81
Oregon	724,625.00
Pennsylvania	100,000.00
South Carolina	149,500.00
South Dakota	--------------
Texas	1,093,012.85
Utah	52,000.00
Virginia	1,978,849.80
Washington	550,000.00
West Virginia	--------------
Wisconsin	40,000.00
Wyoming	--------------
Puerto Rico	1,300,000.00
Total	286,560,506.48

RFC activities included loans to municipalities to pay public school teachers salaries during the Depression. A total of $75 million was loaned to school districts for this purpose. The largest of these was the $26.3 million borrowed by Chicago.

To assist Philadelphia to pay the wages of municipal employees, the RFC purchased $20.5 million in revenue-trust certificates secured by assignment of $4.2 million a year from revenue of the city's gas works.

ENDED IN THE BLACK

Mr. Speaker, these are but a few examples of the wide-ranging activities of the RFC. I do not think the present needs of our States and local units of government require the authority of the Emergency Financial Assistance Corporation which I propose to be established by enactment of H.R. 10452, to be so broad. Rather, the data is being presented to Congress to make the point clear that the use of a Federal agency as a lender of last resort for priority credit purposes has been well established.

I am also cognizant that the RFC has been and to some degree continues to be criticized for a number of fraudulent or otherwise illegal and abusive practices which crept into its activities during the 20 years of the agency's existence. I do not wish to minimize these occurrences. But by the same token, the overall achievements of the RFC have made it overwhelmingly successful both in terms of the financial assistance it provided and the fact that the RFC ended its existence in the black.

I am fully confident that the structure of the Emergency Financial Assistance Corporation and other provisions of H.R. 10452 furnish adequate safeguards against a repetition of these relatively minor mistakes.

The point that should remain uppermost in our minds is that there is an urgent need for reestablishment of an RFC-like agency assigned to the task of allocating credit to priority areas throughout the Nation when adequate credit for these borrowers is not otherwise available on reasonable terms.

We have the responsibility to respond to that need.

PERSONAL STATEMENT

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, due to a viral upper respiratory tract infection, I have been ordered by the House of Representatives physician to suspend normal activities for 2 days.

Accordingly, I have been paired with Congressman FERNAND ST GERMAIN of Rhode Island for the congressional business of the 2 days.

CHOOSES TO REMAIN IN THE CITY

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ESCH. Mr. Speaker, in recent years, the multitude of problems confronting our cities have become all too familiar. Indeed, in some cases they have become legion, such as New York, and it has become commonplace to observe that many of America's great cities are "dying." Unfortunately, this situation has been met by many of our city-dwellers deciding to forsake their homes and businesses for the suburbs, an alternative which may solve their particular problems, but not those of the cities they have abandoned.

I recently had the pleasure of meeting a man who has taken quite an opposite stance on this dilemma which faces so many of our citizens. Mr. Frank Stella of Detroit, Mich., has observed this mass exodus that has plagued so many of our cities. He has, instead, chosen to remain in the city that has given him so much throughout the years, and hopes that by doing so he can repay what he feels he owes to the city and people of Detroit. An article appeared a few weeks ago in the Detroit News which I believe is a fitting tribute to Frank Stella and his family and their loyalty to their city. I believe that many of my colleagues will find his story an inspiration to our troubled cities and their residents, and I insert the article to be printed below in its entirety:

'ANCHORED' TO DETROIT

(By Robert L. Wells)

Frank Stella and his family have built a $6 million-a-year business building and supplying restaurants from a headquarters that is firmly anchored in Detroit.

Stella is the president of F. D. Stella Products Co. with main offices at 7000 Fenkell, a block west of Livernois—a location a block away from his starting store of 30 years ago.

Stella says "I started with an idea that restaurants must need help after I spent six years in the Air Force trying to get good food out to the men against all kinds of red tape."

Now F. D. Stella is ranked in the top 10 nationally by trade magazines for the firm's complete turnkey service, from site evaluation to financing.

Most importantly for Detroit, Stella says bluntly that he is happy in his present location and is ready and willing to expand on the present site "as soon as the City Plan Commission completes its redevelopment plans for the Fenkell-Livermore area."

"We have grown and prospered, I believe, because my family has had great faith in Detroit, especially in the University of Detroit area," Stella, a tall, handsome and outspoken person, declared.

Stella's five locations, within a half mile of the main office, were not harmed during the late July riots which ranged all around these facilities.

Why? Because, Stella said, "We have tried to be close to the community by working with the Fitzgerald School groups and being as close as we possibly can to the community's problems.

"I believe that we must be close to the people here and that's why the community knows that we plan to stay here, and that whenever we expand we'll do it right here, not in some suburb."

Perhaps that's why, as he says, there are windows to let the light in in his store because "who wants to live in a guarded fortress?"

Stella says his three brothers—Andrew, Fred and Joseph—and a "very valuable batch of our sons, daughters, nephews and nieces are the primary working force and the great forward thrust we have built up in our company."

The firm, he said, has designed, built and financed restaurants for individuals and chains in all 50 states and has a growing clientele in this kind of development.

Among the chains are Clock, Nugget, Palace, Little Caesar, Harvest Table, Carmen and Waffle Shops.

"Under the turnkey concept, an entrepreneur comes to us and we go to work on the site evaluation, the exterior and interior decor, the kitchen and dining room equipment and the financing of the project," Stella explained. "The architectural design is done by an architect, but we do everything else, right down to the tableware."

It's this complete service to the customer that has enabled Stella to profitably ride out the recession, he said, with volume increases of 20 percent in both 1973 and 1974 and "expectations for greater increases in volume and profit this fiscal year."

Individual turnkey projects have been Wing Hong's, Brunetti's, Tommy Wan, Roman Village, Silent Woman, Peking Village, Fairlane Club—all recent additions to the suburban dining scene.

"I see no letup for the demand for good, quality restaurants," Stella said with a smile. "For too long they were in short supply, but now we have more senior citizens and more working young married couples who want to dine out inexpensively.

"Our job as the turnkey is to make sure that the decor, the service, the equipment and the cuisine meet the modern standards with the old world quality that must be maintained."

Because of his enduring interest in U. of D. since his graduation in 1941, Stella is a member of the board of trustees and has spread his service to presidential and congressional committees and is now chairman of ACTION, the mother agency for volunteer operations like the Peace Corps.

After a tour of Africa and the Mideast last month, Stella said he is "convinced that, dollar for dollar, the volunteer groups are doing more to help the U.S. overseas on a people-to-people basis than could be accomplished by all the diplomats we could hire."

VOTING RECORD OF CONGRESSMAN JONATHAN B. BINGHAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. BINGHAM. Mr. Speaker, over the past few weeks I have missed, or have not been recorded, on three rollcall votes. I wish to record here what my position would have been had I been recorded as voting:

Rollcall No. 559, rule to consider H.R. 8603, Postal reorganization; "yea."

Rollcall No. 656, motion to agree to Rousselot amendment to H.R. 10024; "no."

Rollcall No. 657, motion to agree to Brown amendment to H.R. 10024; "no."

NEW YORK CITY FINANCIAL CRISIS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mrs. COLLINS of Illniois. Mr. Speaker, Friday's Washington Post editorial on the President's speech before the National Press Club on New York City's financial crisis is one of the best analyses of the situation that I have seen to date. For that reason, I'm putting it in the RECORD for the benefit of those who haven't read it.

The threat of a veto of any Congressional action designed to save New York City from default is an unthinking action which is made, it seems, more out of political footballing than a concern for the well-being of the people of this country and the possible economic ramifications of the city's default. I do not deny the city's poor fiscal management, but is that enough reason to possibly destroy the city? I say "No."

President Ford who has threatened a veto is the same President Ford who has asked Congress to approve an additional $4.7 billion in foreign military and economic aid. Isn't the solvency of one of our United States at least as important to him as helping to provide military and economic assistance to foreign countries? It seems that the answer is "No". To quote the economist Paul Samuelson, "Ethics aside, is this good politics?" No matter what one is willing to put aside, The President's plan is just not good.

The editorial follows:

[From the Washington Post, Oct. 31, 1975]

THE PRESIDENT AND NEW YORK CITY

Undoubtedly there have been presidential speeches more outrageous than the one President Ford delivered on New York City's financial problems. But it is hard to remember one. Mr. Ford used all the demagogue's tricks: misstating the problem, distorting the facts, running down the critics, resorting to pious platitudes and appealing to prejudice. In the end, he contradicted himself by recommending that the federal government, in the person of a federal judge, supervise New York's future finances after he had explained why supervision by the federal government would be disastrous. One way or another, the nation and New York City will survive the agonies that are now inevitable for that city but they will do so in spite of the President's leadership, not because of it.

Item: Mr. Ford says that New York's leaders are asking for a "blank check" which would require other Americans to support advantages for New Yorkers that they cannot afford for themselves. The reality is that New York's leaders are not asking the federal government for an open-ended supply of federal cash, they are asking that it arrange for the city to borrow money, which it would have to repay, on terms that would require it to submit to considerable financial discipline.

Item: Mr. Ford says that New York's political leaders have "abandoned" the city's financial problems on the federal doorstep like some foundling. The reality is that New York State has not only taken financial control of the city and has committed millions of dollars to its aid but has forced a wage freeze, job cutbacks, a curtailment of construction and the renegotiation of a major labor contract.

Item: Mr. Ford claims all of the city's financial woes are due to bad management. The reality is that some of the city's problems have been forced upon it by events beyond its control: the price New York City has paid over the decades as the receiver of immigrants—first from abroad and later from the South and Puerto Rico—has been enormous.

Item: Mr. Ford says that the only losers if New York City goes bankrupt will be the "large investors and big banks." The reality is that thousands of little investors, in New York City and elsewhere, stand to lose directly and many more will be placed in indirect peril if the short waves of such a bankruptcy spread.

Item: Mr. Ford says that "a few desperate New York officials and bankers" have been trying to stampede Congress into action. The reality is that deep concern about the impact of a New York default on the nation's entire economy exists among mayors, bankers and financial experts all across the country—including, among other ranking officials of Mr. Ford's own administration, his Vice-President.

Item: Mr. Ford says that there are choices available to New York leaders other than default or bankruptcy or federal aid if only they would seize them. The reality is that New York almost certainly cannot avoid defaulting on its debts within a few weeks unless it gets help from somewhere.

Item: Mr. Ford says that most other big cities faced the same problems as New York's and have stayed financially healthy. The reality is that New York's problems are unique if only because of their size and that some other big cities are in serious financial difficulty.

Item: Mr. Ford says that the "cities and the federal government were the creatures of the States." We had thought that John Marshall and a Civil War had put this old states rights' shibboleth to rest more than a century ago.

There are more examples. But these should be sufficient to demonstrate the general character of the President's speech. Two additional aspects of the President's approach deserve mention. It is ironic that a President whose first budget recommended the largest government deficit since the pharaohs built the pyramids should choose to attack so viciously the officials of New York City for running a deficit less than half as large in relation to total spending as that of the federal government. And it is ironic that a President who has been a vigorous critic of the federal courts when they have taken partial control of a local school system should recommend that those same courts take total control of the nation's largest city.

As to the substance of Mr. Ford's program, it is clear that Congress should pass quickly the changes in the bankruptcy act he supports. Indeed, it ought to have passed these some time ago. Similar proposals were urged upon it last spring by the Advisory Commission on Intergovernmental Relations. And, despite the President's opposition, Congress does need to continue work on a program to provide an emergency federal guarantee for municipal bonds. It is faintly possible, although not likely, that somewhere—perhaps in the treasuries of the labor unions—New York City will find the money to avoid formal bankruptcy. But if it does not, its bankruptcy could create chaotic conditions in the municipal bond market which would make a federal safety net of some kind essential.

It is conceivable that by turning this icy shoulder to New York City, President Ford will force its leaders to take painful steps they would not otherwise have taken and to find solutions to their own problems that are not now visible. If so, his judgment on what the role of the federal government should have been will be vindicated. But that will still not excuse the rhetoric of a speech which deliberately conceals from the American people the the potential seriousness of a problem for which there is no assured solution. To build political capital on the latent antagonism that exists toward New York City, and all it stands for is no way for a national leader to prepare public opinion to deal with a crisis which may well turn out to have profound consequences nationwide.

H.R. 200, THE 200-MILE FISHING ZONE BILL

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. McCLOSKEY. Mr. Speaker, when we passed H.R. 200, the 200-mile fishing zone bill, a few weeks ago I was concerned that many of our colleagues were unable to study the complex nature and long history of the issues involved. One of the most readable summaries of those issues appears in the November issue of the Reader's Digest under the title, "The Grab for the Oceans." I strongly commend this article to those 125 Members who were not present for the 200-mile vote, or who may be reexamining their position as we approach what may be a crucial vote on the expected veto override.

The article follows:

[From the Reader's Digest, November 1975]

THE GRAB FOR THE OCEANS

(By Ronald Schiller)

Who owns what parts of what oceans? Unless the growing tide of conflicts can be stemmed, the race for marine resources and marine real estate is likely to become a disastrous free-for-all and a grave threat to peace.

Egypt, in contravention of international law, closes the Strait of Tiran to Israeli shipping, setting in motion a war whose outcome has thrown the Middle East and the world into turmoil ever since 1967.

Seven American tuna boats, fishing in the Pacific Ocean almost 200 miles from the coast of South America, are seized by Ecuadorian naval vessels and charged with "poaching." Eventually the boats and crews are released, but not until the owners pay $3 million in fines and other costs.

Iceland closes its rich fishing banks to foreign fishermen for a distance of 50 miles. The outcome is the so-called "cod war," in which Icelandic gunboats and British trawlers exchange shots and try to ram each other.

The United States, which claims only a 12-mile fishing limit, watches helplessly as fleets of Russian and East European trawlers, using "vacuum cleaner" techniques, sweep the fish from the New England banks so efficiently that the American catch drops 50 percent in ten years, and Maine lobstermen arm themselves with shotguns to protect their buoys and pots from the foreign intruders.

The British prepare to drill for undersea oil on the Rockall Bank in the North Atlantic, turning a deaf ear to the protests of the Irish and Danish governments that they have no right to do so, since the Bank is not their property.

A U.S. company, planning to mine metal-rich manganese nodules from the ocean floor, files a claim with the U.S. State Department for a large section of the Pacific seabed. Another U.S. concern, insisting that the ocean bottoms are no one's property, announces that it will take the nodules without asking anyone's permission.

An American-owned supertanker, sailing under the Liberian flag, runs onto the rocks at the mouth of the English Channel, dumping nearly 118,000 tons of oil. Another Liberian-flag tanker, Greek-owned, goes aground off Nova Scotia. The spills devastate the adjoining coasts, ruining seaside resorts and fishing, but the owners and officers of the vessels go unpunished. Other tankers, leaking oil, pollute the shores they pass and the harbors they enter. Yet the countries affected are legally powerless to stop them.

Fearing the effects of such shipborne pollution on her fragile northern ecology, Canada declares the Northwest Passage through the Arctic Ocean to be an internal Canadian waterway and subject to its own pollution-control regulations. Other countries declare jurisdiction over straits adjoining their own territories.

The oceans cover 71 percent of our planet's surface. Just who owns these oceans, anyway? By what authority do nations claim increasingly large chunks of marine resources and marine real estate? Who regulates marine pollution? Who may deny others the right to sail the world's seas and straits?

Prior to World War II, the laws of the sea, developed by usage and tradition over the centuries, were understood and accepted by all nations. Bordering the shores of every continent and island of the world, the laws held, was a "territorial sea" three miles wide—the maximum range of a cannonball in the 18th century—which was the property of the adjoining coastal nation.

More recently, it was agreed that nine miles beyond the territorial sea lay a "contiguous zone," in which the coastal state owned the fish and minerals, and could board and inspect vessels to prevent smuggling and illegal immigration, and to enforce its health regulations. But it could not prevent ships and planes of other nations from navigating on, beneath, or in the air space above the water, nor interfere with the laying and maintenance of undersea pipelines and communications cables.

The oceans beyond this 12-mile limit were the "high seas," which any and all nations were free to sail, fish, fly over, explore and exploit, and into which ships could dump their wastes without restrictions. Interference with vessels in these international waters was an act of piracy and a justifiable reason for war.

It was the United States that first breached these traditional rules, when President Truman in 1945 arbitrarily claimed jurisdiction over mineral resources of the submerged continental shelf extending a widely varying number of miles from our shores. Seizing on the precedent, other countries began extending their territorial seas to varying distances of 12, 50, 130 and 200 miles seaward, and declaring that other nations were entitled to only those rights that the host countries chose to grant them. Thus began the grab for the oceans, which has been escalating ever since.

As the land surfaces of the globe grow ever more crowded, and its resources dwindle, nations must rely increasingly on the bounty of the sea to help feed their populations and sustain their industries. Toward this end, modern technology now enables us to exploit the oceans as never before. Oilmen are drilling wells at ocean depths of 700 feet, and expect to go into even deeper water. Mining companies can sweep minerals from undersea plains three miles down. Mechanized trawlers can haul in whole schools of fish with a single huge seine. Oil tankers have grown to such fantastic size that ports must be built miles from shore to load and unload them. One American firm is prepared to build floating nuclear plants at sea and, as population pressures increase, we may have to construct entire cities in the ocean. In short, the old rules of the sea are hopelessly obsolete.

Thus, in 1974, the United Nations convened a ten-week Law of the Sea conference in Caracas, Venezuela, to write a constitution governing the waters that would be binding on all of us. It was one of the largest intergovernmental meetings ever held, with 2,000 delegates from more than 140 nations, plus 12 "liberation groups" from Palestine and various African countries.

After weeks of ideological wrangling, only three important points won informal agreement: the territorial sea adjoining coastal states should be widened from its current 3 miles to 12 miles; an "economic zone" extending 200 miles from land should be created, with coastal states holding title to all resources in that zone; the minerals in the oceans beyond national jurisdictions should be shared among all nations as "the common heritage of mankind."

But these solutions raise as many questions as they answer. Is every island coral reef and uninhabited rock in the ocean entitled to the same 200-mile zone as a continent? (The question is not silly, for it is through ownership of a 100-foot-wide speck of land, Rockall Islet, in the Atlantic that the British claim the potentially enormous oil wealth of the Rockall Bank.) How do you divide up the sea around archipelagoes, such as those in the Caribbean? Is Turkey to be denied an economic zone in the Aegean because Greek islands nestle so close to her shore? And from what point is the 200-mile line to be drawn? If it follows the contours of the coast, more than one third of free oceans will disappear. But if it is drawn from the outermost headlands, or from points at sea, as some nations propose, the high seas will shrink to less than half their present dimensions.

Most important of all, just what rights will nations have in their economic zones and international waters? Over these issues the conference was abysmally divided.

At one extreme was the group of 106 less-developed countries, supported by China, which demanded monopolistic rights in their 200-mile zones, and endeavored to limit the advantages the developed states would enjoy on the high seas by reason of their superior technologies. At the other pole, loosely allied, were the 20 leading industrial and maritime nations of Western Europe, the British Commonwealth, the United States, Japan and the Soviet Union, which sought limited national jurisdiction in coastal waters and wide freedom of action on the high seas. Largely ignored in the debate were the plaintive voices of the land-locked countries and those with small coastlines pleading for a share of the ocean wealth.

The clash between the opposing viewpoints created conflict in every issue debated at the conference—fishing rights, offshore oil, pollution control, exploration for, and exploitation of, seabed minerals.

But the argument grew hottest on the issue of navigational rights. If the territorial seas are extended to 12 miles, 116 straits of the world would fall under the sovereignty of the nations adjoining them. Spain and Morocco could decide which Mediterranean countries' vessels would be allowed to reach the Atlantic through the Strait of Gibraltar; Indonesia and Malaysia might restrict traffic in the Strait of Malacca, through which passes more than 80 percent of Japan's oil. Nations could also board and inspect ships entering the straits, bar supertankers, warships and nuclear-powered vessels. Freedom of the seas would become a fiction.

Nothing to be decided at the conference was a greater concern to the maritime powers than this question of the straits. These powers were adamant in their demand for unimpeded transit of international straits by the ships and planes of all nations, both military and civilian. Unless that right was guaranteed, the American delegates made clear, there would be no treaty.

Thus, the Caracas conference ended in deadlock. The only recommendation that won approval was to hold another Law of the Seas conference, in Geneva, Switzerland, beginning mid-March 1975.

TEAMWORK AND SACRIFICE AT PAN AMERICAN WORLD AIRWAYS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ANDERSON of California. Mr. Speaker, a few short months ago, the future of our largest international airline was bleak. Pan American World Airways was in an unstable financial position; they were on the brink of bankruptcy, and foreign investors were sought to ease the burden.

Today, while problems remain on the horizon, Pan Am has greatly improved its structure, has made great strides in stabilizing its financial condition, and can look to the future with optimism.

This turnabout can be attributed to sacrifice, and teamwork. It can be credited to both management and the employees who have worked together to solve their mutual problems.

Mr. Speaker, I commend the people who are Pan American World Airways, and their spirit, and their dedication, and I wish them well in the future.

At this point, I insert the following statement before the Washington Chapter of the National Defense Transportation Association, made by Mr. Stuart G. Tipton—senior vice president of Pan Am be included in the CONGRESSIONAL RECORD.

REMARKS BY STUART G. TIPTON

When I was asked to speak to the Washington Chapter of the NDTA, I leaped at the opportunity, and for good reason. It permits me to join a long list of highly qualified speakers who have addressed this organization. In addition, I was requested to talk about Pan American World Airways. From that, I concluded that I could be an unabashed advocate of that great Company and devote my entire statement to a discussion of its virtues. As you will see from the remainder of my statement, I do not find the advocacy of Pan American at all difficult. Its performance speaks for itself.

A discussion of Pan American provides a very wide spectrum of subjects. I could talk about the early pioneering of its global route structure at a time when the Government of the United States and Pan Am laid out the worldwide system designed to meet the national interest in international air transportation. I could talk about Pan American's technological leadership in the air transport industry, from the Company's very beginning to the present day. I could talk about the contributions Pan American has made and is making to meeting emergency airlift requirements. These broader subjects are endless, but I do not propose to dwell on any of them.

I will talk about Pan American's very recent history. To put it very mildly, the past two years have been very exciting. This period in Pan American's history deserves to be described in as much detail as time permits.

After several difficult years in which great losses had accumulated, Pan American, in the fall of 1973, was anticipating a profit for the year. It had met a lot of problems and had effectively dealt with them. Then came the oil embargo with dramatic increases in fuel costs. Everyone's hopes were blasted. Fuel costs increased from $174 million in 1973 to $334 million in 1974, notwithstanding reduced operations in the latter year. This produced losses in both of those years and, taken with the poor financial results of several previous periods, created a cash crisis in the fall of 1974. Pan American applied for subsidy as did TWA. Unlike most foreign governments whose international carriers were similarly stricken, the U.S. Government said. No. Our Government did recognize the adverse competitive conditions with which Pan American and other U.S. international carriers were facing and laid down a Seven-Point Action Program designed to improve these conditions. Everyone recognized that its favorable effects were long term in nature and did nothing to solve Pan American's immediate cash problem. In other words, the Government said that it would try to be helpful, but that the Company was on its own.

I have compressed into a few sentences several months of frantic effort on the part of Pan American and the affected government agencies. The subject about which I really want to speak is the reaction of Pan American and its employees to one of the greatest challenges they had every faced—the imminence of complete and utter disaster—bankruptcy.

The response was magnificent. There was no panic, no futile stumbling about seeking some one else to blame, no hysterical attacks upon what might have been called an insensitive and misguided government. There was a clear recognition of the situation with which Pan American was faced and great determination to prevent the Company from sinking into bankruptcy and ultimate oblivion.

The most dramatic response came from Pan American's employees. The news of Pan Am's predicament sparked a spontaneous uprising by Pan Am employees all over the system, beginning with a small group of pilots in Berlin. This employee effort very rapidly began a worldwide program. Under an organization which is known as the Pan Am Employees' Awareness Committee, they collected funds from employees all over the system and laid down a program designed to pass legislation which would improve the competitive environment in which the Company was operating. On their own initiative, and at their own expense, hundreds of employees came to Washington to become personal lobbyists for the welfare of their Company, making calls on members of the House and Senate, conducting rallys, publishing advertisements, and in general, displaying the greatest of ingenuity in accomplishing their objectives. When after a frantic few months, their legislative objectives were achieved by the passage of the

Fair Competitive Practices Act—they did not stop. They continued the Awareness Committee and under its aegis have created a number of product improvement committees throughout the system. Their efforts in support of the Company have been invaluable in the past and will continue to be in the future. I emphasize this employee uprising because I think that, while not unique, it is the most extensive and dramatic manifestation of employee support that there has ever been.

At the same time the leadership of the employee unions pledged their support of the Company's efforts to recover. The Transport Workers Union, the International Brotherhood of Teamsters, the Flight Engineers International and the Airline Pilots Association all entered into negotiations with the Company to reexamine collective-bargaining contracts. The pilots took a discount from their salaries of 10% for the year 1975, the flight engineers did the same, the TWU rolled back their scheduled increases and discussions are now being held with the Teamsters. All four unions have backed Pan American's legislative objectives strongly and effectively and continue to do so. Pan American has never had better cooperation from its unions than it has had during this critical period.

Let me pause here and speculate as to the motivation behind this extraordinary employee reaction. I spent much time with the employees who were working so hard for Pan American, and I was constantly puzzled as to why they would extend themselves so tirelessly for their Company. It has not been the fashion in recent years for employees to manifest great loyalty to their employers. Management and employees are often at swords points. The cynical would say that these strenuous efforts were made to save their jobs and only for that purpose. That is not so. There is no doubt that these pilots, flight engineers, mechanics, stewardesses and all the rest, were proud to be Pan American employees, that they had a great loyalty to the Company and, jobs or not, they did not want the Company to fail. They have been at odds with the Company before and will be again, but they reflected a feeling that Pan American World Airways is not just a soulless corporation, but is an institution worth fighting for.

While this was going on, many other steps were being taken by management. The first and essential step was the negotiation of a short-term line of bank credit of sufficient size to get the Company through the winter. If that objective could not be achieved, there would be no time to carry out the numerous changes which management had in mind. This was achieved. A line of credit was negotiated in the amount of $125 million. It was short term and the conditions were severe. Whatever funds were drawn down under the line of credit had to be repaid by September 30, 1975, and it was extensively secured. The Government's Seven-Point Action Program made an important contribution to the result. The Program showed the financial institutions upon which we were relying that the Government was prepared to make extensive and constructive changes in its previous policies with respect to international air transportation.

The twin problems of high fuel costs and worldwide inflation still had to be met. The price of fuel ultimately rose close to 38¢ a gallon from about 14¢ a gallon in 1973. Worldwide inflation ranged from 9% in the United States to 25% in the United Kingdom. Traffic was on a downward trend. In order to survive Pan Am had to become a wholly different airline in a very short period of time and this it did.

At the end of 1973, the Company had 34,400 employees. By the middle of June 1975, employment had been reduced to 29,500 and is still descending. Management salaries were frozen in August of 1974 and remain so notwithstanding high inflation.

The Company reduced its level of operations sharply in 1974 and again in 1975. From 1973 to 1975 scheduled available seat miles were reduced by 18%. Productivity of aircraft operated was increased by enlarging the number of seats in its aircraft. Fare increases were sought and secured. Relative use of the 747 was increased until ⅔ of total seat miles are being provided by this airplane, an important change since the 747 produces 2½ times as many seats for about twice the operating cost of the 707. For obvious reasons, fuel conservation was a must. Through numerous changes and refinements in operating procedures, Pan Am reduced its 1974 fuel consumption by approximately 50 million gallons. Notwithstanding high inflation rates Pan American's operating expenses other than fuel increased only 1.7% from 1973 to 1974. Pan Am regarded domestic fuel cost levels rather wistfully. Had it not been required to purchase about half of its fuel from uncontrolled sources abroad, it would have made an operating profit in 1974 of about $16 million instead of an operating loss of about $99 million.

The Seven-Point Action Program had identified the operation of excess capacity in the international field as one of the major evils to be cured. With the approval of the Civil Aeronautics Board, Pan American sought and secured a number of capacity agreements with its foreign competitors which eliminated wasteful use of aircraft.

Also, the Seven-Point Action Program called for restructuring of Pan Am's route system in order to improve Pan Am's financial results. This was done and done quickly. Pan Am had already eliminated service to over twenty points previously served on its system. Then even more drastic steps were taken. Pan American suspended unprofitable service in the Caribbean. In December 1974, Pan Am and TWA submitted, and in early 1975, the CAB approved a massive route exchange. TWA withdrew all Pacific service, and all transatlantic service east of Saudi Arabia; it also agreed not to operate in Germany or between Washington and London. Pan American acquired authority to serve Okinawa and Taiwan, and withdrew the following transatlantic services: France, Austria, Portugal, Spain and Casablanca, except for its Miami-San Juan-Iberia Peninsula and Rome service; and service between Los Angeles/Chicago/Philadelphia and London.

Previously Pan Am and American had agreed to a route exchange in which American suspended its South Pacific route in return for certain of Pan American's routes in the Caribbean. This agreement has been put into effect.

All of these actions taken with great rapidity have resulted in a significant and favorable redistribution of Pan Am's resources. The shift has been made from the unprofitable transatlantic and Caribbean to the more profitable transpacific and Central and South American service.

Being faced with a cash crisis, the Company had to reexamine every capital expenditure. Such expenditures for 1974 were reduced from a contemplated $100 million to less than $70 million. They were limited to those for which previous commitments had been made or were required in the interest of safety, efficiency, or environmental improvement. The same policies continue into 1975 and expenditures will be restricted to approximately $60 million. The fleet has been reduced. On May 15, 1975, Pan American was operating 127 airplanes, down from 154 at the end of 1971. Excess aircraft have been sold, most of them at a profit.

Our efforts to secure a $300 million loan from the Iranian Government have been widely reported. Pan American worked hard to reach agreement with the Iranians, an effort which was made with the approval of the Executive Branch of the Government. It has not been successful thus far. Not so well known is our effort to secure a $40 million tax refund which would result from carrying back our 1970 and 1971 losses for ten years. Under existing law, we may utilize losses to offset tax liability for three years back and seven years forward. We do not propose to change the total period. This matter is under active consideration by the House Ways and Means Committee.

In the late spring of this year, Mr. William Seawell, Pan American's Chief Executive, reported to a high government official that in his opinion Pan American was poised to begin a turn around if there was a resurgence of traffic resulting from the improvement in economic conditions. All the steps which had been taken to reduce costs and increase efficiency of the airline had resulted in the reduction of break-even load factor from approximately 58% in 1974 to under 50% in early 1975. In July Pan Am made the largest profit it had ever made in a single month and August was even larger, partially offsetting the losses that had been incurred for the first six months of 1975. 1975 will still be a loss year, but the financial condition of the Company will be vastly improved over the experience in 1974.

The Company is not by any means out of the woods. It is essential that the line of bank credit established during 1974 be renewed for 1975 and 1976 because the Company is now entering another cold, hard winter in which losses can be anticipated. The line of credit is now being discussed with our banks and while nothing is ever certain, we have some confidence that it will be renewed. As we look forward to 1976, the crystal ball is cloudy. The behavior of the worldwide economy cannot be forecasted, nor can the level of inflation, which not only affects our costs, but those of our potential customers. Fuel price increases may continue into 1976, but the level cannot really be predicted. About the only thing that can be said with confidence is that the new Pan American World Airways is in a far better position to operate in these troubled times than it ever has been before. The past two years have witnessed a superb performance on the part of Pan American management and its employees. I am proud to be associated with them.

FARMERS EAT, TOO

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. SEBELIUS. Mr. Speaker, the following is the second in a series of 10 messages sponsored by Far-Mar-Co., Inc., Hutchinson, Kans., in U.S. News & World Report publicizing the importance of a vigorous and reliable market for farm products. This campaign is a commendable effort to keep the public informed on matters affecting U.S. agriculture and how agriculture relates to all Americans:

A Farmer Has To Eat, Too

The farmer-consumer and the city-consumer have many things in common. Including figuring out a way to pay the grocery bill.

Even when farm prices go down, food prices continue to go up. And that affects all consumers regardless of where they live.

But where the American farmer lives, and earns his livelihood, there are no set incomes.

Only after he's invested in expensive equipment, expensive land, and expensive supplies. Only after he's spent hundreds of hours in the field plowing, planting, cultivating, fertilizing, and harvesting. Only then does he find out how much—if any—return he'll make on his investment.

So the American farmer must have a lot of faith. Faith that somhow the prices he receives for his crops will reflect the increased cost of producing them. When that doesn't happen, it's just like a city-consumer who doesn't get paid.

And that makes it hard to eat. And hard to keep the faith.

THE LEGACY OF H. R. GROSS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. GRASSLEY. Mr. Speaker, when H. R. Gross retired from this body after many years of patient and sagacious analyzing of our Federal Government at all levels, he left behind him a legacy. I am happy to report to my colleagues and to those who will be reading these remarks in the Record, that the legacy is alive and well, and is best evidenced in the activities of my colleague, the young Congressman from the First District of Maryland, Robert Bauman.

Edna Herbst, vice president of KCRG–Radio in Cedar Rapids, Iowa, recently delivered an editorial which cites an example in support of this thesis. The tax revolt which H. R. Gross first described and befriended has now become a full fledged rebellion, and in so many ways, Congressman Bauman has become its champion. Some will find the following example to their liking, but all will find it interesting, and I bring it to your attention.

The article follows:

H. R. Gross

The following Editorial Comment by Edna Herbst, Vice President of The KCRG Stations and Member of The KCRG Stations Editorial Board, was broadcast on KCRG-RADIO at 8:30 a.m. and 5:35 p.m. and telecast on KCRG–TV following the 10 p.m. News on October 4, 1975; on October 5, it was telecast following the 10 p.m. News and on October 6, it was broadcast at 8:30 a.m. and 5:35 p.m. and telecast at the end of the Noon News, within Gunsmoke 4–5 p.m., between 10:30 and 11:30 p.m. and just before the Sign-Off News.

When Iowa's H. R. Gross was in Congress . . . one of his pet projects was pointing the finger at government waste. Former representative Gross made the nation aware of some of the senseless projects which were being financed by taxpayer dollars. We editorially supported Mr. Gross in some of these efforts and today we throw our editorial endorsement behind Maryland Representative Robert E. Bauman. The good congressman notes that taxpayers are fed up with all the spending that is going on for questionable projects. He cites a few which he says are typical of some of the "nutty professor" projects supported by Public Funds through the National Science Foundation . . . More than 36-thousand dollars for a study entitled, "Evolution of Song Learning of Parasitic Finches" . . . 40-thousand for a probe of "Spider Distribution Associated With Prey Density" . . . Almost 10-thousand dollars for a biography of Isaac Newton when there are currently 145 biographies of Newton in the Library of Congress . . . 55-hundred dollars to uncover the "Social Behavior of Prairie Dogs" . . . And 43-thousand dollars to determine the "Significance of Vocal Behavior in the Maternal Reproduction of Birds."

The way we figure it . . . 17 jobs could be created at $150 per week from these five foolish projects alone. The "grant" system must be revised.

LEGISLATIVE QUESTIONNAIRE RESULTS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ARCHER. Mr. Speaker, as has been my custom since I first came to Congress in 1971, I again this year asked each of the households in my district to respond to a series of questions concerning important legislative issues before us.

The fact that some 45,000 residents of the Seventh Congressional District of Texas took the time to give me their thoughtful opinions was a clear indication that the people of this country are concerned about the direction in which their Nation is heading. I also received, through the additional comments made by a record number of my constituents, a reaffirmation of my own conviction that there is widespread dissatisfaction with the actions of the majority in the 94th Congress.

I know that my colleagues in the House of Representatives will be interested in reading the results of my annual legislative opinion poll:

Questionnaire Results

1. Should college students continue to be eligible to receive food stamps? 23 percent yes, 77 percent no.

2. Do you favor Environmental Protection Agency proposals to reduce air pollution by cutting back automobile travel in Harris County by 75 percent? 11 percent yes, 89 percent no.

3. Should the United States give up sovereignty over the Panama Canal? 11 percent yes, 89 percent no

4. Do you support a federal law requiring the registration and control of handguns? 45 percent yes, 55 percent no.

5. Should Social Security benefits and payroll taxes be increased at the same rate as the level of inflation? 48 percent yes, 52 percent no.

6. Do you favor a federal law authorizing the unionization of federal, state and local government employees? 7 percent yes, 93 percent no.

7. Please indicate whether you favor or oppose each of the following as part of a national energy program:

A. Increased tax on gasoline: 26 percent yes, 74 percent no.

B. Federal gasoline rationing: 16 percent yes, 84 percent no.

C. Tax on cars, based upon fuel efficiency standards: 54 percent yes, 46 percent no.

D. Postponement of tougher antipollution controls: 69 percent yes, 31 percent no.

E. Deregulation of oil and natural gas prices: 65 percent yes, 35 percent no.

8. Would you favor changing the Presidental term to six years, with a limitation of one term? 43 percent yes, 57 percent no.

9. In terms of national defense, are we spending (check one):

A. Too little? 35 percent.
B. The proper amount? 34 percent.
C. Too much? 31 percent.

LONE VOICE OF CITIZEN HEARD

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. O'BRIEN. Mr. Speaker, I am taking this opportunity to share with my colleagues a letter containing a lesson for us all. The letter was written by a good friend, Don R. Frank, president of the City National Bank in Kankakee, Ill. His letter eloquently expresses the frustration and concern that Don, and many Americans, feel as they see the direction our country is heading. It is a letter protesting the trend toward an overcentralized government that pours all its oil on the squeaking wheels of special interests at the expense *of the* average citizen and it is a letter pleading with Congress to consider the far-reaching effects of its actions before passing burdensome new laws.

The following is the way Don presents his case in his own words:

City National Bank,
Kankakee, Ill., October 8, 1975.

Hon. George O'Brien,
House of Representatives,
Washington, D.C.

Dear George: Several times I have started a letter to you to express my complete frustration at what is going on in the Halls of Congress and in the various state legislatures, and each time that I have done so I have thrown away the letter. My reason for doing this is because you are swamped by mail from your constituents and probably won't read this letter; and even if you do, there is nothing you can do about it anyway. Our Government, be it State or Federal, has become so monolithic that the lone voice of a citizen is lost—completely, absolutely and irrevocably lost—to the words and beseechments of the ever-increasing strident voices of the vocal majority. Unfortunately, the silent majority is too fragmented; in other words, they are not concerned with issues that do not directly affect them and give no thought to the indirect effects.

I am compelled this time to write because of the U.S. Chamber's brochure on the upcoming Consumers Protection Act of 1975. I am opposed to it not because the U.S. Chamber asks me to oppose it, but because Congress has passed so much bad or ill-conceived legislation that we are all suffering because of it. Unfortunately, Congress casts its vote and then walks away from the problems that must be borne by the public.

When will the members of the Senate and of the House come to realize that the vast majority of the people in this Country are honest. Certainly there are some unscrupulous business people—and consumers too—that will take advantage of a situation but no matter how much legislation gushes forth, the "gullible" will still be taken advantage of one way or another.

We have become a country of pressure groups—the strident vocal minority. Government creates, or passes legislation which in turn creates these groups, or regulatory agencies. They in turn become power structures that cannot be disposed of long after they have outlived their usefulness. They are like cancer—you can't destroy them, but they are slowly destroying us. And our society has become so complex that the issues are no longer clear cut. There is no longer a black or white side but an ever increasing gray area which in turn is making us all adversaries. We are no longer even attempting to work as a team.

My point is this. Let Congress pass all of this legislation—especially the Consumers Protection Act—but let also Congress pass some act so that the consumers can be protected from Congress. But this is impossible because there are power structures in Congress also.

Let me continue. Let Congressmen consider the ultimate result of some of their legislation. Whatever happens, the Consumer will and must pay for it. If any member of Congress—or any regulatory agency member—or anyone thinks otherwise, they need a simple course in Principles of Economics. To continue passing ill-conceived legislation; protect the gullible and naive from the unscrupulous; protect the individual criminal rights. And let the rest of us—the 90%, the silent majority, the honest, hard-working individual—go hang!

If only each of us could only step back and see what is happening perhaps we would not demand so much from Government. But we are all selfish—we want the good life now and let our children and grandchildren pay for it. Unfortunately, we can see what it will be like in our Country within the next twenty years—just look at not so Great Britain.

Sincerely yours,

DON R. FRANK.

ICH BIN EIN NEW YORKER

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ROSENTHAL. Mr. Speaker, in his politically motivated attacks on New York City last Thursday, President Ford displayed the same lack of vision and awareness which he has contributed to the entire debate on Federal assistance to the Nation's largest city. Seeking to contrast the alleged self-sufficiency of the victims of the 1906 San Francisco earthquake with the requests for aid by New Yorkers, the President told his San Francisco audience of political contributors:

> The reconstruction of San Francisco—after the earthquake—was not a federal bailout. . . . It was a local undertaking.

As with so much else the administration has said about New York's fiscal crisis, the facts are somewhat at variance. In unprecedented action, the Congress appropriated substantial funds to help San Franciscans make up for the estimated $500 million damage caused by the quake. Ironically, the President who oversaw this national rescue mission was Theodore Roosevelt—a Republican ex-Vice President and a former Governor of New York.

President Ford may be forgiven for these careless and harmless remarks—mistakes in facts which a more diligent attention to business in Washington might have avoided. But the administration's other errors, in misleading the Nation as to the impact of a New York City default and the assistance New York is seeking, may have tragic consequences not only for New York but for the economies and social fabric of the Nation and even the world.

The administration repeatedly refers to a "bailout" of New York City, suggesting a massive commitment of Federal dollars. In fact, the solution urged by New York City and State officials, and endorsed by committees of both Houses, does not require the Treasury's expenditure on one penny. New York needs access to the Nation's private capital markets from which it has been excluded since April. What is called for is a limited Federal guarantee of New York State obligations, cushioned by assurances that New York is on its way toward fiscal solvency. This is far less than the Federal Government gave Franklin National Bank, Penn Central, or Lockheed.

With a Federal plug in the hole of investor confidence, New York can right its own ship. But, irresponsible talk of a bailout not only will sink both New York and New York State, it will commit this Nation to a lengthy and expensive salvage operation for which this and future generations will pay the costs.

The consequences to this Nation of a New York City default have been well documented. In testimony before a session of the House Budget Committee presided over by my distinguished fellow New Yorker, Representative ELIZABETH HOLTZMAN, the noted Harvard economist Otto Eckstein predicted that a city bankruptcy would cost this country $29 billion. In one of the more optimistic prognostications, the former member of the Council of Economic Advisers estimated that a default could trigger the loss of 270,000 jobs, raise the Federal budget by $4.8 billion to cover added demands for unemployment compensation, welfare, and food stamps, and, through a multiplier effect, slash $14 billion from the gross national product. He calculated that State and local taxes would be increased $3 billion and local spending would be reduced by $7 billion as the securities market dries up to all but the most credit-worthy municipal borrowers. If a New York State default follows that of the city, the costs to the Nation will double.

The above does not take into account the impact of default on the Nation's banking system. Based upon hearings conducted by the House Subcommittee on Commerce, Consumer and Monetary Affairs, which I chair, at which the country's major bank regulators testified, I have concluded that a default would result in a contraction of $1 billion in banking capital, assuming default causes a drop of only 50 percent in the value of New York City and State securities. This in turn will mean a $15 billion decline in banks' lending capacities based upon the standard 15 to 1 ratio of bank capital to loans. Such a reduction in total bank loans is equal to a one-shot 5 percent contraction in the Nation's money supply, a contraction which exceeds that which the Nation experienced at the height of the current recession.

No area of the country will be immune from the consequences of a New York City default. Approximately 450 banks in nearly two-thirds of the States, including Mr. Ford's own hometown of Grand Rapids, Mich., have invested at least 20 percent of their capital in New York City and State bonds and notes. These banks are not only in major financial centers but in such States as Alabama, Arkansas, Tennessee, Arizona, New Mexico, Colorado, Utah, and Wyoming. Each State and local government which borrows money will find that the cost of that money, even if available, will have soared. Already New York City's difficulties have raised interest expenses to these governments by an estimated $1.8 billion.

The President can take history lessons at his leisure to insure that he does not again mistake the nature of the Federal response to the San Francisco earthquake. But he can avoid only at the Nation's peril the need for Federal steps to prevent the far greater catastrophe which will follow a New York City default.

I would like to share with my colleagues the views of editorial writers of the New York Times and the Washington Post as to the administration's tragic miscalculations. Also appended is a column by Art Buchwald which might become a classic in deathbed humor.

The articles follow:

[From the New York Times, Oct. 30, 1975]

PRESIDENTIAL DEFAULT . . .

Like a bemused stranger from another place and time, President Ford yesterday addressed the contemporary crisis in urban America's largest city in terms of the political and economic dogmas of an 18th-century rural confederacy.

Mr. Ford's "fair and sensible" plan for purging New York of its fiscal sins and restoring the city to solvency is neither sensible nor fair. It does not begin to offer solutions to the city's complex problems, let alone to the deeper national urban crisis of which New York's acute budgetary disorder is merely a symptom.

The President's pietistic lecture on the city's ills and his prescription for dealing with them are based on a number of fundamental fallacies which his Administration has been promoting for weeks:

New York's situation is unique and the city's collapse would have no serious repercussions on other cities which "simply have been better managed." As we have often noted, New York's elected officials certainly have helped precipitate the city's present predicament through political chicanery and fiscal mismanagement. But to reiterate that truism is no service now. Congress, and presumably the White House, have heard the testimony of Mayors from across the country indicating that they too are struggling with many of the problems that have pushed New York to the brink. But, as New York is the largest city, the magnitude of its crisis is obviously larger and less tractable than any other city's—and the effects on the nation correspondingly more profound and far-reaching.

New York's default would have no lasting effects on financial institutions or the national economy. There is an accumulating weight of expert testimony to the contrary—enough, in our view, to convince any prudent person that the President is taking unacceptable risks with the fate of the nation in dismissing this indeterminate question so cavalierly. The fragile interdependence of a modern industrial society cannot be brushed aside with slogans from an agrarian past.

Default could still be averted through local efforts by city and state officials who have "abandoned" New York on Washington's doorstep. That is an ignorant insult to New Yorkers, of both parties and from many walks of life, who have performed superhuman feats of rescue and reform, to keep the city afloat through the agonizing months of recurring crises.

The Federal Government has no business intervening on behalf of a troubled city, a concept of federalism that has no constitutional validity and which has been repeatedly belied by Federal interventions on behalf of distressed communities, corporations interest groups and even foreign countries.

The President's plan for a court-managed default could sustain the essential life of this city with only "temporary inconvenience" to its citizens and at no cost to the Federal Government. If it would work at all, which is doubtful, Mr. Ford's vaguely defined scheme would in fact result in a far higher cost to the Federal taxpayer and a much deeper and more enduring Federal involvement in the affairs of the city than any of the so-called "bailout" plans that are gestating in Congress. Contrary to the President's assertion, all of those plans involve tough restrictions that would compel New York or any other endangered city to put its fiscal house in order as a condition for aid.

The difference between the Ford plan and those being advanced by concerned members of Congress is that Congress is seeking a way to help the city help itself back to fiscal health. The President indulges in moralistic posturing from his shaky pulpit, as he recklessly waits for the city to founder, dragging state and nation in its train.

... Presidential Piety

Although it was not clear that President Ford had a firm grip on just how his plan to sweep up after a default would actually work, he displayed a firm grasp of his own particular vision of sin and sinners. The President's rigid and punitive moralism pierced several secondary targets—cities generally, profligate urban officials, doomsayers and welfare cheats among them—before hitting the principal source of his dismay, which is adequate funding for public programs designed to improve American society by meeting urgent human needs.

Beyond announcing that New York has to swallow bitter medicine because it has been bad, the President was in effect making a ringing and heartfelt reaffirmation of the fact that he has declared war on the country's most generous public impulses. The speech was of a piece with his vetoes of health, education and child nutrition measures and his continuing war against the food stamp program. In his peroration, Mr. Ford warned that providing more benefits and services than the nation can afford would bring on a day of reckoning in Washington and asked, "When that day of reckoning comes, who will bail out the United States of America?"

What the President is really doing is waging an intense and dishonest battle on the issue of national priorities. While his Defense Secretary bemoans "savage" cuts which would pare his budget down to a mere $90.2 billion for next year, the President is busy warning that spending money on social needs is the quickest way to perdition and setting New York up as the horrible proof of his assertions. In a society strained by economic inequality and not yet recovered from a major recession which has left millions still jobless, the President's comments ring with a quaint McKinleyesque authenticity. For once, he read a speech as though he really believed it.

A rational debate on how to allocate the limited resources available for urgent national needs is both fair and necessary. Mr. Ford, however, is employing emotionalism and thinly disguised antiurban bigotry to help him withdraw funds directed at those places where the nation's social fabric is stretched thinnest and where acute suffering could well grow to cause severe social disintegration.

There is no question that funds available to meet those problems are not unlimited. But it is also beyond question that failure to face up to those problems will not only continue to devalue the quality of life for everyone in this society, but could also bring on a different kind of day of reckoning that Mr. Ford now has in mind. If that day should ever come, it is doubtful that the President would find his simple pieties very helpful.

[From the Washington Post, October 31, 1975]

The President and New York City

Undoubtedly there have been presidential speeches more outrageous than the one President Ford delivered on New York City's financial problems. But it is hard to remember one. Mr. Ford used all the demagogue's tricks: misstating the problem, distorting the facts, running down the critics, resorting to pious platitudes and appealing to prejudice. In the end, he contradicted himself by recommending that the federal government, in the person of a federal judge, supervise New York's future finances after he had explained why supervision by the federal government would be disastrous. One way or another, the nation and New York City will survive the agonies that are now inevitable for that city but they will do so in spite of the President's leadership, not because of it.

Item: Mr. Ford says that New York's leaders are asking for a "blank check" which would require other Americans to support advantages for New Yorkers that they cannot afford for themselves. The reality is that New York's leaders are not asking the federal government for an open-ended supply of federal cash; they are asking that it arrange for the city to borrow money, which it would have to repay, on terms that would require it to submit to considerable financial discipline.

Item: Mr. Ford says that New York's political leaders have "abandoned" the city's financial problems on the federal doorstep like some foundling. The reality is that New York State has not only taken financial control of the city and has committed millions of dollars to its aid but has forced a wage freeze, job cutbacks, a curtailment of construction and the renegotiation of a major labor contract.

Item: Mr. Ford claims all of the city's financial woes are due to bad management. The reality is that some of the city's problems have been forced upon it by events beyond its control; the price New York City has paid over the decades as the receiver of immigrants—first from abroad and later from the South and Puerto Rico—has been enormous.

Item: Mr. Ford says that the only losers if New York City goes bankrupt will be the "large investors and big banks." The reality is that thousands of little investors, in New York City and elsewhere, stand to lose directly and many more will be placed in indirect peril if the shock waves of such a bankruptcy spread.

Item: Mr. Ford says that "a few desperate New York officials and bankers" have been trying to stampede Congress into action. The reality is that deep concern about the impact of a New York default on the nation's entire economy exists among mayors, bankers and financial experts all across the country—including, among other ranking officials of Mr. Ford's own administration, his Vice President.

Item: Mr. Ford says that there are choices available to New York leaders other than default or bankruptcy or federal aid if only they would seize them. The reality is that New York almost certainly cannot avoid defaulting on its debts within a few weeks unless it gets help from somewhere.

Item: Mr. Ford says that most other big cities have faced the same problems as New York's and have stayed financially healthy. The reality is that New York's problems are unique if only because of their size and that some other big cities are in serious financial difficulty.

Item: Mr. Ford says that the "cities and the federal government were the creatures of the States." We had thought that John Marshall and a Civil War had put this old states rights' shibbeth to rest more than a century ago.

There are more examples. But these should be sufficient to demonstrate the general character of the President's speech. Two additional aspects of the President's approach deserve mention. It is ironic that a President whose first budget recommended the largest governmental deficit since the pharaohs built the pyramids should choose to attack so viciously the officials of New York City for running a deficit less than half as large in relation to total spending as that of the federal government. And it is ironic that a President who has been a vigorous critic of the federal courts when they have taken partial control of a local school system should recommend that those same courts take total control of the nation's largest city.

As to the substance of Mr. Ford's program, it is clear that Congress should pass quickly the changes in the bankruptcy act he supports. Indeed, it ought to have passed these some time ago. Similar proposals were urged upon it last spring by the Advisory Commission on Intergovernmental Relations. And, despite the President's opposition, Congress does need to continue work on a program to provide an emergency federal guarantee for municipal bonds. It is faintly possible, although not likely, that somewhere—perhaps in the treasuries of the labor unions—New York City will find the money to avoid formal bankruptcy. But if it does not, its bankruptcy could create chaotic conditions in the municipal bond market which would make a federal safety net of some kind essential.

It is conceivable that by turning this icy shoulder to New York City, President Ford will force its leaders to take painful steps they would not otherwise have taken and to find solutions to their own problems that are not now visible. If so, his judgment on what the role of the federal government should have been will be vindicated. But that will still not excuse the rhetoric of a speech which deliberately conceals from the American people the potential seriousness of a problem for which there is no assured solution. To build political capital on the latent antagonism that exists toward New York City, and all it stands for, is no way for a national leader to prepare public opinion to deal with a crisis which may well turn out to have profound consequences nationwide.

[From the Washington Post, Oct. 30, 1975]

Getting to the Core of the Big Apple, or, Behind the Falling Curtain

(By Art Buchwald)

I decided to go to New York City the other day. After what President Ford and Secretary of the Treasury William Simon and Chairman of the Federal Reserve Board Arthur Burns have been saying about the city I first checked with the State Department to make sure that wouldn't be jeopardizing my citizenship. I was put in touch with someone from the passport division.

"I'd like to go to New York City," I told him, "and I was wondering if there were any restrictions on my passport for making the trip. I know we're not allowed to go to Albania, North Korea, Cuba and Uganda, but I'm not clear on what the United States policy is on New York."

"What is the purpose of your trip?" the State Department official asked me.

"Tourism," I replied. "I thought I'd catch a few shows, go to dinner at a good restaurant and maybe do a little shopping."

"At the moment the United States has no official restriction concerning an American citizen visiting New York City, but I am obligated to warn you that you'll be doing it at your own risk."

"Why is that?" I asked.

"If anything happens and the city goes down the drain we won't be able to protect you. As you know, the President has broken off all diplomatic ties with Mayor Beame and the situation is very tense. Why can't you go to China or the Soviet Union where we have good relations?"

"I'd just like to see New York," I said. "You never know when the curtain will go down on that part of the world and if I don't do it now I may never get another chance."

"I can appreciate your feelings on that," the State Department official said, "but I must tell you that you couldn't have picked a worse time. By visiting New York you will only be contributing to its economy and encouraging Abe Beame to stay in power. The President and the Secretary of the Treasury believe New York City must be taught a lesson if it ever hopes to become a part of the Free World again."

"I know what you're saying," I told the man. "But I still think a visit there won't hurt American foreign policy. I'll appreciate the United States more than ever when I get back."

"If you insist I can't stop you," the official said angrily. "But we will have to make a routine check with the FBI to make sure you have no relatives there."

"But I do have relatives there. I have three sisters and an aunt."

"That puts a different light on things. How do we know you won't be blackmailed by the secret police?"

"I thought they didn't have secret police in New York any more," I said. "I heard Beame had to cut them out of his budget."

"I forgot that," the State Department official said. "By the way, you're not going with Jane Fonda are you?"

"I'd like to. I didn't know she was going."

"We have information she and Dr. Spock are planning to attend a Jets game at Shea Stadium. They expect to meet with Joe Namath."

"That's terrible," I said. "But I assure you my visit isn't political. I just want to see the Statue of Liberty and the Metropolitan Museum of Art."

"All right, bring your passport in and we'll certify it for one trip. But remember, you're going to be in enemy territory and anything you say or do will reflect on the United States of America. When you come back the White House would like to debrief you."

"That's all right with me," I said. "I'll keep my eyes and ears open. If there's anything I can do to bring New York to its knees tell the President he can count on me."

PERSONAL EXPLANATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mrs. SCHROEDER. Mr. Speaker, on Friday, October 31, I was unable to be on the floor for votes on three rollcalls. I would have voted as follows:

First, on rollcalls Nos. 656 and 657, regarding amendments to the bill, H.R. 10024, I would have noted "no." Second, on the final passage of the bill, I would have voted "aye."

THE PUBLIC'S DESIRE FOR CLEAN AIR

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. HEINZ. Mr. Speaker, the Federal Energy Administration recently commissioned an extensive survey of public opinion on the subject of air pollution. I believe that the results of this poll will be of great interest to all my colleagues who are concerned with the need to protect the American people from the dangers of an unhealthy environment.

The FEA survey shows that there is strong public support for efforts to reduce air pollution. The reason behind the public's desire for clean air is adequately revealed in these poll results. The American people are only too well aware of the grave hazards that pollution poses to human health. Over 10 percent of the people surveyed reported that someone in their family had suffered illness as a result of air pollution. Sixty percent of those interviewed identified ill-health as one of the great problems caused by air pollution. Pollution threatens the well-being of every American. The people want action taken to reduce this imminent threat.

Judging from the results of the Federal Energy Administration's poll, the American people are perfectly earnest in their desire to combat pollution. They realize that pollution control will not come cheaply. But according to Michael Rappeport of the Opinion Research Corp., the majority of Americans are willing to pay the price that experts predict sound pollution control programs will require. Those interviewed for this poll were informed that pollution control might result in higher consumer prices. Three-quarters of those giving definitive responses said they would be willing to pay higher prices to pay for clean air. Two-thirds of all respondents giving definitive answers said they would be willing to pay $250 more for their automobiles in order to reduce automobile emissions by an additional 10 percent. Over 60 percent of those giving definitive responses said they would be willing to pay $30 extra each year on their electric bills in order to cut down on air pollution caused by power plants.

The results of this survey certainly do not give those of us in Congress a license to spend the taxpayers' money foolishly on air pollution control and abatement programs. In this area, as in any other, we must insure that costs are justified by the benefits we will derive from them. But the American people clearly want to protect themselves and future generations from the dangers of polluted air. The people of this Nation know full well that if we do not start cleaning up the environment now it will cost us even more money to do so in the future when the crisis becomes even more serious. I believe that those of us in Congress must face up to our responsibilities in this matter and insure that all proper and necessary steps are taken to reduce the threat of pollution.

Mr. Speaker, in conducting this survey for the FEA, the Opinion Research Corp. made one further discovery that I would like to bring to my colleagues' attention. An overwhelming majority of Americans believe that preventive action should be taken to protect the quality of air in regions that currently enjoy clean air. Fully 94 percent of those interviewed said they would rather see areas which presently have clean air kept clean rather than permit a pervasive air pollution in all parts of the country. The American people are apparently tired of seeing matters reach a crisis stage before steps are taken to deal with them. The Members of this body will soon have an opportunity to endorse the wisdom of the American people on the question of preventing significant deterioration of air quality in clean air regions. I sincerely hope that this Congress will be able to legislate a reasonable and balanced significant deterioration policy that recognizes clean air as one of our most valuable resources.

The Subcommittee on Public Health and the Environment recently reported the Clean Air Act Amendments of 1975 to the full House Commerce Committee. This important legislation will soon be before the full house of Representatives. In order to help my colleagues' further deliberation and study of this matter, I am inserting the FEA opinion survey and a summary letter from the polling organization into the RECORD:

AIR POLLUTION SURVEY

This memorandum is to report the results of the Air Pollution Survey. Under separate cover, I am sending you a copy of the tables. As you know, we conducted a total of 511 interviews. The sample was structured to get a disproportionate number of interviews in city areas and this is reflected in the percentage base on each of the tables. The tables, however, have been weighted to compensate for this over sampling and any variations from normal population figures. As you know, weighting is the accepted approach to dealing with such situations.

The results of this survey can be summarized as follows:

1. A majority of Americans are willing to pay reasonable amounts of money to reduce air pollution. Here reasonable is defined in terms of the dollar amounts that experts in the field believe to be estimates of actual costs. Support for this conclusion comes heavily from questions 15, 29, and 32.

2. Similarly, Americans are willing to pay reasonable amounts of money rather than give up use of their automobiles. Primary evidence for this is question 33c, especially when compared to question 29.

3. On the other hand, Americans are willing to suffer some limitations on other present behavior rather than pay additional money. For instance, they are willing to turn down thermostats (question 33e), and even turn off electricity, although respondents may not have appreciated the full impact of this (question 33b).

4. Americans would rather see areas which presently have clean air kept clean rather

than permit a pervasive air pollution in all parts of the country. This is shown dramatically in question 18 and also in questions 21 through 23.

The lengths to which Americans will go to avoid air pollution is shown by a combination of questions 24 and 25. Fully 2 out of 7 with an opinion would oppose construction of new steel mills and power plants, even if this caused unemployment and power shortages, and a substantial majority would oppose such construction on balance.

Finally, the main reason for opposing air pollution is that three out of five Americans say that the primary problem caused by air pollution relates to health. Furthermore, 11% of Americans say they or someone in their families has suffered illness from air pollution. It is this association of air pollution with health problems that provides the very strong base of support for environmental laws in this area, even at some personal monetary expense.

[Answers in percent]

1. Compared to other parts of the country, how serious do you think air pollution is in the town where you live—would you say it is very serious, fairly serious, not too serious, or not serious at all?

1. Very serious	15
2. Fairly serious	22
3. Not too serious	36
4. Not serious at all	26
5. No opinion	1

2. What types of problems are caused by air pollution?

1. Health	60
2. Aesthetic	17

3. Have you or anyone in your family suffered any illness during the past year due to air pollution?

1. Yes	11
2. No	88
3. Don't know	1

If yes, ask:

4. What type of illness was that?

1. Eye irritation	2
2. Headache	-----
3. Chest pains, breathing	2
4. Coughing	1
5. Nose, nasal congestion	2
6. Stomach, stomach upset	-----
7. Allergic	2
8. Other	5
9. Don't know	0

5. Did this illness cause the person to see a doctor?

1. Yes	5
2. No	6

If yes, ask:

6. About how much did that doctor's visit cost?

1. Under $15	1
$15–$36	1
$37–$120	1
More than $120	1
2. Don't know	96

7. Did the person who was ill miss any work or school?

1. Yes	4
2. No	7
3. Don't know	-----

7a. How many days during the past year was this person ill from air pollution?

1. — days, 14 days (mean) 36 days (average).

Ask everybody:

8. How willing would you be to pay *$200 per year more* to make a small reduction in the amount of illness caused by air pollution in this country?

1. Very willing	10
2. Fairly willing	26
3. Not too willing	20
4. Not willing at all	35
5. Don't know	9

9. What do you think are the most important causes of air pollution? (includes some multiple choices).

1. Factories/plants	52
2. Auto/bus/truck exhaust	55
3. Garbage dumps	3
4. Other (please specify)	14
5. Don't know	11

10. Compared with five years ago, would you say that air pollution in your town has increased, decreased, or remained about the same?

1. Increased	45
2. Decreased	8
3. Remained about the same	43
4. Don't know	4

11. Thinking of the next five years, do you think air pollution in your town will increase, decrease, or remain about the same?

1. Increase	42
2. Decrease	11
3. Remain about the same	40
4. Don't know	7

12. How much do you think exhaust from automobiles contributes to air pollution—a great deal, a fair amount, or very little?

1. A great deal	42
2. A fair amount	38
3. Very little	15
4. Don't know	5

13. Do you think that air pollution controls on cars have reduced total air pollution a great deal, a fair amount, a little, or not at all?

1. A great deal	7
2. A fair amount	23
3. A little	42
4. Not at all	17
5. Don't know	11

14. America's cheapest energy source is coal, but burning coal to make electricity causes air pollution. At this time, do you think it is more important to have strict air pollution control laws or to allow coal to be used to make cheap electricity?

1. Strict air pollution laws	33
2. Coal for cheaper electricity	40
3. Other	8
4. Don't know	19

15. To pay for cleaning up the environment, companies will have to charge more for their products and services, and the government will have to increase taxes. Do you think that now it is more important to pay higher prices to protect the environment, or to pay lower prices but have more air pollution?

1. Pay higher prices to protect the environment	59
2. Pay lower prices but have pollution	17
3. Other	8
4. Don't know	16

16. Has your attitude toward the necessity for clean air changed since the energy crisis occurred last year?

1. Yes	24
2. No	76

If Yes, Ask:

17. How has your attitude changed?

1. Increased concern	11
2. Scattered other	--

18. Do you think that areas that now have clean air should be kept as clean as they are now, or allowed to get somewhat more polluted?

1. Should be kept as clean as they are now	94
2. Allowed to get somewhat more polluted	2
3. Other	2
4. Don't know	2

19. Do you think that power plants and oil refineries cause air pollution?

1. Yes	76
2. No	10
3. Don't know	14

If yes, ask:

20. Overall, do you think oil refineries and power plants should be built in areas that already have air pollution, or should they be built in areas that do not have pollution now?

1. In areas that are polluted	33
2. In areas that are not polluted	14
3. Both	2
4. Build refineries and plants that do not pollute (volunteered)	8
5. Other	9
6. Don't know	9

21. Do you favor or oppose a government law that would prohibit construction of new industries (steel mills, power plants, etc.) in parts of the country that now have clean air?

1. Favor	41
2. Oppose	41
3. Other	
4. Don't know	

If favor, ask:

22. Would you still feel this way if building these plants elsewhere caused an increase in prices of products to the consumer?

1. Yes	28
2. No	7
3. Don't know	5

23. Would you still feel this way if factories and plants in areas that already have polluted air cause those areas to become even more seriously polluted?

1. Yes	14
2. No	19
3. Don't know	8

24. Would you favor or oppose construction of new industries in your state, such as steel mills and power plants, if those new plants caused more air pollution?

1. Favor	32
2. Oppose	52
3. Other	4
4. Don't know	12

If oppose, ask:

25. Would you still feel this way if not building these plants caused unemployment and power shortages?

1. Yes	21
2. No	21
3. Don't know	10

26. Which would you prefer—building new plants in areas with clean air, building them in areas wtih dirty air, or paying higher electric bills so that the plants do not pollute very much?

1. Build in clean air	14
2. Build in dirty air	11
3. Pay money so plants do not pollute	50
4. Other	6
5. Don't know	19

If "build in dirty areas", ask:

27. Would you still feel this way if these plants built in dirty areas caused more illness due to air pollution?

1. Yes	3
2. No	7
3. Don't know	2

Ask everybody:

28. How willing are you to pay $10 per year more in taxes to have the government help the auto industry produce a car that would cause less air pollution and save you $120 per year in gasoline costs—very willing, fairly willing, not too willing, not willing at all?

1. Very willing	46
2. Fairly willing	24
3. Not too willing	7
4. Not willing at all	19
5. Don't know	4

29. It is estimated that it will cost about $250 per car in the next 5 years to further reduce air pollution caused by automobiles. Do you think it is better to permit present levels of air pollution from cars, or to charge $250 per car to clean the air by another 10%?

1. Allow present levels of air pollution from cars	24
2. Pay $250 to lower 10%	48
3. Other	6
4. Don't know	22

30. Devices that decrease air pollution from automobiles use more fuel. Do you think it is better to reduce automobile air pollution by 10% even if more gas is used, or is it better to save the gas?

1. Reduce air pollution	34
2. Save gas	46
3. Other	6
4. Don't know	14

31. Would you be willing to pay $50 more per year for automobile gasoline in order to cut down automobile air pollution:

1. Yes	52
2. No	38
3. Don't know	10

32. Would you be willing to pay an additional $30 per year on your electric bill in order to cut down air pollution caused by power plants?

1. Yes	58
2. No	35
3. Don't know	7

33. To lower air pollution, which would you prefer:

a. Joining a car pool or a van pool to go to work; or paying $50 more per year for gasoline?

1. Join car pool/van pool	63
2. Pay $50 more per year	17
3. Do not work	9
4. Other	4
5. Don't know	7

b. Turning off electricity for 5 hours a day; or paying $30 a year more for electricity?

1. Turning off electricity	47
2. Paying $30 a year more for electricity	44
3. Other	5
4. Don't know	4

c. Prohibiting use of cars to go to work during times of serious air pollution; or paying $250 more for a better air pollution device on your car?

1. Prohibit use of cars	22
2. $250 for better air pollution device	44
3. Other	9
4. Don't know	24

d. Paying $300 for additional insulation in your home; or paying $70 a year more for electricity and fuel?

1. Paying $300 for insulation	67
2. Paying $70 a year more for electricity and fuel	14
3. Other	7
4. Don't know	12

e. Turning down the thermostat to 65° in winter; or paying $70 more per year in electricity and fuel costs?

1. Turn down thermostat	73
2. Pay $70 more per year	19
3. Other	3
4. Don't know	5

CONSUMER LEGISLATION SUPPORT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. HORTON. Mr. Speaker, the House considers tomorrow H.R. 7575, the consumer protection legislation which has been termed the most important consumer legislation ever considered by the Congress. The House has passed similar legislation by overwhelming majorities in the past two Congresses, and I hope it will do so again tomorrow.

Support for the bill stems from a realization that consumer interests are inadequately represented in Federal regulatory proceedings and that this results in regulatory decisions which are inflationary and costly to consumers.

I am pleased to note that the Grand Rapids Press editorialized in support of this legislation in spite of the opposition of President Ford.

I am also including lists of business supporters, various national groups supporting the consumer bill and editorials in support of the bill.

Support for the Agency for Consumer Protection Legislation is widespread among public interest groups, consumer, women's, senior citizen, farm, and labor groups as well as a large number of businesses. This legislation deserves the support of every Member of Congress as well.

The editorial follows:

[From the Grand Rapids Press, May 25, 1975]

CONSUMER ADVOCACY

Unlike the Corvair automobile which it destroyed, "consumerism" has demonstrated considerable staying power since that cause was first advocated so effectively by Ralph Nader in the mid-60's.

Consumerism has been institutionalized by Congress through legislation. Federal laws have been enacted to establish emission controls and safety standards for automobiles, to set strict controls on water and air pollution to create a Consumer Product Safety Commission, to empower the Federal Trade Commission (FTC) to seek prompt injunctive relief against unfair or deceptive trade practices, and to protect working consumers through the Occupational Safety and Health Act.

But now Mr. Nader's fondest wish may be realized. After at least three years, the Senate has passed and sent to the House a bill to establish an Agency for Consumer Advocacy (ACA). The measure would create a "watchdog" agency charged with representing "the interest of consumers" before other federal agencies and in the courts on matters which AGA's director determines "may substantially affect an interest of consumers." It would have no regulatory powers, but instead would monitor the activities of other government agencies and point up inflationary or anti-consumer proposals.

President Ford does not share Congress' enthusiasm for the ACA. He views the agency as an unnecessary and costly duplication, adding "yet another federal buraucracy in Washington with its attendant costs of $60 million over three years. . . ."

A far better approach, he submits, is to make existing agencies more responsive to the consumer and at the same time reduce government regulation of business.

That may take considerable doing. With few exceptions—notably the FTC in recent years—government regulatory agencies have seemed much more anxious to help the industries they regulate than the consumer.

Really, the decision as to whether the Agency for Consumer Advocacy should be established boils down to a matter of priorities. Mr. Ford's interest in cost-benefit ratios is to be commended, but an annual outlay of $20 million for ACA's operations does not seem that excessive when one contemplates the proposed 1976 federal budget of approximately $350 billion.

Even with a $60 billion budget deficit forecast for the next fiscal year, there has been little inclination to abolish the do-nothing Metal and Non-metallic Mine Safety Board of Review or the non-productive Postal Rate Commission.

Granted, spokesmen for the consumer have at times been pushy and even arrogant, but on balance the consumerism of recent years has been a very good thing. And it is not a business vs. buyer relationship, either. Indeed 40 business—including Mobil Oil, Montgomery Ward, Atlantic-Richfield, the Jewel food store chain and several other major corporations—endorse ACA

It also is true that the consumer movement has caused some American goods and services to cost more. Still the additional expense is acceptable if in return something of value is received. For example, many perishable food products now are dated and the ingredients of grocery store items are listed by quantity; truth in lending laws have made interest and carrying charges better understood; toys and clothing articles are safer; and factory recalls to correct defective cars and appliances are not uncommon.

There is need for regulatory reform. Through executive actions and legislative proposals, President Ford is attempting to reduce unnecessary and anti-competitive regulations. A Senate Judiciary subcommittee is studying the Civil Aeronautics Board and a House Commerce subcommittee is beginning a "comprehensive study" of six major regulatory agencies. Congress also seems on the verge of repealing Fair Trade legislation.

But another way to lend a hand to the embattled consumer is through the Agency for Consumer Advocacy. Congress is urged to create ACA—with the understanding, however, that funding would extend only for three years. In 1978 or 1979 its performance would be evaluated by Congress, with the benefits afforded the consumer measured against the expenditure of taxpayer dollars.

NATIONAL GROUPS SUPPORTING THE CONSUMER PROTECTION ACT

Amalgamated Clothing Workers of America (AFL-CIO).

Amalgmated Meat Cutters and Butcher Workmen (AFL-CIO).

American Association of Retired Persons.

American Association of University Women.

Americans for Democratic Action.

B'nai B'rith Women.

Common Cause.

Communications Workers of America (AFL-CIO).

Consumer Action for Improved Food and Drugs Conference of Mayors.

Consumer Advocates.

Consumer Federation of America.

Consumers Union of the United States Inc.

Cooperative League of the United States of America.
Friends of the Earth.
International Association of Machinists and Aerospace Workers (AFL–CIO).
International Union of Electrical Radio and Machine Workers (AFL-CIO).
International Ladies Garment Workers Union (AFL-CIO).
Movement for Economic Justice.
National Black Media Coalition.
National Association of Attorneys General.
National Association of District Attorneys/Economic Crime Committee.
National Congress of Hispanic-American Citizens.
National Consumers Congress.
National Consumers League (Esther Peterson, President).
National Council of Senior Citizens.
National Farmers Union.
National Governors Conference.
National Women's Political Caucus.
Oil, Chemical and Atomic Workers International Union (AFL–CIO).
Public Citizen (Congress Watch).
Retail Clerks International Association (AFL-CIO).
Sierra Club.
The Newspaper Guild.
United Auto Workers.
United Mine Workers of America.
United Presbyterian Church (Washington Office).
United Steelworkers of America (AFL-CIO).
Women's Equity Action League.
Women's Lobby.
Women's National Democratic Club.

BUSINESS SUPPORTERS OF THE CONSUMER PROTECTION BILL H.R. 7575 AND S. 200

Advanced R. & D., Inc., Orlando, Florida.
Alexander Hamilton Life Insurance Co., Farmington, Michigan.
American Income Life Insurance Co., Waco, Texas.
American Sound Corporation, Warren, Michigan.
AMFAC, Inc., Honolulu, Hawaii.
Amivest Corporation, New York, New York.
Applikay Textile Process Corporation, Passaic, New Jersey.
Atlantic Richfield Company, Los Angeles, California.
Bantam Books, New York, New York.
Blake's, Springfield, Mass.
Brands Mart, New York, New York.
Cardinal Outdoor Advertising, Erie, Pennsylvania; Danville, Illinois; Terre Haute, Indiana.
Chief Auto Supply, Cerritos, California.
Cinema 5 Development, New York, New York.
Coffee Associates Food Enterprises, South Windsor, Connecticut.
Condamatic Company, Inc., Warren, Michigan.
Connecticut General Life Insurance, Hartford, Connecticut.
Consumers Cooperative of Berkeley, Inc., Berkeley, California.
Consumers Cooperative Society of Palo Alto, Palo Alto, California.
Consumers United Insurance Company, Arlington, Virginia.
Co-op and Consumer Supermarkets, SCAN Contemporary Co-op Furniture, Silver Spring, Maryland.
Cummins Engine Company, Columbus, Indiana.
Dansk Design, Mt. Kisco, New York.
The Dreyfus Corporation, New York, New York.
Dyna Day Plastics, Inc., Warren, Michigan.
Dyson-Kissner Corporation, New York, New York.
Walter Emery, Bank of Denver, Denver, Colorado.
Executive Life Insurance of New York, New York, New York.
Factory Equipment Corporation, Los Angeles, California.
Federation of Cooperatives, New York, New York.
Feuer Precision Guages, Inc., Forest Hills, New York.
Florida Investors Mortgage Corporation, Gainsville, Florida.
Frankel Carbon & Ribbon, Denver, Colorado.
General Instrument Corp., New York, New York.
Laurence Good, L. S. Good, Wheeling, West Virginia.
GRT Corporation, Sunnyvale, California.
Gulf & Western Company, New York, New York.
Hamburger's, Baltimore, Maryland.
Hang Ten International, San Diego, California.
Harper Systems, Little Rock, Arkansas.
Harris & Frank, Los Angeles, California.
Robert Hart, Boulder National Bank, Boulder, Colorado.
Henhouse Interstate, St. Louis, Missouri.
Hydro Medical Science, New Brunswick, New Jersey.
International Creative Management, New York, New York.
International Group Plans, Inc., Washington, D.C.
Jewel Companies, Inc., Chicago, Illinois.
Joseph & Feiss, Cleveland, Ohio.
KB Marketing System, Inc., Brillant, Ohio.
Kennedy's, Boston, Massachusetts.
King Super Markets, Inc., Irvington, New Jersey.
Labenthal Company, New York, New York.
Lloyd's Shopping Center, Middletown, New York.
Maxwell Corporation of America, Moonachie, New Jersey.
MCA (parent of Universal Pictures), Universal City, California.
Mobil Oil Company, New York, New York.
Monogram Industries, Inc., Los Angeles, California.
Montgomery Ward, Chicago, Illinois.
Myers Bros., Springfield, Ill.
National Association of Mutual Insurance Agents, Washington, D.C.
National Patent Development Company, New York, New York.
Oakland Consolidated Corporation, Maitland, Florida.
Optical Systems Corp., Los Angeles, Calif.
Phillips—Van Heusen, New York, New York.
Piedmont Industries, New York, New York.
Pioneer Systems, Manchester, Connecticut.
Polaroid Corporation, Cambridge Massachusetts.
Puritan Fashions Corp., New York, New York.
Putnam-Gellman Corporation, New York, New York.
Ratner Corporation, San Diego, California.
Redwood & Ross Stores, Kalamazoo, Michigan.
Rice's/Nachman's Stores, Norfolk, Virginia.
Rob Roy, New York, New York.
Royal Transmission, Las Vegas, Nevada.
Scottie Car, Springfield, Illinois.
Scottish Inns of America, Knoxville, Tennessee.
Stop and Shop Companies, Boston, Massachusetts.
Stratford Town Fairs, Stratford, Connecticut.
Stride Rite Shoes, Boston, Massachusetts.
United Artists, New York, New York.
Warner Communication, New York, New York.

October, 1975.

ISSUES TO AMENDING THE CLEAN AIR ACT OF 1970

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. MAGUIRE. Mr. Speaker. In the near future, Congress will consider amendments to the Clean Air Act of 1970. One of the principal issues is whether to maintain or relax the statutory requirements relating to automobile emissions.

STATUTORY EMISSIONS STANDARDS CAN BE MET

As many of my colleagues, are aware, there has been considerable controversy over what the automobile industry can technically achieve in terms of emission control. There is further controversy over the cost of such control to the automobile purchaser and owner. Opponents of the existing statutory requirements claim that it will be technologically infeasible to meet these standards.

However, the National Academy of Sciences, which reviewed the issue of technological feasibility as well as cost, issued findings which indicate the opposite. The NAS concluded in the June 5, 1975. "Report of the National Academy of Sciences, Conference on Air Quality and Automobile Emissions," that the 1978 emission standards for hydrocarbons (HC) and for carbon monoxide (CO) are "both feasible and worthwhile", and that the standards for nitrogen oxides (NO) are probably feasible.

As far as cost is concerned, the NAS report indicated that pollution control devices to meet the tighter 1978 emissions standards would not cost much more than those required for the 1975 model year vehicles. Furthermore, significant fuel economies can be realized on cars with catalysts, which can save money over the life of the car as well as help alleviate the energy crisis.

To further understand the complexities of this automobile emissions issue, I urge all Members to examine the NAS report. I would also like to call my colleagues attention to my comments on this matter in the September 23, 1975 RECORD (p. 29929) which includes the conclusions and recommendations from the NAS report.

SHOULD THE INTERNAL COMBUSTION ENGINE BE PHASED OUT?

As all Members are aware, environmental and energy matters are linked. The automobiles in this country are great consumers of energy as well as being a significant source of pollution. The Nation would go a long way toward alleviating both energy and environmental problems if automobiles could be produced which are more economical in consumption of fuel and create less pollution. This possibility is outlined in an August 1975 report of the Jet Propulsion Laboratory—JPL—of the California Institute of Technology. Entitled, Should We Have a New Engine? An Automobile Power Systems Evaluation, the report indicates that the refinement and application of existing technology can provide America with a fuel-efficient, and virtually pollution-free automobile by the mid-1980s. The report is based on a comprehensive study by JPL commissioned by the Ford Motor Co. It examines several engine types including alternatives to the Otto-cycle engine, or common internal combustion engine, which now powers the vast majority of cars manufactured in the United States.

JPL concludes that,

> The results show that goals for emission standards and energy conservation for the automobile over the next 5–10 years can be met by improvements to the Otto-cycle engine and to the vehicle.

JPL recommendations to the Nation concerning future possibilities are very dramatic:

> Accelerate and direct the development of two particularly promising alternate engines—the Brayton and Stirling—until one or both can be mass-produced, with introduction in the improved cars targeted for 1985 or sooner. The report explains that both engine types have been in existence for many years and that recent technical developments have made them suitable for passenger car application.

Concerning energy conservation and emissions, JPL writes:

> Both offer dramatic savings in fuel usage, adaptability to a wide variety of liquid fuels, and emissions low enough to take the automobile off the list of major polluters.

JPL foresees fuel savings of up to two million barrels daily.

There is strong public support for the development of improved engine technology. An August 1975 public opinion poll commissioned by the Federal Energy Administration asked: "How willing are you to pay $10 per year more in taxes to have the Federal Government help the auto industry produce a car that would cause less pollution and save you $120 per year in gasoline costs—very willing, fairly willing, not too willing, not willing at all?" Over seventy percent responded favorably with 46 percent very willing to pay the additional costs and 24 percent fairly willing. These findings indicate exciting possibilites, and I urge my colleagues to carefully consider them in determining their positions on energy and environmental matters. For the information of the members I ask that the Abstract, Synopsis and Major Findings of the JPL report be included at this point in the Record:

["Should We Have a New Engine? An Automobile Power Systems Evaluation," Abstract, Synopsis and Major Findings, Report of the Jet Propulsion Laboratory, California Institute of Technology, August, 1975.]

ABSTRACT

Alternative automotive powerplants were examined for possible introduction during the 1980–1990 time period. Technical analyses were made of the Stratified-Charge Otto, Diesel, Rankine (steam), Brayton (gas turbine), Stirling, Electric, and Hybrid powerplants as alternatives to the conventional Otto-cycle engine with its likely improvements. These alternatives were evaluated from a societal point of view in terms of energy consumption, urban air quality, cost to the consumer, materials availability, safety, and industry impact.

The results show that goals for emission reduction and energy conservation for the automobile over the next 5–10 years can be met by improvements to the Otto-cycle engine and to the vehicle. This provides time for the necessary development work on the Brayton and Stirling engines, which offer the promise of eliminating the automobile as a significant source of urban air pollution, dramatically reducing fuel consumption, and being saleable at a price differential which can be recovered in fuel savings by the first owner. Specifically, the Brayton and Stirling engines require intensive component, system, and manufacturing process development at a funding level considerably higher than at present.

SYNOPSIS

"What should be done in the near future to improve the automobile, from the standpoint of society's needs and problems? Specifically, should some other type of engine be used to power the automobile in the coming decade, instead of the familiar Otto[1] (spark-ignited internal combusion) engine?" These are the questions that the Jet Propulsion Laboratory was asked to address in this study.

The automobile affects the quality of our lives in many ways. On the positive side is the convenience of the personal care, all-important in providing mobility for business and pleasure. On the negative side are the problems it creates or to which it contributes heavily. The air we breathe is fouled by its exhaust. Increasing use of cars causes congestion in our cities and leads to injuries and deaths on our highways. Demand for imported metals and minerals, needed to manufacture automobiles, is continually growing. Our enormous energy consumption, to which the automobile's demand for gasoline is a major contributor, gives rise to large deficits in our national balance of payments each year and leaves us vulnerable to international embargoes. The group of industries involved in the production and operation of automobiles are strongly linked to our nation's economy and employment. These factors show the importance of the automobile and its infrastructure.

Over a period of about 18 months, the Jet Propulsion Laboratory studied the technologies available for improving the automobile and its powerplant, within the framework of the key issues: the role of the automobile and other transit systems in providing personal mobility, energy and fuels availability, material resources, air quality, highway safety, and the changeover capability of the automobile industry. In the course of this study several fundamental realizations—some of them at variance with widely held opinion—emerged:

The automobile will maintain its dominant role in personal transportation through the foreseeable future. Public transit will be able to take a larger share of the burden. However, the time and effort required to build new public transit systems, or to expand existing facilities, together with their limited applicability, preclude more than a 10–15% substitution for automobile driving in the next 10 to 20 years.

The production of over 10 million automobiles per year is the combined, and highly specialized, undertaking of an industrial complex that extends back to the iron ore mines. A major change in the product cannot happen overnight regardless of money available, technology applied, or legislation enacted. There will be an estimated minimum time lag of over three years in beginning to mass-produce a new design, given a fully developed producible model.

Liquid fuels, natural and/or synthetic, will be used in cars through at least the end of this century. World resources are sufficient to permit the introduction of another generation of combustion engines.

The necessary materials of construction can be obtained for the recommended heat-engine-powered automobiles, given adequate planning.

The financial resources required for conversion to vehicles with alternate engines would be readily available in our economy.

Automobile pollutant emissions and—equally important—emissions from other moving and stationary sources must be controlled more stringently than at present, and in a concerted manner, in order to meet the National Primary Ambient Air Quality Standards through the next decade. To conform with this requirement, automobiles powered by an alternate engine considered must meet, or better, a set of emission standards appropriate to the region in which they are driven.

Given some additional development, cars with catalytically controlled Otto engines do not have to give up fuel economy to comply with the strictest legislated emission standards. In fact, some improvement in the efficiency of such engines can be obtained without relaxation of those emission standards.

In the light of these realizations, our answer to the questions originally posed, stated in a few words, is:

Begin immediately the rapid implementation of design changes to the car itself which can significantly reduce fuel consumption, independent of the kind of engine used. Concurrently, accelerate and direct the development of two particularly promising alternate engines—the Brayton and Stirling engines—until one or both can be mass-produced, with introduction in the improved cars targeted for 1985 or sooner. In the interim, press the development of the conventional Otto engine to its limits.

The vehicle design changes referred to are primarily weight reductions, along with some modest improvements attainable in transmissions, power-consuming accessories, and the aerodynamic characteristics of the car. Many of these are relatively easy to achieve and should be put into production in the next five years, since they can reduce normal driving fuel consumption by 14 to 35% over the range of car sizes. The remaining changes, requiring some additional development, should be introduced as soon thereafter as practical and will provide even more impressive fuel savings. A further reduction in national fuel consumption can be obtained if a moderate shift in consumer preference toward smaller cars can be brought about. All of these gains are essentially unrelated to the type of engine in the car and, once achieved. will by-and-large be retained when the alternate engine is introduced.

The Brayton engine is better known as a gas turbine, one form of which is presently used on large commercial aircraft. Braytons have already been employed in some racing cars and experimental automobiles. The Stirling engine, a newcomer to the automobile, utilizes the heat from the burning fuel to make a separate closed gas system do the work. Both types of engines have been in existence for many years, but only recent technical developments have made them suitable for passenger car application. Both offer dramatic savings in fuel usage, adaptability to a wide variety of liquid fuels, and emissions low enough to take the automobile off the list of major polluters. Although both could eventually be produced at acceptable cost, in neither case do engines delivering this attractive performance presently exist in a form that can be economically mass-produced. Therefore, Brayton and Stirling engine development must be greatly accelerated until one or the other reaches the stage where the auto industry can give a production go-ahead. This may not happen if the industry operates in a business-as-usual manner, since development spending in excess of present levels for these alternates is necessary. Government funding and/or incentives will be required to promote a firm industrial commitment.

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[1] Named after its inventor, Nikolaus Otto.

A small improvement in fuel economy can still be squeezed out of the conventional Otto engine, at no sacrifice in emission control, while the alternate engine is being readied for production. More effective air/fuel mixing and conditioning devices, together with improved exhaust converters, can make the evolving Otto engine a very worthy stopgap powerplant. Developments in this area must also be spurred.

The electric car, in a form that could substantially replace liquid-fueled automobiles, remains a prospect for the more remote future. It is a very alluring long-term option since its supply of electric energy is drawn from generating stations which can use any energy source—chemical, solar, geothermal, or nuclear. However, present technology limits the electric vehicle to very specialized applications, and the electric energy storage system required to make it competitive with liquid-fueled cars for general use has yet to be developed. The mandatory battery research must be intensified now, if a practical, general-purpose electric car is to materialize.

Implementation of the foregoing recommendations will result in major benefits to the nation as a whole in transportation and energy consumption. Enlightened planning now, embodied in a firm national commitment, can put efficient automobiles powered by Brayton/Stirling engines on our streets by 1985 and provide us with the options needed for the century to come.

II. MAJOR FINDINGS

The feasibility and desirability of introducing an alternate automobive engine were assessed in the context of relevant national needs and problems: (1) the demand for mobility; (2) energy consumption, especially as petroleum fuels; (3) availability of raw materials; and (4) urban air quality. Studies of these issues resulted in an automotive outlook for the balance of this century which is probably not surprising: (1) personal automobiles are here to stay, regardless of increased usage of public transit and other changes in vehicle use patterns; (2) liquid fuels, some combination of natural and synthetic bydrocarbons, will be used in cars throughout the time frame of interest; (3) world resources can supply the automobile's expected demand for fuels and materials of construction; and (4) environmental air quality will demand continued attention, necessitating more restrictive emission standards for stationary as well as mobile sources.

Against that backdrop, the APSES study has derived some major findings, the rationale for which is outlined in subsequent sections and supported in detail in Volume II of this report. Briefly, those findings are as follows:

(1) Comparatively simple vehicle design changes—primarily weightsaving, essentially independent of engine type and functionally acceptable to the buyer—can reduce the conventional automobile's fuel consumption by 14 to 35% of present usage. Such changes can be incrementally introduced and all be in production by 1981. Other modifications, requiring some additional development, can further reduce fuel usage. All of the vehicle improvements can and should be incorporated by 1985, since their benefits would largely be retained when an alternate engine is introduced. A modest shift in market preference toward smaller cars would also yield a short-term payoff in fuel saving.

(2) Vehicles powered by Brayton or Stirling engines can reduce national automotive fuel consumption by about one-third from that of equivalent cars with conventional engines (for the same usage) and with emissions below the strictest presently legislated standards. Introduction of either of these alternate engines can be accomplished without significant adverse impact on the nation's economy. One or both should be introduced as soon as these benefits can be realized in economically mass-productible hardware.

(3) The present development status of the Brayton and Stirling engines does not, at this time, permit a decision to begin mass production; hence their introduction cannot be forced by an abrupt change in emission standards or legislation of a fuel economy standard over the next few years. Rather, a more aggressive development program, involving at least a five-fold increase over the present rate of spending, must be pursued. Such a program requires a firm commitment on the part of industry, supported by government funding or incentives. An introduction target date of 1985 (earlier, if possible) should be incorporated in the development schedule.

(4) While the Brayton/Stirling development is proceeding, about 9% reduction in fuel consumption from that of the average 1975 conventional Otto engine can be obtained, without giving ground on emissions control, through improved induction systems and exhaust converters. The combination of such upgraded Otto engines with the improved vehicles discussed in finding (1) constitutes not only a good stopgap automobile configuration, but also a very acceptable "fallback" position if intractable difficulties arise in both alternate engine developments.

(5) Intermittent-combustion alternate engines—the Stratified-Charge Otto and the Diesel—do not offer enough advantage over the improving conventional Otto engine, in vehicles of equivalent performance, to warrant their widespread introduction in general-purpose automobiles. Also, conversion of the entire fleet to such an engine could further delay introduction of a Brayton or Stirling.

(6) Meeting the presently mandated National Primary Ambient Air Quality Standards requires coordinated emission reduction from both automotive and nonautomotive sources. For areas outside the Los Angeles basin, national automotive emission standards of 0.4/3.4/2.0 g/mi (HC/CO/NOx) are adequate through 1990. In addition, evaporative hydrocarbon emissions must be effectively controlled nationwide. The Los Angeles basin should mandate 0.4/3.4/0.4 g/mi emission standards as soon as practicable; even at those levels the photochemical oxidant (smog) standard will not be met, with still stricter hydrocarbon (and possibly NOx) control being ultimately required.

Other sources, especially heavy-duty vehicles and stationary sources must also be aggressively controlled nationwide, or else they will be the major polluters.

Brayton- and Stirling-powered cars can comfortably meet the strict statutory standards, and even the Otto-engined car, with projected improvements, will be equal to that task. Further tightening of the automobile emission standards would eventually rule out the Otto engine, however.

FRAMEWORK FOR DISARMAMENT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. DELLUMS. Mr. Speaker, I would like to call the attention of my colleagues to a statement by Carlton Goodlett on the subject of disarmament. We can easily forget just how crucial a task disarmament is. But we do not begin the hard work of disarmament if we continue to regard it as a pious wish that we will have to take seriously—"one of these days." No, we must start the hard thinking about actual mechanisms of disarmament now. Dr. Goodlett's precise descriptions of possible mechanisms are an important contribution to our concrete understanding of the problem, and for that reason I believe that we here in Congress should listen to what he has to say.

The statement follows:

DOUBLE 5, DOUBLE 10, 20 DISARMAMENT PLAN: THE SAN FRANCISCO APPEAL FOR WORLD-WIDE REDUCTION OF ARMS PROLIFERATION

(Issued in 1965, revised and updated in 1975 by Carlton B. Goodlett, Ph.D., M.D.)

For several decades attempts have been made to achieve a simple workable plan of general disarmament; these attempts have failed in all probability because of the inability of powerful nations to agree upon a plan of general disarmament requiring the destruction of military materials in the being.

The most serious tragedy of the universal arms race lies in the hardships placed upon the small and developing nations who can ill afford to squander their wealth in a senseless arms race.

An ideal disarmament plan must concern itself with the following problems:

1. The retention of the relative ratio which presently exists between the nations in their possession of armaments.
2. Provide for universal control and inspection of arms reduction.
3. Protect the economy of each participating nation from mass unemployment and dislocation.
4. Provide material assistance to underdeveloped nations for economic growth as well as provide for the continuing economic development of powerful states.

A simple plan is herewith presented which aims at fulfilling the above prerequisities for the control of armament by progressive world-wide reduction of arms expenditures as a replacement for present fruitless efforts to agree upon arms reduction procedures requiring the destruction of mass armaments.

This plan involves a reduction of arms expenditures progressively over a five-year period with the additive precentages as follows: Double 5, Double 10 and 20, which is the reduction of armaments expenditures equal to five percent (5%) the first year, five percent (10%) the second year, ten percent (20%) the third year, ten percent (30%) the fourth year and twenty percent (50%) the fifth year. For example: The 1973 world armament costs totaled 270 billion dollars; in a five-year period this amount would progressively be reduced through additive percentages by 50% or a total of 135 billion dollars per year in the fifth year (1978).

The Double 5, Double 10 and 20 Plan:

Under the control of an International Arms Agency, all members of the UNO would agree to the progressive five-year reduction in monies expended for armament purposes as follows, assuming that the total world-wide armaments expenditures for 1973 be used as a base of $270 billion dollars, the reductions would be as follows:

GRAPH I

Reduction of world-wide armaments expenditures over five-year period—using the 1973 expenditures of $270 billion dollars.*

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* 1973 total World Armament Expenditures: $269.64 Billion. (See distribution, page 3).

[Dollar amounts in billions]

Year	Percent reduction	Additive (percent)	Total expenditures	Yearly amount saved
1973			$270.0	
1974	5		256.5	$13.5
1975	5	10	243.0	27.0
1976	10	20	216.0	54.0
1977	10	30	189.0	81.0
1978	20	50	135.0	135.0

[In billions]

1973: Total world armaments expenditures	$269.64
Warsaw Pact	100
NATO	121
USA	78
Africa	2.08
Developed countries	227
Developing countries	42

The disarmament plan recommends that an International Fund for the Development of the Developing Countries be established out of the monies saved through the worldwide progressive reduction in arms expenditures, as follows:

Each nation would pay into an International Development Fund arms reductions savings of 2½ percent for the first year and five percent of all reductions during the second, third, fourth and fifth years of the plan.

Moreover, schedule of monies available for national construction in all countries would equal as follows: 2½%, 5%, 15%, 25% and 45% through the first five years. (See Graph II).

GRAPH II

Percentages of funds allocated to International Development Funds (IDF) and National Development Funds (NDF) and estimated dollars available for IDF and NDF based on 1973 expenditures of $270 billion dollars.

[Dollar amounts in billions]

Year	Percent reduction	Additive (percent)	Percent IDF	Funds to IDF	Percent reduction	Actual moneys saved
1974	5		2½	$6.75	2½	$6.75
1975	5	10	5	13.5	5	13.5
1976	10	20	5	13.5	15	40.5
1977	10	30	5	13.5	25	67.5
1978	20	50	5	13.5	45	121.5

Note: The above allocations of reduced arms expenditures illustrate how arms reduction savings are to be granted to both the new developing nations and the industrialized states.

AMELIORATION OF THE ECONOMIC EFFECTS OF GENERAL DISARMAMENT

One of the most important deterrents to general disarmament in the highly industrialized states is the serious threat of economic dislocation and the fear of organized labour, threatened by a precipitous reduction of arm expenditure which will be accompanied by a loss of both jobs and wages. This plan alleviates the dangers of rapid economic reconversion from a war-orientated to a peace-orientated economy through the progressive release of funds previously used for military expenditure for use in the task of both national and international construction (See Graph III).

GRAPH III

Funds available for International Development Fund (IDF) and National Development Fund (NDF) using estimated 1973 armaments expenditures of $270 billion.

[In billions]

Year:	*I.C. fund*	*N.D. fund*
1974	$6.75	$6.75
1975	13.5	13.5
1976	13.5	40.5
1977	13.5	67.5
1978	13.5	121.5

There are many benefits which the peoples of the developing countries might receive in health, education, housing and nutrition through the development of permanent international programme of assistance with a substantial amount of $13.5 billion available over a period of years to systematically tackle humanity's persistent problems. The increasing amount of money available for national governments ranging from $6.75 billion to $121.5 billion over the five-year period offers exciting possibilities of national revenue to finance life enrichment projects for the people; i.e. refurbishing the cities, increasing education, health, housing and economic opportunities, and also alleviate the tax burdens of the people.

AN ILLUSTRATION OF THE DISTRIBUTION OF ARMS SAVINGS IN THE USA

It is estimated that the U.S.A. spent in 1974 for the military $78 billion. Using the 1973 expenditure as a base, the savings in the total U.S. military expenditures would equal $3.9 billion in the first year, $7.8 billion in the second year, $15.6 billion in the third year, $23.4 billion in the fourth year and $39 billion on the fifth year. Based upon the formulae presented in Graph I and II, the following contributions can be made to the International Development Fund (IDF), and to the U.S. National Development Fund (NDF).

International Development Fund

[In billions]

1974	$1.95
1975	3.9
1976	3.9
1977	3.9
1978	3.9

U.S. National Development Fund

[In billions]

1974	$1.95
1975	3.9
1976	11.7
1977	19.5
1978	35.1

GRAPH IV

Progressive Reduction of Disarmaments Expenditures of the Developing Countries Based on 1973 Armaments Expenditures of $42 billion.

[Dollar amounts in billions]

Year	Developing countries expenditures	Additive (percent)	IDF	NDF
1973	$42			
1974	39.9	5	$1.05	$1.05
1975	37.8	10	2.1	2.1
1976	33.6	20	2.1	6.3
1977	29.4	30	2.1	10.5
1978	21.0	50	2.1	18.9

The reduction of armament expenditures of the Developing Countries would greatly assist such states by the release of their limited economic resources for internal development and also allow for contribution to the International Development Fund.

Funds available in the USA for contribution to the International Development Fund (IDF) and National Development Fund (NDF) using the 1973 US Armaments Expenditures of $78 billion.

[In billions of dollars]

Year	U.S.A. military expenditure	IDF	NDF
1973	78.0		
1974	74.1	1.95	1.95
1975	70.2	3.9	3.9
1976	62.4	3.9	11.7
1977	54.6	3.9	19.5
1978	39.0	3.9	35.1

The above graph indicates how the USA would fare under this disarmament proposal.

The relative reduction in armaments expenditures in the great nations of the world such as the USSR, Great Britain, France, Germany, Italy, et al. would follow the same percentage as regards contribution both to the International Development Fund (I.D.F.) and the National Development Fund (N.D.F.) of the respective countries.

The international arms agency would inspect and control the implementation of the Double 5, Double 10 and 20 Plan. Reductions scheduled for succeeding years would only be made upon certification of the international arms agency that all participating nations have fulfilled all obligations of the proceeding year.

The above rather summary simple plan providing for the five-year reduction of world-wide arms expenditures from the 1973 level of $270 billion to a total in 1978 of $135 billion theoretically answers the four criteria presented at the beginning of discussion as prerequisites for any meaningful plan providing for international and national security, international control and inspection, protection of the economies of participating nations and providing for international assistance to underdeveloped nations. We recommend the Double 5, Double 10 and 20 Disarmament Plan for your consideration and revision as required.

This proposal was adopted unanimously by Commission I, World Citizens Assembly, San Francisco, California, July 23, 1975, as an action program.

FIFTIETH ANNIVERSARY—LOS ANGELES BREAKFAST CLUB

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. MOORHEAD of California. Mr. Speaker, this year the Los Angeles Breakfast Club is celebrating its 50th anniversary.

The Breakfast Club was organized in 1925 by a group of leading citizens of the Greater Los Angeles area, primarily interested in equestrian activities. Through the years, the format of the club, its objectives, and purposes have broadened considerably. They encompass programs which make it a dynamic, virile organization, keyed to the tempo of modern times. It is recognized as the oldest and largest of its kind in the Western United States. Its roster has been dotted with the most prominent people in Western America.

For many years, the Breakfast Club owned and maintained a clubhouse on Los Feliz Boulevard. Finally, as its value greatly increased, the property was sold at a profit. In 1965, the club used part of the proceeds to construct the present building, at a cost of $250,000, on the site of the original clubhouse, now owned by the city of Los Angeles. The club donated the structure to the city as a communtiy service, with the proviso that the Breakfast Club would have exclusive right to its use for its regular meetings every Wednesday morning and one Sunday night each month. The club maintains its offices in the building. Adjacent to the clubhouse is a large parking lot, lighted at night, reserved for members and guests.

Since the Los Angeles Breakfast Club was founded as a horseback-riding group, this pioneer theme has continued through the Club Rangers—a unit of the organization which has its own clubhouse on the grounds, and rides regularly through Griffith Park bridle-paths. The Rangers hold business meetings, dinners, and programs on the first Monday evening of every month; special ladies' day breakfast rides; the semi-annual "Pink Tea" function and bridge tourneys.

As soon as you step into the clubhouse, a Brigade member is right by your side—pinning on your button or guest card, introducing you around, helping with seating, and making you feel welcome and right at home. Each member or guest on the birthday list for the week is greeted with the traditional birthday song to start the day off right.

No man should take himself too seriously. That is the code of the Roosters in the Breakfast Club. This fun-loving group, always seated near the head table, indulges in a bit of timely heckling to liven up the meeting. They pay tribute to the beauty of the feminine head table guests. They have a lot of fun and add spice to the program.

Club programs cover a wide variety of subjects, featuring many of the top personalities from all fields, including U.S. Senators, Congressmen, State Governors, Members of Parliament, presidents of corporations, Cabinet members, ambassadors, educators, and so forth. Entertainers on club programs include vocalists, singing groups, musical aggregations. They represent outstanding talent.

The Los Angeles Breakfast Club has made a significant contribution to the improvement of the city of Los Angeles and its surrounding area over the past 50 years. With its outstanding leadership under the direction of Simon Amestoy, president, and a capable and aggressive board of directors, we know that the next 50 years will produce numerous other contributions for the betterment of the community.

H.R. 8713, A BILL TO PENALIZE EMPLOYER OF ILLEGAL ALIENS

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Ms. HOLTZMAN. Mr. Speaker, in the next few weeks the House will be considering H.R. 8713, a bill which would penalize employers of illegal aliens. Many people have expressed a concern that this bill will cause job discrimination against American citizens who speak English with a foreign accent. In my district alone, more than 160,000 constituents speak a mother tongue other than English. They may lose or be denied jobs as a result of this bill.

In this connection, I would like to bring to the attention of the House letters sent to my colleague on the Judiciary Committee, Representative DON EDWARDS, by the Family Service Association of Nassau County, New York, and the Franciscan Missionaries of Mary, New York City. While I do not necessarily agree with all of the points expressed in these letters, I believe the issue merits careful consideration.

The letters follow:

FAMILY SERVICE ASSOCIATION,
Hempstead, N.Y., October 24, 1975.

Hon. DON EDWARDS,
House of Representatives,
Washington, D.C.

DEAR MR. EDWARDS: It is our understanding that H.R. 8713, the so called "Illegal Alien Bill," is being proposed to Congress by the Judiciary Committee. As a social service agency, Family Service Association has contact with a number of Hispanic residents, and we believe this bill would create a serious civil rights problem in this country.

Attempts to solve the country's economic problems cannot be made at the expense of the civil and constitutional rights of minority persons. We believe that such legislation would create a situation which will lead to discrimination against any person belonging to a minority group. Legal aliens and minority groups may well be denied employment simply because employers will not want to run the risk of inadvertently violating the law.

It is our opinion that neither the Administration nor Congress has demonstrated that they have adequate information on the scope of the illegal alien problem or of the possible effects this new legislation would have on lawful alien residents and citizens. Therefore, neither the Congress nor the Administration should initiate major new policies in regard to illegal aliens prior to conducting comprehensive and objective studies of this matter. In addition, we believe that Congress should deal with the problem of the future influx of illegal aliens separately from the problem of those already residing in this country.

For the above reasons, we ask that you not give your support to H.R. 8713 and that you argue against its passage.

Very truly yours,
SALVATORE AMBROSINO,
Executive Director,
REINHARDT VAN DYKE, JR.,
Director, Family Advocate Division.

FRANCISCAN MISSIONARIES OF MARY,
New York, N.Y., October 28, 1975.

Hon. Congressman DON EDWARDS,
Chairman of the Judiciary Subcommittee on Civil Rights and Constitutional Rights, House of Representatives, Washington, D.C.

DEAR MR. EDWARDS: As Chairman of the Judiciary Subcommittee on Civil Rights and Constitutional Rights, I call upon you to use your personal influence and the influence of your committee in Congress so that it will reject the proposed "Illegal Alien Bill" (H.R. 8713) which I believe to be unjust and discriminatory.

As you are well aware, the Staff Director of the United States Commission on Civil Rights in July of this year expressed opposition to this proposed legislation. He said in part:

"It is our view that the passage of H.R. 8713 in its present form will have a direct discriminatory effect on minority persons seeking employment, whether they are citizens or aliens authorized to work in the United States."

"Secondly, even if employers were to request the same proof of status from all applicants, the difficulties in making determinations of citizenship or alien status will inevitably result in employers hiring less minority applicants in order to minimize the risk of hiring illegal aliens. Minority citizens as well as minority legal aliens will be the victims of discriminatory hiring."

"However, attempts to solve this country's serious economic problems cannot be made at the expense of the civil and constitutional rights of minority persons."

The Mexican American Legal Defense and Education Fund also submitted comments on July 23, 1975. Their position is indicated by the following quotation:

"Specifically, the illegal alien bill has provisions which when implemented will inevitably result in certain groups being treated differently solely on the basis that members of these groups look 'foreign'."

The United States Catholic Conference and the National Council of Catholic Bishops have also expressed their opposition to this bill. On March 13, 1975, Msgr. George Higgins, Secretary for Research, presented the testimony of the U.S.C.C. on this matter before the Judiciary Subcommittee on Immigration, Citizenship, and International Law. In this testimony, the U.S.C.C. focused much of its attention on the most serious problem with this legislation, that is, how to humanely handle those aliens without legal status who already are and have been residing in this country for some time. We have been particularly concerned with the effects of this legislation on those who have established families here and have become integrated into our society. They are generally very poor people living a marginal existence. In our testimony, Msgr. Higgins stated:

"The effect of the present wording . . . would be a screening by the employer of all the employees within ninety days after the law was enacted. The dismissal of untold numbers of workers from their jobs in such a short period of time would cause unbelievable havoc among their families and in the communities where they live. It would be physically impossible for the Immigration Service to move such large numbers of people. Moreover, it is unconscionable that our government should even consider separating families by forcing a mass exodus or deportation of literally millions of men, women, and children."

Our basic position is that the Federal government should deal with the problem of the future influx of illegal aliens separately from the problem of those already residing in this country. Those who are already here are here because the government has been both unwilling and unable to enforce its own immigration laws. Most of these people have established families, part of whom are American citizens with all of the rights of citizenship.

To cut these families off from their meager economic sustenance and to force upon them the great hardship of emigrating or to attempt some sort of mass deportation effort would be both inhumane and immoral. For a nation which for two hundred years has been a symbol of hope for the oppressed and the poor of all nations of the world, such an action would be unthinkable.

There is only one just and humane solution to this important aspect of the problem which would be consistent with the tradition and ideals of a country which has been known as the "nation of immigrants" that is, to once again show our generosity by allowing these people to become legal residents. Consequently, we have advocated that a meaningful amnesty provision be incorporated into this legislation. Such a provision would allow people who have already been in the country for a period of time, particularly those who have family ties here, to adjust their status. This must be done without penalizing those who are waiting to come into the country through normal immigration channels. The number of those adjusted in this manner must not be charged against existing immigration quotas.

The bill (H.R. 8713) as it is presently written has a so-called "amnesty provision." Close analysis of the provision has shown that it will benefit relatively few people at best. We consider this provision as little more than lip service to the concept of amnesty and therefore judge it to be completely inadequate.

I support the stand of all these groups and reiterate my stand of calling upon you, to use your influence to have Congress and the President reject the proposed "Illegal Alien Bill" (H.R. 8713) as unjust and discriminatory.

Yours sincerely,

SR. ELIZABETH ANN CONYERS.

INSPIRING EXAMPLE SET BY ROMANIAN IMMIGRANT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. SEIBERLING. Mr. Speaker, earlier this year I received a letter from one of my constituents, a Ms. Elena Robenstine, who came to this country in 1968 from her native Romania. Ms. Robenstine wrote at length of her experiences moving from Romania to this land of freedom and she said she was writing to show "how much this freedom is really worth."

It seems to me that Ms. Robenstine's story not only shows that but also shows how much a person with courage and determination can accomplish despite tremendous adversity. I offer it for the RECORD as an inspiration to others and, particularly, to young people. The text of Ms. Robenstine's letter follows:

Mr. JOHN F. SEIBERLING,
House of Representatives,
Washington, D.C.

DEAR SIR: In reference to the exit visas obtained from Romanian Government for my sister, Ana Timofte, and her family.

I would like to take a few minutes out of your busy schedule to tell you how grateful I am for the help you have given us. To show you how much this freedom is really worth, I will tell you in a few words about our childhood.

Our parents were poor. My father died in 1944. I was 7 years old at that time, my sister 6 and my brother 7 months. Since 1944 me and my sister stayed in an Orphan Home in another city far from Bucuresti. My mother saw us just a few times during this period of time. I stayed at the home until I was 13 years old and my sister until she was 14 years old. In 1946 Romania had a drought. We didn't have enough food to eat in the Orphan Home. Just one time a day we had a cornmeal broth, the other time we had to eat leaves and grass.

When I was 15½ years old I went to a Drafting Technical School sponsored by the Romanian Army. At 16½ I started working as a Draftsman. I helped my mother raise us by giving her my money. In 1959 my mother died after having a stroke. I raised my brother until he was 18 years old. I was working taking care of him, our apartment and in the evening I was finishing my High School education.

I escaped from Romania in March 1968. I stayed in two refugee camps in Italy for six months. The time I spent there was very hard and frightening. I wasn't sure where I would go. In August I came to the United States of America, New York City. I was sponsored by the Romanian Orthodox Church. I did not speak any English. I did not have anybody and I did not have any money. I came here with only one luggage.

At the end of September 1968 I had my first job welding small transistors and cutting small pieces of wire for a manufacturing company in Brooklyn for $50.00 per week. It was a gold mine for me.

The A & P was my paradise, I could buy the food I wanted.

I found a lady who loaned me $300 for my first apartment.

I am a Mechanical Sr Draftsman and I have almost 20 years experience in this field.

A few weeks later I found a job as a Draftsman in an Italian Company for $100 per week. I had learned Italian in the refuge camp.

In a year I started to pick up the English language because I went to Cambridge School and then to Queen's College for more courses in English.

I had a hard time furnishing my apartment and so I found furniture in the street and I repaired and upholstered them. I didn't have a refrigerator, so I was looking in the store to buy something canned, and I bought canned dog food. I couldn't read labels and I didn't know they had such food in a store.

At the beginning when I had to travel by subway to the office, I couldn't read the signs and so I marked the corners at each Entrance where I had to go.

When the man landed on the moon I found a TV in the street with a few channels working and I took it into my apartment and I watched the landing. I bought me a radio on credit and after that a TV. With these two objects I now had two friends. I didn't understand anything but this brought more life into my apartment. I also bought a sewing machine and I started sewing dresses for myself, which I never had done before. After one year I started driving. God was with me all the way.

All of these were so precious to me, I was happy every minute for what I can do here in America. It would have taken me years to do this in Romania. To start the roots of my new life.

I later visited St. George Church in Canton, Ohio, and in 1973 I decided to move here. I found a job in a newspaper with Chemstress Company, and I worked as a outsider for Goodyear. In October 1973 Goodyear asked me to hire in. This was a big luck for me.

In 1973 I became an American Citizen of the United States. For this I am very proud.

I found two good friends, Mel Forsyth and Elizabeth Smith and they loaned me money to purchase my home.—Last year, in May 29, I bought my fifty year old house. One of the things I always dreamed about. I am working very hard to repair it.—I put the texture ceiling in the living room and dining room, I repaired the cracks in the walls and poured cement in my basement floor. I also upholstered chairs for my living room. I am so proud I can do so many things in this country.

Sir, with your help I am deeply proud in my heart I can now bring these people here and give them the same chance I had to build a new life under the freedom of this country and to respect the laws of it. We sure have a lot of problems in America, but who doesn't in the rest of the world—but—we do have what the whole world should have—the choice of our efforts, of our determination, for the good of our family and the good of our country. And I am darned proud of being here and making somebody else have a free life.

Sir, I still don't think I can express all I want to. I try to live a very honest life, thinking how much I owe to this country. I will never hesitate to help honest people in a great need just because I feel I owe so much to my country—America—and to my friends.

This is a daring thing to say but when you come home to Ohio, I would like to invite you in our home, as a matter of fact I shook hands with you one morning at Goodyear before your reelection. Then I got the idea to ask you for this help. If we would have the honor to have you, we will try to make you comfortable and to express our thanks so we won't overdo it, but if not Sir, we are most grateful for your help and we will have you as a part of our freedom in America.

The reason I am giving you this briefing of our life is to show you how much it means for us to live in a free country.

Sincerely yours,

ELENA ROBENSTINE.

REGAINING OUR NERVE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the most recent article by my constituent, Mr. Henry Huglin, entitled: "Regaining Our Nerve." Mr. Huglin has just returned from an extended trip abroad and I am sure my colleagues will be most interested in his analysis of our responsibilities as a nation in this changing world.

The article follows:

REGAINING OUR NERVE

(By Henry Huglin)

On returning from an extended trip abroad, I am struck by what we Americans need most to do: regain our "nerve." That is, we need to restore our self-confidence and to face up to our continuing superpower responsibility in the world.

We had the "nerve" in the two decades after World War II. But it has been seriously eroded by Vietnam and the seemingly endless challenges, agonies, and costs of being a superpower in a still troubled and potentially dangerous world.

Yet, there is no sound alternative to American "nerve" and international activism—for our security and well-being and for that of much of the rest of the world as well.

It must strike anyone, who travels abroad and reads foreign newspapers, watches TV, and talks with people, how central what goes on America is to the interests, concerns, and often the hopes of foreigners.

Almost instinctively most foreigners seem to realize how important our country is in the world and that how we fare can affect their well-being.

They are fascinated with us—our vitality, life styles, and our displaying and agonizing over our problems, such as Vietnam, Watergate, crime, and racism.

But, they aren't often exposed to the many good things that go on in our life day by day, because neither are we. Hence, they often end up with a distorted view of America, because we Americans are distorting our country to ourselves and the world.

Yet, irrespective of this view, the revolution in human thought and prospects that we kindled 200 years ago and on which we have built our great nation—liberty, opportunity, and government of, by, and for the people—is still the most powerful attraction for more other peoples than any other system.

One of the greatest hurts of Vietnam was the shaking of the self-confidence that we had justifiably built up in the two decades of our superpower responsibility since World War II—which responsibility we had carried off well in most respects.

Our nation's policies, actions, and sacrifices of lives and treasure have truly been major factors in creating what stability and peaceful economic, political, and social progress there have been in the world these past few decades of unprecedented change and challenge—in addition to promoting our security and well-being at home.

And, at home, we have done much to improve our own society, reinforce our liberties and opportunities, and cope with our problems, as well as the world's.

Still, we have got into wallowing in doubt, depreciation of our society, or frustration over not being able really to be done with our problems and the world's.

And this can lead to our losing our "nerve" in playing our indispensable leading role in the world. For us to do so, could be as dangerous as it was for Britain and France 40 years ago when they lost their "nerve." For years, they weasled, rationalized, played ostrich, and appeased Hitler as he pursued his "Mein Kampf" plan to rearm Germany and conquer Europe. World War II was the avoidable, and tragic, result.

Now, too many Americans seek to duck responsibility in the world in ways reminiscent of the British and French in the 1930's. A recent example is the concern and dissent over our providing 200 civilian technicians in the Sinai—as one of the necessary prices to pay for the latest disengagement agreement between Israel and Egypt to keep the Mideast powder keg from again blowing up.

We just must realize and accept that functioning as a superpower—which we are and cannot avoid being—is bound to entail challenges and risks in today's world.

And we cannot deal with domestic problems at the expense of world problems. Our interdependence with others is such that foreign and domestic problems are the two sides of the same coin of our security and well-being.

Further, we really do have the resources to do what we need to do, if we use them wisely—resources in talent, experience, technology, and general can-do dynamism.

We may—but ought not—need a great "Pearl Harbor" type crisis to jar us out of our malaise and back to looking at the world and our role in it realistically.

So, what ought we to do?

We ought to look at our situation clearly, draw the right lessons from our experiences, and knuckle down to the long pull that we face abroad—continuing change, frequent challenge, and inescapable need for our leadership and involvement.

And our leaders and media publicists ought more to point out our strengths and capabilities in better balance and perspective with our deficiencies and problems.

We need to shake off our gloom and uncertainty, regain our "nerve," and act like the great people we truly are.

EAST-WEST TRADE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. FRENZEL. Mr. Speaker, I was recently furnished with a copy of the Reuter East-West Trade News, issue No. 30, July 24, 1975, published by Reuters in London. This particular issue analyzes the use of credit in East-West trade and foresees the continuing need for credit in exports from this country to Russia.

Last year, when the authority of the Eximbank was extended, the Senate on two different occasions rejected a conference report agreed to by conferees, which would have assured that credit in United States-Russian trade would be not much different than credits made applicable to transactions with other trading partners.

The unfortunate result was to ultimately place restrictions on trade credits to Russia in total, and by specific transaction.

This Senate mistake has had the effect of restricting the natural growth of trade to Russia and therefore of restricting the growth of job opportunities in the United States.

The Reuter East-West Trade News accurately points out that other industrialized countries are enjoying a greater growth in their exports to Russia than our country is. Simply stated, this means that because of our shortsighted Exim credit policy to Russia, jobs are being created in the European Community and in Japan which could have been created in America.

The time is certainly overdue for Congress to reconsider its unfortunate limitations of Eximbank credit for export sales to Russia.

The Reuters Trade News Issue 30 follows:

THE REUTER EAST-WEST TRADE NEWS

CREDIT IN U.S.-SOVIET TRADE

Soviet imports from industrialised Western nations rose 34% last year to $8.6 billion—nearly one third of the country's total imports, the Chase Manhattan Bank says in the latest issue of International Finance. However, based on official Soviet data, imports from the United States fell to $790 million in 1974, from $1.4 thousand million the previous year. A decline in US sales to the Soviet Union had been expected, due to smaller grain shipments. But US nonagricultural exports also recorded a modest drop, from $420 million in 1973 to $400 million last year. This performance contrasted sharply with the experience of other major Western countries. In 1974, the rise in sales to the Soviet Union amounted to 82% for Germany, 109% for Japan, 77% for Italy, and 21% for France.

Concern about the slowdown in US-Soviet commercial exchanges is growing both in Washington and in Moscow. The Russians have not altered their goal of expanding economic ties with Western countries, and so far they have not encountered much difficulty in finding what they want to buy in Western Europe and Japan. For example, Soviet orders for Western machinery and pipe totalled an estimated $5.8 thousand million last year, up from $2.5 thousand million in 1973. The United States received orders amounting to $670 million; Soviet orders placed elsewhere included $2.3 thousand million in Germany, $1.2 thousand million in Japan, and $1.1 thousand million in France. In view of the dynamic expansion of Soviet trading relations with other Western nations, it appears that U.S. Congressional restrictions on US-Soviet trade will primarily affect US exports, and have little if any impact on the Soviet Union's ability to import from advanced industrial economies.

Indeed, most Western governments have encouraged export sales by providing substantial government credits for Soviet purchases. Official general lines of credit arranged during recent months total $5.3 thousand million: $2.7 thousand million from France, $2.1 thousand million from Britain, and $500 million from Canada. In addition, recent official credits extended for specific Soviet purchases have totalled over $3 thousand million.

Misgivings in the United States concerning East-West trade stem largely from feelings that US long-run interests in the matter have not been adequately assessed. For one thing, some critics fear that the substantial long-term credits likely to be extended by the United States if economic ties with the Soviet Union are expanded would bring the USSR large economic and political dividends at a relatively small cost to it, but at a considerable potential cost for the United States. This point of view was reflected in the Export-Import Bank Amendments of 1974, which legislate specific ceilings on energy-related loans and require Congressional review of Eximbank commitments to the Soviet Union above the $300 million limit for new loans. More recently, another argument has been advanced for the withholding of Eximbank credits for US exports to the USSR. The run-up in raw materials prices in 1973–74 greatly enhanced the Soviet Union's ability to pay in cash. Thus, US credits may still be desired by the USSR but they are held to be more of a convenience than a necessity for the expansion of trade between the two countries.

Both of these interpretations appear to be inaccurate. Credit availability will continue to be an important component of US Soviet commercial relations, and the role of the US Export-Import Bank is vital to this trading relationship.

Moreover, the actual amount of US credits that is likely to be forthcoming is not massive, and any potential risks to the United States can be managed without undue difficulty.

There have been significant changes in the world economy since the 1972 trade agreement opened the door to expansion of US-Soviet trade. As a result of pressures arising from the recycling of surplus OPEC oil revenues and of the enormous domestic loan demand in 1973–74, US banks are generally restraining their lending activity. This has involved closer scrutiny of the creditworthiness of borrowers, shorter maturities on loans, and higher interest rate spreads. This overall tightening of commercial bank lending policies will clearly affect the Soviet Union's credit prospects in private markets.

A second factor which has changed markedly is the Soviet balance of payments. The Soviet trade balance with the developed West recorded a surplus of $150 million in 1974, compared with $1.2 thousand million deficit the year before. Allowing for sales of gold, which are not included in the trade statistics, net Soviet hard-currency earnings are estimated at about $1 thousand million in 1974.

But even if the Soviet Union continues to enjoy a trade surplus with the West, it is unrealistic to expect it to pay cash for purchases that under standard practice in international trade are normally financed with credit. Any such trade surplus can be used more advantageously to build the USSR's foreign assets and to allow more flexibility in managing its external financial position. Credit is an integral part of international commerce, and cannot be viewed simply as a residual balancing item in a country's external accounts. Capital goods account for a relatively high percentage of Soviet imports from the West, and it is natural to expect that the bulk of such purchases will be made in countries where financing is available.

In any case, the Soviet balance of trade with the developed West is likely to slip back into the red this year. With the Western industrialized world experiencing a severe recession, and with raw materials prices remaining weak, Soviet export earnings from the West will grow more slowly than in recent years. But there are as yet no signs of any slowdown in Soviet purchases of plant and equipment from the West. In this context, credit will be critical in the continued growth of East-West trade.

Under Federal regulations, a US bank cannot lend to any individual borrower an amount equal to more than 10% of the bank's capital and surplus. The 65 largest US commercial banks—which account for almost all US private international lending—currently have an aggregate legal limit for credits to the Soviet Foreign Trade Bank of about $2 thousand million. Some $950 million in credit commitments from US banks is currently outstanding—leaving room, in theory, for an additional $1.1 thousand million. However, a figure of $500–$700 million would be more realistic, since not every bank would wish to lend up to its limit.

There are ways that any individual US bank could increase its legal lending limit—for example, if the Soviet Union were to qualify borrowing entities other than the Foreign Trade Bank, such as one of the many foreign trade organizations. In view of the many uncertainties facing commercial banks, it seems unlikely that these possibilities will be utilized to any significant extent. Thus, with Eximbank's role reduced, the current US credit bottle neck appears likely to stem the growth of US exports to the Soviet Union, as US firms increasingly arrange such sales through their European subsidiaries.

The extensive use made by the Soviet Union of government-financed credits is sometimes singled out as something unique to East-West trade. However, official credits are a normal part of Western industrialized countries' trade, not only with Eastern Europe but with the rest of the world as well.

The Soviet Union, in seeking government credits, is not out of step with the normal practices of Western governments. Thus, the unavailability of adequate Eximbank credit puts U.S. exporters at a competitive disadvantage vis-a-vis competitors in Western Europe and Japan.

The greater reliance by other countries on official programmes in support of East-West trade can be traced to several factors. The relatively large role of capital goods—and often entire plants—in overall sales to Eastern Europe often requires the commitment of substantial credits for long periods of time. Such financing frequently cannot be provided adequately through commercial bank credits. As a result, government credit agencies have stepped into supplement the financing.

Although one body of opinion holds that the superior financing capabilities of the U.S. capital markets should allow the United States to get along without the Export-Import Bank, the current realities of the market place do not bear this out. In addition to limitations on the volume of credit available from private sources, commercial bank export financing is usually limited to a maximum term of seven years. Since many of the major plant and equipment contracts with the Soviet Union call for terms ranging up to 12 years, U.S. commercial banks must depend on Eximbank, participation to stretch the repayment period in order to make financing feasible. Without such support, equipment orders for many of the major projects on Soviet drawing boards for the upcoming 1976–80 plan period will be placed with suppliers able to line up government support for long-term financing. For these reasons, the ability of the United States to increase exports of capital goods to the Soviet Union will depend heavily upon a more active Eximbank role in supplementing private U.S. credits, rather than its ability to subsidize interest rates.

The extension of Eximbank credits—or credits from other countries—obviously creates interdependencies between lender and borrower. In order to ensure that benefits and costs remain in approximate balance as U.S.-Soviet trade expands, the creation of a systematic procedure for evaluating the U.S. national interest in these exchanges could contribute much to allaying Congressional misgivings about Eximbank credits to the Soviet Union.

DAY CARE CENTERS

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. LITTON. Mr. Speaker, last week I introduced legislation to resolve the problems associated with the implementation of day care center staffing, requirements as established under Public Law 93–647, the Social Services Amendment of 1974.

Day care centers provide a very needed service for many families throughout the Nation. The program is badly in need of a reevaluation in order to determine what are acceptable staffing ratios, so children can receive acceptable care at a reasonable cost. HEW supplies a substantial amount of Federal money to many centers and these are the centers which are covered in the provisions of my bill.

On October 1 of this year, revised HEW regulations in regard to staffing ratios were supposed to go into effect. These regulations would have mandated to the States that the existing regulations which had not been strictly enforced would have to be explicitly followed or 100 percent of HEW funds would be withdrawn from the day care center violating the HEW regulations. This proposal met with much opposition. Many day care centers expressed the view that this requirement was too harsh, would disrupt existing centers, and perhaps force some centers to close.

In response to this opposition, the Honorable JAMES R. JONES proposed H.R. 9803, a 6-month extension of the existing regulations, in order that Congress would have time to evaluate the situation, with the aim of determining what constitutes equitable staffing ratios. The Senate Finance Committee, however, reduced the extension period to 1 month and consequently Conference Committee settled on a 4-month extension of the existing regulations.

The bill I propose would reduce the penalty for noncompliance from 100 to 3 percent for the particular center. In addition, my bill will permit the States the opportunity to negotiate with HEW in order to determine what are acceptable standards for day care centers in that particular State. In essence, since an equitable standardization has not been determined as of this time, each State's ratios will be based on that State's particular needs.

The bill will be enacted for an 18-month period in which HEW will at the same time be conducting an extensive study to determine an equitable standardization in regard to staffing ratios. At the termination of the 18-month period HEW will report to Congress what are acceptable standards. In this way the States in the interim will be forced to move toward some compliance with the existing regulations due to the 3 percent penalty for noncompliance, but cannot be severely disrupted or forced to close as the new regulations would mandate. Second, some gain would be made while the survey is being completed, rather than have Congress evaluate the situation but achieve little or no progress.

Furthermore, the States having the opportunity to negotiate with HEW before the 3 percent penalty is imposed disallows for a hasty decision by HEW and also aids HEW in their survey, by giving them an insight into the problems with which some of the States have to contend.

The aid of the HEW study is threefold. First, educational service requirements embodied in the FIDCR, existing regulations, would be recommended rather than mandated to the States. Second, staffing standards for school age children could be revised, and third, staffing standards for children under 3 years of age—not detailed in the FIDCR standards could be specified via regulation. This third point is of considerable importance as these youngsters have been the focus of concern among States and day care providers.

It should be mentioned that FIDCR now requires, inter alia, that "Day care facilities must be licensed or approved as meeting the standards for such licensing," and that "the facility and grounds used by the children must meet the requirements of the appropriate safety and sanitation authorities." In my bill, the Secretary would be denied the authority to suspend termination of title XX payments in any case in which a State is found to be out of conformity with the above quoted FIDCR licensing, health, and safety requirements.

Mr. Speaker, I would now like to state the major provisions of my bill in their entirety.

First. To remove the provisions expressly denying Federal reimbursement to any day care provider not fully in compliance with the 1968 FIDCR standards as modified in the statute;

Second. To make it clear that those States whose day care services are not provided in accord with those standards, whether because of lax enforcement in the past or because of lesser standards written into State law, must immediately begin good faith efforts to upgrade day care services by bringing staffing ratios closer to the 1968 RIDCR standards on a reasonable timetable;

Third. To give the Secretary of HEW authority to reduce total Federal reimbursement for all title XX services by 3 percent whenever he determines that a State is falling to make a good faith effort to upgrade its day care services in a way acceptable to the Department; and

Fourth. To mandate that in no instance will Federal reimbursement be available for day care provided in centers of family day care homes which fail to conform with applicable fire and life safety standards established by the jurisdictions in which they operate.

EBONY MAGAZINE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. SIMON. Mr. Speaker, Ebony magazine, published by John H. Johnson in my State of Illinois, is one of the most successful magazine enterprises in the Nation. The November issue marks the 30th anniversary of the publication which has contributed significantly to the black community which is its primary market, and to many of us who are subscribers who do not happen to be black.

I know my colleagues on both sides of the aisle join me in congratulating John Johnson on this significant milestone, and we want to congratulate the members of the staff also.

In the current issue, which marks the anniversary, is a statement by the publisher, which I believe my colleagues and others who read the Record would find of interest:

Publisher's Statement

When the first issue of Ebony Magazine appeared in November, 1945, there were no blacks in organized baseball and football and "colored" and "white" signs blanketed the South. There were no signs then in the North, but there were unwritten rules and blacks were not welcome in many restaurants and hotels in downtown areas. Nor were they welcome in the halls and columns of mass media. In that month, in that year, which is so far away and yet so near, blacks were objects of scorn and ridicule in movies and mass media. Few magazines dealt with blacks as human beings with human needs. Fewer magazines dealt with the whole spectrum of black life. It was, for example, rare for radio, newspapers or magazines to take note of the fact that blacks fell in love, got married and participated in organized community activities.

We mention these facts, not to gloat or to cast stones, but to remind ourselves of the climate and the mandate of our birth. Ebony was founded to provide positive images for blacks in a world of negative images and non-images. It was founded to project all dimensions of the black personality in a world saturated with stereotypes. We wanted to give blacks a new sense of somebodiness, a new sense of self-respect. We wanted to tell them who they were and what they could do. We believed then—and we believe now—that blacks needed positive images to fulfill their potentialities. We believed then—and we believe now—that image power is a prerequisite of economic and political power.

Since that time, the world has changed and black people have changed. Some people have been kind enough to say that we played some small part in that change. However that might be, it is gratifying to note that so many of the issues we raised are now part of the image landscape. There are black faces in advertisements and on the covers of magazines. From time to time, we read human interest stories on black families; and there are occasional stories which recognize that we are people, and not "problems."

The world has changed, black people have changed, and, of course, Ebony has changed. It has changed, however, within the context of the original melody, a melody composed of different notes reflecting different reading interests. Some notes in that melody have been softened, some have been deepened, some have been relegated to the bottom line. To cite only the most obvious and the most important change, the idea of achievement has been broadened to include new factors, including struggle. At the same time, we have increased the number of text pieces and expanded our coverage of social and historical events. Perhaps the best example of this is our series of special issues. It is a matter of pride to us that material from almost every issue of Ebony is used in classrooms and quoted in scholarly books.

It is encouraging to note that so many things have changed. But it is alarming to note that so many things remain the same (The first editorial in our first issue called for full employment, and full employment is still the No. 1 issue in the black community.). Largely because of the work of black activists and the persistent hammering of the black press and black civil rights organizations, the boundaries of the black world have widened. Despite that fact, or perhaps because of it, the black image is threatened today almost everywhere. There is an increasing tendency in white media to identify blackness with crime, disorder, and dependency. There is an increasing tendency in academic circles to identify blacks as cultural and biological inferiors. To make matters worse, the economic situation has created a climate which intensifies the difficult indentity problems of black youths.

For all these reasons, and for others as well, there has never been a greater need for black-oriented media dedicated to a continuous and accurate projection of all facets of the black experience. We felt in 1945—and we feel now—that our story, the story of our hopes and hurts, the story of our dreams and triumphs, is one of the most eloquent and important stories in the world. We felt in 1945—and we feel now—that that story is central to the meaning and the redemption of America. Our mission today, as in 1945, is to tell that story. Our mission is to tell black America, and the world, what black America is thinking, doing, saying, feeling, and demanding. Our mission is to tell it not only like it is but also like it was and like it must be.

Some magazines have different missions and different formats. Some magazines speak primarily to women; some speak primarily to businessmen; some speak primarily to teen-agers. We have the difficult task, and the high honor, of speaking to, for, and about all. This is by no means an easy task. Black America is a many-splendored panorama of swirling and sometimes contradictory forces. It is composed of laborers, professionals, militants, moderates, merchants and street people. And we speak to, for, and about all of them. For all of them are part of that great and pulsating nation within a nation that we call the black community.

Some people and some media tell part of the story of that community some of the time. We are committed to telling all of the story—the good and the bad, the trials and the triumphs—all of the time. We are a magazine of record and a magazine of the whole. If it happens in the black community, if it happens to the black community, it happens to us and it matters to us.

For 30 years, for 360 months, for 10,950 days, we have been a part of that community. And we believe that despite the adversities of the moment the next 30 years will carry that community to new and unparalleled heights. We face that future with hope. We believe today, as we believed 30 years ago, that truth and freedom are mighty above all things and will prevail.

NORMALIZING OUR RELATIONSHIP WITH VIETNAM

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. OTTINGER. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in the New York Times of November 1, on the "Op Ed" page.

In my dealings with Mr. Porter I have found him to be a well informed and sensitive observer of the political situation in Indochina. As he so clearly points out in his article, the Vietnamese people are not involved in recriminations against those persons who supported the United States intervention in Vietnam; rather they are engaged in healing the wounds of that long conflict and in rebuilding their country.

The questions raised in the last paragraphs of the article are very much in the forefront of my mind as I work with the Select Committee on Missing Persons in Southeast Asia. As Members of Congress, we have before us a number of alternatives for improving our relations with North and South Vietnam. In the short run, positive steps on the part of our Government will bring about an accounting of those men listed as missing in action; in the long run, such steps will begin to bind the wounds suffered at home as a result of the war, and hopefully keep us from engaging ourselves in a similar situation in the future.

Mr. Porter's article follows:

AMITY TOWARD VIETNAM

(By Gareth Porter)

WASHINGTON.—Now that the Vietnamese Communists have shown far more wisdom and compassion in victory than the United States Government had deemed possible, it is time for the United States at last to come to terms with the Vietnamese revolution.

For many years, American policy in Vietnam was based on the notion that the Communists, driven by doctrinaire hatred, would perpetrate a largescale bloodbath against officials of the old regime, Catholics, landowners and anyone else who might be considered "reactionary."

It is now clear that this view of the "enemy" in Vietnam, which dominated both news-media interpretation and Congressional opinion, represented a triumph of the need for self-justification over objective perception of reality.

Recognition that the sentiments that would undergird the postwar Communist policy of reconciliation were genuine would have destroyed the official portrayal of the enemy that was central to the rationale for United States intervention. So the official experts ignored the evidence of the Vietnam Communist leadership's attitude and policy toward postwar treatment of its former foes.

That attitude owes more to the nationalist and anticolonialist origins and character of the Vietnamese Communist movement than to any Marxist-Leninist concepts. For the fundamental fact is that the Vietnamese revolutionaries viewed the war not as a war against a class enemy but as a war for national independence.

One of the most important ideological tenets of the Vietnamese revolution, never mentioned by the analysts, is the idea that all Vietnamese have patriotic feelings that make it possible for them to redeem themselves once the foreign power, whether French or American, no longer controls their lives.

"We must have generous tolerance," said Ho Chi Minh of Vietnamese collaborating with the French in a 1948 letter to the resistance in the South, "because everyone is a descendant of Lac and Hong [mythical parents of the Vietnamese nation], everyone has more or less patriotism. . . ."

He called on revolutionaries to use "affection to transform them" when they went astray to join the ranks of the French puppet regime. Twenty-seven years later, Ho Chi Minh's attitude was recalled by Col. Gen. Tran Van Tra, head of the Saigon Military Management Committee, who called on Vietnamese revolutionaries to help their former enemies rekindle "the flames of patriotism" that he said still smoldered in their hearts.

Saigon Government personnel were considered as *victims* of foreign aggression and war rather than as the objects of vengeance. It was American money and military power, in this view, that caused Vietnamese to work for American interests against their own compatriots.

"Of course people who have committed transgressions against the Fatherland and the people are in part personally responsible," said the party's theoretical journal, "Hoc Tap," in 1973, "but first of all and essentially their actions were the result of aggression and the neo-colonial regime."

These beliefs, which were impressed upon the cadres and rank and file of the Communist organizations through directives and training documents, help to explain not only why there was no policy of reprisals after the war but why the "re-education" of former foes is so different from the punitive process usually associated with the term.

It is not meant to enforce Marxist-Leninist ideology on former Saigon officers and civil servants but only to make them see clearly the revolutionary perspective on the war.

The re-education courses, consisting of classes, discussion groups, farm labor and entertainment, represents an effort to counteract the monopoly of political education that the United States and its client regime had in the Saigon zone of control for more than two decades.

By now, thousands of former officers of the South Vietnamese Army have completed these re-education courses. They have reported that they were well treated by the cadres and that the atmosphere in the camps was relaxed. Everyone was required to clear land for cultivation and to fill in bomb craters. Although this exposed them to the risk of injury or death from unexploded bombs and shells, it is usually forgotten that every peasant who tries to cultivate the war-scarred land faces the same risk.

United States postwar policy toward Vietnam still refuses to acknowledge the reality of the reconciliation policy. The two Vietnams are still treated as the "enemy." The United States has refused to extend diplomatic recognition to the two governments, to permit trade with them, or to help rebuild the economies that the United States itself did so much to destroy, and has even vetoed their membership in the United Nations.

The State Department has been unable to give a clear explanation to Congress or the public about why the United States pursues such a policy toward Vietnam. The reason may be that the policy is related not to future United States interests in Southeast Asia but to the defense of past United States policy.

The Ford Administration clearly feels that any move toward normal relations with Vietnam would be an implicit admission that the Vietnamese need not have been the enemy at all. Thus, it seeks to delay reconciliation with Vietnam primarily in order to forestall political discussion of the terrible, useless folly that was the Vietnam war.

THE MINISTRY OF ST. PHILLIPS CHURCH TO THE HARLEM COMMUNITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. RANGEL. Mr. Speaker, in the middle of the Harlem community there stands an institution, St. Phillips Church which is a source of inspiration and courage, and great strength to those who are working for positive and restoring changes. Under the leadership of Rev. M. Moran Weston, St. Phillips Church has been a pillar of strength. It has provided spiritual nourishment to its parishioners and physical nourishment to its neighbors in a variety of community services. Dr. Weston has taken religion from an exclusive place in the church on Sunday mornings and applied it to the community in its daily life. His leadership is recognized and acclaimed by a grateful community.

On October 13, 1975, I joined in celebrating the contributions of Dr. Weston and St. Phillips Church at a fellowship luncheon which had as its theme "In Celebration of God's Healing."

In Dr. Weston's remarks he set forth the creed by which he lives and by which he has guided St. Phillips to its outstanding records of community service. I believe it is important for us all to read and be aware of this inspiring faith. I therefore, place Dr. Weston's words in the CONGRESSIONAL RECORD for the benefit of us all:

IN CELEBRATION OF GOD'S HEALING

We celebrate the healing acts of Jesus and the healing arts which He encouraged. We celebrate, also, the healing ministry of those Christian churches and persons who have been concerned about the cure and care of the sick. We celebrate the healing provided by the whole range of persons and institutions in medicine and in related arts and sciences.

OUR NEED

People everywhere are in need of healing. Sometimes these are individuals; sometimes these are most of the people in an area, a city, a nation or even of the world.

They need healing of body—because of illness, war, accidents or loss of vigor.

They need healing of mind—because of anxiety, fear, guilt, depression or a distorted sense of reality—which often makes cripples of the strong.

They need healing of the soul—because of lack of faith, hope, love; because of self-centeredness and arrogance; because of hatred and suspicion of inability to care, communicate or cooperate.

They need healing of relationships—broken by conflict, violence, manipulation or abuse of power and trust.

People everywhere need a bridge over troubled waters.

GOD'S RESPONSE

God responds to people's need of healing:

Through nature—from the beneficent rays of the sun to the many herbs, mineral waters and fruits of plants and trees.

Through human discovery—invention, research and medicine.

Through the arts and sciences in all their rich variety.

Through hospitals, homes, clinics and through health services.

Through Christian churches and all others who practice healing on religious grounds of any kind.

Most of all, God responds to our need for healing through Jesus, the Rabbi of Nazareth, wherever He is in the lives of people today.

OUR RESPONSE

We can deny, disguise or distort our illness and need of healing, which are beyond the reach of human beings.

We can reject God's offer of healing, ignore the evidence of spiritual healing through the ages, or we may accept God's offer of health and healing.

We do not yet know the full range of God's answer to our need of healing. We do know that few are ready to accept all He offers. For, millions become ill and remain ill because of what they do to themselves, because of what they do to others, or because of what other people do to them.

We must choose to accept or reject. We may say "Yes" or "No" to God.

M. MORAN WESTON.

NATIONAL ORGANIZATION OF SPANISH-SPEAKING DEMOCRATS FORMED

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. BADILLO. Mr. Speaker, this past weekend a conference of Spanish-speaking elected officials met in Washington. More than 175 elected officials and observers came together and inaugurated a new era of political involvement for America's more than 12 million Hispanic citizens.

At the conference, it was resolved to form a national organization of Spanish-speaking Democrats dedicated to the full participation of the Spanish-speaking communities at all policymaking levels of the Democratic Party and the political process. This is a concept I have long supported, and have been active in the many previous attempts to create such a caucus.

The new Latin organization will succeed because its steering committee is comprised of elected officials from every part of the country—people who have been chosen to represent the very diverse communities they serve. These people can best articulate their constituents' needs, and mobilize the kind of action that will create maximum impact on legislation and elective politics.

This historic new Latin organization will provide a vehicle for political discussion between Hispanics of the Southwest, Florida, Puerto Rico, the Midwest and the Northeast. We must develop a national agenda of legislative priorities, and develop the base to generate the kind of power that has proved effective with other groups. It will also provide the opportunity for Hispanic citizens to work with blacks, with women, with all organized groups working to provide equal opportunity for all.

The conference, which was harmonious, constructive and exciting for all those who participated in it, and it certainly provided a sound beginning for our emerging political strength.

I am pleased to submit the resolution organizing this exciting new organization, the names of those who will serve on the steering committee; and an article from yesterday's New York Times which transmits well the constructive approach of the conference:

RESOLUTION ESTABLISHING NEW NATIONAL DEMOCRATIC SPANISH-SPEAKING ORGANIZATION

Be it resolved, that the 1975 Conference of Democratic Spanish Speaking Elected Officials hereby approves the formation of a national organization of Spanish-Speaking Democrats dedicated to the full participation of the Spanish-Speaking communities at all policy-making levels of the Democratic Party and the political process.

Section 2. This organization shall be developed so as to assure an opportunity for all Spanish-Speaking Democrats to participate in all activities and decisions of this organization.

Section 3. In order to achieve the development of this organization, a steering committee shall be established, and be composed of Spanish-Speaking Democratic elected officials representing the various geographic segments of the Spanish-Speaking population. In addition, Puerto Rico and each state represented on the Steering Committee is entitled to appoint a woman, and her alternate, both of whom must be elected and/or party officials.

Section 4. The steering committee shall meet within 90 days to plan and organize the foundation of a national organization as provided for under this resolution.

Section 5. The steering committee shall have the authority, once plans for adequate financing have been adopted and secured, to hire staff, including a national director.

Section 6. The national organization, once developed, is hereby authorized to call an annual national convention.

STEERING COMMITTEE MEMBERS

Arizona

Governor Raul Castro.
Senator Frank Felix.
Supervisor Joe Eddie Lopez.
Ronnie Lopez.
Cecilia D. Esquer.

California

Congressman Edward Roybal.
State Senator Ruben Ayala.
Assemblyman Peter Chacon.
Supervisor Charlie Santana.
Vice Mayor Gilbert Arbiso.
Mary Ledesma—Woman delegate.

Colorado

Ruben Valdez.
Pete Mirelez.
Polly Baca Barragan.

Florida

Mayor Maurice Ferre.
City Commissioner Manolo Reboso.
Woman delegate—Anita Cofino.

Illinois

Irene C. Hernandez.
(Woman delegate to be determined).

Kansas

State Representative Paul Feleciano.
(Woman delegate to be determined).

Missouri

Representative Paul Rojas.
(Woman delegate to be determined).

Montana

St. Rep. Roberto Federico.
(Woman delegate to be determined).

New Mexico

Gov. Jerry Apodaca.
U.S. Senator Joseph M. Montoya.
Sen. Consuelo Jaramillo Burrell.
Sen. Matt Chacon.
Rep. Julian Grace.
Mayor Lucy Escudero.
(Woman delegate to be determined).

New York

Cong. Herman Badillo.
City Councilman Ramon S. Velez.
State Senator Robert Garcia.
State Assemblyman Angelo del Toro.
City Councilman Louis Olmedo.
(Woman delegate to be determined).

Puerto Rico

Gov. Rafael Hernandez Colon.
Resident Commissioner Jaime Benitez.
Mayor Benjamin Cole.
Mayor Orlando Lopez.
Mayor Jose Antonio Montero.
Senator Julio Irving Rodriguez.
Felisa Rincon de Gautier (Woman Delegate).

Texas

Cong. E. (Kika) de la Garza.
Cong. Henry B. Gonzalez.
St. Sen. Raul Longoria.
Rep. R. L. "Bob" Vale.
Councilman Roy Ybarra.
Rep. Carlos Truan.
Alicia Chacon (Woman Delegate).

[From the New York Times, Nov. 3, 1975]

LATINS ANNOUNCE CREATION OF NATIONAL HISPANIC CAUCUS AFFILIATED WITH DEMOCRATIC PARTY

WASHINGTON, Nov. 2.—The creation of a National Hispanic Caucus, a new organization affiliated with the Democratic Party, was announced here today.

The caucus, designed to have a degree of independence within the party, was created at a weekend conference of Spanish-surnamed elected officials that ended today.

Co-chairmen for the conference were three Governors, Jerry Apodaca of New Mexico, Raul H. Castro of Arizona and Rafael Hernandez Colon of Puerto Rico; Senator Joseph M. Montoya of New Mexico; Representatives Herman Badillo of Manhattan, Eligio de la Garza and Henry B. Gonzalez of Texas, and Edward R. Roybal of California, and Jaime Benitez, resident commissioner of Puerto Rico in Washington.

More than 150 persons of Mexican, Puerto Rican, Cuban and South American heritage, mostly elected officials from 14 states and Puerto Rico; participated in the conference.

A steering committee with members from all state delegations was given 90 days to prepare proposals for the structure of the new organization and its program.

At the meetings, various leaders demanded a larger voice in the drafting of the 1976 Democratic platform. They complained, often bitterly, that the 1972 McGovern platform failed to recognize the needs and aspirations of 15 million Hispanic-Americans in the United States.

The conference, according to observers, contrasted with a similar effort in 1971 when radicals who took over the floor denounced United States foreign policy and quarrelled with one another.

"It's different now," said Mr. Badillo. "Now we are definitely on the move. We have not only agreed to unite, but we have also agreed that the best way to exercise 'Latin Power' is through the electoral process."

Experts have said that the political power of citizens of Hispanic background could be decisive in some states. The estimate that only about two million of the six million citizens of Spanish-American ancestry eligible to vote are registered.

The caucus is expected to open a nationwide registration drive, with a goal of increasing Hispanic voters by one million before the 1976 election.

As it has been shown in selected districts and states that when Latin voters feel an election is of importance to them, they vote in proportionally larger numbers than other citizens.

With over 85 percent of the Hispanic vote going Democratic, the Democratic Party sees a special stake in the success of the new organization.

"We have no other way but to unite and demand our rights," said Governor Castro in a ringing speech last night. "Somos del mismo barro—we are of the same clay."

BATS IN THE BELFRY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. DOWNEY of New York. Mr. Speaker, the President of the United States and his so-called economic advisers seem to have treated Halloween as a national holiday, using their positions to conjure up visions of spooks and hobgoblins that will visit the Nation if any Federal action is taken to avoid New York City's default. The danger is that they will continue their Halloween observance for months to come. The truth, of course, is that administration policies have already unleashed the gremlins of instability in the financial markets, and they will grow and multiply over the coming weeks if these policies persist. Yet they do continue even as the apparations of recession and inflation haunt every corner of our land. The spirit of Herbert Hoover, once again stalking the White House, must be grinning with ghostly anticipation.

One of the many evidences of the unsoundness of administration economic policies, to one suburban area, was evidenced in an article in last Friday's Long Island Press. The news is only a harbinger of things to come, and speaks clearly for itself.

The article follows:

[From the Long Island Press,
Friday, Oct. 31, 1975]

Public Bid—East Islip Board Offering Tax Notes

The financial fix of the state and of nearby New York City is causing deep concern to Long Island school districts, who often see themselves as injured innocent bystanders.

One such district which has moved to extricate itself from this spot is East Islip. To meet its $5 million in operational obligations, the East Islip School Board has unanimously agreed to bypass the banks and to offer its tax-anticipation notes directly to the public—to business, professional and private investors.

The offer, according to the district superintendent, Bennett B. Hirsch, takes effect Monday when the district will accept $25 down payments on $1,000 tax anticipation payments due in January. The six-month notes will carry an annual interest rate of 10 per cent, as compared to the 12 to 14 per cent asked by banks—and the yield will be tax free.

The $5 million liability, Hirsch explained, is because of the change made by the state several years ago in its fiscal year, from July 1 to June 30.

"The year now begins in April and as a result we receive only 25 per cent of our state aid during the first nine months of the year —between July and April, and 75 per cent between April and June," Hirsch said.

The first half of the local tax levy, Hirsch further explained, is not received until January. So to meet this schedule of tax and state aid payments, the school district must borrow to meet operational expenses.

"One of our problems," he said, "Is that we do not have a major bank in our district with which we have substantial deposits which would warrant the bank being interested in our needs."

"What we are doing," he said, "is paying a little less interest—10 per cent against the 12 to 14 per cent the banks ask—and let our taxpayers get the benefit of this 'removal of the middleman.'"

The reluctance of banks to handle school district notes is because they are finding their market for resale of the notes at a lower interest rate vanishing as a result of the publicized shaky situation of the city and the state.

"Prospective investors in other parts of the country are inclined to associate anything in the state with the financial situation of the state and the city" the superintendent said.

Hirsch emphasized the tax free aspect of the tax anticipation note investment. He said it can increase the actual yield much beyond the 10 per cent depending on the tax situation of the buyer.

Hirsch said the move has received a favorable reaction from the teachers association and other unions in the district, who are considering the investment.

Dr. Richard Doremus, principal of the Shoreham-Wading River schools said his district's problem is with bond anticipation notes—to the tune of $15.6 million. It means, he said, that instead of being able to wait up to five years for a favorable bond market interest opportunity, the district must go ahead and start offering its bonds right away.

The administration of the William Floyd district of Mastic is also closely interested in the tax anticipation note market situation.

"It does not affect us this year because we have already borrowed for this year's needs, but we will be watching East Islip closely because next year we may be doing likewise," District Principal Nicholas Poulos said.

Eleanor Smith, president of the Nassau-Suffolk School Boards association, said the situation of East Islip "faced with circumstances beyond its control," demonstrates the plight of school districts in general.

"It shows," she said, "that a school system is now charged not only with providing better education but must grapple with an economic situation never faced before."

Regarding the East Islip decision, Mrs. Smith said she feels the district has little choice. "It's either this or close their schools," she said.

ADMIRAL RICKOVER OFFERS SOME SALIENT THOUGHTS ON THE FUTURE OF GOVERNMENT IN THE UNITED STATES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. KEMP. Mr. Speaker, several weeks ago, the distinguished Adm. Hyman G. Rickover spoke to a gathering of Members about the future form of government in the United States.

His remarks, I believe, clearly show that his superb intellect and extraordinary vision extend far beyond even those areas which impelled him to be recognized as "the father of our nuclear-powered Navy," and to pioneer the development of our Nation's first, full-scale nuclear powerplant.

On April 15, 1959—with the approval of President Eisenhower—the Congressional Gold Medal was formally presented to Admiral Rickover in recognition of his outstanding achievements in both the fields of the military and peaceful uses of atomic energy. Now—more than 15 years later—he continues to serve his country by providing us with provocative and useful ideas upon the course of our Government.

At this point, Mr. Speaker, I wish to bring Admiral Rickover's remarks to the attention of all of my colleagues:

Some Thoughts of the Future of the U.S. Government

(By Adm. H. G. Rickover, U.S. Navy)

I believe we in the United States today must reassess our governmental machinery if we are to continue as a democracy. The reason for the reassessment is simple: conditions change and political systems which worked well in one age may grow weak and falter in another age. The failure may not be in the principles but in the workings of the government. In the proposal I am going to make, one principle must be clearly understood. I firmly believe in a democracy that recognizes the worth and dignity of the individual. Nothing that I am going to say alters that fact.

Democracies can be traced back to prehistoric times, when responsible adult males chose the leaders of their tribes. These people lived in close contact with nature. A failure of crops, a bad hunting season, could mean catastrophe. Therefore, the choice of leaders affected the entire group and called for the participation of the responsible members of the tribe.

A classic example of a democracy was Athens in ancient Greece. At times, the citizens of Athens rose to heroic heights. At other times, they descended to the depths of pettiness, bickering, and selfishness. These qualities, in the end, lost them their democracy. Plato, in analyzing the constitutions of the Greek city states, believed that 5,040 citizens were the ideal number for a democracy.

He chose this figure in Athens because this was the largest number that could meet in one place—the Hill of the Pnyx—and still be able to hear the speaker. Incidentally, this is why oratory was so important in the ancient world. Greek democracy failed because it did not meet the needs of larger societies. Yet it has remained as an example for us. Alexander Hamilton, John Jay, and James Madison in the Federalist Papers drew upon the Greek experience to explain the provisions of the American Constitution.

The Founding Fathers were confronted with a crucial problem—that of combining democracy, state government, and a strong central government. You are all familiar with the Continental Congress and the difficulties that plagued it during the Revolution because of the independence of the individual states. The struggle to create one nation out of 13 states was won by the narrowest of margins. The success was possible because the Constitution limited the powers of the general government and assigned all the other powers to the states. The relations between the states and the central government changed—slowly at first, but with increasing speed—as society after 1787 became more complex. Whether the United States was to remain a federation of states or to exist as a unitary nation was settled by the Civil War. After Appomattox there was no doubt that the center of power was in Washington.

That power, however, was shared by the three branches of our government—executive, legislative, and judicial. Within recent decades power has flowed to the executive and judicial branches. To my mind, one of the most disturbing trends has been the power we have tacitly assigned to the Supreme Court to decide major issues. Some important questions are no longer settled by Congress, but by the Supreme Court. In fact, members of Congress have even sought to ascertain the Court's opinion before enacting legislation—although the Constitution specifies that the Court's appellate jurisdiction is the responsibility of Congress. Congress holds a unique position in the American system. The erosion of Congressional authority is a matter of great concern to all thoughtful citizens today.

The shift in the balance between one part of the government and another is natural and inevitable, and reflects the changing conditions of the country and our society. I am convinced, however, that the problems now at hand require a profound reappraisal of our government.

We find ourselves in a situation today far different from the one the Founding Fathers confronted in 1789. Then there were only four million people and a large virgin continent. Anyone could start his life again in the West where land was available. Our manufacturers had access to unlimited material and cheap energy—energy that was available almost for the cost of extraction. Thomas Jefferson's overriding concern was the fitness of people to govern themselves.

Above all he desired a society in which the common man had either the power or the capability to control his government. He feared an industrialized America. He felt that our government "will remain virtuous only as long as they are chiefly agricultural." "Those who labor in the earth are the chosen people of God." Commerce should be the "handmaid" of agriculture. The sight of Europe's slums horrified him. "Let our workshops remain in Europe." There was enough land to take care of our people for centuries to come. Yet only one hundred years later the frontier was gone and the United States had become the largest manufacturer in the world.

It is difficult to recognize how long the natural wealth of our country could insulate the citizen from the federal government. Funds to run the federal government came from internal revenues and excise taxes. Only in 1917 did the federal budget reach $1 billion. The military budget in 1939, on the eve of the largest war the world had yet known was $1,368,000,000.

The Great Depression raised serious questions in many minds as to whether our democracy would survive. Yet President Franklin D. Roosevelt's statement in 1933, ". . . the only thing we have to fear is fear itself," was valid. The country was rich. Material and energy resources were still available at relatively low cost. By using large quantities of our natural resources and cheap energy, it was possible to get the country going again.

But the natural wealth of our country, which has partly shaped our form of government, was running low. Shortly after World War II, some individuals began to envision the pressures which would come because of increasing population and the growing scarcity of cheap energy and materials. In 1952, a Materials Policy Commission was appointed by President Truman to study future energy and material requirements. That report was a landmark. It predicted our present situation, yet it went unheeded. I, myself, in charge of the Navy's nuclear propulsion program, became a close student of the energy situation. In the late 1950's and since, I have testified on the deteriorating energy situation. Although the facts were clear, not until the 1973 war in the Near East and its oil embargo did the issue begin to receive major attention.

The United States now finds itself in a position where energy costs have increased tremendously and are far greater than the cost of extraction. Domestic oil and gas supplies are no longer adequate for our needs. They are expected to be largely unavailable for energy use in about thirty years. We will, therefore, have to depend on coal in one form or another. Possibly other energy forms, such as those from shale, the sun, wind, or fusion, may come—but we cannot be certain.

We are now facing our greatest crisis. Any government, a democracy in particular, can only survive so long as its citizens have faith in its efficiency and fairness. Can our government institutions meet the most severe challenge they have ever faced? I am no political scientist.

I am familiar with history—with the politics and problems of governments, particularly with those of our own federal government. I have had practical experience with our executive, judicial, and legislative branches. All of you know the many years I have appeared before Congress, seeking your aid, and you know the respect I have for the legislative branch of our government.

From my experience and observation, I believe that politics generally deals with the present—not the future. Present issues are important, but problems we see on the horizon must also be considered. British politicians at the time of the Stamp Act; the French in the age of Louis XVI and Marie Antoinette; and the Russians under Nicholas II, caught a glimpse of the future but turned away. We must carefully assess our problems in the light of the future and our commitment to democratic principles. I believe a major problem is that the federal government has assumed obligations that were once the responsibility of private citizens and local governments. Our people have been taught to believe that when local resources are inadequate, the federal government should step in. And yet, paradoxically, the citizen feels that the federal government is far away—unresponsive and unheeding. We are reaping the problems facing a unitary government where nearly all of the authority lies at the center. With the scarcity and rising costs of material and energy, the purposes and functions of our institutions need to be studied again. They have to meet the needs of our citizens and maintain the democratic tradition.

The power and responsibilities of the federal government must be drastically pruned if we are to survive as a democracy. Our citizens and local governments must assume their proper responsibilities.

What, then, can we do? I have found in my own work that when a problem becomes too large, it can become insoluble. It is wise to divide it into parts. It is then easier to find a solution.

For more than 30 years I have been in the fortunate position of observing the way our government operates. I am, therefore, bold enough to offer a suggestion. My idea is to divide the United States into several groups of states, say six or seven. Each group of states would choose a unicameral or bicameral legislature. Each state would elect one Senator and one or more Representatives to Congress. The federal Senate would consist of 50 Senators and the House members, based on population, would be about 100.

All functions would be removed from the federal government which can be performed by the groups of states. They would assume responsibilities for education, welfare, transportation, postal services, and other matters. The federal govenment would be confined to military and foreign affairs, and control of foreign trade.

Such far-reaching changes would require a Constitutional Convention. They would require the kind of wisdom and statesmanship possessed by the Founding Fathers, which were based on culture and practical politics. They were not content with a private life, no matter how successful.

Based upon their experience and knowledge, they built a government and endowed it with a flexibility so that each generation would have the chance to measure its own means against the age-old truth of political reality. The Founding Fathers could not foresee the exact challenge their descendants would face, but they provided them with the means to act. It is for us to furnish the same wisdom. Only the highest form of statesmanship will suffice to prepare our country for the future. The cause is greater than us all.

Political demands are of only limited relevance to the changes which will produce permanent reductions in the strains of society. The political methods of coercion, exhortation, and discussion assume that the role of politics is to solve conflicts when they have already happened. The ideal of a politics of prevention is to obviate conflict by reduction of the strains of society.

The great contribution of the English-speaking peoples to democracy has been the development of responsibile political parties. They may differ greatly over issues, but they are deeply united upon the basis of our political system. The Republican Party is considered to be the more conservative element in our politics. Conservation means "to save." To be a Republican does not necessarily mean to be pro-business, which is what many of our citizens believe the Republican Party to be. I have the good fortune to know many of you. I know that, above all, you will do what your conscience tells you is best for all our people. I know that you are deeply concerned about the responsibilities of the government and its citizens, and the need to ensure that the principles of democracy bequeathed to us by our ancestors are not lost.

However, the task will be far more difficult than creating the Constitution in 1787. The vested interests that then existed—slavery and commerce—were prevented from becoming divisive issues. There were only six commercial corporations; today we have more than 2.5 million. We are now a nation of large influential interest groups, such as business, labor, welfare, education and many others. To persuade these powerful groups to act jointly for common welfare will be one of the most statesmanlike actions in all history.

You have the opportunity to become the "Founding Fathers" for future generations.

FRAMEWORK FOR DISARMAMENT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. DELLUMS. Mr. Speaker, I would like to call the attention of my colleagues to another important statement by Carlton Goodlett on the subject of disarmament. We can easily forget just how crucial a task disarmament is. But we do not begin the hard work of disarmament if we continue to regard it as a pious wish that we will have to take seriously—"one of those days." No, we must start the hard thinking about actual mechanisms of disarmament now. Dr. Goodlett's precise descriptions of possible mechanisms are an important contribution to our concrete understanding of the problem, and for that reason I believe that we here in Congress should listen to what he has to say.

The statement follows:

PROBLEMS THREATENING WORLD PEACE

I. INTRODUCTORY STATEMENT

It is a privilege and honor for me to have been requested to represent the World Peace Council at this important World Citizens Assembly, 1975.* For 25 years, the World Peace Council and its affiliated organizations have pursued the task of building through human power a vast army of peace makers on every continent of the globe. Those of us who have been involved in this challenging quest for peace have recognized that opportunities such as the Present World Citizens Assembly have occurred too infrequently in the United States; therefore, we are especially pleased that our friends, many of whom we have had opportunities to share common experiences in the recent years, have assembled this distinguished gathering for an international conference with the organizational agenda: "Organizing to build a World Community." Subtitle, "Let's do it; we've been talking long enough!" To this, my reply is A-Men.

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*We bring you sincere greetings and best wishes for a successful World Citizens Assembly from the World Peace Council, Presidium of the World Peace Council, Secretariat of the World Peace Council, and our Secretary General, Romesh Chandra.

Albert Einstein many years ago wrote these words which surely could have been written today: "Our world is threatened by a crisis whose extent seems to escape those within whose power it is to make major decisions for good or evil. The unleashed power of the atom has changed everything except our ways of thinking. Thus, we are drifting toward a catastrophe beyond comparison. We shall require a substantial new manner of thinking if mankind is to survive."

At the 1959 Pugwash Conference 26 scientists from 8 nations, including some of the world's leading experts in atomic, biological and chemical warfare, agreed unanimously on the following statement which contains no qualifications or equivocations:

"In the end only the absolute prevention of war will preserve human life, and civilization in the face of chemical and bacteriological as well as nuclear weapons. No ban of a single weapon, no agreement that leaves the general threat of war in existence can protect mankind sufficiently."

Renunciation: A necessity

C. F. Von Weizsacker, eminent German scientist, describes our problem in the following terms:

"The renunciation of war is no longer a pious hope, but a necessity. The only question is whether mankind will arrive at it before or after the catastrophe."

And finally, Jerome D. Frank states our problem as follows: "The time hallowed institution of war must be abandoned if the human adventure is to continue."

War has been an instrument of human adjustment since the period of recorded history. The present situation is only different in that now war has become unprofitable to even the aggressor because of the inevitable fact that nuclear war would result in the destruction of both the strong and the weak. We have reached that period of human development where the use of aggression as an instrument of national policy, for the achievement of national goals, for the attainment of ends not attainable by other means, is now an archaic instrument. There must be a new beginning.

Despite the witness of the eminent Albert Einstein and scientists at the Pugwash Conference, politicians, governments, and military men in many lands continue to talk the rhetoric of peacemaking while indulging in the sordid business of preparing for World War III which to their knowledge notwithstanding would probably be the last war in this stage of society. While our politicians speak of peace, there is no peace! In 1960, the world spent $120 billion dollars for disarmaments with the United States spending $60 billion. In 1973 ten years later despite inflation, the world squandered $270 billion dollars of its wealth in military armaments, $78 billion were spent by the United States, the nations of Africa $2.08 billion, the underdeveloped countries $42 billion. How long can we continue this wastrel attitude toward the precious resources on the spaceship, earth?

Do you recall the elation expressed in the U.S.S.R. and the U.S.A. at the formal enunciation of Détente? Our people dreamed of utilizing billions released from military expenditures for combating malnutrition and poverty, for building schools, hospitals, housing and other meaningful jobs for life enrichment purposes. The United States today spends more than ever before on sophisticated instruments of mass destruction. The military budget today is the greatest at any time during peace in the 200-year history of our nation. We, the people, who desire peace, who yearn for peace, can no longer trust our politicians or our military leaders to achieve our goals. However, Professor Frederick Joliot-Curie, the Founding President of the World Peace Council answered our dilemma: "No one people, no one individual on his own, can prevent war. Only the peoples of all nations acting together can achieve this aim." Therefore, we have assembled in San Francisco, the founding site of the United Nations Organization, on the 30th Anniversary of the founding of the UNO to further strengthen the peoples role in humanity's unending struggle, transforming the idea of peace into the reality of peace.

Peace is a precarious mistress, long pursued but rarely long possessed; several recent victories of the peace forces require brief mention:

(1) The final victory of the heroic peoples of Vietnam, Cambodia and Laos over imperialism and foreign intervention was achieved. The peoples of Indochina now control their land mass and now control their destinies. It was disappointing that the victory of the Indochinese people failed to evoke significant celebrations by the peace coalition in the U.S.A., which struggled for a decade to force the people's will for peace upon reluctant presidents and the U.S. military-industrial complex. (2) In 1974 the national liberation forces of the Portuguese colonies of Guinea Bissau, Mozambique and Angola were victorious. Despite the fact that the liberation movements in Angola are engaged in a contest of arms to decide the nation's fate, whether it be socialism or a free enterprise society, the right of self-determination resides in the hands of the Angolian people. After approximately 50 years, Portugal has freed itself of fascism; we feel confident that the Portuguese people will find a solution in their own fashion which will create the instrument of government which serves best the needs of the masses of her people. (3) The end of the military dictatorship in Greece was achieved, and we are encouraging the development of democratic institutions in Greece which will respond to the needs of the masses of the Greek people. Yet, we are deeply concerned over the foreign intervention in the nation of Cyprus. We urge world-wide support for the efforts of Archbishop Makarios, President of Cyprus in his efforts to obtain a united Cyprus which protects the right of self-determination for the people of Cyprus themselves.

Freedom and independence are the most precious possessions which can only be guaranteed by vigilance and self-sacrifice. In Curie's words, "Only the peoples of all nations acting together can achieve this aim."

Three Challenges to World Peace

In the brief time allotted to speakers in this session, one can only hope to offer guidelines as regards important crisis areas which will be considered in detail in the Assembly deliberations. We wish to share our concerns on the following current threats to world peace: (1) The Middle East Crisis, (2) the struggle against imperialism, neocolonialism, racism and for National Independence, and (3) complete and total disarmament.

I. Resolution of the Middle East Crisis

A task of extreme urgency involves the resolution of the Middle East Crisis. Worldwide support must be given to the United Nations Security Council's unanimous Resolution #242, passed November 2, 1967, and the United Nations General Assembly Resolution of 1972, which provide security and safeguards for all people and states of the Middle East. Resolution #242 specifically calls for:

(1) Israeli armed forces withdrawal from all occupied territories.

(2) Acknowledgement of the sovereignty, territorial integrity, political independence of every state, and the right to live in peace within secure and recognized boundaries free from threats or acts of war.

(3) Guaranteeing freedom of navigation through international waters in the area.

(4) Achieving a just settlement of the refugee problem, and

(5) Guaranteeing the territorial inviolability and political independence of every state in the area, through establishing demilitarized zones.

Moreover, we must aid the courageous peace forces in Israel who condemn the militarism of their government and strive for a just and peaceful settlement of the Middle East crisis. The continued Israeli policy of occupation and aggression, as well as the threats by the U.S. Government against the Arab countries recently reiterated by Secretary of Defense James Schlesinger, dealing with the question of oil for the American industrial machine, exacerbate the explosive and dangerous situation in the Middle East. The PLO must be recognized as the sole representative of the Palestinian people in any peace negotiations, and their rights to control a land mass with sovereignty must be supported. We watched with some anxiety the reinstitution of shuttle diplomacy by Secretary of State Kissinger, but any break in the Middle East crisis which progresses towards a permannt solution must be welcomed. If Kissinger fails, we urge the convening by the United Nations of the Geneva Conference to find a solution to the Middle East crisis.

We believe that Israel, the creation of the United Nations, must repair to the United Nations as the basic instrumentality by which peace can be achieved in the Middle East. We say to Israel: Since you are the creature of the United Nations, we expect a little bit more of Israel than the arrogance shown by the great powers, in which they only respond favorably to U.N. resolutions when such resolutions sanction and encourage predestined acts of these great powers. Some of us believe that Israel, a small but powerful nation, is emulating and imitating the big powers in its refusal to respond to the U.N. resolutions, unless it fits into the predestined policy of the Israeli government.

II. Struggle against neo-colonialism, racism and for national indepenaence

Moreover, there are a number of acute threats to the peace which have arisen because of military-political intervention, numerous attacks on national independence and the right of the people to self-determination. One of the first prerequisites for wolrd peace, particularly in the United States, and probably in many other countries, is that we negate the myth of national and racial superiority. Former U.S. Senator Fulbright in his memorable address in the 88th Congress, called for a removal of myth from the basic premises of our foreign policy. In a number of problem areas which threaten world peace, we have far too much myth concerning American infallibility.

South Africa: The present policy of the United States of America in concert with Great Britain, Belgium, France, West Germany and the government of South Africa is one which will, eventually, lead to armed conflict. The holders of vast mineral wealth and unlimited economic concessions in South Africa are led, first by England and second by the USA. If the ultimate solution of the problems of South Africa are decided by a force of arms, our government and the American people by our silence, must assume great responsibility for the resulting blood bath.

Native blacks of South Africa recognize that the peaceful non-violent method of Nobel Peace Laureate Chief Lithuli will not achieve their liberation. There must be a continuing struggle against neo-colonialism and for national independence, particularly against the last colonial and racialist regimes, such as: Southern Rhodesia, the mandated territory of Southwest Africa and the apartheid government of South Africa.

Armed struggle must be recognized as the just cause of the oppressed peoples in their fight for national liberation and independence.

We must give immediate attention to the problems of national reconstruction and national redevelopment after these new nations win political and economic independence.

There are millions who dwell in the twilight zone of full freedom without the right of self-determination concerning the circumstances involving political, social, economic and cultural factors controlling their lives; they are a minority people devoid, because of racial status, of a commanding role in the affairs of their respecitve states and nations.

A classic example of these victims of racism—both covert and overt—imposed on an individual as well as on an institutional basis—is the sordid experience of 25 million Blacks who for 249 years have endured slavery, and 112 years since the Lincoln Emancipation Proclamation have lived in the twilight zone of crypto-freedom in the United States of America.

These 25 million Blacks comprise a people which is more numerous than the population of 152 nations of the world. They are more numerous than 33 of the 36 nations which occupy the North and South American continents, being exceeded only by white America—USA (184,000,000), Brazil (91,000,000) and Mexico (45,000,000).

In 1952, the National Negro Congress under the leadership of Paul Robeson and William Patterson, presented to the United Nations Organization the petition "I Accuse Genocide", which clearly delineated the charges leveled against white America, indicating a programmed scheme of genocide calculated to destroy the cultural and social heritage of Black Americans and even envisaging the total destruction of these Blacks as a forceful entity in American society. More than 20 years have passed and the world still only hears, but fails to act, in response to the demands of Black Americans for full citizenship and aid in their struggle to remove individual and institutional racism which permeates the nation's life.

In 1968, the President's Commission on Civil Disorders identified the sickness which is destroying the USA—racism; and sited four areas—unemployment, education, housing and police-community relations as the cardinal sections of American society where the ravages of racism are most destructive. In 1975, the plight of American Blacks is more desperate.

A humanity half-slave and half-free possesses the seed of its inevitable destruction. For too long have we explored and discussed the problems of racism, including apartheid, on a treadmill of conversation leading nowhere. If conversation, slogans and verbal expressions of solidarity alone would have freed the Blacks of South Africa, the Blacks of Southern Rhodesia and the Blacks in the U.S. victimized by institutional racism, their freedom would have been secured eons ago.

The peace forces in the West must bring persistent pressures to bear upon their respective governments in Italy, France, West Germany, England, and the Scandinavian countries for them to boycott economically and isolate politically those governments and their peoples who enjoy the luxury of utilizing racism as a means of human exploitation. No man is an island. Whenever one man suffers the pain of the tyranny of racism, all humanity loses a little bit of its precious freedom. Many of us fail to recognize that a "detente" which only concerns itself with removing the possibilities of a nuclear holocaust but fails to combat the circumstances which force millions of human beinges to merely exist in the midst of a living hell is a half measure in the struggle for peace.

In this World Assembly, we are able again to prick the conscience of an international gathering of fighters for peace, to lay upon you the burden of removing not only the dramatic causes which threaten life but also the important submerged realities which daily kill the aspirations of millions of people who live in the twilight zone of freedom, denied its full meaning because of the most non-important part of the societal equation—the race or the color of a man.

III. Complete and total disarmament

The world lives in a peace or rather a "detente" based upon terror and a fear of nuclear annihilation. No one can win World War III. There is a gradual recognition of the fact that for the first time in history, a nation can no longer increase the military security of its citizens by improving or enlarging its store of armaments. "Confronted by the dilemma of steadily increasing military power and steadily decreasing military security," an increasing number of scientists have long stated essentially, that we have entered into the "Alice of Wonderland" era when scientific technology can no longer provide our security, but indeed, can only weaken it with further nuclear refinements.

The partial nuclear test ban treaty was only an initial step in finding a solution to this dilemma. Moreover, humanity awaits the conclusion of a total nuclear test ban treaty, to which all of the great powers, USA, USSR, England, France, and China are signatories.

A nuclear test ban treaty must be followed by negotiations of a complete and total disarmament agreement which provides for the transference of world resources saved via disarmament to life enrichment of the peoples including education, food, health, housing, and so forth.

The treaty on general and complete disarmament must include a system of control and inspection. Control and inspection without disarmament is as unacceptable as is disarmament without inspection and control. If a world disarmed and a world secure is to be obtained, no powers can be permitted to utilize the disarmament procedures as a means to gain a position of ascendancy or dominance in the resulting disarmed and demilitarized society.

General, complete and controlled disarmament must be our ultimate goal. This task involves the progressive adoption of partial measures of disarmament; the establishment of atom-free zones in all of the continents; the dissolution of military blocs; and to reemphasize, the removal of foreign military bases, and the convening of the Helsinki International Conference July 28, 1975, on European security and the signing of a European Security Treaty by the members of NATO and Warsaw Pact Nations.

Complete disarmament must be achieved as a means of freeing the resources of the world for humanitarian and constructive tasks. In passing, we recommend a plan for controlled arms proliferation (The San Francisco Disarmament Plan), which involves a progressive reduction of world armament expenditures over a five-year period by 50% in the expenditures for new military weapons and equipment (i.e., from $270 billion to $135 billion). These monies saved must be utilized for international development ($13.5 billion) and national development $121.5 billion) by the fifth year.

1973: Total World Armaments Expenditures: $269.64 Billion

	(In billions)
Warsaw Pact	$100
NATO	121
USA	78
Africa	2.08
Developed countries	227
Developing countries	42

THE STOCKHOLM APPEAL 1950

"We demand the absolute banning of the atomic bomb weapon of terror and mass extermination of populations.

"We demand the establishment of strict international control to ensure the implementation of this ban.

"We consider that the first government to use the atomic weapon against any country whatsoever would be committing a crime against humanity and should be dealt with as a war criminal.

"We call on all men of goodwill throughout the world to sign this appeal."

Stockholm, March 19th, 1950.

A quarter of a century has passed since this Appeal, launched in Stockholm, was signed by millions and millions of men and women on all continents.

This solemn act on the part of the World Peace Movement warned peoples of all continents of the dreadful threat of the atomic bomb, the terrible effects of which had been experienced by the men and women of Hiroshima and Nagaski. The Stockholm Appeal turned public opinion into an essential element, a real force, contributing to preventing a world war and successfully opposing the use of the atomic bomb, which at that time was cold-bloodedly contemplated.

THE STOCKHOLM APPEAL 1975

Twenty-five years later, on June 2, 1975, a second Stockholm Appeal was issued, calling for the defense of peace and the development of a new international climate with new hopes, with new confidence, and new optimism among the peoples. Copies of this Appeal Stockholm 1975 will be made available to the delegates. The Appeal is too long to quote fully here, therefore, we will quote only the last two paragraphs:

The World Peace Council appeals to all governments and parliaments, all peace and other movements, to political parties, trade unions, women's and youth organizations, to religious, social and cultural bodies which are engaged in endeavors for mankind's advance, to join hands in a great new worldwide offensive against the arms race.

To make détente irreversible:

STOP THE ARMS RACE

To move forward rapidly towards a New International Economic Order—Stop the Arms Race.

To defend the peace and build a new world—Stop the Arms Race.

Together for Banning All Nuclear and Other Weapons of Mass Destruction!

Together for general and complete disarmament!

Together for the calling without delay of the United Nations World Disarmament Conference!

When the busy 5-day Assembly is at end and you will have filled volumes with notetaking, these remarks will become submerged. I believe that the words of "every man" will encapsulate the significance of your journey over many miles to assemble for peace: "Everyman is me. I am his brother. No man is my enemy. I am everyman and he is in and of me. This is my faith, my strength, my deepest hope and my only belief."

To paraphase for the participants in this World Citizens Assembly. . . . This is our faith, our strength, our deepest hope and our only belief!

HALLIE AND LELAND CONRAD: AMERICAN ENTERPRISE AS IT WAS MEANT TO BE

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. SLACK. Mr. Speaker, in our deliberations covering vast programs which affect the lives of millions of Americans, we often run the risk of focusing on the forest and overlooking the trees. I am pleased to call to your attention two sturdy West Virginia mountain oaks, Hallie and Leland Conrad, partners in marriage and in successful business activity for 50 years. When we talk of "the people" and of "freedom of enterprise" and of the "rights of individuals to shape their own lives" Mr. and Mrs. Conrad are exactly what it is all about.

They are the personification of the hard-working American couple who can create a home, rear a family, and conduct a highly successful business within the laws and regulations of our society. I read their life story with a feeling of humility, and a new understanding of how much effort I must expend to deserve constituents like these.

I comend to your attention the story of Mr. and Mrs. Conrad as reported in the Glenville, W. Va., Democrat of October 30, 1975:

CONRADS: 50 YEARS IN BUSINESS

Hallie and Leland Conrad celebrated the beginning of their 50th year in the restaurant/hotel/motel business last Thursday (October 23), coming a long way since their early days when they needed instruction in the art of hamburger making.

"We started in 1926 with nine stools and four, small tables," said Leland. "After buying out Okey McCartney for $1,100, we were on our own—without knowing a single thing about the business."

The Conrads sold their 228-acre Dusk Camp farm when they decided to give up farming and try to make it another way.

"Hez Greenlief taught us how to make a hamburger sandwich which sold in those days for 10 cents (slice of pie for a nickel, T-bone steak, 50 cents with three side dishes and dessert)," Hallie recalled.

Their first restaurant was located on the site of their present establishment, but the surrounding environment was quite different in those early days.

"A mud street ran in front of the place . . . boats ran up and down the river nearby . . . Blair Gainer drove the only taxi to and from Gilmer Station . . . Charlie Griffith's stable and livery were right across the street . . . they used to grind wheat and corn at a nearby mill."

From that modest beginning, the Conrads built up a thriving and reputable restaurant business and conducted at 42-room motel beginning in 1965. They also operate a 64-room hotel adjoining the restaurant. And Leland has operated a taxi service for nearly 30 years.

"We built five times on this side of the street over the years," said Leland. "We put this all together like a jigsaw puzzle, bit by little bit."

Times were hard, however, at the beginning.

"During those Depression days, we were lucky to make $3 a day. Hallie and I worked morning and night, seven days a week, too. Why, in those Depression days, a customer would buy a plain loaf of bread down the street and come here to eat it, washed down with an occasional five-cent cup of coffee or just water."

But the Conrads continued doggedly, working very hard, picking up recipes along the way, improving their menu as best they could. "We served the first hot dogs in Glenville and the first graham cracker pie," Hallie recalled. "Leland paid $40 for one recipe for chili on hotdogs."

Of course, purchasing food in those days was a bit easier. The Conrads didn't have to rely on out-of-town wholesalers. "We dealt primarily with local people. There were butcher shops (Tom Brannon and Earl Bennett and John Shuman) here and we could buy our produce locally. We made our own bread and muffins, too," Leland said.

"It was a different world in those days," said Leland. "Why, there was a fellow over where the Hamric Jewelry Store now is located, looking for somebody to change a $10 bill. He couldn't get it until I happened along. Boy, I just happened to have the money for him. I felt like a Rockefeller then."

Boom times for the Conrads began when World War II broke out. And they've enjoyed prosperity ever since.

Jack, their son, left a promising teaching and administrative career in 1974 when Leland became ill. The elder Conrad had worked 40 years, seven days-a-week without suffering a serious illness. But, finally, the heavy toil took its toll. "I just couldn't go on," he said.

Leland, who is now 75, took an entire year off to rest, but still puts in a good day's work in the kitchen and driving a cab. Hallie, 73, is not allowed to work in the restaurant as in the past because of illness, too. That puts the burden of maintaining the family business on Jack and daughter Madelyn.

"Jack came to the rescue and now puts in long hours at the restaurant and hotel," said Hallie. "Many people don't realize it, but Jack was an assistant principal at Morgantown High School for 12 years and was a counselor of students at Fairmont High School for 13 years," said Hallie.

Jack has a bachelor's degree and master's degree from West Virginia University in counseling and guidance.

Madelyn, who is married to William M. Kidd, judge of the 14th Judicial Circuit, shares management responsibilities with Jack, even though she lives in Gassaway.

She was also involved in education, teaching for seven years in Braxton County schools. She is certified in three areas: English, French and Mathematics.

"We've also got four grandchildren, three of whom are married, and three great-grandchildren with, hopefully, several more on the way," Hallie laughed.

For all their business success and their immense popularity in Gilmar and neighboring counties, the hard-working Conrads are ready to retire and sell the business.

"Jack wants to return to his career in education and we want to quit for good," said Hallie. "All we're looking for is a buyer who can handle the business."

Conrad's has been known in these parts for many years for their fine, hearty food at most reasonable prices a rare treat in these days of convenience foods and skyrocketing prices. As a small gesture of respect, City Council named the once-muddy street in front of their business Conrad Court. But every-day appreciation is registered in many ways by their loyal customers. Just listen in some morning, noon, or dinnertime. And enjoy. The Conrads respect you to.

MAKING BETTER GLOBAL GUESSES

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. BOLLING. Mr. Speaker, the following article appeared in the Washington Post Sunday, November 2, 1975. The author, Arthur M. Cox, is a former official of the State Department and the CIA. Mr. Cox discusses and proposes important changes in the way national intelligence estimates are made. His comments are timely and well worth reading:

[From the Washington Post, Nov. 2, 1975]

MAKING BETTER GLOBAL GUESSES

(By Arthur M. Cox)

The recent hearings of the House Select Committee on Intelligence revealing the failure of U.S. intelligence estimates for the TET offensive in Vietnam, the Cyprus events, the 1973 Yom Kippur war in the Middle East and the 1974 coup in Portugal have raised serious questions about the many billions of dollars the American taxpayer spends each year for intelligence. Committee Chairman Otis G. Pike (D-N.Y.) has said: "No way we are getting our money's worth out of it." There can be little doubt that U.S. intelligence estimating is not as good as it should be, and that there are ways to make it better.

Sherman Kent, who served for more than 20 years as chairman of CIA's Board of National Estimates, has called the intelligence estimator a "speculative evaluator." The estimator is not a collector, collator or researcher. His job is to look at the available data about a particular problem and make an educated guess about what is going to happen. In Kent's words, such informed guessing, "subject to error as it has to be, is far preferable to the alternative—the crystal ball." It is important, though, to be fully aware that intelligence estimating is not a science; it does involve speculation which can result sometimes in serious mistakes.

The possibility for error increases as the estimate moves from such tangible subjects as crop forecasts, levels of industrial production, order of battle or numbers of missile silos to the emotions and thoughts of human beings—the intentions of political leaders. Politics and human behavior—especially the intentions of individual leaders—have always been the most unpredictable. Thus, even the best informed and most experienced political observers are vulnerable to making occasional large goofs.

Even when most of the data is hard, as in crop forecasting, mistakes can be made. Our high flying space cameras could observe precisely all of the Soviet wheat fields and the daily weather over those fields, but we seriously misestimated the size of the latest Soviet wheat crop. In the arena of human affairs, of course, the margin for error is much greater.

The recent report of the Commission on the Organization of the Government for the

Conduct of Foreign Policy concluded that "national intelligence estimates appear to have little impact on policy makers today, in large part because key consumers prefer to base their own estimates of future developments on competing sources of information and analysis." If this is an accurate finding, it indicates the sorry state of current U.S. intelligence estimating. In the past, there weren't supposed to be any competing sources of information and analysis. The estimators were supposed to have access to all pertinent information available to the U.S. government, whether it came from the press, the universities and other open sources or from the most highly classified documents.

One of the difficulties has been that Henry Kissinger has conducted U.S. foreign policy in a most secretive manner. Often Kissinger does not share crucial information with the intelligence estimators. During the very sensitive "back channel" negotiations for SALT I, conducted between Kissinger and Soviet Ambassador Dobrynin, President Nixon was often the only other American to be fully informed. The opening to China, the Vietnam agreement and much of the Middle East diplomacy has been conducted in a similar fashion.

Another difficulty is that intelligence estimates are limited to information from abroad while foreign and defense policy is inextricably linked with U.S. domestic politics. American weapons production and policy in the Middle East provide important illustrations of this point.

Sometimes, an experienced policy maker, with his sense of politics, both national and international, can make a shrewder guess than the intelligence estimator. Unfortunately, it is a much more common occurrence for an estimate to be ignored because the emotional conviction and wishful thinking of the policy maker is controlling. The Pentagon Papers are full of illustrations of sound estimates being ignored in favor of disastrous policy decisions based on unwarranted optimism. For example, just before President Johnson ordered the massive intervention of U.S. troops in 1965, the intelligence estimate warned:

"We will find ourselves mired down in combat in the jungle in a military effort that we cannot win and from which we will have extreme difficulty extracting ourselves." That rejected estimate could have saved many thousands of lives and over $150 billion for the American taxpayer.

In Kent's view, it is important that intelligence estimating not become involved in recommending policy, and that the estimating machinery should be organizationally independent from the policy makers and operators. "Intelligence," he said, "should be close to policy, plans and operations for guidance, but not so close that it loses objectivity and integrity of judgment." If an estimator has a personal stake in the outcome of a particular policy or operation his impartiality is lost.

Almost from the outset in 1947 the director of central intelligence, in addition to his estimating and coordinating functions, has been responsible for covert operations. A man who has made a personal commitment to the success of a particular operation is not likely to be a dispassionate estimator of the realities. The consequences of having the CIA director responsible for both covert operations and estimates can be seen in the Bay of Pigs disaster.

If the CIA chief is assigned to handle the clandestine overthrow of a foreign government, his judgment about the course of developments in that country is almost inevitably colored. Further, all CIA overseas stations are run by personnel from the agency's operational side. Their judgment is likely to be influenced by the desire for success in accomplishing their political and espionage assignments.

Another serious breakdown in the theory of separating estimators from operator is that all estimates, before transmittal to the National Security Council, must be approved by the U.S. Intelligence Board. Though chaired by the CIA director, the board's membership includes the Defense Intelligence Agency (DIA) and the State Department's Bureau of Intelligence and Research. Thus, the two major policy and operational departments are participants in the estimating process. If a member agency does not agree with the final estimate as approved by the CIA director, it has a right to file a dissent and often does.

This has been especially true of estimates about Soviet intentions. Since the DIA reports to the Secretary of Defense and the Joint Chiefs of Staff, not surprisingly its estimates are often influenced by the Defense Department's policy positions. In recent testimony before the Pike committee, Sam Adams, the CIA Vietcong analyst, revealed how Defense estimates of Vietcong strength erred intentionally on the low side because the real figures might have endangered the support for U.S. military policies and programs in Vietnam.

In the period from 1963 to 1965, when Defense was pressing for an antiballistic missile system (ABM), the DIA representative entered one dissenting footnote after another in the intelligence estimates dealing with Soviet ABM plans. CIA said there was no evidence, but the DIA representative claimed there were indications that the Soviets were establishing ABMs around Leningrad. President Johnson, under the circumstances, thought it prudent to spend hundreds of millions to develop an American ABM, just in case. As it turned out, CIA was correct and Defense was wrong.

Another danger in having the operating agencies participate in the estimating process is that the need for consensus tends to produce compromises which turn informed speculation into bad guessing. Kissinger complained two years ago that the estimates had become "homogenized" and not sufficiently responsive to the needs of policy.

In 1973 CIA Director William Colby, prompted by Kissinger, abolished the Board of National Estimates and replaced it with 11 national intelligence officers, each responsible for supervising the preparation of estimates for particular geographic or functional areas of expertise. This was an attempt to give more independence to individual estimators.

But the role of the CIA director in the process was cut back when the National Security Council created an intelligence committee chaired by Kissinger in his capacity as the President's national security adviser. Kissinger thus dominates the estimating machinery and the CIA director is no longer the President's principal adviser on intelligence as set forth in the National Security Act.

Clearly, there has been a retrogression in the estimating process. But then it has never been as good as it should have been, because it was badly organized in the first place. What is needed is an entirely new approach which would establish the independence, objectivity and prestige of intelligence estimating. This could be accomplished by the creation of a new Office of National Estimates (ONE) as part of the President's executive office. It would be separate from the CIA, and its head would report directly to the President. The ONE's function would be limited exclusively to preparation of intelligence estimates to assist the President and the NSC in making foreign and defense policy decisions. Intelligence collecting and estimating would be strictly separated. The U.S. intelligence board would no longer approve estimates but would continue to coordinate the entire collecting effort.

The ONE would be composed of a reconstituted Board of National Estimates made up of 12 or 13 outstanding men and women. They would be assisted by a small staff of senior intelligence experts with specialized knowledge. The total office would have no more and 60 members, all fully cleared for the most sensitive information, including current diplomatic negotiations involving the President and the secretary of State.

To improve the quality of intelligence available, the ONE should be authorized to inform the collecting agencies, on a routine basis, of intelligence priorities and gaps in information. In addition, the ONE should be under instructions to rotate its personnel to serve in key overseas missions to assist in improving reporting which could contribute to better estimating. And high quality "speculative evaluation" should be encouraged in diplomatic reporting from U.S. missions abroad.

The removal of the estimating function would admittedly diminish the role of the CIA, but the transfer to the White House would accomplish something that was always intended, but never implemented—it would give the national estimates the kind of prestige and authority they should have as the final proof of our entire intelligence effort. The reorganization should attract the most talented personnel in the business. The independent status of ONE would eliminate the need for inter-agency compromise and would permit the most exacting reporting of the facts, no matter how painful they might be to advocates of certain policies.

Arrangements should also be made to make the estimates available to Congress. This could reduce the mistrust that has emerged in legislative-executive relations in national security affairs. It would strengthen the law-making and budgeting process. The President and NSC members would pay more careful attention to estimates, knowing that they were being read in Congress. Of course, there would continue to be errors in some estimates because they are speculative evaluations. Therefore, if Congress is to have access, ground rules would have to be established to prevent the use of national intelligence estimates for partisan political purpose.

If the steps recommended here were implemented the American taxpayer would have a better chance of getting his money's worth for his investment in intelligence.

ECONOMIC TRUTHS ABOUT INFLATION

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. SANTINI. Mr. Speaker, I would like to share with my colleagues some interesting thoughts on inflation and the economy developed by my constituent, Mr. Robert Sharp of Las Vegas. I ask that this statement appear in the RECORD as follows:

ECONOMIC TRUTHS ABOUT INFLATION

Economics is the application of scientific truths to business, and government is a business. These truths are not manufactured by the media, by members of the Congress, by government officials nor by labor union leaders. The truths come from the scientific laboratory.

If the earth is flat, then the sale of grain to Russia in 1972 caused inflation. This myth and others created by the media, politicians, etc., has done irreparable damage to the country. Since the beginning of recorded history, inflation has been caused by two factors, and two factors only. The first is war, either foreign or internal. The other is any force sufficiently strong to upset the equilibrium of forces in a country, such as famine, earthquakes, etc. We have had inflation four times in the country in this century, and each time, it was after a war.

To understand what happens, let us use as examples disturbances on a small scale. The lynch mob of the old west was one. Each individual has his own norm of morality that he follows daily. The evil instigators of a lynching, through various means, upset the morality norm in onlookers, and soon the mob is formed. Later, when the morality level has returned to its norm, the participants wonder how they could have joined a mob. Another example, is the college campus riots. Students had the morality norm thrown out of balance and later couldn't believe what they had done.

The two factors that cause inflation have such tremendous power that they upset the whole equilibrium of forces in a nation. These two factors have caused the same results for thousands of years. Each person has for himself a certain amount of greed which is his norm. When these powerful forces are set in motion, the normal greed of an individual changes to abnormal. Each person wants far more money for his product and far more money for his services than he normally does. Inflation is greed at its worst. After awhile, the equilibrium again prevails and greed returns to its norm and stays that way until the two factors that have caused inflation since the beginning of the time again come into plan. We would have been almost back to normal except for the constant propaganda by the media, certain politicians and their friends leaving the impression that this country has been ravaged by the Atilla of the Hun. Instead, we had the highest standard of living in recorded history.

Inflation is stopped by the application of the economics of price. This procedure breaks down the price structure of any given product to its specific handlers, and this shows who is getting an abnormal amount for his services.

Let us use as an example, the two-pound bag of dried beans. The farmer receives 19¢ for the two pounds of beans. The retail price was 43¢, leaving a gross margin of 24¢ from the farm level to the consumer. Let us assume that there were three handlers of the beans each receiving 8¢ of the 24¢ gross. A small drought in California caused the short crop and the price the farmer received rose to 60¢, while the retail price rose to $1.67 per bag, increasing the gross of the three handlers to approximately 36¢ each. If their costs had been 6¢ of the 8¢, they had 2¢ profit. Let us assume their costs went up⅓ to 8¢. This left them under the new price with a profit of 28¢ a bag, or an increase in net of 14 times. The farmer's price returned to 19¢, but the retail price remained well over $1.25 per bag for a considerable time.

The price of coke rose to $2.21 for an eight-bottle carton of 16 ounces. The excuse given was the cost of sugar, but diet coke rose to the same price. Sugar fell from 66c a pound on the future's market to 12c, but coke has declined very little.

An inquiry was made at General Foods to find why the three-ounce box of jello that retailed for 9 to 10¢ is now selling for 26¢. Their reply was similar to the myth that the sale of grain to the Russians caused inflation. Nestle's semi-sweet chocolate morsels sold for 49¢ a twelve-ounce bag and on sale at 39¢. The price in December, 1974, had risen to 95¢, while the price of Cocoa had been declining for many months. In the Spring of 1975, the price had risen to $1.25, yet the price of Cocoa was only a little higher than when Nestle's sold for 49¢. An inquiry to Nestle's head office provided the same type of answer as the one from General Foods.

The application of economics of price shows how much each handler of a product is receiving against what he previously received. Using the 1972 price structure, permit a 40% increase in price from the farm level to the retail level. This increase would also be providing a 40% rise in profits. Such a procedure would drop retail food prices 10% to 20% and in some cases, 40%. Greed is legislated out of the cost of a product to the purchaser. This is short-term legislation, because the forces I've mentioned return to normal.

Inflation causes commodity prices to move to a higher level, then they go back and forth in this level, until either inflation strikes again or a great depression comes. Most commodity prices hit their high sometime ago, but retail prices continue to rise far beyond normal. Apply the economics of price and stop greed.

The future's market on wheat reached $6.45 a bushel in early 1974, then dropped to $3.60 in the summer, back to $5.45 in the fall, then in 1975, fell to $2.95, rebounded to $4.40, and is now $4.06. Commodity prices have been making this same type of formation for centuries.

Another fable that economic truths dispel is that a high-prime rate stops inflation. A high-prime rate causes unemployment and a higher consumer cost from increase borrowing charges. The correlation between the prime rate and commodity prices is almost zero. The commodity speculator is not concerned with interest charges. He expects to make an enormous return on his money, so he does not hestitate because of higher interest charges. Scientific research confirms this fact.

In September, 1974, research showed that the recession would end in April, 1975. Not one person in government knew this. If the administration and the Congress had applied economic truths to the country, here are a few things that would exist today instead of what we have. The purchasing power of the American public would be 125 billion dollars more than it is. Inflation would be almost zero. Unemployment would not be over 5% and would be declining rapidly. Industry would be able to secure long-term funds in the capital market at 7% to 7½% instead of 9% and over and passing these extra costs on to the consumer. We would not be facing an increase in the federal deficit of 100 billion dollars. Business would be moving swiftly upward, etc.

THE EFFECT OF DEFAULT BY NEW YORK CITY ON HOSPITAL SERVICES

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. SCHEUER. Mr. Speaker, one of the very serious consequences of financial default of New York City would be the collapse of health delivery programs. An excellent analysis of the probable effect on the 116 hospitals in the city has just been completed by Dr. S. David Pomrinse, executive vice president of the Mount Sinai Hospital of New York, who for many years has been a leader in improving health care services not only in the city, but in the State of New York and nationally as well.

So that all of my colleagues may have the benefit of the analysis, I insert it at this point in the Record:

THE EFFECT OF DEFAULT BY NEW YORK CITY ON HOSPITAL SERVICES

(By David Pomrinse, M.D.)

Default by the City would cripple hospital services in New York for people of all economic and social classes. The hospitals, already weakened financially by previous limitations on income, would be unable to adjust, and bankruptices and permanent damage to institutions would result.

Payments to hospitals must be included among the top priority recipients of funds after a default.

DEFAULT THREAT TO HOSPITALS

In 1974, hospital care in New York City cost $2.6 billion. That is the amount spent by the 116 voluntary, public and proprietary hospitals to provide care in 37,500 bonds, 7.5 million outpatient visits and 3.5 million emergency visits for the 8 million residents of the City and many thousands of non-New Yorkers who seek care at nationally, indeed internationally, known medical centers. This irreplaceable resource of medical service is in danger of permanent destruction because of the threatened breakdown of the sensitive financial interrelationship between the hospitals and the City.

THE MEDICAID PROGRAM

The greatest dependency of the hospitals on the City is caused by the Medicaid Program payment network. The City acts as the paying agency for Medicaid, and then claims reimbursement from the State for 75% of its $821 million annual payment to hospitals. Unless hospitals are included in the list of "essential" services which will continue to receive regular payment of bills for care provided in the event of a bankruptcy, this entire amount will not be available to the hospitals, not just the City's 25% share. This means that hospitals will not able to meet their payrolls or pay their vendors, which, in a very short time, will lead to disruption of critically needed services.

CAN FINANCIAL NEEDS BE MET BY LOANS?

Can the hospitals meet their financial needs on a temporary basis from their own reserves or by borrowing? In order to understand the present situation, two historical trends must be described.

First, in 1969, the State legislature enacted the "cost-control" law. This law did nothing to limit costs to the hospital, but did put a cap on hospitals' income by causing reimbursement to be made on a prospective basis (i.e. a rate is promulgated at the beginning of a fiscal year which determines payments by Medicaid and Blue Cross—about 50% of total hospital income—and the hospital is expected to function within that amount).

As a result of the severe inflation experienced during the last five years, and the aggressive organization program of unions against many of the hospitals (the eight-day strike in 1973 may be recalled) hospitals have experienced deficits which have wiped out the available reserves of almost all of them, forced three into bankruptcy, and caused banks to limit their loans for operating purposes. In the United States, the average hospital ended the year 1974 with a surplus equal to 2% expenses; in New York City there was a deficit of 3.3% of expenses.

Yet New York has been the most efficient State in the country in utilization of its beds. Bed construction has been limited since 1963 and as a result occupancy was 88% last year vs. the national average of 74%.

The second, and probably more significant major factor which has reduced hospital reserves is the program of ambulatory care for the near-poor which is mostly provided in the larger hospitals.

Many areas of New York City have almost no physicians in private practice, and so large numbers of patients have looked to the hospitals for their ambulatory care. While the proportions of these patients covered by Medicaid and Medicare vary widely among the hospitals, it appears that on the average about half are so covered. Most of the remainder are people earning slightly more than the $5000 Medicaid eligibility limit on income for a family of four. This means that the near-poor are employed in relatively low-paying jobs, and earn barely enough to cover the costs of rent, food and clothing but not the costs of medical care.

Most hospitals are unable to collect from these people more than 10–15% of the cost of their care. As a result, the cumulative ambulatory care deficit in the voluntary hospitals alone exceeds $65 million a year. If ambulatory care becomes unavailable as a result of the present crisis, it is likely that many of these people will become hospitalized at costs far exceeding the cost of providing the ambulatory care.

Some of this unnecessary cost will be paid for by Blue Cross which will cover in-patient, but not clinic care, of those who are ill. Many who are not covered in this way will become public charges, since they will be sick and unable to work, and thus will quickly become unemployed and exhaust their resources. They will then become eligible for Medicaid, creating a counterproductive cycle which could be prevented by a relatively small sum ($65–75 million) targeted to ambulatory care for these patients. (It is interesting to note that the national figure for unreimbursed ambulatory care is estimated at just twice the figure for New York City.)

OTHER PROGRAMS IN JEOPARDY

There are other problems that would result from the City's role as paying agent in the event of default.

Presently, because the City has reduced the number of personnel handling claims, it now takes five weeks to determine Medicaid eligibility, instead of the three weeks required earlier. This time difference increases the hospitals' accounts receivable by an annualized figure of $17.5 million. (Further, it takes three months for a Medicaid claim to be paid *after* the service has been given and the bill is submitted.) To offset this fund loss in part, the City has advanced $70 million; the advance should have been $81 million to cover the losses.

Also, Medicaid rates this year, due to uncontrollable items such as the jump in malpractice insurance rates have lead to a further $18 million underpayment by the City. Clearly, each of the above difficulties would make any interruption in cash flow, caused by default, even more unmanageable for the hospitals.

In addition, there is about $100 million in mental health program money which is paid via the City and smaller amounts of money for addiction services, which would be at risk in a default situation.

Still another effect of a City default would be a serious adverse effect on Blue Cross, which provides hospitalization coverage for about 1,000,000 City employees and their dependents (over 10% of their subscribers in New York City). Clearly, Blue Cross' ability to provide continued coverage for these people would be threatened if premiums are not paid for them by the City. This in turn would further limit cash flow to hospitals and seriously hamper their continued ability to pay their employees and vendors.

Even the Federal government's recent actions have compounded the cash flow problem. The Social Security Administration recently announced that it is changing its Medicare payment method over the next six months to withdraw $30 million in cash flow from the 100 hospitals in Southern New York which have been on the "Periodic Interim Payment" method since the program began in 1966. The rationale for this action is unclear, and the hospitals are contemplating legal action to prevent SSA from carrying out this change.

PARTICULAR PROBLEMS OF MUNICIPAL HOSPITALS

The data presented to this point encompass all types of hospitals in New York City.

The situation with regards to the 18 hospitals of the New York City Health and Hospitals Corporation presents a special danger since all of their money is channeled to them via the City. An interruption of cash flow would make it impossible to operate their 12,500 beds. It would be catastrophic to try to close these hospitals abruptly and yet continued service would be impossible if City funds, including personnel pay checks are not forthcoming.

The voluntary hospitals, which provided $434 million in services to Medicaid patients last year, would not be able to continue to do so and would be forced, against their wishes, to refer Medicaid patients to the Corporation hospitals, thus worsening the problems of the latter, especially in view of the reductions in staff which have occurred in order to meet the reduced budgets.

CORRUPTION IN THE SOVIET UNION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ASHBROOK. Mr. Speaker, one of the shopworn clichés that has been used to defend Communist regimes is that at least such regimes root out corruption. How many times have we heard charges leveled at American allies threatened by communism that those governments are corrupt. Once Communist governments come to power articles often appear telling of the dedication and lack of venality of the new Communist officials, troops, and cadres.

Well, it seems that at least one Communist country—the Soviet Union—has not wiped out petty corruption at all. Rather it seems to flourish. At this point I include a reprinted article that appeared in the Arizona Republic of October 12, 1975:

IF KISSINGER TRAVELED BY VAN IN RUSSIA —GOODBY DETENTE!

(By Steve Morrison)

Detente, from our recent experience inside Mother Russia, may prove to be a much rockier road than is commonly realized, trying our patience as well as our souls.

My wife and I entered the Soviet Union one morning this summer by driving across a bridge from Hungary.

Ruth and I had carefully planned our Russian trip for over a year. We had obtained visas, an approved itinerary from Intourist, the Soviet tourist agency, and had paid for camping vouchers.

Now, having crossed the bridge into Russia, we had to go through Soviet customs. This involved not only a vehicle inspection from engine to undercarriage, but also taking everything movable from the van and spreading it out on a long table for checking.

Two hours later, we were ushered into the Intourist office to collect our prepaid vouchers. We received coupons for 27 nights of camping, chits for guided tours in 13 cities, and a $140 voucher for the boat ride from Odessa to Yalta. We were also informed that the camping vouchers, for which we had paid $5.75 each, actually cost $4. This $46.25 error could be rectified—but only in Moscow.

Then the real problems began.

Our copy of the "approved" itinerary differed from the version in Soviet hands, as to the dates and lengths of stay in various cities.

We could have followed their version only if we abandoned our van an took to the air in Secretary of State Henry Kissinger's shuttle style.

Example: In one 24-hour period, we were supposed to "drive from Lvov to Kiev (9 hours); spend the night in Kiev, take a 3-hour tour of the city and then drive to Chernovtsy (13 hours)."

The Intourist people agreed the schedule was obviously in error, but claimed it could only be corrected in Lvov, our first stop.

Proceeding to a cashier's booth, we purchased $80 worth of gas coupons, good for 520 liters. At roughly 60 cents a gallon, the cost was low by European standards. On top of this, however, the cashier expected coupons worth 10 liters as a "commission."

In the next office was an insurance man, who collected an $8 road tax and $52 for one month's coverage on our van. When I counted my change, I learned he, too, received a "commission." So much for selfless proletarian toil.

Finally, with the best wishes of the border bureaucrats ringing in our ears, we set out for Lvov, 185 miles away. The road was officially classified as "good," but we found it rubble-strewn and filled with potholes. Eight hours after leaving the border, we arrived bumpily in Lvov and promptly got lost.

Eventually, we located the small, dirty campsite where we were to stay. But when we presented the woman attendant a coupon for the night, she insisted our itinerary specified four nights—and demanded three additional coupons.

Communicating in German, we explained our problem and assured her everything would be resolved the following day. Satisfied the attendant allowed us to enter the locked sanctuary of the camp.

Our first order of business the next day was to find the local Intourist office, which had the customary English interpreter. He listened to our story, briefly consulted the woman in charge and then informed us that "Moscow makes no mistakes." We would have to follow their absurd version of our itinerary.

At that point, my wife and I told the woman we had to cancel our trip altogether and leave Russia forthwith. She said this, too, was impossible, since our "approved" itinerary specified no border crossing for 27 days. A shouting match ensued. Finally the woman relented; yes, we could leave Russia, but only by returning to the border point where we had entered.

We would have to drive to Kiev, get a transit visa and then drive to the border—a 30-hour trip. I said there was only one place we intended to drive to: the border. At last she consented to wire Hungarian officials and ask if they would grant us a visa.

An hour and a half later came word that the Hungarians were agreeable, but we must arrive at the border by 6 p.m. That gave us just seven hours. We made it with a half-hour to spare. I parked the van once again in front of the Russian customs office and noticed one tire going flat.

The Russians, meanwhile, were in a tizzy. Why had we returned? Lvov had not told them to expect us. It was not on our itinerary!

After much discussion (again in German, for the resident interpreter was not on hand), they told us Lvov could and should have corrected our travel schedule after all. The next half-hour was spent listening to the woman border official conduct an incomprehensible telephone harangue with someone in Lvov.

Suddenly she announced that Lvov had relented and agreed to adjust our itinerary so we could continue our "lovely planned" journey. We refused—enough is enough—and the Russians, disappointed, agreed to let us go.

From there, things degenerated even further. The woman said only $61 of our $66 in unused gas coupons could be refunded. Infuriated, we pressed for the full amount. The Russian caved in, only to discover that her til contained no dollars. So she offered to return the travelers' checks with which, the day before we had paid part of our fees, and to make up the balance in German marks. We accepted.

Counting pocket change, I now possessed a grand total of $45 in rubles, which I could neither convert nor, under Soviet law, take out.

The Russians tried to bargain: Would I accept a "souvenir picture" worth $33 and hand over my rubles?

I would not, and made a better deal: for my rubles, I received one bottle of Russian champagne, two bottles of Russian wine, two small bottles of Russian vodka, three bottles of Bulgarian apple juice, four boxes of very bad cookies and two cans of strange meat (ox? horse? bear?).

Then came the coup de grace. The customs people demanded we empty the camper for another thorough search. It was too much—we said no. Better the Gulag.

It was 9 p.m. when we crossed the bridge back into Hungary. The head Hungarian customs agent, who spoke English, was eager to hear the whole story. While our visas were being processed, he chortled over the details of our 36-hour embrace by Mother Russia.

We could muster only faint smiles. Detente, from then on, would have to do without us.

NATIONAL CREDIT ALLOCATION POLICY

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ZEFERETTI. Mr. Speaker, recent weeks have witnessed the near financial collapse of New York City and the refusal of the Ford administration to take any steps to alter the situation. Despite warnings from most of our respected economic authorities, the Government remains indifferent to the ongoing financial peril which will affect the entire country. In the face of such indifference, Congress has an obligation to act on its own initiative in order to salvage or restore economic stability throughout the Nation.

In the process of deciding the question of whether to allocate credit as a matter of national policy to New York City, we must also understand the plight of other priority areas of the Nation which are starved for credit on reasonable terms. In providing for alleviation of New York's plight, we should simultaneously try and aid other jurisdictions as well. For these reasons, I have joined in sponsoring the Emergency Financial Assistance Act of 1975, to create a Federal corporation to guarantee the debt obligations of creditworthy State and local governments. The Corporation could also make direct loans to small and medium size businesses, in addition to low and moderate income housing. These are the segments of our economy which are devastated every time we experience periods of high interest rates and tight money, periods which we have been experiencing with alarming frequency since 1969.

The Emergency Financial Assistance Corporation would stand as a lender of last resort for the most socially important segments of our economy when they are priced out of the money market by intolerable interest rates and general lack of adequate available credit.

Ample precedent exists for the establishment of such an entity; it would be patterned after the highly successful Reconstruction Finance Corporation, which loaned hundreds of millions of dollars during the 1930's and 1940's, helped restore and stabilize our economy while providing employment opportunities for thousands of employees. It is just this type of assistance that our economy requires at the present time in our Nation's history.

EFAC would be directed by an 11-man Board of Directors, composed of the Secretary of the Treasury and 10 other persons appointed by the President at the advice and consent of the Senate. It would have the authority to establish offices anywhere in the Nation where the need to do so existed.

The bill would authorize the Corporation to not only issue a total of $1 billion worth of stock, to be purchased on demand by the Treasury, but authorize the selling of fully guaranteed obligations in the open market. The maximum indebtedness at any one time could equal 20 times the amount of aid in capital stock, or a total of $20 billion if all of its authorized stock is purchased by the Treasury. And, in order to reach priority areas, those most in need of this help, EFAC could make below-market interest rate loans to qualified borrowers. The aggregate difference, if any, between its income and the cost of money to the Corporation, would be made up by appropriate subsidies.

One of the most important goals of this Corporation would be its desire to provide job opportunities to the millions of Americans who remain unemployed despite all the rhetoric emanating from the Government. Work opportunities could be provided by State and local governments if funding was available for public works projects. It is the lack of these funds that have made these jobs almost nonexistent—the lack of adequate credit at reasonable cost for those governments who could be providing work. Instead, interest rates are at all-time highs for municipalities. And, to market their bonds for roads, health, education, and a variety of other endeavors, municipalities have had to pay astounding interest rates, drain tax revenues, increase tax burdens, and keep new jobs at a minimum. In fact, the New York Times has reported that the cost of borrowing by State and local government units has increased by about $3 billion. And, needless to say, the tottering financial condition of New York City has made matters worse.

Therefore, it is only commonsense for us to implement a plan that will not only end municipal bond usery, but let cities and States begin projects that would create work opportunities, upgrade those jurisdictions, and allow entire municipalities to prosper once again. If the administration will not move, then the Congress must. This bill is the vehicle that will enable us to do so.

OPEC AND BIG OIL

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. HUGHES. Mr. Speaker, the Washington Star, in its Monday edition featured a front-page interview with Anthony Sampson, the author of "The Seven Sisters," a study of the practices of the major multinational oil corporations.

I wish to share this interview with my colleagues and the other readers of the CONGRESSIONAL RECORD. Of particular interest is the discussion on the failure of these companies to bring any pressure to bear on the Organization of Petroleum Exporting Countries—OPEC—to bring the price of oil down or production up.

Mr. Sampson submits:

> What has happened is that the oil industry has developed its own way of thinking, its own attitudes which are very different from the national interest or the consumer's interest.
>
> They don't need to collude or conspire because they just happen to have the same interests. I think the tragedy of the industry is that they have found themselves to have interests different from the consumer's.

In the final analysis, concludes Sampson, "the only legitimacy, the only reason for allowing the big companies to exist is that they are serving the consumers either on the short term or the long term. I see no evidence that the companies at the moment are doing either."

These comments are timely, Mr. Speaker, in light of the ongoing hearings before the House Subcommittee on Monopoly and Commercial Law, ably chaired by my colleague from New Jersey, PETER RODINO, which is attempting to determine whether it would be in the national interest to prohibit vertical and/or horizontal integration in the oil industry.

The simple truth is that OPEC could not have gotten away with the outrageous price increases it exacted from the consuming nations in the winter of 1973 without active or tacit approval of the multinational oil corporations.

The multinational oil corporations have spread themselves so thin in new hunts for oil bonanzas in the North Sea, Africa, Southeast Asia and the Middle East that they are failing today to develop known reserves of gas and oil on our own Outer Continental Shelf.

How else can you explain the failure to develop at less than half of the maximum efficient rate the leases in the Gulf of Mexico?

I submit, Mr. Speaker, that the recent 10 percent price increase mandated by the OPEC cartel would be on even more shaky grounds than it is if the major multinational oil corporations, most of which have their home offices in this country, decided to make a determined effort to produce from known deposits in the gulf and thereby reduce the amount of foreign oil this Nation is dependent on to meet its needs.

For the RECORD, the interview of Anthony Sampson by Washington Star Staff writer Roberta Hornig is submitted:

SEVEN SISTERS AUTHOR TALKS OF BIG OIL

Question: At the moment there seems to be a great deal of distrust and anger directed against the oil companies, particularly from the grass roots. Do you think this distrust is justified?

SAMPSON. Well. I think there's an element of demagoguery and confusion in this reaction but I believe it is a very serious and profound distrust and I think it is justified in fairly basic ways. What you are seeing in the United States, particularly, is an assertion of distrust, partly of the sheer size of the oil companies. And of course the factor of size is terribly important as we all know in the extent of the profits and sales which have enormously increased.

Q: During a period of alleged shortage?

A: That's it. The fact that the consumer was conscious of his own shortage together with high profits was obviously extensive. But also I think there is the realization, going quite close to the roots of politics, of the involvement of the giant companies in world diplomacy and of the balance of world power. My impression from the reading of the history of oil companies and of industries in general is that this does have some resemblance to the surge of resentment that you found in the 1880s and 1890s within the United States when the extent of those corporations first became clear to the ordinary American voter.

Q: Which led to antitrust actions?

A: My feeling is that we may be seeing today a kind of extension of that movement of the last century into the global contest, that is that the new power, the multinationals, led by the oil companies, is inducing gradually and rather chaotically a reaction of governments all over the world who are determined to try to understand if not to effectively control this phenomenon.

Q: Do you see a break-up or a regulation of some sort of the way oil companies now operate?

A: Well, I think a breakup is quite possible. It surprises me in a way how we in the West have accepted the existence of these particular corporations as if it was inevitable. People talk of Exxon and Shell as if they were as permanent as nations or even mountains. The fact is, of course, that Shell and Exxon were supported, were encouraged, were given preferential treatment on taxes and diplomacy for very particular reasons. They were given it basically in order to obtain cheap oil and to safeguard national security and to provide the navies with the fuel that they needed. Those functions are now completely out of date. There are no diplomatic reasons that I can see why those vast corporations should be encouraged. So one could well argue, it seems to me, that they in fact have had their day. It might well be quite logical for governments, whether in Washington or London or Paris, to seriously consider whether they should not be, if not dismantled, restructured to a role that is more useful to the people who after all are both stockholders and consumers.

Q: The Organization of Petroleum Exporting Nations is blamed for the nearly quadrupling of prices. Could OPEC have so dramatically raised its oil prices without the help of the oil companies?

A: I was very struck from the Shah (of Iran) and also from (Saudi Oil Minister Sheik Zaki) Yamani by the extent to which they rely on the companies to perform that critical function of allocation and control and instrumental aspects of the cartel. It's a fact, of course that they have those huge integrated companies which guaranteed the outlets which prevented any effective undercutting in labor production. It was that fact which made the cartel so easy to create overnight. So I think it is certainly true that the companies were indispensible to the OPEC cartel. I don't think it's true the companies actually conspired to quadruple the price. It's just that they got themselves into a position where they were particularly vulnerable and exploitable and have since done nothing to try to bring the price down or the production up.

Q: Do we need more sophisticated people at the heads of the world's oil companies—people with more diplomatic experience?

A: I'm sure we do. I think it is one of the most amazing facts about the industry that these seven corporations, which are among the 10 biggest in the world, should be run by boards of directors who come from very, very limited experience. There are hardly any people who have been in other forms, they are nearly all chemical engineers. Perfectly decent and reasonable people in that field. They regard the problem as being essentially engineering. The political aspects, I think, they have been very very slow to understand and with very few exceptions, notably Howard Page of Exxon, they've been very insensitive to the enormous political implications of what they've been doing. And the price that was paid emerged in October of 1973 when the final negotiations was being conducted by men who didn't realize that the whole Middle Eastern war was transforming the entire background of the negotiation.

Q: These negotiations were the beginning of the power of OPEC?

A: Yes. The moment in history which fascinates me most, which I try to describe in the book, is the night of Oct. 16, 1973, when the companies were negotiating with OPEC over the new price of oil at the time Middle Eastern War was breaking out. The Suez Canal was becoming the battleground. Now the impression I've gotten from several eye witnesses is that the companies were really unaware that the Middle East War was transforming the whole context of the world oil situation and they were still sticking out for what were impossible terms in terms of the oil price. The result was that OPEC decided to break off negotiations and two days later fixed the price of oil themselves and since then have never looked back in terms of unilateral action. I think that's just one example of the dangers of supposing that you can leave the oil industry in the hands of oil men. They did not understand that what they were dealing with here was not the question of a few cents on the barrel of oil, it was the question of the entire transfer of political and economic power to the other side of the world.

Q: But even with these developments, the major oil companies today are not exactly pitiful, helpless giants at the mercy of OPEC, are they?

A: I think the companies are not helpless and pitiful, certainly not pitiful. I think that after all, they remain the richest corporations in the Western world. They have not simply enormous financial resources but they have enormous abilities to actually pursue diplomatic ends.

Q: Whether they're capable of them or not?

A: Whether they're capable is always difficult to analyze, of course, because they are to some extent competing with each other. They have chosen to my mind to take the rather easy course of simply following a complete obedience to OPEC. But in any kind of allocation or any kind of decision about the oil price to depict them as being without any kind of leverage I think is quite unreal. It would be perfectly possible, given a certain amount of coordination, for them to have set about at any rate weakening OPEC—whether they could have actually destroyed OPEC I'm not sure, but I think certainly they could have weakened OPEC very considerably.

Q: That wouldn't have required collusion which is against U.S. laws?

A: Well, this is a very good thought, because after all they have very frequently achieved antitrust waivers with just that purpose in mind at earlier stages. The fact is, as we've seen it over the last two years, they have shown no interest whatever in even trying for such a waiver because they have in the meantime found themselves to put it crudely, in bed with the producing countries

Q: What is your basic feeling about OPEC and its right to do what it's doing now?

A: I think in the end it's going to be intolerable for the rest of the world to have the price of oil fixed by 13 countries. I think this is a very key question. It seems to me that in the end the vulnerability of OPEC—not simply to the Western consumers but to the Third World, their neighbors—will become so acute that they as well as we will see the advantages of extending that price fixing machinery to a much larger group, which in the end might lead to some sort of effective world control system.

Q: The Ford administration's policy on oil is keyed to higher oil prices cutting into demand for foreign oil. Does this make any sense to you?

A: I think that the idea of a high price may be perfectly defensible and may well be right. I think the Americans have come to terms with the high price of oil. But the question is, how do you have high prices without giving high profits to the oil companies and enormous extra power over other resources. I think this is a real problem because there's no evidence that the companies have shown themselves to be sufficiently long-sighted to be entitled to have control over other energy sources. I find the argument that they need to have high profits to invest in new types of energy and to rescue you and I from our dependence on foreign oil to be thoroughly unconvincing. They've been very unimpressive in that direction.

Q: You don't believe in the charges of conspiracy laid against the oil companies by its critics, though?

A: No, I don't think they conspired to produce the quadrupling of the oil price. In those bold terms I do not believe in the conspiracy theory. I believe in the consortium in the Middle East they have their secret understandings, which indeed we know to be true, to restrict and allocate the world's oil production why they have argued was in the interest of the West. What has happened, I think, is that the oil industry has developed its own way of thinking, its own attitudes which are very different from the national interest or the consumer's interest. They don't need to collude or conspire because they just happen to have the same interests. I think the tragedy of the oil industry is that they have found themselves to have interests different from the consumer's. In that situation, it becomes increasingly intolerable for the consumers and hence the voters to tolerate giant companies without considerable oversight and probably considerable control and perhaps breaking them up. In the end, the only legitimacy, the only reason for allowing the big companies to exist is that they are serving the consumers either on the short term or the long term. I see no evidence that the companies at the moment are doing either.

THE STEELJAW—A CRUEL REALITY TO OUR WILDLIFE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. ANDERSON of California. Mr. Speaker, at this time I would like to provide for the RECORD an interesting story by Mr. Cleveland Amory, president of the Fund for Animals, Inc., which appeared in Reader's Digest.

Mr. Amory points out, quite accurately, one of the alternatives to the steeljaw leghold trap, the Conibear Trap, which was developed by a Canadian trapper by the name of Frank Conibear. Due to the efforts of Mr. Amory, concerned trappers like Mr. Conibear, and other concerned citizens, progress is being made which will provide effective, alternative trapping devices which will allow millions of animals to be either trapped humanely, or killed instantaneously without prolonged suffering.

One of the aims of my bill, H.R. 66, is to encourage the utilization of trapping devices other than the steeljaw leghold trap. Hearings will be held for the first time ever, on H.R. 66 on November 18 before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Merchant Marine and Fisheries Committee.

The enactment of H.R. 66 is long overdue. Over 70 of our colleagues have recognized the need for its enactment by cosponsoring H.R. 66. Hopefully this will help provide the impetus for passage this year.

The article follows:

MUST WE USE TORTURE TRAPS TO GET FUR COATS?

(By Cleveland Amory)

The common steel leghold trap inflicts brutal punishment on wild animals caught in its jaws. But now a new and more humane trap makes its use unnecessary.

Today, women are having second thoughts about fur coats. Actress Mary Tyler Moore voiced their concern in a national ad. "Behind every beautiful wild fur," she said, "there is an ugly story. It is a brutal, bloody, barbaric story. The animal is not killed—it is tortured to death. I don't think a fur coat is worth it."

The concern is not just for endangered species—the leopard, say, or cheetah or wolf. It goes to the heart of the matter, the trapping.

Chances are that any animal trapped in North America today is caught in a steel leghold trap. Deceptively simple in appearance, it looks like an old-fashioned coin purse with the cloth ripped off. The jaws rest against a powerful spring, cocked open by a small triggering device called a pan. When an animal steps on the pan, the spring is released and the jaws slam together on his leg or paw like two dull butcher knives. Any movement results in a cutting, tearing and sawing of flesh and bone. The more he struggles, the worse his pain. An occasional animal has been known to live for three weeks in such a trap. But finally he dies of hunger, thirst, cold or, at the hands of the trapper, by club.

The Fund for Animals estimates that 25 million animals are killed in leghold traps each year in this country and Canada. Two of every three are not even for any purpose. The trappers call them "trash." This includes birds and domestic animals. One-time trapper Al O'Donnell describes a domestice cat caught in the leghold: "One look was enough to tell us how the cat had suffered before dying. Bark was clawed from the tree, the earth was torn up. Pain was frozen in its features."

This cruelty is unnecessary. Today there are "humane" traps that kill almost instantly. And precedent-setting laws in more than a dozen countries now forbid the leghold trap. The ideal would be to ban the business of trapping wild animals by any means at all—to switch completely from wild furs to the increasingly popular artificial furs. But that is unlikely: U.S. fur sales in 1972 were $355 million. However, we can at least demand that the fur business take stock of and amend its practices.

This is not going to be easy. Fur auctioneers, dealers and commission houses are far removed from the trapline and, in fairness, there is much ignorance of the facts. For instance, some furriers will tell you that 80 percent of their animals are not trapped but ranched. It is true that most of the mink used in this country (approximately 9 million in the most recent season) are ranched. But mink and chinchilla are virtually the only animals ranch grown. More than 5 million muskrats and 1½ million each of raccoons and nutria are trapped. Beaver and otter are leghold trapped. So are almost all of the "fun furs"—everything from squirrel and weasel to skunk, opossum, fox and even coyote.

Again, in fairness, it should be noted that trapping is an ancient trade and an honored tradition. The first business venture to be launched in the New World, chartered in 1670, was the Hudson's Bay fur company. And two million people still trap at least part-time. Almost all states allow anyone under 18 to trap without a license.

On the encouraging side, many trappers themselves have understood the tragic implications of the fur trade. One of these was Louis Bonard, who willed his large fortune to help this country's first animal-welfare society. Another is Frank Conibear, a tall, lean man from the Canadian West, now in his 70s, who learned the ways of animals from Indians. His traplines were from 150 to 200 miles long, and Conibear, in 32 years, traveled his lines by foot and dogsled a distance more than four times around the world. But then, abruptly, he sat down and wrote a pamphlet, Testimony of a Trapper.

"It is sometimes said that wildlife is cruel," he wrote, "and that the animals die a painful death anyway, by the teeth and claws of predators. But the sufferings occasioned by the common steel trap are incomparably greater."

Conibear kept records, did studies, with one idea in mind—to make a better trap. He considered the box-type, catch-alive trap, but discarded it because of the toll it exacted in confinement, panic and terror, and the final frenzy of fear. Instead he was determined to make a trap that would quickly kill the animal. For 12 years he experimented. His prototypes were too large, too expensive, too hard to conceal, too bulky or too heavy. Finally, he came up with a trap that met all requirements, and could be manufactured in various sizes. It is set upright on land, under water, even under ice. As the animal passes through it, square shaped, spring powered steel rod jaws close with tremendous force on its neck or over its heart. Death is usually instantaneous.

Since 1958, when the Conibear trap came on the market, there has been slow but steady progress. The Canadian Association for Humane Trapping (CAHT), in conjunction with the Canadian provincial wildlife services, offers a free Conibear trap in exchange for a leghold trap. (They have given away 7000 since 1961.) Last year, the Florida Fish and Game Commission banned the leghold trap, calling it "barbaric and inhumane." A dozen other states have introduced similar legislation. Sen. Birch Bayh has introduced a federal bill to permit interstate sale of only approved traps and to outlaw all cruel trapping methods on public land.

A number of other types of instant-kill traps have appeared recently. Last summer CAHT brought together humane society delegates to discuss trapping problems. They saw how engineers, in an effort to suggest modifications for existing traps, have been conducting studies of their impact, speed, clamping, prying, flexibility, safety, cost and effect on pelt. High-speed photographic studies are also being made, under strict humane controls, to determine the exact power of the blow necessary to kill an animal in the shortest time, with the least stress and quickest loss of consciousness.

"I think we can come up with hard answers, even in such an unclear area," consulting engineer Harlan Lunn told me. "But wouldn't it be ironic if we finally got an absolutely perfect trap—one that *always* kills immediately, with no panic or pain—and then found no need for it because people had decided not to trap animals for fur?"

I had the feeling it was an irony he wouldn't mind at all.

SYNTHETIC FUELS LOAN GUARANTEE BILL

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. WIRTH. Mr. Speaker, this House stands in danger of being railroaded. We are about to be flattened by a run-away car on the Energy Independence Express. The car in question broke loose from the Senate ERDA authorizations bill and it is now careening its way toward acceptance by the House-Senate conferees. It's on the wrong track moving at the wrong speed and its $12 billion cargo is highly suspect. Along the way it has violated the wise procedural safeguards created to protect the American public from bad legislation.

Mr. Speaker, I refer to section 103 of S. 598, the ERDA authorizations bill. This section, which provides $6 billion worth of Federal loan guarantee authority to the administrator of ERDA, was adopted by the Senate Interior Committee during markup without a single minute of hearings. Several days later it highballed through the full Senate without comment as our Senate colleagues packed up for the August recess.

In early September the administration announced its urgent support for the Senate loan guarantee program as a vital step toward energy independence. This urgency, however, was belied by the fact that not one word about loan guarantees came forth from the administration during the first 9 months of this year. Subsequently, in early October, ERDA came forward with 50 proposed changes in the Senate language. Several weeks later, OMB and ERDA announced that in addition to the loan guarantee program they needed—again urgently—$5 billion in price support authority and $600 million in construction grant authority to further subsidize synthetic fuels. The synthetic fuels program thus mushroomed from nothing to $11.6 billion in less than 3 months. Most recently we learned of administration plans for $400 million for community impact funds.

During hastily arranged hearings in October, the Subcommittee on Energy Research, Development and Demonstration for Fossil Fuels of the House Science and Technology Committee, heard numerous witnesses from State government, local government, industry, environmental groups, financial concerns, and research organizations. In the majority of cases these witnesses argued against the language of the Senate bill, and urged alternative solutions to the problem of creating a domestic synthetic fuels industry.

Even if House conferees adopt some of the suggestions received, the vast majority of the House will be excluded from this process. Unfortunately, unless the conferees can be persuaded to reject section 103 of the Senate bill, the Members of the House are faced with an up or down vote on a conference report containing many valuable and thoughtful energy R. & D. programs and one $12 billion concoction.

Mr. Speaker, I propose a constructive and I believe responsible alternative for the consideration of my fellow Members. Today I am introducing the Synthetic Fuels Loan Guarantee bill. I have been joined in sponsorship of this bill by Congressmen HAYES of Indiana.

The bill which I introduce today amends the Federal Non-Nuclear Energy Research and Development Act to include a carefully drafted program providing Federal loan guarantees for the development of a domestic synthetic fuels industry. Passage of this bill will permit a comprehensive approach to synthetic fuels. The Administrator of ERDA is empowered to develop guidelines and solicit proposals for the demonstration of shale oil and coal gasification plants; he may also include solar, biomass and other renewable non-nuclear energy resources. He is directed to involve State and local officials in planning for such plants at an early stage in the process. The bill contains safeguards which will prevent major energy companies from either monopolizing all of the available guarantees or from becoming exclusive beneficiaries of patents developed with guaranteed funds. Environmental impacts from synthetic fuels plants would under this bill be subject to regular monitoring by the Environmental Protection Agency beginning at the planning stage. The bill requires the approval of the Secretary of the Treasury on all matters regarding conditions of the financing guaranteed in the bill. Any guarantees in excess of $500 million would require the explicit approval of Congress.

Most importantly, however, this bill provides the House with an opportunity to reassert its prerogative to make full and careful review of legislative proposals brought before it. The bill I introduce today provides an alternative to hopping on board the Energy Independence Express, and whooping through a $12 billion program with our hands tied and our eyes blindfolded.

Mr. Speaker, we need a synthetic fuels program in this country, and I am a strong supporter of legislation to assist in its creation. But we need a sound and thoughtful program, not a quick and dirty one. I hope my colleagues will join me in urging the House conferees to oppose section 103 of S. 598, and to act promptly on passage of the bill I now submit in its place.

EDUCATION AND WORK

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. PEYSER. Mr. Speaker, the policies and customs governing both education and work have come under increasing criticism in recent years. And, in the search for new approaches, it has become clear that the problems of schools and of the work place cannot be isolated from each other. Indeed, it is because learning and earning are treated as separate chapters of an individual's life that many of the difficulties arise.

The Congress has responsibility for bringing education and work in harmony with each other. For this reason, The Boundless Resource, a book that will be published in November, is worth noting. Written by former Secretary of Labor Willard Wirtz and the National Manpower Institute—a private organization with the stated purpose of helping to better meet the Nation's manpower needs—this Prospectus for an Education-Work Policy, as it is subtitled, puts forth a comprehensive set of recommendations for establishing a lifetime continuum of education and work.

The prospectus is more fully explained in the foreword to The Boundless Resource, which was written by the Secretary of Labor, John T. Dunlop, formerly the chairman of the NMI Board. It is reprinted below in full.

I hope that Members will give this work their consideration.

FOREWORD*

This is a significant volume because of the auspices under which it has been produced, the process by which it was written, and its perceptive analysis and recommendations for private and public policy.

The work is the product of the National Manpower Institute, which was established in 1970 by a group of business leaders, academic administrators and others, seeking to bridge the gap between education and work. This endeavor began with the conviction that the conventional separation of school and work is detrimental to youth and adults alike and that bringing together concerned individuals from the institutions that govern both worlds would yield insightful analysis and new practical programs. The process from which this work resulted included a discussion of ideas periodically for several years in a dedicated group drawn from business, education, labor, and government. The analyses in the first two parts of the book are followed by a series of specific program proposals, and a final chapter provides a practical agenda for private and public policy, both for the immediate future and the long term.

In the American environment our economic strengh historically has been based upon a partnership of dynamic business investment and technology, unparalleled opportunities for education and training, and a highly motivated work force seeking to improve its capacities and advance its living standards in gainful employment. Each period reassesses the arrangements of this partnership to extend opportunities to neglected groups of our citizens and to build new institutions and review others to make the partnership more effective, as was done by the land grant colleges, vocational education, the junior colleges, and the manpower programs of the past decade.

In recent years there has been a growing view that public education and training poorly prepare youth for work. Unemployment among young workers sixteen to nineteen years of age, which runs three times the average of all workers, makes us wonder whether the fault lies with educational institutions or in the labor market. More than a third of vocational school graduates are still trained for agriculture or home economics, and there is appropriate concern over the way in which employment prospects in the real world are reflected in vocational education and counseling. Manpower and vocational education programs are too often perceived as "holding operations" for the disadvantaged. Where formal public vocational preparation has failed to meet the needs and aspirations of both workers and employers, a considerable private "shadow system" has emerged as a substitute, better relating education and work. The major components are programs of on-the-job training, formal programs of education organized by employers, "for-profit" vocational schools and vocational training in the military services, and apprenticeship.

At the same time that there is dissatisfaction with the nexus between education and work for initial job entry for youth, there is new interest in educational opportunities for those already with jobs who seek more interesting or rewarding work and lives. This volume reminds us that there are 51 million adults in this country who have had less than twelve years of formal schooling. In 1900 no more than 4 percent of the age group were in higher education; in 1940 the figure was 16 percent, and today it is approximately half. There is a large backlog of educational interests in our mature citizens, especially among women and minorities, that requires new organizational arrangements between work and education.

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* This volume was complete, save for editing, in mid-March 1975 when I entered the government on a full-time basis and resigned, after five years of association, as Chairman of the Board of Trustees of the National Manpower Institute.

As these concerns for youth and adults have grown in recent years, so has our appreciation of the complexities of the interactions of school and work. Almost three-fourths of teenage employment has been concentrated in four occupational areas—clerical work, semiskilled operations, service, work and laborers' activities—low-paying, unskilled operations. An aging process seems to develop, and these same youth in three or four years time move up to higher-skilled and better-paid occupations as they develop work experience. This volume is directed toward enhancing our understanding of these patterns of movement and improving our judgments as to appropriate private and public policies to facilitate the transition from educational institutions to more productive work.

We have also learned that the traditional pattern of school first and then employment is rapidly changing. Youth are increasingly both in school and at work part time. There is the suggestion now that "the time is coming when teenage employment and unemployment will for the most part be identified with the schooling period of life, rather than reflecting the movement from school and entry into adulthood, as in times past."

A number of developments in recent years help to provide the ingredients of a new relationship between work and education: the new interest in career education in our schools, the growth of cooperative education and the increasing respectability of periods of work away from school during the higher education years, improved occupational information and longitudinal studies of careers over long periods of time, and local and state manpower planning represented by the Comprehensive Employment and Training Act. It should now be possible to put together from these elements a new and more viable partnership for work and education.

President Ford, a few weeks in office, on August 30, 1974, called attention to the basic importance of the nexus of work and education in his speech at the summer commencement of Ohio State University. "I will do everything in my power to bring education and employers together in a new climate of credibility—an atmosphere in which universities turn out scholars and employers turn them on. . . . I have asked the Secretaries of Commerce, Labor and HEW to report to me new ways to bring the world of work and the institutions of education closer together."

The time has indeed come in local communities and states to bring together manpower and education planning, to provide career advising within context of the realities of the longer-term labor market, and to relate systematically business managements, labor organizations, and our formal educational institutions with the arrangements for private training and skill acquisition. This prospectus provides detailed and practical suggestions to private and public policy makers alike.

Mr. Wirtz brought to the National Manpower Institute a lifetime of involvement and concern with education; he was the moving spirit in the genesis of an active governmental manpower policy in the 1960s as Secretary of Labor, and his familiarity with and respect for labor and management institutions derived from extensive experience in the collective bargaining process. This rich experience has provided the leadership to shape the substantive analysis and recommendations. The volume has the further virtue that it is a delight to read, reflecting a sensitive style and rare creative perspective.

PENTAGON SAYS PLANE SPIED BUT ITS CREWMEN ARE DEAD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. McDONALD of Georgia. Mr. Speaker, further to the material I discussed on pages 34535 and 34536 of the CONGRESSIONAL RECORD of October 30, I am today inserting an Associated Press article from the Richmond Times-Dispatch of November 1, in which the Pentagon denies any of the crewmen of the plane shot down by the Soviets in 1950, are alive. The first point, I would like to make is that Soviet statements to the contrary should be viewed with a great deal of skepticism. Second, stories coming out of the forced labor camps of the U.S.S.R. concerning these men have come from various persons over the years—not just a single source. Third and last, the State Department has always had a policy that it was wrong to press investigation of such cases too strongly as it might cause bad relations between the two countries. Therefore, it is my strong feeling that the matter needs looking into by the Congress, which, hopefully, will not be buffaloed by the Soviets nor our own State Department. The item follows:

[From the Richmond Times-Dispatch, Nov. 1, 1975]

PENTAGON SAYS PLANE SPIED, BUT ITS CREWMEN ARE DEAD

WASHINGTON.—The Pentagon has admitted that a Navy plane was on an electronic spying mission when it was shot down during the cold war.

But it disputes recent assertions that eight of the 10-man crew may still be alive in Siberian labor camps.

The plane disappeared on April 8, 1950, while on a flight from West Germany over the Baltic Sea.

Navy officials said they have found no credible evidence that any members of the crew escaped and were imprisoned in the Soviet Union. They added that an investigating board accepted Russia's explanation that a Soviet fighter shot down the four-engine PB4Y Privateer.

The Pentagon's response came after John Noble, once a prisoner in a Russian labor camp, and private detective Theodore Grevers said they believed at least eight of the 10 Navy men may be alive.

Grevers said he has "more than circumstantial evidence" that they are. He said Noble and William Marchuk, another former Soviet prisoner, talked to the crewmen in Camp Vorkuta. The crewmen expressed fear that "they'd never see their homeland again," Grevers said.

The Privateer was involved in one of nearly 20 cold war incidents in which American military aircraft were fired on—and sometimes shot down—by Russian, Communist Chinese or North Korean planes. The United States has contended that the American craft were over international waters when attacked.

The Soviet Union said the Privateer strayed over Soviet territory and fired upon Soviet aircraft before it was shot down.

CREW'S ORDERS

The Navy report, which had been classified since 1950, said the plane was ordered to stay at least 20 miles from Soviet territory, and that it would have ventured closer only if its radar malfunctioned. It said "it is considered most probable" that the plane was over the Baltic Sea when attacked.

The plane took off from Wiesbaden and was last heard from during a routine radio check. The crew was under orders to radio an immediate SOS if they met hostile action. No such signal was ever received, the Navy said.

The Navy report also disputed Russia's assertion that the plane fired on Soviet aircraft.

HOUSE OF REPRESENTATIVES—*Wednesday, November 5, 1975*

The House met at 12 o'clock noon.

Father Thomas Joseph Buckley, S.J., assistant dean of studies, Gonzaga College High School, Washington, D.C., offered the following prayer:

The peace of the Lord be with you. Let us pray.

Omnipotent Father, into the dark and spiritless waste You breathed of Your essence which is life.

From Your power and out of Your energy You fashioned every particle that is. Beside a fiery Sun You placed a blue sphere spinning and in the warm glow of tremendous light You permitted man to mature.

Father, in Your good time You chose a people to be Your own and promised them Your eternal presence. From this people You raised up a Son, who in nonregal and confounding manner extended Your promise and Your call to prophetic vision in a new covenant sealed with His blood.

Father, it is Your spirit, Your breath, Your energy, Your life that rests at the heart of all matter. All creation is sacred because You are ever present in and sustain all being.

Father, give us, the American people, and these our Representatives the grace to see Your glory in all creation and the maturity to choose life, light, and love in response to Your call.

For Yours is the Kingdom and the power and the glory, forever.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that this afternoon when the Houses meet in joint meeting to hear an address by the President of the Arab Republic of Egypt, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

The Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

UNITED STATES-EGYPTIAN FRIENDSHIP GROUPS CAN HELP PROMOTE ENDURING PEACE

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, it is a most significant day in our Nation's history that President Anwar Sadat, the first President of the Republic of Egypt to make an official visit to our country should be here today addressing a joint session of the Congress.

Mr. Speaker, it is my understanding that, shortly before President Sadat's departure for the United States, the Egyptian Parliament established a United States-Egyptian friendship group. This informal group of Egyptian lawmakers includes many who have been educated in the United States and have special ties with the people of our Nation. The Egyptian group is headed by my friend, Dr. Leida Takla, a Member of the Egyptian Parliament, who had an extensive educational experience in the United States and who is a personal friend of many Members of this body.

Mr. Speaker, it is my hope that a corresponding United States-Egyptian friendship group may be established from among the Members of this House—and it is my intention to offer an appropriate resolution or measure as is necessary to authorize the naming of Members of this House from both sides of the aisle to serve as counterparts to the friendship group established in the Egyptian Parliament.

Mr. Speaker, I am confident that other Members of this body, including the Honorable CHARLES H. WILSON, of California, the Honorable MARJORIE HOLT, of Maryland, and others who have communicated with you, will want to join in such a legislative authorization. Also, I am certain that it will be good news to President Sadat and Dr. Takla to know that this initiative is being taken and that there is widespread interest in this body in behalf of friendly relations with the Republic of Egypt and, more particularly, in promoting an enduring peace throughout the Mideast.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 8365, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8365), making appropriations to the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FATHER THOMAS JOSEPH BUCKLEY

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, the invocation today was given by Father Thomas Joseph Buckley, assistant dean of studies at Gonzaga College High School here. I am pleased to welcome him.

Father Buckley entered the Novitiate of the Society of Jesus—the Jesuits—at Wernersville, Pa., where he began training and classical studies in preparation for the priesthood. Father Buckley pronounced his perpetual vows of poverty, chastity, and obedience in the Society of Jesus in 1961. Upon completion of a bachelor's degree in philosophy and a master's degree in French literature at Boston College, he taught French for 3 years at Loyola High School in Towson, Md. He spent a further year teaching English and American civilization at College St. Joseph in Reims, France.

Returning to the United States, he entered Woodstock College in New York City for further study in theology. Four years later with a master's degree in divinity, he came to Washington to begin an administrative internship at Gonzaga College High School on North Capitol Street.

He was ordained on December 21, 1974, at Holy Trinity Church in Washington by the Most Reverend William W. Baum, Archbishop of Washington and is now in his second year as assistant dean of studies at Gonzaga and celebrates the Eucharistic Liturgy at St. Aloysius Church on North Capitol Street in the shadow of the Capitol.

EXPRESSION OF APPRECIATION TO THE U.N. HIGH COMMISSIONER ON REFUGEES, SADRUDDIN AGA KHAN

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I would like to take this opportunity to express my appreciation and that of the Select Committee on Missing Persons to the U.N. High Commissioner on Refugees, Sadruddin Aga Khan. The U.N. High Commissioner was instrumental in seeking the recent release of nine American missionaries being detained in South Vietnam following the fall of the Saigon government.

Sadruddin Aga Khan is a man of great humanitarian feelings and we on the committee are grateful for his assistance and concern on behalf of all persons who are still missing in Southeast Asia as a result of the Vietnam conflict. We look forward to working with him in the future through the use of his good offices in the United Nations.

CALL OF THE HOUSE

Mr. MINETA. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 666]

Alexander
Annunzio
Ashley
Badillo
Barrett
Beard, R.I.
Boland
Brademas
Burke, Fla.
Burton, Phillip
Byron
Casey
Cederberg
Clausen,
 Don H.
Cleveland
Cochran
Conyers
Delaney
Dellums
Diggs
Downing, Va.
Drinan
Esch
Eshleman
Fary
Fish
Fraser
Giaimo
Gibbons
Goldwater
Harsha
Hébert
Heckler, Mass.
Hefner
Jarman
Karth
Kastenmeier
Kelly
Latta
Long, Md.
McHugh
McKinney
Martin
Mills
Mink
Moorhead, Pa.
Murphy, N.Y.
Nix
Nolan
Pepper
Pritchard
Railsback
Rangel
Rees
Russo
Ryan
Scheuer
Shriver
Studds
Symington
Teague
Thompson
Udall
Ullman
Vanik
Weaver
Young, Ga.

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. The Chair declares a recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 22 minutes p.m.), the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT

The SPEAKER of the House presided.

The Doorkeeper, Hon. James T. Molloy, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to conduct the President of the Arab Republic of Egypt into the Chamber the gentleman from Massachusetts, Mr. O'NEILL; the gentleman from Arizona, Mr. RHODES; the gentleman from California, Mr. MCFALL; the gentleman from Illinois, Mr. MICHEL; the gentleman from Pennsylvania, Mr. MORGAN; and the gentleman from Michigan, Mr. BROOMFIELD.

The VICE PRESIDENT. The Chair appoints as members of the committee on the part of the Senate to accompany the President of the Arab Republic of Egypt into the Chamber the Senator from Mississippi, Mr. EASTLAND; the Senator from Montana, Mr. MANSFIELD; the Senator from West Virginia, Mr. ROBERT C. BYRD; the Senator from Utah, Mr. MOSS; the Senator from Alabama, Mr. SPARKMAN; the Senator from North Dakota, Mr. YOUNG; the Senator from Pennsylvania, Mr. HUGH SCOTT; the Senator from Texas, Mr. TOWER; the Senator from Vermont, Mr. STAFFORD; and the Senator from New Jersey, Mr. CASE.

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 40 minutes p.m., the Doorkeeper announced the President of the Arab Republic of Egypt, His Excellency, Mohammed Anwar El-Sadat.

President Sadat, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great privilege, and I deem it a high honor and personal pleasure, to present to you His Excellency, Anwar El-Sadat, the President of the Arab Republic of Egypt.

[Applause, the Members rising.]

President SADAT. Mr. Vice President, Mr. Speaker, distinguished Members of Congress, I would like, first, to thank you for extending this invitation to me, thus affording me a unique opportunity to meet with you all in a pleasant continuation of the conversations I have had with a good many of you who visited Egypt. I have always found these talks stimulating, informative and rewarding. I believe, in all sincerity, that there is no substitute for direct person-to-person contacts that go deep into the heart of all the problems which invoke our common concern and capture our imagination. There is no better way to reach a profound insight of the complexity of the world we live in and grasp the immense problems we face today and are likely to encounter in the future. In the process, our opinions might differ and our views might occasionally diverge. Indeed, our culture emphasizes diversity and multiplicity as a means of reaching consensus and compatability. What is required is not identity of viewpoints, but a genuine acceptance of each other's right to hold different opinions and entertain different ideas.

Mr. Vice President, Mr. Speaker, we are faced, together with all other nations, with one of the greatest challenges of our time, namely the task of convincing this generation, and those to follow, that we can finally build a viable international system capable of meeting the demands of tomorrow and solving the problems of the coming age. It is a foregone conclusion that old techniques are no longer working and that it is not possible any longer to encounter new problems with old ideas, and worn-out solutions. The legacy of the past should be utilized, not as an inhibiting factor, but rather as an inspiring revelation. We ought not to demoralize the dreamer or stifle the revolutionary. It is true that the magnitude and entanglement of the problems of today have a tendency to overwhelm us in our endeavor to sail to the shore of security and fulfillment. However, we should never allow visionary thinking to be replaced by the urgency of alleviating short-term problems.

To attain that, it is an absolute must to establish a new world order, where the arbiter among nations is not sheer power or might, but allegiance to legitimacy and compliance with the rule of law. A new international economic system has to be devised to remedy the grave injustices of the past and pave the way for a more equitable definition of rights and duties. The developing countries are increasingly witnessing an upsurge of the feeling that the time has come for them to have a better standard of living, much more akin to that of the peoples of the industrialized countries. These hopes must be realized so long as we are seeking the closeness of men from all corners of the world, whose basic regard is the belief in peace, justice and the universal brotherhood of man.

I am stating all this here, before you, because I believe that this country has a special responsibility in the process of making the necessary adjustment and facilitating the transformation to the new international structure. I believe also that the United States has no alternative but to accept the challenge and bear its responsibility with vision and determination. This Nation, like all other nations throughout the history of man, shall be judged, not by the power it exercises or the wealth it accumulates, but by the values it upholds and the principles it honors. Fortunately, your history is impregnated with shining examples of genuine devotion to higher values and norms. Abraham Lincoln chose to describe this Nation as "one conceived in liberty and dedicated to the proposition that all men are created equal." Woodrow Wilson stated, in an address to Congress, that "only free peoples can hold their purpose and their honor steady to a common end, and prefer the interests of mankind to any narrow interest of their own." John F. Kennedy urged all sides, "to join in creating a new endeavor . . . not a new balance of power, but a new world of law where the strong are just, and the weak secure and the peace preserved."

Long before that, your first President, George Washington, in his prophetic farewell address, urged all citizens "to observe good faith and justice towards all nations" and warned against both "inveterate antipathies against particular nations and passionate attachments for others," noting that "a passionate attachment, among other evils, facilitates the illusion of an imaginary common interest in cases where no real common interest exists."

Mr. Vice President, Mr. Speaker, I did not come here seeking aid or soliciting promises and commitments. Rather, I came to extend to you and all Americans a hand of friendship and understanding. I am not addressing you as an ally, but as a true friend, who is most willing to support you when you are right, and equally ready to draw your attention when we believe you are wrong. I will not attempt to lure you with the illusion that our interests are identical with yours. In fact they often converge but at times diverge, which is only natural. But in all dealings with you, we proceed with a view to strengthen the ties of friendship and cooperation between the two nations. Our strict adherence to the principles of non-alignment guides us in our sincere drive to improve our relations with different nations.

There is no limit as to how far we can go in improving our relations and strengthening our ties. We have always admired many things in America and looked forward to the day when we work together towards a better understanding. We spare no effort in this endeavor. You have been responsive and cooperative. Lately, more promising signs have surfaced in the form of a higher degree of understanding of the situation and a better assessment of your national interests.

Our bilateral relations are developing along lines which we accept and endorse, namely those of equal footing, respect for each other's independent will, non-interference in each other's domestic affairs and mutual cooperation. We propose to work, together with you, towards enlarging the area of cooperation on a sound basis in order that it may encompass more and more activities, both on the official and non-official levels. We would like to see more contacts between our two peoples * * * parliamentarians, professionals, journalists, writers, artists, businessmen, technicians and academicians.

Perhaps it has been established now, beyond doubt, that we are not ready to compromise our independence or mortgage our will to any power under any circumstances. Our relations with a given nation are not conducted to the detriment of those we maintain with other countries. We should always bear in mind that Egypt is the oldest nation-state that has enjoyed an uninterrupted existence within the same boundaries for over 7,000 years. You certainly can appreciate the impact and reflection of this phenomenon on our political behavior among nations today.

We are doing all we can in order to develop our country socially and economically in every possible field. We are embarking on an ambitious but essential plan for overall development and socio-economic transformation. We are trying to secure a job for every man and woman, a hospital room for every sick person, a seat in the classroom for every child. We are trying to make life easier for toiling farmers and workers. We are determined to achieve all that, while striving, at the same time, to catch up with the latest advances in technology and science. We are earmarking more funds for investment, simultaneously with the reimbursement of our accumulated debts. We are committed to improve the quality of life in Egypt. Throughout this process, we rely first and foremost on our own people, our own resources and, above all, on our hope in the future. We welcome any unconditional help from friendly nations in whatever form. We thank those who are willing to help (and may I identify you with all gratitude in this respect) and we understand the position of those who are not, for one reason or another.

Perhaps you are aware of the fact that we share the little we have with other nations. Egyptian aid is given without hesitation to sister African and Asian countries hit by disasters. We are building roads, schools, hospitals in remote places, in the belief that whatever is good for these people is good for the Egyptian people.

Our engineers, doctors, teachers, and technicians are contributing to the improvement of life in almost every State in the region. Some have questioned the setting of our priorities and the wisdom of spreading our resources in such a manner. But we think that human progress is indivisible and that every nation should share in the cost and fruit alike.

Mr. Vice President, Mr. Speaker, many of your friends around the world expect American policy to be based on justice and fairness, supporting the oppressed and the deprived. Similarly, we believe it is important that the United States apply the same standards in dealing with other peoples as those you strove for when you launched your revolution. The United States has to be counted among the supporters of any revolution that seeks the freedom and dignity of man. Consequently, is there any logical reason why the United States should treat the Palestinian problem differently? You are well aware that the Palestinians have suffered occasionally from excesses, lack of discipline and abuse. They feel, not without justification to be sure, that the Palestinian people have long been neglected by the international community. It was only a few years ago that their legitimate struggle caught the imagination, and hence gained the sympathy, of the world. Nations began, after being aware of the plight of the Palestinians, to recognize their right to self-determination and statehood. Even when nations had their reservations as to certain aspects of the Palestinian resistance, that did not hinder them from lending it their understanding and support. Of almost all nations, the United States remains as the sole dissenter in the long over-due trend of establishing contacts with the Palestinians. Contacts bring understanding. Understanding helps develop solutions.

In this connection I must say, with all fairness, that I have seen certain promising signs in the past few weeks with some of you, Senators and Congressmen, both individually and in committees and subcommittees, demonstrating a keen interest in the cause of the Palestinians and exploring ways and means of solving their problem and putting an end to their predicament. Still, much remains to be done and the aggrieved cannot be expected to wait long. Therefore, I urge you, in the most emphatic term, to lend the Palestinian people your understanding and support. Help them to overcome despair and frustration. The continuation of neglect and defiance is but an open invitation to violence, negativism and extremism. With your understanding and support, moderation would reign and reason would prevail. Above all, a sympathetic stand on the part of the United States towards the aspirations of the Palestinians and their right to establish their own state shall contribute greatly to a speedy solution of the problem. I trust that what I have been reiterating for years has become crystal clear today; namely, that the Palestinian question is the heart and core of the entire dispute. Once solved, all other outstanding issues can be solved, thus realizing the hopes of many of us who are striving to make peace a living reality.

You know that we Arabs have no problem whatsoever coexisting with others of different ethnic or religious backgrounds. Our history is a testimony to the fact that we have never harbored any ill-feeling towards any people. Nor have we known doctrines of racial or religious discrimination as did other nations. The teachings of Islam and the tenets of our culture make it incumbent upon us to respect all peoples and deal with all nations as equals for we believe that Islam is a continuation of the process of human submission to the Divine will since the inception of mankind. We are commanded in our Holy Book to say that "we believe in God, and the revelation given to us, and to Abraham, Ismail, Isaac, Jacob and the tribes, and that given to Moses and Jesus and that to all prophets from their Lord. We make no difference between one and another of them and we bow to God in Islam."

To us peace is not only a cherished ideal, but also an imperative commandment to which we are committed. Our way of expressing our reverence to the prophets is to pray to God to bestow peace on their souls. Is it any wonder that the Arab nation should be dedicated to the cause of peace, a cause that is inherent in its faith and profoundly interwoven into the fabric of its culture? Recent events have proven, beyond any doubt, that our desire to establish peace is our paramount consideration and overriding concern. We took the steps we did in the belief that we are paving the road to peace, even if this entails taking some risks. But let me remind you that a very important factor behind our attitude is the constructive and more impartial role we expect the United States to play.

Enough has been mentioned about American commitments to this party or that. But the real commitment that is required of the United States is one to peace and justice. We are not asking your country to abandon anyone or turn friends into enemies. We simply expect the United States not to condone expansion or tolerate aggression. We often hear about the binding force of commitments, which often contradict one another. However, the only guarantee for a commitment to hold is that it be based on principles, not expediency and on objectively ascertainable criteria. We expect the United States to cooperate with us in our drive to set in motion the process of an overall settlement that tackles all aspects of the Middle East conflict. We expect it to refrain from spurring the arms race in the area, for this would certainly lead to the renewal of armed conflict.

Mr. Vice President, Mr. Speaker, ever since I knew President Ford, first through correspondence and then after meeting him in person, I have found him a man of vision, deep understanding and compassion. He has been a man of integrity who always kept his word. He is given to candor and honesty. In short, he is the kind of statesman to like and trust. His commitment to peace is paramount and genuine.

In the past ten days, I have had the opportunity to visit many parts of your great country. I was struck by the warmth, the hospitality and the genuineness of the American people's desire for peace and progress, not only for themselves, but for the world. Truly, you and we have much in common and I am encouraged that we can continue to work together to achieve the great objectives we have set for ourselves. I take this opportunity to convey to the American people, through their representatives, my thanks and my best wishes for happiness and prosperity.

I am mindful of the fact that I paid this visit on the eve of the Bicentennial anniversary of the American revolution. On behalf of the people and government of Egypt, I extend to every American our warm congratulations on this great occasion in your history. Out of the throes of revolution . . . out of the fight against oppression and injustice . . . out of a firm conviction in the rights of man, you have created a youthful country that turned out to be the super power of today and a country capable of advancing the cause of human progress.

Again, may I thank you for availing me of this opportunity. As you see, I have spoken to you in all sincerity in the belief that we should never miss any opportunity of building bridges of real friendship and genuine understanding between nations . . . until the day comes when they beat their swords into ploughshares and their spears into pruning hooks.

Thank you.

[Applause, the Members rising.]

At 1 o'clock and 8 minutes p.m., His Excellency, Mohammed Anwar El-Sadat, the President of the Arab Republic of Egypt, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper, Hon. James T. Molloy, escorted the invited guests from the Chamber in the following order: The members of the President's Cabinet, the Ambassadors, Ministers, and Chargé d'Affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The Chair declares the joint meeting of the two Houses now dissolved.

Accordingly, at 1 o'clock and 13 minutes p.m., the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

The SPEAKER. The House will continue in recess until 2 o'clock and 15 minutes p.m. today.

Accordingly (at 1 o'clock and 14 minutes p.m.), the House stood in recess until 2:15 p.m.

AFTER RECESS

The recess having expired, at 2 o'clock and 15 minutes p.m. the House was called to order by the Speaker (Mr. McFALL).

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON CIVIL RIGHTS AND CONSTITUTIONAL RIGHTS OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Civil Rights and Constitutional Rights of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on today, November 5, 1975. We are meeting on the Bankruptcy bill.

The SPEAKER (Mr. McFALL). Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess of the House be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7575, ESTABLISHING AN AGENCY FOR CONSUMER PROTECTION

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 798 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 798

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7575) to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, and all points of order against section 15 of said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 7575, the Committee on Government Operations shall be discharged from the further consideration of the bill S. 200, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 7575 as passed by the House.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. YOUNG of Texas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 667]

Adams
Andrews, N.C.
Annunzio
Ashley
Barrett
Beard, R.I.
Bingham
Burke, Fla.
Burton, Phillip
Cederberg
Cleveland
Conyers
Derwinski
Diggs
Downing, Va.
Duncan, Oreg.
Esch
Eshleman
Evins, Tenn.
Fary
Foley
Forsythe
Fraser
Hébert
Krueger
Landrum
Latta
Leggett
Martin
Mitchell, Md.
Moorhead, Pa.
Morgan
Murphy, N.Y.
Nichols
Nix
O'Hara
O'Neill
Pepper
Preyer
Pritchard
Rangel
Rees
Rhodes
Risenhoover
Runnels
Ryan
Santini
Scheuer
Solarz
Steed
Stephens
Symington
Teague
Thompson
Udall
Waxman
Wolff

The SPEAKER pro tempore. On this rollcall 376 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEE ON CIVIL RIGHTS AND CONSTITUTIONAL RIGHTS OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Civil Rights and Constitutional Rights of the Committee on the Judiciary be permitted to sit this afternoon during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ESTABLISHING AN AGENCY FOR CONSUMER PROTECTION

The SPEAKER pro tempore. Prior to the quorum call the Chair had recognized the gentleman from Texas (Mr. YOUNG) for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Washington (Mr. McCORMACK) to speak out of order.

(By unanimous consent, Mr. McCORMACK was allowed to speak out of order.)

ERDA ANNOUNCES FUSION RESEARCH ADVANCES

Mr. McCORMACK. Mr. Speaker, the Energy Research and Development Administration announced today a dramatic new accomplishment in this Nation's fusion research program. A team of scientists at the Massachusetts Institute of Technology, headed by Dr. Bruno Copi and Dr. Ronald Parker, have created a plasma 5 times better than any previous plasma in the world—achieving a temperature of about 10 million degrees centigrade with a high enough density and a long enough confinement time to come within a factor of 10 of creating the conditions wherein significant net energy can be produced from the thermonuclear reaction.

This is a striking achievement, one of a number of significant milestones that have been reached during the last 3 years in fusion research, and it increases the prospect for demonstrating the feasibility of fusion energy production. With that goal reached, we can move forward to pilot any demonstration plants, looking to the production of commercial fusion electricity by the year 2000.

The plasma was obtained in a new model Tokamak, known as the Alcator, and was made possible by the unusually high magnetic field which this new device produces for plasma confinement and heating.

I want to take this occasion to congratulate Dr. Robert Seamans, Jr., Dr. John Team, and Dr. Robert Hirsch of the Energy Research and Development Administration, as well as the team at MIT.

This Nation may, if we are wise enough to support the fusion program with adequate funding, be able to harness the energy of the stars by the end of this century, and introduce a new era of cheap abundant energy for all mankind forever. Accomplishments such as the one today by the MIT Alcator team constitute a significant step toward this goal.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 798 provides for an open rule with 2 hours of general debate on H.R. 7575, establishing an Agency for Consumer Protection.

House Resolution 798 provides that all points of order against section 15 of the bill for failure to comply with the provisions of clause 5, rule XXI of the Rules of the House of Representatives—prohibiting appropriations in a legislative measure—are waived.

House Resolution 798 also provides that after the passage of H.R. 7575, it shall be in order in the House to take from the Speaker's table the bill S. 200, and it shall then be in order to move to strike out all after the enacting clause of S. 200 and insert in lieu thereof the provisions contained in H.R. 7575 as passed by the House.

The purpose of H.R. 7575 is to establish an independent nonregulatory agency for consumer protection—ACP. The principal function of this Agency will be to represent consumer interests in proceedings of Federal agencies and courts which may substantially affect those interests.

H.R. 7575 provides that the new Agency will be headed by an Administrator who will have the authority to intervene in the formal proceedings and other activities, of other departments and agencies when the interests of consumers are involved.

The Committee on Government Operations estimates that the cost to the Government of this bill will be approximately $10,000,000 for each of the fiscal years 1976, 1977, 1978, 1979, and 1980.

Mr. Speaker, I urge the adoption of House Resolution 798 in order that we may discuss and debate H.R. 7575.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my friend, the gentleman from Texas (Mr. YOUNG), has ably described the rule before us, to make in order the consideration of the bill H.R. 7575 to establish an Agency for Consumer Protection. The President has stated that he will veto this bill, and I agree with his reasons for saying so.

The last thing this country needs is another Federal Agency. I would suggest to my colleagues that all of us must be more sensitive and responsive to the plain fact that the American people simply cannot support more and more Government. If this bill is enacted into law we will add yet another agency to the approximately 450 already in existence. We will add 800 to 1,000 more workers to the payroll, and we will increase the Federal deficit by another $60 million over the next 3 years.

Mr. Speaker, we have got to reduce the size of the Federal Government. We have got to reduce the budget deficit. And we have got to get to work to see that productivity increases, and that prices come down. H.R. 7575 is not going to do any of this. What it will do is to inject more institutionalized mischief into a Federal bureaucracy already too unwieldy and too expensive.

The basic argument expressed by the proponents of H.R. 7575, as it has been presented to me, is that the hundreds of regulatory agencies are not doing their job in protecting the interests of consumers. They say the remedy is to create yet another agency. I don't understand the logic of this argument, but apparently some members are persuaded of its merit. Nor has anyone been able to satisfactorily explain what is meant by the consumer interest. There is no such thing as a single consumer interest—there are in fact a host of often conflicting consumer interests.

This bill is based upon an unsound and faulty premise. It contains a number of provisions of dubious value to the American consumers, or anyone else. Under the mandate of H.R. 7575, this new agency can intervene in any proposed Federal action affecting consumer interests. This agency can participate in the activities of the other agencies and request judicial review of decisions. This agency can require businesses to provide information it desires under its interrogatory authority. This agency can require other agencies to disclose industrial trade secrets and financial information held in their files.

The granting of such powers to this agency alarms me. I believe it will mean further delay in the decisionmaking process. It will result in increased business expense to comply with requests. It will inevitably result in further price increases of American products.

Excessive regulation of the economy has been identified as a major factor in higher production costs, higher prices, and high unemployment. I am convinced that passage of this bill will accelerate this damaging trend. This is the last thing this country needs or can tolerate.

It makes sense to me for this House to support the President's firm directives regarding the protection of consumer interests. The President has told the heads of all the executive branch agencies and regulatory commissions to increase the representation of consumer interests in their proceedings. This is the right way to proceed, and I fully support the President's position.

Mr. Speaker, I strongly urge the defeat of this unwise legislation.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BROOKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7575) to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes.

The SPEAKER (pro tempore). The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7575 with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. BROOKS) will be recognized for 1 hour and the gentleman from New York (Mr. HORTON) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, I yield myself such time as I may consume.

The bill we bring before you today has a clear and simple purpose: To give consumers a chance to be heard when the executive branch of the Federal Government makes a decision affecting their health, their safety, or their economic well-being.

As both Government and business get bigger, it becomes harder than ever for the consumer to make his voice heard. He used to be able to take his problems to the local storeowner, but now he finds himself talking mostly to a computer in a giant corporation. The laws of competition, and supply and demand, which used to give him some protection, have been weakened.

Too often the only place the consumer can turn for help is the Government, but, unfortunately, when he does, it is hard to find anyone who is listening. Big business and big Government have become so closely intertwined it is hard to tell where one begins and the other ends.

Many Federal agencies and programs exist only for the purpose of promoting and protecting certain industries. I am not criticizing that. Our system of government should be one that encourages business. But I think we all believe in fair play.

That business now enjoys a favored position in its relationship with Government is recognized by nearly everyone, including President Ford. In a recent speech, the President said:

> Too often the Government walks with industry along the road to monopoly. The end result of such special treatment provides special benefits for a few, but powerful, groups in the economy at the expense of the taxpayer and the consumer.

Back in 1971, when President Ford was one of our colleagues in the House, he voted for a consumer protection bill much like this one, which he called "a sound, workable bill," and "good legislation."

Now the President has asked us not to act on this bill at this time. He says it is not the time to add "another layer of bureaucracy." But when you look at the agency we are proposing to establish in this bill, I think you will agree that far from being another layer of bureaucracy, it is actually antibureaucratic.

You know what we mean when we talk about the bureaucracy around here—a big, unfeeling, unresponsive agency where employees reel out the redtape, paying no attention to the needs and wishes of the people. Well, the whole purpose of the Agency for Consumer Protection is to take on such agencies, shake them up, and make them responsive to the needs and wishes of the public.

Not only the consumer, but the Government will be better off if that happens. The reason there was such widespread opposition to the big grain trade with Russia in 1973 was because people felt that no consideration was given to the effect it would have on the price of bread, or the cost of feeding cattle. When the CAB raises air fares, or the FAA fails to act on safety recommendations, there is resentment among the traveling public because it feels its views have not been fully considered.

With an agency for consumer protection in operation, all these concerns would have been brought before the people making the decisions. They may not have decided any differently, but their decisions would have been more readily accepted because people would know they had been reached after weighing all the facts available. Anything we can do to give people more confidence in their Government, we should do.

The President also says adequate protection can be given to consumers through existing agencies. But a study conducted by the administration itself showed that most Government agencies have inadequate procedures, policies, and personnel to act on consumer complaints. Virginia Knauer, the President's Special Assistant for Consumer Affairs, favors establishment of an agency for consumer protection, even though she is not now permitted to say so.

Industry spokesmen would have you believe they are taking care of consumer problems themselves, and, indeed, many companies have established consumer affairs offices. But, as the magazine Business Week observed in an editorial last spring:

> Under an honest system of titles, a good many companies would have to call the job "vice president in charge of soft soap," or "chief runaround officer."

The opponents also say we should not be spending any money at this time for a consumer protection agency. The estimated cost of this agency is $10 million a year. Contrast that to what industry is paying to get its message across. Just the trade associations themselves spend an estimated $150 million a year.

But regardless of that imbalance, when you consider the potential savings involved in the operations of an effective consumer protection agency, it is ridiculous to say $20 million is too much to pay. Price increases resulting from Government action add billions of dollars each year to consumer costs. An alert, aggressive consumer agency can greatly reduce these costs, making it an invaluable ally to both private individuals and businesses in the continuing fight against inflation.

Finally, opponents of this legislation say it constitutes harassment of industry by Government. The fact is, the Agency for Consumer Protection is not a regulatory agency. It has no powers beyond those needed to get information relating to consumer interests, information that is public knowledge for the most part. It can do nothing but present the case for the consumer to an agency considering a matter affecting the consumer interest. That agency would be as free and unfettered in making its decisions as it is now. The business interest affected would have every right and power it has now to make sure its views are before the agency. The only difference from the present procedure would be that a balanced case would be presented for decision; that all the facts available would be on the table; and that a decision in the best national interest could be made.

This legislation has been under consideration in Congress for more than 5 years, and has been carefully drafted to balance the competing interests involved. It is based on the simple concept of fair play, of giving the consumer his day in court. I hope the Members will examine its provisions carefully, and with an open mind. If they do, I am sure the House, as it has on two previous occasions, will give the bill its overwhelming support and speed the day when this vitally important agency can take up the cause of the consumer to the benefit of us all.

Mr. HORTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in support of H.R. 7575. This bill would establish a Federal consumer advocate. The role and authority given to the advocate in this bill is nearly identical to that provided for in legislation which passed this House last year by a vote of 294 to 94. The Senate this year passed a very similar bill by an overwhelming vote of 61 to 28.

Legislation designed to afford a responsible and adequate degree of representation for the customers of American business in the councils of government has been the subject of both the most thorough hearings and the most heated lobbying that has accompanied any legislative concept in recent memory. The result of the years-long process of considering and polishing this bill is, in my judgment, a reasonable, and responsible piece of legislation, which deserves the support of every Member of the House.

My reasons for supporting the creation of a consumer advocate are simple, and to me, compelling.

First of all, I believe that the totality of consumers are not well or fairly represented by the majority of self-anointed and poorly organized consumer spokesmen, who regularly take pot shots at both business and Government, in the name of all consumers.

Second, I feel that a responsible consumer spokesman or advocate is essential if both businessmen and their customers are to have adequate access to the huge, complex, and heavy-handed Federal regulatory process, which affects all of our daily lives.

Third, I feel that a Federal consumer advocate would quickly demonstrate that on a host of Federal regulatory issues, both businessmen and consumers have some very real interests in common. In general, the primary consumer interest is to get the best possible value for his dollar. The inflationary costs of increased Federal regulation have hurt both private business and their customers—in the form of higher prices.

In its editorial in this issue, Business Week agreed with this stand. The magazine stated:

> A consumer agency could improve the level of debate between business and consumerists by putting a sharp focus on the vague charges that consumer groups now feel free to make. It could show business where its real problems are, and by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, could help restore public confidence in the regulatory process.

Claims that this bill sets up a new regulatory agency are patently false. I helped in committee to assure that the consumer advocate would be given no regulatory power and no rulemaking authority.

The ACP would be purely and simply an advocate for consumer positions in the councils of government.

Just who do consumer interests, or customer interests need to be represented before Federal agencies? What difference would it have made if, for the sake of discussion, we had enacted this legislation in the last Congress or earlier?

These are legitimate questions, and in my judgment, the answers are so compelling as to make us deficient for not enacting this legislation at an earlier date.

Let me give you several examples of cases where a consumer advocate might have made an important difference.

I quote from the testimony of Attorney General Jim Guy Tucker from the State of Arkansas.

> (I)n the winter of 1973–1974, the price of propane, a vital fuel for families in my State and for farmers in my State increased by 300 percent in a short period of time. The impact on small farmers, on the chicken growers, on the fixed-income elderly, and rural families in my State was absolutely devastating.

He went on to say how he banded together with 32 other State attorneys general in an effort to force FEA to reverse this decision made without consumer involvement. It took them 7 months to win their case for reconsideration, largely because they were unfamiliar with Federal regulatory procedures. He said he believed the creation of an agency for consumer protection at the Federal level was the only way to insure that decisions like this would not be made in the future.

Another example involving FEA is the famous "double-dipping" regulation they promulgated. This regulation allowed oil refiners to collect twice on the increased costs of oil. It is estimated that before it was changed this regulation allowed oil refiners to collect $332 million in overcharges, not only to consumers, but to large and small businessmen as well.

Another example is the Interstate Commerce Commission regulations which require trucks to return empty from deliveries. The trucking industry has supported this ICC regulation because they are allowed to pass the costs on to their customers. Their customers are businessmen who must pay exorbitantly high prices for transportation services which eventually are passed on to the end user or the consumer. It has been estimated that these regulations cost the economy several billion dollars yearly.

Still another example is the laxity with which the National Transportation Safety Board treated a defective cargo door latch on DC–10's. They allowed its correction to be optional rather than mandatory at the manufacture's request. A year and a half ago, a DC–10 with a defective latch crashed, killing 344 people. I would hope the ACP would have fought for procedures that would prevent accidents like this from occurring.

As I have said, consumers and businesses alike have a primary interest in tempering Government policies which, for one reason or another, cause prices to rise and the value of the American dollar to fall. Heavy-handed tariff and trade regulations which smack of special interest protectionism, whether it is a business or labor interest being protected, have the effect of raising consumer prices—and the prices of goods to businesses as well. However, the interests of workers as consumers and the interests of large and small businesses as buyers are rarely well-represented on these questions. Because the person or business who pays the resultant price for Government regulations is usually several steps removed from the direct impact of the regulatory policy, these crucial buyers' interests are rarely as well represented as those of persons and organizations who would have direct economic gain or loss resulting from a particular policy decision.

I believe the public interest in fighting inflation would be far better off if there were a responsible consumer advocate available to participate in, for example, the recent nationwide public hearings of the special trade representatives, or in rulemakings affecting our agricultural export policies with the Soviet Union and other nations.

Similarly, it is widely assumed that the consumer's interest in the regulation of power generation is primarily an environmental interest. I believe, conversely, that a responsible consumer advocate would be quick to join with the power industry in some of its efforts to reduce the heavy-handedness and inflationary impact of Federal delays and regulation affecting the siting and cost of constructing new powerplants, because of the tremendous effect these decisions have on the eventual cost of electrical power to homes and businesses.

It is curious that opponents of this bill are arguing that this agency would foul the gears of the regulatory process. As an agency with absolutely no regulatory power of its own, and with intervention powers which are specifically designed to parallel and not exceed those of private interest advocates, I see the consumer advocate as having a very positive effect on reforming the regulatory process by, if you will, smoothing the gears and removing some of the regulatory cobwebs which now suffocate much of American society.

I want to reemphasize that the ACP would have no regulatory authority and no rulemaking authority. This bill does not change any statutory authority or responsibilities for the regulation of business or for the administration or enforcement of any regulatory law. Regulatory agencies will remain fully able to carry on their programs and control their proceedings just as they do now. The powers of the ACP have been carefully tailored so that the new Agency fits into the existing administrative system of the Federal Government without powers which would disrupt or delay administrative proceedings.

I agree with Virginia Knauer, the President's Special Assistant for Consumer Affairs, when she said in support of last year's bill—

> (S)tatements that (ACP) would give consumers "unfair advantage" and "excessive power" are cynical distortions of professional lobbyists who know better. The (ACP) legislation is . . . too important for knee-jerk reactions from those who are tapped by Washington trade groups.

I am pleased to be able to report that this bill has won the support of the American Bar Association and the Chairman of the Administrative Conference of the United States, a federally established organization of administrative law experts responsible for promoting necessary and appropriate changes in Federal administrative procedures.

Ironically, some of the most compelling arguments for this legislation can be gleaned from a lobbying piece that was distributed 2 days ago by the American Conservative Union for the purpose of opposing this bill.

Let me quote some selections from this ACU memo:

It says:

> There are already over fifteen major regulatory agencies with 64,444 employees who perform regulatory functions. The White House now estimates that the annual cost to consumers of unnecessary regulation is about $2,000 per household or an astronomical $130 billion per year for the public.

While the ACU claims that the adoption of this bill will add to this burden, I submit that the converse is true. Today, there is a great and compelling consumer interest in cutting back on the inflationary burden of Federal regulation. Nowhere in Washington, however, is there an effective and responsible advocate to be found to represent this compelling consumer interest where this most good—in the regulatory proceedings of Government agencies. I submit that it is worth $10 million a year to provide this kind of responsible advocacy in an effort to refine, reform and reduce the horrendous $130 billion burden of Federal regulation which the ACU so correctly describes in its memorandum.

Obviously, there are instances where the consumer interest in health or safety or the environment would be so compelling as to take precedence over the continuing consumer economic interest in reducing the cost of regulation. And we should provide fair and responsible advocacy for those occasions as well. But for the most part, I submit that it is the unrepresented interest in reducing inflation and in reducing prices and in reducing the cost of regulation which would, for the first time, get a fair voice within Federal regulatory agencies if we adopt this bill.

Elsewhere in this ACU memo opposing the bill, they point out, and I quote, that—

> Most decisionmaking processes in regulatory agencies consist of informal contacts at the staff level between the agency and the regulated industry which can redesign unsatisfactory features, thus avoiding expensive court proceedings.

Presumably, they mean those court proceedings that might be brought by the regulated industry against the Federal agency.

What the ACU is saying, in other words, is that most Federal regulatory decisions are made by working out compromises between the regulator and the directly affected industries, without consideration being given to those indirectly affected by the regulatory result—namely those who will pay the price of what the regulation will add to the cost of products or services. This is precisely the role—the compelling role—that I see for a responsible consumer advocate.

Mr. Chairman, I believe we have the best chance ever to enact legislation which will provide this kind of sound and responsible representation to Americans. We have overcome the stumbling block of the Senate filibuster which killed this legislation in the past two Congresses.

I realize that, for the very first time in the history of this issue we face the upcoming vote on H.R. 7575 with the threat of a Presidential veto. Despite the fact that the President supported this bill himself when he served as our minority leader, I respect his current views on this issue. However, I am reluctant to believe that congressional Republicans or Democrats should choose a hard-line anticonsumer position by opposing this bill, when we can serve the interests of both private enterprises and their customers by supporting this modest step toward fairness in the Federal regulatory process and lower costs for everyone.

Supporting this view are such major business firms as Montgomery Ward, Mobil Oil, Atlantic-Richfield, Gulf & Western, Polaroid, the Dreyfuss Corporation, Connecticut General Life Insurance, Cummins Engine, Stop and Shop, Phillips VanHeusen, and many others which support this legislation. They perhaps see no more reason to adopt a posture of confrontation with their customers at the Federal level than they do in their one-to-one relationships with those who purchase their products.

The veto threat, however, causes those of us who are really interested in getting a bill enacted to do two things. First, we must seek to answer the concerns that opponents of the bill have raised, in a way that will help to broaden support for this bill.

Second, and simultaneously, we must seek to fashion a piece of legislation that will lead the President to at least consider changing his own position on this bill.

In this spirit, the chairman of the committee, Mr. BROOKS, and I have carefully reviewed the amendments which are being offered to H.R. 7575 later this afternoon. After careful consideration, we feel that four specific amendments should be accepted because they improve the bill by making it more responsive to some very important and legitimate concerns. Two of these amendments would change the legislation in terms of its responsiveness to the concerns of small businesses and of agriculture. A third amendment would place some sensible limits on the longevity of the consumer advocate, and a fourth would seek to save several millions of dollars annually by consolidating some duplicative functions of existing Federal agencies into the functions of the consumer advocate.

We believe that these refinements in the bill are wise and deserving of inclusion in the final legislative product.

I believe that this legislation will provide very necessary and fundamental reform of our regulatory system making it fairer and more sensible in its actions. Strong consumer advocacy will help eliminate inflationary and wasteful Government programs. That is why I have supported this bill in the past, and that is why the House has always voted for this bill by more than 2 to 1.

I urge every Member to support this effort to establish effective and responsible consumer advocacy.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I rise in opposition to H.R. 7575, the so-called consumer protection agency bill.

In March of this year, the Office of Consumer Affairs of the Department of Health, Education, and Welfare published a booklet listing 39 Federal agency consumer complaint contacts and 306 State, county, and city consumer offices. Today, the House of Representatives is considering legislation to establish one single agency which is purported to be able to do what all these other agencies are accused of not being able to accomplish: protect the consumer interest.

There are several questions we should ask ourselves about this legislation. Should we create another layer of Federal bureaucracy when the people are calling for less Government? Can one agency represent the myriad of consumer interests that exist in this country—at all, much less well? Need the Congress establish another agency rather than make the existing agencies work? Is our system of free enterprise and individual freedom compatible with such a Government superagency?

According to a number of polls which have been conducted by reputable polling organizations as well as a number of Members of Congress, the majority of the American people do not want a Consumer Protection Agency established. They do not want more government or more government expense. And those who say they do want to see this agency created do not really understand the concept. They are expecting some Government ombudsman to intervene in their behalf when they do not get the satisfaction they expect from a business establishment, a product or a service.

Unfortunately, what the taxpayer will get is just an additional tax burden, possibly hidden in more inflation caused by greater Government deficit spending. He will also be getting another set of faceless bureaucrats intruding on yet another part of his life.

The American free enterprise system has given the greatest number of people the highest standard of living in the history of man for the longest period of time, and it provides the consumer with the ultimate weapon for protecting his own interests. That weapon is the power of the purse, and it is only Government regulation which has put a shackle on that power. I submit that what the Congress should be doing today is reestablishing an atmosphere in which free enterprise and individual freedom can flourish so that consumers will once again be able to make their views known in the marketplace. Only through such action can we truly protect the consumer interest and the future of our Nation.

In behalf of the consumers in the Second District of Alabama and across the country, I urge the defeat of H.R. 7575.

Thank you, Mr. Chairman.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I rise in opposition to H.R. 7575.

Mr. Chairman, as I understand it, the Federal Trade Commission is the Federal agency assigned the duty of finding and stopping "unfair or deceptive acts or practices in commerce." Included in this congressional mandate is the authority to stop unfair or deceptive advertising, unfair or deceptive selling practices, unfair or deceptive schemes to cheat consumers. In other words, an important part of the Federal Trade Commission's functions and duties is to protect consumers from widespread practices which deceive, defraud, or otherwise harm consumers.

The Federal Trade Commission was created in 1914, and it has been performing its duties now for over 60 years. Today, in 1975, however, self-appointed consumer representatives are urging us to create another agency called the Agency for Consumer Protection. But this new Agency would not "protect" consumers, it would only "represent" them in Federal agency proceedings and the courts. In fact, the new Agency could represent consumers in Federal Trade Commission proceedings. If you are confused about which agency could be "protecting" consumers, you are not alone.

The name "Agency for Consumer Protection" itself may be an "unfair or deceptive act or practice" by the sponsors of the legislation. Many Members of Congress do not want to vote against a bill to create an agency with that kind of name. It sounds so good.

But the deception resulting from the name of this new agency would not be the only unfairness or deception resulting from its creation. Many of my colleagues and others have somewhere gotten the impression that the ACP will somehow solve all day-to-day consumer problems: The local service station that fails to properly fix a car; the aluminum siding salesman who gets a mortgage on a house; the dishonest used car salesman; the slick bait-and-switcher in the appliance store; the plumber who never comes.

The new agency proposed by this legislation will have no immediate impact on any of these day-to-day consumer problems. It will not be an ombudsman for individual consumer complaints—we have Virginia Knauer for that at the Federal level, and hundreds of Virginia Knauers at the State and local levels.

Actually the ACP will be involved in very complex and lengthy Federal administrative proceedings and court appeals involving such things as antitrust cases, rate settings, drug approvals, agricultural marketing orders, and a multitude of other complex matters which take months and even years to resolve and which require expertise far exceeding the ability of one man or agency.

If this new Consumer Protection Agency is created we will be pouring taxpayers' dollars into a new bureaucracy to interfere with the existing agencies' endeavors. This will soon turn into a bureaucratic snarl of nightmare proportions. Government is already so large that the bureaucrats are fighting one another for power and authority, all at the expense of the taxpayers. Creation of this new agency would make possible more freewheeling bureaucratic interference and harassment.

Who is to protect the consumer, the manufacturer, the small businessman, and the taxpayer from Government interference and tyranny—from absurd and irresponsible demands? That's a question Americans should ask Members of the House of Representatives who are considering this bill. In reality, this bill is not a "voice for consumers," as its proponents allege, but a new voice for big Government. It is a dream and creation of Ralph Nader and his crowd who oppose every productive enterprise and whose only ambition is to impose more regulations on the American people.

The message I get from my constituents in Idaho is that they do not want any more Govrnment. They already have more Government than they want or can afford. More regulation is not the wave of the future in this country if the American taxpayers have their way. They are beginning to realize that superregulation erodes their liberties and drastically affects the prices of the goods and services they desire. If the House of Representatives is listening to the people, as distinct from certain special interest groups, it will reject this bill or any other legislation to create a Consumer Protection Agency.

In conclusion, I would like to make the point that real consumer protection can only come from allowing the free and sovereign consumer to shop in the free market. This sound economic and social principle was emphasized in a statement by John Robbins of the Heritage Foundation. I would like to read Mr. Robbins' statement for my colleagues at this time.

THE AGENCY FOR CONSUMER ADVOCACY

(By John W. Robbins)

Two hundred years ago when Adam Smith wrote that, "Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer," he was writing against the mercantile and regulatory system in which "the interest of the consumer is almost constantly sacrificed to that of the producer." He favored free trade and what has generally come to be known as laissez-faire. His magnum opus, *An Inquiry into the Nature and Causes of the Wealth of Nations,* was designed to speed the demise of the system of government regulation of business and commerce called mercantilism.

Two hundred years later the American Congress has been awakened to the fact that this country is now saddled with an extensive system of government regulation that redounds to the benefit of certain producers and the expense of certain other producers and consumers. The C.A.B. enforces cartel prices for the commercial airlines. The I.C.C. does the same for the trucking industry. (The railroads, who originally favored the I.C.C., have been driven to collapse; the Rock Island Railroad which has been engaged in litigation with the I.C.C. for 11 years, was recently forced to file for bankruptcy by the loss and cost of its litigation with the I.C.C.) Even the Report of the Senate Committee on Government Operations on S. 200, the bill to establish Agency for the Consumer Advocacy, speaks of "the failure of Federal programs to provide full protection to consumers" and to "adequately consider the interests of consumers." But unlike Adam Smith, the proponents of the A.C.A. did not reach the conclusion that the domestic mercantilist system we now have ought to be ended by a restoration of domestic free trade. Instead, the Congress has concluded that another federal agency ought to be established to "protect the consumer."

Six years ago Virginia Knauer, then a consumer advisor to President Nixon, announced that a study conducted for the President "found that 413 units of the Federal Government were administering 938 consumer related activities." More recently a Congressional Research Service paper—admittedly incomplete—prepared for Senator Taft listed 76 federal consumer protection programs, which have spent hundreds of millions of dollars during the decades they have been in existence. These are the programs that have failed, according to the Senate Committee Report. To remedy this complete failure of government efforts to protect consumers, the Senate passed S. 200 "to establish an independent consumer agency to protect and serve the interest of consumers," and the House is considering its version of the bill, H.R. 7575, "to establish an Agency for Consumer Protection."

Both of these almost identical bills are of interest, but attention ought to be focussed on the Senate bill, for it has already passed one House of Congress. S. 200 would establish bureaucracy that would have access to virtually all the information possessed by almost all other federal agencies. Moreover the A.C.A. would have the right to intervene as an aggrieved party or in any lesser capacity it chooses in any agency proceeding or activity. It would have the authority to use the "host" agency's "powers of discovery" to accumulate any information it deemed necessary to protect the interests of the consumer, in addition to using its own more limited powers of discovery. It would be authorized to petition for judicial review of any final agency action that is otherwise subject to judicial review, even though it had not previously participated in the agency's activities or proceedings. Virtually every federal agency then—and State and local agencies, too, despite an explicit exemption in the Act—will have the A.C.A. monitoring it. State and local agencies' activities will be included within the purview of the A.C.A., for it has the authority to "communicate with, provide information to, or provide assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law." The Senate Report goes on to say, "it is anticipated that the (A.C.A.) will consult with Federal, State, and local agencies and courts on a wide variety of matters. In addition to providing such agencies and courts with information and technical services, the A.C.A. will be able to express its views in an appropriate manner, such as an amicus curiae, on particular matters currently under consideration by such agencies or courts."

Other powers of the A.C.A. will include but not be limited to the conduct and support of research, studies, and product testing; the submission of annual recommendations to the Congress and President on new legislation; the collection and dissemination of information of interest to consumers; the reception and referral to proper agencies of complaints from consumers; encouraging private enterprise in the protection of consumers; using, with their consent, personnel, facilities, and services of Federal, State, regional, local, and private agencies, and to reimburse them for such use; and enter into agreements with any agency, organization or person for the execution of the duties of the A.C.A. The A.C.A. would become the central and major federal regulatory agency, for it would regulate by proxy. Small businessmen are exempt from a few of the powers of the A.C.A.; certain federal agencies, labor disputes, and labor agreements are exempt completely from the purview of the A.C.A. But all other agencies and persons would be monitored by or subject to the many and varied powers of the Agency.

All of this is somewhat abstract. Perhaps the potential power of the A.C.A. could best be illustrated by imagining how it might function in practice, say vis à vis the Federal Reserve System. The Administrator of the A.C.A. may intervene as a party in any federal agency proceeding that meets certain conditions, and he may participate in any federal agency at all which he determines may "substantially affect an interest of consumers." Since the varied activities of the Federal Reserve sometimes involve proceedings which meet the conditions established by law, the A.C.A. would have full legal standing in these proceedings and could demand judicial review of the Reserve's actions stemming from these proceedings. Since, however, the Federal Reserve performs other activities that do not meet the conditions specified in the law, the A.C.A. could participate to some extent in all Federal Reserve proceedings and activities. This would include Open Market Committee meetings, hearings held by the FRS or its agencies, decisions on reserve requirements, rediscount rates, and all other measures which would influence the supply of money and credit. Although one cannot tell from reading S. 200 exactly where the demands of the A.C.A. for information need not be met by the Federal Reserve, it seems judicious to assume that the A.C.A., once established, will make as many demands, and intervene and participate in as many agency and court actions as its budget allows. The A.C.A. would have the authority and could easily become a major force within the government advocating monetary expansion. It has a $60 million dollar budget for the next three fiscal years, and even this amount, according to the Senate Report, is far less than it would need to participate in all the agency proceedings that affect the interests of consumers. One can assume, therefore, that the appropriations for this Agency—and its power—will expand every year after its inception until it is able to "provide full protection to consumers."

Perhaps the major result of the establishment of the A.C.A. will be, simultaneously, a breakdown in the federal regulatory institutions occasioned by the intervention of the A.C.A. in formal and informal agency activities; and a consolidation of regulatory power in the A.C.A. as its battery of lawyers and funds continues to grow. It is apparently for the purpose of forestalling such a breakdown in the regulatory establishment that the Senate Government Operations Committee added a new section to S. 200 entitled "Cost and Benefit Assessment Statements."

This section provides that every federal agency which may promulgate rules shall prepare a cost and benefit analysis of any rule promulgated which may have a "substantial economic impact." However, the Senate Committee Report makes it quite clear that—

"No agency shall be required to comply in any way with (this section) with respect to rules which, *in that agency's sole discretion,* are judged not likely to have a substantial economic impact. It is within each agency's discretion to determine the applicability of the word "substantial" as used in this subsection to its rules."

This provision accords a federal agency a great deal of latitude about whether it will file an economic impact statement. But the unfortunate person who, in response to an agency's solicitations, responds to a proposed rule by criticizing or praising it, or who may be directly affected by the new rule, is not given much latitude in his actions. He may be required by the agency in question—at its discretion—to submit information or materials which the agency deems relevant, or he himself may be subpoenaed by the agency. If the unlucky person who raised his voice about the proposed new rule or who happened to have had documents which the agency deemed relevant "knowingly and willfully falsifies, conceals, or covers up or makes any false, fictitious, or fraudulent statements or representation," or whose subpoenaed documents do those things, he is liable to heavy fines and imprisonment for his criminal activity.

This new section of the law is apparently designed to reduce public input into—or at least public criticism of—the regulatory rule-making process. It will, to say the least, have a chilling effect on those who would otherwise comment on the proposed rules. Consumers will no longer be able to speak their own minds on proposed rules that may influence their lives, for their representative, the Agency for Consumer Advocacy, will be speaking on their behalf. With the institution of the A.C.A., the wishes and views of actual consumers will become irrelevant and so many useless impediments to regulatory action. Furthermore, these assessments made by the federal agencies will be nonreviewable by any court, and nonadmissible as grounds for any court "invalidating any aspect of any rule promulgated by any agency."

For Adam Smith, it was in a free marketplace that the interests of both producers and consumers were protected and satisfied. Because the government of England was greatly influenced by Smith's work, England became the most powerful and one of the freest nations on earth during the 19th century. Had the British government then pursued the path the U.S. Senate has now taken, it is doubtful whether power, freedom, or prosperity would have accrued to the British people.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, the gentleman in the course of his remarks said that this legislation has been put together over a 5-year period and is similar to legislation that passed last year, and that it is in very fine shape. He said it has been very carefully considered and all that. And yet the gentleman at the very outset agrees that there should be four amendments adopted. I find this rather incredible.

Mr. HORTON. Mr. Chairman, I think the four amendments I have referred to would improve the bill, regardless of the fact that it is a well drawn piece of legislation.

One of the amendments is the amendment to be offered by the gentleman from California (Mr. McCLOSKEY). It would transfer some administrative functions from other agencies to the ACP when it is established. That will tend to balance out the amount of cost of this agency, that cost being $10 million. I think that is a very good suggestion, and I think it is an amendment we ought to adopt.

One of the other amendments has to do with interrogatories to small business. I am the chairman of the Paperwork Commission, and I am very much aware of the problem of extra paperwork. I think this is a good amendment, and it would result in cutting down on the amount of paperwork.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, the bill H.R. 7575, to create an agency for consumer protection, is one of the most ill-conceived and foolhardy bills ever to reach the floor of the House. It is ironic that a bill purported to help consumers would defraud those same consumers. The bill also founders in terms of its basic logic and is absolutely counter-productive in terms of restraining costs to the consumer.

These same objections were reason enough for similar legislation to be rejected in each of the last three Congresses. This year, I think the House is even more sophisticated in its appreciation of the true impact of this bill. The public, too, is beginning to appreciate the fact that this bill provides only the illusion of consumer protection, but the creation of a very real and potentially very expensive bureaucracy.

I oppose this bill and hope the House will reject it today. No amendments can salvage a bill whose basic concept and approach is so fundamentally wrong. I will support amendments to improve the bill by removing the exemption from its coverage of the consumer impact of labor settlements. I will also support the amendment to prevent small businesses from being crushed by a glut of new forms to be filled out for the new Consumer Agency.

H.R. 7575 should be rejected for several reasons. To begin with, the bill is an outright fraud on the consumer. It is an empty promise, a deceptive illusion of consumer protection. The proposed Agency provides no protection at all for consumers who, in fact, need and deserve protection. The agency will not help the housewife overcharged or shortweighed at the supermarket. It would not help a consumer who is dissatisfied with the way a manufacturer honors his warranty. It would not assist a consumer in a dispute with an automobile mechanic or a hardware store. None of these legitimate and immediate consumer concerns is the concern of this new superbureaucracy to be located in Washington, D.C.

Mail from my district has two basic characteristics. First, an overwhelming majority of those writing me are absolutely opposed to creating another new bureaucracy. And, second, those who do favor the bill do so on the mistaken impression that it will provide immediate relief for individual consumers. They think of the agency as an army of consumer intervenors who will come to their neighborhood stores or write on their behalf to some large corporation which is indifferent to their complaint. Should this bill be enacted, they would soon learn their misconception and become even further alienated by the nonresponse of Government to their real problems. The average consumer who may support the bill now would view this agency with deep disappointment and frustration. Having turned to Government to protect him against consumer fraud, he would find that the Government itself had defrauded him.

The basic logic of the bill is also faulty. It is based on the assumption that there is an identifiable "consumer interest" among the competing viewpoints on questions of public policy. There are many consumer interests: low price, high quality, long warranties, speedy service, product durability, not to mention freedom of consumer choice. When you stack up all these consumer interests, it is not surprising that you inevitably find some of them in conflict with one another. Sometimes a consumer has to trade off his lowest possible price to get a product of higher quality. He may want a 5-year warranty if he has to pay a lot for that "protection." His most important concern may be a speedy delivery of the product or service and he may be willing to pay a premium price to get it—or it may be unneeded and a costly overcharge in his opinion. He may resent having to pay the added cost to buy a product required to last for a number of years if he intends to use it only once or twice.

My conclusion is that there is no single, monolithic consumer interest. But this bill ignores this fundamental problem entirely. It simply says the administrator of the new agency will determine what the consumer interest is and represent it.

How would this work in actuality? Let me share my experience from my perspective as ranking Republican on the Subcommittee on Consumer Protection and Finance and as a member of the Small Business Committee. The Consumer Protection Subcommittee has jurisdiction over the Consumer Products Safety Commission. The CPSC, you will recall, has been granted power to protect consumers by drawing up safety standards for consumer products. The CPSC is authorized to delegate the development of safety standards to outside groups which the Commission can then accept or reject. Recently, the CPSC selected the Consumers Union to develop a safety standard for power lawnmovers. Certainly we can all agree that we want our power lawnmowers to be safe. Well, the CU standards have been drawn up. The Stanford Research Institute has run a cost analysis of the standards. Certainly we can all agree that we want our power lawnmowers to be sold at the lowest possible consumer prices. The CPSC is now faced with the problem of evaluating the CU standards. If the consumer advocacy agency is approved, presumably the advocate would intervene in this proceeding to protect the obvious consumer interests in the case. But what interests will he represent? Will he opt to support the CU proposals which provide that lawnmowers be designed in such a way that it would be very difficult to sustain an injury from one? That is a worthy consumer goal? Or, would he instead opt to save the consumer the price increase of $44 on the average $110 bottom-of-the-line lawnmower which the design changes would cost? Surely another worthy consumer goal. However, each of us would come down on this question; I submit there will be a valid difference of opinion, some favoring absolute safety, others lower consumer prices. And a good number are bound to ask: Is there not some better alternative? some middle road? I would hope so. But is this a question which the consumer advocate would ask? Or, even, is the middle road better than one of the more definite choices already available? More specifically, in this case, would the administrator dare to stand up to CU, one of his "constituency" or would he be their "captive" in the same sense that some argue our regulatory agencies advance the special interests of their constituent industries?

Empowering the consumer advocate to answer the question of what is the consumer interest institutionalizes a snare and a delusion. We cannot, with confidence, determine a single consumer interest. Different consumers have different interests. This bill would grant the administrator an unbelievably broad discretion and guarantee his independence. If consumers were to write their Congressmen protesting that this arrogant bureaucrat was not, in fact, representing their consumer interests, there would be no effective way for Congress to review the administrator's decisions or hold him accountable. This violates a fundamental concept of public administration. No doubt, the administrator would be representing some consumer interest. But there are many. Is his judgment of the "true" consumer interest any better than that of the agencies whose decisions he hopes to influence to his way of thinking?

Let me go back to my lawnmower safety issue for a moment to make another relevant point. Adoption of the CU safety standard, according to the Stanford Research Institute, would cut lawnmower sales by 25 percent. Smaller manufacturers would go out of business because of the amounts of additional capital which would be required to retool for the new standards. This is another example of competing interests for consumers, because our antitrust laws are not sufficient alone to protect against monopolistic price fixing in the absence of a competitive small business sector of the market. Small businesses have a definite stake in the proceedings of these agencies, and consumers have a definite interest in the health of small business.

Mr. Chairman, the Congress has been attentive to the legitimate interests of consumers. We have created new consumer protection agencies like the FTC Warranties Act last year, which protect consumers.

I do not think the American people need a new, expensive bureaucracy to second-guess the operations of these other programs. The Congress has adequate oversight powers, legislative powers, and budget leverage to get these agencies to respond to the consumer interests of our constituents. Let us reject this cumbersome, unworkable approach and renew our efforts to be more effective in our oversight responsibilities of the more than 1,000 existing programs we already have.

Mr. BROOKS. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. Moffett).

Mr. MOFFETT. Mr. Chairman, both the distinguished chairman of the subcommittee, the gentleman from Texas (Mr. Brooks), and the distinguished gentleman from New York (Mr. Horton) have done an excellent job in articulating why this agency is needed and how it would be used. I cannot pretend to do as fine a job as they have. They have invested many more months and years in this legislation than I.

However, I might bring an important and different perspective to the Members in support of this legislation, one that comes from 4 years of experience prior to my service here as the leader of a consumer group in Connecticut. This was a group that sought to intervene in consumer matters on the State level, most notably before the regulatory body that regulates the public utilities in the State of Connecticut.

Our interventions, which spanned about 3 years, produced a much more thorough analysis of the issues that confronted that public utilities commission than anything that had preceded it. It did not result in great delay, it did not result in added costs to the State; it resulted in a much lower treasury for our citizens' group. Time and time again we found we could not afford to intervene in these proceedings.

It is very clear to me that this analogy can be used to take a look at the Federal Government where every day downtown we see agency after agency conducting proceeding after proceeding. These are proceedings which are of a quasi-judicial nature, these are proceedings where the agency sits very clearly as a judge, not as an advocate, and these are proceedings where the agency hears testimony and comments from various points of view, but all too frequently from only one point of view.

Mr. Chairman, it is interesting to look at the largest utility in the State of Connecticut, Northeast Utilities. This utility along with many other businesses, some of which the gentleman from New York (Mr. Horton) has just mentioned, is supporting this legislation. It is supporting this legislation after having spent 3 or 4 years battling, if you will, consumer advocates within the public utilities commission. It is supporting this legislation because following our intervention in Connecticut a consumer counsel was mandated by the legislature. That consumer attorney has served before the public utilities commission and has taken some of the burden off the shoulders of citizens' groups that would otherwise have intervened.

I think the consumers counsel has done a very good job. It has shown that this kind of intervention can be very healthy, and that it is not costly and not delaying.

As we look at this particular piece of legislation, it is important to remember this kind of experience.

Mr. Chairman, as both the distinguished chairman of the subcommittee, the gentleman from Texas (Mr. Brooks), and the gentleman from New York (Mr. Horton) have said, this is not a regulatory body. It is not the type of body that has given impetus to administrative growth in the Federal bureaucracy. Most of the bureaucratic growth, as I think all of us know, has come from subsidy programs. Many of us are well aware that we cannot solve problems by simply throwing money at them.

This agency, however, unlike any other, and this advocate, unlike any other, as both speakers before me have pointed out, will increase our vigilance over bureaucracy and could indeed result in a reduced bureaucracy.

The reference to the trucking problem and the lack of competition in the trucking industry is a very good example. This is not ill-conceived legislation. It is not a knee-jerk impulse to throw money at a problem. It is not a panacea in any sense of the word.

There are safeguards thrown in, as the gentleman from New York (Mr. Horton) has just pointed out. No regulatory authority will be given to the agency. There are limitations on the agency's intervention. There are protections against delay of administrative agency proceedings and activities. There are protections against misuse of the host agency's compulsory process and so forth.

Therefore, I think, Mr. Chairman, that we should not, and I would urge that we not, get caught up in the sentiment of antibureaucracy to the extent that we miss the opportunity to create an advocate within Government which can make our whole process within these administrative quasi-judicial proceedings much more productive.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Missouri (Mrs. Sullivan).

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, the legislation to create a Federal Agency for Consumer Protection passed the House overwhelmingly both in the 92d and in the 93d Congress, only to be filibustered to death in the Senate. This year the Senate finally surmounted such a filibuster and passed a bill similar to the one we are now considering. It is inconceivable to me that this House, most of whose Members were elected on pledges to fight for consumer causes, will now cave in under pressure from lobbying interests and defeat this bill. The lobbying against this measure has been so intense that we can only surmise that its embattled opponents are convinced it will do the consumer good.

Keep in mind, Mr. Chairman, that the agency this legislation would create would have absolutely no enforcement responsibilities whatsoever. It would not have the power to tell any businessman what he can charge or what he should do in the operation of his business. It is not, as many of its opponents loudly proclaim it would be, "a new layer of regulatory authority over all the regulatory agencies." Just as it cannot order any businessman to do anything, or refrain from doing anything, this proposed agency cannot order a Federal regulatory agency to do anything or to refrain from doing anything.

Therefore, I think, Mr. Chairman, that we should not, and I urge that we not, get caught up in the sentiment of anti-bureaucracy to the extent that we miss the opportunity to create an advocate within Government which can make our whole process within these administrative quasi-judicial proceedings much more productive.

This agency can only advise; it can only suggest; it can only investigate and make recommendations; it can bring out facts. And they are the only things *it can* do.

Why do we need it? We need it because the consumer's voice is the weakest, and the most in need of amplification in the regulatory agencies of the Federal Government. We hear constantly, from the President on down, about the multitude of regulations issued by Federal agencies over a year's time. We are told that the Federal Register is growing in size by leaps and bounds as more and more proposals are put forward, for consideration and public comment, before being adopted and given the force and effect of law. And these charges are true, of course—the volume of regulatory proposals falling from the Federal agencies is like a mighty river constantly overflowing its banks.

KEEPING UP WITH THE FEDERAL REGISTER

Every major business corporation in the country, and every trade association combs through the Federal Register every day looking for items which will affect those business firms. They have lawyers who concentrate on the fine print and the technical data so they can alert the people they represent to fight any proposal which may in any way affect profits or costs or methods of doing business. In an open society and in this complex economy of ours, it is entirely proper and necessary for businessmen to be forewarned of regulatory proposals which may adversely affect a business.

But I challenge the Members to name one consumer organization in this country which is equipped to do the same job every day, day in and day out, for the consumer interest. There is none.

Yet there is hardly any proposal of any Government agency having regulatory authority—and that includes all of the Cabinet departments, all of the independent agencies, and innumerable boards, commissions, administrations, and whatnot—that does not have an impact on how much consumers pay for utilities, for the food they purchase, for the cost of transportation, for interest on a home mortgage, for the cost of hospital care; and many of these proposals directly affect the health and safety of the American people, as well.

Who is looking out for the public—the consumer—in all of these situations? Well, of course, the Congress tries to. But very few Members of Congress, no matter how well intentioned, have the time or the staff to read the Federal Register every day and to fire off letters to the regulatory agencies, commenting on every proposal which comes along. We just cannot possibly do that. When we do, in specific instances, we like to think that our voices have some effect on the minds of the regulators, but we all know that our comments are heavily outnumbered by the outpouring of views from hundreds or even thousands of businessmen who look at these proposals narrowly from the standpoint of their own business concerns and not the interests of the general public and the consumer.

ORIGIN OF LEGISLATION IN THE DWYER-SULLIVAN BILL

I think it might be useful to give a little bit of the history of the legislation now before us. It started out originally as a far different piece of legislation—as a proposal to create a Department of Consumer Affairs in which would be centered nearly all of the identifiable consumer programs of the Federal Government: Such things as meat and poultry inspection of the Agriculture Department, the Food and Drug Administration of the Department of Health, Education, and Welfare, the flammable fabrics program then in the Federal Trade Commission, and many other programs scattered in a variety of Federal agencies. This proposal came up in the 1960's and I opposed it, as did a number of other people long identified with consumer causes. My fear was that if one agency of Government had primary responsibility for operating all programs for consumers, it would be under constant siege by the business lobbies which would be able to concentrate their fire, particularly at appropriations time, on the hapless Secretary of Consumer Affairs and do everything in their power to cut down the Secretary's budget and effectiveness. On the other hand, a Cabinet Secretary who has some consumer programs under his responsibility, along with a lot of other programs which are of vital importance and assistance to the business community, may still be under great pressure when it comes to making decisions in behalf of the consumer, but he is not as easily intimidated or coerced. He has too many "goodies" to hand out to the business community to be made into an ogre and his budget slashed.

At the time the proposal for a Department of Consumer Affairs was being given serious consideration in the House Government Operations Committee, we had in being in the Federal Government—first under Esther Peterson, then under Betty Furness, and since 1969 under Virginia Knauer—the Office of Special Assistant to the President for Consumer Affairs to keep watch over the activities of the regulatory agencies and intervene in their decisions in behalf of the consumer. This Office was created by Executive order—never by legislation. It can be abolished by any President. President Nixon, when he took office, set out to downgrade this tiny agency by appointing as its head a part-time special assistant who would continue working for a private corporation. The outcry from consumers was immediate and intense, and Mrs. Knauer was subsequently brought in to continue the work begun by Esther Peterson and Betty Furness in the Johnson administration. But there is nothing to stop President Ford or any other President from eliminating Mrs. Knauer's job or severely limiting her scope.

And that is the reason this legislation now before us emerged. Congresswoman Florence Dwyer of New Jersey, then the ranking minority member of the House Government Operations Committee, introduced a bill which I cosponsored to give statutory authority to Mrs. Knauer's position, to expand the scope of the office, and to provide either Mrs. Knauer or a successor with the staff needed to look over the shoulder of every Federal agency which issues rulings or decisions vitally affecting consumers. And the consumer movement in this country got behind the concept of the Dwyer-Sullivan bill, recommended many changes and improvements in it, and essentially that is the bill that is now before the House.

AN INDEPENDENT CONSUMER VOICE IN GOVERNMENT

Mrs. Knauer has tried hard to do a good job with very limited staff and with no independence from the Executive. She is under wraps. When she disagrees with the President on any issue, as I know she has from time to time in the past 6 years, she has to do it privately—within the family. As a political appointee with no tenure, she can be fired anytime she sticks out her neck a little too far. She serves at the whim of the President.

An Agency for Consumer Protection—or an Agency for Consumer Advocacy, which this bill proposes to establish—while having no regulatory powers of its own, must have independence from the executive department in making recommendations to the executive department and to the executive department agencies as to consumer policies. It must be equipped to analyze the proposals being made before the Federal Trade Commission, the Interstate Commerce Commission, the Federal Power Commission, the Federal Communications Commission, and all of the other regulatory agencies and speak up forthrightly and without intimidation when those policy proposals would have an anticonsumer consequence. The Agency must be empowered to let the public know, and let Congress know, when steps are about to be taken which victimize consumers.

We all know that such steps are taken from time to time by almost every Federal agency, usually without the consumer knowing what is happening until the decision has been made and it is too late to do anything about it.

I do not foresee any miracles out of this proposed Agency. It will hardly be the equal in size, or in expertise, of any of the agencies whose decisions it will seek to influence. But if it is there—if it is in being and on hand and able to be informed and to act on the information it obtains—it can do the consumers of this country a great deal of good.

A FUNCTION OF OPA DURING WORLD WAR II

The businessmen who have been writing to me about this issue have been stressing the fact that it will cost millions of dollars and establish a new layer of regulation over the businessman.

I say that such an agency, if properly run and adequately funded, can save the businessmen, as well as the consumers, far more in living costs and the costs of doing business, than it would ever cost the taxpayers. And I repeat, it would regulate no business in this country. It would have no authority to do so.

I do not know how many of the Members, Mr. Chairman, remember the work of the Office of Price Administration during World War II—OPA. But one of the very important functions of OPA during World War II, in addition to setting prices on practically every commodity and service in the country at that time, was to monitor the activities of the Federal regulatory agencies and intervene with them whenever they were about to reach decisions which would affect the cost of living.

When the Federal Power Commission held hearings on natural gas rates or on electric power rates in interstate commerce, the industries in those fields always brought to bear a phalanx of high-priced legal talent and economists to present thoroughly documented cases in behalf of rate increases. Who spoke for the consumer at those hearings? The legal staff and the economists of the Office of Price Administration. And they did an outstanding job. They saved the consumers of this country and the business firms, too, millions upon millions of dollars by marshaling facts and presenting expert testimony and cross-examining industry witnesses, at those rate hearings. The same thing was done on telephone rates before the Federal Communications Commission.

INFLATION STILL A FRIGHTENING MENACE

Of course, that was wartime and inflation was such an all-pervading danger that everyone recognized the need to hold prices and costs in line. But the inflation we have had in the last 5 years, and particularly since January of 1973 when the controls then in effect were virtually destroyed by former President Nixon, has been a national disaster. And there is every indication, as business conditions improve following the worst recession since the Great Depression of the 1930's, that inflation will continue and may even get worse.

Under those circumstances, we desperately need an independent resource in the Federal Government whose sole responsibility is to look out for the well-being of consumers when orders and regulations and proposals and decisions are being made in the Federal Establishment which would affect consumers adversely. That is why I support this legislation to create an independent Agency for Consumer Advocacy. That is why I urge the House, as one who has fought for consumer causes for 23 years in this House, not to be "hornswoggled" by the anguished cries of the lobbyists of the business community, who are predicting all kinds of dire consequences if this little Agency with absolutely no regulatory power whatsoever is created.

ARE MEMBERS OF CONGRESS ABLE TO PERFORM THIS FUNCTION?

Those who vote against this bill, if they are successful in defeating it, should be prepared to guarantee to the consumers in their congressional district that they, individually, as Members of Congress, with your limited staff, will each volunteer to do on behalf of the consumers of your district what this Agency could do if we create it. How many of you are prepared to go down and argue before the Federal Power Commission and know what you are talking about on the cost of natural gas or on the distribution of natural gas in case of an imminent shortage?

How many of you are prepared to argue before the Federal Power Commission on electric utility rates across State lines? How many of you are prepared to go before the Federal Communications Commission on telephone rate matters and argue knowledgeably on the technical issues? How many of you can go before the Food and Drug Administration and present scientific data on the safety of food additives or on cosmetics? This is not our job. We do not have the time required. We are not equipped to do it. We do not have the knowledge. We do not have the expertise. We do not have the scientific information. Somebody has to do that job or our consumers will all suffer the consequences. They have been suffering the consequences for years. They are the victims, frequently, of Federal agency policy rather than the beneficiaries.

If you do not like the way the regulatory agencies have been operating—and nearly every Member of this House has complained bitterly at some time or another about some of those agencies and their decisions—then make it possible for us to have a watchdog agency which can look at what these other agencies are doing, and blow the whistle when they are doing the wrong thing. The pressures on the regulatory agencies from the business community—from the firms that they regulate—are intense and unremitting. The stakes which ride along on every agency decision are tremendous. We know what those pressures are like because we feel the same pressures here in the Congress on legislation. When we pass what we think is a good piece of legislation to help the public, to help consumers, we frequently see it turned around and turned upside down so that it has an anticonsumer orientation when the regulations have been issued. The time to stop those policies is at the time they are being formulated. After they have been promulgated, it is often much too late.

What we are asking for in this legislation is to have the consumer represented by his or her own lawyer and own economist and own scientific expert, in the policymaking decisions of the Federal agencies. And that is all this legislation would do—to give the consumer access to the decisionmaking process while the decisions are in the process of being formulated.

It will take courage to vote for this bill after the outpouring of attacks we have all been receiving from our own districts against this bill. Let us all show that we have the courage to stand for what we know is right. Most of the opposition to this bill has been carefully and expertly organized and orchestrated by lobbyists, for the biggest corporations in this country. What are they really afraid of, from an agency which cannot regulate a single one of them and has no authority over any of them? One can only conclude that they are afraid a consumer agency bringing facts before the regulatory agencies will be an effective instrument for alerting the public to what is being done to consumers by the Federal Government, in the fine print in the thousands of pages in the Federal Register where laws are "made" every day that Congress would never recognize as the laws we thought we had enacted.

Mr. HORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, although I was once a supporter, albeit with reservation, of a Consumer Protection Agency, I now call upon the House to reject H.R. 7575, not because the name of this proposed agency has been changed but because the American people have made known their disenchantment with, indeed their anger about, Government growth, Government cost, and increasing Government intervention into our daily lives.

Poll and poll tells us that the people want less government, not more. In a survey by the Opinion Research Corp., 75 percent opposed an ACP.

Seventy percent of the people responding to my poll in Illinois' 14th Congressional District rejected it, and in Representative JOHN MURTHA's 12th District of Pennsylvania, 64 percent said "no" to such an agency.

The few who look with favor on the idea unfortunately, suffer the delusion that this ACP, or CPA, or whatever, will be their champion in the marketplace who will—

Go to bat for them when their car repairs end up costing more than expected, or their cars do not perform;

Make sure that their toasters pop; or

See that the rug cleaners come by when expected and do a thorough cleaning job besides.

Even if we ignore these facts, however, we must fault the basic concept behind H.R. 7575, namely that the consumer is gullible, that the businessman is culpable, and the Government is infallible. None of the three will stand scrutiny.

We are told that Federal regulatory agencies are not responsive to consumer interests and so—the argument goes—another Government agency is needed to represent the interests of consumer before these agencies. Actually, these regulatory agencies were created to serve the public interest. If they are not doing their jobs, Congress should do a better job of supervising them; we should make them conform, rather than create another agency.

If Federal agencies are the problem, how can another one be expected to be the solution?

In performing its main job, this proposed ACP will have to select from a myriad of consumer interests the specific interest to represent during Federal proceedings—formal and informal—relating to any and almost all Federal actions.

But what is the consumer interest? In the case of a powerplant siting, would the consumer interest be laying the lines underground as the environmentalist might prefer? Or hanging them overhead, which is cheaper?

Does the consumer interest mean regulating the price of natural gas so as to keep it low? Or deregulating the price to stimulate investment in exploration and development so that natural gas will be available for the consumer to buy?

Can we say with certainty that all consumers consider price to be a prime consideration in the goods or services we buy?

To one consumer, durability may have priority.

To another, durability might be a frill.

Still another might look for quality, or safety, or performance as the single most important consideration.

Obviously, the consumer interest is multifaceted.

One result is a significant and impressive growth over the past few years of a variety of public interest groups, each speaking—and many effectively—for a different consumer voice.

The Federal Trade Commission, I believe, took the lead in allowing these volunteer groups to take part in their activities.

In the case of that agency, this practice has progressed to the point of reimbursing some interested parties for legal, expert witness, and travel fees.

As these volunteer organizations have increased in number, they have also increased in their effectiveness. We find them taking part in more and more agency activities and court actions.

Encouraging them, perhaps through tax incentives, perhaps giving them by law greater ability to participate in our system of government, offers greater hope for all consumers than does institutionalizing a single voice for our many voices.

But, proponents of H.R. 7575 say, the farmer has the Department of Agriculture, the worker the Department of Labor, and the Commerce Department worries about the businessman; ergo, they say, consumers deserve their agency.

Few students of government would agree that a government advocate for each and every interest group means better government. As legislators, rather than institutionalize still another interest, we should go about to correct the first error, that of building a government composed of scores of agencies, with each serving its own special interest group.

Make no mistake; a danger in passing a law which allows one consumer advocate to speak for the multiple voices of the consumer is that none will be satisfied—and many people will be further disillusioned with Congress and with Government.

Then what will we do? Give the environmentalists, the conservationist, the poor, the taxpayer—all of these and more—the same powers of intervention this proposed consumer advocate would have?

With just one agency having these powers of intervention, however, we can be certain that the process of government will be slowed.

For example, this bill allows the new Agency to interject itself into a situation where it had no part in the original decision and take the issue to court in an attempt to reverse the ruling.

This means our courts will be making more decisions that should be made by Congress and the executive branch.

It also means that no ruling by any agency could be considered permanent until the ACP had determined, through all the heat and bitterness of a court battle if necessary, that the decision was in the consumers' interest.

This delay in the government decision-making process was the main concern of Attorney General Edward Levi as reported by the Legislative Counsel of the Department of Justice when testifying against H.R. 7575.

Even processing the consumer complaints the ACP will be authorized to receive will prove to be a time consuming, expensive burden, judging from the experience of the Council of Better Business Bureau as set forth in a statement submitted for our committee's hearing record (p. 295).

The Bureau questions whether a centralized national office can effectively undertake the full scope of complaint handling required in section 7.

The spokesman for the BBB points out that their files total in the millions, even though they purge them from time to time.

As I stated at the onset, the public is increasingly rejecting the notion that the Government, and only the Government, can or should protect them.

In addition to the polls I mentioned, we know this from 500 newspaper editorials across the country:

> *The Chicago Tribune*, May 3, 1975: "The last thing we need is another bureaucratic agency in Washington, even one with the lofty purpose of protecting consumers . . . The consumer is willing and quite able to protect himself, thank you. His most potent weapon is his wallet."
>
> *The Detroit News*, May 13, 1975: "Congress follows its own perverse brand of logic. Since Federal sprawl and deficit spending ranks as two of the nation's biggest problems, Congress is naturally giving serious thought to creating a new and unwanted superagency that would add heavily to the cost of government."
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> *The Dallas Times Herald*, May 15, 1975: "What Congress will end up creating is another layer of federal government with more federal employees, millions of dollars in more funds, and more redtape to reduce the efficiency of the federal government."
>
> *The Washington Star*, May 18, 1975: "In a decade or less, with its almost limitless scope, we would not be at all surprised to see it grow into a department with thousands of lawyers and investigators on its payroll, and branch offices coast to coast . . . The cost of the operation might very well outweigh its benefits to the taxpayer, in the long run."
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> *The Wall Street Journal*, May 27, 1975: "How much the Consumer Protection Agency will really help the consumer is anybody's guess, and our own guess is very little. A strong underlying premise of the legislation is grounded in antipathy toward business. It isn't accidental that the bill's strongest advocates are also the principal spokesmen in favor of hamstringing business enterprise. Nor is it accidental that, in a clear sop to organized labor, labor-management relations were exempted from the bill even as sponsors were attesting to its impartiality."

This brings us to a question no one could answer satisfactorily during our committee deliberations:

If an Agency for Consumer Protection is the end-all for consumer complaints, why exempt labor disputes?

It seems elemental that increased labor costs have a consumer impact. Why also were labor disputes the only extensive Government activity with an impact on consumers exempted from the bill?

The New York Times answered it on March 14:

> For labor to make this exemption the price of its support for a measure in which wage-earners and their families have a primary stake is short-sighted. For legislators to submit to such coercion would be politics at its most cynical.

The President has said he will veto this bill, and he told us why in his April 17 letter to the chairman of the congressional committees involved in consumer legislation:

> I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of $60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.
>
> It is my conviction that the best way to protect the consumer is to improve the *existing* institutions of Government, not to add more Government.

Parenthetically, I should point out that H.R. 7575 authorizes "such sums as may be necessary" to administer this proposed law. The Senate-passed bill, however, authorizes $60 million over 3 years, which is the figure to which the President referred in his letter.

Significantly, whatever the cost of this proposal, I have been told that the budget resolution we will consider next week makes no provision for it.

In large measure, this proposal has become a habit, or—possibly more accurately—an obsession. Some have become so attuned to the calls for a Consumer Protection Agency which we have been hearing for a decade that they fail to hear the news of the hour.

They ignore the creation of the Consumer Product Safety Commission and the Council on Wage and Price Stability, and new powers granted to the FTC, which is now equipped with authority to make detailed rules over selling and other commercial trade, and to sue on behalf of consumers or classes of consumers to bring about redress of their complaints, including the awarding of damages. It also has a $1 million fund for private legal representation of consumers and their organizations who are otherwise unable to finance themselves.

They ignore the 39 offices which now exist in Federal agencies to give attention to consumers points of view.

They ignore the 306 State agencies with similar purposes.

They ignore developments which have taken place in the Federal Government since President Ford, in July, met with the Independent Regulatory Commissions, urging them to concentrate on four programs, one of which was improving consumer representation.

For instance:

The ICC has installed a consumer complaint "Hotline," established a Consumer Information Center, provided for rapid responses to questions concerning the costs and liabilities associated with household moving, and accepted, in principle, the notion of institutionalizing the Office of Public Counsels.

The CAB has established a separate consumer advocacy office which has full status as a party, capable of participating in Board proceedings.

The FPC has agreed to open up its advisory committees, which deal with the Natural Gas Survey, to members of the consuming public. FPC has also taken note of a low rating of its formal consumer complaint handling services and intends to establish improvements in this area.

The FCC has established an "Actions Alert" system by which a summary of weekly Commission actions will be mailed to a large list of public interest groups. It has scheduled a series of regional Commission meetings and will hold a number of "open" Commission meetings in Washington, at which time public interest groups will be invited to present their views on important issues.

The CPSC now publishes a public calendar which gives advance notice of all

Commission and advisory committee activities. The Commission maintains an open door policy for all of its meetings and internal staff discussions. There is a telephone hotline and new procedures giving the public the right to petition the Commission on a wide variety of actions. The petitions must be acted upon within a certain specified deadline.

The NRC is developing a procedure to verify the cost and economic impact data submitted by applicants with interested public parties and other affected industries.

The Office of Consumer Affairs is using the data development in a consumer representation study of a number of Federal agencies—including several independent regulatory commissions—to identify consumer representation shortcomings and offer improvement opportunities to the Commissions. OCA is working with 17 executive agencies to implement specific improvement plans requested by the President.

The noise of the 10-year call for consumer protection in the Federal Government has drowned out increased Federal spending in a number of consumer-related activities as reported by the Library of Congress in March to Senator ROBERT TAFT:

The Department of Agriculture spent $210 million in fiscal 1974 and expects to spend $251 million in fiscal 1976 to protect food and fiber supplies;

The FDA spent $165 million in fiscal year 1974 and will spend $215 million in fiscal year 1976 to protect our health; and

The Justice Department devoted $183 million in fiscal 1974 and plans to devote $239 million in fiscal 1976 for legal activities related to enforcing consumer protection laws through cases referred to it from other agencies.

The list is lengthy.

There are those who argue that the regulatory agencies have come to be controlled by those they are regulating.

If this is so, why are so many of our railroads in or approaching bankruptcy?

Why are so many of our airlines seeking financial help?

Why are so many trucks on our highways with partial or empty loads? If we look closely, are not the heavily regulated industries the ones in greatest distress?

As President Ford suggested in his April 14 letter—

> Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services.

I agree that a close examination of Government regulation would be healthier for consumers than another layer of bureaucracy, and I urge the House to vote with me in laying the ACP to rest.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HORTON. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

We have been told that because this is supposedly an independent nonregulatory agency that, therefore, we do not have to feel it will just be in fact another bureaucratic regulatory body. On page 4 of the bill it gives power, of course, to this Agency to draw such rules as may be necessary to carry out its functions. Then when we look at the functions given to the Agency, it has substantial powers to intervene in many of the regulatory agencies.

Why are we to believe that this Agency will be more successful than any other agency to "protect the consumer"?

Mr. ERLENBORN. Mr. Chairman, let me answer the gentleman.

I think we have a little play on words here, a game of semantics.

Yes; this is not a regulatory agency in the sense it can issue orders to businessmen to do this or that, but it is an agency in the regulatory process. That is its whole purpose. It is an agency that will delay regulatory proceedings. It is an agency that will be able to appeal regulatory decisions; so to try to make it appear that this has nothing to do with the regulatory process is as phony as a $3 bill.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. HORTON. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague, the gentleman from New York, yielding.

Then really this consumer agency, so-called, can intervene in other regulatory agencies and force them to intervene, and so it really has the full impact of a regulatory agency.

Mr. ERLENBORN. That is exactly right. It will be in the regulatory process.

Might I also point out that if the theory is valid that the consumer interest, as it is spoken of, is something different than the public interest, then the environmentalist's interest is also something different and ought to be represented.

We hear this empty-chair theory. If there is any empty chair, it is not the environmentalist, the taxpayer, the poor, the minority. Each one ought to have a chair at the table, I suppose. The empty chair is the Congress. The empty chair is the chair that the chairmen of these committees ought to be filling and exercising their responsibilities over these agencies that they say are not performing the way they should. That empty chair theory I reject, unless we begin to look at our responsibility in this Congress. We know what happens with mayors and other officials. They have a handy way of doing these things. They appoint a commission. In the Congress to the voter we say, "If anything bothers you, we will create another agency, and if that doesn't work, we will create another and another."

Mr. BROOKS. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I do at this time want to thank the distinguished gentleman from Texas, the chairman of our committee, the gentleman from Texas (Mr. BROOKS) and my distinguished and good friend, the gentleman from New York (Mr. HORTON) for the enormous work and effort that they have put into this and the leadership they have shown in appreciating the problem and the time and the concern with which they have worked.

Mr. Chairman, I always enjoy following my friend, the gentleman from Illinois (Mr. ERLENBORN) making a speech. I always feel like Santa Claus. About the only thing I want to say is, "Ho, ho, ho. I have heard that one before."

I think the gentleman from Illinois has done as well as anyone could do in specious arguments. The gentleman does it well and the gentleman does it articulately.

In my judgment, if anyone is willing to think about this, and I surely hope that the 15 or 20 people who are on the floor will, because the other 425 colleagues are missing this exciting debate. I happen to think that the vote on this bill ought to be 435 to nothing. Anybody who jumps in and makes a decision and puts his remarks in opposition in the RECORD, as my dear friend and good colleague, the gentleman from Idaho (Mr. SYMMS) did, without waiting to hear the debate, I think has not given the matter adequate thought.

Mr. SYMMS. Mr. Chairman, will the gentleman and my good friend yield just for a brief question?

Mr. ROSENTHAL. I am delighted to yield.

Mr. SYMMS. Does the gentleman believe in free speech as called for in the first amendment to the Constitution?

Mr. ROSENTHAL. I would assume I would.

Mr. SYMMS. Does the gentleman not assume that people are smart enough to know a good speech from a bad one or a good idea from a bad idea? Would the gentleman not say yes to that? I am sure he would say yes.

Mr. ROSENTHAL. I refuse to yield any further. The point I was trying to make was that earlier my distinguished colleague from Idaho was jumping the gun and putting his remarks in the RECORD prior to hearing the debate. How can my colleague make a judgment on an important piece of legislation without seeing how the debate on amendments goes?

Let me say why I think there ought to be 435 Members in favor of this bill. We spend about $7 billion to $10 billion on regulatory agencies of one type or another—$7 billion to $10 billion. They include the Federal Trade Commission, Federal Power Commission, ICC, CAB, Securities Exchange Commission, International Trade Commission, Federal Maritime Commission, and half a dozen subagencies of the Department of Agriculture. There are about 33 agencies and 235 bureaus which deal with consumer matters. When all of these agencies were established in the thirties, forties, and fifties their mandate was not only to protect the public interest, but to protect the public consuming interest.

The Federal Trade Commission was supposed to protect us against deceptive advertising and antitrust matters. The Food and Drug Administration was to address itself to the safety and efficacy of drugs. The Interstate Commerce Commission was supposed to keep the railroads moving and at prices consumers could afford. The CAB was supposed to keep our airlines economically viable and take into account the prices consumers could afford. All of these regulatory agencies—and one has to visualize the physical surroundings in which they operate—are quasi-judicial in nature.

They have a dais such as one would see in the courtroom which looks something like the second tier here, and when the Federal Trade Commissioners come into the room, the nine Commissioners walk out and sit in heavy, plush chairs like the courts of appeals in any 1 of our 50 States.

The same thing is true of any other regulatory agency.

When A.T. & T. comes in for a long lines rate increase, there is a long table and they have a chair, and sitting in that chair is the representative from the most distinguished law firm of this country, backed up by a platoon of economists and a battalion of investigators. They come in with computer printouts virtually as high as the ceiling.

The regulatory commissioners, like normal human beings, are trying to do their jobs in an objective atmosphere, and purportedly in an atmosphere without bias or prejudice. There are many people who say these agencies have been taken over or have become associated with the industries they represent. I do not think that is essentially the thrust of this argument, but what happens is the following:

Anybody who has any devotion to our Anglo-Saxon law has to reject the present atmosphere in which those proceedings are heard. How can a judge make a decision with only hearing the plaintiff's case and not the defendant's case? How can a magistrate or court make a decision with only hearing the prosecutor's case and not the defendant's case?

My friend from Illinois tried to make light of the merry ho ho ho of the empty chair argument. That is the substance of it; it is the guts; it is the basis of this bill, because what these agencies have been hearing is one side of every single issue on which they are deciding.

We are spending $7 to $10 billion dollars a year to get 50 percent justice. We are spending $7 to $10 billion a year to get 50 percent of consideration of 50 percent of the facts. This new agency which has no regulatory or decision-making power whatsoever but all it has is the authority to appear before another regulatory agency within the guidelines of the Administrative Procedures Act and the rules of the host agencies? What this new agency will do is fill the empty chair.

What we will do is make meaningful the $7 to $10 billion a year we now spend. This agency will cost $10 to $15 million a year. Who among us does not want to spend $15 million to make $7 billion work better?

It is like putting an oil filter in a car. It makes that $5,000-a-year machine work a little better. This does much more than that. These $7 to $10 billion a year agencies are not working.

Mr. Chairman, some of my colleagues suggested it is the fault of the committee chairman, that Congress has not done its oversight job. We will all concede we could have done a better job. That is not the issue. The issue is that we created structures that defective in their construction. There is no way, with a thousand years of oversight, that we can improve these defects. We have awakened to a mistake that we made when we created these regulatory agencies.

What we are saying with the enactment of this bill is that in Anglo-Saxon jurisprudence there will be two sides to every case, that we want our regulatory agencies to hear both sides on evidentiary matter, that we want our hearing officers, our commissions, like our judges, to hear both sides.

How anyone can oppose that concept is beyond my ability to reason this thing out.

Obviously the last thing in the world the American people want is another Federal agency which wants to build bureaucracy on top of bureaucracy, layer on top of layer, and delay. But, my good friends, that is empty, nonsensical rhetoric.

What we are doing is suggesting to the Members—and I wish the Members would take the time to intellectually respond to this, rather than seek some momentary political gain—is that they perceive this advantage. If we can spend $7 to $10 billion a year for a defective piece of equipment and we can cure it by spending $10 to $15 million a year, this is the best bargain we have found in the 14 years I have been in Congress.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. We were just in the process, in our colloquy earlier, of agreeing on the first amendment to the Constitution, that people were smart enough to have free speech; and I think the gentleman will agree with me; is that correct?

Mr. ROSENTHAL. That is obviously correct.

Mr. SYMMS. Then why are not they smart enough to decide what kind of dog food to buy?

Mr. ROSENTHAL. That is not the issue. This is not a dog food case, or anything like that. What we are talking about is a regulatory agency phenomenon in which the judges of all of those agencies are getting only one-half of the evidence. None of the Members would support that concept if they fully could visualize the way it is being presented.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BROOKS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I am going to put into the RECORD at the appropriate time a list of 50 examples whereby the intervention of this advocate would have brought meaningful justice into our economy. What this agency does is to put a balance wheel into a defective piece of Government machinery. Why must we all be so cynical to think what we have is working perfectly and cannot be improved? For an extraordinarily modest expenditure, we can receive a maximum amount of justice.

Mr. Chairman, I would hope this bill would succeed in getting significantly more than a two-thirds vote, so the President will hesitate seriously before he follows through with what he promises to be another one of his vetoes.

The material follows:

DO CONSUMERS NEED A FEDERAL ADVOCATE

Regulatory abuses have resulted in unnecessary harm to consumers both in dollars and inavoidable risks to health and safety. Examples of agency failure to respond to the legitimate needs of consumers are legion:

CAB, in its role of controlling the entry of airlines into the market has not approved a new trunk carrier since 1938. In September 1974, CAB rejected an application by Laker Airways, a privately owned British airline, to fly regularly scheduled New York-to-London flights for $125 each way—a little more than one-third the "economy" fare now charged by Pan Am, TWA, and other members of the IATA, the International rate-fixing cartel. The consumer advocate could have intervened in the application proceeding and sought Judicial review of the agency rejection on behalf of the consumer interest in competition.

Interstate Commerce Commission regulations which require trucks to return empty from delivery, to make mandatory often out of the way stops, and which allow companies to cooperate in rate-setting have been estimated to cost consumers several billion dollars yearly. The trucking industry has little incentive to argue with the ICC because it passes these costs on to consumers who have no representation in ICC rate-setting activities.

The Cost of Living Council raised the controlled price of old oil (two thirds of U.S. production) from $4.25 to $5.25 a barrel in December 1973 without opportunity for any public comment or even a statement for reasons. Subsequent freedom of information requests revealed that the agency's own documents argued against the increase which cost consumers about $2½ billion. A federal advocate within the government could have found out about this imminent increase before it took place and argued against it.

In the face of evidence that about 5,000 deaths and 200,000 injuries result each year from burns associated with flammable fabrics, Congress strengthened the Flammable Fabrics Act of 1967. The Commerce Department charged with administering this law, took no action under it for four years. Finally, the agency issued clothing standards for children's sleepwear up to size 6X (fits children 6–7 years old). Manufacturers were given a two-year grace period to meet these requirements. There are still no flammability standards for any clothing over size 6X. Consumers need an advocate to assure that federal agencies follow Congressional directives.

In 1937, the Department of Agriculture issued a rule that vine ripened tomatoes must be larger than those which are picked prematurely and colored artificially with ethylene gas. The effect was to give premature tomatoes a competitive advantage. Although the gas ripened vegetables are inferior in taste, texture, and vitamin content, the USDA kept the regulation on the books long after the Depression based rationale for the rule had become obsolete. Two weeks ago, consumer groups won a lawsuit to overturn the regulation. An agency for Consumer Protection could have petitioned USDA far earlier to reverse the rule and sought court review to insure consumers tasty and nutritious tomatoes.

In 1972, after a DC–10 passenger plane was involved in a near fatal accident, the FAA discovered that the plane's cargo door was at fault. The FAA drafted a directive requiring the manufacturer, McDonnell Douglas to correct the defect in the cargo door. McDonnell Douglas intervened directly with the FAA Administrator, urging that FAA make the notice permissive, rather than mandatory. The FAA buckled, and the modification was not made on all DC–10's. A recent public television special "The World's Worst Air Crash," suggests that the reason the modification was not required is the too cozy relationship between the FAA and the industry. In March 1974, a DC–10 crashed near Paris killing 344 people. It was a plane on which the cargo door had not been modified. The FAA believes that the faulty cargo door caused the crash. Had ACP been in existence in 1972, it could have fought for stronger measures by FAA—saving hundreds of lives.

When the Federal Trade Commission ruled that "tired blood" advertising for Geritol was deceptive and ordered it stopped, the Company was able to continue the add campaign for 9 years while it ran the case through the appeals process. The consumer advocate could have recommended to Congress at an early date that the Trade Commission authority be adjusted to avoid such an abuse.

The Food and Drug Administration routinely makes decisions affecting the public health and safety. Most of these decisions are made behind closed doors, with little or no opportunity for consumer participation. FDA has approved the use of DES as a "morning-after" birth control pill, despite evidence linking DES to vaginal cancer in offspring of women taking DES during pregnancy. FDA does not require that women be warned of this risk, even though the "morning-after" pill is not 100% effective. FDA refuses to ban or more strictly regulate "feminine hygiene" sprays, although injury complaints about these products run several times higher than FDA's own "acceptable" complaint level. The agency finally proposed weak warning label requirements but even these have not been put into effect. FDA has also refused to ban red dye #2 from use in foods, drugs, and cosmetics, although evidence has linked this substance to cancer in animals. Because of deficiencies in the law, consumers do not know which products contain this color additive. A consumer advocate would argue for safer products and better warnings.

An FEA regulation permitted oil refiners to collect increased oil costs twice. This practice which has been dubbed "double dipping" might have eventually led to $332 million in consumer overcharges. After 6 months this loophole was discovered and eliminated. An Agency for Consumer Protection might have spotted the loophole and spared us 6 months of "double dipping."

In September, 1974, the GAO released a report charging that the Federal Power Commission (FPC) has been decidedly lax in enforcing its own requirements for disclosure of potential conflicts of interest among its high-level officials. Although FPC standards of conduct regulations require disclosure of financial holdings by officials, the report said a 10-month GAO investigation had revealed numerous failures in filing and reviewing the forms filed. For example, of 125 officials required at the time they were hired to file financial disclosure forms, 55 did not do so, and nine used a less detailed form intended for lower-level officials. Nineteen officials (including administrative law judges and officials in the Commission's Bureau of Power and Office of Economics) were found to own prohibited securities in gas production and pipeline and electric power companies such as Exxon, Texaco, Tenneco and Potomac Electric Power. Under GAO prodding, the nineteen were ordered by the FPC to divest holdings "that could conflict with their duties." An ACP could make sure that the necessary divestitures are carried out and that the FPC does a better job of enforcing its regulations in the future.

On April 6, 1974 a Delta airlines passenger flight from Washington, DC to Baton Rouge, Louisiana carried some radioactive materials which were improperly packaged, resulting in the uncontrolled radiation exposure of hundreds of passengers. The Federal Highway Administration representative in Louisiana who also single-handedly covers the entire state for the Federal Aviation Administration testified that he did not consider enforcement of the hazardous materials packaging regulations to be part of his responsibility, nor did he have enforcement capability. In practice, the FAA relies on the sender to self-enforce the federal regulations, and under the doctrine of federal preemption, the state's power to issue regulations governing shipments of hazardous cargoes in commerce is severely restricted. The state of Louisiana found it was unable to protect passengers traveling into or out of the state. An active ACP could have assisted Louisiana in its fact-finding efforts, and pressed FAA to enforce the federal radiation regulations.

On August 15, 1972, the FDA promulgated performance standards for diagnostic x-ray equipment, which would significantly reduce the major source of man-made radiation exposure. The FDA subsequently extended the deadline for compliance to 1974. These performance standards, which apply only to new equipment, came four years after passage of the 1968 Radiation Control Act. While the FDA was dragging its feet on standards for the new equipment, millions of people were exposed to unnecessary radiation. And old equipment is still radiating thousands of people daily. A consumer advocate would assert the consumer's interest in safe diagnostic techniques, minimizing the unnecessary risks of excessive radiation.

A June 24, 1970 GAO report found weak enforcement of Federal sanitation standards at meat plants by the Consumer Marketing Service. At 36 of 40 Federally inspected plants which GAO visited animals were being slaughtered or meat food products were being processed for sale to the consuming public under unsanitary conditions including: lack of adequate pest control as evidenced by the presence of flies, cockroaches and rodents, use of dirty equipment, contamination of products by rust, fecal material, and hair. In a report issued November 16, 1971, the GAO found upon revisiting 17 of the original 40 plants inspected, that the unacceptable conditions continued to exist at most of the 17 plants. In yet another report, the GAO in 1972 found that about 40% of food manufacturing plants which are regulated by the FDA under the Food, Drug and Cosmetic Act, were operating under conditions that were unsanitary or worse. The report documented such conditions as cockroaches and other insects, rodent excreta, and non-edible materials in and around products and equipment; improper use of pesticides in close proximity to food processing areas; use of unsanitary equipment. The need for a consumer advocate is especially clear when inexcusable situations like this are exposed and little is done about them. The Agency for Consumer Protection could have noted Agriculture's and FDA's responses to the GAO reports and urged that necessary measures be undertaken to clean up the meat and food processing plants.

Over 50% of all airline crashes worldwide are caused by what is referred to as "controlled flight into terrain" (CFIT). A Boeing study revealed that CFIT accidents in 1972 and 1973 resulted in the loss of 1,120 lives and 20 aircraft in the western world. The FAA is aware of these facts. The FAA also is and was aware that a device called a "ground proximity warning system" (GPWS) warns pilots with lights and taped loud voices to "pull up" should the plane be in danger of a crash due to inadvertent proximity to the ground. The device continues to signal until the pilot pulls up to a safe altitude. The cost of installing the warning system is about $11,000 per plane—an insignificant amount considering the $5 to $25 million price for each airliner. Finally, in December, 1974, the crash of a TWA 727 into a mountainside near Dulles International Airport in Washington in which 92 persons were killed, led to an FAA ruling that a limited version of this device be required on all airliners by December, 1976. An Agency for Consumer Protection could have worked for installation of an adequate device several years earlier and perhaps hundreds of lives would have been saved.

The Department of Transportation failed for seven years to issue standards to improve the crash survivability of school buses despite numerous Congressional requests. This failure finally necessitated Congressional enactment of statutory deadlines requiring DOT action. A consumer advocate could have pressured DOT to follow the will of Congress.

In 1968 the National Highway Traffic Safety Administration (NHTSA) held meetings with General Motors to investigate alleged defects in certain ¾ ton, 1960–65 model trucks with wheels which unexpectedly exploded while in use. GM and the Agency agreed that the only wheels which were defective were those on trucks with camper bodies (50,000 trucks), not the entire 200,000 in question. A mere two months later, as a result of a law suit which led to a re-opening of the investigation, all 200,000 trucks were found to be defective. Nevertheless, notice to owners didn't go out until 1974 when the court battles were finally resolved. The initial failure to recall the entire 200,000 trucks or to even notify the owners of the possible defects may have cost many lives and an enormous amount of property loss as a result of avoidable accidents caused by the defect. If the consumer advocate had participated in the early stages of these proceedings the accommodation between the agency and GM would likely not have occurred.

A 1975 Report by the Comptroller General of the United States found that the Food and Drug Administration did not comply with its own procedures to independently investigate the cause of a recall of cardiac pacemakers by manufacturers. The common defect in the pacemakers was a leakage of body fluids through the plastic seal of the pacemakers causing short circuiting. The FDA did not give adequate consideration to possible adoption of a standard developed by the Navy for hermetic sealing of electronic components to prevent short-circuiting caused by moisture, and still has not issued any standards to deal with this problem. An Agency for Consumer Protection could petition FDA to consider requiring safer techniques.

In November 1974, the Civil Aeronautics Board raised domestic air fares by 4 percent. This increase, the third in 12 months, brought air fares up to an average level 20 percent higher than they had been a year before. According to CAB figures, for the same amount of air travel as under the old rates, passengers would pay an additional $300 million. In fact, air travel fell off so substantially after the increases took effect that the airlines returned to the CAB within weeks to request renewed special discount fares. Was a smaller increase, no increase, or even a decrease in fares to stimulate air travel justified by economic conditions prevailing at that time? These hundreds of millions of dollars in increased fares were approved with no independent advocacy of the consumer's point of view.

The Cost of Living Council, and later the Federal Energy Office, permitted refiners to pass increased crude oil prices disproportionately onto propane gas users. The 200% to 300% increase in propane gas prices caused severe hardships on many farmers who could not readily substitute other fuels for grain drying, heating chicken houses, and home heating. A consumer advocate could have contested this price hike.

The magnitude of wasteful costs tolerated by our system of health care is staggering. It has been estimated, for example, that unnecessary hospitalizations cost about $10 billion every year, and that unnecessary surgeries cost over $4 billion per year. (See testimony by Dr. Sidney Wolfe before House Subcommittee on Oversight and Investigations, July 15, 1975). HEW has the power to reduce substantially some of this waste, yet it has not taken sufficient action. For example, Medicare and Medicaid payments could be made contingent upon hospitals' use of preadmission certification to verify the necessity of every hospitalization, or second opinions to confirm the necessity of every elective surgery. In 1974 HEW was considering a proposal to require preadmission approval of all federally-reimbursed hospitalizations, but the proposal was withdrawn by Secretary Weinberger. Subsequently, in February 1975, HEW did issue a regulation requiring the hospitals to review hospitalizations within 24 hours of admission, but the regulation is in jeopardy from an AMA lawsuit challenging it. Furthermore, HEW has done nothing to require second surgical opinions or other waste-trimming measures such as pre-admission testing which have been shown to be effective in reducing costly overutilization without sacrificing quality of care. An ACP could prod HEW into action in this area.

On January 15, 1974 and again on March 1, 1974, the FEA granted increases totalling 3 cents per gallon in the permissible profit margin limitations allowed gasoline retailers. These increases were granted to cover fixed costs during the period of decreased gasoline sales caused by government allocation during the oil embargo. When gasoline sales returned to pre-embargo levels, FEA continued its policy of expanded profit margins. In response to a conumer petition, FEA finally reviewed the profit margins on April 24, 1975, over one year after the special dealer margin increase was no longer warranted. A consumer advocate could have forced the FEA to act sooner, saving consumers millions of dollars.

In September 1972, the FDA classified all products containing hexachlorophene (HCP) as prescription drugs, extending profligate use of the untested substance and hundreds of over-the-counter remedies and cosmetics, after 30 to 40 French children died from exposure to HCP in baby powder. Animal evidence on the toxicity of HCP has been available to the FDA from its own scientists for several years and FDA admitted at the time of the action that the central nervous system lesions in these infants were identical to those that had been produced in experimental animals. A consumer advocate could have forced action for earlier.

Mr. HORTON. Mr. Chairman, I yield 4 minutes to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to H.R. 7575.

To create such an agency is to needlessly—and expensively—duplicate existing Federal efforts to assist the consumer. A 1969 study by the White House Consumer Adviser Office counted some 413 units of the Federal Government responsible for administering 938 consumer related programs. And with the level of interest in consumer affairs that has existed since then, it is safe to assume that these efforts have expanded over the past 6 years.

More disturbing, however, is that the bill before us offers but an empty promise to the American consumer. Contrary to what many have been led to believe, no provision is made for direct assistance to the individual consumer. Instead, H.R. 7575 will add still another level of bureaucracy with which our constituents will have to contend, at a cost of many millions of dollars each year.

If we really want to help the consumer, let us have the courage to admit that many of the agencies the Congress has created in the past simply are not doing their job effectively. The best consumer protection that we can provide is to live up to our responsibilities and more effectively oversee the many agencies that have been created over the past several decades. How many more OSHA's must be created, Penn-Central's bankrupted, small farmers or businessmen forced out of business, before the Congress realizes that the application of another band-aid in the form of yet another Federal agency to duplicate the responsibilities of existing agencies just will not work?

In this connection, I would like to share with my colleagues a brief editorial from the Neligh, Nebr., News & Leader questioning the need for another increase in what is already excessive Federal regulation.

The editorial follows:

ANOTHER AGENCY?

Even though some 33 federal agencies and departments currently operate more than 1,000 consumer-related programs, some members of Congress feel that consumers' interests are not sufficiently protected.

Rather than improving the existing structure, they propose to pass H.R. 7575, creating yet another agency, the Agency for Consumer Protection.

Let's examine what the consumer protection programs have done for us so far. They've forced business to spend billions of dollars to comply with federal regulations; getting licenses, changing rates, building non-productive equipment, getting out reports, doing paperwork and fighting lawsuits.

One company made a study of the expected annual cost of keeping records on a single type of safety information. That one regulation, proposed by one agency, would cost $295,000.

Business initially pays these unproductive costs, but more and more consumers realize that they are paying in the end in the form of higher prices, inflation and unemployment.

Government regulations have nearly wrecked transportation, almost bankrupted utilities, wreaked havoc on the auto industry, crippled many smaller companies—and all in "the consumer's interest."

The proposed agency would give us more of the same "boomerang" treatment and we can't afford it. What we need is real regulatory reform to reduce the costs of excessive federal regulation of business.

I believe this is what the public is telling us when opinion polls show that 75 percent are against establishing a new, independent consumer agency within the Federal Government. I urge my colleagues to join with me in opposition to H.R. 7575.

Mr. THONE. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Chairman, discussion on the concept of an agency charged with protecting the "consumer's interest" has long been with us. Extensive studies and/or hearings have been on every congressional agenda since the 87th—some 14 years ago. A bill has been reported out of committee during each of the last four Congresses.

Thus, Congress has had the opportunity to analyze this bill as we seldom do. Many aspects are appealing. In fact, I supported it during the 92d and 93d Congresses. I still believe in "consumerism," however, continued study and analysis convinces me this bill is not in the consumer's best interest. I will vote against this bill for the following reasons:

First. I cannot accept there can be a legitimate advocate for the one American consumer "voice" or "interest." We are all consumers. Its proponents say the advocate shall simply decide "its" interests. But, what is the consumer interest in a durable product? Price? Durability? Beauty? Safety? Reliability? Manufacturer? Availability of repairs? The proponents say the advocate makes that decision. Is the consumer interest different from the environmental interest? Other "public, special interests?"

The advocate makes the decision. Can the advocate legitimately argue two sides of an issue? Different valid consumer viewpoints? Would that dilute its effectiveness? Should the advocate hold hearings on an issue before the intervene in another agency's hearings? Mr. Nader says "no." It would be too slow, cumbersome. He is probably right. But, certainly it will take a shorter time than the presence of the advocate will on the whole process. Simply adding another party to the proceeding will cause considerable additional time to be taken. Slow? More cumbersome?

Since "consumer interest" is at best amorphous and made up of many competing elements, the "advocate" would time and time again be forced to make paternalistic judgments for his consumer constituency. Since he will not hold hearings, how does he ascertain this interest? Intrinsically? It appears the consumer probably would not have the opportunity to have much effect on him—like he does not with the current agencies—and the advocate will have an impossible problem of trying to take positions which serve identifiable consumer interests. In truth, I just do not believe it can or should operate this way.

In 1969, Virginia Knauer stated a study for the President showed hundreds of Federal Government units were administering almost 1,000 consumer related activities. Today, there must be more. Volunteer organizations have increased, both in number and effectiveness. They take part in agency deliberations. We find them in court. We find them wherever they can serve their constituency. This diversity, I submit, offers better promise for all consumers than consumers would get if their voices are reduced to one and institutionalized into a government bureaucracy. Certainly each of these units can more faithfully represent the viewpoint of the consumers interested in a specific area than a large super agency acting in the "consumer interest."

Additionally, the history of interest groups shows the larger, more heterogenous a group is, the harder it is to reach decisions and the greater the cost of organizing the group is. The largeness acts as a disincentive to the individual's interest since he has less at stake. He is better off with his special advocates rather than an ethereal superadvocate who is interested in "the" interest rather than "his interest."

Second. The creation of an additional bureaucratic layer is a fallacious solution since it is duplicious, expensive and unneeded. The costs must go up. The existence of the advocate means more interventions before regulators. Proceedings will take more time. The agency as intervenor must present its case. The parties must respond. The regulator will spend more time determining a policy or decision from the more complex proceedings.

Further, though we are told the total cost of this agency will be $10,000,000 per year for 3 years, proponents assure us the agency will be involved in issues of legitimate consumer interest including grain sales to Russia, the energy crisis, on and on and on.

This simply is not possible. Information is power. The strategic use of information and the strategic lack of information can be devastating. The advocate will not have the control of information as the regulatee nor the power to ascertain as the regulator. He must develop his own. At horrendous expense. Far above $10,000,000 per year to be effective. He does not have the advantage of the normal agency continually working in a relatively restricted informational area. He is in all of them all of the time. He must be all things to all people. Each is the consumer. The costs cannot help but be astronomical and nowhere have the proponents shown where governmental money or effort can be saved from all this activity. Their response is, "It will come from the monetary savings of the American consumer." Where? Who is that elusive consumer? I thought we all were. Rather, the agency must add an additional factor to the inflationary pressures in our society.

The Attorney General, Edward H. Levi, appeared before the Antitrust Alumni on the 85th anniversary of the Sherman Act on Thursday, June 19, at the National Press Club. He said, and I quote:

> And Congress now has before it a proposal to establish an Agency for Consumer Advocacy, which would allow the Consumer Advocate to intervene at virtually any stage in an administrative process, so defined that it is possible—although I hope this is not the case—the Advocate could demand the right to participate in any investigation, meeting or negotiation conducted by the Antitrust Division, including conferences with any private party and to intervene at any level in any court proceeding. I can hardly imagine a greater roadblock to a successful enforcement program.

For emphasis I repeat that last sentence:

> I can hardly imagine a greater roadblock to a successful enforcement program.

He then goes on to say:

> If the antitrust laws have played their role, as more or less they have, of insuring creativity and diversity, of upholding the ideas of freedom of entry into the marketplace and into the channels of manufacturing and trade, and have contributed to the reality of democracy, I hope the Antitrust Division itself will not fall victim to overregulation.

It might be poetic justice if it did.

In appearing before the Government Operations Committee, the Department of Justice presented its opposition to the proposed Consumer Protection Act of 1975. Their position was—

> The Department of Justice and the Attorney General oppose this legislation. We simply see no reason to add yet another layer of bureaucracy—with its implicit delays in Federal decision making—to the already cluttered decision-making process. Difficult problems, such as how to insure that consumers are adequately represented before Federal agencies, cannot be simply swept away by the creation of a new Federal agency—an agency whose express mission is not to operate in the public interest but rather whose purpose is to act in a partisan fashion in the interest of only a segment of the public. The "consumer interest" is only one of many legitimate interests that federal agencies must take into account. There is no compelling basis—in our view—for distinguishing the consumer's interest from that of the taxpayer, the environmentalist and many others one can think of.

In concluding its testimony, the Department of Justice said:

> The Administration has proposed legislation in this regard in the belief that we can best help consumers by insuring that the regulatory practices of federal agencies are not so anticompetitive that the consumer ends up with reduced services at higher costs.

Third. Congress should not delegate either responsibility of defining the public interest or overseeing the responsiveness of our regulatory agencies to the public interest. Congress has traditionally held these responsibilities and I do not believe it is prudent or effective to delegate them. We are much closer to our constituents, who are all consumers, than any agency—including this proposed agency. I have found agencies more responsive to the Congress than other agencies.

Further, once delegated, it may be almost impossible to insist the agency be amenable to congressional will should they deviate drastically from the intent individual Members thought expressed in the legislation. Potentially, we would place the ACP in the same shoes other agencies now find themselves in. They are captured by the interests they regulate. They abuse their authority. So we propose another agency and assume it will not because we would grant it even broader, more unlimited authority over its purview. It is almost as if we, the Congress, in order to solve problems caused by agencies acting in a way we dislike, create a new agency, paint their hats white, and know, in our heart, the problem is solved.

Fourth. It appears to many we are beyond the time and place where a Federal agency for every problem will solve the problem. This compounds it. This superagency to watch other agencies. For those who believe Federal agencies can solve most societal problems, it may be a logical step to create a watchdog for the problem solvers. But, big government which has tended to evolve into bad government in part because of its bigness, cannot be made good by making it bigger.

It is odd to me that many who attack the business community with their antitrust theories on bigness is badness, do not see the irony in their proposition that bigness in government to pervasively control business activity from its inception is contrarily good. These thoughts were eloquently summed up by Milton Friedman in the February 19, 1973, Newsweek:

> What reformers often fail to recognize is that social, political and economic pressures determine the behavior of the men supposedly in charge of a governmental agency to a far greater extent than they determine its behavior. No doubt there are exceptions, but they are exceedingly rare—about as rare as barking cats.
>
> Ralph Nader is the most prominent current example of such a reformer. In a series of valuable reports, he and his associates have confirmed dramatically what earlier studies had demonstrated less dramatically—that government agencies established to regulate an industry in order to protect consumers typically end up as instruments of the industry they are supposed to regulate, enabling the industry to protect monopoly positions and to exploit the consumer more effectively.
>
> You might expect Nader and his associates to draw the obvious conclusion that there is something innate in the political process that produces this result; that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But, no, their conclusion is very different: establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well. Cats will bark.
>
> This failure to grasp the inner logic of the political process means that, despite Nader's excellent intentions, despite his admirable singleness of purpose, despite his dedication and despite his high repute, he has done and will continue to do great harm to the very consumers he seeks to aid.

Fifth. Further, this may simply be a cruel hoax, anyway. If the theory that the regulatory agencies are captured by the regulatees is true, then I submit the advocate cannot make a difference. Since the decline of substantive due process in the early 1930's, it appears to me procedural due process is satisfied by allowing all interests to participate, citing all the legal, economic, and other evidence submitted, and then simply finding unpersuasive arguments in opposition to the regulatees. This is true as the regulator is not required to accommodate the intervenors' viewpoints as long as it accords them whatever procedural rights a court would demand.

If, on the other hand, the agency is not captured, then its public interest responsibility and the efforts of the earlier mentioned consumer groups and governmental groups may very well more faithfully and nearly as effectively make the consumer interest heard—and certainly substantially cheaper.

Let me give an example. The ICC is the oldest of the independent regulatory agencies. Over the years, it has developed into a cumbersome agency dealing with a complex, hard to understand—for any interested party, consumer or otherwise—body of law and regulation. Within the last week the ICC has announced the establishment of an independent public counsel's office within the agency to actively represent the general public interest. The public counsel will have full access to work by agency divisions and be subject to no ICC accountability except removal by an absolute majority vote of the ICC. It is my opinion the consumer is far better served by this arrangement than a whole new agency who does not have the expertise, is not dealing with the ICC at all times and has far too many other fish to fry. This constructive approach is to be applauded. It promises stronger, more effective representation at a lessened cost to the American taxpayer—consumer.

Sixth. There is a serious question whether the American "consumer" as opposed to the "consumer advocate" believes in the need of a consumer protection agency. A recent poll by the Opinion Research Corp. showed 75 percent of the American people opposed to its establishment. This percentage was verified by a recent questionnaire distributed in the Third Congressional District in Nebraska. Of the 27,000 respondents, 73 percent indicated they were not in favor of a new "Federal Consumer Advocacy Agency." Every other poll I have seen has statistics in this range. Proponents argue methodology, wording, sample, bias, and so forth. To me the facts are clear. The consumer does not view this proposed agency as desirable or necessary.

Seventh. Finally, it is time for us to stop foisting unwanted, complex changes off on our constituents in the name of reform. This letter from the personnel manager for a corporation located in my congressional district is right on the point:

> This letter will be brief because I'm sandwiching it in between two EEOC form 100 reports, headquarters and consolidated triplicate, five 16-page preliminary USDL D–2 forms on five separate insurance programs in duplicate. Once I'm finished with those preliminary D–2's and prior to submitting final D–2 copies I can begin on preliminary USDL EBS–1 forms for those same plans Then on to preparing for the OFCC annual desk audit and 14 pounds more of paperwork (I quit counting the pages on this job long ago), updating our Affirmative Action Program subject to the revisions of Revised Order 14. Once completed with that and prior to the three-day on-site OFCC audit I can prepare our defenses for the "inadequacies" which the OFCC has been ordered to find by the GAO (OFCC has been entirely too conciliatory and cooperative with business according to GAO). If my defenses aren't acceptable I may have to delay the final EBS–1 forms, or at least let my vigilance on OSHA slip a notch, or maybe I'll be late reporting on the Vietnam era veterans hires.
>
> I wish the lines above came from a Bob and Ray comedy routine—the sad part is they're true. And it is stifling, and it is leaving little time for the creative kinds of work my employer deserves. And they are just the regulations that affect the Personnel Department.
>
> The critical barrier to innovation which federal government regulations pose in other areas is even more inflationary and harmful. For example, in Research and Development. In the President's Economic Report on Government regulations . . . "the rate of introduction of new drugs has fallen by more than 50 percent and the average testing period has doubled. It is not clear that the average efficacy of drugs introduced after 1962 is any higher than that of drugs previously introduced."
>
> And the enforcement of the regulations we bear are based on threats, fear and anxiety—hardly a healthy, creative climate. Punitive, do-it-or-else orders force games-playing and require intensive monitoring but do not cause attitudinal change—only lip service to avoid punishment—cosmetic compliance.
>
> How far out of step does our government plan to get before they understand that negative, punitive thinking does little to motivate social change in the long pull. We have treated our husbands, wives, children and dogs with more respect, regard and understanding for over 50 years.
>
> I urge you to support the President's attempt to substitute common sense and logic for illogical, insensitive regulations and Federal Register thumping regulators.

It is time for us to say no. It is time to make adjustments to help make the system work, rather than adding more bureaucracy to a faltering system helping to insure it would not work.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I have been a supporter of the concept of creating an independent consumer advocacy agency. But my support has not been unqualified.

If you will review the thousands of pages of debate and hearings on this bill and its predecessors, you will find my voice being raised time and again to say that we were trying to go too far, too fast. That the new consumer agency need not be a superpowerful weapon, but rather it should be a loud and clear voice in the Federal wilderness.

I sincerely believe that the reasons all prior bills failed of enactment was because they proposed to create an agency laden with too many complex and far-reaching legal powers, when a simple advocate's bill was what was needed.

H.R. 7575 is in the mold of its predecessors. It is a bill chock full of powers that would enable the ACP to be king of the hill in any Federal proceeding or undertaking.

I do not believe, for example, that a consumer advocacy agency should, in its initial years, be empowered with an automatic right to appeal to the courts the final decisions of substantive agencies. The consumer agency's appeals should be to the American people and for them initially.

The concept of unleasing internal warfare within the Federal bureaucracy has always been repugnant to me. I have never been persuaded that the ACP could not be a powerful advocate without this power.

I am truly troubled by the prospects of United States versus United States litigation which this bill, as did its predecessors, brings to us. I feel that such a concept will subvert the original concept of the Federal administrative system.

That administrative system was created to unburden the courts from complicated litigation which required years of expertise to handle wisely. It seems unwise to me to give—and, indeed, stress—the new consumer agency's almost unlimited right to seek judicial review of the final decisions which we mandated regulatory agencies to make. By so doing, we shall be throwing these complicated decisions back into the already full laps of the courts.

Another problem I have had with all of the prior bills is repeated in H.R. 7575. I am troubled that we would give the ACP special status to decide for itself whether it should become a full legal party in sensitive adjudications being prosecuted by the Government against someone or some business. This has been referred to, by those who oppose this concept, as the "double prosecutor" function of the consumer agency.

Although supporters of the concept blanch at the term "double prosecutor", and claim it is inaccurate, I stick by it. The hearings before our subcommittee substantiate the danger and the truth of its characterization.

Witnesses from the Federal Trade Commission testified that they "prosecute" complaints against businessmen. They, not I, use the term "prosecute", and for a good reason. That is what they do in an adjudication of an alleged violation of the FTC act.

In such proceedings, there are only two types of full parties: First, the FTC complaint counsel who prosecutes the case before an administrative law judge or the Commission, attempting to gain a finding of violation of law, and second, the respondent charged with a violation, who defends himself. Full party intervention by outsiders has been traditionally denied, because of the due process problems such a move would create.

Obviosuly, if the ACP were to intervene as a full party in such an adjudication, it would intervene as a second prosecutor and not as a second defendant.

To the extent that the ACP's prosecution is identical with that of the FTC, there would be useless duplication. To the extent that the ACP's prosecution differed with that of the FTC, it would be subjecting a party—as of yet innocent of any violation—to conflicting governmental prosecutions.

These powers of judicial review and full party intervention, as well as several other far-reaching capabilities that have been built into the various consumer agency bills, seem to me to be inconsistent with out attempt to create this agency as a nonregulatory unit.

These powers are menacing to many. Their mere presence affords those who oppose even the basic concept of this bill the opportunity to promote political controversy. So far, this political controversy has been the disease which has killed the consumer agency concept in the legislative womb.

These powers have had another adverse effect. They have resulted in a turning of the bill against itself, and away from the original concept of a broad-based advocate whose scope of operations parallels the varied interests of consumers.

Having little doubt that a consumer agency bill would pass both chambers of Congress this year, many of the special interests originally intended to be within the range of the new agency's operations are hedging their bets on a veto. They are getting themselves exempted.

Look at what happened during the debate on S. 200, the Senate counterpart to H.R. 7575. It became a piece of Swiss cheese.

It all started with a provision in the bill that would grant labor interests a sweeping exemption—notwithstanding the fact that these same interests were a direct part of our legislative history of 33 agencies and programs expressly intended to be covered by consumer agency advocacy.

After an attempt failed to restore the Senate bill's jurisdiction over consumer interests affected by labor disputes and agreements, there was no logical reason not to exempt equally important and powerful special interests.

A whole host of special interest exemptions lie there like an open sore in the Senate bill, and I see the prospects for a similar spread of this disease emanating from the exemption for labor disputes and agreements found in H.R. 7575.

I shall say more about this subject later, when I offer an amendment to delete the labor dispute and labor agreement exemptions.

Mr. Chairman, in summary let me say that I have long endorsed the concept of creating an independent consumer advocacy agency. I still endorse it. My concern is that we may never see such an agency born to do what we originally meant it to do. And if a consumer advocacy agency bill never lives through its infancy, it will be our fault for attempting to go too far, too fast.

Mr. HORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman and my colleagues, I too would like the record to reflect my concern about this legislation, and, perhaps given the opportunity for the unlikely presence of the gentleman from New York (Mr. ROSENTHAL) on the floor, he too might benefit from my genius.

I will tell my friends that I have been intrigued by the arguments of all of the proponents of this bill who seem to have come to the conclusion that regulatory agencies somehow discriminate against the consumer and the way to best protect that consumer is to provide another agency. That, unfortunately, has been the history of this democracy since 1936.

I will tell my friends the only thing they are providing by this legislation is indeed as the gentleman from Florida just described it, we are sending forward taxpayers' dollars into litigation against Federal taxpayers' dollars.

The only one who can possibly benefit is the lawyer whose notary work has failed and he has turned to the Federal Government for succor and sucker indeed is what the Federal Government shall be. Because, clearly, the only beneficiary of this midnight madness spawned by the gentleman from New York and embraced by the committee, I repeat the only possible beneficiary of this are the politicians who espouse it and the "causes" that will be rewarded by it.

I am always amused, I will tell my friends that when the private sector—good to see the gentleman again. Is the gentleman just passing through and that is how you happen by? Glad it was convenient.

As I started to say, Mr. Chairman, it always amuses me that when the private sector espouses its concern over a bill that is going to affect them directly, it is a vicious lobby but when Ralph Nader and his band of bongos comes down here then it is always for the public good.

Actually the people who will be helped by this and directly enriched by it in their purses will be the professional consumer people who, by their own testimony are finding that their well is about to run dry and the well has run dry because theirs is an idea whose time has come and gone and we fail to recognize it. The country recognizes it, but we fail to recognize it.

There will be a great many amendments accepted which has already been indicated by the chairman of the full committee, and those amendments will exempt virtually everybody but the consumer from the protection of this legislation, and the amendments include labor and small business. I know this because I am going to be the author of one of them. I am going to get on the bandwagon too. But the fact is all that will be left will be consumer lawyers litigating against regulatory lawyers at the taxpayer's expense.

Make no mistake, whatever amendments are adopted—and this may be the only significant thing I have to say to the gentleman from New York (Mr. ROSENTHAL) and I do want the gentleman to catch this one—whatver amendments we pass or accept or affix on to this bill makes no difference at all because after the conference is over they will accept the Senate's version of the bill. Make no mistake about that because there is not going to be anybody on that conference who has not become a dyed-in-the-wool consumer oriented advocate. Make no mistake about that. The only way to defend consumers against this unwarranted ripoff is a vote against the bill regardless of the number of amendments that are adopted and regardless of the segments of our economy that are exempted.

Can the Members imagine a consumer bill that says the cost of agriculture has no effect on the consumer; labor-management relations have no effect on the consumer; small business has no effect on the consumer? That is what we are going to say in this bill if we pass it.

But I will tell the Members that when it comes down to conference, they are going to say, "You, lawyer on the left, sic 'em. You, lawyer on the right, sic 'em. And don't worry about the cost because Uncle Sam is going to pay the way."

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I think the gentleman misspoke. I think he said there were no amendments that would improve the bill, none that really should be accepted. I think there is one that should be accepted. I think the gentleman will concur that an amendment to strike all after the enacting clause would be acceptable.

Mr. STEIGER of Arizona. I thank the gentleman for his advice. Unfortunately, the gentleman in the well never misspeaks, so I am unable to accept the amendment the gentleman suggests. I thank him all the same.

Mr. Chairan, do not be persuaded that one is going to vote against the consumer if one votes against this bill. Make no mistake about it. The strongest and most courageous vote for the consumer is a vote against this bill. If anything, it was designed only to protect the professional consumer advocate who makes a living at it, and I do not believe we need to do that with Federal money. If his cause is just, he will be sustained and supported.

Mr. Chairman, I urge the Members to vote "no."

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROBERTS. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Chairman, it seems to me apparent that the role of consumer advocacy can best be performed if the advocate is truly independent of the Administration which is responsible for the functioning of the various executive agencies. That was certainly the experience in Arkansas with the consumer protection legislation which I drafted, which the legislature adopted, creating the Consumer Protection Division which has been carried forward with such good results by my successor, Attorney General Jim Guy Tucker.

While the committee bill, which I support, provides for the establishment of an independent agency in the executive branch, I am concerned that the bill is not drafted to assure the independence which is desirable if a consumer agency is to be established. Specifically, section 3(a) to the committee bill provides that the Administrator shall be appointed by the President, with the advice and consent of the Senate, but fixes no term of office.

In the committee hearings it became apparent that the Administrator would serve at the will of the President, and who knows how long that will be? I think it is vital, if we are to have the true independence which is essential for effective consumer representation, that a provision be made to give a definite tenure of office so that the consumer advocate can be assured that so long as he continues to perform his duties, he will continue in that office.

For that reason, on March 28, 1973, I submitted a bill which would establish the Consumer Protection Agency with the consumer advocate appointed under statutes similar to those controling the appointment of the Comptroller General, for a term of 15 years, removable only by a joint resolution of the two Houses of Congress, and then only for specified cause.

In addition to giving the tenure of office that is required, the idea of having a congressionally oriented consumer counsel would bring into focus another very important and substantive purpose of this kind of legislation, namely, to avoid layering of additional bureaucratic regulations, but rather to ensure that the intent of the legislation passed by this body be fairly implemented and carried forward by the many bureaucratic agencies which have jurisdiction.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. THORNTON was allowed to proceed for 1 additional minute.)

Mr. THORNTON. Mr. Chairman, my proposal does not change other provisions of the committee bill. It does not in any way weaken the provisions of the bill. On the contrary, it assures that the agency will be truly independent, will have the kind of congressional orientation which is found in the General Accounting Office, and will act as a check and balance upon the huge bureaucracies which have grown up in the executive branch. With the congressional orientation of this amendment in place, the proper, steady, and effective purposes of consumer protection can be assured. The end structure could accommodate additional authority and responsibilities which might be appropriate for a congressionally oriented agency, even though such authority might be inappropriate for just another executive agency.

Mr. HORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SCHULZE).

Mr. SCHULZE. Mr. Chairman, I thank the gentleman for yielding and I rise in opposition to H.R. 7575, which would establish an Agency for Consumer Protection. I oppose this legislation for several reasons.

First of all, correspondence from my constituents indicates that they do not want this addition to the already burgeoning bureaucracy. My mail is running heavily in opposition to this bill. In addition, a survey conducted by the Opinion Research Corp. shows that of the over 2,000 people across the Nation who were questioned, 75 percent oppose the establishment of an Agency for Consumer Protection, but would favor instead making the existing agencies work better.

Which brings me to my second point. Such an agency is not needed. We all know that the Government already is firmly committed to consumer protection. As long ago as 1969, Mrs. Virginia Knauer, in a study for the President, found that 413 units of the Federal Government were administering 938 consumer-related activities. Yet here we are today, seeking to establish another sprawling agency to be subsidized by the taxpayer.

The consumer is entitled to an advocate, but surely it should be the Congress. And the Congress, rather than throw good taxpayer money after bad, should scrutinize existing agencies to determine whether their regulations serve the public, as they were meant to do, or harm the public, which increasingly seems to be the case. Although the costs of Government agency regulations are not taxes per se, they inevitably show up in the price tags handed on to the consumer. In addition to these "hidden taxes," Americans are paying to maintain these agencies to the tune of billions of dollars each year.

The cost of the proposed Agency is nearly $60 million. We are asking the consumer-taxpayer to subsidize an agency that he does not want, is not needed, and which will cost him $60 million. In addition to the cost of the Agency itself, there is the cost to businesses and other Federal agencies which must deal with it—costs which will take the form of higher taxes and inflated prices. Is it any wonder that the average consumer is beginning to resent "protection" from his Government? The tail is wagging the dog.

I would not be surprised if the consumer does not resent the Congress for shirking its responsibility to oversee the agencies which are already supposed to be serving the public interest. We cannot pass the buck for policing the vast Federal bureaucracy to yet another layer of the same bureaucracy. We can not defend duplicating consumer activities and programs. We can not justify the increase in redtape, delay, and cost.

I earnestly urge my colleagues who believe with me that we must correct the inadequate consumer protection activities of our present regulatory system before enlarging the system, to oppose H.R. 7575.

Mr. HORTON. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mr. DRINAN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I urge the passage of H.R. 7575, the bill to establish an Agency for Consumer Protection. This Agency should have been established decades ago. The bill we are considering should provide for a stronger agency than it does. But the very least we can do is to pass this bill by such a margin that President Ford will realize that his threatened veto will not be sustained.

Many deceptive statements have been heard from those who still oppose this legislation. President Ford, speaking in Seattle this September, said he would veto this bill because existing Federal programs provide adequate protection for consumers. If consumers are adequately protected why has the chief of the Antitrust Division in the Department of Justice estimated that price-fixing and other anticompetitive actions by businesses raise prices by as much as $80 billion every year? Why is almost every television advertisement deceptive in what it says or in what it omits? Why does the average new car have over 30 defects? Why do nearly 100 people die in the United States every day from adverse drug reactions? No, existing Federal programs do not adequately protect the consumer.

Opponents of the bill also claim that establishing an Agency for Consumer Protection would create more bureaucracy in a nation already overflowing with ineffective bureaucrats. If one wants to be technical, this argument may be deemed accurate: this bill will establish an agency with a budget of about $10 million a year. But, if this agency can even be called a bureaucracy, is this the sort of bureaucracy that should concern us? What magnitude does a $10 million budget have when placed beside the 1975 budget authorization for the Department of Health, Education, and Welfare which totals over $113 billion?

More important, this agency is designed to make the real bureaucracies more efficient. Instead of the standard business as usual, where regulators and regulatees shuttle back and forth from industry to government, new efficiency and responsiveness will be encouraged by the Agency for Consumer Protection. In most proceedings before agencies, the consumer side of an issue is never represented. As Mark J. Green has pointed out, in all of Washington there are only 190 public interest lawyers. There are many times that number of corporate interest lawyers. There are 11,500 private lawyers in Washington; 760 defend the broadcast industry before the Federal Communications Commission, against just 6 attorneys representing license challengers. A $10 million Agency for Consumer Protection will not make the sides even, but it will make the distribution of legal power less unfair.

With increased consumer representation will come an increase in decisions that are in the interest of consumers. Wasteful bureaucratic expenditures will be challenged. Dilatory bureaucratic procedures will be discouraged. Bureaucrats who would subsidize inefficient companies and who would continue Government-imposed price fixing will be called into question.

If the opponents of this bill really want to avoid needless bureaucracy, why do they not fight the real enemies? Why do they not reduce the staff of the Civil Aeronautics Board, which fixes indefensibly high airline fares and has a budget of $85.1 million a year? Why do they not cut funds appropriated to the Interstate Commerce Commission, which prohibits competition in the trucking industry and is paid $44.7 million a year to do so? Why do they not abolish the Selective Service Commission, which has no real purpose when there is no draft, but nevertheless swallows a budget of $44.9 million a year?

No, Mr. Chairman, the opponents of this bill are not concerned with providing adequate protection to consumers. They are not concerned with whether the Federal bureaucracy is too large and too inefficient.

It is interesting to note that along with the corporations that do support this bill—Mobil Oil, Montgomery Ward, Atlantic Richfield, United Artists, Stop and Shop Stores, Gulf and Western Industries, Polaroid, and others—then Congressman Gerald Ford himself in 1971 supported a bill to establish a consumer protection agency.

Before concluding, let me express one concern that I have not yet heard but which one day will become widespread. This bill provides that the President shall appoint an Administrator to head the new Agency, and that this Administrator shall be approved by the Senate. When this bill is finally enacted, those of us in the House and Senate should make every effort to ensure the appointment of a real consumer advocate to a position that demands one. Although I will not go so far as to offer this proposal as an amendment to the bill, I believe that if the Administrator of this new agency is to be credible and effective, he or she must have the approval not only of the Senate but also of a consensus of committed consumer groups, from the national organizations such as the Nader groups, the Consumer Federation of America, Consumer Action Now, and Common Cause, to the local groups such as the Massachusetts Public Interest Research Group and San Francisco Consumer Action.

As Ralph Nader testified before the Government Operations Committee this June—

> Consumers need an advocate for health, safety, and economic justice, and it is well to remember that the economy exists ultimately and fundamentally for serving consumers.

As Chairman JACK BROOKS and ranking minority member FRANK HORTON of the Government Operations Committee have written—

> Present federal agencies do not speak for or protect the consumer's interest. Today the forces of inflation and recession are imposing severe strains on the consumer. Enactment of H.R. 7575 could aid the consumer in countering these forces; failure to enact could leave the consumer to the mercy of special interests.

Mr. Chairman, I join with my colleagues and Mr. Nader in urging the passage of this bill. I voted for it in committee, I will vote for it on the floor today, and I will vote to override if a veto occurs. The consumers of this country have waited too long already for a Federal agency to represent them. Let us not make them wait any longer.

Mrs. FENWICK. Mr. Chairman, I rise in urgent support of this bill.

I worked for over a year as director of the State division of consumer affairs in my home State of New Jersey and I am aware of the impact of the actions of the Federal Government and its regulatory agencies on the consumer. We can go from the small and trivial to the very important measures. This bill has nothing to do with the toaster that does not pop up. The toaster which does not work, or the washing machine that does not work, are in the province of the local or State consumer agencies which exist in almost every State.

This bill is concerned with the basic issues, as was testified to in a speech by the Federal Trade Commissioner, Mr. Engman. We are paying $16 billion every single year for totally unnecessary transportation costs. I have copies of that speech, published in October 1974.

How does this work out in the practical field, in the pocketbook of the housewife who is buying? It is said this is not needed, but in order to get dressed poultry out of the hands of the Interstate Commerce Commission, it was necessary to go to the Supreme Court of the United States—certainly an adversary procedure. What happened when dressed poultry was taken away from the Interstate Commerce Commission? The price of transporting dressed poultry for the market fell 35 percent. People have to live and this is the kind of thing that is going to be affected by this agency.

This agency will have the power to effect this sort of thing. This is what it ought to be doing about these basic expenses which are forced on the consumer, sometimes without his even knowing it.

We have very good amendments coming up, I believe. I think there is one which will consolidate the consumer activities of various agencies, which is excellent, and will also reduce costs.

There is another amendment which I propose to offer which I circulated to Members of the House on the 24th of October which is to protect the interests of small business. I hope very much that amendment, worked out as it was with the gentleman from California (Mr. HAWKINS), will become part of the bill.

This legislation is not just in the interest of the consumer. This whole agency must operate in the interest of small business, which is the backbone of our Nation. Thirteen thousand firms which employ nearly 40 or 50 percent of the employed people in this Nation will be afforded protection because in many cases the monopolistic practices that are hampering their development are under the protection of the regulatory agencies in one way or another. I agree with the gentleman from New York the reasons are not always as described, but from habit and accretion over the years the protective arrangements have been built up which are contrary to the interests of small businessmen. I hope very much this will pass.

The amendment which we propose will cover about 94 percent of the businesses and particularly the small businesses who, although they employ such a large number of people, do not represent the great portion of the national product.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentlewoman yielding.

I know the gentlewoman has been most interested in things relating to consumers and ways in which to make sure they are adequately protected. I was interested in her statement that in her judgment this legislation really does not address itself to toasters and washers and the normal consumer items in the marketplace but "more basic issues." Then she cited the case of where it was necessary to go all the way to the Supreme Court to wrest away from the ICC authority relating to chickens.

Of course, maybe what we ought to do as a Congress is abolish the ICC, because it is outmoded. It really does not prevent monopoly in transportation as it originally was supposed to do.

Could the gentlewoman from New Jersey describe in greater detail the good that you think this Agency is going to do in what the gentlewoman calls "basic issues" in the protection of the consumer?

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield back my own time, what I say is that when one of these regulatory agencies summons before it representatives of industry or a profession or whatever is involved in the preparation of regulations, that there should be somebody there who will listen to the very fine counsels of these organizations and advise the regulatory agency as to the interests of the consumer. I would like those who have the power to issue these regulations to consider this aspect, but without the consumer advocate there is nobody there to do it.

The CHAIRMAN. The time of the gentlewoman from New Jersey has expired.

Mr. HORTON. Mr. Chairman, I yield 1 additional minute to the gentlewoman from New Jersey.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield further?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. ROUSSELOT. What about the committees of Congress?

Mrs. FENWICK. I would hope that when certain bills come before the committees of Congress somebody would be there representing the consumer.

Mr. ROUSSELOT. Members of Congress do appear at hearings and they should. That is one of our responsibilities to our consumer constituents. The Congress already fulfills that responsibility.

Mrs. FENWICK. Would the gentleman have known that the cost of dressed chickens could drop 35 percent? I would not have known that. We need people trained in the consumer interest who are knowledgeable in that particular regulation.

Mr. ROUSSELOT. In the case of the ICC, they have contributed to the demise of the railroad industry. I certainly believe that.

Also, when constituents come to me as an individual Member of Congress and ask for representation before regulatory agencies, we are elected by the people to do that and that is one of our functions. I always thought Congress was a representative of the consumer.

Mrs. FENWICK. I do not think every Member of Congress is as qualified as a lawyer who specializes in these matters and gives them his full attention. We have to consider taxes one day and aged people the next and a variety of problems, one after the other.

Mr. ROUSSELOT. In that case, who represnts the taxpayer?

Mrs. FENWICK. The taxpayer is represented by the consumer advocate. That is where we are losing money. Every day we are spending uselessly, all this money every year; that is what we ought to be addressing ourselves to.

Mr. ROUSSELOT. Does the gentlewoman think this agency will actually help reduce taxes?

The CHAIRMAN. The time of the gentlewoman from New Jersey has again expired.

Mr. HORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, there are a lot of reasons why H.R. 7575, the Consumer Protection Agency, is a bad idea. In a time when the people are demanding less Government and lower taxes, this bill proposes a new bureaucracy costing an estimated $60 million in the first 3 years. The fact that there are already over three dozen Federal bureaus which deal with consumer complaints would seem to be enough. But if three dozen cannot do the job, in addition to 300-plus State, county, and local consumer offices, how is one more the answer? If a specific agency is not doing its job, then we should reform it, instead of creating another agency to watch the first agency. Who is going to watch the new agency, one might ask? Indeed, how can this new watchdog even expect to adequately monitor the myriad activities of the entire Federal bureaucracy, without becoming as large as they are? And were not each of the agencies designed to protect the public in the first place?

But the illogic of creating yet another layer of watchdogs to watch the first set, ad infinitum, does not bother me so much as the argument that the people want another complaint bureau to go to. The proponents repeatedly make this assertion, yet in a districtwide poll that I took in which we received over 25,000 responses, my constituents voted more than 2 to 1 against the idea when asked, "Do you favor creation of a new Federal agency to handle consumer complaints."

Mr. Chairman, I will not impugn the integrity of those who favor this bill. I think they sincerely believe that a new agency will help consumers. And perhaps if I ask how another bureaucracy is going to simplify matters for the average person and taxpayer who already has so little faith in big Government solutions to his problems that he responds negatively to the very question we are voting on today. I say we should stop telling the voters how much we are doing for them and listen to what they are saying.

Mr. HORTON. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, so many good arguments have been advanced in opposition to the idea of an Agency for Consumer Protection that it is difficult indeed to find anything unique and different to say.

It is perhaps true, then, that those of us who are critical of the bill at this time are open to the charge that we are saying "nothing new."

I am reminded, however, of the story about the church deacon who was asked to deliver the sermon in the absence of the pastor one Sunday. He spoke on sin, and did such a wonderful job that the congregation asked him to speak again the following week. Much to their surprise, he gave the identical sermon a second time.

Asked why, he responded very simply, "They're still sinning,"

So, I suggest to you that it is entirely appropriate for us to continue to repeat the arguments against this pernicious bill at least until its supporters will face our charges squarely and stop mouthing platitudes and high sounding but meaningless rhetoric on the subject of consumerism.

Alexis de Tocqueville, that great commentator on American democracy, said of our Government:

> It chooses to be the sole agent of (the People's) happiness; it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, subdivides their inheritance.

He said:

> Such a power does not destroy; it does not tyrannize, but it compresses, enervates, extinguishes and stupifies a people, until . . . reduced to nothing better than a flock of animals of which the government is the shepherd.

Spoken by a great friend of our system, those are harsh words. I do not believe the system necessarily behaves this way. But I know of no clearer case of this poisonous side-effect of American Government than this bill.

But there are other issues, too. The President, members of many persuasions, respected intellectual establishments such as the Brookings Institute, and, I believe, the great majority of the American people, realize that our governmental regulatory agencies are in drastic need of reform, reform moreover which would restrict and limit their power, returning more of that power to the people themselves, acting through their individual decisions in the marketplace.

This need is among the two or three most important issues which our Nation faces at this time, and I am at a loss to explain why, in the midst of this concern, we should move in precisely the opposite direction, establishing yet another regulatory agency, yet another layer of bureaucracy, yet another billion yards of redtape—and note this especially—yet another hidden cost which will be borne by the very consumers whom this bill would supposedly protect.

And how great will that cost be? No one can tell. We can estimate the direct cost of operating the Agency, although I must say that I do not for one moment accept that the modest funding level at which the bill is initially pegged will long endure. I have served on the Appropriations Committee for too long not to understand how these things work, and not to know as sure as I know that the sun will rise tomorrow that in a very, very few years the first-year funding of $10 million will grow many times. Who can cite me an example where this did not happen? What Members can honestly say that it will not happen in this case?

But regardless of how great or how far the cost of operating the Agency itself may grow, it will be but a miniscule part of the total cost to the consumer. How much will it cost business to comply with the demands of the Agency, to respond to suits which may be brought against them because of the law? Nobody can estimate that.

Over and above those secondary costs, there is another layer. This is the cost of delay. If the Agency accomplishes nothing else it will surely create delay. What did the delay in the building of the Alaskan pipeline cost? The direct cost attributable to inflation over the years during which that project was bottled up by the Government was a factor of 10. It will wind up costing 10 times as much to build it now as it would have had it been built when originally proposed by the companies. And of course, to that we must add the cost of not having the oil during those years. The total is immense, and this bill would assure just that kind of delay on future projects of all sorts.

It is my opinion, and I challenge the sponsors to refute it, that the tertiary costs of delay will exceed the secondary costs of compliance, which will exceed the primary costs of agency operation which will exceed the estimates of the sponsors.

And all of these costs will come out of the pocketbook of the consumers who are our constituents.

Now, I want to discuss one other aspect of this legislation which serves to make it a mockery. Suppose for a moment that all I have said up to now could be proven inaccurate. Suppose the idea of an Agency for Consumer Protection were a good one.

Why then, in the name of God, do we have these exemptions written into law? Are they there for reasons of equity and justice? No, I say to you, Mr. Chairman, they are there for one reason and one reason only, and that reason is the political clout of the interests represented by the exempted segments of the economy.

There is, for example, the incredible exemption granted to the organized labor interests. Labor costs account for some 70 percent of the total cost to the consumer of manufactured goods, but this bill writes off that 70 percent, on the remarkably specious grounds that labor is sufficiently regulated by the NLRB.

I ask you. Is the NLRB any more efficient than other regulatory agencies? Is it less a captive of those whom it regulates? Is it more responsive to the consumer interest?

It is not. Not one whit. The only difference between this segment of the economy and any other is that this one has far greater political muscle.

The New York Times has called the labor exemption "politics at its most cynical." And that it is. Cynical, unconscionable and immoral.

Passage of the consumer protection bill, with this labor exemption, would be tantamount to saying to the American people, "We are going to protect you from the special interests, except of course those special interests that are too powerful for us to fight."

What a lesson in political integrity that will be. What a way to enhance our dismal reputation with the people. What a travesty.

This bill represents a step backward

in the effort to make Government more responsive to our citizenry. It is an inequitable harassing measure which will only serve to increase the stulifying impact which Government is more and more having at all levels. In the name of freedom, commonsense, and the American taxpayer, this measure should be soundly defeated.

Mr. BROOKS. Mr. Chairman, I yield 2 minutes to the gentleman from Montana (Mr. Baucus).

Mr. BAUCUS. Mr. Chairman, I, too, share some of the doubts about this legislation that have been raised by the various Members who have spoken before me. But I wish to explain an amendment that I am going to offer at a later time, which I think will resolve at least some of my doubts and, I hope, some of the doubts of the Members, as well.

Mr. Chairman, my amendment will provide that the Agency for Consumer Protection shall automatically self-destruct at the end of 7 years. It will not take an affirmative action by Congress, but at the end of seven years the Agency for Consumer Protection would terminate. At that time Congress would have the right to reestablish the agency if it wishes, with whatever changes it deems appropriate.

Mr. Chairman, my concern is that the Agency for Consumer Protection may not in fact turn out to be the panacea that many of its supporters claim; that is, it may not in fact support the consumers' interests, as it is supposed to, and it may turn out to be very burdensome to business interests and involve a lot of redtape.

Mr. Chairman, the usual answer is to oversee regulatory agencies with better oversight, that chairmen should bear down a little more, or else tighten up on the budget a little more. It is my judgment that those two methods do not work, for a variety of reasons which I will explain later.

So I am, therefore, offering a third alternative: that is automatic self-destruction of this agency—an approach which I think should apply to other agencies, as well. I hope the Members will support my self destruction amendment when it comes time to offer amendments.

Mr. HORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I rise in opposition to this idiotic legislative monstrosity.

Mr. Chairman, it appears that H.R. 7575 would have us establish a new and politically unaccountable bureaucracy which is intended to speak for so-called consumers, while several amendments by various Members propose milder versions of the same thing. What I have yet to hear in this debate, something which is fundamental to any consideration of such an agency, is discussion of the fact that there is no one overriding consumer interest.

We are all, in fact, consumers, and in a society as democratic and diverse as ours, one will not find a clear line separating consumers from the so-called anticonsumers. Yet here we are asked to establish an independent Federal agency presuming to serve the interests of consumers, whoever they may be, however they might be perceived by the bureaucrats of this super-agency.

I am told by the GAO, and I can see by noting the authorized sums included in the act's provisions, that this new agency would cost $20 million annually. I would remind my colleagues that many of us, including the 94 freshmen Members, campaigned energetically on the issue of curbing the very bureaucracy we are asked to fatten up by the supporters of this bill. There is a growing and more active dissatisfaction by the people with the hideous obesity of Government, the relentless burgeoning of the Federal bureaucratic belly as it weighs down our economy, and regulates away our freedoms.

Consumerism is not so much a cause as a racket. Among its advocates are the leading elitists of our time, experts at telling us what is good for us. The professional consumers who inspect certain brands of cereal for a living, and hold press conferences to selectively downgrade one product at the implied benefit of another annually cost consumers and businesses amounts variously estimated in the billions of dollars while tax moneys used for existing Federal consumer agencies have increased by $600 million from 1973 to 1975. That does not include the many State and Federal agencies. The expensive and time-consuming legal battles many small-product producers have had to wage against Federal class-action consumer crusaders have virtually driven many small companies out of business, and the expected delays which discourage businesses from offering new products and services to consumers lead to the obvious problems we currently enjoy.

The problems of clearly identifying consumer interests are illustrated by the many exemptions which are being proposed in both the House and Senate versions of this bill, exemptions of such form and nature as to erode any frail credibility the idea may have. Consider, for example, the co-called labor, agriculture, small business, and broadcasters' renewal exemptions.

In brief, the interests of consumers, which is to say of every American who at one time or another finds that he must buy anything, are best served by the free economic marketplace. Granting the contrived and arbitrary bureaucracy described in H.R. 7575 the novel and extraordinary powers proposed is a mistake. Granting it the power to subpena, to interrogate, to intervene in the proceedings of other agencies and of businesses only helps to insure that what was meant to be a protection agency becomes a protection racket, and open to the same kinds of corruption and favor currying to be expected.

The extra millions and the additional grief to accompany this bill are contrary to the prevailing wishes of the people. We should listen to them. We should defeat this bill.

Mr. Chairman, I include in my remarks, an editorial from the Times of Salisbury, Md.

[From the Salisbury (Md.) Times, Apr. 18, 1975]

Do It Themselves

If the majority of American consumers have their way, Congress will shelve the idea of setting up a super consumer advocate in Washington.

Although "The Consumer Protection Agency Act of 1975," has been endorsed by an 11–1 vote in the Senate's Government Operations Committee, American consumers, by a 75 per cent majority, are opposed to the creation of a new, independent consumer agency within the federal government—according, that is, to another public opinion

The survey found that only 13 per cent of consumers support the bill (S. 200), which its proponents say would give consumers a larger voice in helping shape government decisions. Not only that, but more than half of the 13 per cent who initially favored such an agency changed their minds when told that the bill calls for the government to spend $60 million to set up and operate the new agency over the first three years.

A total of 12 per cent of the public had no opinion either way.

Opinion Research Corp. of Princeton, N.J., conducted the survey, which was commissioned by The Business Roundtable. A total of 2,038 people of voting age were interviewed in their homes between Jan. 19 and Feb. 3, 1975. All sections of the country and all population groups were represented.

One would have guessed otherwise from listening to the complaints of some consumer activists, but the survey found that the public is generally satisfied with the consumer protection efforts of existing government agencies. Almost eight out of 10 consumers feel they are being treated fairly by the government.

Asked about present federal agencies in the consumer field, most of the people interviewed had heard of the Office of Consumer Affairs, the Consumer Product Safety Commission and the Environmental Protection Agency, and most felt they were doing effective jobs.

Thus given the choice between creating a new agency or making existing ones more effective, they strongly favored improving present agencies by 75 per cent to 13 per cent, as noted.

The survey also found that 27 per cent of consumers believe they are "almost always" treated fairly by business, while 59 per cent feel they are "usually" treated fairly. Thirteen per cent said they have been treated unfairly.

Yet even in cases in which people have been dissatisfied with some product or service, the survey showed that they believe the best places to go in order to get something done about it are the person or business they dealt with in the first place, the Better Business Bureau and the company that made the product or furnished the service.

Only 8 per cent of the public look to federal consumer agencies to correct unfair treatment.

Supporters of the Consumer Protection Agency could argue, of course, that this last statistic, especially, underscores how much Americans need to be educated in the matter of their consumer rights.

Yet despite the constant din of criticism of American business and the all too frequent examples of businesses failing to perform as they should perform, there seems to be a notable absence of any popular ground swell in favor of enshrining the consumerism movement in its own agency in the national government.

Mr. HORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. Anderson).

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Iowa.

Mr. GRASSLEY. I thank the gentleman for yielding.

Mr. Chairman, I have always been a strong advocate of limited government. The people elected to serve on a local level are better equipped to respond to the ideas, wants and needs of their community than Federal officials.

Few will dispute the fact that the Federal Government has grown too large—especially the regulatory agencies. Every day we pick up the paper to read of another business shutting down because of expensive Federal regulations, laid down by OSHA or the EPA. These regulations often make it impossible for the business or factory to continue to operate. So what happens? They close, leaving hundreds, sometimes thousands of workers without jobs. This has happened twice in my area since January; in Mason City the Armour meatpacking plant has shut its doors and in Waterloo the Headford Bros. and Hitchins Foundry is no longer operating.

We cannot allow the Federal Government to continue this strangulation of our free enterprise system. Yet, right now, we are considering legislation to establish a Consumer Protection Agency to supposedly speak for the interests of all consumers.

How can an agency, located in Washington, accurately speak for the interests of north central Iowa residents as well as those living in Oregon and Maine? Any reasonable person knows this is not realistic. No bureaucracy can possibly be responsive to the diverse consumer needs of every American.

What we have brewing before us now is another mammoth and costly project which will just add another layer of bureaucratic redtape for the individual citizen to cut through. This concept of a Federal agency to protect all consumers is a fraud because no agency can, to coin a phrase, "be all things to all people."

Who is the mythical consumer that this agency proposes to represent? Is he the man who wants air bags, safety bumpers and smog devices in his car? Or is it the man who wants a cheap automobile? Is this consumer a woman who wants to pay more for a breakfast food with high nutritional value, or the woman who likes sugar coated dry cereal in the morning?

Is this consumer the one who favors mandatory seat belts in a car and a helmet on every motorcycle rider? Or is it the individual who wants to make a choice on whether or not to fasten the seat belt or put on the helmet? Some consumers want to pay less for a product, even if they purchase something of poor quality, while others adhere to the you-get-what-you-pay-for theory and are willing to spend more for high quality and reliability.

Whichever category you or I fall into is not important. What is important is that we have a choice. I do not want some Federal Big Brother telling me what equipment goes on my car and which breakfast cereal I can eat.

Now let us look at how much this new Federal agency is going tc cost the consumer that it supposedly is going to protect. Right now the cost is estimated at $60 million over the next 3 years. But what about later? I have never seen the budget of a Federal agency shrink. How much money will the Consumer Protection Agency be taking out of our tax dollar once it gets going?

Remember, too, that this $60 million is just the cost of running the Agency over the next 3 years. How much more is it going to end up costing the consumer once it starts requiring manufacturers to alter production techniques? Who is going to foot the bill for these alterations? Certainly not the Consumer Protection Agency, and let us be honest, the manufacturers will not either. The cost will, of course, be passed on to the consumer; our constituents are going to end up paying the tab.

Some people will end up paying a very high price for this Agency. For some it will undoubtedly cost them their jobs when small industries are forced to close down because they cannot afford the cost of the alterations.

A public opinion poll showed that 75 percent of the people questioned did not feel they needed another Government agency to protect their consumer rights. The poll also showed that of the 13 percent who said they favored the Agency, half did not want to spend the $60 million it will cost to set it up and keep it running. If this is true, then apparently Congress is paying more attention to the lobbyists pushing this Agency than it is to the people of Oregon or Maine or north central Iowa.

My constituents do not want another costly Government agency. These people do not want more rules, regulations, and Federal controls. These people do not want the hassle of more yards of sticky Federal redtape to cut through.

The American taxpayer is tired of being dictated to by Uncle Sam. Congress must wake up to this fact and start realizing that the American is a thinking individual, capable of making a choice.

We, in Congress, must not let another well-intentioned project get out of control.

Mr. ANDERSON of Illinois. Mr. Chairman, I have supported consumer bills similar to this in past Congresses. I think there is considerable merit to the argument that consumer interests are too often inadequately represented in Federal proceedings and that other interests are consequently overrepresented and dominant. There would seem to be a need for some type of consumer advocate to intervene on behalf of consumers if their interests are involved and they are not otherwise represented, in order to insure greater balance and fairness in such proceedings.

However, I frankly do not know, at this point, whether I am going to vote for this particular bill on final passage. Much will depend on the arguments advanced during general debate and what action is taken on amendments which are offered. I have taken a very painstaking and careful reassessment of this bill not only from the standpoint of its specific provisions, but also in the context of the current public mood, fiscal realities, and related developments in the area of regulatory reform. In the brief time available to me, I would like to share with you some of my observations and reservations.

I think everyone in this Chamber is familiar with the fact that public confidence levels in the leadership of most major American institutions are today at an alltime low since the Harris survey began measuring this back in 1966. Only 13 percent of the American people express a great deal of confidence in the Congress and executive branch today, compared with an 18-percent rating for Congress last year, and 28 percent for the executive branch. Back in 1966, on the other hand, both the Congress and executive branch rated a little better than 40 percent. And yet, today, we both stand at the bottom of the rung of the confidence ladder in comparison with the other 10 major American institutions. Even major companies have a higher confidence rating, though 19 percent is nothing to crow about.

Two years ago a subcommittee of the other body asked the Harris people to take a closer look at this steady decline in confidence. Harris reported back that 49 percent of the people listed government corruption as a major reason for their loss of confidence in government, and 28 percent listed Watergate. But next in line, in a tie for third at 19 percent each, were government unresponsiveness and false promises, followed by government bureaucracy and redtape at 14 percent. Interestingly enough, only 4 percent of the people listed too much corporate influence on government as a major reason for their loss of confidence in government—a 17th place ranking in the list of reasons.

Why do I bother you with all these statistics on public confidence in government? What does all this possibly have to do with a consumer protection bill? I would submit that we must seriously ask ourselves today, in considering any legislation, whether our actions will serve to increase or diminish public confidence in government. And I would suggest in determining this, we use the three measures most cited by the people—other than Watergate and corruption—as their reasons for losing confidence in us in the first place: First, does the legislation increase government responsiveness to the needs and concerns of the people? Second, does it make promises we cannot possibly fulfill? And third, does it increase Government bureaucracy and redtape?

I noted with interest that the chief proponents of this legislation (Mr. BROOKS and Mr. HORTON), in a "Dear Colleague" letter dated October 31, make the claim that this legislation is not going to result in an "impenetrable" regulatory or rulemaking bureaucracy, that it is "in the interest of responsive government," and that it "will go a long way toward restoring confidence in government and business." The letter does not address itself to whether the legislation makes false promises.

The chief opponent of the bill, on the other hand, the gentleman from Illinois

(Mr. ERLENBORN), in a "Dear Colleague" letter of the same date, makes the claim that few people want such an agency, those who do think it is going to solve all their consumer problems and that it cannot possibly meet these expectations, and finally, that its enactment "can only increase" the cynicism Americans have about their Government.

I think both the proponents and opponents make very valid arguments and that either could eventually be proved right depending on what we do here today. I would submit that the proposed Agency for Consumer Protection will only be effective and responsive and free of bureaucratic bungling and redtape if we act now to limit its size, the scope of its mission, and the promises it is expected to keep. If, on the other hand, we make the grandiose promise that this is going to be the super-protector of all consumers in all situations, we are going to create one of the fastest and biggest ballooning bureaucracies imaginable, with one of the most insatiable appetites for more money, and one of the worst track records for responding to consumer demands. The supply of responsiveness and funds will never equal the demands for action. And as a consequence we will be stuck with an even greater shortage of confidence in Government than we now have.

Let us turn to the bill and examine just what promises are being made here:

First, the ACP will represent and protect consumer interests within the Federal Government. I think that is a laudable and necessary objective. But let us recognize from the outset that there is no such thing as a single consumer interest in every situation and that various consumer interests, as defined by the bill, will often be at odds or competing. The Administrator of the ACP cannot possibly represent all consumer interests in all situations, especially when they may be in conflict. In deciding which consumer interest is overriding in a particular situation, he may be neglecting and working against others. Keep in mind that the bill defines interests of consumers as involving such things as "cost, quality, purity, safety, durability, and availability and adequacy of choice of goods and services." Very seldom if ever are all these interests compatible. Let the consumer beware.

Second, it is claimed on page 2 of the committee report that the ACP will be a "vital component of regulatory reform" by spotlighting existing regulatory programs which are inflationary or serve narrow special interests. This is commendable. But let the consumer be aware that this should be the responsibility of the Congress. We should be exercising oversight of the regulatory agencies; we confirm appointments to regulatory commissions; we have it within our powers to alter the authorizing statutes which regulate the regulators. Let us not advance the ACP as a substitute or a scapegoat for our own responsibilities or failings.

Third, it is claimed on page 6 of the committee report that the ACP "would help speed up regulatory proceedings." And yet my reading of the provisions of this bill indicate that just the opposite will be the case. The regulatory process will inevitably be slowed down by permitting the ACP Administrator to petition for rehearing in proceedings in which he did not originally participate. That petition involves a 60-day delay. Whether or not a rehearing is granted, the Administrator may then initiate a judicial review of the decision, again, even though not a party to the original proceeding.

Commenting on the probable impact of this bill on the Antitrust Division of the Department of Justice, Attorney General Levi, in a speech on June 19, 1975, said the following, and I quote:

> The Advocate could demand the right to participate in any investigation, meeting or negotiation conducted by the Antitrust Division, including conferences with any private party and to intervene at any level in any court proceeding. I can hardly imagine a greater roadblock to a successful enforcement program.

So let us not have any illusions about this new consumer agency speeding up the regulatory process.

Fourth, the ACP will be "a central place" for filing and handling consumer complaints about goods and services. To quote from page 10 of the committee report:

> Timely action on valid complaints, whether by government or private industry, will help to increase the confidence of consumers in the market and in government.

Consider if you will what is involved in this promise. We are promising, in section 7 of this bill, that the ACP will serve as the super, central consumer ombudsman for any complaint any consumer may have about anything. Moreover, we are promising that all of these will be handled in a timely fashion. Can you imagine the bureaucracy that will be needed to handle the hundreds of thousands of complaints that are likely to pour into this office? We are not just talking about complaints which might be appropriately handled by other Federal agencies—something a Federal consumer advocate might reasonably be expected to coordinate; no, we are talking about even the most petty and frivolous gripes that might best be handled by a simple phone call by the consumer or by consulting a warranty, or by visiting the establishment at which a particular item was purchased. It might be argued that consumers will first take these steps. But I would suggest that once we make this promise and the consumer thinks he has got the arm of the Federal Government to go to bat for him, he will come to rely more and more on that arm than his own resources. This section also promises that all the consumer complaints filed, and responses received, and notices of action taken, will be available for public inspection and copying in a document room. I would submit that we will need a rather sizable public document building for all these complaints before too many years have passed. And, are there any limitations on how these complaints might be used, by a competitor, for instance? None. I would only caution consumers from the outset that responsiveness to their complaints will be in an inverse ratio to the volume of complaints. And as that volume increases, responsiveness will decrease.

What other promises are made in this legislation? According to the bill, the ACP will also encourage and support consumer research, studies and testing; publish and disseminate consumer information; and conduct consumer conferences, surveys and investigations. In order to carry out these functions, the Administrator is authorized by the bill to not only employ his own staff, but employ outside experts and consultants, appoint as many advisory committees as he desires at Government rates, enter into contracts, leases and cooperative agreements, and direct other agencies to make available their services, personnel, and facilities.

We are advised by the committee on page 15 of the report that the ACP will be able to handle all of the responsibilities under the bill and fulfill all the promises made by the bill for a mere $10 million a year. The Senate bill, which is nearly identical, had an annual price tag of $20 million a year. I think the point should be made quite emphatically here that the $10-million figure is not based on what it would cost to fulfill all the responsibilities and promises made by this bill. Instead, the committee arbitrarily chose this figure and then asked the congressional Budget Office how much it could buy. The CBO repored back that this would buy an agency consisting of 280 permanent positions, including 120 people in the consumer advocacy and representation section, 60 with consumer information and research, 50 handling consumer complaints, and another 50 in program direction and administrative support.

Now, I am not being critical of the committee for taking this approach. I think we should set a reasonable authorization ceiling, which the bill itself does not, in order to keep this a lean and clean agency and force it, within those limits, to carefully set its priorities. But what I am suggesting is that we have a $10-million agency being asked to deliver on $50 to $100 million worth of promises. And that unless we take action to make those promises more realistic and fulfillable, we are going to cash-in on $40 to $90 million in cynicism and disillusionment. I would hope that these concerns will guide us as we act on this legislation today and that we not again go down that familar road of making promises that cannot be kept. Let us keep the agency small so that it can be responsive; let us keep its focus narrow so that it can be effective; and let us exercise continuing oversight on its powers so that they are not abused. If we level with the American people now about the limitations of such an agency, they will think better of us later.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding.

The gentleman has raised a question as to the cost estimates for the agency as recommended in the bill as it was reported by the committee. Is the gentleman aware that it has been indicated that the managers of this bill will accept the McCloskey amendment, which proposes to transfer the consumer-related protection functions of some 20 or 30 agencies of other departments of the Government to this agency without transferring the personnel or the appropriations that went with those activities?

I think it would be very interesting if the gentleman could find how much, in addition to the committee's estimate, these additional responsibilities will cost and how the managers of the bill intend to take care of those costs.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

ESTABLISHING AN AGENCY FOR CONSUMER PROTECTION

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, with consideration of H.R. 7575, the so-called Consumer Protection Act of 1975 this Congress proposes to embark on another ill-fated venture into meddling with the functions of the U.S. economy.

This legislation is not needed. The measure under consideration is a bad bill. It is typical of the kind of broad brush laws Congress has been turning out for the past decade, to the detriment of our economic well-being, and at increased cost to the consumers who are supposedly the beneficiaries.

If I may paraphrase a noted author: "What a tangled web we do create, when first we try to regulate." Today, due to zealous bill-passing in the past, we have a horde of regulators—some 63,000—who oversee the production and marketing of everything from tricycles to locomotives.

They cost the American consumer some $130 billion a year, mostly in higher prices and impeded efficiency. They require an avalanche of Federal forms, more than 6,000 of them, and cost business some $18 billion a year for compliance, and the Government bills more to shuffle them around.

We have a tangled web of regulation. We have agencies countermanding regulations of other agencies. We have unnecessary rules. In short, we already have put on the books a plethora of regulations. We should be going in the other direction, simplifying government, instead of adding another all-purpose agency, armed with the power to add substantially to the bureaucratic red tape that now hamstrings business activity.

President Ford already is taking steps in that direction. On April 17, the President asked Federal agency heads to examine their present consumer activities, and to coordinate their efforts with the Consumer Affairs Office.

He also, on July 10, asked the Commissioners of our 10 independent regulatory agencies to go over their procedures, and stress consumer representation. In addition, he issued Executive Order 11821 calling for executive branch agencies to prepare inflation impact statements on their regulatory functions. He has acted on Fair Trade, on the Securities Act, on financial institutions and to straighten out air and air fare regulations.

This proposed act is in reality an admission by Congress that it has failed the public. The thousands of regulatory functions established under Federal law have been aimed at consumer protection. The regulatory agencies are creatures of Congress; established, directed and with their functions circumscribed by Congressional edict. Suddenly this Congress says a whole new, all-powerful agency is needed, apparently an attempt at recouping the past failures in one fell swoop.

We are regulated to the hilt now. H.R. 7575 presumes that the American consumer is some kind of dodo that will perish like the extinct bird unless a solicitous Uncle Sam tells he or she what to buy. The American economic landscape is littered with the skeletons of businesses that failed to satisfy the eagle eye of the American buyer. Caveat emptor has long since been replaced by caveat venditor in the actual workings of our economy.

We have regulations, a surfeit of them now. We do not need another agency. The buyers of America are discerning and intelligent. They should, and do, decide the worth and desirability of products in the marketplace. Individuals should be able to make choices based upon their needs and preferences, without directives from a sterile, monolithic bureaucracy.

This legislation is badly written. We have seen, to our sorrow, the results of unfettered Federal regulatory authority from past hasty actions by the Congress.

We should not repeat those errors on the grand scale proposed by H.R. 7575, the Consumer Protection Act of 1975. There is no such thing as a single "consumer interest." It is impossible to identify single consumer views, let alone amass the tremendous number of bureaucrats necessary to represent each and every interest before the many agencies. This bill would permit a new agency to undercut existing agencies, to invade the privacy of both business processes and the general public. It would be, from the outset, inflationary, due to increased costs—both at the Federal level, and the burden of compliance imposed on businesses large and small. Consumers would pay these costs—through taxes and in the price at the market.

At a time when we should be trimming our sails, it would impose another layer of bureaucracy—and nonproductive costs—between the producer and the buyer. This is the kind of agency that has almost infinite potential for expansion—of power and manpower. Its authority, which would be translated at the bureaucratic level of "responsibility," would call for more and more regulations, and additional platoons of promulgators and regulators for enforcement regulators and to process the tons of forms involved. This is not the time to saddle the American public with another expensive and expansive Federal experiment in regulatory over-kill.

We have plenty of Federal agencies now, with the power and the personnel, to provide adequate protection for the American consumer. Almost since the Nation began, we have been building an edifice of regulation, a mansion with many rooms, all occupied with people busily engaged in probing, ruling and regulating various facets of our economic system.

I believe, in the best interests of the American consumer, this Congress can provide a distinct service by laying this ill-advised bill to rest. If I may quote the bard, we should consider it in the words from Julius Caesar:

> Therefore think him as a serpent's egg which hatched, would, as his kind, grow mischievous and kill him in the shell.

I urge my colleagues to strike a blow for the consumer, and vote against this unneeded, costly expansion of Federal power.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

The Chair will state that all time of the gentleman from New York (Mr. HORTON) has expired.

Mr. BROOKS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. JAMES V. STANTON).

Mr. JAMES V. STANTON. Mr. Chairman, I rise in support of H.R. 7575, the Consumer Protection Act of 1975. Once again we are embarking upon a well-traveled path. This legislation is nearly identical to that approved by this body during the 93d Congress. I supported this legislation then, and I continue to believe in the need for its enactment.

We do not, Mr. Chairman, live in the best of all possible worlds. We live within an economy dominated by large corporations who are insulated from the forces of the competitive marketplace. In short, whether it be in the area of health, safety, or economics, these large corporations are ripping off the American consumer. In my view, the real issue this Congress must eventually face is the need to control the lifeline of these corporations through Federal chartering, and in some cases, legislatively mandated divestiture.

In the meantime, Mr. Chairman, we have a responsibility to the American consumer to assure that his/her view has some impact upon federal administrative and judicial decisionmaking processes. Every day, Federal regulatory bodies are making decisions which affect the health, safety, and pocketbooks of the consumer. In this decisionmaking process, the interests of the American consumer are either inadequately represented or completely missing. I strongly believe that we have an obligation to assure the effective representation of consumer interests in these regulatory operations.

Effective representation requires time, money, and access to information. Rarely do consumer groups possess any of these assets. Business, however, has the time, money, and technical expertise to closely monitor and lobby agencies which regulate their particular field of interest. Consumer interests are not so easily focused upon one or two agencies. I wish to make it clear that I do not question the right of business to pursue the fullest and most effective representation of its interests before these regulatory bodies. But I do believe that the public interest and the integrity of our administrative processes are ill-served by the inadequate representation of consumer interests. This legislation would redress this imbalance between business and the consumer.

The Agency for Consumer Protection would have the staff, money, and time to fully participate in administrative proceedings which substantially affect the interest of consumers. It would have the right to be notified that these proceedings, formal and informal, are taking place. It would have the right to information relating to these proceedings. It would have the authority to conduct its own investigations of issues of substantial importance to consumers, and it could then use this information as a basis for corrective action by regulatory bodies.

I wish to underline the fact, Mr. Chairman, that the ACP is not a regulatory body. Its function is solely representational. It would neither disrupt nor prolong administrative proceedings since, when it determines to intervene in an administrative action, the ACP must comply with the host agency's statutes and rules of procedure. By no means are we creating another regulatory bureaucracy. In truth, we are seeking to make the present bureaucracy more responsive to citizen interests.

Moreover, the ACP has no decisionmaking authority. Its mission is to insure that decisionmakers have all the consumer-related facts at their disposal. The decision as to what balance should be struck between competing interests remains with the administrative regulatory body. The public interest, however, can only emerge from the honest and effective confrontation of differing interests represented with comparable resources and intensity.

I urge my colleagues to support this important legislation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to H.R. 7575, legislation to establish an Agency for Consumer Protection. If passed, H.R. 7575 would create a new superbureaucracy that overlap and duplicate existing consumer protection activities within the Federal Government.

This bill is fundamentally defective because it assumes that Congress can establish a single agency to act as an advocate for consumers as a class. The fact is that there are as many consumers as there are citizens. Their interests are diverse. No single Federal agency could possibly represent them all. What best represents them are the laws of supply and demand in a free marketplace In addition, consumers can always appeal for relief to individual Congressmen or to Congress as a whole.

Since it is impossible for an agency to represent the diverse interests of all consumers, it would inevitably develop that an agency for consumer protection would represent some consumers while others would be left unrepresented. By establishing a mechanism for the determination of "consumer interest," such as an agency for consumer protection, the Congress would—at a $10 million plus yearly budget—be providing a perfect outlet for the lobbying activities of the professional group "do-gooders." Those individual consumers whose interests happen to differ from those of the dominant consumer lobby would be left unrepresented by an agency for consumer protection—this with the additional handicap of having their tax dollars used to support the opposing position. I am convinced that, should this bill become law, consumers would feel that Congress would not only be regulating the producers of consumer goods but also the demands of the consumers themselves.

Additionally, I believe that the creation of an agency for consumer protection which would be empowered to intervene at whim either in court or through administrative proceedings would create a chaotic situation which would hamper—rather than promote—the administration of justice. Enabling an agency such as is proposed by this legislation to delay final determination of disputes of consumer complaints would serve to enhance the power of these professional consumer lobbies at the expense of denying justice to the individuals involved. Congress should not authorize legislation that would interfere with the disciplines of the free market. It is in the best interest of the general public—both consumer and producer—that there be speedy resolution of legal and administrative disputes.

Members of Congress should not delegate away to a massive bureaucratic agency their responsibility to represent the interests of the constituents/consumers in the United States. It is the elected official who is most responsive to the needs of the people, not the unelected bureaucrat.

Another massive Government bureaucracy is not needed. In addition to the Office of Consumer Affairs, headed by a special assistant to the President, numerous consumer representatives can be found functioning throughout government at all levels—local, State, and Federal. Besides the Federal Trade Commission, which is now the largest Federal agency concerned primarily with consumer protection, a recent study prepared for Mrs. Virginia Knauer, head of the Office of Consumer Affairs, found that 413 units of the Federal Government are presently administering consumer related activities. Thus it appears that the Federal Government is already making a strong commitment to consumer protection and advocacy.

Proponents of H.R. 7575 are no doubt motivated by high principles. Yet, in the process of attempting to protect the consumer, their bill would give unprecedented and potentially dangerous power to the new agency's director and staff to take action against Government bodies, industry, and business. Such concentration of powers would be open to future expansion and abuse.

In recent years, American consumers have demonstrated increased knowledge and sophistication in the marketplace. Private consumer groups and State and local consumer agencies are proving that they can aggressively and effectively deal with those who would fleece and deceive consumers. Local radio and television stations provide "omsbudsmen" who assist consumers in processing complaint and reaching a satisfactory resolution of the dispute. The power of the press to not only gain total access to producers who may have abused consumer interests, but to also insure that permanent corrective action is taken, cannot be underestimated. Certainly, activity such as this at a level closer to the individual consumer, is infinitely more effective than a huge Federal bureaucracy dictating from Washington what individual consumers should be receiving.

Consumers—and each of us in America is one—need to regain control of their own lives. At the same time, they need less, not more, Government paternalism and dictation. H.R. 7575 is a bad bill, bad public policy, and bad for consumers. I urge my colleagues to join me in voting against this legislation and for the rights of the consumer to make choices in a free and open marketpalce.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I'd like to take this opportunity to express my views on what I consider to be a most harmful and dangerous piece of legislation, namely H.R. 7575, to establish an Agency for Consumer Protection.

During the August recess, I had ample opportunity to meet and talk with my constituents. The most often expressed comment was "Get the Government off my back." The American people are sick and tired of an ever-increasing Federal bureaucracy trying to regulate every aspect of their personal lives and businesses. Our well-known and much admired former colleague, the Honorable Sam Ervin, has, with his usual flair for words, expressed it best:

> The Federal bureaucracy has become like the third curse of Moses—a suffocating

plague of frogs brought forth from out of where they belong, into the villages and the very houses of the people.

H.R. 7575 will only serve to perpetuate this plague. At a time when our citizens are demanding a halt to the trend toward big government, this bill adds another layer to the Federal bureaucracy. It establishes an Agency for Consumer Protection, the purpose of which is to act as an advocate of consumer interests in agency and court proceedings. Proponents of the bill say such legislation is needed because the regulatory agencies are not responsive to consumer interests but rather to the special interests they were designed to oversee. Therefore, since the regulatory agencies are not doing their job properly, the answer is to create another regulatory agency to monitor the activities of the already existing agencies. If there is logic to this approach, I certainly cannot see it.

My colleagues on the Government Operations Committee who opposed this bill raised an excellent point in their minority views. The point is, who is the consumer and what is his interest? Our Nation consists of some 210 million individuals, every single one of whom is a consumer. There can be no one viewpoint representing us all. How could the Agency for Consumer Protection possibly choose, in a fair and equitable manner, which interest to represent. That it will have the power to make such a decision is frightening.

I believe another question well worth asking is, Do the consumers of this Nation really want another Government agency to "protect" their interests? I think not. My mail from constituents has been overwhelmingly opposed to this legislation. Editorials from newspapers across the country have blasted the creation of an additional Federal bureaucracy. The National Federation of Independent Business found 84 percent of its membership opposed to this bill. A recent study by the Opinion Research Corp. revealed that only 13 percent of the consuming public favored a new agency and of that 13 percent, 6 percent opposed an agency that would cost $60 million over 3 years. At a time when our Nation is suffering the economic consequences of prolonged deficit spending, I hardly think it is wise to initiate new spending programs. In addition, the cost to consumers will go beyond the use of their hard-earned tax money to support the creation of an Agency for Consumer Protection. The cost in redtape, delays, and general slowdown of the process of Government, will be immeasurable.

There can be no doubt that we need regulatory reform. I support the President in his contention that the best way to protect the consumer is to improve the existing institutions of government, not add more government. We already have a myriad of Federal agencies operating consumer programs, such as the Office of Consumer Affairs, the Consumer Product Safety Commission, the Federal Trade Commission, the Food and the existing institutions of government, Drug Administration, and so forth. If these agencies are not doing their jobs properly, the obvious answer is to take some action to insure that they do. There is no valid reason to create another Government agency that will only duplicate existing efforts.

The issue of creation of an Agency for Consumer Protection has been before Congress for a number of years but has never successfully passed both Houses. I think it is time to let this bill die a well-deserved death and get down to the serious business of instituting some real regulatory reform.

Mr. FASCELL. Mr. Chairman, as a cosponsor of H.R. 7575, it gives me great pleasure to say a few words today in support of the measure. This is not the first time I have stood in support of this measure nor is it for many of my colleagues here—many of us have fought long and hard for the establishment of a consumer advocacy agency. Last year this body passed a bill almost identical to the one before us now by a vote of 293 to 94. Unfortunately the Senate got caught in a filibuster and the 93d Congress ended without an Agency for Consumer Protection. Mr. Chairman, I do not think we can tolerate any further delays on this measure.

H.R. 7575 establishes an independent nonregulatory Agency for Consumer Protection within the executive branch of the Federal Government whose principal function will be to represent and protect the interests of consumers in proceedings and activities of Federal agencies and courts that may substantially affect these interests. The purpose of this bill is to give consumers adequate representation in the Federal decisionmaking process.

It has long been recognized that the multitude of Federal agencies whose policies and decisions affect the well-being of consumers have not adequately protected consumer interests. Consumer interests just do not have the priority of attention that was expected when those agencies were created. The major reason for this is the imbalance in representation between consumer and business interests. The business community has vast resources at its command in dealing with Federal departments and agencies—the representation of consumers is generally weak or nonexistent. Hardly any decision of importance is made by the agencies without an input by the business community—few are made where consumer interests have been fully and effectively presented. It goes without saying that the voice of a single consumer or even a group of consumers is so small, having none of the financial, technical, and legal resources of the industries, that they carry little or no influence with an agency.

Since the major criticism raised about the creation of an Agency for Consumer Protection is based on the argument for regulatory reform, let me say a few words in this regard. This new consumer agency will have no regulatory authority. It cannot overrule, veto or impair any Federal agency's final determinations. The creation of an Agency for Consumer Protection will itself be a vital component of regulatory reform and will facilitate additional reform by spotlighting regulatory programs that are inflationary or that serve narrow special interests. This is a well-balanced and carefully drawn bill which takes into account both the needs of consumers for effective representation and the valid concerns of business and industry for fair treatment and orderly procedures.

Mr. Chairman, in conclusion let me say that an Agency for Consumer Protection is not a revolutionary idea—it merely seeks to establish a rough equity for the consumer with the business and trade associations which are now well represented within the Federal regulatory process. This Agency is only an extension of existing authority in that they will be providing the Federal agencies with information and data on behalf of the consumer that the Federal agencies need to make a fully-informed decision.

I urge my colleagues to support this bill with the kind of overwhelming vote we have shown in the past.

I want to share with you an excellent statement on the need for this legislation by the National Council of Jewish Women:

Agency for Consumer Advocacy

(By the National Council of Jewish Women, Inc.)

The Executive Committee of the National Council of Jewish Women in meeting assembled, urges the House of Representatives to adopt H.R. 7575, the Consumer Protection Act.

For over a decade, the National Council of Jewish Women has actively supported a consumer protection program and the establishment of a Consumer Advocacy Agency.

Every day hundreds of Federal agency decisions are made which affect consumers. Often the decision maker is not aware of the impact that the decision may have on consumers. It has been estimated by a competent observer that industry representatives outnumber consumer representatives 100–1 in appearances before Federal agencies.

In a period of high technological development, with excessive use of chemicals in foods and serious hazards facing the environment, protection for the consumer is imperative.

In a public statement earlier this year, President Ford suggested that the ". . . existing regulatory agencies should be improved." He announced that he had ordered all executive departments and agencies to "make major improvements in the quality of service to the consumer." The best means of achieving improvements is to establish a Consumer Advocacy Agency which will have the resources and the authority to monitor services.

The National Council of Jewish Women urges the Congress to adopt H.R. 7575 with a large enough majority to discourage a Presidential veto, or enough to override it should President Ford choose to reject the legislation.

Mr. BROOKS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Protection Act of 1975".

AMENDMENT OFFERED BY MR. LEVITAS AS A SUBSTITUTE

Mr. LEVITAS. Mr. Chairman, I offer an amendment as a substitute.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS as a substitute:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy that it is the primary responsibility of each Federal agency to serve and protect the consuming public and to orient its operations toward this goal; and that it is within the legitimate oversight authority and responsibility of the Congress to establish mechanisms whereby the operations of Federal agencies may be subjected to critical examination to insure that those purposes are faithfully pursued.

ESTABLISHMENT

SEC. 3. (a) (1) There is hereby established an office of the Congress to be known as the Office of Consumer Protection. The Office shall be headed by a Director who shall be nominated by the President pro tempore of the Senate and the Speaker of the House of Representatives, and confirmed by majority vote of the Senate and of the House of Representatives. The Director shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Office a Deputy Director who shall be appointed by the Director. The Deputy Director shall perform such functions, powers, and duties as may be prescribed from time to time by the Director and shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the office of, the Director. The Director and Deputy Director may be removed by either House by resolution.

(2) The term of office of the Director first appointed shall expire at noon on January 3, 1979, and the terms of office of Directors subsequently appointed shall expire at noon on January 3 of each fourth year thereafter. Any individual appointed as Director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed. Any Deputy Director shall serve until the expiration of the term of office of the Director who appointed him (and until his successor is appointed), unless sooner removed by the Director.

(3) The Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as in effect from time to time, for level III of the Executive Schedule in section 5314 of title 5, United States Code. The Deputy Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as so in effect, for level IV of the Executive Schedule in section 5315 of such title.

(b) No employee of the Office while serving in such position may engage in any business, vocation, or other employment or have other interests which are inconsistent with his official responsibilities.

POWERS AND DUTIES OF THE DIRECTOR

SEC. 4. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of the Office and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Director is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Director compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

(4) promulgate such rules as may be necessary to carry out the functions vested in him or in the Office, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of Federal agencies and of State and private agencies and instrumentalities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Office and on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(c) Upon request made by the Director, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Office in the performance of its functions.

(d) The Director shall transmit to the Congress and the President in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the Office during the preceding calendar year including a summary of consumer complaints received and actions thereon and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the interests of consumers within the United States. Each such report shall include a summary and evaluation of selected major consumer programs of each Federal agency, including, but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration, or enforcement of such programs.

FUNCTIONS OF THE OFFICE

SEC. 5. (a) The Office shall, in the performance of its functions, advise the Congress as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Office shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) encourage and support research, studies, and testing of consumer products and improved products, services, and consumer information, to the extent authorized in section 8 of this Act;

(3) submit recommendations annually to the Congress on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies; and

(6) keep the appropriate committees of Congress fully and currently informed of all its activities, except that this paragraph is not authority to withhold information requested by individual Members of Congress.

CONSUMER COMPLAINTS

SEC. 6. (a) Whenever the Director receives a consumer complaint with regard to a Federal agency proceeding or activity substantially affecting an interest of consumers, and he determines that such complaint has a reasonable probability of being true and of being motivated by a significant grievance, he shall solicit the response of such agency to such complaint, and conduct such further investigation as he deems necessary to the making of a report under subsection (b) (2).

(b) (1) The Director shall, on a monthly basis, publish in the Federal Register and submit to the Committees on Government Operations of the House of Representatives and of the Senate a complete list, by general subject matter, of all consumer complaints which were the subject matter of investigations conducted pursuant to subsection (a).

(2) The Director shall maintain a file with regard to each consumer complaint investigated pursuant to subsection (a), which file shall be available to Members of Congress, to either House of Congress, and, to the extent of matter within its jurisdiction, to any committee of Congress, whether joint, standing, or select, or to any subcommittee thereof. Such file shall contain—

(A) the allegations contained in the original consumer complaint or complaints prompting the investigation;

(B) the response of the respective agency to such allegations;

(C) any additional factual material resulting from further investigation;

(D) a report by the Director setting forth—

(i) his conclusions as to any facts in dispute between the complainant and the agency;

(ii) the extent to which investigation of the complaint resulted in agency action favorable to the complainant, or the extent to which information supplied by the agency under subsection ( ) resulted in further administrative or judicial proceedings;

(iii) the extent to which agency action in response to the complaint is impeded by the current state of the law;

(iv) the extent to which agency action in response to the complaint is based on the exercise of discretion vested in the agency;

(v) any recommendations for legislative action which might help to avert future legitimate complaints of a similar nature;

(vi) a brief estimate of the cost of the investigation to the Office, including the cost of preparation of the report and recommendations.

(c)(1) Whenever the Office receives from any source, or develops on its own initiative, any complaint or other information affecting the interests of consumers and disclosing a probable violation of—

(A) a law of the United States,

(B) a rule or order of a Federal agency or officer, or

(c) a judgment, decree, or order of any court of the United States involving a matter of Federal law, it shall take such action within its authority as may be desirable, including the proposal of legislation, or shall promptly transmit such complaint or other information to the Federal agency or officer charged with the duty of enforcing such law, rule, order, judgment, or decree, for appropriate action.

(2) The Office shall ascertain the nature and extent of action taken with regard to respective complaints and other information transmitted under subsection (c) of this section.

(d) The Office shall maintain a public document room containing an up-to-date listing of all signed consumer complaints of any significance for public inspection and copying which the Office has received, arranged in meaningful and useful categories, together with annotations of actions taken by it. Complaints shall be listed and made available for public inspection and copying only if—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had sixty days to comment on such complaint and such comment, when received is displayed together with the complaint; and

(3) the entity to which the complaint has been referred has had sixty days to notify the Office what action, if any, it intends to take with respect to the complaint.

REPRESENTATION OF CONSUMERS

SEC. 7. (a) Whenever a committee of the Congress having specific oversight responsibility with respect to the operations of a Federal agency determines that the result of a proceeding or activity of such agency may substantially affect an interest of consumers, such committee may by resolution order the Director to intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. The Director shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Director in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Except as provided in subsection (c), the Director may be directed to intervene as a party or otherwise participate in any Federal agency proceeding which is subject to section 553, 554, 556, or 557 of title 5, United States Code, or to any other statute or regulation authorizing a hearing, or which is conducted on the record after opportunity for an agency hearing.

(2) Except as provided in subsection (c), in any Federal agency proceeding not covered by paragraph (1), or any other Federal agency activity, the Director may be directed to participate or communicate in any manner that any person may participate or communicate under Federal agency statutes, rules, or practices. The Federal agency shall give consideration to the written or oral submission of the Director. Such submission shall be presented in an orderly manner and without causing undue delay.

(b) At such time as the Director is ordered to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth the findings of the oversight committee under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of this statement in the proceeding.

(c) In—

(1) any Federal agency proceeding seeking primarily to impose a fine or forfeiture which the agency may impose under its own authority for an alleged violation of a statute of the United States or of a rule, order, or decree promulgated thereunder, or

(2) any action in any court of the United States to which the United States or any Federal agency is a party,

and which in the opinion of the Director may substantially affect the interests of consumers, the Director upon his own motion, or upon written request made by the officer or employee who is charged with the duty of presenting the case for the United States or the Federal agency in the proceeding or action, may transmit to such officer or employee all evidence and information in the possession of the Director relevant to the proceeding or action and may, in the discretion of the Federal agency or court, appear as amiens curiae and present written or oral argument to such agency or court.

(d) To the extent that any person, if aggrieved, would have a right of judicial review by law, the Director may, at the direction by resolution of the committee of the Congress having primary oversight responsibility, institute, or intervene as a party, in a proceeding in a court of the United States involving judicial review of any Federal agency action which such committee determines substantially affects the interests of consumers, except that where the Director did not intervene or participate in the Federal agency proceeding or activity involved, the court shall determine whether the Director's institution of the judicial proceeding would be necessary to the interests of justice. Before instituting a proceeding to obtain judicial review in a case where the Director did not intervene or participate in the Federal agency proceeding or activity, the Director shall petition the Federal agency for rehearing or reconsideration of its action if the Federal agency statutes or rules specifically authorize rehearing or reconsideration. The petition shall be filed within sixty days after the Federal agency action or within such longer time as may be allowed by Federal agency procedures. If the Federal agency does not act finally upon such petition within sixty days after filing thereof, or within any shorter time, less five days, as may be provided by law for the initiation of judicial review, the Director may institute a proceeding for judicial review immediately. The participation of the Director in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

(e) When the committee of the Congress having primary oversight responsibility determines it to be in the interests of consumers, such committee may by resolution order the Director to request the Federal agency concerned to initiate such proceeding or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Office of the reasons for its failure and such notification shall be a matter of public record. To the extent that any person, if aggrieved, would have a right of judicial review by law, such committee may by resolution order the Director to institute a proceeding in a court of the United States to secure review of the action of a Federal agency or its refusal to act.

(f) Appearances by the Office under this section shall be in its own name and shall be made by qualified representatives designated by the Director.

(g) In any Federal agency proceeding to which the Office is a party, the Office is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(h) The Office is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Nothing in this section shall be construed to prohibit the Office from communicating with Federal, State, or local agencies at times and in manners not inconsistent with law or agency rules.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) The Office shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data concerning—

(1) the functions and duties of the Office;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Director possess information which would be useful to consumers are authorized and directed to cooperate with the Office in making such information available to the public.

TESTING AND RESEARCH

SEC. 9. (a) The Office shall, in the exercise of its functions—

(1) encourage and support through both public and private entities the development and application of methods and techniques for testing materials, mechanisms, components, structures, and processes used in consumer products and for improving consumer services;

(2) make recommendations to the Congress with respect to research, studies, analyses, and other information within the authority of Federal agencies which would be useful and beneficial to consumers; and

(3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation which would administer a voluntary, self-supporting, information tag program (similar to the "Tel-Tag" program of Great Britain) under which any manufacturer of a nonperishable consumer product to be sold at retail could be authorized to attach to each copy of such product a tag, standard in form, containing information, based on uniform standards relating to the performance, safety, durability, and care of the product.

(b) All Federal agencies which, in the judgment of the Director, possess testing facilities and staff relating to the performance of consumer products and services, are authorized to perform promptly, to the greatest practicable extent within their capability, such tests as the Director may request in the exercise of his functions under sections 6 or 7 of this Act, regarding products, services, or any matter affecting the interests of consumers. Such tests shall, to the extent possible, be conducted in accordance with generally accepted methodologies and procedures, and in every case when the test results are published, the methodologies and procedures used shall be available along with the test results. The results of such tests may be used or published only in connection with operations which the Office is conducting pursuant to sections 6 or 7. In providing facilities and staff upon request made in writing by the Director Federal agencies—

(1) may perform functions under this section without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

(2) may request any other Federal agency to supply such statistics, data, progress reports, and other information as the Director deems necessary to carry out his functions under this section and any such other agency is authorized and directed to cooperate to the extent permitted by law by furnishing such materials; and

(3) may, to the extent necessary and authorized, acquire or establish additional facilities and purchase additional equipment for the purpose of carrying out the purposes of this section.

(c) Neither a Federal agency engaged in testing products under this Act nor the Director shall declare one product to be better or a better buy, than any other product; however, the provisions of this susbsection shall not prohibit the use or publication of test data as provided in subsection (b).

INFORMATION GATHERING

SEC. 10. (a) (1) To the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, the Director is authorized, upon direction by resolution of a committee of the Congress of appropriate jurisdiction, to issue written interrogatories or requests for reports and other related information to any person engaged in a trade, business, or industry which substantially affects interstate commerce. Such interrogatories or requests shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought.

(2) Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person, or shall require the disclosure of information which would violate any relationship privileged according to law.

(3) The Director shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record;

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending Federal agency proceeding against the person to whom the interrogatories are addressed.

(4) In the event of noncompliance with any interrogatories or requests submitted to any person by the Director pursuant to paragraph (1), any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Director. The district court of the United States shall issue an order upon petition by the Director or on a motion to quash, and upon the Director's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excessively burdensome.

(b) (1) Upon written request by the Director, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Director deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Director access to and copies of—

(A) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(B) policy recommendations by Federal agency personnel intended for internal agency use only;

(C) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(D) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(E) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency; and

(F) trade secrets and commercial or financial information described in section 552 (b) (4) of title 5, United States Code—

(i) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Director that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Director for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(ii) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Director access to trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity to comment or seek injunctive relief. Where access to information is denied to the Director by a Federal agency pursuant to this subsection, the head of the agency and the Director shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections. The Director may file a complaint in court to enforce its rights under this subsection in the same manner and subject to the same conditions as a complainant under section 552(a) (3) of title 5, United States Code.

(2) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Director from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof or any book containing any abstracts or particulars thereof to be seen or examined by the Director, except as provided by law.

(c) (1) The Office shall not disclose to the public or to any State or local agency—

(A) any information (other than complaints published pursuant to section 6 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b) (4) of title 5, United States Code, obtained from a person and privileged or confidential; or

(B) any information which was received solely from a Federal agency when such agency has notified the Office that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal Agency has specified that such information may be disclosed in a particular form or manner, the Office may disclose such information in such form or manner.

(2) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which is prohibited by law.

(3) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 7 the following additional provisions shall govern:

(A) The Director in releasing information concerning consumer products and services, shall determine that (i) such information, so far as practicable, is accurate, and (ii) no part of such information is prohibited from disclosure by law. The Director shall comply with any notice by a Federal agency pursuant to section 10(c) (1) (B) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(B) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (i) not all products of a competitive nature have been tested, if such is the case, and (ii) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(C) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

PROTECTION OF THE CONSUMER INTEREST IN ADMINISTRATIVE PROCEEDINGS

SEC. 11. Every Federal agency in considering any Federal agency action which may substantially affect the interests of consumers including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions, shall—

(1) notify the Office at such time as notice of the action is given to the public, or at such times and in such manner as may be fixed by agreement between the Director and each agency with respect to the consideration of specific actions, or when notification of a specific action or proceeding is requested in writing by the Office; and

(2) consistent with its statutory responsibilities, take such action with due consideration to the interests of consumers.

In taking any action under paragraph (2), upon request of the Office or in those cases where a public announcement would normally be made, the Federal agency concerned shall indicate concisely in a public announcement of such action the consideration given to the interests of consumers. This section shall be enforceable in a court of the United States only upon petition of the Office.

SAVING PROVISIONS

SEC. 12. (a) Nothing contained in this Act shall be construed to alter, modify, or impair the statutory responsibility and authority contained in section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 481(a)(4)), or of any provision of the antitrust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

(b) Nothing contained in this Act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

DEFINITIONS

SEC. 13. As used in this Act—

(1) The term "Office" means the Office of Consumer Protection.

(2) The words "agency," "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding" shall have the same meaning as set forth in section 551 of title 5, United States Code.

(3) The term "consumer" means any person who uses for personal, family, or household purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territories of the Pacific Islands.

EXEMPTIONS

SEC. 14. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Energy Research and Development Administration, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

SEX DISCRIMINATION

SEC. 15. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or deny any other legal remedies available to a discriminatee.

APPROPRIATIONS

SEC. 16. There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1976, for the transitional period July 1, 1976, through September 30, 1976, for the fiscal year ending September 30, 1977, and for the fiscal year ending September 30, 1978.

EFFECTIVE DATE

SEC. 17. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 18. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. ROSENTHAL. Mr. Chairman, reserving the right to object, it is impossible to make any judgment first, as to whether a valid point of order might be made against this amendment, and, second, as to whether it has any merit or not. So, although I hate to object, I think that I must.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk continued to read.

Mr. LEVITAS (during the reading). Mr. Chairman, I again ask unanimous consent that the amendment offered as a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. I there objection to the request of the gentleman from Georgia?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read.

Mr. STEIGER of Arizona (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute by the gentleman from Georgia (Mr. LEVITAS), be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read.

Mr. ERLENBORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

POINT OF ORDER

Mr. BROOKS. Mr. Chairman, I make a point of order. The point of order would be under rule XVI, clause 7, 798(c) that the amendment be recommitted to the committee reporting the bill.

I feel that the point of order is clearly valid but in all fairness I would reserve it until the author of the substitute has addressed the Chamber.

The CHAIRMAN. The gentleman from Texas reserves a point of order.

The gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes in support of his amendment.

Mr. LEVITAS. Mr. Chairman, first of all I would like to thank the gentleman from Texas for reserving his point of order and permitting me the opportunity of addressing myself to this issue because I think there is a very important point that needs to be made.

The main thrust of H.R. 7575 is to provide a vehicle to make the regulatory and independent agencies do the job they were set up to do. It is agreed that this proposed new agency will not itself provide any new consumer protection but rather any real consumer protection provided by the Federal Government, must come, if at all, from these agencies, whether it is the Federal Trade Commission, the Food and Drug Administration, the Consumer Products Safety Commission, or whatever other one of the bureaucratic agencies is involved. The job therefore, according to the concept of this bill, is to get these existing regulatory agencies to do the job they were supposed to do in the first place—not to set up a new bureaucracy to do the same job. It seems to me that the statement of purpose in both the bill and my proposed substitute recognize this important fact.

But then the question remains: Whose job is it under the Constitution to see that the agencies, the executive, independent, and regulatory agencies of Government do their job? And I think quite clearly it is a function of the Congress of the United States acting through its committees to see that the Congress performs its responsibilities in oversight to insure that the bureaucratic agencies do their job without the creation of a brand new agency in the executive branch of the Government.

The substitute amendment I have offered would do just that. My substitute would provide an arm of the Congress, and I repeat an arm of the Congress, to enable the Congress to carry out its responsibilities in pursuing oversight of existing executive and independent agencies.

It would provide that the Director of this Office, which would be known as the Office of Consumer Protection, as an arm of the Congress, would be appointed by the President pro tem of the Senate and the Speaker of the House. The Director would be appointed subject to confirmation by both Houses.

It would be up to the Congress to see that these manifold bureaucratic agencies do their job and not create another brand new, executive bureaucracy agency to see that these already-existing numerous agencies do their job—the jobs they are supposed to do.

There is precedent for this. Perhaps the one arm of Government that has received the greatest and highest regard for its effective and independent work is the General Accounting Office and this proposed Office of Consumer Protection as an arm of the Congress would parallel in every important particular, the General Accounting Office's relationships with Congress and the executive branch. The actions of the office would be effective and at the same time responsible to the public through their elected officials and subject to the momentum and yet the responsible restraint of the elected Congress.

Mr. Chairman, there is a need for consumer protection. Let no one doubt that. My record shows I have voted for and supported these needs as vigorously as possible. The people in my district, and the people in other districts across America, say they want and need effective consumer protection but they say, just as clearly and loudly, they do not want another brandnew agency in the executive branch of the Government. They have had it up to their necks with new agencies and bureaus and departments, that are not subject to the control and restraint of their elected representatives.

The amendment, in the form of a substitute, which I am proposing today, would permit us to have effective consumer protection through the traditional oversight functions of Congress—elected by and responsible to the public—performed by its Office of Consumer Protection which this body could establish by the adoption of my substitute.

I urge each Member who favors consumer protection, but who does not want to create more and more new executive agencies not responsible to the consuming public or anyone else, to vote for my proposal to establish the Congressional Office of Consumer Protection.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas insist on his point of order?

Mr. BROOKS. I do, Mr. Chairman. I would review and point out that in rule 16, section 78(c), committee jurisdiction as a test of germaneness is the section to which I refer, and it is quite obvious that this substitute amendment would give considerable authority and jurisdiction in this entire field to a branch of the Congress and would, if independently introduced, be referred undoubtedly to some other committee, other than the Committee on Government Operations. It would probably go to the Committee on House Administration and to the Committee on Rules, or maybe to all three.

I would rest on that argument that this substitute amendment is not germane and that a point of order lies against it.

The CHAIRMAN. Does the gentleman from Georgia wish to be heard on the point of order?

Mr. LEVITAS. Yes, Mr. Chairman.

I must say, I am somewhat taken by surprise that the chairman of the committee did offer this point of order, but it occurs to me, nevertheless, having one or two precedents here that perhaps that point of order is not well taken.

The question of germaneness, I believe, is quite clearly not confined to which committee has jurisdiction in reporting the original legislation.

I think that there are ample precedents to establish the fact that the question of committee jurisdiction itself is not a sufficient test of germaneness.

I would like to cite three precedents in particular that I think are quite pertinent and I will refer to the first in some detail because I think it is the most important. It is a precedent that occurred on December 15, 1937, and involves a ruling by the Chairman at that time. The point of order that was then made related to whether or not a Department of Labor—a proposal was made that would set up an authority within an independent agency. The substitute provided, however, for setting up a bureau as a division of the Department of Labor under an administrator, whereas the Senate bill provided for the establishment of an independent board.

In ruling that the point of order was not well taken, the Chair pointed out and quoted from Cannon's Precedents, volume 8, section 2993:

> The meaning of the word "germane" is akin to, or near to, or appropriate to, or relevant to, and "germane" amendments must bear such relationship to the provisions of the bill as well as meet other tests; that is, that they be a natural and logical sequence to the subject matter, and propose such modifications as would naturally, properly, and reasonably be anticipated.

Now, as I pointed out in my remarks, the purpose of both these bills is quite clearly to get the executive and the independent agencies to do their jobs. This is clearly stated in the findings incorporated in both pieces of the legislation that are offered. The only difference is which vehicle is to be used to carry out the responsibility of seeing that the independent agencies do their job. In further making his ruling, the Chair said as follows:

> It seems to the Chair that this entire question turns upon one point, and that is whether a new agency proposed by the amendment offered by the lady from New Jersey to administer the provisions of the pending bill is so different from the agency set up in the Senate bill to accomplish that purpose as to warrant the Chair holding the amendment not germane. It seems to the Chair that the other provisions in the pending bill involve solely a question of detail, and do not, in and of themselves, provide a great departure from the terms of the Senate bill. Therefore, it appears to the Chair that the point for him to determine is whether the change in agency to administer this act is so different as to make the amendment not germane.
>
> Again referring to those decisions of germaneness made in the past, in the consideration of farm legislation, the Chair would distinguish them in this manner: The amendments in those cases, it seems to the Chair, were not ruled out on the ground that the substitution of a new governmental agency to administer the terms of the bill were not germane, but went, rather, to the authority of the new agency proposed to use a new and unrelated method in accomplishing that end. The Chair thinks that there is a decided difference between the substitution of a new agency to administer the law and the substitution of a new method of accomplishing a predetermined end.

It seems to me, Mr. Chairman, that it is quite clear, based on the statement of findings in both bills, that the purpose of both is the same. The agency to carry it out only differs.

Concluding my point, Mr. Chairman, again in that precedent the Chair quoted from Cannon's Precedents, volume 8, section 4056, wherein it was held—

> To a bill proposing the adjudication of claims arising out of informal contracts with the Government, "through the agency of the Secretary of War," an amendment proposing to adjudicate such claims through the agency of a commission appointed for that purpose was held to be germane.

One of those was a cabinet post, the other was a quasi-judicial body.

The Chair in that case stated:

> The bill before the House has for its object the validating and settling of damages arising out of informal contracts made by the War Department. The bill before the House provides that the Secretary of War, or any of his agents or representatives, can adjust and settle these differences. The amendment of the gentleman from Pennsylvania provides a different method or a different agent or a different tribunal to settle these differences. The Chair believes it is germane to the bill before the House. The Chair does not believe the House is confined to the particular method of settlement of these claims that the committee reports. The Chair believes the amendment is germane, proposing another vehicle, and it is for the House to determine which shall be adopted.

The other two precedents, Mr. Chairman, which I would like to cite are as follows: One was the ruling of the Chairman, Mr. Lanham, in the RECORD of June 9, 1941, reported at page 4905; and most recently, Mr. Chairman, the ruling of the Chair on December 19, 1973, found at page 42615.

Based on those authorities, Mr. Chairman, I submit that the test of germaneness is whether the substance to be accomplished is akin to the substance in the bill itself. I think that is quite clearly the case, as a reading of the findings in both situations provide. The only difference is the vehicle to carry it out, and I think it is quite clear in this instance that the precedents I called to the attention of the Chair of 1937 are quite clearly in point.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. ROUSSELOT. I do, Mr. Chairman.

Mr. Chairman, I believe the gentleman from Georgia has made excellent points as to why, in fact, the substitute is germane. I would simply like to point to the title of the bill itself, which I think in and of itself makes the substitute germane. The title says:

> To establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes.

So, in the title itself we see "within the Federal Government." I believe that the gentleman from Georgia's substitute is clearly within the framework of the title of the bill, and therefore it is in fact germane.

The CHAIRMAN. The Chair has listened with interest to all of those Members who oppose the point of order. The Chair has had an opportunity to research the matter, and the gentleman from Texas does make his point of order that the amendment offered by the gentleman from Georgia (Mr. Levitas) is not germane.

The bill H.R. 7575 would set up an independent agency within the executive branch to protect and represent the interests of consumers. The amendment in the nature of a substitute offered by the gentleman from Georgia, while related to the general purpose of the bill—the protection of consumer interests—would establish an Office for Consumer Protection as an office of the legislative branch to further strengthen "the legitimate oversight authority and responsibility of the Congress to establish mechanisms whereby the operations of Federal Agencies may be subjected to critical examination to insure that those purposes are faithfully pursued."

While the amendment tracks the bill in many respects, conferring upon the congressional office many of the authorities given to the agency in the bill, to initiate actions for the protection of consumers, a major function of the office as stated in section 7 of the amendment is to institute or intervene in actions to protect the interests of consumers whenever a committee having specific oversight responsibility adopts a resolution ordering the Director to so participate.

It thus appears to the Chair that a primary method contemplated by the amendment to achieve the common purpose of protecting consumer interests is not closely enough related to the methods contained in the bill to permit the amendment to be considered germane.

A landmark germaneness decision in this area, which was cited by the gentleman from Georgia (Mr. Levitas), is cited on page 515 of the House Rules and Manual, where Chairman McCormack ruled on December 15, 1937, that, for a bill to accomplish a result through regulation by a governmental agency, an amendment to accomplish the same fundamental purpose through regulation by another executive agency was held germane. (See also Cannon's Precedents, vol. 8, sec. 3056.)

The precedents also indicate, however, that, to one method of attaining an objective, an amendment to accomplish the same objective by a different and unrelated method not contemplated by the bill is not germane. (Deschler's Procedure, chap. 28, sec. 6.2).

For example, to a bill providing relief to foreign countries through Government agencies, an amendment providing for such relief to be made through the Red Cross was held not germane December 10, 1974, Record, page 1124-4, also cited on page 515 of the manual.

In the opinion of the Chair, the emphasis contained in the amendment in the nature of a substitute upon congressional oversight responsibilties and the authority conferred upon House and Senate committees to order certain actions to be undertaken by the Consumer Office in furtherance of those committees' oversight functions introduces an issue which is not sufficiently related to the scope of the pending bill.

The Chair therefore sustains the point of order.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time merely to explain to my colleagues the reason why I am not doing what I said I was going to do in the report on this bill. In my minority views on this bill, I stated to the House that I was going to offer H.R. 8769 as a substitute for this act. My intention really was to try to get some kind of legislation enacted into law that would help to accomplish the main purposes of consumer advocacy and at the same time eliminate the main objection of establishing a new agency, by setting up consumer advocacy departments or branches in the various regulatory agencies in the Departments of the Federal Government and, in this way, not create an additional, new layer of Federal bureaucracy.

Mr. Chairman, it was my intention to do this, but I have decided against such a course; and the reason is quite simple. I found that this idea is not supported by the administration, and I find that they do not like the approach. They probably like it better than the approach being offered by the committee to the House, but they do not like this approach either. They do not think it is necessary, and I am afraid they might even consider vetoing this bill if it is passed. So I have decided they do not want it.

I have tried to offer it and get some support for it from consumer advocates, self-styled and otherwise, but I find that they too do not seem to have much enthusiasm for this idea. They seem to want to go for broke, taking an all-or-nothing approach to the current legislation.

Mr. Chairman, my feeling in that connection is they will likely end up with nothing; but that seems to be their choice, and so be it.

So for that reason, I am not going to offer the substitute that I intended to offer, and I want to make that a part of the Record so my colleagues would know the reason I am not taking that action.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, the McCloskey amendment will have OMB transfer the consumer protection functions of all of the agencies and Departments of Government into this new Consumer Protection Agency.

So it would do exactly the opposite of what the gentleman in the well proposed. I think the gentleman had a good idea, and I think that each agency ought to be aware of and ought to be sensitive to consumer needs and complaints, but if the McCloskey amendment is adopted, we are going to tell all the agencies and departments that it is no longer their concern to worry about the consumer because we are going to put it wholly within the new Consumer Protection Agency.

Mr. WYDLER. Mr. Chairman, that is news to me, but I would say this to the gentleman: if that amendment does become part of the pending bill, my current state of uncertainty as to how I will vote on the legislation will be resolved in favor of a vote in the negative.

Mr. Chairman, I thank the gentleman for his statement.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

STATEMENT OF FINDINGS

Sec. 2. The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy.

ESTABLISHMENT

Sec. 3. (a) There is hereby established as an independent agency within the executive branch of the Government an Agency for Consumer Protection. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, or other employment or have another interests which are inconsistent with his official responsibilities.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 3 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. THORNTON

Mr. THORNTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Thornton: Page 2, strike out line 3 and everything that follows through line 23 and insert in lieu thereof the following:

ESTABLISHMENT

Sec. 3. (a) There is created an establishment of the Government to be known as the Agency for Consumers Protection, which shall be independent of the President and of the executive departments and under the control and direction of an Administrator.

(b) There shall be in the Agency for Consumer Protection an Administrator and a Deputy Administrator, each of whom shall be appointed by the President with the advice and consent of the Senate, and who shall hold office for a term of fifteen years, except as hereinafter provided in this section. The Deputy Administrator shall perform such duties as may be assigned to him by the Administrator, and during the absence or incapacity of the Administrator, or during a vacancy in that office, shall act as Administrator. The Administrator and the Deputy Administrator shall be compensated at the rates of $42,500 and $40,000, respectively, per annum.

(c) The Administrator shall not be eligible for reappointment. The Administrator or the Deputy Administrator may be removed at any time by joint resolution of Congress after notice and hearing, when, in the judgment of Congress the Administrator or Deputy Administrator has become permanently incapacitated or has been inefficient, or guilty of neglect of duty, or of malfeasance in office, or of any felony or conduct involving moral turpitude, and for no other cause and in no other manner except by impeachment. Any Administrator or Deputy Administrator removed in the manner provided in this section shall be ineligible for reappointment to that office. When an Administrator or Deputy Administrator attains the age of seventy years, he shall be retired from his office. Any Administrator who shall be so retired after serving at least ten years in his office, or who completes his term, shall receive an annuity computed in the same manner as that of the Comptroller General under section 303 of the Budget and Accounting Act, 1921; and his survivors may receive benefits in the same manner as survivors of a Comptroller General receive benefits under section 319 of such Act.

(d) No employee of the Agency for Consumer Protection (other than an expert or consultant employed under section 4(b)(2)) while serving in such position may engage in any other business, vocation, or employment, or have other interests which are inconsistent with his official responsibilities.

Page 28, strike out line 1 and everything that follows through line 9 and renumber the following sections accordingly.

Mr. THORNTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. The amendment was printed heretofore in the RECORD on November 4, 1975, at page 34965.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. THORNTON. Mr. Chairman, as discussed during the principal debate on this very important bill, there are some problems with an indefinite term of office for the Administrator of an agency which is as important for purposes of stability and permanence of purpose as the Consumer Advocate.

There is also a need, as has been related by a number of those who have addressed this Committee today, to translate the congressional intent, as expressed by the different laws which are passed by this Congress, into the rules and regulations and actions of the many executive agencies which make up the Federal bureaucracy.

We are fortunate in that we have a pattern available to us in order to make this needed improvement in the Consumer Protection Agency. That pattern has existed for many years. It has worked effectively and well, and we are all familiar with the function of the Comptroller General and the General Accounting Office. By structuring the Consumer Advocate role in this fashion, they will have a tenure of office which will insure independence of the Consumer Advocate's responsibility, and we will have the office subject to congressional review in that the Administrator serves for a term of 15 years and can only be removed for cause by joint resolution of the two Houses of Congress.

Consequently, although the Administrator is appointed by the President of the United States, his function becomes reflective of the will of the Congress of the United States.

It is my view that this dimension is vital if we are to have a truly effective consumer representation agency.

I mentioned during the general debate my own experience as attorney general of Arkansas in establishing within that office an independent consumer agency which has worked effectively and well in behalf of the consumers of that State. One reason it has worked well is that it is independent of the other executive offices.

How can we check the performance of executive agencies by an administrator who is part of the same administration.

Obviously, in the U.S. Government we do not have the provision for having an independently elected attorney general having the authority to appoint a consumer advocate. Therefore, other means must be found in order to provide this additional dimension which is so important in order to have the kind of stability and purpose which an adequate consumer protection agency must have. For that reason, it is necessary to turn to tried and true methods of creating such an office.

I think, as I stated initially today, we have such a method in the laws which structured the General Accounting Office.

I think that this amendment which I propose overcomes many of the objections to consumer protection agencies which have been voiced in the well. It would completely remove the problem of layering of another typical executive agency on top of the agencies which already exist; and it would, most of all, offer an avenue to the Congress of these United States to have a vehicle for performing their own duty of insuring that the executive agencies and bureaucracies perform their duties in accordance with the intent and will of these legislative bodies.

Mr. Chairman, I would hope that the chairman of the committee might agree to this amendment. I think it is a useful addition to the Consumer Protection Code which is now before this House.

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would say to the sponsor of the amendment that I certainly do agree with the purpose of his amendment.

His purpose is to try to get an administrator who will be independent of the executive branch, and that is a laudable purpose. However, I think that this would raise constitutional problems because what we would be doing is giving the legislative branch authority over an agency which exercises executive functions. I have very serious concern with regard to that aspect of the amendment.

Mr. Chairman I am also concerned about another aspect of the amendment. I feel that this Agency should be an agency which is a regular part of the executive branch of Government. The President should have the right to remove the administrator and the deputy administrator. I would note that the bill gives the Senate its constitutional right to advise and consent to the appointment of the administrator and the deputy administrator. I feel that normal procedures should be followed in this case.

I certainly agree with the gentleman that what we want to try to do is have an agency which is going to be as independent as possible and which can exercise its authority before the regulatory agencies without political interference, as it were, by the Executive.

I think that can be accomplished with the language we have in the bill; therefore I do oppose the amendment.

Mr. THORNTON. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I am happy to yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, I thank the gentleman for yielding and I certainly respect the attitude expressed by the gentleman from New York with regard to the substantive question. However, with regard to the question of constitutionality, I think the procedure to use is in the amendment which I have presented and that this would not be subject to constitutional attack in that the officer is appointed by the President with the advice and consent of the Senate and the control upon the officer stems not from any constitutional challenge as to his employment or his capability to carry forward the executive responsibilities, but merely that the Congress has greater authority over him because of his tenure in office because of the conditions under which he may be removed.

Mr. HORTON. I want to commend the gentleman from Arkansas. I think this is a very carefully worded amendment and the gentleman has certainly tried to skirt the constitutionality question and I believe he has done a good job in that respect.

Mr. THORNTON. Mr. Chairman, if the gentleman will yield further, let me phrase it that I tried to comply with the constitutional requirements.

Mr. HORTON. "Tried to comply" is correct. But my point is that the gentleman from Arkansas has drafted his amendment in order to avoid it being unconstitutional.

Mr. THORNTON. I thank the gentleman.

Mr. HORTON. But I continue to have a question with regard to the control that the legislative branch would have over the administrator according to the language that the gentleman has drafted, particularly the right of removal. I think there is a very serious constitutional question involved. Therefore I must oppose the amendment and hope it will be defeated.

Mr. BROOKS. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

I want to say first of all that I have the highest regard for the author of the amendment and for the tremendous job the gentleman has done in working toward consumer protection both in the country as a whole and in his home State of Arkansas where he has been an outstanding leader in this very field. For that reason I have given some deep thought to his suggestions in this particular area. I understand the gentleman's feelings about the results and about the poor performance of executive agencies under the administration, but I cannot support the amendment because it creates a whole new type of Government agency which is outside of the executive branch and not under the jurisdiction of the President. This is a unique arrangement that I think really does not fit smoothly into our constitutional system, as the gentleman from New York (Mr. HORTON) indicated.

In my opinion this type of arrangement as a possible option should be very thoroughly evaluated by the appropriate committee before it should be attempted.

I would say, despite my own reservations about the way in which the Government is run, as we all have reservations, I can see no practical alternative but to place the Consumer Protection Agency as an independent agency within the executive branch of this Government. I feel certain that the careful manner in which the bill has been drawn will make it likely that the agency can properly fulfill its purpose, mission, and function under the present administration.

I therefore would feel obliged to oppose the amendment and ask that it be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas (Mr. THORNTON).

The question was taken; and the Chairman announced that the noes appear to have it.

Mr. THORNTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Ms. JORDAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the fourth Congress which has debated a bill establishing an Agency for Consumer Protection. The bill numbers change, the name of the Agency changes, and some of the provisions of the bill change, but for the most part the issues are the same. The issues are the same because the problems consumers face are the same: price increases spurred by governmental decisions over which consumers have no control. Despite the many years of debate on this bill the voice of consumers is still largely ignored. That is precisely why an Agency for Consumer Protection is needed. And that is precisely why its creation is resisted so diligently.

Most economic forecasters have predicted a rise in industrial production and a slight rise in employment during the last 2 months of this year. But their forecasts for prices range from 5 to 15 percent increases. Critical to whether we are facing the danger of renewed inflation before recovery gets a strong start will be the rate of price increases for food and fuel. Major uncertainties include the extent of Soviet grain purchases and the size of grain crops here and in Europe. Fuel prices are dependent upon a series of congressional and regulatory decisions ranging from decontrol to emergency natural gas supplies. If the rate of fuel and food prices continues to rise at the rates of the first half of this year consumers will not only be hurt directly but the increases could retard or abort recovery.

During the next 2 months decisions made by the Department of Agriculture, Department of State, the Commerce Department, the Department of the Interior, the Federal Energy Administration, and the Federal Power Commission could have a major impact on food and fuel prices. Consumers need to be involved in these decisions. Their economic welfare depends upon the outcome. Without an Agency for Consumer Protection the voice of consumers will be as loud as it has in the past—barely heard.

To enable consumers to be heard before decisions are completed, to enable consumers to be heard inside the Government, an Agency for Consumer Protection is vital. We have had experience with the so-called consumer offices in the various departments and agencies. They simply do not work. They are not independent from their parent departments. Their budgets are severely constricted. They may not go to court. They are not authorized to collect and disseminate information on their own initiative. Their top administrators may be dismissed at will. Even their ability to handle simple consumer complaints is hampered by their overriding concern to make their parent departments look good.

Consumers demand more than runaround answers to complaints. They want to be represented when departments and agencies make decisions which affect the prices of the products they buy. They know that only an Agency for Consumer Protection can provide those services. There is no other alternative.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to direct some questions to the chairman of the committee, if I could. With respect to section 3, in section 3(b) it says:

> No employee of the Agency while serving in such position may engage in any business, vocation, or other employment or have other interests which are inconsistent with his official responsibilities.

In regard to this particular section, would that mean that any employee of this Agency could not also be a member of a law firm which had any cases dealing with consumers, or cases that would seem to be consumer cases; or would it exclude persons who would belong to volunteer groups which may have suits against the Government for similar activities?

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Pennsylvania. I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

It is my understanding that this is standard language on conflict of interest, and I would think that the precedents and the rulings affecting this same type of conflict of interest would preclude a lawyer from working for that Agency, remaining a member of a firm that had a major interest before that Agency, as would be the case in any other Government operation.

Mr. MYERS of Pennsylvania. A member of a firm which would have a major interest in a regulatory body that was being challenged by this particular Agency?

Mr. BROOKS. That would be challenged; that is correct. That would be my understanding.

Mr. MYERS of Pennsylvania. I thank the gentleman.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Pennsylvania. I yield to the gentleman from California.

Mr. BOB WILSON. I thank the gentleman for yielding.

Mr. Chairman, in communications with my constituents, one message continues to come through loud and clear: "Enough is enough." My constituents say they want less, not more Government, and I can tell you they are most emphatic. There is the tendency in Washington to feel that the solution to every problem is the passage of a new law, and this is the type of illogic which permeates the legislation we are considering now.

The stated purpose of the Agency for Consumer Protection, to be established by H.R. 7575, would be to represent and protect the interests of consumers in proceedings and activities of Federal agencies and courts. I do not believe, however, that the solution to every problem is the creation of another Government agency.

Let us take the regulatory structure, for example. There is no question that we need to review and revamp some of the present regulatory agencies which have been enshrouded in redtape and unresponsive to the needs of the public. Is the creation of yet another bureau to represent the public to the regulatory agencies the answer, especially when the regulators are not functioning properly? What do we do when the new Agency becomes mired in its own redtape and special interests? The answer is rhetorical. I wholeheartedly support, and have cosponsored implementing legislation for a thorough review of the regulatory structure, but we should not strangle ourselves in more redtape. Let us get to the heart of the problem, not simply add another layer.

The new bureaucracy to be established by H.R. 7575 will cost $60 million for the first 3 years and employ hundreds of additional employees, spewing out reams of paper in the Government's best "legalese." Although some supports of the bill would lead you to think so, this is not going to be an agency to go to battle for the individual citizen with a complaint about a product or service.

In recent years, we have made substantial, and much-needed, progress in protecting the rights of the public. The Federal Government is already involved in a number of consumer-related activities, and such agencies as the Consumer Product Safety Commission and the Federal Trade Commission have taken an active role. In addition, many State and local governments have established consumer protection offices which are doing an outstanding job on behalf of their respective constituencies, primarily because they are on the scene locally.

I do not mean to imply that the consumer has no problems. Rather, we must consider whether a Federal Agency for Consumer Protection is a worse cure than the original ailment. The public is tired of having more Government foisted upon them, only to find that they receive no real benefit for the additional expenditure of their tax dollars. We should work toward improving and streamlining existing Federal agencies and programs, not adding more.

Fortunately, the American taxpayer is far more perceptive than he is given credit for. As an example, while Congress is still tied in knots over how to deal with the energy crisis, a survey of any parking lot will show that the American consumer is dealing with the situation in a forthright manner: The gas guzzlers are disappearing from view. The people do not expect Government to do everything for them, and I think that this is the case with respect to public feeling on the new level of bureaucracy we are considering, and hopefully will reject, today.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS-18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

(4) promulgate such rules as may be necessary to carry out the functions vested in him or in the Agency, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Agency and on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions.

(d) The Administrator shall transmit to the Congress and the President in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the Agency during the preceding calendar year including a summary of consumer complaints received and actions taken thereon and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the interests of consumers within the United States. Each such report shall include a summary and evaluation of selected major consumer programs of each Federal agency, including, but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration, or enforcement of such programs.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 4 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bennett: On page 4, line 8, after the word "rules," add the following language: "for the internal operations of the Agency and binding only on the employees of the Agency".

Mr. BENNETT. Mr. Chairman, after listening carefully to all of the debate, it is quite clear that the committee did not intend to have this legislation result in a regulatory body, or even to allow it to make rules outside of the internal operations of the Agency itself; so the sole purpose of this legislative amendment is to clarify that language and make the law clear on this point.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from New York.

Mr. HORTON. I thank the gentleman for yielding.

Mr. Chairman, I think that the gentleman's amendment is a clarifying amendment. He has consulted with me on the amendment, and I am willing to accept the amendment.

Mr. BENNETT. I thank the gentleman.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

Mr. Chairman, I have a feeling that this is acceptable and does not distort the thrust of this bill whatsoever. I am in support of the amendment.

Mr. BENNETT. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Bennett).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Agency shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) encourage and support research, studies, and testing leading to a better understanding of consumer products and improved products, services, and consumer information, to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and private enterprise in the promotion and protection of the interests of consumers; and

(7) keep the appropriate committees of Congress fully and currently informed of all its activities, except that this paragraph is not authority to withhold information requested by individual Members of Congress.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 5 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 5? There being none, the Clerk will read.

The Clerk read as follows:

REPRESENTATION OF CONSUMERS

SEC. 6. (a) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately the interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Except as provided in subsection (c), the Administrator may intervene as a party or otherwise participate in any Federal agency proceeding which is subject to section 553, 554, 556, or 557 of title 5, United States Code, or to any other statute or regulation authorizing a hearing, or which is conducted on the record after opportunity for an agency hearing.

(2) Except as provided in subsection (c), in any Federal agency proceeding not covered by paragraph (1), or any other Federal agency activity, the Administrator may participate or communicate in any manner that any person may participate or communicate under Federal agency statutes, rules, or practices. The Federal agency shall give consideration to the written or oral submission of the Administrator. Such submission shall be presented in an orderly manner and without causing undue delay.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) In—

(1) any Federal agency proceeding seeking primarily to impose a fine or forfeiture which the agency may impose under its own authority for an alleged violation of a statute of the United States or of a rule, order, or decree promulgated thereunder, or

(2) any action in any court of the United States to which the United States or any Federal agency is a party,

and which in the opinion of the Administrator may substantially affect the interests of consumers, the Administrator upon his own motion, or upon written request made by the officer or employee who is charged with the duty of presenting the case for the United States or the Federal agency in the proceeding or action, may transmit to such officer or employee all evidence and information in the possession of the Administrator relevant to the proceeding or action and may, in the discretion of the Federal agency or court, appear as amicus curiae and present written or oral argument to such agency or court.

(d) To the extent that any person, if aggrieved, would have a right of judicial review by law, the Administrator may institute, or intervene as a party, in a proceeding in a court of the United States involving judicial review of any Federal agency action which the Administrator determines substantially affects the interests of consumers, except that where the Administrator did not intervene or participate in the Federal agency proceeding or activity involved, the court shall determine whether the Administrator's institution of the judicial proceeding would be necessary to the interests of justice. Before instituting a proceeding to obtain judicial review in a case where the Administrator did not intervene or participate in the Federal agency proceeding or activity, the Administrator shall petition the Federal agency for rehearing or reconsideration of its action if the Federal agency statutes or rules specifically authorize rehearing or reconsideration. The petition shall be filed within sixty days after the Federal agency action or within such longer time as may be allowed by Federal agency procedures. If the Federal agency does not act finally upon such petition within sixty days after filing thereof, or within any shorter time, less five days, as may be provided by law for the initiation of judicial review, the Administrator may institute a proceeding for judicial review immediately. The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

(e) When the Administrator determines it to be in the interests of consumers, he may request the Federal agency concerned to initiate such proceeding or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Agency of the reasons for its failure and such notification shall be a matter of public record. To the extent that any person, if aggrieved, would have a right of judicial review by law, the Agency may institute a proceeding in a court of the United States to secure review of the action of a Federal agency or its refusal to act.

(f) Appearances by the Agency under this section shall be in its own name and shall be made by qualified representatives designated by the Administrator.

(g) In any Federal agency proceeding to which the Agency is a party, the Agency is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(h) The Agency is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Nothing in this section shall be construed to prohibit the Agency from communicating with Federal, State, or local agencies at times and in manners not inconsistent with law or agency rules.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 6 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 6? There being none, the Clerk will read.

The Clerk read as follows:

CONSUMER COMPLAINTS

SEC. 7. (a) The Agency shall receive, evaluate, develop, act on, and transmit complaints to the appropriate Federal or non-Federal entities concerning actions or practices which may be detrimental to the interests of consumers.

(b) Whenever the Agency receives from any source, or develops on its own initiative, any complaint or other information affecting the interests of consumers and disclosing a probable violation of—

(1) a law of the United States,

(2) a rule or order of a Federal agency or officer, or

(3) a judgment, decree, or order of any court of the United States involving a matter of Federal law,

it shall take such action within its authority as may be desirable, including the proposal of legislation, or shall promptly transmit such complaint or other information to the Federal agency or officer charged with the duty of enforcing such law, rule, order, judgment, or decree, for appropriate action.

(c) The Agency shall ascertain the nature and extent of action taken with regard to respective complaints and other information transmitted under subsection (b) of this section.

(d) The Agency shall promptly notify producers, distributors, retailers or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section.

(e) The Agency shall maintain a public document room containing an up-to-date listing of all signed consumer complaints of any significance for public inspection and copying which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken by it. Complaints shall be listed and made available for public inspection and copying only if—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had sixty days to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the entity to which the complaint has been referred has had sixty days to notify the Agency what action, if any, it intends to take with respect to the complaint.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 7 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 7? There being none, the Clerk will read.

The Clerk read as follows:

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) The Agency shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Agency in making such information available to the public.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 8 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 8? There being none, the Clerk will read.

The Clerk read as follows:

TESTING AND RESEARCH

SEC. 9. (a) The Agency shall, in the exercise of its functions—

(1) encourage and support through both public and private entities the development and application of methods and techniques for testing materials, mechanisms, components, structures, and processes used in consumer products and for improving consumer services;

(2) make recommendations to other Federal agencies with respect to research, studies, analyses, and other information within their authority which would be useful and beneficial to consumers; and

(3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation which would administer a voluntary, self-supporting, information tag program (similar to the "Tel-Tag" program of Great Britain) under which any manufacturer of a nonperishable consumer product to be sold at retail could be authorized to attach to each copy of such product a tag, standard in form, containing information, based on uniform standards relating to the performance, safety, durability, and care of the product.

(b) All Federal agencies which, in the judgment of the Administrator, possess testing facilities and staff relating to the performance of consumer products and services, are authorized and directed to perform promptly, to the greatest practicable extent within their capability, such tests as the Administrator may request in the exercise of his functions under section 6 of this Act, regarding products, services, or any matter affecting the interests of consumers. Such tests shall, to the extent possible, be conducted in accordance with generally accepted methodologies and procedures, and in every case when test results are published, the methodologies and procedures used shall be available along with the test results. The results of such tests may be used or published only in proceedings in which the Agency is participating or has intervened pursuant to section 6. In providing facilities and staff upon request made in writing by the Administrator, Federal agencies—

(1) may perform functions under this section without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

(2) may request any other Federal agency to supply such statistics, data, progress reports, and other information as the Administrator deems necessary to carry out his functions under this section and any such other agency is authorized and directed to cooperate to the extent permitted by law by furnishing such materials; and

(3) may, to the extent necessary and authorized, acquire or establish additional facilities and purchase additional equipment for the purpose of carrying out the purposes of this section.

(c) Neither a Federal agency engaged in testing products under this Act nor the Administrator shall declare one product to be better, or a better buy, than any other product; however, the provisions of this subsection shall not prohibit the use or publication of test data as provided in subsection (b).

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 9 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 9? There being none, the Clerk will read.

The Clerk read as follows:

INFORMATION GATHERING

SEC. 10. (a)(1) To the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, the Administrator is authorized to issue written interrogatories or requests for reports and other related information to any person engaged in a trade, business, or industry which substantially affects interstate commerce. Such interrogatories or requests shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought.

(2) Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person, or shall require the disclosure of information which would violate any relationship privileged according to law.

(3) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record;

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending Federal agency proceeding against the person to whom the interrogatories are addressed.

(4) In the event of noncompliance with any interrogatories or requests submitted to any person by the Administrator pursuant to paragraph (1), any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator. The district court of the United States shall issue such an order upon petition by the Administrator or on a motion to quash, and upon the Administrator's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excessively burdensome.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy recommendations by Federal agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency; and

(6) trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Administrator access to trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections. The Administrator may file a complaint in court to enforce its rights under this subsection in the same manner and subject to the same conditions as a complainant under section 552(a)(3) of title 5, United States Code.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof or any book containing any abstracts or particulars thereof to be seen or examined by the Administrator, except as provided by law.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 10 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment on behalf of the gentleman from Iowa (Mr. HARKIN) and myself.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 17, line 19, insert immediately after "is authorized" the following: ", except as provided in subsection (d),".

Page 22, after line 8, add the following new subsection (d):

"(d)(1) The Administrator shall not have the power to issue written interrogatories or require the production or dislosure of any data or other information under subsection

(a) of this section from any small business concern. For the purpose of this paragraph "small business concern" means any person that, together with such person's affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $1,000,000; or does not have more than the equivalent of 25 full-time employees at the time of the proposed discovery by the Administrator. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data.

"(2) Notwithstanding paragraph (1) of this subsection, the Administrator shall have the power, pursuant to subsection (a)(1), to obtain information from a small business concern if necessary to prevent imminent and substantial danger to the health or safety of consumers, and the Administrator has no other effective means of action.

"(3) The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the effect of the limitations contained in this subsection on the purposes of the Act, for such actions as the Congress may deem appropriate.

"(4) For the purposes of this subsection, "small business concerns" are affiliates of each other when either directly or indirectly (A) one concern controls or has the power to control the other, or (B) a third party or parties controls or has the power to control both. In determining whether or not affiliation exists, consideration shall be given to all appropriate factors, including common ownership, common management, and contractual relationships."

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. Mr. Chairman, I yield to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, this amendment is the product of many long and careful discussions between Mr. FASCELL, myself, and many other Members who I am pleased to say have cosponsored this meaningful and important amendment.

The amendment, very simply, would exempt from the interrogatory powers of the Administrator those businesses who meet either of two tests:

First, have less than $1 million in assets; or

Second, have the equivalent of 25 full-time employees or less at the time of proposed discovery by the Administrator.

In addition to exempting small businesses from the interrogatory powers of the new Agency for Consumer Protection, this amendment would also:

First, allow the Administrator to request the voluntary production of information;

Second, allow the Administrator to use his interrogatory powers in preventing imminent and substantial danger to the health and safety of consumers;

Third, direct the Administrator to submit to Congress within 18 months a detailed report with respect to the exemption of small businesses; and

Fourth, clarifies the considerations to be made in determining whether or not one business is affiliated with another.

This amendment is based upon my belief that some business enterprises ought to be exempt from the interrogatory powers of the Administrator of the Agency for Consumer Protection. This is the power to require the answers or reports to specific questions with respect to consumer-related activities. I am offering this amendment after considerable consultation with the Small Business Administration, various small businesses and consumer groups, as well as sponsors of the bill. There is a growing criticism that the Government burdens small businesses with too many responses to too many questionnaires and that more and more time is being spent by these businesses in filling out forms. The paperwork burden is becoming awesome.

The additional costs and time required can and does in many cases mean the difference between life and death for many small businesses.

The Consumer Protection Act is intended to represent the interests of consumers before Federal regulatory agencies and to discover fraud or substantial economic injury to consumers. I think this is a laudable goal. As a board member of the Iowa Consumer Federation, I am well aware of the need to provide consumers with a voice here in Washington and to insure that their interests are represented by one consumer advocate who can deal effectively with Federal regulatory proceedings. It is my belief that this new Agency for Consumer Protection should concentrate its efforts mainly on the Federal regulatory agencies, their rulemaking procedures, and what the results of the "cozy" relationship between the Federal regulatory agencies and those they are supposed to regulate are costing the American consumer. These increased costs to the consumer are the result of reduced competition brought about by these so-called regulatory agencies.

However, as the Congress has learned in passing well-intentioned legislation to remedy a specific problem area, the American small businessman, the backbone of our economy, is unintentionally injured too often.

An example familiar to this body is the Occupational Safety and Health Act. Most rational people will agree that the thrust of the legislation was well intended, and that such legislation was needed to rectify some of the more flagrant abuses concerning hazards in the workplace. However, the Occupational Safety and Health Act has had unintended effects and has caused many undue hardships for small businesses. The lessons of the past represent the strongest arguments for this amendment which will not detract one bit from the many purposes and underlying causes for this Agency for Consumer Protection. Some of the most significant and unnecessary costs to consumers and to small businesses are the result of anticompetitive and monopolistic practices.

The continued existence of a strong viable small business community has long been recognized by the Congress as in the best interests of the American consuming public. Indeed, the small business person in this country is one of the greatest consumers we have. But let us be sure to be aware of one basic reality in today's marketplace: If additional costs and paperwork requirements are imposed on a small business—and that is what we are attempting to prevent under this amendment—and this small business then has to spend more time and expense on this paperwork and less on servicing his customers, then this could mean the difference between life and death for the small businesses of this country.

Our amendment then, will not only protect the small businesses from further unwise and unnecessary Government interference at a time when present paperwork requirements are costing small businesses millions of dollars each year, but will also protect the consumer and small businesses alike from the additional cost of such Government action.

I urge you to support this amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield back to me?

Mr. HARKIN. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, in honor of the request of the ranking minority member of the full committee, I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I thank the gentleman for yielding.

I have been concerned, because I had indicated to the gentlewoman from New Jersey (Mrs. FENWICK) that I would accept an amendment that the gentlewoman from New Jersey (Mrs. FENWICK) and the gentleman from Iowa (Mr. HARKIN) were going to offer. I am trying to determine whether or not this is the amendment that I indicated I will accept. Is this the same amendment?

Mr. HARKIN. Does the gentleman have a copy of the amendment? I am not certain. I believe it is. I will be glad to give the gentleman a copy.

Mr. FASCELL. Mr. Chairman, I have not compared the two amendments, so I cannot respond. Certainly the two principals are here and could respond whether it is the same amendment or not.

Mr. Chairman, I yield to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I think this is a very useful amendment. I hope our colleagues see the wisdom in accepting this amendment. I have early been aware of the great interest the gentlewoman from New Jersey (Mrs. FENWICK) had shown in the preparation and circulation of this amendment. I want to publicly commend the work the gentlewoman from New Jersey and the gentleman from Iowa (Mr. HARKIN) have done in the preparation of this amendment.

The members of the committee, the proponents of the bill on the floor, spent a great deal of time discussing this amendment. I think it is a useful amendment. It will help the small businessman. I would urge that the amendment be adopted.

Mr. BROOKS. Mr. Chairman, I would say I want to share in the comments the gentleman from New York (Mr. ROSENTHAL) made when he stated that the gentlewoman from New Jersey (Mrs. FENWICK) and the gentleman from Iowa (Mr. HARKIN) did an outstanding job in presenting an amendment that will be helpful to the small business people. The committee itself is sympathetic with that. It is my feeling that the amendment should be adopted, and I on my part would be perfectly willing to accept the amendment.

I yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mr. ERLENBORN. Mr. Chairman, has the gentleman been recognized?

The CHAIRMAN. The gentleman from Texas has been recognized.

Mr. ERLENBORN. For what purpose?

Mr. BROOKS. In support of the legislation.

The CHAIRMAN. He has been recognized in support of the amendment.

Mrs. SPELLMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I rise in support of the Fascell-Harkin amendment which would have the effect of almost totally exempting small businesses from the requirements of the interrogatory provisions of H.R. 7575.

I have received much communication from constitutents in my district, particularly small businessmen and women who fear that the establishment of a consumer agency will result in the creation of new burdens on them. Many of these people feel that an additional layer of paperwork will be the final straw for individuals already overwhelmed with Federal and local forms and other requirements. The focus of concern for many of these people has been the broad interrogatory powers granted to the Administrator and contained in section 10(a) of the legislation. They fear, and rightly so, that in order to respond to written interrogatories they will have to utilize many hours of time they do not have and in many instances go to the additional expense of hiring an attorney to insure compliance.

The amendment which has been offered will almost completely take the burden of responding to interrogatories off the backs of small business. The amendment is substantially similar to a provision contained in the Senate-passed S. 200, section 10(a)(4). The major difference is that in the amendment presently before the House the definition of what constitutes a small business is narrower than the one contained in the Senate measure, and, frankly, I would prefer a somewhat broader definition. I am nevertheless satisfied that the definition in the pending amendment will exempt all of the truly small businesses in this country from the interrogatory requirements, and that the total effect is, therefore, most positive.

There is only one instance when small businesses will be required to answer interrogatories if the House adopts this amendment and I feel this one exception is well justified. Specifically, the Administrator has the power to obtain information from a small business only if necessary to prevent imminent and substantial danger to the health and safety of consumers. Even in this limited area the procedural safeguards and protections which have been built into the interrogatory provision would of course be applicable. These safeguards, including the placing of the burden of proof on the Administrator in an enforcement action, should insure that even in this one limited area of information-gathering the powers of the Administrator are not abused.

The adoption of this amendment by the House will do more than just relieve small businesses from the unnecessary burden of responding to interrogatories. It will clearly show a congressional concern and understanding for the plight of these people who operate businesses in our increasingly complex society. It will represent a clear message to the Administrator that Congress intends that in carrying out all other functions under the act, the Administrator must consider the effect of any action on the small businesses of this country. Unfortunately, it is too often true that in the workings of government, both formal and informal, the voice of the small business person is never heard. I think you will agree that in more cases than not, the interest of the small businesman or businesswoman is synonomous with that of the interest of the consumer on any given issue.

I urge the adoption of this amendment.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I support the amendment. I have one question I would like to ask. Concerning the $1 million, does that mean net or gross? My point is that a lot of very small businesses have more than a million dollars in assets, but they are offset by a million dollars in debts, and they therefore do not have anything.

Mr. BROOKS. I will yield to the gentlewoman from New Jersey, if she would care to respond to that.

Mrs. FENWICK. Mr. Chairman, I thank the Chairman and I thank most sincerely the gentleman from New York (Mr. ROSENTHAL) for his kind and generous words. I deeply appreciate this.

Perhaps it would be useful to outline to the Members the history of this amendment. It was first proposed and circulated on October 24 to members of the committee, hoping for support of the amendment. I received, dated October 29, an amendment to be offered by the gentleman from Iowa (Mr. HARKIN) which was somewhat different, with no mention of any sums of money and with various other differences.

We got together and produced a joint amendment, the Fenwick-Harkin amendment, which is now the Fascell amendment, which I think Members will see is the Harkin amendment with "HARKIN" crossed out and "FASCELL" written in.

These activities do not diminish the value of this amendment. I urge its adoption. I think it will protect small businesses. I think it will help many who otherwise would be caught in very elaborate reporting procedures which they have not the means to support. I urge the adoption of the Fascell-Fenwick-Harkin amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Iowa (Mr. HARKIN) for a comment.

Mr. HARKIN. I thank the Chairman for yielding to me. To answer the question of the gentleman from California, the assets that are talked about are million dollar assets in net assets.

Mr. DANIELSON. I thank the gentleman.

Mr. HORTON. Mr. Chairman, I rise to indicate support and acceptance of the amendment.

I think it is a good amendment. I do know of the dedicated work the gentlewoman from New Jersey (Mrs. FENWICK) has performed, and I know she, along with the gentleman from Iowa (Mr. HARKIN) were very much interested in this amendment. I am glad it was offered by the gentleman from Florida (Mr. FASCELL).

It is a good amendment. I am willing to accept it, and I think it does improve the bill. I might say, parenthetically, that I do think it will tend to eliminate a lot of paperwork insofar as small business is concerned.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, I thank the gentleman for yielding to me. He has worked for many years and is a distinguished member of the Small Business Committee and appreciates the need for this amendment. The gentlewoman from New Jersey (Mrs. FENWICK) has indeed worked hard on this proposal and I would commend her and the gentleman from Iowa (Mr. HARKIN) for their joint amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding to me. If there is a need for an exemption, why a million dollars? Why not $2, $3, or $4 million? How did we arrive at this magic number? Can some Member explain that?

Mr. HORTON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I arrived at the sum of a million dollars because in the Senate bill, as the Members will notice in the CONGRESSIONAL RECORD, they had proposed a larger sum, $7 million to $9 million. I consulted with the Small Business Administration thinking that we might use the size standards for businesses.

We discovered that in using the regular size standards of small business for this particular amendment, we would be including 99 percent of the businesses of this country; 99 percent of the businesses of this country have $9 million or less in net assets.

With the work of the size standards section of the Committee on Small Business, we discovered that 94 percent would be exempt under this particular amendment. Originally, I had thought of sticking to section 3 of the Small Business Administration.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think the gentlewoman from New Jersey (Mrs. FENWICK) should be flattered, because it has been said that plagiarism is the most sincere form of flattery. The gentlewoman worked to prepare this amendment and circulated the amendment. It is now being offered by the gentleman from Florida, giving credit to the gentleman from Iowa.

I am happy to see that ultimately some credit was given to the gentlewoman from New Jersey (Mrs. FENWICK) who prepared the amendment.

Mr. Chairman, it is odd that this amendment should be supported by the managers of the bill on this side of the aisle and on the other side of the aisle, because such amendments exempting this special interest group and that special interest group were thoroughly rejected by them in the handling of the bill in committee.

The only special interest which was exempt in the bill as it was introduced and as it was reported by the committee was organized labor. Of course, we understand they have a good deal more clout than most other special interests and that is the reason they were given special treatment. But I think the fact that this amendment, and a few others that have been indicated as now having the support of the managers of the bill, indicate the weakness of the bill as it approaches the floor. They are now trying to get more support by saying we will exempt agriculture and we will exempt as much as is necessary to make this bill appealing to a sufficient number so we can get the darned thing passed and get it to conference, and who knows what will happen there. I serve on the Committee on Education and Labor, and we have been down this road many times. It is quite familiar. Managers of bills for the majority side of the Committee on Education and Labor do not seem to care too much as to what the content of the bill may be, because they know they have the version they like passed by the other body. It has been the practice in the past for the conferees in conference to sell out the House position, and they get what they wanted in the first place.

Some may believe that on adopting this amendment small business is exempt from the bill. That is not true. All this affects are the interrogatories. Small business is still going to be under all of the other provisions of the bill.

So do not be fooled into thinking that this is somehow or other really making this bill palatable to small business.

Small business groups have told me they do not support this bill even with the exemption. The National Federation of Independent Businesses heard about this ploy, this maneuver, and they advised me to make that statement, just as the agricultural groups have advised me they will not support the bill.

This is a very handy ploy. It probably looks like it will get sufficient votes to pass the bill, but do not be fooled. I think we ought to vote against the amendment and against the bill.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to associate myself with the comments of the gentleman from Iowa and the gentlewoman from New Jersey.

Mr. Chairman, today we vote on the much-misunderstood bill creating a Federal Agency for Consumer Protection. This bill represents an exciting experiment that will benefit consumers across the Nation. It is not just another addition to the bureaucracy, and this point must be emphasized. People are rightly fed up with overregulation by the Federal Government, but this proposed agency would have no power to make rules, impose fines, or grant licenses.

Th Agency for Consumer Protection will be unique in that it has only one function—representing the consumer viewpoint before Federal agencies and courts. In the past, big business has found adequate representation in consumer battles, in their lobbying efforts and their ability to hire expensive lawyers to present their case. Consumer representation in such cases has been virtually nonexistent. This agency would do no more than provide representation of a viewpoint that has been absent in the past.

Several amendments will be suggested by my colleagues today that I intend to support. One of these amendments will exempt small businesses from the interrogatories required by Federal agencies if the business' assets do not exceed $1 million or employ more than 25 employees. This amendment will allow the newly created agency to concentrate on those offenders whose actions affect greater portions of the population rather than harassing small businessmen whose dealings with the consumer are more limited.

Another amendment that I strongly endorse will cause the ACP to self-destruct in 1983 if it has not been found to be a responsive, cost-effective agency. We know now that bureaucracies tend to outlive their usefulness, and from now on we should require them to prove themselves.

Thus amended, the ACP bill will be a fitting culmination to the struggle by consumers to strike a better balance in the marketplace.

Mr. WYDLER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this situation that is developing on the floor gets more mysterious and curious all the time. On the one hand the House is being told this is a wonderful bill, and that really the provisions do not put onerous burdens on anybody. We are told that it will work properly and nobody will be badly abused by the provisions of the bill.

That is what we are told on this hand, but on the other hand we are told that all of the organized labor has to be exempted from this bill because they apparently feel that it would be a terrible burden to put on them. So they want out, and they are given an out.

Now along comes an amendment which I am just told lets off 94 percent of the businessmen in the country from some provisions in the bill because it would be too onerous for that 94 percent. So now we leave it for the 6 precent to swallow it and live with it and get all the agony from it. I wonder why it is not too onerous for them also and why we should not let everybody out of it.

I presume we are really going to get some more exemptions. Some other Members will decide the farmers do not want it and they do not want to be burdened with all this bureaucracy.

This is either good or bad; it cannot be good for some people and bad for others. Apparently some of us believe this bill will do some good and that it is for the protection of the consumers of the country. If we believe that, let us put these provisions in so they will affect all the elements that raise prices and have something to do with the quality of the goods that are produced and manufactured, and let us stop this business of trying—and this, it seems to me, in the final analysis is what we are doing—to pass a piece of legislation that, no matter what we call it, is only to punish some group of big businessmen. That is about all we will have left if we exempt everybody else in the country from the operation of the bill.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I would just like to make this point. It is a point that was made by the gentleman from Illinois (Mr. ERLENBORN) in his earlier remarks.

I think it should be very well understood that this is not an exemption for small business. It is something quite different from what the gentleman was talking about.

Under the amendment before us, the Administrator is not permitted to send out written interrogatories. I am very familiar as Chairman of the Paperwork Commission of the complaints from small businessmen with regard to the tremendous amount of paperwork imposed on them. We must take into account the great difficulty they have responding to Federal requests for information. So what this amendment does, in my judgment, is obviate that amount of paperwork on small business. It does not provide an exemption for small businessmen.

Mr. WYDLER. Mr. Chairman, I appreciate what the gentleman has said. But why is it that the small businessmen in the country comprising the 94 percent do not have to receive interrogatories and the remaining 6 percent does? What is the sense of that?

If that is a burden, an unreasonable burden to assume, why do we put it on the business comprising the 6 percent?

Mr. HORTON. Mr. Chairman, if the gentleman will yield further, it is because it is the 6 percent, the big business in concert with friendly regulators, that frequently leads to overregulation and higher prices passed on to consumers and all the other matters the consumers are concerned about.

Mr. WYDLER. I am sorry, Mr. Chairman, but I just cannot buy that. Certainly the businessman is not responsible for overregulation. We can blame him for a lot of things in this country, but we cannot blame him for overregulation. That is something the Government does to him; that is not something he imposes on the Government.

So I really find that this whole effort we are going through on the floor is beginning to look more and more cynical to me all the time. This bill is beginning to lose any reality at all. I am beginning to wonder if any Member really is seriously pushing this bill any more for any reason other than a political purpose.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

WYDLER. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from New York (Mr. Horton) reiterated the point I made, that this is not a complete exemption for the small businessmen, but it only relates to certain reporting requirements. However, in contrast to that, the labor exemption in the bill is a complete exemption.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to comment just briefly.

The reason why the 6 percent comprising the larger businesses is included is because they have the capacity to answer the interrogatories and because they have the machinery and the people and the equipment to deal with it.

In 1972 there were 9,250,000 small businesses and 487,000 large businesses, according to the SBA. Now, the figure of 1 million was arrived at through the SBA size standard, because those were the people who were least able to cope with the extra paperwork. It is the paperwork requirement we are addressing ourselves to in this amendment.

Let us just look at what is excluded for labor. What does it specifically exclude on page 28 of the bill?

The exclusion is when courts are sitting in equity. The section defines and limits the jurisdiction of courts sitting in equity, and it reads: "or section 2 of the Labor Management Relations Act," which concerns proceedings before the Labor Management Relations Board, or, at their election, before the employee bargaining representation with respect to unfair labor practices.

The CHAIRMAN. The time of the gentleman from New York (Mr. Wydler) has expired.

(By unanimous consent, Mr. Wydler was allowed to proceed for 1 additional minute.)

Mr. WYDLER. Mr. Chairman, the only thing I am going to say about that to the gentlewoman from New Jersey (Mrs. Fenwick) is this: To require 6 percent of the businessmen to be burdened with interrogatories because they have a lot of equipment just does not seem to me to be a very sensible reason to do it.

If it is a good idea to get this information through interrogatories from small business or big business, the Government should get it. However, it is not a good idea to get it just because they happen to have some people on the payroll who might have a lot of time in which to do it and a lot of machinery. It is not a good idea to require them to fill out the interrogatories because they are the 6 percent that somebody says is "big."

Mr. Chairman, I do not think that is sensible or reasonable or justified on any grounds I can think of. That is just my opinion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Fascell).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 401, noes 6, not voting 26, as follows:

[Roll No. 668]

AYES—401

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—6

Dickinson
Erlenborn
Hyde
McEwen
Teague
Wydler

NOT VOTING—26

Annunzio
Barrett
Beard, R.I.
Beard, Tenn.
Broomfield
Burke, Fla.
Burke, Mass.
Burton, Phillip
Clancy
Cleveland
Fary
Fraser
Hébert
Holland
Latta
Murphy, N.Y.
Pepper
Pritchard
Rangel
Rees
Rodino
Sikes
Sisk
Sullivan
Wilson, C. H.
Young, Alaska

Messrs. TAYLOR of Missouri, TALCOTT, WINN, DEL CLAWSON, DEVINE, and KETCHUM changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BURKE of Massachusetts. Mr. Chairman, on rollcall No. 668 this afternoon I was inadvertently detained in my committee. Had I been here, I would have been recorded as voting "aye."

The CHAIRMAN. Are there further amendments to section 10?

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois: On page 22, after line 8, add the following new subsection (d):

"(d) The Administrator shall keep the appropriate committees of the Congress fully and currently informed with respect to the nature and status of all interrogatories or requests issued pursuant to the authority under paragraph (1), and shall transmit to such committees copies of any communication alleging abuse of that authority or stating reasons for noncompliance with an interrogatory or request."

Mr. ANDERSON of Illinois. Mr. Chairman, this amendment would require the Administrator of the ACP to keep the appropriate committees of the Congress fully and currently informed with respect to the nature and status of all interrogatories and requests issued under the information gathering authority granted by section 10 of the bill. Morevor, the amendment would require the Administrator to transmit to these committees copies of all complaints received alleging abuse of that authority as well as copies of communications stating reasons for refusing to comply with an interrogatory or request.

Mr. Chairman, the sole purpose of this amendment is to insure that our committees will have the ability to exercise close oversight over the interrogatory powers of the ACP. Given our experiences with some bureaucracies in the Government, I think there is justifiable concern among some in the business community that this authority will be used to harass businessmen or to involve them in burdensome new paperwork requirements. That is not the intent of the Congress in granting this interrogatory power as I understand it. I was informed that the ACP would only use this authority very sparingly and for good cause. This is not a carte blanche fishing license for the ACP to harass and burden businessmen with all manner of requests and forms. Under the provisions of this section, if someone refused to comply with an ACP interrogatory or request, the Administrator could petition a district court for an order requiring compliance; but the burden would be on the Administrator to make a showing that the information was related to something involving substantial danger to consumer health or safety or necessary in the discovery of consumer fraud of substantial economic injury. And the court would also be forced to consider whether compliance with the interrogatory would be unnecessarily or excessively burdensome.

Mr. Chairman, it seems to me that one of the best ways we can insure that the interrogatory authority is not abused to harass or excessively burden businessmen, is to keep close and continuing tabs on just how that authority is used. By requiring the ACP to keep the oversight committees of Congress fully and currently informed on all interrogatories and requests, and any complaints or refusals to comply, we will be doing two things: first, we will be deterring the agency from abusing this authority in the first place; and second, we will be gathering information necessary to make an informed decision as to whether that authority should be taken away or altered if it is abused.

Mr. Chairman, it might be pointed out in objection to this amendment that section 5(b)(7), under "functions of the agency," already requires that the Agency "keep the appropriate committees of Congress fully and currently informed of all its activities." But I think unless we specify in this section that this shall include a detailed apprisal of the Congress of all interrogatories, we are not going to get that kind of information from the Agency. My amendment therefore further spells out what kind of information the committees must have from the Agency so that we can perform an effective oversight job of its performance.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I certainly agree with the gentleman that we ought to have oversight, and I am willing to accept the amendment. But I must express some concern.

One has to do with the additional amount of paperwork that would be involved. Written interrogatories are not something brand new with this agency; they are issued by other Federal agencies. I am sure the Paperwork Commission of which I am chairman will be looking at this whole subject of written interrogatories. I am afraid we are establishing a precedent here because when other legislation comes through authorizing written interrogatories, this same type of amendment will be added to it, which will result in a tremendous amount of paperwork. I am not sure the Congress wants to become involved to that degree. I think it could be done without going into every specific written interrogatory

However, I feel that there is only a limited area in which interrogatories could be utilized by the new agency, and therefore the oversight benefits outweigh the paperwork costs and therefore the amendment would be acceptable.

Mr. ANDERSON of Illinois. I thank the gentleman for his contribution, and I am particularly pleased that he will accept the amendment.

Mr. BROOKS. Mr. Chairman, I move to strike the last word, and I rise to say that I will accept the amendment for my part.

Mr. ERLENBORN. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I am neither in favor or opposed to this amendment. I suppose it does no harm. Let me point out that it seems to follow, with the addition of the small business interrogatory exemption plus this amendment, that we are putting our seal of approval on the concept of the use of interrogatories.

So often it has been argued by the proponents of this bill that they just want another person in the regulatory hearings in the same position as other people, and yet when we look at this bill and see the interrogatory authority of this agency, we realize that the person representing the Consumer Protection Agency is not the same as other people. Other parties do not have the right to send out interrogatories willy-nilly. The interrogatory power they have given to this agency under the bill is not when it is tied to particular proceedings, but just anytime they think they would like to know something.

The authority given in this bill is not limited to when there are cases pending, regulatory cases. It gives this agency authority just to go on a fishing expedition anytime they think there is something they would like to look into in the way of business practices.

I do not think there ought to be any interrogatory authority. I think we ought to limit the Consumer Protection Agency or advocate to the use of discovery procedures that are available in court and before the regulatory agencies. So, I think the fact that we are amending this section, I hope, does not mean that the Members think this is preparatory to being exercised by the agency.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, is it not true that the interrogatory powers given to whatever we are going to call this regulator or regulators, really duplicate or overlap the interrogatory powers assigned to other commissions?

The distinguished gentleman from Texas said this amendment would cause the use of the Xerox. Will not the bill itself involve the sending of duplicate interrogatories literally without any limitation throughout the country?

Mr. ERLENBORN. I think that is true. We have had authority of the Federal Trade Commission, for instance.

Mr. FRENZEL. The amendment offered by the gentleman from Illinois will help, but it will not begin to relieve the problems that are created by this bill?

Mr. ERLENBORN. That is correct. What this probably will do, it will put the consumer advocate in a position of going ahead with this line or position.

Mr. FRENZEL. Further, I think the gentleman from Texas was absolutely right in saying we all ought to buy Xerox stock.

Mr. Chairman, during each of my previous two terms in Congress the House has passed bills creating a Consumer Protection Agency. On both of those occasions I voted for the legislation, first in 1971 and again in 1974, because I was persuaded that the prospective agencies might do some good and would not do any great harm. Today, however, conditions have changed. The people have little confidence in their Government, especially agencies created to help "those who can't help themselves." The administrative burden imposed by regulatory agencies is perceived to be a drag on our economy and totally out of proportion to benefits received.

It is even claimed that there are no benefits, and that so-called protective regulation lays a second cost burden, in tens of billions of dollars, on our economy, in addition to the administrative burden. The Congress is a slow reactor, but this popular message is beginning to pierce even the normally impenetrable insulative armor of the Federal city. Even the Congress is getting tired of seeing rosy promises buried in bureaucratic redtape.

I am advised that the dozens of commissions and agencies, which are charged with protecting people, or regulating them, have more than 60,000 employees. If we give its people much more protection, we will sink the Republic.

Despite this popular feeling, and despite the poor record of the regulatory agencies, we are now asked to create one more agency to regulate the regulatory agencies because they do not regulate well. That is a little like trying to cure an alcoholic by giving him another bottle of booze.

This bill, H.R. 7575, has many flaws. The most obvious flaws, the labor exemption, the duplication, and the small business problems, will be attacked by amendment. Those amendments may be helpful, but they will not relieve the basic problem. That basic problem is simply this: another regulatory agency will only add to the mess.

But, H.R. 7575 has other flaws, as well. I am particularly concerned by a change from the 1974 giving the ACP the power to send its own interrogatories, backed by its subpena powers. This new power places in ACP an awesome weapon for harassment. Since the jurisdiction of ACP overlaps that of other agencies, so will interrogatories overlap. If you like paperwork, you will love H.R. 7575.

In fact, in creating this regulator of regulators, we are really creating an administrative gadfly. It cannot veto or overrule other agencies' decisions, but it surely will be able to delay decisions and harass our people.

Mr. Chairman, absent major amendments, I shall vote against H.R. 7575, and I urge my colleagues to do likewise. I hope they, too, will get the message that the Agency for Consumer Protection is a good idea whose time has passed.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to say to the gentleman from Illinois, and I think he knows, that there are already ample limitations on the agency's powers to use interrogatories. The burden of proof is clearly on the Administrator of the agency to go into the District Court and show why the interrogatory should be issued.

Second, the interrogatories can only be used before the proceeding begins and cannot be used to secure information that is already in the hands of another Government agency. I do not have any great problems with it.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New York.

Mr. ROSENTHAL. I thank the gentleman for yielding. These interrogatories are in no way duplicative of other agencies. The consumer advocate, pursuant to his or her responsibilities, might want to seek information that the other agency has not sought. So there will be an entirely different kind of interrogatory to an entirely different roster of people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The amendment was agreed to.

Mr. BROOKS. Mr. Chairman, I would like to say that, in view of the late hour, if the chairman will allow me, following the presentation by the distinguished gentleman from New York (Mr. OTTINGER), I would then like to make a motion that the Committe rise.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I enthusiastically support this long-overdue effort to provide the American consumer with a special advocate in the Federal Government to give the consumer a voice in the decisionmaking process.

It is a well-known fact that the multitude of Federal regulatory bodies charged with protecting the consumer from unsafe products and unfair practices have not succeeded in according the public adequate safeguards. This situation is at least partially due to the great imbalance between groups representing consumer and business interests. Whenever these regulatory agencies are involved in their decisionmaking, the strong and well-financed special interests affected are always present. Consumer groups, consistently plagued with a dearth of funds and overload of work, cannot afford equivalent representation.

The Department of Health, Education, and Welfare recently issued a study showing that fifteen Federal agencies have major shortcomings in their systems for the processing of consumer complaints. To further demonstrate the need for a consumer voice within the Federal Government, it is worthwhile noting that a Federal court has recently ruled that consumer groups cannot intervene in cases before the Federal Trade Commission, one of the more consumer-oriented Federal agencies.

Many people feel that existing regulatory bodies have caved in to the heavy pressure from the interests affected by those agencies and now represent these interests to a greater extent than they do the American consumer. In view of the current economic conditions in the United States, where the public is being required to pay ever-increasing prices for goods and services, it is particularly important that there be some effective recourse in those cases where the consumer finds that he has not received what he paid for.

Mr. Chairman, I doubt that there is a single Member in this chamber who would dispute the need for greater consumer protection. The argument, instead, revolves around just what form such representation should take. Proponents of H.R. 7575 feel that we need a single, strong advocacy agency within the Federal Government to oversee the activities of existing regulatory groups. Opponents of the bill, on the other hand, counter that our efforts should be concentrated on strengthening and improving existing bodies.

I personally feel that the $10 million we are debating authorizing as a starting budget for a new, independent agency, is not too much to pay for an effective consumer voice. In fact, the Department of Justice estimates that price-fixing and other anticompetitive actions raise price levels by as much as $80 billion a year. If this figure is accurate, the proposed Agency for Consumer Protection will pay for itself many times over.

The following are what I consider to be among the most important functions of the new agency we seek to create today:

First. Authority for the Administrator of the Agency for Consumer Protection to represent the interests of consumers in the proceedings and activities of other Federal agencies and the courts;

Second. Authority for the agency to receive and handle consumer complaints;

Third. Instructions that the agency should gather and disseminate consumer information, support testing and research of consumer products and services and obtain information from business concerns under certain conditions;

Fourth. Requirement that all Federal agencies should take into consideration the interests of consumers in taking actions which may substantially affect them. The agency would have no power of its own to regulate goods or services. Likewise, it could not overrule, veto or impair any Federal agency's final determinations.

Since the convening of the 91st Congress 6 years ago, American consumers have been struggling to gain a sympathetic ear to and articulate voice for their concerns. I believe that H.R. 7575 will provide the most effective means of filling in the gaps that have been left by a myriad of unresponsive, disinterested Federal agencies, and it gives me great pleasure to support passage of this important piece of legislation.

Mr. BROOKS. Mr. Chairman, tomorrow I will ask for general leave so that all Members may be permitted to revise and extend their remarks.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7575) to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, had come to no resolution thereon.

BUDGET OF DISTRICT OF COLUMBIA FOR FISCAL YEAR 1976 AND TRANSITION PERIOD JULY 1, 1976, THROUGH SEPTEMBER 30, 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-296)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed with illustrations.

To the Congress of the United States:

I am today transmitting for your consideration the budget of the District of Columbia for fiscal year 1976 and for the transition period July 1, 1976, through September 30, 1976.

This budget is the first prepared by the city government in full exercise of its powers under the District of Columbia Self-Government and Governmental Reorganization Act. It reflects the results of a constructive city budget process which included participation by many District citizens. As such, this Home Rule budget represents a cornerstone of responsible city government and confirms the strength of a Federal-local partnership in the administration of Washington, D.C.

This budget also carries the Nation's Capital and the District community through the peak of our Nation's Bicentennial observance. I urge the Congress to review these proposals with the knowledge that Washington will be a focal point for the national celebration and that the city will be visited by greater numbers of American and foreign visitors than ever before. At the same time, residents of Washington, who also take pride in their own community, plan local observances just as other cities do across the country. It is, therefore, important that the Congress act promptly on the District Budget for 1976.

GERALD R. FORD.

THE WHITE HOUSE, *November 5, 1975.*

SELECTION OF SERVICE ACADEMY APPOINTMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 15 minutes.

Mr. CORNELL. Mr. Speaker, it is often said that a Member of Congress has many roles to perform in carrying out the functions of his office. Today, Congressman MCHUGH and I are introducing legislation which will remove from this long list of duties the role of dean of admissions for the three military academies. Our bill permits the service academies to select their own students. We believe this step is overdue and that compelling reasons exist for making this change.

First of all, although each congressional office tirelessly endeavors to select the best candidates from among the applicants, it is still true that no single established standard of admissions exists to guide us. Therefore, the nominees are now being chosen in a variety of ways instead of having all applicants judged by one set standard.

Our bill eliminates the congressional role in the selection process but retains the present geographical distribution pattern so that we can continue to draw our future officers from across the entire country. This means, in short, that the number of positions allotted to the congressional districts, the States on an at-large basis, Puerto Rico, District of Columbia, Guam, Virgin Islands, Panama Canal Zone, and American Samoa remains the same, but now the academies themselves will make these selections solely on the basis of merit.

Second, the existing system for naming candidates has political overtones and leads many people to believe, however falsely, that one must personally know the Member of Congress in order to have his son—and now daughter—appointed to the military academies. This misunderstanding has undoubtedly dissuaded some qualified students from even applying. Members of Congress are also placed in the difficult position of having to break the news to the disappointed applicants who were not chosen since there are usually more candidates than vacancies. Under our bill, the Representatives will continue to make the public announcements of those chosen for the service academies, but they will play no role in the decision on admission.

Third, for the Merchant Marine Academy at Kings Point, N.Y., we believe the best procedure is a purely competitive admission system. This is currently done at the Coast Guard Academy with great success. The small total enrollment at Kings Point—600—lends itself to this approach.

In order to provide an orderly transition to this new admissions policy and to insure congressional oversight over this process in the future, we have amended the duties of the now existing Boards of Visitors for each of the service academies to add the charge of overseeing admissions. An annual report to the Congress would also be required.

We realize that it has become a tradition for Members of Congress to appoint students to the three service academies. We firmly believe, however, that now is the time to break with tradition and to institute a more equitable and efficient process for selecting the future military leaders of the United States.

I now turn to my colleague, Congressman MCHUGH, who would like to add his comments on our proposal.

DANGERS OF S. 1 AND H.R. 3907, PROPOSED REVISIONS IN THE FEDERAL CRIMINAL CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 60 minutes.

Ms. ABZUG. Mr. Speaker, both the House and Senate Judiciary Committees have pending before them identical bills which would make major revisions in the Federal Criminal Code—H.R. 3907 and S. 1. These revisions were primarily drafted by the Department of Justice during the tenure of John Mitchell as Attorney General. If enacted, this legislation will result in the most repressive Federal activity since the McCarthy era.

Known officially as the Criminal Justice Reform Act of 1975, these bills represent the Nixon-Mitchell concept of law and order. They skillfully play upon the widespread and legitimate fear of crime in the streets to place on our Federal statute books a large number of repressive measures that have been referred to by leading newspapers and legal commentators as modern day alien and sedition laws.

We should all be alerted to the potentially dangerous implications that are inherent in this legislation, which has been put forward as a needed measure to combat crime. I certainly agree that reduction of crime is of critical importance. However, it must not, and indeed, cannot, be reduced through repressive laws which serve only to limit constitutional rights, while not reaching the root causes of crime in our society.

There was virtually no press coverage of the hearings which were held on the proposal during the 93d Congress, perhaps because the hearings overlapped with the Ervin committee hearings and the House Judiciary Committee hearings concerning Watergate and the impeachment of President Nixon.

S. 1 is now receiving relatively minor amendments in the Senate Judiciary Subcommittee on Criminal Laws. That subcommittee held 2 days of what the New York Times described as "perfunctory" hearings in May. The timetable for having the bill signed into law is some time before the 1976 Presidential elections. On June 19, President Ford, in his message to Congress on crime, vigorously supported S. 1 and called for its adoption as a "first step" in the "war on crime."

The President said:

> In an effort to insure domestic tranquillity, I am recommending new legislation to put the rights of the victim ahead of the rights of the criminal.

Analysis of this bill reveals, however, that there is far more in it than a tough law-and-order approach. It is not too much to say that it provides a blueprint for a police state. It makes legal much that both Senator Joseph McCarthy and those involved in the Watergate coverup would have welcomed. Its provisions restricting the press and the news media would have made the exposure of Watergate impossible.

S. 1, it is readily demonstrable, represents an astute and sophisticated attack upon the first amendment and upon other constitutional freedoms. It is directly aimed at peace groups, organized labor, as well as all other concerned citizens who may attempt to oppose future Vietnams and other unwise governmental policies. It affords a statutory basis for intimidating anyone who does not accept a continuation of national goals and priorities favored by whatever administration is in power.

There has been very little publicity given to this dangerous bill. It is safe to consider that most attorneys have not even heard of it, despite its potentially momentous impact upon all of us.

What publicity there has been has largely centered about the concern by newspapers over what is known informally as the Official Secrets Act provision of the bill. There is a grave danger that some compromise will be reached making these provisions somewhat more palatable to the press and the media to remove their opposition, and to open the way to adoption of all the other repressive measures contained in it. These repressive proposals are so numerous and interlinked that two nationally prominent law school professors, Prof. Thomas I. Emerson of the Yale Law School and Prof. Verne Countryman of the Harvard Law School, have issued a statement declaring that the legislation is simply not amendable, and that it must be rejected in its entirety, and recommitted for complete overhaul and redrafting. They stated firmly that, in their judgment, the enactment of this legislation would constitute an unparalleled disaster for the system of individual rights in the United States.

The conclusion of Professors Emerson and Countryman that H.R. 3907 and S. 1 cannot be satisfactorily changed by the amendment process was based primarily upon two essential features of the present bill. They had stated that—

> The bill contains for many chapters, sections, clauses, words and definitions that would have to be changed. They include provisions dealing with the handling and publication of "national defense information," advocacy of overthrow of government by force (the Smith Act), obstructing government functions by fraud, statements impairing military effectiveness, riots, disorderly conduct, contempt, the obligation to give testimony, entrapment, wiretapping and electronic surveillance, the death penalty, conspiracy, attempts, the insanity defense, obscenity, responsibility of public officials for violation of law, penalties for criminal offenses, probation and parole, and complicated problems of Federal jurisdiction. It would be naive to believe that these countless provisions could be restructured and redrafted, one by one, through the procedure of motion to amend, amendments to the amendment, debate and vote, either in committee or on the Senate floor. Long before such a process could be completed, the pressures would be irresistible to make a few changes and let the rest go through.

Professors Emerson and Countryman also have noted that—

> S. 1 was designed and drafted upon the basis of philosophical, ethical and political goals that were repudiated by the American people in the Watergate scandals.

These legal scholars have done a great service in reminding us that—

> The bill is the product of the Nixon Administration, prepared under the aegis of Attorney Generals Mitchell and Kleindienst, and put into concrete form by a group of lawyers in Nixon's Department of Justice. The objective of the draftsmen was to incorporate into the criminal code every restriction upon individual liberties, every method and device, that the Nixon Administration thought necessary or useful in pursuit of its fearful and corrupt policies. As such, the bill is permeated with assumptions, points of view and objectives, finding expression in numerous overt or subtle provisions, that run counter to the open and free spirit upon which American liberties are based. This pervasive taint cannot be amended out.

Professors Emerson and Countrymen have made clear that they do not oppose revision of the Federal Criminal Code. They point out, however, that the task is an enormously complex one involving decision on literally thousands of provisions of law that vitally affect every citizen. Congress, they emphasized, should start with a bill that has been drafted by people who are committed to preserve American rights. It can then effectively proceed to debate and amend those particular parts of the legislation where policy changes are thought desirable. As they put it:

> But it must have a solid foundation firmly fixed in the tradition of American democracy; to begin with, S. 1 does not supply such a foundation.

Mr. Daniel Crystal, an attorney who has performed valuable work in the area of constitutional rights, has prepared review and analysis for me of the inherent dangers in many of the provisions of this legislation. This review and analysis gives abundant evidence that the bill is an arrogant attack upon the Bill of Rights and cannot be amended in a manner which would make it acceptable. There is certainly a need for revision of the archaic and unsatisfactory scheme of Federal criminal law. However, that need for codification simply does not justify a bill which flouts fundamental constitutional freedoms as does S. 1 and H.R. 3907.

Legitimate widespread fear of crime in the streets, of muggings, assaults, armed robberies, and burglaries, is being used astutely to secure passage of highly repressive legislation that incorporates the Nixon-Mitchell formula for terminating constitutional freedoms. Whatever the motive of the bill's sponsors, such repressive legislation eases the way to the possibility of an American police state.

The proposed legislation would have the unexpected result of making official what was being done surreptitiously through the secret state that was exposed in the Watergate scandal. Former President Nixon was driven out of office because of that scandal. Nevertheless, his repressive views are very much alive in these bills, and his philosophy will dominate Federal criminal law for generations if the legislation is enacted.

It is incredible and unacceptable that, with the Watergate scandal still in our minds, there is under active consideration a bill which would make it possible to imprison reporters and editors who, with boldness and courage paralleling those who exposed Watergate and its coverup, publicize comparable news that will be embarrassing to post-Nixon administrations.

This legislation also puts the Bill of Rights and modern concepts of correctional reform in danger. It substitutes harsh, punitive measures for the experience of those who offer workable approaches toward the enormous problem of crime. Its support comes from those who are impatient and who take the demagogic path of appealing to the fears of those properly alarmed at spreading crime, or those who supinely go along with unworkable law-and-order measures formulated by the Nixon-Mitchell administration, fearing to be labeled as soft on crime.

Let there be no mistake about the gravity of the threat to the Bill of Rights posed by this legislation. There must be much more urgent opposition to it than has been manifested thus far. The country must become aware of the constitutional and civil liberties horrors that are hidden in this massive bill. Opposition must not turn solely on the Official Secrets Act, outrageous as this new Alien and Sedition Act is. Some concessions to the press and media are likely to mollify them. Even if the Official Secrets Act were completely deleted, these bills would still not be acceptable. The provisions go far beyond "codification" or even "revision" or "reform." They urgently need to be studied and debated far more publicly than they have been yet.

A candid article in the Wall Street Journal of June 5, 1975, put the issues bluntly:

> Some opponents of the bill worry that to improve its chances, sponsors will tone down the press sections to the point where the press is willing to forget about the other questionable changes. With crime rates rising again and an election coming on, Senators and Representatives might then find it hard to vote against the bill if it reaches the floor—regardless of civil libertarian concerns.
>
> With a bill like S. 1, it's probably necessary to keep ringing the alarm bells loud and often.

As Professors Emerson and Countryman noted, a bill to codify the Federal criminal law is desirable. But that simply does not mean that it should be one that is cast in the mold of the repressive thinking of a disgraced former President and a former Attorney General convicted of crimes that this bill would legalize.

The Criminal Code that Congress should enact should be in the spirit called for by Mr. Justice Tom C. Clark who urged in an article in 68 Northwestern University Law Review 817 that we "strive to make our laws instruments of justice, sufficiently strong to snare the guilty, but discerning enough to insure that the innocent go free." It should eliminate from our criminal law all the fearful, repressive statutes that marked the post World War II period. Adoption of a Federal Criminal Code framed in that approach would be the greatest contribution that the Congress and the President could make to celebrate this country's Bicentennial. It would constitute a legislative declaration of confidence in our future and would bear witness to a continuing faith in the wisdom and workability of our unique Bill of Rights.

It is incumbent upon us to extend constitutional freedoms, not to narrow them; to utilize our best thinking to solve the problems of crime, not to take a long leap backward by pretending that long prison sentences will somehow eliminate that pressing problem. This legislation takes exactly the wrong approach.

I feel it would be helpful to my colleagues to make Mr. Crystal's analysis available in an effort to clarify the real issues involved in H.R. 3907 and S. 1.

The analysis follows:

MAKING WATERGATE LEGAL: AN ANALYSIS OF S. 1

(By Daniel Crystal)

THE OFFICIAL SECRETS ACT

For the first time in American history since the Alien and Sedition Act it is proposed to enact an Official Secrets Act. This would reverse democratic decision making under the Constitution by substituting government secrecy for the freedoms guaranteed by the First Amendment.

S. 1 provides penalties, including the death penalty, to prohibit public access to broadly defined "national defense information." Criminal sanctions are provided for the first time to enforce the administrative classification of documents. I understand that Section 1124, dealing with disclosing classified information, has been rewritten in response to sharp criticism, but the terms of the revision have not yet been made public. As presently written, S. 1 expands criminal sanctions to enforce the Administration's classification of documents. Section 1121 provides life imprisonment up to the death penalty for communicating "national defense information" with the knowledge that it "may be used to the prejudice of the safety or interest of the United States, or to the advantage of a foreign power." This raises but does not clarify the question of whether it applies to exposure of governmental corruption by a news reporter.

Section 1123 provides seven years/$100,000 fine for a person who receives such information and "fails to deliver it promptly" to a federal agent. This section would have reached to the New York Times, The Washington Post, and the Unitarian Universalist Beacon Press, upon their publication of the Pentagon Papers.

Section 1124 would extend suppression of information to the ultimate, providing three to seven years/$100,000 fine for passing vaguely defined "classified information" to a "person who is not authorized to receive it."

The bill, as presently drafted, provides additional, alternative means of curbing freedom of the press, including such vague provisions as making it illegal to obstruct a government function by fraud, and making it possible to define the information contained in government papers as "property" thereby making a newsman possessing a classified document vulnerable to prosecution for "theft."

S. 1 contains a broadened definition of "espionage" which converts that crime, normally thought of as involving spies and agents for a foreign power, into a means of censorship of press publication of classified information. It accordingly will have a chilling effect on, and will limit, the freedom of the press. Newsmen could be prosecuted under this section on the same grounds as were the Rosenbergs in the 1950's. In a lead editorial on Tuesday, May 6, 1976, the New York Times summarizing the Official Secrets Act provisions of S. 1, declared:

"The need for secrecy and the claims made for 'national security' are usually vastly overstated. The United States has no need for a law that would help officials conceal their mistakes far more often than it would hide anything of importance from a foreign enemy."

The Los Angeles *Times* in an editorial on Sunday, May 18, 1975, entitled "An Assault on the People," concluded that the Official Secrets provisions "if enacted, would have the effect of perverting self-government into its opposite. Americans would be free to speak only at their peril on vital matters of defense and foreign policy. The press would be free to publish only at the peril of possible prosecution under laws that would lend themselves to almost any interpretation the government wished to place on them."

On Sunday, June 15, 1975, the Chicago *Tribune* observed that, "by trying to seal every crack in the Pentagon walls, the McClellan subcommittee has actually constructed a concrete straight jacket that can be clapped on any journalist at the slightest whim of bureaucrats."

SABOTAGE

S. 1 provides the death penalty or life imprisonment in some cases, and a 20/30 year imprisonment/$100,000 fine in others, for activity that "damages, tampers with . . ." almost any property, facility, or service that is or might be used in the national defense, with intent "to interfere with or obstruct the ability of the United States or an associate nation (e.g., South Korea, Saudi Arabia, or Spain) to prepare for or engage in war or defense activities." Available information discloses that Sections 1111(a)(1) and 1111 (a)(2) relating to sabotage have been amended so as to add the language "used in or particularly suited for national defense." This change would limit the application of sabotage only to that property which is used for national defense. However, "national defense" is itself such a vague and all-inclusive term that the chilling effect of the sabotage provisions is hardly diminished by this change. Under its terms, participants in every public demonstration objecting to governmental property, facilities or services, regardless of how peaceful and orderly the demonstration is, could become the subject of potential criminal prosecutions.

Furthermore, the sabotage provisions of S. 1 would make certain striking workers, and even simply negligent workers potentially liable for punishment up to and including the death penalty, provided only that a United States Attorney can persuade a jury that the worker possessed the requisite evil intent. Under the legislation any interference with production of national defense *materiel*, any faulty manufacture or delivery, or delay in delivery, may provide the factual foundation upon which a conviction for "sabotage" can be based. (Sec. 1111 of S. 1) This provision appears to constitute a direct threat to organized labor and to all workers.

The provision gives the Government a most potent weapon to coerce unions and workers and to prevent them from voicing their views or taking any action in opposition to government policies.

DEMONSTRATIONS

If S. 1 is enacted into law in its present form, virtually every kind of civil rights, peace and other protest action would be threatened with severe penalties under a series of vaguely defined infringements on the constitutional right of assembly, including the right to demonstrate adjacent to the "temporary residence" where the President may be staying. (Secs. 1112, 1114, 1115, 1116, 1117, 1302, 1311, 1328, and 1334.)

"LEADING" A RIOT

S. 1 redrafts the 1968 Antiriot law which was used as the basis for the Chicago Seven trial growing out of the "police riot" at the Democratic National Convention in Chicago. It provides a three-year/$100,000 fine for "movement of a person across a state" line in the course of consummation of a "riot." The present language of S. 1 defines a "riot" as involving five or more people. I understand that the committee has amended this provision so that it now could involve as few as "10" participants who create "a grave danger of imminently causing" damage to property. The antiriot provisions of S.1 would therefore extend federal jurisdiction down to the level of bar-room fights. (Section 1831.)

WIRETAPPING

S. 1 reaffirms the 1968 Omnibus Crime Control and Safe Streets Act, despite the stunning defeat of the Nixon Administration wiretapping policy in *United States* v. *United States District Court*, 407 U.S. 297 (1972), in which the Supreme Court unanimously held that the customary Fourth Amendment requirement of judicial approval applies before there can be a wiretap of a person or organization claimed by the President or the Attorney General to be a domestic subversive. As drafted, S. 1, despite this defeat, continues ambiguous Presidential authority to wiretap domestic activities where a "danger to the structure" of the government can be alleged. S. 1 and H.R. 3907 further make changes in existing statutes so as to expand existing wiretapping authority. They continue the current 48-hour "emergency" wiretaps permitted without court approval. They direct telephone companies, landlords, workers, and others to cooperate "forthwith" and "unobtrusively" with government wiretappers, and provide compensation for such forced cooperation, providing that such order may be included in the order for a wiretap, and thus made punishable by contempt proceedings if the person refuses to "cooperate." (Ch. 31A.)

"SEDITION"

The proposed legislation redrafts the 1940 Smith Act used in the McCarthy era witch hunt trials until made inoperative by the decision of the Supreme Court in 1957 in *Yates* v. *United States*, 354 U.S. 298 (1957). It further provides a 15-year/$100,000 fine for allegedly inciting "other persons to engage in imminent lawless conduct that would facilitate" the destruction of the federal or any state government, and a penalty of seven years/$100,000 fine for a member of an organization who "knows" his group has such a purpose. (Section 1103). There would be an even greater jeopardy to First Amendment protected free speech if this "sedition" provision is combined with the penalties for "conspiracy" of Sec. 1002.

WATERGATE CRIMES

S. 1 would inhibit the prosecution of wrongdoing by "public servants" if their illegal conduct is the result of a "mistaken belief" that it was "required or authorized" or based on a written interpretation issued by the head of a government agency. This section would have granted legislative immunity to Messrs. Mitchell, Haldeman, Ehrlichman, and Mardian in the Watergate criminal proceeding, and virtually made Watergate legal. If enacted, it will establish in American statutory law the Nuremberg-Eichmann defense for those cooperating in cover-ups of future Watergates. Justice Tom C. Clark, Retired Justice of the United States Supreme Court, writing about parallel provisions in the predecessor bill (S. 1400 of the 93rd Congress) has stated in a law-review article: "The breadth of these provisions is alarming, exceeding any I have ever observed in a federal statute. Known as the 'Nuremberg sections,' . . . I believe that such sections should be condemned as they would only encourage or facilitate irresponsible, if not unlawful, conduct on the part of some public officials." Prologue to Symposium on S. 1400, 68 Northwestern University Law Review 817, 823–824 (1973). (Secs. 542, 544, 552, pp. 57–59).

ALLEGED OBSTRUCTION OF MILITARY RECRUITMENT OR OF INDUCTION: INCITEMENT TO INSUBORDINATION

S. 1 and H.R. 3907 provide legal machinery clearly intended to curb future peace movements and their impact upon potential draftees and members of the military. It is aimed directly at movements which were effective in bringing the Vietnam War to an end. Broad, sweeping language is used to provide a legislative framework for punishment of persons in and out of the military services who utilize First Amendment rights of speech, press, and other media to advise current or potential members of the armed services regarding the action the Government is taking with its military powers. This legal machinery would infringe upon the American tradition of having an informed body public.

If enacted, the provisions would override the decision of *United States* v. *Baranski*, 484 F. 2d 556 (7th Cir. 1973) in which a similar statutory provision was declared unconstitutionally broad and violative of First Amendment rights. The *Baranski* court found that by forbidding "the use of any means whatsoever" to hinder or interfere with the draft, this prior statutory provision infringed upon speech, writing, and conduct that were expressly protected by the First Amendment." It is understood that less restrictive language has been added. There is still abundant room in the new provision for subjective interference with First Amendment rights.

If the "Impairing Military Effectiveness" provisions of S. 1 and H.R. 3907 become law, it will be possible for the Department of Justice to bring an action against a civilian for violation of these sections, claiming that any participation in a future peace movement by a member of the Armed Services had been incited by a civilian, and "could" impair military effectiveness. The provisions are sufficiently sweeping to impose upon civilians the military discipline and restrictive philosophy which sharply curtails First Amendment rights for those in the Armed

Forces. Thus the proposed legislation in this regard would drastically impede any future peace movement. It would make punishable by long prison sentences and fines any liaison by drafting counsellors or representatives of the peace movement with anti-war groups in the military. Such groups had a significant impact in bringing to an end American involvement in Indochina.

(See secs. 1112–1117).

IMMUNITY

The legislation reaffirms the 1970 "use" immunity law, allowing indeterminate sentences to supersede the Fifth Amendment privilege against self-incrimination. (Sec. 3111.)

ENTRAPMENT

The bill permits the conviction of defendants for committing crimes which they were induced to commit by improper pressures, inducement, and suggestion of police agents. The burden is placed on the defendant to prove "unlawful entrapment" and that he was "not predisposed" to commit the crime (Sec. 651). If the defendant may be found to be "predisposed" to commit the offense charged, the defense of entrapment is not available to him, regardless of the blatant efforts by one or more government agents provocateurs to entrap him. The Government is permitted, in establishing predisposition and thereby in rebutting the defense of illegal entrapment, to rely on evidence of such claimed predisposition. The way is accordingly open to it to rely on evidence which would ordinarily be inadmissible hearsay or otherwise inadmissible.

The question of the damage which such police misconduct does to the very essence of justice itself, was raised sharply by Justice Felix Frankfurter, concurring in *Sherman* v. *United States*, 356 U.S. 369 (1958). Justice Frankfurter there warned:

"The power of government is abused and directed to an end for which it was not constituted when employed to promote rather than detect crime and to bring about the downfall of those who, left to themselves, might well have observed the law. Human nature is weak enough and sufficiently beset by temptations without government adding to them and generating crime."

This warning by a distinguished Justice has particular relevance today, when the entire country has become familiar with episodes of misconduct by government agencies, including the "plumbers," the FBI, the CIA, the IRS, and Army Intelligence. It is now documented that agents provocateurs have repeatedly provoked extreme actions for the secret purpose of provoking a police confrontation, discrediting an unpopular organization, inducing someone to purchase marijuana, or otherwise inducing crime where it would not otherwise have occurred. Government misconduct in this regard becomes the more reprehensible where the infiltrated organization is exercising rights guaranteed under the First Amendment. Infiltration of an organization under such circumstances raises sharply the basic question whether First Amendment rights are being put in jeopardy by a carefully orchestrated plan, devised at high governmental levels, to weaken or defeat a civil rights organization, religious or peace group, or any other group opposing some aspect of governmental policy. The paramount issue here is whether respect for justice itself can be reconciled with the government's conduct as successful lawbreaker. Clearly it cannot. As Mr. Justice Brandeis once remarked in his famous dissent in the wiretap case of *Olmstead* v. *Olmstead*, 277 U.S. 438 (1928): "If the government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy."

MARIJUANA

S. 1 provides a penalty of 10 days in jail/ $10,000 fine for the possession of the slightest amount of marijuana for personal use; the penalty is 6 months imprisonment/$10,000 fine for a second offense. The penalties are drastically increased for successive convictions on the above (Secs. 1812, 1813 of S. 1). These provisions go directly against the realistic recommendations of virtually all state and federal commissions which have investigated the marijuana situation and suggested an easing of the penalties.

POLICE FORCE

The present language of S. 1 (Subsection 541 (b) (1) (B)) provides a defense for public servants who used deadly force if they satisfied other preconditions and the person being arrested was attempting to "escape with a deadly weapon." I understand that the language has been limited by the committee, by adding the word "dangerous" to make defensible the "escape with a dangerous weapon."

There clearly are still highly questionable permissive provisions in this section. An officer is allowed to prevent the escape of a person arrested for an allegedly violent crime, without regard to the danger to the lives of others. The statute permits the use of deadly force where the claim is raised that such force was "reasonably required" under the circumstances to prevent the felon's escape. The escape hatch of "reasonable belief" that the killing was necessary sanctions excessive use of guns by police officers. Moreover, the present language permits force (although not deadly force) to be used where the defendant claims that he was making an arrest as a private person. This could give widespread official sanction to citizens arrests by irresponsible private vigilante groups or persons acting on their own.

DEATH PENALTY

S. 1 and H.R. 3907 attempt to circumvent the 1972 Supreme Court decision limiting the death penalty in *Furman* v. *Georgia*, 408 U.S. 238 (1972). *Furman* held that capital punishment was "cruel and unusual" because it as "so wantonly and so freakishly imposed." (Stewart, J., concurring). In addition, legislation would provide *mandatory* executions for certain crimes under certain conditions. The death penalty, under the present language of the bill, would be permissible for a Jack Anderson, Seymour Hersh, Carl Bernstein, or Bob Woodward if they printed classified information in wartime or a time of national emergency. The latter provision is probably the most frightening section of all in this repressive legislation and shows how grimly serious a threat to the Bill of Rights these bills are. The proposal to reestablish capital punishment ignores the fundamental flaws which were emphasized by the majority justices in the *Furman* case. Justices Marshall and Douglas, in particular, there emphasized that the death penalty had fallen particularly on blacks, the poor, and the ignorant.

CRIMINAL ATTEMPT

S. 1 uses a broad definition of "criminal attempt" and punishes such crime with the same sentence as the completed crime. It makes a person guilty of an attempt to commit a crime if his conduct "indicates his intent to complete commission of the crime." In addition, he is to be found guilty, even though "it was factually or legally impossible for the actor to commit the crime, if the crime could have been committed had the circumstnces been as the actor believed them to be." The latter provision is extremely close to the archaic medieval British law which made it a crime to wish for the death of the king. (Sec. 1001).

CONFESSIONS

The bill allows acceptance of so-called "voluntary" confessions, even if they were obtained by the police in the absence of counsel, and without the *Miranda* warning which the Supreme Court has declared to be a constitutional right necessary to protect the innocent. It also allows the admission of eyewitness testimony regardless of prior police irregularities in suggesting identifications. This would make failure to give the *Miranda* warnings only a circumstance to be considered by the court in deciding whether the defendant had made the confession or admission "voluntarily" so that it was admissible.

INSANITY

The legislation would admit insanity as a defense *only* if the mental defect caused a lack of "the state of mind required as an element of the offense charged." It thus returns the law as to insanity to its century-old primitive state.

The defense of insanity would be permitted if a person killed another thinking, under an insane delusion, that he was doing something else, whereas if his delusion led him to kill someone thinking he had been ordered to do so by some imagined power it would not be an admissible defense.

Justice Tom C. Clark has written that this "would roll back the insanity defense to the dark ages." (68 Northwestern University Law Review at 824).

Professor Louis B. Schwartz of the University of Pennsylvania Law School who had been Staff Director of the National Commission for Reform of Criminal Laws has sharply criticized this abrogation of the insanity defense as using "the gravest sanctions of the system of deterrence we call the criminal law against people who are obviously undeterrable" and that, with monumental lack of discrimination, the sane and insane are treated alike for purposes of criminal conviction. "The chief impact of such a change would be those cases where the defendant knew perfectly well what he was doing and intended to do it, but was governed by some kind of insane compulsion: to do the 'will of God' or the devil; to right illusory wrongs, to defend against hallucinated attacks." (Louis B. Schwartz, *The Proposed Federal Criminal Code*, 13 Criminal Law Reporter at 3269, July 4, 1973).

The effect of the insanity provisions would be to steer unequivocally sick people to jail or to a prison environment rather than to mental hospitals and to a health environment. At the present time, courts define insanity as a mental disease which made it impossible for the defendant to appreciate the wrongfulness of his criminal act or to resist the impulse to commit it. S. 1 would make mental disease a defense only if it had the effect of making the defendant either unaware of what he is doing or unable to understand its consequences. It is clearly a regressive concept (See Sec. 529).

OBSCENITY

S. 1, H.R. 3907 freeze into statutory law recent restrictive decisions of the Supreme Court. They preclude the defense that the questioned material might be lawfully distributed under relevant state laws.

I understand that the bill now includes a revised definition of "obscene material," which applies to material "which, taken as a whole, appeals predominantly to the prurient interest," Despite this reported amendment, the legal mischief which can be achieved by this regressive legislation is very great. The statutory sanction given to *Miller* v. *California*, 413 U.S. 15 (1973). and *Miller's* companion cases still presents a clear and present danger to our Bill of Rights. This danger arises in connection with what can be done by local Puritanical censor groups, or by unethical United States Attorneys with the loose provisions for local censorship using local "contemporary community standards." There is a direct threat to the bookseller, movie house operator, magazine vendor, or other distributor or disseminator of material which may be charged to be obscene under the particularly vague language used in Chapter 18 of S. 1. As now drafted, there is not even a defense provided of a good faith belief that the material in issue was not obscene.

The penalties are severe—three years imprisonment and a fine of up to $100,000 for an individual; a fine up to $500,000 for a corporation or organization. Film makers, publishers, and others will face heavy fines and imprisonment if they consider making such films having a serious purpose, such as "Carnal Knowledge". "The Last Picture Show", or a book equivalent to James Joyce's *Ulysses*. All of which have experienced attempts of censorship.

The cost of national distribution of such a film or book becomes an important factor of self-censorship, if it may be banned in certain communities, or the distributor fined heavily if it is presented in a community having a local censorship board, this will discourage its broad distribution. The film "Carnal Knowledge" was banned in Georgia after the *Miller* opinion, although it had previously played three or four times around the State. This occurred even though it is an acknowledged major work of a leading American film-maker, Mike Nichols, and deals with serious issues in a serious manner.

S. 1 and H.R. 3907 would make the dissemination of a film or literary work illegal, if a local censor board can hold that taken as a whole it appeals "predominantly" to the prurient interest. Public distaste for pornography is being skillfully used to sanction the introduction of a host of local boards of censors. (See Sec. 1842).

EXTENDED FEDERAL JURISDICTION

The legislation provides that federal policing authority is to be extended into new areas by extending what has been called "piggy-back jurisdiction" over crimes which heretofore had been regarded as State offenses.

"Piggy-back jurisdiction" means that wherever federal jurisdiction extends to any crime committed by a person, any other crime committed by that person during the same sequence of activity also becomes as a federal crime. The law-and-order approach of S. 1 and H.R. 3907, reflecting the position of both President Richard M. Nixon and now of President Gerald R. Ford, is thus to be widely extended to state offenses, and to serve as the model for equally repressive state legislation. (Secs. 201–205).

SENTENCING

In addition to reinstating the death penalty, and contrary to the recommendations of the National Commission on Reform of Criminal Laws, the legislation imposes harsh, retributive prison sentences and fines for many crimes. Fines for all felonies are increased to $100,000; criminal terms are increased to seven, fifteen, and thirty years, depending on the felony involved. The proposal establishes mandatory, minimum sentences with no chance of probation for certain offenses. This eliminates judicial discretion to consider the defendant's record.

Profesor Louis B. Schwartz, formerly Staff Director of the National Commission on Reform of Criminal Laws, has sharply criticized the sentencing procedures of S. 1 and H.R. 3907 and their predecessor bill, S. 1400. He wrote:

"The core of any penal code is its sentencing system. One should ask about any system: What is the general level of punishment contemplated? Is it adequate to deter? Is it gratuitously harsh? Are offenses rationally classified into grades of seriousness? Is the sentencing discretion properly distributed as between judges and parole authorities? Is the discretion properly guided by legislatively declared standards and judicial review?"

Professor Schwartz' conclusion was that the bill "fails these tests" and that, "It is gratuitously harsh." (See his article in 13 Criminal Law Reporter at 3265).

APPELLATE REVIEW OF SENTENCING

The proposed legislation would introduce appellate review of sentencing into federal criminal law. However, there is a chilling effect on the freedom of the defendant to utilize the right of appellate review of sentencing. Such review is made available to the prosecution as well as the defendant. (See sections 3725–3726). The intimidatory effect of such right of the prosecution to seek a longer sentence is obvious.

The National Commission had taken the position that the government ought not to be given the power to increase sentences. The prestigious Association of the Bar of the City of New York, testifying in opposition to government appeal of sentences, stated that the grant of these powers "would inevitably operate to prevent defendants from taking sentence appeals in many arguably meritorious cases because of their fear of receiving an increased sentence instead."

PROBATION

If enacted, this legislation would establish what is virtually a presumption against the grant of probation. It mandates that a trial court must consider guidelines for sentencing which place heavy emphasis upon the need to reflect the seriousness of the offense, to promote respect for law, to afford adequate deterrence to criminal conduct, and to protect the public from further crimes of the defendant.

These mandatory guidelines are very plainly restrictive interferences upon the discretion of the trial judges, calling for denial of probation in the usual case, except for a first offender. Squarely to the contrary, the National Commission recommended both probation and parole "unless imprisonment is the more appropriate sentence for the protection of the public."

The former Director of the National Commission, Professor Louis B. Schwartz, has noted in 13 Criminal Law Reporter at 3266:

"The effect of this was not to prevent the judge from imposing prison sentences, but to require him to think about the alternative of probation, and to prefer freedom unless there was some reason why imprisonment better fits the needs of the situation, including protection of the public. As the Brown Commission said, the purpose was to prevent automatic, unthinking use of imprisonment."

Furthermore, S. 1 totally excludes probation for certain designated crimes. Giving all due emphasis to the need to curb crime, this nevertheless constitutes a totally unwarranted interference with the exercise of expertise and judicial discretion by experienced federal district judges. It flatly ignores the vast range of differences among defendants in degree of complicity, age, readiness to cooperate with the authorities, and other factors relevant to probation.

As a practical matter, moreover, even if the mandatory sentence is provided, and even more mandatory sentences are called for under President Ford's Message on Crime of June 19, 1975, this merely shifts the area of discretion from that of the courts to secret political decisions in the White House and the Department of Justice under the President's constitutional power to pardon and commute sentences. (See Secs. 2101–2106; 3810–3813, administration of probation program).

PAROLE

The burden of proof is placed on the prisoner to demonstrate why what amounts to an exceptional privilege of release on parole should be granted to him. Inevitably, many prisoners will be denied parole under these unduly severe provisions sharply restricting grant of parole. The difficulty here is that this converts incarceration into simple storage of human beings for the term of imprisonment, leading inevitably to further training in crime from the experts who are the prisoner's fellow prisoners, recidivism upon release, and a revolving door between release and further crime and arrest.

This seemingly though, but in reality regressive and doomed-to-failure, approach contrasts sharply with that recommended by New Jersey Chief Justice, Richard J. Hughes, when he served as Chairman of the Commission on Correctional Services and Facilities of the American Bar Association.

FOREIGN POLICY: AMERICA AT THE CROSSROADS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. du Pont) is recognized for 15 minutes.

Mr. du PONT. Mr. Speaker, about half a century ago, when one of our Secretaries of Commerce said, "the history of the United States has itself been the history of frontiers," he was talking about our foreign policy. He was saying that we needed to keep the doors to trade open in the Far East and anywhere else that new markets existed.

It was not thought odd then, nor would it be thought odd today, for an American to talk about frontiers. This frame of reference springs naturally from our heritage. We have always been a pioneering nation, our forebearers moving steadily west from our eastern shores to the Pacific and then beyond, always looking for new opportunity, a chance to grow, and a place to tell the world about the success of our way of life.

Of course, the frontier theme is no longer accurate in the geographic sense. Domestically, we ran out of new territory 100 years ago, about the same time we began to flex our muscles internationally. And now, those horizons of the second century have run out as well. We suddenly find ourselves having come full circle, back to our own shores.

That is what I want to talk about today. There are, I think, some new frontiers in foreign relations, but they are not so easily found on maps as they are in men.

Perhaps the best place to start looking is with an examination of what has changed in the world, particularly in the new, developing countries. For peoples who once quietly endured the frontiersmen from the industrial nations, are now banding together in international commodity agreements and fighting back.

Cartels, of course, are not new. They have been with us at least since 1301 when the kings of Naples and France agreed to control the price of their salt, then a vitally important commodity because of its preservative qualities. That agreement, like similar ones that followed, was not to last long. Even today, in the hands of oil-producing nations, the cartel is a primitive weapon, an arrangement too unwieldy to wear well.

The importance of today's cartels, however, is not what history tells us about how long they survive, but what a comparative analysis tells us is different—namely, that never before have so many cartels been formed at one time by so many countries. Or, to draw a larger conclusion, never before have so many so-called weaker nations been willing to wage economic warfare.

Consider what this means to the United States. In Latin America, for example, we established inter-American relations long before we ever thought about making ourselves a world power. From the very beginning of our Republic, the countries of the Caribbean and South and Central America have been important to us economically and for national security. And to our good fortune, they have never seriously threatened to change in this regard.

At least, not until recently. Today Latin American countries are expressing in clear terms that they are not satisfied with their relations with the United States. It was a South American country that founded OPEC, and at least one Latin American nation belongs to each of the international cartels that has been formed. And, while we can get by without coffee and bananas, what about copper, phosphate, tin, and bauxite?

Because our Latin American neighbors have not often chosen to hold these resources back, we easily overlook how much their friendship means. Take Venezuela's goodwill, for instance. When many of the OPEC nations embargoed oil shipments to the United States in 1973, the Venezuelans supplied us with one-fifth of our total foreign imports of petroleum.

But, we should not be misled by the restraint of these nations to date and think they will continue to give, getting nothing in return. The less developed countries want better treatment. And they are becoming impatient.

The options for the developed nations are clear. Either they help form a new international economic order so everyone can share in a prosperity or face at some point worldwide economic warfare or worse.

This, then, is the new frontier—a frontier that demands fresh approaches to foreign policy if we are to master the new challenges it presents. And, like any reevaluation that focuses on a topic so central to us, it is imperative at the Government level that the Congress, as well as the Executive, enter into it.

The House International Relations Committee can no longer act as it did when Sol Bloom, its chairman in the 1940's, would agree with any Executive foreign policy decision so long as the President telephoned him 15 minutes before the plan was announced.

The Congress has a role to play; and in order to see that it does, I have pressed for more than a year to have hearings on a global strategy for dealing with the proliferation of material cartels and other new economic developments. To my great gratification, the chairman of the Subcommittee on International Resources, Food and Energy recently informed me that such hearings would be held.

This is a beginning, but what of the end? The real measure of success comes when the work is done and we have accomplished something. This is the hardest task, for we are confronted with difficult questions. How far, for instance, are we willing to see consumer prices rise for the sake of insuring that everyone on the planet has enough to eat?

At this time, it is too early to say what solutions we will offer for this or any of the other complex issues facing us. But, it is not too soon to lay the groundwork to insure that we come up with good answers. Indeed, now when the frontiers are changing, it is time to rethink our approach to foreign policy. And, the best way to do that is to recognize that some of the old frontier solutions do not work.

Here is way. Two basic assumptions underlying our foreign policy—that foreign commerce is vital to our economic well-being and that our foreign relations should contribute to a better world—have been advanced in such a way that they cancel each other out. In this traditional approach trade has been used to force our views on other nations with the tragic result that we often deny and subvert the very "American ideas and ideals" we seek to encourage abroad.

Here are some examples:

In the last Congress, we insisted that a trade agreement with the Soviet Union must include certain promises on Jewish emigration. The result? We were hurt economically because the Russians refused to trade with us on those terms. As for our idealism: Jewish emigration has lessened dramatically.

We have boycotted Rhodesian chrome because of the abhorrent racial policies there. But the policies have not changed as a result, and we are buying this scarce resource from the Soviet Union—a nation with even more abhorrent national policies—at a much higher price.

In Chile, our CIA helped to subvert a democratically elected government because we did not agree with the will of its people. Today, Chileans no longer have a democracy.

Because of the idealism of the past, we are the only major power that does not formally recognize the People's Republic of China. Yet this nation, with almost one-fourth of the world's population, continues to ascend the power ladder.

As these examples show, we have neither inspired the world, nor helped ourselves. It is as if H. L. Mencken had our foreign policy in mind when he said:

> An idealist is one who, on noticing that a rose smells better than a cabbage, concludes that it will also make better soup.

If we are to produce a better foreign policy, we must deal with the world the way it is. We can do this without foresaking our ideals, but we cannot do it by using trade as a weapon or a wrecker's ball with which we try to destroy what we do not like.

On the contrary, commerce is the raw material with which a better world is built. We must earnestly use it to construct bridges between us and other nations to satisfy their economic needs as well as our own. In the process, we will also create a market for our ideals.

I do not mean to imply that idealism is just a byproduct of our foreign economic policy and therefore only secondarily important. Idealism should be of primary importance; it should make us generous contributors to the new international economic order, for instance. But, it should not lead us to try remaking other nations in our own image. For in doing this, we are bound only to estrange ourselves and our ideals from those we might otherwise help and influence.

Developing ties—this is the way to bring the world closer together. And, if we do it by being honest and evenhanded, with a careful respect for the integrity of other nations, we are likely to achieve our goals.

The frontier we confront then, is not some wilderness that we must harness, but our passions that we must tame. It is from this time we will contribute effectively to peace and international prosperity.

PARADE MAGAZINE EXPLAINS THE MONETARY SITUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, for too long, the people of the United States have had little opportunity to find out any information about one of the most powerful groups in our economy—the Federal Open Market Committee of the Federal Reserve System.

I am happy to see Parade magazine—in its October 26, 1975 edition—take steps to correct this situation. In an article entitled "Where Your Money Comes From," authors Alexander Cockburn and James Ridgeway bring much light in a mass circulation publication to the subject of the Federal Open Market Committee.

In answer to the question "Who really decides the country's economic destiny?" the authors answer that—

> More and more experts have concentrated on one crucial factor—the secret decisions of a group of important men called the Federal Open Market Committee.

The authors point out how important this little group meeting behind closed doors and dominated by Federal Reserve Board Chairman Arthur Burns is to the economic health of our country.

While Congress did pass a concurrent resolution earlier this year requiring the Federal Reserve to "consult" with Congress on monetary policy we are still far short of ending the secrecy of this powerful little group of men or providing proper accountability.

I commend Parade magazine for carrying this article, and I hope more mass circulation publications will join in the effort to shed more light on the Federal Open Market Committee.

Mr. Speaker, I would like to enter in the RECORD at this point the article, "Where Your Money Comes From" by Alexander Cockburn and James Ridgeway.

WHERE YOUR MONEY COMES FROM

(By Alexander Cockburn and James Ridgeway)

WASHINGTON, D.C.—Who really decides the country's economic destiny? Is it the President, flanked by legions of advisers? Or is it the big New York banks with their control over loans? Or is it the Congress, setting tax policy? Every expert has his own theory. But more and more the experts have concentrated on one crucial factor—the secret decisions of a group of important men called the Federal Open Market Committee.

On the third Tuesday of every month 12 men gather in Washington. After hours of secret debate they vote on decisions that affect the lives of every man, woman and child in the United States. The place they meet is in the closely guarded conference rooms of the Federal Reserve Board. The committee is made up of five presidents of different Reserve banks and seven governors of the Reserve Board.

These are the men who create the money we all spend. Each month at their meetings they pore over charts, study economic indicators, receive special reports and argue among themselves whether or not to make more money. In effect, they determine whether you will be able to buy a car, can afford to take a vacation or buy a new home. Their decisions can affect the security of your job.

One man dominates the meetings. He is Dr. Arthur Burns, chairman of the Federal Reserve Board. Burns steers the discussion and usually it is his view that prevails.

Listening closely is another man—Alan R. Holmes. It is his job to implement the decisions of the committee. By the next day Holmes is back in New York and closeted with his staff on the eighth floor of the New York Federal Reserve Bank building in Wall Street. There, in the deepest secrecy, they plot their strategy for the next week.

EYE ON THE GOAL

During the early part of 1975 Holmes' mission was single-minded—to pump money into the stagnant market places. And how he does it is really quite simple.

If the Open Market Committee wants to create more money, then Holmes conjures it up out of thin air. Here's what happens:

Holmes buys government securities from one of the two dozen big banks or dealers licensed to trade in them. In effect, he gives the dealer a check, drawn against the Federal Reserve account. The dealer deposits this check with his bank and when the bank presents it to the Fed for collection, the Fed merely punches a few computer buttons and tells the bank that it has credited its reserves with the due amount.

So the bank has more reserves and thus can lend more money. Its borrowers find in turn that they can lend more, too. The sum the Fed has conjured out of thin air begins to circulate round the economic system. If Holmes writes out a lot of checks in one week, more money begins to circulate. Since the banks can make more loans, money becomes cheaper to borrow and hence business conditions pick up: loans for houses, cars, business activities are easier to obtain.

But how can the Fed write that check? Under law it has what amounts to an open-ended bank account. It can create money whenever it wants.

So when he returns to New York, Holmes gathers his staff about him and plots a strategy for the week. Then, Holmes spends a morning studying bank reports and economic analysis which pour into the New York Federal Reserve Bank. By 11 o'clock everything is ready. At 11:10 Holmes picks up the telephone for a daily conference call to key members of the Reserve system. They review the events of yesterday and discuss the plan which is about to be enacted. A summary of the conversation is telegraphed over the Fed's private network to all the members of the Federal Reserve system. Everything is cloaked in deepest secrecy.

TRADERS AT WORK

The scene shifts to a modern room with orange carpets. There teletype machines quietly click away. Eight traders are poised at their "turrets." Two casually dressed attractive girls wearing headsets move about changing quotes on a blackboard running along one side of the room. The atmosphere is that of a tasteful betting parlor. Within minutes of the end of the conference call the traders have opened their phones and are in contact with the leading banks and security dealers in the nation.

The "go-around" begins. With no flicker of indication of their strategy the traders test the waters of the market—the prices of different government securities. Mintues later they are off the phone and in a huddle. Quickly they review the prices offered and, if the plan is to inject more money into the system, they begin to buy.

At the other end of the telephones, in the banks and trading houses, the dealers and their colleagues strain to interpret the Fed's strategy.

Is the Fed subtly changing its policy? Is it really shoveling money into the system? If so, then interest rates will change; the stock market may improve. Within hours of the news of the Fed's latest move, people are engrossed in speculation.

THE RESULTS

Week by week this game goes on. Over the months major changes in Fed policy become visible. Fueled by this money-making device the economy picks up or lets down. This is the power of the Federal Open Market Committee.

But there are those who say that decisions of this importance should not be taken in secret meetings of bankers and government officials. Congressman Wright Patman, the elderly Texas populist who has spent much of his political life attacking the Federal Reserve's money policies, calls the Federal Open Market Committee "one of our most secret societies. These 12 men decide what happens in the economy . . . In making decisions they check with no one—not the President, not the Congress, not the people.

"If Congress votes a tax cut to stimulate the economy, the Federal Open Market Committee can meet the next morning, instruct its trading desk to sell bonds, and sop up the credit—wiping out any benefits from the tax increases. Under the present law the Federal Open Market Committee has the power to make monkeys out of the President and the Congress anytime it chooses."

Even among the officers of the system there are bitter disputes about the monetary policies it puts into practice. One of the most vocal of these critics, Darryl Francis, president of the St. Louis Federal Reserve Bank, argues that the board has been adding too much money to the economy which results in both inflation and high interest rates. At the height of the recession, Francis said, "I believe that the risk is indeed great that the well-intentioned efforts to improve the economic situation in the short run by expanding money at too rapid a pace could create a nightmare solution in two or three years."

A SENATOR'S VIEW

In Congress, too, there are strong attacks. William Proxmire, the outspoken Wisconsin Democrat who heads the Senate Banking Committee, believes the rate of money flowing into the economy is at too slow a pace. "I agree," Proxmire recently told Dr. Burns at hearings on monetary policy, "that a moderate monetary policy may instill confidence on the part of some people, but I think what instills confidence is the growth of the economy, recovery of the economy, a drop in unemployment, real progress."

Dr. Burns takes all this criticism in stride. Only once did he seem vulnerable That was last spring when there was a move by Patman and Henry Reuss, who superseded Patman as chairman of the House Banking Committee, to pass a law placing Fed money policy under closer Congressional supervision. Burns managed to sidetrack the legislation. Instead both House and Senate adopted a milder resolution requiring the Fed to "consult" with Congress on monetary policy that aims at full employment and stable prices.

"Before passage of the resolution," Reuss explains, "the Fed could set monetary policy under a shroud of secrecy, accountable to no one. Now, the Fed must report its money supply target to the House and Senate Banking committees every three months. This creates a new atmosphere, the Fed can no longer ignore Congress and the public, and Congress must take some responsibility for monetary policy as it does for fiscal policy."

Not everyone is as optimistic as Reuss. The Federal Reserve system has proved to be remarkably durable, seemingly immune from bids to place it under Congressional control. But recently its operations have come more under the spotlight of public attention. Burns recognizes this. After his recent testimony before Congress, where for the first time, Burns announced monetary policy targets, he won praise from all quarters. "It may serve a very constructive purpose to carry on these dialogues," Burns said. "We will understand one another better." Perhaps at last the long years of secrecy are over.

THE FOSTER GRANDPARENT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

Mr. NOLAN. Mr. Speaker, I am today introducing legislation which will permit the Foster Grandparent program to serve retarded and other developmentally disabled adults as it now serves both retarded and nonretarded children.

The Foster Grandparent program was instituted to provide senior citizens with the opportunity to share their love and friendship with a needy child. The child's development shows substantial improvement as a result of the close personal relationship with an adult, and the senior citizen benefits emotionally and financially as a result of the opportunity to contribute to a needy child's growth and development.

The program has proved a great success in Minnesota and across the country. However, Federal regulations now prohibit foster grandparents from serving anyone over the age of 17. Despite a provision for the gradual termination of services between the ages of 17 and 21, this limitation has worked a severe hardship on retarded adults who have built up strong personal relationships with their foster grandparents.

The case of a retarded adult is a very special one. The emotional needs of the retarded do not change dramatically as they reach adulthood. Generally, both retarded adults and retarded children are served by the same facility with little distinction based upon physical age. To deprive a retarded adult of the love and companionship of his foster grandparent because his physical age has changed while his emotional needs remain the same, is to inflict unnecessary hardship on such an individual. Experts in the State of Minnesota have indicated that withdrawal of the security and pleasure of a foster grandparent can create many problems with retarded individuals who are unable to cope with distress and can become psychologically withdrawn, rebellious or physically ill.

I am, therefore, introducing legislation which will permit foster grandparents to continue to serve mentally retarded and other developmentally disabled individuals where those individuals are already being served by the program but are in jeopardy of being terminated because of age. Such a measure will insure that children who are now receiving the love and attention of a foster grandparent are not separated from that grandparent.

KOCH ATTENDS JOINT SESSION ADDRESSED BY SADAT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, some have asked whether I will be attending the joint session of the Congress to be addressed by President Anwar El Sadat. Of course, I will. I believe that for peace to be established in the Middle East it will require the enormous personal efforts of Egyptian President Sadat and Israeli Prime Minister Rabin.

Since 1948 the Israelis have sought face to face discussions with the Arabs and Arab countries have refused, in my judgment foolishly, to attend such discussions except on the battlefield. I have met President Sadat and have heretofore publicly stated that I believe he is demonstrating a bona fide desire to establish peace with Israel, not as quickly as I would like, not as forthrightly as I would desire, but to a far greater degree than any other Arab leader.

I have a number of differences with President Sadat and was deeply disturbed by his anti-Jewish remarks which I hope were not truly indicative of his deep-felt convictions. But even if they are, I must say that he would not be the first anti-Semite with whom I have met, talked and even dined. While I would always seek to change his opinion toward Israel and Jews, I cannot expect every person whom I meet officially to share my deep feeling on this or any other matter.

AMERICAN CANCER SOCIETY NEEDS TO DIVERT INTEREST TO GREATER THREATS—INDUSTRIAL POLLUTION AND DANGEROUS CHEMICALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, I think the time has come for the American people to ask why the Cancer Society finds it so easy to direct its fire against tobacco and ignore occupational and environmental pollution. Why is this organization so willing to push legislation against tobacco workers and tobacco farmers and so relucant to take a position in favor of pending legislation that will protect workers exposed to chemicals that are known to cause the same kind of cancer that is so often attributed to smoking?

The entire idea of a voluntary health education organization conducting a full-blown one-sided lobbying effort is questionable. But, the Society's call for "nationwide public support" of the FTC suit against tobacco companies is unprecedented. It smacks of conscionable pressure tactics that influence a pending judicial process and seems to me to be unheard of in our domestic society. I would hope that the Federal Court would cry out against this highly irregular effort to intervene in its deliberations.

To me, it is time that we faced this emotional outcry against tobacco with impartial facts which, in my opinion, speak for themselves. For an example, the National Cancer Institute has mapped cancer death that occurred in the 20-year period from 1950 to 1969, finding lung cancer rates to be high in New Jersey, New York City, and especially along the gulf coast from Texas to the Florida Panhandle.

During this period, lung cancer death in North Carolina was consistently lower than the national average for both men and women and for whites and nonwhites.

It is curious that lung cancer for all races and both sexes was lower in North Carolina where tobacco was inexpensive, readily available and widely consumed.

Lung cancer death rate per 100,000 (age adjusted) 1950–69

[Persons]

	North Carolina	*United States*
White males	29.9	37.9
White females	4.5	6.3
Nonwhite males	22.9	36.7
Nonwhite females	3.9	6.3

If these figures are not completely convincing, I was quite amazed to learn only yesterday in a conversation with the Bureau of Vital Statistics of the State of North Carolina, which I think most people would agree would be considered to have a population of heavy smokers above the national average, that in the year of 1974, total deaths in that State were 46,213 with 1,619 of these being attributed to trachea bronchius and lung cancer. This figure shows a percentage of something slightly more than 3 percent. It certainly can be argued that even out of this small percentage not all involved were smokers.

Also yesterday, I checked with the Bureau of Vital Statistics in the State of Utah, which I think most would agree with its large Mormon population would be a relatively light per capita smokers State. Yet for 1973—latest figures available—of 7,573 deaths from all causes, 270 of these deaths were attributed to lung cancer, emphysema and bronchitis, or a percentage slightly higher than that of North Carolina.

So, in conclusion, if the American Cancer Society is seriously considering the causes of respiratory disease, I respectfully suggest that they divert some of their concern to other possibly more serious threats, such as industrial pollution and dangerous chemicals. And I am confident in the near future that a study now underway will prove beyond any doubt that these factors are a far greater threat than the modern use of tobacco.

"WORD" WAR II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 15 minutes.

Mr. ASPIN. Mr. Speaker, the Select Committee on Intelligence has just emerged from "word" war II.

In September, the committee clashed with the Department of State in "word" war I which was fought over the committee's decision to declassify, on its own initiative, four words in a department document.

A peace conference produced a written pact between the two titans governing the future release of classified material.

But the dust had not yet settled when "word" war II erupted in October. This time only half as many words were involved, but the battling was twice as furious with even the ghost of Joe McCarthy brought back to haunt the airwaves and newspaper columns.

The select committee was mandated by Congress to conduct an inquiry "into the organization, operations and oversight of the intelligence community of the U.S. Government."

On October 2, the committee issued a subpena for a memorandum written by a middle-level official of the State Department, Thomas Boyatt, when he served as the Cypriot Desk Officer in the Department.

Secretary of State Henry A. Kissinger refused to supply the document, saying in a letter to the committee:

> . . . [T]here have been other times and other committees—and there may be again—where positions taken by foreign service officers were exposed to ex post facto examination and recrimination. The results are too well known to need elaboration here: gross injustice to loyal public servants, a sapping of the morale and abilities of the foreign service; and serious damage to the ability of the department and the President to formulate and conduct the foreign affairs of the nation.

The Secretary went on:

> Once the confidentiality of internal communications have been breached, it would be but a short step to public exploitation of the subordinates' views. The result would be to place Department officers in an intolerable position—at times praised, at times criticized for their views; at times praised, at times criticized for dissenting; at times praised, at times criticized for not dissenting.

More than 200 members of the American Foreign Service Association also wrote the committee in a letter which said in part:

> Many of us believe that the Foreign Service is just now—after 20 years—overcoming the legacy of that bitter question: "Who lost China?" Some of us recall the fate of those of our colleagues who were swept up—and away—in the debate, men whose analyses and judgments seem so much better in retrospect. Some of us wonder

> whether the history of the 1960's might have been different if the Foreign Service, and the national leadership, had been less concerned with the possibility that the question might become: "Who lost Indochina?" Would our perceptions have been clearer a decade ago, our analyses more to the point, our recommendations different? Were some of us in some subconscious way writing for the record in the early 1960s? The possibility exits.

And the debate was carried into the press where the Washington Post editorialized on October 6:

> The analogy with McCarthyism evoked by the State Department is a relevant one. . . . Policy level officers, especially those confirmed by Congress, must be accountable to Congress for the options they discard as well as for the options they choose. But the first obligation of more junior officers is to provide their superiors with their best judgment, and this can best be done on the basis of interior confidentiality.

The committee itself has not been charged with McCarthyism; the Secretary of State himself wrote the committee:

> I know that the select committee has no intention of embarrassing or exploiting junior and middle grade officers of the Department.

Rather the debate has been one of principle—namely, the requirement of the State Department to protect its middle and junior level officials from exploitation versus the authority of Congress in its investigative capacity to gain access to needed documents and personnel of the executive branch.

But even that debate over principle has been fogged, for the Central Intelligence Agency has been supplying reams of documents to the select committee despite the fact their authors were identified. But the institutional memory of the State Department is long and that agency was without a doubt shaken more than others by McCarthyism.

Although the State Department frames the issues in terms of its maternal desire to protect its employees from the potential ravages of congressional excess, history has demonstrated that the excesses more commonly come from the executive departments.

The most famous case is A. Ernest Fitzgerald, the Air Force contract analyst whose job was mysteriously eliminated after he told Congress about cost overruns on the C5A. The Civil Service Commission has since ruled he was illegally fired.

And there was Gordon Rule of the Navy who was taken out of a top job overseeing contracts and made into a schoolteacher when his superior did not like something he said publicly.

In the State Department itself there is the long example of harassment of Otto Otepka.

At the FDA dozens of employees have spoken of harassment and job transfers after they testified in the past year. John Nestor, who worked on the thalidomide case, reported his mail was opened and new drug applications that would normally come to him were transferred to others. One day he returned to his office to find it empty. He had been transferred to another division without ever being consulted or even notified in advance.

At one FEA regional office recently, the regional administrator made veiled threats at a staff meeting suggesting that anyone who wanted to cooperate with Congress was ipso facto a problem and he was thinking about transferring them.

At HEW the woman who handled affirmative action enforcement in colleges was transferred out of operational responsibility after she spoke out publicly on her subject in terms that did not meet favor elsewhere in HEW. She later testified to Congress about the harassment and afterward reported she was then faced with numerous minor hassles such as trouble getting sick leave.

In the wake of the McCarthy era the Congress cannot claim innocence and purity. But the record shows that Federal employees are much more likely to face intimidation, harassment, and punitive treatment from their own departments than from the legislative branch.

Specifically, the select committee has two concerns. First, that nothing interfere with the right of an individual who wants to be heard by a congressional committee. Whatever precedents are set must protect the Ernie Fitzgeralds of this world as well as the Tom Boyatts.

Second, Congress is concerned about an issue that has been fought since the administration of George Washington—namely the right of Congress and its authorized committees to have access to documents of the executive departments.

While Secretary Kissinger is concerned that no precedent be set that in another time or place might harm the State Department, the committee has a similar concern. The committee cannot accept an arrangement which would establish a precedent that in another time or place might harm the Congress.

If the Congress is to execute its legislative and oversight functions, it must be able to reach into the executive and get those documents which are relevant to its investigations. The Supreme Court underscored this need in the 1927 case, *McGrain* v. *Daugherty* (273 U.S. 135), in which it said:

> We are of opinion that the power of inquiry—with the process to enforce it—is an essential and appropriate auxiliary to the legislative function. . . . Experience has taught that mere requests for such information are unavailing, and also that information which is volunteered is not always accurate or complete; so some means of compulsion are essential to obtain what is needed.

Secretary Kissinger now says that he is prepared to deliver to the committee documents prepared by middle and junior level officials but with the names of the preparers deleted in order to protect them. In the future, however, it may be necessary for a congressional committee to have access to State Department documents with the names included. For example, if a committee is investigating the promotion policies of the State Department and the department has made a practice of passing over those employees who give advice that is unpopular within the administration, it would be necessary for that committee to have copies of the recommendations and opinions given by hundreds of employees in order to track those opinions with the Department's promotion and assignment practices.

A distinction must be made between Congress right of access to executive documents and the public release of those documents. These are two different questions. Webster's Dictionary says McCarthyism involves "personal attacks on individuals by means of widely publicized indiscriminate allegations, especially on the basis of unsubstantiated charges."

Some fear that if Congress has access to documents prepared by lower level officials, those officials may later be held up to public challenge, criticism, or ridicule because their views did not meet within current fashion. But that fear is only rational if the documents are released.

The committee sought the Boyatt memorandum for internal use in its investigations. It did not subpena the document for public release. The subpena specified the memorandum be delivered by October 15. The Secretary of State instead wrote a letter to the committee chairman saying he would not deliver the Boyatt memorandum, but was "ready to supply a summary of all contrary advice I received on the Cyprus crisis, so long as it is not necessary to disclose the source of this advice."

The committee made it clear to the Secretary that that was inadequate. On November 3, the Secretary modified his position and proposed that—

> I provide the committee an amalgamation of the State Department documents criticizing our Cyprus policy. This collection of material would include, interspersed among the other paragraphs and without any identification of authorship, the full contents of Mr. Boyatt's memorandum to me.

On November 4 the committee approved the Secretary's offer but made clear it did not consider this to be a precedent to govern future relations and that it was accepting the compromise only due to the unique circumstances surrounding the Boyatt memorandum and the fears it aroused within the Foreign Service. Some members of the committee thought the House should do battle with the Secretary of State over the Boyatt memorandum and drag Mr. Kissinger into the courts. Some felt it was demeaning to the Congress to, in effect, negotiate over compliance with a subpena. But only the inherently weak declaim against mercy. Is Congress so weak that it must be unwilling to compromise? I think not.

Archibald Cox, the Watergate Special Prosecutor in 1973 and professor of law at Harvard University, recently wrote that such conflicts between the executive and legislature lend themselves "better to solutions negotiated through the political process than to an 'either-or' judicial determination."

The Secretary of State has compromised substantially. A few weeks ago the State Department was willing only to give a rewritten summary of the Boyatt memorandum, it demanded that any employee interviewed by the committee be accompanied by a department monitor, it refused to send over parts of documents that included policy recommendations from lower ranking officers, and it insisted that the only people who could discuss policy with the committee were men of assistant secretary rank or higher—a list that did not include ambassadors.

Many of the restrictions were patently ridiculous and may have been imposed out of pique or in order to more easily give ground and the appearance of compromise. Kissinger has now agreed to abolish monitors, certainly a form of executive intimidation. He has agreed that policy documents should be delivered to the committee with only the names of the preparers deleted in order to protect their anonymity. And the list of policy makers has been extended to include ambassadors and deputy assistant secretaries of state. The entire text of the Boyatt memorandum is being delivered to the committee, as the committee had demanded, albeit the amalgamation is not in the form the committee originally anticipated. Only two words have been deleted from the memorandum, "Thomas" and "Boyatt."

Some have found this compromise inadequate and asserted that Congress failed to stand up for its rights. But what would be achieved by pressing a confrontation with the Secretary of State? We would generate more fears within the department, thereby threatening to undermine one of the goals of the committee which is to improve the use and analysis of intelligence data. We would consume valuable time of a short lived committee, during which we would not see many of the documents needed by the committee. And in the end, if we won a court battle, what would we have that we do not have now? Two words.

A court battle over the subpena could not gain for us greater access to documents because the subpena at issue demanded only one document, the Boyatt memorandum.

So the committee, by an 8-to-5 vote, decided it was best not to seek a confrontation over this subpena, but to make it clear at the same time that this resolution was not to serve as a precedent, that the compromise was accepted because of the unique circumstances surrounding the Boyatt memorandum and that the compromise would in no way set a pattern for resolving any future disputes.

As Archibald Cox said such disputes are better settled on an ad hoc basis.

It should be noted that in the real world of standing committees, relations with executive departments can be far different than when a select committee is involved. A select committee lacks budget control over the agency it is investigating which is can use as leverage to extract information. A select committee is normally faced with a tight schedule and time constraints because Congress wrote its date of death on the day it was created. Most importantly a select committee lacks a working relationship with the agency it is looking into.

In the standing committees of Congress, members and staff often have their own personal contacts in the agency they deal with. They are thus able to obtain much of the information they need—though not necessarily all the information they need—informally. This is not true of a select committee. A working relationship may, therefore, be replaced by mutual suspicion and distrust. An executive agency may also have a strong inducement not to cooperate with a select committee since such committees are usually set up to investigate wrong doing or poor performance in the executive.

The State Department should be forewarned that although the committee has accepted a compromise, it is not about to accept constant delays that would thwart the committee's operations by eating away at its limited time.

The chairman of the select committee, Representative OTIS PIKE, opposed the compromise and said:

> All of the language we have gotten from every agency of the Executive Branch from the day I got on this committee has been the language of cooperation. The facts have been the facts of confusion, of obstruction, of delay, of obfuscation, you name it.

On this basic point the chairman has strong support within the committee. I hope the State Department realizes that if there is any dallying or nitpicking over materials deemed essential to the investigation, a majority of the committee will certainly be willing to join the chairman in going to the mat with the Department.

The committee was not shying away from a confrontation. It simply decided that a confrontation over these two words was silly.

UNEMPLOYMENT UP 500,000; GROSS NATIONAL PRODUCT DOWN $14 BILLION; FEDERAL TAX REVENUES DECLINE SHARPLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I have titled my remarks with the hope of capturing the attention of those Members—an unfortunately large number—who still believe that a default by New York City will not affect our recovering national economy. If Congress does not act to avoid a New York City default by providing Federal loan guarantees these facts will be the headlines in every newspaper across the Nation and across the world.

I have stressed in the past that the essential services of New York City are not only the police and fire departments but also the role which New York City serves as the center of our national economy and of the international economic and monetary system as we now know it. It has been made eminently clear in recent weeks that we live in an interdependent world. It is time that we also realized that ours is an interdependent republic. The fate of our national economy is joined to the economic fate of our largest city.

I have tried to bring to light the impact which the default of New York City would have on the individuals and businesses in other parts of the United States. I feel that two articles which appeared in the New York Times of November 4, 1975, complement my efforts by making it very clear what the disastrous impact default would have on the United States and also on the international economic recovery.

The first article, by Charles W. Bailey, point out that—

> [t]he fiscal collapse of the nation's largest city would inevitably affect every taxpayer in every other city.

Mr. Bailey goes on to point out that—

> [l]ike it or not—and many of us do not like it a bit—New York is the financial, cultural and communications linchpin of the country. It is also immensely important to transportation, foreign trade, retailing, and other enterprises. A Nation struggling to pull itself out of a severe recession can ill-afford to let so important a segment of its economy collapse into insolvency.

The second article, by Leonard Silk, is more quantitative and cites many of the statistics relating to the actual dollar impact and unemployment which would be caused by default. He also concerns himself with the international ramifications of default.

Mr. Speaker, colleagues, I urge each of you to review the articles which are reprinted below as I feel that they are helpful in pointing out the course which I feel is in the national interest:

THE TRAUMA OF DEFAULT

(By Charles W. Bailey)

MINNEAPOLIS.—A number of people, many of whom should know better, seem intent these days on rearranging the map of this country. Their purpose appears to be to convince us that New York City is not really a part of the United States—and that what happens there is of little or no concern to the rest of us.

We can begin by conceding a number of things that tend to make this thesis attractive. New Yorkers are not the most lovable people in the Republic. They are aggressive and cynical, they tend to suffer from delusions of superiority, and they talk with a funny accent. The city's government is notably inefficient, profligate and corrupt. The air is foul. The streets are choked with traffic, paved with refuse and riddled with chuckholes. The residents have only themselves to blame for many of their current municipal woes.

But to concede all that and more does not mean that the rest of us either can or should let Fun City stew in its own juice, President Ford and assorted Congressional yahoos notwithstanding. There are several reasons—some purely a matter of enlightened self-interest, some compelling even if they do not carry a price tag—why New York's troubles are our troubles, too.

The fiscal collapse of the nation's largest city would inevitably affect every taxpayer in every other city. There is evidence that New York's money troubles have already boosted the current and future costs of public financing elsewhere by upward of $3 billion, because of higher interest rates on city and state bonds. If the big city goes bust, this will get worse, and of course higher bond interest is paid by higher taxes.

New York's troubles may be larger than those of other American core cities, but they differ only in degree. Even a cursory review of New York's current difficulties makes it clear that Minneapolis, for example, has many of the same problems—though on a much smaller scale at the moment. New York's success or failure in dealing with them now will tell us a good deal about whether, and how, we can deal with them later.

Like it or not—and many of us do not like it a bit—New York is the financial, cultural and communications linchpin of the country. It is also immensely important to transportation, foreign trade, retailing, and other enterprises. A nation struggling to pull itself out of a severe recession can ill-afford to let so important a segment of its economy collapse into insolvency.

Certainly New York must clean its own fiscal house thoroughly if it is to expect substantial Federal help. It will have to stop borrowing for current expenses, for example—a practice that has rotted its fiscal structure in the past decade. It must cut back, in a major way, on scores of current services and benefits to its private citizens and public employees alike. But the rest of the country cannot wait until these reforms are fully effective before it offers assistance.

There is something else, too. New York is where many Americans began in this country. My grandfather landed at Ellis Island, for example, and it was from New York that he set out with a peddler's pack to find a new home. So did the parents and grandparents of a lot of us. New York has always been our great gateway; it has paid, and indeed is still paying, the social-services price of that role.

That is a small point, perhaps, and certainly not so compelling as other more pragmatic arguments for aiding New York. But it will not hurt, as we debate the wisdom of helping this sick metropolis, to remember how many of our forebears used it as a way station on a journey to better places and better lives.

A Wave Effect Beyond the Hudson

(By Leonard Silk)

The odds are heavy—well-informed observers now put them at five-to-one or higher—that New York City will default within a month. If that happens, what will be the impact on the national economy?

The question cannot be answered "scientifically" because there are too many unknowns: the psychological reaction of financial markets at home and abroad; the degree of Federal support that the Ford Administration will extend to the city after bankruptcy; the actions that will be taken by New York City and state officials to cushion the shock, and the reactions of public officials, bankers, businessmen and individual persons throughout the country to an event that is without precedent.

Despite the forecasting difficulties, however, it is essential to try to anticipate the impact of default—if only to establish the basis for future policy actions.

The shock will be immense, but it will not all be felt on the day of default or even for weeks and months afterward. The city's publicly held securities total $12.3 billion. Only $3 billion of this amount is held by banks; the balance is difficult to trace, but the bulk of it is held by individuals, many of whom are pensioners and people of modest means, who will suffer serious losses of principal and interest.

The Federal Reserve will keep all major banks from going under by lending against their holdings of city and state obligations at par value. But the Securities and Exchange Commission will require the banks to disclose all doubtful securities in their portfolios, lest stockholders, depositors and other lenders to banks be misled.

Affected banks and other troubled lenders will cut their commitments to small businesses, housing, large corporations of less than the highest credit standing and other municipalities of doubtful credit worthiness. The housing slump will be worsened; plant and equipment spending and state and local outlays will be dragged down.

President Paul Volcker of the Federal Reserve Bank of New York and other competent observers now fear that there is grave danger that a New York State default will follow and compound the risks of a New York City default. This would double the impact. New York State has $12.5-billion in securities outstanding, including Municipal Assistance Corporation bonds replacing $2 billion of city debt. Together, of their combined publicly held obligations of $23 billion, New York City and State owe $10 billion at short term. Defaulting on the short-term debt would be a heavy blow to individuals and businesses throughout this region.

Will other regions benefit if New York and its surrounding region go down? Perhaps, but it is well to remember that the Northeast cannot be sawed off and allowed to float out to sea; it is not an island but part of the mainland. The Administration likes to stress the international interdependence of the United States; we are even more interdependent within the nation.

Quantitative estimates of the cost of the nation of a New York City default vary with the assumptions made and the econometric model used, but they are broadly consistent. The most "optimistic" estimate of Data Resources Inc., a consulting firm used by private corporations and by the President's Council of Economic Advisors, is that a New York City default would cost the nation $14 billion in lost national production and 500,000 jobs. Similarly, the most favorable estimate of the econometric group at the Wharton School of Finance of the University of Pennsylvania is for a loss in national output of $10 billion and a loss of 430,000 jobs. Less optimistic assumptions would roughly double those estimated losses. And a default by New York State, coming on top of the city's bankruptcy, would double the costs once again.

The United States Treasury would be impacted. Tax revenues would fall by billions and Federal spending would rise to make good President Ford's promise to pay for police, fire and other "essential" services—though what that term means remains unknown. New York, its ability to borrow impaired for years to come, and its tax base shrinking as businesses migrate from the area, could become a long-term ward of the Federal Government.

Other cities—especially those of the Northeast but not those exclusively—fear the threat to themselves. Mayor Peter Flaherty of Pittsburgh, who has run a tight fiscal program in his own city, said, "I don't want to see the world's most dynamic city go down the tube—it's just too important."

Foreign governments are deeply worried. Chancellor Helmut Schmidt of West Germany vainly tried to convince President Ford of the threat of New York's imminent collapse to the international economy. The loss of New York's position as the world's premier financial center could have reverberations for years to come. Foreign government and banking officials have until recently been unable to believe that the United States Government would permit this to happen. The sudden blow to the international economy, still laboring to climb out of the most severe recession of the post-war period, could be the greatest danger immediately ahead.

Even if the risks of a catastrophic impact are no worse than ten-to-one against, is that risk worth taking?

If New York is forced into bankruptcy and feels itself the victim of self-interested regional plotting and enmity, a serious new trauma would be inflicted not only on this city but on the nation—a nation divided not just regionally but ethnically and in terms of social and economic classes. The consequences of that political and social trauma are even more difficult to estimate than the immediate economic impact of New York's probable collapse, and are possibly even more dangerous.

Is this trip into the unknown and unknowable necessary—or wise?

DR. KISSINGER'S POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 5 minutes.

Mr. SIKES. Mr. Speaker, an editorial in the November 24 issue of the Washington Star entitled "Dr. Kissinger's Power," expresses the concern of many which is being generally voiced about the unanticipated and widespread changes in personnel among ranking leaders in the Ford administration. I submit it for reprinting in the RECORD:

Dr. Kissinger's Power

Obviously the loser in the so-called "Sunday night massacre" is Secretary of Defense James Schlesinger and the winner—even if he must now surrender the chairmanship of the National Security Council—is Secretary of State Henry Kissinger.

There is always some hazard in speculation. Such an affair can be made to seem more Byzantine, in hindsight, than it really is. But in this case the danger seems remote.

The donnish brawling of these two principal members of the President's cabinet over defense and foreign policy issues dates at least from the October War in the Middle East. It suggests, incidentally, that a university senior common room is not bad training ground for the gentlemanly arts of bureaucratic self-defense.

Recently, however, Secretary Schlesinger made a critical error. To the liability of having stepped once too often in Dr. Kissinger's way he added the mistake of lecturing the House Appropriations Committee about the pending defense budget, calling the cuts of that body "savage." Until he tangled over the defense budget cuts with Chairman Mahon, Mr. Schlesinger could have counted on more congressional sympathy in his losing battle with Dr. Kissinger than he is now likely to get.

Whatever one may think to be the policy or political—or personal—questions that occasioned Mr. Schlesinger's unceremonious ouster, the main issue is institutional: It is the power of Dr. Kissinger.

Like many brilliant and determined men, Dr. Kissinger does not submit gladly to the dispersal of power. He seems to regard it as sufficient check on his operations that he is answerable to the President. The defense secretary made the mistake of interfering. He became a nuisance to Dr. Kissinger during the October War in the Middle East, when the two disagreed over the timing and amount of U.S. resupply to Israel. Since that confrontation—resolved in Kissinger's favor by President Nixon—their disagreements have reportedly multiplied. They include some critical differences over the current talks on strategic arms limitation with the Soviet Union.

The nature of that disagreement is not entirely clear; but the least we know is that the secretary of defense is worried about American strategic strength while Dr. Kissinger has been heard to ask what, in the nuclear age, strategic superiority could possibly mean.

Moreover, Dr. Kissinger is obviously anxious to resolve or put aside the technical defense policy questions that are impeding a second SALT agreement—the crowning touch of detente with Mr. Brezhnev.

Whoever has the better of these substantive questions—a question we do not dwell on here—it may prove risky to remove the last major obstacle of resistance to Dr. Kissinger's policy. Mr. Schlesinger is to be replaced by presidential assistant Donald Rumsfeld, who also enjoys immense presidential confidence. But even if Mr. Rumsfeld in his new constituency did become a significant check upon Dr. Kissinger, would it happen quickly enough to make a difference in the SALT negotiations?

Similarly, the belated resignation of Dr. Kissinger from one of his two major jobs in the foreign policy establishment—that is, as chief of the National Security Council—is diminished in short run importance by the nature of his replacement. That replacement is Gen. Brent Scowcroft, a loyal Kissinger lieutenant.

And what different does it all make? Perhaps none, if this country exercises good judgment in the last stages of the SALT talks. One's optimism in that regard will depend on one's confidence in one-man shows in foreign policy during presidential election years. In 1972, Dr. Kissinger and President Nixon undoubtedly cut some corners to deliver the first SALT agreement. We draw from that memory the lesson that one man's judgment in an election year is not enough protection in anything so crucial as strategic arms negotiations.

Insofar, then, as the "Sunday night massacre" proclaims a further accession of power and influence for Dr. Kissinger, it will bear close watching. We have the highest regard for the abilities of the secretary of state. But he already has enough power—and perhaps a good deal too much of it.

SYRIA ON CENTER STAGE IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, it has become apparent in the last few weeks that Syria holds the diplomatic key to the Middle East over the next several months. Syria can, by its actions or inactions, substantially determine what happens to the momentum for Mideast peace generated by the recent Egyptian-Israeli Interim Agreement.

While it has been the view of the United States that Egypt is the most important Arab State and that chances for further hostilities are greatly diminished if Egypt is committed to, and satisfied by, political solutions, we should not assume that Egypt necessarily holds a central diplomatic position in the Arab world in all Arab-Israeli issues.

In many respects, Syria occupies a more central, if less powerful, position in the Arab world. It should be hoped and expected that we are today engaged in intensive diplomatic talks with Syria and Israel in an effort to try to further the cause of peace.

Syria's policies and position in the next several weeks and months are critical for three principal reasons.

First, Syria has the ability, more than any other Arab State, to help defuse the rising cycle of violence that is tearing Lebanon apart. As in previous troubles in Lebanon, the close ties between large segments of Lebanon's Muslim community and neighboring Syria afford Damascus a unique opportunity to play a political role in Lebanon.

Although Syria may have had little to do with the initiation of the present civil war in Lebanon, Syria alone can provide the diplomatic initiatives that are likely to turn the situation away from further hostilities and disintegration. We may need to work with Syria on this problem in the months ahead.

Second, the mandate of the United Nations peace force, UNDOF, that works on the occupied Golan Heights between Israel and Syria expires the end of this November unless positive action is taken by the United Nations.

Syria's intentions regarding UNDOF at this point in time are still unknown. There have been some ominous signs: Extensive troop division movements near Damascus and some guerrilla bands apparently entering Israel from Syria and the Golan Heights. But these negative signals could be more a function of our poor perceptions and information regarding Syria's intentions.

There appears to be an urgent need for the United States to work with Syria in the next few weeks and try to persuade its government to test Israeli intentions through interim peace negotiations rather than through a test of wills, military eyeballing or even hostilities on the Golan Heights.

Third, Syria is closer to the Palestinian movement and to the Palestine Liberation Organization than most of its Arab neighbors.

Syria will not likely sign any agreement that does not in some way treat, or at least mention, the Palestinian issue. Syria has extensive Soviet support both for its military and for its diplomatic positions on issues like the Palestinian cause.

The United States might also consider an approach to Syria on the Palestinian issue. We now have serious differences with Syria on this issue which lies at the core of the Arab-Israeli conflict, but the time may be opportune for Syria to play a role with both the PLO and Jordan designed to break the diplomatic logjam that exists on the matter of Palestinian representation at a peace conference.

Mr. Speaker, over the years the United States has had few periods of good relations with Syria. Basic policy differences with Syria remain and many Americans take strong exception to some of Syria's internal and foreign policies, but we do have relations with Syria today and we have developed an ability to carry on dialogs on crucial Middle East peace problems.

I hope and trust that we are using every opportunity in these crucial weeks to explore with Syria diplomatic alternatives. The peace process we have started and nurtured is coming to another one of its critical junctures. It should not stop. On the Arab side, Syria will play a central role in determining whether it continues or flounders.

Israel's attitude toward further talks with Syria and its position on further withdrawals on the Golan Heights in return for a substantial deescalation of tensions in that zone are also crucial factors. The Syrians are watching closely developments and statements in Israel just as Israelis maintain a necessary vigil on all activities to the north in Syria.

Mr. Speaker, although the recent visit of President Anwar Sadat of Egypt to the United States showed dramatically how far United States-Egyptian relations have developed over the last few years, we should not expect those relations and respect for President Sadat to overshadow all peace overtures in the Middle East in the months ahead. Egypt may well be the most important state in the Arab world, as Israel and the States believe, but Egypt does not hold the key to the UNDOF mandate, Lebanon, or the Palestinian issue.

For the next several months Syria is on center stage and the United States needs to recognize that despite our poor perception of Syria's intentions, we need to seek a formula for getting Syria back into a negotiating framework with Israel.

I hope our diplomatic efforts are up to the challenge Syria poses. Without Syria, the Egyptian-Israel interim agreement could quickly become a hollow piece of paper over a period of months.

AN AMENDMENT TO PROVIDE ECONOMIC STIMULUS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, I wish to state my intention to offer a floor amendment to the Second Concurrent Budget Resolution. The budget effect of the amendment will be to raise budget authority $1.433 billion while limiting outlay increases to $235 million. This amendment will minimize the deficit increase and finalize it at $72.2 billion, a small increase over the $72 billion reported out of the committee.

The necessity of the deficit increase is justified with national unemployment rates bordering 8 percent. The issue of unemployment and its pervasive economic effects must be maintained as the national focus. We cannot allow deficit politics to undermine the lives of over 7 million unemployed Americans who are actively seeking employment opportunities. The issue is jobs and the budget resolution's economic impact on the labor market.

Our amendment increases budget authority by $750 million and outlays by $125 million for CETA title VI public service employment. Our budget authority increase represents a congressional mandate to maintain public service employment levels, it signals localities that funding will be made available. The result of my amendment will raise the annual jobs level from approximately 445,000 to 460,000. The stimulative effect could provide the following quarterly average jobs levels:

> 320,000, July–September 1975; 335,000, October–December 1975; 540,000, January 1976; and 645,000, April–June 1976.

The amendment also provides $250 million in budget authority and $100 million in outlays for CETA title I, the manpower training and employment programs supervised by State and local prime sponsors. The effect of this increase would provide approximately 42,000 additional man-years of "minimum wage work experience" jobs, on-the-job, and institutional training positions. Current funding will not support existing program levels after the January rise in minimum wage. Additional outlays will be required to maintain existing levels if these important activities are to continue.

The essential issue to comprehend is that the initial $225 million increase in the deficit will stimulate job creation, which will provide tax revenues and longrun decreases in the deficit. The circular interaction between outlays and deficit, in creating public service employment, has been documented in the Congressional Budget Office's report: "Temporary Measures To Stimulate Employment." See summary table 1, page V. The prevailing fact is that there is an outlay offset.

For example, the annualized 15,000 jobs created with the $125 million in outlays will create $16.625 million in various tax receipts. If we assumed that of the 15,000 jobs, 65 percent or 9,750 were filled by individuals who were receiving benefits at a level of about $3,250 per year, we then realize that we create $16,625,000 in tax revenue and save $31,687,500 in benfits from the $125 million outlay. This outlay offset of $48,312,500 represents a return on the deficit of 39 cents for every $1 outlay on public service employment. Therefore, a $1 outlay for jobs represents a 61-cent deficit increase not the full $1.

The amendment provides an additional $433 million in budget authority, $10 milion in outlays, for various education programs. Of this total, $200 million is for educationally deprived children under title I. The impact aid holds harmless requirement accounts for an additional $90 million in budget authority. The remainder is for vocational, adult, higher, and other education programs for which initial appropriations were inadequate.

The result of this amendment would render the following:

[In billions]

Budget authority	$401.830
Revenues	301.824
Outlays	374.002
Deficit	72.178
Public debt	620.600

Joining me in offering the amendment are: Hon. JAMES G. O'HARA, Hon. ROBERT L. LEGGETT, Hon. PARREN J. MITCHELL, Hon. PATSY MINK, Hon. LOUIS STOKES, and Hon. ELIZABETH HOLTZMAN.

SUPPORTING H.R. 7575, CONSUMER PROTECTION ACT

(Mr. WON PAT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WON PAT. Mr. Speaker, I rise to urge passage today of H.R. 7575, a bill which authorizes the creation of a new Agency for Consumer Protection.

Our acceptance of this historic bill will provide the American consumer with a strong spokesman in Washington who will represent and protect the interests of consumers in proceedings before the Federal Government.

It is crucial to note that the new Agency will have no regulatory powers. Instead, it will rely on its powers as a third party to convince other Federal establishments to review or change their actions in matters directly affecting the Nation's millions of consumers. Of principal interest is the Agency's ability, vested under authority of this measure, to receive consumer complaints from the general public, and act on them on behalf of the complainant.

I am pleased to note that the measure extends the powers of the Agency for Consumer Protection to residents of Guam and other territories of the United States. Guam has been quite active in the area of consumer protection in recent years and has established a local agency for such purposes which has been most effective.

The measure before us has long been needed. The consumer has too few voices speaking on his or her behalf. The time has now come for Congress to augment other consumer-minded legislation already on the books with a new one to insure that the numerous proconsumer laws are effectively administered and strongly enforced. Equally important is the task of assuring that the various Federal agencies do not themselves assume postures which may be harmful to American consumers.

Congressman JACK BROOKS, Chairman of the House Government Operations Committee and his colleagues are to be strongly commended for their outstanding effort to produce a fine and workable piece of proconsumer legislation. We all know of the controversy surrounding this measure and I hope that a careful review of H.R. 7575 by our colleagues in the House will result in its passage.

Thank you.

"PERILS OF PAULINE" PROBLEMS OF NEW YORK CITY

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, as we approach a showdown on the "Perils of Pauline" problems of New York City, I am reminded of Gresham's Law and wish to include in the RECORD a transcript of economics commentary by Pierre A. Rinfret, both on September 11, 1975, and October 16, 1975, for broadcast by Post-Newsweek stations:

[Transcript of economics commentary by Pilerre A. Rinfret, videotaped September 11, 1975, for broadcast by Post-Newsweek stations]

GRESHAM'S LAW AND GOVERNMENT CREDIT

Did you ever hear that song "New York, New York, It's a wonderful town"? Did you ever hear of a law called Gresham's Law? Gresham's Law was named after a man who lived from 1517 to 1570. He was a man by the name of Sir Thomas Gresham. He was the financial advisor for the United Kingdom, and he lived in Holland. He took care of financial exchange for the United Kingdom in the 1500's.

Do you know what Gresham's Law says? Gresham's Law says, and you've heard this expression, "Bad money drives out the good." Bad money drives out the good. People let the bad money circulate and they put the good money away, they hide it.

Well, now we've got a rescue operation in the United States. The City of New York, which was about to default on its obligations, was in fact rescued by the State of New York. That's kind of like a man who can barely swim trying to rescue a drowning man. Gresham's Law in economic terms is now very simple: bad credit denigrates good credit. The price that the State of New York paid is that its own credit ratings have dropped, the cost of its own credit has risen, and the New York City bail-out now puts New York State into jeopardy. The question everyone has in his mind is this: will the U.S. Treasury change its mind and rescue the City of New York? The answer is no. Will the Treasury change its mind and rescue the State of New York? And the State now looks like it's in trouble. I think the answer is still no.

Congress may step in and rescue the State of New York when that becomes necessary, but one fact remains clear: whether it is a city or a State or the United States Government, you can't spend what you don't have without eventually facing bankruptcy. Now is the moment of truth for the City and State of New York. I hope the Federal Government is listening.

This is Pierre Andre Rinfret.

[Transcript of economics commentary by Pierre A. Rinfret, videotaped October 16, 1975, for broadcast by Post-Newsweek stations]

SECRETARY SIMON AND NEW YORK, N.Y.

New York, New York is the subject of talk, of controversy, and of emotion in the United States today. We have, as I have said before, in this country a chief financial officer who is the epitome of integrity and of courage. The man I'm talking about is the Secretary of Treasury William Simon.

Recently, Mr. Simon has received every possible smear in the books. The people to the left, the people who want to bail out the City of New York are smearing him left, right, backwards and forwards, attributing to him quotes he never made on the status of the City of New York, such as the quote that he wants New York to suffer before the Government recognizes it as a problem.

In fact, the objections to Mr. Simon are such that all the facts are being forgotten. It seems to me that the attack should be on the Mayor of New York, Mayor Beame who was Comptroller of the City of New York for eight years. We should, in fact, impeach Mayor Beame or, at least, Mayor Beame ought to have the decency to resign for having misled the people of the City of New York, the people of the State of New York, and the American people about the financial situation in New York. It is he who apparently fraudulently escalated the estimated revenues of the City way beyond what they actually were. It is he who developed techniques for hiding the deficit of the City of New York. Instead of the Governor of the State of New York attacking the Secretary of Treasury, he ought to attack the Mayor. And instead of the Mayor attacking the Secretary of the Treasury, he ought to resign. The Secretary of the Treasury is performing his function: that of guarding the interests of the Government of the United States. The people who are most responsible for the disaster now called New York City are creating a smokescreen by attacking the Secretary of Treasury as a man who refuses to recognize the well-being. Well, maybe he recognizes that well-being requires integrity which neither the Governor nor the Mayor of the City of New York now has.

This is Pierre Andre Rinfret.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Ottinger, for November 6 and 7, on account of trip to major cities of the United States to explain legislation to prevent the bankruptcy of the city of New York.

Mr. Symington (at the request of Mr. O'Neill), for today, on account of death in the family.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Rangel, for November 5, 6, and 7, on account of attendance at the Caracas Conference for Narcotics Coordinators.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Symms) to revise and extend their remarks and include extraneous material:)

Mr. du Pont, for 15 minutes, today.

(The following Members (at the request of Mr. Baucus) to revise and extend their remarks and include extraneous matter:)

Mr. Patman, for 20 minutes, today.
Mr. Nolan, for 5 minutes, today.
Mr. Reuss, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Koch, for 5 minutes, today.
Mr. Jones of North Carolina, for 5 minutes, today.
Mr. Aspin, for 15 minutes, today.
Mr. Wolff, for 5 minutes, today.
Mr. Dodd, for 10 minutes, today.
Mr. Sikes, for 5 minutes, today.
Mr. O'Neill, for 5 minutes, today.
Mr. Hamilton, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Symms, and to include extraneous material in the Record following his remarks on the bill H.R. 7575.

Mr. Rosenthal, and to include extraneous matter immediately following his remarks in the Committee of the Whole.

Ms. Abzug, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $858.

Mr. Bauman, and to include extraneous matter, on H.R. 7575 in the Committee of the Whole today.

Mr. Frenzel, following his remarks in colloquy with Mr. Erlenborn on H.R. 7575 in the Committee of the Whole today.

(The following Members (at the request of Mr. Symms) and to include extraneous material:)

Mr. Sarasin.
Mrs. Fenwick.
Mr. Kasten.
Mr. Ashbrook in four instances.
Mr. Archer.
Mr. Whitehurst.
Mr. du Pont.
Mr. Sebelius.
Mr. Lujan.
Mr. Symms in two instances.
Mr. Bell in two instances.
Mr. Talcott in two instances.
Mr. Lagomarsino.
Mr. Gradison.
Mr. McClory.
Mr. Peyser.
Mr. Don H. Clausen.
Mr. Burke of Florida in two instances.
Mr. Kemp.

(The following Members (at the request of Mr. Baucus), and to include extraneous matter:)

Mr. Badillo.
Mr. Udall in two instances.
Mr. Rosenthall.
Mrs. Collins of Illinois.
Mr. Annunzio.
Mr. Traxler.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Mazzoli.
Mr. Carney.
Mr. Brown of California in two instances.
Mr. Hawkins in two instances.
Mr. Jones of Tennessee.
Mr. Evins of Tennessee.
Mr. O'Neill.
Mrs. Sullivan in two instances.
Mr. Roush in five instances.
Mr. McCormack.
Mr. Rostenkowski.
Mr. Breckinridge in two instances.
Mr. Wolff.
Mr. Vanik in two instances.
Mr. Stokes.
Mr. Bonker in four instances.
Mr. Russo in five instances.
Mr. Edgar.
Mr. Harrington.
Mr. Johnson of California.
Mr. Downey of New York.
Mr. McHugh.
Mr. Harris.
Mr. Fisher.
Mr. Wirth.
Mr. McDonald of Georgia.
Mr. Milford.
Mrs. Boggs.
Mrs. Chisholm.
Mr. Maguire.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 24. An act to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes;

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; and

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

ADJOURNMENT

Mr. BAUCUS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Thursday, November 6, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1995. A letter from the Under Secretary of the Air Force, transmitting the annual report for fiscal year 1975 on Air Force military construction contracts awarded without formal advertisement, pursuant to section 704 of Public Law 92–545; to the Committee on Armed Services.

1996. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the operations of the Bank during fiscal year 1975, pursuant to section 9 of the Export-Import Bank Act of 1945; to the Committee on Banking, Currency and Housing.

1997. A letter from the District of Columbia Auditor, transmitting a report on the Department of Human Resources personnel and payroll documentation and information system, pursuant to section 455 of Public Law 93–198; to the Committee on the District of Columbia.

1998. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense services to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1999. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for improved intercity rail passenger service in the corridor between Boston, Mass., and Washington, D.C., and for other purposes; to the Committee on Interstate and Foreign Commerce.

2000. A letter from the vice president of Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of September 1975, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MATSUNAGA: Committee on Rules. House Resolution 846. Resolution providing for the consideration of H.R. 9924. A bill to direct the National Commission on the Observance of International Women's Year, 1975, to organize and convene a National Women's Conference, and for other purposes (Rept. No. 94–625). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Don H Clausen, Mr. Goldwater, Mr. Johnson of California, and Mr. Mineta):

H.R. 10560. A bill to amend the Federal Aviation Act of 1958 to require the Civil Aeronautics Board to issue certificates of public convenience and necessity under certain circumstances; to the Committee on Public Works and Transportation.

By Mr. ANNUNZIO (for himself, Mrs. SPELLMAN, Mr. BARRETT, Mr. GONZALEZ, Mr. FAUNTROY, Mr. NEAL, and Mrs. FENWICK):

H.R. 10561. A bill to amend chapter 4 (which relates to credit billing) of the Truth in Lending Act with respect to the use of cash discounts, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. DEL CLAWSON (by request):

H.R. 10562. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for basic health insurance premiums, with a deduction from gross income for certain additional medical expenses (encouraging individuals to care for the needy and indigent by extending such deduction to expenses incurred for the medical care of the needy and indigent, either directly or through the purchase of private insurance plans and policies, without regard to their family status), and to amend title XIX of the Social Security Act to encourage every State to furnish medical care to the needy and indigent in the form of private health insurance plans or policies; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DE LA GARZA:

H.R. 10563. A bill to provide for furthering the conservation, protection, and enhancement of the Nation's land, water, and related resources for sustained use, and for other purposes; to the Committee on Agriculture.

By Mr. FASCELL (for himself, Mr. MOSHER, Mr. MOSS, Mr. D'AMOURS, and Mrs. BURKE of California):

H.R. 10564. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mr. MEEDS

H.R. 10565. A bill to establish the Frederick Law Olmsted Home and Office in Brookline, Mass., as a national historic site; to the Committee on Interior and Insular Affairs.

By Mr. NOLAN:

H.R. 10566. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that developmentally disabled children receiving services under the foster grandparent program may continue to receive such services as adults; to the Committee on Education and Labor.

By Mr. WHITEHURST (for himself and Mrs. MEYNER):

H.R. 10567. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDREWS of North Dakota:

H.R. 10568. A bill to direct the Director of the Office of Management and Budget to prepare economic impact statements with respect to certain proposed legislation, rules, and regulations; to the Committee on Government Operations.

H.R. 10569. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare inflationary impact statements in connection with legislation reported by Senate and House committees; to the Committee on Rules.

By Mr. BENNETT:

H.R. 10570. A bill to amend the National Historic Preservation Act of 1966, to establish a national historic preservation fund, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRECKINRIDGE:

H.R. 10571. A bill to make the provisions of section 1331(e) of title 10 of the United States Code retroactive to November 1, 1953; to the Committee on Armed Services.

H.R. 10572. A bill to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Michigan (for himself, Mr. TREEN, and Mr. BAUCUS):

H.R. 10573. A bill to amend the Real Estate Settlement Procedures Act of 1974; to the Committee on Banking, Currency and Housing.

By Mr. CARTER (for himself and Mr. MAZZOLI):

H.R. 10574. A bill to amend section 142 of title 28, United States Code, relating to the furnishing of accommodations to judges of the courts of appeals of the United States; to the Committee on the Judiciary.

By Mr. CHAPPELL (for himself, Mr. HENDERSON, Mr. ENGLISH, and Mr. RISENHOOVER):

H.R. 10575. A bill to grant a Federal charter to the U.S. Athletic Hall of Fame, Inc., to the Committee on the Judiciary.

By Mr. CORNELL (for himself and Mr. MCHUGH):

H.R. 10576. A bill to revise the laws governing appointments to the service academies so as to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly; to the Committees on Armed Services, and Merchant Marine and Fisheries.

By Mr. CRANE (for himself, Mr. COLLINS of Texas, Mr. KEMP, Mr. LOTT, Mr. STEELMAN, Mr. DERWINSKI, Mr. MCDONALD of Georgia, Mr. KINDNESS, Mr. KETCHUM, Mr. GOLDWATER, Mr. BURGENER, and Mr. BROWN of Ohio):

H.R. 10577. A bill to amend the Congressional Budget Act of 1974 to require that the first congressional budget resolution each year fix ceilings on budget outlays and new budget authority which must be met for the coming fiscal year (instead of only setting forth flexible targets as under present law) and include 3-year budget projections, and to prohibit the consideration of any measure in the House or Senate if its enactment would result in total budget outlays or total budget authority in excess of the ceiling in effect under the most recently adopted congressional budget resolution; to the Committee on Rules.

By Mr. HARRIS (for himself, Mrs. BURKE of California, Mr. CARR, Mr. CONYERS, Mr. EILBERG, Mr. FLORIO, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. JENRETTE, Mr. MIKVA, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. RINALDO, Mr. ROSENTHAL, Mr. SEIBERLING, and Mr. WON PAT):

H.R. 10578. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. McCLOSKEY:

H.R. 10579. A bill to assure increased supplies of natural gas at reasonable prices; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER (for himself, Mr. RONCALIO, Mr. SEIBERLING, Mr. ECKHARDT, Mr. WEAVER, Mr. STEELMAN, Mr. VIGORITO, and Mr. TSONGAS):

H.R. 10580. A bill to amend the Mineral Leasing Act of 1920, to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. METCALFE:

H.R. 10581. A bill to authorize the Governor of the Canal Zone to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the Canal Zone, to authorize penalties for violations thereof, and to require the establishment of alcoholism prevention, treatment, and rehabilitation programs in the Canal Zone, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KEMP (for himself and Mr. MICHEL):

H.R. 10582. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself and Mr. STUCKEY):

H.R. 10583. A bill to accelerate the formation of investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.J. Res. 718. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. MEEDS:

H.J. Res. 719. Joint resolution to authorize the President of the United States to designate National Ski Week; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself and Mrs. MEYNER):

H.J. Res. 720. Joint resolution calling for an immediate moratorium on the killing of the eastern timber wolf; to the Committee on International Relations.

By Mr. RAILSBACK:

H. Res. 845. Resolution to cite Bob Hope for distinguished and meritorious service to the Nation and to the cause of freedom; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DINGELL introduced a bill (H.R. 10584) for the relief of Je-An Pak and Soon-Pyo Hong Pak which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

282. By the SPEAKER: Petition of the city council, Elizabeth, N.J., relative to revenue sharing; to the Committee on Government Operations.

283. Also, petition of Les Tribble, county judge, Grayson County, Tex., relative to revenue sharing; to the Committee on Government Operations.

284. Also, petition of Mrs. Ben Bone, La Crescenta, Calif., and others, relative to gun control; to the Committee on the Judiciary.

285. Also, petition of Stanwood A. Demers, Coventry, R.I., relative to redress of grievances; to the Committee on the Judiciary.

286. Also, petition of Kenneth Lowe, Norman, Okla., relative to Arnold Toynbee; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7575

By Mr. ANDERSON of Illinois:

On page 28, at line 25, strike the period (.) at the end of the sentence, insert in lieu thereof a comma(,), and add the following: "or to the Nuclear Regulatory Commission.".

On page 29, strike section 20, lines 13-18, and insert in lieu thereof the following:

"SEC. 20. There are hereby authorized to be appropriated to carry out the provisions of this Act: $5,000,000 for the fiscal year ending June 30, 1976; $2,500,000 for the transitional period July 1, 1976, through September 30, 1976; $10,000,000 for the fiscal year ending September 30, 1977; and $10,000,000 for the fiscal year ending September 30, 1978."

By Mr. McCLOSKEY:

Page 26, immediately after line 5 insert the following new Section 15 and renumber succeeding sections accordingly:

TRANSFER OF PROGRAMS, OPERATIONS AND ACTIVITIES

SEC. 15. (a) (1) Except to the extent prohibited by law, the Director of the Office of Management and Budget is authorized and directed to transfer to the Agency such programs, operations, and activities of each Federal agency as (A) are duplicative of or can be performed more appropriately by the Administrator under the authority contained in this Act, and (B) may be transferred without the need for Congressional action.

(2) Transfers authorized and directed under paragraph (1) shall include but not be limited to those programs, operations, and activities defined in paragraph (1) which are, on the date of enactment of this Act, performed by the following Federal departments and agencies: The Office of Consumer Affairs of the Department of Health, Education, and Welfare; the Office of Ombudsman for Business of the Department of Commerce; the Special Assistant to the Secretary for Consumer Affairs of the Department of Agriculture; the Special Assistant to the Secretary for Consumer Affairs of the Department of Housing and Urban Development; the Consumer Affairs Section of the Department of Justice; the Office of Consumer Affairs of the Department of Transportation; the Special Assistant to the Secretary for Consumer Affairs of the Department of the Treasury; the Consumer Inquiries Office of the Food and Drug Administration; the Public Affairs Office of the Nuclear Regulatory Commission; the Consumer Advocate of the Postal Service; the Office of Consumer Advocate of the Civil Aeronautics Board; the Office of Consumer Affairs and Special Impact of the Federal Energy Administration; the Consumer Liaison Division of the Federal Aviation Administration; the Office of Consumer Affairs of the National Highway Traffic Safety Administration; the Consumer Advisory Council of the Department of Health, Education, and Welfare; the Consumer Affairs and Special Impact Advisory Committee of the Federal Energy Administration; the National Business Council for Consumer Affairs of the Department of Commerce; the Product Safety Advisory Council of the Consumer Product Safety Commission, the Hazardous Materials Advisory Committee; the Advisory Committee on Water Data for Public Use of the Department of the Interior; the Science Advisory Board's Executive Committee of the Environmental Protection Agency; and the Citizen's Advisory Committee on Transportation Quality of the Department of Transportation.

(b) The Director of the Office of Management and Budget shall, within 180 days of the date of enactment of this Act, identify and report to the Committees on Appropriations and Government Operations of the House of Representatives and of the Senate the transfers authorized and directed by paragraph (1) of subsection (A); and such report shall include (1) the actual costs during fiscal year 1975 of each of the programs, operations, and activities affected, and (2) the Director's recommendations for such additional transfers as may be necessary to avoid duplication with programs, operations, and activities of the Agency but which require Congressional action.

(c) The Administrator, pursuant to section 4 of this Act, shall be responsible for incorporating such programs, operations, and activities as are transferred pursuant to subsection (a) in such manner and to the extent he deems consistent with the Agency's responsibilities under section 5 of this Act, and issuing such organizational directives as he deems appropriate to carry out the purposes of this section.

SENATE—*Wednesday, November 5, 1975*

The Senate met at 9:30 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God from whom all blessings flow, we beseech Thee to draw very near to us as we draw near to Thee, that our spirits may be lifted into divine perspective. Amid baffling problems help us to hold fast to that faith which envisions the coming of Thy kingdom. May the pressures of the world not mold us, but may we, guided by Thy mind and spirit help mold the world in the pattern of Thy righteous will. Guide us through this day, granting to us clear minds, sound hearts, calm spirits, that like the Master we may fulfill our calling as servants of the common good.

We pray in His name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 5, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, November 4, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER REFERRING H.R. 9432 TO APPROPRIATE COMMITTEE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message on H.R. 9432 be referred to the appropriate committee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (H.R. 9432) to amend the Internal Revenue Code of 1954 in order to provide for quarterly payment, rather than annual payment, to the government of the Virgin Islands of amounts equal to internal revenue collections made with respect to articles produced in the Virgin Islands and transported to the United States was read twice by its title and referred to the Committee on Finance.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Vice President be authorized to appoint a committee on the part of the Senate to join a like committee on the part of the House to escort President Sadat into the House Chamber.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OLIVER J. DOMPIERRE

Mr. GRIFFIN. Mr. President, a valuable and loyal assistant of the minority is not with us this morning. The word is that Oliver Dompierre, who is of Michigan, and who has served the minority very loyally, is in the hospital, possibly with a heart attack.

I know that everyone on our side and everyone in the Senate hopes very much he will not be in the hospital long and that soon he will be back with us.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. Yes.

Mr. MANSFIELD. May I express the same hopes that the distinguished acting Republican leader has just stated, and to say it has been and will be in the future a pleasure to continue to work with Mr. Dompierre because of the effective way in which he performs his responsibilities as an attaché of the Senate.

Mr. GRIFFIN. I thank the majority leader very much.

LEGISLATIVE PROGRAM

Mr. GRIFFIN. Mr. President, perhaps in fulfillment of the request made by several on our side, I wish to indicate to the majority leadership that both with respect to any possible New York City legislation and the common situs picketing legislation we have been asked to put on holds and not to agree to time limitations.

I am sure it does not come as any surprise but, perhaps, it would be well to state it.

Mr. MANSFIELD. That is correct. We have been duly notified but, as the acting Republican leader is aware, both measures are on the calendar at the present time, situs picketing for a week, and the New York City bill just on the calendar this morning. But the leadership feels it should serve notice that due to the condition of the calendar, if for no other reason—and there are other and more important reasons—those bills will be taken up as expeditiously as possible.

Mr. GRIFFIN. Would it be the expectation of the distinguished majority leader that we will try to finish the pending food assistance, foreign assistance, bill today and then go on to the so-called Sunshine bill tomorrow, with the hope of disposing of that on tomorrow?

Mr. MANSFIELD. If at all possible, and that to be followed by the military construction appropriation bill, and that to be followed by either New York City or situs picketing legislation.

Mr. GRIFFIN. I thank the majority leader. I know that will be very helpful so far as guidance of Members is concerned.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, and after any orders for the recognition of Senators have been consummated, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider two nominations on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF THE TREASURY

The second assistant legislative clerk read the nomination of Harold F. Eberle, of California, to be a Deputy Under Secretary of the Treasury.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The second assistant legislative clerk read the nomination of Marjorie Ward Lynch, of Washington, to be Under Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask that the President of the United States be notified of the Senate's action with respect to nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NEW YORK CITY HAS ALREADY CUT OUT 10 PERCENT OF ITS PAYROLL; MORE TO COME

Mr. PROXMIRE. Mr. President, in the discussions about the difficulties of New York City what has been overlooked and, I think, overlooked with considerable injustice, is the fact that New York City has made some drastic reductions already in its budget. It is moving in the right direction. It has cut its spending, and cut it sharply. Too few people realize this.

I find, when I go around my own State, and when I talk to people from other States outside of New York, they have no idea that New York has already made some very, very serious reductions; that its program of moving toward a balanced budget is on target; that it has given every reason to indicate that, given an opportunity, it will, indeed, balance its budget, and it will be able to meet its obligations without going into bankruptcy.

Mr. President, I would like to disclose to the Senate a story that was told in the New York Times 10 days ago, but I find has not been read widely. It was in a back section of the New York Times. Let me indicate what has happened in the city of New York. So far the city's 300,000 payroll has been reduced by some 31,000 people. Now, that is a 10-percent cut—22,000 through layoffs and 9,211 through attrition. Here is how the reductions, estimated to save $310 million, have affected the major services.

Police: Although serious crime continues to rise, felony arrests have dropped 15 percent in July and August from a year ago. Police Commissioner Michael J. Codd attributes this primarily to the loss of more than 3,000 uniformed personnel. Street patrol has been reduced by 6 percent, anticrime decoy teams by two-thirds, school crossing guards entirely; units in charge of organized crime have been cut 58 percent; youth aid 52 percent.

Mr. President, New York has the most serious drug problem of any city in the country, perhaps in the world. Yet, the narcotics unit has been cut 17 percent.

Fire: In eight communities where fire companies were closed, equipment response times have increased 12 to 48 seconds.

Sanitation: The dropping of 1,434 positions in July meant reduction in collection in many areas and there is no sanitation work on Sunday.

Education: Seven schools have been closed, 13 more are scheduled to be. About $750,000 in leased space has been canceled. Regular and special education class sizes have increased to the allowable maximum on an average. Teachers in the classroom have been cut 18 percent.

Let me repeat that. Teachers in the classroom have been cut 18 percent. That means that one out of every five teachers, virtually, has been eliminated.

Paraprofessionals by 60 percent, per diem substitutes by 30 percent, school aides by 39 percent. Security problems have increased, with an average of only one guard per school.

Mr. President, in New York City that is very difficult, one guard per school.

Guidance counselors average less than one per school. Most districts are dropping continuing education, afterschool and summer programs. The school day has been shortened by two periods a week.

Transportation: The transit fare has increased to 50 cents.

That should have been done long ago. It was a subsidy, in my view, by the Federal Government, and I am glad they have done that.

Health and hospitals: Francis Delafield Hospital was closed. Portions of two other hospitals are to be shut down. Ambulance services have been cut back. Burn-treatment units are staffed at 50 percent. Nurse staffing levels have been reduced, sometimes to one and less than one per unit. Coney Island Hospital has closed four of its seven operating rooms. Kings County Hospital has eliminated X-rays in emergency rooms, and so forth.

Social services: Bridge House and Shelter Care Treatment Center, for treatment of alcoholics, have been closed. The CHANCE program, for homemaking, child care, and nutritional guidance for welfare families, has been eliminated. Jenning's Hall, a short-term care institution, is closing. Lines at welfare centers have grown.

Housing: Emergency repair services, now confined to heat emergencies in the winter and water leaks at other times, have been reduced 50 percent.

This is something, of course, that really has an effect on poor people who live in inadequate shelter.

The central complaint office will likely close on weekends and nights. The backlog of plan examinations in the buildings department has increased from 2 to 3 weeks.

Corrections: The correction aide program, employing 154 civilians to perform social services, has been eliminated. Computer services, clerical and counseling personnel have been reduced. The closing of various institutions for nonbugetary reasons has aggravated crowding and transportation problems.

Three library systems have been cut back. In Brooklyn the branches are open from 12 p.m. to 5:30 p.m. on weekdays.

Mr. President, I think there are other economies that New York is going to have to make. We are going to require that in our bill.

But I think that what people in Congress and the country must realize is that New York has already made reductions. They have been painful reductions, difficult reductions that make it much harder for many people who live in New York, but I think this has been overlooked.

It is not enough. We have to require more reductions, but I think what it indicates is that the State, which is now in control of the city's operations, is serious when it says the city must balance its budget.

But they are making progress, and I think they have given a sufficiently adequate performance that we should give them a chance.

That is all that the bill we propose does. It is a tough bill. It is a bill that some Congressmen from New York City may oppose and have indicated strong opposition to parts of the bill, but I think it is the kind of austerity bill and reform bill that will do the job without the risk that may be involved, the very serious risk for New York City, the State, and the whole country that bankruptcy might require.

Mr. President, I ask unanimous consent that the full article by Mr. John Darnton in the New York Times of 10 days ago be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times]

THE CUTS HAVE ALREADY BEEN FELT IN NEW YORK

(By John Darnton)

Cutting the budget of the City of New York is not precision surgery. It is an exploratory operation. The effects are somewhat unpredictable and not immediately discernible.

Last week, as Mayor Beame presented a plan for an additional $200-million in cuts to the Emergency Financial Control Board, there were signs that earlier cuts were beginning to have a perceptible impact on city services.

How much the impact may lessen, as the city's bureaucracy and operating agencies accommodate to fewer personnel, or how much it will grow, as employee morale declines, borderline programs become ineffectual and more cuts are added is unknowable. One thing is clear, though: Inasmuch as New York's $12.3-billion budget, now cut to $12.1-billion, is geared toward the poor, it is they who will suffer most.

So far, the city's 300,000 payroll has been reduced by some 31,000 people—22,000 through layoffs and 9,211 through attrition. Here is how the reductions, estimated to save $310-million, have affected major services.

Police: Although serious crime continues to rise, felony arrests have dropped 15 per cent in July and August from a year ago. Police Commissioner Michael J. Codd attributes this primarily to the loss of more than 3,000 uniformed personnel. Street patrol has been reduced by 6 per cent, anti-crime "decoy" teams by two-thirds, school-crossing guards entirely. Units in charge of organized crime have been cut 58 per cent, youth aid, 52 per cent, narcotics 17 per cent. Investigations have been curtailed.

Fire: In eight communities where fire companies were closed, equipment response times have increased 12 to 48 seconds. With 985 active firemen laid off, 200 fire companies were reduced from five-man and six-man levels. Fire fatalities are running 16 per cent less than a year ago, but this is not an index of fire-fighting efficiency.

Sanitation: The dropping of 1,434 positions in July meant reduction in collection in many areas from six times a week to three and in other areas, from three to two. Street-cleaning activities like flushing and sweeping have been cut back. There is no sanitation work on Sunday.

Education: Seven schools have been closed, 13 more are scheduled to be. About $750,000 in leased space has been cancelled. Regular and special-education class sizes have increased to the allowable maximum on an average. Teachers in the classroom have been cut 18 per cent, paraprofessionals by 60 per cent, per diem substitutes by 30 per cent, school aides by 39 per cent. Security problems have increased, with an average of only one guard per school. Guidance counselors average less than one per school. Most districts are dropping continuing education, after-school and summer programs. The school day has been shortened by two periods a week.

Transportation: The transit fare has increased to 50 cents. Non-rush-hour subway service has been cut back. There is a 35 per cent reduction in sidewalk and curb installations. Certain movable bridges require six hours notice for water traffic. The Staten Island ferry increased to 25 cents round trip, increased its headway from 10 to 15 minutes.

Health and Hospitals: Francis Delafield Hospital was closed. Portions of two other hospitals are to be shut down. Ambulance services have been cut back. Burn-treatment units are staffed at 50 per cent. Nurse staffing levels have been reduced, sometimes to one and less than one per unit. Coney Island Hospital has closed 4 of its 7 operating rooms. Kings County Hospital has eliminated X-rays in emergency rooms from 4 P.M. to 8 A.M. Elective treatment has been delayed. Delay in obtaining out-patient-clinic treatment has increased at one hospital from 10 to 17 weeks. Geriatric and psychiatric services has been reduced. Admissions to four nursing homes have been halted.

Social Services: Bridge House and Shelter Care Treatment Center, for treatment of alcoholics, have been closed. The CHANCE program, for homemaking, child care and nutritional guidance for welfare families, has been eliminated. Jenning's Hall, a short-term care institution, is closing. Lines at welfare centers have grown.

Housing: Emergency repair services, now confined to heat emergencies in the winter and water leaks at other times, have been reduced 50 per cent. The Central Complaint Office will likely close on weekends and nights. The backlog of plan examinations in the buildings department has increased from two to three weeks.

Corrections: The correction aide program, employing 154 civilians to perform social services, has been eliminated. Computer services, clerical and counseling personnel have been reduced. The closing of various institutions for nonbudgetary reasons has aggravated crowding and transportation problems.

Libraries and Cultural Institutions: The three library systems, the New York Public Library, the Queensborough Public Library and the Brooklyn Public Library, have reduced hours rather than close branches. Some have cut weekend service to a minimum. In Brooklyn the branches are open from 12 P.M. to 5:30 P.M. on weekdays. The larger cultural institutions, including the American Museum of Natural History, the New York Zoological Society, the Brooklyn Museum, and the Metropolitan Museum of Art, may soon have to close additional days each week, shut down exhibit areas on a rotating basis, or otherwise restrict their operations.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and I yield the floor.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I asked consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE NEW YORK CITY FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. Mr. President, I note that S. 2615, a bill to provide for the voluntary reorganization of municipal debt, and for other purposes, specifically dealing with New York City, is on the calendar.

This proposal, of course, is a proposal to bail out New York City from its financial difficulties. The purpose is to prevent a default on New York City bonds.

A guarantee of these bonds will not put one thin dime into the pockets of the 8 million citizens of New York.

It will, however, guarantee the bondholders against loss.

The major bondholders are New York banks.

Regardless of how one may feel as to the wisdom or lack of wisdom of the Federal Government guaranteeing the bonds of a State or municipality, I would think that every Member of the Senate would want to have the full facts before voting on the bailout legislation.

Among the facts which have not yet been made available to the public are the holdings by the individual banks of New York City in New York bonds.

The New York banks are the major bondholders.

I would think that the Senate would certainly want to know by how many hundreds of millions of dollars each of these banks will be benefited if the legislation S. 2615 is approved by the Congress.

The committee report, I understand, is not yet available at 9:55 this morning, Wednesday, November 5. It is possible, but I might say not probable, that that committee report could contain the information I am now seeking.

When the committee report is available, of course, I will examine it carefully for that information.

But if the information is not forthcoming, I would urge the Senate to delay consideration of S. 2615 until the Senate has presented to it the amount of bonds held by the New York City banks.

That is a crucial piece of information; there are hundreds of millions of dollars involved, hundreds of millions of dollars of benefit which will accrue to those banks.

Before we vote benefits in the nature of a guarantee of their investment, it is important, I feel, that the public have access to the information as to the amount of bonds held by those banks.

In connection with this matter, the Newport News Times-Herald of October 30, 1975, published an excellent editorial. The editor of the editorial page is George W. Passage, whom I have known for many years. He is an outstanding newspaperman.

I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Times-Herald, Oct. 30, 1975]

REPRIEVE

President Ford has offered a way for New York to go bankrupt 'in an orderly manner' by suggesting amendments to the federal bankruptcy bill and by offering the profligate administration of Fun City a federal program for essential services during a transition period. In essence, Mr. Ford followed the advice of Federal Reserve System chairman Arthur Burns in a 'bailout' program only after New York City defaults on its debts and goes into bankruptcy.

That provision, apparently, is the bottom line for conservative approval in Congress for a billion dollar loan program.

The whole Ford approach developed from White House worries that the plight of New York was putting the President on the political defensive in a key state in next year's elections. His decision came as a stunning surprise to members of the Senate Banking Committee who were on the verge of approving a measure for full Senate action that would have allowed New York to restructure its debt under federal and state supervision.

Unfortunately, these same political factors played a key role in efforts to assess the situation with accuracy and therefore to determine whether federal aid is really needed.

We have felt ever since the crisis became nationally apparent (it has been hidden by some pretty devious bookkeeping for more than a decade) that the federal government, i.e., the taxpayers from Virginia Beach to Vallejo, Cal., were not required to pay for the fiscal finaglings and the union blackmail that has been synonymous with New York City.

There has been no demonstration either by the city's administration or the union bosses who really rule up there that they are willing to make the same sacrifices being made by most other cities in the nation. And the example of precedent will not only set off a stampede by other cities for federal bailouts but will enable the federal government to take over what's left of municipal governments around the country.

Nothing has happened in the past weeks to change that opinion.

The worriers warn that the nation will collapse if federal action is not taken. But world and national markets kept things under control weeks ago when New York knew it couldn't meet its bond deadlines. If the feds rush in where bankers fear to tread, maybe in the future they will look more closely at requests for big municipal bond programs, and that's not bad, either.

A city should be able to stand on its own financial feet. New York, as well.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

DISTRICT OF COLUMBIA BUDGET FOR 1976—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations:

To the Congress of the United States:

I am today transmitting for your consideration the budget of the District of Columbia for fiscal year 1976 and for the transition period July 1, 1976, through September 30, 1976.

This budget is the first prepared by the city government in full exercise of its powers under the District of Columbia Self-Government and Governmental Reorganization Act. It reflects the results of a constructive city budget process which included participation by many District citizens. As such, this Home Rule budget represents a cornerstone of responsible city government and confirms the strength of a Federal-local partnership in the administration of Washington, D.C.

This budget also carries the Nation's Capital and the District community through the peak of our Nation's Bicentennial observance. I urge the Congress to review these proposals with the knowledge that Washington will be a focal point for the national celebration and that the city will be visited by greater numbers of American and foreign visitors than ever before. At the same time, residents of Washington, who also take pride in their own community, plan local observances just as other cities do across the country. It is, therefore, important that the Congress act promptly on the District budget for 1976.

GERALD R. FORD.

THE WHITE HOUSE, *November 5, 1975.*

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. CLARK) laid before the Senate a message from the President of the United States submitting the nomination of Roger W. Hooker, Jr., of New York, to be an Assistant Secretary of Transportation, which was referred to the Committee on Commerce; and withdrawing the nomination submitted on November 5, 1976, of Robert W. Hooker, Jr., of the District of Columbia, to be an Assistant Secretary of Transportation.

MESSAGES FROM THE HOUSE

At 11:05 a.m., a message from the House of Representatives delivered by Mr Hackney, one of its reading clerks, announced that the House has passed without amendment the following bills:

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; and

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Aboretum.

The message further announced that the House has passed the bill (S. 1617) to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House recedes from its disagreement to the amendment of the Senate numbered 4 to the bill (H.R. 6334) to amend further the Peace Corps Act, and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message further announced that, pursuant to the provisions of section 4 (a), Public Law 94–118, the Speaker has appointed as members on the part of the House of the Japan-United States Friendship Commission Mr. ZABLOCKI and Mr. TALCOTT.

The message also announced that the House insists upon its amendment to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MORGAN, Mr. ZABLOCKI, Mr. HAYS of Ohio, Mr. FOUNTAIN, Mr. FASCELL, Mr. DIGGS, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. BUCHANAN were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory";

H.R. 2724. An act to provide for establishment of the Father Marquette National Memorial near St. Ignace, Mich., and for other purposes;

H.R. 2943. An act for the relief of the estate of James J. Caldwell;

H.R. 4654. An act for the relief of Day's Sportswear, Inc.;

H.R. 7862. An act to amend the Farm Credit Act of 1971 relating to credit eligibility for cooperatives serving agricultural producers, and to enlarge the access of production credit associations to Federal district courts;

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Foreign Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes;

H.R. 8507. An act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status;

H.R. 8891. An act to require that a national cemetery be established at March Air Force Base in California and at Otis Air Force Base in Massachusetts;

H.R. 10073. An act to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes;

H.R. 10339. An act to encourage the direct marketing of agricultural commodities from farmers to consumers; and

H.R. 10355. An act to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes.

ENROLLED BILLS SIGNED

At 1:55 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

S. 24. An act to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes.

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

The enrolled bills were subsequently signed by the President pro tempore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with an amendment, and with an amendment to the title:

H.R. 7727. An act to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns (Rept. No. 94–445).

By Mr. LONG, from the Committee on Finance, with an amendment, and with an amendment to the preamble:

S. Res. 265. A resolution to protect the ability of the United States to trade abroad (Rept. No. 94–444).

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory"; to the Committee on Agriculture and Forestry.

H.R. 2724. An act to provide for establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes; to the Committee on Rules and Administration.

H.R. 2943. An act for the relief of the estate of James J. Caldwell; to the Committee on the Judiciary.

H.R. 4654. An act for the relief of Day's Sportswear, Inc.; to the Committee on the Judiciary.

H.R. 7862. An act to amend the Farm Credit Act of 1971 relating to credit eligibility for cooperatives serving agricultural producers, and to enlarge the access of production credit associations to Federal district courts; to the Committee on Agriculture and Forestry.

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Foreign Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 8507. An act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status; to the Committee on Interior and Insular Affairs.

H.R. 8891. An act to require that a national cemetery be established at March Air Force Base in California and at Otis Air Force Base in Massachusetts; to the Committee on Veterans Affairs.

H.R. 10073. An act to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 10339. An act to encourage the direct marketing of agricultural commodities from farmers to consumers; to the Committee on Agriculture and Forestry.

H.R. 10355. An act to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes; to the Committee on Veterans' Affairs.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, November 5, 1975, he presented to the President of the United States the following enrolled bills:

S. 24. An act to carry into effect certain provisions of the Patent Corporation Treaty, and for other purposes;

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; and

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MANSFIELD:

S. 2616. A bill for the relief of Maria E. Boale. Referred to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON:

S. 2617. A bill to establish an Office for Minority Business Development and Assistance in the Department of Commerce. Referred to the Committee on Government Operations.

By Mr. MOSS:

S. 2618. A bill for the relief of Chea Hyo Suk. Referred to the Committee on the Judiciary.

By Mr. CANNON:

S. 2619. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board. Referred to the Committee on Rules and Administration.

S. 2620. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319). Referred to the Committee on Rules and Administration.

By Mr. NELSON:

S. 2621. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed. Referred to the Committee on Labor and Public Welfare.

By Mr. BROCK:

S. 2622. A bill to assure the financial viability of the Social Security system. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 2623. A bill to promote the development of American handcrafts. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN:

S. 2624. A bill to authorize the Administrator of General Services, or his designee, to utilize the money proceeds from the disposal of land at the Fort Bliss Military Reservation to purchase lands in El Paso County, Tex., for subsequent transferral to the Secretary of the Army or his designee. Referred to the Committee on Government Operations.

By Mr. MATHIAS:

S. 2625. A bill to amend the Social Security Act to allow certain employees of the Government who are eligible for health insurance benefits under title XVIII of such act to receive coverage thereunder without regard to other health insurance plans. Referred to the Committee on Finance.

S. 2626. A bill to authorize advance disapproval by Congress of any increase in rates charged under health benefit plans authorized under sections 8902 and 8903 of title 5, United States Code. Referred to the Committee on Post Office and Civil Service.

By Mr. GRAVEL:

S. 2627. A bill to establish a commission to study national transportation policy and to recommend programs and policies to insure that the future transportation needs of the United States will be met. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, and the Committee on Public Works.

By Mr. HUGH SCOTT:

S.J. Res. 145. A joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON:

S. 2619. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board. Referred to the Committee on Rules and Administration.

Mr. CANNON. Mr. President, I am today introducing a bill to increase the amount of interest paid on the trust funds deposited with the U.S. Treasury by the Library of Congress Trust Fund Board.

The Library of Congress Trust Fund Board has received gifts and bequests to establish trusts for the pursuit of certain objectives. These trusts operate on the income generated from the funds deposited in trust with the U.S. Treasury. When the Library of Congress Trust Fund Board Act was approved the rate of 4 per centum per annum was a fair rate, and sufficient annual income was generated to carry out the purposes of the trusts. Since the time many of the trusts were created, however, inflated costs have made it more and more difficult to accomplish the purposes intended with the income received. Also interest rates have increased substantially. It can be noted that during 1974 even short-term Government borrowings, for example, short-term Treasury bills, were at rates of interest near 8 per centum per annum.

The Library's trust funds deposited with the Treasury have been limited by the 1925 law to an annual interest rate of 4 percent. The draft bill would amend the law to allow a rate of interest to be determined by the Secretary of the Treasury, the Chairman of the Library of Congress Trust Fund Board, taking into consideration the current average market yield on outstanding marketable obligations of the United States.

This bill would allow a rate of interest equal to that of similarly situated trust funds, such as the railroad retirement fund, the civil service retirement fund, and the permanent fund of the U.S. Soldiers' and Airmen's Home. It also protects the return on the permanent loan funds from falling below the level of return provided in the present law. It continues the rate of interest at 4 percent per annum if the formula rate should fall below 4 percent per annum. The twenty-five hundredths percent per annum reduction in the rate of return in the formula rate is to provide a tradeoff for the establishment of a floor of 4 percent per annum on the investment's return. It is necessary to maintain this floor, because much of the trust fund is controlled by trust instruments that require investment in a permanent loan to the U.S. Treasury bearing interest at the rate of 4 percent per annum. This reduction in the formula rate of return is an equitable exchange for the guaranteed 4 percent minimum.

It was only recently, on December 15, 1973, that Public Law 93-185 was approved, which increased the rate of interest paid on similar funds deposited in the U.S. Treasury by the U.S. Soldiers' and Airmen's Home. That rate was increased from 3 percent to the rate proposed by this bill.

By Mr. CANNON:

S. 2620. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319). Referred to the Committee on Rules and Administration.

Mr. CANNON. Mr. President, I am today introducing a bill to increase the amount of interest paid on the Library of Congress trust fund deposited with the U.S. Treasury under the act of August 20, 1912. This bill would provide that such interest be comparable to that paid pursuant to 2 U.S.C. 158 on other funds deposited in the U.S. Treasury by the Library of Congress Trust Fund Board.

By Mr. NELSON:

S. 2621. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed. Referred to the Committee on Labor and Public Welfare.

Mr. NELSON. Mr. President, under the current provisions of the Federal Food, Drug, and Cosmetic Act, prescription drug product labels must bear the name and place of business of the manufacturer, packer, or distributor. Where such a drug is not manufactured by the person whose name appears on the label, FDA regulations require that the name on the label must be qualified by a phrase which indicates the connection such person has with the drug. Until recently the laws in all 50 States have paralleled this Federal requirement so that a single label has sufficed for prescription drug products distributed throughout the States.

Within the past 3 years, several States have adopted different laws requiring that prescription drug labels identify the manufacturer in all cases. These State laws differ substantially, not only among themselves, but also differ from the Federal law. The result is that, in many cases where more than one company is involved in the manufacture and distribution of a prescription drug product, a single label no longer will meet the requirements of all the States. This fact, plus the desirability of having the actual manufacturer clearly identified for the information of the pharmacist and physician suggests that the Federal law be amended. Since a uniform national requirement is desirable, I am today introducing a bill which would require the identity of the actual manufacturer of the finished dosage form of a prescription drug to be designated on product labels, if that manufacturer is different from the party assuming responsibility for the distribution of the product.

The American Pharmaceutical Association, the Pharmaceutical Manufacturers Association, and other organizations support the enactment of this legislation at the Federal level.

It is my understanding that the National Association of Retail Druggists, the National Association of Boards of Pharmacy, and the American Society of Hospital Pharmacists, also support such a bill.

By Mr. BROCK:

S. 2622. A bill to assure the financial viability of the social security system. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, today I am introducing a bill which aims at assuring the financial strength of the social security system. Americans of all ages are duly concerned about the financial viability of the social security trust fund, and I believe the time has come to put some of these worries to rest. Accordingly, the purpose of this bill is to reconfirm and implement the Federal Government's responsibilities in this regard.

A few months ago the Wall Street Journal in an editorial warned that the social security program may be heading toward the same financial disaster which now faces the city of New York. Understandably, the article attracted widespread attention throughout the Nation and my office was flooded with letters from anxious constituents who, quite naturally, were concerned about their old age security. While it seems that the Wall Street Journal unduly dramatized the problem, it still remains true that the 1975 expenditures under the old age survivors and disability insurance programs will this year exceed income by about $3 billion. Moreover, current estimates show that under present law, outgo will exceed income in each future year. It is, therefore, not surprising that a great number of public organizations and well qualified private individuals have since come forth with various proposals aimed at preventing an insolvency of the system.

In this connection, it is necessary to remember that OASDI was never designed and should not be expected to perform the entire job of assuring economic security for the aged and the disabled and their families or survivors. However, as the primary means of providing a minimum retirement income base, OASDI is the core of our country's total system of income protection. This OASDI must be supplemented by effective private pensions as well as by special programs for those whose earnings were so low that their social security benefits are inadequate.

We also must keep in mind that the cash benefits program has been financed from the very beginning by an earmarked tax levied equally on employers and employees. When the social security system was planned, and at times since then, the possibility of general revenue support for this system was considered. Fortunately though, over the years Congress has insisted that with minor exceptions, social security cash benefits should be financed out of payroll taxes. Such financing helps to distinguish OASDI from purely welfare programs and promotes greater understanding of the program costs. It could be expected that at this critical juncture, proposals would come up again to open the gates of general revenue subsidies, but as before, many question the dangers implicit in such an approach.

Others are suggesting an increase of the 5.8 percent tax rate on employees and employers. Since the payroll tax system is regressive in nature, the burden of the tax falls disproportionately upon lower paid workers. Moreover, in my opinion, current rates are already burdensome to the point of becoming counterproductive.

Again, others proposed that a much higher taxable earnings base than the present $14,100 would be a desirable way to solve at least part of the financing problem. This step, though, would increase revenues inadequately. Moreover, such an increase would be inequitable because the additional tax burden placed on a higher paid employee would far outweigh the increase in his benefits.

As indicated, the OASDI program is financed from taxes on covered earnings, because Congress has historically attempted to insure that the benefits of the program are related to the earnings of the worker. This is true even when the beneficiary is a spouse or dependent survivor.

The same principle, however, does not apply to benefits under part A of the medicare program. There, the amount of the benefits is determined by the hospital and related health care costs of an individual and bears no relationship to his wages. Under these circumstances, there does not seem to be any real reason for funding such costs by a tax on wages. Hospital insurance expenditures would seem to be more properly funded from general revenues. Accordingly, the advisory council on social security recommended, and I am supporting, this approach. If adopted by Congress, it would make a significant contribution to the continued solvency of the OASDI program without an immediate increase in total social security tax rates to which I remain opposed.

I know alternatives will be suggested by others, and am confident many will prove superior in some fashion to my suggestion. It is time for the discussion to begin, though. The problem is with us now, and further delay will only magnify the difficulty of achieving responsible, and affordable, answers.

I introduce this bill in hopes that it will encourage others to join in meeting our common responsibility to the social security system and those whose personal security depends upon it.

By Mr. MATHIAS:

S. 2623. A bill to promote the development of American handicrafts. Referred to the Committee on Labor and Public Welfare.

Mr. MATHIAS. Mr. President, much of the legislation introduced in recent months relates in one form or another to the economy, or at least can be tied indirectly to the economy. The legislation to promote American handicrafts which I introduce today is no exception. For while I would like to stress merely the cultural benefits of this bill, the facts are that such support makes good economic sense, as well as offering Americans a greater opportunity to enjoy and know about their own handicrafts.

The number of Americans making and buying American handcrafts is growing each year. Fairs spring up and cause traffic jams wherever they take place and the quality of the products offered is indicative of the talent which is available in the American crafts field. Thus, I feel the legislation which I introduced in 1973 to promote the development of American handicrafts and which I introduce today in a revised version, is probably more relevant and more needed now. I have worked with many Federal agencies over the past months which are involved in the crafts scene and it is clear from these discussions that a central focus is needed in Washington to provide first of all a place to show off the wide variety of American crafts. Second, it will provide a coordinated approach to craft development and will make available a coordinated assistance package to crafts persons in needed areas. It is clear that crafts persons could benefit greatly from marketing assistance, health and safety guidelines, design control, and a more effective communication and coordination channel among crafts councils, organizations in the private sector and crafts persons in general.

I have also become aware of the potential for increased attention to be paid to the training of apprentices in every type of craft. Such an effort would not only insure a level of quality in American craft production, it would provide opportunities to develop programs in areas of high unemployment which might serve as master crafts/apprentice pilot projects. These projects could help ease unemployment and develop regional markets for crafts produced through these relationships and for regional craft development. In short, through establishing a coordinated effort in Washington with goals for both a national center and regional development potential, we will be able to tie together heretofore scattered efforts to help America's crafts persons. While these efforts are certainly substantial, they could be much more effective with an active coordinating body in existence.

I have always been impressed in my visits to other countries with the availability of handcraft products in places accessible to visitors, whether local or international. These products are of high quality and offer the purchaser a lasting souvenir of the cultural fabric of the country. The establishment of a National Center in Washington would give us what most countries have already. Craft persons and organizations would support a Center with their interest and their products and it is my belief that the Americans visiting Washington as well as the foreign visitors to the Capital could well support such a Center and offer the potential of a self-supporting Center, once established. As an example of the potential economic benefits craft support will yield, it is interesting to note that a 1-month sale of mountain crafts sponsored by the community services in Washington last year grossed $10,000 in sales. These were crafts produced in economically depressed areas of the country. The statistics available for sales from crafts fairs show the mushrooming interest in obtaining hand creativity and individuality. I have a table showing three examples of the increased patronage which arts fairs are attracting and these are not the most recent figures. But the upward trend is clearly evident. I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BLUE RIDGE HEARTHSIDE CRAFTS ASSOCIATION, BOONE, N.C.

Year	Number of members	Gross sales
1968	10	$6,000
1969	57	12,000
1970	187	70,000
1971	326	[1] 100,000

[1] Projected total based on actual sales of $75,000 by Mar. 1, 1971.

KENTUCKY GUILD OF ARTISTS AND CRAFTSMEN, BEREA COLLEGE FOREST

Year	Attendance	Sales
1967	5,000	$8,317
1968	7,500	12,779
1969	[1] 7,411	18,718
1970	12,252	35,899

[1] Rain.

WEST VIRGINIA DEPARTMENT OF COMMERCE, MOUNTAIN STATE AND CRAFT FAIR, RIPLEY, W. VA.

Year	Attendance	Craft sales	Food sales
1963	6,500	$7,500	(1)
1964	10,074	11,500	(1)
1965	20,700	20,000	(1)
1966	17,811	20,200	(1)
1967	20,199	25,423	$21,307
1968	36,154	53,065	32,257
1969	37,126	66,914	35,532
1970	45,000	91,663	42,000
1971	46,000	96,000	54,000
1972	62,000	132,444	61,378

[1] Not recorded.

Source: U.S. Department of Commerce, Economic Development Administration, May 1974. "The Potential of Handicrafts as a Viable Economic Force."

Mr. MATHIAS. This increased interest places more pressure on crafts people in matters of adequate marketing, knowledge, quality control, health and safety and taxes. While some of this help is available, there is no one place for the crafts persons to go for a package of related assistance. My bill would provide for the National Endowment for the Arts to conduct a study to make recommendations for better coordination of Federal programs and to develop a nationwide plan to support American handicrafts.

The National Endowment for the Arts has begun work already to develop crafts efforts. My bill would hopefully supplement and complement their efforts. The National Endowment also serves as the home of the Interagency Crafts Committee which was formed to give a coordinating vehicle to Federal crafts efforts. The Interagency Committee has never had a central office, however, nor even a one person staff to help follow up their meetings and suggestions for improving crafts information and initiatives. Thus, with the establishment of a National Craft Center, there is also a provision for facilities for the Interagency Committee to be housed in the Craft Center.

I would like to stress that in addition to introducing this legislation I shall continue to work with those agencies, departments and organizations who are seeking to coordinate and support the American crafts scene. It is clear that only through this communication will any effort to establish a National Crafts Center and supporting regional efforts become a reality. It is my hope that we can continue to work simultaneously toward the National Center and toward providing effective assistance to crafts persons throughout the United States on a regional basis. There is great potential for effective coordination of crafts programs. My bill will help realize this potential and I ask for early consideration in committee and in the Senate.

By Mr. BENTSEN:

S. 2624. A bill to authorize the Administrator of General Services, or his designee, to utilize the money proceeds from the disposal of land at the Fort Bliss Military Reservation to purchase lands in El Paso County, Tex., for subsequent transferral to the Secretary of the Army or his designee. Referred to the Committee on Government Operations.

Mr. BENTSEN. Mr. President, I am today introducing legislation which will facilitate the transfer and exchange of several tracts of land adjacent to Fort Bliss, Tex.

The Army has indicated its intention to have the General Services Administration dispose of the Castner Range, some 8,300 acres at Fort Bliss. It has also indicated its desire to purchase land, known as Maneuver Area No. 2, which it has leased from private landowners since World War II.

Disposal of the Castner Range could provide much of the needed funds to purchase Maneuver Area No. 2. However, section 2 of the Land and Water Conservation Fund Act of 1965, as amended, and section 204 of the Federal Property and Administrative Services Act of 1949, would make this proposed funding mechanism impossible. The law now requires that the proceeds of all public lands sold by the GSA must revert to the Land and Water Conservation Fund.

The legislation I introduce today would, therefore, authorize the use by the GSA in this one instance of the proceeds from the sale of one plot of land for the purchase of another for the Army at Fort Bliss. The Honorable Richard C. White, who represents El Paso and in whose district Fort Bliss lies, has already introduced this measure in the House, and I am hopeful that both Chambers can proceed rapidly in approving this request.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no obligation, the bill was ordered to be printed in the Record, as follows:

S. 2624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of Section 2 of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–5(a)) and Section 204 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 485), the Administrator of General Services, or his designee, is authorized to utilize the money proceeds received from the disposal of certain surplus real property at the Fort Bliss Military Reservation, El Paso County, Texas, to purchase for the United States certain land in El Paso County, Texas, at fair market value, said land being more particularly described as follows:

In Block 78, Township 1, T and P Railroad Survey, Sections 1; 3; 5; 7; 9; 11; 13; 15; 17; 19; 21; 23; 25; 27; 29; 31; 33; 35; 37; 39; 41; 45; and 47;

In Block 79, Township 1, T and P Railroad Survey, Sections 1; 3; 9; 11; 13; 15; 23; 25; 35; 37; 45; and 47;

In Block 79, Township 2, T and P Railroad Survey, Sections 1; 3; 9; 11; 13; 15; 21; and 23; containing 28,160 acres, more or less.

Sec. 2. The land to be disposed of at the Fort Bliss Military Reservation for the purpose of this Act shall be selected by the Administrator of General Services, or his designee, from surplus land in the Castner Range area of Fort Bliss lying within the following sections:

In Block 81, Township 1, T and P railroad Survey, Sections 26; 31; 36; and 37.

In Block 81, Township 2, T and P Railroad Survey, Sections 2 and 3.

Sec. 3. The money proceeds from disposal of the surplus land selected under Section 2 of this Act shall be those received from disposal less the direct expenses to GSA for surveying, appraising and advertising in connection with such disposal. Payments from such proceeds may be used either to pay such expenses directly or to reimburse the fund or appropriation initially bearing such expenses.

Sec. 4. Following the acquisition of any or all of the land described in Section 1 of this Act, the Administrator of General Services, or his designee, shall transfer such land to the Secretary of the Army or his designee, for incorporation in the Fort Bliss Military Reservation.

By Mr. MATHIAS:

S. 2625. A bill to amend the Social Security Act to allow certain employees of the Government who are eligible for health insurance benefits under title XVIII of such act to receive coverage thereunder without regard to other health insurance plans. Referred to the Committee on Finance.

S. 2626. A bill to authorize advance disapproval by Congress of any increase in rates charged under health benefit plans authorized under sections 8902 and 8903 of title 5, United States Code. Referred to the Committee on Post Office and Civil Service.

Mr. MATHIAS. Mr. President, I send to the desk two bills and ask that they be referred to the appropriate committees for prompt consideration.

The first bill would amend the Social Security Act to allow certain employees of the Government who are eligible for health insurance benefits under title XVIII of such act to receive coverage thereunder without regard to other health insurance plans. The second bill authorizes advance disapproval by Congress of any increase in rates charged under health benefit plans authorized under sections 8902 and 8903 of title 5, United States Code.

Both bills, in my judgment, deserve immediate consideration and action by the Congress. The U.S. Civil Service Commission's recent announcement of a sharp rate increase in the Federal employees health benefits program makes action on this legislation even more compelling.

On January 1, 1976, the new premium rates for plans participating in the FEHB program are supposed to take effect. Because of section 1862(c) of the Social Security Act, which also takes effect on January 1, 1976, FEHB carriers will be required to pay out an additional quarter of a billion dollars in 1976. Briefly, section 1862(c) provides that no payment may be made under the medicare program after January 1, 1976, for any item or service covered by the FEHB program unless prior to that date Federal employees are provided with coverage supplementary to parts A and B of the medicare program.

The $250 million additional payout by the carriers, however, will ultimately result in additional increases in employee's premium rates. This is particularly distressing since premium rates are already scheduled for a sharp increase because of nationwide increases in the cost of health care.

The U.S. Civil Service Commission has noted that, if we were to allow section 1862(c) take effect—

> The FEHB program would become the only group health program in the nation in which Medicare does not pay benefits before the incumbent concerned receives the benefits of his group insurance.

According to the Civil Service Commission and the GAO, maintaining the current system of coordinating benefits for those Federal employees also covered by medicare might be the best course of action for the Congress to pursue. I ask unanimous consent that a portion of an August 4, 1975, report to the House Committee on Post Office and Civil Service by the Comptroller General of the United States which discusses the option of maintaining the present system be printed in the Record.

Additionally, I ask unanimous consent that pertinent sections of a joint Department of HEW and Civil Service Commission Report to Committees of the Congress on Improved Coordination Between Medicare and the FEHB Program be printed in the Record at this point, together with two tables prepared by the Civil Service Commission which set forth the effects of section 1862(c) on premium rates if we allow it to remain in Public Law 92–603 and the effect on premium rates if we act to repeal this section.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

REPORT TO THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, HOUSE OF REPRESENTATIVES BY THE COMPTROLLER GENERAL OF THE UNITED STATES: PROPOSED COORDINATION BETWEEN THE MEDICARE AND THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAMS (EXCERPT)

MAINTAIN PRESENT SYSTEM

According to the Director of CSC's Bureau of Retirement, Insurance, and Occupational Health, CSC prefers the present system and the HEW-CSC proposal was developed only to comply with the intent of section 210.

CSC has sent to annuitants during open seasons a notice stating:

"All plans under the Federal Employees Health Benefits Program adjust their benefits so that they supplement, rather than duplicate, Medicare benefits. Both Government-wide plans and most employee organization plans have a low option which will, in most cases, *adequately supplement both parts of Medicare at less cost to you than the high option*. If your Medicare card(s) show that both you and your spouse have Part A hospital insurance and Part B medical insurance and you are in the high option of a plan (or in a plan with only one option), *you may wish to consider the advisability of changing to a less expensive low option in the same or a different plan*." (Italics supplied.)

According to CSC estimates, in June 1976 about 28 percent of enrollees age 65 and over covered by both Medicare Parts A and B will be enrolled under a low option plan. The HEW-CSC proposal would increase health benefits mainly for family members not covered by Medicare who are now in low option FEHB plans because they would then receive high option coverage.

If the present system is maintained, CSC could prepare a publication showing how certain low option plans adjust their benefits to supplement Medicare and compare this with how high option plans adjust their benefits. This publication could show how most medical costs are paid with little out-of-pocket expense for an enrollee who also qualifies for Medicare Parts A and B. This could encourage more FEHB program enrollees age 65 and over with Medicare to switch to the less expensive low option plans. The high and low option monthly withholding rates for the two Government-wide plans are shown in the following table.

	1975 monthly enrollee cost
Service benefit plan:	
Self-only high option	$11.70
Self-only low option	2.21
Self and family high option	27.90
Self and family low option	5.41
Indemnity benefit plan:	
Self-only high option	8.41
Self-only low option	3.44
Self and family high option	21.16
Self and family low option	8.52

It appears that the major difference between the high and low option plans of the two Government-wide plans for people covered by both parts of Medicare is the maximum lifetime limitation.

The major advantages of maintaining the present system are that (1) it would not increase the Government's costs and (2) according to CSC, low option coverage of most FEHB plans appears to be an adequate supplement to Medicare.

The major disadvantage of this system is that FEHB enrollees who are also covered by Medicare do not derive full value of their FEHB premium. However, other groups in the FEHB program, who do not have Medicare, also do not receive full value for their FEHB premium.

EXHIBIT 2

JOINT DHEW-CSC REPORT ON IMPROVED COORDINATION BETWEEN MEDICARE AND THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM TO THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE AND THE COMMITTEE ON WAYS AND MEANS OF THE HOUSE OF REPRESENTATIVES AND TO THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE AND THE COMMITTEE ON FINANCE OF THE SENATE, REQUIRED BY PUBLIC LAW 93-480 TO EFFECTUATE SECTION 1862(c) OF THE SOCIAL SECURITY ACT ON JANUARY 1, 1976, RATHER THAN JULY 1, 1975

EXCERPT

V. *Results if the 1862(c) Exclusion Goes Into Effect*

One possible response to the difficulties of instituting the FEHB options as specified in section 1862(c) is to take no action to make complementary coverage available under the FEHB program. If this were to occur, then on January 1, 1976, Federal employees and annuitants covered by the FEHB program will be excluded from Medicare coverage which duplicates that provided by FEHB. SSA has determined, based on advice from its Office of the General Counsel, that the exclusionary language of section 1862(c) relates to coverage, not payments, and thus, would prohibit Medicare from making any payment for items and services covered under a FEHB plan in which the beneficiary is also enrolled, even though FEHB would not pay for such items and services. This occurs primarily when deductibles and coinsurance are involved.

From the standpoint of the FEHB plans, this alternative would be relatively simple to administer. A FEHB plan would pay its benefits in full (subject, of course, to any deductibles and coinsurance) without regard to whether the beneficiary is also covered by Medicare; and Medicare would not make any payment for items and services covered under the beneficiary's FEHB plan even though the employee or annuitant did not receive payment for such items or services by reason of such deductibles and coinsurance.

This result would not only frustrate the intent of the Congress in enacting section 2862(c), but it would also result in a serious disadvantage to dually entitled beneficiaries by depriving them of a substantial part of their Medicare protection. In addition, beneficiaries would have larger out-of-pocket expenses as they would have to pay FEHB deductible and coinsurance amounts. Furthermore, it would also cause serious administrative problems for the Medicare program. For example: (1) many inquiries would be received from Medicare beneficiaries injured by the denial of Medicare benefits for FEHB covered services, for which no payment or only partial payment was received under the latter program, (2) it would be necessary for SSA to develop and apply policies for implementing the FEHB exclusion, i.e., for determining whether items and services are covered under the particular beneficiary's FEHB plan, and (3) the Medicare carriers and intermediaries would have to stay abreast of the benefits offered by 114 or more FEHB plan options in order to avoid paying for FEHB covered services.

The elimination of Medicare coverage for dually entitled individuals would result in increased premiums for all FEHB employees and annuitants, and the Government. The Government contribution to FEHB coverage for 1976 would be increased by $127,000,000 and enrollees would have to pay an additional $108,000,000. These increases would be offset to some extent by corresponding decreases in costs to the Medicare program and to beneficiaries who would cancel their Part B enrollment and thus save the Part B monthly premium.

Those options which contain the greatest proportion of enrollees who, are individuals covered by Medicare would require the largest rate increases. Therefore, those individuals who are intended to be helped by section 1862(c) would be hit with the highest proportionate rate increase. In addition, persons who currently have Medicare and a low option FEHB plan, which together generally pay 100 percent of covered expenses, would need to consider changing to a high option in order to get relatively similar, although lesser, protection. (Whether or not such persons switched to a high option plan, they might also want to cancel their enrollment in Part B of Medicare, since they would generally derive very little benefit from such coverage.) This accounts for the additional cost to the Government and enrollees in the event section 1862(c) goes into effect.

EXHIBIT 3A

FEHB PROGRAM PRIMARY

[Rates if present social security law is not amended prior to Jan. 1, 1976]

Plan (option-type enrollment)	1975 total premium	1976 biweekly premium rates: Total premium	Government pays	Employee pays	Change in employee pays
Blue Cross-Blue Shield:					
High self	$13.04	$20.01	$9.86	$10.15	$4.75
High family	31.81	47.46	24.40	23.06	10.18
Low self	4.08	4.48	3.36	1.12	.10
Low family	9.99	13.00	9.75	3.25	.75
Aetna Life Insurance Co.:					
High self	11.52	18.06	9.86	8.20	4.32
High family	28.70	43.08	24.40	18.68	8.91
Low self	6.35	11.10	8.33	2.77	1.18
Low family	15.74	27.48	20.61	6.78	2.94
American Federation of Government Employees:					
High self	12.13	16.42	9.86	6.56	2.07
High family	27.86	37.94	24.40	13.54	4.61
Low self	3.75	3.75	2.81	0.94	0
Low family	10.91	10.91	8.18	2.73	0
Government Employees Hospital Association:					
High self	$11.49	$14.80	$9.86	$4.94	$1.09
High family	22.65	29.19	21.89	7.30	1.64
Low self	7.63	8.36	6.27	2.09	.18
Low family	14.80	16.19	12.14	4.05	.35
National Association of Letter Carriers:					
High self	10.59	14.32	9.86	4.46	1.51
High family	28.00	39.79	24.40	15.39	6.32
National League of Postmasters of the United States:					
High self	14.64	18.02	9.86	8.16	1.16
High family	31.41	38.70	24.40	14.30	1.82
Low self	5.42	5.42	4.07	1.35	0
Low family	13.12	13.12	9.84	3.28	0

Plan (option-type enrollment)	1975 total premium	1976 biweekly premium rates			Change in employee pays
		Total premium	Government pays	Employee pays	
National Rural Letter Carriers Association:					
High self	$10.64	$14.12	$9.86	$4.26	$1.26
High family	25.41	33.74	24.40	9.34	2.86
American Foreign Service Protective Association:					
High self	7.85	11.85	8.89	2.96	1.00
High family	25.66	38.71	24.40	14.31	7.58
Government Employees Benefit Association, Inc.:					
High self	9.33	11.35	8.51	2.84	.51
High family	30.57	37.76	24.40	13.36	1.72
Low self	3.11	3.11	2.33	0.78	0
Low family	7.89	7.89	5.92	1.97	0
Group Insurance Board:					
High self	10.43	11.09	8.32	2.77	−.02
High family	25.92	27.54	20.66	6.88	−.11
Special Agents Mutual Benefit Association:					
High self	9.91	13.02	9.77	3.25	.77
High family	25.13	33.02	24.40	8.62	2.34
Mail handlers benefit plan:					
High self	11.59	12.08	9.06	3.02	−.93
High family	31.57	33.07	24.40	8.67	−3.97
Low self	7.57	7.88	5.91	1.97	.08
Low family	20.81	21.81	16.36	5.45	.25
Alliance health benefit plan:					
High self	10.47	12.57	9.43	3.14	.31
High family	25.67	30.75	23.06	7.69	.95
Low self	3.01	3.01	2.26	0.75	0
Low family	7.63	7.63	5.72	1.91	0
American Postal Workers Union plan AFL–CIO:					
High self	16.35	16.35	9.86	6.49	−2.22
High family	36.40	36.40	24.40	12.00	−5.47
Group Health Association, NC:					
High self	14.64	19.80	9.86	9.94	2.94
High family	37.07	49.98	24.40	25.58	7.44
Low self	10.80	13.87	9.86	4.01	0.85
Low family	27.82	35.84	24.40	11.44	2.55
Health Insurance Plan of Greater New York:					
High self	11.19	14.01	9.86	4.15	.60
High family	31.20	39.03	24.40	14.63	2.36
Metro Health Plan:					
High self	16.29	20.58	9.86	10.72	2.07
High family	39.70	50.18	24.40	25.78	5.01
Group Health Plan, Inc.:					
High self	10.90	13.10	9.83	3.27	.01
High family	30.56	36.63	24.40	12.23	.60
Group Health Cooperative of Puget Sound:					
High self	9.96	15.08	9.86	5.22	2.73
High family	26.21	36.73	24.40	12.33	5.05
Western Clinic:					
High self	11.51	13.51	9.86	3.65	−.22
High family	27.60	30.88	23.16	7.72	−.95
Kaiser Foundation Health Plan of Oregon:					
High self	10.20	12.68	9.51	3.17	.61
High family	27.07	34.28	24.40	9.88	1.74
Kaiser Foundation Health Plan, Inc., Northern California region:					
High self	10.98	13.56	9.86	3.70	.36
High family	28.34	35.00	24.40	10.60	1.19
Kaiser Foundation Health Plan, Inc., southern California region:					
High self	13.89	16.30	9.86	6.44	0.19
High family	36.05	42.29	24.40	17.89	.77
Kaiser Foundation Health Plan, Inc., Hawaii region:					
High self	9.91	11.42	8.57	2.85	.37
High family	29.40	33.09	24.40	8.69	−1.78
Kaiser Community Health Foundation:					
High self	12.15	13.56	9.86	3.70	−.81
High family	33.33	37.11	24.40	12.71	−1.69
Kaiser Foundation Health Plan of Colorado:					
High self	11.67	13.41	9.86	3.55	−.48
High family	31.18	35.69	24.40	11.29	−.96
Family Health Program, Inc.:					
High self	12.36	15.15	9.86	5.29	.57
High family	34.22	41.79	24.40	17.39	2.10
Columbia Medical Plan:					
High self	11.82	14.39	9.86	4.53	.35
High family	36.07	44.18	24.40	19.78	2.64
Harvard Community Health Plan:					
High self	$13.68	$16.50	$9.86	$6.64	$0.60
High family	34.99	41.32	24.40	16.92	.86
Compcare Health Plan:					
High self	14.52	16.67	9.86	6.81	−.07
High family	37.42	43.32	24.40	18.92	.43
Rhode Island Group Health Association:					
High self	14.21	15.54	9.86	5.68	−.89
High family	34.41	37.73	24.40	13.33	−2.15
Community Health Care Center Plan:					
High self	11.70	13.55	9.86	3.69	−.37
High family	32.57	37.64	24.40	13.24	−.40
Arizona Health Plan:					
High self	11.62	13.47	9.86	3.61	−.37
High family	34.90	40.08	24.40	15.68	−.29
Depaulo Health Plan, Inc.:					
High self	13.67	15.26	9.86	5.40	−.63
High family	38.80	43.18	24.40	18.78	−1.09
Lovelace-Bataan Health Program:					
High self	13.09	13.95	9.86	4.09	−1.36
High family	37.38	40.64	24.40	16.24	−2.21
Michael Reese Health Plan, Inc.:					
High self	12.91	16.00	9.86	6.14	.87
High family	33.26	41.59	24.40	17.19	2.86
Union Health Service, Inc.:					
High self	11.08	13.45	9.86	3.59	.15
High family	32.50	40.13	24.40	15.73	2.16
University Affiliated Health Plans, Inc.:					
High self	12.25	14.40	9.86	4.54	−.07
High family	36.75	40.50	24.40	16.10	−1.72
New Mexico Health Care Corp., Mastercare:					
High self	0	14.84	9.86	4.98	0
High family	0	40.86	24.40	16.46	0
Group Health Insurance, Inc.:					
High self	8.08	10 95	8.21	2.74	0.72
High family	24.29	34.81	24.40	10.41	4.34
North Idaho District Medical Service Bureau:					
High self	11.78	16.02	9.86	6.16	2.02
High family	28.05	35.07	24.40	10.67	1.55
Washington Physicians Service:					
High self	12.25	16.21	9.86	6.35	1.74
High family	34.73	46.14	24.40	21.74	5.94
National Hospital Association:					
High self	8.93	11.09	8.32	2.77	.54
High family	22.89	28.57	21.43	7.14	1.42
Foundation for Medical Care:					
High self	11.15	14.60	9.86	4.74	1.23
High family	28.49	36.97	24.40	12.57	3.01
Hawaii Medical Service Association:					
High self	9.85	14.48	9.86	4.62	2.16
High family	27.59	40.91	24.40	16.51	7.85
Rocky Mountain Health Maintenance Organization:					
High self	0	14.99	9.86	5.13	0
High family	0	35.86	24.40	11.46	0
Securos de Servicio de Salud de Puerto Rico, Inc.:					
High self	8.36	8.36	6.27	2.09	0
High family	26.75	26.75	20.06	6.69	−1.13
Share:					
High self	0	11.74	8.81	2.93	0
High family	0	32.70	24.40	8.30	0
Group Health Association of Northeastern Minnesota:					
High self	0	14.70	9.86	4.84	0
High family	0	36.61	24.40	12.21	0
Health Maintenance Corp. (of southwest Ohio):					
High self	0	14.77	9.86	4.91	0
High family	0	38.34	24.40	13.94	0
Community Health Program of Queens and Nassau:					
High self	0	16.97	9.86	7.11	0
High family	0	43.85	24.40	19.45	0
ABC—Health Maintenance Organization:					
High self	0	13.76	9.86	3.90	0
High family	0	39.06	24.40	14.66	0
Anchor:					
High self	0	13.86	9.86	4.00	0
High family	0	38.19	24.40	13.79	0

Note: Where no low option is shown, plan has only 1 option.

Source: U.S. Civil Service Commission.

EXHIBIT 3B
MEDICARE PROGRAM PRIMARY

[Rates if present social security law is amended prior to Jan. 1, 1976]

Plan (option-type enrollment)	1975 total premium	1976 biweekly premium rates			Change in employee pays
		Total premium	Government pays	Employee pays	
Blue Cross-Blue Shield:					
High self	$13.04	$18.19	$9.42	$8.77	$3.37
High family	31.81	43.14	23.13	20.01	7.13
Low self	4.08	4.08	3.06	1.02	0
Low family	9.99	11.81	8.86	2.95	.45
Aetna Life Insurance Co.:					
High self	$11.52	$16.13	$9.42	$6.71	$2.83
High family	28.70	38.46	23.13	15.33	5.56
Low self	6.35	8.58	6.44	2.14	.55
Low family	15.74	21.25	15.94	5.31	1.38

EXHIBIT 3A—FEHB PROGRAM PRIMARY—Continued

[Rates if present social security law is not amended prior to Jan. 1, 1976]

Plan (option-type enrollment)	1975 total premium	1976 biweekly premium rates			Change in employee pays
		Total premium	Government pays	Employee pays	
American Federation of Government Employees:					
High self	$12.13	$14.25	$9.42	$4.83	$0.34
High family	27.86	32.74	23.13	9.61	.68
Low self	3.75	3.75	2.81	.94	0
Low family	10.91	10.91	8.18	2.73	0
Government Employees Hospital Association:					
High self	11.49	13.50	9.42	4.08	.23
High family	22.65	26.61	19.96	6.65	.99
Low self	7.63	7.63	5.72	1.91	0
Low family	14.80	14.80	11.10	3.70	0
National Association of Letter Carriers:					
High self	10.59	13.83	9.42	4.41	1.46
High family	28.00	36.59	23.13	13.46	4.39
National League of Postmasters of the United States:					
High self	14.64	16.99	9.42	7.57	.57
High family	31.41	36.49	23.13	13.36	.88
Low self	5.42	5.42	4.07	1.35	0
Low family	13.12	13.12	9.84	3.28	0
National Rural Letter Carriers Association:					
High self	10.64	12.48	9.36	3.12	.12
High family	25.41	29.83	22.37	7.46	.98
American Foreign Service Protective Association:					
High self	7.85	11.35	8.51	2.84	.88
High family	25.66	37.08	23.13	13.95	7.22
Government Employees Benefit Association, Inc.:					
High self	9.33	11.14	8.36	2.78	.45
High family	30.57	37.12	23.13	13.99	2.35
Low self	3.11	3.11	2.33	.78	0
Low family	7.89	7.89	5.92	1.97	0
Group Insurance Board:					
High self	10.43	11.09	8.32	2.77	-.02
High family	25.92	27.54	20.66	6.88	-.11
Special Agents Mutual Benefit Association:					
High self	9.91	12.88	9.42	3.46	.98
High family	25.13	32.62	23.13	9.49	3.21
Mail Handlers Benefit Plan:					
High self	11.59	11.96	8.97	2.99	-.96
High family	31.57	32.74	23.13	9.61	-3.03
Low self	7.57	7.80	5.85	1.95	.06
Low family	20.81	21.59	16.19	5.40	.20
Alliance Health Benefit Plan:					
High self	10.47	11.93	8.95	2.98	.15
High family	25.67	29.20	12.90	7.30	.56
Low self	3.01	3.01	2.26	.75	.00
Low family	7.63	7.63	5.72	1.91	.00
American Postal Workers Union Plan AFL–CIO:					
High self	16.35	16.35	9.42	6.93	-1.78
High family	36.40	36.40	23.13	13.27	-4.20
Group Health Association, N.C.:					
High self	14.64	19.05	9.42	9.63	2.63
High family	37.07	48.10	23.13	24.97	6.83
Low self	10.80	13.35	9.42	3.93	.77
Low family	27.82	34.51	23.13	11.38	2.49
Health Insurance Plan of Greater New York:					
High self	11.19	13.45	9.42	4.03	.48
High family	31.20	37.48	23.13	14.35	2.08
Metro Health Plan:					
High self	16.29	20.27	9.42	10.85	2.20
High family	39.47	49.41	23.13	26.28	5.51
Group Health Plan, Inc.:					
High self	10.90	12.62	9.42	3.20	-.06
High family	30.56	35.26	23.13	12.13	.50
Group Health Cooperative of Puget Sound:					
High self	9.96	13.57	9.42	4.15	1.66
High family	26.21	35.73	23.13	12.60	5.32
Western Clinic:					
High self	11.51	12.82	9.42	3.40	-.47
High family	27.60	30.45	22.84	7.61	-1.06
Kasier Foundation Health Plan of Oregon:					
High self	10.20	12.68	9.42	3.26	.70
High family	27.07	34.28	23.13	11.15	3.01
Kaiser Foundation Health Plan Inc., northern California region:					
High self	10.98	13.36	9.42	3.94	.60
High family	28.34	34.42	23.13	11.29	1.88
Ross-Loos Medical Group:					
High self	12.97	17.92	9.42	8.50	3.17
High family	30.88	41.80	23.13	18.67	6.72
Kaiser Foundation Health Plan, Inc., southern California region:					
High self	13.89	16.30	9.42	6.88	.63
High family	36.05	42.29	23.13	19.16	2.04
Kaiser Foundation Health Plan, Inc., Hawaii region:					
High self	9.91	11.19	8.39	2.80	.32
High family	29.40	32.45	23.13	9.32	-1.15
Kaiser Community Health Foundation:					
High self	$12.15	$13.56	$9.42	$4.14	$-0.37
High family	33.33	37.11	23.13	13.98	-.42
Kaiser Foundation Health Plan of Colorado:					
High self	11.67	13.41	9.42	3.99	-.04
High family	31.18	35.69	23.13	12.56	.31
Family Health Program, Inc.:					
High self	12.36	15.03	9.42	5.61	.89
High family	34.22	41.40	23.13	18.27	2.98
Columbia Medical Plan:					
High self	11.82	14.39	9.42	4.97	.79
High family	36.07	44.18	23.13	21.05	3.91
Harvard Community Health Plan:					
High self	13.68	16.19	9.42	6.77	.73
High family	34.99	40.51	23.13	17.38	1.32
Compcare Health Plan:					
High self	14.52	16.56	9.42	7.14	.26
High family	37.42	43.01	23.13	19.88	1.39
Rhode Island Group Health Association:					
High self	14.21	15.54	9.42	6.12	-.45
High family	34.41	37.73	23.13	14.60	-.88
Community Health Care Center Plan:					
High self	11.70	13.42	9.42	4.00	-.06
High family	32.57	37.39	23.13	14.26	.62
Arizona Health Plan:					
High self	11.62	13.47	9.42	4.05	.07
High family	34.90	40.08	23.13	16.95	.98
Depaulo Health Plan, Inc.:					
High self	13.67	15.26	9.42	5.84	-.19
High family	38.80	43.18	23.13	20.05	.18
Lovelace-Bataan Health Program:					
High self	13.09	13.95	9.42	4.53	-.92
High family	37.38	40.64	23.13	17.51	-.94
Michael Reese Health Plan, Inc.:					
High self	12.91	15.84	9.42	6.42	1.16
High family	33.26	41.12	23.13	17.99	3.65
Union Health Service, Inc.:					
High self	11.08	13.45	9.42	4.03	.59
High family	32.50	40.13	23.13	17.00	3.43
University Affiliated Health Plans, Inc.:					
High self	12.25	14.40	9.42	4.98	.37
High family	36.75	40.50	23.13	17.37	-.45
New Mexico Health Care Corp., Mastercare:					
High self	0	14.84	9.42	5.42	0
High family	0	40.86	23.13	17.73	0
Group Health Insurance, Inc.:					
High self	8.08	10.30	7.73	2.57	.55
High family	24.29	32.65	23.13	9.52	3.45
North Idaho District Medical Service Bureau:					
High self	11.78	14.79	9.42	5.37	1.23
High family	28.05	34.07	23.13	10.94	1.82
Washington Physicians Service:					
High self	12.25	15.08	9.42	5.66	1.05
High family	34.73	42.92	23.13	19.79	3.99
National Hospital Association:					
High self	8.93	10.11	7.58	2.53	.30
High family	22.89	26.00	19.50	6.50	.78
Foundation for Medical Care:					
High self	11.15	14.01	9.42	4.59	1.08
High family	28.49	36.14	23.13	13.01	3.45
Hawaii Medical Service Association:					
High self	9.85	13.48	9.42	4.06	1.60
High family	27.59	38.13	23.13	15.00	6.34
Rocky Mountain Health Maintenance Organization:					
High self	0	14.99	9.42	5.57	0
High family	0	35.86	23.13	12.73	0
Seguros de Servicio de Salud de Puerto Rico, Inc.:					
High self	8.36	8.36	6.27	2.09	0
High family	26.75	26.75	20.06	6.69	-1.13
Share:					
High self	0	11.74	8.81	2.93	0
High family	0	32.70	23.13	9.57	0
Medical Care Group of St. Louis:					
High self	0	13.32	9.42	3.90	0
High family	0	41.84	23.13	18.71	0
Group Health Association of Northeastern Minnesota:					
High self	0	14.70	9.41	5.28	0
High family	0	36.61	23.13	13.48	0
Health Maintenance Corp. (of southwest Ohio):					
High self	0	14.77	9.42	5.35	0
High family	0	38.34	23.13	15.21	0
Community Health Program of Queens and Nassau:					
High self	0	16.97	9.42	7.55	0
High family	0	43.85	23.13	20.72	0
ABC Health Maintenance Organization:					
High self	0	13.76	9.42	4.34	0
High family	0	39.06	23.13	15.93	0
Anchor:					
High self	0	13.86	9.42	4.44	0
High family	0	38.19	23.13	15.06	0

Note: Where no low option is shown, plan has only 1 option.

Source: U.S. Civil Service Commission.

Mr. MATHIAS. Mr. President, I would point out that if we should discover that repeal of section 1862(c) should present an unforeseen hardship for FEHB enrollees covered by medicare, I am prepared to introduce the necessary legislation which will allow for the Government to pay all of the cost for part B coverage for eligible FEHB program enrollees.

The second bill I have introduced will give the Congress an opportunity to review all proposed rate increases by carriers participating in the Federal employees health benefits program. According to the Civil Service Commission, the proposed increases for 1976 are due to the sharp rise in health care costs. The Commission cites the 18-percent increase in average hospital charges and the 11-percent increase in average physician fees in the last year as chief causes for the rise in costs. Additionally, the Commission takes note of the malpractice problem and the resulting upward push in malpractice insurance premiums as an additional reason for these drastic increases in premium rates for enrollees. This year's projected operating deficits for most FEHB carriers is serious. Equally serious, however, is the 35 to 40 percent higher average annual cost per enrollee's premium which the Commission projects for 1976.

It seems to me that the Congress and the Civil Service Commission have an obligation, however, to look beyond the question of operating deficits and premium rate increases and try to determine if the rate increases the deficits might be due to factors which extend beyond the obvious reasons such as increases in physician fees, hospital charges, malpractice premiums, and the cost of new health care technology. Both the Congress and the Commission have an obligation to identify and correct any and all inefficiencies which exist in the present system. We need to know, particularly when we are confronted with sharp increases such as those now proposed, whether or not efforts are being made by the Commission and the carriers to decrease or control health care costs.

We need to know, for example, whether the present system stimulates misutilization of the health benefits programs, both by the providers and the enrollees. We need to know what incentives are employed by the carriers and providers to improve utilization.

And the Congress needs to be in a position to act, and act swiftly to disapprove rate increases if it can be determined that sufficient steps have not been taken to control and eliminate those cost factors associated with inefficient management.

Under the review process established in this bill, the Congress will be able to examine the proposed rate changes and, at the same time, consider the extent to which mismanagement, poor utilization of health resources, and cost control measures or the lack thereof contribute to the problems which prompt rate increases.

The review contemplated under this legislation would not be a one-shot affair based on the Commission's recent announcement, but rather will be triggered whenever the Commission and the carriers feel they have to increase enrollees premium rates. Under the terms of this bill, the case for premium rate hikes will have to be made by carriers not only to the Commission, but to the Congress as well.

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1862(c) of the Social Security Act is repealed.

S. 2626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8902 of title 5, United States Code, is amended by redesignating the second subsection (j) as subsection (k) and by adding at the end thereof the following new subsection:

"(l) (1) The Commission shall submit any proposed increase in rates charged under a health benefit plan described by section 8903 of this title to the Congress not later than 30 days prior to the date on which such increase is proposed to become effective. Any such increase shall take effect as proposed and shall continue in effect unless, before the end of the first period of 30 calendar days of continuous session of Congress after the date on which the proposed rate increase is transmitted, either House adopts a resolution disapproving the proposed rate increase, in which case a rate increase shall not take effect. The continuity of a session is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

"(2) Paragraphs (3)–(9) of this subsection are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(3) If the committee, to which has been referred a resolution disapproving a proposed rate increase has not reported the resolution at the end of 10 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the rate increase which has been referred to the committee.

"(4) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same rate increase), and debate thereon is limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(5) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same rate increase.

"(6) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a proposed rate increase, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(7) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(8) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a proposed rate increase, and motions to proceed to the consideration of other business, are decided without debate.

"(9) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a proposed rate increase are decided without debate.".

By Mr. GRAVEL:

S. 2627. A bill to establish a commission to study national transportation policy and to recommend programs and policies to insure that the future transportation needs of the United States will be met. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, and the Committee on Public Works.

Mr. GRAVEL. Mr. President, I am today introducing legislation which would create a commission to study national transportation policy and to recommend programs and policies to insure that the future transportation needs of the United States will be met.

Our transportation system has many facets, all vital to the Nation as a whole and all instrumental in the growth of the United States.

Waterways are liquid highways for the economical transportation of food, energy and industrial supplies, and other commodities. Harbors are terminals which both receive goods from beyond our shores and supplies shipped from within our boundaries. Railroads played a major role in opening up the West and remain essential carriers of necessary materials. Highways have made us, on an individual basis, the most mobile nation in the world. Mass transit has prevented our cities from choking. And aviation has opened up horizons undreamed of bv our Founding Fathers.

All of these modes of transportation have been the subject of numerous studies and extensive research. But there has never been a national effort to take all these facets and tie them together.

We have no idea of the relative costs of, or the interrelationship between, water, air, rail, and highway transportation. All of them have grown on an individual basis at different periods in our development.

We do not know, in precise terms, what the effect of improving one transportation mode would be on another, competing mode, in the same geographical area.

We do not know the exact cost to the consumer and the Nation of expanded Federal assistance to railroads accompanied by imposition of user charges on the inland waterways.

Only 1 month ago the Secretary of Transportation issued a preliminary statement of national transportation policy. I applaud this effort, which we have been waiting for since the creation of the Department nearly 10 years ago.

I believe, however, that an adequate national transportation policy cannot be formulated at this time.

In transportation, the fragmented responsibilities among congressional committees and Federal agencies has complicated the development of coordinated policy. There has been no attempt to achieve a balance among competing transportation modes that would produce the most efficient system for the Nation as a whole.

I believe it is time for the Federal Government to take a positive leadership role in the development of a national transportation policy. Such a policy must be based on a compendium of knowledge which has not yet been developed. We need a joint effort of qualified people representing the Congress, Federal agencies, the transportation industry, and the public.

The bill I am introducing today, Mr. President, would establish a 25-member commission. The membership would come from the appropriate committees of the House and Senate, the agencies of the Federal Government having transportation responsibilities, the transportation industry itself, and the public.

The Commission is directed to make a full and complete investigation and study of our transportation demands and the resources and policies which presently exist to meet these demands. The Commission will evaluate the relative merits of all modes of transportation in meeting our needs. At the conclusion of the study, which is to take 1 year, the Commission will recommend the programs and policies most likely to insure that an adequate transportation system will succeed in meeting the needs for the movement of goods and people in our society.

It is only with the results of such a study before us, Mr. President, that the administration and the Congress can effectively and responsibly formulate a balanced transportation policy for this Nation. It is my hope that this measure will become law as expeditiously as possible. We have already waited too long.

Mr. President, I ask unanimous consent that this measure be jointly referred to the Committee on Public Works, the Committee on Commerce, and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. HUGH SCOTT:

S.J. Res. 145. A joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn. Referred to the Committee on the Judiciary.

Mr. HUGH SCOTT. Mr. President, I am introducing a joint resolution that will grant posthumously full U.S. citizenship to William and Hannah Penn. This is a fitting tribute to the founders of Pennsylvania.

Founding Pennsylvania was not William Penn's only contribution to history. He was a moral giant of his day who stood by his Quaker convictions while suffering persecution from a hostile government. Mr. Penn's belief in freedom of religion led him on his quest for a new land where toleration of all religious beliefs would be practiced.

Before Penn left England for America he brought about a change in trial procedure that had a profound influence on the court system that later developed in the United States. He had been arrested with William Meade on a trumped-up charge for inciting to riot and a jury found them not guilty. The trial judge was not pleased with that verdict, and he locked the jury up without food or drink and threatened them unless they reconsidered. The jury came back after several grueling days with the same verdict of not guilty. The Penn-Meade case set a precedent whereby a jury must be allowed to reach an independent decision without interference.

After this major accomplishment, Mr. Penn left for the New World on his holy experiment in August 1682 with 100 Quakers crowded into a ship called the *Welcome*. The party landed at a spot on the Delaware River they called Philadelphia, the "City of Brotherly Love." To Penn's credit, he immediately established friendly relations with the Indians and treated them with respect.

The administration of such a vast territory between New York and Maryland took up most of William Penn's energy until his death in 1718. Hannah Penn assisted her husband in running the colony, and when William returned to England she probably became the first woman involved in the administration of a territory in the New World. The Penns guaranteed liberty of conscience and promised that free people could change the system if they chose to do so. These guarantees attracted settlers from all over the world and the Keystone State-to-be began to prosper.

William and Hannah Penn laid a strong foundation for a strong system of government in the Commonwealth. I urge my colleagues to consider expeditiously this resolution and insure that these great Americans are given this high honor in this Bicentennial period.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 632

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 632, a bill to help preserve the separation of powers and to further the constitutional prerogatives of Congress by providing for congressional review of executive agreements.

S. 1110

At the request of Mr. NUNN, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1110, the Judicial Tenure Act.

S. 1437

At the request of Mr. CHILES, the Senator from Michigan (Mr. PHILIP A. HART) and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 1437, a bill to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes.

S. 1776

At the request of Mr. HUGH SCOTT, the Senator from North Carolina (Mr. MORGAN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1776, a bill to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

S. 1847

At the request of Mr. HUMPHREY, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1847, a bill to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs.

S. 2207

At the request of Mr. FONG, the Senator from New Hampshire (Mr. DURKIN) and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 2207, a bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

S. 2258

At the request of Mr. BROCK, the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from New Mexico (Mr. DOMENICI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arizona (Mr. FANNIN), the Senator from Delaware (Mr. ROTH), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2258, a bill to establish a method whereby the Congress may assure a more effective use of tax dollars.

S. 2350

At the request of Mr. SYMINGTON, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2350, a bill to place the Secretary of the Treasury on the National Security Council.

S. 2404

At the request of Mr. PACKWOOD, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors to S. 2404, a bill to provide that income from certain public entertainment activities conducted by organizations described in section 501(c) (3), (4), or (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

S. 2426

At the request of Mr. Dole, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection mailed by private citizens.

S. 2451

At the request of Mr. Dole, the Senator from New Jersey (Mr. Case) was added as a cosponsor of S. 2451, a bill to amend the Food Stamp Act of 1964.

S. 2463

At the request of Mr. Clark, the Senator from Colorado (Mr. Gary Hart) was added as a cosponsor of S. 2463, a bill to insure fair treatment for women, and to carry out the recommendations of the Presidential Task Force on Women's Rights and Responsibilities, and for other purposes.

S. 2530

At the request of Mr. Buckley, the Senator from Utah (Mr. Garn), the Senator from Indiana (Mr. Hartke), and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of S. 2530, a bill to provide for equal access to courts in lawsuits involving the Federal Government, and for other purposes.

S. 2531

At the request of Mr. Buckley, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) was added as a cosponsor of S. 2531, a bill to amend the Immigration and Nationality Act to require proof of United States citizenship or lawful residence as a condition for receipt of assistance supported by appropriated funds, and for other purposes.

S. 2537

At the request of Mr. Talmadge, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 2537, a bill to reform the Food Stamp Act of 1964.

S. 2574

At the request of Mr. Eagleton, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 2574, to amend the Securities Act of 1933.

S. 2598

At the request of Mr. Packwood, the Senator from Tennessee (Mr. Brock), the Senator from Missouri (Mr. Symington), and the Senator from North Carolina (Mr. Morgan) were added as cosponsors of S. 2598, a bill to provide for the inspection and identification of imported meat and dairy products.

SENATE JOINT RESOLUTION 89

At the request of Mr. Mathias, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of Senate Joint Resolution 89, a joint resolution designating "The Stars and Stripes Forever" as the national march of the United States.

NURSING HOME REFORM

Mr. MOSS. Mr. President, on March 12 I introduced 12 nursing home reform bills; another 36 bills were introduced on April 29. I wish to list the following as additional cosponsors. Mr. Hartke as a cosponsor of S. 1155 through S. 1165 and S. 1552 through S. 1587, inclusive. Mr. Brock as a cosponsor of S. 1553, 1571, 1572. Mr. Pell cosponsors S. 1566, 1572, 1578, 1581. Mr. Burdick cosponsors S. 1156, 1159, and 1160. Mr. Buckley cosponsors S. 1960. Mr. Kennedy cosponsors S. 1582, 1583, and 1584. Mr. Humphrey cosponsors S. 1160, 1163, 1232, and 1234. Mr. Bayh and Mr. Leahy wish to be entered as cosponsors of Senate Joint Resolution 75. Mr. Muskie and Mr. Hathaway wish to cosponsor S. 1563. Mr. Metcalf wishes to cosponsor S. 1161, 1162, 1163, 1164, 1165, 1166, 1552, 1553, 1554, 1555, 1556, 1565, 1582, 1583, 1584, and Senate Joint Resolution 75.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS SUBMITTED FOR PRINTING

GOVERNMENT IN THE SUNSHINE ACT—S. 5

AMENDMENT NO. 1050

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

MILITARY CONSTRUCTION APPROPRIATIONS, 1976—H.R. 10029

AMENDMENT NO. 1054

(Ordered to be printed and to lie on the table.)

Mr. CULVER submitted an amendment intended to be proposed by him to the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 968

At the request of Mr. Roth, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of amendment No. 968, intended to be proposed to the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

ANNOUNCEMENT OF HEARING ON ENERGY PRICES AND THE ELDERLY

Mr. CHURCH. Mr. President, I wish to announce—as chairman of the Senate Committee on Aging—that the committee will conduct a hearing on November 7, 1975, at 10 a.m. in room 1318, Dirksen Senate Office Building, on the subject of "The Impact of Rising Energy Costs on Older Americans."

Senator Chiles, who took testimony at a similar hearing in September 1974, will preside.

ADDITIONAL STATEMENTS

A CONSERVATIONIST DEPARTS

Mr. ROBERT C. BYRD. Mr. President, many tributes have been paid, and they continue to be paid, to the late Dr. Daniel Hale, M.D., of Princeton, W. Va., who died on September 30. Invariably, these tributes note that this outstanding West Virginian was one of our country's most effective conservationists.

Dr. Hale was a public-spirited man in the very best sense of that term. He was so thoroughly convinced of the intrinsic worth of conservation especially of soil and water and plant life, that he devoted uncounted days and months and years of activity to public problems associated with these matters with no thought of credit or reward for himself. He gave equally of his time and talent to the problems associated with public health.

The result is that today the southern area of his native State of West Virginia is a better place for all who live there. At least four editorial columns in West Virginia publications have taken note of that fact, and they should be of interest to all who have an interest in West Virginia.

The first is from the Bluefield Daily Telegraph of October 2, entitled "Dr. Dan Hale;" the next is from a publication of the West Virginia Department of Agriculture, the Market Bulletin, of October 15, by Agriculture Commissioner Gus R. Douglass, entitled "A Conservationist Departs;" the third is from the Princeton Times of October 2, entitled "Dr. Daniel Hale; and the last is from the St. Albans Advertiser of October 9 by Oneita Hilbert Adkins, entitled "Just a Country Doctor: He Made House Calls!"

Mr. President, Dr. Hale was a tireless, dynamic force for good in my State, the like of whom we may not soon see again.

I ask unanimous consent that the four articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From The Bluefield (W. Va.) Daily Telegraph, Oct. 2, 1975]

Dr. Dan Hale

Many of those who knew Dr. Dan Hale of Princeton remarked at one time or another that it was a mystery to them how he ever found time to practice medicine. It was a mystery to this newspaper too, although we know he did.

The wonderment was caused by Dr. Hale's seemingly unending involvement in conservation and public health matters, an involvement which has richly rewarded the city and area he served, in the true meaning of the word.

As a leading and a guiding spirit in the Brush Creek Watershed Association and many similar projects, Dr. Hale helped to transform Mercer County, eliminating many flood problems and assuring Princeton of a problem-free water supply with ample reserves. His interest in public health created and sustained a strong county health department, obtained for this area the Southern Regional Health Council, and made that organization a success beyond most original expectations.

The list of worthwhile projects in which Dan Hale played a major role is practically unending, and we don't intend to attempt to list them. Dr. Hale himself never seemed to care in the least whether he received credit for the work, and we don't think he did. The improvements themselves were what mattered to him.

A few years ago, for instance, Dr. Hale visited this newspaper to enlist our aid in stirring up some interest in the Edison Hollow dam and reservoir project, which had been on the books for a long time but which was receiving no attention from anyone in Bluefield.

Dr. Hale explained that this relatively simple impoundment could at one stroke end Bluefield's water shortages, reduce the possibility of and damage from floods, create a recreational and scenic improvement and provide all the water which could possibly be needed locally for industrial purposes.

This newspaper, in concert with Dr. Hale, then launched a drive to obtain approval for the project, which wasn't difficult to do once he put his message across, and it was approved, financed, and authorized in relatively short order. Only Tuesday, in fact a major road relocation project in connection with the dam was bid.

Significantly, the project isn't being named for Dr. Hale, although he had more to do with its becoming a reality than anyone else. And he couldn't have cared less about whose name went on it.

Dr. Hale died Monday night in Blackwater Falls, while attending still another meeting dealing with his beloved conservation efforts. It no doubt was the way he would have chosen to depart.

It cannot be said of very many of us that the world became a better place as a result of our passage through it. It can be said of Dan Hale, most definitely.

[From the Market Bulletin, Oct. 5, 1975]

A Conservationist Departs

(By Commissioner Gus R. Douglass)

Dr. Daniel Hale died in his sleep at Blackwater Falls State Park sometime early on September 30, 1975.

His death ended one of the most successful personal conservation efforts ever mounted in this nation. His success will, in time be studied and his name will be acclaimed in the fashion now reserved for Soil Conservation Chief Hugh Hammon Bennett and President Theodore "Teddy" Roosevelt.

Dr. Hale was known to different groups as a physician, an ecologist, a conservationist, a tree farmer, a health care administrator and a gardener, but to all he was a driving dynamic man who was their friend.

An article elsewhere on this page details some of Doc's great successes. Those mentioned will continue to bear fruit for decades, but there are many other endeavors which Doc had started that won't reach the fruiting stage for years. Thus, we will be hearing more or less continuously from him even though he has left for a better land.

So long, Dock, and thanks. West Virginia, the nation and the world is better because of you.

[From the Princeton (W. Va.) Times, Oct. 2, 1975]

Dr. Daniel Hale

It was with great sadness this week that we learned of the death of Dr. Daniel Hale, a long-time Princeton physician who had dedicated his life to the conservation and preservation of his native Southern West Virginia.

A friend as well as physician to many hundreds of Princetonians, Dr. Hale's legacy of personal and community service will endure for many years to come.

Though he had practiced medicine in Princeton for over 36 years—he established his practice here in 1939—it was in the area of conservation that he achieved his greatest honors.

His years of work and effort culminated in numerous state and national awards in the area of conservation and, closer to home, his dedication and ability played a major role in the development of the Daniel Hale Reservoir, one of the largest watershed and soil conservation projects in this section of the Mountain State.

It is perhaps an indication of the measure of the man that he died quietly in his sleep Monday night after delivering the keynote address at a state committee meeting of state Soil Conservation Districts at Blackwater Falls, W. Va.

During his 63-years, Dr. Hale's brilliant mind and tireless work habits propelled him to a stature few achieve. But through it all he maintained the common touch and simple humility that is the mark of greatness. He will be missed.

[From the St. Albans (W. Va.) Advertiser, Oct. 9, 1975]

Just a Country Doctor: He Made House Calls

(By Oneita Hilbert Adkins)

Call it fate or coincidence in the timing of the special agriculture addition of the West Virginia Hillbilly last week carrying the article on Dr. Dan Hale of Princeton, W. Va. and his untimely death occurring simultaneously.

It was my good fortune to meet Dr. Hale back in '69 when with a group of interested citizens on watersheds, made a trip to Princeton to see first hand the Brush Creek watershed for which Dr. Hale's untiring efforts backed by an admiring community achieved acclaim nationally in turning back age-old floods by building several dams, that not only transformed a rampaging creek, but claimed a town from the jaws of flooded devastation into a vibrant community with new industries and hope.

Our caravan of eight cars was led by Dr. Hale who took time away from his busy practice. I was again fortunate to be in his car with others, including the late Mr. Milam, Engineer of the Milam Engineering Co. of Dunbar and John Hart, Engineer, who has since assumed the company interest. Dr. Hale's running dialogue radiated a vibrant personality that goes for the jugular vein attitude as he proudly pointed out the transformation from a fatal decay of a city to an era of economic growth with a rich potential, the direct result of the watershed.

Dr. Hale at that time was president of the county health board and due to so much pollution had to close down the entire area to new construction. He believed in treating the cause.

At one time Brush Creek flooded 1,150 acres of prime land, now serves as the county's main source of water with several small dams and one master dam with a storage capacity of 550 million gallons of water covering 72 acres and a depth of 58 feet. Also creating a park area that is exceeding all expectations. Glen Wood Park, Home of the Aging overlooks this expanse of sparkling water with boating and fishing a fast growing pastime. To the right is the Mercer County 4–H Camp and a school plant.

The lower lying plains were then alive with construction of homes, factories, vocational school, Extended Care facility, Regional Mental Health Center, Princeton High School Athletic Field, S.D.H. District office and numerous other undertakings.

Dr. Hale is credited with establishing the first Regional Health Council that today is a model for rural health care throughout the country.

Dr. Hale was presented with many honors, but preferred to be called just a country doctor who made house calls and was equally at home in his office or sharing the podium with others crusading for improvements for mankind.

One has to make the trip to Princeton to even visualize what the determined spirit of his imaginative leadership has brought to a community, state and nation, who rose to the occasion in helping a community to literally by their own boot-straps in conservation receive national recognition for stamina and pride in an achievement, leaving a rich heritage for those who come after him.

THE STEWARDSHIP OF VALLEY FORGE

Mr. HUGH SCOTT. Mr. President, the Washington Post yesterday morning carried an editorial in support of actions to preserve the Valley Forge Park at Valley Forge, Pa. As the prime sponsor of S. 1776, the bill to establish the Valley Forge National Historical Park, a bill which has been cosponsored by 23 members of the Senate, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Nov. 4, 1975]

The Stewardship of Valley Forge

The efforts of some citizens in eastern Pennsylvania to save Valley Forge park appear to be winning a measure of success. Earlier this year, the integrity of this historic and scenic parkland was threatened by what the Veterans Administration called its "gravesite availability problem." The VA wanted some 500 acres of Valley Forge's total 2250 acres for a cemetery. Led by the area's congressman, Rep. Richard Schulze, who took an immediate stand, citizens urged the VA to consider other sites in the state. Apparently sensing that its original impulse to dig into hallowed Valley Forge was unwise, the VA has now decided to create a cemetery at Indiantown Gap.

With that dispute out of the way, the goal now is to transfer the park from state to federal control. Bills are pending in both the Senate and House. In hearings a few days ago before the Senate Subcommittee on National Parks and Recreation, several witnesses made the point that national ownership of the park will mean little unless efforts are made to protect the present acres and to expand the open spaces that are available. One of these spaces is the Chesterbrook area, an 865 acre tract of unspoiled land. The Interior Department estimates that this property will cost $22 million, a sum that local citizens believe is excessively high. Sen. Hugh Scott (R-Pa.) said the $22 million figure is one that "I cannot live with in this time of federal budgetary stress." Rather than lose Chesterbrook outright because of the costs, the Interior Department should "reexamine its estimates," as Sen. Scott urged, to see if the property can be secured without such a large outlay. Chesterbrook is essential to the integrity of the park, not only to provide additional land for the increasing numbers visiting the area, but also to prevent further urbanization around the park.

It is crucial now for the Interior Department to stand firm in its original interest in accepting stewardship of Valley Forge. Almost ten times the usual number of visitors is expected in 1976. If any American parkland deserves the enthusiasm of the Interior Department it is this site of the historic encampment of colonial soldiers 200 years ago. To maintain Valley Forge in pastoral excellence and environmental purity will not only honor the patriots of the past but also serve the millions of citizens who visit the park today.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, much attention has been focused on the legal implications of the Genocide Convention. Little has been said about the deterrent effect of the convention. Genocide usually is a gradual process, the final extermination preceded by lesser outrages against humanity. It is during this process that the perpetrator of the atrocities may be deterred by the threat of individual punishment in the nation in which the offenses took place. If that nation fails to try the offender, another signatory nation can bring the case before the International Court of Justice.

Various arguments are used against signing the convention. An initial objection is the danger of entanglements resulting from international commitments. However, there is ample precedent for the United States to sign the Genocide Convention. We have already committed ourselves to international conventions on the slave trade, traffic in opium, piracy, and others.

Another fear is the alleged threat to the principle of territorial jurisdiction over crimes. This widely accepted principle is upheld by the convention in that the initial obligation to pursue justice belongs to the nation in which the crime was committed. Only when that fails can another nation bring the case before the International Court.

It has also been argued that once we sign the convention and are then subject to accusations of genocide by other nations, an enemy could use such charges to detain and punish overseas U.S. personnel. Such fears of the misuse of the convention are unreasonable because an unfriendly nation will trump up any phony charges it wishes, whether or not there is any basis in international law.

Genocide is a recurring crime. The 1915 Turkish massacre of Armenians, the Hitler massacre of the Jews, and the recent mass extermination of Biafrans by Nigeria are a few of the more heinous crimes. There is no certainly that it will not happen again. The United States must be prepared to exert its moral and legal influence against such atrocities by committing itself fully to the Genocide Convention.

RESPONSE TO ADMIRAL RICKOVER'S TESTIMONY

Mr. GOLDWATER. Mr. President, on September 17, 24, and 29, special hearings were conducted by the Research and Development Subcommittee of the Senate Armed Services Committee and the Joint Economic Subcommittee, jointly chaired by Senator McINTYRE and Senator PROXMIRE. The hearings covered independent research and development and bid and proposal costs, two distinct but related subjects. On October 1, 2 days after the hearing, Senator PROXMIRE had inserted in the CONGRESSIONAL RECORD at page S31156 the statement of one witness, but did not insert the statements of other qualified witnesses.

COMPLETE LIST OF WITNESSES

September 17: Elmer B. Staats, Comptroller General; Kenneth L. Woodfin, Assistant Administrator for Procurement, NASA.

September 24: Dr. Malcolm R. Currie, Director, Defense Research and Engineering; Mr. Dale Babione, Deputy to the Assistant Secretary of Defense for Installations and Logistics; Mr. Raymond G. Romatowski, Assistant Administrator for Administration, ERDA; Dr. Kenneth Oshman, President, ROLM Corporation.

September 29: Mr. Thomas J. Murrin, President, Westinghouse Public Systems, Inc.; Dr. Richard DeLauer, Vice President, TRW; **Mr. Thomas G. Pownall, President,** Martin-Marietta; Admiral Hyman G. Rickover, Deputy Commander, Naval Sea System Command; Dr. Frederick Long, Cornell University; Mr. Hugh E. Witt, Administrator for Federal Procurement Policy; Mr. D. G. Soergel, Consultant, Public Policy Research.

Several witnesses were accompanied by supporting witnesses.

Senator PROXMIRE chose to insert only Admiral Rickover's testimony in the CONGRESSIONAL RECORD and ignored all the other witnesses as though the Admiral, was the sole witness whose testimony was to be considered.

Let me further state that the Commission on Government Procurement created by Congress to report on Government procurement stated as follows about I.R. & D.

> Recognize in cost allowability principles that independent research and development (IR&D) and bid and proposal (B&P) expenditures are in the Nation's best interests to promote competition (both domestically and internationally), to advance technology, and to foster economic growth. Establish a policy recognizing IR&D efforts as necessary costs of doing business . . . .

This Commission position was supported by the General Accounting Office in its report of June 5, 1975.

Senator McINTYRE wisely asked the industry witnesses to prepare a response to Admiral Rickover's testimony. This has been done and this exegesis puts the admiral's testimony in the proper light. In the interest of fairness and equity, I ask unanimous consent that the response to Admiral Rickover's testimony be printed in the RECORD. I recommend that all Senators, particularly those to whom Senator PROXMIRE has sent a copy of Admiral Rickover's testimony, read the statements of all witnesses at the hearings to obtain an objective understanding of the subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENTS ON ADMIRAL RICKOVER'S TESTIMONY

The Tri-Association Ad Hoc Committee on IR&D/B&P appreciates the opportunity to submit comments on the September 29, 1975, statement and testimony of Admiral H. G. Rickover.

While the Admiral's expertise and authority in the field of nuclear power plants are a matter of record, his generalizations into broader areas are unsupported by the facts.

It is patently clear that his views are uniquely isolated from the main thrust of study and thought that have been developed before and in anticipation of the subcommittee's hearings. It would appear that the Admiral's concentration on and experience in the narrow field of nuclear power plants has served to insulate him from certain verities with respect to the technical and financial management practices of government contractors, and the environment in which government procurement operates, particularly in the acquisition of defense materiel.

The Admiral's testimony gives the impression that he has not read or been advised of the Industry Position paper on IR&D/B&P, and the 322-page volume of documentation developed by the TriAssociation Ad Hoc Committee in 1974. The hearing record will show that industry's posture on IR&D/B&P is substantially in agreement with that of the report of the Commission on Government Procurement, the General Accounting Office, and the postures of the Department of Defense, NASA, ERDA, the Office of Federal Procurement Policy, and the Defense Science Board (DSB). It would seem, therefore, that the Admiral's testimony is a unique and isolated perspective. As his testimony indicates: "This statement reflects the views of the author and does not necessarily reflect the views of the Secretary of the Navy or the Department of the Navy."

To examine some specific allegations in Admiral Rickover's testimony:

OPENING STATEMENT

The vast majority of defense procurement is actually non-competitive

The fallacy in this provocative statement is evident from the Admiral's next words—"with only a few large firms competing for major weapons systems." As he correctly points out, it is an inescapable fact of business life in the world over that the design and production of major systems require correspondingly large amounts of technical, financial and productive resources, which the smaller companies, by definition, do not possess.

The Admiral's misconception regarding the extent of competition in Defense procurement is evident from his later statement to Senator McIntyre that "About 88% of the contracts today are negotiated contracts which means they are not competitive." The Admiral is wrong. The most recent issue of Military Prime Contract Awards issued by Office of the Secretary of Defense states:

"Military prime contracts awarded after solicitation and receipt of two or more responsive offers for competitive price, design, or technical proposals totaled $15,872 million and represented 43.6% of the net amount of procurement (excluding intragovernmental orders) during fiscal year 1974 compared to $14,493 million and 43.2% for fiscal year 1973."

Admiral Rickover's further statement that "even when more than one firm is capable, prior experience, shop loading or other factors can effectively insulate the successful bidder against competitive pressures," largely reflects his own relatively narrow experience with industry. The facts conclusively show that today, and for many years past, essentially all major weapon systems are bid and won competitively, and that the strongest competitive pressures remain upon the winner after contract award to conduct his business efficiently and economically.

These pressures take a variety of forms. The obvious ones are the terms and conditions of the contract, whether explicitly containing incentives on costs or requiring performance at a fixed price in times of unpredictable inflation and escalating cost of materials. Less obvious are the pressures that result from uncertainties regarding the future of most programs today, at any phase of their evolution through advanced development to "full-scale" production. Such pressures include re-competition by the award of production on an annual-buy basis, the presence, or imminent threat, of a second production-source, or competing the "buy-out" of a program on a multi-year winner-take-all basis. In addition, there is today the ever-present possibility that international agreement and/or congressional budget decisions can bring about the premature and unforeseen termination of a program that the successful contractor had devoted significant resources to winning, in the reasonable belief (in light of all information available prior to the competition) that the program represented a major business opportunity.

To judge from the Admiral's statements and certain questions asked of witnesses at the hearings, one could assume that the winning of any major weapons system program was, in effect, the guaranteed award of ten to fifteen years of business at a substantial level. Such, simply, is not the case. Recent history is replete with examples where the winning contractor has seen his program terminated or dramatically curtailed shortly after or, in some cases, prior to his initiation of work thereupon! For just these reasons, a contractor winning even a major program cannot relax and enjoy it, and abandon a fiercely competitive posture. A contractor must always be in a position to compete effectively for new work, and the prudent management of present work is a significant factor in maintaining a viable competitive posture.

Whether motivated by a need to "keep won" the weapons system business previously gained on a competitive basis, or whether forced to keep costs in line in order to win new business to protect his investment in people and facilities from any foreseen or unforeseen vagaries that might prematurely terminate his on-going programs, today's contractor is forced to remain highly competitive.

The lack of incentive to control costs

As stated above, the notion that there is, in general, no true competition, (which may be true in the nuclear programs managed by the Admiral) and that "actual costs incurred—generally can be passed on to the Government" reflects a viewpoint totally out of touch with the award and conduct of the vast majority of DoD business.

IR&D—The Government has no say in how money is spent

In the literal sense, the Government does not contract for and, hence, does not explicitly direct IR&D expenditures. These are company-determined projects, but it is patently untrue to imply that DoD, for example, has no voice in IR&D expenditures. The technical merit of a contractor's IR&D work is reviewed in detail, both prospectively and following completion of the work. The technical rating accorded this work is made available to the government negotiator for use as a factor in negotiating the IR&D ceiling. In addition, many advance agreements contain a re-opener clause, whereby a contractor's failure to achieve a technical rating for his program closely equivalent to that he received for the prior year automatically results in substantial further reduction of the IR&D ceiling negotiated. While his achieving of a tangibly improved rating can likewise result in an increase of his negotiated ceiling, it is obvious that this situation is biased in the Government's favor in that it is manifestly impossible to achieve a significant improvement to one's own prior rating year after year.

Additionally, under Public Law 91–441, the required test for Potential Military Relationship represents a further manner in which DoD "has a say" in its contractors' IR&D work.

COSTS OF IR&D

The real facts here are muddied by the use of "IR&D" cost to describe the total of IR&D and B&P costs. A misleading and inaccurate picture is conveyed by the complete failure to mention the factors, including mandated changes to the accounting treatment of these costs, which have had the effect of escalating the amounts of IR&D and B&P reported as allowed against DoD contracts, although, in fact, other costs charged to these DoD contracts were correspondingly reduced!

To be specific—Beginning in 1972, the reported costs for IR&D and B&P were increased by the requirement to add overhead or burden to all such costs. This factor alone caused a $32 million increase in DoD's share of IR&D/B&P costs reported in 1972, and $55 million for such costs reported for 1973. As the DCAA report noted (for 1972) "The $32 million DoD share does not necessarily represent an increase in total costs absorbed by DoD contracts since this burden may have otherwise been allocated to direct costs of DoD contracts had it not been applied to IR&D and/or B&P costs."

Finally, recent year reported totals include IR&D/B&P costs allocated to foreign military sales, which costs are absorbed by the foreign purchaser and not by DoD. Thus, as Senator McIntyre clearly explained in his report to Congress on April 9, 1975, consideration of this factor resulted in net out-of-pocket costs to DoD for IR&D/B&P of $763 million for 1973 and $766 million for 1974 as contrasted with the unadjusted figures of $801 million for 1973 and $808 million for 1974 presented without explanation or qualification in the attachment to the Comptroller General's testimony at these hearings.

It is precisely the publication of confusing data of this type, especially when it is attributable to an authoritative source such as the GAO, that encourages critics to draw invalid comparisons between annual totals for IR&D/B&P allowed by DoD, and to proclaim that the current system is "out of control," contrary to the true facts of the case.

The Admiral's parochial reference to Congress' elimination of important submarine R&D projects, while "up to a billion dollars a year" were spent "financing IR&D projects," again reflects a total misunderstanding of the nature of IR&D and B&P costs. These are necessary and essential costs of doing business and, as the DSB Report states, represents the price of competition; i.e., a cost which is recovered many times over in the lower prices of future contracts that result from the Government's ability to award them on a competitive basis.

It is unfortunate that the Nation's natural interest in determining its total annual expenditures for research and development has resulted in singling out the IR&D and B&P cost elements from all the other cost elements comprising the major defense contractors' overhead, and reporting only the annual totals of IR&D/B&P costs. Similar annual totals for other cost elements in the major defense contractors' overhead, such as heat and light, guard forces, equipment depreciation, etc., etc., would also represent impressive dollar sums, although the contractors' vital need for such expenditures and the inability of Congress or any other body to make meaningful detailed recommendations for improving the efficient use of such monies might be more readily conceded.

IMPACT ON COMPETITION

The concept that, in general, the largest defense contractors receive the largest "IR&D payments" and that this helps them perpetuate their dominant position is to confuse effect with cause. Defense contractors of all sizes recover some portion of their IR&D and B&P costs as allowable costs to their sales to DoD. No defense contractor receives a cash payment for IR&D/B&P work. The advance agreement of a major defense contractor is an agreement that some portion of these costs will be recognized in the prices he charges for goods or services sold to DoD. In point of fact, a small contractor may recover 100% of his allocable IR&D/B&P costs if the ratio of these costs to his selling prices remains substantially constant from year to year. Moreover, the criterion for establishing the admissible ratio is each individual small company's historic record of IR&D/B&P costs vs. selling prices. A small company can thus expend 10% to 12% of its sales for IR&D alone, permitting it to recover the costs of performing twice or more the advanced work relative to its sales volume than the major defense contractors are allowed. Of course, as small companies grow, they arrive at the dollar threshold for IR&D/B&P expenditures where they no longer may use a formula basis for determining the allowability of these costs, but must execute advance agreements and be subject to the same constraints as the major defense contractors.

The example quoted of a nuclear-powered commercial submarine tanker postulates an absolute lack of military value for the project, which would appear extreme. No reference is made by the Admiral to substantial cost benefits the Navy could have received through the absorption of a portion of the contractor's overhead costs by the commercial project, had he been successful in selling such vessels.

PROMOTING A MODERN INDUSTRY TECHNOLOGY BASE

Industry's reference to the need to maintain and hence retain an up-to-date modern industrial technology base for defense needs is here confused by the Admiral with an alleged need to broaden the industrial base. This base currently comprises companies of all sizes and with varying mixes of defense and non-defense and commercial sales. Large companies with adequate facilities, financial resources and technical capability are mandatory for the prosecution of major weapons systems. The medium and smaller size companies compete either as prime contractors for the award of smaller systems, subsystems, components or piece-parts, or as subcontractors to the major defense contractors for substantial portions of their prime contract business.

In all cases, irrespective of size or customer mix, no company recovers any IR&D/B&P costs from DoD until and unless it wins Defense contracts. Such recovery of a normal cost of doing business does not become a "subsidy" to a company just because it has the DoD as a customer. In fact, precisely the converse is true for the major defense contractors, who subsidize the government to the extent that they are not allowed to recover the full amount of IR&D/B&P costs properly allocable to DoD contracts.

BENEFITS FROM IR&D

As both the DSB report and the Tri-Association Study point out, IR&D/B&P are essential to the maintenance of competition and the major cost benefit is in the ensuing reduction of the cost of contracts that DoD awards because it is able to make such awards based on competition. The concomitant yield of advances in technology, superior performing acceptable performance is in a real sense an additional benefit of IR&D/B&P and not the sole output.

IR&D AS A NORMAL BUSINESS EXPENSE

If, as the Admiral contends, there is no true competition, prices are based on the actual costs incurred, and these costs can generally be passed on to the Government, it appears inconsistent to argue that "there is no incentive for a contractor to waste heat or light," i.e., that there is a strong incentive for him to control such costs, but no incentive for him to control IR&D/B&P costs despite the existence of a ceiling limit for the latter.

Qualitatively, the assertion that "increased IR&D spending can enhance the company's profits and strengthen its market position, military and commercial" is correct. Quantitatively, however, any increased level of IR&D/B&P expenditures must be carefully weighted against the resulting increase in overhead rates which militates against a company's competitive position, and also against the dollar-for-dollar profit erosion consequent upon IR&D/B&P expenditures exceeding the ceilings negotiated with DoD.

Here again, the Admiral's continued inaccurate reference to IR&D/B&P as "IR&D"

overlooks the fact that almost half of these costs accepted by DoD are associated with B&P. The fact that the majority of B&P work of the major defense contractors is performed in preparation for and response to RFP's initiated by DoD is clear demonstration that the associated costs are a legitimate and necessary cost of doing business.

RIGHTS TO INVENTIONS, PATENTS AND TECHNICAL DATA

It is noted that in the Admiral's statement on rights to inventions, patents and technical data he stated that the Government "may" pay for most of the work and that a contractor "may" extract a royalty. It would appear grossly inequitable for the Government to seek rights based upon a mere assumption that the Government "may" have paid or "may" have to pay a royalty. As to the first part of the statement, it should be noted that of the major companies doing business with the Defense Department, only a handful—probably less than ten—do more than 50% of their total business with Defense. Thus, it would appear to be the rare exception rather than the rule for the Defense Department to "pay for most of a Company's (IR&D) work." Further, a contractor cannot exact a royalty from the Government. Under 28USC1498, the Government can infringe any U.S. Patent and the owner's (contractor) sole remedy is an action in the Court of Claims for fair and reasonable compensation. We believe that our Courts can be relied upon to assure that any compensation a contractor would receive would be fair and reasonable.

The Admiral apparently confuses the relationship of employer-employee and that of an independent contractor. The research employee hired by a contractor enjoys job security, benefits, facilities, background know-how and assistants. Moreover, inventive employees often receive awards both in remuneration and position. On the other hand, a company's relationship with the Government is that of an "independent contractor" and being a Government contractor does not enjoy "job security" or any other benefit listed above that are provided to an employee. Finally, a contractor receives no additional consideration for the making of an invention or obtaining a patent. In fact, the Defense Department disallows any cost incurred by a contractor in obtaining a patent on an IR&D invention.

Any attempt by the Government to acquire rights in IR&D inventions, patents and technical data can have only an adverse impact on defense procurement. Such a policy would most certainly reduce competition for defense contracts because a company would not and should not jeopardize a proprietary position in order to accept a Defense Department contract. Such a policy would also probably inhibit IR&D expenditures in areas of concern to the Government.

DOD ADMINISTRATION OF IR&D

The Admiral's discussion contains much subjective opinion, innuendo and generalizations that are at considerable variance with the facts. For example:

(1) "The Defense negotiators are in a weak bargaining position. Large contractors can hold out for a higher ceiling amount and usually get it."

Again the Admiral is wrong. The Armed Services Procurement Regulation (ASPR) states:

"When negotiations are held with a company meeting the $2 million criterion * * * and an advance agreement is not reached, payment for IR&D costs is required to be reduced substantially below that which the company or profit center would otherwise have received. The amount of such reduced payment shall not exceed 75% of the amount which, in the opinion of the contracting officer, the company or profit center would be entitled to receive under an advance agreement. Written notification of the contracting officer's determination of a reduced amount shall be provided the contractor. In the event that an advance agreement is not reached prior to the end of the contractor's fiscal year for which such agreement is to apply, negotiations shall immediately be terminated and the contracting officer's determination of the reduced amount shall be furnished."

The effectiveness of DoD's negotiations is attested to by the fact that DoD's acceptance of IR&D/B&P costs has been a steadily declining percentage of sales to DoD. Also, most defense contractors consistently spend significant (and unreimbursed) dollar sums for IR&D/B&P over and above their negotiated ceilings. Why would this happen if the Admiral's contention were correct?

(2) DoD's technical review of IR&D is far from casual. The Admiral is possibly unaware that what he calls "IR&D proposals" i.e., the contractors' Technical Plans, have for some years been required to present the progress accomplished in the prior year on all completed, terminated or continuing tasks, and that this progress is accorded a technical rating directly impacting the overall technical rating accorded a contractor's planned IR&D work for the following year. Contrary to the assertion that these evaluations have little or no impact on "how much IR&D will be handed out," there is a very tangible impact as discussed previously under "Lack of Incentive to Control Costs."

(3) The statement that "Unless Government reviewers can prove that a project has no potential military relationship the cost of the project is allowed" is incomplete and conveys an erroneous impression. Costs of a contractor's IR&D program are allowed up to the DoD's pro rata share of his negotiated IR&D ceiling (not of the contractor's total IR&D program) provided that the dollar value of the portion of his IR&D judged to have a potential military relationship equals or exceeds the DoD share. Thus, the full costs of all projects judged to have a potential military relationship are not generally allowed to be charged to DoD contracts.

(4) "Under the current IR&D program, the Government is committed to supporting any new venture a defense contractor decides to undertake."

Again, the Admiral is wrong. The criteria used for determination of "a potential relationship to a military function or operation" (Potential Military Relationship) and published in the Congressional Record (May 8, 1973, p. 14779) already exclude many worthwhile IR&D projects closely related to DoD's interests. The ludicrous example laboriously contrived by the Admiral serves as eloquent testimony to his utter lack of understanding of the current system.

IMPACT ON NATIONAL DEFENSE

On page 10 of his testimony, Admiral Rickover states "The impression is left that IR&D helps us hold our lead in technology despite mounting expenditures by the Soviets" while on page 11, he further states, "In my view, the fact that the Soviets are spending far more than we are for research and development is all the more reason to spend our limited funds in areas that are most likely to be profitable from a technological standpoint."

Obviously the Admiral desires that all R&D be government-directed—this indeed is the Soviet system. His statements reveal that the Admiral completely misses the manner in which IR&D is such an important contributor to this nation's technology base. IR&D involves the prime attention of the most creative technical and management people in thousands of companies—all independently determining through this competitive process their degree of success and their economic future. It therefore multiplies manyfold the capabilities of the relatively much fewer governmental personnel, no matter how competent and creative those personnel might be. It is exactly the fact that the Soviets do not have an equivalent ability to enlist the innovative thinking of large numbers of engineers and scientists as inputs to their decision processes, and must rely wholly on successful consummation of government planning by a relatively small number of experts, that provides grounds for belief that this nation can offset their demonstrated willingness to devote more resources to Defense. Supporting the validity of this belief is the fact that the declared Soviet intent to bury the United States has not occurred in leading areas of the commercial arena, such as civilian aircraft, computers, and microelectronics to name but a few. It is not evident that the Soviet lack of success is attributable to inadequate resources applied to these tasks, but more likely that its determination of the technical approaches judged to be profitable proved to be inadequate or too rigidly selected and specified.

The following excerpts from the Tri-Association Study elaborates upon this point:

"The majority of IR&D work (some 80% or $320 million annually) lies in the areas of Applied Research and Development; i.e., in the application of new technology, to operational requirements. This Nation's technical strength lies precisely in this area. Often, in the past, new technology has first emerged overseas; but its efficient, effective application to cost-competitive operational systems or hardware has first been accomplished in this country. IR&D is the early R&D most tightly coupled to potential producers of end-items, and it is intrinsically stimulated and urged by company managements toward the realization of operational devices and systems, rather than indulged as a leisurely conduct of technically elegant work."

"IR&D gives us an important kind of insurance in that experimenters who may think there is a better approach to the desired capability than that which has been covered by technology contract may be pursuing that alternative within the reasonable constraints—under IR&D."

The Admiral goes on to illustrate the effectiveness of the bureaucratic process for technical decision making, using the example of the Atomic Energy Commission and stating that its restrictive policy on IR&D did not impede the development of atomic energy, a fact that cannot be measured or properly assessed. However, one fact is clear, this policy contributed heavily to the reduction of competition in this arena.

While the AEC method provides very tight control of IR&D and B&P expenditures, it would be totally unworkable if applied across the board. AEC (now a component of ERDA) operates in a very narrow field, primarily with "captive" contractors operating AEC's GOCO (Government Owned Contractor Operated) facilities; these contractor segments are very dependent upon AEC and have very little choice but to accept AEC's directives on IR&D and B&P. Moreover, AEC has reaped the benefit of the support of DoD and all other private industry, of IR&D in the broad range of high-technology, non-nuclear disciplines AEC requires in such fields as electronics, controls, materials, etc. The AEC approach broadly applied would stifle contractor creativity and innovation. The AEC method not only fails to recognize IR&D and B&P as fully recoverable costs of doing business, but it also fails to recognize that IR&D is an indispensable innovative process and that B&P is the competitive mechanism for turning these innovations into products.

It is significant that Mr. Romatowski testified that ERDA had abandoned the AEC policies on IR&D reimbursement and the acquisition of rights in IR&D patents and technical data, because the Government received no benefits therefrom, and to align ERDA policies with other Federal agencies.

SUMMARY

This section repeats in summary form the misconceptions that DoD's allowance of a portion of IR&D/B&P costs against its ongoing contracts for goods and services represents a subsidy, assists the concentration of economic power in the hands of a few large defense contractors, and that superior results would be obtained by DoD's specifying all R&D projects and directly funding them on a contractual basis. The Admiral states that "in this way, Congress could also properly exercise its oversight function over IR&D expenditures. . . ."

The Admiral seems to be unaware of the continuous Congressional review of IR&D/B&P, or of the GAO report B–167034 issued in February on the subject of DoD's efforts to plan for the support of innovative research. Some quotations therefrom appear to be supportive of industry's position that the contractor's initiative is a vital ingredient in the productivity of innovative ideas for DoD.

FACTORS TENDING TO LIMIT INNOVATIVE RESEARCH

"Service officials state that, before approving funds, the Congress requires the services to provide some indication of the results expected from a research project. They believe this requirement restrains the funds allocated to innovative research because it is very difficult to predict what specific results, if any, will be achieved from high-risk, long-term research."

"Other factors which have caused program managers to hesitate to perform innovative research are:

1. *Availability of funds.* It is becoming more difficult to obtain funds for research that is not directed toward solving an existing problem in a relatively short time.

2. *Extremely high risk.* Program managers hesitate to take big risks because they are pressured to show results to justify the funds on research.

3. *Transfer difficulties.* Often great difficulty exists in finding a "customer" who will buy a new or conventional "idea." Program managers do not know if new ideas resulting from innovative research will be accepted and used.

CONCLUSIONS

As indicated by the foregoing specifics, Admiral Rickover's continuing and inherently narrow view of the vital nature of IR&D/B&P stands in sharp contrast to the predominant consensus of opinion between COGP, GAO, DoD, NASA, ERDA, DSB and OFPP.

As described in the testimony presented at the recent hearings by the Tri-Association witnesses:

"While we as a country are reducing our R&D expenditures, most of our major economic competitors are increasing theirs at significant rates. Since 1963, the U.S. has lagged such progressive countries as Japan, West Germany, and France in the growth rate of R&D.

"This de-emphasis on R&D compared to our past expenditures and compared to our economic competitors should be of great concern to all of us. It is equally worrisome that as our R&D expenditures decrease, our rate of growth in both productivity and GNP is markedly lower than these other countries.

"IR&D has over the years contributed invaluable advances to our nation's security and to the national technology base, which heretofore has been second to none. IR&D has helped gain and maintain our position as leading developer of superior military equipment.

"There has been a significant reduction in DoD's share of contractor IR&D/B&P costs in recent years—down from a 51% share in 1969 to only 40% in 1974. In our judgment, this may result in disastrous consequences in the future. It is clear that the low profit levels of the defense and aerospace industry—averaging only 3% of sales in 1974—preclude the possibility that reductions in defense IR&D/B&P allowances can be offset by increased expenditures of company funds."

HARRY E. HULL

Mr. RIBICOFF. Mr. President, Harry E. Hull of Ridgefield, Conn., is being honored on November 11, 1975, in the town of Ridgefield.

No person has made a greater contribution to that special and beautiful town. A lifelong resident, he has given of his talent, personality, heart, and mind to the betterment of his hometown. He has been a leader in the political, social, and economic life of that community. He has served in every capacity, including four terms as Ridgefield first selectman. Harry Hull represents the best ideal of public service.

Harry is an old and dear friend. I have known him for many years, working closely with him on the problems affecting the town of Ridgefield and the State of Connecticut. I, too, salute Harry Hull for his character, ability, and service to his fellow townspeople. In commemoration of this day, I am having a flag flown over the U.S. Capitol for presentation to Harry. The board of selectmen has issued a proclamation detailing his career and his service. I ask unanimous consent that it be printed in the Record.

A Proclamation to the People of Ridgefield

Whereas the strength of a community lies in the hearts and minds of its citizens, and

Whereas loyalty, devotion, talent and courage, given by one member on behalf of all the other members is a priceless ingredient in the life process of a community, and

Whereas Harry E. Hull, a native son, born and reared among the ridges and valleys of this lovely hill country town has given in abundance of his strength, time and wisdom, and,

Whereas the record will show that he has served the Town in an official capacity as

Chairman of the Rationing Board during World War II,

Administrator of the Lewis Fund,

A member of the Flood and Erosion Control Board,

A member of the Charter Revision Committee,

A member of School Building Committees,

A member of the Board of Education,

A member of the Board of Assessors,

A member of the Board of Finance,

Chairman of the Democratic Town Committee,

A member of the Board of Selectmen and First Selectman for four terms between 1947 to 1957, and

Whereas The record will also show that he has been a leader in the Patriotic, Social and Economic life of the town as,

A soldier in the American Expeditionary Force in World War I,

District Commander and Charter Member and Commander of American Legion Post 78,

A volunteer with the Ground Observer Corps in World War II,

Grand Marshal of the Memorial Day Parade for fifty years,

A Director of the Soldiers, Sailors and Marine Fund,

A Charter Member of the Last Man's Club,

A member of Odd Fellows Pilgrim Lodge,

A Boy Scout Leader,

A volunteer fireman,

A member, Governor and Deacon of the First Congregational Church,

A founder and Charter Member of the Ridgefield Community Center, and Charter Member of the Board of Directors,

A member of the Ridgefield Contractors Association, and,

Whereas He has provided stability and common sense to a community in the throes of turbulent transition, and

Whereas He personifies the ideal of the creative and dedicated citizen, and,

Whereas With nothing more than his innate abilities and hard work he has won the appreciation, respect and affection of all those who have been privileged to know him, and,

Whereas It is altogether fitting and proper that the people he has served for so long and so well should recognize the nobility of that service, be it therefore

Resolved That Tuesday, November 11, 1975, in addition to being designated as Armistice Day, be designated in Ridgefield as Harry E. Hull Day.

Done by unanimous vote of the Board of Selectmen under the authority vested in us by the people of Ridgefield and the State of Connecticut, on this 1st day of November, in the Year of Our Lord Nineteen Hundred and Seventy Five and of the Independence of the United States of America the one hundred and ninety-ninth.

A CLOUD OVER OKLAHOMA SENATORIAL SEAT

Mr. BELLMON. Mr. President, a year ago today, an election was held in the State of Oklahoma to fill a seat in the U.S. Senate. The outcome of that election was close, although not as close as many others in the history of the U.S. Senate. The vote in the election has never been challenged. Edmondson, Democrat, received 387,162 votes. Bellmon, Republican, received 390,997 votes. Bellmon, thus, was the winner by a margin of 3,835.

I repeat, Mr. President, the outcome of this election has never been challenged. Yet today, 1 year later, after four unanimous decisions by Oklahoma courts and two investigations by the staff of the Senate Rules Committee, a cloud, however slight, still hangs over my seat in the U.S. Senate. This is a result of a challenge filed with the Senate last January by Mr. Edmondson.

Last January, I filed with the Senate a motion to dismiss Mr. Edmondson's challenge. My motion to dismiss has not been acted upon by the Senate Rules Committee.

Mr. President, it may not be proper for me to discuss the merit or lack of merit of Mr. Edmondson's challenge. However, I believe it is proper for me to raise the question as to the justification for the long delay in resolving this matter and removing whatever cloud has been cast over my reelection.

The New Hampshire controversy was cited by many as a reason or excuse for the long delay in deciding the merits of Mr. Edmondson's challenge. However, that question has now been settled for many months. At the present time, it is anticipated that the Senate Rules Committee will conduct hearings on November 17, or 377 days after Oklahomans reelected me to a second term in the U.S. Senate.

Mr. President, any Senator who is elected by a close vote could be placed in the same position I have been in over the past 12 months by an opponent who desires to manipulate the present procedures of the Senate. Unless these procedures are improved upon, future years could see a frequent recurrence of the kind of challenge which has delayed the final confirmation of my reelection.

In the interest of avoiding future prolonged and costly election challenges, I am joining Senator GRIFFIN of Michigan, a member of the Rules Committee, in support of legislation which would require the Rules Committee to act promptly on motions to dismiss—and thus speed up the process of disposing of election challenges. This proposal, modeled after legislation adopted by the House, would become effective in 1976. It would not affect my case.

Mr. President, justice delayed is justice denied in the Senate as well as in the courts of our land. Improvements in Senate procedures to prevent long delays in settling future challenges obviously is needed.

SENIORS FIGHT FOR NURSING HOME REFORM

Mr. MOSS. Mr. President, the November 1, 1975, National Observer contains an excellent story describing the efforts of senior citizens to bring about nursing home reform. The article mentions favorably the Grey Panthers of Philadelphia and Citizens for Better Care of Detroit. The article notes that such groups have been springing up. It reports on the activities of the National Coalition for Nursing Home Reform and the progress this group has made since it was formed in June.

I am particularly pleased that the article credits my Subcommittee on Long-Term Care for being the impetus for these efforts. I ask uuanimous consent to have the story by Jaime Friedman printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ELDERLY LEAD A FIGHT ON NURSING-HOME WOES: THEY'RE TOUGH ADVOCATES, NOT JUST "VISITORS"

(By Jaime Friedman)

If the term elderly suggests someone doddering and aimless, one conversation with Grace Adair will help wipe out that stereotype. Mrs. Adair is 79 years old, and she is dynamite. A director of the Detroit-based Citizens for Better Care, she is one of the leaders of a fast-growing nationwide movement made up mainly of older persons and aimed at nursing-home reform.

There are now some 16 nursing-home reform groups in cities from Seattle to Philadelphia, and their goal is to end physical abuses and restore "human dignity" in institutions that lately have fallen under severe public scrutiny. Like Mrs. Adair, the reformers have time to devote to their projects, experience at dealing with government agencies, and a cause that touches both their fears and their compassion, a potent mixture by any definition.

FIVE YEARS OF HEARINGS

"Old people are more afraid of going into nursing homes than they are of death itself," Mrs. Adair says. "We're going to do something about that. We're organized, growing, and we are not going to be stopped."

These groups sprang into action as public attention to nursing-home abuses grew. After five years of hearings, the Senate Subcommittee on Long-Term Care reported that it found countless "examples of cruelty, negligence, dangers from fires, food poisoning, virulent infection, lack of human dignity, callousness and unnecessary regimentation, and kickbacks to nursing-home operators from suppliers." While 1.2 million Americans are confined to nursing homes, the subcommittee reported, evidence "indicates that a majority of homes fail to meet standards of acceptability."

Most nursing-home reform groups share small beginnings, shoestring budgets, and swelling memberships. Citizens for Better Care, for example, began in 1969 when seven volunteers met in the basement of a downtown Detroit church. The group now has 1,300 dues-paying members and a paid staff of 10 persons, aged 22 to 61. Most members are elderly, as are 11 of its 19 directors.

SUING FOR INFORMATION

"One thing we think it's vital to make clear is that we're not just a so-called friendly visitors group; we are first and foremost an advocacy organization," says Freda Gorrecht, 58, the group's president.

During an investigation of nursing-home conditions in the Detroit area in 1971, the reform group asked the state health department for copies of inspection reports on several homes. The health department considered the reports confidential, and Citizens for Better Care sued to force the department to make public those reports on all Michigan's 396 nursing homes. In 1974, an appeals court upheld the citizens group.

The group's investigation exposed widespread patient mistreatment in the Detroit area. Its survey of 80 homes showed that 44 facilities had 12 or more violations of the state health code and that 19 of the 44 homes had more than 20 violations each. In the year since the group's survey was issued, the state health department has doubled the number of intent-to-deny-license orders sent to Michigan nursing homes. At present 54 homes face license revocation.

"PATIENT ADVOCATES"

Michigan's state nursing-home association insists that health-code violations occur only in a minority of its member institutions, and the health department defends its ability to monitor conditions in the 396 homes across the state. Still, Citizens for Better Care has assumed its own watchdog role. On the group's front lines are 26 "patient advocates," or ombudsmen. All elderly volunteers, they are screened and trained by the group to be familiar with local, state, and Federal regulations relating to nursing-home care. Each volunteer spends six hours a week visiting a nursing home in his or her neighborhood.

"We direct our ombudsmen to develop good relations with the staff in the home, but their basic role is to be advocates for the patients," says Bob Anson, ombudsman project director. "Their job is to make sure that patients are being treated properly and that something is done about legitimate [patient] complaints."

"The volunteers need a combination of tact, curiosity, and aggressiveness," says Anson, and 69-year-old Corinne Gaines more than fits the bill.

TOP STAFFERS FIRED

Mrs. Gaines, a retired registered nurse who spent much of her professional life in cancer and tuberculosis hospitals, says the first nursing-home administrator she met with was hostile and refused to co-operate in the project. After she complained to him about roaches, thefts of patients' belongings, and neglect of bedridden patients in the home, the administrator barred her from returning. The callous treatment of patients eventually was brought to the attention of the home's owners, and all the top staff members there were fired, she adds proudly.

"Without the ombudsmen, a lot of patients wouldn't complain about abuses for fear of retaliation by the staff," Mrs. Gaines says. "If you were bedridden, needed to be fed, bathed, and taken to the bathroom, how would you feel about complaining about the person on whom you depend for all these needs?" She adds: "We can really help, because we're not occasional visitors like a lot of social workers with heavy case loads. We're there twice a week, and the patients can depend on it."

In 1974 Citizens for Better Care handled 612 complaints of alleged nursing-home abuses that either had been reported to ombudsmen or called in on one of the group's hot-line telephones by patients or their relatives. Members investigated each complaint and, according to Anson, two-thirds of them proved to be warranted.

"Many of the problems can be taken care of without getting public-health agencies involved," Anson says. "If not, the ombudsmen refer it to the CBC (Citizens for Better Care) which takes it to the proper agency. We bug the hell out of them until something is done."

MONEY FROM WASHINGTON

Citizens for Better Care has successfully lobbied for legislation requiring the state Department of Health to inspect nursing homes with surprise visits rather than with announced inspections, and for a law limiting nursing-home profits to a return of 12 per cent on invested capital. The group is also pressuring the state government for stricter nursing-home regulation.

Detroit's Citizens for Better Care is generally recognized as the leader in the nursing-home reform movement, and it is the only one to receive any Government funds—$190,000 this year in grants from the Department of Health, Education, and Welfare. Elsewhere, however, other groups are bidding to match and surpass the Detroit group's record.

In Seattle, for instance, Citizens for Improvement of Nursing Homes is a 500-member group headquartered in the home of its president, 69-year-old Dorothy Kallgren. Its $1,500 budget is financed by annual dues and contributions from some members' savings.

So far, the Seattle citizens group has won passage of laws that require disclosure of nursing-home financial data and that impose a $500 penalty on nursing homes for each violation of a state health regulation. It has also sparked an investigation of the unwarranted use of patients' personal funds by nursing homes. That inquiry resulted in 11 Seattle-area homes being cited for misappropriation or misuse of those funds.

Notwithstanding these victories, Mrs. Kallgren cautions that "we have a long fight ahead of us before nursing-home conditions in this state are anything like adequate. Right now the city of Seattle pays more to feed the animals in the zoo than the entire state spends on the well-being of nursing-home patients."

In Philadelphia two members of the Gray Panthers published the 76-page "Citizens Action Guide: Nursing Home Reform," which is fast becoming the movement's manual of tactics. The Panthers, a nationwide network of 8,000 self-styled "wrinkled radicals" and youthful activist supporters, have attacked not only nursing-home care but also the treatment of the elderly by mass-transit authorities, the medical profession, television programmers, the Administration, and Congress. "The people we face are all adept at the political game and we've got to get that way too. We're not there yet but we will be," says Maggie Kuhn, 70, one of the group's founders.

"WE WERE SQUASHED"

The importance of political muscle already has been discovered by the fledging Kansas for Improvement of Nursing Homes, a Lawrence-based group. "When we went to the State Legislature to plead for reform, there were just a few of us; the industry was out in force, and we were squashed," says 62-year-old Petey Cerf, one of the group's organizers. "Now we've decided to build a statewide organization, go out and get the votes, and then march right back. When we do, perhaps we'll find them in a more receptive mood."

Until recently, nursing-home reform groups operated more or less on their own. To bolster each other's efforts, 16 groups met in Washington, D.C., last June and set up a National Coalition for Nursing Home Reform.

"This organization could become one of the most powerful public-interest groups in the country," says Ms. Kuhn. "Don't forget that the elderly are the fastest-growing minority in America; we are 21 million strong and most of us vote. A united, national organization of the elders of the tribe would certainly have considerable political power, and if it were astute at using it, some considerable change could be made."

BEYOND NURSING HOMES

The changes she talks about go well beyond the field of nursing-home care. "If you think about it, a critique of nursing-home care leads to a critique of the whole health establishment and ultimately to the question of what makes people sick in the first place," Ms. Kuhn says. "That issue involves the medical profession, occupational safety, housing, and the environment—all of which affect not just people in nursing homes but the rest of the population as well."

To the elderly members of the reform movement, empathy with nursing-home residents comes naturally. But the movement has another strong appeal. Explains Ms. Kuhn:

"Society says that people over 65 aren't good for anything but the scrap heap, and many retired people accept that view and start feeling that way about themselves. Advocacy literally breathes new life into them. They forget about their own aches and pains and get swept up in something bigger and more important and so much needed."

Though the movement is made up mainly of the elderly, it also attracts younger people as both members and leaders. Doug Roberts, for instance, is 32 and one of the founders of Citizens for Better Care. He describes his dedication with a story.

"Two years ago I was putting on an advocacy workshop at a convent school in Monroe (Mich.); there were about 40 nuns there, as I remember. During the program one of them got up and asked me why someone like me was working in nursing homes. The message really was how could someone as young as I be interested in people so much older.

" 'Sister,' I told her, 'I'm preparing for my future!' "

NOBEL PEACE PRIZE FOR SAKHAROV

Mr. TAFT. Mr. President, last week the Cincinnati Enquirer asked Mr. Leonid Brezhnev an important question: Will the Kremlin react to the awarding of the Nobel Peace Prize to Andrei D. Sakharov in a manner consistent with the Helsinki agreement?

This is, I believe, an important question. In the past, the Soviet leadership has reacted negatively when the Nobel Prize was awarded to Soviet dissidents. Boris Pasternak and Alexandr Solzehenitsyn both felt the wrath of the Soviet Government when they were selected for Nobel prizes.

I hope that the Soviet Government will, in the case of Dr. Sakharov, act in a manner fully consistent with détente and with Helsinki. The Soviet Government should show the world that those who hold a view of socialism different from that of the Communist Party of the Soviet Union are nonetheless free under Soviet law to express their views, without fear of persecution. For the Soviet Government to condemn Dr. Sakharov is for them to say that Dr. Sakharov's fundamental belief—that world peace must be based on respect for the individual human being in society—is not consistent with Marxism-Leninism. That would, I think, be an interesting admission.

Mr. President, I ask unanimous consent that the editorial from the Cincinnati Enquirer, "A Test of Soviet Humanity," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A TEST OF SOVIET HUMANITY

Andrei D. Sakharov, Soviet physicist and "father" of the Soviet H-bomb, is once again challenging the Soviet government to live up to its own professions of peace and justice.

The Soviet government has in recent years squirmed as Mr. Sakharov has repeatedly exhorted it to allow greater freedom for Soviet citizens and criticized it for its repression of political dissidents.

This time, however, the challenge comes indirectly, for the Nobel Peace Prize committee in Norway has proclaimed Mr. Sakharov this year's laureate.

Mr. Sakharov "has addressed his message of peace and justice to all peoples of the world," the committee stated. "For him it is a fundamental principle that world peace can have no lasting value unless it is founded on respect for the individual human being in society."

Twice before since World War II, the Nobel committee in literature in Stockholm, Sweden, has awarded its prize to Soviet writers, Boris L. Pasternak and Alexander I Solzhenitsyn. Both times the Kremlin masters have been angered, and have persecuted the writers for having been honored. The Soviet leaders have taken the awards as insults to and assaults upon Soviet "democracy."

Will Leonid I. Brezhnev and the other guardians of Soviet "purity" gasp with alarm at this new judgment by the outside world of who speaks the truth and embodies virtue in the Soviet Union?

It would seem at least embarrassing just weeks after Mr. Brezhnev has endorsed the document of the European Security Conference promising an opening of frontiers in Europe, both physical and political, for the Soviet government to harass Mr. Sakharov or to condemn the Nobel Peace Prize committee for anti-Soviet behavior.

What say you, Mr. Brezhnev?

PRIVATE PHILANTHROPY IN OUR HEALTH CARE SYSTEM

Mr. RIBICOFF. Mr. President, the role of philanthropy is a vital one in our health care system. Over $4 billion was contributed in 1974 by Americans to private philanthropy, over $700 million of this to hospitals, largely to support necessary expansion, improvement, and innovative programs that could not be supported in any other way.

On October 16, I spoke to 750 delegates of the National Association for Hospital Development at their annual conference. This organization helps medical institutions to expand facilities and provide new programs.

Because of the importance of private philanthropy, I ask unanimous consent that my speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

SPEECH BY SENATOR ABE RIBICOFF

I am greatly honored by this presentation of the 1975 achievement award. All of us interested in health care are keenly aware of the excellent work done by your organization. This is one reason why the award means so much to me.

I would like to talk briefly today about a subject that relates directly to your work: The continuing importance of private philanthropy to our hospitals. As many of you know, I joined recently with Senator Russell Long in reintroducing the Catastrophic Health Insurance and Medical Assistance Reform Act, S. 2470. This bill recognizes the critical role of philanthropy as a source of funds for our hospitals.

Our hospitals will continue to depend on the generosity of concerned citizens who contribute time and energy as well as financial resources. In total, about $4 billion went to these institutions last year. To illustrate its importance, the director of Mount Sinai Hospital in New York recently reported that such contributions made up 50 percent of his institution's operating deficit.

Private philanthropy furnishes a kind of "venture captial" for hospital development. It enables innovations and critical breakthroughs. It also funds capital improvements—new buildings, beds, and equipment. These are the essential building blocks of health care.

This is why I insisted on including in the Long-Ribicoff bill a specific provision aimed at encouraging philanthropy. The provision applies to the determinations made by the Federal Government of reimbursable costs under Federal aid programs. It would bar Federal officials from deducting unrestricted gifts and endowment income from the reimbursements.

The provision is necessary, unfortunately, because officials of the present administration at various times have adopted a contrary policy. They have deducted funds from private philanthropy in calculating the operating costs of hospitals. In addition, the administration's economic stabilization program barred many hospitals from raising their rates in response to costs due to inflation. The hospitals had to use endowment and gift income to make up their deficits. This policy undercut the purposes of philanthropy; it was ended only when the economic stabilization program itself was eliminated. We hope that our bill's provision will effectively prevent a repetition of this threat or any similar one.

The Long-Ribicoff bill has three basic parts.

First, we recognize that every American family is faced with the fear of being financially destroyed by catastrophic illness or accident. The bill would establish a catastrophic health insurance program that would assure every citizen the opportunity to buy insurance either through the Federal Government or through the private sector.

Second, we recognize that every American family needs basic health insurance at reasonable cost. Our bill sets standards for basic non-catastrophic insurance that must be made available to everyone who wants it.

And third, we recognize that millions of Americans can't afford health protection at all. Our bill streamlines and broadens the Medicaid system through general uniform standards, eligibility and administration.

The total cost of the program will be $9 billion. This is a great deal of money, but it is far less than other proposals and meets the most pressing health care needs in a responsible and pragmatic manner.

At present we cannot afford a health insurance coverage. And even if we could afford it, the Federal Government would have tremendous problems administering it.

I believe that this bill is a good first step—our best hope for progress in this Congress. Both Majority Leader Mike Mansfield and Minority Leader Hugh Scott have joined with us in introducing it. We'll need your help and support.

Our bill encourages private philanthropy because we believe that private giving to hospitals is essential to the Nation's health care. A nation that ceases to give will soon cease to grow. It will also cease to provide for its citizens basic needs. I salute the work you are doing, and I thank you again for this award.

THE PRICE OF RED INK

Mr. LAXALT. Mr. President, $1½ billion borrowed weekly, $544 billion total indebtedness as of the beginning of this fiscal year, and a $36 billion annual interest cost which has now become the Government's third most expensive activity; these are just a few of the tangible consequences of the Federal Government's inability to live within its means. Yet, there are still those who seem unaware of our serious debt problems.

The strain on the credit markets predicted last spring by Secretary Simon is already here. Interest rates stimulated by fears of renewed inflation and heavy Treasury borrowing have been rising since midyear. This means bank interest charges, mortgage rates, and yields on Treasury securities have all been moving up. With the result that the inflow of funds to savings institutions has slowed and we could soon see a return to what the economists refer to as disintermediation. Unfortunately, as economic recovery proceeds, business demands for credit will grow leading to an even more serious head-on confrontation between Treasury borrowing and business needs with serious consequences for the future course of economic recovery.

Certainly, the Treasury is doing what it can to minimize the damage caused by its heavy borrowing. It is attempting to acquaint the market sooner and in more detail with its borrowing plans. It is trying to reduce excessive reliance on short-term interest rates and to lengthen the maturity of Government debt. Yet, it is finding that such techniques can have only a very limited impact when the budget deficit is so substantial. As the Under Secretary of the Treasury pointed out recently, "when the national deficit is so gross, its impact cannot be fine tuned."

The need is obvious. If this Nation is not to go the direction of New York City, we must again begin to live within our means. However, despite an abundance of evidence, it appears that this elementary fact has still not been brought home adequately to a number of our colleagues. For this reason, I ask unanimous consent that "The Price of Red Ink, Officials Worry More Over Economic Strains of Federal Borrowing," an article in the September 30 Wall Street Journal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE OF RED INK—OFFICIALS WORRY MORE OVER ECONOMIC STRAINS OF FEDERAL BORROWING

(By James P. Gannon)

WASHINGTON.—In a heavily guarded pressroom at the Bureau of Engraving and Printing here, foreman Arthur Baron stands almost surrounded by tangible evidence of a great economic abstraction: the national debt.

Around him stand more than a dozen waist-high stacks of half-printed Treasury bills—government IOUs in the making. Each tightly bound pile consists of 5,000 large sheets of square paper, on which are printed six bills to be valued at $10,000 apiece. Every stack represents $300 million but just looks like an oversize bundle of crisp stationery.

"Those machines over there," says Mr. Baron, pointing to two whirring presses, "used to be printing currency, but now we have them working pretty steadily on the debt."

The fact that Mr. Baron's presses have switched from printing money to printing U.S. debt securities is a telling sign of the times. The federal government, short of money, is long on debt these days. Its money machines are cranking out millions upon millions of these pretty pieces of paper—purple, blue and green and bearing engraved likenesses of long-forgotten Treasury Secretaries and bearded Presidents.

THE INEVITABLE DAMAGE

The Treasury is issuing these fancy pieces of paper at a once-unthinkable pace of more than $1.5 billion a week. The attractive interest yields—lately reaching as high as 8.5%—offered on these supersafe securities are luring funds away from the stock market, corporate bonds, savings accounts and other competing havens for money. Treasury debt managers are working hard to reduce the damage this can do to the fledgling economic recovery, but they concede that some damage is inevitable.

Treasury Secretary William Simon warned the House Budget Committee yesterday that "unprecedented" government borrowing is draining funds away from housing and business investment, thus weakening the economic upturn. "Unfortunately," he said, "the hoped-for recovery of residential construction and business investment will be hampered by the disruptive impact of massive federal debt-financing requirements." At a separate House hearing yesterday, the Treasury asked Congress for another temporary increase in the federal debt ceiling to accommodate its big borrowing plans.

Government borrowing in the fiscal year that began last July 1 is expected to top $80 billion, up from $51 billion in the past year, fiscal 1975, and from just $3 billion in fiscal 1974. At the beginning of the current fiscal year, the federal debt already totaled $544 billion, up 68% in a decade. Just paying interest on the debt now costs $36 billion a year, which makes that the government's third most expensive activity, right behind social-welfare spending and national defense.

The heavy borrowing, of course, reflects the fact that the government is running deeply in the red, mainly because the recession eroded tax receipts and swelled spending on such things as unemployment benefits and food stamps. This fiscal year's deficit is likely to hit a record $70 billion or more up from $43.6 billion in fiscal 1975, and the early guessing on next year's red ink ranges from $35 billion to $50 billion. Thus, big borrowing will continue indefinitely.

Last winter, Treasury Secretary Simon touched off a debate by contending that the Treasury's hefty borrowing would "crowd out" other borrowers, such as corporations, local governments and home buyers. At the time, the debate was academic. No crowding-out occurred in the first half of calendar 1975 because the recession sharply reduced business and consumer borrowing and left the Treasury ample elbow room in the credit markets.

SIGNS OF STRAIN

But the second half of 1975 and all of 1976 may be different, government officials and many private economists warn. They don't see any early credit crunch, but they do see these signs of strain in financial markets that could point to difficulties ahead:

Corporations in recent weeks have postponed or canceled roughly $700 million of proposed new offerings of bonds and other debt issues. The would-be borrowers that backed away from the credit markets include blue-chip outfits, such as J.P. Morgan & Co., the prestigious New York bank-holding company, and lesser-rated borrowers, such as Consolidated Edison Co., New York City's electric and gas utility.

Interest rates, influenced by fears of renewed inflation and the Federal Reserve Board's restrictive monetary policy as well as heavy Treasury borrowing, have been on the rise since midyear after falling in the first half of calendar 1975. Bank interest charges, mortgage rates and yields on Treasury securities have been moving up. A mid-June offering of two-year Treasury notes provided investors an average return of 6.61%, but the yield at this month's sale of such notes jumped to 8.44%, well above the return that savers can earn at a bank or a savings and loan association.

The inflow of funds to savings institutions is dramatically slowing as savers seek the higher rates in Treasury securities. The August increases in deposits at savings and loan associations was less than half the record inflow of July, and some industry executives fear that September figures may allow a net outflow of funds. Such a development, if sustained a few months, would dry up mortgage credit and retard any rebound in the depressed home-building industry—a rebound considered vital for a general recovery.

Viewing these trends, Treasury Secretary Simon is sounding the "crowding-out" alarm again—but this time with more outside support. "Unfortunately," says the former Wall Street bond trader, "crowding out isn't just a fear any longer, it's a reality." The economic recovery is stronger than he had expected, Mr. Simon says, leading to financial strains earlier than he had thought likely.

While Mr. Simon's warnings may be somewhat exaggerated for effect (he hopes they will scare Congress away from enlarging the deficit further), his concern is shared increasingly by outside experts.

In a recent analysis of credit-market conditions, economist Henry Kaufman of the Wall Street securities firm of Salomon Brothers commented that although borrowers felt little strain in the first half of the year, "crowding-out now is surfacing with the emergence of some real growth, an acceleration of inflation and huge Treasury financing demands."

David M. Jones, vice president and economist of Aubrey G. Lanston & Co., a New York dealer in government securities, says that "postponement of corporate bond issues suggest there has been, if not crowding-out, a least opting-out by corporate borrowers to wait for better market conditions. "He adds that as a stronger economy fuels business demand for credit early next year, chances of a "head-on confrontation" between Treasury borrowing and business needs will increase.

The housing industry is growing practicularly vocal in warning that Treasury borrowing is threatening to jeopardize a homebuilding comeback. "The federal government's mushrooming credit demands will push interest rates higher," warns economist John M. Wetmore of the Mortgage Bankers Association of America, and "in turn all private sectors of the economy, including the mortgage market, will get crowded out." Mortgage lenders, such as savings and loan associations, are particularly alarmed that this month's Treasury auctions prompted many depositors to withdraw their savings to buy higher-yielding Treasury notes; an unusually large proportion of the notes were bought by individuals, rather than banks and other financial institutions.

Treasury officials are trying hard to reduce the ill effects of their borrowing, but the government's huge cash needs leave little room for maneuvering. And at the Federal Reserve Board, there is little inclination to fully accommodate the Treasury's needs by pumping up the nation's money supply; the Fed fears that such a course would only feed inflation.

The Fed, insiders say, is willing to watch interest rates rise and to see some tightening in mortgage-money markets as the price of sticking to its self-imposed limits on money-supply growth. "We've tried not to make any easing in policy because of Treasury needs," one Fed source says. He admits that "there are some signs of strain developing" in financial markets and that "housing could stand to lose" as the Treasury's borrowing and the Fed's firm stance push interest rates up. But he argues that greater damage would be done if the Fed relaxed its credit grip to make the Treasury's borrowing easier—and thus abandoned its anti-inflation policy.

Treasury debt managers, trying to dream up ways to borrow more than $80 billion this fiscal year, are trapped between the rock of the Fed and the hard place of their own cash needs. "You have nothing but bad choices," comments Edwards Snyder, a veteran Treasury debt-management specialist, who likens the present situation to the borrowing binge needed to finance World War II.

Under these circumstances, the Treasury must constantly, rather than occasionally, tap the credit market. Sales of intermediate and long-term issues—notes and bonds—are being scheduled two and three times a month, usually in bites of $1 billion to $3 billion, instead of quarterly as before. Weekly auctions of three-month and six-month Treasury bills are raising $700 million to $1 billion of "new money"—money beyond that needed to pay off maturing bills.

"We're operating in a fundamentally different climate," from that in which the Treasury has operated in the past," contends Edwin H. Yeo III, the former Pittsburgh bank economist who became under secretary for monetary affairs—chief debt-juggler—two months ago. Not only are the Treasury's needs much bigger, Mr. Yeo says, but financial markets are "more volatile"—subject to wider and more frequent ups and downs as inflation fears and other psychological factors dictate.

The Treasury is adjusting its financing operation to this jittery climate in different ways, the official suggests. One effort is minute-by-minute monitoring of bond- and stock-market activity. In his otherwise antique-filled office, Mr. Yeo has installed an electronic gadget with a keyboard like a typewriter and a picture tube like a TV set. By punching the right combination of keys, Mr. Yeo can order up an instant display of bond prices, stock-trading activity, commodity quotes, the hour's news headlines or other information.

"I like to know what's going on," says the 41-year-old Mr. Yeo, who has a penchant for vested suits, button-down shirts, slicked-down hair and Simon-says conservatism. "You have to know what is going on and why to design a financing that will catch the tide of events."

Besides watching the market more, Treasury men are trying to tell the market more about their financing plans. They recently outlined in public their elaborate plan for raising $44 billion to $47 billion in new money during the current July-December period. Why? "Our feeling was that the markets were uncertain about our plans and uncertainty is anathema to markets," Mr. Yeo remarks. By letting dealers and investors know well in advance the amounts and types of coming Treeasury debt issues, Mr. Yeo hopes to calm some of the jitters that can result in wide price swings and interest-rates changes.

In an effort to reduce upward pressure on short-term interest rates and lengthen the maturity of government debt, Mr. Yeo also is lessening the Treasury's reliance on short-term bills in favor of longer-term notes and bonds. He thinks this will ease the problem of "disintermediation"—meaning the outflow of savings from thrift institutions—and the resulting harm to housing. Further, selling two-year notes now instead of three- or six-month bills means that the Treasury will have less maturing debt to "roll over" in 1976, when business demand for credit may be strong, he notes.

These and other damage-control adjustments in Treasury financing techniques can have only a limited impact on the general structure and level of interest rates, Mr. Yeo readily admits. When the national deficit is so gross, its impact can't be fine-tuned.

Only half in jest, debt manager Ed Snyder sums up the Treasury's problem: "Debt management today is easy. There aren't too many choices to make. You just do all of everything that you can think of and hope that it is enough."

STATES FIND SPACE DATA USEFUL

Mr. MOSS. Mr. President, as chairman of the Committee on Aeronautical and Space Sciences, I am vitally interested in the many benefits of space that have practical application here on Earth. One of the most fruitful of these areas is the use of Earth resources data obtained by satellites and specially equipped, high-flying aircraft of the National Aeronautics and Space Administration.

A recent article in the Wall Street Journal by Douglas Martin describes how Mississippi and Louisiana are using NASA expertise and data to deal with problems of land use, pollution, and natural disasters. The article points out how these two States are savings significant amounts of time and money by using NASA's assistance.

As Mr. Martin points out:

> Unlike some federal aid programs, this one is inexpensive and amazingly free of red tape.

Because this article is of interest to other Senators and other States, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Oct. 15, 1975]

A LIFT FROM NASA—TWO SOUTHERN STATES USE SPACE SCIENCE TO SOLVE SOME DOWN-TO-EARTH PROBLEMS

(By Douglas Martin)

PASCAGOULA SWAMP, MISS.—Last summer, the private owners of some 40,000 acres in this lush cypress forest said they were interested in selling. Conservationists were delighted. The swampy forest is one of the largest unspoiled wildlife habitats left in the southeast U.S. When the conservationists asked the state of Mississippi to take up the sale offer, however, legislators—to whom a swamp was just a swamp—balked.

"Many legislators thought we were nuts," says William Y. Quisenberry, director of the state's new wildlife heritage program.

Then the space men stepped in. From the National Space Technology Laboratories at nearby Bay St. Louis, Miss., came satellite photographs showing in detail the swamp's rich stands of hardwood and pine. Other data gathered at the space center made possible a persuasive economic analysis of the benefits of turning the swamp into a recreation and nature preserve. Impressed, the state legislature turned around and approved the sale of $15 million in bonds to raise money to buy the acreage. "In the end," Mr. Quisenberry says, "it was like voting for motherhood."

A new federal program—for sharing expertise, rather than revenues—created NASA's role in the project. The program is experimental. With a $400,000 grant from the National Science Foundation, NASA and other federal agencies at the Bay St. Louis base are lending technological aid to two states, Mississippi and Louisiana, to deal with problems in land use, pollution and natural disaster.

Unlike some federal aid programs, this one is inexpensive and amazingly free of red tape. It took only three weeks and $10,000 for NASA to evaluate the economic potential of the Pascagoula swamp.

Officials who created the program think that if poor states like Mississippi and Louisiana—which rank, respectively, 50th and 44th among the states in per-capita income—can be assisted, then technological aid can produce benefits anywhere in the country. If the science foundation had sought easy success, one official says, "we'd have gone to New York or California. But the proof of the pudding is in the tough states."

Representatives of the two states use the Bay St. Louis base to confer with working scientists and other experts from NASA, the Environmental Protection Agency and the Interior, Commerce and Transportation departments. Things go informally. Instead of preparing massive documentation to support requests for aid, state representatives usually can just drop in and ask for the help they need. Recently, for example, Guthrie Perry, a Mississippi wildlife biologist trying to take a census of the state's alligators, stopped by and asked to see if he could spot their nesting grounds on infrared aerial photos made by NASA. He found he could, bought $100 worth of photos and took them home to study.

The program worked especially efficiently in last spring's severe flooding. Photographs from Landsat 1 and Landsat 2, NASA satellites that monitor the condition of the earth's terrain, helped determine the extent of flooding, which Louisiana needed to know to obtain disaster aid from the government. In the past, it sometimes took four or five months to obtain such relief. Because of NASA's help, this time it took only four days.

In another case, Mississippi was able to hire high school students to locate bodies of water on high-altitude photos for a dam-safety survey that the government required. The study cost only $25 per body of water. P. T. Bankston, a Mississippi official at the space center, says other states engaged in such studies have run up costs of $200 to $1,000 per body of water. And a Louisiana official says NASA expertise saved the state government "at least a year" in developing its state-wide communications system.

The government derives some benefit from the program, too—finding, for example, new and earthy uses for the expensive technology it has developed for space travel and scientific information gathering.

Wayne Mooneyhan, director of NASA's earth resources laboratory at Bay St. Louis, says satellites now are mapping Mississippi in 40-acre grids. NASA's sophisticated photo technology provides so much information about the terrain, he says, that when the process is completed, a wildlife-habitat survey of the state could be made in less than a minute. The last such study made in Mississippi took 11 years to complete.

Satellite and U-2 aircraft data on water temperature, salt content and currents have helped direct commercial fishermen from Louisiana and Mississippi to large schools of fish in the Gulf of Mexico. The fish finding, Mr. Mooneyhan says, is so precise "it scares you."

NASA expects eventually to use satellite and U-2 data to help prepare more accurate estimates of crop yields and to undertake other projects in the U.S. and elsewhere. But Mississippi's Mr. Bankstom has some ideas for drawing on NASA expertise outside the terrain-study field—in designing more efficient wheel chairs and artificial limbs, for example. "If there's anybody who knows about human engineering," he says, "it's NASA."

The science foundation's two-year grants for the program expire next June, but the program has been so successful that officials expect it to continue. For one thing, the two states have agreed to pay for specific services rendered. Some federal officials now envision expanding the program. "There's no reason why more states can't get involved with other federal installations," says Jerome Rosenberg, a NASA official in Washington. The program, he says, "is adaptable to any other state."

CAMPAIGN FINANCING

Mr. MATHIAS. Mr. President, 1 year ago today, I won reelection to the Senate following a campaign that I conducted under a program of financial restrictions, imposed voluntarily, that were stricter than the requirements of Federal or State law.

My experiences with that campaign, and with other campaigns through the years, have led me to the conclusion that a reform of laws governing the process of financing campaigns for elective Federal offices is essential to permit the average American to participate effectively in the political process.

I believe the campaign I ran last year was a worthwhile step in that direction. I think its lessons are well worth studying.

Accordingly, I am making this comprehensive report today to the Senate on my 1974 campaign finance program, after a year of careful reflection and detailed review.

That review included a study and analysis—by me and by those persons who, as members of my 1974 campaign staff, were intimately familiar with the development and implementation of the campaign finance plan—of all aspects of the plan.

I reviewed the goals, the mechanics, and the results of the plan.

I reviewed all the documents, news releases, speeches, statements, and other materials that I or my campaign staff issued or used in the campaign in connection with financing.

I reviewed all the news clippings, including editorial comments, from publications and other organizations in Maryland and elsewhere, that were collected during the campaign and since.

I reviewed copies of all the campaign financial statements that were filed with Federal and State authorities as required by law.

Some of this voluminous material is being submitted with this statement for inclusion in the RECORD.

All the material that I have described is available for inspection in my office by any interested party, and I would welcome the opportunity to discuss this subject with any individual or organization that has a legitimate interest in furthering the reform of our campaign financing process.

The decision to undertake a campaign of this type was not made lightly or suddenly. I have long been working with others within the Congress in an effort to reform the laws that govern campaigns for elective Federal offices.

I was a cosponsor of the bill which became the Federal Elections Campaign Act of 1971. During consideration of this bill by the Senate, I offered 13 amendments to the bill which were adopted by the Senate. I debated the merits of these amendments, and of the complete bill, on the Senate floor and in private meetings with my colleagues and others. I voted for the bill, and stated at that time that it could be regarded only as a first step toward a process that would enable the average American to participate effectively in the process of campaigns.

In 1973, I cosponsored two major bills to reform further the laws which govern election campaigns for Federal elective offices. I participated in the debate concerning the merits of the bill that was eventually enacted as the Federal Elections Campaign Act Amendments of 1974. I testified before the Senate Subcommittee on Privileges and Elections during its consideration of this bill, and I debated the merits of the bill when it was before the full Senate. I represented the Senate as a conferee during the House-Senate conference to reconcile the differences between the bill as passed by the House of Representatives and the bill as passed by the Senate. I signed the conference report, spoke in favor of the conference bill on the Senate floor, voted for the conference bill, and urged President Gerald Ford to sign the bill into law. On April 3, 1975, I filed an affidavit in support of the act in the U.S. Court of Appeals for the District of Columbia.

One of the principles that was of major concern to our Founding Fathers was equality of access to the political arena. This ideal was imperfectly achieved at the founding of our Republic and it is imperfectly achieved today, but our Nation has made great strides toward achieving it during our history. The great extensions of the franchise to blacks, to women, and to our younger citizens, as well as the abolition of the poll tax and the direct election of Senators were all intended to remove barriers to the participation of our people in the selection of their leaders, and to equalize control over political outcomes.

In recent years this concern about equality of access to the political arena has found expression in attempts to reform our system of financing political campaigns, including the efforts leading to the enactment of the Federal Elections Campaign Act of 1971 and the Federal Elections Campaign Act Amendments of 1974.

I would like to emphasize at this point that the idea of financing Federal elections out of public funds has long been recognized as consistent with basic American values and beliefs. Public financing was proposed by Theodore Roosevelt in 1907, and has been more recently endorsed by President Truman and President Johnson.

A system of public financing of Presidential campaigns has three major benefits: it equalizes access to the political arena among candidates and among members of the general public; it permits voters and candidates to control the incredible growth in campaign expenditures; and it enables us to remove a large part of the corrosive influence of big money from our political campaigns and our governing process.

The old system of relying upon huge private gifts of money from individual contributors has had several detrimental effects on the political process which are evident to me and to a large part of the general public with which I have contact.

The old system diminishes the role that many Americans can play in the political process. It is usually far easier to raise large sums of money for political purposes by concentrating on raising large gifts from a relatively small number of citizens, rather than by attempting to raise small gifts from a large number of citizens.

Accordingly, in my own campaigns before 1974, and other campaigns in which I have been involved, the principal effort related to fund-raising has been designed to appeal to citizens of relative wealth. The greatest effort is put where the greatest return can be achieved, and in campaigns in which contributions of any size can be accepted that effort is almost always placed on soliciting large contributions.

The nature of these fund-raising efforts affects the entire campaign process—where and when the candidate appears, the timing and tone of the candidate's remarks, where and by what means campaign literature is distributed, the extent to which citizens are encouraged to vote, and so forth.

The result is that it is more difficult than it otherwise would be for small contributors to become involved in the campaign. In my own campaigns, and others in which I have been involved, a candidate who can accept contributions of any size does not seek to make as many opportunities for involvement available to the thousands of potential small contributors as does a candidate who limits the size of contributions.

There are many ways to make greater opportunities for participation available to the potential small contributor. In my

1974 campaign, we undertook special fund-raising appeals mailings, distributed special envelopes for contributions at social or community affairs, provided speakers to address community groups interested in the campaign, and organized special door-to-door efforts. These efforts were designed to make it easier for the citizen of limited or moderate means to participate in the campaign, and they were successful.

Many citizens correctly perceive that the citizen who gives a large contribution often receives special consideration from the candidate, both before and after the election. Candidates usually know and remember the names of individuals who make large contributions. An official may not change his or her vote solely to accommodate the views of such contributors, but often officials, including myself, will agree to meet with an individual who made a large contribution so the official can hear the contributor's concerns and make the contributor aware these concerns have been considered.

Moreover, on the many matters which come before an elected official which do not relate directly to a specific vote, the official will often agree to meet with the large contributor, listen to his views, and to the extent feasible, respond to the contributor's concerns. Since an elected official has only so much time available, the inevitable result of such special treatment for the large contributor is that other citizens are denied the opportunity they otherwise would have to confer with the elected official.

The result is that those who would become politically active because of such contact with the elected official are discouraged from doing so. Moreover, others who know or suspect such special treatment for big contributors have told me that they feel the average American has no significant role in the political process, and that they therefore do not participate.

In December of 1973, I announced that I would impose on the campaign organization working for my reelection a series of limitations that would serve as a test for a new method of financing and conducting campaigns for Federal offices.

I imposed these limits on my campaign for several reasons:

First, I believed it was important for the Congress and the country to know to what extent a campaign could be funded without the benefit of large contributions from individual citizens.

Second, I believed that Marylanders deserved to know that a candidate did not owe special allegiance or consideration to any individual because of a large contribution.

Third, I believed Marylanders would respond favorably to a new method of conducting a campaign and Marylanders would participate in this effort who had not participated before in campaigns because they felt unneeded, or unwanted, or because the candidate had not provided opportunities for their involvement.

Fourth, I wanted to be able to serve as a Senator for the next 6 years without feeling special obligations to any individual contributor.

Fifth, I wanted the citizens of Maryland to know that I would serve them as their Senator without owing any special obligation to any individual because he or she contributed a large amount to my campaign.

The limitations which I imposed on my campaign organization beginning December 21, 1973, were:

I accepted no cash contributions for my campaign;

I permitted no cash expenditures by my campaign organization or by others on my behalf;

I solicited small contributions only;

I did not accept any contribution of more than $100 from any one individual;

I accepted contributions from groups or organizations only if such contributions represented donations of $100 or less from specified individuals, or if the organization certified that its contribution did not include more than $100 from any single individual;

I did not accept the benefit of any donation in excess of $100 given to any group or organization and earmarked for my campaign;

I reported every contribution—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout the campaign;

I reported every expenditure—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout my campaign;

I established one central campaign committee, and it controlled all receipts and expenditures of my campaign; and

I abided by the expenditure ceilings—8 cents per voter in the primary and 10 cents per voter in the general election—which were contained in the Federal Election Campaign Act Amendments of 1974.

Before I announced these limitations, my campaign organization had raised $118,745 from 541 contributors. After paying 1968 campaign debts and pre-campaign obligations, this amount was reduced to approximately $50,000. The $118,745 was raised from 302 contributions of $100 or less totaling $25,045, and 239 contributions of more than $100 totaling $93,700. The $93,700 consisted of 196 contributions of $500 and under, 35 contributions between $500 and $1,000, and 8 contributions of over $1,000. Of the 8 contributions of over $1,000, one was for $1,200, two were for $1,250, one was for $2,000, and four were for $2,500.

After I imposed the limitations, my campaign organization raised approximately $187,000 from approximately 6,370 individuals. No individual gave more than $100. The average contribution was $29.35. In addition, other individuals "pooled" their contributions of less than $100. These "pooled" contributions totaled $77,000 and involved at least 1,800 individuals.

The number and size of contributions to my 1974 campaign was substantially different from the number and size of contributions to my 1968 campaign. In 1968, my campaign organization raised approximately $402,000 from approximately 1,860 contributors. Only 5 percent of this amount, $20,852, was raised from 821 contributions of $100 or less. The remaining 1,043 contributions of more than $100 totaled $388,148, or 95 percent of the total amount raised.

In 1974, the total amount raised from 8,716 contributors was $382,745. Of the total amount contributed, 76 percent, or $289,045, consisted of 8,472 contributions of $100 or less. The remaining $93,700 of contributions above $100 represented 24 percent of the total amount, contributed by 239 persons before I imposed the limitations in December 1973. The $264,000 raised after I imposed the $100 limit on contributions from any individual represented 100 percent contributions of $100 or less.

The table below more clearly defines the impact of the limitations I imposed:

	1968	*1974*
Total amount contributed	$402,000	$382,745
Total number of contributors	1,864	8,716
Total amount contributed at $100 or less	$20,852	$289,045
Total number of people contributing $100 or less	821	8,472
Total amount contributed at more than $100	$388,148	$93,700
Total number of people contributing more than $100	1,043	239

As these figures suggest, many Marylanders became involved in my campaign in 1974 only because they knew that large contributions of money had been banned. Throughout the campaign, people who had never before been involved in politics came forward to participate and contribute because they felt that the limits I had imposed made their involvement important. I am submitting for the RECORD some of the letters I received from several of these individuals.

It is important to recognize that the circumstances surrounding the experiment that I undertook in 1974 were unique.

It is difficult, therefore, to state how well a similar experiment would fare if it were conducted at another time, by another candidate, in another State—or, for that matter, considering the constantly changing circumstances of politics, in my own State.

In 1974, the media stated frequently that my reelection was a sure bet. This had the effect of discouraging citizens from becoming involved in my campaign because many felt I would win even without their participation.

It was principally through the media, however, that the campaign plan became widely known to the public. From the first announcement of the plan, at a news conference in December 1973, until the conclusion of the campaign, news coverage was, for the most part, full, accurate, and fair. Toward this end, I and my campaign staff made it a point to cooperate with the media to the fullest extent possible, responding to every inquiry and making all information readily available. Editorial comment was overwhelmingly favorable.

Reporting and discussion of the campaign finance plan by the media were of particular importance because a decision was made early in the campaign to forgo virtually all the traditional and costly advertising and public relations activities that so often are associated with political campaigns. There were no billboards. There were no television spots. Indeed, the only activity of this type was a limited series of radio spots that I recorded, without adornment, during the last month of the campaign.

The decision to campaign without extensive and expensive advertising and public relations activities was made for two reasons.

First, and of practical consideration, was the fact that we were determined to remain within the limits of the campaign budget, and not go into debt. The campaign budget was determined by a continuous, incoming flow of small contributions, and it was difficult to earmark large sums for such activities.

Second, and of philosophical consideration, was the feeling that consistent with a reform of campaign contributions was a reform of campaign expenditures. The campaign was designed to reach people as interested individuals. Accordingly, campaign strategy was developed with a direct person-to-person approach in mind, rather than a broad, impersonal, public appeal.

The person-to-person approach was implemented through direct mail activities that proved to be effective. One problem with direct mail, of course, is that it, too, is a costly mechanism. But in terms of the goals and the philosophy of the campaign and the nature of the experiment that we were conducting, I am satisfied that the principal decisions that were made were the correct ones.

There is another factor that should be considered in evaluating the 1974 campaign. I was a well-known incumbent who began the campaign with a positive rating in the public polls. Candidates in other races who are either less well-known or whose conduct has made them less popular with the public would undoubtedly encounter more difficulty in raising funds. Moreover, a candidate who confronted a more closely contested primary and general election would probably feel the need for raising more campaign funds than I believed necessary for my reelection in 1974.

The key fact which emerges from the results of this experiment, however, is that a system that relies on large contributions from private individuals impedes the participation of persons of limited or moderate means. Conversely, if the size of all contributions is limited, citizens who have never before been actively involved in the political process will participate and contribute.

The total of these small contributions can be substantial. So can be the improvement in the political climate.

Mr. President, in connection with the statement that I have just delivered, I ask unanimous consent that the following items be printed in the Record:

First. The floor remarks that I delivered in the Senate on December 21, 1973, the day I announced my campaign finance plan.

Second. The brief message from me that was printed on the direct mail material that was used in the campaign.

Third. A letter dated July 30, 1975, from David Cohen, president of Common Cause.

Fourth. Excerpts from letter that were received during the campaign from contributors.

Fifth. An editorial, "How Reform Starts," from the Evening Sun of December 24, 1973.

Sixth. A column, "A Naive and Unreasonable Resolution," by Ernest B. Furgurson, from the Baltimore Sun of December 27, 1973.

Seventh. An editorial, "Mathias' Example," from the Montgomery County Sentinel of December 27, 1973.

Eighth. An editorial, "Maryland's National Image," from the Baltimore Sun of December 30, 1973.

Ninth. An article, "Scenario for Election Reform To Be Tested by GOP Senator," from the Toledo, Ohio, Blade of February 10, 1974.

Tenth. An article, "Senator Mathias Returns Some Contributions," from the Cumberland, Md., News of September 22, 1974.

Eleventh. An article, "Campaign Act Backed by Mathias," from the Washington Post of March 8, 1975.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks by Senator Charles McC. Mathias, Jr., Friday, December 21, 1973

Mr. MATHIAS. Mr. President, sessions of Congress always end with much work left undone and many jobs unfinished. That is in the nature of things and is not likely to change.

But there are some tasks that cannot be delayed and there are some times that cry for change. One of those tasks is the reform of the election process to correct the abuses rooted in money and secrecy. Congress must not go home without heeding a public outcry against failures of government and changing the patterns of the past.

No problem confronting our nation today is greater than that of our steadily eroding confidence in our political system, and in ourselves. This erosion of confidence results from incontrovertible evidence that our current political campaign process corrupts our principles, our leaders, and ourselves. Reform of that system is essential to restoring confidence and self-respect, and this restoration is essential to mastering the other problems and challenges we face.

We all take the oath to support and defend the Constitution. Our constitutional processes have been under attack for the past few years. The spirit and intent of the law has been abused and in some instances the letter of the law has been violated. This is particularly so in our campaign and electoral processes.

Members of Congress must feel the weight of their responsibility for reform that bears not only upon the national legislature collectively, but upon each member individually as elected representatives and as practicing politicians. If the Congress cannot now provide an institutional answer to election reform, there are, nonetheless, appropriate personal solutions that can be taken.

In 1973, the Senate passed a campaign reform act—the Federal Election Campaign Act Amendments of 1973. That bill contained many historic provisions which promise significant improvements in Federal election campaigns. Yet that bill now languishes in a House subcommittee. It is dead for the 1974 campaigns. Its promises are empty.

In 1973, the Senate debated public financing of campaigns. A majority of Senators agreed that this step was necessary and proper to make our political system one in which we can all once again take pride. Yet public financing was filibustered to death on this floor. And while we have the firm promise of committee action within the Senate on public financing bills next year, we know such action cannot affect 1974 campaigns.

In 1974, we can accomplish much. In 1974, the Congress can enact public financing. In 1974, Congress can enact legislation to set ceilings on contributions and campaign expenditures. In 1974, the President can join with the Congress and the courts in seeking to ensure that the abuses of the past are accounted for, and that our campaign system is modified so such abuses cannot recur. We must do all of this, even if we realize that the laws now in effect that proved so ineffective in 1972 will still be in effect in 1974.

And so, we contemplate what more we are able to do now.

Laws, as a general proposition, measure the outer perimeters of human behavior that are prohibited by Society. Laws leave us freedom to choose the level of social attitudes that we will exhibit toward our fellow men. Thus the law prohibits mayhem and murder, but leaves us free to determine whether we will in fact live in love and charity with our neighbors. Thus the law exacts through taxes a minimum contribution for public welfare and defense, but leaves us free to volunteer personal work or gifts for the causes we think are also important to our community.

Why should we not then consider that the election laws, which prescribe minimum standards of conduct, should not be seen in the same light? If through opposition or inertia the general standards cannot be raised by revisions of the general law, what is to prevent those who are particularly concerned from doing more? The answer is, of course, nothing whatever except the well-trodden paths of politics that so many of us have followed with the best of motives and the highest of ideals to such shoddy destinations. **I feel that I must seek a new road.**

And so, I wish to tell the people of Maryland as well as the Senate some of the steps I personally plan to take in 1974.

First, I will accept no cash contributions for my campaign.

Second, I will permit no cash expenditures by my campaign organization or by others on my behalf.

Third, I will solicit small contributions only.

Fourth, I shall not accept any contribution of more than $100 from any one individual.

Fifth, I will accept contributions from groups or organizations only if such contributions represent donations of $100 or less from specified individuals, or if the organization certifies that its contribution does not include more than $100 from any single individual.

Sixth, I will not accept the benefit of any donation in excess of $100 given to any group or organization and earmarked for my campaign.

Seventh, I will report every contribution—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout the campaign.

Ninth, I will establish one central campaign committee, and it will control all receipts and expenditures of my campaign.

Tenth, I shall abide by the expenditure ceilings—10 cents per voter in the primary and 15 cents per voter in the general election—which were passed by the Senate in July and now languish unattended in the House.

These are not the rules I have lived by in the past. They are different from the rules followed in 1960 when I was first elected to the Congress. They are different from 1968 when I was first elected to the Senate. Indeed, they are different from last May when many members of the Senate honored me by your presence in Baltimore at a fund-raiser pointing toward my 1974 campaign from which a balance remains. Perhaps we all should have been wiser in years past, but we can't turn back the clock and start reform in 1960 or 1968 or even 7 months ago. What we can do is start now.

In seeking this new start and this new direction, it is necessary to make a goal clear. It is not some exemplary degree of personal virtue. After all, it is our ancient prayer that the Lord should not weigh our merits, but pardon our offenses. What I am seeking is rather a new system, a new method, a new standard which will make our democracy more truly democratic. By adopting these voluntary limits it is obvious that new risks are incurred. The only way to surmount those risks is to meet the criticism raised by a public which has become distrustful of all politicians and is losing faith in all our political system and politicians will require a tremendous and vigorous effort on the part of every man and woman who supports my candidacy. But it can be a struggle that is invigorating and exciting, because it will explore new ways to fulfill old ideals.

None of the steps I have listed are currently required by Federal law. Some of them go far beyond any proposals which we have debated and supported. But in each case, those who have advocated such steps have been told that no candidate could run a credible campaign if he abided with such rules. We have been told that we were naive and unreasonably idealistic.

In each case, I have argued to the contrary. And so today, I pledge to test out my own beliefs. I am confident that the people of Maryland can demonstrate to the Congress that campaign reform can work. It is the road I feel I should take.

Message From Senator Charles McC. Mathias

Dear Marylander: In the last five years in the U.S. Senate I have tried to represent Maryland as a man of independent judgment. I have led the fight for campaign reform and am staking my future on a 1974 Senate campaign based on thousands of small gifts. I will accept no contribution for more than $100.

I need your help—to help preserve my freedom from large contributions—and to prove that the public has not lost its confidence in independent public servants.

By returning a contribution in the $15 to $100 range in this envelope you can help establish a new commitment to conscience and integrity in government. That is my goal as your Senator and I hope you will want to help.

Sincerely,

Charles McC. Mathias, Jr.

Common Cause,
Washington, D.C., July 30, 1975.

Hon. Charles McC. Mathias,
Russell Building,
Washington, D.C.

Dear Senator Mathias: Common Cause believes that the example you set during the 1974 Senate campaign constituted a highly valuable demonstration of the fact that political campaigns can be run without reliance on big private givers. We strongly commend your effort. By refusing to accept individual campaign contributions over $100, you were able to show by personal example that small donors can play a more important role in the political process than large givers. The responses you received from small donors clearly established that far more people were willing to be involved in the political process when they knew it was not going to be dominated by a relatively few large givers.

Watergate educated tens of millions of Americans to the enormous dangers of the old system of financing political campaigns. Public opinion polls continue to show a dangerously low level of confidence in the integrity of our government.

This kind of discontent and distrust can only be overcome by positive action by our national leaders. Your 1974 campaign finance effort represents just such a positive step.

As you know, absent public financing of elections, non-incumbent candidates in particular often will be unable to adopt the financing approach you followed in your campaign and raise sufficient funds to run a competitive race. This is one of the fundamental reasons that Common Cause believes it is essential to enact public financing for Congressional races.

We very much appreciated the key leadership you provided in the 93rd Congress on behalf of this issue, as well as various other campaign reform measures. Common Cause intends to work hard to enact public financing for Congressional races in this Congress. We look forward to working with you again and to your continued strong leadership on behalf of this vital reform.

Sincerely,

David Cohen,
President.

Excerpts From Letters Received From Campaign Contributors

"My husband and I applaud your stand on campaign funding and, as a gesture of our support for you, send the enclosed check. This is the first time we have ever supported a candidate financially, as we never felt it necessary before."

"I approve of and commend Senator Mathias' efforts to reform our campaign laws, so that politics in America need not be dominated by the very rich and the corrupt. I am enclosing my check for $50.00 to advance this cause. The only stipulation which I place on this contribution is that it be returned to me in the event that Senator Mathias abandons these guidelines during the campaign. In return I pledge that should you notify me that this 1974 campaign is in financial difficulty, I shall contribute an additional $50.00."

"Never before have I, a Democrat, knowingly contributed to a Republican campaign fund. The small enclosure is not, in fact, a commitment to vote for or support you. However, your new and refreshing approach to campaign financing has my support—and possibly my vote."

"Enclosed is a check for five dollars toward your campaign for re-election. It's from my tips as a day waitress in Lake George. I've never contributed to a campaign for public office before but I feel your efforts toward campaign reform are great (for lack of a more descriptive word) and because of this, I'm contributing."

"Your action concerning fund raising for your coming campaign is most impressive and a giant step in the right direction. It is also an excellent example for your colleagues. Therefore, for the first time in my life, I am making a political contribution."

"Enclosed is a check for $10. I cannot contribute more, as I am a student paying my own tuition and I have very little income. But I strongly support your commitment to finance your campaign without submitting to the influence of large contributors."

"I have always had a fantasy that one day I would be the biggest contributor to the political campaign of a prominent statesman like you. Little did I know that I could do it so cheaply."

"Am enclosing contribution of $25 to affirm my support for your methods of fund-raising."

"I applaud your recent policy stand in that you will not accept a political contribution over $100.00. I hope this policy will rub off on other elected officials so we can have in the law-making, individuals that are obligated to no one. This is my first political contribution, and I didn't vote for you the last time."

"I recently read about your self-imposed limit on campaign contributions; and I hasten to send you my check."

[From the Baltimore Evening Sun, December 24, 1973]

How Reform Starts

Senator Mathias's announced intention to impose several financing restrictions on his re-election campaign, including a $100 limit to individual contributions, marks the first time an important Maryland political figure has gone significantly beyond the minimal requirements of the law. That he faces no more than token opposition in the primary and general elections and that the self-imposed limits may not apply retroactively to money tucked away from a fund-raiser already held do help make the restrictions easier for the Senator to live with.

Nevertheless, it is a major step going beyond the only comparable move locally, Governor Mandel's already-fulfilled pledge to publicize the list of contributors to his own fund-raiser. And it contrasts sharply with the 1970 campaign of Mr. Mathias's Maryland colleague, Senator Beall, who was helped into office by a secret, substantial Nixonian contribution about which some of the most important details still remain secret.

The Mathias initiative serves two purposes: first, it is a prod to other 1974 candidates, particularly any senatorial candidates, to restrict and make more open their own campaign financing; second, it will provide an actual test for some proposals which until now have received a lot of lip service but little actual support. Senator Mathias's plan is a welcome addition to the Maryland political scene, and one which other politicians should seriously consider adopting.

[From the Baltimore Sun, Dec. 27, 1973]

A Naive and Unreasonable Resolution

(By Ernest B. Furgurson)

Washington.—Speaking of New Year's resolutions, the country could hope—in vain—that every politician running for office in 1974 would pledge to emulate Maryland's Senator Charles Mathias. I say in vain because the entire body politic was looking studiedly the other way when he announced his intention. Except, that is, for Mike Mansfield, who stated with reasonable accuracy that Mathias was on his way to becoming "the conscience of the Senate."

On his own and lonely, Mathias is doing what every politician since B.C. Greece has been pleased to talk about at great length before suddenly finding it too late in the session or otherwise inconvenient to follow up with action. The Senate debated to exhaustion the idea of cleaning up campaign financing, but did nothing. Mathias said, well, I don't care about the rest of you, but I'm going to run for re-election as if the tightest reform laws we talked about and buried were instead passed into law.

He is defying a long tradition described by astute men like Simon Cameron, who said, "An honest politician is one who when he is bought will stay bought," and William H. Vanderbilt, who said. "When I want to buy up any politician I always find the anti-monopolists the most purchasable. They don't come so high," and Henry C. Frick, who said of Franklin Roosevelt, "We bought the s.o.b. but he didn't stay bought," and generations of others who have traded in new and used politicians from the clerk's offices of every county in the land to the Oval Office of the White House.

The Federalists did it, and the Mugwumps, and the Freesoilers and the Locofocos and the Greenbackers and the Silverites and the Dixiecrats and the Prohibitionists and of course the Democrats and Republicans. But Mathias seems suddenly to have come upon what William Allen White, who had seen a few of them come and go, said about 30 years ago on the subject:

"In politics, it is remarkable what you can do with a hundred dollars if you spend it yourself. It is also sad to think of how little you can do in politics with a hundred dollars if you let someone else spend it."

As if he had taken that to heart, Mathias stood on the floor of the Senate and explained that in running for his second term he will accept no, repeat no, cash contributions of any size. He will permit no expenditures in cash, he will solicit small contributions only, he will report every contribution and every expenditure of whatever size and he will have only one campaign committee to handle all his election funds. And to top it, he will accept no contributions of more than $100 from any individual, whether directly or through political organizations.

The effect of it, in the eight-figure era of Maurice Stans and Herbert Kalmbach, is to bind and gag himself hand, foot and tonsils, and allow any of his so-far-unannounced challengers to choose their weapons to have at him.

If you did not know Mathias you would have to assume it was just a cute way to get his campaign off to a fast start, especially since he happened to hold his explanatory press conference the next day in the very hearing room where all those sordid fast-buck finaglers have been parading past the Watergate committee.

In fact, that was exactly what it was—except that if you do know Mathias, you have to assume that he is going to do everything he says. In his statement, he did not after all leave himself much room for maneuver. It was not a long-winded speech, it was a list of ten specifics. Unlike those wonderful campaign reform bills that staggered around the Congress and then collapsed as usual, it is not open to amendment.

Many of Mathias's colleagues in the Senate and elsewhere will hope that their constituencies are unaware that any candidate has dared go on his own even beyond the reforms proposed in Congress. As Mathias said, "We have been told that we were naive and unreasonably idealistic"—and it was his colleagues who did the telling. No doubt a lot of them wish he would go away and quit embarrassing them.

But in this move and in many others he has taken in the Senate, he is doing something valuable for his party—the same Maryland GOP, nominally, that produced Spiro Agnew and supported Mr. Nixon. He is reminding the public that before there was a Nixon or an Agnew, there was a body of honorable men banded together as Republicans, and that some of that type survive—and that even in the sour and cynical atmosphere of Washington today, at least one of them is willing to gamble on being a naive and unreasonable idealist.

[From the Montgomery County (Md.) Sentinel, Dec. 27, 1973]

MATHIAS' EXAMPLE

Sen. Charles McC. Mathias Jr. has set an excellent example for all contenders for public office by pledging to limit contributions to his re-election campaign next year to $100 maximum per person and restricting both contributions and campaign spending to checks, rather than cash. We hope other office seekers will see the merit—and we might add political good sense in this era of Watergate—in the senator's pledge and follow his lead.

The reforms which Sen. Mathias will apply to his campaign zero in on two factors which have tainted far too many other campaigns in the past, especially the disgraceful 1972 presidential campaign: (1) the influence of large contributors and (2) the concealment of contributions and spending through bogus committees and untraceable cash.

Specifically, the Maryland Republican has pledged to:

Accept no cash contributions and permit no cash expenditures by his campaign organization or others in his behalf;

Accept only small contributions—no more than $100 from any one individual. Contributions will be accepted from groups or organizations only if they represent donations of $100 or less from specified individuals;

Report every expenditure and contribution—no matter how small—to the appropriate federal and state authorities;

Establish one central campaign committee to control all receipts and expenditures; and

Abide by the expenditure ceilings—10 cents per voter in the primary and 15 cents per voter in the general election—passed by the Senate and now languishing in the House.

Sen. Mathias' plans are especially bold, not just because some of them go far beyond present law or proposals but because they fly in the face of arguments that no candidate can run a credible campaign if he abides by such rules—that anyone who does is naive and hopelessly idealistic.

The senator argues to the contrary, however, and we believe he is right when he says that "the people of Maryland can demonstrate to the Congress that campaign reform can work."

[From the Baltimore Sun, Dec. 30, 1973]

MARYLAND'S NATIONAL IMAGE

This has been a distressing year for those who value the good name of the Free State of Maryland. Our state has been besmirched by the Agnew disgrace and lesser scandals that have made Maryland a byword for corruption, a sort of latter-day Jersey City to be used for a cheap laugh from coast to coast. Yet politics, just as life itself, sometimes has a self-correcting mechanism, and if Maryland had its Agnew it also has its Mathias.

As a Congressman and Senator, Charles McC. Mathias has been a credit to his state. His was a voice in opposition to the Vietnam war when that position was a lonely and risky one. He advanced progressive causes when the Nixon administration still had the capability to purge Republican nonconformists. And when the Watergate scandals came to light in all their enormity last spring, Mr. Mathias was one of the first to call attention to the threat they symbolized to democracy in America. High officials in the administration, he said, were afflicted by a "confusion of loyalties" whereby they placed lesser interests above the Constitution.

Constitutional questions continued to trouble the Maryland Senator as more was learned about the administration's penchant for secret police methods to safeguard what it defined as "national security." Mr. Mathias came to the conclusion that Mr. Nixon's admitted establishment of secret White House investigative units amounted to a violation of the Bill of Rights, particularly Fourth Amendment protections against illegal search and seizure. In a remarkable address to the Senate shortly before the Christmas recess, the Maryland Republican foresaw dangers of an "authoritarian national security state" (meaning a dictatorship) if such tendencies continued. There had always been a "King's party" in the United States, a group committed to the aggrandizement of the Executive Branch at the expense of representative democracy. But so great had been the trend to arbitrary presidential power, he suggested, that the people were losing faith in the institutions of the Republic.

Senator Mathias' remedies were threefold: sponsorship of a proposed "Bill of Rights Procedures Act" requiring court approval for any government emergency action that could violate basic democratic privileges; appeals for more participatory democracy by school-district size political subdivisions; a personal pledge to subject his 1974 reelection campaign to the most rigorous standards under serious discussion on Capitol Hill.

The latter proposal is not without political advantage to an incumbent in a strong position before primary and general elections. In contrast, however, Mr. Mathias stands to gain few votes by charging the President with Fourth Amendment violations or by calling for more participatory democracy. Such positions are part of a record that has led Senator Mike Mansfield, the Democratic leader, to call Mr. Mathias the "conscience of the Senate." Considering the source, this is real praise for a first-term Senator. It raises the prospect that another Maryland citizen may be rising to a national prominence that could help regain the state's proper place in the country's regard.

[From the Toledo, Ohio, Blade, Feb. 10, 1974]

LIKES JEFFERSON'S "LITTLE REPUBLICS"—SCENARIO FOR ELECTION REFORM TO BE TESTED BY GOP SENATOR—MATHIAS OF MARYLAND PLANS TO CUT LAVISH ELECTIONEERING, LIMIT CONTRIBUTIONS TO $100

(By Frank Kane)

WASHINGTON.—Although he has never been mentioned for national office, Mike Mansfield, the Senate majority leader says that just having him in the Senate makes him proud of the institution.

And although he represents a state (Maryland) whose own governor says has become a national symbol for political corruption, he manages to project the image of integrity and independence.

This is Sen. Charles McCurdy (Mac) Mathias, Jr., Maryland Republican who, largely because of Watergate, is embarked on one of the more interesting political experiments in the nation—trying to run a statewide campaign for re-election by using contributions of only $100 or less.

It is an attempt, he says, to end the "curse of secrecy and the curse of big money that led to so much trouble" for other politicians, notably in Watergate-related scandals.

The experiment probably will cut off 70 per cent of his traditional campaign support and force him to drastically change the style of his campaign for re-election to the Senate.

Actually, in the case of Senator Mathias, such an approach would appear, to the outside observer at least, not to pose too many problems.

In five years in the Senate he has built such a favorable reputation in Maryland that as yet no Democrat (or Republican, for that matter) of any formidable stature has offered to oppose him in either the primary or general elections. Undoubtedly he will have opposition, but likely of the "sacrificial lamb" variety.

In addition, Maryland is a much smaller state than Ohio and a Senate candidate in Maryland probably can make do with a half million dollars for a campaign that would require a million in the Buckeye State.

And as a well-known incumbent, he is probably in a much better position to raise money from a large number of small contributors than would a little-known challenger, he admits.

"But, you must remember that as an incumbent, it also would be easier for me to get more big contributions, and just because I am an incumbent is no reason for me not to do what I am doing."

Like many other politicians, Senator Mathias believes that Watergate is bound to hurt all officeholders, Republicans and Democrats, seeking re-election in 1974, but it will hurt some more than others. Republicans probably will be hurt more than the Democrats.

For a time, George Bush, Republican national chairman, was successful in projecting the idea that Watergate was not really related to the Republican party—that the break-in and cover-up were committed by hirelings, not by professional Republican politicians.

But then came the case of Spiro Agnew (of Maryland), twice nominated by his party to the second-highest office in the land, and "this broadened things to the point where the Republican party had to accept some responsibility," Senator Mathias says.

"It demands an extraordinary response from Republican candidates. They must conduct themselves in a manner that indicates that they recognize the problem and are willing to do something about it. Otherwise, Watergate will be disastrous for them."

In addition to reforming personal campaign practices, Republicans have a special responsibility to the nation to try to clear up the "Watergate mysteries," he says.

Senator Mathias recalls how, in the summer of 1972, shortly after the initial Watergate news, he went to William Timmons, in charge of White House legislative liaison, and said, "Whatever it is, get the facts out, and get them out now." There might be a rough 48 hours or so, the senator says he told Mr. Timmons, but after that it would be over.

Needless to say, things did not happen that way, and in the ensuing months Senator Mathias became increasingly a public advocate of the facts on Watergate.

He is still disappointed at the role President Nixon continues to play. "It is tragic" that the President is now withholding evidence from the special Watergate prosecutor again, he remarked last week.

"The Republican party has to be visibly and vocally in favor of full disclosure. It is part of the cathartic process for the party."

Charles Mathias is a member of an old western Maryland Republican family.

A great-grandfaher ran for the state legislature on a ticket that included Abraham Lincoln, and a grandfather campaigned for Theodore Roosevelt on the Bull Moose ticket.

The senator often jokes that this is why he turned out to be such a maverick in Republican politics nationally—because his grandfather was a Bull Mooser.

He was born in 1922 in Frederick, where his father was a lawyer, active in politics.

He received degrees from Haverford College and the University of Maryland law school; served in the Navy in World War II, retiring recently from the naval reserve with the rank of captain. After the war he went back to Frederick to practice law with his father.

Like many small-town lawyers, he "almost inevitably" became involved in politics and was successively elected city attorney of Frederick, a member of the Maryland house of delegates, and then to the U.S. House of Representatives in 1960 and the U.S. Senate in 1968.

He remembers that his father was reluctant to let him leave the law office to go into politics, "but I told him, 'It's your fault for taking me to the White House to see Calvin Coolidge when I was a boy.'"

He also remembers riding with President and Mrs. Herbert Hoover in their car on an outing in Maryland when he was small.

While in the U.S. House, the most populous county in his congressional district was Montgomery County, which is full of Washington bedroom communities and generally quite liberal in voting attitudes.

This may partly explain Senator Mathias' relatively liberal stands, although an aid says that it probably was more of a case of Mr. Mathias opearting in an atmosphere that was compatible with his own thinking.

In any event, as a freshman senator, he was against the Nixon administration's proposals for an anti-ballistic missile system, against the Carswell and Haynsworth nominations to the Supreme Court, for withdrawal of all U.S. troops from Southeast Asia by the end of 1971, against the Administration's attempts to weaken the Voting Rights Act of 1965 and thus carry out its so-called "southern political strategy," and against the D.C. crime bill.

On the other hand, he was for such administration proposals as the Lockheed loan, the supersonic transport plane, revenue sharing, and welfare reform.

By mid-term, however, he was said to be so unpopular with the White House that columnists Evans and Novak were reporting that he was earmarked to suffer the fate of Sen. Charles Goodell of New York when he came up for re-election.

In the case of Senator Goodell, Vice President Agnew spearheaded successful administration efforts to knock off the maverick freshman GOP senator.

But Senator Mathias was building such popularity in his home state that the White House must have started to get second thoughts.

In June, 1972, Dr. Henry Kissinger, the President's chief foreign-policy adviser, made a rare appearance at a political dinner in behalf of Senator Mathias, who says that Dr. Kissinger joked that he seldom appeared at partisan functions but "after looking at Senator Mathias' voting record, I am convinced that this must be a thoroughly bipartisan affair."

The Kissinger appearance seemed to still the talk of "getting" Senator Mathias, and in 1972 he did some work on President Nixon's re-election campaign in Maryland.

In May, 1973 the President reciprocated by sending a message to another Mathias dinner in which he hailed the Maryland man as a "voice of reason and independence in the Senate" and added that he shared the senator's "commitment to the cause of good government."

The Senator has considerable interest in the area of governmental reform. For example, he thinks that government has gotten too far away from the people.

As a result, he has become intrigued with a proposal that Thomas Jefferson once made for "little republics," which are in essence neighborhood bodies of government that not only could make decisions on neighborhood matters but also serve as forums of opinion for the people on national issues.

Jefferson, Mr. Mathias says, complained that a congressman in his day had reached the point where he was representing 33,000 people and who, Jefferson asked, could accurately represent the views and wishes of that many people?

Today, of course, a congressman represents close to half a million people.

"We've done a lot of things to improve democracy, such as civil rights and equal rights measures, but sheer numbers are defeating our purpose," the senator says.

He hopes to introduce legislation for a pilot program of "little republics."

He also talks about legislation to strengthen individual's constitutional guarantees, even in cases involving national security. For example, he wants to do away with the procedure of authorizing national security wiretaps without a judge's warrant.

"A federal judge can be just as well trusted on national security matters as some nameless, faceless bureaucrat."

He thinks that Congress needs to write statutory guidelines for the operation of the Federal Bureau of Investigation. This would increase public confidence in the FBI as well as improve its operations, he contends.

But the greatest current interest probably is in his experiment with campaign financing reform.

He has promised that he:

Will not accept cash contributions or allow anyone else to spend cash on his behalf (in an attempt to avoid the problems that the Nixon re-election committee ran into while receiving and spending large amounts of cash.)

Will not accept contributions of more than $100 from any one individual.

Will take contributions from organizations only if they specify that the money represents donations of $100 or less from specified individuals or if they guarantee that contributions do not include more than $100 from any single person.

He also says he will operate with only one central campaign committee and it will report all receipts and expenditures, no matter how small.

In addition, he intends to abide by spending ceilings that were contained in a bill passed by the Senate last July and which now languishes in the House.

What this will mean to his campaign, he says, is that he will have to broaden its base of support—by holding meetings designed to seek out more people who are willing to contribute volunteer work or small amounts of money. In other words, make it a "lot more representative system."

It also means that he probably will have to cut down on media advertising and "expensive public relations oriented events."

Even his personal campaign style probably will have to be reduced. For example, he says, a statewide campaign in Maryland usually involves use of a big car with a radiotelephone. "I may have to make do with my old '66 station wagon," he remarks with a smile.

"But we were getting pretty lavish, anyway. We were beginning to think it was the only way to campaign."

[From the Cumberland (Md.) News, Sept. 23, 1974]

Sen. Mathias Returns Some Contributions

BALTIMORE.—Sen. Charles McC. Mathias has returned more than $14,000 in contributions to his re-election campaign, according to a spokesman.

The money was returned to Mathias supporters who failed to follow his self-imposed campaign reform guidelines including a $100 limit on individual contributions.

According to a statement released over the weekend, Mathias has returned 183 separate contributions since December, 1973 when he announced his own reforms in response to what he described as a congressional failure to adopt meaningful legislation.

Most of the returned contributions were in excess of $100, a Mathias campaign aide said. Contributions under the $100 limit may also have been returned because they were made in cash, which campaign officials will not accept.

Mathias workers said the $14,205 in returned funds was never logged and so is not a part of the $254,500 Mathias reported raising for his re-election bid.

Mathias easily outdistance his Republican primary opponent, Dr. Ross Z. Pierpont. But he is expected to face a tougher fight against Barbara Mikulski, the Democratic senatorial candidate.

Miss Mikulski, who raised a little over $20,000 for her primary victory, has sharply criticized Mathias for refusing to go along with her proposal to limit their general election spending to $50,000.

Mathias has pledged not to spend more than $300,000 in the general campaign.

Before declaring his reform rules last December, Mathias raised about $72,000 at a fund raiser for which no voluntary contribution limit was established.

According to Mathias' office, a total of 5,354 persons have contributed to the senator's campaign.

[From the Washington Post, Mar. 8, 1975]

Campaign Act Backed by Mathias

(By Helen Dewar)

The public is right when it suspects that big election campaign contributors get special treatment, Sen. Charles McC. Mathias (R-Md.) has told the federal courts in an accounting of his own campaigns aimed at rebuffing a chalenge to the new elections financing law.

Mathias also cited his own experience to rebut contentions by Sen. James L. Buckley (Cons. R-N.Y.) and former Sen. Eugene McCarthy a Minnesota Democrat, that any benefits from the new law are outweighed by its infringement on freedom of expression for candidates and contributors.

Buckley and McCarthy are among sponsors of a suit challenging the 1974 law, which sets limits on campaign contributions and expenses and provides for public financing of presidential campaigns.

Before Dec. 21, 1973, when he imposed a $100 limit on gifts and other controls on financing his 1974 re-election campaign, Mathias said he, like other candidates, pitched his fund-raising efforts toward large contributors.

"The nature of these fund-raising efforts affect the entire campaign process, where and when the candidate appears, the timing and tone of the candidate's remarks, where and by what means campaign literature is distributed, the extent to which citizens are encouraged to vote, and so forth," Mathias said in an affidavit filed in federal court here.

"An official may not change his or her vote solely to accommodate the view of such (large) contributors, but often officials, including myself, will agree to meet with an individual who made a large contribution so the official can hear the contributor's concerns and make the contributor aware these concerns have been considered," he added.

The "inevitable result," he said, is that other citizens are denied equal opportunity for access to public officials.

Conversely, he said, when he limited the size of campaign contributions, the number of individual contributions rose dramatically, leading to broader participation in the political process.

In the 1974 campaign, Mathias said, he received contributions of $100 or less from more than 8,500 individuals, amounting to $290,000 of the nearly $400,000 he raised before and after the Dec. 21 limit on the size of contributions.

In contrast, only 1,800 people contributed to his 1968 campaign treasury of about $402,000, with 9 per cent of them contributing 65 per cent of the total.

"As these figures suggest," he told the court," "many Marylanders became involved in my campaign in 1974 only because they knew that large contributions of money had been banned."

TIME COVER STORY DEPICTS PROBLEMS OF THE AGED

Mr. MOSS. Mr. President, the June 2, 1975, issue of Time carried a cover story which examines in detail the problems confronting the elderly. The story, entitled "New Outlook for the Aged," is a masterful exposition of this society's lack of sensitivity. It provides numerous case histories emphasizing the bankruptcy of U.S. policy with regard to older Americans.

Time's story gives favorable mention to my efforts to bring about nursing home reform highlighting some of the 48 reform bills that I have introduced this session. In other places throughout the article, the Time writers implicitly pay tribute to the work of Senator Frank Church, chairman of the Committee on Aging, and to other members of the committee.

I know that the staff of the Senate committee worked very closely with the researchers and writers of Time in preparing this important story. I compliment both the committee staff and the personnel at Time who worked on this story. I understand that Martin Goldman, senior editor of Time, Peter Stoler, assistant editor, and reporters Gayle Eisen and Dave Beckwith are principally responsible for this excellent article. I ask unanimous consent that this story be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Outlook for the Aged

Throughout history the aged have occupied a precarious position in society. Some primitive peoples like the Eskimos and other nomads respected the elderly but left them to die when they could no longer care for themselves. Natives of some South Seas islands paddled away from their families—to death—when age overtook them. Nor is the idea of abandoning the elderly unique to primitive societies. Marya Mannes' 1968 novel *They* postulated a world in which everyone over 50 was herded into public institutions and eventually liquidated. A 1966 Rand Corporation study concluded that if the U.S. survived a nuclear war it would be "better off without old and feeble" citizens, and suggested that no provisions be made to care for the surviving elderly.

The U.S. has clearly not taken such advice. Most Americans, whether moved by religion or common decency, still try to follow the Fifth Commandment and "honor" their parents. But despite their concern, and frequently the anguish that marks their hard decisions about the elderly, the position of the aged in the U.S. has grown parlous. A couple of decades ago, most Americans who reached 65, the admittedly arbitrary age for retirement, could look forward to spending their last years in peace and security, respected and cared for by their families and friends. No longer. For an increasing number of Americans, the years after 65 are a time of growing uncertainty and isolation as, cut off from family, beset by illness and impoverished by inflation, they struggle not to enjoy the rest that they have earned but simply to survive.

Their problem is a pervasive, urgent one, both for the old and for their children. America as a society has yet to develop a practical, human policy for dealing with the woes of old age in a modern world. For those elderly Americans who can still manage—both physically and financially—life goes on much as it always has. But for those who cannot manage, the end of life, or at least of life as most people would want to live it, can be an agony. About a million, or 5%, of the nation's elderly already live in nursing homes, too many of which are grim warrens for the unwanted. Tragically, the population of the nursing homes is growing. But so, too, is the public's concern over the plight of the old. Americans have yet to come up with the answers, but more and more at least asking themselves the question that most must face sooner or later: What do we do with our parents?

There is no easy, single answer. In an earlier time, when most Americans lived on farms, the relatively few who reached old age simply stayed at home, inevitably working less and less but expecting and getting as their rightful due more and more care from their families. Industrialization, urbanization and the automobiles have ended that. Most Americans no longer live on farms or in closely knit family groups. Even more mobile, Americans by the tens of millions do not stay rooted in one place all their lives but pull up stakes, move and move again. Of those who hold on in the old home town, few live out their lives in one house. Married couples rarely stay with parents any more; even young singles are encouraged to strike out on their own. Those who leave frequently lose contact with their parents because of distance or because they are too busy to bother with the old folks, and may even be embarrassed by them. Says Anthropologist Margaret Mead, 73, and a grandmother: "The modern family, in its present form, is not equipped to care for old persons."

The problem is that there are more old people than ever to care for. In 1900 only 3.1 million, or one out of every 25 Americans, were over 65. Now 21.8 million, or one out of every ten, fall into this category. The reason for the rise is twofold. Modern medicine has cut infant mortality rates and increased the average life expectancy from 47 years in 1900 to 71.3 today. Since 1957 the U.S. birth rate has dropped (Time, Sept. 16), increasing the ratio of elderly to young people. If present population trends continue, those over 65 and those under 15 should each account for 20% of the population by the year 2000.

Except for numbers, the two groups have little in common. For one thing, a disproportionate number of the American aged are women, who outnumber men by a ratio of 143 to 100. The reasons are obvious. Women tend to outlive men by an average of seven years; they also tend to marry men several years older than themselves, a fact that accounts for the high proportion of widows among elderly women. Nor is this the only difference between the young and the old. A significant number of today's elderly are, according to University of Chicago Professor Bernice Neugarten, "disproportionately disadvantaged." Many are foreign born, uneducated and unskilled. Far from all the aged are infirm, but 38% do suffer from some kind of chronic condition that limits their activities. Of these, full half have serious problems and 5%, or one out of every 20, are homebound. About a third of all aged Americans are also plagued by poverty. Despite pensions, savings and Social Security, which will disburse $72 billion to 33.5 million recipients this year, fully 4.75 million of the nation's aged exist on less than $2,000 a year—well below the Federal Government's poverty line.

Depending on what they can afford and the extent to which they can take care of themselves or count on their families for help, the aged live in a wide variety of arrangements. For most, the accommodations are reassuringly familiar. More than two-thirds of America's elderly remain in the communities that they have known for most of their lives—and in the same homes. Most like the security of the familiar. For many, however, the decision not to pull up roots is economic as well as emotional: nearly 70% of older people own their own homes, humble as they may be. For owners, housing costs—utilities, taxes (often reduced for those over 65) and repairs—have long been relatively low. Now all of those costs are climbing sharply.

Not surprisingly, lots of elderly homeowners live in rural areas (many of them in Kansas, where nearly 12% of the population is over 65, and Nebraska, where the elderly make up as much as 23% of the population of Boyd and Saline counties). Many remain in small towns where they can live cheaply, with good houses going for as little as $10,000. Others settle in out-of-the-way places that are crime-free and friendly. Most have a simpler reason to them, these hamlets are home.

In Swift Creek Township, near Raleigh, N.C., doctors urged Oscar Malnard, 67, to go to a nursing home after he suffered a stroke several months ago. Maynard refused, saying: "I'll be on my own, and I'll go where I want to go." Where Maynard wanted to go was to the simple brick home that he shares with his wife Essie, 63, on 25 acres of land. Says Maynard: "I'd rather be here than anyplace else in the world."

Many of the elderly with more money prefer plusher living. An estimated 500,000 have bought or leased property in the "adult" or "retirement" communities that have mushroomed round the country, primarily in Florida and the Southwest, where the weather is warm and the cost of living relatively low. Most of these "villages," "cities" and "worlds" follow the lead of Arizona's Sun City (pop. 34,000) and exclude younger people; no one under 50 can buy or lease property there. Some residents like the segregation practiced in the gerontopolises, but the majority are more interested in the amenities. A number of communities boast well-designed cottages or apartments and programs of social activities, such as dancing and crafts; many have swimming pools and offer residents free bus rides to and from shopping centers and entertainment; some even have golf courses. Miami's Park West community bars dogs, for example, and puts a three-week limit on visits by children. Warner Moore, 64, a retired General Motors executive, and his wife, Elizabeth, 65, consider Park West an ideal place to live. It may be, for those who can afford it. The cost of a one-bedroom condominium in Park West begins at $27,000, a similar home in Sun City costs $28,000 and one in New York's handsome Heritage Hills $41,500.

Thousands can afford this expensive *apartheid;* thousands more can bear the costs of living in pleasant aparaments in high-rise buildings in New York, Miami or Chicago. But millions of elderly Americans, the majority of them women and widowed, have to do more modestly. Ella Larson, 73, a retired nurse in Santa Monica, Calif., finds apartment living increasingly expensive. She gets $107.80 a month from Social Security, which goes for food. An additional $147 from old-age assistance pays her rent and utilities, which leaves her almost nothing for clothes and entertainment. Mrs. Larson worries constantly that her rent will go even higher. "I feel very insecure," she says. "I never know if the landlady is going to raise my rent again or tell me they're going to tear the place down and build one of those new apartment buildings. Then we'd all be homeless."

Some elderly Americans cannot afford even the smallest apartment. For them, what passes for independence is a clammy rented room and a hot plate. An estimated 2,000 oldsters cling to life in $15-a-week furnished rooms in Boston's shabby South End. A few others find homes in peeling, decrepit residential hotels like the once elegant Miami resort where Mrs. David Yates, 90, gets a suite of rooms, maid service and two meals a day (no lunch) for $500 a month. People who cannot afford even this much may sometimes find a plain but safe haven in public housing projects specifically designed for the elderly, which offer low-rent living to those who are physically, if not financially, able to go it alone. Chicago shelters 9,250 aged tenants at 41 special sites, including the huge Britton I. Budd complex near Lake Front Park. There Martin Smith, 82 pays $55 a month for an apartment that he feels is better than his daughter's $195-a-month place, and complains only about his arthritis.

For some, old age means giving up solitary independence and moving in with their children. Sometimes that works out well. Edna Segar, 74, who plays the piano in a Culver City, Calif., senior citizens' dance band, finds the arrangement fine. So do her son Donald, 54, and his wife Frances, 59. Says Donald: "You wouldn't throw your kids out, so you don't throw your parents out when they need you."

For others, caring for parents is a serious problem. Many urban Americans simply do not have the room to house an elderly father or mother, especially in New York and other cities where an extra room means paying an enormous increase in rent or buying a larger home than they can afford. Others claim that the presence of a parent in the home strains marital relations and puts tremendous pressures on children. Still others just cannot take the tension involved in caring for senile parents.

Many families also cannot handle the physical aspects of aging. The Jury family, of Clarks Summit, Pa., watched helplessly as "Grandpa" Frank Tugend faded. The Jurys kept the retired coal miner with them, bearing with him as he became confused and forgetful, cleaning up after him as he lost control of his bodily functions. In his lucid moments, the proud 81-year-old Tugend knew what was happening to him. One day he took out his false teeth and refused to eat any more. He had decided to die, and no one—not his doctor, not his family—could do anything to change that. His children and grandchildren cared for him with anguished tenderness until death claimed him three weeks later.

Few children have the devoted patience or endurance of Tugend's family. Each year more and more of them face the problem of deciding what to do when aged parents need more care than they can—or are willing to—give. In some cases, the answer is obvious: put them in a nursing home. The decision is often devastating for parents and children alike, and has ripped many families apart. Whatever happens, guilt hangs in the air like a sulfurous, corrosive fog. Even children who keep their parents at home generally feel remorse about what Paul Kirschner of the University of Southern California calls the "battered senior syndrome," which involves caring for aged parents but excluding them from many family activities. Those who place their parents in nursing homes often feel a still heavier burden of guilt for "abandoning" the old folks.

In many cases, what they have done, for whatever reason, amounts to abandonment. Mary Adelaide Mendelson, of Cleveland, a former community-planning consultant, has spent ten years studying institutions for the aged. Last year, in a book entitled *Tender Loving Greed,* she concluded that U.S. nursing homes are a national scandal. She writes: "There is widespread neglect of patients in nursing homes across the country and evidence that owners are making excessive profits at the expense of patients."

This does not mean that all of the country's 23,000 nursing homes are bad. A number of them scattered throughout the country are, by any standards, excellent. Others provide their patients with at least good, competent care. They come in all sizes, under highly diverse sponsorship. Members of Southern California's Japanese community need have no qualms about placing their parents in Los Angeles' Keiro (which translates as Home for Respected Elders), a 184-bed facility that bespeaks the Oriental tradition that old age should be a time of ease. Keiro's appeal ranges from chaste Japanese décor to good food served from a gleaming stainless-steel kitchen. The home also has a largely bilingual staff that is genuinely interested in the welfare of its patients, and a program that includes everything from physical rehabilitation to concerts on traditional Japanese instruments.

Nor need children feel guilty about putting their parents in some of the smaller, less shiny but equally good homes around the country. Associated with the Christian Missionary Alliance, the Alliance Residence in Minneapolis is a nondescript three-story building minus any lush lobby or manicured grounds. But what it lacks in gilding, it more than makes up for in concern for its patients. Alliance's 100 occupants are in the care of seven nurses and 25 nurse's aides, who work in three shifts so that the home will be staffed round the clock. Most of Alliance's patients are not only healthy but happy. Elvira Axeen, 82, still goes out every Wednesday to make coffee for her Bible group. "I'm going to be busy as long as I can do it," says she. So are others. "As long as you can complain and be up and around, you're young," says 91-year-old Mrs. Ellen Wicklander as she stitches on a quilt.

The best nursing homes deprive their patients of some independence. The worst deprive them of far more: their resources, rights and, ultimately their humanity. They are killer institutions. An investigation still under way in New York has dug out evidence of widespread abuse and exploitation of nursing-home patients. Inspectors who have made surprise visits to homes have found in the worst of them incontinent patients wallowing in their own filth, patients shot full of tranquilizers to keep them bovinely docile, others whose requests for help went unanswered and still others who were unfed or given the wrong foods and medication. They have also found many patients—like those at the now closed Towers Nursing Home in New York City—who were unwilling to complain for fear that they would be punished later by the attendants.

The crimes against the weak are not confined to New York. Authorities in Illinois are investigating not only suspected fraud but also the deaths of seven patients in a home in Rockford. California officials have turned up even more disturbing evidence. Los Angeles County investigators reported that a paralyzed woman at the Torrance Medical Convalescent Center, a 212-bed nursing home in Torrance, Calif., died after a nurse tried to feed her orally rather than through a stomach tube, then dismissed her gasping and flailing as an attempt to burn off "excess energy." The victim was not the only patient to die at Torrance, whose license to operate is being challenged. One patient died when he apparently leaped from a second-story window. "He probably jumped because of the conditions inside," said one angry health official.

A few of these substandard homes are public institutions. The majority, however, are private. The reason for the ratio is money—public money, ironically, appropriated to give aid and comfort to the indigent aged. In 1966 the Federal Government began to pay for nursing-home care through Medicaid, a federal-state program that last year spent $4.4 billion of its $12.7 billion budget on the elderly. The sudden gush of cash set loose a nursing-home boom as many entrepreneurs, many of them interested only in the bottom line, rushed into the business.

It is not difficult to understand how the homes make money. Medicaid pays them from $8.50 to $49.10 per patient per day, but many homes spend far less on care for their patients. Most save money on staffing, hiring only a handful of professionals and then filling their rosters with unskilled, often careless attendants, who are paid rock-bottom minimum wages. Some proprietary homes save by spending next to nothing on their buildings, which may not only be dirty and stink but may also be unsafe. Also, many nursing-home operators save on food. One owner admitted to investigators that he was feeding his patients for 54¢ a day, less than the county jail spent on its prisoners. Given such practices, it is not surprising that some private nursing homes yield an annual return of more than 40% on money invested. Unblinkingly, nursing-home operators defend themselves as performing a necessary service. "The public does not really want to accept the fact that taking care of a sick old person is not a pleasure," says Max Lewko administrator of New York's Mayflower Nursing Home. "If some of these people had their mother at home for four weeks, they would appreciate what we are doing."

That begs the question. Regardless of their condition, the elderly deserve to be treated like human beings. Fortunately, action to guarantee such treatment has already begun. A special commission in New York has submitted an eleven-bill package that would include unannounced inspections of nursing homes, establish a stiff schedule of fines for violations of state standards and give the state the right to sue nursing homes that failed to provide proper care. The Minnesota state legislature has tightened up certification procedures and passed laws requiring close monitoring of nursing-home operations. Massachusetts authorities have shut down eight substandard homes and plan to close three more unless they are sold to someone who will run them properly.

Congress is also acting. Senator Frank Moss, chairman of a Senate subcommittee on long-term care, has introduced 48 bills that would, among other things, require 24-hr. attendance of a registered nurse, offer financial incentives to nursing-home operators by allowing higher payments for better care, and provide for full disclosure of the identities of all individuals involved in a nursing home's operation.

The enactment of pending legislation—indeed, even the enforcement of existing state and federal regulations—would go a long way toward ending the dehumanization and exploitation of those who can no longer care for themselves. But improving nursing homes will not help 95% of America's elderly. What will help them and those who will one day join their ranks is a realization that the U.S. suffers from what Dr. Robert Butler of Washington, D.C., calls "ageism"—or prejudice against the elderly—and a determination to end this cruel form of discrimination. "The tragedy of old age is not that each of us must grow old and die," writes Butler in his newly published book *Why Survive?* (Harper & Row; $15), "but that the process of doing so has been made unnecessarily and at times excruciatingly painful, humiliating, debilitating and isolating through insensitivity, ignorance and poverty."

But, says Butler, much of this pain and humiliation can be eliminated. He and his fellow gerontologists urge those who want to help their parents—and other elderly—to help overhaul old policies and develop some new ones, particularly with regard to:

RETIREMENT

Most people assume that to be old is to be finished or "over the hill," and at least half of all American workers are now employed by companies that have institutionalized this assumption by forcing their employees to retire at age 65, if not earlier. The effects of this involuntary idleness can be traumatic. "One day they have life, the next day nothing," says Margaret Mead of unwilling retirees. "One reason women live longer than men is that they can continue to do something they are used to doing, whereas men are abruptly cut off—whether they are admirals or shopkeepers."

Most companies claim that mandatory retirement is necessary to maintain efficiency, preserve profits and clear the way for younger employees. But gerontologists find the arguments unfair. There is no evidence that an individual's efficiency or creativity declines dramatically once he passes his 65th birthday; indeed, many people—from scientists to craftsmen to musicians*—have done their best work during their declining years. Nor can it be assumed that most elderly Americans are too feeble to support themselves. At least half of those now over 65 are physically capable of doing a day's work. Mandatory retirement is, in fact, now under challenge. A former civil servant has filed suit to set aside the Federal Government's retirement policies. The American Medical Association has allied itself with him, insisting in a friend-of-the-court brief that there is no evidence that older workers are any less efficient than younger ones.

INCOME

It is pure romanticism, say most gerontologists, to assume that prudent people can provide adequately for their old age. Inflation in the 1970s can erode the value of the most liberal of pensions and shrink the worth of even the fattest savings accounts. Nor does Social Security, upon which most elderly Americans depend for at least a third of their income, enable most to live with any measure of financial security or comfort. A 65-year-old couple entering the plan this year and entitled to the maximum benefits, which they have paid for in taxes, draws only $474 a month. That inches them above the poverty line but hardly enables them to live beyond the bare-bones level. Besides, the average couple receives only $310 a month.

To alleviate the financial plight of the elderly, experts recommend placing a reasonable floor, pegged to the actual cost of living, under retirement incomes, either by increasing Social Security benefits or supplementing them from other state or federal funds. They also recommend reforms in both Government and private pension systems, to assure that all workers who contribute to a pension plan will derive at least some benefits from it.

MEDICAL CARE

Most medical plans are designed to care for the elderly once they become ill. Gerontologists believe that the emphasis should be on preventing illness and preserving health and keeping the aged in the community.

To accomplish this, New York's Montefiore Hospital 28 years ago inaugurated home care for the elderly with regular visits to the homebound by doctors, physical therapists and social workers. Since then, about 100 other hospitals across the country have set up similar programs. Three years ago, Montefiore branched out with an aftercare program, under which stroke, arthritis and cancer patients were brought to the hospital for follow-up treatments that doctors hope will eliminate the need for institutional care. Two years ago, the hospital helped set up a day-hospital program. It offers custodial care to those who have no one at home to watch over them during the day.

Dr. Isadore Rossman, who directs the Montefiore programs, hopes that the success of these pilot projects and the acceptance of others like them around the country will lead to the passage of legislation to create and buttress alternatives to institutional care. Such programs would prove an unexpected bargain. Montefiore's home-care costs about $12 a day, or a maximum of $4,380 a year. Even with an elderly person's rent and food bills—averaging at least $2,400 a year—added on, this makes staying out of a nursing home far cheaper than going in. The average cost of a modern New York nursing home is up to $42 a day, or a whopping $15,000 a year.

ATTITUDES TOWARD AGING

Americans, says Butler, take an unhealthy and often unrealistic attitude toward aging, assuming that old people have no further contributions to make to society and should be excluded from it. Many of the elderly share this view, occasionally attempting to conceal evidence of their advancing years and withdrawing from an active life. Butler and others believe that attitudes must change if the aged are ever to be treated fairly in the U.S. They urge society to recognize the basic rights of old people to independence and security. Gerontologists also urge society to make better use of the elderly, drawing on their experience and talents and giving them a greater voice in matters that concern them. It is ridiculous, they agree, to have panels of 35-year-olds determining the wishes of and setting policy for the aged when the aged are better equipped to do the job.

Improvements in these areas are on the way. Congress has moved—albeit not very far—to tap the reservoir of talents the elderly have accumulated during their lives. It has approved $45 million for a variety of projects, including the Foster Grandparent Program, which pays oldsters for supervising dependent and neglected youngsters; $17.5 million for the Retired Senior Volunteer Program (RSVP), which pays out-of-pocket expenses to 100,000 involved in such community activities as entertaining the handicapped and visiting homebound patients; and a skimpy $400,000 for the Senior Corps of Retired Executives (SCORE), which reimburses some 4,500 retired executives for expenses incurred while counseling small businesses and community organizations.

Other programs are under way. One feeds the elderly, who often stretch their skintight budgets by subsisting on peanut butter sandwiches or skipping meals entirely. The nutrition section of the 1965 Older Americans Act, funded for $125 million this year, now provides 220,000 seniors with a hot meal a day through local nutrition centers or "Meals on Wheels" vans that deliver hot food right to the doors of the homebound aged.

More encouraging are the programs to keep the elderly in the community and out of institutions. Chicago, which set up the nation's first municipal office for the aged in 1956, sponsors some 600 senior citizens' clubs, where they can meet to talk out their problem and organize to get things done. It also operates some 62 nutrition centers, where an estimated 3,800 come for a low-cost hot meal and some companionship.

At present, these programs reach and benefit only a handful of the nation's elderly. But the prospects for their expansion and for the development of other new approaches toward aging are brightening. One reason for this improved outlook is the growing recognition by most Americans that the country has a lot of catching up to do in its treatment of the aged and the new desire to change what more and more agree is an intolerable situation.

This urge to change things has been inspired in large part by the realization that other countries have done so much more than the U.S. in caring for the elderly. Sweden, Denmark and Norway have used part of the mountain of taxes collected from their citizens (as high as 50% of most salaries in Sweden) to ease many of the burdens of aging. In Sweden, city governments run housing developments where the aged can live close to transportation and recreational activities. Denmark, with a population of 5 million, houses many of its more than 600,000 elderly in subsidized houses or apartments and helps those who want to remain in their own homes by providing them with day helpers and meals. Those who need nursing homes find them a considerable cut above most of their American counterparts: with their excellent design, many look like modern hotels.

Another force behind the new impetus for change is the growing political power and militancy of the elderly themselves. Many groups—blacks, young people, women—have realized how much political muscle their numbers provide and organized in recent years to demand and get attention and help from federal, state and local officials. The aged are following their lead. No longer content to pass their days playing checkers or weaving potholders at senior citizens' centers, a growing number of elderly Americans are banding together to make their wishes known. Several thousand of them have joined a five-year-old group known informally as the Gray Panthers, whose leader, a retired Philadelphia social worker named Maggie Kuhn, 69, is dedicated to altering U.S. atti-

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*Giuseppe Verdi produced his great opera, the joyously exuberant *Falstaff*, at age 80; Justice Oliver Wendell Holmes Jr. crafted some of his most powerful opinions in **his** tenth decade.

tudes toward the aged. The Panthers have agitated for better housing and medical care and more employment opportunities for the elderly. "Most organizations tried to adjust old people to the system," says Miss Kuhn, "and we want none of that. The system is what needs changing."

The system is changing, and it is likely to change even further. Politicians, aware that the elderly are more likely to register and vote than the young, are listening when senior citizens speak. So are younger people. The new interest is encouraging. Americans have for too long turned their backs on their old people. Now many are seeing them for the first time, recognizing their plight and moving to help them. The interest and action are both humane and pragmatic. Today, millions of Americans are wondering what to do about their parents. Tomorrow, their children will be wondering what to do about them.

Where to Get Help

Americans over 65 face a bewildering set of problems as they try to adjust to old age, retirement, and often, financial shortage. Federal, state and local governments offer a wide variety of programs to help out. Among them:

FINANCIAL ASSISTANCE

Almost every American over 65 and many over 62 can apply for Social Security through some 1,300 local Social Security offices, which are listed under "U.S. Government" in telephone directories. Those not eligible for railroad retirement, civil service or veterans' pensions probably qualify for state-administered Supplemental Security Income (SSI). SSI information is available through local welfare or social service agencies.

HEALTH CARE

Anyone eligible for Social Security benefits also qualifies for Medicare, which is financed through Social Security and covers most of the cost of any hospitalization that may be needed by those who are eligible. The medical portion of the program, which costs beneficiaries $6.70 a month, covers doctors' bills. Anyone who is eligible for welfare or old-age assistance is also eligible for Medicaid, which covers doctors' and some hospital services, as well as nursing-home care. Local welfare departments administer the program.

NUTRITION

The Federal Government has earmarked $125 million for nutrition programs for the elderly. These funds enable hundreds of communities to serve the aged one hot meal daily five days a week, mainly at communal eating places, but also at the homes of those unable to get out. Food stamps worth more than their purchase price, can help stretch tight food budgets. Information on eligibility for the stamps and other nutritional aid is available from local commissions on the elderly and from welfare offices or agricultural extension services.

HOUSING

The National Council on the Aging in Washington, D.C., publishes a directory of special housing for the elderly. Other information on publicly sponsored low- and moderate-income housing, tax relief and rent grants is usually available from local housing authorities, tax collectors or agencies for the aged.

LEGAL SERVICES

Old people in need of legal services to protect their rights to housing, Social Security or medical benefits, safeguard their assets and guard against exploitation by the unscrupulous, can usually obtain them through local legal-aid societies, which provide free or low-cost legal guidance. More specialized help is available from the National Council of Senior Citizens, which has its headquarters in Washington, and local Gray Panthers' organizations.

THE DICKEY-LINCOLN HYDROELECTRIC PROJECT

Mr. BROOKE. Mr. President, as Congress continues to grapple with strategies for coping with our energy problems, in New England one project is being strongly suggested as a regional solution. I refer to the Dickey-Lincoln Hydroelectric Project, which comprises the construction of two dams on the St. John River, one a hydropower facility and one a regulating structure.

Supporters of this nearly $1 billion proposal tell us that the Dickey-Lincoln dams will provide needed growth in generating capacity. They claim that, because it is a public project, electricity can be provided at cheaper rates than those we currently pay. Proponents also say the dams would control the annual spring flooding of the St. John River and that the construction would provide employment for the region.

These goals are excellent. If they could be met at a reasonable cost, by the construction of this massive project, it would be foolish to delay appropriations any longer. Unfortunately, careful study shows the Dickey-Lincoln Hydroelectric Project simply cannot accomplish these goals.

In an enlightening article in the Sierra Club Bulletin, October 1975, Stephen Whitney and Paul Swatek punctuate the inflated hopes for this project. Their article is well researched and extremely valuable in any discussion of this project.

Regarding the question of power generating capacity, Whitney and Swatek affirm that of the 830 mekawatts capacity, 105 would go to Maine and 725 would be transported to Greater Boston. In Maine the electricity would go to preferred customers—Federal installations and municipal utilities—rather than to household consumers.

The electricity to be transported to Boston is for use during the daily 6-hour period of peak use. But Dickey-Lincoln can only provide 2½ hours of peaking power, overall, so the contribution to Boston's needs is small.

The projected costs of Dickey-Lincoln are astounding and the 1974 costs-benefits study prepared by the Army Corps of Engineers does not even include inflationary increases in materials or labor. Nor does it provide for the profit margin of the construction firms that would build the dams. A study conducted with such lapses of any sense of reality must be viewed most skeptically.

The promise of jobs is even more ephemeral. In Maine, for example, winters create severe unemployment in all major industries. And the dam construction would fall victim to the same seasonal delays, instead of solving Maine's winter unemployment problems. Construction would not begin until 1978 and no significant number of jobs would be available before 1981. The jobs would, of course, be temporary. And many of the jobs are highly technical and will probably be filled by residents of other regions.

The final promise of flood control for the St. John flood plain would not be feasible for at least a decade if at all.

Whitney and Swatek offer some energy-saving alternatives to the Dickey-Lincoln project. Their suggestions include improving the existing rail systems, providing waste-water treatment plants, promoting solid-waste recycling centers, and subsidizing the costs of home insulation and storm windows. These programs would produce more long term jobs, better pollution control, and more efficient energy use than Dickey-Lincoln.

I ask unanimous consent that this article I have referred to be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Dickey-Lincoln—Larger Dams, Larger Promises, and Even Larger Debts

(By Stephen Whitney and Paul Swatek)

The St. John River rises in eastern Quebec, flowing into a northern corner of Maine before pushing north and then east in a 400-mile arc to the Bay of Fundy in New Brunswick. Although many miles of lower river are punctuated with small power dams, the water above the town of Dickey, Maine, is free-flowing, a powerful, virgin stretch that is easily among the longest segments of wilderness river in the eastern United States. The river runs through the heart of the most remote section of Maine's famed "North Woods." In the midst of this wild area, the U.S. Army Corps of Engineers, aided and abetted by a host of politicians panicked by the so-called "energy crisis," proposes to construct the mammoth Dickey-Lincoln Hydroelectric Project. The proposal calls for two dams—a 760-megawatts hydropower facility at the town of Dickey, Maine, and a seventy-megawatts regulating structure located eleven miles downstream at the site of the former Lincoln School.

The project is not new. The prospect of building the dams, thereby flooding 90,000 acres of the upper river valley, has loomed over the St. John for more than ten years. The Corps originally proposed the dams in the early sixties as part of a package deal, along with a tidal-power facility for Passamaquoddy Bay, nearly 200 miles southeast on the Maine coast. Ultimately, the tidal generator proved unfeasible, but the St. John River dams were then touted for their own merits, earning congressional authorization, but no funding. Thus the project was stalled until the spring of 1974, when the energy panic of that winter and the public fury at the utility industry for rising electricity prices created a golden opportunity for supporters of the Dickey-Lincoln dams to resurrect the moribund project. They dusted off the ten-year-old plans and peddled them to a receptive press and public as New England's own solution to the Arab oil boycott, an environmentally benign source of endless renewable energy. And as fate would have it, May of 1974 brought record floods on the St. John, which did substantial damage to Fort Kent, the nearest community downstream from the proposed dams. The Dickey-Lincoln Project would solve that problem too.

In June, 1974, despite energetic lobbying by a handful of environmentalists and sportsmen, and residual opposition from fiscal conservatives in Congress, an attempt to delete $800,000 in preconstruction planning funds from the Public Works Appropriation Bill failed in the House of Representatives by a close 201–185 vote. The money was endorsed by the Senate late that summer.

In 1975, the issue is jobs. Powerful Senate Budget Committee Chairman Edmund Muskie said he wanted the dam, so the Corps received another $1.46 million allotment from Congress to continue advanced engineering and planning and to develop an environmental impact statement following guidelines drafted by a private firm under contract to the Corps. The Army claims that the impact statement "will identify all significant environmental, social, and economic impacts induced by the project, and recommend methodology for measuring and evaluating these impacts." Pressure to go ahead with the project is expected from Maine Senators William Hathaway and Edmund Muskie, whose concerns about the state's ailing economy have led them in this case to abandon their normally conscientious environmental positions.

The dam at Dickey would rise 340 feet above the present streambed of the St. John. Sixty-five million cubic yards of material would be used to construct an earthfill dam almost two miles wide at the top. It would be the sixth largest dam in the United States and the eleventh largest in the world, surpassing the Aswan Dam in size. The Lincoln School Dam, by comparison, would be only eighty-seven feet high and 1,900 feet long. Some of the aggregate and facing stone would be quarried from the nearby wild Deboulie Mountain region. Additional construction would be needed at five additional sites to build dikes to keep the 80,000 acre Dickey Dam lake from spilling into adjacent watersheds.

The main factor responsible for persuading Congress to proceed with the Dickey-Lincoln Project has been its appeal as a nostrum for the complaints of New England consumers, whose electricity bills have soared over the past few years because of increased fuel costs. But one thing is certain: whatever the magnitude and specific character of what is popularly known as the "energy crisis," it is not going to be met through such expedients as dams. The Dickey-Lincoln Project, for example, would not even begin to provide electricity until 1986, and then not in amounts that would significantly alter the energy picture in New England. Yet Congress seems to favor such projects if only because they give the appearance of decisive action. They are tangible, if dubious, achievements that can be shown to voters in place of more elusive long-range solutions.

The revival of the project in 1974 sparked environmentalists, canoeists, and sportsmen to form a coalition to muster support for what the United States Fish and Wildlife Service has called the Northeast's "only remaining wilderness of its type, by present-day standards." Under the name "Friends of the St. John," the Sierra Club, Appalachian Mountain Club, Maine Natural Resources Council, American Canoe Association, Trout Unlimited, The Wilderness Society, Friends of the Earth, and twenty-five other supporting groups from Maine to Rhode Island have worked to inform congressmen, senators, and citizens throughout the Northeast about the patent disadvantages of the proposed Dickey-Lincoln dams.

Supporters of the project have advanced four arguments to justify their position:

First, that New England needs the additional generating capacity that the Dickey-Lincoln dams would supply;

Second, that the project would provide jobs for the region;

Third, that the dams would control the annual spring flooding of the St. John River, thereby protecting the vulnerable floodplain community of Fort Kent; and

Fourth, that Dickey-Lincoln, as a public power project, would provide cheaper electricity than that generated by private utilities.

As rhetoric, these arguments can be persuasive in the absence of facts. Everybody wants more power for less money; everybody wants more jobs; everybody wants to be protected from floods. Those who oppose the Dickey-Lincoln Project also want these things. The point, however—and the only point—is that the two dams will not fulfill these functions in any significant way. There are, in fact, better and cheaper alternatives.

PROMISE OF POWER

Of the total 830 megawatts of installed capacity that would be generated from the Dickey-Lincoln dams, only 105 megawatts would go to Maine. This electricity would be sold to the state for use as intermediate (or cycling) power and it would go to Maine's preferred customers—federal installations and municipal utilities—rather than to the private utilities that serve most of the region's households. Since ninety-seven percent of the consumers in the recipient area are already served by private utilities, they would receive no electricity from the dams. Only three percent of the consumers would benefit, and as we shall see later, this benefit would be minimal.

The remaining 725 megawatts of power would be transported more than 450 miles to southern New England in order to provide supplemental electricity during greater Boston's six-hour period of daily peak use. But the Dickey-Lincoln dams would in all provide only two and a half hours of peaking power. If the generators were to operate twenty-four hours a day, the reservoir would virtually go dry within a few months. The St. John's modest flow could not possibly supply turbines for full-time generation in spite of the huge size of the proposed dams. So the project's contribution to Boston's peak-power needs is only fractional; additional generators would have to be constructed in the region to meet the remainder of the city's demand during the daily peak period. Although the total output of the Dickey-Lincoln dams would be nearly 1.1 billion kilowatt-hours per year, demand is growing at a rate that would set consumption in New England at 100 billion kilowatt-hours per year by the mid- to late-1980's. At the very most, the dams could contribute only one percent of that projected requirement.

In other words, the claim that the Dickey-Lincoln Project will in any significant way alleviate New England's energy shortage now or in the future is simply untrue. Its contribution—in Maine, in all of New England—would be marginal.

PROMISE OF JOBS

In a time of recession, make-work projects are big sellers at the legislative box office because of the many jobs they are supposed to provide. Dams, especially, have always been popular with Congress, though it has been estimated that they provide fewer jobs per dollar spent than most alternative ways to spend government money. Of course, unemployment is now high everywhere, and Maine's Aroostook County is also feeling the pinch. In response, supporters of the Dickey-Lincoln Project have represented it as one answer to high unemployment in the area. In fact, it will provide no answer at all.

First, the worst unemployment in the area occurs during the winter months, when the two main industries—logging and potato farming—must cut way back. Dickey-Lincoln will not alleviate this seasonal unemployment because dam construction will also have to virtually cease during Maine's fierce and abiding winters.

Second, since construction would not begin until 1978, the project cannot help unemployment now. A Corps of Engineers' employment scale reveals further that a significant number of jobs would not be provided until 1981. Even then, at the time of maximum employment on the proposed dams, the unemployment rate in Maine would be reduced by only one-half of one percent, and then if, and only if, the anticipated maximum of 1,800 jobs all went to Maine residents, an unlikely possibility judging from experience elsewhere. Many of the jobs, for example, are technical and will probably be filled from out of state. Those that aren't are more likely to be filled by nearby Canadian labor than by Mainers.

Third, there would be very few permanent jobs. Dam construction would provide jobs for only a few years, so the project offers no long range solution to anybody's unemployment.

PROMISE OF FLOOD CONTROL

The St. John River has overflowed its banks ten times in the past thirty-five years, as it flushed out winter ice each spring, and if anything, the floods, for uncertain reasons, have grown worse. In the spring of 1974, the waters inundated the floodplain town of Fort Kent (population 4,575), the largest community in the upper St. John watershed. Naturally, flood control became a prominent issue. However, in the past when the Corps proposed to build a series of dikes to protect the city, the town fathers were never willing to appropriate Fort Kent's share of the cost. Instead, they heralded the regulatory capability of the Dickey-Lincoln Project as the savior for vulnerable floodplain communities, even though the dams would provide no more protection and would cost the public anywhere from 250 to 500 times as much. Last year's floods broke this resistance, and with conservationists' blessings construction on the dikes is scheduled to begin in 1977, and will be completed eighteen months later. By comparison, the Dickey-Lincoln dams would not begin to provide protection for another decade. The Corps' final environmental impact statement for the dike admits that Dickey-Lincoln is not a practical solution to the floods at Fort Kent because the project "could not possibly be built quickly enough to solve Fort Kent's immediate problem."

PROMISE OF CHEAP POWER

Perhaps the most politically potent argument used by supporters of the Dickey-Lincoln Project is that it would provide cheaper electricity than alternate sources. The Corps' January, 1974, analysis claimed that Dickey-Lincoln's energy would be available for twenty-seven percent less than the private alternative (2.5c per kilowatt-hour versus 3.4c per kilowatt-hour) and that this would save consumers $11.7 million annually. It also claimed a benefit-cost ratio of 2.6 to 1. Like most of the other claims made for Dickey-Lincoln, however, the economic arguments for the project fall apart under analysis.

Estimates of the total cost of the project vary according to who is making them and what assumptions they are using. The 1965 authorization estimate for the dam alone was $218.7 million and had grown to $356 million in 1974. But critics of the project refer to Dickey-Lincoln as a "billion dollar boondoggle." The actual cost is likely to be much closer to $1 billion because the Corps' estimate conveniently ignores any inflation in the price of materials or labor during the period of construction. It also factors in no profit for the construction firm that would build the dams.

When calculating annual "costs," the Corps assumed a 3.25 percent borrowing rate for the Dickey-Lincoln Project and 8.75 percent for the privately financed alternative. It counted in taxes for the alternative project but not for their publicly subsidized project. It also assumed that it could cut the $123 million additional cost of transmission lines in half, when the nearest 345 kilovolts transmission line is 150 miles away and is expected to be at capacity by the time Dickey-Lincoln power would be available.

The Corps' benefit-cost calculation completely ignores the loss of annual timber production from the 88,000 acres that would be flooded by the reservoirs. The new lakes would totally disrupt existing logging operations in the area. These have coexisted for many years with other uses and account for a large part of the activity in the local economy.

Although more than ninety-five percent of the claimed "benefits" for Dickey-Lincoln relate to its role as a power project, the Corps cannot resist claiming flood control, employment, and recreational benefits as well. How the Corps could figure that Dickey-Lincoln could produce a net recreational "benefit" is hard to believe. According to the Appalachian Mountain Club's *New England Canoeing Guide*, the upper 120 miles of the St. John have "no equal in the Eastern United States in the number and diversity of wilderness canoe trips which can be made." Replacing this unusual recreational opportunity with a large flatwater lake can hardly be termed a "benefit" in a state already blessed with some 3,000 natural lakes. Furthermore, the water level of the lake would necessarily fluctuate over the course of the seasons and there would not be time to rid the bottom of the lake of the stumps of the forest that would have to be clearcut. Fishermen who now enjoy one of the finest brook trout fisheries in the United States would have fun catching snags while trolling for lake fish.

In fact, the wildlife impacts from the immense lake would be severe. There would be a loss of 17,600 acres of deer-yard essential to the survival of white-tailed deer in northern Maine's severe winter. The Corps plans to spend $2.3 million to move wildlife; however, as a Massachusetts wildlife official noted, "One does not 'move' wildlife laundry fashion; there is a little matter of available room." He continued, "Perhaps this is the most telling clause in the entire proposal for it underlines the environmental illiteracy of the people who have allowed Dickey-Lincoln to progress this far."

If all the actual costs and benefits had been figured into the Corps' calculations, it is extremely doubtful that Dickey-Lincoln would even begin to justify itself economically. Accepting all of the Corps' assumptions, the total consumer savings would be only $11.7 million annually—less than one percent of the $1.6 billion that New England consumers paid for electricity in 1972. When the Corps' questionable assumptions are knocked out, this modest saving is likely to evaporate completely. There should be no misunderstanding: Dickey-Lincoln power would be expensive power in both dollar costs and environmental costs.

But the most telling economic argument against building the dams is that for the same money, alternate facilities could be built and other programs pursued that would yield greater savings on every New Englander's electricity bill, as well as other tangible benefits. The public money now allotted to the project could be applied more practicably and economically to a variety of other public projects that would be of much greater value in both the short and long term—expanding and modernizing the existing rail systems in the region, stimulating construction of waste-water treatment plants, promoting solid-waste recycling centers, and subsidizing the cost of home insulation and storm windows, to name only a few. Indeed, using Oak Ridge National Laboratory figures, it can be estimated that an investment of only $110-150 million for retrofitting homes with insulation and storm windows would produce energy savings equal to those anticipated for Dickey-Lincoln. Furthermore, this project, along with others mentioned above, would produce far more long term jobs, better pollution control, and more efficient energy use than Dickey-Lincoln.

New England's avowed energy needs can be met in an economical, innovative way by constructing solid-waste-disposal facilities such as the one scheduled to start operation outside Boston in 1975. The Dickey-Lincoln dams would cost thirty times as much as this facility but produce only three times as much power. In other words, neither the American taxpayer nor the New England consumer are getting their money's worth at Dickey-Lincoln, and in the bargain they are losing one of the finest wild rivers left in the eastern United States.

When a dike shields Fort Kent from spring floods, the St. John should be allowed to continue the course it had cut when Champlain first encountered it on the feast day of St. John the Baptist in 1604. The old clatter of woodsmen's tools and the sounds of wilderness share the majesty found in its uninterrupted length, breadth, and varying moods. One traveler has reflected that "the St. John gradually came to have an ominous presence that grew almost palpable. The mighty river swept inexorably on to the sea as it had done for centuries, a primitive force against which man seemed insignificant."

NUTRITION EDUCATION

Mr. McGOVERN. Mr. President, as Senators know, my concern for the nutritional status of Americans has taken many forms and forums. One area of particular importance is the education of consumers regarding critical choices in the foods which they consume. No level of affluence can guarantee a nutritious diet if the consumer is unaware of what constitutes a healthy meal. This education can be effective only if the concepts are learned at an early age. These concerns and beliefs are reflected in S. 1945, the National Nutrition Education Act of 1975, which I introduced in June.

I have received a letter of support from Helen D. Ullrich, executive director of the Society for Nutrition Education. Ms. Ullrich and the society have my most sincere appreciation for their untiring efforts to improve the nutritional status of our citizens. Their assistance has been invaluable.

On August 21, 1975, the society passed by unanimous vote two important supportive resolutions. The first endorses S. 1945, and the second is in support of H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975. On October 7, Congress overrode the President's veto, and H.R. 4222 became Public Law 94–105. I ask unanimous consent that the resolution be printed in the Record at this point.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

Support of the National Nutrition Education Act of 1975—S. 1945, H.R. 8584

Whereas: the Society for Nutrition Education has already overwhelmingly provided endorsement of the National Nutrition Education Act of 1974; and

Whereas: the 1975 Act is substantively the same and continues to be in harmony with the stated goals of the Society;

Be it therefore resolved: That the Society for Nutrition Education strongly support and encourage, through its publications and influence, the passage of S. 1945 and H.R. 8584; and that the Society encourage allied organizations which share the goal of improving nutrition to join in every action support of this legislation.

Supported by unanimous voice at the 8th annual meeting of the Society for Nutrition Education, Berkeley, Calif., on Thursday, August 21, 1975.

Support of H.R. 4222, National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975

Whereas: The provisions of the National School Lunch and Child Nutrition Act improve the nutritional status of many Americans; and

Whereas: the 1975 Amendments would significantly improve many aspects of the existing legislation, especially in regard to expansion of the summer food and WIC programs and would mark the initiation of a nutrition education component;

Be it therefore resolved: That the Society for Nutrition Education take immediate action to strongly support and encourage the passage of H.R. 4222 through all appropriate legislative channels; and that the Society encourage allied organizations which share the goal of improving nutrition to join in active support of this legislation.

Mr. McGOVERN. Mr. President, I also ask unanimous consent that two articles from the society's Journal of Nutrition Education, be printed in the Record to inform my colleagues of the position taken by the members of the Society for Nutrition Education. These dedicated professionals work with food programs and nutrition programs every day throughout our communities, and perform a great service. Because of their indepth knowledge and daily contact with these areas, their support means a great deal to me, and I would like to share these articles with my colleagues.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Journal of Nutrition Education, July–September 1975]

Editorial—S. 1945 and H.R. 8584

Nutrition education is a political issue. Sen. George McGovern (D-S.D.) has reintroduced his bill for "The National Nutrition Act of 1975" which is now S. 1945 (see p. 13). Rep. George Miller (D-Calif.) has introduced a companion bill (H.R. 8584) in the House of Representatives.

While these bills request funding for only the beginning of an educational program, it is a first step to provide programs by which the population can become knowledgeable about their daily food choices. At a time when the world-wide food supply seems critical, a viable nutrition education program becomes crucial.

The number of the Senate bill—S. 1945—emphasizes that such legislation should have been passed 30 years ago when per capita consumption of fruits, vegetables, and dairy products hit a peak. During World War II, nutrition education and victory gardens were part of a concentrated national effort. Then came the growth of technology to develop and promote socially satisfying convenience and novelty foods. The result is a serious decline of the nutritional makeup of the national diet.

Some may ask why we need legislation to provide Federal funds for the programs in the schools. They may feel it is only necessary to incorporate nutrition education into other ongoing or proposed programs. In fact, there are presently several ways in which there might be more nutrition exposure in the schools.

For example, a greatly strengthened Comprehensive Health Education bill was introduced this year. Nutrition is one of the 11 areas of concentration recommended for inclusion in the bill. The Child Nutrition Act which provides funds for several child feeding programs proposes token appropriations for surveys, training, and nutrition education pilot projects. But nutrition education should be incorporated into a multitude of disciplines and programs within the schools and it must be coordinated. Therefore, a nutrition education bill is vitally needed to provide funds to implement the necessary coordination.

Since nutrition education is a part of many disciplines, it becomes imperative that nutrition educators who are in home economics, dietetics, health and physical education, consumer and family life education, parent involvements, and child feeding should try to coordinate organizations relating to those special interests. It will take the coordinated effort of all interested groups to ensure passage of these bills.

The ability to adequately educate professionals to carry out programs may concern many nutrition educators. There are unknown quantities. Are there enough career and inservice training facilities for teachers? What are the training curriculum needs? What qualifications should be required for a state nutrition coordinator? Let this journal be your sounding board about ways professional training needs could be met.

Perhaps before any nutrition education legislation can be passed ways must be identified to show education can make a difference in the well-being of the nation's children. Legislators can show their constituencies that more children have received food by counting the meals served in the school feeding programs. How do we count numbers and show improved health or social conditions as a result of nutrition education? There have been many base line surveys which show the need. What about evaluation of the results of nutrition education?

All of the above must be convincing in order to create a priority need to pass the nutrition education bills—S. 1945 and H.R. 8584. Your comments and suggestions are needed. Express them to Senator McGovern and Representative Miller, authors of the bills, and to your own legislators in the Congress. Send your thoughts for publication in this journal or the SNE Communicator, the newsletter of the Society for Nutrition Education. Put your thoughts and ideas on paper. Let your legislators hear you; let us hear from you. S. 1945 and H.R. 8584 should have been enacted 30 years ago. Let's work to have them passed in 1975.

Helen D. Ullrich.

McGovern Nutrition Education Bill:
S. 1945 in 1975?

In mid-June, Sen. George McGovern (D-S.D.) reintroduced his nutrition education bill in the U.S. Senate. The bill—S. 1945—the National Nutrition Education Act of 1975—is identical to S. 3864 introduced in the 93rd Congress in 1974 (see J. Nutr. Educ., 6:84, July-September, 1974; 7:6, January-March, 1975; SNE Communicator 5:14, September 1974; 5:6, December 1974).

In introducing the 1975 bill on the floor of the Senate. McGovern coined the phrase "the new misnutrition" to describe the nutritional status of those who have the resources to buy sufficient food but lack the knowledge to choose correctly. "A tax dollar spent to give consumers a sensible, scientific guide to spending their food dollars is an investment as well as an expenditure . . ." argued McGovern.

McGovern said he was reintroducing the bill in hope of starting a discussion leading to some positive changes in the bill. However, he pointed out that an effective program should be passed this session of Congress.

SUMMARY OF BILL PROVISIONS

In order to clarify possible questions or misunderstandings about S. 1945, the following is a summary and interpretation of the bill:

1. Intent of Bill. The bill would encourage the provision of nutrition education programs in school classrooms and lunchrooms by establishing grants for teacher training and pilot and demonstration projects, followed by longterm funding of comprehensive nutrition education programs.

2. Definition of "Nutrition Education Program." S. 1945 defines "nutrition education program" as "a multidisciplinary program by which scientifically sound information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices, both in the school lunchroom and in the community at large, consistent with optimum health."

3. Teacher Training. Grants would be available to state agencies, colleges and universities to enable development of programs to train early childhood, elementary and secondary teachers (at both career and inservice training levels) in the science of nutrition, methods and techniques, information, and current issues relating to nutrition education and food-related problems.

4. Pilot and Demonstration Projects. Public or private agencies, institutions, or organizations would be able to apply for funds for pilot and demonstration projects, including curriculum development, demonstration, testing, and evaluation.

5. Technical Assistance. Assistance such as the exchange of information regarding effective nutrition education methods would be offered to public and private nonprofit organizations, colleges, and universities by the Office of Education through created staff positions.

6. State Programs, Nutrition Education Coordinator and Comprehensive Plan. Federal funds would be available to state educational agencies to help meet the cost of developing and implementing nutrition education programs for both public and private schools. In order to obtain these funds, state educational agencies would be required to appoint a state coordinator for nutrition education. The coordinator would have to develop a comprehensive plan for nutrition education within that state. Elements of the comprehensive plan would include systematic training in nutrition education for present and future teachers and establishment of a State Nutrition Education Advisory Council.

7. National Nutrition Education Resource Center. A National Nutrition Education Resource Center would be established by the Office of Education, DHEW. The center would provide facilities and services for training state coordinators, collect and create curriculum materials, and evaluate programs.

8. Funding. The funding for the first year of operation of the 3-year program would be approximately $75 million, with some additional money contributed by states.

IMPLICATIONS

S. 1945 has several important features in relation to overall nutrition education policies and programs.

First, it could apply to nutrition instruction in any existing curricular area such as health, science, home economics, or math; in connection with school food service programs; or even as a separate course. If the bill's program is implemented, there would *not* be major disruption of school curricula, and state departments receiving program funding could choose to implement nutrition education in the way that best met their needs.

Second, the bill's provisions would involve a majority of the nutrition education community—not only schools but also state and local educational agencies, Federal agencies, colleges, universities, and public or private nonprofit education and research agencies, instiutions and organizations.

Third, the program would be designed to coordinate and supplement—not supplant—existing efforts. For example, the proposed comprehensive state plan would have to coordinate new programs with existing ones such as those administered by USDA or state health education curricula. Pilot and demonstration projects would include the evaluation of exemplary existing curricular materials. The proposed National Nutrition Education Resource Center "may in part be located within the framework of existing backup facilities in the area of nutrition education."

Fourth and finally, the bill's funding would be influential beyond its 3-year period. It would provide "seed money" to establish permanent, ongoing nutrition education curricula in U.S. schools.

Perhaps the importance of the National Nutrition Education Act of 1975 can be summarized in the words of a slogan used on SNE and JNE publicity materials:

"Nutrition Education: An Investment Today for Better Health Tomorrow."—M.C.P.

Vitamin/Mineral Regulations in the News Again

The Food and Drug Administration published "tentative amendments" to its proposed regulations on dietary supplements and special dietary foods in the *Federal Register*, May 28, 1975. The regulations, first published in February 1973 after much deliberation and extensive hearings, had never been implemented in final form. They had been held up by an order from the U.S. Court of Appeals for the Second Circuit as a result of several petitions from the "health" food industry.

The major provision of interest in the "tentative amendments" is that nutrient supplements would *not* be classified as drugs beyond maximum potency limits (150% U.S. RDA in most cases) but would instead be regulated by safety criteria spelled out in other regulations. For example, *existing* regulations already prescribe maximum levels of safety for vitamins A and D, folic acid, iodine, copper, flourine, and potassium.

A 6-week period was allowed for interested parties to comment on the "tentative amendments." (Closing date was July 14, 1975).

Final, revised regulations will not be issued until the hearing record on dietary supplements (held in 1968–1970) is reopened to permit cross-examination of a representative of the Food and Nutrition Board, National Academy of Sciences-National Research Council. The purpose is to clarify certain points including the derivation and scientific basis of the NAS-NRC Recommended Dietary Allowances (RDAs) and the use to which FDA is putting the U.S. RDAs (which were adapted from the 1968 NAS–NRC RDAs).

Meanwhile a bill to limit FDA's authority over regulating the potency and combinations of vitamins and minerals has gathered wide support in Congress. A bill, sponsored by Senators Proxmire (D-Wis.) and Schweiker (R-Penn.) has been revised several times and—at press time—had been added as an amendment to S. 988, a bill to extend authorization for heart and lung research.

Perhaps a lesson to be learned from the ongoing "vitamin-mineral controversy" (regarding possible restricted availability of these nutrients) is that it means different things to different people. To the "health" food industry, it can mean business. To the consumer, it represents hope for improved health. To the politician, it reflects an infringement of consumer rights. And to the nutrition educator? Maybe we had better incorporate some these meanings into the way nutrient needs are taught.

THE DECLINE OF AMERICAN EDUCATION

Mr. BUCKLEY. Mr. President, a few days ago, the College Entrance Examinations Board announced the formation of a blue ribbon panel to investigate possible reasons for the continuing decline in test scores on the nationally administered scholastic aptitude tests. For the 12th year in a row, the measurable performance of America's high school students in standardized verbal and mathematical tests has fallen. Those tests are graded on a scale from 200 to 800. The average scores in 1963 in verbal and mathematical tests respectively, were 478 and 502. This year, the average scores were down to 434 and 472. That decline is evidence of deplorable shortcomings in our educational system.

The deterioration of American education is far too serious a matter to be left entirely to investigations by professional educators. It casts a shadow over the future of millions of students. It betrays the hopes of their parents and the trust of the taxpayers who have so generously supported public education. The decline of learning in our country's schools should command the urgent attention of everyone in public office. I was privileged recently to discuss the problems of our public schools with the members of the New York State School Boards Association. Because my comments on that occasion concerned in part the policies which the Federal Government has been following for the last decade in the field of education, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JAMES L. BUCKLEY BEFORE THE NEW YORK STATE SCHOOL BOARDS ASSOCIATION

Because I must return to Washington this morning, I have only a half-hour to discuss with you current Federal legislation affecting education, the problems of financing and administering our schools, and the interaction between federal officials and those, like you, who are closest to the people.

Those subjects cannot be covered in the time allotted. Indeed, it would take at least the time I have just to explain why I voted to override the presidential veto of the Education Appropriations Bill and, more recently, to sustain the veto of the School Nutrition Bill. It seems to take almost as much time to explicate a piece of legislation as it does to draft it. Indeed, you who must cope with the practical effects of federal legislation regarding education know all too well its complexities, its vagaries, and its occasionally unfathomable implications.

So today I shall avoid them altogether. For their discussion is not why I wanted to accept your gracious invitation to meet with you. Rather, I was especially eager to attend the convention of the New York State School Boards Association as an expression of my own appreciation for your public service as elected members of the school boards of our state. You hold your offices for one reason: your concern for education. All the textbook lessons in civics and constitutional government mean nothing unless there are men and women willing to take up the demanding, and at times disagreeable, challenges of public administration; and nowhere are those challenges more awesome or more vital than in our schools. In truth, the citizens who set aside their private concerns and personal goals in order to assume the sometimes thankless tasks of running the nation's schools are the shock troops of democracy.

You are expected to secure adequate funding for education without increasing the tax burdens of the public; to champion every worthwhile innovation in learning without abandoning traditions; to take a definite stand in every controversy without slighting any opposing point of view; to preserve local control over education while securing more outside funding for it. You must accurately reflect the popular will, while steadfastly applying to your duties those principles upon which you were elected. You must stimulate greater public participation in the political process, knowing that you will be the first to experience public discontent with whatever may go amiss in education. And through it all, you must keep smiling.

I know how you feel. Believe me, I know. And so, my first purpose for being here today is to give credit where credit is very much due: to acknowledge your dedication to the best interests of New York's children.

My second purpose is to explain in a general way my own views of those interests and to share with you my concerns as to the direction American education seems to be taking. There is no need for me to catalog for you the problems of American education. Indeed, I hope you will feel free to do that for me in your communications with my office, so that I can benefit from your information and advice. Today I want to look beyond the subjects that make headlines for newspapers and headaches for school board members. In other words, I do not intend to speak to you about such issues as forced busing.

EDUCATION AND SOCIAL POLICY

For the busing controversy—together with the related issues of racial quotas for teachers and students—is only a symptom of a danger at once deeper and broader. That is the Federal government's tendency to use public education as an instrument for the correction of all our social ills. As members of school boards, you well know that America's schools have been called upon to be the cure-all for everything that may or may not be wrong with our society. What the economy does not produce, what the churches do not instill, what the political system does not deliver, the schools are expected to accomplish. The Herculean task expected of our school boards is to correct the defects which, at least for the last several millennia, have been found in every aspect of human life. Prejudice, inequity, delinquency, psychological disturbances, poor health, nutritional deficiencies, all these and more are brought to the classrooms of your schools. And it is somehow considered your responsibility to eliminate those evils from the community. In the process, some students may also learn those fundamentals of reading and writing which they will require in their long journey through life.

In short, our priorities in education are badly confused; but that is certainly not the fault of the school boards. Rather, it is the fault of those who seem to think that the public's schools must compensate for the public's shortcomings, that schools exist primarily to restructure society, rather than to awaken inquisitive young minds and touch tender imaginations.

That is why I find in some ways irrelevant the debate over whether racial gerrymandering in the schools, howsoever it be disguised, will someday foster a society better than the one in which we now live. If the matter were put to a vote, many in this audience would find themselves on opposite sides of that question.

But I propose a more fundamental inquiry: should the shaping of a future society—of whatever merits—be the primary purpose of our schools? If so, does that not imply that any electoral majority, having gained control over the administration of the public schools, should have a free hand to wield them as tools of its own politics? Should we really take so dangerous a notion for granted?

I think not, and I am sure that most school board members would concur in my dissent. It is trite but true that our country has no more precious assets than her school systems. It would be tragic if public support for them were eroded and public respect for them undermined by the politicization of educational policy. You who are here today must remain our best bulwarks against that disturbing possibility.

FEDERAL VERSUS LOCAL CONTROL OF SCHOOLING

If the politicization of education is bad, then its federal politicization is abominable. In New York, as in other states, many school boards are facing, inevitably, controversial decisions concerning the use in the public schools of learning materials developed by private educators supported by federal grants. I am referring to the package known as "Man: A Course of Study," now commonly referred to as "M.A.C.O.S." It has been many years since any single curriculum change stirred up so much antagonism between professional educators and the public. I know that some of you are already dealing with this issue in your own communities, and I need not tell you how emotionally explosive it can become. The reason for the emotionalism on both sides of the issue, I believe, is that M.A.C.O.S. has become a symbol, the focal point of a wider debate. And the question to be decided is: Who will control American education?

I do not intend to evaluate the M.A.C.O.S. materials. That is the responsibility of local officials—in other words, you. That is why I have answered the mail I receive on this subject by urging my correspondents to take their case, whatever it may be, to their local school board. Tempting as the issue is as a political football, I do not think federal officials, myself included, should involve themselves affirmatively or negatively in the selection of classroom materials for America's schools.

And yet, M.A.C.O.S. is itself a startling reminder of interference by the Federal government in the curricula of our schools. Entirely apart from its content, it is its origins which most concern me. There is something ominous about the fact that certain textbooks have been subsidized by the Federal government to the sum of seven million dollars. What will that level of federal intervention do to the marketplace demand for educational materials? Why, the very same things that federal intervention does in any other market. It takes fundamental decisions, including quality control, out of the hands of consumers and puts them in the hands of distant bureaucrats. It gives an unfair advantage to those who develop and who sell federally subsidized materials. And worst of all, it lends the prestige and authority of the Federal government to them. To my mind, that is one more small step toward the engineered evolution of a centralized, unitary, national school system.

FINANCING EDUCATION

There is no denying that federal funding has been helpful to many school districts. But no gift has ever come from Washington without strings. Your annual budgets no longer depend solely upon decisions made by you and your constituents.

The number of teachers you can employ, the facilities you can maintain, even the hours you can keep the schools open increasingly depend upon funding decisions made by the Congress and by Federal agencies.

Many of you have experienced the frustration of having a federal grant in hand which can be spent for one specific purpose: for buying cameras when your school needs blackboards, or for expanding athletic facilities when your pupils need new desks. Those absurdities are the inevitable effect of centralized direction. Indeed, so fixed are we upon federal support for local schools that many boards must employ what are colloquially known as grantsmen, those professional writers of grant packages whose career it is to secure for their employers the largest slice of the federal pie they can obtain.

By the way, I hope our grantsmen in New York are doing a good job. Whatever we might think of the bakery, we have paid for a larger slice of the pie than we are apt to be served. I will be frank to say that I am highly skeptical of the growing federal role in American education; and while I oppose federal direction of many of the programs now being administered from Washington, I will continue to work to secure for New York as large a share of existing federal grants as possible until that happy day when the federal role in education is slimmed back and a larger degree of state and local direction restored.

The point I want to make is that we have come a long way from the time when the money a school board spent depended directly upon popular approval of its work. To my mind, our movement away from that localism has been unfortunate. I suspect that many of the voters who reject your appeals for increased support do so on the assumption that, somewhere in Washington, there is cash to make up for what they will not give you. And of course, in Washington there is that cash, but it all comes out of the same pockets back home in your district. But I suspect the larger reason is that the voter is no longer satisfied that he is receiving his money's worth in terms of educational results. I suspect that the American parent—this one not excluded—is no longer satisfied that there is a necessary correlation between dollars spent and knowledge and learning skills absorbed.

But one thing is certain: however the public votes on school budgets, and whether or not a vote against local funding is motivated by the assumption that Washington will meet the gap, the facts are that whatever the immediate source of the funds, the New York taxpayer ultimately pays the full cost.

For New Yorkers, it is accurate to say that there is no such thing as federal funding of education. There is only taxpayer funding. Sometimes the tax dollars can go directly from the community to the community's schools. At other times, and all too frequently these days, the dollars will go from New York to Washington and return to New York's schools shrunken both by inflation and by federal administrative costs, and laden with federal directives as to how those dollars are to be spent. That is why I sometimes wish that above every polling place in the country were inscribed the words: "There is no such thing as a free lunch."

We must face the fact that, for the foreseeable future, our schools will have to function on tight budgets. When your President, John Woods, visited my office last month, he mentioned to me that the school boards of our state had already this year suffered more bond defeats at the hands of the voters than in any previous year.

His astute editorial in the last issue of your Association's Journal comments upon possible reasons for that negative record of late, and I would like to add my own thoughts on the same point.

As Mr. Woods observed, it can no longer be said that voters who reject school bonds are either careless of education or unconcerned about children. Least of all is that true in New York, where the public's generous commitment to education has set a proud record. I agree with Mr. Woods' assessment that school board budgets are testing the limits of the public's willingness to spend more money on education.

But I would like to carry that observation one step farther. Is the public's fiscal concern necessarily bad? Heartbreaking as it can be for you to see your projects defeated by a budget-conscious electorate, the voters' refusal to give more money to the schools may not be altogether evil. That statement must sound at least unorthodox and perhaps blasphemous. But it may force us all to pay attention to certain terribly worrisome facts about the quality of education in America.

CONSUMERISM IN EDUCATION

Over the last twenty years, the per capita amount Americans have spent in educating a child in the public schools has grown fantastically, even in terms of constant, rather than inflated, dollars. In part, this was a healthy trend; for many children had had deficient schooling, and the increase in funding did make a dramatic difference to millions of students. But in part, the trend to spend ever more money on education was thoughtless, instinctive—if you will, reactionary. Reacting especially to the shock of Sputnik in 1957, Americans raced to surpass the Soviet Union in everything, especially schooling, although it was doubtful that we were ever really behind. Every school needed a language lab because a few elite Soviet academies had them. Costly laboratory facilities were acquired so that our country would not lack for space scientists and engineers, of whom, within a decade, there was a surplus, many of them jobless. In short, we spent as recklessly on education as we did on some weapons system and some space projects. We thought that the liberal use of money could substitute for student discipline, for long hours of study, and for daily parental supervision of their children's progress.

In our zeal for learning centers and ample libraries, some of us forgot industry, perseverance, respect for learning, and reverence for thought. Above all, we seem to have neglected the fundamentals—an insistence on the mastery of the basic tools of learning, the three "R's" and disciplined habits of thought that were once understood to be essential to the educational process. So now, a generation after Sputnik, America's youth, by and large, attends schools that are superbly equipped, well staffed, and freely financed. But when they prepare to leave the public schools at age 18, when they take their college boards, the results are sorely disappointing. Test scores are falling throughout the country, and there can be no doubt that they reflect a real decline in fundamental learning among this country's student population.

I recognize that certain other factors are related to that phenomenon, as, for example, the larger percentage of high school students who take college boards. But that is insignificant compared to the steady, and ever more ominous, drops in measurable student achievement.

Heretical as it sounds, I submit that today's young Americans may not necessarily be the best educated generation in human history. That judgment might be affirmed by the many college instructors who now complain that their students cannot diagram a sentence or analyze a passage from Shakespeare. I wonder if there is not a correlation between how freely we have funded education and how little we have obtained for the public's taxes. A two year study of that correlation by New York's own Hudson Institute suggests a definite—and negative—relationship between money put into the schools and learning carried from them. I recommend it for your reading.

And so, returning to my original point, I wonder if the voters who keep turning down school bond issues may not be a step ahead of public officials—you and me alike. Perhaps they are already aware that they have not secured a fair return for their taxes invested in education. Indeed, the public which has been rejecting your budgets is the same public which is beginning to demand greater accountability from all institutions, both governmental and private. I welcome this rising tide of consumerism. America needs it. Businesses need consumerism to keep in shape; government needs it to keep budgets lean and bureaucrats responsive. Our schools need it too. Only consumerism in education can make sure the public gets the most for its money. When the manufacturers in Detroit recall large numbers of cars because of shoddy workmanship, we are rightly scandalized. When large numbers of high school graduates cannot read and interpret the Constitution, should we not all be equally outraged?

FUNDAMENTALS OF LEARNING

It is time to reassess the assumptions we made too carelessly back in 1957. Does more money for schools mean better education for the children in them? Can audiovisual labs substitute for the discipline of prolonged study and heavy reading assignments? Can the contemporary maxims of psychology and sociology substitute, as they have in many schools, for the facts of history, the mechanics of our political system, and the study of the philosophic and moral concepts on which that system has been structured? Before students learn sensitivity, should they not first acquire those fundamental linguistic and mathematical skills without which they will be forever limited in their educational and human capacities?

Perhaps my own value judgments are showing. So be it. As a conservative, I believe in value judgments. And I believe, too, that unless public education is based upon them, it will neglect the most important part of its mission. I believe that schooling must be based on the value judgment that some cultural habits—honesty, industry, patriotism, respect for both persons and property—are better than others. Most of all, our schools must not lead young Americans to think it will be their privilege to make the world over in their own image—especially when our educational system seems to be failing so dismally in giving them any true understanding of their own cultural roots and history, any basis for a perspective with which to judge the present and evaluate the future. In the first place, remaking the world defies the energies of any one generation, even one raised on burgers from MacDonalds and milk from New York's farms. In the second place, a relativism of values in the schools does not inculcate students with idealism but with uncertainty. It breeds a rootless generation, without ties of personal identification to the post and, so, without any bridges to that future which they themselves must make. If that be a severe judgment, let it be measured against the contemporary realities of young America.

I hope I do not appear to be a doomsayer. As the network newsmen say, bad news is news, good news is uninteresting. If I thought you wanted accolades, I would have spent my limited time with you reciting your well-deserved praises. In fact, largely because of the unsung dedication of school board members, I am optimistic that, despite current and future disagreements among educators, public officials, and parents, we can reach a common, unifying version of what American education should be.

THE ROLE OF PARENTS

Let me suggest that, in discussing where our schools go from here, we be guided by two interrelated principles. The first is parental control of education. No system of education, no matter how excellent academically, can compromise the right of parents to guide their children's learning. We dare not say that the state knows best. Experience, both in this country and elsewhere in the world, has taught us that that is not true. We must, therefore, maintain the primacy of the family in schooling, even though that goal seems distant indeed in a society which ever more diminishes the significance and stability of the family unit.

It is, of course, easy to declare that parental control of education must be preserved; but it is quite another matter to implement that noble sentiment. To their credit, many school boards in New York have experimented with plans to broaden community involvement in the schools. Needless to say, not all of them have lived up to initial expectations; but that failure brings us to what, in my opinion, must be the second fundamental principle of American education. Just as the rearing of children is the right of parents, so too it must ultimately remain their responsibility. The freedom to make decisions affecting a child's learning carries with it the obligation to support those decisions with resources, with interest, and with personal involvement. Many school boards—and many of you, I suppose—have tried to share vital decisions with their community, only to find that some parents have abdicated their role in the supervision of their children's schooling. This seems to be another unhappy manifestation of a general phenomenon of our mass society: the irony that, just when there seems to be more complaints than ever about the institutions of government—including school boards—there appears to be remarkably little willingness on the part of average Americans to mobilize themselves for corrective action. Perhaps it is the complexity of public affairs—including matters of education—which dissuades citizens from involvement in them. Perhaps the alienation from official institutions which increasingly pervades our country has led Americans to abandon attempts to exert their will in government even before they really make the effort. Whatever the reasons, the effects are clear: school board members often find their work draws much criticism from the public, but precious little assistance. That circumstance must be reversed if we are ever to achieve the creative partnership between parents and teachers which underlies our democratic conception of schooling.

DEMOCRACY AND EXCELLENCE IN EDUCATION

But what is democratic schooling? Certainly it must provide equal educational opportunity for all who attend the public schools. But should it be—indeed, can it—secure equal educational results from all students? That is not a far-fetched question. Some educators, having seen how little the schools have been able to do to eliminate inequalities in American society, have concluded that all academic distinctions, whether test scores or grade divisions or class promotions, must be removed so that, by not rewarding excellence, we will not punish the lack of excellence.

Indeed, America's school boards face an assault on the very concept of competitive learning, of striving to do better, see farther, think faster, and accomplish more than one's peers. If that spirit disappears from our public schools, it is only a matter of time before it wastes away in all aspects of American life.

I believe that our society can be both democratic and imbued with an appreciation for excellence, that the American people can meet their obligations to the less fortunate without lowering standards of performance and achievement. Indeed, to do so is an affront to all studies, but most of all to those who are struggling to overcome the handicaps and deficiencies, whether physical or social, in their lives. It is no favor to an athlete to set lower standards for his performance in the expectation that he cannot run as fast or jump as high as his competitors. So too, it is no favor to a slow learner or to a disadvantaged child to imply that his potential for the future will be forever limited by the happenstance of his past.

In other words, our schools must treat children as individuals, rather than as abstractions of race or gender or past performance. And that, I know, is just how school board members would like to treat them, if you were free to do so. Most of you probably know of my own concern about the tendency of federal regulations to require educators to treat youngsters as something other than individuals. Well might your hearts quail when one of H.E.W.'s census takers comes around to count your pupils. In the same room where a dedicated teacher sees only 25 children, a federal bureaucrat sees 10 boys, 15 girls, 20 whites, 4 blacks, 1 oriental, 3 slow learners, and 1 physical handicap. Pardon my exaggeration, but I am sure you know exactly what I mean.

More than any other audience I could address, you know that learning is too fragile a thing to flourish in a depersonalized atmosphere or under intimidation by government.

You must know, too, that my remarks today have deliberately touched lightly upon sore spots in education, while emphasizing the broad bases of agreement which can unite educators, administrators, and parents in our sometimes rancorous search for the best possible education for America's children. In that search, the members of local school boards are our occasionally beleaguered vanguard. And for that service—if I may presume to speak in the name of the people of New York—I offer you both my own appreciation and their thanks.

SENATOR KENNEDY PROPOSES REFORMS IN THE FDA IN NEW ORLEANS ADDRESS

Mr. LONG. Mr. President, last Sunday evening, the distinguished senior Senator from Massachusetts (Mr. KENNEDY) visited New Orleans to address a symposium on human research and therapeutics. The symposium, which was sponsored jointly by the Tulane University School of Medicine, the American Society for Clinicial Pharmacology and Therapeutics, the Federal Food and Drug Administration, and the pharmaceutical industry, was an important occasion in promoting greater understanding of the modern drug research and development in the United States.

In his address to the symposium, Senator KENNEDY provided a thoughtful analysis, based on the continuing hearings by the Senate Health Subcommittee which he chairs, of the vital role of the Federal Food and Drug Administration in this area, together with a series of recommendations for reform in the agency.

I believe that Senator KENNEDY's remarks will be of interest to all of us concerned with these issues and with the quality of health care in America, and I ask unanimous consent that the text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY

It is an honor for me to be here in New Orleans this evening and to have the opportunity to address this distinguished symposium on human research and therapeutics.

Once again, Dr. McMahon has succeeded in bringing together many of the nation's most distinguished scientists to discuss the state of drug research, development and usage in the United States.

I am also pleased that this conference is sponsored jointly by the Tulane University School of Medicine, the American Society for Clinical Pharmacology and Therapeutics, the Federal Food and Drug Administration, and so many members of the pharmaceutical industry.

Tulane University School of Medicine is one of the oldest and most distinguished centers of medical education in the nation. It was founded in 1834 by dedicated physicians striving to conquer diseases endemic to this area, and it has served the people of Louisiana and the nation well.

I also praise the American Society for Clinical Pharmacology and Therapeutics. You have worked to achieve increased awareness among physicians of the importance of clinical pharmacology and you have succeeded in making your discipline a major new and respected area of academic inquiry.

The cooperation of so many here in sponsoring this symposium is a symbol of the new and broader spirit of cooperation so essential for the future quality of health care in America.

The solutions to the problems we are confronting demand much more effective cooperation than we have had before between government and the private sector, and I look forward to working with you as we try to reach the goals we share.

To a person in public life, nothing is more distressing today than the massive cynicism, hostility and outright distrust that is undermining the people's basic faith and confidence in government and its institutions.

The people are not to blame. The problem is that government has failed too badly and too often, and the country is disillusioned.

But no one wins if fair debate and constructive criticism are replaced by constant harsh antagonism, whether between Congress and the Administration or between government and business.

What the country needs most of all today, as we move into our bicentennial year of 1976, is a robust national debate, capable of generating the greater foresight and wiser judgment we must have if we are to develop adequate policies for the future on the extremely difficult challenges we face.

Too often in recent years, we have allowed debates on major issues to be polarized beyond the point of no return. We cannot afford to let Gresham's Law operate in public life. We cannot afford to let bad debate drive out the good.

Medicare was delayed for a decade while the country argued about socialized medicine and ignored the health of its senior citizens. Responsible programs for crime control have been similarly delayed by the senseless debate over who is tough on crime and who is soft on crime. Today, it is a national disgrace that a great American city is slipping into default because of prejudices that should never have been unleashed.

The challenge of our bicentennial year is to put these divisive and pointless passions behind us, so that we can make a fresh start toward more effective government in America. And when I say effective government, I do not mean bigger government, or broader government, or wider government, or government for the sake of government.

But I also do not mean government in the image of William McKinley or Herbert Hoover, or even the government of Franklin Roosevelt's New Deal. I do not believe that solutions appropriate for those simpler eras of American life are appropriate for the more complex problems facing us today.

A primary source of America's success over the past two hundred years is that in each era of our history, government was able to play a role in tune with the nation's needs. We had the leadership that could lead the nation through the crises of the past.

The challenge today, as we struggle to overcome the frustrations and despair that plague the nation now, is to develop the sort of leadership and contemporary role of government that will be as responsive to our modern life as it was in other years.

As in other critical periods, we are operating off the charts. To avoid the rocks and shoals, we have to steer with caution. But we also have to steer without preconceptions. The basic test is whether we are capable of operating in this way.

Recently, as you know, the Subcommittee on Administrative Practice and Procedure in the Senate conducted an extensive investigation of the Civil Aeronautics Board. In much of this work, to the surprise of the Wall Street Journal and conservatives in

Congress and the Ford Administration, I have favored less government regulations and greater freedom for private industry. For many years, the CAB's regulations on air travel have been interfering with legitimate competition for no useful purpose whatever. Air fares would be lower and the traveling public would be better served without any CAB at all. As a result of our investigations, Congress is already beginning to consider legislation to implement such recommendations.

We are also putting other Federal agencies under the same microscope of oversight by Congress. And I suspect that in many cases, our diagnosis will turn out to be the same—that the actions of well intentioned but misguided regulatory agencies are suffocating private industry and stifling competition in America.

I assure you that I hold no brief for government regulation. Let the chips fall where they may. If government regulation does not serve the country well, then the regulation has to end.

But there are other areas, especially those involving the public health and safety, where effective, and indeed extensive, regulation is not only appropriate but essential.

It is in this context that I would like to share with you this evening some of the basic conclusions I have reached in light of the lengthy study and hearings our Health Subcommittee has conducted in the Senate on the Federal Food and Drug Administration.

Although much of what I have to say this evening will be critical, there is also much that can and should be said in praise of the drug industry and medical research in America.

We can take great pride in our unparallelled record of discovery and achievement. Since 1950, the Nobel Committee in Stockholm has awarded Nobel Prizes to 59 persons in the area of physiology and medicine, and 36 of them have been awarded to Americans. L-Dopa, ACTH and cortisone and isoniazid; streptomycin and terramycin and all the other incredible antibiotics we know; Shick and Enders; the Salk and Sabin vaccines; therapy for cancer and hypertension—these are but a few of the names and great discoveries that have made a legend of American drug research and have brought progress against disease and well deserved honors and rewards to the nation's drug industry.

And every day, on a personal note, I see first hand the benefits that can be achieved, in the fantastic treatments and therapy which my son has received and which have brought so much hope to him and to all the members of my family.

But there is also a darker side. There are fundamental defects in our nation's current regulatory procedures for prescription drugs, and these defects can no longer be ignored.

One of the most serious problems is the lack of any follow-up, once the drugs have reached the market. At the present time, the entire process of regulation takes place during the period before a new drug is approved. Safety and effectiveness must be demonstrated in advance.

But once a drug is cleared for marketing, it is "caveat emptor." No holds are barred. The consumer goes unprotected.

The absurdity of the system is staggering. We clear a drug for a particular use. We are meticulous about requiring proof of effectiveness for that use. We spend millions of dollars and years of time in developing that proof.

But once a drug is finally approved, it is turned loose, free from all controls and follow up. Physicians are free to use it in any way they want—for any purpose, in any dosage, and for any condition. And all these problems are compounded when drugs are approved for chronic diseases involving years of daily use.

The victim of the system is the patient. Redress can be sought, but only after harm is done. And often, the harm can never be undone.

The FDA has always maintained that physician-prescribing habits, however deficient, do not come within Federal jurisdiction. The AMA insists upon the unalienable right of every doctor to substitute his own judgment for that of the FDA. The patient is on his own because everyone else has washed his hands of responsibility.

The total lack of post-marketing regulation takes its toll in other ways. We do not really know how drugs are used in this country. We have no adequate data on any facet of this problem. By the FDA's own admission, the adverse-drug reaction reporting system of the agency is ineffective.

The lack of follow-up also makes it difficult to discover new uses for existing drugs. Such uses are now uncovered on a purely anecdotal basis. Some of these new uses could be detected sooner, tested, and officially approved if better data were available.

In other cases, premature findings and hidden dangers could be avoided. A doctor may find a promising new use for a drug after treating 100 patients. But adverse consequences may not become apparent until 500 patients have been treated. Yet the original report of the physician creates a false impression of safety. It could lead to widespread use of the drug for the new purpose, with serious consequences for many patients because the harmful true effects are not fully known.

The most serious defects, however, are found in the way the Food and Drug Administration carries out its many existing missions.

The FDA, as currently constituted and supported, is over-extended and unable to do its work responsibly. These problems are serious. They stem from the agency's inadequate budget, its incredible range of unrelated responsibilities, and its insufficient scientific expertise.

These defects in FDA have led in turn to crippling administrative problems. They have forced the agency into an endless series of bitter public debates. It is clear from this debate that the American people are not getting the protection they deserve, and the situation is getting worse.

The current tasks of FDA are overwhelming. It must guarantee the safety and effectiveness of the nation's drugs. It must police a hundred billion dollar group of private industries. It must see that drug production lines meet proper sterilization standards. It must guarantee that the nation's food supply is safe and uncontaminated. It must prevent cancer-causing substances from reaching the dinner table. It must protect the public against dangerous and defective heart valves, pacemakers, respirators and other medical devices.

It must police the cosmetics industry, and carry out a virtually endless list of other major responsibilities.

And in each of these activities, FDA is asked to do its job on a shoestring, with a budget that starves the agency and gives it totally inadequate manpower and resources. When I talk about the problems of FDA, Congress is not immune from blame. The Senate, the House of Representatives, and the Administration are a major part of the problems of FDA. We have been much too quick in imposing new responsibilities, and much too slow in providing the resources to do the job.

In the face of its limited budget and resources, the mushrooming mandates of FDA are sapping the agency and straining the stamina of its leadership. In a typical week, for example, the Commissioner and his staff may be found on Capitol Hill—testifying about chicken soup safety on Monday, IUDs on Tuesday, antibiotics on Wednesday, Cover-Girl Makeup on Thursday, and Department of Defense experiments on Friday.

The strain shows in other ways as well. As Commissioner Schmidt has put it, recommendations for action fall into "mysterious bottomless pits" inside the agency. Discrepancies in applications for new drugs may go unnoticed for lengthy periods of time. Once the discrepancies are found, the investigation can take years. Sometimes the drug is already on the market by the time the discrepancies are discovered.

These strains upon the agency affect the morale of FDA employees. Recently, our Health Subcommittee heard 30 career professionals question the decision-making practices of their agency. Their views are currently being studied by an independent committee of experts chaired by the Dean of the Mt. Sinai School of Medicine, Dr. Thomas Chalmers. The report is due next spring, and I believe it will be a landmark in our efforts to improve the agency.

But the problems with FDA go beyond its broad mandate, its limited appropriations and its administrative difficulties. As part of its duty to protect the American people, FDA is constantly required to make difficult scientific decisions. The health of the American people, and often their very lives, depend upon the quality of these judgments.

It is a fact of life that only top notch scientists can correctly judge the scientific work of other scientists. By and large, although there are many able scientists in FDA, it has failed to attract and keep the top level scientific talent that it needs.

There are a variety of reasons for this problem, which I regard as one of the major shortcomings of the agency. There are no opportunities for FDA employees to do their own research. In addition, civil service salary limits make government service unattractive for many scientists.

The consequences are serious. Too often, FDA yields to the temptation to use caution and delay as substitutes for expertise and scientific judgment. Again, the public pays the price. Badly needed drugs are delayed from joining the fight against disease—not because they are dangerous; not because they are unsafe; but because of the FDA's own well-deserved inferiority complex about its scientific judgment.

In recent years, the agency has tried to widen its scientific base by expanding the advisory committee system. But that approach is not the answer, because advisory committees are not a satisfactory substitute for strengthening the agency's own scientific competence.

Advisory committees permit the use of a scientist's name, but not always his full range of expertise. Meetings are held infrequently, and their duration is too short. They rely to much on summaries. Seldom, if ever, do all participants review the raw data on drugs they must approve.

As a result, advisory committee decisions are too often rubber stamps for agency staff recommendations, rather than independent reviews. The result can be disaster in the future, because we are papering over the fact that potentially dangerous drugs are being marketed with inadequate FDA review.

These then are the four basic reasons why FDA doesn't work. It doesn't work because its budget is too small. It doesn't work because it is spread too thin over too many responsibilities. It doesn't work because it is crippled by administrative problems. And it doesn't work because it lacks the internal expertise to make the scientific judgments the law requires.

I have gone into these problems in detail here, because they demonstrate the need for a major overhaul of FDA if we are serious about helping the agency do its job. Congress and the industry and even the agency itself are beginning to reach a deeper understanding of the problem and the need for major change. We do not have all the answers yet, but we are moving in the right direction.

I shall do my best in the coming months to see that Congress plays an effective role. Next week I shall introduce legislation calling for comprehensive reform of FDA.

In general, the proposals are designed to end the deficiencies I have described, and to end them in a way that does not cause additional delays in the appearance of new drugs on the market. In fact, in many cases, the current clearance time will actually be shortened.

First, the legislation will replace the current agency with two new separate and independent units—Drug and Devices Administration and a Food and Cosmetics Administration.

These two new agencies combined may well be smaller than the existing FDA, because they will have much more manageable responsibilities and much more reasonable mandates. They will certainly be more efficient, because they will not have to deal with the unwieldy range of unrelated subjects within the FDA today.

Congress is already dealing with legislation that Senator Eagleton and I proposed in the areas of food and cosmetics. My major purpose here is to describe to you the outline of the reforms I am considering in the area of prescription drugs and medical devices.

Second, the new Drug and Devices Administration will have two distinct components—a scientific division and an enforcement division.

A significant proportion of the positions in the scientific division will be reserved for career scientists in the agency. Additional positions will be reserved for scientists who are not career employees. My hope is that distinguished experts can be recruited from university campuses, to spend 2–3 year sabbaticals at the agency in positions of real responsibility, with the opportunity to do laboratory work of their own. Correpondingly, permanent agency scientific personnel will have the opportunity to spend sabbaticals in universities and other research environments.

Third, The Drug and Devices Administration will have significant new authority. The major change I am proposing here is a new "fourth" phase of the regulatory process. Phases 1–3 will continue essentially as they are today. But the new Phase 4 will allow broad but carefully controlled distribution of a drug before final approval is granted.

The extent of this distribution will depend on the nature of the drug. A national distribution network will be established on a voluntary basis among all pharmacists and physicians willing to participate. From time to time, perhaps once every two or three years for any individual participant, the participant will be asked to report on his experience with a drug.

In other words, a random, statistical sample of doctors using such drugs will be carried out. The burden will be minimal on the individual physician, but the data collected will be extensive and typical of national prescription patterns.

The new agency will also have the option of limiting Phase 4 distribution to a portion of those participating in the network. For example, one Phase 4 drug trial might be limited to cardiologists, another to hospital-based physicians, and a third to a particular region of the country.

The agency will have three different possible paths to take. It can let a drug follow the current three-phase review with no additional requirements. It can add a Phase 4 trial after the completion of the first three phases. Or, it can use the Phase 4 procedure as a substitute for Phase 3. This latter course could be taken only when safety considerations are satisfied and only when, in the judgment of the commissioner, data on the effectiveness of the drug can be better achieved by using this new system of testing and distribution.

Fourth, a National Drug Review Board composed of outstanding scientists in the field will be created. The Board will have two full time chairmen and a full time staff. It will have limited membership from FDA and industry, and its outside members will be exempt from civil service salary limits.

The Commissioner and the Board will be responsible for developing the Phase 4 system and analyzing the data, and the Board will have powers of review over the Commissioner's decisions. The Board will also make a periodic state of the nation report to Congress on drug usage in America.

These are only the highlights of the legislation, which will necessarily be complex. In spite of this complexity, however, the proposals have great potential. They will bring new drugs to the American people more quickly and safely. They will improve the way drugs are used. They will help prevent misuse and abuse of many drugs.

Because of the profound changes involved in the proposals, I do not plan to hold hearings on this legislation until next spring. Between now and then, I shall request the Chalmers Committee, the Health Research Group, the American Pharmaceutical Association, the American Society for Clinical Pharmacology and Therapeutics, the American Medical Association, the Pharmaceutical Manufacturers Association, the National Academy of Sciences and other groups and individuals to review the proposals. I shall ask them to report their conclusions and recommendations to the Health Subcommittee by March 30 next year.

Overall, I am confident we can correct the serious flaws of the present regulatory system, without stifling the valuable creativity and initiative of the private sector. There are some who believe that the Federal Government should take over the entire responsibility for all drug research and development. I do not accept that view. But I do believe that basic changes must be made. My hope is that we can work together, by building upon the cooperative spirit of this symposium, and by generating broad public and scientific support for the changes that must come.

In closing, let me emphasize again that although much of my comments about the existing system have been critical, I also recognize its great inherent strength. Industry and scientists can be proud of America's role as druggists to the world. Our pre-eminent drug research and development have been models for every other nation and have brought vast benefits of better health to millions of our own citizens and peoples in other lands. Our pharmaceutical industry deserves great credit for these achievements.

FDA has played a recognized and well-respected role of its own in safeguarding these achievements. It is enough to say that FDA has prevented any American thalidomides, and it deserves our gratitude for that success.

We acknowledge all these strengths. But we cannot be blind to the serious cracks and weaknesses that are beginning to develop. The greatest tragedy would be to undermine the system further by an ill-conceived effort to do nothing or to preserve the status quo.

We need your help and advice in Congress. None of us can do the job alone. But together we can reach our goals of stronger and more effective drug research and development. Together we can provide our people with the safest, most beneficial, and most wisely used drugs in the world.

The challenge is much bigger even than prescription drugs. If we succeed in areas like FDA, our efforts can be a model for reform in other places, too. We can deal with other agencies where government is muscle-bound and ineffective, shackled to the needs and problems of the past.

In a sense, our task is like that of Michelangelo, who saw his masterpieces as prisoners released from enormous blocks of marble. We need the same sort of attitude and skills and vision now. We can free the captive agencies of government, so that they can do their jobs effectively.

America thrives on change and progress. The answer to the serious worsening crisis of confidence in this land is not to slash massive random chunks from the Federal budget. The answer is not to turn back the tide or ignore the enormous achievements we have made. The answer is not to break up the government or to lull ourselves into accepting simple solutions for complex problems.

Instead, the answer is to make America work. And the way to make America work is to roll up our sleeves and make government itself begin to work responsibly.

That is the real challenge of our bicentennial—the challenge to make America work the way it worked before. If we succeed, if we are faithful to our stewardship, we shall be able to say that we are handing down to our children and future generations the same great nation our fathers handed down to us.

DEDICATION OF THE EARLE E. MORRIS, JR. ALCOHOL AND DRUG ADDICTION CENTER IN COLUMBIA, S.C.

Mr. THURMOND. Mr. President, an impressive ceremony was held in Columbia, S.C., October 27, 1975, to dedicate the Earle E. Morris, Jr. Alcohol and Drug Addiction Center. It was my pleasure to be present at the program for the naming of this outstanding facility for one of South Carolina's eminent citizens.

Earle E. Morris, Jr., although only 47 years old, has served in the South Carolina House of Representatives for 4 years, in the State senate for 16 years, and as Lieutenant Governor for 4 years. Throughout his service in State government, he has had a special interest in mental health and has made great contributions in this field. I want to commend him for his distinguished leadership in the critical area of mental health, including alcohol and drug addiction.

It is entirely fitting that the fine new facility which now bears his name should honor one who has worked so hard and accomplished so much toward improving treatment and care in this field. The new excellent treatment center will provide the latest and finest in care for those who suffer from the abusive use of alcohol and drugs. This will truly be a stellar addition to the overall mental health program in my State which is administered so ably by Dr. William S. Hall, State commissioner of mental health. The professional leadership of Dr. Hall and his staff, combined with the public leadership of such able people as Earle Morris, are bound to further the whole area of mental health.

The completion and dedication of the Earle E. Morris, Jr. Alcohol and Drug Addiction Center was a great day in South Carolina. I congratulate the South Carolina Mental Health Commission for honoring this man and for fostering the policies which have led to such an outstanding program in our state.

The principal speaker at the dedication was the Senator from Maine (Mr.

HATHAWAY), who made an interesting and informative speech. As chairman of the Subcommittee on Alcoholism and Narcotics, he is well qualified to speak on the problems this country faces in treating those persons who are addicted to alcohol or other drugs.

Mr. President, I ask unanimous consent that the program of this dedication ceremony, including biographical information about Mr. Morris and names of the South Carolina Mental Health Commissioners, and Senator HATHAWAY'S speech be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EARLE E. MORRIS, JR.

This newest facility of the S. C. Department of Mental Health was named the Earle E. Morris, Jr. Alcohol and Drug Addiction Treatment Center by the S. C. Mental Health Commission to honor Mr. Morris' 24 years of service to the cause of mental health. Mr. Morris has been a key force behind the progress made by the Department, especially in the last decade—not only in providing South Carolinians with better facilities, staff and treatment programs but also in lessening the stigma associated with mental illness.

As Chairman of the Legislative-Governor's Committee on Mental Health and Mental Retardation for 12 Years, Mr. Morris coordinated the Committee's work with that of other agencies and committees. He laid the groundwork for the passage of several important pieces of mental health legislation including the act which created the Addictions Center in 1968. He directed the efforts to levy the special tax and funds for the Addictions Center construction.

In 1960 the Legislative-Governor's Committee on Mental Health and Mental Retardation backed by the S.C. Mental Health Commission requested separate bonding authority for major construction projects in the department.

Under Mr. Morris' leadership the committee also successfully sponsored two key pieces of community mental health legislation. The Community Mental Health Services Act of 1961 made available to all S.C. counties grants-in-aid and an administrative framework for the development of community mental health services.

The Community Mental Health Centers Act, passed in 1963, promoted the extension of community mental health services with the community and redirected treatment of the mentally ill away from large state hospitals.

Mr. Morris also headed the committee's efforts which in 1968 established the S.C. Department of Mental Retardation, the first separate mental retardation department in the nation.

A graduate of Clemson University, Mr. Morris was first elected to the S.C. House of Representatives in 1951. He served in the House until 1955 and in the S. C. Senate from 1955 to 1971, when he was elected lieutenant-governor.

DEDICATION PROGRAM

Presiding—C. M. Tucker, Jr., Chairman, S. C. Mental Health Commission.

Invocation—The Rev. Archie C. Reed, Chaplain, Morris Village.

Welcome—William S. Hall, M.D., State Commissioner, S. C. Department of Mental Health.

Remarks by Governor—Carroll A. Campbell, Jr., Governor's Executive Assistant for Public Affairs.

Recognition of Guests—G. Werber Bryan, S. C. Mental Health Commission.

Tribute: Earle E. Morris, Jr.—Mr. Tucker. Response—Mr. Morris.

Introduction of Speaker—Thomas G. Faison, M.D., Deputy Commissioner, Division of Alcohol and Drug Addiction.

Address—Senator W. D. Hathaway, U.S. Senate, Maine.

Benediction—The Rev. George E. Meetz, Chaplain, S. C. Senate.

SPEECH OF SENATOR WILLIAM D. HATHAWAY, CHAIRMAN, SUBCOMMITTEE ON ALCOHOLISM AND NARCOTICS

I am pleased and honored to be here today to help you dedicate this vitally important new center. This is my first public speech, outside my home State of Maine, as Chairman of the Subcommittee on Alcoholism and Narcotics. I am especially gratified to be giving it in South Carolina. Your long history of attention to the problems of the mentally ill, and to the alcoholic and drug addict in particular, have placed you for years in the forefront of this still-developing field. Your leadership is well indicated by the fact that the Education Commission of the States has chosen one of your former Governors, John West, as Chairman of its Task Force for Responsible Decisions about Alcohol.

I did have a chance to talk with Governor West when I addressed the last meeting of that Task Force, up in Boothbay Harbor, Maine. At that time, I told him, I've identified the historical source of your State's longstanding concern about alcoholism. Back in 1733, General James Oglethorpe, who founded the Colony of Georgia, became the first governor in the new world to ban the sale and consumption of alcohol. Two weeks later, my sources tell me, the citizens of South Carolina invented bootlegging.

I can assure you, however, that the rest of us don't hold that against you any more. Because just as you were "first" in that earlier era, more recently you became one of the first states, in the early sixties, to strongly emphasize the treatment of alcoholics and drug addicts as an integral part of your mental health program.

You became one of the first states to specifically target tax revenues from the sale of alcohol for the treatment of alcoholics.

You became one of the first states to recognize and implement new research which tells us that drugs and alcohol are often abused together, and that unified treatment programs can and must be prepared to address all the problems of all substance-dependent individuals.

And you are the only state which enjoys a combination of nearly half a century of service and commitment in two enormously dedicated men like William S. Hall and Earle E. Morris, Jr.

This comprehensive alcohol and addiction center is a genuine tribute to the vision and foresight of these two men. Its unique combination of extensive treatment and rehabilitation services recognizes the true worth of the individual who has been temporarily lost to society through dependency on drugs or alcohol. It recognizes the true value of restoring that individual to the status of self-sufficient, self-respecting, taxpaying citizen. And it recognizes that partial treatment, including treatment which excludes the family, is too often worse for the dependent individual than no treatment at all.

One of the chief virtues of the Earle E. Morris center is its combined treatment program for persons who abuse alcohol, persons who abuse drugs, and those who abuse both. Much of the treatment and rehabilitation of chemically dependent individuals can and must be consolidated, since so many of their problems are similar in origin and solution.

However, I would remind you that this virtue, like all other virtues, can be abused if ither truths are not also considered. I am reminded of the words of the Harvard anthropologist, Henry Murray, who said there are three propositions about men which are equally true:

"Each man is like no other man."

"Each man is like some other men." and

Just as more of us realize that it makes no sense to say that alcoholics and addicts cannot be treated together, it also makes no sense to say that *ALL* alcoholics and addicts will benefit by being treated together. From surveying the available research to date, the best conclusion I can make is that there are some alcoholic individuals whose problems are fundamentally different from those of drug addicts—and vice versa. But I also believe that this new center is so well designed and structured that you can and will take those differences into account.

I would like to turn now for a few minutes to a subject which concerns all of us greatly: This Administration's most recent recommendations for drug abuse policy in America. I refer, of course, to the White Paper on Drug Abuse prepared by the White House Domestic Council under the leadership of Vice President Rockefeller—a report which was released to the public just a few days ago.

While there are some high points in this 120 page study, on the whole it is a document that is deeply disturbing to me and to many others who have studied its contents. I tend to think of it as a "Good News"-"Bad News" report.

First, a bit of history may serve to place this White Paper in its proper perspective. Late last Spring, Congress was considering whether to extend the Special Action Office for Drug Abuse Policy, a four year old office with broad powers to formulate and coordinate Federal policy, make grants, and conduct research and evaluation of drug abuse efforts at every level. The legislation creating the office was to expire on June 30, and the Administration expressed adamant opposition to its continued existence.

The Senate passed a bill in June which would have temporarily extended the coordinating and policy-making powers of the Special Action Office, while transferring much of its research and grantmaking authority to the National Institute on Drug Abuse. The purpose of the temporary extension was to enable us to take a closer look at the requirements in this area before the office was dismantled.

However, the House was not yet ready to pass similar legislation, and the Administration allowed the office to expire without regard to the proposed Congressional mandate that it be continued. The House subsequently passed its own bill creating an office similar to the Special Action Office, and we will soon go to conference on our bills to iron out the differences.

Meanwhile, in April, President Ford asked his Domestic Council, under the leadership of Vice President Rockefeller, to develop a quick stuay of what he called "the nature and extent of drug abuse in America today." Such a study, properly done, is indeed necessary to place these issues in their proper current perspective. But the feeling in Congress in April was that the primary purpose of doing this particular study, in record-breaking time, by a hastily contrived task force, was to create an easier political rationale for doing away with a crucial policy coordinating body like the Special Action Office—without replacing it with any adequate substitute.

The "findings" of this task force, then, are heavy on rhetoric and light on sound policy recommendations. Unfortunately they seem to bear out our early Congressional fears. And while there is "good news" in the White Paper, the "bad news" seems too often to eclipse and outweigh the good.

In the largest sense, the good news in the report is found in its candid recognition of the overwhelming—and continually increasing—scope of the drug abuse problem in our country today.

Only two years ago, President Richard Nixon and others in the bureaucracy were telling us we had "finally turned the corner" on drug abuse in America. But the White Paper repudiates those statements. We had "turned the corner" all right, the task force informs us. But we turned right into a one-way tunnel, and there doesn't seem to be much light at the end.

"Conditions are worsening, and the gains of prior years are being eroded," says the task force in its preface. And throughout the report, the word is that the signs for the future, as noted in the section concerning heroin, "are ominous."

So much for the good news . . .

The bad news, also in the largest sense, is that virtually all of the recommendations for attacking this tragic problem are in some way hedged or conditioned with bureaucratese or qualified by this administration's characteristic broad-sword cost-cutting mentality. One is left with the distinct impression that the way to successfully end drug abuse is to talk it to death with rhetorical gobbledegook.

There is clearly not time left today for a full analysis of the deficiencies of this White Paper, but a few brief "good news—bad news" examples should show you what I mean.

There is good news, for example, in the findings that we need to increase our efforts on every front, with treatment, rehabilitation, prevention and research, in addition to enforcement.

The bad news is that the task force seems to expect us to do it all with mirrors. Because for all the importance assigned to upgrading functions like rehabilitation and prevention, and increasing the efforts and sharpening the focus on treatment, there is nowhere the admission that some additional federal dollars are going to have to be committed to the task. The problem is called a "management" problem, and greater efficiency, rather than additional resources, is said to be the answer.

In treatment, the conclusion is that we need more for persons who abuse the three most harmful drugs: heroin, amphetamines and barbituates. But for the most part those slots are to be "found", not created, by throwing out of treatment individuals the Task Force says abuse only the "softer" drugs.

Even if you accept this simplified solution, the more comprehensive nature of the new treatment proposed—it is almost entirely residential or inpatient—costs more than twice as much per slot as the treatment that would be eliminated. But no money is proposed. This approach seems to imply that outpatient care would just vanish for all patients. And no mention is made of more complicated problems, like those of the polydrug abuser or combined alcoholic/drug abuser. Not enough is known about polydrug abusers, the task force says. And anyone with an alcohol problem should go to an alcohol center, or maybe a community mental health center.

Or take prevention and rehabilitation. We need them, we really do, says the task force. They say this several times. Then they tell us there's plenty of room in already existing programs to add these functions, so the federal government need only provide technical advice, evaluation services, and "seed money"—that's their term—for the development of these comprehensive efforts.

At one point they make a statement so baldly il-considered that I could never adequately paraphrase it, so I'll just quote it in full:

"The Federal government should take the lead in mobilizing the enormous potential resources available in State and local law enforcement agencies, and in State, local and private prevention, treatment and rehabilitation services."

I don't know what enormous potential resources you might have available to you in South Carolina—but Maine is so poor it's been trying to borrow money from New York City.

Other inadequacies pervade the Domestic Council report.

For example, it's good news—even great news—that the White Paper finds that "In the long term it is critical that drug abuse treatment services be incorporated into the general health services system," and that "we must continue to pursue the goal of including drug abuse services in national health insurance and other programs designed to meet the overall health needs of Americans."

But the kicker is the modifier "long term". Because the White Paper also states, with no supportive evidence, that "it is impractical to do so at this time."

Maybe the Task Force should have paid a visit to South Carolina.

Because it is clear that no current health delivery issues were considered by the authors of this report. Not considered by them was the question currently before Congress of whether to include drug abuse treatment under new health planning legislation about to go into effect. Not considered was the question of whether to remove drug and alcohol services from the "package" of services provided by the new Health Maintenance Organizations, as some have recommended.

Not considered, quite simply, was the whole question of what to do about health service questions—and many other drug abuse questions—today and tomorrow, rather than "for fiscal year 1977" or in the "long run".

In the end, the underlying problem surrounding the recommendations of this Task Force is not what's in it. It's not even what's *not* in it. It really boils down to who wrote it.

And who wrote it is clear: cabinet officers and line agency administrators and close presidential advisors conceived this report, wrote this report, and recommended that they—to the exclusion of all others—be given the right to carry out its findings.

Who didn't write it is equally clear: the people out here in the field, who live daily with all the manifestations of drug abuse—the administrators, the counselors, the clients, the researchers.

Just look at the White Paper recommendations for "strong coordinative mechanisms." This Task Force wants to set up more task forces, cabinet committees and subcommittees, in-house "strategy councils," and special little offices within the Office of Management and Budget. In short, they want to set up more new committees and offices and agencies to do the coordinating than there are institutions that need coordination.

And who will be on these committees? All you need is one guess: It's going to be the same people who brought you this report: The same Secretaries of HEW and DOD and Administrators of DEA and LEAA and the VA and the NIDA, in a typical Washington bureaucratic alphabet soup of an arrangement, where each top bureaucrat is represented at the actual meetings by the second assistant to his deputy under administrator in charge of headache remedies—and where hard policies ultimately get made by low level functionaries in OMB, with red pencils and pocket calculators.

Fortunately, Congress is part of this government too. And while Congress may not always be right, we are always in touch with the people.

As far as alcohol and drug abuse policy is concerned, Congress is going to make sure that those who run the programs have a hand—if possible, a major hand—in how that policy is made.

Because if the creativity you have shown me here today, in unveiling this remarkable new center, is any indication, it is you people—not the Domestic Council—who know what's really going on in this country.

ESTABLISHMENT OF A SOLAR ENERGY RESEARCH INSTITUTE

Mr. DOMENICI. Mr. President, although it is a circumstance of which we cannot be very proud, the feeling of most Americans on learning of the enactment of new legislation is usually indifference, apprehension or even dismay. This is not the case regarding Public Law 93–473 with its provision directing the establishment of a national Solar Energy Research Institute—SERI—by the Energy Research and Development Administration—ERDA.

I have been amazed, pleasantly so, by the widespread, high level of interest and enthusiasm generated by the proposed creation of SERI and the high expectations associated with it. This is a venture, Mr. President, which has stirred the imagination of the full spectrum of Americans everywhere and they are eager to participate in whatever manner would be best calculated to contribute toward our common goal of harnessing and putting to beneficial use, the relatively infinite and inexhaustible energy of the Sun. In most people's minds, this is an undertaking that is long overdue for a nation truly second to none in technological capability and ingenuity.

I am extremely well-impressed by the professional and deliberate manner in which ERDA has set out to launch this important and highly visible venture. I have followed very closely the steps taken under procedures established by ERDA to carry out that agency's difficult responsibilities relating to SERI.

ERDA has now completed it first phase of "study and project initiation," an activity which produced a report by the National Academy of Sciences entitled "Establishment of a Solar Energy Research Institute."

This report made certain recommendations relating to site selection for SERI, which I understand will be utilized by ERDA in phase II to determine the criteria for evaluation of proposed sites and in phase III to make the final site seleciton. Phase II is targeted for completion by November 15 and phase III by next May.

In line with the professional and deliberate overall process established by ERDA, the National Academy of Sciences and its Solar Energy Research Institute Committee, chaired by Dr. Richard L. Garwin, has produced a valuable document, deserving of the importance attached to it. I am, however, concerned about specific site selection criteria and the general tone of the recommendations for site selection, concerns which I shall now explain and urge my colleagues to consider since, as the report itself points out, it is the goal of SERI to "advance the national program of solar energy."

From my evaluation of the report and from contacts with qualified persons whose judgment I respect in this matter, I am of the opinion that, while the site selection criteria recommended are generally satisfactory, that portion which downgrades the importance of the natural environment is subject to challenge on practical and economic grounds. By "natural environment" I am, of course, referring to such obvious characteristics as frequency, quantity, and quality of sunlight, the resource which, after all, is the focus of all the attention and effort.

Practically, Mr. President, to choose a location for the center of solar energy research in an area of marginal or poor solar energy availability is analogous to locating a center for tropical environment research in Alaska or an arctic environment research center in Puerto Rico. While it is certainly technically feasible to do either, the practicability would be called into serious and legitimate question, and the economic costs would be much higher than locating such centers at sites with a more favorable natural environment.

To be more specific on these two issues, Mr. President, solar simulators, recommended by the report, are expensive to build and operate and very often fall short of duplicating actual sunlight. In applications where the solar spectrum and scattering effects of the atmosphere are important, simulators can give highly misleading results.

I would note further, Mr. President, that recent insolation studies show that locations which have high values of available annual insolation have sufficient quantities of both direct and indirect sunlight to permit efficient testing of all types of solar application. I have no quarrel with the recommendation of a "single SERI, with a number of small field stations" specializing in research enhanced by natural environmental conditions. In fact, I recognize that the use of field stations will undoubtedly be essential in some very specialized areas of solar energy research. However, reliance upon field stations to support the bulk of research activity involves travel expenses and lost time which would not be the case if the environment at or close to the primary site were satisfactory for most solar energy research and testing.

In other words, it appears to me to be a basic conflict in concept to recognize the importance of a favorable natural environment in the case of field stations, while failing to even mention its relevance in the recommended lists of selection criteria for the central facility.

Mr. President, I do not want to appear to be overly critical of the fine work that produced the report. As I have indicated, the factors which are listed in the criteria list are indeed important and deserve careful consideration. I simply believe, and I am sure many of my colleagues share my belief, that a favorable natural environment is of equal importance and merits equal consideration.

It is just basic logic that persuades me that a location which meets all of the relevant criteria, including favorable solar energy availability conditions, would produce a more useful facility than one which possesses a marginal or poor solar environment. Accordingly, Mr. President, I will today convey my strong recommendation to ERDA that the quality, quantity, and frequency of sunlight be among the desirable factors contained in the SERI Project Office's final report on site selection criteria. At the very least, the importance of a favorable natural environment should not be minimized for reasons I have mentioned. I invite my colleagues who feel as I do on these matters to join me in communicating with ERDA as quickly as possible.

What I have said to this point relates to the development of selection criteria and the importance attached to that process. I would like now to be more specific about the interest generated in my home State of New Mexico. Our interest and our desire for the location of SERI in New Mexico was demonstrated by the fact that the State of New Mexico was the first to present a formal, scientifically sound proposal to ERDA. This proposal was prepared, is being pursued, and will be modified to accommodate the final selection criteria by a consortium of consumers, industry, academic institutions, and agencies of local, State and Federal governments. The El Paso Natural Economic Region has also submitted a meritorious proposal which would utilize New Mexico facilities.

A recently held Western Governor's Conference on Energy put the spotlight on New Mexico and the future energy needs of the Nation. Just a week earlier, the largest solar-heated and solar-cooled building in the world was dedicated in Las Cruces, N. Mex., giving my State another headstart in this field.

One hopes that impartial evaluation of scientific proposals will be used in the siting of the National Solar Research Institute, including the vital consideration of favorable natural environment I have previously mentioned. I believe that New Mexico, under these kinds of professional and scientific considerations, merits the National Solar Research Institute. As important as New Mexico's natural environment and its dedicated professionals and inventors, is the past experience of New Mexico's many scientists in moving quickly on projects of grave consequence to the Nation, and moving successfully. One must recall that the Manhattan Project, which led to the atomic bomb, was entrusted to New Mexico's Los Alamos community more than three decades ago. We all know that the project was splendidly handled by New Mexico.

I have no doubt that location of the central core of solar energy research and development in New Mexico would be a great step forward in this Nation's efforts to develop alternate sources of energy. This is the consensus, too, of many observers in the press. In this regard, Mr. President, I ask unanimous consent to have printed in the Record a column, dated November 1, by the Albuquerque Tribune's noted editor, Ralph Looney, and an article by New Mexico writer Carrol Cagle, published in the October 10, 1975, edition of the New Mexico Independent.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From Albuquerque Tribune, Nov. 1, 1975]

(By Carrol W. Cagle)

New Mexico's sun—which has drawn visitors to the Land of Enchantment for centuries, and caused many to stay—is now exercising its magnetic powers on the state's political, scientific and industrial leaders.

They have been drawn together in an unprecedented way by their mutual desire to see Albuquerque selected as the site for the nation's Solar Energy Research Institute, a soon-to-be-built Federal facility which will coordinate U.S. sun-powered research and development efforts. In effect, they seek to secure confirmation from Washington what New Mexicans have known for a long time; that this region is the Sun Capital of America.

The legions who are vying for Federal selection of Albuquerque as the site of the institute—ranking from the governor and the congressional delegation to the state's top scientific and university researchers—agree that New Mexico is the obvious choice for the multi-million dollar project, based purely on geographic and climatic criteria. But they acknowledge that political considerations also are paramount, and are fighting in that arena as well.

I. WHAT IS IT?

Ask the national and state political and scientific people involved with the planning for the institute and you'll get as many answers about what, exactly, the facility should be. Its creation was authorized by Public Law 93-473, passed by Congress in October 1974—the Solar Energy Research and Development Act of 1974.

Section 10 of that act authorized development of a Solar Energy Research Institute, under the Energy Research and Development Administration (ERDA), but otherwise gave little guidance as to its functions. The legislation used the familiar wording of authorizing such activities "as the administrator may direct." Eileen Grevey, a member of the energy staff of Gov. Jerry Apodaca who was on the staff of the U.S. Senate Interior Committee when the Federal legislation was being drafted and enacted, said there was "very little discussion in the committee itself and very little in the legislation" about exactly how the institute would function.

The concept of an institute was originally included in an earlier bill introduced by Sen. Hubert H. Humphrey (D-Minn.), but that measure was referred to the Joint Committee on Atomic Energy (called "joint" because it is one of the few congressional committees to include both Senate and House members), a group notorious for its advocacy of nuclear power and coolness toward other energy alternatives. After the bill had languished there for some time, Humphrey conferred with Chairman Henry M. Jackson (D-Wash.), of the Senate Interior Committee and got a commitment to get some action on a re-drafted bill.

The measure was re-written, in such a way to get an assignment to Jackson's committee, where it received prompt action. It also cleared the House Aeronautics and Space Committee, and was signed into law last October—just in time to give the delicate assignment of choosing a site to the newly created ERDA.

The various roles of the institute were described this way in the State of New Mexico's site-selection proposal:

"Dedicated to making solar energy commercially viable, the institute would carry on a research and development program the aims of which would include not only the generation of new concepts but also the improvement of materials and fabrication techniques.

"The institute would be a center for the collection, analysis and distribution of data from its own research and engineering systems studies as well as from other sources.

"It would disseminate information at both technical and popular levels. In cooperation with the National Science Foundation, the institute would support training and education in solar energy at all levels from basic technology to post-doctoral research."

II. WHO GETS IT?

Immediately after P.L. 93–473 was signed, the scramble began over who would get the solar plum. The dollar amount for first-year operations is not yet known, nor, in fact, has the Energy Research and Development Administration even decided for certain whether the institute should be a single facility or a series of sub-stations scattered throughout the country. For next year's Federal budget, the Senate proposed $5 million and the House $2 million for architectural and start-up expenditures for the institute. A good guess for annual operating figures would be in the $50 million range, since ERDA is stepping up its overall support of solar activities—from $45 million last fiscal year to a proposed $144 million for next.

"Everybody wants the institute," said one source involved in the New Mexico effort. A Washington source added, referring to the job facing ERDA: "There were a whole bunch of applications." According to most of the reports, New Mexico faces its strongest competition from Florida, Texas and Arizona, with Arizona being probably the strongest contender on the political front.

"A lot of political pressure could be mounted by Fannin and Goldwater, on the White House, to have it located in Arizona," said one Washington official. The reference was to that state's two U.S. senators, Barry Goldwater and Paul Fannin, both senior Republicans with close ties to President Ford. They and Rep. John Rhodes (R-Ariz.), the House Republican leader, "could go straight to Ford," Ms. Grevey noted.

On the other hand, New Mexico's small delegation is not without some political leverage of its own Rep. Manuel Lujan, a Republican whose district includes Albuquerque, is a member of both the Joint Committee on Atomic Energy and the House Interior Committee in addition to being a firm ally of Ford. Sen. Pete Domenici is also a Republican and Ford loyalist. And Sen. Joseph Montoya, a Democrat and the senior member of the delegation, is a member of the Joint Committee and chairman of a subcommittee which has jurisdiction over some of ERDA's budget.

Rep. Harold Runnels, the Democratic congressman from the southern district, is carving out a position of political power for himself in the House, but his interests may be somewhat divided in that some of the southern New Mexico business and university leaders have thrown in with nearby El Paso, Texas leaders who are promoting what they call the "El Paso region" of west Texas and southern New Mexico.

ERDA, a new agency still facing bureaucratic organizational chores, reacted in the time-honored way when confronted with the touch job of sorting out the contenders for the institute: it referred the issue to a committee.

ERDA Director Robert Seamans farmed out the job to the National Research Council, made up of representatives from the National Academy of Science and the National Academy of Engineers, as one source said, "to study the problem of what the function and make up of the institute should be." ERDA also began its own in-house study, which included, among other things, sending out questionnaires to state governors asking for their views.

The "interim report" of the National Research Council's committee was issued on May 23, 1975. It sidestepped many of the more difficult issues, but it did say that a single center—rather than multiple field stations—should be chosen. It did not say, specifically, whether the institute should be located at an existing Federal installation (i.e., in this case, Sandia Laboratories in Albuquerque).

It did make one surprising observation: that the site selection "need not be linked to climate or weather because much of the work . . . will involve the use of analysis and . . . analytical simulation. . . ." This point was rejected by New Mexico lobbyists who asserted that computer-based simulation would be both costly and error-prone—the old "garbage in—garbage out" computer bugaboo. Indeed, the committee itself seemed uncertain on the point and observed: "Still . . . there will have to be outdoor experiments."

The next step by the National Research Council group was to hold a workshop, July 28–Aug. 8, at La Jolla, California to further hone its recommendations. Don Shuster, research director at Sandia Laboratries, reported in a memo on that meeting:

"They expect to sift through the recommendations in September and put together a site-visitation group which will visit the major contenders in an attempt to narrow down the competition."

ERDA "hopes to have a site selected by December 1975," said another source. The New Mexico Consortium will meet this week to review the latest political and site-selection processes, and map further strategies. John E. Mock, senior technical advisor in the solar office of ERDA, wrote to Gov. Apodaca on June 10 with this assessment: "It is anticipated that the . . . study will be essentially completed in late August, permitting ERDA to disseminate guidelines and site selection criteria in early September to all those interested in submitting a proposal for the location of the . . . institute."

III. N. MEX. SOLAR POLITICS

The New Mexico Solar Energy Consortium is a formidable organization which is actively leading the fight for Albuquerque's site selection. It is made up of Los Alamos Scientific Laboratory, Sandia Laboratories, the University of New Mexico, New Mexico State University, and the New Mexico Institute of Mining and Technology, all of whom have joined with New Mexico state government in pursuit of the institute.

Gov. Apodaca, who also is chairman of the 10-state Western Governors' Energy Policy Office, has referred to New Mexico as the "ideal location" for the institute. "Our state has a nucleus of scientific personnel and Federally-owned facilities and land that would enable us to get started quickly and economically," he said earlier this year. "New Mexico already has the largest solar furnace in the United States. We have an abundance of sunshine and the scientific expertise to do the job better than any other location."

The consortium has prepared a handsomely-done report on New Mexico's proposal, supplemented by a 67-page appendix entitled, "capabilities of the consortium," which lists the solar-related activities being carried out by the member installations. "It is of the utmost importance," the report says, "to establish solar energy as rapidly and efficiently as possible as a major source of energy in our long-term future."

"The proposal basically promotes New Mexico as an ideal site for the institute on several grounds," said Ms. Grevey—including amount of sunshine, location of existing laboratories, and the high degree of private and governmental solar activity here. "You would have at least part of a core staff available immediately," she said. "Better to do it in a place where you already have the expertise, the buildings, and an immediate start-up time." She said another theme being pursued by the New Mexico group is the state's 49th per capita income rating, which means the institute's activities could help "raise our own economic base."

The consortium report cites several reasons for a New Mexico selection.

One is the active support of state government, including a high level of financial backing for university research, the creation of a $2 million energy research and development fund in February 1974, one of the first state-level positions of energy and science advisor to the governor, and the creation of a centralized state energy agency.

Another plus factor, the report says, is New Mexico's climate:

"The climatic conditions of Albuquerque and nearby areas are highly favorable to solar energy research. This includes total available sunlight, number of cloud-free days, and of particular importance, the freedom from atmospheric haze which is essential to high temperature solar research."

It also quoted the University of New Mexico's Iven Bennett, whose book, "The Climate of New Mexico", notes that "few parts of the world receive more energy from the sun in a year than New Mexico. The only areas of such large size with higher average annual insolation totals are the Sahara Desert, Central Arabia, Southwestern Iran and Central Australia. None of these surpasses New Mexico by more than 10 percent in the amount of energy received."

And the consortium took note—somewhat unusually so for government researchers who tend to look with disfavor on independent tinkerers—on the wide array of private, backyard solar developers in New Mexico, and specifically mentioned the thriving New Mexico Solar Energy Association. It quoted, as well, an article in the August 1974 Journal of the American Institute of Architects, which said, "The largest collection of amateurs and professionals actively involved in the application of solar energy probably can be found in the northern half in New Mexico have built ideas—much in the 1950s and 60s, before the current excitement about solar energy."

[From the New Mexico Independent, Oct. 10, 1975]

NEW MEXICO NOTEBOOK: NEW MEXICO—SUNPOWER AND BRAINPOWER

(By Ralph Looney)

New Mexico, which already has a corner on sunshine, is rapidly getting an edge on the rest of the country on developing the wonderful stuff as a source of energy.

If you have any doubts, you ought to drive down to Las Cruces and take a look at the big new Agriculture Building at New Mexico State.

Clara and I did that last week and were impressed with its architectural *simplicity* and beauty as well as its evident energy efficiency.

The pueblo-style structure contains 25,000 square feet and is the first building of its size ever heated and cooled by the sun. It cost $1.5 million.

Actually, at first glance, you'd never know there was anything unusual about the building. The only giveaway is the rows of glass "collectors" designed to trap the heat of the sun.

Facing south, to get the maximum solar heat in the winter months, the collectors contain coils of copper tubing. The sun's rays, through the glass, create temperatures of up to 210 degrees and heat liquid that is pumped from the coil into two 15,000 gallon storage tanks underground.

In winter, the hot water circulates through a heat exchange device which warms air and heats the building. In summer, the liquid goes through an absorption refrigeration system to cool the air.

Designers hope the sun will provide 50 per cent of the heating and cooling of the building.

But that's not all.

In the desert just east of I–25, not far from the Aggie campus, we saw an experimental solar energy house still under construction. This 1960-square foot, three-bedroom house will be heated and cooled basically the same way as the Ag building.

But these aren't the only going projects in New Mexico today.

Out at Sandia Labs, Robert Stromberg heads a project to provide a central collection point for solar energy that could be located in the midst of a residential or commercial complex for about 5,000 persons.

Under this plan, the solar power will be partly converted to electricity by a conventional turbine-generator, the rest to heat or cool homes or businesses.

This project, which employs about 20 persons, first will heat and air condition the lab building housing the group. It will be done by solar energy.

Sandia also will soon be the location of the nation's first solar powered electric plant. And up at Los Alamos, scientists plan to solar heat and cool a three-story, 70,000-square foot building to be completed late next year.

On a more down-to-earth plane, a sharp young Albuquerque engineer, Stephen Baer, is already in the solar energy business.

Baer operates an unusual business on North Edith called the "Zomeworks." He has devised all kinds of ingenious creations to capture and utilize solar power.

Baer built his own home in Corrales that is 90 per cent solar heated.

The solar heating unit consists mainly of a south wall to the house made entirely of 55-gallon oil drums, laid on their sides with one end facing the sun. That end is painted black to absorb heat.

A pane of glass fences off the oil drums from the outdoors. An insulated metal cover, hinged at the bottom, is lowered in the morning so the cans of water can absorb the sun's heat. At dark, the outside cover is closed to keep the heat inside.

Supplementing the solar "wall" are three great skylights, invented by Baer, which contain insulated louvers that open automatically in the morning to let in sunlight and close in the evening to keep the heat inside.

Baer says he can keep the interior of his 2000-square foot home at between 80 and 85 degrees in the winter.

He also uses the sun to heat the water used in the home by means of a glass "collector" on the roof.

The solar energy expertise developed by New Mexico scientists should be a big argument in our favor in the competition for the giant Solar Energy Institute.

New Mexico not only has the sun—it's also got the brains.

FLOOD INSURANCE

Mr. EAGLETON. Mr. President, the Housing Subcommittee of the Senate Committee on Banking, Housing, and Urban Development will hold hearings November 12 and 13 to consider amendments to the Federal Flood Insurance Act. Floor action on some kind of bill is expected shortly thereafter.

Mr. President, Federal flood insurance is only now coming to be recognized for what it is, a major Federal land use program sanctioned by denial of all forms of construction credit—Government and private alike—and most forms of disaster assistance.

Some 22,000 communities representing 10 percent of the Nation's homes and businesses are subject to these penalties unless they agree to adopt HUD-dictated land use standards and building codes in their flood plain areas. Once a HUD official or paid consultant circles a region on a map and designates it as having as little as one chance in 100 years of being flooded, every homeowner and businessman living in the area must buy flood insurance within 1 year or suffer the confiscatory penalties provided by the act.

It makes no difference to HUD that a community may lack legal authority to adopt the land use standards and cannot persuade the State legislature or voters to grant it. The penalties apply all the same.

It makes no difference to HUD that a community designated as flood prone by some HUD consultant has never had a flood in its recorded history or ever received a dollar in Federal flood disaster assistance. The land use standards and the penalties apply all the same.

It makes no difference to HUD that a community may have no practical choice about where it is located and can adopt the restrictive HUD zoning and building codes only at the cost of forfeiting its economic future. The land use standards and penalties still apply.

It makes no difference to HUD that a homeowner may have his life savings invested in his home and be anxious to protect that investment with flood insurance. Unless he is also able to persuade the community or State to adopt HUD land use standards, he is not permitted to buy the insurance and, because he has not bought it, he is forced to pay the penalties.

Mr. President, for thousands of homeowners and businessmen around this country, the Federal flood insurance program amounts to virtual confiscation of private property without compensation, without due process, without purpose and without reason.

Mr. President, as of September 30, areas in some 5,400 communities which have been designated flood prone have not yet met the HUD land use standards and are thus liable to the sanctions described within a year of their designation. I ask that a State-by-State breakdown of that list be printed in the RECORD, as well as a second list of the 247 Missouri communities involved.

Mr. President, I ask unanimous consent that two excellent articles and an editorial from the November 1975 issue of Progressive Farmer be printed following the aforementioned lists.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. Department of Housing and Urban Development Federal Insurance Administration areas which have had special flood areas identified

State:	*No. of Communities*
Alabama	81
Alaska	1
Arizona	8
Arkansas	141
California	35
Colorado	57
Connecticut	25
Delaware	5
District of Columbia	1
Florida	25
Georgia	129
Idaho	49
Illinois	201
Indiana	135
Iowa	225
Kansas	182
Kentucky	91
Louisiana	72
Maine	172
Maryland	11
Massachusetts	61
Michigan	121
Minnesota	207
Mississippi	35
Missouri	247
Montana	51
Nebraska	155
Nevada	2
New Hampshire	131
New Jersey	34
New Mexico	25
New York	499
North Carolina	54
North Dakota	114
Ohio	245
Oklahoma	103
Oregon	21
Pennsylvania	849
Rhode Island	4
South Carolina	53
South Dakota	69
Tennessee	64
Texas	225
Utah	35
Vermont	107
Virginia	20
Washington	49
West Virginia	52
Wisconsin	93
Wyoming	29
Total	5, 400

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL INSURANCE ADMINISTRATION, AREAS WHICH HAVE HAD SPECIAL FLOOD AREAS IDENTIFIED

MISSOURI

Name and date of designation:

Adrian, City (Bates Co.), January 24, 1975.

Airport Drive, Village of (Jasper), February 14, 1975.

Amazonia, Town of (Andrew Co.), August 16, 1974.

Amoret, City of (Bates Co.), February 21, 1975.

Anderson, City of (McDonald Co.), May 17, 1974.

Annada, Village of (Pike Co.), February 7, 1975.

Annapolis, City (Iron Co.), April 18, 1975.

Anniston, Town of (Mississippi Co.), May 3, 1974.

Appleton, City of (St. Clair Co.), February 7, 1975.

Archie, Town of (Cass Co.), June 7, 1974.

Armstrong, City (Howard Co.), April 25, 1975.

Asbury, City of (Jasper Co.), February 21, 1975.

Ash Grove, City (Greene Co.), April 25, 1975.

Augusta, Village of (St. Charles Co.), December 6, 1974.

Ava, City of (Douglas Co.), May 17, 1974.

Bakersfield, Village (Ozark Co.), April 25, 1975.

Barnard, City (Nodaway Co.), July 11, 1975.

Bates, Village of (Lafayette Co.), August 8, 1975.

Bel Nor, Village of (St. Louis Co.), April 5, 1974.

Bell City, City of (Stoddard Co.), October 18, 1974.

Bella Villa, Town of (St. Louis Co.), June 28, 1974.

Berger, City of (Franklin Co.), August 30, 1974.

Bevier, City of (Macon), February 14, 1975.

Bigelow, Village (Holt Co.), July 18, 1975.

Billings, City (Christian Co.), June 27, 1975.

Bismarck, City of (St. Francis Co.), February 7, 1975.

Blackwater, City of (Cooper Co.), April 25, 1975.

Bland, City of (Gasconade Co.), May 17, 1974.

Blodgett, Village (Scott Co.), April 25, 1975.

Bloomsdale, City (Ste. Genevieve Co.), July 11, 1975.

Bosworth, City (Carroll Co.), January 17, 1975.

Bragg City, City of (Pemiscot Co.), February 7, 1975.

Brashear, City of (Adair), February 14, 1975.

Braymer, City (Caldwell Co.), April 25, 1975.

Breckenridge, City of (Caldwell Co.), February 7, 1975.

Brunswick, Town of (Chariton Co.), March 29, 1974.

Buckner, Town of (Jackson Co.), December 28, 1973.

Buffalo, City (Dalla Co.), May 2, 1975.

Bunceton, City of (Cooper Co.), April 25, 1975.

Bunker, Town of (Reynolds Co.), September 6, 1974.

Burlington Junction, City (Nodaway Co.), July 11, 1975.

Cainsville, City (Harrison Co.), April 25, 1975.

Calhoun, City of (Henery), February 14, 1975.

California, City of (Moniteau Co.), April 5, 1974.

Callao, City of (Macon), February 14, 1975.

Campbell, City of (Dunklin Co.), March 29, 1974.

Carl Junction, City of (Jasper Co.), February 8, 1974.

Carterville, Town of (Jasper Co.), December 28, 1973.

Centertown, Village (Cole Co.), May 2, 1975.

Centerview, City (Johnson Co.), April 25, 1975.

Centerville, Village of (Reynolds Co.), November 22, 1974.

Center, Town of (Ralls Co.), July 26, 1973.

Chilhowfe, City of (Johnson Co.), April 25, 1975.

Chula, City (Livingston Co.), May 2, 1975.

Clarksdale, City of (De Kalb Co.), February 21, 1975.

Clark, City of (Rudolph Co.), February 21, 1975.

Clearmont, City (Nodaway Co.), July 18, 1975.

Clever, City (Christian Co.), July, 18, 1975.

Conception Junction, City (Nodaway Co.), April 25, 1975.

Concordia, City of (Lafayette Co.), February 7, 1975.

Conway, Town of (Laclede Co.), May 10, 1974.

Cooter, Village (Peniscot Co.), July 25, 1975.

Country Club Village, Town (Andrew), August 22, 1975.

Cowgill, Town (Caldwell Co.), April 18, 1975.

Craig, Town of (Holt Co.), December 6, 1974.

Crane, City of (Stone Co.), June 7, 1974.

Cross Timbers, Village of (Hickory Co.), February 21, 1975.

Dalton, Village of (Chariton Co.), December 13, 1974.

Darlington, Village of (Gentry Co.), December 13, 1974.

Deepwater, City (Henry Co.), September 26, 1975.

Delta, City of (Cape Girardeau Co.), December 6, 1974.

Denver, Village of (Worth Co.), November 22, 1974.

Des Arc, Village (Iron Co.), April 18, 1975.

Dewitt, City of (Carroll Co.), September 6, 1974.

Doolittle, City of (Phelps), February 14, 1975.

Duenweg, City of (Jaspeh Co.), May 3, 1974.

Eagleville, Village (Harrison Co.), April 18, 1975.

Ellsinore, City of (Carter Co.), October 18, 1974.

Elmer, City of (Macon Co.), December 6, 1974.

Emma, City (Lafayette Co.), April 18, 1975.

Essex, Town of (Reynolds Co.), September 6, 1974.

Esther, City of (St. Francois Co.), February 21, 1975.

Everton, City (Dade Co.), April 18, 1975.

Exeter, City (Barry Co.), June 27, 1975.

Fair Grove, City (Green Co.), June 27, 1975.

Farber, City of (Audrain Co.), November 1, 1974.

Farley, Town (Platte Co.), January 24, 1975.

Forest City, City of (Holt Co.), October 18, 1974.

Forsyth, City of (Taney Co.), February 7, 1975.

Freeman, City of (Cass Co.), November 8, 1974.

Fremont, Village of (Carter Co.), February 21, 1975.

Fulton, City of (Callaway Co.), May 17, 1974.

Galena, City of (Stone Co.), August 30, 1974.

Gallatin, City of (Daviess), February 14, 1975.

Galt, City of (Grundy Co.), October 18, 1974.

Golden City, City of (Barton Co.), February 21, 1975.

Goodman, City of (McDonald Co.), February 21, 1975.

Graham, City (Nodaway Co.), August 15, 1975.

Grandin, City of (Carter Co.) November 8, 1974.

Grant City, City (Worth Co.), July 11, 1975.

Greenfield, City (Dade Co.), April 25, 1975.

Greentop, City of (Schyler Co.), February 21, 1975.

Greenville, City of (Wayne Co.), October 18, 1974.

Hale, City of (Carroll Co.), February 21, 1975.

Hallsville, City of (Boone), February 14, 1975.

Hanley Hills, Town of (St. Louis Co.), August 2, 1974.

Hardin, City of (Ray Co.), June 7, 1974.

Hartsburg, Village of (Boone Co.), December 27, 1974.

Henrietta, City of (Ray Co.), October 18, 1974.

Hermitage, City (Hickory Co.), April 25, 1975.

Holland, City (Pemiscot Co.), June 27, 1975.

Houstonia, City (Pettis Co.), Setptember 19, 1975.

Humansville, City (Polk Co.), July 11, 1975.

Hume, City of (Bates Co.), February 21, 1975.

Hunnewell, City of (Shelby Co.), February 21, 1975.

Huntsville, City (Randolph Co.), April 18, 1975.

Iron Gates, Village (Jasper Co.), February 14, 1975.

Jamesport, City of (Daviess Co.), February 7, 1975.

Jamestown, City (Moniteau Co.), January 24, 1975.

Jasper, City of (Jasper Co.), February 21, 1975.

Knob Noster, City (Johnson Co.), June 27, 1975.

Koshkonong, City of (Oregon Co.), September 6, 1974.

La Belif, City of (Lewis), February 14, 1975.

La Monte, City (Pettis Co.), May 2, 1975.

La Palta, City of (Macon), February 14, 1975.

Lamar, Town of (Barton Co.), December 28, 1973.

Lancaster, City (Schuyler Co.), May 2, 1975.

Laredo, City of (Grundy Co.), October 18, 1974.

Lathrop, City of (Clinton Co.), February 7, 1975.

Leadington, Village (St. Francois Co.), April 18, 1975.

Leasburg, Village of (Crawford Co.), January 31, 1975.

Lexington, City of (Lafayette Co.), July 25, 1975.

Lincoln, Town of (Benton Co.), May 31, 1974.

Linn Creek, City of (Camden Co.), October 25, 1974.

Linwood, Village of (Butler Co.), October 25, 1974.

Lock Springs, Town (Daviess Co.), July 11, 1975.

Luray, Village of (Clark Co.), October 18, 1974.

Lutesville, City of (Bollinger Co.), May 10, 1974.

Madison, City of (Monroe), February 14, 1975.

Malta Bend, City of (Saline Co.), October 18, 1974.

Marble Hill, City of (Bollinger Co.), May 10, 1974.

Marceline, City of (Linn Co.), March 29, 1974.

Marionville, City of (Lawrence Co.), May 17, 1974.

Marlborough, Village of (St. Louis Co.), May 31, 1974.

Marquand, City (Madison Co.), April 18, 1975.

Marthasville, Village of (Warren Co.), September 13, 1974.

Mary Ridge, Village of (St. Louis Co.), April 5, 1974.

Maysville, city (De Kalb Co.), July 25, 1975.

Meadville, city (Linn Co.) April 25, 1975.

Mercer, city (Mercer Co.), April 4, 1975.

Meta, town of (Osage Co.), September 13, 1974.

Miami, city of (Saline Co.), October 18, 1974.

Mill Spring, village of (Wayne Co.), December 13, 1974.

Mindenmines, city (Barton Co.) April 18, 1975.

Mineral Point, village (Washington Co.), August 8, 1975.

Missouri City, village of (Clay Co.), August 16, 1974.

Mokane, village of (Callaway Co.), October 18, 1974.

Monroe City, city of (Marion & Monroe Cos.), February 21, 1975.

Monticello, village of (Lewis Co.), December 27, 1974.

Montrose, city (Henry Co.), April 18, 1975.

Mound City, city (Holt Co.), July 25, 1975.

Naylor, city of (Ripley Co.), March 1, 1974.

Nelson, city of (Saline Co.), October 18, 1974.

New Bloomfield, city (Callaway Co.), May 2, 1975.

New Cambria, city (Macon Co.), July 25, 1975.

New Franklin, town of (Howard Co.), November 22, 1974.

New Hampton, city (Harrison Co.), August 8, 1975.

Nixa, city of (Christian Co.), June 28, 1974.

Noel, town of (McDonald Co.), May 24, 1974.

Norborne, city of (Carroll Co.), April 5, 1974.

Northmoor, town of (Platte Co.), July 19, 1974.

Oak Grove, city (Jackson Co.), July 11, 1975.

Odessa, city (Lafayette Co.), May 2, 1975.

Oregon, city (Holt Co.), July 18, 1975.

Osborn, city (Clinton Co.), July 18, 1975.

Otterville, city (Cooper Co.), April 25, 1975.

Ozark, city of (Christian Co.), December 28, 1973.

Palmyra, city of (Marion Co.), March 29, 1974 and July 18, 1975.

Parnell, city (Nodaway Co.), May 2, 1975.

Pasadena Hills, village (St. Louis Co.), July 11, 1975.

Perry, city of (Ralls Co.), February 14, 1975.

Pineville, City (McDonald Co.), April 18, 1975.

Puxico, town of (Stoddard Co.), March 8, 1974.

Ravenwood, city (Nodaway Co.), June 27, 1975.

Raymondville, village of (Texas Co.), February 14, 1975.

Raymore, city of (Cass Co.), December 27, 1974.

Reeds Spring, city of (Stone Co.), October 18, 1974.

Revere, town (Clark Co.), January 10, 1975.

Rich Hall, city of (Bates Co.), February 14, 1975.

Richland, city of, January 31, 1975.

Ridgeway, city (Harrison Co.), April 18, 1975.

Ritchey, town (Newton Co.), January 10, 1975.

Riverview, city of (St. Louis Co.), June 28, 1974.

Rocheport, city of (Boone and Howard Cos.), October 25, 1974.

Rockaway Beach, town (Taney Co.), January 10, 1975.

Rockville, City of (Bates Co.), Feb. 21, 1975.

Rogersville, City (Webster Co.), Aug. 29, 1975.

Rosendale, City of (Andrew), Feb. 14, 1975.

Rush Hill, Village of (Audrain Co.), Dec. 6, 1974.

Rushville, Village of (Cruchanan Co.), Oct. 18, 1974.

Salisbury, City of (Chariton Co.), Feb. 7, 1975.

Schell City, City (Vernon Co.), April 18, 1975.

Scott City, City of (Scott Co.), Apr. 12, 1974.

Seligman, City (Barry Co.), Apr. 25, 1975.

Shelrina, City (Shelry Co.), Apr. 25, 1975.

Shelayville, City (Shelay Co.), Apr. 18, 1975.

Sheldon, City of (Vernon Co.), Jan. 31, 1975.

Shoal Creek Drive, Town ow (Newton Co.), Aug. 16, 1974.

Sibley, Village of (Jackson Co.), Aug. 30, 1974.

Silex, Village of (Lincoln Co.), Nov. 22, 1974.

Skidmore, City (Nodaway Co.), July 18, 1975.

Smithton, City (Pettis Co.), Apr. 25, 1975.

Spickard, City of (Grundy Co.), Feb. 7, 1975.

Stelia, City of (Newton Co.), Feb. 21, 1975.

Stewartsville, City of (Dekalb Co.), Aug. 20, 1974.

Strasburg, City of (Cass Co.), Aug. 16, 1974.

St. Clair, Town of (Franklin Co.), Apr. 12, 1974.

St. James, City of (Phelps Co.), Feb. 21, 1975.

St. Robert, City of (Pulaski Co.), Feb. 7, 1975.

Summersville, City of (Shannon & Texas Co.), Jan. 31, 1975.

Sumner, Town (Chariton Co.), Jan. 10, 1975.

Tipton, City (Moniteau Co.), Jan. 17, 1975.

Trimrle, City of (Clinton Co.), Feb. 7, 1975.

Tuscumria, Village of (Miller Co.), Oct. 25, 1974.

Union Star, City of (De Kalb Co.), Feb. 21, 1975.

Urrana, Village (Dallas Co.), June 27, 1975.

Vanduser, Village (Scott Co.), Apr. 25, 1975.

Velda Village Hills, Village (St. Louis Co.), July 11, 1975.

Versailles, City of (Morgan Co.), Apr. 5, 1974.

Virurnum, City of (Iron Co.), Feb. 21, 1975.

Vienna, City of (Maries Co.), Feb. 7, 1975.

Walker, City (Vernon Co.), Apr. 18, 1975.

Wardsville, City (Cole Co.), July 11, 1975.

Warrenton, City of (Warren Co.), Feb. 7, 1975.

Washburn, Town (Barry Co.), Jan. 19, 1975.

Watson, Village of (Atchison Co.), Nov. 29, 1974.

Weaurieau, City of (Hickory Co.), Jan. 31, 1975.

Wellington, City (Lafayette Co.), Sept. 19, 1975.

Wentworth, Town (Newton Co.), Jan. 10, 1975.

Westboro, Village (Atchison Co.), July 11, 1975.

Westphailia, City of (Osage Co.), Oct. 18, 1974.

Williamsville, City of (Wayne Co.), Oct. 18, 1974.

Windsor, City of (Henry Co.), Apr. 25, 1975.

Wooldridge, Village of (Cooper Co.), Apr. 25, 1975.

Wright, City of (Warren Co.). Feb. 7, 1975.

Wyaconda, City of (Clark Co.), Oct. 18, 1974.

Zalma, Village of (Rollinger Co.), Oct. 25, 1974.

Total in the State, 247.

Surprise Land Use Law Raises Flood of Fears

(By Del Deterling)

Landowners have been patting themselves on the back for repeatedly beating back attempts at federal land use planning. Imagine their shock to find out there's been a law on the books for two years that allows the Government virtually to dictate use of millions of acres of the most desirable land in the country.

Consider a law with these features:

If you own land in an area that might flood even once in 100 years, you need a permit to build any type of structure, including a home, barn, or grain bins, or to remodel or enlarge an existing building.

Unless you build the first floor of the structure above the 100-year flood level or floodproof the building, you can't get a permit. If you build without permit, you can be fined.

Even if you comply with building regulations, you still must buy flood insurance—immediately on new construction, and on other buildings at the time you request additional federal assistance of any kind.

If the community or county in which you operate doesn't enforce the federal regulations, you won't be able to borrow money against your property from any federally regulated lending institution. That takes in most banks and savings and loan associations. Also, you can't get emergency aid for damage from floods, tornadoes, earthquakes, hail, wind, or drought.

Let's repeat. This isn't proposed legislation. This is a law already on the books. It already has hit some 20,000 communities.

"This law, despite its title, has very little to do with flood protection," maintains Terry Keeling, a Houston realtor, landowner and steering committee chairman for Texas Association of Citizens for Local Land Control, which is trying to get the law repealed. "It is instead a federal land use control law.

"When fully implemented, the Federal Government, acting through HUD (Department of Housing and Urban Development) and FIA (Federal Insurance Administration), will have authority to determine the use to which every parcel of land in virtually every community in the United States may be put," Keeling concludes.

"You can call it land use control, if you prefer, but only in a very restrictive sense," contends Dell Greer, FIA regional administrator of Dallas. "We think flood plain management more nearly defines it. There is no land use control of any kind outside of designated flood areas."

Impact of the law appears greatest in low-lying areas near the coast and along rivers that are developed for residential construction. But it could rock rural areas and farmland too. Some examples:

1. Reduced land values. In those communities where federal agencies already have designated flood hazards, land values reportedly are in a tailspin. That includes farmland.

2. Higher property taxes. If your land is not in a flood hazard zone, your taxes may be raised to pick up slack of reduced land values in the flood plain.

3. Restricted agricultural operation. You can't build or substantially remodel or expand barns or storage facilities in the flood plain unless you build the foundation above the 100-year flood level. Even corrals and fences may be prohibited if they interfere with waterflow during a flood.

4. Higher production costs. Even if you have no extra expense in building construction you'll have to buy flood insurance on buildings in the flood hazard area. And it'll cost more tax dollars to hire the federal and local officials to administer the program—more than the money they will save on flood disaster prevention, critics claim.

5. Inability to sell your farm. If either you or your community fails to participate in the program, you won't be able to buy flood insurance and you'll have difficulty getting any type of loan on your home or farm. You may not find a buyer if you try to sell.

U.S. Senator Thomas Eagleton of Missouri, calls the HUD plan "one of the most stringent land use programs that could possibly have been devised."

He points out that many older people in his state have their entire life savings wrapped up in their land. Now they can't even borrow money against their homes and farms to pay hospital bills or send their children to college.

You're probably wondering how a regulation with this much potential for harm became law. Actually these restrictions have been on the books for seven years as part of the National Flood Insurance Act of 1968. That legislation made federally subsidized flood insurance available to communities that wanted it. However, to get it, they had to enforce land use control measures so restrictive that few chose to participate.

Then late in December 1973, as weary Senators and Representatives longed to get home for Christmas, they passed a little-heralded amendment to the earlier bill that made participation virtually mandatory.

Still there wasn't much uproar because the intent of Congress appeared pure: to reduce the need for massive Government emergency relief funds by regulating construction in areas historically prone to flooding. Property flood damage annually averages $1.25 billion, according to FIA estimates.

What blew the cork out of the bottle was the way federal officials interpreted the legislation. HUD and FIA adopted the controversial 100-year flood plain as the standard for identifying flood-prone areas.

"We are seeing entire cities declared flood prone," says Keeling. "Fort Bend County (Tex.) apparently will be 38% in the flood plain. In Brazoria County, the figure is 70%; in Wharton County, 90%.

"If this law had been passed in 1873 instead of 1973, the city of Houston, as we know it, simply wouldn't exist. In fact, most of the Texas Gulf Coast would be an uninhabited wasteland."

Particularly rankling was the way flood-prone areas were identified. City and county officials contend that FIA relied heavily on outdated Army Corps of Engineers' data on previous floods. They complain that no one has visited their areas and asked for information on flood control dams, topography, and other features.

However, Greer, FIA regional administrator, says that FIA wants to work closely with local officials in establishing maps that accurately define flood hazard areas. Furthermore, he adds, "We will look at and make appropriate revisions to flood hazard boundary maps at any time, if we get information as to an error or better information as to what that map should show."

Communities have one year from the time they receive their maps to decide whether or not to participate in the flood insurance program.

If the community decides not to participate, it faces the severe economic sanctions, dealing with mortgage money, insurance, federal grants, and disaster relief.

The worst thing, in the minds of many landowners, is that HUD can change the rules of the game at any time.

"The law plainly instructs the Secretary of HUD to take whatever steps may be necessary to guide growth and development away from flood-prone areas," Keeling says.

Eagleton and Representative Bob Casey of Texas are pushing separate but similar bills that would remove the mandatory participation requirements of the regulation, prohibit withholding of federal mortgage funds to force communities into the program, and permit property owners in the affected areas to buy Government-subsidized flood insurance even if their community isn't in the program. Administrative aides for both lawmakers admit chances for passing either bill are slim. They are banking on compromises to put more flexibility into the program.

"If this fails," Keeling says, "our only recourse is a legal suit to test the constitutionality of the law.

"It's a sad note," he adds, "when Government agencies seem determined to protect us whether we want their protection or not."

LET'S SAVE THE PATIENT

No one would deny that floods cause untold misery and millions of dollars in damage to property owners and taxpayers every year. Nearly everyone would agree, too, that some action should be taken to curb this annual tragedy. It seems, however, that the Federal Government's approach to solving the problem is like feeding the patient arsenic to cure his cancer.

The program implemented by the Department of Housing and Urban Development (HUD) undoubtedly would reduce the costs of flood damage. But it is questionable whether or not the expense of administering the program will exceed the savings. The loss in individual rights and community freedom would be awesome.

Briefly, any land that has a likelihood of being flooded even once every 100 years is tagged as a flood hazard area. A community has one year to decide whether or not to participate in the National Flood Insurance Program.

It's the old "carrot-and-stick" technique. The carrot, in this case, is availability of low-cost federally subsidized flood insurance.

But the stick is more like a crushing machine. If the community fails to enforce rigid construction controls on buildings in the flood hazard area, it faces severe economic sanctions. It forfeits right to most federal grants, subsidies, and loans. It couldn't collect federal emergency relief aid (even for nonflood disasters).

Worst of all, neither the community nor any of its property owners could obtain mortgage loans on buildings in the 100-year flood plain from any federally regulated lending institution. Name one that isn't!!!

In other words, any community that chooses not to march to HUD's drumbeat will be disinherited—left high and dry with no sources of mortgage funds and completely helpless in the event of a natural disaster.

A growing chorus of congressional voices denies that these sledge hammer tactics were the aim and intent of the bill they passed.

It's once again the case of a power-hungry bureaucracy using a well intentioned but loosely constructed bill to force its own standards on the helpless public.

Admittedly, some regulation is necessary to control helter-skelter development in areas subject to frequent flooding. Taxpayers shouldn't be required financially to bail out those builders and developers who disregard common sense in flood hazard areas. Bills have been introduced in both Houses of Congress that would put participation in the National Flood Insurance Program on a voluntary basis and would remove the severe economic sanctions that HUD now threatens. Hearings are to be held shortly.

A better approach to HUD's "bone crusher," Congressman Bob Casey of Texas suggests, is to make flood insurance benefits so attractive that people will want to participate in the program rather than being forced into it.

We agree. We urge you to become familiar with these bills and let your Senators and Congressmen know how you feel. There's still time—but precious little—to cure the disease without killing the patient.

MAYOR BEAME: THE CASE FOR NEW YORK CITY GUARANTEE

Mr. PROXMIRE. Mr. President, today in a speech before the National Press Club, the mayor of New York City set the record straight on the city's fiscal crisis.

Contrary to popular belief, the city is not asking for a handout; it is not asking for a bailout; it is not asking for a single penny from the Federal Government.

Instead, the city is asking for a guarantee of its debt while it balances its budget and regains investor confidence.

The bill reported by the Banking Committee would provide such a guarantee, but only if it agrees to the most rigorous and stringent conditions.

The city must balance its budget in 20 months.

It must end bookkeeping gimmickry.

It must surrender its fiscal powers to the State and a three-man board headed by Secretary Simon.

The State must raise taxes to help close the city's deficit.

Mr. President, as Mayor Beame has said, the city does not want a bailout—it wants a chance to pay all its bills; that is what our legislation would do.

Mr. President, I ask unanimous consent that Mayor Beame's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by Mayor Abraham D. Beame

I want to thank you for this opportunity today to place the matter of the City of New York in proper perspective.

Let me put to rest one major misunderstanding that persists here and elsewhere. The City of New York is asking nothing of the American taxpayers except the opportunity to set its own house in order.

I repeat: The City of New York is not asking the Federal government or the public for one cent. On the other hand, default will cost America billions. Stripped of rhetoric, it is that simple and that compelling.

The eight million Americans who live in New York merely ask of the Congress and the President—their Congress and their President—the simple act of guarantee to permit us to continue the reforms and the economies now underway in our City.

There are ample precedents. The Federal budget this year reflects more than $200 billion in guarantees covering everything from the Washington Metro to the construction of a chemical plant in Yugoslavia.

We seek the time that a guarantee offers, so that we can complete the program for recovery that has already been launched.

Last week, the President of the United States stood before you and quoted a great New York State Governor, Al Smith. He said, "Let's look at the record." Well, let's look at the record that the President largely ignored:

Since January 1st of this year, the City has cut the municipal payroll by 31,211 full-time employees including 7,000 police officers, firemen and sanitation workers, and double that number in education and social services. This added another 1 percent to the City's unemployment rate, which is running more than 11 percent.

I have imposed a hiring freeze to reduce the payroll further by attrition.

We have either deferred or frozen wage increases for all City employees.

We have halted all new City construction projects, and suspended others that are now underway.

We have raised the transit fare to 50 cents, making it the highest in the nation—and this, in a City where 70 percent of the workforce uses mass transit.

In the last four months, we have closed eight fire houses, seven schools and a municipal hospital.

We have increased real estate taxes in the last year by 10 percent and imposed new taxes totalling $350 million.

We are committed to a three-year financial plan that will balance the budget in fiscal 1977–78 by cutting $724 million between now and then.

As an integral part of the financial plan, I submitted City policy guidelines which address themselves to the very problems which the President cited. In his talk, however, he failed to tell the public that the City and State not only recognize these problems, but that we were doing something about them.

These policies embody the following commitments:

First, the City cannot afford to underwrite an expansive university system. A basic change in the scope and financing of this institution is essential, if it is to survive.

Second, the City cannot afford to pay for a large and underutilized hospital system. Other municipal hospitals will be closed.

Third, at a time when private housing development is at a virtual standstill, the City can no longer finance new housing construction and has ended this program.

Fourth, we can no longer afford to provide present levels of social service funding. This means further closings of day care and senior citizens centers and cutbacks in family planning, manpower training, addiction treatment, and anti-poverty programs.

Fifth, we will increase employee productivity and eliminate wasteful and costly contract provisions.

These commitments and these economies will exact a toll in human hardships. Nonetheless, these steps are required regardless of any Congressional action.

Yet, the American public was told by the President that we plan to operate on a "politics as usual" basis.

The President, blaming all of New York's woes on past mismanagement, said New York's problems were not unique. However, no other city in the nation is required by law to support the scope of services borne by New York City with its local tax dollars. Mandated welfare and Medicaid payments alone will drain about one billion City tax dollars this year. If this burden were rightfully to be assumed by the Federal government, we could balance our budget this year and be well on our way to fiscal recovery.

While New York has some very special problems it is not alone. As is often the case, New York feels the effects first and with greater impact than elsewhere.

The way to contain New York's ills is not to drive the city into default. The only way to ensure that New York's trauma will not be repeated is to find the answers—through new local measures and Federal initiatives—to the chronic problems common to our older metropolitan areas.

As a complement to the loan guarantee legislation now before Congress, I ask the President to name an independent Commission on America's Urban Future. In the interest of the nation and all its people, we urgently need to redefine the roles of our urban centers, whose economic and social functions have changed dramatically in the postwar years.

How should local, state and federal governments divide the responsibilities for meeting urban needs? How can cities assure adequate financing without undermining their tax bases? Are regional structures—such as those now being applied in Nashville, Miami and elsewhere—effective in coping with the metropolitan problems that have outgrown central-city boundaries?

Whatever fate awaits New York, our country's tragedy would be greatly compounded if our national leadership deludes itself into thinking that sacrificing our City will somehow exorcise the demons plaguing all of urban America.

The real problems and economic pressures affecting New York should be the subject of constructive concern—and not derision. Subjecting America's largest city to humiliation and impoverishment does not enhance either the economy or the moral fiber of our nation. It is unimaginable to me that any other head of state in the world would abandon the premier city of his nation or punish its people as an object lesson.

Default is not a solution. It is the consequence of the failure of all other efforts. Americans must not and cannot be the advocates of this bankrupt doctrine. The President's prescription for an economic and spiritual purge is a 17th Century remedy. In 20th Century parlance, it's a cop-out, not a cure.

The best medicine for New York City and other parts of the nation as well, would be full employment and economic prosperity. And, the best cure for our financial ills is to have an opportunity to recuperate under a strictly supervised regimen of reform and retrenchment. A guarantee would permit that.

Why are we in New York so anxious to avert default? Because default is an irrevocable act.

To New Yorkers, default means services designed only to sustain survival and little else. In a city as complex as ours, even essential services must be redefined. Police and fire and nurses are not enough. We must maintain our water supply and sanitary systems; avoid health problems and epidemics; place food on the tables of the indigent, and the aged; and keep mass transit moving.

Although the White House has stated that it does not consider education an essential service, how long can we keep one million children out of school and not face dire consequences?

There will be nothing abstract about the impact of a New York City default on the nation. According to a report to the Joint Economic Committee of Congress, it is estimated that Federal tax receipts would be reduced by $3.5 billion and expenditures for unemployment compensation, food stamps and other related programs would rise by $500 million.

In addition, metropolitan area firms which depend on the reliable workings of the region's core city would be affected immediately.

A default by the City would jeopardize payment on the more than $1 billion in goods and services contracted for by the City with firms in all parts of the nation. Heavy equipment from Chicago, Fort Wayne and Springfield, Ohio; blankets from Alabama; moving stairs from Indiana; electronic gear from Florida and Illinois; sanitary equipment from Virginia and Wisconsin; construction machinery from Baton Rouge; and chemicals from Maryland, Idaho, and Delaware—all these areas would be affected.

In addition, fully 30 percent of the pension checks for retired City employees are mailed to addresses outside New York City. They represent an annual contribution of $180 million to the economy of communities beyond the City limits. Florida residents alone receive $23 million annually in New York City pension checks.

Contrary to the President's assertion that New York officials and banks stand to lose the most from a default, the Bank of America cited a survey which estimated that two-thirds of the City's securities are held by 160,000 individual investors around the country who could be financially crippled by a default.

A look at the record of public discussion on this issue shows that the great weight of expert opinion is opposed to the Administration's casual analysis of the local, national, and even international impacts of a New York City default.

The President's assertion that major New York banks would be the prime beneficiaries of Federal action to avert a default comes somewhat as a surprise, since Federal Reserve Board Chairman Arthur Burns has already indicated that the Federal government would act to help banks threatened in the event of a City default.

The Administration's concerns seem to begin and end with the banks and the credit markets. However, default—like all other economic disasters—will most affect the innocent, the powerless and the least resilient members of our society.

Accordingly, every possible avenue to avoid default is under scrutiny. The officers of the Municipal Assistance Corporation have been exploring all valid financing proposals to insure that no opportunity is overlooked.

To date, none of these proposals has offered the answer. It would appear that funding through other sources—even if they do prove to be legal or practicable—will fall short of the City's total needs. One way or another, I am convinced that some form of Federal guarantee will be required before the City is able to get back into the credit market.

In the current debate over the City's crisis, New York has become the victim of a distorted view which paints us as an alien city.

While it is hard to believe that the President has purposely set out to divide urban residents against rural Americans, or Easterners against Midwesterners, or to excite prejudices against New York and its people, that is exactly what is happening. And, it is difficult for us to understand.

New York is truly an American city. It is a town which had a stake in the American Dream 150 years before the United States was born. Our men and women have fought courageously in defense of their country. With less than 4 percent of the nation's population, we can claim more than 10 percent of the nation's Congressional Medal of Honor winners.

New York remains America's induction center—the first home for millions of immigrants and newcomers to urban life who sometimes stay in the City and sometimes move away to raise families, work farms, start businesses and contribute to communities in every part of this Nation. It is estimated that 60 percent of all Americans trace their roots to New York City—as a port of entry and temporary or permanent home.

New York is also a city of a million elderly—one-fifth of them indigent. It is a city in which one out of seven people fall below the poverty level. It is a polyglot city in which hundreds of thousands are trapped within ethnic enclaves, often unable to break out to new jobs and opportunities.

Yet, the City of New York is not a supplicant—it is a provider. It is a valuable national economic resource, and we want to remain that way. For more than three centuries, New York has been a generator of wealth for the United States—wealth measured not only in dollars, but in human resources and human enterprise.

Last year, Federal taxes generated by New York City totalled $19 billion, according to data from the Bureau of Labor Statistics.

The White House indicated recently that all forms of Federal aid and assistance to New York totalled $3.6 billion. If we add to that White House estimate every dollar in Federal monies spent in New York, such as Federal employees' salaries, the total Federal cash outlay of every kind in the City is approximately $8 billion. This means that last year, the City of New York gave to the rest of that Nation more than $11 billion.

We want to continue to initiate these revenues. We want to remain a "giver"—not a "getter." Only a prosperous and vigorous economy can afford to give—and we want the chance to remain a prosperous and vigorous city.

We want to continue to provide New York City tax dollars to help our nation feed the hungry in Appalachia, irrigate the Southwest, protect our national forests, build homes in the South, and maintain our national defenses here and abroad.

We want to continue to give freely to the rest of the country and the world the benefits of our museums, our theatres, our symphonies, our dance and opera companies, and our advancements in education, literature, medicine and the sciences.

Thus, the question the President should ask himself is not "Who benefits from a New York default?"—but "Who loses?" Clearly there will be no winners.

Economically and culturally the City and the nation will be poorer—and, in the eyes of the world, it will be looked upon as a failure of our American free enterprise system.

Morally, we see a corrosive effect, which is already taking hold.

Just six months ago, the President told a joint session of Congress, as he told you last week, that "it is time for straight talk."

Only that time, on the night of April 11th, he prefaced his statement by saying:

"Our purpose is not to point the finger of blame; but to build upon our many successes; to repair damage where we find it; to recover our balance; to move ahead as a united people."

That generous statement was made when Saigon—not New York—was threatened with collapse, and the President was seeking a billion dollars from Congress in emergency aid. How can he explain to millions of Americans who live in New York why he will not raise his voice with equal concern for their city?

The President expressed compassion and concern to avoid national divisiveness on the agonies of the Indochina War and the shame of Watergate. In contrast, the President's response to New York City reflects a kind of bumper sticker philosophy. He has used the city of New York as a foil for political slogans from Belgrade to San Francisco and back. This has triggered hatred, disunity and confusion.

We must heal this wound before it begins to fester.

The crisis of New York today is the crisis of urban America tomorrow. Our nation's survival depends upon answers to the questions that plague our cities—answers which this administration has yet to provide.

We have heard nothing from the White House on coping with crime in our cities.

We have heard nothing on bringing jobs and economic development back to our urban centers.

We have heard nothing about programs to rebuild and maintain blighted neighborhoods.

We have heard nothing on the critical problems of racial and ethnic inequalities.

We have heard nothing about providing for the poor or the elderly who are immobilized in the inner cities.

It is a disturbing and evasive silence. We cannot avoid our national responsibilities by branding our greatest city a pariah.

If we embrace the past and fail to face the future;
If we fuel the forces which divide us;
If we allow our cities to decay and die;
Who will, when the day of reckoning comes, bail out America?

THE CRISIS OF NEW YORK CITY: A NATIONAL CHALLENGE

Mr. McGOVERN. Mr. President, on October 10, Senator HUMPHREY and I held a joint press conference at which we commented on President Ford's irresponsible and narrow attitude toward the agony of New York City.

At the press conference, I pointed out that New York City's problems are more a result of Federal policies than of local mismanagement. It is true that New York's financial affairs have not always been well handled. But it is also true that the city has a better record on spending pensions and deficits than does the Federal Government in the Nixon-Ford years.

New York City does not seem to be a part of Mr. Ford's America. A President who wanted a billion dollars last spring to make a last gasp effort to prop up the Thieu regime in Saigon now compares the greatest city in America to a junkie. His language is profoundly insulting. It appeals to the worst kinds of prejudice. It demeans the President himself and it cheapens his office.

The President seems to believe that he can defeat the political challenge he faces from the right wing of his own party by running against the people of New York. To please the hard liners, he is willing, as a New York Daily News headline put it, to tell the city to "drop dead." He offers us Government geared to the rigid ideology of a minority of a minority party.

In his pursuit of partisan advantage, the President has gone to great lengths to convince the American people that collapse in New York does not really matter to the rest of us. His certainty in this regard is incomprehensible. It is based on a combination of wishful thinking and the Alice-in-Wonderland economics we have come to expect from this administration.

The harsh fact is that the President does not really know what effect a New York City default would have on the rest of us. The President and Secretary Simon have no evidence to back their bland assurance that it would have virtually none. Indeed, the early signs suggest that despite what the President says, we cannot rule out the most disastrous implications for the country as a whole.

Failure in New York could endanger financial institutions all across the country. This will be particularly true if, as is quite possible, the city pulls New York State into the abyss. Banks hold $3 billion in New York City and New York State obligations. Individuals and nonbanking financial institutions like insurance companies and pension funds hold another $17 billion. The banks have made loans on what used to be assets. The insurance companies and pension funds have on-going obligations to provide benefits. Some of them may not be able to tolerate losses on this scale. Major institutions could crumble, taking others with them.

Failure in New York will also endanger every unit of local government. Already, cities have had to offer higher interest rates to float bond issues. In the near future, it is entirely possible that some localities will not be able to obtain funds at all. Others will be forced to cancel or sharply reduce planned capital improvements. Hundreds of thousands of jobs hang in the balance.

And there is good reason to believe that if disaster strikes the bond market, it could carry over into business investment. Investor flight from the capital markets could be general, quite possibly reinforced by foreign flight from the dollar.

Admittedly, this is a doomsday scenario. It may or may not come to pass. But the possibility that it could is in some ways greater than the likelihood that the crisis will go by, as the President says it will, with no lasting damage to our economy. It is very odd that the President can agonize over dominoes in an obscure corner of Southeast Asia, but ignore them when they are so obviously in line in our own country.

In these circumstances, I believe that President Ford is playing a reckless game with New York. He may consider it important to his political future to offer up the city as a blood sacrifice to placate his party's trolls and troglodytes. But I think that the Nation has had enough in recent years of politicians who confuse their own interests with those of the Nation.

Mr. President, it is easy to blame the problems of New York City solely on that city's government. Too many mayors, we are told, gave too many benefits at too high a cost to too many employee unions and pressure groups. No doubt some criticism of the city government is justified, but the problems of New York City have originated to a considerable extent in national policies and conditions. In a very real sense, New York City has been impoverished because it has been powerless to change the decisions of Washington. The primary cause of the crisis is a generation of misguided national priorities. The Federal Government adopted programs and policies which have been ruthlessly effective in bringing a great city to the brink of bankruptcy. Other great American cities are also nearing the crisis point.

First, Washington permitted and even subsidized a Southern economy of low-wage labor. It also imposed a welfare system which allowed localities to provide painfully varying benefits. This local option was exercised in some of the poorest States to establish starvation-level payments. Millions of citizens who were too weak to work or who believed too much in the work ethic to settle for sweat labor moved to urban and industrial centers; hundreds of thousands came to New York City.

Second, as Federal policies increased New York's burdens, they also eroded its tax base. Post-war housing assistance for the middle class emphasized detached, single-family dwellings, which made it attractive to live in the newly developing suburbs even as it became more expensive to rehabilitate existing housing in the central city, for which there was no Federal help. The Federal highway program paved the countryside and provided a high-speed way to drive between the city and the suburbs, but mass transit within the cities was left to deteriorate on its own.

Urban America, and especially New York, thus ended with fewer resources to meet worsening problems. New York became a service center for the metropolitan region, but its revenue potential declined while its tax effort increased. Middle class workers and then business itself fled to the suburbs, leaving the city with relatively more poor families to sustain, relatively more disadvantaged students to educate, and relatively fewer citizens who could afford health care. This was no random visitation of fate; it was not the result of some invisible economic hand; it was the predictable outcome of Federal suburban and urban policies.

The predictions were there to be read. The previous Mayor of this city, John Lindsay, wrote a book in 1970 in which he sounded an alarm that if national policies continued unchanged, New York soon would reach precisely the crisis it is now experiencing. The Kerner Commission in 1969 issued a similar grim warning and called for a massive Federal effort to save the cities.

Instead three successive national administrations chose to invest our resources in war. The first of those administrations protested that it wished to do more for urban America, indeed it promised a Great Society, but it could not persuade the Congress or the people to pay for both guns and butter—which may have been impossible in any event. The next administration under Richard Nixon did not even protest its good intentions; rather it proclaimed a benign neglect. The current administration has moved beyond even that to an obscene celebration of New York's crisis. The Secretary of the Treasury, who used to live in the suburbs and work on Wall Street—sounds like an Old Testament prophet calling down rightful retribution on the city. But retribution for what? Was it a sin for New York to attempt desperately to compensate partially for anti-urban Federal policies?

So the third cause of the crisis of New York and the coming crisis of all our great cities is an explicitly chosen national priority for military overkill and mindless foreign intervention. The Federal Government spent $175 billion to sustain the Vietnamese dictatorships of President Diem, Marshal Ky, and General Thieu. If it had sent a fraction of that money to Mayor Wagner, Mayor Lindsay, and Mayor Beame, we would not be threatened with the collapse of New York City. The imminent fall of Saigon drove the Ford Administration to demand another billion dollars of aid; the imminent fall of New York finds that Administration resistant even to a bond guarantee. Perhaps we can better comprehend this priority if we remember that this President was picked, not by the people, but the predecessor he then pardoned—who once put a moratorium on public housing construction in New York to help finance the destruction of Asian villages.

The priority of militarism has prevented the most essential social measures and forced the cities to make up the difference. The military budget has doubled in the last 10 years—not by inadvertence, but by deliberate choice. If instead the Federal Government had adopted National Health Insurance, New York City would not have to spend $1.2 billion for health and hospitals this year. And we have the opposite of national welfare reform: Benefit levels remain inhumanly low in some places, so more of the poor continue to migrate to urban centers like New York. For its part, New York City will be forced by Federal and State laws to allocate nearly $600 million of its own revenues for welfare payments. The city does not have a free choice, contrary to the propaganda which purveys an image of New York as giveaway city—propaganda which in many instances has the same authors as the regulations which legally compel the current level of welfare spending.

Of course the answer is not to repeal welfare and forget the poor, but welfare reform to make reasonable and uniform income maintenance a national responsibility. That step, along with National Health Insurance, would save New York City $1.8 billion and convert a fiscal crisis almost into a financial surplus.

Finally, the Federal Government administered an exquisitely effective coup de grace to an enfeebled city. In order to control inflation, it planned higher unemployment Since Washington largely monopolizes income tax revenue, New York like other cities has only limited access to that revenue source. As inflation raises municipal expenses it does not raise municipal tax collections at nearly the same rate. This shortfall was bad enough—but even worse, the Nixon-Ford planned recession then reduced the yield of other local taxes, particularly sales taxes, which depend on consumer purchases and economic growth. Unfortunately, there is no unemployment compensation for New York—even though unemployment has taken its revenues as much as the wages of the millions of workers who have been handed lay-off slips. The economy has been fine-tuned into recession; New York has been fine-tuned toward bankruptcy.

Now I do not argue that all this has happened because of an irrational hatred of New York or urban America in general, though there is some evidence of that in our history. Thomas Jefferson wrote of cities as a "pestilence and a plague"—and the reaction against foreign immigration, like the campaign for prohibition, invoked a contrast between inherently corrupt cities and the cleaner, purer life of the small town and the farm. But I believe that the antiurban impact of current policy is primarily due not to mythology or accident, but to an intentional choice of specific purposes.

Highways have been favored over mass transit specifically to benefit the automobile industry. Suburbs have been favored over cities specifically to benefit the housing industry, the military waste has been favored over welfare reform specifically to benefit the arms industry and to serve an interventionist ideology. National health insurance has been resisted specifically to benefit the medical profession and to prevent the tax reform which would be required to pay the bill.

These choices have not been made in ignorance of their consequences; as I have noted already, there have been many warnings. Nor have they been made because we lack the capacity to change them. Rather change has been rejected explicitly and repeatedly. For example, 12 years ago, I introduced the first legislation to plan a transition from the weapons economy to a more balanced economy. Yet none of the planning has been started; instead we have continued on the opposite course. Every proposed reduction of military excess still raises the specter of jobless defense workers. And just this week, after vetoing an increase of $200 million for child nutrition, Mr. Ford announced that he wanted $9 billion more for the military budget.

These are the purposes for which they plan—and such plans are a central cause of New York City's agony. But I suspect that even if they admitted this, the perpetrators of the policy would still blame the city itself. They would say that fiscal restraint—which they preach, even if they do not practice it themselves—could have saved the situation; that New York has been spending too generously, too long. Surely some different decisions could have been made, though here as always it is easier to pass judgment in retrospect. But those in Washington who on a percentage as well as a dollar basis have outspent, outpensioned, and outborrowed New York have the least right to judge this city harshly. A comparison of New York's fiscal performance with the Federal Government's during the Nixon-Ford years is instructive as well as surprising.

New York is charged with an incredible rise in spending. Its budget has increased approximately $6.4 billion or 108 percent in the last 7 years. In those Nixon-Ford years, the Federal budget will have increased approximately $190 billion, or slightly more than 108 percent, according to current estimates.

New York is charged with profligate deficit financing. Its deficit has increased approximately $2.4 billion, or 340 percent, in the last 7 years. During those Nixon-Ford years, the Federal budget changed from a surplus of $3 billion dollars to a deficit of approximately $75 billion, according to the latest estimate. That change is impossible to express as a meaningful percentage figure—but if we assumed that this Administration started with a $1 billion deficit instead of a $3 billion surplus, the Federal deficit would have increased 7,400 percent, under Mr. Nixon and Mr. Ford.

New York is attacked for lavish pension benefits. Its pension payments increased approximately $350 million, or 94 percent, in the last 7 years. During those Nixon-Ford years, Federal payments increased nearly $10 billion, or 200 percent.

I wish Mr. Ford and Mr. Simon would read their own balance books. Then they could adapt the advice of Scripture and first look to the beam in their own eye before pointing to the mote in New York's eye. There is an unseemly hypocrisy in the Administration's self-righteous indictments of this city.

The President now tells us that the Administration may help New York, but only when the city collapses into default. Characteristically Administration officials seem to consider assistance not so much because the quality of urban life is at stake, but because the stability of the bond market is strained. Arthur Burns who supported the Lockheed loan, but opposed a bond guarantee for New York, now says he may have changed his mind about both. Of course Lockheed already has the money; all New York has now is no help and a frail hope.

The President has campaigned against a "bail-out" of New York City, and has threatened to veto congressional assistance for New York. But Federal emergency assistance for the city should not come as condescending charity. The evidence is too clear, too undeniable, that a Federal "bail-out" would be reparations for Federal policies which "bailed" the city in.

Emergency assistance can provide a reprieve. But unless this agony is to be inflicted again and again, the Nation must return to more basic questions of planning and national priorities. Despite any restructuring of municipal government, New York and other cities will not be viable without comprehensive national planning with very different goals from those of the status quo. Welfare reform and national health insurance, for example, depend upon tax reform and a military cutback—which in turn depends upon a phased reconversion of the arms industry.

If we will invest as much energy and resources in revitalizing the cities of America, as we devoted to ravaging the cities of Indochina in the past decade, New York and other great urban centers can be made whole in the next decade.

A wide range of thoughtful observers have noted that the New York crisis could lead to economic disaster and social chaos. In the November 10 issue of Business Week, for example, editor-in-chief, Lewis H. Young, points out that the administration simply does not understand the economics of the situation.

Prof. Seymour Melman of Columbia University, writing in the November 2 New York Times, argues persuasively that Federal policy has exploited New York and other centers of civilian industry to build up the areas where military bases and industry are concentrated. New York City, he points out, has borne the costs of rural-urban migration while massively subsidizing other regions of the country.

The lead editorial in the October 31 Washington Post offers a point-by-point refutation of Mr. Ford's public statements on the New York issue.

Mr. Arthur Schlesinger, Jr. offers an incisive historical discussion of the New York problem in the Wall Street Journal of October 29, 1975.

Today's New York Times contains two excellent editorials on the New York crisis and a guest column by our distinguished colleague Senator STEVENSON.

I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FORD'S MISCALCULATIONS ON NEW YORK CITY

(By Lewis H. Young)

President Ford's plan to help New York City after it defaults was drawn up by the same economic advisers who a year ago drafted a bill to increase taxes just as the economy was heading into the worst recession since the 1930s. Fortunately, Congress was wise enough to give that proposal a quiet burial, but the plan for New York stems from the same kind of error.

Under Ford's proposal, a federal court would make sure—after the city defaulted—that essential public services would continue. Payrolls of police, fire, sanitation, and health workers would take priority over the interests of holders of city bonds and notes. Presumably, any shortfall in wages would be met through short-term debt the court would authorize the city to issue. But the terms of aid are still vague.

In the past, Ford's advisers have repeatedly insisted that the city has enough money if it would take stern measures to restructure its debt. They have been asking the city to default but to call it something else: a moratorium on interest payments, a stretchout of maturities, and a voluntary—or involuntary—rollover of notes. Now Ford is forcing default, but his program rests on false assumptions.

The President does not understand that even if the city pays no interest or debt service, it will be at least $1 billion short of meeting its payroll and welfare payments in December, January, and February. And once it has defaulted, it is questionable whether anyone will buy New York City issues, including the court's authorized notes, because the city has no way to repay them. New York State's fiscal condition is at least as bad as the city's.

LACK OF FACTS

In any case, the city's cash projections are not very good because it still lacks modern management and accounting systems. It will not even be able to tell for sure how many people are on its payroll until after a new system is installed in July, 1976. Over and over again since the city's crisis started, anticipated receipts have been overstated and expenses understated.

Furthermore, the President and his advisers seem to think that a few banks hold most of the city's debt and that a restructuring is possible simply by sitting down with them. Actually, the banks hold less than one-third of the debt. The rest is in the hands of small investors who need the money.

Finally, the city's pension funds are protected by the state constitution, which prohibits reducing the benefits. But the full extent of the city's pension liability is unknown: The actuarial assumptions have not been revised since 1908. Since then, average life expectancy has increased about 16 years and rendered the city's calculations hopelessly out of date.

WEAK ECONOMICS

There is a long tradition that American Presidents are weak on economics. But even in that tradition Gerald Ford makes some of the others look like savants. Aside from his own lack of grounding in the subject, many of his key economic advisers misread the data, and the White House staff is inept in a field that is increasingly crucial to policymaking.

In a private interview two weeks ago, Treasury Secretary William E. Simon claimed that New York City's cash flow for the current fiscal year was not so bad. Challenged for details, he confessed that he had not studied the month-to-month figures; he was too busy testifying before Congress to read anything but the briefing sheets prepared by his staff. Another key adviser pointed out that the issue was less economics than politics. Any rescue effort, he said, would benefit the banks and give the Democrats an election-year issue that the White House would prefer to avoid. Still another adviser complained that the public was not hearing about all the careful study the New York problem was getting in Washington because the White House staff was unable to articulate it, and power struggles among advisers prompted some to leak misleading information.

REPERCUSSIONS

Perhaps worst of all for the future, default will almost certainly lead to a flood of litigation. First to sue might be the investors who were persuaded by banks and Wall Street houses to buy the last notes issued by the city on its own last spring. There might also be suits by the city and state pension funds that have bought Municipal Assistance Corp. bonds. Such litigation could persuade a federal appeals court to invalidate the President's whole program, and serious social upheaval could ensue in the city.

Citicorp Chairman Walter Wriston, for example, worries that if sanitation workers in Bedford-Stuyvesant do not get paid, they will drive their trucks right into the Citibank branch in that deteriorated neighborhood. And the police, without paychecks themselves, would not stop them.

[From the New York Times, Nov. 2, 1975]

THE FEDERAL CONNECTION

(By Seymour Melman)

Something is missing from the discussion on New York's financial crisis. The wages of policemen, schoolteachers, and the productivity of sanitationmen and of city employees generally, do not explain the debacle. The missing factor is the Federal connection by which New York City and the state are drained of tax dollars while forced to bear extraordinary burdens as a result of Federal policies.

Each year from 1965 to 1967 (the last reported years) the Federal Government extracted from New York State $7.4 billion more than it spent there for all purposes. By contrast, California received $2 billion a year more than it paid to the Government; Virginia got $1.3 billion, net; and Texas received $1 billion net each year.

The Federal Government has been milking the economy of New York State (and Illinois, Michigan, Pennsylvania, Ohio, Indiana, Wisconsin—all of them centers of civilian industry) and transferring capital and purchasing power to the states that are concentrations of military industry and bases.

Of all the states with over $1 billion net drain to the Federal Government, New York State suffered the biggest loss, with Illinois next at $4.4 billion.

Paralleling the direct exploitation of New York State, the Federal Government's policies imposed a set of heavy costs on the city and state. Federal subsidies spurred the mechanization of agriculture in the American South after World War II, producing a cast-off-labor force of poor tenant farmers. The former tenant farmers drifted to the great cities of the North, as did a wave of migrants from Puerto Rico, also seeking opportunity.

The Federal Government did virtually nothing to support economic development that would retrain, educate and re-employ these people. The "Great Society" program was never implemented, as the needed resources were funneled off for the war in Vietnam. The city school systems and social services gave modest support for people whose traditional lives had been shattered. As a consequence there grew up in New York and other cities a substantial population of jobless and unemployable people constituting a *lumpenproletariat*. Their depressed condition is accentuated by the racial discrimination toward which the Federal Government practices benign neglect.

A permanently impoverished population is costly to a surrounding community. The very poor use more police and fire services, more courts, more jails, more emergency medical care, more social work, and more welfare resources of all kinds than any similar employed population.

The social cost of a *lumpenproletariat* also appears in the unproduced goods and services lost to the whole society owing to their unemployment and underemployment.

The city government was left to care for the mass of elderly poor who cannot live on the Federal Social Security stipend, owing to the inflation inducted by the Federal priority to a permanent war economy.

The Federal Government is responsible for enforcing the laws against importation of hard drugs. The Federal failure to enforce them contributes to the formation of a large addicted population, about half of it collected in New York City. The social havoc that it generates is a Federal responsibility, until now denied and dumped onto the New York cities of the United States.

For thirty years the Federal Government has subsidized the development of suburban communities: by the tax deduction allowed on home mortgage interest; by the Federal highway network that linked the suburbias of the country and gave easy access to central cities. Meanwhile, urban renewal was neglected. So the New York cities developed blighted areas, and city transit was left to decay, deemed unworthy of Federal largesse.

These Federal connections apply to all the major metropolitan centers. Therefore the troubles of New York City are prudently read as an early warning of what awaits the rest. The Federal Government compounds the damage to the New York cities of this country by preempting the cities' tax bases while lavishing our tax dollars on foreign power plays and military adventures.

Consider that the Federal Government's net take from New York State averaged $412 per person for the late 1960's. For the 7.8 million residents of New York City this was a loss of $3.2-billion per year—more than enough to preclude any deficits in the city budget and to support some of the economic development for our own people that successive Federal Administrations have avoided in order to finance their own military economy.

Therefore, the abuse and contempt that

the Gerald Fords now heap on New York City serves a serious strategy: to mobilize every sort of prejudice that can divide a large and diverse people; to divert attention from the actual causes of many economic problems; to divide and rule.

[From the Washington Post, Oct. 31, 1975]

THE PRESIDENT AND NEW YORK CITY

Undoubtedly there have been presidential speeches more outrageous than the one President Ford delivered on New York City's financial problems. But it is hard to remember one. Mr. Ford used all the demagogue's tricks: misstating the problem, distorting the facts, running down the critics, resorting to pious platitudes and appealing to prejudice. In the end, he contradicted himself by recommending that the federal government, in the person of a federal judge, supervise New York's future finances after he had explained why supervision by the federal government would be disastrous. One way or another, the nation and New York City will survive the agonies that are now inevitable for that city but they will do so in spite of the President's leadership, not because of it.

Item: Mr. Ford says that New York's leaders are asking for a "blank check" which would require other Americans to support advantages for New Yorkers that they cannot afford for themselves. The reality is that New York's leaders are not asking the federal government for an open-ended supply of federal cash; they are asking that it arrange for the city to borrow money, which it would have to repay, on terms that would require it to submit to considerable financial discipline.

Item: Mr. Ford says that New York's political leaders have "abandoned" the city's financial problems on the federal doorstep like some foundling. The reality is that New York State has not only taken financial control of the city and has committed millions of dollars to its aid but has forced a wage freeze, job cutbacks, a curtailment of construction and the renegotiation of a major labor contract.

Item: Mr. Ford claims all of the city's financial woes are due to bad management. The reality is that some of the city's problems have been forced upon it by events beyond its control; the price New York City has paid over the decades as the receiver of immigrants—first from abroad and later from the South and Puerto Rico—has been enormous.

Item: Mr. Ford says that the only losers if New York City goes bankrupt will be the "large investors and big banks." The reality is that thousands of little investors, in New York City and elsewhere, stand to lose directly and many more will be placed in indirect peril if the shock waves of such a bankruptcy spread.

Item: Mr. Ford says that "a few desperate New York officials and bankers" have been trying to stampede Congress into action. The reality is that deep concern about the impact of a New York default on the nation's entire economy exists among mayors, bankers and financial experts all across the country—including, among other ranking officials of Mr. Ford's own administration, his Vice President.

Item: Mr. Ford says that there are choices available to New York leaders other than default or bankruptcy or federal aid if only they would seize them. The reality is that New York almost certainly cannot avoid defaulting on its debts within a few weeks unless it gets help from somewhere.

Item: Mr. Ford says that most other big cities have faced the same problems as New York's and have stayed financially healthy. The reality is that New York's problems are unique if only because of their size and that some other big cities are in serious financial difficulty.

Item: Mr. Ford says that the "cities and the federal government were the creatures of the States." We had thought that John Marshall and a Civil War had put this old states rights' shibboleth to rest more than a century ago.

There are more examples. But these should be sufficient to demonstrate the general character of the President's speech. Two additional aspects of the President's approach deserve mention. It is ironic that a President whose first budget recommended the largest governmental deficit since the pharaohs built the pyramids should choose to attack so viciously the officials of New York City for running a deficit less than half as large in relation to total spending as that of the federal government. And it is ironic that a President who has been a vigorous critic of the federal courts when they have taken partial control of a local school system should recommend that those same courts take total control of the nation's largest city.

As to the substance of Mr. Ford's program, it is clear that Congress should pass quickly the changes in the bankruptcy act he supports. Indeed, it ought to have passed these some time ago. Similar proposals were urged upon it last spring by the Advisory Commission on Intergovernmental Relations. And, despite the President's opposition, Congress does need to continue work on a program to provide an emergency federal guarantee for municipal bonds. It is faintly possible, although not likely, that somewhere—perhaps in the treasuries of the labor unions—New York City will find the money to avoid formal bankruptcy. But if it does not, its bankruptcy could create chaotic conditions in the municipal bond market which would make a federal safety net of some kind essential.

It is conceivable that by turning this icy shoulder to New York City, President Ford will force its leaders to take painful steps they would not otherwise have taken and to find solutions to their own problems that are not now visible. If so, his judgment on what the role of the federal government should have been will be vindicated. But that will still not excuse the rhetoric of a speech which deliberately conceals from the American people the potential seriousness of a problem for which there is no assured solution. To build political capital on the latent antagonism that exists toward New York City, and all it stands for, is no way for a national leader to prepare public opinion to deal with a crisis which may well turn out to have profound consequences nationwide.

[From the Wall Street Journal, Oct. 29, 1975]

MAIN STREET'S REVENGE

(By Arthur Schlesinger Jr.)

For an historian there is something at once professionally fascinating and civically scandalous about the current rage against New York City.

A student of the past inevitably finds a sort of delight when he encounters historical themes in a contemporary context. The mistrust of cities is almost the oldest, for a long time one of the most cherished and evidently one of the most tenacious of American traditions. Jefferson thought that the American people would remain virtuous as long as they lived on the countryside; but "when they get piled up upon one another in large cities as in Europe, they will become corrupt as in Europe." "I always seem to suffer some loss of faith on entering cities," Emerson wrote Carlyle. "They are great conspiracies. . . . You can scarce drive any craft here that does not seem a subornation of the treason." Morton and Lucia White in their illuminating book "The Intellectual Versus the City" show how deeply hostility to the city entered into the 19th-Century American mind.

This hostility sprang initially from political philosophy. The Jeffersonians were convinced that a democratic republic required a wide distribution of property, and that this in turn implied a nation of small freeholds in a predominantly agricultural society. Cities meant commerce, finance and industry—militant and acquisitive wealth versus a propertyless and consequently demoralized working class. "The mobs of great cities," said Jefferson, "add just so much to the support of pure government, as sores do to the strength of the human body."

A 'SIMIAN' RAGE

The hostility was nourished by the romance of the wilderness and the frontier. It was nourished by the increase of immigration, bringing alien peoples to the American shore. It was nourished too, one cannot doubt, by rural and small-town envy of the illicit pleasures and excitements supposedly rampant in the city. Mencken spoke of "the yokel's congenital and incurable hatred of the city man—his simian rage against everyone that, as he sees it, is having a better time than he is." This Mencken argued without undue exaggeration, lay behind Prohibition, the Mann Act, the Comstock laws, the anti-evolution laws and other statutes imposed by the countryside on the city.

In due course the depravity alleged to be innate in all large cities was presumed to be concentrated in New York. William Jennings Bryan, speaking for the farmers, the fundamentalists, the prohibitionists and the other powers of rural and small-town America, called New York "the enemy's country." American cities, and New York most of all, as Morton and Lucia White summed up the national indictment, were deemed "too big, too noisy, too dusky, too dirty, too smelly, too commercial, too crowded, too full of immigrants, to full of Jews, too full of Irishmen, Italians, Poles, too industrial, too pushing, too mobile, too fast, too artificial, destructive of conversation, destructive of communication, too greedy, too capitalistic, too full of automobiles, too full of smog, too full of dust, too heartless, too intellectual, too scientific, insufficiently poetic, too lacking in manners, too mechanical, destructive of family, tribal and patriotic feeling."

Since 1920 more Americans have lived in cities than on the countryside. One supposed that the ancient hatred might have diminished. Of course a certain amount of *Schadenfreude* was to be anticipated over the troubles of New York City. New York has been full of itself too long, has drained too much talent and money from the hinterlands, has been too proud and patronizing, too careless and contemptuous, not to expect that the rest of the country would derive a certain pleasure when it fell into difficulties—much as the rest of the world derives a certain pleasure from the humiliations of the United States.

But *Schadenfreude* is hardly a rational basis for public policy. Yet a President of the United States, who has displaced such solicitude for South Vietnam and Zaire, such compassion for Lockheed and Penn Central, now denounces the idea of aid to New York City and raises cheap cheers around the country by plucking the old anti-big-city nerve at every opportunity. "The imminent fall of Saigon," as Senator McGovern said the other day, "drove the Ford administration to demand another billion dollars of aid, but the imminent fall of New York finds that administration resistant even to a bond guarantee."

That is why this historian finds President Ford's calculated effort to rekindle the archaic American hatred of the cities, however fascinating professionally, sad and weird from the viewpoint of the national interest. This writer, who was born in the Middle West and grew up in New England, has no great commitment to New York. I have lived here pleasantly enough for nine years but, though I vote and pay taxes in New York, I do not quite regard myself as a New Yorker. If I still lived in Ohio or Massachusetts, I would feel just as astonished by this extraordinary display of presidential atavism.

Jefferson, as he conceded in later years, lost his argument in his own lifetime. Cities are here to stay, banks, industries, mobs, immigrants and all. The United States must stand or fall as an urban society. Our cities are of course imperfectly governed. This was true long before Lord Bryce wrote in 1888 that "the government of cities is the one conspicuous failure of the United States." American cities—New York preeminently so—are far better governed today than they were a century ago. No doubt New York has been living beyond its income in recent years, and no doubt this is reprehensible. It does seem, however, to be a peculiar charge to be made with such Pecksniffian self-righteousness by the President who is running up the largest peace-time deficit in American history and is piling the national debt to a size that would have seemed unimaginable a short time ago.

New York City is in trouble in part because of the errors of its elected officials—errors abetted, it must be said, by the great newspapers and banks of this city, which have had ample time over the last generation to compel a succession of mayors to understand the folly of their ways. But New York City is more fundamentally in trouble because it has played a national role and assumed burdens for the whole country. For more than a century, for example, it has assumed the primary burden of welcoming immigrants to this land, finding them jobs, teaching them English, assimilating them to American life. In recent years it has assumed the additional burden of receiving poor and dispossessed American citizens, thereby reducing tensions and taxes in the South and in Puerto Rico. These are national burdens. They are not the product of the individual fecklessness or wickedness of a single city. Herblock made the point effectively in his cartoon showing a figure representing New York City, the Statue of Liberty ("Give me your tired, your poor . . .") in his hand, saying to the Secretary of the Treasury: "Maybe you'd like to stand this in front of some other city."

Beyond this, New York has played a role of national leadership in vital areas of culture and communications. In communities across the Republic, music, painting, the dance, writing, publishing, the theater, television, design, museums, libraries, philanthropy are stimulated by and considerably dependent on what happens in New York. These are national, not local, services. If Main Street sets out to punish New York by forming a ring and cheering on its discomfiture, as Gerald Ford would have us do, the result will be to punish not New York alone but the nation as a whole.

A NATIONAL ASSET

New York City has made indispensable contributions to the national well-being. It is a national asset. Its difficulties have, to a substantial degree, national causes. If Bill Simon himself had been in Gracie Mansion for the last decade, New York would still be in trouble today. Its misfortunes are national misfortunes. Its rescue is surely a national responsibility—rather more, one would think, than the rescue of South Vietnam and Zaire.

And New York's misfortunes are national misfortunes in another sense. For what is happening in New York City, as the U.S. Conference of Mayors has done its best to make clear to the Ford administration, is part of a general urban crisis. New York is only the most visible and (because it has assumed so many national burdens) the most vulnerable of our cities. If New York goes, the chain reaction will affect not just the municipal bond market but the morale and future of cities across the land. Nor will the fall-out be confined to the United States, as Helmut Schmidt of West Germany endeavored in vain to point out to the Ford administration a little while ago. Now is the time perhaps for our President to start talking about the domino theory.

The crisis of New York City is not, as our President seems to think, an isolated matter, locally manufactured, locally sustained and local in its consequences. It is not to be solved by resuscitating small-town bigotry about big cities. That attitude died in policies with Bryan. Gerald Ford's campaign to bring it to life is a disgrace to the presidency.

BANKING ON A CAPITOL BALLAST

(By Adlai E. Stevenson 3d)

WASHINGTON.—The crisis of New York is more than financial: It is a crisis of leadership. Regardless of who is to blame—and there are many—we cannot walk away from New York. New York is a national responsibility.

This is not to excuse New York City. For years it has knowingly and inexcusably been living beyond its means. Fiscal management fell victim to politicians' promises. Payrolls exploded. Benefits ballooned to unheard-of levels. Lucrative pension plans, which hid the true cost of public employment, forced people into retirement before middle age. Services that the rest of the country pays for were provided free.

Because the resources were not there to back up its misguided generosity, New York turned to borrowing to meet every conceivable need, regardless of whether there were revenues to back up those borrowings.

These practices are, and should be, condemned. Politicians, aided and abetted by banks and other sophisticated investors, are responsible for perhaps the greatest swindle in our history. The nation at large is, therefore, understandably skeptical about coming to the city's assistance now.

But a bailout is not the real issue. Despite Presidential rhetoric, no one is proposing a bailout for New York except the President. The fact is that once the city goes into bankruptcy, as the President proposes, Federal assistance is inevitable, as he recognizes. So the real question is whether assistance should come before default in order to avoid bankruptcy, or after.

New York is insolvent and only a major restructuring of its debt and fundamental reform of its fiscal policies can restore its health. The question is how to achieve that objective quickly, with fairness, with the least disruption of essential services, and at the least cost to the country.

It may be that there is no alternative to bankruptcy. And in that event, revisions of the bankruptcy laws are in order. But default for a city like New York is so fraught with dangers and uncertainties that to refuse to consider alternatives betrays a bankruptcy of leadership more profound by far than New York's plight.

Efforts to stave off default might not succeed, but if they did, they would eliminate the risks that a default by the nation's largest city entails. And it would cost nothing. While the risks of default are difficult to estimate, it can be safely said that the collapse of New York City, accompanied by the collapse of the nation's second largest state, could have serious political as well as economic implications both at home and abroad.

A bill that the Banking Committee has reported to the Senate offers an opportunity to avoid bankruptcy and to achieve fundamental reforms without cost if New York is unable to work out its problems on its own.

The mechanism is a maximum of $4-billion in Federal guarantees of one-year securities issued to meet current borrowing needs while New York puts its financial house in order. Such guarantees would be secured by a first lien on city revenues. Thus, if the Federal Government had to make good on any guaranteed security, repayment would be made in full.

Before any such guarantee could be issued, the city would be required to meet stringent conditions, including Federal approval of a detailed financial plan providing for a balanced budget within two years. In addition, holders of large numbers of maturing New York securities would be effectively required to swap those securities for lower-interest long-term securities.

The burden for debt restructuring would be placed where it should be—on the sophisticated moneylenders who, by meeting New York's insatiable credit demands long after the brink of disaster had been reached, perpetuated the fiction that New York City was sound. In addition, city pension costs, which have skyrocketed to unsupportable levels, would have to be reduced.

All of these are minimum conditions. A three-member Federal board established by the bill, headed by the Secretary of the Treasury, could impose such additional conditions as are necessary to put the city on a sound financial footing. If voluntary reorganization failed to stave off default, then the bill would make assistance available to finance the delivery of essential city services on an emergency basis.

New York offers a lesson for us all. The crisis provides an opportunity for other cities and states to reexamine their own behavior, it provides an opportunity for the Federal Government to re-examine policies of its own that may have led New York down this path.

The President's plan is a bailout—and a cop-out. It shifts responsibility for the hard decisions needed for reform to a judge with limited power, who would in effect assume many of the responsibilities of mayor.

By putting the complex issues facing New York into the legal thicket of bankruptcy proceedings, the President's plan masks the political nature of the issues involved. It raises the specter of prolonged uncertainty and social disintegration. In the long run, New York could end up a semipermanent ward of the Federal Government.

It is ironic that an Administration that now seeks more than $4 billion in new foreign aid and that has billions in Government-guaranteed foreign loans outstanding through the Export-Import Bank and otherwise, cannot take it upon itself to explore humane, rational and costless solutions for New York. It is ironic, too, that an Administration that opposes judicial meddling in matters of education would turn over this pressing social and economic problem to a Federal district judge. Such ironies are lost on those who play politics with human lives.

[From the New York Times, Nov. 5, 1975]

THE FORD STRATEGY

When President Ford took office, it seemed that for the first time since the Eisenhower era the Republican Party had a leader interested in rebuilding its broad base. Mr. Ford himself personified the conservative but not reactionary orthodoxy of what was once the G.O.P.'s Ohio-to-Iowa heartland.

In choosing Nelson A. Rockefeller as Vice President, he reached out toward the moderate Republicanism of the urban East. In tacitly endorsing Representative Pete McCloskey of California, he flashed a signal that unlike his predecessor, he would tolerate and even encourage liberal dissent. By his appointment of distinguished nonpolitical figures to his Cabinet such as Attorney General Edward Levi and Secretary of Transportation William Coleman, he seemed to be bidding for the independent voters, vitally necessary to a party that commands the active loyalty of barely one-quarter of the electorate.

But after this promising start in which he reopened blocked lines of communication and encouraged diverse viewpoints, President

Ford began to retreat toward a fortress mentality. He has increasingly resorted to old Nixon strategies and campaign themes. Drawing the line with Congress in a series of sterile veto battles, he encouraged his party to turn its back on urban problems.

As the candidacy of Ronald Reagan has gathered strength, the retreat has become a rout. The White House is now trumpeting all the old cries against forced busing, welfare cheaters, and budget busters. The President's decision not only to oppose financial aid to New York City but also to use the city as the butt of political ridicule in his speeches around the country (and even abroad) irreparably compromised Vice President Rockefeller's political position and stultified progressive Republicans. Mr. Rockefeller's withdrawal confirms the destruction of any prospects for progressive Republicanism in a Ford-led party.

The new Ford strategy is based on the conviction that the President can successfully compete with Mr. Reagan for the votes of conservative Republicans in the South and Southwest. This is a high-risk strategy because Mr. Ford will be competing on Mr. Reagan's own turf.

Assuming that the President is successful, he then faces the even more difficult problem of winning re-election by using the "Southern strategy" that Richard M. Nixon followed in 1968. This strategy is vulnerable to a third-party candidacy by Gov. George C. Wallace. Mr. Nixon, it will be recalled, barely squeezed through to victory in 1968 because he lost almost all of the Northeast and had to divide the South with Mr. Wallace. Mr. Nixon, moreover, was shrewd and skillful enough to play upon Wallaceite themes and yet appear respectable. It is doubtful that Mr. Ford can tread that narrow line with such finesse.

As Mr. Ford veers even further toward the far right, what course lies open for progressive Republicans? In a forceful address last week in Washington, Senator Charles Mathias Jr., Maryland Republican, gave his answer. He indicted both parties for their failure to cope with crime, unemployment, welfare, tax inequities, deficiencies in health care, and deteriorating race relations. Senator Mathias warned that his own party could follow the Whigs into oblivion if President Ford offers nothing more than an echo of Ronald Reagan.

It used to be the Republican habit to suppress internal disagreements and to deny the reality of personal rivalries. But since Mr. Reagan and his zealous supporters have breached that tradition, there is no reason why moderate Republicans should remain silent. A party that cannot withstand an honest and vigorous controversy is a party already doomed to dwindle into inconsequence. Now that Senator Mathias has shown the way, other progressive Republicans would do well to give voice to their authentic convictions. In this way, moderate and responsible Republicans could face up to their party's crisis and their nation's needs.

ENOUGH SELF-HELP?

"I believe that New York City can avoid default," President Ford asserted once more Monday night. "They can take stronger action than they have taken."

No informed person who has seriously examined New York's fiscal predicament can accept the President's first conclusion. The accumulation of deficits and debts is far too great to be absorbed by this city—or state—in one "cold turkey" dose of austerity.

New York must have some kind of outside aid in order to remain viable during a prolonged and painful period of readjustment. The only question is whether that aid should take the form of loan guarantees to help the city help itself, as provided in legislation that is advancing in both houses of Congress, or whether the Federal Government should wait to pick up the pieces of a bankrupt city at untold cost to the American taxpayer, as advocated by the President. We reiterate our belief that the former choice is clearly the better one, in the interests of the nation as well as state and city.

The fact remains that New York has not yet done all it could—and must—do to help itself. Consider the revised budget for the current fiscal year.

Proposed expense budget spending totals $12.1 billion—$200 million more than last year's spending and $1 billion more than was originally budgeted for the last fiscal year.

Revenue estimates for the current year total $11.1 billion, leaving a $1-billion book deficit—substantially more than the $724-million deficit that was supposed to have been reduced by a vaunted $200 million in new budget cuts.

Included in the revenue totals is $104 million in "surplus" interest from pension funds that are notably underfunded. This is a repetition of the kind of gimmickry that, as we have often noted, helped reduce the city to its current condition. It cannot be accepted as responsible accounting by a city that claims to be working toward an honest budget balance.

Also included in this year's anticipated revenues is approximately $800 million in state aid advances and $200 million in prepaid taxes which were received and spent last year. It is by no means certain that these advanced payments totaling $1 billion will be repeated.

Spending estimates do not include $700 million in expense items that have been misplaced for years in the capital budget. Since the city cannot sell its bonds, there are no capital funds available for these items—nor for roughly $1 billion in true capital spending which is still going forward.

Thus the city is in fact spending at a rate of approximately $13.8 billion ($12.1 plus $.7, plus $1.) for the current year against revenues that could be more realistically—if conservatively—estimated at $10 billion ($11.1 minus $1 minus $.104). The net addition to New York's already crushing burden of debt this year thus could run as high as $3.8 billion.

The reforms and reductions that have been achieved so far have been dramatic and painful, as every New Yorker knows. But the city's actions still fall short of the demands imposed by its crisis. The prospects for aid, or for survival if aid is not forthcoming, could be significantly improved if City Hall and Albany moved at once to tailor the budget more realistically to meet contingencies that could worsen the city's already parlous condition.

CABINET OFFICERS PRESENT POLICY STATEMENTS

Mr. SPARKMAN. Mr. President, on October 22, the Foreign Relations Committee held another in our series of hearings "Foreign Policy Choices for the 1970's and 1980's." At that time the committee heard from Secretary of the Treasury William Simon, Secretary of Commerce Rogers C. B. Morton, and Secretary of Agriculture Earl Butz.

Each Cabinet officer offered what was, in effect, a policy statement outlining rather comprehensive views on the use of our Nation's vast resources in our future relations with other nations.

Their points of view, which might be summarized as a clear, ringing defense of the free enterprise system and traditional American values, should be of interest to many Members of Congress.

Next Monday, November 10, at 10 a.m. in room 4221, the Foreign Relations Committee will discuss similar topics with Dr. Richard Lesher, president of the Chamber of Commerce of the United States of America, Tony Dechant, president of the National Farmers Union, and John Datt of the American Farm Bureau Federation.

I ask unanimous consent that the testimony of Secretaries Simon, Morton, and Butz be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE WILLIAM E. SIMON, SECRETARY OF THE TREASURY

Mr. Chairman and Members of the Committee, you have requested, Mr. Chairman, that these hearings cover the broad range of challenges likely to be encountered in the conduct of U.S. foreign policy during the remaining years of this decade and into the 1980's. I welcome this opportunity to step back for a while from the day-to-day pressures, and to join with this Committee in a longer-run look at our international relations. The United States faces serious challenges in foreign policy, including inextricably related challenges in the area of international economic policy, to which I will address my attention today.

The abrupt economic changes of the past several years give us all grounds for caution in stating what the challenges of the next decade will be. Nevertheless, I believe this is a useful—indeed necessary—exercise, in order that some future problems may be anticipated and that we may be placed somewhat less in the position of reacting to crisis events.

The United States must have, and does have, an international economic policy. No nation is more intimately involved in shaping a cooperative international economic order. But we must not confuse policy with technical arrangements and procedural mechanisms which are only the instruments of policy. The core of our international economic policy is dedication to certain fundamental principles, the most important of which is our commitment to a liberal, cooperative and open order for world trade and investment. Let me further preface my remarks by reminding you of those principles;

To support the liberalization of world trade and investment;

To avoid beggar-thy-neighbor policies;

To maintain a strong U.S. economy and a sound U.S. dollar; this is a prerequisite.

To assist the developing world to grow and become economically self-sufficient;

To respond promptly and effectively to structural changes in the world economy, such as the changed energy balance;

To participate responsibly with other nations in ensuring that international economic arrangements evolve to meet changing conditions.

Following these principles, the United States has worked with other nations to develop viable and realistic solutions to the very serious problems we face. There has not been a great sounding of trumpets, but there has been quiet, meaningful progress. And it is by adherence to the principles which have served us so well that we should approach the major economic challenges that lie ahead.

Broadly speaking, I see them as threefold:

To define and follow a path of durable non-inflationary growth for the world economy;

To maximize the benefits to be derived from the world's natural resources; and

To find effective means of working with developing nations in support of their development aspirations.

NONINFLATIONARY GROWTH

The most enduring challenge to the Free World economy is to find and follow the path toward sustainable non-inflationary growth. The greatest responsibility of the United

States to a healthy world economy is to restore sound economic policies at home to promote non-inflationary growth and to ensure durable prosperity. In meeting this challenge, we not only provide an environment in which the aspirations of our own people can be fulfilled equitably, but we will enable the U.S. economy to provide a sound foundation for economic progress and stability in other countries.

As we each develop our own policies and programs, we must keep in mind that we live in an interdependent world, where the actions of each country bear upon the welfare of others. It is of particular importance in such a world that we continue to progress toward a more open and liberal world economy. Continued movement toward greater reduction of barriers to trade and investment offers not only the prospect that international transactions will serve as an engine of growth but also assistance in dealing with inflation, for a more efficient world economy will be a less inflationary one. It will not be enough merely to resist protectionist pressures at a time of economic stress; we must also push ahead with our efforts to liberalize existing restrictions. In this connection, the Multilateral Trade Negotiations are of particular importance, both symbolically and practically.

The stance of the United States in this area is crucial. This country stands as an outspoken and vigorous advocate of a free and open international trading community, and our voice carries a special weight. Whether we continue to demonstrate leadership will affect not only our own prosperity but even more importantly the shape of the world in which we live.

We need also to learn better how to live in interdependent world—how to balance economic interdependence and national independence. All nations are linked together economically. When our policies are mutually supportive we are all much better off. When they are mutually incompatible we all suffer. Yet we are not ready for one world politically and we may never be. We wish to retain our sovereignty. For example, although monetary policy in the U.S. affects the economies of the European countries, and vice versa, neither they nor we can allow our domestic monetary policies to be determined by the other.

Recognition of the interdependence of nations, and of the problems that are faced in common, has resulted in the development of an extensive framework of international economic and financial cooperation, in the International Monetary Fund, in the Organization for Economic Cooperation and Development, and in other forums. It has not been a matter of "coordinating" policies, in the sense of ensuring that all countries follow identical policies. Our customs, traditions and institutions vary, and economic conditions also vary. But the basis for close and fruitful cooperation among nations exists. The U.S. is an active participant in this extensive international network of economic cooperation, and we will continue to assure that our cooperative efforts are adapted to meet new and changing problems as they emerge.

The Financial Support Fund recently negotiated among the members of the Organization for Economic Cooperation and Development, and now before the Congress for its approval, represents an important advance in the sphere of international cooperation. Designed to assist in dealing with current external financing problems, this temporary fund constitutes a major element in the response of the developed oil importing countries to one of our most pressing problems.

Our efforts to restore a healthy and vibrant world economy have been, and I believe will continue to be, helped by more flexible exchange rate practices. Had the world attempted to maintain par values in the face of the dramatic upheavals of the last two years, we would have had chaos, crisis, trade and capital controls and a far more severe world inflation. In a period of wrenching and unpredictable change, the world has been spared the massive speculation and recurrent crisis so typical of the par value era.

And, with more flexible exchange rate practices, world trade has held up remarkably well in a dangerous period of recession. With few exceptions, restrictions on trade have been avoided. And nations have been subject to a more immediate and direct "discipline" than before, in that they have been compelled to face rather quickly the external consequences of any unsound domestic policies.

We have all been able to see evidence in recent years of less stable conditions in our international economy than we would have liked. More stable conditions, however, are not the product of any exchange rate regime: they depend upon underlying economic forces. Thus, whatever the exchange rate regime nations choose, we will have the stability we all seek only when we control the inflation none of us wants.

MAXIMIZING THE BENEFITS TO BE DERIVED FROM THE WORLD'S NATURAL RESOURCES

At a time when the difficulties of achieving stable growth have increased, a high premium must be attached to the most efficient use of the world's natural resources.

Our consciousness of the limits on the world's supply of natural resources has been considerably raised in recent years. As a result, we have begun to devote greater attention to the problems of utilizing these resources in the most effective possible manner; and in the decade ahead we must intensify our efforts in this direction.

The challenges are twofold: The first is to assure a stable supply of natural resources at reasonable prices, so that these resources are utilized most efficiently in the production process. The second is to draw upon those resources in the most efficient manner.

As these questions have become public issues, all too often the headlines are dominated by two schools of thought:

The chronic pessimists who argue that we are running out of raw materials and are at the mercy of current producers. They would have us cut back on our standard of living and reconcile ourselves to paying the economic and political prices demanded by producers.

Those who believe that there should be a prompt government solution to every problem. They would create a complex system of indexed prices, commodity agreements, government trading companies and government run or controlled corporations to produce raw materials.

The trouble with these schools of thought is that they are based on a static conception of the world, not recognizing that we live in a dynamic world. This is particularly true in the case of raw materials. As technology changes rapidly, and real incomes rise, new demands are created for some materials, while others are no longer needed in the same quantities.

The pessimists have a point. But it is not that we are in danger of running out of raw materials in a physical sense. Rather it is that the poor investment climate in many less developed countries, particularly in extractive industries, has meant investment has often gone to developed countries even though the potential for production was lower than LDC alternatives. We must work toward finding means to insure that capital can be invested where it can be most efficiently used.

In this respect, a few developing countries do an immense amount of harm to development in all developing countries by disrupting the investment climate through expropriations and similar actions. The developing countries need the capital, technology and management which is available only from private firms in developed countries. Some developing countries believe that capital and technology available through foreign aid and from the international development banks can substitute for such private investment. This is not the case. In fact, bilateral and multilateral public assistance should not be used to compensate for a country's unwillingness to establish an investment climate to take advantage of the resources that will flow through the private market if the climate is conducive to such flows.

Some developing countries seem to feel that our firms are so eager to invest in their countries that they will invest regardless of the actions these countries take against existing investment, or regardless of the resolutions these countries push through international organizations such as the UN. I can tell you that this is not so. The losers from such action are the people of the developing countries who are denied the jobs, higher national incomes, and more rapid overall economic development that comes with private investment.

The interventionist school is attuned to an economically and technologically stagnant world. Indexation schemes attempt to freeze price relationships, which quickly leads to the necessity of controlling production and even substitutes. The producer becomes more and more detached from real market forces, and thus becomes dependent for his *welfare* on the artificial system which controls the indexation scheme, rather than on the consumer of his product. In some cases, commodity agreements can have salutary effects such as moderating price swings and assuring adequate supplies of a raw material over time, but we need to examine closely such possibilities on a case-by-case basis. The objective of commodity agreements should be to combat excess price instability, not an increase in the level of prices. Otherwise, such agreements risk interfering with long-term price trends and incentives, hindering the entrance to the market of new and more efficient producers, and stimulating alternative sources of production elsewhere.

The challenge for us in the years ahead is to find ways to maintain and improve the basic market mechanisms while alleviating any adverse side effects. In a dynamic world with shifting technologies, demand, and relative efficiencies, sources and volume of demand and supply will shift. This is as it should be. These shifts, however, can have human costs as adjustments are necessary. What we need to do is to find ways of alleviating the human costs of the adjustment process, rather than place obstacles in the way of change.

There has been no more critical deviation from reliance on the market mechanism than in the field of petroleum. There, market manipulation by the OPEC countries has served to increase artificially the price of oil far in excess of its costs of production or relative scarcity. As a result, oil importing nations have been forced to allocate scarce resources for the development and production of alternative sources of energy, while a very cheap and efficient resource remains locked in the ground. The world is paying dearly in terms of economic welfare.

The hopes of the developing countries, ill-equipped to meet the costs of expensive oil, have in particular been devastated by the series of oil price increases.

ASSISTING THE DEVELOPING WORLD

The United States does not have to pretend an interest in the development aspirations of the developing nations. Our interest in their progress is politically, economically, and commercially genuine. Throughout the postwar period, the United States has been in the forefront of those assisting in the economic and social progress of the developing world.

Much of what we have done has been governmental—such as the Point 4 program and other early substantial aid efforts, PL-480, and initiation and support for the World Bank and the regional banks, including their soft loan windows. Recently, Secretary Kissinger and I have put forward additional posiitve and constructive proposals for governmental assistance to the developing countries, including a Trust Fund to make concessional funds available to the poorest countries; a new IMF Development Security Facility to provide compensatory financing in case of export shortfalls; and a major expansion of the IFC.

Yet our partnership with the developing countries depends even more heavily on the activities of our private sector—our manufacturers, our banks, and all our other entrepreneurs who have accepted the challenge of doing business in the developing countries. Our effort to assist the developing world is one in which private capital flows, trade, and technology transfers play a major role. We recognize the continuing needs of the poorer developing countries for official assistance, but at the same time the more successful developing countries should move away from dependence on foreign assistance to greater reliance upon private capital flows to supplement their own efforts. As they became able to do so, developing countries should "graduate" from concessional aid, such as provided by the International Development Association, to ordinary capital assistance, such as World Bank loans at near commercial interest rates. And then, when still higher income levels are achieved, developing countries must "graduate" from orinary capital assistance to private markets.

In the trade area, developing countries should gradually accept obligations that other countries undertake to grant reciprocity and to promote more open trading arrangements. While we recognize the need for differential treatment of the developing countries in the Multilateral Trade Negotiations, there also should be agreed upon provisions for phasing out such special treatment as circumstances improve.

As the basis for cooperation between developed and developing countries evolves, we must preserve the fundamental principles—such as reliance upon market forces and the private sector—on which our common prosperity depends. Solutions must be dynamic and expansionary, so that all parties will benefit. Thus, we must seek increased production and improved efficiency, not just transfer of wealth.

Development assistance should be thought of not as an international welfare program to redistribute the world's wealth but as an important element of an international investment program to increase the rate of economic growth in developing nations and to provide higher living standards for people of every nation.

More specifically, in considering how the present system might be improved to the mutual benefit of all nations, we should be guided by the following principles:

Development by its nature is a long-term process; increasing productivity is the basis of development, not increased transfers of wealth which are one-time in nature. Foreign aid can help, but what others do will be marginal; what developing countries do for themselves will be decisive. The effectiveness of assistance depends ultimately upon the ability of developing countries themselves to assure the best use of all the resources available to them.

The role of the private sector is critical. There is no substitute for a vigorous private sector mobilizing the resources and energies of the peoples of the developing countries. The technology and management expertise that the private sector commands in the industrial countries is badly needed by the LDC's and private markets can provide essential capital resources they need for investments.

A free market is not perfect but it is better than any alternative system. In general the effort should be to improve conditions for the LDC's—both internally and externally—by removing unnecessary and burdensome government controls, not by imposing additional barriers to market forces.

The basic focus must be on increasing investment and making the institutional and policy improvements which will maximize growth.

Because of the major differences among LDCs and limits on available resources, programs must be targeted on specific conditions and needs.

Improvement in our relations with the developing nations must be based on approaches which both are responsive to their needs and consistent with the preservation of the principles and practices which make our common prosperity possible.

In making my remarks today, I am well aware of the pressures that have been generated for a so-called "New International Economic Order." And certainly there are areas where the old ways of doing things are not necessarily the best ways. We are actively engaged in discussions and negotiations seeking to improve existing arrangements, and we are confident that much progress can be made in the months and years ahead. But to the degree elements of the New International Economic Order conflict with the basic principles of free markets and free enterprise, we must decisively reject them.

These principles remain of fundamental importance to us—they are, after all, what we stand for. It is little appreciated that our free enterprise system is at the heart of our political and social freedoms. If we fail to speak out in its defense, no one else will be able to. Many responsible leaders in developing countries share our confidence in such a system. They must have the encouragement of our support, not the discouragement of our apparent abandonment of principles they expect us to maintain.

I believe we must also reject the proposition that the economic problems of the developing countries can be resolved simply by correcting alleged deficiencies and inadequacies of the present international economic system. The devastating economic impact on the oil importing developing countries of the increases in world oil prices and the impact of recession have obscured the fact that developing countries in general prospered during the last worldwide expansion, and in my judgment will do so in the next.

Moreover, some will not only prosper but flourish. There is no more damaging illusion than that the aid policies of the industrial nations hold the key to the economic future of the developing world. What is true is that our economic performance can create the environment in which their efforts can thrive. We can assist them in their efforts, but we cannot substitute for those efforts. It remains as true today as ever that the economic fortunes of individual nations will reflect primarily their own efforts, imagination, and determination. And I believe that to be not only appropriate but desirable, because the incentives and rewards in such a world lead to performance and progress that benefits all.

CONCLUSION

Mr. Chairman, in the next decade as in the past, our foreign policy will reflect the soundness of our domestic economic policies. If we have a strong economy at home, we will be strong abroad. If our domestic economy is weak, so will be our foreign position.

It is my firm conviction that the required direction of our domestic economic policies is already clear for many years ahead. Throughout much of the post World War II period, the entire world was at least primarily concerned, and perhaps obsessed, with the virtues of rapid economic growth. Gradually, we became aware that growth at any cost could indeed be costly. Ultimately, our obsession with growth led us into an inflation which not only created great inequities but sowed the seeds of the deepest recession in a generation.

I therefore find it almost obvious that we must revise our objectives, and work toward policies which simultaneously promote maximum sustainable growth without renewing inflation. Clearly, this means less expansionary policies than we have followed in the past. Equally clear to me is the need to give explicit and major weight in our decisions to the dangers of inflation.

In this, we have no choice. But, as we approach our problems in the years ahead, we will have one overriding choice: between a market oriented economic system, and a system which is dominated by government decision making. For this country, Mr. Chairman, I believe that the market system is the only system compatible with our form of government. Internationally, I believe our guiding principle should be to preserve and widen the freedom of the private sector to conduct international transactions, with the minimal distortion in the allocation of resources by public authorities, national or international. Following these principles, we may not change the world overnight, but at least we will be changing it in the right direction.

TESTIMONY OF THE SECRETARY OF COMMERCE ROGERS C. B. MORTON

Mr. Chairman, Members of the Committee, I welcome this opportunity to meet with you today to discuss my view of economic goals and policies that the United States should actively pursue within the overall framework of our foreign policy objectives.

I. INTRODUCTION

1. Recent economic developments have precipitated complex international issues

Attention should rightfully be focused today on the significance and course of U.S. international economic policy as it interacts with our foreign policy, national security, and domestic interests and objectives. This is particularly true in light of the unprecedented economic developments which have precipitated new and complex international issues in the past few years. These events are the manifestation of a new and pressing reality: accelerating international economic interdependence. Consequently, the United States must be prepared to respond positively to the changes that will continue to affect the global economy, and to lead the quest for international cooperative arrangements which will benefit the developing nations as well as satisfy the needs of our traditional trading partners.

2. The basic goal of the United States in the next decade must be to adopt a policy of international cooperation recognizing the emerging aspirations of other nations, as well as our own needs and priorities

A basic goal of our foreign policy should be the attainment of an open world economy resting on an equitable and efficient trading system, responsive both to our own needs and the needs of all nations.

Our success will depend heavily on the United States' exercising its responsibility as an economic leader among nations in a spirit of constructive cooperation, particularly with the developing countries, and will require an unprecedented harmony between our Nation's domestic and international policies. In addition, efforts must be made to avoid the expediency of short-term gain and political advantage in either domestic or foreign pursuits to the detriment of our long-term goals of growth within the community of nations.

3. Now is the time to turn global instability into opportunities for the United States

Key issues that currently divide nations must be turned into positive opportunities and actions, both at national and international levels, designed to:

Lessen the pressures that are straining the world economy, particularly in the area of trade and monetary issues;

Channel the growth of economic nationalism into constructive and long-term programs of cooperation and dialogue; and

Improve economic relations with centrally managed economies on the basis of mutual advantage and security.

4. Our foreign policy must accommodate our economic interest

I suggest that two main economic issues related to the central objectives of U.S. foreign policy merit high priority at this time. The first is the coordination of economic relations with and among all countries, to include economic, monetary and tax policy coordination; trade; tourism; agriculture; energy; investment and such other issues that involve multinational enterprises.

The second economic area deals with commodity trade policy and the problem of assuring reliable access to a supply of raw materials and other commodities at a reasonable price, in support of the economic well-being and expansion of both industrialized and developing countries.

Many complex policy issues are inherent in these priority areas of foreign affairs. I shall limit my statement to those for which the Department of Commerce has primary responsibility within its statutory mission "to foster, promote and develop the foreign commerce, of the United States."

I would like to review with you today key challenges and the policy options we should consider for the achievement of our national objectives in the areas of international trade, export expansion policy, commodity and raw material policy, energy, technology transfer, oceans and maritime policy, and tourism.

II. MULTINATIONALS AND INTERNATIONAL CAPITAL FLOWS

1. Rapid growth of multinational corporations has been one of the significant economic developments of the post-war era

One of the major developments of the post-World War II international, economic and political scene has been the rapid growth of economic power and influence of multinational corporations. U.S.-based multinational firms have been a major factor in the growth of exports of this country and have ensured the creation and maintenance of millions of jobs throughout the United States. However, their very success has sometimes resulted in attempts by foreign governments to gain varying degrees of influence over multinationals. Because most of these companies are U.S. firms, the United States will have to continue to take a positive approach in responding to increased pressure from foreign governments for intervention in the operations of multinational firms.

In my view, the United States should support the development of an internationally agreed upon Code of Conduct, which would delineate the rights and responsibilities of multinational corporations and host governments. However, it may be difficult to obtain the agreement of developing countries to include as an integral part of any such Code, specified rights of multinational firms, since this will imply converse obligations on the part of foreign governments.

2. Proposed changes in the tax code would decrease the international competitiveness of U.S. firms

Provisions of the U.S. tax code covering the foreign operations of U.S. firms should have a neutral effect on business decisions regarding where to locate production facilities. This concept is based on long established and consistent tax principles which are now, however, being challenged. Changes in U.S. tax laws are being proposed which will substantially increase the tax burden of U.S. firms doing business abroad.

Any changes in the tax laws should be fully and carefully evaluated in light of their effect on U.S. firms facing competition from numerous foreign multinationals which are frequently government owned or controlled and which operate under considerably less stringent tax rules. Our efforts should be focused on sustaining a climate of tax neutrality in which multinationals will not be subject to confiscatory taxation.

The position of the Commerce Department, in which I firmly concur, is that the elimination of the foreign tax credit for U.S. corporations will unavoidably curtail the ability of our industry to compete in international markets.

3. The market-oriented movement of capital has been and should continue to be the foundation of U.S. policy

The market-determined movement of capital historically has been the keystone of United States policy with regard to both the inward and outward flow of international investment. This policy should be continued, unless it can be shown that by doing so there are real dangers to the Nation and the economy. Temporary controls on the outward flow of capital have been imposed only when required by severe prolonged U.S. balance of payments deficits, and were phased out as conditions permitted. There are very few restrictions limiting inward investment, and these restrictions generally apply to areas recognized internationally as important to national security.

Since World War II, the United States has sought the elimination of barriers to the free movement of capital through bilateral negotiations and international organizations. However, questions have been raised as to whether this investment policy is now appropriate in view of recent developments in the international economy and the accumulation by OPEC countries of large dollar reserves which could be invested in this country.

4. Foreign investments in the United States are a growing concern

Although U.S. direct investment abroad is almost six times that of foreign investment in the United States, there is growing concern on the part of some of our citizens as to the economic and political implications of increased foreign participation in the U.S. economy. Bills currently pending in Congress would impose registration, screening and restrictions on such investment. After a recent thorough going review of our foreign investment policy, the Administration has concluded that such measures are unnecessary and that the U.S. should continue its traditional open door policy toward foreign investment, reaffirmed by President Ford on signing the Foreign Investment Study Act in October 1974.

However, the Administration review concluded that some strengthening of our data collection and monitoring activities is warranted and this has been undertaken. For example, the President recently established the Committee on Foreign Investment to coordinate government policy and data gathering programs on foreign investment and monitoring functions with regard to inward investment. In addition, the Committee reviews foreign investment which in the Committee judgment might have major implications for U.S. national interests.

A new Office of Foreign Investment has been established in the Department of Commerce to assist the Committee and to improve the information on foreign investment in the U.S. In addition, the studies of direct and portfolio investment presently being conducted by the Departments of Commerce and Treasury under the Foreign Investment Study Act will give us improved data on foreign investment and provide an evaluation of our current information-gathering programs and of the means whereby they can be kept current.

III. EXPORT EXPANSION POLICY

The ability of the United States to carry out its foreign policy in an effective way is closely related to its ability to maintain a strong position in the world economy. This, in turn, will depend on a strong external trade and balance of payments position.

The basic policy issue is to recognize that without the vigorous promotion and expansion of our export potential, we may not achieve our international economic goals. We must continue to promote the expansion of U.S. exports through the provision of adequate export financing, and a conducive legislative climate, as is the continuing practice of virtually all our trading partners.

Such programs as the Domestic International Sales Corporations (DISC) have proved to be effective vehicles for encouraging and achieving greater exports and domestic creation of jobs. We must support our exporters through positive direct action programs, consistent with our international obligations and the principles of comparative advantage.

1. Increased exports help pay for our imports, foreign aid obligations, and national defense

President Ford stated the economic arguments for export expansion in his April 5th Proclamation in connection with World Trade Week 1975:

"In the face of economic stress at home, more exports mean more jobs for Americans, more purchasing power for America's consumers and more business for our manufacturers. Exports help us meet the swiftly rising cost of the energy we consume.

"World trade joins nations in peace and creative partnership. It has greater significance today than ever before."

Increased exports also help pay for our imports, our foreign aid obligations and our national defense expenditures overseas. In FY 1975, the Department of Commerce's export promotion efforts yielded about $3.2 billion in additional export sales, exclusive of sales indirectly generated by information-type programs. Were it not for these additional exports, we would have doubled the $5.5 billion U.S. merchandise trade deficit in 1974.

Increased exports strengthen the national economy, create more jobs for Americans, and increase our standard of living. Available macroeconomic data indicate that each additional billion dollars of U.S. exports adds at least $2 billion to the GNP, and increases Federal tax receipts by $400 million. On the basis of even the most conservative of these estimates, the $3.2 billion in additional exports from Department of Commerce programs in FY 1975 added over $6 billion to the GNP, and nearly $1.3 billion to Federal tax receipts.

In this connection, it is significant that these exports have been a major source of strength to our economy at a time when most other sectors have been adversely affected by the recession. Since 1972, exports have risen as a percent of GNP from only 6.4 percent to over 10 percent of total in the first quarter of this year. In the third quarter, this figure declined slightly to 9.4 percent which reflects the renewed growth in our domestic economy, a healthy and welcome sign.

Furthermore, according to the Bureau of Labor Statistics, approximately 50,000 jobs were associated with each billion dollars of U.S. exports in 1973. These are jobs required to produce the exported product itself as well as jobs involved in the production of materials and components incorporated in the exported products. Additional jobs are, of course, also created by the multiplier effects of this activity as wages and profits are spent on consumption and investment. Currently, U.S. export industries in the manufacturing and agricultural sectors support about 3.8 million jobs directly and an additional 3½ to 4 million indirectly as a result of the multiplier effects.

2. Our major trading partners have pursued export expansion as a priority goal

Given our current economic problems and the export expansion activities of our major competitors, a strong ongoing U.S. export promotion program is needed to help U.S. firms realize their full export potential. Our major competitors have recently intensified their own export expansion activities in the face of serious balance of payments and recessionary problems in their economies. Foreign export programs generally form an integral part of the overall economic and foreign policy posture of these nations.

Other countries also typically provide more generous financing and tax relief for export activities than is currently permitted in the United States. They are more tolerant of export associations or arrangements of the type not allowed under U.S. laws. They make conscious efforts to avoid or minimize other regulatory controls on export operations. And, some countries provide insurance to protect exporters against rising production costs when filling large fixed price foreign orders.

United States policy should aim at creating an international climate in which American firms compete with foreign enterprises without the disadvantages I have outlined. Therefore, I believe it is essential to maintain a strong and vigorous export promotion effort of our own, and to remain alert to the need for Federal policies which are conducive to export activity.

3. U.S. policy favors liberalized world trade

U.S. policy, notably expressed in the passage of the Trade Act of 1974, clearly mandates a continuation of the effort to liberalize world trade. There are, however, isolated pressures to halt or even reverse the process. This reflects concern over current economic difficulties, availability of essential supplies from abroad, and the increasing interdependence of countries.

Certain labor factions which have supported to continuing liberalization of trade, now are fearful of what they consider to be the adverse employment and wage effects that might occur under current economic conditions. Some have been pressing strongly for measures which add up to a reversal of the present policy. A strong effort should be made to develop the support of organized labor for expanded exports, and to restrain wage demands so that our products remain economically competitive.

4. U.S. policy towards trade with certain nations has been modified

There is now a virtual embargo on U.S. exports to North and South Vietnam, North Korea, Cambodia, Southern Rhodesia and Cuba. With regard to Cuba, the Organization of American States adopted a resolution on July 29, 1975, which allows each member state to determine for itself the nature of its economic and diplomatic relations with the Government of Cuba. In keeping with this action by the OAS, the United States on August 21 announced modifications to aspects of our Cuban denial policy that affect other countries, but no change was made with regard to direct U.S. trade with Cuba.

5. The Department of Commerce expects pressure to restrict exports of certain commodities in tight supply

When the Export Administration Act was extended in 1974, there was considerable sentiment in Congress for the Department of Commerce to assume a more active role in monitoring commodities. Since the export of commodities may contribute to a domestic shortage or to price increases, the Department must consider restricting exports of those commodities in actual short supply or whose prices are subject to serious export-induced inflationary pressures. Various amendments were adopted that reflect these concerns.

In response to this evident Congressional interest, the Department has begun the publication of regular reports of its monitoring activities under the Act, and has greatly expanded its discussion of short supply activities in the Semi-Annual Report to the Congress on operations under the Act.

The worldwide recession following the Arab oil embargo and subsequent petroleum price rise appears to have eased worldwide demand for materials that are in tight supply. Currently, only crude oil and energy petroleum products are under export control for short supply reasons, while the formal monitoring of exports is restricted to fertilizers.

The termination of the price control program has also been a significant factor in the easing of pressures for export controls. When in full force, the control program tended to artificially encourage exports which were free of price controls to the detriment of goods destined to the domestic market.

However, as the economy continues its recovery, there may be increased pressure from various segments of the economy on the Department of Commerce to restrict exports of certain commodities and thereby mitigate upward price trends. Such restrictions on exports will be opposed by those nations which rely upon the U.S. as a supplier, the domestic export-oriented producers of these commodities, and by interests concerned with the adverse effect of export limitations on our balance of payments.

I believe that the U.S. should continue its policy of avoidance of export controls which, by undermining the reliability of the United States as a supplier, would have long-term adverse effects on our export trade. Export curtailment, particularly of our agricultural products, will subject the United States to much international criticism.

6. It is the policy of the United States to oppose restrictive trade practices

In the last four decades, U.S. international trade policy has been centered on reciprocal reduction or removal of barriers to trade through negotiations with other countries. Since 1948, this policy has been actively advanced through a series of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade which was established that year.

It is the policy of the United States to oppose restrictive trade practices or boycotts fostered by foreign countries against countries friendly to the United States. Domestic concerns are encouraged to refuse to take action that would have the effect of furthering or supporting such practice or boycott. The Export Administration Act requires U.S. exporters to report receipt of requests to participate in such restrictive trade practices or boycotts. Bills have been introduced in Congress that would have the effect of prohibiting U.S. firms from complying with boycott requests.

7. Multilateral trade negotiations will be affected by our national attitude toward imports

With passage of the Trade Act of 1974, the criteria by which import-injured industries can qualify for remedial action have been relaxed substantially. A number of American industries have taken advantage of the new law to apply for relief from import competition. It can be expected that many more industries will attempt to qualify for such remedies under the new law, seeking import quotas, higher tariffs and/or negotiated orderly marketing arrangements.

If imports are to be more restricted as a result of proceedings under the new trade law, we can anticipate some delicate problems in our trade relations with other countries at a time when we are embarking on a new, more complex session of multilateral negotiations to remove or reduce tariff and nontariff trade barriers. Nevertheless, we must also recognize the equally important difficulties faced by domestic industries with production and jobs at stake. Great skill will be required to balance these domestic and international interests and to find acceptable ways of dealing with these problems.

IV. WORLD TRADE IN NONFUEL PRIMARY COMMODITIES

1. International policy toward trade in nonfuel primary commodities will be one of the principal problems of foreign trade in the next decade

The issue of international public policy toward world trade in non-fuel primary commodities and raw materials constitutes one of the principal economic foreign policy problems with which the U.S. will be dealing in the coming years. The question of U.S. policy on international commodity agreements is also one of the most persistent and controversial aspects. Commodity issues are closely linked to the international oil problem and, in fact, have been elevated by the less developed countries to a major role in the ongoing producer-consumer dialogue on oil. The importance of commodity policy in U.S. foreign economic relations arises from a number of considerations.

First, non-fuel raw materials and other primary commodities as a class continue to be the biggest source of export earnings of the non-oil exporting less developed countries. These countries account for over 40 percent of the world's population, and as a group rely on primary commodities for some two-thirds of their total export earnings.

Second, non-fuel primary commodities from all sources, including developed countries, comprise a significant portion of U.S. merchandise imports: $20 billion in 1974, or about 20 percent of total U.S. imports, one-half of which consisted of industrial raw materials. Moreover, the U.S. is dependent to a large degree on developing countries for imports of some critical industrial raw materials.

A third consideration is that the U.S. is among the more richly endowed countries of the world in natural resources. This is a great source of strength for this Nation. Generally, imports have been looked to as an alternative when domestic supplies were inadequate or when foreign costs of production were lower. This in turn has helped keep down the cost of final products, thus contributing to the competitive position of U.S. manufactured products in the world market.

2. There is a growing tendency to substitute government intervention for the marketplace without regard to economic costs

Economic nationalism involving commodity trade among developing countries has recently increased dramatically. Since the energy crisis and the formation of the oil cartel, many countries are attracted to the idea of government intervention, both domestically and internationally, to achieve goals which they feel they cannot attain through the operation of the open market. Among their prime objectives are higher and more stable prices for their primary product exports and a greater degree of value added before exporting their commodities. Unfortunately, economic costs and distortions of widespread government intervention are widely ignored or recognized as problems only after the fact.

U.S. policy should continue to press for the preservation of an open marketplace as the most efficient means of achieving an expanding world economy. This should include the development and diversification of the economies of the less developed nations so that they will become less dependent on primary commodity exports. We are faced now with rising demands from these countries for international intervention in commodity markets.

In addition, several of these countries, emboldened by the success of the oil cartel and the widespread material shortages that developed during the industrial boom of 1973, have resorted to the formation of exclusive exporting-country associations as a means of applying pressure on importing countries to regulate commodity prices in the international market.

3. The U.S. should be willing to examine commodity proposals pragmatically on a case-by-case basis

In recent years, there have been increased demands from developing countries that the developed world help them with their financial problems through international agreements to artificially support, or further raise prices of primary commodity exports by price indexation, multi-commodity agreements, or specific commodity arrangements involving production or export controls, buffer stocks and fixation of commodity price levels.

To the extent that these demands involve shifting to a policy of increased government intervention in the pursuit of market or export income stabilization, the U.S. response to this will be of far-reaching importance, both domestically and in its external commercial and political relations with other countries.

Both consumers and producers have an interest in moderating instability in supplies and earnings. Commodity arrangements which rely on price setting mechanisms and frequent or prolonged use of export quotas or similar forms of government intervention have the inherent danger of inducing inefficiency and waste of resources, and instability in the longer term.

On the other hand, price stabilization to the extent that it improves the investment climate and provides orderly price expectations could result in improved allocation of resources.

The United States must, however, be prepared to consider requests from other countries for individual commodity arrangements and not exclude them outright. We have in the past entered into commodity arrangements for selected agricultural products and we have recently announced an intention, subject to Senate ratification, to sign the Fifth International Tin Agreement. Yet, if the basis for entering into international commodity agreements is to rest on economic criteria beneficial to the U.S. economy, we should frankly recognize there is but limited scope in such agreements.

4. Expanded international consultations can help achieve efficient production and resource allocations

There are alternative means to help developing countries meet their aspirations for greater economic security. Our policy should be to resist commodity agreements which distort the market and instead explore ways to maximize efficient production and resource allocation. One potential solution lies in an expanded international consultation on a commodity-by-commodity basis.

This would include the regular exchange of information on supply, demand, and technology between producers and consumers through more international study groups of the type already in existence for rubber, lead and zinc. Such study group forums should also help establish compatible policies and programs in both developed and developing countries which would improve the climate for new investment in natural resources.

The problem of assuring adequate supplies of critical materials at reasonable prices includes a number of policy options which address the fundamental question of whether there is a need for government intervention in commodity markets. This is particularly evident when considering the need for a government-funded economic stockpile.

We must be prepared to consider whether the 1973–74 upheaval in international commodity trade and simultaneous concerted efforts of some exporting countries to raise prices foreshadow potential economic risks which the private market cannot bear. There are several areas where the government can assist the functioning of commodity markets, such as by providing for a better flow of information among exporting and importing countries and by improving the investment climate.

The establishment of an economic stockpile is one option available which the United States might use to protect against supply disruptions or monopoly pricing of imported materials. Nevertheless, the need for such protection must be balanced against the potential costs. In addition to the expense of creating and maintaining a stockpile, the impact on producers and consumers of price movements resulting from stockpile purchases and disposals must be carefully weighed. There is also the potential for interference with the resource allocation function of prices through the creation of disincentives for development of substitutes for the more efficient use of materials in a stockpile.

We must recognize the potential costs to our economy of supply interruptions. We also should be careful to define the limits of government involvement in raw materials markets so as not to impede the price mechanisms.

5. Supplying food to an ever-increasing world population will require in-depth reevaluation of our international policy objectives

There is one area of the world's primary commodity econcmy where we are a principal exporter and supplier to the world. In the area of temperate zone bulk foods, notably cereal grains and certain vegetable oils and oilseeds such as soybeans, the United States has excelled. Our basic resources situation provides us with an enviable range of options in coping with the needs of our economy.

The challenge of supplying food to an ever-increasing world population is a long-standing one. Today, we are faced with formulating policies which will provide adequate food for a world nearing a population of five billion, but which also will be consistent with our free enterprise system.

A proper food policy must recognize the importance of the U.S. as a reliable exporter on the one hand, without disrupting the very economy which makes possible such an enormous share of total world food production. Moreover, the policy should not endanger the interests of American consumers.

As an important step toward achieving world food security, the U.S. has proposed and is discussing with other countries a system of nationally held food reserves to meet world shortages in times of crop failure. This will involve close cooperation among governments at the international level and consideration by governments of how to generate or accumulate reserve stocks of food domestically that would be made available in times of need.

Again, therefore, the role of government in the marketplace becomes a critical issue. We should take care not to substitute undue government intervention for the market mechanism in food production and distribution system.

V. ENERGY POLICY

1. The still growing U.S. dependence on imported oil is a dangerous vulnerability to our economic well-being and security

There is no need for me to dwell on the dangerous vulnerability of our economic well-being and security resulting from our still growing dependence on imported oil. Nor do I need to stress the need to vigorously pursue the objectives and the strategies we have evolved to bring an end to both our domestic and international energy vulnerability.

If we approach our task pragmatically and without passion, we shall succeed in protecting our country from embargoes and the socio-economic consequences or destabilizing movements of the assets of other oil-producing countries. If we are successful, we will make possible a return to non-inflationary economic expansion in the United States and the industrialized world.

2. The current accommodating attitude of OPEC may lull the U.S. into complacency

Internationally, therefore, we must vigorously press for the adoption of concerted cooperative, mutually supporting policies and programs to achieve greater fuel conservation and to identify and exploit alternate and new sources of energy. We should encourage a positive dialogue of oil producers and consumers, but it will continue to be necessary to reduce to minimum levels the individual and collective energy dependence of industrialized nations by 1985.

To this end, the Department of Commerce fully supports the Administration's objectives and policies which Secretary Kissinger outlined in his September 19 statement before the Energy Subcommittee of the Joint Economic Committee.

VI. TECHNOLOGY TRANSFER

U.S. technology is among our most valuable resources; it is avidly sought by the rest of the world. The bulk of all our exports are based on our technology, including agricultural technology. Our policies must preserve our technological lead while sharing our progress with other countries.

Indeed, we are sharing our technology with the world by a variety of means. Beyond the obvious, such as 1974 sales of $49 billion worth of products embodying, to varying degrees, advanced technology, U.S. companies also added $2 billion to our balance of payments via patent and license sales. The Department of Commerce, through its National Technical Information Service, sold more than $2 million worth of technical data and information overseas last year. In addition, with financial support from AID, the Department is actively supporting the development of indigenous technical information utilization agencies in a large number of developing nations. Numerous bilateral and multilateral science and technology agreements are thriving between our country and other highly industrialized countries, developing countries, and countries with centrally planned economies.

Secretary Kissinger, in his recent message to the U.N. 7th Special Session, proposed international mechanisms for the exchange of technology in industry, agriculture and energy.

U.S. technological transfers have benefited the world economy by raising the technological contents of consumer goods.

1. The United States has dedicated itself energetically to the pursuit of increased harmony and cooperation in the international technology transfer process.

Three examples of the way the Department of Commerce is involved in this transfer process are provided by our standardization, international patent and joint research activities.

Metric Standardization.—The House of Representatives has recently passed an Administration-supported measure under which the United States would gradually convert, in an orderly and efficient way, to the International System of Units, more commonly known as the metric system. This unilateral step towards the international standardizing of measurements is predicated upon our conviction that the best interests of the United States will ultimately be served by the elimination of artificial trade barriers. It should be noted in this connection that the technical literature published by the Department of Commerce has long included metric units, so that these materials might prove useful to the widest possible audience.

Patent Cooperation Treaty.—One of the principal mechanisms for the transfer of technology, both within and among sovereign states, is the patent system. The U.S. Patent and Trademark Office has spearheaded the development of a new multilateral patent convention, known as the Patent Cooperation Treaty. This treaty will permit an inventor to file a single patent application in any member country, and have that application acted upon by as many member countries as he wishes. The Senate has already approved this treaty and we are hopeful that implementing legislation will be enacted shortly.

Joint Research.—Numerous examples can be given of joint research ventures which have been undertaken by the United States in cooperation with individual foreign governments. I will mention only three; a program with an Eastern bloc nation, cooperation with a developing nation and cooperation with a highly industrialized nation.

The Soviet Union, for example, currently shares with us the responsibility for carrying forward more than 140 research projects. Nine of these are concerned with electric power generation and transmission. In the nuclear area, we are jointly investigating important aspects of controlled thermonuclear fusion, as well as fast breeder reactors. More than three dozen of our joint undertakings relate especially to environmental concerns.

A new program for cooperation in industrial research and development has been initiated with Israel. This is being carried out under the auspices of the Joint U.S.-Israel Committee on Investment and Trade, on which I serve. Our private sector has indicated considerable interest in this program. An R&D Advisory Council has been formed with U.S. membership consisting of a dozen distinguished company vice presidents and scientists; and the Industrial Research Institute, Licensing Executive Society and International Executive Service Corps. have all expressed a desire to participate in the program.

The United States and Japan have a long history of cooperation in science and technology. In the area of basic science, for instance, the U.S.-Japan Committee on Scientific Cooperation reported that there were 53 cooperative research projects and 24 seminars conducted last year, involving over 1200 participants. The U.S.-Japan Cooperative Medical Science Program has recently expanded its activities in the general field of cancer research. The U.S.-Japan Program in National Resources has seventeen joint panels working in fields ranging from marine resources, wind and seismic effects to fire safety.

2. The U.S. must assume leadership in establishing internationally agreed upon or compatible product standards for technology transfer

In connection with technology transfers through trade, I should briefly note a growing problem adversely affecting U.S. manufacturers and exporters worldwide.

Along with the rapid growth of technology in industrialized nations, there has been a proliferation of foreign national product standards which can form non-tariff barriers to international trade. If the U.S. is to preserve and enhance its exports of high technology products, we must do all we can to ensure that standards developed by many nations are compatible with one another. Particular attention should be given to this matter in GATT. U.S. policy and efforts should aim at the formulation of guidelines for internationally agreed upon product standards as the basis for national standards.

3. The export of strategic technology is carefully controlled

The Department of Commerce has control jurisdiction over most commercial exports from the United States; however, only a small portion of the goods and technical data produced in this country require specific prior approval for export to any but an embargoed destination such as North and South Vietnam, North Korea, Cambodia, Southern Rhodesia, and Cuba. Those goods that are controlled for export for reasons of national security consist principally of a selective list of high technology products that have significant strategic as well as civilian uses. Under the Export Administration Act of 1969, as amended, the Secretary of Commerce is authorized "to exercise vigilance over exports from the standpoint of their significance to the national security of the United States."

Proposed exports to Communist destinations are reviewed and approved only when there are adequate assurances that the goods and the technical data will be used for peaceful purposes. The Department seeks to satisfy the conditions conducive to successful exporting, and national security.

4. Benefits accrue from the sale of our technology to the non-market economies

Countries with centrally planned economies represent an enormous and virtually untapped market for our high technology products and "know-how." The United States wishes to encourage the development of these markets when truly mutual benefits will accrue to the trading partners. The reasons for selling technology to the centrally planned economies are essentially the same as those for exporting any U.S. goods or technology to any nation. Such sales help our balance of payments, create jobs now, and supply income for the investments needed to develop new technology and, thus, assure future jobs.

The income-producing life of some of our technology is being prolonged by selling established technical "know-how" to centrally planned economies. U.S. companies have likewise benefited as a result of technology transfers from non-market economies. From the USSR, for example, some U.S. firms have purchased underground coal gasification techniques, tunneling technology, an electromagnetic aluminum casting technique, and pharmaceutical technology.

5. The benefits and possible detriments of technology transfer to non-market countries must be balanced

It is often argued that a major risk in selling U.S. technology to non-market countries comes from these countries' aggressive pursuit of "know-how" in order to manufacture and market end products themselves, in contrast to buying these products.

Technology importers may become self sufficient producers, and eventually exporters of goods competing with American manufacturers in third world countries and perhaps even in the U.S. market. This problem is, of course, not unique to East-West trade.

Sales made by non-market countries in the U.S. generally have not been at the expense of our domestic production. Rather, these sales have largely substituted for imports from other foreign sources. In addition, the market disruption section of the Trade Act of 1974, applicable only to the Communist countries, provides a very firm line of defense for domestic producers should it become necessary to invoke it.

Inasmuch as the strength of the United States in world trade rests upon our technological leadership, we must be prepared to keep this leadership in the face of the challenges which most certainly lie ahead. A good indicator of the increasing influence of foreign activity in technological development is the number of U.S. patents granted to residents of foreign countries. Over the last 14 years, the foreign share of U.S. patents has about doubled, increasing from 17% in 1961 to nearly 34% in 1974. Yet, as impressive as these overall figures might seem, the situation in the "most active" technologies is even more dramatic.

A technology assessment report issued by the U.S. Patent and Trademark Office in August of this year reviewed some 53 areas of technology which, over a recent three-year period, had been the subject of patenting at a rate eight times the average for the rest of technology. In these 53 fast-growing technologies—ranging from electron microscopes to processes for making Portland cement—foreign residents received more than 56% of the issued patents. This is almost twice the already high level of foreign-resident patenting in all technologies combined.

It is desirable for the U.S. to sell certain non-strategic technology products or "know-how" to non-market countries when this trade provides real economic gain to the United States. Our leadership in the high technology areas can be maintained, however, only by a constant improvement and renewal of our technology base. Current trends in U.S. investment in new technology and research and development are of great concern.

VII. OCEANS AND MARITIME POLICY

Technological advances and changing expectations of nations have created a need for certain changes in the Law of the Sea. We are on the threshold of exploiting the resources of the deep seabed. We are able to exploit the hydrocarbon resources of offshore areas to greater depths than heretofore was possible. We are able to harvest the living resources of the oceans with greater sophistication. We are faced with more intensive uses of the oceans, which has heightened our awareness of the need to preserve the integrity of the marine environment. At the same time, we must preserve the freedom of navigation and overflight and other rights necessary for the protection of our interests.

1. Global interest in the resources of the world's oceans has given immediacy to the need for the rule of law

Under the aegis of the United Nations Law of the Sea Conference, the United States is at the forefront of international efforts to achieve a comprehensive multilateral convention on the uses of the oceans which is realistically responsive to the needs and interests of both developed and developing nations. International negotiations have focused on a regime and organization to regulate deep seabed mining, the breadth of the territorial sea, transit through straits, fishing, exploitation of the resources of the continental shelf, protection of the marine environment, and scientific research. We believe that the rule of law should govern the oceans. We are concerned that failure to reach an equitable accommodation could lead to heightened uncertainty to the detriment of all nations.

While trying to accommodate the legitimate needs, concerns, and aspirations of all countries, the United States has certain policy interests in the Law of the Sea, which include:

(1) guaranteed non-discriminatory access for all nations to the mineral resources of the deep seabed beyond national jurisdictions under reasonable conditions coupled with security of tenure and protection of our interests in the proposed International Seabed Resources Authority;

(2) coastal nation sovereign rights to the resources of the continental margin to 200 miles offshore or where the margin extends beyond that distance, to a precisely defined limit, with revenue sharing with less developed nations on hydrocarbon production beyond 200 miles;

(3) broad coastal nation jurisdiction over the fisheries resources out to 200 miles, with

special treatment for anadromous species, such as salmon, and highly migratory species such as tuna;

(4) the right of unimpeded transit through and over straits used for international navigation coupled with an expansion of the territorial sea from 3 to 12 miles;

(5) freedom of navigation beyond a 12-mile territorial sea;

(6) preservation of the marine environment; and

(7) maximum freedom of scientific research beyond the territorial sea.

2. The control of the untapped mineral resources of the deep seabed is of grave concern to all producing countries

The vast mineral resources of the deep seabed have remained virtually untapped. With technological advances that now make it possible to exploit these mineral resources comes the general recognition that underwater mineral resources can provide a significant source of supply of certain critical materials. This recognition has also led developing nations (particularly land-based producing countries) to vigorously press their case in international forums to control the development of these resources.

These resources have been declared by the U.N. to be the "common heritage of mankind" but to give meaning to that term requires further negotiation. We are prepared to negotiate. We have made significant proposals that may form the basis of agreement. While we believe that it is preferable to conclude a satisfactory international agreement before mining commences under present international law, we cannot be expected to indefinitely sacrifice our interest in deep seabed mining.

The major U.S. objective is guaranteed non-discriminatory access for nations and natural and juridical persons to the mineral resources of the deep seabed beyond territorial jurisdiction, under reasonable conditions, coupled with tenure.

3. World demand for fish protein resources and need to protect species against overfishing has created sensitive international jurisdictional problems

The growing world demand for fish protein has created a sensitive international fisheries problem. The United States must seek in the law of the sea forums to obtain broad management jurisdiction regarding coastal and anadromous fish resources. We seek the reduction of foreign fishing off our coasts in order to conserve the stocks and obtain the optimum sustainable yield that will ensure their continued existence or, for some species, reconstitution. In the near term, the United States should negotiate an equitable transition to the regime contemplated in the new Law of the Sea Treaty.

In addition, the United States should press for conservation of highly migratory fish species, such as tuna, by regional organizations, with an obligation by all participating nations to respect and enforce agreed upon regulations. Within this framework, we should continue to strive to achieve maximum opportunities for U.S. vessels, while recognizing that the special interests of coastal nations must be accommodated.

4. The growth of bilateralism in world trade movements may threaten U.S. flag shipping and maritime employment

I will also touch briefly on the question of ocean shipping. There has been a marked trend toward bilateralism in world trade movements in recent years. Many states, in an effort to support their national flag fleets, have turned to exclusive agreements with their trading partners for the purpose of guaranteeing that a specific portion of trade will be captured for their domestic fleets. The UNCTAD Code of Conduct for Liner Conferences is a logical extension of this trend.

Increasingly, the United States flag carriers have been faced with foreign flag practices that could tend to reduce further the cargo share of U.S. flag vessels. This has raised the matter of participating in bilateral agreements to protect the market for U.S. flag vessel services. These issues are now under review in the Executive Branch.

5. Rate-cutting by expanding government-owned "third flag" fleets poses a threat to U.S. shipping

In addition to the trend towards bilateralism, we are now witnessing a significant expansion of state-owned fleets, which are increasing their shares of the world shipping market through rate-cutting practices. These fleets, which receive heavy government support, are not bound by compensatory return-on-investment concepts. They seek rather to achieve long-term political ends or ways to earn hard currency.

We must watch this situation to determine whether action is necessary to protect the U.S. flag merchant fleet lest the loss of trade occasioned by third flag rate-cutting lead to the erosion of maritime employment and U.S.-flag shipping capability needed for national security.

VIII. U.S. INTERNATIONAL TOURISM POLICY

The importance of tourism to the United States has been largely overshadowed by other more pressing issues of national and international policy. I would be remiss in not ending my discussion today of the economic goals and policies of the United States without a mention of the vital and growing contribution of tourism to the economic welfare of this country.

Segments of the far-flung U.S. international tourism industry often have operated at a competitive disadvantage in the international marketplace, and the full potential of tourism as a diplomatic tool and force for detente remains largely unrealized.

1. The economic importance of tourism is still misunderstood

Tourism is economically important to the United States. In 1974, tourism, which includes both business and recreational travel, generated $29 billion in world receipts, roughly six percent of total world trade. Tourism constitutes one of the largest single items in world commerce and, in terms of dollar volume, exceeds trade in iron, steel, ores and minerals.

The international tourism receipts of the United States in 1974 were only $4.8 billion, a share of the world total well below our national potential. Even so, this invisible export supported 323,000 jobs, contributed $350 million in taxes to Federal, state and local treasuries, and accounted for 3.5% of total U.S. trade.

Governments and intergovernmental bodies are raising tourism to the level of political discussion and pressing their international tourism objectives at the diplomatic bargaining table. The priority which foreign governments accord to tourism has rarely been more apparent. The facilitation of tourism and the development of transportation were the subject of negotiations at the 35-nation European Summit Conference last summer.

Recognizing that energy will continue to be expensive, and that rising fuel costs will place pressure on foreign exchange reserves, a number of OECD members were, as of April 1974, intensifying their efforts to attract American tourists and businessmen while, at the same time, taking steps to interest their own nationals in holidays at home.

2. The concept of tourism has not gained its rightful acceptance as an economic tool in the U.S. global policy

These rapidly evolving economic and political developments make it imperative that the U.S. adopt a strong, positive stance on tourism, and that it vigorously pursue its tourism interests. Rising fuel costs, consolidated competition from state-subsidized transport combines, non-tariff barriers, and less-developed country politics are adversely affecting the foreign commercial interests of the U.S. travel industry. This, therefore, impacts upon the national economic and political interests of the United States. Regional and international development banks' efforts to use tourism as an economic development tool are also affecting U.S. choices and decisions.

Diplomatic channels should be used to advance the cause of U.S. tourism interests and to create an environment in which U.S.-owned firms can compete more effectively for the world's international tourism business.

I recommend that U.S. international tourism policy become an integral part of our nation's commercial and foreign policies. The Helsinki Accords and other recent agreements provide a framework in which the U.S. international tourism interests can be pursued, via the bargaining table with other governments.

Specifically, the United States should (1) pursue elimination or reduction of impediments which limit the sales volume of international tourism services, such as currency and customs allowances; (2) seek reciprocal reduction of impediments to East-West tourist, such as exit permits, admission restrictions, and off-limits *policies* restricting free movement; and (3) maintain a flexible posture on tourism issues in the Third World where, in some cases, commercial interests may not override political concerns.

IX. CONCLUSIONS

I will conclude by stressing that the United States must assume its leadership role in developing policies and programs that are responsive not only to its own needs, but to those of the rest of the world.

Let me summarize the key policy options which I have developed for you today:

Support the development of an international code of conduct, and international bill of rights for multinational corporations.

Oppose changes in taxation of multinationals which will increase their tax burden and reduce their competitiveness in international markets.

Oppose legislation imposing registration, screening, and restriction on foreign direct investment in the United States.

Support U.S. exporting firms through positive direct action programs, export financing and avoidance of export controls.

Oppose restrictive trade practices or boycotts by foreign countries against countries friendly to the United States.

Advocate the preservation of an open marketplace as the most efficient means of achieving an expanding world economy.

Support the development and diversification of less developed economies.

Resist commodity agreements which distort the market and instead explore ways to maximize efficient production and resource allocation.

Balance our food export policy with the needs of the American consumer.

Pursue means to eliminate our energy dependence and identify and exploit new sources of energy.

Preserve our technological superiority while sharing our progress with other countries.

Advocate a comprehensive multilateral convention on the uses of the oceans which is realistically responsive to the needs and interests of all nations.

Adopt a policy of bilateralism only to the extent necessary to protect and support the viability of the U.S. merchant marine and our national security.

Incorporate a U.S. international tourism policy into our domestic and foreign economic policies.

I would like to thank you again for allowing me to appear and present my views of the economic goals and policies that the United States should actively pursue within the framework of our foreign policy objectives.

Only by example can we pave the way for true international cooperation and coexistence. I hope that the outcome of these hearings will be clear policy options which will provide us with the means of achieving our long-term goals.

This concludes my testimony.

Statement of the Honorable Earl L. Butz, Secretary of Agriculture

It is a mark of the changing nature of world politics that you invite a Secretary of Agriculture to testify on the future course of U.S. foreign relations.

The world's long range food needs make agriculture an active participant in today's international negotiations and cooperation.

Problems facing the family of nations have moved two major power factors center stage and into the spotlight.

One of these two potent factors is petro-power, based on control of the world's important, but finite petroleum resources. This power is currently being wielded in large part by the Oil Producing and Exporting Countries (OPEC).

The other power factor coming even more prominently into recognition and use is agri-power, which includes both the capacity to produce food and the infra-structure which supports agriculture.

In the long run, agri-power may prove to be more effective and a greater asset to the community of nations than petro-power. New sources of power are already being developed and substituted for petroleum. This effect will be continued and accelerated.

Even in the short run, oil is no match for food. If gasoline prices get too high, people can park their cars and quit driving. But they will always need food to put on the table.

The world's ability to produce and distribute essential food supplies will increasingly command the attention of heads of state. World leaders will rate the food issue equal to the more traditional military and diplomatic issues in their quest for world peace and national security.

As a conscious national policy the United States and U.S. agriculture contribute directly and play a major role in feeding the world, and assisting other nations to increase their own individual production capacities. Our efforts in this direction will, of course, continue. But as part of our need to reassess the direction and scope of the U.S. role, I would like to develop for this Committee the probable nature of the world food situation in the decade ahead.

THE WORLD FOOD SITUATION IN THE NEXT DECADE

The demand for food throughout the world will continue to grow rapidly, fueled both by population and income growth.

In the developed countries we expect rising incomes to spur the demand for feed grains as people show their preference for eating more meat and dairy products, while the direct demand for food grains such as wheat and rice levels off. Food production in the developed countries should increase much more rapidly than population, permitting an increase in per capita output of somewhere near 1.5 percent a year. This would be in line with gains since World War II. Such production would permit further improvement in diets and also provide sufficient supplies to meet needs in the developing countries.

The main problems are in the poorer countries, which grow increasingly dependent upon food imports from developed nations to maintain per capita consumption. Populations in the developing countries are generally large and growing. Farms are small. The state-of-the-arts in agricultural production are lamentably low, and crop yields poor. The average man, even in the poor countries of Asia, eats better than did his father, but he still is at minimum nutritional levels. Malnutrition is widespread, particularly among young children, pregnant and lactating mothers, the elderly, the landless laborers in rural areas, and the unemployed in the cities. Food production is increasing, but only enough to keep about a half-step ahead of rapid population growth.

Assuming that world grain production will increase in line with past gains, projections show the grain deficit in the developing countries could, by 1985, be double or triple the 24-million-ton deficit of the 1969–71 base period. That deficit averaged about 35 million tons in the past three years. This means these countries will face three choices: cut already low consumption levels, make a major effort to step up domestic production, or find the means to finance grain imports (which could total as much as $12 billion in 1985 at current prices). We believe these countries could hold the deficit to the 1969/71 level if they make a strong effort to build up their agriculture now, and receive support from the developed countries.

THE U.S. ROLE IN MEETING WORLD FOOD NEEDS

The United States will play a many-sided role in meeting future world food needs. U.S. farmers are the most productive in the world. The fruits of U.S. farms will make it possible for the United States to meet a major share of increased commercial demand for food, help meet emergency and concessional food needs around the world, and help rebuild world grain reserves to safer levels. In addition, the vast reservoir of agricultural know-how available in this nation will be invaluable in helping developing countries solve their own food problems. All of this presupposes—and I emphasize this point—that we adopt consistent foreign and domestic agricultural policies which do not hobble our farmers in their efforts to produce.

U.S. CAPACITY TO PRODUCE

U.S. farmers should be able to boost output even beyond what is needed for anticipated domestic and foreign demand through 1985. Assuming moderate increases in demand, and a continued increase in productivity, we should be able to meet even our highest projected domestic and foreign demand with only about 32 million more acres than the 330 million harvested acres estimated for 1975. This additional cropland requirement could be available readily, with proper economic incentives, from land now in pasture, fallow and idle cropland, or from land which could be economically cleared and drained.

Yield increases will come from wider use and application of the same technology that has boosted yields in the past two decades—hybrid seed, increased use of fertilizer and irrigation, improved machines, narrower rows and higher plant population per acre, chemical weed control, and continuous cropping of corn and other high yielding crops. For several major crops, top producers today routinely get yields much higher than the national average.

Under favorable economic conditions for farmers, including high export demand, output of major crops and livestock could be expanded greatly. Coarse grains and wheat output could be as much as 345 million short tons in 1985, some 30% above projected 1975 production. In addition, soybean production could be increased 50%.

We have also examined production capacity for livestock. There has been concern in recent years that range use has been near capacity and that cattle production was being limited at least in part by our forage availability. But our livestock specialists feel that the limitation has been more in economic incentives than in physical capacity. With favorable economic conditions, beef and veal production could be increased by 55%, pork almost 30% and poultry meat almost 40% by 1985. The important conclusion here is that forage capacity does not appear to be a substantially limiting factor in livestock production. Production of hogs and poultry is clearly tied to available supplies of feed concentrates.

Overall, our projections imply a growth rate under favorable conditions, of 2 to 5% per year for major crop commodities—well above projected growth rates in domestic demand, indicating agriculture's ability to meet increased export needs.

THE BENEFITS OF U.S. AGRICULTURAL EXPORTS

The tremendous productive capacity of U.S. farmers is geared toward meeting the growing commercial demand abroad for agricultural commodities, particularly for feedstuffs, by the developed countries, and by those developing countries where economic growth is proceeding most rapidly.

Exports of farm products have advanced to unprecedented levels—nearly $22 billion last year—with positive effects on the entire economy.

The benefits are obvious. Agriculture now gets almost one-fourth of its marketing income from exports and ships nearly one-fifth of its production abroad.

Less obvious are the 1.2 million jobs, both on and off the farm, that are directly related to the export of farm products. Also less obvious are the savings to U.S. taxpayers; exports have permitted a reduction in farm support payments of $3½ billion a year in three years.

American consumers benefit directly as the abundant production allowed by expanded foreign markets, results in lower per-unit costs of food ingredients.

Finally agricultural export trade makes a significant contribution to this nation's balance of trade. Last year's $12 billion surplus in agricultural trade offset almost half of our petroleum imports—an example of agri-power contending with petro-power.

The benefits accruing to the United States from world agricultural trade are significant, but equally significant, in my view, is the contribution of this trade to meeting world food needs.

More than 90 percent of the grain moving between countries is commercial trade, not aid. Some developed countries with ready cash at hand rely on imported food as much as developing ones. Japan is a prime example.

The World Food Conference of November 1974, stressed the need to distribute food more efficiently through elimination of barriers and trade restrictions. Participating nations agreed to utilize GATT negotiations to achieve this. The Conference recognized that the extent to which trade barriers can be reduced or eliminated will largely determine the degree to which trade can contribute to meeting the world food challenge. This view underlines the importance and adds particular stress to the outcome of the agricultural trade aspects of the negotiations in Geneva.

At the same time we are pursuing trade liberalization, we are also trying to regularize our trade in agricultural products between countries so U.S. farmers can identify reliable markets and better anticipate future demands. Our agricultural understanding with Japan resulted from a fundamental belief that a policy of seeking access to other countries' markets must be balanced by the creation of confidence in the United States as a reliable supplier of agricultural products.

We also have taken steps to stabilize our trade with the Soviet Union and to remove much of the uncertainty about the size of

Soviet purchases each year. This week we concluded a long-term grain agreement with the USSR. The Soviets have agreed to buy 6 million metric tons of grain annually from us during 1976–81, beginning in October each year, and may buy 2 million tons additional each year provided that our grain supply (carry-in stocks plus estimated production) exceeds 225 million tons. Larger sales to the Soviets may be negotiated with advance governmental consultations. As a safeguard for our livestock producers and consumers, however, if our supply is less than 225 million tons, then we may reduce sales to the Soviets below 6 million tons. Also, we have agreed that the Soviets may buy, without consultations, up to 7 million tons additional grain from our crops this year.

U.S. AGRICULTURE AND WORLD SECURITY

Our great national productive capacity provides U.S. agri-power which, is in itself, an important U.S. contribution to world food security in the areas of both food aid and food reserves.

The United States will continue to carry major world responsibilities for short-term food assistance. The World Food Conference set a target of 10 million tons of grains for overall food aid commitments for 1975 and thereafter.

We stepped up P.L. 480 exports from 3.3 million tons in fiscal 1974 to about 4.7 million tons for fiscal 1975. For fiscal 1976, the level will likely expand still further—to about 6 million tons. This means the United States alone will be furnishing 60 percent of the World Food Conference target.

The issue of food aid is extremely difficult and complex. There is danger that through providing too much assistance a recipient country may become totally dependent on the generosity of the donor nation. To assure its own future, each food-deficient nation must substantially increase its own food production. Food aid must not be allowed to discourage developing countries from increasing their own production. Food aid must be synchronized with other aid policies and programs to promote unified, forward-looking development, and to avoid undermining production incentives to farmers.

Agri-power makes possible a major U.S. contribution to a world grain reserve system aimed at avoiding excessive and erratic fluctuations in farm and food price levels. We have initiated discussions on developing an international system of nationally held grain reserves to provide reasonable assurance of the availability of adequate food supplies. In the event of serious global production shortfalls, such an arrangement would help cushion the impact and help moderate the inevitable disruptive effects.

We have proposed establishment of a global reserve of 30 million tons of wheat and rice with the responsibility for holding reserves equitably shared among participants. Each participating country would be free to determine how its reserves would be maintained and what measures would be required for their acquisition and release.

Internationally agreed upon guidelines will be required to assure properly coordinated action. Participation in the agreement should be open to all interested governments, although special assistance probably will be needed to assist participating developing countries in meeting their obligation to hold a portion of global reserves.

TOWARDS WORLD FOOD SECURITY

There is no easy way to achieve food security—particularly in a world whose population may grow by 80 percent in the next 25 years. In the long run, the ultimate source of world food security lies in bringing population growth under control and increasing the productivity of the individual farmer.

In the United States, the growth in farm productivity can best be maintained by removing restraints on agricultural production and by freeing farmers to produce. Eliminating government interference in the agricultural economy allows farmers to respond directly to market forces. This is our current farm policy and it has paid off handsomely—U.S. farmers have achieved record levels of wheat and corn production this year to meet both our domestic and foreign commitments.

It is important that we begin immediately to help increase the productivity of farmers in the developing countries, because it is there that the vast bulk of the population increases are expected. The growing gap between production and demand in the developing countries, and the resulting increased dependence upon imports to maintain per capita consumption, is the core of the world food problem.

First and foremost, production incentives for farmers in developing countries are the most important steps—just as they are essential for farmers in the United States. Providing these incentives will be a difficult task. The political attractiveness of cheap food frequently leads to adoption of policies which ignore the real costs of food production. Such policies nearly always favor other producing sectors over agriculture. Even when production incentives are recognized and made a matter of policy it is not always easy to implement them. Incentives need to be bolstered by forward looking investment, research, and technical assistance policies.

Such efforts, to be successful, need substantial support from the developed countries. Steps in the right direction include increased emphasis by the World Bank on agricultural development, the proposed $200-million U.S. contribution to an International Fund for Agricultural Development, increases proposed in the Foreign Assistance Act for U.S. bilateral agricultural assistance, continuing use of P.L. 480 counterpart funds for agricultural development, and the proposed recycling of development loan repayments into agricultural development.

Some opinion surveyors who have testified before this Committee have noted American disenchantment with foreign assistance. However, if we can show that developing countries are making a real effort to work their way out of their problems, I believe the American public will strongly support lending a helping hand. Certainly, U.S. taxpayers prefer a policy of self-help rather than requests for ever-increasing food aid appropriations. Such requests are bound to occur unless we assist developing countries to increase their own food production.

Improved technology is the key to greater agricultural output. The United States already provides much technical assistance to agriculture in the developing countries. Requests for such assistance will grow in the future If we respond our investment will pay off.

The United States cannot carry this burden alone. Other developed countries also need to increase their support. Research is essential particularly for the development and adaptation of agricultural technologies appropriate to conditions in developing countries.

We must avoid the mistake of trying to increase production in other countries by blindly duplicating the capital-intensive technology of U.S. agriculture. There is an immense reservoir of agricultural knowledge available in our land-grant university system which can and should be brought to bear on problems of the developing countries. We should also stimulate and encourage the vast resources in the private sector. The combined resources of Government and private enterprise offer an unbeatable potential for the cooperative transfer of agricultural technologies to developing countries.

FINANCIAL CRISIS IN NEW YORK CITY

Mr. McCLELLAN. Mr. President, much has been said in the last few months concerning the financial crisis confronting New York City. Serious misgivings have been voiced about proposals to bail the city out with Federal assistance. On the other hand, many concerned people feel the Federal Government may have a role to play in alleviating the situation. Some thoughts on this problem were sent to me recently in a letter from Mr. Vernon J. Giss of Little Rock, Ark. I ask unanimous consent to have Mr. Giss's letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STEPHENS, INC.,
Little Rock, Ark., October 14, 1975.
Hon. JOHN L. McCLELLAN,
3241 New Senate Office Building,
Washington, D.C.

DEAR SENATOR: I am sure that very shortly Congress will be presented with the request that Federal aid be given to New York City and New York State in order to avert a default on the obligations of these entities.

My first thoughts were that New York City has for many years had very bad fiscal policies, and is responsible for their own troubles and, therefore, should be forced to work them out by themselves or suffer the penalties of default and bankruptcy.

It seems rather plain that the causes of their troubles are many:

1. Poor management and unsound fiscal policies.

2. An influx over the years of "relief prone" individuals from other parts of the country wishing to take advantage of New York's liberal relief policies and substantial immigration from other countries of people who are poorly qualified to take care of themselves and very shortly become welfare recipients.

3. Unwillingness to take a stand on City employees that would require them to produce a days work for a reasonable pay and bowing to unreasonable pay demands and work rules because it is politically expedient and the City was able to borrow the money to cover their deficits.

4. Tremendous expenditures of money for free hospital, health care and operation of the City's educational system.

5. Raising all taxes and fees to the point where many businesses find it to their advantage to move their corporate headquarters to other parts of the country that are more reasonable in their treatment of business.

All of the above abuses led to large deficits that were funded by issuing short-term city notes which pyramided the City's debt beyond a reasonable relationship to expectations of City income. When this debt ratio reached a point where investors were no longer willing to purchase the City's obligations, New York State attempted to come to the rescue; however, even the State is not in a position to carry the City's burden and unless some additional help is found before the end of the year there will be a default and a serious crisis will be facing the entire country.

Some of the very serious problems would be:

1. The banking system of New York City would be seriously eroded, (approximately 30% of the total capital of New York City's banks is invested in City and State of New York obligations).

2. Banks across the country hold huge

amounts of City and State obligations and many of them would be in trouble.

3. If the City and State are permitted to default there will be a lessening of confidence in banks in the United States by foreign banks, foreign businesses, as well as by foreign countries themselves which will probably result in heavy withdrawal of deposits.

4. Many of the large cities in the United States and probably a number of states will find it difficult to finance their financial requirements.

5. I believe such a default could have some rather far-reaching and adverse results on the economic recovery which we are now struggling to achieve.

I hope that the Congress would find a method of aiding the City of New York and averting a possible serious national crisis. This would very likely cause a number of other cities to apply for aid and quite a few would also present equally good reasons. However, such aid should not be granted with a blank check but some arrangement such as the present control board which administers New York City's finances would be strengthened and perpetuated until the City has demonstrated it is able to control its own finances and balance its budget and repay the United States Treasury.

One further word on fiscal policy regarding the huge deficits faced by the Federal Government and their financing by the issuance of short-term or any debt obligations are very, very similar to New York City and at some point if this trend continues people will be unwilling to put their money in United States obligations because "it can happen there."

I sincerely hope that you will give serious consideration to these problems as reflected above because I believe they are very vital to the existence to our economy as we know it today.

Very truly yours,

VERNON J. GISS.

NATIONAL HEALTH INSURANCE

Mr. BROCK. Mr. Persident, National Health Insurance still lingers in the wings. The debate continues and will for some time. As we study the possibility of how to address the growing problems of medical delivery and availability, we should consider an article by M. Stanton Evans, who writes regarding a recent visit to Britain by Congressmen to study Great Britain's socialized health service. I find his article disturbing and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL HEALTH PLAN

(By M. Stanton Evans)

A group of American congressmen have seen the medical future and discovered that it doesn't work.

The home of medical utopia, of course, is the United Kingdom. Since national health insurance is an idea whose time has come, as everybody phrases it, and since our British cousins have had the blessings of that system for better than a generation, it follows that Britain is the proper model for the United States. So a number of congressmen and medical doctors recently crossed the Atlantic to see what is in store for us here in the Colonies.

Among those making the inspection tour of British hospitals and government offices were Republican Reps. Robert Bauman of Maryland, Clair Burgener of California, Donald Clancy of Ohio and Philip M. Crane of Illinois, along with Democrat Reps. David Satterfield of Virginia and Robert Stephens of Georgia.

What they discovered, as reported in the medical journal Private Practice and confirmed by testimony of British physicians on a visit to America, should give a bit of pause to national health-insurance buffs.

Great Britain has had a comprehensive system of national health insurance since 1948—exactly the sort of system that Sen. Edward Kennedy and others are now promoting for America. The effect of it has been to unleash an uncontrollable demand, discourage the building and improvement of hospitals and drive off British physicians in droves. Great Britain is in consequence facing medical conditions that would be considered scandalous in this country.

There are more than 700,000 Britons on waiting lists for hospital treatment, and it is not unusual to wait for upwards of six months for medical service. Some patients have waited for four years, 20 per cent for more than two, 37 per cent for more than one. In one appalling case, a woman scheduled for open-heart surgery repeatedly had her operation canceled because of overcrowding. In June, 1973, after the third denial and six months after first admission, she died.

The crush of demand is so immense that British doctors must handle patients on an assembly-line basis. Doctors are paid the U.S. equivalent of $3.46 per patient annually, so to make a modest $10,000 salary they must handle 3,000 patients each. The pattern in the NHS, according to British surgeon Anthony Patridge, is to give a patient a four-minute once-over-lightly by way of initial examination. Physical exams are generally nil, and women can get Pap tests once every five years.

Beset by mounting costs and competing with other items in the political budget, the medical system is short on capital funds. Many British hospitals were built in the 19th century and are crowded, dingy and dirty. Under NHS, as of the early 1960s, less was being spent on hospitals than had been spent in the era prior to World War II. Rep. Bauman describes one hospital, built in 1830, where "they are preparing food for four to five hundred people in a room so filthy it was unbelievable."

Faced with these conditions, British doctors have been emigrating in record numbers In 1972 some 404 U.K. physicians took tests to qualify for practice in America; in 1973 the number rose to 828, and in 1974 to 1,019.

This year the total will be well over 5,000—out of a physician population of 60,000 or thereabouts. With this steady outflow of physicians, Britons are increasingly treated by doctors from India, Pakistan and Ceylon. In some hospitals more than half the doctors are foreign-trained.

Such are the results of comprehensive national health insurance in the British Isles.

NATIONAL DIABETES MONTH

Mr. McGEE. Mr. President, November is National Diabetes Month. As you know, I was a sponsor of the National Diabetes Mellitus Research and Education Act which was approved by President Nixon on July 23, 1974. The act launched an attack on diabetes on four fronts: research, professional education, patient education, and public education and detection. Established under the act was the National Commission on Diabetes which has been initiating programs under its four charges, including the groundwork for the establishment of a minimum of 15 national research and demonstration centers for diabetes.

And 5 to 12 million people in the United States may have diabetes, not including the millions more family members who are directly affected by the disease. These statistics alone illustrate the devastating force of the disease but do not tell the entire story of its real and potentially crippling effects.

Diabetes itself is the fifth leading cause of death. Its related diseases could place it as the second biggest killer.

It is the most common cause of new cases of blindness.

Complications of diabetes frequently lead to other serious health problems including cardio-vascular disease, kidney failure and impaired nerve function.

Uncontrolled diabetes significantly decreases life expectancy, limits the ability of afflicted individuals to work and earn wages. Premature death and loss of income due to diabetes are estimated to cost $2–$4.5 billion in earnings each year.

The disease in children or young adults is even more difficult to deal with due to special problems caused in these age groups.

Mr. President, in diabetes, we are dealing with a killer disease. We must conquer it.

We have begun that campaign with the passage of the McGee-Schweiker bill and the subsequent funding of its programs. But we have just begun. Until we conquer diabetes, educational and research programs must get into high gear. There already has been reported a ray of hope beyond present control methods to which I will speak in a minute, but right now we must continue to fund the establishment of national diabetes centers as a step toward the goal of ridding this country of diabetes and its related diseases.

The Committee on Appropriations notes in its report on the Departments of Labor and Health, Education, and Welfare and related agencies appropriation bill, 1976:

> In Departmental testimony the fact that up to 75 percent of the diabetic population may die prematurely from cardio-vascular causes was brought out. The Committee directs the NHLI to strengthen its efforts in this important area and has provided an increase of funding for these important programs.

In another section of the report the Committee says its

> Commitment to diabetes remains very strong. Of the additional funds provided, $300,000 shall be for the National Diabetes Commission for which the Committee is anxiously awaiting its report.

In yet another section of its report, Mr. President, the committee notes the importance of eye diseases related to diabetes:

> Diabetic retinopathy is one of the most common causes of new adult blindness and much more basic research is needed before its basis can be determined and a cure or means of prevention developed.

In summation, Mr. President, we are asking here for adequate funding on a year-to-year basis which will someday, I pray, lead to the cure of diabetes. The second year funding under the National Diabetes Mellitus Research and Education Act calls for a minimum $12 million, not including a few related health programs which include studies of diabetes and its related diseases needs every penny, and I urge my colleagues to consider the facts and this plea for full support of the act.

Research is making headway into new diabetes control and possible cure methods. In closing, I ask unanimous consent that an article by Joann S. Lublin of the Wall Street Journal, reprinted in "Diabetes Forecast", be printed in the Record. In it, there is a "new hope."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Nov. 4, 1975]

Cures for Diabetes Appear on the Way, Researchers Report—Prospects Include Implant of an Artificial Pancreas and Transplants of Cells—Work on a Vaccine Pressed

(By Joann S. Lublin)

On Jan. 11, 1922, Canadian scientists injected a pancreas extract into Leonard Thompson, gravely ill with diabetes. Within days, the 75-pound teenager improved dramatically, regaining his weight and strength.

And so the world hailed the discovery of the extract, insulin, as a medical miracle. One of the scientists won a Nobel Prize. The hormone offered the first effective means of treating diabetes, one of man's oldest and most common diseases and a disorder that often killed its victims within a year.

But insulin, however useful, can't cure diabetes. Nor has it prevented long-term diabetic complications like blindness, impotence, pregnancy problems, gangrene that requires amputations, and premature death from kidney failure, heart disease and stroke, "Yet it wasn't really until fairly recently that we became aware of the enormity and urgency of these problems," says Dr. Max Ellenberg, president of the American Diabetes Association.

Now, after research spurred by such concern, cautious medical investigators are saying again that highly effective ways to stop diabetes' ravages are imminent. New methods may emerge from several recent scientific breakthroughs. One possibility: Renewal of a diabetic's own insulin-producing ability through cell transplants. Another: Implantation of a computerized, insulin-stocked artificial pancreas. And if certain suspect viruses are confirmed as triggers of the disease, the predisposition to which is inherited, then someday, too, children may be vaccinated against it.

SHORT AND TROUBLED LIVES

Because diabetics and others are living longer and indulging in diets that tax their metabolism, diabetes is on the rise. The diabetes association figures between five and six million Americans have it, and their ranks are growing by more than 6% a year. The illness costs the nation an estimated $4.5 billion in medical bills and lost work. Its growing toll persuaded then-President Nixon last July to sign a bill launching the federal government's first specific research attack on the disease.

Diabetes usually attacks the middle-aged and older and the obese. These people now can be treated through low-calorie diets and oral drugs rather than insulin injections. Scientists are focusing much of their effort on helping the 750,000 more seriously ill juveniles, mainly older children and teenagers. Carefully regimented routines, strict sugar-free diets, frequent urine testing and daily insulin doses do help prolong their lives.

But their lives still are short and troubled. Nearly all diabetics eventually develop degenerative complications resulting from premature hardening of the arteries and deterioration of the body's tiny, fragile blood vessels, particularly in the eyes, nerves and kidneys. Diabetes has just become the country's leading cause of new cases of blindness. The vascular complications shorten the average diabetic's life by one-third; a child is lucky to live 25 or 30 years after the onset of the disease.

Because the complications rather than the disease often appear on death certificates, statistics hide diabetes' role as "the United States' second leading cause of death," Dr. Ellenberg says.

INSULIN'S ROLE

Scientifically called diabetes mellitus (derived from Greek words meaning "passing through honey"), the name refers to the elevated level of glucose, or blood sugar, in a patient's urine. When a normal person eats, the glucose level rises, stimulating the release of insulin from the pancreas. Insulin promotes the conversion of glucose and other blood sugars to fuel for storage or use.

But a diabetic either has little or no insulin, or else cannot use it properly. The patient's glucose surplus passes from the bloodstream through the kidneys into the urine, causing the disease's characteristic symptoms: extreme thirst, hunger, weakness, weight loss and excretion of urine in abnormally large amounts. The presence of high blood sugar also is thought to cause the most common complication—microangiopathy, a thickening in the walls of tiny blood vessels that reduces the flow of blood.

Insulin injections or oral drugs protect diabetics from coma brought on by excessive blood sugar. But insulin and drugs don't continuously monitor and adjust blood-sugar levels as the normal pancreas doses. "Complications of diabetes seem due to this fact," says Dr. William Chick, a research associate at Boston's Joslin Diabetes Foundation. He thinks that minute-to-minute control of glucose levels might halt or at least minimize the progressive damage to blood vessels. At present patients can tell when blood-sugar levels are high only by measuring the spillover in their urine.

AN ELECTROCHEMICAL SENSOR

To better monitor blood sugar, a colleague of Dr. Chick's, Dr. Stuart J. Soeldner, is developing an implanted "glucose sensor." A dime-shaped disk, it generates small electric currents in reaction to changing glucose levels. Dr. Soeldner has implanted the sensor in monkeys and kept it there for as long as four months "with no rejection problem," he says. In rats and rabbits, he has wired the sensor to an implanted, matchbook-size radio transmitter for nearly two years.

This means that "we now have a total implantable glucose sensor system," says Dr. Soeldner, associate director of the Joslin foundation's research laboratory. "Assuming there are no hitches (in further monkey tests), then clincal trials can be underway by January 1976." Dr. George Cahill, director of the laboratory, says that "we could put it in a human now, but we don't know how long it would work."

In a human, Dr. Soeldner says, the sensor system likely would be implanted in the stomach area. Its attached transmitter would signal a radio receiver worn by the diabetic on his belt. Every 15 minutes, the receiver dial would indicate his blood-sugar level. If it goes too high or too low, as can happen when a diabetic takes too much insulin or alters daily routines that affect his metabolism, then a "beeper" would sound a warning.

Comparing this system with urine testing is "like comparing bows and arrows with a 20-millimeter cannon," Dr. Soeldner says. Still, an artificial pancreas would be even better. Such a device would rely on the glucose sensor along with a tiny computer, a reservoir with up to two weeks' insulin supply and a pump. It would be no larger than a cigaret pack. The artificial pancreas would release the amount of insulin needed as determined by the glucose detector and the computer. It won't become a practical reality, Joslin researchers caution, for as many as five years.

An external artificial pancreas, however, already exists for hospitalized diabetics who are undergoing surgery or childbirth. Developed by Miles Laboratories, it is a bulky machine that monitors blood-sugar levels and dispenses insulin or glucose as required. It has been tried successfully on nine West German patients since June, and it now is being marketed by Miles.

Another kind of substitute for the ailing pancreas has attracted greater scientific attention. When transplants of whole pancreas failed, researchers turned to the million or so pinhead-size clumps of cells called islets of Langerhans scattered through the organ. The islets make up just 1% of the six-inch-long pancreas but produce all its insulin; the rest of the organ makes digestive enzymes. For the first time this past spring, St. Louis researchers succeeded in isolating entire islets from a healthy primate and transplanting them into five diabetic rhesus monkeys.

The cell clumps lodged in the moneys' livers and began producing insulin. Each monkey's blood-sugar level soon returned to near-normal. Previously this "cure" had worked for months in hundreds of diabetic rats.

ISLET BANKS?

"We were terribly excited," recalls Dr. Walter F. Ballinger, chairman of the surgery department at the Washington University school of medicine. The monkey experiments, he says, "are getting us ever closer to the time when we feel we can ethically try this in humans."

Since last spring, Dr. Ballinger's co-workers have isolated normal human islets by the same techniques they had developed for animal pancreases. They also have learned how to keep isolated rat islets alive and functioning for more than 10 weeks.

In the future, Dr. Ballinger thinks, "islet banks" may be stocked with cells from human fetuses. The cells would grow to maturity in tissue cultures that "might be able to provide enough insulin-producing cells to last a person's lifetime," says Dr. Arnold Lazarow, professor of anatomy at the University of Minnesota school of medicine. He has grown islet cells from rat embryos and transplanted them in adult rats.

The body's rejection of islet transplants remains a major obstacle. Within a month, four of Dr. Ballinger's five monkeys died from complications caused by drugs given in an attempt to prevent rejection.

For this reason, the first human diabetic to get islet transplants probably will be one who has had a kidney transplant and has proven capable of handling anti-rejection drugs. "At the rate we're going, hopefully this will be done within the next couple of years," says Dr. John Najarian of Minnesota's surgery department.

FINDING "OCCULT" DIABETICS

Preventive medicine also is tackling diabetes. Mounting evidence suggests that mumps, German measles and some influenza-like viruses may trigger diabetes in genetically prone youngsters. In animals, such viruses seem to disrupt the release of insulin or kill the insulin-producing cells entirely. If the virus or viruses in humans ever is identified, an antidiabetes vaccine could be made.

Still, Dr. John E. Craighead, a University of Vermont pathologist and viral expert, warns that "it took 30 or 40 years to nail down" the poliomyelitis virus.

Meanwhile, a test that measures insulin levels in humans may be used to warn against onset of diabetes better than the conventional glucose-tolerance test. For the past two years, Chicago pathologist Dr. Joseph

Kraft has tried a new insulin test and the conventional test on about 3,000 patients at St. Joseph's Hospital. Nearly half the 1,500 whose blood sugar registered normal on the conventional test showed "diabetic patterns" on the insulin test. About 100 of these "occult," or previously undetected, diabetics later corrected their insulin abnormalities through low-carbohydrate diets.

JAPANESE AUTO INDUSTRY

Mr. FANNIN. Mr. President, on October 3, 1975, I introduced S. 2468, a bill to increase the duty on certain automobile industry products. My intent in advocating this measure is to bring equity to the area of international trade in automobiles. Both the European community and Japan have discriminated against imported American-made automobiles for many years. This discrimination is comprised of high tariffs and numerous nontariff trade barriers. The United States, on the other hand, has allowed what amounts to open access to its automobile markets by foreign competitors.

Both the total number of foreign-made cars sold as well as the percentage of the domestic auto market they hold have increased during the past year. This has occurred while domestic manufacturers have experienced the worst sales records in years and unemployment in the industry is astoundingly high.

The Japanese recently announced that their total automobile exports this fiscal year which ends March 31, 1976, will probably be a record high. It is expected that 2,600,000 units will be shipped abroad. Japanese exports to the United States continue to rise quickly despite a continuing recessionary domestic market.

Mr. President, American-made automobiles could not be sold in the Japanese market as readily as their products are marketed here. This is discriminatory. The combination of rising imports and extensive export restrictions keeps the domestic industry in serious trouble. Affirmative action must be taken to rectify this imbalance.

I ask unanimous consent that a recent article from the Journal of Commerce be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAPANESE AUTO EXPORTS SEEN AT ALL-TIME HIGH

TOKYO.—Japanese automobile exports this fiscal year, ending on March 31, 1976, most likely will establish an all-time record with 12-month shipments exceeding 2,600,000 units, it was learned Wednesday.

Sources within the industry said Japan's automobile producers in fiscal 1974 exported 2,575,000 units of all types. This was a record year for Japanese makers at that time.

It was explained that this year's fine expectations were based upon the fact that stocks of Japanese motor cars (including trucks and buses) in the major global markets are currently running out and manufacturers are being pressed by overseas distributors to increase their efforts to rebuild inventories.

EXPORTS TO U.S.

Japanese exports of automobiles to the United States are rising rapidly as sales in that market continue to do exceptionally well, according to officials of the Japan Automobile Manufacturers' Association. And, in addition, similar favorable conditions presently exist in other key importing regions.

The association also reported that Japan's motor vehicle exports during the April-September term totaled 1,314,026 units. This was just 3.5 percent under the all-time record established during the same six months of last year. But exports in the next six months should be much higher, it was disclosed.

Japan's auto manufacturers in September, for example, exported 225,729 motor cars of all types. This was a jump of 5.7 percent against such shipments in August and 1.6 percent above the figure exported in the same month last year.

Meanwhile, the association said motorcycle exports in the April–September term totaled 1,260,846 units. This was 21.9 percent under the comparable figure for the same six-month term of 1974.

In September, Japan's motorcycle exports totaled only 205,459 units, down 16.9 percent compared with shipments in August and 31.8 percent below the figures for the same month of 1974.

DENVER NEIGHBORS ACT TO FIGHT CRIME

Mr. HASKELL. Mr. President, we are all familiar with the appalling increase in crime and with the equally appalling difficulty of our criminal justice system to control that increase. Our mail brings us daily accounts of the personal heartbreak that lies behind the crime statistics. People are burglarized. People are assaulted. People are raped. People are robbed. Rich people. Poor people. City people. Suburban people. Rural people.

More police hardware is not the answer; neither is "a cop on every block." Not only are these alternatives uneconomical, but also they simply do not work. Moreover, they put the emphasis on the criminal rather than the victim.

The city and county of Denver has started a new program that bears watching—a crime prevention program that directly helps the potential victims of criminals, the citizens themselves.

It started October 1 and it is called Neighbors Against Crime Together—Neighbors—ACT. It is funded by LEAA and sponsored by the Denver Anti-Crime Council.

Its director, Dave Martin, is spearheading an effort aimed at doing two things: first, educating citizens about specific crimes of rape, robbery, assault and burglary; and second, involving citizens in helping each other at a neighborhood level to avoid becoming victims of crime.

The Denver Post recently editorially endorsed this effort. The Post's message is worth sharing. For that reason, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The Denver Post, Oct. 27, 1975]

YOU CAN HELP FIGHT CRIME

A federally-financed Denver organization this month begins a year-long anti-crime project dedicated to the premise that the people who can help most are the potential victims.

Local efforts often are made in this direction but the current campaign by Neighbors Against Crime Together (Neighbors-ACT) appears to be the first comprehensive effort in a major city.

At a cost of $1.1 million in federal funds, parceled out through the Law Enforcement Assistance Administration (LEAA), the group will fight four specific crimes: assault, robbery, rape and burglary.

Except for burglary, these are the crimes which cause most of the insult, injury and outrage to citizens. If Neighbors-ACT can reduce these crimes 5 to 10 per cent in a year, as the group plans, a heartening step against crime will have been taken.

The Denver Post supports such a campaign as part of its ongoing editorial effort to offer its opinion on crime in the United States. Various facets of the effort to curb crime are being discussed in periodic editorials.

According to David K. Martin, the project's executive director, getting ordinary law-abiding citizens to think about protecting themselves is a much-needed objective.

By considering ways in which they are vulnerable to crime citizens can make a major contribution. Knowing their neighbors, cooperating with them in crime fighting, and making residences safer from entry—these are among the Neighbors-ACT objectives.

Martin mentioned a small thing that probably suggests many ways citizens can help. How many urban or suburban residents know the at-work telephone number of their next-door neighbor? In times when a suspected burglary is in progress such information might be vital.

There are many other things to be done. They add up to a neighborhood concern which, in sum, helps spell out the message to criminals: this neighborhood doesn't want any more crime and it will strike back against those who perpetrate it.

To make sure the campaign gets properly launched Neighbors-ACT is conducting two parallel efforts.

One is a media campaign aimed at getting Denver area businesses to support dissemination of educational material supplied by newspapers and electronic media. This is the quickest way to reach large numbers of people.

But the other level of outreach may be the most effective. An intensive training program will be started in 20 high-crime census tracts. Two major areas of the city, with a population of more than 110,000, will be given first-person instruction in fighting crime. Teams drawn from 30 organizers and coordinators under Martin's direction will operate from the East Side Action Center, 2855 Tremont Place, and the West Side Action Center, 1108 Santa Fe Drive.

By speech-making, by door-to-door contact and campaigns conducted through local organizations and agencies Neighbors-ACT will seek to coordinate the biggest citizen effort against crime in the community's history. The program should have wide support and, for the record, it welcomes as much citizen input as it can get. Anyone interested in contacting the project office can do so by dialing 534–1671 in Denver.

A MAJOR SUCCESS IN THE DEVELOPMENT OF FUSION POWER AS A NEW ENERGY SOURCE

Mr. CASE. Mr. President, I want to call to my colleagues' attention an announcement by the Energy Research and Development Administration that fusion energy research scientists have reached a new plateau in their efforts to produce the conditions necessary for production of fusion energy.

The ERDA announcement said scientists at the Francis Bitter National Magnet Laboratory at Massachusetts Institute of Technology have achieved a fivefold improvement in the containment of extremely hot fusion fuel, called plasma.

This achievement was attained on a relatively small fusion research device known as the Alcator Tokamak. It represented an improvement in containment of the plasma 5 times greater than have been achieved anywhere in the world before and 10 times greater than had been attained in all except one experiment.

In its announcement of the MIT achievement, ERDA said:

> This development is of major importance to ERDA's fusion program, and it adds further credence to ERDA's projections that fusion power might be developed to the commercial stage before the end of the century.

The principal research effort in the fusion power field at the moment is a very large Tokamak device to be built at Princeton, N.J. It is hoped that the Princeton device will be able to demonstrate for the first time that a fusion device can produce net energy.

While the MIT achievement is not directly transferrable to the Princeton project, the knowledge gained from the experiment at MIT will be valuable to the Princeton project and gives greater assurance of success.

Despite the MIT accomplishment, however, the fact remains the development of fusion power to the commercial stage before the end of the century is dependent on keeping work on the Princeton Tokamak device on schedule.

The ERDA authorization bill contains provisions which authorize appropriations of $23 million for what is known as the Tokamak Fusion Test Reactor—TFTR—at Princeton.

In the public works appropriation bill, the House approved only $15 million for the TFTR. I already have written to Senator STENNIS, the chairman of the Senate Public Works Appropriations Subcommittee, to inform him of my intention to seek to have that figure raised to $23 million, the full amount authorized.

I believe the achievement at MIT gives us an additional reason for providing the full $23 million for the TFTR so that efforts to bring fusion power to the commercial stage will not be delayed by insufficient funding.

I ask unanimous consent that a copy of ERDA's announcement on the MIT achievement be printed in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

A MAJOR SUCCESS IN THE DEVELOPMENT OF FUSION POWER AS A NEW ENERGY SOURCE

The Energy Research and Development Administration has today announced an achievement of major significance in the search for new sources of energy for the future of this country. At the Francis Bitter National Magnet Laboratory at the Massachusetts Institute of Technology a research device known as the Alcator Tokamak has reached a new high point in the Fusion Power Research and Development program's effort to produce in the laboratory those conditions required for the fusion process, the process that produces the energy of the sun and the stars and that promises to be an abundant and environmentally attractive source of energy for the future. The MIT scientists, operating the Alcator device well below its design limits, have been able to improve the containment of extremely hot fusion fuel, called plasma, 5–10 times over that previously achieved in other fusion experiments.

For two decades scientists all over the world have been striving produce the requisite fusion conditions in the laboratory. Fusion is the process in which light particles of matter join together, or fuse, to form heavier particles and neutrons, which can be used to produce electric power.

Fusion as an energy source has a number of striking advantages: the fuel, a form of hydrogen, is available in abundance in sea water; the fusion process itself is inherently safe in that nuclear runaway is not possible; radioactive waste is projected to be minimal; and weapons grade nuclear materials are not produced. Fusion power, therefore, represents a very desirable future energy option.

The difficulty in producing fusion conditions comes from the fact that the fuel atoms naturally repel each other and must be heated to tremendous temperatures, hundreds of millions of degrees, before they collide with enough force to fuse. But as atoms are heated, containing them becomes more difficult. The central research problem has therefore been heating this fusion fuel, the plasma, and simultaneously confining enough of it for a long enough time.

The approach that has received the most attention in controlled fusion research is magnetic confinement, in which large magnetic fields are used to restrict the motion of the particles of the hot plasma fuel. The most promising of the many magnetic confinement concepts is the tokamak, a doughnut-shaped device filled with the hot gaseous fusion fuel. The Alcator tokamak at MIT is one of five tokamaks now operating in the U.S. Although small compared to the other tokamaks, it was specifically designed to have a magnetic field more than twice as large as the other devices.

As operation of Alcator has gradually reached higher and higher magnetic field levels, it has been possible to steadily improve its containment properties. In recent weeks, still operating well below its maximum magnetic field, Alcator has already achieved fuel containment five times better than in any other tokamak in the world. Specifically, the product of the plasma density and the plasma confinement time has been raised to a value of 10^{13} (10,000 billion) seconds per cubic centimeter, at a plasma temperature of 10,000,000 degrees. In addition, the plasma is extremely pure, almost completely free of undesirable impurities. The simultaneous production of these fusion plasma parameters in Alcator thus represents a significant scientific achievement, a world record for the performance of fusion devices, and a major step forward in energy research.

This development is of major importance to ERDA's fusion program, and it adds further credence to ERDA's projections that fusion power might be developed to the commercial stage before the end of the century. A number of major scientific and technical problems remain to be resolved in order to achieve this goal, however. Specifically, the density-confinement time product will have to be raised by another factor of ten to thirty, an achievement that will require larger new experiments, some of which are now in construction or on the drawing boards. Further, temperatures of over 100,000,000 degrees will be required, ten times higher than achieved in Alcator. These temperatures have often been produced in the laboratory in the past. For example, temperatures of 130,000,000 degrees were achieved in the 2XII mirror machine this summer. It will, nevertheless, require time and effort to create all of the conditions for fusion simultaneously in a single experimental system.

The Alcator program is headed by Professor Bruno Coppi, who was the father of the basic concepts underlying the Alcator. The team that operates Alcator and made the detailed measurements is headed by Dr. Ronald Parker. The experiment is located in the Francis Bitter National Magnet Laboratory at MIT.

A broad range of fusion research is carried out at MIT under contract with ERDA. The Alcator experiment was initiated in 1971 and came into initial operation in 1974. The recent results will be presented by Dr. Parker at a meeting of the Divison of Plasma Physics of the American Physical Society in St. Petersburg, Florida, November 9–14.

RETIREMENT OF THOMAS D. MORRIS FROM THE GENERAL ACCOUNTING OFFICE

Mr. CHILES. Mr. President, on November 14, Mr. Thomas D. Morris, the Assistant Comptroller General for Management Services will retire from the General Accounting Office. Mr. Morris is a distinguished public servant with a record of high achievement in the Department of Defense and the former Bureau of the Budget before he assumed his present duties where he played a vital role in the major reorganization of the GAO which many consider to be the "right arm" of the Congress.

In departing the Federal service Mr. Morris is assuming new duties as assistant secretary for administrative services in Florida's Department of Health and Rehabilitation Services. This is a new position recently established by the Florida Legislature and I wish him well as he takes his demonstrated managerial skills to this important new position.

Mr. President, I ask unanimous consent to have printed in the RECORD, the recent announcement of the Comptroller General regarding Mr. Morris' retirement.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., October 1, 1975.

HEADS OF DIVISIONS AND OFFICES

Mr. Thomas D. Morris, Assistant Comptroller General for Management Services, will retire from Federal Service on November 14, 1975, in order to accept the post of Assistant Secretary for Administrative Services, Florida Department of Health and Rehabilitation Services. This is a new post established last July as part of a comprehensive reorganization enacted by the Florida legislature.

Effective November 15, 1975, Mr. Clerio P. Pin, present Deputy Assistant Comptroller General for Management Services, is named Director of Management Services and will be responsible for all functions and activities now assigned by GAO Order No. 0130.1.2, dated January 15, 1975.

Mr. Morris expressed his strong desire to retire for family reasons nearly two years ago but has deferred doing so at my request. While I regret his decision, I know that he made it only after the most careful thought. Mr. Morris is one of the outstanding public servants in the Federal Service and has contributed greatly to the work of the Bureau of the Budget, the Department of Defense, and during the past five years to the GAO. We will miss him greatly but wish him well in his new endeavor.

ELMER B. STAATS,
Comptroller General.

THE PROBLEM OF BUSING

Mr. BROCK. Mr. President, columnist William Raspberry of the Washington Post has recently addressed himself in several articles to the problem of busing in our Nation today. One of his recent articles deals frankly and intelligently with the pitfalls of forced busing and points out very clearly some of the shortcomings of such programs, while at the same time encouraging improved education. I ask unanimous consent that Mr. Raspberry's article "Busing Probably Isn't the Answer" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSING PROBABLY ISN'T THE ANSWER

(By William Raspberry)

A reader remarks that he was surprised at my recent column questioning the value of large-scale busing. "I wouldn't have thought that you would be opposed to racial integration," he said.

I'm not, of course. I am opposed to bad education, to stupidity and waste, and to inflexible, counterproductive responses to poorly thought-out questions.

Busing—at least on the scale being urged by the NAACP—is supposed to perform two primary functions. First, it is supposed to improve the quality of education available to black children, particularly the children of the big city slums.

Second, it is supposed to promote the establishment of an integrated society, a society in which race will no longer be a major consideration.

I have no disagreement with those goals. I simply doubt that large-scale busing is the way to achieve them.

The first goal—improved education—is the important one for me, and my view is that it is a question best faced directly. The integration of the society can be promoted by public policy, to be sure, but I doubt that it is amenable to judicial fiat.

But even in terms of the first goal, some people see racial integration as an important aspect of improved education. It is important, though not indispensable.

If I were in charge of things, I would first make certain that no child would be barred from any school because of his race. That is essentially what the Supreme Court ordered in its 1954 decree.

But I would not merely outlaw segregation; I would introduce policies to promote integration and dismantle policies calculated to separate the races. That is desegregation.

And I would do one thing more: I would make it possible for any child to transfer, on a space-available basis, from a nearby school in which his race is predominant to a more distant school in which his race was in the minority. I would not order it. I would simply permit it, providing transportation where necessary.

Such a policy would differ from present busing plans in several key ways. To begin with, it would not be an imposed plan and would, therefore, not generate the fear-spawned opposition that busing has generated. It would also involve fewer children and, as a result, be less disruptive, less complicated logistically, and less costly.

And it would leave alone those children and their parents for whom integration is not a matter of high priority.

One of the reasons so many people are convinced of the educational benefits (particularly to black children) of racial integration is that they have seen the academic improvement of children whose parents make special efforts to get them into integrated schools.

These special efforts may include anything from budget-straining moves to new neighborhoods, to applications for special exemptions, to outright lies about where they live.

Children who see special advantages in attending a school out of their neighborhood (or whose parents see such advantages) tend to achieve academically. The very fact of the special effort assures that the transfer will be viewed as a positive thing.

But we keep misreading what we see. We see a child (or a family) with strong feelings about education seeking an opportunity to attend a distant, integrated school, and we see an educational payoff. And too often we conclude that it is the fact of the transfer, rather than the strong feelings and educational ambition, that lead to the academic improvement, and we try to generalize the results by generalizing the transfers.

It rarely works. What often happens is that children involuntarily transferred because of their race arrive at the new school full of fears, insecurities and resentments. In many cases they learn hardly anything at all except how easy it is to buffalo guilt-stricken white teachers or to beat up on white kids.

When this happens, and when whites move farther away in attempt to avoid it, we put the blame on racism or insensitivity but never where it belongs; on the fact that children tend to respond negatively when they find themselves where they'd rather not be.

Of course you can always take the position that integration is too important a goal to be left to the desires of people. You can insist that integration is constitutionally mandated and call upon the courts to order it.

But you ought to be ready with a shopping list of culprits when your well-meant efforts fail to produce improved education, better racial feeling or even integration.

NEW STAFF BOSS AT THE WHITE HOUSE

Mr. McGEE. Mr. President, changing the name of the White House to Wyoming House would, I admit, be stretching history quite a bit, however, it is gratifying to see Wyomingites or people with Wyoming ties working in these high positions within the administration at the White House. I congratulate them.

Connie Gerard from Greybull, Wyo. has been with the press office at the White House for 12 years. Judy Wilson from Cheyenne presently serves as an assistant to Donald Rumsfeld and Richard Cheney.

Mr. Cheney, although not Wyoming born, gained much of his higher education at the University of Wyoming. Mr. President, I ask unanimous consent that an article about Mr. Cheney which appeared recently in the Washington Star be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORD WORKHORSE NEW STAFF BOSS AT WHITE HOUSE

Behind almost every successful executive can be found a workhorse. President Ford's workhorse is Richard B. Cheney, named by the President to replace Donald Rumsfeld as White House chief of staff.

Cheney, 33, has been deputy assistant to the President since Dec. 18. Ford announced his promotion at a news conference last night after saying he would nominate Rumsfeld to be secretary of defense.

Cheney, a close Rumsfeld associate for six years, occupies the office closest to Ford's Oval Office of any major aide in the White House. An efficiency expert would have it so.

Across Cheney's desk flow the papers that go to and from Ford. As the deputy White House chief of staff, Cheney keeps in order letters, memos, charts and other documents addressed to Ford and those coming back from the Oval Office.

But it is not a paper-shuffling operation. The reins of government run largely across Cheney's desk.

The Lincoln, Neb., native is involved in what the papers say. He insures that the President is getting all the advice from all concerned on any given subject. He insures that persons who should be consulted are consulted and their words reach Ford. He makes certain that Ford's instructions are carried out.

Most presidents have complained at one time or another that their major headache is insuring their orders get carried out. Ford has not—and Cheney is one reason.

Cheney has been closely associated with Rumsfeld since 1969, when he began two years as executive assistant to Rumsfeld, then director of the Office of Economic Opportunity.

After Rumsfeld moved to the White House as a counselor to President Richard M. Nixon, Cheney followed him there as Rumsfeld's deputy. And he stayed with Rumsfeld again from late 1971 until early 1973—as his assistant at the now-defunct Cost of Living Council.

Cheney and Rumsfeld came back to the White House at almost the same time in September 1974 to help Ford launch his new administration.

Cheney was working for the Washington investment firm of Bradley, Woods and Co. when he joined Rumsfeld at OEO.

A graduate of the University of Wyoming, where he also received a master's degree, he did additional graduate work in political science at the University of Wisconsin.

He served on the staff of Republican Gov. Warren Knowles of Wisconsin and later was a congressional fellow on the staff of Rep. William Steiger, R-Wis.

CAPITAL FORMATION

Mr. BROCK. Mr. President, there recently appeared in Business Week an excellent article outlining the capital formation future for our Nation. The capital gap is a bomb on a slow fuse which threatens our economy and our Nation as we know it today. I ask unanimous consent that the article from Business Week, entitled "The Capital—$4.5 Trillion America" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CAPITAL—$4.5 TRILLION AMERICA

The jaws that threaten the nation's well-being are not those on the giant fish that looms up in front of moviegoers, but those on the yawning capital gap that faces the U.S. this year and as far ahead as anyone can see. For the failure of the supply of capital to keep up with demand could eat the nation's standard of living alive.

The amount of capital that the U.S. needs if it is to move back to its historic real growth rate of 4 percent a year and stay there is enormous by any measure. Between 1955 and 1964, the U.S. economy consumed $760-billion in capital in turning out all the cars and TV sets, in building all the houses and factories and shopping centers that a growing population wanted. Between 1965 and 1974, the nation's consumption of capital doubled to $1.6-trillion. By the best estimates available, the U.S. will need the incredible sum of $4.5-trillion in new capital funds in the next 10 years: capital that, for the most part, will have to come from the savings of the American people and the profits of American business.

Looked at in a slightly different way, the nation's total supply of capital will have to rise at a compound annual rate of 8.7 percent during the next decade, compared with a compound annual rate of 6.7 percent in the past decade.

UNPLEASANT CONSEQUENCES

The obstacles to raising that kind of money in the economic environment that is likely to prevail in the next decade, and distributing it to where it will be needed, are formidable, perhaps insurmountable. But the social and financial consequences of not generating sufficient savings to provide money on that scale are not pleasant to contemplate. A capital shortage of the magnitude that seems possible would make the U.S. economy a tough place for anyone—individuals and giant corporations alike—to make a living. This is what a capital crisis would mean:

The financial markets would be chronically unable to provide the necessary flows of funds to finance the economy's expenditures at rates of interest that anyone could afford. Indeed, under the lash of a federal budget deficit of more than $100-billion in two years, this symptom of a capital shortage is already present in the U.S. financial markets even though the demand for funds is low because of recession. Short-term interest rates have turned higher again, and long-term rates are already near or at historic peaks even though the economy is only in the early stages of recovery. For a disturbingly large number of would-be borrowers, from New York City to some of the nation's largest corporations, there is no money to be had today at any price.

The U.S. economy would suffer from both chronic shortages of goods and from continued high inflation because capital expenditures by business would be insufficient to generate enough capacity to meet demand at reasonably stable prices. A low utilization rate virtually guarantees that the U.S. will not become a true shortage economy again until 1980 at the earliest. But there will be areas of shortage before then, and when and *if* the economy moves back to full employment, the press of growing demand against less rapidly growing supply will become acute. Shortages of such basic stuff as chemicals, paper, and steel were already disturbingly visible during the last period of high employment in 1973 and early 1974. Next time, there could well be shortages of nearly everything.

The business cycle profile would consist of short, feeble recoveries quickly aborted. Constant upward pressure on interest rates, and high inflation, will force the Federal Reserve into a tight money stance early in recoveries, much as seems to be happening right now. This will make prolonged business upswings impossible but prolonged recessions easy.

The corporate structure of the U.S. would begin to resemble Japan's *zaibatsu* economy as strong companies gobble weak companies at an accelerating pace. The capital-short economy discriminates against any company that does not have the highest credit rating because lenders of scarce funds can afford to hold out for only the very highest ratings. Already there is a tiny group of companies that can raise new equity capital, a larger group that can raise debt capital, and a very large group that cannot raise any capital at all. There may not be a capital shortage for all, but there almost surely will be a capital crisis for some. More and more of these bottom tier companies will fall by the wayside as the capital shortage becomes more intense.

Social unrest and class conflict would become endemic because income gains will be thin to nonexistent. It is indeed naive to imagine that the capitalist-mixed economy can long survive a capital crisis. A nation that has been convinced that it can grow at a fast clip—that every person has the right to a job, an education, two cars and a house in the suburbs—will have to live instead within the strict limits on the growth of income imposed by a capital shortage. "A central feature of modern economic society," says John Kenneth Galbraith in his new book *Money*, "is the rejection by subordinate classes of the prescriptive limits on their income and consumption. With this rejection go claims on production that cannot be met; from these claims come inflation."

UTOPIAN ASSUMPTIONS

A severe capital crisis in the years ahead is not foreordained. The only completed, detailed studies of the long-term capital outlook that are worth their salt—the studies by Barry P. Bosworth, James S. Duesenberry, and Andrew S. Carron for the Brookings Institution, and by Roger E. Brinner and Allen L. Sinai for Data Resources, Inc.—conclude that the U.S. will skirt the ragged edge of a severe capital gap rather than fall into it. But these studies are based on what could well turn out to be utopian assumptions, as their authors admit. In the Duesenberry-Bosworth-Carron study, the federal budget comes into balance in 1977 and stays there. In the Sinai-Brinner study, the balance is achieved in 1978.

Yet the conditions that threaten a capital shortage are the very same ones that could easily undo these optimistic assumptions about inflation and spending. The grim reality is that budget deficits promise to be deeper than expected and inflation higher than expected, and the U.S. can escape a capital crisis only if it is luckier or wiser than it has been in the past.

So far, at least, both luck and wisdom seem to be in short supply. On the evidence, the U.S. has chosen not to deal with the real threat of a capital gap but simply to ignore it. Closing that gap at a minimum requires changes in the tax structure that would provide greater incentives for savings and investment and greater disincentives for consumption. It is true that the Ford Administration has recognized the need for such changes and has proposed legislation aimed at improving the tax treatment for savings and investment. But what is mostly involved is a cut in the corporate tax rate—political quicksand in a year of near-9 percent unemployment.

There are three related reasons for this indifference to the capital shortage issue. The capital gap is difficult to define, difficult to measure, difficult to understand, and therefore difficult to take seriously. Closing the capital gap would require changes that would be painful to many, since they would require people to consume less in the short run so that society may grow faster in the long run. And, finally, the most vocal proponents of the existence of a capital gap—corporate lobbyists, organizations like the New York Stock Exchange and the Securities Industry Assn.—represent those in society that would benefit most directly from measures designed to close it. It does not help that Washington's No. 1 capital gap crusader, Treasury Secretary William E. Simon, has a Wall Street background with the investment banking house of Salomon Bros., a firm that would obviously benefit from pro savings, investment legislation. It certainly does not help that Simon has done far better at selling bonds to Wall Street than legislative proposals to Congress.

Difficulties with the definition of the capital gap exist because there is a sense in which there is always a capital gap, a sense in which there is never a capital gap, and a sense in which a capital gap can exist at some times but not at others.

BALANCING GOALS AND SUPPLY

A capital gap can always be said to exist because human wants are insatiable. Any company that turns its engineers loose can always make a list of capital projects that it would like to complete that stretches from the earth to the moon. And so can any unit of government or any individual. Indeed, in its study of the capital gap that came up with an $650-billion capital shortage for the next 10 years, the NYSE came perilously close to this. The exchange's research department, in effect, estimated the capital needs of industries and units of government without analyzing whether the needs are realistic in the framework of the overall economy. As a consequence, the exchange left itself open to ridicule from many economists and from the labor movement.

The view that a capital shortage never exists is one that deserves to be taken far more seriously. Robert Eisner, a Northwestern University economist, who is a leading proponent of this position, calls the capital gap "a lot of bull." In an economic sense, he says, "it doesn't make sense to talk of a shortage of either physical or financial capital." We live in an economy, he argues, where consumers and investors state their preferences and the market acts as a great clearinghouse. If people do not want to save enough to meet supposed requirements, he says, "that's just tough." If the demand for capital is greater than the supply at existing rates of return, then those rates of return and real interest rates should rise and induce more savings. Eisner is critical of Treasury Secretary Simon. "It galls me that a guy like Simon, who says that he believes strongly in the free enterprise system, really doesn't trust the market," he says.

Yet there is an essential difficulty with this view that a capital gap cannot exist, since the market equates the supply of savings with the demand for investment. And that difficulty is simply that a society that is too profligate in consuming rather than saving will put such a high price on capital and therefore produce so little of it, that it will not grow fast enough to meet some commonly accepted goals.

It is, in fact, a study of the balance between commonly accepted goals and the supply of capital that is available to meet those goals that gives a rigorous economic meaning to the notion of a capital shortage. The question is not will there be a capital shortage, for the answer to that question is both "yes" and "no." Rather, the question is, given certain goals for economic growth and total employment, will the U.S. generate enough capital to meet them.

Sound studies of the capital shortage do not, therefore, concentrate primarily on coming up with boxcar numbers to scare people with, such as the NYSE's $650-billion. Rather, they begin by asking where the economy is now and where Americans would like it to be in, say, 10 years. They then go on to estimate the capital constraints that are likely to be met on the way. In this sense, the capital shortage problem becomes a part of the whole question of economic growth, and once the capital shortage is looked at in this way it begins to take on some real meaning.

ACCUMULATING CAPITAL

Ever since the days of Adam Smith, and even before, economists have recognized that capital accumulation requires that a simple—if painful—condition be met: A society must, each year, produce more than it can consume. And if that society is going to grow, it must be able to find a mechanism by which the margin between production and consumption is invested in capital goods that can be used to increase productivity.

Indeed, as the classical economists up to and including Karl Marx demonstrated with a clarity that eludes modern economists, the entire history of civilization is bound up with capital accumulation. Man ceased to be a hunter and began to develop the arts of civilization only when the then-fertile area between the Tigris and the Euphrates—ancient Mesopotamia—began to produce an agricultural surplus that could be used to support a nonagricultural population. Civilization was similarly first brought to a high form in ancient Egypt largely because the incredible fertility of the Nile's flood plain permitted the first really wide margin between production and consumption. The real breakthrough for the Western world came, of course, with the invention of the steam engine, which led to a quantum jump in productivity and permitted the economies of the West to develop at an incredible pace.

The Industrial Revolution required a huge margin between production and consumption, and that margin has stayed high for more than 200 years. The margin between production and consumption, which economists call savings, is in part determined by the stage of economic development a nation is in. As the table on page 92 shows, the margin is widest in Japan, which is still in the relatively early stages of development and lowest in the so-called mature economies like Britain and the U.S.

The U.S. has managed to get by with a low savings-investment rate, and can still do so compared to most countries. But in the past decade, the claims on that margin between production and consumption have become increasingly vociferous—from business, the public, and government—as both the willingness and the incentive to save has become attenuated.

Over the past 10 years government spending, including transfer payments, have been increasing at an astonishing 9% annual rate, more than double the 4% rate for the private economy. That growth of government spending lies at the heart of the capital market strains that have appeared in the past year. Although not generally recognized, economists view the government as a potential saver, counting government surpluses as well as personal and corporate setasides from production as part of the nation's total supply of savings. On the other hand, government deficits count as a claim against savings. In physical terms a government deficit means that the government is a net consumer—drawing more resources out of the economy than it is putting back in and eating into the margin between production and consumption.

THE MARGIN GETS SMALLER

Happenings in the financial markets represent the dollar analogy to the physical shortage of capital. Those who refrain from consumption provide funds to the financial intermediaries—the banks and other lenders—who then have the funds available to support investment. And a thin production-consumption margin leads to a thin supply of capital. The consequences of a thin capital supply are either.

Rising interest rates as a strong demand for capital competes for the available supply. A capital shortage cannot actually be seen, since the price of capital (interest rates) keeps rising until, on any given day, supply and demand are balanced. Longer-run, though, the number of individuals and businesses that want capital, but cannot afford it, keeps growing.

Moves by the Federal Reserve to make up for the financial market capital shortage by pumping more money into the economic system. But if the total amount of funds exceeds the amount that is generated by savings (the difference between production and consumption) the result is inflation.

The possible outcomes of a financial market capital shortage are not confined to these two extremes. In an economy that does not save enough, it is possible and even likely that the financial markets will follow a zigzag pattern, alternating between periods of tight money and soaring interest rates, and periods when the Federal Reserve tries to hold rates down by pumping money into the system.

The worthwhile studies of the capital shortage do not proceed in a vacuum. They emerge from simulations of the performance of the U.S. economy and of economic policy during the next decade. They then go on to estimate the capital requirements that result from these simulations. And while the studies disagree on details, there is agreement among them on what the basic contours of the economy will be and what will have to be done if a severe capital shortage is to be avoided.

All studies begin by recognizing that business will be the key capital user during the next decade. According to the Data Resources study, for example, business investment in machinery (technically producers' durable equipment) will have to rise at a compound annual rate of 11.5% during the next 10 years vs. an 8.9% annual rate between 1965 and 1974. To finance that spending, given an expected 5% to 6% inflation rate, companies will have to spend some $1.9-trillion in the next decade against $670-billion in the past decade.

There are a number of reasons why capital spending will have to grow at an accelerated pace. To begin with, the rate of capital spending has been low relative to the rate of growth of output in the past decade as the government sector (federal and local) grew faster than the private sector. Also, the pollution and safety laws have increased the capital required for a given level of production. And, finally, there are signs that it is now taking more and more dollars worth of capital to produce one dollar's worth of output.

HEAVIER BORROWING AHEAD

But this is not the only capital spending problem and perhaps not the main one at all. It is clear, says Gary Fromm, who is conducting a capital spending study for the National Bureau of Economic Research, "that inflation will continue to take a substantial bite out of investment potential." On the corporate side, inflation causes depreciation allowances to fall behind the cost of replacement capital. So companies must continue to borrow heavily to finance capital spending. And companies that have already borrowed to the absolute hilt, must continue to borrow heavily to finance capital spending, moving to still higher ratios of external financing to internal funds.

"The windup," says Fromm, "is that many companies will cut capital spending plans. Then we may find that the resultant growth of the capital stock would be insufficient to sustain the growth of output that society desires."

The main evidence of those who foresee no capital shortage is the drop in the rate of return on invested capital that shows up in the chart on page 44. To some economists this suggests not that the supply of capital is short, but rather that the falling return has cut into the demand for capital.

Yet to jump from the fact that the rate of return on existing capital is falling to the conclusion that the return on newly invested capital is low may miss the entire point. In an analysis of the capital gap that has attracted wide attention among economists, Federal Reserve Governor Henry C. Wallich argues that there is a critical difference between the two. He says that rapid technological change and shifts in relative prices—particularly the price of energy—which is reducing the return on old capital may, in fact, be increasing the return on new investment.

The need for accelerated capital spending growth, therefore, seems fairly well established. And so is one other key proposition: that the funds to support capital spending growth will be forthcoming if, and only if, the federal government reduces its pressure on the capital markets.

THE NEED FOR A SURPLUS

The Bosworth-Duesenberry-Carron conclusion that the U.S. will manage to skirt a capital gap is heavily dependent on a federal budget surplus emerging in fiscal 1977. In their model, the surplus emerges for two reasons. Expenditures grow only slowly: federal spending on goods and services growing at only 7 percent a year and actually falling in relation to gross national product. They do not allow for any major new social programs. And while transfer payments for Social Security rise at 10.9 percent, total federal spending grows at 8.7 percent a year, lower than the growth rate of the past decade.

With spending under restraint, Bosworth, Duesenberry and Carron get surpluses, not because of major changes in government policy but because higher inflation combines with real GNP growth to boost revenues by 11.7% a year.

Should spending move up faster than these projections, however, the economy would be in trouble on anybody's assumptions. And since each new victim of the capital crisis immediately demands financial relief from Washington, the odds are very good that spending will move up faster than these projections. A study prepared for Labor Secretary John T. Dunlop indicates it will take major tax changes to generate enough savings to satisfy the demand for capital.

Says Don Conlan, a former Dunlop aide at the Cost of Living Council who initiated the study and who is now executive vice-president of Capital Strategic Services, a Los Angeles consulting group: "It's extremely unlikely that the financing techniques used by business in the past 5 to 10 years will do the trick in the next 5 to 10 years. Given the balance sheet deterioration we've already had in terms of the rising debt/equity ratio, it's questionable whether the public will be willing to hold as much paper as business will have to float, if there is no policy action to improve cash flow."

And that is the nature of the crisis: the need to invest more to keep the economy growing, but also the strong likelihood that given the tax laws and corporate balance sheets as they are, and the economy as it is likely to be, there will not be enough capital to meet those investment goals. Some factors in this equation must change or the U.S. economy of the late 1970s and the 1980s will be unlike anything the American people have seen in nearly four decades: an economy marked by slower growth, higher unemployment, and fewer fulfilled promises for nearly everyone.

POWERPLANT CONSTRUCTION

Mr. GRAVEL. Mr. President, utility companies across the country are continuing to cancel and defer their plans for new nuclear generating stations.

The high capital costs of nuclear power, the incomplete fuel cycle and numerous other uncertainties are convincing more and more utility executives that nuclear power is the wrong way to go.

In addition, the demand for new electrical generating capacity simply is not proving to be as great as many promoters had stated. Those who had convinced themselves that exponential energy growth would continue now find there are limits to this kind of growth.

Mr. President, I ask unanimous consent that four items be printed in the RECORD: An article from the New York Times entitled "Utilities Continuing To Cut Power Plant Construction;" an article from the Des Moines Register regarding the decision of the Iowa Commerce Commission to review the financial advisability of building new nuclear stations; a copy of that decision; and another article from the Des Moines Register concerning a utility suit filed recently against several nuclear manufacturers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UTILITIES CONTINUING TO CUT POWER PLANT CONSTRUCTION

Although at a slower pace than last year, the nation's electric power companies are continuing to cancel and postpone construction of power generation facilities to meet future customer demand.

In items of power-generation capacity and dollar investment, nuclear power suffered the most cancellations.

According to the latest electric power survey made by the Edison Electric Institute, the trade association of the nation's investor-owned electric utilities, five nuclear reactor units representing 5,746,000 kilowatts of power were canceled during the first half of this year. During the same period, eight conventional power generation units, representing 6,040,000 kilowatts of power, were canceled.

The institute defines a cancellation as the removal from the construction scheduled of a proposed plant by a utility and cancellation of an order for equipment.

Under this definition, there were actually seven cancellations for nuclear units because the supplier of two reactor units for one utility project canceled the order on the ground that it was planned for too far in the future.

Since the Edison survey, several other utilities have canceled or suspended indefinitely their plans to construct nuclear plants.

The South Carolina Gas and Electric Company recently announced cancellation of plans to build the second of two nuclear units near Parr, S.C. The unit was valued at $550-million.

Earlier this summer Middle South Utilities Inc., a New Orleans-based utility holding company, announced that its subsidiaries had canceled two nuclear units, deferred construction of another and deferred construction on two coal-fired plants. The nuclear units would have been worth close to $1-billion.

The New York State Electric and Gas Company, a major upstate electric utility, suspended indefinitely the construction of two nuclear units valued at a total of $1.8-billion because of the discovery of seismic faults in the area where it planned to build the units.

Energy industry executives and investment market analysts offer a number of reasons for the cutbacks, which represent billions of dollars in potential investment. Most emphasized the continuing inflationary costs of building new power generation facilities, particularly nuclear plants, and the continuing reduction in customer use of electric power since the 1973–74 Arab oil embargo.

"The construction cancellations you've seen so far, I think, are primarily a reflection of the continued financial problems facing the utilities, but if there are any from now on it may mean we won't see the peak load demand growth pattern the utility industry has been projecting," said Jim Parham, investment analyst at the Pittsburgh National Bank. The Edison Electric Institute had projected growth of 9 per cent in the peak load use of power this year, but so far peak demand has not passed the 3 per cent mark. Growth of peak load is used to project future demand for power and the need for building generating facilities.

The Westinghouse Electric Corporation, the nation's largest producer of nuclear power systems, reported recently that the reasons for cancellations and delays were "chiefly financial." but it added that "the perceived low growth in electricity usage, which is a direct result of the recession," contributed to the cutback in orders.

MUCH CONTROVERSY

Westinghouse, which has received four orders for nuclear power units this year, would not report on cancellations for the 1975 calendar year separately. But the company said that since January, 1974, it had received cancellations of 25 nuclear units (representing 28 million kilowatts of power) and 62 conventional, or fossil-fuel, plants (representing 38 million kilowatts).

There has been considerable controversy between the energy industry, particularly electric utilities, and environmental and consumer groups over the need to construct power plants at the pace of the past.

Utility executives and engineers have argued that cancellations, which were numerous last year, may result in inability of the utilities to provide the power that customers will demand near the end of the decade and in the nineteen-eighties. They have argued for tax incentives and quicker regulatory action on rate increase requests as ways to raise the capital required to build costly power units.

Consumer groups counter by saying that conservation since the Arab embargo has significantly changed the pattern of power use by customers. They also advocate that utilities promote conservation of electricity through rate reform and load management techniques that would spread the demand for electricity over a broader period of the day, thus reducing peak load levels.

There are indications that conservation of electricity indeed has surprised the industry and has contributed significantly to decisions by some utilities to cut back construction plans, and action that many executives welcome privately because of the low prices at which utility stocks are selling.

Floyd W. Lewis, president and chief executive officer of Middle South Utilities, noted that the cost of the two proposed nuclear units has escalated to $2.1 billion from $1.2 billion, an estimate made less than two years ago. He said reduced customer demand also figured in the cancellation decision. A revival of the projects "depends on the direction our customer load pattern takes," he said.

The Tucson Gas and Electric Company, which recently sold its $600 million participation in the Arizona Nuclear Project, noted that slowing of load growth did not justify investment in the project. It said it did not expect a need for the extra power by the early and mid-1980's, when the project is to be completed. The project is to be built in three stages.

[From the Des Moines Register, Aug. 22, 1975]

MUST SUBMIT POWER PLANT PLANS: ICC

(By Dennis Corcoran)

The chairman of the Iowa Commerce Commission said Thursday that Iowa utility companies must obtain approval from the commission before building multimillion-dollar power plants if the cost of the plants is to be passed on to customers in the form of rate increases.

The new policy—announced as a "request" to the state-regulated utilities—is a reversal of commission practice of allowing the companies to build new plants and then questioning that decision in rate hearings after the plant is in operation.

The request, which Chairman Maurice Van Nostrand said will be backed up by the commission's authority to approve or deny rate increases, is similar to two bills pending before the Iowa Legislature.

"TOO MANY QUESTIONS"

Van Nostrand said the commission decided not to wait on legislative action because there are "too many questions (about utility expenditures) that haven't been answered."

The request says that before a financial commitment is made to build a plant that costs at least $250 million, the utility or group of utilities will have to submit detailed plans to the commission.

The commission will then decide if the plans are prudent. If not, the commission will not permit the utility to charge its customers the cost of the project.

Most major generating plants cost more than $250 million.

IOWA CODE

One utility company official questioned the commission's authority to enforce the request, and Van Nostrand admitted that a utility might challenge the notice on the basis that the Iowa Code does not say the commission can require a utility to submit its plans for prior approval.

But Van Nostrand said the commission's statutory authority over rate matters is directly related to plant expenditures.

"If they (utility companies) ask us what chapter (of the Iowa Code), we've got a little problem," he said. "But we have no doubt that in the long run, it will work out."

CONCERN TOLD

Although the request would include all plant expenditures, Van Nostrand said the commission is especially concerned about the development of nuclear power plants in Iowa.

He said the concern is over the availability of nuclear fuel, the storage of waste materials, reprocessing of the fuel and the reliability of the plants.

Until these problems are solved, he said, he cannot justify allowing a utility to go ahead with a nuclear plant commitment without some prior review.

The first plans to be submitted to the commission probably would be for a proposed nuclear power facility in central Iowa.

DOUBTS OBJECTION

Ralph Schlenker, vice-president of public relations for Iowa Power and Light Co. of Des Moines, said Thursday that the company probably would have no objections to presenting its plans to the commission—if it goes ahead with plans to build the plant.

Van Norstrand said the commission is concerned about nuclear facilities because:

There is no nuclear fuel reprocessing plant in or near Iowa creating "enormous transportation problems" in the removal of the burned fuel.

Recent estimates of nuclear fuel supply say that there is only 10 years of cheap domestic uranium left and that the cost of obtaining additional supplies would be between four and five times present charges.

The largest source of cheap uranium is in the Soviet Union and that he didn't feel good about "depending on shipments of uranium from Russia," in light of the nation's problems with the Arab oil producing countries.

No solution has been found for storing radioactive wastes produced in the nuclear process.

In addition, he said, Iowa's nuclear facilities have not proven very reliable and that, "if a nuclear plant can't operate at 100 percent power, it is a bad, bad investment."

Van Nostrand said that the commission is just as worried about utility investors as it is about the customers.

If a company finds that it is in financial trouble over plant expenditures, he said, it will have a hard time attracting investors and raising capital. That, he said, will lead to higher costs to the company and its customers.

MIXED REACTIONS

Utility company officials interviewed Thursday had mixed reactions to the request.

Schlenker said that while the "order seems to set out a reasonable process," the responsibility for utility plant expansion lies solely with the company.

"No amount of review can take that responsibility off your shoulders," he said.

Schlenker said that Iowa Power's legal staff is still studying the request, but that he could see no reason why the company would not be willing to comply.

C. R. FIRM

James Davidson, vice-president of Iowa Electric Power and Light of Cedar Rapids, said that his company has no plans to make such a large expenditure in the next several years and "isn't confronted with the problem yet."

Davidson said the request "could work out to the advantage of both of us."

Donald Shaw, vice-president of finance for Iowa-Illinois Gas and Electric of Davenport, said he hadn't seen the request notice yet, but "off the top of my head, I would have some reservations."

"It appears that the commission is moving on its own. I would assume they would need some statutory authority (to enforce such a request)," he said.

[State of Iowa, Iowa State Commerce Commission, Docket No. Res. 75–1]

In the Matter of Proposed Construction of Major Utility Plant

STATEMENT OF INTENT

(Issued August 19, 1975)

The capital investment required for the construction of major utility plant, especially electric generating facilities, has increased significantly during the past several years. By 1975 three Iowa investor-owned utilities owned or were financially liable for large shares of nuclear-powered electric generation facilities. Two of these facilities were subject to costly load curtailment orders from the Nuclear Regulatory Commission (NRC). The third facility has been cited for numerous incidents of concern. This incident experience is well in excess of the national average.

Consumer groups and individuals have expressed concern to the Commission on the environmental, safety, and rate level impact of these and future nuclear facilities. While we are not unconcerned with environmental, safety, and similar operating considerations, federal preemption by the NRC, in our estimation, limits the scope of our legitimate inquiries, concerning nuclear facilities, to the rate level issue. However, the rate level inquiry is in and of itself one of immense concern to this Commission and the residents of Iowa.

With the investment magnitude of generation facilities, should a significant part of such investment be excluded from rate base as being an imprudent investment, the impact could very well be destructive to the ability of the utility involved to attract capital or could even result in bankruptcy.

Illustratively, as early as 1968 in *Re Consolidated Edison Co.*, 73 P.U.R. 3d 417, the New York Public Service Commission entertained testimony and argument on the exclusion from Consolidated Edison's rate base of two-thirds of the cost of a nuclear generating facility. While the NYPSC ultimately found the facility to be a totally justified and prudent investment, the case and subsequent cases have underscored the potential impact of an adverse decision. No evidence has been presented to date to support the exclusion from rate base or cost of service as an imprudent expenditure any investment by any Iowa utility in nuclear facilities. However, the possibility that some such evidence could be proferred at some future date is always present.

If load curtailment orders and safety incidents continue, the possibility of the investor having his equity investment in utility plant wiped out must inevitably affect his appraisal of the risk attendant an investment in the utility, and hence, increase capital costs to the utility and its customers.

We possess the authority at all times to investigate the prudence of any utility expenditure to determine whether or not such expenditure should be included in cost of service for rate-making purposes. However, in light of what we can now observe, delaying such determination until after the plant is in service, and perhaps experiencing difficulties, has scant justification. Needless to say, the capital to construct the facility must be attracted before completion; and if the investor perceives there to be a risk of loss because of the possibility of this investment being excluded from rate base, that risk will increase capital costs at the very time that capital is needed—during construction. Once incurred, those higher capital costs will continue to increase the cost of service.

To conclude that the managerial decisions and the investment were prudent, long after the increased costs have been incurred and assessed, is indeed a task of questionable equity with the benefit of hindsight. And finally, the specter of an Iowa utility lying prostrate and bankrupt because of the reduction from rate base of hundreds of millions of dollars for "imprudent" expenditures, is one we do not care to contemplate.

Therefore, it is our intent henceforth to investigate and determine, for rate-making purposes, the prudence of *all* investments by utilities in any utility plant aggregating in excess of $250 million in Iowa intrastate rate base, or equal liability therefor, before reaching an irreversible state of planning or construction on such utility plant.

Accordingly, we are hereby requesting that any rate-regulated Iowa utility planning or constructing in whole or in part any utility plant aggregating in excess of $250 million in Iowa intrastate rate base, or equal liability therefor, file its plans with the Commission, as soon as those plans are sufficiently specific and prior to public announcement, to permit Commission investigation and determination of the prudence of the project.

The scope of these investigations will be limited to this Commission's legitimate rate-making authority and shall not include consideration of any determinations preempted by the NRC; *inter alia*: Environmental impact, radiation hazards, and general safety, operation and construction considerations. However, testimony will be accepted on all information which management has or should have, including the preempted considerations, which would affect the prudence of a decision to proceed with the project.

[From the Des Moines Register, Sept. 27, 1975]

$150 Million N-Plant Suit in Nebraska

(By Dennis Corcoran)

The Nebraska Public Power District (NPPD), joint owner with Iowa Power and Light Co. of Des Moines of the Cooper Nuclear Station near Brownville, Neb., filed a $150 million suit in federal court in Lincoln Friday against several firms involved in the construction of the electric generating plant.

In addition, officials announced the Cooper station will shut down for a full month on Oct. 1 to allow General Electric Corp. engineers to make a "temporary fix" of a mechanical problem that has plagued the plant since April.

NPPD claimed in the court papers that General Electric; Westinghouse Electric; Burns and Roe, Inc., an architectural-engineering firm; Control Components Inc., and the Chicago Bridge and Iron Co. installed defective equipment, designed and constructed defective structures and showed improper engineering in the erection of the plant.

RODS VIBRATING

On Apr. 26, the federal Nuclear Regulatory Commission (NRC) ordered NPPD to reduce Cooper's electric output by 50 per cent due to the discovery that some instrument rods in the reactor's core were vibrating.

The NRC said the vibrations posed no hazard to the public but, since this type of problem was new to the nuclear industry, caution dictated that the plant's output be limited.

The power reduction forced NPPD and Iowa Power to buy electric energy from other utilities during the summer to meet their customers' demands.

The cost of the purchased power ultimately is paid for by the customers.

ADDITIONAL COSTS

Iowa Power officials had estimated earlier this year that the Cooper power reduction would mean additional costs between $25,000 and $35,000 a day for power purchases from other companies.

No estimate was made of how much, if any, additional electricity would have to be purchased during the period the plant is fully shut down next month.

Iowa Power and Light officials said Friday that although they are not directly involved in the suit, "we're assuming that any recovery (of money) realized by NPPD would be applied to reduce the total capital cost of the plant."

NPPD alleges in the suit that General Electric, "intentionally and-or negligently concealed from NPPD" the existence of the vibration problem.

OTHER CHARGES

The suit also charges that valves in the plant's steam by-pass system are defective, that cooling water intake structures on the Missouri River allowed silt and pebbles to enter the system and that the engineering, construction and management of the project were improper.

The Cooper Station, which began generating electricity in mid-1974, cost more than $440 million, with Iowa Power paying half of the construction, interest and operating costs.

According to the NRC, General Electric officials recently announced they had found a way to fix the vibration problem. Prior to that, no one knew exactly what caused the vibrations or how to prevent them.

PALO PLANT, TOO

Iowa Electric Light and Power of Cedar Rapids also experienced rod vibrations in the core of its nuclear reactor at the Duane Arnold Energy Center near Palo.

After discussion with Iowa Electric and General Electric officials, and a temporary fix at that nuclear plant, the NRC allowed the company to increase power production to 85 per cent of capacity.

In all, seven nuclear generating plants have experienced the same problem.

NPPD officials said during the month the Cooper plant is out of service, General Electric engineers will make the temporary correction. A permanent repair will be made in the spring, NPPD said, when the Cooper Station is scheduled to shut for refueling.

Iowa Power officials said earlier that since October is a low month in electric demand, it is financially best for the temporary fix to be made then and to have the plant ready for winter.

After the temporary fix, NPPD said it expects to be able to operate the plant at 85 per cent capacity.

TAXES AND SPENDING

Mr. BROCK. Mr. President, reaction to President Ford's tax cut and spending cut proposal has been quick and massive. However, the President has presented a sensible program which is certainly on target in its calls for similar cuts in spending to match cuts in taxes. The Chattanooga Times, in an editorial in its October 9 edition, corrected and intelligently pointed out some of the holes within the arguments opposed to Mr. Ford's proposal. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAXES AND SPENDING

President Ford's proposals on tax policy for next year were scarcely out of his mouth Monday night before they were attacked as "simply not realistic," in the words of Rep. Brock Adams, chairman of the House Budget Committee. Precisely, the opposite is true in regard to Mr. Ford's insistence that any tax cut be matched with an equal cut in government spending.

Mr. Adams' assessment of the Ford speech did not include any reasons why its proposals are "not realistic," at least in the reports we read. But if it is "not realistic" to match cuts in government spending with tax cuts, when will it ever be?

In our view, President Ford has made a solid case for his proposals. It is true, of course, that if tax breaks stimulate the economy into an even more rapid recovery, the government will pick up additional tax revenue from previously unemployed persons who have gone back to work. But it would take a massive reduction in the unemployment rate to make a sizable dent in the federal deficit and that's just not in the cards.

Beginning on Oct. 1, 1977, the President wants the federal budget for that fiscal year to be pegged at $395 billion maximum as a "first step . . . toward balancing the federal budget within three years." Whether he takes that first step depends whether Congress can deliver legislation that reduces spending while it cuts taxes.

It should be obvious that the United States simply cannot afford to run massive deficits of $70 billion or more, if for no other reason than the fact that it seriously endangers our economic recovery, which right now isn't anything to brag about. The tremendous scope of the federal budget means it can often absorb smaller deficits—in the $5 billion to $10 billion range—without too much dislocation in the economy. But beyond that the question becomes one of who gets hurt worst as a result of larger deficits.

The chief victims in most cases are the poor and the middle class, especially the latter because they are the ones who bear the heaviest tax load in proportion to their income. Further, they have been the ones hardest hit by the waves of layoffs in the past 18 months as the economy wallowed in a recession.

That being the case, it is unfortunate that Rep. Adams and Rep. Al Ullman, Democratic chairman of the House Ways and Means Committee, swiftly denounced the Ford plan. We don't know in what areas the President will suggest spending cuts (he has promised a message to Congress in January along this line) but as a practical politician he will recommend a wide range of categories where money can be trimmed.

Congress made a good start toward achieving fiscal reform this year with a new type of budgeting procedure designed to keep track of income and outgo. Since hardly a congressman would disagree that the federal budget is shot through with waste and nonessentials, a massive effort at trimming federal spending hardly seems unreasonable.

VFW SERVICE OFFICERS

Mr. PERCY. Mr. President, America today has more than 29½ million living veterans and they and their families and the survivors of deceased veterans comprise nearly one-half of the Nation's population. It is a diverse group which still includes the widows of some Civil War veterans as well as thousands of young people who recently fought in Vietnam. Caring for the needs of such a varied group is an awesome task which challenges the professionalism of veteran service officers throughout the Nation, as well as the Veterans' Administration.

On October 19, 1975, the Honorable Richard L. Roudebush, Administrator of Veterans Affairs, pointed out these facts when he addressed the Veterans of Foreign Wars Service Officers' Seminar in Chicago, Ill. On that occasion, Mr. Roudebush praised the work of the service officers and said that never before has the Nation provided such a wide variety of programs to serve veterans and their dependents. He said:

> I believe the VA to be better organized, better equipped, better located and better motivated to help you than ever before.

But the VA depends on the service officers to carry out its task.

Veterans service officers today must know more than service officers have ever known in the past, Mr. Roudebush said, and in addition to knowing the book on all VA programs they must also be wise, imaginative, and sympathic in their use.

Mr. President, because of the vital work performed by the service officers and the ongoing task they face, I ask unanimous consent that the remarks of Mr. Roudebush be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF THE HONORABLE RICHARD L. ROUDEBUSH, ADMINISTRATOR OF VETERANS AFFAIRS

It is always good to meet with VFW service officers, to learn how you are doing back in your home towns, to find out what problems you face and what the main areas of concern among veterans are and to listen as you formulate plans and decide on programs for the future.

I have assured many service officer groups such as this that there is nobody I am more at home with and nobody whose work interests me more.

I consider it my good fortune to have been a service officer with VFW. I say this for a number of reasons.

First, I enjoyed the work. There was a great deal of satisfaction to be gained from being able to help persons who needed assistance at critical times in their lives and to see the results of that assistance. I know you receive the same satisfaction from your work.

Second, I think the business of being a service officer makes you appreciate both the society in which we live and those you help who have served that society well. You learn that many Americans have sacrificed a great deal by their military service but you also learn that a great deal is being done and can be done for them under programs that their fellow Americans have insisted on and willingly provide.

And, then, I think that I was particularly fortunate to have been a service officer because of the help it has given me in later years. It gave me perspective and knowledge relating to veterans affairs that has helped ever since I moved on to other jobs. And I still benefit from that experience every day.

So I am sure it comes as no surprise to you that I commend you for what you are doing and I offer you support and encouragement.

I know that you are fond of your work with veterans and dependents and that you follow it for its fulfillment and fascination as well as for the good you are able to do. In other words, you enjoy spending time helping others.

I also know that the total good you do can never be reckoned because there is no system for measuring production in the kind of business you are in. In fact, the results can only be known and appreciated fully by those who are your beneficiaries.

Certainly there is much need for your services.

There are 29½ million veterans living today and they and their families and the survivors of deceased veterans make up nearly half the population. This is the potential clientele served by you and others like you throughout the country.

It is a vast group of people. Some of them have great needs. Others have no needs at all, as far as veterans programs are concerned, and will never have to ask for assistance.

All have contributed service to the Nation and undergone sacrifice, although for some there may have been short service and minimal sacrifice. All are blessed by the existence of benefits to which they can turn if circumstances dictate.

There are more than one and one-half million veterans in Illinois, special citizens of your state who may be subject to your assistance and to that provided by VA and other organizations interested in veterans programs.

You meet here today to consider how you may be the best help to them and I wish you well.

I would like at this time to make some observations on special needs that I think exist today in regard to care for veterans and how I think you can help. You may find nothing at all new in what I am going to say but I think it can bear some repetition with no harm done.

First of all, we are not only in a period when there are more veterans than ever before, we are in a period in which veterans and dependents are a more diverse group than ever before when it comes to age and needs.

There has been no time in our history when there have been veterans and dependents from so many eras of activity. We are compensating Civil War widows for battles waged by their husbands more than a hundred years ago and at the same time we are helping to educate Vietnam veterans. More than half of the nation's history has been experienced during the interval between these two periods of service.

You probably won't ever see a Civil War widow. You are unlikely to see Spanish-American War veterans, although I am sure many of you have helped them in the past.

But you do work with veterans of World War I, veterans of World War II, the Korean

Conflict and the war in Vietnam. All need help in varying degrees and for various reasons . . . and you must be there to serve them.

Add to this group, widows and children of diverse ages and needs. Add to it the men still in service who are eligible for benefits.

Service officers have never before been called on to work with such a varied group. And that is my first point.

My second point is that never before has there been such a wide variety of programs to serve veterans and dependents.

This is good, of course. But it also tests the professionalism of service officers as it has never been tested.

You have to know more than service officers have ever known before. The importance of sessions like this one is greater than in times when veterans were fewer and benefits were simpler.

You not only must know the book on VA programs of help and have technical understanding of them. You must also be wise, imaginative and sympathetic in their use.

There are more options today than there have ever been for getting help for an older veteran who is not in the best of health. In addition to hospitalization, there is the possibility of outpatient care, home care, nursing home care and perhaps combinations of programs.

You may understand this clearly but you also must be able to explain the options to the veteran and his family and help guide them to the best choice.

It is one thing to recite the book to a young veteran who is thinking about schooling and wants to know the rules about the G.I. Bill. It is another thing to take this young person beyond the rules and help him make a decision that will stand up as a good one over a period of time.

The extent to which you can help a veteran or dependent make use of the resources available is the measure of your worth . . . and your ability to handle cases that are out of the routine is what makes you the professionals that you are.

The last point that I'd like to make is one that I have made in other places speaking to veterans organizations and others who are in the important business of assisting veterans.

That point is that I believe VA to be better organized, better equipped, better located and better motivated to help you than ever before.

The American people, acting through Congress, have provided a record budget for VA that is consistent with the record number of veterans and dependents who must be served and the greater amount of help they need in today's more complex society.

VA expenditures for the current fiscal year will exceed $18 billion. There are 213,000 VA employees. VA has 171 hospitals and 213 outpatient clinics. There are 58 VA regional offices.

VA spent more than $580 million in Illinois last year. We have six hospitals in the state, the regional office in Chicago, a large data processing center, a supply depot and a marketing center. There are more than 11,000 VA employees in Illinois.

There were more than 54,000 hospital admissions in the state last year and more than a half million outpatient visits.

There are nearly 200,000 Illinois citizens receiving compensation or pensions. There are more than 100,000 training under the G.I. Bill.

Now these figures do not in themselves prove that VA is performing well or that veterans can get good service from VA . . . because quality is never shown by volume alone.

But I think they do indicate that VA is strong and capable of handling the job that has been given us. And I think that you will find that VA employees generally do their duties well and that service is good.

I said that the fact that VA is strong and is capable of backing up your work was going to be the last point I made before releasing you to proceed with your seminar.

But I think I should also make the point that we depend a lot on you . . . that we consider your work to be our work and that we give you strong moral support as well as the muscle of a large agency.

For we know that, no matter how large we are or how large we may become, there is no way we can do without the help of veterans organizations or the good citizens who represent them.

So I call on you to continue the work you are doing. I hope you will consider me to still be one of you and that you will have no hesitancy to consider me a personal supporter of your aims and your operations.

I hope you will count on VA and utilize VA, and that together we may make the way easier for Illinois veterans who need help, for survivors of veterans and for dependents of veterans.

Thank you for allowing me time on your program and the opportunity to visit with you.

MINORITY ENTERPRISE

Mr. PERCY. A half-dozen years ago the subject of "black capitalism," "minority enterprise," were frequently referred to in our news media and by politicians alike. The backdrop for such discussion were the riots in our inner cities and the great dissatisfaction of a number of minorities in America.

Very little has been said of late. Perhaps it is because of despair by some but perhaps it is because of fulfillment by others. Earlier this month, Walter Larke Sorg, Assistant Director for National Programs, Office of Minority Business Enterprise, addressed the 48th annual convention of the National Bankers Association in Seattle, Wash. In his speech he not only urges the banking industry to participate more actively in backing minority enterprise but points out some very interesting progress that has been made.

I ask unanimous consent that his comments be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY WALTER LARKE SORG, ASSISTANT DIRECTOR FOR NATIONAL PROGRAMS, OFFICE OF MINORITY BUSINESS ENTERPRISE

Thank you for writing me to address your 48th annual convention. It is indeed a very great honor for which I express my most sincere gratitude.

It would be presumptuous of me to attempt to speak to you on the subject of banking. I openly confess that this is one of many fields of endeavor in which my ignorance can only be described as abysmal. Such is my ignorance that after having spent 22 years in business and having come to members of the banking profession as a loan supplicant on many occasions, I have yet to understand this elusive thing called prime rate. I am told that I got close to securing a loan at prime rate a few times but I never got it—whatever it is. I suppose it's something like being two yards from the end zone and getting four successive penalties, each penalty taking you half way to the goal line. You keep getting closer but you never ever get there. I long ago concluded that only God Almighty lent money at prime, but to get such a loan it was necessary to have concluded this mortal life—and if you did get a loan at prime—indeed you knew you were in heaven.

Having established my credentials as a non-banker, I will, nevertheless, throw out a couple of banking related ideas at the conclusion of my remarks which you may deem worthy of kicking around during this convention and, perhaps, in the days ahead.

For the next few minutes, I would like to talk a bit about the minority enterprise program and why its ultimate success is so vital to our national interests.

As most of you know, the present interest in minority business development is the rather direct outgrowth of a dialogue which developed during the 1968 Presidential campaign, the framework for which was established in two related speeches delivered by Richard Nixon in April of that year entitled, "Bridges to Human Dignity". In these speeches, he sketched the concept of Black Capitalism and the requirement to provide opportunity for all entrepreneurial aspirants to get what he called "A Piece of the Action".

Following the election, the concept was broadened to include Spanish-speaking, native Americans, Orientals and others who had been excluded from the essentials of our capitalistic system—free enterprise and private ownership. An Executive Order was signed on March 5, 1969 and with it was initiated the first significant Federally-sponsored effort to encourage the development and growth of minority businesses. The Office of Minority Business Enterprise (OMBE) was created to act as the focal point for this effort and be a catalyst for action. When OMBE was established, the idea of helping minority Americans was not a new one. But preceding efforts lacked magnitude, direction and cohesion. Our job in OMBE, then, was to provide these elements on a nationwide basis at all levels of Government and the private sector.

The pent-up demand for immediate action was very, very great. Thus, even before we had taken a deep breath to chart our course and develop a blueprint for the future, programs were launched to relieve the pressures that generations of discrimination had produced.

Although a great many mistakes were made, hindsight tells me that our decision to move forward immediately was a correct one.

Between 1969 and 1972, census data reveals that minority business receipts rose by $6 billion, up from its '69 base of $10.6 billion—a 57% increase. Minority business growth in certain industrial categories far exceeded general industry growth. In manufacturing, minority growth was up 95.5% as compared to overall growth of 12%. In construction it was up 84.4% as compared to 12% overall growth. Transportation up 93.3% vs. 21%, wholesale trade up 91.6% vs. 23% for that industry.

I think our hindsight was correct because in those early days the minority bank deposit program was also launched. For the first time national attention focused on an industry that had miraculously hung in there against overwhelming odds. Over $150 million of deposits were recorded in the first year of that program. But perhaps more importantly the bank deposit program set the stage for doing business on a continuing basis with the major corporations of this country.

The MESBIC program was also kicked off in those early days. It has received a substantial share of criticism but today it is a healthy industry capitalized with almost $40 million and making sound investments in minority growth companies.

The auto dealership, gasoline service station and franchise programs were launched. Today those three industries account for over $3 billion of minority business receipts vs. $1.3 billion in 1969.

As a result of program funds made available to OMBE in 1972, a national delivery system came into being—business development organizations and construction contractor assistance centers. That delivery system, which has also been roundly criticized, presently serves clients who are annually producing

$1.37 billion of gross business receipts. The '72 program funds also enabled us to provide modest funding to the National Bankers Association, National Insurance Association and the American Savings and Loan League. The growth rates of theses three industries are nothing short of phenomenal. Minority commercial banks and minority savings and loan institutions that controlled $500 million of assets in 1969 now control assets in excess of $2 billion. Minority life insurance in force has risen from $2.6 billion to $7.5 billion.

Minorities are today carving out a substantial chunk of the new cable TV industry. Fifty-four ventures have been concluded and many more are on the drawing board.

Minority manufacturers are providing millions of dollars of hardware for the space shuttle and technologically-oriented industries which demand the ultimate in precision.

Now why do I cite these examples? Well, I think it's about time all of us stopped apologizing to our critics—many of whom, I suspect, would just as soon see this national effort crawl back into the woodwork. Mistakes have been made—they have been corrected—they will continue to be made. But let's not tear down the house because the roof leaks! Let's repair the roof and move forward! This minority enterprise program is a success! I defy the critics to prove otherwise!

Minorities have conclusively demonstrated that given even a half of a chance they can cut the mustard in this capitalistic system. But the hard fact is that despite the enormous six-year growth in banking, insurance, manufacturing, construction, service and other industries, it's only a beginning. If parity of business ownership is to be achieved in this century, this growth rate has got to continue. We simply cannot knuckle under and let this effort die. There is simply too much at stake for ourselves, for our children and the well-being of this nation. If the United States is to continue as the world's economic leader, we have got to harness the energies of every capable member of society and then provide opportunity for those energies to contribute to our economic growth through the business mechanism.

And now I timidly throw out some food for thought relating to your banking industry.

One. I learned yesterday that on Wednesday, Congress passed legislation which permits banks to pay interest on checking accounts. How will this affect minority-owned commercial banks? I surely don't know but you might consider the consequences of this legislation which becomes effective on January 1, 1977.

Two. Earlier I talked about the MESBIC program. The time might be right for you to consider organizing a MESBIC. It's a useful tool with interesting leveraging potential. For those minority banks which see a need to raise fresh capital, an industry-owned MESBIC might be tailor-made. A number of minority manufacturers are making significant inroads in producing products based on new technologies. Some of those companies are going to take off and become big daddies. Their growth will require some heavy equity injections. Interesting investment opportunities here. I encourage you to think it over.

The third and final thought. Give or take a couple, there are today approximately 70 minority-owned commercial banks, with assets aggregating $1.28 billion. These banks, are widely scattered from border to border and coast to coast. Individually, no one bank constitutes any real competition but when you look at these banks collectively, some interesting possibilities emerge.

Suppose minority commercial banks got together and organized a national trust company which would, in fact, act as a clearinghouse for its members and might include such functions as:

(1) Providing a centralized, insured deposit program for large depositors. Many major corporations participate in the bank deposit programs but find it cumbersome to deal separately with some 70 banks.

(2) The trust company could function as a central funding source to provide short-term liquidity for minority-owned banks.

(3) It could function as a central funding source for bank capital by permitting the trust company to sell capital debentures and lend the long-term funds to minority-owned banks.

(4) It could make short-term credit advances on a secured basis to member banks.

It could do these and a number of other things consistent with applicable banking and trust company laws. I see it principally as a conduit to accept large deposits and participate in significant portions of large corporate double A and triple A loans which are presently placed with such principal majors as Chase, Mellon, Bank of America and the like, but not laid off to minority banks.

Initial funding for this trust company would come from minority-owned banks which would own all capital voting stock. Outside investors would purchase preferred non-voting stock and long-term debentures. Management would consist of a board of directors selected by the member banks and officers would be appointed by the board. I envision this trust company providing a host of services but only for its stockholders—the member banks.

Jim Marx and I began kicking this idea around a couple of years ago. It seems to make sense, particularly today when the signs all point toward interstate banking within the next five to ten years. If NBA concludes that this idea has merit, I suspect a great deal of legal research will be required. Assuming the research concluded that the formation of such a trust company was doable under existing law, I am certain that Treasury personnel would have to be convinced—and this could take a long time—but I throw the idea out for your consideration. I think it has merit.

Let me conclude by complimenting this organization and its members for its great achievements. You've made fantastic progress. You have become an economic force. You have, in all ways, demonstrated the validity of the minority business program.

Thank you for permitting me to address you.

WHITE PAPER ON DRUG ABUSE: PLUSES AND MINUSES

Mr. PERCY. Mr. President, the continuing high level of hard drug abuse remains one of the most intractable domestic problem this country faces. Although the use of heroin declined somewhat in 1972 and 1973, recent reports indicate that overall heroin use and deaths from overdose have been increasing since early 1974. Despite the virtual severing of the "French Connection," enough heroin continues to pour into this country to supply a growing addict population, now estimated at several hundred thousand daily users.

To reverse this disheartening trend, a renewed and consolidated Federal effort will be necessary. In this regard, the timely publication several weeks ago of the Domestic Council's "White Paper on Drug Abuse," submitted to the President, represents an encouraging development. The report offers some sensible suggestions for a future Federal strategy, emphasizing the need for Federal authorities to concentrate on difficult conspiracy cases against major international traffickers rather than devoting scarce resources to rounding up street level users. It also points up the need for improving cooperation between Federal drug enforcement personnel and border officials, and for giving priority consideration to treatment and prevention of compulsive hard drug use.

I am disturbed, however, that the report seems to downplay an aspect of this problem which, from personal knowledge, lies at the heart of the difficulties Federal drug enforcement has experienced in the recent past. I am referring to the counterproductive dispute, verging on internecine warfare, which continues to fester between the Drug Enforcement Administration in the Department of Justice and the Customs Service in the Department of the Treasury.

Recent DEA statistics indicate that fully 90 percent of the heroin used in this country comes over the Mexican border, pointing up the special importance of a coordinated Federal effort in this area; yet the bureaucratic squabble rages on.

This situation has deteriorated to the point where only decisive Presidential action will clear the air and allow both agencies to devote themselves single-mindedly to the enormous task they share. The issues in this dispute should be personally arbitrated by the President in the very near future, so that the Federal narcotics effort will not continue to be hamstrung by interbureau disputes.

On another important matter the task force report does not adequately deal with the need for ongoing Executive coordination and oversight of the Federal drug effort. Rather than relegating this function to a minor staff role in the Office of Management and Budget, I propose we establish a top-level White House unit, consisting of but a handful of professionals, to take the lead in overseeing national policy and planning direction in the drug abuse area on a day-to-day basis. The staff for such an office need not be large; a new superbureaucracy would only serve to obfuscate an already fuzzy drug abuse focus.

Instead, Congress should authorize funds for a small high-level unit headed by a Presidential appointee subject to Senate confirmation. The Senate should make certain that anyone named as the head of such a unit would have ready access to the President, to assure that drug enforcement issues will get prompt Executive attention.

Because of their bearing on this important issue, I ask unanimous consent that three editorials recently appearing in the New York Times, the Washington Post, and the Baltimore Sun be printed in the Record, and that chapter 6 of the Domestic Council Drug Review Task Force, entitled "Recommendation Summary," also be printed.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, Oct. 6, 1975]

Drugs and Common Sense

Ever since the first serious wave of hard drugs hit the big American cities, policy-makers have been fond of using military-style rhetoric to describe their programs to curb the growth of drug addiction. Phrases such as "all-out war on drugs" have been commonplace. But there have been few victories in the war. Now the President's Domestic Council has formed a task force on drug abuse and is about to hand Mr. Ford a report that is a welcome departure from the heroics of the past. It simply recognizes that a certain amount of drug abuse is likely to exist for some time, that total elimination of the problem is not possible, but that a reasonable set of priorities can reduce its dimensions and impact.

Sensibly, the Domestic Council's task force would begin by fostering better cooperation between the various federal agencies concerned with drug abuse. It sets a high priority on having the Drug Enforcement Administration and the Customs Bureau work together in preventing the entry of drugs into the country from abroad. No serious student of the drug problem believes the borders of this country can be sealed against such easily concealable substances as heroin; but the lack of interagency cooperation has unnecessarily hobbled the federal effort. The task force identifies supply reduction as one crucial half of the effort to curb drug abuse. It has concluded that DEA and Customs cannot resolve their differences without the assistance of their superiors, and so it suggests that the attorney general and the secretary of the treasury get together and find a way to harmonize the efforts of the two agencies.

The task force suggests, as almost all previous studies have suggested, that the enforcement effort focus on the most important figures in the narcotics trafficking network. Everyone agrees there has been too much "street level busting," but not everyone is going to agree with one Domestic Council task force recommendation, namely, to bring many more conspiracy prosecutions. The task force correctly argues that finding the kingpins or organized crime with heroin in their pockets is a remote possibility, that the leadership never commits overt acts—but that it does discuss potentially criminal subjects. The trouble is that widespread use of conspiracy law is poor public policy, because it relies so heavily on what people said and not on what they did. In the case of drug trafficking and organized crime, however, conspiracy prosecutions are frequently one of the only effective weapons society has at its disposal.

The task force dealt with reducing the demand for drugs as well as the supply of them. Again, it found that the important missing element was the coordination of those agencies that treat the addict. It recommended, in addition to better coordination, that the agencies handling drug abusers get their priorities straight. In that connection, the task force sensibly suggested that treatment agencies place their emphasis on heroin users and give a very low priority to marijuana users. The serious drug problem is heroin, and to a lesser degree those drugs that are sometimes obtained with a physician's prescription, such as barbiturates. It is there that the effort should be made, the task force argued, and not on marijuana, whose harmful effects remain a matter of controversy. We think they are right.

[From the New York Times, Oct. 28, 1975]

WHITE HOUSE CONNECTION

The Domestic Council's white paper on drug abuse makes a good deal more sense than anything else that has been issued from the White House on that subject. The white paper avoids both the shrill cries of alarm and the dramatic overpromising which have characterized the approaches of previous White House's to drugs and drug-related problems.

The paper lays a common-sense foundation for future Federal drug abuse programming by assigning law enforcement and treatment priorities in relation to the social costs of widely used drugs, instead of regrading them all with an equally high degree of horror. From every point of view, assigning a high priority to attacking the use of heroin is more important than trying to manage the traffic in marijuana. While noting that marijuana is not harmless, the report recognizes the fact that people are substantially less able to control their use of heroin than of "pot." Moreover, the cost to society of heroin and excessive use of amphetamines and barbiturates, the other drugs in the priority category, far exceeds that which results from use of marijuana.

The angry denunciation of the white paper by the Customs Bureau shows that there is a great deal of bureaucratic enmity to be overcome. It must be overcome if the Drug Enforcement Administration and the Customs Bureau are to mount an effective campaign to block the rich flow of heroin from Mexico at a time of rising addiction. Sustained and attentive White House involvement in the execution of the policies outlined in the white paper will be required if enforcement efforts are actually to be improved.

A MUSHY REPORT ON DRUG ABUSE

[From the Baltimore Sun, Oct. 16, 1975]

A new report by the White House Domestic Council is quite correct in warning that even the best government policies cannot entirely wipe out drug abuse. It is correct, too, in its conclusion that the limited resources of the federal anti-drug effort should be used primarily to attack hard drug abuse, which has high social costs, rather than marijuana use, which does not. But the new report is clearly wrong in its recommendation that federal drug enforcement continue much as it is under the Drug Enforcement Administration, an agency which has demonstrated at least incompetence, and perhaps worse. Likewise, the report is incorrect in its imbalanced emphasis on law enforcement as opposed to medical treatment for addicts.

"Wiping out" drug abuse with massive police efforts has been a favored policy of law-and-order advocates at least since the campaigns of the famous anti-drug zealot, Harry Anslinger, when Mr. Anslinger was chief of a predecessor agency to the DEA in the 1930s. But police efforts alone so far rarely have succeeded in making much of a dent in overall drug abuse, which seems to fluctuate mostly according to the availability of drugs from foreign markets. Part of the problem is that while police agencies have been effective in catching smalltime pushers and addicts, they have been largely unsuccessful in apprehending the big international smugglers or the big national distributors. Another part of the difficulty is that drug abuse is a response to social and personal problems which are not amenable to law enforcement approaches alone: it is well-known that addicts sent to jails where there is no treatment for the underlying causes of their addiction often seek another "fix" on the very day of their release.

But while the new report alludes to the futility of "bellicose" campaigns against smalltimers, it makes no serious recommendations for changes in the Nixon administration-created DEA, which, as Senate hearings have shown, has made all the old mistakes, except on a larger scale: it consistently has let the big fish get away. With drug abuse on the increase—due to renewed supplies of opium from Turkey and the smuggling of heroin through Mexico—new, more effective enforcement programs, and expanded treatment programs, are desperately needed. Neglecting the reforms will result in increased drug-caused crime, illness and poverty—the costs of which could make the costs of the reforms look piddling.

EXCERPTS FROM THE DOMESTIC COUNCIL "WHITE PAPER ON DRUG ABUSE"

CHAPTER 6. RECOMMENDATION SUMMARY

In the preceding chapters, the Domestic Council Drug Review Task Force has: (1) presented its assessment of the nature and extent of the drug abuse problem in the United States today; (2) evaluated current programs and policies designed to deal with drug abuse; and (3) made recommendations for improving the effectiveness of the drug program in the future.

While each recommendation is important in itself, it is the combined effect of all taken together that will produce a major improvement in the overall program to reduce drug abuse. Viewed as a whole, these recommendations underline and expand the themes discussed in Chapter 1; namely:

1. Total elimination of drug abuse is unlikely, but governmental actions can contain the problem and limit its adverse effects. We recognize that drug abuse is a long-term problem and requires a long-term commitment.

2. All drugs are not equally dangerous, and all drug use is not equally destructive. Enforcement efforts should therefore concentrate on drugs which have a high addiction potential, and treatment programs should give priority to those individuals using high-risk drugs, and to compulsive users of any drugs.

3. Efforts to reduce the supply of and the demand for drugs are complementary and interdependent, and Federal programs should continue to be based on a balance between these two concepts.

4. We must broaden existing programs aimed at supply and demand reduction. In supply reduction, greater emphasis should be given to regulatory and compliance activities aimed at curtailing diversion from legitimate production, and a higher priority should be given to increasing international cooperation in preventing the illicit production of drugs. In demand reduction, increased attention should be given to prevention and vocational rehabilitation.

5. Program management must be improved to ensure the maximum return from resources committed to drug programs. Better interagency coordination and stronger intra-agency management are required, with more attention paid to the setting of priorities.

6. The Federal Government should provide leadership in the national drug abuse prevention effort, but it cannot do the job alone. The support and cooperation of State and local governments, private businesses and community organizations are essential if we are to contain drug abuse and minimize its costs to the individual and society.

The major recommendations made throughout the white paper are listed below for easy reference.

DRUG PRIORITIES: CHAPTER 2

1. The task force recommends that when resource constraints force a choice, priority in both supply and demand reduction should be directed toward those drugs which inherently pose a greater risk—heroin, amphetamines (particularly when used intravenously), and mixed barbiturates.

2. The task force recommends that priority in treatment also be given to compulsive users of drugs of any kind.

SUPPLY REDUCTION: CHAPTER 3

1. The task force recommends that a continuous process of identifying the most vulnerable segments of the illicit distribution system be launched, and that resources be continually reallocated to focus on the most vulnerable portion of the system.

Enforcement

1. The task force, while endorsing the concept of a lead agency in drug law enforce-

ment recommends that the law enforcement strategy be designed to fully utilize the resource of all organizations involved in law enforcement.

2. The task force recommends that Federal law enforcement efforts focus on major trafficking organizations and particularly on the leaders of those organizations.

3. The task force recommends that greater attention be given to development of conspiracy cases, which often are the only way to apprehend high-level traffickers. Detailed recommendations for accomplishng this are made in three areas: (1) Building understanding and commitment to conspiracy strategy; (2) inducing cooperation of knowledgeable individuals; (3) and developing long-term approaches to investigations.

4. The task force recommends that personnel system which recruit, train, evaluate, and reward individual agents be adjusted so that they emphasize conspiracy investigations rather than simply the number of arrests.

5. The task force recommends that the Controlled Substances Units inaugurated by the Attorney General be continued and not diverted to other activities.

6. The task force endorses the President's proposal for mandatory minimum sentences for persons trafficking in hard drugs, and suggests that consideration be given to expanding the proposal to include traffickers of barbiturates and amphetamines.

7. The task force recommends mandatory consecutive sentencing rather than concurrent sentencing for persons who are arrested and convicted for narcotics trafficking while on bail from another trafficking offense.

8. The task force recommends revoking parole in the event that a paroled offender is re-arrested on narcotics trafficking charges.

9. The task force recommends that the Internal Revenue Service reemphasize its program of prosecuting drug traffickers for violation of income tax laws under strict guidelines and procedures.

10. The task force recommends that the President direct the Attorney General and the Secretary of the Treasury to settle jurisdictional disputes between DEA and Customs by December 31, 1975, or to report their recommendations for resolution of the matter to the President on that date.

11. The task force recommends continuation and expansion of LEAA and DEA activities aimed at strengthening State and local law enforcement agencies.

Intelligence

1. The task force recommends that a new investigative report form be devised, with a number of questions aimed at eliciting information useful to other agencies.

2. The task force recommends an analysis of the four automatic data processing systems involved in intelligence activities, with an eye to either integrating or better coordinating them.

3. The task force recommends that DEA devote more resources to the analysis of intelligence, both strategic and tactical.

4. The task force recommends that the CIA's role should continue to be focused on the collection of strategic intelligence.

5. The task force recommends that users of strategic intelligence under the guidance of CCINC identify specific strategic intelligence requirements.

International

1. The task force recommends that a higher priority be given to development of international cooperation in preventing illicit production of drugs, and that special attention be given to Mexico as the major source country for U.S. markets.

2. The task force recommends that the U.S. government intensify diplomatic efforts to heighten other governments' concern over violations of international treaty obligations; and continue participation in institutions that promote international awareness of drug abuse.

3. The task force recommends the prompt ratification of the Convention on Psychotropic Substances of 1971.

4. The task force recommends continued support for the United Nations Fund for Drug Abuse Control, but urges that the Fund be encouraged to initiate a more aggressive fund-raising program.

5. The task force recommends continued support and participation of Interpol, and the Customs Corporation Council.

6. The task force recommends that additional emphasis be placed on the collection, analysis, and utilization of overseas operational intelligence, and recommends that U.S. agents stationed overseas concentrate their activities on international trafficking channels believed to be headed for the United States.

7. The task force recommends that continued attention be given to crop substitution as a means of reducing the supply of raw materials used in making drugs, and believes that this should be one of the major focuses of the U.N. Funds' efforts.

8. The task force recommends creating a permanent DEA/Justice/State Committee under the Cabinet Committee on International Narcotics Control to coordinate efforts to seek U.S. jurisdiction over foreign drug traffickers through extradiction or expulsion.

9. The task force recommends that the Opium Policy Task Force accelerate its evaluation of Papaver bracteatum as a substitute for morphine-based Papaver Sommiferum in the production of codeine.

Regulatory and Compliance

1. The task force recommends several specific actions which will improve the program to control diversion at the wholesale level.

2. The task force recommends a major effort to upgrade the regulatory capabilities of States regarding retail diversion of drugs.

3. The task force recommends a program to improve the prescribing practices of physicians.

4. The task force recommends development by LEAA of pilot programs designed to end pharmacy thefts.

Science and Technology

1. The task force recommends a specific set of priorities for the research effort; highest among these are projects aimed at providing better equipment for use in border interdiction, improving intelligence information systems, and better support and communication equipment for enforcement officers.

2. The task force recommends that research program funding be kept relatively steady from year to year to enable long-range planning and development.

DEMAND REDUCTION: CHAPTER 4

1. The task force recommends that greater emphasis be placed on education and prevention efforts that promote the healthy growth of individuals and discourage the use of drugs.

2. The task force recommends that greater attention to patients in drug treatment and former drug users be paid by the vocational rehabilitation system in order to provide them with marketable skills for jobs.

Education and prevention

1. The task force recommends that education and prevention programs address the broad developmental needs of children and youth, and be community based.

2. The task force recommends that Federal media efforts provide basic information about drugs, and emphasize successful and productive lifestyles of non-drug users, rather than using scare tactics.

3. The task force recommends that the Federal role in community based prevention be catalytic in nature; specifically, to provide training and technical assistance to local communities, to provide materials and guidebooks to local programs, to provide limited seed money, to evaluate existing programs, and to make the results of these evaluations available for use by other States and communities.

4. The task force recommends that an overall national program for integrating Federal, State, local and private programs for dealing with all behavioral problems in youth be developed, and identifies eleven separate government programs which should be included in this overall review.

Treatment

1. The task force recommends that agencies involved in drug abuse treatment give treatment priority to abusers of the following high-risk categories of drugs: heroin, barbiturates (especially when mixed with other drugs), and amphetamines (particularly when administered intravenously). Priority should also be given to compulsive users of drugs of any kind.

2. The task force recommends that NIDA be given the authority to assure that users of lower priority drugs can obtain treatment, when available, at Community Mental Health Centers, in accord with Section 401A of the Drug Abuse Office and Treatment Act of 1972.

3. The task force recommends that hospital treatment for drug abuse should be severely restricted in order to reduce overall costs, and outlines specific guidelines for its use.

4. The task force recommends that the use of outpatient drug-free treatment for compulsive users of high-risk drugs be restricted, and these people treated in a more structured environment. The use of outpatient drug-free treatment for casual users of lower-risk drugs should also be restricted, and the funds thus freed used to provide more effective services for high priority drug users.

5. The task force recommends that LAAM, rather than methadone, be used as a medication for opiate-dependent persons as soon as its safety and efficacy have been determined.

6. The task force recommends that the Food and Drug Administration (FDA) methadone regulations be published immediately.

7. The task force recommends that training courses to increase skills of paraprofessionals be expanded.

8. The task force recommends prompt resolution of existing jurisdictional and organizational problems between DEA, NIDA and FDA by the Assistant Secretary for Health, HEW.

9. The task force recommends that drug abuse treatment be part of the required curricula of medical schools and schools of social work, psychology, and vocational rehabilitation.

10. The task force recommends that categorical funding for drug treatment programs be stabilized so that cost sharing is at a maximum rate of 60 percent Federal and 40 percent local until local governments or community organizations are able to assume fiscal responsibility above this level.

11. The task force recommends that long-term efforts be initiated to incorporate drug abuse treatment services into the general health care delivery system.

12. The task force recommends that the Federal Government be prepared to fund additional community treatment capacity, if necessary, and recommends that the specific need be identified by December 1, 1975.

Vocational Rehabilitation

1. The task force recommends that NIDA and the Department of Labor review all regulations to ensure that they do not impede the provision of vocational rehabilitation services to drug abusers. This applies to the

NIDA confidentiality regulations as well as vocational rehabilitation regulations.

2. The task force recommends that the Rehabilitation Services Administration (RSA) instruct State vocational rehabilitation agencies that the regulation which states that no individual or group may be excluded because of their disability will be strictly enforced in connection with drug abusers.

3. The task force recommends that NIDA encourage Single State Agencies to develop cooperative agreements with manpower and vocational rehabilitation services in their areas.

4. The task force recommends that NIDA and RSA develop joint research and demonstration projects to improve the delivery of rehabilitation and employment services to drug abusers.

Criminal justice system

1. The task force recommends that treating criminal offenders who abuse drugs be given the highest priority. The Department of Justice and HEW should establish a permanent working group charged with seeking ways to expand the interface between the criminal justice and drug treatment systems. This criminal justice working group should publish a semi-annual report that addresses the progress made in implementing the recommendations discussed in the white paper with further recommendations for future initiatives. The first report would be due in March 1976.

2. The task force recommends that the pilot pre-trial service projects, to be established in ten Federal judicial districts as a result of the Speedy Trial Act of 1975, routinely screen all arrestees to determine if they have a history of drug abuse or are currently using drugs. The results of these ten pre-trial services projects should be evaluated as soon as possible.

3. The task force recommends that funding for the Treatment Alternatives to Street Crime (TASC) program be maintained at its present level of approximately $4 million per year, and the program be expanded to include any jurisdiction with a population of over 200,000 which can demonstrate eligibility.

4. The task force recommends that funds and responsibilities be transferred from the Bureau of Prisons to the U.S. Probation Office so that USPO can contract for and administer treatment services for Federal parolees and probationers.

5. The task force recommends that the U.S. courts and the Bureau of Prisons alter their policy regarding drug-free treatment and accept methadone maintenance as a proper treatment alternative for parolees and probationers.

6. The task force recommends that Title III of the Narcotic Addict Rehabilitation Act of 1966 be terminated, and the budgetary savings diverted to NIDA to supplement grants in treatment areas which have prospective clients or waiting lists.

Research, demonstration, and evaluation

1. The task force recommends that priorities in research be established for follow-up studies on the progress of clients after leaving treatment, and to determine relative effectiveness of different prevention, treatment, and rehabilitation approaches.

2. The task force recommends that NIDA formulate a plan for research, demonstration, and evaluation in consultation with other agencies involved in RD&E; those agencies should then develop their specific plans to supplement rather than duplicate NIDA's plan.

PROGRAM MANAGEMENT; CHAPTER 5

1. The task force recommends that the Strategy Council on Drug Abuse be given additional responsibilities to provide coordination between supply and demand reduction programs, and that the Assistant to the President for Domestic Affairs be made a member and designated as Chairman. The task force also recommends that the Secretary of the Treasury be added to the Strategy Council.

2. The task force recommends the creation of a Cabinet Committee on Drug Abuse Prevention chaired by the Secretary of the Department of HEW to provide coordination among agencies involved in drug abuse demand reduction activities. Membership of the CCDAP should include the Secretary of HEW, the Secretary of Defense, the Secretary of Labor, Administrator of the Veterans' Administration, and the Attorney General.

3. The task force recommends that the Secretary of HEW appoint an executive director of the CCDAP who will serve as chairman of an Assistant Secretary level work group. This work group should be supported by a series of interagency functional groups which would provide detailed coordination in specific areas; e.g., treatment, education, prevention and research.

4. The task force recommends CCDAP be charged with preparing annually a government-wide assessment of drug abuse demand program requirements, and with publishing semi-annually a report on the status of drug abuse in the United States.

5. The task force recommends that DEA continue its corresponding lead agency role regarding law enforcement and regulatory programs, as designated by Executive Order No. 11727.

6. The task force recommends continuing a small Executive Office staff, located in the Office of Management and Budget, to provide assistance and advice to the White House staff, the Strategy Council, and OMB. The task force recommends that the responsibilities of the Office gradually be shifted to the departments, agencies and Cabinet Committees.

7. The task force recommends the creation of an interagency executive committee to improve the sharing, analysis, and coordination of drug abuse information at the Federal level.

GLEN ALFRED LLOYD

Mr. PERCY. Mr. President, it is with deep sadness and a profound sense of personal loss that I make note of the passing of my long time and dear friend, Glen Alfred Lloyd. I had the pleasure and privilege of knowing Glen for several decades and of working with him on the board of trustees of the University of Chicago, and I shall forever cherish the time we spent together and the memories I have of him.

Although born in Tennessee and raised in Utah, Glen spent the majority of his 80 years in Chicago, where he was engaged in the private practice of law. In addition, Glen was very active in a wide variety of community affairs, foremost of which was his service as member, chairman, and eventually life member of the board of trustees of the University of Chicago. During his 22 years on the board, Glen worked untiringly for the betterment of the university and the enrichment of its students, and it is indeed a fitting tribute that the auditorium of the law school, in which Glen had a special interest, has been named in his memory. His work on the board helped immeasurably in making the University of Chicago one of this Nation's outstanding educational institutions, and the people of Illinois as well as of the entire Nation owe Glen Lloyd a profound debt of gratitude.

During the recent memorial service for Glen, Attorney General Edward H. Levi and Mr. William G. Burns offered their reflections on Glen's life, and I ask unanimous consent that these reflections, as well as the resolution passed by the board of trustees of the University of Chicago, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REFLECTIONS OF EDWARD H. LEVI

To know Glen was to love him and many were privileged to know him. He had a capacity for friendship—a true friendship with staying power which overcame disagreements. Glen liked people—people of all sorts. He was interested in them and in drawing them out. He liked working with them. And all of us were drawn to him. We trusted him. He was our mentor. He planned for us, but really for us and not for himself. He had the power of a purposeful complex nature with many abilities—the ability to uncover the far off objective, the ability to put together the intermediate steps, the willingness and tremendous drive to discipline himself, to take care of all of the details with extraordinary thoroughness. The methodical was joined with ingenuity and rare imagination, a persistent inquiry into ideas, an abiding commitment to ideals with a courage to act upon them. So repeatedly he made it possible to translate ideals into action. But the heart of the magic—and it was magic—was a talent to reach out and establish a relationship of appreciation and trust—a relationship in which laughter, a chuckle, the twinkle in the eye, the enjoyment of all kinds of interests played a large part. I am told Glen carried with him a multitude of keys, but always knew which key fit where. So also he knew how to approach each individual.

His interests were many. They reflected the shaping of rare experiences. In 1961, the University of Chicago, reflecting old concerns now more widely shared, arranged, primarily through Professor Sol Tax, for the American Indian Chicago Conference, to be held on the campus. It was the largest gathering of Indian Tribes held up to that time. As Chairman of the Board of Trustees, Glen knew about the conference. On June 28th he appeared at the Field House to watch the Indian Pow-Wow. Upon seeing Professor Tax, Glen inquired whether there were any representatives from the Ute Tribe. "Yes indeed there were," Professor Tax responded. He proceeded to search them out and came back with three Indian women. He explained to them, as they listened patiently, that just as the Indians had their great chiefs, *so did* the University of Chicago. Indeed Mr. Lloyd, to whom they were now being introduced, was our Great Chief. "Well," one of the women replied, "he may be your Great Chief, but he is Little Glennie to me." The three women were friends from Glen's childhood, spent on the Ute reservation in Utah, where his father was the doctor.

I know there was a good deal of Maryville College in him. He was proud of it and his brother's presidency of it. There was something of the University of Utah and of the rancher. Indeed there was something retained from his experience as the athletic coach and teacher of mathematics at Westminster College. I am certain that part of his ability to reach out to people included the habits of optimism and instructional guidance of the one-time athletic coach. He even half, or one quarter, believed that, given a chance, he could make a horseman out of me. He understood the joke, but he often spoke, not completely teasingly, although mostly, of his plans in that regard.

He had many choices to make in his career. When in 1954 he was deputy director of the Foreign Operations Administration in Washington, he was faced with such a choice, for his exceptional gifts as a lawyer and government official were, of course, widely recognized. With some difficulty, because he really liked to speak about the other person's plans and not his own, he told me about it when I saw him in Washington when the choice was being made. It was fortunate for the City of Chicago and its institutions, and particularly the University of Chicago, that he decided to return here.

To put it quite simply, Glen worked for the University of Chicago, as he worked for other institutions of his choice. His vision for the University was high. He understood what should be its goals and ideals and what were its problems. He came to the chairmanship of the Board, joining an illustrious line, at a time when the University had serious difficulties in maintaining and, indeed, in recapturing the strength which had made it one of the few preeminent universities in the world. With Lawrence Kimpton, George Beadle and others, the achievement was realized. Glen's immediate influence went far beyond his leadership of his colleagues on the Board. He helped to bring and retain the faculty. He and Marion revived that spirit of interrelationship which had marked the founding days of the University. He was much involved in the pioneering development of Hyde Park-Kenwood as an extraordinary community. Everything he did was enlightened by a broad conception of the importance of the growth of knowledge and, even more so, of understanding. As a member of the American Bar Association and the American Bar Foundation, he worked for the establishment of the American Bar Center on the campus. The amazing emergence of the strongest and most exciting cluster of theological schools in the world at the University, representing almost all denominations, is one of the later results of his influence. For he never stopped working for the University and the ideals which he held for it.

The Law School Building of the University was really his creation. There is a real sense, although he would not wish me to say it, in which the Law School, and not just its building, but its spirit and quality, was his. The portrait of Glen Lloyd as Chairman of the Board of Trustees at the University of Chicago has in it as background the building and school which came from his vision. This was, I believe, Peter Hurd's way of saying that this was how Glen would want to be remembered.

We do remember. How hard and graciously he worked—no meeting too small to attend in any part of the country, dashing from one end to the other, snow bound on trains—when trains were used—cheerfully hiring a plane in Harrisburg when the snow and sleet kept all other planes from flying, assuring his frightened companion, as the plane slid back and forth across the runway, that after all, this was the way to travel.

He probably was right. He knew how to travel, how to bring ideals into reality. He never forgot either the human equation. Not the last time I saw him, but near the last, on a cold Sunday afternoon in December, knowing I had a decision to make, on his own suggestion he and Marion took the journey from Libertyville to the President's House on the Southside to help me explore what I must do. As he rose to leave, after having led a discussion by asking questions for two hours, he said, "no matter what decision you make, I will respect you." That was characteristic of him. He reached out to each one of us.

Reflections of William G. Burns

Glen Lloyd was my friend for more than 40 years and for most of that period we were partners in the same law firm.

Glen told me that at the time of his graduation from the University of Chicago Law School he intended to return to Utah where he spent most of his boyhood among the Ute Indians, but that he made a last minute decision to practice law in Chicago with the firm in which he spent his entire professional life. That was a fortunate decision for the law firm, the legal profession and our community.

Glen's progress in the firm was rapid. By 1931 he was invited to become a partner of the firm's distinguished lawyers known to many of you, including Walter L. Fisher, Laird Bell, Darrel Boyd, Thomas Marshall and Walter T. Fisher. Exceptional talents and hard work earned for Glen a national reputation as an able and resourceful lawyer, and ultimately the leadership of his firm as its active head.

Glen was a genius at getting to the heart of problems and in identifying and resolving the important issues. He was a skillful negotiator and possessed excellent judgment. His clients sought and valued his advice on business as well as legal questions. His moral and ethical standards were of the highest.

He gave generously of his time, talents and resources to educational, charitable, governmental and other activities outside the practice of law, all without neglecting his responsibilities to his firm. His partners were happy to share Glen and were proud of his contributions to the common good.

Glen will be remembered in our firm for his warm personal relationships with his partners and employees. He was interested in them and their problems. He followed their progress and was ready at all times to help and encourage them. Employees at all levels felt at ease with Glen as he did with them. He knew how to communicate.

He was a cheerful, happy person. It was not possible to remain gloomy in his presence. He never passed anyone in the office without a courteous, friendly greeting. He didn't wait to be introduced to a new employee; he took the initiative.

Glen was an entertaining companion and a good story teller, and he possessed a delightful sense of humor.

As Glen spent more time on his ranch in recent years, his appearances in the office became less frequent but more precious to us. It was remarkable how quickly his appearance would become known in all corners of the office. Without prompting, the receptionist would spread the word. Although it was easy to learn of Glen's appearance, it was often difficult to find him. He didn't come to sit in his office and receive people. He came to transact business, to learn what had been going on in the firm, and to visit with his friends. He might be found in the mail room chatting with the messengers, or on the stairway between floors, or in a conference in a lawyer's office, or in the corridor among a cluster of partners or employees who were enjoying the opportunity to visit with him.

On his last visit to the office, just a few days before his death, Glen displayed all the lovable characteristics I have mentioned. He was cheerful, friendly, interested in others, optimistic and looking forward to the future.

Glen was a warm, understanding, generous and loyal partner and friend. He will be sorely missed in our office. I feel a deep personal loss. I take comfort, however, in the thought that throughout my life I will have memories to cherish of my happy rewarding years of work and friendship with Glen.

Resolution in Memory of Glen A. Lloyd

The trustees of The University of Chicago take this opportunity to record their profound sorrow over the loss of an esteemed colleague and friend, Glen Alfred Lloyd, who died on September 14, 1975, in his 80th year.

Glen Lloyd was born on July 26, 1895, in Knoxville, Tennessee and spent his early years on the Unitah Reservation in Utah, where his father was a government doctor for the Ute Indian tribe. He attended Maryville College in Maryville, Tennessee where he was awarded his A.B. After serving in the Navy during World War I, he attended the Law School of The University of Chicago and received his degree in 1923. The following year, Mr. Lloyd joined the firm now known as Bell, Boyd, Lloyd, Haddad and Burns and later became a partner.

On June 11, 1953, Mr. Lloyd was elected a member of the Board of Trustees of The University of Chicago and three years later, he was elected Chairman of the Board, succeeding Edward L. Ryerson. He served as Chairman for a period of seven years, ending in June 1963 and thereafter in June 1965, became a Life Trustee. As a Life Trustee, he continued his untiring efforts for the University and at the time of his death served as a consultant to the University's committee to select a new president.

During a Convocation address he gave at the University in June 1959, and speaking with that forthrightness and humility which characterized his life, Glen Lloyd described his career as a Trustee. "I am talking to you today," he began, "as a layman in the field of education and as one who, in common with many others, has spent a good deal of time actively engaged in its affairs." He said of his colleague-Trustees that through the history of the institution they had been, "in the main, people of good will and restraint." This characterized Glen Lloyd's performance as a Trustee.

On other occasions, he had spoken of what he viewed as the essential qualities of a "good trustee":

"First, a genuine interest in being a trustee—and I mean of the very institution under consideration. I doubt if any person, however able and whatever his position in the community, will be a good trustee if he accepts the position because he has been persuaded or because it brings honor or social prestige to himself.

Second, a sense of responsibility—one that makes him take his assignment seriously and assures a good attendance record.

Third, a capacity for independent thinking. Nothing is needed more in this work than independence of thought and imagination.

Fourth, a strong power of self-restraint. The only justification for the view that trustees should participate more in educational activities is that care will be taken to select trustees endowed with wisdom and restraint.

Fifth, success in his own business or profession and prestige in the community."

Judged by these standards, Glen Lloyd was the model for a good trustee. He provided leadership where leadership was needed; his was a standard for all of us; his passion was for fairness and for quality. He was an upright man who sought to grasp the deeper meanings and in the process, he gave to all of us a deeper understanding of the values for which our University stands.

On the occasion of his retirement as Chairman of this Board, his fellow Trustees acknowledged Glen Lloyd's contributions to the University. They said then:

"As a devoted alumnus of The University of Chicago Law School, he gave impetus and direction to its development and guided the establishment of the Law Center.

As a trustee and citizen he devoted his untiring efforts to renewal of the University community.

As Chairman of the Board of Trustees from June 14, 1956, to June 13, 1963, he charted the destiny of the University through a period of administrative and academic transition into an era of new achievement and growth.

In esteem and gratitude we acknowledge his wisdom and foresight."

These words are no less true with respect to his subsequent continuing efforts on behalf of the University as a Life Trustee.

For the faculty and the students of The University of Chicago and for the Board for which he served so long, the Trustees express their deepest sympathies to Mrs. Lloyd and to their children.

Mr. Chairman, I move that we express our affection and our sympathy and our University's appreciation by a rising vote and that copies of this memorial be transmitted to members of his family.

RESEARCH NEEDED TO MAINTAIN U.S. AVIATION LEADERSHIP

Mr. MOSS. Mr. President, recent expert testimony before the Committee on Aeronautical and Space Science, clearly indicates that this Nation is in danger of losing its worldwide leadership in commercial aviation. The reason is the current lack of Government-supported research at a time when foreign aircraft manufacturers, largely owned or heavily subsidized by their governments, are challenging the dominate position of the United States.

One of the witnesses, Mr. Bruce N. Torell, president of Pratt & Whitney Aircraft, eloquently summarized the situation:

> Our country is the leader in world aircraft sales. The benefits have been high employment for a large segment of our work force and a major contribution to our country's balance of payments. This leadership is in jeopardy for the future if foreign competitors, heavily subsidized by their governments, can overcome the technology lead which presently exists in this country.

Historically, the benefits of military research, particularly in jet engines, have flowed into the civilian sector. Currently, the committee was told, there is no program underway to develop engines that make more efficient use of fuel. Defense Department efforts are directed at developing engines for high-performance combat aircraft, while U.S. airlines need equipment to help offset the rapidly rising fuel costs.

At the instigation of the committee, the National Aeronautics and Space Administration has prepared a 10-year program that, if implemented, could increase the fuel efficiency of U.S. tranports by as much as 50 percent.

Aerospace industry and technical society witnesses strongly endorsed the NASA program at the committee's hearing last week. They are unanimous that the program addresses a high-priority national need and is clearly in keeping with the National Aeronautics and Space Act of 1958, which declares that U.S. leadership in aviation should be preserved.

The NASA program will provide the basic technology that will enable manufacturers, using their own resources, to develop more efficient aircraft. It has been developed from a genuine national need and is clearly not a technology in search of a use.

THE SECRETARY OF STATE AND THE NATIONAL SECURITY ADVISER—A WELCOME INITIATIVE

Mr. BENTSEN. Mr. President, I am certain that many of my colleagues in this body have long shared my concern over the concentration of the foreign policy decisionmaking process in this country in the hands of one person—one person who has worn two official hats and unofficially a third—that of roving ambassador. I have long felt it necessary to restructure the foreign policy machinery in this country and I have introduced legislation to begin that job. My bill, S. 1667, would prohibit future Secretaries of State from serving as the President's National Security Adviser, Executive Secretary of the National Security Council, or any other position directing or controlling the National Security Council.

I believe this is an important first step toward diversifying and strengthening the process by which the foreign policy of this country is formulated and implemented. In an increasingly complex and interdependent world, we need a structure that will expand the range of policy options being presented to the President rather than narrow them, a structure which will improve our ability to deal with crisis in the future, a structure which is more consistent with our democratic form of government.

I believe that Secretary of State Kissinger is an able and brilliant man but I also believe that his serving as both Secretary of State and National Security Adviser to the President has dangerously centralized power in the hands of one man.

I am pleased that President Ford shares my belief that there should be more balance in our foreign policy decision-making process and I welcome his announcement of the separation of the two positions. I urge him to endorse my legislation enacting a statutory separation. I might remind the President that on April 21 of this year, in an interview with CBS commentator Walter Cronkite, President Ford stated that a good argument could be made that the two positions should be divided:

> If you were to draw a chart, I think you might make a good argument that that job ought to be divided.
>
> On the other hand, sometimes in Government you get unique individuals who can very successfully handle a combination of jobs like Secretary Kissinger is doing today as head of the National Security Council and Secretary of State.

Now that he has in fact separated the two, I hope he will see fit to endorse my legislation so that never again in American history will this Nation face the concentration of foreign policy making power that it has faced in the last 2 years.

Mr. President, the distinguished chairman and ranking minority member of the Senate Foreign Relations Committee have promised me that they would hold hearings on my legislation, which has also been endorsed by the President's Commission on the Organization of the Government for the Conduct of Foreign Policy, the blue-ribbon Murphy Commission. Let me quote from that Commission's study which was published in June of this year:

> It is eloquent testimony to the extraordinary abilities of the present Assistant to the President for National Security Affairs that he has met the requirements of the post while simultaneously serving as an active and effective Secretary of State. His holding of both positions has arisen from quite special circumstances, it is well established, and we make no recommendation concerning it. As we have stressed earlier, we seek not to address matters of topical interest, but the enduring and longer-term problems of Government organization.
>
> Having reviewed the responsibilities the Assistant for National Security Affairs must meet over the long term, we conclude that these responsibilities, involving essential personal assistance to the President, management of issues for Presidential decision, and the direction of the National Security Council staff, should normally in future be performed by an individual with no other official responsibilities. The actual choice would of course rest with the President.
>
> The reasons for this are two. The first is simply that the responsibilities of that Assistant are heavy and important enough to require the undivided attention of even the ablest public servant. The second is that an Assistant to the President must be a facilitator of decision, a conduit to the President, a force for balance and even-handedness in the presentation and consideration of issues. These are staff functions. They are not easily made compatible with the responsibilities of a Cabinet officer, a line official who must necessarily act as the chief of a great department.

Mr. President, the issue is a clear one. I urge the Senate's support for my legislation; I urge the President's support as well. The foreign policy of this country will be the stronger for it.

THE COMMON SITUS PICKETING BILL IS UNJUST AND UNFAIR

Mr. HELMS. Mr. President, I am certain that all Members of the Senate, at one time or another, have experienced a degree of anger and frustration because Congress seems to drag its feet and act with unnecessary delay in making laws for the people of this country. But we should be mindful of the fact that speed is not a virtue in a deliberative assembly like the U.S. Senate.

The careful and thoughtful consideration of legislative proposals is often time-consuming and frustrating, but it is also the best assurance we have that all points of view will be discussed, that opportunities will be made available for uncovering errors, and that we shall have ample time to reexamine all of the arguments, both pro and con, that have been presented.

These advantages of our system are

most conspicuous when we are confronted with controversial legislation that is apt to generate more heat than light within the walls of this Chamber. Only totalitarian regimes subsist entirely upon unanimous-consent agreements, and we are probably safest in assuming that the more controversial a piece of legislation might be, the more time we should devote to deliberation and debate.

This is especially true of S. 1479, the common situs picketing bill. In my judgment, this bill is controversial for the simple reason that it is neither necessary nor equitable, and I am hopeful that my colleagues will join in exploring every facet of this legislation when it is brought to the floor for consideration. Whatever the fate of this measure, let it be said that we approved or disapproved it only after full, free, and robust debate.

Before this debate commences, however, I would like to go to the very heart of this legislation and explore the basic premises upon which it is established. Leaving aside the economic ramifications of this bill—and they are far reaching—they are, in my view, a number of misconceptions about the so-called equity of S. 1479 that should be cleared up now. If this legislation is not equitable, if it does not establish fairness for all parties in the construction industry, then we cannot, in good conscience, enact it into law. The higher principle of justice must take precedence over all other considerations. This is the guideline that I have endeavored to follow, and I am confident that my colleagues will agree that it is the proper guideline for the Senate as a body. Our Constitution demands no less.

Turning, then, to the question of equity as it applies to this legislation, we first encounter the problem of whether the building trade unions possess the same rights as those of other union members. If they do not, then we are obliged to correct the situation. But the truth of the matter is that the building trade unions already enjoy the same rights as other unions. Indeed, it could be argued that they are already in an advantageous position. Under the provisions of section 8(f) of the Taft-Hartley Act, for example, the construction unions have the right to enter into a collective bargaining agreement with a contractor without an election and before any workmen are hired and even though a majority of employees prefer no union. They also have the right to require in the agreement that all workers join the union within 7 days or be fired, and to require in the contract that the employer notify the union of job openings. Section 8(f) further stipulates that construction unions be given opportunity to refer qualified job seekers to the employer, have the contract specify minimum training or experience qualifications, and set out seniority rights on the basis of length of service with the employer, in the industry or in the particular geographical area. Section 8(e) of the act contains a provision which allows construction unions to make hot cargo agreements with respect to work customarily done by them at the construction site.

These are substantial special privileges, Mr. President; yet industrial unions have none of them. Additional special privileges conferred upon the construction unions as a result of established practices include better hospitalization and pension plans, and double overtime pay for building construction labor exceeding 8 hours per day, or 40 hours per week, or for labor performed during holidays.

Furthermore, a construction or craft union employee can continue to work at his trade while he is on strike. He may work at another site while his original site is on strike. The industrial worker seldom has such an option. Added to this is the fact that the construction union empolyees already enjoy higher hourly and annual wages than their industrial counterparts.

Mr. President, I ask unanimous consent that the following statistics concerning union wage rates, which were compiled by the Department of Labor, be printed in the RECORD to show the present wage scale of the craft or construction unions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Union wage rates, second quarter, 1975*

Trade:	*Hourly average*
All trades	$8.91
Bricklayers	9.50
Building laborers	7.01
Carpenters	9.22
Electricians	9.69
Painters	8.79
Plasterers	8.86
Plumbers	9.91

Source: Department of Labor, Bureau of Labor Statistics.

TABLE 2

The first two columns identify the craft, the percentage of workers in the craft working at least 40 weeks per year, and the annual wage based on 40 weeks x 37 hours worked each week x 1975 second quarter hourly wage rate.

The third column shows the percentage of workers within the craft working 50–52 weeks per year and the last column shows the annual wages based on 52 weeks x 37 hours x 1975 second quarter hourly wage rate.

	At least 40 weeks (percent)	Annual wage at 40 weeks	At least 50–52 weeks (percent)	Annual wage at 52 weeks
All trades		$13,315	---------	$17,310
Carpenters	72	13,645	40	17,739
Electricians	88	14,341	70	18,643
Bricklayers	68	14,060	30	18,278
Painters	68	13,009	41	16,911
Plasterers	72	13,112	32	17,046
Plumbers	83	14,666	61	19,066
Laborers	59	10,374	33	13,487

Note: The percent figure is based on a study made by the Bureau of Census, 1960 and published by the Department of Labor, 1970. The average number of hours worked per week is based on figures released by the Commerce Department, 1975 and is an average over the past 6 years.

TABLE 3.—ANNUAL WAGE AND FRINGE BENEFITS

	Annual wage and fringe at 40 weeks	Annual wage and fringe at 52 weeks
All trades	$15,599	$20,278
Bricklayers	16,368	------------
Laborers	12,446	------------
Carpenters	16,235	------------
Electricians	16,590	------------
Painters	14,681	------------
Plasterers	15,318	------------
Plumbers	18,278	------------

WAGES

Contract construction (open shop and union)	Manufacturing
52 weeks at 37 hrs/week × $7.34/hr=$14,122	52 weeks at 39.5 hrs/week × $4.82=$9,900
40 weeks at 37 hrs/week × $7.34/hr=$10,863	40 weeks at 39.5 hrs/week × $4.82=$7,615

Source: Department of Labor, Bureau of Labor Statistics.

Mr. HELMS. If S. 1479 is passed, the construction unions will have the following additional rights—rights which the industrial unions do not possess: First, they will have the right to picket employers with whom they have no dispute, in order to force an employer that is disagreeable to them off the site.

Second, they will have the right to picket industrial plants and large construction sites to induce total work stoppage on them in response to a dispute of a single union, with a single subcontractor, at an isolated construction work place.

Third, they will have the right to impose economic penalties on innocent employers and employees who have no responsibility for the grievance that precipitated the picket line.

Fourth, they will have the right to impose unwarranted penalties on innocent employers and employees without any liability to recompense them for their losses.

Fifth, they will have the right to coerce employees to join unions in order to work in construction in their home areas.

And, sixth, they will have the right to dictate the selection of subcontractors on construction sites and the right to induce total worksite stoppages in order to halt the use of fabricated products on the site.

The report of the Senate Committee on Labor and Public Welfare, entitled "Equal Treatment of Craft and Industrial Workers," ignores these considerations and insists there are no innocent employers or employees on a construction site, because the general contractors and subcontractors are involved in a joint enterprise as joint venturers. According to the committee's report:

> The basic purpose of the bill is to treat the general contractor and the subcontractor who are engaged at a construction site as a single person for purposes of the secondary boycott provisions of the National Labor Relations Act.

The report goes on to say that:

> This approach reflects the economic realities in the building and construction industry because the contractor and his subcontractors are engaged in a common venture. . . Employers are engaged as joint venturers when the work each contracts to perform is

related to the work contracted for by the other as part of an integrated building structure.

Mr. President, it is difficult to grasp the peculiar reasoning that has produced these conclusions. A joint enterprise has been legally defined as—

> An enterprise participated in by associates acting together. There must be a community of interests in the objects or purposes of the undertaking, and an equal right to direct and govern the movements and conduct of each other with respect thereto; each must have some voice and right to be heard in its control or management.

Important elements of a joint venture, then, would be the sharing of profits and losses, and the use of a single tax number. On a construction project, however, the general contractor and subcontractor do not have an equal right to direct and govern the movements and conduct of each other, do not share profits and losses, do not use a single tax number, and the subcontractors do not have a voice or the right to be heard in the control or management of the project. Nor does one subcontractor have any control over the practices of another. Not even the general contractor has a voice in determining the policies and practices of the various subcontractors that are coming to and from the construction site. And yet the common situs picketing bill assumes that each should be held responsible for labor disagreements that are totally beyond their control, and that all should suffer the results of a labor dispute which is totally unrelated to their individual practices. By no stretch of the imagination, Mr. President, can a building construction site be deemed a joint venture.

Mr. President, the conclusion is unavoidable that S. 1479 has nothing to do with the equal treatment of craft and industrial workers. It is obvious that craft workers already enjoy many advantages that they do not share with industrial workers. They are already more than equal to industrial workers in many respects. The common situs picketing bill will simply increase these advantages further, creating a more lopsided situation than we already have.

What is more, the proponents of this legislation attempt to get around the discriminatory features of S. 1479 by falsely lumping together all of the contractors and subcontractors into a so-called joint venture, when in fact the bill clearly discriminates against innocent employers and employees, who are penalized in a common situs strike that actually involves other parties. The bill punishes everyone on a construction site through guilt by association—an association that is really no association at all. In short, S. 1479 flies in the face of established principles of justice and fairness that are an integral part of the labor legislation we have developed over the years. On these grounds alone, S. 1479 should be rejected.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning busines is closed.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 9005, which the clerk will state.

The legislative clerk read as follows:

> A bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment (No. 1836) of the Senator from Minnesota (Mr. HUMPHREY).

Mr. ROBERT C. BYRD. Mr. President, I am authorized by Mr. Humphrey to ask unanimous consent that the Humphrey amendment be temporarily laid aside, and that the senior Senator from Virginia (Mr. HARRY F. BYRD, Jr.) be permitted to offer one of his amendments at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, in a moment I shall send an amendment to the desk. In the meantime I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished junior Senator from Louisiana (Mr. JOHNSTON) be recognized for not to exceed 5 minutes, to speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

MINORITY BUSINESS DEVELOPMENT AND ASSISTANCE ACT OF 1975—S. 2617

Mr. JOHNSTON. Mr. President, today I introduce a bill to establish an Office for Minority Business Development and Assistance in the Department of Commerce. This bill will not only create business opportunity for the minority business sector, but will also benefit the economy as a whole. It will, Mr. President, give fuller expression to the highest American value—that to the extent that an American citizen has the capacity and the initiative to participate in our free enterprise system, he should be afforded a fair opportunity to do so.

The bill that I am introducing today, Mr. President, will create an office headed by a new Assistant Secretary of Commerce. This new Cabinet member will be the Assistant Secretary for Minority Business and Economic Development. This bill will consolidate for administration under this single office all of the varied minority business and economic development programs now administered by a number of Federal agencies.

Mr. President, at present there are 17 different Federal Government agencies that administer these programs, and each agency has worked in virtual independence of the other. The result has been extreme diffusion and extreme duplication of the Federal Government's efforts to assist the minority business community. This has led ultimately to programs of minority business assistance that have recently been the subject of stinging congressional criticism on the bases that they are ineffective and inefficient.

Mr. President, Federal assistance to minority business is at a crossroads. At least two subcommittees of the House of Representatives have already raised serious questions about whether the Office of Minority Business Enterprise, presently the central office for minority business assistance in the Federal Government, should be continued. These committees have held hearings to examine the Federal Government's efforts in this area because of their concern over whether these programs are doing their job.

The picture is clear, Mr. President. Hard decisions respecting these programs must be made. We are at a point where we must decide whether to firm our long and strongly held policy of assistance to minority entrepreneurship or to pull back from that policy and to let these crucial programs die.

Mr. President, I believe that the vitality of our free enterprise system is an important part, dependent upon the vitality, strength, and effectiveness of our Federal commitment to minority enterprise. For we cannot boast of a free enterprise system unless we can guarantee the opportunity for full and free economic participation in the mainstream of business to those black, brown, red, and yellow members of our society who historically have been denied such participation largely because of discrimination and societal insensitivity to the plight of the minority entrepreneur. The problem confronting minority business today, Mr. President, cannot be solved by a neutral governmental approach or by a passive economic system willing to allow past inequities to pursue their natural courses. In my view, we cannot afford to let this happen. The Congress must take positive action now to reorganize Federal efforts in the support of minority business development.

The need for the Congress to take firm, supportive action now, Mr. President, is bolstered by the fact that our present economic recession has hit minority owned companies hardest. Predictably, a recession for the general economy has meant a depression for numerous minority businesses, the vast majority of which are small and marginal and operate in vulnerable types of business in low-income neighborhoods.

Tight credit policies and high unemployment have conjoined to make it particularly difficult for minority businesses to survive during our current recession. High interest rates have intensified the previous reluctance of banks to extend credit to small minority businesses with unproven records. And this waning willingness of banks to finance small and minority businesses has sharply curtailed the SBA's loan guarantee program, programs through which the SBA channels much of its minority assistance funds.

This has been compounded by high unemployment in the minority sector, with its resulting reduction in purchasing power by its predominantly minority clientele.

These occurrences, taken with the dire economic forecasts of an unstable economic system for at least several years to come, argue for a more organized and intensive Federal effort to assist minority entrepreneurship—an effort that is not duplicative, an effort that is not wasteful, but an effort that is effective and that is meaningful toward bringing about real economic opportunity and real economic stability through assisting minority business enterprises in important ways throughout our Nation.

Mr. President, I think the bill that I am introducing today is designed to do just that.

First, it calls for the creation of an office and an Assistant Secretary who will have the clout and the stature to coordinate the efforts of the various Federal agencies in the delivery of assistance to minority business enterprises. Indeed the purpose of this bill is to establish this office to carry out and expand the functions of the Secretary of Commerce now being exercised through the Office of Minority Business Enterprise and to give the Secretary certain additional functions to improve all Federal activities as they relate to the provision of opportunities for minority business enterprises.

This kind of office and this kind of officer have not existed in our Federal structure to date. Because of this absence, the Federal minority business effort has been relegated to a status of lesser importance than the facts show that it deserves. But with it, with this new office, minority business ventures will be given high level impetus and high level emphasis.

Second, this bill transfers directly under the authority of this new officer all of the separable minority business assistance programs run by the various Federal agencies.

Specifically, the bill transfers to the Secretary of Commerce, the functions of the Small Business Administration taken pursuant to section 7(i) of the Small Business Act, which furthers the establishment of small businesses among rural and urban economically disadvantaged persons.

It also delegates to the Secretary of Commerce the responsibility for the management of the portion of the business loan and investment fund established under section 4(c) of this act, which is for the purpose of section 7(i).

My bill also calls for the expansion of the Federal functions in this area by requiring the Secretary of Commerce to establish additional offices as necessary to carry out the purpose of this bill, including the establishment of not less than 10 regional branches of the office in appropriate regional areas.

Further, the Secretary of Commerce is required to make a study of all Federal activities that relate to minority business development in order to propose further measures, including additional legislation, designed to remove obstacles to minority business development and expansion.

I think this feature is essential to this bill, Mr. President, since we have seen the waste that can result from undertaking massive new programs without proper investigation and study. This feature of the bill is essential to sound program planning. This is why my bill calls for this study by the Secretary and calls for this report to the President and to the Congress of his findings.

This bill authorizes the appropriation of $100,000,000 to carry out its provisions. This is the amount it will take to get the job done, Mr. President, and this is the amount that I strongly feel should be authorized by this Congress.

Mr. President, I cannot overemphasize the importance of this bill. It strikes at the hard core of our unemployment problem, since minority group citizens and particularly minority group teenagers suffer the highest rate of unemployment in our Nation. In addition, the implementation of this bill will add significantly, on a long term basis, to our Nation's productive capacity and at long last give minority business enterprise the stature it rightly deserves. I am, therefore, pleased and proud to introduce this bill today, and I urge the Congress to move forward promptly with its enactment.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

S. 2617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Minority Business Development and Assistance Act of 1975".

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to establish an Office for Minority Business Development and Assistance in the Department of Commerce, under an Assistant Secretary, in order to carry out and expand the functions of the Secretary of Commerce now being exercised through the Office of Minority Business Enterprise, and to give the Secretary certain additional functions, for the purpose of improving all Federal activities as they relate to and provide opportunities for minority business enterprise.

ESTABLISHMENT OF OFFICE

SEC. 3. In order to carry out the purpose of this Act the Secretary of Commerce (hereinafter referred to as the "Secretary") shall (a) establish within the Department of Commerce an Office of Minority Business Development and Assistance (hereinafter referred to as the "Office") which shall be under the direction of an Assistant Secretary for Minority Business Development and Assistance who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for the other assistant secretaries in the Department of Commerce, and (b) through such office carry out—

(1) his functions pursuant to Executive Order Numbered 11625, October 14, 1971, 36 Fed. Reg. 19967;

(2) the functions transferred pursuant to section 4; and

(3) the functions pursuant to section 5.

TRANSFERS TO SECRETARY

SEC. 4. (a) Effective thirty days after the date of enactment of this Act there are transferred to the Secretary the functions of the Small Business Administration pursuant to section 7(i) of the Small Business Act, together with the responsibility for the management of the portion of the business loan and investment fund established pursuant to section 4(c) of such Act which is for the purpose of such section 7(1).

(b) Effective on such date as is prescribed by the Director of the Office of Management and Budget but not later than ninety days after the date of enactment of this Act, there shall be transferred to the Secretary any separable function of any Federal department or agency which the Director determines relates primarily to the development or assistance of minority business enterprises, as defined in the Executive Order cited in section 3(1).

EXPANSION OF OFFICE FUNCTIONS

SEC. 5. (a) In order to more effectively carry out the purposes of this Act the Secretary shall establish (1) such additional divisions in the Office as will more effectively carry out the purpose of this Act, and (2) not less than ten regional branches of the Office in appropriate regional areas.

(b) The Secretary shall (1) make an investigation and study of all Federal activities which relate to or should relate to, or provide or should provide opportunities for, minority business enterprises in order to carry out the purpose of this Act, and (2) report to the President and the Congress not later than 180 days after the date of enactment of this Act his recommendations for necessary action with respect to such activities, including any necessary legislation in order to carry out such purpose.

AUTHORIZATION

SEC. 6. There is authorized to be appropriated in each fiscal year the sum of $100,000,000 and such other sums as may be necessary to carry out the provisions of this Act.

Mr. JOHNSTON. Mr. President, I would like to add just this comment: The next 100 years of this Nation's life, I think, will test whether or not we can make practical, workable, viable, and real the promises of the American Constitution. It took us the first century to liberate the slaves in this country. It took the next century to make the promises of the Constitution real in terms of laws that were put on the statute books. This century—and hopefully it will not take a full century to do so—will test whether or not we can ripen those promises stated in law into opportunities within our free enterprise system that are made manifest and free.

This bill, designed to bring together all of the 17 different agencies that deal with minority business enterprise under one single agency, under one single Assistant Secretary of Commerce, with Cabinet clout, is designed to ripen those opportunities and those promises stated in the Constitution into something real. I hope Congress will see fit to pass this measure.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1036

Mr. HARRY F. BYRD, JR. Mr. President, I call up amendment No. 1036 which is at the desk.

The legislative clerk proceeded to read the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 14, strike after the word "Congress", the following: "together with the fiscal year 1977 budget materials".

On page 5, line 21, strike after 1977, "from the funds made available pursuant to section 103(e) of this Act,".

On page 21, line 25, through page 22, line 1, strike after 1976 "and $760,000,000 $735,000,000 for the fiscal year 1977,".

On page 23, line 7, strike "for each of the fiscal years 1976 and 1977" and insert in lieu thereof "the fiscal year 1976".

On page 24, lines 19 through 20, strike after 1976 "and $280,600,000 $275,600,000 for the fiscal year 1977,".

On page 25, line 23, strike after 1976 "and $101,800,000 for the fiscal year 1977,".

On page 28, lines 20 through 21, strike after 1976 "and $104,500,000 $96,000,000 for the fiscal year 1977,".

On page 29, line 23, strike after than "$20,000,000" and insert in lieu thereof "$10,000".

On page 29, line 24, strike after the "fiscal years 1976 and 1977," and insert in lieu thereof "fiscal year 1976,".

On page 34, lines 2 through 3, strike after "for each of the fiscal years 1976 and 1977," and insert in lieu thereof "the fiscal year 1976,".

On page 34, line 14, strike "each of the fiscal years 1976 and 1977," and insert in lieu thereof "the fiscal year 1976,".

On page 48, line 20, strike all after the figure, "$194,500,000," and insert in lieu thereof a period, after the figure, "$194,500,000.".

On page 48, lines 22 and 23, strike the following, "and $500,000 during the fiscal year 1977".

On page 49, line 9, strike the following, "and 1977.".

On page 52, lines 20 and 21, strike the following, "$2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977," and insert in lieu thereof, "and $2,000,000 in the fiscal year 1976,".

Mr. HARRY F. BYRD, JR. Mr. President, while the amendment in the form in which it is before the desk is of some length, the basic purpose of the amendment is to eliminate the authorization for fiscal year 1977. In other words, it would make this a 1-year authorization bill instead of a 2-year authorization bill.

Many of the programs in the present legislation before the Senate provide for a 2-year authorization. If this amendment is adopted, all of the programs would be authorized for 1 year.

Mr. HUMPHREY. The Senator is absolutely right. As we had in our colloquy last evening, there have been times that we have had 1-year authorizations. There have been other times we had 2-year authorizations.

As I indicated, fiscal 1974–75 was a 2-year authorization. I know the concern that the Senator has over what we call legislative oversight.

The Senator is right. His amendment would put it back to a 1-year period.

Mr. HARRY F. BYRD, JR. I thank the Senator from Minnesota.

I think that would be very helpful because, for example, I doubt the wisdom of giving a 2-year authorization to the United Nations under the conditions which exist there now. The United Nations is in somewhat of a turmoil and has been for the last several years. We do not know what will come up within the next 2 years. We may need to take some legislative action insofar as our own appropriations are concerned.

The PRESIDING OFFICER. Will the Senator from Virginia advise the Chair as to whether this is one of the four amendments on which there is a time limit of 1 hour?

Mr. HARRY F. BYRD, JR. Yes, 1 hour, and I yield myself such time as I may take.

In H.R. 9005, the legislation now pending before the Senate, we are being asked to authorize $194,500,000 for fiscal year 1976, and $219,900,000 for fiscal year 1977, as the U.S. contribution to international organization, and programs.

The U.S. contribution to the United Nations, under the pending legislation is $168,700,000 for fiscal year 1976. This authorization represents an increase of 33 percent over last year's appropriation.

The U.S. contribution to international organizations and programs for fiscal year 1977, under the pending legislation, is $219,900,000.

There is no indication, nor any information available, in either the bill or the committee report as to how much of this $219,900,000 will be for the United Nations.

I do not like the idea of the Congress authorizing a 2-year funding.

The Congress is relinquishing certain authority when it does this, and it denies the Congress the opportunity to review the fiscal year 1977 program.

It seems particularly unwise to me to authorize a United Nations program for 2 years at a time.

A militant, and unreasonable majority within the United Nations, is running roughshod over the principles that world body is supposed to represent.

Last year the United Nations provided a forum, and treated, as it would a head of state, the leader of a terrorist group known as the Palestine Liberation Organization.

The PLO not only objects to the internal policies of a U.N. member, and sovereign state, Israel, but actually challenges its existence as a nation.

Last year, the U.N. also ousted a legitimate member, South Africa, because of that country's internal policies.

This is in specific violation of the U.N. Charter which prohibits interference in the domestic affairs of a member state.

Only last month a committee representing the full membership of the U.N. declared that those who have aspired for the creation of a Jewish homeland are racists.

"Zionism," it was declared, "is a form of racism and racial discrimination." I reject that assertion.

Recently the head of state of Uganda, President Idda Amin, who is himself responsible for some of the most atrocious acts of systematic government cruelty, discrimination, and brutality, was wildly applauded in his acrimonious remarks regarding the United States and the Western world.

Mr. President, the sheer hypocrisy of the United Nations, its selective choices of right and wrong, its total disregard of the principles of international human rights, and its unwillingness to bring its own financial house in order, in my opinion, makes it necessary that the United States limit its authorization to 1 year rather than for 2 years, as proposed in this legislation.

At this point, Mr. President, I ask unanimous consent to include a chart in the RECORD, providing a precise breakdown of the U.S. contributions to the United Nations for fiscal years 1974 and 1975.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. contributions to the United Nations, specialized agencies, special programs, and the International Atomic Energy Agency

Fiscal year 1974 estimate

[In thousands of dollars]

A. Regular budgets (assessed):	
United Nations	[1] $67,856
Food and Agriculture Organization	13,151
Intergovernmental Maritime Consultative Organization	120
International Atomic Energy Agency	5,422
International Civil Aviation Organization	2,806
Joint financing program	2,231
International Labor Organization	7,622
International Telecommunication Union	1,535
U.N. Educational, Scientific & Cultural Organization	15,896
Universal Postal Union	107
World Health Organization	28,834
World Meteorological Organization	1,234
Regular budgets	146,814
B. United Nations Peacekeeping Forces:	
United Nations Emergency Force	[2] 17,336
United Nations Force in Cyprus	1,600
United Nations Peacekeeping Forces	18,936
C. Special programs (voluntary):	
IAEA Operational Program	[3] 2,000
United Nations Children's Fund	15,000
Humanitarian Assistance: India/Bangladesh	[4] 1,900
U.N. environment program	7,500
United Nations development program	90,226
U.N./FAO Sahelian Trust Fund	1,555
U.N./FAO world food program	[4] 68,000
U.N. fund for drug abuse control	2,000
U.N. fund for Namibia	50

U.N. fund for population activities	18,000
U.N. High Commissioner for Refugee program	1,100
South Asia: Exchange of persons	1,750
United Nations Relief and Works Agency	[4]29,400
U.N. Institute for Training and Research	400
WHO special programs	2,000
WMO voluntary assistance program	[3]1,500
UNESCO special programs	[5]1,000
Special programs	243,381
Total U.S. contributions	409,131

[1] The United States received a credit of $3,899 thousand as the eleventh repayment on its loan to the United Nations, making the net contribution for the United States $63,957 thousand.

[2] Covers the period from October 1973–October 1974.

[3] Includes contributions in cash, services, equipment and fellowship training.

[4] Includes contributions in cash, services and commodities.

[5] In U.S.-owned Egyptian currency.

Mr. HARRY F. BYRD, JR. We cannot foretell what the situation may be in the United Nations in the next year or next 2 years, and I think it is much better policy to go with the 1-year authorization.

I am delighted that the able manager of the bill, the senior Senator from Minnesota, is in accord.

Mr. HUMPHREY. I say to the Senator that I would be in accord if the able Senator from Virginia would give consideration to the other amendment, which he has, which I mentioned to him, which would substantially reduce the authorizations. I wish to consider them. I know they are separate amendments. But I wish to consider them in a package, if the Senator knows what I mean.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum, with the time to be charged against the Senator from Virginia.

The PRESIDING OFFICER. The Chair advises the Senator from Virginia that the Parliamentarian informs the Chair that his amendment touches several points in the bill which have already been amended and that it will have to be redrafted to be in order.

Mr. HARRY F. BYRD, JR. I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Miss Connie Freeman, of the Committee on Foreign Relations, be permitted the privilege of the floor during the remainder of debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, this is on my time, on this amendment.

The Senator from Virginia has proposed an amendment to provide for a 1-year authorization for fiscal 1976. The bill provides for 2 years in the international organizations section. We clearly understand that it is that section of the bill.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. As it is described in amendment 1036.

There is also a gap period between the old fiscal year and the new fiscal year, a period of 3 months, which also will have to be included in the amendment; and the figures in the bill as presently amended are different from the figures in the amendment that has been presented by the Senator from Virginia. However, we are in full understanding of the nature of the amendment and its purpose. The Senator from Virginia can check me to make sure that we have a clear understanding.

No. 1, the gap period, the 3-month period, would be included. That would be approximately one-fourth of the fiscal authorization.

Mr. HARRY F. BYRD, JR. That is correct, but that would be in a separate item. It would not be part of the fiscal 1976.

Mr. HUMPHREY. That is a separate item.

Mr. HARRY F. BYRD, JR. That is right.

Mr. HUMPHREY. Then we would take the authorization for fiscal 1976 as is in the bill before the Senate, and that would be maintained. We would eliminate the authorization for fiscal 1977.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. So that the Senate Committee on Foreign Relations and the Senate can review, on its regular legislative oversight operations and authorization operations, the fiscal 1977 when it is brought before us with specific detail.

Mr. JAVITS. If the Senator will yield, when he says "the fiscal 1977," he means the new fiscal 1977.

Mr. HUMPHREY. That is correct.

Mr. JAVITS. Beginning October 1.

Mr. HUMPHREY. That is correct.

Mr. JAVITS. That is quite satisfactory to me. But what we need is advice—which we will have in a moment—as to the way in which the 3-month gap should be financed, how to handle the authorization. What the Senator has said is entirely agreeable.

Mr. HUMPHREY. As I understand it, the amendment of the Senator from Virginia relates strictly to the international organizations and only the international organizations, to make them a 1-year authorization—United Nations organizations, the international organizations sections of the bill. Is that correct?

Mr. HARRY F. BYRD, JR. That is satisfactory.

Mr. HUMPHREY. For the international organizations.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I withdraw the pending amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk a simplified amendment, which takes care of the matter in which the Senator from Minnesota and the Senator from Virginia are interested.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 48, line 20, strike out all after "500,000", and add a period.
>
> On page 48, line 22, strike out all after 1976 through 1977 in line 23.

Mr. HUMPHREY. Will the Senator yield to me?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, this amendment relates to what we call the International Organizations and Programs section of the bill, labeled "Section 312, (a) Section 302 of the Foreign Assistance Act of 1961 is amended—." With the amendment, as I understand it, now proposed by the able Senator from Virginia, the language in this section will read, starting on line 18:

> In subsection (a), by inserting immediately before the period ", and for the fiscal year 1976, $194,500,000. Of such amounts, not to exceed $250,000 during the fiscal year 1976 shall be available for contribution to the Namibia Institute."

This eliminates all the reference to fiscal 1977. It keeps in the bill the authorizations for fiscal 1976.

May I say to the Senator from New York, who was so rightly concerned about the transition period, that this in no way affects that. Transition period funds are in the bill under a separate section, section 665, known as "Transition Provisions for the Interim Quarter." It reads:

> There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal 1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for each program or activity for such period shall not exceed one-fourth—

that is the figure we are concerned about—

> of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. So we have taken care of the transition period. I want to be sure that what I have read here relates to the International Development and Food Assistance Act of 1975, which is the bill that is before us.

I say once again to the Senator from Virginia, for summary purposes, that we have agreed upon a 1-year authorization for international organizations and programs. We have agreed upon the transition language that is in the bill for one-fourth of the funds for the period from July 1, 1976, through September 30, 1976, one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.

Mr. HARRY F. BYRD, JR. The able Senator from Minnesota is 100 percent correct.

Mr. HUMPHREY. I am happy to work with my friend from Virginia. I think he has made a distinct contribution.

I am prepared to yield back my time, if the Senator from Virginia is prepared to yield back his time.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Minnesota.

(Amendment No. 1038.)

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, it had been my intention to call up amendment No. 1048 this morning. Very succinctly what 1048 does is to strike the language offered in committee to further extend the limitations that the Senate from time to time tries to impose on foreign aid money for the use of abortion or abortion-related techniques. I would rather engage in a colloquy with the Senator from Minnesota this morning.

I am entirely aware that the House rejected the language we attempted to put in the bill 2 years ago and has rejected it on other occasions. I think if we are going to put strings on our foreign aid money—and I have no hesitancy about putting strings on when it is justified for national purposes—I am not one of those who says we should grant, give, or sell things overseas with no care as to how it is used or spent. However, when we think it is in our national interest to put a string on a foreign aid grant or gift, we have every right to do so.

However, for the life of me I cannot see where our national interest is furthered by putting strings on foreign aid bills relating to abortion. Most of the countries overseas practice abortion bills relating to abortion. Most of the our attempt to put strings on money, especially those where abortion is legal, attempting to put strings on money prohibiting them from doing something that in their culture is perfectly acceptable and perfectly moral.

I do not see that our national purpose is served. I do not see that the quality of life in the United States is enhanced. I do not see that our national security is further heightened by these kinds of amendments, and I would hope that the Senator from Minnesota can indicate what he thinks the House attitude might be when this goes to conference.

Mr. HUMPHREY. It is my judgment, from what I have heard from the House, that the House would be very firm on this position, may I say to the Senator. They have been in the past, and I gather, they will be that way in the future.

Might I say we both have had experience with House conferees.

Mr. PACKWOOD. I know they were quite adamant. But this is the exact language we added a year ago. They were quite adamant and they struck it.

Mr. HUMPHREY. Struck it.

Mr. PACKWOOD. And I hope they would have the same attitude again.

Mr. HUMPHREY. Yes.

Mr. PACKWOOD. Considering the overall good in this bill, I hope that the Senate would not be adamant in this provision and not get us hung up for months of delay or weeks of delay on a subject that is really of minor importance in comparison to the overall good this bill does.

Mr. HUMPHREY. I full understand the Senator's position.

Mr. PACKWOOD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that my staff member, Bob Jerome, be allowed to remain on the floor during the pendency of the bill and the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Oregon (Mr. Hatfield), we offer an amendment which is a technical amendment to clarify the language of yesterday.

The PRESIDING OFFICER. It will take unanimous consent to set aside the pending amendment.

Mr. HUMPHREY. Mr. President, I have an amendment pending, do I not? Let me call up this amendment first.

The PRESIDING OFFICER. That amendment is pending.

Mr. HUMPHREY. The amendment pending was in the bill and it was stricken at the time that we took out what we called the reflow provision of the legislation before us.

I send an amendment to the desk on behalf of myself, Senator Clark and Senator McGee which relates to the assistance to the West African country, the Sahel. This is merely to place back in the bill language which was supposed to remain in as a line authorization.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. Humphrey), for himself, Mr. Clark, and Mr. McGee proposes an amendment.

Mr. HUMPHREY. Mr. President, when the Church amendment was adopted to do away with the use of the reflows which meant, in substance, that we were not specifically authorizing, it was understood we would——

The PRESIDING OFFICER. The Chair must say to the Senator from Minnesota that it is inappropriate to have two amendments pending.

Mr. HUMPHREY. I sent an amendment to the desk and asked that the pending one be displaced. I asked that my amendment originally there be withdrawn, and I then sent a second amendment to the desk.

The PRESIDING OFFICER. The Chair was not clear.

Mr. HUMPHREY. Mr. President, I thought it was clear when I sent an amendment to the desk that that was the amendment we were going to work on.

The amendment is as follows:

On page 5, line 20, beginning with the word "such", strike out through the comma on line 22 and insert in lieu thereof "$50,000,000 for fiscal year 1977,"

On page 5, line 23, immediately before the period, insert the following: "The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977."

Mr. HUMPHREY. I just want to explain the purpose of this amendment which is to put a line item in the bill so that we know exactly what we are doing as compared to what was the ambiguity of the use of reflow funds and this, of course, now places back into the bill as a line item a fiscal year 1977 authorization aid to drought stricken areas in Africa.

It is a good amendment. This amendment will give the Appropriations Committee a specific authorization on which to work the appropriation process.

It does what was suggested by the Senator from Maine (Mr. Muskie) and the Senator from Idaho (Mr. Church). It puts into the bill a line item for the authorization.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CASE. Mr. President, I commend the Senator from Minnesota on his amendment. I think it is a good way of handling this matter.

I have been interested in this, as the Senator knows, for a long time, this general problem of the climatic changes in Africa, and have been concerned, and still am, that we deal not only with this as an emergency but as a long-term problem.

I am confident that that is the approach the committee, including the Senator from Minnesota, intends to have made on the problem here, and that the appropriation of this money as released in no way detracts from that——

Mr. HUMPHREY. That is the purpose.

Mr. CASE. As an objective for the committee.

Mr. CLARK. Mr. President, the $50 million which the Foreign Relations Committee included in the bill for the drought-stricken nations of Africa should be retained.

The six countries of the Sahel have experienced several years of severe drought during which most of the farmers lost their land to the desert and most of the nomadic herdsmen lost their livestock. Ethiopia, Somalia, and Tanzania also have suffered long and catastrophic droughts.

During the drought, we witnessed the widespread starvation, the thousands in refugee camps, the malnourished children, the skeletons of herds, and the farmlands that had become desert. The "Disaster in the Desert" has since disappeared from the press. But the herds have not reappeared overnight. The desert has not retreated from the farmland. And the people still suffer the most desperate poverty.

The United States and the international community responded generously with food aid when the people of the Sahel were threatened with starvation. We should not turn our backs on them now that they want to feed themselves. We should not allow them to remain at marginal subsistance levels, waiting for the next drought to strike, when we have the resources and technical expertise to help them make their land more productive than it has even been.

It will require much time and considerable resources for these countries to recover from such a long-term disaster that had such a devastating impact on basic agricultural resources. These countries do not themselves have the resources that recovery will require. They are among the poorest nations in the world. Five of the eight countries have per capita GNP's of below $100. All but one are below $200.

Before the drought, the small farmers and nomadic herdsmen of these countries had supported themselves in the same way for centuries. But the old methods will not work in bringing about recovery.

The people will have to be trained in new techniques of agriculture and animal husbandry. They will have to be provided with new tools, seeds, and agricultural inputs. Most important, thousands of acres of farmland and pastures will have to be reclaimed from the desert. The vast river and underground water resources of these countries will have to be tapped for the first time. All of this will require considerable financial and technical assistance from the international donor community.

With assistance, the people of these drought-stricken nations could feed themselves again. Without it, they will be permanently dependent on the international community for the basic food supplies needed to sustain life. Undoubtedly, periods of drought will recur, again bringing famine and the need for substantial international disaster relief. The recent drought in the Sahel cost the international donor community $900 million. If it happened again in 1985, the relief effort would cost $3 billion. This $50 million is a critical investment in avoiding expensive, short-term relief later.

The international donor community and the African states themselves are prepared to make a joint effort to restore economic health to these areas. The United States has been consulting regularly with other donors and the recipient states to work out rational recovery plans. In January, the "Friends of Sahel" will meet to discuss these plans.

The disaster relief effort in the drought-stricken states has given us some familiarity with the economies and problems of these areas. We know that there is tremendous potential. The introduction of some fairly simple practices—such as storing grass in pit silos, better spacing of wells, and changing patterns of migration, crop rotation, and animal traction—could improve animal and agricultural production and prevent erosion.

However, these basic improvements will have to be based on a sophisticated analysis of the ecology of the area and on advanced research into the precise kinds of inputs and techniques that will be required. Otherwise, recovery programs could contribute to the further deterioration of the land and to increasing the chances of another devastating drought.

The United States and other donors can make a significant contribution to the research that will be required to assure that the recovery programs to be undertaken are the appropriate ones.

Mr. President, the droughts that have brought widespread starvation and devastation to these African countries over the last few years are a unique kind of disaster. They have lasted longer than floods or earthquakes. They have done more permanent damage to a larger land area. They have done more than simply disrupt people's lives. They have destroyed their sources of livelihood. And they have struck in some of the poorest countries of the world—countries that do not have the basic resources of educated manpower, capital, or infrastructure that are needed to recover from such a disaster.

This $50 million will go to help some of the world's poorest people build a better life for themselves. It will go to solving one of the world's most critical food shortage problems. It is therefore fully consistent with the most important objectives of this legislation and deserves the support of the Senate.

The most basic fact to remember, in considering solutions for the problem of hunger, is that there are really two distinct solutions—one short term, the other long term.

The short-term solution to hunger is food. If a person is starving, nothing will help them but food. That is why we have a food aid program—Public Law 480—to deliver food to starving people.

But we must recognize that such food aid only satisfies their need for one day or one meal. That is terribly important if a person is starving—it avoids death—but it does not bring a permanent solution.

Permanent solutions depend upon the ability of the people to raise enough food to feed themselves.

Gandhi put it most precisely when he said that if you give a person a fish, he can eat for a day, but if you teach him to fish, he can eat for a lifetime.

The only way the problem of world hunger really will be solved is by assisting these people to improve their own agricultural production. That is exactly what this amendment does. It assumes that by spending $50 million now, to prevent future disasters, we can save billions in food aid in the future. If we adopt this amendment we will be assisting to find a permanent solution to the hunger problem rather than another band aid. We can no more feed the world than we can police it. Therefore, we should spend our money wisely and carefully. That is what we do in this amendment, we spend an ounce of prevention to avoid a pound of cure.

Mr. HUMPHREY. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY) proposes an amendment.

The amendment is as follows:

At the end of the bill insert the following:

Section 103 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"(e) In order to carry out the purposes of this section, the President is authorized to participate in and to provide, on such terms and conditions as he may determine, up to $200,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation $200,000,000 for such contribution.

"(f) No funds may be obligated to carry out subsection (e) unless:

(1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;

(2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;

(3) all donor commitments to the International Fund for Agricultural Development total at least one billion dollars equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and

(4) there is equitable burden sharing among the different categories of contributors.

"(g) The President shall submit to the Congress full and complete data concerning U.S. participation in, and separation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs."

Mr. HUMPHREY. Mr. President, this amendment does again what the previous one did. It does not add any new program to the bill as it came from committee. What it does is place in the legislation a specific line item so that the Budget Committee, the Appropriations Committee, can have a direct handle on and control of the budget process and the appropriation process.

In the colloquy with the able Senator from Maine (Mr. Muskie), he indicated that our effort in the committee to use the reflow funds was a method of backdoor financing, which, by the way, the Senator from New Jersey has been vigorous in opposing and I personally feel that it is not the proper way for us to act.

Therefore, what we are doing in this amendment is not to add to the bill as it came from committee; we are merely making the bill more precise. We are following the requirements of the budget process, of the Budget Committee, and we have done away with the use of reflow funds.

Now, the same provision would authorize, as it says here, to carry out the provisions of this section, the President is authorized to participate in and to provide, on such terms and conditions as he may determine, up to $200 million to the International Fund for Agricultural Development.

Then it goes on to state certain conditions:

> No funds may be obligated to carry out this authorization unless:
>
> (1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;
>
> (2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;
>
> (3) all donor commitments to the International Fund for Agricultural Development total at least $1 billion equivalent in convertible currencies, except that the United States contribution shall be proportionately reduced if this combined goal is not met; and
>
> (4) there is equitable burden sharing among the different categories of contributors.
>
> The President shall submit to the Congress full and complete data concerning U.S. participation in, and separation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.

May I say that the difference here is that we have set down conditions which will govern our participation. In other words, if the OPEC countries, if the other European countries, if others who are to contribute to the International Fund for Agricultural Development do not do so, we do not contribute. If they contribute less than their agreed-upon share, we reduce our share.

In other words, we are not committed to the full amount that is authorized unless others are willing to put up all that they have agreed to under the current international agreement relating to the International Fund for Agricultural Development.

Let me say once again that this is not in addition to the bill. It is a specific line item for budget control purposes, meeting the budget requirements as established by the Congress. But it is a better provision than we had in the bill as it came to the floor of the Senate because we have added, as a result of the colloquy and the debate here in the Senate, very specific conditions under which any amount of money contributed by the United States will be made available.

In other words, the proviso is only when there is satisfactory agreement between the parties, only when others have contributed their fair share. If they do not contribute their fair share, then our contribution shall not be in the sum that is authorized or appropriated.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. CASE. I think this is a very happy followup from the points raised by the Senator from Maine.

I fully agree and support the action that the chairman of the subcommittee proposes. I am sure it will be unanimously accepted.

I would like, perhaps for the record, and in any event for the self-edification of the Senator from New Jersey, to know the Senator's view as to what bearing this will have on, say, other years' estimates for the purpose of the budget procedure.

Will reflows that are intended to be authorized for appropriation be included in our estimates given yearly and later to the Budget Committee?

Mr. HUMPHREY. No. Reflows are out completely now and the estimates that we will have to give the Budget Committee will have to be estimates on authorizations and regular appropriations. Reflow will go back into the Treasury.

Mr. CASE. And all reflows will come back as receipts to the Treasury?

Mr. HUMPHEY. That is correct.

Mr. CASE. And have to be authorized for appropriation and appropriated in all cases?

Mr. HUMPHREY. Yes. They will be handled the same as any other general funds in the Treasury.

In other words, what we are doing here is coming out clean, with complete openness and candor, so that we know exactly what is in the bill and there is not any coverup by the use of reflows because the language in the bill as it came from the House and was ultimately approved by the committee did use reflows.

This International Fund for Agricultural Development was to have been financed from the reflows. They are out now so that what we are really doing is placing back into the bill the amounts that were outlined in the bill, but now we are doing it as a specific line item in the bill. So that our Budget Committee has a handle on it. So that we know exactly what we are doing, and the Appropriations Committee, likewise, knows what the authorization is.

Mr. CASE. In a sense, the bookkeeping figure and money figure will be raised by that amount?

Mr. HUMPHREY. Correct, and I understand the administration is sending us a formal request for it. It has been approved and I delayed bringing the amendment up until today pending that request.

Mr. CASE. I commend the Senator from Minnesota for his masterly handling of the intricate and technical problem.

Mr. HUMPHREY. I thank the Senator.

I yield to the Senator from New York.

Mr. JAVITS. I have a number of questions.

First, this represents the consummation of what we worked out with Senator Church of Idaho on the reflows.

Mr. HUMPHREY. That is correct.

Mr. JAVITS. So that his amendment can then be locked solidly into the Senate bill.

Mr. HUMPHREY. That is right.

Mr. JAVITS. Unconditionally, if this amendment is approved.

Mr. HUMPHREY. The Senator is correct.

The Senator may recall he raised the point at the time of the debate with the Senator from Idaho.

Mr. JAVITS. Second, should it not be clear, I ask my colleague, that this International Fund for Agricultural Development does two things; one, it is the first real initiative from the Rome Food Conference?

Mr. HUMPHREY. Yes. This is a follow-up on the Food Conference.

It is now also a follow-up on the agreement which has just been agreed to this past week.

Mr. JAVITS. Next, is there not also a redemption of one of the larger proposals we made in the special session of the United Nations earlier this fall?

Mr. HUMPHREY. The Senator is correct, in the special session.

Mr. JAVITS. Lastly, are not these conditions which we have introduced into the amendment very congenial to the policy of our country as it is developing, in the sense that it not only deals with an international agreement, but our contribution is one-fifth, to wit, $200 million out of a billion, which is to be contributed by other nations, and this is the way to induce those contributions?

Mr. HUMPHREY. That is exactly right, and if they do not come up, we do not either.

Mr. JAVITS. I might ask the Senator if it would not interfere with his plans, because I was heavily engaged in all of these matters, if I might join as a cosponsor.

Mr. HUMPHREY. The Senator has been not only heavily engaged, but also he has been a prime mover.

I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that certain letters related to this matter be printed in the Record along with our colloquy, matters which relate to the Fund for International Development.

There being no objection, the material was ordered to be printed in the Record, as follows:

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, D.C.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: You will have seen the section of Secretary Kissinger's address to the United Nations General Assembly, on September 1, dealing with the new International Fund for Agricultural Development (IFAD):

"To mobilize massive new concessional resources for these purposes, the United States proposes the early establishment of the new International Fund for Agricultural Development. President Ford has asked me to announce that he will seek authorization of a direct contribution of $200 million to the fund—provided that others will add their support for a combined goal of at least one billion dollars."

H.R. 9005 contains such an authorization, of course, providing for the use of "reflows" from prior years loans under the Foreign Assistance Act of 1961, as amended, with an earmark of $200 million for IFAD.

The U.S. contribution of $200 million, as the Secretary noted, is conditioned upon the contributions of others. Should these contributions be forthcoming, as we hope, we would want to go forward with the U.S. contribution and in a prompt fashion. The Administration intends, under these circumstances, to proceed with the necessary amendment to the Budget to request appropriations action.

This letter has been discussed with the Office of Management and Budget.

Enactment of an authorization of appropriations for such contributions would be very advantageous at this time.

Sincerely yours,

DANIEL PARKER,
Administrator.

AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., Nov. 3, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Foreign Assistance, Senate Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to keep you abreast of developments with respect to the establishment of the proposed International Fund for Agricultural Development (IFAD). As you know, your Committee recently approved a provision in H.R. 9005, the International Development and Food Assistance Act of 1975, which would make available $200,000,000 for the Fund, subject to appropriate participation by other donors. We are appreciative of your support for this important effort.

One of the important resolutions to come out of the World Food Conference was that relating to the establishment of IFAD. Paragraph one of the resolution states that IFAD "should be established immediately to finance agricultural development projects primarily for food production in the developing countries." The general debate at the World Food Conference indicated full agreement on the urgent need for massive acceleration in the increase in food production in the developing countries. Production had fallen woefully short of the target of 4 percent annual average increase called for in the International Strategy for the Second United Nations Development Decade and had in most cases been below the goals specified in national development plans. There was general agreement that a large increase in investment in the agricultural sector would be required in order to achieve the necessary expansion of food production in the developing countries. Of particular interest to us was the opportunity that the occasion presented for attracting substantial capital from the oil-rich nations for the important task of agricultural development.

In accordance with paragraph 5 of World Food Conference resolution XIII and paragraph 12 of the General Assembly resolution 3348 (XXIX), the Secretary-General of the United Nations covened a meeting of interested countries on May 5–6, 1975 in Geneva to work out the details of the Fund. The meeting, which was attended by 66 governments and various intergovernmental organizations, gave overwhelming support for the establishment of the Fund. The meeting recognized, however, that many operational, procedural, technical, and other related questions would have to be examined before the Fund could be formally established.

Since this original meeting, two Working Group Sessions and one further Meeting of Interested Governments have been held to seek agreement on the basic elements of the Fund. At the most recent Meeting of Interested Governments in Rome, October 27 to 31, substantial agreement was reached on many of the basic elements. However, a number of issues remain unresolved. The group, therefore, decided to meet again in January, 1976 for the purpose of completing and approving the draft Articles of Agreement, including indications of pledges from those countries that are in a position to do so. We are hopeful that agreement will be reached at this meeting.

At the meeting in Rome the target of 1 billion special drawing rights for the Fund was reaffirmed. A great number of countries announced their intention to contribute to the Fund subject to satisfactory agreement on the Articles, reaching the target, and parliamentary approval. These countries included the United States, the Netherlands, Norway, the United Kingdom, Australia, Denmark, Sweden, New Zealand, Canada, Germany, Belgium, Saudi Arabia, Kuwait, Venezuela, Libya and Iran.

The meeting also prepared a draft resolution for introduction in the current United Nations General Assembly authorizing the Secretary General to convene a Plenipotentiary Conference on the Constitution of the Fund, as soon as feasible, after the Meeting of Interested Governments has completed its work. The purpose of the Plenipotentiaries Conference will be to adopt and open for signature an agreement for establishing the Fund and to receive pledges to the Fund, taking into account the target of 1 billion special drawing rights.

We would welcome your thoughts on any of the issues presented by the establishment of the Fund and are hopeful that U.S. participation will be made possible by the enactment of H.R. 9005.

We will, of course, keep you advised of new developments.

Sincerely yours,

DANIEL PARKER,
Administrator.

[From the New York Times, Nov. 2, 1975]

SIXTY-NINE NATIONS AGREE ON FOOD FUND

ROME, Nov. 1.—Representatives of 69 nations reached agreement today to set up an investment fund to help grow food in the world's poorest countries, stating their intention to meet an initial target of $1.2-billion.

United Nations sources said that it was a major breakthrough on aid cooperation between the industrial countries and the oil-exporting nations, who have been prodded by the United States to do more to help feed the world.

The delegates ended a week-long meeting on the fund, proposed by the oil countries at last November's World Food Conference, and sent their report to Secretary General Waldheim and the General Assembly.

The United States is prepared to contribute $200 million. The Common Market countries, with the exception of France, have agreed in principle to match this. And Iran, Saudi Arabia, Kuwait, Libya and Venezuela among the oil producers stated their intention to contribute.

It is understood that the oil nations would come up with half the initial target, with the industrial nations the remainder.

A pledging conference will be held to get the commitments on paper, probably in Rome in February.

[From the New York Times, Nov. 2, 1975]

SWEDEN REACHES THE "GOAL" ON FOREIGN AID

(By Thomas Butson and Bryant Rollins)

Swedish officials have announced that their country is the first industrial nation to spend 1 per cent of its gross national product on foreign aid, thereby meeting a major demand made of wealthy nations by poorer countries.

The extent of the foreign aid industrial nations provide now is a matter of controversy. Some countries, particularly former colonial powers, include investments as part of their aid totals; other nations have counted military help as if it were foreign aid.

Thus Washington officials often assert that United States foreign aid in 1974 totalled more than $5-billion. But when military and other extraneous sums are deducted, the total is $3.439-billion or .25 per cent of the gross national product.

Sweden is not a former colonial power and neither investment nor military sales are counted in her foreign aid. Most of the aid goes to what the Swedes regard as "progressive" nations, including North Vietnam, Cuba and Tanzania. A large aid program to Chile was ended with the overthrow of President Salvador Allende Gossens.

Apart from the case of Chile, the Swedes have tried to avoid dictating to the recipients what should be done with the money. Swëden's Premier Olof Palme said: "We say, 'What can we do to help in your national effort?' We don't say, 'You do this or that.' We let them decide."

[From The New York Times, Nov. 3, 1975]

ARMS AID REQUEST STIRS CONGRESS—$4.7 BILLION FORD PLAN FAR EXCEEDS BUDGET LIMITS SET BY LEGISLATORS

(By Hohn W. Finney)

WASHINGTON, Nov. 2.—Preliminary Congressional analysis shows that the Federal deficit would have to be increased $800-million and Congressional budgetary guidelines raised $1.8-billion to accommodate President Ford's new $4.7-billion military aid package.

The potential impact of the President's request upon the budgetary targets adopted by Congress raises additional complications for a military aid program that was already becoming increasingly unpopular on Capitol Hill.

The military aid program will be considered under new Congressional budgetary procedures, and there will be pressure to cut the President's request to stay within budgetary targets.

After months of delay and with less than two months left in the Congressional session, Mr. Ford last week finally submitted his request for appropriations covering various aspects of the military aid program. Of the $4.7 billion requested, $424.5 million would go for grants of material and training, $2.4 billion in credits for purchase of military equipment and $1.9 billion for security support assistance, which is a form of economic aid given to offset a country's heavy military burden.

GEARED TO MIDEAST PACT

The military aid package was tailored to carry out Administration pledges made to encourage Israel and Egypt to accept the recent pledges made to encourage Israel and Egypt to accept the recent Sinai disengagement agreement. Of the total, $3.4 billion was earmarked for Israel and Arab nations, particularly Egypt.

Under the President's proposal, Israel would be given $740 million in support assistance and $1.5 billion in military credits but with the understanding that only $500 million of the credit sales of military equipment would have to be repaid. Egypt would be given $750 million in support assistance.

The Administration's military aid request almost came too late for it to be considered under the new budgetary procedures, which call for Congress to set an overall-ceiling on appropriations and spending and then establish guidelines on how much should be appropriated in various categories, such as national defense and international affairs.

In effect, Congress has had to proceed with its budgetary resolutions—one last spring and the final one now being drafted for approval in the next two weeks—without any clear idea of how much the Administration would ask for military aid. Now that Mr. Ford has submitted his request, the question in Congressional budget circles is how his $4.7 billion program can be fitted into the budgetary targets adopted by Congress.

EXCEEDS BOTH TARGETS

The preliminary analysis by the House Budget Committee's staff, based on likely Congressional action on other bills, is that the President's request exceeds its target for national defense by $550 million and the target for international affairs, which includes foreign aid, by $1.3 billion.

The impact of the President's request upon spending targets is more difficult to determine, largely because it is unclear how much of the appropriations for military aid might be spent in the current fiscal year. The rough estimate of the House Budget Committee is that the request would add $800 million to $900 million to the $71.9 billion deficit that the committee is projecting in the final budget resolution to be acted upon shortly by the House.

As seen by budget analysis on Capitol Hill, Congress is now confronted with three possible choices in trying to accommodate the President's military aid request within the budgetary guidelines.

It can raise the budgetary guidelines for the national defense and international affairs categories by $1.8-billion and increase the projected deficit by about $800-million to accommodate the President's program.

A SECOND CHOICE

A second choice is to absorb the military aid program within the existing guidelines by cutting back on other programs, such as national defense. This approach is certain to be resisted by the Department of Defense, which already has seen its budget cut more than 7 per cent by Congress.

The third possibility is for Congress to reduce the President's request substantially. Such cuts almost inevitably would reduce aid for Israel, which is the largest single component in the package.

If Congress is unwilling to raise its budgetary guidelines, there are indications that Secretary of Defense James R. Schlesinger would favor the third course.

[From the New York Times, Nov. 3, 1975]

U.S. TO TELL I.L.O. IT PLANS TO QUIT—ACTION IS SET FOR THIS WEEK AFTER MANY DISPUTES WITH U.N. AGENCY

(By David Binder)

WASHINGTON, Nov. 2.—The United States will notify the International Labor Organization this week that it intends to withdraw from the 124-member United Nations body, according to high-ranking Administration officials.

The decision was made after study of a long accumulation of American grievances, including I.L.O. acceptance last June of an observer from the Palestine Liberation Organization.

The notice of intention to withdraw has a two-year duration under the I.L.O.'s rules, the Administration officials pointed out. The United States intends to use the interval to try to persuade the I.L.O. to revise some of the practices it feels are against American interest.

It was not clear how the notice of withdrawal would affect American Financial contributions to the Geneva-based organization.

HEAVY SUPPORT IN PAST

In recent years the United States has contributed about a quarter of the I.L.O.'s $50 million annual budget and has also contributed heavily to the organization's technical assistance programs for less developed countries.

There have been occasions when the United States withheld payments. Five years ago the House voted a limited cutoff of funds for the I.L.O. because of objections by American labor organizations, which saw it as "a stage for Communist propaganda."

According to an I.L.O. spokesman the United States is still $1.2 million in arrears on payment from the 1970–71 period.

In describing the latest distress with the I.L.O. Administration officials noted that the United States had never had an easy relationship with the group from the time of its inception after World War I.

The I.L.O. was formed with the active participation of Samuel Gompers of the American Federation of Labor in accordance with Article 19 of the Versailles peace treaty.

CONGRESS WAS OPPOSED

But Congress opposed American membership because of its reluctance to cede treaty-making powers to the international body. The United States did not join until 1934, when President Franklin D. Roosevelt determined that I.L.O. membership would assist his domestic campaign for social welfare legislation.

However, Congress prevented the United States from acceding to most of the I.L.O.'s international conventions, approving only those related to maritime I.L.O. fared better with Democratic administrations Republican ones.

It never found favor with American business organizations and in the early 1960's the National Association of Manufacturers withdrew from the customary representation in the I.L.O., which has delegations for each country that involve Government, employers and labor.

This left the only substantial American support for continued participation in the I.L.O. in organized labor, and this support has dwindled steadly.

The A.F.L.-C.I.O.'s leader, George Meany, objected strongly to the participation of Soviet employer-labor delegations in the I.L.O. after the Soviet Union entered the organization in 1954.

"A DOUBLE STANDARD"

More recently, the Administration as well as American organized labor have objected to what one official described as "a double standard" on human rights issues, in which countries like Chile or Tanzania were subjected to official I.L.O. condemnations, while East European countries were exempted.

Finally, the Administration objected to what it considered "flagrant violations" of I.L.O. statutes by the organization's leadership at the annual conference in Geneva.

When I.L.O. delegates voted 246 to 35 to admit a Palestinian observer at the meeting on June 12 in Geneva, the American trade union representatives walked out.

Afterward, American trade union representatives asked the Administration and the Congress to take another look at the I.L.O. and determine whether it was in the American interest to remain.

This prompted the interdepartmental study conducted by Labor Secretary John T. Dunlop, which was concluded last week.

The threat of American withdrawal had been rumored in international labor circles for more than a week, officials noted, and Western European governments and trade union federations have been telling American representatives that it would be regrettable if the United States were to quit the I.L.O.

Mr. HUMPHREY. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, we have to place this amendment that was sent to the desk at a different location in the bill. We should put it on page 9 at the end of line 21 and it will be known as subsection (b).

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. HUMPHREY. And page 8, line 12, where it says, "Sec. 203," there should be an (a).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on behalf of Senator HATFIELD, let me call up his amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask that further reading of this amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On p. 13, lines 7 and 8, strike the following, "(as adjusted to reflect that country's annual rate of inflation)"

On p. 13, line 18, after "Bank" insert the following, "for its most recent annual report"

Mr. HUMPHREY. Mr. President, yesterday in the Hatfield amendment when the per capita income figure of $250 was used, it said that that figure would be determined by what the U.S. Treasury requires of the World Bank in terms of per capita figures of the developing countries. This amendment merely says the latest figures of the World Bank. So we do not have a lot of old figures that may be meaningless. We wanted to be more precise. I think once we put any criteria in the bill, we want to be sure that we are up to date. Senator HATFIELD asked that this be brought in so that his amendment would not be in any way confusing.

I hope that my colleagues understand what this is about. This is no substantive change whatsoever. It merely updates the language of the bill.

For example, it puts the word in "The President is authorized and directed to make use of data developed by the World Bank for their 1975 annual report." So we are not using World Bank figures of 1971 or 1974, but the 1975 report,

Mr. CLARK. Will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. CLARK. I have a couple of questions. If the new report comes in, a later report, let us say, for a new year, and we find that Egypt, which is now listed by the World Bank figures at $250, is then listed at $260 or $275, that means that they go off the list. Is that correct?

Mr. HUMPHREY. That is correct. Of course, there is the waiver provision in the law, but under the terms without waiver the Senator is correct.

Mr. CLARK. I thank the Senator.

Mr. HUMPHREY. Mr. President, it is perfectly obvious that since we are legislating in the year 1975, the most recent report would be the annual 1975 report. But what we are asking for here, so that the colloquy may be clear, is Senator HATFIELD changed his amendment so that it would read "The President is authorized and directed to make use of data developed by the World Bank for its most recent annual report."

I interpret that, obviously, as the 1975 report. But anyway the language is the most recent annual report. This gets at the question that has been propounded by the Senator from Iowa (Mr. CLARK). In other words, as we go along there may be another report that comes in that is more recent. So we take the most recent data.

Mr. CASE. For each particular purpose at each particular time the then most recent annual report.

Mr. HUMPHREY. That is correct. It means that countries might be dropped off if they exceed $250 per capita. That is the way to keep the amendment up to date.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a list of countries and their per capita GNP figures, which relate to the amendment offered by Senator HATFIELD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COUNTRIES WITH PER CAPITA G.N.P. OF $250 OR LESS

Afghanistan (90)
Bangladesh (70)
Bhutan (80)
Bolivia (230)
Botswana (240)
British Solomon Islands (210)
Burma (90)
Burundi (70)
Cambodia (110)
Cameroon (220)
Cape Verde Islands (240)
Central African Republic (170)
Chad (70)
China, People's Republic of (170)
Comoro Islands (150)
Dahomey (110)
Egypt (250)
Equatorial Guinea (250)
Ethiopia (90)
Gambia, The (120)
Guinea (100)
Guinea-Bissau (230)
Haiti (120)
India (120)
Indonesia (100)
Kenya (180)
Laos (70)
Lesotho (120)
Macao (160)
Malagasy Republic (140)
Malawi (110)
Maldive Islands (100)
Mali (70)
Mauritania (190)
Nepal (90)
Niger (90)
Nigeria (170)
Pakistan (150)
Portuguese Timor (120)
Rwanda (70)
Sierra Leone (190)
Sikkim (180)
Somalia (90)
Sri Lanka (110)
Sudan (130)
Tanzania (120)
Thailand (240)
Togo (170)
Uganda (140)
Upper Volta (70)
Vietnam, Dem. Rep. of (160)
Vietnam (South) (160)
Western Samoa (200)
Yemen, Arab Rep. (100)
Yemen, People's Rep. (110)
Zaire (90)

NOTE: All figures are taken from the World Bank Annual Report of 1975, with the exception of those for Cape Verde Island, China (People's Republic of), Comoro Islands, Bhutan, British Solomon Islands, Guinea-Bissau, Macao, Maldive Islands, Portuguese Timor, Sikkim, and Vietnam (Dem. Rep. of), which are from the 1974 World Bank Atlas. These are the latest figures available at the date. Allocations for fiscal year 1976 are to be made on the basis of this list.

The PRESIDING OFFICER (Mr. CULVER). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CASE. I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HARRY F. BYRD, JR. May I ask the Senator from Minnesota the total authorization in this bill as amended by the Church amendment, What is the total?

Mr. HUMPHREY. I think it is about $1,575,000,000, or something like that. It is $1,592,000,000. In other words, the Senator may recall 2 days ago the figure looked like it would be about $1,600,000,000-some. We have made some reduction since then.

Mr. HARRY F. BYRD, JR. The Church amendment did not bring the total down to $1,375,000,000?

Mr. HUMPHREY. The Church amendment did that when we got rid of the reflows. The Senator may recall the debate that he and I had as to what the exact figures were in the bill. I am trying to be an honest man with the Senator now and simply saying that the figures that were covered by reflow, which were not included in the overall budget estimates, are now put back in the bill as the budget line items that would not be covered now by reflows but would have to be covered out of the appropriation process.

Mr. HARRY F. BYRD, JR. But I am trying to get clear in my mind the total authorization for fiscal 1976. It would not be the $1,325,000,000, which is on page 1 of the committee report, but it would be $1,592,000,000?

Mr. HUMPHREY. $1,529,000,000 is the figure, as the bill is now amended.

Mr. HARRY F. BYRD, JR. That is for fiscal 1976?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. How much for fiscal 1977?

Mr. HUMPHREY. For fiscal 1977 it would be substantially less because of the amendment of the distinguished Senator from Virginia. We took out $219 million, as I recall. Those were the fiscal 1977 funds for the international organizations. So we would actually have about $1,313,000,000. That is compared to $1,881,000,000 that was estimated for fiscal 1977 when we were using reflows.

Mr. HARRY F. BYRD, JR. What was the figure?

Mr. HUMPHREY. $1,881,000,000 for fiscal 1977 when we were using reflows.

Mr. HARRY F. BYRD, JR. Now, one other question. On page 33, the bill has this language:

> It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.

What does that mean?

Mr. HUMPHREY. That means only within the funds that are in the bill. It does not mean that we add any additional funds, but if there is a way that the President can find that funds authorized in this bill and subsequently appropriated pursuant to that authorization can be used in a multilateral organization, in other words, where several countries can work together, as we do in the international agricultural development fund, he should work in that fashion—in other words, get more countries to help and do it all ourselves.

Mr. HARRY F. BYRD, JR. It says "the President should increase." Presumably that means additional U.S. funds.

Mr. HUMPHREY. Yes; but it is simply more or less an exhortation. There are those who have strong feelings about the United Nations, and this is, in the parlance of a meeting that the Senator and I might attend, an invocation. It is not the meat and potatoes or the main speech.

Mr. HARRY F. BYRD, JR. the Senator from Virginia takes the view that this administration does not need—that no administration needs much encouragement to make foreign loans.

Mr. HUMPHREY. The only purpose here is that there are some Senators who believe we ought to make our foreign assistance loans bilateral, the United States to country A or country B. There are other Senators who believe, and there seems to be a majority of them, at least on the Senate Foreign Relations Committee and the House International Relations Committee, that we should try to use what funds we do make available, as much as possible, through the multilateral organizations, where we get other countries to participate as well as ourselves.

I want to make clear that it does not

add a single dime to the bill, or mean that we will ask any more. It simply means that with what funds are there, wherever possible, if the President deems it in our national interest to work with other countries, using the same amount of money, that we would exhort the President to do so.

Mr. HARRY F. BYRD, JR. I thank the Senator. I have several other questions, but I will delay those questions temporarily.

Mr. HUMPHREY. I want the Senator to know that the President is strictly limited by specific authorization and appropriate actions. We can give the President a pat on the back and a pep talk, and urge him to do certain things, but only within the framework of authorizations and ultimate appropriations made under this act.

The Senator from Virginia has already made a substantial contribution to this bill by substantially reducing it, as I pointed out a moment ago.

Mr. HARRY F. BYRD, JR. I thank the Senator for that comment. I must say that the Senator from Virginia does not relish supporting language which says "The President should increase."

Mr. HUMPHREY. I understand; but let us get the colloquy clear, so that we understand each other. We are not saying that the President should increase the funds; we are simply saying that wherever possible, he should increase our participation, within the specific limits prescribed in this legislation.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. HUMPHREY. The Senator from Virginia is most helpful. He clarifies my mind as well as that of the Senate.

Mr. HARRY F. BYRD, JR. I thank the Senator for those comments.

Mr. CASE. Mr. President, at an appropriate time, I have a few pearls to drop.

Mr. HUMPHREY. I yield to the Senator from New Jersey.

Mr. CASE. From my time on the bill, Mr. President.

First, I wish to call attention to section 661 of the law, to which the bill adds subsection (b), which I think is extremely important. An amendment was offered by me in the committee and adopted shortly before the committee approved the foreign assistance bill.

That occurred the day after the Defense Department had notified Congress of a $1.450 billion contract proposal to build base facilities for the Saudi Arabian Army. This amendment had been in the discussion stage since it was disclosed earlier this year that an American firm, the Vinnell Corp., had been given a contract to help train the Saudi Arabian National Guard. Saudi Arabia, in the past, has denied entry visas for persons of the Jewish faith. This amendment, unanimously adopted by the committee and included in the bill as it stands, applies to a section of the Foreign Assistance Act which allows the Government to provide assistance to other countries on a cash basis, and it applies also to Americans hired to implement sales under the Foreign Military Sales Act.

It says:

> *The President shall not take into account, in assigning officers and employees of the United States to serve in any foreign country, the race, religion, national origin, or sex of any such officer or employee.*

It goes on to say that:

> *Such assignments shall be made solely on the basis of ability and relevant experience.*

And, in another section, it warns that:

> *no assistance may be provided under this Act or sales made under the Foreign Military Sales Act to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out the provisions of this Act or the Foreign Military Sales Act, on the basis of the race, religion, national origin, or sex of such officer or employee.*

Obviously, the purpose of the amendment is to make sure that our Government does not discriminate against our own citizens in deciding who will be hired to work on the contract. It would be unconscionable, obviously, for our Government to acquiesce in discriminatory attitudes by other governments against our citizens. If they insist on barring some of our citizens because of their religion or race, they should not benefit from our technical help.

I wish to underscore the importance of this amendment, this addition to the law which is included in our bill. I would point out that the chairman of our subcommitte, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New York (Mr. JAVITS), also a member of our committee, joined me as cosponsors of this provision.

Mr. JAVITS. Mr. President, I wish to express my accord with the statement of the Senator from New Jersey on this particular proposition, which has been a source of embarrassment for the United States before, considering the strict view of our country as expressed in the Constitution and our laws on this subject; and I would like to join in the expressions which the Senator from New Jersey has made.

Also, Mr. President, at the same time I point out that not only is the effort to really introduce racial, ethnic, and religious discrimination pursued in this way, which this amendment will have a great deal to do with exorcising, but it is also still continuing to be promoted in the boycott practices of members of the Arab League, through efforts, directly or indirectly, because of the vast amount of money which now goes to the OPEC countries, to get businessmen to participate in the boycott, as they seek to do business everywhere in the Middle East, both in Israel and the Arab states; and we remember the flurry which took place respecting a banking firm some members of which may have been Jewish, in London and in the United States, here very recently.

We have some laws on the books requiring American business concerns apprised of these activities to give notice to the Department of Commerce. Senator WILLIAMS and I have sponsored such a law. There is being considered other restrictions on this matter which will better enable us to come abreast of boycott practices.

I rise today simply to reiterate the policy of our Government which is clearly expressed in the Export Control Act and to hope that American business firms will see beyond the ends of their noses on this subject and will cooperate. Those that have taken strong and forthright positions have generally suffered very little damage even in the Arab world. It is those who have turned tail and run who have been hurt, have hurt their country, and have hurt the cause of freedom throughout the world.

I also address this appeal to the Arab States who may be involved. This boycott business has not worked. It cannot work because it runs against the great current of feeling in modern times. It is so reprehensible to people of decency and honor. Therefore, the efforts to ensnare Americans and American firms in it on alleged grounds of self-interest will not work and will only embarrass both the participants. The time for that has gone. President Sadat, who addresses the joint session of Congress today, has signaled for the Arab world a way to peace, without remotely compromising any policy or principle which responsible Arab leaders can espouse in the interest of peace and in the interest of a tranquil Middle East. Therefore, the efforts to perpetuate the boycott idea should be abandoned. I hope very much that in the very same spirit in which Senator CASE, joined by others of us, has offered these amendments that both our Arab friends—and I call them that advisedly—and the American business community, which is concerned, should comply with the letter and the spirit of American law to see that, first, they in no way lend themselves to the Arab boycott, which is shortsighted, out of date, and very regressive and self-defeating; second, that the Arab countries should also espouse a more modern, a more constructive line, and abandon activities which are so contrary to everything which the United Nations, our country, many other countries, and they themselves should stand for.

I thank our colleague for his initiative in this regard.

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE PEACE CORPS ACT

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6334.

The PRESIDING OFFICER (Mr. CULVER) laid before the Senate a message from the House of Representatives announcing its action on an amendment of the Senate to House bill 6334, which was read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the bill (H.R. 6334) entitled "An Act to amend further the Peace Corps Act", and concur therein with the following amendment:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 6. Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "$75" and inserting in lieu thereof "$125.".

Mr. JAVITS. Mr. President, during committee consideration of H.R. 6334, the House-passed Peace Corps Act extension legislation, I offered an amendment to provide for a contingent increase in the end-of-service allowances for both the Peace Corps program and the VISTA program—from $75 per month to $125 per month for Peace Corps volunteers, and from $50 per month to $75 per month for VISTA volunteers.

My amendment, which my good friend and colleague ALAN CRANSTON joined me in sponsoring, was substantially the same as legislation which Senator CRANSTON had introduced last May 20—S. 1789—and which I cosponsored at that time. In addition to providing for these needed increases, our amendment contained a unique mechanism for the protection of the volunteer strengths of these two programs; it provided that the allowance increases would be effective only to the extent of, and in the amount of, funds specifically provided for in the respective Appropriations Acts for that purpose. In this way, if either program failed to receive full funding, the ACTION Agency would be prohibited from borrowing from program funds to pay for the increases in allowances, and, concomitantly, funds intended for allowance increases could not be used to increase program strength.

Most graciously, Mr. President, the other body has agreed to accept the Senate amendment providing for the contingent increase in the VISTA stipend. We are very grateful for that spirit of compromise. The House committee, however, preferred not to provide such a separate authorization of appropriations and contingency provision for the Peace Corps increase, since the House-passed bill already included an increased authorization of appropriation for fiscal year 1976 to allow for the full increase authorized for the readjustment allowance. The Senate committee agreed to abide by the wishes of our colleagues in the other body on this point in order to reach an accord on this bill, but we did so with some clear intentions, yet, Mr. President, I stress that the Peace Corps appropriation for fiscal year 1976 should not be used to provide for any increase in the Peace Corps readjustment allowance unless funds are appropriated above the $80,826,000 figure which the administration requested, and both committees approved, to maintain program strength. As to future years, Mr. President, I intend to do what I can about the committee report language that provides congressional direction with respect to what should be the Peace Corps volunteer and trainee strength each year, so that funds intended for allowance increases will not be used to increase program strength, and vice versa.

Aside from these mechanics, Mr. President, I must say that I am pleased that these increases in the maximum end-of-service allowance rates for both programs are included in the bill as agreed to by the other body, and I am most grateful for the excellent cooperation of the Committee on International Relations. These allowances are intended to be used by the volunteers at the completion of their service to help them in the transition to other endeavors and have always been paid at the maximum level in both programs. In the 14 years since the establishment of the Peace Corps, and in the 10 years since the establishment of VISTA, the Consumer Price Index has risen more than 75 percent. There has never been a rise in the statutory maximum for the end-of-service allowance for either program. It is high time we in the Congress do something to rectify this situation.

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

Mr. HUMPHREY. Mr. President, the amendment corrects an error that was in the original bill, and it will adjust the Peace Corps readjustment allowances and stipends. Now the two Houses have been able to reconcile their differences.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, there do not seem to be any further amendments on this bill. We have inquired. I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the vote occur at 20 minutes to 12.

The PRESIDING OFFICER. And that rule XII be waived?

Mr. HUMPHREY. And that rule XII be waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 9005

MR. MAGNUSON. Mr. President, I am very pleased to note that the foreign assistance bill, H.R. 9005, under consideration today, incorporates a new concept of "self-help" as a guide for future American foreign aid programs. Section 208A of the bill reported by the Senate Foreign Relations Committee mandates the President to establish appropriate criteria, including land reforms, self-sufficiency in food production, reduction of infant mortality, and population growth control, in judging the effectiveness of U.S. bilateral assistance programs. The President is required to measure progress by aid-receiving nations toward the above-mentioned goals and to concentrate American aid on those countries which demonstrate their will to help themselves in these areas. It also requires the President to attempt to bring about the use of similar standards by the World Bank and other international organizations through which the U.S. channels portions of its foreign aid.

Section 208A is in complete conformity with the major thrust of H.R. 9005 to focus U.S. aid on the world's poorest peoples and nations. For the first time Congress will have established guidelines to assure that our country's foreign aid program is really accomplishing its stated humanitarian goals. With these specific criteria by which to administer our foreign economic assistance program, I am confident that it will receive the support of the people of the recipient countries, because it truly improves their welfare, and the support of the American public because it combines U.S. humanitarian concerns with hard Yankee pragmatism.

I strongly supported the inclusion of this important feature in the Senate bill and hope that the House conferees will join the Senate in accepting it.

Mr. HRUSKA. Mr. President, once again we are being asked to give our approval to yet another foreign aid bill. This bill, H.R. 9005, containing a 2-year authorization of some $3.5 billion, has been praised by many for what has been termed its "new directions." It is unfortunate that these new directions, if indeed they do represent new progress, were not mandated years ago before the Congress spent nearly $200 billion on a foreign aid program that proved ineffective, mismanaged, and self-defeating.

Now, after 30 years of experience, at a cost of almost $800 for each man, woman, and child in the United States, we are being told that the program has been reconstituted so that at some point in the future it will be successful.

Mr. President, this piece of good news has come too late to alter the basic fact that America can no longer afford such luxuries as foreign aid.

I intend to cast my vote against this bill but not because I believe that it is totally a bad bill. It is not. It has its laudable provisions.

The Agriculture and Forestry Committee has added a number of needed amendments to title II. Commodity assistance programs were originally established for humanitarian purposes and to help distribute our vast surpluses of agricultural commodities. Now that the farmer is producing for and selling in a world market, he must have some protection from depressed prices that could result from governmental food giveaway programs. The committee has considered this by providing an addition to the policy statement that recognizes the effect on the farmer of our foreign aid policy. It also tightened the circumstances under which a receiving country can resell title II commodities. Provision is made to increase foreign sales of processed American grain and protein-fortified foods so that the American people can reap more of the add-on value of the final food product. All these amendments should benefit the American farmer, worker, and consumer.

The committee wisely reduced the requirement that 80 percent of Public Law 480 food aid go to "most seriously affected" nations. A more realistic figure of 70 percent was substituted. It also authorizes the President, rather than the United Nations, to determine which countries are most seriously affected. These were both astute amendments. The President will have greater flexibility to determine which countries receive food, and he will not be bound to send all the food assistance to a few countries.

Thus from the viewpoint of a farm-State Senator it is possible to support this bill. That I do not do so reflects my feelings that we in the Congress have reached the point where we can no longer vote for such a massive spending bill simply because it contains some provision we find favorable. That practice has been responsible for a large part of the fiscal problems in which the Federal Government now finds itself enmeshed.

Mr. President, the plain fact of the matter is that our Nation is spending at a rate that is dangerous to the national security of this and future generations of Americans. To avert a future financial disaster we must start today to reduce spending, reduce our staggering debt, and reorder our priorities.

As the elected representatives of the American people we have an obligation, a constitutional duty, to protect their general welfare. Therefore, how in good conscience can we vote an additional $3.5 billion for foreign aid in the face of our many serious and unresolved domestic problems? Inflation continues to be a major issue, reasonably priced housing is unavailable, unemployment levels are high, institutions of higher education are short of much-needed funds, the energy crisis is unresolved, the crime rate remains high, our defense programs are falling behind those of the Soviet Union, and yet the Congress is about to spend more dollars on programs whose sole effect upon the U.S. taxpayer is to increase the staggering burden of debt which he must carry.

No doubt some will argue that we are failing in a moral obligation to provide assistance to the people of the less-developed nations. The record, however, speaks for itself. Since the very dawn of civilization, no people have been as generous as Americans toward their fellowmen. There is, however, little evidence to show that this unparalleled giveaway of American assets has significantly upgraded the life of those whom we sought to aid. It is too late to start this program over again.

We as a nation now stand at the crossroads of our history. There are many important decisions to be made which will vitally affect our future and thus that of free men everywhere.

One decision which simply must be made is to start putting American interests first. If we fail to do this and continue to follow wornout concepts, and spend money that we do not have, and ignore our own growing domestic problems the day will soon come when our great Nation will be but a fascinating footnote in history.

If that day should come, it will be most interesting to see which, if any, of the nations we have helped will provide assistance to us.

Mr. JAVITS. Mr. President, in section 215 of H.R. 9005, section 406 of Public Law 480 is amended to transfer responsibility to the President to establish and administer a farmer-to-farmer exchange program.

The amending language, in addition to vesting the President with responsibility for administering this program, struck the specific reference to the Peace Corps as an agency which might carry out aspects of such a program.

Now, it is my understanding that the only reason why specific reference to the Peace Corps was struck was to leave the President greater flexibility in assigning the activities of this program. It was in no way intended to imply that the Peace Corps should not be involved in this program. In fact, the Peace Corps is already conducting related activities. Is it then your interpretation that the amendment was in no way intended to exclude the Peace Corps from participation in the farmer-to-farmer program, provided for under section 406 of Public Law 480?

Mr. HUMPHREY. That is my understanding. The committee did not intend to exclude the participation of the Peace Corps in this program.

ECONOMIC DEVELOPMENT AND POPULATION PLANNING

Mr. TAFT. Mr. President, the legislation now before the Senate puts a number of priorities in the U.S. foreign assistance program where it deserves to be: On self-help programs designed to increase food production, to accelerate the decline in birth rates that is now becoming evident in many countries, and to reach the rural poor who constitute about 80 percent of the population in most developing countries. The bill also provides that U.S. surplus food should be available primarily to those nations which have been most severely affected by the food shortages and inability in purchase of food on the international market.

The thrust of the program is summarized in the following words:

> ". . . greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

I am particularly pleased by the strong emphasis that is placed on population planning. This bill clearly recognizes, in a number of different places, that progress in reducing the rates of population growth must go hand in hand with progress in food production if the developing countries are to meet their food needs in particular and to achieve other development goals in general. The bill calls for low cost integrated delivery systems to provide health and family planning services especially to the rural areas and to the poorest sector using paramedical and other local workers. This means that health workers who provide other services should include family planning in their work and similarly family planning workers can assist families in dealing with simple nutrition and health problems.

This bill continues the procedure adopted by the Congress when AID was first spurred by the Congress into support of population planning; that is, a specific figure or percentage is clearly designated for population planning either in separate programs or as an element of health programs so that recipient governments will recognize that funds provided by the U.S. Congress for this long-term purpose cannot be deflected to more immediate or political objectives but must be used for population programs. The Senate bill authorizes about $163 million for population assistance in fiscal year 1976 and $184 for fiscal year 1977. If these funds are appropriated, they should help to meet the serious shortfall that has occurred in the last two years, when more and more countries have expanded or initiated family planning programs while U.S. assistance was cut back.

Clearly, if the populations of developing countries double by the end of this century and then double again thereafter, it will be impossible to meet even minimal needs for food and other necessities of life. Clearly, also, it is important for the United States and AID to continue the present outstanding record of leadership and support to developing countries in this field. At the same time, it is also important that the governments of these nations be encouraged to do more themselves and to give an even higher priority to population planning programs in the context of overall development.

The appointment of Ambassador Marshall Green, a senior diplomat who formerly served as Assistant Secretary of State for East Asia and the Pacific and as Ambassador to Indonesia and Australia, as Coordinator for Population is a welcome sign that the State Department as well as AID is giving high priority to this issue. In this legislation, the Congress is also urging a high priority and strong "go-ahead" for this work.

HUMAN RIGHTS

Mr. CRANSTON. Mr. President, I joined Senators McGovern and Abourezk in proposing the human rights amendment adopted yesterday to the International Development and Food Assistance Act of 1975.

Much to my regret, I could not be present for the floor discussion of the amendment because I was tied up in a markup session of the Budget Committee.

The intent of the amendment, and some of its language, are the same as the Harkin amendment which the House of Representatives adopted by a substantial margin in early September. There is an important procedural change, however, which would allow Congress to require a determination of human rights violations or to obtain assurances that the economic assistance is directly benefiting the people of the recipient country—rather than waiting for the executive branch to initiate action on its own.

In brief, the amendment would deny assistance to any country engaging in a consistent pattern of gross violations of internationally recognized human rights—unless such assistance directly benefits the people in such country. The Committee on Foreign Relations of the Senate or the Committee on International Relations of the House can require, in determining whether these standards are being met, that the administrator of the aid program submit in writing information demonstrating either that the government of a particular country is not engaging in a consistent pattern of gross violations, or that the aid programs are reaching those in need in such country. Following this step, either committee or either House of Congress—if it does not agree with the administrator's report—can initiate action to end assistance to any country by a concurrent resolution.

Mr. President, I believe this amendment is superior to the language in the committee bill. The latter would ostensibly put the initiative with Congress rather than the Executive for determining which countries need strings attached to economic aid.

This would save the State Department the "embarrassment" of singling out individual countries as violators of human rights by providing for a simple resolution by the House or Senate indicating concern over human rights denials in a particular country. Then, the administrator of AID would be required to transmit to the two committees a detailed description of how assistance could be provided in a manner which would accomplish development purposes without contributing to "the perpetuation of practices inimical to human rights."

Of course, I assume that one House of Congress might pass, every now and then, a resolution of concern relating to a particular country—an easy way to "blow off steam." But I do not assume this will make any difference to the administration. They will simply feed back assurances as to how the aid is fulfilling its purpose without perpetuating bad things. The only recourse for Congress will then be to cut off or cut back economic aid to a particular country the following year—to show its displeasure. But it should be able to act without any such delay.

The requirements of our amendment are modest, but they promise to be effective. There is no desire to terminate economic aid to all countries which do not measure up to the American ideal of political freedom. But Congress ought to look hard at the impact of aid to countries which engage persistently in gross violations of human rights. The amendment specifies such examples as torture, cruel and inhuman treatment, and flagrant denials of the rights to life, liberty, and the security of person—which are included in the Harkin amendment adopted in the House.

Even if there are human rights violations, however, there would be no automatic termination of aid. Assistance may continue if the appropriate committees and Congress are satisfied that American assistance is going directly to deserving people in the country involved.

Of course, Congress already has the power to terminate aid to any country at any time, through the concurrent resolution procdure in section 617 of the Foreign Assistance Act. If that procedure is to be used, it is desirable to establish in advance the specific reason why Congress might cut off aid—as this amendment provides. But let me stress, Mr. President, that the initiative does not reside solely with the committees under this amendment. Any Member of Congress may introduce a concurrent resolution to terminate assistance to a specific country.

Let me state for the record once again why I consider it necessary to offer human rights amendments to foreign aid bills. It is true that we in this country cannot halt all the world's inhumanity. But it does not follow that Americans can pose as being detached from outrages against humanity—in terms either of our responsibility or of our ability to help. We simply cannot ignore the all-too-frequent press reports of brutal political repression in Chile or Korea or Brazil or Ethiopia—to name a few. We have to hold up some standards. If we are not true to ourselves, to our Nation's historic ideals, then what do we stand for and represent? Without a sense of our own identity, we cannot mean much to the world by way of leadership and example. Our attitudes can make a difference.

As Anthony Lewis recently expressed it so eloquently:

> We cannot remove totalitarian regimes, but we can shame them.

I ask unanimous consent, Mr. President, that his article in the October 2 New York Times be entered in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Oct. 2, 1975]

For Which We Stand: II

(By Anthony Lewis)

Boston, October 1.—When Americans hear about repression in another country, about concentration camps and torture, our concern is often limited by a sense of distance from the horror. After all, what has it to do with us? In any case, what can we be expected to do about it? There are so many wrongs in the world. . . .

It is true enough that the United States cannot right all the world's inhumanity. Recent history permits no confidence in visions of global American benevolence. But it does not follow that we can feel detached from particular outrages to human rights, in terms either of responsibility or of the ability to help.

The reasons we cannot escape involvement are indicated by the example—the acute example—of Chile. It is two years now since the Allende Government was overthrown. The killing and torture and mass arrests that followed might have been thought a transitional phenomenon. But by all accounts, the military junta that governs Chile has institutionalized repression.

The junta admits that it has 5,000 political prisoners now; others say there are twice that many. By official count, 40,000 persons have been held in detention camps altogether since the coup; sources in the Catholic Church put the figure at 100,000—one in a hundred Chileans. The equivalent in this country would be two million political prisoners.

Torture has been widely used by the secret police and military. There are numerous verified reports, so gruesome in detail that one shrinks from description. An unknown number, probably thousands, have been killed.

Why does the terror go on without end in Chile? Part of the answer may be beyond reason, the paranoid character that right-wing military regimes assume. The Economist of London, a most conservative paper, said recently that such dictatorships tend toward "senseless, undirected, confused brutality."

But the repression may also be related to an economic policy that could not be imposed on a free society. Consumer prices rose 370 per cent in the junta's first year, and inflation is still running at about that rate—225 per cent from January to August this year. Unemployment is around 20 per cent. Industrial production fell 20 per cent in the first six months of 1975. The real income of lower-income families has been cut in half in two years.

What has it all to do with us? Why should we feel any connection with the cruelty and misery in Chile?

The first inescapable reason is that we share responsibility for bringing about the situation that exists. The Central Intelligence Agency, under orders of the Nixon White

House, worked to destabilize Allende's legitimate government by helping opposition forces. Overtly, the United States cut off financial aide to Chile at a time when the result was devastating to her stability.

Even beyond the official connection there are areas of American responsibility. A very interesting one is economic. The Chilean junta's economic policy is based on the ideas of Milton Friedman, the conservative American economist, and his Chicago School. Friedman himself has visited Santiago and is believed to have suggested the junta's draconian program to end inflation.

The policy, in keeping with the Chicago School's theories, is to cut public expenditure, curb monetary expansion and sell off publicly owned facilities. If there is a growing disparity between the incomes of rich and poor, that would in the Friedman view have the desirable effect of increasing investment and eventual economic growth.

Of course, any political or economic theory may be perverted from what its framers intended. But if the pure Chicago economic theory can be carried out in Chile only at the price of repression, should its authors feel some responsibility? There are troubling questions here about the social role of academics.

American universities should feel particular concern about Chile because academic life there has been so decimated. Just two months ago the junta expelled seventy faculty members from the University of Chile and the Catholic University, many of them with degrees from the United States. Some were arrested.

In fact, many American institutions have been concerned and helpful. For example, pressure from deans of medical schools has helped some Chilean doctors get out of prison, though not all, and invitations to lecture in American universities have led to the release of some former officials.

American attitudes do make a difference—an enormous one. We cannot remove totalitarian regimes, but we can shame them. And we can help their victims. All of which makes it depressing that the reaction of the United States Government to official terror, in Chile and elsewhere, so often appears to be a studied indifference. The attitude was exemplified by Secretary of State Kissinger's famous remark when he heard that Ambassador David Popper was cautioning Chile's junta about the repression: "Tell Popper to cut out the political science lectures."

Mr. CRANSTON. In conclusion, Mr. President, I would draw the attention of the Senate to the provisions of section 502B of the Foreign Assistance Act passed last year. It reads:

SECURITY ASSISTANCE AND HUMAN RIGHTS

Sec. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 502B. *Human Rights.*—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

"(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

"(d) For purposes of this section, 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

In light of this wording, I find it difficult to understand why there are no statements by the President, in the security assistance program recently presented to Congress, detailing the "extraordinary circumstances" that warrant military assistance and other forms of aid to certain regimes. I might add, Mr. President, that despite numerous promises to me and my staff, no reports on the status of human rights in particular countries have been submitted by the State Department's Coordinator for Humanitarian Affairs.

At the proper time, thanks to the courtesy of Senator HUMPHREY, I intend to testify against military aid to certain regimes before the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee. I plan to offer legislation designed to severely limit military aid to those countries that use it to suppress their own people and/or that persist in blatant political persecution.

CONGRESSIONAL APPROVAL OF LONG-TERM AGREEMENTS

Mr. DOLE. Mr. President, a provision of great importance in the committee reported bill is section 214 of the bill. This is a new section which I authored as a committee amendment requiring the President to consult with the House and Senate Agriculture Committees prior to the completion of negotiations of long-term agreements involving or affecting any agricultural commodity and to report every 90 days on progress of those negotiations until completed, unless in case of a national emergency. This will provide congressional consideration of agreements such as the one recently negotiated with Russia providing at least 6 million tons of grain annually for 5 years. The merits of this agreement are questionable, since in addition to Russia agreeing to purchase a minimum of 6 million tons, the agreement limits purchases in excess of that amount to 2 million tons without further consultation with the U.S. Government. This effectively limits, or controls, if you will, Russia's purchases to 8 million tons annually.

Another question about the agreement is how much additional grain Russia will be allowed to purchase from now until October 1, 1976. An additional 7 million tons has been allowed for that period, but a greater need reportedly exists and the feed grain harvest currently underway indicates a more than adequate supply to sell additional quantities.

DE FACTO RESTRICTIONS

The problem, Mr. President, is that this agreement appears to have already lowered farm prices for these commodities since it represents a restriction on free sales to meet existing demands—something our farmers were assured would not happen as late as May 1, of this year. The grain agreement and the drop in prices took place just after many of them had planted for all-out production.

The language of section 214 was included as a result of the committee's desire to have a report by the executive branch on the negotiation of the Russian grain agreement and to receive a report every 90 days on its implementation.

This provision is not as strong as I would prefer, as I would have liked to assure our farmers of totally free access to world markets. When we have had an opportunity to see the impact of the recent Russian grain agreement over a longer period of time, we may find a need to strengthen section 214.

DISAPPOINTING RESPONSE

Mr. President, because of our concern about the impact of the Russian grain agreement and because of the decline in the market since the agreement was concluded, I compiled a list of questions based on the concerns of my colleagues, farm organizations, and myself, and submitted that list to the White House for answering. Unfortunately, the responses to those questions were disappointing.

The most striking aspect of the responses to our questions is that farm interests will clearly not be the primary consideration in the implementation of the grain agreement. The White House responses clearly state that decisions concerning the implementation of the Russian grain agreement will be initially considered by the Economic Policy Board/National Security Council Food Committee. Of the 13 agencies that are represented in the EPB/NSC Food Committee only one, the Department of Agriculture, is clearly responsible for watching after the interests of farmers—and this Senator would certainly not place unqualified or unlimited confidence in USDA's ability to adequately represent the interests of farmers. But the fact remains that in any decisionmaking or consideration in the EPB/NSC Food Committee, the one organization that might make any attempt to adequately represent farm interests would be outvoted 12 to 1 on grain export policy toward the Soviet Union. So that is the basis of our concern in including the language in section 214.

The organizational structure for policy setting on the Russian grain agreement and the composition of the EPB/NSC Food Committee is a strong indication that organizations such as the AFL–CIO or Longshoremen's Union or other labor unions that are only tangentially affected by grain export policy will have ample opportunity to interfere with grain exports and use grain export issues for their own purposes. This is a very serious concern of mine and I express my concern not because of any opposition to labor unions or opposition to their representing the needs of their members.

The concern of the Senator from Kansas is simply that the unfair and inequitable exploitation of the grain export issue by labor unions has cost farmers millions and millions of dollars of income which they will have no opportunity to recover.

The comparison is striking. Labor unions have a vast amount of power, a relatively large amount of income security with regular cost-of-living increases and salary increases.

Farmers, on the other hand, face an incredible amount of risk. When farm prices go up they almost invariably come down. They have no assurance of a cost-of-living increase except in the prices they pay. Farmers have no assurance of getting an increase in their income in coming years. The only assurance farmers have is that they face a tremendous amount of risk from hail storms, fire, insects, worms, and other natural disasters. They also have the assurance of rising prices for the materials they purchase and the likelihood of declining prices for their own products.

Now they have the assurance of additional risks that the Government will step in and destroy their market or that some labor union will block their source of a fair income.

This is why I find it so incredible that the one organization that might have any sense of responsibility for representing farm interests—the Department of Agriculture—is only one of the 13 organizations participating in grain export policymaking toward the Soviet Union.

So, Mr. President, we have included this language of section 214. It is not totally satisfactory but at some future date we may want to strengthen this language or even create new language that would allow us to better insure the adequate representation of farm interests in the formulation of grain export policy.

Mr. MUSKIE. Mr. President, H.R. 9005, the International Development and Food Assistance Act, authorizes $1.5 billion for foreign aid and development programs. In many ways, H.R. 9005 is sound legislation. It focuses on our humanitarian efforts to help needy people. It emphasizes the basic human needs of food, nutrition, and health care. And I intend to vote for it.

But, Mr. President, as chairman of the Budget Committee, I must point out that if fully funded this bill will most certainly cause the functional budget targets for this category to be breached. Taken in connection with the requirements which the Senate is now considering for the Middle East agreement, this authorization adds to the already great stress which is placed on budget function 150.

Since this is an authorization which is fully subject to the appropriations process, the Senate will have a further opportunity to consider the spending which this bill authorizes. Historical precedent suggests that the Appropriations Committee will examine this legislation thoroughly, and report on where cuts can be made in funding while preserving the essential priorities which the legislation establishes. I hope that will be the case because I must say that I have some doubts about the amount of this authorization.

Let me also say, Mr. President, that I am glad to note that the issue of "reflows" has been substantially resolved by discussions among my colleagues in connection with this bill. The congressional control of our Federal spending priorities requires that reflows and other such spending gimmicks which do not allow for the closest scrutiny of our actual spending be brought under control.

Mr. TUNNEY. Mr. President, yesterday, I joined with several colleagues in sponsoring an amendment, No. 960, to H.R. 9005, the fiscal year 1976 foreign assistance economic authorization bill which closely resembles an amendment introduced and accepted in the House version of this authorization by Congressman TOM HARKIN of Iowa. The effect of this amendment would be to prevent the administration from providing foreign economic assistance to countries which engage in gross violations of internationally recognized human rights unless the administration certifies that the assistance provided would be of direct aid to the people of that nation.

Last year the Congress adopted section 502(B) of the Foreign Assistance Act which essentially stated that it was the sense of the Congress that the President should substantially reduce or terminate American aid to countries that violated basic human rights. That section applied only to the provision of security assistance and did not have the impact of law.

I believe that in the spirit of this provision it was now time to extend section 502(B) to part I of the Foreign Assistance Act and make its terms effective as a matter of law. If we really believe that the aid which this country provides to other nations should have a moral dimension, then it was incumbent upon us to take an action that represented more than a shadow of what was really needed.

I want to stress that this amendment did not end aid to nondemocratic governments as such—only to governments that engage in violations of recognized human rights on a systematic basis. Nor would this act penalize the people of countries who are unfortunate enough to labor under the burden of a repressive regime. The language of this provision granted the administration the authority to provide humanitarian assistance notwithstanding this act if it certified in writing to the Congress that the assistance would directly benefit the people of that country, and if neither House disapproved of the action within 30 days.

Mr. President, those words were drafted to indicate the intention of the authors that such aid be designed to help suffering citizens of nations with repressive regimes in a positive, forthright manner—that is, in programs of a clear economic or humanitarian nature—as opposed to backdoor financing of the governments themselves through political or budgetary support.

Under this language disaster relief assistance, technical assistance or emergency food aid would not be effected even in the countries with repressive regimes if the President could justify those programs to the relevant committees of the Congress by reference to their direct benefit to the needy for whom the aid was intended.

I am sure there will be continuing opposition to this amendment from individuals who feel the Congress should not meddle in foreign affairs beyond the strict bounds of the "advice and consent" admonition of our Constitution. I, too, realize the limits of a body with 535 Members in arriving at a quick consensus on the direction of our foreign policy. Nevertheless, I believe it is our responsibility as the most immediately representative branch of our Government to establish the fundamental ethical underpinnings and boundaries within which our policy should be conducted.

All of us here have, over the past several years experienced the agony and dissension that issues from programs and policies which differ significantly from the philosophies this Nation purports to represent. If Vietnam has taught us one lesson, I hope that it is that nothing is to be gained in the long run by abandoning those principles for what may seem at the time to be important short-run advantages.

Mr. President, let us not ignore the fact that every government does not aspire to the principles which ours might; let us not hamstring the President in his conduct of our Nation's foreign policy; but let us continue to go on record loudly and clearly in this body as opposing in deed as well as in speech the repression that exists today in many nations around the world. Let us say to those countries: "We are willing to help you insofar as our aid improves the life of your people, but there will be no blank checks in support of your violations of human rights from the United States."

I commend my colleagues in the Senate for their support of this amendment. I also encourage the conferees to accept it in their reported version of H.R. 9005.

Mr. DOMENICI. Mr. President, it is my intention to discuss with my colleagues today the various reasons for which I feel I must oppose this piece of legislation, H.R. 9005.

First, I cannot support the overall cost of this bill. H.R. 9005 would authorize $1.6 billion to be spent in fiscal year 1976. This is $300 million over the President's budget request, $443 million over the authorization for fiscal year 1975, and almost $800 million over last year's appropriation.

Mr. President, I ask unanimous consent that a table from Senate Report No. 94–406, which shows each country and the amount and type of aid they will receive under this bill, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. ECONOMIC ASSISTANCE PROGRAMS PROPOSED BY THE EXECUTIVE BRANCH FOR FISCAL YEAR 1976

[In thousands of dollars]

	Economic assistance programs				
	Total economic assistance	AID	Peace Corps	Public Law 480	International narcotics control
Africa, total	$256,415	$169,700	$24,665	$63,850	
Botswana	2,773		814	1,959	
Burundi	960			960	
Cameroon	2,881	935	1,206	740	
Central African Republic	1,038	275	459	304	
Chad	1,184		334	850	
Congo	651			651	
Dahomey	998		704	294	
Ethiopia	20,973	18,755	1,095	1,123	
Gabon	1,218		671	547	
Gambia, The	429		176	253	
Ghana	16,825	13,440	1,805	1,580	
Guinea	5,686	605		5,081	
Ivory Coast	1,734		686	1,048	
Kenya	14,813	12,805	1,317	691	
Lesotho	2,524		358	2,166	
Liberia	5,774	2,359	2,976	439	
Malagasy Republic	262			3,362	
Malawi	290		142	148	
Mali	4,398	1,050	778	2,570	
Mauritania	3,708	700	184	2,824	
Mauritius	1,864		63	1,801	
Mozambique	3,400			3,400	
Niger	3,999	310	1,100	2,589	
Nigeria	3,223		148	3,075	
Portuguese territories	10,000	10,000			
Rwanda	955	230		725	
Senegal	3,153		839	2,314	
Seychelles	143		45	98	
Sierra Leone	4,092		2,324	1,768	
Sudan	4,574			4,574	
Swaziland	1,013		810	203	
Tanzania	26,032	15,790		8,942	
Togo	2,703	300	1,089	1,314	
Upper Volta	5,225	850	630	3,745	
Zaire	13,437	9,343	2,392	1,702	
Zambia	10			10	
Economic regional programs. Central West Africa and Sahel	41,225	41,225			
East Africa	1,055	1,055			
Southern Africa	16,883	16,833			
Africa regional	24,360	22,840	1,520		
Regional military costs					
East Asia and Pacific, total	362,016	124,140	13,482	206,969	$17,425
East Asia [5]	356,867	124,140	8,501	206,801	17,425
Burma	13,315				13,315
China (Taiwan)					
Indonesia	64,821	30,601		34,160	60
Korea	164,980	5,592	1,829	157,559	
Malaysia	2,905		2,670	235	
Philippines	44,418	31,996	2,183	10,129	110
Thailand	17,151	12,029	1,431		3,691
Economic regional programs	7,688	7,300	388		
Pacific	5,149		4,981	168	
British Solomon Islands	825		657	168	
Fiji	765		765		
Gilbert and Ellice Islands	82		82		
Micronesia	1,940		1,940		
Tonga	470		470		
Western Samoa	808		808		
Economic regional programs	259		259		
Latin America, total	394,947	258,200	15,955	111,944	8,848
Argentina	$80				$80
Barbados	35			$35	
Belize	307		$307		
Bolivia	28,338	$23,340		4,553	445
Brazil	4,383	900	1,651	1,642	190
Chile	83,693	22,895	842	59,786	170
Colombia	34,875	22,551	1,189	10,335	800
Costa Rica	8,444	6,465	1,193	729	57
Dominica	18			18	
Dominican Republic	18,509	12,750	713	5,046	
Ecuador	4,470		1,541	2,559	370
El Salvador	14,941	12,800	1,409	732	
Guatemala	20,661	15,446	1,099	4,116	
Guyana	3,803	3,675		128	
Haiti	14,839	9,049		5,790	
Honduras	25,413	17,167	744	7,502	
Jamaica	2,267	953	1,056	108	159
Mexico	6,500				6,500
Nicaragua	26,537	24,220	831	1,486	
Panama	23,781	22,678		1,103	
Paraguay	5,358	4,491	732	135	
Peru	26,372	20,174		6,112	86
Trinidad and Tobago	29			29	
Uruguay	566	566			
Venezuela	807		807		
Caribbean regional	11,538	10,764	774		
ROCAP/Central America	2,114	2,114			
Economic regional program	26,269	25,202	1,067		
Near East, South Asia, total	722,414	273,186	7,782	438,074	3,372
Afghanistan	14,559	11,742	967	1,850	
Algeria	2,119			2,119	
Bahrain	508	400	108		
Bangladesh	224,357	67,683		156,674	
Bhutan	100			100	
Cyprus [1]					
Egypt [1]					
Greece					
India	219,206	76,000	202	143,004	
Iran	1,457		1,457		
Israel [1]					
Jordan [1]					
Lebanon					
Malta	9,526	9,500	26		
Morocco	30,115	6,699	1,822	21,594	
Nepal	4,590	3,082	909	599	
Oman	293		293		
Pakistan	152,713	69,895		79,546	3,272
Portugal [1]					
Saudi Arabia					
Spain	3,000	3,000			
Sri Lanka	31,960	8,000		23,960	
Syria [1]					
Tunisia	9,675	2,727	945	6,003	
Turkey	1,325			1,325	
Yemen (YAR)	7,602	5,623	579	1,300	
Economic regional programs	9,309	8,835	374		100
Middle East special requirements [1]					
Other			[2] 19,650	[3] 511,144	[4] 12,855
U.S. contributions to international financial institutions, total	449,127				
International Development Association	375,000				
Asian Development Bank	74,127				
Paid-in capital	(24,127)				
Callable capital	(96,508)				
Special funds	(50,000)				

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[1] To be proposed later. The President has ordered a review of Middle East policy; subsequently, we will consider and propose country assistance levels and their composition.

[2] Includes $5,700,000 in worldwide support; $13,900,000 as Peace Corps share of ACTION support.

[3] Includes the following: Unallocated reserve, title I $300,500,000; emergency reserve, unallocated, title II $47,600 000; ocean freight $161,000,000; grants of title I currencies $2,000,000.

Includes international organizations, $5,000,000; training and support costs $7,300,000; treatment and rehabilitation $500,000.

[5] Includes funds originally programed for Laos.

Note: Totals may not add due to rounding.

Mr. DOMENICI. I would also point out, Mr. President, that in addition this $1.6 billion, President Ford has sent to Congress a proposal for $4.3 billion in foreign economic and military aid, which would bring the total bill for foreign aid for fiscal year 1976 to almost $6 billion. While we are attempting to control our own budget so as to strengthen our economy and bring confidence back to the American consumer, the amount contained in this bill is counterproductive.

The second reason I cannot support this legislation is because of the provisions for food and economic aid to nations which are members of the OPEC cartel. Since 1946, the members of OPEC have received over $8½ billion in aid from the United States. Seven of these oil-rich OPEC nations—Indonesia, Iran, Venezuela, Algeria, Ecuador, Nigeria, Saudi Arabia—currently owe the United States almost $2.7 billion in foreign assistance, Public Law 480 and Export-Import Bank loans. According to the Treasury Department, as of December 31, 1974, these same seven nations were over $47 million in arrears on loans and other credits due to U.S. Government.

Mr. President, I ask unanimous consent that two tables, one showing the OPEC countries with substantial amounts of U.S. loans outstanding, and the second table showing the debts in arrears of these countries, be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

PRINCIPAL OUTSTANDING FROM U.S. LOANS (AS OF JUNE 30, 1974)

[Dollar amounts in millions]

Country	Foreign assistance loans	Export-Import Bank loans	Public Law 480 loans repayable in dollars	Total
Indonesia	$333.2	$117.2	$640.9	$1,019.3
Iran	187.1	779.7	46.9	1,013.7
Venezuela	102.7	111.0	0	213.7
Algeria	0	102.5	6.4	108.9
Ecuador	86.0	12.2	15.5	113.7
Nigeria	77.1	23.7	0	100.8
Saudi Arabia	27.8	13.1	0	40.9
Total	813.9	1,159.4	709.7	2,683.0

THE SEVEN OPEC OIL COUNTRIES WITH SUBSTANTIAL U.S. LOANS OUTSTANDING

Principal and Interest due and unpaid 90 days or more

[In dollars]

Indonesia	$441,819
Iran	42,066,979
Venezuela	2,245,644
Algeria	6,613
Ecuador	581,634
Nigeria	2,494,668
Saudi Arabia	386,799
Total	47,782,337

Mr. DOMENICI. Mr. President, H.R. 9005 would authorize over $70 million in aid and economic assistance to seven of the OPEC nations. Even though I believe some of the provisions of this bill are deserving of merit, I cannot in good conscience cast my vote to send more dollars in aid to the OPEC countries. They don't need it and we can't afford it.

The third reason I cannot support this legislation, is that some of our food aid in the past has been counterproductive, and many of the nations which we are trying to help have adopted policies which result in a disincentive to production in their agricultural sector. We have allowed many of these underdeveloped nations to concentrate their resources on industrialization, while they depended on food aid from the United States to fill any gap in agricultural production.

Douglas Ensminger, Professor of Rural Sociology at the University of Missouri, in a paper entitled, "Social and Cultural Constraints to World Food Production," which was presented as the Cowper Lecture at a Symposium on Feeding a Hungry World at the State University of New York at Buffalo, had the following appropriate and enlightening comments:

> While many of the developing countries are to be given credit for legislating and implementing land tenure reforms, the small farmers are still at a disadvantage. The two basic agricultural resources—land and water—are not equitably available to the small farmer. The small tenant farmer finds the more he invests and the harder he works, the larger is the share that goes to the landlord, leaving little incentive to the tenant to increase his agricultural production. The tenant is also always at a disadvantage in getting needed production credit. Because he seldom has reserve funds, he is forced to market at the time of harvest when prices are generally on the downturn.
>
> Essential to understanding the persistent lack of political commitment of the developing countries to agriculture is an analysis of the role of the U.S. the past two decades in generously contributing its food surplus to the developing countries as they faced food shortages. The methods of making the U.S. food surpluses available contributed significantly to the developing countries' continuing to asssign low status to agricultural development. While the U.S. must share in having contributed to the developing countries' not being under pressure to give priority to agriculture the past two decades, we should understand that throughout the colonial era, food crop agriculture was low status and to the small farmer it was subsistence agriculture. As the colonial empires crumbled following World War II, and scores of new, independent, self-governing nations emerged, the newly formed governments recognized they had to be concerned about their people when adversities created food shortages. Because of a known availability of U.S. food surpluses, and the legislation Congress passed for sharing our food surpluses, the food recipient developing countries were able to support agriculture price policies favoring cheap food for the consumers—most of whom were poor. While supporting agriculture price policies oriented toward cheap food for the consumer was politically popular for the governments in power, the "cheap food" policies were major deterrents to agricultural production. There was no profit, only major risk to the farmer, in investing in agricultural inputs and selling on an uncertain and low price market.
>
> While I do not in this lecture propose discussing how food should be shared in the future, I do want to emphasize so long as the political leaders in the developing countries can assure food enough to meet the needs of the elitist and some for their poor people, they are likely to place their development priorities on industrialization at the expense of agriculture.

In addition to the fact that our food shipments have allowed many of the underdeveloped countries to misdirect their resources, these same countries have initiated government policies and programs that act as disincentives to agricultural production. By implementing price controls, export controls, export taxes, and restrictions on credit, land tenure, farm size, and domestic movement of agricultural products, these countries are aggravating their domestic production problems and diminishing the productivity of their agricultural procedures. I believe that before we should send any more long term aid to these countries, we would want to see some movement by them to upgrade and refurbish their own agricultural programs. Even a slight movement in this direction would be helpful.

Mr. President, I ask unanimous consent that a study entitled, "Disincentives to Agricultural Production in Developing Countries: A Policy Survey," by Abdullah A. Saleh of the Foreign Agricultural Service, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, as I have stated before, there are several provisions in this bill which I support. The most outstanding section, and I congratulate the Senate Committee on Foreign Relations and the Senate Committee on Agriculture and Forestry for its inclusion, in the famine prevention and freedom from hunger provision in this bill. This section marshals a unique resource in this Nation—the land-grant university expertise in agricultural production, rural development, and extension service programs—and will allow them to bring their knowledge to small farms and homes in the underdeveloped countries. I believe this is a step in the right direction and will result in the small farmers and rural residents of the LDC's acquiring the knowledge and skills that they need to better their way of life.

In the final analysis however, I cannot support the final passage of H.R. 9005. When I look at the total cost of this bill, the provisions for aid to OPEC countries, and the refusal of many of the recipients of our aid to redirect their resources into the agricultural sector, I cannot help but assert that this bill will be harmful to our own economy and will not result in the benefits which we desire for the more unfortunate nations. In the area of foreign aid, it is time we balanced our compassion with a touch of commonsense.

The text from the Committee on Agriculture and Forestry follows:

EXHIBIT 1

DISINCENTIVES TO AGRICULTURAL PRODUCTION IN DEVELOPING COUNTRIES: A POLICY SURVEY

(By Abdullah A. Saleh, Foreign Commodity Analysis, Foreign Agricultural Service)

World grain production shortfalls caused by unfavorable weather, and depleted purchasing power caused by rising costs of imported oil have renewed public concern about the ability of less developed countries[1] (LDC's) to feed their people adequately. Some economists feel that the tight food supply-demand situation is likely to continue in the future. They argue that over the long run, even if weather conditions improve, increases in the population growth rate overshadow expected gains in productivity, given the current state of technology and institutional constraints facing producers in these countries.

To what extent are food-short nations aggravating their problem by government policies and programs that act as disincentives to agricultural production? To help answer this question the U.S. Department of Agriculture recently surveyed more than 50 countries for the purpose of identifying the type and degree of existing disincentives. These are not confined to LDC's, but are much more critical to their levels of food supply than are disincentives in developed countries. This paper describes the disincentives, but does not attempt to quantify the specific impacts of such policies on agricultural production.

Forty-six of the countries surveyed have policies that directly or indirectly discourage domestic production. Disincentives revealed by the survey include:

1. Controlling the selling price of the producers.
2. Controlling the retail price to the consumer.
3. Noncompetitive buying (procurement policy).

Footnotes at end of article.

4. Export controls.
5. Export taxes.
6. Importing for sale at subsidized prices.
7. Exchange rate controls.
8. Restrictions on credit, land tenure, and farm size.
9. Restrictions on domestic movement of agricultural products, as from one district to another.

The impact of these policies on agricultural production is discussed below and a summary of the commodities affected by these policies within selected countries is given in an attached table.

It is commonly assumed that the objective of production is to maximize the producer's profit within the constraints of his technology, resource endowments, and final product demands. The consumer, in turn, demands products because they directly or indirectly satisfy some need or want.[2] In an exchange economy where the forces of supply and demand are free to interact, both sellers and buyers benefit from specialization in production and exchange. Whether in a barter economy or a highly advanced monetary economy, the free interaction of sellers and buyers results in a set of equilibrium prices, quantities, and trade flows. Given a crop failure, limited storage stocks, and a production time lag of several months, the burden of short-run adjustment falls upon market price and consumption. In other words, the interaction of supply and demand forces the price upward until it reaches a level that clears the market. The freely functioning price mechanism allocates the available supply among consumers according to ability to pay.

The impact of imposing price controls on agricultural production depends upon the extent to which the imposed price ceiling deviates from the equilibrium price level, other things being equal. Controls placed on prices below the equilibrium level discourage producers from planning future expansion and may drive marginal producers out of business. Price controls also discourage farmers from using more productive inputs such as improved seeds, fertilizers, irrigation, insecticides, and pesticides that are needed to increase production.

For example, Government controls on producer prices in Zaire has had detrimental effects on palm oil production. Palm oil production has been declining since 1968, in reaction to low administered prices. The 1974 output of 165,000 metric tons was 38,000 metric tons below that of 1968. Producers are very reluctant to invest in the expansion of their groves, since they know that 50 percent of the total output must be sold in the domestic market at an unprofitable price (at a loss).

Not too long ago, Greece's price ceilings on beef resulted in shortages and black markets.

In many cases the objective of price controls is to have a more equitable food distribution, given inadequate domestic supplies. Although improvement in food distribution is desirable and necessary for many countries, price control does not necessarily mean that on a per capita basis the countries will enjoy an improved level of consumption.

With the lack of foreign exchange reserves to import food, developing countries can meet the increasing demand for food only by stimulating domestic production. One way to accomplish this objective is to free production from the artificial constraints, such as price controls, that discourage farmers from making additional investments to increase production. Higher price signals transmitted from the market will raise producer expectations about the supplies that can be absorbed by the market at prices that he believes will bring a reasonable profit. The pursuit of profit helps assure adequate supply levels.

Some countries use price controls as a means of fighting inflation. But what is really needed is more production, not less. Given a stable demand, an increase in the supply would bring a decline in price.

Certain procurement policies and forms of non-competitive buying are constraints that also lead to lower production. In many LDC's, the government is the sole buyer of the product. This has adverse effects on both producers and consumers. Governments use such practices to secure consumer supplies and as a source of revenue. While the producer is deprived of a higher, competitive price, the consumer ends up paying more for a smaller output, which results in a social welfare loss. In Thailand, for example, rice producers receive about one-fifth the world price for rice. It is estimated, based on long-run supply elasticity estimates, that Thailand can increase its annual rice output by 1 million metric tons by increasing the relative farm price of rice by 50 percent. This is quite substantial since Thailand's total rice exports in 1973 amounted to 0.9 million metric tons. However, one should not argue for procurement prices above the world price level since such a policy would in the long run lead to unnecessary surpluses and export subsidies.

Export controls and export taxes, in addition to being barriers to free trade, can result in the loss of potential export markets. Where substitute products or alternative supplies exist, the loss in exports is the greatest. An export tax increases the price of the exported commodity, thus reducing the quantity bought by foreign buyers. This, in turn, leads to a loss of foreign exchange needed to finance imports. In addition, reduced foreign demand influences producers' expectations about the future demand, and they grow less than they would otherwise.

In order to maintain the flow of foreign exchange to finance imports of necessary commodities and equipment, many countries put higher priorities on exports. For example, Argentina has long maintained a stable beef export market through taxes and exchange rate manipulation. As domestic beef prices go up, exports, which are more price elastic than domestic demand, start declining. This induces the Government to devalue explicitly or implicitly (reduce export duties or increase subsidies) to maintain the level of exports. The quantity adjustment is thus forced upon domestic consumption. Since domestic demand is rather price inelastic, the price adjustment required to clear the market is larger than the initial fee-market price increase. At the new price level, further devaluation is needed to maintain the level of exports. This process continues until the new output from an increased herd reaches the market. In summary, exchange rate manipulation directed toward stabilizing Argentine beef exports results in instability of beef prices.[3] Such policy creates uncertainty to producers and complicates the process of resource allocation.

Brazil is another example where exchange rate manipulation has been a popular policy. In the early 1950's the Government overvalued its currency, believing that an inelastic foreign demand for Brazilian coffee would bring more revenue to the country. This policy had an adverse effect, however, on the exports of other products in which Brazil had a comparative advantage in the world market. By 1953, the Government had apparently recognized this problem and since then it has been following a system of multiple exchange rates.[4] The system of multiple exchange rates, as in the case of other forms of exchange rate manipulation, could introduce a tremendous amount of uncertainty that complicates farmers' decisions regarding new investment or resource allocation.

In an effort to control inflation and in order to provide the consumers with adequate supply of basic food commodities, some governments resort to import subsidization. This policy, which results in a lower price in the domestic market, discourages producers within the country from expanding. Improved seed varieties around which the green revolution was built require intensive use of fertilizers, irrigation, and pesticides. Unless domestic prices are high enough to compensate for the investment in such costly inputs, producers have no incentive to expand their production.

The effects of import subsidies are not confined to the production of grains but also extend to other agricultural commodities. For example, the subsidization of meat imports in Spain has depressed domestic livestock production. An alternative to the policy of import subsidization is to encourage domestic producers to expand their production by offering higher product prices that compensate for the added cost of using manufactured inputs needed for intensive production.

Restrictions imposed on farm size, land tenure, and credit to farmers constitute serious barriers to the expansion of agricultural production in many LDC's. Despite the improvement in land distribution brought about by land reform, many LDC's have experienced lower output. While land is an important factor of production, other factors must be combined with land to maintain or increase the level of production. At the early stages of adjustment in the agricultural sector, following land reform, the new owners are usually farm workers with limited experience in farm management and most likely have little or no capital to cover the variable costs of production. Poor management and lack of capital result in an inefficient allocation of resources that may lead to a decline in output until these deficiencies are corrected.

Restrictions on land tenure that limit farm size discourage farmers from investing in highly productive inputs and cause a loss of size economies. In the Dominican Republic, the land tenure law that limits riceland to 80 acres has been one reason that the country has needed to import rice over the past several years. The effect of this policy has been further amplified by price controls where the farmer receives a low price for his rice.

Eliminating its policy of requiring cooperative farming organizations in 1969, Tunisia proved that private enterprise is more efficient in allocation of resources. Tunisia's index of per capita agricultural production increased from 76 in 1969 to 117 in 1973 (1961–65=100).[5]

Rural credit policies that restrict credit to small farmers have limited the expansion of agricultural production in many LDC's. For example, the Government of Indonesia (GOI), in order to compensate rice producers for low rice prices, offers them subsidized credit. However, since the small farmers are viewed as high risk borrowers by the banking system, only the larger farmers benefit from subsidized financing that facilitates the adoption of new production techniques. Therefore, it is only the larger farmers who have the negative impact of low prices partially neutralized through GOI subsidized credit programs. This results in an inefficient resource allocation for a large number of small farmers who need liquidity to improve their level of production.

Restrictions on movement of agricultural products from surplus districts to deficit districts within a country discourage farmers in the surplus areas from producing more. Perhaps the existence of such restrictions in India amplified the impact of food shortages following the last summer's drought and floods, where some States such as West Bengal were hit harder than others. Another example is Indonesia where interisland shipments of rice are prohibited except under Government auspices.

Policies that tend to restrict agricultural production are not unique to developing

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Footnotes at end of article.

countries. As recently as 1973, the U.S. Government payment for feedgrain set-aside acreage totaled $1.17 billion, and 9.4 million acres of land were withheld from production.[6] Over the past two decades, U.S. agriculture has been the subject of various supply management programs. Supply management has generally had as its objective supply reduction rather than supply expansion. Current programs that act as restrictions on production in the United States are marketing quotas and acreage allotments for extra-long-staple cotton, peanuts, rice, and most types of tobacco. Also, recent environmental legislation calls attention to social trade-offs between what is conceived of as being socially desirable environment and higher production.

The discussion of the effects of disincentive policies on agricultural production in different countries included in this survey does not explicitly deal with interdependencies among the commodities. It is recognized that a disincentive for one commodity may prove to be an incentive for another. While it is beyond the scope of this analysis to present a quantitative evaluation of the net effect of various policies in different countries, a general indication of each country's need to expand its agricultural output can be grasped by examining Table 1. For most of the countries included in this study and based on a long trend (1952–1972), the rate of growth in domestic demand for food exceeds that for food production.

FOOTNOTES

[1] The term LDC is used loosely here. Some economists prefer the term "developing countries." As far as this report is concerned, the two terms are equivalent.

[2] "Products" are defined to include goods and services.

[3] Gustavo A. Nores: *"Quarterly Structure of the Argentine Beef Cattle Economy: A Short-Run Model 1960–1970."* Unpublished Ph.D. Thesis, Purdue University, June 1972, Chapter I.

[4] Ralph G. Lattimore: *"An Econometric Model of the Brazilian Beef Sector."* Unpublished Ph.D. Thesis, Purdue University, August 1974. Chapter 1.

[5] The *Agricultural Situation in Africa and West Asia*, ERS-Foreign 363, USDA, Washington, D.C. June 1974.

[6] Commodity Fact Sheet, April 1974, ASCS, USDA.

TABLE 1.—POPULATION, FOOD SUPPLY AND DOMESTIC DEMAND FOR FOOD IN SELECTED COUNTRIES

[Rate of growth as percent per year]

Country	Growth rate[1]		
	Population	Food production	Domestic demand for food
Mexico	3.4	5.3	4.3
Dominican Republic	3.3	2.2	3.6
Costa Rica	3.8	5.4	4.8
Guatemala	3.0	4.1	4.2
Honduras	3.3	4.0	4.2
Nicaragua	3.0	4.9	3.9
Panama	3.2	4.3	4.8
El Salvador	3.0	3.6	4.1
Argentina	1.7	1.8	2.0
Bolivia	2.3	5.0	2.7
Brazil	3.0	4.4	4.0
Chile	2.5	2.2	3.3
Colombia	3.3	3.1	3.9
Ecuador	3.3	5.4	4.0
Paraguay	3.1	2.6	3.4
Peru	2.9	2.9	3.9
Uruguay	1.3	.8	1.2
Venezuela	3.5	6.1	4.0
Angola	1.8	2.7	3.0
Ghana	2.9	3.9	3.2
Ivory Coast	2.2	4.9	2.6
Kenya	3.0	2.6	4.6
Liberia	1.5	1.1	1.8
Morocco	3.0	2.8	3.3
Tunisia	2.9	.8	4.3
Nigeria	2.4	2.0	3.1
Senegal	2.2	3.3	1.2
Sierra Leone	2.0	2.4	3.9
Zaire	2.0	.2	2.3
Bangladesh	3.5	1.6	----------
Sri Lanka	2.5	3.6	3.1
India	2.1	2.4	3.0
Pakistan	3.0	3.0	4.2
Burma	2.2	2.4	3.3
Indonesia	2.5	2.0	2.6
Malaysia (West)	3.0	5.2	4.3
Philippines	3.2	3.2	4.2
Thailand	3.1	5.3	4.6
Egypt	2.6	3.4	3.8
Greece	.8	4.0	2.3
Iran	2.8	3.3	6.4
Jordan	3.2	1.8	6.6
Syria	3.0	1.8	4.6
Turkey	2.7	3.0	3.8
Spain	.9	3.4	3.0
United States	1.5	2.0	1.6

[1] Growth rates are based on an exponential trend 1952–72.

Source: "Monthly Bul. of Ag. Econ. & Stat." 9 vol. 23, Sept. 1974. FAO, Rome.

APPENDIX

DISINCENTIVES TO AGRICULTURAL PRODUCTION BY COMMODITY AND COUNTRY

Country and commodity	Disincentives to agricultural production									Remarks
	Controls on producer prices	Controls on consumer prices	Non-competitive buying	Export control	Export taxes	Import subsidies	Exchange rate controls	Restrictions on credit and land tenure	Restrictions on movement of agriculture products	
Mexico:										
Sugar	X	X		X						
Livestock				X	X			X	X	
Other foodstuffs		X		X	X				X	
Dominican Republic:										
Rice	X	X		X		X		X	X	
Beef	X	X		X	X					
Sugar		X			X					
Corn	X	X		X						
Dairy	X	X								
Trinidad and Tobago:										
Broilers	X	X								
Rice		X	X							
Costa Rica:										
Rice	X	X	X		X		X			
Beans	X	X	X		X	X	X			
Beef	X	X		X	X		X			
Sugar	X	X	X		X		X			
Dairy	X	X								
Bananas					X		X			
Coffee	X	X	X		X		X			
Corn	X	X								
Guatemala:										
Meat		X								
Sugar		X								
Cotton	X									
Milk	X	X								
Belize:										
Sugar	X	X			X			X		Disincentives are substantial. Price controls created shortages.
Beef	X	X						X	X	
Most foodstuffs	X	X						X		
Honduras:										
Bananas					X					
Sugar	X	X	X							
Milk	X	X								
Cattle								X		
Nicaragua:										
Milk		X								
Cotton, coffee, tobacco					X			X		
Bananas, rice, sugar					X					
Hides, cattle, beef					X					
Panama:										
Beef	X	X		X						
Other consumer items	X	X	X			X				

Footnotes at end of table.

APPENDIX—Continued

DISINCENTIVES TO AGRICULTURAL PRODUCTION BY COMMODITY AND COUNTRY—Continued

Country and commodity	Disincentives to agricultural production: Controls on producer prices	Controls on consumer prices	Noncompetitive buying	Export control	Export taxes	Import subsidies	Exchange rate controls	Restrictions on credit and land tenure	Restrictions on movement of agriculture products	Remarks
El Salvador:										
Meat				X						
Milk	X	X								
Grains	X	X		X						
Sugar			X							
Other foodstuffs	X	X	X							
Argentina:										
Beef	X	X			X		X			Multitiered exchange rate.
Major grains	X	X		X	X		X			
Sunflower seeds	X		X							
Oilseed products				X	X		X			Export of oilseeds is prohibited.
Other commodities							X			All agricultural commodities are subject to exchange rate control.
Wool							X			
Bolivia:										
Cotton					X					
Many food products	X	X	X						X	
Brazil:										
Beef	X	X		X						Restricted slaughter off-season.
Milk	X	X								
Soybean oil				X						Export prohibited.
Peanuts (excluding HPS)				X						Export prohibited.
HPS peanuts				X						
Peanut oil				X						MEP—world price.
Cotton				(*)						MEP above world price.
Frozen orange juice concentrate				(*)						Taxes are used to promote production and marketing.
Sugar				X	(*)					
Cocoa					(*)					
Chile:										
Wheat and wheat products	X	X	X	X		X	X	X		No farms over 80 irrigated acres or equivalent.
Sugarbeets	X	X	X	X		X	X	X		
Vegetable oil		X	X	X			X	X		
Beef							X	X		
Milk and milk products	X	X					X	X		
Rice	X	X					X	X		
Colombia:										
Sugar		X		X						All imports/exports have to be licensed.
Corn and foodgrains		X	X	X		X	X	X		
Soybeans		X	X	X		X	X			
Coffee	X		X	X	X		X			
Wheat		X				X	X			
Cotton				X		X	X			
Palm oil		X	X	X			X	X		
Ecuador:										
Coffee, cocoa					X					
Sugar				X	X					
Bananas					X					
Most basic foods		X								
Milk	X									
Paraguay:										
Beef	X	X		X						
Soybeans	X				X					
Wheat	X									
Sugarcane	X									
Peru:										
Livestock					X			X		Agrarian reform had its effect on Peru's agriculture. Restriction on movement of agricultural products applies to many commodities.
Cotton, wool				X	X			X		
Coffee, potatoes, beans	X	X	X							
Wheat, rice	X	X	X	X		X				
Sugar, tobacco	X	X	X	X						
Oilseeds and feedgrains	X	X	X			X				Indirect subsidies for wheat only. Noncompetitive buying applies to tobacco only.
Meat, milk	X	X	X							
Fish meal and oil			X	X						
Dairy products and vegetable oils						X				
Uruguay:										
Livestock	X				X		X		X	
Wool	X				X		X			
Grains	X				X		X			
Oilseeds	X				X		X			
Milk	X	X								
Sugarcane and beets	X									
Wheat			X							
Venezuela:										
Sugar		X		(*)						Controls on consumer prices are offset by minimum producer prices. On the average, agricultural production is not affected by such policies.
Tobacco		X								
Rice		X		(*)						
Feedgrains		X				(*)				
Angola: Coffee					X					
Ghana:										
Cocoa	X		X					X		
Seed cotton	X		X					X		
Ivory Coast:										
Coffee	X		X							
Cocoa	X		X							
Kenya:										
Wheat	X	X								Large scale farming is discouraged.
Corn	X	X								
Sugar	X	X								
Rice	X	X								
Liberia: Many commodities	X	X	X							
Morocco:										
Oranges					X					Expropriated land from foreign owners.
Wheat products		X				X				
Other staple foods	X	X						X		
Nigeria:										
Cocoa	(*)		X					X		Farmers' price for cocoa is highest in West Africa.
Seed cotton	X		X					X		
Senegal: Peanuts	X		X							

	Disincentives to agricultural production									
Country and commodity	Controls on producer prices	Controls on consumer prices	Non-competitive buying	Export control	Export taxes	Import subsidies	Exchange rate controls	Restrictions on credit and land tenure	Restrictions on movement of agriculture products	Remarks
Sierra Leone: Some commodities	X		X							
Zaire:										
Palm oil	X	X								2-tier exchange rate.
Coffee	X	X	X		X					
Tobacco	X	X	X		X					
Corn	X		X							
Bangladesh:										
Wheat				X		X				Effect of import subsidies is marginal at present prices.
Rice				X		X				
Edible oils				X						
Sri Lanka: Rice						X				
India:										
Jute				X	X		X			
Cereals				X			X	X		
Rice	X	X		X			X	X	X	
Wheat	X	X		X			X	X	X	
Cotton				X			X			
Pakistan:										
Wheat, flour	X	X		X		X		X	X	Wheat is heavily subsidized. Wheat and vegetable oil exports are banned. Interdistrict and interprovincial restrictions on movement of agricultural products are imposed from time to time, particularly after harvest.
Vegetable oil	X			X		X		X		
Seed cotton				X					X	
Rice			X					X	X	
Raw cotton					X					
Burma: Rice	X		X	X						
Indonesia:										
Rice	X	X	X			X		X	X	
Sugar								X		
Malaysia:										
Palm oil					X					
Rice	X	X								
Philippines:										
Sugar	X	X	X	X	X					
Rice	X	X		X		X				
Desiccated coconuts					X					
Copra				X	X					
Coconut oil		X			X					
Thailand:										
Rice		X	X	X	X					
Sugar		X		X	X					
Egypt:										
Cotton	X		X					X	X	
Rice	X		X					X	X	
Greece:										
Cottonseed cake	X			X						Soybean oil competes with olive oil. Sugar prices are usually fixed above the world price level but now they are lower.
Cottonseed oil	X	X		X						
Cheese				X						
Wheat, bread		X		X		X				
Feedgrains, meat, eggs				X						
Milk	X	X								
Corn, soybean oil						X				
Olive oil	X	X		X						
Sugar	X	X	X	X		X		X		
Iran:										
Wheat		X				X		X		
Rice		X				X				
Oilseeds and vegetable oil		X				X				
Livestock, meat and milk		X				X		X		
Jordan: Wheat flour		X				X				
Syria:										
Seed cotton	X		X	X				X		
Wheat and barley	X		X						X	
Turkey:										
Wheat	X	X		X		X		X	X	Overall policy is inefficient.
Cotton										
Tobacco										
Livestock	X	X		X				X	X	
Spain:										
Dairy	X	X				X				
Olive oil	X	X		X	X					
Meat and poultry	X	X				X				
Sugarbeets	X	X				X				

X Denotes the existence of disincentives for the listed commodity or group of commodities. *Not a disincentive at the present time.

Mr. PACKWOOD. Mr. President, I would like to add my name to the long list of Senators who support H.R. 9005, the Foreign Assistance Authorization. I am particularly pleased that the Senate version of this legislation includes, for the first time, the concept of self-help in determining which country deserves our aid. This concept of self-help means that more foreign aid will be given to those developing countries which are making maximum efforts to help themselves.

Section 310 of the bill establishes a new section of the Foreign Assistance Act of 1961. This new section, 208A, establishes criteria to measure progress in development. I ask unanimous consent that the text of that section be included in my remarks at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEVELOPMENT ASSISTANCE

SEC. 310. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by adding the following new section 208A:

"SEC. 208A. CRITERIA TO MEASURE PROGRESS IN DEVELOPMENT.—(a) United States programs of bilateral development assistance shall be increasingly concentrated on those less developed countries which are making maximum efforts to (1) carry out land reforms and cooperative arrangements designed to insure that persons who make their living from farming hold, as owners or in ownership-like tenure, all or substantially all of the land they farm; (2) seek to achieve a greater degree of self-sufficiency in food production; (3) reduce infant mortality; and (4) control population growth. The President shall establish appropriate criteria to measure progress by recipient countries in meeting these objectives.

"(b) The President shall endeavor to bring about the adoption by international development organizations in which the United States participates of criteria which would make assistance through such organizations conditional on satisfactory progress by recipient countries in carrying out land reforms, achieving a greater degree of self-sufficiency in food production, reducing infant mortality, and controlling population growth.

"(c) The congressional presentation materials for development assistance programs proposed for the fiscal year 1977 and each subsequent year shall contain detailed information concerning the steps being taken to carry out the provisions of this section.".

Mr. PACKWOOD. Although not mandatory, and I would prefer they were, these criteria go a long way toward providing the kinds of guidelines necessary for giving U.S. aid to foreign countries.

At this point, I would like to thank Senator MAGNUSON for joining me in introducing the original proposal and Senator HUMPHREY who developed the concept in the Foreign Relations Committee. In addition, much credit goes to Prof. Roy Prosterman of the University of Washington who conceived and energetically pursued the idea.

I would urge my fellow colleagues to support this section when this legislation goes to conference with the House. These guidelines could be an important new step in the history of American foreign aid.

HUMANITARIAN RECORD OF PUBLIC LAW 480

Mr. DOLE. Mr. President, I want to expand upon my earlier remarks relating to the Hatfield-Clark amendments. As I said yesterday, it is clear that we are all in agreement that the food for peace program should be utilized in a humanitarian way so that the assistance can go to those hungry people around the world most in need of it. The program which I, and many of my colleagues, have with the Hatfield amendment relates only to the absolute rigidity of the proposed allocation system which may be detrimental to many countries.

In particular, arguments have been set forth suggesting that—in past years—too great a share of the Public Law 480 aid has gone to "undeserving" countries for primarily "political" reasons. Mr. President, information I have seen on the performance of this assistance program in recent years completely refutes these arguments, and demonstrates instead that the real measure of a nation's "need" is not determined by arbitrary statistical data on gross national product.

Mr. President, the Senator from Kansas feels strongly that we should just set the record straight on the humanitarian purposes and accomplishments of the food for peace program. There has been a great deal of argument in this debate that the food for peace program is being used for political purposes. An amendment was adopted yesterday which would severely restrict the flexibility of food assistance under the Public Law 480 program. The justification for that amendment was to prevent the use of the food for peace program for political purposes. The purpose of this Senator is to insure that the record is clear as to the real purposes and accomplishments of the food for peace program.

The Public Law 480 title I program is used for emergency/disaster relief. For example, the first title I program for Bangladesh was initiated in fiscal year 1974 after the large title II donation programs in fiscal year 1972 and 1973 were largely discontinued.

The resumption of the title I program for India in fiscal year 1975 was undertaken in large part to help India meet its increased food import needs following a sharp drop in Indian foodgrain production.

Also, in fiscal year 1975 wheat and rice were shipped to Honduras to help meet food needs in the wake of Hurricane Fifi. Part of Tanzania's food needs resulting from drought were also met under title I in fiscal year 1975.

The Uruguay program in fiscal year 1973 helped meet food and feed shortages resulting from a poor crop.

In fiscal year 1972 the title I program for the Philippines was increased over previous levels by $11 million and in fiscal year 1974 by $14 million for disaster relief following heavy floods and loss of crops.

The following tabulation illustrates amounts of ttile I resources which have been used directly over the last few years for disaster relief. It should also be noted that in many cases a disaster may destroy export crops—such as bananas in Honduras—or damage ports, as in Bangladesh. Thus the effects of a disaster may adversely affect a country's balance of payments situation for a number of years. For this reason, continued concessional food aid may be necessary over a period of time.

Of the countries I just mentioned Honduras and Uruguay would be barred from assistance under the $250 per capita GNP limitation and the Philippines, listed at $240 per capita GNP, may soon be excluded if its GNP increases. Other countries may be in similar circumstances and be excluded in future years even though they may need food assistance.

I request unanimous consent that this table be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered, as follows:

PUBLIC LAW 480 TITLE I DISASTER RELIEF PROGRAMS, FISCAL YEARS 1972–1975

[Millions of dollars]

Country	1972	1973	1974	1975
Afghanistan	$6.3			
Bangladesh			$38.1	
Honduras				$5.4
India				99.9
Philippines		$11.2	14.1	
Sudan		1.1		
Tanzania				5.9
Uruguay		12.7		
Total	6.3	35.0	52.2	111.2

Mr. DOLE. There have been charges—perhaps with some basis—that our food assistance shipments have served to bolster the political base of shaky governments in certain lesser developed countries. There have even been suggestions that food shipments went to undeserving Government personnel, or were sold on the "black market" for funds to purchase arms and other Government "priority" items. In particular, our assistance to Southeast Asian nations in recent years has come under attack with these allegations.

It would be difficult for anyone to argue that such instances of improper and misdirected assistance never occurred in isolated situations. Yet, a very detailed assessment of humanitarian relief efforts for Cambodia undertaken by the Inspector General of Foreign Assistance at the State Department substantially shows that American food aid served a very important role in providing direct food aid for hungry Cambodians. According to the report, issued in March of this year, vital food relief programs were channeled through such voluntary agencies as the Catholic Relief Services, CARE, the Lutheran World Relief, the Red Cross, and the United Nations Children's Fund. During the last half of 1974 alone, records of these agencies demonstrate that some 1,400 metric tons of rice were distributed to 342,000 refugees each month. Food supplements were being provided to an average of 60,000 children. These amounts increased even more in the early part of this year, as fighting in the area was stepped up.

The fact that these people were governed by a regime that had the official support of our government in no way reduced their hunger or their food need. In fact, the Inspector General's report indicates that many of the people in greatest need of food assistance in Cambodia were dependents of the Cambodian Army. Because of the troop movements in the war and due to their peculiar military pay system, many military dependents were unable to obtain an adequate amount of food.

Yet these dependents were clearly members of the "military or political elites," which, as I understand the comments of those supporting the so-called Hatfield amendment, should not be the recipients of food aid from this country. That kind of categorical thinking completely disregards the food needs or hunger those people might be facing—as they did in Cambodia.

Thus, even in the midst of the havoc and confusion of war, we have reliable reports from very reputable voluntary relief agencies that such assistance programs were, in fact, providing direct and necessary relief to those individuals most urgently in need of food assistance. Cambodia was not among those nations on the well-known MSA list, but I think the urgency and the need for American food assistance to the victims of that unfortunate conflict is unquestionable.

My argument, simply, is that the importance of American food assistance programs to some nations not meeting the $250 limitation cannot—and should not—be underestimated. Furthermore, it should not be unduly restricted by legislative entanglements that destroy flexibility needed for emergency response, and which set arbitrary and over-simplified criteria for food distribution. It is absurd to suggest that Public Law 480 assistance provided to countries with more than $250 per capita GNP must be "political" rather than "humanitarian." I think the intentions of our Government in providing such aid are honorable, and they are vital. Such assistance should continue, and should not be bound in any way by artificial standards or blind objectives.

Mr. PELL. Mr. President, the International Development and Food Assistance Act of 1975 represents a major improvement in our Nations' overseas assistance program, and I strongly support passage of the legislation.

One major achievement is the separation of foreign military and security assistance from the economic development and humanitarian assistance programs included in this legislation. In the past several years, I have voted against foreign aid authorization bills containing both military, economic development and humanitarian assistance provisions. I have done so because in each case I found the beneficial and justified programs of economic and humanitarian assistance were outweighed and overshadowed by huge expenditures to provide weapons of war to other nations.

The separation of military assistance programs permits the Congress and the public to focus attention clearly on the economic development and assistance programs without the confusion caused by debate over foreign arms aid.

The legislation before us includes a new program intended to combat the long-term threat of famine in the world by making available in nations with underdeveloped food resources the food resource research and development technology of the United States.

The food resource expertise of the United States would be made available primarily through our systems of land-grant and sea-grant colleges.

The land grant college system of the United States through programs of education, applied research, and extension services has played a major role in making U.S. agriculture the most productive and efficient in the world.

Indeed, it was the success of the land-grant system in developing our agricultural resources that led me in 1965 to propose a similar system of sea-grant colleges to improve our use of marine resources by similar programs of education, applied research, and extension services. In the short time since passage of the Pell-Rogers Sea Grant College Act in 1966, the sea-grant institutions have made an impressive record of establishing comprehensive, multidisciplinary, effective marine resource programs.

Mr. President, as originally proposed, the new famine prevention program in section 3 of the bill was limited to agriculture and emphasized participation in the program by land-grant institutions.

I am very pleased indeed that the Senate Foreign Relations Committee and the Senate Committee on Agriculture and Forestry accepted amendments which I proposed that broaden the program to include aquaculture and fisheries, and provide for participation in the program by sea-grant colleges as well as land-grant colleges. I particularly appreciate the strong support given these amendments by my distinguished colleague (Mr. Humphrey) who ably chairs the Subcommittee on Foreign Assistance of the Foreign Relations Committee.

In the critically important effort to prevent the horror of famine and hunger in the world, I believe we must take the broadest possible approach to food resource development. In many nations of the world, marine food resources and aquaculture already are important food resources. Many other nations have underdeveloped marine food and aquaculture resources which could make a significant contribution to world food production.

Meanwhile, in the United States, we have centers of education and research, primarily at sea-grant colleges that have the capability to assist in fisheries and aquaculture development. It makes good sense to make these abilities available to other nations so they can help meet the mounting world need for food.

The University of Rhode Island, which is both a land-grant college and a sea-grant college, has already undertaken international food resource development programs under contract from the Agency for International Development. Under AID contract, the university has established a center for international marine resources development, which is breaking new ground in working with underdeveloped nations in fisheries and aquaculture development.

This is a promising program which I believe should be expanded and which can serve as a prototype for similar efforts involving other institutions. I believe the famine prevention program established by this bill, particularly with its even-handed recognition of the importance of marine food resources, can be effective in warding off the specter of world famine and hunger.

Mr. President, the International Development and Food Assistance Act of 1975 is thoughtful, carefully written legislation which permits the United States to play a prudent and responsible role in meeting the challenges of world poverty and hunger. I am happy to support its passage.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

PROGRAM FOR TODAY

Mr. MANSFIELD. Mr. President, for the information of the Senate, when the pending measure is disposed of, the Senate will proceed to the consideration of the so-called sunshine bills. Following the disposition of the sunshine bills, the Senate will proceed to the consideration of Calendar No. 428, H.R. 10029, the military constructon appropriation bill.

MILITARY CONSTRUCTION APPROPRIATIONS

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished Senator from Iowa (Mr. Culver) will offer an amendment of some kind having to do with Diego Garcia, and that the distinguished Senator from Wisconsin (Mr. Proxmire) will offer an amendment having to do with the medical hospital which is now in the process of being constructed at the Naval Hospital in Bethesda. I ask unanimous consent that on those two amendments, there be a time limitation of not to exceed 1 hour, with the time equally divided between the sponsor of the amendment and the manager of the bill or his designees.

The VICE PRESIDENT. Without objection, it is so ordered.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The VICE PRESIDENT. Under the previous order, the Senate will now proceed to vote on the question of passage of H.R. 9005. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Massachusetts (Mr. Kennedy), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Indiana (Mr. Hartke) is absent on official business.

I also announce that the Senator from Michigan (Mr. Philip A. Hart), and the Senator from Mississippi (Mr. Stennis) are absent because of illness.

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 467 Leg.]

YEAS—54

Abourezk
Baker
Bayh
Beall
Bellmon
Brooke
Buckley
Bumpers
Case
Clark
Cranston
Culver
Durkin
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Tower
Weicker
Williams

NAYS—41

Allen
Bartlett
Bentsen
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Garn
Goldwater
Hansen
Helms
Hollings
Hruska
Laxalt
Long
Magnuson
Mansfield
McClellan
McClure
Montoya
Nelson
Nunn
Proxmire
Randolph
Roth
Scott, William L.
Stone
Symington
Talmadge
Thurmond
Young

NOT VOTING—5

Hart, Philip A.
Hartke
Kennedy
Stennis
Tunney

So the bill (H.R. 9005), as amended, was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 9005.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK subsequently said: I ask unanimous consent that H.R. 9005 be printed as it passed the Senate with the amendments of the Senate numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I wish to congratulate and commend both the chairman of the Committee on Agriculture and Forestry (Mr. Talmadge) and the chairman of the Foreign Assistance Subcommittee of the Committee on Foreign Relations (Mr. Humphrey) for their very able leadership with regard to the passage of H.R. 9005, the International Development and Food Assistance Act of 1975.

This bill, extremely technical and complicated, and extremely important, which authorizes assistance for disaster relief, oversees distribution and production of agricultural commodities, assistance to land grant colleges and universities among other things, was within the jurisdiction of both the Agriculture and Forestry Committee and the Foreign Relations Committee of the Senate. It is a testimonial to the skill, dedication and cooperative spirit of the two managers of the bill that the Senate has been able to consider thoroughly and pass with dispatch this complicated proposal.

I express my appreciation and congratulations also to the very able ranking minority member of the Committee of Foreign Relations (Mr. Case) for his wise counsel and for the cooperative attitude which is his trademark. Through the efforts of these gentlemen and, of course, many other Members too numerous to mention, the Senate has made this a better bill. It is the able assistance of the Senators I have mentioned which makes the job of leadership on both sides of the aisle less onerous than it might be.

FOREIGN RELATIONS AUTHORIZATION ACT, 1976

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1517.

The PRESIDING OFFICER (Mr. Gary Hart) laid before the Senate a message from the House of Representatives insisting upon its amendment to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes; and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SPARKMAN. I move that the Senate agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the PRESIDING OFFICER appointed Mr. Sparkman, Mr. Mansfield, Mr. Church, Mr. Symington, Mr. Pell, Mr. Humphrey, Mr. Case, Mr. Javits, and Mr. Hugh Scott conferees on the part of the Senate.

OPEN COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of calendar No. 375, Senate Resolution 9, and that it be laid down and made the pending business.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 9) amending the Rules of the Senate relating to open committee meetings.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration, with an amendment to strike out all after the enacting clause and insert the following:

"(b) Each meeting of a standing committee or any subcommittee thereof, including meetings to conduct hearings (unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulations), shall be open to the public unless any such committee or subcommittee thereof in open session determines by a record vote of a majority of the members of the said committee or subcommittee that the proposed meeting shall be closed because of the nature of the matter to be considered by that committee or subcommittee, or unless any such committee shall, following the appointment of its membership at the commencement of each Congress, adopt rules specifically prescribing a different procedure to protect its own needs and at the same time conform to the public interest, which rules shall be printed in the Congressional Record not later than March 1 of that year or not later than sixty days after the adoption of any such rule.

"In the case of public hearings, the proceedings may be broadcast by radio or television, or both, as the committee may determine, and under such rules and regulations as that committee may adopt."

Sec. 2. Section 133A(b) of the Legislative Reorganization Act of 1946, section 242(a) of the Legislative Reorganization Act of 1970, and sections 102(d) and (e) of the Congressional Budget Act of 1974 are repealed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that no time be charged to any consideration of this bill until we return from the joint meeting in the Hall of the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

Thereupon, the Senate, at 12:13 p.m., took a recess, subject to the call of the Chair, and the Senate, preceded by, the Secretary of the Senate, Francis R. Valeo; the Sergeant at Arms, William H. Wannell; the Vice President of the United States; and the President pro tempore (James O. Eastland), proceeded to the Hall of the House of Representatives to hear the address by the President of the Arab Republic of Egypt.

(The address delivered by the President of the Arab Republic of Egypt to the joint session of the two Houses of Congress, is printed in the Proceedings of the House of Representatives in today's Record.)

At 1:15 p.m., the Senate having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. Ford).

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time taken out of neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, will the majority leader yield to me for 1 minute?

Mr. MANSFIELD. I yield.

VOLUNTARY MUNICIPAL REORGANIZATION ACT (S. 2615)

AMENDMENTS NOS. 1051, 1052, AND 1053

Mr. ALLEN. Mr. President, I send three amendments to the desk, and I ask that they be read and printed and placed on the table and called up later.

The PRESIDING OFFICER. The clerk will state the amendments.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that no time be taken out of the pending business by the reading of these amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk proceeded to read the amendments.

Mr. ALLEN. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with, but that the amendments be treated as having been read in compliance with rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be received and

printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

AMENDMENT No. 1051

On page 3 at the end of line 3 add the following: provided in the considered, expressed judgment of a majority of the members of the Board made a part of the records of such Board, the guarantees hereinafter provided for can be made without loss to the Federal Government.

AMENDMENT No. 1052

On page 10 between lines 21 and 22 add the following new subsection.

(E) in the considered, expressed judgment of a majority of the members of the Board made a part of the records of such Board, the guarantees hereinafter provided for can be made without loss to the Federal Government.

AMENDMENT No. 1053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankruptcy Act of 1893 (30 Stat. 544), as amended, is hereby amended to add a new chapter XVI thereto reading as follows:

"CHAPTER XVI—ADJUSTMENT OF INDEBTNESSES OF MAJOR MUNICIPALITIES

"JURISDICTION AND RESERVATION OF POWERS

"SEC. 801. (a) This Act and proceedings thereunder are found and declared to be within the subject of bankruptcies and, in addition to the jurisdiction otherwise exercised, courts of bankruptcy shall exercise original jurisdiction as provided in this chapter for the composition or extension of the debts of certain public agencies or instrumentalities or political subdivisions. The court in which the petition is filed in accordance with subsection 804(c) shall exercise exclusive jurisdiction for the adjustment of petitioner's debts and, for purposes of this chapter, shall have exclusive jurisdiction of petitioner and its property, wherever located.

"(b) Nothing contained in this chapter shall be construed to limit or impair the power of any State to control, by legislation or otherwise, any public agency or instrumentality or political subdivision of the State in the exercise of its political or governmental powers, including expenditure therefor: *Provided, however,* That no State law prescribing a method of composition of indebtedness of such agencies shall be binding upon any creditor who does not consent to such composition, and no judgment shall be entered under such State law which would bind a creditor to such composition without his consent.

"DEFINITIONS

"SEC. 802. The words and phrases used in this chapter have the following meanings unless they are inconsistent with the context:

"(1) The term 'attorney' means an attorney licensed to practice law by any State and includes a law partnership.

"(2) The term 'claim' means a demand for performance of an obligation to pay money, whether matured or unmatured.

"(3) The term 'composition' means a plan for payment of less than the full amount of debts provided for by the plan, with or without the extension of time for payment of such debts.

"(4) The term 'court' means United States district court sitting in bankruptcy, and the terms 'clerk' and 'judge' shall mean the clerk and judge of such court.

"(5) The term 'creditor' means any person who owns a claim against the petitioner. With respect to such claims owned by a trustee under a mortgage deed of trust, or indenture, pursuant to which there are securities outstanding, other than voting trust certificates, the term 'creditor' means only the trustee.

"(6) The term 'lien' means a security interest in property, a lien obtained on property by levy, sequestration or other legal or equitable process, a statutory or common-law lien on property, or any other variety of charge against property to secure performance of an obligation.

"ELIGIBILITY FOR RELIEF

"SEC. 803. (a) Any municipality with a population in excess of one million inhabitants is eligible for relief under this chapter, if the municipality is first specifically authorized by the State to file a petition initiating a proceeding under this chapter.

"(b) Any public agency or instrumentality or political subdivision subordinate to such municipality or whose responsibilities are restricted to the geographical limits thereof, including incorporated authorities, commissions and districts, for whose debts such municipality is not otherwise liable, is eligible for relief as a separate petitioner in the same proceeding in which such municipality seeks relief under this chapter if such agency, instrumentality, or subdivision is not prohibited from filing a petition by applicable State law.

"PETITION; PROPOSED PLAN AND STATEMENT OF REVENUES AND EXPENDITURES; FILING

"SEC. 804. (a) Any entity eligible for relief under section 803 may file a voluntary petition under this chapter. The petition shall state that the petitioner is eligible to file a petition, that the petitioner is insolvent or unable to pay its debts as they mature and that it desires to effect a plan of composition or extension of its debts. The petitioner shall file with its petition lists of claims outstanding and of persons who may be adversely affected by the plan, as set forth in section 809.

"(b) A petition shall be insufficient to invoke the jurisdiction of the court unless it is accompanied by (1) a good faith plan of composition or extension of debts which petitioner certifies is in its view fair, equitable, feasible, and not unfairly discriminatory in favor of any creditor or class of creditors and (2) a statement of petitioner's current and projected revenues and expenditures adequate to establish that the budget of petitioner will be in balance within a reasonable time after the adoption of the plan.

"(c) The petition shall be filed with the court in whose territorial jurisdiction the municipality or the major part thereof is located, and shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in lieu of the fee required to be collected by the clerk under other applicable chapters of this title, as amended:

"STAY OF PROCEEDINGS

"SEC. 805. (a) A petition filed under section 804 shall operate as a stay of the commencement or the continuation of any court or other proceeding against the petitioner, its property or any officer or inhabitant of the petitioner, which seeks to enforce any claim against the petitioner; as a stay of any act or the commencement or continuation of any court proceeding to enforce any lien on taxes or assessments, or to reach any property of the petitioner; and as a stay of the application of any setoff or enforcement of any counterclaim relating to any contract, debt, or obligation of the petitioner.

"(b) Except as it may be terminated, annulled, modified, or conditioned by the court under subsection (c) of this section, the stay provided by subsection (a) of this section shall continue until the case is closed or dismissed or the property subject to the lien is, with the approval of the court, abandoned or transferred.

"(c) On the filing of a motion seeking relief from a stay provided by subsection (a) of this section, the court shall set a hearing for the earliest possible date. The court may, for cause shown, terminate, annual, modify, or condition such stay.

"(d) The commencement or continuation of any act or proceeding other than described in subsection (a) of this section may be stayed, restrained, or enjoined pursuant to rule 65 of the Federal Rules of Civil Procedure, except that a temporary restraining order or preliminary injunction may be issued without compliance with subsection (c) of that rule.

"(e) No stay, order, or decree of the court may interfere with (1) any of the political or governmental powers of the petitioner; or (2) any of the property or revenues of the petitioner necessary for essential governmental purposes; or (3) the petitioner's use or enjoyment of any income-producing property: *Provided, however,* That the court shall enforce the conditions attached to certificates of indebtedness issued under subsection 811 and the provisions of the plan of compensation.

"CONTEST AND DISMISSAL OF PETITION

"SEC. 806. (a) Any creditor may file a complaint in the bankruptcy court contesting the petition for relief under this chapter or stating any objection he has to the plan. The complaint may be filed at any time up to ten days before the hearing on the confirmation of the plan or within such other times as may be directed by the court.

"(b) The court may, upon notice to the creditors and a hearing following the filing of such a complaint, dismiss the proceeding if it finds that the petition was not filed in good faith, that it does not meet the provisions of this chapter, that it has not been prosecuted with reasonable diligence, or that there is no substantial likelihood that a plan of composition will be approved by the court.

"NOTICES

"SEC. 807. (a) The clerk shall give prompt notice of the commencement of a proceeding under this chapter to the State and to the Securities and Exchange Commission. As creditors and other persons who may be materially and adversely affected by the plan are identified, the clerk shall give such persons notice of the commencement of the proceeding, a summary of the provisions of the plan and any proposed modification of the plan, and of their right to request a copy of the plan or modification.

"(b) The clerk shall also give notice to all creditors of the time permitted for accepting or rejecting a plan or any modification thereof. Such time shall be ninety days from the filing of the plan or modification unless the court for good cause shall set some other time.

"(c) The clerk shall also give notice to all creditors (1) of the time permitted for filing a complaint objecting to confirmation of a plan, (2) of the date set for hearing objections to such complaint, (3) of the date of hearing of a complaint seeking dismissal of the petition, and (4) of the date of the hearing on confirmation of the plan.

"(d) All notices given by the clerk shall be given in the manner directed by the court; however, the court may issue an order at any time subsequent to the first notice to creditors directing that those persons desiring written notice file a request with the court. If the court enters such an order persons not so requesting will receive no further written notice of proceedings under the chapter.

"(e) Cost of notice shall be borne by the petitioner, unless the court for good cause determines that the cost of notice in a particular instance should be borne by another party.

"REPRESENTATION OF CREDITORS

"SEC. 808. For all purposes of this chapter any creditor may act in person or by an attorney or a duly authorized agent or committee. Where any committee, organization, group, or individual shall assume to act for or on behalf of creditors, such committee, organization, group, or individual shall first file with the court in which the proceeding is pending a list of the creditors represented, giving the name and address of each and describing the amount and character of the claim of each; copies of the instrument or instruments in writing signed by such creditors conferring the authority for representation; and a copy of the contract or contracts of agreement entered into between such committee, organization, group, or individual and the represented creditors, which contract or contracts shall disclose all compensation to be received, directly or indirectly for such representation, which agreed compensation shall be subject to modification and approval by the court.

"LIST OF CLAIMS AND PERSONS ADVERSELY AFFECTED

"SEC. 809. (a) The list of claims filed with the petition shall include, to the extent practicable, the name of each known creditor to be affected by the plan, his address so far as known to the petitioner, and a description of each claim showing its amount and character, the nature of any security therefor and whether the claim is disputed, contingent or unliquidated as to amount. With respect to creditors not identified, the petition shall set forth the reasons identification is not practicable, and shall specify the character of claim involved. The list shall be supplemented as petitioner becomes able to identify additional creditors.

"(b) If the proposed plan requires revision of assessments so that the proportion of special assessments or special taxes to be assessed against some real property will be different from the proportion in effect at the date the petition is filed, the holders of record of title, legal or equitable, to such real property shall be deemed persons adversely affected and shall be similarly listed.

"(c) The court may for cause modify the requirements of subsections (b) and (c) of this section.

"PROOFS OF CLAIM

"SEC. 810. Unless an objection is made by any party in interest, the claim of a creditor that is not disputed is established by the list of claims filed pursuant to section 809. The court may set a date by which proofs of claim of unlisted creditors and of creditors whose listed claims are disputed must be filed. If the court does not set such a date, the proofs must be filed before the entry of the order of confirmation. The clerk shall give notice to each person whose claim is listed as disputed in the manner directed by the court.

"DEBT CERTIFICATES

"SEC. 81. During the pendency of a proceeding for a plan of composition or extension under this chapter, or after the confirmation of the plan if the court has retained jurisdiction, the court may, upon good cause shown, authorize the petitioner to issue certificates of indebtedness for cash, property or other consideration, under such terms and conditions and with such security and priority in payment over existing obligations as the court may approve. Notwithstanding any other provision of law including section 819 of this chapter, the court shall have plenary jurisdiction of any action which may be brought against petitioner to enforce compliance with the terms of any such certificates of indebtedness.

"PRIORITIES

"SEC. 812. The following shall be paid in full in advance of the payment of any distribution to creditors under a plan, in the following order:

"(1) The cost and expenses of administration which are incurred by the petitioner subsequent to the filing of a petition under this chapter;

"(2) debts owed for services and materials actually provided within four months before the date of the filing of the petition under this chapter; and

"(3) debts owing to any person or entity, which by the laws of the United States (other than his Act) are entitled to priority.

"PLAN OF ADJUSTMENT

"SEC. 813. The plan of composition or extension sought under this chapter may include provisions modifying or altering the right of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character, or otherwise, may contain such other provisions and agreements not inconsistent with this chapter as the parties may desire, including provisions for the rejection of executory contracts and unexpired leases.

"VOTING ON ACCEPTANCE OF PLAN

"SEC. 814. (a) A plan of composition or extension may be confirmed only if, of the creditors voting in writing to accept or reject the plan, those holding two-thirds in amount of each class materially and adversely affected have voted to accept: *Provided, however,* That no such acceptance shall be required from any class which, under the plan, is to be paid in cash the value of its claims or is to be afforded such method of protection as will, consistent with the circumstances of the particular case, equitably and fairly provide for the realization of the value of its claims.

"(b) Unless his claim has been disallowed, any creditor who is included on the list filed pursuant to section 809 or who files a proof of claim pursuant to section 810 is entitled to vote to accept or reject a plan or modification thereof within the time set pursuant to subsection 807(b). Claims owned, held or controlled by the petitioner are not eligible to vote.

"(c) The holders of all claims regardless of the manner in which they are evidenced, which are payable without preference out of funds derived from the same source or sources shall be of one class. The holders of claims for the payment of which specific property or revenues are pledged, or which are otherwise given preference as provided by law, shall constitute a separate class or classes or creditors.

"(d) If any controversy shall arise as to whether any creditor or class of creditors shall or shall not be materially and adversely affected, the issue shall be determined by the judge, after hearing, upon notice of the parties interested.

"MODIFICATION OF PLAN

"SEC. 815. Before a plan is confirmed, changes and modifications may be made therein with the approval of the judge after hearing and upon such notice to creditors as the judge may direct, subject to the right of any creditor who has previously accepted the plan to withdraw his acceptance in writing, within a period to be fixed by the judge, if, in the opinion of the judge, the change or modification will materially and adversely affect such creditor; and if any creditor having such right of withdrawal shall not withdraw within such period, he shall be deemed to have accepted the plan as changed or modified: *Provided, however,* That the plan as changed or modified shall comply with all the provisions of this chapter and shall have been accepted in writing by the petitioner.

"HEARING ON CONFIRMATION OF PLAN

"SEC. 816. (a) Within a reasonable time after the expiration of the time within which a plan and any modifications thereof may be accepted or rejected, the court shall set a hearing on the confirmation of the plan and modifications, and the clerk shall give notice of the hearing and time allowed for filing objections as provided in subsection 807(c).

"(b) Any creditor, or any other party in interest may file a complaint objecting to the confirmation of the plan. The complaint shall be served on the petitioner, and such other person as may be designated by the court, at any time prior to the date of the hearing on confirmation or such earlier date as the court may set.

"(c) Before concluding the hearing on confirmation of the plan the judge shall inquire whether any person promoting the plan or doing anything of such a nature, has been or is to be compensated, directly or indirectly, by both the petitioner and any creditor, and shall take evidence under oath to ascertain whether any such practice obtains. After such examination the judge shall make an adjudication of this issue, and if he finds that any such practice obtains, he shall forthwith dismiss the proceeding and tax all of the costs against such person, or against the petitioner, unless such plan be modified within the time to be allowed by the judge so as to eliminate the possibility of any such practice.

"(d) At the conclusion of the hearing, the judge shall make written findings of fact and his conclusions of law thereon, and shall enter a decree confirming the plan if he finds and is satisfied that—

(1) it is fair, equitable, feasible, and not unfairly discriminatory in favor of any creditor or class of creditors;

"(2) it complies with the provisions of this chapter;

"(3) it has been acepted by creditors as required in section 814;

"(4) all amounts to be paid by the petitioner for services or expenses incident to the composition have been fully disclosed and are reasonable;

"(5) the offer of the plan and its acceptance are in good faith;

"(6) the petitioner is authorized by law to take all action necessary to be taken by it to carry out the plan and;

"(7) it appears from petitioner's current and projected revenues and expenditures that the budget of the petitioner will be in balance within a reasonable time after adoption of the plan.

If not so satisfied, the judge shall enter an order dismissing the proceeding. No case shall be reversed or remanded for want of specific or detailed findings unless it is found that the evidence is insufficient to support one or more of the general findings required in this section.

"EFFECT OF CONFIRMATION

"SEC. 817. (a) The provision of a confirmed plan shall be binding on the petitioner and on all creditors, whether or not they are affected by it, whether or not their claims have been listed, filed, or allowed, and whether or not they have accepted the plan.

"(b) The confirmation of a plan shall extinguish all claims against the petitioner provided for by the plan other than those excepted from discharge by the plan or order confirming the plan.

"DUTY OF PETITIONER AND DISTRIBUTION UNDER PLAN

"SEC. 818. (a) The petitioner shall comply with the provisions of the plan and the orders of the court relative thereto and shall take all actions necessary to carry out the plan.

"(b) Subject to the provisions of subsection (c), distribution shall be made in accordance with the provisions of the plan to creditors (1) whose proofs of claim have been filed and allowed or (2) whose claims have been listed and are not disputed. Distribution to creditors holding securities of record shall be made to the record holders as of the date the order confirming the plan becomes final.

"(c) When a plan requires presentment or surrender of securities or the performance of any other act as a condition to participation under the plan, such action must be taken not later than five years after the entry of the order of confirmation. Persons who have not within such time presented or surrendered their securities or taken such other action shall not participate in the distribution under the plan. Any securities, moneys, or other property remaining unclaimed at the expiration of the time allowed for presentment or surrender of securities or the performance of any other act as a condition to participation in the distribution under a confirmed plan shall become the property of the petitioner.

"(d) The court may direct the petitioner and other necessary parties to execute and deliver or to join in the execution and delivery of any instruments required to effect a transfer of property pursuant to the confirmed plan and to perform such other acts, including the satisfaction of liens, as the court may determine to be necessary for the consummation of the plan.

"RETENTION OF JURISDICTION

"Sec. 819. The court may retain jurisdiction of a proceeding under this chapter for such period as it determines is necessary to assure execution of the plan.

"REFERENCE OF ISSUES AND COMPENSATION

"Sec. 820. (a) The judge may refer any special issues of fact to a referee in bankruptcy, magistrate or another special master for consideration, the taking of testimony, and a report upon such special issues of fact, if the judge finds that the condition of his docket is such that he cannot take such testimony without unduly delaying the dispatch of other business pending in his court, and if it appears that such special issues are necessary to the determination of the case. Only under special circumstances shall reference be made to a special master who is not a referee in bankruptcy or a magistrate. A general reference of the case to a master shall not be made, but the reference, if any, shall be only in the form of requests for findings of specific facts.

"(b) The court may allow reasonable compensation for the services performed by any such sepcial master who is not a salaried Federal employee, and the actual and necessary expenses incurred in connection with the proceeding, including compensation for services rendered and expenses incurred in obtaining the deposit of securities and the preparation of the plan, whether such work may have been done by the petitioner or by committees or other representatives of creditors, and may allow reasonable compensation for the attorneys or agents of any of the foregoing: *Provided, however*, That no fees, compensation, reimbursement, or other allowances for attorneys, agents, committees, or other representatives of creditors shall be assessed against the petitioner or paid from any revenues, property, or funds of the petitioner except in the manner and in such sums, if any, as may be provided for in the plan of adjustment. An appeal may be taken from any order making such determination or award to the United States court of appeals for the circuit in which the proceeding under this chapter is pending, independently of other appeals which may be taken in the proceeding, and such appeal shall be heard summarily.

"SEPARABILITY

"Sec. 821. If any provision of this chapter, or the application thereof to any agency, instrumentality, or subdivision is held invalid, the remainder of the chapter, or the application of such provision to any other agency or instrumentality or political subdivision shall not be affected by such holding.".

OPEN COMMITTEE MEETINGS

The Senate continued with the consideration of the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

Mr. CANNON. Mr. President, I ask unanimous consent that the following Rules Committee staff people be granted the privilege of the floor during the consideration of the pending legislation: William Cochrane, John Coder, Peggy Parrish, and Louise McPherson.

Mr. CHILES. Will the Senator yield?

Mr. CANNON. I yield.

Mr. CHILES. I ask unanimous consent, Mr. President, that during the consideration and votes on Senate Resolution 9 and all amendments thereto, and Senate Resolution 5 and all amendments thereto, the following staff members have the privilege of the floor: Jim Davidson, George Patton, Bob Rackleff, Claudia Ingram, Paul Hoff, Marilyn Harris, John Childers, Gary Klein, and Charles Morrison.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Will the Senator yield?

The PRESIDING OFFICER. I yield.

Mr. HATFIELD. Mr. President, I ask unanimous consent that James Schoener and Larry Smith of the committee staff and Charles Morrison of the Government Operations Committee be granted the privileges of the floor during the debate on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Senate Resolution 9 is before the Senate.

Mr. CANNON. Is there a time agreement?

The PRESIDING OFFICER. Time for debate on this resolution is limited to 1 hour to be equally divided and controlled by the Senator from Nevada (Mr. CANNON), the Senator from Delaware (Mr. ROTH), and the Senator from Florida (Mr. CHILES), with 30 minutes on any amendment, except one to be offered by Mr. ROTH, on which there shall be 1 hour, and one to be offered by Senator CHILES, on which there shall be 1 hour, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. CANNON. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. CANNON. Senate Resolution 9, amending the rules of the Senate relating to open committee meetings, was unanimously reported to the Senate by the Committee on Rules and Administration with an amendment in the nature of a substitute for section 1 of the resolution. The amendment proposes a different approach from that defined in the resolution as originally introduced by Mr. CHILES. It does not, however, and I emphasize does not, take away any right of any committee to hold every single meeting in open session.

While the amendment reported by the Rules Committee leaves to each standing committee the right to adopt special procedures to meet any needs of its own differing from that of another committee, there is nothing in the proposed amendment to require a committee to hold closed meetings. There is a proviso that all meetings shall be open "unless the testimony to be taken at that hearing may be related to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulations."

To the contrary of holding closed meetings, if any committee declines to adopt any changes in its own rules with regard to open and closed sessions, all of its meetings, with the above exception as to hearings, will be in open session unless it votes in open session to go into closed session at any specific meeting for consideration of a matter relating to national security, to reflect adversely on the character or reputation of a witness or any individual or divulge matters deemed confidential by other provisions of law or government regulations.

It is just not fair for anyone to make a statement that the amendment reported by the Committee on Rules and Administration repeals all requirements in the existing rules for open session, for example the rules requiring open session for the Committee on the Budget, unless that person acknowledges the fact that a committee would have to take further action by adopting rules of its own in order to hold closed meetings.

Under the change proposed by the Committee on Rules and Administration any committee could adopt a rule that would absolutely require every meeting, with the exception pointed out above, to be open regardless of what was considered in the meeting, unless contrary to law; and if it took no action at all, the meetings would be open.

In the case of the Committee on the Budget, if the committee amendment were adopted, that committee on the very next day could readopt the same provisions found in the Budget Act defining what meetings should be open and when it would be in order to move to go into closed session; and as I have already stated, if it took no action, all of its meetings would be open unless that committee in open session voted to go into closed session.

The main difference in the two proposals is to be found in the language of the amendment which leaves it to the committee to define its procedure without forcing each committee to operate under the same procedure by compulsion.

As I have already stated, the reported resolution requires no committee to close its doors or to hold closed meetings. It merely gives to each the right to do so if it feels its obligation to the public demands that procedure. Instead of requiring committees to hold closed meetings, the reported amendment by the Committee on Rules and Administration emphasizes the responsibility of standing committees and subcommittees thereof to conduct their business in open session, but at the same time, reserves to each committee—which obviously is in a better position to know best what the public interest and the obligations of the committee to the public are—the right on any particular occasion to make decisions to accomplish such ends. "Any committee meeting at the commencement of a new Congress to adopt or to change its rules relative to closed or open sessions would be convened in open session, and could go into closed session only by vote of the committee."

The resolution as reported to the Senate, if agreed to, would provide that each committee from the beginning of a new Congress would have to begin its first meeting in open session. It could then vote to go into closed session and adopt a set of standing rules as to which meetings should be open and which should be closed. This would become a standing rule of that committee until changed. But such action would not be taken by a committee of a previous Congress; any such action would have to be taken by each committee by a majority vote of the members of any said committee after its new membership had been appointed in that Congress. Likewise, if any committee failed or refused to adopt a set of standing rules as to whether or not its meetings were to be open or closed, that committee would have to begin each meeting in open session until it voted to the contrary; otherwise, all meetings would be open.

Any committee, particularly if its jurisdiction involved legislation not secretive in nature, would not have to worry about making any rule changes; all of its meetings would then be open. The proposed rule change emphasizes this point.

While all of the work of some committees might well be transacted in open session, the work of other committees might be of such nature that it would be essential for them to hold certain closed meetings. Much of the work of the Committee on Armed Services, the Committee on Foreign Relations and the Committee on Appropriations, to name some of them, might have need for closed sessions for certain purposes which the Senate may not now be in a position to anticipate. This resolution as reported would give committees handling such sensitive matters, particularly national security and rights of witnesses, the right to prescribe procedures best fitted to meet their own situation.

On the other hand, the resolution as originally submitted by Mr. CHILES would require a different procedure. Each committee meeting would always have to begin in open session; it might then vote to go into closed session. The resolution as referred to the Committee on Rules and Administration provides that "Each meeting of a standing, select, or special committee of the Senate, or subcommittee thereof * * * shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present. * * *"

The comparable language proposed in S. 5, to provide that meetings of Government agencies and of congressional committees shall be open to the public, as reported by the Committee on Government Operations recommends the same general procedure. Note that language: "Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions * * *"

What does the above language in the two introduced measures mean? Under any parliamentary procedure in order for a committee to vote to go into closed session, unless specifically worded otherwise, the chairman or someone would have to make a motion or to put the question, stating why the committee should go into closed session, after which the vote would be taken in open session. To carry this to an extreme, in what predicament would the United States have found itself preceding and during World War II, when the subcommittees of the Committees on Appropriations of the Senate and the House of Representatives, met to consider the Manhattan Project to develop the atomic bomb, had they been forced to adopt a motion stating: "Shall the Subcommittee go into closed session to discuss the development of the atomic bomb?"

In this day and time, when things are changing so rapidly and becoming so complex, why should we not, in keeping with democratic procedure, allow a committee by a majority vote to make a decision as to whether or not a matter to be discussed by that committee merits closed consideration, with any action to be taken to be reported later to the press if the divulging of such information would not be deemed contrary to the best interest of our country.

It should be emphasized that the committee's recommendation would also require any rules changes adopted by a standing committee in this regard to be printed in the CONGRESSIONAL RECORD not later than March 1 of that year or not later than 60 days after the adoption of any such rule.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, will the Senator from Florida yield?

Mr. CHILES. I yield 3 minutes to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I find myself in the unhappy situation of not being able to support my chairman, or the committee that has this bill before the Senate today; but I do believe that the "Government in the Sunshine Act" is just another step of many designed to bring the American people closer to their representatives and their Government. The fact that some 49 States have adopted similar measures in recent years is an indication of the general public's desire to know more about their Government.

Mr. President, for too long the major decisions affecting the lives of millions of Americans have been made behind closed doors. The pictorial image of smoke-filled rooms, unfortunately, has not only been applied to political conventions, but to the Congress as well. Like most things in politics, image is a very important factor in cultivating the confidence of the voter. The Senate has a unique opportunity today to say to the citizens of America that their representatives have nothing to hide, and that the doors to the backrooms of all committees are going to be open to the general public, some for the first time in history.

It has taken almost 200 years to remove the cloaks of secrecy from the windows of Congress, and it is a step long overdue. The term, "Sunshine in Government," is a fitting description for this legislation.

No citizen, whether an elected official or not, should be permitted to more information of the governmental process than another citizen. If the Senate should refuse today to open its doors as it has the opportunity to do, then such action might well lead observers to term this institution as the "imperial Congress" as they have done to the Presidency.

If the Senate should refuse to open its doors and then require the executive departments to operate in the sunshine, then the American people will have been provided with the perfect example of the double standard. If the Senate is going to refuse to accept guidelines for the closing of committee meetings, then in all fairness it should not require the executive departments to operate under the guidelines of S. 5.

Long ago, our Founding Fathers firmly decided against the idea of royal titles or a class structure. While a somewhat loose economic class structure has been established over the years, we can also say that no law or statute has endorsed or supported this sociological and economic phenomenon. The Constitution provides that every man and woman 18 years of age and older who is a citizen of the United States has the right to vote. Today, the Senate can take this one step further by formally adopting the principle that every citizen has the right to know what and how decisions are made in the legislative and executive branches of their Government.

Mr. President, as a member of the Senate Committee on Interior and Insular Affairs, I can attest to the fact that a committee can do its work, and very successfully, out in the open. We hold all of our meetings and markups in the open unless they concern committee personnel matters or the financial matters relating to the nominees before our committee. Mr. President, the Senate Budget Committee and the Senate Interior Committee have proven to the Senate that committees can operate in the sunshine with efficiency and dispatch. I am confident that the other committees in the Senate will also find this to be true and possible.

Mr. President, I strongly urge my colleagues to support efforts to restore the original language to Senate Resolution 9 and for the passage of S. 5. A vote in favor of these measures will be a vote of confidence in favor of the American people.

I thank the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself such time as I may require.

On January 15, 1975, I, along with nearly 40 other Senators, introduced legislation which would have required that all meetings of governmental agencies and congressional committees be open to the public, with certain clearly defined exceptions. A comprehensive regulation of executive branch and congressional meetings was contained in S. 5 as introduced. Regulations for meetings of Senate committees only were contained in the first provision of title one, which consists of the same language as the original version of Senate Resolution 9.

On September 18, these measures were reported from the Senate Committee on Rules and Administration in a form which not only would halt the advance of open and accountable government, but would also mark an unfortunate return to the politics of secrecy and concealment.

In reporting these measures, the Senate Rules Committee deleted all references to House-Senate conference committee meetings from S. 5, and greatly weakened the proposed reform in Senate Resolute 9.

The report on Senate Resolution 9 states, in part,

> While the committee generally agrees with the concept of more openness as expressed in S. 5, it believes that in respect to congressional committees such purpose would more properly be served by direct amendment of the standing rules of the Senate.

Let us examine their amendments to see if they properly serve the purpose of reform.

As originally introduced, Senate Resolution 9 would have required all meetings, including hearings, of each Senate standing, select, or special committee to be public.

Under its terms Senate committees, however, would have been permitted to vote, in open sessions without the use of proxies, to close a meeting if one of five specific issues would be raised in the course of the meeting: namely, if the subject or testimony, first, "will disclose" national defense or foreign relations secrets; second, "will relate" to committee staff matters; third, "will tend to charge" a person with a crime or misconduct; fourth, "will disclose" an informer's identity; or fifth, "will disclose" commercial or financial secrets.

The Committee on Rules and Administration version of the resolution, on the other hand, permits the meetings to be closed if the subject "may relate" to national security, "may tend to reflect adversely" on an individual, or "may divulge" confidential matters. Lawyers will recognize immediately the significance in the wording. These Committee on Rules and Administration version of the resolution permits an unacceptable degree of latitude in closing committee meetings. The interests of an informed public, and even an informed Senate, require more stringent guidelines to close committee meetings.

It is also important to note that in voting to close committee meetings, the Rules Committee version would permit the use of proxy votes. It is difficult to understand how a Senator not present at the meeting could be fully aware of the subject requiring the meeting to be closed. A Senator voting by proxy is not able to hear the arguments favoring or opposing an executive session. Our resolution as originally introduced did not permit the use of proxy votes. But these are not the only objections to the committee version of the resolution.

The committee version limits the open meeting rule only to standing Senate committees; our version made the open meeting rule applicable to special and select committee sessions as it sees fit. There is no safeguard in the committee version to prevent a Senate committee from adopting rules whereby virtually all meetings could be closed to the public. Not only does the committee version allow for an increased number of closed committee sessions, and a continuation of proxy voting, it also encourages a needless diversity in committee procedures when the intent of our reorganization acts has been to rationalize and standardize the legislative process.

The removal of all mention of legislative procedure from Senate Resolution 9 is also regrettable. Our version of Senate Resolution 9 contained procedures for keeping accurate transcripts of all committee meetings, as well as proivsions by which the decision to close a meeting could be appealed to the respective House. Under those provisions, each House would have a select committee on meetings, composed of both its parties', leadership and presiding officer, which if it decided that a meeting had been closed without sufficient justification, could recommend to its parent body that the committee's decision be reversed and that the meeting be open, the transcript made public, or both.

The appropriate House would have to concur in this recommendation for it to take effect. S. 5 also proposed a joint select committee to propose remedial action for joint and conference committees. But, with no comparable language inserted in Senate Resolution 9, no transcripts of closed meetings need be taken, no avenue of appeal exists, and a meeting closed for whatever justification remains secret.

The language removed from S. 5 also contained provisions for open joint committees. Without that language, the deliberations, for example, of the Joint Committee on Atomic Energy could regularly be closed to public scrutiny.

If we are to prepare a comprehensive energy policy, the public needs to be informed of the deliberations of this important joint committee. S. 5 as it now stands could not guarantee the public's right to know. Moreover, S. 5 as reported from committee would continue the practice of closed conference committee meetings. It is in the House and Senate conferences that the final form of legislation is determined. In closed conference, major items in bills are retained or removed often without public knowledge and too frequently with little publicity.

Earlier in this session, both Houses went on record as favoring the concept of open conferences, but have done little to implement those promises. The removal of open-meeting joint and conference committee rules from S. 5 is another failure to implement well-advised reforms.

In my remarks made at the time S. 5 was introduced, I observed that

> Secrecy in Government has become synonymous in the public's mind with deception by the Government.

The form in which S. 5 and Senate Resolution 9 were reported by the Rules Committee cannot help but continue this public perception because Congress fails to apply to itself the same standards that it requests of the executive branch. When are we going to admit that this kind of double standard is unacceptable? Now that people are particularly aware of the fact that things can go wrong in the governmental decisionmaking process, it is incumbent upon the U.S. Senate to show them that we are willing to eliminate the practices which have fostered ill-advised decisions.

We can show this willingness by rejecting the Rules Committee version of Senate Resolution 9 and again making the Congress subject to the same "sunshine" requirements that we must, and plan to, require of the executive branch.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, 2½ years ago, I joined Senators CHILES, HUMPHREY, and others in offering an amendment to require a general rule opening most Senate markup meetings to the public. That amendment was narrowly defeated, although we were successful in getting the Senate to permit individual committees to open their mark-up meetings at their own discretion. Today the Senate has an opportunity to reverse that mistake and join our colleagues in the House of Representatives in requiring committees to be open and in opening conference committees.

In my judgment, there are serious defects in the proposal of the Committee on Rules and Administration.

The most serious defect, in my judgment, in the Committee on Rules and Administration proposal, is its provision to allow individual committees to adopt rules different from the proposed general Senate rule favoring openness. This would encourage the development of a haphazard system of individual rules for individual committees. The legislation Senator CHILES and I are proposing would give the private citizen the same basic right of access for all committees.

When committees are closed to the

public, it should be because of the nature of the specific issue involved in that meeting, not because the prevailing sentiment in that committee is for open or closed meetings.

Everyone agrees that there are certain matters—where national security or defense secrets are involved, or personal privacy, or details of an on-going negotiation—that require confidentiality in the public interest, and I emphasize the words public interest. That is not the issue. We provide flexibility in such cases. The question here is whether any committee should be allowed to operate in secrecy when ordinary business is being transacted and when there is no compelling reason for confidentiality.

I agree with Patrick Henry who once said:

> To cover with a veil of secrecy the common routine of business is an abomination in the eyes of every intelligent man.

The business of Congress is public business. We are accountable not just for the decisions we take as a collective unit, but we are also accountable as individuals for our votes in committees and conference committees, for the amendments we propose in committees, and for the positions we take. When part of the legislative process is unnecessarily hidden from the public eye, then part of that accountability is lost to the voter.

I believe that when we rid the government of unnecessary secrecy, there will be greater respect for the times when confidentiality is essential.

It is especially fitting that the "sunshine proposals" should come for a vote the day after when many local elections took place. Elections are the most basic institution of our participatory democracy. The rules change which Senator Chiles, I, and many others are proposing would guarantee that the voter would have the fullest possible access to the entire legislative process consistent with the need for protecting certain, limited, special categories of information. This rules change will help give the voter the information he needs to make intelligent decisions and help educate the public about the procedures of Congress. Most important of all, I believe and hope it will help bridge a chasm between Washington and the rest of the country and make the voter in Lewes, Del., or Crescent City, Calif., feel that the Federal Government is indeed his government.

Mr. President, I point out that in both committees on which I serve, the Committee on Government Operations and the Committee on Finance, the current practice has been to adopt an open rule. Despite the reservations many people on both these committees had at one time, I think it can be said with all fairness that we have found that the open rule has in no way inhibited the free discussion and the transaction of important legislative business. Instead, it has promoted an openness and the opportunity for everyone to know what those committees are doing.

For that reason, I urge my colleagues to reject the Rules Committee amendment to Senate Resolution 9 and restore the original language.

Mr. CHILES. Mr. President, I yield to the Senator from Maine.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. CHILES. Such time as is needed for colloquy.

Mr. MUSKIE. Mr. President, I rise principally on the basis of the experience I have had in the Committee on Government Operations and the Budget Committee in open meetings, including markup and conference sessions.

I had some of the misgivings that other Senators have had and have experienced on the floor of the Senate with respect to a consistent open rule, but under the experience we have had for the last 3 years, beginning with the writing of the Budget Control Act in the Committee on Government Operations 3 years ago—and since then in the Government Operations Committee and in the conduct of business in the Budget Committee—we have operated fully with an open meeting rule, consistent with the original text of Senate Resolution 9.

Despite the warnings last year that open meetings would inhibit frank discussion and compromise in the committee, I have found just the opposite. Open meetings have encouraged responsible decisionmaking. They have improved our access to public opinion, and they have broadened both the debate and public involvement in deciding where our tax dollars will be spent.

From the point of view of the media, I find that they have found these open sessions extremely enlightening in terms of understanding some of the complex issues and problems with which we have had to deal in this new budget process.

We in the Budget Committee also have had open conference sessions with the House Budget Committee on the first concurrent resolution. That, by traditional standards, surely was a hazardous undertaking. This was a new process which Congress had never undertaken before. We had gotten through our respective Houses successfully and survived; but in connection with the question of accommodating the kind of debate and compromise in conference which we had come to expect in the tough kinds of confrontation we have between the two Houses, there was some danger that the process might be perceived as extremely provocative, abrasive, divisive, chaotic, or what have you.

There was some fear that having open conferences with those risks was a hazardous undertaking. On the contrary, I think the press were impressed by the fact that we were able to disagree constructively, that we were able to debate our disagreements and reach constructive conclusions. I believe that the general reaction of the press, insofar as I was exposed to it, was most positive.

So I say to the Senate that, as the one committee which has operated under the open rule that was put into our charter, into the statute which created the process, the experience has been wholly positive, without any negative implications whatsoever.

It is on the basis of that experience, Mr. President, that I joined in cosponsoring Senate Resolution 9; and it is on the basis of that experience that I urge the Senate to adopt that kind of open rule for all Senate committees. I see no risks in it.

I believe that the five reasons stated in Senate Resolution 9, in the original text, for closing meetings, are sufficient to protect any real need for closed meetings that anyone could conceivably conjure up.

I ask unanimous consent that those reasons be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

> "(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—
>
> "(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;
>
> "(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;
>
> "(3) will tend to charge an individual with crime or misconduct, to disagree or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;
>
> "(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or
>
> "(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—
>
> "(A) an Act of Congress requires that information to be kept confidential by Government officers and employees; or
>
> "(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.
>
> Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.".

Mr. MUSKIE. Mr. President, I intend to vote to reject the Rules Committee language contained in Senate Resolution 9 that would limit drastically the open Senate meeting provisions in the Government in the sunshine bill.

In doing that, I hope that we can restore the original language approved this summer by the Government Operations Committee, which would require open meetings by Senate committees, joint committees, and conference committees, except in certain circumstances.

As a long-time supporter of open committee meetings, I believe that failure to reject the current language of Senate Resolution 9 would mean a giant step backward in meeting our obligation to open up the decisionmaking process in Congress.

I am especially concerned because the current language would repeal the provision of the Budget Reform Act that requires open meetings by the Senate Budget Committee.

As Budget Committee chairman, I can testify to the success of our present open meetings rule. I want to see that requirement continued.

Despite warnings last year that open meetings would inhibit frank discussion and compromise in the committee, I have found the opposite. Open meetings have encouraged responsible decisionmaking. They have improved our access to public opinion. And they have broadened both the debate and public involvement in deciding where our tax dollars willl be spent.

Mr. President, it might help to remember the times we live in.

We have never, in modern times, seen public confidence in Government so low. We can congratulate ourselves for our conduct in exposing Watergate corruption, but we cannot rest until we take the affirmative steps necessary to restore public confidence in Government.

Louis Harris stated recently that 63 percent of Americans report that "the people running the country do not care what happens to you," up from 33 percent in 1966. Forty-one percent report that "I feel left out of things going on around me," up from only 9 percent in 1966.

During that same period, the number of Americans who expressed great confidence in Congress went from 42 percent to 13 percent, and in the executive branch, from 43 percent to 13 percent.

Finally, 85 percent of all Americans feel that most politicians are afraid to tell it like it is, to tell the public the hard truth about the key problems of today.

While Harris found deep frustration with Government, he also found a deep desire by people to participate in Government—to be let in on the hard facts, and have a chance to make an impact on Government decisions.

That deep frustration is very real, I can say from personal experience. I have seen it first-hand among the voters in Maine, as I am sure all of you have seen it in your own States.

I do not know many of those frustrated citizens who would be satisfied with the current language. It shows a clear double standard in stating, "OK, the executive branch better open up its meetings, but we will keep ours closed."

That kind of double standard certainly will not help restore confidence in Congress.

The public instead would be moved to ask, "What is the Senate afraid of? Is it afraid to tell us where it stands on issues? Is it afraid to show us how Government works? What has it got to hide?"

Indeed, Mr. President, what have we got to hide? If any of us here are afraid to tell people how things really are, then we are in the wrong business. We are certainly not cut out for a career of public service.

Remember also that we are not taking a perilous step into the unknown. By adopting an open meeting requirement, the Senate would simply be catching up with the House, which requires all committee meetings to be open, unless a majority votes to close them. We would be catching up with several Senate committees, and with many State and local governments which long ago adopted and used successfully the principle of open meetings.

Once the current language of Senate Resolution 9 is rejected, I will urge adoption of the sunshine bill, S. 5.

We must enact a sunshine bill that opens up congressional committee meetings, that requires open meetings by executive agencies, including meetings to conduct hearings, and that prohibits ex parte contact in any on-the-record agency proceeding.

Once we have completed that task, we can be proud to have reaffirmed the general principle that the people must decide. We can be proud to have taken a simple, but profoundly important step toward restoring faith in Government.

Mr. President, I should like to ask the Senator from Florida one question, so that I might understand fully the meaning of the committee amendment.

Mr. CHILES. I yield.

Mr. MUSKIE. I have listened to the distinguished chairman, Senator CANNON, as to his interpretation of the committee language; and I was reassured at least by the general intent that Senator CANNON expressed. But as I understand this language, what troubles the Senator from Florida—and if it is correct, it will trouble me—is this: The committee language would permit any committee to close any meeting for any of the five reasons stated in the original text of Senate Resolution 9, or for no reason at all—simply because a majority of the committee wished to close that meeting. Am I correct?

Mr. CHILES. I think that is correct. It would also allow a committee, at the beginning of a session, in adopting its rules, to just adopt a rule that all its meetings would be closed, period.

Mr. MUSKIE. It could adopt a rule that would close its meetings for the session?

Mr. CHILES. For the session; that is correct.

Mr. MUSKIE. Without the necessity to reconsider that position at subsequent individual meetings?

Mr. CHILES. I think that is correct.

Mr. MUSKIE. That is the way I interpreted it. I ask the Senator from Nevada about that.

Mr. CANNON. I wish the Senator would ask me, as chairman of the committee, because I say that the interpretation is categorically wrong; and a reading of it will make very clear that it is wrong. The author of the amendment is here, and he can speak to it himself.

Mr. MUSKIE. May I read the language that troubles me and ask the Senator?

Mr. CANNON. Certainly.

Mr. MUSKIE. The language begins, "Each meeting," and then I go to line 22:

> shall be open to the public unless any such committee or subcommittee thereof in open session determines by a record vote of a majority of the Members of the said committee or subcommittee that the proposed meeting shall be closed because of the nature of the matter to be considered by that committee or subcommittee.

What troubles me about that language is that the words " nature of the matter" are not defined. "Nature of the matter" undefined could mean anything that any Member suggested as a reason.

Is it that loose, may I ask the Senator?

Mr. CANNON. No. I say categorically that it is not that loose.

It relates back to the premise which is substantially the same as the premise of the Senator from Florida, which follows:

> unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or government regulations.

In other words, we start with the premise that the meeting is open, and it does leave to each committee the right to adopt its rules at the beginning of the session, if it so desires, in which event it would have to take action in open session and specify under what terms and conditions, subject to this *limitation*, it could close the meeting by majority vote.

Mr. MUSKIE. I should like to follow my question with another.

The Senator from Nevada has said that the words "nature of the matter" are intended to be defined by the language on page 3, lines 18 through 22. Does that language also apply to meetings other than hearings? Because that language in parentheses on page 3 appears to modify only the word "hearings." I am concerned, also, with conferences and markup sessions.

Mr. CANNON. It does refer to both. Most of the committees already have prescribed the hearings to be open. "Meetings" is all inclusive, and includes the term "hearings."

The Senator has pointed out a problem that, in my judgment, is not precisely in this one, but it relates to the conference committees with the House which he mentioned earlier.

I ask this of the Senator: Did he ever, in connection with a conference with the House, have a caucus among some of the majority or minority members of the conference to try to determine the position?

Mr. MUSKIE. With respect to the Committee on the Budget?

Mr. CANNON. Yes.

Mr. MUSKIE. I think we probably did.

Mr. CANNON. I am sure that they did, and I am told that they did. This points up the fallacy and the difficulty of the whole proposition. I am serving, right now, as a member of the conferees on the Energy Committee, as is the distinguished Senator from South Carolina, who just came in.

Mr. MUSKIE. I am a member, too, although I have not been able to attend.

Mr. CANNON. We acted immediately, when that conference was organized, to open the meetings to the public. Then what did we do? We had to get confidential information that could be presented to make an assessment as to what our position would be. We had to find out the position of the administration. We had to find out the position of the House. We have had caucuses, we have had one every day. I have one right here, on my schedule for tomorrow morning. We had to develop in closed caucus, if you will—we can call it anything we want, but we had to develop a position that would permit us to go into the conference and try to develop some legislation out of that conference.

I am simply saying that we are using a lot of fancy terms as window dressing and we are going right around and doing the same thing. Sure, that energy conference is open and the room is filled there. One cannot get in without walking in the back and going down the aisle and fighting one's way in. I have attended a lot of caucuses to try to develop a position, to consider the administration's position, to decide how far we can go, what kind of a compromise we can get, to be briefed by the staff people on the effect of these things. Then we go in and present our position in open conference, in open session—which I approve of. Any votes that we take will be voted there in open session.

Mr. MUSKIE. I think that is a matter that can be covered—matters similar to that are covered by the second exception to the original resolution, that a meeting can be closed for the purpose of discussing or taking testimony that will relate "solely to matters of commitee staff personnel or internal staff management or procedure." It is a simple matter to add language that will cover the contingency that the Senator describes.

May I say that I think it was in the spirit of that that we held our caucuses—very few caucuses, I might say—in the conference on the Committee on the Budget.

If we go to the other side, there is some need for privacy in developing matters for negotiation. I would not challenge that. But I do not think the need for that kind of exception justifies adopting a rule that will permit broadening the exception, to closed meetings for frivolous reasons.

Mr. CANNON. But the Senate's proposal does not permit that. A lot of people have read into it things that it simply does not do.

Mr. MUSKIE. Let me read the next language, which troubles me more than the language we have just been discussing. This begins on line 4 of page 4:

> . . . unless any such committee shall, following the appointment of its membership at the commencement of each Congress, adopt rules specifically prescribing a different procedure to protect its own needs and at the same time conform to the public interest . . .

It seems to me that, on its face, that language would permit a committee to adopt a closed rule for the remainder of the session.

Mr. CANNON. I say to the Senator, that was not the intend and that is not our advice from our drafting people as to what it does. It certainly was not intended.

In other words, the intent was that a committee could adopt, at the beginning of a session, a rule with relation to these exceptions.

Mr. CHILES. Mr. President, I understand this is all on my time right now.

The PRESIDING OFFICER. The time of the Senator from Florida has expired and the Senator from Nevada has 20 minutes.

Mr. CANNON. Mr. President, if we need to carry it further, I shall yield further time on the bill.

Mr. MUSKIE. I do not need additional time myself, but I think the answer to that question would be very helpful to me. I am not challenging the Senator's intent, but that language that I just read is particularly troublesome to me. It is really of more concern than the earlier language, which I think the Senator probably has covered by interpretation. This language would seem to open the doors to closed rules, and that troubles me.

Mr. CANNON. I am advised by our drafters and by our Parliamentarian Emeritus that it relates back to previous language on line 18, page 3:

> (unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulations),

That simply says that if a committee wants to adopt a rule at the beginning of the Congress to govern its procedures, it can do it then, rather than come in and say, "We have a hearing today and we want to consider the terms of the Manhattan Project and therefore, I will put a motion to have us go into closed session."

That is the sort of thing that I think would encumber the work of the committee by having to act each precise time it wants to go into closed session. If it has adopted a rule—for example, I serve on the Committee on Armed Services. I should think that the Committee on Armed Services would want to adopt a rule—which, incidentally, must be adopted and voted on in open session—at the beginning of the session that says that when a matter involves the national security of the United States, the chairman shall have the authority to call an executive session of the committee, and let the committee vote on that as a rule. If they approve it, then he would have that authority to say, "The hearing today involves matters involving national security or classified information"—which is the same thing—"and therefore, the hearing will be closed."

Really, the difference between the amendment of the Senator from Florida and the amendment of the Senator from West Virginia, or their positions, is very negligible. In both instances, the hearing would be open, the meeting would be open, unless action is taken to close it. Substantially, in both instances, the reasons for closure are the same.

The basic differences are two: One, the amendment of the Senator from West Virginia leaves out special committees and select committees that ought not to be in there. When we form a special committee on the floor of the Senate, we give them instructions.

I imagine that when we formed the select committee for the investigation of the CIA, we did not want to write in there that they had to hold all their meetings in open session, because they certainly could not do it effectively, in my judgment. Therefore, those things ought to be considered at the precise time.

On the other hand, if we form a select committee to investigate the Small Business Administration or matters relating to small business, it would seem to me that those meetings ought to be held open. So that is one difference.

The other difference is this: the committee could act at the beginning of the session, in open session, to adopt a rule and say, "Under these conditions, we will now vote to approve a rule to permit that type of procedure." If they do not do that, and they would not do it under the amendment of the Senator from Florida, each time that they go into a meeting and start a meeting open, they define what the reason is that they need to close it and vote on it at that time.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. May I comment on that?

Mr. CANNON. First, let me give the Senator an opportunity to comment on that.

Mr. MUSKIE. Just 30 seconds, because I have used up more than my fair share of the time.

I still think that language is subject to the interpretation that I put upon it, and I think that either ought to be stricken or modified to indicate more clearly the intent which the Senator has just spelled out, and which I think is a vast improvement and expresses what the committee had in mind in the language of the bill. I think we ought to adopt a rule here today that will govern committees, that it ought not to be an open question at the beginning of each session of Congress. We should adopt it now and establish it so that we can become accustomed to it and use it and not leave it open to further juggling in subsequent Congresses. That is my own view of that language.

Mr. CANNON. I certainly would have no objection, though I do not know about the Senator from West Virginia, to inserting, after the word "interest", "in accordance with the limitations in this paragraph heretofore set forth."

Mr. MUSKIE. Why should the question be opened at each session of Congress?

Mr. CANNON. Because a committee may, from 1 year to 1 year, decide to change its basic rules. Almost every committee adopts rules to govern its procedure at the beginning of Congress. The matters relating, for example, to Armed Services Committee matters, 3 or 4 years ago, all would have been thought to be classified. Yet in my own Tactical Air Power Subcommittee, we have held a lot of our hearings open this year because we have been able to direct the administration to come up and prepare to testify in open session, and then only hold closed sessions when we had to go in for strictly security matters. So times change. This is why I do not like to see something fixed here. We want to leave that up to that committee and its members to determine.

You are going to have to assume that

every member of a committee is operating in good faith. I think you also have to assume that secrecy is one thing and confidentiality is another. We saw the results of secrecy in the Watergate affair, and that is what brought this whole thing on. We do not want to see that again.

But we must recognize that there has to be some confidentiality in matters. The Attorney General just a short time ago said, "A duty of complete disclosure would render impossible the effective operation of Government."

Mr. PERCY. Mr. President, would it be all right with the majority if I yielded myself a few minutes so I can make my opening statement and then we can get to go into the details of the bill?

Mr. President, the bills before us today, Senate Resolution 9 and S. 5, are the products of many long months of work by the Senate Government Operations Committee as well as the Senate Rules Committee. I would like to pay particular tribute to those members of the Government Operations Committee who have contributed so much to this legislation. Senators CHILES, WEICKER, and ROTH have been working on this legislation since the subcommittee stage and are to be highly commended for their efforts. Senators RIBICOFF, JAVITS, and BROCK also took active roles within the full committee and helped to draft this legislation. It has been a pleasure to work with all of them.

I would also like to compliment the staff of the committee, both majority and minority, and staff personnel from the Justice Department and the Office of Management and Budget who have worked long and hard in this effort.

I would like to divide my remarks into two parts—first, comments on Senate Resolution 9, and then later, when it is called up, on S. 5.

SENATE RESOLUTION 9

Using the original Senate Resolution 9 as a starting point, the Government Operations Committee included as title I of S. 5 this year strong provisions requiring the committees of Congress to be open except for certain specified reasons. Title I included all standing, select, and special committees of the Senate and any subcommittee of such a committee. Committee meetings would have to be open to the public unless the committee or subcommittee votes to close the meeting based on one or more of five specific grounds: First, national security; second, personnel matters; third, personal privacy; fourth, law enforcement secrets; or fifth, trade secrets. Joint committees are also included with the same reason for closing meetings. Conference committees are also mandated open unless the managers of either House vote to close them. In the case of conference committees, no specific reasons are necessary.

When S. 5 was referred to the Rules Committee, title I was split off from S. 5 and then reported out as Senate Resolution 9, which is before us today. However, the Senate Resolution 9 on the floor today is neither the original Senate Resolution 9 nor is it title I of S. 5 as reported by the Government Operations Committee.

The PRESIDING OFFICER. Will the Senator from Illinois suspend. On whose time is he proceeding?

Mr. PERCY. I yield 2 minutes on the resolution.

The PRESIDING OFFICER. On which?

Mr. PERCY. Senate Resolution 9, the resolution before us.

The PRESIDING OFFICER. It is the Chair's understanding that the time on Senate Resolution 9 is under the control of the Senator from Nevada. Does he yield to the Senator from Illinois?

Mr. CANNON. I do not have the time on both sides of it. I have it only on one side.

The PRESIDING OFFICER. The time on the other side, I am advised, has expired.

Mr. CANNON. Not on the resolution itself. That was on the amendment. The committee amendment is pending and there is time on the resolution under the unanimous-consent agreement.

Mr. PERCY. Is there not 1 hour on the resolution?

The PRESIDING OFFICER. There is 1 hour on the resolution. The time is equally divided between the Senator from Nevada (Mr. CANNON) and Senator ROTH and Senator CHILES, and their time has expired.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished chairman would have no objection, I would suggest that we expand the time a little bit.

TIME FOR DEBATE EXTENDED 30 MINUTES

Mr. President, I ask unanimous consent that the time allotted to Mr. CHILES be extended for an additional 20 minutes, and 10 minutes to the chairman.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Does the Senator from Florida yield to the Senator from Illinois?

Mr. CHILES. I yield.

Mr. PERCY. The Rules Committee version of Senate Resolution 9 covers only standing committees or any subcommittee of a standing committee. It does not cover select or special committees. It does not cover conference committees. It does not cover joint committees. It also eliminates a uniform set of rules for all Senate committees by stating that the above provisions shall apply unless the committee adopts a different set of rules at the beginning of each Congress "to protect its own needs and at the same time conform to the public interest." This would mean that any committee of the Senate could set whatever rules it wanted for itself. Not only would there be no uniformity among Senate committees, but committees could even set rules less conducive to openness than they now have.

Therefore, Mr. President, I feel that the Senate should reject the Rules Committee version of Senate Resolution 9 so that we can then go back to the original text of Senate Resolution 9 as the bill under discussion today. I will be working with my colleagues on the Government Operations Committee today to attempt to have strong open committee provisions.

The Government Operations Committee adopted a strong open committee rule at the beginning of the 93d Congress which has permitted public access and exposure to the work of the committee. The work of the committee has not suffered due to openness. Indeed, I feel it has definitely been enhanced. I feel that no one need fear having his committee meetings open. But, in cases where national security, personnel matters, personal privacy, law enforcement secrets, or trade secrets are involved, a committee can vote to close its meetings. But the presumption in what we are trying to do today is openness, unless the necessity arises to close a meeting, not the other way around.

Mr. President, just in closing, I would like to say I have listened with great interest to some of the objections. It is very fortunate that the Government Operations Committee has operated under this rule all this year. It has the Permanent Investigating Subcommittee dealing with highly sensitive matters, and at no time were our procedures not adequate to meet the needs; and at no time have we been subjected to criticism.

I feel this period of testing we have had now with the Government Operations Committee in all of the work of our committee in many areas, highly sensitive, have definitely proven the value of this procedure.

Mr. President, I ask unanimous consent that John Pearson, of the staff of the Government Operations Subcommittee on Permanent Investigations be granted access to the floor during the debate and votes on Senate Resolution 9 and S. 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I want to give very high praise to Senators CHILES, ROTH, and PERCY for making this resolution possible.

I rise in strong support of Senate Resolution 9 as originally introduced by Senator CHILES and in opposition to the substitute wording adopted by the Rules Committee.

As representatives of the people in a democracy, the Senate has a special obligation to conduct its business in a way that is fully open to the public. The public has a right to know what its representatives are doing when they conduct the people's business. Senate Resolution 9 would translate these principles into reality in compliance with the vote this year in both the Democratic and Republican caucuses.

Senate Resolution 9 is patterned very closely on the rules governing the meetings of the Senate Budget Committee which the Senate approved last year by a vote of 55 to 26. It would require all meetings, including hearings, of each standing, select or special committee to be open to the public. It would allow, however, Senate committees to vote in open sessions to close a meeting for certain specified reasons wherever necessary. These grounds cover such matters as national security, invasion of personal privacy, staff personnel, trade secrets, and law enforcement investigations.

A similar provision was contained in title I of S. 5 which the Government Operations Committee unanimously reported on July 31.

The Government Operations Committee has conducted all of its full committee markups in open session for 2 years. As chairman of the committee, I firmly believe that the practice has been beneficial to the committee and to the public. I firmly believe that the practice has not inhibited the committee's discussion or unnecessarily lengthened its meetings.

As a matter of fact, just to the contrary. Every member of the committee realizes that it is open, and there is very little time wasted. The discussions are pertinent and to the point and, from my experience as chairman of the committee, I find that our work has been expedited instead of having been delayed.

Open meetings allow the press and the public to learn exactly what action the committee takes and why. The chance for news leaks and distorted accounts are eliminated. Any chance that secrecy will lead to public distrust or suspicion is avoided.

Other committees have also adopted open meeting rules. The Senate Committee on Banking, Housing and Urban Affairs, and the Committee on Interior and Insular Affairs have had similar rules since 1973. The Senate Budget Committee has followed a rule of openness since it was created last year.

These committees have successfully considered a number of important bills in open sessions such as the Urban Mass Transportation Act (S. 662), the National Housing Act (S. 1271), strip mining legislation (S. 7), and Outer Continental Shelf legislation (S. 521).

The experience in the House indicates that the great majority of the committee meetings may be open to the public. In 1972, about half of all committee meetings in the House were closed. Since the House changed its rules in 1973 to create a presumption of openness, however, about 90 percent of its meetings have been open. This shows that openness is widely applicable to all committees regardless of the nature of their work.

As a participant in a number of open conference committee meetings last year I also know that open meetings do not hinder the work of conferences. Twelve conferences successfully met in open session in 1974. The House has already approved a rule that would make conference committees open unless the managers for either the House or Senate voted to close them.

Legislatures in some 35 States have laws making the deliberations of legislative committees open to the public.

Clearly open government is not a notion that must be limited to just one House or to just one type of committee.

Today the Senate should not miss its opportunity to also go clearly and definitely on record in favor of a rule of openness.

This rule of openness should be generally applicable to all Senate committees. The Senate should agree on the general reasons which justify a committee closing its meeting and establish the principle that each meeting should be open unless it falls within any of these reasons. Senate Resolution 9 as originally introduced would do all this. At the same time the resolution will allow any committee to conduct its business in private where necessary.

The rules governing hearings presently require a committee to meet in the open unless it must close the meeting for one of three specified reasons. To my knowledge, committees have had no difficulty operating under this rule. There is no reason why the Senate should have significant difficulty operating other committee meetings under a similar rule.

The full Senate has always considered, amended, and passed legislation in public session. There is no reason why the Senate's preliminary, but equally important consideration of the same legislation in committee should not also be open to the public.

Senate Resolution 9 will still let each committee close a meeting where necessary. But only approval of Senate Resolution 9 as originally introduced will put the Senate as a whole in favor of openness in the Senate as a whole. This is the way it should be. The people have a right to know whether the entire Senate is willing to take forceful action to open its committee proceedings to the public, not just whether a few committees are willing to do so.

Senate Resolution 12, a companion resolution to Senate Resolution 9, would establish the same important principle of openness for conference committees. At the same time, it preserves the right of the Senate managers to close any conference it feels must be closed. It makes equally good sense.

In 1913 Woodrow Wilson characterized legislative secrecy in the following way:

> Those are private processes. Those are processes which stand between the people and the things that are promised them, and I say that until you drive all of those things into the open, you are not connected with your government; you are not represented; you are not participants in your government. Such a scheme of government by private understanding deprives you of representation, deprives the people of representative institutions. It has got to be put into the heads of legislators that public business is public business.

I strongly urge the Senate to vote for a meaningful policy of openness.

I strongly urge the Senate to support Senate Resolution 9 as originally introduced, and to adopt a rule requiring conference committees as well to be open to the public.

Now, Mr. President, I see my distinguished chairman of the Finance Committee here, and I know there were great questions raised by many members of the Finance Committee concerning open sessions.

Yet, as I look back at the open sessions we have had—and I would say the inclination of our chairman of the committee is to have as many open sessions as possible—it has not delayed the work of the Finance Committee either; these complex matters in open session have expedited the work and, I believe, the open sessions have brought better work from the committee than closed sessions.

Mr. LONG. Mr. President, will the distinguished Senator yield?

Mr. RIBICOFF. Yes.

Mr. LONG. Mr. President, I am happy to continue the open sessions as long as we have a rule that that does not preclude us from doing certain things we should do.

For example, the proposal that was made by the Senator and his cosponsors in the beginning——

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. LONG. Mr. President, I ask that I be allowed 1 more minute.

The PRESIDING OFFICER. The Senator from Nevada is yielding. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, there is more than meets the eye here. For one thing, this proposal should be amended to conform to the rules of the Senate. The rules of the Senate place a burden on the Presiding Officer to clear the galleries if they are engaging in a demonstration that prevents the Senate from moving in an orderly fashion, and this proposal should be similarly amended.

I have never seen a case where the Presiding Officer was forced to clear the galleries, but if the Presiding Officer does not have that power, then it is almost a standing invitation for someone to break up any meeting by just conducting a disorderly demonstration. That should be taken care of.

Furthermore, this proposal fails to make clear that a closed meeting should be held where we are discussing the negotiating position of the United States in an international conference.

The Senator is well aware, for example, that those who come to tell us what we hope to achieve in these trade negotiations should be expected to tell us not only what the position of the United States is, but what the fallback position would be, what we think we would settle for if we cannot get what we are asking for.

I really do not think that they could hope to protect this Nation's interest and discuss these matters with us unless they could do so confidentially, otherwise, I think they would have to refuse to tell us.

Mr. RIBICOFF. If the Senator will yield, I agree with him, but I believe the committee took care of that by one of the exceptions:

> Matters relating to trade secrets or financial or commercial information.

It is my feeling that that, together with——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. STONE. I seek 3 minutes.

Mr. CHILES. I yield 3 minutes to the Senator from Florida.

The PRESIDING OFFICER. The

Senator from Florida is recognized for 3 minutes.

Mr. STONE. Mr. President, the chairman of the Rules Committee has just attempted to make a distinction without a difference in saying that secrecy is bad, but confidentiality is good.

That is the same thing that the most recent President was trying to do in calling the shield of secrecy "executive privilege."

What it is is attempting to call something confidentiality and in reality claiming legislative privilege.

When this Senator, with the chairman of the Interior Committee, sought to open the energy conference now in progress to the public, several protested that opening such a sensitive conference—it is probably the most vital conference that we have had this year—that opening it to the public would bring on grandstanding and outside pressures and a delay of the work.

Instead, within 1 day after the conference was open and commenced, Chairman HARLEY STAGGERS of the House side, and the full conference, complimented all of the conferees.

The fact was that we were moving and we were moving rapidly, effectively and efficiently.

I understand how uncomfortable it must be in trying to dive into the ice cold pool of total openness. But in the State of Florida, where we have done that, we find that after a couple of laps of the pool, it gets to be very comfortable.

The fact of the matter is that the grandstanding that otherwise is predicted is put at a minimum because the public and its observers through the press catch it for or what it is.

So the junior Senator from Florida urges the defeat of this amendment and the sustenance and the passage of the basic resolution.

The PRESIDING OFFICER. The time has expired.

Mr. CHILES. I yield 4 minutes to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from Florida.

First of all, I join my colleagues in commending Senator CHILES, Senator STONE, Senator ROTH, and Senator PERCY for pursuing this matter with the diligence that they have, for also carrying their arguments to the caucuses of both the Democrat and Republican parties in the Senate earlier this year.

I think Senator STONE, by his statement refusing to participate in meetings which are closed, has pointed up this issue in a way which is increasingly understood and appreciated by the American people.

Mr. President, I vigorously support the efforts of the Senators to restore Senate Resolution 9 to the meaningful "sunshine" reform it should be if the Senate is to function as an open institution in our open form of government.

The question before us is a simple one—whether the public business of the Senate is to be carried out in public.

I believe that the time is overdue for our Senate committee meetings and our Senate conferences on legislation with the House to be carried out in open sessions open to the public, subject only to the strict exceptions provided in Senate Resolutions 9 and 12 as originally introduced, and in S. 5 as reported by the Committee on Government Operations.

Secrecy is the enemy of democracy. It is also the servant of delay and incompetence, of obstruction and arbitrariness and corruption. Even worse, secrecy breeds the appearance of these serious evils, even when they may not exist in fact.

In ways like these, secrecy and the aura of secrecy undermine the confidence of the public in Congress and the institutions of our government, at a time when public confidence in Congress and government is already touching historic lows. We have to take a stand to stop the slide. We cannot afford to sink still lower.

Perhaps the most surprising thing about today's debate is that the debate is taking place at all. The reform efforts of recent years have taught us that Congress can function better, that Congress can improve its self-respect, and the respect in which the public holds us, by reforming our procedures and opening up our actions to public scrutiny and attention.

In a variety of ways, we have been moving in the Senate in recent years toward changes and reforms in areas like campaign financing, lobbying, and the control of the Federal budget. We are breaking the stranglehold of seniority on the committee system and committee chairmanships. We have formed an independent commission to study our Senate procedures and recommend reforms, and we are opening up government agencies to responsible requests for information from the public in the Freedom of Information Act.

Now we can take another major step toward improving the quality of action by Congress at two of the most important stages of our responsibility—our committee markup sessions, where the vast majority of the real business of Congress is carried out, and in our conferences with the House, where the final shape of bills is hammered out before they are presented to the President for his signature.

None of us need have any reservations about the impact of these reforms. A number of Senate committees and a number of Senate-House conferences have already experimented with open meetings and that point has been elaborated during debate. They have found the experience not only satisfactory but desirable—not least because committee members are more likely to arrive on time for committee sessions, and to arrive better prepared to do committee business. As a result, committee work is expedited, sessions are more productive, and Congress is better served.

The Budget Reform Act already requires that sessions of both the House and Senate Budget Committees must be open to the public. As the Senate Budget Committee has recently reported, the experience with open meetings has been so successful that these two new companion committees have agreed to open their Senate-House conference sessions to the public, although they are not required to do so by the statute. In the case of Senate committee markup sessions, the Chiles proposals are carefully drafted to require all sessions to be open, except in the limited range of situations where closed sessions may be appropriate—such as national defense and confidential aspects of foreign policy, trade secrets, and other sensitive financial information, committee staff personnel matters, criminal investigations and charges of misconduct, and personal privacy considerations.

These exceptions will apply only if a majority of the members of a committee or subcommittee present at a markup session determines that they are applicable. The exceptions are carefully drafted to give generous protection to the legitimate needs of congressional business and the confidentiality of sensitive information. But they accomplish these goals without allowing the exceptions to swallow up the principle of openness, and without falling into the error of delegating too much latitude to each committee to close its business to the public.

In the case of conference committee sessions, the reforms proposed by the Roth amendment will require conference meetings to be open to the public unless a majority of either the Senate or House conferees votes to close them. As originally introduced, the provisions on open conference meetings contained exceptions similar to those applicable to Senate committee meetings. But the House of Representatives has already adopted a rules change for its conferees similar to the pending Senate proposal. Implementation of the House change is contingent on Senate action. Although I would have preferred to apply the same restrictive exceptions to open conference meetings as we are applying to open Senate committee meetings, I believe we should act at this time to adopt the Roth amendment. By such action, the open conference requirement will take effect immediately, without requiring further action by the House.

It is an understatement to say that these reforms are overdue. Unlike other institutional reforms in recent years, the Senate is well behind the House of Representatives on this issue. We are also well behind the States—49 of the 50 States now have open meetings laws, and more than two-thirds of the State legislatures require open committee meetings.

In fact, the Senate is in danger of being the caboose on this open government reform. By acting now to pass these measures, we can at least end that stigma, if not avoid it. And in the process, we shall become more accountable to our constituents than we have ever been before.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

If neither side yields time——

Mr. CHILES. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CANNON. What is the time situation now, Mr. President?

The PRESIDING OFFICER. The Chair says that as far as time on the bill is concerned, there are 14 minutes for the proponents and 11 minutes for the opponents. Half an hour on the committee amendment has not been used.

Mr. CANNON. Then, Mr. President, would it be in order to yield back the time on the committee amendment, at which time the committee amendment would be open for further amendment?

Mr. LONG. Mr. President, I ask unanimous consent that Mike Stern be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS and Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Chair is seeking to respond to the Senator from Nevada.

The Parliamentarian advises that if all time is yielded back on the committee amendment, then the committee amendment would be ready for a vote, unless there is an amendment to the committee amendment.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

Does the Senator yield to the Senator from Alaska for a parliamentary inquiry?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I just wanted to inquire of the Chair whether it was possible to offer an amendment to the committee amendment before all time is yielded back in this situation.

The PRESIDING OFFICER. The Chair understands that the time would have to be used or yielded back before an amendment would be in order to the committee amendment.

Mr. CANNON. I am prepared to yield back the remainder of the time on the committee amendment.

Mr. CHILES. I am prepared to yield back the remainder of the time.

Mr. CANNON. If the opposition is willing, I am prepared to yield back the remainder of the time on the committee amendment in order that amendments would be in order.

Mr. CHILES. As I understand, the distinguished Senator from Nevada wishes to offer an amendment to the committee amendment and feels he cannot do so until time is yielded back?

Mr. CANNON. That is what the Parliamentarian has just said.

Mr. CHILES. If that is correct, though I do not understand it, I am prepared to yield back our time.

Mr. ROTH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. The committee amendment has not been accepted yet; is that correct?

The PRESIDING OFFICER. That is correct. The committee amendment has not been acted upon.

Mr. ROTH. Once there is a vote on it, if it is accepted, then it is open to amendment; is that correct?

The PRESIDING OFFICER. No. If the amendment should be agreed to, then it would not be subject to further amendment except by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is this an amendment to the committee amendment?

Mr. ROBERT C. BYRD. It is.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CANNON. Yes. I understand the Senator from Florida is willing to yield his time back, and I am willing to yield my time back on the committee amendment.

Mr. CHILES. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHILES. If the time is not yielded back, it would still be in order, once time had expired, would it not, for them to seek to amend the committee amendment?

The PRESIDING OFFICER. That is correct.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The amendment will be stated.

The legislative clerk read as follows:

On line 8, page 4, after the word "interest," insert the following: "in accordance with the limitations set forth above in this paragraph in parenthesis."

Mr. TAFT assumed the Chair at this point.

Mr. ROBERT C. BYRD. Mr. President, the purpose of this amendment would be to address the point raised by the distinguished Senator from Maine (Mr. MUSKIE) earlier during the colloquy so as to make clear that that portion of section 1(b), paragraph 1, relating to the adoption of a rule by any committee following the appointment of its membership at the commencement of each Congress would be based upon the justification set forth in the parentheses beginning on line 18, page 3, of Senate Resolution 9.

In other words, any standing committee or subcommittee at the beginning of each Congress could, following the appointment of its membership, adopt a rule specifically prescribing a different procedure to protect its own needs and to conform to the public interest, to wit, "Unless the testimony to be taken" at any hearing or meeting "related to a matter of national security or tended to reflect adversely on the character or reputation of the witness or any other individual, or divulge matters deemed confidential under other provisions of law or Government regulations."

Mr. President, I believe the matter is clear. The Senator from Maine raised the question. I think it was a logical question and was a point well taken. This amendment is intended to abet that point and to clarify the language so as to make it clear that committees in adopting rules at the beginning of any new Congress could provide for closed sessions only under the circumstances as set forth in the verbiage contained in the parenthesis.

Mr. ROTH. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. ROTH. If I understand what the Senator is trying to do, it is to apply the limitations on page 3 that are in the parenthesis to the following sections where there is a different procedure.

Mr. ROBERT C. BYRD. Yes.

Mr. ROTH. But if I also understand, so long as it falls within those limitations—I am not saying that it would—the committee rules could provide that a chairman alone could close the committee as long as it was within those restraints. Is that correct?

Mr. ROBERT C. BYRD. No, that would not be correct.

Mr. ROTH. Let me ask it a little differently.

Mr. ROBERT C. BYRD. The committee would have to authorize it.

Mr. ROTH. I appreciate that. A new committee is formed with its new members and they adopt the rule, according to the procedures set out in the section——

Mr. ROBERT C. BYRD. By a record vote.

Mr. ROTH. By a record vote——

Mr. ROBERT C. BYRD. And in open session.

Mr. ROTH. That the committee subsequently could be closed for national security purposes by action, let us say, of the chairman and ranking member together.

Mr. ROBERT C. BYRD. No.

Mr. ROTH. That is not correct.

Mr. ROBERT C. BYRD. If the committee authorized that, but that would be——

Mr. ROTH. That is what I am saying. Comes January and we have a new Armed Services Committee. They, in open session, by a majority rule, vote that the procedure will be henceforth during the current 2 years that the chairman and the ranking member can decide whether or not to close the committee for national security purposes. That could be done subsequently in closed session, if they wanted to do it.

Mr. ROBERT C. BYRD. Not the original action.

Mr. ROTH. I am not talking about the original action. I am talking about subsequent action. So it would be perfectly possible for one man to make that decision if the committee was willing to delegate that authority to the chairman.

Mr. ROBERT C. BYRD. If the majority of the committee, by a record vote in open session, authorized the chairman to do that, then that would be a rule of the committee for that Congress.

Mr. ROTH. In other words, there would be no limitations on the kind of procedures that could be set up.

Mr. ROBERT C. BYRD. Pardon?

Mr. ROTH. There would be no limitations on the procedures. I mean could a chairman not do it, or by a simple majority, or by less than a quorum?

Mr. ROBERT C. BYRD. Whatever the committee authorized.

Mr. ROTH. Whatever the committee originally authorized.

Mr. ROBERT C. BYRD. Whatever the majority of the committee originally authorized. But once in closed session a majority of the committee could also vote to open that session.

Mr. ROTH. Mr. President, it seems to me that that opens the door very, very wide. We could give very broad authority to one or two people to make as a general rule a closed session.

As a matter of fact, if I understand this, there would be no limitation as to how often they have to act on that. We are really closing the door very substantially by this proposed change.

Mr. ROBERT C. BYRD. No, the door is not being closed substantially or otherwise. In the first place, the majority of the committee would have to vote in open session by record vote to authorize the chairman to go into closed session and only then would he be authorized to go into closed session under certain well-defined limitations that are set forth in the language of the committee substitute.

At any time after such committee went into closed session, a majority of the committee would have the right to vote to open the session again. I call attention to the fact that under rule XXXV of the Standing Rules of the Senate, any Senator may ask that there be a closed session of the Senate. He does not have to state his reasons. It need only be that, in his opinion, ample and proper reasons exist to request a closed session. If that Member is seconded by a second Member, the Senate automatically goes into closed session, and the Chair orders the doors to be closed and the galleries to be cleared. Once in closed session, of course, a majority of the Senators can vote to go back into open session.

We are not requiring, in the committee substitute, that kind of a rule to apply to committees or subcommittees. But I want to call it to the attention of the distinguished Senator from Delaware that the present Standing Rules of the Senate do allow two Senators to put the Senate into closed session without any explanation of their reason, and that once in closed session, the majority may vote to go back into open session.

Under the rule proposed here by the committee, any committee could, at the beginning of a new Congress, establish a rule to authorize closed sessions to meet certain circumstances that might arise during the course of that Congress, and at any time a majority of the committee wished to open the sessions of that committee it could vote to do so, even though the matter thought to be sensitive was still under discussion.

The language I have proposed in my amendment to the committee substitute would clarify the intent of the subcommittee and the committee as to the meaning of the amendment. It would bring out that clear intent, and make it comport with the intent that the distinguished Senator from Maine expressed concern about, and that he felt ought to be the intent, although he did not agree with the chairman or with me, for that matter, as to what the clear intent of this verbiage is. This amendment would serve to clarify that.

Mr. MUSKIE. Mr. President, may I say, if the Senator will yield, the Senator from Maine does approve it to that extent, with one reservation, which I think represents the difference of view between the distinguished Senator from West Virginia and myself, which is that in my view we have had experience under the open rule that is sufficient to adopt it as a permanent rule, and the Senator believes, for the reasons he has expressed, that the committees ought to be given more flexibility than that. I think that, now, is the difference between us. But I think his amendment clarifying the limitations under which the Senate committees could exercise that flexibility has improved the language of the committee substitute.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia yield to me for a comment?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I think the Senator's amendment to the committee amendment is a good one. But, addressing myself to the basic question which is raised in the choice between the original text and the proposed committee amendment, it seems to me that rule XXXV of the Senate points up a difficulty which I think many Senators may be overlooking.

It is recognized in all of these versions that there are some matters which legitimately should be handled and discussed in closed session: matters involving national security, matters that tend to defame or impugn the integrity of individuals, and so on.

Rule XXXV recognizes that the discussion and debate on whether or not a particular matter fits in that category is a matter to be discussed by the Senate in closed session. In other words, any Senator, with the support of another Senator, can close the doors of the Senate and call the attention of the Senate to information or details justifying why the matter should be handled in closed session.

I do not understand how, if a Senator believes that the matter about to be discussed involves national security, he is supposed to be able to convince his colleagues in open session that the matter involves national security. It seems to me that the arguments he would have to present would be of such a nature that they should be presented in closed session. If we recognize that the Senate as a whole would decide that kind of a question in closed session, it seems to me we are making it awfully difficult for a committee to make a similar decision which could be just as important.

I would not be quite so concerned if the so-called sunshine resolution followed the guidelines and provisions of Senate Rule XXXV. In other words, all meetings of the committees should be open unless upon motion of one Senator seconded by another, the committee would go into closed session to consider whether the committee should proceed in closed session, and no other business could be transacted except to decide that motion.

Of course, as the Senator from West Virginia has pointed out, a majority could immediately turn around and vote to open it up, not having been convinced that there was justifiable reason to be in closed session.

With that kind of a question, I have difficulty in accepting the original version. I think the committee version is better, unless we would conform to the Senate rule in terms of the Senate as a whole.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. The Senator from West Virginia has 15 minutes remaining.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. CHILES. Would the Senator from Delaware agree if perhaps the Senator from West Virginia would be willing to consent? I do not think it goes as far as Senate Resolution 9 goes, and I would still oppose it, but I would think if we could adopt it by unanimous consent, we would be in a position of moving to the adoption of the committee amendment as amended.

Mr. ROTH. That would be agreeable.

Mr. GRIFFIN. Mr. President, I would object. I wonder if the Senator from Florida would address himself to the question I have raised. Because we would then be in a position of voting on the committee amendment, and would be at a point where it would be difficult to consider this question again.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. GRIFFIN. I am glad to yield.

Mr. ROTH. Is the Senator suggesting that the original language would be acceptable to him, if we added an additional provision, I guess it would be section 5, providing that two members of a committee could close a session only for the purpose of deciding whether or not there should be a closed session? Is that what the Senator is suggesting?

Mr. GRIFFIN. That would certainly be an improvement. My question is, if you need a majority vote of the committee in open session to close the committee meeting, how do you, in open session, convince your colleagues that the matter they are about to take up involves national security? Are we supposed to do that in open session? That is the kind of situation in which we are going to put all committees of the Senate. I realize it is not very important in many committees. Maybe the Committee on Public Works never would have that kind of a problem. But other committees do.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. GRIFFIN. I am glad to yield.

Mr. MUSKIE. We have not had experience with all contingencies covered by the five positions in the original text, but we had experience with some.

For example, with respect to item 2, which has to do with matters of committee staff personnel or internal staff management or procedure, when such matters arise involving a frank discussion of possible candidates for committee staffing, in my case the chairman advises the committee that that is the nature of the discussion that we are about to undertake and that I would recommend that we close the session for that purpose. We do not actually get into the detail of the matter. We do not have to make a case, deciding the substance of why we go into closed session. I would think that what was proposed to be discussed is classified information, and that the chairman advising the committee that what he wants to put before them is certain classified information is sufficient in and of itself to justify a vote to go into closed session. I do not think we have to go into great detail about the discussion that will take place. So I do not think it is quite as complicated as might appear on the face of it.

On the other hand, I think the Senator from Delaware, perhaps, has a useful suggestion to obviate the kind of problem that disturbs the distinguished minority whip. I certainly would be interested in pursuing that because it could conceivably, in some circumstances, create difficulties of persuading a majority to make a decision on closing the meeting.

Mr. GRIFFIN. There is nothing personal in this. But there are Senators who do not believe that any session should be closed—maybe I am wrong on that—and who would be very reluctant to go along only with the suggestion that something involves national security. They would want to be convinced. Are we going to convince them in private? Maybe that is what would be done. But that is going to be against the sunshine rule. We have to convince them in open public session.

Mr. MUSKIE. What would happen, if either side of such an issue were operative, is the committee might well make it possible for itself to act. The situation would clarify itself.

But I have no objection pursuing the suggestion, provided that going into closed session for the purpose of discussing the merits of one of these conditions is limited to that.

Mr. GRIFFIN. I can conceive of the situation, for example, where the reputation of an individual might be involved in a hearing, and the question might be much more difficult than the question of whether national security is involved. It might take a good deal of factual information and argument to convince the committee, particularly in a difficult case, that it would not be fair to the individual, and would be an unwarranted invasion of his civil rights, or whatever. It might not be able to make the case in open session without doing the very damage that should be avoided.

Mr. MUSKIE. I would agree. The Senator is raising a legitimate point. I think it is manageable along the lines of the suggestion of the Senator from Delaware. Of course, if the original text of Senate Resolution 9 becomes the pending business, I assume the Senator from Delaware would pursue his suggestion.

Mr. ROTH. That would be the intent of the Senator from Delaware.

If there is no further debate, Mr. President, I am ready to yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT: H.R. 10029—MILITARY CONSTRUCTION APPROPRIATION

Mr. MANSFIELD. Mr. President, the Senate has already agreed to allow 1 hour on an amendment to be offered by Mr. CULVER and 1 hour on an amendment to be offered by Senator PROXMIRE. The first is relative to Diego Garcia; the second is relative to the Defense Medical School.

I am referring to the military construction defense appropriations bill which will follow the disposal of the pending business.

I ask unanimous consent that there be a time allocation of 1 hour on amendments to that bill, 30 minutes on amendments to amendments, motions or appeals, and 1 hour on the bill itself.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Mr. President, reserving the right to object, does this mean that any amendment offered on the Diego Garcia amendment would also have 1 hour.

Mr. MANSFIELD. Yes, and the amendment would have to be germane. Therefore, I ask that the regular procedure be followed.

Mr. NUNN. I have no objection.

The PRESIDING OFFICER. The Chair advises the rule requires germaneness of amendments in any case when a general appropriations bill is involved.

Mr. MANSFIELD. Yes, I have made that request that all amendments be germane.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That, during the consideration of H.R. 10029 (Order No. 428), an act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That, on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Majority and Minority Leaders, or their designees: *Provided*, That the said Leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

OPEN COMMITTEE MEETINGS

The Senate continued with the consideration of the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

ADDITIONAL STATEMENTS SUBMITTED ON COMMITTEE AMENDMENT IN NATURE OF A SUBSTITUTE

Mr. HANSEN. Mr. President, today the Senate will consider and vote on matters which affect the openness of Senate committees to the public. I support openness in Government and am a cosponsor of S. 5, the Government in the Sunshine Act.

Openness in Government, in my opinion, is in the best interest of the people of this great Nation, who are affected by what we do here, and in the best interest of the Government itself, which in these times is largely responsible for implementing the laws passed by the Congress.

We are a nation that places great importance upon the free interchange of ideas in the public forum. This belief is deeply rooted in our democratic system of government. It seems to me that this belief, as it pertains to the legislative process, is enhanced by making our committee meetings open to the public.

This is not to say that all meetings of Senate committees are to be open. I recognize that there is certain subject matter which must remain confidential, such as an issue that pertains to national security. However, generally speaking, the meetings, markups, and hearings of the Senate committees and subcommittees should be open. At the beginning of the 93d Congress, the Senate Committee on Interior and Insular Affairs, of which I am a member, conducted open hearings and meetings. It has worked.

It concerns me that in recent years, the public's confidence in its Government has waned. It seems to me that there is no better way to restore the public's confidence in Government than by opening up the legislative deliberative process.

As a cosponsor of S. 5, I support the Government in the Sunshine Act. I support it as it was favorably reported by the Senate Committee on Government Operations on July 31, 1975.

The Government Operations Committee report summarized S. 5 in the following way:

> The bill requires Congressional committees and all Federal agencies subject to the legislation to conduct their meetings in the open, rather than behind closed doors. As a result of this legislation, the public will, for the first time, have the right to observe most of the meetings held by all Congressional committees, and by 47 Federal agencies.

The vote of the committee was unanimous in reporting the bill out.

Title I of S. 5 would require that all meetings of standing, select or special committees of both the Senate and House be open to the public. This includes meetings of subcommittees. There are specific exceptions to the openness requirement. For example, where a majority of the committee votes to close the meeting because of national security, foreign policy, or personal privacy. Additionally, title I would require conference committees between the Senate and House to be open except when a majority votes to close. Joint committee meetings between the House and Senate are subject to the same rules on open meetings as conference committees.

Briefly, title II of S. 5 would require meetings of multimember Federal agencies, and of their subdivisions, to be open. Again, there are certain exceptions to the openness requirement.

The following Federal agencies will probably be affected: the Consumer Product Safety Commission; the Federal Farm Credit Board within the Farm Credit Administration; the Federal Home Loan Bank Board; the Federal Trade Commission; the Indian Claims Commission; the National Council on Quality in Education; the Occupational Safety and Review Commission; the Railroad Retirement Board; and the U.S. Civil Service Commission. For those who argue against the closed, arbitrary actions of Federal agencies, this could be a partial solution.

As stated previously, I favor both parts of S. 5 because it opens meetings of committees of Congress—this includes markups—and meetings of Federal agencies.

Because title I of S. 5 deals with Senate procedure, this bill was referred to the Senate Committee on Rules and Administration. On September 18, 1975, the Rules Committee struck title I from S. 5. The Rules Committee stated the changes pertaining to Senate committees should be effectuated by direct amendment to the Standing Rules of the Senate, rather than a bill which must be approved by the House and signed by the President. Although I find the Rules Committee position has some merit, it is my thought that the need for openness in Government, on balance, should be effected at this time and procedure should give way to the substantive advantages of openness.

The status of Senate Resolution 9 must also be noted here. Senate Resolution 9, as introduced, would have required the same open meeting requirements for standing, select or special committees that are found in title I of S. 5. The Senate Rules Committee reported Senate Resolution 9 out of committee with a substitute amendment. This substitute authorizes a closed session if voted upon by a majority of the standing committee or subcommittee. This is a substantial departure from the concept of openness as expressed in S. 5 and Senate Resolution 9 before the amendment. Rather than a step forward, the action of the Rules Committee is a step in the opposite direction.

In concluding, I believe in openness of Senate committee and subcommittee meetings, markups, and hearings. In order for openness to become a more meaningful concept in this body, I intend to vote consistently with the philosophy and spirit of S. 5 as originally introduced and reported favorably out of the Senate Operations Committee.

Mr. BEALL. Mr. President, I rise to state my strong opposition to the actions of the Rules Committee in substantially weakening Senate Resolution 9, legislation now before us which is designed to open up congressional processes to greater public scrutiny.

As an original cosponsor of S. 5, the "Government in the sunshine" bill, I consider the amendments offered by the Rules Committee to be a giant step backward, and thus I hope my colleagues will join me in rejecting this attempt to reverse the commendable trend toward openness in our governmental processes.

Mr. President, last spring I conducted a survey of my constituents to determine their views on many of the major issues facing our Nation today. The final question on this survey was, "Do you have confidence in the Congress to deal effectively with today's problems?"

Of the 119,000 answers I received, over 63 percent responded with a resounding and disturbing "No." I believe that part of the reason for this obvious lack of confidence is due to the fact that, to most Americans, Congress seems to do its work behind locked doors.

In my judgment, it is time to unlock those doors. The people of this country will not be able to fully evaluate the effectiveness, the integrity, and the worthiness of their elected representatives until they are permitted to observe the full legislative process.

Originally, title I of S. 5 directed that Senate committee meetings be held in open session, unless the committee voted to close that session on one of five very specific grounds: National defense and foreign policy, personnel matters, criminal or civil investigations, personal privacy, or trade secrets. However, it was decided, and I believe rightly so, that since the Constitution provides that "each House may determine the rules of its proceedings," this problem could best be handled in the Senate through a simple resolution, thus making unnecessary action by the House of Representatives or the President on the measure.

However, the Rules Committe in reporting out Senate Resolution 9 has cut the heart out of this measure by permitting any committee to adopt rules to close its sessions at the beginning of a new Congress, or in fact to shut its doors in the future for any reason whatsoever.

Mr. President, this is a superficial approach to a very serious matter. Instead, we in the Senate must establish a standard of openness, and only deviate from that standard when absolutely necessary, and then only for certain specified reasons.

Further, as a member of the Senate Budget Committee, I object to the fact that the Rules Committee by this action would repeal the existing rule of openness in our committee. This action has been taken without the knowledge or support of the Budget Committee, and in fact runs against my experiences to date in the committee. The Budget Committee has been operating under the mandatory sunshine provision of the Budget Act for over a year, and I have seen no evidence where our discussions have been inhibited in any way.

I also want to take this opportunity to voice my support of the amendment sponsored by Senator ROTH, which I have cosponsored, which will open up House-Senate conference committees. I have long felt that conference committees are the most overlooked part of the legislative process, and by opening their deliberations to the public eye, our citizens can better understand the immense importance of their work.

Mr. President, S. 5 requires that Government agencies open their meetings to the public view. I ask the Senate to act favorably on this bill. But before we can take that action, we must first get our own house in order by passing Senate Resolution 9 as originally offered, without the debilitating amendments which the Rules Committee has proposed.

I urge my colleagues to let the sunshine in on our work.

Mr. CLARK. Mr. President, I first want to commend the distinguished senior Senator from Florida (Mr. CHILES) on the outstanding leadership he has provided in the struggle to achieve open government. Without his perseverance and determination, this historic debate might never has taken place. The distinguished Senator from Delaware (Mr. ROTH) is also to be applauded for the long hours he has worked to bring us to this point.

Mr. President, I hope no one is confused about the vote we are about to take.

I hope no one thinks that in voting for the Rules Committee amendment to Senate Resolution 9 he is voting for open government. He is not.

I hope no one thinks that in voting for the committee amendment he is voting to improve the rules of the Senate by providing increased public access to the decisionmaking process. He is not.

And I hope no one thinks that in voting for the committee amendment he is voting to improve the public's horribly low regard for the Congress of the United States. He is not.

The Rules Committee proposal would allow each Senate committee to establish its own policy as to whether meetings should be closed or open. They are saying, in effect, that the Senate, as a body, has no responsibility for deciding whether the American people will be allowed to see what their elected representatives are doing.

The Rules Committee proposal would even repeal the Budget Act requirement for open meetings of the congressional Budget Committees. They are saying that this provision, adopted by the Senate on a 55-to-26 vote last year, is now null and void.

The Rules Committee proposal ignores the experience of the House of Representatives, where, since the adoption of an open meetings rule in 1973, fewer than 10 percent of the committee meetings have been closed to the public. Opponents of opening up committee meetings in the House made the contention that it would interfere with House business and decrease efficiency. But this has not been the case. Common Cause made a survey of House Committees last year and found the committees were doing at least as much work as they had done under the old system. But the Rules Committee proposal says, in effect, that the Senate—for some reason—has a greater need for secrecy than the other body of Congress.

Mr. President, we have a long way to go in the effort to restore public trust and confidence in the institutions of Government. Passage of the original version of Senate Resolution 9 will surely help. Adoption of the Rules Committee proposal, however, can only make matters worse, and I urge its defeat.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. Haskell), the Senator from Montana (Mr. Metcalf), and the Senator from Misouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Indiana (Mr. Hartke) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Curtis), and the Senator from Pennsylvania (Mr. Scott) are necesarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. Scott) would vote "yea."

The result was announced—yeas 16, nays 77, as follows:

[Rollcall Vote No. 468 Leg.]

YEAS—16

Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Goldwater
Griffin
Hruska
Long
McClellan
Pell
Scott, William L.
Stevens
Talmadge
Williams
Young

NAYS—77

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Stone
Taft
Thurmond
Tower
Tunney
Weicker

NOT VOTING—7

Curtis
Hartke
Haskell
Metcalf
Scott, Hugh
Stennis
Symington

So the committee amendment, as amended, was rejected.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a perfecting amendment to the resolution.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd) proposes an amendment: On page 2 line 4 after the word "present" insert the following: "in accordance with the provisions set forth in Rule XXXV and paragraph 2 of Rule XXXVIII of the Standing Rules of the Senate relating to closed sessions,".

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order. There are 15 minutes on each side on the amendment. Who yields time?

Mr. ROBERT C. BYRD. I yield myself such time as I may require.

May we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Mickey Barnett of my staff be granted floor privileges during the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia allow me to be a cosponsor? I hope it will not lose him any votes.

Mr. ROBERT C. BYRD. Yes; I ask unanimous consent that Mr. Griffin and Mr. Cannon be permitted to be named as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. The Senate has just rejected the committee substitute which would have been an improvement over the present standing rule contained in paragraph 7(b) of rule XXV of the Standing Rules of the Senate.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. I regret that the attendance on the floor was not good during the discussion of the committee amendment. The committee amendment, nevertheless, has been voted down. For the record I should point out again that the committee amendment was an improvement insofar as opening up the sessions of standing committees of the Senate are concerned—over the present rule.

The present rule, paragraph 7(b) of rule XXV of the Standing Rules of the Senate, only deals with standing committees. The committee substitute which has just been voted down dealt with standing committees and any subcommittees thereof.

The present rule of the Senate provides that meetings for the transaction of business of each standing committee—saying nothing about the subcommittees—"shall be open to the public except during closed sessions for marking up bills or for voting."

In other words, under the present Standing Rules of the Senate any meeting of a standing committee for marking up a bill or for voting shall be closed, except in two instances: One, when the committee, by majority vote, orders it open or when a committee, by standing rule, decides that such closed sessions shall be open to the public.

So under the present rules of the Senate, markup sessions are closed—period—unless a committee, by rule, determines that such sessions shall be open or, in the alternative, a majority of the committee votes to open those committee meetings.

Now, the committee substitute, that Senators have just overwhelmingly voted down, provided that each meeting and markup session of a standing committee or any subcommittee shall be open to the public unless any such committee or subcommittee in open session determines by a record vote of a majority of the members of the committee or subcommittee that the proposed meeting shall be closed because of the nature of the matter to be considered. That language sets forth certain circumstantial situations in which the meetings of the committee might be closed or the meetings of a subcommittee might be closed.

It also allows committees and subcommittees at the beginning of each new Congress to adopt a rule, if the committee desires to do so, embracing circumstances in which the committee meetings throughout that new Congress would be closed.

It was the committee's position that each committee of the Senate should be able autonomously to make its own rules with respect to closed sessions based upon the nature or subject matter of the legislation coming before each committee, rather than having the Senate as a whole establish a rule for all committees.

Now that the committee substitute has been voted down, however, the amendment I have offered would seek to perfect the language of the resolution introduced by Mr. Chiles, for himself and others, so as to address the point raised by the distinguished Senator from Michigan (Mr. Griffin), to wit, that in the event a committee or a subcommittee would wish to meet in closed session to discuss certain matters of a security nature, or dealing with foreign relations of the United States, or relating solely to matters of committee staff, personnel, and so on, and so on, or matters which would tend to charge an individual with a crime or misconduct, or matters that would disclose the identity of any informer or law enforcement agent, or any information relating to the investigation or prosecution of a criminal offense, such committee would not have to reveal the nature of that subject matter in open session, but could go into closed session and determine whether or not continued closed session of that committee to discuss that particular sensitive subject would be justified.

As I stated earlier today, under rule XXXV of the Standing Rules of the Senate, any Senator may put the Senate into closed session if he can get one other Senator to second his motion. He does not have to disclose his reason, he does not have to explain why he thinks the Senate should go into closed session. He merely demands a closed session and upon a second of that motion by another Senator, the Chair will automatically clear the galleries, close the doors, and the Senate then will proceed to discuss the matter in closed session.

A majority of Senators, once the Senate is in closed session, may vote to open the Senate.

Under the language of the Chiles resolution, if it is not amended by my amendment, a committee may go into closed session if that committee or subcommittee determines in open session by record vote by a majority of the members of the committee or subcommittee, that the matters to be discussed or the testimony to be taken, of such portion or portions, will disclose such and such matters that should be discussed only behind closed doors. In other words, committee members would have to have an open discussion and a public airing of the very national security matters that ought to be discussed in closed session before the committee can even vote to go into closed session.

My amendment merely brings the committee procedure into conformity with the rules of the Senate, thus allowing any member of that committee to demand a closed session and, if that member is seconded by another Senator, that committee will go into closed session to discuss whether or not the subject matter merits open session or closed session, and the majority of the committee will then determine the proper action.

I hope that Senators will accept this amendment. I think it would improve the language of the amendment offered by the distinguished Senator from Florida (Mr. CHILES).

I think it would protect committees that do have jurisdiction over national security matters or other sensitive matters and would allow them to make a determination as to whether or not a session ought to be closed or open to the public without revealing in open session, the nature of the sensitive subject matter to be discussed.

Mr. THURMOND. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. As I understand what the Senator is advocating, it is that with a committee, a Member of the Senate, a member of the committee, could ask that a session be closed, then if he is seconded, which is similar to the entire Senate where a member can ask that the Senate go in closed session if the motion is seconded——

Mr. ROBERT C. BYRD. Exactly, and under rule XXXVIII of the Standing Rules of the Senate, once the Senate is in closed session to discuss a nomination, or whatever it may be—I believe it pertains mostly to nominations—the Senate may by a majority vote determine that that particular subject shall be considered in closed executive session. In which case, all subsequent proceedings with respect to the particular subject shall be closed.

That brings up another point. Under the language by Mr. CHILES, as I understand it, each day that the committee meets, if it met on Monday and decided that the subject matter was of a nature that would require a closed session, it would vote to go in closed session. If it met on Tuesday, again on the same subject matter, it would have to make that same determination and vote to go into closed session. If it met on Wednesday on the same subject, it would have to make the same determination and vote to go into closed session.

But under the amendment I have offered, once that committee, by majority vote, determines that the subject matter is of such a sensitive nature as to require a closed session, that vote by that committee, that one vote, will determine that each proceeding daily thereafter dealing with that particular subject matter would also be closed until such time as the majority of the committee votes to open or until the sensitive matter is disposed of.

Mr. THURMOND. As I understand it, under the Senator's amendment the majority of the committee at any time after they are in closed session could open up the meetings?

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. Just as the majority of the Senate could open up the Senate?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. THURMOND. The same way?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. THURMOND. That appears to be a very reasonable amendment. I shall be pleased to support it.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. TOWER). Who yields time?

Mr. CHILES. Mr. President, I would like to ask the distinguished Senator from West Virginia if he will yield for a question.

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. What I am trying to determine is, once two Senators, or a Senator seconded by another Senator, made the motion that the committee go into closed session so that it could discuss a proposition, one of the five exemptions——

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. Would that session then remain closed until a majority voted to open, which would be the provisions that we have in the Senate, or would it be, as Senate Resolution 9 now requires, that you have to vote in an open session to close for one of these reasons?

Now, as the Senator from Maine has explained, what has happened in the Budget Committee, and we have closed some sessions of the Budget Committee when we were talking of purely staff personnel, or on the budget, or the committee matters, he simply said, "Today we want to discuss some staff matters," and we went into a closed session.

What I am concerned about, if the Senator's language would just have two members being enough—with a second—to close a session and if henceforth we would have to take a majority vote to open it up, and that majority vote could be in the closed session, I guess, we would be going against what the thrust of Senate Resolution 9 is, and Senate Resolution 9 is to not have the secret information come out in advance, but to at least have a public vote on the fact that we are going to close a session for one of the purported reasons. At least, that it was for one of the five reasons.

My concern, as I say, and I do not completely understand the language of the Senator, is if he would require a majority vote to henceforth open up the session, then I think he has gone backwards from the Senate rules amendment which would have required a majority vote in an open session to close. Now we would have to have a majority vote in a closed session to open up.

Mr. RIBICOFF. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RIBICOFF. I do not believe there is a difference of opinion between the Senator from Florida and the Senator from West Virginia. Could this be resolved by having the vote to open or close after the preliminary discussion has been had in an open session? Would the Senator from West Virginia object to that?

Mr. ROBERT C. BYRD. No, I would be very agreeable to that modification of the amendment. I think the Senator from Florida has raised a pertinent point. I would be agreeable to the Senator's resolution, if this amendment were adopted so as to give the same protection to a committee that the Senate Rules now give to the Senate as an entire body in the discussion of sensitive matters. I would also be agreeable that once the committee goes into closed session—and there is a discussion of the necessity for closed session—for the committee then to vote in open session, as the Senator from Connecticut has suggested, on whether or not the meeting would be open or closed. I think just a little change in the verbiage could provide that, although I do not believe it is needed.

Mr. CHILES. If the Senator is in agreement to that, I think we are on the same wavelength. I have no objection, if the Senator is concerned that we would have to air these matters before we could close the meeting. I do not think as a practical effect we have to do that. But if the Senator is concerned about that, I would have no objection that a Senator could make a motion, it could be seconded, and then we could close the session for a discussion as to whether they qualified for one of the five. Then they would go into open session and take that vote.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. CHILES. It might well be that we could go to another amendment——

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield such time as we need.

It might well mean that we could go to another amendment and just work out the language or perhaps the Senator thinks we can work it out right now. I think we are kind of saying the same thing right now.

Mr. ROBERT C. BYRD. I disagree with the distinguished Senator that without this language the chairman could go into closed session. The chairman cannot go into closed session, under Senate Resolution 9, without this amendment. He would have to have a majority of the committee to go into closed session. The language says, "Each meeting of the standing, select, or special committee of the Senate shall be open."

Mr. CHILES. That is not exactly what the Senator from Florida said. The Senator from Florida says when we are taking up an issue dealing with national security, I think it is a practical thing that the committee would go along with that.

Mr. ROBERT C. BYRD. Not automatically under this.

Mr. CHILES. I have said I am willing to go along with the Senator's amendment as long as we come back out and in open session take the vote.

Mr. ROTH. Will the Senator yield?

Mr. CHILES. I yield.

Mr. ROTH. As I said earlier, I think the Senator from Michigan raised a valid point, and an amendment was in order to take care of the situation where we did not want to discuss in the reason for needing to close the committee meeting.

If the Senator from West Virginia would care, I have language which I think basically accomplishes what he proposed to do, but I could not really offer it as a substitute to his.

What I provide is that after line 15 we would add the following language:

> Notwithstanding paragraph (b), on a motion made and seconded to close the door of a standing, select or special committee, the chairman shall direct the audience to be cleared, provided that discussion while the door of such committee is closed shall be limited only to the question whether the committee should vote pursuant to paragraph (b) to close the remainder of the meeting on that day for the reasons specified in paragraph (b)

On the motion of one person and seconded, that would enable the meeting to be closed to consider whether or not the committee or subcommittee should go into closed session. It seems to me this accomplishes in rather simple fashion the concern that has been well expressed this afternoon. If the Senator from West Virginia would like to consider this language——

Mr. ROBERT C. BYRD. I have language at the desk which accomplishes the purposes set forth by the Senator.

Mr. ROTH. Let me ask the Senator from West Virginia one question: Once they decide to close on a particular subject matter, could they keep it closed indefinitely or would it be only for that day?

Mr. ROBERT C. BYRD. No; a majority of the committee could vote against having closed sessions.

Mr. ROTH. What I am asking is this: If under this language there is a reason to close for one of the reasons listed, let us say on Tuesday, what happens on Wednesday? Would they continue to be closed or would they have to again vote to close it?

Mr. ROBERT C. BYRD. A majority of the committee could determine in that first closed session that this subject matter is of such a nature that any meetings dealing with that subject matter should be closed. A majority of the committee could determine that all subsequent meetings, as long as they dealt with only that subject matter, would be closed. A majority of the committee at any point thereafter could vote to open such meeting. This would remove the necessity of going through the same motions and the same votes every day as long as the committee was considering that particular sensitive subject matter.

Mr. LONG. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. It seems to me that the Senator's amendment makes it completely clear. I can explain it as far as the Finance Committee is concerned. Let us say we are meeting to talk about the trade negotiations going on in Geneva. If this Nation proceeds to tell what its backup position is, what we would hope to settle for, if we cannot get what we are asking for, we have lost the starting point to begin with. We are back to the fallback position for starters rather than negotiating where we might have gotten even better than that. So as a practical matter, if those who come down to tell us about that cannot talk about it in a closed session, there is just not going to be any meeting. Just forget about it. We are just wasting our time.

What we can do, of course, is just walk across the hall and say, "This is no longer a meeting of the Finance Committee. Anybody who wants to chat with this man, come on over and we will talk to him. We will agree that this is a confidential meeting and nobody will talk about what goes on in this room."

But as a practical matter, why not just say, "We are going to meet to talk about the negotiations in Geneva. Obviously, that is a confidential matter. We will be glad to give a vote."

What is the point in meeting and talking about it and then opening the doors and saying "Come on in, Press." We will call the roll. "Now get out." It kind of offends people, to tell the truth, to invite them in and run them out again. We might as well say "This is going to be a closed meeting."

Suppose somebody does not want it to be closed and insists that it be open. Then we can vote and decide that. If a majority votes that it be an open meeting, we will do the business that the majority wants to do.

Mr. ROBERT C. BYRD. Under the present rule, rollcalls taken in committee are made public.

Mr. LONG. That is correct.

Mr. ROBERT C. BYRD. If the committee votes to go back into open session or if it votes to stay in closed session, that rollcall vote, under the present rule, is made public.

Mr. LONG. I do not know why I would want to vote to tell the press to come over here, we are going to have a vote, and then we call the roll and tell them to get out. They do not know what the discussion was or what was voted on. They do not know what it is all about. What is the point of bringing them over to have a rollcall?

If we are going to have the meeting open, invite them over to come see the proceedings. If we are not going to have it open, what is the point? If we know it is going to be a closed meeting to begin with, why not put it in the paper that it will be a closed meeting?

If you cannot have a closed meeting, there is not going to be one.

Mr. ROBERT C. BYRD. I agree.

Mr. President, I modify my amendment as follows. I do not think this language is necessary, because the present rules would provide for it anyway, but we can nail it in, and it would accomplish the wishes of the distinguished Senator from Florida:

> Provided the vote to stay in closed session is made public.

The PRESIDING OFFICER. Will the Senator send his modification to the desk?

Mr. ROBERT C. BYRD. Will the clerk please read the entire amendment as modified?

The assistant legislative clerk read as follows:

> On page 2, line 4, after the word "present" insert the following: "in accordance with the provisions set forth in Rule XXXV and paragraph 2 of Rule XXXVIII of the Standing Rules of the Senate relating to closed sessions, provided the vote to stay in closed session is made public."

Mr. ROTH. Mr. President, I have one question I would like to ask. If the Senator will refer to rule XXXV, it speaks of any business which may, in the opinion of a Senator, require secrecy; so it is somewhat broader than the language we have just adopted by a vote. We have enumerated those areas where they could close down. I do not know whether the Senator intended that difference, or whether——

Mr. ROBERT C. BYRD. This language would not negate the conditions set forth in the Chiles resolution.

Mr. ROTH. And that would be the purpose of going into closed session.

Mr. ROBERT C. BYRD. Exactly.

Mr. CHILES. Mr. President, I think I have indicated, as the Senator from Delaware has indicated, that we think the Senator from Michigan has a point. We are willing to try to do something on this point. The Senator from Delaware has some language that I think would take care of that, which would say, at the end of the provision, that on a motion made and seconded, there could be a closed discussion for the purpose clearly set forth of determining whether one of the five causes would lie, and then they would go back into open session. This is a result of our clear desire to take care of the problem of the Senator from Michigan. The language proposed by the Senator from West Virginia is talking about rules of the Senate that are to protect the Chamber itself, with a motion made and seconded, and then the Chamber is closed, with reference to rule XXXV.

I will say to the Senator from West Virginia that if the Senator wants to pass over this matter temporarily and take up another amendment, I will sit down with him and try to work something out.

To say that on a motion made and seconded, thereafter the meeting remains closed, if they take that vote in a closed session, even though they later announced the vote, I think it goes against the thrust of what we are trying to do here. I think it is confusing as to whether it does apply to the five particular grounds that we have set forth, and I would have to reluctantly resist the amendment we now have.

I am willing, as I say, to work something out on the proposition, so that we can do it. I am perfectly willing to do that; but I think the language we have here, I am not sure how far it goes, but I do not like a situation in which any two Members, by making a motion, can automatically go into closed session, and then the burden is on the majority to open up that session. I think that is exactly the reverse of what we were trying to do in Senate Resolution 9, by putting the burden on the majority to close the session.

Mr. ROBERT C. BYRD. Mr. President, I am perfectly willing to shift the burden to say that the meeting shall be open unless a majority votes to close it.

Mr. CHILES. Does the Senator from West Virginia have any problems with the language of the Senator from Delaware, or with language like that that we can come up with, without referring back to a rule that relates to open sessions of the Senate?

Mr. ROBERT C. BYRD. I think the language of the amendment I have presented is clearer, because it refers to rules of the Senate that are already well-known to us—rules XXXV and XXXVIII. It makes it eminently clear as to the conditions that would require closed meetings.

Let us eliminate, for the moment, the language that I have sent to the desk, and say:

> May be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present

And here is where the amendment comes in—then again quoting:

> that the matters to be discussed or the testimony to be taken at such portion or portions will disclose matters necessary to be kept secret.

It is perfectly clear that the record vote by the majority of the members of the committee or subcommittee present in order to close that meeting would be based on this premise, to wit, that the matter to be discussed would disclose the enumerated matters necessary to be kept secret.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from West Virginia, as modified.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my amendment may be temporarily laid aside and that Senator LONG may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I call up my amendment, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Louisiana (Mr. LONG) proposes an amendment.

The amendment is as follows:

> On page 5, after line 15, insert the following:
>
> "Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

Mr. LONG. Mr. President, I yield myself such time as I require.

Mr. President, this amendment simply places in the chair of a committee the same duty and right that exists in a presiding officer of the Senate.

When the galleries are in disorder, all presiding officers know that it is their duty to say that these people in the galleries are here as the guests of the Senate. They are required to maintain order and, if they will not maintain order, then the Chair will have to clear the galleries.

I have been around here for 26 years, and I have observed the Senate from the time I was 14. I can never recall a time when a Chair was forced to clear the galleries, but the fact that the Chair had the power to clear the galleries was adequate to allow the Chair to simply say that if the galleries continue this disturbance we will have to clear the galleries, and so the people then maintain order.

Without this provision in the rules, some group of militants, who are very much opposed to what a committee is trying to do, would have it within their power to keep the committee from reporting its legislation by constant turmoil, screaming, shouting, and engaging in various other kinds of disorderly conduct.

I would hope that this power in the Chair would never have to be used, but it ought to be there, because the mere threat of it is enough to maintain order in most cases. It has been adequate in the Senate for the last 50 years, and I think it would have been an oversight if we failed to provide a committee with what it would take to maintain order.

It is the first duty of any committee to maintain order so it can do its business. This would simply give the committee what it requires in order to do that.

This is patterned after the rules of the Senate.

I hope there will be no objection to the amendment.

Mr. CANNON. Mr. President, as manager of the bill, I have no objection. I do not know whether the people in favor of the Chiles amendment have an objection to it or not.

Mr. LONG. I have discussed this with the distinguished sponsor.

Mr. CHILES. Mr. President, on the basis of the discussion that has been made by the Senator from Louisiana, I do not think we would have any objection to this amendment. I feel that is sort of an inherent power that resides in a chairman anyway. He has the power, through the Sergeant at Arms or the policemen that are in those committee rooms at any time, to usher people out who are disorderly. So I think that power resides there now, and so I really do not see any objection to it.

Mr. ROTH. Mr. President, I have great sympathy with what the distinguished chairman of the Committee on Finance is trying to accomplish.

Let me ask a question or two. If it becomes necessary for the chairman to clear the room——

Mr. LONG. The committee room.

Mr. ROTH. The committee room, yes—and there were a difference of opinion, for purposes of illustration, say, between the majority of the committee and the chairman, would the chairman have the sole say under those circumstances?

Mr. LONG. I have no objection to that. The committee can always vote its chairman down if it wishes, so I have no objection to that. One could appeal the ruling of the chair and vote the chair down.

Mr. ROTH. I am satisfied, if that is the Senator's intent, to have the record show that.

Mr. LONG. As a matter of fact, if the amendment is agreed to and on studying this if the Senator from Delaware, the Senator from Florida, or anyone can think of some better language to achieve the same purpose, I would be happy to have the amendment reconsidered and modified in that fashion. All I wish to do is to maintain the power in the committee so that it can maintain order and act.

If we have the power to overcome a riot, then people are not going to do that to us. If we do not have the power they might try it.

Mr. ROTH. I agree with what the chairman is trying to do. I have no objection.

Mr. CANNON. I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, before the Senator yields back the time, since we are limited on time as far as the bill is concerned, and there is no question the Senator's amendment is going to be adopted, I wonder if he will yield me a few minutes to talk on a related matter.

Mr. CANNON. Yes.

Mr. CASE. Why not vote now and have the time on the amendment afterward, unless there is going to be a shortage of time.

Mr. LONG. It will be on my time.

Perhaps the Senator from Nevada will yield time as well.

Mr. CANNON. I am glad to yield some of my time on the amendment. I think we are running short on the bill.

Mr. GRIFFIN. I will do it either way.

Mr. CANNON. Better take it on the amendment because we are going to be short of time on the bill.

Mr. LONG. How much time remains?

Mr. CASE. I agree with that. I think we ought to vote first.

The PRESIDING OFFICER. (Mr. BROCK). The amendment of the Senator from Louisiana has 8 minutes remaining.

Mr. LONG. Why do we not ask unanimous consent, after the amendment has been agreed to, that the Senator from Michigan be recognized for 10 minutes.

Mr. GRIFFIN. All right.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRIFFIN. Mr. President, I do not have an amendment, but an amendment could easily be drafted to address the matter I am about to discuss. The Senator from Louisiana put his finger on an oversight of considerable importance.

Now, let me read from rule XXXV of the Senate Rules.

> On a motion made and seconded to close the doors of the Senate, on the discussion of any business which may, in the opinion of a Senator, require secrecy, the Presiding Officer shall direct the galleries to be cleared; and during the discussion of such motion the doors shall remain closed.

I call attention to the fact that insofar as the Senate as a whole is concerned this body is not limited to the five categories which the drafters of this particular resolution have enumerated, I raise the question: Have they thought of everything?

Mr. ROBERT C. BYRD. That is a good idea.

Mr. President, will the Senator yield?

Mr. GRIFFIN. Yes.

Mr. ROBERT C. BYRD. That was the reason why I thought this amendment ought to be tied to rules XXXV and XXXVIII of the Standing Rules of the Senate. Once they get in closed session, they could determine whether or not——

Mr. GRIFFIN. I wonder if the amendment the Senator has offered will take care of that concern? The amendment would make it possible for one Senator, if supported by a second Senator, to have a closed session. But I suppose that if his case does not fit within the five listed categories, then theoretically, a majority could say, "You're right. We should not be talking about this matter in a public session, but your case does not fit within the rules." That would be perhaps an unusual situation, but it could happen.

Mr. ROBERT C. BYRD. Mr. President, the point that the Senator is making is a valid one.

Under the language of the resolution as it now stands, the committee could be put into closed session only for those reasons that are specified, and the discussion of them would have to be first in open session. The language of the amendment that is now drawn will allow two Senators to put the committee into closed session.

Let us take for granted that the authors of the resolution perhaps have not been able to foresee all possible contingencies. Once that committee is in closed session, if there is a contingency that has not been foreseen by the authors of this resolution, and if it is a valid one and serious enough, a majority of the committee, I think, would say, "Well, we ought to vote that this discussion be in closed session."

Mr. GRIFFIN. Even though the rules did not allow it?

Mr. ROBERT C. BYRD. Even though the language of the rule did not foresee that particular emergency or that particular contingency.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. GRIFFIN. I am glad to yield.

Mr. ROTH. I point out that one can always think of some extreme situation that might arise which might not be covered. But, after all, the Senate is in session, and the committee can always come to the Senate floor, if there is some unusual set of circumstances, to make an exception.

Mr. ROBERT C. BYRD. That would have to be by unanimous consent. Otherwise, it would change the rule of the Senate that requires written notice one day in advance.

Mr. ROTH. If one had to move that day, that is correct. But, frankly, the Senate usually moves on unanimous consent, so I do not find that that concerns me too much. I doubt that there are many situations in which it would have to be done the same day.

The question was asked by the distinguished Senator from Michigan whether any consideration was given to this matter. I will say that we did give careful consideration to discussion of this matter in the Committee on Government Operations. It was felt that the language was adequate and covered most situations.

If experience shows that there should be modification or change, as a general rule there is nothing to prevent that being done. We agreed with the original concern of the Senator. I think it was a justified one, and we are hopeful that we can reach agreement on that. But this is not written on cement. We still can change, if experience shows that we have to broaden it.

Mr. GRIFFIN. In many bills or resolutions of this part, it is common to spell out the most obvious situations but then to add a more general category which would give a majority on a committee some flexibility to handle a situation which obviously should have been covered. For example, what about a matter involving the security of the Capital of the United States? I wonder if that would be covered?

Mr. CHILES. If the Senator will yield, the Senator from Florida will tell him why he is smiling.

Mr. GRIFFIN. I yield.

Mr. CHILES. If I close my eyes, I am listening to the debate on the sunshine bill in the Florida halls as it took place a few years ago. I never found anybody there who really was against the proposition of sunshine, but there were always a few who had just a few things that were not cleared up, and there were just a few more amendments that needed to be made and a little more study that needed to be done. There were always a few knots that had not been tied.

We have tried to think of the legitimate reasons that anyone conceivably could raise, but the Senator suggests this one, or that if we just want to close a meeting, that is the catchall.

We cannot ever spell out everything. We have operated in the Budget Committee. The Senator has heard the chairman of the Budget Committee say that he has had no problems with it, nor have any of the other members of the committee.

Mr. GRIFFIN. With all due respect, the Budget Committee is not the Committee on Foreign Relations or the Committee on Armed Services or the CIA Committee. Some committees have problems that are quite different from those of the Budget Committee.

Mr. CHILES. No, but we deal with budgets of all those agencies. We deal with the budgets and look at them.

It is just a question that at some stage we have to determine that we have covered the waterfront.

Mr. SPARKMAN. Mr. President, does the Senator from Florida have the floor?

Mr. CHILES. No, I do not.

Mr. ROBERT C. BYRD. Mr. President, it was for this particular reason that the committee substituted the following language, which I think is more embracive, more far reaching:

> Unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or government regulations.

The committee, in its deliberations, made the effort to bring out language that would be flexible enough to deal with situations that are not necessarily foreseen in the language of the Chiles resolution. The committee sought not to be too detailed and too specific, so that in the event circumstances should arise that were not foreseen by the language of the resolution, the committee would not be inhibited from acting to protect either individuals or the Nation, whichever the case might be.

Mr. President, I withdraw my amendment and offer a modification in the nature of a substitute.

The PRESIDING OFFICER. The modification will be stated.

The legislative clerk read as follows:

> On page 2, line 1, strike all beginning with the word "if" down to and including the word "portions" on line 5 and insert: "On a motion made and seconded to go into closed session to discuss only the matters enumer-

ated in paragraphs (1) through (5) followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such portion or portions".

Mr. ROBERT C. BYRD. Mr. President, the amendment I have sent to the desk, and now hold in my hand, removes the objections that were raised by Senators with respect to the language of the previous amendment, which pointed specifically to the provisions in rules XXXV and XXXVIII of the Standing Rules of the Senate. Yet, it will accomplish the same purposes. It allows a single Senator to move to go into closed session. It allows the committee to go into closed session if that motion is seconded. It requires an immediate discussion of the sensitive matter and requires an immediate vote in open session, following that discussion, as to whether or not the nature of that subject matter is such as to require closed sessions of the committee thereon.

The conditions under which the majority of the committee could vote to close are limited to those that are set forth in paragraphs numbered 1 through 5 of the resolution offered by Mr. CHILES.

Mr. CHILES. Will the Senator point out to me the provision in that that will make it clear that only in the event of a motion and a second, when they went into the closed session, they could discuss whether the matter fell within one of the five paragraphs and therefore could be considered——

Mr. ROBERT C. BYRD. Yes, the word is "only":

> On a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (5)

That has to be followed immediately by a record vote in open session. The only matters that can be discussed in that preliminary closed session would be these matters set forth in paragraphs (1) through (5) of the able Senator's resolution.

Mr. CHILES. May the Senator from Florida see a copy?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I suggest the absence of a quorum, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I modify my amendment and ask that the clerk state the amendment as modified.

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The legislative clerk read as follows:

> On page 2, line 1, strike all beginning with the word "if" down to and including the word "portions" on line 5 and insert: "On a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (5) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such portion or portions".

Mr. GRIFFIN. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. Does that mean that if the committee has a meeting and someone makes a motion that they go into closed session, they then have a discussion and decide the Member is bringing up a matter that really should be decided in closed session, then they go into open session again and vote and then go back into closed session?

Mr. ROBERT C. BYRD. Yes. I do not see the necessity for going back into open session, because the present rules of the Senate provide that the votes of any committee shall be made public, but in order to conform with the wishes of the authors of the original resolution, I agreed to have the verbiage that way.

Mr. GRIFFIN. Does the CIA Investgating Committee have to go through this every day, because I understand they have very few open sessions, and I think most people would agree they are operating pretty responsibly.

Mr. ROBERT C. BYRD. I would hope that later, after we can act on this amendment and some other amendments, I could prevail upon the authors of the resolution to accept an amendment to delete the words "select or special committees."

Originally, a select committee of the Senate was intended to be a committee in which the membership was to be selected by the Senate itself. The membership of a special committee was to be designated, on the other hand, by the majority leader, the Vice President, or some other individual. Today, it is a distinction without a difference.

But in the resolution creating select and special committees, the Senate may make such provision as to open or closed meetings if it wishes to do so.

I doubt that we ought to have a standing rule of the Senate that would provide for open meetings of select and special committees when such committees might be of the nature of the CIA Investigating Committee or the Ethics Committee, and such committees ought not to be restricted by the Standing Rules of the Senate. They ought to be guided by the resolution which creates them.

So I shall offer an amendment later to strike those four words, although I may or may not be successful.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. As I understand now, as we have the amendment, it is clear that what we are doing is allowing on a motion and a second that you would be able to go into a closed session purely to discuss whether there was reason under the five exemptions to close the session, to discuss those subjects and, as soon as you had that discussion, you would go back into open session and take a vote.

Mr. ROBERT C. BYRD. Yes, the Senator is correct.

May I ask the Senator——

Mr. CHILES. Under this it would be further clear that it would not be necessary—he would not have to go into a closed session under this feature. You could discuss it in open or would it have to be closed session?

Mr. ROBERT C. BYRD. I do not understand the Senator's remarks.

Mr. CHILES. Even though the motion was made and seconded, and you went into the closed session, you could come back, you might decide you did not need to go into a closed session, so no vote would be necessary, you would just be back in open session to take up the business.

Mr. ROBERT C. BYRD. Well, the committee would have a vote.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. I do not yield time at the moment.

The PRESIDING OFFICER. Who yields time? The Senator's time is running.

Mr. ROBERT C. BYRD. Yes, my time is running, I realize that.

The requirement of the amendment—in the context of the resolution—would be that it would have to be on a record vote in open session by a majority of the Members. They could, by that vote, decide to stay in open session. I think if a Senator is going to demand that there be a closed session, and that demand is seconded, there is justification for a record vote one way or the other to determine whether or not the matter is serious enough to have a closed session or an open session.

Mr. CHILES. I think we can accept the amendment.

Mr. ROBERT C. BYRD. Before I yield back my time I want to ask the Senator, in order to establish some legislative history, whether or not, in his opinion, under the language of my amendment—and this language would not vary his language in this respect—a committee would be required repeatedly to go through this proceeding if day after day its discussions dealt with the same sensitive subject matter?

Mr. CHILES. I would say that that proposition ought to be considered separately. I think that would be separate from this amendment we are dealing with, and we should consider it separately.

Mr. ROBERT C. BYRD. I agree with the Senator because his language says "each meeting shall be open."

Mr. CHILES. Right.

Mr. ROBERT C. BYRD. So even with the adoption of this amendment the committee would have to daily go through this same proceeding, even though it might be discussing the same subject matter, in order to have a closed session after the first day. In other words, it could not vote on that first day's meeting in closed session that all subsequent sessions dealing with that same subject matter would be closed.

Mr. CHILES. I think that would be correct. I think it is correct.

Mr. GRIFFIN. Would the Senator from Florida intend that to apply to the CIA investigating committee, and they would have to do this every day?

Mr. CHILES. The way this would now state it, it would read that way. I think the Senate at any time it set up a select committee it could, if it wanted to, provide an exemption for that select committee or set certain rules for that select committee if it so desired to do.

Mr. CANNON. Mr. President, will the Senator yield for a further question?

Mr. CHILES. Yes.

Mr. CANNON. Would this affect the situation where a committee is frequently polled on a particular issue? Many times you are unable to get a quorum and a committee is polled or a subcommittee is polled on a written issue.

Would the Senator's proposal affect that situation in any way?

Mr. CHILES. I think that would be covered by the general rules. Most of that polling we do is illegal now. It violates the rules now. I do not think this would make it legal.

Mr. ROBERT C. BYRD. Mr. President, I will offer an amendment later to attempt to make it possible for a committee at one meeting to determine that subsequent daily meetings of that committee, as long as they deal with that same sensitive subject matter, could be closed without repeatedly going through this procedure. That amendment may carry or it may not.

I yield back the remainder of my time on this amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. ROTH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from West Virginia.

The amendment, as modified, was agreed to.

AMENDMENT NO. 968

Mr. ROTH. Mr. President, I call up amendment No. 968.

The PRESIDING OFFICER. The clerk will report.

The legislation clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes for himself and others amendment No. 968.

Mr. ROTH. Mr. President, I ask unanimous consent to dispense with the further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following new section:

SEC. . (a) Rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXVII is amended to read as follows:

"CONFERENCE COMMITTEES; REPORTS; OPEN MEETINGS".

Mr. ROTH. Mr. President, amendment No. 968 would require House-Senate conference committees to be open to the public except when a majority of either the House or the Senate managers present voted to close the conference. Similar language has already been adopted by the House, so that if the Senate passes this amendment and the resolution, open conference committees would become the rule, not the exception.

The PRESIDING OFFICER. Will the Senator yield for a question from the Chair? Is this an amendment on which the Senator desires 1 hour?

Mr. ROTH. That is correct.

The PRESIDING OFFICER. I thank the Senator.

Mr. ROTH. The rationale for open conferences is exactly the same as for open Senate markup meetings. Openness increases the accountability of Members of Congress to the voters; it gives the private citizen and the press the same access to the legislative process as any lobbyist; it will increase the accuracy of public understanding of the legislative process and of the pros and cons of the issues at stake. In my judgment, it will strengthen the bonds between the citizen and the Congress.

There is no logical reason to exclude conference committees from the general practice of opening up the legislative process. If the rest of the legislative process is to be open—from hearings, to markups to floor debate—then why close the last, the least representative, and in many ways, the most important part of the entire legislative process—the conference committee? Very often the most difficult and most controversial compromises are left until the very last. If there is a public right to know, then it cetrainly includes the conference committees.

Both the Republican and Democratic conferences in January passed resolutions endorsing the concept of open conference committees. As I said, a similar rule has already been adopted in the House. A number of important bills have been dealt with in open conference—including the Budget Reform Act and the Energy Research and Development Administration Act. Currently the Standby Energy Authorities Act, S. 622, is being considered in open conference.

Two and a half years ago, when I offered an amendment to require that most markup meetings of Senate committees be open to the public, some Members who opposed the amendment were afraid that open markups would prevent effective handling of legislative business. But those members of individual committees which did open their markups to the public found that this was not the case. Today, I am afraid that some Members are afraid that if conference committees are open to the public, Congress cannot operate effectively and responsibly. I personally believe that just the opposite will be true. It will not be as cozy or convenient, but Senate procedures are not established to be convenient or cozy.

I am greatly concerned about the future of our democracy. We are a democracy under pressure. Polls indicate that people are disenchanted with the basic institutions of American democracy—the Presidency, the political parties, and the Congress. It is in no way demeaning Congress to recognize that, frankly, there are many people in this country who do question whether Congress can operate effectively and openly.

We are the first to insist, along with the public, that the President be open and frank. The public demands the same of Congress. We have many substantive issues to address. We cannot afford to be diverted by procedural issues. When Congress makes decisions in secret, that in itself becomes an issue. It draws attention away from the merits of the action that we are taking or not taking. At this time, it is important that the real issues of energy, the economy, and foreign policy be addressed squarely and openly. When there is a compelling reason for secrecy, I believe that the American public will understand. When there is not, we should have the courage to say publicly what we think about these issues in open deliberations.

I urge my colleagues, in the interest of better, more democratic government, to support this amendment to open most Senate-House conference committees to the public.

Mr. President, there are many cosponsors of amendment No. 968, Senator CHILES being the primary sponsor with me:

Senator Bill Brock.
Senator Dick Clark.
Senator J. Glenn Beall.
Senator Joseph R. Biden, Jr.
Senator John C. Culver.
Senator Philip A. Hart.
Senator Vance Hartke.
Senator Floyd K. Haskell.
Senator Ernest F. Hollings.
Senator Hubert H. Humphrey.
Senator Edward M. Kennedy.
Senator Patrick J. Leahy.
Senator Charles McC. Mathias, Jr.
Senator Frank E. Moss.
Senator Charles H. Percy.
Senator William H. Proxmire.
Senator Robert T. Stafford.
Senator Adlai E. Stevenson.
Senator Robert Taft, Jr.
Senator Lowell P. Weicker, Jr.

In closing, I would just like to emphasize, Mr. President, two points. One is that this language has been adopted by the House and, for that reason, I think it is important that the Senate act.

I think it is also important to recognize that under our proposed language a majority of the Members of either the Senate or the House has the right to close a session, so we protect the rights of both Houses.

Mr. CHILES. Mr. President, I join with my distinguished colleague from Delaware and support his amendment, that we do provide that conference committees will be open unless a majority of the Members of either House would vote to close the conference meeting. I think that this is an important step forward that we can take.

We do have a clear history now that in those conferences that have elected to be open, they have proceeded and they have been able to carry out the business and do it well and the public was better able to view and understand the legislative process.

When we now find that this is one of the most important parts of the legislative process, very little or not very well understood by the public at all, that regardless of what the two legislative bodies do, then we have this caucus which many times ends up in rewriting legislation, in writing almost new legislation for the first time, and many times they see a bill that is passed by the Houses and they read what has happened to that bill and suddenly they see what comes out and, in effect, becomes law as a result of a conference, and they cannot understand it.

Under this process, of course, where the conferences are open, they would better be able to understand. They would be able to see what is a part of our legislative process, of the give and take between the House and the Senate, and, in effect, a part of the checks and balance system that was designed. It would certainly, I think, add to their confidence and their understanding of how the process works.

While we might well say, and some people do, "Well, on many conferences they are opening themselves up anyway, so you don't need this." What I saw happen recently to one of the conference, both the House and Senate said, "We were willing for it to be open, but the other side was not." Well, it ended up being closed and both sides trying to blame the other as to why it was not open.

If we were to adopt this amendment, and I think we should, then at least we would know which side elects to close the conference and we would have a rollcall vote on why they have elected to close the conference. It might well be, if there are sensitive matters to come up, that it should be voted to close the conference; if so, that can take place.

I think the distinguished Senator from Delaware has also said, and I certainly emphasize the fact, that the House has already passed this rule and now stands waiting upon the Senate. So they are ready to go to open conferences, unless one side or the other votes, and they are simply waiting for us to adopt this rule.

I think it is certainly a step we should take.

Mr. HUMPHREY. Will the Senator yield?

Mr. CHILES. I yield to the Senator.

Mr. HUMPHREY. I am pleased to hear the remarks of the Senator from Florida, and also the sponsorship and the remarks of the distinguished Senator from Delaware, because it just tells me that finally we are coming down to the point where it really counts in the matter of open sessions.

Regrettably, in the past, in some of the conference committees, word got out to the press, so and so did this, so and so compromised that, a deal was made here, and so forth, and there was no way of ascertaining the truth or even protecting one's flanks.

This way, two things, it will either be open so everybody can be there, or, if it is not, we will have a rollcall vote and find out who desires to close it, and if it is to be closed there will be justifiable reasons because that will be debated, and it will work.

We had a conference committee not long ago. I believe the distinguished Senator from Iowa (Mr. CLARK) remembers our conference on the school lunch program. It was quite a conference. We had a hard battle with the other body, with the House of Representatives, and we came out, we thought, with a reasonably good piece of legislation.

Subsequently, it was returned to conference for a reduction. Again an open conference.

I think these open conferences are desirable and I do not think they are going to hurt anything, particularly if we have the proviso that if there is a highly sensitive matter that we have the right to exercise our vote and do that responsibly, or if there is a personal matter where an individual's reputation is involved in other open meetings, then we also have, again, the opportunity to go on record as to what our views are in terms of opening or closing.

But what we are trying to do here is establish the general rule of openness, and that general rule will be found, I think, to apply with no difficulty of any measurable degree. Quite frankly, the difficulties of the open rule will be less than the difficulties of the closed rule which generally permit one simply to rush out of the conference, get his favorite reporter and say that this is what I did, or what happened, and stick it to somebody over here and say, "Do you know who sold us out?"

That I do not go for any more and I say that it has got to stop. It does not help anyone.

This way, we are all on record and can be counted one way or the other.

Sometimes there is trouble, but so what? What is new?

Mr. CHILES. I thank the distinguished Senator from Minnesota.

I yield to the Senator from Massachusetts.

Mr. KENNEDY was recognized.

Mr. ROTH. Will the Senator yield?

Mr. KENNEDY. Yes.

Mr. ROTH. I would like to find out how much time we have remaining.

The PRESIDING OFFICER. The Senator has 18 minutes.

Mr. ROTH. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I associate myself with the remarks made by the Senators from Delaware, Florida, and Minnesota. I believe one of the very unfortunate experiences that we saw a few years ago was in what happened to the effort made by the Senate to end the Vietnam war. A series of amendments was added to various Senate legislation and sent to conference with the House of Representatives. The conferees would meet, and out of that conference would come the information that a particular amendment had been dropped. We were unable to find out who made the effort to change the expressed view of the Senate, or the reasons for the change. We were unable to find out how extremely important and valuable efforts by the Senate were undermined. I think open meetings by the conferees might well have led to a different result.

Let me mention some other examples. I have served on a number of conferences, but one in which I believe the whole sunshine process could have been of great value was a conference committee on which I served with both the chairman of the Rules Committee and the Senator from Iowa. That was the conference on the campaign financing bill. This, I believe, was an extremely important piece of legislation. The Senator from Nevada and the Senator from Iowa, along with others, including the minority leader, Senator SCOTT of Pennsylvania, were extremely active in the development of that legislation, and we went to conference on that measure.

Mr. President, the kind of consideration that was given to the Senate's position was unbelievable. In an effort by the Senator from Iowa and myself to open up the meeting, we were only able to get two votes. And then, behind closed doors, the Senate positions were just hammered down by the House Members, particularly on the points of extending campaign financing reform to congressional elections and providing an election enforcement agency to police the law. The Senate had gone on record that what was good enough for Presidential elections should be good enough for the Members of the House and Senate. But the House conferees resisted, and we wound up with a double standard in the present law.

The disdain that was demonstrated by the House conferees on this issue, and the cavalier attitude that was taken on this enormously important and significant reform, would never have occurred, if the meetings had been open, if the public and the members of the press had been there to record the actions that were taken.

A dramatic contrast is another conference I attended, with members of the Judiciary Committee on the Freedom of Information Act. We were working out differences with the House Members in a variety of areas. We considered national security issues, the classification of various files, criminal investigations, and a number of other extremely sensitive matters. These discussions were conducted in an open, sensitive exchange. The legislation that we ultimately accepted was a tribute to the House and Senate Members who participated. It reflected to me very clearly that, even in dealing with complex, important, sensitive issues, the openness of these conferences is essential if we are to proceed in a sound legislative manner.

I hope the amendment that has been put forward, and which is supported by the Senators from Delaware and Florida, will be agreed to. The case for it has been effectively made here by those who have had experience in various conferences. This is a position on which we cannot turn our backs. I am hopeful that the amendment will be approved.

Mr. CLARK. Will the Senator yield 2 minutes?

Mr. ROTH. I am happy to yield 2 minutes to the Senator from Idaho.

Mr. CLARK. I join with my colleagues in support of this amendment. I believe most of the essential points have been made, but I would like to briefly mention two factors which I feel have not been made.

First of all, the two caucuses, the Democratic caucus and the Republican caucus, discussed this subject very carefully at the beginning of the year. Both adopted a positive position, I believe by significant votes, on opening both meetings of the Senate and conference meetings.

Secondly, a point which I think has not yet been made is that we have already tried this. It is not simply a question of whether it will work or not. In fact, in the last Congress some 12 separate conferences committees were, in fact, conducted in public view. The conferences were in varying combinations made up of a number of four Senate committees and five House committees. The success of those initial open conferences has continued with a number of open conferences this year, which Senator KENNEDY and others have referred to. So we have some basis for making a decision to open conference committees.

If there is some evidence that these conference committees have not worked effectively, that these open meetings have somehow stood in the way of the legislative process, then it certainly would seem that this is the time to hear about it. If, on the other hand, they have worked as well as reports have indicated, then certainly that ought to weigh in our consideration.

Lastly, often the opponents of open conference committees have made the argument that it will then prevent, if we have these open meetings, Members from coming down on the floor and offering rather irresponsible, perhaps politically motivated, amendments which they know very well are going to be dropped in conference.

Well, that may be the case. If these committee meetings are opened, perhaps it would embarrass Members who never intended to have their amendments taken seriously. But if that is the case, so be it. That ought not to be the practice in the Senate, for people simply to come down and offer amendments which they know could not be accepted in legislation.

That is a good place to stop the practice, and I think it is another good reason not to support closed meetings. It is another reason for opening the conference committee meetings.

Mr. CANNON. Mr. President, may I say to my colleague I favor the opening of the conference committees. He suggested if anyone had any evidence of the fact that they do not work they ought to say so now. I said so earlier today and pointed out how they do not work. Even the distinguished Senator from Maine admitted that even though his conference committee is open, the conference with the House, they did have some caucuses during the process of the meeting.

I pointed out that the same thing has happened in the energy bill. I am a conferee and I voted to open the conference. We did open it. But we have had a caucus of the majority members practically every day during the weeks that we have been in conference. We have to be able to get information of a confidential nature, information that cannot be brought out for the first time in a conference and expect to resolve something.

I just could not let that go by without saying that it does not work the way it is intended. I can assure the Senator of that from firsthand experience. In caucuses or meetings across the hall, whatever you call them, we will have to be able to continue to get information for the conferees representing the Senate to try to present a unified position, to try to understand how far we can go in negotiating, to try to understand what the administration's position is, and so on.

I think a lot of it is simply window dressing, but I do offer that information.

I yield 3 minutes to the Senator from Texas.

Mr. TOWER. I thank my friend from Nevada. It looks as though no one wants to speak against this. I know it is a very popular cause to advocate. I would be dishonest, I believe, if I did not speak out on this.

In my view, there is probably nothing more calculated to turn the legislative process into a shambles than trying to open these conference committees. To begin with, how can we hold an open session in St. 146 or EF-100 when we barely have enough room to get the conferees and the staff in there? How will we do it? We will be forced into going to large chambers to hold the conference committees and that will delay the conference committee process.

There are a few other things. We already have 16 or 17 House conferees on a lot of these conferences. If we open them up to the public and they get a little chance to politicize, they will put every member of the committee on the conference.

Further, far from people being honest, being open or candid in an open session, I think it is going to politicize these conference committees.

Talk about people being there to see whether lobbyists are going to unduly influence Senators, the lobbyists themselves will be sitting there, eyeballing you. If old George Meany is sitting there, or one of the other labor lobbyists, looking down your throat, what are you going to do?

I believe all these matters ought to be seriously considered. I think what we would do is make the legislative process, or the expedition of legislative business, far more difficult, if we adopt this measure. I hope it will be defeated, but I have no illusions about that.

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Committee on Rules and Administration, by a rollcall vote of 7 to 1, tabled Senate Resolution 12, amending the Standing Rules of the Senate to provide for open meetings of conference committees.

The assignment of a conference committee is to resolve differences between the versions of a measure as approved by each House. The conference committee, by its very nature, is a creature designed for the sole purpose of resolving such differences. This makes the role of the conferees an assignment of compromise.

Conferees historically have met in closed session, and I am sure the decision for this procedure did not arise solely out of a desire to be secretive. Every action taken by a conference committee must be made public because the new language agreed upon by the conferees, and that is all a conference committee does, must be presented to each House for approval. Therefore, when the report is made to each House for action it is made available to the entire public.

Even though for nearly 200 years conferees have been meeting in closed session there is no rule or requirement for such procedure. In fact there have been exceptions through the years when the conferees did meet in open session, and, as a rule, following each important meeting of a conference committee, a press conference is held to inform the press what progress was made at the meeting.

The reason conferees have concluded to meet in closed session through the years is apparently based on experience that it is easier to resolve compromises behind closed doors.

When the last House to pass a bill adds an amendment or amendments to a bill passed by the other House the conferees of the House adding the amendment have the choice of insisting on the amendment, receding from its amendment completely, or the conferees must reach some kind of a compromise thereon. Somebody must give, somebody has to yield, somebody has to lose, and the loser's efforts to reach a compromise will be impaired if he cannot be totally candid as he can be in a closed session.

Compulsory open sessions would inevitably, in the debate and struggle for a compromise: First, stimulate sectional or interstate jealousies where conference action on a matter appeared to enhance that of another State or area while appearing to detract from that of another State or area; second, jeopardize individual members who may be required to make choices in public which would be legislatively necessary but politically unwise and maybe not best for the country; and third, render virtually impossible the climate or state of mind essential to compromise.

The attitude of Members toward an introduced bill seemingly does not become aggravated as emotionally as when the bill has passed both Houses and attains the state of almost becoming law. At that stage of the game the state of mind of the parties involved are more apt to become intense and, if resolved in public debate, could mean that compromise would be impossible much more so than in a closed session.

It is clear then an inflexible rule could prevent the harmonizing of the relative interests of States, congressional districts, and of the Nation, not to mention the interests of individual conferees.

Mr. President, the distinguished Senator from Iowa (Mr. CLARK) has stated that in his opinion a rule providing for open conferences will obviate the necessity, in so many instances, of having to vote on the floor of either body on politically motivated and unwise amendments. I hope the Senator is correct, and I do not question the sincerity of his judgment; but I doubt that his judgment is correct. I realize that my own judgment may also be in error.

I feel that in many instances the conferences have served the purpose of eliminating amendments that were purely politically motivated and unwise, and as a result conferences have prevented many bad laws from being enacted. I am sure that every Senator in this body has on one occasion or another voted for an amendment which he knew was unwise, which he knew was inordinately costly and unjustified, but which he knew would be dropped in conference. I think every Senator has done that. I am sure that I have done it. When I was in the House of Representatives I used to say, "Thank God for the Senate." After coming to the Senate I have said many times, "Thank God for the third house, the conference committee."

As I say, I hope the Senator is correct, but I doubt that it will work that way. I imagine that Senators will continue to offer amendments for political mileage, and will realize that they are not going to be conferees, perhaps, and that whether or not the conference drops the amendment they are going to offer it on the floor and get a vote on it. In my judgment, the Senators who go to conferences are going to bear an even heavier burden in the future of eliminating those bad amendments than they have had in the past.

Also, I believe that Senators who act as conferees ought to go to conferences and uphold the position of the Senate on a particular matter in disagreement.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Will the Senator yield me another 2 minutes?

Mr. CANNON. I yield the Senator 2 additional minutes.

Mr. ROBERT C. BYRD. But an open conference may make it difficult for that Senate conferee to stand by the position of the Senate. He may feel that it is absolutely necessary for him to support the position of the other body, rather than the Senate position, in order to protect himself, his section of the country, or his State.

So I think there are many problems involved here which do not appear to the naked eye, but which are real to those of us who have served on many conferences throughout the years.

It is good politically to vote for open conferences. I can understand the imagery that is created in the minds of the public as to Senators who vote against closed conferences and those who vote against open conferences. If the conferees want conferences to be open, that is fine; but I do not believe that the Senate ought to vote for a rule to require that conferences be open.

We also have to keep in mind that conferences are matters that are participated in by both bodies, and that the Senate, by changing its rules here today, cannot automatically force upon the House of Representatives mandatory open conferences.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am attempting to say, Mr. President, that if this amendment carries, and it probably will, it will not carry with my vote, but if it does carry, the country is going to see more and more bad laws emanate from conferences that are forced to be open, because Senators going to open conference will not always act as statesmen, but will sometimes act as politicians—to the country's detriment.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. CANNON. I yield the Senator 5 minutes.

Mr. LONG. Mr. President, I address what I am going to say to the Senator from West Virginia.

The important thing in a conference is that we reach an agreement. One of the difficulties that I foresee is a situation where we have a lot of amendments on a major piece of legislation, and those who sponsor such amendments are oftentimes very sincere saying of their handiwork: "This is the best piece of legislation ever offered in the history of mankind." It relates to a pride of authorship. A man has an idea, he thinks it is a wonderful idea. He is identified with it, and has campaigned for it throughout the country.

When a person sits there in the room, hears a debate and is satisfied that a better argument could have been made for his amendment than was made, he then feels that there is no way that the Senator can satisfy a fellow that everything has been done that could be done. The author of the amendment is satisfied that if he had been one of those Senate conferees he would have made the conferees agree to his amendment. Oftentimes it might have been that way because he would have probably insisted on that above all. Above everything else, he would have insisted on his amendment.

I can foresee great difficulty in some situations reaching agreement on some of these different things because, when we cannot get the other side to take some of our amendments and we have to compromise, then a fellow feels if the conferees had made the kind of fight he would have made for his amendment they would have come back with that amendment.

I can think of some of the days when I was a junior Senator here, and I first began to be on these House-Senate conferences on the revenue bills. I would have an amendment on the bill that I thought was one of the finest ideas that had been generated in the history of the Republic, and then, when the conference dropped it out, I filibustered here in the Chamber. Sometimes I would keep the Senate in session 3 days running. I felt confident if they had fought for my amendment that it would have passed. That was a problem that occurred by just opening it to the Senator from Louisiana, putting him inside that room to make a fight on that amendment. The Senator from Louisiana kept the Senate in session days on end fighting conference reports because if he had his way the conferees would have stayed by him and stopped at nothing other than success on the amendment of the Senator from Louisiana.

Other Senators can certainly be expected to take that attitude. Go attend to the conference, sit in the room and then if anything is compromised contrary to what one thinks it ought to be, especially where his amendment is concerned, he is satisfied that the fight was not adequate; therefore, he is in here fighting the conference report. I can see the kind of difficulty we can get into on some of this. The purpose ought to be to make it possible for the two sides to graciously get together without wounding too many feelings so that people can come in and report that they have done the best they could do, all things considered, and I really fear that we are really getting ourselves into a very difficult situation.

I agree with the Senator that in a great number of conferences it would not make much difference, but I can see some of the crucial ones where it might greatly impede the ability of the Senate to legislate.

Mr. KENNEDY. Mr. President, will the Senator from Delaware yield 2 minutes?

Mr. ROTH. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. The Senate already has gone on record in favor of open sessions for markups. As important as that reform is, I do not think it is as important as open conferences. Obviously, any one who fails to achieve his views in the markup sessions has another opportunity to prevail, in the open forum of debate on the floor of the U.S. Senate. But we do not have that kind of recourse from the results of conferences with the House of Representatives. That really is the final court of appeal for the position of the Senate.

I feel strongly, if we had to make a choice, and thankfully we do not, that the open conferences are more important than open markup sessions. There is no real appeal from the results of the conference. We have an opportunity to reject a conference report, but everyone is completely familiar with how complex, difficult, and reluctant we are to reject a conference report because of one or two particular items. So the conference is the final arbiter of these issues. Therefore, I think the conferences have a greater need for openness, and I am hopeful that the amendment will be accepted.

I thank the Senator.

Mr. ROTH. Mr. President, I yield myself 2 minutes.

I endorse what the Senator from Massachusetts says. I think this is really the most important part of the entire legislative proposal to open up. If we do not make that the general rule, at this stage, it seems to me that we are really not accomplishing what the American people want, and that is to understand fully how the legislative process works.

I find it hard to understand the reservations that are given from time to time. We heard last year and 2 years ago about the problems with opening up the markup sessions. I really cannot say that I have seen any difficulty develop with that rule in the committee where it has been adopted.

I will say the same thing for the Senate Chamber. We debate here. We have votes here, and they are always open, with rare exception.

Of course, I should point out again that my amendment is very broad. It is really quite simple. It permits closing in those cases where it is necessary. I emphasize again that it protects the right both of the Senate and the House of Representatives. It does not require joint action. It also only requires action on the part of the majority of those present. So it is not a very rigid rule.

But I think to take this step will be far more significant than anything else we have done from a legislative point of view in opening up Government.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I ask for 3 minutes to respond to some of the comments that have been made by the opponents of this amendment. I support the Roth amendment or open conference committees.

As I said earlier in my opening statement, the Committee on Government Operations is not asking the Senate to adopt any rules that it has not conformed to itself. We have had a trial run on this for some time now. I am particularly appreciative of Senator CANNON being in the Chamber because he has raised some very serious objections.

I must say, when I first approached this whole openness and sunshine approach to doing business, it went against the pattern to which I had been accustomed in corporate life. I could not imagine holding a board meeting in the open. We had an annual meeting of stockholders, and that is out in the open, but we never discussed anything that could not appear on the front page of any paper. The sensitive matters we discussed in a closed board meeting.

So I approached this subject some time ago with concern. Yet, we felt it was worth trying in the Committee on Government Operations.

This amendment is on the subject of open conferences, and we have had at least two conferences that I can think of where I had some concern going into a conference. One was on the Federal Energy Administration Act, because this dealt with a whole new area of Government control over a major segment of our economy, the energy industry which affects everyone. I really wondered whether emotions in that conference might be such that we could not conduct our business properly. Then I wondered whether Senators and Congressmen would really speak frankly, openly, and discuss the matter as if we were in a closed session.

In that conference and in the one we had on the creation of ERDA and NRC which determines the whole thrust of our investment in energy research and development and nuclear power, I was absolutely astounded how well those conferences went. They were extraordinarily well attended, better attended than any other conferences I had been involved in. There was absolute respect by everyone in those packed rooms for the unusual situation they were in.

I think the public came out feeling that the conference process was not a secretive, behind the closed door one, but that they were in a room where history was being made and legislation was really being written affecting their lives and the lives of this country.

They respected that. I talked to a great many of the visitors later, some of whom the decisions went against, and they said they walked out of that room with a tremendous respect for the deliberative process, the intelligence level of the Congressmen and Senators participating, the probing nature of their questions, and the way solutions were arrived at when they were contesting points of view. Those conferences went on for days. I became convinced. I went into the conference as a skeptic but I came out absolutely convinced about openness. However, we have never hesitated in our Committee on Government Operations and particularly in the permanent Investigations Subcommittee to close the meeting whenever someone's reputation would be on the line.

The PRESIDING OFFICER (Mr. STONE). The Senator's time has expired.

Mr. PERCY. I ask for 1 additional minute.

Mr. ROTH. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. ROTH. I yield 1 minute to the Senator.

Mr. PERCY. Whenever we have dealt with matters that we felt affected highly sensitive areas, where the work of the Senate and the committee would be impaired, we never hesitated to close the doors. I have never found a Senator who was reluctant to vote to close them and justify it when we really could; nor have I, in the experience we have had in the Government Operations Committee, seen evidence of any criticism by anyone when we moved to close a meeting, because people know that, on the whole, we try to hold those meetings in the open.

So I support the amendment. I am sympathetic with the concerns that have been expressed. This dialogue has been extraordinarily helpful and useful. Others have those concerns. From our experience on Goverment Operations, I would vote for the amendment.

Mr. HASKELL. Mr. President, the question for us today is, Shall the Senate restore the original provisions of S. 5 as introduced by the distinguished Senator from Florida (Senator CHILES) and the distinguished Senator from Delaware (Senator ROTH)?

It is appalling to me that this question has become an issue. The fact that it has suggests some of us have learned absolutely nothing from the lessons of the past few years. It suggests that some of us either do not know or do not care how we are perceived by the people of this country and how much congressional secrecy has contributed to that perception.

Mr. President, I do not believe there is any reasonable argument against the original provisions of S. 5, the Sunshine Act. To be sure, an argument has been offered to the effect that open committee meetings will chill and inhibit the process—that we cannot conduct the public's business in public.

That is utter nonsense. Those of us who serve on the Senate Interior Committee know that better than most. Perhaps one of the reasons I feel so strongly about this matter is that my first Interior Committee meeting early in the 93d Congress was also the one at which the Interior Committee became the first Senate panel to open markups to the public. It was also the first to open conferences to the public.

It is no revelation that openness has worked on Interior. No one has to apologize for the record of this committee since we opened the doors. We have not abandoned hard work for posturing because the public we serve is watching. Hard bargaining and debate have not suffered from the public presence. And no one has to wonder what interests and forces shape the legislation which the Senate Interior Committee reports to the floor, for that legislation takes shape in full public view.

The Senate Budget Committee has had a similar experience with openness, which is a provision of the legislation that established it.

I have enough confidence in my colleagues to believe that they will not act much differently in public or in secret committee sessions. But it is not what happens in secret sessions which is dangerous; it is what the public thinks happens. We cannot afford any suspicions, any questioning of motives. The Nation cannot afford it, either.

Certainly we have learned that much during the past 3 years. Or have we? If we have, what are we doing debating the value of openness in Government and the right of our constituents to know what we are doing at every stage of the process?

Mr. President, we have enacted campaign reforms to reduce the influence of special interests. It now remains for us to eliminate the abuse, the potential for abuse and the appearance of abuse which will persist so long as we continue to conduct the public's business behind hearing room doors closed to the public.

We can accomplish that by supporting the original sponsors of S. 5 in their efforts to restore the original, tough provisions of that bill.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. CANNON. Mr. President, unless someone else desires time, I am willing to yield back the remainder of my time.

Mr. ROTH. I yield back the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, is an amendment to the Roth amendment now in order?

The PRESIDING OFFICER. It is in order.

Mr. GRIFFIN. I sent an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, after line 5, insert:

4. (a) In committees of conference, a manager on behalf of the Senate may give his proxy to another manager on behalf of the Senate provided such proxy shall comply with Section 190a(d) of the Legislative Reorganization Act of 1970.

(b) In committees of conference, a quorum for the transaction of business by the managers on behalf of the Senate shall consist of a majority of such Senate managers.

5. The caption of rule XXVII is amended to read as follows: "Conference Committees; Reports; Open meetings; Proxies; Quorum".

Mr. ROBERT C. BYRD. Mr. President, I am in sympathy with the Senator's amendments, but are these amendments germane?

The PRESIDING OFFICER. By the previous order, there is a requirement that all amendments must deal with open committee meetings, and this amendment does not so deal. Therefore, it is not in order.

Mr. GRIFFIN. Does the Chair so rule?

The PRESIDING OFFICER. The Chair rules——

Mr. GRIFFIN. Will the Chair listen to any argument?

The PRESIDING OFFICER. The Chair will listen.

Mr. ROBERT C. BYRD. Mr. President, I will not raise a point of order at this point. I would like the Senator to discuss his amendment. I would support the amendment; but under the agreement, I do not think we can allow this amendment to come in.

The PRESIDING OFFICER. The point of order will not be in order until the time has expired.

Mr. ROBERT C. BYRD. I will make the point of order at the proper time.

Mr. GRIFFIN. Mr. President, if the Senator from West Virginia is correct, that the amendment is subject to a point of order, it is unfortunate. The Roth amendment does deal with committees of conference. Without question, the conference committee is a most important step in the legislative process. It seems to me to be very important to the Senate as an institution if we are going to conduct conference committee sessions in public, to see that credit will be reflected on the Senate.

I offer this amendment with some recent experience in mind. The committee on conference having to do with the energy legislation has been meeting. We have the ridiculous situation of one-fourth of the membership of the U.S. Senate—25 Members—having been appointed to serve on the conference committee.

The other day, a very controversial and important matter was presented to that conference committee for a vote, and a number far short of a quorum, so far as the Senate managers were concerned, was present. The chairman of the Senate conferees, ultimately exercised proxies, which I believed were general proxies and did not conform with the Reorganization Act.

One of the reasons why I offer this amendment and call this situation to the attention of the Senate is that upon inquiry of the Senate Parliamentarian, the informal ruling was provided that a quorum of the Senate managers was not necessary to take a vote; that one Senator, with a handful of proxies, even though there are 25 members of the conference committee on behalf of the Senate, could sit there and transact the business of the Senate.

Regardless of whether that makes sense otherwise, it certainly is not going to look very good to the public if we have our conference committees operating in that way. I think it would make good sense to adopt a rule in connection with this change that a quorum would be necessary.

I wonder whether the Senator from West Virginia, who serves on the Rules Committee with me—perhaps I should address my question to the chairman of the Rules Committee, since he is in the Chamber—would agree that the matter of proxy voting and what constitutes a quorum might be appropriate matters for the Rules Committee to address itself to—particularly now that we are out in the sunshine.

Mr. CANNON. I certainly think it would be proper for the committee to address itself to the question that the Senator has raised. I was inclined to support the proposition he has stated. I think he makes good sense. But if it is not germane, that is something else. Many of these matters properly should be considered, I suppose, by the Rules Committee.

Mr. GRIFFIN. I hope so. Not only is it in the interest of sound legislative procedure to provide that a quorum be present in order to transact business, but also it would make the Senate look a little better in the sunshine of the public scrutiny that we are providing for ourselves.

I offer this amendment because it is a fair assumption that the amendment of the Senator from Delaware probably will be adopted.

I hope the Chair will see its way clear to find the amendment germane.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Illinois?

Mr. CANNON. I yield 1 minute to the Senator.

Mr. PERCY. Mr. President, I am sympathetic with the objectives, but I agree with the Senator from West Virginia (Mr. ROBERT C. BYRD) that we simply could not open up this measure. We could go through the whole Senate and find ways to improve our operating procedures.

Mr. ROBERT C. BYRD. Not only improve them, but we also could make them much worse.

Mr. PERCY. I do not think this is the time or the place to do it. There will be the proper time. The distinguished Senator is on the Rules Committee. I certainly would support and back many of the things he has proposed, but I think the rule of germaneness should apply. Otherwise, we would never finish this measure.

Once having accomplished this, perhaps we will find that we will have to improve many of the procedures as we operate, and perhaps it is all for the good. Perhaps we will have to show up on time at the meetings.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. If no one desires any additional time, I yield back the time.

Mr. GRIFFIN. I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, it is not that I am not in sympathy with the Senator's amendment, but I feel that, under the unanimous-consent agreement, his amendment did not agree with open and closed meetings of committees, subcommittees, and conferences. Therefore, the amendment is not germane and I shall have to make that point of order. Otherwise, other amendments could come in that likewise are not germane.

Mr. GRIFFIN. Mr. President, I recognize the argument and technically, the argument is right. I think it is unfortunate that we restricted ourselves to this extent in the unanimous-consent agreement. We should have had an agreement with more latitude, enough to take care of the problems that we are creating along the way as we are making the amendments to the rules of the Senate that are being voted upon. Recognizing that, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question is on agreeing to the amendment of the Senator from Delaware.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) and the Senator from North Carolina (Mr. MORGAN) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Oregon (Mr. HATFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT) would each vote "yea."

The result was announced—yeas 81, nays 6—as follows:

[Rollcall Vote No. 469 Leg.]

YEAS—81

Abourezk
Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevens
Stevenson
Stone
Taft
Thurmond
Weicker
Williams
Young

NAYS—6

Byrd, Robert C.
Long
Metcalf
Scott, William L.
Talmadge
Tower

NOT VOTING—13

Baker
Bayh
Curtis
Eastland
Glenn
Hartke
Hatfield
McClellan
Morgan
Scott, Hugh
Stennis
Symington
Tunney

So Mr. ROTH's amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated by the clerk.

The assistant legislative clerk read as follows:

> The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an amendment: On page 1, line 6 strike out the words "that a portion or portions of any such meeting" and insert in lieu thereof "that a meeting or series of meetings by a subcommittee thereof on the same subject".
>
> On line 5 of page 2 strike out "portion or portions—" and insert "meeting or meetings—".

Mr. TALMADGE. Mr. President, may we have order so that we can hear what is going on.

The PRESIDING OFFICER. Will the Senate kindly come to order. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, may I have the attention of Senators?

The PRESIDING OFFICER. Will the Senate come to order? Will Senators kindly limit their attention to the Senator from West Virginia?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I would like to take advantage of the opportunity to speak to a fairly full representation of the Senate for once today. Inasmuch as we have a good number of Senators here now, I ask unanimous consent that the time on any remaining amendment be limited to 10 minutes, to be equally divided between the mover of the amendment and the chairman of the committee.

Mr. JAVITS. Mr. President, reserving the right to object, does that apply to S. 5 or S. 9?

Mr. ROBERT C. BYRD. Only Senate Resolution 9.

The PRESIDING OFFICER. Does the Senator's request cover the current amendment of the Senator?

Mr. ROBERT C. BYRD. It covers my own amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. I object. I do not know what amendments will be offered at this time.

Mr. ROBERT C. BYRD. All right.

Mr. PERCY. Mr. President, I have an amendment. It is fully acceptable to me. Could we poll the membership to see who has amendments?

Mr. ROBERT C. BYRD. I think we know.

Let me explain my amendment.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I will close it up in 5 minutes.

Mr. President, the Senate has rejected the committee amendment and up to this point has approved of the resolution offered by Mr. CHILES and other Senators, as amended by my own amendment. As it now stands, any standing committee of the Senate, select or special committee of the Senate, or subcommittee thereof, or one member of any committee, may demand that the committee go into closed session and if that demand is sustained by a second, a committee will go into closed session to determine whether or not closed meetings are justified in that they would involve discussions about any one or more of the five paragraphs enumerated, (1) through (5) of the resolution.

As the resolution now stands, if a committee were, on Monday, to determine that it should go into closed session on Monday because of the sensitive nature of the subject matter, on Tuesday it would have to go through this whole proceeding again, even though it were talking about the same subject matter.

On Wednesday, it would have to go through the same proceeding again, even though it were talking about the same subject matter.

My amendment would allow the committee, once it went into closed session and made a determination that the subject matter was of such a nature to require closed discussions, to authorize closed sessions daily until such sensitive subject matter were disposed of, thus saving the time of the committee and obviating the necessity of going through the same proceedings day after day after day when the subject matter were sensitive and had been determined so by the committee in the first instance.

Mr. GRIFFIN. If the Senator will yield for this observation, he omitted that in the procedure, even though the committee does discuss in closed session whether or not it is advisable to have the meetings in closed session, they must go into open session first to take the vote.

Mr. ROBERT C. BYRD. Yes; Senators have required today that when the committee goes into closed session to determine that the subject matter is sensitive to the extent that closed sessions are required, the committee then has to go back in open session to so vote, even though the present rules of the Senate require that such committee votes be made public.

Mr. GRIFFIN. I think it is important for Senators that have not been on the floor to realize that.

It seems to me the Senator's amendment is particularly applicable to a committee like the CIA Intelligence Committee. Do we want this committee to go through this folderol every day?

Mr. ROBERT C. BYRD. Every day.

Mr. GRIFFIN. Even though they are considering the same sensitive matter?

Mr. ROBERT C. BYRD. Have a closed session, go back to open session to vote a closed session, then go back into closed sesion every day. My amendment would obviate that.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. I can see the point that the Senator is raising by virtue of his amendment. The concern the Senator from Florida has with the amendment as it is now stated is that one could hold, again, one meeting, like at the beginning of the year, and say, "We are going to be dealing with the subject of this particular matter," and with a majority vote then one could attempt to close the meetings of that committee for the rest of the year.

I wonder if the Senator would agree to language, following the first paragraph that he has where that is on the same subject, and add:

> For a period of no more than 14 days.

Mr. ROBERT C. BYRD. Well, I say this, and I hope the Senator will not misunderstand me. I say with all due respect to the Senator that I believe if a committee acted otherwise, the majority of that committee could be charged with bad faith.

Mr. CHILES. I think, though, when we say for a period of no more than 14 days, we are really getting to the point that the Senator from West Virginia is raising on having to do with every day.

In almost every instance, that is going to cover a bill that we are debating on a subject matter, and I do not think it is going to be a great inconvenience in a committee if once they have had the debate and they are going more than

14 days, they simply take a vote, they do not have to go through any process.

Mr. ROBERT C. BYRD. Mr. President, I have no quarrel with this. I do not think it is necessary at all. I do not know what the Senator means by 14 days, whether he means 14 days of committee sessions or 14 calendar days, but it is all right with me, whatever the Senate wants to do on this.

I do think this amendment would be an improvement over the language in the resolution.

Mr. CHILES. If the Senator would agree to that language, then I would certainly agree to his amendment.

Mr. ROBERT C. BYRD. Would he suggest 14——

Mr. CHILES. Calendar days.

Mr. ROBERT C. BYRD (continuing). Calendar days.

All right, including Sundays and holidays.

Mr. PASTORE. Vote.

Mr. ROBERT C. BYRD. Mr. President, I accept the modification.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

> On page 1, line 6 strike out the words "that a portion or portions of any such meeting" and insert in lieu thereof "that a meeting or series of meetings by a subcommittee thereof on the same subject for a period of no more than 14 calendar days".
>
> On line 5 of page 2 strike out "portion or portions—" and insert "meeting or meetings—".

Mr. PASTORE. Vote.

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia, as modified.

The amendment, as modified, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the contingencies that are set forth in the committee bill, quite possibly, do not include any and all emergencies that might arise requiring a closed session.

If Members will look at the Senate resolution on pages 2 and 3, Members will see the five sets of contingencies that will justify closed meetings of the committees.

I would propose to offer an amendment adding a paragraph numbered (6), which would read as follows, and if Senators will look on page 3, beginning with line 21 and going into line 22, they will find this language:

> or may divulge matters deemed confidential under other provisions of law or government regulations.

I propose to amend the bill by adding a paragraph (6) which would include that very language so that there is a type of catch-all language that would take care of situations that are not now envisioned by the first five paragraphs.

Mr. LONG. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. As the Senator knows, an amendment will be offered by Senator PERCY which has to do with opening up the sessions of the joint committees. I discussed this matter with the Senator from Illinois. Much of the activity of the Joint Committee on Internal Revenue and Taxation is dealing with somebody's tax return. Under the law, that is confidential information and cannot be divulged.

The Senator has language which perhaps could be seized upon to contend that this should be a closed meeting, but as a practical matter, the language that the Senator is suggesting would take care of that. Obviously, I do not think anybody, by Senate rules, wants to be required to to break the law of the land, and the law of the land does not permit us to divulge the confidentiality of a tax return which is not otherwise public. Would this language take care of that?

Mr. ROBERT C. BYRD. Yes.

That is all I have to say. I hope the Senators will accept my amendment.

The PRESIDING OFFICER. Is the Senator offering that as an amendment?

Mr. ROBERT C. BYRD. Yes; I am.

The PRESIDING OFFICER. Can the Senator send that to the desk?

Mr. ROBERT C. BYRD. Yes; for the benefit of the clerk, this would add a paragraph numbered 6 on page 3, following line 15, beginning on line 16, and it would consist of the verbiage in the parens that I have marked on lines 21 and 22 of page 3.

The PRESIDING OFFICER. Who yields time? Do Senators yield back their time?

Mr. CHILES. Mr. President, I yield such time to myself as I might need to discuss the amendment. I am not sure this amendment fits the argument which has been raised that we need sort of a catchall provision for something that we have no thought about. This particular amendment says "may divulge matters deemed confidential under provisions of law or other governmental regulations."

I do not see how that really hits any of the speculative matters that people were trying to raise at one time that might not be covered. It seems to me, for example, on a person's income tax return, that would be covered where we speak in paragraph 3 about a clearly unwarranted invasion of the privacy of an individual. So we have taken care of that exception.

I really do not know what the language means.

Mr. LONG. Will the Senator yield?

Mr. CHILES. Yes.

Mr. LONG. How about a corporate tax return? A corporation is not an individual.

Mr. CHILES. It also provides in section 5, "will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to" given persons. I think it would be covered under that, too.

I do not think we are going to pass a rule that is going to be able to contradict a privilege of law that we now have by another statute, and we are not purporting to do that.

I do not know what the amendment means. I do not know what it seeks to do. I do not know what it seeks to add to the bill.

Mr. LONG. No one wants to vote for a Senate rules that requires a Senator to break the law. Just to state the obvious, we ought to make it clear that by this rule we are not trying to make somebody break the law because, obviously, he could not very well do it anyway. We could not make him do that. Why would we want him to break the law and then have him say "I did that because the Senate rule required me to do it."

We would be better off to say, "If it is the law you are talking about and somebody would be required by a Senate rule to break the law, we make it clear that there is nothing in this rule that would make you break the law because you would have no business doing that."

Insofar as the regulations are involved here, the Senator may be referring to the regulations of the Internal Revenue Service, for example, which protect the rights of the individuals. We would not want to break that.

Mr. CHILES. I wonder if the Senator from West Virginia would agree to a modification that would say "or may divulge matters" and strike the word "deemed" and insert in lieu thereof "required to be kept confidential under other provisions of law or Government regulations"?

Mr. ROBERT C. BYRD. That is fine with me.

The PRESIDING OFFICER. The amendment is so modified.

Mr. ROTH. I do not believe I have any objections to this amendment, but I would like to have the Senator explain more precisely what he means by Government regulations. Are those just regulations that would be issued such as the CFR's, or would it be almost any order put out by the military or anyone else? What do we mean by the word "regulations"?

Mr. ROBERT C. BYRD. Whatever they are, they would protect confidentiality. That is what we are talking about. For any Senator to raise an objection to an open meeting I would think he would have to produce evidence that whatever matters are going to be discussed are required to be kept confidential under other provisions of law or Government regulations.

Mr. ROTH. I guess I am asking the Senator from West Virginia does the word "regulations" have any precise meaning?

Mr. ROBERT C. BYRD. I do not think so.

Mr. ROTH. Would it be just a letter that was issued, say, by the chief of an agency?

Mr. ROBERT C. BYRD. I think that would not be a regulation. It would be a matter that the committee could determine. I do not think I have to determine right here what a regulation is. This precise language has been lifted out of the standing rules of the Senate dealing with committee hearings. That is where this language came from.

Mr. LONG. Will the Senator yield on that point?

Mr. ROTH. Yes.

Mr. LONG. It seems to me the question before the committee would be "Will we respect this regulation or will we not?" I can recall when President Eisenhower issued a kind of regulation that nobody in the entire executive branch could tell anything to a congressional committee unless the President had given them consent to do so.

We did not have any respect for that regulation and refused to abide by it. Conceivably, if these people have a regulation that says that they will not divulge this confidential information and we want them to divulge it, we are going to have to let them divulge it in a closed session. Otherwise, they would stand on the regulation and say, "If I break that regulation, I will be fired anythow."

Mr. ROBERT C. BYRD. May I cite to the distinguished Senator from Delaware the verbiage in the present Legislative Reorganization Act? Section 133 A, paragraph (b):

> Each hearing conducted by each standing, select and special committee of the Senate, except the Committee on Appropriations, shall be open to the public except when the committee determines that the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual or may divulge matters deemed confidential under other provisions of law or Government regulation.

That is the language in the present law—not just in the Standing Rules of the Senate—and it deals with committee hearings.

All the committee was trying to do in bringing out the language that the committee substituted today was to use the very verbiage that is now in the Legislative Reorganization Act dealing with hearings and apply it to committee markup meetings. The Senate voted down that committee substitute. I am attempting to use the same language now as a bit of additional protection so as to include situations not now foreseen.

Mr. ROTH. As I said in the beginning, I was not saying that I objected, but I am trying to get a better feel for what the Senator from West Virginia intended.

In essence, is the Senator saying "confidential under other provisions of law or Government regulations issued pursuant thereto"? I mean would these be regulations issued pursuant to law?

Mr. ROBERT C. BYRD. I am not going to tweedle-dum and tweedle-dee all night over this.

Mr. ROTH. I find this rather important.

Mr. ROBERT C. BYRD. I know the Senator does, but let the Senator ask the Senators who drew up the Legislative Reorganization Act what they meant. I have lifted the language precisely out of that law.

Mr. ROTH. The Senator is proposing the amendment, though.

Mr. ROBERT C. BYRD. But I am using the same identical language, and "Government regulations" means here what "Government regulations" means there. It will be the same for committee markups and meetings as it already is for committee hearings.

Mr. ROTH. All I am asking the distinguished Senator from West Virginia is, if this language is already used, does it have any defined meaning? I gather it really does not, even though the language has been used before.

Mr. ROBERT C. BYRD. I do not know that it is a word of art. I doubt it.

Mr. ROTH. Would an executive order be a Government regulation issued by the President?

Mr. ROBERT C. BYRD. I suppose it could be. That would be something the committee could determine at the time.

Mr. STEVENS. The committee could vote on it.

Mr. ROTH. I realize it could.

Several Senators. Vote!

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

Mr. ROTH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia, as modified.

The amendment, as modified, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I have one additional amendment, which would be to strike—I send the amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 1, line 3, after "standing" strike ", select, or special".

Mr. ROBERT C. BYRD. Mr. President, this amendment would delete from the language of the resolution the words "select or special" with reference to Senate committees. It is the feeling of myself and those on the subcommittee who reported out the committee substitute that a Senate rule dealing with open sessions should deal only with standing committees and subcommittees, not with select or special committees.

The Senate, in creating a select or special committee, can, by the creating resolution, specify whether or not the committee should operate under closed sessions or open sessions, or leave it up to the committee to do whatever it deems best. I do not believe we ought to enact a standing rule of the Senate today governing the proceedings by which select or special committees will act in respect to open or closed sessions.

Mr. CHILES. Mr. President, I have to oppose this amendment. If we adopt the House amendment, most of the special and select committees that we have operating today would not be under the rules that we are providing for standing committees. I see no reason why we should not have the same rules for the Select Committee on Nutrition and Human Needs, the Select Committee on Small Business, the Special Committee on Aging, or the Special Committee on National Emergencies and Delegated Emergency Powers. All of them should open their meetings and conduct them in the open, just as we are providing for standing committees.

In the event that we have a special committee that is going to be brought into being by resolution or by legislation, we could at the time provide, if we wanted to, some special rules. But we have accommodated the provisions so they would not have to close their meetings every day. They now have 2 weeks on the subject matter, in which to keep the meetings open; and even on our intelligence committees they can go for 2 weeks on one particular subject, and that is as long as they are going to need to go on any particular subject having full sessions.

I think this amendment would greatly weaken the resolution by putting under a different rule the select committees. We are seeing more and more that some of the select and special committees are becoming committees of great importance. Certainly the Committee on Aging is, and certainly its meetings should be open.

The other point is that most of the select committees do not even have markup sessions, because they are not marking up legislation, so why in the world should they need to close their meetings, or, in the event they do, why should they not follow the same rules and procedures that we have for other committees?

I oppose the amendment, and I hope we can defeat it. And, Mr. President, if this is a proper time, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, is there still time on the amendment?

The PRESIDING OFFICER. There is time remaining on the amendment.

Mr. GRIFFIN. Will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield. How much time does the Senator wish?

Mr. GRIFFIN. Three minutes.

Mr. ROBERT C. BYRD. I yield the Senator 3 minutes.

Mr. GRIFFIN. Mr. President, I think when we get to the rollcall vote, without taking up other amendments, we are going to want to get out of here. I would like to ask a question for the purpose of legislative history.

It was pointed out by the Senator from Louisiana, when he talked about these categories—and I read one of the categories:

> will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person.

One of the oldest arguments in the law is whether or not a corporation is a person. Almost any bill that uses the word "person" must define the word to make it clear whether or not a corporation is a person. I do not know what is intended here by the drafters of this resolution, but obviously the trade secrets that we will be talking about, in many instances, will be trade secrets of a corporation or business association of one kind or another, rather than an individual person.

I could offer an amendment; but perhaps legislative history will suffice. At least, I would like to know if there was an intention to say that trade secrets of a corporation, if they were trade secrets, would be disclosed.

Mr. CHILES. I think the intent would be the same intent as has been held to be the law in most instances, especially where you are talking about trade secrets, that you would be talking about corporations as well as individuals.

Mr. GRIFFIN. I thank the Senator for that legislative history. I think it is important to have it in the record.

Mr. PERCY. Mr. President, will the Senator yield me 1 minute, to comment on the Byrd amendment?

Mr. ROTH. I yield the Senator 1 minute.

Mr. PERCY. Mr. President, I shall oppose this amendment. I serve on two select committees, the Select Committee on Aging and the Select Committee on Nutrition and Human Needs. I see no reason on earth why they should ever have closed meetings. We are dealing with older people, we are dealing with food stamps, and we are dealing with critical issues that affect people. I think that is all the more reason that the meetings should be open, as a standard procedure, unless there is some special reason that they should be closed.

There are operating procedures established in this legislation whereby they can be closed if there is reason to. But I see no earthly reason that they should be closed as a general procedure.

Mr. ROBERT C. BYRD. Mr. President, I agree with the Senator as far as those particular committees are concerned; but take the Ethics Committee. That is quite a different matter.

What I am saying is that when the Senate creates a special or select committee, I think it should be up to the Senate, based on what the work of that committee is to involve, to determine whether or not the meetings will be open or closed, or whether to leave it up to the committee. I think we ought not to adopt a Senate rule here that mandates a special or select committee, to be created in the future, to do one thing or another.

Mr. PERCY. I think the whole purpose of our legislation, however, is to place the burden of proof or require the preponderance of the evidence to show that they should be closed, but have the prevailing factor be that they should be open. Then those who want them closed have to take the initiative, rather than the other way around.

I say again, as to the Committee on Ethics, there is no question, if a committee meeting involves a question as to the integrity, reputation, or character of an individual to be discussed, it should be closed, and there would not be any problem about having such a meeting closed.

Mr. ROBERT C. BYRD. What about the Special Committee on Investigation of CIA?

Mr. PERCY. I would think the same thing would apply. The amendment specifically provides that national defense and foreign policy are matters that permit closed meetings.

But I say respectfully that if we had a little more openness about intelligence gathering in the past and we had found out how much we were spending on it and who was doing it, we might not have all the difficulties we have today. It was this utter cloak of secrecy, in which the CIA said in effect: "This was none of your business", that has led to the present problems. This is our business; it is our Government's business, and the people of this country are depending on us to watch. The only way they can have absolute assurance we are watching is to know what is going on. We all know we do not know in the Senate what is going on in many of these committees. We would be much better informed if we had a good deal more openness about the way we conduct our business.

Mr. ROBERT C. BYRD. Mr. President, the Senate, creating the committee, could make that determination.

I yield back my time.

The PRESIDING OFFICER. The question is on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The clerk will suspend.

Mr. PASTORE. Mr. President, I should think in view of what has been said here today that the Senator should withdraw his amendment. If we create a special select committee where it is all confidential and secretive, we can say so at that time. But to be consistent, if we are going to open it up, leave it all open. I would hope that the Senator would withdraw this amendment.

Mr. ROBERT C. BYRD. Mr. President, in deference to the able Senator from Rhode Island, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is withdrawn.

Mr. STEVENS. Mr. President, I call up my amendment No. 1041, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment as modified to add a new section at the end of amendment No. 1031.

The amendment is as follows:

At the end of section 1 insert the following: "Each committee shall prepare and keep a complete transcript of electronic recording adequate to fully record the proceedings of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of said members vote to forego such a record.".

Mr. STEVENS. Mr. President, let me state briefly what this is for. I found in some of these executive sessions that have been open we have people who are there taking notes and we have no record. We have members of the audience who are stating our intent in regard to a particular amendment, according to their information, which was contrary to that of the person who offered it. It seems to me that, if we are going to open these meetings—and I supported opening them—we ought to have a record of what transpired so there could be no question as to who was involved.

I see my good friend from Illinois here. We share almost the same name and are on the same conference committee right now.

Confusion can arise in terms of these proceedings unless there is a record.

I have checked, and ten of the committees of the Senate already maintain a record of the meetings that are, in fact, open to the public. We should set a standard that all of them should maintain a record unless a majority of the Members vote otherwise.

I am hopeful the managers of the bill will accept the amendment.

Mr. ROBERT C. BYRD. Mr. President, is this amendment germane?

Mr. STEVENS. I have checked with the Parliamentarian, I will say to the Senator from West Virginia, and was informed that it was. It pertains to the recording proceedings of open meetings.

Mr. ROBERT C. BYRD. But under the agreement no amendments would be germane if they did not deal with the subject of open or closed meetings.

Mr. STEVENS. I specifically address that.

Mr. ROBERT C. BYRD. I am in sympathy with the Senator's amendment. I am for it. I do not wish to open the door to any nongermane amendments, though.

The PRESIDING OFFICER. The Chair advises that in the broad sense the amendment can be considered within the unanimous-consent agreement as being germane in that it provides for transcripts regardless of whether the meetings are open or closed and provides for the ability to dispense with them.

Mr. CHILES. Mr. President, we think that is a good amendment and we certainly accept the amendment.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. ROTH. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PERCY. Mr. President, I am quite agreeable to a 10-minute time limitation on either side if that would be acceptable. I send an amendment to the desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on the pending amendment, the time to be equally divided in the usual manner to each side on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PERCY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Resolution, add the following:

SEC.—(a) Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. Each meeting of a joint committee of the Senate and House of Representatives, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(A) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(E) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(i) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(ii) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

"In the case of public hearings, the proceedings may be broadcast by radio or television, or both, as the committee may determine, and under such rules and regulations as that committee may adopt."

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXV is amended by inserting immediately below item 25.7 the following:

"25.8 OPEN JOINT COMMITTEE MEETINGS".

Mr. PERCY. Mr. President, I shall explain my amendment briefly.

This is a simple amendment to complete the circle of coverage of open meetings in congressional committees. It would apply to joint committees of the Senate and House of Representatives precisely the same rules for open meetings as are contained in S. Res. 9 for standing, select and special committees of the Senate. The only stipulation would be that this change in the Senate rules covering joint committees would not go into effect until a similar rule has been adopted by the House.

Under my amendment the general rule for joint committees would be openness just as the general rule for individual committees of the House and Senate is openness. Meetings could be voted closed for specific cause, under exactly the same criteria as we have already established for Senate committees.

In my mind there is no difference between the activities of the joint committees of the two Houses and the activities of the standing, select, and special committees of the Senate. Joint committees conduct hearings, take testimony, consider legislation, and make reports to their respective Houses. There is no reason whatever why these joint committees should be exempt from the general rule that is applied to all other committees. Their meetings should be conducted in the open and in full view of the public they serve.

This is an amendment I offered in the Committee on Government Operations, and which was adopted unanimously by that committee.

Mr. President, fully adequate experience has already been gained for the procedure called for in this amendment. The House committees have been operating under an open meetings rule for nearly 3 years now. The Senate Committees on Government Operations, Interior and Insular Affairs, and Banking, Housing and Urban Affairs have also been fully open for nearly 3 years. How much more experience do we need to demonstrate that this procedure has been working and working well? We should open all remaining committees of both Houses of Congress, including the joint committees of the House and Senate.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PERCY. I hope that the leadership will accept my amendment as a conforming change in the Senate rules, subject to adoption to a similar rule in the House.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PERCY. I do realize that there are obviously sensitive matters that must be taken up, and there is adequate provision in the amendment, I think, to cover every single contingency so that sensitive meetings can be closed and will be closed when needed.

I am happy to yield to our distinguished colleague.

Mr. PASTORE. I realize in the general context of this resolution matters that have to do with security are protected provided, of course, there is a vote taken.

But in the Joint Committee on Atomic Energy most of our hearings are executive, and we deal with very sensitive information having to do with nuclear weapons, and what have you.

Does that necessarily mean that every time we call a hearing on sensitive information of that kind we have to debate whether or not it is going to be open or closed?

Is that what we are getting into?

Mr. CANNON. Yes.

Mr. PASTORE. I hope that the Senator would exempt the Joint Committee on Atomic Energy because that is exactly what our function is. We are dealing with weapons about every time we meet. If we are going to get in a hassle over whether or not we are going to be open or closed, we are going to waste our time on procedure rather than on substance.

I hope that, if the Senator does include joint committees, he takes into consideration that we are the only joint committee of Congress that has legislative authority. We are the only committee of Congress that has the right to be currently informed on all developments of nuclear weapons. I hope that there would be an exemption in the Senator's particular amendment with reference to the Joint Committee on Atomic Energy.

Mr. PERCY. I thank our distinguished colleague for his comments, and I have the highest regard for the way in which he has conducted the Joint Committee on Atomic Energy.

I do feel, however, that as to these matters, openness is good in general, with the exemptions we have provided. The Committee on Government Operations has dealt with ERDA. It has dealt with the Federal Energy Administration. We have dealt with the problems of nuclear safeguards and held hearings on them both in this country and abroad. I do feel that openness in the discussion of some of the problems involved is good.

Whenever it gets into an area of national security, where it is simply because of the aid and comfort or information it might give to our adversaries, we simply have to close it. But many of the issues involved in the Joint Committee on Atomic Energy, I should think, deal with issues in which groups in this country, citizens of this country, Members of this body, are deeply involved and deeply interested.

I would tend to think that procedures for closing a meeting are there, and as long as you have a quorum for the meeting, anyway, you can certainly vote to to close it. Members of that committee would know.

Again, the question has to be asked. What are we dealing with that the public cannot be included in? What are we dealing in that is so sensitive that we cannot discuss it?

Mr. PASTORE. We are dealing with atomic bombs, not with safeguards with relation to a nuclear reactor. I am not talking about that. We are dealing with sensitive information. We meet at 2 o'clock. It is a joint committee—nine from the House and nine from the Senate. Ninety-nine percent of the time we are dealing with weapons.

This idea of opening it up to the public—to whom? To Russia? To Red China? Is that what we are talking about?

After all, let us be a little sensible. I think we can run away with ourselves here tonight. I am saying that this is very sensitive. We have open hearings when it has to do with safeguards on a nuclear reactor.

But I am talking about the Polaris, and I am talking about the Trident, and I am talking about MIRV, and I am talking about bombs. Where are they? How many?

I tell the Senator that every time we have to talk about sensitive information of that kind, we are going to spend half our day discussing just whether it should be open or closed. All I am saying is that this is an area where there should be an exception, for the simple reason that this is a special law that was created for the reason. I hope we would talk a little sense here tonight.

Mr. PERCY. If I may reply to the comments that have been made, this reminds me of the arguments we had more than a quarter of a century ago on tariffs and trade. Every industry, time after time, said, "But you do not understand our situation. It is different." Yet now we have passed uniform laws in that area.

Many committees maintain that they are different, but here we provide, right in the amendment, under paragraph a, the exemption for matters that "will disclose matters necessary to be kept secret in the interest of national defense or the foreign policy of the United States."

All we require is a simple 1-minute vote by the majority of the committee, and that is all that has to be done. I cannot imagine that those meetings go on day after day, talking about the number of bombs and where the bombs are, and all that. I would think that that subject would be talked out.

There must be many matters of policy involving the public, involving where this Nation is going, that should be discussed openly, so that more people know about the direction that Congress is taking.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. PASTORE. The Senator is not familiar with the situation, but we have a policeman outside that door. He is there 24 hours a day. When the Senator had his hearings on Watergate, where does he think the secretive information was kept? With our permission, it was kept right up there in the vaults of the Joint Committee on Atomic Energy. That room is debugged every day. That is what I am talking about.

As to the matter of the public being entitled to know, the Senator is talking about an entirely different subject. All I am asking is that the Senator exclude the Joint Committee on Atomic Energy. That is all I am saying.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. CANNON. I yield to the Senator.

Mr. PERCY. Will the Senator yield me 30 seconds?

Mr. CANNON. I yield.

Mr. PERCY. The Senator from Illinois has participated in meetings in that room for 9 years. A policeman can stay there as long as he is there, 24 hours a day, guarding those secrets; he is there every day. But it does not prevent any of us from holding meetings whenever that room is open. We have had the public there in virtually every meeting I have attended, including conferences on ERDA and the Energy Administration. So I do not feel that the arguments hold water, and I say so respectfully.

Mr. PASTORE. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The motion to table was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. CANNON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I want to make a correction in my amendment.

I ask unanimous consent that, notwithstanding the fact that an amendment in the nature of a substitute was agreed to with the words "portion or portions" therein, the amendment later adopted that changed those words be held as having been in order and considered as having been adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

Mr. CHILES. Mr. President, I send to the desk a technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 16, strike out "Section" and insert in lieu thereof "The first sentence of section 133 (b) of the Legislative Reorganization Act of 1946, section".

Mr. CHILES. Mr. President, this is a technical amendment, on page 4, line 16, correcting the references to the provision in the Legislative Reorganization Act now governing Senate hearings and markups. It adds wording with respect to Senate hearings except Appropriations Committee hearings. The sentence is no longer necessary, since Senate Resolution 9 establishes its own standards and procedures governing such hearings.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CANNON. I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on agreeing to the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PERCY. I realize that Senators are anxious to leave, but would it be possible to have a reconsideration of the motion to table the Percy amendment?

The PRESIDING OFFICER. That motion is in order.

Mr. PERCY. And a rollcall. I ask unanimous consent for reconsideration, and for a rollcall vote on that.

Mr. GRIFFIN. Mr. President, is the motion debatable?

The PRESIDING OFFICER. The motion to reconsider is debatable.

Mr. GRIFFIN. I ask for recognition.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

There are 20 minutes on the motion.

Mr. GRIFFIN. Mr. President, I point out that the amendment as offered by the Senator from Illinois also would include and cover the joint committee that determines the secret service protection for Presidential candidates, as another example. I do not know whether that is intended. Perhaps it is all right. I would not think that that committee should be required to hold its deliberations in public, and I challenge anyone to point to one of these categories as covering that situation. There are joint committees having to do with the security of the Capital of the United States.

Furthermore, we cannot legislate with respect to joint committees. It would at least take an act of Congress to do so.

So I hope that the motion to reconsider will not be adopted.

Mr. CANNON. Mr. President, I move to table the motion to reconsider.

Mr. PERCY. Mr. President, perhaps we can even eliminate the need to vote. Would it be possible for the Rules Committee to discuss this issue in committee? I think there should be more debate on this issue.

The Senator from Rhode Island has brought up some very good points, as has the Senator from Michigan.

I do not want to foreclose the possibility that the Rules Committee can give consideration to what can be done. As long as the Rules Committee would offer a commitment that it would give consideration to this, I would withdraw the request for reconsideration.

Mr. ROBERT C. BYRD. Mr. President, as chairman of the subcommittee, I will not offer any commitment as to the date when the subcommittee will consider this. We have had enough of a go-round on this already.

Mr. CANNON. Mr. President, I ask unanimous consent to withdraw my motion to table.

Mr. PERCY. Mr. President, I ask unanimous consent to withdraw my request for reconsideration.

The PRESIDING OFFICER. Without objection, the motion to reconsider is withdrawn.

ADDITIONAL STATEMENTS SUBMITTED ON S. RES. 9

Mr. CHILES. Mr. President, I want to pay particular thanks and appreciation to the following members of my staff and the committee staff who have worked very hard on this resolution: George Patten, Margaret Marusch, Vicki Smith of my staff, and Paul Hoff, Marilyn Harris, and Jim Davidson of the staff of the Government Operations Committee.

In addition, Professor Dick Stewart gave valuable assistance in the early drafting stages.

Also to the members and staff of Common Cause whose efforts were invaluable both in developing this resolution and working for its passage.

Mr. BIDEN. Mr. President, the legislation before us today marks another chapter by the Congress to improve itself.

Four years ago, the ability of the Congress to legislate more efficiently and effectively was improved by means of passage of a legislative reorganization act, the first major one in 25 years. Shortly thereafter came enactment of the Federal campaign financing bill designed, in part, to curb the influence of large-scale private financing of campaigns and to reduce the tremendous edge that sitting Senators and Representatives hold in their re-election campaigns against nonincumbents—a condition that some observers have called the "tyranny of the incumbency."

Today, the Senate has still another opportunity to demonstrate to the American people that it wishes to conduct its legislative affairs in an open and aboveboard manner. I refer to Senate Resolutions 9 and 12 and S. 5, as they were originally introduced. In broadest terms, these three measures, taken together, would provide that meetings of agencies of the executive branch and standing, special, and select congressional committees, including subcommittees and Senate-House conferences, shall be open to the public.

The premise underlying these measures is that the Government should conduct the public's business in public—hence the name assigned them, "sunshine" legislation. Events in recent years should make this need even more compelling than ever. The legislation includes provision for closed sessions, if an individual's character is in question or when matters need to be kept secret in the interests of national defense. I believe these are proper exceptions to the principle of open meetings. This is why I oppose the Rules Committee amendment to Senate Resolution 9 that would restrict the requirement of open meetings to standing committees only. This runs counter, in my judgment, to the general move to greater openness in our legislative affairs as one means of reversing a decline, as evidenced in public-opinion polls, in confidence in Government.

Passage of this openness legislation, as originally proposed, will be one of the outstanding steps forward the Senate has taken in a long time.

Mr. TAFT. Mr. President, as a cosponsor of the so-called sunshine bills I want to express my support of the measure before the Senate today without the committee amendment.

Secrecy in Government has become synonymous in the public's mind with deception by the Government. While some matters must be discussed in closed session, these are few and far between. In some exceptional cases, such as when national security is at stake, I support closed committee session. But the Government must remove the overall shield of secrecy that has hidden its deliberations from the American people for too long.

I will also support the amendment to open up the House-Senate conferences that have traditionally been closed to the public. I have participated in many conferences and I am convinced that it is only the very rare circumstances when they merit to be held behind closed doors.

The current Senate rules state that a meeting is closed unless a vote is taken to open the meeting. The House has taken a step further than the Senate by having committee meetings open unless a vote is taken to close them. In this measure we are going one step further and specifying the limited reasons for closing a committee meeting from the public. I think this is a step in the right direction.

While I feel it is essential that the Congress set an example for open government we must also pass S. 9 to insure that the executive branch also see the sunshine of public exposure.

I have been a strong advocate of regulatory reform. I believe that through more public exposure of the regulatory agencies there will be more accountability added to these bodies.

Passage of Senate Resolution 9 is a step we must take to restore public confidence in Government.

GOVERNMENT IN THE SUNSHINE—A STEP FORWARD

Mr. HUMPHREY. Mr. President, today marks a very important day in the history of the Senate. For it is today that this distinguished body will begin considering legislation which will help bring Government closer to the people.

Secrecy in Government has become synonymous in the public mind with deception. The public is entitled to the fullest practicable information regarding the decisionmaking process of the Congress and the Federal Government. For this reason, I am one of the cosponsors of the original versions of Senate Resolution 5, Senate Resolution 9, and Senate Resolution 12, calling for open committee meetings and open meetings of specified Federal agencies.

There are tremendous gains to be made through this action—gains for the American citizen, for the Congress, and for the Federal Government in general.

First, increased public interest, knowledge, and discussion of issues and problems facing the Nation cannot help but contribute favorably to the decisionmaking process.

Second, it will greatly enhance the public's understanding of decisions reached by the Government and make the Government and the Congress more accountable for those decisions.

Third, increased cooperation between the public and Government agencies cannot help but follow. Often agencies face difficult choices, and must weigh many facts and policies while considering various alternatives. Opening this process to public scrutiny should increase the public's confidence in Government by permitting the public to observe firsthand the responsible way agency heads and their elected representatives carry out their duties. Public exposure should help insure that the quality of work remains at the highest possible level.

On the other hand, where Government is not functioning as well as it could, it is far less damaging if the facts, regardless of their nature, are disclosed openly to the public and the press, rather than emerging only indirectly or inaccurately through speculation, scandal, and partisan or self-serving statements.

And, finally, greater understanding promotes greater compliance, whether one is talking about Government or any other personal or business relationship.

The success already experienced by the Congress confirms the effectiveness and practicality of the "Sunshine" legislation. In the last 2 years, various House and Senate committees have dealt effectively in open sessions with such important and often controversial legislation as the Congressional Budget and Impoundment Control Act of 1974; the Housing and Community Development Act of 1974; the Export-Import Bank; and legislation concerning energy allocation, land use policy, consumer protection, and surface mining and mineral leasing.

The general consensus by those participating in this process has been that the open meeting rule has neither interfered with their work nor inhibited free and open discussions. Openness, in fact, has enhanced the process rather than retarded it.

Open meeting laws are also a widely accepted and successful part of State laws. Forty-nine States now have open meeting laws and 35 States have constitutional provisions relating to open government.

The passage of this important legislation is just one step toward increasing the public's access to their Government. As the elected representatives of the public, we must open the processes by which we make our decisions. Only when we have removed, to the greatest extent possible, the veil of secrecy which shrouds committee actions, will the public know the full extent, quality, and integrity of their representatives.

Mr. TUNNEY. Mr. President, I would like to take this opportunity to indicate my firm support for the course on which the Senate has embarked today, the opening up of congressional and executive branch deliberations to the scrutiny of the public. If we are ever to reverse the erosion of confidence in Government which is presently going on throughout the country, we must start by opening the processes of the Federal Government to the participation of our citizens.

We have three propositions before us. The first is the question of opening up Senate committee meetings. I favor that proposition, and I support the provisions of the original proposal, Senate Resolution 9, made by the distinguished Senator from Florida (Mr. CHILES), and the distinguished Senator from Delaware (Mr. ROTH). Indeed, I have supported that resolution since its original introduction in the last Congress, and I have joined in sponsoring it during both the 93d and 94th Congress.

The amended version of Senate Resolution 9 brought before us today from the Rules Committee would cut back substantially on the provisions of the original resolution. It would leave the closing of committee meetings as a far more discretionary matter than I believe is necessary. Accordingly, I shall vote to defeat the substitute proposal voted by the Rules Committee, and to accept the language originally contained in the resolution, and I urge my colleagues to do the same.

The second proposal before us would open House-Senate conference committees for the first time. Again, the original language of Senate Resolution 9 would have accomplished this goal; but the legislation before us now will not. I intend to support proposed changes in the final version of the legislation before us which would open conference committee meetings except under carefully delimited circumstances. Every Member of the Congress knows how important the work of House-Senate conferences can be in determining the final shape of legislation. I believe it is high time that the public saw that process as well.

Finally, of course, we have S. 5 in front of us which would do for the executive agencies what the other two measures would do for the Congress. The executive is no less responsible to the people of this country than the Congress, and for that reason executive decisions should be as open to the public as those made in the halls of Congress, except under certain narrow circumstances. Consequently, I strongly favor the provisions of S. 5, and I will vote in favor of that legislation.

In sum, the legislation before us today would establish as an undeniable fact the people's right to know what they are entitled to know about their government. All three of these proposals will accomplish this goal, and all three are urgently needed if we are to rip the last remaining veils of unneeded secrecy from the Federal governing process. I support all three proposals and I hope we will act to ratify these creative and worthwhile initiatives.

Mr. WEICKER. Mr. President, as we proceed with consideration and debate on Senate Resolution 9, I suggest that we should keep in mind the business of the Senate which will follow—namely, S. 5, The Government in the Sunshine Act.

When we turn to S. 5, the Senate will consider whether or not to require that multiheaded Federal agencies open their proceedings to the public. S. 5 would mandate openness on the part of these Federal agencies. It would require that the agencies open meetings and discussions regarding the conduct of agency business, deliberations on pending business, and the disposition of business to the purview of the public. Most importantly, S. 5 would establish a standard whereby open government would become the rule and closed government the exception.

The passage of this important legislative initiative is just one step toward increasing the public's access to their Government. However, it is an important step toward bringing the Government closer to the people and, thereby, achieving a more responsive and more accountable Government.

Before we turn to the business of establishing a new standard of conduct on the part of Federal agencies, it is only fitting that we first consider our own rules of Senate procedure and thereby put our own house in order.

Presently, Senate rules require that all markups and other voting sessions of committees will be closed unless the committee votes to open or unless the committee adopts its own general "open" meeting rule. The current standard, therefore, presumes closed meetings and places the burden upon committees to open—thus, fostering the suspicion that all committee decisions are the result of back room deals.

As originally introduced, Senate Resolution 9 would have established a standard which presumes "open" meetings for all Senate committees, except in circumstances where a committee considers a particularly, sensitive subject matter. The original version of Senate Resolution 9 would have changed our current standard from "closed" to "open" and would have gone further to enumerate the specific instances in which a meeting could be closed.

We now have before us a Rules Committee substitute to Senate Resolution 9 which would negate any uniform standard of conduct for Senate committees.

This substitute provides that a standing committee of the Senate must hold open meetings. However, the loophole establishes that a committee may vote to close a meeting "because of the nature of the matter to be considered" or, that any committee may adopt rules specifically prescribing a different procedure, "to protect its own needs." The substitute further proposes to repeal the "Sunshine Amendment" to the Congressional Budget and Impoundment Act which required that our own Senate Budget Committee hold open meetings.

This substitute does not at all conform to the intent of sunshine in government. The adoption of the Rules Committee proposal would conceivably eliminate what little sunshine we have today in the conduct of Senate committee business and would institute a dual standard of accountability on the part of this body.

Nothing illustrates this more than the unfortunate choice of language by the Rules Committee in writing the "escape clause" from open government which would allow an individual committee to adopt rules of procedure "to protect its own needs." There is a vague reference to the public interest; but, nowhere is there a reference to the needs of the public. At best, this language represents an unfortunate mistake. At worst, it places the needs and convenience of committees above the needs of the public by whom we are elected and to whom we remain accountable.

The very essence of our form of government is accountability. Secrecy is fatal to accountability. Secrecy is a main contributor to rumors, leaks, misconstrued facts, and distrusts of Government officials.

We are all keenly aware of the national trauma from which we are attempting to recover. We know all too well that the public has not forgotten the breach of faith and the half-truths generated about the operations of their government and the conduct of Federal officials.

The fallout from Watergate remains with us today. The net result has been a pervasive lack of faith in the integrity of our governmental processes. In the collective mind of the public, the Congress fares no better than the executive branch in this regard.

In fact, in a survey taken in mid-Summer, pollster Louis Harris reported that only 18 percent of the public gives the Congress a positive rating for inspiring confidence in government—only 18 percent.

One of the key criticisms of the Congress is that it is cumbersome and unresponsive. The low ratings have been attributed to a lack of public knowledge about the workings of the Congress.

If there is a lack of public knowledge about the way we conduct the public's business, we are the guilty parties. Through Senate rules and procedures which maintain that committees may operate behind closed doors to protect their own interests, we have fostered the criticism that the Congress is unresponsive.

As the elected representatives of the public, we bear every responsibility to open the processes by which we make our decisions—whether these processes be committee markups or joint House-Senate conference committees. Only then can we be held fully accountable for our actions. Only when we have removed, to the greatest extent possible, the veil of secrecy which shrouds committee actions will the public know the extent, quality, and integrity of their representation.

We now have an opportunity to perform an important service for our constituents. Before we go forward and decide whether we will require a high standard of visibility and accountability on the part of Federal agencies—we must decide whether the Senate will abide as high a standard—or whether we will adopt a lesser standard and, thus, place the interests of the public subservient to our own.

As for myself, I urge that the Senate approve a standard of open government and apply it to committee meetings and conference committees alike. To do so, we must first reject the Rules Committee substitute amendment.

Mr. DURKIN. Mr. President, in November 1973, many communities throughout New England observed the establishment two centuries ago of the first revolutionary Committees of Correspondence. Many couriers, including Paul Revere, braved foul weather, long distances, and arrest by the Redcoat army to carry news of the independence movement to the anxious citizenry of the colonial States. These reports were a significant factor in building and maintaining the drive toward democratic government during America's 7 year struggle for self-determination.

When it convened in 1775, the Continental Congress recognized this critical need for the regular flow of information by appointing Benjamin Franklin as the first Postmaster General of the United States. It was one of the first acts of that body, the revolutionary predecessor of this Congress.

Mr. President, we, today, are the custodians of the traditions established 200 years ago—traditions of public awareness and public involvement in the daily running of Government.

But, sadly, we of the 20th century have not played our custodial role well. We have failed to maintain the traditions of openness for which men and women of the 18th century risked their lives. Where once a legislature convened in public defiance of military occupation to give birth to a nation, its successor now conducts its affairs behind closed doors.

Mr. President, how can a representative democracy exclude from the crucial processes of government the very people it supposedly represents? What happens to accountability when Federal officials cloak their decisions—or lack of decisions—with a veil of secrecy? What has become of the crackerbarrel candor and the courage of conviction that has always been embedded in the Yankee traditions of this Nation?

I fear that the answers to these questions can be found in the cavalier attitude of the Government toward those it serves. And for that attitude, all Americans have paid a price—the price of public disenchantment with government.

Mr. President, two centuries ago, in defending the concept of a new Federal Government, James Madison wrote:

> The truth is that all Men having Power should be distrusted.

How much less trustworthy, then, are we to consider the faceless public officials handing down anonymous decisions from behind their masks of secrecy.

Unfortunately, here I must include the Congress. As long as this institution persists in functioning in closed sessions, we will continue to lose public support.

The opinion polls reflect it; voter turnout reflects it; and certain what our constituents tell us by mail and in person leaves no doubt.

Let us face up to it: we will never escape the simplistic slogans of "do-nothing Congresses" and "mindless bureaucracies" until the public is permitted to examine, however closely it wishes, the inner workings of these institutions.

Mr. President, 48 States including New Hampshire have enacted sunshine laws to reopen the operation of government to the light of day. The experience has been a tremendous success in two fundamental ways. First, the quality of government at the local level has improved significantly: legislators and administrators show up better prepared—and in greater numbers—when the public and press are in attendance. Second, the public comes away from most proceedings with a heightened awareness of the complexity of those issues with which we wrestle.

Mr. President, I am proud to be a cosponsor of S. 5. It is one of the first pieces of legislation to which I asked to have my name added when I came to the Senate. I could hardly do otherwise than support this bill. The citizens of my State sent me to Washington, after a long period of testing, because they came to believe that I would fight to let them freely participate in their own national government.

A Congress proud of its accomplishments and proud of its continuing efforts is a Congress that has no need for secrecy. Mr. President, I hope that today, November 5, will be the day that the Senate votes to let the sunshine in.

Mr. JACKSON. Mr. President, today the Senate is considering S. 5, a bill to mandate open meetings for Federal regulatory agencies. Under this legislation the decisionmaking processes of approximately 50 agencies will be opened to public scrutiny. I am proud to be a cosponsor of this legislation and I am proud to be associated with the efforts of the distinguished Senator from Florida (Mr. CHILES) who authored this bill and who has brought it to the verge of Senate passage.

As a cosponsor of S. 5 and as chairman of the Senate Interior Committee I would like to say a few words in support of the original title I of the bill which would apply the same principles of openness to the Congress that the bill would apply to the covered executive branch agencies. The provisions of title I are contained in the amendment which the Senator from Florida (Mr. CHILES) has proposed to Senate Resolution 9. The Senator's amendment would make openness the rule and secrecy the exception in the Senate just as S. 5 would make openness the rule in the executive branch agencies.

I believe that the Congress should set its own house in order before it undertakes to reform the procedures of the regulatory agencies. We would be applying a double standard if the Congress chooses to tell the executive branch that it must reform its operating procedures in ways that the Congress is not itself willing to abide by.

As one who has had some experience with open meetings I want to assure the Senate that we have nothing to fear by opening up our committee meetings to the public. The Interior Committee during the 93d Congress was the first Senate committee to open up virtually all markup sessions to the public. The Interior Committee is now the first Senate Committee to hold a public conference committee meeting with the House by opening up the conference on the Energy Standby Authorities Act. In light of my experiences with open meetings I strongly believe that opening up the committee processes to the public has had a salutory effect on the legislative process.

Opening committee markups to the public has not impaired or impeded the committee's ability to perform its legislative functions. To the contrary, as a result of open meetings the legislative product of the committee has been improved. Individuals and groups who are interested and concerned about specific legislation are able to be present and to make a contribution to the development of legislation. Knowledgeable individuals, representatives of private organizations, and representatives of the executive branch can participate in the legislative process and more importantly can be better informed about important decisions of the Congress which affect them.

At the same time I want to make it very clear that the amendment proposed by Senator CHILES does take into account those circumstances in which there is a legitimate reason for a committee meeting to remain closed. His amendment contains five exceptions to the open meetings rule which may be invoked by a majority vote of a committee to close any meeting. These carefully drawn exceptions include meetings in which the following matters are discussed: First, matters relating to the national security or defense of the United States; second, matters relating to personnel or internal committee staff management; third, matters which tend to charge an individual with crime or misconduct; fourth, matters which would disclose the identity of an informer or law enforcement agent, and fifth, matters disclosing trade secrets, or financial and commercial information which should not be disclosed.

I believe that the amendment proposed by Senator CHILES is sensible and responsible. It establishes the important principle that openness rather than secrecy should be the rule and at the same time it protects from disclosure information which for some legitimate reason should not be released.

Mr. President, at the beginning of the 93d Congress I was active in support of a change in the Senate rules which would permit Senate committees to hold open hearings. At the time we had no experience with open hearings, nor had the House of Representatives had any experience with open meetings. At that time legitimate concerns were expressed that an open meetings policy might disrupt the legislative process. I did not share those concerns, however, I recognized that in the absence of any experience with such a policy such concerns were understandable. I now believe that the favorable experience which many Senate and House committees have had with open meeting in the 93d Congress and so far in the 94th Congress should allay the fears and concerns of individual Senators. I am speaking not just of the Interior Committee but, for example, of other Senate committees including the Government Operations Committee and the Budget Committee which have conducted open meetings under the leadership of Senators Ervin, RIBICOFF, and MUSKIE, respectively.

The Senate can today make a significant contribution to restoring public confidence in government in general and certainly in the Congress by letting the public in to observe the decisionmaking process. I want to be on record as strongly supporting the amendment proposed by Senator CHILES and I encourage my colleagues in the Senate to give this measure your support.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN), the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from Mississippi (Mr. STENNIS) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Nebraska (Mr. Curtis), the Senator from Oregon (Mr. Hatfield), and the Senator from Pennsylvania (Mr. Hugh Scott) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. Baker), the Senator from Oregon (Mr. Hatfield), and the Senator from Pennsylvania (Mr. Hugh Scott) would each vote "yea."

The result was announced—yeas 86, nays 0, as follows:

[Rollcall Vote No. 470 Leg.]

YEAS—86

Abourezk
Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Fannin
Fong
Ford
Garn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—14

Baker
Bayh
Curtis
Eastland
Glenn
Hart, Philip A.
Hartke
Hatfield
McClellan
Morgan
Scott, Hugh
Stennis
Symington
Tunney

The resolution (S. Res. 9), as amended, was agreed to as follows:

S. Res. 9

Resolved, That paragraph 7(b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

"(6) or may divulge matters required to be kept confidential under other provisions of law or Government regulations.

"(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

"(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

"(e) Each committee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceedings of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of said members vote to forego such a record."

Sec. 2. The first sentence of section 133(b) of the Legislative Reorganization Act of 1946, section 133A(b) of the Legislative Reorganization Act of 1946, section 242(a) of the Legislative Reorganization Act of 1970, and sections 102 (d) and (e) of the Congressional Budget Act of 1974 are repealed.

Sec. 3. (a) Rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXVII is amended to read as follows:

"CONFERENCE COMMITTEES; REPORTS; OPEN MEETINGS".

Mr. ROTH. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the Senator from Florida (Mr. Chiles) and the Senator from Delaware (Mr. Roth) and other Senators who cosponsored the resolution, Senate Resolution 9. I think they worked hard, they certainly lined up their votes well, and educated Senators to their persuasion, and they are entitled to a great deal of credit for the work that they did.

I sought to buttonhole not a single Senator. I felt this was a matter on which the Senate ought to work its will, and while I respected the viewpoint of Senators whom I have named, I felt the committee substitute was the better approach. It was an improvement over the present rule, notwithstanding some of the propaganda that has floated around on the Hill to the contrary.

But with the amendment which I offered and was adopted making it possible for one Member, with a second, to move a committee into closed session so as to debate the necessity for remaining in closed session; my amendment allowing a committee with one decision to go into closed session for a period of 14 calendar days while on the same sensitive matter; and my amendment which broadened the number of conditions on which closed sessions could be based and justified, I think these amendments helped considerably to make the resolution a better one, and the enacted change in the Senate rule a more defensible one—even though I would have preferred the committee substitute.

Certain areas of the committee language were incorporated by these amendments into the resolution that passed, and I, therefore, voted for the resolution on final passage.

I thank all Senators, whether or not they stood with those who supported the resolution or whether they stood by the committee amendment. It was certainly not an easy thing to defend a committee substitute dealing with a measure that has to do with open meetings. I congratulate the Chairman of the Rules Committee, Mr. Cannon, for a job well done. I think the record will show that those of us who supported the committee's substitute did so because we thought it was the best for the country in the long run. And the future may sustain our position. The committee substitute was, indeed, an "open committee" amendment, and was a step forward rather than backward as some have suggested, and it was an improvement over the present committee rule.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. I want to thank the distinguished Senator from West Virginia, the distinguished majority whip, for his kind words.

I also want to add that the Senator from Florida is grateful for the courtesies and also for the fact that the Senator from West Virginia at all times, while he had some differences from the ultimate view of the Senator from Florida, was very cooperative and told me exactly how long a time the Rules Committee would take from the time S. 5 came out of the Committee on Government Operations. That was a short and reasonable time and I appreciate that, and that the Rules Committee did work on it and that they did report it back.

I concur with the action of the Rules Committee in taking out the Senate portion of S. 5 and then coming out with the resolution, Senate Resolution 9, at the same time, which gave the Senator from Florida and the Senator from Delaware an opportunity to seek to work their amendments which had gone in on Senate Resolution 9.

I just wanted to add my thanks to the Senator. I think his debate was certainly on the merits and I think he did add some amendments to the bill which could be helpful to the resolution and I am delighted with it.

Mr. ROBERT C. BYRD. I thank the able Senator. It is always a pleasure to work with him, and as he has pointed out, he agreed to the suggestion that S. 5 be stripped of the language dealing with the Senate rules.

I think there was some misunderstanding around as to why the committee stripped that section from S. 5. The reason was that, under the Constitution, each House shall be the judge of its own rules, and those of us on the committee did not feel that the other body ought to have any input into the Senate rules or that the President of the United States ought to have any jurisdiction over the Senate rules.

To have included a Senate rules change in S. 5, would have required action by the other body and eventually the approval by the President of the United States, unless he were to veto the measure.

So by stripping this area from S. 5, it left the Senate solely the judge of its own rules and procedures.

I thank the Senator for his courtesy and for his good work in this body.

Mr. ROTH. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ROTH. Mr. President, I, too, would like to join the Senator from Florida in thanking the majority whip for the role he played, cooperating with us.

I think that the debate today has been meaningful and we have ended up with legislation that is a change in the rules that is a major step forward.

I also wish to express my appreciation to the minority whip. I think he raised some valid points and we have ended with better legislation than we started with.

Mr. President, I would like to thank the following staff members of the Government Operations Committee who worked on Senate Resolution 9: Gary Klein, John Pearson, John Childers, Claudia Ingram, Lyle Rytter, and Charles Garrison.

Mr. ROBERT C. BYRD. Mr. President, I am glad that the able Senator from Delaware made reference to the distinguished Republican whip. The point that was raised by Mr. GRIFFIN was an important one and the Senate deemed it thusly.

Mr. CHILES. It did, and I certainly add myself to that.

Mr. ROBERT C. BYRD. So did the authors of the resolution.

Mr. President, I ask for the regular order now.

GOVERNMENT IN THE SUNSHINE ACT

The PRESIDING OFFICER (Mr. FANNIN). Under the previous order, the Senate will now proceed to the consideration of S. 5, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations and the Committee on Rules and Administration, each with an amendment.

The amendment of the Committee on Government Operations is to strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.—This Act may be cited as the "Government in the Sunshine Act".

SEC. 2. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking processes of the Federal Government. It is the purpose of this Act to provide the public with such information, while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

SEC. 3. DEFINITIONS.—For purposes of this Act the term, "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

TITLE I—CONGRESSIONAL PROCEDURES

SEC. 101. SENATE COMMITTEE MEETINGS.—(a) The Legislative Reorganization Act of 1946 is amended—

(1) by striking out the first sentence of section 133(b);

(2) by adding after section 133B the following:

"OPEN SENATE COMMITTEE MEETINGS

"SEC. 133C. Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings."

(b) Paragraph 7(b) of Rule XXV of the Standing Rules of the Senate is repealed.

(c) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133B the following:

"133C. Open Senate committee meetings.".

SEC. 102. HOUSE OF REPRESENTATIVES COMMITTEE MEETINGS.—Clause 2(g)(1) of Rule XI of the Rules of the House of Representatives is amended to read as follows:

"(g)(1) Each meeting of a standing, select, or special committee or subcommittee, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(A) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(E) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(i) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(ii) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This clause shall not apply to meetings to conduct hearings.".

SEC. 103. (a) CONFERENCE COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133C, as added by section 101(a) of this Act, the following new section:

"OPEN CONFERENCE COMMITTEE MEETINGS

"SEC. 133D. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine, by a rollcal vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133C, as added by section 101(c) of this Act, the following:

"133D. Open conference committee meetings.".

Sec. 104. (a) Joint Committees.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133D, as added by section 102(a) of this Act, the following new section:

"OPEN JOINT COMMITTEE MEETINGS

"Sec. 133E. Each meeting of a joint committee of the Senate and House of Representatives, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disagrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings.".

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133D, as added by section 103(b) of this Act, the following:

"133E. Open joint committee meetings.".

Sec. 105. Exercise of Rulemaking Powers.—The provisions of this title are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

TITLE II—AGENCY PROCEDURES

Sec. 201. (a) This section applies, according to the provisions thereof, to the Federal Election Commission and to any agency, as defined in section 551(1) of title 5, United States Code, where the collegial body comprising the agency consists of two or more individual members, at least a majority of whom are appointed to such position by the President with the advice and consent of the Senate. Except as provided in subsection (b), all meetings of such collegial body, or of a subdivision thereof authorized to take action on behalf of the agency, shall be open to the public. For purposes of this section, a meeting means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

(b) Except where the agency finds that the public interest requires otherwise, (1) subsection (a) shall not apply to any agency meeting, or any portion of an agency meeting, or to any meeting, or any portion of a meeting, of a subdivision thereof authorized to take action on behalf of the agency, and, (2) the requirements of subsections (c) and (d) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency, or the subdivision thereof conducting the meeting, properly determines that such portion or portions of its meeting, or such information, can be reasonably expected to—

(1) disclose matters (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;

(2) relate solely to the agency's own internal personnel rules and practices;

(3) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(4) involve accusing any person of a crime, or formally censuring any person;

(5) disclose information contained in investigatory records compiled for law enforcement purposes, but only to the extent that the disclosure would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source, (E) in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, disclose confidential information furnished only by the confidential source, (F) disclose investigative techniques and procedures, or (G) endanger the life or physical safety of law enforcement personnel;

(6) disclose trade secrets, or financial or commercial information obtained from any person, where such trade secrets or other information could not be obtained by the agency without a pledge of confidentiality, or where such information must be withheld from the public in order to prevent substantial injury to the competitive position of the person to whom such information relates;

(7) disclose information which must be withheld from the public in order to avoid premature disclosure of an action or a proposed action by—

(A) an agency which relates currencies, securities, commodities, or financial institutions where such disclosure would (i) lead to serious financial speculation in currencies, securities, or commodities, or (ii) seriously endanger the stability of any financial institution;

(B) any agency where such disclosure would seriously frustrate implementation of the proposed agency action, or private action contingent thereon; or

(C) any agency relating to the purchase by such agency of real property.

This paragraph shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency action on such proposal;

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) specifically concern the agency's participation in a civil action in Federal or State court, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing; or

(10) disclose information required to be withheld from the public by any other statute establishing particular criteria or referring to particular types of information.

(c)(1) Action under subsection (b) shall be taken only when a majority of the entire membership of the agency, or of the subdivision thereof authorized to conduct the meeting on behalf of the agency, votes to take such action. A separate vote of the agency members, or the members of a subdivision thereof, shall be taken with respect to each agency meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (b), or with respect to any information which is proposed to be withheld under subsection (b). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters, and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each agency member participating in such vote shall be recorded and no proxies shall be allowed. Whenever any person whose interests may be directly affected by a meeting requests that the agency close a portion or portions of the meeting to the public for any of the reasons referred to in paragraphs (3), (4), or (5) of subsection (b), the agency shall vote whether to close such meeting, upon request of any one of its members. Within one day of any vote taken pursuant to this paragraph, the agency shall make publicly available a written copy of such vote.

(2) If a meeting or portion thereof is closed to the public, the agency shall, within one day of the vote taken pursuant to paragraph (1) of this subsection, make publicly available a full written explanation of its action closing the meeting, or portion thereof, together with a list of all persons expected to attend the meeting, and their affiliation.

(3) Any agency, a majority of whose meetings will properly be closed to the public, in whole or in part, pursuant to paragraphs (6), (7)(A), (8), or (9) of subsection (b), or any combinations thereof, may provide by regulation for the closing of such meetings, or portion of such meetings, so long as a majority of the members of the agency, or of the subdivision thereof conducting the meeting, votes at the beginning of such meeting, or portion thereof, to close the meeting, and a copy of such vote is made available to the public. The provisions of this subsection, and subsection (d), shall not apply to any meeting to which such regulations apply: *Provided*, That the agency shall, except to the extent that the provisions of subsection (b) may apply, provide the public with public announcement of the date, place, and subject matter of the meeting at the earliest practicable opportunity.

(d) In the case of each meeting, the agency shall make public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, whether open or closed to the public, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members of the agency, or the members of the subdivision thereof conducting the meeting, determines by a vote that agency business requires that such meetings be called at an earlier date, in which case the agency shall make public announcement of the date, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable opportunity. The subject matter of a meeting, or the determination of the agency to open or close a meeting, or portion of a meeting, to the public, may be changed following the public announcement required by this paragraph if, (1) a majority of the entire membership of the agency, or of the subdivision thereof conducting the meeting, determines by a vote that agency business so requires, and that no earlier announcement of the change was possible, and, (2) the agency publicly announces such change at the earliest practicable opportunity. Immediately following the public announcement required by this paragraph, notice of such announcement shall also be submitted for publication in the Federal Register.

(e) A complete transcript or electronic recording adequate to fully record the proceedings shall be made of each meeting, or portion of a meeting, closed to the public, except for a meeting, or portion of a meeting, closed to the public pursuant to paragraph (9) of subsection (b). The agency shall make promptly available to the public, in a place easily accessible to the public, the complete transcript or electronic recording of the discussion at such meeting of any item on the agenda, or of the testimony of any witness received at such meeting, where no significant portion of such discussion or testimony contains any information specified in paragraphs (1) through (10) of subsection (b). Copies of such transcript, or a transcription of such electronic recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The agency shall maintain a complete verbatim copy of the transcript, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting, or a portion thereof, was held, whichever occurs later.

(f) Each agency subject to the requirements of this section shall, within one hundred and eighty days after the enactment of this Act, following consultation with the Office of the Chairman of the Administrative Conference of the United States and published notice in the Federal Register of at least thirty days and opportunity for written comment by any persons, promulgate regulations to implement the requirements of subsections (a) through (e) of this section. Any person may bring a proceeding in the United States District Court for the District of Columbia to require an agency to promulgate such regulations if such agency has not promulgated such regulations within the time period specified herein. Any person may bring a proceeding in the United States Court of Appeals for the District of Columbia to set aside agency regulations issued pursuant to this subsection that are not in accord with the requirements of subsections (a) through (e) of this section, and to require the promulgation of regulations that are in accord with such subsections.

(g) The district courts of the United States have jurisdiction to enforce the requirements of subsections (a) through (e) of this section by declaratory judgment, injunctive relief, or other relief as may be appropriate. Such actions may be brought by any person against an agency or its members prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the agency in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Before bringing such action, the plaintiff shall first notify the agency of his intent to do so, and allow the agency a reasonable period of time, not to exceed ten days, to correct any violation of this section, except that such reasonable period of time shall not be held to exceed two working days where notification of such violation is made prior to a meeting which the agency has voted to close. Such actions may be brought in the district wherein the plaintiff resides, or has his principal place of business, or where the agency in question has its headquarters. In such actions a defendant shall serve his answer within twenty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine in camera any portion of a transcript or electronic recording of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the party, may grant such equitable relief as it deems appropriate, including granting an injunction against future violations of this section, or ordering the agency to make available to the public the transcript or electronic recording of any portion of a meeting improperly closed to the public. Except to the extent provided in subsection (h) of this section, nothing in this section confers jurisdiction on any district court to set aside or invalidate any agency action taken or discussed at an agency meeting out of which the violation of this section arose.

(h) Any Federal court otherwise authorized by law to review agency action may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the agency of the requirements of this section, and afford any such relief as it deems appropriate.

(i) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (f), (g), or (h) of this section. Costs may be assessed against an individual member of an agency only in the case where the court finds such agency member has intentionally and repeatedly violated this section, or against the plaintiff where the court finds that the suit was initiated by the plaintiff for frivolous or dilatory purposes. In the case of apportionment of costs against an agency, the costs may be assessed by the court against the United States.

(j) The agencies subject to the requirements of this section shall annually report to Congress regarding their compliance with such requirements, including a tabulation of the total number of agency meetings open to the public, the total number of meetings closed to the public, the reasons for closing such meetings, and a description of any litigation brought against the agency under this section.

SEC. 202. (a) Section 557 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In any agency proceeding which is subject to subsection (a) of this section, except to the extent required for the disposition of ex parte matters as authorized by law—

"(1) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, shall make or knowingly cause to be made to an interested person outside the agency an ex parte communication relevant to the merits of the proceedings;

"(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes, a communication in violation of this subsection, shall place on the public record of the proceeding:

"(A) written communications transmitted in violation of this subsection;

"(B) memorandums stating the substance of all oral communications occurring in violation of this subsection; and

"(C) responses to the materials described in subparagraphs (A) and (B) of this subsection;

"(4) upon receipt of a communication knowingly made by a party, or which was knowingly caused to be made by a party in violation of this subsection; the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy, of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by virtue of such violation;

"(5) the prohibitions of this subsection shall apply at such time as the agency may designate, but in no case shall they apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply at the time of his acquisition of such knowledge.".

(b) The second sentence of section 554(d) of title 5, United States Code, is amended to read as follows: "Such employee may not be responsible to or subject to the supervision or direction of an employee or agent engaged in the performance of investigative or prosecuting functions for an agency.".

(c) Section 551 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the "act." at the end of paragraph (13) and inserting in lieu thereof "act; and"

(3) by adding at the end thereof the following new paragraph:

"(14) 'ex parte communication' means an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given.".

(d) Section 556(d) of title 5, United States Code, is amended by inserting between the third and fourth sentences thereof the following new sentence: "The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur.".

SEC. 203. (a) Except as specifically provided by section 201, nothing in section 201 confers any additional rights on any person, or limits the present rights of any such person, to inspect or copy, under section 552 of title 5, United States Code, any documents or other written material within the possession of any agency. In the case of any request made pursuant to section 552 of title 5, United States Code, to copy or inspect the transcripts or electronic recordings described in section 201(e), the provisions of this Act shall govern whether such transcripts or electronic recordings shall be made available in accordance with such request. The requirements of chapter 33, of title 44, United States Code, shall not apply to the transcripts and electronic recordings described in section 201(e). This title does not authorize any information to be withheld from Congress.

(b) Nothing in section 201 authorizes any agency to withhold from any individual any record, including transcripts or electronic recordings required by this Act, which is otherwise accessible to that individual under section 552a of title 5, United States Code.

SEC. 204. The provisions of this title shall become effective one hundred and eighty days after the date on which this Act is enacted, except that the provisions of section 201 requiring the issuance of regulations to implement such section shall become effective upon enactment.

The amendment of the Committee on Rules and Administration is on page 37, beginning with line 8, strike the following:

TITLE I—CONGRESSIONAL PROCEDURES

SEC. 101. SENATE COMMITTEE MEETINGS.—(a) The Legislative Reorganization Act of 1946 is amended—

(1) by striking out the first sentence of section 133(b);

(2) by adding after section 133B the following:

"OPEN SENATE COMMITTEE MEETINGS

"SEC. 133C. Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings.".

(b) Paragraph 7(b) of Rule XXV of the Standing Rules of the Senate is repealed.

(c) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133B the following:

"133C. Open Senate committee meetings.".

SEC. 102. HOUSE OF REPRESENTATIVES COMMITTEE MEETINGS.—Clause 2(g)(1) of Rule XI of the Rules of the House of Representatives is amended to read as follows:

"(g)(1) Each meeting of a standing, select, or special committee or subcommittee, shall be open to the public, except that a portion or portions of any such meetings may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(A) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(E) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(i) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(ii) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This clause shall not apply to meetings to conduct hearings.".

SEC. 103. (a) CONFERENCE COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133C, as added by section 101(a) of this Act, the following new section:

"OPEN CONFERENCE COMMITTEE MEETINGS

"SEC. 133D. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine, by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133C, as added by section 101(c) of this Act, the following:

"133D. Open conference committee meetings.".

SEC. 104. (a) JOINT COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133D, as added by section 102(a) of this Act, the following new section:

"OPEN JOINT COMMITTEE MEETINGS

"SEC. 133E. Each meeting of a joint committee of the Senate and House of Representatives, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings.".

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133D, as added by section 103(b) of this Act, the following:

"133E. Open joint committee meetings.".

SEC. 105. EXERCISE OF RULEMAKING POWERS.—The provisions of this title are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

So as to make the bill read:

SECTION 1. SHORT TITLE.—This Act may be cited as the "Government in the Sunshine Act".

SEC. 2. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking processes of the Federal Government. It is the purpose of this Act to provide the public with such information, while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

SEC. 3. DEFINITIONS.—For purposes of this Act the term, "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

TITLE II—AGENCY PROCEDURES

SEC. 201. (a) This section applies, according to the provisions thereof, to the Federal Election Commission and to any agency, as defined in section 551(1) of title 5, United States Code, where the collegial body comprising the agency consists of two or more individual members, at least a majority of whom are appointed to such position by the President with the advice and consent of the Senate. Except as provided in subsection (b), all meetings of such collegial body, or of a subdivision thereof authorized to take action on behalf of the agency, shall be open to the public. For purposes of this section, a meeting means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

(b) Except where the agency finds that the public interest requires otherwise, (1) subsection (a) shall not apply to any agency meeting, or any portion of an agency meeting or to any meeting, or any portion of a meeting, of a subdivision thereof authorized to take action on behalf of the agency, and, (2) the requirements of subsections (c) and (d) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency, or the subdivision thereof conducting the meeting, properly determines that such portion or portions of its meeting, or such information, can be reasonably expected to—

(1) disclose matters (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order:

(2) relate solely to the agency's own internal personnel rules and practices;

(3) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(4) involve accusing any person of a crime, or formally censuring any person;

(5) disclose information contained in investigatory records compiled for law enforcement purposes, but only to the extent that the disclosure would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source, (E) in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, disclose confidential information furnished only by the confidential source, (F) disclose investigative techniques and procedures, or (G) endanger the life or physical safety of law enforcement personnel;

(6) disclose trade secrets, or financial or commercial information obtained from any person, where such trade secrets or other information could not be obtained by the agency without a pledge of confidentiality, or where such information must be withheld from the public in order to prevent substantial injury to the competitive position of the person to whom such information relates;

(7) disclose information which must be withheld from the public in order to avoid premature disclosure of an action or a proposed action by—

(A) an agency which regulates currencies, securities, commodities, or financial institutions where such disclosure would (i) lead to serious financial speculation in currencies, securities, or commodities, or (ii) seriously endanger the stability of any financial institution;

(B) any agency where such disclosure would seriously frustrate implementation of the proposed agency action, or private action contingent thereon; or

(C) any agency relating to the purchase by such agency of real property.

This paragraph shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency by such agency of real property.

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) specifically concern the agency's participation in a civil action in Federal or State court, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing; or

(10) disclose information required to be withheld from the public by any other statute establishing particular criteria or referring to particular types of information.

(c)(1) Action under subsection (b) shall be taken only when a majority of the entire membership of the agency, or of the subdivision thereof authorized to conduct the meeting on behalf of the agency, votes to take such action. A separate vote of the agency members, or the members of a subdivision thereof, shall be taken with respect to each agency meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (b), or with respect to any information which is proposed to be withheld under subsection (b). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters, and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each agency member participating in such vote shall be recorded and no proxies shall be allowed. Whenever any person whose interests may be directly affected by a meeting requests that the agency close a portion or portions of the meeting to the public for any of the reasons referred to in paragraphs (3), (4), or (5) of subsection (b), the agency shall vote whether to close such meeting, upon request of any one of its members. Within one day of any vote taken pursuant to this paragraph, the agency shall make publicly available a written copy of such vote.

(2) If a meeting or portion thereof is closed to the public, the agency shall, within one day of the vote taken pursuant to paragraph (1) of this subsection, make publicly available a full written explanation of its action closing the meeting, or portion thereof, together with a list of all persons expected to attend the meeting, and their affiliation.

(3) Any agency, a majority of whose meetings will properly be closed to the public, in whole or in part, pursuant to paragraphs (6), (7)(A), (8), or (9) of subsection (b), or any combination thereof, may provide by regulation for the closing of such meetings, or portion of such meetings, so long as a majority of the members of the agency, or of the subdivision thereof conducting the meeting, votes at the beginning of such meeting, or portion thereof, to close the meeting, and a copy of such vote is made available to the public. The provisions of this subsection, and subsection (d), shall not apply to any meeting to which such regulations apply: *Provided*, That the agency shall, except to the extent that the provisions of subsection (b) may apply, provide the public with public announcement of the date, place, and subject matter of the meeting at the earliest practicable opportunity.

(d) In the case of each meeting, the agency shall make public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, whether open or closed to the public, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members of the agency, or the members of the subdivision thereof conducting the meeting, determines by a vote that agency business requires that such meetings be called at an earlier date, in which case the agency shall make public announcement of the date, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable opportunity. The subject matter of a meeting, or the determination of the agency to open or close a meeting or portion of a meeting, to the public, may be changed following the public announcement required by this paragraph if, (1) a majority of the entire membership of the agency, or of the subdivision thereof conducting the meeting, determines by a vote that agency business so requires, and that no earlier announcement of the change was possible, and, (2) the agency publicly announces such change at the earliest practicable opportunity. Immediately following the public announcement required by this paragraph, notice of such announcement shall also be submitted for publication in the Federal Register.

(e) A complete transcript or electronic recording adequate to fully record the proceedings shall be made of each meeting, or portion of a meeting, closed to the public, except for a meeting, or portion of a meeting, closed to the public pursuant to paragraph (9) of subsection (b). The agency shall make promptly available to the public, in a place easily accessible to the public, the complete transcript or electronic recording of the discussion at such meeting of any item on the agenda, or of the testimony of any witness received at such meeting, where no significant portion of such discussion or testimony contains any information specified in paragraphs (1) through (10) of subsection (b). Copies of such transcript, or a transcription of such electronic recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The agency shall maintain a complete verbatim copy of the transcript, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting, or a portion thereof, was held, whichever occurs later.

(f) Each agency subject to the requirements of this section shall, within one hundred and eighty days after the enactment of this Act, following consultation with the Office of the Chairman of the Administrative Conference of the United States and published notice in the Federal Register of at least thirty days and opportunity for written comment by any persons, promulgate regulations to implement the requirements of subsections (a) through (e) of this section. Any person may bring a proceeding in the United States District Court for the District of Columbia to require an agency to promulgate such regulations if such agency has not promulgated such regulations within the time period specified herein. Any person may bring a proceeding in the United States Court of Appeals for the District of Columbia to set aside agency regulations issued pursuant to this subsection that are not in accord with the requirements of subsections (a) through (e) of this section, and to require the promulgation of regulations that are in accord with such subsections.

(g) The district courts of the United States have jurisdiction to enforce the requirements of subsections (a) through (e) of this section by declaratory judgment, injunctive relief, or other relief as may be appropriate. Such actions may be brought by any person against an agency or its members prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the agency in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Before bringing such action, the plaintiff shall first notify the agency of his intent to do so, and allow the agency a reasonable period of time, not to exceed ten days, to correct any violation of this section, except that such reasonable period of time shall not be held to exceed two working days where notification of such violation is made prior to a meeting which the agency has voted to close. Such actions may be brought in the district wherein the plaintiff resides, or has his principal place of business, or where the agency in question has its headquarters. In such actions a defendant shall serve his answer within twenty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine in camera any portion of a transcript or electronic recording of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the party, may grant such equitable relief as it deems appropriate, including granting an injunction against future relations of this section, or ordering the agency to make available to the public the transcript or electric recording of any portion of a meeting improperly closed to the public. Except to the extent provided in subsection (h) of this section, nothing in this section confers jurisdiction on any district court to set aside or invalidate any agency action taken or discussed at an agency meeting out of which the violation of this section arose.

(h) Any Federal court otherwise authorized by law to review agency action may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the agency of the requirements of this section, and afford any such relief as it deems appropriate.

(i) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (f), (g), or (h) of this section. Costs may be assessed against an individual member of an agency only in the case where the court finds such agency member has intentionally and repeatedly violated this section, or against the plaintiff where the court finds that the suit was initiated by the plaintiff for frivolous or dilatory purposes. In the case of apportionment of costs against an agency, the costs may be assessed by the court against the United States.

(j) The agencies subject to the requirements of this section shall annually report to Congress regarding their compliance with such requirements, including a tabulation of the total number of agency meetings open to the public, the total number of meetings closed to the public, the reasons for closing such meetings, and a description of any litigation brought against the agency under this section.

SEC. 202. (a) Section 557 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In any agency proceeding which is subject to subsection (a) of this section, except to the extent required for the disposition of ex parte matters as authorized by law—

"(1) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, shall make or knowingly cause to be made to an interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes, a communication in violation of this subsection, shall place on the public record of the proceeding:

"(A) written communications transmitted in violation of this subsection;

"(B) memorandums stating the substance of all oral communications occurring in violation of this subsection; and

"(C) responses to the materials described in subparagraphs (A) and (B) of this subsection;

"(4) upon receipt of a communication knowingly made by a party, or which was knowingly caused to be made by a party in violation of this subsection; the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by virtue of such violation;

"(5) the prohibitions of this subsection shall apply at such time as the agency may designate, but in no case shall they apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply at the time of his acquisition of such knowledge.".

(b) The second sentence of section 554(d) of title 5, United States Code, is amended to read as follows: "Such employee may not be responsible to or subject to the supervision or direction of an employee or agent engaged in the performance of investigative or prosecuting functions for an agency.".

(c) Section 551 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the "act." at the end of paragraph (13) and inserting in lieu thereof "act; and"

(3) by adding at the end thereof the following new paragraph:

"(14) 'ex parte communication' means an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given.".

(d) Section 556(d) of title 5, United States Code, is amended by inserting between the third and fourth sentences thereof the following new sentence: "The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur.".

SEC. 203. (a) Except as specifically provided by section 201, nothing in section 201 confers any additional rights on any person, or limits the present rights of any such person, to inspect or copy, under section 552 of title 5, United States Code, any documents or other written material within the possession of any agency. In the case of any request made pursuant to section 552 of title 5, United States Code, to copy or inspect the transcripts or electronic recordings described in section 201(e), the provisions of this Act shall govern whether such transcripts or electronic recordings shall be made available in accordance with such request. The requirements of chapter 33, of title 44, United States Code, shall not apply to the transcripts and electronic recordings described in section 201(e). This title does not authorize any information to be withheld from Congress.

(b) Nothing in section 201 authorizes any agency to withhold from any individual any record, including transcripts or electronic recordings required by this Act, which is otherwise accessible to that individual under section 552a of title 5, United States Code.

SEC. 204. The provisions of this title shall become effective one hundred and eighty days after the date on which this Act is enacted, except that the provisions of section 201 requiring the issuance of regulations to implement such section shall become effective upon enactment.

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the Senate today has acted on that portion of S. 5 which dealt with congressional procedures, I ask unanimous consent that the Government Operations Committee substitute, and the Rules Committee amendment thereto, both be agreed to, and as agreed to and amended, the substitute be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, S. 5 as it now appears on the floor refers only to the executive branch. Provisions dealing with Congress were included in Senate Resolution 9, which has just been adopted by the Senate. S. 5 sets rules concerning the openness of agency meetings. S. 5 requires meetings between heads of multiheaded agencies to be open to the public. Meetings are defined as agency deliberations where at least a quorum of the agency's members meet to conduct or dispose of official agency business.

Meetings can be closed by the agency only by majority vote of all agency members and then only on 1 of 10 specified grounds.

Advance notice to the public of agency meetings is required as to time, place. and subject matter. If an agency closes any meeting, it must announce its meeting ahead of time, along with an explanation of its action, and make a verbatim record of the meeting. After the meeting, it must release to the public every major portion of the meeting which did not involve sensitive matters.

There are provisions in the bill to expedite procedures for closing meetings when an agency, using one of the exemptions in the bill, must close a majority of its meetings.

U.S. district courts are given the jurisdiction to enforce the requirements of the bill. Any person may bring an action prior to or within 60 days after the meeting to which the violation relates.

If the court finds against the agency the court may grant appropriate relief. Suit can be brought against an individual member of the agency as well as against the agency itself. The court is allowed to assess against any party the reasonable attorney fees and other litigation costs incurred by any party who substantially prevails in an action. Costs may be assessed against an individual agency member when the agency member has intentionally and repeatedly violated provisions of the bill.

The Justice Department has provided me an analysis of S. 5. The Justice Department believes that the public should have access to information regarding the decisionmaking process of the Federal Government and that a statute requiring agencies to open certain of their meetings to the public would be a legitimate and useful means of effectuating this policy. However, the Department does raise a number of concerns about the bill, many of them definitional and technical in nature. Given the lateness of the Justice Department's comments and the extensive nature of them, there has not been time for the committee to fully act upon them.

There is one provision of the bill which the Justice Department feels very strongly about. As the Department states:

> Perhaps the most objectionable subsection in S. 5 is 201(1) which permits costs to be assessed against individual agency members, rather than against the agency itself or the United States, when the plaintiff has "substantially prevailed," and the court finds that any agency member has "intentionally and repeatedly violated 201."

Justice argues that:

> These provisions are a breach of the doctrine that action taken by United States employees as part of their official duties does not subject them to personal responsibility.

I agree with the Justice Department arguments and would support an amendment to S. 5 to delete individual agency member liability.

The remaining part of S. 5 amends the provisions of the Administrative Procedure Act governing adjudication and formal, rulemaking by establishing a broad prohibition against ex-parte communications in such formal trial-type proceedings. The prohibition only applies to formal agency adjudication and forbids ex parte communications between interested persons outside the agency and agency decisionmakers.

Mr. President, S. 5 is an attempt to get public awareness of agency proceedings, as Senate Resolution 9 attempts to do for Congress. I hope that the Senate will see the merits of this bill and swiftly approve it.

ORDER FOR JOINT REFERRAL OF S. 2532

Mr. PASTORE. Mr. President, I ask unanimous consent that the energy independence authority legislation, S. 2532, dated October 20, 1975, which has been referred to the Banking and Currency Committee, be also referred to the Joint Committee on Atomic Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BARTLETT TOMORROW, FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS, FOR CONSIDERATION OF S. 5, AND FOR CONSIDERATION OF H.R. 10029

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, the distinguished Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 15 minutes; that at the conclusion of Mr. BARTLETT's remarks there be a period for the transaction of routine morning business of not to exceed 15 minutes, with remarks limited therein to 5 minutes each; at the conclusion of which period the Senate resume consideration of S. 5; and that upon the disposition of S. 5 the Senate proceed to the consideration of the military construction appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION COMMEMORATING THE 90TH ANNIVERSARY OF THE BIRTH OF WILL DURANT AND HONORING HIS CONTRIBUTIONS TO THE INTERPRETATION AND UNDERSTANDING OF HISTORY

Mr. HUMPHREY. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 294) commemorating the 90th anniversary, on November 5, 1975, of the birth of Will Durant and honoring his contributions to the interpretation and understanding of history.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUMPHREY. Mr. President, I have cleared this with both the majority and minority.

This resolution seeks to honor the life and work of the distinguished philosopher-historian Will Durant, who celebrates his 90th birthday today.

This anniversary is especially significant in that it has been accompanied by publication of the 11th and final volume of his life's work, "The Story of Civilization," which, translated into nine languages, has sold millions of copies.

William James Durant was born on November 5, 1885, in North Adams, Mass. He grew up in Massachusetts and New Jersey and received his early education in Roman Catholic schools. He was awarded the B.A. in 1907, the M.A. the following year, and the doctorate in philosophy from Columbia University in 1917.

It was in 1926 when Dr. Durant first received public acclaim with the publishing of his book, "The Story of Philosophy," which subsequently sold more han 2,500,000 copies in 12 languages. This initial work, referred to as "a comprehensive survey of Western philosophy from Plato to John Dewey in the language of the average man," proved to be the beginning of a remarkable career spanning 50 years, in which Will Durant has succeeded in engaging peoples everywhere in the study of history.

This phrase, "the language of the average man," aptly captures the essence of Will Durant's monumental works. In partnership with Ariel, his wife of 62 years, Dr. Durant has undertaken to explore centuries of history, beginning with Egyptian civilization and concluding, in this 11th volume, with the age of Napoleon. The clear and lively fashion in which Dr. Durant elucidates what can be a dry undertaking has sparked the comment that:

> Dr. Will Durant, a pioneer in bringing the knowledge of the ages within the reach of the average man, is highly esteemed by students for "taking the toil out of study."

The Durants have devoted the better part of their married life to completion of the enormous task of chronicling civilization. Working some 10 hours each day, 7 days a week, they have been an enormously prolific team. Expecting to end their work and embark on a long-awaited rest, they indicated that the publication of "Volume X: Rousseau and Revolution" was to be the final volume in "The Story of Civilization." But steeled by their determination, and encouraged by continuing good health and mental alertness, they did, in fact, begin work on another volume.

Dr. and Mrs. Durant have been selfless in their devotion to the goal of bringing history to millions, in a form which is comprehensible and interesting. Those of us who share a commitment to assure every child in the United States access to educational opportunity must indeed be grateful for their contribution. For access to education must, in the end, be matched by an interesting and understandable presentation of knowledge, and incentives to learn.

While each of us was taught to study history so as to be able to benefit from its lessons—and doubtless there are valuable lessons to be learned—Dr. Durant offers consolation and hope to a world burdened by a history of wars and pestilence:

> As a philosopher, I will not admit we are limited by what history has done in the past. I will not accept history as the sole governor of thought and action.

So it is that one whose life has been dedicated to a chronicle of history admonishes us, in this way, to plunge ahead. This is indicative of his reasonable yet optimistic and hopeful philosophy. Seeing history with this perspective not only makes possible our efforts to improve the lot of the human race in our own time—but, indeed, compels us to make the history of our day a chronicle of peace and progress.

Finally, for those who believe history to be primarily a study of territorial realinements, wars, and famine, I offer these words, contained in "The Lessons of History," published in 1968. With this observation, the Durants have outlined the quality of their hope and optimism, and their view of the totality of history.

> History is above all else the creation and recording of the intellectual, moral and esthetic heritage of mankind; progress is the increasing abundance, use, preservation and transmission of that heritage.
>
> To those of us who study history not merely as a warning reminder of man's follies and crimes but also as an encouraging remembrance of generative souls, the past ceases to be a depressing chamber of horrors; it becomes a spacious country of the mind, wherein a thousand saints, statesmen, inventions, scientists, poets, artists, musicians, philosophers, and lovers still live and speak, teach and carve and sing.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 294) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Resolution commemorating the 90th anniversary, on November 5, 1975, of the birth of Will Durant and honoring his contributions to the interpretation and understanding of history

Whereas William James Durant has devoted his life to the study of history and philosophy;

Whereas understanding of the lessons of history is central to the educational process of every generation and to the enhancement and development of modern civilization;

Whereas Dr. Durant has employed a vivid style which has inspired untold numbers of students to develop a personal devotion to the study of history;

Whereas, in partnership with his wife, Mrs. Ariel Durant, Dr. Durant has completed a life-long endeavor, an eleven-volume work, The Story of Civilization;

Whereas Will and Ariel Durant received the Pulitzer Prize in 1968; and

Whereas the efforts of Dr. Durant have made the study of history a lively and interesting pursuit for millions and stand as a tribute to his family, his friends, and to intellectual achievement in the United States of America: Now, therefore, be it

Resolved, That the Senate of the United States commemorates the 90th anniversary, on November 5, 1975, of the birth of this great American and honors his contributions to the knowledge and understanding of mankind through history.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 a.m. tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume consideration of S. 5 under a time agreement. Upon the disposition of S. 5 the Senate will take up the appropriations bill for military construction (H.R. 10029) on which there is also a time agreement.

Rollcall votes will occur on both of those measures, and the day promises to be a long one tomorrow with several rollcall votes throughout the day.

Mr. President, I ask the Chair to state the agreement with respect to S. 5.

The PRESIDING OFFICER. The time for debate on this bill is limited to 1 hour, to be equally divided and controlled between the majority and minority leaders or their designees, with 30 minutes on any amendment, debatable motion, appeal or point of order.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. In the usual form.

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. May I ask, the amendments must be germane?

Mr. ROBERT C. BYRD. Yes.

ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 7:09 p.m., the Senate adjourned until tomorrow, Thursday, November 6, 1975, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 5, 1975:

DEPARTMENT OF TRANSPORTATION

Roger W. Hooker, Jr., of New York, to be an Assistant Secretary of Transportation, vice Robert Timothy Monagan, Jr., resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 5, 1975:

DEPARTMENT OF THE TREASURY

Harold F. Eberle, of California, to be a Deputy Under Secretary of the Treasury.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Marjorie Ward Lynch, of Washington, to be Under Secretary of Health, Education, and Welfare.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

WITHDRAWAL

Executive nomination withdrawn from the Senate November 5, 1975:

Robert W. Hooker, Jr., of the District of Columbia, to be an Assistant Secretary of Transportation, vice Robert Timothy Monagan, Jr., resigned, which was sent to the Senate on November 4, 1975.

EXTENSIONS OF REMARKS

LATEST SST NOISE PROBLEMS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. WOLFF. Mr. Speaker, as we now know from the recent articles in the Washington Post, the British-French Concorde supersonic airliner has run into severe problems because of its noise characteristics.

This should come as no surprise to any Member who has been able to penetrate the smokescreen of rhetoric and outright misrepresentation which Concorde supporters have bombarded us with since January.

In short, as the following letter from the Environmental Defense Fund should abundantly demonstrate for even the most hardened skeptic, there is no longer any justification for Concorde supporters to cling to the claim that Concorde is "only slightly" noiser than conventional, subsonic jets.

As the Post stories, echoing the earlier, excellent reporting of the Washington Star, and its dedicated aviation expert, Mr. Tom Love, have shown, Concorde is six times as loud on takeoff as the new wide-bodied jets, and more than twice as loud as the worst of the older jets such as the Boeing 707.

Twice as loud is not "only slightly," Mr. Speaker, and I hope that Secretary Coleman will put Concorde to rest once and for all—despite the unwarranted pressure of Secretary Kissinger and others in the executive branch.

I now submit for the RECORD a copy of a letter from Mr. John Hellegers, the able Washington Counsel for the Environmental Defense Fund, to the Honorable William T. Coleman, Jr., Secretary of Transportation:

ENVIRONMENTAL DEFENSE FUND,
Washington, D.C., November 2, 1975.

Re: Concorde SST

Hon. WILLIAM T. COLEMAN, Jr.,
Secretary of Transportation,
400 Seventh Street S.W.,
Washington, D.C.

DEAR MR. SECRETARY: This morning's New York Times (p. 6) carried a brief report which read in part as follows:

"London, Nov. 1 (Reuters)—The Chairman of the British Airways, Sir David Nicholson, said that noise levels on take-off for the supersonic airliner Concorde are unlikely to be improved, it has been revealed.

"Sir David made the comment in a letter to a Conservative Member of Parliament, Toby Jessel. Mr. Jessel had asked what action British Airways planned after a Government report that the Concorde infringed noise regulations on about 70 per cent of its take-offs from Heathrow Airport during a recent series of endurance flights.

"'To be frank I must say it is unlikely that we can further improve the aircraft's take-off noise levels. . . .' Sir David's letter said."

The takeoff noise levels on which Sir David says "it is unlikely that we can further improve" were recently reported in the following words by the Greater London Council ("GLC"):

"On take off Concorde is more than twice as loud as the noisiest aircraft using Heathrow and up to 6 times as loud as the new generation of aircraft some of which have recently entered service. . . ."[1]

If this morning's *Times* story is accurate, Sir David has just acknowledged as untrue a claim forcefully urged by Concorde proponents after these endurance flights, namely that the noise levels recorded were uncharacteristically high, and could be substantially reduced through the use of noise abatement equipment and procedures.[2] A parallel claim made after these flights—that the noise levels recorded were no worse than those of the worst subsonic jets—was earlier exposed as false. The London *Observer* reported on October 19, 1975, that:

"[A] Government figure given to the media last week and purporting to show that Concorde is no noisier than the noisiest subsonic jets *is now admitted to be grossly misleading.*

"According to officials, the figure (a noise reading of 123 decibels for a Boeing 707) was taken only a mile from the take-off point, whereas Concorde's readings of similar loudness were taken 3.5 miles away.

"A leading noise expert, and chairman of the Local Authorities Aircraft Council, Mr. Geoffrey Holmes, said yesterday that at one mile from take-off Concorde would have been making about 137 decibels." (Emphasis added.)

Actually, there should be nothing in the GLC measurements—or in Sir David Nicholson's acknowledgement as to their accuracy—to surprise the U.S. Department of Transportation or the Federal Aviation Administration. Almost two years ago an "information brief" was prepared for your predecessor, Secretary Brinegar, which candidly admitted that:

"Subjectively, the supersonic transports [the Concorde and the Soviet TU-144] will be judged several times as loud as subsonic aircraft of comparable or greater size."[3]

But the GLC measurements would very definitely surprise anyone who relied for his information on the draft environmental impact statement on the Concorde which the FAA issued last March. As I pointed out in my letter to you of October 22, even such sophisticated observers as the editorial board of the Washington *Post* read that draft statement and drew from it the conclusion that:

"As best we can make out from the data available the Concorde makes slightly less noise landing than do some of the 707s and DC-8s now flying [and only] slightly more noise than those planes make taking off. . . ." *Post,* April 24, 1975.

Sir David Nicholson's statement—and the consequent final collapse of the pretense that the Concorde makes only "slightly more noise than" the worst of the subsonic jets—underscores once again the need to recirculate a revised draft impact statement for further comments before you reach any decision on the Concorde, as I've urged in previous letters dated May 6, October 22 and October 28.

That procedure should not, incidentally, be time-consuming, and it is not urged for purposes of delay. Assuming that the revised impact statement which was reportedly sent to you last month is itself adequate—a point on which I can only speculate—it could be released tomorrow with a comment period of 60 days.[4] That period would expire shortly after the turn of the year. Revisions in light of the new comments could be made in the month of January, and a final statement issued and a decision announced in early February. Pursuant to § 1500.11 of the Council on Environmental Quality's *Guidelines for Preparation of Environmental Impact Statements,* 40 C.F.R. § 1500.11, that decision could become final in early March, 30 days later. According to press reports, British Airways and Air France have no intention in any event of starting commercial flights to the United States prior to April 1. That date could still be met, assuming, of course, that your decision were favorable to the Concorde, and assuming further that no preliminary injunction were issued in litigation over that decision.

If it would be helpful for me to meet with you or a member of your staff to discuss the details of our request for recirculation of a revised impact statement, and its bearing on possible litigation over the Concorde, I would be happy to do so at your convenience.

Sincerely yours,

JOHN F. HELLEGERS,
Washington Counsel.

FOOTNOTES

[1] GLC, Report by Controller of Planning and Transportation, Scientific Adviser, re Concorde Operations, p. 5 (Oct. 17, 1975).

[2] See, *e.g., Aviation Week & Space Technology,* Oct. 27, 1975, p. 27: "The GLC monitoring followed a similar test made by the Dept. of Trade. Both are being challenged by the British Aircraft Corp., which points out that Concorde pilots were not necessarily following noise abatement procedures exactly during the tests, and often were British Aircraft pilots not yet used to Concorde flight handling for best noise performance."

[3] DOT Information Brief, TST-50, p. 8 (Dec. 11, 1973).

[4] This was the period allowed for comment on the initial draft. Pursuant to § 1500.9(f) of the *CEQ Guidelines, infra,* that period could, however, be compressed to as little as 45 days.

TURKISH ARMS SALES RECONSIDERED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BONKER. Mr. Speaker, when Congress finally agreed to resume arms shipments to Turkey, even those of us who dissented were hopeful that our compromising might begin a process of conciliation that would heal relations between our two countries and spark progress on Cyprus. In both instances, our hopes have been disappointed.

Although more than a year has passed negotiations remain at an impasse. The plight of tens of thousands of dislocated Greek Cypriots is still tragic. It has become apparent that this situation will not solve itself—and that, as the two sides become more disaffected and antagonistic, it in fact may only deteriorate.

What truly adds insult to injury is the price Turkey is now demanding for the return of our bases and monitoring stations. It must be remembered that the original seizure was questionable enough. There was no due process or compensation, and in any case Turkey admits to being provoked only by our trying to enforce the law. Now Turkey is insisting not only on the usual rental fee, but also on our allowing the facilities to be used only by NATO and then only under the command of Turks. To boot, it wants an immediate cash payment just for this magnanimous gesture of giving back what is already ours.

It is certainly arguable that this amounts to blackmail. I am not at all convinced that there is some clear and present danger to vital security interests which might justify benignly overlooking principle. We should not repeat our mistake. The administration and supporters of lifting the ban, in violation of our own law, must wonder if our affirmative action to aid Turkey is now justified. Obviously it is not appreciated by that government.

The article follows:

TURKEY

"Turkey has asked the United States for a cash payment in exchange for allowing U.S. military bases on Turkish territory to resume operations, a government source said yesterday.

"The source did not disclose the amount of the cash payment.

"The two countries began negotiations earlier this week on reopening two dozen bases and monitoring stations closed in retaliation for a ban imposed last February by Congress on arms shipments to Turkey. The ban, partially lifted early this month, was imposed because Turkey used American-made arms in its July 1974 invasion of Cyprus.

"The source said Turkey gave an eight-point draft resolution for resumption of base operations to the Americans and 'we are now waiting the reaction from Washington.

"'Payment comes under two headings: indemnification for the loss of production (on land allocated bases) and compensation for the security risk Turkey takes (by allowing the bases to operate on her soil),' the source said.

"He said other provisions in the draft stipulate that:

"—The bases are to be put under the command of a Turkish officer who will have an American deputy.

"—The bases are to operate only for the defense of North Atlantic Treaty Organization. (The United States has always considered the bases vital to America's defense because they could provide early warning of a possible Soviet nuclear attack on the U.S.)

"—All costs of operating the bases be paid by the United States.

"—The U.S. request Turkish permission before installing new equipment at the bases.

"The Istanbul newspaper Hurriyet said Turkey gave Washington a week's deadline to reply to the proposals."

FROM GARDENING TO CANNING—A NATURAL PROCESS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BROWN of California. Mr. Speaker, for some time now I have held the position that one of the most troublesome aspects of our highly technological, fast-paced society is the resulting lack of self-sufficiency experienced by our urban citizens. This factor serves to increase worry and tension over one's future security, while in clouds and clarity of man's dependence on nature for food and other life-giving requirements.

For this reason, I began a home gardening project in my district last year which provided free seeds and gardening instructions to anyone interested. I felt that gardening was one way to encourage greater appreciation for the intricate ecosystem that somehow provides us with the medium to feed and clothe ourselves.

The response to my offer was extensive and gratifying, so I decided to continue the program with a project which would add yet another segment to my effort to encourage self-sufficiency—a small, community cannery. This cannery, which has now been approved and funded by the Community Services Administration, will provide a place where low-income families can prepare their freshly grown vegetables for canning at minimal cost. Classes in home food preservation and nutrition will also be offered at the same center, with the help of the Riverside University of California Cooperative Extension.

Hopefully, projects of this nature—and there are similar ones all over the country—will challenge the past acceptance of an infringing mechanical society by reminding people of some of the ways they can influence their own existence. I would like to think so.

I am including two articles on this subject of home gardens and my district cannery for the information and interest of my colleagues:

COMMUNITY CANNERY IS PLANNED FOR EARLY 1976

RIVERSIDE.—A community nutrition center for Riverside and San Bernardino counties—complete with low-cost cannery for preserving fruits and vegetables—is expected to open early next year under the direction of the University of California Cooperative Extension.

Designed as a service to home gardeners, particularly those from disadvantaged families, the program was assured by a $53,000 federal grant from the Community Services Administration.

In addition to the cannery, the center will offer special classes in home food preservation and nutrition and will distribute information on home gardening to those who request it. A community outreach program will include visits to low-income families.

Lowell Lewis, associate dean for research at UC Riverside, said that although a site has not yet been chosen, it is hoped that the abandoned University Heights Junior High School on University Avenue in Riverside could be acquired for such a purpose.

"It's located in a low-income population area, near people who could best benefit from such a project," he said. "In these times, a lot of people are having problems making their food budgets balance."

Lewis said that although some 20 states employ similar community canning operations, California has just two functioning canneries—both in the San Joaquin Valley, both unsuited for low-volume canning requests.

The proposal for federal funding of the project cited a recent boom in gardening interest as justification for the nutrition center.

"Both the recession and inflationary costs of food have stimulated a home gardening movement in the area, comparable to that of World War II era, when most people had victory gardens," the proposal stated.

At UCR, the boom has been reflected in the success of student gardening projects on university land and in a marked increase in requests to Cooperative Extension and campus offices for gardening information. The requests have placed impossible demands on crop specialists, according to the proposal.

As a result, staff at the new nutrition center will now be able to handle public demand. In addition, a two-acre home gardening project is being developed by the Citrus Research Center at UCR for demonstrations and study of planting, maintenance and variety of crops.

The canning facility will contain equipment for washing, peeling, coring, cutting, blanching and preparing fruits and vegetables for jars. Minimal cost to the consumer will cover glassware, lids and necessary preserving ingredients.

The Ball Corporation will supply a two-unit system capable of canning from 400 to 1,600 quarts a day, utilizing eight pressure cookers, jar sterilizers, atmospheric cookers, steam-jacketed kettles, juicers, cooling tanks, a hot water heater and an exhaust fan.

It is expected to eliminate both the expense families would incur to operate their own home canning systems and the health hazards they face in tackling a process that requires very sanitary conditions.

Depending on the success of the first year's program, plans call for continuation of the nutrition center through a second and third year at a cost of about $40,000 each year. Canning operations would run from June through November, the peak harvesting months.

Eunice Williamson, a nutritionist with the Cooperative Extension of Riverside County, will serve as program coordinator.

GOOD GARDENS GROW GOOD NEIGHBORS

Good things are happening in the River Oaks Housing Project in California's Capitol City of Sacramento.

Residents from this and two other projects in an eight-block radius have been brought together through a community "survival" garden.

Even though many of them don't speak the same language, Chinese, Chicanos, blacks, Indians and whites—including children and senior citizens—are communicating with smiles, helpful hands and shared advice on how to garden and how to cook what those gardens produce. Because most are on restricted incomes and concerned with rising food prices, they are finding that communication is not so difficult.

Two young men, Terry Gips and Lee Tecklenburg, are responsible for developing the garden program. They work out of the Sacramento County office of University of California Cooperative Extension as staff assistants in Extension's Expanded Nutrition Education Program (ENEP).

But what happens when people in these low-income neighborhoods begin to know each other and share experiences?

Pete Leonard, assistant manager of the River Oaks Housing Project, says there have been "significant, positive changes in the way the residents relate to each other and to project staff.

"We can't say the gardens have been the whole cause, but the number of broken windows—most resulting from rock throwing—dropped from 113 a year ago to 69 for the summer period. There's been a 20 percent reduction in malicious-mischief police calls and five percent fewer fire calls. The Jedediah Smith Elementary School next door reports its vandalism costs for this period dropped to $156 from three times that last year."

"Furthermore," Leonard adds, "where we're used to getting only four or a dozen residents to a meeting to discuss important things like operating policy or use of tenants' representative groups, we now get 60 to a meeting if it's about the garden."

Members of the housing staff helped with the garden installation and gave personal time to preparation of the land, which has resulted in less of a tenant-landlord wall.

Most striking, Leonard reports has been the responsiveness of the Chinese to the garden; they were the first to sign up and draw plots. Many immigrated here within the past 20 years and do not speak English. Because of the garden, the Chinese residents in the area are now taking a greater part in all activities in the housing project and have taught their gardening techniques to others.

UC Extension's Gips and Tecklenburg supervise the plantings each day, and Gips says, "The Chinese introduced many of their ethnic vegetables and have shown others how to use them . . . things like Bok Toy, yard-long beans, winter melon and bitter melon. They use trellising a lot, with vine crops growing overhead and other plants below. With this method of shading they have shown us how to grow things in the valley heat that otherwise would 'bolt' or go to seed too soon.

"Also," he says, "they have shown how to use this shading to seed transplants and gradually bring them out into full sun. They've had three crops this summer where others have had only one."

The older adults in the area, Tecklenburg notes, have many skills, including gardening, but previously had little opportunity to share them.

"They and the kids finally have something to talk about in their garden and have begun to know each other as people. Many older residents had tried to plant flowers or vegetables next to their houses only to see them pulled up or trampled, and had given up."

The garden grew from a proposal by Gips and Tecklenburg to the county welfare department in January, 1975. For Terry Gips, a graduate of Claremont College who had worked in community action in Chicago, and Lee Tecklenburg, a UC Davis political science graduate and member of a Lodi farming family, the idea of using gardening to bring people together was a "turn on." The Sacramento Unified School District agreed to lend the fenced, two-acre site, and the Sacramento County board of supervisors provided $10,000 for a pilot project through UC's Cooperative Extension office. These funds were used to till the site, install water lines, purchase seed, tools and other materials, and pay some salary costs.

With the success of the River Oaks garden, the county board of supervisors has since provided an additional $40,000 to carry on the gardening until next July on at least five new sites. Already, 27 community groups, organizations and neighborhood councils have shown interest, either in helping with such gardens, or in establishing them in their areas. Inquiries have even come from industrial firms looking for gardens their employees could work during lunch breaks.

The River Oaks gardeners are now finishing up full harvests of squash, tomatoes, tomatillos, beans, peppers, pumpkins, to name a few, and have already begun working winter crops. Thousands of pounds of money-saving food have come out of the 151 family plots, each 16 by 18 feet, and out of the 90 youth plots, each 6 by 6 feet.

How important the garden is in providing a sense of responsibility and a feeling of belonging is pointed out by Housing Manager Leonard: "We had one boy get into some outside trouble, and when the police came to take him to juvenile hall, all he asked for was a little more time . . . he had to find somebody to take care of his garden until he got back."

FARMERS HOME ADMINISTRATION

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. DU PONT. Mr. Speaker, recently, the agricultural appropriation passed the House by a resounding majority. This bill contained one provision that has special impact to the rural residents of Delaware. It is the provision providing funds for additional employees for the Farmers Home Administration.

For several months, my office has been working with both the Farmers Home Administration and the General Accounting Office to overcome the weaknesses presently plaguing the FmHA's home mortgage program in Delaware. Our findings revealed that without additional personnel the situation cannot significantly improve. So I was gratified that this bill will provide an additional 1,100 county office workers. This personnel increase is drastically needed.

The Congressional Research Service published data this spring that points out that rural home buyers cannot obtain as favorable mortgage terms as metropolitan home buyers. They must pay higher interest rates, over shorter terms than their urban dwellers. In Delaware, Farmers Home Administration does not have the staff to effectively meet the increasing demand for rural housing mortgages. The No. 1 problem is the long delay that is experienced in processing of loan applications. Right now in Delaware it is taking a minimum of 6 months to process an application and I have received many calls for Delaware residents with waits approaching 9 months before approval. It still takes time after approval before persons receive the money. The inconveniences and complications that this causes are immense. We are talking about people whose net income is below $11,000 a year. These people do not have the luxury of waiting almost a year between when they agree to buy a home and when they move in.

The prospective buyers also face the problem of inadequate credit counseling and the lack of servicing of the mortgages to prevent delinquencies. They also face the problem of their own housing during the delays of the settlements.

The sellers of homes under the FmHA rural housing program encounter difficulties with this long delay. Beyond the obvious one of waiting longer for their money, they are burdened by secondary problems. One seller contacted me this week very disconcerted by the fact that the buyer was backing out of the agreement since the interest rate had gone up from 8⅛ percent in May to the present 9 percent. Since this rise in interest rates causes the sales contract to be invalid, the seller has lost 6 months of market time, while he was paying double mortgages. Another problem faced is the delay in obtaining appraisal figures. Since, in many instances, the Farmers Home Administration appraisal value is lower than the selling price, the seller cannot complete the purchases. If the time was shortened between the original agreement and appraisal, much hardship could be spared.

If we in Congress often wonder why rural residents are reluctant to participate in Federal programs, we can look at the present operation of Farmers Home Administration. I am hoping that this personnel increase will help make this agency a viable vehicle for helping to meet the housing needs of our rural residents.

ANTI-ISRAEL CAMPAIGN THREATENS UNITED NATIONS INTEGRITY AND FUTURE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BIAGGI. Mr. Speaker, I and many others in the Congress and Nation were shocked and angered by the recent resolution passed by the Third Committee of the U.N. General Assembly which branded Zionism "as a form of racism and racial discrimination." This brazen and irresponsible action casts new and definite doubts about the continuing ability of the United Nations to operate in an impartial and responsible manner.

While it is true that this resolution has not been adopted by the full General Assembly it adds fuel to the anti-Israel fires which have been raging throughout this year's session of the United Nations. Earlier this year, it was feared that a bloc on non-aligned Third World nations would launch an all-out campaign to oust Israel from the world body. The swift and strong opposition of the United States and other nations has effectively stalled this action.

In many ways this resolution is equally as dangerous for it again places the United Nations in the position of discriminating against one of its member nations, in direct conflict with its Charter. The Charter implores U.N. members "to practice tolerance and to live together in peace with one another as good neighbors and to unite our strength to maintain international peace and security. This resolution can be interpreted in no other way but as a devisive and inflammatory action which can only serve to reignite adversities in the Middle East and promote new polarization among U.N. members.

If this resolution is passed by the full General Assembly I firmly believe that the United States must undertake an extensive review of its present financial and political commitment to the U.N. To characterize Zionism in such banal fashion is to disgracefully slander one of the proudest and most important social and cultural movements in the world. In the words of Prime Minister Allon:

> Whatever the Assembly may resolve, it cannot possibly damage Zionism as an idea as a movement as the modern expression of the ancient Jewish heritage.

The effects of this resolution progressing any further in the United Nations may be severe, and may spell the end of the 30-year history of the United Nations. The eyes of the world will be focused on the United Nations and will be looking for the voices of reason to prevail.

JOBS FOR SENIOR CITIZENS

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. TALCOTT. Mr. Speaker, throughout the Nation, our senior citizens often face the extremes of inflation, employment, and other socioeconomic problems. The following article appeared in Era, published by the California Office on Aging, October 1975. It describes how a dedicated senior in California's 16th District fought back. I think every community should have a Marshall Cheney to see that our great reserves of senior talents, experience, and dedication are fully realized.

The article follows:

SANTA CRUZ SENIOR OPERATES SUCCESSFUL JOB PLACEMENT OFFICE

If you are over 40 and out of work in Santa Cruz County, things may not be as bleak as you think—especially if you've got Marshall Cheney on your side.

In the past two years Cheney has helped place more than 2,000 people—ranging in age from 40 to 82—in either full- or part-time jobs.

Discouraged job-hunters who all to often hear, ". . . we don't hire senior citizens," are sure not to hear this from Cheney. At age 77 Cheney is a great example of the abilities, persistence, and enthusiasm that employers seek.

Born in Milwaukee, Wisconsin, Cheney worked as a salesman for 30 years. Five years ago he started working as a volunteer under Project Find, moving from there to a paid position with the Mid-County Senior Citizens Center in Capitola, where he was encouraged to help seniors find employment. A year later he was hired as the senior job placement specialist under the Santa Cruz County social services department.

Cheney and his secretary, 66-year-old Patricia Berninghausen, work with applicants and employers eight hours per day, five days a week, from an office on the mezzanine floor of the Palomar Hotel in Santa Cruz. There is no charge for their service.

This dedicated team often receive calls from other cities, from concerned relatives and friends of older people living in Santa Cruz. They also receive requests from agencies and groups interested in setting up a successful senior placement office—and Cheney is always happy to share his experience.

Recently the county board of supervisors presented Cheney with a plaque and a commendation for his work. He has also received hundreds of letters from appreciative clients. One of his favorites reads, "If more cities and towns had such a good employment service as yours, I am sure a lot more senior citizens would be able to live happier lives . . ."

Anyone interested in learning more about this successful service is invited to write to Marshall Cheney, Palomar Inn, Room 106, 1344 Pacific Avenue, Santa Cruz 95060.

THE FULL EMPLOYMENT ACT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. HAWKINS. Mr. Speaker, the widely read and respected Chicago newspaper, the Chicago Daily Defender, has recently published a most supportive editorial of the bill of which HENRY REUSS and I are the principal cosponsors: H.R. 50—the Equal Opportunity and Full Employment Act. The editorial is representative of a swelling array of H.R. 50 supporters who firmly believe that every American able and willing to work has the right to full employment and should be guaranteed a job at fair and equitable rates of compensation. There are presently 109 cosponsors of this legislation in the House and about 6 cosponsors of the Senate version of the bill introduced by Senator HUBERT HUMPHREY.

Mr. Speaker, I would like to submit for the RECORD the complete text of this persuasively written and very timely editorial. The text is as follows:

[From the Chicago Daily Defender]

FULL EMPLOYMENT ACT

Probably the most perceptive and undoubtedly the most significant proposal yet made by a member of Congress is the House bill, H.R. 50 which stresses full employment as a viable alternative to the nation's economic ills. Sponsored by Rep. Augustus F. Hawkins, under the title of "Equal Opportunity and Full Employment Act," the measure guarantees a job to every adult American who is able and willing to work.

There are other beneficial features of the bill. But the full employment provision is its overriding aspect at a time when the economic strain beclouds the hopes of the poor and the disadvantaged. If enacted into law, the Hawkins proposal would have a salutary impact upon the structural framework of the national economy.

The bill's ultimate objective is impressively consistent with the supposition of practical economists like Prof. John Kenneth Galbraith, just retired from Harvard, that the drooping economy can recover its vitality by putting people to work on public jobs.

Though President Ford continues to seek shelter in the utterly indefensible theory that full employment now will not alter the momentum of the recession, he is lending ears to false assumptions. His prophecy is reminiscent of the Herbert Hoover vision which led him to ask the starving American people during the bleak days of the 1930's depression to be patient, for prosperity was just around the corner. But around the corner was nothing but grass, which wasn't green enough to be eaten.

It is in order to prevent a repetition of the morbid experience of that tragic era that Congressman Hawkins introduced his full employment bill. It has the salvaging features of the National Recovery Act (NRA) and the Work Progress Administration (WPA) which FDR initiated bringing an end to the depression in the '30's.

The Hawkins bill needs public support. Blacks, in particular, who are bearing a disproportionate share of the unemployment burden, should put pressure on Congress by writing to their representatives asking them to support H.R. 50, which is aimed to widening the dimension of social justice. We should bear in mind Jefferson's wise observation that democracy does not work, unless the people who believe in it make it work.

STATEMENT OF HON. WRIGHT PATMAN BEFORE SPECIAL SMALL BUSINESS SUBCOMMITTEE ON ANTITRUST, ENFORCEMENT OF ROBINSON-PATMAN ACT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. EVINS of Tennessee. Mr. Speaker, a special ad hoc subcommittee of the House Small Business Committee under the chairmanship of our colleague, Representative HENRY GONZALEZ, of Texas, is conducting a series of hearings on antitrust, the Robinson-Patman Act and related matters as they affect small business.

These hearings were prompted by many requests from small business organizations throughout the country, suggesting that some attorneys in the Antitrust Division of the U.S. Department of Justice have advocated repeal of the Robinson-Patman Act, known as the Magna Carta of Small Business.

In the course of the hearings before this subcommittee, the distinguished dean of the Congress, the gentleman from Texas, Mr. PATMAN, who is one of the authors of the Robinson-Patman Act, was the leadoff witness, testifying in support of enforcement of the law. As you know, the gentleman from Texas is without equal as a champion of small business and the American free enterprise system.

In this connection and because of the interest of my colleagues and the American people in this important matter, I place in the RECORD herewith a copy of the statement made by Representative PATMAN to the subcommittee.

The statement follows:

STATEMENT OF HON. WRIGHT PATMAN

Mr. Chairman and Members of the Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and Related Matters of the House Small Business Committee.

It has been said that "Admission is good for the soul." That being true, I am constrained to admit that I appear here today with mixed feelings. Of course, it is a pleasure to appear before this group of distinguished colleagues of mine which compose this important Subcommittee, a portion of whose designation includes my name. And, certainly, I am highly pleased to testify at this hearing of a subcommittee of a committee of Congress, the origin of which stems from the prior Select Committee on Small Business, of which I had the honor to be its first Chairman.

Why are we here today? Is it because of the deep concern of the small business sector and of us over the serious proposals which have been made to repeal certain portions of the antitrust laws, including the Robinson-Patman Act. Who is behind such proposals? Let us, therefore, look back to April 20, 1975, and recall the National Broadcasting Company's television program entitled "Meet the Press." We find that one of the corporate officers who appeared on that program was Arthur M. Wood, the Chairman of the Board of Sears, Roebuck and Company, which company is one of the largest buyers of merchandise of all kinds in the world. He alone, on that panel of businessmen, suggested that some of the antitrust laws inhibit free competition today, and in that connection, he stated that he wants to see a review of the Robinson-Patman Act because he alleged that a careful review of the antitrust laws is in order. (See the printed record of NBC's program, "Meet the Press," of April 20, 1975, issued by Merkle Press, Inc., Washington, D.C.)

Now, why would Sears, Roebuck and Company be calling for such action? Some of us who have investigated the purchasing practices of Sears, Roebuck and of other large buyers of merchandise have reason to believe that we have a clue to the answer to that question.

My Colleagues, when I mentioned a clue in that regard, I refer to matters investigated by a Special Investigating Subcommittee of which I had the honor of being the Chairman in 1935. At that time, a Court set aside an Order of the Federal Trade Commission which was designed to enjoin Sears, Roebuck from continuing its practice of using its enormous buying power to compel preferential treatment from suppliers of tires. The facts had been established that Sears had, in that regard, secured extremely great preferential treatment not accorded to its competitors. Some of this preferential treatment took the form of large rebates totaling amounts of millions of dollars.

Sears, Roebuck and Company defended its practice as not being violative of the Clayton Antitrust Act, as it was then in effect and *before* the Clayton Act was amended later, because the law *at that time* provided for preferential treatment based upon *quantity*. Of course, Sears, Roebuck was able to and did, in fact, buy merchandise in such very large quantities as were far beyond the reach and ability of other merchants, both large and small, throughout the entire country.

The Court (see 93 F. 2d 677 C.C.A. 6th, later reversed on other grounds after passage of the Robinson-Patman Act, see 304 U.S. 257) agreed with the contention of Sears, Roebuck and set aside the Order of the Federal Trade Commission. Almost immediately thereafter, the Congress enacted the Robinson-Patman Act, thereby amending the Clayton Antitrust Act so as not to permit such preferential treatment and invidious distinctions on the basis of quantity purchased, unless the differential involved in the preferential treatment could be justified on the basis of differences in the cost of manufacture, sale or delivery resulting from the differing methods of quantities in which such commodities are to such purchasers sold or delivered.

Now, since Sears, Roebuck issued its call for a careful review of the antitrust laws, including the Robinson-Patman Act, it has attracted some allies and picked up certain friends who have joined it in efforts to weaken and emasculate the Robinson-Patman Act or even repeal this much-needed law. Some of these friends hold high office in the Antitrust Division of the Department of Justice. Another is a member of the Council of Economic Advisors and I now will quote what he said about the antitrust laws:

"The Sherman Act may be understandable when viewed as a projection of the nineteenth century's fear and economic ignorance. But it is utter nonsense in the context of today's economic knowledge. The seventy additional years of observing industrial development should have taught us something.

"If the attempts to justify our antitrust statutes on historical grounds are erroneous and rest on a misinterpretation of history, the attempts to justify them on theoretical grounds come from a still more fundamental misconception. * * *

"To sum up: The entire structure of antitrust statutes in this country is a jumble of economic irrationality and ignorance. It is the product: (a) of a gross misinterpretation of history, and (b) of rather naive, and certainly unrealistic, economic theories." (See "Antitrust" by Alan Greenspan, as compiled by Ayn Rand for publication in a volume entitled "Capitalism, the Unknown Ideal.")

The reason I stated at the beginning of my statement to this distinguished Subcommittee that I have "mixed feelings" arises from the fact that I appear before you in defense of a law that is again under severe attack—a statute that is well known by the name of a great Senator and to which my name, as fate willed it, is appended; namely, the Robinson-Patman Act. This law has stood the test of time. It has repeatedly been attacked and after each encounter with its detractors, this statute has emerged stronger than ever, and it still stands as solid as the Rock of Gibraltar—a bulwark of protection for the 9½ million small entrepreneurs of this great Nation of ours.

It is a part of our public policy to halt in their incipiency acts and practices which have a dangerous tendency unduly to hinder competition or to create a monopoly; or the effect of which may be substantially to lessen competition or tend to create a monopoly in any line of commerce; or to injure, destroy, or prevent competition. That part of the public policy has often been described as a policy to nip in the bud, before they come to full fruition, acts and practices forbidden by our antitrust laws. It was to effectuate that part of the public policy that the Robinson-Patman Act was enacted.

I should like to invite the attention of my distinguished Colleagues of this Subcommittee to the fact that the Robinson-Patman Act was enacted as a *bipartisan* law and as a non-partisan measure and was supported by *both* Democrats and Republicans. In fact, it passed the Congress with practically *no opposition*; there were only 16 votes recorded against the legislation in the House and *none* in the Senate. The small business firms of this great Nation of ours will forever be indebted to the Members of the Congress, on both sides of the aisle, for passing this important and salutary law.

The furthering of public policy through the full implementation of the Robinson-Patman Act is the principal means of affording relief to the small businessman from the ravages of price discrimination as practiced by many large corporations and conglomerates which have substantial power and wield considerable influence.

The depression of the 1930's had resulted in the bankruptcy of many small businessmen and challenged the survival of the small entrepreneur. These businessmen were further jeopardized by their inability to compete with large companies who were receiving unjustified preferential treatment. Chain stores, for example, were able to negotiate lower but discriminatory prices and obtain other concessions from suppliers while smaller businesses, without sufficient market power, could not obtain similar benefits. The Robinson-Patman Act amended the Clayton Antitrust Act to prohibit certain price discriminatory practices. Thus, the policy of the Robinson-Patman Act is rooted in a justifiable ethic; namely, that it is unfair to competitors and injurious to competition for large buyers to use their power to obtain discriminatory price concessions not available to smaller and weaker businessmen.

In that connection, it should be made clear and understood that the Robinson-Patman Act and all other sections of the Clayton Act which it amended constitute a part of the body of our antitrust laws. The Robinson-Patman Act, as an amendment to the Clayton Antitrust Act, is one of the strongest pillars supporting the American antitrust policy. Let it not be confused with any law which provides for an exemption from the application of the antitrust statutes. Instead, it supplements and adds to the force of all antitrust laws to make more effective our National antitrust policy. Some few persons who have represented violators and defendants charged with infractions of the antitrust laws have slandered and libeled the Robinson-Patman Act by wrongfully saying that it is inconsistent with our antitrust laws. Such an argument is both fallacious and nonsensical.

The proof of what I say in that respect is in the evidence of the law itself, in the legislative history of it, the circumstances which prompted the enactment of the statute, and the acts and practices against which the law has been applied. As some would say, "the proof is in the pudding"; therefore, let us move on to the "pudding."

The Clayton Act of 1914 originated with the bill H.R. 15657, introduced by Rep. Clayton on April 15, 1914. Section 2 of this bill prohibited discrimination in price between different purchasers, with the purpose or intent to destroy or wrongfully injure the business of a competitor of either the purchaser or the seller.

H.R. 15657 was reported favorably on May 6, 1914, and the report, H. Rep. No. 627, 63d Cong., 2d Sess., showed that the Sec. 2 prohibition of price discrimination was confined to a well-known, common, particular form of discrimination. Thus, the report stated, in part:

"Section 2 of the bill is intended to prevent unfair discrimination. The necessity for legislation needs little argument to sustain the wisdom of it. In the past it has been a most common practice of great and powerful combinations engaged in commerce—notably the Standard Oil Company and the American Tobacco Company, and others of less notoriety but of great influence—to lower prices of their commodities oftentimes below the cost of production in certain communities and sections where they had competition, with the intent to destroy and make unprofitable the business of their competitors, and with the ultimate purpose in view of thereby acquiring a monopoly in the particular locality or section in which the discriminating price is made. Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of the same class of commodities above their fair market value in other sections or communities. Such a system or practice is so manifestly unfair and unjust, not only to competitors who are directly injured thereby but to the general public, that your committee is strongly of the opinion that the present antitrust laws ought to be supplemented by making this particular form of discrimination a specific offense under the law when practiced by those engaged in commerce."

S. Doc. No. 583, 63d Cong., 2d Sess. (1914), made the same statement for the Senate Judiciary Committee in its report on H.R. 15657.

Prior to the passage of the Robinson-Patman Act, the experience of enforcement of the Clayton Act disclosed the inadequacy of Section 2 of the Clayton Act to slow down the pace of monopolization. Extensive studies made by the Federal Trade Commission found that price discrimination was by no means on the wane and that, if anything, the situation was more serious even than it had been at the time the Clayton Act became law.

In order to correct the shortcomings of the Clayton Act, needed modifications were made in the bill which became known as the Robinson-Patman Act.

Extensive hearings were held by the Committees on the Judiciary of the House and of the Senate on the proposals to strengthen the laws against destructive price discrimination. Representatives of many of the large corporations which had been practicing price discrimination voiced strong opposition to these legislative proposals. However, the Committees reported favorably on the Robinson and Patman bills, and recommended their enactment into law. The report of the Committee on the Judiciary to the House on the Patman bill contained the following statement:

"Your committee is of the opinion that the evidence is overwhelming that price discrimination practices exist to such an extent that the survival of independent merchants, manufacturers, and other businessmen is seriously imperiled and that remedial legislation is necessary."

During December 1967, a White House Task Force on Antitrust Policy submitted a report which was critical of the Robinson-Patman Act. This report, named for its Chairman, is better known as the "Neal Report." It took the approach of revision of the Robinson-Patman Act rather than its repeal because of the fear that repeal might result in the wholesale transfer of this Act's doctrine to Sections 1 and 2 of the Sherman Act and Section 5 of the Federal Trade Commission Act.

The House Select Committee on Small Business in its report (House Report No. 91–1617) issued in 1970 stated:

"The Subcommittee finds that the task force/White House Task Force on Antitrust Policy/position is one that actually favors price discrimination, and in order to protect this type of activity the task force drafted a recommended revision that would not only remove the prohibitions against price discrimination but would actually promote and foster that type of activity."

Committees have been formed of lawyers and others opposed to the Robinson-Patman Act. These committees have been misnamed as study groups. Some have published arguments against antitrust laws, including the Robinson-Patman Act. Efforts have been made to elevate the standing of these arguments by referring to them as reports with high sounding titles. These study groups are criticizing the Robinson-Patman Act and antitrust laws in general, and the enforcement policies essential to the survival of small business. This criticism of our public policy of antitrust has been made and is well known. Criticism of this kind is not new, but this recent criticism is particularly disturbing in that it has involved challenges through influential voices going beyond the critical reassessment of the implementation of our antitrust policy, to questing of the underlying assumptions of that policy. This new criticism about antitrust policy seems motivated by a kind of economic determination, holding in effect that sheer size and absence of free and fair competition in the marketplace must be accepted as the inescapable price for economic progress. Of course, with that view I disagree, and I believe that a majority of the Congress and responsible people in Government and yes, in private life as well, disagree with the thought that we must compromise our public policy of antitrust in order to secure economic progress.

Assaults, attacks, and unfounded criticism heretofore made against this so important law in the various reports before referred to are not predicated upon solid concrete facts, but are based solely upon differing philosophies.

History has a way of repeating itself, and now again the Robinson-Patman Act has been singled out for yet another strong assault upon this "Magna Charta of Small Business" by powerful enemies. I cannot too strongly urge and highly recommend to this Subcommittee that it lend its aid to thwart this latest attack.

I am sure I need not point out to this learned Subcommittee that legal rules against monopoly had their origin very long ago. Building on Common Law ideas, the antitrust laws over the years have become a major force in influencing the structure and productivity of American business. They seek to enforce an economic policy in favor of competition in accomplishing vitally important social and political objectives. They aim to keep economic opportunity open to all comers and prevent the kind of concentrated economic power which could stultify and ultimately destroy political democracy.

The Congress has repeatedly declared its reliance on a private competition economic system as the primary method by which essential energies are released for increased industrial productivity and for technological development. It is generally agreed that for a democracy to be strong, adoptable and progressive, it must be secure in its economic liberties which the antitrust laws aim to protect.

The Robinson-Patman Act should and must be preserved, its integrity maintained, and its viability supported in order to fully demonstrate that this Nation of ours will always be the land of freedom and opportunity for the American small businessman to grow and prosper.

LOSS OF NEW YORK STATE EQUAL RIGHTS AMENDMENT A TRAGIC EPISODE IN STATE'S HISTORY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BADILLO. Mr. Speaker, yesterday's defeat of the New York State Equal Rights Amendment was a tragic episode in the history of New York City and New York State. It is evident that the greater danger facing our citizens is moral bankruptcy and not financial bankruptcy.

At a time when some of us in the Congress are fighting desperately to secure equality of treatment and full benefits for New Workers from the Federal Government, it is disheartening to find that New Yorkers are unwilling to provide equality of treatment before the law for women. What moral standing do we have to argue for fairness and justice for those who are unwilling to provide it for others within their midst? Are we to remind our colleagues and the people of this Nation that the Statue of Liberty is New York's proud symbol when that lady, were she flesh and blood, would be denied that same liberty and equality she has offered to so many?

I can only conclude that yesterday's election results reflect the confusion, uncertainty and even panic that many feel in the present economic crisis in our State. It is certainly a truism that those who are insecure and frightened are more concerned about themselves than about others, and even turn against those who have less in their unwillingness to share.

Nevertheless, yesterday's disaster must remain only an episode. I am committed to the enactment of the Equal Rights Amendment in New York State and nationally, and will campaign in the years to come to insure that it is approved into law. The goal of equal rights cannot and will not be abandoned.

MR. AND MRS. WHITLEY CELEBRATE 50TH WEDDING ANNIVERSARY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. STOKES. Mr. Speaker, recently Mr. and Mrs. Moses James Whitley celebrated their 50th wedding anniversary. This is one of Cleveland's finest families, and I am pleased to bring this family to the attention of my colleagues. Mr. and Mrs. Whitley are the proud parents of five children—Gloria, Mrs. John Fleming; Joyce; James; William, and Janice, Mrs. Jan Carlstedt—and have seven grandchildren. They were married in Monroe, N.C., but have lived in Cleveland since 1946. They currently reside at 3875 East 154th Street.

Three years ago this extraordinary family was honored by the Urban League as "Family of the Year." I am sure that all of my colleagues join with me in saluting Mr. and Mrs. Whitley on the occasion of their 50th wedding anniversary. I insert herewith a copy of the Cleveland Press article which saluted this family at the time Mr. and Mrs. Whitley were honored as Urban League Family of the Year:

URBAN LEAGUE HAILS FAMILY FOR ITS NUMEROUS DEGREES

(By Shirley Montgomery)

Mr. and Mrs. Moses J. Whitley, who struggled and endured hardships to provide a handful of degrees for their five children, have been named "Family of the Year" by the Urban League of Cleveland.

The Whitleys, 3875 E. 154th Street, will be honored at the league's 54th annual noon luncheon meeting Saturday in Hotel Sheraton-Cleveland.

Both Whitleys are college graduates. Whitley has a master's degree in chemistry from Syracuse University and taught at Alabama Teachers College in Montgomery and the Rochester, N.Y., public schools.

Mrs. Whitley was graduated from Cleary Business College, Ypsilanti, Mich. She has taught business and was chief bookkeeper at Roger Williams College, Nashville, Tenn., and Selma (Ala.) University. She retired six years ago as a clerk in the Internal Revenue office. Her husband, also retired, was a precision gauge inspector for the Cleveland Ordnance District.

The Whitleys do not like to recall the discrimination in housing and employment that made their early years difficult because "to dwell on them only makes one bitter, unhappy and unhealthy."

Three of their children, Joyce and twins James M. and William N., are with Whitley-Whitley Inc., an architectural firm with offices in Cleveland and Chicago. Daughter Janice (Mrs. Jan Carlstedt) is working as publishing services manager for IBM Corp. in Sweden and daughter Gloria (Mrs. John Fleming), who also lives in Sweden, is music director at Jonkoping School of Music.

Joyce has a bachelor's degree in English from Fisk University and a master's degree in sociology from Western Reserve University and in city and regional planning from the University of Chicago. She has also done graduate work in architecture at Illinois Institute of Technology.

Joyce has been chief planning adviser for the Model Cities Administration in Washington.

William and James were graduated from Kent State University and did graduate work at Leicester University in England. They have won several architectural awards. Both married, William to the former Kaysonia Forney, and James to the former Stella Cox.

Mrs. Carlstedt attended Fisk University, earned a degree in journalism from Ohio University and did graduate work in visual design at Illinois Institute of Design. Her husband is a widely known Swedish composer.

Mrs. Fleming was graduated from Fisk University, has a master's degree in music from Northwestern University and did graduate work at New York University. Her husband is an opera singer.

MEETING SOUGHT ON FATE OF MIA'S

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. FLORIO. Mr. Speaker, although the U.S. military involvement in Southeast Asia has ended, one problem of great interest to myself, my colleagues, and to many of our constituents is the ongoing dilemma of the MIA-POW which are presently unaccounted for in Vietnam. To its credit, the House has taken the initiative in trying to resolve this problem humanitarianly and accurately.

Therefore, I submit the following article from one of the leading papers in the southern New Jersey area, the Courier-Post, which I read with great interest and should prove informative to my colleagues:

MEETING SOUGHT ON FATE OF MIAS

(By Charles Overby)

WASHINGTON.—Several congressmen are seeking to arrange a meeting with North Vietnamese leaders during the Thanksgiving holidays to discuss ways to learn the fate of 856 Americans still listed as missing in action in Southeast Asia.

It is one of several efforts under way indicating that Congress has assumed the leadership from the State Department in seeking an accounting of MIAs.

Since the creation of a special House committee on MIAs, there have been these developments:

Some top government officials have begun privately to criticize Secretary of State Henry Kissinger for his apparent unwillingness to become involved in MIA problems.

President Ford has been approached by several congressmen about Kissinger's attitude and the President has promised to be more receptive.

The MIA committee has learned that a six-man commission of Americans and North Vietnamese agreed on reconstruction aid to Vietnam as a condition to the Paris peace agreement, but the accord was never made public.

Vietnamese officials have asked for U.S. military ordnance experts to go to Vietnam to defuse the thousands of tons of unexploded bombs and mines that continue to jeopardize towns and villages.

This activity, most of it purposely low-key, offers new hope for families of MIA servicemen, although there have been no dramatic breakthroughs.

Until the House committee was formed, the only official government involvement in the MIA problem came from the State Department. That effort, charge critics, was blunted by a disgruntled Kissinger who didn't want to get involved in another fray with the Vietnamese.

Some sources close to MIA problems say Kissinger's ego has been "bruised" by the dissipation of "the once-historic" Paris peace agreement and he does not want to face the MIA issue because it is a reminder of a diplomatic effort that soured with time.

"It's hard to get him to face the MIA issue," said one top government source. "He'd rather play China, Russia, Turkey, almost anything else, rather than looking at Vietnam again."

The special House committee has been trying for weeks to get a commitment from Kissinger to testify about State Department initiatives on the MIA front. Kissinger has sent aides, but has avoided going himself.

Recently, a group of Congressmen called on President Ford quietly and told him in firm tones that they expected Kissinger to start showing more interest in the MIA problem.

"The MIA situation is a dynamite political situation for the President," said one source. "If Congress is put in the position of saying the Ford administration won't act to help solve the MIA question, that's not going to look good for the President."

FARM COOPERATIVES

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. SEBELIUS. Mr. Speaker, the following is the third in a series of 10 messages sponsored by Far-Mar-Co, Inc., Hutchinson, Kans. in U.S. News & World Report to express the necessity of a vigorous and reliable market for farm products. This campaign is a commendable effort to keep the public informed on matters affecting U.S. agriculture and how agriculture relates to all Americans.

The message follows:

YOU DON'T HAVE TO FEAR A GIANT YOU CAN LOOK STRAIGHT IN THE EYE

There's lot of talk about cooperatives these days. How they're too big. "Giants," the protagonists call them.

The fact is, cooperatives are just the unified effort of individual farmers.

And farmers are people like you.

People who want a fair shake in life. People who want to contribute what they can, and receive appropriate recompense.

The cooperative system developed out of the American farmers' frustration in attempting to do business—as individuals—with large, powerful corporations.

Farmers have to deal for equipment and supplies offered by gigantic corporations.

Farmers have to negotiate to sell what they produce with gigantic corporations.

So, coming and going, the farmers are crushed between immensely powerful forces.

The cooperative is a natural recourse. It's simply a self-help mechanism that allows individual farmers to deal with more equal economic strength.

Cooperatives have enabled the American farmer to survive. But he—and his crops—cannot be taken for granted any longer. We must maintain a marketing atmosphere that gives individual farmers hope for operating profitably.

COUNTERPART TO THE BILL INTRODUCED BY SENATOR HUDDLESTON IN REFERENCE TO MRS. BAILEY

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BRECKINRIDGE. Mr. Speaker, my colleague and fellow Kentuckian, Mr. HUDDLESTON, introduced a bill in the Senate which would correct an injustice that has victimized a small number of beneficiaries of those deceased Reserve military retirees who had been covered by the retired serviceman's family protection plan. Today, I would like to introduce a counterpart to this bill.

My bill would enable survivors of those deceased Reserve retirees who had met all the eligibility requirements, except one, to receive the benefits due them. After reviewing the one nonfulfilled requirement and the case which brought this matter to my attention, I am sure my colleagues in the House will agree that action to help these people must be taken immediately.

After a distinguished 40-year career in the Kentucky National Guard, Mr. Albert D. Bailey retired from the Guard upon reaching age 60 on August 10, 1965.

Unfortunately, Mr. Bailey died on August 28, 1965. Mrs. Bailey, seemingly entitled to the retirement benefits under 10 U.S.C. 1331, that her husband worked so hard for, has yet to receive those benefits.

Denial of these benefits to her resulted because the right to retired pay under the provisions of 10 U.S.C. 1331 was, up until the enactment of Public Law 90-485 on August 13, 1968, subject to the provisions of Uniform Retirement Date Act of 1930, 5 U.S.C. 8301 which stated that a person was not entitled to retired pay until the first day of the month following his 60th birthday.

Though Congress, in 1968, saw fit to separate the retired Reserve military benefit structure from the Uniform Retirement Act of 1930, Congress failed to take into account circumstances which occurred prior to 1968—one of which I have described to you. My bill would aid victims of this injustice by providing that upon date of enactment, those deserving of benefits would begin receiving them.

The Department of Defense has stated that it is reasonable to assume that the number of persons we would be assisting would not exceed 50. The average annual benefit payment to survivors under the Retired Servicemen's Family Protection Plan in 1968 was approximately $1,300. Assuming 50 beneficiaries and individual annual payments of $1,300, we can see that to begin correction of this problem, the initial annual cost would not exceed $65,000. This cost would gradually decrease as the beneficiaries died or became ineligible, the Department of Defense stated.

Therefore, I urge the Committee on Armed Services to move immediately in their consideration of the measure so that beneficiaries may soon begin receiving the benefits they so deserve.

I include the following:

H.R. 10571

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of survivor annuities under subchapter I of chapter 73 of title 10, United States Code, and under prior corresponding provisions of law, the provisions of section 1331(e) of such title 10, relating to the date of entitlement to retired pay under chapter 67 of such title 10, shall be effective as of November 1, 1953.

SEC. 2. No benefits shall be paid to any person for any period prior to the date of enactment of this Act as a result of the enactment of this Act.

ARMING EGYPT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BONKER. Mr. Speaker, arms are spreading dangerously around the world, and nowhere more acutely than in the Mideast. Nations all have vital security interests to which they are entitled, but beyond a certain point, military might becomes both extravagant and potentially destructive. Where a sensitive balance of power exists, it may simply aggravate tensions, provoking hostilities rather than deterring them. If a destabilizing arms race ensues, in the end power will only increase vulnerability. America is not only party to this perilous cycle but it is the major manufacturer and distributor of arms munitions. It is about time the United States stopped recognizing weapons as the currency of international prestige and power. A country's real strength lies more in its economic health, the spirit and unity of its people and the respect among other countries its moral example inspires.

Mr. Speaker, columnist William Safire has done us a service by addressing both the real and fancied meaning of "leverage," that seemingly all-important goal in our foreign policy. If we mean to preserve the precarious peace in the Mideast, we would do well to understand it. I insert Mr. Safire's Washington Post article of November 3, regarding possible military aid to Egypt, in the RECORD:

ARMING EGYPT

(By William Safire)

WASHINGTON.—The Ford Administration has begun to prepare American public opinion for the gift of United States planes, missiles and military communications equipment to Egypt.

In its opening stages, this persuasion effort puts forth the general proposition in a deft denial of specifics. Says Mr. Ford's Secretary of State: "I don't think we will be prepared at this moment to make any specific commitments of military aid, but we will be prepared to discuss the problem with him [Mr. Sadat] in general terms."

Then, as White House sources assured us that Mr. Sadat has not come on this first visit with a specific arms shopping list, Defense Secretary James Schlesinger told Barbara Walters on television: "I think it would be advisable from the standpoint of American policy to achieve a diversification of the sources of arms going to Egypt."

That mushmouthed euphemism—"diversification of the sources of arms"—means, in plain words, giving military equipment to Egypt as soon as Americans will hold still for it.

The argument for such "diversification" goes like this: Since we provide Israel with arms, why not Egypt as well? That would show how evenhanded we are. And if we do not give Mr. Sadat the arms he wants, he might go back to the Russians and get all he wants from them. Thus we would lose our leverage, or control, over Egypt.

But let's go to the basic reason for sending American arms to the Mideast. Israel needs arms to defend herself against invasions by Egypt, which take place on the average of once every five years. Egypt, on the contrary, does not need arms to defend herself against aggression by Israel, which has never happened. The only reason Egypt ever needs arms is to help her threaten, and ultimately attack, Israel.

Is it a step toward peace for America to become an arms supplier to Egypt, helping her win back the land she lost in her invasion before last? No. Sometimes "evenhandedness" asks too much. If the recent agreement Egypt signed not to attack Israel for nearly four years means anything at all, it means that Egypt does not need fresh military assistance. The gift of arms will hardly be an incentive to keep the truce.

What about the "leverage" we would get if we were one of Egypt's arms suppliers? The premise is false. Right now, Egypt is buying arms, with Saudi Arabian money, from France and Britain. Right now, Egypt's next-door neighbor, oil-rich Libya, is buying arms at a great rate from the Soviet Union, which will make it the arsenal of anti-democracy in the next shift of Arab alliances.

If we were to add American arms to the Egyptian arsenal, can it be seriously argued that an American threat to cut off future contributions of arms would stop the Egyptians from attacking when they felt strong enough to win? Again, no. They would simply say, "If you cut off military aid, we'll go back to the Russians." Some "leverage."

Moreover, the supply of the same sophisticated communications equipment, missiles and planes to Egypt as we sell to Israel would severely undercut the value of the Israelis' arms. When an attacker is trained in the defender's equipment, the attacker has an enormous advantage. Giving Egypt such an insight into Israeli defense does not win a friend, it loses a deterrent to war.

The central idea on which we base military aid to Israel is that a strong Israel is less likely to be attacked: When Arabs believe they will lose a war, they do not start a war. Today, that sensible idea is being turned on its head. The Ford Administration is saying that if Egyptian arms come partly from the United States, Egypt will then become hooked on our military hardware, and Mr. Sadat can be counted upon to do his friend Henry a favor and not use those arms in attacking Israel. Rarely has such inverted logic been presented as the basis for a military assistance proposal.

The only "leverage" we will ever have on Egypt will come from economic aid and the building of connective tissue of investment and trade. If we help Mr. Sadat feed, clothe and house impoverished Egyptians, they will react as human beings do everywhere, by wanting more food and clothing and shelter, not more opportunity to starve and bleed in another round of war.

I think of a young Israeli lieutenant, born in Albany, N.Y., stationed now at the Allenby Bridge, helping Arabs move back and forth across the border to visit their families. The thought of his being the target of an American-built missile, guided by American-built technology, and delivered by an American-built jet aircraft the next time Egypt feels strong enough to attack is more than a little disturbing.

It will not help to then say that the means of killing him was provided by the American taxpayer in the name of "diversification of the sources of arms."

THINKING ABOUT CRIME

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. CONLAN. Mr. Speaker, citizens across America are fed up with the persistent rise in crime, caused largely by an overlenient criminal justice system that allows 95 out of every 100 crimes to go unpunished.

It is time to repudiate the foolish liberal attitude that criminals need only sympathy and permissiveness, rather than swift trials and stern punishment.

Harvard criminologist James Q. Wilson says conviction and consistent imprisonment of criminals would cut down serious crime by two-thirds. Crime will go down only when criminals themselves are convinced that crime does not pay.

A good discussion of Professor Wilson's views, outlined in his important new book "Thinking About Crime," appeared in the August issue of Fortune magazine. The article was written by William Bowen, Fortune's assistant managing editor, and I would like to include it in the Record at this point:

An Unconventional Prescription for Crime

(By William Bowen)

To the list of failed crusades undertaken in the Sixties, add the war on crime. It produced a copious flow of federal money to state and local law enforcement agencies, and more documents, no doubt, than could be stuffed into a large police van; but the number of serious crimes reported in the U.S. went right on rising. Lately it's been rising faster than ever.

The FBI recently announced that in the first quarter of this year reports of serious crimes increased at an annual rate of 18 percent. That pace, if continued, would mean *a doubling in just four years.* Attorney General Edward M. Levi said that the 18 percent rate was "one of the terrifying facts of life which we have come to accept as normal, and which we must not accept as normal."

Alas, it was all too normal, by the standards of the U.S. in the middle 1970's. The rise for the full year 1974 was 17 percent. Calculations by an operations-research team at M.I.T. indicate that even if murder rates do not go any higher—a very optimistic assumption—a person who is born in a large American city these days and continues to live there has more chance of being murdered than an American soldier in World War II had of dying in combat.

Some reasons for the failure of our fumbling efforts to cope with crime come through in the pages of *Thinking About Crime* (Basic Books, $10) by James Q. Wilson, professor of government at Harvard. It is an admirable little book (207 not very dense pages of text), and it could prove to be an important book. Despite modest claims and a calm tone, it is a powerful indictment of the American criminal-justice system—and of the intellectuals who by perpetuating illusions and misconceptions about crime impede progress towards a sounder and more effective system.

AN IDEA THAT GETS IN THE WAY

Wilson rejects what he calls "the casual fallacy"—the notion that a remedy for a problem cannot be considered adequate unless it eliminates the causes of the problem. Social scientists who hold to this view tend to maintain that the effective way to combat crime (the only effective way, some insist) is to deal with the root causes. Among the supposed causes most often cited are poverty, slum conditions, and bad family relationships.

Elementary observation should tell us that poverty is not a root cause of crime, at least not in any direct or simple way. Many countries where poverty is much more widespread than in the U.S., and where the poor are much worse off in material terms, have crime rates much lower than ours. Crime has increased rapidly in the U.S. while standards of living rose and poverty receded. And, of course, most young men who grow up in poverty do not become criminals.

But the root-cause view is not merely deficient—it is pernicious, because it gets in the way of efforts to find and use practical measures to reduce the amount of violent crime afflicting the society. Wilson observes that "the demand for casual solutions is, whether intended or not, a way of deferring any action and criticizing any policy . . . If we regard any crime-prevention or crime-reduction program as defective because it does not address the 'root causes' of crime, then we shall commit ourselves to futile acts that frustrate the citizen while they ignore the criminal."

Instead of trying to eliminate root causes, Wilson believes, we should shift our emphasis to developing practical policies that offer some promise of results within a reasonably short span of time. He does not expect or promise dramatic results. "I argue for a sober view of man and his institutions that would permit reasonable things to be accomplished, foolish things abandoned, and utopian things forgotten."

But crime causes so much suffering and does so much social damage in the U.S. that even modest reductions in crime rates would be valuable achievements. A 20 percent reduction in robbery, Wilson points out, would leave the U.S. with an exceedingly high robbery rate, but would still prevent about 60,000 robberies a year.

ARRESTS IN THE REAL WORLD

It may come as at least a mild surprise that Wilson does not advocate expansion of police forces and more aggressive police work. There already are lots of arrests in every large American city every day. Crime is nonetheless rampant because in most cases the arrest has no significant sequel. In Wilson's words, "the value of the police as apprehenders of criminals is not something that the police alone are capable of improving. The value of an arrest for incapacitating a criminal or for deterring would-be criminals from following his example depends crucially on what the courts elect to do with the arrestee."

What they usually elect to do now is let him go. Telling of his own career as a student of crime, gradually learning more about real-life police and courts, Wilson writes: "Public entertainments in which the climax of the mystery story was the arrest of the guilty party bewildered me because, in the real world, an arrest rarely ends anything. The arrested person is usually released within a few hours, will probably not come to trial for months, and, even if his guilt is determined, has an excellent chance of being returned to society promptly without any penalty at all." That applies not just to first offenders, but to seasoned criminals too. In Los Angeles County in 1970, for example, only 27 percent of the convicted robbers who had a prior record of conviction for serious crime were sent to prison.

This leniency is part of an immense and ever enlarging vicious circle, in which the very rampancy of crime weakens society's defenses against crime. Overloaded with a torrent of arrestees, judges and prosecutors collude in a system of avoiding time-consuming trials by letting offenders who plead guilty get away with probation or very light sentences. And the mugger let off on probation for the second or third time can hardly be blamed for getting the message that he will suffer no serious penalty if he goes on mugging and is caught again.

But another bad influence is also at work in the leniency American courts show toward criminals—the tyranny of the idea that the purpose of imprisonment is the rehabilitation of the prisoner. This is a basic tenet in the liberal view of crime, and many judges hold to it. Since in fact prisons generally fail to rehabilitate, some judges are reluctant to send anyone to prison when there appears to be even the faintest hope of rehabilitation outside.

Wilson urges us to abandon the notion that the purpose of imprisonment is rehabilitation (but not abandon efforts to rehabilitate). In his opinion, we should return to the old-fashioned view that the purposes of imprisonment are to isolate the criminal from society and to punish him for his crime.

If Wilson could make the rules, it seems, *every* conviction for a serious crime would be followed by imprisonment (but perhaps only for a moderate length of time). Probation would be virtually abolished. Conviction for a subsequent offense would invariably entail imprisonment for a longer period.

Such a system of following conviction for a serious crime with certain imprisonment would result in an almost automatic reduction in crime. Most crimes are committed by repeaters, and although they usually get away, most of them are arrested sooner or later. Robbers on probation can go on committing crimes; robbers in prison cannot. Wilson cites a study that used operations-research methods to estimate how an alternative judicial policy would affect crime rates in New York State. The study concluded that if every person convicted of a serious crime was sent to prison for three years, the incidence of serious crime would be only *one-third* of what it is now.

A JUDGMENT THAT ROBBERY PAYS

This estimated reduction resulted solely from what Wilson calls "incapacitation"—the fact that an imprisoned robber can't start robbing again until he gets out. Wilson, however, believes that a policy of unfailing (but not harsh) punishment for crime would also deter some people who might otherwise commit crimes. And he lists a number of studies supporting this belief. In his view, the typical robber is motivated not by an irresistible urge to rob, but by a calculated judgment that robbery pays—pays enough, at least, to worth the very small risks involved.

"Wicked people exist," Wilson says in the final paragraph of his book. "Nothing avails except to set them apart from innocent people. And many people, neither wicked nor innocent, but watchful, dissembling, and calculating of their opportunities, ponder our reaction to wickedness as a cue to what they might profitably do. We have trifled with the wicked, made sport of the innocent, and encouraged the calculators. Justice suffers, and so do we all."

Any effort to put Wilson's ideas into effect, of course, would meet with vehement opposition from intellectuals who cling to the liberal view of crime, with its passionate beliefs that the only way to combat crime is to eradicate root causes and that the only justification for imprisonment is the possibility of rehabilitation. These people, however, have already had too much influence on public policy. To paraphrase the famous words of Bobby Seale, they are not part of the solution, but part of the problem.

THE CONSUMER'S VOICE: A NEW CHANCE TO BE HEARD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 4, 1975

Mr. UDALL. Mr. Speaker, tomorrow the House will decide the fate of a most important proposal—the establishment of a Federal Agency for Consumer Advocacy.

It would be wonderful if we did not need such an agency. It would be wonderful if the marketplace or Government regulators could be relied upon to act with the interests of consumers paramount.

But every Member of this House knows that these happy ideals do not exist in the real world—not in this age of centralized industrial might and its offspring, well-financed corporate and industrial lobbying.

No one familiar with the workings of Government or of business can honestly say that the interests of consumers are today advanced with the intensity or comprehensiveness of corporate lobbying. This proposal will not achieve full equality in those efforts, but it will at least assure that the voice of the consumer is heard—that both sides of the story are presented. It deserves the hearty support of every Member of the Congress.

In this morning's Washington Post, Colman McCarthy analyzes the high-pitched, emotional campaign emanating from the most reactionary segments of the business world to kill this legislation.

He goes straight to the heart of this controversy:

> That the opposition is fierce and well bankrolled against so small an agency suggests that the agency itself is feared less than the idea that the carefree days may be ending when government-business deals can be made in secret with no accountability.

Mr. McCarthy also points out that a large and responsible segment of the business community understands the need for this legislation and supports it. These enterprises recognize that the anticonsumer attitude of some businessmen reflects badly on the entire business community, and that the honest, public-spirited businessman has little to fear and much to gain from consumer advocates.

Finally, this illuminating article penetrates the fallacy of the argument most often raised by opponents of the bill:

> The President has promised to veto the consumer agency bill. His argument is expected to be the familiar one that another government agency is not needed—let's make the present bureaucracy work. This ignores the main justification for the agency—that the nature of advocacy requires an independence of the old habits and tired thinking of the bureaucracies.

Because the short-sighted, ferocious attacks of this bill's opponents may drown out calmer voices, I urge my colleagues to read this column, and to note his conclusion:

> Perhaps this explains the strong support the agency has received: it is anti-bureaucratic as well as conservative of the old values on which the economy was once grounded.

The text of the article follows:

[From the Washington Post, Nov. 4, 1975]

THE CONSUMER'S VOICE: A NEW CHANCE TO BE HEARD

When the Wall Street Journal, editorialized (some months ago) against the proposed Consumer Advocacy Agency, it said that "a strong underlying premise of the legislation is grounded in antipathy toward business." The image of the hassled or hated businessman is easily drawn (as witness the New Yorker cartoon above). But the rest of the Journal that particular day (May 22) carried a number of stories suggesting that antipathy toward businessmen may be exactly what some of them are working overtime to earn.

One story told of a Florida man who "received a $425,000 settlement after the death of his wife, who had used a Dalkton intrauterine shield birth control device marketed by A. H. Robins Co." The firm was defending 226 product liability suits involving the shield. A second story was also a death notice—an FDA recall of "two more defective types of heart pacemakers, one said to be involved in the deaths of two children." A third story said that ITT filed in federal court a $3.7 million settlement of three antitrust suits. A fourth report told of another General Motors recall—this one for 50,000 cars that had "various problems."

If any antipathy is roused by these cases it is not because people are irrationally antibusiness but because they have old fashioned feelings against law-breaking, deception or shoddiness. Free enterprise ought first to be free of the predator businessman who creates antipathy. That particular issue of The Journal was not unusual; its pages often read like a daily catalogue of wrongdoing by businessmen at the expense of their customers.

The connection between the practices of some corporations and the proposed Consumer Advocacy Agency is topical because Congress is about to debate whether or not the agency is needed. The debate has a long history suggesting that most minds are already made up. Filibusters and House Rule Committee mischief have mocked the strong support the bill has received in both Houses going back to 1969. That a piece of legislation can be tied up in so many Congresses in so many political knots reveals the canny and well-financed maneuvering skills of such opponents as the Chamber of Commerce and the National Association of Manufacturers. The irony of this maneuvering is that the legislation would create an advocacy agency giving the consumer some room to maneuver also. That would bring increased fairness to the marketplace by bringing an open confrontation of ideas.

The function of the agency is not to unsettle anyone but only to make the case as a consumer ombudsman for safety, legality and economy when regulatory agencies are making decisions. From the loudness of their arguments, opponents of the proposed agency sound as if consumers will suddenly have their own mighty Pentagon from which to wage war against the little corner shopkeeper. Actually little mightiness will exist. The first year's funding cannot exceed $15 million, a sum that consumer groups note is but four hours of the annual Pentagon budget. Another graphic comparison places the $15 million figure against the $1.4 billion in public money that the Commerce Department uses to "foster, promote and develop commerce and industry."

That the opposition is fierce and well bankrolled against so small an agency suggests that the agency itself is feared much less than the idea that the carefree days may be ending when government-business deals can be made in secret with no accountability.

Ralph Nader told a House committee in June that "there is scarcely a major business interest which does not have a federal agency or department designed to promote, subsidize or advocate on behalf of particular business interests (aviation, maritime, trucking, cotton, tobacco, banking, nuclear power, drugs, automobiles, agribusiness, etc.). Consumers are increasingly at the mercy of this joint government-business interlock, and, as the past several years have made evident, it is damaging to economic well being to so imbalance the power against the consumer."

For those who like simply-defined issues, it would be convenient if this was a straight business vs. consumer issue. But no such simplicities exist, especially not here. Many corporations—Mobil Oil, Montgomery Ward, Gulf and Western—are supporting the agency. Their position is easily understood, if considered as only a public relations gesture. It is the businessmen most chary of their image who cringe when the public is told again and again of the ring white collar crime rate, of slush funds, of false advertising schemes, of deals to get federal contracts. That is grim enough, but another spectacle may be more unnerving: businessmen bemoaning government interference and overregulation but working quietly to get loans when times are hard or working to maintain subsidies so that times never will be hard.

Businessmen supporting the Consumer Advocacy Agency are making a modest try at regaining the public confidence that has been squandered. These businessmen are likely to be called apostates, especially since they are now on the side of the branded infidel Ralph Nader. The Wall Street Journal has already predicted that the ACA "will be pretty much (Nader's) personal agency." That defines the debate with more simplism: Do businessmen want to institutionalize Ralph Nader? This not only injects personality into the discussion, but it also deflects from the more serious question of how parts of American business have successfully institutionalized anticonsumer ethics into American life. Sen. Philip Hart estimates that a lack of competition costs the public $80 billion a year, a sum that excludes price fixing, deceptive advertising and other practices.

The President has promised to veto the consumer agency bill. His argument is expected to be the familiar one that another government agency is not needed—let's make the present bureaucracy work. This ignores the main justification for the agency—that the nature of advocacy requires an independence of the old habits and tired thinking of the bureaucracies. If anything, such a concept should appeal to Mr. Ford, because if the ACA works it will reduce the bungled regulation and bureaucratic waste that he now rails about. It should also appeal to any businessman who is producing an honest product or service because then competition truly would serve to encourage safety, economy and value. Perhaps this explains the strong support the agency has received: it is antibureaucratic as well as conservative of the old values on which the economy was once grounded.

BROCK ADAMS: FORCE BEHIND NEW BUDGET LAW

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. O'NEILL. Mr. Speaker, those of us who serve in this Chamber know and appreciate the hard work, commonsense, intelligence, and good judgment that characterize Brock Adams. He, more than any other individual, is responsible for turning the good idea of having Congress act as a full partner with the executive in formulating the Federal budget, into a reality. His patience and persistence are an inspiration to us all.

I am particularly pleased that Brock is now beginning to receive the recognition he deserves outside of Congress. His accomplishments reflect well both on him, and on the House as an institution.

I include a copy of the Washington Post article which tells the public many of the nice things we already know about Brock:

ADAMS: FORCE BEHIND NEW BUDGET LAW

(By Richard L. Lyons)

If the new congressional budget control process works, a good share of the credit will belong to Rep. Brock Adams (D-Wash.), chairman of the House Budget Committee.

All year Adams has been doing missionary work for the new law designed to regain congressional control over the federal budget. He has written fellow committee chairmen urging them to forego backdoor spending and other devices that subvert the appropriation process. He fights budget-busting bills, though he joined in overriding the veto of the education appropriation bill, which fit within the congressional budget guidelines if not President Ford's.

The new budget law is designed to give Congress an overview and control of the federal budget. Early each year Congress is to adopt a resolution setting targets for spending and revenue for the coming year. Before the end of each session it must review those figures and set binding spending ceilings and revenue floors. If necessary it must raise taxes or reduce spending to keep the figures in balance. Adams will bring the second binding resolution to the House floor in about two weeks.

This new process requires a degree of self-discipline in the appropriation process that Congress has never faced up to in recent years. Always before, Congress has broken the President's budget into a dozen pieces and passed one appropriation bill after another without regard to the whole or to the relation of spending and revenue.

There is no guarantee that Congress will meet this responsibility, but there have been encouraging signs during this first year's trial run.

The Senate sent back to a House-Senate conference for further reductions two usually sacred bills—military procurement authorization and school lunch—because they were above the congressional spending target.

When the House Post Office and Civil Service Committee approved a federal employees pension improvement bill that Adams thought contained ill-considered long-term costs, he so advised the committee chairman and said he would be forced to fight the bill on the floor. It was pulled off the House schedule. Last week the House killed a bill increasing the government contribution toward federal employees' life insurance premiums after Adams opposed it.

Adams has tried, and observers believe with increasing success, not to let his committee be tagged as just a budget cutter. With such an image, it would be destroyed or subverted by liberals fearful that their social programs would be the first to suffer.

Adams prefers to say that the new system gives Congress "control" over the budget and permits it to fix "priorities." This may mean more spending instead of less. It could mean higher taxes in good times and larger deficits in recession.

If anyone can put together a majority vote for this sort of thing, it is probably Adams, a well-liked 11-year member of the House who turns up on most lists of smartest or hardest-working members. A liberal, he bridges the gap between all factions with a quiet manner that gives no offense.

House Majority Leader Thomas P. O'Neill (D-Mass.) calls Adams "one of the most talented and hardest working members of Congress."

Rep. Richard Bolling (D-Mo.), a senior liberal who pushed Adams for the budget chair, said he had been impressed over the years by Adams' understanding of economics and a broadgauged national view.

A boyish-looking 48, Adams was born in Atlanta, Ga., but his family was blown west by the depression, stopping off in Iowa and Oregon before reaching Seattle when he was about 10.

He graduated with highest honors in economics from the University of Washington, where he was also student body president, then earned a law degree at Harvard.

In 1960, Adams helped organize support for John P. Kennedy in western Washington and the next year was appointed U.S. attorney there. He was elected to the House in the Democratic landslide of 1964 from the working man's district of south Seattle and adjoining suburbs.

In 1968, Adams was the first member of Congress to urge Robert F. Kennedy to run for President. That year he also became one of the very few members willing to say publicly that then Speaker John W. McCormack should step down; he felt Congress was doing nothing.

Adams would run for the Senate next year should Sen. Henry M. Jackson win the Democratic presidential nomination. He is married, has four children, plays a good game of tennis and alternates at third base and shortstop on the congressional Democrats' baseball team which regularly loses to the Republicans.

Adams voted for liberal proposals 10 years ago which now have grown into enormously expensive programs. But he said he felt a need to hold down spending in the late 1960s as soon as the great cost of the Vietnam war became apparent. Now he stresses the need for Democrats to continue in their role of helping people, but also to put a rein on spending which goes up and up without offering the nation any new services.

AMENDMENT TO H.R. 8603

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. JONES of Tennessee. Mr. Speaker, during last week's debate on the bill H.R.

8603, the Postal Reorganization Act Amendments of 1975, much debate centered around the amendment to that bill introduced by Mr. ALEXANDER, our colleague from Arkansas.

I supported his amendment during that debate and after having talked to postal employees since the vote on passage of the amendment last Thursday, I am more convinced than ever that my support for the Alexander amendment was correct. It was a needed addition to H.R. 8603.

Our postal service has become a maze of bureaucratic juggling and redtape and has fallen into the bad graces of public opinion. The bill that we passed will, hopefully, have a settling effect on the service that is the exclusive right of the U.S. Postal Service.

I am certain that more emphasis must be placed on the word "service" by that agency and the postal officials of this country have got to begin confronting that problem in order that all Americans are able to receive the quality of mail service that they have been accustomed to in years past.

THE ECONOMY OF THE FUTURE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. SARASIN. Mr. Speaker, the condition of our Nation's economy is one of the most important questions facing us today and will be for scmetime in the future. Projections on our future development have come from many sectors, and one bears special attention.

For the benefit of my colleagues who have not yet had the opportunity to peruse the Chase Econometric Associates' study, "The Next 10 Years: Inflation, Recession, and Capital Shortage," I am now offering it for their benefit:

THE NEXT 10 YEARS: INFLATION, RECESSION, AND CAPITAL SHORTAGE

Never before have the seeds of a major recession been so firmly implanted three years ahead of time. While other recessions have occasionally been predicted ahead of time the warning signs began to appear less than one year in advance. Yet this time economic planners are faced with the unique experience of preparing for the next recession even before the present one has officially been declared completed. This does not mean that another recession in 1978 is inevitable. However, time is running short. The policies which seem most likely to be followed by the executive, administrative, and legislative areas of the federal government lead directly to a collision course with economic growth and stability.

At first this conclusion may seem paradoxical since we are predicting a vigorous economic recovery through 1976 with real GNP increasing at an annual rate of almost seven percent during the next eighteen months. However, all is not well. There are several economic indicators signaling the extreme vulnerability of the economy. Unless action is taken to remedy the causes rather than the symptoms of this vulnerability, a continuation of the last ten year's boom/bust cycle seems inevitable.

Output/man-hour in the private sector increased at an average annual rate of 2.9 percent during the first twenty years of the postwar period, 1947–1966. For the next ten-year period, it has increased only 1.3 percent. Even if we take into account that 1975 is a recession year and that productivity should show a cyclical rebound we find the average annual increase over the twelve-year period, 1966–1977, will be only 1.8 percent. Furthermore, these figures are based upon official BLS estimates which appear to have overstated productivity growth in recent years. Correcting for what we believe to be errors in the published data, we find that productivity will have grown only 0.7 percent per year for the 1966–1977 period.

One reason for this low growth in productivity is that for the past ten years fiscal and monetary policies appear to have been directed almost exclusively at stimulating consumption while retarding investment. First, both private and public sector consumption was enlarged by fighting the war against poverty at home and against communism abroad. Then, the resulting overstimulation of the economy was curtailed, not through increased taxes but through inflation and tight money. When credit crunches failed to hold the rise in inflation, wage price controls were rushed into the void. These, too, encouraged consumption while reducing the motivation for investment. In 1974, the most massive restriction of credit during the postwar period was called upon to reduce the rate of inflation. As a result the United States experienced the longest and most severe of its postwar recessions, and a ten percent drop in real investment.

Another factor retarding the growth in productivity in recent years has been the slowdown of federal research an development expenditures. After its post-Sputnik peak in 1964 the percentage of GNP devoted to federal research and development expenditures has steadily dropped to the point where it is now slightly more than half of its former peak level. Studies by Chase Econometrics have shown that with long lags there is a direct link between federal research and development expenditures and the growth in productivity.

Other factors, the rapid growth of the labor force and a shift in the labor force from the manufacturing to the service industries, have also tended to reinforce the trend to lower productivity. Available evidence indicates that the importance of these two factors is small relative to that of the decline in invesment and research and development expenditures.

Since the percent change in prices is equal to the percent change in wages minus the percent change in productivity, the reduction in the growth of productivity is one of the important reasons we expect continued high rates of inflation. Prices are expected to continue rising by an average rate of seven to nine percent during the next six quarters. This high rate of inflation is the second symptom of extreme vulnerability in the economy. In addition to the slow growth in productivity the factors causing continued inflation include: higher farm prices; higher energy prices; higher industrial commodity prices; rising interest rates; environmental protection costs; fringe benefit increases; and rising wage demands.

This seven to nine percent inflation forecast is a crucial precursor of the eventual return to even higher levels of inflation in 1977 and 1978. First, it sets the stage for even higher wage increases when the economy begins to approach full capacity. Second, it leads to tighter monetary policies and higher interest rates, further reducing investment and exacerbating the capital shortage. Third, it shifts resources to the government sector leaving less private savings available to support a growth in capital goods.

The third symptom of the economy's vulnerability is the approaching capital shortage. Although we believe the economy will get through the current round of federal government financing and the initial growth phase of the recovery without serious distortions, by 1977 the problem will have become critical. The most severely affected industries will be rubber and plastic manufacturers, non-ferrous metals producers, transportation companies, and the public utiilties. Unless present policies are revised, it appears that there will be a serious shortfall in investment in these industries, leading to shortages and bottlenecks. This, of course, will lead to higher prices, scare buying, additional shortages, and even higher prices.

The major developments which lead us to conclude that financial constraints on investment will be a serious problem for companies in the industries are: the sharp reduction in the ratio of internal liquidity to investment needs; the increased cost of debt financing; the collapse of the equity markets; and an expected shortage of bank liquidity. The 1973–1975 experience has seriously weakened the balance sheets of much of the banking system. Since the 1976 recovery will be too brief to allow the banks to bring their balance sheets fully back in order, they will have even more difficulty meeting their customers' credit needs during the next recession. Thus, some of the businesses which barely survived the 1974–1976 financial crunch may face bankruptcy during the next one.

The sequence of events outlined above is certainly not inevitable. The 1976 boom could be followed by a soft landing rather than a recession. All that is needed for this to occur is a commitment to follow evenhanded fiscal and monetary policies rather than to declare a "war" on inflation in 1977 and 1978. As long as this is done, investment will be sufficient to avoid the worst of the potential problems. Unfortunately, these policies would not be sufficient to eliminate all of the anticipated trouble spots nor to prevent the reoccuring boom/bust cycles. To do this, policy changes must be larger and more immediate. The purpose of these policies would be to spur investment and productivity, for only by increasing productivity can we lower the rate of inflation and return to the path of economic stability. The amount of additional investment required to subdue the boom/bust cycle through 1984 would be substantial, approximately $400 billion dollars.

BILL TO AUTHORIZE ADDITIONAL SERVICES FOR PASSENGERS OF INTRASTATE AIR CARRIERS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ANDERSON of California. Mr. Speaker, on behalf of myself, and Congressmen DON H. CLAUSEN, MINETA, GOLDWATER, and JOHNSON of California; I am today introducing a bill to make it possible for a passenger on an intrastate air carrier, who wishes to connect to an interstate carrier to purchase a through ticket and to obtain through service for his baggage. Under present law, a passenger who uses an intrastate and then an interstate carrier must purchase separate tickets and carry his own baggage between the two flights. This is a considerable, and in my judgment an unnecessary, inconvenience for passengers.

Under existing law the sale of through tickets is considered interstate transportation which must be authorized by the

Civil Aeronautics Board. One intrastate carrier, Pacific Southwest Airlines, has asked the CAB for this authority, but its applications have been denied or dismissed. My bill would require the CAB to grant through ticketing and baggage authority to intrastate carriers which wished to provide this service. The bill would not require any changes in the fares charged to intrastate passengers. These fares would continue to be regulated by State authorities.

THE RIGHT REVEREND MONSIGNOR MATTHEW THOMPSON

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BROWN of California. Mr. Speaker, in just a few days, on November 9, one of the communities in California's 36th Congressional District will be holding a very special celebration. The people of Corona have chosen this particular Sunday to honor the Right Reverend Monsignor Matthew J. Thompson for his outstanding contributions to their community during the 32½ years in which he has served as pastor of St. Edward's Catholic Church.

With his distinctive white hair, ready sense of humor, and strong Irish brogue, Monsignor Thompson calls to mind a bit of the image of Barry Fitzgerald in the 1944 Oscar-winning movie, "Going My Way."

The instantly recognizable Irish accent stems from the fact that Matt Thompson spent the first 17 years of his life on the Emerald Isle; and the snow-white hair might be expected to crown the head of a gentleman who is 70 years young. Where that sense of humor comes from, God only knows.

When Paramount released "Going My Way," Father Thompson had already been pastor of St. Edward's for a year. The church was located in a small stone structure at West Sixth and Merrill when he arrived on May 18, 1943. Under his leadership, the congregation of St. Edward's has subsequently constructed a new church which holds more than twice as many people as the old one—they have still found it necessary to triple the number of Sunday masses to accommodate the ever-growing congregation, which today is larger than was the entire population of Corona when Father Thompson arrived—and also built a parochial school, which saves Corona taxpayers several hundred thousand dollars in education expenses every year. Were it not for St. Edward's Catholic School, local taxpayers would have to foot the bill for educating the school's students.

Monsignor Thompson—he attained the title in 1953, and describes it as something similar to the geometric definition of a point: "one who has position but no magnitude"—was already an experienced priest when he came to Corona back in the middle of World War II. He was ordained on June 9, 1928 in St. Patrick's Cathedral in Rochester, N.Y., after spending the immediately preceding 5 years at St. Bernard's Seminary in Rochester, a year before that at St. Patrick's Seminary in Menlo Park, Calif., and 2 years before that at St. Mel's College in Longford, Ireland, where he was born on January 14, 1905.

Following his ordination, Father Thompson spent 15 years in various communities all over southern California before settling down in Corona. He served as assistant pastor at two Los Angeles churches and one San Diego church before he became pastor of his own church for the first time at Our Lady of Guadalupe in Calexico in 1937. He learned to speak Spanish and guided the construction of a new church during his 2 years in the Mexican-border town, and then was assigned to another church in San Diego, where he also took on the editorship of the diocesan newspaper, The Southern Cross. His last assignment before finding his permanent home in Corona was at a mountain church in the San Bernardino County community of Big Bear.

Mr. Speaker, Monsignor Thompson's contributions to Corona only begin with the construction of the new church and school to which I referred earlier. Local judges and attorneys know him well, not only in juvenile court, but also in the other courts, where judges have often paroled adults in trouble into his custody. Observing gross discrimination against Mexican-Americans when he first arrived in Corona in the late 1940's Father Thompson became involved in an effort to encourage all of Corona's residents to register to vote. Mexican-American voter registration grew from 15 qualified voters up to 750 voters—a 50-fold increase—by the time the registration drive was completed. "They all got out and exercised their right and a lot of the discrimination disappeared," as the good father recalls it.

Less than 8 years ago St. Edward's constructed a parish hall, which the church makes available for community use. At one time this hall was used by the local Jewish congregation for services and Hebrew school, and it has also been used to house Head Start classes, among other things.

Mr. Speaker, I could go on at some length about Monsignor Thompson and the activities of St. Edward's Church under his leadership, but I realize that we are under time limitations here today. Let me therefore close by expressing my intention to express not only my own best wishes, but also—unless someone contacts me before Sunday to object—the best wishes of every Member of Congress here today to this outstanding citizen of Corona. We join in wishing the Right Reverend Monsignor Matthew J. Thompson many more years—no, make that many more decades—of continuing service in and love from the community of Corona.

ALTERNATIVES TO HIGH-COST ENERGY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BONKER. Mr. Speaker, there is little question that the 1970's is the decade of the energy crisis. It is a crisis that must be addressed at the National, State, and local levels.

Recently, a distinguished Seattle attorney, Marvin Durning, addressed himself to this subject in a statement released in Seattle. He quoted recent information from the Environmental Protection Agency that certain European countries use 40 to 50 percent less per capita energy than the United States while enjoying a higher per capita income, and that 30 percent of American energy consumption could be eliminated without significantly affecting lifestyles or reducing industrial output.

Mr. Durning also poses some serious questions about the desirability of nuclear power as an energy alternative. Without getting into the safety and health issues, he voices concern over the tremendous cost of building and operating nuclear powerplants. He further challenges us to develop in the energy field "tough-minded, independent estimates and forecasts," before making further investment decisions and imposing additional costs on the consumers.

Mr. Speaker, this is an appropriate and timely message not only for the citizens of the State of Washington, but for those who must confront this issue at the national level. I insert Mr. Durning's statement in the CONGRESSIONAL RECORD at this point:

STATEMENT OF MARVIN B. DURNING ON STATE ENERGY POLICY

For about three years Washingtonians, like other Americans, have been caught up in a maelstrom of energy events. 1973 was a low water year in our area, bringing a natural, but temporary, shortfall in the Northwest's massive hydroelectric system. The next two years saw the Arab oil embargo, long lines at gasoline stations, doubling of fuel prices, mounting supertanker and nuclear power controversies, reduction of Canadian petroleum and natural gas supplies, and construction of the Alaska pipeline.

The problems are real—they, and more importantly, the responses we make to them, will affect every citizen—in our jobs, the cost of heating our homes and driving our cars, the protection of our fisheries, forests, and waters, perhaps even the safety of ourselves and future generations.

So far, however, we have seen mostly a war of words, not action to find solutions in the public interest. Spokesmen for the electric power industry, for example, insistently urge our immediate agreement to a giant program of nuclear and coal-fired generating plants. Don Hodel, Bonneville Power administrator, recently said that the firm energy requirements of the Pacific Northwest will more than double over the next twenty years, with nine-tenths of the added energy to come from nuclear or coal-fired plants. To build this addition capacity Hodel spoke of constructing thirteen large coal-fired and nuclear plants with a total capacity of 14,000 megawatts over the next ten years alone. Presumably additional hydro dams would also be built on our rivers and streams, and yet a second wave of giant plants would be built in the second decade.

Critics, on the other hand, point to "grave potential hazards" of nuclear plants and call for energy conservation, and less damaging alternate sources. There are eminent scientists speaking both for and against our large scale commitment to nuclear power development. It is not at all clear, moreover, that the enormous amount of energy we use in the United States is really needed to maintain our standard of living. According to recent information from the Federal Energy Administration, three nations, West Germany, Sweden, and Denmark, have higher per capita incomes than the United States. Yet, each of these uses only 40 to 50 percent of the per capita energy we use. The fact is a compelling one—using less than half as much energy per capita, they have achieved higher per capita income. Project Independence studies show that about 30 percent of our American consumption could be eliminated without significantly affecting life styles or reducing industrial output. That is, by simply improving efficiency through cost-effective substitutions of labor, time, material, or capital. It is technically, economically, and environmentally feasible, for example, to reduce the energy consumption of new homes by over 35 percent and of new office buildings by over 65 percent.

The public is increasingly concerned and increasingly confused by the escalating war of words. Instead of calling names, we should be hard at work together getting believable information from independent sources as to our energy resources and needs. We should then make decisions in the public interest—not the private interest—and with full public participation.

The stakes are very high. Not meeting our *true* energy needs could bring unemployment, brown-outs, and set-backs to our entire economy. But overreacting could be equally dangerous.

How much would the program presented by Mr. Hodel cost? No one knows for sure, but even at today's prices, without inflation, a nuclear power plant of 1,000 megawatts costs about one billion dollars, or about 15 billion dollars for thirteen plants, plus transmission lines, etc., over the next ten or twelve years. Allowing for inflation at the conservative rate of about 6 percent per year, this cost estimate goes to 20 billion dollars over the decade, or an average of two billion dollars per year. The $15 billion cost at current prices is $4 million per day. The $20 billion cost, reflecting inflation, amounts to more than $5 million per day. $20 billion is far more than—perhaps three times more then—the cost of building our entire state highway system, and all of it is to be raised from electricity users in the Northwest.

How high would our electricity rates go? Nobody knows. Our current hydropower costs about 3 mills per kilowatt hour. Current estimates of power from new nuclear plants is 16 to 20 mills per kilowatt hour. Nobody knows what such a construction program would mean to the average family in the Northwest, but we *must* know *before* we commit our citizens to such a multi-billion dollar construction program. We must be certain that needed facilities are built, but equally certain that facilities built are really needed.

Where would we get the capital for such a program? No one knows how such funds can be raised, or whether they can be raised without crippling other needed capital investment. The $20 billion for the Northwest in the next decade is equal to about 25 percent of the capital requirements of Washington State over the same time period. We must be certain that there is capital to expand and improve our agriculture, our businesses, to construct new homes, transportation systems, and other needed facilities. Energy facilities cannot be allowed to cripple all other needs in the state.

Can the energy industry's own profit-oriented judgment be relied upon alone? All too often an industry has rushed into programs only to suffer disaster when the estimates were wrong. Air travel estimates in the mid-60's exaggerated the growth of air travel, leading to overexpansion at Boeing, Lockheed, and other aircraft manufacturers with results from which we are still suffering. Within the past week, we have learned of possible financial disaster facing a major firm in the nuclear industry. According to industry reports, the Westinghouse corporation, anxious to sell nuclear reactors, contracted with its purchasers to supply them basic materials for nuclear fuel at $8 per pound for the life of the reactors. Prices for nuclear fuel have risen rapidly in the recent past, and it is estimated that it will cost Westinghouse 20 to 30 dollars per pound to meet its obligations. With contracts out for more than 60 million pounds of nuclear fuel, Westinghouse faces losses of one to two billion dollars, or more. The prices of both nuclear reactors and fuel have been rising rapidly, far exceeding industry estimates. The public—already no stranger to poor estimating in domed stadiums, airports and highways, must not be saddled with giant rate increases to bail out industry errors. In the energy field especially we need tough-minded, independent estimates and forecasts, for the industry is a monopoly and the private sector of it makes relatively fixed percentage returns on its investment in plant and equipment. The more invested, the more energy sales promoted, the more profit.

Energy conservation is much less costly than construction and may produce more jobs and economic benefits as well. One billion dollars made available to Washington homeowners to insulate their homes, for example, instead of constructing one additional nuclear power plant, could save vast amounts of energy now wasted, and provide almost 20,000 new construction jobs. Moreover, the money could be paid back on a three to five year cycle and made available for use again.

The economic, social, and environmental consequences of energy policy are critical to Washington's future. We need a Washington State policy adopted in the public interest to conserve energy, insure adequate power supplies, and to protect both our jobs and our high-quality environment.

Forty-one states have energy organizations. On the West Coast only Washington State is still drifting along with no state government energy organization or policy. California has enacted an Energy Resources Conservation and Development Act and is underway to conserve energy and expedite new facilities where they are needed. Oregon has just enacted an energy policy to get needed independent information, conserve energy, and protect its public interest; but Washington citizens have nothing.

In California the new Energy Resources Conservation and Development Commission unites energy planning, research and development functions, and provides the necessary tie between energy conservation policy and construction of power facilities. The California Commission is made up of five technically competent persons with strict conflict of interest provisions insuring their independence from the utility industry and the impartiality of their work. Financed by a surcharge on electric power of one-tenth mill ($0.0001) per Kilowatt hour of electricity sold (58 cents per year to the average California residential customer) the surcharge provides adequate funds for the Commission to carry out its functions. (a) an independent analysis of energy supply and demand and regular forecasting of 20-year energy trends; (b) a research and development program into new and improved energy sources including solar and geothermal energy, as well as methods of reducing adverse environmental impacts from energy development and eliminating energy waste; (c) promulgation of minimum standards for lighting systems, climate control systems, appliances, buildings designs, insulation, and construction standards, all to conserve energy and save the consumer money; (d) study of the effects of varying rate schedules on energy consumption (e.g., charging more, not less, per unit for large users) and recommending changes to the California Public Utilities Commission; (e) shortening lead times for approval of power facilities; (f) emergency planning to meet short-term, temporary shortages which might occur. In addition, the California law designates the Commission as the lead agency for reviewing environmental impacts of energy facilities and requires all impact statements to include consideration of energy conservation.

In Oregon a similar bill, declaring an Oregon energy policy and creating a Department of Energy to carry it out has been enacted this year by the Legislature. The Oregon law deals with many of the same functions as the California statute and goes beyond the California law in some respects.

The time is long overdue for all parties in Washington—the electric industry, the environmental movement, business and labor groups—to end the war of words and take action in the public interest. If elected Governor I shall propose legislation at once, drawing on the best features of the California and Oregon laws, and shaping them to Washington's particular needs. We must have a technically qualified group, independent of the utility industry and guarded from conflicts of interest, to get us believable information on our energy sources, our needs, and our alternatives for meeting them.

With believable independent information, and widespread citizen debate, we can make decisions in the total public interest, meeting our goals—while protecting our jobs, our environment, and our pocketbooks against runaway costs, energy waste, and extravagant construction.

HATTIE B. BOWIE HONORED FOR SERVICE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. LAGOMARSINO. Mr. Speaker, the cities of our Nation would be hard-put to carry out their local government responsibilities if it were not for dedicated public officials such as Hattie Bowie, city clerk of Ojai, Calif.

I have been a city councilman and then mayor of the city of Ojai, and it was Hattie Bowie, who was then deputy city clerk, who made my tenure enjoyable and fulfilling. She was not only competent and dedicated; she had no equal in the performance of her duties. Councilmen throughout the intervening years all agree there was never anyone who needed Hattie's assistance who went away unassisted or unhappy.

Hattie Bowie retired November 1, 1975, after 25 years of service to her city, and I know she will reflect with satisfaction on those years during which Ojai was growing up. She served with honor and distinction not only as deputy city clerk and city clerk but also twice as acting city manager. She will be missed.

I am certainly proud to be able to say that Hattie Bowie is a personal friend of mine, and I ask the House to join with me in extending congratulations to Hattie and best wishes for a happy and productive retirement.

ARAB BOYCOTT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ROSENTHAL. Mr. Speaker, the Arab government boycott continues to exert heavy pressure upon U.S. companies and Government agencies, exhorting them to violate the basic constitutional rights of U.S. citizens and to disregard our country's stated policy of free trade.

Administration claims that it is enforcing the law are belied by the apparent unconcern of the Department of Commerce with basic civil rights and the policy intent of the Export Administration Act of 1969.

This act provides:

> It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States. . . ."

Yet, despite this clear mandate to oppose U.S. industry cooperation with restrictive boycotts, the Department of Commerce appears to encourage such business participation. It does this by distributing bid invitations or "tenders" containing restrictive trade and boycott provisions directed against nations—Israel—friendly to the United States.

The Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, of which I am chairman, in its oversight of the Department of Commerce is investigating these practices of the Department. In this connection, I have sent the following letter to Secretary Rogers Morton of the Department of Commerce.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 29, 1975.

Hon. ROGERS C. B. MORTON,
Secretary, Department of Commerce, Washington, D.C.

DEAR MR. SECRETARY: The Subcommittee on Commerce, Consumer and Monetary Affairs, in carrying out its congressional responsibility to oversee the operations of the Department of Commerce, desires answers to the following questions:

1. Is it the policy position of the Department of Commerce that it would not be a violation of U.S. civil rights laws to agree with an Arab demand to discriminate against either (a) Jews, (b) Blacks, or (c) women in choosing personnel for a U.S. Government foreign trade exhibit or mission?

2. Does the Department refuse to comply with Arab (governmental or other demands) that would lead to what can be construed as acts of discrimination against U.S. citizens—(a) Jews, (b) Blacks, or (c) women?

3. Is it the policy position of the Department of Commerce that it would not be violating U.S. civil rights laws by allowing an American trade association, company or business to agree with an Arab demand to discriminate against either (a) Jews, (b) Blacks, or (c) women in choosing personnel for a U.S. Government-sponsored foreign trade exhibit or mission?

4. Is it the policy of the Department of Commerce that Congress would be "ill-advised" to forbid companies from complying with boycott requests because businessmen should be free to choose between selling to Arabs or to Israel, if they must choose? (Statement in a Wall Street Journal article, March 14, 1975, attributed to Charles Hosteler, a Department of Commerce official.)

5. On October 20 the Egyptian state news agency, MENA, announced under a Cairo dateline that "Muhammad Ahmad Muhjud, Commissioner General of the Arab Boycott Office under the Arab League has stated that the Boycott Office has received a request from the U.S. Ford Company to be removed from the blacklist. The Commissioner General added that the Office has asked the company to present documents proving that it has ended its dealing with Israel so that the case can be studied. It is known that the Arab Boycott Office has for some years placed the Ford Company on the blacklist because of its trade relations with Israel."

a. Has the Ford Motor Company reported Arab boycott requests to the Department of Commerce?

b. Kindly provide the Subcommittee with copies of all Department of Commerce memoranda and documents relating to Arab boycott requests made of the Ford Motor Company.

c. Please provide a statement of the Department's position and action steps regarding this news release.

6. On October 19, 1975, the Jordanian state news agency announced that "in implementation of the provisions of the 'unified' law on boycotting Israel, the Jordanian finance and customs minister has issued a decision banning dealings with 16 foreign companies because it has been established that they have dealings with Israel. The decision affects eight American, two Indian and one each Venezuelan, Cypriot, Australian, Swiss, British and Japanese companies."

a. Kindly identify the eight American companies referred to which have been blacklisted by Jordan.

b. Kindly provide the Subcommittee with copies of all Department of Commerce memoranda and documents relating to the boycott blacklisting and boycott requests by Jordan.

c. Please provide a statement of the Department's position and action steps regarding this news release.

Your prompt attention to this request would be gratefully appreciated.

Sincerely yours,
BENJAMIN S. ROSENTHAL,
Chairman.

GIVE US JOBS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. HAWKINS. Mr. Speaker, on October 11, 1975, the Norfolk Journal and Guide newspaper published an editorial supportive of H.R. 50—the Equal Opportunity and Full Employment Act of which HENRY REUSS and I are the principal sponsors along with 109 other cosponsors in the House. The editorial is appropriately entitled, "Give Us Jobs!"

Certainly this is the cry which is being echoed throughout the Nation from the voices of the millions who are currently suffering from the immoral, degrading and shameful condition of joblessness—the ever lingering eyesore bleeding our society today. No degree of compromise on this issue, either on the part of the victims of unemployment or those of us deeply concerned about this vexing problem, will take place in this crisis until joblessness is no longer a major American problem.

This editorial joins others in asking that Congress pass this vital legislation which incorporates as a statutory provision the right to employment, to every adult American willing and able to work at fair and equitable rates of compensation.

Mr. Speaker, I would like to submit the text of this excellent editorial for the RECORD. The text is as follows:

GIVE US JOBS!

Congressman Augustus F. Hawkins, D-Calif., is sponsor of the Equal Opportunity and Full Employment Act, H.R. 50 to guarantee a job to every adult American who is able and willing to work. The bill must first be considered by the Education and Labor Committee.

A companion bill, S. 50, has been introduced by Hubert Humphrey in the Senate.

Mr. Hawkins' bill has 109 cosponsors in the House of Representatives. It is likely to get the support of members of Congress who see the need for changes in the welfare system and a viable program to deal with widespread unemployment.

H.R. 50, or legislation of a similar nature, is sorely needed to give relief to Black Americans who can't find jobs. Mr. Hawkins says' "It is my firm belief that this legislation, if passed, will greatly benefit the lives of many Black Americans, along with other minority groups who are now bearing a disproportionate share of the unemployment and underemployment burden."

Supporters of H.R. 50 plan soon to complete the preliminaries for presenting the bill to the full Education and Labor Committee. Assistance will be needed at this point not only from members of Congress, but most of all from voters who should support members of Congress in their efforts for their constituents.

The passage of H.R. 50 would broaden the base for legal action on job discrimination in case blacks didn't benefit from the availability of work as other groups in the population. The lack of jobs plus job discrimination must be faced by blacks during good times and bad times. Since Blacks are usually the last hired and the first fired no matter what is the state of the economy, it is in their interest if the federal government would maintain a job security program such as H.R. 50 proposes.

Black voters throughout the United States should join white voters in support of H.R. 50, or some national legislation of similar nature; to guarantee jobs for all adult Americans able and willing to work. Letters should be written to Congressman Hawkins and others in support of this legislation. H.R. 50 promises a positive step forward in the nation's efforts to erase tragic unemployment. If Congress does not pass it the consequences will be frightening to contemplate.

HENRY J. HOHENSTEIN NEWSLETTER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. SYMMS. Mr. Speaker, the issue of defaulting New York City bonds did not originate in my congressional district. Nevertheless, it appears that my constituents will be asked to foot the bills for the years of mismanagement in that city if some voices in this Congress prevail.

Some thoughtful pieces have been written about the New York predicament. One is authored by my friend in Hermosa Beach, Calif., Henry J. Hohenstein. At this point, I would like to enter his newsletter discussing the "morality" of the issue:

HENRY J. HOHENSTEIN NEWSLETTER

"The ultimate immorality" were the words used by New York Governor Hugh Carey to describe the federal government's seeming unwillingness to come to the aid of financially beleaguered New York City. He also warned that New York City, having barely weathered an October crisis, would again face default in December unless the House & Senate could have a loan guarantee bill on the President's desk by early November. Using "the sky is falling" tactics of Chicken Little, Governor Carey also predicted default for New York State should NYC go "belly up."

This letter will not regurgitate that which has been given wide coverage by the national media, but focus on what is "the ultimate immorality." Since there is no uniformly held definition of morality or its antithesis immorality, it is impossible to determine that which is ultimate. However, one thing is certain; non-action, however reprehensible, can never be as immoral as action. For example, one who murders is more immoral than one who fails to interfere to prevent the action of a murderer. Neither, by his act or nonact, gains esteem, but one must judge which is immoral.

The English philosopher John Locke insisted that men's property could not be taken away without their consent because property was the source of life and liberty. It follows from Locke's reasoning that an act which takes away property without consent is immoral because of its implicit denial of life. The wisdom of Locke's premise is demonstrated in the NYC dilemma. The solution to this dilemma is to let the political leaders who led NYC into its plight lead it out. The solution is not a spreading of NYC's deficit throughout the U.S. Such a distribution would establish a precedent for other cities and states caught in the throes of fiscal irresponsibility to spread their debt throughout the U.S. which could cause the fiscal collapse of the federal government. Such an event could be the "ultimate immorality" a government could inflict on its citizens.

With all the coverage given NYC have you noticed how little coverage is given to the actions responsible for the current situation? Occasionally one will be exposed to such phrases as sloppy management, excessive labor contracts, runaway pension obligations, and cascading debt. We also hear about irresponsible budget practices and fiscal sleight of hand. One must wonder if these are not euphemisms for indictable offenses. It would appear that both the District Attorney's office and the Justice Department should be conducting investigations for possible criminal acts. Or are the responsible parties those who apathetically shrug, "You can't fight City Hall." The fatal flaw which has trapped NYC is the failure to realize that no government at any level has any wealth except that which it has taken from the people under its control. Governments are collectors and dispensers, not creators of wealth; and as such, are not endless cornucopias. NYC could have avoided the trap because this fiscal calamity did not appear suddenly one morning on the steps of Gracie Mansion; it has been coming for a long time. In fact, it began with the first taking of a person's property without his consent. The citizens have been lulled into compliance by political gradualism nibbling away at their pocketbooks, their liberties, and their lives. A teacher once said, "There is no such thing as a little theft."

With that thought let me remind you that April 15th is five and a half months away. However, you only have 60 days to do anything about keeping as much of what you've earned as possible. Every year people complain that they paid too much income tax. Obviously, tax planning thoughout the year is preferable, but you still have time to act. The usual year-end stampede for tax shelters will run into a barbed wire fence hastily thrown up by the House Ways & Means Committee. Termination dates for various shelters have already been selected, regardless of when approval is given. Any tax-saving action which ignores these dates is a gamble.

Here are some examples which affect real estate. Prepaid interest will be disallowed after September 16, 1975. Cash basis taxpayers will be allowed to deduct interest, only in the period to which it relates. Points paid to secure a loan, usually at a lower interest rate, would be deducted over the term of the loan, except in the case of the taxpayer's principal residence. The treatment of variable interest rates is still undergoing examination. Retroactive allocations of income and deductions to new members of a partnership would end. The proposed plan is to allow partners only that income or deduction earned while a member of the partnership. Special allocations will be tightened. Translated this means "the Service" (Isn't that a euphemism.) is not sure what position to hold and will decide on a case by case basis.

Essentially, the proposal is to allow partners to share income, loss, deduction, or credit in the same proportion as income is allocated or in proportion to their capital contribution. The revised rules on partnerships will also drastically limit the additional first year depreciation at the partnership level. The requirement to capitalize organization and syndication fees is presumed in this legislation rather than allowing those fees to be deducted in the year of organization. These changes would become effective with taxable years beginning after the 31st of December, 1975. Therefore, there is still time to beat the deadline, but make certain it is a good investment. The eradication of the tax sheltering advantages of apartment ownership will slow down new construction of larger apartment complexes. Vacancy rates will decline and rents will rise. 1976 could be the year of big rent jumps. If you are considering such shelters as oil and gas, farm operations, equipment leasing, movies, or professional sport franchises, check with your accountant for the current status. Some are already closed and the others will be significantly modified as of the end of this year.

But what about the bulk of the taxpayers whose income is derived from salary or wages and for whom little tax break legislation is ever written? They have carried the bulk of the tax burden in the U.S. How do they protect what is morally theirs? I feel constrained writing about tax shelters, but more so as I try to construct a tight guideline for reducing one's tax burden, especially if one is earning $5,000 to $30,000 annually. So let me tell you what I think. Millions of people in this country feel there is something wrong about the income tax, but they cannot identify it. They also feel there is something wrong with how all that money is spent.

It all seems so distant, so unbeatable, so unfair, and they want to fight it, but the odds seem hopeless. They see a big chunk taken out of their paychecks weekly; they are writing another check to settle the "account" each April; or they are going through a lot of work, time, and expense to get the government to give back their own money. So most people knuckle under in abject despair, shrug their shoulders, pay their "dues," and get on about their business. They they remember, "Wow, this is a participatory democracy! I can vote and change all this." So they go to the polls and who do they discover will be waiting for them but Tweedle Dee and Tweedle Dum. Well, that's no choice so in abject despair they shrug their shoulders and get on about their business.

Well, folks, if you are knocking down $5,000 to $30,000 gross annually, you are caught in the biggest game in town. It is a Ponzi scheme of the highest order with only slight modifications. Let me explain a Ponzi scheme. Ponzi persuaded numerous people to invest with him in ventures which would yield them a fabulous return on their money. Some guys invested, and Ponzi used the money to spark up his own image. As others began to invest, Ponzi used the second round investors' money to pay a return to the first round of investors, deducting his overhead, of course. Word spread like wild fire about the financial wizardry of Ponzi. People rushed to Ponzi to give him their money so they too could gain instant wealth, but Ponzi knew and others found out, the bubble has to burst sometime. And that's the Income Tax game with one subtle difference—Ponzi did not wear a gun. Let's leave this month on an upbeat. Remember it is a game—it is you and your money against those who have other plans for it. But they have written a rule book which gives you options limited only by the scope of your imagination. As with any game, you can derive great pleasure when playing with enthusiasm and great joy when you win. And you can!

CONGRESSMAN CHARLES J. CARNEY SENDS NEWSLETTER ON THE WORK ACCOMPLISHED BY THE 94TH CONGRESS

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. CARNEY. Mr. Speaker, this week, I am sending a newsletter to my constituents in the 19th Ohio District on the work accomplished by the 94th Congress to date. My newsletter pays particular attention to the legislative efforts we have taken to improve the economy and to make our country independent of foreign energy supplies. I am inserting a copy of my newsletter in the RECORD at this time for the information and consideration of my colleagues in the U.S. Congress:

CONGRESSMAN CHARLES J. CARNEY REPORTS FROM WASHINGTON

Dear Friend: I would like to report to you on the work accomplished by the 94th Congress to date.

Much has been said about the conflict between the President and the Congress. However, the 94th Congress has not allowed disagreement with the Administration to lapse into stalemate. Congress has completed action on a comprehensive package of job stimulating programs including public service jobs, small business loans, and summer youth jobs. The economic upsurge we are beginning to experience is directly attributable to the Congressional tax-cut that put money back into people's pockets. This was the first step toward restoration of confidence in the economy.

However, a solution to the twin problems of inflation and high unemployment can only be achieved by our country's long-term independence of foreign energy supplies.

ENERGY INDEPENDENCE

While there appears to be no immediate shortage of gasoline or other fuels, energy independence is the most important issue facing America today. The quadrupling of oil prices during the 1972 oil embargo has been a major cause of our country's recession. At present rates of consumption, we will be dependent on foreign sources for 50 percent of our petroleum needs by 1980, leaving America to the political whims of foreign governments. To counteract this situation, the House of Representatives has passed a number of bills that are designed to form a comprehensive energy plan. These bills are as follows:

The Emergency Petroleum Allocation Act: This Act maintains the present price controls on "old oil" at $5.25 per barrel, and thus prevents it from selling at the world price of $13 per barrel. ("Old oil" is oil which was discovered and under production before 1972). These controls will be in effect until November 15, 1975, by which time it is expected that agreement on a comprehensive energy package will be reached. (Now Public Law)

Energy Conservation and Oil Policy Act of 1975: This Act would establish a uniform $7.50 per barrel price for all American oil, well below the current price of $13 per barrel for "new" domestic oil. ("New oil" is oil which was discovered after 1972). It also calls for a freeze on gasoline consumption at 1973–1974 levels, incentives for industries to convert from natural gas to coal, and standby gasoline rationing authority for the President, after Congressional approval.

Naval petroleum reserves: This legislation provides for the establishment of a one-billion barrel petroleum reserve. In addition, it allows for the public use of oil and natural gas from naval petroleum reserves. This measure will help guard against future foreign oil embargoes. (Now in the Senate)

Energy research and development authorizations: This bill provides $5 billion for research and development of alternative sources of energy including geothermal, solar, hydrogen fusion, fossil, wind, and tidal power sources. (Now in the Senate)

Energy Conservation and Conversion Act: If signed into law, this Act would impose oil import quotas, establish mandatory fuel economy standards for new cars, and place an excise tax on the industrial use of oil and natural gas. (Now in the Senate)

Against this record of Congressional initiatives, President Ford has imposed a $2 per barrel tariff on imported oil, and has proposed the decontrol of prices on domestic oil and natural gas. All of these Presidential actions would result in much higher energy bills for the American consumer. The President continues to rely on substantial price increases as the only means of conserving energy.

For example, under the President's plan to deregulate natural gas, the Library of Congress estimates that the price of 1,000 cubic feet of natural gas would rise to an average of $2.00 from its present selling price of 52¢. The projected cost to American consumers of the deregulation of natural gas would be $17 Billion per year. The President's entire energy package would cost the American family of four an average $1,000 more per year in higher energy prices, and could only result in even greater windfall profits for the oil and gas industry.

THE ECONOMY

Congress is deeply concerned over the persistent, high level of unemployment throughout the country. A major Congressional initiative was an emergency employment appropriation of $5.3 Billion, designed to create 1.6 million jobs in a variety of public and private sector activities. The President vetoed this bill.

As a compromise, Congress later passed a $473 million bill which resulted in 840,000 jobs for young people this past summer. In addition, Congress passed a scaled-down appropriation of $2.4 Billion for the creation of 310,000 public service jobs, 50,000 public works jobs, and 13,000 jobs for older Americans. Both of these bills were signed into law by the President.

Congress also enacted the "Emergency Housing Act", which would have created a program of mortgage assistance for the unemployed. However, the President vetoed this bill on June 24, 1975. Two days later, Congress passed a scaled-down version of this bill which the President then signed into law. This law provides loans of up to $250 a month for two years to jobless homeowners who are unable to meet their mortgage payments. It also allows for the purchase of mortgage loans at below market interest rates as a way of stimulating the construction of 400,000 new homes for middle-income families. This provision is expected to create thousands of jobs in the depressed housing industry.

Other major economic measures passed by Congress include:

Unemployment benefits: This legislation continues the program of extended unemployment compensation benefits for 65 weeks for covered workers, and 39 weeks of unemployment benefits for persons who are not covered by regular federal-state plans. (Now Public Law)

Railroad Unemployment Insurance Act amendments: This new law increases unemployment and sickness benefits for railroad workers from the present $12.70 per day to a $24 per day maximum. (Now Public Law)

Local Public Works Act of 1975: Awaiting final action is legislation authorizing $5 billion for the construction and repair of public buildings and facilities around the country. These projects would create approximately 200,000 jobs.

PRESIDENT FORD'S TAX-CUT PROPOSALS

On October 6, 1975, President Ford announced his proposal to reduce taxes by $28 Billion, provided that Congress reduce federal programs by an equal amount.

The President's proposal is political in that it would reduce taxes before the 1976 presidential election, while the massive cut-backs in federal programs would not be felt until after the election. Moreover, these tax cuts would favor wealthy individuals and large corporations, but provide very little tax relief for hard-pressed, middle-income people.

To finance his tax-cut proposals, President Ford has proposed an equal $28 Billion reduction in key federal programs. If his past vetoes of legislation passed by Congress are any guide to the future, we can expect widespread reductions in such areas as Social Security benefits, veterans' pensions, food stamps, child nutrition, health services, education, and public employment programs. Left untouched would be the defense and foreign aid budgets.

As your Congressman, I will continue to vote to eliminate unnecessary foreign aid and military spending, as well as any other waste of the taxpayers' money. However, I will continue to support legislation which helps the poor, the elderly, the unemployed, the handicapped, and provides funds for much-needed health and education programs.

SERVICE TO MY CONSTITUENTS

My staff and I are always ready to serve the citizens of the 19th Congressional District in every possible way. There are two full-time district offices for this purpose. One is located at 1008 Wick Building in Youngstown (tel. no. 746–8071, ext. 3345), for the residents of Mahoning County. The other is located in Room 17 of the Post Office Building at 201 High Street, N.E., in Warren (tel. no. 399–5725), for the residents of Trumbull County. In addition, there is a part-time district office in the basement of the Post Office Building, 43 W. Park Avenue, in Niles (tel. no. 652–9079), for residents of that area. The Niles office is open Monday, Wednesday, and Friday from 1:00 p.m. to 4:00 p.m.

As a result of the "Privacy Act of 1974," an important change has been made in the way constituent services are performed. In December, 1974, Congress passed, and the President signed, the "Privacy Act of 1974," Public Law 93–579. The purpose of this law is to protect the individual against invasions of privacy by the Federal Government.

A key provision of the "Privacy Act" prohibits Federal agencies and departments from disclosing the records of any person without a written request by, or the prior written consent of, the person to whom the records pertain. I, therefore, cannot intervene on behalf of a person who has a problem with the Federal Government unless and until that person: 1) formally requests my assistance in writing, and 2) gives me written permission to obtain the information necessary to process his or her request for assistance.

For example, the Department of Defense has advised me that it will not be able to furnish a comprehensive reply to an inquiry in behalf of a serviceman without a written authorization for release of personal or confidential information signed by the serviceman himself. The Veterans Administration also has informed me that the V.A. will be unable to furnish a meaningful response to my inquiry in behalf of a constituent without a letter from that constituent requesting my assistance.

I believe that the "Privacy Act of 1974" is a good law, and I urge all residents of the 19th Congressional District to cooperate with me in compliance with it.

If you ever have a problem involving the Federal Government, or if you would like information on legislation in Congress, please do not hesitate to contact one of the district offices, or write to me at 1714 Longworth Building, Washington, D.C. 20515.

THINKING LIKE A MOUNTAIN

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. WHITEHURST. Mr. Speaker, the following excerpt from "A Sand County Almanac," by the late Aldo Leopold, was recently reprinted in the Autumn 1975 issue of the Wildlife Review, published by the Department of Recreation and Conservation of British Columbia, Canada. Mr. Leopold's book is a classic on the theme of man's relationship with his environment, and this statement is a particularly eloquent defense of the need for balance in our ecosystem. I commend it to my colleagues:

THINKING LIKE A MOUNTAIN

(By Aldo Leopold)

A deep chesty bawl echoes from rimrock to rimrock, rolls down the mountain, and fades into the far blackness of the night. It is an outburst of wild defiant sorrow, and of contempt for all the adversities of the world.

Every living thing (and perhaps many a dead one as well) pays heed to that call. To the deer it is a reminder of the way of all flesh, to the pine a forecast of midnight scuffles and of blood upon the snow, to the coyote a promise of gleanings to come, to the cowman a threat of red ink at the bank, to the hunter a challenge of fang against bullet. Yet behind these obvious and immediate hopes and fears there lies a deeper meaning, known only to the mountain itself. Only the mountain has lived long enough to listen objectively to the howl of a wolf.

Those unable to decipher the hidden meaning know nevertheless that is there, for it is felt in all wolf country, and distinguishes that country from all other land. It tingles in the spine of all who hear wolves by night, or who scan their tracks by day. Even without sight or sound of wolf, it is implicit in a hundred small events: the midnight whinny of a pack horse, the rattle of rolling rocks, the bound of a fleeing deer, the way shadows lie under the spruces. Only the ineducable tyro can fail to sense the presence or absence of wolves, or the fact that mountains have a secret opinion about them.

My own conviction on this score dates from the day I saw a wolf die. We were eating lunch on a high rimrock, at the foot of which a turbulent river elbowed its way. We saw what we thought was a doe fording the torrent, her breast awash in white water. When she climbed the bank toward us and shook her tail, we realized our error: it was a wolf. A half-dozen others, evidently grown pups, sprang from the willows and all joined in a welcoming melee of wagging tails and playful maulings. What was literally a pile of wolves writhed and tumbled in the centre of an open flat at the foot of our rimrock.

In those days we had never heard of passing up a chance to kill a wolf. In a second we were pumping lead into the pack, but with more excitement than accuracy: how to aim a steep downhill shot is always confusing. When our rifles were empty, the old wolf was down, and a pup was dragging a leg into impassable slide-rocks.

We reached the old wolf in time to watch a fierce green fire dying in her eyes. I realized then, and have known ever since, that there was something new to me in those eyes—something known only to her and to the mountain. I was young then, and full of trigger-itch; I thought that because fewer wolves meant more deer that no wolves would mean a hunter's paradise. But after seeing the green fire die, I sensed that neither the wolf nor the mountain agreed with such a view.

Since then I have lived to see state after state extirpate its wolves. I have watched the face of many a newly wolfless mountain, and seen the south-facing slopes wrinkle with a maze of new deer trails. I have seen every bush and seedling browsed, first to anaemic desuetude, and to death. I have seen every edible tree defoliated to the height of a saddlehorn. Such a mountain looks as if someone had given God a new pruning-shears, and forbidden Him all other exercise. In the end the starved bones of the hoped-for deer herd, dead of its own too-much, bleach with the bones of the dead sage, or moulder under the high-lined junipers.

I now suspect that just as a deer herd lives in mortal fear of its wolves, so does a mountain live in mortal fear of its deer. And perhaps with better cause, for while a buck pulled down by wolves can be replaced in two or three years, a range pulled down by too many deer may fail of replacement in as many decades.

So also with cows. The cowman who cleans his range of wolves does not realize that he is taking over the wolf's job of trimimng the herd to fit the range. He has not learned to think like a mountain. Hence we have dustbowls, and rivers washing the future into the sea.

We all strive for safety, prosperity, comfort, long life, and dullness. The deer strives with his supple legs, the cowman with trap and poison, the statesman with pen, the most of us with machines, votes, and dollars, but it all comes to the same thing: Peace in our time. A measure of success in this is all well enough, and perhaps is a requisite to objective thinking, but too much safety seems to yield only danger in the long run. Perhaps this is behind Thoreau's dictum: In wildness is the salvation of the world. Perhaps this is the hidden meaning in the howl of the wolf, long known among mountains, but seldom perceived among men.

HEARINGS HELD ON THE COSTS AND EFFECTS OF CHRONIC, LOW-LEVEL POLLUTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BROWN of California. Mr. Speaker, there has been considerable interest in the press, within the scientific community, on television, and in the public at large, on the costs and effects of chronic, low levels of pollution upon agriculture, climate, plant and animal, and especially human life. Part of this interest and concern is generated by the fact that people are seeing the effects of such pollution themselves as their local plant and animal life changes, and seeing friends or family members suffer from some disease which is caused by environmental pollution.

Some of this exposure to pollutants is in the workplace, some of it is in the food, some of it is in the air and water we must all use. The existing Federal and State laws and regulations do not completely protect us from these pollutants, even in theory, but if they were adequate authority for regulatory action, the state of the knowledge for most pollutants is, in general, inadequate for making indisputable enforcement decisions.

The consequences of this lack of knowledge usually results in continued exposure to a substance which is harmful, but we do not yet know how harmful, and we wait for more "data" which usually means more "damage."

The Federal Government, which has assumed the responsibility for and provided the major resources for research on this subject, has not organized or funded that research to gain the necessary information for effective decision-making. The general issue of the costs and effects of chronic exposure to low-levels of pollutants, and the related problems of testing, monitoring, standard setting, resource allocation, and environmental management, have been the subject of investigations by the Environment and the Atmosphere Subcommittee of the Committee on Science and Technology, and will be the subject of extensive hearings before this subcommittee, beginning at the end of this week.

The Congressional Research Service of the Library of Congress prepared a very thorough overview document to the Environment and Atmosphere Subcommittee, which will be published later this week, which I believe sets the stage for extensive further congressional investigations. The CRS report, "Low-Level, Chronic Pollutants in the Environment," was prepared by the Environmental Policy Division, with major contributions from the American Law Division and the Science Policy Research Division.

Because of the significance of this issue, and the obvious interest of Members and staff, as demonstrated by the interest in the CBS news special, "The American Way of Cancer," I would like to outline the major points that were presented in the CRS study.

In the case of health effects, the CRS study found:

(1) With control of major infectious diseases nearly complete, chronic pollution induced damage to human health has become one of our most serious medical problems. There is general recognition, for instance, that the great majority of all human cancer is triggered by exposure to hazardous substances in the environment.

(2) Our abilities even to correctly diagnose chemically induced health effects are so limited that we probably only recognize a small portion of the damage. The study quoted Nobel Laureate Joshua Lederberg's observation that "if the malformation induced by thalidomide were a mental retardation of 10 percent of I.Q. instead of a highly characteristic and unusual deformation of the limbs, in an equal number of subjects, we would be unaware of it to this day."

(3) The costs to society of environmental pollutant linked disease are staggering. The costs of cancer alone are estimated at 11 billion dollars per year, of which 70 to 90 percent may be pollutant related. But cancer just happens to be relatively easily recognized; there may be chronic respiratory and neurological effects, as well as genetic lesions, with even greater economic costs.

(4) Our current testing methods, while often arduous and expensive, are not sufficiently sensitive to detect effects of agents which might cause as many as hundreds of deaths annually, or even far greater numbers of sub-lethal debilitating effects or future genetic harm.

(5) The significance and costs of environmental pollutant caused disease has not been reflected in Federal research emphasis. Only about 10% of the budget of the National cancer program has gone into environmental chemical carcinogenesis, despite consensus on this as a causal factor.

(6) Because the effects of chronic pollutant induced health damage are so different from the acute problems of infectious disease and injury with which we are more familiar, traditional legal concepts of showing cause and effect are proving inapplicable to the justification of standard setting in the chronic exposure domain. The legal and scientific controversy over the Reserve Mining case and the case of Ethyl Corporation vs. EPA (phase out of lead in gasoline) show that a better match is needed between the nature of research results in chronic pollution effects, and standard setting methodology.

In the areas of agriculture and ecological effects, the CRS study found:

(1) Despite the tremendous economic and human value of our agriculture production we have made very little progress in understanding how to measure pollution damage to

agriculture yields. The study noted that "although air pollution problems have changed from local visible issues to that of an invisible plague, the means of identifying air pollution damage had not changed significantly over the past 5 decades."

(2) Even with our very minimal ability to measure chronic pollution damage to plant growth, the study points out that there are still many cases where it is clear that injury occurs "at levels far below existing secondary standards." As just one example, exposure of alfalfa to SO2 concentrations allowed by secondary standards can result in leaf injury ranging to nearly 20 percent. The researchers noted in conclusion that "the range of damages at various combinations of pollutants raises a serious question as to the adequacy of secondary standards."

(3) Both agricultural and ecological damage now extends far beyond the areas where polluting activities are concentrated, and many pollutants have significant global distribution.

(4) We have, in this country, no coherent system of monitoring general ecological effects of chronic pollution. For instance, despite world-wide recognition of the hazards of "acid rain" caused by chronic air pollution, the U.S. has "no organized and systematic or consistent way to monitor the changes that occur in the chemistry of precipitation." This compares with a European system which has been continuously operated since 1947, and with a very extensive Swedish effort which has subjected about ⅓ of its total rainfall run-off to regular chemical analysis for more than ten years.

(5) Not only is our ecological research and monitoring in a primitive state, but we have not even taken any administrative steps to begin to remedy the situation. The responsibility for coordination and insurance of adequate ecological research and baseline data has not been accepted by, or assigned to, any Federal agency. Though a committee of the Council on Environmental Quality and the Federal Council on Science and Technology reviewed Federal ecological research in 1973 and found serious deficiencies, the recommendations for remedy have not been acted on.

In the case of climate, the CRS study found:

(1) We are becoming more aware that substantial climate change can be much more rapid than has sometimes been supposed. This, coupled with the recently observed sensitivity of world food supply to the weather in key producing areas, makes the assessment of man's role in perturbing climate an urgent need.

(2) Though the data gathering effort so far has been minimal, evidence already indicates that the pollutants of cities, and the changes of surface properties of the earth caused by man's activities, definitely affect climate in regions surrounding urban settlements.

(3) Because of the difficulty in distinguishing man-made change from natural cycles, we are unable to judge with current monitoring efforts the role of human activity in causing the current world-wide cooling trend.

(4) Considering the immense stakes involved in any gambles on inadvertent climate modification, full support by the U.S. of global monitoring and baseline measurement should be given high priority.

The CRS study clearly identified a number of research issues:

(1) A key to many aspects of better understanding of chronic pollution effects will be better coordination and organization of Federal environmental research and development, and better coordination of the Federal program with State, local and regional efforts. The chronic effects are often diffuse and, while serious, not necessarily dramatic. The study of low-level pollutants, then, requires more coordination and care than has been needed for acute levels of pollution.

(2) The amount of research in these areas ought to more nearly correspond to the potential costs of chronic pollution effects. These are only vaguely known, but appear to be on a scale which would indicate a much greater relative emphasis in the Federal health and environmental programs. Research ought to be addressed, in fact, to determining the true costs so that we could better judge how critical the problem is and how regulatory actions can be best balanced against economic and other societal values.

(3) New approaches to detecting and predicting health effects are urgently needed to intelligently manage chronic pollutants. Epidemiological and health survey studies may need to be expanded relative to traditional laboratory approaches.

(4) Ecological research, and especially well coordinated monitoring to establish baselines and trends of pollutants and ecological health, are very urgently needed. A first step will be to designate responsibility for development of a coordinated program using all the resources available in Federal, State and local environmental authorities as well as in academic and other private institutions.

(5) Similar coordinated monitoring, and full participation in international, global efforts, is needed in climate research. The potential adverse effects of inadvertent climate modification are so great that a very large research effort is easily justified.

The hearings begin Friday, November 7, and continue on the 10-14 and end on November 17. They will be held in the mornings at 9 am Nov. 7, 11 & 12 and at 10 am Nov. 10, 13, 14, 17, and will be in 2325 Rayburn Office Bldg.

At this time I wish to insert into the RECORD the list of witnesses before the Subcommittee on Environment and the Atmosphere:

SUBCOMMITTEE ON THE ENVIRONMENT AND THE ATMOSPHERE WITNESS LIST

Hearings on costs and chronic effects of low-level pollutants.

Friday, November 7—9:00 a.m., 2325 RHOB: Cost Analysis—Health—

Mr. John A. Busterud, Member, The Council on Environmental Quality.

Dr. Lester B. Lave, Professor and Chairman, Department of Economics, Graduate School of Industrial Administration, Carnegie-Mellon University, Pittsburgh, Pennsylvania.

Dr. James Liverman, Assistant Administrator for Environment and Safety, Energy Research and Development Administration Accompanied by: Dr. Chester R. Richmond, Dr. John B. Storer, Dr. Alvin M. Weinberg, Dr. James V. Neel, Dr. Warren Sinclair.

Monday, November 10—10:00 a.m., 2325 RHOB: Health—

Dr. Roy Albert, Acting Deputy Assistant Administrator for Health and Biological Effects, Environmental Protection Agency.

Dr. Edward J. Burger, Jr., Member, Staff of the Science Advisor to the President and Science and Technology Policy Office, National Science Foundation.

Tuesday, November 11—9:00 a.m., 2325 RHOB: Health Epidemiology—

Dr. David F. Rall, Director, National Institute of Environmental Health Science and Chairman HEW Committee to Coordinate Toxicology and Related Programs. Accompanied by: Dr. Morris Crammer, Dr. John Finklea, Dr. Marvin Schneiderman, Dr. Robert N. Hoover.

Dr. Marvin S. Legator, Professor, Brown University and the Miriam Hospital, Providence, Rhode Island.

Wednesday, November 12—9:00 a.m., 2325 RHOB: Agriculture and Ecology—

Dr. Ralph J. McCracken, Associate Administrator of the Agricultural Research Service, USDA. Accompanied by: Dr. Howard Heggestad, Dr. Walter W. Heck, Dr. Donald D. Kricek.

Dr. O. C. Taylor, University of California, Riverside, Ca.

Dr. William J. Manning, Suburban Experiment Station, University of Massachusetts.

Dr. Stanley R. Euarbex. Accompanied by: Dr. John Hansen, Dr. Patrick Coyne, Dr. Lee Eberhardt.

Thursday, November 13—10:00 a.m., 2325 RHOB: Climate—

Dr. Edward S. Epstein, Assistant Administrator, Environmental Monitoring and Prediction, NOAA.

Dr. James McQuigg, Director, Center for Climatic and Environmental Assessment, NOAA (Columbia, Missouri).

Dr. Joseph Knox, Division Leader, Atmospheric and Geophysics Division, Livermore Laboratory, Livermore, California.

Friday, November 14—10:00 a.m., 2325 RHOB: Weather—Wildlife—Water—

Dr. Helmut Landsberg, Acting Director, Institute for Fluid Dynamics and Applied Mathematics, University of Maryland.

Dr. Lucille Stickel, Director of Environmental Studies, Patuxent Research Center, U.S. Fish and Wildlife Service.

Dr. Robert Harris, Environmental Denfense Fund.

Monday, November 17—10:00 a.m., 2325 RHOB: Assessment—Need for Standards—

Dr. James McNesby, Chief, Office of Air and Water Measurement, and Mr. Philip Lafleur, Chief, Analytical Chemistry, National Bureau of Standards.

Dr. Paul Phelps, Division of Biology and Medicine, Livermore Laboratory, Livermore, California.

ALTERNATIVES TO THE STEELJAW TRAP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ANDERSON of California. Mr. Speaker, there are several trapping devices readily available which I believe to be acceptable, effective substitutes for the cruel steeljaw leghold trap. In light of the upcoming November 17 and 18 hearings on legislation I introduced (H.R. 66), which would discourage the use of such traps; I would like to provide for the RECORD a description of the various alternative devices to the leghold traps.

The following is an excerpt from Facts About Furs, a publication of the Animal Welfare Institute. It provides us with a detailed description of two alternative trapping devices—quick-killing traps and cage traps, which are used extensively in foreign countries:

OTHER MEANS OF TAKING THE WILD FURBEARERS

QUICK-KILLING TRAPS

In determining whether a killer trap is acceptable as a substitute for the cruel leghold trap, it is necessary to decide upon some practical criterion of humaneness, e.g. 90 animals killed rapidly and humanely per 100 animals caught. The break-back mouse trap is known to everyone. It presents no difficulty to the setter and usually, though not always, achieves a quick kill. For animals up to the size of a rabbit, a killer trap can be one that is fairly light and easily manipulated. For the larger furbearers, killer traps must, of necessity, be strong, dangerous instruments, since they have to give the animal a lethal blow. They must, therefore, be carefully set and placed in order to avoid accidents to human beings and domestic animals. This fact, and their weight and cost, are their great disadvantages. For the smaller furbearers, killer traps could be used much more than they are.

BRITAIN

For many years the Royal Society for Prevention of Cruelty to Animals and the Universities Federation for Animal Welfare (UFAW) struggled to end the widespread leg-hold trapping of rabbits in Britain. At last, in 1954, the Ministry of Agriculture and the Department of Agriculture and Fisheries for Scotland set up a Humane Traps Advisory Committee to select approved traps to replace leg-hold traps. The Committee examined the traps submitted to it by designers and carried out field trials on those likely to catch humanely either by a quick kill or alive. Research was concentrated on finding a trap to kill rabbits in burrows, because it had already become illegal, in 1939, to set leg-hold traps for rabbits except in rabbit holes. The most successful design was found to be based on a pair of arms striking almost vertically so as to give the victim a lethal blow on the head or neck and to hold it.

CANADA AND THE UNITED STATES OF AMERICA

The most satisfactory trap used is the Victor Conibear which was invented and developed by Frank Conibear, a trapper in British Columbia, and came on the market in 1958. The Association for the Protection of Furbearing Animals first recognized the potential of Conibear's work, and was supported by the Canadian Association for Humane Trapping, the Vancouver SPCA, the British Columbia SPCA, and Eric Collier, a trapper and writer, in assisting Mr. Conibear. It is a vertical break-back trap which is triggered off when an animal touches two wire whiskers. It has been described as working like an egg-beater. As the animal is caught, the trap tends to spring up, which has the humane advantage that it makes a lethal blow to the head more likely. Because of the shape of the trap, it can have one, two, or occasionally, three striking surfaces, depending on the position of the trapped animal.

The Conibear No. 120, with a jaw spread of 4½" x 4½" and a double spring which increases the striking power, is satisfactory for muskrat, but occasionally catches them too far back. In the opinion of a British expert, it could be used for taking squirrel in artificial tunnels. Mink, which are very quick and have strong neck and shoulder muscles, are difficult to catch humanely in the Conibear, and western mink are larger than eastern.

The Conibear No. 330, with a jaw spread of 10" x 10", is very reliable for beaver, especially when used as a drowning set, and it will kill coypu. It is also used successfully for otter, wolf (head set), fisher, badger, marten, coyote, fox, raccoon, lynx and wolverine. It is a fierce instrument which has to be set with the aid of a rope. In January, 1971, a trapper in Ontario reported on the Conibear 330 to the Canadian Association for Humane Trapping as follows:

"We were able this year to observe how fast a Conibear trap will kill a beaver. Mrs. H. and myself were checking our traps by canoe. When the prow of the canoe was about 5 ft. from the trap a large beaver came out of the lodge and was caught in the trap. It made 4 spashes with its tail and that was it. By the time I come to the trap it was dead. The canoe is 14 ft. so we travelled about 19 ft. from the time the trap went off till I was able to get a hold on the trap. Time about 3 or 4 seconds or less. On checking the beaver it was caught on the neck and had a broken neck."

In the U.S.A. the Conibear has been successfully used to control beaver and muskrat damage. This trap is dangerous to children and domestic animals when set on land, and for this reason its use is prohibited in some heavily populated parts of the U.S.A. Its use is not restricted in Canada.

Since 1963 the Canadian Association for Humane Trapping has organized a trap-exchange program. A trapper can exchange one leg-hold trap in good working order for one Conibear. Three thousand traps have been thus exchanged. The Association recommends Conibear No. 120, which has a double spring, rather than No. 110. It has withdrawn No. 220 from its exchange program, as its impact energy and closing time are not as yet good enough. It recommends No. 330.

The Conibear trap is made by the Woodstream Corporation (formerly the Animal Trap Company of America), Lititz, Pennsylvania, and Niagara Falls, Canada; also by Blake and Lamb, Inc., P. O. Box 218, Cambridge, New York. It is advertised in current trap catalogues.

The Wildlife Branch of the Manitoba Department of Mines and Natural Resources has drawings illustrating No. 330 Conibear sets for beaver and No. 110 sets for weasel, mink, and squirrel. These drawings have been endorsed, with added suggestions, by the Ontario Trappers Association. They can be obtained from the Canadian Association for Humane Trapping, Box 934, Station F, Toronto 5, Ontario. Instruction in the use of the Conibear is now included in Canadian Provincial trapper-training programs.

Since 1968 there has been in existence in Canada a Humane Trap Development Committee composed of representatives of the Canadian Federation of Humane Societies, other animal welfare organizations, government and industry. The Committee has the interest of a number of federal and provincial departments and trappers' organizations, and it is dependent on voluntary donations. New research on the Conibear and other traps is being carried out at McMaster University, Hamilton, in the Department of Mechanical Engineering. Workers at Guelph University are continuing this mechanical study by testing the effect of suitable traps in individual species. The Hudson's Bay Co. has made a contribution towards the expense. In the Spring of 1971, the Government of British Columbia announced that it would give $1,000 toward the development of humane traps; Alberta has also contributed.

CAGE TRAPS AND BASKET TRAPS

These are relatively humane if they are frequently visited; otherwise they are inhumane, because many animals break teeth and bones and lacerate themselves in their frantic efforts to escape.

In Canada and the U.S.A., cage traps are little used except for catching beaver or other animals alive when it is desired to move them from an area where they are plentiful to one which is understocked.

A number of North American firms make live traps in various sizes for muskrat, mink, squirrel, raccoon, fisher, etc

Named traps include the Havahart, Bailey Beaver, and National Live traps. The Havahart is a good trap which can be sprung from either end and has a light release catch.

Those cage traps that are capable of catching several animals in succession are sometimes referred to as colony or cumulative traps.

In Britain cage traps are principally used as follows:

Squirrels. Single-catch and multiple-catch traps are used, usually baited with whole maize for five days before being set. This method is very successful. The squirrel is tipped out backwards into a sack and killed with a violent blow on the head.

Stoats, weasels, and small ground vermin. Wooden box traps, containing a see-saw which locks behind the animal, have long been popular in France, Germany, Denmark, etc., and have been used increasingly in Britain since the abolition of the old leg-hold trap. These animals are killed in the same way as squirrels.

Escaped mink. British cage traps are larger than those used in North America; they are set baited with fish. In recent years about 1,000 escaped mink have been taken annually, mostly in cage traps, by officers of the Ministry of Agriculture, but landowners and farmers are now encouraged to take full responsibility for their own pest control. Mink are caught successfully all the year round but particularly when they are young in late summer and autumn. The trapped mink are shot. The skins have little value.

Mr. Speaker, these are but two examples of alternative, humane trapping devices used extensively in foreign countries, and certainly ones that we should seriously consider.

NATIONAL WILDLIFE RANGES MUST BE PRESERVED

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. UDALL. Mr. Speaker, the House will consider on Thursday, H.R. 5512, a bill to amend the National Wildlife Refuge System Administration Act. I urge my colleagues to support H.R. 5512 as reported by the Committee on Merchant Marine and Fisheries and to oppose any weakening amendments that may be offered.

H.R. 5512 is needed to provide more secure protection to the units of the National Wildlife Refuge System, which are located in all but one of the 50 States.

Many of our National Wildlife Refuges were established by administrative action or executive order. Under present law these refuges could be revoked, modified or transferred to other agencies by the unilateral action of the executive branch, without even consulting the Congress.

Just this kind of unilateral action was taken by the Interior Department in February 1975, in the case of three national wildlife ranges: the Kofa Range in Arizona, the Charles Sheldon Antelope Range in Nevada and Oregon, and the Charles M. Russell National Wildlife Range in Montana.

The Department planned to oust the U.S. Fish and Wildlife Service from the administration of these large wildlife ranges, which total over 2 million acres, and place them under the sole jurisdiction of the Bureau of Land Management, an agency with a generally poor record of wildlife habitat management. According to BLM's own figures, as of 1974, 55 percent of BLM-managed big game habitat was in unsatisfactory condition, and it was going downhill fast. BLM figures on overall range condition showed 83 percent of BLM-managed rangeland in unsatisfactory condition.

The proposed transfer of these wildlife ranges is only one example. During the Nixon administration, the White House directed the Interior Department to identify 10 percent of the National Wildlife Refuge System to be sold into private ownership. Only an outraged public and Congress stopped that move. Again in 1973 a confidential Interior Department memo recommended that "some of the 14 Big Game Refuges should be turned over to the States."

In the face of these moves to dismantle the National Wildlife Refuge System, legislation to restrict the present broad authority of the executive branch is clearly needed. H.R. 5512 is a response to this need.

H.R. 5512 would insure that no transfer of a wildlife refuge to a nonwildlife agency could take place unless the Congress so provided. It would also reverse former Secretary Morton's decision of last February and would allow for continuation of the joint management by BLM and the U.S. Fish and Wildlife Service of the Kofa, Sheldon and Russel Ranges. It would insure that the Fish and Wildlife Service cannot be summarily kicked out of these or any other units of the Refuge System through a unilateral decision of the executive branch.

Any amendment to exempt the Kofa, Sheldon, and Russell Ranges from the bill and turn them over exclusively to the Bureau of Land Management should be opposed. The precedent set by such an amendment would clearly lead to transfer of other wildlife refuges and ranges when pressures for development assault the refuge system again.

H.R. 5512 has bipartisan support and is cosponsored by more than 50 Members of the House. It is suported by every major national wildlife, conservation and environmental organization and was reported by a unanimous vote of the Committee on Merchant Marine and Fisheries. I ask my colleagues to vote for H.R. 5512 in its present form.

BEARCATS UNDEFEATED FOR 1975 BAND CONTEST SEASON

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. TRAXLER. Mr. Speaker, I would like to inform you and the entire House of Representatives of an outstanding high school marching band in the area I represent, the Eighth District of Michigan.

The amazingly talented group of youngsters, known as the Bridgeport-Spaulding Bearcat Marching Band, have won over 75 major awards in the past few years.

This past season, from June to October 1975, the band achieved the almost impossible feat of being undefeated for the entire contest season. The band has also been the feature band at University of Michigan, Michigan State, and Detroit Lions' football games.

I would like to share with you the list of events the band has won so you can fully realize what this fantastic group of "Bearcats" has achieved:

The Bridgeport-Spaulding Bearcat Marching Band Championships Held

National Cherry Festival—Traverse City, Michigan.

1970 and 1972—Toast of Cherryland.

1973—Heritage Parade Champions.

1973—Grand Cherry Royale Parade Champions.

1973 and 1975—Governor's Trophy—Field Champions.*

Dundee Scots Tattoo—Dundee, Illinois.

1973—Field Champions.

1974—Parade and Field Champions.

1975—Parade, Field and Overall Champions.*

Michigan Short Circuit.

1975—Field Champions—Reed City, Parade and Field Champions—Chesaning, Parade and Field Champions—Perry, Overall Circuit Champions.*

Mid-West Nationals—Rock Falls, Illinois.

1973—Parade and Field Champions—Class A.

1974—Parade, Field and Overall Champions—Class A.

Mid-American Band Championships—Polo, Illinois.

1973—Field Champions—Class A.

1974—Parade and Field Champions—Class A.

Stoheta—Dakota, Illinois.

1974—Parade and Overall Champions—Class A.

Michigan Invitational Field Championships—Flushing, Michigan.

1974—Field Champions.

National Highland Festival—Alma, Michigan.

1971, 1972, and 1973 Parade Champions.

National Honey Festival—Chesaning, Michigan.

1974—Parade Champions.

EVENTS WON THIS SEASON

Dundee Scots Tatoo—Dundee, Illinois.

1st Place in Parade.

1st Place on Field.

2nd Place in Concert.

Overall Trophy for highest total score.

National Cherry Festival—Traverse City, Michigan.

1st Place on Field—Open Class—Governor's Trophy.

Michigan Short Circuit.

Reed City—1st Place on Field, 1st Place Overall, 2nd Place in Parade.

Chesaning—1st Place on Field, 1st Place Overall, 1st Place Parade—Showboat Parade Contest.

Perry—1st Place on Field, 1st Place Overall, 1st Place in Parade.

Circuit Awards.

Overall Championship, 1st Place on Field—Flight A, 1st Place in Music, 1st Place in Showmanship.

* Note.—"Open Class" is most difficult competition level.

Fall, 1975. Saginaw Fair Marching Band Competition—1st Place Class A, Overall Champion.

Western Michigan University Calvacade of Bands—1st Place Open Class, Overall Champion.

Michigan Invitational—1st Place Open Class, Overall Champions—Governor's Trophy.

Reed City Invitational—1st Place Class A, Overall Champions.

Undefeated in entire contest season: June-October 1975.

I would also like to list the band members so that they may receive credit for a job truly "well done."

List of Band Members

DRUM MAJORS

Tim Jacques, Jeff Brown, David Gilmour.

COLOR GUARD COMMANDER

Judi Dickie.

FLAG COMMANDER

Holly Hansen.

RIFLE COMMANDER

Ann Toland.

SABRE COMMANDER

Sue Hamling.

FLAGS

Diane Becker, Terri Bhirdo, Donna Buckholz, Sue Carlson, Tammie Case, Sue Chrcek, Lori DePrekel, Wendy Fehrenbach, Chris Findlay, Dottie Finelli, Ruth Hamilton, Pam Lentner, Brenda Lewis, Jackie Luta, DeDe McBratnie, Kim Newcomb, Janet Ostler, Lillie Priest, Menette Santino, Jodi Sizick, Tori Tepe, Kelly Terrian, Cheri Vincent, Mary Voise, Karen Wight, Penny Koval, Lynn Slominski, Jill McDonald, Ann Mielke, Shirley Galbraith, Cindy Fehrenbach, Jane Kurek, Jenifer Poineau, Wendy Hasse.

RIFLES

Kathy Burzynski, Marilee Kellogg, Cheryl Christensen, Kim Dankert, Tino Laszlo, Lissa Napora, Nancy Howell, Cindy Luta, Jan Pinet, Debbie Mainprize.

SABRES

Sherie Meinecke, Cindy Weston, Cindy Hamling, Sue Wood, Diane Bowles, Beth Smith, Linda Krukowski, Bridget Ciazinski, Jane Kurek, Jeanne Boettcher.

PICCOLOS

Luanne Hare, Mindy Bohl, Jan Murphy, Cathy Hall, Sandy Fairchild.

CLARINETS

Kathy Aldering, Lori Bank, Michelle Bruessow, Sandy Hartl, Laura Hasse, Debbie Janovich, Sandy Joseph, Theresa Kostick, Julie Kren, Julie McInnis, Debbie Nagy, Kris Ostrander, April Pierce, Leslie Shourds, Mary Thiel, Karen Trombley, Mary Wood, Renata Zietz, Tammie Brennan, Sue Illikman, Tracy Siems, Mary Kay Brown.

ALTO SAX

Dottie Alsgaard, Debbie Boersma, Lucy Gonzales, Cindy Gosko, William Hegerl, Jenifer Kostick, Susan Nagy, Julie Newbold, Laura O'Brien, Sharon Riley, Shelly Sholtz, Leslie Spracklin, Deb Warzecha.

FRENCH HORN

Amy Barnes, Kay Basner, Cheryl Geitman, Claire Hagerl, Madeline Hansen, Gayle Magnus, Kathy Nawrock, Kim Sanderson, Nancy Shulhof, Esther Tolles, Bobbie Case, Kathy Kren.

E-FLAT TRUMPETS

Jim Erway, Lori Ittner, Bill Wahl, Dave Fordyce.

B-FLAT CORNETS

Sue Bartel, Tim Brown, Wade Crosson, Bob Eldred, Doug Ham, Mary Illikman, Sue Light, Joanne Magnus, David McGlaughlin, Brian Mielke, Pat Naessens, Doug Perkins, Barb Rood, Jerry Sledz, Don Slominski, Karen Smith, Tom Timmreck, Mark Trombley, Jim Williams, Joe Hansen, Chery Castle, Mike Findlay, Sally Smith, Leslie Spaulding, Carlene Laszlo, Ann Conklin, David Trombley, Jennifer Riley.

BARITONES

Joe Bhirdo, Kip Elsea, Chris Lade, Bruce Manning, Rod McDivitt, Mike Shapow.

TROMBONES

Chris Bhirdo, Rick Brown, Tom Dutcher, Edward Fauver, Brian Fisher, Barry Fitzpatrick, Dan Heidger, John Illikman, Dan Sanderson, Pat Stanard, Mike Weslock, Amy Schulz.

TUBAS

Brian Wellman, Mike Kwaiser, Larry Thomas, Tammi Thomas, Brian Vega, Andy Newcomb, Greg Hagerl, Scott Webb.

PERCUSSION

Jerry Hamling, Lance Metiva, Scott Wilson, Chuck Hitsman, Steve Castle, Bob Treib, Mary Ann Link, Kathy Klich, Colleen Haas, Scott Fisher, Randy Metiva, Mike Thornton, Jim Pequinot, Gail Hart, Robert Agans, Tony Shapow, Jay Proux, Mary Jo Young, Kathryn Brown.

BAND DIRECTORS

DeVere A. Fader, Kenneth M. Snoeck, Robert Klump, Timothy R. Kasten, Robert I. Brown.

As in any effort of a group of people, there are many whose support makes the whole thing possible, but do not always get the credit they deserve because they spend most of their time behind the scenes.

The band has five assistant directors, an equipment manager and a health assistant, all donating their time without pay. The band is financed totally by 177 band boosters who raised the incredible sum of $35,000 in 1 year.

A special congratulations is owed to Mr. Devere A. "Pete" Fader, who is the band's director and has provided the necessary leadership to make the Bearcats the great band they are today. His tough and grueling job would have been impossible without the invaluable assistance of the school board of education, the principal, Mr. Eugene Strait, and the superintendent, Mr. Martin Atkins.

I am sure, Mr. Speaker and colleagues, that you will join me in saluting this talented group of youngsters, their parents and their supporters and wish them the best of luck and continued success in the future.

SOLID WASTE DISPOSAL

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. KASTEN. Mr. Speaker, solid waste disposal has been generating a great deal of interest in recent years. It is a problem that will be compounded as our population and our rate of production increases; and it is a problem that will have serious consequences unless an adequate solution is discovered.

Unfortunately, most of the solutions that have been offered do not strike at the root of the problem. One of the most frequently mentioned, the banning of disposable cans and bottles, is also one of the least effective. It has been estimated by the Environmental Protection Agency that all cans and bottles account for barely 5 percent of the total annual waste volume. My concern lies with the bulk of the problem, the remaining 95 percent.

I am pleased to note that my position on this matter is also shared by the AFL–CIO. The 11th constitutional convention, held in San Francisco on October 3, approved a resolution calling for the Congress to examine the solid waste problem on a broad front and enact legislation to provide truly effective solutions.

The text of the resolution follows:

SOLID WASTE POLICY

Resolution No. 20—By Delegates Vernon E. Kelley, H. Max Webster, Eddie R. Stahl, Henry S. Olsen, Matthew Davis, Aluminum Workers International Union; Thomas F. Miechur, Richard A. Northrip, Joseph J. Knapik, Kent Weaver, Toney Gallo, United Cement, Lime and Gypsum Workers; United Glass and Ceramic Workers; George M. Parker, Ivan T. Upcapher, John Gettys, David Pierson, William J. Edwards, American Flint Glass Workers Union: Harry A. Tulley, James E. Hatfield, Lee W. Minton, Stanley Brown, Edward L. McMahn, Stanley Levy, Glass Bottle Blowers' Association; S. Frank Raftery, Michael DiSilvestro, L. M. Raftrey, Ernest Seedorf, Peter Yablonsky, James Damrey, Walter Zagajeski, Mr. R. Cook, Painters and Allied trades; Lester H. Null, Sr., Philip Cohen, Edward Kasper, Fred Tanner, Pottery and Allied Workers; I. W. Abel, Walter J. Burke, John S. Johns, Roy H. Stevens, Mitchel F. Mazuca, Hugh P. Carcella, Edward E. Plato, Wm. Moran, Joseph Odorcich, Kay Kluz, Homer E. Bussa, Frank Lesenganich, Joseph J. Kender, Charles Younglove, Harry O. Dougherty, Bertram McNamara, Lloyd McBride, M. C. Weston, Jr., Howard Strevel, James E. Ward, United Steelworkers of America.

Whereas, A clean environment and full employment are not incompatible; in fact, they can and should go hand-in-hand, and

Whereas, The AFL-CIO position is especially pertinent in relation to the twin problems of solid waste disposal and depletion of valuable natural resources. The answer to these companion problems lies in transforming waste into usable products, and

Whereas, The answer does not lie in proposals to ban disposable cans and bottles or to curtail use of certain materials. These proposals are really "non-solutions." By disrupting industry and causing heavy losses of jobs, more problems would be created than solved, and

Whereas, the AFL–CIO opposes legislation—at any government level—which seeks to resolve this problem by restricting the sale or use of non-returnable containers, regardless of the unemployment and other negative consequences, and

Whereas, the AFL–CIO endorses a policy of maximum resource recovery and energy conservation as they offer the only meaningful solutions to the nation's solid waste disposal needs. Accordingly, expanded resource recovery and energy conservation should be encouraged, in conjunction with present disposal methods, through the establishment of policies and programs compatible with national employment, environmental, and energy objectives; therefore, be it

Resolved: In order to meet these policy objectives, this Convention recommends that the Congress take positive action in supporting legislation which would include the following proposals:

(1) promote the demonstration, construction, and application of solid waste management and resource recovery and energy conservation systems which preserve and enhance the quality of air, water and land resources;

(2) provide technical and financial assistance to states, local governments and interstate agencies in the planning and development of resource recovery, energy conservation and solid waste disposal programs and facilities;

(3) promote a national research and development program for improved techniques, more effective organizational arrangements, and new and improved methods of collection, separation, recovery and recycling of solid wastes, and the environmentally safe disposal of non-recoverable residues;

(4) provide for the promulgation of guidelines for solid waste collection, transportation, separation, recovery and disposal systems; and

(5) provide for training grants in occupations involving the design, operation and maintenance of solid waste disposal and energy conservation systems, and be it further

Resolved: That this convention endorses these proposals and urges Congress to implement these solutions with sufficient funds to solve the problem of solid waste disposal through resource recovery and energy conservation.

Referred to Committee on Resolutions.

THOUSAND TIMES "NO"

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mrs. FENWICK. Mr. Speaker, I insert this editorial from the Passaic Herald-News, one of our foremost New Jersey newspapers, because it refers to a problem which is acute in my State at present but may well, in years to come, be experienced by many areas which are now relatively free of it.

It concerns flood control in the Passaic River Basin in northern New Jersey, the most densely urban area in the United States. This comparatively small river system is flood prone and its representatives have often asked for help. The plan designed as far back as 1888 has never been adopted because of inequities recognized as sacrifices by some municipalities and governmental agencies. It has only been in recent years with the evolution of a need for environmental balance that new proposals have evolved. Recognition of the need for a stable and viable ecosystem in the valley has been the main goal of environmentalists and now their plan for the return of the flood plains to the river has been succinctly expressed in this editorial.

This plan—"the flood plain returned to nature"—is by far the most intelligent and the least expensive of all the ways one can find to protect the lives and property of our citizens and the future of our water supply.

The article follows:

THOUSAND TIMES "NO"

The inability of officials representing communities in the Passaic River basin to agree on a flood control plan at their meeting in Newark follows the usual script.

"This plan failed to receive public support and a restudy of the problem was started in 1945," says the bulletin, "Passaic River Basin Flood Control Study," published in 1960. A new flood control plan was prepared, but "because of the divergent views expressed by local interests," said the bulletin, "further study" was again deemed advisable.

Official flood control recommendations have been made periodically since 1888, first by the state geologist, then by official committees and, since 1936, when the Congress authorized planning for flood control on the river, by the Corps of Engineers.

The inability over the decades to find a plan acceptable to all is explained by the comment made by Councilman DeFalco, of West Caldwell, at the Newark session. The current proposal, he said, would cause a monstrosity in our borough. We have no flooding problem, yet you expect us to build a monstrosity to relieve flooding in Wayne." The bulletin, speaking of objections raised to the 1948 plan, noted the disinclination of the central basin residents to accept the water supply features of the project or to dispose of their lands to provide flood protection to the lower valley."

The evidence is that no plan which imposes an onerous sacrifice on one or more communities in order to save other communities from the flood threat has a reasonable chance of adoption. That also probably goes for any plan that would require an astronomical expenditure.

While waiting for the ideal plan, state, county and local governments ought to be looking into the idea of environmentalists. If we understand them correctly, they want to keep new construction out of the flood plain and to remove as much as feasible of the old construction which has to be protected at public expense from floods. What they propose, in effect, is to let nature reclaim the flood plain. Obviously it is not financially possible to do this all tomorrow, but over as many decades as flood control plans have been proposed, debated and rejected, much could be accomplished and probably at no greater cost than the still elusive ideal flood control plan. The flood plain returned to nature or preserved in its natural state would not be lost. It would be an asset to the communities in the Passaic River basin.

UNIFORM STANDARDS FOR ALL APPLICANTS TO THE ACADEMIES

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. McHUGH. Mr. Speaker, I am joining with Mr. CORNELL today in introducing a bill which we believe will make more professional and objective the admissions procedure used at our fine military academies.

Under existing law, Members of Congress and certain other public officials participate in nominating individuals for admission to the academies. Surely, we all recognize that the training of our future officers is most important to the country, and therefore have considered it a privilege to participate in this process. Just as surely, however, the time has come to transfer complete responsibility for admissions to where it belongs—the academies themselves.

At present each Member of Congress must publicize the academies, receive and process many applications, arrange for interviews, and establish his own criteria for making the nominations. This not only places a heavy administrative burden upon us, but results in admissions standards which vary from office to office. I believe we are all conscientious in carrying out our responsibilities, but there should be a single, uniform standard for all applicants.

Moreover, the academies are far better qualified than we to judge the applicants. Most of us recognize this and do not designate one person to receive the appointment. As you know, the general practice is to submit 10 nominations to the academy and leave the final selection to the school.

In short, Mr. Speaker, most of us now believe that selections should be made solely on the basis of merit. And yet, because applicants must gain consideration through the medium of their Congressmen, there is the widespread belief that academy appointments are political. Many people assume that they must personally know the Member of Congress to secure an appointment, and I am sure many qualified students are discouraged from even applying as a result.

The bill we are introducing would abolish the appearance of favoritism and require that all applications be received and judged by the academies on the basis of merit. It would free our offices of the burden of administration which should, as in all other situations, be handled by the schools. It would remove the aura of politics from the admission process.

Our bill would preserve, however, some important characteristics of the present system. For example, it would retain the present geographic distribution of appointees. The academies would make their appointments with reference to the congressional districts as is the case now. In addition, Congress would continue to have responsibility for oversight of the academies, and the respective Boards of Visitors would be given express authority over admissions procedures and policy. Each board would be directed to report to Congress annually.

I should note, Mr. Speaker, that this legislation would apply not only to the three service academies—Army, Navy, and Air Force—but also to the Merchant Marine Academy. The admissions policy at that school would be changed to a purely competitive one as is now the case at the Coast Guard Academy.

Finally, the merit system would be extended not only to the appointments now made by members of the House and Senate, but also to the discretionary appointments presently available to the Vice President, the Secretaries of Army, Navy, Air Force, and Commerce, the Governor and Resident Commissioner of Puerto Rico, the Governor of the Panama Canal, and the delegates to Congress from Guam, the Virgin Islands, and the District of Columbia.

Mr. Speaker, Mr. CORNELL and I have introduced this bill in the belief that it will standardize and simplify the methods by which our future officers are selected and in the hope that it will therefore justify the support of our colleagues.

A SUMMARY OF H.R. 10452, AN RFC-TYPE ANSWER TO THE NATION'S PRIORITY CREDIT NEEDS

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mrs. SULLIVAN. Mr. Speaker, the House Committee on Banking, Currency and Housing has favorably reported, and the House of Representatives will shortly be considering, the Emergency Intergovernmental Assistance Act, a narrow and stringent measure solely designed to respond to the financial crisis confronting New York City. Speed was of the essence in the consideration of this legislation by the Committee because of the probability of imminent default on the part of New York City and perhaps New York State as well, with deeply feared repercussions on the entire economy of the United States.

As an emergency measure directed to an emergency situation in the Nation's largest city, the Emergency Intergovernmental Assistance Act does not attempt to address itself to the urgent priority credit needs of the rest of the Nation.

In point of fact, the committee's bill would provide financial assistance through guarantees of debt obligations only to States and municipalities that find themselves in virtually the same position as New York City—closed out of the money market and teetering on the brink of bankruptcy.

The effect is to create a vehicle which can be used to help put out financial fires in the public sector only after they have reached the point of imminent catastrophe, rather than be available to use as a preventive measure to keep the fires from occurring in the first place.

Despite the bill's serious shortcomings, and the universal reluctance to take a step which could be construed as condoning serious mistakes in fiscal management which brought New York City to this brink, I support the Emergency Intergovernmental Assistance Act because it is the only measure presently available to prevent a default by New York City. The consequences of such a default, too, would be felt in every city council, board of education, State capitol, and every public authority in the Nation which issues what are known as "municipal bonds".

However it is clear to me that a much broader and far more flexible approach is needed to enable our States and local governments to finance public works and facilities when credit is not available to the public sector at reasonable rates of interest—and that is certainly the case today throughout this country. That is why I have introduced H.R. 10452, with the cosponsorship of 16 other Members of the House—Representatives PATMAN, MILLS, MADDEN, PRICE, BARRETT, BOLLING, BURKE of Massachusetts, RANDALL, PEPPER, MINISH, ANNUNZIO, MEEDS, BIAGGI, MURPHY of Illinois, NIX and ZEFFERETTI. This legislation would also provide machinery for extending loans at reasonable rates of interest to establish and improve small- and medium-sized businesses and to finance low- and moderate-income housing.

H.R. 10452 would create a Federal corporation to provide adequate loan funds on reasonable terms for priority area borrowers when credit is not readily attainable on reasonable terms from priate lenders.

From conversations I have had with many of the Members on the House floor about the concept of this proposal, I am sure the Members will be interested in a section-by-section summary of H.R. 10452, which I intend to append to my remarks.

The fundamental purpose of H.R. 10452 is to establish a mechanism by which credit is allocated to vital priority areas of our economy. Like the highly successful Reconstruction Finance Corporation—RFC—of the 1930's and 1940's, the Emergency Financial Assistance Corporation would help assure that urgent credit needs are met on a consistent and continuing basis.

As it is now, priority area borrowers are periodically starved for credit every time monetary policy tightens up and only big corporate borrowers are able to compete for limited loan funds at extremely high rates of interest. If nothing else, the nearly constant financial crisis of the Nation's housing industry during the past 5 years should be convincing proof of the need for the Emergency Financial Assistance Corporation.

Mr. Speaker, what follows is a section-by-section summary of the provisions of H.R. 10452, the Emergency Financial Assistance Corporation Act, presented here so that Members of Congress may familiarize themselves with the measure. It is my hope that in the weeks and months ahead, the need for such legislation will become readily apparent.

The text follows:

SECTION-BY-SECTION SUMMARY OF H.R. 10452, THE EMERGENCY FINANCIAL ASSISTANCE CORPORATION ACT OF 1975

FINDINGS AND DECLARATION OF PURPOSE

Section 1. Declares that tax and other financial resources of States and local governments are strained beyond their capacity to achieve sound and orderly development of the Nation's communities. States that it is imperative that effective action be taken to combat alarming nationwide unemployment and commits Congress to elimination of the housing crisis achievement of the National Housing Goal.

ESTABLISHMENT OF THE CORPORATION

Section 2. Creates the Emergency Financial Assistance Corporation to make a guarantee of long-term loans at reasonable interest rates to State and local governments for public works and facilities, and to make direct loans to small and medium size business and industry and for construction of low and moderate income housing.

DEFINITIONS AND RULES OF CONSTRUCTION

Section 3. Defines the terms used in designating the priority area borrowers to be served by and the conditions under which credit assistance may be provided by the Emergency Financial Assistance Corporation.

BOARD OF DIRECTORS

Section 4. Provides for an 11-man board of directors composed of the Secretary of the Treasury and 10 other persons appointed by the President with the advice and consent of the Senate. Requires that persons appointed to the board shall represent State or local governments, private enterprise, organized labor, and rural organizations dealing with economic and social problems of depressed areas.

APPOINTMENT OF OFFICERS AND EMPLOYEES

Section 5. Authorizes the board to appoint officers and employees. Requires that only citizens of the United States may be officers of the Corporation and prohibits officers from receiving any salary or other remuneration from any source other than the Corporation during their period of employment.

CONFLICT OF INTEREST

Section 6. Prohibits directors, officers, attorneys, agents or employees of the Corporation from directly or indirectly participating in deliberations affecting their personal interest. Prevents the Corporation from engaging in the financing of political activities.

GENERAL CORPORATE POWERS

Section 7. Provides that the Corporation shall have the general corporate powers of a corporation organized and existing under the laws of the District of Columbia.

PRINCIPAL OFFICE: BRANCHES

Section 8. Locates the principal office of the Corporation in the District of Columbia and authorizes it to establish agencies or branch offices in any city of the Nation.

CAPITAL STOCK

Section 9. Authorizes the Corporation to have capital stock of $1 billion which shall be purchased by the Treasury as the needs of the Corporation dictate.

BORROWING AUTHORITY

Section 10. Allows the Corporation to sell fully guaranteed obligations in the open market to obtain loan funds for priority area borrowers. Limits the indebtedness of the Corporation at any one time to 20 times the amount of paid in capital.

PURCHASE OF ASSETS BY TREASURY

Section 11. Authorizes the Treasury to purchase Corporation assets on mutually agreeable terms.

DISCOUNT BY FEDERAL RESERVE BANK

Section 12. Allows Federal Reserve banks, the Federal Reserve Open Market Committee and any federally chartered or regulated commercial bank, savings and loan association or mutual savings bank to purchase obligations of the Corporation.

INVESTMENT STATUS OF OBLIGATIONS OF THE CORPORATION

Section 13. Provides that all obligations issued by the Corporation may be accepted as security for all fiduciary, trust and public funds, the investment or deposit of which is under the authority of the United States.

DIRECT LOANS AND GUARANTEES TO STATE AND LOCAL GOVERNMENTS

Section 14. Authorizes the Corporation to make direct loans to or guarantee loans made to State and local governments which are unable to obtain funds on terms which the Corporation board considers reasonable. Provides that the Corporation may make loans at below market interest rates in order to carry out the purposes of the Act.

REQUIRED PROCEDURES

Section 15. Gives the Corporation authority to establish whatever procedures it considers necessary to assure, within a period prescribed by the Corporation, that operating expenditures of State and local governments do not exceed income. The requirement does not apply to outstanding indebtedness.

LOANS FOR COMMERCE AND INDUSTRY

Section 16. Provides that the Corporation may make direct loans to finance the purchase of real and personal property and for working capital to promote establishment of new business and industry and to improve existing business and industry in depressed urban and rural areas. Requires that preference be given to small and medium size borrowers who are unable to obtain credit on reasonable terms from any other source. Borrowers can be required to fill a specified number of jobs with unemployed or underemployed persons and to conduct job training courses.

LOANS FOR LOW AND MODERATE INCOME HOUSING PROJECTS

Section 17. Authorizes the Corporation to make direct loans to public agencies, nonprofit cooperatives and corporations, limited dividend corporations and others for construction of low and moderate income family housing. Such loans can be made at below market interest rates when necessary to serve the purposes of the Act.

TECHNICAL AND OTHER ASSISTANCE

Section 18. Enables the Corporation to provide borrowers and recipients of loan guarantees with whatever assistance, technical or otherwise, it considers necessary to protect its interest and to promote utilization of the Corporation's resources.

SECURITY REQUIRED

Section 19. Authorizes the Corporation to make whatever arrangements it considers necessary to secure Corporation loans and loan guarantees.

MATURITY OF LOANS

Section 20. Gives the Corporation discretionary authority to make loans and loan guarantees for periods to be determined by the Corporation. Requires such borrowers to refinance Corporation loans through another lender whenever the Corporation considers such refinancing feasible.

TAXABLE STATUS

Section 21. Exempts the Corporation from all taxation imposed by the United States or by State and local governments except in the case of real and personal property which shall be subject to Federal, State and local taxation to the same degree as similar holdings are taxed. Makes Corporation obligations subject to Federal, State and local taxation to the same extent as the obligations of private corporations.

AUDIT BY GENERAL ACCOUNTING OFFICE

Section 22. Authorizes the General Accounting Office to conduct comprehensive audits of the Corporation loan and guarantee applicants, borrowers and recipients of loan guarantees.

AUTHORIZATION OF APPROPRIATIONS

Section 23. Provides for appropriation, without fiscal year limitation, of $1 billion to finance the purchase of Corporation stock. Also authorizes the appropriation of such sums as may be necessary to pay the difference, if any, between the cost of Corporation obligations and the interest received by the Corporation on its loans, and to reimburse the Corporation to the extent of any defaults. Authorizes such additional sums as may be necessary to establish and operate the Corporation and otherwise carry out the purposes of the Act.

STAR SUPPORTS IMPROVEMENTS IN PAYSETTING POLICY FOR MEMBERS AND FEDERAL EMPLOYEES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. HARRIS. Mr. Speaker, with the votes and debate on several aspects of the issue of salaries of Members of Congress and Federal employees not far behind us, I am pleased to share with my colleagues a recent editorial from the Washington Star endorsing efforts embodied in two of my bills. The Star calls for two revisions: eliminating the President's authority to propose an annual comparability amount differing from that of his or her advisers and separating Members' salaries from that of Federal employees.

I have introduced two bills that do exactly that: H.R. 9905, which removes the President's authority from the procedure under which annual comparability adjustments are made and H.R. 10042, which would abolish the current method for changing Members' salaries. H.R. 9905 has 21 cosponsors; H.R. 10042, 14 cosponsors.

I would also like to bring to Members' particular attention the Star's preference for taking Members' salaries out of the Federal employees salary-setting process. I heartily agree with the Star's contention that "the self-interest factor would be removed from congressional debate."

The editorial follows:

SEPARATE CONGRESSIONAL PAY

> Now that the latest federal pay issue has been settled, Congress should devise a better way to handle this annual hassle.
>
> The 8.66 per cent increase recommended for civilian workers and military personnel by a federal pay commission was never debated on its merits. They had to settle for the 5 per cent set by President Ford because Congress, for political reasons, was afraid to override him.
>
> Congressmen wouldn't override the President: because they have tied salary increases for themselves into the federal employe pay-procedure. The more money they vote for federal workers and the military, the more they vote for themselves.
>
> There are two ways to remedy the problem. One backed by several members of the House Civil Service Committee would eliminate the President's authority to offer alternate pay plans: any increase recommended by the federal pay commission would go into effect automatically. Under existing law, the President can submit an alternate plan and it goes into effect unless vetoed within 30 days by either the House or Senate.
>
> Another solution—one that we prefer—would separate congressional pay from that of federal employes. The President would continue submitting alternate plans from those of the pay commission, but the self-interest factor would be removed from congressional debate.
>
> There is room for debate on the merits and economic effects of alternate pay plans. And Congress, which must raise revenues to run the government, should have the final say. But it is unfair to the 3.5 million civilian workers and military personnel to have the decision hinge on the politics of congressional pay raises.

DISTURBING REPORTS ON THE PRESIDENTIAL CLEMENCY PROGRAM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ASHBROOK. Mr. Speaker, in stark contrast to the sacrifices exacted of over 56,000 servicemen killed in Vietnam, over 300,000 wounded, the POW's and the MIA's, reports of soft and preferential treatment of Vietnam era draft dodgers and deserters under the clemency program could easily provide the American voter with a key issue in the 1976 elections. A recent AP dispatch began:

> Two-thirds of the deserters who joined President Ford's clemency job program have dropped out, been kicked out, or processed out by the military without reporting for jobs, and will escape punishment without completing their assigned work.

According to the dispatch almost 4,503 deserters who joined the program, or 2,035 men, have either dropped out or been kicked out. Selective Service officials add that these "were terminated for nonperformance, for lack of cooperation and because they chose not to fulfill their agreements in many cases." Another 1,000 men handled by the military never reported for jobs at all. This total of approximately 3,035 men have been given discharges and will escape punishment for desertion and will not be compelled to complete their assignments under the program.

A New York Times article of September 15 commented further:

> The military is prevented from prosecuting program dropouts since they have all been officially separated from the service, and the Government, for political as well as legal reasons, has indicated it will not prosecute even the most flagrant examples of bad faith among those who have broken the agreement.

This phase of the clemency program was handled by the Department of Defense and involved unpunished deserters. Unpunished draft dodgers reported to a U.S. attorney with the Justice Department implementing this phase of the program. Convicted deserters and draft dodgers and those still serving sentences for such violations applied to the Presidential Clemency Board for relief. The clemency program was established by President Ford on September 16, 1974, and all clemency applications had to be filed no later than March 31, 1975, the cut-off date for the program. Applicants, either draft dodgers or deserters, could be relieved of prosecution and punishment if they presented themselves to the proper department before March 31, executed an agreement acknowledging their allegiance to the United States, pledged to fulfill a period of alternative service under the auspices of the Director of Selective Service and satisfactorily completed such service.

In the case of the deserter, when he elects to seek relief through the program, he receives an undesirable discharge. Upon completion of his alternative service he receives a clemency discharge in recognition of his fulfillment of the requirements of the program. The clemency discharge does not bestow entitlement to benefits administered by the Veterans' Administration.

The Presidential Clemency Board, the third phase of the clemency program, processed the largest number of cases and caused the most controversy. An AP release of September 19 stated:

> President Ford's clemency board was stacked with anti-war liberals who distorted the intent of the program, urged prison inmates to apply and voted clemency in cases involving civilian felony convictions including rape and murder, four board members say.

The minority report of the four members was released on September 15, the day the PCB went out of existence. The minority, after reviewing the first draft of the final report of the majority of the PCB and subsequent revised sections thereof, stated that "it contains numerous misleading statements, is nonfactual in many areas, and contains whole chapters that are entirely irrelevant to the duties and functions of the Board." The minority members, while believing that the original concept and plan as conceived and announced by the President was a good, sound, workable plan, found that the chairman and his executive staff had misinterpreted, circumvented and violated at least the spirit of the Executive order and proclamation establishing the clemency program. Various aspects of the program's implementation were seriously questioned by the minority:

> The actions, in our opinion, are not only unethical, but they may also border on illegality, and could greatly discredit the President's Clemency Program in the eyes of the American public.

The Office of the White House Press Secretary saw the operations of the PCB in a different light. A fact sheet issued on September 15 by that Office stated:

> The record of the President's Clemency Board reflects a *successful* completion of the Board's responsibilities within the deadline date of September 15, 1975 (emphasis added).

The Presidential Clemency Board was created by Executive Order No. 11803 on September 16, 1974, and was originally composed of nine members who, according to the minority report, represented a fair balance among liberal, middle-of-the-road and conservative views. The chairman was to be appointed by the President and former Senator Charles Goodell was chosen. An alternative method of choosing the chairman, by election of the Board members, was eliminated. The nine-member Board, according to the highly critical minority report, sought to use the President's Executive order and proclamation as guidelines and adopted policies by which decisions of the Board would be determined. Unfortunately, these policies were soon to change.

On May 7, 1975, President Ford expanded the membership of the Board to 18 and Chairman Goodell, by his own admission had a fairly free hand in picking the new Board members, including two members of his staff, according to the minority. The dissenting members of the Board found that the Board itself became more amnesty-oriented and "became, in effect, a captive of the chairman and the staff, and policy decisions were made by the chairman and the general counsel which influenced Board actions and results without the realization of Board members."

The White House factsheet lists the "accomplishments" of the Board in its September 15 release:

> The Board received approximately 21,500 applications and requests for clemency.
>
> Of these applicants, approximately 5,000 did not qualify for the program.
>
> The remaining approximately 15,000 cases all have been reviewed by the Board and recommendations made for Presidential consideration.
>
> Approximately 6 percent of the total cases reviewed by the Board resulted in recommendations for denial of the applicant's request for clemency.
>
> Of the total, roughly 43 percent of the cases were recommended for clemency conditional on fulfillment of alternate service for an average of six months.
>
> The remaining 51 percent of the cases were recommended for pardons.

While one must fairly evaluate both sides of the issue, the charges of the minority members reminds me of the antics of the President's Commission on Pornography and Obscenity several years ago. That Commission it will be recalled, was established by Congress to help combat the spreading problem of pornography and noxious materials in American communities. It turned out that the chairman and the general counsel were both members of the American Civil Liberties Union, traditionally long on liberties and short on responsibilities in the pornography area. A minority bloc developed and the situation deteriorated so badly that the minority ended up holding its own hearings in various cities throughout the country and issuing its own interim and final minority reports. Those of us who had followed the Commission's activities were of course not surprised when the majority report was flatly rejected by high-ranking administration officials who joined the overwhelmingly supported action of the U.S. Senate in disavowing the work of the majority.

In the Presidential proclamation announcing the clemency program for draft evaders and military deserters on September 16, 1974, President Ford stipulated that:

> They should be allowed the opportunity to earn return to their country, their communities, and their families, upon their agreement to a period of alternate service in the national interest, together with an acknowledgement of their allegiance to the country and its Constitution.

If the above-mentioned accounts of the handling of the clemency are basically factual, serious questions arise as to how many of the applicants are actually earning their adjusted status. I am writing to the various agencies involved in the clemency program to ascertain how adequately the program has been implemented in their individual areas. I would venture to say that an overwhelming majority of the 29 million living veterans in the United States are opposed to a general amnesty policy for draft dodgers and military deserters but that they should earn their acceptance through sacrifice in some alternative service form.

I insert at this point in the RECORD the article "Deserters 'Beating' Clemency Program" as it appeared in the Mansfield, Ohio, Journal of August 24, 1975. Also inserted are the resolutions on amnesty passed by the American Legion and the Veterans of Foreign Wars at their national conventions in August of this year:

[From the Mansfield (Ohio) Journal, Aug. 24, 1975]

DESERTERS "BEATING" CLEMENCY PROGRAM

(By Jerry T. Baulch)

WASHINGTON.—Two-thirds of the deserters who joined President Ford's clemency job program have dropped out, been kicked out, or processed out by the military without reporting for jobs, and will escape punishment without completing their assigned work.

Of the 4,503 deserters who joined the program, 2,035 have either dropped out or been kicked out, the Selective Service says. Another 1,000 men processed out by the military never reported for jobs at all, the Defense Department says.

The 2,035 dropouts and kick-outs and the 1,000 no-shows are no longer under military control because they were given discharges, and this will enable them to escape punishment for desertion without completing the work they were assigned under the program.

Another 7,000 deserters never tried to get into the program. These constitute many of those who fled the country and still could be punished if apprehended.

Selective Service officials, in response to Associated Press inquiries, said the 2,035 "were terminated for nonperformance, for lack of cooperation and because they chose not to fulfill their agreements in many cases." Some with families dropped out because they couldn't make a go of it on the low pay.

"Even though we didn't get the numbers we anticipated, President Ford has attaind more of his initial goal than lots of people give him credit for," says draft director Byron V. Pepiton.

In addition to unpunished deserters, the clemency program is for men convicted of draft dodging or being punished for desertion, and for unconvicted draft-dodgers as well. Of the 5,355 men processed so far in the three-part program, 2,879 have taken jobs.

Unpunished deserters were handled by the Defense Department; unpunished draft-dodgers by the Justice Department. Both of these parts of the program have been completed. But men convicted of draft-dodging or being punished for desertion are handled by the Presidential Clemency Board, and its part of the program is still unfinished.

Of all three parts of the program, the Clemency Board has had the most applicants—21,000 in all. It has until Sept. 15 to complete its work. So far it has found nearly 6,000 applicants ineligible, recommended outright pardons for about 6,000 others, recommended pardons conditioned on work period for about 6,000 more, and denied pardons to about 700.

When the board completes its work and the President acts on its recommendations, a more complete picture will emerge of how many men who joined the program actually take jobs and complete them.

Only 130 processed by the board have reported for jobs, because most of the 6,000 so designated by the board are still awaiting concurrence by the President or are still within the 30-day deadline for reporting after Ford acts. Seven have completed their job assignments.

Board Chairman Charles E. Goodell says "it is too early to tell" how many who signed up with the board intend to perform jobs, although all agreed to do so when they applied.

The Justice Department portion of the program for draft-dodgers has a low dropout rate, only 19 of the 722 who signed up. Those who don't complete their jobs still can be prosecuted for draft evasion. Some of the dropouts have fled the country to avoid this.

So far 52 of those in the Department of Defense portion of the program have completed job assignments, and 10 under the Department of Justice portion. The work periods averaged 20 months for these, but the Clemency Board has given only a few more than 12 months.

The Selective Service, in giving examples of men who have benefitted in a special way from the program, said it could not give names in order to protect the privacy it promised. Most are decorated, wounded Vietnam veterans.

One is a former Marine in a southern state who started the program as a jailer's assistant and fit in so well he was sent to school on his own time and is now a sheriff's deputy.

A two-tour Vietnam veteran is keeping his regular job to support his four dependents and works 40 hours a week as a volunteer with Goodwill Industries to complete his assigned term.

"He started with Goodwill as a truck driver and was soon promoted to maintenance of equipment and repair of recovered electrical apparatus," the Selective Service said. "His personnel director states that he is helpful in many ways over and above his responsibilities. Although his term is over he continues to spend some time at Goodwill."

RESOLUTION NO. 246—DRAFT EVADERS AND/OR DESERTERS

Whereas, young men throughout the history of the United States have patriotically answered the call of their country and defended its lands and ideals; and

Whereas, hundreds of thousands of these young men volunteered for, or accepted, duty in Vietnam and served with honor and distinction; and

Whereas, thousands of these young men lost their lives, or were gravely wounded; and

Whereas, thousands were captured by the enemy and were imprisoned and/or tortured for long periods of time; and

Whereas, the question of amnesty for those who have fled the country to avoid induction into the Armed Services, or have deserted their assigned military units to avoid military obligation during the Vietnam conflict has been raised; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Minneapolis, Minnesota, August 19–21, 1975, that we reaffirm our opposition to general amnesty for draft evaders and military deserters and urge that each case be tried on an individual basis, and each deserter be dealt with as prescribed by the Uniform Code of Military Justice; and, be it further

Resolved, that we urge the United States Government and its courts of justice to prosecute to the full extent of the law, all individuals charged with evading the military draft.

RESOLUTION NO. 408—OPPOSE AMNESTY

Whereas, two and one half million American citizens were called upon and honorably served in Vietnam at their country's bidding; and

Whereas, in doing so, 56,234 were killed; 303,000 wounded; over 600 were incarcerated in enemy prison camps; nearly 1,100 are still missing in action, and many returned home to rebuild a life of peace and opportunity for themselves and their families and took their fully earned place in the land for which they fought; and

Whereas, while the overwhelming majority of our men served with courage and honor, others who also had been called upon to serve avoided their responsibilities, and abandoned their country by fleeing outside its borders or going underground; and

Whereas, others, while serving in the military, chose to desert rather than discharge their sworn obligations; and

Whereas, to grant "amnesty" to those draft dodgers and military deserters who violated civil and military laws without penalty would be a gross miscarriage of our judicial system, to the sacrifices made by those who served and are still serving, their families, POWs-MIAs, and to the United States of America; and

Whereas, the "Clemency" Program announced by President Ford at the 75th National Convention of the Veterans of Foreign Wars of the United States will finally draw to an unmourned close on September 15, 1975, with the overwhelming majority of draft dodger eligibles turning their back on the President's unwise—albeit decently-motivated—effort preferring clearly to await their "vindication" by a Congressional grant of unconditional "amnesty;" and

Whereas, we fully and completely reject the fallacious notion that only those calling for "amnesty" have "compassion," our compassion being reserved for those who fought and their families; now, therefore

Be it resolved, by the 76th National Convention of the Veterans of Foreign Wars of the United States, that we sustain total opposition to both unconditional and conditional "amnesty" for draft dodgers and military deserters; and

Be it further resolved, that the Veterans of Foreign Wars of the United States continue our total commitment to pursue the "amnesty never" doctrine through our membership to the Congress and to the American people and to be firm in our stand never to relinquish, dilute or compromise this position.

Adopted by the 76th National Convention of the Veterans of Foreign Wars of the United States held in Los Angeles, California, August 15 through 22, 1975.

ACP NO BOON TO CONSUMERS

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. GRADISON. Mr. Speaker, consideration today of the proposed Agency for Consumer Protection marks a turning point in Congress attempt to reform the bureaucratic process in this country. Today, we decide whether to abdicate our responsibilities of congressional oversight by creating yet another bureaucracy which will have the power to interfere with and delay the work of every other Federal agency. On the other hand, we can face up to the need for vigilant oversight by voting down this costly and unnecessary agency and moving ahead with the process of reforming existing regulatory agencies.

Make no mistake about this bill. H.R. 7575 would bring the already slowly moving bureaucracy to a virtual halt. Not only could the ACP interfere in any other agency's proceedings before regulations were promulgated, it could also initiate court review of such regulations. If it seems that agency regulations take a considerable time to be developed now, the delays will be even worse when the ACP starts interfering.

It is incredible to me that the committee report indicates that the creation of this agency would have a significant anti-inflationary impact. Not only will the agency itself cost an estimated $60 million its first 3 years, but the costs in time and money spent over reporting requirements will be enormous.

A recent study by Murray Weidenbaum of Washington University indicated that the costs of Federal regulation has increased $600 million in 3 years. He estimates that a total of 130 million man-hours per year are spent filling out Federal forms. The ACP would certainly increase those figures, and these extra costs will definitely be passed on to the consumer in the form of higher prices. There is no doubt that consumers will pay dearly for this proposed agency.

In contrast to the statements of those who would have you believe that the "consumer" is completely unprotected, recent studies indicate 39 Federal offices are currently dealing with consumer complaints. In addition, hundreds of local offices, as well as the Consumer Product Safety Commission and the Federal Trade Commission, assist in protecting the consumer and providing information.

One question which this legislation does not answer is who will the ACP represent? As stated in the Minority Views of the Committee report in H.R. 7575, who will be represented, the environmentalist or the conservationist, the poor or the middle class, the homeowner or the renter? The fact is that some consumers, more vocal or better organized, will be represented while others will not.

Finally, the ACP will not solve the problem of uncontrolled Federal agencies, but merely aggravate the inefficiency of the system. We must realize that the reason agencies have not been protecting consumers is that their decisionmaking processes are generally inefficient. As a result, their actions produce unforeseen and sometimes catastrophic results.

It is Congress' responsibility to reform these agencies so that they may accomplish their intended functions. Establishing an Agency for Consumer Protection is an admission to the American people that Congress can no longer control the agencies it has created.

TELEPHONE SURVEY

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mrs. CHISHOLM. Mr. Speaker, I would like to share with my colleagues the results of a telephone survey concerning AID to New York City, conducted jointly by the New York Times and CBS News over the weekend of November 1 and announced last night on the CBS Evening News. The survey is the first poll to be conducted since President Ford's October 29 remarks opposing aid to New York. The two news organizations questioned 778 people in their survey which has a sampling error factor of plus or minus 4.

By 55 percent, yes, to 33 percent, no, the public favored Federal Assistance to aid New York City. On the question of whether a default by New York City would adversely affect the national economy, 69 percent of those polled believed it would; 17 percent said it would have no effect. Sixty-eight percent of the public believes that other large cities face or will face similar problems as New York City; 16 percent do not. If the city defaults, the survey showed, 81 percent of those polled favor assistance to the city to maintain police, fire, and sanitation services; 77 percent favor aid to schools as opposed to 15 percent who do not; 47 percent, a plurality, favor assistance to maintain welfare services while 39 percent do not. Aid to city hospitals, under default, was supported by 80 percent of those surveyed and opposed by 12 percent. In all categories, the difference between the percentages reported and 100 percent equals the no-opinion factor.

I do hope that Members of the House will consider the results of this important survey. We have been led to believe that the American public does not support the idea of giving aid to financially troubled New York City. This survey indicates to me that this is not true.

DEREGULATION—WHAT PROSPECTS?

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BURKE of Florida. Mr. Speaker, as we consider H.R. 7575 and debate the merits of establishing still another multimillion dollar regulatory agency to stifle American business, I think we should consider the logical alternative: deregulation. It is a proven fact that Government regulation of business has been carried to excess in this country, but people are used to saying that we "can not turn the clock back."

Mr. George Hagedorn, vice president and chief economist of the National Association of Manufacturers, has written an excellent article on this very subject that has been reprinted in the October 1975 issue of the Freeman. He argues—I think very persuasively—that we can and must begin a process of deregulation.

Mr. Hagedorn's article makes much sense, both from an economic standpoint and from a political standpoint, and I commend it to the attention of my colleagues:

DEREGULATION—WHAT PROSPECTS?

(By George Hagedorn)

Deregulation—a general move toward reducing the degree of direct government intervention in the economy—is now being discussed more seriously than for some time in the past. The Ford Administration is reportedly preparing a program of this character. It will take a new look at the vast accumulation of government regulatory devices and agencies to determine which of them make sense and which do not.

The question to examine here is whether such an effort has any real prospect of success. Some commentators, even those who are inclined to agree that in many instances the adverse effects of regulation outweigh its benefits, have suggested that it does not. Deregulation, they say, flies in the face of a long-established trend toward increasing government involvement in the detailed workings of the economy. "You can't turn the clock back," I am continually told when the subject is discussed.

As rational men, we can protest against any such attitude. Why shouldn't the country take an objective look at government regulation of the economy, in all its myriad forms, to assess its benefits and its costs, and to weigh one against the other? Why should one possible conclusion—the desirability of deregulation—be ruled out in advance? The cliché, "You can't turn the clock back," seems to mean that once you have made a mistake you must go on making it forever, and reasonable men cannot accept that.

Those to whom such arguments are addressed often nod sympathetically, but they are not convinced. We are dealing, they say, not with a process directed by a rational analysis of advantages and disadvantages, but by a political process that moves by its own momentum. A mood has developed which leads people to insist that, when they are dissatisfied with anything, government will step in to set it straight.

A HOPEFUL SIGN

Disheartening though such a viewpoint may be, we have to admit that it has some weight. But there are other considerations which lead to the opposite conclusion—this may be an ideal time for a move toward deregulation, and its political prospects may be very good indeed. Paradoxically, the fact that so many things are clearly wrong with the economy at this moment is a hopeful sign. We must have been doing a lot of things wrong, and one of these is overregulation. The public is losing faith in government as the universal problem solver.

One example of the falsity of the proposition that when regulation is introduced it can never be removed is the recent fate of wage and price controls. We recall that, shortly after controls were introduced, there was much talk that this action would not be reversed in the life-time of most of us. In September 1971 (Phase I was in effect and the shape of Phase II was being discussed), the *Wall Street Journal* ran a story that suggested "Phase II may be forever."

But wage and price controls *were* abandoned in April 1974. The clock *was* turned back. The reason for the abandonment of controls was not an ideological change of heart, on the part of either the population or their political leaders. The reason was that controls were a conspicuous and disastrous failure.

A second consideration that leads us to believe that deregulation can be a politically realistic option is the fact that many of the most questionable forms of regulation are of fairly recent origin. True, we have had regulation of railroads since the 1880s, and regulation of financial markets since the 1930s. But the really big wave of government direct intervention in the economy has occurred during roughly the past 10 years. We now have large areas of government regulation in: product safety, occupational health and safety, water and air pollution, equal employment opportunity, etc.

The objection to most of these recently-introduced forms of regulation is not that their intentions are wrong. No one will defend pollution, or discrimination, or hazardous conditions of employment. The objection is rather that regulation is not always the most effective, or least costly, way of achieving admittedly desirable ends.

The main point, however, is that much of our regulatory apparatus is rather recent. In suggesting a new look at the possibilities of deregulation one is not proposing the unwinding of a historical process that has been going on since our great-grandfathers' time. It is more in the nature of taking a look at the results of a 10-year experiment.

The mounting tide of government regulation is one aspect of the increasing tendency toward government activism during the past decade. The results are now in: we have an economy plagued by inflation, unemployment slow productivity growth, declining real wages, energy shortages, a breakdown in the transportation system, etc., etc. Surely governmental activism—in all its aspects, including regulation—has been a conspicuous and disastrous failure. It is those who refuse to see the clear evidence of this that seem quaintly to be living in the past—the past of 10 years ago when the present huge volume of evidence against government intervention was not yet available.

RETIREMENT OF EDWIN E. HUDDLESON, JR.

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BELL. Mr. Speaker, the Aerospace Corp. observed its 15th anniversary September 12, 1975, in conjunction with the annual meeting of its board of trustees. During the corporation's 15 years of service to the Nation, I have been privileged to meet with its senior management officials from time to time and know of its highly successful scientific and technical achievements on programs critical to the defense and safety of our country. Coinciding with the observance and resulting from a board membership limitation of three consecutive 5-year terms, was the departure from the board of Mr. Edwin E. Huddleson, Jr., one of its most distinguished members and the only remaining charter trustee.

As many of my colleagues will recall, the Aerospace Corp. was incorporated under the laws of the State of California June 3, 1960, to render scientific and engineering services for the U.S. Government. It was formed at the request of the Secretary of the Air Force to aid the U.S. Air Force in applying the full resources of modern science and technology to the problem of achieving those continuing advances in ballistic missiles and military space systems which are basic to national security. In recent years, a portion of the corporation's high technical competence has been directed toward solutions of the Nation's civil problems.

The control, supervision, and direction of the general management of the corporation are vested in the board of trustees who are leading citizens selected to provide representation from each of three classifications: industrial trustees, who are from or representative of industry; academic scientific trustees, who are from academic institutions of higher learning or are engaged in scientific research and development, or who devote a majority of working time to the service of such academic institutions or to scientific research and development; and public interest trustees, who have an awareness and appreciation of the public and governmental interest in the corporation's projects. I believe that those who have had the opportunity to become familiar with the work of Aerospace will agree with me that the company's technical and managerial accomplishments attest to the faithfulness of the board's administration of its responsibilities.

Mr. Huddleson was elected to the board June 4, 1960. He was elected vice chairman September 11, 1971, and served in that capacity until September 12, 1975. As a public interest trustee, and a founder, charter member of the board of trustees, he has assisted the corporation and the Air Force by his guidance and counsel throughout 15 years of dedicated service. During this period, under the Board of Trustees, the corporation established and has maintained an organization possessing talent at the cutting edge of technology and has provided the technical depth and continuity necessary for assisting the Air Force and the Department of Defense in the development of major space and ballistic missile systems.

A review of Mr. Huddleson's achievements before his becoming an aerospace trustee in 1960 reveals why he was able to bring so much valuable professional experience to the Aerospace board.

Edwin E. Huddleson, Jr., was born in Oakland, Calif., January 28, 1914, and grew up in Santa Cruz, Calif. He attended Leland Stanford Junior University from 1931 to 1935 where he received an A.B. degree in political science and was a member of Phi Beta Kappa. He attended Harvard Law School from 1935 to 1938 where he was graduated magna cum laude. He was president of the Harvard Law Review in 1938.

From July 1938 to June 1939, Mr. Huddleson was law clerk to Judge Augustus N. Hand, U.S. Circuit Court of Appeals for Second Circuit, New York City. From June 1939 to February 1940 and from July 1940 to February 1941, he was an attorney in the Office of the Solicitor General, Department of Justice, Washington, D.C. He served as law clerk to Mr. Justice Frank Murphy of the U.S. Supreme Court from February 1940 to July 1940.

Drafted into the U.S. Army in February 1941, Mr. Huddleson served in the Counter Intelligence Corps. He was commissioned in April 1942 and served in military intelligence in Washington, D.C., and in Oahu, Hawaii. He was released from the Army in January 1946 with the rank of lieutenant colonel.

From January 1946 to December 1946, Mr. Huddleson was Director, Special Projects staff, U.S. State Department, under the special assistant for research and intelligence. He left the State Department in December 1946 to become Deputy General Counsel of the U.S. Atomic Energy Commission.

He left Government service in January 1949 to become a partner in the San Francisco law firm of Cooley, Crowley & Gaither, which later became Cooley, Godward, Castro, Huddleson and Tatum.

He is married to the former Mary Taeusch. They had three children: Michael S., deceased, Edwin E., III, and Mary Catherine.

In recognition of his contributions during his years of military service, Mr. Huddleson was awarded the Legion of Merit. His service to the Nation was again recognized on the occasion of his leaving the Aerospace board of trustees when Secretary of the Air Force John L. McLucas presented to him the U.S. Air Force Exceptional Service Award, its highest civilian award. Accompanying the award was the following citation which was read at the presentation.

CITATION TO ACCOMPANY THE AWARD OF THE AIR FORCE EXCEPTIONAL SERVICE AWARD TO MR. EDWIN E. HUDDLESON, JR.

Mr. Edwin E. Huddleson, Jr., distinguished himself by exceptionally meritorious public service as a charter member of the Aerospace Corporation's board of trustees from 1960 to September 1975, and as vice chairman of the board since September 1971. During this period Mr. Huddleson was instrumental in the development and maintenance of a sound technical organization capable of foreseeing and meeting technical requirements of the United States Air Force. His broad grasp of Government/industry relationships and his special understanding of nonprofit public service organizations have enabled the Aerospace Corporation to perform its role in aiding the United States Air Force in applying the full resources of modern science and technology to the problems of achieving those continuing advances in ballistic missile and military space systems which are basic to national security. His efforts constitute an example of outstanding public service by a private citizen in support of the Air Force's participation in the national defense and space programs, thereby reflecting great credit upon himself and earning for him the sincere gratitude of the United States Air Force.

Mr. Speaker, I would like to add my own congratulations to Mr. Huddleson for his distinguished service and to send every good wish for the future. The Nation is fortunate to have men such as he serving in these important capacities.

IN COMMENDATION OF J. J. PICKLE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. VANIK. Mr. Speaker, I want to take this opportunity to direct the attention of this body to the efforts of our colleague from Texas, JAKE PICKLE, to remove the shroud of secrecy from private IRS rulings. In yesterday's extended consideration of an extremely complex tax reform bill in the Ways and Means Committee, Congressman PICKLE found and corrected two major portions of the IRS Administrative Provisions title. His vigilance and forethought, together with his effective arguments to the committee, led to votes to strike two sections that would have served to perpetuate the closed door secrecy that prevents the general taxpayer from knowing about private tax rulings which may substantially affect his tax obligations.

The first Pickle amendment removed a section of title XII that would have allowed the IRS to keep any "written determination" from the public even if instructed otherwise by "any court"—apparently meaning even the U.S. Supreme Court, thus effectively establishing an IRS supremacy that could not be touched. Congressman PICKLE convinced the committee that the section made no sense and it was defeated.

The second Pickle amendment struck language, also in title XII, that would have further ratified the Internal Revenue Service's refusal to keep administrative rulings, such as private letter rulings, secret and moribund. There is an untold amount of information already accumulated in these rulings that the public has every right to know. Congressman PICKLE's amendment is the first step toward public disclosure.

Mr. Speaker, I want to praise my colleague for his work in the full committee in this area of administrative change as well as his dedication and diligence in the Oversight Subcommittee which I chair.

MORE EVIDENCE OF WIDESPREAD HARDSHIP IF NEW YORK CITY IS ALLOWED TO DEFAULT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. DOWNEY of New York. Mr. Speaker, Suffolk County, N.Y., a suburban rural county on the eastern half of Long Island, is not widely recognized as a hotbed of partisan liberalism. Its record of electoral support for statewide and national politicians of the Republican persuasion has been widely hailed and almost legendary in its biannual recurrence. But strange rumblings have been noticed in the hustings.

There is little question that the Democratic capture of a majority of the county legislature on Tuesday reflects a grassroots revolt against the economic brinksmanship currently being foisted upon the American people by the administration. It further reflects a truth that becomes more apparent daily: that clear-thinking members of even the President's own party reject his punitive and counterproductive approach to the New York City tragedy.

Mr. Speaker, I recently received a telegram from the Suffolk County Commissioner of Labor, a high ranking official of the Republican county administration. His message rings loud and true, and I wish the President would heed it. It is reproduced below, and it is worth reading.

HAUPPAUGE, N.Y.,
October 30, 1975.

Congressman THOMAS DOWNEY,
Congressional Office Building,
Washington, D.C.

As Commissioner of Labor of Suffolk County New York I am deeply concerned and apprehensive about the catastrophic ripple effect that a New York City default will visit upon us in terms of jobs.

An ill New York City, allowed to collapse, can bring illness also to the twelve million people who live in its environs. Here in Suffolk, where we have forty-three thousand people unemployed and where we have had a persistent unemployment rate averaging over 6 percent for the past forty-two months, our one and a quarter million people would be affected adversely in many ways should New York City be permitted to go under. Our construction industry alone is currently suffering a thirty-five percent unemployment rate with thirty-five thousand construction workers out of jobs. Yet, as a result of the present crisis in New York City, the State has shut down on the construction work at Nassau Community College putting four hundred more people out of work. At the same time construction on the seriously-needed Suffolk Community College east and west campuses has been stopped, throwing additional construction men out of work.

The ripple effect has many other serious ramifications here, just a few hours from Manhattan. Thousands of our citizens work in New York City for the City Government, including police and firemen. Many of our businesses in Suffolk provide goods and services to the city of New York. These vendors not only face the danger of not being paid but they are also threatened with the loss of goods and services dependent on cash flow for operations will fail. Thousands more will be added to unemployment and welfare rolls throughout the area.

In addition, many agencies of our government, and our school districts, are already running into great diffculty floating bonds. Those bonds that they can sell are already costing millions more in interest than in the past, putting a great strain on budgets, and this inevitably means the loss of jobs by many of our school's teachers.

The devastating affect of a New York City default will cause incalculable difficulty in conducting the normal affairs of our county. The so-called domino effect will be endless. The failure to achieve financing will also affect hundreds of communities in the entire greater metropolitan area including Northern New Jersey, Connecticut, West Chester and Rockland counties.

I therefore respectifully implore, on behalf of the working men and women of Suffork County and neighboring municipalities not to mention the communities across the Nation that will be affected, that you use the influence of your office in every way possible to bring about legislation that will give New York City the time it needs to get on its feet without the tragedy of default or Bankruptcy.

LOU V. TEMPERA,
Commissioner, Suffolk County
Department of Labor.

UNFORTUNATELY, THE PENTAGON LOSES A TALENTED LEADER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. KEMP. Mr. Speaker, I take this time to register my disappointment and disapproval of the firing of James Schlesinger as Secretary of Defense.

While no one can agree with anyone else 100 percent of the time, I believe Mr. Schlesinger was one who, more than any other, foresaw the false blandishments of Soviet promises. He warns us against letting the Soviets substitute rhetoric for results. I sincerely hope that he was not fired for speaking the truth, but I suspect that he was.

I urge him to continue to speak out, as we need his insight now more than ever. This article by the able Wall Street Journal writer Richard Levine sheds some interesting perspective on this issue and I include it at this point:

THE PENTAGON LOSES A TALENTED LEADER

(By Richard J. Levine)

WASHINGTON.—Defense Secretary James Schlesinger, fired in the Sunday night massacre, deserved better treatment than he received from "Nice Guy" Jerry Ford.

For in the opinion of many experts Mr. Schlesinger rates as one of the strongest Pentagon chiefs ever. An authentic defense authority before he arrived at the Pentagon, he brought firm and innovative leadership to a military establishment that had been demoralized by the Vietnam war.

He helped restore the military's morale and muscle. And in the process he defined in public statements a logical relationship between America's military might and its political role in the world, produced a new doctrine of strategic nuclear deterrence, and prodded the services into accepting cheaper, simpler weapons.

These aren't insignificant achievements for the leader of a huge bureaucracy that has defied the direction of many Secretaries. Clearly, Donald Rumsfeld, the 43-year-old White House chief of staff and former Illinois Congressman whom the President picked for the Pentagon post, has an impressive act to follow. Mr. Rumsfeld's qualifications for the job aren't obvious; at one point in his Monday night press conference, President Ford felt impelled to note that Mr. Rumsfeld once had been a "naval aviator."

Secretary Schlesinger had weaknesses. He could be extremely arrogant, delighting in overwhelming an opponent with the force of his own intellect. He could be unpleasant and unfeeling in personal relationships. "His idea of small talk is to say, 'good morning,' sometimes," says a close aide. "We're all pieces of furniture as far as he's concerned," says another official.

These character traits obviously hurt him in his relations with Congress, where he had problems recently defending his budget. But in view of his overall record at the Pentagon, Mr. Schlesinger was removed from office in a shabby fashion.

Last Saturday at noon, he was at the White House for a routine meeting with President Ford on a broad range of defense issues. There wasn't any hint of what lay immediately ahead. Later in the day, he received a call asking him to be at the White House for an 8:30 meeting Sunday morning. There, the President fired him and then left him dangling for more than 24 hours while the news leaked out.

Dismissed abruptly and deeply disturbed over what's happening with U.S.-Soviet detente and to the Pentagon's budget, Mr. Schlesinger may well choose to continue speaking out on national security issues in the months ahead. Soon after the news of his firing became public, the Secretary began receiving requests to testify before Congress.

Such testimony, sure to be marked by Mr. Schlesinger's candor, wouldn't be helpful to a Republican President already regarded suspiciously by the conservatives in his own party for failing to take a sufficiently tough line with the Soviets.

Essentially, Mr. Schlesinger was much more skeptical of the Soviets and detente than is Secretary of State Henry Kissinger, his arch-rival for power and influence. And they clashed frequently over such issues as the Strategic Arms Limitation Talks, or SALT, with the Defense boss insisting that the U.S. hold out for Soviet concessions.

As Mr. Schlesinger saw it, Soviet military power was increasing as U.S. power was declining, thus jeopardizing the essential element in his global strategy—maintenance of a "world-wide military equilibrium" between the U.S. and the Soviet Union. To reverse what he thought were dangerous trends in the power balance, Mr. Schlesinger tried to convince Congress that Pentagon budgets should increase annually in "real terms"—that is, by more than what's needed to offset the effects of inflation and pay raises. But in an era of nuclear overkill and $100 billion defense budgets, he wasn't able to sell lawmakers on the idea that still more was required.

As congressional resistance stiffened, Mr. Schlesinger lashed out more harshly and frequently at the Congress, upsetting not only lawmakers but also the President. He was convinced that a world in which the Soviet military was clearly superior to American forces would be vastly different from the current one, with the Western democracies forced to bow to Soviet pressure tactics.

"Today, in contrast to the situation that existed before 1945, there is no acceptable alternative to deep and steady American support of, and participation in, the security of other free states," Mr. Schlesinger warned last spring in one of his favorite handcrafted speeches. "The only alternatives are either 'Finlandization' or 'Polandization,' depending on whether one happens to be an optimist or a pessimist. Such an outcome might be tolerable to the relatively few advocates of 'Little America;' it would be wholly intolerable to everybody else."

Public musings such as these were what led an administration policy planner to observe recently, "Schlesinger is the kind of man who always sees the bottle as half empty rather than half full."

When asked the other day about his gloomy outlook, the Defense Secretary described himself as an "analytical pessimist and a spiritual optimist." In the long run, he believed, things would turn out okay because the American public wouldn't allow the nation's military capability to be sliced away.

But if Mr. Schlesinger couldn't get Congress to approve his full budget requests, he could use the available resources more efficiently. And shortly after he arrived at the Pentagon in June 1973, he began a major reexamination of the nation's plans for deterring nuclear war.

What emerged from that exercise was a new policy that placed much greater stress on the ability of U.S. missiles and bombers to destroy Soviet military targets as well as population centers. He contended that this capability was needed to give the President "a reasonable range of options" in case deterrence failed, an alternative to launching a full-scale retaliatory attack on Russian cities.

To develop these options, Mr. Schlesinger asked for and got congressional approval and money to develop much more accurate and powerful warheads. All this dismayed many arms control experts, who believed it increased the likelihood of nuclear war by giving government officials the false idea that any nuclear hostility could be contained geographically and with a minimum of civilian deaths. It also disturbed the Soviets, who immediately began attacking Mr. Schlesinger as a dangerous warrior out to undermine detente and "bring back the Cold War Corpse."

In his second year on the job, Mr. Schlesinger turned his attention to the conventional, or general purpose, forces under his control. With Vietnam fading, he focused on Central Europe (where 777,000 ground troops in the West faced 930,000 men from Warsaw Pact countries) and the state of the U.S. Army at home and abroad.

The Pentagon boss was convinced that the American Army suffered from two major ills: It contained too few combat divisions and too many desk soldiers. To remedy the situation, Mr. Schlesinger made a deal with the late Creighton Abrams, Army Chief of Staff—if the Army would eliminate the unnecessary staff jobs, it could use the manpower to create three new divisions. The Army jumped at the opportunity.

The Defense Secretary's task, now successfully completed, was to sell Congress on the idea of allowing the Army to remain at a stable personnel level of 785,000. Today, the Army is in much better shape than a few years ago, and it's sending its best commanders and weapons into Western Europe.

To convince the Air Force and the Navy of the wisdom of choosing less sophisticated and expensive aircraft, Mr. Schlesinger also used an incentive. He kept pointing out that the two services could purchase cheaper weapons in much larger numbers, thus increasing the size of their forces.

Mr. Schlesinger's relationship with the Joint Chiefs of Staff was excellent. He had selected all five members, and he thoroughly enjoyed his bull sessions with them. "Sometimes on a late, relaxed Saturday afternoon, I'll wander down to his office just to talk about some ideas I have, without any fixed agenda, and end up spending two or three hours," one of the chiefs said a few weeks ago. "The discussion never gets back to the staff, which promotes a free flow."

The relaxed open-ended discussion (Mr. Schlesinger was almost impossible to keep on any kind of schedule) seemed to flow naturally from his academic background. Before entering government as an assistant budget director at the start of the Nixon administration, he had been at the Rand Corp., the University of Virginia and at Harvard University, where he had a Ph.D. in economics.

In his spacious office on the Pentagon's E Ring, a pipe clenched in his teeth and a can of Sir Walter Raleigh tobacco at his feet, he could expound brilliantly for hours on the Strangelovian complexities of nuclear strategy, or the Navy's difficulty in adjusting to a world without giant aircraft carriers.

That is where he was most comfortable—and most effective.

NATIONAL ENERGY POLICY IS ESSENTIAL

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. JOHNSON of California. Mr. Speaker, a short time ago my colleague, JACK KEMP, and I hosted a breakfast at which the subject of the need for an adequate and responsible national policy as it relates to energy was discussed.

As it was emphasized during this meeting, short term economic survival and long term economic growth are primarily dependent upon this Nation's ability to be self-sufficient in energy supply. A comprehensive proposal to accomplish this was set forth by Mr. Thomas W. Ferguson, Jr., vice president of the National Gypsum Co., Buffalo, N.Y.

Mr. Ferguson is an old friend with whom I have been associated since he first became manager of a plant in Roseville, Calif., my hometown, constructed and operated by one of the subsidiaries of National Gypsum; namely, American Olean Tile Co. I might note that National Gypsum and its subsidiaries is a broad-based organization which has plants and operations in nearly 77 congressional districts. With this broad scope of interest, I thought it appropriate to share with my colleagues the remarks made by Mr. Ferguson at that breakfast meeting and, accordingly, include his speech at this point:

"NATIONAL ENERGY POLICY IS ESSENTIAL"

Ladies and gentlemen: We have asked you to be our guests at breakfast this morning so that we could present our views, face to face, about the most singularly important business factor confronting our Nation today—the critical shortage of energy. We appear before you today on our own, unaffiliated with other businesses or business organizations so you can hear precisely the importance of energy to our business and the need for immediate and positive action on your part to create a comprehensive national energy program that will reverse the declining trend of energy supply to meet the short and long term needs of our country.

Energy, its adequate and timely availability, is absolutely essential to the continued operations of National Gypsum Company and to nearly all industry as a whole.

We are a "fortune 500" listed company employing over 13,000 people at 61 manufacturing plants and some 330 sales and distribution facilities throughout the Nation. We are a highly diversified and integrated manufacturer of building materials.

The second most significant factor affecting our business is the availability of money to finance new building construction and rehabilitation of existing structures.

Governmental demand and influence in the money market has a most serious import to our business, to our people, and to business as a whole because that governmental demand skims the cream off the top. In prior periods, this country was led out of recessionary and depressionary times by the quick rebound of the building industry. Without the availability of money to meet existing demand for shelter, and without a fast step-up in energy supply, this history will not repeat itself.

Energy, in the form of coal, fuel oil or natural gas, is as critical to us as any of our raw materials since it is an integral part of our processing operations.

In our cement division, we use almost one million tons of coal per year, and we only represent 4% of cement industry capacity. Our annual fuel oil requirements approach 37½ million gallons per year with 87% used for processing needs in the manufacture of gypsum wallboard and related products. Our output in that facet of the business amounts to about 25% of that industry. Our natural gas usage approaches 14 million Mcf/year. Natural gas is particularly critical to our 8 ceramic tile manufacturing plants since there is no technically feasible substitute fuel except propane which is in even more critical supply than natural gas.

Our ceramic tile plants use a little over 2 million Mcf/year, and the output of our plants is approximately 26% of the domestic ceramic tile production.

These partial highlights of energy usage reflect the critical nature related to the 13,000 jobs at National Gypsum. I should add that our usage per employee is well below national averages of all manufacturing processing due to efficiency techniques that have been in place for over two years.

We are gravely concerned about our future business since we are energy-sensitive and have prepared the following position statement.

Short term economic survival and long term economic growth are primarily dependent upon this nation's ability to be self-sufficient in energy supply. To meet that objective, the irrefutable needs are:

(1) A comprehensive national energy program with related positive actions that will reverse the declining trend of energy production and meet both short and long term needs for our country.

(2) Elimination of interim governmental regulatory or administrative authority as soon as adequate energy supplies are developed.

(We believe that governmental intervention should be kept to a minimum, used only in the cases of emergency situations, and be self-terminating to prevent continuance of unnecesary costs.)

(3) A single Federal agency that will be responsible for the national energy program, thus avoiding existing duplication of effort and duplication of cost to the taxpayer.

(This would eliminate splintered responsibility that presently exists as illustrated in the "third report by the Committee on Governmental Operations, House Report 94–412", dated July 25, 1975. In addition, such a move would eliminate the burden of duplicate business reporting costs.)

(4) New legislation or extension of existing administrative authority to cause an accurate inventory of reserves of all forms of energy.

(The lack of accurate data on available volumes, proven reserves, and status of development programs can only result in poor planning for both the nation and business as a whole.)

(5) De-regulation of all price controls on oil, coal and new natural gas, with the objective of creating capital funds and the incentive to improve our domestic energy supply.

(Price controls discourage private investment due to the lack of assurance of a satisfactory return on investment, to wit availability of natural gas on an uncontrolled intra-state basis. In particular, de-control of new natural gas will provide needed new volume at no higher unit costs. Diminishing volume of supply will cause a serious price rise to cover high fixed cost of the transportation and distribution of natural gas.)

(6) Elimination of unduly restrictive environmental protection legislation and interpretative policies regarding:

(A) Burning of high sulphur coal as a short term energy source.

(B) Burning of high sulphur fuel oil as a short term energy source.

(C) Mining of coal to encourage the use and availability of coal as a substitute fuel for other energy forms.

(D) The imposed restrictions on, and resultant delays of, nuclear power construction.

(The pendulum of environmental protection that exists in O.S.H.A. and M.E.S.A. has swung in an arc unrelated to the practical needs of today. We are wholeheartedly in favor of environment preservation and improvement but not to 100% purity.)

(Much of the strip mining legislation and some of the deep mining regulations are too restrictive and costly, thus preventing the use of natural resources which are immediately available.)

(7) Acceleration of nuclear power plant construction to minimize the use of other energy sources and to provide long term electrical energy requirements.

(As stated in Representative MIKE McCORMACK's article in the September issue of Nation's Business, nuclear power is the very keystone of future electrical supply that will meet the demand for the growth of our country. If present delays continue on nuclear power construction, our country's future is black indeed.)

(Nuclear power, while it requires high capitalization, does result in conservation of other energy forms and does so with a low fuel unit cost. Incentives are needed to foster acceleration of nuclear power plant construction.)

(8) Creation of legislation for encouraging voluntary conservation of all forms of energy through tax incentives for both the general public and industry.

(Voluntary conservation with incentives is the only answer to needed energy conservation by both the general public and industry as well.)

(9) Creation of legislation that will provide tax incentives to industrial users as a means of accelerating the development of new energy conservation technology.

(The existing long term projections of domestic energy supply clearly indicate to us that there will be little or no growth of our national economy. Industry must develop new manufacturing techniques that will use less energy to manufacture our products. The investment required to accomplish these objectives is substantial and cannot be borne without some form of incentive.)

(10) Creation of legislation that will provide tax incentives such as investment credit, depletion allowance and accelerated depreciation to encourage exploration of new energy sources.

(Businesses involved in energy supply and distribution need incentives to assure satisfactory return on investment for the stockholders and lending agencies.)

(11) Natural gas supply is the most critical of energy forms; therefore, the following should be clearly established:

(A) Continue to recognize existing residential usage under priority one.

(Residential users account for 34% of the total but are locked in. We realize that it is politically unwise to lower the priority of residential usage, but I submit to you that without a job, how can John Doe pay his fuel bills?)

(B) Use of alternate fuels in new residential and commercial construction wherever feasible.

(C) Assignment of natural gas under priority two for industrial usage on an end-use basis with technical clarification of present definitions.

The present definition of process gas is too general, allowing allocations on a subjective basis that would be discriminatory to those who have a real technical need.

(Definition of process gas—from T.C.A.A. speech).

(D) Uniform curtailment policy at both the state and the federal levels.

(To give you an idea of the existing chaos, our glazed wall tile plant in Lansdale, Pennsylvania employs 1,000 people and has had a firm gas contract for over 30 years. By the very definition in priority two of the Federal Power Commission's curtailment schedule, the Lansdale plant is recognized under that priority and indeed its usage has been reported to the F.P.C. by the supplying utility and pipeline distribution company.

During the heating season 1975–1976, that plant will be curtailed 50%, and since the control of the gas within the State of Pennsylvania is under the jurisdiction of the State Public Utilities Commission whose priorities are not in conformance with the Federal schedule, we are faced with serious curtailment of the production capabilities and the related unemployment at that plant.)

(12) Establishment of a specific government-sponsored private corporation to attack the long term energy problem.

(It has been proven historically that private industry, with its expertise, coupled with governmental financial assistance, affords the best opportunity for solution of the long term energy supply.)

The time for demagoguery, more studies, or attempting to achieve 100 percent of environmental purity has run out. Conservation must, at home and at work, become a way of life. Ill-advised, uncoordinated and disruptive regulation which has retarded the development of the Nation's domestic energy resources must be removed.

The creation of such a comprehensive national energy program should not be delegated to those who hate industry, to those who seek personal or political power over it, to the irresponsible underlings in Federal bureaus, nor to the theorists who want to experiment.

This task requires the highest skills of businessmen who understand the problems of government, and Government officials who understand the problems of industry. It is a task for realistic and informed men who have mutual respect for the needs of Government and industry with a common devotion to the welfare of America.

We as a company stand ready to do our part, and we are sure that industry, individually or through the many industrial associations, stands ready to help solve the problem. Let's use the expertise that exists in private industry rather than create new bureaucratic monsters that can only drain the economic resources of this Nation.

We urge you to bury the "political hatchet" that presently exists between the parties and between Capitol Hill and the administrative arm of our Government. As a concerned corporate citizen, and on behalf of our employees, we demand positive action that will create a comprehensive national energy program.

Ladies and gentlemen—we are here to urge, insist, plead, literally beg, your leadership be put into guaranteed effective action not to save our system from being seriously crippled—but indeed to prevent total destruction.

You are not confronted with a possible or even assured long term national serious illness—you are confronted with an already sick Nation whose death is certain unless we come out of Rip Van Winkle sleep and really make things happen.

You—and only you—can make them happen.

This Nation cannot afford the luxury of your failure.

GET US OUT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the disillusionment with the United Nations is spreading rapidly among the public. As the so-called Third World nations add their irrational antics to the propaganda and demogoguery of the Communist nations, the average American sees less and less use of financing the largest continual cocktail party on the Hudson. The John Birch Society recently delivered petitions to Capitol Hill containing signatures of 2,685,000 persons who want us out of the United Nations. Symptomatic of this growing feeling is a recent editorial that appeared in the Arizona Republic on October 9, as well as a poll on the U.N. taken by Senator Fannin that was reported in the Arizona Republic on October 4, 1975. Both items follow:

[From the Arizona Republic, Oct. 4, 1975]

FANNIN POLL FAVORS END TO U.N. TIES

WASHINGTON.—Arizonans replying to an opinion poll taken by Sen. Paul Fannin, R-Ariz., want the United States out of the United Nations, the lawmaker said Friday.

He said 55.5 per cent of those replying answered "No," to the question, "Should the U.S. remain in the United Nation?"

Fannin said those who said the country should stay in the United Nations frequently suggested that U.S. financial support be cut drastically.

He said 92 per cent of his respondents favored regulatory reform. They also listed inflation, crime, energy, national defense, unemployment, drug use and pollution as their chief worries.

More than 40,000 persons answered the poll, he said.

[From the Arizona Republic, Oct. 9, 1975]

DISGUST FOR U.N.

When the United Nations once was generally considered a respectable forum for maintaining some semblance of world harmony, the John Birch Society virtually was alone in its billboard demands to "Get US Out of The U.N."

Time and events seem to prove the Birch Society may simply have been ahead of its time.

The U.N. has lost its sacred cow standing. Members of Congress, the man on the street and the media have been showing increased belligerence to the U.N.

Our ambassador to the United Nations, Daniel P. Moynihan, has been given the green light to rough up the world body with some of his eloquent derision. Moynihan has told the U.N. in so many words, that the U.S. is not about to stand by and be pushed around by the rhetoric, or deeds, of Third World rabble.

Just how precise this shift in attitudes toward the United Nations has been is underscored by the results of a poll just completed by Arizona Sen. Paul Fannin.

More than half of the 40,000 Arizona voters who responded to the poll had an opinion about the United Nations—with 55 per cent saying the U.S. should withdraw from the U.N. This majority feeling is a striking contrast to how the U.N. fared in the public's mind, say 15 years ago.

Perhaps the Arizona mood is not a true gauge of the nationwide mood. And, furthermore, it's highly unlikely the United States will totally abandon the United Nations.

Yet, the Fannin survey, and the growing resentment among congressmen about shabby treatment in the U.N., clearly points toward an end of America's financial generosity to that body.

We shoulder the largest financial burden of any member nation. Last year, American taxpayers paid $409,131,000 for the privilege of being a member, and being abused and reviled by the coalition of mini-states and backbenchers who contribute little more than hot air.

That's 31.4 per cent of the United Nations' total expenditures, including massive "special programs" which are nearly seven times more costly than just basic operations.

While the United States faithfully pays and pays and pays, notable members such as Russia and France remain millions of dollars in arrears in dues in violation of the charter.

A Democratic Florida congressman, Rep. Robert Sikes, has taken to the floor in recent months to denounce the inequity of U.S. payments, and the corresponding abuses suffered in the U.N. He argues a fixed limit should be imposed by Congress on our U.N. contributions.

Rep. Sikes is right.

Nothing gives his argument better timing, and support, than Sen. Fannin's poll reflecting the disgust of ordinary taxpayers.

"911" HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ROUSH. Mr. Speaker, today I am continuing my full account of the cities throughout the United States, by State, which have adopted the "911" emergency telephone number:

AMERICAN TELEPHONE & TELEGRAPH

Systems location	Date in service or scheduled	Population served (thousands)
Alabama:		
Alexander City	October 1972	32.0
Anniston	August 1973	84.0
Athens	December 1969	33.0
Brewton	June 1975[1]	8.0
Birmingham	July 1970	655.0
Childersburg	October 1971	10.0
Clanton	July 1968	15.0
Dadeville	October 1972	3.0
Decatur	February 1972	52.0
Demopolis	December 1971	18.0
Eufaula	December 1971	20.0
Evergreen	July 1970	10.0
Fairhope	December 1971	13.0
Flomaton	June 1975[1]	2.0
Fort Deposit	February 1974	1.0
Greensboro	July 1974	26.0
Hartselle	February 1972	20.0
Jackson	February 1973	14.0
Jacksonville	July 1974	23.0
Jasper	June 1969	42.0
Livingston	July 1969	2.0
Madison County (Huntsville, Gurley, Madison).	January 1972	168.0
Marion	August 1971	4.0
Montgomery	May 1974	169.0
Phenix City	April 1974	32.0
Piedmont	July 1974	5.0
Prattville	October 1973	23.0
Selma	August 1970	30.0
Sylacauga	September 1971	32.0
Talladega	October 1973	30.0
Tuscaloosa	December 1970	114.0
Tuskegee	April 1969	21.0
INDEPENDENT TELEPHONE COMPANIES		
Alabama:		
Haleyville	1969	6.0
Leeds	1969	8.0
New Hope	1973	10.0
Owens Cross Roads	1973	5.0
Ashford	1973	3.5

[1] Scheduled.

REGULATORY REFORM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ARCHER. Mr. Speaker, I would like to commend to the attention of my colleagues the following statement delivered last week before the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary, by the Honorable DEL CLAWSON of California.

Mr. CLAWSON's observations concerning H.R. 8231, whereby Congress may prevent the adoption by the executive branch of rules or regulations which are either contrary to law or inconsistent with congressional intent of the legislation which they are designed to implement, deserve the careful consideration of the Congress.

STATEMENT BY THE HONORABLE DEL CLAWSON

Concerning H.R. 8231, a bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement.

Mr. Chairman and members of the committee, thank you for your courtesy permitting me to testify today concerning H.R.

8231, my bill to establish a method whereby Congress may prevent the adoption by the Executive branch of rules or regulations which are contrary to law or inconsistent with Congressional intent or which go beyond the mandate of the legislation which they are designed to implement. One hundred and thirty-six of the Members of the House have indicated their interest through cosponsorship. Senator Brock informs us he has been joined in co-sponsorship by Senators Helms, Muskie, Baker, Eastland, Huddleston, Fong, Domenici, Beall, Fannin and Young.

A review of the record of these hearings inspires gratitude for the contributions of my colleagues and the other expert witnesses who have been called to testify.

We have been asked just what bureaucratic excess led to the introduction of our bill. The answer is that like many legislative decisions it was slow and evolutionary. It was more like the uneasy physical process which begins with that first twinge in a tooth. From then on the tongue just naturally keeps track of the trouble spot and takes note of each new twinge. After a while, the toothache isn't much of a surprise and neither is the eventual trip to the dentist.

Like most Congressional offices we have our share of complaints from people at home exasperated at the extent of Federal regulation and the frequently overzealous enforcement of Federal rules and regulations which seem to rival each other in complexity and capriciousness. We gradually became aware of the voluminous correspondence engendered by rules and regulations which seemed to save only the most tenuous relationship to the legislation they were designed to implement. For example, the EPA parking rules. My colleague Congressman Danielson has already indicated the disastrous economic impact of those regulations on the Los Angeles basin. The FDA vitamin regulations are another glaring example.

The 33rd District of California which I represent is an area of Los Angeles County which houses diverse industry, ranging from aerospace contractors and subcontractors to food processors and most forms of manufacturing. Many of our people work in industries which while not within the District are in the greater Los Angeles area . . . some I suspect in the adjacent Districts of two members of the Subcommittee. The following complaints are typical of many:

"These regulations are so far from what I believe and understand the way a free enterprise system is supposed to work. Management of our company is sick and tired of all the Federal, State, County and City laws and rules and regulations. They are impossible to comply with."

"At a time when we should be doing everything we can to stimulate our economy, the FHA Certification Program actually hinders it by requiring additional manufacturing costs that are not reflected in the value of the carpet. In effect, the average American consumer who buys carpet is penalized by having to pay for the additional costs for backmarking, Administrator's fees, laboratory testing costs plus a yardage fee for every square yard manufactured as mandated by FHA."

. . . "I (along with many other small business owners) have been perturbed by the excessive time and work it takes to try to process a product through EPA so we can sell to our customers.

"Just a week or so ago we had an inspector from the San Francisco office spend at least ½ a day of my time, along with our plant personnel, checking imprinted bottles, as well as printed labels. This was a very simple product mix with water. Heaven knows how long it would have taken if he had chosen a more complicated formula! It is getting so we hate to see an EPA envelope show up in the mail, as it means more precious time devoted to going over perhaps a change in their regulations. All in all, it sometimes seems it is too much bother and expense to even try to formulate and sell the products . . . and have heard of many small businesses who have discontinued these lines because of this."

To criticize Congress as "unresponsive to the real concerns of the people at home" would be to ignore the increasing volume of legislation directed specifically at the more arbitrary rules and regulations. We requested Congressional Research to compile a list of such bills for a single month this year, selecting March as a "midway" point. While CRS wouldn't vouch for the accuracy of the list, and I am sure we missed many bills which were stated in positive terms without reference to the offending regulations, we came up with a list of over 84.

Against this background of gathering concern, our former colleague and fellow Member of the Rules Committee, Clem McSpadden received an interested hearing when he appeared before the Rules Committee in October of last year in support of his bill, H.R. 11374 of the 93rd Congress, a bill "To return to the Congress those things which shall reflect the intent of Congress without bureaucratic misinterpretation." I am under the impression that the agency depredation which drove him to introduce the bill involved a loan program of the Department of Agriculture for livestock producers and the rules governing the definition of livestock producers.

It was a major disappointment that the schedule last year didn't permit us to follow through on this legislation before final adjournment of the last Congress. When it became apparent that we couldn't act last year, we began to work out, through consultation, the details of this legislation which was introduced this year in final form as H.R. 8231, with cosponsors from the House Judiciary Committee and the House Rules Committee to which it was, as you know, jointly referred.

When . . . the Occupational Safety and Health Administration can require that vehicles at construction sites must be equipped with back-up alarms. But when that agency also requires that employees wear earplugs as a protection against the noise, thereby making it difficult to hear the alarms . . .

Or when, according to Dr. Murray L. Weidenbaum, distinguished economist and author, the EPA can tell the Department of Agriculture it is imposing severe restrictions on the use of pesticides to kill fire ants. But the Department had a major program under way to get rid of them. Now the Department says EPA's ruling makes it impossible to carry out its eradication program. So the Department thinks fire ants may spread over a third of the United States . . . as far north as Philadelphia. Fire ants may not harm the environment as much as pesticides. Their bite however is not only painful but can even cause death.

Or when a single individual, according to the report of Mr. David Swoap to Congressman Michel, can be altering the guidelines under which the food stamp program is administered, $5,050 for a family of four before taxes or $5,050 after taxes thereby increasing the scope of the program without approval of either OMB or Congress.

Or when the Department of Transportation can issue regulations in effect creating a new level of government called "Metropolitan Planning Organization" which in the opinion of our cities in Los Angeles County will remove the last vestige of local decision-making in the area of city streets and county highways from City Councils and Boards of Supervisors . . . not through the elective process, but by Administrators of the Department of Transportation. . . .

Then revising and extending Hamlet's famous comments for the record of these hearings can be excused on grounds the reference is peculiarly appropriate. "The time is out of joint; Oh cursed spite that ever I was born to set it right." There is enough genuine concern in the Congress as evidenced by some of the recent votes on amendments similar to the legislation under consideration to earn the Chairman and the members of this Committee commendation for their sense of the fitness of things in conducting these hearings. At the very least this problem of rules and regulations which go beyond the mandate of the law they propose to implement deserves examination.

H.R. 8231 would provide that whenever any officer or agency in the Executive branch of the Federal Government (including any independent establishment of the United States) proposed to prescribe or place in effect any rule or regulation to be used in the administration or implementation of any law of the United States or any program established by or under such a law or proposes to make or place in effect any change in such a rule or regulation, such officer or agency shall submit the proposed rule, regulation or change to each House of Congress together with a report containing a full explanation.

The proposal will become effective sixty legislative days thereafter or at such later time as may be required by law, or specified by the rule, regulation or change itself or the report submitted with it, unless within that time either House of Congress adopts a resolution of disapproval because it is contrary to law, inconsistent with Congressional intent or goes beyond the mandate of the legislation it is intended to implement. Provision is also made for adoption of a concurrent resolution specifically approving the rule, regulation or change. Upon the adoption of any such concurrent resolution the rule, regulation or change may become effective immediately or as soon thereafter as is permitted by law.

Special provisions for discharging a disapproval resolution are not included in H.R. 8231 in the belief that the danger of unduly burdening the House calendar with discharge petitions does not balance what experience indicates are relatively minor potential difficulties for individual members in obtaining full hearing of their objections by colleagues on the responsible committees.

We do rely on the Committee system which has, in our opinion, served Congress well, and recognize the concern that the volume of rules and regulations referred to the committees might prove a burden. However, a review of the Annual Federal Register Index for 1974 reveals that in some areas of administration a whole spate of regulations on one subject were issued simultaneously. Many of these can obviously be dismissed as not meeting the criteria for action outlined in our bill. These would appear to include in-house rules, personnel directives, etc. The determination could be made easily by the committees. We have deliberately refrained from specifying exemptions because of the view that the very tendency of loose bureaucratic interpretation of the statutes would immediately gravitate to the loopholes.

The development of the Space program in my home town of Downey acquainted me with the advantages of "fall-out" benefits which accrue from one activity and ultimately benefit other disciplines. I would hope it is not too ambitious to expect similar fall-out from the form of legislative review of Administrative rules and regulations proposed in H.R. 8231.

First, I believe we could assure many individuals in this country, and interest groups who are not large or powerful enough to afford costly litigation that their valid complaints will be heard. These people don't enjoy a favored relationship with their regulators. They are "disenfranchised" in this new form of law-making by non-elected government officials.

Secondly, while it is true that there would be increased duties for Congressional committee staffs, we would hope there might also be a decrease in rules and regulations the bureaucrats are aware, fall within the "gray area."

Thirdly, the problems of policing conflicting rules and regulations has been mentioned as one of the most exasperating concommitants of Federal regulation. In a recent television panel on regulatory reform conducted by American Enterprise Institute former Governor of California, Ronald Reagan observed "Back when we were subsidizing agriculture and had the subsidy program I uncovered an incident of my own where we had six government agencies that were spending $35 million telling poultry raisers how to improve egg production. A seventh government agency was spending $12 million buying surplus eggs, and this can be duplicated a thousand times."

The form of oversight with teeth provided by our legislation would at least require review by one other single governmental entity, the Congress, and provide a better chance for uncovering these costly duplications than now exists.

Fourthly, as a member of the House Budget Committee and one of the House conferees on the Budget legislation of the last Congress, I would hope that as a result of the increased attention provided by this legislation, the vast body of rules and regulations already on the books might be reviewed. Everyone who has ever watched "Mission Impossible" on TV knows the value of self-destructing directives. Unfortunately it is a requirement difficult to achieve in Federal programs. But I hope we will give it some thought and that new rules and regulations might be related to those already in effect as they are evaluated by Congressional committee experts.

A fifth form of beneficial fall-out might actually redound to the benefit of the bureaucracy itself. Because the "horror stories" of bureaucratic abuse of power command our attention it is easy to overlook the many competent public servants in the agencies and the carefully drawn directives which adhere to the best principles of rule-making. In reacting to the legislation, I think some of our people downtown are not giving themselves enough credit, especially if they assume that Congress will have such a tremendous task coping with one abuse after another. On the contrary, we may find that the knowledge of the Congressional veto power will tend to reduce the need for Congressional action. As is frequently the case, the deterrent effect which the mere existence of the power produces may be of even more value than its actual use. A good point was made by Commissioner Barbara Franklin of the Consumer Product Safety Commission during the American Enterprise Institute Regulatory Reform discussion. After referring to the issue of "accountability" Ms. Franklin commented . . . "I am not elected. I am a person appointed by the President, confirmed by the Senate, for a fixed term, seven years.

"How do I really know that the decisions that I make . . . and I'm going to make a lot of them in seven years . . . that are going to affect a lot of peoples' lives, a lot of dollars . . . how do I really know that what I'm doing is what the public really wants me to do?

"I have a concern about that, because I could be very insulated. I don't see enough mechanisms to make sure that I'm doing the job I should be doing in the public interest."

Finally, I would hope that by providing an orderly framework for resolving some of these disputes which properly hinge on the Executive and Legislative Constitutional roles, we might reduce the sniping which lately seems characteristic of relations between the two branches. Although the founding fathers established a system of checks and balances to foster a healthy tension between the separate arms of the Federal government it is doubtful they had in mind open warfare.

This last objective may appear too ambitious, but we can't be faulted for trying.

MAYOR DUMKE ELECTED PRESIDENT OF THE ILLINOIS MUNICIPAL LEAGUE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. RUSSO. Mr. Speaker, I have the privilege of being friends with a unique and wonderfully warm and gifted human being. This fine gentleman would deserve recognition just for the kindness, decency and strength he brings to situations and to all who know him. But in addition to these sterling qualities of character, he has excelled as a leader in municipal affairs and as a talented public servant. Serving in his fourth term as mayor of Oak Lawn, Ill., he was recently elected president of the Illinois Municipal League. I can think of no individual more deserving of this honor than Mayor Fred M. Dumke.

Mayor Dumke is a most persuasive and far-sighted leader who is responsible for instituting the highly effective council-manager form of government in Oak Lawn. He has been in the forefront of efforts to better municipal procedures. This is not surprising, for he is surely one of the most knowledgeable people in the country when it comes to municipal government. While serving for 8 years as village trustee in Oak Lawn he also worked diligently in the area of instituting public improvements within the community, such as storm sewers, paving, sanitary sewers.

In addition to the energy and enthusiasm he brings to the office of mayor, Mr. Dumke still has time for other community involvements. He is a member of the Shriners, Oak Lawn Lions, an honorary member of the Sertoma and Oak Lawn Elks. As a member of St. Raphael's Episcopal Church he served as one of the three members on the building committee and supervised its construction in cooperation with the Diocese of Chicago and the Bishop. He is executive vice president and one of the principals of George Washington Savings & Loan Association.

But still there is time for even more for one with a heart the size of Mayor Dumke's; time for working for the Park Lawn School and the Garden School for the retarded, for example. Not only is he a strong supporter and fund-raiser for the YMCA and Boy Scouts, but he has also served as district vice chairman of the Timber Trails District and the previous district of Woodlawn.

He has served as second vice president of the Palos-Orland-Worth Area Council and is also one of the council's 25 directors. Vice chairman of the Chicago-Cook County Committee on Criminal Justice, past president of the Illinois Planning Commission—there could be presented a seemingly endless list of the mayor's involvement in his community and State.

Yet, no matter what achievements are sighted on paper, there is still missing from any such roster the "achievement" of being a most extraordinary human being with a special warmth and endearing personality. Perhaps I can sight just one incident that will demonstrate the caliber of this man, not just as a public leader but as a human being.

In 1967 Oak Lawn was hit by a devastating tornado. The town was at a standstill; the havoc and ruin appeared overwhelming. Mayor Dumke was on his feet 3 solid days, on the crutches he has used since his bout with polio. He never once slowed down. He seemed to be everywhere, bringing hope and courage to the citizens, supervising the recovery program, finding people places to live, arranging for the rebuilding. He pulled that town back together and from 5:30 Friday, when the tornado struck, until Monday, Mayor Dumke was a "tornado" himself.

So, today I want to pay special and heartfelt tribute to Mayor Dumke and congratulate him on his election as president to the Illinois Municipal League. I know I speak for many people when I commend him for his past accomplishments and wish him continued success in the future.

SOLAR ENERGY MUSEUM TO TRAVEL NATIONWIDE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. WIRTH. Mr. Speaker, I would like to call attention of this House to the Solar Energy Exhibition program which will sponsor a nationwide traveling museum exhibit on solar energy. The exhibit is intended for general audiences and will focus attention on solar energy conservation using the slogan—"the only way to waste it is not to use it." It is also designed to increase public awareness and understanding of the technical, social, economic and environmental implications of solar energy.

The program, sponsored by the University of Colorado at Denver and cosponsored by the Colorado Chapter of American Institute of Architects, will establish a nationwide communications base to provide interested individuals with information about the heating and cooling of buildings, the stored solar energy in winds, water and plants, direct solar thermal conversion, electricity from the sun—photovoltaic conversion, architectural applications and storage systems. The exhibit will emphasize the potential and practicality of solar energy.

Large and small versions of the exhibits are planned which will circulate through major science and technical centers of the country and also small museums and educational institutions.

Plans call for the exhibit to start traveling in the spring of 1976 and continue on the road for 2 years. Eventually, a nationwide solar communication center will be set up to provide current information and educational materials on solar energy.

The exhibit has been designed by Joseph Wetzel and Associates of Stamford, Conn., and is funded in part by NSF. It contains working models, a theater, and communication center and has been structured in a way to allow the host institution to supplement its materials with its own films, symposia, and lists of speakers, researchers, architects, and manufacturers.

Mr. Speaker, we are very proud of this product of Colorado ingenuity and initiative in the field of solar energy. I hope my colleagues will watch for arrival of the exhibit in their districts and encourage the public to take advantage of it.

URBAN ILLS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. EDGAR. Mr. Speaker, the House will be considering next week legislation with far-reaching philosophical, financial and social implications. H.R. 10481 has evolved amidst extended controversy, and each of us has been bombarded with a steady stream of reports, papers, and newspaper articles assessing the merits of action or inaction. Many of these articles have been helpful to me in obtaining an historic perspective into the problems of New York City, and an insight into the projected impact of the various legislative proposals which have been advanced.

One newspaper article in particular has impressed me with its dispassionate analysis, yet brilliantly drafted style. The article, entitled "Urban Ills," by David Broder of the Washington Post, was published today. I recommend it as required reading for those Members who are seeking the essence of what the issues are today, and what the issues may be tomorrow.

URBAN ILLS

(By David S. Broder)

President Ford's preference—which is shared by most politicians of both parties in Congress—is to treat the New York City problem as the last act of a morality play. The wicked wastrel gets his deserved comeuppance and is forced to repent for past sins by declaring default.

It's a play well-tailored to the anti-government sentiments of the national audience. It's also a way for the President and like-minded politicians to conceal from the country the reality that we face.

I do not refer here to the financial and psychological consequences of a New York City default. Whatever those are will be known soon enough.

The concealed reality is that the basic forces that have pushed New York City to the brink are operating inexorably against other old big cities, and will leave them aqually exposed to financial ruin unless we as a country face up to some facts we have spent 25 years ignoring.

Most important of these facts is that what we call a city is a legal-geographic trap maintained by the outside majority as a means of isolating problems we are not prepared to face and solve. The historic refusal to let most older cities expand their legal borders to incorporate the "real cities" they have become makes it ludicrous, if not indecent, for the President and other Potomac moralizers to lecture New York on the need for self-reliance.

The real New York City is an area of some 15 million people, spanning three states. The legal New York City is a fraction of that area, with 7.5 million people jammed into its confines.

The selection of which people live inside and outside the borders of legal New York City is not random; it is the end-product of two generations of national policy.

Two great waves of population change have swept through the old cities—an in-gathering of the poor from the South and Puerto Rico and an outflow to the suburbs of more affluent whites. The two streams are not equal in volume. New York and most other old cities have had net losses of population; Neal Peirce, author-columnist, has estimated the New York loss at almost a half-million people in the past five years.

And the racial and economic gap between the inner city and its suburbs has grown even faster than population has declined. Ed Hamilton, the former New York City budget chief, cites figures showing the city's median family income is now only half that of its suburbs.

That is, of course, exactly what the Kerner Commission meant when it warned seven years ago that "our nation is moving toward two societies, one black, one white—separate and unequal."

It is not New York alone that has been victimized by these trends. The same kind of change—often at a more rapid rate—has hit Baltimore, Boston, Detroit, Cleveland, Philadelphia, St. Louis, Chicago, San Francisco, and, yes, even such "new" cities as Denver and Salt Lake City.

Behind all these trends lies federal policy. Federally financed farm mechanization programs cost thousands of farm jobs for southern blacks; federally financed defense jobs lured those blacks to the northern cities. The failure of the federal government to provide uniform national income maintenance programs made it advantageous for the poor to remain in the northern cities, even when the jobs began to move away.

And, of course, federal housing subsidies and mortgage guarantees built the new suburban communities to which the affluent whites fled from those poor-infested center cities. And federal funds built the commuter highways on which they made their exit.

Never during this process did federal officials say, "This is going to end in disaster unless we find some way to allow those cities to expand their borders to encompass the suburbs we have created around them."

Instead, federal officials said annexation was a matter of state policy, and most states kept the cities from expanding. Those officials said the city's claims to equality of representation in Congress and the legislatures was a matter for the courts. But, by the time the courts got around to enunciating the one man-one vote doctrine, the cities were already being emptied of all but the poor.

Those same federal officials turned their backs on yet a third problem—the problem of school desegregation, leaving that, too, to the courts. And the courts, pursuing their own necessarily circumscribed mandate, have imposed "solutions"—like busing in the big-city school systems—that have accelerated the fight to the suburbs and the decay of the old center cities.

That is the reality that lies behind the New York City crisis. But it is complicated to discuss in these terms, and uncomfortable for those like the President and the congressional leaders, who have been on the scene for 25 years while these forces were gathering momentum unchecked.

It's so much easier to blame it all on John Lindsay, Abe Beame, the greedy New York unions and the avaricious New York banks, and pretend it can't happen elsewhere.

It not only can happen elsewhere, it will. And who will our "leaders" blame then?

THE PRESIDENTIAL CLEMENCY BOARD'S MINORITY REPORT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ASHBROOK. Mr. Speaker, as I have pointed out elsewhere in the CONGRESSIONAL RECORD, various news accounts and a minority report of four Clemency Board members have raised substantive questions relating to the conduct of the President's clemency program covering deserters and draft dodgers of the Vietnam war era.

By far the most serious charges concerned the Presidential Clemency Board which was established over a year ago and which went out of business on September 15 of this year. The 18-member panel was empowered to relieve of prosecution and punishment any convicted deserters, convicted draft dodgers, and those still serving sentences for such violations. Applicants who applied before March 31, 1975, executed an agreement acknowledging their allegiance to the United States, pledged to fulfill a period of alternative service under the auspices of the Director of Selective Service and satisfactorily completed such service would be eligible for such relief. Deserters would be eligible for a clemency discharge.

On September 15 four members of the Presidential Clemency Board issued a minority report highly critical of the composition, staffing, policies and credibility of the operations and decisions of the PCB. An AP release of September 19 stated:

> President Ford's clemency board was stacked with anti-war liberals who distorted the intent of the program, urged prison inmates to apply and voted clemency in cases involving civilian felony convictions including rape and murder, four board members say.

The Veterans of Foreign Wars of the United States, a major veterans organization opposed to both unconditional and conditional "amnesty" for draft dodgers and military deserters, praised the minority members for their forthright stand in this matter.

I insert at this point the VFW release of September 19 along with a short summary of the minority report of the Presidential Clemency Board's operations:

VFW LEADER HAILS GEN. LEWIS WALT'S LATEST SERVICE TO AMERICA

WASHINGTON, D.C.—(September 19, 1975)—Thomas C. "Pete" Walker, National Commander-in-Chief of the Veterans of Foreign

Wars of the United States, today hailed General Lewis Walt, USMC (Ret.), for "telling-it-like-it-is" in revealing the calculated effort of the Goodell-dominated majority of the 18-man Presidential Clemency Board to change President Ford's "earned re-entry" program for convicted military deserters and draft dodgers into a mass mechanism for unconditional Presidential pardons departing totally from President Ford's "earned re-entry" guidelines.

(Mr. Walker continues the V.F.W. position of "disagreeing" with the President on his clemency program "without being disagreeable.")

General Walt, former Marine Vietnam commander and assistant Commandant of the Corps, selected the V.F.W. to "assure that veterans of America fully comprehend how the pro-amnesty majority of the President's Clemency Board distorted and attempted to defeat the President's guiding concept." "Fortunately," the straight-talking veteran of 41 years of military service continued, "I have been assured that, in light of the Minority Report, which I am furnishing the V.F.W., the President will take positive action to forestall the cynical effort on the part of the Goodell-dominated staff and Board majority to inundate the White House staff and the President with thousands of recommended pardons, many for convicted criminals. A Presidential pardon must be viewed as a prized and relatively infrequent occurrence."

General Walt and three of his associates on the Board, Dr. Adams, Mr. Dougovito and Colonel Harry Riggs, signed and made available to the V.F.W. a searing critique of the pro-amnesty bias of the hand-picked majority of the enlarged 18-person Board. (General Walt was on the original nine-man Board selected by the President in September 1974. The Board went out of business on September 15, 1975 at midnight.)

Thomas C. "Pete" Walker, the V.F.W. leader, cited General Walt for "his latest service to America in blowing the whistle on Goodell and his syncophants and causing a careful case-by-case review of clemency requests by the Department of Justice and the White House to be instituted."

A summary of General Walt's tell-it-like-it-is Minority Report on Presidential Clemency Board (PCB) operations is enclosed.

SUMMARY: MINORITY REPORT OF THE PRESIDENTIAL CLEMENCY BOARD'S OPERATIONS

PURPOSE

The purpose of this report is to reflect the views of a minority of the members of the PCB concerning the composition, staffing, policies and credibility of the operations and decisions of the PCB.

COMPOSITION OF THE BOARD

The original nine-member Board appointed by the President represented a fair balance among liberal, middle-of-the-road and conservative views. This group in its early meetings established and adopted policies and guidelines by which decisions of the Board would be determined in accordance with the President's Executive Order and Proclamation. However, many of these policies were changes when the membership of the Board was increased to eighteen members in May 1975. By his own admission, the Chairman had a fairly free hand in picking the new Board members and he included two members of his staff. The new Board members were not given an orientation on Board policies and guidelines. This led to much confusion. Initially, it was difficult for the new Board members to make sound decisions, due to lack of knowledge of Board operation. The Chairman gave guidance which, on occasions, seemed not to be strictly in accordance with previous Board policy and decisions. At this point, the Board as a whole became a more amnesty-oriented, Goodell-influenced group, with Goodell, in turn, seemingly under the influence of the General Counsel and his somewhat biased anti-Vietnam War staff. From this point on, the Board became, in effect, a captive of the Chairman and the Staff, and policy decisions were made by the Chairman and the General Counsel which influenced Board actions and results without the realization of Board members.

An example of the continual effort of the Board's Executive Staff to distort the President's Program was a written proposal by a senior staff member to "create some doubt in the minds of people" about the meaning of a Clemency Discharge. In making such a proposal, the Staff member suggested, in a memorandum, that "one way to generate such ambiguity" would be to invite Honorably Discharged Veterans to request clemency discharges "as an expression of their opposition to the Vietnam War."

The idea of using the Presidential Clemency Board as a vehicle to incite great numbers of Honorably Discharged Veterans to "express their opposition to the Vietnam War" would be a gross dis-service to the President.

STAFFING

Since the PCB was only a temporary organization, it was determined by the President, through OMB, that no funds would be made available to hire a permanent staff. Rather, all administrative and operational personnel would be detailed "on loan" from other agencies. In the beginning, DOD offered its facilities and professional trained personnel to prepare the case summaries, but this offer was rejected by the Board's General Counsel. We feel that this assistance would have been a real asset to the Board effort in that the summaries would have been objective and factual. It was turned down on the grounds that the General Counsel felt the briefs must be prepared by lawyers. The result was that attorneys were detailed from other agencies to work with the General Counsel and his associates in the preparation of applicant cases. Due to the number of cases to be presented within a very short period, the legal staff was augmented by approximately two hundred law students acting as legal interns during their summer vacation. However, approximately ninety percent of the cases were military and these young men and women, even though eager and dedicated, were generally biased against the military and the Vietnam War and had practically no experience in or with the military. The work they did in preparing the case summaries was, as a result, often amateurish, biased, and many times incomplete. In reality, the young staff attorneys themselves, were of the same influence and were generally without the benefit of any experience with the Military Forces, which compounded the problem. Also, these young "case writers" were instructed by some senior staff member to present the case "in the best light." Consequently, many of the resulting summaries were an inaccurate presentation of facts on which the Board members had to make their decisions.

Over-staffing, lack of organization, lack of personnel discipline and improper utilization of personnel assets were evident throughout. Management built up the staff to a peak of over six hundred professional and administrative personnel. This appeared to be considerably more than was necessary to get the job done if proper organization and supervision had been practiced. For example, on 1 July, at the peak of the six hundred plus staff, it was stated by a senior member that OMB believed that less than half of the secretaries were being used effectively in the production process. Even with this surplus of secretaries, only one was assigned to all of the eighteen Board members. Regular working hours were not established nor observed—employees seemed to come and go at their convenience. On a week-day mid-afternoon in July (the Board's busiest month), the Personnel Director made a head-count and over one hundred sixty employees could not be accounted for.

APPLICANTS

In the first four months of the program, only some eight hundred individuals made application to the PCB. This appeared to be due primarily to a lack of proper publicity and understanding of the program. In January 1975, the members of the Board initiated a nationwide publicity program which resulted in several thousand new applications. Further, the Chairman, without the knowledge of the Board, wrote letters to all major penal institutions of the United States, advising them that inmates who met the eligibility criteria should apply. This penitentiary mail produced over two thousand applications, on which the Board has taken action, and in the majority of cases, recommended pardons. In contrast with this is the fact that President Truman's Amnesty Board refused clemency for all persons having a prior criminal record of one or more serious offenses, stating, "The Board would have failed in its duty to society and to the memory of the men who fought and died to protect it, had amnesty been recommended in these cases."

Changes in board policy and deviation from the spirit and intent of the Executive order and proclamation.

The first significant move on the part of the Chairman and his Executive Staff, in our opinion, was to introduce the word "pardon" into the Clemency decision on each applicant's case although the word "pardon" never appeared once in the President's Executive Order or Proclamation. The Chairman and Executive Staff argued that "pardon" and "clemency" were synonymous terms and they won the argument, by claiming the tacit approval from the White House, over the strenuous objection of some of the Board Members. Eventually in the Board decisions and in letters going to the applicant after the Board action, the words "clemency" and "pardon" were no longer used as synonymous terms but were separated and used in the terms of "a pardon" and a "Clemency Discharge." We quote from a letter dated July 16, 1975, written to an applicant and signed by Chairman Goodell, ". . . The President has signed a master warrant granting you a full, free Unconditional Pardon and a Clemency Discharge to replace your less than honorable discharge." We believe this is quite a different connotation and meaning than was initially argued by the Chairman and Executive Staff last October. Further, a person who has been convicted of a felony (a crime punishable by imprisonment for more than one year) may legally purchase a firearm from a licensed firearms dealer if the person convicted of said felony has received an unconditional Presidential Pardon. The Presidential Pardon, however, only applies to Federal offenses.

In the early months of the Board's deliberations a real effort was made to maintain the "meaningfulness" and "value" of the Clemency Discharge. For such offenses as AWOL from combat, refusal to go to combat, multiple and long AWOLs, civil convictions for felony; the Board would normally vote "no clemency." However, and in sharp contrast, during the latter months of the Board's operation and after the more amnesty-oriented eighteen-member Goodell-influenced Board came into being, clemency was voted in cases involving multiple AWOLs (8) from the battlefield; multiple refusals to go into combat; multiple (as high as ten AWOLs) and long (seven years) AWOLs; civilian felony convictions (rape, murder, manslaughter, grand larceny, armed robbery, aggravated assault). Also a man given an Undesirable or even Punitive Discharge for a few days or even hours of AWOL (which, according to the Board General Counsel's ruling, qualified him for the Clemency Board Program) was recommended for a pardon and clemency discharge, by a bare majority vote, even though the official offense charged might include aggravated assault, disrespect to officer or NCO, striking an officer or NCO, wrongful appropriation of personal or government property, etc. This again was a turnabout from the policy set by the nine-member Board. Another questionable move, condoned by the Chairman, was to make drug addiction a mitigating factor on behalf of the applicant and drug use as a possible qualifiication for mitigation. The Board, on the other hand, was instructed not to consider the use of drugs as an aggravating factor even though such use was unlawful. This change from the nine-member Board policy again was strenuously objected to by the constantly "out-voted" majority.

CONCLUSION

We believe that the original concept and plan as conceived and announced by the President was a good, sound, workable plan, but the President's objectives have not been attained because of the misdirection and maladministration of the plan. We feel deeply obligated and honor bound to appraise the President of these facts.

It appears that the Chairman and his Executive Staff have misinterpreted, circumvented and violated at least the spirit of the Executive Order of 16 September 1974, and Proclamation No. 4313. This questionable action has been initiated, it appears, to increase the number of "eligible" applicants, to liberalize the decisions of the majority of the Board in order to gain more favorable decision for the applicants, and to set a liberal precedent relative to Executive pardons closely associated with felonious crimes. A move which could degrade the true meaning of a Presidential pardon. The actions, in our opinion, are not only unethical, but they may also border on illegality, and could greatly discredit the President's Clemency Program in the eyes of the American public.

In short, we have lost confidence in the Board results, which under Chairman Goodell's direction are being recommended to the President. We feel that the limited capability of the already hard-pressed White House staff to monitor and screen these recommendations, is inadequate to insure that the President will approve only recommendations which meet his high standards. This problem is further aggravated by a backlog of some ten thousand cases which may soon be dumped on the White House Staff in a short period of time.

We believe that the recent steps the President has taken to terminate the Clemency Board activity on September 15, 1975, and to place the Program under the auspices of the Attorney General—more specifically—under the direction of the Pardon Attorney of the Department of Justice, is a very sound move. It is our hope that the Pardon Attorney will take a close and conscientious look at the Clemency Board recommendations, so as to insure that the value of the Clemency Discharge is restored to its original respected level, and only those applicants who deserve the discharge are awarded it.

We, as a minority of the Presidential Clemency Board, do not believe that:

Any man who has two or more convictions (civilian or military) of serious crimes on his record, should be given clemency. We do not believe that a man who deserted his comrades on the battlefield in Vietnam or who refused to go to Vietnam when he was so ordered, should be given clemency.

We believe, as did the Truman Board, that when the majority of the Board recommends clemency in such cases, it has failed in its duty to society, and to the memory of those men who fought and died to protect it. We also feel that it has been negligent in carrying out its responsibility and has not fulfilled its obligations to protect the integrity of the Presidency.

OFFICE OF PUBLIC DEFENDER

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. MAGUIRE. Mr. Speaker, during the 6 years that the Senate has considered consumer protection legislation, we have amassed thousands of pages of congressional hearings, recorded the testimony of scores of witnesses and documented in laborious detail the numerous abuses which have resulted, in large measure, from the absence of effective consumer advocacy before Federal regulatory agencies. A few well-publicized examples include rubber-stamping of air fare increases, nonenforcement of nursing home standards, flammable fabrics in children's clothes, and oil companies ballooning their already inflated profits.

While we have discussed, debated, and analyzed every section and line of the consumer protection bill over the years, the State of New Jersey has expeditiously created its own public advocate. On May 13, 1974, Gov. Brendan T. Byrne signed into law the department of the public advocate which like the Federal CPA has the authority to represent and protect the public in ratemaking or other administrative and judicial proceedings but has no regulatory power.

This successful working model of a State CPA, included within the New Jersey Department of the Public Advocate, has disproven the predictions about the deleterious effect of a public advocate on the workings of government. The New Jersey government has not been immobilized by the intervention of the public advocate, nor has it been needlessly harassed with petitions for action or information. On the contrary, the New Jersey Public Advocate has, in many cases, assisted various departments and agencies in New Jersey in focusing on problems they had previously not been aware of or had not realized affected large numbers of citizens.

For example, recently the department of the public advocate filed a Superior Court suit challenging the dominance of the State Real Estate Commission by real estate brokers. In the suit the advocate asked that the statute governing the commission be declared unconstitutional because broker members control the setting of rules and regulations for the State's real estate industry. The present statute requires that five of the seven commission members be brokers and have at least 10 consecutive years of broker experience. The sixth member is a government official, and the seventh is the sole member representing the public. After the public advocate identified this problem, several members of the State legislature moved to act on restructuring the Board.

Both the New Jersey Public Advocate and the Federal CPA can intervene in ratemaking proceedings. The New Jersey Public Advocate has recently challenged the $155 million rate increase requested by New Jersey Bell in a petition to the State Board of Public Utility Commissioners. The Department's Division of Rate Counsel is also seeking to have the automatic adjustment clause in the telephone company's contract revoked as illegal because it passes on to the public "the major cost burden without appropriate scrutiny in an adversary setting" according to Public Advocate Stanley Van Ness. The Division of Rate Counsel claims that the adjustment clause is illegal because it violates constitutional requirements of due process in failing to afford public notice and an opportunity to be heard.

While the New Jersey Public Advocate in many ways parallels the consumer protection agency proposed in H.R. 7575, it is also stronger in several ways. Unlike the Federal CPA, a New Jersey advocate's case cannot be overturned on the ground that the advocate improperly identified the public interest which he chose to represent. The "public interest" which the New Jersey Public Advocate has the responsibility to represent is defined as "an interest or right arising from the Constitution, decisions of court, common law, or other laws of the United States or of this State inhering in the citizens of this State or in a broad class of such citizens." These are the sole criterion on which the advocate makes his decision on whether he may properly intervene or not. Using the above statutory definition of "public interest" the public advocate has intervened in a wide range of activities including public access to beaches, postcard registration, residence requirements for persons taking the civil service exam, unsafe nursing homes, and others.

Under H.R. 7575, when the CPA receives complaints from consumers, it may refer the complaint to a Federal or State agency charged with enforcing relevant laws, or petition an agency to take action to correct the problem. But it does not have the authority to compel another Federal agency to take action to remedy a specific consumer problem. If the Federal agency declines to take remedial action, it is required only to notify the CPA in writing of the reasons for not acting. In contrast, the New Jersey Division of Citizen Complaints has the authority to investigate any complaint from any citizen relating to the action or inaction of a State agency. If the complaint division determines that the agency's action or failure to act is unjustified, it may notify the public advocate. The advocate can then turn the results of the investigation over to the division of public interest advocacy which has the authority to institute a proceeding before any department, commission, agency or board of the State with responsibility for solving such complaints.

The effectiveness of State consumer and public advocates in no way eliminates or reduces the need for the prompt establishment of a Federal consumer protection agency. A Federal CPA would not duplicate the States' consumer agency efforts but would supplement and extend them. State consumer agencies are often unable to represent consumers before Federal agencies, and are helpless in influencing many Federal decisions affecting consumers, like the Russian wheat deal which caused a huge jump in the price of bread and animal feed. State agencies are often powerless to protect their constituents against abusive consumer products which originate in other States. Federal agencies have the responsibility to endorse laws dealings with interstate shipment of shoddy or unsafe merchandise and with hazards such as commercial flights carrying radioactive cargo. But in the past when Federal agencies have not enforced these standards and laws, State agencies have usually had little success in compelling them to do so.

Mr. President, the New Jersey statute exemplifies the increased awareness on the past of State governments of the need to provide representation for public and consumer interests before State agencies and departments. Without unnecessary fuss or drawn-out debate, the New Jersey legislature and Governor Byrne have acted decisively to enact legislation to represent its citizens before State agencies and departments. I would like to include in the RECORD a recent summary by the New Jersey Department of the Public Advocate of some of its activities:

OFFICE OF THE PUBLIC DEFENDER

The upward trend in the over-all Public Defender caseload continued during the past quarter after a full fiscal year during which the Office handled a record 37,891 assignments. Now that the new court year has begun, the Office is begining to receive requests from assignment judges for additional Public Defender staff in their regions. It has not been possible to honor these requests because no additional staff was allocated to the Office in the 1976 Budget. Funds also are unavailable to retain additional private counsel. In some counties there are now more than three times as many assistant prosecutors as there are assistant deputy public defenders.

While we have been able to continue and provide what we believe is effective representation, notwithstanding these difficult circumstances, the resources of the Office are stretched to their limit. Any further escalations in caseload could well produce a situation where we are unable to handle the full caseload. The courts would be forced to take some sort of alternative measures with the cost burden falling on the affected counties. The picture should be much clearer by the end of the year.

MUNICIPAL COURT PROGRAM

The single remaining municipal court representation program is continuing in Atlantic County under a State Law Enforcement Planning Agency grant. The project appears to be successful in demonstrating economies possible in providing representation in municipal courts which serve more than one municipality. In less than eight months, the Office of the Public Defender will face the mandated responsibility for providing representation in all minor criminal matters and no funds have been budgeted for that purpose. Unless the law is changed in such a way as to make this representation discretionary, we will need to begin planning before the end of this year to provide the services and to obtain the substantial supplemental appropriation that will be required.

LAW GUARDIAN PROGRAM (CHILD ABUSE)

After showing signs of leveling off during spring, Law Guardian Unit assignments increased dramatically during the third quarter. Indications are that this upward trend will continue through the end of the year.

The unit caseload rose from an average of 30 to 35 representatives per month during the second quarter to an average of 45 to 50 per month during the summer. The monthly average was expected to surpass 50 cases by early October.

In addition to the 374 persons represented through August, the unit also participated in three child abuse appeals. Selected appeals where important issues are to be litigated will be handled by the Office's Appellate Section.

As part of the training process, central office staff has been circulating through the regional Public Defender Offices to assist in the preparation of cases and to aid in solving problems that require specific expertise. The unit also is continuing to coordinate with the Division of Youth and Family Services in order to provide the best possible service delivery mechanism.

CHILD ADVOCACY

The Office of the Public Defender has succeeded in acquiring $75,030 in LEAA funds to establish a limited Child Advocacy Unit. This Unit provided the State for the first time with legal representation for juveniles as a class.

DIVISION OF PUBLIC INTEREST ADVOCACY

Since this Division did not become operational until October 1, 1974, the end of the third quarter also marked the end of the first full year of operations for the Division. It was a year marked by involvement in 33 court proceedings and in 14 administrative proceedings which focused on a variety of vital public interest matters.

Proper use of federal housing funds, the State ban on drug ads, nursing home standards, the apparent effort to make New Jersey a national center for imports of highly volatile liquid natural gas and spin offs from the landmark Mount Laurel exclusionary zoning decision were major subjects of new activities launched by the Division during the quarter.

Edison NAACP, et al. v. Carla Hills, et al. is a class action complaint in U.S. District Court which raises significant questions concerning the Housing and Community Development Act of 1974. We are challenging a HUD grant to Edison Township on the grounds that there was inadequate citizen participation in the application process and that the monies are not earmarked primarily for low and moderate income persons as required by the Act. It is the first complaint in the nation to raise these issues and we expect the case will establish guidelines for implementation of the Act.

The Division represents some 250,000 senior citizens in its challenge of the ban against prescription drug ads. We are alleging in *New Jersey Council of Senior Citizens v. Board of Pharmacy* that the statute violates federal and state constitutional rights. We came to the firm conclusion, after careful analysis, that prohibition of advertising results in higher prices for consumers. Senior citizens are particularly affected because they require more medicine and lack mobility to do comparison shopping. Pharmacists are permitted by law to offer discounts to senior citizens but are forbidden by law to advertise that they do.

The Division intervened in a Department of Health proceeding involving licensing of a nursing home in East Orange in order to suggest alternative methods by which the department could enforce health service delivery standards. We will continue to press this enforcement issue if the home is not in full compliance at the end of a provisional license period.

Oakwood at Madison, Inc. v. Madison is a significant case because it is the first time the Supreme Court has been asked to apply the principles enunciated in *Mount Laurel*. Our *amicus* brief concentrated primarily on why the zoning ordinance in question did not adequately provide for low and moderate income families and on why the municipality's fair share plan was inadequate. The Division has also been involved in two other cases which deal with Mount Laurel principles and of course was a participant in the original case. The U.S. Supreme Court acted on our brief in denying the defendant's request for a stay. We also filed a dismissal motion before the high court moved to reject the appeal on October 6.

Intervention before the Federal Power Commission in the bid by Tenneco Inc. to construct an LNG facility in West Deptford Township is the third such action by the Division. We believe the sites and LNG tanker routes present a serious danger to the health and safety of thousands of New Jersey citizens. The Attorney General's Office has indicated it will join with us in opposing the Tenneco site.

In *Bloomfield v. Board of PUC*, we are seeking to force the PUC to exercise jurisdiction in dealing with a noise pollution question on the Erie-Lackawanna Railroad through Hudson and Essex Counties. The PUC had dismissed the case, claiming federal law preempted its involvement.

Application of the fuel adjustment clause is the subject of an Appellate Division appeal of a PUC decision involving the Redi-Flo Corp. We hope to have the Court declare that there must be an administrative hearing before the fuel costs can be passed along to consumers.

OFFICE OF DISPUTE SETTLEMENT

The office, during the quarter, stepped up operations in monitoring local disputes and in seeking to establish an extensive and effective early warning communications network, linking the office with key state departments and communities where the potential for disputes is highest.

Sixty-five communities were selected for visitations on the basis of receipt of urban aid, an unemployment rate higher than the state average and minority representation in excess of 20 percent. To date, 35 of these communities have been visited.

The newly developed liaison system with the Offices of the Governor, Special Counsel, Attorney General, State Police and Departments of Environmental Protection, Institutions and Agencies, Community Affairs, Education and Higher Education is designed to put the office into direct touch with people and their problems.

The office is now monitoring disputes in Salem County and in Passaic, both of which involve bilingual education and in Atlantic City, Somerville and Union Beach where disputes center around racial problems.

The office also is providing direct mediation services in both Perth Amboy and Victory Gardens. In Perth Amboy, where tension and frequent outbreaks of violence between the minority community and police led offices to seek ODS assistance, a number of short- and long-range goals for improved relations were advanced.

The mayor of Victory Gardens requested assistance in the wake of potential disputes stemming from annexation of some 40 acres.

The office has been greatly bolstered by the receipt of a $100,000 grant from the Ford Foundation toward ad-hoc mediation services.

DIVISION OF RATE COUNSEL

The quarter was marked by what we consider to be major victories in two rate cases.

The Public Utilities Commission acted on our motion in dismissing the bid by Jersey Central Power and Light Company for a $45 million interim rate increase. We took the position that the Company had failed to demonstrate an emergency situation. It is our hope that this decision will help stem the tide of requests for interim relief. The Company is seeking an over-all 45 per cent rate increase. We feel that the increase is unwarranted.

Bell Telephone has been granted $80 million of a $155 million request. However, we succeeded in convincing the PUC to maintain the 10 cent pay phone rate, to eliminate the comprehensive fuel adjustment clause and to set the rate for two-party service at 70.75 per cent of the residential rate instead of the requested 85 per cent.

The Bell rate changes are adversely affecting certain business interests. Alternatives, considered undesirable, were the elimination of directory assistance and some 2,000 jobs or shifting of a $13.5 million burden to residential users. Some 50 per cent of New Jersey businesses have been on metered rates for years. We took the position that residential users in effect have been subsidizing commercial users and that it is fairer to make the cost of service more equal to service provided. Eventually fixed rates will be phased out entirely.

The two major decisions raised to some $92.3 million the net amount saved New Jersey consumers in PUC decisions on permanent increases since the Department took over public representations in mid-1974. The Division has handled a total of 168 cases, including 83 which remain active.

In other important cases, a PUC grant of $3 million of a $12 million emergency surcharge request to the South Jersey Gas Company reflected the Division's recommendation for revision of a gas adjustment clause and denial of exploration and development funds.

The Division is vigorously opposing Atlantic City Electric Company's bid for a $28 million rate increase on top of a granted $10.7 million increase and has moved for dismissal of the Teleprompter request for a $3 million increase in South Jersey. We take the position in the Teleprompter case that cable TV is a necessity here rather than having the "luxury" status it enjoys in northern Jersey.

The Division remains active in cases involving a suspended 13 per cent increase for New Jersey Natural Gas Company, and in the Public Service Gas and Electric Company request for $99 million in interim increases. Hearing examiner recommendations in the Public Service case range from $37.9 million to $84.7 million. We will recommend slightly less than the lower figure. Rate Counsel's rate of return recommendation in the Public Service case was adopted by the examiners. In the Elizabeth Water Company request for $3.1 million, we are seeking to arrange a negotiated settlement.

In the insurance area, the Division has become involved in 11 homeowner and auto insurance filings and has streamlined processing procedures. A stipulation was filed on three homeowner filings and basic agreements were reached on increases for the States's two largest auto insurance firms.

FORD'S BIGGEST MISTAKE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. HARRINGTON. Mr. Speaker, the ill-considered statement President Ford made last week with regard to the New York City situation, not surprisingly, continues to largely dominate the news. Reaction stories, the majority of which are strongly and, in my view, justifiably unfavorable, indicate a growing awareness on the part of the general public that the President is incapable of effectively performing in the national leadership position he inherited over 1 year ago.

By turning his back on at least 8 million Americans and contributing to a crisis which will eventually affect every American community, President Ford has demonstrated an uncanny ability to divide a Nation which is still trying to heal the wounds caused by his predecessor.

In what the Washington Post termed the worst Presidential speech in recent memory, Mr. Ford proposed that the Federal Government withhold financial assistance until after New York crumbles. The assistance Mr. Ford proposes will cost the Federal Government countless billions, while assistance now could cost nothing. This vindicative demand for a pound of flesh has not gone unnoticed by the general public or the media.

The following articles are merely a small sampling of the many stories being carried by publications outside the New York City area. I strongly recommend that my colleagues take a moment to read them.

The texts follow:

FORD'S MISCALCULATIONS ON NEW YORK CITY

President Ford's plan to help New York City after it defaults was drawn up by the same economic advisers who a year ago drafted a bill to increase taxes just as the economy was heading into the worst recession since the 1930s. Fortunately, Congress was wise enough to give that proposal a quiet burial, but the plan for New York stems from the same kind of error.

Under Ford's proposal, a federal court would make sure—after the city defaulted—that essential public services would continue. Payrolls of police, fire, sanitation, and health workers would take priority over the interests of holders of city bonds and notes. Presumably, any shortfall in wages would be met through short-term debt the court would authorize the city to issue. But the terms of aid are still vague.

In the past, Ford's advisers have repeatedly insisted that the city has enough money if it would take stern measures to restructure its debt. They have been asking the city to default but to call it something else: a moratorium in interest payments, a stretch-out of maturities, and a voluntary—or involuntary—rollover of notes. Now Ford is forcing default, but his program rests on false assumptions.

The President does not understand that even if the city pays no interest or debt service, it will be at least $1 billion short of meeting its payroll and welfare payments in December, January, and February. And once it has defaulted, it is questionable whether anyone will buy New York City issues, including the court's authorized notes, because the city has no way to repay them. New York State's financial condition is at least as bad as the city's.

Lack of facts. In any case, the city's cash projections are not very good because it still lacks modern management and accounting systems. It will not even be able to tell for sure how many people are on its payroll until after a new system is installed in July, 1976. Over and over again since the city's crisis started, anticipated receipts have been overstated and expenses understated.

Furthermore, the President and his advisers seem to think that a few banks hold most of the city's debt and that a restructuring is possible simply by sitting down with them. Actually, the banks hold less than one-third of the debt. The rest is in the hands of small investors who need the money.

Finally, the city's pension funds are protected by the state constitution, which prohibits reducing the benefits. But the full extent of the city's pension liability is unknown: The actuarial asssumptions have not been revised since 1908. Since then, average life expectancy has increased about 16 years and rendered the city's calculations hopelessly out of date.

Weak economics. There is a long tradition that American Presidents are weak on economics. But even in that tradition Gerald Ford makes some of the others look like savants. Aside from his own lack of grounding in the subject, many of his key economic advisers misread the data, and the White House staff is inept in a field that is increasingly crucial to policymaking.

In a private interview two weeks ago, Treasury Secretary William E. Simon claimed that New York City's cash flow for the current fiscal year was not so bad. Challenged for details, he confessed that he had not studied the month-to-month figures; he was too busy testifying before Congress to read anything but the briefing sheets prepared by his staff. Another key adviser pointed out that the issue was less economics than politics. Any rescue effort, he said, would benefit the banks and give the Democrats an election-year issue that the White House would prefer to avoid. Still another adviser complained that the public was not hearing about all the careful study the New York problem was getting in Washington because the White House staff was unable to articulate it, and power struggles among advisers prompted some to leak misleading information.

Repercussions. Perhaps worst of all for the future, default will almost certainly lead to flood of litigation. First to sue might be the investors who were persuaded by banks and Wall Street houses to buy the last notes issued by the city on its own last spring. There might also be suits by the city and state pension funds that have bought Municipal Assistance Corp. bonds. Such litigation could persuade a federal appeals court to validate the President's whole program, and serious social upheaval could ensure in the city.

Citicorp Chairman Walter Wriston, for example, worries that if sanitation workers in Bedford-Stuyvesant do not get paid, they will drive their trucks right into the Citibank branch in that deteriorated neighborhood. And the police, without paychecks themselves, would not stop them.

[From the Boston Globe, Oct. 31, 1975]

INVESTORS WEIGH NEW YORK CRISIS

NEW YORK.—Investors, evidently trying to assess the implications of a possible default by New York City, pushed stock prices lower yesterday on the New York Stock Exchange.

For most of the session, the market actually was in forward gear, but late selling gradually chipped away the advance.

Several analysts said what you really had on Water Street was a "standoff," with many investors on the sidelines still confused by what the whole question of a default would mean to the nation's economy and the stock market in general.

The Dow Jones industrials average edged up 0.79 to 839.42. Turnover slowed to 15.08 million shares from 16.11 million shares Wednesday.

The view that seemed to sum up the belief of most Wall Street analysts was "you have a situation where potential buyers of stock are likely to sit back for a while to assess the city's financial plight more closely."

Polaroid Corp., among the volume leaders, finished at 36⅞ on 259,300 shares, including a block of 121,700 shares at 36½.

Chrysler Corp. eased ⅛ to 10¼. It omitted the fourth-quarter dividends. Earlier in the week, the automaker came in with a $79 million loss for the third quarter.

Morse Shoe gained 1¼ to 10¼ after reporting sharply higher profits.

Meanwhile, in a development which may effect trading today, the First National Bank of St. Louis cut its prime rate to 7½ percent from 7¾ percent in what could set a precedent throughout the country.

Most of the nation's banks, including the First National City Bank of New York, which usually sets the trend for the country, still have their rates at 7¾ percent.

But William Spencer, head of First National City, said his bank, barring unforeseen circumstances, would also reduce its prime rate a quarter of a point today.

In Europe the US dollar declined sharply, weakened by President Ford's opposition to Federal aid for New York City and by the prospect of lower US interest rate.

[From Newsweek, Nov. 10, 1975]

NEW YORK DILEMMA

(By Paul A. Samuelson)

This is a hard column to write. How easy it would be if one were simpleminded and could baldly assert: "Let New York go down the drain. It couldn't happen to a nicer bunch of fellows anyway. Bankruptcy not only will teach a lesson, punish the guilty and deter those tempted in the future, but it will also be the first step on the road back to fiscal probity."

Likewise, it would be an easy position to hold if one could believe with conviction: "The Federal government should take responsibility for the city's present plight. After all, the crisis has national not local causes. Any Puerto Rican or Southerner can freely move into the city. Any well-heeled person can freely move out to the suburbs, thereby avoiding his share of the irreducible fiscal burden of the less fortunate who are left in the city. Only the Federal government has the powers of the purse to take care of the intolerable load now being put on the city and the state . . ."

Neither of these positions is tenable for an intelligent person of goodwill. But where in the wide middle ground between them is the feasible optimum for policy to be found? Here are some tentative economic considerations that may help set bounds on possible policy alternatives.

AFTER DOOMSDAY

Begin by realizing that bankruptcy and default are not unthinkable. Given President Ford's stand, we should figure them to be probable.

But bankruptcy does not begin to solve the problem. It is naive to think that putting matters into the hands of a judge, or a panel of judges, is tantamount to introducing rationality and austerity into the future handling of New York finances. These days we are straining to a dangerous degree the institution of the judiciary. Just as Congress could not enforce Prohibition, Boston and Louisville judges, for all their sacred black robes, are meeting with real resistance in the area of school integration.

Andrew Jackson, in an unpleasant confrontation with the Supreme Court, said: "John Marshall has made his decision; now let him enforce it." That will be a bad day when, Gandhi-like or IRA-like, the citizenry simply refuses to obey orders of the court.

Default can be a sobering influence at the bargaining table with public servants: policemen, fire fighters, teachers, sanitation workers. Still, the whole history of unionism has been a history in which unions wield their most specific influence in *determining how industries in decline are accelerated toward their extinction*. Cases in point are the glass blowers, the railroad and mine workers and the Northern textile workers.

Calvin Coolidge reached the White House by being tough with striking policemen. However, with the step-up of violence since 1919, this is not a safe political gambit for one bucking for re-election. Swiss roulette—playing with avalanches—may be more fun than Russian roulette; but both are dangerous, and may become dangerous to innocent bystanders.

I have seen no careful analysis of how much of New York's problem is related to intransigence and inefficiency among its civil-service employees. How much total wage costs can be brought down, in comparison with those in Chicago and Boston, may be known to Secretary Simon and other advocates of a tough policy; but I have seen no cogent discussion of this crucial issue.

The streets of New York cannot be allowed to go the way of the streets of Belfast and Beirut. One way or another, rapprochement will be necessary with those who guard order and provide minimum services.

BEFORE NIRVANA

It is too late to say that New York's difficulties must be contained at the Hudson. Already municipal borrowing costs are up everywhere.

Large banks stuck with much city paper may well have their stockholders suffer. Their executives proved to have been particularly negligent or culpable can be made to walk the plank. But it is unthinkable that bank depositors should lose their money. Failure of one or more large banks would be intolerable, with domino effects felt nationally.

Before the full story is told, the Federal government will find itself heavily involved in guarantees. Someday we may all read in the history books that William Simon turned out to be one of our most expensive Secretaries of the Treasury, in a class with Andrew Mellon.

CITY TAKES CARE OF ITSELF

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. MILFORD. Mr. Speaker, distinguished colleagues, an article in the Dallas Times Herald has just come to my attention, and I would like to share it with you.

Quite frankly, ladies and gentlemen, it is a "can do" article about a city, a supervisor, and the team work of all members of a city's department.

I want to congratulate the people mentioned here for recognizing a problem for their community and pooling their resources, ideas and knowledge in order to correct the problem.

And I might add, that correction has come about without Federal assistance.

The city is Irving. The supervisor is Paul Ketter who heads the city sanitation department. And the people involved are the men who do the work in the department.

I would also like to commend Olin Briggs for reporting on such positive action in the Dallas metropolitan area.

The article follows:

IRVING DEFEATS GARBAGE WOES WITH "INGENUITY"

(By Olin Briggs)

IRVING.—Faced with the task of burying a mountain of garbage that would fill Texas Stadium every year with only a tiny 30-acre landfill, Irving rapidly was approaching the predicament of many other area cities.

That was a year ago. The problem is gone today, erased by months of hard work and ingenuity.

The wonder of it all is that in this era of burgeoning dependence on federal money for municipal projects, Irving has built itself a new 300-acre landfill that should have cost $4 million without anybody's help.

Constructed with tax money already on hand, by employes already on the payroll and with equipment that had been paid for years ago, City Manager Jack Huffman's Twin Wells Park Project is a model for municipal self-help.

The man most directly responsible for carrying out Huffman's independence philosophy is the city's "top garbage man" Paul Ketter.

The 6-foot-4 former Northwestern football player and Nolan (Fort Worth) High School coach says the formula for such a massive landfill cost is simple: "Teamwork."

A dedicated man who loves solving problems, Ketter claims there's nothing tough about his job managing the city's third largest department. "We're always looking for a way to do it better and save the taxpayer a dollar."

The new landfill project meets that first criterion by providing landfill capacity through the year 2005.

The new landfill also meets the second criterion laid out by Ketter—it saves the Irving taxpayers a pile of dollars.

"Most cities have to float bond issues for a project of this magnitude," Ketter said.

The game plan for the landfill went like this:

Seeing their small landfill rapidly filling up in 1974, Huffman and the city council leaped at the idea of buying another 270 acres for less than $2,000 an acre.

The land was cheap because it was in the Trinity River flood plain and was subject to flooding. But nobody can use flood plain land for a landfill, right?

"Wrong. What the law says is that you can't allow the land to be ravaged by floodwaters. We built a levee, a series of levees actually, and, using the old Navy principle of water-tight compartments, double-hulled her. Now the land is perfect for the job," Ketter said.

But where did "Ketter's Krewe" get the expertise for such a technical job? Not from the U.S. Army Corp of Engineers.

"We called 'em, but they said it'd be about 10 years before they could send anybody to even look at it," Ketter said.

A consulting firm?

"You need to talk to your employes, yourself. That fellow driving that crawler tractor throwing dirt on that trash every day knows more about that operation than anyone else in town. It'd be foolish to talk to anybody else," he said.

Some cities complicate problems because the department heads lack confidence in their employes, he said.

"I wasn't scared to go to my men and say 'I need your help'," Ketter said. "We get that advice free and it's the most valuable in the world."

A soft-spoken but straight-talking man, Ketter is critical of most cities for wasting their most precious resource—their people.

"City personnel managers conduct extensive screening before a person is hired, but once he's on the payroll, there is no system to profit from what the man learns as he builds up experience in the job," he said.

By utilizing his men in key decision making, Ketter transmits a feeling of being appreciated. "Without that, they simply feel used.

"I let mine know I appreciate them. No favors. But in return I get outstanding cooperation."

Some sanitation departments use what Ketter calls the "fear ethic—firing a man for such petty matters as not shaving every day."

"Such a system is an open invitation to a union. You look at the cities with that system and you'll see a turnover rate around 250 per cent. Here in Irving, the turnover rate is about 1 per cent and the complaints—the real ones—amount to about one a week.

"We stuck our neck out a little on this project, but that's all right," he said. Ketter's been sticking his neck out all his life, like when he first moved to Texas in 1965 without a job on the mere recommendation of his sister in Fort Worth.

Currently working on a degree in the Humanities at Texas Christian University, Ketter got into the "garbage business" as a clerk-typist at Fort Worth's dog pound.

He has since solved a lot of problems in sanitation departments in Fort Worth and Dallas. In the later, he rose to the No. 2 position before being lured away by Irving for "more money and more challenge and a 'can do' philosophy."

And whatever the cost, Irving—if the Twin Wells landfill is any sort of measuring stick—got one heck of a bargain.

WILL THE TRIUMPH OF KISSINGER BE THE DOWNFALL OF FORD?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. SYMMS. Mr. Speaker, I am especially shocked and disappointed with the removal of James Schlesinger as Secretary of Defense. I must share the opinion of many of my colleagues and others that Kissinger won the battle with Schlesinger, with a little help from Donald Rumsfeld. It was well known of course, that Schlesinger and Secretary Kissinger clashed on matters of foreign policy and national defense, and it would be naive to suggest that Kissinger did not have a role in Schlesinger's removal. But what really concerns me now is the direction we will be going from here.

I am frankly concerned about a possible shift in policy on strategic defense matters with Schlesinger out of the picture. The outgoing Defense Secretary was a relative "hard-liner," for example, where arms limitation talks with the Soviets were concerned, and took issue with Kissinger's SALT concessions. He believed strongly in a U.S. defense posture second to none, which again brought him into direct conflict with the notions of the Secretary of State. You will recall that it was Kissinger who made the statement, "In the name of God what do numbers—of missiles possessed by each side—matter when we are talking about such levels of destruction," when answering a critic of his SALT proposals that permitted Soviet superiority in many areas.

Furthermore, Secretary Schlesinger was in the process of making some long overdue changes in our strategic nuclear doctrine. He believed in flexibility and in a "war fighting" capability as opposed to the MAD—mutual assured destruction—philosophy.

All of this has prompted me to seek additional signatures of Members of Congress on a letter to President Ford advocating a hard line by the United States at the SALT negotiations. Last month when I first sent such a letter to the President it was signed by 52 Congressmen representing a bipartisan cross section of the House. There are two areas in the current SALT negotiations that have not yet been finally resolved as I understand. They involve cruise missiles and the new Russian bomber. I, along with others, am concerned over Secretary Kissinger's willingness to give in to the Soviet position on these crucial issues for the sake of concluding another SALT agreement by the end of the year. Apparently, Dr. Schlesinger was one of the major figures in the Administration opposing further U.S. concessions in SALT. Now with Schlesinger gone it will be important for the Congress to demand that any new agreement be resolved in favor of the United States.

In conclusion, Mr. Speaker, I would like to address the question of where all of this leaves President Ford vis-a-vis Ronald Regan and the conservative wing of the GOP. It has been said by some that the firing of Schlesinger is balanced off by ROCKEFELLER taking himself out of contention for the Vice President nomination next year. I think this is nonsense, ROCKEFELLER as Vice President is more symbolic than anything else. The position of Secretary of Defense is substantive. In other words, policy and the direction in which we are moving mean more to the American people than do titles, symbolism, and rhetoric. And when this criterion is applied to the areas of foreign policy and defense, the conservatives lose out. Consequently, I believe that the Reagan challenge will now be more viable than ever, now that Ford has opted for Kissinger and Elliot Richardson. The Washington Post of November 5, 1975, contains two columns to this effect. One is by George Will and the other by Evans and Novak. I commend these articles to my colleagues in the Congress:

DAMPENING DISSENT

(By George F. Will)

The firing of Defense Secretary James Schlesinger was a foolish thing done in a foolish way.

Gerald Ford, the itinerant incumbent, has seemed less than presidential recently. He certainly did not seem presidential when he remained silent while newsmen notified a distinguished public servant that Mr. Ford fired him. And he will not seem presidential as long as he seems subservient to the desires of Secretary of State Kissinger.

The fact that Donald Rumsfeld, who sits at Mr. Ford's right hand, got Schlesinger's job indicates that the firing was, to a certain extent, a routine exercise in Washington careerism. Rumsfeld is more gifted than Schlesinger was as a Washington operator, but the real winner is Kissinger. The firing virtually completes the purge from the executive branch of those who dissent from Kissinger policies.

Schlesinger was the most distinguished Defense Secretary since George Marshall. Reflective, and with scholarly achievements more distinguished than Kissinger's, he was the most senior official capable of contesting with Kissinger in the policymaking process.

That probably is why he was fired. There is every reason to believe that Kissinger wanted Schlesinger out, and there is no reason to believe that Mr. Ford has independent views—independent of Kissinger—about matters touching foreign policy.

Schlesinger believes what, according to recent polls, most Americans believe. He believes that the Soviet Union is benefiting more than is the United States from the policy of detente as conceived, formulated and administered singlehandedly by Kissinger.

There is an absurd rumor that Schlesinger was fired because he was insufficiently skillful in handling Congress. If that were a reason for firing Cabinet officers, Kissinger would have been fired for his mishandling of the problem of aid for Turkey.

And there is breathtaking cynicism in linking Schlesinger's dismissal with meaningless removal of Kissinger as head of the National Security Council, and the replacement of him by his obedient servant, Gen. Brent Scowcroft. Only politicians at the highest levels of our government are cynical enough to believe that people will be taken in by this transparent ruse. It is an attempt to make Kissinger seem to be sacrificing something, while actually he is sacrificing nothing.

No one should be surprised by this latest evidence of Mr. Ford's passive acceptance of Kissinger's desires. Mr. Ford came to office at a moment when the public was extraordinarily skeptical about politicians. He was not accompanied into office by a reputation for pronounced views, distinguished or otherwise, on foreign policy.

A series of accidents have landed Mr. Ford in a position higher than any to which he ever aspired, higher than any to which even his most warm admirers recommended him. Regarding foreign policy, he is adrift on a stormy sea he never asked to sail, and he is clinging to Kissinger the way a queasy tourist clings to the rail of a cruise ship.

The night Richard Nixon resigned, about 14 hours before Mr. Ford was sworn in, Mr. Ford came out in front of his suburban Virginia home to say a few words to the watching world. His most obviously heartfelt words were that Kissinger had agreed to stay aboard. Mr. Ford has done everything possible to make life pleasant aboard.

But Mr. Ford and the nation will pay a price for protecting Kissinger from the competition of men of Schlesinger's stature.

The removal of Schlesinger will alarm our NATO allies who by and large trusted him and who by and large trust Kissinger rather less. It also will confirm both the Soviet Union and China in their not unreasonable beliefs that the U.S. is still willing to sacrifice a lot on the altar of Soviet good humor.

Regarding domestic politics, the firing is the latest in a long series of blunders that have caused Ronald Reagan to doubt that Mr. Ford is competent to be President, or even to secure the nomination. It is well to remember that the series of blunders began last summer when Kissinger instructed Mr. Ford, in the interest of Soviet good humor, to snub Alexandr Solzhenitsyn.

Kissinger is one of Washington's most gifted survivors. Mr. Ford may not be.

MISCALCULATING AT THE WHITE HOUSE

(By Rowland Evans and Robert Novak)

While the sacking of Defense Secretary James Schlesinger and retirement of Vice President Nelson Rockefeller were intended to reinvigorate politically, a failing President Ford, incompetent execution of an ill-conceived project has further undermined his prospects for the Republican nomination.

Congenital bungling at the Ford White House botched up plans to announce Rockefeller's exit from the 1976 ticket several days before Schlesinger was handed his head. Even so, the White House grossly overestimated political benefits from Rockefeller's exit and underestimated Schlesinger's esteem among conservative Republicans.

Moreover, the events of Sunday and Monday gave the nation a picture of Byzantine intrigue and ruthless personal treatment supposedly alien to the friendly, decent presidency of Jerry Ford. Only Richard M. Nixon's Saturday Night Massacre of 1973 has so dismayed high administration officials, senior bureaucrats and Republican politicians. Their reading is nearly unanimous: a disaster for Mr. Ford.

The White House intended to stop the President's accelerating decline with this plan: on Monday, Rockefeller would announce his unavailability for Vice President—a headline event placating the Republican Party's dominant right wing. At midweek, Mr. Ford would fire Schlesinger—a secondary event that would demonstrate the President's decisive control of foreign affairs.

At Schlesinger's request, the Secretary of Defense met with the President Saturday from 11:30 a.m. to 1 p.m. in a cordial discussion of defense matters. Although Mr. Ford days before had decided to fire him, he did not want to tip his hand before Rockefeller bowed out. So, contrary to his image of openness and candor, Mr. Ford gave Schlesinger no clue to his fate.

Unfortunately for the President's plans, however, Newsweek's reporters found out. With Schlesinger alerted by then, he was summoned to see the President at 8:30 a.m. Sunday (encountering William Colby leaving Mr. Ford's office after having been fired as CIA Director). The President added insult to injury by offering to name Schlesinger head of the Export-Import Bank or Ambassador to London. Dr. Schlesinger declined.

Even at this late hour, the White House hoped to hold back the news until Rockefeller's letter to the President was made public. But Pentagon sources leaked out news of the Sunday morning massacre.

What was worse for Mr. Ford, the impression was not decisive presidential leadership but supremacy for Secretary of State Henry Kissinger in his long, bitter feud with Schlesinger. It was believed throughout Washington Kissinger had solidified his mastery over foreign policy by forcing out his one effective rival while only nominally surrendering his National Security Adviser's role to a trusted protege, Lt. Gen. Brent Scowcroft.

On Monday morning Dr. Kissinger heatedly protested to a colleague that he was being misjudged. "Believe me," said Kissinger, whose word is not always believed, "this was done over my dead body." Kissinger and others in the administration point to a different manipulator of these events: White House Chief of Staff Donald Rumsfeld, archenemy of Rockefeller who will succeed Schlesinger at the Pentagon.

Apart from Byzantine palace politics the White House undervalued Schlesinger's standing with conservatives in and out of Congress, who consider him the one hardline anti-Communist voice inside the administration. Although Schlesinger may have pressed too hard in recent attempts to restore defense cuts in Congress, he is highly regarded among congressional Republicans—far more highly than either Kissinger or ex-Congressman Rumsfeld.

Mr. Ford never has cared for Schlesinger's professorial style, and their lack of personal rapport was aggravated recently by a budget dispute: Schlesinger's adamant refusal to cut back Pentagon spending in conformity with the President's election year tax cut. Rumsfeld at the Pentagon will offer no such opposition, which deeply worries conservative congressmen.

To such congressmen, Rumsfeld-for-Schlesinger at the Pentagon eclipses Rockefeller's withdrawal. The day when Nelson Rockefeller constituted Mr. Ford's only problem with the Republican right ended weeks ago. "I'm more concerned about Ford than Rocky," one conservative leader told us, "and getting rid of Schlesinger makes me all the more concerned."

President Ford, and his closest advisers, including Rumsfeld, have thereby continued miscalculations that began with their belief Ronald Reagan would never run. In attempting to eliminate two troublesome members of the administration to demonstrate presidential leadership, they have succeeded only in presenting an administration in utter disarray and making the Reagan challenge more viable than ever.

AMERICA NEEDS A FEDERAL AGENCY FOR CONSUMER PROTECTION

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. PEYSER. Mr. Speaker, a bill to create a Federal Agency for Consumer Protection will be on the floor of the House this week. This Agency will not be another regulatory body—it will not be able to require any agency to make any decision or take any action. This new Agency will be a consumer advocate. The ACP will be provided with the authorization and means to obtain and disseminate information relevant to consumers. This Agency is needed to give consumers a voice in Government which can be heard. The following are just a few examples of situations in which an Agency for Consumer Protection would have been of invaluable assistance to the American public:

EXAMPLES

WARNING DEVICE ORDERED INSTALLED AFTER CRASH

Over 50% of all airline crashes worldwide are caused by what is referred to as "controlled flight into terrain" (CFIT). A Boeing study revealed that CFIT accidents in 1972 and 1973 resulted in the loss of 1,120 lives and 20 aircraft in the western world. The FAA is aware of these facts. The FAA also is and was aware that a device called a "ground proximity warning system" (GPWS) warns pilots with lights and taped loud voices to "pull up" should the plane be in danger of a crash due to inadvertent proximity to the ground. The device continues to signal until the pilot pulls up to a safe altitude.

The cost of installing the warning system is about $11,000 per plane—an insignificant amount considering the $5 to $25 million price for each airliner.

Finally, in December, 1974, the crash of a TWA 727 into a mountainside near Dulles International Airport in Washington in which 92 persons were killed, led to an FAA ruling that a limited version of this device be required on all airliners by December, 1976.

An Agency for Consumer Protection could have worked for installation of an adequate device several years earlier and perhaps hundreds of lives would have been saved.

FDA IGNORES TOXICITY OF HCP

In September 1972, the FDA classified all products containing hexachlorophene (HCP) as prescription drugs, ending profligate use of the untested substance and hundreds of over-the-counter remedies and cosmetics, after 30 to 40 French children died from exposure to HCP in baby powder. Animal evidence on the toxicity of HCP has been available to the FDA from its own scientists for several years and FDA admitted at the time of the action that the central nervous system lesions in these infants were identical to those that had been produced in experimental animals.

An Agency for Consumer Protection could have urged the FDA to act earlier saving countless lives.

COCKROACHES IN YOUR POTROAST

A June 24, 1970 GAO report found weak enforcement of Federal sanitation standards at meat plants by the Consumer Marketing Service. At 36 of 40 Federally inspected plants which GAO visited animals were being slaughtered or meat food products were being processed for sale to the consuming public under unsanitary conditions including: lack of adequate pest control as evidenced by the presence of flies, cockroaches and rodents, use of dirty equipment, contamination of products by rust, fecal material, and hair. In a report issued November 16, 1971, the GAO found upon revisiting 17 of the original 40 plants inspected, that the unacceptable conditions continued to exist at most of the 17 plants.

In yet another report, the GAO in 1972 found that about 40% of food manufacturing plants which are regulated by the FDA under the Food, Drug and Cosmetic Act, were operating under conditions that were unsanitary or worse. The report documented such conditions as cockroaches and other insects, rodent excreta, and non-edible materials in and around products and equipment; improper use of pesticides in close proximity to food processing areas; use of unsanitary equipment.

The need for a consumer advocate is especially clear when inexcusable situations like this are exposed and little is done about them. The Agency for Consumer Protection could have noted Agriculture's and FDA's responses to the GAO reports and urged that necessary measures be undertaken to clean-up the meat and food processing plants.

The FEA—Federal Energy Administration— issued a regulation in November of 1974 making it clear that all oil refiners must treat refinery-fuel costs as nonproduct cost subject to profit-margin limitations, rather than as a product cost which could be automatically passed through dollar-for-dollar to the consumer. The FEA decided not to make the new clarification retroactive. The potential cost to consumers of that refusal is estimated at $750 million. Had there been an ACP—Agency for Consumer Protection—it could have urged the FEA to make the interpretation retroactive.

DOUBLE DIPPING

Another FEA regulation permitted oil refiners to collect increased oil costs twice. This practice which has been dubbed "double dipping" might have eventually led to $332 million in consumer overcharges. After 6 months this loophole was discovered and eliminated. Had there been an Agency for Consumer Protection the Agency might have spotted the loophole and spared us 6 months of "double dipping."

FAA LEAVES THE DOOR AJAR

In 1972, after a DC-10 passenger plane was involved in a near fatal accident, the FAA discovered that the plane's cargo door was at fault. The FAA drafted a directive requiring the manufacturer, McDonnell Douglas to correct the defect in the cargo door. McDonnell Douglas intervened directly with the FAA Administrator, urging that FAA make the notice permissive, rather than mandatory. The FAA buckled, and the modification was not made on all DC-10's.

A recent public television special "The World's Worst Air Crash," suggests that the reason the modification was not required is the too cozy relationship between the FAA and the industry.

In March 1974, a DC-10 crashed near Paris killing 344 people. It was a plane on which the cargo door had not been modified. The

FAA believes that the faulty cargo door caused the crash.

Had ACP been in existence in 1972, it could have fought for stronger measures by FAA—saving hundreds of lives.

DEFECTIVE HEART PACERS

A 1975 Report by the Comptroller General of the United States found that the Food and Drug Administration did not comply with its own procedure in a "life threatening situation." Apparently, the FDA failed even to follow its own procedures to independently investigate the cause of a recall of cardiac pacemakers by manufacturers. The common defect in the pacemakers was a leakage of body fluids through the plastic seal of the pacemakers causing short circuiting which led to sudden speeding up or slowing down of the electronic heart pacing. To date, no standard has been issued by the FDA to deal with this problem.

The FDA has not independently established how many deaths and injuries have been caused by this defect, and the number could be substantial. What we do know is that the FDA did not give adequate consideration to possible adoption of a standard developed by the Navy for hermetic sealing of electronic components to prevent short-circuiting caused by moisture. Had there been an ACP, the Agency could have urged the FDA to consider the advantages of hermetically sealing, perhaps saving many lives.

AMERICA'S ECONOMIC POSTURE HAS INTERNATIONAL ADMIRATION

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mrs. BOGGS. Mr. Speaker, as our great Nation approaches its 200th birthday, we are sadly and too often hearing pessimistic voices raised in complaint about our internal distresses and our diminishing posture in world trade and politics. They are voices couched in fear, forecasting a gloomy future.

These voices believe that resource scarcities point toward slow growth; they refer to great political divisions; they forecast that our national planners cannot cope with long-term economic problems. They say that our citizens are confused and even angry, our leaders no less bewildered.

I am not persuaded by these Cassandras of doom, and, fortunately, either are our American friends and neighbors. They are thankful for our strengths and achievements; they strive to meet them and, most importantly at our current crossroads, they rally us to recognize their worth.

Recently, in an address in my home city of New Orleans, whose port is the second largest export center in the United States and the third largest in the world, Inter-American Development Bank, IDB, President Don Antonio Ortiz Mena called attention to the shortfalls of our developing sister nations of Latin America, but also to the great strides which in many cases have been made possible by U.S. participation in and support of the IDB's projects.

These remarks by the esteemed Mexican statesman should serve to remind us of our own history of development; a fast and furious pace toward a state of technological and cultural progress unequalled or even paralleled in the world. Our continued encouragement to other countries of the Western Hemisphere is a duty and a privilege of that position, one which despite accusations otherwise, is sincerely recognized and appreciated.

The remarks follow:

THE NEW ECONOMIC RELATIONS IN THE HEMISPHERE

I have several reasons for being pleased to have been invited here tonight.

Your nation is on the eve of a unique celebration and I want to go on record as saying that all the Americas should join in that celebration. You will be celebrating the 200th birthday of the oldest continuing form of government on earth, barring, perhaps, that of Switzerland. All of us in the New World should be proud of the fact that one of our number can make that claim.

And New Orleans is the right place for me, a citizen of Mexico, to make such a declaration. Bernardo de Galvez, son of the Viceroy of New Spain and Captain-General of the Province of Louisiana and the Two Floridas, was among the first to support your revolutionary leaders, especially with provisions for the Virginia agent in New Orleans, Oliver Pollack.

And, of course, I am pleased to be in New Orleans because in and out of your port goes such a significant amount of the commerce that binds together the many Americas. For a century and more, trade originating up and down the whole Mississippi Valley has funneled through New Orleans on its way south.

May I also say that I would travel many more miles for the pleasure of paying tribute to your Congressional delegations in Washington, particularly Mrs. Boggs and Senator Johnson, who serve on the Committees of Congress which provide the legislative support for the work of the IDB. In the past, the Congress has been in the forefront of support for our institution. I am dedicated to vindicating that support, especially given the pressing need to enlarge the capital structure of the Inter-American Development Bank and to replenish the resources of our Fund for Special Operations.

I want to say a few words about the economic state of Latin America today and then underline the tremendous importance now of keeping the avenues of hemispheric cooperation open and working.

Latin America by culture and history has always been part of the Western World. Now it is a rapidly growing economic part of that world as well. But as President Kennedy once said of the United States and Western Europe, so I say now of the United States and Latin America: either we grow together or we will grow apart.

Few in the United States realize how much Latin America has grown economically in the past two decades. The total product of Latin America today approximates the total product of Western Europe in 1950. The largest Latin American economies today are comparable in size to the largest economies of Western Europe in 1950.

If over the next 10 years Latin America grows as fast as it did in the 10 years just passed, it will produce as much as Western Europe did in 1960 when the Common Market was born. It is quite possible, if that happens, that Latin America, like Europe, will fashion a truly integrated common market of its own and reap the reward of still more rapid growth.

If we project to 1985, the manufacturing product of Latin America will be about 11 times greater than it was in 1950. That means that by the end of this decade Latin America will be adding each year in new manufacturing production a quantity equal to all that was produced in 1950.

Industrial exports, which increased from 6 per cent of all exports in 1950 to 18 per cent in 1974, will rise to nearly 30 per cent by 1985.

A great deal has been achieved in the area over the past 25 years:

Steel production has increased 15 times.

Energy production has increased 8 times.

Cement production has increased 6 times.

Machinery and equipment production has increased 9 times.

By any measure Latin America is big business today. But it is by no means big enough to meet the minimum needs and aspirations of 300 million Latin Americans.

Perhaps a third—or 100 million—hardly shared at all in the boom years of the 1950s and 1960s. And population continues to grow at a very uncomfortable rate in some countries.

In some areas as many as one out of eight children born never survive infancy. The average education received by Latin America's 100 million poor is between two and three years.

Some 65 million lack the basic necessities of life—safe drinking water, electricity and sewage facilities. Millions have left the countryside to crowd the central cities. By 1980, eight to 10 of these cities will be home to more than 10 million souls each.

Latin America is desperately short of thriving, hinterland urban centers like Atlanta or Denver or Minneapolis. The refugees from the countryside crowd the capital or the one great regional center, like São Paulo. These cities are dynamic centers of development; but their economic growth has also brought a proportional growth in misery.

If you add up the pluses and minuses, Latin America comes out way ahead of Asia or Africa, but still way behind the other Western nations. Within the picture I have been painting, there are, of course, great differences. Many talk of the miracle that is the Brazilian economy the way they used to talk about the miracle of Japan in the 1960s and of Germany in the 1950s. But there are no miracles in sight yet in some of the least developed of our member countries.

The Inter-American Development Bank is a unique institution. We are not just an organization of donors and recipients; many members are both. With the addition next year of 10 European members, Japan and Israel we will be a truly multilateral organization, reflecting the growing economic role of Latin America in the affairs of the Western nations and Japan.

"Development", of course, is not a technical term. Rather, it is a shifting mix of economic and political notions constantly in search of appropriate ideas and actions. Those ideas and actions in the context of the Bank are the projects we finance with our loans.

It is very difficult to generalize in a short speech about the many projects we do finance; each one is in a sense unique, a story unto itself. But I think one generalization is valid: each project is designed to create new wealth in new geographic or social situations.

If it does not create that new wealth, it is not development. If it does not create new wealth for people who need it and in places that need it, it is not the kind of development that the IDB supports.

The beneficiaries of our loans may be a newly formed water association bringing safe drinking water to one of the more than 4,000 rural water systems we have financed, or members of a cooperative of fishermen which has been formed to permit the building of a new plant making fish meal for use as fertilizer. They may be a producers cooperative, formed to market a crop, or a peasant cooperative—or ejido as we call them in Mexico—formed to increase production or bring irrigation to large numbers of small farmers. In this year alone, nearly two million members of these kinds of associations will be benefitted directly by IDB loans.

The foreign exchange, of course, goes to pay for essential imports. More than $1 billion in goods and services have been purchased in the United States alone as the direct result of our lending. And actually the trade generated is much greater, for successful development projects have a multiplier effect; they create new wealth that in turn creates more.

Our work, our bargaining over "development", is, I think, an essential part of the growing economic exchange between Latin America and the United States. Particularly now if our work should be curtailed, your trade and investment would be curtailed as well.

I say "particularly now" because Latin America faces a very real threat of curtailed growth. The reasons are obvious: a worldwide recession has cut deeply into Latin America's exports; worldwide inflation, especially in fuel and food items, has added considerably to Latin America's import bill. Without a continuing increase in the net inflow of private and official resources into Latin America, there will be unavoidable cutbacks in what the area buys in the United States and interruptions in the flow of direct investment to Latin America, where U.S. investors have already placed some $15 billion.

The net inflow of all kinds of capital coming into the area since 1961 has increased from less than $2 billion to more than $5 billion each year.

Maintaining this momentum in these difficult times will be crucial to the state of hemisphere relations. Nations are like human beings in that when they stop growing, in this case economically, they begin to die.

Your great nation was founded on a dedication to development. That dedication, spread often by your own messengers, now is found all over Latin America.

For these reasons, millions all over Latin America will share in your coming celebration. We will in the process, I hope, discover the unifying roots of our common culture. But we must emerge from celebration into a new dedication to preserve the New World as the planet's great land of opportunity.

BACKUP CENTER CONTROVERSY RENEWED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. ASHBROOK. Mr. Speaker, one of the major controversies embroiling the consideration of the Legal Services Corporation Act of 1974 involved Federal funding of backup centers. These centers were criticized for focusing the major portion of their resources toward issue advocacy of the attorney's own preference rather than focusing attention on the legal issues of individual poverty clients' cases.

At issue was the propriety of using tax funds to promote a poverty lawyer's private definition of what is the public interest. In short, Federal funding of the legal backup centers amounted to taxpayer subsidy of causes such as busing, welfare rights, abortion, and prison reform—causes with which there is considerable public disagreement.

As I stated in 1974, providing legal aid to the poor should not mean financing research centers directed toward changing social policy. Responsibility for changing social policy rests with the Congress and the legislatures of the 50 States—not some federally funded center.

This issue was thoroughly debated during consideration of the Legal Services Corporation Act. At that time an amendment was offered by our former colleague, Representative Edith Green, Democrat of Oregon, which prohibited the corporation from awarding grants or contracts to groups providing research, training, technical assistance, or information aiding the delivery of legal services. The objective of this amendment was to work to eliminate the "public interest advocacy" aspect of the backup centers' activities by bringing all support functions in house where control by the parent Legal Services Corporation would be more feasible. As most of my colleagues will recall, that amendment passed by a substantial majority in the House on June 21, 1973, 245 to 166. The amendment was subsequently deleted by the conferees, but was reinserted when it became apparent that the White House would veto the bill unless the provisions of the Edith Green amendment were made a part of it.

Now that the Legal Services Corporation is fully independent there is great pressure being exerted on the new Board to retain the 16 backup centers. Backup centers and their advocates are urging a number of alternatives which would circumvent the intent of the Green amendment. They include repeal of the amendment, adoption of an interpretation of the amendment which would eliminate the backup centers from the scope of the amendment, and changes in the structure of the backup centers themselves to permit them to operate as "public interest activists" despite the clear intent of the Green amendment to prohibit such activity where conducted at the expense of the taxpayer.

One proposal is adoption by the Board of an "interpretation" of the Green amendment which was formulated by the National Legal Aid and Defenders Association. Their redefinition serves to exclude activities meant to be eliminated by the amendment, rendering meaningless and circumventing its intent.

Our former colleague Edith Green herself has commented that the interpretation of the NLADA is completely incompatible with both the letter and the intent of her amendment which is now law.

Mr. Speaker, I am very disturbed by these attempts to circumvent the intent of the Green amendment. This issue was debated in full during the consideration of the Legal Services Corporation bill. The Green amendment is now the law and reflects the informed intent of the Congress.

The Legal Services Board is scheduled to meet this November 6 and 7. It is my hope that it will resolve its indecision regarding the backup centers and comply fully with the law and its intent.

THE FREE MARKET: ETERNALLY THERE

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BURKE of Florida. Mr. Speaker, although the American citizen has benefited from the operation of the free market system for the 200 years of our Nation's existence, very few people seem to grasp what it really means to us. In fact, it is a marvelously simple system which literally operates of its own accord so long as the power of government is restrained so that people are free to make their own choices and contractual arrangements.

Because the free market economic system has played such a large part in the growth and general prosperity of our Republic, I should like to commend an excellent article entitled "The Free Market: Eternally There," which appears in the October 1975 issue of The Freeman, to the attention of my colleagues.

The text of the article follows:

THE FREE MARKET: ETERNALLY THERE

(By Earl Zarbin)

A recent passage caught my attention: "Though the free market is the most efficient allocator of scarce resources mankind has yet discovered, it is not a popular concept." The writer then suggested that "Its lack of popularity is probably due to a misunderstanding of the manner in which it works."

These should be words enough to provoke to thought any person who cares about freedom and its survival in a world that increasingly seems to embrace coercion or its threatened use as the answer to real and imaginary problems. I wish to limit my observation to two key points:

1. I don't believe mankind discovered the free market.

2. I don't believe the free market is unpopular because of a "misunderstanding" of how it works.

As to the first, the free market develops of its own accord in a society where government is limited to the safeguarding of life, liberty and property. The free market did not have to be discovered in the usual sense of the word. It does need to be recognized and it does need to be continually explained so its miracles can be understood and appraciated, but it didn't require discovering.

It grew in these United States—and it will grow—of its own accord, without a specific design, because the framers of the rules of the American society established the *conditions* for the release of "creative energy"—as Leonard Read would say. These men, in their deliberations, did not direct that the economy follow any particular pattern, save that in not decreeing an economic plan they left the manufacture of goods and the growing of agricultural products, and their exchange, to the freely made choices of the men and women who produced them.

I repeat: the free market did not have to be discovered, but it does have to be recognized for what it is and it has to be explained. It is a marvelous, efficient, awesome mechanism that will meet the needs of this earth if the people have freedom.

Which leads to my second point: the free market doesn't lack popularity because it is misunderstood. On the contrary, because it is understood it is unpopular.

I don't mean that it is perfectly understood. Rather, I mean it is sufficiently understood so that numberless people want nothing to do with it (except reap its benefits while tearing it down).

I don't know all the reasons people can come up with to disavow the free market; but the functioning of the free market demands self-reliance, self-discipline, self-responsibility, and self-restraint. The free market demands of each of us the necessity of work, of developing skills, of offering goods and services which other persons will willingly exchange for their own products and talents.

RESULTS NOT GUARANTEED

The free market offers us the opportunity to get rich, or poor, in competition with everyone else. The free market doesn't offer us special privileges, favors, subsidies, breaks, exemptions, monopolies, handouts. And it is this that accounts for the free market's unpopularity.

People want their needs met with as little toil as possible. The free market doesn't offer something for nothing. They have that much understanding of the free market, and that's as far as many of them want to go in learning about it.

If the free market were perfectly understood, if all its benefits could be made more obvious, among some people it still would lack popularity. There is nothing that supporters of the free market can do to change these people. Our job is to learn as much as we can about the free market, to learn to explain it, and to try to make our findings available to any who want to share in them. If they are shared, perhaps some among those who dislike the free market will examine what it offers, change their opinions and become its supporters.

It is true that such persons may *discover* the free market. but it has been and is there eternally where men are free.

SENATE—*Thursday, November 6, 1975*

The Senate met at 9:30 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty and ever-living God, in a world uncertain about many things, as we pause in this hushed moment of prayer may we become sure of Thee and of Thy goodness. We turn to Thee in our anxiety about the future, about our personal lives, our Nation's welfare, and our legacy to our children. We lay our needs before Thee. As our fathers trusted in Thee so assure us that if we endeavor to do what is right, as Thou dost give us to see the right, the pattern of the days to come will become clear step by step. Grant to us a measure of Thy higher wisdom that we may chart a course in accord with Thy will. However hard we may work, whatever we may do, wherever we may go, keep us steadfast in our love of Thee and our service to our fellow man and so fulfill the high trust reposed in each of us.

Through Him who is the strength of our lives. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, November 5, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan seek recognition?

Mr. GRIFFIN. No, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the Senator's time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Oklahoma is recognized.

COMMON SITUS PICKETING

Mr. BARTLETT. Mr. President, within a few days the Senate will be asked to consider S. 1479, the secondary boycott, or common situs picketing bill.

The concept embodied in this legislation is not new to Congress, it has been kicked around for 25 years, and has been wisely rejected on each occasion. But this year may be different. This year the big labor beneficiaries of S. 1479 are pushing the legislation with greater determination, and are apparently meeting with some success. And there are claims the President may sign the bill, should we approve it.

Because the fate of secondary boycott legislation may lie in the hands of the Senate, more so than ever, the circumstances demand of us very cautious deliberation of these questions. Is legislation to legalize secondary boycotts necessary? Is it fair? Is it in the best interests of the Nation?

Proponents of S. 1479 tell us that trade unions need the power to picket and shut down entire construction projects over a disagreement with any one of the many contractors involved. This power, we are told, is necessary to give construction workers equality with manufacturing workers, but do the facts substantiate this? Is this power necessary? I do not believe so.

Surely there is no question that wage increases are a fair barometer of the capability of trade unions to bargain effectively.

Over the last 10 years, construction workers have enjoyed larger salary increases than those of manufacturing workers. The wages of construction workers have increased 94 percent over the last 10 years. In the same period the wages of manufacturing workers increased only 82 percent. It should be abundantly clear that the trade unions have not been disadvantaged by the law against secondary boycotts. Wages have increased at a significant rate, without common situs picketing. Our conclusion must be that S. 1479 is unnecessary.

Not only is this legislation unnecessary, it is grossly unfair. Under S. 1479 a trade union involved in a dispute with a subcontractor would be allowed to picket and close down all operations of the general contractor related to the construction project.

This is surely unfair to the general contractor and all other subcontractors and their employees, who have no dispute whatever with the striking union. I am referring to both union and nonunion subcontractors. Yet, under this legislation, these individual employers would be shut down, their employees forced out of work.

Under present law, construction unions which have a dispute with their contractor can set up a picket line to shut down the work of that contractor until the dispute is settled. One might wonder "who could ask for anything more?" Unfortunately, construction unions are asking for more. They are asking for the power to draw into their own labor problems countless other innocent employers and union members.

If unions involved in a dispute with their employer have the right to picket him, do not other unions, which have no dispute with their own employers, have the right to work? They would not under S. 1479, and I believe that is grossly unfair.

S. 1479 is neither necessary nor fair. For those reasons alone it should be rejected, but another consideration deserves our utmost attention and concern. That is the economic impact this legislation will surely have on the construction industry and ultimately on the entire Nation.

Among the first and most obvious results of legalization of secondary boycotts will be an increase in the number of strikes in the construction industry. Each strike will be much more expensive because unions will be closing down the entire project, not just isolated operations at a construction project.

Unions, wielding their new picketing power, will be demanding larger wage increases, more costly fringe benefits, and new work rules, which, by design, stifle productivity and promote inefficiency.

The severe inflationary impact that major project delays and more expensive labor will have on construction costs will be felt almost immediately. And yet a greater, long term, effect of this legislation may be even more disastrous: that is the elimination of the hearty competition which has been provided by open shop construction.

Presently, open shop builders account for 80–90 percent of the Nation's single family housing construction, and 40 percent of our highway and heavy construction. At least 50–60 percent of total construction in this country is open shop, and the figure is growing. Over the years nonunion construction has continued to thrive—because it is competitive in cost and efficiency.

This competition has been the single factor working against the inflationary trend in construction costs. But, if secondary boycotts are legalized, competition will be reduced.

Union workers will be striking to eliminate nonunion workers from construction sites, pursuing the goal so brazenly stated by a labor spokesman in House hearings: "To see every job in America a union job."

The bill provides the opportunity and the incentive to eliminate nonunion subcontractors from the many projects where both union and nonunion subcontractors would otherwise be employed.

Additionally the legislation will polarize the construction industry by forcing union contractors to hire only open shop subcontractors.

S. 1479 will not only mean the elimination of competition and higher construction costs, it will mean the denial of a basic right of working Americans—the right to decide whether or not to join a union. It will subvert the laws of 22 States directly providing for this "right to work."

As an editorial in the Oklahoma City Times on July 14 states very succinctly:

> The bill would give a few union bosses the power to suppress competition in the construction industry, which is the nation's largest enterprise. It employs more than 10% of your total labor force and is responsible for about 12% of the gross national product. Urgently needed energy projects—refineries, pipelines, generating plants, for example—could be jeopardized or delayed by a handful of union workers on a multitrade construction job.

A major undertaking by the Oklahoma Gas & Electric Co. provides a perfect example of what is at stake with the common situs legislation.

In 1973 construction began on two generating plants in Muskogee, Okla. Oklahoma Gas & Electric Co., has recognized the need to reduce the drain on dwindling supplies of natural gas, and these plants will be the first in the State to be fired with low sulfur coal, rather than natural gas. The two powerplants are being built at a cost of $235 million. One plant must be completed by the spring of 1977, the other by the spring of 1978, if O.G. & E. is to fulfill its obligations to its customers. The two powerplants will supply electricity for 250,000 people. This is clearly a vitally important project. It must be completed on time, at a reasonable cost. How will this project be affected by S. 1479?

If the bill becomes law, the general contractor for construction must surely be prepared for new labor problems. If the secondary boycott is legalized, any one of the three unions employed by subcontractors at the site would be able to close down the entire construction project, should a labor dispute develop. The 500 construction workers at the site, union and nonunion, would be off the job.

Labor problems could delay completion of this project months or even years. The general contractor estimates additional construction costs of up to $2 million for every year of delay. To Oklahoma Gas & Electric such a delay would mean lost revenues of $50 million or more. Ultimately, every Oklahoma consumer of electricity would have to share in the costs of secondary boycotts at the Muskogee plants. This represents only one example of the widespread chaotic impact secondary boycotting could have.

Mr. President, I might also cite a construction project which affects every single citizen of the United States, that of the Alaskan Pipeline. The same thing could apply to it: That a union operating with a subcontractor could shut down the entire project.

With union demands that will accompany strikes, and with total project delays, construction costs, already inflated to extremes, will skyrocket even further.

Higher costs and longer delays mean less construction. The value of construction in America dropped $1 billion in the last fiscal year. Can the industry afford further decline? Can the Nation afford further recession in its single largest industry?

With less construction we can logically expect greater unemployment in the construction industry. In the last fiscal year, unemployment in construction increased 100 percent. It stood at more than 20 percent in June, and reached nearly 50 percent in some areas of the country. Can the construction industry afford even more unemployment? Can the Nation afford it?

Surely at a time when America is struggling to stabilize its economy, we could benefit greatly by a strong, healthy construction industry. Surely we cannot afford to have our largest industry in the stranglehold of various building trade unions, struggling for its very survival.

In S. 1479 we have before us legislation which would confer upon construction unions, unnecessary and unfair new power. The power to involve neutral employers and employees in labor disputes not of their own making and beyond their ability to resolve. The power to deny to workers the right to decide whether or not they will join a union. The power to forge unreasonably expensive contracts with employers, by closing down entire construction projects which are vital to the Nation. The power to retard the economic recovery of the Nation by further crippling our largest industry.

And these powers are requested in the name of collective bargaining equality for the trade unions?

Mr. President, there is a difference between collective bargaining and coercive bargaining. The difference is precisely defined by S. 1479.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

SUSPENSION OF DUTIES ON CERTAIN YARNS OF SILK

AMENDMENT NO. 1055

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment to H.R. 7727, an act to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

Mr. HARRY F. BYRD, JR. What this amendment would do is prevent Members of Congress from making contributions of Government documents, including the CONGRESSIONAL RECORD, and then taking a tax deduction for such a contribution.

THE PROPOSED FEDERAL BAILOUT FOR NEW YORK CITY

Mr. HARRY F. BYRD, JR. Mr. President, I speak again today in opposition to a Federal bailout for New York City. I have spoken on this subject every legislative day for 3 weeks.

I have before me the bill, S. 2615, which is on the calendar. The bill states clearly that the purpose is to guarantee the timely payment of principal and interest to holders of obligations; namely, holders of bonds. That legislation on its face makes clear that the purpose is to guarantee the interest and timely payment of principal and interest on New York bonds.

The major bondholders are the New York banks. I sought the committee report at 9:40 this morning and it was not available, but I hope that when the committee report is available it will include full information for the knowledge of the Senate, and by "full information," I mean that it will contain facts as to how many hundreds of millions of dollars each of the New York banks will benefit by a Federal guarantee of the timely payment of the principal and interest on the bonds which they hold.

I hope the committee report will give detailed information to the Senate as to the precise financial condition of New York City which S. 2615 would bail out of its financial difficulties.

Until the last several months the officials in New York City contended that New York's budget was balanced for the current year. Subsequent to that the mayor and the controller disagreed among themselves as to how great the deficit would be; yet both agreed there would be a deficit.

The ACTING PRESIDENT pro tempore. The time of the Senator from Virginia has expired.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Virginia.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized for 5 minutes and yields to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from West Virginia.

Subsequent to that it was stated by officials of New York that the deficit would be somewhere around $700 to $800 million for the current fiscal year.

Now in yesterday's New York Times in an editorial on page 38 new figures are presented. This editorial goes into some detail but it ends up by saying that the net addition to New York's already crushing burden of debt this year thus could run as high as $3.8 billion.

So the New York Times is predicting a deficit of $3.8 billion, and this in a total budget of $13 billion.

No one seems to know with any precision exactly what is the condition of New York City.

Before the Senate seriously considers S. 2615, I hope that the Committee on Banking, Housing and Urban Affairs will present to the Senate full information on the financial condition of New York.

Let the Senate know whether the deficit will be $700 million or $800 million this year, or whether the deficit will be $3.8 billion.

Until the Senate has all the facts, I do not see how it can wisely and appropriately legislate on this matter.

I thank the Senator from West Virginia, and I yield back to him the remainder of my time.

The ACTING PRESIDENT pro tempore. Is there any further morning business?

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in adjournment until the hour of 11 a.m. on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS IN SENATE RESOLUTION 9

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate Resolution 9, which passed the Senate on yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 1:15 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5541) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts; agrees to the conference requested by the Senate on the disagreeing votes to the two Houses thereon; and that Mr. Evins of Tennessee, Mr. Smith of Iowa, Mr. Bergland, Mr. Gonzalez, Mr. Corman, Mr. Hanley, Mr. Yatron, Mr. Breckinridge, Mr. Hungate, Mr. Conte, Mr. J. William Stanton, Mrs. Fenwick, and Mr. Goodling were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 6334) to amend further the Peace Corps Act, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 9861. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes (Rept. No. 94–446).

By Mr. PASTORE, from the Committee on Commerce, without amendment:

S. 2584. A bill to amend certain provisions of the Communications Act of 1934, as amended to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes (Rept. No. 94–447).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 690. A bill for the relief of Sheila J. Phelps (Rept. No. 94–448).

S.J. Res. 144. A joint resolution to authorize the President to issue a proclamation designating November 10, 1975, in commemoration of the 200th anniversary of the U.S. Marine Corps (Rept. No. 94–449).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1494. A bill for the relief of Paul W. Williams (Rept. No. 94–450).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate the following letters, which were referred as indicated:

Proposed Supplemental Appropriations for the Department of Transportation—S. Doc. 94–119

A communication from the President of the United States transmitting a proposed supplemental appropriation request in the amount of $300 million and for the transition quarter in the amount of $50 million for the Department of Transportation (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TALMADGE:

S. 2628. A bill to make the death penalty mandatory for the offense of murder, or attempt to murder, the President of the United States or the President-elect, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BENTSEN (for himself, Mr. Hartke, Mr. Percy, and Mr. Randolph):

S. 2629. A bill to amend the Internal Revenue Code of 1954 to provide a tax incentive to stimulate increased employment in the private sector. Referred to the Committee on Finance.

By Mr. JACKSON:

S. 2630. A bill to amend the Youth Conservation Corps Act of 1970 (84 Stat. 794). Referred to the Committee on Interior and Insular Affairs.

By Mr. McINTYRE (for himself, Mr. Abourezk, Mr. Bayh, Mr. Burdick, Mr. Case, Mr. Cranston, Mr. Durkin, Mr. Gravel, Mr. Philip A. Hart, Mr. Gary Hart, Mr. Haskell, Mr. Humphrey, Mr. Johnston, Mr. Leahy, Mr. McGovern, Mr. Metcalf, Mr. Mondale, Mr. Kennedy, Mr. Nelson, Mr. Tunney, and Mr. Williams):

S. 2631. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not for profit cooperatives, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MONDALE:

S. 2632. A bill to provide certain services for Government employees to enhance their outlook on approaching retirement and to assist them in preparing for retirement. Referred to the Committee on Post Office and Civil Service.

By Mr. MORGAN:

S. 2633. A bill to amend the National School Lunch Act to require that free lunches be served to all children in schools participating in the school lunch program under such act, to amend the Child Nutrition Act of 1966 for the purpose of terminating the school breakfast program, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. ABOUREZK:

S. 2634. A bill to provide for grants to certain Indian postsecondary educational institutions, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE:

S. 2628. A bill to make the death penalty mandatory for the offense of murder, or attempt to murder, the President of the United States or the President-elect, and for other purposes. Referred to the Committee on the Judiciary.

Mr. TALMADGE. Mr. President, I introduce today a bill which provides a mandatory death sentence for anyone convicted of murdering or attempting to murder the President, the President-elect, or any person who is acting as the President of the United States.

Recent attacks on the President have brought into focus a challenge to our form of government which was first successful when John Wilkes Booth murdered President Abraham Lincoln. Since the birth of our Republic, assassins have claimed the lives of four Presidents, and threatened virtually all others.

When a radical or lunatic fringe can frustrate the express will of 200 million Americans and can change the destiny of the free world, the punishment for their acts must be tailored to their crimes. Accordingly, I believe that the only appropriate punishment for an assassin or would-be assassin is death.

In this nuclear age when the survival of mankind sometimes hangs in the balance, we can ill afford to make decisions in the atmosphere of trauma and disorder which surrounds the transition from a fallen President to his successor. We must do everything possible to avoid such critical circumstances.

The logical first step must be enactment of a law which will be the strongest possible deterrent. That deterrent, I submit, is a mandatory death sentence. In addition, future assassins must be put on notice that they will forfeit their lives even if their ultimate goals are not achieved. For this reason my bill provides a mandatory death sentence for attempted murder of the President.

The tendency of many of our courts to take the teeth out of our criminal laws has eroded their deterrent effect and has demoralized law-abiding citizens.

A classic illustration of this is the Supreme Court's reversal of its own previous ruling, thus declaring many of the death penalty provisions in existing law unconstitutional.

Mr. President, the measure I propose today will be a significant step toward halting this trend. Its mandatory death sentence cannot be attacked as arbitrarily violating "due process" or "equal protection." It will not allow a clever defense lawyer to equivocate with a jury or bargain with a prosecutor for a lesser punishment.

The criminal who, for whatever reason, has as his objective the death of the President of the United States will be able to ask no quarter for himself. His bullet seeks not merely the flesh of an individual but is also aimed at the heart of our constitutional system. His crime is not merely against one man but against all men who cherish the principle of representative democracy.

Under my bill, his guilt or innocence will be determined by the very system he sought to destroy. His guilt will carry the same result he sought to employ. He should expect no more. We must do no less.

By Mr. BENTSEN (for himself, Mr. HARTKE, Mr. PERCY, and Mr. RANDOLPH):

S. 2629. A bill to amend the Internal Revenue Code of 1954 to provide a tax incentive to stimulate increased employment in the private sector. Referred to the Committee on Finance.

A NEW APPROACH TO OUR UNEMPLOYMENT PROGRAM

Mr. BENTSEN. Mr. President, today I am introducing The Employment Tax Credit Act of 1975 to help speed and strengthen our economic recovery by giving American businesses a tax incentive in 1976 and 1977 to hire many new workers.

Although our economy has passed the bottom of its worst recession since the Depression, and apparently is in the midst of an upturn, the prospects of a strong recovery being sustained through 1976 is far from satisfactory. According to the Joint Economic Committee's 1975 Midyear Review of the Economy:

> Typical forecasts indicate a sharp reduction in the rate of output growth as 1976 proceeds, and there are ominous signs on the horizon that a new recession could be in the making for late next year or early in 1977. Swift and decisive actions are required both to sustain the recovery through 1976 and to cope with continuing inflationary pressures. If these policy needs are neglected, 1976—our bicentennial year—may be a year in which output grows very little, the unemployment rate remains above 8 percent, and excessive price increases plant the seeds of a new recession.

Mr. President, experience of the last 15 months, and this cheerless forecast for the future, should convince every American that new programs are sorely needed to help solve our twin problems of deep recession and rapid inflation. I am particularly concerned about the unacceptably high levels of unemployment we have been experiencing. We must look for new methods to combat this problem. My employment tax credit is such an approach.

We must get more of our machine tool operators, our foundry workers, our heavy equipment operators back where they really want to be and should be. At the highly skilled and highly productive jobs in the private sector that they were trained to do.

Our American workers are our most vital resource. We must put them back to work. The employment tax credit will help do that.

I would now like to briefly explain this legislation.

My proposal would give any firm a tax credit against its 1976 corporate income tax for every worker hired in 1976 over its work force level of 1974 or 1975, whichever is higher. The bill also allows a tax credit against 1977 corporate income taxes for every worker hired in 1977 over its work force level of 1974, 1975, or, 1976, whichever is the highest. The amount of the credit is 10 percent of the wages paid to each new qualifying employee up to a maximum credit of $800 per new worker. To obtain the credit, the worker hired must have been unemployed for at least 6 weeks prior to the date of employment. Finally, the dollar value of the credit earned for all but the first two employees hired must be plowed back into new capital investment.

This bill, if enacted, would create about 300,000 to 500,000 jobs per year for the next 2 years. The direct revenue loss to the Treasury would be somewhere between $500 and $600 million per year. Much of this revenue loss, however, would be offset by revenue gains produced by reduced unemployment compensation payments, reduction in welfare costs, and increased income taxes paid by newly hired workers. These increased tax payments alone could amount to as much as $240 million annually.

This proposal to reduce unemployment has a number of distinct advantages compared to other unemployment programs.

I would like to briefly outline these advantages. First, the cost per jobs created is significantly lower than under other programs. The direct Treasury revenue loss under my employment tax credit proposal would be about $800 for each new worker hired. This compares very favorably with the various public sector employment programs which have a cost of between $8,000 and $12,000 per job.

Second. Americans hired as a result of this employment tax credit will have a job with a future. Public sector job programs provide no guarantee that permanent jobs in the private sector will be available upon termination of the public employment program.

Third. This proposal has a plowback requirement for new business investment in expansion and modernization. This investment requirement itself will create thousands of additional jobs for American workers in the years ahead.

Fourth. My proposal is both antirecessionary and anti-inflationary. Since an employment tax credit stimulates employment, it will also generate an increase in the output of goods and services produced by our Nation's industry. More goods and services in our marketplaces means less pressure for prices to rise. Moreover, firms which qualify for this tax credit will, in effect, benefit from lower average labor costs. Hence, the average cost of production will be reduced for firms which qualify and this will provide a downward pressure on the prices of consumer goods.

Fifth. An employment tax credit has the advantage of directly stimulating employment. Other more general tax reductions are not pinpointed in this fashion because they affect employment only indirectly.

Sixth. The employment tax credit will begin to stimulate new employment as soon as it is enacted, as firms hire workers to get their full 1976 credit. But because of a modest lag effect, its greatest impact should come in the second half of next year just when forecasts show a slowing of our recovery. Therefore, the greatest impact of my proposal will come at the time it is most needed.

The provisions I have outlined also serve to reduce the chance that some firms will receive tax credits for employing workers they would have hired in the absence of an employment tax credit. First, firms qualify for the credit by hiring only workers who have been unemployed for at least 6 weeks. Therefore, no credit is given to a rapidly expanding firm which simply hires workers away from other firms. Second, credits earned for all workers hired in excess of two have to be plowed back into new capital investment. Finally, firms must attain their highest previous level of employment over the last 2 years before they begin to receive the tax credit.

Our complex economic problems do not lend themselves to simple solutions. No one program can hold out the promise of restoring vitality to the American economy. We need a number of approaches if full employment and reasonable price stability are to be achieved. Among these are creative public sector employment programs, countercyclical assistance to America's hard pressed cities, programs to stimulate the housing industry and tax reductions for middle- and low-income Americans. And for the reasons I have described, an employment tax credit should be one of the tools Congress employs to help repair this country's damaged economy.

I ask unanimous consent that the fact sheet on the employment tax credit bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF THE EMPLOYMENT TAX CREDIT ACT

Title: The title of the bill is the "Employment Tax Credit Act of 1975."

General Description—The bill would give any firm or other employer a tax credit against its 1976 Federal income tax for every worker hired in 1976 over its employment level of 1974 or 1975, whichever is higher. The bill also allows an employer a tax credit against 1977 income taxes for every worker hired in 1977 over its employment level of 1974, 1975 or 1976, whichever is highest. The amount of the credit is 10% of the wages or salary paid to each qualifying worker, up to a maximum credit of $800 per qualifying worker. To obtain the credit, the firm must hire workers who have been unemployed or not working for at least six weeks prior to the date of employment. Finally, the dollar value of the credit earned for all but the first two employees hired must be plowed back into new investment.

Specific Provisions—

1. The tax credit applies to tax years ending on or before December 31, 1976, and December 31, 1977. All business firms and other employers who pay Federal corporate or other income taxes are eligible.

2. The amount of the credit is 10% of the wages or salary paid to each qualifying employee, up to a maximum credit of $800 per qualifying employee. The tax credit formula automatically prorates the credit earned for employees not on the payroll for the entire year.

3. To provide the greatest employment stimulus without giving windfall credits to firms hiring workers who would have been hired even without the tax credit, the bill uses the following provisions to determine a firm's tax credit:

a. The number of employees qualifying for the $800 credit during a tax year is to be the smaller of:

1. The number of workers hired during the year who had been not working for at least 42 days prior to the date of employment, and who remained on the firm's payroll for at least 13 consecutive weeks or for any 30 weeks during the year. The term "not working" includes those unemployed, on unemployment compensation, and those just entering the labor force; and

2. The net increase in the firm's payroll employment during the tax year over its base period employment. For 1976, the net increase is the difference between the firm's average employment in 1976 and the firm's age and that for 1974, 1975, or 1976, whichever is higher. For 1977, it is the difference between the firm's 1977 employment average an dthat for 1974, 1975, or 1976, whichever is highest. "Average employment" for a year is computed as the average of the daily employment for the firm for all business days during the year, with part-time employees converted to full-time equivalents, and excluding employees not actually on the payroll, such as those on sick leave, layoff, or on unpaid leave.

b. The dollar value of the tax credit earned for all but the first two qualifying employees hired by the firm during the tax year cannot exceed the firm's net investment in new plant and equipment for the year. "Net investment" is defined as the difference between the firm's total investment during the tax year which qualifies for the 10% investment tax credit and the depreciation allowance taken by the firm in computing its Federal income tax liability for the year. If the net investment made by the firm is less than the employment tax credit earned by the firm, then the tax credit is reduced to the net investment level.

Example—A firm hiring 4 more workers in 1976 than it did in either 1974 or 1975 and which hired at least 4 workers during the year who were previously not employed for at least 6 weeks would qualify for a credit of up to $3,200 against its 1976 business taxes (4 times $800). The first $1,600 of this it would receive regardless of how much investment it made during the year; the remainder would be allowed only if the firm made at least $1,600 net investment during the year. However,

a. If the firm hired 4 more workers in 1976, but hired no previously unemployed workers (e.g. simply hired workers from other firms), it would qualify for no tax credit; or

b. If the firm hired 4 previously unemployed workers, but did not expand its total employment (e.g. simply hired workers to replace some who were fired or laid off), it would receive no tax credit.

4. Only workers employed in the United States or its possessions could qualify for the employment tax credit.

Employment Effect and Cost.—As part of a comprehensive recovery program, this bill could create about 300,000 to 500,000 jobs per year for the next two years above the number that would be created without the tax credit. This could reduce the unemployment rate by as much as 1 percentage point below what it otherwise would be.

The direct cost to the Treasury would be in the range of $500 to $600 million per year. Much of this revenue loss, however, would be immediately recouped from reduced unemployment compensation, reductions in welfare costs, and increased income taxes paid by newly hired workers. The increased tax payments alone would come to about $240 million yearly, while the reduced welfare and unemployment compensation costs could add sufficiently to this to reduce the Treasury loss to near zero.

By Mr. JACKSON:

S. 2630. A bill to amend the Youth Conservation Corps Act of 1970 (84 Stat. 794). Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I am introducing today for appropriate reference, a bill to amend the Youth Conservation Corps Act of 1970.

As you know Mr. President, in February, 1969, I sponsored legislation which established a 3-year pilot Youth Conservation Corps—YCC—program for young men and women between the ages of 15 to 18 from all social, economic and racial backgrounds. This measure became public law in 1970. Based on the success of the first year's program, I introduced a measure in the 92d Congress which extended the Youth Conservation Corps program through the summer of 1974. This legislation was signed into law late in 1972. Last Congress I once again sponsored YCC legislation, which became public law last year, expanding and making this program a permanent part of our national scene. Similarly, this legislation included provisions giving the Secretary of Agriculture and Interior the authority to establish a grant program for States to assist them in meeting the cost of projects for the employment of young men and women to develop and maintain non-Federal public lands and waters within the States.

Mr. President, I have been greatly impressed with the success enjoyed by the Youth Conservation Corps program over the last 5 years. This success has been attested to in independent evaluations conducted by the Institute of Social Research, of the Survey Research Center of the University of Michigan. More importantly, this success has been demonstrated by the enthusiasm of the young people who have benefited from the hard work and who have made many millions of dollars worth of improvements to our Nation's natural resources. In this regard, my colleagues in the Congress are to be congratulated for recognizing the benefits of this worthwhile program and joining together on a bipartisan basis to see that it is continued and adequately funded.

The bill I am introducing today builds upon the tried and proven concepts found in the Youth Conservation Corps and its predecessor of the 1930's, the Civilian Conservation Corps. This proposal will expand the Youth Conservation Corps to employ young adults between the ages of 19 and 24 on a year-round basis.

Mr. President, there were more than 1.8 million young people in the 20 to 24 age bracket out of work last September—an unemployment rate of 13.6 percent. Unemployment was more than 19 percent in the 16 to 19 age range. For minorities, and for some rural as well as urban areas, the unemployment situation for people in these age groups is even more critical.

Ironically, while millions of the young people are jobless, jobs that need doing on our Nation's public lands go wanting.

There is a tremendous backlog of resource conservation and restoration work on Federal and State-owned lands. In almost every part of the country there is a desperate need to replant forests, to eliminate disease, to prevent erosion, to abate pollution, to guard against fire, to enhance the beauty and utility of our parks, to add new facilities—trails, bridges, and camping areas—in our recreation areas, to improve watershed management, and to make the beauty and grandeur of our public lands accessible to the American people.

On the national forests alone, the U.S. Forest Service has indicated that it could provide a minimum of 40,000 man-years of employment for the next 12 months. Similarly, the manpower needs of the Bureau of Reclamation, U.S. Fish and Wildlife Service, Bureau of Indian Affairs, National Park Service, and Bureau of Land Management are also great. Add to these backlogs the labor-intensive projects in non-Federal public lands which could be fulfilled under the provisions of this bill and it is easy to see the bill's great conservation potential, to say nothing of its critically important social impact.

Significantly, most of this work has been planned well in advance and does not involve extensive supervision or expensive machinery. The work is there and it requires only people to do the job and the money to pay them. The work is not glamorous. But it is good, hard outdoor work. Extension of the Youth Conservation Corps Act means that the Federal Government can give thousands of young adults a choice between unemployment and an eventual welfare dole and self-respect; between hopeless days of frustration and the opportunity to do meaningful work that one can take pride in. Such opportunities are particularly important when we consider the fact that employment levels have been so high for so long that many people within the 19 to 24 age category have never been in the work force before. The experience these people can gain under a program such as this cannot help but stand them in good stead in years to come.

Mr. President, the United States stands to gain much from a massive national effort to lower unemployment among young adults by initiating labor-intensive conservation projects on Federal and non-Federal public lands.

I would like to emphasize that it is the purpose of this bill to complement the highly successful Youth Conservation Corps and to provide employment and other benefits to young adults while reducing the inventory of conservation work on the country's lands and waters. This legislation supplements and extends the provisions of the Youth Conservation Corps and in no way diminishes or repeals any existing authority provided by previous Youth Conservation Corps legislation.

Mr. President, I am pleased to note that my colleague in the House, Congressman Meeds, introduced very similar legislation on that side this month. I welcome the opportunity to work with him in securing final approval of this bill. I submit that the objectives and values embodied in the Civilian Conservation Corps and the Youth Conservation Corps are still very much alive today. We should act now to create the Young Adult Conservation Corps. Our Nation's environmental, economic, and social well-being will be enhanced by the passage of this legislation.

By Mr. McINTYRE (for himself, Mr. Abourezk, Mr. Bayh, Mr. Burdick, Mr. Case, Mr. Cranston, Mr. Durkin, Mr. Gravel, Mr. Kennedy, Mr. Philip A. Hart, Mr. Gary Hart, Mr. Haskell, Mr. Humphrey, Mr. Johnston, Mr. Leahy, Mr. McGovern, Mr. Metcalf, Mr. Mondale, Mr. Nelson, Mr. Tunney, and Mr. Williams):

S. 2631. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not for profit cooperatives, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

NATIONAL CONSUMER COOPERATIVE BANK

Mr. McINTYRE. Mr. President, I introduce, for appropriate reference, a bill to establish the National Consumer Cooperative Bank. The following Senators join in cosponsoring this legislation: Senators Abourezk, Bayh, Burdick, Case, Cranston, Durkin, Gravel, Hart of Michigan, Hart of Colorado, Haskell, Humphrey, Johnston, Leahy, McGovern, Metcalf, Mondale, Nelson, Tunney, and Williams.

The idea of people joining together in business ventures for their mutual benefit is hardly a new one. Even before our country came into being Benjamin Franklin, in 1754, organized a mutual fire insurance company in Philadelphia that is still operating. "Cooperatives are as American as apple pie," said a distinguished former Member of this body, the later Senator Robert Taft.

I am sure every Member of this body is familiar with the unqualified successes we have had in electrifying rural America through cooperatives supported by a Federal loan program. The highly successful Cooperative Farm Credit System clearly deserves much of the credit for the tremendous increase in productivity and development of American agriculture—the envy of the world—by providing the sound financing that made it possible.

In recent years there has been a renaissance of interest in the cooperative approach to private enterprise. The economic difficulties encountered by many citizens during the recent periods of runaway inflation and recession have caused thousands of individuals and hundreds of groups around the country to renew their interest in developing their own food cooperatives, their own health cooperatives, their own housing organizations, and many other types of cooperatives.

Consumer owned cooperatives may have the initiative to develop new sources of energy.

Capital is one of the key requirements for those who are trying to organize new cooperatives as well as for those who have existing cooperatives in need of enlargement, modification or expansion. These organizations, whether in New England, Wisconsin, California, or New York City are encountering great difficulty in finding lenders to provide the much needed start-up capital. In short, there exists a great need to find a method of filling the gaps in existing cooperative financing.

The Cooperative League of the U.S.A., a 60-year-old National federation of cooperatives, has been working with a broad spectrum of existing cooperative groups to find the most practical way of meeting the needs of cooperative not now adequately financed. With the input of farm cooperatives, consumer groups, cooperatives in the fields of consumer goods, housing, health, insurance, credit, and with input from national and State civic leaders, the concept of a National Consumer Cooperative Bank has emerged.

This bank would be started initially with seed capital invested in the form of preferred stock by the U.S. Government. But like the Cooperative Farm Credit System, this capital would be replaced gradually by private capital from borrowers as the organization gets its feet on the ground and moves ahead. Its loans would be on a sound basis. It would obtain the bulk of its loan funds from private investors, not from the Treasury.

The bank would be supervised by a small independent Government agency which would report to the Congress and to the public on the bank's operations and on how it meets the policy guidelines Congress establishes. This agency would also be responsible for a self-help development fund to be invested largely for the purpose of providing equity capital in newly formed cooperatives to serve low-income people. It also would provide the very necessary technical assistance to cooperatives such as feasibility studies, board orientation, management and financial training—especially to the new and small organizations.

Here is an opportunity for the goverernment to save billions of dollars in the future by investing, for a few years, a relatively small amount of capital in a mechanism that will enable people to help themselves rather than having them dependent on costly annual appropriations from taxpayers' hard-earned dollars in order to provide expensive, bureaucratic solutions to help solve many of their problems.

This bill would provide the opportunity for individuals acting through their local cooperative to influence their own destinies. Not only would it energize local citizens into leadership roles in their cooperatives, but it would also provide the opportunity for recycling local dollars. Dollars spent in local cooperatives for consumer goods, health, housing, credit, and so forth, would stay in the local community thereby multiplying the benefits manyfold.

Mr. President, I heartily endorse the concept of a Bank for Consumer Cooperatives. I am convinced that it is needed in order to strengthen the competitive forces in our society through this proven form of private enterprise. I am convinced the bank will help people to help themselves and thus become less dependent on government to solve all their problems. Its benefits will return manyfold to our society and its people.

Mr. President, to further explain the purpose, needs, and concept of the National Consumer Cooperative Bank, I ask unanimous consent that a fact sheet, a section-by-section analysis of the key provision of this bill, and the complete text of the bill be printed in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "National Consumer Cooperative Bank Act."

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FINDINGS AND DECLARATION OF CONGRESS

SEC. 2. STATEMENT OF FINDINGS AND PURPOSE. The economic and financial structure of this country in combination with the nation's natural resources and the productivity of the American people has produced one of the highest average standards of living in the world. However, the practices that commercial and industrial enterprises have developed over the years have resulted in declining competition and contributed to periods of recurring inflation and to increasing the gap between the producers' prices and the consumers' purchasing ability. The widening of this gap has been reflected in a rapidly deteriorating quality of life for some citizens below acceptable standards. Congress finds that user-owned cooperatives are a proven method for broadening ownership and control of the economic organizations, increasing competition, narrowing price spreads, raising the quality of goods and services, and thereby contributing to an improved standard of living for their members and patrons. Congress also finds that consumer and other types of self-help cooperatives have been hampered in their formation and growth by lack of access to adequate cooperative credit facilities and lack of technical assistance. Therefore, Congress finds a need for the establishment of a National Consumer Cooperative Bank and a Cooperative Bank and Assistance Administration which will make available necessary financial and technical assistance to cooperative self-help endeavors as a means of strengthening the nation's economy.

TITLE I—THE NATIONAL CONSUMER COOPERATIVE BANK

SEC. 102. CREATION AND CHARTER OF BANK. There is hereby created and chartered a body corporate, the National Consumer Cooperative Bank, hereinafter called the Bank, as an instrumentality of the United States, and until otherwise provided shall be a mixed ownership government corporation. The Bank shall have perpetual existence unless and until its charter is revoked or modified by Act of Congress. The right to revise, amend or modify the charter of the Bank is specifically and exclusively reserved to the Congress. The principal office of the Bank shall be in Washington, D.C., and, for the purpose of venue, shall be considered a resident thereof. It shall make loans and offer its services throughout the United States, its territories and possessions and in the Commonwealth of Puerto Rico, and, to that end, may carry on its business through such additional offices, agents, and public or private agencies as it determines to be necessary, wherever located. The Bank shall:

(1) encourage the development of new and existing cooperatives eligible for its assistance by providing specialized credit and technical assistance;

(2) maintain broad based control of the Bank by its voting stockholders;

(3) encourage broad based ownership, control and active participation by members in eligible cooperatives;

(4) assure that the net savings, as defined in Section 108(c) of this Act, from its operations and the operations of borrowers from the Bank, are made available or accounted for to the stockholders or members of the cooperative organization; and

(5) assist in improving the quality and availability of goods and services to consumers.

SEC. 103. REGIONAL BANKS. (a) In the event it appears to eligible borrowers or the Board of Directors of the Bank, at the end of 7 years after the bank begins operations, that the objectives of the Act and the discharge of the functions, obligations, powers and duties of the Bank can best be accomplished through the creation and operation of no less than 4 or more than 12 corporate regional banks, with power to perform all or part of its functions, to serve a specific geographical area, or to serve a particular specified class or group of eligible borrowers, the cooperatives or the Bank shall recommend to the Cooperative Bank and Assistance Administration that regional banks be created. Unless that Administration finds that the creation of such regional banks is not financially feasible, it shall approve the area of services or the class of cooperation as defined by the bank to be served and, notwithstanding anything to the contrary in the Government Corporations Control Act (31 USC 869), shall charter such regional Banks under charter provisions not inconsistent with this Act and the charter of the central Bank. The term "bank" used herein, unless the context indicates the contrary, shall include a regional bank to the extent authorized by its charter or delegated authority.

(b) Regional banks shall be governed by a Board of Directors of 7 members. The original Board of each such regional bank shall be appointed by the Chairman of the Cooperative Bank and Assistance Administration, taking into consideration a list of nominees submitted by eligible cooperatives in the area to be served by that bank who are residents of that area, no less than one each who has had experience in the last 3 years as Board member or senior officer, respectively, or a housing cooperative, a consumer goods cooperative, a service cooperative, a low income cooperative, other eligible cooperatives, or have been engaged in financing cooperatives. The terms of the original board shall be for two years.

(c) Regional banks shall be capitalized to the extent determined by the central Bank and the Administration, by the subscription to regional Bank Class A preferred stock by the central Bank and by the subscription to Class B stock by borrowers or cooperatives and other organizations eligible to borrow from the Bank. Class C stock may be issued only subject to charter provisions, if any, relating thereto.

(d) A regional Bank shall have the same powers, duties, functions as the central Bank except as restricted by its charter provisions and except as follows:

(1) A regional Bank shall serve only those eligible cooperatives whose headquarters and predominant operations are located in the geographical area served by the Bank. After a regional Bank is ready for operations the central Bank shall no longer make loans to such cooperatives in the region except in participation with or at the request of the regional bank, unless the applicant has first applied for and been denied a loan by the regional Bank.

(2) In lieu of marketing its notes, bonds and obligations to obtain lending funds, a regional Bank shall offer its loans, participations, and guarantees to the central Bank for discount until the central Bank and the Administration determine that the paid in capital of the regional Bank is sufficient to support its sale of its own obligations at reasonable costs without disturbing the marketing of obligations of the central Bank.

(3) A regional Bank may agree to service part or all of any loan, participation, or guarantee held by the central Bank or to process a loan for the central Bank. Any loan, participation, or guarantee held by the central Bank which the regional Bank could have made may be purchased by the regional Bank and borrower held stock in the central Bank in connection therewith shall be exchanged for stock in the regional Bank.

(4) A regional Bank may agree with any organization of eligible cooperatives whose members agree to obtain their financial assistance under this Act, to process and service loans, participations, and guarantees to be made by the Bank originating within an area of the region which such organization will serve.

SEC. 104. GENERAL CORPORATE POWERS. The Bank shall have the power to make and service loans, commitments for credit, guarantees, furnish financially related services, technical assistance and the results of research, issue its obligations within the limitations imposed by Section 109 hereof in such amounts, at such times, and on such terms as the Bank may determine, and to exercise the other powers and duties prescribed in this Act, and shall have the power to—

(1) Operate under the direction of its Board of Directors.

(2) Adopt, alter and use a corporate seal, which shall be judicially noted.

(3) Elect by its Board of Directors a president, one or more vice presidents, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, and define their duties in accordance with regulations and standards adopted by the Board, and require surety bonds or make other provisions against losses occasioned by acts of employees.

(4) Prescribe by its Board of Directors its bylaws not inconsistent with law, which shall establish the terms of office and the procedure for election of elective members; provide for the classes of its stock and the manner in which its stock shall be issued, transferred and retired; and prescribe the manner in which its officers, employees and agents are elected or selected, its property acquired, held and transferred, its loans, commitments, other financial assistance, guarantees and appraisals may be made, its general business conducted, and the privileges granted it by law exercised and enjoyed.

(5) Enter into contracts without regard to section 3709 of the Revised Statutes and make advance, progress, or other payments with respect to such contracts, without regard to the provisions of section 3648 of the Revised Statutes.

(6) Sue and be sued in its corporate name and complain and defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or similar process shall be issued against the property of the Bank or against the Bank with respect to its property.

(7) Acquire, hold, lease, mortgage or dispose of, at public or private sale, real and personal property and sell or exchange any securities or obligations, and otherwise exercise all the usual incidents of ownership of property necessary or convenient to its business; *Provided*, that, any such acquisition or ownership of real property shall not deprive a State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights of the inhabitants of such property under Federal, State or local laws.

(8) Obtain insurance against loss in connection with property and other assets.

(9) Modify or consent to the modification with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which it is a party or has an interest pursuant to this Act.

(10) Utilize and act through, without regard to Section 3709 of the Revised Statutes, any Federal, State or local public agency or instrumentality, or private agency or organization, with the consent of the agency or organization concerned, and contract with such agency, instrumentality or organization for furnishing or receiving technical services and benefits of research, services, funds or facilities; and make advance, progress, or other payments with respect to such contracts without regard to section 3648 of the Revised Statutes.

(11) Borrow money and issue notes, bonds and debentures or other obligations individually or in concert with other financial institutions, agencies or instrumentalities, of such character and such terms and conditions and at rates of interest as may be determined.

(12) Issue certificates of indebtedness to its stockholders or members and pay interest on funds left with the Bank, and accept grants or interest free temporary use of funds made available to it.

(13) Participate with one or more other financial institutions, agencies, instrumentalities or foundations in loans or guarantees under this Act on terms as may be agreed upon, and accept guarantees from other agencies for which its loans may be eligible.

(14) Approve the salary scale of officers and employees of the Bank and of any regional Bank, in accordance with regulations and standards adopted by the Board of Directors, without regard to the Classification Act of 1949, as amended.

(15) Deposit its securities and its current funds with any member banks of the Federal Reserve System and pay fees therefor and receive interest thereon.

(16) Deal in "commercial paper" and "Federal Funds."

(17) Buy and sell obligations of, or insured by, the United States or any agency or instrumentalities thereof, or securities backed by the full faith and credit of any such agency or instrumentality and make such other investments as may be authorized by the Board of Directors.

(18) The stock or other securities or instruments issued by the Bank shall, to the same extent as securities which are the direct obligations of the United States, be "exempt securities" within the meaning of the laws administered by the Securities and Exchange Commission.

(19) Shall have such other powers as may be necessary and incident to carry out its powers and duties under this Act.

SEC. 105. BOARD OF DIRECTORS. (a) The Bank shall be governed by a Board of Directors (hereinafter called the Board) which shall consist of thirteen members. All of the original members shall be appointed by the President with the advice and consent of the Senate. The President shall appoint six members (no more than one from any agency) from among officers of the consumer protection office or agency; the Departments of Housing and Urban Development; Health, Education and Welfare; Agriculture; Labor; National Credit Union Administration; Treasury and the Farm Credit Administration, whose functions and experience involve cooperative organizations. In addition, the President shall appoint the Chairman of the Cooperative Bank and Assistance Administration as a Federal Member of the Board. The six other original members shall not be Federal employees but should have extensive experience in the cooperative field and for these appointments the President shall consider nominees submitted by National associations of cooperatives. The list of nominees presented shall include the names of at least two candidates from each of the following categories of consumer cooperatives; housing, consumer goods, services, financial, and cooperatives whose members are predominately low-income persons.

(b) The term of a member who holds Federal office shall continue at the pleasure of the President so long as the member holds that office or until he is replaced by a director elected pursuant to subsection (d) of this section. The term of the initial appointed director shall be for two years. Replacements for unexpired terms of the initial appointed directors shall be for the balance of the term, with the same qualifications and appointed in the same manner as the initial appointed director.

(c) At the end of two years each of the non-Federal directors shall be elected by voting stockholders other than the Secretary of the Treasury in accordance with the applicable provisions of subsection (e) of this section and procedures established by the bank.

(d) When fifty-one percentum of the voting stock of the Bank is held by others than the Secretary of the Treasury, the six remaining appointed directors, excluding the Chairman of the Cooperative Bank and Assistance Administration, shall be replaced by elected directors in accordance with the applicable provisions of subsection (e) of this section and procedures established by the Bank.

(e) When elections are first held pursuant to subsection (c) and (d) of this section or subsection (b) of Section 103, the Bank shall classify its voting stockholders into the following classes: housing, consumer goods, services, financial, those whose membership is predominately composed of low-income persons and all others. Each of these classes shall nominate one or more candidates who has had at least three years of experience as director or senior officer in that class of cooperatives. Each class of stockholders shall vote for and elect at least one director from nominees of that class. In the case of elections for regional bank directors, all classes of cooperatives may nominate and vote for one director-at-large. Under subsection (c) of this section, the terms of the first directors elected to a board shall be staggered, two for one year, two for two years and two for three years, divided by lot among the classes of stockholders. The terms of the director at large of a regional Bank and directors elected at succeeding elections under subsection (c) of this section shall be three years. The terms of directors first elected under subsection (d) of this section shall be arranged so that the terms of the two directors elected by each class of stockholders will not expire in the same year. Thereafter their terms shall be for three years. No director shall be eligible to be elected for more than two full three year terms.

The Bank shall give adequate advance notice to all voting stockholders of the nominating procedure, the time for nominations, the qualifications of nominees, the voting strength, the time and manner of casting ballots by mail, if elections are not held at annual meetings. There shall be no proxy voting. Each voting stockholder shall make the information required in this paragraph available to its members.

(f) The Board shall annually elect from among its members a chairman and vice-chairman and select a secretary who need not be a member. The Board shall establish the policies of the Bank governing its funding, lending and other financial and technical assistance, and shall direct, but not engage in the management of the Bank.

(g) The Board shall meet at least quarterly. Its meeting shall be open to members or representatives of all eligible cooperatives and other eligible organizations, as observers only, and to persons or representatives of groups who identify their interest in the Bank and who are invited to attend a meeting, subject to such rules as the Board may establish for the conduct of such meetings. Those rules shall include the manner of giving notice of meetings, the procedure for the conduct of meetings, the manner of submitting topics for the agenda, the allocation of time of presentations and debate. The Chairman, when sustained by the majority of the Board present, may adjourn the open meeting into an executive session on motion of the Chairman, any Board member, or at the request of any applicant, borrower, officer or employee when the matter under discussion involves an application, a loan, a personnel action or other matter which might tend to impinge on the right of privacy of any person.

(h) The members of the Board shall be entitled to reimbursement for actual expenses and subsistence, and the non-Federal officer members shall be entitled to a per diem while on business of the Board of not to exceed the maximum scheduled rate of the general schedule, as adjusted from time to time, pursuant to the Classification Act of 1949, as amended.

SEC. 106. CAPITALIZATION. (a) The capital of the Bank shall consist of capital subscribed by borrowers from the Bank, by cooperatives eligible to become borrowers, by organizations owned and controlled by such borrowers, by foundations, trusts or charitable funds, by public bodies, and by the United States. Beginning with the fiscal year 1976, the United States shall purchase Class A preferred stock and for that fiscal year and the next three succeeding fiscal years there is authorized to be appropriated $250,000,000 per annum for such purchases. Any amounts so authorized but not appropriated or not utilized to purchase such stock of the Bank in any such fiscal year is authorized to be appropriated or reappropriated and so used in subsequent fiscal years.

(b) The capital stock of the Bank shall include Class A, Class B and Class C stock and such other classes with such rights, powers, privileges, and preferences of the separate classes as may be specified, not inconsistent with law, in the by-laws of the Bank. No class of stock with higher preference shall be issued while the United States holds any Class A stock, except preferred stock the proceeds of the sale of which is used to retire class A stock held by the United States. Class B and Class C stock shall be voting stock and shall be issued only to eligible borrowers and organizations controlled by such borrowers or organizations eligible to borrow, and shall be transferable only on the books of the Bank and then only to another eligible borrower. No holder of voting stock of the Bank shall be entitled to more than one vote regardless of the number of shares of stock of other classes held, except as provided in subsection (g) of this section.

(c) Class A stock shall be issued by the Bank to the Secretary of the Treasury on behalf of the United States in exchange for capital furnished pursuant to subsection (a) of this section. Such stock shall be redeemed and retired by the Bank as soon as practicable after June 30, 1990, but not to the extent that the Board determines will impair the operations of the Bank: *Provided* that, the minimum amount of Class A stock that shall be retired each year after that date and after the amount of Class A and Class B stock issued totals $1,000,000,000, shall equal the amount of Class B stock issued by the Bank during such year. Class A stock shall be entitled to a return, payable from income, at the rate of 2 per centum per annum on the amounts of Class A stock outstanding. Such return shall be cumulative and shall be payable annually into miscellaneous receipts of the Treasury.

(d) Class B stock shall be held only by recipients of loans under section 111 of this Act, and such borrowers shall be required to own at least one share of Class B stock at the time the loan is made. Such borrowers may be required by the Bank to own additional Class B or Class C stock at the time the loan is made, but not to exceed an amount equal to 10 per centum of the face amount of the loan, or from time to time, as the Bank may determine. Such additional stock ownership requirements may be on the basis of the face amount of the loan, the outstanding balances or on a percentage of interest payable during any year or any quarter thereof, as the Bank may determine, will provide adequate capital for the operation of the Bank and equitable ownership thereof among borrowers.

(e) Class C stock shall be available for purchase and shall be held only by borrowers or by organizations eligible to borrow under section 111 of this Act or by organizations controlled by such borrowers, and shall be entitled to dividends in the manner specified in the by-laws of the Bank. Such dividends shall be payable only from income, and until all Class A stock has been retired, shall not exceed the current average annual rate payable on bonds, debentures and similar obligations of the Bank.

(f) Non-voting stock of other classification and other priorities may be issued at the discretion of the Board, to other investors.

(g) The by-laws of the Bank may provide for more than one vote on the basis of:

(1) the amount of Class B stock, Class C stock or both classes held, with such limitations as will encourage investments in Class C stock;

(2) the amount of patronage of the Bank; and

(3) number of members in the cooperative. Such by-laws shall avoid:

(1a) voting control of the Bank from becoming concentrated with the larger affluent or smaller less affluent organizations;

(2a) a disproportionately larger vote in one or more classes of eligible borrowers described in Section 105(e) of this Act; and

(3a) the concentration of more than five percent (5%) of the total voting control in any one Class B or Class C stockholder.

(h) The Bank may accept non-returnable capital contributions on which no interest, dividend, or patronage refund shall be payable, from associations, foundations, or funds or public bodies or agencies at the discretion of the Board. For the purpose of accepting such contributions, the Bank will be a governmental unit within the meaning of Section 170(b)(c)(A)(V) of the Internal Revenue Code of 1954.

(i) After payment of all operating expenses of the Bank, including interest on its obligations, and after setting aside appropriate funds for reserves for losses, returns on Class A stock and dividends on Class C stock, the Bank shall annually set aside the remaining earnings of the Bank for patronage refunds in the form of Class B or C stock or allocated surplus in accordance with the by-laws of the Bank. After 10 years from the date of issue of any such stock, or at such earlier time as all the Government held stock is retired, patronage refunds may be made in cash, or partly in stock and partly in cash.

SEC. 107. ELIGIBILITY. For the purpose of all titles of this Act, subject to the limitations of subsection (d) of this section, an eligible cooperative is:

(a) An organization chartered or operated on a cooperative, not for profit basis for producing or furnishing goods, services, facilities or financing, primarily for the benefit of its members or voting stockholders who are ultimate consumers, or a legally chartered entity entirely owned and controlled by such organization or organizations, if it—

(1) makes such goods financing, services, or facilities directly or indirectly available to its members or voting stockholders on a not for profit basis;

(2) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved under the by-laws of the Bank;

(3) provides that its net savings shall be allocated or distributed to member patrons, or to all patrons, in proportion to their patronage; or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its not for profit character;

(4) makes membership available on a voluntary basis, without any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations; and

(5) restricts its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations or with other protections to ensure economic democracy in the case of organizations owned by groups of cooperatives.

No such organization shall be ineligible because it also produces, markets, or furnishes goods, services, facilities or financing for its members as primary producers; or

(b) Any other institution chartered or opposed in such a way as to enhance competitive market forces or to reduce the price spread between producers and the ultimate consumers of products or services, if:

(1) its net savings accrue to the benefit of either the ultimate consumers or of the primary producers of goods, facilities and services, rather than to those whose primary interest is in making a profit from the marketing, processing, handling or transportation of goods or in making a profit from providing services to ultimate consumers or primary producers; and

(2) Restricts its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations or with other protections to ensure economic democracy in the case of organizations owned directly or indirectly by groups of self-help organizations.

The dollar volume of loans made by the Bank under this subsection shall not exceed 10 percent of the total lending capacity of the Bank.

(c) Net savings as used in this section is the remainder of gross receipts after payment of operating costs and other obligations, contributions to allowable reserves, payment of any dividends permitted under (a) (2) of this section, and after making provision for such separate funds as may be required or specifically permitted by statue or by the articles of incorporation or by the by-laws of the organization.

(d) An eligible cooperative which also has been determined to be eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, or the National Credit Union Administration may receive the asistance authorized by this Act only if its requests for assistance from any such source or sources has been rejected or denied. However, pursuant to agreements with such sources, the services of the Bank may be made available to such organizations without such prior rejections or denial.

SEC. 108. ADVISORY COMMITTEES. The Board may establish and appoint, or authorize stockholders or groups of stockholders to elect, advisory committees in such number, with such membership, representing such areas of the country or such classes of eligible organizations, selected in such manner and for such terms as may be determined by the Board from time to time or as specified in the by-laws of the Bank.

SEC. 109. ANNUAL MEETINGS. The Bank shall hold an annual meeting of its stockholders. The Board may invite other eligible organizations to attend part or all of that meeting. Adequate advance notice of the time and place of the annual meeting shall be given to all stockholders. Borrowers from the Bank shall also give notice of the meeting to their members, who shall be entitled to attend. At such meeting the Bank shall give a full report of its activities during the year, its financial condition and may present proposals for future action and other matters of general concern to borrowers and organizations eligible to borrow from the Bank. Members and representatives of borrowers may present motions or resolutions relating to matters within the scope of this Act and may participate in the discussion thereof and other matters on the agenda.

SEC. 110. Borrowing Authority. (a) The Bank is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness. Such obligations shall be issued at such times, bear interest at such rates, and contain such terms and conditions as the Board shall determine. Unless otherwise provided in the charter of any regional bank authorized under section 103 of this Act, the bank may in like manner, join with or act for any such regional bank in obtaining funds needed by such bank: *Provided, however*, That the amount of such obligations which may be outstanding at any one time pursuant to this section shall not exceed 20 times the paid in capital and surplus of the Bank, or in the case of a joint obligation with a regional bank or banks the combined paid in capital and surplus of the banks primarily liable on such obligations. Obligations of the Bank or banks shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds.

(b) Any Federally or State chartered savings and loan association, mutual savings bank or credit union, subject to regulations otherwise applicable thereto, any Federal Home Loan Bank, any member of the Federal Reserve System, or any institution of the Farm Credit System may buy and sell obligations of the Bank or banks issued under the authority of this Act and any Federal Reserve bank may buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 355 of title 12 of the United States Code, and by the Federal Reserve Bank Open Market Committee.

(c) The Bank is also authorized, but not required, and only so long as any of its Class A stock is held by the Secretary of the Treasury, to issue its obligations to the Secretary of the Treasury, and the Secretary of the Treasury may in his discretion purchase any such obligations. For such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act are extended to include such purposes. Each purchase of obligations of the Bank under this subsection shall be upon such terms and conditions as to yield a rate of return not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine any of the obligations of the Bank acquired by him under this subsection. All such purchases and sales by the Secretary of the Treasury shall be treated as public debt transactions of the United States.

(d) Purchases and sales by the Secretary of the Treasury under subsection (c) of this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

(e) The Bank may purchase its own obligations and obligations of any regional bank, and may provide for the sale of any such obligations through a fiscal agent or agents, by negotiation, offer, bid, syndicate sale, or otherwise, and may deliver such obligations by book entry, wire transfer or such other means as may be appropriate.

SEC. 111. LENDING POWERS. (a) The Bank may make loans and commitments for loans under this subsection (a) to any organization determined by the Bank to be eligible under the provisions of section 107 of this Act, and may purchase or discount obligations of its members from such organizations if the Bank, to the exclusion of all other persons, entities, agencies, or jurisdictions, also determines that the applicant has or will have a sound organizational and financial structure, income in excess of its operating costs and assets in excess of its obligations, and a reasonable expectation of a continuing demand for its production, goods, commodities or services, or the use of its facilities, so that the loan will be fully repayable in accordance with its terms and conditions. The criteria to be applied, and the factors to be considered, by the Bank in making loans, loan commitments, purchases, discounts and guarantees shall be stated in rules of the Bank which shall be published and made available to applicants and, upon request, to any other person or organization.

(b) Loans under this section shall be repayable in not more than 40 years and, except for loans with final due date not longer than 5 years from the date of the loan, shall be amortized as to principal and interest. In setting the terms, rates and charges, it shall be the objective of the Bank to provide the type of credit needed by eligible borrowers, at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the Bank, necessary reserves and expenses of the Bank and the technical and other assistance attributable to loans under this section made available by the Bank. The loan terms may provide for interest rates to vary from time to time during the repayment period of the loan in accordance with the rates being charged by the Bank for new loans at such times. Loans under this subsection (b) may include funds for advance by the borrower to its members or stockholders under circumstances described in the by-laws or rules of the Bank.

(c) The Bank may provide for the guarantee of loans by any lending agency, up to the full amount thereof, which the Bank might otherwise make to an eligible applicant, and charge fees therefor. The interest rate on such loans shall be the amount agreed upon between the borrower and lender but not to exceed any maximum rate which the Board of the Bank may establish from time to time.

As used in this title, a guaranteed loan is one which is made, held, and serviced by a State or Federally chartered lending agency and which is guaranteed by the Bank. A guaranteed loan and the contract of guarantee thereof shall be assignable to the extent provided in the contract of guarantee as may be determined by the Bank. The guarantee shall be uncontestable, except for fraud or misrepresentation of which the holder had actual knowledge at the time he acquired the loan. The Bank in lieu of requiring such lender to service such guaranteed loan until final maturity or liquidation, may purchase the loan for the balance of the principal and accrued interest thereon without penalty, if it determines that (1) the liquidation loan would result in the insolvency of the borrower or deprive the borrower of assets essential to its continued operation and (2) that the loan will be repayable with revision of the loan rates, terms, or payment periods or other conditions not inconsistent with loans made by the Bank under subsection (a) of this Act, which revisions the lender or other holder of such guaranteed loan is unwilling to make.

(d) The loans made or guaranteed under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitations imposed by statute on expenditures and net lending (budget outlays) of the United States.

TITLE II—SELF-HELP DEVELOPMENT FUND

SEC. 201. Creation and Operation of Self-Help Development Fund. There is hereby established in the Treasury a fund known as the Consumer Cooperative Self-Help Development Fund, hereinafter called "the Fund". There is authorized to be appropriated out of funds not otherwise appropriated the sum of $250,000,000 which shall be deposited in the Fund. The Fund shall be used by the Consumer Cooperative Assistance Administration as authorized in Section 202 of this Act. Any collections under agreements pursuant to Section 202 and any grants which may be received for the purposes of that section shall be separately accounted for and shall be available for appropriation to the Fund. To be effective such appropriations should provide a working margin of not less than $50,000,000. Any moneys in the Fund not immediately needed by the Administration may be invested by the Administration in obligations of the United States or of any agency thereof or in liquid obligations insured by such agency and the earnings from such investments shall be deposited in the Fund.

SEC. 202. CAPITAL INVESTMENTS AND INTEREST SUPPLEMENTS. (a) The Administration may make a capital investment advance out of the Fund to any eligible cooperative, in conjunction with or without a loan if the Administration determines that—

(1) the applicant's initial or supplemental capital requirements exceed its ability to obtain such capital through a loan under Section 111 or from other sources; or

(2) the membership of the applicant is, or will consist, substantially of low-income persons, as determined by the Board, or the applicant proposes to undertake to provide specialized goods, services or facilities to serve the needs;

(3) if, under either items (1) or (2) above, the criteria for a loan under Section 111 cannot be met because of the lack of sufficient capital to initiate the proposed undertaking, and the applicant presents a plan which the Administration determines will permit the replacement of a capital investment advance out of member equities within a period not to exceed 30 years.

(b) The Administration may make advances out of the Fund in the nature of interest supplements or credits to an eligible cooperative applicant which the Administration determines cannot meet the criteria for a loan under Section 111 of this Act by reason of deficiency of income from the sale of goods or services to or the use of facilities by its members or groups of persons of low income, provided that such advances will not exceed that part of the interest rate or indebtedness of such applicant to the Administration, Bank or other creditors which exceeds five percent (5%) per annum for any year in which the net income of the organization is insufficient to meet scheduled interest payments.

(c) The Administration may provide a special interest rate to any eligible cooperative which meets the requirement of subsections (a) and (b) of this Section 202. Such special interest rate shall be calculated without including the cost to the Fund of assistance provided to the applicant under Title III of this Act.

(d) The Administration may transfer from the Fund to its operating funds account sums equal to the interest supplements or credits under subsection (b) and the estimated cost of assistance furnished or provided under subsection (c) of this section.

SEC. 203. SEPARATE OPERATIONS AND REPORTS. The operations of the Administration and the Bank and the condition of the Fund under Title II shall be accounted for and reported separately from the operations and funding of assistance under Title I and assistance under Title III of this Act.

TITLE III—COOPERATIVE TECHNICAL ASSISTANCE

SEC. 301. ORGANIZATIONAL ASSISTANCE.—The Cooperative Bank and Assistance Administration, or, if authorized by that Administration, the Bank, through such organizational division as the Board determines, shall make available information and services concerning the organization or reorganization of cooperatives to best achieve the objectives of this Act and to best provide the means through which various types of goods, services and facilities can be made available to members and patrons. The Administration or the Bank may enter into cooperative agreements with other agencies of Federal, State, and local governments, colleges and universities, or other cooperative, nonprofit organizations or foundations for the development and dissemination of such information, and services described in this title. The Administration may make or accept grants or transfer of funds for such purposes.

SEC. 302. INVESTIGATIONS AND SURVEYS.—The Administration or the Bank may undertake investigations of new types of services which can more effectively be provided through cooperative not-for-profit organizations and make surveys of areas where the increased use of such organizations will contribute to the economic well-being of the community.

SEC. 303. FINANCIAL ANALYSIS AND MARKET SURVEYS.—The Administration or the Bank may, at the request of any eligible cooperative, provide a financial analysis of the applicant's capital structure and needs and its cost of operation, survey the market for the goods or services the cooperative makes or desires to make available to its members or patrons or the users of its facilities.

SEC. 304. DIRECTOR AND MANAGEMENT TRAINING AND ASSISTANCE.—The Administration or the Bank shall develop and make available, alone or in concert with other organizations, a program for training directors and staff of eligible cooperatives to improve their understanding of their responsibilities; the problems of and solution for effective and efficient operation of their organizations or of cooperatives in general; and may, by any means it deems appropriate, conduct membership studies, provide education programs, and programs for informing consumers and the general public of the advantages of cooperative action. Management supervision, review, and consultations shall be available from the Administration or Bank to any eligible cooperative.

SEC. 305. APPROPRIATIONS.—There are authorized to be appropriated to the Administration such sums as may be necessary for the administration of this title III.

SEC. 306. FEES FOR SERVICES.—The Administration or the Bank may make the services under this title III available for such fees as it may establish, not exceeding the cost thereof: *Provided, however,* that such services as the Administration or Bank may determine may be made available without charge to eligible cooperatives depending on the nature of the services or on ability to pay. Any fees collected shall be accounted for separately and available for appropriation for expenses of the Bank.

TITLE IV—THE COOPERATIVE BANK AND ASSISTANCE ADMINISTRATION AND GENERAL PROVISIONS

SEC. 401. Creation, Functions and Powers of the Administration. There is hereby created, as an independent agency of the United States in the Executive Branch, the Cooperative Bank and Assistance Administration, herein called the Administration, which shall consist of a Board of five members to be appointed by the President with the advice and consent of the Senate. The Chairman, as designated by the President, shall not hold any Federal office except as provided in this Act, and shall act as the chief executive of the Administration. The other four members shall be chosen, one for his experience in finance, one for his experience in cooperative organizations and activities, one for his experience with cooperatives having a predominance of low income members, and one representative of the general public. The terms of the Members of the Board shall be for periods not to exceed five (5) years on a staggered basis. Appointments for successive terms shall be made only with the advice and consent of the Senate. Except for the Chairman, no member shall serve more than two (2) consecutive terms. No more than three (3) Members of the Board may be of any one major political party. The Chairman shall receive compensation at an annual rate at Level III of the Executive Pay Act, as amended (5 U.S.C. 5311), and the other four members shall receive compensation at a per diem rate not to exceed the maximum scheduled rate of the general schedule, as adjusted from time to time, pursuant to the Classification Act of 1949, as amended, and to actual expenses and subsistence while on business of the Administration.

(b) FUNCTIONS AND RESPONSIBILITIES. The Administration shall, by policy guidelines, directives, determinations (promulgated in accordance with the requirements of 5 U.S.C. § 553) audits and examinations, assure that the objectives of this Act are carried out and that a proper balance is maintained between assistance made available to the several classes of cooperatives described in Section 105 and the assistance under Title I and under Title II of this Act. The Administration shall be primarily responsible for audits and examinations and for the activities authorized in Titles II and III of this Act, but may delegate to the Bank such responsibility or functions as the Board of the Administration determines can effectively be carried out by the Bank. It shall be responsible for coordinating operations of the Bank with all agencies and instrumentalities of the Federal Government whose responsibilities include matters within the objectives and authorizations of this Act. The by-laws of the Bank and the general policies of the Bank Board shall be subject to review and comment to the Congress by the Board of the Administration. With the consent of that Administration, the officers and employees thereof may be utilized by the Bank on a reimburseable basis.

(c) BOARD MEETINGS. The Board shall meet at the call of the Chairman or upon joint request of the other four members or on vote of a majority of the Board of the Bank, but not less frequently than quarterly.

(d) POWERS OF THE CHAIRMAN. The Chairman shall be the chief executive officer of the Administration and shall carry out the policies established by the Board.

The Chairman is authorized to appoint deputies not to exceed 5, the functions and responsibilities of which shall respectively, concern the operations of the Bank, operations under Titles II and III of this Act, administration of the agency, and examination and audit. The deputies shall receive compensation at not to exceed the maximum schedule rate of the general schedule, as adjusted from time to time, pursuant to the Classification Act of 1949, as amended.

The Chairman is authorized to establish and fix the powers and duties of such divisions, appoint such other personnel as may be necessary for the efficient functioning of the Administration and adopt a seal for the Administration, which shall be judicially noted.

SEC. 402. EXAMINATION AND AUDIT. Until the stock of the Bank held by the United States has been fully retired, the operations of the Bank shall be examined under the direction of a chief Administration examiner. Thereafter with the approval of the Administration the Bank shall be audited by independent certified public accountants certified by a regulatory authority of a State, in accordance with generally accepted auditing standards. The Bank may request or the Administration may require the examination or audit of borrowers from the Bank or the use of funds of the Bank or the Administration under contracts or agreements entered into under this Act. The scope, extent and findings of such audits and examinations shall not be modified or limited contrary to the professional recommendations of the chief examiner. For the purposes of this Act, examiners of the Administration shall be subject to the same requirements, responsibilities and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

SEC. 403. EXPENDITURES. The Administration may, within the limits of funds available therefor, make necessary expenditures for personnel services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange law books, books of reference, periodicals, and newspapers; pay expenses of attendance at meetings and conferences; purchase, operate and maintain at the seat of government and elsewhere passenger-carrying vehicles and other vehicles; provide for or purchase printing, binding, and such other facilities and services, including temporary employment by contract or otherwise, as it may from time to time find necessary for the proper administration of this Act.

SEC. 404. TAXATION. Until the stock of the Bank held by the United States has been fully retired, but not thereafter, the Bank, including its franchise, capital, reserves, surplus, mortgages, or other security holdings and income shall be exempt from taxation now or hereafter imposed by the United States, by any territory or possession thereof, or by any State, county, municipality or local taxing authority, but any real property held by the Bank shall be subject to any State, county, municipal or local taxation to the same etxent according to its value as other real property is taxed.

SEC. 405. QUARTERS AND SPACE. Until all of the stock of the Bank held by the United States has been fully retired, space for the principal office of the Bank shall be provided by the Administration and space for any regional bank or other offices of the Bank shall be provided by the General Services Administration. Thereafter the Bank may lease, construct or own quarters and provide for the space requirements of its principal offices, regional banks and other offices.

SEC. 406. REPORTS TO CONGRESS. The Administration and the Board of the Bank shall annually report to the appropriate committees of the Congress on the activities of the Administration and on the Bank's capital, operations, financial condition, the self-help development fund, and programs undertaken or proposed under Title III, and make recommendations for legislation needed to improve its services.

SEC. 407. APPROPRIATIONS. In addition to appropriations specifically authorized in this Act, there are hereby authorized to be appropriated out of moneys in the Treasury not otherwise appropriated such sums as the Congress may determine from time to time by annual appropriation to the Administration or the Bank or other agency for carrying out the purposes of this Act.

SEC. 408. APPEALS. If an application for assistance under this Act is denied in whole or in part, the applicant shall be informed promptly in writing of the reasons for the denial or restriction. Any applicant for assistance under this Act receiving notice of denial or restriction of the application may within 30 days of receipt of such notice, request the Bank Board to review the application and notice of denial or restriction for a determination of whether the action of the Bank was correctly within the terms of the Act, the regulations and the policy of the Board. The Board shall consider the request for review at its next meeting and promptly inform the applicant of its determination and the reasons therefor.

Similarly, after complying with the preceding paragraph, if the applicant has reasons to believe that the determination of the Board incorrectly interpreted or applied the law, the regulations or the policy applicable to the matter or failed to consider pertinent facts which the applicant had presented to the Bank or the Board, the applicant may, within 30 days of receipt of notice of the Board's determination request review of the matter by the Chairman of the Cooperative Bank and Assistance Administration who shall promptly review the matter, make a determination and inform the applicant and other parties involved in writing of his determination and the reason therefor.

Sec. 409. Conflict of interest. Each Board established under this Act shall adopt and publish its own Conflict of Interest rules which shall be no less stringent in effect than the Federal Executive Conflict of Interest rules contained in Executive Order No. 11222 in prohibiting participation or action or the use of inside information for personal advantage on any matter involving a corporation, trust, partnership, or cooperative organization, in which a board member, officer, or employee holds a substantial financial interest or holds a position as board member or senior officer, the activities of which organization might be relevant to, be competitive with, or be inconsistent with the objectives of any bank created under this Act.

These rules shall require:

(1) each nominee for elected membership on any Board established under this Act to make public and file with the election official before the date of election a statement of his financial interest and position, if any, in such organizations.

(2) each senior executive officer, appointed member of a board, or advisory committee to file with the appointing officer, before entering that office, a statement of his financial interest and position, if any, in such organizations, which shall be available for inspection upon request.

Sec. 410. Amendments to Existing Law.—(a) Section 201 of the Government Corporation Control Act, as amended (31 U.S.C. 856), is amended by striking "and" before (9) and by inserting "and, (10) The National Consumer Cooperative Bank" immediately before the period at the end thereof.

(b) Section 302 of the Government Corporation Control Act, as amended (31 U.S.C. 867), is amended by striking "or" before "the Federal Land Banks" and inserting immediately after "the Federal Land Banks" a comma and the words "or the National Consumer Cooperative Bank".

(c) The second sentence of subsection (d) of Section 303 of the Government Corporation Control Act, as amended (31 U.S.C. 868(d)), is amended by inserting "The National Consumer Bank," immediately before the "Rural Telephone Bank".

(d) The Executive Schedule of basic pay (5 U.S.C. 5311–5317), as amended, is further amended by inserting in positions at level III the additional position "(60) Chairman, Cooperative Bank and Assistance Administration." (5 U.S.C. 5314).

Sec. 411. Separability.—If any provision of this Act, or the application thereof to any person or in any circumstances, is held invalid, the remainder of this Act and the application of such provision to other persons or in other circumstances shall not be affected thereby.

An Explanation of the Proposed National Consumer Cooperative Bank

Purpose.—The proposed bill would establish a National Consumer Cooperative Bank to provide non-farm cooperatives with access to comparable sources of financing, technical assistance, and counsel that have been provided to, and have accounted for much of the success of rural and farm cooperatives for nearly a half-century.

Why needed?—Consumers generally do not have available to them the means by which rural Americans have participated in private enterprise by providing for themselves high quality goods, facilities and services at reasonable costs through their own user-owned cooperatives. This proposal is aimed at closing the gaps in financing available to consumer cooperatives on a sound, businesslike basis as a means of making it possible for more people to help themselves rather than relying to a growing extent on the Federal government for assistance in solving their problems.

Proven Concept.—The proposed National Consumer Cooperative Bank draws heavily on the principles proven highly successful in the Cooperative Farm Credit System and by the rural electric and telephone cooperatives.

Capitalization.—The Bank would be started initially with seed capital invested in the form of preferred stock by the U.S. Government. But like the Cooperative Farm Credit System, this capital would be replaced gradually by private capital from its borrowers as this organization gets its feet on the ground and moves ahead. Its loans would be on a sound basis. The Bank would serve as a lending institution for cooperatives not able to qualify for loans through existing cooperative financing organizations. It would make sound loans for consumer goods, housing, health, credit and other consumer coops. The Bank would obtain its loan funds for cooperatives from the private investors, not from the Treasury. The budget implications are estimated at $6.5 million for annual administrative expenses of the Cooperative Bank and Assistance Administration and start-up costs of $250 million for the creation of a Self-Help Development Fund. Following the pattern of recent Congressional action on similar financing legislation the investment in stock by the U.S. Treasury and the loans made or guaranteed by the Bank would be exempt from the total of the Federal budget as a mixed-ownership government corporation.

Organization.—At the outset, a Board would be appointed by the President, with the advice and consent of the Senate, and would include seven Cabinet or other officers of the United States Government and six representatives of cooperatives. As the government capital is replaced by co-op capital, an increasing percentage of the Board, and eventually a strong majority would be from cooperative users of the Bank.

Public Interest Supervised.—The Bank would be supervised and examined by a Cooperative Bank and Assistance Administration which would also provide technical assistance and consultation to consumer cooperatives. This Administration would report to the public and to the Congress on the operations and activities of the Bank. This Administration would also administer a $250 million Self-Help Development Fund to make equity investments in new cooperatives and others serving low-income families. These investments would be repaid to the Fund by the cooperatives.

Helping People Help Themselves—Alternative to Bigger Government.—With the availability of adequate financing plus competent technical assistance, increasing numbers of people can build a larger number of effective cooperatives to solve many of their own problems. As a result America would have a broader based, more competitive, more effective private enterprise system. This would reduce the overall demand for a reliance upon costly government regulation and government aid programs.

Section-by-Section Analysis of National Consumer Cooperative Bank Act

The purpose of this bill, Sec. 2, is to create a financial organization for consumer-oriented cooperatives so as to enhance competition and thereby reduce the spread between production costs and consumer prices, and to minimize the impact of inflation and recession. This purpose would be accomplished through the additional capitalization and financing of nonprofit cooperative organizations, and with technical advice or assistance to be furnished through the specialized credit and other services of the Consumer Cooperative Bank.

Section 102 charters the bank as a mixed ownership government corporation to operate as an instrumentality of the United States. The general objectives of the bank will be to encourage the development of new and existing consumer cooperatives, which will result in a broadly based ownership and control of the bank, foster increased member participation in the affairs of borrowers from the bank and other eligible organizations, make possible the distribution of net savings from its operation to its stockholders and through them to their consuming patrons, as well as making available quality goods and services to consumers at reasonable costs.

While only a single bank is chartered initially, after seven years, as the need develops, not more than twelve additional banks can be chartered to serve eligible cooperatives in geographic regions or to serve particular classes of cooperatives. This plan has the advantage of keeping initial costs low and permitting expansion and specialization compatible with the needs and growth of the bank. (Sec. 103)

The activities of the central bank would be exercised under the policies of a 13-member board of directors and the public supervision is through a Cooperative Bank and Assistance Administration, the purposes and functions of which are more fully described in Title IV. At the outset, the board would be appointed by the President, with the advice and consent of the Senate, and will include seven cabinet or other officers of the United States and six non-Federal employee members as provided in Sec. 105. It is envisioned that most of the initial stock will be subscribed by the Treasury and the services of the bank will be supplementary to many existing Federal programs. As the borrower's holdings of stock increase to eventual majority ownership, appointive board members will be replaced by democratically elected borrower representatives. To assure that all types of eligible cooperatives are given fair representation on the board, nominees and subsequent elections will divide membership among cooperatives for housing, consumer goods, consumer services, financing, low-income members, and other cooperatives. The chairman of the supervising agency will continue as the only government board member after the cooperatives own 51 percent of the stock in the central bank.

The regional bank boards of seven members will initially be appointed by chairman of the supervising agency from among the same groups of cooperatives and one at-large member. After two years, the groups would elect their representatives on the board.

The regional banks would be capitalized by borrower stock subscription, investment stock sale, and perhaps by preferred stock subscription by the central bank.

After the creation of a regional bank, loans originating in its territory would be made by it, except as the regional bank requests central bank participation.

Local organizations of eligible cooperatives could be utilized for processing and servicing regional bank loans.

The corporate powers of the banks are

enumerated in Sec. 104. The listed powers provide all those corporate authorizations thought to be necessary or appropriate for this type of financial institution.

Sec. 106 authorizes the purchase by the United States of $250,000,000 per year for four years of preferred Class A stock of the central bank. Classes B and C stock will be issued to eligible cooperative borrowers and organizations controlled by such borrowers. The amount of such required stock holdings is left for by-law or board determination, between the minimum of one share of voting stock and an amount not exceeding 10 percent of the face of the loan. This flexibility was found necessary in the modernization of the Farm Credit institutions in order to provide necessary leverage for funding their lending operations.

Investment stock and other capital contributions may also be issued to investors who are not eligible borrowers. Such means will more rapidly permit retirement of government held stock.

Treasury held stock will be entitled to a two percent return and when a reasonable amount of capital has been accumulated, it will be retired as borrower held stock is issued. The net earnings of the bank will be allocated or distributed in stock, as patronage refunds to borrowers.

Subject to limitations which will assure that the services of the bank will be supplementary to and not in competition with existing Federally assisted credit sources, such as the Farm Credit institutions, eligibility will be determined under qualifications described in Sec. 107. Corporations chartered or operated on a cooperative not for profit basis will generally be eligible.

In order to assure that the needs of eligible borrowers are fully considered by the banks, provision is made in Sec. 108 for the utilization of advisory committees familiar with their needs and problems.

Under Sec. 110 funds for the lending operations of the central bank would be obtained primarily through the issue and sale of bonds or debentures and other obligations in the private investment markets and to financial institutions, but not exceeding a ratio of 20 to 1 against paid-in capital and surplus. The Secretary of the Treasury could purchase such obligations at his discretion. This authority might be used in conjunction with operations of the Federal Financing Bank to avoid critical congestion of the "agency" market. Under Sec. 104(d) (2), until a regional bank has enough paid-in capital to justify the sale of its bonds or debentures, it would discount loans made by it to the central bank. Such discounted loans would support additional sale of central bank obligations.

Sec. 111 describes the lending objectives and general criteria for loans which will constitute the major activities of the banks. Forty-year, fully repayable loans to provide the borrower with the type of credit needed at the lowest reasonable costs on a sound business basis may be coupled with technical assistance. In order to maximize the use of other available sources of credit usable by cooperatives, loans made by other financial institutions may be guaranteed by the bank.

Title II provides the means through which cooperatives made up of, or rendering services to, low-income persons or groups can acquire goods, services and facilities necessary to maintaining their health and income producing capacity within their economic means.

Sec. 201 creates a Consumer Cooperative Self-Help Development Fund for which original appropriations of $250,000,000 are authorized.

As provided in Sec. 202, the Self-Help Development Fund would be used by the Consumer Cooperative Assistance Administration for investments in the capital structure, supplementary interest credits or payments, or special low rate interest terms, thereby aiding low income and undercapitalized cooperative organizations to serve their low-income members or patrons. The Fund, by supplying supplemental equity capital to such cooperatives under a long term plan for its retirement, would be making it possible for many such cooperatives to progressively qualify for obtaining sound loans from the banks under Sec. 111. Collections from such investments would be deposited in the Fund for reappropriation for its purposes. This approach has proven to be a cost effective method of bolstering the purchasing power of low-income groups. Sec. 203 provides that operations and accounting under Title II would be kept separate from the Title I regular loan and guarantee operations of the bank and Title III technical assistance.

Cooperative undertakings which have not succeeded can usually be identified with insufficient knowledge of organizational problems; lack of understanding of how best to obtain maximum benefits through the patronage of the cooperative; ambitious but unverified appraisal and survey of the market; and lack of experience or training in the responsibilities, functions, and activities of boards of directors and managers. Title III, Secs. 301–304, would authorize the banks and the supervising Administration to provide these types of technical assistance, independently, or in concert with educational institutions, foundations and other agencies. The costs of this technical assistance would be borne, in appropriate part, by inclusion in the interest charged on sound loans under Title I, the Fund maintained under Title II, the fees, charges and appropriations authorized in Title III, and contributions under agreements with other agencies and institutions.

Historically, the public interest in and public dependence on, financial institutions has resulted in public authorization, regulation and supervision. In those cases of substantial initial capital assistance by government, the need is obvious. By degrees, as cooperative ownership and capitalization replaces that of government, a case can be made for more freedom from supervision. In this instance involving probable continued Federal contribution to low-income cooperatives, a Federal supervisory agency is essential. Existing Federal agencies with programs dealing with consumer cooperatives do so, more or less, in a limited scope or as an appendage to major programs and functions. For these reasons, Title IV of the bill creates, describes the organization, functions and responsibilities of a new independent Federal agency in the Executive Branch. (Section 401)

This agency—the Cooperative Bank and Assistance Administration—would be headed by a board of 5 consisting of a chairman, who will be the chief executive officer, a member who shall be chosen for his experience in finance, another for his experience in cooperative organization and activities, one for his experience with cooperatives having a predominance of low income members and one representative of the general public.

The agency functions will primarily fall into three categories: (1) audit and examination of the banks, (2) supervising the lending and borrowing functions of the banks and the correlation of those activities with other Federal programs, and (3) the capital investments, interest supplements, and technical assistance to low-income cooperatives.

Section 401 (b) authorizes the delegation by the Administration to the bank such responsibilities for technical assistance and the Self-Help Development Fund as can be effectively done in that manner.

Section 402 sets out the audit and examination authority.

Appropriations, expenditures, and quarters are provided for in Sections 403, 405 and 407, with Section 404 treating the tax status of the bank and Section 406 establishing the bases of continued Congressional review.

Section 408 provides for an administrative review, at the request of an aggrieved applicant, on the denial or restriction of a loan or for failure to properly apply the law and applicable policy rules.

Section 409 requires the establishment of conflict of interest rules no less stringent than those contained in Executive Order 11222 and for publication of financial interest in excess of $1,000 of senior executive officers and of candidates for board membership and of their positions as board member or senior officer held in other business organizations.

Section 410 contains necessary correlating amendments to the Government Corporations Control Act and to the Executive Schedule of basic pay for the chairman of the supervising agency.

By Mr. MONDALE:

S. 2632. A bill to provide certain services for Government employees to enhance their outlook on approaching retirement and to assist them in preparing for retirement. Referred to the Committee on Post Office and Civil Service.

Mr. MONDALE. Mr. President, I am introducing today a bill which would provide Federal employees with a comprehensive program for preretirement counseling and assistance.

A person's retirement years are perhaps the most challenging and potentially devastating period of his or her life. It can be satisfying and rewarding, a culmination of a successful life. Or it can be a cruel, gradual, or sudden breakdown in the person's lifestyle. "Retirement shock" is a common phenomenon. A combination of confusion and anxiety accompanying retirement is added to declining health and reduced income to produce not only general unhappiness, but often physical symptoms as well.

Planning for retirement can help workers make the transition from years of active employment to their leisure time years. Our society is work oriented and youth oriented; retirement can produce a real identity crisis, and often a loss of interest in living. Yet, with adequate advance preparation, retirement from a job does not need to mean retirement from life. By learning to avoid the pitfalls of retirement, and how to get the most from the new opportunities being opened up, preretirement planning can facilitate the vital and necessary continuation of personal growth.

In 1971, the White House Conference on Aging recommended that:

> Society should adopt a policy of preparation for retirement, leisure, and education for life off the job. The private and public sectors should adopt and expand programs to prepare persons to understand and benefit from the changes produced by retirement. Programs should be developed with government at all levels, educational systems, religious institutions, recreation departments, business and labor to provide opportunities for the acquisition of necessary attitudes, skills, and knowledge to assure successful living. Retirement and leisure time planning begins with the early years and continues through life.

In 1969, during hearings by the Special Subcommittee on Retirement and the Individual, which I chaired, I was appalled by the lack and great need for broad preretirement planning. That year the Civil Service Commission, after conducting its own study of retirement planning programs, changed its policy from one of neutrality to actively encouraging preretirement planning. It subsequently announced guidelines for retirement planning programs and a continuing series of training courses for preretirement advisers.

However, today it is evident that more is needed. The actions of the Civil Service Commission are commendable. The increase in interest in preretirement planning programs within Federal agencies over the past few years is positive, but is still only the "tip of the iceberg." The need for legislative directive is becoming more and more apparent.

In 1967, approximately two-thirds of the 96 agencies reporting on retirement planning programs offered no type of program whatsoever, and 75 percent of these had no plans to develop one. A 1974 survey by GAO showed that less than one-third of 255 agencies surveyed offered anything approaching an adequate preretirement planning program. And there are no guarantees to the nature of these programs. Preretirement planning must be tailored to the needs of the individual about to retire. Offering classes and lectures is not enough. There should be individual counseling so that the special concerns of each person can be dealt with. The guidelines set forth by the Civil Service Commission do not guarantee this personalized, pyschological preparation. Records on this matter and direction from Congress is clearly needed.

The Federal Government, the Nation's largest single employer, is in a particularly advantageous position to implement preretirement planning. By taking the lead in offering all of its employees the opportunity to anticipate and prepare for their retirement years, the Government would greatly influence, I am sure, management, labor unions, and adult education agencies around the country.

There are currently an estimated 250,000 Federal employees eligible to retire. Between 99,000 and 110,000 will retire in each of the next 5 years. With numbers of this magnitude, it is our responsibility to assure potential retirees that they will have the necessary assistance in preparing for this very difficult time. The groundwork has been done in researching the many alternatives available to retirees: Phased retirement, trial retirement, part-time work, development of a "second carreer." With its provisions for early retirement, the Federal Government can offer not only the needed psychological preparation, but leeway in trying these alternatives.

Mr. President, I hope that this bill will receive early and favorable consideration by this Congress. The interest and need for the programs it would require have been urgently demonstrated. Let us put into effect now the programs that will eliminate the prevalent feelings of fear, anxiety, and unhappiness that so often accompany old age and retirement.

Let us put into effect now a program that will make retirement a happy subject, not something that will catch millions of Americans by surprise, but a time that can be prepared for with hope and optimism, and not dismay.

Mr. President, I ask unanimous consent that the text of the Federal Employees Preretirement Assistance Act of 1975 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. Subchapter I of chapter 83 of title 3, United States Code, is amended—

(1) by inserting at the end thereof the following new section:

"§ 8302. Preretirement assistance

"(a) For the purpose of this section, 'agency' means an executive agency or the government of the District of Columbia.

"(b) Except as otherwise provided in subsection (d)(3) of this section, the head of each agency shall formulate and carry out a program to provide comprehensive preretirement assistance to employees of that agency who are eligible or approaching eligibility, for retirement.

"(c) Each such program shall provide for furnishing to interested employees and educational or informational material group training sessions, and other assistance as may be necessary to aid them in preparing for adjustment to a retirement status.

"(d)(1) Each such program shall be conducted in accordance with standards prescribed in regulations to be promulgated by the Civil Service Commission. The Commission shall provide appropriate training for any employee of an agency which is to provide preretirement assistance under such program. If deemed advisable, the Commission may enter into contracts with educational and other institutions to provide such training.

"(2) The Secretary of Health, Education, and Welfare may provide—

"(A) such training and other assistance in the development and evaluation of such programs as the Commission may request; and

"(B) technical assistance and formulate such program models as may be necessary to meet the specific needs of an agency subject to the provisions of this section. Such models may be used in formulating the standards prescribed in the regulations promulgated by the Commission under paragraph (1) of this subsection.

"(3)(A) If the Commission determines, upon request of an agency, that it is not practicable for the agency to comply with the provisions of subsection (b) of this section, the Commission may grant such agency an exemption from providingg a program of preretirement assistance for its employees. Such exemption shall be reviewed at least once every six months and shall remain in effect if, at the time of each review, there is a determination by the Commission that it continues to be impracticable for the agency to provide such a program.

"(B) If an exception is granted under this paragraph, the Commission shall take such measures as may be necessary to provide employees of such agency with an appropriate program of preretirement assistance.

"(e) Such interagency cooperation as is necessary to obtain maximum utilization of resources shall be undertaken to achieve the purposes of this section. The head of an agency is authorized and requested to provide information materials, group training services, group and individual counseling services, and other assistance to another such agency or to employees of such other agency when it is more economical or feasible to do so."; and

(2) by adding at the end of the analysis of such subchapter, preceding section 8301, the following new item:

"8302. Pretirement assistance."

SEC. 2. The Civil Service Commission shall make a study of existing and recommended practices, both within and outside the Government of the United States, which relate to work-life and study programs, including phased retirement, trial retirement, new kinds of part-time work, and sabbaticals. With the assistance of agencies and officers of the Government of the United States, including the Secretary of Health, Education, and Welfare, and educational institutions, the Commission shall, based on such study, establish guidelines concerning such programs for the information and use of such agencies.

SEC. 3. Within eighteen months after the date of enactment of this Act, the Civil Service Commission shall submit a report to the President and the Congress on the programs of preretirement assistance required by the amendment made by section 2 of this Act and on the development of new work-life and study programs by agencies of the Government of the United States.

SEC. 4. Not later than ninety days after the date of enactment of this Act, the Civil Service Commission shall promulgate regulations to establish standards for conducting programs of preretirement assistance as authorized by section 2 of this Act. Not later than six months after such date of enactment, the Commission shall place into operation a program for providing the training required by section 8302 (d)(1) of title 5, United States Code (as added by section 2 of this Act).

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. MORGAN:

S. 2633. A bill to amend the National School Lunch Act to require that free lunches be served to all children in schools participating in the school lunch program under such act, to amend the Child Nutrition Act of 1966 for the purpose of terminating the school breakfast program, and for other purposes. Referred to the Committee on Agriculture and Forestry.

UNIVERSAL FREE LUNCH PROGRAM

Mr. MORGAN. Mr. President, on October 7, 1975, I introduced S. 2488 which provides for a universal free school lunch for all children in schools participating in the school lunch program under the National School Lunch Act. Having spent the time since the introduction of that bill in additional study of the feasibility of this idea, I have reached the conclusion that the bill needs an additional section added to it.

Therefore today, Mr. President, I am introducing S. 2633. This bill has the same provision as S. 2488 providing for a universal free school lunch with the addition of amending section 4(g) of the Child Nutrition Act of 1966 to provide for the elimination of the nonprofit breakfast program.

In lieu of the fact that only between 5 and 10 percent of the eligible schools take advantage of the nonprofit breakfact program and the fact that under my proposal all children in schools participating in the school lunch program under the National School Lunch Act will be eligible for free lunches, there does not appear to be a demonstrable need for the nonprofit breakfast program.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National School Lunch Act is amended by adding at the end thereof a new section as follows:

"FREE LUNCHES

"Sec. 20. (a) Notwithstanding any other provision of law, on and after October 1, 1976, any school participating in the school lunch program under this Act, shall make lunches available to all children attending such schools without charge.

"(b) The Secretary shall submit to the Congress a report at the earliest practicable date, but in no event later than sixty days after the date of enactment of this section, setting forth his plans for implementing the provisions of subsection (a) of this section, and shall include in such report such recommendations for additional legislation as he deems necessary or appropriate to carry out effectively the provisions of such subsection (a).".

Sec. 2. Section 4(g) of the Child Nutrition Act of 1966 is amended to read as follows:

"(g) Notwithstanding any other provision of this Act, no funds may be obligated on or after October 1, 1976, to carry out a nonprofit breakfast program under this section. The Secretary shall include such measures as may be necessary to provide for the termination of such program in as orderly manner as possible prior to October 1, 1976.".

By Mr. ABOUREZK:

S. 2634. A bill to provide for grants to certain Indian postsecondary educational institutions, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

FUNDING FOR INDIAN COMMUNITY COLLEGES

Mr. ABOUREZK. Mr. President, throughout the history of the world people have demanded the right to train and teach their young. Today, I am happy to state that the American Indians are promulgating that right by running their own community colleges in Arizona, California, Nebraska, North Dakota, and in South Dakota.

These colleges, with Indians teaching Indians, besides doing a fine job of educating their people, are also providing a stabilizing force in the sometimes volatile Indian communities.

These schools need to be encouraged. Legislation is needed to give them some permanence; to allow flexibility in planning and to make them autonomous from the Bureau of Indian Affairs.

I am, therefore, pleased to introduce a bill today, which would strengthen and provide these fledgling Indian community colleges with a more permanent type of funding.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Postsecondary Educational Assistance Act of 1975".

Sec. 2. It is the purpose of this Act to provide grants for the development, operation, and improvement of Indian community colleges which are designed to insure continued and expanded opportunities for Indian students to pursue a course of postsecondary educational study.

Sec. 3. As used in this Act—

(1) the term "Commissioner" means the Commissioner of Education; and

(2) the term "Indian community college" means—

(A) Lakota Higher Education Center; Pine Ridge, South Dakota,

(B) Navajo Community College; Tsaile, Arizona,

(C) Standing Rock Community College; Fort Yates, North Dakota,

(D) Sinte Gleska Community College; Rosebud, South Dakota.

(E) Turtle Mountain Community College, Belcourt, North Dakota,

(F) Hehakak Sapa Community College, Davis, California,

(G) Sisseton-Wahpeton Community College; Sisseton, South Dakota,

(H) Cheyenne River Community College, Eagle Butte, South Dakota,

(I) American Indian Satellite Community Colleges; Winnebago, Nebraska,

(J) Fort Berthold Comunity College; New Town, North Dakota,

and for the purpose of making grants for furnishing technical assistance only includes the American Indian Higher Education Consortium.

Sec. 4. (a) The Commissioner, after consultation with the Secretary of the Interior, is authorized to make grants in accordance with the provisions of this Act to Indian community colleges during the period beginning after the date of enactment of this Act and ending September 30, 1981.

(b) Grants made under this Act may be use for the planning and development of educational programs and activities, basic operational costs, employment of instructional and administrative personnel, curriculum development, student services, and community service programs, of Indian community colleges.

(c) Grants shall be made under this Act only after application by an Indian community college made at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

(d) For the purpose of the General Education Provisions Act the program authorized by this Act is an applicable program.

(e) In making grants under this Act the Commissioner shall consult with the American Indian Higher Education Consortium.

Sec. 5. (a) Notwithstanding any other provision of law, Indian community colleges shall be eligible to receive Federal financial assistance under any program authorized by the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education, community colleges, or postsecondary educational institutions.

(b) For the purpose of this subsection, "applicable program" has the same meaning as is prescribed by section 400 of the General Education Provisions Act.

Sec. 6. There is authorized to be appropriated, without fiscal year limitation, $75,000,000, in the aggregate, for the period beginning with the date of enactment of this Act and ending September 30, 1981, to carry out the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2246

At the request of Mr. Ford, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 2246, a bill to amend the Communications Act of 1934.

S. 2300

At the request of Mr. Bellmon, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of S. 2300, a bill to direct the Secretary of the Army to issue permanent easements for certain boat docks.

S. 2321

At the request of Mr. Bellmon, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 2321, a bill to amend the Voting Rights Act of 1965.

S. 2394

At the request of Mr. Mondale, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of S. 2394, a bill to amend the Internal Revenue Code of 1954.

S. 2426

At the request of Mr. Dole, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. Hatfield, the Senator from South Dakota (Mr. Abourezk) and the Senator from Michigan (Mr. Philip A. Hart) were added as cosponsors of Senate Concurrent Resolution 66, declaring as national policy the right to food.

SENATE JOINT RESOLUTION 101

At the request of Mr. Burdick, the Senator from Idaho (Mr. McClure) was added as a cosponsor of Senate Joint Resolution 101, to designate "National Family Week."

SENATE RESOLUTION 295—SUBMISSION OF A RESOLUTION RELATING TO AGREEMENTS OR TREATIES WITH SPAIN

(Referred to the Committee on Foreign Relations.)

Mr. TUNNEY (for himself, Mr. Clark, Mr. Abourezk, and Mr. Cranston) submitted the following resolution:

Whereas the Constitution states that the President of the United States must have the advice and consent of the Senate in order to make treaties; and

Whereas an agreement with Spain, which would provide for the stationing of American troops overseas, is clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty: Now, therefore, be it

Resolved, That any agreement with Spain for military bases should be submitted as a treaty to the Senate for advice and consent.

Mr. TUNNEY. Mr. President, I rise today to submit along with Senators Clark, Abourezk, and Cranston a resolution of great significance to the future of American-Spanish relations. On Thursday, October 23 we were advised that the President would submit to the Congress the arrangements under negotiation with the Spanish Government for our continued use of the Spanish bases. No mention was made of the vital issue of the form in which that agreement would be submitted. My resolution simply urges the President to contribute to the restoration of the balance in foreign policy decisionmaking envisioned by the Constitution in the area of national commitments by submitting this Spanish agreement not merely for approval as a joint or concurrent resolution, but as a treaty requiring the full advice and consent of the Senate.

Does the Spanish base agreement represent a national commitment of sufficient importance to warrant its submission as a treaty? I think it does. In 1969 the Senate, in Senate Resolution 85, defined a national commitment to include the use of U.S. Armed Forces on foreign territory or a promise to assist a foreign country, government, or people by the use of U.S. Armed Forces or financial resources. The Senate resolved that such a commitment results only from affirmative action taken by the executive and legislative branches providing for such a commitment.

In 1970, in keeping with the principle established by the national commitments resolution in 1969, the Senate adopted overwhelmingly Senate Resolution 469, stating that nothing in the 1970 agreement with Spain could be deemed a national commitment by the United States in the absence of specific approval by the Senate. At the time, there was tremendous sentiment expressed both within the Foreign Relations Committee and the Senate as a whole in favor of submission of the base agreement as a treaty.

During the debate on Spain, a subcommittee of the Senate Foreign Relations Committee studying the implications of U.S. security agreements and commitments around the world uncovered a statement by the then-Chairman of the Joint Chiefs of Staff in November 1969—Gen. Earl Wheeler—to the Spanish General Staff stating that the presence of U.S. troops on Spanish soil represented a stronger security guarantee for Spain than anything written on paper. The committee concluded:

> The majority of the members still adhere to the opinion that the administration should have submitted the agreement as a treaty. By that means both branches of our Government given responsibilities in the field of foreign policy by the Constitution would have participated in shaping this country's future relationship with Spain.
>
> It is ironic that on November 23, 1970, the President submitted to the Senate, for its advice and consent to ratification, a proposed treaty on extradition with Spain. . . . Apparently the Senate can be entrusted with issues concerning extradition relations, narcotic offenses and aircraft hijacking, but not with matters which could involve the security of the Nation.

On March 3, 1972, the Senate passed by a 10-to-1 margin Senate Resolution 214, calling for the submission of any base agreement with Portugal as a treaty. Relating this to the Spanish base agreement, Prof. William Watson of the Massachusetts Institute of Technology has pointed out in his May 1975 study entitled "Twenty-five Years of U.S. Military Involvement in Spain," that—

> Spain is the only case where the United States maintains significant military forces, conducts frequent joint military exercises, and plans in detail to take common action against potential enemies without being guided by the terms of a mutual security treaty.

While there is undoubtedly ample legislative precedent for submitting such agreements as treaties, the constitutional requirements also seem clear. Article II, section 2 of the Constitution provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided that two-thirds of the Senators present concur." While the framers of the Constitution did not define "treaty" precisely, it seems evident that they believed it vitally important that the President act in concert with the Senate in the creation of national commitments. Prof. Raoul Berger of Harvard has concluded:

> The Founders made unmistakably plain their intention to withhold from the President the power to enter into treaties all by himself. . . . Hence, they circumscribed his power over foreign intercourse by requiring the Senate's participation in "every species of convention usual among nations." To circumvent that careful design by a mere change of labels, by substituting the words "executive agreements" for "treaties"—bearing in mind the absence of significant criteria for distinguishing between the two—is to reduce the restrictions so carefully fashioned by the Framers to ropes of sand.

Similarly, the general conception as to the meaning of the term "treaties" in article II was identified by Alexander Hamilton as designed "to render the treaty-making power competent to all the stipulations which the exigencies of national affairs might require; competent to the making of treaties of alliance, treaties of commerce, treaties of peace, and every other species of convention usual among nations."

Early practice would appear to support this interpretation, but recent practices have come to blur the distinction between executive agreement and treaties. In the entire first 50 years of this country's existence, the United States was a party to 60 treaties and only 27 executive agreements. However, by the start of World War II the tide had turned and while the United States was now a party to some 800 treaties it had also entered into over 1,200 executive agreements. Between 1940 and 1955, the apparent reversal seemed complete—139 treaties and more than 1950 executive agreements were made within this period. The pace continues to accelerate. In the next 15 years between 1960 and 1974, only 201 treaties were concluded compared to 3,478 executive agreements.

These statistics are merely symptoms of the basic problem: The executive branch has been and still is relying on the so-called interchangeability of treaties and executive agreements in order to circumvent the proper consideration of treaties—and approval by two-thirds vote I might add—by the Senate in accordance with constitutional processes.

The submission of any Spanish base renewal agreement for approval as a joint or concurrent resolution would be yet another example of these efforts to undermine the treaty process. Surely the administration recognizes the impact of this pact. They have almost said so in discussions of their submission plans in testimony before the Senate Foreign Relations Committee.

The renewal of this Spanish base agreement encompasses the presence of over 9,000 American military personnel, with another 2,000 or so Navy and Air Force personnel on temporary assignment. Counting the more than 14,000 dependents of U.S. military and civilian personnel, the total U.S. military-related establishment in Spain currently numbers about 25,000.

Also included is the fate of four major American bases on Spanish soil—three Air Force bases at Zaragoza, Torrejon, and Moron, and a naval base for Polaris and Poseidon submarine at Rota. To maintain and operate these bases the United States has spent a total of $2.5 billion over the last 20 years. These costs for fiscal 1975 were over $100 million, more than for any other bases in Europe except Germany, the United Kingdom and Italy. We can be certain that the cost of any new agreement with Spain will be substantially higher.

Even a cursory examination of the State Department's own criteria for selecting among various submission procedures supports the consideration of this agreement as a treaty. The list is contained in Circular 175—Procedures for Treaties and Other International Agreements, published in volume 11 of the Foreign Affairs Manual, section 721.3.

The first criterion listed is the extent to which the agreement involves commitments or risks affecting the Nation as a whole. There is little doubt that the possible future risks contained in this agreement are sufficient to warrant consideration as a treaty. The dangers inherent in a commitment of this size seems obvious. The investments in Spain in material and personnel terms are large, and the bases are considered as vital to American security. The lives of thousands of Americans are integrally linked to what happens in Spain in the near future.

A second criterion is whether the agreement can be given effect without the enactment of subsequent legislation by the Congress, and again supports the treaty route. The pact will certainly require additional legislative activity by the Congress in the form of authorizations and appropriations to finance the assistance which has been agreed to in return for our use of the bases.

A third factor is past U.S. practice with respect to similar agreements. I have already mentioned that Professor Watkins has pointed out that the Spanish base agreement is the only major base agreement which is not the product of a treaty.

A fourth factor is the preference of the Congress with respect to a particular type of agreement. That record is clear. How many times do we have to ask for a treaty before the Department of State recognizes the significance of their own guideline?

A final consideration is the proposed duration of the agreement, and its nature as routine or substantive. It is hard for me to imagine that a 5-year agreement involving 25,000 Americans, a joint military command structure, and a cost of hundreds of millions of dollars can be called either "short-term or routine."

Perhaps most important of all is an admonition contained in the concluding paragraph of circular 175. It warns that in "determining whether any international agreement should be brought into force as a treaty or as an international agreement other than a treaty, the utmost care is to be exercised to avoid any invasion or compromise of the constitutional powers of the Senate, the Congress as a whole, or the President."

At this time of grave uncertainty over the future course of Spain, and in the wake of the tragic experience of Vietnam, we in the Senate must exercise our constitutional responsibility in a matter of such important and insist on the path of advice and consent.

John Jay has observed that:

> The power of making treaties is an important one as it relates to war, peace, and commerce; and it should not be delegated but in such a mode, and with such precautions, as will afford the highest security, that it will be exercised by men the best qualified for the purpose, and in the manner most conducive to the public good.

I firmly believe that by allowing the administration to again conclude an executive agreement, or by permitting the submission of this arrangement for approval in the form of a joint resolution requiring only a simple majority vote of both Houses, the U.S. Senate would be defaulting on its obligation to the American people.

I, therefore, strongly urge my colleagues to join in this effort by cosponsoring this resolution.

SENATE RESOLUTION 296—SUBMISSION OF A RESOLUTION RELATING TO ARMS SALES

(Referred to the Committee on Foreign Relations.)

Mr. MONDALE (for himself, Mr. MANSFIELD, Mr. PHILIP A. HART, Mr. MCGOVERN, Mr. CLARK, Mr. CRANSTON, Mr. STEVENSON, Mr. GRAVEL, Mr. CULVER, Mr. NELSON, Mr. KENNEDY, Mr. HATHAWAY, and Mr. HARTKE) submitted the following resolution:

S. RES. 296

Whereas the rapid expansion of the international weapons trade is a source of growing national and international concern:

Whereas the escalating world sale of armaments is a major economic as well as security problem;

Whereas agressive competition for export of armaments is linked directly to balance-of-payments problems of industrialized nations resulting from higher petroleum prices;

Whereas developing countries that import petroleum face the double burden of offsetting oil deficits and meeting the security threat posed by increased worldwide weapons purchases;

Whereas the United States will be participating in the discussion of world economic problems at the Economic Summit Conference and at the Conference on International Economic Cooperation;

Whereas world trade in armaments deserves the urgent attention of industrialized and developing countries in their efforts to promote a more stable and equitable international economic order;

Whereas the United States, as the dominant international supplier of armaments commands substantial influence in the world weapons market that could be used to curb the global arms trade: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should seek to include as an item on the agenda of both the Economic Summit Conference and the Conference on International Economic Cooperation the urgent issue of spiralling arms sales and measures that can be taken to reduce the squandering of resources on destructive weapons;

Be it further resolved, That it is the sense of the Senate that the President should offer as a sign of good faith to voluntarily limit U.S. weapons sales during the next fiscal year, provided other major weapons suppliers join us in seeking multilateral limitations on international arms sales.

Mr. MONDALE. Mr. President, today I am submitting a Senate resolution regarding the alarming increase in global weapons sales. This resolution seeks to promote recognition that the spiralling arms trade is not only a security problem, but an increasingly serious economic problem as well.

The world is still suffering the aftershock of a five-fold increase in petroleum prices. Some countries have responded by unilateral measures to promote exports and thereby reduce their balance-of-payments deficits. Others, especially those lacking a strong industrial base and essential raw materials, have few means other than emergency aid to shore up their economies.

In the next few weeks, the United States will be participating in two major conferences dealing with international economic problems. The first, to be held this month, is the economic summit, where leading trading nations will discuss means to coordinate policies for combating inflation and recession. The second, the Conference of International Economic Cooperation, will bring together 27 nations in December to consider the institutions and policies needed for an improved world economic order.

The fact that the two conferences have been scheduled offers evidence of wider understanding that close cooperation is needed if we are to rescue and improve living standards and avoid collapse of the world's poorest economies. World energy problems must be addressed. We must focus on commodities, particularly oil and food. And we must work for enlightened trade policies that do not solve domestic problems by pushing them off on other countries.

But there is one more problem that ought to be dealt with when we are considering measures to construct a more stable and equitable economic order: of all the national policies that have been used to respond to recent world economic problems, there is none more dangerous than the increasingly agressive competition for sale of armaments.

Economic rather than security considerations best explain the incredible increase in weapons exports by the major supplying nations over the last 3 years. In an article in last month's Washington Post, Michael Getler discussed the manner in which economic forces are leading toward a major relaxation of West Germany's restriction on arms sales. The FRG has traditionally limited its weapons exports to NATO members with special permission for certain other countries such as Japan and Switzerland. But, Getler reports "changes are under consideration here just as they are in other Western industrialized countries that are seeking, by any means possible, to recoup from the recession, to keep people working and to get back some of the extra dollars they are spending on oil."

I ask unanimous consent to have printed in the RECORD a table which shows the increase in the cost of petroleum imports between 1972 and 1974 for several major Western arms-supplying nations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Following is a summary of the cost of imported petroleum for the years 1972 through 1974. Data for the European countries are for net imports c.i.f. which means that delivery costs are included and exports earnings of petroleum products have been deducted from the cost of imported crude oil. For the United States, the data are f.o.b. but we have deducted United States earnings for our petroleum product exports. All data are in billion U.S. dollar equivalent rounded to one decimal point.

United States	3.9	7.0	23.4
France	2.5	3.0	9.6
Germany	2.9	5.1	11.2
Italy	1.8	2.4	8.0
United Kingdom	2.4	3.3	9.0

Data for 1975 are not available. It is our estimate that given the slight changes downward for delivered quantities (demand for oil is down) and the fair constancy of average prices through 1975 coupled with a downward trend in tanker rates, the oil import bill for the above countries will not differ much in 1975 from that of 1974.

Mr. MONDALE. The 1974 and 1975 figures on weapons sales are not yet available on a country-by-country basis. However, recent estimates indicate that total world sales may have more than doubled between 1973 and 1975. U.S. sales rose from $4.3 billion in 1973 to $10.8 billion in 1974—more than a 100 percent increase in 1 year alone.

Where are these weapons going? Two regions are undergoing the most dramatic arms buildup. The first is among the oil kingdoms, particularly Iran and those in the Persian Gulf. A survey by the International Institute for Strategic Studies, IISS, shows major agreements by Saudi Arabia in fiscal 1975 to buy $108 million in surface-to-air missiles, SAM, from Great Britain, $825 million in armored cars, helicopters, and a SAM system from France, $195 million in antiaircraft guns from Italy and over $1.8 billion in personnel carriers, howitzers, antitank guns and missiles, tanks, and naval equipment from the United States. Iran, at the same time, bought 1,200 tanks from Great Britain, and from the United States: 6 destroyers, 3 submarines, 36 fighter aircratf, and a $500 million communications intelligence system.

I would not question the right of the Saudis, the Iranians, or any other country to obtain the equipment necessary for self-defense. Yet, the level of military purchases in this region has clearly passed from reasonable to excessive.

This frenzied buying of advanced military equipment is becoming a source of real and growing apprehension to neighboring areas.

I do not place all of the blame on the purchasing countries. One can at least understand their desire to have the best military equipment on the market. They have the resources to pay for it. What is harder to defend is the scramble by the industrialized world to sell the latest in hardware and technology, regardless of the implications for collective world security.

The case for restraint is even more compelling in the second area where a large-scale buildup is occurring, among rival nations in the Middle East. Since the October war, we have seen not only a quantitative but a major qualitative escalation in weapons purchases. More and more deadly weapons systems are creating a situation where another war could result in the virtual annihlation of participating countries as we know them.

I am concerned primarily about the level of suffering if war does occur; but there is another kind of suffering we ought to think about. Per capita GNP in Egypt was recently estimated at just over $200. In 1974, nearly a quarter of that was devoted to military purposes. In that same year, almost a third of Israel's GNP went for defense. In Jordan, with a per capita GNP of $291, more than $50 per person was spent to support the military in one recent year. Not long ago, an article appeared in the Washington Post describing economic conditions in Egypt. The degree of poverty is appalling, and it is clear that living standards are not much higher in Syria, or Jordan. Yet Egypt will spend over $6 billion for defense in 1975, and hundreds of millions more are being funneled in through military sales and aid to Syria and Jordan. Israel is countering by increasing and upgrading its arsenals. Where will it all stop?

It is not just the Middle East. There is a new arms race developing among countries right on America's doorstep. In the 5-year period between 1970 and 1974, the value of major weapons imports in constant dollars by South American countries has nearly tripled. Most disturbing is the recent U.S. sale of jet fighters and tanks to Peru, which has reportedly prompted demands by Chile, Brazil, and Argentina for comparable weapons.

There is a classic pattern in weapons trade. An aggressive arms peddler will convince country A to buy an advanced weapons system. Then, he will visit countries B, C, and D to show them that they are defenseless unless they buy the same system too. I am not arguing that this is what the United States did in the Peru example. I am simply pointing out that every sale of a modern weapons system creates its own demand for more and more sales to neighboring countries.

Aggressive arms peddling by arms suppliers is today placing developing countries in a position where they face the double burden of offsetting oil deficits and meeting the security threat caused by arms acquisition of nearby nations. If we cannot find the means to restrain world weapons sales, the momentum that is now underway could carry us into a new era of deeper poverty, diminished security, and increased tension.

My resolution is designed to call attention to this urgent problem. It urges the President to seek inclusion of the issue of arms sales on the agenda of both the Economic Summit Conference in November, and the Conference on International Economic Cooperation the following month. It would also recommend that he offer, as a sign of good faith, to limit voluntarily U.S. arms sales if other suppliers will sit down with us to devise a multilateral solution to this problem.

America is not the only world's leading arms exporter, we are now responsible for more weapons sales than the rest of the world combined. Our lead has increased in recent years, giving us greater leverage than ever before in dealing with the other supplying countries. We must now use that influence to curb the truly terrifying expansion in the international arms business.

I would hope that purchasing countries would join in this effort. Until now, many arms importers have resisted attempts to control weapons sales. However, it is clear that importers, particularly the Third and Fourth World countries are the primary victims of the weapons sales explosion that is now taking place. They are being forced to choose between urgent domestic needs or vastly increased spending for defense just to maintain their present level of security.

Here, in the United States, we are entering the Bicentennial era, the anniversary of the events that launched America as a nation, and made us the world's most enduring democracy. As we approach 1976, we ought to ask ourselves what we want our country to stand for—for peaceful world development, or for arsenals in every corner of the globe stamped "made in the U.S.A."

I think there is an obvious answer, and for this reason, I hope that the Foreign Relations Committee and the Senate will promptly consider my resolution. As further evidence of the need for action, I ask unanimous consent that a recent editorial from the New York Times and the Getler article from the Washington Post be printed at this point in the Record.

There being no objection, the editorial and article were ordered to be printed in the Record, as follows:

[Editorial from the New York Times]

The Arms Business Must be Curbed

The tripling of American arms sales abroad in little more than two years to about $11 billion in the last fiscal year may have stirred concern and debate in the Congress and even in the Administration, which originally encouraged it. But a significant move to restrain this pernicious trade has yet to develop, despite a succession of Congressional studies. Why?

The five-fold increase in the price of imported oil has put vast sums into the hand of the Mideast oil producers, who are the chief arms buyers; and it has added a $20-billion-a-year drain in the American balance of payments. Two months after the oil embargo, a directive by President Nixon on Dec. 20, 1973, set up an interagency committee to spur exports—including, specifically, the sale of arms, which earlier had been carefully restricted, except for shipments to the NATO countries and several other allies believed to be threatened by Communist neighbors or insurgencies.

One rationale for the Nixon arms export drive, which has continued into the Ford Administration, is that if the United States doesn't sell the arms, other nations will. The Pentagon has also argued that longer production runs, achieved through foreign sales, reduce pre-weapon cost for the United States and keep production lines open.

None of these arguments, of course, could possibly justify the extraordinary growth in weapons exports and the huge shipments of military equipment to both sides in arms races in the Middle East, the Persian Gulf and Latin America. But attempts to restrain this vast enterprise now encounter enormous resistance from a powerful munitions lobby.

A study published in The Times this week has revealed that more than 1,000 American companies from coast to coast, including 32 of the nation's 50 largest corporations, are involved in producing or selling arms for export. Other components of the lobby include trade unions, protecting jobs in the arms industry; top legal talent in Washington, including former cabinet members and Presidential advisers; scores of former Senators and Congressmen employed by the major arms makers or their law firms, and more than 1,000 former Pentagon officials, civilian and military, now working directly for arms manufacturers or serving them as "consultants." At home and abroad, arms pushers have mixed normal commercial methods and hard sell with extra legal inducements ranging from lavish entertainment and free vacations to outright bribes totaling millions of dollars.

Until a decade ago, most arms exports were grants given to allies to enable them to defend themselves; with Congress appropriating taxpayers' funds for this purpose, arms went to countries where an American national interest was perceived. Now 95 per cent of the exports are cash or credit sales on commercial or near-commercial terms—and almost any buyer is welcome.

The Soviet Union's repeated refusals after the 1967 Mideast war to accept American proposals for joint limitation of arms shipments to the battlefield countries undoubtedly blocked what could have been the best way to halt the Arab-Israeli arms race. But it is by no means certain that this attitude will always prevail in Moscow. Continuing efforts to open a negotiation on Mideast arms limitation should accompany further efforts for a Mideast political settlement. In the Persian Gulf, the United States is the chief arms supplier both to Iran and Saudi Arabia and could on its own damp down an arms race that now has even the smallest of Gulf sheikdoms acquiring jet fighters.

As long as the Soviet Union, France, Britain, Italy, the Netherlands, Sweden and other countries are also involved in the arms trade multinational agreement will be needed to curb the dangerous and wasteful arming of developing countries. But American arms exports now are much more than double those of the Soviet Union and larger than those of all other countries combined.

The moral responsibility falls upon Washington to restrain its own sales and take the lead in attempting to influence others to follow suit pending efforts to negotiate formal arms control agreements.

[From the Washington Post, Oct. 6, 1975]

Bonn Eyeing New Buyers For Its Arms

(By Michael Getler)

Bonn.—West Germany's long standing restrictions against selling arms outside the North Atlantic Alliance are expected to be eased soon, as pressure grows on the government here to do whatever it can to fight unemployment and recession.

No new public statement of official policy has been made here yet, and a planned meeting two weeks ago of the top level National Security Council to discuss this sensitive issue was canceled without explanation.

But officials in a number of key ministries here say that there is already general agreement within the cabinet of Chancellor Helmut Schmidt that a more liberal attitude toward arms exports will be adopted.

Under self-imposed laws dating back to 1961, and reflecting the determination of the postwar government here to keep its arms industry forever in check, weapons may be sold only to NATO members and with special permission to other countries including Switzerland, Sweden, Japan, Australia and New Zealand.

Sales to so-called areas of tension around the world are prohibited.

But changes are under consideration here just as they are in other Western industrialized countries that are seeking, by any means possible, to recoup from the recession, to keep people working and to get back some of the extra dollars they are spending on oil.

Officials here claim that Germany will not change its basic policy of withholding arms from areas of tension, but will take a more liberal view as to what constitutes a global trouble spot.

In practice, this means that German Panzer tanks and U-boats probably will not show up in the Middle East, but that the next time there is an opportunity to sell arms to Brazil or Iran, for example, the Germans will do so.

Last year, a lucrative order for 800 tanks from the Shah of Iran was lost to the British because the Shah finally gave up trying to get assurances from the Germans that they would not cut off his supply of tanks and parts in wartime.

Privately, officials here claim that they still do not really know what the government would do about resupply if it makes a sale to a country that later becomes an "area of tension."

The pressure—especially from industry—to relax the arms-export restrictions has built up considerably here just in recent months, as West Germany's economy—heavily dependent on exports of cars and machinery—continues to slump and record unemployment continues at more than 1 million.

Government and industry spokesmen argue that Germany's feelings of guilt over World War II have faded; that American, French and British arms salesmen are lined up six deep at every embassy in the world selling weapons.

For Germany, through self-imposed restraint, to forego some of this work and income no longer makes sense, they maintain.

Failure to sell more equipment overseas raises the cost of building equipment for the German army, it is argued. Similarly, 60 per cent of the money Germany now spends on new weapons development projects are for joint ventures' principally with France and Germany normally loses out on subsequent sales.

Thus far, relatively few voices have been raised in caution. Even some left-wing members of Chancellor Schmidt's Social Democratic Party are said to be under pressure from labor to ease the arms export controls.

One warning, however, has come from Theo Sommer, editor of the influential weekly Die Zeit. Sommer warned that it is risky to boost arms exports to improve the balance of trade, and that it could eventually put the government's whole foreign policy "in chains."

Although the Germans have undoubtedly lost some business over the years with their restrictive policy, they have also managed to avoid the pitfalls of seeming to take sides in a dispute by providing arms to certain countries.

Government ministers claim that the aim is not to enlarge the industry, but to use up existing capacity.

Today's West German arms industry is hard to measure, but it is clearly not the colossus it was during World War II.

About 200,000 people make a living from it, but they are spread through hundreds of companies—only a handful of which are predominantly arms manufacturers.

Because of Germany's mammoth level of consumer goods exports, arms now account for only about 0.2 per cent of total exports and about 0.5 per cent—equal to about $1.4 billion—of total industrial production here.

Still, the highly regarded German arms will cause competition for other nations and could cause a substantial increase in these figures under a new policy.

The Leopard tank produced here is widely viewed as the best in any country's arsenal. The new BO-115 helicopter, 206-class submarine, 148-class patrol boat and a string of new anti-tank and anti-aircraft missiles and the Alpha-Jet attack plane, all built with the French, are all likely to find takers somewhere around the world.

Mr. KENNEDY. Mr. President, I would like to join my distinguished colleague from Minnesota (Mr. MONDALE) in cosponsoring his resolution on the international arms trade.

For some time, many of us in this Chamber have been concerned about the growing worldwide trade in arms: where our diminishing direct role in the security affairs of nations in the third world has been replaced by a new role as arms merchants to the world. From less than $1 billion in 1970, our arms sales abroad have now reached a level of $10 billion a year.

Clearly, something needs to be done to place this whole question in perspective, and to bring sense and reason to our arms sales policies. And although the United States is by far the largest seller of arms, an effective answer will require the cooperation of many other nations: Both the other arms sellers, seeking aid for their own arms industries and balances of payments; and the arms buyers, with their own concerns—whether or not we believe these concerns to be legitimate.

Therefore I heartily approve this initiative taken by Senator MONDALE today: Calling on the President to place the question of worldwide arms sales on the agendas of the two forthcoming world economic conferences: the Economic Summit Conference involving the major industrial states later this month; and the Conference on International Economic Cooperation that will bring together oil producers and consumers this December. Both forums are significant for the issue of controlling the worldwide sale of arms: The former, because it brings together all the economic issues facing the industrial countries and can deal with the issues of arms selling; the latter, because it also includes some of the major buyers of arms, without whose cooperation this traffic in arms cannot be effectively limited. For it must be clear that limiting the trade in conventional arms cannot be something imposed upon arms buyers by the sellers: Not only would such an approach do nothing to damp down the interest of many countries in buying arms, but also it would stimulate justifiable resentment that rich and powerful countries were once again discriminating against the have-nots.

Rather than helping to retard the desire of many developing countries to buy arms, attempting to impose restraints without their cooperation might only lead to a greater urge to build military power.

By contrast, a coordinated effort to gain cooperation between arms sellers and buyers—in these two forums and elsewhere—could produce a rational and clear-sighted analysis of the dangers in local arms races, the legitimate needs that individual countries have in security, and the benefits for all concerned—in terms of both economics and security—of achieving agreed limits on arms transfers to various regions of the world.

Mr. President, the wise approach suggested by Senator MONDALE also raises another factor: The need for the United States and the Soviet Union to get on with the business of limiting their own arms race—in both conventional and strategic arms—as a demonstration of their own willingness to decrease the role of military weapons and forces in the overall security of these two nations and the world.

Again, we cannot expect the developing countries of the world to exercise restraint—today in conventional arms and tomorrow in nuclear arms—if the two superpowers continue to pile up weapons of overkill, fail to halt nuclear testing, and fail to forestall new conventional arms races between themselves in places like the Indian Ocean.

Thus the approach suggested by Senator MONDALE underlines again the urgent need to pursue the SALT talks in Geneva, and the folly—for may reasons—of postponing the next agreement until after next year's Presidential elections. If we are serious about security—conceived in the broadest sense of the word, and applying not only to the superpowers but also to other nations—then we need to pursue a coordinated and coherent policy of strategic and conventional arms limits with the Soviet Union, internationally agreed controls on the proliferation of nuclear materials around the globe, and multilateral efforts to control the sales of conventional arms.

SENATE RESOLUTION 297—SUBMISSION OF A RESOLUTION RELATING TO CRIMES AGAINST OLDER AMERICANS

(Referred to the Committee on Labor and Public Welfare.)

Mr. WILLIAMS submitted the following resolution:

S. RES. 297

Whereas older Americans, particularly those with lower incomes, are more likely to be victims of crimes than other groups of citizens in the Nation;

Whereas the rate of personal larceny involving assault against older Americans is the highest in the Nation;

Whereas the fear of crime is among the most serious problems affecting older Americans;

Whereas older Americans are more likely than any other group of citizens in the Nation to be victimized repeatedly by the same offender and, because of the lower incomes of many older Americans, to live in localities with high rates of crime;

Whereas one-half of those older Americans who are victims of crimes suffer physical injury as a result of such crimes; and

Whereas the 1971 White House Conference on Aging and the Administration on Aging have recognized crimes against older Americans as a serious national problem: Now therefore, be it

Resolved, That the Senate requests each Federal agency which administers any program or activity relating to older Americans—

(1) to collect and publish statistics and other information with respect to the causes, types, and frequency of crimes against older Americans;

(2) to conduct studies designed to develop methods and programs to reduce the frequency of crimes against older Americans; and

(3) to transmit reports, no later than 6 months after the date of the adoption of this resolution, to appropriate committees of the Senate containing recommendations for such legislative or other action as may be necessary with respect to the problem of crimes against older Americans.

RECOMMENDATIONS TO REDUCE THE INCIDENCE OF CRIME

Mr. WILLIAMS. Mr. President, I submit a resolution to request Federal agencies administering programs for older Americans to study the causes of crimes against the elderly and to make recommendations to reduce the incidence of crimes.

Freedom from fear is a high priority for all Americans, and especially older Americans.

In fact, it is probably the No. 1 concern of millions of elderly, whether they live in the central cities, the suburbs or rural communities.

As chairman of the Senate Committee on Aging's Subcommittee on Housing for the Elderly, I have been deeply concerned about crimes against persons living in federally assisted housing.

We have been told time and time again—and with heart-rending documentation—that older Americans are the most vulnerable victims of theft, burglary, terrorism, and other forms of violence.

Large numbers have been mugged, beaten, or worse.

It is no wonder that perhaps millions now live under a form of house arrest, barricaded from the outside world.

In addition, many aged tenants are cut off from vital services because friends, family members, and service personnel are afraid to enter their housing projects.

The problem of crime, though, is not confined to aged persons living in public housing.

A recent Gallup poll, for example, revealed that more elderly women are afraid to go out alone at night than at any time in our history.

Our Nation has been grappling with crime now for several years. We know what many of the problems are. But the solutions are not always apparent or readily available.

The resolution that I introduce would help to provide a firm foundation for developing these solutions.

Specially, my resolution would request Federal agencies administering programs for older Americans to:

Collect information concerning the causes, types, and frequency of crimes against the elderly.

Conduct studies to develop programs to reduce the frequency of crimes against older Americans.

Develop recommendations to protect the elderly from crime.

A companion resolution has been introduced in the House by Representative BELL of California.

Our Nation's efforts to reduce the incidence of crime must involve a comprehensive approach on several fronts.

The delegates at the White House Conference on Aging recognized this when they made a stirring call for action. They said:

> A decent and safe living environment is an inherent right of all elderly citizens.

We must work toward that objective, and this resolution would be a constructive step for achieving this goal.

AMENDMENTS SUBMITTED FOR PRINTING

SUSPENSION OF DUTIES ON CERTAIN YARNS OF SILK—H.R. 7727

AMENDMENT NO. 1055

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR., submitted an amendment intended to be proposed by him to the bill (H.R. 7727) to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS—S. 1479

AMENDMENT NO. 1056

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill (S. 1479) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

VOLUNTARY MUNICIPAL REORGANIZATION ACT OF 1975—S. 2615

AMENDMENT NO. 1057

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (S. 2615) to provide for a voluntary reorganization of municipal debt under conditions of fiscal reform, and for other purpcses.

COMMON SITUS PICKETING—H.R. 5900

AMENDMENT NO. 1058

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS (for himself and Mr. JAVITS) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Jesse W. Grider, of Kentucky, to be U.S. marshal for the western district of Kentucky for the term of 4 years, vice William B. Henderson, term expired.

Sherman L. Hansford, of Kentucky, to be U.S. marshal for the eastern district of Kentucky for the term of 4 years, vice Thomas E. Asher, term expired.

Joseph A. Nardoza, of Virginia, to be a member of the Board of Parole for the term expiring September 30, 1977, vice Philip H. Modlin, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, November 13, 1975, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF CONTINUED HEARINGS ON THE NOMINATION OF JACK M. ECKERD

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Government Operations will continue hearings on the nomination of Jack M. Eckerd, to be Administrator of the General Services Administration, on Tuesday, November 11, in room 3302, Dirksen Senate Office Building, at 10 a.m.

The witness will be Hon. Claude Kirk, former Governor of the State of Florida.

ANNOUNCEMENT OF OVERSIGHT HEARING ON SMALL BUSINESS ADMINISTRATION'S SURETY BOND GUARANTY PROGRAM

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold an oversight hearing on November 19, 1975, to evaluate the funding problems, impact, and effectiveness of the surety bond guarantee program of the Small Business Administration. It will begin at 9:03 a.m. in room 1318 of the Dirksen Senate Office Building and will be chaired by the Senator from Oklahoma (Mr. BARTLETT).

For further information, please contact the committee offices, telephone 224-5175.

NOTICE OF CHANGE IN ROOM NUMBER IN HEARING ON LIMITATION OF FEDERAL JURISDICTION OF FREIGHT DAMAGE CLAIMS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearing for the consideration of S. 346, a proposal on limitation of Federal jurisdiction of freight damage actions, previously noticed for November 13, 1975, in room 6202, Dirksen Senate Office Building, have been moved to room 2282, Dirksen Senate Office Building, beginning at 10 a.m.

NOTICE OF HEARINGS ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce than an open public hearing will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States. The hearing will be held on November 18, 1975, in room 457 Russell Senate Office Building, commencing at 9 a.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224-3618.

NOTICE OF HEARING ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that an open public hearing will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States. The hearing will be held on November 11 and 12, 1975, in room 6202 Dirksen Senate Office Building, commencing at 10 a.m.

The Commission on Bankruptcy Laws of the United States has recommended sweeping changes in the bankruptcy law. These recommendations are reflected in the provisions of S. 236. The National Conference of Bankruptcy Judges has also recommended substantial changes in the present bankruptcy law. These changes are reflected in the provisions of S. 235.

Those who wish to testify or submit a statement for inclusion in the Record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224-3618.

ADDITIONAL STATEMENTS

AMERICA'S SELF-IMPOSED MALNUTRITION OF MINERALS

Mr. LAXALT. Mr. President, there have been speakers during the first session of the 94th Congress who have discussed the problems this Nation could face if foreign nations band together in cartels to reduce the supply of minerals—other than oil and gas—to this Nation. There have been hearings on the possibility of a mineral shortage before various congressional committees, and we have been warned on numerous occasions of an impending minerals shortage if steps are not taken soon to avert such a possibility.

However, it is interesting to me to note that probably one of the largest single contributors to what could truly be a minerals shortage of major proportions has been the Federal Government itself. As stated by J. Allen Overton, Jr., president of the American Mining Congress, in a speech before the Rocky Mountain Energy-Minerals Conference in Billings, Mont., recently:

> The United States is heading straight toward self-imposed malnutrition of minerals.

This self-imposed malnutrition is coming about at a time when the Nation neeeds, according to Interior Department estimates, some 40,000 pounds of new minerals for each citizen each year. In the face of this expanding need, it is ironic that the Federal Government has been haphazardly withdrawing public lands from mineral entry—to the point that, according to Mr. Overton:

> By the end of last year nearly 73 percent of this land had been entirely or partially closed to exploration and development of essential resources for leasable minerals and almost 70 percent for locatable minerals.

What is even more ironic is that much of the impetus for withdrawing our public lands from exploration and development for minerals has come from people who profess an abiding concern for our environment. For some reason, many of these people fail to see the connection between mineral development and better water treatment facilities, better industrial pollution control equipment, better auto emission controls, and better refuse-disposal plants. All of these essentials to a more healthful environment must come from minerals. And prohibitions on mineral development can only delay the time when these essential environmental control mechanisms and devices can come on stream.

Mr. Overton has outlined this entire paradoxical situation very clearly in his speech, delivered October 16, before the Rocky Mountain Energy-Minerals Conference, and I ask unanimous consent to have the text of his speech printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

REMARKS BY J. ALLEN OVERTON, JR.

I am grateful for the invitation to be with you today and delighted to bring you greetings from Washington. I'm even more delighted to be away from there.

With the confirmation of Secretary Kleppe as the new Secretary of the Interior, we have seen concluded the changeovers in leadership at the Department of the Interior that have labeled the Department the longest-running topless act in town.

As guardian of the nation's mineral producing capacities, this great Department has a preeminent mission: to promote the economic well-being and assure the national security posture of this country by making certain we have access to a satisfactory minerals base.

Indeed the significance of this transcendent mission was recognized as paramount national policy in the Mining and Minerals Policy Act of 1970, wherein it was declared to be the continuing policy of the Federal government in the national interest to foster and promote private enterprise in the development of a sound and viable mining industry.

In the face of this preeminent mission of the Department, and in the face of this declared national policy some strange things have been coming out of Washington.

One of the most remarkable things to come out of Washington lately has not been mentioned in the newspapers at all, although it deserves a banner headline. It's a study by two highly dedicated young men in the Department of the Interior, who conducted it on their own time and at their own expense.

The results are alarming. By the end of last year nearly 73 percent of this land had been entirely or partially closed to exploration and development of essential resources for leasable minerals and almost 70 percent for locatable minerals.

In magnitude, this is equivalent to putting a fence around every state east of the Mississippi except Maine and posting a sign: Progress Keep Out!

Perhaps most disturbing, this catastrophic trend has shown the sharpest increase in recent years. As late of 1968 we still had 616 million acres open to location and 626 million acres open to leasing. Since then the figure has shrunk to 245 million acres and 223 million acres respectively.

Some of the withdrawn land is theoretically open but, in practical effect, restrictions make it impossible. In some areas, for example, you can do all the mining you want as long as you don't use any vehicular equipment. That's like telling a politician he can run for office as long as he doesn't campaign. I've never met one who could manage it.

The authors of the study compare our public lands to a bank account and indicate that the rate of withdrawals may bring us to the point where our checks begin to bounce. This is not the result of conscious planning, much less any deliberate policy of Congress. Rather, it's as if every member of a big family has his own checkbook to draw on a common account, but nobody pays attention to the balance.

A conglomerate of federal agencies, each looking only to its own particular interests, has been posting OFF LIMITS signs to mining without any thought of the total effect on the availability of vital resources.

Many of the land withdrawals are of dubious legality, but that doesn't keep them from happening. And they're likely to continue happening, as long as we have a bureaucratic octopus where one hand doesn't know what the other ninety-nine are doing.

What's really amazing to me is that, until now, nobody in government had even totalled up the impact on mining of all these separate decisions. We still wouldn't know it, if it weren't for those two extraordinary men in Interior, and I remind you they acted in an unofficial capacity.

Let me briefly review their findings with you. In some cases, hard figures are hard to come by. In others, there is a degree of overlapping. Sometimes land has been withdrawn from one activity but not from another.

So, unless you want a story that is mostly footnotes, I'll have to generalize a bit. But I'll hew to the main facts. And they point to an inescapable truth: The United States is heading straight toward self-imposed malnutrition of minerals. If, in these days of growing demand and threatened scarcity, we hobbled agriculture the way we're handcuffing mining, the country would be up in arms—unless it were too weakened by hunger.

I don't think there's a person here who would argue that mining is suitable everywhere. We're not ogres of rapacious capitalism. When we take our families camping in a National Park, we don't want to pitch our tents on a pile of tailings.

It is entirely proper that mining be excluded from certain areas where it would interefere unduly with other purposes. But, just as man lives not by bread alone, so a nation cannot thrive on an exclusive diet of beauty. And, while flora and fauna have their entitlements, so do people and their material needs.

With this in mind, let's look at the record.

To preserve the Wilderness, about 12.6 million acres have been effectively withdrawn from minerals exploration and development.

The Wild and Scenic Rivers Act drew about half a million acres more from the account.

The Atomic Energy Commission took another two million.

Without any clear statutory authority, the Executive branch has withdrawn another 24 million acres for Fish and Wildlife Refuges.

Utility corridors account for well over 5 million more.

Another 4 million acres are, so to speak, held in escrow as potential primitive areas.

Overall, about 90 million acres have been identified by the Bureau of Land Management as designated roadless areas. Here, I presume, one is free to mine, as long as he enters and leaves on hiking boots or snowshoes.

Well, I have only touched on some of the highlights of what we might call this nation's dangerous withdrawal symptoms. Time does not permit me to dwell on how mining has been outlawed in the name of water fowl, seed orchards and the preservation of pup fish.

Taken separately, none of these actions might be intolerable. But coming as they do, in a flurry of uncoordinated attacks, they are not as harmless as a pup fish. They are as devastating as a pack of piranhas moving in for the kill. They can nip and bite the mining industry to death.

If I may change the analogy slightly, what's been happening up in Alaska seems less akin to piranhas and more like something straight out of "Jaws." Here, our professed policy of minerals development is being chewed up in gigantic chunks.

Since 1968, about 250 million acres of public lands in Alaska have effectively been closed to exploration and development. This, I submit, is not a minor overdrawing of our account. It's a toboggan ride to minerals bankruptcy.

From this spate of protectionist activity, you'd think the mining industry was poised to rip up every square foot of public land. But the record shows otherwise. In the entire history of this country, mining has disturbed only one-tenth of one percent of the land area.

Its impact on the environment is relatively slight, but it must necessarily be selective. After all, one has to dig where the minerals are. And if the industry is forbidden from even exploring, much less digging, we're simply not going to get the minerals that a dynamic society requires.

I've often said that the business of mining is looking for Nature's needle in Nature's haystack. Lately, it seems, wherever we want to look for the needle we wind up getting the shaft.

Alaska, for example, is the largest unexplored area we have and its mineral potential is enormous. But we Americans are denying ourselves the opportunity to realize its potential.

We don't have laws that say you can't grow oranges in Florida . . . plant corn in Iowa . . . harvest pineapples in Hawaii . . . bale cotton in Alabama . . . graze cattle in Texas . . . cut timber in Oregon . . . or crush grapes in California. Even enterprises of such questionable value as making speeches in Washington are not legally prohibited. Nevertheless, we have blindly gone ahead and turned our biggest state into a Twentieth Century reservation.

These things have all transpired in the face of the Mining and Minerals Policy Act of 1970, which declares ". . . it is the continuing policy of the Federal Government in the national interest to foster and encourage private enterprise . . . in the development of economically sound and stable mining, minerals, metal and minerals reclamation industries. . ."

In short, we've set our sights on a goal and then thrown our gears in to reverse. It's a strange way to run a country.

And in western United States today, as a hundred years ago, it appears that the Great Chief in Washington still speaks with a forked tongue.

It's paradoxical that the main impetus for hamstringing the mining industry comes from people who profess an abiding concern for the environment. As I've said, mining causes relatively little disturbance in terms of total acreage. On the other hand, it is essential to ecological improvements on the broad front.

These same people are demanding better water treatment facilities . . . better industrial pollution equipment . . . better automobile emissions controls . . . better refuse-disposal plants . . . and so on. It's high time these self-professed Nature-lovers were told that the things they want won't be woven out of fig leaves. Everyone of them must be constructed with minerals.

Of equal irony, our industry finds some of its most implacable enemies among those who cry out—and, I might add, cry out very justly—for better material conditions of life for the unfortunate members of our society. Better housing . . . better schools . . . better hospitals . . . better industries with better jobs.

How are these things to be created? With what shall we build them? It's high time our critics comprehended this simple fact: Without an abundance of minerals, the ghettoes of America might just as well be officially designated as so many more "primitive areas." They'll be all too well preserved in their present state.

A report issued last year by the Secretary of the Interior points out that *each* year we have to produce about 40,000 pounds of new minerals for *each* citizen, plus enough energy to equal 300 persons working around the clock for *each* of us.

Those minerals have to be found somewhere. They have to be developed somehow. And somebody has to do it.

The mining industry of the United States is equal to the task and eager to undertake it, but we have to be granted the chance. In World War II, Churchill said, "Give us the tools and we will finish the job." Today, our industry has the tools. We only ask that we be permitted to use them to get on with the job.

By now, it ought to be clear that our first goal must be to educate the people and their governmental officials about the facts of life as they pertain to the mining industry. This won't be easy, and I'd like to point out just a few of the hurdles we're up against.

The subject of land withdrawals is complex and doesn't fit neatly into a 90-second newsclip. So we can't expect to communicate with millions on the nightly television shows.

It is exceedingly difficult to get any kind of extensive coverage and balanced treatment in the press. I suppose the only way we could ever make the cover of Time or Newsweek would be to call ourselves Mining Lib and stage a demonstration somewhere.

Members of Congress are inundated with so many bills that they can't even read them all, much less study them closely. Of course, they do have staff people to help them and we should never underestimate their importance.

When I was a young officer in the Air Force during World War II, there was a saying that the only thing better than being friends with the general was to be friends with his orderly. The same holds true on Capitol Hill, where key staff members can exert enormous influence.

The problem is how to reach them and know them. When I first started working full-time on Congressional matters a couple of decades ago, there were less than 6,000 employees in Congressional offices. Today there are nearly 18,000.

Consider, too, the proliferation of committees we have to contend with. The Library of Congress estimates that some 4,000 bills relating to energy alone will be introduced in the 94th Congress. In the House, they will be dealt with by 17 Standing Committees, one ad hoc select committee, and 34 subcommittees. In the Senate, energy questions will be taken up by 14 Standing Committees and 38 subcommittees.

You might want to keep all these figures in mind the next time your spouse complains about having to update the Christmas card list!

Also, I don't need to tell you that our industry faces formidable challenges at the state and local levels of government.

When it comes to calamitous land withdrawals and other issues affecting our ability to serve society, I can assure you that the American Mining Congress is not about to withdraw from battle. On the contrary, we are gearing up for an aggressive campaign to communicate with the people and enlighten their leaders. You will be hearing more about it and we will be calling on you for help.

Now, more than ever before, there is one watchword for everyone of us concerned with the health of mining in the United States: It's time to dig in.

THE MODEL SECONDARY SCHOOL FOR THE DEAF AT GALLAUDET COLLEGE

Mr. MAGNUSON. Mr. President, I would like to speak briefly at this point about the new Model Secondary School for the Deaf. This program falls under the jurisdiction of our Labor-HEW Subcommittee.

I have watched this program grow from an idea to a concept and, eventually, into a reality for our deaf children. Although we are still a few months away from the date this facility will open, I want to take this opportunity to highlight some of the good work done on this important endeavor.

It is gratifying for me to be able to note at this time the positive results of a partnership between the Federal Government and Gallaudet College in the development of the Model Secondary School for the Deaf.

This partnership, established by Public Law 89–694 in 1966, was formed to provide a national model high school for the deaf which will include a continuously exemplary educational program to be located in facilities where maximum attention is given to excellence of architecture and use of innovative auditory and visual educational processes.

This model high school program was initiated with a very few students in a temporary metal facility. From those first 10 students in 1969, school enrollment now has grown to over 100. Once completed, enrollment is expected to reach 600 pupils. Educators and parents of deaf children from throughout the Nation and other countries are already visiting and working at the high school so that they may learn of the educational and programmatic techniques being developed at the school and carry home with them, for local use, those aspects which will be most beneficial to their specific needs. The impact of this school is, therefore, a national one, and it is destined to influence education of the deaf everywhere.

The college and its architect, Hudgins, Thompson, and Ball, also should be congratulated on the model high school's design. It is flexible, exceptionally imaginative, and yet, functional.

The facilities of the model high school are being built in phases, the last of which, student housing, will soon be under construction. This housing, which will serve students from five States and the District of Columbia, will be completed in fiscal year 1977. The academic complex will be completed this fiscal year and be in use this time next academic year. These faciilties represent the translation into bricks and mortar of the exact spirit of Public Law 89-694, the law that created this school.

The Model Secondary School for the Deaf is a perfect example of the success possible in creating effective programs for the handicapped through the cooperation of the private sector and the Federal Government. Gallaudet College, the administration and the staff of MSSD, and the project's architect are to be congratulated.

DEVELOPMENT OF AMERICAN HANDCRAFTS—S. 2623

Mr. MATHIAS. Mr. President, yesterday I introduced S. 2623, a bill to promote the development of American handcrafts. I ask unanimous consent that the text of this bill be printed in today's RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) there is a growing need for a more effective and coordinated national effort in support of American handcraft artists and their products;

(2) assistance to the American handcraft producer should include training, display, marketing and technical services relating to handcrafts production on a local, regional and national level; and

(3) in order to promote cultural exchange between the United States and foreign countries, a need exists for the United States to arrange for the display and sale of American handcrafts abroad.

SEC. 2. (a) The Chairman of the National Endowment for the Arts (hereinafter referred to as the Chairman) shall be responsible for the establishment and administration of a program to promote the development of American handcraft artists and their products. Such program shall provide—

(1) on a regional basis within the United States whenever practicable—

(A) assistance in the design and production of, and assistance in the training of persons to design and produce, American handcrafts; and

(B) assistance in advertising, conducting marketing research, shipping, displaying, and selling American handcrafts within the United States; and

(2) to the maximum extent practicable, for the display and sale of such handcrafts on any property in foreign countries used by the Federal Government, and for the display and sale of such handcrafts at other places in any such country.

(b) In carrying out the functions described in clause (2) of subsection (a) of this section, the Chairman shall cooperate with the Secretary of Commerce.

SEC. 3. The Chairman shall, in cooperation with the Interagency Crafts Committee, formulate a plan for more effective coordination of handcrafts programs carried out or assisted by the Federal Government. In the formulation of the plan required by this section, the Chairman shall obtain the advice and guidance of State Arts Councils, handcraft organizations and cooperatives and handcraft producers throughout the United States. A report summarizing the plan required by this section together with the recommendations of the Chairman shall be prepared and furnished to the Congress not later than one year after the date of enactment of this Act.

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 4. (a) The Chairman, in cooperation with the Interagency Crafts Committee, shall establish and maintain in Washington, District of Columbia, a National Center for American Handcrafts. The Center shall provide facilities for the Interagency Crafts Committee, for studios for visiting crafts artists on such terms and conditions the Center considers appropriate, for a research and design library, for display and sale of American handcrafts, for the display and sale on a limited basis of the handcrafts of foreign artists, and for such other programs and activities as the Chairman and the Interagency Crafts Committee determine will contribute to carrying out the objectives of this Act.

(b) The Chairman shall, in cooperation with the Interagency Crafts Committee, prepare preliminary guidelines for the planning and operation of the National Center for American Handcrafts.

HOUSING MUST NOT CONTINUE AS ECONOMIC SHOCK ABSORBER

Mr. HUMPHREY. Mr. President, last month I had the privilege of addressing the annual convention of the National Savings and Loan League.

In these remarks, I pointed out our Nation's failure to meet the housing needs of our people. Recession in America means a depression in housing. We cannot afford the risks involved in allowing housing to be the Nation's economic shock absorber.

To restore our housing sector to health, and improve the strength of economic recovery, I called for the following:

More aggressive implementation by the administration of the housing programs that Congress has already enacted;

A monetary policy that will bring us interest rates that are low enough to promote private sector housing construction;

Maintenance of an interest differential between our home financing thrift institutions and both commercial banks and Government; and

Creation of a Federal Housing Bank to provide 6 percent to 7 percent maximum mortgage interest rates for low and middle-income families.

Mr. President, I believe that these are some of the most important elements in a comprehensive national housing policy. They would provide stability to our housing industry and at the same time bring the possibility of home ownership back within the reach of millions of Americans.

Mr. President, I ask unanimous consent that my remarks to the National Savings and Loan League be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT HUMPHREY

It is a pleasure to be here with my friends in the savings and loan league from across the country.

I am happy to say that I have known your outstanding organization and many of its members personally for many years.

Therefore, I am here with you today as an admirer, a friend, and one intimately familiar with the tremendous accomplishments here and abroad, of our Nation's savings and loan institutions.

During the last 25 years, your institutions have made it possible for 24 million Americans to own their own homes.

You have given the average American citizen an opportunity to participate and share in our economic system.

Yes, working Americans have found it possible to accumulate capital as they have met their housing needs.

The millions of jobs created, the untold billions of income and production generated, and the happiness and dignity which you have added to family life, are cherished accomplishments in which you all can take great pride.

I am also very familiar with your organization's fine work overseas. I know that many of you have gone to various developing countries, have worked effectively with the local governments, and have helped to establish national savings and loan systems.

In many cases, these institutions are now providing the first real opportunity for these people to save and to have something to save for.

In recent years, the housing industry has been in serious trouble and all America has suffered as a result. The continuing depression in housing has been a major factor in producing the worst recession since "The Great Depression."

Just a glance at the statistics show what has happened in the past two years. This Nation built more than two million homes a year in 1971, in 1972, and in 1973. But in 1974, we plunged to just over one million units, and that pitiful level is about where we are today.

A million housing starts a year is an inexcusably poor record; it doesn't begin to meet the growing needs of our people.

This situation cannot be allowed to continue. The time has long since passed when we should have ended this housing depression. We cannot afford to continue to take the great risks involved in allowing housing to be the Nation's economic "shock absorber".

Our failure to produce adequate housing at reasonable prices for our citizens has turned the government's promise of "a decent home in a suitable living environment for every American" into an empty promise.

In fact, it is such empty promises that breed the cynicism that is rampant among our people today.

A partnership of the private sector and government is essential if America is to have the homes it needs.

Housing must be returned to its priority role in the economy. We need action on the part of the Administration that recognizes rather than ignores the special needs of the housing market, and the special needs of financial institutions that serve that market. The savings and loans and the thrift industry were created to allocate credit to housing.

Let me assure you that my commitment to a system of strong and effective home financing institutions will not waiver. Legislation will soon come before the Senate that would substantially alter our nation's financial institution set-up. I assure you that this proposal will receive my most careful scrutiny.

We must insure that the vital role played by our nation's savings and loan and thrift institutions in the past is encouraged in the future—not undermined.

The Nixon-Ford Administrations have had no comprehensive National Housing Policy. Their moritoria on federal spending programs, their snail's paced implementation of the Section 8 housing program, their vetoes of programs to get more houses built, and their high interest rate economics, have turned the nation away from its important housing goals.

In the 1950s, two out of three families could afford to buy the average priced home being built in this country. But in 1975, according to a study done by the Joint Economic Committee, less than one family in five can afford to purchase a home.

Here is the sad story.

In the last ten years, nationwide home construction costs have risen 71 percent, home maintenance and repair costs have soared 92 percent, mortgage rates climbed 57 percent, property taxes have risen 64 percent, and utility bills are up over 60 percent. In effect, home ownership is now outside the reach of all but the most fortunate American families.

With these conditions a part of our economic life, it is imperative that savings and loans, and other thrift institutions, be given the tools, the means, to provide ample credit for housing.

Frankly, our housing policies are very confused. When I was a young man, with a growing family, and needed a good roomy house, I couldn't afford it. Today, with my children all married and me with very little time to be at home, I have two beautiful places.

Housing policy is upside down. We need programs and decisions by government that make it possible for the responsible young family to invest in good housing in decent neighborhoods—that's when you need it—not when your family has grown and gone.

Let's hope that the recent victory of the Congress in reopening the 235 Homeownership program is an indication that the Administration is beginning to understand the importance of housing to an economic recovery. After months of badgering to move this program, we finally had to bring a lawsuit through the GAO. The recent announcement by Secretary Hills, that this program will be implemented, is the result. But I still wonder why it took 18 months?

And why, I ask you, will it take until next spring to put the program into effect?

What we need are housing programs that start, and then keep on going. We cannot tolerate having programs begun by the Congress and arbitrarily turned off by the Administration!

There are several steps that must be taken to restore the health of housing and, thereby, our entire economy.

First, I believe that the Executive Branch can and must move more aggressively to implement the housing programs that Congress has already enacted. The "foot dragging" at HUD must come to an end.

Second, the Chairman of the Federal Reserve Board, in consultation with the Administration and with Congress, should pursue a monetary policy that will bring us interest rates low enough to promote private sector housing construction.

The increases in automobile production and housing construction for the next year are barely enough to restore these sectors to mid-1974 levels. This is not satisfactory.

But even this level may be imperiled if money and credit are insufficient. For as interest rates rise on short term borrowing, depositors at the "savings and loans" withdraw funds in order to invest in higher yielding Treasury notes Certificates of Deposit and other market instruments.

The demand for mortgage loans must then be dampened and this is done by higher rates on long term mortgages.

If this occurs, we will be looking toward a 10 per cent mortgage rate by the end of this year and this is disastrous.

In effect, this means "disintermediation"—a complicated way of saying Government first, people and housing last!

You and I know that the Savings and Loans "loan long" and "borrow short". Such a situation needs a stable government policy that recognizes the need of a rate differential between the thrift industry and the commercial banks and the Government—this is Regulation Q—and it is the key to growth and stability in the housing industry.

Third, the federal government must get back into the business of encouraging housing production. Last spring we passed emergency housing legislation which provided a 6 per cent initial interest rate which rose to the market level after a period of three years.

I voted for that bill because in my view we had to do something to get housing construction going again. Of course, that was another housing disaster that occured in the Oval Office—Veto!

Housing is a basic need of people; it is an essential sector of our economy.

The government should do what is necessary to support it.

Therefore, I will continue to urge passage of my Federal Housing Bank Bill, which provides for interest subsidies for low and middle income housing. A policy of 6% to 7% interest rates on mortgages for low and moderate income families. It would operate cooperatively with your institutions.

The Federal Government makes available the interest subsidy—you make the loans—we do not create a new bureaucracy.

And let me add this thought. We are all very concerned with capital scarcity. I think we all agree that our economy requires more saving.

It seems to me an extreme contradiction, in this case, to pursue policies which put home ownership out of the reach of most Americans, people will go to extraordinary efforts to save—whether in Brooklyn, New York or Bogota, Colombia, if the possibility of owning their own home is held out to them. There is no better way of increasing savings than through a National Housing Policy that makes it possible for the average worker to buy a home. Give him an incentive.

What I have outlined are some of the vital elements of a comprehensive National Housing Policy. They would provide stability to our housing industry, and at the same time, bring the possibility of home ownership back within the reach of millions of Americans who cannot own their own homes today.

Of course, the best housing policy that we can devise will be worthless if the inconsistent and sporadic, on-again off-again, economic policies and programs of the last several years continue.

Today, the economic situation is certainly looking up. The evidence of strong expansion in the Gross National Product and in industrial production during the third quarter of this year certainly is good news. This is important, and encouraging—and it is about time.

However, we must also remember that 30 per cent of our Nation's industrial capacity is not being used and that 8.4 per cent of our Nation's labor force—more than 8 million workers—is out of work.

We need a National Policy that will put these resources back into production quickly and without reigniting inflation. With the current slack in the economy, the chances of producing inflation because of too much pressure on capacity are quite remote.

We should all bear in mind that expansion and inflation do not necessarily go hand in hand. To the extent that expansion increases profits, provides "home grown" capital, and decreases unit costs of production, expansion can result in reducing the pressure on prices.

As Chairman of the Congressional Joint Economic Committee, I have taken a very close look at the Nation's economy, its rate of recovery, and what government actions seem appropriate at this time.

The economic recovery we are experiencing at present can be tied, in part, to two temporary factors—tax reduction and rebates and the inventory swing. Once these factors have run their course, it is possible that the rate of economic growth will slow significantly.

To prevent a slowdown in recovery I believe that we should take several steps. I will outline them briefly for you.

The tax reductions of 1975—excluding the rebates—should be extended into 1976. Moreover, Congress should carefully consider and be prepared to quickly enact additional tax cuts if recovery lags.

An emergency jobs program, to put at least a million unemployed Americans back to work on projects of clear community value, is a must.

We need to enact the Federal Reserve System Modernization Act, which I have introduced. It is time that the FED became responsive to the Congress which created it and the people of this country,

Anti-recession assistance to state and local governments in areas with serious unemployment problems.

Finally, as I said before, we need more expansionary monetary policy to keep interest rates down, and a Federal Housing Bank to standardize interest rates on housing for low and middle income families.

These are critically important steps that need to be taken now if we are to achieve a strong and sustained economic recovery.

The President's proposal of a massive tax cut on January 1st followed by a massive reduction in federal spending ten months later is more politics than good economics.

Certainly, the economy needs fiscal stimulus, but I am afraid President Ford has become a "true believer" in tax cuts after seeing the positive effects of the action taken by the Congress last winter.

In fact, his proposal may be seen as repentance for past sins. Unfortunately, and not uncommon among converts to any cause, his action is a bit overzealous.

In fact, it reminds me of the old Anglo-Saxon who upon being baptized as a Christian asked that he be submerged in water up to his right armpit. He wanted that arm free to continue hacking away with his sword as he had in the past, before he found Christianity.

The question today is what President Ford will hack away with his $28 billion budget cut.

Certainly there is fat in the Federal budget that can be cut. But Congress is not going to buy his proposal without careful scrutiny. We must know exactly where the cuts are intended. Likewise, the timing of the tax and budget cuts needs to be carefully analyzed—and I assure you it will be.

The new Cognressional Budget process is of historic importance in checking federal spending. It has imposed a kind of fiscal discipline on the Congress that it has never known before. As importantly, it has restored the ability of Congress to look comprehensively at the Nation's priorities in a very careful and informed way. We must reject any proposal that would destroy this process.

I share the President's concern over the size of the Federal deficit. But, of course, the best way to cut the Federal budget deficit is to get our country back to work. If we could trim the unemployment rate by 2 percentage points, we could cut the federal budget deficit through reduced payments for unemployment compensation, welfare programs, and increased tax revenues by $30 billion or more.

When the budgets of America's families are in balance the national budget will be as well.

Unfortunately, the logic of this argument has been disregarded by the present Administration.

As businessmen, you know that waste is your great enemy. You know how it can destroy an otherwise healthy company. Well, it is no different for our nation. This recession has cost us $300 billion in the last two years and will cost $1.5 trillion in lost income and production by 1980. It has also meant that 75 million Americans have had unemployment in their immediate family some time during 1975.

This just isn't good enough for America. Our people expect more and, frankly, they deserve more. It is time we began to utilize fully the resources with which this Nation has been so uniquely blessed.

If we put all of our resources back to work with consistent and compassionate economic policy, we will whip inflation, we will get our people on the job and off the dole, we will get interest rates down, we will begin to meet our Nation's housing needs, and we will balance our Nation's budget.

The most important job facing us today is the restoration of confidence in America.

Let us not forget that we meet today as citizens of a wounded nation—an uncertain nation—a nation that has had its self-confidence shaken.

Our Nation has been torn by a decade of violence at home and tragic war abroad.

Our Nation has suffered the traumatic experience of wholesale corruption in its national leadership.

And, our Nation has gone through an economic crisis second only to the "Great Depression."

The voices of doubt, division and distrust have sung their dirge in America long enough.

It is time that a chorus of confidence, aware of our Nation's unequaled strength, sing out across this great land.

And it is time that the helm of national leadership be placed firmly in the hands of those who have hope and optimism about America—people who can restore our economy to health and show all of our people that this is their government and that it can be effective in meeting their needs.

Enough of this No! America, No! We need to hear Go! America, Go!

SAKHAROV'S WARNING OF DANGEROUS ATTITUDES IN THE WEST

Mr. LAXALT. Mr. President, I should like to bring to your attention an excerpt from the book, "My Country and the World," by Andrei Sakharov in the October 19, 1975, edition of the Washington Star. Mr. Sakharov, a physicist who helped the Soviet Union develop the H-bomb, has now shifted from scientific to political and social matters and is the winner of the 1975 Nobel peace prize. Previously, he had been immune from official Soviet criticism due to his leading position in the Soviet scientific community, but his boldness in speech and writing has been the cause of much recent harassment.

Mr. President, I feel it very worthwhile to take heed of Mr. Sakharov's warning of the dangers of current faddish attitudes in the West. The need for awareness of this threat is well illustrated in the article, which I ask unanimous consent be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Sakharov Warns the West: Leftist Fads Aside, the Threat Is Real

(By Andrei Sakharov)

In recent years I have had occasion, for the first time, to meet people from the West—to verify and supplement my vicarious impressions of that world, which in so many respects forms a contrast of ours but which, in what is deepest and most important, is humanly understandable.

My attitude toward the foreign intelligentsia—toward the people I have come to know personally—is compounded of a deep liking, hope, and a respect bordering almost upon envy. In the best people from the West I see—and value very highly—an inner freedom, a readiness to debate combined with complete respect for the opinions of others, an absence of national prejudices, a realistic and practical cast of mind, and a readiness to undertake good works.

And yet in my opinion there is one characteristic common to many Western intellectuals that is somewhat disturbing. I refer to what I have called, in my own mind, "leftist-liberal faddishness." In a naive form it is partially illustrated by a reply made by one American in a conversation with an emigrant from the USSR: "Well, all right. There are lots of things in Russia that you don't like. You were mistreated there. I can understand that. But I imagine you don't have any prejudices against China. Aren't you happy with what's going on there now?"

If my analysis and opinions are mistaken, I hope my friends in the West will forgive my lack of information. But if I have hit the mark even partially, then I believe they should take serious note.

I have no doubts as to the altruism and humanity of most of the Western liberal intellectuals—as to their hopes for the welfare of all people, for equal justice for all. But I fear that such things as a lack of information or the opportunity to analyze it critically, faddishness (which is all-powerful in the West), the fear of seeming old-fashioned (especially to one's own children, as many frankly admit), a lack of imagination where the factor of distance is involved, and an inadequate notion of the tragic complexity of real life (in particular, life in the socialist countries)—that these things may lead, and are already leading, to dangerous mistakes both in the intra-political life of the Western countries and in evaluating the difficult questions of international relations. Distance can cause one to have doubts about the strange and frightful things that one has learned only from books and stories.

(My wife's mother, who spent many years in Stalin's labor camps as a ChSIR (member of a traitor's family), has a close relative who lives in France (and who, incidentally, is a member of the French Communist party). He once tried to find out from her whether there was "a particle of truth" in what Solzhenitsyn had written. She could only laugh bitterly.)

The liberal intellectuals of the West undoubtedly have good reasons for being dissatisfied with many aspects of their society. In hundreds of newspapers they read of acts of violence and cruelty, of social and racial discrimination, of the horrors of famine in the under-developed countries, and the terrors of war. They not only read these reports but see them with their own eyes, since there is no problem about traveling through their own country, or obtaining visas for Africa or Latin America.

People in the West enjoy a plethora of accessible information, an abundance of different ideas, and the coexistence of competing political groups. Some of these groups pursue very private interests, but all of them profess some brand of politics. In the West, political activity—the circulation and promotion of social ideas—becomes a profession just as easily as any other kind of activity, and is associated with the material interests of groups and individuals.

As is the case with us, many Westerners find themselves unable on their own to evaluate critically the flood of facts, opinions and ideas that pours down upon them; and faddishness with all its irrational laws comes to the fore. Often it is not the more logical ideas that take precedence but ephemeral notions that are more extravagant and easier to grasp.

"Left-wing faddishness," it seems to me, is now dominant in the West and has achieved that position through the complex interplay of various factors. Two of these are the eternal hankering of youth after the most radical changes and the fear of the more experienced and cautious representatives of the older generation that they may lag behind their own children. In the West, as everywhere else, there exist complex social problems that cannot be solved immediately, within the framework of the existing system. But radical solutions, with their persuasive, surface simplicity, create the illusion that those problems can be quickly solved.

Another important factor in the dominance of leftist faddishness is the fact that over a period of decades the Western world of free competition among ideas has constantly been fed by a small stream of pro-Soviet or pro-Chinese propaganda in which various, basically sound socialist ideas are tendentiously mixed with half-truths and out-and-out lies. This factor is perhaps not terribly important. But it, too, exerts a force; and in many ways it is rather effectively strengthened by the direct and indirect support of certain writers and politicians.

Such, it seems to me, is the soil that has given rise to the dominant stereotype of the leftist liberal intellectual of the West, with all his illusions and mistakes. Basically, however, the majority of such people have an outlook that is high-minded and humane, have real grounds for dissatisfaction with their society and feel good will and an aspiration toward justice and the common weal. And this permits me to hope that in the final analysis the Western intellectual won't let the rest of us down. Totalitarianism, fascism of whatever brand, demagogues, and intriguing politicians—these things are not, I trust, for the likes of him.

With respect to his own country, the Western liberal intellectual supports the full measure of civil liberties and economic and social reforms of the socialist type. These aspirations are in fact in the spirit of the times; they will probably promote justice, happiness and the flourishing of society, and help to eliminate rough spots and societal defects.

It is not by chance that I emphasize caution. I am deeply convinced that the thoughtless, frivolous pursuit of leftist-liberal faddishness is fraught with great dangers. On the international level, one danger is the loss of Western unity and of a clear understanding of the ever-constant global threat posed by the totalitarian nations. The West must not under any circumstances allow the weakening of its stand against totalitarianism. There is an internal danger for each country of slipping into state-capitalist totalitarian socialism. These two threats are of course closely related. And the growth of leftist ideas must not lead to a weakening of the international defense of human rights throughout the world, with the same standards for the Englishman, the Frenchman, the black from the Republic of South Africa, the Crimean Tatar, the Russian, the Ukrainian, the Italian, and the Vietnamese.

In comparison with these problems, many of the day-to-day matters that are disturbing the ordinary man in the West are of slight significance. If he, his children, or his grandchildren ever live under a system even remotely resembling ours or the Chinese, they will understand—it isn't too late.

The late Arkady Belinkov (a Soviet literary critic and former political prisoner who defected to the U.S. and has since died) who was received with so much coolness and distrust in the West, once wrote: "Socialism is the kind of thing it's easy to sample but hard to spit out." And indeed, by virtue of its inherent qualities of immanent stability, and the inertia of fear and passivity, totalitarian socialism (which may be called "pseudo-socialism") is a kind of historical dead end from which it is troublesome to escape.

Certain Westerners have expressed the opinion that the failures and calamities in the USSR and the other Eastern socialist nations are due to the fact that these are "benighted Asian countries" without democratic traditions and without any history of respect for the rights of the individual. For these nations—for the Russians, the Chinese, the Vietnamese—everything that takes place (terrorism, muddling, dirt in the maternity home, violations of freedoms—I am intentionally citing disparate things) is allegedly customary and even "progressive," since those people have such a strange way of taking a step forward. But, it is alleged, the West, with its democratic traditions, will rise in one upward swoop to the higher level of "socialism with a human face"—humane and effective. In particular, such arguments are, I gather, widespread among the Western Communists—especially among the intellectuals and leaders. But for the rank-and-file Communists they employ the simpler methods of distorting and concealing the truth about the lands of victorious socialism.

These typically leftist-liberal arguments (I call them "inverted Slavophilism") are in no way justified by historical experience. To me they represent a dangerous illusion and an immoral use, perhaps in order to appease consciences, of different yardsticks for "our people" and "other people."

Heretofore socialism has always meant a one-party system, power in the hands of a grasping and incompetent bureaucracy, the expropriation of all private property, terrorism on the part of the Cheka or its counterparts, the destruction of productive forces, with their subsequent restoration and expansion of the cost of countless sacrifices by the people, and violence done to free consciences and convictions. So it has been in the USSR, in the people's democracies, in the People's Republic of China, and in Cuba. (The example of Yugoslavia, the nation most independent of Soviet guardianship and the freest and most open of the socialist countries, is especially significant.)

Is all this inevitable? I believe that in principle "socialism with a human face" is possible, and represents a high form of social organization. But it is possible only as a result of extraordinary collective efforts, plus wisdom and selflessness exercised by a great part of the people—something uniformly difficult to achieve for any country, requiring especially favorable domestic and foreign conditions. The total nationalization of all means of production, the one-party system, and the repression of honest convictions—all must be avoided or totalitarianism will prevail.

I would also assume that the totalitarian states stand at an especially great distance from this ideal; that they are farther from it than capitalist states of the West. In 1968, the world witnessed an attempt by the Czechoslovak Communists, supported by the Czech people—especially the intelligentsia and the working class—to purge totalitarian socialism of its monstrosities (it was there that the phrase "socialism with a human face" came into use) and, at the same time, to rid the country of the USSR's humiliating and dangerous guardianship. This attempt achieved certain successes, and elicited admiration throughout the world. But it was precisely the successes that made the USSR, East Germany and Poland fear them as dangerous examples, and that served as the reason for the shameful intervention. Totalitarianism defended itself with tanks; but in so doing it compromised socialist ideas in the eyes of millions of people for a long time.

The dangers of totalitarianism associated with the socialist, so-called progressive path of development—especially in the specifically modern setting of a divided world—have been repeatedly and glaringly evident in recent times.

As I write, [in the summer of 1975] the world is watching Portugal, where the mechanics of falling into totalitarianism are in operation.

The manifestations of the leftist position in international relations are no less serious. The illusions commonly entertained by the leftist-liberal intelligentsia as to the nature of society in the USSR and the other socialist countries, as to real domestic and geopolitical aims of the ruling circles in those countries, make it difficult to evaluate the true significance of detente. And sometimes governments of the Western countries are prompted to take false and dangerous positions—to grant unilateral concessions and "gifts" in the course of detente. In the Western nations, the majority opinion has a direct influence on the practical actions of political leaders, who (so it seems to me, looking at them from here) usually pay heed to their constituents, the press and public opinion.

In particular, the leftist intellectuals are urging their governments toward unilateral disarmament. But such disarmament could lead to a disturbance of the international equilibrium—to weakening the Western position vis-a-vis the totalitarian threat—and could induce stepped-up expansion by the socialist nations, especially in the strategically important focal points of the Third World; e.g., the Indian Ocean.

The domestic socioeconomic problems of the Western countries should be solved by mobilizing resources and by means of temporary economic belt-tightening—not at the cost of weakening their stand toward the threat. Balanced disarmament is extremely important; but this result cannot be achieved from a position of weakness.

Also important is the political and economic unification of the Western countries, as in the Common Market (of course not by opposing the United States, the leader of the Western world, but in close cooperation with it). I experienced a feeling of relief at the outcome of the 1975 Common Market referendum in Britain, and of Greece's impending adherence to the Council of Europe. In these situations, the immediate economic aspect of the problem must be relegated to a secondary status. It is most important to oppose expansion by the totalitarian countries. So far, the leftist, "progressive" forces have not taken a clear-cut position in all these matters.

The "leftist" mistakes in Vietnam have been repeated in other cases as well. The leftist-liberal intellectuals are often ready to support and defend extremist and even terrorist groups in their own countries and throughout the world, if these groups are using a leftist mask, while at the same time the intellectuals are ready to condemn harshly those who do not make common cause with them for being conservative and reactionary. This viewpoint is a tremendous danger for mankind.

The leftists usually accept too trustingly the dogma of the advantages of the socialist system, and avoid listening to anything that contradicts it. Reports of current social and economic difficulties and the political, ethnic and religious persecutions that are taking place today are often regarded by such intellectuals as exaggerated and artificially selective.

But even in the most hideous years of Stalin's terrorism, when the fog of misinformation and pro-Soviet propaganda was especially thick, there were honest and brave individuals in the West who realized the truth and managed to speak it. Today the situation has changed in many respects; the fog has begun to lift.

Individual actions taken in socialist countries have played a special role in leading to important psychological shifts. Each deed of this kind is pursued at a high price. In some cases a person involved may suffer repression; in other situations there may be long-term consequences for the cause he has espoused, for his friends, his children, or his close relatives.

I would hope that my book will be heeded. I am hoping, in particular, that members of the Western intelligentsia will more vigorously defend human rights in our nation and the other socialist nations.

In 1974 international support saved the Panovs. Unquestionably, the public statement by Prime Minister Harold Wilson played a decisive role, bringing the protests up into those high quarters not usually reached by noise from the street. The same thing is possible in other cases. The story of the Panovs confirms that only the strongest pressure—the kind to which the Soviet authorities are most vulnerable—has any chance of success. Only pressure can compel those officials who are not entitled to deviate from their instructions to request further instructions from the higher leadership, which is sometimes capable of reacting in an unconventional way.

SAVING MONEY FOR THE FEDERAL GOVERNMENT

Mr. MAGNUSON. Mr. President, I ask unanimous consent to insert in the Record, at the conclusion of my remarks, correspondence and supporting documentation from the Director of the Congressional Budget Office on the probable impact on the Federal budget if S. 354, the national standards bill for no-fault insurance, is enacted into law.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MAGNUSON. I am pleased to announce that our Budget Office has confirmed the tentative findings of the executive department, which was set forth in the report of the Committee on Commerce recommending enactment of S. 354—Senate Report 94–283.

Enactment of S. 354 will save the Federal Government at least *$6,800,000* each year. We all know that enactment of national standards no-fault will save money for the average motorist and car-owning family in the Nation. Now, we know that the Federal Government which owns a lot of motor vehicles, will also save money.

Mr. President, it is time that we took

concrete steps to cut Federal expenditures. The President advocates that Congress take steps to enact programs that save the Federal Government and thus taxpayers money. The way to proceed is through bills like S. 354, which guarantee a better product at a lower price.

EXHIBIT 1

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., October 23, 1975.
Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your letter of March 18, 1975, which requested an estimate of savings to the Federal Government if S. 354, "National Standards for No-fault Insurance Act," were enacted.

Based on a survey of six of the largest Federal agencies (in terms of motor vehicle usage), CBO estimates a total annual savings to the Federal Government of $6.8 million if S. 354 were enacted. These savings would result from fewer tort claims and suits against the United States for bodily injury arising from automobile accidents involving Government-owned or operated cars.

The estimate does not include any savings related to: (1) administrative costs (i.e., reduction in time of Federal employees devoted to processing claims), or (2) personal property claims. Savings in administrative costs were considered to be minimal because the majority of employee time is spent in processing personal property claims, or in defending against personal injury suits involving death or serious injury. Both categories of claims will continue to be processed under the proposed no-fault system. Administrative savings and savings from reduced personal property claims could become significant if a large number of States eliminate subrogation for personal property claims in their individual State no-fault plans.

Our detailed report on the cost estimate is enclosed. If additional information is needed, please do not hesitate to call me or my staff. We also are providing this report to Chairman Van Deerlin of the House Subcommittee on Consumer Protection and Finance.

Sincerely yours,

ALICE M. RIVLIN,
Director.

ESTIMATE OF SAVINGS TO THE FEDERAL GOVERNMENT WHICH WOULD RESULT FROM ENACTMENT OF NO-FAULT LEGISLATION

SUMMARY

Legislation to establish a non-fault insurance system for motor vehicles is now pending in both Houses of Congress. The legislation would establish national standards for State no-fault plans, including benefits for medical expenses and wage losses. Under the legislation the Federal Government would be treated as any motor vehicle owner, except that it would be a "self-insurer" instead of purchasing no-fault insurance from a private insurer.

Under the legislation, persons injured in an automobile accident involving a Government-owned or operated motor vehicle would look first to their own insurance company for benefits. Federal employees are the principal exception; they would receive their benefits under the Federal Employees' Compensation Act. Personal injury claims against the Federal Government would be eliminated except for accidents involving large economic loss not fully compensated by no-fault benefits, accidents involving death or serious injury, or accidents involving pedestrians not covered by no-fault insurance.

Based on a survey of six of the largest Federal agencies (in terms of motor vehicle usage), the savings to the Federal Government would be $6.8 million. These costs would be borne by private insurance companies under the no-fault system. It should be noted that the Federal Government attempts to avoid lengthy court proceedings whenever possible. Consequently, the magnitude of "nuisance" claims settled by the Government by administrative procedures is much higher than similar claims against private insurance companies. The transfer of responsibilty to the private sector should result in a reduction in total costs.

BACKGROUND

Legislation to establish a no-fault motor vehicle insurance system has been introduced in both Houses of Congress (S. 345 and H.R. 9650). The bills provide for:

(1) National Standards—A nationwide system of no-fault automobile insurance would be set up by establishing national standards and by requiring each State to enact a no-fault insurance plan that meets or exceeds these standards. Each motor vehicle owner would be required to purchase no-fault insurance coverage. If a State does not enact a no-fault plan in accordance with national standards within the prescribed time, an alternative Federal no-fault plan would go into effect.

(2) Benefits—The national standards call for: (a) paying all reasonable medical and rehabilitation expenses of all motor vehicle accident victims; (b) compensating each such victim for lost wages up to at least $15,000; (c) paying a reasonable amount to compensate for the cost of hiring others to perform tasks that the victim is no longer capable of doing personally because of the accident; and (d) a reasonable amount in survivor's losses in death cases. These benefits would be paid to a motor vehicle accident victim on a first party basis by his own insurer without regard to who was at fault in the accident.

In addition to the personal injury benefits described above, the proposed legislation provides for "added no-fault" benefits, including personal property damages. It does not eliminate tort liability for personal property damages. States, however, may provide for the elimination of tort liability for personal property damages in their individual no-fault plans.

(3) Fault-based Lawsuits—A victim may sue the person at fault for economic losses for which he or she does not receive compensation under the applicable no-fault plan. In addition, fault-based lawsuits are permitted for "pain and suffering" in all wrongful death cases and in cases in which the victim suffers a serious and permanent disfigurement or injury, or where the victim is prevented from engaging in his or her usual and customary daily activities for more than 90 days as a result of the motor vehicle accident.

Under the provisions of both bills the Federal Government is treated like any other motor vehicle owner. Vehicles covered include government-owned and those operated by employees in the course of their employment (e.g., rental or privately owned vehicles). Persons injured in accidents involving Government-owned or operated vehicles look to their own insurance company for no-fault benefits, except that employees entitled to benefits under the Federal Employees' Compensation Act are not eligible for no-fault benefits. Victims may file fault-based lawsuits in the circumstances described above. (Note: The House bill does provide for no-fault benefits in cases where workmen's compensation benefits are exhausted.)

Warren G. Magnuson, Chairman of the Senate Committee on Commerce, and Lionel Van Deerlin, Chairman of the Subcommittee on Consumer Protection and Finance, House Committee on Interstate and Foreign Commerce, have requested that the Congressional Budget Office prepare an estimate of savings which would accrue to the Federal Government if no-fault legislation were enacted. The following describes the methodology used to determine these savings.

METHODOLOGY AND GENERAL ASSUMPTIONS

In order to develop an estimate of savings to the Federal Government which would result from enactment of no-fault legislation, cost data from several of the largest agencies (in terms of motor vehicle usage) was collected.

The calculation of savings to the agencies surveyed was based on a comparison of costs to the Federal Government under the present system and the proposed no-fault system. The major assumption made was that the total dollar value of payments made under the present and proposed systems would be the same, but that there would be a shift of costs to private insurance companies under no-fault. The amount "transferred" to the private insurance companies is the amount that would be "saved" by the Federal Government.

Given the data available, vehicle mileage was considered the best basis on which to determine total Government savings. The agencies surveyed represent 64 percent of the total domestic mileage of Government-owned and operated cars. A further assumption is that the sample is more than adequate to project total savings for the Government.

DESIGN OF SAMPLE

Six agencies were selected to serve as the sample for identification of savings to the Federal Government if no-fault insurance legislation were enacted. These agencies were the Army, Air Force, Department of Agriculture, U.S. Postal Service, General Services Administration, and the Department of the Interior. These six agencies represent 64 percent of the total domestic mileage for Federal agencies.

The data used to identify the major motor vehicle users and to calculate the sample size represented by the six agencies was obtained from the "Federal Motor Vehicle Fleet Report for Fiscal Year Ending June 30, 1974," prepared by the General Services Administration. The report contains information on Government-owned vehicles, commercially rented vehicles, and the Interagency Motor Pool operated by GSA. The report covers sedans, station wagons, ambulances, buses, trucks, and truck-tractors. It does not include information on the use of privately owned vehicles on official business. It was assumed that the vehicle distribution identified in the GSA report would approximate the distribution of privately owned vehicles used on official business.

Although the proposed no-fault legislation would cover Federally owned or operated cars in Canada, Mexico, and Puerto Rico, the impact of this provision was not included because of the difficulty in collecting data related to the operation of motor vehicles in those locations.

CALCULATION OF SAVINGS FOR SAMPLE

a. Budgetary Impact of No-Fault Legislation. Chart 1 provides a comparison of the costs to the Federal Government under both the present and no-fault systems for personal injuries arising from automobile accidents involving Government-owned or operated cars. The major points developed from this comparison are that:

(1) There would not be a significant budgetary impact with respect to personal injuries involving Federal employees since the Federal Employees' Compensation Act would continue to be the primary source of benefits.

(2) There could be additional costs to the Federal Government for accidents involving

members of a Federal employee's family. Information on this type of accident was not available. However, the frequency of such instances should be low, since it would be limited to cases where prior approval for family travel was obtained (e.g., family travel to a new duty station). The additional costs to the Federal Government should not exceed $250,000.

(3) Savings to the Federal Government would accrue in cases where there are tort claims or suits against the United States as a result of accidents where there is personal injury to: (a) passengers in a Federally-owned or operated car (other than Federal employees); (b) drivers or passengers in other cars; and (c) pedestrians. The amount of savings would be the amount paid out currently in tort claims or suits for such accidents, minus the estimate of payments in cases where victims sue for economic losses not covered by no-fault benefits, in cases involving death or serious injury, or cases involving pedestrians (and certain other persons) without no-fault insurance coverage.

b. Payments for Personal Injury—Present System. Chart 2 provides data on tort claims under the present system for the six agency sample. In some cases, the agencies were not able to separate total claims payments into personal property payments and personal injury payments. Therefore, a figure of 54 percent was used as the amount of personal injury payments. This percentage was obtained from Table 2 of "Motor Vehicle Crash Losses and their Compensation in the United States."

c. Payments for Personal Injury—No-Fault System. As indicated above, payments for personal injury under the no-fault system will occur in cases where victims sue for economic losses not covered by no-fault benefits, in cases involving death or serious injury, or cases involving pedestrians without no-fault insurance.

(1) Suits for Non-Compensated Economic Losses and Non-Economic Detriment.

(a) Non-Fatal Motor Vehicle Accidents. The 1970 study by the Department of Transportation (Table V–11 of Volume 1, Automobile Personal Injury Claims) shows that for permanent total disability, the most serious non-fatal injury, the average payment was $12,556, which includes medical expenses, work loss benefits, and pain and suffering compensation.

No fault benefits provide for the payment of all reasonable medical expenses, including rehabilitation, and for the payment of work loss benefits up to $15,000. It was assumed that the frequency of cases against the Government involving non-compensated economic loss in excess of $15,000 and/or pain and suffering compensation in excess of the rehabilitation benefits would be negligible. No allowance has been made, therefore, for non-compensated economic losses or pain and suffering compensation in non-fatal accidents.

(b) Fatal Motor Vehicle Accidents. The provision for survivors' loss payments encourages tort suits to obtain compensation. The primary argument is future wage loss; however, the payment of claims resulting from fatal motor vehicle accidents includes pain and suffering and any other non-compensated economic loss. Fatality cases constitute 8.2 percent of total claims payment (Table V–11 of Volumbe 1, Automobile Personal Injury Claims).

The national standards in H.R. 9650 set a minimum of $1,000 for a survivor's losses; S. 345 does not set any minimum. Although the State plans could exceed the national standards, it was assumed that all fatality cases would result in tort suits. The 8.2 percentage was used to estimate the Federal cost under no-fault in Chart 2.

(2) Non-Insured Pedestrians. The Federal Government is the source of no-fault benefits for non-insured pedestrians (and certain other persons) involved in an accident with a Government-owned or operated vehicle.

The 1970 Department of Transportation Study (Table V–10 of Volume I, Automobile Personal Injury Claims) estimated that pedestrians receive 8.3 percent of all personal injury payments. Of these payments to pedestrians, approximately 17 percent will go to non-insured pedestrians. This is based on information in the Statistical Abstract of the United States, which shows that 17 percent of the family units of the United States do not own a motor vehicle and, therefore, will not be covered by no-fault. The total payments to non-insured pedestrians will be 1.4 percent of current personal injury payments (17 percent × 8.3 percent).

d. Calculation of Savings for Sample Agencies. As shown in Chart 2, the savings for the agencies included in the survey were calculated by subtracting claims payments under no-fault (uninsured pedestrians and non-compensated losses) from the total payments for personal injury claims under the present system. As shown in Chart 2, the amount of savings is $4.5 million.

EXTRAPOLATION OF TOTAL SAVINGS

The gross savings for the six agencies surveyed—$4.5 million—represents 64 percent of total savings. Total savings, therefore, is $7.05 million. The additional costs for family members involved in accidents, estimated to be no more than $250,000, has been subtracted from the total savings to arrive at a net savings of $6.8 million.

CHART 1.—SOURCE OF BENEFITS AND BUDGETARY IMPACT GOVERNMENT-OWNED OR OPERATED MOTOR VEHICLE ACCIDENTS INVOLVING PERSONAL INJURY

	Current system	No-fault system (S. 354–H.R. 9650)	Budgetary impact
Occupants of Government car:			
Driver or passenger (U.S. employee)	Federal Employees' Compensation Act. If other driver was at fault, victim or beneficiary may seek additional compensation. Workmen's compensation fund may be reimbursed or credited for compensation received as result of suit.	Same, except that H.R. 9650 provides for no-fault benefits upon exhaustion of workmen's compensation benefits.	No significant impact.
Member of family (spouse of U.S. employee or relative in same household).	If U.S. employee is at fault, there could be a tort suit against the United States. If other party was at fault, can file suit against him.	U.S. Government	Additional costs estimated not to exceed $250,000.
Passenger (not U.S. employee)	If U.S. employee was at fault, there could be suit against the United States. If other party was at fault, can file suit against him.	Victim's insurance; could file tort claim against the United States in cases of uncompensated loss or non-economic detriment. If victim is not insured, United States is source of no-fault benefits.	Savings will accrue to the Federal Government in cases where no-fault benefits are paid by private insurance company.
Occupants of other car: Driver or passenger.	If U.S. Employee was at fault, there could be suit against the United States.	Victim's insurance or insurer covering the car involved. If neither are insured the U.S. Government would be the source of no-fault benefits.	Do.
Pedestrian (and certain other persons)	do	Victim's insurance. If not covered by no-fault insurance, the U.S. Government would be the source of no-fault benefits.	Do.

CHART 2

CALCULATION OF SAVINGS FOR AGENCIES SURVEYED

	Personal injury payments, present system	Personal injury payments, no-fault system	
		Fatal accidents	Accidents involving noninsured pedestrians[1]
Army	1,963,956	161,044	25,241
Air Force	159,025	13,040	2,044
Department of Agriculture	143,550	11,771	1,845
Postal Service	2,605,589	213,658	33,487
General Services Administration	19,587	1,606	252
Department of the Interior	94,000	7,708	1,208
Total	4,985,707	408,827	64,077

	Total
Present payments	4,985,707
Minus: No-fault payments	−408,827 −64,077
Savings for agencies surveyed	4,512,803

[1] In order to avoid double counting, these payments were alculated from the net current personal injury payments (i.e., onal injury payments less payments for fatal accidents).

NEW YORK CITY

Mr. JAVITS. Mr. President, it is becoming increasingly clear that default by New York City presents problems of such complexity and magnitude that the repercussions are impossible to measure fully—all we can be certain of now is that they will be far reaching, terribly disruptive, and have an enormous impact on the lives of all Americans and New Yorkers. The most "optimistic" estimate by Data Resources, Inc., is a cost to the Nation, resulting from a New York default, of $14 billion in lost national production, and 500,000 jobs. The economy of this country just cannot afford losses of this magnitude as we barely begin to emerge from the worst recession since World War II.

Even Arthur Burns, the respected Chairman of the Federal Reserve Board, said yesterday, in testimony before the Senate Banking Committee, that he is more concerned about the consequences of default than he was 3 weeks ago. However, unless this concern gives rise to active measures to assist New York, along the lines proposed by the Banking Committees of both Houses, the Nation will face a grave social and economic issue in a few short weeks.

In addition to the voices of concern from the New York financial community, banks throughout the Nation, including the largest, Bank of America, have expressed the fear that default by New York City would be a serious setback for the economic recovery that we are just now beginning to experience. In addition, 100 small banks around the country, each of which owns New York issues worth three or four times its capital, could be forced into default themselves should New York City be allowed to default. Just recently, during a trip to the United States, Chancellor Helmut Schmidt of West Germany expressed the growing concern of European leaders that a New York City default could have serious worldwide repercussions. Last year, the default of the Herstatt Bank in Cologne, Germany, was a warning of a serious recession impending. We are dealing with a problem many times the magnitude of a bank failure. We are dealing with an unknown number of banks, individual investors, and U.S. industry that could be crippled by a New York City default.

There have been a large number of articles recently detailing the perils and implications of a New York default. These include a long article in Business Week on the faltering financial markets and an editorial in Business Week calling for the Federal Government to assist New York to avoid default. I also would like to call to the attention of my colleagues a number of articles from the New York Times and the Wall Street Journal dealing with the implications of default. One of these, by Charles W. Bailey, the editor of the Minneapolis Tribune, makes it clear that the problems of New York are also the problems of many of America's leading cities.

Mr. President, I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, Oct. 26, 1975]

New York, Too Vital to Ignore

(By Thomas E. Mullaney)

Some of the darkest clouds overhanging the American economy have been wafted away in recent weeks by the winds of a brisker business rebound than expected. The fresh atmosphere should have created a more sanguine outlook, but—for various reasons—doubt remains that the storm has passed.

Many analysts remain skeptical over the likely prolongation of the third quarter's economic surge, when real growth expanded by more than 11 per cent, while others harbor doubts about the continued moderation of the upward trend in inflation and interest rates. Even more, however, have become concerned over the financial plight of New York City and how that grievous problem will affect the whole spectrum of national economic affairs.

Only a few weeks ago, the economic community feared that the renewal of high-level inflation and a rising pattern of interest rates might soon nip the incipient economic recovery in its early stages. That worry now has been greatly subdued with the appearance of more favorable data during the latter part of the third quarter for industrial production, personal income, auto sales, inventories, prices, productivity, interest rates—and more lively consumer spending.

It is likely that the momentum now evident throughout the economy can be maintained in the face of the deteriorating fiscal situation of the nation's largest city, the hub of finance and commerce?

Probably not—and yet many public officials and private individuals across the country do not seem to accord that possibility much cognizance.

At Congressional hearings last week, held to consider legislation providing financial assistance to New York, considerable opposition was evident from Administration sources and others—so much so, in fact, that the odds against passage of any such bill seem quite high at this point.

Similar sentiments were expressed in some recent national polls, which found most of the respondents against any Federal aid to New York City.

Unfortunately, New York's problems are not being perceived in their proper light. While there are honest disagreements and misunderstanding on the seriousness of the issue, political demogoguery and provincial attitudes are also obscuring the potentially broad implications and service its extensive commitments.

Instead of addressing themselves to the reality of New York's financial distress and how to cope with that grave situation, many critics are focusing on the admittedly sad history of the city's fiscal management and ignoring some of the root causes. The shortsightedness threatens to invite a financial disaster only five or six weeks hence.

Unless some Federal rescue plan is devised by early December, when New York must pay out some $644.5-million in maturing debt and payrolls, the city will surely march to its D-Day (for default) and the nation will face its own D-Day (for a debarkation on an unknown course of economic consequences.)

While the ultimate fall-out from such an event is debatable and unknown, it appears to be a needless national risk. The cost of preventing a New York default seems minimal when measured against the possible economic toll for the whole country.

What would be the Federal cost involved in trying to prevent a New York default? Advocates of a program to provide United States Government guarantees for some $6-billion of the city's securities believe it would be sufficient to tide the city over for the three years necessary to get its budget back into balance. Such a cost, if it materialized, would not be unbearable in an economy that is producing at a rate of almost a trillion-and-a-half dollars a year and providing so many billions of dollars each year for defense, foreign aid and other commitments.

The cost of not aiding New York could be much greater, say those who support a rescue effort. They point to a possible disruption of the financial markets, higher interest rates, bank bailouts, tighter strains on the Federal budget and reduced state and local spending throughout the country, with implicit effects on employment and incomes.

Support for efforts to avert a default in New York came from one prominent independent source last week, when Otto Eckstein, professor of economics at Harvard and president of Data Resources, appeared before the House Budget Committee.

In a preliminary analysis confined to the macro effects of a New York default, Professor Eckstein, a former member of the President's Council of Economic Advisers, concluded that "the default of the city is a major disturbance, that it will slow down the recovery, and that it creates a risk of tipping the balance against recovery (in the national economy)."

Dr. Eckstein's testimony emphasized the impact of a New York default on state and local spending throughout the economy. That component, he noted, accounts for 16 per cent of all economic activity in the country. Such expenditures this year are running around $230-billion, out of the total gross national product of $1,477-billion. State and local governments also employ 12-million persons, or 14 per cent of the nation's total workforce. Thus, any major cutback in spending by state and local governments would have a significant effect on the whole American economy.

Such expenditures have already been substantially reduced. The normal rate of increase each year since World War II has been around 5 to 6 per cent, but in 1974 the rate slowed to a gain of 2.8 per cent, and this year it is running at less than 2 per cent—due partly to the end of growth in the school-age population, but also because of deteriorating revenues and the worsening financial situation of so many state and local governments.

Those who tend to minimize the over-all effects that would ensue from a New York default in December point to the relative calmness of the securities markets during the last few weeks when the likelihood of default increased. They believe the markets have already discounted that possibility. Perhaps so, but who knows?

The stock market, many analysts say, would have been moving higher recently in view of the economy's sharp rebound and prospects for better corporate profits, lesser inflation and lower interest rates. Instead, it has been becalmed.

And the municipal bond market has been severely affected, with yields in recent months up by the large amount of 1.5 percentage points and the marketability of many municipal issues impaired. The dollar has also been under pressure in markets abroad because of the New York problem.

By some estimates, the cost of borrowing by state and local governments has thus been increased by about $3-billion, an added burden that many areas will find difficult to carry. The actuality of a New York default could well mean a further rise in the interest rates and yields on such securities. And that would lead to additional trimming of local and state budgets, with reductions in public construction, welfare, education, other services and employment.

While there certainly was ample justification for the critics' complaint that the city overspent itself into its troubles, major corrective steps have been taken this year. A three-year austerity budget has ben adopted, more than 30,000 employes have been removed from the city's payroll, many services have been cut and New York State has provided considerable financial aid.

Some critics say the city can do more to get its house in order—and perhaps it can, though it seems unlikely that any big new contribution can come from further budget-cutting. It has also been suggested that New York raise its taxes. However, the tax burden is already especially heavy in New York, and a further upswing could be counter-productive.

In fiscal 1973, the state of New York led the nation in per capita state and local taxes, at $894. The next largest were: California, $739; Connecticut, $727; Massachusetts, $714, and Nevada, $688.

With 9 per cent of the nation's population, New York State pays 10.5 per cent of all Federal taxes. While it receives back about 10.9 per cent of all grants, some analysts feel the amount returned should be larger in view of the large numbers of low-income people and welfare recipients in the state.

The cost of welfare is particularly onerous for New York City, bearing as it does one-fourth of the cost, while the Federal Government assumes half of the total and the state underwrites the other 25 per cent. Other nearby states place less of the welfare cost on their county subdivisions. The State of Pennsylvania pays all of its 50 per cent share for its counties, while the State of New Jersey assumes a 37½ per cent share, with its counties paying 12½ per cent.

From many standpoints, it seems that the time has arrived for the Federal Government to step in with more support for New York City. And the time is uncomfortably short.

[From the New York Times, Nov. 2, 1975]

Doubts Grow About Recovery

(By Thomas E. Mullaney)

There should be increasing joy spreading across the land at this salubrious time of the year, with a bounteous harvest bulging storage bins, the nation clearly emerged from the dark woods of its recent nerve-racking recession and both inflation and interest rates edging lower.

[From the New York Times, Nov. 2, 1975]

But where is the elation? Certainly not in New York, in Washington, in the financial markets, in some parts of the banking and business world or in the many areas of the country still afflicted with high unemployment, fiscal problems and other tensions.

Only two weeks ago there was a measure of pleasure, surprise and rising hope in the economic world when the Government's report on economic activity during the year's third quarter showed a much more robust performance than even the most bullish forecasters had anticipated. Now that the data have been analyzed more thoroughly, in conjunction with some subsequent statistics, there is considerable skepticism over the continued vigor of the recovery at that fast pace.

Nothing has surfaced, however, to suggest that the economic rebound will be short-lived. What does seem apparent is that the big third quarter was something of an aberration that will be scaled down considerably in subsequent periods.

There has also been the further dampening influence of the ongoing battle in Washington over what, if anything, should be done to help extricate New York City from its fiscal distress—and the ultimate effect on the whole economy from Federal action, or inaction, on the problems of the nation's largest city.

President Ford seemed to polarize public opinion on the New York situation with his firm and forceful speech last Wednesday in which he flatly rejected efforts to provide any proposed Federal guarantees to back the city's new fund-raising securities and instead advocated legislation to meet the problems that any eventual New York default might thrust upon the city and the nation.

Rather ironically, one day after the President's harsh prescription for New York, the Administration proposed a rather large $4.7 billion in additional foreign-aid expenditures for the current fiscal year.

At the same time, the Senate Banking Committee voted to clear the $4-billion loan-guarantee bill for New York that seems doomed by the promised Presidential veto if it manages to survive the expected vote on the Senate floor in the coming week. On Friday a House subcommittee voted a $7-billion plan to guarantee New York financing. It will be interesting to watch the fate of the foreign-aid proposal, as well as the New York-aid plans.

To be sure, the tide seems to be running against New York in the nation's capital and in many parts of the country that are either unacquainted or unsympathetic with the special problems confronting New York, ideologically opposed to further Federal involvement in local and private affairs or impatient for a rein on ever-rising national spending.

Even critics of the President's stand on financial assistance for New York had to agree there was considerable merit in his criticisms of the city's history of fiscal mismanagement and in his suggestion that there be amendments to the bankruptcy laws to take care of the special problems involved in a municipal insolvency. Some such safety net obviously is needed, but there is a body of opinion that believes jumping into the net should only be the last resort.

Other means of rescue, that view holds, should first be exhausted. That means hard exploration for every possible means of financing to avoid default and renegotiation with the various elements involved in the critical New York situation—its creditors, its labor leaders and its political bodies.

Changes will have to be made in previous commitments either voluntarily before a default or through the judiciary should default become a reality. The elements involved must come to the realization that there is a new deal of the cards to be reckoned with. Should a New York default occur, there would be years of uncertainty, difficult negotiations for changes in many areas and perhaps a generation before the city could regain standing with investors.

One top New York financier, who found some plusses in the President's message last week, said nevertheless that he "preferred Federal loan guarantees to default by all means, provided the bill establishing such a program had a good team of people sitting atop of the city in overlooking its fiscal operations."

He took issue with the suggestion that a group of top officials from the current Administration be chosen as overseers. This official added:

"Who would run the city? I would certainly rather have people who would be on the job beyond the next national election. The task should go to a committee of citizens appointed for a difficult task for at least three or four years, not members of one political party who might not remain in their Government capacities for any extended period."

Although various recent polls of bankers and the public have shown strong opposition to Federal assistance for New York, many top businessmen from other parts of the country have privately expressed concern over the ultimate fallout from any eventual default by the city and have indicated support for efforts to avoid it in the national interest.

New York Ciy has recently had the benefit of the expertise of many leading businessmen in trying to sort out its financial problems, but perhaps the whole nation would be served better if more prominent businessmen addressed themselves directly and publicly at this time to the crucial issue of urban economic problems.

Several business leaders agreed a week ago to apply their resources to that issue after talks with the United States Conference of Mayors. It was indicated that the subject would be put before the Business Roundtable, a group of 160 corporate chief executives, at a policy meeting this month.

Almost lost in all the attention being accorded New York's crisis recently has been the need for action on energy policy and a few unsettling straws in the economic winds that bear watching.

The Government's index of leading economic indicators, for instance, showed a decline in September for the first time in seven months—and the decline was fairly substantial at 0.9 per cent. Of course, it might subsequently be revised upward, as was the August figure, but it may be foretelling a slower general business pace than the 17 per cent gain (11.2 per cent in "real," non-inflationary terms) that occurred in the gross national product during the July-September period. Perhaps the major factor in that achievement was the halt in heavy inventory liquidation.

An area that has been much weaker than normally expected in an economic recovery period has been the trend in housing activity. In the previous five recessions, housing starts averaged 1.52 million units nine months after the cyclical contraction had reached bottom. It is not yet nine months since the trough of the latest recession, but housing starts are only at a 1.2 million annual rate and there is not much hope that they will pick up to any major extent over the next year, chiefly because of the sluggishness in the construction of multifamily dwellings. There is a heavy surplus of high-priced apartments and condominiums.

Another fragile reed in the winds is the relative weakness of business capital spending, which does not seem likely to develop much strength for some months yet.

While rising auto sales have continued as a standout on the current economic scene, there is no assurance that they will be long sustained at their third-quarter gains of 22 per cent over last year. Despite its optimism that next year's sales will run between 12 and 19 per cent ahead of the expected volume for 1975, the auto industry recently indicated November production would be scaled down by 3.4 per cent from last year's rate.

The recent level of retail sales at several of the major chainstores has also been somewhat disappointing, with gains of only 1.2 and 1.5 per cent in October over last year's volume at the two largest national chains.

Consumers are apparently remaining cautious in their buying attitudes, despite recent surveys that indicated rising confidence. Another reflection of that conservatism may be the recent increase in savings at thrift institutions.

But to be sure, there has been some good news lately—the further dip in the prime rate to 7½ per cent and the drop of 0.5 per cent in farm prices last month.

Some analysts are wondering—and worrying—about what would happen to important business activities if New York City should default on its financial obligations in the next few weeks. The national economic recovery does not seem sturdy enough at this point to weather such a psychological trauma with minimal and narrow impact.

[From the Wall Street Journal, Oct. 29, 1975]

MAIN STREET'S REVENGE

(By Arthur Schlesinger, Jr.)

For an historian there is something at once professionally fascinating and civically scandalous about the current rage against New York City.

A student of the past inevitably finds a sort of delight when he encounters historical themes in a contemporary context. The mistrust of cities is almost the oldest, for a long time one of the most cherished and evidently one of the most tenacious of American traditions. Jefferson thought that the American people would remain virtuous as long as they lived on the countryside; but "when they get piled up upon one another in large cities, as in Europe, they will become corrupt as in Europe." "I always seem to suffer some loss of faith on entering cities," Emerson wrote Carlyle. "They are great conspiracies. . . . You can scarce drive any craft here that does not seem a subornation of the treason." Morton and Lucia White in their illuminating book "The Intellectual Versus the City" show how deeply hostility to the city entered into the 19th-Century American mind.

This hostility sprang initially from political philosophy. The Jeffersonians were convinced that a democratic republic required a wide distribution of property, and that this in turn implied a nation of small freeholds in a predominantly agricultural society. Cities meant commerce, finance and industry—militant and acquisitive wealth versus a propertyless and consequently demoralized working class. "The mobs of great cities," said Jefferson, "add just so much to the support of pure government, as sores do to the strength of the human body."

A "SIMIAN" RAGE

The hostility was nourished by the romance of the wilderness and the frontier. It was nourished by the increase of immigration, bringing alien peoples to the American shore. It was nourished too, one cannot doubt, by rural and small-town envy of the illicit pleasures and excitements supposedly rampant in the city. Mencken spoke of "the yokel's congenital and incurable hatred of the city man—his simian rage against everyone that, as he sees it, is having a better time than he is." This, Mencken argued without undue exaggeration, lay behind Prohibition, the Mann Act, the Comstock laws, the anti-evolution laws and other statutes imposed by the countryside on the city.

In due course the depravity alleged to be innate in all large cities was presumed to be concentrated in New York. William Jennings Bryan, speaking for the farmers, the fundamentalists, the prohibitionists and the other powers of rural and small-town America, called New York "the enemy's country." American cities, and New York most of all, as Morton and Lucia White summed up the national indictment, were deemed "too big, too noisy, too dusky, too dirty, too smelly, too commercial, too crowded, too full of immigrants, too full of Jews, too full of Irishmen, Italians, Poles, too industrial, too pushing, too mobile, too fast, too artificial, destructive of conversation, destructive of communication, too greedy, too capitalistic, too full of automobiles, too full of smog, too full of dust, too heartless, too intellectual, too scientific, insufficiently poetic, too lacking in manners, too mechanical, destructive of family, tribal and patriotic feeling."

Since 1920 more Americans have lived in cities than on the countryside. One supposed that the ancient hatred might have diminished. Of course a certain amount of *Schadenfreude* was to be anticipated over the troubles of New York City. New York has been full of itself too long, has drained too much talent and money from the hinterlands, has been too proud and patronizing, too careless and contemptuous, not to expect that the rest of the country would derive a certain pleasure when it fell into difficulties—much as the rest of the world derives a certain pleasure from the humiliations of the United States.

But *Schadenfreude* is hardly a rational basis for public policy. Yet a President of the United States, who has displayed such solicitude for South Vietnam and Zaire, such compassion for Lockheed and Penn Central, now denounces the idea of aid to New York City and raises cheap cheers around the country by plucking the old anti-big-city nerve at every opportunity. "The imminent fall of Saigon," as Senator McGovern said the other day, "drove the Ford administration to demand another billion dollars of aid, but the imminent fall of New York finds that administration resistant even to a bond guarantee."

That is why this historian finds President Ford's calculated effort to rekindle the archaic American hatred of the cities, however fascinating professionally, sad and weird from the viewpoint of the national interest. This writer, who was born in the Middle West and grew up in New England, has no great commitment to New York. I have lived here pleasantly enough for nine years but, though I vote and pay taxes in New York, I do not quite regard myself as a New Yorker. If I still lived in Ohio or Massachusetts, I would feel just as astonished by this extraordinary display of presidential atavism.

Jefferson, as he conceded in later years, lost his argument in his own lifetime. Cities are here to stay, banks, industries, mobs, immigrants and all. The United States must stand or fall as an urban society. Our cities are of course imperfectly governed. This was true long before Lord Bryce wrote in 1888 that "the government of cities is the one conspicuous failure of the United States." American cities—New York preeminently so—are far better governed today than they were a century ago. No doubt New York has been living beyond its income in recent years, and no doubt this is reprehensible. It does seem, however, to be a peculiar charge to be made with such Pecksniffian self-righteousness by the President who is running up the largest peace-time deficit in American history and is piling the national debt to a size that would have seemed unimaginable a short time ago.

New York City is in trouble in part because of the errors of its elected officials—errors abetted, it must be said, by the great newspapers and banks of this city, which have had ample time over the last generation to compel a succession of mayors to understand the folly of their ways. But New York City is more fundamentally in trouble because it has played a national role and assumed burdens for the whole country. For more than a century, for example, it has assumed the primary burden of welcoming immigrants to this land, finding them jobs, teaching them English, assimilating them to American life. In recent years it has assumed the additional burden of receiving poor and dispossessed American citizens, thereby reducing tensions and taxes in the South and in Puerto Rico. These are national burdens. They are not the product of the individual fecklessness or wickedness of a single city. Herblock made the point effectively in his cartoon showing a figure representing New York City, the Statue of Liberty ("Give me your tired, your poor . . .") in his hand, saying to the Secretary of the Treasury: "Maybe you'd like to stand this in front of some other city."

Beyond this, New York has played a role of national leadership in vital areas of culture and communications. In communities across the Republic, music, painting, the dance, writing, publishing, the theater, television, design, museums, libraries, philanthropy are stimulated by and considerably dependent on what happens in New York. These are national, not local, services. If Main Street sets out to punish New York by forming a ring and cheering on its discomfiture, as Gerald Ford would have us do, the result will be to punish not New York alone but the nation as a whole.

A NATIONAL ASSET

New York City has made indispensable contributions to the national well-being. It is a national asset. Its difficulties have to a substantial degree national causes. If Bill Simon himself had been in Gracie Mansion for the last decade, New York would still be in trouble today. Its misfortunes are national misfortunes. Its rescue is surely a national responsibility—rather more, one would think, than the rescue of South Vietnam and Zaire.

And New York's misfortunes are national misfortunes in another sense. For what is happening in New York City, as the U.S. Conference of Mayors has done its best to make clear to the Ford administration is part of a general urban crisis. New York is only the most visible and (because it has assumed so many national burdens) the most vulnerable of our cities. If New York goes, the chain reaction will affect not just the municipal bond market but the morale and future of cities across the land. Nor will the fall-out be confined to the United States, as Helmut Schmidt of West Germany endeavored in vain to point out to the Ford administration a little while ago. Now is the time perhaps for our President to start talking about the domino theory.

The crisis of New York City is not, as our President seems to think, an isolated matter, locally manufactured, locally sustained and local in its consequences. It is not to be solved by resuscitating smalltown bigotry about big cities. That attitude died in politics with Bryan. Gerald Ford's campaign to bring it to life is a disgrace to the presidency.

[From the New York Times, Nov. 2, 1975]

THE UNCERTAINTIES MAKE PREPARATION DIFFICULT: THE POTENTIALS IN A DEFAULT ARE MANY AND PERILOUS

(By John Darnton)

For New York City, there are only three choices left.

The first is a loan-guarantee bill, with provisions repugnant to the city. It has little chance of Congressional passage and the President has vowed to veto it. The second is use of the city's pension funds to borrow money. It would entail considerable logistical and perhaps legal complications.

The third is default and then bankruptcy. While most onlookers would agree that this alternative has perhaps become the most likely, they also would agree that it is the least known.

The question of what default would mean cannot be answered by lawyers, because the spiral of lawsuits that default would engender will make new law. It cannot be answered by economists, because the unknowns, beginning with the anonymity of the city's lender-creditors, are simply too numerous. It cannot be answered by historians, because it has never happened before on such a scale.

"When the President says that default can be 'orderly,' we get upset," said Ira Millstein, a lawyer now continually on call at City Hall. "None of us has ever seen an orderly default."

Predictions of what New York would be like after default have come from President Ford, who foresaw "temporary inconveniences" for city residents, and from Governor Carey, Mayor Beame and other local officials, who have conjured up apocalyptic images for the benefit of Congressmen considering Federal assistance. No one can say who is right.

Under the proposed revision of Federal statutes, if the city defaults, it would file a petition of bankruptcy in Federal court. It would be protected against the seizure of assets or revenues by creditors and the court would supervise a plan to restructure the city's payments. The court also would oversee the sale of debt certificates to keep the city's vital services going.

It is improbable that the effects of a default would be seen on the day it occurs. Providing that the city's treasury is not totally depleted, city workers would not face a "payless payday" immediately. City operations would be normal. And, providing that the debt certificates are marketable, some revenues from borrowing would continue to come into city coffers in the days ahead.

But the effects of default could soon become all too apparent—for the city's cash shortage between December and March, even if not a single note or bond were paid off, amounts to $1.2-billion. It would seem unlikely that enough debt certificates could be sold, or would be permitted by the court to be sold, to maintain services at such an expensive outlay. At a time when past creditors would be kept waiting, the court would have difficulty countenancing such a heavy borrowing schedule.

The problem is compounded by the fact that default could trigger a falloff in the city's anticipated revenues. Noteholders, bondholders, venders, contractors and other creditors who go unpaid might well refrain from paying taxes. Some estimates place this falloff as high as $100-million a month. This would increase the city's revenue shortfall to $1.6-billion by March, or about 50 per cent of the amount that the city had expected to spend on operating expenses during that time.

"Taken at its worst," said one city official, "that means 50 cents on the dollar that we won't be able to pay out. So what are we going to do? Pay cops 50 cents on the dollar? Pay welfare checks 50 cents on the dollar?"

The choices would be painful. The Federal legislation insures that essential services, such as police and fire protection and health services; be maintained. But it does not say they must be maintained at their former levels. Garbage pickups could be cut back. There could be fewer policemen in neighborhood precincts. More firemen could be laid off.

The Federal legislation appears to insure a continuity of payments for welfare and Medicaid. But a host of supportive services for the poor, day-care centers, job programs, senior citizens centers, could be curtailed.

The tangle of litigation that a city default would incur could last as long as a decade. A seemingly straightforward question, such as who should be designated to represent the city's thousands of creditors, becomes enormously complicated. In the recent bankruptcy case of the Herstatt Bank in Germany, a sports stadium in Cologne had to be used just to bring together all the creditors who insisted on separate representation. "If we have a default," remarked one observer, "the only growth industry in the city will be law."

For municipal employees, a default could mean that their contracts could be invalidated. For venders—all except those whose services and materials were provided within four months before the bankruptcy filing—

it could mean long waits for payment, which could hurt their own solvency.

Default would be felt immediately and most severely among the holders of the city's $12.4-billion in outstanding securities. The securities would drop in value, perhaps precipitously. One estimate by Lebanthal & Co., a Wall Street bond house, estimates that two-thirds of the city's bonds, as distinct from notes, are held by individuals and not banks. The estimate was based on the firm's own past sales, amounting to about 5 per cent of the city bonds sold. City securities that have been used as collateral for loans by individuals and businesses alike could be called in question.

Banks, especially those in New York City, which are thought to hold about three-quarters of a billion dollars in city securities, would be faced with overnight losses. A recent Federal survey has concluded that about a hundred of the 14,000 banks in the nation holding large quantities of city bonds and notes would be in serious difficulty in the event of a default. Arthur Burns, the Federal Reserve chairman, has promised that the Reserve would come to the aid of member banks, permitting them large-scale borrowing with city securities as collateral at face value. But the Securities and Exchange Commission, which regulates stock trading, is apt to insist that the banks account for their portfolio losses.

The banks have been rendered more vulnerable by other losses recently—in real estate investment trusts, on oil tanker loans and by the recent bankruptcy of the W. T. Grant Company. They could also be inundated with litigation from stockholders or not buyers asserting that there should have been ample warnings that city securities were not a good buy.

As a consequence of their difficulties, the banks could restrict their own money lending. This would mean that small business in New York could find it more difficult to obtain loans, and individuals could find it harder to get mortgages.

Default would make it extremely difficult for the city to re-enter the money-lending market on its own for years and years. This is a serious consequence, because the city needs borrowed money to bridge the periods between the arrivals of Federal and State aid and also for capital construction projects. If the city were unable to borrow over a long term, it could not build schools, fire houses or sewers.

The problem is made still worse by the fact that 30 states have laws prohibiting various institutional investors, from insurance companies to commercial banks to guardians, from buying securities from a municipality that has previously defaulted for periods of up to 10, and in some cases, 20 years.

If default should lead to increases in taxes or a drastic reduction in city services, which is difficult to predict at this juncture, it could well hasten the exodus of businesses and the middle class from the city, further eroding its already shrinking tax base. Were this to occur, real estate values could drop and whether it happens or not, the fear of it could produce a similar result. Some say it already has.

Over the long run, it is the intangibles—fear and uncertainty—that can wreak a stark change in the quality of life of the city, that could make it a place not quite as attractive for corporations to locate in, tourists to visit and residents to live.

[From the New York Times, Nov. 4, 1975]

The Trauma of Default: A Wave Effect Beyond the Hudson

(By Charles W. Bailey)

MINNEAPOLIS.—A number of people, many of whom should know better, seem intent these days on rearranging the map of this country. Their purpose appears to be to convince us that New York City is not really a part of the United States—and that what happens there is of little or no concern to the rest of us.

We can begin by conceding a number of things that tend to make this thesis attractive. New Yorkers are not the most lovable people in the Republic. They are aggressive and cynical, they tend to suffer from delusions of superiority, and they talk with a funny accent. The city's government is notably inefficient, profligate and corrupt. The air is foul. The streets are choked with traffic, paved with refuse and riddled with chuckholes. The residents have only themselves to blame for many of their current municipal woes.

But to concede all that and more does not mean that the rest of us either can or should let Fun City stew in its own juice, President Ford and assorted Congressional yahoos notwithstanding. There are several reasons—some purely a matter of enlightened self-interest, some compelling even if they do not carry a price tag—why New York's troubles are our troubles, too.

The fiscal collapse of the nation's largest city would inevitably affect every taxpayer in every other city. There is evidence that New York's money troubles have already boosted the current and future costs of public financing elsewhere by upward of $3 billion, because of higher interest rates on city and state bonds. If the big city goes bust, this will get worse, and of course higher bond interest is paid by higher taxes.

New York's troubles may be larger than those of other American core cities, but they differ only in degree. Even a cursory review of New York's current difficulties makes it clear that Minneapolis, for example, has many of the same problems—though on a much smaller scale at the moment. New York's success or failure in dealing with them now will tell us a good deal about whether, and how, we can deal with them later.

Like it or not—and many of us do not like it a bit—New York is the financial, cultural and communications linchpin of the country. It is also immensely important to transportation, foreign trade, retailing, and other enterprises. A nation struggling to pull itself out of a severe recession can ill-afford to let so important a segment of its economy collapse into insolvency.

Certainly New York must clean its own fiscal house thoroughly if it is to expect substantial Federal help. It will have to stop borrowing for current expenses, for example—a practice that has rotted its fiscal structure in the past decade. It must cut back, in a major way, on scores of current services and benefits to its private citizens and public employees alike. But the rest of the country cannot wait until these reforms are fully effective before it offers assistance.

There is something else, too. New York is where many Americans began in this country. My grandfather landed at Ellis Island, for example, and it was from New York that he set out with a peddler's pack to find a new home. So did the parents and grandparents of a lot of us. New York has always been our great gateway; it has paid, and indeed is still paying, the social-services price of that role.

That is a small point, perhaps, and certainly not so compelling as other more pragmatic arguments for aiding New York. But it will not hurt, as we debate the wisdom of helping this sick metropolis, to remember how many of our forebears used it as a way station on a journey to better places and better lives.

Possible Impact on the National Economy

(By Leonard Silk)

The odds are heavy—well-informed observers now put them at five-to-one or higher—that New York City will default within a month. If that happens, what will be the impact on the national economy?

The question cannot be answered "scientifically" because there are too many unknowns: the psychological reaction of financial markets at home and abroad; the degree of Federal support that the Ford Administration will extend to the city after bankruptcy; the actions that will be taken by New York City and state officials to cushion the shock, and the reactions of public officials, bankers, businessmen and individual persons throughout the country to an event that is without precedent.

Despite the forecasting difficulties, however, it is essential to try to anticipate the impact of default—if only to establish the basis for future policy actions.

The shock will be immense, but it will not all be felt on the day of default or even for weeks and months afterward. The city's publicly held securities total $12.3 billion. Only $3 billion of this amount is held by banks; the balance is difficult to trace, but the bulk of it is held by individuals, many of whom are pensioners and people of modest means, who will suffer serious losses of principal and interest.

The Federal Reserve will keep all major banks from going under by lending against their holdings of city and state obligations at par value. But the Securities and Exchange Commission will require the banks to disclose all doubtful securities in their portfolios, lest stockholders, depositors and other lenders to banks be misled.

Affected banks and other troubled lenders will cut their commitments to small businesses, housing, large corporations of less than the highest credit standing and other municipalities of doubtful creditworthiness. The housing slump will be worsened; plant and equipment spending and state and local outlays will be dragged down.

President Paul Volcker of the Federal Reserve Bank of New York and other competent observers now fear that there is grave danger that a New York State default will follow and compound the risks of a New York City default. This would double the impact. New York State has $12.5 billion in securities outstanding, including Municipal Assistance Corporation bonds replacing $2 billion of city debt. Together, of their combined publicly held obligations of $23 billion, New York City and State owe $10 billion at short term. Defaulting on the short-term debt would be a heavy blow to individuals and businesses throughout this region.

Will other regions benefit if New York and its surrounding region go down? Perhaps, but it is well to remember that the Northeast cannot be sawed off and allowed to float out to sea; it is not an island but part of the mainland. The Administration likes to stress the international interdependence of the United States; we are even more interdependent within the nation.

Quantitative estimates of the cost to the nation of a New York City default vary with the assumptions made and the econometric model used, but they are broadly consistent. The most "optimistic" estimate of Data Resources Inc., a consulting firm used by private corporations and by the President's Council of Economic Advisors, is that a New York City default would cost the nation $14 billion in lost national production and 500,000 jobs. Similarly, the most favorable estimate of the econometric group at the Wharton School of Finance of the University of Pennsylvania is for a loss in national output of $10 billion and a loss of 430,000 jobs. Less optimistic assumptions would roughly double those estimated losses. And a default by New York State, coming on top of the city's bankruptcy, would double the costs once again.

The United States Treasury would be impacted. Tax revenues would fall by billions and Federal spending would rise to make good President Ford's promise to pay for police, fire and other "essential" services—though what that term means remains unknown. New York, its ability to borrow impaired for years to come, and its tax base shrinking as businesses migrate from the area, could become a long-term ward of the Federal Government.

Other cities—especially those of the Northeast but not those exclusively—fear the threat to themselves. Mayor Peter Flaherty of Pittsburgh, who has run a tight fiscal program in his own city, said, "I don't want to see the world's most dynamic city go down the tube—it's just too important."

Foreign governments are deeply worried. Chancellor Helmut Schmidt of West Germany vainly tried to convince President Ford of the threat of New York's imminent collapse to the international economy. The loss of New York's position as the world's premier financial center could have reverberations for years to come. Foreign government and banking officials have until recently been unable to believe that the United States Government would permit this to happen. The sudden blow to the international economy, still laboring to climb out of the most severe recession of the post-war period, could be the greatest danger immediately ahead.

Even if the risks of a catastrophic impact are no worse than ten-to-one against, is that risk worth taking?

If New York is forced into bankruptcy and feels itself the victim of self-interested regional plotting and enmity, a serious new trauma would be inflicted not only on this city but on the nation—a nation divided not just regionally but ethnically and in terms of social and economic classes. The consequences of that political and social trauma are even more difficult to estimate than the immediate economic impact of New York's probable collapse, and are possibly even more dangerous.

Is this trip into the unknown and unknowable necessary—or wise?

[From Business Week, Oct, 20, 1975]

WASHINGTON'S NEW WORRY: FALTERING

The municipal bond market is in total shock—prices plunging as never before in history and few borrowers able to crack the market at all. Money market investors are suddenly showing a distaste for bank certificates of deposit and a fondness for the lower—but safer—yields of Treasury bills. And the dollar is again taking a beating in the foreign exchange markets—down 2.5% against the German mark in just a week.

In fact, none of the financial markets are behaving as they should at this point in an economic recovery, and most of the trouble can be attributed to fears that New York City faces imminent financial collapse that will take New York State down with it. From Federal Reserve Chairman Arthur F. Burns this week came the dire warning that a New York City default "could produce serious strains in securities markets." And if Burns still thinks the damage would be short-lived, he also is on record warning that New York City's plight could abort the whole economy recovery.

So, with stunning suddenness, the problem that no one in Washington has wanted to face has become he problem that no one—in Washington or anywhere else—can ignore. Burns' Fed has eased monetary policy a little, and at least one reason for that is the New York City mess. Congress, unconcerned about the city's financial dilemma only a month ago, is hurriedly drawing up rescue legislation, with no fewer than six House and Senate committees at work on the job this week. Treasury Secretary William E. Simon, still convinced the city can evade default if it will take some bitter medicine, such as imposing a state tax on all New Yorkers to cover half the operating deficit, admits he is worried by the "psychological aspects of a default" on the financial markets. At the White House, even while President Ford was on the stump telling Tennesseans that a default could be contained, a top political official was saying, "No longer is New York affecting just itself, but it is affecting our overseas relations and a whole panoply of other issues."

The gut question still is what a default would do to the U.S. economy and to U.S. financial markets, and the portents are not good. Perhaps the most telling statistic in the flight from municipal bonds is that yields on tax-exempt securities now average 78% of those on taxable corporate bonds—a stunning climb from the traditional 70%. with most of the change coming since midyear. Banks, the major holders of New York city and state paper, are finding it harder and costlier to raise money in the money markets, while stock market investors have all but abandoned bank stocks.

But there are international implications as well, and foreign leaders have been pointing them out to Washington. From German Chancellor Helmut Schmidt came a blunt warning that the ripples of a New York default could not be confined to the U.S. Schmidt recalls how the collapse of Germany's Bankhaus I. D. Herstatt—a tiny bank by world standards—paralyzed the international money markets for months in mid-1974. In Paris, President Valéry Giscard d'Estaing called in a partner of Lazard Frères & Co., the firm whose senior partner in New York, Felix G. Rohatyn, is chairman of the Municipal Assistance Corp., to voice alarm about the possible default of New York City.

The sense of imminent disaster is most keen in Washington on Capitol Hill. As he proposed to make $7 billion in federal support available to the cities, House Banking Committee Chairman Henry S. Reuss (D-Wis.) said a bill "must be, will be" ready by Dec. 1. Just a month ago, Reuss was telling people his constituents in Wisconsin wouldn't tolerate such legislation. Yet by Dec. 1 there may no longer be a New York to rescue because still another plan to help the city is in peril. The $2.3 billion financing package arranged in September by the state to tide the city over until Dec. 1 is both short of money itself, and subject to litigation. Meanwhile, the city faces a repayment of $450 million on Oct. 17.

COMING APART

The state certainly cannot raise the money in the markets. Rohatyn warns that the state is technically close to default already because it was unable to sell a first $250 million in notes. State Comptroller Arthur Levitt agreed to use state pension fund money when the note sale collapsed. But that has run into a court challenge. And that, coupled with the public reluctance to buy, makes it certain that the state will be unable to sell two more $250 million packages of notes, one later in October and one in November, to complete the financing package.

The failure of the city to rebuild its credibility with investors—and the ways its problems infect would-be rescuers—makes it unlikely that anyone but Washington can help now. After the legislature enacted the $2.3 billion financing in September, Rohatyn, its chief architect, thought that MAC might be able to reenter the financial markets after Dec. 1 and borrow for the city if the Emergency Financial Control Board, which the law also set up, could force the city to do enough of the right things. In particular, Rohatyn wanted the management of the city improved. After watching the state's failure to sell the first $250 million in notes, Rohatyn has changed his view. He now sees MAC shut out of the markets for a long time. He thinks that the only rescue that will work now is some form of federal intervention. The least, he says, is a guarantee for the $5 billion the city will need over the next three years.

These events come at a bad time for the banks that have borne the brunt of municipal financing in the past. Estimates of the losses they will face because of loans to real estate investment trusts (page 95), have risen to $1.8 billion. In addition, the collapse of W. T. Grant (page 98) left them $640 million in outstanding loans. And other banks are agonizing over big tanker loan losses, the quality of Eurodollar loans to small third-world governments, and dubious loans to industrial and commercial customers. Two weeks earlier First Pennsylvania, the banker behind the new Bricklin auto, saw the manufacturer pushed into receivership, leaving it with $6 million in bad loans.

"INSEPARABLY INTERTWINED"

Emerging as Washington's greatest fear is the rising possibility that New York City can drag the state down with it to default. The state must raise $4 billion in the next nine months. A state bankruptcy would be unprecedented and would be another frightening step into the unknown for financial markets. It also poses the question of Washington's role under the federal constitution to maintain the well-being of states. And this could be crucial in winning White House backing for help for New York.

Major aid bills emerging in Congress include:

Reuss' proposal to either lend or guarantee $4 billion for New York City to cover its excess of spending over revenues in the next three years. Another $3 billion is earmarked to restructure city debt, mostly in the form of a guarantee.

A bill by Representative Thomas M. Rees (D-Calif.) to guarantee debt of *state* and local governments through an amendment to the 1971 Federal Emergency Loan Guarantee Corp., which was created to make loans to Lockheed Aircraft Corp.

A bill by Senator Hubert H. Humphrey (D-Minn.) that would provide direct loans to New York City rather than a guarantee of city debt.

Other efforts include a plan by Senator Lloyd M. Bensten (D-Tex.) for the Federal Financing Bank to purchase up to $3 billion worth of municipal securities for cities not able to go to market and a couple of not-yet-introduced proposals of Senator Edward Kennedy (D-Mass.) pointing toward a taxable municipal security and, for the longer-term needs of hard-hit cities, a money-raising development bank.

THE PRESSURE TO "DO SOMETHING"

Testifying before the Joint Economic Committee, Burns said he preferred no action but if Congress were to do anything, do it quickly because financial markets don't like uncertainty. Burns said he preferred a guarantee to a direct loan, and also urged a tax to cover half the city's deficit. Says Senate Banking Staff Director Kenneth McLean: "If we have to, we can move in a few days in committee. The question is whether there will be a consensus—or a filibuster" on the Senate floor. But in committee at least, Chairman William Proxmire (D-Wis.) seems likely to try to get a bill out.

The realization that a Congressional rescue plan might include commitments to other financially squeezed municipalities is pushing the White House to a broad review of the potential budgetary consequences. "Until now the concern has been specifically with New York's problem," says a source close to the White House Economic Policy Board. "If we bail out New York City, we damn well better have a plan ready for the next city in line."

One critical problem, which nobody in Congress has solved yet, is how to make sure that—if and when Uncle Sam picks up the tab—New York will keep its commitment to mend its ways. This week New York Mayor Abraham D. Beame committed his city to balancing its budget in three years. Barely had he announced orders to trim budgets 5% to 8% than officers of municipal unions threatened to call a general strike.

[From Business Week, Oct. 20, 1975]

NEW YORK: THREAT TO A STRAINED BANKING SYSTEM

The nation's commercial banks—the giant Manhattan banks especially—are the front-line troops in the battle to keep New York City from defaulting on its debts and perhaps taking New York State with it. If the city defaults, the banks will take heavy casualties at a time when they already have mounting real estate losses, some questionable international loans, and the collapse of W. T. Grant Co. on their hands. And while the Federal Reserve has promised to rescue banks hurt in the fall of New York, the vulnerability of the U.S. banking system is suddenly hot news both here and abroad. The Fed, after all, cannot protect banks from the rash of lawsuits that would surely hit them, as the major underwriters of New York issues.

Small wonder then that the financial plight of New York City drew the heaviest attention at this week's 100th anniversary meeting of the American Bankers Assn.—held, ironically enough, in New York. The best-attended session came Tuesday, when a specially convened panel of political, business, and financial leaders, led by New York Governor Hugh L. Carey, tried to drum up bank support for a rescue plan for the city. Bankers, most of them still cool to outside help for New York, got the message that unless the city gets at least a federal guarantee of its securities—and fast—the result would be a default that would be felt nationwide and perhaps beyond. "We do not have the resources all by ourselves," said Ellmore C. Patterson, chairman of Morgan Guaranty Trust Co. "The dikes are crumbling and we are running out of fingers," added Felix G. Rohatyn, the Lazard Freres & Co. partner who is chairman of the state's Municipal Assistance Corp.

Despite skepticism among the banks, the panel still made some converts because bankers, who just a year ago were priding themselves on surviving grisly 1974 in tolerably good shape, must now concede that the plight of New York, coupled with their other problems, has put them right back in the soup again.

HOLDING A BIG BAG

The big Manhattan banks alone hold some $3.5 billion of New York City and New York State securities. The 14,000-odd banks outside New York hold nearly $100 billion in municipal bonds and notes. And while only a modest share of that is in New York issues, default would reduce the entire tax-exempt market to tatters.

The Federal Deposit Insurance Corp. did a study of small banks and concluded that some 100 of them would be hurt by a New York City default. More ominous by far, though, is the exposure of the giant New York banks—and not merely in their municipal holdings. There has been no mass flight of corporate funds out of the certificates of deposit of New York banks, or out of the Eurodollar deposits of their foreign branches and affiliates. But there is some disturbing leakage—a few corporations not so eager to keep their money in New York, and signs that foreign investors are growing leery of the big New York banks.

No one is writing off the New York banks, but some clearly are hurting. Chemical Bank, for instance, the nation's fifth largest, with shareholders' equity and loan-loss reserves of $995 million, carries an estimated $335 million in New York City and MAC holdings. In addition, it also has estimated real estate investment trust loans of more than $700 million, loans to beleaguered W. T. Grant of $40 million, and loans to the ailing airlines industry of $87 million. Other big New York City banks also have considrerable exposure in all these areas, while the two big Chicago banks—First National and Continental Illinois—and Philadelphia-based First Pennsylvania Bank have relatively heavy REIT positions.

Even in a "worst-case" scenario, for both New York City and REIT loans, a substantial portion of any losses ultimately would be recoverable. But for the short-term, although Federal Reserve Chairman Arthur F. Burns has said that banks might be able to carry New York paper at book value for some six months after any default, major public accounting firms might insist on immediate writedowns. Beyond that, most banks have not even begun to take write-offs on any of their $12 billion in REIT loans, even though many of the trusts face bankruptcy.

Just how large such REIT write-offs are likely to be is being heatedly debated. George M. Salem, bank stock analyst at Drexel Burnham & Co., now estimates that banks might have to write off $1.8 billion of such loans during the next several years. Thomas H. Hanley of Salomon Bros. contends that the position of the banks will be cushioned by the equity and loss reserves of the REITs and by the position of the banks as senior creditors. But he concedes that the potential loss could amount to as much as $600 million. At the least, these factors will produce a severe drag on earnings, assets, and capital growth at major banks—certainly for the remainder of this year and perhaps over the next three years. Chase Manhattan, for instance, took a third-quarter $14 million pretax loss in its bond trading account because of the price plunge in New York securities.

As for many of the regional banks and almost all of the smaller ones, without the burden of either REIT loans or holdings of New York paper, it still appears to be business as usual, with funds ready to finance most business demands that are primarily local. But their continued viability assumes that no widespread loss of confidence in the banking system as a whole is allowed to develop, and the possibility of just such a crisis in confidence is very real.

A few corporate treasurers and investors, confessing that they are edgy, have begun to funnel money out of certificates of deposit at some New York City banks and into CDs at regional and local banks or into other money market instruments—an ironic reversal of the situation in mid-1974, when some regional banks had trouble raising CD money in the wake of the collapse of Franklin National Bank. Spreads in the CD market for many regionals have narrowed significantly, from ¾ of 1% or more during the height of the Franklin panic to a present level of about ⅛ of 1% above the going rate for Manhatttan banks. And some regionals report that they are selling CDs at par with or even slightly below rates paid in New York.

THE CD SPREAD NARROWS

Most bankers, analysts, and dealers insist that the narrowing of the spread has more to do with slack loan demand than it does with any widespread current worry about New York City banks. Too, some bankers point out that New York City banks currently have something like $30 billion of CDs outstanding, which could not be easily absorbed by regional banks. Says an executive at one of Texas's largest banks: "We might be able to take another $200 million. Hell, that wouldn't even be missed up in New York.

Andrew J. Chitiea, senior vice-president at the Signal Cos., explains his company's rationale for keeping CDs at major banks. "When they have problems because of municipal bonds," he says, "I feel the whole country is in trouble. And it's inconceivable to me the Comptroller would let them get into trouble." Still, if the top banks do get hurt, Chitiea thinks that there is no escape for all of the country's financial institutions because of the interdependence of the banking system. "When the heart goes, it's goodbye toes as well," he says.

[From Business Week, Oct. 20, 1975]

BAILING OUT NEW YORK

The federal government must help New York State and New York City avoid default for the same reasons it guaranteed loans to Lockheed Aircraft Corp. four years ago: It cannot risk a collapse of the shaky financial markets or a violent jolt to the infant economic recovery.

Under ordinary circumstances, the puritans would be right to insist that the city go through the wringer to pay for 10 years of fiscal mismanagement and the well-intentioned but foolish attempt to redistribute income by providing expensive services when it did not have the resources. But with the financial markets trying to digest the worst case of bad loans since the 1930s, such a purge could start a financial panic.

It is not just that a default of the city would spread to the state which in attempting to rescue the city caught the same cancerous disease. The big New York City banks, which play a far more important role in monetary policy than just as lenders to local business, can ill afford to see their capital shrink at a time when they are carrying a worrisome load of dubious loans. The banks have tied up money in real estate investment trusts when real estate has failed to recover from its depression, in tankers that are not wanted because of the worldwide drop in the demand for oil, in loans to a variety of commercial and industrial borrowers who shouldn't have been given credit in the first place, and in leases for wide-bodied jets whose operators cannot find passengers to fill the seats.

Even worse would be the impact of default on more than 100 small banks around the country, each of which owns New York issues worth three or four times its capital.

Just as it would be a mistake for the federal government to allow the city to default, it would be even worse to bail out the city without insisting on fiscal discipline. What makes sense is a scheme that Senator William Proxmire has been studying, very much like the one that helped Lockheed. Under this plan the federal government would guarantee a portion of the money the city will need over the next three years—about $5-billion—if the city presented a satisfactory fiscal plan covering that period. The guarantee would be rolled over every six months only if the city is on target with its plan. If not, there would be no rollover, and the city would go into default.

PLIGHT OF THE CITIES

Mr. PHILIP A. HART. Mr. President, the question facing Congress and the President on the problem of the New York financial crisis is one which has drawn a wide range of opinions from people of differing political backgrounds. In this week's U.S. News & World Report the subject is discussed in an editorial by Howard Flieger, who feels that the "plight of the cities is everybody's concern."

I ask unanimous consent that the text of the U.S. News & World Report editor's page be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STUCK WITH THE CHECK

(By Howard Flieger)

There are a few things people ought to keep in mind while they are scolding New York City for the mess it is in.

Undoubtedly, politics, waste of public

funds and inept management all helped bring the metropolis to the present state of affairs.

It's not the first time that has happened in America, nor is it likely to be the last. Government of the people by the people has never been noted for its efficiency.

But New York, while the most dramatic at the moment, is not unique among cities that have more burdens than they can bear. In one degree or another, the same thing applies to nearly every metropolis of the 1970s.

And it's not all their fault.

In a sense—and without meaning to—America began years ago bundling up problems that really were nationwide, packing them off to the cities and forgetting them.

It started before World War II siphoned untold thousands of rural Americans into the big-city jobs of the defense boom.

In 1940, roughly half of all our citizens were townspeople and half country people. By 1970, the ratio had shifted to three-to-one. Between 1950 and 1970, the urban population shot up more than 50 per cent.

This tremendous swarming of people not only changed the cities, it changed the entire country. Such things as poverty, inadequate schooling, neglected health and even lawlessness, which had been spread fairly evenly across the land, suddenly coagulated in New York, Detroit, Chicago, St. Louis, Los Angeles—you name it.

Cities, unlike nations, cannot pick their incoming residents. They have no immigration laws to screen out the impoverished, the unskilled and the ailing. New York tried once to stop people from moving in to get instant welfare. The Supreme Court said, "No."

The choice of where to live is up to individuals. But city governments have to provide them with schools, police protection, sanitation, health facilities, housing, even food and clothing in many cases.

All these things cost money, and somebody gets stuck with the check. The rub is that city dwellers are free to come and go, and—strictly from a financial standpoint—the wrong ones have been going.

The flight to the suburbs took from the cities the taxes paid by the middle class. Tax bases have been shrinking almost as alarmingly as costs have been growing.

Many cities have about reached the saturation point so far as local tax revenues are concerned. Tax rates on property in New York City are now at a level where experts fear any increase in search of new revenue will have just the opposite effect by driving out businesses. As it is, New York and other cities are littered with "ghost towns" of buildings whose owners have abandoned them rather than keep up the tax payments.

Thus, many central cities long ago reached the level of diminishing returns: The more they try to produce revenue, the less revenue-producing resources remain available.

They call New York City the Big Apple—a metropolis that embraces parts of three States spread around the Gotham core which has little or no control over the fruit that surrounds it. The core has gone bad.

America is full of Big Apples—central cities encased by communities that are beyond the reach of their authority. Jurisdictional boundaries make it impossible for them to share in the wealth of their more prosperous neighbors. Ironically, budget-cutting which reduces police and fire protection and other municipal services often only increases the need for them.

There is no painless solution. But it is manifestly unfair to treat as local infections the sores born of the urbanization of America. The plight of the cities is everybody's concern.

THE TAX CUT ISSUE

Mr. HUGH SCOTT. Mr. President, the Philadelphia Inquirer recently carried an interesting editorial taking the House Ways and Means Committee to task for doing precisely what it charged President Ford with doing: playing politics with the tax cut issue. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOW LOOK WHO'S PLAYING POLITICS WITH TAX CUTS

When President Ford proposed Oct. 6 that a tax cut in 1976 be accompanied by a cutback in spending, there was much gnashing of teeth by horrified Democrats in Congress. Chairman Al Ullman of the House Ways and Means Committee called the Ford plan "preposterous." Some alleged that the President was playing politics by trying to make taxes and spending an election issue next year.

Well, Mr. Ullman's Ways and Means Committee has unveiled a tax plan of its own, consisting of all tax cut and no spending cut, and it has to be asked who is being "preposterous" now. When it comes to politics, the Democrats are showing they play the game well.

The tax issue is coming to a head because temporary tax cuts for 1975, enacted last spring, will expire automatically Dec. 31 under present law. The House Ways and Means Committee has approved 21–16 not only an extension of this year's tax cuts but additional reductions of $2.8 billion effective Jan. 1.

The bill is expected to come to the House floor about the middle of this month, then go to the Senate. Under a tentative timetable the tax-cut measure would land on the President's desk in time for him to veto it, if he chose, as a Christmas present to the American taxpayers. Now *that* is playing politics!

Mr. Ford, while proposing a larger tax cut effective in January, insisted that the cut be accompanied by a spending ceiling of $395 billion for the fiscal year beginning next Oct. 1. That would be a $28 billion reduction in estimated expenditures.

The House Ways and Means Committee, far from agreeing to a $395 billion ceiling on spending, failed to approve even a compromise ceiling of $410.3 billion. A motion to set that spending limit was ruled out of order by Chairman Ullman, and his ruling was upheld by the committee 24–12.

Meanwhile, the House Budget Committee has tallied up appropriations for the current fiscal year and estimates the deficit will be $72 billion. That compares with $60 billion that President Ford proposed last spring as a deficit ceiling. Congress has failed also to keep within its own deficit ceiling of $68.8 billion adopted early in the year.

The government can't keep on cutting taxes without cutting expenditures—not without sliding toward a financial debacle that would make the New York crisis a picnic by comparison. President Ford has opted for fiscal responsibility, but the House Ways and Means Committee provides no reason for optimism that Congress will choose a responsible course.

B'NAI B'RITH OUTSTANDING CITIZEN AWARD

Mr. HOLLINGS. Mr. President, on November 25, B'nai B'rith, the world's oldest and largest Jewish service organization, will present its Outstanding Citizen Award to W. W. "Hootie" Johnson at a dinner in his honor in Columbia, S.C. It is truly appropriate that "Hootie" Johnson joins the distinguished statesman, Bernard Baruch, as the only South Carolinians ever to receive national B'nai B'rith recognition.

A brief look at just some of the endeavors to which he has lent his energies speaks eloquently of his abiding faith in a better tomorrow for all mankind. Those civic and philanthropic activities include—to list only a few—the United Fund, the Columbia Community Relations Council, the National Urban League and the Columbia Urban League, Benedict College, the University of South Carolina Educational Fund, Radio Free Europe, and Columbia College.

It is testimony to his dynamic ability and energetic leadership that in 1965, at age 34, "Hootie" Johnson was elected to his position as president of Bankers Trust of South Carolina, the State's second largest bank, and cited as South Carolina's Young Man of the Year. A former State legislator, he serves today, with distinction as chairman of the South Carolina Ports Authority.

In his every undertaking, "Hootie" Johnson displays the sense of responsibility and commitment which have become the hallmark of his life.

I know I speak for all the grateful people of South Carolina in whose behalf he works so tirelessly, in extending congratulations and best wishes to "Hootie" Johnson as he is most deservedly cited by B'nai B'rith with its Outstanding Citizen Award.

FEDERAL TAX AND SPENDING POLICY

Mr. TAFT. Mr. President, I support the concept of a series of cuts in Federal taxes and Federal spending, and feel that we should be working toward a balanced budget as the economic recovery progresses. The tax cuts of the early sixties boosted our economy out of its sluggish ways, putting thousands of people back to work, and generating the prosperity we needed to build schools, and to care for the elderly and the poor. It worked then. It will work now.

Unfortunately, we became entangled in a war that took all the revenue which that new prosperity brought. We spent on guns and butter much more than we had gained. Deficits and the excessive money creation they produced started us on the roller coaster of inflation and recession, boom and bust.

A tax and spending cut is the answer.

Why a tax cut for consumers? That is obvious. We have all seen how inflation has boosted our incomes into higher and higher tax brackets, forcing us to turn over to the Government more and more dollars that bought less and less. Is it any wonder that consumer confidence has withered? We need a tax cut just to break even, to pay for our food, clothes, and homes. We need a tax cut to keep the Government from taking an ever-increasing share of our incomes.

Why a tax cut for business? This may be hard for some people to see, but it is so important. Our money is spent either on consumption or on investment. It is the investment that provides more equipment, better tools for our people to work with, so that employment and income may be higher in the future than in the past. A boost in consumption now, at the expense of investment, will mean less consumption next year, and less income for the next generation. It is this tax cut that will bring growth back to the economy. If the tax cut for consumers is for our present well-being, then the tax cut for business is to secure our future.

Why a cut in spending? This is needed for two reasons. First, we must avoid the deficits that destroyed our hopes for the sixties. Second, we must make sure that what spending there is goes to the private sector.

How many Americans are aware that as recently as 1962 the Federal budget was less than $100 billion? That it doubled to $200 billion by 1970, only 8 years later? That it is about to double again, to $400 billion, by 1976, after only 6 years more? How many people realize that Federal, State, and local taxes absorb nearly 40 percent of our gross national product?

Not only is Government a wasteful spender. In addition, Government too often spends money on projects no consumer in his right mind would freely chose; studies of cockroaches in Germany, a tea-tasting board, and a commission to regulate trucks that forces them to take long detours and return empty to prevent competition, are prime examples.

We must stop this nonsense. We must produce more wheat in Kansas, more lumber in Oregon, more cars in Detroit, and, yes, more tires in Ohio—and less redtape in Washington, D.C. We must have a tax and spending cut, to provide real jobs for real people.

COMMITTEE ON APPROPRIATIONS REPORTS OUT 1976 DEFENSE APPROPRIATION BILL

Mr. McCLELLAN. Mr. President, the Committee on Appropriations met today and reported the defense appropriation bill for fiscal year 1976 and the transition period. For the information of the Members, I ask unanimous consent that my opening remarks before the full committee on this bill be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Opening Remarks

On October 29th, the Defense Subcommittee marked up the Defense bill for fiscal year 1976 and the transition period. The Intelligence Operations Subcommittee marked up the intelligence portion of the bill on the following day. I would like to emphasize that all funds for the Central Intelligence Agency and the intelligence activities of the Department of Defense are also included in this bill.

The recommended bill is $562.8 million over the House allowance and about $7.1 billion below the budget request for fiscal year 1976.

The amounts for the transition period approximate one-fourth of the fiscal year 1976 amounts. Complete figures are included in the tables in the report.

With respect to the First Concurrent Resolution target for the National Defense Function—as interpreted by the letter of Senators Muskie and Bellmon to this Committee—the Subcommittee recommendations are $162.2 million under the target in budget authority but approximately $1.5 billion over the target for outlays. For those who might choose to reduce outlays by $1.5 billion in fiscal year 1976, the following combinations illustrate the reductions below the recommended bill which would be necessary to reach the outlay target:

1. Terminate the following aircraft programs—Air Force: A–10 close air support aircraft; AWACS; B–1 strategic bomber; F–15 fighter; F–16 fighter; Navy: F–14 fighter and F–18 combat fighter; plus a reduction of 20,000 civilian personnel and a reduction in planned military accessions of 35,000. This combination would kill practically every new aircraft program in the Department of Defense.
2. Terminate the Army SAM–D missile program, terminate the Patrol Frigate ship program, terminate the TRIDENT submarine and missile programs, reduce civilian strength by 64,000, reduce planned military personnel accessions by 75,000.

Other illustrated combinations of reductions can of course be made, but any combination of such reductions as would be necessary to achieve an outlay total within the ceiling will obviously be quite drastic and possibly untenable.

It may well be that some will insist that these proposed outlays for defense be so reduced. However, in view of the prevailing international situation, I do not believe that such critical reductions would be in the national interest. If the majority of the Senate thinks otherwise, they have the prerogative and the power to so amend the bill and to bring the total within the target limit.

I do believe, however, that if the Subcommittee has erred in its overall recommendations with respect to appropriations for the military it has erred on the side of providing too little rather than having appropriated too much.

Mr. McCLELLAN. Mr. President, I also ask unanimous consent to insert in the RECORD a summary of the committee action on items of major interest in the defense bill and call to the Senate's attention that the full committee added only $7.1 million to the recommendations of the Defense Subcommittee.

It is expected that the report of the committee will be available to the Senate not later than Monday next.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Department of Defense Appropriations Bill

(H.R. 9861)

COMMITTEE RECOMMENDATIONS

	Fiscal year 1976	Transition period
Budget request	$97,857,839,000	$23,117,645,000
House bill	90,291,045,000	21,674,571,000
Senate bill as reported	90,783,349,000	21,865,496,000
Senate bill over House	564,304,000	190,925,000
Senate bill under budget	7,074,490,000	1,252,149,000

MAJOR ACTIONS ON HOUSE BILL

Military personnel

Recruiting, advertising and support—Restores $52.7 million of House reductions.

Education and counselors—Restores $10.1 million for military education programs and career, equal opportunity and drug/alcohol counselors.

Active duty strength—Recommends funding to support FY 1976 end strength of 2,085,709. Slightly higher than House.

Operation and maintenance

Civilian personnel strength—Sustains House funding for 1,064,000 civilian positions at end September 1976. Restores portion of House reduction in positions at Army industrial activities, Naval shipyards, and Walter Reed Army Medical Center. Reduces positions associated with increased Air Force C–5/C–141 crew ratios, increased tactical fighter crew ratios and Military Airlift Command aerial ports.

Safeguard ABM—Restores $40 million to fund operations as requested in budget. House terminated operations.

Commissaries—Sustains House position to fully fund $286 million subsidy in FY 1976.

Air Force Advanced Logistics Data Processing System—Retains program but defers minor items. House canceled program.

Overseas dependent education—Restores all House reductions.

CHAMPUS—Restores $13 million consistent with general provision which reinstates counselors and visual training.

National Board for the Promotion of Rifle Practice. Restores $233,000 deleted by the House for FY 1976.

Army and Navy depot maintenance—Restores $20 million of House $30 million reduction in Army depot maintenance and $30 million on House $34 million reduction in Navy aircraft depot rework activities.

Naval ship alteration, overhaul and repair—Restores total House cut of $25 million.

Movement of Navy Oceanographic Office—Provides $3.6 million requested to move Navy Oceanographic Office from Suitland, Maryland, to Bay St. Louis, Mississippi.

Procurement

Aircraft

A–10—Sustains House in providing funds for buy of 61 in FY 1976 and 30 in FY 197T.

B–1—Denies all advance procurement funds: $64 million in FY 1976 and $23 million in FY 197T.

AWACS—Restores funds to buy six aircraft in FY 1976. Restores advance procurement funds of $15 million in FY 1976 and $30 million in FY 197T.

F–14A—Sustains House in providing funds for buy of 36 in FY 1976 and nine in FY 197T.

F–15A—Reduces House buy from 108 to 96 in FY 1976 and 27 to 24 in FY 197T.

C–12A—Buys 16 in FY 1976 instead of 14 as funded by House.

Civil Reserve Airlift Fleet—Sustains House in denying funds to initiate modification program.

C–141 stretch program—Sustains House in providing funds to complete initial soft tooled prototype and to flight test.

Missiles

Trident I—Restores $35 million in FY 1976 and $15 million in FY 197T to fully fund transition from development to production.

Chaparral air defense—Restores $37.5 million to buy 52 units in FY 1976.

Ships

CSGN nuclear strike cruiser—Sustains House in denying procurement funds for long lead time nuclear components.

PHM hydrofoil—Sustains House in providing funds to complete second prototype.

PF patrol frigate—Sustains House buy of nine ships in FY 1976.

Realignment of shipbuilding program—Deletes funds for one AD destroyer tender, funds one ship in fiscal year 1976. Provides additional funding for the Patrol Frigate authorized in fiscal year 1973 and the PF Patrol Frigates, the AD destroyer tender and the PHM patrol hydrofoils authorized in fiscal year 1975. Fully funds one Trident submarine and two AO fleet oilers authorized in fiscal year 1976.

Miscellaneous

M113A1 armored personnel carrier—Restores funds for buy of 1,320 carriers in FY 1976.

Binary munitions—Sustain House in denying funds to initiate production of 155mm binary chemical artillery projectile.

AN/TPN–19 traffic control and landing system—Restores funds to buy 11 units in FY 1976.

Research, development, test and evaluation

Advanced Forward Area Defense—Restores $7 million for total of $10.9 million.

Short range air defense missile (Roland)—Restores $20 million for total of $60 million.

Tank systems (XM–1)—Provides full budget estimate of $51.8 million in FY 1976 and $39 million in FY 197T.

SAM–D air defense missile—Restores $14.6 million for total of $40 million in FY 197T.

Human resources—Restores $10.3 million in FY 1976 for total of $50.3 million.

Phalanx close-in weapons system—Restores $15.7 million.

Trident missile (MA500MARV)—Restores $38.6 million for total of $725.5 million in FY 1976.

Surface effects ship—Restores $17.9 million for total of $38 million.

AWACS—Restores $20.8 million in FY 197T for total of $54.5 million.

Air launched cruise missile—Restores $51 million to program in FY 1976 and $13 million in FY 197T.

C–5A cargo aircraft—Sustains House in providing $22.3 million for rewinging.

B–1—Deletes $75 million in FY 1976 and $39 million in FY 197T.

F–16 fighter—Deletes $75 million for total of $146 million.

F–18—Sustains House position. Provides $110.2 million in FY 1976 and $22.6 million in FY 197T.

HEART HOUSE

Mr. MATHIAS. Mr. President, the American College of Cardiology is a professional medical specialty society composed of physicians and scientists dedicated to research, education and treatment in the field of cardiovascular diseases. At the present time, the college has a membership of over 6,500 professionals.

As the complexity of the college's services increased, it was realized that greatly expanded and unique facilities were needed for the college to attain its objectives. The form of this expanded effort will be a facility known as Heart House. For reasons stated later in my remarks, the American College of Cardiology chose to locate Heart House in Bethesda, Md. In essence, Heart House is the culmination of the college's efforts to set up a National Cardiovascular Education Center.

Heart House will aid in the continuing education of physicians all over the world through development and distribution of educational materials including tapes, slide sets, manuals, films and self-assessment examinations.

Inasmuch as the college membership reaches into virtually every medical teaching facility and medical activity, Heart House will have the expertise and the resources of the entire Nation at its disposal to assist in the development of programs and the accumulation of educational materials.

All teaching materials developed by the Heart House educational program will be made available to cardiology teaching centers that request them.

Within 5 minutes walking distance from the Heart House site are the National Library of Medicine and the National Institutes of Health, which include the superb Clinical Center and National Heart and Lung Institute. Other medical resources in the area include the United States Naval Medical Center, Walter Reed Army Medical Center, the future Uniformed Services University of the Health Sciences, the medical schools of Georgetown, George Washington and Howard Universities, and the Armed Forces Institute of Pathology. Within 50 miles are the Johns Hopkins Medical Institutions and the University of Maryland Medical School and Hospital in Baltimore.

I join in welcoming Heart House to Maryland and look forward to the fulfillment of its great potential. It was my honor to be present at the ground breaking for Heart House and to hear the remarks made by Dr. Theodore Cooper, Assistant Secretary of HEW and other distinguished speakers. I ask unanimous consent that excerpts from their speeches on that occasion be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From the Remarks by Theodore Cooper, M.D.

The programs proposed for Heart House and the exceptional opportunities it will provide for the continuing education of practicing cardiologists are laudable. The previous experience and past successes of the American College of Cardiology in endeavors of this sort are guarantee enough that Heart House will fulfill in ample measure the great hopes we all have for it.

Today's practicing physician has his problems in attempting to stay abreast of new developments in his specialty, if he has one. And things are more difficult still for the general practitioner who is expected to keep reasonably up to date on developments in many medical fields.

Gone are the days of the "Renaissance Man" who once could aspire to mastery of the whole of human knowledge. It probably wasn't feasible even during the Renaissance and it certainly isn't today. We find ourselves in the midst of a data explosion in virtually every scientific field that, to mix metaphors, threatens to drown us in a sea of facts.

From past experience as Director of The National Heart and Lung Institute, I know that our scientists and grantees cranked out more than 4,000 papers and abstracts on cardiovascular disease topics during the average year. This was probably considerably less than half of the total amount of all CV investigators during any given year.

As a past Director, it would be unseemly if I said that a great many of these papers were bilge. For while some confirmed and extended findings originally reported before the administration of William McKinley, others confirmed and extended findings reported somewhat later. And all contributed in one way or another to the accumulation of "Important basic data". In science, it would seem, basic data is an invaluable resource, sort of like natural gas, perhaps. Basic data should not be treated lightly, and it isn't. Indeed, if there is one thing that can be said about the current crop of experts on information retrieval, it is that most of them go all out to retrieve it all.

Clinical research advances, however brilliant, are of only limited value in the prevention, diagnosis, or relief of illness unless they are widely applied. There are, of course, unavoidable time lags between the development of a promising new technique, adequate demonstration of its effectiveness in carefully controlled clinical trials, and its general acceptance as an established procedure in clinical medicine. It is a matter of concern to all of us that this time lag be kept as brief as possible.

But of course, simply narowing the time lag between discovery and application of important new concepts and techniques in medicine is not enough to solve the multitude of problems facing us. For undoubtedly the number one problem—the overriding issue—that confronts the whole of the American health care enterprise is the problem of cost.

This is neither the time nor the place for me to launch into a lengthy and probably well-worn sermon on the cost issue. Yet it certainly is germane to this occasion for the simple reason that cost is inseparable from quality of health care, and the whole thrust of the Heart House program—and the most important contribution that the American College of Cardiology is making and will continue to make—is in the area of improving the quality of care available to CV disease patients throughout the country.

When you stop to think about it, we have some rather odd ways of trying to assure quick health care. I mean, for instance, the whole fault system based on the threat of malpractice litigation is hardly what one would call the ideal way to guarantee high quality care. Certainly well organized peer review systems are fundamentally more sound. And it is my sincere hope that PSRO, not by itself certainly, but in concert with other mechanisms, will be able to elevate the quality of health care by enabling physicians in every specialty and subspecialty to benefit from the knowledge and good counsel of recognized authorities and responsible professional organizations like the College.

Clearly when this country adopts a system of national health insurance—and that is probably not very far down the road—the need to exercise prudent cost control without sacrificing quality will be paramount. I hope that our profession will be prepared to take the lead in that endeavor, rather than to turn it over to government. And here again, this Ground Breaking and the work that will be carried forward one day here at Heart House should give us all reason for guarded optimism.

One of the most effective means yet devised for helping physicians, not only to keep them from drowning in a swirling sea of new research and clinical information but to ride the crest of the waves, has been refresher training courses.

In the cardiovascular-disease field, of course, the American College of Cardiology has been a leader in the development and administration of such courses. Prepared and taught by experts, eliminating extraneous material, and concentrating on proven concepts directly applicable to the solution of clinical problems, these courses have enabled participating physicians to stay abreast of fast-breaking developments in the cardiovascular field without forsaking their clinical practice for prolonged periods.

The establishment of Heart House marks an especially significant milestone in a continuing program with a proud record of achievement and an exceptionally promising future. The courses, educational materials, and teaching techniques that will be developed, used and evaluated here are likely to have profound and salutary effects on cardiovascular training programs everywhere.

Excerpts From the Remarks by E. Grey Dimond, M.D., F.A.C.C.

Our Earth is saturated with problems, all essentially man-made; therefore, it is a special dividend on this magnificant Fall day in late September 1975 to share an adventure that has no possible misinterpretation. We pause here to recognize that mankind is also capable of positive actions. This is a therapeutic moment for all of us.

In my own years of academic life, I have learned well that "institutions are but the lengthened shadows" . . . of the abilities of the men and women who created them. But I have also learned that when the shadowmakers have left the scene, that the remaining bricks and mortars may enhance their message beyond the founders' dream.

People and ideas are important—but place them in a great grove of ancient trees, nearby the stimulus of national resources for health knowledge and health care, and shelter them in a symbolic building—a House with a Heart—then you will have set in motion the greatest strength the human mind can generate:

People—Ideas—lifted by their environment—working together, to improve the life of their fellow man.

Last night I was asked "how large will Heart House be?"—My own answer must be "who knows?"—Those of us who have brought it to this stage have to our surprise discovered that many of us have grown older in the years required to reach this stage. In fact, many of us find ourselves almost at the end of our active careers—yet the organization on whose behalf we have worked ... The American College of Cardiology ... has only become a youth of age twenty-five—and The College will still be in its prime in twenty-five more years, yet by then, even the younger men and women now active in The College will have left the scene. So there is no definition of the "size" of Heart House. What happens on this ground will depend upon the energies and ambitions of successive generations of physicians. What we start today is only the beginning. In fact, the largest contribution we have made, any of us, for this project—has not been in money—but in moving The College from the limitations of its original base—here to the unlimited potential of Bethesda—and this beautiful piece of earth.

Excerpts From the Remarks by B. L. Martz, M.D., F.A.C.C

This is a joyous day for all of those who have dreamed and labored so long and so hard for Heart House. President Fisch has allocated a few minutes for me to re-state why most of us assembled here are excited about this project. The American College of Cardiology is committed that the building that rises on this site will not only be a headquarters symbolizing the prestige and status of a great professional organization, but more importantly, it will be an incubator for new approaches in the field of continuing education for practicing cardiologists. Heart House will be a place where all the necessary resources for innovation in education are assembled—the latest in electronic equipment—together with the best available people—of varying skills—communication technicians, educational theorists, knowledgeable teachers, artists, production experts—interacting to create new educational material and methods. I need not remind you that the means for communication have exploded in our generation—most of us can remember our first radio. Our children accept television as having been here forever. Coming fast on our heels is a generation which measures the interest level, the impact, the efficiency of a learning experience in the context of Sesame Street. How long do you think they will continue to patiently sit hour after hour in crowded rooms listening to a learned, but dull, lecturer with no, or poorly prepared, visual aids lecturing on topics selected by the teacher with no means of measuring his or her impact on the audience and the audience having no way of letting the teacher know how irrelevant the material is to their needs—both with no choice over the fixed time, place and pace of their essentially unidirectional communication?

Our children have grown up accustomed to a fast tempo of information transfer—sitting in front of a television set and having the most complex of the world's problems dramatically documented and miraculously resolved all in one hour, with time out for at least four commercials. Their tolerance for the inertia of our educational systems; our failure to take fuller advantage of today's technology toward improved learning is predictably short lived. Dr. Sterling McMurin, Dean of the Utah Graduate School who headed up the Congressional Commission on Instructional Technology came away from that experience somewhat critical of educators. Two years ago at a Heart House meeting in Kansas City, he pointed out, and I quote him, "The American College of Cardiology in its planning for Heart House is in a position of potential leadersip in the field of education, since it can proceed without all the impediments of the conservative educational establishment." At that same meeting Dr. Robert Saudeck of Boston pointed out that it would be possible today to bring together into one electronic room the Johns Hopkins immunologists, the native nurse in equatorial Africa, the NASA physicians, the soaring astronauts and a classroom filled with interested medical students at Guy's Hospital in London. We could add that with Heart House the product of such an exercise in international and extraterrestrial communication could be evaluated, edited, tested for its teaching value and relevance, packaged and distributed to practicing cardiologists to be experienced at a time and place of their choosing—hopefully accompanied by some mechanism to determine if the new information resulted in any change in the physician's handling of problems.

The technology for capture, storage and distribution of information is not standing still—a new chapter is just around the corner in the form of mass producible relatively low cost video discs. Satellites make the whole world a TV studio.

Creating a building may well be the easiest part of our total Heart House task. We will not have kept faith with Grey Dimond and other formulators of this concept unless this great organization measures up to its next challenge and opportunity—creating through Heart House an innovative, exciting, efficient, relevant, valuable system for providing continuing learning experiences over the years of the practice span of physicians caring for heart patients wherever they are!

Excerpts From the Remarks by Dwight E. Harken, M.D., F.A.C.C.

It is no sacrilige to paraphrase noble words spoken 103 years ago and 80 miles north by north-west.

"Whether the world notes or long remembers what we say here . . . it cannot possibly overlook what will be done here." It is for us the living and those to come to be dedicated to the unfinished work ahead.

In accepting this torch we are certain that we can harvest the materials, laboratory and clinical, from the multi-focal sources in the world and deliver it to the people who need that information. We shall also improve the methods of that delivery so that the Heart House attack on heart disease, and its improvement of the delivery of health care will become a landmark for the 20th Century.

Excerpts From the Remarks by Robert I. Levy, M.D.

The concept of Heart House as a center for continuing education and a focal point for innovative teaching should serve in the years to come as a model for the translation of biomedical research findings into clinical practice. The College's commitment to the medical profession is indeed praiseworthy. Data from research is of little value unless it can be applied either to additional research advances or translated into new and better techniques for prevention, diagnosis or treatment of man's ills.

Knowing so well the limitations of the federal resource it is indeed heartwarming to know that soon there will be a faculty nearby that has a mission parallel to one of the Institute mandates as spelled out in the National Heart, Blood Vessel, Lung and Blood Act of 1972, namely; to provide the public and health professionals with health education and information. Heart House will make the professional education portion of our Government mandate easier. With this in mind, I pledge the cooperation of the National Heart and Lung Institute and its staff to the concepts of Heart House. Any information that is generated as a result of investigations supported by the NHLI in the area of diagnosis, prevention or treatment will be made available to the College for dissemination to the medical profession. We stand ready to assist and support the College in the concept of continuing education.

FEDERAL LEADERSHIP NEEDED IN GUN CONTROL

Mr. PHILIP A. HART. Mr. President, at recent hearings before the Government Operations Committee, Mr. Louis Harris, the pollster, provided his latest readings on the issue of gun control. In Wednesday's edition of the Washington Star Harris' findings and the issue of gun control were discussed in an editorial which contained an important message for Congress.

I ask unanimous consent that the text of the Washington Star editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Aroused Against Handguns

Louis Harris, the pollster, provided a Senate committee the other day his latest readings on the volatile issue of gun control. His pulse-taking, Harris told the Government Operations Committee, shows that 77 per cent of citizens queried are in favor of federal regulations to control the sale of firearms, a support that has grown from 66 per cent since 1967.

Mr. Harris also said he finds a decidedly greater voter disenchantment with the political timidity that has characterized any effort to reduce the slaughter in recent years. He contended that if there is not greater federal leadership toward gun control, there will be some electoral "casualties" among politicians opposing regulation. "What (people) are saying as I read and hear them," Mr. Harris said, "is this: We want federal control of guns quickly and decisively. We do not believe such a step will make our country all calmness . . . nor that violence will go away. But we view gun control legislation as a necessary, critical and primary first step."

However, a portion of what we read of Mr. Harris's testimony lends itself to the hysterical propaganda of the pro-gun lobby. He said that more American households have guns today than had them seven years ago—by a margin of 47 to 41 per cent. Well, that has been a theme of the every-man-an-arsenal advocates, led by the National Rifle Association: That the law-abiding American needs a weapon to keep vicious crime at bay. The lobbying association contends that gun control equals confiscation, and that the plea for elimination of handguns is only a step to deny citizens any firearm, either sporting rifles or shotguns. Horseshoes.

Typical of the hyper-hype that the NRA is infusing into its current campaign against congressional action is this recent comment by Harlon B. Carter, the executive director of the association's institute for legislative action. In a letter soliciting support, he said, "If these radical and outspoken pressure groups completely succeed, the safety of each and every person in your neighborhood will be in jeopardy. . . . Many congressmen and state legislators are undecided on how to vote on this extremely important issue which may well determine whether you can protect your family."

The National Rifle Association is mobilizing again to scuttle or emasculate legislation, though why they are so concerned escapes us—Congress gives every indication of being understimulated still in confronting the handgun problem. A proposal given the best chance of enactment primarily would ban importation of parts for the cheap "Saturday night specials" which still can be assembled in this country because of a loophole in the 1968 gun bill. We would mention only that the weapons wielded by Squeaky Fromme and Sara Jane Moore were not cheap imports, but quality weapons.

As part of its campaign, NRA is conducting a mail survey, presumably to selected citizens; the four questions it is asking would be hilarious if the subject were not so bloody. Our favorite reads: "Do you believe that private citizens have the right to own firearms to defend themselves, their families and their property from violent criminal attack? Yes, No, Undecided."

Or this one: "Do you believe that a new law prohibiting all ownership of firearms would make it impossible for criminals to get guns? Yes, No, Undecided." Now that's what we call a thoughtful opinion survey. Mr. Carter ends his letter, "I believe if guns are outlawed, murderers and thieves will have control of our lives and property. We will have no defenses."

The NRA's apocalyptic visions were rebutted the other day by the U.S. Conference of Mayors. The organization charged that the rifle association "is really an appendage of the $582 million gun industry," and is falsely claiming credit for defeating members of congress who advocate federal handgun controls. In a special publication on the issue, the Conference of Mayors cites what it calls a "little-known 1975 staff report" of the NRA itself which states that "27 congressmen who either introduced or supported measures favorable to firearms owners went down to defeat last fall. But not a single congressman who sponsored restrictive firearms legislation lost his seat."

It is unrealistic to expect much measured debate on handgun control. But the toll grows daily. Perhaps Mr. Harris's findings, or the apprehension they engender in congressional election prospects, will compel legislative initiative to curtail the insanity of a nationwide freefire zone.

RUSSIAN EGG, SOVIET CHICKEN

Mr. TAFT. Mr. President, I would like to bring to the attention of my colleagues an article from yesterday's New York Times by Mr. C. L. Sulzberger, entitled, "Russian Egg, Soviet Chicken."

In this very perceptive article Mr. Sulzberger notes that:

> Thanks to this redoubtable man (Admiral of the Soviet Fleet, Sergei Gorshkov), Russia is today the second greatest naval power in the world and may before long be the first.

Admiral Gorshkov is indeed a remarkable man, reminiscent in many ways of Admiral Tirpitz, the man responsible for the naval challenge the Kaiser's Germany offered Britain in the early 1900's. In fact, there are many similarities between Germany's attempt to become a naval power which could challenge Britain and the way the Soviets are challenging the United States at sea today. The most significant similarity is the way the German and, today, the Soviet naval programs can only be understood as offensive in nature.

Every nation has its own legitimate defense requirements. The Soviet Union is no exception. Given the great suffering the Soviet people underwent in World War II, it is understandable that the Soviets feel it necessary, for defensive purposes, to have a large army. Because the Soviet Union is faced with third-power nuclear threats—unlike the United States—we can understand that their strategic nuclear defense forces may have to be configured differently than ours, in terms of legitimate defense requirements.

However, there is absolutely no way that the Soviet Union can justify a large navy in defensive terms. The Soviet Union is not dependent on seaborne trade. The Soviet Union is not dependent on natural resources from overseas. The Soviet Union does not have to use the sea lanes to resupply her allies. Beyond minimal coastal defense, the Soviet Union has no defensive requirement for a navy.

This was true also for Germany in the early 1900's. Thus, the British had no choice but to see the development of a powerful German navy as a deliberate threat to Britain. As it turned out, of course, the British belief that the German navy was directed against Britain, against Britain's sea lifelines, was correct.

The development of a large Soviet navy for which we cannot find any explanation in terms of defensive requirements must lead us to both military and diplomatic thoughtfulness. In our diplomatic relations with the Soviet Union, the most difficult question we face is whether the Soviet leadership is committed to détente as a permanent policy, or whether they see it as a tactic of limited duration, after which they will assume an aggressive position. When enormous Soviet resources are devoted to a navy, the purpose of which cannot be explained in terms of defensive requirements, we must ask ourselves whether that is not evidence that, from the Soviet standpoint, détente is a tactic, not a long-range commitment.

Mr. President, I ask unanimous consent that the article, "Russian Egg, Soviet Chicken," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIAN EGG, SOVIET CHICKEN

(By C. L. Sulzberger)

PANAMA CITY, PANAMA.—Until its fleet was wiped out by the Japanese at Tsushima in 1905 Russia had been a considerable naval power since the eighteenth century. Indeed, after the American Revolution, John Paul Jones accepted the office of rear admiral in the service of Catherine the Great.

But Czarist Russia never recovered from its disastrous defeat off the tip of Korea. Apart from a few submarines and torpedo boats, Soviet vessels likewise played an insignificant role in World War II. It had become axiomatic that Russia was not a sea power but a land power.

The first hint that Stalinist Moscow was beginning to think in terms of maritime warfare came in 1943 when the British battleship Royal Sovereign and the United States cruiser Milwaukee were handed over to the Soviet Union and fought as the U.S.S.R.'s only two operable capital ships, renamed the Archangelsk and Murmansk.

Since that low ebb, when Stalin's naval advisers first began to dream about the kind of blue-water fleet that was customarily regarded as the status symbol of a great power, the Russians have worked hard to create a navy comparable with their vast strength on land and in the air.

Admiral Sergei Gorshkov took charge of the task when it assumed its first impressive proportions. He boasted on Navy Day (July 31), 1966: "An end has been put to the complete domination of the sea by the imperialist powers."

Admiral Gorshkov, who joined the navy at 17 and became an admiral at 31, had survived wholesale Stalinist purges. He boasted a good war record at Odessa and in command of a Danube flotilla. In 1962, after the Cuban confrontation, his ambitions to accelerate naval development were given a complete go-ahead.

He instituted a new type of global electronic intelligence handled by fishing trawlers. He developed the world's largest submarine force. He dotted the oceans with massive buoys where his ships could tie up. He insisted on constructing helicopter carriers and now aircraft carriers, the first of which has been commissioned.

Thanks to this redoubtable man, Russia is today the second greatest naval power in the world and may before long be the first. By Navy Day 1970 Gorshkov could claim: "Soviet Navy ships are constantly on the ocean including the stamping grounds of the NATO strike fleets."

Through his vision, the Soviet admiral has been able to get the U.S.S.R. back into the role imagined for Russia by Peter the Great and Catherine the Great, a drive toward the southerly Indian Ocean and Mediterranean.

Peter even had a project to annex Madagascar. Catherine concentrated on biting off pieces of Ottoman Turkey. In the eighteen-twenties, when Greece gained its independence, a strong Russian fleet fought beside the British and French against the Turks.

The consequence of this persistent policy is that Moscow has gained influence in many distant corners of the world. It has opened naval facilities in the Indian Ocean as the British (Sri Lanka, Gan, Bahrain, Mauritius) and the French (Madagascar and the Comores) closed up shop and while the Americans have trouble gaining Congressional approval for unimpressive dots like Diego Garcia.

In the Mediterranean, where the Soviet fleet permanently on station compares well with the U.S. Sixth Fleet, Moscow has been able to use this new factor for diplomatic purposes. From the Red Sea (now linked by a reopened Suez Canal), where its ships have facilities as far down as Somalia, right into the Mediterranean heart, Russia makes its power felt.

As Turkey and Greece vie to expel American bases and weaken NATO, Soviet diplomacy calmly shifts from the Egyptian bases once available to other installations in Libya, from which it can survey U.S. vessels. Moscow maintains a presence in Syria's ports, and has tentatively explored chances of future facilities in Malta, which once contemplated submission to the Czar.

Now, with Italy on the possible brink of a coalition including Communists, with Spain's future uncertain, and with Portugal's (at the Mediterranean gate) badly troubled, the U.S.S.R. is speedily outflanking NATO from the south. And here in Panama U.S. strategists worry about our naval link between two oceans.

None of this was imaginable until Moscow had developed a navy strong enough to offset implied American political pressure (viz., Lebanon-Syria-Iraq, 1958, or Jordan-Israel, 1970). And the man ultimately responsible for this remarkable change is not Brezhnev but Gorshkov, who hatched the Soviet naval chicken from its first Russian egg.

NEW YORK'S FISCAL CRISIS

Mr. MUSKIE. Mr. President, the problem of what action, if any, the Congress should take in response to New York's fiscal crisis is as complex as it may be critical. If for no other reason, the simple lack of a precedent makes the normal decisionmaking process more difficult and risky.

A great part of the difficulty—despite conflicting statements to the contrary—stems from the fact that no one really knows what would happen in the event of a default by New York City.

How costly would the consequences be for other States? How much damage has already been done to the structure of public financing? How much more damage would be done by a default of New York? What measures should be instituted to put New York back on the path of financial responsibility? What are the implications of the New York problem for the courses of Federal/State relations?

Predictably, these and similar questions are being hotly debated not only in New York and here in Washington, but throughout the country. In my own State of Maine, feelings run high both for and against Federal action.

On the one hand, there is every indication that New York City's problems are already having a marked and adverse impact on small Maine communities and on Maine's ability to finance needed public projects.

On the other hand, because Maine is a frugal State where every penny counts—and must be counted—there is genuine concern that New York City must set its fiscal house in order.

Beyond this—assuming New York City meets whatever standards of fiscal responsibility one might impose—there is the question of what type of assistance, if any, ought to be provided by the Federal Government. Even proposals for some form of loan guarantees, which involve no actual outlays by the Federal Government, have very serious implications which cannot be taken lightly.

In an effort to stimulate discussion of these and other questions, I would like to share with my colleagues some recent correspondence I have received on the subject.

First, there are the views of two distinguished leaders of Maine's financial community—Wallace Haselton, chairman of the board of the Depositors Corp. of Augusta, Maine; and John F. Grant, chairman of the board of Bankshares Co. in Bangor, Maine. Both discuss the impact which New York City's problems is presently having on Maine.

Second, there is a letter from Maine Gov. James Longley in which the Governor expresses some of the concerns which many Maine people have toward New York's past spending habits.

Mr. President, I ask unanimous consent that these letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Depositors Corp.,
Augusta, Maine, October 25, 1975.
Hon. Edmund Muskie
U.S. Senate,
Washington, D.C.

Dear Ed: Our bank alone processes approximately 30 million municipal notes and bonds in the course of a year. Obviously, we cannot hold this kind of volume thru their various maturities. As a consequence we must go to the national money markets in New York and Boston. This is another aspect of Maine's need to import money to finance its needs in light of our deposit gap. (Maine has 50% of the New England average in Per Capita Bank Deposits.) When we do this, we are told that the little known Maine communities must now go to much greater lengths to prove their acceptability in the national markets on any terms because of suspicious attitudes created by the New York situation.

In the case of general obligations backed by ad valorem taxes, the interest rate is a full point higher than a year ago. In the case of revenue obligations, and all water and sewer district borrowing fall in this category, the rate differential over a year ago is two to three full percentage points over last year, if any bidders appear at all. As you know, in the case of pollution abatement borrowing for sewers, the communities must borrow this money to meet environmental standards. They have no choice.

There is no question in our mind that virtually all of the increased interest costs cited above are due to the New York situation. We know this because the underwriters in the national money market centers tell us so. Municipal borrowing is only partly related to local conditions. Overhanging this market is a fragile confidence which tars everyone with the same brush when a major threat appears against any substantial segment of this market. No single community is an island, the bell has tolled for all of us.

We cite the following examples of borrowing history which specifically reflect the phenomen we have described.

In the case of Kennebec Sanitary Treatment District (Waterville area) on 1/22/74 they borrowed $3,675,000 at 5.69% for one year. On 1/22/75 the District attempted to borrow $6,100,000 for a year. There were no bidders and eventually a rescue operation was negotiated at rates between 9% and 10½%. The ultimate lenders said that rumors about New York City caused them to ask these rates. In September of this year Moody's downgraded this District, not because of any deterioration in credit worthiness but simply because the market situation indicated that they might not be able to roll over their debt at any rate.

In the case of the Auburn Sewerage District which borrowed $3,000,000 in March of 1974 at 6.23 percent, the experience is similar. In March of 1975 they paid 7.2 percent. The only other bid was in excess of 8 percent. Moody's gave them the same downgrading they gave to Kennebec Sanitary and for the same reasons.

Auburn Water District borrowed $600,000 on January 3, 1974 at 4.85 percent. On January 10, 1975 they borrowed $660,000 at 7½ percent.

There is also the case of Fort Fairfield Utilities District (Sewer and Water facilities). They have attempted for three months without success to obtain $1,600,000. They received no response to their request for bids. It is safe to say they would have obtained this money at 6½ percent to 7 percent a year ago. In view of their emergency situation, they have had to pay 8 percent for 30 months to a Maine bank who will hold the notes and make a sizeable amount of Maine bank deposits unavailable for our many other needs. All of this happened in the face of a Farmers Home Administration commitment to pay off the notes at the end of thirty months, making it a relatively riskless credit.

This is a national crisis. Perhaps these specific examples will show you beyond doubt the terrible burden being laid upon Maine communities because Mssrs. Simon, Burns, and the regulators refuse to take their blinders off. The statement by Simon in April 1975 to the effect that a New York City default would not amount to anything on the national scene, should go down with the one made by the Titanic cruise director with the water lapping around his toes.

The impact of that stupid decision not to help our own "kinfolk" but send billions to South Vietnam, has been dramatic on the State of Maine. Please do everything in your power to get your fellow legislators to act NOW and issue a guarantee (not a grant) to New York City. Put in any covenants you wish to make it apparent it is going to hurt them drastically, but DO IT! Failure to act, in spite of the geniuses advising the President, has already cost this nation more than the entire debt of New York City and New York State.

Thank you for reading this.

Sincerely,
Wallace M. Haselton,
Chairman of the Board.

P.S.—Sunday's paper indicates we are going to GIVE Egypt a billion dollars, or so, but we think it is not in order to guarantee even that amount of New York City debt. If you can follow that logic, you are a better man than I!

Merrill Bankshares, Co.,
Bangor, Maine, October 28, 1975.
Hon. Edmund S. Muskie,
U.S. Senate,
Washington, D.C.

Dear Ed: I am writing you today regarding the current situation in New York City about which as a banker and a taxpayer, I am greatly concerned. To the best of my knowledge, including our own banking group, banks in our State do not have any great concentration in New York City securities. In the case of our own bank, we own only $500,000 in New York City bonds out of total municipal holdings of some $70,000,000. While we could absorb a loss on these New York City securities with no adverse consequences, we are greatly concerned with what the City situation and the lack of confidence regarding municipal securities has already had on our portfolio and that of the banking system throughout the country. As a result of the City crisis since the first of the year, we have seen a depreciation on our overall portfolio of some $3,000,000 which is of concern to us and could have an adverse effect upon our capital position at a point in time in the future should the City default.

Furthermore, as many of our Maine municipalities and political subdivisions are too small to obtain Moody or S & P credit ratings, they are finding it increasingly hard to obtain short and long-term funds from the major money markets and are turning more and more to the banks in the State of Maine. Already in Maine we are seeing our local municipalities, school districts and other public bodies having to pay much higher rates on their short and long-term obligations as a result of the New York City situation. In some cases, they have had to pay as much as 3 percent more than these good credits warrant. I know of several cases in which sanitation districts were able to obtain only one bid at rates in excess of 8 percent for one year money.

While I, personally, am sympathetic to the argument that the City is getting "their just desserts" for many years of gross financial mismanagement, I am greatly concerned regarding the much greater consequences, including those that pertain to our own situation, that a default of the City would have upon our overall economy. Furthermore, default of the City coming on top of the real estate problems and other major bankruptcies, such as W. T. Grant (which the banking system in this country is attempting to absorb) could have a disastrous effect on our whole monetary system.

In conclusion, while it is against my own principles, I feel that the Federal government has no choice but to come up with some Federal guaranty program to keep the City from going under. However, this guaranty program should not set the precedent for similar bailouts and rewards for fiscal mismanagement in other cities. It should be structured with extremely punitive restrictions on New York City so as to make this a most unattractive alternative for other public bodies.

If you have any other questions on this matter where I can be of help please don't hesitate to let me know.

Sincerely,

JOHN GRANT.

STATE OF MAINE,
EXECUTIVE DEPARTMENT,
AUGUSTA, MAINE, *October 28, 1975.*

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.

DEAR ED: Thank you for your October 21st letter and your reassurance to me and the citizens of Maine that your every effort is aimed at improving the performance and competence of government.

I wrote you originally with my suggestions for some federal cost savings as well as to express my views on the financial crisis in New York City because you are Maine's Senior Senator and because of your position as Chairman of the Budget Committee.

I felt then, and still feel, that you are in an ideal position, not only to look out for the interests of Maine people, but to lead the way in bringing fiscal responsibility to the federal government. Your recent statements have indicated you are pursuing those goals and you express every indication of practicing what you preach.

You asked in your letter if I had any further comments on the New York City default. I would make the following observations for your consideration:

(1) I resist the "domino theory" that has been put forth by some to the effect that if New York City defaults the same thing might happen to other cities. I feel we should be equally or more concerned about a "reverse domino theory." If we pour billions of taxpayer dollars to salvage a city that has been fiscally irresponsible, I think it could have a disastrous effect on states like Maine who have made a commitment to bring about fiscal responsibility. It is going to be difficult to convince the people of Maine that they should tighten their belts if they see their hard-earned tax dollars go to bail out a city that has proceeded to date on a spend, spend, spend philosophy.

(2) I feel strongly that specific steps New York City must take on its own must be outlined to the remainder of the nation before one dime of federal money is committed. For instance, what is New York City going to do about high salaries, extremely liberal pension plans and a bureaucracy which, by all estimates, is completely out of hand.

I repeat what I said in my previous letter to you: if New York City can afford these things, fine. However, the point I want to make is that I do not think it fair to make a Maine taxpayer who will have to survive without any or even on a $5,000 a year pension support a $15–20,000 pension for someone in New York City.

(3) If the decision is made to provide New York City with federal funds and if the funds are to be used for salaries and pensions, it would be my strong recommendation that a ceiling be required so that the federal money would not be used to support levels higher than the State of Maine average, to the extent Maine taxpayers are directly or indirectly involved, in actions of the federal government.

You inferred in your letter that the New York crisis had already affected Maine to the extent that it had increased rates on bond sales. While I agree that the city's problems may have had some effect, I also believe there are other factors involved, including the unstable economy and the overall fiscal irresponsibility of government. In addition, while we need to concern ourselves with interests and/or dividends or return of principal of bondholders, these were risks they assumed and for which they have received income in return as part of that risk and we have to ask . . . should citizens of Maine who do not have enough money to invest be penalized to further protect those who did and who in many instances did so because of the tax shelters provided?

As you know, we have been trying very hard to get Maine's Triple-A bond rating restored. We made a trip to New York last week for that purpose and I am enclosing a letter to Moody's Investment Service in that regard.

Very truly yours,

JAMES B. LONGLEY.

THE NEWPORT TENNIS HALL OF FAME

Mr. PELL. Mr. President, this past Sunday, November 2 marked the opening of a new tennis museum at the Newport Casino, the cradle of lawn tennis in America.

Mr. James H. Van Alen, president of the Newport Lawn Tennis Hall of Fame and Tennis Museum, deserves immense congratulations from not only the community but from tennis enthusiasts all over the country.

It has been Jimmy Van Alen who took the lead in organizing this Tennis Museum and in mustering the support that it so necessary for it. Mr. Van Alen is a doer too, in that he translated his interest in tennis into action by developing a new scoring system, the VASSS (Van Alen Simplified Scoring System), which is now being adopted in more and more tournaments around the country as a way of averting the problem of the long deuce sets which have so often occurred in the past.

Mr. Van Alen's able assistant in his work at the museum is Col. Robert Day who has put all his very real ability and energy into this project.

The Tennis Hall of Fame was established with official permission of the USTA in 1954. By 1974, the centennial year of tennis, steady growth of the Hall of Fame's museum encouraged the launching of a drive to further expand display space and exhibits, and the funds raised have allowed the tennis museum to be quadrupled to its present size.

New additions include Davis Cup rooms, a theater for showing tennis films and slides, a court tennis room, a Dwight and Sears room commemorating early lawn tennis in America—plus exhibits that highlight super senior and intercollegiate tennis, women's tennis fashions of the last 100 years, examples of various kinds of modern racquets and court surfaces, and displays showing how tennis balls and racquets are manufactured.

Since its opening, the Tennis Hall of Fame has enshrined 88 tennis champions and other prominent figures of the tennis world who have earned international esteem. Among the professional and amateur tournaments sponsored or hosted by the Hall of Fame were the 1975 National Men's and Women's Amateur Grass Court Championships, which were held at the Newport Casino on the same courts used by the first National Championship in 1881.

The museum also commemorates other bat and ball games having exhibition rooms not only connected with lawn tennis, but also with racquets and court tennis.

REALINEMENT OF THE 5TH U.S. CIRCUIT COURT OF APPEALS

Mr. HRUSKA. Mr. President, the need for realinement of the Fifth Judicial Circuit has long been recognized. S. 729, currently before the Committee on the Judiciary, would provide for such realinement by creating two divisions within the present fifth circuit, each an independent court of record.

S. 729 was introduced to implement the recommendations of the Commission on Revision of the Federal Court Appellate System, which I had the honor to serve as chairman. Those recommendations were contained in a report, "The Geographical Boundaries of the Several Judicial Circuits: Recommendations for Change," filed in December 1973.

Pursuant to the mandate of the Congress, in June 1975, the Commission filed a more extensive report, "Structure and Internal Procedures: Recommendations for Change." The latter dealt with a wide variety of subjects, including the problems of managing a large circuit, oral argument, judicial opinions and the need for a new tribunal, a National Court of Appeals.

The Mississippi Law Journal in its Symposium Issue, 1975—volume 46, number 4—has just published an illuminating study of the interrelationships between the Commission's recommendations for circuit realinement and those contained in its most recent report. Entitled "Realinement of the Fifth Circuit A Necessary First Step," this article was written by Prof. A. Leo Levin and Ms. Arlene Fickler.

It is a perceptive, insightful study, rich in detail and in the material it offers. It is deserving of the careful attention of all who are concerned with the problems of the Federal judicial system.

Mr. President, permit me to add a word concerning the authors of this valuable contribution. Professor Levin is a member of the faculty of the Law School of the University of Pennsylvania. He served with distinction as Executive Director of the Commission. In that capacity he organized a staff of superior quality, was responsible for the significant research program conducted by outstanding consultants and, in addition, played an important role in the deliberations of the Commission. Professor Levin is a well-known author, a frequent lecturer at judicial conferences and bar meetings. I might add that he served for 3 years as national president of the Order of the Coif, honorary legal society, and, in the public sector, as chairman of the Pennsylvania Legislative Reapportionment Commission, by appointment of that State's supreme court.

Ms. Fickler served with genuine distinction as staff counsel to the Commission. She bore primary responsibility for the study "Dissents From the Denial of Certiorari," an important work published as an appendix to the Commission's final report. Ms. Fickler currently is with the

Bicentennial Committee of the Judicial Conference of the United States.

Mr. President, S. 729, which would realine the fifth circuit, has recently been favorably reported from the Subcommittee on Improvements in Judicial Machinery and is presently under active consideration by the full Judiciary Committee. For the benefit of those Members who wish to further acquaint themselves on this subject, I ask unanimous consent that Professor Levin's and Ms. Fickler's fine article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Mississippi Law Journal Symposium, 1975 issue]

REALIGNMENT OF THE FIFTH CIRCUIT: A NECESSARY FIRST STEP

(By A. Leo Levin* and Arlene Fickler**)

Legislation which would create two independent divisions in what is now the Fifth Circuit is currently pending before the Congress.[1] Each of the divisions would be constituted as a court of record, and each would have its own chief judge. Effectively, this proposal would create a new judicial circuit. The bill commands impressive political support and does not appear to have developed the extensive and bitter opposition which frustrated prior attempts to create a new circuit from within the present Fifth.[2]

The pending legislation was introduced as a result of the recommendation of a Congressionally created commission, the Commission on Revision of the Federal Court Appellate System.[3] This marked the first time in the history of the federal government that Congress has sought the aid of a commission in the realignment process. The Commission, however, was not created to deal only with the boundaries of the several circuits; so limited a use would have been to employ, as Judge Friendly put it, "a steam roller to crack a nut." [4] Realignment was only the first, albeit an important, part of the Commission's assignment. The report on the geographical boundaries of the several circuits was filed at the end of 1973 and has been followed by a report of broader scope and sweep.[5] It is instructive at this junction to consider briefly the nature of the Commission, the full extent of its mandate, and the interrelationship of its recommendations for circuit realignment with those which are contained in its recent report.

The Commission on Revision of the Federal Court Appellate System was created in response to a felt need. For at least a decade prior to the act of Congress, which authorized the Commission's creation, the courts of appeals had been a source of continuing concern. A floodtide of filings showed no promise of abating,[6] and responsible commentators referred to the "state of crisis" [7] in these courts.

The burgeoning caseloads did not fall evenly in each of the circuits, and there was a recognition of the need to provide immediate relief for those with the heaviest workloads. There was no disposition to ignore more complex problems of procedure and structure which would affect the system as a whole; on the contrary, there was widespread recognition of the need to deal with a broad range of problems besetting the "Federal courts of appeal system." [8] The response of the Congress was to provide for a commission to study and to make recommendations for change. The commission was to draw half of its membership from the Congress: four from the Senate [9] and four from the House.[10] In addition, there were to be four commissioners appointed by the President [11] and four by the Chief Justice.[12] All segments of the profession would thus be represented: the practicing bar, the academic community, the judiciary and, of course, the legislators who, ultimately, would bear major responsibility for implementation of whatever changes might be proposed.

This 16-member Commission was charged with two tasks, each with its own timetable. In the first instance, the Commission was "to study the present division of the United States into the several judicial circuits and to report . . . its recommendations for changes in the geographical boundaries of the circuits as may be most appropriate for the expeditious and effective disposition of judicial business." [13]

Taking note of the urgency of the need for relief, Congress provided that the Commission was to file this first report within 180 days of the appointment of its ninth member.[14]

More, or course, was required than a report on realignment, and Congress directed that the Commission in the second phase of its work "study the structure and internal procedures of the Federal courts of appeal system, and . . . report . . . its recommendations for such additional changes in structure or internal procedure as may be appropriate for the expeditious and effective disposition of the caseload of the Federal courts of appeal, consistent always with fundamental concepts of fairness and due process." [15]

Under the statute as amended, this report was due within 24 months of the appointment of the Commission's ninth member.[16]

Pursuant to its mandate, the Commission has submitted two reports. The first, filed in December 1973, recommended the creation of two additional circuits in the areas which presently constitute the Fifth and Ninth Circuits.[17] Noting that work had already begun on the second phase of the Commission's asignment, the report emphasized that "whatever may emerge from that effort or from changes by the Congress or by the courts themselves which can now be envisioned, litigants in the Fifth and Ninth Circuits are entitled to that immediate and significant relief which our proposals would provide.[18]

More recently the Commission completed the second phase of its study, and on June 20, 1975, it filed a second report, *Structure and Internal Procedures: Recommendations for Change*.[19] In this report, the Commission "adhere[d] without reservation to its previous report calling for immediate relief to the Fifth and Ninth Circuits by way of creating new circuits or, as indicated in its later statement, independent divisions." [20]

To consider the relationship between the recommendations of the two reports it is necessary first to analyze the reasoning which impelled the Commission to conclude that circuit realignment was a "necessary first step." [21] We begin with a description of the conditions which circuit realignment was intended to alleviate, focusing on the Fifth Circuit.[22]

I. "JUMBOISM" IN THE FIFTH CIRCUIT

With 3,294 appeals filed in fiscal year 1974, the Fifth Circuit has the largest volume of any of the courts of appeals—over one-fifth of the total filings of the 11 circuits.[23] Moreover, despite its 15 authorized judgeships it has the highest caseload per judgeship of any of the circuits—220 appeals filed per judgeship in fiscal year 1974, 30 percent more than the national average.[24]

Caseload alone is not the full dimension of the problem. The Fifth Circuit is geographically huge, stretching from the Florida Keys to the New Mexico border. It covers six states—Alabama, Florida, Georgia, Louisiana, Mississippi, and Texas—and the Canal Zone. "Jumboism," the majority of the active judges of the circuit wrote to the Commission, "has no place in the Federal Court Appellate System," emphasizing that the statement was intended to apply to geographical area as well as to the number of judges serving the court.[25] The concern of the judges is understandable. The need to travel results in loss of time and in the kind of inconvenience which, at least for some, affects productivity. The loss to practitioners, with a resultant increase in cost to the client, is no less significant.[26]

There can be little doubt that geographical considerations were an important factor in the decision of the judges of the Fifth Circuit to dispose of more than half their cases without oral argument [27] and without the judges on the panel meeting together for a conference in which views are exchanged.[28] The resultant savings in travel is not to be minimized and is in no small measure responsible for the fact that, until recently, the Fifth Circuit was able to remain current in its work. But these changes in procedure exact a price of their own, as will be discussed more fully below.[29] If the trend is to be reversed, and if the right to oral argument is to be restored in any significant number of cases, then the adverse impact of geography must inevitably become more significant.[30]

II. ACCOMMODATING MOUNTING CASELOADS

No matter how compact a circuit, how small the geographic area which it encompasses, the crucial variable in the efficient and effective operation of the court must be its caseload. If caseloads are small, there is time for travel; time to hear oral argument; time to write, revise, and refine opinions; and, perhaps most importantly, time for the contemplation and study necessary to maintain that high level of performance which our society has come to expect from the federal judiciary.[31] If caseloads maintain a pattern of steady increase, there will come a point at which old patterns must yield, and change will become the only alternative to backlogs, delay, and, ultimately, a breakdown in the system. When this point is reached there are only a limited number of alternatives available. Basically, change can come in one of three ways: [32] (1) Steps can be taken drastically to reduce the input; jurisdiction of the court, for example, can be limited; (2) judicial productivity can be dramatically increased; traditional processes can be curtailed or eliminated, for example, by deciding hundreds of cases without oral argument, without a face-to-face conference of the judges, and without opinion; or (3) more judges can be made available for the disposition of judicial business, typically by creating new judgeships and thus increasing the size of the court. We shall examine each of these alternatives in turn.

A. "Lessening the flow"

The business of the courts of appeal is, in large measure, a reflection of cases decided by the district courts; [33] a drastic reduction in filings at the trial court level would be reflected in fewer cases before the appellate courts. In theory, at least, relief would be dramatic. "Averting the flood by lessening the flow," [34] is Judge Henry Friendly's striking metaphor, one which describes a goal worthy of support.

Reform of the law governing the basic

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The authors wish to express appreciation to Anthony C. DiGioia, summer intern on the Commission staff, for assistance in preparation of this article.

Footnotes at end of article.

jurisdiction of the district courts is long overdue.[35] Diversity jurisdiction in particular has been the subject of sustained attack. As Chief Justice Burger recently wrote, "in the 20th century such cases have no more place in the federal courts than the trial of a contested overtime parking ticket!"[36] Precisely because there is such widespread agreement among scholars and judges that diversity jurisdiction should be sharply curtailed if not eliminated,[37] it is instructive to examine carefully the proposal in the present context. Witness after witness, in testimony before the Commission, pointed to a radical revision of diversity jurisdiction as not only desirable in itself, but also as an alternative which would alleviate the need for circuit realignment and for a National Court of Appeals.[38] We concur that remedial legislation curtailing or eliminating diversity jurisdiction is highly desirable. It would be wrong, however, to fail to recognize the limited relief afforded appellate courts by pending proposals, or even by banishing these cases from the federal system altogether.[39] For significant relief to be afforded the courts of appeals, far more than diversity cases would have to be diverted from the federal system.[40]

There is, however, a more basic flaw in placing excessive reliance on "lessening the flow." The Congress, in authorizing creation of the Commission on Revision of the Federal Court Appellate System, was explicit in providing that the Commission should neither study nor recommend changes in the jurisdiction of the district courts.[41] It was not that Congress failed to recognize the relation between the business of the trial courts and that of the appellate courts; on the contrary, the need to specify that district court jurisdiction was not to be within the competence of the Commission arose precisely because the members of conference committee who fashioned the final version of the bill recognized that any study of appellate structure and procedures "must necessarily take into consideration the types of cases which enter the judicial system at the district court level."[42] The source of the difficulty is rather a practical one. Legislation curtailing diversity jurisdiction has been pending for years, unable to muster sufficient support to be enacted into law.[43] If this is true with respect to diversity jurisdiction, where the case for change has been thoroughly documented, one should not be sanguine about the prospects of more radical and more controversial proposals for reducing federal jurisdiction.[44] Moreover, the federal courts do not live in a static world. Filings have been increasing at a dramatic pace, and we cannot realistically rely on a reversal of the trend. As a result, the net effect of pending legislation is likely to be no more than the slowing or stopping of the rate of growth.

Political considerations aside, it is important to recognize that the volume of cases in the federal judicial system should not be viewed, in and of itself, as an ultimate end or a determinative criterion. Our society relies heavily on the federal courts and has an interest in assuring that these courts continue to meet its needs. It would be intolerable if the judicial system were rendered incapable of meeting additional demands, if ideas sound on their merits had to be rejected solely for lack of capacity in the system.

In short, significant change in the jurisdiction of the district courts is clearly needed and deserving of endorsement and support.[45] It should not, however, be viewed as an alternative adequate to obviate the need for circuit realignment.

B. Increasing judicial productivity

Increased judicial productivity must always be considered as a possible solution to the problems of mounting caseloads. It offers obvious attractions: added cost, at least in terms of money, is low, if it is a factor at all;[46] change is usually within the competence of the court itself, offering the possibility of rapid implementation, easy monitoring, and continuing flexibility; finally, change is readily tailored to the specific needs of a given court and to the conditions which obtain in a specific circuit.

Eleven years ago, Professor Charles Alan Wright wrote that the Fifth Circuit "is now doing as much as it can do—and perhaps more than it should do."[47] He did not think that there was "a panacea in sight which [would] enable any increase in the maximum figure of 80 cases disposed of per judge . . ."[48] Viewed in the perspective of that time, the judgment was certainly justified. However, under the leadership of Chief Judge John R. Brown, and the pressure of mounting caseloads, the increases in judicial productivity of the Fifth Circuit in the intervening years have been little short of spectacular.[49] The judges of the Fifth Circuit have been hard working and imaginative in meeting the demands of their heavy caseload. Their innovations include the screening of cases for oral argument and the increased use of alternatives to the traditional signed opinion.

There is, however, a limit on the extent to which procedural innovations can be used to accommodate mounting caseloads; when that limit is reached, and there are indications that the limit has been exceeded in the Fifth Circuit,[50] it would be wrong to expect more from this approach. Nothing less than the integrity of the judicial process is at stake.

The Fifth Circuit has been able to avoid intolerable delay on the appellate level only through the institutionalization of a series of summary procedures. These "screening and summary procedures," as one witness before the Commission put it, "have been necessary. They have been essential. But they do not . . . result in the quality of justice to which the litigants of this circuit had become accustomed. . . ."[51] The same witness stated:

"[I]t is perfectly obvious that, but for the innovativeness and dedication of the present judges, the court would have drowned in a sea of litigants' unreachable appeals. "Screening" and severe curtailment of oral argument have been the lifesaving measures devised and implemented just to permit the survival of the court as a functioning institution, dealing in the business of judging.

"But, like most other things, while screening and summary dispositions have their advantages . . . they also have some very grave and fundamental disadvantages—so grave that other means must be found and implemented so that the quality of justice is not "screened" out in order that the quantity of justice can be increased."[52]

The summary procedures of the Fifth Circuit have involved both the denial and curtailment of oral argument and reduced opinion writing.[53] The denial and curtailment in so large a percentage of the court's docket—54.9 percent of the cases during fiscal year 1974—has drawn heavy criticism from both the bench and bar.[54] As one lawyer put it at the Commission's hearings.

"The fact that oral argument is denied across the whole spectrum of the court's docket in such a large percentage of cases . . . suggests that the expediencies of keeping up with the constantly increasing volume of the court's business has been at the expense of one of the historic elements of advocacy of due process—oral argument. I for one challenge seriously that this is in the best interests of the administration of justice."[55]

Chief Judge John Brown has explained:

"[I]t is a colossal error to think that the . . . cases disposed of without oral argument are all frivolous, worthless, shallow appeals. Many are substantial, serious, oftentimes difficult questions but as to which the panel unanimously determines that oral argument would not be helpful.[56]

Particularly in these "cases where there are substantial questions," the lawyer would like the "opportunity to answer questions that are on the minds of the judges, to direct argument to difficult and perhaps unclear areas that he hasn't known about, and perhaps this is the only opportunity he has for a face-to-face dialogue and confrontation with the judges who are going to decide these cases . . . ."[57]

At the same time that the judges were denying oral argument, they were reducing the number of cases in which they issued signed opionions. Per curiams became a frequent alternative, and in addition, the court promulgated local rule 21[58] which provided, in appropriate cases, for a "form opinion" which, in effect, was no opinion at all. The net effect was to run the risk of eroding the confidence of the litigants that at least one judge had considered his case.[59] During fiscal year 1974, 34.8 percent of the Fifth Circuit's cases[60] were decided with only a rule 21 opinion and this too drew criticism from the members of the bar:

"I am unconcerned how the Fifth Circuit Local Rule 21 is explained, evaluated, parsed or justified. It boils down in any event to the proposition that 40 percent of its civil appeals shouldn't have been taken because they are either frivolous or unworthy of full appellate consideration and are to receive summary disposal. I simply am not persuaded the Rule 21 procedures can possibly be legitimated for the astoundingly large total of 40 percent of the court's docket."[61]

The members of the Commission were persuaded of the value of oral argument in all but limited categories of cases. They concluded that a national minimum standard governing the right to be heard on appeal is appropriate.[62] This would serve to increase the percentage of cases afforded oral argument in the Fifth Circuit. The Commission has also recommended "that the Federal Rules of Appellate Procedure require that in every case there be some record, however brief and whatever the form, of the reasoning which impelled the decision."[63] Chief Judge Brown has testified before the Commission about the extent to which the Fifth Circuit would be backlogged in its caseload were it not for its summary procedures.[64] By recommending a return to more traditional procedures, the Commission has implicitly recognized that more judges will be needed in all circuits—certainly in the Fifth if an unconscionable delay in dispensing justice is to be avoided.

C. Creating Additional Judgeships: Problems of Managing a Large Circuit

In recent years the creation of still more judgeships has not been viewed as a desirable solution for the problems of the Fifth Circuit. The active judges of the circuit, acting unanimously, have repeatedly rejected additional judgeships as a remedy: an increase beyond 15 would, in their words, "diminish the quality of justice" and the effectiveness of the court as an institution.[65] Indeed, a majority of the active judges of the circuit, in their joint statement to the Commission, asserted that even 15 is too large a number of judges for maximum efficiency.[66]

The experience of the judges of the Fifth Circuit illumines the problems of the large circuit. These problems arise primarily in three areas: the collegiality of the court, the proliferation of intracircuit conflicts, and the administration of the en banc court.

One of the judges of the Fifth Circuit has described the collegiality problem succinctly:

"A court that is too large loses the essential sense of collegiality. Like any other group, as it grows larger it tends to fragment into subgroups. [The Fifth Circuit judges] have not fragmented, in fact we have carefully avoided it, but there is no guarantee that our efforts will always be successful.[67]

Footnotes at end of article.

Judge Irving Goldberg has further elaborated on this point:

> As a member of the Court of Appeals for the Fifth Circuit since 1966, I will stand on the proposition that a Court of Appeals composed of 15 judges, residing in six states and 12 cities, cannot be effectively administered without many burdensome control mechanisms. We have forms to the right of us, forms to the left of us, and always in front of us. Moreover, the mammoth size of the court and the concomitant bureaucratic maze interfere with what I consider one of the prime requisites of the ideal operation of a Court of Appeals—collegiality. The electronic inventions of our time are not sufficient to penetrate the mountains of processed pulp wood and reach an overly large number of judges separated by vast distances. Thus, the face-to-face contact and the consequently more intense intellectual dialectic arising from a proximate collegiality must suffer.[68]

Moreover, as the number of judges on a court increases, the number of possible panel combinations multiplies. Simultaneously, "[a]s a court grows larger the proliferation of views and of shading of views increases the number of concurring and special opinions. . . ."[69] It becomes more difficult to keep abreast of the decisions of the other panels,[70] and circulation of opinions prior to release is "hardly feasible."[71] As a result, intracircuit conflicts multiply.[72]

At the same time, the logistical problems of getting 15 judges together to decide a case en banc make resolution of intracircuit conflict more difficult. In discussing the "cost in judge power in any en banc determination when . . . fifteen judges sit to hear oral argument and thereafter participate in conference, to decide a single case," the Commission stated:

"A court of fifteen is the immediate equivalent of five three-judge panels. Not only is the conference more cumbersome and time-consuming, but the process itself is adversely affected: a convention rather than a court, a legislative committee meeting and not a judicial deliberation—these are the pejorative characterizations used by judges.

"To this must be added the logistical problems of assuring the presence of all active judges of the court at a single place at a given time, the cost in travel time, and the inefficiencies resulting from scheduling difficulties, whether by delay of the en banc proceedings or by disruption of normal routines.[73]

Moreover, the decision whether a particular case will be heard en banc constitutes an additional burden in the large court. Each of 15 judges must give a case sufficient attention to determine, for example, whether an intracircuit conflict exists, or whether the issues are ripe for decision by the circuit as a whole. There is, in addition, an "opposing tension":

"[T]he risk that because of the cumbersome mechanics inherent in a 15-man court's hearing cases, conferring and attempting to agree on the language of opinions, judges will shrink from invoking the en blanc machinery for cases that truly deserve the consideration of the entire court."[74]

III. THE COMMISSION'S RECOMMENDATIONS

These, then, are the considerations which led the Commission to recommend creation of a new judicial circuit from within the present Fifth,[75] to adhere "without reservation" to that recommendation when it filed its final report,[76] and to recognize the creation of new circuits as an appropriate solution whenever caseloads exceed the capacity of a court of 13, 14, or perhaps 15 active judges.[77]

Had the final report said no more, there would be no need to elaborate on its implications with respect to circuit realignment. The report, however, did go further. The members of the commission recognized that "circuit realignment is not a solution which can be adopted automatically wherever caseloads grow. New courts and new circuits bring different problems in their wake. Undue proliferation of circuits increases the potential for inter-circuit conflict even though it enhances unity within each circuit. The Fifth and Ninth Circuits each extends over a geographical area so vast that, even after realignment, the territory covered will be far from minuscule. The situation would be quite different if the creation of additional circuits should lead for example, to a United States Court of Appeals for the southern tip of Manhattan."[78]

The Commission, therefore, concluded that it would be remiss if it did not develop some means of managing the large circuit. After all, as the Commission itself recognized, the "heart of [its] proposal is the creation of additional judgeships to meet developing needs."[79] It would hardly do to insist on procedures which require additional judges, to reject specialized courts, to point to the limited availability of realignment as a practical solution, and to make no provision for accommodating the additional judgeships which were almost certain to be needed. Accordingly, the Commission designed a mechanism which would at least serve to make management of the large circuit feasible and practicable. The mechanism was designed primarily to deal with the problem of the en banc court where the number of judgeships had grown too large. Specifically, the Commission recommended that "participation in en banc hearings and determinations be limited to nine judges: the chief judge and the eight other active judges of the circuit who are senior in commission but not eligible for senior status."[80]

There are obvious disadvantages to any mechanism which vests control of the law of the circuit in less than the full complement of active judges. To deny any judge the opportunity to participate in an en banc decision is not a happy circumstance. Moreover, the larger the court, the greater the risk that the law of the circuit will reflect the views of a minority of the court. The Commission was mindful of these risks, but preferred them to other more serious disadvantages inherent in each of the available alternatives.

There was, however, one important limitation built into the Commission's recommendation: the proposed method of selection of the judges who would sit on the en banc court was to apply only so long as the en banc court itself did not constitute a minority of the full court. Should that eventuality occur, it would be for the Congress to reconsider the method of selection of the judges empowered to sit en banc in the light of experience. In one sense, this provision may be viewed as a minor detail. In another sense, however, it reveals the deep concern of the Commission with the operation of the excessively large circuit, no matter what the mechanism for its administration. The language of the final report is instructive:

> At the present time there is no federal appellate court so large that the nine who would sit en banc would constitute a minority of the full court. With circuit realignment, the probability of a court so large would be remote and certainly the many disadvantages of such a tribunal make it clear that this is an eventuality to be avoided. Should this eventuality occur, it would only be after a period of experience with the limited en banc and with whatever method of selection is authorized by the Congress. We therefore recommend that Congress reconsider the method of selection of the nine judges who constitute the en banc court, when the nine no longer constitute the majority of the court. Until this point is reached, the proposal put forth by the Commission should achieve the advantages of rotation, neither too rapid for stability nor too long delayed to allow for change".[81]

It must be clear that, in view of the Commission, the limited en banc cannot be viewed as a preferable alternative to the creation of a new court from within the geographical boundaries of the present Fifth Circuit. A limited en banc of nine would, under the bill now pending in the Senate, already represent substantially less than a majority of the full court.[82] Nor would the limited en banc deal with such issues as assuring the collegiality of the court, the efficiency of the circuit council, and the avoidance of intracircuit conflict. It does not, and cannot, minimize the burdens of having 23 judges participate in the decision of whether a specific case will be heard en banc. In short, nothing in the Commission's final report provides any basis for concluding that realignment of the Fifth Circuit, or by parity of reasoning, the Ninth Circuit,[83] can be avoided or should be postponed.

CONCLUSION

The problems of the courts of appeals are too serious and too complex to be expected to yield to a single solution, no matter how creative and innovative. Many improvements will be needed to assure the ability of these courts to cope with their caseloads without sacrifice of the integrity of the judicial process, particularly in the face of increasing demands.

Reform of the law governing the basic jurisdiction of the federal district court is long overdue.

There may be means of increasing judicial productivity, not in an absolute sense, but rather by way of compensating for losses to be anticipated by affording oral argument in a greater number of cases and reasoned decisions in all.[84] For example, to the extent that added staff, whether assigned to individual judges or to the court as a whole, can serve this purpose, the necessary funds should be provided by Congress.

New judgeships should be created whenever caseloads require. As a result, even with circuit realignment, there may soon be need for a limited en banc, at least in one of the two resulting courts,[85] and Congress should act promptly to implement the Commission's proposal.

In substance, we have before us an arsenal of remedies, each appropriate in certain circumstances, each with anticipated benefits and none without potential disadvantages. No one alone will suffice to solve the problems of a circuit as large and as burdened as the Fifth. Creation of a new court is one of these remedies. It should not be postponed simply because other remedies may also be needed. On the contrary, in a circuit as heterogeneous as the Fifth, with so large a geographic spread and so heavy a caseload, circuit realignment must be considered a necessary first step to assure its continued contribution to the well-being of "our federalism" in contemporary society.

FOOTNOTES

[1] S. 729, 94th Cong., 2d Sess. (1975). The bill presently being considered by the Senate Judiciary Committee would create two independent divisions in the Fifth Circuit: an Eastern Division composed of Alabama, Florida, Georgia, Mississippi, and the Canal Zone; and a Western Division composed of Louisiana and Texas. Each independent division would have its own chief judge, its own judicial council, and its own circuit executive. Regarding the Fifth Circuit, the major difference between the recommendations of the Commission (see note 3) and this *bill is that* the chief judge who is senior in service is empowered to make interdivisional assignment without seeking the approval of the Chief Justice. In addition, the annual judicial conference "may be held jointly by the divisions."

[2] *See* Hruska, *The Commission on Revision*

of the Federal Court Appellate System: A Legislative History, 1974 Ariz. St. L.J. 579, 585–88.

[3] The Commission was created pursuant to Act of Oct. 13, 1972, Pub. L. No. 92–489, 86 Stat. 807, *as amended,* Act of Sept. 19, 1974, Pub. L. No. 93–420, §§ 6, 7, 88 Stat. 1153. The 1972 act is reproduced in 28 U.S.C. § 41 (Supp. III, 1973). For a detailed legislative history of the creation of the Commission, see Hruska, *supra* note 2.

The Commission in its first report recommended the creation of an additional circuit in the area of the present Fifth. Commission on Revision of the Federal Court Appellate System, The Geographical Boundaries of the Several Judicial Circuits: Recommendations for Change (1973) [hereinafter cited as Geographical Boundaries].

Thereafter, proposals were developed in the Congress for creating independent divisions. In testimony on S. 729, which embodied this proposal, Senator Roman L. Hruska stated that the members of the Commission had been "persuaded that S. 729 satisfactorily achieves the objectives sought by the Commission in its report on realignment and [they] state unequivocally that it is far preferable to doing nothing." Statement of Senator Roman L. Hruska, Chairman, on behalf of the Commission on Revision of the Federal Court Appellate System to the Subcommittee on Judicial Improvements of the U.S. Senate Committee on the Judiciary 1–2 (March 1975).

[4] *Hearings on H.R. 7378 Before Subcomm. No. 5 of the House Comm. on the Judiciary,* 92d Cong., 2d Sess. 63 (1971).

[5] See note 19 *infra.*

[6] In fiscal year 1960, a total of 3,899 appeals were filed in the 11 circuits; by 1972, the year preceding the creation of the Commission, the total more than tripled to 14,535; in the last complete fiscal year for which data is available, the total filings have grown to 16,435. Director of the Administrative Office of the United States Courts, Management Statistics for the United States Courts 1974, at 13 (1974) [hereinafter cited as Court Management Statistics].

[7] H. Friendly, Federal Jurisdiction: A General View 31 (1973); Wright, *The Overloaded Fifth Circuit: A Crisis in Judicial Administration,* 42 Texas L. Rev. 949, 976 (1964). *See* Burdick, *Federal Courts of Appeals: Radical Surgery or Conservative Care,* 60 Ky. L.J. 807 (1972) ("The Federal Courts of Appeals are afflicted with an illness. While it is not malignant, there is a potential prognosis of chronic incapacity or partial paralysis."); Haynsworth, *Improving the Handling of Criminal Cases in the Federal Appellate System,* 59 Cornell L. Rev. 597, 615 (1974) ("[T]he continuing health of the federal judicial system is in grave and immediate danger.").

[8] This is the language of the statute. Act of Oct. 13, 1972, Pub. L. No. 92–489, § 1(b), 86 Stat. 807, *quoted in* Geographical Boundaries, *supra* note 3, at 5.

[9] The four appointed from the Senate who served through the filing of the first report were: Senator Quentin N. Burdick (D.-N.D.), Senator Edward J. Gurney (R.-Fla.), Senator Roman L. Hruska (R.-Neb.), and Senator John L. McClellan (D.-Ark.). In Jan. 1974, Senator Hiram L. Fong (R.-Hawaii) replaced Senator Gurney.

[10] The four appointed from the House are: Congressman Jack Brooks (D.-Tex.), Congressman Walter Flowers (D.-Ala.), Congressman Edward Hutchinson (R.-Mich.), and Congressman Charles E. Wiggins (R.-Cal.).

[11] The four appointed by the President are: Honorable Emanuel Celler, former Chairman of the House Judiciary Committee (D.-N.Y.), Dean Roger C. Cramton of the Cornell Law School, Francis R. Kirkham, Esq., of the San Francisco Bar, and Judge Alfred T. Sulmonetti of the Circuit Court of Oregon.

[12] The four appointed by the Chief Justice are: Judge J. Edward Lumbard of the Court of Appeals for the Second Circuit, Judge Roger Robb of the Court of Appeals for the District of Columbia Circuit, Bernard G. Segal, Esq., of the Philadelphia Bar, and Professor Herbert Wechsler of the Columbia University School of Law.

[13] Act of Oct. 13, 1972, Pub. L. No. 92–489, § 1(a), 86 Stat. 807.

[14] *Id.* § 6(1), 86 Stat. 808.

[15] *Id.* § 1(b), 86 Stat. 807.

[16] Act of Sept. 19, 1974, Pub. L. No. 93–420, 88 Stat. 1153, *amending* Act of Oct. 13, 1972, Pub L. 92–489, § 6(2), 86 Stat. 808.

[17] Geographical Boundaries, *supra* note 3, at 8, 13.

[18] *Id.* at 5.

[19] Commission on Revision of the Federal Court Appellate System, Structure and Internal Procedures: Recommendations for Change (1975) [hereafter cited as Structure and Internal Procedures].

[20] *Id.* at 59. The "later statement" referred to in the text is that of Senator Roman L. Hruska, Chairman, on behalf of the Commission on Revision of the Federal Court Appellate System to the Subcommittee on Judicial Improvements of the Senate Committee on the Judiciary (March 1975), *quoted in* note 3 *supra.*

[21] Geographical Boundaries, *supra* note 3, at 4.

[R]ealignment is a necessary first step in the Fifth and Ninth Circuits, not only to afford relief to the pressing problems of the present, but also to provide a firm base on which to build more enduring reforms.

[22] The Fifth Circuit was the first to have more than nine active judges, it has the largest complement of active judges of the circuits, and it has the largest caseload of any circuit. Thus, it has the most experience with the problems of the large circuit.

Our decision to focus on the Fifth Circuit is not to be read as minimizing the need for realignment of the Ninth Circuit. See note 30 *infra.*

[23] Court Management Statistics, *supra* note 6, at 5, 13. The statistics cited in this article focus on raw filings, rather than terminations. It has been suggested that terminations after hearing or submission is a more accurate reflection of judicial workload because many appeals "wash out" without judicial intervention. Such use, however, is not free of difficulties. First, cases categorized as terminated without hearing or submission include some decided with a per curiam or memorandum opinion; clearly, these have required judicial attention. Second, these figures include cases consolidated for hearing or submission, which often may require more judicial time and effort than a simple two-party case. For a more extended discussion of the problems of measuring judicial workload, see Structure and Internal Procedures, *supra* note 19, Appendix C, at A–169–71.

[24] Court Management Statistics, *supra* note 6, at 5, 13.

[25] *1973 Hearings Before the Commission on Revision of the Federal Court Appellate System* 394 (1975) [hereinafter cited as *Commission Hearings*]. After the sentence quoted in the text, the judges added: "This statement applied both to *geographical area* and the *number of judges* serving the court." (emphasis in original) This joint statement was submitted to the Commission by Hon. Griffin B. Bell, Hon. Charles Clark, Hon. James P. Coleman, Hon. David W. Dyer, Hon. Walter P. Gewin, Hon. John C. Godbold, Hon. Lewis R. Morgan, and Hon. Byran Simpson.

[26] See *id.* at 448 (testimony of James McLean, Esq., President, Jacksonville Bar Association), 632 (exhibit submitted by Hon. John R. Brown).

[27] In final year 1974, oral argument was denied in 54.9 percent of the disposed cases. This represents a decline from fiscal year 1972, when oral argument was denied in 59.1 percent of the disposed cases. Clerk Annual Report, Fifth Circuit, Fiscal Year 1974, at 12 (1974).

[28] *Commission Hearings, supra note* 25, at 416 (testimony of Hon. Charles Clark). Of course, the judges do confer extensively by telephone. *Id.* (testimony of Hon. Walter P. Gewin).

[29] See text accompanying notes 50 through 64, *infra.*

[30] The Ninth Circuit covers a geographical area even larger than the Fifth, extending from the Arctic Circle to the Mexican border, and includinug Idaho and Montana as well as Hawaii and Guam. The Ninth Circuit also has a large caseload, with more filings than any other circuit but the Fifth—2,697 in fiscal year 1974. Court Management Statistics, *supra* note 6, at 12. Litigants in the circuit have experienced delays of 2 years or more on the appellate level alone. As of July 30, 1974, there were pending in that court 2,355 appeals, or 181 per judgeship. *Id.*

[31] *See Commission Hearings, supra* note 25, at 396 (joint statement).

[32] *See* Wright, *supra* note 7, at 958.

[33] There are, of course, other sources of judicial business for the courts of appeals. In fiscal year 1974, for example, 2,205 of the 16,436 cases in the courts of appeals came from administrative boards and commissions. However, the bulk of the work (13,812 cases) came from the district courts. *See* Annual Report of the Director of the Administration of the U.S. Courts, Table B3 (1974).

On the significance of changing rates of appeal as a variable, see Goldman, *Federal District Courts and the Appellate Crisis,* 57 Judicature 211, 212–13 (1973).

[34] Friendly, *Averting the Flood by Lessening the Flow,* 59 Cornell L, Rev. 634 (1974).

[35] H. Friendly, supra note 7, at 4, *quoting* Hart, *The Relations Between State and Federal Law,* 54 Colum. L. Rev. 489, 541 (1954):

In a paper given at a Conference on Federalism held [at Columbia University] on the occasion of its bicentennial in 1954, . . . Professor Henry M. Hart, Jr., of the Harvard Law School . . . said that "[t]he time has long been overdue for a full-dress re-examination by the Congress of the use to which these [federal] courts are being put." It is now overdue by nearly twenty years more.

[36] Letter from Chief Justice Warren E. Burger to Senator Roman L. Hruska, May 29, 1975, at 6, in Structure and Internal Procedures, *supra* note 19, at A–177.

[37] *See, e.g.,* American Law Institute, Study of the Division of Jurisdiction Between State and Federal Courts (1969); H. Friendly, *supra* note 7, at 139–52. This theme was sounded repeatedly throughout the course of the Commission's hearings. *See, e.g.,* note 38 *infra. But see* Moore & Weckstein, *Diversity Jurisdiction: Past, Present, and Future,* 43 Texas L. Rev. 1 (1964). For a review of opinions in the area, see H. Hart & H. Wechsler, The Federal Courts and the Federal System 1058 (2d ed. 1973).

[38] *See, e.g., Commission Hearings, supra* note 25, at 363 (statement of Hon. John Minor Wisdom); statement of Hon. Ruggero J. Aldisert to the Commission on Revision of the Federal Court Appellate System, at 2–6, April 15, 1975 (statement joined by Hon. Francis L. Van Dusen, Hon. John L. Gibbons, Hon. Max Rosenn, Hon. James Hunter III, Hon. Joseph F. Weiss, Jr., and Hon. Leonard I. Garth).

[39] Diversity jurisdiction comprised only 9.29 percent of the caseload of the courts of appeals in fiscal year 1974. This may be contrasted with fiscal year 1965 when 14.04 percent of the total filings were diversity cases. While filings increased about 143 percent from 1965 to 1974, the number of diversity

cases in the courts of appeals has increased only 61 percent. *See* Annual Report of the Director of the Administrative Office of the U.S. Courts, Tables B1 (1974), B7 (1965).

In the Fifth Circuit diversity cases now constitute only 11.9 percent of the caseload, although only 9 years ago they constituted 16.8 percent of the total docket. *Id.* Diversity cases do, however, constitute a greater percentage of the district court caseload. *Id.* Table C2 (1974).

[40] For example, Judge Henry Friendly recommended that Federal Employers' Liability Act cases and marine personal injury cases be removed from the federal courts. H. FRIENDLY, *supra* note 7, at 129–33.

[41] Conference Report to accompany H.R. 7378, H.R. REP. No. 292–457, 92d Cong., 2d Sess. 5 (1972).

[42] *Id.*

[43] Bills which would abolish or sharply curtail diversity jurisdiction have been the subject of political controversy since the 1930's when the Senate Judiciary Committee twice reported such bills. *See* S. REP. No. 530, 72d Cong., 1st Sess. (1932); S. REP. No. 691, 71st Cong., 1st Sess. (1932). Similar legislation has been repeatedly introduced in the intervening years, most recently in the 93d Congress. S. 1876, 93d Cong., 1st Sess. (1973). H. Hart & H. Wechsler, *supra* note 37, at 1053–59.

[44] See note 40 *supra*.

[45] Yet another method of reducing the caseload of the courts of appeals deserves consideration. Instead of excluding cases from the federal judicial system, it is possible to siphon off various categories of appeals from the regional courts to specialized tribunals. Thus, for example, there have been serious proposals for the creation of a Court of Tax Appeals, for centralizing appellate review of all patent cases in the Court of Customs and Patent Appeals, for the creation of a new tribunal to dispose of some or all classes of cases decided initially by the various administrative agencies. An extensive literature on the subject has developed over the past quarter century and shows no signs of abating. *E.g.,* H. Friendly, *supra* note 7, at 153–71.

The Commission has rejected this approach. "It "concluded that, on balance, specialized courts would not be a desirable solution either to the problems of the national law or . . . to the problems of regional court caseloads." Structure and Internal Procedures, *supra* note 19, at 28.

In considering the problems of accommodating mounting caseloads, the members of the Commission considered it especially significant that

> [i]f the Commission were to recommend, and the Congress to approve a Court of Administrative Appeals or a Court of Tax Appeals for relief of the regional courts of appeals, cases from all over the country would be diverted there immediately, including cases from the three-judge First Circuit as well as from the Second, Fifth and Ninth, regardless of the relative needs or capacities of those several courts.

Id. at 56.

[46] One of the methods of improving judicial efficiency, which involves some increased expense, is the use of a central staff. Although aware of the risks of undue delegation of judicial authority inherent in the use of such staffs, the Commission has recommended the "development and optimal utilization of central staffs by the courts of appeals," confident there is a gain to be realized. Structure and Internal Procedures, *supra* note 19, at 54. *See generally* D. Meador, Appellate Courts: Staff and Process in the Crisis of Volume (1974).

[47] Wright, *supra* note 7, at 962. In this article, Professor Wright rejected circuit realignment as the solution for the problems of the Fifth Circuit in the mid-sixties. He felt at that time it would be preferable to create additional judgeships for the Fifth Circuit, which then had only nine authorized judgeships, and to experiment with a court of fifteen:

> [I]t will be possible to see what happens when a court of appeals has more than fifteen judges. If such a court is too unwieldy, if it shows inefficiency or disunity, then it will be time enough to create the Eleventh Circuit.

Id. at 978. Wright's suggestion was adopted. Of course, even the additional judgeships were not sufficient to meet the demands of the Fifth Circuit's caseload without a great increase in judicial productivity. See note 49 *infra*.

[48] Wright, *supra* note 7, at 962.

[49] By fiscal year 1974, terminations per judgeship had increased to 181. Court Management Statistics, *supra* note 6, at 5. While the contribution of senior and visiting judges should not be underestimated, this dramatic increase in productivity in due in largest measure to the innovations in procedure of the judges of the Fifty Circuit. See text accompanying notes 51 & 52 *infra*.

[50] This view was expressed in a written statement submitted by the State Bar of Georgia to the Commission:

> The court has done an excellent job in endeavoring to deal with the excessive volume of work now placed upon it. In its valiant effort to accomplish this, however, it has had to resort to procedures under which many of its cases are disposed of without argument or with very limited argument and under which many cases are disposed of by order-type opinions. These procedures, while no doubt useful when applied with careful restraint, have had to be utilized to an extent which has created a considerable measure of concern and dissatisfaction among the lawyers practicing before the court.

Commission Hearings, supra note 25, at 660 (statement of the State Bar of Georgia).

[51] *Id.* at 319-20 (statement of Samuel Gainsburgh, Esq.) .

[52] *Id.* at 316.

[53] Clerk's Annual Report, *supra* note 27, at 12. Only 7.6 percent of the cases received the full 30 minutes of oral argument per side recognized as the norm by rule 43(b) of the Federal Rules of Appellate Procedure.

[54] A survey of lawyers of the Fifth Circuit, conducted by the Bureau for Social Science Research, commissioned by the Federal Judicial Center, reported only 40 percent of the lawyers surveyed considered avoiding extreme delay an acceptable reason for denial of oral argument. Nevertheless, 84 percent of those same attorneys believe there are situations when the denial of oral argument would be acceptable, for example, when the appeal borders on frivolity as determined by the court (89 percent) or when the issues are clear and can be decided by reference to precedent (72 percent). Moreover, 52 percent of these Fifth Circuit attorneys felt that "when a litigant is denied the right to have his lawyer argue his appeal, the litigant will feel that he has not had his day in court." T. Drury, L. Goodman & W. Stevenson, Attorney Attitudes Toward Limitation of Oral Argument and Written Opinion in Three U.S. Courts of Appeals 19, 20, 38 (1974) [hereinafter cited as Attorney Attitudes].

[55] *Commission Hearings, supra* note 25, at 332 (statement of Cicero Sessions, Esq.). To similar effect is the statement of Judge Griffin Bell that oral argument is being denied in about 10 percent too many cases. *Id.* at 486.

[56] *Id* at 511 (statement of Hon. John R. Brown).

[57] *Id.* at 376 (testimony of M. Roland Nachman, Esq., then President of the Alabama Bar Association). Similar thoughts were expressed by Samuel C. Gainsburgh, Esq., when he testified before the Commission:

> I think that the lawyers, trial advocates, if I may presume to use that word, are accustomed to being able to appear and explain and to answer questions, and to feel that after they do this, even if they haven't been such good readers, that it adds another dimension to the affairs of the client.
>
> And I think they are resentful of the fact that screening and summary procedures, they feel, deprives their profession of one dimension which is the opportunity to discourse with the court, and to argue and discuss with the court, or share ideas, or whatever you choose to call it; and also the knowledge that after having done so, the members, the deciding members of that court, the three judges who have that case, who have heard the argument, are going to sit down in the room somewhere and eyeball one another, and look at each other, and talk about their client's case.
>
> I think that is why the lawyers are uneasy about the screening procedures.

Id. at 323.

The survey described above reports that 94 percent of the Fifth Circuit lawyers surveyed agreed that "[o]ral argument permits the attorney to address himself to those issues which the judges believe are crucial to the case," and 90 percent agreed that "[b]y asking questions of counsel, the judges are better able to avoid erroneous interpretations of the facts or issues in the case." Attorney Attitudes, *supra* note 54, at 38 (Table 26).

[58] The Fifth Circuit's rule 21 provides:

> When the court determines that any one or more of the following circumstances exists and is dispositive of a matter submitted to the court for decision: (1) that a judgment of the district court is based on findings of fact which are not clearly erroneous; (2) that the evidence in support of a jury verdict is not insufficient; (3) that the order of an administrative agency is supported by substantial evidence on the record as a whole; (4) that no error of law appears; and the court also determines that an opinion would have no precedential value, the judgment or order may be affirmed or enforced without opinion.
>
> In such case, the court may in its discretion enter either of the following orders: "Affirmed. See Local Rule 21" or "Enforced. See Local Rule 21."

[59] The survey of Fifth Circuit attorneys described above shows that 76 percent of the respondents agreed that "[i]ssuance of a reasoned disposition assures the litigants that the attention of at least one judge was given to the case." Attorney Attitudes, *supra* note 54, at 45 (Table 27).

It is interesting that 70 percent of the lawyers who responded to the survey in the Fifth Circuit agreed with the statement that "[t]he due process clause of the Constitution should be held to require courts of appeals to write at least a brief statement of the reasons for their decisions." *Id.* at 43 (Table 28).

[60] Clerk's Annual Report, *supra* note 27, at 7. In addition, 31.3 percent of the cases were decided with per curiam opinions, while only 33.8 percent of the cases were decided with signed opinions. *Id.*

It should be noted that 41.3 percent of the cases which were decided without oral argument also received a rule 21 opinion. *Id.* at 8. That is, 23 percent of the cases were decided with a rule 21 opinion after the denial of oral argument.

It should be noted that some rule 21 opinions include citation to relevant governing authority.

[61] *Commission Hearings, supra* note 25, at 331 (statement of Cicero Sessions, Esq.).

[62] The Commission has recommended tne following minimum national standard as appropriate for inclusion in the Federal Rules of Appellate Procedure:

> (1) In any appeal in a civil or criminal case, the appellant should be entitled as a matter of right to present oral argument, unless:
>
> (a) the appeal is frivolous;

> (b) the dispositive issue or set of issues has been recently authoritatively decided; or
>
> (c) the facts are simple, the determination of the appeal rests on the application of settled rules of law, and no useful purpose could be served by oral argument.
>
> (2) Oral argument is appropriately shortened in cases in which the dispositive points can be adequately presented in less than the usual time allowable.

Structural and Internal Procedures, *supra* note 19, at 48.

[63] *Id.* at 50.

[64] Chief Judge John Brown explained that had oral argument been granted in all of the cases in fiscal year 1973, "It would have taken 19 weeks of sittings for each of our fifteen judges." He continued:

> Now, if you could sit ten weeks, it would take 132 visiting judges, and you couldn't get that. . . . If 30 visiting judges could be obtained, we would have a backlog of 680, and if not getting those, a backlog of 880.
>
> Now, the significance of that is that any backlog is automatically carried forward into the next year, at which time, . . . the projected filings are already increased. . . . [Y]ou would have to sit 22 weeks, you would have to have 186 visiting judges. It is just absurd to think about it. And if you had no outside help you would have a new cumulative backlog of 1240, and so on ad infinitum.

Commission Hearings, supra note 25, at 148–49 (testimony of Hon. John R. Brown).

These figures are updated in the Fifth Circuit Clerk's 1974 Annual Report:

> Without screening a total of 1,874 cases would have had to be calendared this past year for oral argument. This would have required 53 additional weeks of court besides the 41 actually held this year for a total of 94 weeks of court at 20 cases per week. For the Active Judges of the Fifth Circuit to hear oral arguments in 1,874 cases, each Active Judge would have had to sit 10 weeks (about every third calendar week of the year) instead of the seven weeks each produced by the screening procedure (Class III and IV).

Clerk's Annual Report, *supra* note 27, at 13.

[65] Report of the Judicial Conference of the United States 1971, at 81-82 (1971).

[66] *Commission Hearings, supra* note 25, at 393 (joint statement).

[67] *Id.* at 378 (statement of Hon. John C. Godbold).

[68] *Id.* at 658 (statement of Hon. Irving L. Goldberg).

[69] *Id.* at 378 (testimony of Hon. John C. Godbold).

[70] *Id.* at 393 (joint statement):

> The sheer weight of administrative problems and the necessity of one judge having to deal with 14 others impairs the judicial process. It is very burdensome for each judge to read and carefully analyze all of the opinions of the other 14 judges.

[71] *Id.*

[72] *Id.*

[73] Structure and Internal Procedures, *supra* note 19, at 57–58. The joint statement of eight of the active judges of the Fifth Circuit describes the problems in detail:

> Intracircuit conflicts require the convening of *en banc* courts. At the present time [Aug. 1973] there are 11 *en banc* cases to be heard. By the time the court convenes *en banc*, there will probably be at least 15 cases requiring disposition. It is not infrequent that one or two *senior* circuit judges are involved in *en banc* cases. However, assuming only 15 *active* judges are present and allowing at a minimum 10 minutes for each judge to express his views in conference, the deliberations in each case will consume two hours and a half. The 10 minute allotment may itself be unrealistic. In some instances a single judge has consumed substantially over an hour to present his views. But even assuming that only the active judge participate and take the minimal time allotment, 15 cases will require 37½ hours of conference time. Eliminating time for lunch and a short recess during the morning and the afternoon, and permitting nine *solid* hours of uninterrupted conference per day, 15 cases will require more than 4 days of conference time. In addition, substantial time must be spent in preparation. While all *en banc* cases are not orally argued, the tendency is toward more oral argument, which adds to the workload. It often happens that a substantial number of judges will agree on one issue, but will be sharply divided on other issues. Since many *en banc* cases present multiple issues, it is virtually impossible to obtain a unanimous decision by 15 judges. Some of our *en banc* decisions require careful mathematical analysis to simply align the positions of the judges according to the issues decided.

Commission Hearings, supra note 25, at 393–94 (joint statement) (emphasis in original). The statement of Judge John Godbold pointed to another risk inherent in the large en banc court—"the silencing effect of a deliberative body's becoming too large":

> [P]articularly in *en banc* multi-issue cases, . . . the individual judge may conclude that there are so many viewpoints to be heard and considered on so many questions that he will not press and perhaps not even express his own views. Or if he presses them they may be lost or obscured in the shuffle.

Id. at 378.

[74] *Commission Hearings, supra* note 25, at 378 (testimony of Hon. John C. Godbold)

[75] The Commission recommended that—

> the present Fifth Circuit be divided into two new circuits: a new Fifth Circuit consisting of Florida, Georgia, and Alabama; and an Eleventh Circuit consisting of Mississippi, Louisiana, Texas and the Canal Zone.

Geographical Boundaries, *supra* note 3, at 8. The Commission also suggested two other alternatives. Alternative I would have an Eastern Circuit composed of Florida, Georgia, Alabama, and Mississippi, and a Western Circuit composed of Texas, Louisiana, Arkansas, and the Canal Zone. Alternative 2 would create an Eastern Circuit containing Florida, Georgia, Alabama, and Mississippi, and a Western Circuit encompassing Texas, Louisiana, and the Canal Zone. *Id.* at 10.

[76] Structure and Internal Procedures, *supra* note 19, at 59.

[77] *Id.*

[78] *Id.*

[79] *Id.* at 63.

[80] *Id.* at 60. The Commission added: "[J]udges eligible for senior status may continue to participate so long as, and to the extent that, the total number of participants does not exceed nine."

[82] The bill now pending in the Senate would provide 12 judges in the Eastern Division of the Fifth Circuit and 11 in the Western Division. S. 729, 94th Cong., 1st Sess. § 5 (1975).

[83] The bill presently pending would provide 11 judges in the Southern Division and 9 in the Northern. *Id.* For further discussion of the problems of the Ninth Circuit, see note 30 *supra*.

[84] The importance of assuring not only that justice is done, but that it is seen to be done by losing litigants as well as by prevailing parties, should not be underestimated; it is clear that there are limits to what can properly be expected from procedures designed to increase judicial productivity.

[85] See note 82 *supra*. The limited en banc would also be needed in the Southern Division of the Ninth Circuit. See note 83 *supra*.

NEW YORK—WHAT TO DO ABOUT IT

Mr. HUMPHREY. Mr. President, I recently received an excellent analysis of New York's financial crisis and what to do about if from Mr. Fred Deming. Mr. Deming is president and chief executive officer of National City Bancorporation of Minneapolis, Minn., is a former president of the Minneapolis Federal Reserve Bank, and served with great distinction as Under Secretary of the Treasury. Because of this most relevant experience, Mr. Deming's views warrant our close attention.

Mr. Deming's analysis makes many important points which all of us should be aware of as we continue consideration of the New York financial crisis. Some of the more important points are:

Moody has completely withdrawn any rating from New York State short-term notes. There is no real market for new New York State or City issues.

It would be difficult, if not impossible, to bring out a new B grade issue in either corporate or municipal bonds under present market conditions.

So far there has been no default, and there is hope that there will be none. The actual fact of default could produce a much more adverse impact than now expected.

The course of prudence seems clear; prevent default if possible. Maybe a New York default would not have a serious impact on capital markets, but that is a chance no prudent man would take by choice.

Ideally, the vehicle for making loans to New York City should be useful for other cities and States also. The concept of an urban development bank, suggested in the Johnson administration, would be quite useful in this connection. However, given the time it takes to establish such an institution, a Federal guarantee on taxable bonds under strict conditions is, perhaps, the best immediate approach.

Mr. President, I ask unanimous consent that Mr. Deming's excellent paper, "New York—What To Do About It," be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

New York—What To Do About It

(By F. L. Deming)

I. THE NEW YORK CITY PROBLEM—BROAD ASPECTS

A. The financial troubles of New York City are the result of:

1. Carrying a significantly greater burden (both absolutely and proportionately) of financial responsibility for various services provided New York City citizens than is carried by most major cities for their citizens. In turn this reflects:

a. Providing a wider range of free services than is typical of other major cities,

b. Providing larger welfare benefits than is typical of other major cities and carrying directly a very substantial share of the costs.

c. Having to assume a greater than proportionate share of welfare payments simply because a large number of poor people seek out New York as a place to live (probably in part because the welfare scale is relatively generous).

2. Militancy of public employee unions which has led to relatively high pay scales, fringe benefits and pension payments. New York City is not unique in this respect but the number of people involved and the absolute amount of money requirements are very large relative to other major cities.

3. Some improvidence in respect of staffing and financing expenditures. The latter has

led to a very high level of debt, both long and short-term. This improvidence has been characteristic of many New York City administrations and is not confined to New York City.

B. Figures on New York City revenues, expenditures and deficit seem to change almost daily, but apparently the current expenditure level is somewhat above $12 billion and the current budget deficit estimate is between $750 and $800 million. Also the City seems to have a cumulative past deficit, not admitted until recently, of some $2.5 billion which has been financed mainly with short-term borrowing. As of mid-1975 the outstanding City debt totalled $12.3 billion with slightly less than half, $5.6 billion, due in one year. This figure does not include debt of independent City agencies, nor does it include Big Mac debt which is now about $2 billion. Much of the latter, however, has been a replacement of City debt and some other City short-term debt has been "rolled over".

1. Press reports indicate that the City will have to borrow about $3.5 billion between now and June 30, 1976, much of it to refund maturing securities. Its agencies also have refunding problems. Any further Big Mac security sales should reduce the City refunding requirements.

2. New York State also has a heavy debt load and also has a large volume of short-term debt. Apparently the State will have to borrow some $4 to $5 billion between now and June 30, 1976, again in part to refund maturing securities. New York State independent agencies also have heavy borrowing requirements, about $1 billion by next June.

3. Quality ratings on both City and State securities and on some agency securities have recently been reduced by the rating services, and Moody has completely withdrawn any rating from State short-term notes. Practically speaking there is no real market for new State or City issues, except perhaps the New York State and City pension funds.

C. No particular purpose is served by berating New York City for its past fiscal sins". The City seems to be making some effort to halt the upswing in expenditures and to seek new revenue sources. Both are hard to accomplish, especially the latter in a city that is already a heavy tax area. It is important to note that the interest burden alone is a very heavy one for the City and it grows heavier as its interest costs rise.

D. There probably is no escape from three basic programs to make New York City fiscally viable:

1. Some further reduction in the rate of expenditure increase and some increase in tax revenues.

2. Some restructuring of existing City debt both with respect to maturities and rates.

3. Assumption by some outside source (logically the Federal Government) of at least a substantial share of the welfare burden currently being borne directly by New York City. This could be accomplished by increased Federal revenue sharing for the City in recognition of the disproportionate concentration of welfare requirements in the City.

E. Aside from some debt restructuring, it seems unlikely that this basic program can be put in place quickly enough to resolve the current financial crisis. Therefore, for the short-run the question is whether there should be an emergency Federal Government program for New York City or whether the City should default in its obligations, and, in effect, operate under bankruptcy conditions until the long range program can be made effective.

II. THE CURRENT SITUATION AND ITS IMPLICATIONS

A. It is highly important to sort out facts from judgments to determine just what the current crisis is and what it is not, what it involves and what it does not involve.

1. So far the New York City situation, despite all the rhetoric, does not seem to have had profound effect upon other municipalities. In this respect, Secretary Simon is correct. Perhaps its greatest impact has been to underline the fact that weak credits are weak credits and to cause prospective investors to examine more carefully their prospective investments. Thus cities like Detroit and Philadelphia have had their security offerings subjected to more searching analysis, have had to pay more for their borrowings, and have had them accepted reluctantly. Some smaller cities in New York State also have had question raised about their borrowings simply because of their geographic locations and because there have been implications that New York State also is in financial trouble. This same sort of situation is found in the corporate bond market where weaker credits are viewed skeptically by investors.

2. Whatever effect the New York situation has had on interest rates has been dwarfed by far more significant factors: Federal Reserve policy, fears of further inflation, concern over the course of the economy and the very heavy volume of demand on the capital markets.

a. The volume of finance required in 1975 has been much larger than in 1974. Federal Government requirements, both direct and via agencies have been much larger than in 1974 and actually have been much larger than expected. Corporate bond issues, both public and private placements, have been running sharply ahead of 1974, which itself was almost as heavy in terms of corporate capital market borrowing as was 1971. In the first four months of 1975 gross new corporate bond issues totalled more than $16 billion as against less than $10 billion in the like period in 1974 and most of this increase was in public issues. State and local government long term issues in the first half of 1975 totalled almost $15 billion as against $13 billion in the first half of 1974 and short-term municipal borrowing grossed almost $17 billion as against less than $12 billion in the same half years.

b. This strong increase in borrowings when coupled with an investor's demand for an "inflationary premium", his concern over the future of the economy and a Federal Reserve policy which has been anything but expansionary should have and did produce two results: higher interest rates and some "crowding out" of weaker credits. One striking development, however, has been that interest yields on high grade municipals today are virtually the same as they were a year ago and are actually lower than they were in December, 1974. High grade corporate bond yields are up, but not very much from year-end and are down from year earlier levels. B grade corporates are down slightly in yield from their year-end peaks but are significantly higher than a year ago and B grade municipals are up sharply from a year ago and up slightly from year-end. These yield quotations are on outstanding securities; as a practical matter it would be difficult, if not impossible, to bring out a new B grade issue in either corporate or municipal form under present market conditions. Yields on long term Treasury bonds themselves are up almost one full percentage point from year-end and a year ago.

c. But it is highly important to understand that the above developments do not prove that the New York situation will never affect adversely the security markets. Arthur Burns, in recent testimony before Congress, stated that very recent developments pointed to a widening spillover effect. And while many statements have been made that the markets already have discontunted default, the fact is that so far there has been no default and there still is widespread hope that there will be none. The actual fact of default could produce much more adverse impact than now expected, especially if it were followed by New York State or City or State agency default. The course of prudence seems clear; prevent default if possible.

3. Bankruptcy law with respect to cities seems to be far from clear. What does seem clear, however, is that New York City would expect to default on its debt service before it would cut back on services, employment, pay, or even welfare (beyond what is presently contemplated or perhaps beyond a bit more than presently contemplated). As a practical matter, absent debt service payments the City budget would be about in balance. Obviously default (or bankruptcy) would effectively stop the City (and maybe the State) from new borrowing (except as a possible incident to debt restructuring) but practically it is stopped now from access to the capital markets. Actually it is not even certain that the City would default on all its obligations; some certainly would be "rolled over" and with provisions that would avoid technical default. The City would not repudiate its outstanding debts; presumably at some future time they would be honored.

a. Aside from potentially adverse general market effects, a New York City default could impact quickly on New York State and the various City and State agencies. Failure to receive certain State aid revenues could impact adversely on other cities in the State.

b. Investors in New York City securities would bear the major brunt of a City default, and obviously the investor circles would be widened if a City were followed by a Big Mac and/or State default. For individuals, the impact would be on liquidity, net worth and income but unless the income factor was equivalent to a significant portion of total income it should cause inconvenience rather than hardship. Most individual investors in tax exempt securities are in high income brackets and real hardship cases should be few in number.

c. The potentially dangerous impact of default would come on the investors which are financial institutions, especially the banks and most especially the New York City banks. The impact on the banks would come because the securities would have little or no liquidity and because they would have to be written off, at least partially, against capital. Banks in general and New York City banks in particular also bear a fairly high level of what are euphemistically termed "non-accrual assets" (in simple terms non-earning assets which may never be worth book value, e.g., some REIT investments). Sharp write-offs against capital plus lack of liquidity almost surely would cause the banks to curtail loan/investment activity which almost surely would have an adverse effect upon the national economy, in the case of the New York banks, and upon regional or local economies in the case of other affected banks.

(i) Federal banking authorities have told Congress that each of 56 state banks and 67 national banks located in 34 states has at least half its capital invested in New York City securities. Another 187 banks have the equivalent of 40 percent of capital so invested and another 306 banks have the equivalent of 20 percent of capital so invested.

(ii) New York City banks (included in the above figures) have presently about $8.6 billion in equity capital and their total municipal bond portfolios are about $7 billion. There are no published statistics on their investments in New York City, State and Big Mac securities but some analysts put those holdings at the equivalent of more than half their capital. These New York City banks are the major market for New York securities. These banks operate nationally; any curtailment of their loan/investment activity would have great impact on the national economy.

III. A FEDERAL PROGRAM FOR NEW YORK

A. The above evidence would seem to be persuasive that there should be an emergency Federal aid program for New York

City. Maybe default would not have serious impact on the capital markets but that is a chance no prudent man would take by choice. Certainly there would be adverse impact on the banks. Outside New York City the number of banks affected by default would not be large and maybe the effects would be localized but that also is a chance no prudent man would take by choice. Certainly the New York City banks would have severe impact from default. They are strong and there is little likelihood any would fail but there is strong chance that they would curtail their loan/investment activity and no prudent man would take that chance.

B. An emergency Federal program should have two parts and be coupled with a program designed to restructure outstanding New York City debt. The two part program should involve:

1. A program to ensure the liquidity and the capital of the banks so that they would not be forced to curtail their lending and investing activities.

2. An emergency loan program for New York City.

C. The program for the banks. Banking authorities have been quoted in the press as having assured Congress and the banks that certain steps have been or will be taken to resolve whatever difficulties result from bank holdings of New York City and State securities. What is advocated here is not very different from what has been reported but Congress and the banks should have quite clear assurance that the bank regulatory authorities actually have the programs in place and are ready to carry them out. Further since state chartered banks are involved (in New York City most of the big banks are state banks) it should be made clear that state regulatory authorities are taking actions consonant with those taken by the Federal regulatory authorities.

1. Bank regulatory practice (there are no Federal statutory requirements) is to require banks to charge-off against capital certain "classified assets" which may have actual values that are less than book values. Defaulted securities are in the lowest classification which is "loss" and normal regulatory practice is to require immediate write-off of such securities to a level that is realistic. Where there are market quotations the practice is to write-off to market value. Default alone would not drive market price to zero but it would likely drive it to well below book and even absent default market valuation could drop sharply below book. The regulatory authorities should make it crystal clear now that immediate write-off would not be required on New York City or State securities, on the simple rationale that some kind of debt restructuring and emergency loan program would enable New York to become financially viable and consequently that valuations of securities might drop temporarily but would be restored, at least in part. The banks themselves will tend to be more cautious because their own internal accounting will recognize their vulnerability but there is no need to force capital impairment by immediate mandatory write-off and thereby force the banks to become unduly cautious.

2. Practically speaking New York City and State securities held by banks are now frozen assets. Consequently bank liquidity (especially in New York City banks) is already affected and that effect is enhanced by the presence of the "non-accrual assets". Several big New York City bank security issues have been tentatively scheduled for marketing and subsequently withdrawn because of market conditions. One major New York bank recently offered a preferred stock issue on a 10 percent basis. These developments underline the bank liquidity and capital problems.

Federal Reserve practice is to make advances to banks on a very short-term basis and to take collateral for such advances at Federal Reserve bank valuation. U.S. Treasury securities are valued at par irrespective of their current market quotations. The Fed should make clear that it stands ready to make advances to banks on New York City or State securities at close to book value and that such advances may be for longer than normal terms. Such advances need not be automatic; the Fed should follow its usual practices with respect to evaluating the merits and proprieties of advances in the case of a particular bank, but the lending should be more than usually flexible with respect to collateral value and maturity.

3. In particular instances a bank may require an emergency capital loan. This is an unlikely need for New York City banks and probably would not be needed by more than a handful of banks outside New York. The FDIC can make such capital infusions, its chairman has stated that they would be made if needed.

D. A Federal Emergency Loan Program for New York. A number of plans or elements of plans for an emergency Federal loan program for New York City have been presented. Secretary Simon and Chairman Burns have outlined elements of a program; Senator Humphrey and Congressman Reuss have presented legislation. The Reuss program seems to be more specific and detailed than the others. Given below are the elements that should be in an emergency loan program; some of them have already been presented in the various plans already suggested.

1. Three major introductory points should be stressed:

a. As noted earlier, no useful purpose is served by accusing New York City of "sin" and consequently setting "punitive" terms into an emergency loan program. Requirements can and should be strict and covenants written tightly but if "punitive" terms means high interest costs to the City the exercise is counterproductive.

b. Ideally, the vehicle for making loans to New York City should be useful for other cities and state also. The old concept of an Urban Development Bank, suggested in the Johnson Administration and backed by Senator Humphrey in his 1968 presidential campaign would be quite useful in this connection. It was essentially an institution with a Board composed of representatives from Federal, State, and local levels to ensure the interests of all three levels and eliminate as much as possible Federal bureaucratic interference. It was designed to raise funds by the sale of its own taxable securities and to lend the funds to state and local governments at interest rates subsidized by Federal appropriations. Theoretically, the real cost to the Federal government would be zero; the elimination of some tax-exempt municipal securities and the substitution of taxables would yield tax revenues roughly equal to the Federal interest subsidy. Any city or state borrowing from the Urban Development Bank would be subject to certain requirements. Unfortunately in the current New York situation time mitigates against the establishment of such a permanent institution but some of the principles behind it can be incorporated into an emergency loan program for New York.

c. Since any emergency loan plan should be tied to restructuring of outstanding New York City debt it is important to note that the bulk of New York City borrowing over the next twelve months will be to refund maturing issues. Basically any other borrowing would be to finance the current deficit or in anticipation of revenues from taxes and services which reflects mainly the timing of cash flow. Therefore, with adequate debt restructuring the net requirement for new Federal finance should be far smaller than total New York City borrowing requirements.

2. The principal elements of an emergency loan program.

a. A realistic financial plan leading to a balanced New York City budget within a reasonable time—say, three years. (This is already a requirement under New York State legislation creating the Emergency Financial Control Board.) Such a plan should be subject to examination and approval of a Federal authority, probably the Secretary of the Treasury or a Board with him as chairman. This approval would be precedent to any Federal loan or guaranty.

b. The undertaking of a debt restructuring program for City securities. This could take some time and its completion could be delayed beyond the time when a Federal emergency loan would be most productive. Therefore, the Federal loan program could be announced and begin its implemention prior to final action on debt restructure. The terms of debt restructuring should be simple.

(i) Any security maturing by December 31, 1976 should be exchanged for new three to five year securities.

(ii) The interest rate on these securities should be no more than the market rate on Aaa municipal bonds of like maturity.

(iii) If the new three to five year securities are standard tax exempts there would be no Federal guarantee. If they were to be taxable issues a Federal guarantee for 85 percent would be granted.

Present holders of City securities maturing within the period to December 31, 1976 thus would have a choice between a tax exempt security or a taxable security with a Federal guarantee. The advantage of exchange to the holder would be almost immediate liquidity and reasonable market value stability. The disadvantage would be (at least in some cases) a significantly lower yield and a significantly longer maturity. Failure to exchange would probably mean default and all of its uncertainties. Exchange would be accompanied by a Federal loan to cover new net City requirements and consequent improvement in quality of the old securities.

c. Under no circumstances should a Federal guarantee be put on a tax exempt issue. Nor should any Federal guarantee be put on any new taxable issue by New York City or State or their agencies.

d. New York City would be granted a Federal direct loan in an amount necessary to cover any deficits resulting from the three year balanced budget plan, plus such temporary needs as might result from timing of revenues and expenditures. Such loan would, in effect, be a line of credit which could be drawn down as required subject to authorization of the Secretary of the Treasury or the Federal Board in charge of administration of the program. The Federal money would come from general revenues or from Federal direct borrowing. The terms of the line of credit would be five years and an interest rate equivalent to Aaa municipals of like maturity.

e. The Federal loan would be senior to other City debt and would be secured by sums flowing to the City from the Federal Government via revenue sharing, including those arising from any new formula for revenue sharing.

3. It is probable that the City would not be able to retire the entire Federal loan after five years. It should be noted also that there will be maturities of New York City issues after December, 1976 but within the five year period. But if New York had a viable financial plan and a balanced budget within three years it should be able to refund maturing issues and sell additional securities to pay off the Federal loan, particularly if the Federal Government does assume certain expenses presumably carried by the City. At the worst, what was not repaid of the Federal loan after five years could itself be extended for a time.

4. Amounts for the direct loan and for such guarantees as are required are not given here

because they are not known. Whatever legislation is passed should have some flexibility built into it so that as more facts become available (e.g., the actual financial plan and some indications of the type of exchange preferred) the amounts could be adjusted.

5. There would be nothing to prevent this type of program from being extended to other distressed cities but it would be hoped that something like an Urban Development Bank could be put in place as a more permanent type of financial agency.

FBI POLICY

Mr. GOLDWATER. Mr. President, the FBI's Manual of Rules and Regulations, part I, section 9, disciplinary matters, item C. investigation, states as follows:

> Any investigation necessary to develop complete essential facts regarding any allegation against Bureau employees must be instituted promptly, and every logical lead which will establish the true facts should be completely run out unless such action would embarrass the Bureau or might prejudice pending investigations or prosecutions in which event the Bureau will weigh the facts, along with the recommendation of the division head.

The statement, "unless such action would embarrass the Bureau," means that in such eventuality, FBI headquarters desires to be advised of the matter before investigation is instituted so that headquarters would be on notice and could direct the inquiry if necessary.

The statement, "unless such action * * * might prejudice pending investigations or prosecutions in which event the Bureau will weigh the facts" means that in such cases, FBI headquarters would desire to carefully evaluate the propriety of initiating or deferring investigation of a disciplinary matter where such investigation might prejudice pending investigations or prosecutions.

Nothing in this manual provision is intended to deviate from the FBI's established policy of conducting logical and necessary investigation to resolve possible misconduct on the part of its employees.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notification I have just received. A portion of the notification, which is classified information, has been deleted for this public publication.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

OFFICE OF THE DIRECTOR DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA

Washington, D.C., November 4, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 76-17, concerning the Department of the Air Force proposed Letter of Offer to Iran. This proposed case is a continuation of the Letter of Offer reported under Transmittal No. 75-13.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 76-17: NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Iran.

b. Total Estimated Value: $40.1 million.

c. Description of Articles or Services Offered: [Deleted]. Radar evaluation program.

d. Military Department: Air Force.

e. Date Report Delivered to Congress: November 4, 1975.

SOLAR HEAT WINS IN CONCORD, N.H.

Mr. McINTYRE. Mr. President, today I would like to give the Senate the benefit of an election in Concord, N.H., an election in favor of solar energy.

Under a recently passed law in my State of New Hampshire, cities and towns are allowed to exempt solar home-heating equipment from property taxes. In Concord on Tuesday, the first city in the State of New Hampshire to exercise this option, the people voted overwhelmingly in favor of exempting solar heating equipment from property taxes.

Now anyone in the capital of New Hampshire who installs solar home heating equipment will not face the disincentive of increased taxation because he or she wants to cut his fuel bill.

We all know that in States like New Hampshire, solar home heating equipment will not provide 100 percent of a home's heat, therefore, regular heating systems will continue in use. The question before the people was this: Do we tax ourselves for the right to cut our fuel bills? They voted no and passed this local option. I applaud the foresight of the people of Concord.

I ask unanimous consent to have printed in the RECORD an editorial praising this move that appeared in the Portsmouth, N.H., Herald on October 20.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONCORD MAY ENCOURAGE SOLAR HEATING

The City of Concord may offer special inducements to householders to use solar heat in their homes.

What is proposed is a tax exemption for anyone who wants to pioneer in the field of solar energy, with the purpose of conserving fossil fuels.

However, such is the nature of New Hampshire's climate that complete dependence on solar energy would be impossible, but a homeowner could save quite a bit nevertheless.

The Concord approach, through direct appeal of reducing dollars spent on taxes, is probably the best expedient to gaining public acceptance. Many householders will see partial conversion to solar energy as a confounded nuisance, entailing cumbersome equipment and so forth.

But we hope that Concord's voters in the Nov. 4 election will have overwhelming acceptance to the proposal. Time is running out on many of the old-time concepts we had about heating our homes.

In Saturday's Herald there was a story about an Exeter family which set up a solar heater and utilized the water thus warmed up for showers through the summer.

It can be done, and the sooner the public comes to realize it the better. Concord's proposal is a step in the right direction.

FRANCE SELLS NUCLEAR FUEL REPROCESSING PLANT TO SOUTH KOREA

Mr. GRAVEL. Mr. President, the Washington Post has commented this morning on the sale by France of a nuclear fuel reprocessing plant to South Korea. The Post correctly concludes that this sale is likely to grease the wheels of nuclear weapons proliferation and thus bring the entire world closer to the brink of nuclear disaster.

The fact is that the spread of nuclear power is putting this planet in increasing danger, not only through the potential proliferation of weapons, but also through the production of nuclear fission wastes—the same radioactive products released in an atomic blast, the same wastes which our Nation and the rest of the industrialized world continue to produce in reactors while having no program for ultimate disposal.

In France, as in the United States, there exists an active antinuclear movement. Earlier this year, 700 French scientists signed a petition urging a slowdown in nuclear construction—not unlike the petition signed recently by 2,300 members of the American technical community.

And in fact, according to the New York Times, France is cutting back its nuclear power program. What commercial cynicism it would be, Mr. President, for France or any other nation to market abroad the atomic energy products which its own people have found to be unacceptable.

And what a tragedy it will be for all people if this kind of short-sighted commercialism leads, as it is capable of doing, to the irreversible poisoning of our environment or to nuclear war.

Mr. President, I ask unanimous consent that there be printed in the RECORD three items: This morning's editorial from the Washington Post; the declaration by 700 French scientists as reprinted in Not Man Apart, the newspaper of the Friends of the Earth; and the notice of French nuclear cutbacks from the New York Times.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Another Bad Nuclear Deal

The decision by France to sell South Korea a pilot plant to reprocess spent nuclear fuel illustrates nothing so much as the inadequacy of existing international controls to prevent the spread of nuclear bombs. The French can and do claim that the plant will be subject not just to International Atomic Energy Agency safeguards but to additional tighter safeguards of their own. South Koreans can and do claim that they are accepting all these controls, have taken the no-bomb pledge of the nuclear non-proliferation treaty, and merely wish to get off with a legitimate peaceable "Project Independence" energy program of their own. In short, nobody is violating anything. Look, ma, no bombs.

Yet the deal is deeply troubling, for all that the French, who export nuclear equipment in part to pay for their own costly weapons program, complain that American protests against it derive from mean commercial rivalry. It raises the specter of national nuclear power industries, which are spreading everywhere, leading to national nuclear weapons programs in the coming years. Following the irresponsible example of a West German deal with Brazil earlier this year, the French are passing beyond the sale of reactors to the sale of reprocessing equipment and technology. Korea has no conceivable economic justification, now or in the foreseeable future, for a reprocessing capability: not even the United States, the largest nuclear-power producer, has seen the need for it yet. But a country with that capability, regardless of its original innocent intent, could find itself coming under internal pressure to abrogate the non-proliferation treaty, or to cheat, in order to produce weapons-grade nuclear material. Korea, frightened of being politically abandoned by Washington, is just such a country—a consideration we commend, by the way, to those Americans who would remove American troops forthwith.

The answer is plain: the political and legal restraints on the export of reprocessing facilities must be tightened. Countries so minded, could, like India, build their own reprocessing plants but such independent efforts could better be discouraged if the suppliers of nuclear materials agreed to be less profligate in dispensing their wares. The United States has on the table a proposal to establish regional nuclear reprocessing centers. It is being discussed by seven suppliers, including Russia, in London this week. The rationale for this and similar extra cooperative measures on the part of the suppliers is that the IAEA is an agency dominated by the nuclear have-nots, who for reasons of pride and policy tend to resist truly foolproof controls. There is no more serious diplomatic project before the United States than to take every feasible step to bar the further proliferation of nuclear arms.

Clouds In France

A declaration from seven hundred scientists: "We Appeal to the People To Stop the Construction of Nuclear Power Plants."

This is a translation of the recent declaration by 700 French scientists against the government's nuclear power program. Many of the signatories are employed by the French AEC (CEA, as it works out) and the national utility company, Electricité de France (EDF).

"We, researchers, engineers, and technicians view the government's [nuclear power policy] statement as a hasty judgment which could result in grave consequences. These are: those associated with the security of nuclear facilities; (leakage risks, though minimal but with horrendous consequences); thermal pollution (climatic, ecological); risks derived from the transport, storage, and possible theft of nuclear materials; and particularly, hazards related to radioactive waste disposal.

"It is disturbing to watch the E.D.F. (French national electric monopoly) ignore the inquiry and criticism from all but a few technicians they officially recognize. It is disturbing to us that the originators of nuclear projects are also judge and jury to public criticism of these projects. It is disturbing to realize that public monitoring of such a massive public project is restricted to an atomic commission of dubious competence and authority. It is extremely disquieting that nuclear security relies upon a system of error-free continued human vigilance. (We feel that human error and sabotage are ever-present possibilities and pose incalculable risks.)

"Current official inquiry has fragmented and understated the crucial issues of transport, waste disposal and nuclear plant depreciation. We are being reassured by officials who minimize risks and conceal the possible consequences of this nuclear policy. Nevertheless, conflicting studies and official uncertainty are clear indications that we are being misled. In the absence of clear nuclear legislation, all manner of negligence is being permitted. Most often, financial considerations are substituted for needed research and unbiased review of nuclear energy uses.

"Regardless of official assurances, a nuclear energy policy will not assure France's energy independence. There is not sufficient uranium in France and the breeder reactor planned to begin production in 1982 will not be a fail-proof source.

"Contrary to what is being said, very little serious research is being undertaken to find new energy sources, to re-allocate existing supplies, and to eliminate waste.

"We feel that current policies do not reflect the present interests of the people or those of future generations. These policies are in fact political issues disguised as scientific ones. It is time to instigate genuine public discussion and to stop these hasty official deliberations.

"We call upon the people to refuse to accept nuclear power plants until there is a clear understanding of the risks and consequences of this policy. We appeal to the scientific community (researchers, engineers, professionals, educators, technicians . . .) to support this declaration and to contribute in every way possible to the clarification of the nuclear power issue."

Organisation of Concerned Scientists,
2, rue François Villon 91400—Orsay, France.

France Cuts Back Atom Power Plan

(By Flora Lewis)

Paris, August 7.—French Government, concerned about the uncertainties of the outlook for energy supplies and the increasing protests of environmentalists, has decided to reduce its atomic energy program.

Nearly two years ago, Georges Pompidou, the late President, placed prime reliance on nuclear energy.

The latest decision limits plans for building reactors to a total of 12,000 megawatts in 1975 and 1976, with future expansion, which initially ran to 1985, to be decided step by step. The change was made on the ground that no one today can predict either French energy consumption or the price of oil in 1980.

The announcement was made after President Valery Giscard d'Estaing had confirmed the new plan at a Cabinet meeting.

The cutback in definite construction orders led to a decision to reorganize the two-company industry into a monopoly under greater French control.

At present, Westinghouse Electric owns 45 per cent of the major reactor-building company, Framatome, and also provides pressurized water technology, one of the two basic types of conventional reactors.

Michel Junot, the president of Westinghouse France, a subsidiary, said the announcement was the first official word his company had of the impending changes and that it was ready to negotiate a new arrangement with the French Government and with Creusot-Loire, the French-Belgian company that owns 51 per cent of Framatome.

SECOND COMPANY OUT

A second company, Conpagnie Generale d'Electricite, which works with General Electric and uses the boiling water process, is to be forced out of the reactor field and compensated with a monopoly on providing electric alternators for Framatome's installations.

The Government spokesman said the new arrangement would provide France with a nuclear energy industry able to achieve a substantial export market and independent supplies for the home market.

France has been seeking buyers for nuclear plants. There have been talks with Saudi Arabia, Egypt and others, but so far only Iran and Belgium have placed orders.

While the Government has not provided details on what it will require from Westinghouse under the new arrangements, it has listed the principles of its demands. Westinghouse must reduce its holdings to less than one-third in Framatome, probably selling to the Government's Atomic Energy Commission, which is to acquire a direct interest in the company; agree to convert its licensing system into some form of association or partnership; and work out joint research and development programs or exchanges of technical information.

THE U.N. RESOLUTION ON ZIONISM

Mr. MUSKIE. Mr. President, the recent passage in the U.N. Social, Humanitarian, and Cultural Committee of a resolution that declares Zionism a form of racism is an outrage against the civilized values for which this committee is supposed to stand.

This is a form of demagogic nonsense which I hoped had been discredited in the community of nations since 1945. It threatens to bring into disrepute the entire United Nations Organization.

It is particularly disheartening in the wake of what we in the United States had seen as a lessening of tensions in the Middle East, and an awakening recognition on the part of some of the nations in the region that there is a need to agree upon a basis of legitimacy for the peaceful resolution of our differences.

During the Senate debate on the Sinai agreement I had cause to remark that the United Nations was not looked upon by either Egypt or Israel as a fair and reasonable peace party. The passage of a resolution like this merely accelerates the erosion of international respect for it. The passage of a resolution like this signals that the sponsoring nations will not repudiate the use of force to settle differences. It clearly demonstrates a willingness to exacerbate the dispute and prolong the conflict.

And the unsubtle attempt to define Zionism as racist is just one more weapon in the arsenal of anti-Semitic propaganda which has for so many millenia been directed at the Jewish people.

Zionism is the oldest of the nationalist and liberationist movements. Former Israeli Ambassador to the U.N., Yosef Tekoah, has written:

> Zionism was not born in the Jewish ghettoes of Europe, but on the battlefield against imperialism in ancient Israel. It is not an outmoded nationalistic revival, but an un-

paralleled epic of centuries of resistance to force and bondage.

And Abba Eban has stated the case most clearly, when he says:

> There is, of course, no difference whatever between anti-Semitism and the denial of Israel's statehood. Classic anti-Semitism denies the equal rights of Jews as citizens within society. Anti-Zionism denies the equal rights of the Jewish people to its lawful sovereignty within the community of nations.

The cynical use of U.N. humanitarian and social programs—like UNESCO—to launch political attacks on the right of Israel to exist as a sovereign state is part of a clearly conceived policy to which the United States is not blind. The substitution of rhetorical violence for physical force does not render the violence—or its goal—more respectable.

There are serious and difficult economic, social, and political questions at stake for all participants in the Middle East dispute. Blatant racist appeals and blanket condemnation of the legitimate national aspirations of the Jewish people are not the way in which those disputes will be resolved. Rather, passage of such a resolution inevitably raises the most serious questions about the motives of its supporters.

Our Ambassador to the U.N., Daniel Patrick Moynihan, has called the adoption of this resolution an "obscene act". The wording is harsh, but its accuracy is indisputable. Aside from the immediate political motivations of the resolution's sponsors, its passage is obscene because it jeopardizes the global struggle against racism. It seems to utilize the historic and present sufferings of oppressed national groups in the creation of another political epithet.

At its inception, the United Nations represented a reaction against the blatant racism of the Nazi regime. The combatting of racism around the world has been one of the major goals of the organization, and has earned it—justly—universal respect and moral authority as a world body. That authority and respect will be irretrievably lost if the General Assembly encourages the vicious politicizing of this humanitarian issue by support for the resolution.

Racial repression and warfare are still unfortunately common on our globe today, as many member nations of the U.N. are well aware.

Those nations are also aware of the substantive and distinct differences that exist between racism as a practice and the legitimate national aspirations of a people. Those differences have been nullified and those aspirations have been dishonored by the adoption of this resolution.

The U.S. delegation to the United Nations has expressed the sentiments of the American Congress and the American people in repudiating, in the strongest possible terms, the aims and intent of this resolution as an expression by the world body. Introduction of two congressional resolutions underscores our national sentiments, and I know that Congress will continue to stand firm on this issue. I hope the General Assembly will take note, and will take into account also the statement by the European Economic Community nations, which have had the most recent historic experience with massive and barbaric anti-Semitism.

If the coming together of the community of nations in the U.N. is to have any relevance to the long and bitter fight to rid the world of savagery between ethnic groups, we must now vigorously assert that this effort to politicize racism is a moral outrage against all humanity.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

GOVERNMENT IN THE SUNSHINE ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 5, which the clerk will state.

The legislative clerk read as follows:

> A bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Time for debate on the bill is limited to 1 hour, to be equally divided and controlled by the majority and minority leaders or their designees, with 30 minutes on any amendment, debatable motion, appeal or point of order.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be charged against both sides on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I assign to the Senator from Florida (Mr. CHILES) the time that has been assigned to the majority leader.

I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MANSFIELD. On the bill, equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, today, we will take up S. 5, as amended by the Committee on Rules and Administration, which deleted the provisions of S. 5 that dealt with the Senate or with Congress.

S. 5, the Federal Government in the Sunshine Act, is based on the premise that the Government should conduct the people's business in public. Since I first introduced this legislation in August of 1972, a great deal of progress has been made toward opening up government on all levels.

Forty-eight States have enacted some type of open meeting provision. Now that Congress has taken the lead by opening its own doors, I feel that we are in an excellent position to request that executive agencies follow suit.

S. 5 would open specific multimember Federal agency meetings to the public. This measure as it now appears is a very refined version—a product of many, many hours of study and hearings on State sunshine laws, Federal agency comments and input from the administrative conference, the American Bar Association and other interested groups. Two sets of hearings were held on S. 5.

A wide variety of witnesses testified about the very practical aspects of operating in the open, including representatives from the Federal Communications Commission, the Interstate Commerce Commission, and the Civil Aeronautics Board. The Government Operations Committee solicited and received comments and opinions on S. 5 from every Federal agency that would be affected by this legislation. These comments were most helpful in the final drafting on this legislation.

We also received a substantial amount of input from the American Bar Association, which after having set up a special committee to consider this legislation endorsed the concept of open Government along the lines defined by S. 5.

I believe that the timing of this legislation is particularly opportune amid the general clamor for regulatory reform. I think we all know of the increasing feeling in the United States among all citizens from the affluent businessman to the welfare recipient that Government has become too big, too bureaucratic, too unresponsive, and too unwieldy for the public to understand. A major step in the area of regulatory reform would be to let all of us watch the agency decisionmaking process in action to know what the considerations are and to see what these agencies actually do.

To quote David Cohen:

> Opponents of open Government talk constantly of the innumerable problems that would result from public meetings and full citizen access.

But these objections simply do not stand up against the overwhelmingly positive experience of legislative committees in Congress and around the country which have shown that openness works and rather than impeding business it promotes better discussion.

In Florida we found that everyone agrees with the basic concept of openness but they always find reasons to be against a specific provision of a specific bill or say this is a great idea that should apply to everyone else but not to us. I think that once you start exempting anyone everyone says "me too." The provisions of S. 5 are the product of very careful study of existing laws to see what works and what does not. We have taken into account the need for certain types of meetings to be closed and these exemptions are well outlined in the explanation of S. 5. But I think that to go further would be a mistake. Therefore, I hope that we will proceed to consider this measure as it is without special interest exemptions.

Mr. RIBICOFF. Mr. President, I fully support S. 5, "The Government In The Sunshine Act."

The Government Operations Committee unanimously reported this legislation after over 3 years of study. Senator Chiles deserves great credit for the active role he played in the committee's development of a sound and responsible bill.

The purpose of this bill, now cosponsored by 54 Senators, is to give the public a full opportunity to observe the way the Government conducts the public's business without infringing upon the rights of individual citizens, and the ability of the Government, to function efficiently.

Since the Senate is considering separately title I of the bill, governing open committee meetings, I will address my remarks at this moment to the part of the legislation opening agency meetings to the public.

Section 201 applies to 47 agencies in the executive branch headed by 2 or more commissioners. It establishes the basic principle that meetings between the heads of these agencies should, except for certain specified reasons, be open to the public.

Section 202 establishes for the first time an across-the-board statutory prohibition against secret ex parte conversations between members of the public and the agency formally adjudicating a matter of interest to that person.

This legislation will do much to increase the public's faith in the integrity of Government. It will enable the public to better understand the decisions reached by Government agencies. It will better acquaint the public with the process by which agency decisions are reached.

Recent studies underscore the urgent need for enactment of S. 5. In September, 1973, a Harris Survey conducted by the Subcommittee on Intergovernment Relations of the Government Operations Committee showed that confidence in the executive branch of the Federal Government had fallen from 41 percent in 1966 to 27 percent in 1972, and had sunk to a new low of 19 percent in 1973. According to testimony Mr. Harris provided the Government Operations Committee last year, only 36 percent of the people think that "most public officials today are dedicated to helping the country rather than being out for themselves".

Opening up the process to observation by the public should reassure the public about the honesty and integrity of most Government officials. It will remove any distrust the public has of the Government simply because agency actions are taken behind closed doors. In other cases, openness may help promote the quality of commission work for it will further encourage commissioners to prepare for meetings and to attend the meetings with regularity.

Open meetings will also mean the public debate cannot help but improve the problems administrators face, and the reasons for the decisions they take. This knowledge should in turn promote greater cooperation and compliance with public debate on the issues. Greater public debate cannot help but improve the decision-making process.

Finally, open meetings will give every member of the public equal access to information. No longer will some people have an inside track because they possess some special knowledge about an agency's action which other interested parties, or the public generally, lack.

As chairman of a committee which conducts all its markup sessions in public, I know from first hand experience that the fears some agency officials may have of this type of legislation are unjustified. Experience in the 49 States that have adopted open meeting laws confirm this also. Openness does not in fact hurt the quality of discussions or inhibit free and frank discussions. Discussion need not be less free or frank because the public is there to observe the discussion. The bill provides that where a closed session is necessary because of the sensitive nature of the information discussed, an agency will in fact be able to close the meeting.

A few agencies, such as the Federal Election Commission and the Commodity Futures Trading Commission, have adopted on their own a similar policy of openness. There is no reason why other agencies cannot do so also.

Section 202 of the bill extends the principle of openness to cases of formal agency adjudication. While agency decisions in formal cases of adjudication are only supposed to be made on the basis of the facts and arguments in the public record, there is always the danger that one side or the other will attempt secretly to influence the decision maker's actions without the other parties to the case, or the public, knowing. Such fears that agency decisions have been influenced behind closed doors by secret political pressures can only undermine public confidence.

Section 202 states for the first time in clear and unequivocal statutory language that such practices are prohibited.

For the first time it establishes a clear procedure for agencies to follow when ex parte communications do occur so that other parties and the public may know about such communication and have a chance to respond to them.

For the first time it declares that if a person knowingly engages in such illegal practices the agency may rule against him on the merits of the case.

In preparing this legislation the committee has consulted with a number of experts both in and outside the Government.

The American Bar Association has, among other groups, been very interested in this legislation. In August the house of delegates of the ABA supported the policy of opening Federal agency meetings to the public along the lines provided in section 201 of S. 5. Previously the House of Delegates endorsed wording very similar to the prohibition against ex parte communications contained in section 202.

This legislation will help bring together the people of this country and their Government. It will help reduce the public's feeling that their Government at present is all too remote and mysterious.

The legislation will be good for the agencies and good for the public.

I urge every Member of the Senate to fully support this important legislation.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CHILES. The time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. First, Mr. President, I call attention to the fact that, through an oversight, the name of the junior Senator from Florida was inadvertently omitted from a list of cosponsors of amendment 968 to open conference committees to the public, which I had inserted in the Record yesterday. I want the Record clearly to reflect that the junior Senator from Florida has been a persuasive, dedicated, and outspoken advocate of open meetings of conference committees during his tenure in the Senate. It was through his efforts that the Conference Committee on the Standby Energy Authorities bill was thrown open to the public even before the passage of amendment 968. The Record should show that the junior Senator from Florida (Mr. Stone) was a cosponsor of the move to establish a general rule to open conference committees to the public.

Mr. President, I am happy to associate myself closely with the remarks made today by the senior Senator from Florida (Mr. Chiles) on S. 5, the Government in the Sunshine Act. As an original principal sponsor of this legislation with Senator Chiles, I congratulate the senior Senator from Florida on the persistence and dedication with which he has pursued this matter. This is a part of an effort, which took a major step forward yesterday, in vindicating the public's right to know about the public business.

Mr. CHILES. Will the Senator yield?

Mr. ROTH. I am happy to yield.

Mr. CHILES. I say to the distinguished Senator from Delaware that I appreciate very much his kind remarks.

I also want to say that I appreciate his support. I think that our victory yesterday could not have happened without the support of the senior Senator from Delaware. I think the fact that the movement of reform, as certainly the movement toward openness, always was a bipartisan movement and cut across not only party lines, but cut across ideological lines, was one of the reasons that it did pass. Certainly, the Senator from Delaware was persuasive and added greatly to the support that we received. I thank him for his support on that and also for his support in being the principal cosponsor on S. 5.

Mr. ROTH. I thank the senior Senator from Florida for those kind remarks. I agree very strongly that the question of openness in Government is neither a partisan nor a philosophical matter. It is just a question of good form for democratic government.

As I was saying, this is not a gift from us to the public; it is, in my judgment, a public right. I first became concerned about excessive secrecy in Government as a freshman Member of the House in 1967, when I began to identify basic information on Federal domestic assistance programs. At that time, I was very shocked to learn that nowhere in the Government could we really even identify the number and kind of Federal assistance programs that were available, presumably, to help the State and local governments, as well as schools and other authorities.

We made, at that time, a determined effort in my office—it took us something like 14 months—to identify roughly 1,100 different programs. It took us over 2 years to finally get the Federal Government to publish in one study each year the programs that are established to help the people back home.

I might relate just one story. The Assistant Secretary of HEW came over to my office to ask me why I wanted to know what all these programs were. I made the comment that it seemed to me that this is a right of the public back home. He told me the programs were changing so fast that they could not publish them.

I asked,

> How could the school authorities, for example, plan under those circumstances?

He said,

> Mr. Congressman, are you having any problems under any particular program?

I said:

> Well, I am sure we are, but that is not what I am seeking. What I want is basic information.

That is when I first became dedicated to the idea of opening up government and I can think of no area where the public has a greater right to know than to have detailed information as to the programs that, presumably, were to help our local governmental authorities.

S. 5 will open to the public most meetings of multiheaded Government agencies, except where there are clearly compelling reasons for confidentiality. I think, in this respect, what we are trying to do today is comparable to what we did yesterday in adopting an open rule for Senate committees and conference committees. Now that we have reformed our own procedures, I think we are in a very strong position to press this legislation.

I was particularly pleased that the reform offered yesterday was finally unanimously adopted. For that reason, I think it bodes well for this legislation today.

S. 5 also prohibits ex parte contacts between agency employees and outside interests, which I think has great merit.

Mr. President, I believe that the Government in the Sunshine Act will increase contact between the citizen and the bureaucracy in Washington, increase the credibililty and accountability of agency employees, and give the public the fullest possible access to the meetings of many Government agencies. I hope it will receive speedy contribution in the House as well.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CHILES. The time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I apologize to my colleagues for the delay, but I had a necessary phone call. It has been made now and I will not intrude any further.

AMENDMENT NO. 1043

Mr. JAVITS. Mr. President, I call up my amendment No. 1043 and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes an amendment numbered 1043.

The amendment is as follows:

> On page 44, line 4, insert the following after the word, "Senate": *Provided,* That this section shall not apply to any agency that has as one of its principal functions the formulation and implementation of national monetary policy except to the extent that such agency meets to consider or dispose of matters relating to consumer protection legislation such as the Truth in Lending Act (15 U.S.C. 1601), the Fair Credit Reporting Act (15 U.S.C. 1681), the Fair Credit Billing Act (15 U.S.C. 1666), the Equal Credit Opportunity Act (15 U.S.C. 1691), and the Federal Trade Commission's Improvement Act".

Mr. JAVITS. Mr. President, the time limit is 15 minutes on a side?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, may I ask if there is any time alllocated to the bill and whether that could be yielded, if necessary?

The PRESIDING OFFICER. There is time on the bill. There is time remaining, the managers can yield time if they desire.

Mr. JAVITS. I thank the Chair.

Mr. President, this amendment would take the Federal Reserve Board out of this bill, leaving only—subject to the bill—its responsibilities to consumer activities, and they are specified in the amendment, the Truth in Lending Act, the Fair Credit Reporting Act, the Fair Credit Billing Act, the Equal Credit Opportunity Act and the Federal Trade Commission's Improvement Act.

In those cases, the Federal Reserve Board exercises the kind of functions which are thought to be reached by this bill and, therefore, there is no reason for taking them out.

Mr. President, will the Chair inform me when I have used 8 minutes of my time?

The PRESIDING OFFICER. The Chair will inform the Senator.

Mr. JAVITS. Mr. President, I am a strong supporter of the bill and have been highly approving of the fine activities of Senator CHILES and Senator ROTH, both of whom are members of our committee. I am very proud of the bill coming out of the Committee on Government Operations, but the reason I have raised this subject, Mr. President, is because I have considerable doubt myself as to the desirability of doing what the bill would do, vis-a-vis the Federal Reserve.

Second, I have great respect for the Board itself and its chairman and they have felt so very strongly, as reflected by Arthur Burns himself—whom we all respect, as probably as fine a public servant who has served this country in this field—that we were making a grave mistake to bring the Fed into the purview of this act, aside from the consumer-related activities which are accepted by the amendment, that I felt in all fairness we ought to submit the case to the Senate. The only way it could be done effectively is by this amendment.

I disclosed my intention and my reasons both to Senator CHILES and to Senator ROTH, who will argue against the amendment with their customary vigor, undiminished by my purpose, but I think also they have a sense of respect for the fact that when the chairman of so important an agency as this one feels as strongly as he does we really have a duty to submit the matter to the Senate.

I shall do my utmost to show the arguments in favor of Chairman Burns' position. I shall vote with that position or I would not be submitting the amendment, but I understand the objectivity with which the Senate should address this particular question.

The second point that is important by way of preliminary is that a great effort has been made, Mr. President, in all fairness, to accommodate the Fed's views in this bill.

There are a number of special provisions which the managers will point out to the Senate, quite properly, that have been inserted in the bill in order to try to satisfy some of these problems which Chairman Burns raises. But it still leaves, in his judgment, so much that is a hazard that he feels that we should simply exclude the Fed, and that the Sunshine Act, as it is called based upon a very fine Florida example, should not extend to the Federal Reserve. Not that it is some sacrosanct agency, above and beyond all others, but simply because it is counterproductive to the U.S. interest that there should be anything, of any kind or character, which might—and that is a very important word to emphasize—disclose the internal operations of the Federal Reserve Board insofar as its critical responsibilities relating to money management and the oversight of the banking system, insofar as it comes within its purview are concerned.

The scheme of the legislation is such as to exclude single-headed agencies, and they would include the Federal Aviation Agency, the Federal Energy Administrator, as well as all the major cabinet departments which are headed by single heads; and also to exclude those which are not under the Administrative Procedure Act but make policy, essentially, where that is their function. These would include, for example, the National Security Council and the President's Council of Economic Advisers.

The Fed, as we popularly call the Federal Reserve Board, might easily come under that category of having solely policymaking functions were it not for precisely the kind of agency administrative functions relating to consumers which I expressly excluded from the amendment.

The heart of the proposition put before us by Chairman Arthur Burns is the following, and I would like to quote from a memorandum to me on this subject, speaking of the board.

> It is inconceivable to us that congressional requests, for example, for agency comments on proposed legislation, requests for experienced assistance in stated congressional efforts, or requests for responses to congressional inquiries, are intended to be known by the public before transmission to the Congress.

At another point in his memorandum to me, he really gives the essence of the Federal Reserve's position. He says:

> With few exceptions each of the Board's regularly scheduled meetings—

And there are about 150 a year as this is a board that meets very, very frequently, an average of three times a week, winter, summer, spring and fall—

> is involved with matters, the sensitivity and intricacy of which if exposed to public discussion would lead to misunderstanding, misinterpretation and disruptive and harmful speculation. Examples include deliberative processes in monetary policy formulation; receipt, transmission and evaluation of national and international market information; and incident to the formulation of bank regulatory policy, discussion of confidential appraisals and sensitive judgments relating to member bank and/or bank holding company operations,

Remembering that the Federal Reserve is organized with 12 member banks in the great financial centers of the country.

The major areas in which it is felt by the chairman that these dangers are exposed are as follows:

One, the definition of the word "meeting." That is found at page 44 of the bill. It is page 44, lines 7 to 11. It defines a meeting as being the following:

> For purposes of this section, a meeting means the deliberations of at least a number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

The PRESIDING OFFICER. The Senator's 8 minutes have expired.

Mr. JAVITS. I yield myself 2 additional minutes.

That means that a quorum of the Commission would, even if it meant informally under this very, very broad definition, qualify as a meeting.

He considers that much too broad for the frequency and the closeness of deliberations of these seven members of the Board.

Then the point of a verbatim transcript which is required, using that very broad definition of a meeting, even for such a meeting, what the Fed might call a consultation, et cetera, the danger of leakage of that transcript and the inhibitions of what the chairman claims is the very frank exchange of members' tentative views and impressions and those of the contributory staff. If they came out, he feels it would be extremely dangerous and irresponsible to the situation of the country.

I have already referred to the point about legislative proposals, presentations, testimony and positions respecting the attitude to be taken toward given legislation in the Congress.

Finally, the oversight responsibility of the Federal Reserve Board for the Federal Reserve System, involving as it does, the economy of our whole country.

The last point is that all of the matters which are exempted—as I said, the committee tried to meet many of the views of Chairman Burns—may have to be justified in court because there is a very complete court review. There the difficulty, which is pointed out by Chairman Burns, and which I think is a very important point, is when he goes into court, and I quote from page 53, lines 3 and 4. "The burden is on the defendant to sustain his action" of maintaining secrecy.

Chairman Burns points out that in such a situation the burden to go forward, as the lawyers says, the burden of proof, is on the defendant to defend his action rather than on the plaintiff to prove his case. Chairman Burns feels that notwithstanding the fact that documents may be examined in camera, it will be impossible in the give and take, and the tensions, of a court trial to avoid revelations affecting the Fed which are highly inimical to the Fed and could be inimical to the banking system of the country and of the world because the Fed is our central banker.

Chairman Burns points out that it is unique in the world that a central bank should be subject to this kind of regulation which was never intended for it. Of course, the basis of it is that there are millions of decisions in business and in finance. Countless speculators are constantly seeking to find out what the Fed has in mind about increasing or reducing the money supply, interest rates, regulation of banks in terms of their regulations of credit and their emissions of credit, rediscount rates and so on, of such critical importance to our country and to its economy, and to that of the world, that we have to, in this case, give preference to the confidentiality of these operations rather than preference, as I prefer and as the sponsors of the bill preferred, to openness in every humanly possible way. In this specific case, for these specific reasons, that should not be the rule, and the Fed should therefore be exempt.

One-half minute more.

The Fed should therefore be exempt insofar as its operations other than the consumer operations, which could be carried on by any agency or concern.

Mr. President, I think it is my respect for the unbelievably vindicated judgment over so many years of the chairman of the Federal Reserve Board which brings me here with this amendment. I believe it fair to say, and they will contradict me if I am wrong, that it is the respect for the same qualities which have induced Senator Chiles, who is the principal author, and Senator Roth to try to adjust the bill to meet many of these points. Chairman Burns feels we still have not met them. In this rather delicate balance, I must say that the reasons Chairman Burns gives for deciding a very close issue in favor of the board's view seem to me to be persuasive.

For that reason, Mr. President, I hope the Senate will vote this exemption subject to the conditions incorporated in the amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, we reluctantly oppose the amendment as set forth by the distinguished senior Senator from New York. The senior Senator from New York is correct that he has been an advocate and a key sponsor of the provisions for opening up the meetings not only of the Congress but also of the executive agencies.

His counsel and his work in this regard in the Committee on Government Operations certainly were positive. I think he has presented the argument very fairly on the proposition for the amendment of the Federal Reserve System. I also have the greatest respect for the institution of the Federal Reserve System, and for its chairman, Arthur Burns. I think he has done an outstanding job, and I think he is an outstanding American; and I am sure that the distinguished senior Senator from Delaware (Mr. Roth) has the same opinion.

Because of our high esteem and our high regard for Dr. Burns, we attempted to make sure that we would listen long and hard to any comments that the Federal Reserve had about any possible problems in regard to the sensitive nature of their work that the banks would have in regard to the act. In trying to do that, I feel that we have adequately taken care of all of the reasonable and legitimate problems that they have raised.

The amendment now before us would exempt all the activities of the Federal Reserve Board except its consumer protection activities, and we think that would be a step backward for the bill. A number of the provisions already in the bill assure that the Federal Reserve Board and other agencies covered by the amendment would be able to continue to operate with efficiency and discretion. A complete exemption, however, in my judgment would be unjustified.

S. 5 now contains the following provisions to meet the objections raised by the Federal Reserve Board:

FINANCIAL SPECULATION

First. Exemption 7 in section 201(b) provides that an agency such as the Federal Reserve Board may close meetings in order to avoid premature disclosure of information which could either lead to serious financial speculation, or seriously endanger the stability of a financial institution.

BANK EXAMINATION REPORTS

Second. Exemption 8 allows an agency to close meetings dealing with bank examinations, operating, or condition reports.

SENSITIVE FINANCIAL INFORMATION

Third. Exemption 6 allows an agency to close a meeting where necessary to protect sensitive trade secrets, or commercial or financial information.

SENSITIVE INFORMATION ABOUT A MEETING

Fourth. A provision was added to 201 (b) so that information about a closed meeting can be withheld for the same reasons that the meeting itself could be closed. For example, any information about the subject matter of a scheduled meeting need not be announced if it falls within the exemption in section 201(b).

SERIES OF MEETINGS

Fifth. If the agency meets for more than 1 day on the same particular matter, it can vote once to close all the meetings for the next 30 days on that particular subject. Thus, several Federal Reserve Board meetings stretching over a number of days on a particular problem would in effect be treated as a single meeting.

A number of provisions applicable to the Federal Reserve Board were added to the bill at the committee markup on June 18.

PROCEDURES

Sixth. Paragraph 201(c)(3) gives such agencies as the Federal Reserve Board added flexibility in complying with the procedural requirements of the act's provisions.

Under this provision the Federal Reserve Board could simply adopt general regulations prescribing which types of meetings must be closed. In the case of any meeting which falls within these provisions, the agency need only provide notice of the date, place, and subject matter at the earliest practicable opportunity. Notice need not be given any fixed number of days in advance of the meeting.

The second, and only other step, the agency need take would be to confirm by vote at the start of the meeting itself that the meeting should be in fact closed and release a copy of such vote to the public.

None of the other procedural provisions in subsections (c) and (d) relating to notice or the like would apply. A transcript or electronic recording of the meeting would be kept so that a record of the meeting could eventually be made available to the public if public access would no longer lead to financial speculation, or otherwise disclose confidential information.

TRANSCRIPTS

Seventh. An amendment to section 201(e) prevents an agency from having to edit every word of a transcript or of a tape of a closed meeting. The discussion of an item on the agenda could be withheld from the public if any substantial part of it involved confidential matters. Word-by-word editing would not be necessary. A formal vote of the agency whether to disclose a record of the meeting would not be necessary.

The effect of these provisions will be to let the Board close any meeting it really has to close. Furthermore, the Board will be able to follow special expedited procedures to close its meetings. As a result it need only announce its meetings at the earliest practical opportunity, but not necessarily a week in advance, and then confirm at the start of the meeting that the meeting must be closed.

The bill, however, would still require the Board to keep a transcript or electronic recording of its meetings, and to release such a record when the matter is no longer sensitive. The proposed amendment would chiefly have the result of exempting the Federal Reserve Board from this additional provision. There is no justification for so doing.

Many of the meetings the Board may close will consider matters that can subsequently be made public. For example, after a Board takes a decision on interest rates and announces it to the public, there may be no longer any need for secrecy. If the Board is exempted from the entire section, it will not have to keep a record of the meeting and the public will be unnecessarily denied access to much information about the Board and its thinking. Or a meeting which the Board thought would involve sensitive matters may turn out not to be the case. Without a transcript of the record the public would be denied access to a meeting which need not be closed for any reason.

The experience of the Federal Reserve Board's Open Market Committee indicates that the Board will often be able to release transcripts of its meetings. That committee meets in secret to make decisions about the Nation's money supply. Seven of its 12 members are the 7 Governors of the Federal Reserve Board. The committee decided in March that it could release minutes of its meetings 45 days after the meeting instead of 90 days after the meeting as had previous been the case. The committee concluded that such disclosure after 45 days would not lead to dangerous speculation or interfere with the committee's functions. The Board might similarly find it was possible to release transcripts of its closed meetings after a certain length of time.

The issue here is not whether the Federal Reserve Board will be forced to release to the public sensitive matters which if known could cause financial speculation or the like. The bill provides that as long as there is such a possibility, the Board may keep the record of its meetings confidential.

Those supporting this amendment may argue, however, that the transcript requirement may inhibit free and frank discussion. This is the same argument many other agencies opposing the open-meetings requirements of S. 5 have made. If the Senate were to provide an exemption on these grounds to the Federal Reserve Board, many other agencies would ask why an exemption could not be made for them on exactly the same grounds.

The history of open meeting legislation in the States and in Congress is that such legislation does not in fact inhibit free and frank discussion.

Mr. President, in citing these comments, I think we have tried to set forth for the RECORD every step that we have taken to try to accommodate every reasonable problem that the Board has been able to raise as to how this legislation might hinder them in regard to any sensitive matters they have to deal with. In spite of that, and in spite of the many amendments we have adopted, we find that Dr. Burns is still not satisfied.

I have to think that it boils down to the general feeling that Dr. Burns has that because of the very nature of the Federal Reserve System, to be included in such a bill as this somehow casts a reflection on the Federal Reserve System. In fact, in a letter which Dr. Burns sent to the chairman of the Committee on Government Operations, the Senator from Connecticut (Mr. RIBICOFF) on June 17, I think we find the real reason that he now wants to be exempted. He says in that letter:

> The mere thought that an anti-corruption bill need apply to the Federal Reserve would cast doubt on the integrity of our Nation's central bank and would undermine confidence in the dollar and the future of our economy.

I ask unanimous consent that the full text of the letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. CHILES. Mr. President, this is my feeling as to the real reason why we find the continued request for exemption, and I do disagree with this. I do take issue with it. I do not take issue with any of the other valid reasons that have been raised, but I think the time has come when no agency of the people should be exempted, just written out, because of the fact that it is supposed to be sacrosanct or someone believes that there is historical significance or some reason that it should be exempted, regardless of the way that the work of the agency has been carried out; and I have nothing but praise for the way the work of the Federal Reserve System has been carried out. But it would be a mistake to make an overall exemption for the Federal Reserve System. It would greatly weaken S. 5. For that reason I must oppose the amendment.

EXHIBIT I

CHAIRMAN OF THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM,
Washington, D.C. June 17, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On May 12 the Subcommittee on Federal Spending Practices, Efficiency and Open Government voted to report to the full Government Operations Committee S. 5, the "Government in the Sunshine Act." Title II of this bill, designated Committee Print No. 2, generally requires that meetings of Federal agencies headed by more than one person be open to the public. After a careful consideration of the provisions of Title II, I have come to the conclusion that its enactment would seriously interfere with, perhaps even frustrate, achievement of the Federal Reserve's statutory functions. The Board's principal responsibilities, I am convinced, could not be met if this bill were enacted.

The problems that would be created for the Board by S. 5 stem from the Federal Reserve's role as the Nation's central bank and monetary authority. Effective exercise of the responsibilities assigned to the Federal Reserve by the Congress is essential to the strength and vitality of the U.S. economy. These responsibilities include: (1) maintaining the soundness of the national currency; (2) providing for the expansion of money and credit supplies that are needed to promote economic growth, full use of human and capital resources, a stable general price level, and equilibrium in the balance of payments; and (3) assuring the soundness of the commercial banking system, preserving order in domestic and international financial markets, and promoting developments in financial markets that contribute to an efficient use of resources.

In discharging these heavy responsibilities the Board meets regularly to discuss conditions in the domestic economy and in international markets, and to consider the effects of monetary policy actions in these areas. These discussions inevitably involve highly sensitive materials relating to businesses, financial institutions, and foreign central banks and governments.

For example, the Board must at all times be informed of financial difficulties faced by individual banks or other institutions. This requires access to information which, if it became public, might injure the reputation or financial position of some businesses. Again, actions by the Board in the conduct of monetary policy often require coordination with the Executive Branch and with foreign central banks on matters of great sensitivity. Public disclosure of such information could be a source of needless embarrassment to other governments as well as our own.

The functions of monetary policy cannot be performed effectively in an open forum, as is evidenced by the fact that there is no precedent among the world's central banks for operation under constraints such as would be imposed by S. 5.

The bill appears to have two aims, neither of which has any relevance to a central bank. One aim, growing out of the evolution of this legislation at the local and State level is to provide access for the press and public to meetings where decisions are to be made on contracting for expenditure of public funds. In this regard, it is an anti-corruption proposal. The mere thought that an anti-corruption bill need apply to the Federal Reserve would cast doubt on the integrity of our Nation's central bank and would undermine confidence in the dollar and the future of our economy.

The second aim of the legislation appears to be to improve decision-making by exposing the deliberative process in agencies headed by more than one individual. Open meetings may be healthy for the business of a county board of supervisors, a local board of education, or even for certain Federal regulatory agencies. But such governmental functions are not analogous to the workings of a central banking agency such as the Board of Governors whose deliberations frequently involve highly sensitive financial and economic information. It would be just as logical to require open meetings of the President's Cabinet, or meetings of the Secretary of State with his top aides, or of the Secretary of the Treasury with foreign finance ministers. Fortunately, the bill does not reach this absurd result. By including the Federal Reserve within the definition of an agency, however, the bill seems to assume that the functions of the Board are similar to the administrative tasks of regulatory agencies charged with, say, setting interstate freight rates or work safety standards. This ignores the unique role of a central bank in a nation's economy and could do serious, perhaps irreparable, damage to our financial system.

The Subcommittee's bill, it is true, does allow for exemptions which would permit many Board meetings to be closed. But it seems totally inconsistent first to include the Nation's central bank within the scope of the bill's coverage and then to proceed by narrow, individual exemptions to permit various meetings—but far from all—to be closed. I would submit that no public interest is served by such an exercise; in fact, the closing of many meetings under a public access statute could well create questions in the minds of some members of the public as to the motives of the Board of Governors, even though we were proceeding meticulously within the bounds of the law.

Moreover, the closed meeting procedures, themselves present an almost insuperable administrative hurdle. Briefly, these procedures (described more fully in the enclosed memorandum) require that a separate vote be taken each time a meeting or portion of a meeting is to be closed. Even preliminary meetings require an official vote for closure. A record of such votes must be made public within one day. The subject matter of all meetings with limited exceptions, whether open or closed, must be announced at least one week in advance. A full written explanation, with certain exceptions, must be issued as to why any meeting is to be closed. Prospective attendees must be identified and listed, together with their affiliations. A transcript or recording must be made of every closed meeting and retained by the agency for at least two years. Such transcripts or recordings must also be furnished to any person requesting them. Any portion of such recordings or transcripts that is determined by an agency to be exempt from public disclosure apparently requires a recorded vote evidencing such determination.

In my judgment, the complexity of these procedural requirements is totally incompatible with the effective accomplishment of the Board's responsibilities which often require quick and decisive action. In sum, I see no alternative to a complete exclusion from the bill's provisions for the Federal Reserve's central banking and bank regulatory functions. These include the formulation and implementation of monetary policy, discussions and decisions relating to its role as lender of last resort, bank and bank holding company supervision, internal administrative and budgetary decisions necessary to carry out these functions (including the Board's oversight responsibilities with respect to the operations of the Federal Reserve Banks), and related legislative matters.

It may, of course, be claimed that certain of the Board's responsibilities in the area of consumer protection—Truth in Lending, Fair Credit Billing, Equal Credit Opportunity, unfair trade practices, and the like—could come under the amibt of this legislation without invoking the kind of adverse consequences I have outlined for the central banking functions. My mind is open on this question, and the Committee may wish to consider whether the consumer functions might be appropriately included.

I hope that these comments will be helpful to you and the Committee in the further consideration of this legislation.

Sincerely yours,

ARTHUR F. BURNS.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. ROTH. I join him in expressing appreciation for the fine work of the Chairman of the Federal Reserve. We all have great respect for the splendid job this public servant does for our Nation.

There is one area in the present language that perhaps could be clarified without significantly changing the intent.

I refer to page 46, exempting opening meeting if it would lead to serious financial speculation. The word "serious" somewhat bothers me. It might be little clearer. I think I understand what the intent of the draftsman is. But I would propose to the Senator from Florida that we might substitute "significant" as a better word for the word "serious". In paragraph (A) in line 16, I would say "significantly endanger", and in paragraph (B) in line 19 I would say again "significantly frustrate". It seems to me this is a little clearer than the word "serious."

Mr. CHILES. I have no objection to that change. It might be that we should wait until we have disposed of this amendment before we seek that modification. But I certainly have no objection.

Mr. ROTH. I will raise it later then.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, what do I have? Do I have 4 minutes?

The PRESIDING OFFICER. Three minutes.

Mr. JAVITS. I yield myself 2 minutes.

Mr. President, the major point which is made by the Senator from Florida respecting what has been discussed, significant or serious financial speculation, as we may ultimately put it, misses the major point that is raised by Chairman Burns, because it is clear that the part of the section which was not referred to by the Senator, not wittingly or because he is trying to mislead us in any way, but simply because it is not part of his argument but of mine, comes in the latter part of that particular section which says:

> This paragraph shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, . . .

I point out there that the Fed claims that it does. It will say it is considering possible change in the money market situation, to buy or sell, Federal securities. Therefore, the exemption which is granted is not nearly as tight as advertised, because this is their practice.

The second thing is about keeping an exact record. In the first place, that is pretty murky in the way it is set forth in the bill, but I am sure we can clarify that, as I will with the colloquy after we have disposed of the amendment.

But the important point on that is that the Fed now does keep minutes and at a later date, 45 days, actually discloses to the public all the considerations which have gone into the matter.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Using the remainder of my time, Mr. President, I yield myself the remaining minute. I am confident that we can, after this amendment is disposed of, work out whatever we need to work out that is agreed upon between the Senators managing the bill and myself in colloquy, et cetera. That still does not go to the main point of the loopholes that are presented by the record in litigation in which the burden of proof is on the defendant, to wit, the Federal Reserve Board. As to this issue of a disclosure of content or intent—the word intent especially—of its proposed action, the feelings of the Board are such that the element involved here puts the United States and its economy and that of the world at such hazard that it is not necessary to risk in an agency which has stood as far as honesty is concerned impeccable in the eyes of Americans for many years.

That is the summation of the argument.

Mr. President, if our time has expired, I suggest the absence of a quorum.

Mr. TOWER. Mr. President, has all time expired?

Mr. JAVITS. I think Senator CHILES will yield the Senator some time.

The PRESIDING OFFICER. One minute remains to the Senator from Florida.

Mr. TOWER. Mr. President, will he yield to me?

Mr. CHILES. I am delighted.

Mr. TOWER. Mr. President, I wish to read into the RECORD some pertinent testimony by Dr. Burns before the Committee on Banking, Housing and Urban Affairs last Tuesday in response to the question that I asked him:

> Dr. BURNS. Well, I must say to you that there's no piece of legislation that the Congress is considering that has caused me greater concern than the Sunshine Act. I wish I had had the opportunity to testify on that bill. I was never accorded the opportunity. There is no central bank in the world that functions under the kinds of restrictions that that act specifies. I think that the authors of that act had in mind probably an agency such as the Interstate Commerce Commission dealing with freight rates and there's a case for raising them or lowering them, and offhand I see no difficulty at all in discussing a problem of that sort in open hearing. But we at the Federal Reserve Board deal with the most sensitive issues of financial policy. We regulate banks. We have dealings with central banks around the country and to discuss difficulties that individual banks face, to discuss our dealings with other central banks, some of which are in difficulty and come to us for assistance, I think would cause endless embarrassment to our government, to our country.
>
> I think the fact that the Federal Reserve is being put under an umbrella of this type would suggest to people abroad that the Congress lacks confidence in its central bank and I don't think that would help our country at this juncture of history.
>
> Now it's perfectly true that there are certain exemptions that the act specifies so we could have closed meetings and yet a transcript would have to be kept and under the Public Information Act what was dismissed might have to be made available very shortly to the general public. Now I think, as you know, we at the Federal Reserve, while we're accused of being a secretive organization, make all of our decisions known to the public but after a certain lapse of time.

The PRESIDING OFFICER (Mr. TUNNEY). All time on the amendment has expired.

Mr. TOWER. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes.

Mr. CHILES. I yield the Senator 3 minutes on time on the bill.

Mr. TOWER. I thank my friend.

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. TOWER. I thank my friend from Florida—

> Some decisions, most of them in fact, are made available promptly, but some are postponed. I think it's a very dangerous piece of legislation and I hope that Congress will deliberate hard before subjecting the Federal Reserve or, for that matter, I'm not here to argue anyone else's case, but I'm a citizen of this country as well as chairman of the Federal Reserve, and I don't see how you can subject the Securities and Exchange Commission to the Government Sunshine Act. It could cause endless financial trouble.
>
> Now, the Congress obviously is seeking to improve the welfare of the country, but how legislation of this sort, if financial agencies dealing with highly sensitive matters are brought under the act—how that could improve the welfare of the country I don't begin to see.
>
> In all honesty, I don't see how we in the Federal Reserve could function under this legislation. We'd have a choice really between living under the law and taking great chances with this country's problems and future, or going underground and making our decisions outside of the board room and thereby breaking the law, circumventing the law.
>
> Now I'm not going to do—I'm certainly not going to do the latter and I hope that you will not put me and my colleagues on the Federal Reserve in the position where we have to injure this country, and that is what the Government Sunshine Act will do. Now my language is plain but I'm answering your question, Senator.

Mr. President, I think that the testimony of Chairman Burns speaks for itself. Here is a man, who is a dedicated public servant, an honest man, and one whom I think has always been candid with Congress when asked to appear before us before our committees. Therefore, his views on this matter should be given very great weight.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. CHILES. I yield myself 3 minutes on the bill.

Mr. President, I want to answer briefly the comments of the distinguished senior Senator from Texas, or the comments, as read, by Dr. Arthur Burns.

First, I am concerned that Dr. Burns would say that he has not been allowed the right to testify. We solicited agency comments many times. We sought and had several hearings on the bill. At no time has Dr. Burns evidenced to the committee or to this Senator that he wanted the right to testify. He certainly would have been accorded that right at any time, had he indicated that he desired the right to testify.

As to the comments that have been raised, the distinguished Senator from Texas was not here when we read into the RECORD all the steps we had taken to take care of any problem, any legitimate problem, that the Federal Reserve Board raised and how they would operate. In dealing with banks, they are completely exempted from the act. In dealing with international monetary policy, they are completely exempted from the act.

We have allowed them to set up a general exemption so that they will not have to close every meeting, to adopt general rules to do it. We allow them to close in one meeting up to 30 days. We have taken, step by step, everything that has been raised by the Federal Reserve Board or its counsel.

In regard to the letter to the Banking Committee, Senator PROXMIRE has said that he cannot be in the Chamber at this time, but he has given me the right to say that he would oppose the amendment that would exempt the Federal Reserve Board.

Mr. President, I yield 3 minutes on the bill to the distinguished Senator from Connecticut.

The PRESIDING OFFICER (Mr. TALMADGE). The Senator from Connecticut is recognized for 3 minutes.

Mr. WEICKER. Mr. President, I rise to oppose this amendment.

The arguments presented are no different from those that could be presented on behalf of any of the hundreds of Federal agencies. Either we are going to have a bill that brings all Government out into the open or we are not.

I have been through this exemption exercise once before, in the consumer protection bill, when we exempted labor and the electronic broadcast media, and so on down the line.

That is the reason why we have no credibility as a Congress. We enunciate these great, sweeping, broad principles to the American people and then start to nibble at them and carve out our own exemption, whether it is for an executive agency or for our political party or our State or ourselves. All of a sudden, the people get the feeling that we are legislating for everybody else but not for ourselves.

I completely oppose this amendment. I think the doings of the Federal Reserve Board are as much a part of the people's business as anything else.

For a long time, I have felt that too much has been going on behind closed doors, too much going on in Arthur Burns' mind. This business of making Arthur Burns and the Federal Reserve Board looking sacrosanct is great, until we get into difficulty, and then we start to yell for scalps. Even though we are focusing on the economy and give added impetus to the Federal Reserve Board, that is fine, but I will not go along, because of these times, with an exemption for that Board. I think the economy of this country is very much the business of the American people.

Insofar as encouraging free and open discussion is concerned, openness in our Government has not inhibited free and frank discussion. In fact, I believe that if we had had freer and franker discussion by a variety of economists, we would not have gotten into the difficulties we are in now. So that argument does not hold.

So far as sensitive material and the rest are concerned, that is provided for in the bill. This happens to be one man who does not like to share his powers with the American people, just as, for a long time, Senators did not want to share their powers with the American people. It is not our Government; it is not Arthur Burns' Government. It is the people's Government. We serve them. Can you imagine having somebody serve you and your not knowing what they are doing? We serve; Arthur Burns serves. We are not the ones telling other people what to do.

Mr. JAVITS. Mr. President, will the Senator yield me a few minutes?

Mr. CHILES. I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I speak again only because of the argument made by Senator WEICKER, whom I respect tremendously; but, unhappily, I must say that the elements of inconsistency in his argument are very glaring to me.

He speaks of an action that brings all of government out into the open. I think those are his exact words.

I am for the sunshine bill. I have said many times. I am strongly for it. It is not because what the National Security Council does or what the Joint Chiefs of Staff do about the security of the United States, or what Government departments do, headed by a Secretary, often with as much power as the Federal Reserve Board. Why? Because we do not want to run our democracy down the drain by any kind of principle which is unbending and has no recognition of the factors which are influential and important in respect of the operation of a country.

I will yield to no one in terms of my own liberalism for disclosure, and so forth, so far as the American people are concerned. Perhaps that is why I am proposing this amendment, because I recognize that there are circumstances under which that general rule, with which I agree thoroughly, would be self-defeating and would break down the very things we are trying to assert.

So, without in any way differing with my colleagues as to the principles which are basically involved, I have tried to deal with the specific exception which represents the operations of the Federal Reserve Board.

Finally, I do not think this Board is suffering from any lack of criticism or scrutiny. It is constantly being raked over the coals by our beloved friend WRIGHT PATMAN. For a long time, he was the chairman of the committee that could do it. It is done constantly in banking committees of the House and the Senate and in the country.

Arthur Burns is a popular witness before many committees, and it is precisely because of his frankness and openness in terms of the situation in the country.

So I beg my colleagues, for whom I have enormous regard, to think of that particular aspect of the matter and what I am attempting to do in respect to this amendment; that it does not represent just a tribute to a great public servant—to wit, Arthur Burns—but that there really are substantive issues of great delicacy and great jeopardy involved so far as the economy of the country and of the world is concerned, to bring the Central Bank under a reform piece of legislation eminently justified by the broad bulk of everything that is done in Government, but which in my judgment, and certainly in that of Arthur Burns, could be counterproductive and regressive in respect of the particular agency involved.

For all those reasons, Mr. President, I hope very much the Senate will decide to exempt partially—and that is what this amendment would do—the Federal Reserve Board.

Mr. WEICKER. Mr. President, will the Senator yield me 2 minutes on the bill?

Mr. CHILES. I yield.

Mr. WEICKER. I thank the distinguished Senator from Florida.

I respond in this way: The Senator from Connecticut has many faults, but inconsistency is not one of them.

Insofar as the National Security Agency and the various intelligence and law enforcement agencies are concerned, I have long called for oversight and for bringing them into the act, if you will, under the direction of the American people. If I had my "druthers," I would view this legislation as rather conservative, as only one step. I would sweep everything under it.

I might add that we create the sacred cows. There is nothing in the Constitution that gives sacred cow status to NSA, the Federal Reserve Board, or anyone else, and they should not have it.

I do not want to rake Arthur Burns over the coals. I would like to know what is going on so we never get to the point where he has to be raked over the coals, any more than anybody enjoys raking the CIA or the NSA over the coals. If we all have input at the outset, there will not be need for any raking over the coals. We could all share the glories and the failures of any particular agency or any action of Government.

I can understand the arguments of the distinguished Senator from New York, and I respect his point of view; but one thing that the Senator from Connecticut wants to say is that he is not inconsistent. I would apply this standard to all the agencies of Government.

The PRESIDING OFFICER (Mr. NUNN). The time of the Senator has expired.

The question is on agreeing to the amendment.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. NUNN). Is there a sufficient second? There is not a sufficient second.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I demand the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN) would vote "nay."

The result was announced—yeas 36, nays 57, as follows:

[Rollcall Vote No. 471 Leg.]

YEAS—36

Baker
Bellmon
Bentsen
Brock
Brooke
Buckley
Byrd,
  Harry F., Jr.
Case
Curtis
Dole
Eastland
Fong
Glenn
Griffin
Hansen
Helms
Javits
Johnston
Long
Mathias
McGee
McIntyre
Morgan
Pearson
Pell
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—57

Abourezk
Allen
Bartlett
Beall
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Fannin
Ford
Goldwater
Gravel
Hart, Gary
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
McClellan
McClure
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott,
  William L.
Stafford
Stone
Tunney
Weicker

NOT VOTING—7

Bayh
Church
Garn
Hart, Philip A.
Hartke
Percy
Symington

So Mr. JAVITS' amendment was rejected.

Mr. JAVITS. Mr. President, there is one thing in the bill which needs straightening out and it will take us just a minute or two to do it. That relates, Mr. President, to the provision for keeping an exact transcript which appears at page 50, line 20, to page 51, line 2, of the bill, which relates to the fact that it is left unclear as to whether, notwithstanding the fact that a significant portion of the transcript may relate to matters which ought to be kept confidential, the transcript has nonetheless to be complete.

I would like, therefore, to have this colloquy with the manager of the bill.

The PRESIDING OFFICER. Who is yielding time on this?

Mr. CHILES. Mr. President, I yield such time as we might need.

Mr. JAVITS. One minute.

The PRESIDING OFFICER. The Senate will be in order. Senators will suspend until the Senate is in order.

Mr. CHILES. Mr. President, I think perhaps the Senate might like to know that at the conclusion of this colloquy, and an amendment that we will adopt by the Senator from Massachusetts, and a corrective amendment by the Senator from Delaware, I think we will be going to final passage in the next few minutes.

The PRESIDING OFFICER. The Senator will proceed.

Mr. JAVITS. Mr. President, subsection 201(e) of S. 5 deals with agency preparation, maintenance, and release of verbatim transcripts of closed meetings. My reading of subsection 201(e) indicates that an agency that closes a meeting because of the anticipated discussion of matters covered by the exemptions of subsection 201(b)(1)-(10) must prepare a complete transcript or recording of such closed meetings (except a meeting closed pursuant to 201(b)(9)); thereafter, agencies are required to make promptly available to the public the complete transcript of discussion where no significant portion of that discussion contains exempt subject matter.

I want to make it clear that the bill does not require an agency to release the complete transcript of a properly closed hearing merely because a less than significant portion of the closed discussion was of an exempt nature. Yet, this may be required by the ambiguous language contained in the text of the bill. Rather than nullify the apparent congressional intent in allowing an agency to close a meeting so as to protect sensitive material against public disclosure, I urge that it be made clear that subsection 201(e) requires only that the nonsensitive portion of a closed meeting be released in its entirety, allowing the agency to withhold from public disclosure the admittedly less than significant portion of a transcript relating to sensitive subject matter protected by the act.

Mr. CHILES. Mr. President, I concur with my colleague, the distinguished senior Senator from New York (Mr. JAVITS) that the public benefit results obviously intended by the transcript requirements of subsection 201(e) do not logically call for release by an agency of the complete recording of a closed meeting, but should be limited to disclosure of the total portion of such discussion not covered by one of the bill's exemptions.

I might further add that an agency will not have to review continually the sensitivity of the transcripts of its board meeting. A periodic review at reasonable intervals is all that is needed.

Mr. JAVITS. I thank my colleague very much.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, I call up my amendment No. 1027.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 56, strike out line 20 through line 25.

On page 57, line 1, strike out "(c)" and insert in lieu thereof "(b)".

On page 57, line 13, strike out "(d)" and insert in lieu thereof "(c)".

The PRESIDING OFFICER. The Senate will please come to order. The Senator will suspend. The Senate is not in order.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have had an opportunity to talk this over with the manager and the ranking minority member.

The purpose of this amendment is to conform the pending legislation with the Administrative Procedure Act. It conforms in an area where a contract can be made by a hearing administrator in a Federal regulatory agency.

Essentially this amendment would conform the pending legislation with the Administrative Procedure Act.

I think it would be a worthwhile amendment facilitating further oversight in terms of the drafting of this bill, since the facts that have been included conform very closely with the APA. I believe it to be consistent with the thrust and the purpose of the legislation.

Mr. President, the Administrative Procedure Act establishes the general principles and requirements which govern procedures in almost all Federal agencies. The APA, enacted in 1946, has stood substantially unchanged since then except for the enactment and subsequent amendment of the Freedom of Information Act.

The APA took little interest and notice of the substantive issues involving ex parte communications. The legislative reports accompanying the original bill show that the Congress was interested in achieving an internal separation of functions for agencies serving both prosecutorial and judicial functions. Section 5(c)'s limited prohibition against ex parte communications in formal adjudications reflected one approach by Congress to achieving that objective of internal separation.

The issue of improper and detrimental ex parte communications gained public attention in the 1950s when several notorious cases came to light, including one involving an attempt by Presidential assistant Sherman Adams to influence a decision of the Federal Trade Commission.

Fulfilling a campaign promise to remedy these kinds of incidents and to free agency and regulatory proceedings from the improper pressure of special interests, President John Kennedy proposed legislation in 1961 which would have required each agency to adopt regulations governing ex parte communications along certain statutory guidelines. The statutory requirements would assure, among other things, that ex parte communications in all formal proceedings be prohibited.

Public interest spurred several congressional investigations of ex parte influences on administrative agencies, and a handful of bills were introduced to deal with various facets of the problem.

Although there was considerable discussion of various administrative reforms during the 1960s, no legislation in this area was enacted. In the meantime, in response to President Kennedy's initiative, the 1962 temporary Administrative Conference proposed a set of general principles to guide the formulation of agency rules in this area. The conference supported the concept of individual agency rulemaking to deal with the ex parte problem, and various agencies adopted rules reflecting those proposals.

In 1963 the American Bar Association's Administrative Law Section began a review of the Administrative Procedure Act, including its ex parte provisions. The Senate Subcommittee on Administrative Practice and Procedure conducted a number of hearings in the mid-1960s on proposals to revise and reform the APA, but the only change made in the act involved enactment of the Freedom of Information Act in 1966 and subsequently its codification.

After several years of study by a special ABA committee, the American Bar Association adopted 12 resolutions in 1970. Those resolutions proposed a number of specific changes in the APA. One of those resolutions, No. 4, related to ex parte communications. The various recommendations were translated into legislative proposals and considered by the Administrative Conference of the United States.

Earlier this session I introduced a series of bills, S. 796 through S. 800, reflecting the efforts of the ABA and the administrative conference. One of these bills, S. 799, contains a provision to implement the ABA recommendation on ex parte communications. Section 202 of title II of S. 5 is based on section 3 of my bill.

Last summer, when the Government Operations Committee favorably reported S. 5, unanimous consent was obtained to provide the Judiciary Committee an opportunity to examine section 202 of the bill. Although the Judiciary Committee did not have the chance to report formally on this matter before the bill was returned to the floor September 15, the Subcommittee on Administrative Practice and Procedure requested agency reports and had an opportunity to study this section in some detail.

My amendment, Mr. President, was developed out of the Administrative Practice Subcommittee's consideration of section 202, although the amendment has not formally been considered by the subcommittee. The amendment is intended to restore to the Administrative Procedure Act a provision which would be deleted by section 202(b) of S. 5. The amendment was proposed initially by Mr. Richard Berg, Executive Secretary of the Administrative Conference and, I, understand, it is acceptable to the managers of the bill.

My amendment deletes section 202 (b), thereby leaving intact in the APA section 554(d)'s present prohibition against a presiding employee's consulting "a person or party on a fact in issue unless on notice and opportunity for all parties to participate." As I understand, section 202(b) was intended as simply a conforming change in the APA, in view of the more comprehensive prohibition against ex parte contacts added by section 202(a). However, the deleted material in section 554(d) of the APA covers certain communications not prohibited by section 202(a)—that is, the new provision added to the APA by section 202(a) does not wholly overlap the deleted APA provision, leaving a gap in the two areas: These involving ex parte consultations, first, between the presiding officer and noninterested persons outside the agency, and second, between the presiding officer and persons within the agency.

The Attorney General's manual on the Administrative Procedure Act, issued in 1947, clearly explained the purpose of section 554(d) (then section 5(c)) of the APA as being intended——

> to assure that hearings be conducted by hearing officers who have not received or obtained factual information outside the record and who are neither supervised nor directed in the conduct of the hearings by agency officials engaged in the performance of investigative or prosecuting functions.

On the language proposed to be deleted by S. 5 as reported, the Attorney General's manual states:

> the officer is prohibited from obtaining or receiving evidentiary or factual information bearing on the issues unless, after notice, all parties are permitted to participate. This would apply as well to expert testimony; the officer may not informally obtain evidentiary material from such experts either during or after the hearings, any more than he may from other witnesses.

As to agency insiders, "permitting the hearing officer to engage with appropriate agency personnel in an analytical discussion of the record is thoroughly consistent with the purposes of the act." But the officer is not—and should not be—able to obtain material facts or evidence from other employees without notice to the parties.

My amendment would thus leave present section 554(d) of the APA without change, carrying forward the useful objectives reflected in the initial enactment of this section.

I should observe, Mr. President, that section 202 of S. 5 deals only with a very narrow area of improper communications received by Government decisionmakers. The efforts of ITT to achieve a favorable settlement of its antitrust case illustrate the pervasive problem of influence directed towards discretionary prosecutorial activities. The classic Sangamon Valley case, involving the FCC, illustrates that informal rulemaking proceedings are also susceptible to ex parte influence. These areas are, however, left untouched by the provisions of S. 5.

Most of the instances of improper ex parte communications not covered by the Administrative Procedure Act—presently or as proposed to be amended by S. 5—would be subject to the logging and disclosure requirements of S. 1289, the Open Communications Act which I introduced earlier this year. That bill would require high-level agency officials to make publicly available summaries of communications with persons outside the agency relating to proceedings or other substantive policy matters considered by the agency. The Administrative Practice and Procedure Subcommittee has begun hearings on this bill, and will conclude its hearings next week. This legislation would serve as an important corollary to the present ex parte prohibitions contained in the APA and S. 5.

Mr. President, I hope that my amendment to S. 5 will be adopted by the Senate.

It is actually a technical amendment, and I hope the Members will be willing to accept it.

Mr. CHILES. We certainly are willing to accept it.

I thank the distinguished Senator from Massachusetts for calling our attention to this. This is the reason that the bill was referred to his Committee on Judiciary and the administrative conference has told us this needs to be done and we are delighted the Senator called it to our attention.

We will accept it.

Mr. KENNEDY. Mr. President, I am prepared to vote on the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. ROTH. Mr. President, I send an amendment to the desk and ask its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 46, line 14, strike the word "serious" and insert in lieu thereof the word "significant." At line 16, strike the word "seriously" and insert in lieu thereof the word "significantly."
>
> On line 19, strike the word "seriously" and insert in lieu thereof the word "significantly."

Mr. ROTH. Mr. President, I made reference to this proposed change in language earlier. What I am proposing is that on page 46, with respect to the exemptions for the Federal Reserve, that we change the word "serious" to "significant."

I think the word "significant" says more precisely what we are trying to cover, that the Federal Reserve should not be required to have open meetings when there is danger of significant financial speculation.

I think that is clearer than "serious financial speculation."

There are three different places in this paragraph where I propose this change of wording from "seriously" to "significantly."

I have discussed this with the manager of the bill and I think it is satisfactory.

Mr. CHILES. If the Senator will yield, I think that "significantly" expresses the intent of the committee when we were trying to use "serious." I think maybe "significant" is a better word of art.

We will certainly accept it.

Mr. JAVITS. Will the Senator yield?

Mr. ROTH. Yes.

Mr. JAVITS. I think that we should appreciate the precisional language of the Senator.

Mr. ROTH. I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. CHILES. Third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, I want to take this opportunity to commend the Senator from Florida and the Senator from Delaware for their outstanding efforts on behalf of this legislation, S. 5 and S. 9. They have been leaders and have worked very hard in the Government Operations Committee to make this possible.

This legislation has great significance

for the people of this Nation to understand what we are doing in Congress and what the executive branch is also trying to do.

The staffs of the entire committees also deserve praise for their hard work on behalf of this legislation.

Mr. JAVITS. Will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the Senator.

Mr. JAVITS. Mr. President, having proposed the most controversial of the amendments in respect to the bill, I join the chairman in complimenting them for their very fine work, both managing Senators.

Mr. CHILES. Mr. President, I thank the distinguished chairman, also the distinguished Senator from New York, for their kind remarks. The chairman at all times gave us his support, in support of the committee, and that was very helpful to us.

I join with the chairman in thanking the staff who worked so long and so hard on the bill.

Mr. ROTH. Mr. President, I would just like to add my special thanks to the chairman of the Government Operations Committee. I know of no chairman who is fairer and more cooperative with all members of the staff than the chairman of the Government Operations Committee.

I would like to add my word of thanks to the Government Operations staff and the members of the staff of the senior Senator from Florida as well as my own. They have worked hard to get this legislation through and, again, I believe we are taking a step forward. I also want to express appreciation for the significant work on this bill done by the junior senator from Connecticut and his staff.

Mr. PERCY. Mr. President, S. 5 provides a specific exemption from openness provisions for meetings that relate to the agency's own internal personnel rules and practices. It also provides specific exemption for meetings relating to the purchase of real property by an agency.

The Federal Reserve has raised the question as to whether these exemptions also apply to the 12 Federal Reserve banks around the country over which the Board of Governors of the Federal Reserve here in Washington exercises oversight. The Board here in Washington discusses personnel at the Federal Reserve Banks around the country, sets salaries, decides on site acquisition and building plans, and discusses other internal practices of the Banks.

I want to make sure that these discussions by the Federal Reserve here in Washington about the personnel of the Federal Reserve banks around the country would also be exempt as would other agencies with a similar structure. Senator CHILES, is that your understanding?

Mr. CHILES. The Senator is correct. The regional Federal Reserve Banks would be treated as part of the one overall organization headed by the Federal Reserve Board bank in Washington. The same is true for other agencies with a similar regional structure.

Mr. PERCY. The Federal Reserve is concerned that the bill contains no provision that would enable the Board to deliberate and formulate legislative proposals, presentations, testimony and positions without exposing them to the public prior to their deliverance to Congress.

Under the Board's present procedures, any statement of Board position relating to legislative matters is subjected to Board meeting discussion. The Board questions whether congressional requests for agency comments on proposed legislation, requests for experienced assistance in stated congressional efforts, or requests for responses to congressional inquiries are intended to be known by the public before transmission to the Congress.

Senator CHILES, would such discussions be exempt from the openness provisions of the bill?

Mr. CHILES. If a Congressman or a committee requests in confidence for the views of any agency on any legislative matter, or if it refers to testimony any agency could close a meeting discussing the matter. The whole content of the agency to provide information to a Congressman or committee in confidence could be frustrated if the discussion was public. Section 2017(B) would permit an agency to close its meeting in this instance where it must respond in confidence to an inquiry from Congress or prepare in confidence testimony to be given later before a committee.

Mr. WEICKER. Mr. President, after a 3-year period of hearings, discussion, and careful scrutiny, the Senate finally has a Government in the Sunshine Act, on the floor for its consideration. S. 5 provides that meetings of Government agencies be open in order to allow the public to have the highest degree of knowledge regarding governmental decisionmaking processes.

The first sunshine legislation was introduced in August, 1972. Unhappily, that date also closely coincides with the first reports of the Watergate abuses. Those abuses clearly illustrate the need for an open airing of governmental activities related to decisionmaking. S. 5, if enacted earlier might not have provided a remedy to the litany of abuses uncovered during this period, but it could have encouraged an open atmosphere for the conduct of the Government's business in public.

When governmental activities are held in secret behind closed doors, we have seen where the affairs of the Federal Government have suffered. But, even more important, when the public is kept in the dark as to agency activities and the essential decisions that affect their daily lives, the effects could have serious consequences.

We have heard all the arguments against the bill from the commissions and agencies whose operations this bill would bring to light. The points they raise run the gamut from; the bill would unnecessarily inhibit the efficient conduct of agency business to beliefs that this bill would not allow a free and open exchange of ideas and candid opinions. What they seem to forget is the overriding responsibility to allow the public, in order for them to participate in the decisionmaking process, to have an unfettered access to information on how their Government operates.

Many of these agency heads do not give the public enough credit to be able to view their proceedings and make competent judgments as to how they perform their duties. The bill's expressed intent to implement open meetings, not only will foster increased public awareness of how their Government functions, but it also has a dual purpose of increasing the public's confidence in governmental affairs.

S. 5 provides an opportunity to begin mending some of our systemic ills by opening the doors of Federal agencies and removing the cloak of secrecy which has too long been a part of the decisionmaking process.

We only have to look to the States for examples of how open meeting laws have been accepted and regarded as successful steps to opening agency meetings. It must be viewed as a sad commentary when State laws on open government date back as far as 1950 and open meetings legislation are now on the statute books of 49 States. Yet, the Congress has not acted until now to consider open Government legislation that would apply to itself and the executive agencies. The Congress should have taken the States' example long ago and enacted legislation of its own.

My own State of Connecticut has had an open meeting law relating to State agencies since 1971. A recent act passed by the State legislature and effective October 1, 1975, would extend the open meeting provisions to the legislative and judicial branches.

The risks are too great to allow the closed door practices of Federal agencies to continue as they have in the past. Recent revelations of abuses have only served to increase the public's distrust of Government activities. To let the trend continue unabated will destroy any relationship between the public and Government agencies that is necessary for a democratic nation to survive. S. 5 provides a mechanism to restore that trust and rebuild the confidence that is necessary for any Government to function properly.

Mr. CLARK. Mr. President, surely nothing is more important today than the restoration of public confidence in Government. In recent years that confidence has sunk to an alltime low. As pollster Lou Harris testified in hearings held last year:

> At this point in our history, the people are roundly fed up with what they feel is incompetence, inefficiency, corruption, lack of real public interest, and just plain lack of decency in the governing circle of this country.

The legislation before us today, S. 5, The Government in the Sunshine Act, would go far to help restore public confidence in Government. It is a logical extension of legislation passed by Congress over the past decade to open the Government's decisionmaking process to public scrutiny. It will help increase the public's faith in the integrity of Government, enable the people to better understand the decisions reached by the Government and better acquaint the citizenry with the process by which agency decisions are reached.

The basic principle underlying this bill is that the Government should conduct the public's business in public. As John Gardner, chairman of Common Cause, has said:

> Secrecy is fatal to accountability. Citizens cannot hold government officials accountable if they do not know what government officials are doing. All of the great instruments of accountability that the citizen must depend on—Congress, the courts, the electoral process, the press—may be rendered impotent if the information crucial to their functions is withheld.

It is natural that the public should be more distrustful of Government conducted in secret: Secrecy necessarily breeds suspicion. And this suspicion arises in large part simply because meetings are closed, rather than from any specific evidence that improper or illegal activities are taking place behind the locked doors. Regardless of what the public actually learns about the Government, the fact that this bill would open meetings formerly closed should in itself remove an important source of public distrust of Government.

Second, the bill before us today would greatly enhance the public's understanding of the decisions reached by the Government. The Freedom of Information Act enables the public to review many of the documents on which Government decisions are based. These constitute a record of what has already transpired. Yet, up to now the public has not had full opportunity to observe how or why Government officials make the important policy decisions which they do. All too often the meetings at which such decisions are made are closed to the public. Interested persons must content themselves with elementary minutes, or background papers only tangentially related to the official agenda. Formal statements in support of agency actions are frequently too brief, or too general, to fully explain an agency's reasoning, or the compromises that were made. As a result, the public may not understand the reasons an agency has acted in a certain way, or even what exactly it has decided to do. By requiring important decisions to be made openly, this bill will create better public understanding of agency decisions.

Third, openness will significantly increase cooperation between the public and Government agencies, and promote compliance with agency decisions. It will enhance the public's comprehension of the difficult choices agencies must often make, and improve appreciation of the problems they face. Moreover, openness will better demonstrate what facts and policy considerations an agency finds important in reaching its decision, and what alternatives were considered and rejected.

Finally, as all elements of the public gain an equal opportunity to learn about the issues and problems confronting agencies, wider and more informed public debate of the agency's policies becomes possible. Increased public interest and discussion cannot help but improve the decisionmaking process.

One of the leading scholars on administrative law, Prof. Kenneth Culp Davis of the University of Chicago Law School, is a strong supporter of the Government in the Sunshine bill. According to Professor Davis:

> Open meetings would at first cause consternation and opposition. But gradually open meetings would be accepted. Making more of the realities known to the public would facilitate criticism, and the principal result would be to improve the quality of what is done. Furthermore, the democratic influence would be stronger. The relation between agencies on the one side and media and pressure groups on the other side would be improved, because misunderstanding resulting from partial information, as distinguished from full information, would be reduced.

Open meeting laws have been widely accepted and implemented by the States. Forty-nine States now have open meeting laws, and 35 States have constitutional provisions relating to open Government. In 1950, only one State had such a law. Many of these laws have been enacted just within the past few years. Nine new laws were passed during 1972–73. In 1974, 10 States strengthened existing legislation. Moreover, no open meeting law has been repealed, though a number have been strengthened. Several States have recently amended their constitutions to make their open government provisions more comprehensive.

Forty-nine States require an open-meeting policy for State-level agencies. Forty-four States provide for open meetings of county and city level nonlegislative agencies, as well as city councils and county boards. Currently, State legislatures in 35 States open committee deliberations to the public. In contrast, only 17 States opened committee meetings to the public as a matter of course in 1972.

Thanks, in large part, to the work of Lawton Chiles, the State of Florida has the most comprehensive open meetings law in the country. The Florida law opens to the public all discussions and deliberations of government where "official acts are to be taken." Since its passage in 1967, Florida's "Sunshine Law" has been well received by the judiciary. The courts have neither significantly limited the broad scope of the law, nor riddled it with exceptions. Indeed, the judicial acceptance of this strong open government law has fostered the development of similar laws in other States.

Just as the open meetings provision will expose the conduct and disposition of official Government business to public scrutiny, so a second provision of S. 5 prohibiting ex parte contracts will insure openness in the way the Government decides formal adjudication and rulemaking proceedings.

Ex parte contacts made secretly between one party to a proceeding and an agency official prevent other interested parties from countering the arguments presented. They may also make it impossible for the public to understand why an agency decided the case as it did. Such contacts make it difficult for Congress to exercise effective oversight of the practices and policies of regulatory agencies. In short, ex parte contacts are totally inconsistent with the democratic principle of open government. Section 202 of the bill provides clear notice to all concerned that such contacts are not only illegal, but may actually result in the agency finding on the merits against a party who knowingly violates the provision.

Mr. President, I was one of the original sponsors of the predecessor to this bill, S. 260 in the 93d Congress. The legislation now before this body is a carefully drafted measure, reflecting the advice of many legal experts both from within and without the Government, the comments of 43 Federal agencies, and suggestions by members of Federal agencies, Congress, and the public. It is specially designed to insure that the Government will be able to open its activities to the public without imposing unnecessary procedural burdens or interfering with the Government's efficiency or effectiveness. The exemptions and exceptions provided in the bill are reasonable and sufficiently flexible that none of the agencies covered should find compliance unduly burdensome.

I strongly urge my colleagues to support this bill. Open government is essential to accountability, and accountability is the very essence of democracy. The public has every right to know how the Government is conducting its business.

Woodrow Wilson put it best in 1884—and it is just as true today:

> Light is the only thing that can sweeten our political atmosphere—light thrown upon every detail of administration in the departments—light blazed full upon every feature of legislation—light that can penetrate every recess or corner in which any intrigue might hide; light that will open to view the innermost chambers of Government.

Mr. CHILES. Mr. President, I ask unanimous consent that a summary of this bill be printed at the conclusion of my remarks and prior to passage of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the summary ordered to be printed in the Record, as follows:

Title II—Agency Procedures

SECTION 201—OPEN AGENCY MEETINGS

Section 201. (a) Provides that all meetings between the heads of multi-headed Federal agencies shall be open to the public. An agency is defined as in the Administrative Procedure Act, but only those agencies are covered which are headed by two or more individual members. A majority of such members must also be appointed by the President, with the advice and consent of the Senate. The Justice Department has tentatively estimated that 47 agencies would be covered by this meeting. Because of the unique nominating and confirmation process governing appointments to the Federal Elections Commission, this agency is included by specific reference.

A meeting is defined as the deliberations of the number of agency members needed to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

Sec. 201. (b) Establishes the 10 grounds under which an agency may vote to close meetings or a portion of a meeting despite the requirements of subsection (a). Closing meetings on these grounds is permissive, not mandatory. In addition to closing a meeting, an agency may, on the same grounds, withhold information about the meeting otherwise required by the section to be disclosed.

The exemptions are as follows:

(1) Allows a meeting to be closed if infor-

mation to be presented has been lawfully required to be kept secret by an Executive order in the interests of national defense or foreign policy. Where such is the case, other law would make the closing of such a meeting mandatory rather than permissive. The wording follows exactly one of the amendments to the Freedom of Information Act enacted last year.

(2) Provides that portions of a meeting may be closed if the meeting is concerned with the agency's own internal personnel rules and practices.

(3) Allow a portion of a meeting to be closed if the nature of information presented at the meeting constitutes an unwarranted invasion of personal privacy. For instance, a meeting might be closed if the committee was concerned with discussing the competence of the president of a company regulated by that agency.

(4) Exempts meetings which might involve accusing any individual or corporation of a crime or formally censuring such a person. An agency might close under this exemption a meeting discussing whether to investigate the possibility that a person had submitted fraudulent documents to the agency.

(5) Allows a meeting to be closed if it would disclose information from investigatory records compiled for either civil or criminal law enforcement purposes. However, the meeting could be closed only to the extent that such disclosure of records would interfere with enforcement proceedings, deprive a person of a right to a fair trial or an impartial adjudication, constitute an unwarranted invasion of personal privacy, disclose the identity of an informer, disclose confidential information furnished only by a confidential source in the course of a criminal investigation, disclose investigative techniques and procedures, or endanger the life or physical safety of law enforcement personnel. This exemption is the same as one of the amendments to the Freedom of Information Act enacted last year.

(6) Exempts meetings disclosing trade secrets of financial or commercial information where the agency has no legal right to get such information or where disclosure would substantially injure a person's competitive position. This covers not only trade secrets, but such additional information as a company's financial status.

(7) Exempts certain specified types of discussions where premature disclosure of the agency's thinking could destroy the ability of the agency to carry out its responsibilities. The exemption only applies to instances where the agency has not already announced it is considering taking the action under discussion. For example, if an agency has issued a proposed rule, further discussion of the proposed rule could not be closed under this provision. Furthermore, to be applicable, the discussion must also meet one of two additional specified conditions.

Subparagraph (1) makes the provision applicable to the SEC, the FDIC, the Federal Reserve Board, and similar agencies that regulate currencies, securities, commodities or financial institutions. Where premature discussion of issues by these agencies would lead to serious financial speculation, or endanger the stability of any institution, the meeting may be closed. A Federal Reserve Board discussion of the precarious financial state of a member bank could be closed under this provision. An SEC discussion whether to order trading of a certain stock suspended would also be included.

Subparagraph (2) applies to actions by any agency where premature disclosure of the agency's plans would seriously frustrate the agency's implementation of the agency's action. An example would include disclosure that the agency is considering an embargo on the import of certain goods where public disclosure of the agency's actions would lead to a rush of imports and defeat the purpose of the proposed regulation.

Subparagraph (3) applies to agency purchase of real estate. Public disclosure of the agency's interest in certain property would drive up the price of land.

(8) Applies to bank examination reports and other similar audits prepared by such banking agencies as the FDIC, the Federal Reserve Board, and the Federal Home Loan Bank Board. This provision is identical to one in the Freedom of Information Act.

(9) Relates to discussions concerning the initiation, conduct, or disposition of an adjudication governed by Section 554 of Title 5, U.S.C. or another similar statue. This provision exempts discussion of any particular case being litigated before the agency pursuant to the rules of the Administrative Procedure Act governing adjudication. For example, review by the FTC of the hearing record in a case accusing a particular company of false and misleading advertising would be exempted. Such discussions are more quasi-judicial than quasi-legislative in nature and hence are less conducive to a discussion in the open. Decisions in such cases must be based solely on the record of the case. Section 202 of the Act, on ex parte discussion, will assure that the Commissioners do not have any unannounced meetings with other persons about the merits of such adjudication. The exemption also applies to agency consideration of litigation in federal or state court. This would, for example, cover agency discussion of appropriate legal strategy in such a case.

(10) Allows the closing of a meeting if information presented at the meeting would disclose matters which must be kept confidential because of another statute specifically applying to particular types of information. For example, an individual's income tax returns would be covered by this exemption. This paragraph applies only to statutes which mandate that particular information be kept confidential, and not to such laws as the Freedom of Information Act, where the matter is left to the discretion of the agency.

Section 201(c). Establishes the procedures an agency must follow if it wishes to close a meeting.

Paragraph (1) provides that a meeting may be closed, or information withheld, only by a majority vote of the entire membership of the agency. Generally a separate vote must be taken on each meeting the agency wishes to close. A single vote can be taken, however, to close a series of meetings, where all the meetings will be held within a 30 day period, and involve the same issues.

Each vote must be recorded, and must be made public by the agency one day after the vote. No proxies are allowed.

A person whose interests may be directly affected by the meeting may request that the agency close portions of a meeting on the grounds of personal privacy that the meeting will involve him in criminal charges, or that it involves information derived from an investigating life. The agency must then vote on whether to close the meeting if one or more commissioners requests such a vote.

Paragraph (2) requires an agency to make public a full written explanation of its decision to close any meeting. A list of persons expected to attend the closed meeting and their affiliation must also be made public.

Paragraph (3) establishes special procedures for agencies that may have to close a majority of their meetings for the reasons outlined in Paragraphs 6, 7A, 8, or 9. These paragraphs will be especially relevant to those agencies which have special need for confidentiality because they deal extensively in sensitive financial matters or formal adjudication. Where an agency must close a majority of its meetings for such reasons, as will perhaps be so in the case of the SEC, the NLRB, or the Federal Reserve Board, the agency will be able to adopt a general regulation spelling out the meetings that will have to be closed. The agency will then be allowed to follow an expedited procedure to close each particular meeting and to announce such meeting to the public.

Section 201(d). Requires advance public notice of all agency meetings.

Paragraph (1) requires the agency in most cases to publicly announce the date, place, subject matter of and whether the meeting is open or closed, at least one week prior to the meeting. If the members vote that agency business requires a meeting at an earlier date, the required public notice must be provided at the earliest practicable date. If the subject matter of a meeting, or open status of a meeting, must be changed after the initial announcement, the agency may vote to do this also.

Section 201(e). Requires that a complete transcript or electronic recording be made of each meeting the agency votes to close, unless it is a meeting concerned solely with cases under adjudication. The agency must promptly provide to the public the portions of each transcript or electronic recording which does not disclose information that would justify closing a meeting pursuant to subsection (b). Copies of such transcripts, or transcriptions of the tapes, must be provided any person at the actual cost of duplication or transcription. The transcripts or tapes must be maintained by the agency for two years, or for one year after the conclusion of the proceeding to which they relate, whichever is later.

Section 201(f). Requires each agency to promulgate regulations implementing the requirements of subsections (a) through (e) within 180 days after enactment of the Act. If an agency does not promulgate regulations within 180 days, any person may bring a proceeding in the U.S. District Court for the District of Columbia to compel issuance of the regulations. Any person is given the right to challenge in the D.C. Court of Appeals the adequacy of the regulations issued under this subsection.

Section 201(g). Gives the U.S. district courts jurisdiction to enforce the requirements of subsections (a) through (e) by declaratory judgment, injunctive relief, or other appropriate relief. Any person may bring an action in the district where he resides or has his business, or where the agency is headquartered, within 60 days after the holding of the meeting in question. If there was no public announcement of a meeting until after it was held, the suit must then be brought within 60 days after such public announcement of the meeting. Before instituting a suit, the plaintiff is required to notify the agency and give the agency a reasonable period of time, not to exceed 10 days, to correct the asserted violation. If the plaintiff is seeking to force the agency to open a meeting which has not yet been held, it need give the agency a maximum of only 2 days to act. The burden is on the agency to sustain its action. The district courts may grant appropriate equitable relief, such as ordering release of the transcript of an illegally closed meeting. The section does not confer any new jurisdiction on district courts, however, to invalidate an agency action taken at an illegally closed meeting.

Section 201(h). Allows any Federal court, otherwise authorized by law to review any agency action, to review an agency's compliance with this section. Such review may be conducted at the request of any person having standing. The reviewing court can afford any relief it deems appropriate, including reversing the action taken at an illegal meeting.

Section 201(i). Allows a court to award reasonable costs of litigation brought under this section to either of the parties. The costs may be awarded against an individual commissioner only if the court finds his violation of the statute was intentional and repeated. Costs may be awarded against the plaintiff only if the court finds the suit was brought for frivolous or dilatory reasons.

SECTION 203—MISCELLANEOUS

Subsection (a) provides that with the exception of such specific provisions as 201(e) governing the public's access to transcripts of closed meetings, nothing in Title II is intended to increase or decrease the public's right to obtain actual copies of documents under the Freedom of Information Act. Access to such written documents will continue to be governed as before by the Freedom of Information Act. The subsection also specifies that nothing in Title II authorizes the withholding of any information from Congress. The requirements of the Federal Records Act to retain documents for specified lengths of time are held inapplicable.

Subsection (b) provides specifically that nothing in the bill is intended to affect the applicability of the Privacy Act.

PROCEDURAL SHORTCUTS

The following is a list of the provisions which have been included in the bill in order to give agencies the procedural flexibility they need, and in order to protect the agencies from unnecessarily burdensome requirements:

(1) Section 201 (a), (c)(2)

An agency may vote to close a meeting, to change the subject of a meeting, schedule a meeting less than seven days in advance by polling all its members. Thus, no time consuming meeting between the agency heads themselves will be necessary.

(2) Section 201(c)(1)

If the agency meets for more than 1 day on the same issue it can vote once to close all the meetings for the next 30 days on the same subject. Repeated votes will not be necessary.

(3) Section 201 (d)

Where agency business requires, the agency may give less than seven days notice of a meeting. An agency may change the subject matter of a meeting it has already announced where agency business requires. Finally, if the agency business requires, the agency may vote to close at any time a meeting which previously it had announced would be open. In all these cases, the only requirement is that the agency vote that the meeting or the change is necessary and announce the information to the public at the earliest practicable opportunity. Thus an agency will retain necessary administrative flexibility at all times.

(4) Section 201(c)(3)

Any agency that must close a majority of its meetings because of the reasons specified in paragraphs 6, 7A, 8 or 9 of 201(b) may utilize special, expedited procedures. Such an agency may adopt a general regulation specifying the types of meetings that will be closed. It then need only confirm by vote at the beginning of the meeting that the meeting does in fact involve sensitive matters covered by these exemptions. Notice of the date, place, and subject matter of the meeting must be made as soon as practicable, but not necessarily as much as seven days in advance of the meeting. In such case, no explanation need be given of why each such meeting must be closed to the public.

(5) Section 201(e)

If an agency opens a meeting to the public it need not keep any verbatim record of the proceedings. Verbatim records of most closed meetings are required, but an agency need not keep a transcript of every such meeting. Instead, it may just make an electronic recording of the closed meeting.

(6) Section 201(e)

The requirement that an agency keep a record of any meeting that it closes does not apply to meetings discussing adjudication, and thus closed pursuant to 201(b)(9).

(7) Section 201(e)

An agency is only required to release the tape or the transcript of a closed meeting to the public if the agency determines that it does not disclose information which should be kept confidential pursuant to subsection (b). An agency does not have to edit the record of a closed meeting word for word to remove confidential matter. An agency would have to disclose the record of a meeting only if no significant portion of the discussion of the agenda item contained confidential material. Any individual who wants a transcript of a tape that is disclosed to the public would have to pay for it himself.

Mr. CHILES. Mr. President, I pay particular thanks and appreciation to the following members of my staff who have worked very hard on this bill, George Patten, Margaret Maruschak, Vicki Smith of my staff, Pam Weller of Senator STONE's staff, and Paul Hoff, Marilyn Harris, and Jim Davidson of the staff of the Government Operations Committee. In addition, Prof. Dick Stewart gave valuable assistance in the early drafting stages.

Also, to the members and staff of Common Cause—David Cohen, Fred Wertheimer, and Ann McBride—whose efforts were invaluable both in developing this resolution and working for its passage. Without the valuable assistance from Common Cause, the progress of this legislation would have been much slower.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from Missouri (Mr. SYMINGTON), are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE), is absent on official business.

Mr. HUGH SCOTT. I announce that the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN) and the Senator from Illinois (Mr. PERCY), would each vote "yea."

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 472 Leg.]

YEAS—94

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles

Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Hansen
Hart, Gary
Hart, Philip A.

Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias

McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn

Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
 William L.
Sparkman

Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—6

Bayh
Garn

Griffin
Hartke

Percy
Symington

The bill (S. 5), as amended, was passed, as follows:

S. 5

An act to procvide that meetings of Government agencies shall be open to the public, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "Government in the Sunshine Act".

SEC. 2. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking process of the Federal Government. It is the purpose of this Act to provide the public with such information, while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

SEC. 3. DEFINITIONS.—For purposes of this Act the term, "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

SEC. 4. (a) This section applies, according to the provisions thereof, to the Federal Election Commission and to any agency, as defined in section 551(1) of title 5, United States Code, where the collegial body comprising the agency consists of two or more individual members, at least a majority of whom are appointed to such position by the President with the advice and consent of the Senate. Except as provided in subsection (b), all meetings of such collegial body, or of a subdivision thereof authorized to take action on behalf of the agency, shall be open to the public. For purposes of this section, a meeting means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

(b) Except where the agency finds that the public interest requires otherwise, (1) subsection (a) shall not apply to any agency meeting, or any portion of an agency meeting, or to any meeting, or any portion of a meeting, of a subdivision thereof authorized to take action on behalf of the agency, and, (2) the requirements of subsections (c) and (d) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency, or the subdivision thereof conducting the meeting, properly determines that such portion or portions of its meeting, or such information, can be reasonably expected to—

(1) disclose matters (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;

(2) relate solely to the agency's own internal personnel rules and practices;

(3) disclose information of a personal na-

ture where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(4) involve accusing any person of a crime, or formally censuring any person;

(5) disclose information contained in investigatory records compiled for law enforcement purposes, but only to the extent that the disclosure would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source, (E) in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, disclose confidential information furnished only by the confidential source, (F) disclose investigative techniques and procedures, or (G) endanger the life or physicial safety of law enforcement personnel;

(6) disclose trade secrets, or financial or commercial information obtained from any person, where such trade secrets or other information could not be obtained by the agency without a pledge of confidentiality, or where such information must be withheld, from the public in order to prevent substantial injury to the competitive position of the person to whom such information relates;

(7) disclose information which must be withheld from the public in order to avoid premature disclosure of an action or a proposed action by—

(A) an agency which regulates currencies, securities, commodities, or financial institutions where such disclosure would (i) lead to significant financial speculation in currencies, securities, or commodities, or (ii) significantly endanger the stability of any financial institution;

(B) any agency where such disclosure would significantly frustrate implementation of the proposed agency action, or private action contingent thereon; or

(C) any agency relating to the purchase by such agency of real property.

This paragraph shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency action on such proposal;

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) specifically concern the agency's participation in a civil action in Federal or State court, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing; or

(10) disclose information required to be withheld from the public by any other statute establishing particular criteria or referring to particular types of information.

(c)(1) Action under subsection (b) shall be taken only when a majority of the entire membership of the agency, or of the subdivision thereof authorized to conduct the meeting on behalf of the agency, votes to take such action. A separate vote of the agency members, or the members of a subdivision thereof, shall be taken with respect to each agency meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (b), or with respect to any information which is proposed to be withheld under subsection (b). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters, and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each agency member participating in such vote shall be recorded and no proxies shall be allowed. Whenever any person whose interests may be directly affected by a meeting requests that the agency close a portion or portions of the meeting to the public for any of the reasons referred to in paragraphs (3), (4), or (5) of subsection (b), the agency shall vote whether to close such meeting, upon request of any one of its members. Within one day of any vote taken pursuant to this paragraph, the agency shall make publicly available a written copy of such vote.

(2) If a meeting or portion thereof is close to the public, the agency shall, within one day of the vote taken pursuant to paragraph (1) of this subsection, make publicly available a full written explanation of its action closing the meeting, or portion thereof, together with a list of all persons expected to attend the meeting, and their affiliation.

(3) Any agency, a majority of whose meetings will properly be closed to the public, in whole or in part, pursuant to paragraphs (6), (7)(A), (8), or (9) of subsection (b), or any combination thereof, may provide by regulation for the closing of such meetings, or portion of such meetings, so long as a majority of the members of the agency, or of the subdivision thereof conducting the meeting, votes at the beginning of such meeting, or portion thereof, to close the meeting, and a copy of such vote is made available to the public. The provisions of this subsection, and subsection (d), shall not apply to any meeting to which such regulations apply: *Provided*, That the agency shall, except to the extent that the provisions of subsection (b) may apply, provide the public with public announcement of the date, place, and subject matter of the meeting at the earliest practicable opportunity.

(d) In the case of each meeting, the agency shall make public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, whether open or closed to the public, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members of the agency, or of the members of the subdivision thereof conducting the meeting, determines by a vote that agency business requires that such meetings be called at an earlier date, in which case the agency shall make public announcement of the date, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable opportunity. The subject matter of a meeting, or the determination of the agency to open or close a meeting, or portion of a meeting, to the public, may be changed following the public announcement required by this paragraph if, (1) a majority of the entire membership of the agency, or of the subdivision thereof conducting the meeting, determines by a vote that agency business so requires, and that no earlier announcement of the change was possible, and, (2) the agency publicly announces such change at the earliest practicable opportunity. Immediately following the public announcement required by this paragraph, notice of such announcement shall also be submitted for publication in the Federal Register.

(e) A complete transcript or electronic recording adequate to fully record the proceedings shall be made of each meeting, or portion of a meeting, closed to the public, except for a meeting, or portion of a meeting, closed to the public pursuant to paragraph (9) of subsection (b). The agency shall make promptly available to the public, in a place easily accessible to the public, the complete transcript or electronic recording of the discussion at such meeting of any item on the agenda, or of the testimony of any witness received at such meeting, where no significant portion of such discussion or testimony contains any information specified in paragraphs (1) through (10) of subsection (b). Copies of such transcript, or a transcription of such electronic recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The agency shall maintain a complete verbatim copy of the transcript, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting, or a portion thereof, was held, whichever occurs later.

(f) Each agency subject to the requirements of this section shall, within one hundred and eighty days after the enactment of this Act, following consultation with the Office of the Chairman of the Administrative Conference of the United States and published notice in the Federal Register of at least thirty days and opportunity for written comment by any persons, promulgate regulations to implement the requirements of subsections (a) through (e) of this section. Any person may bring a proceeding in the United States District Court for the District of Columbia to require an agency to promulgate such regulations if such agency has not promulgated such regulations within the time period specified herein. Any person may bring a proceeding in the United States Court of Appeals for the District of Columbia to set aside agency regulations issued pursuant to this subsection that are not in accord with the requirements of subsections (a) through (e) of this section, and to require the promulgation of regulations that are in accord with such subsections.

(g) The district courts of the United States have jurisdiction to enforce the requirements of subsections (a) through (e) of this section by declaratory judgment, injunctive relief, or other relief as may be appropriate. Such actions may be brought by any person against an agency or its members prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the agency in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Before bringing such action, the plaintiff shall first notify the agency of his intent to do so, and allow the agency a reasonable period of time, not to exceed ten days, to correct any violation of this section, except that such reasonable period of time shall not be held to exceed two working days where notification of such violation is made prior to a meeting which the agency has voted to close. Such actions may be brought in the district wherein the plaintiff resides, or has his principal place of business, or where the agency in question has its headquarters. In such actions as defendant shall serve his answer within twenty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine in camera any portion of a transcript or electronic recording of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the party, may grant such equitable relief as it deems appropriate, including granting an injunction aaginst future violations of this section, or ordering the agency to make available to the public the transcript or electronic recording of any portion of a meeting imporperly closed to the public. Except to the extent provided in subsection (h) of this section, nothing in this section confers jurisdiction on any district court to set aside or invalidate any agency action taken or discussed at an agency meeting out of which the violation of this section arose.

(h) Any Federal court otherwise authorized by law to review agency action may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the agency of the requirements of this section, and afford any such relief as it deems appropriate.

(i) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (f), (g), or (h) of this section. Costs may be assessed against an individual member of an agency only in the case where the court finds such agency member has intentionally and repeatedly violated this section, or against the plaintiff where the court finds that the suit was initiated by the plaintiff for frivolous or dilatory purposes. In the case of apportionment of costs against an agency, the costs may be assessed by the court against the United States.

(j) The agencies subject to the requirements of this section shall annually report to Congress regarding their compliance with such requirements, including a tabulation of the total number of agency meetings open to the public, the total number of meetings closed to the public, the reasons for closing such meetings, and a description of any litigation brought against the agency under this section.

SEC. 5. (a) Section 557 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In any agency proceeding which is subject to subsection (a) of this section, except to the extent required for the disposition of ex parte matters as authorized by law—

"(1) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, shall make or knowingly cause to be made to an interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes, a communication in violation of this subsection, shall place on the public record of the proceeding:

"(A) written communications transmitted in violation of this subsection;

"(B) memorandums stating the substance of all oral communications occurring in violation of this subsection; and

"(C) responses to the materials described in subparagraphs (A) and (B) of this subsection;

"(4) upon receipt of a communication knowingly made by a party, or which was knowingly caused to be made by a party in violation of this subsection; the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by virtue of such violation;

"(5) the prohibitions of this subsection shall apply at such time as the agency may designate, but in no case shall they apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply at the time of his acquisition of such knowledge.".

(b) Section 551 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the "act." at the end of paragraph (13) and inserting in lieu thereof "act; and"

(3) by adding at the end thereof the following new paragraph:

"(14) 'ex parte communication' means an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given.".

(c) Section 556(d) of title 5, United States Code, is amended by inserting between the third and fourth sentences thereof the following new sentence: "The agency may to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur.".

SEC. 6. (a) Except as specifically provided by section 4, nothing in section 4 confers any additional rights on any person, or limits the present rights of any such person, to inspect or copy, under section 552 of title 5, United States Code, any documents or other written material within the possession of any agency. In the case of any request made pursuant to section 552 of title 5, United States Code, to copy or inspect the transcripts or electronic recordings described in section 4(e), the provisions of this Act shall govern whether such transcripts or electronic recordings shall be made available in accordance with such request. The requirements of chapter 33 of title 44, United States Code, shall not apply to the transcripts and electronic recordings described in section 4(e). This Act does not authorize any information to be withheld from Congress.

(b) Nothing in section 4 authorizes any agency to withhold from any individual any record including transcripts or electronic recordings required by tihs Act, which is otherwise accessible to that individual under section 552a of title 5, United States Code.

SEC. 7. The provisions of this Act shall become effective one hundred and eighty days after the date on which this Act is enacted, except that the provisions of section 4 requiring the issuance of regulations to implement such section shall become effective upon enactment.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of S. 5.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. CHILES. Mr. President, I call up my amendment amending the title to S. 5 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Amend the titile to read as follows: An act to provide that meeting of Government agencies shall be open to the public and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the title amendment.

The amendment was agreed to.

So the title to S. 5 was thus amended.

MILITARY CONSTRUCTION APPROPRIATIONS, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 428, H.R. 10029.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 10029) which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. The time for debate on this bill, H.R. 10029, is limited to 1 hour to be equally divided and controlled by the majority and minority leaders, or their designees, with 1 hour on any amendment in the first degree and 30 minutes on any amendment in the second degree, debatable motion, appeal, or point of order.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. STEVENS. Mr. President, I ask unanimous consent that my staff member, Barry Pinnolis be permitted privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee counsel, Mr. Rexroad, be allowed the privilege of the floor during consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I suggest the absence of a quorum, without the time being taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I present today for the consideration of the Senate H.R. 10029, together with the report from the Committee on Appropriations, No. 94–442, making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976 and for the period ending September 30, 1976 and for other purposes.

It is not my intention in presenting this bill to give detailed figures concerning each line item. The line item breakdown and explanation are contained in the report which has been placed on each Senator's desk.

Before going into the recommendations of the Committee on Appropriations, I will briefly summarize the pertinent facts pertaining to the bill.

The amount of the fiscal year 1976 budget estimate as presented to the Senate was $4,109,020,000. The amount of the bill as passed by the House was $3,518,723,000. The committee is presenting for consideration of the Senate today a bill amounting to $3,660,295,000. This is an increase of $141,572,000 over the amount passed by the House. However, the bill as presented today is $448,725,000 below the fiscal year 1976 budget estimate. Consideration should be given to the fact that $1,300,000,000 of this bill is family housing and of that amount approximately $1,000,000,000 is fixed charges. In actuality, this bill today for construction line items amounts to approximately $2 billion. Thus, I can say that the reduction in the military construction bill, and I mean line item projects, amounts to approximately 17 percent. I do not believe that any other appropriation bill in fiscal year 1976 has been reduced to this degree.

The committee held extensive hearings with the military departments and the Department of Defense concerning their construction project requests. Approximately 700 different line items were considered. The committee made some rather large reductions in certain line items which I will detail later in my presentation.

As pointed out last year in the presentation of the fiscal year 1975 military construction bill, the reduction in the number of men under arms and major realinements in the Army, Navy, and Air Force bases continues to create uncertainty. The defense all-volunteer force concept continues to cause a large outlay of dollars in the construction program, particularly, in the barracks and "things for people" area. This bill contains large amounts for each of the services for either new troop housing or for the upgrading of substandard barracks complexes.

The committee's recommendations for each of the military services and the Department of Defense are as follows:

Department of the Army, $812,942,000. This is an increase of $24,605,000 over the amount of $788,337,000 approved by the House and a decrease of $144,958,000 in the budget estimate of $957,900,000. The committee recommends approval of $37,100,000 for the budget transition period.

Department of the Navy, $799,326,000. This is an increase of $70,599,000 over the $728,727,000 approved by the House and a decrease of $54,674,000 from the budget estimate of $854,000,000. The commmittee has recommended $17,200,000, the requested budget amount for the transition period.

Department of the Air Force, $553,700,000. This is an increase of $12,421,000 over the $541,279,000 allowed by the House and a decrease of $149,900,000 from the budget estimate of $703,600,000. The committee recommends $14,000,000, the amount requested for the transition period.

Army National Guard, $62,700,000, and $1,500,000 for the budget transition period.

Army Reserve, $50,300,000, and $2,500,000 for the budget transition period.

Naval Reserve, $36,400,000, and $400,000 for the budget transition period.

Air Force Reserve, $18,000,000, and $1 million for the budget transition period.

Air National Guard, $63 million, and $1 million for the budget transition period.

Department of Defense agencies, $39,300,000. This is $102,200,000 below the budget estimate of $141,500,000 and $20 million above the House allowance.

Family housing, $1,332,244,000. This is $3,007,000 above the budget estimate of $1,329,237,000 and is $12,382,000 above the House allowance.

ARMY

The priority element for the Army continues to be bachelor housing projects. Since the fiscal year 1972 program, the Army has launched housing improvements on a large scale and has obtained approval of $937 million to construct or modernize barracks housing spaces. Today approximately 45 percent of the Army's soldiers are living in modernized or new quarters. The Army states that when completed, the remaining barracks projects approved by Congress in the fiscal year 1972 through fiscal year 1975 programs, together with the German offset programs, will be able to accommodate about three-fourths of all bachelor personnel in good housing. The fiscal year request provides for the construction of 17,733 new bachelor enlisted spaces and 126 bachelor officer spaces as well as modernization of 9,062 existing bachelor enlisted spaces. The Army has placed great emphasis on installations in the United States that support the division station and the one-station training concept. The Army states that upon completion of the projects requested in this year's program, adequate quarters will be available for approximately 80 percent of the Army's bachelor personnel.

Fiscal year 1976 marks the Army's second major increment of projects in the accelerated health facilities modernization program. The $105,413,000 in this year's construction bill accounts for about 13 percent of the Army's total construction program including our projects for additions and alterations to hospitals in the United States and the construction of dental clinics at eight major installations.

The Army has requested approximately $13 million to provide community support facilities. This is about the same as approved in the fiscal year 1975 program. The major portion of the program this year is to provide improved dependent schools in Germany. Also included are chapels and recreation centers and outdoor athletic facilities in the United States.

For many years, the Army has suffered from a shortage of adequate maintenance facilities and the Army this year is spending $43 million to help improve its maintenance situation. This amount is about double what the Army has requested in previous years. The money appropriated in this year's bill will provide for unit level maintenance shops for technical equipment at eight major installations as well as aircraft maintenance facilities that will provide direct and general aircraft maintenance support for a five-State area.

The Army has asked for approximately $59 million to update its supply facilities. This figure is more than double the fiscal year 1975 request. Other important projects for supply facilities include the improvement of supply and storage facilities at five installations in the United States and one in Germany.

This year's bill provides for 10 projects at six Army installations and includes instrumentation and test facilities. Of special interest is a project at Aberdeen Proving Ground which must be built to meet the requirements of the Federal animal welfare laws. The committee has included an important aeromedical research facility at Fort Rucker, Ala.

The Army has requested approximately $135 million for projects in the utilities class, primarily for pollution control and energy conservation programs. The moneys will be spent to improve water systems at five installations, electrical power improvements at five installations, central energy plant improvements at two installations, utility expansion at two installations, road improvements, and for the upgrading of a sewage plant project. The Army also has approximately $5 million in this bill for water pollution control.

In summary, the Army program for fiscal year 1976 is molded to continue the Army's efforts in improving the lot of the soldier by placing emphasis on bachelor housing, dining facilities and medical facilities. This construction bill will go a long way toward supporting the 16-division force and for the urgent needs for energy conservation and shortcomings in nuclear weapons security.

NAVY

As is the case with the Army, the Navy continues to place great emphasis on bachelor housing and community facilities. The Navy has requested $72 million in this year's program or approximately 11 percent of its total program for bachelor housing and community facilities. This year's program will provide new spaces for 5,471 bachelor enlisted and about 132 bachelor officers. The modernization program in this year's bill will provide 325 spaces for bachelor enlisted personnel.

The two largest elements in the Navy's program this year are the request of $100 million for the redevelopment and replacement of the National Naval Medical Center at Bethesda, Md. In addition in this year's program, there is $64,900,000 to complete the construction of the Uniformed Services Medical University also located at Bethesda. Then, in addition, the Navy is requesting some $185 million for the Trident submarine construction at Bangor, Wash. The committee believes that the request for the Trident construction at Bangor, Wash., can be reduced by approximately $20 million because the Navy admits that it cannot use this money in fiscal year 1976. The committee did restore $50 million of the House cut that will enable the Navy to start construction on a drydock for the Trident program.

Included in this bill is $13.8 million for Diego Garcia. The question of Diego Garcia was discussed quite at length in the committee and on a record vote the decision was made to appropriate the money. This additional money for Diego Garcia will allow for the construction of fuel storage, ammunition storage, personnel support facilities, and airfield support facilities.

The Navy continues to upgrade its operational facitities. However, this is one of the largest deficiencies to be found in the Navy's capital structure program. The Navy has allocated approximately $66 million or 8 percent of this year's program to provide airfield pavements, communication buildings, piers, mooring for a floating drydock and dredging. During the hearings, the Navy indicated that in fiscal year 1977, they hope to increase substantially their request for money to support operational facilities.

In the field of energy conservation and pollution projects, the Navy is asking for $29 million. The Navy pointed out that in the fiscal year 1977 program, a significant increase can be expected. Most of this year's program is allocated to the abatement of air and water pollution. The main thrust of the program is to comply with Federal and local standards.

There were a number of substantial additions inserted by the committee to this year's Navy program to take care of deficiencies at Portsmouth Naval Yard, Kittery, Maine, a new project support facility at Newport, R.I., and to build a road extension at the Naval Station, Charleston, S.C., to eliminate a hazardous condition when loading ammunition. The committee did add $3,356,000 for the Pearl Harbor Naval Shipyard, Hawaii, to provide for a machine shop modernization. Also, due to a deficiency in planning and design money, the committee added $9 million, and $4,200,000 to take care of a deficiency in the access road fund.

AIR FORCE

The committee recommends an appropriation for the Air Force of $553,700,000. This is a rather drastic reduction from the budget request of $703,600,000. The largest reduction in the Air Force account was made in the aircraft shelters for Europe. In fact, the committee approved only $53 million for aircraft shelters in Europe and it is felt that these shelters will be adequate to protect our fighter aircraft. The committee did not agree to the additional shelters because it was felt that, together with the shelters already appropriated for, there would be no need to appropriate money for shelters which would be used for airplanes after hostilities started. Furthermore, I must point out that all shelters over the $53 million figure would not be eligible for NATO funding and it has been the policy of the committee since the Congress initially approved aircraft protective shelter program for Europe that these shelters be eligible for NATO recoupment to the U.S. Government for most of the funds expended.

The Air Force in its 1976 program has placed a very heavy emphasis on measures to reduce energy consumption. The Air Force declares its objective "is to reduce facility energy requirements to the lowest practical level consistent with the proper readiness of our military forces." A very important part of the Air Force program to facilitate energy conservation efforts is the increasing use of aircraft flight simulators. Substantial fuel savings will accrue by performing a major part of air crew checkout and proficiency in flight simulators instead of operational aircraft. There is contained in this bill a number of facilities to house flight simulators.

The Air Force is charged with the security program for nuclear weapons. The Air Force has placed on a high priority its nuclear security program in fiscal year 1976. The Committee has recommended in this bill $13.5 million for projects to specifically correct them most critical deficiencies. The Air Force states that this $13.5 million is only the downpayment on a large program that could amount to as much as $50 million.

Medical facilities encompass a large portion of the Air Force budget request for 1976. The medical request consists of four projects totaling $154.6 million. The hospitals at Keesler Air Force Base, Miss., and Lackland Air Force Base, Tex., will be rehabilitated. Specific demands of modern technology have caused the present size and configuration of these hospitals to be completely inadequate. These hospitals are in the military service medical teaching program and will have to be upgraded to meet national medical standards.

The Air Force is continuing its dormitory modernization program and presently the Air Force reports that a large percentage of its dormitories now meet Department of Defense established standards. It is the goal of the Air Force to completely eradicate all substandard dormitories within the Air Force.

The Air Force is spending approximately $10 million for pollution abatement projects in this bill. For 7 years, the Air Force has been pursuing an aggressive program to come into compliance with existing environmental protection standards, both State and Federal. The Air Force declares that it is their goal to completely eliminate pollutant discharge into the Nation's waters by 1985.

The Air Force is continuing the upgrading of its maintenance facilities and, in particular, the modernization of the Air Force's logistics command depot facilities. The sum of $18 million has been recommended for depot facilities in this bill.

DEPARTMENT OF DEFENSE

For the Department of Defense, the committee is recommending an appropriation of $39,300,000. This is $102 million below the budget estimate of $141 million. The most important project that the committee is recommending for the Department of Defense agencies is $20 million for the Defense Nuclear Agency. The $20 million is appropriated to the Agency to clean up the Enewetok Atoll. The native people were removed from the island in the early 1950's to make way for nuclear testing. Strong pleas have been made by the native people to return to their island and the U.S. Government owes a moral obligation as well as a legal obligation to restore to these people their homeland.

RESERVE FORCES

For the Army National Guard, the committee approved $62,700,000 and approval was given for the Army Reserve in the amount of $50,300,000, the budget estimate. The committee recommends approval of the requested $1,500,000 for the Army National Guard and $2,500,000 for the Army Reserve for the budget transition period.

For the Naval Reserve, the committee recommends an appropriation of $36,400,000, the same amount as the budget estimate. The committee recommends approval of $400,000, the amount requested by the Naval Reserve for the budget transition period.

For the Air Force Reserve, the committee recommends an appropriation of $18,000,000. The committee recommends approval of the requested $1,000,000 for the budget transition period.

For the Air National Guard, the committee recommends an appropriation of $63,000,000. The committee recommends approval of the requested $1,000,000 for the budget transition period.

Mr. President, I ask unanimous consent that there be included in the record a comparative statement of the appropriations for the fiscal year 1976 and the estimates and amounts recommended in the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976

					Increase (+) or decrease (−), Senate bill compared with—		
Agency and item	New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority, fiscal year 1976/transition	New budget (obligational) authority, recommended in House bill	Recommended by Senate committee	Appropriations, new (obligational) authority, fiscal year 1975	Budget estimates, new (obligational) authority, fiscal year 1976	House bill, new (obligational) authority
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Military construction, Army	$656,825,000	$957,900,000	$788,337,000	$812,942,000	+$156,117,000	−$144,958,000	+$24,605,000
Transition period		37,100,000	37,100,000	37,100,000			0
Military construction, Navy	606,376,000	854,000,000	728,727,000	799,326,000	+192,950,000	−54,674,000	+70,599,000
Transition period		17,200,000	17,200,000	17,200,000			
Military construction, Air Force	456,439,000	703,600,000	541,279,000	553,700,000	+97,261,000	−149,900,000	+12,421,000
Transition period		14,000,000	14,000,000	14,000,000			0
Military construction, Defense agencies	31,260,000	141,500,000	19,300,000	39,300,000	+8,040,000	−102,200,000	+20,000,000
Transition period		1,000,000	1,000,000	1,000,000			0
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	0	0	0
Transition period							
Military construction, Army National Guard	59,000,000	62,700,000	62,700,000	62,700,000	+3,700,000		00
Transition period		1,500,000	1,500,000	1,500,000			00
Military construction, Air National Guard	35,500,000	63,000,000	63,000,000	63,000,000	+27,500,000	0	0
Transition period		1,000,000	1,000,000	1,000,000			0
Military construction, Army Reserve	43,700,000	50,300,000	50,300,000	50,300,000	+6,600,000	0	0
Transition period		2,500,000	2,500,000	2,500,000			
Military construction, Naval Reserve	22,135,000	36,400,000	34,835,000	36,400,000	+14,265,000	0	+1,565,000
Transition period		400,000	400,000	400,000			0
Military construction, Air Force Reserve	16,000,000	18,000,000	18,000,000	18,000,000	+2,000,000	0	0
Transition period		1,000,000	1,000,000	1,000,000			0
Total, military construction	1,927,235,000	2,887,400,000	2,306,478,000	2,435,668,000	+508,433,000	−451,732,000	+129,190,000
Transition period		75,700,000	75,700,000	75,700,000			0
Family housing, Defense	[1] 1,255,984,000	1,329,237,000	1,319,862,000	1,332,244,000	+76,620,000	+3,007,000	+12,382,000
Transition period		310,639,000	310,639,000	310,639,000			0
Portion applied to debt reduction	−103,430,000	−107,617,000	−107,617,000	−107,617,000	−4,187,000	0	0
Transition period		−27,239,000	−27,239,000	−27,239,000			
Subtotal, family housing	1,152,554,000	1,221,620,000	1,212,245,000	1,224,627,000	+72,073,000	+3,007,000	+12,382,000
Transition period		283,400,000	283,400,000	283,400,000			0
Homeowners assistance fund, Defense	5,000,000				−5,000,000		
Transition period							
Grand total, new budget (obligational) authority	3,084,789,000	4,109,020,000	3,518,723,000	3,660,295,000	+575,506,000	−448,725,000	+141,572,000
Transition period		359,100,000	359,100,000	359,100,000			0

[1] Includes $10,194,000 appropriated in 2d Supplemental Appropriations Act, 1975 (Public Law 94-32).

Mr. MANSFIELD. Mr. President, this completes my statement. I would be most pleased to answer any questions Senators may have concerning specific construction programs or projects in their States.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text and that no points of order be considered as waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 2, in line 7, strike out "$788,337,000" and insert "$812,942,000".

On page 2, in line 20, strike out "$728,727,000" and insert "$799,326,000".

On page 3, in line 7, strike out "$541,279,000" and insert "$553,700,000".

On page 3, in line 20, strike out "$19,300,000" and insert "$39,300,000".

On page 5, in line 20, strike out "$34,835,000" and insert "$36,400,000".

On page 6, in line 18, strike out "$1,319,862,000" and insert "$1,332,244,000".

On page 6, in line 23, strike out "$83,318,000" and insert "$95,700,000".

Mr. STEVENS. Mr. President, the bill which the Appropriations Committee has brought before the Senate represents a reasoned approach to meeting the construction needs of the Armed Services and Defense agencies, while being mindful of the budgetary constraints under which we are operating.

As the Budget Committee combined the military construction bill with the Department of Defense Appropriations, we have been given no specific target for this bill. We are some $141.5 million over the House-passed level, but $448.7 million below the budget request.

Our committee has agreed with the House in deleting several sizeably projects. One of these is the Army's request for a reception station at Fort Benning, Ga., which would be required to implement the one station training concept. As the Army's evaluation of this experimental program is not yet complete, we felt that this sizeable construction item could be delayed pending a more compelte analysis of the costs and benefits associated with the OST program. We have also cut some $9 million from the Air Force request which would have been used to build dormitories for airmen stationed at Galena AFB, Alaska. There is no question that his project is urgently needed—the existing facilities are woefully inadequate, and there is no available housing in the Indian community of Galena. Yet, the costs associated with this project are more than three times the national average. This is due, in large part, to the impact of the Trans-Alaska pipeline project and construction costs in my State.

The Senate committee recommends reinstatement of the $20 million cut by the House for the cleanup of Eniwetok Atoll. At the time we moved the residents of Eniwetok so the United States could use the area for testing nuclear weapons, our Government promised that we would return Atoll to a habitable state and in 1972 reaffirmed this decision. It is a somewhat costly project, and we do not yet have a final estimate of the total costs. However, we do have a definite obligation to these people and the committee feels most strongly that the cleanup effort should begin immediately. The committee is also concerned with the Government's responsibility to Americans who have been adversely affected by weapons testing and war debris. Situations similar to those at Eniwetok exist on the Island of Kahoolawe in Hawaii and on the Aleutian Islands in Alaska.

In the committee report we have requested that the Department of Defense investigate the feasibility and costs associated with restoring these two areas to a habitable condition. Findings of this study are to be reported to the Congress within 1 year.

Both the House and committee version of the military construction bill contain $64 million to complete construction of the Uniformed Services Medical University which is located in proximity to Bethesda Naval Hospital. Graduates of the university incur a 7-year obligation for active service. It is anticipated that this longer period of active service will result in a much higher retention rate than is presently the case under the scholarship plan.

No doubt the most controversial item contained in our bill is the $13.8 million for construction of a naval support facility on Diego Garcia. On this question I respectfully differ with our distinguished chairman of the subcommittee, Mr. MANSFIELD. Years ago we agreed not to be the instigator of military buildup in the Indian Ocean.

The first increment of construction funds was requested by the Navy in 1970. The authorizing committees and House Appropriations Committee approved this request but it was denied in the Senate. In conference, the House receded. The next year the Navy reduced the scope of the original request from a logistical support facility to a "limited communications facility." This was approved, and the communications project is essentially complete.

Last year, as you will recall, the Armed Services Committees in authorizing $14.8 million for the first increment of construction added a special provision to the bill requiring that the President certify that the construction of the Diego Garcia facility was essential to the national interest of the United States. In this year's hearings the Secretary of Defense testified to a Soviet buildup at Berbera in Somalia which was confirmed by onsite inspection by members of the Appropriations Committee. The certification required of the President was transmitted to Congress on May 12, 1975.

In the following 60 days of continuous session, neither House adopted a resolution disapproving such a project. Now, as far as I am concerned there should be no further debate on this issue. Let me quote from the Appropriations Committee conference report of last year.

> The conferees agreed to delete all funds specifically earmarked for the construction of facilities on Diego Garcia; however, that action was agreed upon with the clear understanding that if neither House adopts a resolution of disapproval, in accordance with the provisions of section 613 of the Military Construction Authorization Act, 1975, for the construction of any facility requested for Diego Garcia, any construction funds available to the Navy and the Air Force in the appropriations act may be utilized by the Navy and the Air Force to carry out the construction project."

The administration has fully met all requirements which we stipulated with regard to Diego Garcia. The Congress did not meet its own requirement of a resolution of disapproval within the timeframe which we ourselves set. We should, therefore, proceed immediately to get this essential project underway.

I would also remind my colleagues of our vital economic interest in oil shipped from the Persian Gulf. We must be in a position to maintain our rights to navigate freely on the high seas. Our credibility depends on the ability of our military forces to function efficiently and effectively in a wide range of circumstances. Presently, our logistic facility closest to the Indian Ocean is 4,000 miles away. If we are to maintain flexibility and responsiveness, the only alternative to a support facility at Diego Garcia would be an inefficient and costly increase in naval tankers and other mobile logistics forces.

A distinction must be drawn between facilities and force presence. The proposed construction would enhance our capability to provide support to U.S. forces operating in the area; however, there is no intention to permanently station operational units on Diego Garcia. If the request is approved for this year and next year, the facility would have the capability to support 600 permanent personnel—hardly enough to be called a third ocean navy.

The Soviet naval presence in the Indian Ocean has grown slowly but steadily since March of 1968. They now maintain a task force of 15 to 20 ships, half of which can be classified as combatants.

Most of us are familiar with the writings of Sergei Gorshkov, Commander in Chief of the Soviet Navy, regarding the Russian efforts to rival the United States in potential capacity to control the world's oceans. I find it most significant that Adm. Elmo Zumwalt, Jr., in both his introduction and conclusion to the book, took notice of the growing Soviet presence in the Indian Ocean. Admiral Zumwalt states that the peacetime mission of the Soviet Navy has three facets:

First. To counterbalance the influence which the United States derives from its overseas naval forces by deploying Soviet forces in close proximity and in configurations which implicitly threaten preemption of U.S. capabilities;

Second. To solidify the image of the Soviet Union as a superpower with global interests, capable of employing military power anywhere those interests may require; and

Third. To exert pressures in support of Soviet political goals in areas of particular importance to the U.S.S.R.

The growing Soviet presence in the Indian Ocean is an illustration of this. Here, the Soviet Navy supports a variety of political objectives, including isolation of the People's Republic of China; the encouragement of radical nationalistic regimes along the Arabian peninsula and the East African littoral; and the enhancement of Soviet influence with the oil importing nations who cannot help but observe that Soviet capabilities to operate along the critical Indian Ocean routes—which at any one time contain 50 percent of the seaborn oil in transit in the world—imply an ability to jeopardize their own economic viability, should the Soviets choose to do so. The logistics infrastructure of the Soviet Union around the Indian Ocean is capable of supporting a much larger presence than is currently there.

I expect that other Senators will wish to be heard on this question, but I would hope that it can be resolved without extended debate as we have had the question thoroughly discussed previously in this Chamber.

Finally, I would like to express my sincere appreciation to Mr. MANSFIELD for the effort he has put into this bill and for his fairness in listening to all points of view on controversial items.

The PRESIDING OFFICER. Who yields time?

The bill is open to amendment.

AMENDMENT NO. 1054

Mr. CULVER. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 10, between lines 21 and 22, insert a new section as follows:
>
> SEC. 112. None of the funds appropriated in this Act may be used prior to July 1, 1976, for the purpose of carrying out any military construction project on the island of Diego Garcia.

Mr. CULVER. Mr. President, this bill contains $13.8 million in funds for military construction on the island of Diego Garcia. My amendment would defer—not cut—use of those funds until next July 1.

My purpose in offering this amendment, No. 1054, is not to repeat the debate on the merits of expanding our military installations on that island. We had that debate last July, as the distinguished Senator from Alaska has noted. Although I still believe that it is unwise to proceed with this project, my amendment is directed simply to the scheduling of construction.

Both supporters and opponents of this project have found common ground on the principle that negotiations should be attempted with the Soviet Union on the question of mutual arms restraint and limitations in the Indian Ocean.

This hope was expressed in the Senate Armed Services Committee's own report on September 5, 1974, though that view was ignored by the executive branch.

The desirability of negotiations was expressed in the July 28 debate on this subject, and the distinguished Senator from Washington (Mr. JACKSON) offered a separate resolution to that effect.

The Senate itself has already gone on record, in the Kennedy amendment to the the State Department authorization bill, in favor of mutual arms restraint and calling on the President to report his efforts in this regard.

Despite these clear indications of congressional sentiment, the executive branch has consciously chosen not to make any approach to the Soviet Union on this issue. The last time the subject was even broached was in 1971.

If the détente which has supposedly flowered since then has any meaning—and I would agree that there is some serious question about this whole area—it should at least permit or if the President were to determine that we were to complete construction as part of a mutual agreement, discussions about mutual arms restraint in the distant reaches of the Indian Ocean.

The purpose of my amendment is merely to allow a few months for those talks to get going, a few months in which we would demonstrate our willingness to show restraint.

Until now, the executive branch has been unwilling to negotiate and unwilling to show any restraint. As a result, the United States has borne the brunt of criticism from other nations of the Indian Ocean area concerning this project.

A good faith effort at negotiations, coupled with visible restraint in our base construction, could help shift the onus for great power rivalry in the Indian Ocean to the Soviet Union.

Mr. President, while this amendment is intended to provide an opportunity for negotiations, it cannot require those negotiations. But I want the legislative history to be clear.

Nor does this amendment deny construction funds. The base expansion project could still proceed after July 1, 1976—unless, of course, the Congress or the President chose to halt further construction as part of a mutual agreement.

Mr. President, I also want to make clear that initial construction using fiscal 1975 funds totaling $14.8 million can still proceed. The funds that we debated and approved in July—money which we are not contesting here, and of course, has already been determined by Congress to be made available to the executive—will provide a pier and it will provide two-thirds completion of the fuel storage program. The finished project will involve a 28-day supply. We have testimony from the Navy that the utilization of the funds already approved will provide 21 of those 28 days without any additional requirement for funds that is included in the fiscal year 1976 request.

The available funds will also provide, an extension of the runway.

Those facilities will be usable on completion, regardless of fiscal year 1976 funding. They are authorized and will be in place regardless of the 1976 funding. The modest amount in phase two of this expansion program will only permit the completion of some relatively gold-plated aspects of that facility. For example, we have 1,100 people there now in temporary housing. Some of this money would go to permanent housing, for an estimated 580 people.

Mr. President, this effort at negotiations is particularly urgent now because of the diplomatic backlash which has occurred following the Senate's vote last July 28, which we predicted during the course of that debate.

Somalia, which had been receptive to the suggestion of a U.S. naval visit, whose President came to our President in the fall of 1974 and gave an official invitation to the U.S. Navy to visit Somalia, followed with suggestions for specific dates in June of 1975. Now, as a result of the debate and the action by the U.S. Senate, that U.S. naval port visit is no longer on. Such a visit may have been a way of reducing Somalia's current dependence on the Soviet Union, and that opportunity for the U.S. Navy to show the flag was lost. They have deferred any scheduling of such a visit because the atmosphere after the debate this summer was not conducive to a friendly visit by the U.S. Navy.

Second, several officials of other nations publicly reiterated their opposition to the proposed U.S. base expansion: the Indonesian Foreign Minister on August 1; the Indian Foreign Minister on numerous occasions; the Australian and Malaysian Prime Ministers on October 17, just a few days ago.

Some 82 nations attending the Conference of Foreign Ministers of the nonalined countries in Lima, Peru, adopted a resolution on August 30, following the Senate debates, which "condemns the maintenance and expansion of foreign and imperialist military bases such as Diego Garcia as well as the continuing escalation of great powers' military rivalry and tension in the Indian Ocean, contrary to the expressed wishes of the littoral and hinterland states and of the international community."

And then last week, according to the Baltimore Sun, delegates to the British Commonwealth Parliamentary Conference, meeting in New Delhi, devoted all of their working sessions on the first day of the conference to discussion of the tension generated by the U.S. decision to go ahead with the Diego Garcia base.

This diplomatic backlash was predictable and avoidable.

It was unavoidable after the actions we took this summer. In my judgment, Mr. President, we can still recoup our standing if we defer the base expansion for a few months and proceed affirmatively to seek mutual arms limitations with the Soviet Union.

Another factor contributing to this outpouring of criticism was the series of recent disclosures about how the United States acquired this base in the first place.

In response to a Senate-approved amendment requiring a report on this subject, the State and Defense Departments submitted a report on October 10. This report reveals for the first time, officially, by our Government:

The 1966 United States-United Kingdom agreement granting base rights included secret provisions requiring the removal of local residents and compensating—secretly—the British for up to $14 million in acquisition expenses. This was never submitted to the Congress for approval.

It was never publicly acknowledged, and, in fact, the public official record of that agreement says that the base rights would be acquired by the U.S. Government at no expense at all.

These provisions were not even fully reported to Congress, Mr. President. I was 10 years on the House Committee on Foreign Affairs. I am now on the Senate Committee on Armed Services. If there is one lament I hear, day after day, in these corridors, it is "They never listen to us; they never pay any attention to us. We make these requests and we ask for these reports and we require consultation, and they ignore us."

Mr. President, I say why should they not?

Why should they not ignore us when we make these specific requests and directives such as included by the Armed Services Committee in its report saying that the President should go forward and explore the diplomatic opportunity for negotiations before coming back here, and the State Department arrogantly disregards that express directive, and comes back here and says, "We did not pick up the phone."

You will recall when Secretary Rusk used to say, "If they want to negotiate all they have to do is pick up the phone."

The phone is ringing. They do not even pick up the phone when Congress gives them an express directive to do so. Then when they come back here, arrogantly and in obvious disregard of congressional intent, we go around saying, "Let us do whatever you want us to do, and we are awfully sorry if it inconveniences you all, but we really feel it is important to exercise congressional oversight. But if you want to have a secret deal, if you want to have a coverup, if you want to move people in violation of the Universal Declaration on Human Rights, go ahead and do it."

We in Congress are saying in effect to the executive branch we agree with you.

America does not stand for anything but power. We do not care anything about the sensibilities of the people in that area. You are charged with the foreign policy and the diplomacy of this country, but if you do not do it we do not care. Do not talk before we build. We do not have to be responsive and at all concerned about the heartfelt beliefs and opinions of mankind in that area despite how counterproductive and costly it is going to be to our true national interests if we continue to act this way.

The executive branch says "We will cut a secret deal unknown to Congress. We will then come up to Congress and we will publicly testify. We will say that one of the attractive features of this base location is that there are no people on it even though we moved them off."

For 2 years, Mr. President, we had a parade of witnesses from the Department of Defense and the State Department coming before committees of this Congress and uniformly saying that, "One of the attractive things about this base to all you elected representatives of the American people is there are no people there, and we are not going to get involved in any of these difficult diplomatic problems that characterize some of our base agreements and understandings elsewhere."

What they did not honestly tell the people and tell Congress is that they made a secret deal in 1966 with the British; worse than a secret deal, they put out a public document that was misleading, and they went ahead and privately made a deal to move these people against their will, some of whom had been on those islands for five generations, to Mauritius, and they falsely told them that when they got to Mauritius they were going to have new homes and jobs. None of them left willingly. They were sent there and right now, today, as this Senate in all of its affluences debates this issue, those people are living in abject misery and poverty, in degradation and human despair. And we get one of the sanitized, incredible statements from the State Department which says, "It is the British responsibility."

Well, if the moral reach and the conscience of this country is not any stronger than that kind of insensitive, callous, arrogant statement, then America has lost a lot more than a base opportunity in the Indian Ocean. It has lost its moral credibility, what it stands for in terms of human decency in the world community.

Now, Mr. President, the former inhabitants of Diego Garcia were evicted against their will; $14 million was secretly promised by discounting the R. & D. on Polaris missiles sold to the British. Those people went into a sewer, and God knows which politicians' pockets got lined, and today those former inhabitants have never received their promised land, and they have never received the necessary resettlement assistance.

These recent disclosures only compound the problems for American policy in the Indian Ocean.

Mr. President, we have time to try to repair the damage to the U.S. position if we adopt this amendment.

There is no real urgency to this fiscal 1976 money. There is no urgency to this money. The money we have already appropriated this summer has not even begun to be obligated by the Navy. We are not talking about cutting funds. We are talking about deferring them until July 1.

Let us make the overture on negotiations. If the Soviet Union stubbornly refuses to negotiate in good faith, build this base. But then we are going to build it with a burden on them. Then we are going to build it, having demonstrated to all these littoral area and hinterland states that America made that good-faith effort to avoid another insane super power arms race in the Indian Ocean, one of the few places on Earth that has been relatively spared this kind of mad competition which only increases the likelihood of war and damages our true national security interest in continuing our current access to ports in that whole area.

Mr. President, the fiscal 1975 construction funds were delayed 5 months by the President before he certified the base as necessary. In the more than 3 months since the Senate action freed fiscal 1975 funds, the Navy has yet to obligate funds for this project. In other words, the construction requested for this fiscal year is already more than 10 months behind schedule, and they cannot possibly use this money. It only makes good sound fiscal sense in the interest of the American taxpayer to wait until July 1, in the hope that some of this money may not be necessary. Or it can be used as a bargaining chip and leverage to complete that construction if the Soviet Union does not demonstrate any mutual interest in arms restraint.

Now, Mr. President, in view of these facts, and in recognition of the importance of trying to avoid a costly naval arms race in the Indian Ocean with the Soviet Union, this amendment is a modest effort to encourage those much-needed negotiations and to get the State Department to do what it was told to do by Congress on repeated occasions, and through deceit, through deception and through arrogance it heretofore has refused to carry out that expressed will of this Congress.

Mr. President, it is not my purpose to try to undo what has been done. Congress has duly approved the base expansion, as the Senator from Alaska has stated, and while I opposed it with all the strength at my command last summer, I do not now question the decision.

The case I am making this afternoon is that since authorization of the base expansion was approved, further information has come to light that does place a new focus on Diego Garcia in the context of our long-range foreign policy objectives as a people and as a Nation. And, as a consequence, I deeply believe that a delay of a few months in the further expansion of this base is in the national interest, properly defined.

There is a larger issue at stake than the expansion of an island base in the Indian Ocean. It is this: If we are ever to slow down the snowballing arms race, the first principle of our foreign and defense policy must be to try the option of diplomacy before we proceed with force; and at a time when détente would appear to be the keystone of our foreign policy, it is absolutely incredible to me that this administration disdains even to try to test the Soviets out regarding mutual arms restraint in this presently stable area of the world.

As a result, Mr. President, we see the military actually shaping our foreign policy, with the State Department in the typical role of ex post facto rationalization of the die that has already been cast.

Mr. President, I believe this is the kind of determinism that must be rejected if we are ever to be liberated from the treadmill of astronomic escalation of the international arms race.

Mr. President, I urge favorable action on the amendment.

Mr. President, I discussed the matter of the relocation of the former residents of Diego Garcia in greater detail on Tuesday before the Special Subcommittee on Investigations of the House International Relations Committee. I ask unanimous consent that the text of my statement at that time be included in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHN CULVER

I appreciate and welcome this invitation to appear before this distinguished subcommittee to discuss the matter of Diego Garcia, and in particular the treatment given the former inhabitants of that small atoll in the Indian Ocean.

I have joined with many of my colleagues in the Senate to oppose construction of a major U.S. military installation on Diego Garcia. The arguments we have stated previously have been strengthened, in my judgment, by the disclosures of recent weeks.

When this issue was considered by the Senate in July, under provisions of law making approval of the base expansion contingent upon Presidential certification of necessity and Congressional acceptance, we argued as follows:

1. Diplomacy should be tried first. Specifically, the United States should seek discussions with the Soviet Union on mutual naval arms limitations in the Indian Ocean.

Inexplicably, no approach to the Russians on this subject had been made since 1971. This fact was admitted last year in testimony before Congressman Hamilton's subcommittee on the Near East and South Asia, and again repeated before the Senate Armed Services Committee this year. No effort was made in the intervening months to try this diplomatic approach, despite the Senate Armed Services Committee's specific request.

When other Senators and I raised this matter with Soviet officials during interparliamentary meetings in Moscow in July, we were given reason to believe that the Soviet Union might respond favorably to an American initiative to seek means of reducing tension in the Indian Ocean. Senators Hart of Colorado, Leahy of Vermont, and I offered the specific suggestion of seeking a bilateral understanding to limit ship-day deployments in that region.

Despite those indications and other Congressional urgings for negotiations, the State Department rejected the suggestion and relied instead on the old bargaining chip argument—that we should build our base first, and then talk about talking.

We are still at an impasse on negotiations. Nothing is being done to avert a costly superpower arms race in the Indian Ocean, which according to defense analysts at the Brookings Institution could lead to a 3-ocean U.S. Navy, at a cost of $5 to $8 billion in new procurement and $800 million per year in increased operating costs.

Surely diplomacy should be tried before we are caught up in such an arms race.

2. Our second major argument, Mr. Chairman, was that the proposed Diego Garcia base was not necessary or urgent for military reasons at the present time, thus allowing an opportunity for negotiations.

Without going into elaborate detail, the simple fact is that—notwithstanding increased Soviet naval presence and the limited facilities at Berbera, the United States can easily deploy vastly superior firepower. Deputy Assistant Secretary of Defense James Noyes so admitted to this Subcommittee on June 5.

The fact is undeniable because we have giant aircraft carriers and the USSR at present has none. The U.S. Enterprise, for exexample, carries over 60 planes, many with an effective radius of over 700 miles. The Russians cannot match that kind of firepower.

And whether or not we build a base at Diego Garcia, we can still maintain tactical military superiority in the Indian Ocean.

3. Our third argument was that the proposed base expansion ran the risk of alienating the nations along the Indian Ocean littoral, which have been vocal and adamant against this base. No nation of the area had gone on record favoring such a U.S. base. On the contrary, all have supported repeated United Nations efforts in the so-called Zone of Peace resolutions to forestall great power military rivalry in the Indian Ocean.

We believe that proceeding with base expansian, in the face of such opposition and without having made a good faith effort at negotiations, might well jeopardize U.S. policy in that area. We seek friendly relations with those countries. American ships currently have access to some 36 ports for refueling.

If we proceed in arrogant disregard of the views of those nations, we may well find that access denied, particularly when it might be most needed.

Already we are suffering from a diplomatic backlash as a result of the Senate's vote permitting a go-ahead on Diego Garcia construction.

Somalia, which had been receptive to the suggestion of a U.S. naval port visit, perhaps as a way of reducing its current dependence on the Soviet Union, deferred any scheduling of such a visit because the atmosphere after the debate earlier this summer was not conducive to a friendly visit.

Only last week, delegates to the British Commonwealth Parliamentary Conference, meeting in New Delhi, criticized the U.S. base expansion plan. According to the Baltimore *Sun*, "The opening day (of the Conference) devoted all its working sessions to discussion of the tension that is being generated because of the American decision to go ahead, in spite of opposition from all littoral and hinterland countries." The headline read: "U.S. Draws Fire on New Naval Base."

Mr. Chairman, this backlash was predictable and avoidable. We can still recoup some of our standing if we proceed affirmatively to seek mutual arms limitations, and especially if we defer base expansion for a few months until diplomacy has been tried, which would possibly obviate the need for the base.

In the meantime, we face renewed criticism because of disclosures about the acquisition of base rights on Diego Garcia.

Early in September, the Washington *Post's* African correspondent, David Ottaway, visited Mauritius and discovered a colony of former residents of Diego Garcia who are now living in what he called "abject poverty." He also revealed that these people had been forced to move from their homes in order to make way for the planned U.S. base, and were then not provided promised assistance for relocation and reestablishment.

No witness in any of the 1974 or 1975 appearances before Congress mentioned that there had been inhabitants living on the island, some for generations.

In fact, Congressman Hamilton's Subcommittee was told just the opposite last year, when a State Department witness testified on March 6:

". . . the nature of the island itself, which is a rather small piece of land, is also fortuitous in that it has no local population whatsoever so we have a minimal degree of the sort of political problems that are sometimes associated with establishing a facility of this sort."

The only other references were to Diego Garcia as "uninhabited."

My staff went back and discovered obscure references in classified documents given to Congress in the early 1970's, when people were still living there, but even these called the residents "rotating contract personnel," thus clearly implying only temporary residence.

Mr. Chairman, that testimony was either based on ignorance or was deliberately misleading. In either case, the Congress was denied full and accurate information about this major military initiative.

When the Pentagon proved slow to provide full details on the eviction of the former inhabitants of Diego Garcia, I introduced an amendment, adopted by the Senate requiring a full report.

Pending disposition of that amendment in conference, the State and Defense Departments provided, on October 10, a 9-page "Report on the Resettlement of Inhabitants of the Chagos Archipelago." This report was apparently intended to respond to the Congressional demand for background information.

Mr. Chairman, I would request that a copy of this report be included in the hearing record at this point.

Mr. Chairman, this report generally confirms the press reports which have come out in recent weeks and reveals that the whole base acquisition and the accompanying depopulation of Diego Garcia was tarnished by secret agreements withheld from the appropriate committees of the Congress.

In barest outline, the facts are these:

In 1964, approximately 1,000 people lived in the Chagos Archipelago, of whom nearly 500 were on Diego Garcia, where they were engaged in the production of copra and other coconut products.

Of these people on Diego Garcia, about half were considered "ilois"—that is, those native or otherwise closely oriented to the islands rather than to Mauritius or the Seychelles.

In 1966, the United States and the United Kingdom signed an executive agreement granting American military base rights for 50 years.

One of the provisions of this public agreement requires consultation on "administrative measures" to enable the island to be used for defense purpose. In fact, those measures were to be the de-population of the Island.

Another provision, paragraph (4), says quite explicitly: "The required sites shall be made available to the United States authorities without charge."

In fact, the accompanying secret agreements provided that the United States would compensate Britain for acquisition expenses by waiving due as surcharges for research and development of the British-purchased Polaris Missile System. The U.S. Government promised to bear half the cost, up to $14 million, by such waivers.

There is no record that the Congress was told of these secret arrangements in 1966. The earliest notification, which was sparse and vague, came in the Spring of 1969, by which time over $9 million in surcharges had been waived. Even so, the State Department report mentions only House Appropriations and Senate Foreign Relations Committees as recipients of this information. Omitted from the select list were: House Foreign Affairs; Senate Appropriations; and House and Senate Armed Services Committees.

While the Congress was left in the dark, the local inhabitants were evicted and relocated on Mauritius. Some of this was accomplished gradually between 1965 and 1971 by refusals to renew work contracts. During 1971–73, the remaining residents were given Hobson's choice of leaving—or staying and starving.

The next sad chapter of this story took place in Mauritius, where the Diego Garcians were kept together, poorly housed, denied the promised land and money to start a new life.

The State Department report washes its hands of this problem and places all responsibility for the people on the United Kingdom. Whether or not that may be true in a legal sense, I believe that we cannot so lightly dismiss America's role and responsibility in these events.

Simply put, these people were evicted from their homes only when and because the United States wanted to build a military base.

We add nothing to our moral stature as a nation by trying to sidestep all responsibility for these people. We should be pressing, aggressively, for prompt action by the governments concerned, either to return these people to some nearby islands or to provide them the homes and livelihood once promised them on Mauritius.

Mr. Chairman, we still have an opportunity to turn back from our base expansion program by deferring further expenditures until diplomacy has been tried.

The recent disclosures about the origins of this base only serve to strengthen the case against construction.

As the Washington *Post* put it in a September 11 editorial: "The dubious case for planting an American base and fleet in the Indian Ocean has been rendered practically indefensible by disclosure of how the site got to be the 'uninhabited'—and therefore politically uncomplicated—place which its United States government sponsors repeatedly proclaimed it to be."

Mr. Chairman, Diego Garcia has a symbolic importance in the context of our foreign policy objectives far beyond the immediate issue of expanding a naval base to accommodate carrier task forces.

The military expansionists in our Defense and State Departments push on inexorably like a giant bulldozer, oblivious to diplomatic options, oblivious to violations of human rights, oblivious to the strong objections of nations friendly to us, oblivious to the clear risk of inciting a new super-power arms competition in a comparatively stable area of the world.

What happens is the means become the end and military expansionism, in effect, assumes command of our foreign policy with diplomacy in the role of ex post facto rationalization.

This is the true lesson and portent of Diego Garcia.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CULVER. I yield.

Mr. MANSFIELD. Mr. President, I yield myself 3 minutes or as much time as I may desire.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I want to commend the distinguished Senator from Iowa for laying before the Senate the facts as they exist concerning the acquisition of Diego Garcia and the fact that just within the past several months additional information comes forth which was withheld from the Congress during all those years, not beginning in 1971, but going back into the early 1960's.

I should point out that the justification for the building of an "austere communications facility" on Diego Garcia was because we were being forced out of Kagnow, a communications station in Ethiopia on the African mainland.

Finally, because of this factor, we did agree to create an austere communications facility only at Diego Garcia.

But Kagnow is still in operation as a communications center; Asmara in Eritrea is still in operation as a communications center. As Senators will recall from reading the newspapers, four enlisted men from the Kagnow communications station have been captured and are being held by guerrillas in Eritrea, or at least the Eritrean part of Ethiopia.

I have noticed that whenever Diego Garcia is mentioned the word "oil" crops up—"oil"—and what this means is that we are in a position to become directly involved in the affairs of the Middle East, just as we did when we voted to send 200 technicians to patrol the Sinai between the Egyptian and the Israeli armed forces.

Yes, oil is a very important word. A very important fact, in my opinion, in considering the situation in the Middle East and what we are doing to make sure that we protect the sea lanes leading to oil, even though none of the oil-producing countries—none of them—none of the oil-producing countries are in favor of our establishing a base of any kind at Diego Garcia. But oil crops up all the time.

And do we remember the implied threats by members of this administration earlier this year that under certain circumstances there could be an intervention in the oil-producing nations of the Middle East?

Yes, they were mentioned by one, two, three of the highest officials in this administration and the language was not only implicit, but very plain.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. MANSFIELD. Three more.

Now we find that we are going far beyond an austere communications facility, going into a new ocean, undertaking a process which is going to cost us not tens of millions, not hundreds of millions, but, in my opinion, before we are through, billions of dollars.

And the cry is raised, "Well, our nearest base is 4,000 miles eastward at Subic Bay in the Philippines."

What of it?

We have the facility to transport our ships into various parts of the Indian Ocean, if need be. But do we need a naval installation there which could well get us into trouble, get us involved in another war and get us directly involved in the affairs of the Middle East, which is the cockpit of the world?

I wonder if we will ever learn or are we going to pile mistake on mistake on mistake?

Was not one Vietnam one too many?

Who do we think we are, with a population of 215 million people, rapidly becoming a have-not nation, over $½ trillion in debt; who do we think we are to patrol all the oceans of the world?

We have not got the manpower, we have not got the resources, and I would hope that for a change, every now and again, we would stop, look, and listen—to use the old railroad sign—before we give the Pentagon all these sums which they want to go ahead to do what they want in any part of the world.

I am afraid that all to often we have said, "Yes, sir," too many times without thinking through the factors inherent in a situation and I am afraid if we keep up on this basis that the result economically and otherwise will be, indeed, drastic for this country.

I commend the distinguished Senator from Iowa and I certainly will support his amendment, although I would like to support an amendment which would knock out Diego Garcia completely.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I will yield.

The PRESIDING OFFICER. Five minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, we have been on this subject of Diego Garcia for many, many years. Not just through the Nixon administration, or the Ford administration, but actually starting back in the Kennedy administration and the Johnson administration.

I want to go back a bit in history on this and recall that a little over 100 years ago we acquired Alaska and set up the machinery to acquire Hawaii.

We probably heard on the floors of both Houses the same type of criticism, although I do not think as violently antimilitary as we are hearing in this discussion. But the value of these two acquisitions was demonstrated when the Pacific became our focal point of foreign policy, and, by the way, it still is, because with the attack on Pearl Harbor by the Japanese, even though that nearly destroyed it, we were able to have a base of operations in that strategic area of the world.

Now, getting over to the Indian Ocean, I think we can recognize that it is the most strategic point of the whole world. It has always been a peaceful ocean and it should remain a peaceful ocean.

We have from time to time had our naval presence felt there, merely by sailing parts of the fleet over from Subic Bay, but the Soviets have changed that.

I would like to think of being able to sit down and negotiate with the Soviets on arms reduction. I would hope the day would come when they would agree to multilateral arms reduction. But, Mr. President, they have not talked about it yet. In fact, I believe of 51 or 52 agreements we have made with the Soviets, they have violated all but one.

I would go into any discussion with them in a very apprehensive way.

I do not represent the thought that we want to have a confrontation with the Soviets in the Indian Ocean and neither do I subscribe to the idea that we leave the Indian Ocean to the Soviets—and anyone who thinks that they are not moving in that direction just does not understand the whole situation in that ocean.

The great interest of the Shah of Iran is not necessarily on our side, per se, but it is to protect that part of the world against encroachment of the Soviets. One possibility that he sees is the agreement of Afghanistan to build a highway or railroads toward the Indian Ocean and the possibility that Pakistan, although we do not think so, but Pakistan might go along with that agreement and then we would find the Soviets with railroad and highway access to the northern parts of the Indian Ocean.

Mr. President, let me remind my colleagues that a relatively few years ago we had a large number of ports available to us around the periphery of Africa. We have lost 16 of them and those still available to us are not deep water ports and they are hardly ports of protection.

So the question comes to me with the Indian Ocean, in my opinion the strategic center of the world—and I might say not for oil, I would say this was necessary if we had never heard of oil, if the Middle East did not produce oil—we have to keep the four lanes open.

One of the great theories advanced from time to time by the strategists in the Navy, and this is backed up by strategic reviews around the world, is called the theory of the straits. It argues that the country that can control Gibraltar, control Suez, control Malacca, and those are the straits we are interested in, and control the Panama Canal, can control the ocean travel of the entire world.

Now we see a situation in the Mediterranean where I think we are safe in assuming that the Soviets could run us out of the Mediterranean not with any easy effort but because of the land-based airfields they have acquired around the periphery of the Mediterranean. It would make it almost impossible for our fleets to stay there, making the closing of Gibraltar and the Suez a relatively easy task.

Nobody is going to argue that the Panama Canal is defensible. That can be closed any number of ways quickly.

The Straits of Malacca, then, remain about the only strait where we have the possibility of it remaining open to us so the United States and our allies can have free access to the oceans of the world. Once the Soviets decide to close that very narrow, very shallow Strait of Malacca, then we are going to be denied ocean traffic. I do not care whether it is oil, cotton, or what it is, it will work to the economic disadvantage of the United States and will, as it has always done, cause a war. There have been more wars caused by economic situations than by anything else that has come to my observation in the years that I have studied this.

The PRESIDING OFFICER (Mr. DURKIN). The Senator's time has expired.

Mr. GOLDWATER. Two more minutes, Mr. President.

Mr. President, I do not think this is a wise amendment. It is a continuing effort to stop the construction of Diego Garcia. I think the Senate and the other body have taken care of that. We voted for it. They wanted to delay the expenditures of funds.

In all probability, they will be delayed without amendment. As the Senator from Iowa points out, we are behind in our contracting down there. But, Mr. President, this base, to me, is merely an insurance base, as Hawaii proved to be, as Alaska proved to be, in the new strategic center of the world, just as the Pacific Ocean has been and is now and probably for some years will remain a strategic center. So, Mr. President, I am hopeful that we can once again make up our minds that Diego Garcia is going to be an acquisition of ours that is going to be developed by us.

I might close by saying that the cost of sailing our fleets from Subic Bay through the straits into the Indian Ocean will very quickly pay for whatever this base in the Indian Ocean might cost.

I thank my friend from Alaska.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I yield such time as the Senator from Oklahoma desires.

Mr. BARTLETT. Mr. President, once again the Senate is considering the matter of the construction of a modest naval facility on the island of Diego Garcia located in the Indian Ocean.

This subject was thoroughly debated on this floor in July when the Senate defeated Senate Resolution 160. Since that time opponents of the construction of facilities on Diego Garcia have attempted to cloud the basic issue of the need for the facility with the collateral issues of, "How the deal was made with Great Britain to fund the project," and "How the resettlement of the natives on Diego Garcia was carried out."

Those may be important points; I certainly believe that the tactic used by the Johnson administration in establishing the U.S. funding for Diego Garcia was deplorable, and probably illegal. It circumvented the legal process of congressional authorization and appropriation even though some Members of Congress had been advised concerning it. This is an issue that must be dealt with by the Congress to prevent future dealings of a like nature by the executive branch. But, I want to stress that this issue has nothing to do with the need for Diego Garcia.

On that point, Mr. President, I would like to point out that I do have a letter which is classified because of other material in it, a letter from then Secretary of Defense Laird to Senator SYMINGTON, which goes into the matter of the funding program and the type of payment that was going to be made.

Mr. CULVER. Will the Senator yield?

Mr. BARTLETT. I yield.

Mr. CULVER. I think the significant point should be mentioned, and I assume the Senator from Oklahoma will agree, that at the time that notification was given on a highly selective and careful basis to a few members of just two committees of the Congress, of the $14 million involved, $9 million in secret payments had already been expended between the period 1966 and 1969. So it was a belated notification.

Mr. BARTLETT. As I said to the distinguished Senator from Iowa, I think this was probably illegal, it was deplorable, and I am opposed to it. I think it is an issue that must be dealt with by the Congress to prevent future dealings of such a like nature by the executive branch.

But I want to stress that this issue has absolutely nothing to do with the need for Diego Garcia. It has nothing to do with whether or not it is important to our national security.

The problem of the evacuation and resettlement of the few natives located on Diego Garcia is a difficult one. At the time that the resettlement effort was being carried out, the United States had no input into the process. The United States paid for its share of the expense involved in the resettlement; and so far as U.S. officials had knowledge, the resettlement was proceeding as planned. Great Britain has publicly acknowledged the responsibility for resettlement as being her own and not the United States. Likewise, the Government of Mauritius has publicly stated that money for the resettlement was being held in trust and that resettlement plans were being studied prior to implementation. This, of course, was a delay, and I think it is, again, a deplorable delay.

It is my understanding that a renewed effort is now being made to settle the Diego Garcians on another island that has a copra plantation.

Again, I want to stress that this issue has nothing to do with the actual need for Diego Garcia.

Mr. President, the United States is a moral nation; and I believe that the executive branch of our Government should, to the best of its ability, make certain that the resettlement effort is continuing and will come to fruition. I believe, also, that a report to the Congress should be prepared outlining the steps that have been taken, and are continuing, in the resettlement program.

If the Senator from Iowa is interested in pursuing both of these issues, the Senator from Oklahoma will certainly join him. I would be very interested in finding out, because I have made some inquiries, whether there has been other funding of a similar nature in the Johnson administration or in any succeeding administrations, and if this could continue into the future.

I would be happy to join him in trying to make certain that this could not happen again and that there could not be a bypassing of Congress.

I do stress this is a completely separate issue and has nothing to do with whether or not we proceed with the construction of Diego Garcia.

Mr. JACKSON. Mr. President, I have a short statement I wish to make. How long does the Senator plan to continue?

Mr. BARTLETT. I will be just a short time.

Mr. FORD. Will the Senator from Oklahoma yield briefly for a question or two?

Mr. BARTLETT. Yes.

Mr. FORD. The Senator made the statement that the United States had no input in the securing of Diego Garcia. Would it be the opinion of the Senator that if we are putting millions of dollars into that particular island through discounts of military equipment to the United Kingdom, the United States would have some input into the decision? Does the Senator believe we knew what was going on in our various departments?

Mr. BARTLETT. I believe if the Senator will read my statement as it will be in the RECORD we did not have the control in the resettlement program. This was a responsibility of Great Britain. We were interested in the resettlement program and we are making our payments for the costs that were incurred by Great Britain in this whole program, some $14 million that we agreed to pay. This was a responsibility that we were exercising as roughly one-half of the total cost.

Mr. FORD. Would the Senator agree, though, that since we had the debate on the original resolution, new facts have been injected into this arena that were not known to Senators at that time, and that perhaps we should take another look at it, since we are not spending the money, and it is not being required? We are 10 months behind; what is wrong with delaying it until July 1976?

Mr. BARTLETT. Absolutely not. This matter has been delayed already. It is important that the people of little nations know we are concerned in this area, and we are concerned about our national interests.

Mr. FORD. We keep compounding our problems as all these new situations develop. As we debate this situation of Diego Garcia, all these new problems come up. Why not just wait until July 1 of next year?

Mr. BARTLETT. I am sorry, but my time is limited and I would like to complete my statement. We have already been delaying, and there is no sense in delaying any further, and giving the impression we have no interest in our national security and no interest in the Indian Ocean area. There have been a lot of changes since the vote in July, and since the time I was in Somalia in July. There is now approximately 8,000 feet of a big airstrip that will eventually be 14,000 feet in length, or so, when completed. The POL strip we tentatively identified at the airstrip is now definitely identified from other observations.

The question now before us is to delay the construction of the facilities on Diego Garcia to allow time for negotiations with the Soviet Union relating to the Indian Ocean.

The United States initially responded favorably to the Soviet Union in 1971 to discuss the Indian Ocean situation in order to downplay any military presence in that area. The Soviets have shown no interest in unilaterally restraining its military presence in the Indian Ocean; but on the contrary, they secretly expanded their capabilities in Somalia. This critical area lies along the very vital oil routes of the world with the great exportation from the Middle East countries to the Pacific Ocean countries and the United States.

There has been additional buildup in Somalia that has taken place since that time by the Soviets, and the capacity available to them is greater today. In addition to this activity——

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. BARTLETT. I have 1 more minute, Mr. President. I would like to say that it is my understanding that the Navy has information to show that the Soviets have increased their number of combatant ships, that one nuclear submarine armed with missiles and three guided missile destroyers are now part of the 20-ship group that is in the Indian Ocean area.

I think we are kidding ourselves if we believe in any way a delay to negotiate will strengthen our position. If we delay for the purpose of negotiating with the Soviets, we will be pointing out to them that we are weak, that we are not interested in this area, and we know from past experience that we are not going to be successful. They are continuing their buildup, and why we should decrease ours I do not know.

It is my opinion that a delay in finalizing the Diego Garcia construction pending negotiations with the Soviet Union would not be in our best interest. Without any stretch of the imagination, it is obvious that a delay would be very lengthy and would only put us further behind in capability in the vital Indian Ocean area.

In order to properly negotiate limitations by the two superpowers, a position of parity must be achieved from which to negotiate. Experience has shown that one cannot negotiate from a position of weakness, and that would be the situation without a U.S. presence in the area. It is obvious that a delay is in the Soviet's best interest and to their advantage. The Soviets have made a quantum jump ahead of the United States with the reopening of the Suez Canal, at the same time leaving us in the distant rear. The longer we delay in reaching a balance of power, the more difficult it will become, because with each passing day we find ourselves farther behind. Once a balance is restored, then proper and deliberate negotiations can begin.

Equally important, I believe, is that if the United States delays or is indecisive in its position on Diego Garcia it could be interpreted by the neutral nations of the Indian Ocean, as well as other countries around the world, as a sign of weakness, or worse, as a sign of disinterest.

It raises the question, "If the United States does not defend its own vital interest, how can we even expect them to help us in the defense of ours?"

The administration proposed the modest expansion of Diego Garica and came to the Congress for authorization and funding for that project. The President has certified, as required by Congress, to the fact that the Diego Garcia facilities are in the national interest. Moreover, the United States needs Diego Garcia regardless of what capabilities the Soviet Union may have in the Indian Ocean. It is an independent issue from negotiations with the Soviets relating to naval restraint. It is not "trade bait" or a bargaining chip in negotiations. It is a facility needed to help our Navy operate for an extended period of time in the Indian Ocean if necessary in order to protect our own interests in that area. The issue of Diego Garcia simply stated, is the efficient operation of our Navy in the Indian Ocean. It is a support facility, modest in size and incapable of further expansion for increased military activity.

The need for the facility has been established. We have had Presidential certification to the need for the facilities; we have debated the issue during consideration of the military construction authorization bill; we debated it during consideration of the Mansfield resolution; the House voted to appropriate the requested funding; and the Senate Appropriations Subcommittee and full committee has considered this matter—now we have it before us again.

Now is not the time to weaken our resolve to maintain stability in a very vital area of the world, but rather we should strengthen it by approving without delay the funding for these facilities.

Mr. MANSFIELD. I yield 3 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, I intend to vote for the amendment offered by my good friend from Iowa (Mr. CULVER) in the hope that it will lead to a serious negotiation with the Soviet Union aimed at an agreement that would require that the Soviets withdraw from its facilities in and around the Indian Ocean. The United States ought to put such a proposal to the Soviets, offering, in return, that we refrain from any further buildup at Diego Garcia. If we have not had a positive response from the Soviets by July 1, 1976, the use of funds appropriated by this act could proceed.

In my judgment, Mr. President, it is important to make clear that what is at issue is a rapid negotiation leading to a clear and final conclusion over the next 7 months, not a long and dragged out negotiation that leaves the issue of the Soviet presence affecting the Indian Ocean in an inconclusive state on July 1, 1976. We should, I believe, make at least one serious effort to obtain an agreement. That has been the consistent advice of the Congress.

And may I say, Mr. President, I was the one who initiated that suggestion. It was contained in our report on the military construction bill at the outset. The problem has been that the request of Congress and the advice of Congress has been consistently ignored by the executive branch. Now, that is a fact. Passage of this amendment will put both the administration and the Soviets on notice that the Congress desires a stabilizing agreement—not a decade or a year from now but by July 1, 1976.

Mr. President, I compliment my good friend from Iowa for the spirit in which he has offered this amendment, in an effort to get negotiations under way that have never started. They have never undertaken the negotiations which we requested. I put the blame on the executive for that, because at least they could make a good faith effort, and I cannot understand why they have failed to do so.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. JACKSON. One minute.

Mr. MANSFIELD. I yield the Senator such time as he may require.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. CULVER. I thank the Senator for yielding, and also wish to commend him for his longstanding efforts in this area. He is correct when he suggests that this is an effort to continue the work he so ably commenced as a member of the committee, and that his suggestion was so arrogantly disregarded by the administration.

Mr. JACKSON. I thank the Senator. I would say his amendment is a reasonable one. If there is a good faith attempt here on the part of the administration, we will know about it, but there has been none to date. I think that is regrettable. It should have been done, and I cannot understand why it was not done.

Mr. JOHNSTON. Mr. President, will the Senator from Alaska yield to me?

Mr. STEVENS. How much time does the Senator need?

Mr. JOHNSTON. Five minutes.

Mr. STEVENS. I yield the Senator 5 minutes.

Mr. JOHNSTON. Mr. President, the best thing that can be said about this amendment is that it is not as bad as that which we originally started with, which was to keep us all the way out of Diego Garcia. That was the move back prior to this summer, when the question was, should we get into the Indian Ocean, and the counterargument was that the Russians were not in the Indian Ocean.

Mr. President, we sent a delegation over there from the Military Construction Subcommittee, and we found the Russians had not only been at Berbera and Somalia, but they had built a base, they are building housing, they are storing rockets, they have a communications facility there which controls the whole half of the globe that surrounds the area of the littoral. So, Mr. President, the Russians are there.

The question is not whether or not we should get into Diego Garcia. We are in fact in Diego Garcia. The question is not whether or not we should have ships in the Indian Ocean. We have ships that ply seas on a fairly regular basis, and no one suggests we should not have them there.

The question rather is, should we improve our facility? Not station troops, but improve our facility at Diego Garcia by lengthening the airstrip, putting in a POL facility, and putting in repair facilities.

Mr. President, the simple fact is that our ships in the Indian Ocean must travel 4,000 miles to Subic Bay in order to be refueled. They are going to be in the Indian Ocean anyway. Do we build a storage facility for gasoline and diesel oil, or do we require them to go all the long way back to Subic Bay?

Mr. CULVER. Mr. President, will the Senator yield?

Mr. JOHNSTON. On the Senator's time. If I have some time at the end, I will be glad to yield.

Mr. President, on the question of negotiations, I will agree that if we were both at square 1, both the United States and Russia, and the question was whether or not we were both simultaneously going to do the same thing, then we ought to stop, we ought to delay, and we ought to negotiate. But, Mr. President, they are there in Berbera. Just how innocent or how stupid do we look, to say we are going to stop building a POL facility while the Russians have rockets, have barracks, have ships calling on a regular basis, and have a communications facility that controls half the world?

Mr. CULVER. Will the Senator yield on my time?

Mr. JOHNSTON. Yes.

Mr. CULVER. I thank the Senator for yielding.

Let me say this. If the facts that the Senator describes were indeed the case, I would be terrified. But that does not happen to be the case.

The facts right now today are that in the Indian Ocean the Soviet naval presence is not equal to the French. The French and British together are bigger than the Soviets. The number of ship days by the Soviets today in the Indian Ocean this year is at an annual rate less than last year, and it is as low as it has ever been since 1971. That is ship days.

Second, we have not only the base at Bahrain, we have the base at Diego Garcia. This is not some fiction. This is a fact.

These funds we are talking about deferring here do not go to the issue at all of whether we are going to build the base. We are building it. We have already put $63 million in there. We have a communications facility there that is better than the one right now in Berbera. Hogwash—that we have all this loss of strength.

We have been in the Indian Ocean this year, and my office checked with the Navy this morning—this is on my time—we checked with the Navy this morning, and the U.S. Navy has already been in there 4 months this year.

Every time we put the U.S. carrier *Enterprise* in there with 60 airplanes on it, 7½ tons of ordnance on each plane, it just washes all that Soviet presence out of the water. The CIA report to us last July was that the Soviets had one diesel submarine in their configuration. They were not configured in such a way to represent a threat to the oil lines.

What do we have right now in progress in Diego Garcia and how does it compare to Berbera?

What we are talking about doing in Diego Garcia is three things: We are talking about digging a deeper port so we can tie up our aircraft carriers. The

Soviet Union does not even have an operational aircraft carrier. It does not have one. We have 13, and the people in these galleries are paying $1.2 billion a copy for them.

Now, we are looking for an enemy to fight with. Each of those 60 airplanes can fly 700 miles. Count them. That is 700 miles ranges per airplane.

All these great supporters of the Pentagon keep walking around wringing their hands telling the world, "How weak we are."

The Senator better believe we are strong. I am trying with this amendment to prove that we are not stupid.

But I was greatly assured with the wisdom and support of the Senator from the State of Washington, who is not known as particularly naive about the Soviet threat.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CULVER. Not at this point.

As to Diego Garcia right now, these funds that we voted on—we have already put $63 million in; put $14 million more in in July—we are not touching those funds. We are talking about $13.8 million more right now.

With the $63 million we put in, with the $14 million in addition, what do we have? As the Senator knows, we have 1,100 personnel out there right now in temporary quarters.

Does the Senator know that that $14 million in July will complete the runway, a bigger and better runway than they have at Berbera? Does the Senator know the port will be deeper? Does the Senator know that as to POL storage they are planning a 28-day capability—let me tell the Senator something. Aside from the fact that a nuclear aircraft carrier does not need any of this, except for the planes, when we put this $14 million on top of the $63 million, we will have a storage capability in Diego Garcia right away for 21 out of 28 days; 21 out of 28 days, and that storage capacity is about four times as big as the one in Berbera.

Let me tell the Senator what else we have. We have every single country in the littoral area states and everyone in the hinterland states hating America's guts for going forward with this.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CULVER. No.

We have 18 countries today with 36 ports that will welcome the American fleet. How many of those are going to shut down those ports, if we continue in such arrogant, insensitive disregard of the heartfelt opinions of mankind?

Anyone who does not think America is strong does not know anything. I do not have any illusions about the Soviet Union. The Senator from Louisiana does not have to tell me how big, tough, and rough they are. No one need doubt me in terms of the degree of realism I possess about that threat.

What am I saying here? I am saying, as a Member of Congress for 11 years, I am sick and tired of being lied to and deceived by the executive branch of this Government.

I walk around these cloakrooms and these corridors, and I hear all of the Senators say: "They never tell us the truth. They do not tell us what they are doing. They want us to spend money and ratify, and then they do not tell us. There is no congressional accountability. They do not respect us."

Why should they? Here we have this flagrant case of outright lies, deceptions, and secret agreements. In 1966 our Government, without the Senator's authority or the people he represented, sat down and in a sneaky secret deal with Great Britain said: "Look; we want those islands."

That was before anyone could find Berbera on the map.

That is the biggest phony I have heard.

The Joint Chiefs have wanted Diego Garcia since the 1950's. Dr. Schlesinger himself, 2 month ago, said:

> Berbera does not make the difference. We want it anyway.

At least he is honest. He is honest.

Our officials sat down with the British and they said: "Look; you have got a bunch of natives on those islands. You have got a lot of poor natives. The fact that they have been there five generations does not bother us. We are a superpower. We are a superpower. We do not care about those poor people who work in the copra plantations. We are the big U.S.A."

So they said to the British: "It is embarrassing for us to move them."

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CULVER. Not at this time.

So they said to the British: "It is embarrassing for us to move those people off. We do not want the blood on our hands. You people are used to handling these touchy deals with natives. Figure out a scheme. Move these people out, and we will bankroll you with American taxpayers' dollars, without authority of the Congress of the United States. We will help pay for it."

So they went to these people, 500 of them, on that island. They put out a public agreement that did not even have the integrity, the decency, and the honesty to mention how many people were there. They put out a public agreement that said, "We are going to get those islands without any cost to ourselves."

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. CULVER. No, not at this point.

"Without any cost to ourselves."

And we go ahead, and we say that we will discount the R. & D. charges on Polaris missiles—$14 million, a wink and a nod, and they started giving money.

They went to those people and they said: "Do you want to move off this island?"

And the people said: "No, no, we do not want to move."

They did not want to move any more than the people who live in Louisiana want to move out of Louisiana, and, like the people that the Senator represents, some of them have been there for five generations, and they love that place.

They gave them a Hobson's choice. They said: "Either you move or you will starve to death."

"You move or you starve to death"—that is what they told those poor people, and then they gave $1.4 million of the $14 million to the Mauritian Government, and they said: "You take them. They are messy. They are in the way. We have got to clear this land for another base."

They took the $1.4 million, they took those poor, pathetic people, and they put them in a stinking slum.

When Senators go home to Chevy Chase, they go back to that hovel. When Senators go out here to the Senate restaurant and have a steak, they are starving to death.

Mr. BARTLETT. Mr. President, will the Seantor yield?

Mr. CULVER. They came and petitioned finally, and they said, "This is an obscenity, this is an outrage." The world community still has a conscience, and I hope and pray my country has a semblance of one. It stinks, and the State Department, on the occasion of our Bicentennial, comes forward with the most incredible white paper and says, "It is a British problem." It is a British problem. We worked out the deal. We funded it.

The PRESIDING OFFICER. All the time of the Senator from Iowa has expired.

Mr. CULVER. I say that whether we like it or not, the moral responsibility is clearly America's on this one, and the question is whether we have the integrity to recognize it.

Mr. JOHNSTON. Mr. President, I thought I had yielded for a question. If that was a question, the answer is, "No." [Laughter.]

Mr. President, I have just as much conscience and just as much feeling for the natives who are now on Mauritius as I think anybody in this Chamber has; but that has about as much to do with whether we should put a POL facility in the port at Diego Garcia as the way we treated the American Indian does has with what we should do with this year's budget. It is totally irrelevant. It does not have a thing in the world to do with it.

I am glad I yielded to the Senator, because it puts in very stark contrast what this whole question is. The Senator really does not want, as I understand it, to delay until July. What he really wants—and I respect him for wanting this, and I know he is sincere—is that we not go into Diego Garcia. Nobody is talking about negotiating with the Soviets and getting them out of the Indian Ocean.

Mr. PASTORE. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I am afraid to, because of the last time I yielded, and my time is limited.

Mr. PASTORE. I am not going to make a political speech. I am going to try to get this into proper perspective.

Mr. JOHNSTON. I yield.

Mr. PASTORE. The Senator from Louisiana made a statement that the Senator from Iowa is opposed to Diego Garcia, to begin with. I wanted to ask him a question, and he refused to yield.

He has an amendment that defers the payment, or the spending of this money, until July of 1976, on the premise that we should negotiate with the Russians to see whether or not we can reach an agreement with reference to the Indian Ocean. What I want to ask the Senator—and I think we should know the answer—is this. In the event that we do delay this until July of 1976——

The PRESIDING OFFICER. The 2 minutes of the Senator from Louisiana have expired. The Senator from Alaska has 8 minutes.

Mr. STEVENS. Mr. President, I yield 2 or 3 minutes on the bill at this time.

Mr. PASTORE. If we defer the spending of this money until July of 1976, my question is this: If we do not reach an agreement with the Russians, then is the Senator from Iowa for the building of the fuel depot at Diego Garcia?

Mr. CULVER. Yes.

Mr. PASTORE. That answers the question of the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I understand that it is only delay; and if the whole question here is whether we should delay or not, it is not going to kill the country to delay, frankly.

But that is not really the question. The question is whether we should improve the facilities in Diego Garcia, be prudent in the way we spend our money, or whether we should require our ships to go 4,000 miles back to Subic Bay. You may have the POL there now, but you cannot get your ships in, to get into the port.

Mr. President, to hear my good friend the Senator from Iowa speak—and I hate to oppose him on this matter; I know he is sincere—one would think that we had a whole flotilla at Diego Garcia, ready to attack the Soviet Union, and that if we do not stop it at this moment, we are going to have world war III. That is not the question.

The Soviets are already in the Indian Ocean. They went in there secretly, installed these facilities, storing rockets. We know they are storing rockets. We have pictures of it. We know they have troops in the barracks there. We tried to get in there and could not get in when we sent our delegation there.

All we want to do is to take a small atoll and not quarter huge numbers of troops, not send the Marines in, but simply dig the port a little deeper, put a bigger POL facility in, lengthen the existing strip. What is wrong with that? That is not an act of war. That is not a blockade.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. STEVENS. I yield 5 minutes to the Senator.

Mr. TAFT. Mr. President, when this matter first came up back in June, I did not find myself in total agreement with the Senator from Iowa, and I am not in total agreement with him as yet.

I still am of the opinion, as I wrote in additional views that were published in the committee report at that time, that I believed that the Diego Garcia facility was justified as a logistical convenience for the operation of our Navy in the area when they went into the area.

I have listened with interest today to a review of the arguments made at that time, particularly with regard to negotiations with the Russians. Let me take care of that aspect of it first.

I have discussed this matter with the State Department and the Defense Department, and I am of the opinion that it is unlikely that there is going to be any breakthrough in negotiations with the Russians as to limiting naval presence in the Indian Ocean. I believe—and our best information seems to be—that they are going to continue to exert their presence into the Indian Ocean.

Mr. President, it seems to me that this is a very prudent thing to do.

One final word, and I will yield back the remainder of my time.

We have been told that the states on the littoral hate our guts, that we are going counter to the heartfelt opinion of mankind. That is not my information. My information is that many of the states on the littoral would like both the Soviet Union and the United States out of the Indian Ocean. They are not officially going to invite us in. But so long as the Soviet Union is there, many of these Arab States, which are much better friends of the United States than of the Soviet Union, want the United States to be in the Indian Ocean and to have a presence there. I think the State Department will confirm that. I do not think it can be done officially, but I believe that is a fact.

I hope this motion will be defeated.

Their continued building of ships—carriers now, not just helicopter carriers but carriers of regular aircraft with longer ranges—indicates that they expect in the future to try to extend their presence to areas of the world where they have not really had much of a presence before, and the Indian Ocean certainly is one of them.

However, I am going to support the Senator from Iowa today in his amendment because of a number of factors. In my additional views at the time we discussed this originally, I pointed out that I thought that while it was justified as a logistical convenience and would be economical and I felt it need not be provocative, I was afraid that it signaled a new policy, under which the United States was going to take the leadership or the dominance of the nations of the free world and a naval presence in the Indian Ocean. I indicated that I thought a dominance or at least a major capability of the free world in that area was extremely important because of the oil lifelines that are involved for the rest of the world. I think that is still true.

What I pointed out at that time was that I was afraid that our taking on this base responsibility put us in that dominant position where our interests are not nearly so much involved as those of the British or of the French, both of whom have had naval squadrons in the Indian Ocean far larger than any Russian presence. Either one of them has been larger, and the number of ship days has been larger than a Russian presence has been in the past. I am not saying that that is going to be true in the future. I doubt that it will be true, when the Russians expand their naval capability, as they intend to do.

The Japanese have a great stake in the area. Something like 80 percent of their petroleum supplies come from this area of the world.

What I am saying is that there are dangers in today's climate, and what I said then is still true. There are great dangers, in today's climate, in the United States extending its presence in a leadership capacity into areas where it is going to be charged with colonialism or neocolonialism, where it is taking on the burdens of international relations in these areas and taking the burden of the diplomatic and military responsibility off those who should be assuming it—our allies.

I believe they can and should assume it. They have indicated no unwillingness to do so. So far as I know—this suggestion was made then and it was thrown to the winds—there has been no attempt by our State Department or our Defense Department to pursue that suggestion, to see if we could get the French or the British to take the leadership in that area.

So I am for putting a delay on this, to try to put some emphasis on it again, that this is what should be done. This is the direction in which we should be going, so far as this situation is concerned.

I have another reason, a personal reason. Perhaps it is not a good reason, in the long run, for our national interest, to delay. But if Congress is to have the facts on such matters laid before it, we should at least adopt this amendment and bring home to the Defense Department and the State Department that we mean business, when they come in and make representations to us——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. TAFT. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. Until the time on the amendment has expired, this amendment will not be in order.

Mr. TAFT. Mr. President, it is an amendment to an amendment.

The PRESIDING OFFICER. Until the time on the amendment has expired, this amendment is not in order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendment be allowed to be read.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, the amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, line 2, strike "July 1" and insert in lieu thereof "July 2".

Mr. TAFT. Mr. President, I shall defer calling up this amendment until the time expires.

Mr. President, will the Senator from Alaska yield some additional time to me?

Mr. STEVENS. How much time does the Senator want?

Mr. TAFT. How much time remains?

Mr. STEVENS. I have other commitments and I shall have to yield time on the bill.

Mr. TAFT. I appreciate that. The reason I propose the amendment is that under the rules, I understand I shall get additional time on this amendment as soon as the time has expired.

Mr. STEVENS. How much time does the Senator desire?

Mr. TAFT. Three minutes.

Mr. STEVENS. I yield 3 minutes on the bill.

Mr. TAFT. Mr. President, the reason I feel strongly on this is that since the time the matter was debated, the entire question of the natives of this island has come up. It was reported on in great detail in a Washington Post article of September 9, and another Washington Post article of September 10. As far as I know, the facts set out therein have never been denied by anyone. There is a Washington Post editorial, also, of September 11. I ask unanimous consent to have them all printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 10, 1975]

BRITAIN SAYS ISLANDERS WERE MOVED

(By Edward D. Nossiter)

LONDON, September 9.—The British government tonight acknowledged that it had emptied Diego Garcia of people in 1965 by closing down the island's chief source of employment, a copra processing plant.

A Foreign Office spokesman confirmed that about 1,000 islanders were induced to leave to convert Diego Garcia into a naval base, as reported by The Washington Post yesterday. The Indian Ocean island currently houses a British-American communications center, a move that caused heated debate and controversy before gaining congressional approval.

Officials here stressed that Britain gave Mauritius, where the Diego Garcians were forced to go, about $1.4 million to resettle the refugees. There was no indication, however, that London made any attempt to learn how the money was spent or what had happened to the islanders.

The Diego Garcians on Mauritius are living in poverty and suffer a high rate of unemployment. Officials were unable to comment on the Post's report that islanders now in Mauritius had been forbidden to return to their former homes.

The British government is reluctant to describe its measures as "forced evacuation." That, a spokesman said, was a matter of interpretation. He preferred to say that the islanders felt they had no option because there was no work.

A private company, it was explained, had been running the cobra plant until 1965. The British government then bought the plant to make way for the base. Officials observed that the factory needed extensive investment, but did not claim that the decision to shut down the plant was made on economic grounds primarily.

The spokesman observed that the Mauritius government had accepted the $1.4 million as a full and final discharge of Britain's obligation to the displaced islanders. The Diego Garcians say they have seen little of this money.

[From the Washington Post, Sept. 9, 1975]

ISLANDERS WERE EVICTED FOR U.S. BASE

(By David B. Ottaway)

PORT LOUIS, MAURITIUS, September 8.—More than a thousand inhabitants of the Indian Ocean island of Diego Garcia, which the Pentagon told Congress was virtually uninhabited, were forcibly removed before 1972 to make way for a controversial American naval base there.

The islanders are now living in abject poverty here in Mauritius, more than a thousand miles away, and have been petitioning the British and American embassies as well as the Mauritian government for help. But Washington has rejected all responsibility for their plight, and London has placed the onus on Mauritius, which already faces serious economic problems.

Diego Garcia and other islands in the Chagos group, 1,000 miles south of India's southern tip, were part of the British colony of Mauritius before Mauritius became independent.

Britain leased Diego Garcia to the United States in 1966, and the Defense Department now plans to expand its naval and air base facilities there. The proposal has aroused controversy in Congress and elsewhere because of its implications for an enlarged U.S. military presence in the Indian Ocean.

Britain gave the Mauritian government about $1.4 million in 1972 to provide housing, social services and other resettlement assistance for the displaced Diego Garcians, but they say little of his money ever reached them.

One American relief organization attempted in 1972 to raise the issue of United States "co-responsibility" for the fate of the Diego Garcians, but the State Department replied that their problems are strictly the concern of Britain and Mauritius, and not in any way those of the United States.

The organization has thus been obliged to try to help the Diego Garcians without assistance from the U.S. government.

Almost nothing has been written, outside Mauritius itself, about the fate of the island's hapless residents. The few Western press reports that have touched on the former inhabitants have generally described them as "transient laborers" from Mauritius numbering only a few hundred.

But interviews here with several dozen Diego Garcians and others familiar with their plight revealed that there were once more than 300 families—between 1,200 and 1,400 people—living on Diego Garcia and two neighboring islets, many of them third-and even fourth-generation inhabitants.

Almost a decade ago, Britain began quietly evacuating the islanders to make way for future British and American naval, air and communications facilities, and the last Diego Garcians were ordered off the island by late 1971.

This allowed the Pentagon to tell Congress during the heated debate over the base that Diego Garcia was virtually uninhabitated and that creation of the base would not cause any indigenous political problems.

But one old man, who said he was part of the final evacuation, recalled being told by an unidentified American official: "If you don't leave you won't be fed any longer."

And the plight of the Diego Garcians is a political issue in Mauritius, where opposition groups charge that the transplanted population has been neglected and uncompensated for its losses.

In the last year, the Diego Garcians have organized and have asked Britain and the United States to press the Mauritian government to provide them with housing, land, jobs and other facilities to start a new life.

About six months ago, they drew up a formal petition and presented it to the British embassy, with copies delivered to the American embassy, Mauritian Prime Minister Seewoosagur Ramgoolam, and several opposition leaders. They also discussed their plight with U.S. embassy officials on several occasions.

[A spokesman for the State Department in Washington said that he was not aware of any petition and that the department is not considering any action "at this time." A British Embassy spokesman said the embassy here "has no knowledge" of the situation. He noted that if such an approach had been made in Mauritius, the matter would normally be taken up with the Commonwealth office in London.]

The petition is primarily a plea for help, but it also expresses the Diego Garcians' feelings about being summarily tossed off their island to make way for a military base.

"We the inhabitants of the Chagos Islands—Diego Garcia, Peros Banhos and Salomon—have been uprooted from those islands because the Mauritian government sold the islands to the British government to build a base," the petition begins.

"Our ancestors were slaves on those islands, but we know that we are the heirs of those islands. Although we were poor there, we were not dying of hunger. We were living free . . . Here in Mauritius when animals are debarked, an enclosure with water and grass is prepared for them. But we, being mini-slaves, we don't get anybody to help us. We are at a loss, not knowing what to do."

The document goes on to ask for a meeting with British embassy officials to explain their problems in detail.

"We (want to) let the British government know how many people have died through sorrow, poverty, and lack of food and care," it says. "We have at least 40 persons who have died."

It ends with an appeal to Britain to get the Mauritian government to provide them with plots of land, a house for each family and jobs, and says that if these facilities are not forthcoming, "It is preferable that we be sent back to our islands."

But the British reportedly told the islanders to address their petition to the Mauritian government, and the Diego Garcians are still waiting for assistance from some quarter while struggling to survive as best they can.

The conditions under which the islanders left Diego Garcia and their present difficulties were detailed by some of the former inhabitants in interviews at several of their homes in Roche Bois, suburb of Port Louis, where many of them now live.

One of the principal leaders is Christian Ramdas, 41, who was born on the island as were his parents, grandmother and most of his children. He said he went on vacation to Mauritius in 1965 shortly after Diego Garcia and the other islands in the Chagos group were formally split off from Mauritius to form part of the separate British Indian Ocean Territory, and was not allowed to return.

The three islands' former inhabitants, who are mostly Indo-Mauritian and speak a French dialect, originally went to the Chagos as workers on coconut plantations owned by Mauritians or by companies based on the British Seychelles Islands.

Working conditions on the Chagos Islands appear to have been close to those of slavery. The planation workers were given food, housing and the equivalent of about $4 a month to buy clothes, tea and coffee from the company store.

Yet there was apparently a certain security on Diego Garcia which they obviously miss here on Mauritius.

"The life was easy, very easy," according to Ramdas.

"We had animals and raised chickens," said a young woman who has found work here as a maid. "We could fish off the island and we didn't need a lot of clothes."

On Mauritius, the Diego Garcians seem lost souls, living for the first time in a money economy where rent, food and clothing are priced far above their meager incomes and where they are either unsuited for the available jobs or discriminated against by employers who favor local Mauritians.

Although they apparently got along on about $4 a month in the Chagos, they say a family can hardly make ends meet on Mauritius with $65 a month.

A recent private survey of the Diego Garcians found that only 17 per cent of family heads had full-time jobs, 33 per cent were unemployed and 50 per cent worked part time.

Unskilled and uneducated, most "ilois" (French for islanders), as the Diego Garcians are called here, seem doomed to find only menial jobs, unless the local government undertakes some kind of special retraining program for them.

A Mauritian government spokesman said that two plots of land had been bought for housing sites but that the Diego Garcians themselves had rejected the idea of living in separate cities and wanted individual homes in locations of their own choosing.

Some of the men, such as Ramdas, would like to return to Diego Garcia to work on the American base and look after the church and cemetery where their relatives are buried. "We asked the U.S. Embassy to allow some of us to go back there, but there has been no reply," Ramdas said.

In the first British-American agreement concerning Diego Garcia, signed in December 1966, some consideration was given to employing "workers from Mauritius and Seychelles to the maximum extent practicable consistent with United States policies, requirements and schedules." But no specific mention was made of taking on the former inhabitants as workers.

[From the Washington Post, Sept. 11, 1975]

THE DIEGO GARCIANS

The dubious case for planting an American base and fleet in the Indian Ocean has been rendered practically indefensible by disclosure of how the site got to be the "uninhabited"—and therefore politically uncomplicated—place which its United States government sponsors repeatedly proclaimed it to be. It got that way, we are now told in a dispatch from Washington Post correspondent David Ottaway, only because virtually all of the 1,200 or 1,400 residents of Diego Garcia and its two neighbor islets were *forcibly* removed to Mauritius 1,000 miles away to make way for the base. One of several dozen former Garcians interviewed by Mr. Ottaway recalls being told by an American who participated in the evacuation: "If you don't leave you won't be fed any longer." Since their removal, the Diego Garcians have lived in poverty and neglect in Mauritius, futilely petitioning the Mauritian, British and American governments for relief or return.

Granted, a lot went wrong in the world in the years, 1966–72, in which this act of mass kidnapping took place. But it takes a very jaded observer not to be repelled by the sordidness of it all. First, there was the complicity of the British leasors and American leasees in solving the politically inconvenient problem of people on Diego Garcia by uprooting them from their homes and traditional ways. One wonders what strategic rationale was concocted inside the bureaucracy to justify the transfer of these few people who had gotten in the way of the cold war juggernaut. Then, there was through the years, on both sides of the Atlantic, a highly effective coverup, facilitated no doubt by the fact that the Diego Garcians in their poverty and their remoteness had scant recourse. Finally, there were the constant affirmations by the Pentagon that the lack of people on Diego Garcia was precisely one of those characteristics that made the island an appropriate place for a "modest" facility in the Indian Ocean.

Only last summer did the Congress vote the funds to start building an air base and carrier task force facility on the island. It did so only after a two-or-three-year-long debate over whether an American military presence in the Indian Ocean would unnecessarily antagonize the riparian states, provoke the Russians into a more intensive Indian Ocean naval competition, and fuel a naval arms race; or whether such a presence was justified in order to "stabilize" a region rendered increasingly sensitive by the oil tankers that ply its waters and by hints of Soviet interest in it. In the end, it took a full-scale Pentagon campaign to play up the existence of a new Soviet naval facility in the Somali Republic to persuade a reluctant Congress that the United States should build its own base in Diego Garcia. There is little evidence that Congress realized that it was committing itself not simply to the current costs of the base (measured in millions of dollars) but to the future costs of the fleet (billions) that is meant to be permanently deployed there when it is built. Congressional efforts to induce the administration to negotiate limits on naval deployment with the Soviet Union were brushed aside with the retort, by one high Sate Department official, that the United States did not have to "tug its forelock" and petition Moscow to remove the American Navy from the Indian Ocean.

The strategic case for a base on Diego Garcia was always a close question, one which its sponsors never made particularly well. But it is not a close question at all that the people of Diego Garcia were treated in a shameful way and that they should not be allowed to languish now in the miserable condition to which high strategy unfeelingly consigned them. For the United States government to keep on insisting that it has no responsibility for the people displaced by its lease on Diego Garcia is intolerable. At the very least, Congress should review the issue to ensure fair treatment to the forgotten people of the island.

Mr. TAFT. Mr. President, what I have been talking about is that the Department of Defense and the Department of State, in their testimony before the Committee on Armed Services, repeated to us very clearly and succinctly, and without any elaboration whatsoever, the fact that there was no native population on this island. According to the Department of Defense, that was one of the great advantages of Diego Garcia. The Post reports, if they are true—and I assume that they are, because there has been no denial of them and we now find admissions in the press that certain American charitable agencies went into this back in 1972 and it its well known—the Department of Defense or the State Department or both have been guilty of either gross deception or grosser ignorance. The forcible removal of an entire population is not the same as finding a place unpopulated to begin with.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MANSFIELD. Mr. President, I yield to the Senator 3 minutes on the bill.

Mr. TAFT. I thank the Senator.

Mr. President, it is not the same thing as finding a place that is unpopulated to begin with. If the Department of Defense or the Department of State were aware that the population was removed when they told Congress the island was unpopulated, then they attempted to deceive the Congress and the committee in what I think is a very reprehensible manner. If, on the other hand, they did not know the population had been removed, they had not done their homework. There is every evidence that they did, because when they went in in 1966, the British were in the process of removing the entire population and that seems to be the agreement from the entire beginning.

I think it immediately opens us further to what I have been talking about, charges of neocolonialism of the most reprehensible sort, a charge that those critics of the United States, the Soviet Union, will not be slow to make.

Even if Great Britain is solely responsible for the evacuation, the United States, by its participation in the scheme, will share in the blame. Charges of this sort carry great weight among the people of the littoral states of the Indian Ocean, and, if the charges are proven true, the American image will be tarnished.

If the charges are proven true, our image, I believe, is bound to be tarnished by it.

I think, therefore, that the delay proposed by those backing this amendment is most appropriate at this point. I hope that the time will be used during this period to investigate the possibility of working out joint arrangements with our allies, the French and the British, so that they take the leadership in this entire area and that we, in the meanwhile, do explore—although I think it is going to be futile—with the Russians the question of whether or not there might be some possibility of limiting expansion of naval presence by the respective powers in this particular area.

I call attention, particularly, to the New Republic article on March 9, 1974, which indicated that—

> In fact Communist party General Secretary Leonid Brezhnev made a speech in June 1971 proposing an arms limitation, in the Indian Ocean, and this was accompanied by some informal probes by Soviet Ambassador Anatoly F. Dobrynin at the State Department. The then-Secretary of State, William P. Rogers, in turn asked what Moscow had in mind. Some say the Soviets made no response and showed no further interest. Others say that the US query was "not very strenuous." The Pentagon says the navy historically has opposed any limitation to its freedom to roam.

I do not know whether that is the case or not, but certainly a delay of 6 months, as the Senator from Iowa has pointed out, it is not going to delay the current ongoing project of construction in the Diego Garcia area. But a delay of 6 months, I think, would lead to some questioning by Congress of what I think are some very important principles on what is going to be future action in this area.

Mr. President, I withdraw my amendment.

The amendment was withdrawn.

Mr. STEVENS. Mr. President, I inquire of the Senator from South Carolina how much time he desires

Mr. THURMOND. Mr. President, I should say about 7 minutes.

Mr. STEVENS. I yield him that time.

Mr. THURMOND. Mr. President, I join with the able Senator from Alaska in his opposition to this amendment. I think if we had any doubts at all about this question, the report of the distinguished Senator from Oklahoma should settle those doubts in favor of voting against this amendment.

Mr. President, indecision brings trouble, and if we pass this amendment today, there is going to be a question in the minds of people of other countries and leaders of the world as to whether we really mean business. I think it would be a great mistake to delay this matter, because delay will indicate in the minds of others that we do have indecision.

I think we can all agree that ours is a maritime nation, heavily dependent upon raw materials from around the world to feed the enormous appetite of our great economy.

Our economy, despite the rigors of depressions, wars, inflation, and recessions, has been the backbone of our progress. This has been possible to a degree because the imports we need, especially oil, has had our naval power as the guarantor in satisfying our maritime needs.

Diego Garcia does not represent the birth of some recent idea to project naval power into a distant area. It reflects the consummation of well-thought-out plans which we expect of the Department of Defense.

The thinking in relation to Diego Garcia goes back to 1959. At that time, Navy planning recognized the need to assure the early availability of minimum logistic facilities which would be required for support of naval forces that might be deployed to the Indian Ocean. The requirement consisted of suitable anchorage and a refueling station, hopefully under U.S. control.

By 1961, our British allies were talking about a possible withdrawal of their presence from east of Aden. This focused planning implementation on the Indian Ocean because it meant that we might not be assured of the availability of allied support facilities if we needed them. Therefore, the Navy identified a need to assure the availability of Diego Garcia as a contingency support base.

By 1965, the Navy stated a firm requirement for a communications station at Diego Garcia. Furthermore, the island remained in planning consideration should future naval operations require its expanded use.

In June of 1968, the Secretary of Defense approved the Diego Garcia concept in principle and directed the Navy to submit its figures for inclusion in the fiscal year 1970 budget. That proposal, which dates back to calendar year 1969, called for an austere facility at Diego Garcia composed of an anchorage suitable for a carrier task group, an 8,000 foot airstrip for logistic support, fuel storage of approximately 415,000 barrels, and communications support.

LIMITED SUPPORT NEEDED

Admiral Moorer, when he was chairman of the Joint Chiefs of Staff, testified before the Committee on Armed Services in March of 1974 that the objective for Diego Garcia was simply to acquire a limited support capability for forces that we might choose to send into the area. It was his opinion, and one I support, that it is in the interest of the United States to have the flexibility for operations in the Indian Ocean. Diego Garcia will provide that.

Admiral Zumwalt, then Chief of Naval Operations, during the same period when hearings were being held on the 1974 supplemental budget requests said, and I quote:

> If we are to have any reasonable contingency capability for the deployment of naval forces in the Indian Ocean area, we must have the rudiments of a logistics support facility in the area.

Now, many voices are begging restraint in the Indian Ocean—the same voices, I fear, that would be the loudest in criticism if there had been no planning and we were suddenly faced with a crisis in the area. Much has been said about arms limitations and peace zones.

First, let me address the latter. Proposals for a zone of peace in the Indian Ocean are superficially attractive. Peace is what we are striving for everywhere—neither the Indian Ocean nor the countries which border it have any corner on that desire. We seek to enforce the freedom of the seas, not bind ourselves, or others, to accept a legal regime, imposed by a regional group of states, which restricts navigation on the high seas. The United States just cannot accept that premise.

I do not feel the advocates of an Indian Ocean zone of peace fully realize the undesirable precedent for similar proposals elsewhere. It would offer no significant cost savings while limiting U.S. presence in a critical area. Furthermore, it would act to the advantage of the Soviets since their overland access to the Indian Ocean would not be affected and their quick transit through the Suez Canal has already been demonstrated.

ARMS LIMITATION

Now the other point—arms limitations. We have not observed any particular restraint or positive effort on behalf of the Soviets for arms control measures in the Indian Ocean. While we are being mesmerized by the attitudes of détente, there are rumblings about Soviet irregularities in the arms limitations agreements already in being—I am referring here to the SALT agreements. Let me make this point. The United States cannot be placed in a position where Soviet dilatory negotiating procedures could deprive us of badly needed facilities on Diego Garcia at a time when our vital and legitimate interests could some day be jeopardized. Even if we were to assume that the Soviets would act in good faith, the very difficult and technical negotiations would be apt to be very protracted.

I cannot argue with the personal convictions of those opposing Diego Garcia, but, when presented with the facts, there is clear evidence of a compelling need for approval of the expansion project. In this respect, some have questioned our vital interests in the Indian Ocean. I am already on record as to the importance of guaranteeing the supply of oil that passes through that area. At the same time, we have long-term interests in seeing that the Indian Ocean area remains a peaceful and stable region so that we are not forced someday to send our Armed Forces there in anger. None of us want that and those of us who support Diego Garcia have military interposition as the farthest thing from our minds.

Our interests must be protected, yet the vitalness of our interests means that they must be credible and that the United States will become involved to assure their fruition. But our presence and interested involvement does not mean military intervention. The Navy has been and will continue to be one of the best instruments to represent our continued interests around the world.

The basic justification of Navy mobile forces is that we can get them promptly to the scene of trouble and sustain them there. The U.S. Navy is in the Indian Ocean in support of our friends in the Middle East and to provide for the security of our own sea lines of communication. We will be there to provide presence to our friends whether or not the Soviet Navy is in the Indian Ocean. The Soviet Navy looks upon the Indian Ocean as a transit route between its European and Pacific fleets. Further, the Soviet Union needs forces in the Indian Ocean to provide presence in support of its clients on the Indian Ocean littoral and to enhance the security of its own sea lines of communication. The Berbera facilities cannot be viewed lightly. Thus, both the United States and Soviet Navies will be in the Indian Ocean whether or not the other nation's forces are there.

We know there are political ways that oil can be cut off; there are also military ways. We ought to be very sure that we have the capability to prevent those military ways from coming to pass and if we have that capability, we are much less likely to see political interference. The one flows from the other.

Diego Garcia provides assurance that our Navy will be better able to meet any future emergencies with what is on hand. In the meantime, it is a very modest premium to insure against some future need.

Mr. President, I hope this matter will not be delayed, and I hope this amendment will be defeated.

I ask unanimous consent that a "Dear Colleague" letter dated November 6, 1975, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, D.C., Nov. 6, 1975.

DEAR COLLEAGUE: When the Military Construction Appropriations bill (H.R. 10029) is considered today it is anticipated that amendments may be offered either reducing or delaying the funding for construction at Diego Garcia. I personally urge that you support the position of the Appropriations Committee on this bill which would appropriate $13.8 million to proceed with the second increment of construction at Diego Garcia.

The $18 million already approved in the FY 1975 bill for Diego Garcia is presently in the process of being obligated. There is nothing to be gained by delaying the second increment in this appropriation.

As you well know, the Diego Garcia project has been an issue for several years and a special provision was enacted which permitted the Senate to determine in a separate vote whether the construction at Diego Garcia should proceed. The Senate decided as a policy matter that Diego Garcia construction should move forward when the Senate this past July by a vote of 53–43 disapproved the proposed Resolution of Disapproval. The full Appropriations Committee recently reaffirmed the Senate policy when it approved the $13.8 million as a second construction increment.

The basic question is whether the United States needs this facility. There have been no recent facts which would detract from this need. On the contrary, the need is even greater in view of the oil problem and the continuing sensitivity of the Middle East area.

I am hopeful that the problem of the former inhabitants can be satisfactorily resolved but to delay the funds for the second increment for this or any other reason will only result in additional cost.

Sincerely,

JOHN C. STENNIS.

Mr. STEVENS. Mr. President, how much time remains?

The PRESIDING OFFICER. All time on the amendment has expired. The Senator from Alaska has 13 minutes remaining on the bill; the Senator from Montana has 14 minutes on the bill.

Mr. STEVENS. I shall just take 2 minutes from the time on the bill.

Mr. President, I have enjoyed the expression of opinions on both sides. I think the unfortunate part of it is that Congress never instructed the President to proceed in the way we are now going to give him 7 months to proceed. The money we previously appropriated will run out on December 1. I am informed there are 550 Seabees out there on Diego Garcia; that they have an 8-month rotation schedule; that this delay of 7 months will cause a complete turnover in the work force out there.

I do not know, I have not been able to quantify it yet the effect of the delay, but it is clear to me that Congress asked the President to certify whether or not the project was in the interests of the United States. That certification was made, the resolution of disapproval was rejected, and the money that we previously appropriated has been committed.

If we delay the commitment of these funds, what we are going to have is about a seven-eighths complete facility that cannot be used. I do not know what you have got to negotiate with the Soviets on.

I am informed the Soviets are, in fact, already at the Port of Aden; they are at Um Qasr, but they deny——

Mr. CULVER. Mr. President, will the Senator yield?

Mr. STEVENS. On the Senator's time, my friend, when I finish. They deny they are at Berbera. They deny they are in this area at all, so how can you negotiate with people who deny they are there?

Under the circumstances, I really feel the problem is solely a question of should we defer the funds. There is no question of whether we should appropriate the funds. The Senator from Iowa merely wants to delay the expenditure of those funds which, to me, is an uneconomic request and, for that reason, I disagree.

I would add one thing: I am rather amazed——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STEVENS. I will take 1 more minute.

I am amazed at the deception that took place in 1966. I am amazed at the total lack of candor through the period from 1966 to 1969. But I interpret my friends from Iowa as accusing this administration of deception when that deception took place before the change of administrations in 1968.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. STEVENS. Just a second and I shall yield the floor.

Under the circumstances, I believe we should go into this whole matter thoroughly as to the people who were there and what happened to them, what our responsibility might be. But again I say we should spend the money and keep the schedule going as we agreed in July of this year.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. I ask unanimous consent to proceed for 3 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CULVER. First of all, with regard to the deception and its partisan burden-sharing, there is enough deception in this situation to more than go around. No one has a monopoly on honesty and integrity when it comes to the Diego Garcia question. It has been fraught with deception and misrepresentation from the time of its inception until today.

It was fraught with it in 1966 when this ill-conceived scheme was hatched originally, and every single day our Government has touched it our real security interests have continued to be corrupted.

Now, from 1966 to 1969, as the Senator from Alaska says, we put $9 million under the table and we have not seen where it has gone except we have seen the misery of the poor people who supposedly were the beneficiaries of this secret deal.

In 1969, when we did have a change of administration, we had a very, very careful selective notice slipped through the transom in the dark of night, one sparse letter, carefully conceived to divulge as little as possible about the true facts, with no general notice and, as far as we can tell, it went to one House committee and one Senate Member, and it said, "We have been paying some money on this." It did not give all the facts, and it did not say that $9 million had already been expended.

Now, what about more recently? Well, the Senator from Alaska is misinformed, and I regret very much to have to inform him, that in 1974 when I sat on the House Foreign Affairs Committee—and I have reviewed all the testimony—we had department witnesses come before us and say that one of the beautiful attractions of this island is "There ain't no people there."

As the Senator from Ohio (Mr. TAFT) has repeatedly mentioned, in 1975, before the Senate Armed Services Committee, we had the Chairman of the Joint Chiefs of Staff say it, come before this Congress and said it was uninhabited.

Why did he not tell us that there were no people there because we forced them to leave their island against their will, some after five generations on that island, by giving them the Hobson's choice of leaving or starving to death, and moved them into squalor in slums on Mauritius? That is where they are. That is why Diego Garcia is now "uninhabited."

Those are the facts. This is not a partisan issue, it is an institutional issue. It is a question of integrity; it is a question of honesty; above all, it is a question of morality and responsibility. We just cheapen the issue when we start talking about petty considerations of whose administration, at what point in time. They both stink. The short answer is they both stink.

The Senator says if we pass this deferral of $13.8 million, they are going to end up with a pathetic facility half-built. Nonsense. Our office talked with the U.S. Navy today. What do they tell us? They have already spent $63 million and have the best communication facility in the whole Indian Ocean area, including Berbera.

The money we spent, appropriated last July, what does that do? That completes over two-thirds of the storage facility for the POL dump. With that money alone, not this money for fiscal 1976, but with the money already appropriated in July, it will give us a storage capability of 21 out of the 28 days they want to get—21 days; not to mention the fact that we have got nuclear aircraft carriers out there which do not need it.

Finally, the only thing that it will not have is that 1-week additional supply, some aprons on the runway——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CULVER. And some permanent housing frills for the personnel who are already there in temporary housing.

The PRESIDING OFFICER. The question is on agreeing to the amendment——

Mr. STEVENS. Mr. President, I cannot let that stand. I have to answer my good friend.

It is not true we have a responsibility for these people. They are now, even according to the Post article, making about 10 times to 15 times more than they made before. They are in abject poverty, that is true, but these workers were on the copra farms. We had nothing to do with that.

The agreement, as I understand—I do not like the fact it was not disclosed—but the agreement was that the British would handle the relationship to the indigenous population and the testimony before the committees was that there was no indigenous population.

It was not that there were no people there. There was no indigenous population—and there is none. There are no people that would call this home.

Under the circumstances—and I again say that the Senator is entitled to his opinion about not having them there—but we will end up with Diego Garcia unusable in the event of an embargo between now and July 1.

I want the Senate to remember where we got where we are, because we are not going to be able to use it, contrary to what the Senator says, that facility is not usable until this money is obligated that we have in this bill.

Mr. CULVER. Will the Senator yield?

Mr. STEVENS. Just a second.

The Senator is wrong, he is absolutely wrong when he says it is a usable facility. It is a usable communications facility, and until we complete this, according to my information, if that is true, and there is an embargo between now and July 1, all the Navy vessels that go there will have to go back to Subic Bay, as they did in the last embargo, to refuel.

The cost of that for one session alone was over the amount of money we are talking about right now; $14 million is about what it takes to finish the facility—and I stand to be corrected if I am wrong, but that is my understanding—and if the Senator believes we can use that facility without this money, I am badly informed, because it is my understanding that we cannot use it in the 21 out of the 28 days he is talking about.

Mr. CULVER. Will the Senator yield?

Mr. STEVENS. On the Senator's time, I do not have any.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I ask unanimous consent to proceed for 3 minutes.

The PRESIDING OFFICER (Mr. FANNIN). Is there objection?

Without objection, it is so ordered.

Mr. CULVER. During the last oil embargo, I would like to advise the Senator from Alaska, they did not have Diego Garcia. We did not have it, and do you know what we had in place of it? At that time we still had friendly countries who made available different ports to permit us to refuel at so we could meet the threat in the Middle East.

The question I would ask the Senator is, in view of the action by the nonalined countries, by the littoral area States, by the events of the Commonwealth Conference last week in New Delhi, where they spent a whole day's working sessions criticizing America's decision to go ahead with Diego Garcia of last July, how many of those ports does the Senator think will be open by the time of the next embargo?

None of them?

We have a 30-day-at-sea capability now. All we want is another 30 days. So we do not have to go into any of these 36 ports in 18 countries for refueling for 60 days.

So we are building this POL dump and the fact is that the Navy has told us, and I must say if the Senator has become misinformed, it will not be the first time in the history of this matter. The Navy told us as recently as this morning that when we take the money appropriated already last July, added to what they already have, if we do not appropriate one single dime ever in subsequent appropriations, that will permit them to complete what? A POL dump that would give them 21 days right now—not 28, admittedly not 28, just 21.

With this additional money it will give them those 5 or 6 days.

What else will we give them? An apron on the airstrip.

What else will we give them? Well, the officers' quarters will be built, they will be fancy, because we have 1,100 Americans there in just temporary quarters. We want a more fancy presence. We will build a hangar.

But if we did not appropriate one more dime, they will have a bigger, better facility there than there is at Berbera now. This POL depot that we are talking about is three or four times as big as the one the Soviets are building in Berbera.

This does not deny us the money to go ahead. This just defers the expenditure of the money. It does not cut the money out. It does not make it unavailable, and if they make a good faith effort at negotiations.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CULVER. They can spend the money and go ahead.

Mr. JOHNSTON. Mr. President, I yield myself 1 minute on the bill.

Mr. President, the states in the littoral will pretty will break down as to whether they are pro-Soviet or pro-United States in their attitude as to whether we should build the base. About 10 say—privately, to be sure—"go ahead." The others say "No" and it is just a question of whether they are pro-Soviet or pro-United States.

The question of the natives in Mauritius has nothing to do with this—and I think we ought to put the admirals in jail or at least keep them from getting promoted. If we adopt this amendment it will not bring the natives back, and that is beside the point.

The question is on our presence in the Indian Ocean.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. Where all our oil comes from in the Middle East.

ADDITIONAL STATEMENTS SUBMITTED ON AMENDMENT NO. 1054

Mr. MANSFIELD. Mr. President, we are reopening the question of Diego Garcia that we felt had been laid to rest with the 53-to-43 vote on section 160, July 28, 1975. On the basis of a story that appeared in the Washington Post on September 9, 1975, I feel that the Senate should again review the Diego Garcia question. Subsequent to the story, the Appropriations Committee repeatedly asked the Department of Defense and the Department of State for the true facts concerning the people who lived on Diego Garcia and adjoining islands before the United Kingdom and the United States signed an agreement to turn Diego Garcia over to the United States for use as a naval base.

After much prodding, we received a document which contained information that was certainly never known before by the members of the Appropriations Committee and I would like to quote this to you:

> The United States agreed to share in the costs of creating the British Indian Ocean Territory, including compensation to Mauritius and the Seychelles, purchase of privately owned land, and resettlement of migratory workers in the event land was required for military uses. Accordingly, the US agreed in a confidential exchange to fund half of the total costs of establishing the territory, to a maximum of $14 million, by waiving to that extent the 5% research and development surcharges accruing in connection with US purchase of the Polaris missile system. The informal funding arrangement was desired by both governments; the Executive Branch wished to avoid seeking appropriations for a project which had not materialized at that time.

Since 1969, I have been closely associated with the question of Diego Garcia and this is the first time that this information has ever been known to me. I had the clerk of the Military Construction Subcommittee search through all of our files to see if, by chance, this information had ever been furnished to the committee and there is nothing in the committee files which indicates that the U.S. Government had engaged in such an agreement with the United Kingdom.

Further, the subcommittee was given information, that Diego Garcia was an uninhabited island, never giving the background on the people who inhabited the island. Now, we find out from the Washington Post story and a story that appeared in the London Times that these people have inhabited Diego Garcia for two to three generations and that the last of the people were moved from the island in 1972.

The people removed from the island have been living on the Island of Mauritius in a state of deepest poverty, even though the United States and the United Kingdom jointly contributed $1,400,000 to the Mauritian Government for relief and relocation of all people who had worked or lived in the Chagos Archipelago. We find that, to date, the people of Diego Garcia have received $1,000 in resettlement costs from the Mauritian Government. According to information furnished me, the Mauritian Government acknowledged that the 1973 payment represented a full and final discharge of British obligations in this regard and accepted complete responsibility for the people involved.

But in my judgment, the United States has a moral obligation in seeing that the people who were removed from Diego Garcia are provided a decent place to live and compensated for having to give up their livelihood and their living space.

Mr. President, before I finish I would like to review briefly some of the arguments against the United States siting a naval base on Diego Garcia:

First. In my judgment, this base will lead ultimately to the United States having to support a three-ocean Navy.

Second. This will be an immensely expensive undertaking. Even though the Navy and the Air Force contend that it will only cost $35 million in construction money, information available to me indicates that the cost in construction and equipment will run approximately $200 million.

Third. The nations surrounding the littoral of the Indian Ocean have repeatedly stated that they did not want the United States building a naval base on Diego Garcia. In spite of these protests by 30 nations in the Indian Ocean area, the United States has decided to go ahead with the building of the base.

Fourth. The proponents of the Diego Garcia proposal have stated that this will protect the U.S. ocean tanker sea lanes, it was demonstrated in the Yom Kippur war of 1973 that the United States was shut off from oil in the Arab countries.

Fifth. I contend that the building of this naval base on Diego Garcia will lead to an arms race between the United States and the Soviet Union in the Indian Ocean area.

In closing, I believe that the Department of Defense and the State Department were less than candid with the Congress in this matter.

Mr. President, it is high time that this practice of not thoroughly informing the Congress on problems that concern national security policy should stop and I know of no better place to begin than with this question of Diego Garcia.

Mr. KENNEDY. Mr. President, I rise to support the amendment offered by the distinguished Senator from Iowa (Mr. CULVER), to suspend funds for the U.S. base on the Island of Diego Garcia until July 1, 1976.

I believe that Senator CULVER has made a persuasive case for his amendment; and he is to be commended for his leadership on this issue during the last several months.

As we go beyond the Vietnam era, reexamine our interests in the outside world, and seek to define new directions for U.S. foreign policy, it is important for us to proceed cautiously before undertaking new commitments or new deployments of U.S. forces abroad.

This amendment goes right to the heart of this concern. It is an effort to give us time to stop and think before embarking on a significant expansion of the base at Diego Garcia. Many of us in this Chamber believe that the arguments against this expansion are overwhelming on their own merits. Even more, we are concerned that no constructive efforts have been made by the administration to forestall a major new arms race within the Soviet Union in the Indian Ocean.

Last year, the Congress suspended the authorization of funds for the Diego Garcia base, pending Presidential certification—and congressional approval of that certification—that this base is truly in the national interest.

At the same time, the Senate Armed Services Committee recommended that the administration provide "a thorough explanation of the possibility of achieving with the Soviet Union, mutual military restraint without jeopardizing U.S. interests in the area of the Indian Ocean."

This approach was also supported by the littoral states of the Indian Ocean, all 29 of which have supported repeated calls of the U.N. General Assembly to try making this part of the world a "zone of peace."

When the President earlier this year sent us his certification of the Diego Garcia base, and we debated it here, it became clear that the administration had chosen not to follow the advice of the Armed Services Committee. It simply ignored an avenue of action that could help forestall an escalation of naval deployments in the Indian Ocean, to the ultimate benefit of no nation. As the Washington Post reported, one "high State Department" official said that the United States did not have to "tug its forelock and petition Moscow to remove the American Navy from the Indian Ocean."

Clearly, Mr. President, that was a distortion of the sane and sensible efforts in the Senate to encourage the President to seek negotiations with the Soviet Union before proceeding with the Diego Garcia base. And just as clearly, the administration distorted the record in telling us in the Congress that the island was uninhabited: it was, indeed, uninhabited, but only because we had worked with the British Government to remove the people who lived there, financing that callous act through a secret and highly questionable offset of finance charges incurred by the British Government for purchase of Polaris missiles and related equipment.

Earlier this year, I joined with my distinguished colleagues from Rhode Island (Mr. PELL) and California (Mr. CRANSTON) in introducing an amendment expressing the sense of Congress that the President should seek to enter into negotiations with the Soviet Union "as rapidly as possible" to seek mutual restraint in Indian Ocean naval deployments. That amendment was passed by the Senate as part of the international relations authorization bill, which is now in conference. It is my hope that the Senate conferees will insist on its inclusion in the final bill, as a direct expression of congressional opinion along the same lines advocated today by Senator CULVER.

Mr. President, we do not know whether the Soviet Union will join us in negotiations on limiting arms and forces in the Indian Ocean area. But we cannot answer that question unless we try. How often are we told by the administration that negotiations will not work—without the slightest effort on its part to test that proposition? It is following the same approach with regard to the sale of arms to the states of the neighboring Persian Gulf—again arguing that there is no point in negotiating with arms buyers and sellers. And again it refuses to try.

Are we to allow our policy in that part of the world to be dominated by this approach—by this cavalier refusal to follow the lead of the Congress? Can an executive-legislative partnership in foreign policy mean anything, if our judgment is to be ignored?

Mr. President, for all these reasons, I support the amendment offered by Senator CULVER, and urge its adoption by the Senate, as evidence of our positive intent to seek arms control instead of arms anarchy in an important area of the world.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. GARN) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The result was announced—yeas 51, nays 44, as follows:

[Rollcall Vote No. 473 Leg.]

YEAS—51

Abourezk
Biden
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Scott, William L.
Sparkman
Stevenson
Symington
Taft
Tunney
Williams

NAYS—44

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Helms
Hruska
Javits
Johnston
Laxalt
McClellan
McClure
McGee
Morgan
Nunn
Packwood
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—5

Bayh
Garn
Hartke
Metcalf
Percy

So Mr. CULVER's amendment (No. 1054) was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I call up an amendment which I have at the desk, and ask that it be reported.

The PRESIDING OFFICER (Mr. MCCLURE). The amendment will be stated.

The legislative clerk read as follows:

> On page 2, line 21, after the period insert the following: "None of the funds appropriated in this act shall be used for the Uniformed Services University of the Health Sciences."

Mr. FORD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator will not proceed until order is restored. Senators engaged in conversations will please remove them to the cloakroom. Senators will please clear the well.

The Senator from Kentucky may proceed.

Mr. FORD. I thank the Chair.

Mr. President, I offer this amendment today because I believe that we need a strong national defense, but we do not need wasteful spending by the military. I believe that over a long period of time, the construction and operation of a teaching medical institution by the Navy would be a wasteful expenditure of military funds.

First, it would be cheaper to send naval personnel to existing medical schools than to construct and operate a medical school for the Navy's needs.

Second, modern concept of medical education dictates that a community teaching facility—and I emphasize, a community teaching facility—that has the variety of patients is necessary for students to get the breadth of experience necessary for a quality education. It would seem to me that a military facility would not be conducive for this kind of educational experience.

I do not have the figures, but if you took the per student cost and equated it to the projected freshman class of 125 students in 1978, I am confident that the cost would be many times more during the same educational experience that could be purchased at other comparable or better medical schools across the country.

I am not against training military physicians, but I think this project is ill-conceived and wasteful and that other methods can be used to obtain the same quality of medical care for our naval personnel.

This amendment deletes $64,900,000 in funds for this hospital, and by 1982 an expenditure of $280 million would be the cost to the taxpayers.

We are cutting back at the national level in our attempt to help produce additional physicians, but here we are increasing expenditures in the military area. Even our Veterans' Administration is building its hospitals closed to other medical centers, where they have the auxiliary facilities that are so vitally necessary to train and to treat. I think, at a time when we are denying many of our fine young students in this Nation an opportunity to go to medical school, we should not be preparing ourselves to spend $280 million on a facility that will be confined to approximately 125 students over the next 5-year period.

Mr. President, I shall not take up much more of the time of this body. I feel that this is an important approach, that we say to those facilities across this country that are making an effort to increase and enlarge their medical teaching facility in a community with auxiliary facilities. We are saying no to them and yes to the military to spend hundreds of millions of dollars.

I much prefer this body to take this money and spread it across this country, allow them to train and teach the physicians and those medical people who are so necessary for the military. But this becomes a health problem for this total country and not an isolated physician for the military.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAM L. SCOTT. Mr. President, will the majority leader yield to me?

Mr. MANSFIELD. Yes.

Mr. WILLIAM L. SCOTT. I appreciate the distinguished majority leader yielding to me.

I rise in opposition to the amendment of the distinguished Senator from Kentucky. It seems to me that we need more medical personnel. As I have understood his argument, he agrees that we need more medical personnel. Here we are paying physicians and others in the military bonuses to reenlist. We are paying them up to $12,500 or $13,000 per year over and above what the pay of their rank would require the Government to pay because of the shortage of physicians.

We wish to train more physicians and more medical personnel, and this is something that has been discussed for a number of years.

I share the distinguished Senator's comments, that 100 is a negligible number, but I do not believe he has attempted to increase the number. I believe he is attempting to do away with this number that is provided for in the bill. Am I correct in that?

Mr. FORD. Let me advise the Senator that they are now using a scholarship fund to train young men around this country. But, second, where is this facility to be built?

Mr. WILLIAM L. SCOTT. It is to be built within 20 miles of the Nation's Capital. I wish it were in Virginia, but they are going to put it in Maryland.

Mr. FORD. Where are the auxiliary facilities that are so necessary to make this the kind of teaching facility that is necessary?

Mr. WILLIAM L. SCOTT. The distinguished Senator knows I am not handling the bill. I am not on the Committee on Appropriations, but I am on the Committee on Armed Services. I know that we have been discussing this over the years in the Committee on Armed Services. Wherever it is to be built, it is a necessary, desirable facility to relieve the pressure. If we can have the military training its own physicians, as we have the military training its own airmen, as we have a West Point, an Annapolis, and the Air Force Academy, if we can have a medical academy, so we will not have to be concerned about drawing from the private sector, we will have more physicians in the private sector and the military will not be siphoning them off.

Mr. President, I appreciate the distinguished majority leader yielding to me. I hope this amendment will be defeated.

Mr. MANSFIELD. Mr. President, I rise in opposition to the amendment proposed by my distinguished friend, the Senator from Kentucky. I do so despite the fact that there is a great deal of validity to many of his arguments. However, the hospital has been authorized, something on the order of $20 million has already been appropriated, construction has begun, and it is anticipated that the hospital will be completed in December 1976.

As far as auxiliary facilities are concerned, it will be right next door, practically speaking, to the Naval Hospital at Bethesda, the National Institutes of Health at Bethesda, and not too far away from Walter Reed on Georgia Avenue, as well as other facilities within and without the District itself.

The cost to construct the medical school will be under $80 million. The sum of $64.9 million is being requested for construction of the second increment. In fiscal year 1975 $15 million was authorized and appropriated. However, using current working estimates, only $13.1 million will be necessary to complete the first increment.

Projected operational costs of Uniformed Services University will be comparable to those of the average medical school.

It will cost $186,380 to graduate a physician from USU; the average cost to graduate a physician from a civilian medical school is $187,872. This figure is based on Institute of Medicine statistics.

Current data indicates that a USU graduate will cost $1,000 more than a graduate from the Armed Forces health professions scholarship program when considering the total Federal cost to educate a physician and the amount or years of service that will be provided to the military by that person. Several studies compare the two programs on the basis of cost to the Department of Defense for only procuring the services of a physician.

Based on DOD data pertaining to physicians, one can reasonably expect USU graduates to serve in the military an average of 16.2 years; scholarship graduates can be expected to serve an average of 7.6 years.

Even with the USU, the scholarship program, and the variable incentive pay program in existence, one can still expect a military physician shortage. These programs are complementary, not competitive.

USU will graduate 165 to 175 physicians annually who will incure a 7-year obligation.

USU is open to male and female, civilian and military.

USU, which has an extended curriculum of 42 months rather than the usual 36 months, will have specialized courses dealing with medical problems which are peculiar to the military, such as how to deal with mass casualties, preventive medicine in occupied or disaster areas, and the diagnosis and treatment of diseases rarely seen in this country.

Students will be exposed at the onset of their medical education—their most impressionistic years—to military medicine.

USU is prepared to enroll a charter class of 36 students in September of 1976, provided approval is given to construct a complete medical school.

Faculty and student interest in the school is excellent. There were in excess of 100 candidates for the position of dean of the school of medicine. Nearly 1,000 persons have applied for eight chairperson positions in the basic science area. Over 6,000 inquiries have been received from prospective students.

There will be 2.4 students for every faculty member. The national average is 1.4:1.

Approximately half the faculty will be composed of military physicians.

Faculty salaries, as stipulated by law, are comparable with salaries in other medical schools within the vicinity of the District of Columbia.

The USU will make maximum use of existing medical resources; that is, military hospitals suitable for teaching, the Armed Forces Institute of Pathology, the Armed Forces Radiobiology Research Institute, and like research institutes, the National Institutes of Health, and the National Library of Medicine.

The space being planned for the USU is comparable with that of other new schools.

Construction on the first increment began in July of this year with completion due for December of 1976.

The USU will provide opportunities to aspiring medical officers in achieving professional and academic recognition for their work thus assisting in the retention of outstanding physicians.

USU will be a constant source of physicians to the military.

Graduates will form the nucleus of the career medical corps.

USU will serve as the leader in developing new models of health education and health care delivery due to its controlled patient population and health care deliverers.

USU will be the focal point for continuing education.

USC will be a national health resource.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. STEVENS. I state I concur 100 percent in what the Senator from Montana stated in opposition of this amendment.

Mr. JACKSON. Mr. President, I stand in opposition to the amendment offered by the Senator from Kentucky. The establishment of the Uniformed Services University Medical School is both necessary and desirable.

The benefits of establishing this school can be easily recognized. First, we are creating an outstanding medical school which will serve all mankind as well as our Armed Forces. Further, we are establishing a school which will provide a constant source of physicians, whose specialty will be military medicine, which is unique, to the Department of Defense. Graduates will form the nucleus of the career medical corps.

Moreover, the school will provide the vehicle by which aspiring medical officers will receive professional and academic recognition for their achievements. Finally, this university will serve as the leader in developing new models for health education and health care delivery. In short, the university will be a national health resource, as is the National Institutes of Health.

The debate on whether or not the Congress should continue to support this program centers on cost. Is it cost effective? The answer is yes.

Here are the facts.

The medical school will cost $80 million to construct, not $150 million or $200 million as some reports have contended.

The gross cost to graduate a student from this school is $186,380. The cost to graduate a physician from a civilian medical school is $187,872.

The costs to construct and graduate a physician from this school is less than the national average.

When analyzing the costs of the Uniformed Services University and the Armed Forces health professions scholarship program, which are designed to be complementary not competitive, one must consider the total Federal costs, not just the costs of the two programs to the Department of Defense. The Federal Government already subsidizes in excess of 50 percent of the cost to educate a physician at a civilian school.

We must also consider how many years of service the graduate of these programs will provide to the military. Because the Uniformed Services University graduates will have served between 12 to 14 years by the time they have completed their internship and residency training and obligatory service, it is expected that 75 percent will remain in the military a minimum of 20 years. Or, the graduate from this school will average 16.2 years of service. Graduates from the scholarship program, who have a lesser obligation and not all of whom will take internship and residency training in the military, can be expected to serve an average of 7.6 years—less than half the time.

What this all comes down to is this: when comparing these two programs on a cost-per-man-year-of-service basis, the cost to the Federal Government is virtually identical—the scholarship program $1,000 per graduate less expensive.

Because the costs are reasonable as well as the other benefits to be derived from the establishment of this school, it is prudent and logical that this program should receive our continued support and the amendment should be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, will the Senator yield several minutes to me?

Mr. MANSFIELD. Yes, I yield 3 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 3 minutes.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment of the able and distinguished Senator from Kentucky.

There should be no question in the minds of those who have knowledge of the situation today that we have a great shortage of physicians.

This Uniformed Services University was established for the purpose of doing two things: one, to provide the military with sufficient military doctors, and second, to prevent the necessity of draining from the civilian economy physician to be used in the military.

In my judgment, it would be a great mistake for this university not to go forward. It will educate 165 to 175 physicians annually, and they will have an obligation when they graduate to serve for at least 7 years, and the prediction is that they will serve much longer and that probably a majority of them will make a career in the military.

As to the cost, some people have said it will cost more. The figures that we have, as recited by the distinguished majority leader, show it will cost a little less for the average graduate of this institution. The cost is $186,380. From a civilian medical school it is $187,872.

I say, also, that the time has come where the public is demanding that we have more doctors. This is the way of accomplishing a double purpose. As to this university, the ground has been broken, construction is underway, money has been appropriated, and this is now the second increment for which funds are being asked.

I sincerely hope that the Senate will go forward with this great medical university, which is so badly needed in this country, for doctors to serve in the military and to prevent draining doctors from civilian life.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the distinguished Senator from North Carolina (Mr. MORGAN).

Mr. MORGAN. Mr. President, I oppose the amendment of the distinguished Senator from Kentucky. I hope the Senate will defeat this amendment, not because I do not attribute the finest of motives to the Senator; but if there is a shortage of anything in America, it is a shortage of doctors.

I do not have instant recall. I did not know that this amendment was coming up until early this morning. I have been working on trying to create a new medical school in North Carolina since 1963. I got the 1963 legislature to pass a bill providing for a commission to study the advisability of a new medical school.

Two years later, the AMA and the North Carolina Medical Society said we do not need one, when all over North Carolina at that time you could not get doctors, and half of the doctors practicing in the mental hospitals of North Carolina at that time were foreign trained. Most of them, or a good many of them, today are still foreign trained—not only those in North Carolina, but also all over America. The medical societies say that these doctors trained in Italy, where they can just go and enroll, almost without any qualifications, are perfectly competent to practice on these unfortunate human beings who have no freedom of choice. But they say that they are not good enough to go downtown and compete in the open market with the rest of them.

When the medical societies turned it down in 1963, I introduced it again in 1965. We fought the accreditation agencies, and I introduced it again in 1967, and we passed it again, and we passed it again in 1969 and 1971.

Finally, over the opposition of all the medical educators in North Carolina and the accreditation agency of the American Medical Society and the Council on Education, or whatever it is called—both of which I think constitute the worst monopoly this country has ever seen—we are finally proceeding.

I do not know how expensive it is to

train these doctors under this bill, but I know how expensive it is to pay the doctors we are now getting.

Someone introduced a bill earlier this year in the Senate to pay the Veterans' Administration doctors the same amount that is being paid the service doctors. I asked the Congressional Research Service at that time to give me some information on the matter. I do not have it in hand, but if I recall correctly, a beginning doctor, who has just completed his medical school and his internship, starts off in the U.S. Navy at about $28,000. There are doctors in the service making more than Members of the U.S. Senate. Why are they doing it? They are doing it because of the law of supply and demand. People are dying in this country because of the lack of doctors. We need them all over the country.

It has been said that in my State there is a fair distribution of doctors. We just do not have them in the rural areas. When I was attorney general of my State, I had my secretary one day pick up the telephone and call 10 doctors, 10 general practitioners, and ask if they would take her on as a patient—see her originally to get a medical history and take her on. Not one of those 10 doctors would do it.

In Chapel Hill, where the university is, we have the greatest number of doctors per capita anywhere in the State, and you cannot get a doctor unless you know somebody who knows somebody.

Thank goodness, Mr. President, I have a doctor, and most of us here have doctors. But there are thousands and millions of people across this Nation who are ailing and who are in need of medical care because they cannot get a doctor.

If we train doctors for the services, it means that somebody in the service will go back home and start practicing medicine and provide the kind of medical care we need.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. MANSFIELD. I yield 2 minutes to the Senator.

Mr. MORGAN. If anything in the world has led us to as much socialization of medicine as we now have, in my opinion, it is the exclusive attitude of the American Medical Association. I am a member of the American Bar Association, and I put my association in there. In 1931, they published an article in the AMA Journal entitled "Professional Birth Control." It set out the method of reducing doctors in this country because it was not economical to have so many doctors.

So, Mr. President, I am willing to vote to cut out almost anything in the military budget except this provision to provide training for more doctors.

The last time I read any figures, it seems to me that for every qualified applicant accepted in medical schools, eight qualified applicants were turned down. There are many who never applied. There was an article in the New York Times last week reciting the case of a boy from this country who had good grades and decided that, rather than fight the battle, he would enroll in a school in Italy that has 2,000 or 3,000 students, where they just enroll.

Mr. President, if we need anything in this budget, it is this. Please let us not delete it.

Mr. FORD. Mr. President, I yield myself such time as I have remaining.

The PRESIDING OFFICER. The Senator has 25 minutes.

Mr. FORD. I yield myself 5 minutes.

Mr. President, perhaps my distinguished colleague from North Carolina would learn a lesson in the Nation's Capital. Put a little bit in one budget and let it come out of the ground, and then you come back with another hunk to put it in the air. If we had been that smart while we were back in our State legislatures, perhaps we could have gotten a little bit to get it out of the ground and another little hunk to put it in the air. That seems to be the approach I have run into in this Chamber for the last 11 months.

I have heard it said this afternoon that we need doctors. There has been talk about how many miles people have to travel to reach a doctor. We are talking about the rural areas of this country.

We had a rural scholarship program in my State under which the doctor would have to stay in the rural area 2 years after his internship and residency. If you go to find those doctors today, they are in the urban areas, where they can drive the Continentals, where they can drive the big cars, where they can fly and take long vacations and make a great deal of money. The cry here for more physicians is not in the urban areas; it is in the rural areas. Yet, we are going to spend this kind of money to increase the ability to have more doctors back home. I do not believe it. I do not believe that building this facility will increase the number of doctors.

How short are we? Where is our shortage? Students will not apply. The reason they will not apply is that it is not close to home. It will probably be the responsibility of each Senator to recommend to the Medical Academy a couple of students, as we do at the Air Force or West Point or someplace else. Then this Chamber will become the medical profession of this country and will make judgment on young men as to whether or not they get to the Academy.

It is wrong for us to be delving into this area. We are delving into an area in which I am not a professional. I cannot make a judgment as to whether this young man or young lady will make a good physician; yet, that is where we are going.

I have heard it said by one of my colleagues that the average stay of a graduate of this academy they are talking about—and it is not yet an academy; it is just barely out of the ground with $20 million—would be 17 years.

How long are they staying now? We have increased their pay this session to $28,000 to come in. It is about $35,000 in the civilian arena, to start with a clinic, guaranteed. So we might as well go up to the $35,000 so we can get them. But I think we have pretty good facilities.

We talk about giving the children and the students an opportunity to apply. That means that we have to spread it out. Not bring it to a focal point where we shall be making decisions for the medical academy.

I think I understand what is going to happen to this amendment, Mr. President, but I hope I have made my point. Those who talk about the need for more doctors, those who talk about the need for more medical facilities, let them, then, when the next appropriation comes up, fight as hard for additional money for the medical centers in their States, to enlarge the medical centers in their communities, close to the auxiliary facilities that are important to a medical center. We talk about being within 20 miles of this hospital or that hospital with this medical facility. The Veterans' Administration is building its hospitals on the campus next door to the medical facility in order to have the opportunity.

Mr. President, unless someone else has some comment to make—as far as the pros, I do not find many—I am prepared to yield back the remainder of my time.

Mr. McINTYRE. Will the Senator yield me 3 minutes?

Mr. MANSFIELD. Yes, and then I will yield back my time.

Mr. McINTYRE. Mr. President, I rise briefly to support my good friend, the junior Senator from North Carolina. In my experience with national health insurance, I have come up against many complexities, but none worse than the question of whether we need more doctors or not. Some years ago, a high member of the health administration said we have all the doctors we need in America. Yet, back in New Hampshire, when speaking on national health insurance, the type I propose, I have been approached by educators of some of the smaller universities that exist throughout New England. They have said to me, "Senator, there is no use talking about sending more youngsters to universities to the medical schools, because, frankly and honestly, Senator, there are no slots for them. There is no place for these young men and women today to be able to get into medical education."

Without belaboring the issue any more, I support what the Senator from North Carolina (Mr. MORGAN) said. I believe we do need more doctors and I do not believe some of the stuff that the American Medical Association plays around with. I hope that, with all due respect to my good friend from Kentucky, his amendment will be defeated.

Mr. GARY HART. Mr. President, I find it astonishing that the plans and spending for the military medical school are so far along given the reasons why the school was initially authorized and the flimsy justification which is now advanced in support of the concept. We should clearly understand that the school was forced on the Department of Defense in deference to the wishes of a powerful Congressman who had more than a little to say about the military budget. Now, of course, the Pentagon defends the school, on the principle, I assume, that military spending projects must never be slowed once they are begun. Waste of the taxpayer's money and value of the ongoing project do not seem to have any influence in checking the Pentagon's momentum once it gets going.

Just what are the justifications advocates of this project think are sufficient to commit several hundred million dollars in public funds? Let us look at a few of these arguments:

First. One is that we need more medical doctors to provide health care for military personnel, retirees and their dependents. This is true, but it is not total numbers that are the problem, but rather retention rates of those induced to enter the service. The military services have a lock on those physicians and other health professionals who choose government subsidy of their training, including medical school and residency for a specialty. There are now 5,000 in public and private medical and other schools under the Defense Department's scholarship program. Each of them owes the military a year of service for each year of subsidized training. The military medical school will, even when running at full capacity, turn out no more than 150 to 175 physicians a year. These will owe the Government more service than scholarship students, but the small number of graduates is not going to begin to meet military needs. The scholarship program will have to be continued, no matter what the rate of the Bethesda school.

We have been told that the Bethesda graduates will be in uniform longer than doctors coming from other programs, but the Congress has already done something to induce those with no pay-back obligation to stay on. Programs legislated in the last Congress give doctors a larger monthly professional payment and permit the payment of bonuses for continued service. These are costly programs, but, according to the Pentagon, they are working, and they cost less than the Bethesda school. Furthermore, the bonus programs will probably have to be continued anyway, even if we allow this school to go forward.

Figures supplied by the American Medical Association to the Congress last year show that doctors in uniform, if they serve only a year or two beyond their usual obligation of approximately 4 years, will do better financially than the average doctor in private practice, the most highly paid medical practitioner. Why then do they leave? It is because they do not have sufficient motivation, a motivation that the Bethesda school is supposed to give a limited few? The answer to this is that conditions of practice are not to the liking of many of them. I have heard from a large number who say they are not able to give their patients the care they deserve. This is because facilities are in some places inadequate, and that is where we should be putting public funds, not in monuments such as this school which will not help health care of servicemen, but in improved hospitals and dispensaries.

Second. Advocates of this school also say we have a critical physician shortage in the Nation at large which can be lessened by approval of this funding. What is forgotten is that the school will not run without overhead. That is it will take doctors to train doctors. We should ask where they will come from. The answer is they are already being recruited from private and public medical schools, the National Institutes of Health and from the Armed Forces themselves.

Therefore, an unnoticed consequence of producing about 150 doctors a year at Bethesda will be a drain of professors and essential researchers from producing medical faculties, research organizations, and the health care personnel of the military.

There is, however, evidence from the Secretary of HEW that the Nation's physician shortage is rapidly being eliminated and may be overcome by 1980, the very year when Bethesda is scheduled to turn out its first graduate. The reason why the doctor situation is improving is because the Congress has in recent years helped public and private medical schools to expand their outputs.

It is interesting that the money in this bill for Bethesda construction alone, $64.9 million, is several times more than the public is giving to all the other schools in the Nation for modernization and new facilities. Yet even the $25 million seems enough because we are catching up in the doctor shortage.

Third. This brings us to the cost argument. Advocates tell us that it does not matter what the Bethesda school will cost; the military deserve the best. The military services do deserve the best, but it does matter what it costs.

Furthermore, it is not proved that the Bethesda school will provide the best. I shall not go into the cost figures in detail. It is enough to note that the Defense Manpower Commission, created by Congress to examine questions such as this, says the school is an unnecessary waste of tax dollars; that the General Accounting Office, the Congress' chief financial analyst says it will cost much more than other doctor procurement programs and that the Studies and Investigations Subcommittee of the House Armed Service Committee, a respected professional investigative unit, says the Bethesda school costs 4 times as much as the scholarship program and there is no evidence apart from assertions that Bethesda graduates are any more likely to stay in uniform than any other doctors. Finally, the National Academy of Sciences and the American Medical Association oppose the military school because they believe civilian medical education will be diluted.

Fourth. Some say that military doctors are specialists in a type of medicine strange to the civilian community, but this is not the case. In fact, most military physicians specialize in skills common to civilian practice, pediatrics, gynecology and so on, and each of them must be certified by the appropriate civilian specialization authorities.

The reason why there is so little purely military medicine as compared to civilian is because the military doctor's patients are men and women, old and young, just like any other physician's. Military doctors by and large never see patients suffering from ailments or injuries peculiar to the military community. In short, the Bethesda medical school will be just another medical school except it will cost the taxpayer hundreds of millions that need not and should not be spent.

Fifth. The argument is made that we ought to go ahead with the school because a board of regents has been appointed, some personnel selected, and construction begun. It would be ludicrous to approve this wasteful program just because a start has been made. If this be a criteria for public spending, we would never turn back from any worthless enterprise. I submit that this one is worse than most because Congress has not given it the attention it deserves. It is one more case of a little acorn which will grow into a big, and certainly unneeded, oak tree if we do not stop it now when there is a chance to do something about it.

We should stop waste of the taxpayer's dollars for the costly and unnecessary military medical school which adds this year alone $64.9 million to the military construction appropriations bill.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Kentucky.

The Chair is in doubt and asks for a division. Senators in favor of the amendment will rise and stand until counted. (After a pause.)

Those opposed will rise and stand until counted.

On a division the amendment was rejected.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, after the period in line 21, add the following: "None of the funds appropriated herein may be used to carry out any construction project in connection with the Uniformed Services University of the Health Sciences for a period of 90 days following the date of enactment of this Act."

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

This amendment would appropriate the total amount of funds now in the bill for the Uniformed Services University of the Health Sciences, but it would freeze expenditure of these funds for a 3-month or 90-day, period. During that time, the Comptroller General would deliver an opinion to the committee as to the cost effectiveness of the University as opposed to the scholarship program or other alternatives of training medical doctors.

This is something we have not had. This is a way that I think we could meet the objections of the Senators who feel that the Uniformed Services University of the Health Sciences is the most economical way to proceed and those of us who think it is not.

Mr. President, I think we should recognize that this university was established by law in September of 1972. Its purpose is to graduate 150 trained medical officers a year beginning no later than 1982. The first class of 36 officer graduates in 1980. Graduates are required to serve 7 to 9 years beyond their training.

The same law also established an Armed Forces Health Professions Scholarship Program. This is a direct support system for military officers attending civilian medical facilities. Officers must repay 1 year to the military for every year of training received.

Both programs, the university and the scholarship, are designed to meet the medical officer needs of the military over the long run.

The problem I wish to raise today deals with the conflicting assessments as to the cost effectiveness of the university versus the scholarship program. Here are the major points in contention:

First. Congress established the Defense Manpower Commission to study more efficient manpower practices and recommend areas where savings could be made. In its interim report, dated May 16, 1975, the Commission stated that the scholarship program is,

> An adequate and economical means of procuring and retaining the professional military medical personnel of high quality for the Armed Forces while the University is an unjustifiably costly method for securing this objective and relatively inflexible once established.

Second. On the other hand, the university has presented data to the Military Construction Subcommittee which it claims supports its case that the university is a cost effective method of procuring medical officers and thus why the $64.9 million construction request should be approved.

Third. The surveys and investigations staff of the House Appropriations Committee thoroughly examined the university at the request of Congressman JACK EDWARDS. They concluded that "Congress should be made fully aware of the significant cost variance between the two approaches which both result in medical officers." The investigative staff went on to be extremely critical of the university's costing methods and basic assumptions.

Fourth. In late 1971, the American Public Health Association stated that:

> There is little evidence that the tasks performed by physicians in the military service are significantly different from those performed by the physicians of similar training in the civilian sector.

They added that the productivity of such a school would be too low to be efficient.

Fifth. The Federation of Associated Schools of the Health Professions has made at least one statement opposing this university.

Sixth. Former Secretary of HEW, Elliot Richardson, in 1972 opposed the concept of the university in a letter to Chairman JOHN STENNIS. He made five arguments against the university:

First, difficult to attract qualified personnel.

Second, will develop different standards for military physicians than civilian physicians.

Third, would isolate military physicians from mainstream of U.S. medical society.

Fourth, university is not cost effective compared to scholarship program.

Fifth, he proposed a fully funded DOD scholarship program and expansion of DOD-civilian medical centers.

HOW TO RESOLVE THE PROBLEM

Given the distinct differences of opinion among all the major participants in the health field, the recommendation of the Defense Manpower Commission, the findings of the surveys and investigations staff, and the data from the university supporters, it is clear that the $64.9 million construction appropriation is premature and unwise.

It is difficult, if not impossible, to resolve the complicated facts of this case to any clear conclusions, although the case against the university seems much stronger than the case for it.

Therefore, what I am proposing in this amendment is that the university appropriation should be approved and released only after a thorough resolution of the outstanding issues. The Comptroller General would be requested to provide the Appropriations Committee with a firm recommendation as to the cost effectiveness of the university against the scholarship program within 3 months. All appropriations made pursuant to the university would be frozen until that recomendation. If the recommendation is positive, then the committee could meet again to release the funds. If it is negative, the committee could take appropriate action, such as a rescission.

THE ECONOMIC ARGUMENTS

What are the economic arguments? Is the university the most efficient source of medical personnel for the military? Let us look at some of the facts.

COST PER UNIVERSITY GRADUATE

The House investigative staff established that the annual Federal cost—in fiscal year 1975 dollars—for each university student would be approximately $49,800. The complete 4-year cost per university graduate would therefore be $199,200. The estimate of $49,795 per student per year is based on the university's projected fiscal year 1981 operating budget. This analysis was made in terms of 1975 dollars with the operating budget in fiscal year 1981 at $29,122,000. Beginning in fiscal year 1981, it is expected there will be 625 students in attendance at the university. This would calculate to a per-student cost of $46,595, without considering depreciation or any imputed costs, such as interest on invested capital. Including the above would result in a total of $49,800 per student.

COST PER SCHOLARSHIP GRADUATE

The annual cost of the scholarship program—in fiscal year 1975 dollars—will approximate $10,800 per student. The complete 4-year cost per graduate would be $43,200. Theses stimates would include the following:

First. Tuition and fees (including rent).

Second. Stipend—$400 per month.

Third. Full pay and allowances of grade 0–1 for a period of 45 days of active duty each year.

Fourth. Support costs.

Fifth. Books and related supplies.

COST CONCLUSIONS

The 4-year university cost, therefore, will range between $186,380 and $199,200—depending on imputed costs—while the scholarship program for 4 years would be $43,200 per student, a difference of $143,180 at a minimum, or better than 4 to 1, advantage for the scholarship program. All figures from the House investigative staff. The Defense Manpower Commission figures are similar.

UNIVERSITY ARGUMENTS

University officials counter these figures with four points. First, they argue that, since the Federal Government provides 50 percent of the support to civilian medical schools, this additional amount should be added to the scholarship program for analysis.

This reasoning is faulty. This aid will be given regardless of the scholarship program. It is a fixed commitment that will not vary with the university program. Therefore, it cannot be counted as an additional cost to the scholarship program. It would go on anyway. There is no imputed "savings" here.

Second, the university will encourage the longer retention rates expected for university graduates as opposed to scholarship graduates—university officers will have a longer time commitment and thus be closer to a promising retirement pension and thus might seek to stay. The investigative staff believes this is based on pure "conjecture." Nonetheless the university uses this to calculate a "man-year" cost figure more favorable to its case.

Since the university is a new program, using historical retention rates based on other programs or circumstances is suspicious at best. Doctors who go to the scholarship program can reasonably be expected to be as dedicated as doctors going into the university. Why should there be any difference?

Third, the university officials, in comparing their costs, have devised a net and gross cost technique. They subtract out all nontraining expenses such as investigative research which will occur at the university as much as 60 percent of the total. This gives them a better comparison with the scholarship program and civilian medical schools. However, it overlooks the plain fact that these gross costs must be appropriated and spent. They cannot be subtracted to obtain a more favorable net cost without doing damage to the basic question of who pays the bills—the taxpayer. This is a sleight of hand technique.

Fourth, the university makes the argument that their operation is no more expensive than comparable civilian medical facilities. Whether or not this is the case is immaterial. If a cheaper program can be obtained through the scholarship techniques than comparative data to civilian medical universities is not relevant. The taxpayer deserves the lower figure.

Mr. President, I now want to address the two arguments that proponents of this university have made in committee. The full Appropriations Committee only narrowly turned down the proposal I have offered today. It was a close vote and I am sure that if other Senators had been present, the results may have even been closer.

The first argument is that we have already sunk $15 million in construction costs into the university and therefore we should go ahead and commit the remaining $65 million in this bill. This is the old sunk costs argument. As soon as one penny flows into a project, then there is this irresistible force pushing the project toward completion.

Fortunately, the facts belie this case. First, the President has shown that many projects can be terminated through the rescission process and with considerable savings. We no longer have to continue with unnecessary commitments.

Second, the House appropriations investigative staff determined that only about $10 million of the construction costs would be lost after a project termination. This $10 million looks very small compared to the total costs of $268 million that will be spent on the university through fiscal year 1981. Think of it, $268 million in construction, operation and maintenance, and other costs in order to gradute 150 doctors a year, at the same time that the same number of scholarship doctors could be graduated at one-fourth of the cost.

According to Congressman JACK EDWARDS, who has studied this problem in greater depth than anyone I know, the cost comparisons are even more one-sided. He has stated that it will cost $30 million a year to graduate 150 students from the university while the same number of doctors could be produced in the private sector at a price of $6.5 million.

Mr. President, this leads to the other consideration that has been in people's minds. Would not an increase in scholarship students force out other civilians working toward their medical degrees? The answer is a flat no. The Defense Department only gives scholarships to those already enrolled in medical school. They draw from the existing pool. They would not compete for new slots.

But this does not increase the number of available doctors. That is a legitimate point. If we are to increase the number of civilian or military doctors, how do we go about it?

By spending $268 million on a new training facility and operation and maintenance costs? If we need new medical schools, then we should approach the problem directly, not by some backdoor military medical school technique. Let that be the responsibility of the Congress and the administration and the HEW Department. Let us address that problem head on, not here in the military construction bill. Let there be hearings and debate and consideration of alternatives.

Mr. President, there is a dispute as to just how many doctors the Defense Department really needs. There is a dispute as to just how many doctors will be enlisting in the present economic climate.

Frankly, there is a dispute about every major aspect of this construction program.

Under these conditions, is it not wise, is it not prudent and practical to freeze these appropriations for 3 months until an unbiased determination of cost effectiveness and need can be given to the Committee by the Comptroller General?

Mr. President, we can debate these technical questions today at length. We can argue over whose statistics are right—the University's statistics or the Defense Manpower Commission or the House Survey and Investigations staff, or mine, or any number of other combinations.

But the reasonable thing to do is to sit on this for 3 months and see if this commitment toward a $268 million institution is in the best interests of the American taxpayer.

Mr. President, I am empowered to state that the distinguished Senator from Tennessee (Mr. BAKER) is a cosponsor of this amendment.

He, as we all know, is the author of the Defense Manpower Commission, and he feels their recommendation should be respected, at least to the point of giving us an opportunity to get the evaluation of a dispassionate, objective, and competent group such as the GAO.

Mr. President, I am happy to yield to the manager of the bill.

Mr. MANSFIELD. Mr. President, I have discussed this matter with the distinguished Senator from Alaska (Mr. STEVENS), the ranking member of the Subcommittee on Military Construction Appropriations.

The Senator will recall that this matter was brought up in the full committee, and there it suffered a narrow defeat. But, with the approval of my distinguished colleague from Alaska, we are prepared to take this to conference to see what can be done in pursuance of the Senator's objectives, but we cannot guarantee what the results will be. We will do our best, however.

Mr. PROXMIRE. I appreciate that very, very much. I understand there is very strong objection to this amendment in the House and it will be difficult for the conferees. But, I do think it is a reasonable kind of amendment. I hope they will look it over and, after all, it is not to kill the proposal but simply to give us a chance to get all the facts on it.

Mr. MANSFIELD. I want to assure the Senator that both the Senator from Alaska and I will do our very best.

Mr. PROXMIRE. I thank the Senator.

Mr. MANSFIELD. On that basis we accept the amendment.

Mr. PROXMIRE. Mr. President, I yield back my time.

Mr. MANSFIELD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, in the meantime, I ask unanimous consent that the Senate go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROTOCOL TO THE TREATY WITH THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTIBALLISTIC MISSILE SYSTEMS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a protocol to the treaty with the Union of Soviet Socialist Republics on the limitation of antiballistic missile systems which was reported by the Committee on Foreign Relations unanimously, and which has to do with the one ABM setup which was agreed to previously and which, I think, has been cleared all the way around with the leadership on the other side. So I make that request at this time.

The PRESIDING OFFICER (Mr. FANNIN). Is there objection?

There being no objection, the Senate, as in committee of the whole, proceeded to consider executive I, 93d Congress, second session, the protocol to the treaty with the Union of Soviet Socialist Republics on the limitation of antiballistic missile systems which was read the second time, as follows:

PROTOCOL TO THE TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTI-BALLISTIC MISSILE SYSTEMS

The United States of America and the Union of Soviet Socialist Republics, hereinafter referred to as the Parties,

Proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed on May 29, 1972,

Desiring to further the objectives of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems signed on May 26, 1972, hereinafter referred to as the Treaty,

Reaffirming their conviction that the adoption of further measures for the limitation of strategic arms would contribute to strengthening international peace and security,

Proceeding from the premise that further limitation of anti-ballistic missile systems will create more favorable conditions for the completion of work on a permanent agreement on more complete measures for the limitation of strategic offensive arms,

Have agreed as follows:

ARTICLE I

1. Each Party shall be limited at any one time to a single area out of the two provided in Article III of the Treaty for deployment of anti-ballistic missile (ABM) systems or their components and accordingly shall not exercise its right to deploy an ABM system or its components in the second of the two ABM system deployment areas permitted by Article III of the Treaty, except as an exchange of one permitted area for the other in accordance with Article II of this Protocol.

2. Accordingly, except as permitted by Article II of this Protocol: the United States of America shall not deploy an ABM system or its components in the area centered on its capital, as permitted by Article III (a) of the Treaty, and the Soviet Union shall not deploy an ABM system or its components in the deployment area of intercontinental ballistic missile (ICBM) silo launchers as permitted by Article III (b) of the Treaty.

Article II

1. Each Party shall have the right to dismantle or destroy its ABM system and the components thereof in the area where they are presently deployed and to deploy an ABM system or its components in the alternative area permitted by Article III of the Treaty, provided that prior to initiation of construction, notification is given in accord with the procedure agreed to in the Standing Consultative Commission, during the year beginning October 3, 1977 and ending October 2, 1978, or during any year which commences at five year intervals thereafter, those being the years for periodic review of the Treaty, as provided in Article XIV of the Treaty. This right may be exercised only once.

2. Accordingly, in the event of such notice, the United States would have the right to dismantle or destroy the ABM system and its components in the deployment area of ICBM silo launchers and to deploy an ABM system or its components in an area centered on its capital, as permitted by Article III(a) of the Treaty, and the Soviet Union would have the right to dismantle or destroy the ABM system and its components in the area centered on its capital and to deploy an ABM system or its components in an area containing ICBM silo launchers, as permitted by Article III(b) of the Treaty.

3. Dismantling or destruction and deployment of ABM systems or their components and the notification thereof shall be carried out in accordance with Article VIII of the ABM Treaty and procedures agreed to in the Standing Consultative Commission.

Article III

The rights and obligations established by the Treaty remain in force and shall be complied with by the Parties except to the extent modified by this Protocol. In particular, the deployment of an ABM system or its components within the area selected shall remain limited by the levels and other requirements established by the Treaty.

Article IV

This Protocol shall be subject to ratification in accordance with the constitutional procedures of each Party. It shall enter into force on the day of the exchange of instruments of ratification and shall thereafter be considered an integral part of the Treaty.

Done at Moscow on July 3, 1974, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the United States of America:

Richard Nixon,
President of the United States of America.

For the Union of Soviet Socialist Republics:

L. I. Brezhnev,
General Secretary of the Central Committee of the CPSU.

Mr. MANSFIELD. I ask unanimous consent that the message of the President of the United States and excerpts from the report be printed in the Record.

There being no objection, the letter and report were ordered to be printed in the Record, as follows:

Letter of Transmittal

The White House,
September 19, 1974.

To the Senate of the United States:

I transmit herewith the Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems. This Protocol was signed in Moscow on July 3, 1974. I ask the Senate's advice and consent to its ratification.

The provisions of the Protocol are explained in detail in the report of the Department of State which I enclose. The main effect of the Protocol is to limit further the level and potential extent of ABM deployment permitted by the 1972 ABM Treaty. The Protocol furthers fundamental United States objectives set forth in President Nixon's message to the Senate of June 13, 1972 transmitting the Agreements reached at SALT ONE.

The ABM Treaty prohibits the deployment of operational ABM systems or their components except at two deployment areas, one centered on a Party's national capital area and the other in a separate area containing ICBM silo launchers. The Protocol would amend the Treaty to limit each Party to a single ABM deployment area at any one time, which level is consistent with the current level of deployment. However, each side would retain the right to remove its ABM system and the components thereof from their present deployment area and to deploy an ABM system or its components in the alternative deployment area permitted by the ABM Treaty. This right may be exercised only once.

This Protocol represents a further advance in the stabilization of the strategic relationship between the United States and the Soviet Union. It reinforces the ABM Treaty provision that neither Party will establish a nationwide ABM defense or a base for such a defense.

I believe that this Protocol strengthens the ABM Treaty and will, as an integral part of the Treaty, contribute to the reduction of international tension and a more secure and peaceful world in which the security of the United States is fully protected. I strongly recommend that the Senate give it prompt and favorable attention.

Gerald R. Ford.

Letter of Submittal

Department of State,
Washington, August 30, 1974.

The President,
The White House.

The President: I have the honor to submit to you the Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty). This Protocol was signed in Moscow on July 3, 1974. It is my recommendation that it be transmitted to the Senate for its advice and consent to ratification.

The ABM Treaty prohibits the deployment of operational ABM systems or their components except at two deployment areas, one centered on a Party's national capital area and the other in a separate area containing ICBM silo lunchers, at least 1,300 kilometers distant. However, neither Party has yet deployed ABM systems or components in the second of the two ABM deployment areas permitted to it.

In the Protocol, which would amend the ABM Treaty, the Parties have agreed that they will further limit their ABM deployments to one site and will not deploy an ABM system or components thereof in a second deployment area as now permitted by Article III of the ABM Treaty. Upon its entry into force, the Protocol will become an integral part of the ABM Treaty.

The Protocol consists of four preambular paragraphs and four articles. The preamble sets forth the common premises and objectives of the United States and the Soviet Union in concluding this Protocol. In the first and second paragraphs the Parties indicate the significance of the Basic Principles and Relations Between the United States of America and the Union of Soviet Socialist Republics, signed on May 29, 1972, in the negotiation of this Protocol, and express their desire to further the objectives of the ABM Treaty. In the third and fourth paragraphs, the Parties set forth their view that further limitation of strategic arms would contribute to international peace and security, and that further limitations of anti-ballistic missile systems will create more favorable conditions for the conclusion of a permanent agreement on more complete measures for the limitation of strategic offensive arms.

Article I provides that each Party to the ABM Treaty shall be limited to a single ABM deployment areas at any one time and shall not exercise its right to deploy ABM systems or their components in a second area as permitted by Article III of the Treaty, except as an exchange of one deployment area for the other in accordance with Article II of the Protocol. As a result the United States would not be entitled to deploy ABM systems or their components for defense of its national capital area and the Soviet Union would not be entitled to deploy ABM systems or their components to defend a separate area containing intercontinental ballistic missile silo launchers, except as permitted by Article II.

Article II of the Protocol provides that each Party may dismantle or destroy the ABM system and its components in the area in which they are currently deployed and deploy an ABM system or its components in the alternative area permitted by Article III of the ABM Treaty. As a result, the United States could transfer its ABM deployment to an area centered on its national capital and the Soviet Union could transfer its ABM deployment to a separate area, located at least 1,300 kilometers from Moscow, containing intercontinental ballistic missile silo launchers. The right of each Party to such a change in deployment areas may be exercised only once.

Notification of the exercise of this option must be given, prior to initiation of construction of the new ABM complex, in accord with a procedure to be agreed upon in the Standing Consultative Commission (SCC) established by the Parties pursuant to Article XIII of the ABM Treaty. Such notification may only be given during the year beginning October 3, 1977, and ending October 2, 1978, or any year which commences at five-year intervals after October 3, 1977. These years are the years prescribed for periodic review of the ABM Treaty.

Should either Party give notice and exercise its right to exchange deployment areas, dismantling or destruction of its existing ABM deployment and notification thereof must be carried out in accordance with Article VIII of the ABM Treaty in the shortest possible agreed period of time under agreed procedures to be negotiated in the SCC. New ABM deployment and notification thereof must also be carried out pursuant to procedures agreed to in the SCC.

Article III provides that the obligations of the ABM Treaty shall remain in force except as modified by the Protocol, and that, in particular, the ABM deployments in the area selected by each Party shall remain limited by the numerical levels and other requirements established by the Treaty.

Article IV provides that the Protocol is subject to ratification in accordance with the constitutional procedures of each Party and shall upon its entry into force be considered an integral part of the ABM Treaty.

The ABM Treaty constitutes a major achievement in arms limitation and enhancement of strategic stability in that it limits the ABM capabilities of the United States and the Soviet Union to a low level. By means of this Protocol the permitted level and potential extent of ABM deployments will be further limited to one site for each Party, thereby reinforcing the ABM Treaty provision that neither side will establish a nationwide ABM defense or a base for such a defense.

This Protocol should further strengthen the strategic relationship established by the

ABM Treaty and I hope that it can be brought into force as soon as practicable.

Respectfully submitted.

ROBERT S. INGERSOLL,
The Acting Secretary of State.

Enclosure: Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems.

The Committee on Foreign Relations, to which was referred the Protocol to the Treaty with the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on July 3, 1974 (Ex. I, 93–2), having considered the same, reports favorably thereon without reservation and recommends that the Senate give its advice and consent to ratification thereof.

BACKGROUND

Following the SALT I agreement, the Treaty between the United States and the Union of Soviet Socialist Republics on the limitation of anti-ballistic-missile systems (ABM Treaty) was referred to the Committee on Foreign Relations. On July 21, 1972 the Committee reported favorably and recommended that the Senate give its advice and consent to ratification. The Senate did so on August 3, 1972.

The basic purpose of the treaty was to allow each side two anti-ballistic missile (ABM) complexes—one protecting each side's national capital and one protecting intercontinental ballistic missiles (ICBM). At the time of the treaty ratification, the United States was deploying anti-ballistic missiles to protect ICBM's, and the Soviet Union had deployed anti-ballistic missiles to protect Moscow. Neither side had embarked on construction of the second allowed ABM complex.

In the course of its consideration of the ABM treaty the Committee held extensive hearings. Widespread public support for the treaty was demonstrated throughout the course of the hearings. In general, witnesses expressed concern as to the wisdom of having the United States build a second ABM site to protect the nation's capital as allowed by the ABM treaty. The administration argued strongly that the right to have a second site was important to the treaty. Admiral Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, told the Committee "Our failure to construct the Washington site to balance off the Soviet capability would leave an undesirable asymmetrical relationship which could be destabilizing and weaken our overall deterrent posture."

Most witnesses generally disagreed with the need for a Washington ABM site as allowed by the treaty. Dr. Marvin Goldberger, Professor of Physics at Princeton University, told the committee that "the Washington ABM has virtually no value against accidents, the Chinese threat, or a Soviet attack. I would submit that we are carrying the concept of parity too far if we seek equality in Soviet mistakes."

Dr. Richard Garwin of the IBM Watson Laboratory said "I believe that the site at Washington, D.C., was never worth the money and is far less desirable now. If the Soviet Union wished to deny us the small additional decision time which one might imagine to be provided by a 100-interceptor SAFEGUARD site, it could well do that by targeting on Washington a very small fraction of their total stable of warheads."

At the conclusion of the hearings on the ABM treaty, a number of Committee members were seriously concerned about the feasibility of constructing a Washington ABM site There was some feeling that any benefits gained would not be worth the cost. It was clear to the members that a Washington ABM site could be easily overwhelmed. Despite these doubts about the allowance for a second ABM complex, the Committee concluded that the ABM treaty was an important step in the direction of controlling the arms race. By introducing both quantitative and qualitative restrictions, the Committee felt that the treaty might serve an important purpose in opening the way for further comprehensive limitations on strategic weaponry.

In connection with the proposal for a second site, the Committee noted specifically that the allowance was not a commitment to build such a complex. A majority of the Committee found itself unpersuaded as to the need for the capital defense and believed that "national restraint in the case of the deployment of the National Capital defense might have a salutary effect upon the Soviet Union and contribute to a similar realization that deployment of a second site is neither necessary nor particularly useful."

In the three years since the ratification of the ABM treaty the Committee judgment has been vindicated. Those who argued that an "undesirable asymmetrical relationship" would result in failure to build a Washington complex have been proven mistaken as both sides have forgone the opportunity to build the second complex allowed by the ABM treaty. The Soviet Union has not indicated a desire to construct a complex to protect part of its Intercontinental Ballistic Missile forces and the concept of a complex protecting Washington is no longer being pursued actively.

On June 3, 1974, President Nixon and Secretary Brezhnev agreed during a summit meeting in Moscow to a protocol to the Treaty with the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems. The Protocol was transmitted to the Senate on September 19, 1974, by President Ford who asked the Senate's advice and consent to its ratification.

PROVISIONS OF THE PROTOCOL

The ABM Treaty prohibits the deployment of operational ABM systems or their components except in two deployment areas—one centered on a Party's national capital area and the other in an area at least 1300 kilometers distant containing ICBMs and silos. The protocol, which would amend the ABM treaty, would further limit the ABM deployments on each side to one site only.

Article I of the protocol provides that each Party is limited to a single ABM deployment area at any one time and shall not deploy ABM systems in a second area, except as an exchange of one deployment area for the other in accordance with Article II of the protocol. In effect, the Russians could take down the Moscow complex and deploy an ABM system protecting ICBMs. The United States could take down its ABM system around ICBM fields and build an ABM complex around Washington. The right of each Party to such a change in deployment areas may be exercised only once. Notification of the exercise of the option to exchange must be given prior to initiation of construction in accordance with a procedure to be agreed on in the Standing Consultative Commission established by the Parties pursuant to Article XIII of the ABM treaty. Notification may only be given during the year beginning October 3, 1977, or during any year which commences at five year intervals after October 3, 1977. These years are prescribed for periodic review by the ABM treaty. Article III provides that the obligations incurred in the ABM treaty shall remain in force except as notified by the protocol. Article IV provides that the protocol is subject to ratification in accordance with constitutional procedures of each Party and, upon its entry into force, shall be considered an integral part of the ABM treaty.

COMMITTEE ACTION

The ABM treaty and protocol have been discussed several times in hearings conducted this year by the Subcommittee on Arms Control, International Organizations and Security Agreements. At a hearing on April 28, the Honorable Paul H. Nitze, former member of SALTT Delegation and former Deputy Secretary of Defense and George W. Rathjens, Professor of Political Science, Massachusetts Institute of Technology, both said they supported Senate consent to ratification of the protocol. At a hearing on October 21 Senator Edward M. Kennedy urged that favorable consideration be given the protocol. Other witnesses have generally viewed the treaty and the protocol as positive and concrete steps in arms control. The Committee is not aware of significant opposition to the protocol.

On September 5, 1975, General George S. Brown, Chairman of the Joint Chiefs of Staff, was asked for the views of the Joint Chiefs of Staff on the protocol. General Brown responded on September 24 as follows:

CHAIRMAN OF THE JOINT
CHIEFS OF STAFF,
Washington, D.C., September 24, 1975.

Hon. STUART SYMINGTON,
Chairman, Subcommittee on Arms Control, International Organizations and Security Agreements, U.S. Senate, Washington, D.C.

DEAR SENATOR SYMINGTON: The following information is provided in answer to the questions you raised in your letter of September 5, 1975.

The 1974 Protocol to the ABM Treaty, when ratified by the U.S. Senate, will limit deployment to one ABM site but will retain the option to relocate the permitted ABM site as an explicit provision of the Protocol. This relocation provision was advocated by the Joint Chiefs of Staff in the event there was a U.S. Government decision to seek agreement with the Soviets to limit deployment to only one ABM site. With this relocation option protected, the Joint Chiefs of Staff did not oppose negotiations which led to the signing of the Protocol.

The major concern which the Joint Chiefs of Staff have regarding ratification is related to your final question of whether ratification of the Protocol would have any effect on future military programs or spending for such programs. They believe that the United States must maintain a ballistic missile defense program of sufficient breadth and depth to insure that the United States keep pace with continuing Soviet ballistic missile defense efforts and improvements, which in recent years have been considerable. A continuation of US efforts in this regard is essential in order to ensure an adequate hedge against sudden abrogation. Further, in the US Unilateral Statement on ABM Treaty withdrawal, the United States stated that if more complete strategic offensive arms limitations were not achieved within five years, it would constitute a basis for US withdrawal from the ABM Treaty. Without demonstrable US competence in the ABM field the US could turn to its advantage if required, the Soviet Union could be less motivated to negotiate more complete limitations on strategic offensive arms.

Therefore, providing that the US Government continues to recognize the importance of maintaining a vigorous ballistic missile defense R&D program, the Joint Chiefs of Staff support ratification of the Protocol to the ABM Treaty.

Sincerely

GEORGE S. BROWN,
General, USAF.

The Committee considered the ABM protocol on October 28 and agreed by voice vote without dissent to recommend that the Senate give its advice and consent to ratification of the protocol.

COMMITTEE COMMENTS

The Committee commends the executive branch for agreeing with the Soviet Union on the revision of the ABM Treaty.

While it would have been preferable for the two sides to agree to the limitation of one complex each at the start, the Committee recognizes that the limited value of ABM systems was not so evident at the time the ABM Treaty was agreed to. Consequently, the Committee views the protocol as a laudable and plausible step in the control of strategic defensive arms.

The Committee believes that the ABM Treaty and the protocol have provided a useful example of the kind of arms control agreement which can be of mutual advantage to both sides.

TEXT OF RESOLUTION OF RATIFICATION

Resolved, (Two-thirds of the Senators present concurring therein). That the Senate advise and consent to the ratification of the Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems signed in Moscow on July 3, 1974.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the protocol be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, the protocol will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification which the clerk will state.

The assistant legislative clerk read as follows:

Resolved, (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems signed in Moscow on July 3, 1974.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that it be in order at this time, as in executive session, to ask for the yeas and nays on the protocol which was considered today.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER EXTENDING TIME TO FILE REPORT ON S. 2584

Mr. STEVENS. Mr. President I ask unanimous consent that the Senate Committee on Commerce be allowed to file its report on S. 2584, the CPB bill, up until the hour of midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum, under the same arrangements.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CURTIS). Without objection, it is so ordered.

MILITARY CONSTRUCTION APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. MANSFIELD. Mr. President, while awaiting the distinguished Senator from Georgia, who is officially absent from the Chamber at this time, I ask for the yeas and nays on final passage. This is almost a $4 billion bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, how much time is left on the bill?

The PRESIDING OFFICER. Six minutes to each side.

Mr. MANSFIELD. Mr. President, I yield the remainder of my time on the bill to the distinguished Senator from Georgia (Mr. NUNN).

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, first of all, I want to congratulate the distinguished majority leader for bringing to the Senate floor this military construction bill which I believe contains many vital projects which are needed by the armed services to accomplish their mission on defending our Nation.

There is one point in the bill that the committee took action on that I do not agree with and I had anticipated bringing up an amendment on the floor today on that particular point, but I am not going to introduce that amendment.

In lieu thereof, I will just discuss it for the moment, for the record, and for next year's deliberations. Then I would like to have a dialog, with the permission of the majority leader, with him as chairman of this important Subcommittee on Military Construction about some extremely important barracks that are being built at Fort Benning.

Before we get to that dialog, I would like to point out that the U.S. Senate particularly, and Congress in general, have been pushing very diligently and very hard to get the military services to try to combine some of their training so that the ratio between instructors and pupils could be greatly increased.

That is to say, there could be more pupils per instructor. Quite naturally, that would cut down dramatically the cost of training and the cost of military personnel.

As chairman of the Manpower Subcommittee of the Armed Services Committee, I am particularly aware that not much progress has been made by any of the services in trying to economize and trying to provide more efficient training. Therefore, I am disappointed.

I am disappointed that the Appropriations Committee, the full committee, overturned the subcommittee recommendation and deleted a $10 million reception station at Fort Benning outside of Columbus, Ga., which would have begun to consolidate the infantry training with the basic infantry training.

I understand the reason for that. I certainly understand the concern of the people that have an interest in Fort Dix in New Jersey that is now conducting some of that basic training for the infantry and I understand that their concern is that Fort Dix may be closed. However, I do believe, in the interest of consistency, the Senate and the Congress cannot push the military services in two different directions at one time.

I do not think the Army is going to be able to figure out what we are doing here when we are telling them, on one hand, to consolidate training and, on the other hand, when they try to consolidate training they are being told, "No, that is really not what we want, if it is going to have any ill effect anywhere in the country." If we are going to save money on personnel and become more efficient in managing the military service, in particular training, then there is only one way to accomplish that, and that is through beginning to consolidate various functions that are taking place at different locations throughout the country.

One final word on that disappointment. The advantage of one-station training would be, and we hope will next year start to take place at Fort Benning, is that it does have significant saving implications.

There would be fewer training cycles, less repetition. There would be more administrative efficiencies. There would be decreased training for or 67 through 200 trainees. Beginning in fiscal year 1979, there would be manpower reductions of almost 4,300 and there would be annual savings of about $27 million per year.

So the savings are real.

In order to accomplish those savings, there has to be some front end money spent in military construction.

The Army is already carrying out the one-station training concept in several different locations with other than the infantry function, and I think, quite naturally, after a thorough review by the Army and after a report, they are going to be making to the Military Construction Subcommittee next year in early March, I believe that next year in the appropriations deliberations this committee will reach a conclusion that the Army is taking the lead and moving in the right direction in compliance with mandate after mandate from the U.S. Senate and from the House to bring about efficiencies.

I believe that the Appropriations Committee will authorize this particular expenditure which will save the country money.

One other point relating to Fort Benning, that I would like to get some response to from the majority leader. There is language in the House military construction report, and I refer to page 8, paragraph 3, and I quote:

> The Army is further instructed to present its plans and justification with regard to training and the utilization of Fort Benning and receive committee approval of these plans prior to obligation of the funds for barracks at Fort Benning.

I point out to the distinguished Senator from Montana that this language singles out one military installation and imposes an undue restraint upon the Army's training mission and construction programs at this base.

I contend that this language is unwarranted in view of the language that appears in the Senate military construction report on page 28, paragraphs 1 through 3. I hope that when the conferees meet on this construction bill, the Senate conferee will insist that this conflict—at least conflict in implication—between the Senate report and the House report will be ironed out and will be reconciled in the conference report, because if language of this nature is inserted, this ameliorates this kind of punitive language which appears in the House report on page 8.

The PRESIDING OFFICER (Mr. CURTIS). The time has expired.

Mr. MANSFIELD. Mr. President, I ask for an additional 3 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANSFIELD. Will the Senator yield?

Mr. NUNN. I am glad to yield to the majority leader.

Mr. MANSFIELD. Mr. President, I am wholeheartedly in accord with what the distinguished Senator from Georgia has just said and I assure him that as far as that language is concerned, it will be graded upward and in the direction that the Senator wants.

I also note in his remarks relative to page 28 covering the military construction appropriation bill, in relation to page 8 in the House bill. I would say that language on this order might be given some consideration by the distinguished Senator and I would be judged by his reaction, that the Army and OSD certify the design of the barracks to be constructed represents the most economical and prudent type when the full range of hostel missions at Benning is considered.

Would the Senator be agreeable to language approximating that?

Mr. NUNN. I would like to have a chance to study that language, but I certainly think it is moving in the right direction.

I state to the majority leader that the primary purpose I have in mind, since these barracks have nothing to do with the one-station training concept, but rather are for advanced infantry training which will take place whether or not there is one-station training at Fort Benning, that these barracks in their construction not be held up pending any kind of one-station training decision by the Army.

So I believe the majority leader's language would go a long way toward curing the language in the House report if this language is adopted by the conferees. But I will look at that language very carefully and give the majority leader a written response on that.

Mr. MANSFIELD. The Senator may rest assured that I am fully and completely in accord with his views and that as far as the Senator from Montana is concerned, and the subcommittee as a whole, we will do our best to see to it that the suggestions made, reasonable as they are, will be incorporated in the conference report so that the matter of these barracks and their future use will be given every consideration.

Mr. NUNN. I thank the majority leader.

I will not introduce the amendment on the restoration of the funds for the reception center, but I would ask that the committee, both the majority leader and the distinguished Senator from Alaska, ranking Republican member, and the other members of the Appropriations Committee, give very careful consideration to this because I think the Senate has got to send clear signals about whether we want the Army to bring about efficiency, or whether we are really serious when we say that time after time, as we have in the past.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MANSFIELD. We are serious and we will do our very best.

The PRESIDING OFFICER. The Senator from Alaska has 6 minutes remaining.

Mr. STEVENS. Mr. President, I have no other requests for time. I yield back the remainder of my time.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 10029

Mr. JOHNSTON. Mr. President, in the military construction appropriations bill that will be approved by the Senate today is one item of special importance to the State of Louisiana. The Army has selected Fort Polk, in the central part of Louisiana, as the home of the 5th Mechanized Infantry Division, one of the three new divisions that the Congress authorized this year.

As many Members of the Congress are aware, Polk has served since World War II as a major training post of the U.S. Army. During the Second World War, the Korean war, and our fighting in Southeast Asia, Fort Polk was a primary infantry training center. Thousands of young men have served there, and have gone from there to all parts of the world to defend our Nation.

Now Polk has been chosen for a new role. As the home of a mechanized infantry division, Polk will clearly be one of the outstanding Army posts in this country. Thousands of personnel will be stationed at Polk for tours of duty of 2 or 3 years. Thus, these members of the Army will be able to become far more involved within the local community than were the trainees who generally were at the post for a short period of time.

The military construction appropriation for Polk this year is almost $110 million. With that money, major new structures will be built to house the 5th Mechanized Infantry Division. Furthermore, an ambitious family housing program will be undertaken. Representing an investment of almost $40 million, this family housing activity will begin to provide quarters for the many families that will be moving to the Louisiana post.

Finally, I want to report to my colleagues in the Congress the enthusiasm and excitement of the people in Louisiana over this development. There has always been a sound partnership between the military personnel at Polk and their friends in the surrounding communities. Now that partnership will only be strengthened. I am certain that men and women in the Army who will be moving to Fort Polk to participate in the start-up of this new division will be excited by what they find there.

The passage of this legislation is indeed a landmark for our State. We will watch with great interest and excitement as Fort Polk takes on its new mission.

Mr. MUSKIE. Mr. President, the military construction appropriations bill is an important spending item. Although it represents less than 4 percent of the defense function target set by Congress in the first concurrent resolution on the budget, it amounts to $3,660 million in budget authority and $830 million in outlays.

The national defense function is under much pressure as this body prepares to consider the defense appropriations and foreign assistance appropriations bills. An increase of $142 million over the House-passed military construction bill will decrease the remainder of the functional target available for the two other defense-related appropriations bills we will be considering later this month and next.

As chairman of the Budget Committee, I do not intend to oppose this bill, but I must reserve judgment as to this measure when it returns from conference. I must reserve judgment since the Budget Committee is still in the process of marking up the second concurrent resolution. When the military construction bill comes back from conference, the Senate will have adopted its second concurrent resolution, and we will also have considered the defense appropriations bill and will have a better indication of the cost of the military aid parts of the foreign assistance appropriations bill.

Mr. President, I support a commitment to a defense policy which is consistent with our other pressing national priorities, and I urge my colleagues to consider upcoming defense appropriations bills from that perspective. Fiscal responsibility requires us to make hard choices about the budget. I believe that we should spend every dollar required for a sound national defense—but not one dollar more. That is the standard which I apply to the entire Federal budget, and that is the commitment of the Budget Committee.

H.R. 10029 AND THE FUTURE OF FORT DIX

Mr. WILLIAMS. Mr. President, I would like to call the attention of my colleagues to language in the report of the Committee on Appropriations accompanying H.R. 10029, relative to the future of Fort Dix in New Jersey.

On page 28 of the report, the committee takes note of Army plans to institute the one station training—OST—concept which combines basic combat training and advanced individual training at one installation. The committee has—I believe wisely—suggested that this concept be further tested before it is implemented on a broad scale. Furthermore, the committee has expressed well-founded concern over reports that adoption of one station training could cloud the future of Fort Dix, and has advised the Army that this fine installation should continue to be utilized at its current level of operation. Specifically, the report states:

> There has been an indication that the "one station training" concept could threaten future Army operations at Fort Dix, New Jersey. Fort Dix is an excellent Army post with modern structures and in past years the Government has expended millions of dollars to modernize this base. It is the concensus of the Committee that Fort Dix should be utilized by the Army to its fullest potential and present troop levels maintained.

Mr. President, it should be noted that the House Committee on Appropriations, in its report accompanying H.R. 10029, expressed similar concern over the future of Fort Dix, and strongly recommended that it be retained as a major and active Army installation.

Therefore, both committees are now very firmly on record advising the Army to continue utilizing Fort Dix to the greatest degree possible. This is, in my judgment, extremely wise and responsible counsel, and I am sure its import will not be lost on Army planners.

I would also note, Mr. President, that since the future of Fort Dix will undoubtedly be affected by whatever decision is made relative to one station training, both committees have voted to exclude from H.R. 10029 funding for a new trainee reception station at Fort Benning, Ga. The Army had originally requested $10.9 million to construct the reception station in order to accommodate basic trainees which it planned to shift from Fort Dix to Fort Benning no later than fiscal year 1978. This was to be part of implementation of OST. However, since OST is now to be given further study, the Senate committee has most wisely decided not to grant any funds for the new reception station until firm decisions have been made on OST, and until the future utilization of Fort Dix has been clarified.

Mr. President, let me point out that Fort Dix has been a basic training center since World War I; is the only major Army training facility in the entire Northeast; and represents a Federal investment of close to $300 million, much of it for construction within the past 10 years. There is widespread agreement by both Defense Department and congressional experts that Fort Dix is an outstanding, modern facility, whose replacement cost would be in the neighborhood of half-a-billion dollars. It is, of course, also an integral and extremely important part of our New Jersey economy, with an annual impact exceeding $120 million.

Therefore, I think the members of the Appropriations Committee, and particularly Chairman Mansfield and other members of the Subcommittee on Military Construction, deserve the thanks of the people of my State and of the entire Nation for their concern about proper utilization of this installation. I certainly want to express my personal appreciation for their attention to this issue, and for the courtesy they have extended to me during deliberations on H.R. 1029.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ABOUREZK (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Arkansas (Mr. Bumpers). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), and the Senator from Arkansas (Mr. Bumpers) are necessarily absent.

I further announce that the Senator from Indiana (Mr. Hartke), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Garn), and the Senator from Illinois (Mr. Percy), are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy), would vote "yea."

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 474 Leg.]

YEAS—94

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Abourezk, against.

NOT VOTING—5

Bayh
Bumpers
Garn
Hartke
Percy

So the bill (H.R. 10029), as amended, was passed.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Curtis) appointed Mr. Mansfield, Mr. McClellan, Mr. Inouye, Mr. Johnston, Mr. Huddleston, Mr. Stevens, Mr. Young, Mr. Bellmon, Mr. Brooke, Mr. Symington, Mr. Cannon, and Mr. Tower conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. HELMS. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I had hoped it would be possible to have a vote at 10 a.m. tomorrow morning on the protocol which was carried through to a final reading this afternoon.

Unfortunately, events have developed over which I have no control.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

Mr. MANSFIELD. If I do have the attention of the Senate at this time, I ask unanimous consent that the Senate turn to consideration of Calendar No. 426, H.R. 5900.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HELMS. Mr. President, I object.

Mr. GRIFFIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of H.R. 5900 in the hope the objection will not be sustained.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The Chair recognized Mr. HELMS.

Mr. HELMS. Mr. President, the Senator from North Carolina understands this question is debatable. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, before the Senator does that, without losing his right to the floor, may I ask him a question?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. Mr. President, is there any disposition on the Senator's part to make any motion in relation to this measure today which would cause a rollcall vote to occur this afternoon? If not, Senators can be so informed and make their arrangements.

Mr. HELMS. Mr. President, I have no such intention, I say to the Senator.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HELMS. Mr. President, I am delighted to yield without losing my right to the floor.

Mr. MANSFIELD. Following up on what the distinguished assistant majority leader said, I take it that in view of the arrangements which have undoubtedly been made that what the Senator from North Carolina indicated would apply to all Senators on his side. If that is the case, I inform Senators that they can act accordingly on an individual basis because there is no need of keeping them here to hear speeches which they can read in the RECORD, and it has been a long day, anyway, and I think a little surcease will do them good.

Mr. TOWER. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I yield to my friend from Texas without losing my right to the floor.

Mr. TOWER. Mr. President, I think that depends on whether or not this is the only issue that will be before the Senate this afternoon. I assume it would be the only issue before the Senate this afternoon.

Mr. MANSFIELD. That is all.

Mr. TOWER. There is no intention to lay it aside to consider any other business?

Mr. MANSFIELD. No.

Mr. ROBERT C. BYRD. So, Mr. President, if the Senator will allow me to ask the majority leader, I take it then there will be no more rollcall votes today.

Mr. MANSFIELD. That is my assumption, and I am making this statement in good faith as I am sure the statements given were made in good faith.

Mr. THURMOND addressed the Chair.

Mr. TOWER. Mr. President, I think I can give an ironclad assurance there will be no rollcall votes this afternoon.

Mr. President, will the Senator from North Carolina yield further?

Mr. HELMS. I will yield further without losing my right to the floor.

Mr. TOWER. I ask the Senator from Montana, the distinguished majority leader, if there is any intention to file a cloture motion tonight? It would be helpful for Senators to know whether or not they would face a vote on cloture on Monday or on Tuesday, or whenever. Particularly, it would be well to advise the Senate whether or not there is likely to be a vote on cloture on Monday.

Mr. MANSFIELD. That is a good question.

Mr. HELMS. Mr. President, before the majority leader responds to that, will the Senator from Texas yield back to me.

Mr. TOWER. Yes.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the pending motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair and the Senator.

Mr. MANSFIELD. Mr. President, the cloture motion will not be filed tonight. It will be filed tomorrow. That is why I am hoping it will be possible to have a vote on the amendment on protocol that was read up to final reading today, so at least we could get this business out of the way.

It is my intention to lay down a cloture motion tomorrow.

Mr. TOWER. Mr. President, I think that on our side we would be willing to set aside the pending business to vote on the protocol that the Senator mentioned.

Mr. GOLDWATER. I do not think so.

Mr. TOWER. It will not? All right. I beg the Senator's pardon.

Mr. MANSFIELD. All right.

Several Senators addressed the Chair.

Mr. GRIFFIN. Mr. President, may I ask the majority leader a further question in light of this policy?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I yield for that purpose without losing my right to the floor.

Mr. GRIFFIN. Following up the question of the Senator from Texas about whether it is the intention to try to lay this business aside today for any other business and the answer with regard to the treaty, will there be an effort to lay aside the pending business or any other business tomorrow?

Mr. MANSFIELD. Not that I can foresee at the time. If something comes up on the Calendar which will not take too much time, I would, of course, discuss it with the Republican leadership. But there is nothing on the Calendar that I can see at the moment.

Mr. GRIFFIN. It would require unanimous consent?

Mr. MANSFIELD. Yes; that is right.

Mr. GRIFFIN. I think it could only be by unanimous consent.

Mr. MANSFIELD. Yes. If I made a motion, I would still be in the same pickle I am in now.

Mr. THURMOND. Mr. President, will the distinguished Senator from North Carolina yield?

Mr. HELMS. I am delighted to yield providing I do not lose my right to the floor.

Mr. THURMOND. I am wondering whether the distinguished majority leader could tell us by the latest when we will have the rollcall vote tomorrow.

Mr. MANSFIELD. Evidently there will be no rollcall votes tomorrow. I will not say that there will not be any, but that is the way it looks.

Mr. TOWER. If this is the pending business and there is a breath of life left in the Senator from North Carolina and the Senator from Texas, I think we can be assured that there will be no rollcall votes tomorrow.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GOLDWATER. Mr. President, the Senator from Arizona is in that, also.

The PRESIDING OFFICER. Will Senators please use the microphones? The Chair cannot hear.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from West Virginia on the condition that I do not lose my right to the floor.

ORDER FOR RECOGNITION OF SENATOR WEICKER MONDAY, NOVEMBER 10, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders, or their designees, have been recognized under the standing order, Mr. WEICKER be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS OF MONDAY, NOVEMBER 10, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the recognition of the Senator from Connecticut (Mr. WEICKER) there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

Mr. MANSFIELD. Mr. President, will the Senator put in a brief quorum call without losing his right to the floor?

Mr. HELMS. Under the conditions that I do not lose my right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, on the condition that I do not lose my right to the floor, I yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS. I thank the Senator.

Mr. President, I ask unanimous consent that during the consideration of the common-situs picketing and collective bargaining bills, the following persons have the privilege of the floor: Donald Elisburg, George Sape, Martin Jensen and Eileen Mayer of the Committee on Labor and Public Welfare Staff, and for the minority, Don Zimmerman, Ira Shepard, and Don Rosenthal.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that Tom Cantrell and Dr. James McClellan be accorded the privilege of the floor during the debate and votes thereon in connection with this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HELMS. I yield to the distinguished Senator from Texas, on the previously stated conditions.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of the common-situs picketing measure, Pam Turner, of my staff, have the privilege of the floor, during the debate on the bill and on amendments thereto and during votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield, under the same conditions?

Mr. HELMS. I am delighted to yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that George Shanks, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HELMS. Mr. President, I yield, on the same conditions.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate upon the motion to proceed to the consideration of H.R. 5900, an Act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Mike Mansfield, John Culver, Claiborne Pell, Robert C. Byrd, John Durkin, Philip A. Hart, Gary Hart, Walter F. Mondale, Thomas F. Eagleton, Mike Gravel, Dick Clark, Gaylord Nelson, John V. Tunney, Jennings Randolph, Henry M. Jackson, William Proxmire, Jacob K. Javits.

ORDER FOR ADJOURNMENT TO MONDAY, NOVEMBER 10, 1975

Mr. MANSFIELD. Mr. President, the filing of this cloture motion at this time means that the Senate will vote on cloture itself on Tuesday, because I ask unanimous consent at this time that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

PROTOCOL TO THE TREATY WITH THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTIBALLISTIC MISSILE SYSTEMS

Mr. MANSFIELD. Mr. President, after consultation with the interested Senators, I ask unanimous consent, as in executive session, that the vote on Executive I, 93d Congress, 2d session, which was carried through to its final reading this afternoon, occur at 4 o'clock on Monday next, with the Senate going into executive session at that hour and returning to legislative session immediately upon the announcement of the vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO MAKE CERTAIN CORRECTIONS IN SENATE RESOLUTION 9

Mr. ROBERT C. BYRD. Will the Senator yield for a unanimous-consent request?

Mr. HELMS. I am glad to yield.

Mr. ROBERT C. BYRD. Mr. President, Senate Resolution 9, as amended and agreed to yesterday by the Senate, contained two inadvertent oversights which are not within the authority of the Secretary of the Senate to correct. I have cleared this request with Mr. CHILES. I ask unanimous consent that these two corrections, which would be in keeping with the intent of the Senate yesterday and the adoption of the amendments on the bill—and these corrections do not change that intent or substance of the resolution—be approved. The corrections are: on page 1, line 6 of the engrossed resolution, before the word "subcommittee," insert the words, "committee or a"; on page 3, line 1, delete the word, "or."

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 9) as amended and corrected is as follows:

S. Res. 9

Resolved, That paragraph 7(b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a committee or a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

"(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

"(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

"(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

"(e) Each committee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceedings of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of said members vote to forego such a record.".

Sec. 2. The first sentence of section 133(b) of the Legislative Reorganization Act of 1946, section 133A(b) of the Legislative Reorganization Act of 1946, section 242(a) of the Legislative Reorganization Act of 1970, and sections 102 (d) and (e) of the Congressional Budget Act of 1974 are repealed.

Sec. 3. (a) Rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXVII is amended to read as follows:

"CONFERENCE COMMITTEES; REPORTS; OPEN MEETINGS".

ORDER FOR RECOGNITION OF SENATOR HELMS ON MONDAY, NOVEMBER 10, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, when the Senate resumes consideration of the motion to proceed to consideration of H.R. 5900, the distinguished Senator from North Carolina (Mr. Helms) be recognized again, without counting it as his second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. Will there be the usual recognition of the leaders in the morning hour?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. And the Senator from North Carolina will be recognized after that?

Mr. ROBERT C. BYRD. The Senator will be recognized, once we have completed the 15 minute orders and the routine morning business.

NEW YORK CITY

Mr. HARRY F. BYRD. Will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD. I ask unanimous consent that an editorial in the Wall Street Journal concerning the bailout of New York City be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Taking Risks on New York

Even those of us who have little use for scare predictions are forced to admit that no one can predict precisely what effects a New York City default might have. A good many people are thus seizing on the thought that you could avoid the risk by aiding the city under terms strict enough to force it to solve the fundamental underlying problems.

So far the fruition of such thinking has been a bill Senator Proxmire's Banking Committee reported out yesterday. It would provide a federal guarantee to roll over some of the city's debt on a schedule that would phase out federal intervention over five years. During the interim years a federal board would have sweeping powers over the city's financial affairs.

The bill, or at least its timing, is based on a three-year plan city and state officials have put together to get the city budget back into balance in the fiscal year 1977–1978. But a look at the details of this plan scarcely supports much of optimism about Senator Proxmire's five-year phaseout. Rather, it seems more likely the result would be a chronic drain on the federal treasury.

The three-year plan, in the form of a resolution adopted by the Emergency Financial Control Board, puts the city's October-June deficit at $664 million, and the full-year deficit for fiscal 1976–1977 at $470 million. In the third year, 1977–1978, it looks for a surplus of $30 million. Unfortunately, the accompanying packet of supporting documents gives substantially different figures.

There, in Schedule A, page 3, we have another version of the three-year plan which puts the full year current deficit at $988.8 million (a quarter of a billion dollars more than the figure City Hall is using) and the fiscal '76–'77 deficit at $663.3 million. In short, we go some $1.7 billion in the red before we reach the balanced budget of '77–'78, a cumulative deficit that is $460 million larger than the Senate bill allows for.

Now how did we get from one set of figures to the other? These larger deficits in Schedule A, we are told, are the result of the city's straight projections of revenues and expenditures. The lower set of figures given to Senator Proxmire were derived from "adjustments" to Schedule A. Specifically, the Control Board adjusted the debt service and real estate tax figures on the basis of the assumption that "there will be available a federal guarantee for taxable notes at an interest rate of 8½% in a principal amount of approximately $6 billion."

So far, so good, but now the hitch. The Senate plan based on the Control Board's conclusion does not share the Control Board's assumption. Senator Proxmire's bill would guarantee some $2.5 billion this fiscal year, a high of $3.5 billion next fiscal year, and lesser amounts the two following years. It requires that the private market pick up, in unguaranteed loans, some $1.2 billion this fiscal year, $800 million the next, and roughly $1.5 billion annually for the following three. Senator Proxmire wants to force down interest rates, but nothing in the bill specifies 8½% for the guaranteed loans, and what the private market will demand for the unguaranteed paper (if it will take it at all) is unforeseeable.

This isn't the first time that a Senate bill has kept a set of figures while changing the assumption on which they were based, but that isn't a point that increases our confidence in Sen. Proxmire's bill. And even if the city's plan held up after all, it would still not solve the problem. For the Control Board has allowed a number of other assumptions which add up to a continuing hidden deficit of sizeable proportions.

Primarily, as The New York Times' Steven Weisman has reported, the city's plan does nothing to cope with underfunding of its pension plans. The City Actuary puts the "unfunded accrued liability" of the five city systems at $6.1 billion. In other words, the benefits already earned by employes who have not yet retired, and which the city must eventually pay, are almost double the funds' present assets. Furthermore, most of the city's actuarial assumptions haven't been revised for 60 years, mainly to avoid the higher appropriations that would be necessary if they were. This underfunding might be much greater.

And to make matters worse, the city is counting as revenue everything the pension funds earn over a 4% return on investments. This "interest surplus" skim is substantial—$105 million this fiscal year, $135 million in '76–'77, and $165 million in '77–'78. The city's new Management Advisory Board is studying the actuarial demands. The result, say some experts, may be an increase in required payments, which this year were $1.1 billion, of from 20% to 30%.

The Control Board turned a blind eye to this fudging on the grounds that the city couldn't conceivably correct all its errors at once. By the same token, a true fiscal recovery will take much longer than the Banking Committee anticipates. Where lies the greater risk? In bankruptcy court, where the full deficit is openly acknowledged and a reasonable plan of recovery can be drawn up? Or on the Senate floor, where hidden loopholes stay hidden and the city is allowed a reprieve to stagger on to yet another fiscal crisis, in which the federal treasury may be tapped to make good the loans it has backed and inflation nationwide is made all the harder to control?

No one may fully know the consequences of a default on the nation's largest municipal budget, but we are equally sure that the same uncertainty applies to attempts to "rescue" the city. Both events are unprecedented, and in our opinion, the graver risks lie in believing you have solved the problem by more of the budgetary gimmickry that caused it in the first place.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, continuing with the understanding that the Senator from North Carolina (Mr. Helms) not lose his right to the floor, the Senate will convene at the hour of 12 o'clock noon on Monday next. After the two leaders or their designees have been recognized under the standing order, Mr. Weicker will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate will resume consideration of the pending motion to proceed to the consideration of H.R. 5900.

On Monday, at 4 p.m., the Senate will go into executive session and will immediately vote on the resolution of the ratification of treaty No. Ex. I (93d Cong., 2d sess). That will be a rollcall vote, the yeas and nays having already been ordered.

Upon the disposition of that vote, the Senate will immediately return to legislative session and continue debate on the motion to take up H.R. 5900. So there will be one rollcall vote on Monday, assuredly. Other than that, I have my doubts that there will be any other rollcall vote on Monday.

On Tuesday, a rollcall vote will be had, and it is automatic under the rules, on the motion to invoke cloture on the motion to take up H.R. 5900. The time has not yet been agreed upon. If we go according to the rule, that would occur at approximately an hour and 15 minutes after the Senate goes into session on Tuesday. On Monday, Senators may wish to adjust that time for the rollcall vote to occur on Tuesday.

I thank the distinguished Senator for his patience and courtesy in yielding so many times.

Mr. HELMS. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY, NOVEMBER 10, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon on Monday next.

The motion was agreed to, and at 4:05 p.m., the Senate adjourned until Monday, November 10, 1975, at 12 meridian.

HOUSE OF REPRESENTATIVES—*Thursday, November 6, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Fear the Lord and serve Him in truth with all your heart; for consider what great thing He has done for you.—I Samuel 12: 24.

O God, our Father, Ruler of Nations and Lord of Life who has blessed us beyond measure, we come to Thee with humble and grateful hearts. Help us to use our resources responsibly for the good of all. Forgive our foolish waste, our fruitless worries, and our futile worship of other gods. Teach us to share what you have given us that poverty and injustice may begin to disappear from the Earth.

Grant unto us the faith that led our fathers to found this fruitful land that with courage and wisdom we may continue to work for justice, freedom, and good will in our Nation and in our world: To the glory of Thy holy name and for the good of our human family. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agreed to the amendment of the House to the amendment of the Senate numbered 4 to a bill of the Senate of the following title:

H.R. 6334. An act to amend further the Peace Corps Act.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1517) entitled "An act to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. MANSFIELD, Mr. CHURCH, Mr. SYMINGTON, Mr. PELL, Mr. HUMPHREY, Mr. CASE, Mr. JAVITS, and Mr. HUGH SCOTT to be the conferees on the part of the Senate.

PERMISSION FOR SUBCOMMITTEE ON CIVIL RIGHTS AND CONSTITUTIONAL RIGHTS OF COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE TODAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Civil Rights and Constitutional Rights of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 5541 TO PROVIDE EMERGENCY RELIEF FOR SMALL BUSINESS CONCERNS IN CONNECTION WITH FIXED-PRICE GOVERNMENT CONTRACTS

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5541) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

The Chair hears none, and appoints the following conferees: Messrs. EVINS of Tennessee, SMITH of Iowa, BERGLAND, GONZALEZ, CORMAN, HANLEY, YATRON, BRECKINRIDGE, HUNGATE, CONTE, J. WILLIAM STANTON, Mrs. FENWICK, and Mr. GOODLING.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING 5-MINUTE RULE TODAY

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CREATION OF A YOUNG ADULT CONSERVATION CORPS

(Mr. MEEDS asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. MEEDS. Mr. Speaker, during the depression of the 1930's, Congress created an overwhelmingly sensible approach to massive unemployment by creating the Civilian Conservation Corps. The CCC put thousands of jobless people to work on public jobs that needed doing, and left us some of our most beautiful parks and recreation areas.

I believe that we need a similar program today—a program that would put people on payrolls; not on welfare rolls.

Therefore, we are introducing a bill calling for the creation of a Young Adult Conservation Corps—a bill which would provide over 1 million jobs for young people between now and 1980.

Five years ago, Senator JACKSON and I introduced similar legislation for young people called the Youth Conservation Corps. Under the highly successful program, young men and women between 15 and 18 years old brought home summer wages by performing outdoor work on public lands.

That program which is now permanent, has successfully returned about 80 percent of every appropriation dollar in value of the work accomplished, to say nothing of the thousands of young people who were able to earn money.

I believe it is time, considering the double digit unemployment rate among our young people, to expand the YCC to incorporate young adults between the ages of 19 and 24 on a year-round basis. Hundreds of conservation projects in cities, States, counties, and on Federal land are just waiting to be completed.

HOUSE MEMBERS FACE POSSIBLE CONFLICT OF INTEREST ON NEW YORK CITY LEGISLATION

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, it is apparent the House of Representatives will be shortly faced with the problem of voting on legislation which will provide some form of Federal aid to New York City. Because such legislation will aid not only New York City as a governmental entity but also be of direct benefit to the bondholders who stand to reap personal gain from any Federal guarantee of these bonds or new bonds to be issued later, Mr. Speaker, I am calling attention to House rule VIII, clause 1, which reads:

> Every Member shall be present within the Hall of the House during its sittings, unless excused or necessarily prevented; and shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question.

I also call to the attention of the House section 376 of Jefferson's Manual which says:

> Where the private interests of a Member are concerned in a bill or question he is to withdraw. And where such an interest has appeared, his voice has been disallowed, even after a division. In a case so contrary, not only to the laws of decency, but to the fundamental principle of the social compact, which denies to any man to be a judge in his own cause, it is for the honor of the House that this rule of immemorial observance should be strictly adhered to.

It is my intention at the appropriate time to address a parliamentary inquiry to the Chair and possibly make a point of order against any Members voting on this legislation who own New York City bonds or who stand to benefit in their investments as a result of any such bill which may come before the House. To allow such votes to be cast would, in my opinion, constitute a clear case of conflict of interest and be contrary to the rules of the House. I would hope that any Member who holds such financial interests would voluntarily refrain from voting on this issue.

OFFER TO BUY NEW YORK CITY BONDS

(Mr. HAYS of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS of Ohio. Mr. Speaker, I just came from a meeting of the Foreign Affairs Committee where Secretary Kissinger is presenting the President's request for roughly $4.5 billion for military aid principally to the Middle East.

I do not hold any New York City bonds but I cannot understand how an administration, which has said they would like to have New York City go down the tube and which has said we will not issue any bonds for them, as we do with Federal deposit insurance, on which New York would pay the premium or which would have a commission run the financial affairs of New York City and insure the New York City bonds guaranteed by the United States, bonds which would be paid off and they would be guaranteed bonds, can then ask this House to vote for the Middle East $4.5 billion.

If any of the Members hold any substantial number of New York City bonds I agree with the gentleman those Members should not vote. As I say, I do not hold any, but so we can cut this down to one, if there are any Members who own any, I will treat them as I treated a constituent of mine who said to me: "I do not want New York bailed out. I am against it. I have got $50,000 worth of New York bonds and I would rather lose them." I think he was not telling me the truth but I called his hand, and I will make the same offer to the Members who own New York City bonds. I said: "I do not want you to lose money. Just endorse the bonds over to me and send them down to me and I will send you a check for $25,000." So if any of the Members have any bonds I make this same offer, and if they are willing to take 50 cents on the dollar, just endorse them to me and I will send my check and take my chances.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 669]

Andrews, N.C.
Annunzio
Ashley
Barrett
Beard, R.I.
Bingham
Breckinridge
Brown, Calif.
Burke, Fla.
Burton, Phillip
Cleveland
Conyers
Coughlin
Diggs
Drinan
Edwards, Calif.
Eshleman
Fary
Fraser
Hébert
Hillis
Hinshaw
Holland
Jarman
Karth
Krueger
Landrum
Martin
Mills
Morgan
Murphy, N.Y.
Ottinger
Pattison, N.Y.
Pepper
Peyser
Pike
Pritchard
Rangel
Rees
Rogers
Sarasin
Scheuer
Staggers
Stark
Steelman
Teague
Udall
Wilson, Tex.
Wolff
Young, Alaska

The SPEAKER. On this rollcall 383 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ESTABLISHING AN AGENCY FOR CONSUMER PROTECTION

Mr. BROOKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7575) to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7575, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday, it had been agreed that section 10, ending on page 22, line 8, of the bill, would be considered as read and open to amendment at any point.

Are there further amendments to section 10?

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time in order to call the attention of the Members of the House to an editorial that appeared in the editions of the Washington Star last evening. I would like to read a part of this editorial. It is entitled "Consumerism Off the Deep End":

> Consumerists scent victory in the air today as the House takes up their bill, already passed by the Senate, to create a new Federal Agency for Consumer Protection. We hope the House will be able to distinguish the enormous liabilities of this measure from the good intentions and political force behind it, and summon the bravery to vote it down. For what we have here is a potential bureaucratic King Kong which could easily turn into the greatest public nuisance ever concocted in this city, exceeding in that regard any net benefit to consumers generally.

Then later on the editorial states as follows:

> Obviously, we think, the country doesn't need to add this extra layer of bureaucracy, which could grow into many thousands of employees if it really tried to do all this, which no doubt it would. Whether it would save the consumers any noticeable amount of money, no one can tell in advance. But certainly the cost of answering those interrogatories (millions of them, we expect, going into computerization) and otherwise contending with ACP dictates would be turned back into the cost of products.
>
> The House needs to squelch this superfluous conception, and, failing that, President Ford should slap a veto on it, as he has promised. At least there is substantial hope now that a veto would not be overridden. Even some of the more liberal House Members are beginning to worry about the mushroom potential of this thing.

Mr. Chairman, I would like to call the attention of the Members to the fact that this editorial is not unique. It is a very strong editorial; it may be a little bit unique in the kind of terminology it uses. But for any of the Members who might be interested I have here copies of 500 similar editorials stating opposition to the creation of the Consumer Protection Agency. They come from just about every area of the country. I have these editorials indexed.

If any Members are interested in finding out whether one of their newspapers have editorialized against the creation of this monster, I invite them to come over and check this index of some 500 editorials. I guess it is 501 editorials now, with the addition of the very cogent comments of the Washington Star last night.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. Yes; I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I thank the gentleman for yielding.

I recognize the contribution that the gentleman has made in regard to this debate.

It appears to me that a case has not been made for this type of legislation at this particular time.

Mr. Chairman, I really wonder when the "emperor's new clothes" charade of the 94th Congress will end. It is amazing how gullible a majority of this Congress believes the American public to be. One would think the congressional embarrassment endured by us all because of the so-called Tax Reform Act and the so-called Energy Conservation Act would have been enough to discourage the introduction of further legislative flights of fantasy. This so-called consumer protection bill is indicative of just how much we have learned. It is without a doubt, one of the most cynical bills I have ever seen come before the House.

In the first place, it is inconceivable that anyone with commonsense could advocate that the solution to the bureaucratic waste and mismanagement can be achieved by the creation of another layer of bureaucracy. It is interesting to note that a recent Harris poll found that 67 percent of the individuals polled endorsed the statement that "big business has so much power with Government that unless the consumer has someone in Government to argue his case and make business give better quality, the consumer will continue to be shortchanged on products and services." Unfortunately, they were not asked if they favored the creation of a new bureaucracy to achieve this protection. Many constituents were asked this question, and they resoundingly said "no new bureaucracy." As a matter of fact the opinion research poll showed that 75 percent of the American people oppose the creation of the agency for consumer protection. To propose a bureaucratic solution to a bureaucratic mess is like giving more alcohol to an alcoholic, or sugar to a diabetic.

Second, the minority views contained in the committee report are quite accurate. If one takes the time to read the bill and analyze it critically. The bill does presume: First, that the customer is gullible and incapable of protecting himself; second, that all businessmen are insensitive, avaricious, and even criminal; and, third, that the Government can do it best, protect us from ourselves, and be infallible. Such legislative premises are an insult to the American public.

Third, we have been repeatedly told that self-appointed special interest groups want this bill, and we have been treated to carefully selected and supportive press coverage. The simple fact is—like mandatory national health insurance—there is no majority popular support for this bill.

Fourth, consumer worth is like beauty. Its merit or value is in the eye of the beholder. This legislation will treat the American people to a bureaucratically concocted definition of consumer interests. Your guess is as good as mine as to what that definition will be on any given day of the year. My constituents do not desire to abdicate their freedom to a faceless bureaucracy over which they have no control.

Finally, it is inconceivable to me that a committee of the House of Representatives could ask this Congress to accept the exemption of organized labor from any consumer protection bill. Obviously, strikes directly affect product quality, safety, and price. Similarly, wage agreements affect price and quality. It is a basic principle of American law that all groups should be treated fairly. I have yet to meet a rank and file member of a union that has asked for anything more than fairness. This exemption is unconscionable. It seems to me that Congress should face its responsibilities squarely and accept them. It is the Congress failure to oversee executive agency actions in behalf of the consumer that are to blame for the current mess. If the Congress would do its job, the consumer would be more than adequately protected. It is an indication of how flabby the Congress has become when we are willing to delegate responsibility rather than protect our constituents.

Congress needs to tighten up existing consumer interest activities within the executive branch and demand that its committees do their job. The $10 million this bill will cost a year buys a mighty expensive coat of whitewash. I, for one, do not intend to support this bill, and I urge my colleagues to similarly reject it.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to bring the attention of the House to an editorial which appeared in this morning's New York Times, entitled "Representing Consumers."

It reads as follows:

REPRESENTING CONSUMERS

The tantalized and tortured consumer advocacy bill is about to face what could be the happy ending to a six-year legislative battle. The House of Representatives is due to vote final passage this week; if the House can muster two-thirds support, as the Senate did last May, it would virtually assure enactment even against the threatened Presidential veto.

The bill would establish a Federal agency to argue and defend varied consumer interests in proceedings before Federal regulatory agencies, balancing the reams of briefs and teams of lawyers who habitually represent large business interests. It would have no regulatory power of its own; it would simply provide for established regulators a wider range of viewpoints upon which to make their quasi-judicial rulings. With a modest budget of $10 million and no more than about 200 employees, this agency could hardly be portrayed—as its opponents try to do—as a vast and sprawling new Federal bureaucracy.

Passed by one or the other house in every Congress since 1969, the bill has regularly fallen victim to business and trade association opposition expressed through parliamentary maneuvers and filibusters. This year, upon the failure of all the other obstructive tactics, President Ford let it be known that he would veto the measure. A veto-proof, two-thirds majority in House as well as Senate would give notice that the clearly expressed majority will of the Congress on this matter had been thwarted long enough.

Mr. Speaker, I, too, like my friend, the gentleman from Illinois (Mr. ERLENBORN), have a list of supportive editorials here from every section of the country, and those who have a very deep interest in this matter are free to read this list, but I will include it in the RECORD at this time.

The list follows:

SELECTED NEWSPAPERS WHICH HAVE CARRIED EDITORIALS SUPPORTING INDEPENDENT CONSUMER PROTECTION AGENCY

ALABAMA

Birmingham Post Herald, June 29, 1974, "Consumer Protection Bill".

The Huntsville Times, September 21, 1974, "The Consumer Loses".

ALASKA

Anchorage Daily News, October 2, 1974, "Stevens' Reversal".

CALIFORNIA

Los Angeles Times, March 3, 1974, "Protection Agency Bill: It's Up to You".

Los Angeles Times, April 14, 1974, "The Consumer Deserves To Be Heard".

Los Angeles Times, (expected) November 5, 1975.

Sacramento Bee, March 31, 1975, "Consumer Advocate".

Sacramento Bee, May 20, 1975, "Consumer Breakthrough".

Sacramento Bee, June 16, 1975, "An Unfortunate Exemption".

San Francisco Examiner, June 11, 1975, "Ford's Stand on Consumer Agency".

Fresno Bee, April 22, 1974, "Power in the MarketPlace".

Fresno Bee, September 29, 1974, "Wait Until Next Year".

Fresno Bee, March 27, 1975, "Consumer Advocate".

Fresno Bee, June 29, 1975, "An Unfortunate Exemption".

COLORADO

Rocky Mountain News, April 16, 1974.

CONNECTICUT

The Hartford Courant, July 6, 1974.

The Hartford Courant, July 14, 1974, "Let Consumers Be Heard . . .".

DISTRICT OF COLUMBIA

Washington Post, June 9, 1974, "Fairness for the Consumer".

Washington Post, September 19, 1974, "A Crucial Vote for Consumers".

Washington Post, September 28, 1974, "A Filibuster on the Record".

Washington Post, March 11, 1975, "A Voice for Consumers".

DELAWARE

Wilmington Evening Journal, June 6, 1975, "Unresponsive on Response".

FLORIDA

Miami Herald, March 26, 1974, "Consumer Protection Hangs In".

Miami News, January 22, 1975, "Make Rip-offs Tolerable".

Miami News, April 3, 1975, "Lo, the Poor Consumer".

Miami News, May 6, 1975, "Consumers Losing Out".

Florida Flambeau, January 24, 1974.

GEORGIA

The Atlanta Journal, May 28, 1974, "Necessary Voice".

The Atlanta Journal, July 15, 1975, "A Consuming Need".

ILLINOIS

Chicago Sun-Times, May 12, 1975, "Consumer Protection".

Chicago Sun-Times, March 17, 1975, "Protecting the Consumer".

Chicago Sun-Times, June 23, 1975, (title unknown).

Rockford Register-Republic, April 30, 1975, "One More Consumer Rip-Off".

KENTUCKY

The Frankfort Journal, April 19, 1974, (title unknown).

The Louisville Courier-Journal, September 17, 1974, "How 'Involved' is Senator Cook in Consumer Aid?"

The Louisville Times, April 14, 1975, "It's Time for the Agency for Consumer Advocacy".

The Louisville Times, April 28, 1975, "Another Bureaucracy, yes, but Consumer must have it".

LOUISIANA

New Orleans States-Item, April 26, 1975, "Why a Consumer Agency?"

New Orelans States-Item, May 17, 1975, "Consumer Clout".

MARYLAND

The Baltimore Evening Sun, August 8, 1974, "Cloture: Yes".

The Baltimore Sun, August 9, 1974, "Consumer Protection Agency".

MASSACHUSETTS

Christian Science Monitor, August 6, 1974, "A Vote For Consumers".

MICHIGAN

Midland Michigan News, August 7, 1974, "Listen to Consumers".

Detroit Free Press, August 13, 1974, "Consumer Agency Shaping Up".

Detroit Free Press, August 26, 1974, "Consumer Bill Needs Help".

Grand Rapids Press, May 25, 1975, "Consumer Advocacy".

Lansing State Journal, August 2, 1974, (title unknown).

MISSOURI

Kansas City Star/Times, April 10, 1975, "A Special Agency for Consumers".

St. Louis Post Dispatch, March 14, 1975, "By Any Other Name".

St. Louis Post Dispatch, April 22, 1975, "No More Delay".

St. Louis Post Dispatch, May 24, 1975, "Sending a Message".

St. Louis Post Dispatch, June 20, 1975, "Up to the House".

NEVADA

Las Vegas Sun, January 20, 1975, "Consumer Protection Agency Bill Likely to Pass in Congress".

NEW YORK

New York Times, March 12, 1975, "Voice for Consumers".

New York Times, March 14, 1975, "Consumerism, Limited".

Long Island Press, January 25, 1974, "Time to Speak for the Consumer".

Newsday, April 9, 1974, "Protecting the Consumer".

Newsday, August 6, 1974, "Senator Buckley and Consumer Protection".

New York Post, April 29, 1975, "Ford vs. a Consumer Agency".

NORTH CAROLINA

Durham Morning Herald, May 13, 1975, "Voice for Consumers".

Raleigh News and Observer, June 3, 1975, "Better Consumer Agency Needed".

Burlington Times-News, June 4, 1975, "Ignoring the Public".

OHIO

Dayton Daily News, July 22, 1974, "Senator Taft's Vote Threatens Federal Consumer Agency".

Dayton Daily News, May 1, 1975, "Consumer Agency".

Cleveland Press, August 6, 1974, "Pass the Consumer Bill".

Springfield News, April 17, 1974, (title unknown).

PENNSYLVANIA

The Scranton Times, June 5, 1975, "Handling of Consumer Complaints 'Slipshod' ".

RHODE ISLAND

Providence Bulletin, April 15, 1974, "Hope for CPA".

TENNESSEE

The Nashville Tennessean, June 7, 1974, "Consumer Protection Bill Needs Public Aid".

The Nashville Tennessean, April 23, 1975, "Consumer Protection Needed Now, Not Later".

The Nashville Tennessean, June 1, 1975, "GOP Senators Change Minds".

The Knoxville Journal, August 6, 1974, "Who will Cut the Pie?"

Johnson City Press-Chronicle, August 8, 1974, "For the Consumer".

TEXAS

El Paso Herald Post, April 15, 1974, (title unknown).

VIRGINIA

Roanoke World-News, April 30, 1974, (title unknown).

WEST VIRGINIA

The Charleston Gazette, July 20, 1974, "Consumer Has Friend in Senate Bill 707".

Mr. HORTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, have an editorial. This is an editorial that appeared in the Grand Rapids Press in May of this year. It is entitled, "Consumer Advocacy."

I will not read all of the editorial at this time, but I will include it in the RECORD. As a matter of fact, I have already included it in the RECORD on November 4, 1975, and it is on page 34987.

I will just read the last part of it. This, incidentally, is a newspaper in the President's home town of Grand Rapids. The first part of it reads as follows:

> There is need for regulatory reform. Through executive actions and legislative proposals, President Ford is attempting to reduce unnecessary and anti-competitive regulations. A Senate Judiciary subcommittee is studying the Civil Aeronautics Board and a House Commerce subcommittee is beginning a "comprehensive study" of six major regulatory agencies. Congress also seems on the verge of repealing Fair Trade legislation.
>
> But another way to lend a hand to the embattled consumer is through the Agency for Consumer Advocacy. Congress is urged to create ACA—with the understanding, however, that funding would extend only for three years. In 1978 or 1979 its performance would be evaluated by Congress, with the benefits afforded the consumer measured against the expenditure of taxpayer dollars.

Mr. Chairman, I will at this point include the whole editorial in the RECORD. It reads as follows:

[From the Grand Rapids Press, May 25, 1975]

CONSUMER ADVOCACY

> Unlike the Corvair automobile which it destroyed, "consumerism" has demonstrated considerable staying power since that cause was first advocated so effectively by Ralph Nader in the mid-60's.
>
> Consumerism has been institutionalized by Congress through legislation. Federal laws have been enacted to establish emission controls and safety standards for automobiles, to set strict controls on water and air pollution to create a Consumer Product Safety Commission, to empower the Federal Trade Commission (FTC) to seek prompt injunctive relief against unfair or deceptive trade practices, and to protect working consumers through the Occupational Safety and Health Act.
>
> But now Mr. Nader's fondest wish may be realized. After at least three years, the Senate has passed and sent to the House a bill to establish an Agency for Consumer Advocacy (ACA). The measure would create a "watchdog" agency charged with representing "the interest of consumers" before other federal agencies and in the courts on matters which AGA's director determines "may substantially affect an interest of consumers." It would have no regulatory powers, but instead would montior the activities of other government agencies and point up inflationary or anti-consumer proposals.
>
> President Ford does not share Congress' enthusiasm for the ACA. He views the agency as an unnecessary and costly duplication, adding "yet another federal bureaucracy in Washington with its attendant costs of $60 million over three years. . . ."
>
> A far better approach, he submits, is to make existing agencies more responsive to the consumer and at the same time reduce government regulation of business.
>
> That may take considerable doing. With few exceptions—notably the FTC in recent years—government regulatory agencies have seemed much more anxious to help the industries they regulate than the consumer.
>
> Really, the decision as to whether the Agency for Consumer Advocacy should be established boils down to a matter of priorities. Mr. Ford's interest in cost-benefit ratios is to be commended, but an annual outlay of $20 million for ACA's operations does not seem that excessive when one contemplates the proposed 1976 federal budget of approximately $350 billion.
>
> Even with a $60 billion budget deficit forecast for the next fiscal year, there has been little inclination to abolish the do-nothing Metal and Non-metallic Mine Safety Board of Review or the non-productive Postal Rate Commission.
>
> Granted, spokesmen for the consumer have at times been pushy and even arrogant, but on balance the consumerism of recent years has been a very good thing. And it is not a business vs. buyer relationship, either. Indeed 40 businesses—including Mobil Oil, Montgomery Ward, Atlantic-Richfield, the Jewel food store chain and several other major corporations—endorse ACA.
>
> It also is true that the consumer movement has caused some American goods and services to cost more. Still the additional expense is acceptable if in return something of value is received. For example, many perishable food products now are dated and the ingredients of grocery store items are listed by quantity; truth in lending laws have made interest and carrying charges better understood; toys and clothing articles are safer; and factory recalls to correct defective cars and appliances are not uncommon.
>
> There is need for regulatory reform. Through executive actions and legislative proposals, President Ford is attempting to reduce unnecessary and anti-competitive regulations. A Senate Judiciary subcommittee is studying the Civil Aeronautics Board and a House Commerce subcommittee is beginning a "comprehensive study" of six major regulatory agencies. Congress also seems on the verge of repealing Fair Trade legislation.
>
> But another way to lend a hand to the embattled consumer is through the Agency for Consumer Advocacy. Congress is urged to create ACA—with the understanding, however, that funding would extend only for three years. In 1978 or 1979 its performance would be evaluated by Congress, with the benefits afforded the consumer measured against the expenditure of taxpayer dollars.

That, I think, is a very favorable editorial. I, too, have on the desk here a list of editorials, some hundreds during this year and last year in favor of this bill.

Mr. ECKHARDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I sometimes feel that editorials are only read by those who are avid readers of the CONGRESSIONAL RECORD. They are placed in the RECORD here on the floor of the House, and they can easily be found in the RECORD but it is very difficult to find them in the papers themselves—among the ads and the New York Stock Exchange quotations and the real estate advertisements. The newspaper, itself, indicates the dignity it attributes to its own editorials by placing them just ahead of the funny page. But I am sure that there is some body of readers who seek them out in the CONGRESSIONAL RECORD.

I want to say that I do not give much credit to the editorials on either side because I do not think they are very deeply thought out. But I do want to answer the Star's editorial. I read it last night. The Star's editorial is entirely misguided. It assumes more bureaucracy. This Agency would create less. It assumes more consumer interference through the private Attorney-General means. This bill would create less.

The problem is simply this: That administrative agencies have become enormously complex. It is virtually impossible for the ordinary citizen to be heard in time to make a difference. He appears after the decision is made and if he goes to court he is confronted with proving that the administrator acted capriciously, impossible to prove.

When we were dealing with the product safety legislation, the original bill contained a provision for an ombudsman within the Agency. Republicans on our committee felt that was bad. They argued that it was unnecessary. I got to thinking about it and I thought, well, maybe they are right. You know, how are you going to have somebody who is working under the boss come in and represent the consumer and say the boss did not properly administer the act?

So, ultimately the Republicans on the Subcommittee on Commerce and Finance and the Democrats on that subcommittee agreed that we would strike out that special ombudsman. I felt that the reason it should be stricken was that it would be far better to have a general agency representing the public watching that agency from the outside, not someone from the outside who could dictate to the agency, but someone who could participate as an independent representative of the public on the same level as are attorneys who represent the special interests affected by a proposed rule.

This bill provides an orderly process, and when that process is followed, it will obviate the necessity of creating a separate ombudsman in each of the agencies. It will also eliminate a tremendous amount of second-guessing of the agencies by lawsuits instituted by the consumer after the act.

I submit this act is not at all a proliferation of bureaucracy. It is actually a deterrent to its spread. It is an encouragement to orderliness and to fair process. It affords an equalizing of the consumer with special interest groups that are constantly scanning the Federal Register and bird-dogging the agencies to find out where they can put in their oar.

So whatever the editorials say on one side or the other, when one considers the real merits of the case as so carefully considered by the distinguished committee that has presented us with this bill, one must conclude that this is a fair bill, a well balanced bill, and one that should be supported.

The CHAIRMAN. Are there further amendments to section 10? If not, the Clerk will read.

The Clerk read as follows:

LIMITATIONS ON DISCLOSURES

SEC. 11. (a) The Agency shall not disclose to the public or to any State or local agency—

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential; or

(2) any information which was received solely from a Federal agency when such agency has notified the Agency that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, the Agency may disclose such information in such form or manner.

(b) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which is prohibited by law.

(c) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6, the following additional provisions shall govern:

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11 (a)(2) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 11 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 11? If not, the Clerk will read.

The Clerk read as follows:

PROCEDURAL FAIRNESS

SEC. 12. In exercising the powers conferred in section 5(b)(4) and section 7, the Agency shall act pursuant to rules issued, after notice and opportunity for comment by interested persons in accordance with the requirements of section 553 of title 5, United States Code, so as to assure fairness to all affected parties, and provide interested persons with a reasonable opportunity to comment on the proposed release of product test data, containing product names, prior to such release.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 12 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to section 12? If not, the Clerk will read.

The Clerk read as follows:

PROTECTION OF THE CONSUMER INTEREST IN ADMINISTRATIVE PROCEEDINGS

SEC. 13. Every Federal agency in considering any Federal agency action which may substantially affect the interests of consumers including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions, shall—

(1) notify the Agency at such time as notice of the action is given to the public, or at such times and in such manner as may be fixed by agreement between the Administrator and each agency with respect to the consideration of specific actions, or when notification of a specific action or proceeding is requested in writing by the Agency; and

(2) consistent with its statutory responsibilities, take such action with due consideration to the interest of consumers.

In taking any action under paragraph (2), upon request of the Agency or in those cases where a public announcement would normally be made, the Federal agency concerned shall indicate concisely in a public announcement of such action the consideration given to the interests of consumers. This section shall be enforceable in a court of the United States only upon petition of the Agency.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that Section 13 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to Section 13?

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: On page 25, following Section 13 of H.R. 7575 as reported, add the following new section:

SEC. 14(a) Whenever a committee of the Congress having specific oversight responsibility with respect to the operations of a Federal agency determines that the result of a proceeding or activity of such agency may substantially affect an interest of consumers, such committee may by resolution order the Administrator to intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in Section 6(a) (1) and (2).

(b) Whenever a Committee of the Congress having specific oversight responsibility with respect to the operations of a Federal agency determines that an intervention by the Administrator pursuant to Section 6(a) is not properly representative of an interest of consumers, or that such intervention is one that does not substantially affect an interest of consumers, such committee may by resolution order the Administrator to withdraw such intervention as a party or to conduct such intervention in a manner consistent with such determination as the committee shall make by such resolution.

(c) The Administrator shall, at the direction by resolution of a committee of the Congress having specific oversight responsibility of the affected Federal agency, institute, or intervene as a party, in a proceeding in a court of the United States involving judicial review of any Federal agency action pursuant to the provisions of Section 6(d).

(d) Where the Administrator has instituted or intervened as a party in a proceeding pursuant to Section 6(d), and a committee of the Congress having specific oversight responsibility of the Federal agency affected, shall by resolution determine that such intervention does not properly represent the interest of consumers or deal with a matter which does not substantially affect the interests of consumers, the Administrator shall take such steps as shall be necessary to withdraw from such proceedings or shall amend and modify his position in such proceedings in a manner consistent with the position set forth in the resolution adopted by such committee.

(e) Whenever a committee of the Congress having specific oversight responsibility with respect to the operations of a Federal agency determines that the result of a proceeding or activity of such agency may substantially affect an interest of consumers, such committee may by resolution order the Administrator to request the Federal agency concerned to initiate proceedings in the manner set forth in Section 6(e) above, and to take such other actions as are authorized pursuant to Section 6(e).

(f) When the Administrator has initiated actions pursuant to Section 6(e) and a committee of the Congress having specific oversight responsibility by resolution determines that such action is not in the interests of consumers or involves a matter not substantially affecting an interest of consumers, such committee may order the Administrator to withdraw such request or withdraw such proceedings in court or modify or amend such proceedings in a manner consistent with the resolution adopted by such committee.

POINT OF ORDER

Mr. HORTON. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. HORTON. Mr. Chairman, I make the point of order that this amendment is not germane. What it attempts to do is superimpose upon this executive agency a committee of the Congress having oversight. This committee, that is the Government Operations Committee, does not have jurisdiction over that particular aspect of the matter.

I also think this would be in contravention to the rules of the House and be changing the rules of the House, it seems to me.

On those bases I feel the amendment is not germane and make the point of order.

The CHAIRMAN. Does the gentleman from Georgia wish to be heard on the point of order?

Mr. LEVITAS. Mr. Chairman, yesterday when the Chair ruled as out of order an amendment in the form of a substitute which I offered, it was on the basis that it would have removed a proposed agency from the executive branch into the congressional branch of Government. This amendment does not do that. It simply gives additional powers that can be exercised at the direction of the oversight committees and it does not attempt to shift the Agency's location from one branch of the Government to the other.

Since it has as its purpose the further protection of consumers by requiring the Administrator or the Agency to take action or modify proposed action in order to better protect the consumer interest, it is akin, it seems to me, to the fundamental purpose of the bill and therefore I submit is germane to the purposes of the bill.

The CHAIRMAN. Does the gentleman from Texas wish to be heard on the point of order?

Mr. BROOKS. I would, Mr. Chairman.

I would like to point out in addition that this will give additional committees within the Congress the right to change the effectiveness of an executive agency. If we create this Agency and it works within the department, this amendment would give one committee, not the Congress of the United States but one committee, the right and the authority to interfere with the functioning of that Agency. I think it would be unconstitutional and certainly not in keeping with the prerogatives that we give to the Executive when we give him authority. Until we change the law an individual committee of the Congress does not have the right to tell the executive branch what to do and how to function under the law passed by the Congress.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. ERLENBORN. I do.

Mr. Chairman, I believe the point of order should be overruled. The bill creates an agency and grants certain powers to the agency. This amendment proposes to reserve certain of those powers that are granted.

The gentleman from Texas said it would be improper and not germane to reserve those powers. I would say there is precedent for this type of amendment. In the Education Act Amendments of 1974, I believe it was, the Office of Education in HEW was given authority to adopt rules and regulations to implement the action. That legislation specifically reserved to the Congress and to the committees of the Congress the authority to review those rules and regulations before they took effect and to veto in effect any of the rules and regulations that the Congress felt were not in conformity with the intent of the Congress in passing the act.

So in making a grant of authority to an agency I believe we also have authority to reserve a certain overview and veto power or direction of the authority we are giving to the agency. I submit with those precedents this amendment should be in order.

Mr. LEVITAS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman is recognized.

Mr. LEVITAS. Mr. Chairman, I would like to point out one additional precedent that occurs to me and that is the Budget Control Impoundment Act that was adopted by the last Congress, which not only provides for congressional review of executive actions, but also authorizes an arm of the Congress to enforce those congressional decisions by taking legal actions in court.

I think that is certainly far less of an action than is contemplated by this amendment and which is for the protection of the consumer, which is the underlying purpose of this bill.

The CHAIRMAN. The Chair is ready to rule. In the opinion which the Chair gave yesterday on the point of order made to the amendment in the nature of a substitute offered by the gentleman from Georgia (Mr. LEVITAS), the Chair did not base that opinion strictly on the arguments reiterated by the gentleman from Georgia today. While the Chair cannot decide the constitutional questions raised, in the opinion of the Chair, the emphasis contained in the amendment on congressional oversight responsibilities and the authority conferred upon committees to order certain actions to be undertaken by the Consumer Office in furtherance of those committees' oversight function, is an issue which is not related to the scope of the pending bill. The effect of the amendment extends the oversight responsibilities and authority of House committees, a matter not within the jurisdiction of the Committee on Government Operations, and goes beyond the issue of merely reserving to Congress a disapproval authority over promulgated agency regulations.

Consequently, the Chair is constrained to support the point of order.

The Clerk will read.

The Clerk read as follows:

SAVING PROVISIONS

SEC. 14. (a) Nothing contained in this Act shall be construed to alter, modify, or impair the statutory responsibility and authority contained in section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 481(a)(4)), or of any provision of the antitrust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

(b) Nothing contained in this Act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: Page 26, immediately after line 5, insert the following new Section 15 and renumber succeeding sections accordingly:

TRANSFER OF PROGRAMS, OPERATIONS AND ACTIVITIES

SEC. 15. (a)(1) Except to the extent prohibited by law, the Director of the Office of Management and Budget is authorized and directed to transfer to the Agency such programs, operations, and activities of each Federal agency as (A) are duplicative of or can be performed more appropriately by the Administrator under the authority contained in this Act, and (B) may be transferred without the need for Congressional action.

(2) Transfers authorized and directed under paragraph (1) shall include but not be limited to those programs, operations, and activities defined in paragraph (1) which are, on the date of enactment of this Act, performed by the following Federal departments and agencies: The Office of Consumer Affairs of the Department of Health, Education, and Welfare; the Office of Ombudsman for Business of the Department of Commerce; the Special Assistant to the Secretary

> for Consumer Affairs of the Department of Agriculture; the Special Assistant to the Secretary for Consumer Affairs of the Department of Housing and Urban Development; the Consumer Affairs Section of the Department of Justice; the Office of Consumer Affairs of the Department of Transportation; the Special Assistant to the Secretary for Consumer Affairs of the Department of the Treasury; the Consumer Inquiries Office of the Food and Drug Administration; the Public Affairs Office of the Nuclear Regulatory Commission; the Consumer Advocate of the Postal Service; the Office of Consumer Advocate of the Civil Aeronautics Board; the Office of Consumer Affairs and Special Impact of the Federal Energy Administration; the Consumer Liaison Division of the Federal Aviation Administration; the Office of Consumer Affairs of the National Highway Traffic Safety Administration; the Consumer Advisory Council of the Department of Health, Education, and Welfare; the Consumer Affairs and Special Impact Advisory Committee of the Federal Energy Administration; the National Business Council for Consumer Affairs of the Department of Commerce; the Hazardous Materials Advisory Committee; the Advisory Committee on Water Data for Public Use of the Department of the Interior; the Science Advisory Board's Executive Committee of the Environmental Protection Agency; and the Citizen's Advisory Committee on Transportation Quality of the Department of Transportation.
>
> (b) The Director of the Office of Management and Budget shall, within 180 days of the date of enactment of this Act, identify and report to the Committees on Appropriations and Government Operations of the House of Representatives and of the Senate the transfers authorized and directed by paragraph (1) of subsection (A); and such report shall include (1) the actual costs during fiscal year 1975 of each of the programs, operations, and activities affected, and (2) the Director's recommendations for such additional transfers as may be necessary to avoid duplication with programs, operations, and activities of the Agency but which require Congressional action.
>
> (c) The Administrator, pursuant to section 4 of this Act, shall be responsible for incorporating such programs, operations, and activities as are transferred pursuant to subsection (a) in such manner and to the extent he deems consistent with the Agency's responsibilities under section 5 of this Act, and issuing such organizational directives as he deems appropriate to carry out the purposes of this section.

Mr. McCLOSKEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

POINT OF ORDER

Mr. ERLENBORN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ERLENBORN. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from California (Mr. McCLOSKEY) on the grounds that it is in violation of clause 7 of rule XVI of the House of Representatives.

The amendment offered by the gentleman from California proposes a new section to the bill which involves a substantial transfer of functions from existing Federal agencies and departments.

The Director of OMB is directed to transfer consumer-related programs, operations, and activities from existing agencies and departments to the Agency for Consumer Protection. H.R. 7575 has several provisions directing Federal agencies to cooperate in providing information, documents, and other materials to the Agency for Consumer Protection. In addition, section 15 provides for a very narrow and specific transfer of the Consumer Product Information Coordinating Center in the General Services Administration to the new Consumer Agency. The amendment offered by the Gentleman from California would involve the wholesale transfer of nearly 20 functions from various Federal departments and agencies. Such a massive shift of responsibility by the Federal agencies is neither the intent nor purpose of H.R. 7575.

In addition, the transfer in section 15 is limited to a Consumer Product Information Coordinating Center, and does not involve the transfer of substantive responsibilities for consumer representation, intervention in agency proceedings, or other such administrative and policy responsibilities. In this regard, I think a distinction can be drawn between the limited type of transfer contemplated in section 15 and the massive transfer proposed in the amendment.

In addition, the amendment alters existing statutory and administrative mandates placed upon Federal agencies and departments. The administration, over and above statutory mandates, has made significant steps in increasing consumer representation within Federal agencies. The proposed amendment would wipe out all those positive gains, and have OMB decide which functions to transfer rather than for Congress to exercise its oversight responsibility.

Mr. Chairman, the proposed amendment is clearly not germane to H.R. 7575 and I insist on my point of order against it.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. McCLOSKEY. I do, Mr. Chairman.

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. McCLOSKEY. First of all, Mr. Chairman, the Chair will note that points of order were waived as to section 15 of the act, which accomplishes the transfer of the Consumer Protection Information Coordinating Center. This, in effect, is a new section 15.

Second, unlike the suggestion of the gentleman from Illinois, this amendment specifically does not attack anything created by an act of Congress. It refers only to administratively created organizations. I refer the Chair to the first paragraph, section 15(a)(1), which says:

> SEC. 15. (a)(1) Except to the extent prohibited by law, the Director of the Office of Management and Budget is authorized and directed to transfer to the Agency such programs, operations, and activities of each Federal agency as (A) are duplicative of or can be performed more appropriately by the Administrator under the authority contained in this Act, and (B) may be transferred without the need for Congressional action.

Clearly, the amendment does not purport to change any congressionally mandated consumer office, but only those created by executive order.

Paragraph C of the amendment asks the Director of Office of Management and Budget to identify and report to the committees of the House and send the reorganizations for such additional transfers as may be necessary to avoid duplication with programs, operations, and activities, but which require congressional action.

Mr. Chairman, I would like, finally, to cite a prior act of the Congress for the authority to accomplish this. Section 210 of the Federal Property and Administrative Services Act of 1949 provides, in part:

> Whenever the Director of the Office of Management and Budget shall determine such action to be in the interest of economy or efficiency, he shall transfer to the Administrator [of GSA] all functions then vested in any other Federal agency with respect to the operation, maintenance, and custody of any office building owned by the United States . . . [etc.]

This amendment clearly does nothing more than authorize and direct the Director of Office of Management and Budget to accomplish those transfers which in his judgment are duplicated by the creation of this new agency and may more appropriately be formed by the Administrator under the authority that this law will give him.

Mr. BROOKS. Yes, Mr. Chairman, I would.

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. BROOKS. Mr. Chairman, the amendment is a reorganization of the execuitve branch, clearly, the jurisdiction of the Committee on Government Operations, under rule 10, page 3, which includes the Government Operations responsibilities and authorities, the reorganzation in the executive branch of Government.

The amendment transfers programs in existence which do not require the change of any statutes.

H.R. 7575 already transfers a program performed in the General Services Administration by the Consumer Protection Information Center.

The transfers in the amendment offered by the gentleman from California are similar in nature.

H.R. 7575 does contain the provision of the consumer information and service, under section 8, and the program transfers by the amendment perform similar functions or are well within the scope of the bill.

Mr. Chairman, I would oppose the point of order on the ground the amendment is germane to the bill and not under scope of the bill H.R. 7575.

The CHAIRMAN. Does the gentleman from New York (Mr. HORTON) wish to be heard on the point of order?

Mr. HORTON. Yes, I do, Mr. Chairman.

Mr. Chairman, I oppose the point of

order. The McCloskey amendment does not affect any statute.

As the gentleman from Texas indicated, this is clearly within the jurisdiction and precepts of the Committee on Government Operations.

The amendment clearly deals with the activities which duplicate those provided for under this act. There are no new activities involved or provided for in the McCloskey amendment.

The objectives of the amendment and the purposes are the same as the bill, which is better organization of consumer representation activities. The method that the amendment uses is the same, the Consumer Protection Agency.

I also note the ruling cited yesterday, the landmark germaneness provision by Chairman McCORMACK, where it was ruled:

> For a bill to accomplish a result through regulation by a governmental agency, an amendment to accomplish the same fundamental purpose through regulation by another Executive agency was held germane.

I therefore oppose the point of order.

The CHAIRMAN. Does the gentleman from New York wish to be heard on the point of order?

Mr. ROSENTHAL. I do, Mr. Chairman.

Mr. Chairman, I rise in opposition to the point of order.

Those activities and functions authorized to be transferred to the agency include only those which may already be performed under the authority provided in the remainder of the bill. The functions of the Administrator are not expanded, nor is his authority or power increased by the amendment.

Additionally, the functions proposed to be transferred, as both the gentleman from Texas (Mr. BROOKS) and the gentleman from New York (Mr. HORTON) have already suggested, were created by administrative action and were not created by statute. The proposed transfer does not impair or amend statutes governing the operations of the agency from which transfers would be made.

The amendment does not add a general subject to a specific subject but rather specifies in detail a mechanism for increasing the efficiency of the agency and of economy in Government, an area in which the Committee on Government Operations has clear jurisdictional responsibility.

The amendment does not alter the scope or meaning of the text. The executive actions it mandates are within the discretion of the Administrator under the remainder of the bill and existing law.

What the amendment specifies is the discretion vested in the Administrator as to the nature and extent to which transferred functions will be assumed by the agency in accordance with the existing provisions of the bill.

Thus, I oppose the point of order.

The CHAIRMAN. Does the gentleman from Illinois (Mr. ERLENBORN) wish to be heard further on the point of order?

Mr. ERLENBORN. Yes, Mr. Chairman, I do.

Mr. Chairman, let me advance just one or two further arguments.

The gentleman from California (Mr. McCLOSKEY) made reference to waiver of points of order as to section 15 of the bill as it was reported by the committee.

The gentleman would seem to argue that making a new section 15 would have the same waiver.

I would point out that would mean the present section 15, which becomes section 16, would then no longer enjoy the waiver of points of order granted by the Committee on Rules in preparation of the rule. So I do not think the argument that section 15 enjoys the waiver of the rule has any bearing on the point of order being raised.

Let me just reiterate, Mr. Chairman, that what is being tried to be accomplished by this amendment is a wholesale reorganization of the consumer protection functions in the executive branch. This argument is based on one very narrow specific transfer of power in the bill and, therefore, goes well beyond the scope of the bill.

I would not argue that it is outside the authority of the Committee on Government Operations to make such a reorganization because we do have that authority under the rules, but it is not germane in this bill to make a wholesale reorganization when there is only one small, specific transfer involved.

The CHAIRMAN. Does the gentleman from California (Mr. McCLOSKEY) desire to be heard on the point of order?

Mr. McCLOSKEY. I do, Mr. Chairman, just in response to the last point that was raised.

I used the point of order waiver with respect to section 15 because section 15 as drawn does make a statutory transfer, whereas this particular amendment does not.

The CHAIRMAN. Does the gentleman from Michigan (Mr. BROWN) wish to be heard on the point of order?

Mr. BROWN of Michigan. I do, Mr. Chairman.

The CHAIRMAN. The Chair would be pleased to hear the gentleman.

Mr. BROWN of Michigan Mr. Chairman, I would respectfully suggest that the very fact that the proponents of this legislation felt it necessary to obtain a waiver of points of order with respect to the language of the committee bill tends to support the argument made by the gentleman from Illinois (Mr. ERLENBORN) that the present amendment is not in order.

I would further, just in a general way, Mr. Chairman, like to suggest that I will be viewing with great interest the ruling of the Chair on this particular point of order because I can see in the future it will have many and wonderful ramifications.

The CHAIRMAN (Mr. BOLAND). The Chair is ready to rule.

Parenthetically, let me say that the Chair was impressed by the scholarly arguments advanced by both sides with respect to the point of order. The point of order has given the Chair, as well as some of his advisers, some difficulty.

The gentleman from Illinois (Mr. ERLENBORN) has made a point of order to the amendment offered by the gentleman from California (Mr. McCLOSKEY) on the grounds that the amendment is not germane.

The Chair will state initially that since the amendment proposes to add a new section to the bill, the rule on germaneness does not require that the amendment be germane to one particular section, it being sufficient if it is germane to the subject matter of the bill as a whole—Deschler's procedures, chapter 28, section 14.4.

The subject of the amendment, the transfer of various executive agency functions, is clearly within the jurisdiction of the committee reporting the bill. While the transfer envisioned by the amendment is more comprehensive than the transfers contained in section 15 of the bill, as noted, the test of germaneness is the relationship between the amendment and the bill as a whole. Thus, despite the limited transfer provisions in the bill, the Chair notes that on page 4, lines 13 to 15, the new agency is authorized to utilize the services and personnel of other Federal agencies and of State and private agencies and instrumentalities.

On page 5, lines 7 to 11, if the Administrator of the new agency so requests, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the new agency. Finally, on page 26, lines 3 to 5, the bill provides that nothing contained in the act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

The Chair believes that activities of the offices transferred to the agency by this amendment are already brought into the operation of this act by the sections of the bill just cited.

In addition, it is the opinion of the Chair that the express language of the amendment itself refutes the argument that it broadens the scope of the powers of the Agency beyond those contemplated in the bill. The amendment would transfer only such functions as duplicate or can be performed under the express authority contained in the bill. Therefore, no functions, activities or powers may be transferred under the amendment which are not already within the powers granted to the new agency in the bill.

It has been argued that the amendment would change statutory and administrative duties. However, the Chair is unaware of any legislation creating the offices referred to in the amendment and is unaware of any regulatory power conferred on them by statute. It would appear that the offices mentioned have been created solely by departments and agencies of the executive branch.

For the reasons stated, the Chair overrules the point of order and recognizes the gentleman from California (Mr. McCLOSKEY) for 5 minutes in support of the amendment.

Mr. McCLOSKEY. This amendment today represents the work of the office of the gentlewoman from Massachusetts (Mrs. HECKLER) and of my own office for the past several months.

Frankly, from my own standpoint, the decision of the committee on the amendment today will decide whether or not I vote for this bill.

I voted against the bill when it came out of the Committee on Government Operations. That was for one reason. I felt that despite the fact that the legislation was well drafted and perhaps is the most tightly-drafted consumer advocacy bill we have seen in the 6 or 7 years since this issue became one of national concern, it nevertheless created a new agency. I have made a vow to myself that I would not, in this Congress, vote ever again to create a new agency unless Congress undertook the responsibility of abolishing at least as much bureaucracy and governmental structure as we created.

Mr. Chairman, I am satisfied that this amendment may very well abolish more bureaucracy than we create.

I would like to describe the amendment briefly to the committee.

It does basically two things: It directs the Office of Management and Budget to transfer to the new agencies such programs, operations, and activities of each Federal agency throughout the Government as are duplicative of or can be performed more appropriately by the Administrator under the authority we grant him or her in this act.

The amendment does a second thing. In subparagraph (b) it directs the Office of Management and Budget to identify within the Government and report back to the Congress within 180 days those agencies which also duplicate consumer advocacy functions in this act, with the Director's recommendations as to such additional transfers as may be necessary to avoid duplication with programs, operations, and activities of the agency, but which require Congressional action.

I would point out to those of our colleagues who feel that one or more of the existing consumer agencies throughout the Government perform an appropriate function, that many of these agencies are today performing what is essentially a public relations function or a consumer complaint function or some function that will not appropriately be conducted by the new independent consumer advocate.

Bear in mind that the new agency's budget is estimated at $10 million a year. We will be voting on a bill next week to establish a Women's Conference that will cost $10 million in 1 year. We have recently held a Conference on the Aging at the White House that cost $6.5 million.

This is a relatively small agency. We are talking about several hundred people who will be acting as independent consumer advocates.

To my colleagues who suggest that we have 22 agencies in Government already defending the consumer, I would point out that those agencies are basically ineffective. I have seen the Knauer study as to the effectiveness of existing consumer advocacy; with respect to 16 agencies of Government, 10 of those 16, were rated inadequate and unsatisfactory in their input to policy relating to consumer interests.

If we create this new agency the amendment I am offering will require the Director of the Office of Management and Budget to transfer those ineffective agencies to this new office. Presumably the ineffective parts will be abolished because the Administrator, within his $10 million budget, is not going to want to continue operations which are basically window dressing.

I might say that of the 22 agencies that are listed in the amendment, the proposed transfers are not limited to them, but to such additional offices as can be identified throughout the entire Government. We could only find line-item budget amounts for about a third of them, and of the third of those agencies we found, the budget total exceeds $5 million alone. If we prorate that percentage among the full 22 agencies we may achieve more than $10 million savings by this amendment.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. HORTON and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. McCLOSKEY. Let me refer to you a letter which each of the Members received from the National Chamber of Commerce last week. The Members will recall getting this little booklet from the National Chamber of Commerce in which they identified 39 agencies of the Federal Government which purport to act for consumers. Even the National Chamber of Commerce can scarcely object to our creating a single governmental agency through this legislation where we will be able to abolish the ineffective functions of the 39 agencies that they identify.

Let me refer the Members also to another booklet, the Federal Advisory Committee, Third Annual Report of the President, in 1974, that identified 375 advisory commissions to the Government of the United States with a budget which exceeds $42 million, paying individuals a hundred dollars a day plus traveling expenses to come to the seat of Government to advise various agencies on how, among other things, they can protect the interest of consumers.

We have every hope that from a quarter to a third of those advisory commissions which purport to protect the consumer will be abolished by this legislation.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will yield to the gentleman from Illinois but very briefly because of the limitation of my time.

Mr. ERLENBORN. Mr. Chairman, I just want to ask a question of the gentleman in the well. The gentleman seems to be indicating that each one of these advisory commissions are for consumer activities. I would hope the gentleman would clarify that.

Mr. McCLOSKEY. A number of them are labeled as such but do not do so. Take the National Advisory Commission on Pollution Control that met secretly with the Department of Commerce with 30 to 40 people supposedly advising the Secretary of Commerce how to assist the consumer. I do not think anyone would infer they were protecting the consumer; their abolition would certainly not hurt consumer interests.

Mr. ERLENBORN. Will the gentleman yield still further?

Mr. McCLOSKEY. Yes, briefly.

Mr. ERLENBORN. Is the gentleman suggesting that pollution control is a consumer function?

Mr. McCLOSKEY. No. But I do suggest that those of us who have looked into the way that agency conducted its affairs concluded that its abolition could scarcely hurt the interest of consumers. The commission operated partly under the guise of attempting to help consumers against higher costs they would have to pay by reason of expenditures for consumer protection.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. HORTON and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, at the outset I should like to commend the gentleman in the well, from California (Mr. McCLOSKEY) for offering this amendment. As the gentleman indicated, he did vote against the bill when it came up before the committee in June or July. The gentleman indicated to me at that time that his deep concern was this problem of not abolishing other agencies at the time we create a new agency. He said to me, "Do you have any objection to my looking into this thing and trying to come up with something along the line of abolishing some agencies and taking their place in part of the amount that will be involved in this bill?"

I indicated to the gentleman that I thought that would be a very good suggestion and that I hoped he could come up with something like that. I know personally that the gentleman has spent a lot of time on this matter in the last 3 or 4 months. I know that he personally has gone down and talked to many agencies to ascertain the limit to which those agencies are involved in the consumer representation function.

I think that the list that he has compiled here in his amendment is an excellent one. I think it meets the purposes of the consumer advocacy, because those can equally be eliminated with the consumer advocacy function set up in this new agency. So I take this opportunity to commend the gentleman from California, (Mr. McCLOSKEY) for the work that he has done in preparing this amendment.

I know that the cosponsor of the amendment is the gentlewoman from Massachusetts (Mrs. HECKLER) and I want also to commend her on her sponsorship of this amendment. I think it is an excellent amendment. It does offset the cost of this agency by transferring those functions over which, as the gentleman has already stated, are not statutory but administrative functions. They will be able to be transferred over without changing any statute. I commend the gentleman on that, and I will indicate to him that as far as I am concerned I will be very happy to accept the amendment.

Mr. McCLOSKEY. I thank the gentleman.

Mr. Chairman, I should like to make just one last point. Most of us have campaigned with our constituents on the basis that we were going to try to cut the cost and complexity of government. I have waited in the House for 5 years for an opportunity to finally cut out some of the bureaucracy that we have created over the past 199 years. If this amendment is adopted, it will make this bill, for the first time, an instrument not to create a new Government agency, but to accompany the creation of a $10 million agency with the possibility of abolishing $20 million worth of government expenditures in at least 22 offices that we have identified, and perhaps 75 to 100 advisory commissions that we have identified.

To my Republican colleagues—and I know where the President stood yesterday—I will say that I have some hope that the President, on reexamination of this issue with this kind of initiative amending the bill to make it an instrument of striking out government rather than creating it—that the President will change his mind as well.

(At the request of Mr. WYDLER and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. Certainly; I will be glad to yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

I have listened to the gentleman, and of course what he says is attractive. We all want to cut down government and the size of government, to do away with the bureaucracy. That is a very noble objective, and I join him in that objective.

However, when I listened to what I think he said about his amendment, we do not know whether in passing this amendment we will cut out one job in the Federal Government. I think that is what he said, because it is going to be left to the determination of somebody in the Office of Management and Budget to decide what, if anything, is duplicative, and they may decide nothing is, or where they should cut out anything, if they decide to cut out anything.

So we might pass this amendment and we might end up with everything we have now in this agency. Is that not a fact?

Mr. McCLOSKEY. I do not think so.

Mr. WYDLER. If the gentleman will yield further, he does not hope so, I think he means.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

It is my understanding that the administration is calling for a cut of some $28 million in the future, and one of the principal obligations of OMB legislation is to find places in the budget where it can recommend reductions in the size of that budget to accomplish that $28 million reduction. This will be a classic case where they can cut out some of that money.

Mr. McCLOSKEY. Let me give the Members an example of the Postal Service. I went down and spent some time with a man whose title is Director of Consumer Advocacy for the Postal Service. We find that in the Office of Consumer Advocacy, with a budget of $1.8 million a year, we could probably assign one-fifth or one-sixth, something over $3 or $400,000 a year, of that office's function to what the new Office of Consumer Advocacy will do under the powers of this act. It will not abolish the Office of Consumer Advocacy of the Post Office, but it could save perhaps a half million dollars in that particular office's budget, and it would enable the new Administrator with a limited $10 million budget to spend that $10 million as effectively as he can, probably abolishing the transferred functions that he can more effectively perform.

My experience is that from the consumer offices we have examined thus far that we can achieve a savings of $10 million in the abolishment of existing offices. Presumably those individuals will be transferred to the new agency within that $10 million limitation, or their offices and their jobs will be abolished.

Mr. WYDLER. If the gentleman will yield further, the problem with that is if somebody from OMB goes down to the Post Office and says, "We do not think the consumer advocacy—these four people—should be in existence any longer," they will probably just give it another name and it will stay there, and it will go on under another name.

Mr. McCLOSKEY. The gentleman from New York and I may very well be defeated in the 1976 election if the Office of Management and Budget does not cut down on some of these offices.

But the reasons and the arguments the gentleman makes are certainly not an argument against this amendment. They would be an argument against this amendment only if the OMB and the President do not carry out the rule of law that we create by the amendment.

Mr. WYDLER. It is subject to their interpretations. That is what I am saying. It is subject to their interpretations.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I rise in support of the amendment and associate myself with the remarks of the gentleman. He has done a commendable job of home work and thoughtfulness on this issue. It makes sense. It is something we ought to do to seize the initiative to bring bureaucratic reform to this bill as well as aid the consumer.

Mr. COHEN. Mr. Chairman, I am pleased to be a cosponsor of this much-needed amendment. It is rare indeed when we have the opportunity to abolish more bureaucracy than we create. We have the opportunity to eliminate an executive branch bureaucracy whose ineffectiveness has been a major impetus for the proposed Agency for Consumer Protection. We have the opportunity to reduce the enormity of a faceless, unresponsive, and inefficient bureaucracy, which all too often stifles the free enterprise system it is supposed to protect.

This amendment would eliminate those offices, departments, and advisory committees within the executive branch which would duplicate the functions of the Agency for Consumer Protection. Presently, there are 39 Federal offices purporting to aid the American consumer. Many of these offices are, however, merely window dressing: Entities which claim to represent the consumer but actually are nothing more than public relations offices. If the existing consumer protection offices were effective, there would be no proposal for an Agency for Consumer Protection. This token and costly representation within the executive branch is no longer needed and should be abolished.

If adopted, this amendment will result in savings to the taxpayers of millions of dollars. The total cost of consumer advisory committees alone exceeded $42 million in 1974, and, a substantial amount of that total was spent on functions which would be duplicated by the ACP. By eliminating these ineffective committees and offices, we can diminish both the size and the cost of Government. In fact, the ultimate savings may well exceed the operational cost of the new Agency.

Most importantly, passage of this amendment will demonstrate congressional commitment to the goal of governmental reform. It will establish our dedication to reducing the spiralling costs of a government that is out of touch with its citizens, a government that is wasteful, unaccountable, and simply, too big. We talk a great deal about the need to curb the bureaucracy—today, we can show our willingness to take the initial step toward that goal. I sincerely hope that my colleagues will join me in supporting this extremely worthwhile amendment.

Mr. BROOKS. Mr. Chairman, I rise in support of the amendment.

I have discussed the amendment with its sponsors, the gentleman from California (Mr. McCLOSKEY) and the gentlewoman from Massachusetts (Mrs. HECKLER) and other Members of Congress. I see considerable merit in the proposal.

All of us desire to hold down budget outlays to the minimum figures consistent with the needs and well being of our economy. We have a rather high regard for Mr. Jim Lynn and his capacity at OMB to avoid duplicating activities within Government agencies. It may well be that the transfer of programs, operations, and activities now in existence which may be duplicative of some or all of the activities of the new agency will be a very worthwhile economy.

I think the amendment provides a useful objective and for my part I would be willing to accept it.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Chairman, I thank the gentleman for yielding.

I would like to point out to the Members here that some months ago when we took a vote on this matter in the committee I told the chairman at that time I had voted for the bill in the past and would do so in committee but would have grave reservations about the bill for one reason: Because it created probably a substantially new bureaucracy which I felt I could not go for unless there was some attempt at consolidation of the present consumer bureaucracy within the departments of Government itself today.

Now I find my distinguished colleague, the gentleman from California (Mr. MCCLOSKEY), has produced this piece of legislation which I think is excellent and which changes entirely the nature and thrust of the legislation if the amendment passes.

I want the Members to know if the amendment passes I will not only vote for the bill but support it as much as I can.

To those who object to this legislation I would say that if this amendment passes and if we do not vote for this amendment, when it comes time to vote on it, they must be essentially those who talk about economy in Government a great deal but who when they see a chance to practice it cannot find it in their heart to do so.

I do not think there can be any opposition to this amendment on the basis of economy in Government.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I rise in support of the amendment. I think it is a good amendment. It gives us a chance to demonstrate we are really serious about consolidating and bureaucratic reform and it would make some savings in the operation of the Government and aid the consumer in the process.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I thank the chairman.

Would the gentleman not agree that if this amendment does pass what I said formerly in the well—that this bill does not increase substantially the bureaucracy—would certainly be the case with the amendment in the bill?

Mr. BROOKS. Absolutely.

Mr. FASCELL. I thank the gentleman.

Mr. ERLENBORN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is quite ironic if we look at the bill to see where this amendment is offered.

First let me say I congratulate the gentleman from California for his ingenuity and sincerity. I know he is very sincere about this but it is, as I say, ironic. If we read the preceding subsection, the one immediately before where this amendment appears in the bill, that subsection says that nothing contained in this act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interest of the consumer.

The whole philosophy of this bill was to keep an awareness of the needs of the consumers in all the Federal Departments and agencies. It is so stated here. We are not going to take away any of their responsibilities to be responsive to the needs of consumers.

Yet the gentleman's amendment says we are to take all that away from them. We are going to institutionalize the consumer interest in one agency, this consumer agency, and from now on those in the Agriculture Department, those in the Commerce Department and others, it is not their responsibility to worry about the consumer. We are going to have one consumer agency, this one lean and mean agency, and everybody else in Government is cautioned to keep hands off, do not worry about the consumer.

It is also interesting to note that the language relied on as authority to offer this amendment as germane says: "All officers, employees, assets, liabilities, concontracts, property, and records" of the Consumer Product Information Coordinating Center are transferred to this new Agency.

We do not find that language in the amendment because there they are only transferring functions. They are going to leave all the officers, employees, assets, liabilities, contracts, property and records, in the existing agency. They do not take one dime away from money already authorized and appropriated, and leave all the people, all the desks and the typewriters, all the assets, spread all over the Government, but with no function to perform, because they are told to keep hands off, do not worry about the consumer.

I know the gentleman from California is sincere, but what the gentleman is asking us to do is buy a pig in a poke. The gentleman has not identified one function that will necessarily be transferred as a result of this amendment, so the gentleman holds out hope, but the gentleman has not said this committee has identified a function that we could say, "OK, this is going to be transferred," pursuant to this amendment.

It may just be that we do not get anything. We are writing a blank check to the OMB.

As I say, the gentleman is asking the House here today to buy a pig in a poke, to buy a promise of something that will happen in the future, but nothing is really identified that will be transferred.

The gentleman, not intentionally, but the gentleman left the impression that some 500 advisory committees would possibly be done away with. Many of these are created by law and cannot be transferred. Most of them have nothing to do with consumer activities.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, if the amendment does nothing, why would the gentleman oppose the amendment, except it might make the bill palatable by being enacted?

Mr. ERLENBORN. That is exactly what we have. We have something that is meaningless, but it looks good; by golly, it looks so good, some Members will say, "I have voted against bureaucracy today," and yet if they are asked what agency is going to lose a function as a result of this amendment, they will be at a loss to identify any. That has not been identified.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I certainly agree with the gentleman. I think one important point has been overlooked in all this consolidation. Is it not entirely possible that far more regulation, far more red tape, and far more bureaucratic bungling will come out of one agency than all the rest of them put together; so where is the economy involved?

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, it seems to me if all this talk means anything and if we really wanted here in the Congress of the United States to do away with one function of the Government at all and really wanted to do it, we would specify it in the act. All we are saying in the act is that somebody else will come around and see if anything is duplicated, and if it is, we will transfer the function, which I really believe is essentially meaningless.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. ERLENBORN was allowed to proceed for an additional 3 minutes.)

Mr. ERLENBORN. Mr. Chairman, the gentleman from California asked why would I be opposed to this amendment?

Let me say I view the offering of this amendment or its acceptance by the managers of the bill along with their acceptance yesterday with the small business amendment relative to interrogatories and their probable acceptance of other exemptions of special interest groups as a measure of their fear that they just did not have the votes to pass this bill.

We know why they are going to accept it. That is, to make the bill appear more palatable to some to give them an excuse to vote for it if they are so inclined, but the amendment, I would repeat, is really without substance. It does not identify one function it would transfer.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, am I right then, that for once the gentleman has said he thinks the consolidation of government is good, but he lacks the confidence in those who will carry out the legislation, that they will actually do this? Is not this correct, that the gentleman is raising some question about those in office in this administration, their capacity in trying to consolidate government?

Mr. ERLENBORN. The gentleman

misunderstands what I have said entirely. What I have said is that these words tell every other agency and department of the Government, "Hands off the consumer interest." That is what this amendment says. "We are not going to allow anybody but this one consumer advocate to worry about the consumer interest."

Every department and agency of the Government is charged with the promotion of the public good, the public interest. Included in that is the consumer interest. The Food and Drug Administration, the Federal Trade Commission, the antitrust activities of the Justice Department, all are consumer-related functions and we are telling them as a result of this amendment, "That no longer is to be your worry. You worry about other things, but not the consumer interest because that is institutionalized in this one consumer advocate." I think we do the consumer the ultimate harm if this amendment is adopted.

Mr. MOFFETT. Mr. Chairman, I rise to strike the last word, and rise in support of the amendment. I would like to direct a question to the author of the amendment.

It has been alleged here that this amendment does not specify agencies and units that will be transferred. It is my understanding from a reading of the amendment that it does indeed specify. It says the Office of Management and Budget is authorized and directed to transfer.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield, I will quote the section of the amendment:

> (2) Transfers authorized and directed under paragraph (1) shall include but not be limited to those programs, operations, and activities defined in paragraph (1) which are, on the date of enactment of this Act, performed by the folowing Federal departments and agencies: The Office of Consumer Affairs of the Department of Health, Education, and Welfare; the Office of Ombudsman for Business of the Department of Commerce; the Special Assistant to the Secretary for Consumer Affairs of the Department of Agriculture; the Special Assistant to the Secretary for Consumer Affairs of the Department of Housing and Urban Development; the Consumer Affairs Section of the Department of Justice; the Office of Consumer Affairs of the Department of Transportation; the Special Assistant to the Secretary for Consumer Affairs of the Department of the Treasury; the Consumer Inquiries Office of the Food and Drug Administration; the Public Affairs Office of the Nuclear Regulatory Commission; the Consumer Advocate of the Postal Service; the Office of Consumer Advocate of the Civil Aeronautics Board; the Consumer Affairs and Special Impact of the Federal Energy Administration; the Consumer Liaison Division of the Federal Aviation Administration; the Office of Consumer Affairs of the National Highway Traffic Safety Administration; the Consumer Advisory Council of the Department of Health, Education, and Welfare; the Consumer Affairs and Special Impact Advisory Committee of the Federal Energy Administration; the National Business Council for Consumer Affairs of the Department of Commerce; the Hazardous Materials Advisory Committee; the Advisory Committee on Water Data for Public Use of the Department of the Interior; the Science Advisory Board's Executive Committee of the Environmental Protection Agency; and the Citizen's Advisory Committee on Transportation Quality of the Department of Transportation.

I submit that if any of the Members of this House have ever gone to these consumer agencies they have found out what marvelous activities they are conducting for the benefit of the consumer, and then they would join me in this amendment. Every single one of these offices was created by executive order. They have got one in the Postal Service called the Office of Consumer Advocacy. Yet, we could only find roughly a fifth or sixth part of it was consumer advocacy. The rest of his work was devoted to public relations for the Postal Service.

Mr. MOFFETT. Mr. Chairman, I would simply like to commend the gentleman for his amendment and say that I agree that what we have seen created downtown in many of these units is an illusion of action, an illusion of participation, an illusion of advocacy. I think the gentleman's amendment gets directly to this and I urge its adoption.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I advise the gentleman from New York that I am unable to yield to him because of the pressure, the weight of what I have to say.

I would like to have this record reflect at least the situation legislatively which we face, because my friend from Illinois (Mr. ERLENBORN) has indeed described it, and I would like to take it one step further.

I am going to support this amendment, unlike my friend from Illinois (Mr. ERLENBORN), because indeed it will modify the bill in a fashion that will make the bill more acceptable. All that is basically wrong with the bill remains. The polarizing within the agencies now, with the gentleman's amendment, of the anticonsumer forces have allegedly removed what they will all put in, and of course we will have this bastion against those who would do harm to the consumer institutionalized forever in this agency as characterized by the gentleman.

The problem, the bottom line is indeed what we are going to exempt. Yes, labor, small business, and I suspect guns; and we are going to exempt many other things before we are through. Why are we doing that? Because we want to get this less-than-worthy legislation to conference, because in conference we are going to then eat the Senate version of the bill.

I would like to have some assurance from the sponsor of this amendment, the gentleman from California (Mr. McCLOSKEY) that he would seek to instruct the conferees, because I think that would lend some reassurance to those of us who really would like to reduce this, and also show a recognition that there will indeed be perhaps—if his amendment is as noteworthy as he and that notable economist, the gentleman from Michigan (Mr. CARR) imply—as moneysaving as has been implied here. Then, indeed, the Senate will not sit still for it because the Senate is dedicated to spending money and not to saving it.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I would like to give the gentleman that assurance if I am privileged to serve as a conferee. I was not on the subcommittee that drafted the bill and it may be that I will not be privileged to serve as a conferee, but I go further than that. As I stated when I offered the amendment, if this amendment is not adopted I am not disposed to vote to add a new Government agency unless we can abolish more than we create.

I would like to assure the gentleman that if this amendment is not accepted in conference, I may very well not support the final bill, because I think the principle of abolishing more than we create should be the primary principle of this Congress, and particularly of the Republican Party. I do not worry about the small business exemption, because it seems to me we all should be finally turning the tide in favor of the small businessman, and the bill has already been amended to do just that.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I am dumbfounded. The gentleman says he wants his amendment so that we will abolish more than we create. Then why do either? By this amendment, apparently, we are going to abolish the kind of representation of consumers in Government that we have had, and that is going to be more than we will get by the passage of this legislation.

I respectfully suggest that whether or not the gentleman has this amendment, he clearly should oppose this legislation because we do not want to create something that will give us something less than we have.

Mr. STEIGER of Arizona. Mr. Chairman, I want to tell my friends that, regardless of the outcome of this amendment, those Members who were disposed to oppose the legislation prior to this innovate approach I hope will recognize that all of the jeopardy that caused them enough concern that they were going to oppose the legislation, all of that jeopardy remains whether this amendment is alive or dead, and that the conference will be made up of people, so far as the Rosenthal amendment is concerned, who think that the consumers are protected by all, loved by all and cherished by all.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, while I have already indicated the reasons I am opposed to this bill, in that it creates a new agency in the executive branch of Government to make the other agencies of the executive branch of Government do just what they are supposed to do in the first place, I must say that I see great merit in the amendment offered by the gentlemen from California (Mr. McCLOSKEY).

If this piece of legislation should become law, it would be irresponsible in the extreme to leave remaining throughout the bureaucracy and scattered in various office buildings around Washington and elsewhere a series of useless functions designated as consumer advocates and consumer agencies, when they are not.

I think it is a highly responsible act that if this legislation is to become law it be accompanied by the reorganization contemplated by the amendment offered by the gentleman from California and that these other so-called consumer office functions be abolished.

The question arises, as I have previously indicated, is how, by having a new agency in the executive branch, are we going to get other agencies in the executive branch to do a better job?

Then I ask the question: Who will guard the guardians? In fact, will not the same problems that beset the existing bureaucratic agencies now be institutionalized in the apathy of another agency, after the initial zeal has passed out of the newcomers to this new bureaucracy?

I think it is extremely important that we wipe the books clean if we create this new lean and mean agency in the executive branch of the Government. I, therefore, support the amendment offered by the gentleman from California (Mr. McCloskey) because I think it is responsible and I think it reduces the size of the present bureaucracy. I think this amendment will save money in the event this new agency is established.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, the only question I have is the same question that recurs over and over again in my mind. If this is a good idea and it should be done, why then do we not simply legislate and eliminate these 22 agency functions that are in the bill?

Mr. LEVITAS. Mr. Chairman, I think the gentleman from California (Mr. McCloskey) has addressed himself to that. As I read the amendment, it says: The Office of Management and Budget is authorized and directed to transfer to the agency such programs, operations, and activities of each Federal agency as are duplicative and may be transferred without the need for further congressional action.

I think, since this body certainly cannot today go through each one of these agencies and point out those which are duplicative, the only way that can be accomplished is by the action being proposed by the gentleman from California (Mr. McCloskey) to give this responsibility to the Office of Management and Budget. If we do not do this, we are going to add horror upon horror and leave in place these so-called consumer offices and bureaus that are phony and that are out there doing nothing, at the same time paying the costs for them, and then create a new agency at the same time.

While I have great reservations about creating any new executive agency, at this time, it would be a compounding of the felony to leave these do-nothing so-called consumer bureaus in existence if we do create this new Agency.

Mr. WYDLER. Mr. Chairman, if the gentleman will yield further, by this amendment we are left with a situation where we do not know whether they are going to decide whether any of them are duplicative, so we do not know whether we are going to remove a single job or a single agency or a single bureau from the executive branch.

Mr. LEVITAS. We do not have that certain assurance, but this amendment is the only hope we have and I think we had better take advantage of that one hope.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. GUDE. Mr. Chairman, will the gentlewomen yield?

Mrs. HECKLER of Massachusetts. I would be glad to yield to my colleague, the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I want to commend the gentlewoman from Massachusetts (Mrs. Heckler) for her leadership, along with the gentleman from California (Mr. McCloskey), in preparing this amendment. Indeed, this amendment guarantees that the costly window dressing which travels under consumer protection will be eliminated while we establish an Agency for Consumer Protection which will really do a good job for the citizen and the small businessman.

I must say that if any Member in the House thinks that OMB does not have sharp razors over there and will fail to cut out those costly programs, as provided in the amendment, that Member has not been around this town very long.

As a cosponsor, I fully support this bill and am convinced that the fears of its opponents are unfounded.

Colman McCarthy, in a recent article in the Washington Post, commented on the reasons business may be fearful of the Agency for Consumer Protection. He recalls that, on the same day the Wall Street Journal editorialized against such an agency it carried several articles about inferior products that had been distributed by U.S. industry. Among the articles were lawsuits, recalls, and antitrust suits. He points out that the object of the agency "is not to unsettle anyone, but only to make the case as a consumer ombudsman for safety, legality and economy."

A business that is proud of its product and stands behind it has nothing to fear from the agency. Those who still believe in Caveat Emptor and distribute their products accordingly will indeed find that the Agency for Consumer Protection will be a stumbling block for them. The fact is that many businesses, large and small, are behind the creation of this agency. Some, like the Mobil Oil Corp., did not support earlier legislation to create a similar agency, but are fully supportive of the current legislation. In fact Mobil President William P. Tavoulareas has stated:

> It appears that many of the difficulties in the earlier proposal have been cured.

There are several safeguards built into H.R. 7575 which will maintain the balance demanded by the Mobil Oil Corp. executives and other business leaders. The agency will have no regulatory authority, its intervention ability is limited, it will not be able to delay or disrupt agency proceedings and activities, and it would have limits on being able to interrogate businesses, Confidential information will be protected. False or misleading information regarding business would be protected by requirements that the agency take all reasonable measures to ensure the accuracy of the information disclosed.

Mobil Oil Corp. is the largest of many companies that have come out in support of this legislation. These companies are convinced that this legislation will not create a super agency that will hamstring business. They agree with the necessity for a Federal-level consumer agency that will improve the existing regulatory agencies and will assist both consumers and business in transacting business more equitably for all.

I have every confidence that the Agency for Consumer Protection will be a responsible and reliable aid for consumers in gaining the rights they deserve. I call upon every one of my colleagues to support this amendment and then support H.R. 7575 in its entirety. It is long overdue.

Mrs. HECKLER of Massachusetts. Mr. Chairman, as one who originally proposed the substance and concept of this amendment, along with the distinguished gentleman from California (Mr. McCloskey), I would like to state that the gentleman's leadership and prolonged in-depth investigation and the substantive work of his staff have brought us to where we stand today. We have offered a proposal which I think immeasurably improves the bill before us.

I personally feel that the politics of the 1970's requires not more government, but more effective government, and that is what this amendment is all about.

Some of my colleagues have spoken on the importance of preserving the existing consumer protection operations within the various departments and agencies. I think that the debate really centers on the question of appearance versus reality. These agencies and these offices serve the appearance of consumer protection; they do not serve the reality of consumer protection.

One has only to look at the upgrading of beef from "Good" to "Choice" by the Department of Agriculture against the wishes of thousands of consumers who signed petitions and wrote letters. One has only to ask to look at airline fares raised by the Civil Aeronautics Board without opinions from any consumers' groups. One has only to look at an estimated 60,000 people injured by cosmetics each year, in spite of the existence of the Food and Drug Administration, an agency against which the Consumers Union has just filed suit.

The amendment before us addresses my two concerns about the Agency for Consumer Protection.

The first concern is to genuinely protect the consumer. The second is to reduce the cost and the burden of the Federal bureaucracy whose inefficiency is putting added tension on the Federal budget and on the pocketbooks of the American taxpayers.

It is important to note that the ineffectiveness of the existing consumer agencies has already been recognized by the executive branch. Mr. Chairman, I refer to a report released just last June by the Department of Health, Education, and Welfare. Its Office of Consumer Affairs reported, in its evaluation of 15 Government agencies, that most of them had serious shortcomings in investigating, handling, and acting upon consumer complaints.

With this bill, we are faced with the question of whether or not the consumer is to be protected. If we, indeed, seek to achieve this goal, we can best do so by abolishing the scattered, decentralized, ineffective public relations window dressing, do-nothing offices, and replacing them with one single effective voice for the consumer.

I think this amendment combines the goal of cutting back ineffective Government, reducing its cost, reducing its bureaucracy, with the goal of recognizing the real need of the consumer to be represented today in this society.

It seems to me that our job now is to cut back what is ineffective and to achieve in this bill an effective voice which will truly give the consumer protection.

We have debated consumer protection for 6 years in the Congress. What changes have the departments made as a result of this longstanding congressional emphasis? Virtually nothing. The consumer remains the victim of ineffectiveness, window dressing, and the buck slip.

Mr. Chairman, I think the consumer deserves something better than that. The Government, as we have seen it in the last 6 years, has not responded to the consumer. Let us not play out the farce. Let us end the charade of consumer protection and vote for effectiveness in Government, vote to recognize and respond to a real need of our people by creating this agency.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken.

RECORDED VOTE

Mr. HORTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 379, noes 27, not voting 27, as follows:

[Roll No. 670]

AYES—379

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Railsback
Randall
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NOES—27

Armstrong
Breckinridge
Brown, Ohio
Burleson, Tex.
Clawson, Del
Conable
Devine
Dickinson
Duncan, Tenn.
Erlenborn
Hammerschmidt
Hébert
Holt
Hubbard
Jones, Okla.
Ketchum
Keys
Kindness
McEwen
Myers, Ind.
Quillen
Rhodes
Stratton
Treen
Waggonner
Weaver
Young, Tex.

NOT VOTING—27

Annunzio
Beard, R.I.
Burke, Fla.
Burton, Phillip
Chisholm
Cleveland
Fary
Fraser
Giaimo
Harrington
Hillis
Hinshaw
Landrum
Mills
Murphy, N.Y.
Ottinger
Pattison, N.Y.
Pepper
Peyser
Pritchard
Rangel
Rees
Stephens
Thompson
Udall
Wilson, Tex.
Young, Alaska

Mr. JONES of Oklahoma changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recoraed.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. ROSENTHAL was allowed to speak out of order.)

ANNOUNCEMENT OF MEETING OF GOVERNOR CAREY OF NEW YORK WITH MEMBERS AT 3 O'CLOCK TODAY

Mr. ROSENTHAL. Mr. Chairman, I merely wanted to announce that at 3 o'clock in room 2128, Governor Carey of New York will speak to as many Members as can find time and convenience to be there about the New York fiscal situation and the congressional response. He would welcome any Members who wish to come.

Mr. TREEN. The Chairman, I move to strike the requisite number of words.

Mr. Chairman, just a few days ago I sent out a questionnaire to my constituents in the Third District of Louisiana. One of the questions was as follows:

> There are proposals before Congress to establish a "Consumer Protection Agency," because, the proponents argue, the interests of the consumer have not been properly represented within federal agencies and before the courts. Opponents argue that the agency would become an expensive, uncontrollable bureaucracy, that it would drive up the cost of products, and that it would have difficulty representing divergent consumer interests. Would you like to see such an agency established?

My office is receiving a large number of responses to the questionnaire, and we have made a preliminary tabulation of my constituents' responses on the issue of establishing a consumer protection agency. From every part of my district, which includes such divergent groups as New Orleans suburbanites, small city inhabitants and residents of rural and bayou areas along the coast of Louisiana, the message comes back to me loud and clear: my constituents do not want the imposition on them of this kind of bureaucracy. The vote is running 3 to 1 against establishment of the agency which would be created by H.R. 7575.

I think my constituents are absolutely right. And there are lots of reasons why they are right.

First of all, every person in the United States is a consumer, but we all have different consumer interests. How can one agency possibly represent our diverse consumer interests?

Second, we already have 15 major regulatory agencies with 63,444 employees who perform regulatory functions designed to protect consumers. If some of these agencies need reforming, let us do that—not create another superagency. The solution is not to create another agency to impede and complicate the work of these agencies already in existence.

Third, if this legislation becomes law, we will have created a bureaucracy that, as sure as death and taxes, will experience rapid and monstrous growth—an agency which could easily become the largest, most pervasive bureaucracy in America.

Fourth, the costs of this superagency could well become the most expensive and burdensome to the taxpayers that we have created in many a year.

Fifth, the creation of such an agency has the potential for great destruction of the free enterprise system, because the bureaucracy would inject Government opinion regarding products and services into the marketplace.

Sixth, such an agency as we propose to create here could result in the death of small business in this country. Already, many small businesses are having to fold because they cannot cope with the redtape imposed upon them by Government. And, make no mistake about it, this agency would impose an unbelieveable amount of additional redtape on all businesses. Only the large businesses will be able to survive. Thus, this bureau could well lead to a lessening of competition in this country.

Certainly, I am for consumer protection. I am also in favor of the consumer getting the best product or service at the lowest possible cost. We have agencies already in existence to protect us in areas where it is difficult to protect ourselves—hazardous products, dangerous drugs, impure foods, et cetera. And we already have a system for insuring that consumers get the best products and services for their money, and that is the free market system. I am for protecting that free market system, and for that reason, I am vigorously opposed to H.R. 7575. Mr. Chairman, it is a pleasant experience when my strong convictions and those of my constituents coincide.

The CHAIRMAN. Are there additional amendments to section 15? If not, the Clerk will read.

The Clerk read as follows:

SEC. 16. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b) (1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The Transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 16 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there amendments to section 16? If not, the Clerk will read.

The Cleark read as follows:

DEFINITIONS

SEC. 17. As used in this Act—

(1) The term "Agency" means the Agency for Consumer Protection.

(2) The words "agency", "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding" shall have the same meaning as set forth in section 551 of title 5, United States Code.

(3) The term "consumer" means any person who uses for personal, family, or household purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territories of the Pacific Islands.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 17 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there amendments to section 17? If not, the Clerk will read.

The Clerk read as follows:

CONFORMING AMENDMENT

SEC. 18. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(62) Administrator, Agency for Consumer Protection.".

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(99) Deputy Administrator, Agency for Consumer Protection.".

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 18 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. HORTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HORTON. Mr. Chairman, the Clerk was reading section 17 and the gentleman from Texas dispensed with the reading of section 18.

The CHAIRMAN. The Chair will state to the gentleman that the sections have been renumbered as a result of adoption of the McCloskey amendment.

PARLIAMENTARY INQUIRY

Mr. FUQUA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FUQUA. Mr. Chairman, I have an amendment to section 18 as it exists in the bill. Is that section 19 now?

The CHAIRMAN. The gentleman is correct.

Mr. FUQUA. And we are on section 18?

The CHAIRMAN. We are on section 18 as renumbered.

Are there any amendments to section 18?

PARLIAMENTARY INQUIRY

Mr. ERLENBORN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ERLENBORN. Mr. Chairman, I think that the other parliamentary inquiries were to the same point. If we could have order, I think it is important that the parliamentary inquiry be understood.

Mr. Chairman, is my understanding correct that the numbers as announced relative to sections are not the numbers that appear in the bill; that the Clerk is now reading section 17 as it exists in the bill and it is being referred to as section 18 because of the McCloskey amendment?

I think this is confusing to the Members, because they are following the bill and when a section number is read as section 17, they believe it is section 17 of the bill. Is this the usual procedure to renumber the sections, so that we are reading a different section than would appear in the bill under that number?

The CHAIRMAN. Well, the Clerk is reading the sections as they have been affected by the McCloskey amendment. As the gentleman from Illinois knows, that amendment was to page 26, immediately after line 5, to insert the new section 15 and renumber the succeeding sections accordingly.

Mr. ERLENBORN. So that when Members understand that section 18 is open to amendment, it actually is section 17 as it appears in the bill?

The CHAIRMAN. That is correct.

Mr. ERLENBORN. I thank the Chair.

The CHAIRMAN. Are there amendments to section 18? If not, the Clerk will read.

The Clerk read as follows:

EXEMPTIONS

SEC. 19. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and

Defense (including the Departments of the Army, Navy, and Air Force) and the Energy Research and Development Administration, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

Mr. **BROOKS.** Mr. Chairman, I ask unanimous consent that former section 18, now section 19, be considered as read, printed in the RECORD and open to amendment at any point.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The **CHAIRMAN.** Are there any amendments to section 19?

AMENDMENT OFFERED BY MR. FUQUA

Mr. **FUQUA.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: On page 28, at line 17, replace the comma with a period and delete all subsequent material on the page.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. **FUQUA.** Mr. Chairman, I call this amendment the equal treatment amendment. Its text and its purpose are very straightforward.

The amendment would delete a provision in the exemptions section of the bill. More specifically, it would delete the exemption which prohibits the Agency for Consumer Protection from using any—I repeat, any—of its powers in relation to labor disputes or labor agreements.

This exemption in the bill has become known as the so-called labor exemption. It has been attacked as an unwise special interest exemption by many of the supporters of the Consumer Advocacy Agency concept. The New York Times, for example, attacked the labor exemption on the grounds that it represents "politics at its most cynical."

The labor exemption must be struck from this bill for two major reasons. First, it is wrong in substance. Second, it is wrong in legislative practice. Let me explain.

There is no justifiable reason to exclude labor disputes from the ACP's information gathering, information dissemination and advocacy functions, as the bill presently does. To blindfold and gag the ACP with respect to such things as illegal national dock or truck strikes is directly contrary to the express original intent of the creators of this bill.

I was here when this bill was conceived. At that time great reliance was placed upon a study done by one of our Government Operations subcommittees. Indeed, this study is still being quoted by supporters of the bill as a source of what should be covered.

This study identified 33 Federal agencies whose approximately 400 activities affected the interests of consumers. Among the activities were those of the National Labor Relations Board and Federal Mediation and Conciliation Service which are presently exempted by the labor exemption.

During the hearings on our consumer agency bill in the 92d Congress, the Consumer Federation of America witnesses pleaded with us not to put this labor exemption into the bill. Notwithstanding their pleas, the pleas of the special interests prevailed.

I should note in fairness that the Consumer Federation of America has changed its tune and is now a principal advocate of the labor exemption. It is also of interest that a list of members attached to a letter of support for the bill to Members of the House reflects a large number of labor unions.

The need for a special interest labor exemption has been advocated with the most inaccurate, and, in some cases, deceptive arguments that I have heard in a long time.

Let me, therefore, just state and refute the major arguments being advanced by those who wish to prevent the ACP from having discretion—mere discretion—to find out about or comment on labor disputes.

THE COLLECTIVE BARGAINING STRAW HORSE

To hear some talk, you would believe that the labor exemption merely prevents the ACP from barging into collective bargaining situations and sitting down at the table. Those who argue this way either know nothing about the regulation of labor disputes or have never read the bill.

The current labor exemption, on page 28 of the bill, would prevent the ACP from: First, saying anything about any labor dispute or agreement; second, from attempting to find out anything about such practices; and third, from attempting to do anything about vital consumer interests which are sometimes at stake in these matters.

Suppose, to use just one hypothetical example, the ACP decides to gather information on why prices for a particular food are at a certain level, so that the agency could issue a reliable economic analysis to consumers. Suppose also that transportation of this food had been disrupted by a labor dispute—a truck strike or dock strike, let us say.

In such a situation, the ACP has two choices: First, it could issue its analysis, but make no effort to determine or comment on the effect of shortages due to the strike; or second, it could realize that such an analysis would be misleading, therefore drop the whole idea and leave consumers in the dark totally. This is not a happy choice.

THE CONSUMER ISSUES MISSTATEMENTS

Some of those who want to protect labor-related activities have the gall to argue that consumer issues are not allowed to be introduced in relation to regulation of labor disputes or agreements. Such a conclusion flies in the face of several provisions of the National Labor Relations Act and standard labor-management positions.

First of all, the parties to collective bargaining are always stating consumer issues, and the ACP could help the NLRB or FCMS evaluate these. Management argues that if wages get too high, consumer prices will get too high to keep up the demand. Labor argues that unless wages are increased, the workingman cannot afford to pay the prices for goods and services he needs.

Second, and more importantly, the NLRA, itself, in several places, requires the resolution of consumer issues by the NLRB—here an ACP could be of tremendous assistance.

Let me just cite to you one of the National Labor Relations Act provisions which requires the NLRB to take actions to protect consumers. It is section 10(l).

This section, as its provisions and legislative history clearly show, was designed to enable the NLRB to go to court to seek to stop labor dispute obstructions of the free flow of goods and services to consumers. Now if the NLRB has no experience in protecting consumer interests—as some who support the labor exemption say—it certainly could use the help of an ACP in such a situation.

THE FREEDOM FROM OUTSIDE MEDDLING ARGUMENT

When the argument about consumer issues is settled against them, the supporters of the labor exemption often use a truly astounding argument.

Outsiders, they say, are not allowed to advocate their point of view to labor or management negotiators. Where have these people been all their lives? Outsiders are always giving views to negotiators. Presidents, Senators, House Members, mayors—you name it—have often attempted to assist in protecting the consumer by offering suggestions that would enable a quick settlement of labor disputes.

If these outsiders can attempt to protect consumer interests by merely stating their suggestions, why cannot the country's leading expert on consumer problems, the ACP, do the same?

THE LACK OF POWER ARGUMENT

Finally, when all else fails, those who wish to protect labor activities say that the NLRB is prohibited from dictating labor dispute settlements. Therefore, they reason, it would do no good to have an ACP advocate at the NLRB.

This is an argument for, not against, allowing the ACP to present an expert consumer viewpoint to the NLRB and the negotiators who could take it or leave it. What is everyone afraid of?

Do the supporters of the labor exemption also argue that the ACP should have nothing to do with Federal Trade Commission or Justice Department consent proceedings, because these agencies cannot, technically, dictate the terms of consent agreements?

Also, why do the supporters of the labor exemption conveniently forget that the NLRB adjudicates unfair labor practices when they make the argument? Put another way, what does the fact that the NLRB cannot dictate dispute settlements have to do with the bill's prohibition of the ACP from commenting on what the NLRB finds to be an illegal secondary boycott?

Finally, Mr. Chairman, there is a very

practical reason why we should strike this special interest labor exemption. Look at what happened in the Senate, when an attempt to strike an identical exemption in their bill failed.

The Senate bill was flooded with other special interest exemptions which could not be logically denied to those who requested them. After all, if the ACA is going to be disruptive at the NLRB, it certainly will be disruptive elsewhere in proceedings of at least equal importance.

For example, if this amendment of mine to strike the labor exemption fails, I shall be forced to offer an amendment to protect equally important agricultural interests from the same threat that labor sees.

I could not vote for labor and against the farmer. I would much rather vote for the American consumer, and let labor and the farmer deal equally with the ACP. That is why I urge support of this equal treatment amendment.

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is probably the most misunderstood section in this entire bill. The exemptions that are included in this section are a very narrowly drawn group of exemptions, because the sponsors of the bill did not want to exempt all the Federal agencies from the purview of this bill and from the actions of the Agency for Consumer Protection.

When this bill was drafted, it was suggested that we ought to look very carefully at the question of labor-management negotiations. I want to read the language that is in the bill so that all the Members understand it. The language in section 19 says as follows:

> This Act shall not apply to * * * a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and to limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management-Relations Act * * * or to a labor agreement within the meaning of section 201 of the Labor-Management Relations Act, 1947 * * *.

Now, that is a very narrowly drawn exemption. It by no means exempts labor from the purview of the ACP. The language exempts labor disputes and labor agreements, as defined by the Labor-Management Relations Act. Those definitions are applicable only to the activities under the Labor-Management Relations Act.

It does not exempt other labor matters not using these definitions. In spite of what the Members may have heard, the ACP could get involved in those Federal labor activities which do directly affect consumers.

For instance, the ACP could call for a Taft-Hartley injunction; it could involve itself in Federal activities under the Davis-Bacon Act or under the Walsh-Healey Public Contracts Act and the Services Contract Act. In addition, if there were a wage and price stabilization program similar to the old program, the ACP could get involved in that also.

In response to the committee's request for the views of the NLRB regarding the provisions of H.R. 7575, the Chairman of the NLRB stated that the NLRB's functions and activities do not directly relate to nor are they concerned with consumers' interests. The Board was created to protect employees' rights to select bargaining representatives to bargain collectively, and to prevent unfair labor-management practices. By law, which has been reinforced by judicial interpretation, the NLRB is not allowed to consider economic factors.

In other words, it is not allowed to consider consumer impact issues nor could it dictate contract terms dealing with such issues. Therefore, there is no role for the ACP to play in NLRB proceedings. That is all that definition means.

It is the duty of the Federal Mediation and Conciliation Service to assist the disputant parties in industries affecting interstate commerce to settle such disputes through conciliation and mediation. It should be clear to everyone that Federal mediators would not be asked to enter into labor disputes if they were representing a special outside interest. Outside parties are not allowed to intervene in FMCS activities, nor should or could the ACP.

There is simply no role for the ACP to play in any activities of the Federal Mediation and Conciliation Service.

Labor-management disputes have been recognized by the Congress and the courts as uniquely sensitive. The NLRB was created by the National Labor Relations Act of 1935, the Wagner Act. Justice Brennan, speaking for the Supreme Court in *NLRB* v. *Insurance Agents' International Union, AFL–CIO*, 361 U.S. 477, 484 (1960) discussed the nature of the duty to bargain in good faith imposed upon employers by the Wagner Act.

He said, and I quote:

> The chairman of the Senate committee—

That is Senator Wagner—

> declared when the employees have chosen their organization, when they have selected their representatives, all the bill proposes to do is to escort them to the door of their employer and say, "Here they are, the legal representatives of your employees."

The CHAIRMAN. The time of the gentleman from New York (Mr. HORTON) has expired.

(By unanimous consent, Mr. HORTON was allowed to proceed for 3 additional minutes.)

Mr. HORTON. Mr. Chairman, to continue the quote, he said:

> What happens behind those doors is not inquired into, and the bill does not seek to inquire into it.

The Supreme Court has cited Senator Wagner's explanation of the Wagner Act again and again in order to emphasize that Government actions relating to labor-management negotiations are uniquely sensitive and should not be entered into by outsiders.

Mr. Chairman, if the gentleman from Florida (Mr. FUQUA) wants to change this policy, he should amend the Labor Management Relations Act, not this bill.

Therefore, Mr. Chairman, I oppose the gentleman's amendment.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. HORTON. Yes, I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, the gentleman related to language that I would strike out, and he included, at the bottom of page 28, line 23, a "labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171)."

I wonder whether the gentleman would advise the committee what the definition of "labor agreement" is within that act.

Mr. HORTON. It deals with activities of the Federal Mediation and Conciliation Service. It is similar to a labor dispute.

Mr. FUQUA. It does not relate to that. I asked the Library of Congress to find it for me, and they sent about a four-page note saying they could not find it.

What we are doing is saying that even the ACP can comment on a labor dispute that may not affect the consumer. I am sure the gentleman in the well is not saying any kind of labor dispute even if no consumer interest is involved.

Mr. HORTON. I point out to the gentleman that to remove this language is to permit the Federal Government to get into labor-management negotiations where it has not been before. If he wants to do that, he ought to amend the Labor-Management Relations Act, and not this bill.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. HORTON. Yes, I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, the gentleman in the well has made the point that this is a very narrow exemption.

Before the Committee on Rules the question was asked of this gentleman and the other supporters of the bill whether there is an exemption in the bill for activities under the yet to be enacted, but now being considered Construction Industry Collective Bargaining Act.

The gentleman at that time was unable to answer the question.

Mr. HORTON. I had not looked it up at that time, but I have subsequently looked it up.

That bill refers to "labor disputes." Therefore, the exemption would apply to the Construction Industry Collective Bargaining Committee.

Mr. ERLENBORN. Consequently, it is not so narrowly drawn, is it? It is as to all labor disputes?

Mr. HORTON. In other words, it has the same definition that we have here.

Mr. ERLENBORN. If there is a labor dispute, let us say, in the agricultural industry not covered under the Labor Management Relations Act, but since it is a labor dispute, is that also exempt? Or is that true with respect to a labor dispute between the employees of the Post Office, although they are not covered under the Labor-Management Relations Act?

Mr. HORTON. As I have tried to indicate, there is a very limited definition of "labor disputes." I say anything outside of this definition is subject to the bill.

I tried, at the beginning of my statement, to indicate that there are Federal activities involving labor in which the ACP could get involved.

The CHAIRMAN. The time of the gentleman from New York (Mr. HORTON) has again expired.

(On request of Mr. ERLENBORN and by unanimous consent, Mr. HORTON was allowed to proceed for 1 additional minute.)

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield again?

Mr. HORTON. Yes, I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I think this is the important point that ought to be clarified.

The gentleman has suggested that even though the Construction Industry Collective Bargaining Act that we considered, which passed this House and is in the Senate, is not part of the National Labor Relations Act or the Labor Management Relations Act, it is still exempt because it is a labor dispute.

On the other hand, the gentleman says that only those matters very narrowly defined within these agencies are exempt. It is simply contradictory.

Mr. HORTON. The definitions are applicable only to the activities of the Labor Management Relations Act and I defined what those are.

Mr. ERLENBORN. The gentleman knows that in H.R. 9500 the construction industry——

Mr. HORTON. In it they define the labor disputes.

Mr. ERLENBORN. That is not under the Labor Management Relations Act. That is separate legislation standing alone. In that event I would think the interpretation would be to those agencies that get involved.

Mr. HORTON. Whether or not the labor-management negotiation exemption stays in H.R. 7575, the ACP would not be able to involve itself with the Construction Industry Collective Bargaining Committee, since the bill establishing the committee does not provide for outside participation in the committee's activities. Under H.R. 7575, the ACP participates as do other outside advocates. Where there is no such opportunity for participation, H.R. 7575 does not create one. Since H.R. 9500 does not authorize the involvement of outside persons, such as the ACP, it could not involve itself with or without section 19 in H.R. 7575.

H.R. 7575 merely tries to restate current policy whereby Federal mediation efforts are not to involve outside advocates like the ACP, merely the mediators. The bill does so by exempting activities relating to "labor disputes" as defined for the purpose of the Labor Management Relations Act. Where labor contract terms are dictated by Federal officials, under current law, the ACP would be able to involve itself in the proceedings leading up to the setting of the terms, such as wage rates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAMES V. STANTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment which would strike the language stating that this act does not apply to labor disputes and labor agreements as defined in the Federal labor statutes. Frankly, Mr. Chairman, I have rarely seen an amendment propelled more by rhetoric, and less by logic and a true understanding of the issues, than this one.

In order to put this amendment in its proper perspective, I suggest we look at what the purpose of the proposed Consumer Protection Agency is. I direct your attention to the first page of the committee report which states that the Agency's principal function will be to represent the interests of consumers in proceedings of Federal agencies and courts that may substantially affect those interests. The report continues that the bill's purpose is to give consumers adequate representation in the Federal decisionmaking process.

Apparently the advocates of this amendment would have the Agency also participate in labor-management disputes before the National Labor Relations Board and the Federal Mediation and Counciliation Service. But what purpose could be served by its participation? Neither the NLRB nor the Mediation Service can by law become involved in the substantive issues of labor-management negotiations. The main purpose of the NLRB is to insure that bargaining will be fair and honest, and both agencies leave the context of the agreement to be decided by the give and take of bargaining.

Thus if the proponents of this amendment are trying to tell us that the NLRB decides labor-management contract provisions in the same way that the FPC decides the price of natural gas, or the CAB decides airline fares, it just is not so, and it has not been so for the 40-year history of the Federal labor statutes. I believe the role of the NLRB was best characterized by the statement of Justice Hugo Black in Porter against NLRB:

> It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

With regard to those sections of the National Labor Relations Act which seek to protect neutral employers, the task of the NLRB is solely to determine whether the union activity in question is, in fact, directed at a neutral party and hence is illegal. Any material which the consumer agency might provide on the economic effects of the conduct in question would simply be inappropriate to the determination which the Board must make.

Since the Consumer Agency cannot be of any use to the Federal agencies involved in labor disputes, what then would be accomplished if the exemption for labor disputes and labor agreements was deleted? At best, the Consumer Agency would be placed in the ridiculous position of asking the combatants in a labor-management dispute, each of which is striving to protect its own interests, to accept the Consumer Agency's opinion on how the conflict should be resolved. I suggest that, in addition to being a waste of the limited resources of the Agency, such functioning is far afield from the original concept of this legislation, which is to insure that the consumer interest will be presented to Federal agencies, whose decisionmaking is presumably done on an impartial basis.

Thus, Mr. Chairman, there is in fact no labor exemption in this bill. Labor unions may be directly affected by actions of the Consumer Agency in numerous ways. What the bill recognizes, however, is that the Federal agencies concerned with labor disputes function in a unique way, for in accordance with this Nation's commitment to free, private collective bargaining, their role is carefully limited by statute.

Mr. Chairman, I suggest we give this talk of the so-called labor special interest exemption the quick burial it deserves, and that we save our wrath for proposed exemptions which would indeed limit the ability of the Agency to protect consumer interests in the Federal decisionmaking process.

I urge defeat of this amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. JAMES V. STANTON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I rise in opposition to this amendment, and I should like to associate myself with the gentleman's remarks, and with the remarks of the gentleman from New York.

Mr. JAMES V. STANTON. Mr. Chairman, I urge defeat of the amendment.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think a follow-up on the colloquy that I had with the gentleman from New York (Mr. HORTON) would be helpful. The gentleman made the observation that the Consumer Protection Agency or advocate could not involve itself in some of these labor-related matters because the public could not participate. If that is the interpretation of the limitation on this particular agency or advocate, I hope that it becomes firmly ensconced in the record. As has been suggested in the past, the advocate would have the right to involve himself in formal and informal agency proceedings, and it has been suggested that when the Federal Trade Commission or Attorney General was contemplating taking action or not taking action on an antitrust matter—for example, the Federal Trade Commission's taking or not taking action under their authority in trade-related matters—that the advocate would have the right to participate. I hope the gentleman from New York is correct in his interpretation that only where the public can participate will the advocate have the right to participate. I hope his interpretation is correct.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I am delighted to yield to the gentleman from Florida.

Mr. FUQUA. I thank the gentleman for yielding.

At the beginning of Section 19 it says: "This Act shall not apply to * * *" and then it enumerates the exemptions. I would assume by reading that—and I would like to know if the gentleman agrees—that even the ACP could not even comment publicly about something that could have significance to consumer interests, not that he would be sticking his nose into wage negotiations between labor and management, but that there could be some Federal mediation service after the Federal Government had already been called in. He could not even make a public comment.

Is that the way the gentleman interprets the prohibition?

Mr. ERLENBORN. The prohibition seems to be absolute. The gentleman is right. Why should not this advocate have the right to send interrogatories to big unions as well as to big business to find out what their demands are going to be, and on what basis they think that these wage and fringe benefit demands are in the public interest? Yet the advocate would not even be allowed to gather information about wage demands or their impact.

Mr. FUQUA. If the gentleman will yield further, should there be a lockout or work slowdown that could affect consumers? I noticed in the abbreviated editions of The Washington Post a few weeks ago that consumer information and the price of goods, and sales in stores, were omitted because of a labor dispute between the paper and the employees. Whose side the fault was, I am not the one to be the judge. But here again he could make a charge that the consumers are being ripped off because they could not find bargains in the store. This is a consumer interest.

Right now we have an airlines strike in my State which affects consumers directly. One cannot even get airline reservations extremely far in advance. And many people have important business interests.

They would have to make their reservations ahead. In many hotels people are being laid off because of the lack of tourist trade and it is having an adverse effect in my case. I think the consumer does have an interest and at least this gentleman could comment on what the consumer interest might be.

Mr. ERLENBORN. I think the gentleman is absolutely correct. There is a consumer interest. No one can deny that. Maybe the gentleman and I are being much too logical. The gentleman understands as well as I do that there is one reason for this exception. It was the price of support of organized labor. If they were to be included in this bill, they would be opposed to the bill. Since they have obtained their exemption they are supporting the bill. It is that simple.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I want to correct one statement the gentleman made. He indicated in the discussion with the gentleman from New York that written interrogatories could not be sent to labor unions. My understanding is quite to the contrary. Written interrogatories can be sent to labor unions.

Mr. ERLENBORN. Will the gentleman explain why it says this act shall not apply to, and then it includes these activities?

Mr. HORTON. I read it once before but I will read it again to the gentleman. It says:

> This Act shall not apply to . . . a labor dispute within the meaning of . . .

And then it refers to the Labor Management Relations Act. That has nothing to do with the authority to issue written interrogatories.

Mr. ERLENBORN. So they could ask questions except not about labor disputes?

Mr. HORTON. They could ask any questions they want of labor that can be properly included in a written interrogatory.

Also I wanted to indicate a history of this legislation shows that this language was not developed as a result of union interest. It was something that came out as a result of our hearings in 1974.

Mr. BROOKS. Mr. Speaker, I move to strike the requisite number of words.

The labor exemption contained in section 18(a) provides that the consumer agency cannot participate in the activities of the National Labor Relations Board or the Federal Mediation and Conciliation Service, the only two agencies which affect labor and management's collective-bargaining contracts. This is not really an exemption at all. It is, instead, a restatement of the intent of Congress in creating these agencies and a long line of Supreme Court cases correctly interpreting this intent.

The NLRB has jurisdiction over unfair labor practices and the selection of employee representatives. The Conciliation Service assists in the negotiations of a labor contract. But neither agency has jurisdiction over contract terms concerning wages, hours, or conditions of employment, matters which affect consumers' interests. Decisions in these areas are left entirely up to labor and management.

There is no place for the consumer agency in their private deliberations.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to this amendment, offered by Mr. FUQUA. Opposition to the Fuqua amendment is justified on two grounds: First, because the premise behind the establishment of the consumer agency is to correct the imbalance that presently exists between business and consumers in proceedings before the Government. This imbalance does not exist with respect to labor management disputes and negotiations.

Second, the provision in the bill prohibiting labor-management intervention accords with the well-established principle that the public interest is best served in labor negotiations by the parties themselves and that the proper role for Government is to insure that the negotiation process is fair and peaceful. During the past 40 years, Congress has been reluctant to establish formal mechanisms to consider the substance rather than the procedure of labor disputes. Thus, the National Labor Relations Board and the Federal Mediation and Conciliation Service, the two agencies with primary jurisdiction over the mediation process, cannot determine or dictate in any way the substantive terms of the settlement.

The NLRB was established to protect the rights of labor to select bargaining representatives and to bargaining collectively, not to affect the outcome of the bargaining process. Speaking for the Supreme Court in *Porter* v. *NLRB,* 397 U.S. 99, Mr. Justice Black outlined the Board's proper role:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements . . . and that Section 8(d) was an attempt by Congress to prevent the Board from controlling the settling of the terms of collective bargaining agreements. . . . It is implicit in the entire structure of the Act that the Board act to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

Since Congress has determined that the NLRB is to deal solely with the bargaining process, and not comment on the issues in dispute, the Agency for Consumer Protection could have no role as an advocate on substantive issues before the Board. The so-called labor exception, therefore, is merely a restatement of the present law, designed to foreclose the possibility of needless litigation.

Of course, the Federal Government does become involved in the substantive issues of labor disputes most commonly in the form of jawboning by the President or other public officials. Jawboning, however, is an informal, ad hoc process which is unsuited for intervention by the ACP. Clearly, the President and Members of Congress are not agencies within the meaning of the Consumer Protection Act and the ACP should not be allowed to petition them to jawbone during a labor dispute. Only if Congress were to establish a regulatory agency empowered to consider the substance of labor disputes would it be proper and feasible for the ACP to represent consumer interest within the contest of labor disputes. The labor exception of the Consumer Protection Act does no more than recognize this reality.

Similarly, there is no role for the ACP to perform before the Federal Mediation and Conciliation Service, which was created simply to offer mediation services to parties in labor disputes to help them to resolve their disagreements peacefully. It has no regulatory function. The FMCS cannot impose its services upon unwilling parties nor dictate the outcome of negotiations where their services have not been solicited.

All this is not to say that the ACP is barred from making any recommendations concerning labor or labor practices. A labor union-operated bank or credit union for example, might well become the proper object of ACP's scrutiny. And where a labor union and management conspire to raise prices or limit competition, the ACP could petition the Federal Trade Commission or the Antitrust Division of the Justice Department to take appropriate action.

Historically, the formal apparatus of

Federal labor-management mediation has been based on the premise that the public interest demands fair organization and negotiation procedures, but that it is not the proper role of government to dictate the results of the negotiations. Unless and until Congress determines that regulatory agencies must consider the substance of labor disputes as well as the process whereby they are mediated, the ACP should have no role before the NLRB, the FMCS, or like agencies.

Mr. ERLENBORN. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. ERLENBORN. Mr. Chairman, if it is proper, I ask permission to withdraw my point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I would like to ask one question of my friend and colleague, the gentleman from New York. He was listing the areas of labor law that would not come under the provisions of H.R. 7575 and I noticed he indicated the Davis-Bacon Act. Is that correct?

Mr. HORTON. That is correct.

Mr. ASHBROOK. Is the gentleman not aware that in some cases there are elements of the Davis-Bacon Act which are involved in labor disputes as to what is included in fringe benefits? That quite often results in a dispute.

Would that mean if the Davis-Bacon Act becomes a part of a labor dispute it would too be exempted because there is a dispute involved?

Mr. HORTON. If the gentleman will yield, if they are not affected by the Labor Management Relations Act, then no. This only applies to the Labor Management Relations Act activities. It is a very limited exemption, I assure the gentleman.

Mr. ASHBROOK. What makes me alert to this, the gentleman referred to labor disputes and there are often labor disputes that relate to other areas of labor law, not necessarily the NLRB alone.

Mr. HORTON. The reason I used the words labor dispute is because that is the language we used in the bill. We say the bill shall not apply to a labor dispute, but then we go on to say within the meaning of section 2 of the Labor Management Relations Act. In other words, that is the only application of the term labor dispute. We are not referring to the broad general term "labor dispute." It is the words "labor dispute" as found in section 2 of the Labor Management Relations Act.

Mr. ASHBROOK. I would say that a labor dispute under the Davis-Bacon Act can go before the NLRB if there is a dispute as to what the prevailing wage is, for example, and that would seem to make it a labor dispute under the gentleman's interpretation.

Mr. HORTON. If it comes within the definition of labor dispute in section 2, it would be exempt.

Mr. ASHBROOK. I am asking if it would be covered in that situation?

Mr. HORTON. I cannot answer the question the way it is put. I can only answer it the other way, if it is so defined as a labor dispute under section 2, then it is; if it is not, then it is not.

Mr. ASHBROOK. I think this exemption is fraught with danger and is much broader then indicated. There are many areas of labor law which can be covered here, not just those that are indicated in the labor exemption. I think we are opening up far more than what is on the face of this so-called limited labor exemption.

Mr. Chairman, I urge support of the Fuqua amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROSENTHAL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 233, not voting 25, as follows:

[Roll No. 671]

AYES—175

Abdnor
Alexander
Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bowen
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evins, Tenn.
Findley
Fisher
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Harsha
Hastings
Hayes, Ind.
Henderson
Hightower
Holland
Holt
Hughes
Hutchinson
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
McFall
McKinney
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mosher
Neal
Nichols
Passman
Pettis
Poage
Quillen
Rhodes
Roberts
Robinson
Rogers
Rose
Rousselot
Runnels
Russo
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wydler
Wylie
Young, Fla.

NOES—233

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fish
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Gaydos
Gilman
Gonzalez
Green
Gude
Hall
Hanley
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hyde
Jacobs
Jeffords
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Long, Md.
McCloskey
McCormack
McDade
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Perkins
Pickle
Pike
Pressler
Preyer
Price
Quie
Randall
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—25

Annunzio
Beard, R.I.
Burton, Phillip
Cleveland
Conyers
Fary
Fraser
Hébert
Hillis
Hinshaw
Ichord
Landrum
Mills
Murphy, N.Y.
Ottinger
Pattison, N.Y.
Pepper
Peyser
Pritchard
Railsback
Rangel
Rees
Udall
Wilson, Tex.
Young, Alaska

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Annunzio against.

Mr. Landrum for, with Mr. Ottinger against.

Mr. Mills for, with Mr. Rangel against.

Mr. Charles Wilson of Texas for, with Mr. Pattison of New York against.

Mr. RHODES changed his vote from "not" to "aye."

Messrs. LONG of Maryland and PRESSLER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Fuqua: Page 28, line 25, delete the period and add the following: ": *Provided further*, That nothing in this Act shall be construed to authorize the Administrator to interevene as a party or otherwise participate (1) in any proceeding of the United States Department of Agriculture directly affecting or directly concerning (a) the market price of/or loans, price supports, or payments for raw agricultural commodities, including crops (including, but not limited to, wheat, feed grains, soybeans, cotton, wool, rice, peanuts, tobacco, sugar, fruits, and vegetables), livestock, poultry, eggs and dairy products, and (b) programs administered by the Soil Conservation Service, the Farmers Home Administration, the Rural Electrification Administration, or the Federal Crop Insurance Corporation, or (2) in any proceeding concerning Public Law 480 programs."

Mr. FUQUA. Mr. Chairman, this body has voted to keep the special interest labor exemption in section 18 of the bill to protect labor disputes and agreements from the activities of the ACP.

There is no turning back now, I say with sincere sadness. We must protect other proceedings which are at least as important to the economy as labor dispute and agreement proceedings.

I, for one, say that Federal proceedings and activities directly affecting the American farmer are at least as important as labor dispute and agreement regulation. I, for one, say that these agricultural proceedings are at least as subject to the disruption which some fear would be caused by the ACP with respect to the labor dispute and agreement regulation.

And, Mr. Chairman, I defy anyone to prove differently. This amendment which I offer now is called the agriculture protection amendment.

It is the very similar agriculture amendment which received more support on the Senate floor than did the labor exemption.[*]

A vote against this amendment is a vote against the American farmer. That is the way farm groups tell me they will interpret this vote. That is the way I interpret this vote. That is the way a majority of the Senate interpreted its vote on an identical exception.

A vote against this amendment is a vote against the American farmer.

What does this amendment do? It exempts from the ACP's advocacy function any Federal proceeding "directly affecting" farmers.

There may be some that would say that this is a gutting amendment; that this is an amendment which could not be supported by those who really want to protect the consumer. To those who are prepared to say that, let me just list for you a few—I say, a few—of the 55 Senators who voted for this amendment.

Among those voting for this amendment in the Senate were:

The majority leader, Senator Mansfield.

The consumer-oriented chairman of the Commerce Committee, Senator Magnuson.

The chairman of the Judiciary Committee, Senator Eastland.

The chairman of the Agriculture Committee, Senator Talmadge.

The chairman of the Interior Committee, Senator Jackson.

The chairman of the Finance Committee, Senator Long.

The chairman of the Appropriations Committee, Senator McClellan.

The chairman of the Budget Committee, Senator Muskie.

The chairman of the Banking Committee, Senator Proxmire.

The chairman of the Public Works Committee, Senator Randolph.

The chairman of the Armed Services Committee, Senator Stennis.

Also voting for this amendment were many long-time public supporters of an ACP—Senators Bentsen, Bumpers, Chiles, Church, Domenici, Eagleton, Humphrey, McGovern, Mondale, Montoya, Nelson, Pearson—and many others.

I also remind you that a vote for this amendment is a vote for the American farmer.

With the previous vote on the labor exemption, Mr. Chairman, the issue has become absolutely clearcut: A vote against this amendment is a vote against the American farmer. I know how I must vote.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I do not have a copy of the amendment. I was listening to it, however.

I would ask the gentleman one question: Does the amendment read, "That nothing in this Act shall be construed to authorize the Administrator to intervene as a party or otherwise participate"?

Mr. FUQUA. Yes.

Mr. ASHBROOK. Does the gentleman construe that to mean that that would cover appeals and all types of actions?

I was a little bit concerned about his previous amendment when it said only intervene as a party, because I felt that left quite an area for the ACP to become involved in.

Is it the gentleman's understanding that his amendment would prohibit the ACP from participating in appeals and legal processes, just completely keep them out, or is there a limited area where they could still become involved?

Mr. FUQUA. In answer to the gentleman from Ohio (Mr. Ashbrook) it would be my interpretation that this would prohibit the ACP from giving its support to appeals.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for his comment because I originally drafted an amendment to plug this, what I thought, anyway, was a loophole in the gentleman's amendment and if as the gentleman has said that it will accomplish that, I of course will not offer my amendment.

Mr. FUQUA. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Fuqua).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Anderson of Illinois: On page 28, at line 25, strike the period (.) at the end of the sentence, insert in lieu thereof a comma (,), and add the following: "or to the Nuclear Regulatory Commission."

Mr. ANDERSON of Illinois. Mr. Chairman, this amendment removes the Nuclear Regulatory Commission from the purview of this act, thus adding it to the list of present exemptions: The FBI, CIA, NSA, the national security or intelligence functions of the Departments of State and Defense and ERDA, and labor disputes and agreements. The reason I offer this amendment is because the activities of the NRC do not directly relate to consumers or interests of consumers as defined by section 16 of the bill. The principal responsibilities of the NRC involve the licensing and regulation of nuclear reactor construction and operation, and of the possession, use, processing, transport, handling, and disposal of nuclear materials. The term "consumer," as defined by the bill, means "any person who uses for personal, family, or household purposes, goods and services offered or furnished for a consideration." And the "interests of consumers," as defined by the bill, which this act is designed to protect and represent, include such matters as "the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers."

The NRC clearly does not deal with goods and services offered to a consumer for a consideration. The NRC in no way deals with such matters as the pricing of energy which may come from a nuclear reactor; nor does it deal in the across-the-counter sale of nuclear materials for a consumer's personal or home use. And, as page 15 of the committee report notes:

> The bill is concerned with the marketplace for goods and services.

Since the NRC is not involved in the marketplace for goods and services, I think this exemption is justified by the committee's own definition of what is intended to be covered by this act.

Mr. Chairman, while the committee did not include an exemption for FCC broadcast renewal license proceedings in this bill, it did make quite clear in its committee report on page 15 that—

> active participation (by ACP) should be discouraged in such proceedings involving local stations.

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[*] The Agriculture exemption received 55 of 89 votes cast. The Labor Exemption, on a vote to strike it, had 52 supporters out of 88 voting.

I think the same argument could be made with respect to nuclear licensing proceedings.

Mr. Chairman, I am sure the argument will be made in opposition to this amendment that there are environmental considerations involved in NRC proceedings which affect the health and safety of our citizens, and that this therefore should be a concern of the ACP. In response to that argument, I would simply say that this is supposed to be a Consumer Protection Agency; we already have an Environmental Protection Agency. I think we had better draw the line now on what activities should be the legitimate concerns of a consumer advocate if he is to function effectively in protecting consumer interests relating to goods and services sold in the marketplace. If we do not carefully proscribe these legitimate areas for advocacy, the Administrator will constantly be subjected to pressures to participate in proceedings which do not directly affect consumers. If we are going to make a promise of consumer protection in this legislation today, let us make sure that it is both a realistic promise and that the advocate will not be spread too thin to protect and represent legitimate consumer interests. I urge adoption of my amendment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, as I understand the amendment offered by the gentleman from Illinois (Mr. ANDERSON) it is just adding the Nuclear Agency to it?

Mr. ANDERSON of Illinois. Yes. We already have ERDA in the bill and, as far as I am concerned, I would hope that it was just through an oversight on the part of the Committee when they neglected to include the NRC.

Mr. BROOKS. That is correct. I think this is a good amendment and I would have no objection to the amendment.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have taken this time so that I might ask a question or two of the chairman of the committee, the gentleman from Texas (Mr. BROOKS).

Could the gentleman from Texas tell me whether as the bill now stands the Consumer Protection Agency would have to respond to interrogatories or subpenas?

Mr. BROOKS. The gentleman from Pennsylvania is inquiring as to whether the Consumer Protection Agency would have to respond to interrogatories from where?

Mr. MYERS of Pennsylvania. Interrogatories or subpenas.

In other words, we provide that industry would have to respond to interrogatories to supply information to this agency prior to proceedings on regulations. I want to know if it is the intent that the bill provides that the Agency for Consumer Protection will have to respond to perhaps a corporation or the regulatory body interrogatories?

Mr. BROOKS. I think that they would under the Freedom of Information Act. As I understand the question, the agency would have to comply to such requests like any other agency.

Mr. MYERS of Pennsylvania. There is no question but that this bill would require the Agency to respond to subpenas and interrogatories regarding information which will be brought up in proceedings on regulations?

Mr. BROOKS. I do not think so. I think they would have to respond to subpenas under the law just as you and I would.

Mr. MYERS of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to Section 19? If not, the Clerk will read.

The Clerk read as follows:

SEX DISCRIMINATION

SEC. 20. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that section 20 be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Teaxs?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 29, line 10, strike out "cut off" and insert in lieu thereof "deny".

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to this section? If not, the Clerk will read.

The Clerk read as follows:

APPROPRIATIONS

SEC. 21. There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1976, for the transitional period July 1, 1976, through September 30, 1976, for the fiscal year ending September 30, 1977, and for the fiscal year ending September 30, 1978.

Mr. ANDERSON of Illinois. Mr. Chairman, I ask unanimous consent that the section be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois. On page 29, strike section 21, lines 13–18, and insert in lieu thereof the following:

"SEC. 21. There are hereby authorized to be appropriated to carry out the provisions of this Act: $5,000,000 for the fiscal year ending June 30, 1976; $2,500,000 for the transitional period July 1, 1976, through September 30, 1976; $10,000,000 for the fiscal year ending September 30, 1977; and $10,000,000 for the fiscal year ending September 30, 1978."

Mr. ANDERSON of Illinois. Mr. Chairman, this amendment is really quite simple and needs little explanation. It simply writes into the bill what is now contained in the committee report, and that is an authorization ceiling of $10 million. Specifically, the amendment sets a ceiling of $7.5 million for the remainder of fiscal 1976 and the 3-month transition, and $10 million each in fiscal years 1977 and 1978. According to estimates provided by the Congressional Budget Office, a $10 million per year appropriation would fund an agency consisting of 280 personnel. Of these, close to half or 120 would work in the consumer advocacy and representation area which is where I think the primary emphasis should be placed. It is estimated that this function will cost about $2.9 million, including any outside assistance which may be necessary from experts and consultants.

The consumer information and research area would be manned by 60 full-time employees at a cost of $1.08 million. Another 50 people would be slated for handling consumer complaints at a cost of $750,000. There would be about 20 persons working in program direction and support, and 30 under administrative support, at a total cost of $780,000. The balance of the $10 million would go for personnel benefits, travel, rent, communications and utilities, printing and reproduction, other services and supplies.

Mr. Chairman, the reason my amendment authorizes only $7.5 million for fiscal 1976 is because the CBO estimate was based on a fully operational agency for the entire year. By the time this bill is enacted and put into effect, over half the fiscal year will be over.

In conclusion, Mr. Chairman, I think it is important for the Congress to specify such an authorization ceiling in the bill itself so that there will be no question that what we have in mind is a compact and responsive consumer advocacy agency, and not a burgeoning bureaucracy. By making this clear at the very outset we will force the Agency carefully set its priorities within these limits and we will also be putting the American people on notice that this is not the answer to all their consumer problems. This is not intended as a panacea, nor should it be presented as one. It is my expectation that the Congress will continue to limit the size of the ACP at approximately these levels if it is reauthorized beyond the 3-year period of this bill.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the distinguished chairman of the subcommittee.

Mr. BROOKS. I thank the gentleman for yielding.

To my distinguished friend, the gentleman from Illinois, I would say that the Senate bill provided for $15 million. The committee estimate had been in the neighborhood of $10 million, and this is in the ball park of the figures in conference where they worked out something, and this figure is $7 million.

Mr. ANDERSON of Illinois. I will say to the gentleman that what it does is it writes into the bill what is now contained in the committee report, namely, that there would be an authorization ceiling of $10 million. The reason that the amendment provides only $7½ million for fiscal year 1976 is because the Congressional Budget Office estimate, which is referred to in the committee report, was based on a full operational agency year. Of course, by the time this bill is enacted and put into effect, obviously, half of the fiscal year will be over. So it is really more than half of the $10 million that would otherwise be authorized for the operation of the agency.

Throughout this debate we have heard the intention and determination to keep this a lean and clean agency, and that we are not going to succumb to bureaucratic tendencies to enlarge it. I think this puts into words what has been said is the intention of the authors of this bill.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New York.

Mr. HORTON. I thank the gentleman for yielding.

I think it is a good amendment, and in essence it reiterates in figures the amounts that we talked about in the report. I am willing to accept the amendment.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding.

First of all, Mr. Chairman, I hate to correct the gentleman, but we have referred to this as lean and mean, not clean.

Mr. ANDERSON of Illinois. Those are not my words, I will say to the gentleman from Illinois. I would prefer to describe it as lean and clean.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield further?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding.

If the gentleman is aware, would he advise me whether my understanding is correct that neither the sum that the gentleman mentions here, or any other sum, has ever been included in the President's budget or the congressional budget resolution? In other words, whatever we authorize here is wholly outside of either the President's budget or the congressional budget?

Mr. ANDERSON of Illinois. It is my impression that the gentleman is probably correct and that it would be outside of the budget $10 million; but I think it is very important not to pass this bill with simply an open-ended authorization as is now contained in what is now section 21 of the bill. In view of the fact that the distinguished chairman and ranking minority member have accepted the amendment, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to this section?

AMENDMENT OFFERED BY MR. NEAL

Mr. NEAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NEAL: Page 29, immediately after line 18, insert the following new section:

COST AND BENEFIT ASSESSMENT STATEMENTS

(a) In furtherance of the purpose and policy of section 2(b)(4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551 (4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the agency's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, *subject* to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57a(b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the

Congress by the President, unless either House of Congress by resolution of disapproval, disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 16 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such non-quantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000 for each of the fiscal years 1976, 1977, and 1978.

Redesignate the following sections accordingly.

Mr. NEAL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL. Mr. Chairman, great minds must run together. The gentleman from Nebraska (Mr. THONE) had the same idea as I and we both agreed that this amendment should be offered. He very graciously allowed me to offer the amendment on behalf of both of us.

Mr. Chairman, I have offered an amendment to H.R. 7575 which would add after line 18, page 29, a section entitled "Cost and Benefit Assessment Statements." The amendment, which would become section 22 of H.R. 7575, is identical to section 24 of S. 200, the Consumer Protection Act of 1975. Extensive hearings were held on section 24 when the Senate Committee on Government Operations considered S. 200 and it is explained in detail in the committee's report.

The intent of my amendment is not to restrict the rulemaking authority of Federal agencies operating in conformity with H.R. 7575. Rather, its purpose is to express the will of Congress that Federal agencies give due consideration to the economic impact of the rules which they promulgate. The amendment in no way interferes with the rulemaking authority of the agencies, nor does it cause them substantial inconvenience. It merely directs their attention to the cost-benefit factor of any rule, or any legislative proposal, which appears likely to have substantial economic impact.

When substantial economic impact seems likely, the amendment directs that the agency shall prepare, at its discretion, a cost and benefit statement consisting of three elements:

First, estimated costs, that are foreseeable as a result of the effective implementation of such rule;

Second, estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

Third, the apparent relationship, if any, between such costs and benefits.

The data for formulating such a cost-benefit analysis would be solicited through the Federal Register, whose notice of a proposed rule would request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement. Further, each agency would, to the extent it deemed necessary, seek to obtain similar information, from other Federal agencies and persons. While the cost and benefit statement itself would be brief and concise, the supporting data would be included as a part of the RECORD.

Mr. Chairman, lest we conclude that the requirement of such statements would impose an undue burden upon the agencies, we should consider what the amendment does not do.

First, it does not mandate that a cost and benefit assessment statement must be prepared for every rule. No agency would be required to comply in any way with section 21 with respect to rules which, in that agency's sole discretion, are judged not likely to have a substantial economic impact. The applicability of the word "substantial" would be left to the discretion of the agency.

Second, the amendment does not provide a basis for court challenges to the rules and regulations of Federal agencies. It prohibits any court from reviewing in any way any cost and benefit assessment statement prepared pursuant to the requirements of this section, or the extent of compliance of any such statement with the requirements of this section. Because the statements are nonreviewable, they could not be considered by any court as a ground for invalidating any aspect of any rule promulgated by any agency.

Third, no officer or agency of the United States other than the agency responsible for preparation of the cost and benefit assessment statement and the duly authorized committees of Congress would have authority to review the statements or the extent of compliance with the requirements of this section.

Finally, the section does not intend in any way to change the responsibilities of any agency to promulgate particular rules. Enactment of this section will not alter any applicable statute, regulation, or lawful practice which may not govern the extent to which any agency may consider the costs and benefits of its proposed action in exercising its rulemaking authority.

What, then, would the amendment accomplish?

Mr. Chairman, compliance with the intent of this section would provide a means for interested persons, the Congress, and other Government agencies to assess the performance of the agency with respect to the estimated costs and benefits of promulgated regulations which have substantial economic impact. This amendment seeks to provide a means for determining which Government programs entail unreasonable or excessive costs. Such a determination ultimately would work to the benefit of both the consumer and the economy.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I would like to indicate to the gentleman that as far as I personally am concerned I believe this is a good amendment. I believe the bill we send to the White House should have some cost-benefit analysis provision in it. The Senate bill already has one in it. What the gentleman from North Carolina and the gentleman from Nebraska (Mr. Thone) are offering is an amendment which would include in this bill a cost-benefit analysis provision.

Mr. NEAL. That is correct.

Mr. HORTON. I think we should have such an amendment in the bill when it goes to the White House. I want to make certain however that we have sufficient leeway because I have gone over the Senate bill and I had my staff go over the language in the Senate bill and I find there are some problems in it. I would like to have enough leeway to shape a good cost-benefit formula in the bill.

I am the chairman of the Paperwork Commission, as the gentleman knows, and we are very much concerned about the amount of paperwork. We want to make certain that the cost-benefit formula will not create an undue amount of paperwork. With the understanding that we can modify the language, I certainly accept the amendment.

Mr. NEAL. That is certainly acceptable to me.

Mr. HORTON. I thank the gentleman.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the distinguished chairman of the committee.

Mr. BROOKS. I would say I am inclined to agree strongly with the position of the gentleman from New York (Mr. Horton) that we may want to make some adjustments in this in the Senate-House conference. I understand the thrust of the gentleman's amendment but I would want it to be understood that we want to have some leeway in making some adjustments. That being the understanding of the gentleman, I think the amendment would be helpful.

Mr. NEAL. Yes, I agree with that understanding.

Mr. BROOKS. I think the gentleman from North Carolina (Mr. Neal) and the gentleman from Nebraska (Mr. Thone) have made a determined effort to make some improvement in this legislation, for which I commend both of them.

Mr. THONE. Mr. Chairman, I rise in support of the amendment. One of the things that I have been doing for some years is collecting variations of Murphy's law, which, as the Members know, are a series of rules that explain the vexing things that can go wrong in everyday life. The basic Murphy law is "If something can go wrong, it will" But there are corollaries—"The bread always falls buttered side down."

Or, "A dropped tool will always land where it can do the most damage (or is the hardest to recover)".

Or, "The part most difficult to replace is the one that breaks."

Even way back, Aristotle had a version, "A misplaced object always turns up in the last place you look for it."

And then there is Parkinson's famous dictum:

> Work expands to fill the time available for its completion.

And we have heard recently of the Peter Principle:

> An executive tends to rise to the level of his incompetence.

Former Under Secretary of Defense, Cyrus Vance, came up with his rule of two and a half:

> Any military project will take twice as long as planned, cost twice as much, and produce only half as what is wanted.

There is also Nies law:

> The effort expended by the bureaucracy in defending any error is in direct proportion to the size of the error.

Then I heard this one the other day, "The value of a government program is inversely proportional, and the cost directly proportional, to the noise made about it."

Well, not very long ago the Washington Post, and the gentleman from Idaho (Mr. Symms) tells me that it is not generally known for any anticonsumer bias, carried a March 6 editorial entitled, "It's Time for Economic Impact Statements." They go on to say that the scope of new Government programs and regulations has never expanded so rapidly as it has in the past decade, except, perhaps, during the early days of the New Deal. Since the mid-1960's, Federal legislation and administration orders have set new standards for air, water, noise, meat, poultry, fabrics, land sales, boats, paint, credit transactions, industrial safety, and employment practices—to mention but a few.

All of these regulations involved efforts to improve the quality of life for some or all citizens, and most have had a measure of success. Some have required the expenditure of large sums of tax money, while others have not. All, however, cost somebody something, and the costs that don't show up in tax bills tend sooner or later to show up in price increases. As Murray L. Weidenbaum makes clear in a new study, a portion of which appears elsewhere on this page today, those price increases have been a significant component in the inflationary spiral. And, if the expansion of regulation goes on at its present rate, such price increases could produce a stagnant economy.

The Post editorial then urges the need for economic impact statements on what the bureaucracy is doing here in Washington.

I urge support for the Neal-Thone amendment, and I think we will call it the Brock—the Senate sponsor—amendment as well, to cause the preparation of a cost and benefit assessment statement for any proposed agency rule if it is likely to have a substantial economic impact on the public. Thus, a Federal regulator would have to carefully consider the balance between cost and benefits before issuing the final regulation.

The language of this amendment focuses on the required review on the economic impact of the proposed rule and insures rules entailing potentially excessive or unreasonable costs in relation to derived benefits would receive extremely careful scrutiny before they are implemented. It will result in a direct, positive impact on the cost of goods and services and on the consumers pocketbook.

The chairman of the Committee on Agriculture last year, the gentleman from Texas (Mr. Poage), is sitting here and remembers that we had some people from EPA last year that promulgated some rules and regulations of farmland waste runoff that affected every farm in America at a cost of millions and millions of dollars, and when we had those people up before the committee, Mr. Chairman, they did not have the slightest idea of the cost and benefit assessment of their rules, whatsoever. Absolutely none.

This cost and benefit assessment principle, I think, would get away from this type of blunder once and for all.

Frankly, I have to be honest with the Members of the Committee here. I deferred to the gentleman from North Carolina (Mr. Neal) on this amendment today because I cannot support this bill. Attorney General Levi is right when he expresses great doubts at what it would do to antitrust enforcement, for example. However, this cost and benefit assessment statement is a procedure that we ought to start talking about now and that we ought to eventually apply to all agencies promulgating these rules and regulations.

The plethora of laws passed by Congress and the rules implementing them have a tremendous effect on the cost of doing business and the consumer price at the retail level. If proposed regulations aren't cost effective or don't reflect congressional intent, they should not be implemented. The assessment statements would consist of three separate elements: costs, benefits, and the relationship between them. Benefits are defined to include indirect, intangible and nonquantifiable gains. Costs are any loss, penalty or disadvantage incurred if the order is implemented.

The President would be required to prepare rules establishing guidelines for the nature and content of the statements, and regulations to insure agencies would be able to obtain information necessary for their preparation.

The procedure for guideline adoption will be substantially identical to the one recently prescribed for the adoption of trade regulation rules by the Federal

Trade Commission. This would include an opportunity to submit written views, an informal hearing on disputed issues of material fact, and limited cross examination.

I picked up this week the current U.S. News & World Report. There is an article in there that I would like to call to the attention of the Membership, entitled, "Curb the Bureaucrats." The article, page 39, goes on to say:

> Congress is starting to react to the heat from home over Big Government.
>
> Lawmakers are finding that Americans are fed up with the seemingly free reign Congress has given bureaucrats—elected by no one—to lay down and enforce rules affecting millions.
>
> People are hopping on their Representatives in Washington for the steady proliferation of agencies.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

(At the request of Mr. BROWN of Michigan, and by unanimous consent, Mr. THONE was allowed to proceed for an additional 2 minutes.)

Mr. THONE. Mr. Chairman, the article goes on to explain the number of new Federal agencies in the last 15 years—236 new Federal departments. The article continues:

> What's more, Congress is riling people by passing laws that allow administrators more leeway than proves to be desirable.
>
> Example: Under powers granted by Congress, auto-safety regulators went so far that the lawmakers last year had to specifically outlaw systems that kept a car from starting if seat belts weren't fastened.

Then, they quote a noted Member of the other body—no doctrinaire, conservative, I might add—whose name is Senator HUBERT HORATIO HUMPHREY. This is what he says:

> We pass a law and let it go. It's a little like fathering a child and turning him over to the neighbors to raise, and not bothering to wonder how he's growing up.

The article concludes:

> All in all, the situation is sparking a growing move to beef up Congress's "oversight" of legislation; the keeping of constant tabs on the programs, agencies and laws Congress has approved.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. THONE. Yes, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I commend the gentleman for his statement, and the gentleman from North Carolina for his amendment. Both Members might be interested in what I have found in looking at one bill and one resolution introduced today.

The first House resolution requires every committee of the Congress to bring out legislation to report, as it does now on the cost to the public treasury, but adds that it must report its estimated cost to the private sector, the otherwise ultimate cost to the consumer which he is going to have to bear.

The bill introduced does, as the gentleman has suggested, require every regulatory agency to give a cost assessment of the cost to the public. That assessment of cost study then can be open for comment. This gentleman and all others who are feeling this way can examine this legislation.

Mr. THONE. The gentleman makes a good point, and the Neal-Thone amendment does exactly the same thing.

Also, the Federal Register notice of proposed rulemaking would allow interested persons to submit comments on the assessment statement and all information developed in connection with the statement would be a matter of public record.

In closing, Mr. Chairman, the purpose of this amendment goes to the very essence of H.R. 7575. The agency shall prepare a cost and benefit assessment statement for consideration in connection with the promulgation of a rule. Clearly, its purpose is to protect consumers with respect to the prices of goods and services. It prevents the adoption of Government regulations which entail unreasonable or excessive costs in relation to the benefits. For the first time in our history, Federal regulations with a significant impact on costs to consumers must provide benefits bearing direct, reasonable relationships to their costs. It is time for us, the Congress, to ask the executive branch to act in a cost-effective manner. The consumer expects it and deserves nothing less. We must demand it.

Mr. ECKHARDT. Mr. Chairman, I move to strike the last word, and I rise to speak against the amendment.

Mr. Chairman, I greatly regret that this amendment was offered under circumstances in which no other committee affected by this amendment was really in a position to note that it was coming up, because the amendment obviously is not germane, had there been an opportunity to make that point of order at the time. I suppose that is no excuse for not being alert as a member of another committee.

I happen to serve on the Committee on Interstate and Foreign Commerce and on the Subcommittee of Consumer Affairs and Finance, which deals with the Federal Trade Commission, the Product Safety Commission and a number of other commissions, and is now dealing with the toxic substances bill. This amendment is not only applicable to a cost-benefit-ratio statement respecting the new consumer agency, but purports to make the requirement of every agency. Obviously, it would be subject to a point of order had that point of order been timely made.

I think it would be a grave mistake on a bill creating a new agency to write general law with respect to the manner in which rules are made under section 553. Of course, section 553 is what is called the Administrative Procedures Act, and it is subject to the authority of the Committee on the Judiciary. What this purports to do is make every section 553 rulemaking products subject to the provisions provided in a consumer bill. It also, of course, affects the standards of rulemaking in every agency of Congress deeply entrenched in the jurisdiction of many other committees of Congress.

Since a point of order was not timely made, I would most sincerely urge the Members here to vote this amendment down. This amendment is an attempt by amendment on the floor to deal with a very, very serious question. The question is, for instance, should we consider costs when we are considering keeping a poisonous product or carcinogenic product off the market? Should we consider how much it costs a manufacturer not to produce or to shut down his plant? Should we consider, for instance, whether vinyl chlorides should be produced or not?

Should we weigh the fact of the cost, or should we be permitted to say, "The heck with it, the cost the manufacturers expended. This product kills people."

Do the Members want to do all of this on a bill on a consumer agency? Do the Members want to do it now, or do they want to consider this specifically, in respect to the agency whose procedures are involved?

We should consider specifically with respect to the various agencies to which it applies and not a sweeping rule with respect to all administrative procedures.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. NEAL. I thank the gentleman for yielding. It really is not the intent of this amendment that there be any consideration given to not stopping the product from being made if it is poisonous, or any of the assumptions given. The amendment says to the extent being practicable by the agency.

Mr. ECKHARDT. I would like to say that that is a point that ought to be considered in the committee that is dealing with the particular agency, not considered here on an amendment brought up without discussion, on a bill that has absolutely nothing to do with an agency controlled by other committees of Congress.

The gentleman may be right, but it is a consideration which we are entitled to make and not one committee dealing with one specific bill. It then precludes action with respect to the agency process and every other agency in Congress, whether it is subject to this committee jurisdiction or not.

I merely urge that this is not the way to operate here. Clearly, this amendment would have been subject to a point of order as not being germane, for the very desirable reason that ordinarily we do not permit consideration on a bill dealing with one committee's jurisdiction, the broad question of whether or not that same policy should be applied to other bills, other laws, and other agencies, subject to other committee's jurisdiction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. NEAL).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 45, noes, 8.

So the amendment was agreed to.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it would be useful to the Members if I were to explain in detail the features of the agricultural exemption from the Consumer Protection Act that is under consideration.

An agricultural exemption was offered in the Senate to S. 200 on May 15th of this year by Senator ROBERT DOLE of Kansas and became section 16(b) of that bill, but the exemption before us today differs from the Dole amendment in three major areas: first, the range of the agencies the Agency for Consumer Protection could appear before in the role of a party, or whose proceedings or activities the Agency for Consumer Protection could otherwise participate in on behalf of a consumer interest; second, the roles the Agency for Consumer Protection could play before the Department of Agriculture in connection with consumer-oriented agricultural issues as to which it would be forbidden to act; and, third, the limitations upon the Agency for Consumer Protection's access to judicial review vis-a-vis those consumer-oriented agricultural issues as to which it could not intervene as a party before the Department of Agriculture.

The Dole amendment in the Senate would have denied the Agency for Consumer Protection the right to be a party advocate on certain consumer-oriented agricultural issues not only before the Department of Agriculture, but also before any other Federal department or agency, including, among others, the Food and Drug Administration, the Federal Trade Commission, the Environmental Protection Agency, and the Department of Justice. The exemption we are considering applies only to the Department of Agriculture and not to any other agency or department. Thus, the Agency for Consumer Protection could intervene as a party before any department or agency other than the Department of Agriculture on exempt issues. This means that the Agency for Consumer Protection could, for instance, challenge the price impact of various commodity marketing orders by promoting antitrust action by the Federal Trade Commission or Department of Justice and could, in the capacity of a party, raise consumer concerns about the various agricultural programs specified in subsection (b) of the exemption before agencies or departments other than the Department of Agriculture.

The Dole agricultural exemption not only prevented the Agency for Consumer Protection from intervening as a party before the Department of Agriculture on certain matters, it went further to prohibit the Agency for Consumer Protection from representing consumers on those matters in any other capacity before the Department of Agriculture by specifically refusing to authorize the Agency to participate in any capacity in Department proceedings or activities. The agricultural exemption we are now debating would forbid any role for the Agency as a party in Department proceedings on certain matters—which would seem to include a prohibition on the right to petition the Department for rehearing or reconsideration of Department action or inaction on such matters.

But the exemption would not deny the Agency the power to request the Department to initiate proceedings on the very same matters under section 6(e) or otherwise participate in such proceedings on the same matters other than as a party pursuant to section 6(a) or transmit relevant evidence and information on the same matters or appear as amicus curiae with respect to the same matters as described in section 6(c). In addition, of course, the notification and actions requirements imposed upon the Department by section 13 would still apply, even if the Agency could not appear in certain proceedings as a party.

The Dole agricultural exemption would have removed the Agency for Consumer Protection from any role vis-a-vis many agricultural issues handled by the Department of Agriculture and other Federal agencies and departments that are of profound concern to consumers, such as issues related to the grading standards for raw agricultural commodities, the use of pesticides and insecticides, and the safety and nutritious quality of our food supply. The present exemption applies only to proceedings run by the Department of Agriculture that directly affect or directly concern the market price or Federal financial support aspects of raw agricultural commodities, including such Department-controlled matters as the calculation of parity, loan rates and target prices under farm legislation. In those Department proceedings that may indirectly affect market price, such as proceedings that focus on health or safety issues, the Agency for Consumer Protection would be welcome as an intervening party, as it would in any proceedings directly affecting or directly concerning the market price of agricultural commodities as they are processed, transported, or distributed after they leave the farm.

The Agency would be barred, however, from intervening as a party or otherwise participating in any department proceeding directly affecting or directly concerning any problems administered by four bureaus of the Department—the Soil Conservation Service—including conservation operations. The Great Plains conservation program, watershed planning, watershed and flood protection operations, resource conservation and development, and river basin surveys and investigations: the Farmers Home Administration—including rural housing loans and insurance, agricultural credit loans and insurance, rural water and waste disposal grants, rural development grants, and rural development loans and insurance: the Rural Electrification Administration—including electricity and telephone loans; and the Federal Crop Insurance Corporation—including crop insurance programs.

Finally, while the Dole agricultural exemption would probably not have prevented the Agency for Consumer Protection from obtaining access to courts to secure judicial review of proceedings in which the Agency could not have participated—as a party or otherwise; it might still have been construed as placing several barriers in the way of such review. One such barrier is the requirement that the Agency, as a non-intervenor, nonparticipant before the Department, petition the Department for rehearing or reconsideration within 60 days—or longer, if permitted by the Department—of departmental action and await either departmental action or the passage of another 60 days as a prerequisite for seeking judicial review. Another such barrier is the requirement that the court first determine that the Agency's institution of the judicial proceeding "would be necessary to the interests of justice." Our intent, under this exemption, is to eliminate both the petition and the judicial finding as prerequisites of judicial review as long as the Agency was barred from becoming a party before the Department, and, thus, did not purposefully refrain from participating at the departmental level, husbanding its energy for judicial review.

Mr. NEAL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EFFECTIVE DATE

SEC. 22. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the section be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to this section?

If, not the Clerk will read.

The Clerk read as follows:

SEPARABILITY

SEC. 23. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the section be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to the section?

AMENDMENT OFFERED BY MR. BAUCUS

Mr. BAUCUS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUCUS: Page 30, insert immediately after line 11 the following:

TERMINATION

SEC. 23. (a) This Act shall terminate on September 30, 1983, and the Agency for Consumer Protection shall be abolished as of such date.

(b) The President shall—

(1) commencing 2 years prior to the date of termination specified in subsection (a), conduct an investigation of the Agency's overall performance including, but not limited to, a study of the Agency's effectiveness in accomplishing its general purposes and promoting the general welfare;

(2) not later than 12 months prior to the termination date specified in subsection (a), make public and submit to each House of Congress a report on the finding of the investigation conducted pursuant to paragraph (1), such report to include a recommendation that the authority of this Act be extended, that the Agency be reorganized, or that the authority of this Act be allowed to lapse.

(c) The committees of the House and of the Senate having primary oversight responsibility with respect to the Agency shall, not later than 6 months prior to the termination date specified in subsection (a), conduct an inquiry into the performance and effectiveness of the Agency and make public a report of their findings, conclusions, and recommendations, including proposed legislation for such extension or reorganization of the Agency as they deem appropriate.

Mr. BAUCUS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. BAUCUS. Mr. Chairman, I think that during the afternoon we have cleared up many of the potential faults of this bill. I know that a good many of us were concerned about unnecessary redtape and the burden on small businesses, and we were wondering whether, if in fact this bill does become law, it would protect the consumers in the way it should. I had some of those same doubts, but I think the amendments we have agreed to have helped alleviate some of those doubts.

Nevertheless, I am not completely sure. It is for that reason that I am offering this amendment, providing that the Agency for Consumer Protection will automatically self-destruct at the end of 7 years. More specifically, it provides that 2 years before the end of the 7-year period the President shall conduct an investigation looking into the operation of the agency to see whether or not it is in fact doing what it is supposed to be doing. Then, 12 months prior to the end of the 7-year period, the President will submit a report to the Congress and to the public with any recommendations which he thinks may be appropriate.

My basic purpose for offering the amendment is this: I think that the agency is well conceived, but there may be a problem. I worked for two different regulatory agencies before coming to the Congress; those agencies were the CAB and the SEC. It was my experience, in 4 years as an attorney for those two agencies, that these agencies in particular are tending to forget the consumer, and they are tending to forget their role as they were originally conceived and created.

Mr. Chairman, I think the purpose of this agency is commendable, but I do not know whether the agency is going to do what we want it to do. It is a shot in the dark. I am, therefore, proposing that the agency terminate and automatically self-destruct. We will then be in a better position at the end of 7 years to see whether or not the agency has done a good job.

I know some of the Members will say, "Let us just wait. Let us just abolish the Agency later; we have that power if the Agency does not turn out as intended to operate." Some of us may say that we should let the appropriation process take care of these agencies. They say we should scrutinize the budget more carefully and we should let the Committee on Appropriations decide whether or not the agency is performing.

All of us know, however, that oversight has not worked very well. We mouth the words, but words alone cannot do the job. We know that the Committee on Appropriations does not critically look at budgets, and there is a strong feeling and perhaps a sense of obligation to continue appropriations that have been approved by the Committee on Appropriations. And, the Committee on Appropriations feels it does not have authority to cut a program out of the budget because it is up to the authorizing committee, not the Committee on Appropriations.

What I am trying to do is provide just one more handle or one more way that we in the Congress can get a hold on these agencies. I am not guaranteeing this will work. In fact, it may not work at all. It will be up to the Congress to reassess these programs and see what we can do to make them work.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I think this is a perfectly appropriate amendment. I believe it is a thoughtful and precise amendment, and on behalf of those who support this bill I urge the adoption of the amendment.

There is nothing wrong with Congress holding itself to the position of taking a very close look in future years at this agency, and I commend the gentleman for his foresight in offering the amendment.

Mr. BAUCUS. Mr. Chairman, I thank the gentleman from New York for his support.

I have two final points to make here. I personally think that this is an approach we should take on every new major agency we authorize here. I think we should look back and closely analyze these programs we have enacted. Let us not forget them.

Historically, Mr. Chairman, I think the Congress has forgotten some of these programs, and now is the time that we should begin to look back at the old ones.

I have one second and final point. We here in the Congress automatically self-destruct every 2 years; the Agency for Consumer Protection should certainly be expected to self-destruct in 7 years.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I rise in support of the Baucus amendment. Thank you, Mr. Chairman, and I ask unanimous consent to revise and extend my remarks.

I am pleased to support this amendment offered by my freshman colleague from Montana. Approval of this language would be a symbolic first step in recognizing that congressional oversight has not been the panacea for wasteful Government expenditures. The establishment of a myriad of agencies, bureaus, and commissions has occurred at an astonishing rate. Perhaps it would be a good project for the Government Operation Commission to make a list of them, let alone describe what their duties are and assess their success in fulfilling their congressional mandate. The appropriations process has not been demonstrated to be an effective vehicle for slimming excess poundage from the Federal "spare tire."

I firmly endorse the establishment of an independent Agency for Consumer Protection, and I compliment the committee for reporting this bill. There are lofty ideals behind the creation of this agency which will represent the consumer interest before the courts and other Government agencies. The consumer interest has been neglected for too long.

However, before we give this agency the equivalent of academic tenure, we should be completely satisfied that the realities of its operation are the implementation of the ideals envisioned by those who participated in drafting the language of H.R. 7575.

This amendment would assure that we are not creating an administrative Frankenstein, as charged by critics of this legislation, without a viable mechanism for pulling the plug. The recent legislative nightmare of the Metallic and Non-Metallic Safety Board of Review is evidence that it is much easier to create agencies than to terminate them. I view the amendment offered by Mr. BAUCUS as a valuable and thoughtful precedent for all legislation which expands Government, and I urge your support for this endeavor.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, I have no serious objection to the amendment. I am sure this agency will last for 7 years, and my hope is that it will last 20 years. It is my hope that we vote on this bill very shortly.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there have been so many amendments adopted here this afternoon and eagerly accepted by the gentleman from Texas (Mr. BROOKS) and the gentleman from New York (Mr. HORTON), that I am wondering whether they will accept a simple amendment that I have to strike the enacting clause. They have accepted almost every other amendment.

Mr. BROOKS. If the gentleman will yield, I will say, not today.

Mr. BAUMAN. Mr. Chairman, the only reason I ask that is because I am sure the gentleman has accepted these amendments in the spirit of trying to improve the bill, and I think that mine is the only amendment that would really improve the bill.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Agency for Consumer Protection—ACP—is probably the single worst piece of legislation Congress could pass this session, rivaling OSHA for its economic lunacy and utter disregard for individual freedom. Already taxpayers are forced to support more than 75 separate agencies of the Federal Government, each one competing to surpass the others in their sheer volume of regulatory decrees. Now we are trying to burden them with yet another specialized bureaucracy, founded on the Naderite premise that "what is bad for business is good for the consumer." The Administrator of ACP will find himself wielding almost unlimited authority over every aspect of production in America. The Agency will have widespread powers of intervention in cases it considers affecting consumers, including the right to challenge the decisions of all other Federal regulatory bodies and gather any information from them it pleases.

Despite its presumptuous title, the Agency for Consumer Protection does not protect the consumer at all. In time, it will become the consumer's worst enemy. ACP was conceived on the basis of two collectivist notions: First, that private enterprise works against the consumer, not for him, and second, that professional bureaucrats can better decide what individual consumers should buy than the consumers themselves.

Two hundred years of U.S. history have shown that the free enterprise system is the best friend the consumer has. It recognizes, to begin with, that consumers are individuals and that no Government bureau or agency can represent the varying tastes and demands of all citizens in the marketplace. Under our system, the buying public is given a choice, based not on the arbitrary decisions of Government agents but on the manifestation of public demand. As brilliant economist Ludwig von Mises once observed:

> Free enterprise is the very purest form of democracy, where every penny was a vote.

ACP endeavors to take away that vote and to destroy the free enterprise system in the process. It operates on the assumption that the producers and consumers of our Nation are natural enemies—a Marxist principle—and that the Government must protect the consumer against the very business people who are dedicated to serving him.

Mr. Chairman, Americans do not need that kind of protection. What consumers need to be protected against is inflation, high taxes, and the systematic destruction of American productivity by Federal regulation and harassment. What they need to be protected against most is the growing tyranny of a government gone wild.

I urge a no vote.

Mr. Chairman, one thing that has been bothering me with this bill is this, and I would like to direct a question to the chairman of the committee with respect to it:

The gentleman from New York (Mr. ROSENTHAL) and I briefly touched on this yesterday, and the problem that I have is the inconsistency that I seem to note with respect to many of the newspapers in the country that want to promote effective consumer protection laws and so forth, under the assumption that the consumers are not smart enough by themselves to decide what they want to buy or what they want to sell and so forth.

I wonder whether the proponents are not getting into an inconsistent position with respect to the first amendment of the Constitution; since we are inviting the Government Protection Agency to interfere, in effect, with freedom of the press, some day down the road.

I wonder whether the chairman of the committee will please help me out on that. Is there any implication that this legislation some day will lead to regulation of the press or to interfere with a free press?

Mr. BROOKS. If the gentleman will yield, I cannot think of any.

Mr. SYMMS. Would the gentleman agree with me that there is a parallel here?

Mr. BROOKS. I really do not see the parallel. There might be a parallel, but I think this is a long way from it.

Mr. SYMMS. By having the Consumer Protection Act, are we not really saying that we are taking this responsibility from the individual and sending it over here to the Government?

Mr. BROOKS. No. We are just giving that individual an opportunity to express himself as to his fears about what might or might not happen when he reports to an agency, and then the agency will make up its mind as to what decision it should make; that is all.

Mr. SYMMS. Yet, we are still going to have Government bureaucrats and advocates go out and help and make these decisions because they know what is best for the people; is that right?

Mr. BROOKS. I do not quite understand it that way.

Mr. SYMMS. The question I have is this: I cannot see any reason to have a consumer advocate agency at all. Is it not the best thing to have free enterprise and freedom of choice? Would the chairman of the committee agree with that?

Mr. BROOKS. If the gentleman will yield further, I really think that President Ford made the point clear when he said, not too long ago, that too often the Government does things for industry, which lead to special benefits for a few powerful groups in the economy, at the expense of the taxpayer and the consumer.

I am sure he was not making any reference to this bill, however.

Mr. SYMMS. I thank the chairman very much, but I think that what the chairman is saying is that our solution is to provide more Government to solve our problems. We already have too much Government, but we are going to get another agency and another advocacy more government to hire more people.

Mr. Chairman, I would urge, in spite of all these sugar-coated amendments passed this afternoon, that the committee exercise its responsibilities and vote down this legislation based on the fundamental principle that it is unneeded, unnecessary, and is going to interfere with the operation of a free market.

After all, repeat business is what is best for business and that is what the consumers want. They want someone to sell them something good enough so that they can come back and buy more, every dollar has a vote, not a bad system at all, Mr. Chairman; not bad at all.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Idaho (Mr. SYMMS).

Mr. Chairman, it is my intention to look at H.R. 7575 from a different point of view. Everyone will be either praising or condemning the bill on a variety of grounds and this leaves me very little new ground to explore.

However, I would like to look at the presumed helpless consumer. He is not helpless, he does not need another Government agency in which self-styled experts seek to protect alleged interests. He has proven himself to be a resourceful foe of deceptive tactics and is not nearly the patsy that many would paint him.

When gasoline prices skyrocketed, he drove less. When beef prices skyrocketed, he ate less beef. When political deception was attempted by high executive branch officials, he reacted firmly and effectively. The American consumer need not feel helpless and weak, he need only to look to his good record of protecting himself.

But my comments, Mr. Chairman, should not be interpreted as saying there are no problems which the consumer can not handle. He is faced with astronomical increases in his tax bill, Federal, State, and local—combined with the cruel tax of inflation caused by Government printing presses. He is faced with a baffling maze of governmental agencies through which he must battle for clearances, approvals, and the freedom to have some area of his life that he alone controls.

Mr. Chairman, the American consumer and taxpayer needs protection and more freedom of action in his own life. H.R. 7575, in spite of the rhetoric of the protectionists, does nothing whatever to restore consumer freedom or consumer confidence. It merely creates a bureaucracy that is sure to grow as all agencies grow in cost, personnel, and power. The wise American consumer demands an end to the spending-service cliche that says problems can be solved by throwing money at them. He rejects simple-sounding and costly solutions to real problems, as in the case of New York City. He completely rejects costly solutions to imaginary problems which will fleece his wallet and give him no peace of mind as he contemplates building a new empire for experts and bureaucrats.

So, my colleagues, I ask you to protect the consumer and reject H.R. 7575.

Mr. ASHBROOK. Mr. Chairman, I

move to strike the requisite number of words.

Mr. Chairman, I strongly oppose H.R. 7575, which would establish a federally financed Agency for Consumer Protection. We do not need another group of Washington bureaucrats interfering in our free enterprise system and harassing our Nation's businessmen in the name of some mythical consumer interest.

H.R. 7575 would create another new and expensive Federal agency. Initially, it would cost an estimated $10 million taxpayer dollars per year and add hundreds of persons to the Federal payroll.

And let us not kid ourselves—this would be just the beginning. We all know how Federal agencies have a way of growing. The Agency for Consumer Protection would almost certainly expand into another vast, expensive, and burdensome bureaucratic nightmare.

Frankly, I believe that Government interference in private enterprise is already too great. I cannot justify legislating even more Federal controls. The proposed ACP would mean increased Government intervention into decisions that are better decided in the marketplace. As the American Farm Bureau has testified, the ACP "is a mechanism which lends itself to Government control of the economy."

I want to stress this point. Passage of H.R. 7575 would mean even more Government control of private business. The ACP would have sweeping authority over business and industry.

The ACP would be free to intervene in any Federal action which "may substantially affect an interest of consumers." And who makes this determinaton? The ACP Administrator, of course.

In other words, the ACP would be a superagency. It would have the power to take an adversary position on behalf of the consumer not only against business but against the Federal Government itself. It can even seek review of agency decisions in the courts.

This would create even more delays in the Government decisionmaking process. A decision could take weeks longer because of ACP intervention. Government decisions may not be better but they certainly would be slower—and more expensive.

Also disturbing is the fact that the ACP could force businesses to provide information under its own independent interrogatory authority. It would act as a grand inquisitor, issuing court-enforceable interrogatories to businessmen on virtually any subject.

The American businessman already spends far too much of his completing Government forms. I oppose adding to the paperwork burden. I also oppose giving such broad information-gathering power to the ACP. The potential for abuse is simply too great.

I also would like to point out that H.R. 7575 is based on a faulty premise. The supposed purpose of the ACP is to represent the consumer interest.

There is no such thing, however, as a single consumer interest. What is in the interest of one consumer may well be contrary to the interest of another consumer. It would simply be impossible to institutionalize and represent anything so diverse as the interests of 210 million American consumers.

This issue has been raised by nationally syndicated columnist James J. Kilpatrick. As Kilpatrick queries:

> What is the interest of "the consumer" in Department of Transportation proceedings having to do with automobiles? Does "the consumer" want ignition interlocks, safety bumpers, and costly anti-smog devices? Or does "the consumer" want an inexpensive car? How is the administrator to determine the interest of "the consumer" in the price of natural gas? In the price of farm commodities? In air fares? In the building of a dam? In the construction of a highway?

Commonsense would tell us that the ACP cannot do what it is supposed to do. There is clearly no such thing as a single and unified consumer interest.

It is somewhat ironic that the Agency for Consumer Protection has been described as an idea whose time has come. In point of fact, such an agency is not even wanted by the vast majority of American consumers.

According to a survey conducted by Opinion Research Corp. of Princeton, N.J., fully 70 percent oppose the creation of an independent consumer agency. Only 13 percent favor this step. Moreover, half of the 13 percent change their minds when they are told the cost of the Agency. These statistics have led the Daily Globe of Shelby, Ohio, to comment:

> There seems to be a notable absence of any popular groundswell in favor of enshrining the consumerism movement in its own agency in the national government.

The most relevant factor of the ACP is the admission of failure of regulatory agencies of the Federal Government. For years, the liberals argued we needed regulatory agencies to protect the public. They have built up hundreds of redtape-spawning regulatory agencies and now they come along and say we need the ACP to become involved in the same agencies to protect the public. The liberals have met themselves full circle.

Mr. Speaker, H.R. 7575 is an unwarranted piece of legislation that will add to the bureaucratic nightmare already faced by our Nation's businessmen. I strongly urge its defeat.

Mr. MIKVA. Mr. Chairman, I rise in support of Mr. BAUCUS' "self-destruct" amendment to H.R. 7575. This amendment would provide for the "self-destruction" of the Agency for Consumer Protection 7 years after its creation unless Congress determines before the "self-destruct" date that the Agency should continue.

Mr. Chairman, first let me hasten to say that I support the Consumer Protection Agency bill with or without this amendment. But I believe that with the adoption of the Baucus amendment, we can turn a good bill into a better one.

The purpose of the "self-destruct" amendment is to make the Agency for Consumer Protection accountable to Congress and the American people. The amendment gives the Agency 7 years to establish itself and to demonstrate to the public that it is adding to the efficiency of the Federal regulatory process—that it is solving problems, not creating them.

Every agency, regardless of how laudable its goals and purposes, should be subject to periodic review. Too often, agencies created with the best of intentions and the highest hopes for success lose their vitality and usefulness over time. The Interstate Commerce Commission and the Civil Aeronautics Board, for example, created years ago in the spirit of reform, have proceeded to preside over the demise of the Nation's major railroads and the decline of our airlines.

With the adoption of the Baucus amendment, the Agency for Consumer Protection can become a model for regulatory reform. A "self-destruct" provision in every agency's charter would open up the daily performance of the Federal agencies to effective congressional scrutiny. It would add to the Federal regulatory process an element of accountability that has been sorely lacking.

Mr. Chairman, I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. BAUCUS).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to this section?

Mr. BROOKS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, speaking as one of the original sponsors of the bill, I want to thank all of the Members for participating in this debate, and I thank all who helped in the adoption of certain amendments. I think the amendments have improved the bill, and I hope an overwhelming majority of the Members who agree with me will support the bill on final passage.

We have kept the consumer waiting long enough.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Chairman, we come now to the point of final determination on H.R. 7575, the Agency for Consumer Protection Act of 1975. The bill before us represents not only much work on the part of the 94th Congress, but its legislative history goes back at least 6 years. The fact that such a bill was passed in the House of Representatives by overwhelming majorities in both the 92d and 93d Congresses attests to this body's continued support of the proposal. The fact that until this Congress the Senate had not brought the measure to a vote is some indication of its controversial nature. Finally, the Senate has given its approval to the proposition. Now, for the first time, the House can, by passing the bill, send it to the White House for the President's signature or veto.

That does not mean, however, that all objection to the establishment of an Agency for Consumer Protection have been swept away. I must confess that some of the arguments objecting to the bill have been persuasive. It has been contended that passage of the bill would create yet another Federal bureaucracy, generate an unconscionable amount of paperwork, appreciably increase the cost of Government operations, and unduly interfere with commerce, especially small business.

Certainly, it is not my desire that any of these objectionable results be thrust upon the American people. I am convinced, however, that through the amendment process we have eliminated the possibility of these things occurring. Those amendments, and their substantive effect, are:

First. The Harkin amendment, which exempts small businesses—those with 25 or fewer employees or $1 million in net worth—from the interrogatories—paperwork. This eliminates between 90 and 94 percent of American businesses from the paperwork requirements.

Second. The agriculture exemption applying to Federal proceedings directly affecting producers of livestock, poultry, or agricultural products. This amendment eliminates the objection that consumer-oriented intervention into Federal agricultural proceedings too often have long-term effects detrimental to both farmers and the national interest.

Third. The Baucus amendment which provides that the Agency for Consumer Protection expire on September 30, 1983. This self-destruction clause requires that the President conduct an investigation prior to the Agency's last year and report to the Congress on its effectiveness and to recommend whether the Agency should be reorganized, extended, or permitted to lapse. Congress also would conduct its own investigation and make recommendations no later than 6 months prior to the termination date. This amendment eliminates the objection that Congress would be creating a new Federal agency without insuring its termination if it fails to function in the public interest. It also provides a precedent for requiring all Federal agencies to justify their existence as workable, worthwhile, productive entities instead of being sure of their perpetuity and lapsing into inefficient bureaucratic messes.

Fourth. The McCloskey amendment, which requires that all offices in the executive branch with functions duplicative of or related to the ACP's be abolished and their responsibilities and functions transferred to the ACP within its estimated $10 million budget. Further, the Office of Management and Budget is directed to designate, within 6 months after enactment of the bill, other offices whose functions could be transferred but which require congressional action to achieve consolidation.

This transfer and consolidation will result in substantial budgetary savings through the elimination of possibly hundreds of offices, advisory committees, and departments which are supposed to be doing many of the things ACP will be charged with doing. By reducing the consumer-related duplicity in Federal agencies, greater efficiency also will be achieved. Instead of creating another bureaucratic nightmare, we will be lessening those which already exist.

Fifth. The Neal amendment, which requires all Federal rulemaking agencies to provide a cost and benefit assessment statement when the promulgation of any rule or proposed legislation is likely to have substantial economic impact. My amendment, Mr. Chairman, will cause Federal agencies to give due consideration to the economic implications of the rules and regulations they impose upon the business and industrial communities and upon the consumer, who ultimately pays the costs added to products and services by regulatory requirements.

REGULATORY REFORM

The need for regulatory reform is apparent to all American citizens who are touched, in greater and lesser degrees, by the Federal agencies. It is my strong opinion that H.R. 7575 moves decisively in that direction.

The Agency for Consumer Protection is the most sensible route to regulatory reform. It is an antibureaucratic ombudsman which can prod the regulatory agencies to perform. It addresses the fundamental flaw in the regulatory process—the failure of agencies to consider the interests of all affected persons in making crucial decisions pertaining to their health, safety, and economic well-being.

Regulatory agencies act in quasi-judicial capacity and base their decisions on the record of information before them. To be an effective advocate before an agency requires considerable expertise and money. Large corporations and trade associations have the means to present a strong case to a regulatory agency. Consumers, however, lack the organization and resources to present their case. While they are charged with acting in the public interest, regulatory agencies are not obliged to search out rebuttal information and analyses to make a balanced record on behalf of consumers, and indeed they rarely do so. As a result, agencies have initially tilted toward those exerting the most persistent pressure. With a consumer representative, the regulators would have to strike the fairest balance between opposing views, because capricious accommodation of one party would form the basis for a judicial challenge by the other side.

Thus, while agency procedures can and should be reformed, procedural reform is no substitute for equal representation. No amount of procedural reform will provide consumers with the expertise and analysis that is developed by an advocate in a specific proceeding. And not to be dismissed is the fact that, with that advantage in hand, citizens would be able to express their individual views better.

The ACP, as advocate, would enhance and further the goals of regulatory reform by seeking—

More openness in the conduct of Government and participation by citizens in decisionmaking.

Explicit reasons publicly stated for actions taken or not taken by an agency.

Review and exposure of excesses and violation of rights by agencies.

Abolition of whole agencies or parts of agencies, particularly those which shield industries from competition, deter new entrants, and prevent enforcement of the antitrust laws.

Systematic nonpartisan reporting to the Congress about the contributions and deficiencies of regulatory actions, especially as they affect the victims who are supposed to be protected.

Consistent, in-depth review of specific agency activities.

Regulatory reform is a continuing process, not a one-time decision. As an independent participant in agency proceedings, the consumer advocate would be in a position to continually push for, evaluate, and report on agency reform.

THE NEED FOR THE AGENCY

The need for consumer protection is substantiated by legislative precedents dating back to enactment of the Pure Food and Drug Act of 1906. Over the years, as society and technology have become more complex, and business and industry have come to occupy an increasingly larger role in every facet of life, the Congress has enacted numerous laws and established a number of agencies designed to protect consumers.

Such laws include the Hazardous Substances Act, the Poison Prevention Packaging Act, the Fair Packaging and Labeling Act, and the Truth-In-Lending Act, among others. Consumer-oriented agencies include the Office of Consumer Affairs, the Food and Drug Administration, the Consumer Product Safety Commission, and more than 30 other offices within Federal departments dealing with consumer problems.

Despite these efforts, there is widespread belief that the very regulatory bodies designed to protect the consumer now operate most effectively to protect business and industry. The numerous proconsumer laws are seen as being ineffectively administered or not strictly enforced. Federal agencies have been charged with instituting policies which run counter to consumer interests.

Mr. Chairman, there is absolutely no doubt that the vast majority of all Americans need advice to one degree or another when they enter the marketplace. Who among us is competent to determine whether a drug is safe, that food is pure, that a motorcar or a machine is not hazardous, that a toy is not dangerous. Unless one is an engineer or mechanically adept, one has to take somebody's word that his automobile engine will not explode, that the electrical system will not ignite the gasoline supply, that the brakes will work, that the steering mechanism will not fall apart on the freeway. Knowledge of product safety and dependability goes far beyond normal education and requires broad expertise. A doctor of medicine, for example, might not be able to ascertain that a bicycle's brakes were adequate and safe. There is no suggestion that business, industry, and the professions are unscrupulous. The infrequent exceptions, however, demand safeguards against exceptions becoming more general. That precisely is why we have regulations in the first place—to the lessen the possibility of intentional and accidental damage, injury or disadvantage in the marketplace.

Further, I believe that consumer advocacy in the regulatory process also affords protection to business and industry. Consumer confidence is a tremendous asset to any business and industry. The absence or loss of that confidence has brought the demise of many enterprises which, with little effort, could have prospered.

Regulatory abuses have resulted in unnecessary harm to consumers in both dollars and unavoidable risks to health and safety. Examples of agency failure to respond to the legitimate needs of consumers are legion:

Item: The Civil Aeronautics Board, in its role of controlling the entry of airlines into the market, has not approved a new trunk carrier since 1938. In 1974, CAB rejected an application by Laker Airways, a privately owned British airline, to fly regularly scheduled London-to-New York flights for $125 each way—a little more than one-third the economy fare now charged by several major airlines. A consumer advocate could have intervened in the application proceeding and sought judicial review of the agency rejection on behalf of the consumer.

Item: Interstate Commerce Commission regulations which require trucks to return empty from delivery, to make mandatory and often out-of-the-way stops, and which allow companies to cooperate in ratesetting have been estimated to cost consumers several billion dollars each year. The trucking industry does not benefit from this nonsense, but it has little incentive to argue with ICC because it passes these costs on to consumers, who have no representation in ICC ratesetting procedures.

Item: The Cost of Living Council raised the controlled price of old oil from $4.25 to $5.25 a barrel in December 1973, without opportunity for any public comment, or without issuing a statement of its reasons. That cost consumers about $2.5 billion.

Item: Although the Flammable Fabrics Act of 1967 has been strengthened, there still are no flammability standards for garments over size 6x. It took the Commerce Department 4 years to initiate action mandated by Congress, and then it gave manufacturers 2 years to implement its regulations. The need for the consumer advocacy is apparent. Before passage of the act, there were some 5,000 deaths and 200,000 injuries annually as a result of burns associated with flammable fabrics.

Item: In 1937, the Department of Agriculture issued a rule that vine ripened tomatoes must be larger than those picked prematurely and ripened artifically with ethylene gas. The effect was to give premature tomatoes a competitive advantage. Although gas ripened tomatoes are inferior in taste, texture, and vitamin content, the USDA kept the regulation on the books until 2 weeks ago, when consumer advocates won a lawsuit to overturn the regulation.

Item: When the Federal Trade Commission ruled that "tired blood" advertising for a tonic was deceptive and ordered it stopped, the company was able to continue the ad campaign for an additional 9 years while it ran the case through the appeals process.

Item: The Food and Drug Administration routinely makes decisions affecting the public health and safety. Most of these decisions are made behind closed doors, with little or no opportunity for consumer participation.

Item: An FEA regulation permitting oil refineries to collect increased oil costs twice, eventually led to $332 million in consumer overcharges.

Item: The Department of Transportation failed for 7 years to issue standards to improve crash survivability of school buses despite numerous congressional requests. This failure finally necessitated congressional enactment of statutory deadlines for DOT action.

Item: The Cost of Living Council and the FEA permitted refiners to pass increased crude oil prices disproportionately onto propane gas users. The 200- to 300-percent increase in propane gas prices caused severe hardship to many farmers who could not readily substitute other fuels for grain drying and other agricultural uses.

Item: It is estimated that unnecessary hospitalization and unneeded surgery cost about $14 billion a year.

The list is practically endless, Mr. Chairman, but these few examples alone are enough to indicate that the consumer needs an advocate in the rulemaking process.

ACP AND SMALL BUSINESS.

In many ways, the plight of the small businessman and the consumer are parallel. The bill creates an agency, a consumer advocate, which will substantially benefit small business as well as consumers in the following ways:

First. Some of the most significant and necessary costs to consumers and to small business come from anticompetitive and monopolistic practices. It is calculated that up to two-thirds of our manufacturing sector is characterized by oligopoly power—where four or fewer firms control 50 percent or more of the market. The economic waste and losses from oligopoly are estimated at 6.2 percent of the gross national product, which based on the 1974 GNP of $1,396.7 billion amounts to $87 billion annually. In addition to their overpayment of costs because of monopoly power, small businesses are constantly squeezed out by the monopoly power of large companies. A key obligation of the consumer advocate will be to focus on monopolistic practices and press for strict enforcement of the antitrust laws through participation in antitrust consent decree hearings.

Second. Business fraud is a major source of illegal revenue and much of it is taken from honest small businessmen as well as from consumers. Other criminal activity by business increases prices or results in unfair competition, all to the detriment of the small businessman and the consumer. One function of the consumer advocate will be to press for enforcement of Federal regulatory laws against violators, whether they be deceptive advertisers, price fixers, or manufacturers of defective products.

Third. Many of the regulatory agencies have become federally sanctioned price fixers for the regulated industries, such as trucking, airlines, and telecommunications. The agencies' slow pace and expensive clearance procedures deter entry of newcomers into the marketplace. The antitrust immunity offered the regulated industry fosters monopoly and demands continued regulation. Deregulation of such industries in the interest of both consumers and small businessmen.

Fourth. The small farmer also will be significantly assisted by the consumer advocate. Like all American families, the farmer faces the same consumer injustices, such as price gouging, fraudulent schemes, mail-order gyps, unsafe products, credit abuses, and energy manipulations. Farmers also consume many products in their farm operations, such as fertilizer, feed, fuel, tools, et cetera. Exorbitant middleman profits raise the price to consumers, and the farmer gets the blame.

Mr. Chairman, I would like here to respond to questions the business community has raised concerning the Agency for Consumer Protection:

1. Would ACP create more unnecessary bureaucracy unresponsive to consumers?

ACP is a response to the fact that the existing governmental decision making has been closed to those without power, money, and organization. ACP would "break in" to the bureaucracy, carrying the views of consumers who have been unable to penetrate the agencies making crucial decisions affecting them. Rather than increase bureaucracy, ACP would help to make it more responsive to citizen interests.

2. Would ACP be a super agency with powers never before given to a Government agency?

ACP would have absolutely no power to regulate, to impose penalties, to grant or deny licenses, or to make rules. It would serve simply as an advocate. ACP would have no greater right to obtain information from business or from other agencies than other government agencies.

3. Would ACP radically alter the way Government relates to business?

To the extent that government and business have reached closed-door decisions without giving due consideration to the consumer viewpoint, ACP would change the present relationship. However, ACP would not change the regulatory responsibilities of other agencies nor would it prohibit business and other interested parties from communicating with those agencies. ACP would simply open the door on these deliberations, exercising its right to participate to the same extent as other interested parties.

4. Would ACP mean more delay and redtape for business?

ACP would be bound by the same procedural rules and time limits which apply to business and other parties to agency proceedings. ACP would simply enter an ongoing agency proceeding or activity, in accordance with the rules of the host agency. Also, the ACP will have limited resources ($15 to $25 million)—less, for example, than the Defense Department's public relations office or the annual budget of the Chamber of the Commerce, and it therefore would be able to participate in relatively few, carefully chosen cases.

5. Would ACP be a "dual prosecutor"?

ACP would have no power to decide the outcome of a case or to impose fines or other penalties. Its rights in enforcement proceedings would be the same rights of advocacy, discovery, cross-examination of witnesses, and presentation of evidence as other parties or participants.

6. Would ACP harass business with "fishing expeditions"?

ACP is given limited power to gather consumer-related information by sending interrogatories (i.e., questionnaires) to those engaged in business activities which substantially affect consumers' interests. Business can challenge these requests in court and they will be enforced only if ACP can show that they seek information that substantially affects consumer health or safety or which is necessary to discover consumer fraud or other unconscionable conduct detrimental to consumers. They will not be enforced if the recipient shows that they are excessively burdensome. Moreover, ACP cannot use this power if the information is already available publicly or from another agency.

ACP has no independent subpoena power, but it does have the same right to ask a host agency to use its subpoena power during an agency proceeding as any other party, including any business, has under the Administrative Procedure Act. ACP may also request that an agency issue a subpoena relevant to a structured proceeding in which it is a participant but not a full party, but the host agency will issue the subpoena only if it is relevant and the evidence sought is reasonable.

7. Could ACP expose trade secrets?

ACP employees would be subject to the same criminal penalties for unauthorized disclosure of trade secrets and other confidential information which apply to employees of other federal agencies. ACP would not be authorized to disclose trade secret or other information acquired from another agency if that agency stated that the information is exempt from disclosure under the Freedom of Information Act. Where ACP acquired trade secret information from another source, it could be disclosed only if necessary to protect the public health and safety.

8. Does the bill bar CPA from intervening in any matter affecting labor unions?

No. ACP would be barred only from participating in labor-management negotiation sessions before the NLRB or the Federal Mediation and Conciliation Service, agencies that serve principally as impartial arbiters assuring that both sides follow procedural rules in working out their differences. Although labor costs do affect prices in the marketplace, both labor and management (including active opponents of ACP who berate this exemption) favor exclusion of ACP from participating in these sessions, as ACP would require access to management's productivity and other financial data in preparing its case. Of course ACP would not be precluded from intervening where a union serves in a role other than collective bargaining agent. For example, ACP could act where a union conspired with an employer to violate antitrust laws or where a union owned bank violated trust-in-lending laws.

9. Would ACP have unique rights to seek judicial review or agency decisions which would open all agency decisions to "second guessing"?

No. Any person who is "aggrieved" by an agency decision may seek judicial review of that decision whether or not he participated below. Participation in any agency proceeding is not a prerequisite for standing to seek review of the agency's decision, according to case law. ACP is given stautory standing where consumer interests are aggrieved and thus may initiate judicial action or intervene in an ongoing case, as any "aggrieved" party could.

Prior to initiating judicial review of decisions in which he did not participate, however, ACP must petition the host agency for rehearing or reconsideration. No other person is required to automatically file such a petition in every case. It is a unique burden placed on ACP. Thus, ACP's ability to seek reveiw of these decisions is not unique and would not open decisions to "second guessing" to which they are not already subjected.

10. Would ACP make informal negotiations between Government and business impossible?

No, but ACP could participate in these non-structured activities by presenting written or oral submissions in an orderly manner and without causing undue delay. The Federal agency would have to give full consideration to these submissions. Such orderly participation does not make negotiations impossible. It merely assures that the decision-makers are cognizant of the impact proposed negotiated agreements will have on consumers before negotiations are concluded.

11. Would ACP result in less consumer protection by increasing costs and reducing choice in the marketplace?

ACP would have no power to take products off the market or to set standards which products must meet. If products on the market are unsafe or ineffective, the consumer interest warrants bringing these facts to the attention of the appropriate regulatory agency. ACP could petition the agency to act, but the regulatory agency would decide whether action was warranted, as they do today.

DOES THIS BILL FILL THE BILL

Mr. Chairman, I have discussed the need for a consumer advocate at the Federal level, and have stated that this bill, as amended, provides it in a reasonable and economic way.

To those who still anticipate that there are "horrors" hidden somewhere in the bill, I will enumerate only a few of the many safeguards the bill contains:

First. The ACP will have no regulatory authority. It cannot overrule, veto or impair any agency's final determinations. It cannot institute enforcement proceedings against alleged violators of the law, or impose fines or other penalties.

Second. There are limitations on ACP's authority to intervene. It may intervene as a party in formal agency proceedings, but the administrator must exercise discretion to avoid unnecessary involvement.

Third. It cannot delay or disrupt agency proceedings and activities. When intervening in or participating in agency proceedings, it must comply with the host agency's rules of procedure.

Fourth. The Agency may not arbitrarily or capriciously intervene, but must set forth in a public statement the interest of consumers it is seeking to protect by intervention.

Fifth. The bill provides protection against publicity of frivolous consumer complaints against a business, its products or services.

Sixth. The bill places limitations on ACP's access to information held by other Federal agencies.

Seventh. The bill provides protection against disclosure of confidential information relating to business practices and trade secrets.

Eighth. The bill protects against disclosure to the public of false and misleading information regarding a business.

Finally, Mr. Chairman, the Agency created by this legislation will not be another layer of bureaucracy. Its rights are no more than of any individual citizen of the United States.

It will not increase the cost of Government operations but indeed may reduce them through the elimination of duplicity. It will not increase the cost of agency proceedings, or the cost of complying with Government regulations.

All that it does, Mr. Chairman, is to provide the consumer with a voice but not a vote when agencies act upon regulations affecting the consumer. It is a good bill, and one which I am pleased to support.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, the honorable former Senator Sam Ervin is well known to the Members of this body. For two decades, he served this country as a U.S. Senator, and during that time he saw a great deal of legislation come and go. Therefore, when Sam Ervin describes a bill as "dangerous," "poorly conceived," and "one of the most unwise legislative proposals ever made to Congress," it behooves us to sit up and take notice.

That is what the Senator had to say about the bill before us today, Mr. Chairman, and his comments have certainly given me added confidence in my own thinking. In my opinion, H.R. 7575, establishing an Agency for Consumer Protection, is an abomination which has reached this point in the legislative process on the strength of its title and the efforts of a very vocal minority.

The people of South Carolina have certainly given no indication of support for this bill. Their views seem to be reliably reflected by the major newspapers across my State. Beginning with the Charleston Post on the east coast, we find H.R. 7575 termed "needless bureaucratic growth—which—presents a spectacle that reminds us of a dog chasing its own tail." South Carolina's largest newspaper is located in Columbia, which is a part of my district. The State had this to say on the subject:

> This Agency for Consumer Advocacy is one this country can do without, certainly in this year of outrageous deficits. Let self-appointed Ralph Nader do his thing, but keep the "Feds" out of it.

And from the Piedmont, the Spartanburg Herald observed—

> Despite the constant din of criticism of American business, there seems to be a notable absence of any popular *groundswell* in favor of enshrining the protection of consumers in a new Federal agency.

Nationwide, the attitude is pretty much the same. Public opinion polls indicate that at least 75 percent of the American people oppose a new consumer agency. Constituent questionnaires distributed by our colleagues reveal similar attitudes at home, even among the most liberal of districts.

The proponents of this bill like to emphasize, as one did in a "Dear Colleague" letter this week, the results of a Lou Harris poll showing that a 67 percent majority believes that the consumer will be shortchanged unless he has "someone in Government to argue his case." Quite understandably, our colleague ignored the following revelation from the same Harris poll:

> Nevertheless, a 62 to 23 percent majority believes that "adding another government bureaucracy, no matter how well intentioned, will lead to more red tape and spending more tax money, and won't give the consumer more protection."

Mr. Nader claims that all this opposition is being stirred up by "big business." My own mail reveals that "little business" is also disturbed, to say the least. The National Federation of Independent Business found that 84 percent of its 400,000 members were opposed to a Consumer Protection Agency, though I believe that the feeling is even stronger among businesses in my own district.

So, individuals in whom we have confidence oppose this bill; media representing a range of political and ideological attitudes speak out against it; our mail from home is heavy, and practically unanimous in opposition—what brings about this popular concern? It is difficult to know where to begin. There are ample material and statistics available on the details of H.R. 7575, and much of it has been very effectively argued by my colleagues here today. Thus, I will only briefly summarize a few of the points that I consider to be especially significant.

In the first place, there is absolutely no evidence that a Federal consumer agency is needed. In March of this year, the Department of HEW distributed a directory of Federal, State, county, and city government consumer offices. The introduction noted that the directory is limited to agencies with "major involvement in consumer affairs." The following additional comment was included:

> Note should be taken of the fact that numerous other Federal, state, county, and city governmental offices have some responsibility to provide services for consumers. But for the purpose of this directory, the listings are restricted to offices whose primary functions are reported to be consumer service and which are specifically designated by title as a consumer office or a consumer division of an office.

Mr. Chairman, the directory lists 39 Federal, and 306 State, county, and city offices which meet that description. In South Carolina, for example, a relatively small State, we have at least four State offices listed, including one with a toll-free number. So far as I know, each of these offices is doing a fine job of protecting the interests of consumers in South Carolina. I have heard no complaints, and I have not received a single letter seeking additional protection.

The scope of this legislation is frightening, Mr. Chairman. Many people seem to think that the Agency contemplated here would be in the nature of a consumer "ombudsman" whose duty would be to receive and pass along complaints about faulty merchandise. Unfortunately, this is not the case. This Agency would have the power to intervene as a matter of right in any agency proceeding or activity which the Administrator decides may affect a consumer interest.

It is difficult to conceive of any action of the Federal Government which does not affect the consumer in one way or the other. Ironically, however, the factor which has the greatest impact on consumer costs has been exempted from the scrutiny of this all-powerful Administrator. When labor noted that it did not want "another Government agency—sticking their noses in our affairs." The sponsors of this bill complied—an action which the New York Times correctly described as "politics at its most cynical."

Good for labor, but the rest of us would be saddled with a potential monster. Proponents claim that this would be a small, harmless agency with a budget of "only" $60 million over the next 3 years. Our experience with the food stamp program, which has grown by more than 14,000 percent since it was instituted as a pilot program, should be enough to rebut that point. As we all know, once a program is established, the laws of bureaucracy provide that it can only extend its jurisdiction, and can never be terminated.

The Agency which we are being asked to create today would be literally a law unto itself. With authority, Senator Ervin has commented, that "no responsible man would want and no irresponsible man should have," the Administrator of this superagency would necessarily be one of the most powerful persons in this country. He would be both all-knowing and all-seeing, and he would be able to solve an incredible array of problems. A proponent on the Senate side noted, "Certainly there should have been a Consumer Protection Agency at the height of the energy crisis." Apparently, this omnipotent individual would have been able to resolve the problem that the rest of the Government has been struggling with for so long.

Every time we create a new agency, Mr. Chairman, we are admitting the failure of those agencies which we have established in the past to do the same job. We are admitting that every committee which has oversight responsibility has failed. We are admitting that this body cannot act in response to the valid needs of the people. If no one else opposes this bill, I should think that every committee chairman, along with the majority leadership, would certainly do so.

This bill sets the consumer against business, business against the Government, and the Government against itself. It presupposes that private enterprise is inherently exploitive of the consumer, and it forces Congress to abdicate its responsibility in favor of a bureaucrat yet to be named.

The fact is, Mr. Chairman, the only positive aspect to this proposal is its title. I urge my colleagues to find the fortitude to vote against the Agency for Consumer Protection.

Mr. ERLENBORN. Mr. Chairman, in spite of the amendments that have been accepted by the managers on the bill, this bill is still not worthy of votes by the Members of this House. The bill has not been improved. I am, obviously, aware of why these amendments were accepted, so as to make the bill more appealing to some of the Members but they certainly have not improved the bill, and it should not be passed.

It has not changed the thinking of the President who has clearly indicated he will veto this bill and these amendments that have been adopted have not changed his views and I have not changed mine, either.

Mr. ANNUNZIO. Mr. Chairman, I would like to congratulate Congressman BROOKS for his work on H.R. 7575, the bill to create an Agency for Consumer Protection. The legislation has been reported out of subcommittee and full committee by wide margins of approval.

This is a tremendous accomplishment. The creation of an Agency for Consumer Protection has long been needed. Numerous other bills to create such an agency have been introduced, fought for, and yet defeated. One reason for the strong approval of H.R. 7575 is that it is a well thought out, reasonable bill. It considers the needs of consumers for protection and representation within the Federal Government. Yet, it also has safeguards to make sure that the ACP does not unnecessarily disrupt Federal agency action.

LEGISLATION CONTENTS

This legislation will set up an independent consumer agency to be called the Agency for Consumer Protection. It will be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. The ACP will represent consumers before Federal agencies and courts, receive and resolve consumer complaints; gather important consumer related information from non-Federal and Federal sources, encourage research on consumer products and services, disseminate consumer information, make annual recommendations to the Congress and the President with respect to improving the operation of the Federal Government in protecting the interests of consumers, and cooperate with State and local governments and private businesses to promote the interests of consumers. This act also specifically bars any sex discrimination in the implementation of the legislation.

There are safeguards in this act to insure the ACP does not abuse its authority or unduly delay Federal agency action.

NEED FOR AGENCY FOR CONSUMER PROTECTION

This legislation is vitally important. Today our economy is oriented to providing consumer products and services more than ever before. Yet, consumers, as individuals or as a group, have little input into decisions by Federal agencies which affect the quality, content, and price of consumer products and affect the health and safety of consumers.

Given the plight of our economy today, an Agency for Consumer Protection is particularly needed now to protect consumers from special business interests that continually inflate prices to increase profits.

In spite of the great need for an Agency for Consumer Protection, President Ford has indicated his opposition to it. Given the value of this legislation and the long and thorough efforts that have gone into its preparation, a Presidential veto would be most unfortunate.

Federal agency action and procedures are not well understood by most consumers. This is not surprising. It is difficult to be knowledgable about the scope of authority each agency has. It is also difficult to understand all of the steps in the administrative process. Yet, agency actions have and will continue to directly affect consumers. Department of Health, Education, and Welfare action may determine the quality of education consumers or their children receive. Federal Energy Administration action may determine at what price consumers can purchase gasoline, or if they can purchase it at all. The Environmental Protection Agency may determine the quality of the air consumers breathe and the water they drink. Yet, what can an individual consumer do confronted with an impersonal and complex bureaucracy? The answer until now has been: Little or nothing.

The ACP can and should change this. Consumers will have their interests represented during the decisionmaking process. At last there will be consumer input.

Under H.R. 7575, the ACP will be able to act on consumer complaints. Undoubtedly the ACP will take a more active interest in resolving consumer complaints than the various agencies' consumer divisions do now. The ACP can also notify retailers and others of significant complaints it receives concerning them. ACP action in this area should help reduce the feeling of powerlessness and frustration consumers often have in trying to clear up problems.

AGENCY WILL GATHER AND DISSEMINATE INFORMATION

One of the more important tools in consumer protection is consumer education. If a consumer is aware of his rights, and of deceptive trade practices, problems can be avoided. Section 8 of the act, consumer information and services, requires the ACP to disseminate useful information to consumers including information on consumer products and services, problems frequently confronting consumers, "and commercial and trade practices which adversely affect consumers." This information should be of great benefit to consumers in protecting themselves.

Section 10 of the act, information gathering, will also be important. Under this section the Administrator of the ACP has authority to issue written interrogatories and request information to any person engaged in work "which substantially affects interstate commerce." The ACP will be able to acquire access to important information relating to consumer fraud, economic injury or safety. Today, short of litigation, consumers have no such access to such commercial information. Obtaining such information through litigation by an individual consumer would likely be difficult or impossible.

AGENCY WILL BE SPOKESMAN FOR CONSUMERS

The ACP is not another regulatory agency. The ACP will be able to be a spokesman for consumer interests. This is necesary because most individual consumers do not have the time, funds and expertise to represent themselves before Federal agencies. Consequently, there is usually extensive lobbying on an issue by an industry group, and little or no consumer interest lobbying. Later, in many cases, the Federal agency issues regulations that help the industry and harm consumers. This travesty of fairness cannot continue. Unfortunately, all too often regulatory agencies such as the Federal Energy Administration, the Civil Aeronautics Board or the Federal Food and Drug Administration function to the benefit of the industry they are supposed to regulate, and in doing so, act to the detriment of consumers. It has been estimated that inept regulatory performance costs consumers $80 billion each year. Eighty billion dollars each year is an incredible amount to waste. Hopefully the ACP through its representation of consumers will induce the regulatory agencies to be less inefficient, and more careful how they spend consumers' tax money.

An agency for consumer protection would afford consumers an opportunity, now lacking, to be represented in Federal agency proceedings. The Federal agencies would consequently be aware of consumer interests. Federal agencies would be on notice that the ACP was annually evaluating their performance with respect to "the protection and promotion of the interests of consumers."

STUDY REFLECTS INEFFECTIVENESS OF FEDERAL AGENCIES' CONSUMER DIVISIONS

Although many Federal agencies have special divisions within their agency to resolve consumer complaints, by and large such divisions simply do not do the job. On the one hand there is a lack of concern for consumers. On the other hand, these consumer divisions face legitimate problems such as not having a clear congressional mandate and not having sufficient funding to devote the attention to consumer problems that adequate resolution demands.

President Ford has suggested that an agency for consumer protection is not necessary because existing agencies handle consumer problems. The first phase of a current study of consumer complaint handling done for the Office of Consumer Affairs (OCA) of the Department of Health, Education, and Welfare, headed by Assistant to the President for Consumer Affairs Virginia Knauer focuses on consumer complaint handling in 15 Federal agencies. Although the full report is not yet complete, the preliminary results tend to show that many such "consumer divisions" are not being responsive to consumer problems.

The following statements are excerpts from the executive summary:

> In some complaint-handling systems such key concepts as complaint, consumer, and complaint-handling system jurisdiction and authority are not defined. In other systems these concepts have ambiguous definitions.
>
> There is little consistency among the complaint classification schemes presently utilized by complaint-handling systems.
>
> There is currently a lack of agreement within the Federal complaint-handling establishment concerning what types of responses are appropriate in given complaint situations.
>
> No consistent or adequate policy exists for handling complaints by telephone.
>
> It is impossible for many complaint-handling systems to estimate the number of complaints received.
>
> Little formal policy analysis (written reports on a regular basis) is presently being performed. This type of policy analysis should be executed.
>
> Federal agencies must periodically conduct evaluations of their complaint-handling systems. Not enough evaluation of this type is performed.
>
> Even if a complaint-handling system produces statistical reports and performs policy analysis, impact on Federal agency policy making will be slight unless there is a method for transmitting this information and its policy implications to senior agency policymakers.
>
> In many complaint-handling systems there are no formal policies which explicitly fix responsibility for accomplishing the numerour work tasks connected with complaint-handling.
>
> A concerted effort should be made to increase public awareness of the existence of Federal Central Office complaint-handling systems. The public should be informed of the scope of these complaint-handling systems' jurisdiction and authority. Informed consumers would reduce the percentage of complaints that are sent to inappropriate complaint-handling systems.
>
> There is a need to elicit complaints from the disadvantaged. Most complaint-handling systems do not make special efforts to seek out such complaints.

Following are some evaluative comments based on table 74 from the study:

> As Table 74 indicates, the Federal Energy Administration's (FEA) complaint-handling system receives unsatisfactory performance ratings for a number of sub-functions. Such unsatisfactory performance is especially pronounced for logging, classification, internal follow-up, and policy analysis.
>
> Presently, FEA only logs executive mail in the Executive Communications Section. There is no logging of the general consumer mail which enters the system via the Public Inquiries Division. By not logging this mail, satisfactory control as well as storage and retrieval of general consumer mail are made difficult. FEA's logging procedures for executive mail should be adopted by the Public Inquiries Division for the handling of general consumer mail.
>
> Classification is performed on an ad hoc basis. No formalized classification scheme is being utilized. This unsatisfactory performance impairs statistical reporting, evaluation, policy analysis, and input into agency policy. FEA should develop a formalized system for classifying the complaints which it receives.
>
> As with logging, only Executive mail is subjected to internal follow-up. General consumer mail should likewise receive an internal follow-up. To this end, a set prenumbered slips with spaces to record consumer name, state from which complaint is sent, type of complaint, and follow-up date can be filled out during the logging. This procedure is simple and can be executed at a minimal additional incremental cost.
>
> At present, policy analysis is not performed. At a minimum, complaint classification, frequency, and location data should be analyzed by the Office of Consumer Affairs and Special Impact on a regular basis. This office, in conjunction with other appropriate offices, should review this material on a monthly basis.

The performance of such "consumer divisions" as described by this report makes it clear that an agency for consumer protection is necessary if "consumer protection" is to become more than a public relations smokescreen for continued consumer abuses.

WIDE SUPPORT FOR LEGISLATION

The idea for a consumer protection agency has won wide support. Ralph

Nadar, testifying this year on the Senate version of this legislation commented that:

> The concept of a Consumer Advocacy Agency has been endorsed by 33 Governors, the Conference of Mayors, the National Association of State Attorneys General, and the Economic Crime Committee of the National District Attorneys Association. Consumer Protection officials from across the country at all levels of government, over 100 community groups, including senior citizen's, women's, religious, labor and consumer organizations, and a number of forward looking businesses, have joined in a coalition to work actively for passage of this legislation.

Also, though the Agency for Consumer Protection, being nonregulatory, could not make a Federal agency take an action, it could bring a Federal agency's anticonsumer action to public attention, require the Federal agency to state the reasons for its action, and under certain circumstances, seek judicial review of the Federal agency for failure to act.

AGENCY MEETS CONSUMER NEEDS

The best decisions are made by those who possess the broadest range of information from all sides of an issue. Yet, today only industry's point of view is adequately represented. Consequently, consumers are constantly beset with ever-rising prices, defective or dangerous products, and poor service. Their complaints go unanswered, their interests go unrepresented. The ACP meets these needs because ACP will be able to resolve consumer complaints and represent consumer interests before Federal agencies and courts.

I support H.R. 7575 enthusiastically and urge all of my colleagues to vote for it.

Mr. MOSS. Mr. Chairman, the time is long overdue for consumers to win their rightful voice in the decisionmaking process of their Government. The proposed bill, H.R. 7575, will provide the means by which consumer interests will receive due consideration.

The principal function of the proposed Agency for Consumer Protection is the effective representation of the interests of consumers in the proceedings and activities of other Federal agencies. Currently, however, consumer interests are not adequately represented in Government regulatory agency decisions.

A preliminary investigation by the staff of the Subcommittee on Oversight and Investigations indicates that there is a distinct lack of State and consumer participation in the regulatory process before one Federal regulatory agency, the Federal Power Commission. The subcommittee will conduct hearings soon regarding the issue of the apparent lack of consumer participation in the Federal regulatory process.

Additionally, it should be emphasized that the Federal agency staffs, who are charged with representing the public interest, do not have the right to institute judicial review of agency decisions and consequently are unable to adequately protect the consumer.

Moreover, in the context of adversary regulatory agency proceedings, a vigorous consumer advocate will help to alleviate the current imbalance reflected in the overwhelming resources and access which regulated industries bring to bear in the administrative process. A preliminary analysis of agency responses to the Oversight and Investigations Subcommittec regulatory agency questionnaire points up a number of serious concerns which the creation of an Agency for Consumer Protection as proposed in this bill would address.

First. Among the 37 appointed Commissioners currently serving terms with the 6 independent regulatory agencies under study—ICC, FTC, FPC, FCC, CPSC and SEC—only a few had shown a clear record of sensitivity to consumer interests prior to nomination.

Second. No consistent policy exists among Federal regulatory agencies with regard to keeping records of ex parte communications in rulemaking proceedings.

These informal contacts are used with high effectiveness by representatives of regulated industries.

Third. The sheer weight of paper input in regulatory dockets is heavily dominated by industry. In one EPA rulemaking of general public concern, industry's input approached 10,000 pages while consumer input was negligible.

Fourth. The high cost to citizens, organized or unorganized, seeking to petition or to comment on a rulemaking, and to follow it through the successive stages of rulemaking is a significant deterrent to adequate consumer participation in agency decisions affecting the public interest.

H.R. 7575 offers an opportunity to make a significant contribution toward helping to insure effective consumer representation before agencies and departments of the Government that make daily decisions which touch the lives, and frequently the pocketbooks, of America's consumers.

Mr. BADILLO. Mr. Chairman, I support the substantive provisions of H.R. 7575, the Agency for Consumer Protection legislation. For the past 6 years we have been debating the question of consumer representation in Federal regulatory agencies' decisionmaking processes. Decisions are made daily which affect, sometimes adversely, the safety, health, and economic interests of consumers. It is, therefore, time we took decisive action to provide for the establishment of this independent, nonregulatory agency for the specific purpose of consumer representation. The consumer does not have the technical knowledge or financial resources to adequately protect his interests; the ACP would have the authority and resources to represent the consumer interests in Federal agency proceedings and before the courts.

The American consumer desperately needs an advocate to insure equal representation, along with that of industry and the Government, for his or her own protection. It is the consumer, after all, who takes the brunt of all administrative decisions and suffers the burden of increased costs and unsafe products. It is the consumer, too, who has the smallest voice in the ultimate outcome of decisions concerning regulation and adjudication which have a substantial impact on products and services. It seems only fair, therefore, that a proponent agency be established which will represent these interests and give equity to the influences which determine these decisions. This legislation is vital to all consumers, but particularly to the poor and middleclass who cannot afford lawyers and lobbyists to protect their interests. It is a needed step to the reality of true representation by the people.

The cost of this new Agency would amount to only a nickel for each consumer. In addition to the benefits it would afford consumers, it has been estimated that the cost of this Agency, $10 million per year, will result in substantial savings to the Federal Government, provided the offices in the executive branch which perform duplicative functions to those of the ACP be abolished or transferred to the Agency. Hopefully these savings can eventually be passed on to the consumer.

I hope, therefore, that with the help of my colleagues, we can enact this needed legislation and establish equal and full representation by the American consumer.

Mr. DON H. CLAUSEN. Mr. *Chairman*, there was a time when it appeared that the creation of a consumer protection agency was the direction that Government should take. There were a substantial number of people who believed this, and I too thought it might be necessary. However, having evaluated the kinds of trends that have developed in regulatory agencies created by previous legislative acts, and the subsequent rules and regulations that have evolved, I perceive a major rebellion taking place throughout the country against this trend toward government involvement in people's lives.

With this in mind, I must rise in strong opposition to the proposed legislation creating an Agency for Consumer Protection. It will not be a knight in shining armor fighting the battles for the rights of all consumers. It will be a nightmare of excessive Government control, burdensome redtape, increased inefficiency, and more inflation.

One of the main premises on which this bill is based is that the Government is infallible. That the Government is the only guiding light which can effectively protect our gullible and uninformed consumers. I submit that our consumers are neither gullible nor uninformed. They are more discriminating than ever before. They spend their hard-earned dollars wisely, and they have formed consumer protection groups which truly represent their many and varied interests and these groups are able to sock redress and influence business regulating policies like never before.

Without Government intervention, consumers have forced businesses to form consumer complaint and action departments, they have inspired our media to concentrate on consumer problems, and they have been behind the creation of local and State consumer action offices. This is not the work of gullible, uninformed consumers—it is the solid record of accomplishment of thousands of informed, concerned and highly active citizens.

Furthermore, if the Government is infallible, it is certainly a lofty goal to assume that yet another Federal agency will be in the public interest. In my judgment a new consumer agency will turn into another Federal bureaucracy, and under the banner of "consumerism" it will add more to the inflation feeding Federal empire. And, our consumers know it. My mail runs 98 percent against the creation of this superagency. In fact, let me share with you a comment from one of my constituents:

"DEAR CONGRESSMAN: Please don't do anything more for me, I can't afford it.

This attitude is reflected throughout the country in local elections where countless bond issues are being rejected by people who are fed up with more and more government and more and more taxes. The consumer is already paying the salaries of over 100,000 Federal employees whose job it is is to enforce Federal rules and regulations—now add a $10 million price tag, per year, to this tax burden to pay for another Federal agency.

We will not only add to the consumers' tax bill but we will add to the price he must pay for the products and services he purchases. The Agency for Consumer Protection will increase the uncertainty in the marketplace—a decision which once took a week to be made could now take a month or maybe 3 months while this new Agency decides if it likes another agency's rules.

This proposed agency will add to the already unreasonable burden on our businesses of filling out forms, questionnaires, and applications for the Federal Government. The time, money, and labor businesses must commit in doing this required paper-shuffling is now passed on to the consumer in the form of higher product costs. Last year alone business was required to spend nearly 135 million man-hours completing over 5,200 separate kinds of Government—Federal Government—forms.

Now we can add one more agency which can require businesses to divulge certain requested information, and the mounds of paper will pile even higher.

As I see it, it is this kind of inhibiting influence that is stifling economic growth, causng job losses and high unemployment, and preventing the real consumer protection of the marketplace—the lowest price, highest quality goods and services consistent with long-term availability—from working. The stated purpose of this legislation is to protect the consumer, but in my judgment we have a "consumer rip-off" before us today, and I am not alone in this feeling. Some 5 months ago the Ukiah Daily Journal in my district had this to say about the proposed new consumer agency. I will read to you the contents of their editorial.

UNNEEDED BUREAUCRACY

The banner of consumerism is in the forefront of a march by Congress to establish a new bureaucracy which will create hundreds of federal jobs and cost the taxpayers an estimated $16 billion over the next three years.

A proposed consumer protection agency to "monitor" the actions of other governmental regulatory departments has been given legislative form in bills before both the House and Senate.

But, as President Ford emphasized in a recent address to the U.S. Chamber of Commerce, ample federal tools exist already to insure that the American consumer is kept secure from purveyors of shoddy merchandise or inadequate services. The federal effort should be directed to improving their focus and performance.

The nation does not need another inflation-feeding federal empire to challenge or compete with existing watchdog agencies.

What we are considering today is another example of legislation that seeks the fast, easy answers. Is it not time to stop strangling our freedoms and our free enterprise system through continued and expanding government intervention?

Is it not time to make the machinery already in place more responsible and responsive—as would my legislation which was recently reviewed by the Subcommittee on Administrative Law and Governmental Relations? Legislation which would provide for Congressional oversight of the rules and regulations issued by our government agencies.

Is it not time to be honest to the public, and tell them this superagency is not a pie in the sky but rather another method for the Federal Government to force its way into their lives and their pocketbooks? These are the questions we will be answering for our constituents here today by our votes on the Agency for Consumer Protection.

Mrs. COLLINS of Illinois. Mr. Chairman, today we are considering a bill of great importance to all our constituents. H.R. 7575 would establish, within the Federal Government, an advocate for the interests of consumers. While this bill is important to all consumers, it is particularly vital to the poor and low middle class who cannot afford to retain paid lobbyists and Washington lawyers to represent before the various Federal agencies their health, safety, and economic interests.

No individual consumer can evaluate the safety of a drug he has purchased. Nor can he afford to hire someone to monitor the FDA proceedings at which that drug is licensed.

Everyday regulatory agencies and executive departments make quasi-judicial decisions involving both adjudication and regulations which have an impact on the quality, purity, safety, and cost of consumer products and services. Representatives of trade associations, industry groups, and individual corporate legal offices appear without fail to present their side of a case. The empty chair in the room is that of the consumer. Small ad hoc consumer organizations and federations are inadequate to do battle with corporate giants. It is both unrealistic and inappropriate to require or to expect such decisionmakers Federal as regulatory agencies, to present the consumer's side of the case—and yet this side is both necessary and vital if any balance toward the public interest is to be reached. The only equitable protection for the consumer lies in the creation of an independent Government agency to act as his or her advocate.

Furthermore, an FEA regulation which results in a cost increase of only pennies a gallon on gasoline may cost the working poor $100 or more per year. While the cost is insufficient to justify a wealthy person hiring a lawyer to fight the increase, you can be assured that the oil companies who will make millions on the increase will be represented, and the poor will wind up paying.

In each of the past two Congresses the sentiment in the House has been overwhelmingly in support of the creation of a Consumer Protection Agency. In the past, these efforts have been frustrated by the antidemocratic filibuster technique in the other body. This year even that weapon was insufficient to stop this idea whose time has come.

Mr. Chairman, I urge all of my colleagues to give this legislation their most serious consideration and to support its enactment.

Mr. FOUNTAIN. Mr. Chairman, I rise in opposition to H.R. 7575, a bill that would establish an Agency for Consumer Protection. Like many of my colleagues who also stand in opposition to this legislation, I assert that opposition to the establishment of another Federal bureaucracy, in this case the Agency for Consumer Protection, does not represent a position unsympathetic to American consumers.

To elaborate, let me point out that it has been reliably reported that there are no less than 413 units of Government involved in 938 consumer-related activities. As well as posing the problem of duplication of effort, this represents a substantial cost to all taxpaying consumers. To establish the Agency for Consumer Protection will only add to this cost.

We might all be better served by questioning our large and fragmented effort in this field. Surely such largeness and fragmentation is not easily managed. Some waste and excessive cost must result. Let us at least entertain that kind of inquiry.

It might well be that a patient and thorough examination of our present consumer related activities will provide conscientious and reasonable consolidation of our Federal effort. We might well gain a reduction in cost by consolidating and trimming some of the existing bureaucracies.

What all taxpayers desire, as consumers of Government services, is properly managed institutions, providing essential services—not fragmented bodies providing duplicated and ineffective services at escalating costs. Nor does the consumer of Government services deserve massive bureaucracies incapable of good management. The consumer of Government services, the American taxpayer, does not need the creation of a new, large, and costly agency during times of national economic woe.

As my colleagues know, our Federal budget has grown from a figure of $196.6 billion to $358.9 billion since 1970. A substantial part of that growth is accounted for by the desire to fund programs, like ACP—programs that have relatively well intentioned goals and objectives. Take for example, this fact as proof of our commitment to fund programs of social obligation: there have been at least 17 new and relatively large-scale agencies created by the Federal Government in the last 10 years.

Frequently, experience has shown that good intentions are not either easily or inexpensively achieved. In some cases the instrument of reform, instead of achieving its desired goals, introduced new and more serious problems. I fear the Agency for Consumer Protection may do just that—add new problems.

As well as adding another costly bureaucracy to a large Federal budget, it may well create problems for the consumer. This legislation asks all business men and women to bear the cost of responding to the Agency's interrogatories and inquiries. This may likely drive some businesses to abandon their efforts to produce a product or provide a service. That would hurt the consumer and impede the competitive element within our economy.

Additionally, any business or industry that must keep a constant vigil for the inquiries of a Federal agency has increased operating costs that will tend to bid up the price of its goods or services. In a real sense, the Federal creation of this type of body levies a tax on goods and services as the business or industry is forced to raise prices to defray its own increased costs of operation.

As we know, in recent years the Congress has created many organizations which, however meritorious, have had the effect of limiting business activity. The Environmental Protection Agency, which I voted for, with good intentions, is a prime example. Let us not create another such institution—not now. Let us give American business and the American people a breathing spell. Let us not choose this time in the history of our Nation with our economic problems to place any more burdens upon the already burdened taxpayer. Rather than establish a new agency, would it not be appropriate, at least as a beginner, to attempt to make those now in existence function more responsibly and less expensively? Improving the current apparatus, not creating another agency, seems to me to be a reasonable course of action at this time.

I urge my colleagues to join with me in voting against H.R. 7575 and the new superagency it would establish, regardless of the form it may end up in after we have completed the amending process.

Let us not place additional burdens, additional investigations and indirect controls, additional inspections, additional harassments upon our people, and consequently additional resentments, confusion, and frustrations on their part—be they businessmen or consumers.

For the present let us close the doors to the establishment of more agencies, and open the windows of Congress to let a little fresh, unpolluted air of compassion and understanding find its way into the shops, stores, manufacturing plants, and other establishments, including the homes, churches, and schools of America.

We need an incentive for all our people—producers, manufacturers, processors, consumers, the rich and the poor, the high and the low—an incentive that restores confidence in their Government and in those of us who serve them in places of public trust.

Let us not forget that Government is, and should forever be, the servant and not the master of the people.

To that end, I urge my colleagues to vote against the passage of H.R. 7575.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in strong support of H.R. 7575, a bill to create an Agency for Consumer Protection.

I think it is safe to say that the legislation on which this Chamber will vote today is No. 1 on the "hit" list, compiled by the Chamber of Commerce, National Association of Business, the American Farm Federation, and other groups.

They want to "hit it" so hard that they have joined in an unprecedented lobbying effort to kill this agency, designed to represent the consumer in the courts and before other Federal agencies.

They have raised every conceivable argument and obstacle against this bill.

As one of the original supporters of the legislation and a backer of the bill in the Government Operations Committee, I have witnessed the successful business onslaught against the ACP in each of the last three Congresses.

Even approval by the House today will not mean victory since the President already has announced his intention to add to his sullied record by vetoing and returning this bill to us.

I keep asking those lobbyists bent on defeating this legislation, what are you afraid of? You have poured millions of dollars into Washington-based efforts to control Federal regulatory and Cabinet agencies. You have infiltrated the ranks of the regulators with men and women from your own industries who still remain true to the corporate cause. Some industries even hold the balance of power on congressional committees. What is there in this $10 million per year agency that so frightens you?

The answers roll from their lips, "another Federal agency, more employees, more redtape adding to the Federal deficits, more intrusion on the rights of businessmen, more delays in product presentation costing more money, and on and on."

I do not say that some of these complaints are not reasonable. But even President Ford has said:

> Too often the government walks with industry along the road to monopoly. The end result of such special treatment provides special benefits for a few, but powerful groups, in the economy at the expense of the taxpayer and the consumer.

It is my hope that a consumer agency in the Federal Government will bust some of those sweetheart relationships and put the regulatory agencies and other Federal entities back on the job of protecting the vast majority of American citizens, not as the President called them, "a few, powerful groups in the economy."

I urge prompt passage of H.R. 7575.

Mr. MOTTL. Mr. Chairman, every day Federal regulatory agencies make decisions which profoundly affect the health, safety, and pocketbooks of each consumer. These agencies decide which hazardous products will be banned from the marketplace, whether the price of food can be raised, or what rates long distance phone calls will be. Most of these decisions, and many more, are made without effective representation of the consumer's point of view. Usually the only viewpoint that is adequately represented to the decisionmaking agency is that of the manufacturers whose interest may be directly counter to that of the consumer.

The consumer protection bill is based on a simple premise that when the Government makes decisions affecting consumers, consumers have a right to be heard.

H.R. 7575 would create an agency to present the facts and information in support of the consumer's viewpoint and effectively monitor the regulatory agencies on a regular basis.

Businesses and special interest groups go to much effort and expense to make sure their voice is heard at every level of government. Consumers are increasingly at the mercy of this government-business interlock, and it is unfair to deprive the consumers of an equal opportunity to participate effectively.

The Agency will have no regulatory function or no rulemaking authority. It is not going to harass business nor grow into an impenetrable bureaucracy. I feel it will cause existing agencies to work more efficiently by spotlighting policies and programs that are inflationary or contrary to the broad public interest.

Because of inflation and recession, severe strains are felt by consumers. Enactment of H.R. 7575 would not only aid the consumer in countering these forces, but would increase public confidence in the fairness of governmental decisionmaking. The result would be an increased willingness to accept and support regulatory decisions when the consuming public knows its needs and interests have been considered.

In conclusion, this bill is a much-needed structural reform of the Federal regulatory process. In the interest of fairness and responsive government, the consumers need to be represented—support H.R. 7575.

Mr. ST GERMAIN. Mr. Chairman, today the House will vote once again on a piece of legislation vital to the protection of the American consumer. It has been some time now since we first attempted to enact a bill creating an Agency for Consumer Protection. Time and again, for many reasons, we have been frustrated in our attempts. Over the years, however, my participation in numerous hearings as a member of the Government Operations Committee has strengthened my belief in the need for meaningful legislation which would serve the best interests of American consumers and I am convinced that the bill now before us accomplishes this aim.

The United States is only now beginning to recover from the worst recession in almost 30 years. Our people have been forced to deal with spiraling food prices, fuel shortages, and widespread unemployment. We have seen funding for many Government aid programs fall by the wayside in an effort to cut down on Federal spending and halt inflation. In the face of these facts, it is more important than ever that Congress act expeditiously to establish an agency which will protect the public interest and help restore the confidence of American citizens in their representatives and their entire system of government.

The Agency for Consumer Protection would go a long way toward achieving that goal. It will guarantee the consideration of all interests by regulatory agencies in the formation of policy. In addition, it will help to alleviate the problem of lack of consumer awareness by giving the agency the authority to compile and disseminate information to the public about consumer products and services, stimulating more direct participation by consumers in decisions affecting them. Most important, it will serve as one central agency to which consumers can turn for help and advice when they have a legitimate complaint.

We are all painfully aware that there are those who maintain that the establishment of another agency will only add to the bureaucracy. By strange coincidence, the people who are expressing such strong opposition to the bill are the ones who are now in possession of the necessary resources to sway Government decisionmaking in their favor and who have done so for years. This ability to influence policy has created an unacceptable imbalance in the representation of interests for which the consumers have had to pay heavily. The task of the Agency for Consumer Protection to be created by this bill will be to represent and advocate the interests of consumers before other agencies of Government. It will amend this imbalance, insure that decisions purported to be made in the public interest actually are, and help restore confidence sadly lacking in our Government.

Once and for all we must establish a strong voice in government for the consumer. We must give American citizens an independent agency which will have the authority to stand up and question rate increases on their behalf. We must insure the right of the consumer to effective representation and most importantly, we must restore faith in the fairness of our system.

Mr. RAILSBACK. Mr. Chairman, I would just like to take a moment to express my concern over the bill we are debating today.

At one time, I had supported some type of consumer protection legislation, because I believe that too often governmental agencies fall short in their service to the people.

However, I have come to realize that we are increasingly overtaxing, overcontrolling, and overregulating the American public, often with little benefit to those we say we are trying to help. The proposed Consumer Protection Act, in my opinion, will only serve to add another Federal agency to the existing bureaucratic morass, and for that reason I will be voting against H.R. 7575 this afternoon.

Instead of spending the taxpayer's money on another agency and instead of burdening him with additional regulation, I think we would be better off committing ourselves to determining if existing consumer-related activities are sufficient, and, if not, what can be done to make them so.

Ms. ABZUG. Mr. Chairman, I rise in support of H.R. 7575. I was proud to sponsor legislation to create an agency for consumer protection during this and previous sessions, and to support efforts for its approval in the Government Operations Committee.

This bill would create an agency for consumer protection with the principal function of representing and protecting the interests of consumers in proceedings and activities of the Federal Government. The need for such representation exists largely because many of our existing "regulatory" agencies often act as little more than advocates for the very industries which they are supposedly controlling. We must direct the focus of these agencies away from the interests of industry, and direct it as well to the interests of the consumer, the individual who cannot furnish expensive lawyers to do his lobbying.

The consumer movement has emerged out of its infancy. It is now an organized effort which is concentrating on practical actions directed toward those Government procedures which affect the buying public. It has reached a stage in which direct involvement in the regulatory process would effectively promote its objectives. The time has clearly come for this measure.

While this House has passed previous legislation establishing a consumer agency, the Senate has failed to do so. However, I was very gratified to see the Senate finally pass such legislation earlier this session. It is now within our grasp to send this measure to the President.

The agency which H.R. 7575 creates would deal meaningfully with proceedings of the Federal Government that will affect consumers. It will receive complaints, act upon them or transmit them to an appropriate agency. It will also develop and disseminate information of value to consumers. The provisions permitting the Agency Administrator to intervene as a party in proceedings of other departments and agencies, and to participate in other activities of those departments and agencies when he determines that such intervention or participation is necessary to represent consumer interests, give some genuine strength to consumer efforts.

Other sections of the bill also allow the Administrator, under certain circumstances, to seek court review of an agency decision or to intervene in a review sought by an affected party. This would be a particularly helpful provision since the Administrator would be able to secure information from other agencies in connection with that intervention. This power will give the Agency a valuable opportunity to investigate into a consumer-related matter when another Federal agency fails to do so.

No administrative agency can make objective and well-informed determinations regarding the course of action that is truly in the public interest, unless it has had the opportunity to hear and consider all points of view. This legislation will allow all those interests to be expressed.

Our citizens have expressed much justifiable dissatisfaction with the Federal regulatory agencies because of the frequent examples of agency bureaucrats exhibiting partiality to the interests of the industries they are charged with regulating. H.R. 7575 will help to generate a force working in the other direction—in the promotion of the interests of the general public. The American consumer has waited too long for real representation in the executive branch. After 6 years of struggle and effort to overcome opposition both from the administration and from business interests, the consumer will start to have his or her day in court under this legislation. I would, therefore, strongly urge support for it.

Mr. GRASSLEY. Mr. Chairman, as I understand it, the Federal Trade Commission is the Federal agency assigned the duty of finding and stopping "unfair" or deceptive acts or practices in commerce." Included in this congressional mandate is the authority to stop unfair or deceptive selling practices, unfair or deceptive schemes to cheat consumers. In other words, an important part of the Federal Trade Commission's functions and duties is to protect consumers from widespread practices which deceive, defraud, or otherwise harm consumers.

The Federal Trade Commission was created in 1914, and it has been performing its duties now for 60 years. Today, in 1975, however, self-appointed consumer representatives are urging us to create another agency called the Agency for Consumer Protection. This new Agency would not "protect" consumers, it would only "represent" them, in Federal agency proceedings and the courts. In fact, the new Agency could represent consumers in Federal Trade Commission proceedings. If you are confused about which agency would be "protecting" consumers, you are not alone.

The name "Agency for Consumer Protection" itself may be an "unfair or deceptive act or practice" by the sponsors of the legislation. Many Members of Congress do not want to vote against a bill to create an agency with that kind of name. It sounds so necessary: How can the Federal Government not protect consumers? But, indeed, it has been—since 1914.

But the deception resulting from the name of this new Agency would not be the only unfairness or deception resulting from its creation. It may actually impede the Federal Trade Commission in its efforts to really protect consumers. The intervention or other participation of the ACP in the Commission's proceedings might slow the Commission down and confuse the issues. So the Agency will not only fail to protect consumers. but hinder the agency which is really trying to protect consumers.

Many of my colleagues and others have somewhere gotten the impression that the ACP will somehow solve all day-to-day consumer problems: The local service station that fails to properly fix a car; the aluminum siding salesman who gets a mortgage on a house; the dishonest used car salesman; the slick bait-and-switcher in the appliance store; the plumber who never comes.

The new consumer agency will have no immediate impact on any of these day-to-day consumer problems. It will not be an ombudsman for individual consumer complaints—we have Virginia Knauer for that at the Federal level, and hundreds of Virginia Knauers at the State and local levels.

Rather the ACP will be involved in very complex and lengthy Federal administrative proceedings and court appeals involving such things as antitrust cases, rate settings, drug approvals, agricultural marketing orders, and a multitude of other complex matters which take months and even years to resolve.

If the ACP becomes law, instead of giving more money to the Federal agencies to do a better job of protecting consumers, we will give money to a new agency to interfere with the existing agencies' efforts.

Mr. Chairman, perhaps some of my colleagues would like to be a party to this type of deception, but I do not.

Mr. FUQUA. Mr. Chairman, in my opening speech during this debate, I stated my strong support for a true consumer advocacy bill, as originally conceived several years ago in our Government Operations Committee.

I have spent countless hours toiling over this bill—hours I considered well worth the effort in view of our goal of establishing an advocate whose responsibilities paralleled the interests of all consumers.

My one fear throughout the years of debate on this bill is that we would forget our original goals in the midst of the great confusion that has been generated by the zealots who, on the one side, want us to go too far too fast, or, on the other side, do not want us to go anywhere with this bill.

In addition to stating my support at the opening of this debate, I also restated this fear of mine. I warned this body of what had happened in the Senate, when that Chamber took up its consumer agency bill. The special interest vultures stripped it bare. It is a terrible bill.

I warned that this could happen here, if we were not true to our original convictions.

Well, it has happened, as everyone who followed this debate knows. We are left with an empty shell. We are left with a proposal that cannot possibly achieve what we all originally felt was necessary in the interests of consumers.

Yes, we are left with a proposal which has lost its reason for being. If this Agency, as provided in H.R. 7575, were in business now as part of an Executive order, it would be one of the first to feel the ax of regulatory reform.

You cannot believe how painful it is to me to see that almost 7 years of my efforts have amounted to this piece of legislative Swiss cheese; to see that not even the bill's supporters know what is or is not contained in H.R. 7575.

I know now how my distinguished friend and colleague from New York (Mr. ROSENTHAL) felt in the 92d Congress when he voted against the consumer agency bill that year because it had become deformed.

This bill, as anyone can see, is far worse than that bill. I cannot vote to create such an agency. I value consumers too much.

Mr. MINETA. Mr. Chairman, I rise in support of H.R. 7575, which would establish an independent, nonregulatory Agency for Consumer Protection within the executive branch of the Federal Government.

This legislation, which permits expert consumer advocates to appear before Federal agencies and courts to represent the interests of consumers, has been characterized by leading consumer groups as "the most important consumer bill ever considered by the U.S. Congress." The huge expenditure of dollars and other resources by big business special interests to defeat this legislation during the 8 years it has been journeying through the Congress, is dramatic testimony to the correctness of this characterization.

The supporters of this bill understand that business community has a need to use its cadres of lobbyists, lawyers, and trade association spokesmen to represent its views to Government decisionmakers. But enactment of H.R. 7575 is essential if the interests of consumers—interest ranging from the stabilization of prices to honest advertising—are to receive "equal time" with those of businesses when Federal agencies and courts make decisions affecting the health, safety, and economic well-being of the buying public.

I recognize that during this period of disillusionment with the general performance of Government, the creation of a new Federal agency—even a small one—should be undertaken only after the most thoughtful consideration. I believe that the proposed consumer agency will improve dramatically the general performance of Government and assist in spotlighting policies and programs that are inflationary or contrary to the broad public interest. In short, one can properly view the establishment of the Consumer Agency as both a Government-wide reorganization that will improve the efficiency of regulatory agencies now; and as a kind of permanent "Hoover commission" that will identify inflationary or ineffective Government programs in the future.

It is ironic that those who speak so often of the need for government regulatory reform would fail to see that this legislation will be a significant and cost-efficient catalyst for such reform.

The realities of the present governmental decisionmaking process that prompted the need for the Consumer Agency are as follows: Policymakers in dozens of Federal agencies make daily decisions that vitally affect, for example, the price and supply of our food and energy, the safety and quality of our products, the reliability of our guarantees and warranties and the truthfulness of our advertising and labeling. When the Federal Government makes decisions that are harmful to consumers—and it frequently does—it is not due so much to the bias of Federal officials as to the fact that most of the information they receive and on which they base their decisions comes exclusively from the business community. What we are trying to do here today is to create a balance in the quality and quantity of information made available to decisionmakers.

The Consumer Agency will not be "just another Federal agency" as its opponents charge. It will have no regulatory power—that is, it will have no authority to set prices, award licenses, or regulate industry performance in anyway. Its authority is simply one of advocacy.

I recognize that it is tempting and even fashionable these days to oppose automatically the creation of new Federal agencies or programs. I respectfully suggest to my colleagues that while Congress must get about the business of eliminating truly inflationary and wasteful Federal efforts, it also has a responsibility not to ignore the establishment of new agencies and programs that are not only vital to the interests of consumers, but also vital to the interest of good government in general. The way to make government more effective is not to dismantle it or ignore it but rather to reconstruct it in a careful and thoughtful way. The supporters of the Agency for Consumer Protection believe that this bill represents a major step in that direction.

Mr. HARRIS. Mr. Chairman, I rise in support of H.R. 7575, the Agency for Consumer Advocacy, and urge my colleagues to join me in enacting this timely legislation into law.

Let us not kid ourselves about the need for this type of legislation. The special interests always have their say in national policy. The representatives of the powerful financial interests and the big corporations are always able to make their views known in regulatory agencies and elsewhere in Government. The challenge for the Congress is to insure that someone is going to speak out for the interests of the average citizen in this country.

There are a number of forces at work to keep our Government on its administrative course, and one of those forces is surely inertia. Despite the intentions of the Congress, the direction of the administration, and the labor of Federal workers, there is a tendency in the bureaucracy to continue in the accustomed path. One of the most important features of the new Agency for Consumer Advocacy is that it will have as its specific purpose the job of prodding the Government to do its job. The ACA will provide existing agencies with information, argumentation, and analysis of pending issues from the consumer's standpoint, and I believe it will lead to new Government perspectives for some old solutions.

We have heard all the arguments against the bill, time and again. We have been told that it would be an additional layer of Government bureaucracy, when in fact, it would have no regulatory authority. It would not overrule or obstruct any existing department, nor would it impose fines or penalties on the private sector. Its function would simply be to make Government make sense, and to push Federal agencies into the kind of actions they should take in the public interest.

Mr. HANNAFORD. Mr. Chairman, H.R. 7575 has been a difficult bill for me to make a decision on for several reasons. I recognize the valid need for consumer protection in this country today. The consumer is to a large extent at the mercy of business as to the quality and price of products he purchases. A lot of blame should be laid squarely where it belongs, on the shoulders of the Federal regulatory agencies who are not performing their authorized functions to protect the consumer from unsafe products and from monopolistic prices. In many cases, they have become instead an arm of the industry they were created to regulate. The paperwork engendered by these agencies has proved to be a burden on the businessmen, the cost of which is born by the American consumer. This is certainly a problem which needs to be dealt with.

I have also been concerned over the possibility that the proposed Agency for Consumer Protection will itself only add to the burgeoning Federal bureaucracy, causing further delays in the decision-making process and adding another layer of paperwork for the American businessman, and another source of increased costs for the consumer. I have also considered the cost of funding a new agency, at a time when increased Federal spending should be carefully examined. I was especially concerned about the effect of the interrogatory section on small businesses without the staff to adequately prepare and submit responses. For these reasons, I have supported the small business exemption proposed today by several of my colleagues. I have also supported Mr. McCLOSKEY's amendment to fund this new agency by taking funds from consumer offices in other agencies and applying them toward the cost of the new Agency for Consumer Protection.

I should also like to take this opportunity to point out that there are benefits which would result from enactment of this bill for the small businessman. He is as economically affected by the oligopolistic tendencies of the American economy as is the consumer. One of the major functions of the ACP would be to see that antitrust laws are adequately enforced, and this would protect the competitive position of the small businessman against monopolistic pricing policies that are often an unfair factor to small business operations.

At length, Mr. Chairman, I have reached the following conclusions:

First. That this proposed agency would have no regulatory powers and would not be a duplication of existing agencies' functions;

Second. With the success of the McCloskey amendment, it will reduce rather than increase the overlapping bureaucracies that address themselves, often ineffectively, to consumer problems;

Third. With the success of the McCloskey amendment, this bill will actually result in a decrease in the cost as well as quantity of government thus involved; and

Fourth. With the adoption of the small business exception, 94 percent of the productive units in the country will be exempted from the interrogatory section and thus the paperwork burden will be reduced.

While businessmen and business groups tend to oppose the legislation, a considerable number of businesses have favored it from the outset, most notably Montgomery Ward, which has one of the largest retail outlet in my congressional district.

Therefore, I have decided to support the legislation, largely as a result of the improving amendments mentioned above.

Mr. Chairman, the McCloskey amendment to H.R. 7575, which we adopted today by a large margin will not only save us money, but will condense all consumer-related Government activities into one agency, the new Agency for Consumer Protection. I have had a great deal of difficulty in reaching a decision on how to vote on this legislation. Two of my major concerns were the cost and the addition of another new bureaucracy to our already overloaded Government. The McCloskey amendment has more than adequately resolved these problems. By merging these other consumer related offices into the ACP, it is estimated we will ultimately save enough to more than pay the operational costs of the ACP. By consolidating these functions in the ACP, we will have one national clearinghouse for consumer problems, and bureaucratic redtape will actually decrease. The legislation is now, with this amendment, a bill for bureaucratic reform and reduction instead of a bill for bureaucratic growth.

Therefore, I now intend to vote in favor of H.R. 7575, which I would not have done without the adoption of this amendment.

Mr. SHRIVER. Mr. Chairman, prior to consideration by the House this week of H.R. 7575, Agency for Consumer Protection, I mailed a special opinion poll to approximately 30,000 constituents in the Kansas Fourth District to determine their views as consumers on this issue. A large number of senior citizens and many others on fixed income received the questionnaire. I also asked for views on a number of new issues which have arisen since my spring poll.

Returns to this special poll have been coming in for 4 days. In view of today's debate I was interested in the thinking reflected by my constituents on the consumer protection question. As of this afternoon, a sample tabulation reveals the following:

> Do you favor a new Federal agency in Washington to handle consumer affairs? 4% yes; 94% no; 2% undecided.

It has been my feeling that consumers would be better served by our taking steps to make certain that existing consumer offices within existing Federal agencies do their job more effectively. This would be a better alternative to establishing a new layer of bureaucracy. The message I am getting from constituents in Kansas seems to agree.

Mr. SKUBITZ. Mr. Chairman, during my tenure in this body, I have found that more thought is given to titles of legislation than to content.

The bill before us is another example of what I mean—an Agency of Consumer Protection.

I am a consumer and like every other consumer I have been burnt at one time or another, therefore, I am for anything that protects the consumer—if he can afford it. However, we have nearly reached the point where the consumer cannot afford much more protection.

Yes, I am for consumer protection but is not it about time—in the language of the Western cow hand—that we had better look for the bug under the "cow chip."

And the bug in this instance is the agency this bill seeks to create.

Our forefathers created a government to preserve and protect the income of the people of this Nation.

As abuses arose—legislation has been enacted to correct and protect the public interest.

Agencies, bureaus, boards were created to carry out the objectives of Congress.

I shall be the first to admit that often I find myself violently opposed to some agency decisions.

But I believe it fair to say that usually those who oppose a rule or regulation or decision of a governmental agency—are parties in interest. They see the decision from the little world in which they live—and not in its broader aspects.

Unfortunately during the past decade there had developed a school of thought that—government represents special interest group—that we need some sort of an FBI or CIA to oversee the agencies.

From this school has come the proposal of an Agency of Consumer Protection.

The authority given the agency under the bill is indeed chilling:

It can on its own volition and without any consumer protest initiate proceedings allegedly in the consumer interest and if any agency refuses to act—it may request court review.

Any disgruntled person or group may request the consumer agency to seek agency review or action and failure of the agency to act, would then raise the cry—that the agency of consumer agency does not represent the consumer interest.

The agency can request information from any business or industry it can go to court and force compliance. Any student of government will agree that bureaucracy breeds bureaucrats—that buceaucratic aspiration is growth.

I am sure the Consumer Agency will follow the same course.

Face it, this bill to create a watchdog to watch a watchdog—can only result in chaos, delay, and waste of the taxpayers' dollar.

It does not abolish already created consumer agents already in the various bureaus—it creates another super watchdog.

I shall vote against the bill. I urge my colleagues to do likewise.

Ms. HOLTZMAN. I rise in strong support of H.R. 7575 establishing the Agency for Consumer Protection. Passage of this bill is vitally important to the health, safety, and wallets of American consumers.

The Agency for Consumer Protection will not be just another regulatory agency but rather an ombudsman for consumers to see that existing agencies do their jobs. As Members of Congress, we are all familiar with the problems our constituents face in dealing with Government bureaucracy. We know how difficult they find it to get information from agencies and how even more difficult to get action.

The Agency for Consumer Protection will be an important tool in getting results for consumers from government agencies and from the private industries who produce the goods they buy. The Agency for Consumer Protection would receive complaints from individual consumers, forward them to the appropriate agency, and most important, follow up on the response to see that action is taken. The Agency could obtain information from Government agencies and from private industry as well. The Agency would be empowered to support development of better methods for product testing. Consumers would be assured of a greater voice in regulatory decisionmaking.

We should all be familiar with some of the horrible cases of agency inaction—the Department of Commerce's 5-year delay in writing regulations on flammable children's sleepwear; the Department of Transportation's 7-year delay on standards to improve the crash survivability of school buses despite congressional requests; $332 million in consumer overcharges because the Federal Energy Administration permitted oil refineries to collect increased oil costs twice.

This is certainly a time to be legitimately concerned about new government spending, but this concern should not obscure our consideration of the importance of this bill. The proposed cost of this agency for the first year's appropriation would run the Pentagon for only 2 or 3 hours. The potential in savings for the American consumer certainly makes this relatively small expenditure a worthwhile one.

Mr. KEMP. Mr. Chairman, the legislation before us belongs in the pages of George Orwell's novel, "1984." It was in that book that he showed the complete degeneration of the meaning of words and phrases through Government sloganeering.

That novel tells of a civilization which lived under the slogans "war is peace," "freedom is slavery," and "ignorance is strength," and really thought those complete dichotomies were consistencies.

The legislation before us is no different. What I hope is different is our perception of what is in the true intent of the consumer.

Under the guise of "consumer protection," the bill before us—H.R. 7575, to create a new Federal Agency for Consumer Protection—is clearly anticonsumer.

Let me explain.

The bill would establish an independent Federal bureaucracy to supposedly represent what it defines as "consumer interests" before both other Federal agencies and the courts. This new instrument of Government—the ACP—would be empowered—

First, to intervene in any proposed Federal action which "substantially affects consumer interests," with the judgment of what substantially affects consumer interests resting solely with the ACP;

Second, to participate—as a matter of right—in both formal and informal agency activities and seek review by the courts of agency decisions;

Third, to require that business—including small businesses—provide information under its own independent interrogatory—formal questioning and inquiring—authority; and

Fourth, to require other Federal agencies to provide trade secrets and financial information in their possession.

This is clearly the wrong way to go about assuring protection of consumer interests.

This bill is undesirable for a number of reasons—any one of which is enough to bring about its rejection.

First, there is no such thing as a single or sole consumer interest that the agency could fairly represent.

Second, the proposed agency would complicate Federal agency decisionmaking, thereby adding more cost to the taxpaying consumer and slowing even further the already burdensome redtape processes for problem solving.

Third, an ACP could violate the right of privacy of individuals and organizations through the use of the proposed information-gathering powers.

Fourth, it would add a new layer of Federal bureaucracy—costing $60 million over 3 years and requiring an additional 800 to 1,000 Federal employees—at a time when we need to reduce both the size and the cost of Government.

Fifth, adequate protection of consumer interests can be provided by existing Federal agencies, which are already required by law to advance the public interest, including consumer interest.

If this legislation passes, future historians will surely regard us with a sense of irony. We create agencies which we do not apparently like—those with existing responsibilities for consumer protection. Then, we fund them with money we do not have—deficit spending this year will exceed $70 billion. Then, we complain about the growth of Government, but the answer we adopt layers in on top of what already exists another bureaucracy, spending millions of tax dollars and controlling more of our lives. The ACP is no panacea—it is the consummation of a vicious cycle.

Excessive regulation of the economy has been identified as a major factor in higher production costs, higher prices, and worsened unemployment. Government decisionmaking has destroyed the economic viability of much of transportation—look at the railroads which were regulated into bankruptcy. It has nearly bankrupted utilities. It has depressed the automobile industry. And, it has crippled many small companies. Consumer militants who will staff the ACP will be dedicated to promotion regulation of the economy—not reducing it.

The former senior Senator from North Carolina and chairman of the Watergate Investigations Committee, Sam Ervin, Jr., recently summarized these points in a letter to the chairman of the House Committee on Government Operations—a letter which I think needs to be brought to the attention of this House:

MORGANTON, N.C.,
June 23, 1975.

Hon. JACK BROOKS,
Chairman, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am one of the people of the United States. I respectfully ask that you hear my concerns.

The Federal bureaucracy has become like the third curse of Moses—a suffocating plague of frogs brought forth from out of where they belong into the villages and the very houses of the people.

My concerns about the creeping intrusion are well illustrated by the proposed Consumer Protection Acts of 1975 which are being considered now by one of your subcommittees. I have had an intimate appreciation of both the complex legal issues and the heated political pressure which have surrounded these bills since 1970 when I participated in the first Congressional debate on them.

These proposals would add yet another self-willed Federal agency to the burgeoning mass that now exists. The unnecessary new bureaucracy would be called the Agency for Consumer Protection under the House bill or the Agency for Consumer Advocacy under the slightly different Senate bill. Under previous bills. the additional agency was sometimes called the Consumer Protection Agency.

A review of the current bills, H.R. 7575 and S. 200, shows the confusing name shuffling to be of no moment—both bills contain all that was revolting in their unsuccessful predecessors. And, sadly, there are even new dangers in these 1975 versions.

If one of these bills should be passed by Congress, it will demonstrate that the National Legislature has lost touch with reality. Such a bill also could well prove to be another vehicle for further erosion of Congressional prestige by successful veto.

These bills simply cannot withstand rational scrutiny. One need only consider their premise: Because the bureaucracy has become too pervasive to enable consumers to appear before existing Federal agencies, it is proposed that Congress create yet another Federal agency before which consumers also will not appear.

Adoration at the altar of anthropromorphism follows from the faulty premise: The new layer of bureaucracy is to become the consumer who never appears. It is to divide the most important interests of consumers, and tell other agencies and real consumers where the consumer interest lies.

This attempted institutionalization of something so diffused and personal as the interests of 210 million consumers is roughly parallel to decreeing that all marriages should be made by matching Federal computer readouts or that the Government will issue a daily menu which all families should implement at mealtimes.

It cannot work. There is no such thing as a single, clear-cut interest of consumers in government decision-making.

I am well aware that, during the hearings in the House last Congress, Ralph Nader offered what he said was an example of an interest of consumers which was "quite clear." His example? Mandatory installation of seat belt devices in automobiles!

Can he not see the danger in his own thinking? He is not really supporting an advocate of the views of the missing consumer. He is supporting an advocate only of consumers who agree with the advocate.

Further, the danger of this authoritarian approach is severely compounded by the extraordinary powers the bills would confer on the new agency, powers put there to assure that the positions advocated by the agency get implemented.

The new bureaucracy would have all the rights of a regualtory agency, yet none of the responsibilities. It would have more power than real consumers ever dreamed of exercising.

These powers all involve legal complexities which need not be discussed here. They have been set forth in necessary detail in my minority views on S. 707 last year and in the perceptive minority views on S. 200 this year by my very distinguished friend and uncommon defender of the common man, Senator Jim Allen.

Indeed, it seems that the immensity of these powers is finally being discovered by some of the ardent supporters of a new consumer bureaucracy. A look at the Senate debate this year is very instructive in this regard.

Organized labor saw to it that a complete gag was put on the new consumer bureaucracy's intended advocacy in labor-related matters. Then came the broadcasters who proved to a majority of the Senate that the consumer unit could, and probably would, put them out of business at license renewal time. Their special interests were exempted.

If labor unions and broadcasters deserved protection from this new bureaucracy, farmers must need equal protection thought a majority of the Senate, and so farmers received a broad special interest exemption.

Following these, a host of narrower special interest exemptions were put into S. 200. If the trend continues in the House, we may see created a consumer agency with nothing to say. This would be a refreshing approach to creating Federal bureaucracies. Maybe such an agency would have time to listen to the people.

In summary, Mr. Chairman, the bills before you are not merely bad bills, they are dangerous bills poorly conceived. A mere reading beyond their glorious titles will demonstrate this to be so.

I ask you to do everything within your power to see that these bills suffer the fate of their predecessors.

Since I consider this bill one of the most unwise legislative proposals ever made to the Congress, I ask that this statement be made a part of the hearing record before your Committee.

Sincerely yours,

SAM J. ERVIN, Jr.

The public is not fooled by the oratory surrounding the proposal before us either, and two recent editorials in the daily newspapers in Buffalo, N.Y., reflect this public sentiment aaginst this measure:

The Buffalo Evening News cautioned the Congress, as follows:

"Bad Idea Whose Time Has Gone"

The Senate has begun again one of its periodic debates over a dubious proposal to create a brand new federal consumer protection agency. Someone else has called this a "bad idea whose time has come and gone." However that may be, the current Senate proposal begs countless tough questions.

Basically, the idea is to set up a federal agency whose main task would be to represent consumers in matters before federal agencies and the courts. That may sound appealing, but it rests on highly shaky assumptions.

The proposed agency, for example, wouldn't streamline or coordinate the activities of hundreds of other existing federal units and personnel already presumably engaged in protecting the American consumer. A 1969 study found 413 federal units "administering 938 consumer-related activities." If they are doing their job, why is this needed? If they're not doing it, why not improve their effectiveness rather than merely pile one more expensive new bureaucratic layer on top? What reason is there, for that matter, to expect this new agency to be any more effective than the current army of bureaucrats at protecting consumer interests?

The Senate bill is highly selective, moreover, at the loopholes it purports to close. Most conspicuously, it would prohibit the new consumer agency from intervening in labor matters before such agencies as the National Labor Relations Board—a special-interest exemption obviously insisted upon by the AFL-CIO.

As important as the question of whether this Senate bill seriously meets the need alleged by its supporters is the question of whether that need, in fact, exists.

Apart from all the federal consumer activities long in effect, many state, local and private programs help the consumer. New York State's attorney general oversees a consumer frauds bureau, for example, and in Western New York there's the alert, effective Consumer Affairs Clearing House. A recent national poll by Opinion Research Corp. of Princeton, N.J., moreover, found that only 10 per cent of those sampled were in favor of establishing an additional federal consumer protection agency; 75 per cent preferred improving existing federal consumer-protection efforts.

We believe Congress could help consumers in far more responsible and effective ways. It could and should repeal Fair Trade Laws, which restrict free market competition and drive up prices. It could remove many federal restrictions and subsidies that help special-interest producer groups and cost the consumer dearly. It could write a sensible national no-fault insurance law that would replace the virtual shams that states like New York have adopted.

Add all this to the current economic recession, and it strongly suggests that the Senate in its debate over a new consumer protection agency is dealing with a spectacularly mistimed as well as highly questionable and unnecessarily wasteful idea.

And, the Buffalo Courier-Express editorialized against the ACP:

Another Consumer Agency Not Needed

The federal government is hardly lacking in agencies dealing with consumer problems. At last count, an Office of Consumer Affairs directory listed 39 offices, agencies or individuals within the government that are concerned with consumer affairs. There also is a score of congressional committees dealing with consumer matters in one way or another. The last thing the consumer needs, it would seem, is another government bureau. But a six-year battle to create an independent consumer agency is under way again.

The proposed agency simply is not needed (and changing its name from the Consumer Protection Agency to the Agency for Consumer Advocacy doesn't make the idea any more palatable). The consumer needs—and is entitled to—protection, but adding to the federal bureaucracy is not the way to deal with the problem.

If existing agencies are not responsive to consumer needs, the solution is to restructure the agencies, perhaps even consolidating some, and to give them power to act.

After all, expanding the bureaucracy obviously calls for expanding the dollar outlay. Is that the way to help the consumer? Before any new agency is established, a real effort ought to be made to make the existing institutions work.

Mr. Chairman, we do not need this program, this agency, and this legislation. The consumers do not need what is here proposed. And, I urge the defeat of the measure and suggest that those who really want to aid the consumer support measures in Congress and in the agencies which promote competitive free market economics instead of the mercantilistic, bureaucratic, "Washington knows best" answers like this bill.

Mr. MIKVA. Mr. Chairman, I rise in support of H.R. 7575, which would create an independent Federal Agency for Consumer Protection.

An advocate to represent the consumer before Federal regulatory agencies has long been needed. Our Federal agencies operate in a quasi-judicial manner. Just as a judge is not expected to step down from the bench and argue the case of one side or the other, a Federal agency, even though charged with the responsibility of acting in the public interest, cannot be expected to argue the public's case in agency proceedings. The job of advocacy must be left to others.

The private sector, in the form of trade associations, law firms, and spokesmen for individual corporations, are represented at agency hearings. Individual consumers, however, are not. Consumers have neither the time nor money to participate in these hearings or to effectively make their views known. Passage of H.R. 7575 will give consumers a voice at the regulatory level that they do not now have.

I understand the public's despair over the growing Federal bureaucracy. I share this concern and have introduced separate legislation to help reduce the bureaucratic maze. However, the Agency for Consumer Protection will not just add another layer of Government. It will be an advocate, not a regulator. It will not be able to overrule, veto, or impair any Federal agency's final determination.

Rather than create more government, the Agency for Consumer Protection will enable the existing agencies to work more effectively by singling out inflationary, inefficient, and unwise regulatory activities. And with the strengthening amendments we have adopted—amendments that exempt small business, that provide for the agency's self-destruction in 7 years if it fails to live up to expectations, and that consolidate all the offices of consumer affairs in one agency—the Agency for Consumer Protection can become a model for real regulatory reform.

Mr. Chairman, a wide spectrum of groups have voiced their support for this bill. Many large corporations, such as Montgomery Wards, Mobil Oil, and Polaroid, have joined with consumers in expressing the need for an Agency for Consumer Protection. I urge my colleagues to listen to these voices and support H.R. 7575.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7575) to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, pursuant to House Resolution

798, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ERLENBORN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ERLENBORN moves to recommit the bill H.R. 7575 to the Committee on Government Operations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ERLENBORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 208, nays 199, not voting 26, as follows:

[Roll No. 672]

YEAS—208

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Green
Gude
Hall
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holtzman
Horton
Howard
Hughes
Hungate
Jeffords
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Koch
Krebs
LaFalce
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McCloskey
McFall
McHugh
Macdonald
Madden
Maguire
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Myers, Pa.
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Perkins
Pickle
Pike
Preyer
Price
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stokes
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Tsongas
Van Deerlin
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, C. H.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—199

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Barrett
Bauman
Beard, Tenn.
Bedell
Bell
Bevill
Bonker
Bowen
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Findley
Fithian
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hefner
Henderson
Hightower
Holt
Howe
Hubbard
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krueger
Lagomarsino
Latta
Levitas
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Natcher
Nichols
O'Brien
Passman
Pettis
Poage
Pressler
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rose
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Ullman
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—26

Adams
Annunzio
Beard, R.I.
Burton, Phillip
Cleveland
Fary
Fraser
Hébert
Hillis
Hinshaw
Holland
Landrum
McCormack
Mills
Murphy, N.Y.
Ottinger
Pattison, N.Y.
Pepper
Peyser
Pritchard
Rangel
Rees
Udall
Wilson, Tex.
Wirth
Young, Alaska

The Clerk announced the following pairs:

Mr. Annunzio for, with Mr. Hébert against.

Mr. Ottinger for, with Mr. Landrum against.

Mr. Pepper for, with Mr. Charles Wilson of Texas against.

Mr. Wirth for, with Mr. Mills against.

Mr. Peyser for, with Mr. Young of Alaska against.

Mr. Udall for, with Mr. Hinshaw against.

Until further notice:

Mr. Rees with Mr. Hillis.

Mr. Murphy of New York with Mr. Fraser.

Mr. Adams with Mr. Fary.

Mr. Pritchard with Mr. Cleveland.

Mr. Phillip Burton with Mr. Holland.

Mr. Beard of Rhode Island with Mr. Rangel.

Mr. Pattison of New York with Mr. McCormack.

Messrs. BADILLO, FORD of Michigan, and EVANS of Colorado changed their vote from "nay" to "yea."

Messrs. MOORE and ROBERTS changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 798, the Committee on Government Operations is discharged from the further consideration of the Senate bill S. 200 to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BROOKS moves to strike out all after the enacting clause of S. 200 and to insert in lieu thereof the provisions of H.R. 7575, as passed, as follows: That this Act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy.

ESTABLISHMENT

SEC. 3. (a) There is hereby established as an independent agency within the executive branch of the Government an Agency for Consumer Protection. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be a person who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, or other employment or have other interests which are inconsistent with his official responsibilities.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS-18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

(4) promulgate such rules for the internal operations of the Agency and binding only on the employees of the Agency as may be necessary to carry out the functions vested in him or in the Agency, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Agency and on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(8) adopt an official seal, which shall be judicially noticed; and

(9) encourage the development of informal dispute settlement procedures involving consumers.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions.

(d) The Administrator shall transmit to the Congress and the President in January of each year a report which shall include a comprehensive statement of the activities and accomplishments of the Agency during the preceding calendar year including a summary of consumer complaints received and actions taken thereon and such recommendations for additional legislation as he may determine to be necessary or desirable to protect the interests of consumers within the United States. Each such report shall include a summary and evaluation of selected major consumer programs of each Federal agency, including but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration, or enforcement of such programs.

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Agency shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) encourage and support research, studies, and testing leading to a better understanding of consumer products and improved products, services, and consumer information, to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) publish and distribute material developed pursuant to carrying out its responsibilities under this Act which will inform consumers of matters of interest to them, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers which are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and private enterprise in the promotion and protection of the interests of consumers; and

(7) keep the appropriate committees of Congress fully and currently informed of all its activities, except that this paragraph is not authority to withhold information requested by individual Members of Congress.

REPRESENTATION OF CONSUMERS

SEC. 6. (a) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing the interests of consumers, as provided in paragraph (1) or (2) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately the interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with Federal agency statutes and rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(1) Except as provided in subsection (c), the Administrator may intervene as a party or otherwise participate in any Federal agency proceeding which is subject to section 553, 554, 556, or 557 of title 5, United States Code, or to any other statute or regulation authorizing a hearing, or which is conducted on the record after opportunity for an agency hearing.

(2) Except as provided in subsection (c), in any Federal agency proceeding not covered by paragraph (1), or any other Federal agency activity, the Administrator may participate or communicate in any manner that any person may participate or communicate under Federal agency statutes, rules, or practices. The Federal agency shall give consideration to the written or oral submission of the Administrator. Such submission shall be presented in an orderly manner and without causing undue delay.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(1) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a), stating concisely the specific interests of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) In—

(1) any Federal agency proceeding seeking primarily to impose a fine or forfeiture which the agency may impose under its own authority for an alleged violation of a statute of the United States or of a rule, order, or decree promulgated thereunder, or

(2) any action in any court of the United States to which the United States or any Federal agency is a party,

and which in the opinion of the Administrator may substantially affect the interests of consumers, the Administrator upon his own motion, or upon written request made by the officer or employee who is charged with the duty of presenting the case for the United States or the Federal agency in the proceeding or action, may transmit to such officer or employee all evidence and information in the possession of the Administrator relevant to the proceeding or action and may, in the discretion of the Federal agency or court, appear as amicus curiae and present written or oral argument to such agency or court.

(d) To the extent that any person, if aggrieved, would have a right of judicial review by law, the Administrator may institute, or intervene as a party, in a proceeding in a court of the United States involving judicial review of any Federal agency action which the Administrator determines substantially affects the interests of consumers, except that where the Administrator did not intervene or participate in the Federal agency proceeding or activity involved, the court shall determine whether the Administrator's institution of the judicial proceeding would be necessary to the interests of justice. Before instituting a proceeding to obtain judicial review in a case where the Administrator did not intervene or participate in the Federal agency proceeding or activity, the Administrator shall petition the Federal agency for rehearing or reconsideration of its action if the Federal agency statutes or rules specifically authorize rehearing or reconsideration. The petition shall be filed within sixty days after the Federal agency action or within such longer time as may be allowed by Federal agency procedure. If the Federal agency does not act finally upon such petition within sixty days after filing thereof, or within any shorter time, less five days, as may be provided by law for the initiation of judicial review, the Administrator may institute a proceding for judicial review immediately. The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

(e) When the Administrator determines it to be in the interests of consumers, he may request the Federal agency concerned to initiate such proceeding or to take such other action as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Agency of the reasons for its failure and such notification shall be a matter of public record. To the extent that any person, if aggrieved, would have a right of judicial review by law, the Agency may institute a proceeding in a court of the United States to secure review of the action of a Federal agency or its refusal to act.

(f) Appearances by the Agency under this section shall be in its own name and shall be made by qualified representatives designated by the Administrator.

(g) In any Federal agency proceeding to which the Agency is a party, the Agency is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rule of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(h) The Agency is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Nothing in this section shall be construed to prohibit the Agency from communicating with Federal, State, or local agencies at times and in manners not inconsistent with law or agency rules.

CONSUMER COMPLAINTS

SEC. 7. (a) The Agency shall receive, evaluate, develop, act on, and transmit complaints to the appropriate Federal or non-Federal entities concerning actions or practices which may be detrimental to the interests of consumers.

(b) Whenever the Agency receives from any source, or develops on its own initiative, any complaint or other information affecting the interests of consumers and disclosing a probable violation of—

(1) a law of the United States,

(2) a rule or order of a Federal agency or officer, or

(3) a judgment, decree, or order of any court of the United States involving a matter of Federal law,

it shall take such action within its authority as may be desirable, including the proposal of legislation, or shall promptly transmit such complaint or other information to the Federal agency or officer charged with the duty of enforcing such law, rule, order, judgment, or decree, for appropriate action.

(c) The Agency shall ascertain the nature and extent of action taken with regard to respective complaints and other information transmitted under subsection (b) of this section.

(d) The Agency shall promptly notify producers, distributors, retailers or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section.

(e) The Agency shall maintain a public document room containing an up-to-date listing of all signed consumer complaints of any significance for public inspection and copying which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken by it. Complaints shall be listed and made available for public inspection and copying only if—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had sixty days to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the entity to which the complaint has been referred has had sixty days to notify the Agency what action, if any, it intends to take with respect to the complaint.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) The Agency shall develop on its own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as it determines to be most effective, information, statistics, and other data concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Agency in making such information available to the public.

TESTING AND RESEARCH

SEC. 9. (a) The Agency shall, in the exercise of its functions—

(1) encourage and support through both public and private entities the development and application of methods and techniques for testing materials, mechanisms, components, structures, and processes used in consumer products and for improving consumer services;

(2) make recommendations to other Federal agencies with respect to research, studies, analyses, and other information within their authority which would be useful and beneficial to consumers; and

(3) investigate and report to Congress on the desirability and feasibility of establishing a National Consumer Information Foundation which would administer a voluntary, self-supporting, information tag program (similar to the "Tel-Tag" program of Great Britain) under which any manufacturer of a nonperishable consumer product to be sold at retail could be authorized to attach to each copy of such product a tag, standard in form, containing information, based on uniform standards relating to the performance, safety, durability, and care of the product.

(b) All Federal agencies which, in the judgment of the Administrator, possess testing facilities and staff relating to the performance of consumer products and services, are authorized and directed to perform promptly, to the greatest practicable extent within their capability, such tests as the Administrator may request in the exercise of his functions under section 6 of this Act, regarding products, services, or any matter affecting the interests of consumers. Such tests shall, to the extent possible, be conducted in accordance with generally accepted methodologies and procedures, and in every case when test results are published, the methodologies and procedures used shall be available along with the test results. The results of such tests may be used or published only in proceedings in which the Agency is participating or has intervened pursuant to section 6. In providing facilities and staff upon request made in writing by the Administrator, Federal agencies—

(1) may perform functions under this section without regard to section 3648 of the Revised Statutes (31 U.S.C. 529);

(2) may request any other Federal agency to supply such statistics, data, progress reports, and other information as the Administrator deems necessary to carry out his functions under this section and any such other agency is authorized and directed to cooperate to the extent permitted by law by furnishing such materials; and

(3) may, to the extent necessary and authorized, acquire or establish additional facilities and purchase additional equipment for the purpose of carrying out the purposes of this section.

(c) Neither a Federal agency engaged in testing products under this Act nor the Administrator shall declare one product to be better, or a better buy, than any other product; however, the provisions of this subsection shall not prohibit the use or publication of test data as provided in subsection (b).

INFORMATION GATHERING

SEC. 10. (a) (1) To the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, the Administrator is authorized, except as provided in subsection (d), to issue written interrogatories or requests for reports and other related information to any person engaged in a trade, business, or industry which substantially affects interstate commerce. Such interrogatories or requests shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought.

(2) Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person, or shall require the disclosure of information which would violate any relationship privileged according to law.

(3) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record;

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending Federal agency proceeding against the person to whom the interrogatories are addressed.

(4) In the event of noncompliance with any interrogatories or requests submitted to any person by the Administrator pursuant to paragraph (1), any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator. The district court of the United States shall issue such an order upon petition by the Administrator or on a motion to quash, and upon the Administrator's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excessively burdensome.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy recommendations by Federal

agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency; and

(6) trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Administrator access to trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford him a reasonable opportunity to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections. The Administrator may file a complaint in court to enforce its rights under this subsection in the same manner and subject to the same conditions as a complainant under section 552(a)(3) of title 5, United States Code.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof or any book containing any abstracts or particulars thereof to be seen or examined by the Administrator, except as provided by law.

(d)(1) The Administrator shall not have the power to issue written interrogatories or require the production or disclousre of any data or other information under subsection (a) of this section from any small business concern. For the purpose of this paragraph "small business concern" means any person that, together with such person's affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $1,000,000; or does not have more than the equivalent of 25 full-time employees at the time of the proposed discovery by the Administrator. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data.

(2) Notwithstanding paragraph (1) of this subsection, the Administrator shall have the power, pursuant to subsection (a)(1), to obtain information from a small business concern if necessary to prevent imminent and substantial danger to the health or safety of consumers, and the Administrator has no other effective means of action.

(3) The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the effect of the limitations contained in this subsection on the purposes of the Act, for such action as the Congress may deem appropriate.

(4) For the purposes of this subsection, "small business concerns" are affiliates of each other when either directly or indirectly (A) one concern controls or has the power to control the other, or (B) a third party or parties controls or has the power to control both. In determining whether or not affiliation exists, consideration shall be given to all appropriate factors, including common ownership, common management, and contractual relationships.

(e) The Administrator shall keep the appropriate committees of the Congress fully and currently informed with respect to the nature and status of all interrogatories or requests issued pursuant to the authority under paragraph (1), and shall transmit to such committees copies of any communication alleging abuse of that authority or stating reasons for noncompliance with an interrogatory or request.

LIMITATIONS ON DISCLOSURES

SEC. 11. (a) The Agency shall not disclose to the public or to any State or local agency—

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential; or

(2) any information which was received solely from a Federal agency when such agency has notified the Agency that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, the Agency may disclose such information in such form or manner.

(b) No authority conferred by this Act shall be deemed to require any Federal agency to release to any instrumentality, created by or under this Act, any information the disclosure of which is prohibited by law.

(c) In the release of information pursuant to the authority conferred in any section of this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6, the following additional provisions shall govern:

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(a)(2) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes or additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

PROCEDURAL FAIRNESS

SEC. 12. In exercising the powers conferred in section 5 (b)(4) and section 7, the Agency shall act pursuant to rules issued, after notice and opportunity for comment by interested persons in accordance with the requirements of section 553 of title 5, United States Code, so as to assure fairness to all affected parties, and provide interested persons with a reasonable opportunity to comment on the proposed release of product test data, containing product names, prior to such release.

PROTECTION OF THE CONSUMER INTEREST IN ADMINISTRATIVE PROCEEDINGS

SEC. 13. Every Federal agency in considering any Federal agency action which may substantially affect the interests of consumers including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions, shall—

(1) notify the Agency at such time as notice of the action is given to the public, or at such times and in such manner as may be fixed by agreement between the Administrator and each agency with respect to the consideration of specific actions, or when notification of a specific action or proceeding is requested in writing by the Agency; and

(2) consistent with its statutory responsibilities, take such action with due consideration to the interest of consumers.

In taking any action under paragraph (2), upon request of the Agency or in those cases where a public announcement would normally be made, the Federal agency concerned shall indicate concisely in a public announcement of such action the consideration given to the interests of consumers. This section shall be enforceable in a court of the United States only upon petition of the Agency.

SAVING PROVISIONS

SEC. 14. (a) Nothing contained in this Act shall be construed to alter, modify, or impair the statutory responsibility and authority contained in section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 481(a)(4)), or of any provision of the antitrust laws, or of any Act providing for the regulation of the trade or commerce of the United States, or to prevent or impair the administration or enforcement of any such provision of law.

(b) Nothing contained in this Act shall be construed as relieving any Federal agency of any authority or responsibility to protect and promote the interests of the consumer.

TRANSFER OF PROGRAMS, OPERATIONS AND ACTIVITIES

SEC. 15. (a)(1) Except to the extent prohibited by law, the Director of the Office of Management and Budget is authorized and directed to transfer to the Agency such programs, operations, and activities of each Federal agency as (A) are duplicative of or can be performed more appropriately by the Administrator under the authority contained in this Act, and (B) may be transferred without the need for Congressional action.

(2) Transfers authorized and directed under paragraph (1) shall include but not be limited to those programs, operations, and activities defined in paragraph (1) which are, on the date of enactment of this Act, performed by the following Federal departments and agencies: The Office of Consumer Affairs of the Department of Health, Educa-

tion, and Welfare; the Office of Ombudsman for Business of the Department of Commerce; the Special Assistant to the Secretary for Consumer Affairs of the Department of Agriculture; the Special Assistant to the Secretary for Consumer Affairs of the Department of Housing and Urban Development; the Consumer Affairs Section of the Department of Justice; the Office of Consumer Affairs of the Department of Transportation; the Special Assistant to the Secretary for Consumer Affairs of the Department of the Treasury; the Consumer Inquiries Office of the Food and Drug Administration; the Public Affairs Office of the Nuclear Regulatory Commission; the Consumer Advocate of the Postal Service; the Office of Consumer Advocate of the Civil Aeronautics Board; the Office of Consumer Affairs and Special Impact of the Federal Energy Administration; the Consumer Liaison Division of the Federal Aviation Administration; the Office of Consumer Affairs of the National Highway Traffic Safety Administration; the Consumer Advisory Council of the Department of Health, Education, and Welfare; the Consumer Affairs and Special Impact Advisory Committee of the Federal Energy Administration; the National Business Council for Consumer Affairs of the Department of Commerce; the Hazardous Materials Advisory Committee; the Advisory Committee on Water Data for Public Use of the Department of the Interior; the Science Advisory Board's Executive Committee of the Environmental Protection Agency; and the Citizen's Advisory Committee on Transportation Quality of the Department of Transportation.

(b) The Director of the Office of Management and Budget shall, within 180 days of the date of enactment of this Act, identify and report to the Committees on Appropriations and Government Operations of the House of Representatives and of the Senate the transfers authorized and directed by paragraph (1) of subsection (A); and such report shall include (1) the actual costs during fiscal year 1975 of each of the programs, operations, and activities affected, and (2) the Director's recommendations for such additional transfers as may be necessary to avoid duplication with programs, operations, and activities of the Agency but which require congressional action.

(c) The Administrator, pursuant to section 4 of this Act, shall be responsible for incorporating such programs, operations, and activities as are transferred pursuant to subsection (a) in such manner and to the extent he deems consistent with the Agency's responsibilities under section 5 of this Act, and issuing such organizational directives as he deems appropriate to carry out the purposes of this section.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

Sec. 16. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b) (1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

DEFINITIONS

Sec. 17. As used in this Act—

(1) The term "Agency" means the Agency for Consumer Protection.

(2) The words "agency", "agency action", "party", "person", "rulemaking", "adjudication", and "agency proceeding" shall have the same meaning as set forth in section 551 of title 5, United States Code.

(3) The term "consumer" means any person who uses for personal, family, or household purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territories of the Pacific Islands.

CONFORMING AMENDMENT

Sec. 18. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(62) Administrator, Agency for Consumer Protection.".

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(9) Deputy Administrator, Agency for Consumer Protection.".

EXEMPTIONS

Sec. 19. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Energy Research and Development Administration, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171: *Provided,* That nothing in this Act shall be construed to authorize the Administrator to intervene as a party or otherwise participate: (1) in any proceeding of the United States Department of Agriculture directly affecting or directly concerning (a) the market price of or loans, price supports, or payments for raw agricultural commodities, including crops (including, but not limited to, wheat, feed grains, soybeans, cotton, wool, rice, peanuts, tobacco, sugar, fruits, and vegetables), livestock, poultry, eggs and dairy products, and (b) programs administered by the Soil Conservation Service, the Farmers Home Administration, the Rural Electrification Administration, or the Federal Crop Insurance Corporation, or (2) in any proceeding concerning Public Law 480 programs, or to the Nuclear Regulatory Commission.

SEX DISCRIMINATION

Sec. 20. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or deny any other legal remedies available to a discriminatee.

APPROPRIATIONS

Sec. 21. There are hereby authorized to be appropriated to carry out the provisions of this Act: $5,000,000 for the fiscal year ending June 30, 1976; $2,500,000 for the transitional period July 1, 1976, through September 30, 1976; $10,000,000 for the fiscal year ending September 30, 1977; and $10,000,000 for the fiscal year ending September 30, 1978.

COST AND BENEFIT ASSESSMENT STATEMENTS

Sec. 22. (a) In furtherance of the purpose and policy of section 2(b)(4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551 (4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the agency's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementations of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsection (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57a(b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 17 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such non-quantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000 for each of the fiscal years 1976, 1977, and 1978.

EFFECTIVE DATE

SEC. 23. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 24. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

SEC. 25. (a) This Act shall terminate on September 30, 1983, and the Agency for Consumer Protection shall be abolished as of such date.

(b) The President shall—

(1) commencing 2 years prior to the date of termination specified in subsection (a), conduct an investigation of the Agency's overall performance including, but not limited to, a study of the Agency's effectiveness in accomplishing its general purposes and promoting the general welfare;

(2) not later than 12 months prior to the termination date specified in subsection (a), make public and submit to each House of Congress a report on the finding of the investigation conducted pursuant to paragraph (1), such report to include a recommendation that the authority of this Act be extended, that the Agency be reorganized, or that the authority of this Act be allowed to lapse.

(c) The committees of the House and of the Senate having primary oversight responsibility with respect to the Agency shall, not later than 6 months prior to the termination date specified in subsection (a), conduct an inquiry into the performance and effectiveness of the Agency and make public a report of their findings, conclusions, and recommendations, including proposed legislation for such extension or reorganization of the Agency as they deem appropriate.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7575) was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS AND CROSS-SECTIONS IN ENGROSSMENT OF S. 200

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers and cross-sections in the engrossment of the House amendment to the Senate bill S. 200.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 8365, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. McFALL submitted the following conference report and statement on the bill (H.R. 8365) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT H. REPT. NO. 94–636

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8365) "making appropriations for the Department of Transportation and Related Agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 22, 43, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 10, 40, 45, 46, and 48, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$28,000,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,000,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,650,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$718,341,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$205,660,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,531,000,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$396,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,250,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,925,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$67,500,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,900,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$142,480,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,433,800,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,500,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$375,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$61,150,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,650,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert: "For necessary expenses for 'Interim operating assistance,' $60,000,000, and 'Rail service continuation subsidies,' $25,000,000, under sections 213(b) and 402(i) of the Regional Rail Reorganization Act of 1973, to remain available until expended."; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,600,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$440.000,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "and of which $1,500,000 shall be available for a rail passenger terminal and facilities at Baltimore-Washington International Airport."; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,000,000'; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,900,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,500,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,850,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert "$11,260,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,095,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$49,330,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 20, 21, 31, 32, 42, 47, 49, and 50.

JOHN J. MCFALL,
SIDNEY R. YATES
(except as to amendments Nos. 25 and 26)
TOM STEED
(except as to amendment No. 31),
EDWARD I. KOCH,
BILL ALEXANDER,
ROBERT DUNCAN
(except as to amendments Nos. 25 and 26),
GEORGE MAHON
(except as to amendment No. 31),
SILVIO O. CONTE,
JACK EDWARDS
(except as to amendments Nos. 25 and 26),
E. A. CEDERBERG,
Managers on the Part of the House.

BIRCH BAYH,
JOHN L. MCCLELLAN,
ROBERT C. BYRD,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
THOMAS F. EAGLETON,
CLIFFORD P. CASE,
MILTON R. YOUNG,
TED STEVENS,
CHARLES MCC. MATHIAS, JR.,
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8365) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

TITLE I—DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Transportation Planning, Research, and Development

Amendment No. 1: Appropriates $28,000,000 for fiscal year 1976 instead of $27,000,000 as proposed by the House and $29,000,000 as proposed by the Senate.

The conferees direct that $244,673 shall be used, beginning in fiscal year 1976, by the Office of University Research to fund the first-year cost of a contract with Georgia Institute of Technology and its collaborating institutions to conduct a three-year study to devise analytical procedures for intercity transportation and development planning using the route identified in Sec. 143 (1) of P.L. 93–87 as the focus of the study.

Amendment No. 2: Appropriates $7,000,000 for the transition period instead of $6,750,000 as proposed by the House and $7,250,000 as proposed by the Senate.

Grants-in-Aid for Natural Gas Pipeline Safety Amendment No. 3: Appropriates $1,650,000 for fiscal year 1976 instead of $1,500,000 as proposed by the House and $1,800,000 as proposed by the Senate.

Coast Guard

Operating Expenses

Amendment No. 4: Appropriates $718,341,000 for fiscal year 1976 instead of $714,230,000 as proposed by the House and $718,696,000 as proposed by the Senate.

The conferees direct the Coast Guard to establish and implement charges sufficient to cover the incremental costs of its icebreaking services provided for major users by September 30, 1976.

The conference agreement includes $495,000 for the operation and maintenance of an additional HH–52 helicopter.

Amendment No. 5: Appropriates $205,660,000 for the transition period instead of $204,660,000 as proposed by the House and $205,760,000 as proposed by the Senate.

The conference agreement includes $118,000 for the operation and maintenance of an additional HH–52 helicopter.

Acquisition, Construction, and Improvements

Amendment No. 6: Appropriates $156,100,000 for fiscal year 1976 as proposed by the House instead of $164,568,000 as proposed by the Senate.

The conferees recognize the need for the timely completion of the Valdez, Alaska vessel traffic system and the Sitka, Alaska air station. The conference agreement includes $7,500,000 for these projects.

The conferees direct that the Loran C deployment in the Gulf of Mexico and along the Atlantic coast be started with available funds.

The conference agreement includes the full amount requested for the Destin, Florida Station.

Amendment No. 7: Appropriates $16,160,000 for the transition period as proposed by the House instead of $19,000,000 as proposed by the Senate.

Pollution Fund

Amendment No. 8: Appropriates $10,000,000 as proposed by the Senate.

Federal Aviation Administration

Operations

Amendment No. 9: Appropriates $1,531,000,000 for fiscal year 1976 instead of $1,528,000,000 as proposed by the House and $1,534,555,000 as proposed by the Senate.

Amendment No. 10: Inserts language as proposed by the Senate to permit the transfer of funds from the appropriation "civil supersonic aircraft development."

Amendment No. 11: Appropriates $396,000,000 for the transition period instead of $395,450,000 as proposed by the House and $396,550,000 as proposed by the Senate.

Facilities, Engineering and Development

Amendment No. 12: Appropriates $12,250,000 for fiscal year 1976 instead of $12,000,000 as proposed by the House and $12,500,000 as proposed by the Senate.

The conference agreement includes the full amount requested for aviation noise research.

Amendment No. 13: Appropriates $2,925,000 for the transition period instead of $2,900,000 as proposed by the House and $2,950,000 as proposed by the Senate.

Facilities and Equipment (Airport and Airway Trust Fund)

The Committees on Appropriations have deferred consideration of the fiscal year 1976 budget request of $250,000,000 because the required authorizing legislation had not been enacted at the time the accompanying bill passed the House and Senate. Until the authorizing legislation is enacted and the estimate is considered, it may be necessary for the Federal Aviation Administration temporarily to depart from the full-funding project concept. In any such instance, the conferees expect that advance notification will be provided to the Appropriations Committees of the House and Senate.

Research, Engineering and Development (Airport and Airway Trust Fund)

Amendment No. 14: Appropriates $67,500,000 for fiscal year 1976 instead of $60,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

The conferees support the basic objectives and goals of the microwave landing system and discrete address beacon system programs. This appropriation is intended to provide sufficient funds to insure essential progress in fiscal year 1976 in both programs.

In restoring funds for the Aerosat program the conferees expect that FAA will fully test both the L-band and VHF capabilities and present its findings to the Congress prior to accepting either frequency.

Amendment No. 15: Appropriates $17,900,000 for the transition period instead of $15,000,000 as proposed by the House and $20,800,000 as proposed by the Senate.

Federal Highway Administration

Limitation on General Operating Expenses

Amendment No. 16: Limits general operating expenses for fiscal year 1976 to $142,480,000 instead of $141,480,000 as proposed by the House and $143,480,000 as proposed by the Senate.

Rural Highway Public Transportation Demonstration Program

Amendment No. 17: Appropriates $15,000,000 instead of $12,500,000 as proposed by the House and $17,500,000 as proposed by the Senate.

Amendment No. 18: Provides that $10,000,000 of the appropriation be derived from the Highway Trust Fund instead of $8,333,000 as proposed by the House and $11,665,500 as proposed by the Senate.

Federal-Aid Highways (Liquidation of Contract Authorization) (Trust Fund)

Amendment No. 19: Appropriates $5,433,800,000 for fiscal year 1976 instead of $5,432,800,000 as proposed by the House and $5,434,800,000 as proposed by the Senate.

Access Highways to Public Recreation Areas on Certain Lakes

In appropriating $10,000,000 for this program the conferees have included funds for the following projects:

Casey Cove Road leading into the Holmes Creek Recreation Area in Tennessee;

Tate County, Mississippi, FAS Route 909 which serves the Arkabutla Reservoir;

Brookeville Lake Access Road, Indiana;

Hemlock Road, Glade Township, Warren County, Pennsylvania, beginning at the end of Pennsylvania Avenue and running along the north side of the Allegheny River to the dam;

Clinton Parkway, a route from Lawrence, Kansas to Clinton Lake; and access roads to Lake Raystown, located in Huntington County, Pennsylvania.

It is not the intention of the conferees that funding be limited to the above projects.

Highland Scenic Highway

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with the following amendment:

In lieu of the matter inserted by said amendment insert the following:

"Highland Scenic Highway (Liquidation of Contract Authorization) (Trust Fund)

"For payment of obligations incurred for construction of the Highland Scenic Highway in accordance with section 161 of P.L. 93–87 (87 Stat. 279), under authority of the provisions of Title 23, United States Code, sections 203 and 207, and section 104(a)(8) of P.L. 93-87, $15,000,000, to be derived from the Highway Trust Fund and to remain available until expended, to be transferred to the Department of Interior for the payment of such obligations."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Bikeway Program

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with the following amendment:

In lieu of the sum named in said amendment insert "$6,000,000".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

National Highway Traffic Safety Administration

Traffic and Highway Safety

Amendment No. 22: Appropriates $66,850,000 for fiscal year 1976 as proposed by the House instead of $67,890,000 as proposed by the Senate.

The conferees direct that the engineering facility and the medical emergency communications coordination assessment demonstrations be funded from the amount appropriated.

Federal Railroad Administration

Grants-in-Aid for Railroad Safety

Amendment No. 23: Appropriates $1,500,000 for fiscal year 1976 instead of $1,000,000 as proposed by the House and $2,000,000 as proposed by the Senate.

Amendment No. 24: Appropriates $375,000 for the transition period instead of $250,000 as proposed by the House and $500,000 as proposed by the Senate.

Railroad Research and Development

Amendment No. 25: Appropriates $61,150,000 for fiscal year 1976 instead of $53,500,000 as proposed by the House and $74,400,000 as proposed by the Senate.

The conference agreement includes $3,000,000 for industry problems, $5,100,000 for a freight service demonstration, $2,000,000 for freight car management, $3,000,000 for freight service, $2,250,000 for advanced systems and propulsion, and $5,000,000 for intermodal terminals.

In providing $5,100,000 for a freight system demonstration, the conferees expect that the Federal commitment for this project will be limited to three fiscal years and Federal funding will be limited to supporting technology, initial systems engineering, and part of the operating losses. The conferees expect that the Federal Railroad Administration will obtain private funding for the product development and capital improvement portions of the program.

The $5,000,000 provided for intermodal terminals includes $1,500,000 for Union Station in Washington, D.C., $2,900,000 for pilot programs in Boston, Massachusetts; Seattle, Washington; Indianapolis, Indiana; and Providence, Rhode Island; and $600,000 for planning grants to other cities. The conferees direct that the funding for the pilot programs be allocated as follows:

Boston	$1,000,000
Seattle	1,000,000
Indianapolis	600,000
Providence	300,000

Amendment No. 26: Appropriates $13,650,000 for the transition period instead of $13,150,000 as proposed by the House and $14,150,000 as proposed by the Senate.

Rail Service Assistance

Amendment No. 27: Appropriates $60,000,000 for interim operating assistance instead of $72,000,000 as proposed by the Senate and appropriates $25,000,000 for Rail service continuation subsidies for fiscal year 1976 instead of $14,000,000 as proposed by the House and $45,000,000 as proposed by the Senate.

Amendment No. 28: Appropriates $8,600,000 for the transition period instead of $7,000,000 as proposed by the House and $15,500,000 as proposed by the Senate.

Grants to the National Railroad Passenger Corporation

Amendment No. 29: Appropriates $440,000,000 for fiscal year 1976 instead of $438,800,000 as proposed by the House and $441,800,000 as proposed by the Senate.

In approving a $440,000,000 subsidy the conferees expect Amtrak to take the necessary managerial actions to operate for a full fiscal year within the amount included in the accompanying bill.

Amendment No. 30: Earmarks $1,500,000 of the appropriation for fiscal year 1976 for a rail passenger terminal and facilities at Baltimore-Washington International Airport instead of $3,000,000 as proposed by the Senate.

Rail Transportation Employment and Improvement

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Rail Transportation Employment and Improvement

"To enable the Secretary of Transportation to make grants for programs aimed at reducing unemployment and at repairing, rehabilitating, or improving essential railroad roadbeds and facilities, $90,000,000 to remain available until December 31, 1976: *Provided*, That this appropriation shall be available only upon the enactment into law of authorizing legislation by the Ninety-fourth Congress.

For "Rail Transportation Employment and Improvement" for the period July 1, 1976, through September 30, 1976, $18,000,000, to remain available until December 31, 1976: *Provided*, That this appropriation shall be available only upon the enactment into law of authorizing legislation by the Ninety-fourth Congress."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Payment to the Alaska Railroad Revolving Fund

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Payment to the Alaska Railroad Revolving Fund

"For payment to the Alaska Railroad Revolving Fund for capital replacements, improvements, and maintenance, $9,000,000, to remain available until expended: *Provided*, That the permanent positions authorized under the Alaska Railroad Revolving Fund shall be established at 902 and excluded from staffing limitations otherwise applicable."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Urban Mass Transportation Administration

Research, Development, and Demonstrations and University Research and Training

Amendment No. 33: Appropriates $54,000,000 for fiscal year 1976 instead of $49,000,000 as proposed by the House and $61,000,000 as proposed by the Senate.

The additional funds provided over the House bill are to be allocated as follows:

High performance PRT	$3,000,000
Automated guideway transit (AGT)	500,000
Feasibility analysis (shuttle and loop transit)	1,000,000
Social and economic research in AGT	1,000,000
Bicentennial demonstration	2,500,000

In addition, the conference agreement includes the following reductions from the House bill:

Management techniques	1,000,000
General reduction based on the availability of carryover funds	2,000,000

The conference agreement includes $3,000,000 for the high performance PRT program to be used for detailed design, laboratory evaluation, limited experimental verification at the contractors' facilities, as well as urban deployability studies to provide improved predictions of service levels, costs, and reliability for the three competing designs. It is the intention of the conferees that the balance of the cost of the current year's program be provided by the contractors.

The conference agreement includes $1,000,000 for a feasibility analysis of shuttle and loop transit. The conferees expect that future requests for funding these types of systems will be included under the capital grant program.

Amendment No. 34: Earmarks $43,900,000 of the appropriation for fiscal year 1976 for research, development, and demonstrations instead of $41,400,000 as proposed by the House and $48,400,000 as proposed by the Senate.

Amendment No. 35: Earmarks $7,500,000 of the appropriation for fiscal year 1976 for transit-related Bicentennial projects in the Washington, D.C. metropolitan area instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Amendment No. 36: Appropriates $11,500,000 for the transition period instead of $11,000,000 as proposed by the House and $12,000,000 as proposed by the Senate.

Amendment No. 37: Earmarks $10,850,000 of the appropriation for the transition period for research, development, and demonstrations instead of $10,350,000 as proposed by the House and $11,350,000 as proposed by the Senate.

TITLE II—RELATED AGENCIES

National Transportation Safety Board

Salaries and Expenses

Amendment No. 38: Appropriates $11,260,000 for fiscal year 1976 instead of $11,110,000 as proposed by the House and $11,950,000 as proposed by the Senate.

The conference agreement includes 15 positions in addition to those provided by the House.

Amendment No. 39: Appropriates $3,095,000 for the transition period instead of $3,020,000 as proposed by the House and $3,371,000 as proposed by the Senate.

Civil Aeronautics Board

Salaries and Expenses

Amendment No. 40: Appropriates $19,295,000 for fiscal year 1976 as proposed by the Senate instead of $18,995,000 as proposed by the House.

Interstate Commerce Commission

Salaries and Expenses

Amendment No. 41: Appropriates $49,330,000 for fiscal year 1976 instead of $49,130,000 as proposed by the House and $49,630,000 as proposed by the Senate.

The conference agreement includes 15 positions in addition to those provided by the House.

Payments for Directed Rail Service

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Payments for Directed Rail Service

"For payments for rail service to railroads directed to provide emergency rail service over the properties of other carriers in accordance with 49 U.S.C. 1(16) (b), $15,000,000, to remain available until expended: *Provided,* That not to exceed $750,000 of this appropriation shall be available for necessary independent auditing expenses incurred in the administration of the directed rail service program."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE III—GENERAL PROVISIONS

Amendments Nos. 43 and 44: Limit obligations for highway beautification to $40,000,000 for fiscal year 1976 and the transition period as proposed by the House instead of $56,000,000 for fiscal year 1976 and $14,012,000 for the transition period as proposed by the Senate.

Amendment No. 45: Limits obligations for state and community highway safety and highway-related safety grants to $120,000,000 for fiscal year 1976 as proposed by the Senate instead of $100,000,000 as proposed by the House.

The conferees intend that the $12,000,000 increase over the budget request be used by the states in high payoff programs such as alcohol countermeasures and selected traffic enforcement consistent with each state's identification process.

Amendment No. 46: Limits obligations for state and community highway safety and highway-related safety grants to $30,000,000 for the transition period as proposed by the Senate instead of $25,000,000 as proposed by the House.

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with the following amendment:

In lieu of the matter stricken and inserted by said amendment insert the following:

"SEC. 306. None of the funds provided in this Act shall be available for administrative expenses in connection with commitments for the Urban Mass Transportation Act of 1964, as amended, aggregating more than $1,707,150,000 in fiscal year 1976 and $395,700,000 in the transition period, except that amounts apportioned pursuant to section 5 of that Act and not committed in the year of apportionment may be committed notwithstanding this limitation."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The breakdown of the conference agreement is as follows:

[In thousands]

	Fiscal year 1976	*Transition period*
Capital facilities grants	$1, 100, 000	$246, 500
Formula grants	500, 000	125, 000
Technical studies	38, 700	9, 200
Research, development and demonstrations and university research and training	56, 000	11, 500
Administrative expenses	12, 450	3, 500
Total	1, 707, 150	395, 700

Under the conference agreement $12,450,000 is provided for administrative expenses. The conferees feel that this is a sufficient amount to finance 460 positions.

Amendment No. 48: Limits space rental payments to the General Services Administration to 90 percent of the fiscal year 1976 standard level user charge as proposed by the Senate instead of the fiscal year 1975 rates as proposed by the House.

The conferees are concerned about the administration of this program. Information has been provided which indicates that there are significant variances in the space rental budget as proposed by GSA and the space rental estimates actually included in the Department of Transportation fiscal year 1976 budget request. The conferees believe that the matter warrants further investigation and the House Appropriations Committee has initiated an investigation of the space rental program.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to limit the availability of funds contained in this Act.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to limit obligations for certain highway construction programs to $9,000,000,000 for fiscal year 1976 and the transition period.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the Committee of Conference, with comparisons to the fiscal year 1975 amount, the 1976 budget estimates, and the House and Senate bills for 1976 follows:

New budget (obligational) authority, fiscal year 1975	[1] $3, 718, 507, 000
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	[2] [3] 4, 069, 994, 775
Transition period	[4] 997, 508, 939
House bill, fiscal year 1976	[2] 3, 744, 413, 775
Transition Period	945, 196, 939
Senate bill, fiscal year 1976	[2] 4, 194, 482, 775
Transition Period	1, 007, 687, 939
Conference agreement	[2] 3, 978, 924, 775
Transition Period	970, 721, 939
Conference agreement compared with:	
New Budget (obligational) authority, fiscal year 1975	+260, 417, 775
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	−91, 070, 000
Transition Period	−26, 787, 000
House bill, fiscal year 1976	+234, 511, 000
Transition Period	+25, 525, 000
Senate bill, fiscal year 1976	−215, 558, 000
Transition Period	−36, 966, 000

[1] Includes $68,024,000 advance fiscal year 1976 appropriation for the Washington Metropolitan Area Transit Authority.

[2] Includes $90,059,000 advance fiscal year 1977 appropriation for the Washington Metropolitan Area Transit Authority.

[3] Includes $105,020,000 of budget estimates not considered by the House.

[4] Includes $284,000 of budget estimates not considered by the House.

JOHN J. MCFALL,
SIDNEY R. YATES,
(except as to amendments Nos. 25 and 26),
TOM STEED,
(except as to amendment No. 31),
EDWARD I. KOCH,
BILL ALEXANDER,
ROBERT DUNCAN,
(except as to amendments Nos. 25 and 26),
GEORGE MAHON,
(except as to amendment No. 31),
SILVIO O. CONTE,
JACK EDWARDS,
(except as to amendments Nos. 25 and 26),
E. A. CEDERBERG,
Managers on the Part of the House.
BIRCH BAYH,
JOHN L. MCCLELLAN,
ROBERT C. BYRD,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
THOMAS F. EAGLETON,
CLIFFORD P. CASE,
MILTON R. YOUNG,
TED STEVENS,
CHARLES MCC. MATHIAS, JR.,
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

NATIONAL SCIENCE AND TECHNOLOGY POLICY AND ORGANIZATION ACT OF 1975

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 837 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 837

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1) (6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Louisiana is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes for the minority to the distinguished gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 837 provides for an open rule with 1 hour of general debate on H.R. 10230, the National Science and Technology Policy and Organization Act of 1975.

House Resolution 837 also provides that the bill be read for amendment by titles instead of by sections.

H.R. 10230 will establish a science and technology policy for the United States. It provides for scientific and technological advice and assistance to be given to the President, and provides for a comprehensive survey of ways for improving the handling of research and information.

H.R. 10230 establishes a national science and technology policy which will include findings by the Congress of fundamental needs for science and technology. It will establish the Office of Science and Technology Policy in the Executive Office of the President as well as a Federal Science and Technology Survey Committee.

Mr. Speaker, I urge the adoption of House Resolution 837 in order that we may discuss and debate H.R. 10230.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 837 provides for 1 hour of equally divided general debate on H.R. 10230, National Science and Technology Policy and Organization Act of 1975. The bill shall be read for amendment, under the 5-minute rule, by titles instead of by sections. Although unnecessary at this point, points of order against the bill are waived for failure to comply with clause 2(b)(6) of rule XI, the 3-day rule.

The purpose of H.R. 10230 is to establish a science and technology policy for the United States, to advise and assist the President in scientific and technological matters and finally the bill would implement a comprehensive survey to improve scientific research and information.

Title II establishes an Office of Science and Technology Policy in the Executive Office of the President. A Director will be appointed by the President with Senate confirmation. At the President's discretion up to four assistant Directors may be appointed. The Director will have 11 specific functions.

Title III creates a Federal Science and Technology Survey Committee, within the Executive Office of the President for 24 months. The committee will consist of 5 to 12 qualified members. The members will be appointed by the President. The committee's function will be to survey, examine and analyze the overall context of the Federal science and technology effort. The committee shall submit a final report to the President, who then has 60 days to transmit recommendations to Congress.

The cost authorization is open ended. The committee estimate, based on administration estimates, is $2.1 million for the Office of Science and Technology Policy and $1 million for the 24-month Federal Science and Technology Survey Committee.

Mr. Speaker, I propose we adopt the rule providing for the consideration of H.R. 10230.

Mr. LONG of Louisiana. I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill H.R. 10230.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10230, with Mr. Bergland in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. Teague) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. Mosher) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. TEAGUE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the past decade has been one of unusual importance for the Federal role in science and technology. It is also one of considerable fluctuation in Federal support and, while strongly influenced by space and security needs, has included marked advances in virtually all R. & D. areas.

This period saw the formation of a number of congressional committees designed to deal with the scientific upsurge. Among these was the Science, Research and Development—SRD—Subcommittee of this committee, established in 1963. Others included the House Select Committee on Government Research—known as the Elliott committee, the House Subcommittee on Research and Technical Programs of the Government Operations Committee, the Senate Government Operations Study of Executive Reorganization for Science, the Senate Subcommittee on Government Research—the latter two under the Government Operations Committee, and the Senate Small Business Subcommittee on Science and Technology.

During the mid-1960's Federal support for R. & D. reached a relative peak of about $16 billion, a little more than 12.5 percent of the total Federal budget outlay. In 1950 total Federal R. & D. support was $1.1 billion, or 2.5 percent of the Federal budget. By 1967, however, national attention was focusing elsewhere; dissension existed throughout the country for a variety of reasons; some were saying an antitechnology trend had set in. Whatever the cause, the Federal effort in support of science and technology began to drop, at least relatively, and has been dropping ever since.

The nearly $16 billion obligations for R. & D. in 1965 has increased to $20.7 billion in 1975, expenditures from $15 billion to about $20 billion. But this is a loss in relative effort from 12.6 percent of the Federal budget to 6.5 percent in expenditures, and from about 2 percent of the GNP to about 1.1 percent. That trend has been consistent since 1965 and represents a fall-off of effort in absolute as well as relative terms when inflation is taken into account.

This shifting situation caused the SRD Subcommittee to hold a series of hearings on national science policy in 1970. Subsequently, a report was issued in October of that year which contained both a rationale for the development of a national science policy and specific recommendations for carrying out such a policy. Consistency of support was a key theme.

In March 1972, the President sent Congress a special message urging renewed emphasis on science and technology, with particular attention to applications. The message indicated that something over $700 million in new money was being requested for civilian R. & D. programs. Only two programs totalling about $40 million subsequently came into being; these were the so-called Technology Innovation Programs of the National Science Foundation and the National Bureau of Standards, designed to accelerate new technology into industrial and consumer use. Such programs, initially slowed by impoundment action of OMB, have never become substantial.

1973

A major shakeup in the Federal science establishment occurred in January 1973 with the announcement of the President's Reorganization Plan No. 1, to become effective July 1. Under that plan the Office of Science and Technology was abolished and many of its functions transferred to the Director of the National Science Foundation. At the same time, the President did away with the Office of the President's Science Adviser as a separate top-level entity and the President's Science Advisory Committee; the remnant functions of these offices—national security expected—also were lodged with NSF Director, who subsequently was named the President's "Science Adviser" by letter dated July 1, 1973. Another coordinating institution, the Federal Council for Science and Technology, was retained but with the Director of the Foundation designated as its chairman. NSF itself has been providing the funding and personnel to handle these added tasks.

The reorganization plan was reviewed briefly by the Government Operations Committees of both Houses. No other action was taken, which was tantamount to congressional approval of the plan.

Meanwhile, during the late 1960's and the early 1970's virtually all the special congressional committees involved with science and technology disappeared. While several new ones have emerged, they are primarily concerned with specific missions such as enhancement of the environment, energy, or commerce. Hence, the Science and Technology Committee, in addition to being charged specifically with oversight of the National Science Foundation—which, together with its Director, is now the repository of the major science advisory functions in the executive branch, is the only congressional committee with broad authority over science and technology per se.

In light of the foregoing, the committee undertook the first part of an extensive review of Federal planning, policy and organization for science and technology through status and posture hearings. These described the basic Federal science and technology format and the objectives and modes of operation contemplated by the Executive.

The hearings were held in July 1973, and included most officials who had succeeded to the stewardship of the overall Federal science effort.

1974

Following the hearings and subsequent to review of them by the staff, the committee requested a critique of the information and plans disclosed by the hearings from three different organizations:

First. The Committee on Science and Public Policy of the American Association for the Advancement of Science.

Second. The Federal Science and Technology Committee of the Industrial Research Institute.

Third. The Science Policy Research Division of the Congressional Research Service, Library of Congress.

The work of these groups in response to the request was completed, and the three reports carried in full in the committee's interim report in 1974. Each described a variety of issues and problems which the respective groups felt should be explored.

After issuance of the committee's Interim Report on Federal Policy, Plans and Organization for Science and Technology (House Report 93-1184) which identified a broad range of issues which needed further probing, the committee undertook its second series of hearings. These were held throughout June and July of 1974 and were devoted almost exclusively to the views of non-Government authorities in the field of science policy and its interface with and between Government, the academic world, industry and foreign affairs.

Twenty-six witnesses appeared before the Committee, including all 6 of the former Presidential Science Advisers. In addition, the committee received a variety of related papers and commentaries on the subject, plus a special comparative study requested of the National Science Foundation on science advisory approaches used among other scientifically advanced nations.

1975

Upon completion of these hearings and the receipt of requested materials, the committee staff, in conjunction with the Science Policy Division of the Congressional Research Service and the Office of the House Legislative Counsel, spent the next 6 months in reviewing the testimony and materials which the committee had obtained and in making further informal investigations to fill some of the remaining information gaps.

A bill was then drafted which attempted to incorporate most of the major policy and organizational features which had been recommended to the committee and which appeared to have substantial support in one form or another. It was the intent, in drafting the bill, to address all the major issues or recommendations which had been received, and to put them together in a reasonable format that would promote further serious thought and discussion.

This bill, H.R. 4461, was introduced on March 6, 1975, by me and by Mr. MOSHER. Simultaneously, I issued an explanatory statement on the proposed National Science Policy and Organization Act of 1975. The statement sought to describe the rationale behind the bill and put it into perspective for the legislative hearings scheduled for early summer.

From the time of the introduction of the bill until the hearings began in June, the bill's sponsors and the committee staff were frequently in touch with the administration and the Executive Office of the President, seeking to elicit such preferences as the administration might have and looking toward securing its views on H.R. 4461.

On June 10, 1975, the full committee met in conference with the Vice President, who relayed some of the administration's preferences and also transmitted a proposed bill which the White House indicated it would be willing to support. I introduced the latter bill, H.R. 7830, on June 11 so that the formal hearings might cover both bills. The hearings on these bills were held June 10–23, 1975.

Upon the completion of the hearings and a further period of examination and study of materials received by the committee, Mr. MOSHER and I cosponsored a new bill, H.R. 9058, which was introduced July 30, 1975. The new bill constituted a compromise version between H.R. 4461 and H.R. 7830; the major features of that legislation, as well as H.R. 10230, follow in the next section of ths report.

The committee held markup sessions in October and ordered reported H.R. 10230, which is only slightly revised from H.R. 9058.

Mr. Chairman, at this point I would like to submit a brief summary of the evolution of H.R. 10230

EVOLUTION OF H.R. 10230

NATIONAL SCIENCE AND TECHNOLOGY POLICY AND ORGANIZATION ACT OF 1975

H.R. 4461—March 6, 1975—(Teague-Mosher)

(1) Establishes a National Science Policy (Title I).

(2) Establishes an Advisory Council on Science and Technology in the Executive Office of the President, consisting of 5 members (Title II).

(3) Establishes a cabinet-level Department of Research and Technology Operations, to incorporate a number of existing R&D agencies (Title III).

(4) Establishes a Science and Technology Information and Utilization Corporation, composed of several existing technical information agencies, to be placed within the Department described in (3) above (Title IV).

Estimated cost: $33 million/year.

H.R. 7830—June 11, 1975—(Administration):

Establishes an Office of Science and Technology Policy within the Executive Office of the President, administered by a Director—also to be the President's Science Adviser—and a Deputy. Both to be appointed by the President.

Stipulates four brief, generalized functions.

Estimated cost: $1 to $1.5 million/year.

H.R. 9058—July 30, 1975—(Teague-Mosher):

(1) Establishes a National Science and Technology Policy (Title I).

(2) Establishes an Office of Science and Technology Policy as requested by the Administration in H.R. 7830—but with differences, including confirmation of Director and up to 4 Assistants, stronger duties and functions, plus authority for the President to reorganize the Office with Congressional approval. (Title (II).

(3) Establishes a Federal Science & Technology Survey Committee in the Executive Office with from 5 to 12 members appointed by the President. The Committee is to survey the overall Federal science operation and report with recommendations for action to the President and Congress within 15 months. (Title III).

Estimated cost: $2.1 million/year plus $1 million for survey.

H.R. 10230—October 20, 1975—(Teague and 24 co-sponsors):

Same as H.R. 9058 in major respects, but with certain changes—mostly editorial and technical but some substantive. The main differences are: (a) assistant director(s) of Office do not require confirmation; (b) action of the Survey Committee is made a responsibility of the new Office with the Director as chairman; (c) Survey Committee report comes directly to Congress from the President with his recommendations, rather than from the Director; (d) the life of the Committee is extended from 15 to 24 months.

Estimated Cost: Roughly same as H.R. 9058.

Mr. MOSHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I enthusiastically support this proposal, to establish by statute an Office of Science and Technology Policy in the Executive Office of the President, and to assign the very important role of President's Chief Science Advisor to the Director of that new office.

I completely agree with the remarks of the gentleman from Texas (Mr. TEAGUE) in his support of this legislation. I count it a great privilege to have been able to work with him in the development of this proposal, and I salute him for the leadership he has shown.

I suggest that this is a truly unusual situation, an almost unique situation in some respects. Here we, in the Congress, are proposing to establish by statute a mechanism which really might seem to be strictly an internal matter at the White House level. It might seem we are presuming unduly to interfere in the President's own administrative arrangements. However, that very definitely is not the case.

It is extremely important to recognize that President Ford himself requested that the Congress by statute establish this new, strengthened Office of Science and Technology in the White House and a strengthened role for the President's Science Advisor.

Moreover, the legislation which we have before us today is the result of a very remarkable cooperative effort over a period of many weeks, in which our Science and Technology Committee staff, and especially our senior staff member, Philip B. Yeager, completely supported by the members of our committee, have worked directly with representatives of the President in negotiating and accommodating our mutual interests and in framing what we believe is an excellent bill.

In short, I am assuring this House that H.R. 10230 as it comes before us for action here today has the complete personal support of the President and of all facets of his administration.

In fact, the President spoke to me as recently as Wednesday morning, to tell me again of the importance he attaches to our approval of this bill, and of his hope that as it is debated here on the floor of the House and proceeds on to the Senate, it will emerge ultimately for his signature essentially in the form as we have it here.

Many of you will remember that President Eisenhower by Executive order first created the role of President's Science Advisor, and he made very effective use of that advisory apparatus, as did President Kennedy. President Johnson used those services relatively less, and President Nixon decided that he preferred other arrangements and by Executive order he dismantled those science advisory measures.

Our former colleague, now the President, has a long personal history of recognizing the importance of science and technology, and I happen to know that even when he was a member of this body, he went out of his way to seek advice from scientists and engineers whose judgment he had reason to trust. He personally told me at the time he was Vice President, and repeated it soon after he became President, that he felt the need for a strengthened science advisory arrangement on which he could more immediately and personally rely. It was as a result of that feeling on his part that we, in the Congress, were requested by him to accomplish this by statute.

The President feels very strongly that the effectiveness of this President's Science Advisory apparatus will be greatly strengthened if it is rooted in a charter established by statute.

That, in brief, I see as a most significant factor, basic in what we are about to accomplish today.

And, again, I want to express my personal appreciation and gratitude to Phil Yeager, of our committee staff, for the very diligent, responsible, creative role he has played as the one person most active in conceiving and perfecting this legislation. It is typical of the extremely significant, fruitful service he has given for these many years to our committee and to the Congress as a whole, and I hope he will continue to give for a long time to come. I know that Chairman TEAGUE and other committee members join me in this expression of our admiration and respect for Phil.

Mr. Chairman, I assume all of us recognize the tremendous contributions which scientists and the scientific method have made over the past half century to the quality of our national living, our strong economy and worldwide leader in so many ways.

The contributions of science have grown ever larger, but so too has the gravity of the public policy decisions which must be made increasingly involving science. And there is a growing awareness that sometimes isolated scientific developments may have potentially adverse side effects. Thus the Federal Government is being called upon to make more and more policy decisions both on scientific matters per se; and on economic, environmental and social matters where science has a strong input.

The Congress has been aware of this state of events and has taken action to insure that the decisionmakers in the legislative branch have available to them competent, independent assessments of science and technology issues. I refer of course to our relatively new Office of Technology Assessment.

In the executive branch much of that function previously was vested in the Office of Science and Technology in the Executive Office of the President. As I mentioned earlier, this Office had been established by a Presidential reorganization direction in 1973. While the Congress has been generally disappointed at this 1973 decision, we do respect the dignity of the Office of the President and the prerogative of the President to structure and staff his own Office in a way which is responsive to his wishes.

Consequently the Science and Technology Committee has approached this topic with great care and precision. The hearings on this bill and its predecessors span several years. The witnesses have included former Presidential science advisors; Federal agencies which have significant science and technology activities; respected professional groups; and leading academic authorities.

Of course, the committee has also worked closely with the White House in structuring an acceptable bill. I am privileged to say that this diligent liaison has resulted in a bill which meets all the major objectives which our committee sought to achieve and also has the President's support. On October 8, President Ford sent Chairman TEAGUE and me letters in which he expressed his endorsement of H.R. 10230.

Mr. Chairman, I would be remiss if I did not again extend my deepest appreciation to our committee chairman (Mr. TEAGUE), for his perseverance and determination in pursuing this bill. He and I originally cosponsored the bill, and it was not assigned to a subcommittee for consideration, but was handled from the beginning at the full committee level. This allowed all the committee members to participate to the fullest extent in all phases of its evolution.

Also, President Ford demonstrated his very special concern and support by asking Vice President ROCKEFELLER to give the matter his personal attention and leadership. Our Science Committee had the rare privilege this past summer of having the Vice President meet personally with our committee to discuss this subject at length. We appreciate his participation and the insights which he shared with us. The active interest of the Vice President will help assure the smooth integration of the new Office of Science and Technology Policy and its working arrangements with the Domestic Council at the White House level.

Title I of H.R. 10230 seeks to articulate a concise yet flexible statement of a national science and technology policy. It attempts to identify the major areas of scientific and technical impact, and to outline the Federal role in furthering these goals. It is flexible in that it specifically provides for frequent reconsideration and evolution of our national science policy goals.

Title II establishes an Office of Science and Technology Policy in the Executive Office of the President. The Director of the Office will be appointed by the President, by and with the advice and consent of the Senate. The Director will serve as the President's chief science adviser. The President is permitted to appoint up to four Assistant Directors.

The Office of Science and Technology Policy will assist and advise the President on scientific and technological matters of national concern. This will include a broad spectrum of topics, ranging from purely scientific questions to evaluation of budget proposals, including national defense considerations, and the organizational structure of all Federal science and technology programs.

Title III establishes a Federal Science and Technology Survey Committee appointed by the President, to consist of from 5 to 12 distinguished individuals in science, engineering, or closely related fields. The Survey Committee will conduct an in-depth examination of the overall Federal science and technology effort. It will address topics such as organizational reform and realinement, improvements in handling scientific and technological information dissemination, and more efficient ways of promoting progress in the sciences.

The Director of the Office of Science and Technology will serve as Chairman of the Survey Committee, and it will have a lifetime of 2 years, by which time it will submit a complete public report of its findings, conclusions, and recommendations.

Mr. Chairman, I am sure that the contributions of science and technology during the years immediately ahead must be fully as significant, often revolutionary, as we have known in the recent past. The action which we take today insures that the President will have at his disposal a small but high-caliber office to assist him in addressing and evaluating all these vital scientific and technological matters. Such an advisory capacity was desirable and effective in the past and should be ever more important in the future as our ways of life become increasingly complex.

Science has served our people well. This bill should make the Federal science and technology effort more cohesive, more effective. As the Federal share of our Nation's total scientific research and development continues to grow vis a vis the private sector, better planning and allocation of resources is essential. Increased coordination will permit our progress to continue in a more orderly and efficient manner.

Mr. Chairman, I believe that H.R. 10230 is a bill which deserves the wholehearted support of all of us.

Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Chairman, today, I ask my colleagues for their full support on H.R. 10230, the National Science and Technology Policy and Organization Act of 1975.

The implementation of this new National Science Policy will more clearly define the role of science in our society. This bill will establish an Office of Science and Technology Policy in the Executive Office of the President. The Director of the Office will serve as the science advisor to the President—a position that will assure the President's complete knowledge of science and technology issues.

The establishment of a science advisor will facilitate integration and cooperation among our science agencies. This country has a critical need to coordinate the components of the national laboratory system in performing energy research and development.

Much has been said in ERDA authorization hearings about the virtues of using in-place technical expertise to solve the Nation's problems in energy research and development. However, little attention has been paid to maintaining the institutional integrity of the national laboratory entities outside of ERDA under such arrangements.

The shortsighted approach "if the customer wants it, let him pay for it" taken to the extreme for interagency programs seems rather simplistic. It would, of course, be unreasonable to expect agencies such as NASA to unilaterally allocate considerable resources to energy research and development technology in the face of their own priorities and charter. This can only be done by someone who is truly "above the fray."

Certainly, it would be a tragic waste for the country not to summon help from every corner to meet the energy challenge. However, we realize that ERDA may decide that the requirements of extra-institutional arrangements are not compensated for by acquisition of needed expertise. I hope that the NASA program/project management approach, for example, with its rather clean operating guidelines will allow for effective technical management cooperation with ERDA.

Science and technology programs should be centrally reviewed to assure rational allocation of funds and resources. Presently such an allocation as there is occurs only after the individual agencies have satisfied their particular needs for manpower and facilities.

Just this simple example on the role of national laboratories in energy research and development demonstrates that the President's science adviser must have the confidence of the President to play an active role in the distribution of interagency resources. In order to truly address national priorities, he must be a true intermediary.

Mr. Chairman, H.R. 10230 will enhance our national science effort. The role of science and technology is important to attain many of the goals important to the future of our Nation. We must act today if we are to realize these goals.

Mr. TEAGUE. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I want to commend the chairman of the committee, the gentleman from Texas (Mr. TEAGUE), the gentleman from Ohio (Mr. MOSHER), and all the other members who have worked so hard on this legislation. I also wish to express my appreciation for the cooperation we received from the executive branch and all the others who helped us in our efforts in trying to establish a Science and Technology Policy Office once again in the White House.

Mr. Chairman, in January of 1973 President Nixon abolished the Office of Science and Technology which had been created originally by a Reorganization Act in 1962 for the purpose of helping the President coordinate the various Federal research and development programs and to assist the Congress with timely information in these areas when requested.

The Committee on Science and Technology, recognizing the concern among the scientific, academic, and industrial communities which resulted from the abolition of OST began an extended inquiry into the problem. Hearings were held during the summer of 1973 to determine how matters OST had handled in the past would be taken care of under the new arrangement, which placed the remnant functions of OST in the Director of the National Science Foundation.

After a year's operation of the new system, the committee held hearings in June and July of 1974 to study its effectiveness. The consensus was that a different mechanism was needed within the Executive Office to advise on scientific and technological considerations involved in all areas of national concern. It was also evident that an additional in-depth survey of the Federal role in science and technology should be made, including missions, goals, personnel, funding, organization, facilities, and activities in general.

Legislation was introduced to the foregoing effect and, as hearings were again conducted in June of 1975, the administration concurred in the effort, forwarding suggested legislation of its own. H.R. 10230 represents a compromise version between the legislation the committee originally proposed and that recommended by the administration. The bill is the result of considerable liaison between the committee and the Executive Office of the President and has the endorsement of the President.

SUMMARY OF THE BILL

Title I sets forth a national science and technology policy which includes:

(1) Findings by Congress, and (2) Declaration of Policy comprised of: (a) basic principles, (b) methods of implementation, and (c) procedures.

Title II establishes an Office of Science and Technology Policy in the Executive Office of the President:

(1) Provides for a Director to be appointed by the President and confirmed by the Senate, who also serves as the President's personal science adviser; (2) Permits the President to appoint up to four Assistant Directors at his option; (3) Specifies functions for the Director as head of the Office; (4) Authorizes the President to reorganize the Office later, with congressional approval and within certain time limits.

Title III establishes a 24-month Federal Science and Technology Survey Committee within the Executive Office of the President. The committee will consist of from 5 to 12 qualified and representative members appointed by the President, will be chaired by the Director of the new Office. The committee is to survey and analyze the overall context of the Federal science and technology effort and report its findings and recommendations to the President. The President then has 60 days to review the report and transmit it to the Congress with his recommendations.

COST

When in full operation, the estimated cost of the Office is about $2 million per year. The cost of conducting the 24-month study by the Survey Committee is estimated at $1 million.

Mr. MOSHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Chairman, I want to add my strong endorsement of this bill in the light of the overall experience of the Science and Technology Committee. Each of the seven subcommittees of this committee has dealt with major research and development issues which cross agency lines and call for a voice "above the fray" for their resolution in the executive branch. I think this bill provides for precisely that kind of voice with good assurance that it will be heard by the President.

The need for interagency cooperation in energy research and development comes to mind immediately because of the pressing importance of this national priority. Both Energy Research, Development and Demonstration—ERDD—Subcommittees have seen a clear need to use existing expertise in the national laboratories outside of ERDA. Such coordination of in-place expertise in agencies such as NASA would ideally be handled by a third party in order to maximize the efficiency of utilization while minimizing conflict with intra-agency priorities.

In the sense of seeking new directions for existing resources our Space Science and Applications Subcommittee has recognized the problem of NASA's changing role in this post-Apollo period. The capability of NASA to carry our space and aeronautical research and development expertise and methods to other technologies is clear to the committee. It has also noted that space and aeronautical facilities may also provide valuable service in attacking energy and environmental problems.

Our Aviation and Transportation R. & D. Subcommittee has recognized the critical need for coordination of NASA, FAA, and EPA efforts in assuring advanced transportation systems which are environmentally acceptable. It would seem that a third party would prove most valuable in maintaining these important interfaces between the technology agencies and their regulatory sister agencies, all within the framework of a national transportation policy.

The Environment and Atmosphere Subcommittee has seen important interagency partnerships develop such as the NASA/NOAA programs in weather satellites. Now the challenge of delineating the ozone depletion problem requires complementary work by several agencies with the ever-present problem of treating technological/regulatory interfaces. Certainly a science adviser "with the President's ear" might aid in resolving any jurisdictional questions so that the needed data can be gathered and disseminated by the appropriate agencies.

The recent oversight hearings on agricultural R. & D. have pointed out critical interdepartmental aspects of this technology. The content and progress of our agricultural R. & D. cannot be considered separately from the world food problem because of the key role of the United States in improving food production techniques. Obvious interagency aspects emerge in the context of the role of the State Department in formulating a central export policy as well as Agriculture's need to oversee transfer of technology to developing and developed nations. The demonstrated usefulness of remote sensing technology for crop and weather forecasting has highlighted the need for facilitating the transfer and application of aerospace technology to the agricultural sector.

The experience of the Science Research and Technology Subcommittee has here not been restricted to the substantive hearings which finally led to this legislation after continued attention by the full committee. In its role overseeing NSF authorization, the subcommittee came to understand the need for the President's advisor to be serving full-time in that demanding role rather than an agency head wearing a "second hat" in the latter role.

In summary, Mr. Chairman, there have been a parade of substantive issues of any interagency nature which have come before each of the Subcommittees of the Science and Technology Committee. By their very nature, these issues require extra-agency mechanisms and advice which go beyond what is presently available. Only an Office of Science and Technology Policy can effectively coordinate these matters in such a way as to provide a cohesive focus for the allocation of interagency resources in terms of manpower and facilities.

Mr. Chairman, I urge my colleagues to join me in voting for H.R. 10230. The coordination, oversight, and interface function which the Office of Science and Technology Policy will perform can be as important as the substantive role of an individual agency.

Mr. MOSHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, I strongly support H.R. 10230 and encourage my colleagues to join with me in giving this important legislation our enthusiastic backing.

We have seen the National Science and Technology Policy and Organization Act take shape during the past several years. The present science policy bill is a result of extensive research and analysis. The hearings on this bill and its predecessors span the past several years, with participants including Vice President NELSON ROCKEFELLER, former Presidential science advisers, numerous Federal agencies with fields related to science and technology, many finely reputed professional groups, and leading academic authorities. This bill began on the full committee level so that it could receive the full attention of each member from the time of its inception. Each subcommittee has made valuable contributions to the formation of a national science policy.

The passage of H.R. 10230 is important to America's position as a world leader in shaping the consequences of science upon national and international events and trends. We must recognize the growing role of science and technology in shaping the ways in which nations and peoples interact with each other in an interdependent world. Science has a great deal to contribute. We must utilize science to the fullest as a bridge to the rest of the world through shared goals and shared discovery.

The important role of science and technology has been overlooked for far too long. The level of effort in scientific research and development has been gradually dropping during the last several years. The inclusion of an Office of Science and Technology Policy in the Executive Office of the President will help the President to better coordinate the Federal effort in science and technology. The Office will assist and advise the President on scientific and technological matters of national concern. This action will assure us that the President will have a knowledgeable office at his disposal in analyzing and evaluating scientific and technological matters.

Such an advisory council will be increasingly important in the future as the role of science and technology grows. We cannot underestimate the position that science holds in our society. Science and technology is inextricably bound together with many of the economic and social issues facing us today. We must put science and technology in its proper perspective, realizing the impact that science holds on our future, and thus act accordingly now.

The Office of Science and Technology Policy will serve to add consistency and unity to our Federal scientific effort. H.R. 10230 will serve to harmonize the often diffuse scientific research conducted in Federal agencies.

H.R. 10230 also establishes a Federal Science and Technology Survey Committee, consisting of from 5 to 12 highly skilled individuals in the scientific field. This survey committee will examine the overall Federal effort in science and technology, and will analyze now to promote cohesion and cooperation among the Federal agencies concerned with scientific and technological matters.

Mr. Chairman, H.R. 10230 is a result of extensive research and planning by the members of the Science and Technology Committee. This bill is constructed so as to deal effectively with those problems encountered by past Congresses. It will greatly aid the President and Congress to better tackle the many problems and issues our country will be facing in the future. I urge my colleagues to cast a positive vote for H.R. 10230.

Mr. MOSHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MYERS).

Mr. MYERS of Pennsylvania. Mr. Chairman, I chose to cosponsor this important bill because I feel that we must officially recognize the increasing importance of science in most aspects of our life and because scientific input must be readily available to policymakers at the highest levels.

Scientific and technological aspects of our major problems are becoming more complex, but few of our leaders have concentrated in science or engineering in college or graduate school. There must be someone available at high levels who thinks like a scientist, who can recognize planning flaws caused by technological misestimation or errors caused by overlooking a practical, scientific aspect of policy implementation.

The energy crisis and the unemployment problem are two obvious areas where technological know-how can improve the sophistication of planning. The President must have someone available who has a feeling for the technological aspects of improving productivity. He must have someone who, based on training and experience, has a feeling for whether an energy plan which looks good on paper can actually be implemented. We would not require the President to make major decisions without the availability of high level economic advice. Likewise, we can no longer require him to make these decisions without readily available scientific expertise.

I hope, Mr. Chairman and fellow colleagues, that you will agree that the minimal number of dollars required by this bill will be dollars well spent.

Mr. TEAGUE. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Chairman, title II of this bill would make available to the President a new organizational entity to assist in using science and technology in national decisionmaking—an Office of Science and Technology Policy, whose Director also serves as science adviser. The basic premise is not to insist upon a particular style of scientific support for the President, but to provide a way of mobilizing expertise in the President's behalf. The President can use the Director of the Office, and such Assistant Directors as are appointed, in whatever manner he chooses. In any case, the Office would speak for the best public use and understanding of science and technology and not as an advocate for science and technology per se.

Numerous witnesses have contended that as the Federal role and support structure for R. & D. has grown, so has grown the need for better awareness and attention at the highest levels of Government. Increasingly complex scientific and technological issues confront the President. Off and on since the beginning of World War II, the Nation has been debating the issue of how best to incorporate science and technology into national decisionmaking.

World War II led to widespread use of science and technology by our allies, our enemies and ourselves. For the first time, a President had what amounted to a "science adviser"—Dr. Vannevar Bush, who marshalled the U.S. scientific and technological effort and worked closely with President Roosevelt.

Dr. John Steelman was designated by President Truman to head a Scientific Research Board in the Executive Office of the President. Close personally to the President, Steelman also acted as the President's liaison with the scientific community.

From 1952 until late 1957, science advice for President Eisenhower was provided by a Science Advisory Committee through the Director of the Office of Defense Mobilization. With the launch of Sputnik in October 1957, science and technology came once again to center stage and President Eisenhower created the position of Special Assistant to the President for Science and Technology. Dr. James R. Killian, Jr. was appointed to the post. Also, ODM's Science Advisory Committee was reconstituted as the President's Science Advisory Committee—PSAC.

In time, Congress became dissatisfied with these steps and pushed for a more formal arrangement. In mid-1962 President Kennedy established an Office of Science and Technology—OST—and his Science Adviser then wore several "hats," including Science Adviser to the President and Director of OST in the Executive Office of the President.

In January 1973, President Nixon announced Reorganization Plan No. 1 of 1973 which abolished OST and PSAC, and transferred the function of Science Adviser to the Director of the National Science Foundation as an additional duty. Hearings were held by the Government Operations Committees, but the prevailing mood seemed different from that of 1961–62 when President Kennedy was more or less persuaded to establish OST. The view in 1973 seemed to be, "If the President doesn't want a science advisory capability in the Executive Office, there is no point in making him keep one."

Our committee's inquiries have produced very few outside the administration—in 1973—who really approved the present setup. Virtually all of the committee's other testimony indicated a conviction that the dual role of the Science Adviser and the Director of the National Science Foundation was not tenable.

Almost no one has wanted to reestablish OST in its former format. But there have been many organizational suggestions. These include, for example, the one-man personal adviser to the President; the Council of Advisers with no one Presidential Science Adviser; a Council of Advisers whose chairman also serves as the President's Science Adviser; ad hoc advisory panels, and so on.

Undoubtedly one of the suggestions which has had the biggest impact is that of the National Academy of Sciences' Killian Committee to which all of the former Presidential Science Advisers appeared to subscribe, with the exception of Dr. David. He proposed an Office of Research and Engineering Management within the Executive Office, not at the level of a department, but at a level of protocol equal to that of OMB.

During hearings in 1974 it became clear the committee was really dealing with several different issues. It was not just dealing with advice, it was also dealing with research and development management including the handling and use of science and technology information. It further became apparent that while these were part of the same picture they probably warranted separate consideration and treatment. The original Teague-Mosher bill (H.R. 4461) did this.

It was also a critical recognition so far as the structure of H.R. 10230 is concerned.

Hence the substance of title II. That title encompasses the duties and functions of the proposed Office of Science and Technology Policy and its Director. The number of statutory assistants may run from 0 to 4 depending on the President's desire.

Among the important features of this title are: First, evaluating the quality and effectiveness of the Federal R. & D. effort; second, advising the President with regard to scientific and technological considerations in all major fields including national security; third, advising and assisting in the development of Federal R. & D. budgets; and fourth, developing criteria for optimum levels of Federal R. & D. support in accordance with the principles established in title I.

It is also important to note the reorganization feature which would permit the President to recognize the advisory setup within his own Executive Office, unless vetoed by both Houses of Congress. However, the President could not simply abolish the advisory setup and replace it with nothing. He could alter it, but he would be obliged to establish something in the place of whatever advisory arrangements were in existence.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. Yes, I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, I rise in support of H.R. 10230—but especially I rise to support two distinguished Members of the House. "TIGER" TEAGUE and CHARLIE MOSHER have been carefully and diligently building a legislative background for this bill since 1969.

Starting in early 1973, they began hearings following the abolishment of the Office of Science and Technology in the White House. During the past 2½ years they have been working to prepare this specific bill. In the best tradition of the open congressional forum they have sought opinions, advice and counsel from many sources: Members of Congress, representatives of the academic community, the administration, industry groups, the scientific community, and professional associations.

More recently, both "TIGER" and CHARLIE have met with the President to discuss the legislation—because it does affect the President's organization and staff. In summary, our distinguished colleagues have patiently and carefully fashioned a bill which will serve national needs, help the President as he faces tough decisions, and help the entire Congress in matters concerning science and technology.

But beyond this specific legislation—which I think of as the Teague-Mosher bill—I wish to acknowledge their outstanding work in creating better understanding of the important role of science and technology in the world today. They have been in the forefront of insuring that science and technology are used to improve the well-being of our people—and our fellow passengers on the "Spaceship Earth."

"TIGER" and CHARLIE have grasped the meaning of an interrelated world. They understand that problems such as energy, food, the environment, and resources are world problems and that science and technology will have much to offer in future years in seeking solutions to the problems we are struggling with today. The Teague-Mosher bill can go a long way toward providing the proper scientific focus and advice for the Presidents of our great country in the decades ahead.

Mr. TEAGUE. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Chairman, there are many factors which form the backdrop of this bill. They can be found at frequent intervals throughout the four volumes of committee hearings and the three committee reports which comprise some 3,500 pages of testimony, data, findings, and recommendations.

The following reasons, however, are of special significance.

First. We recognize the prominent role which applied science has played in producing the great problems of modern civilization—the crowding and congestion, the excessive gobbling of natural resources, the dangerously shifting foundations undergirding the economy, the disruptive social influences abroad in the land, and so on. Indeed, such recognition was directly responsible, and in large measure, for the concept of technology assessment and the formation of the legislative office which now bears that name. We know the need to understand as best we can all the probable impacts of technologies as they develop—good and bad.

Second. We are further aware, particularly as we look about and see the critical problems facing us with regard to food, energy, materials, security, economic strength, and the like, that the solutions to our problems depend in some way upon the judicious use of better technology. Former Presidential science adviser Dr. Edward E. David has put it succinctly:

> Can we be sure that science and technology will find the answers? Can we be sure that solutions to our problems exist? No, but we can be sure that nothing but science and technology can find them if they do exist.
>
> To put it as bluntly as possible: science and technology must anwer our problems. If they don't, nothing else will.

This may be overstated, but its germaneness to the needs of our era has been recognized, openly or tacitly, by every administration of the past 45 years.

Third. We have, finally, arrived at the solid conclusion that a statutory base of some kind is essential to bring order and stability to the Government's use of science and technology. For science and technology are an element of our contemporary culture as pervasive and important as economics or education or labor or environment. Like them, science and technology are interwoven into all the major missions with which government is involved. Like them, science and technology should be fabricated concretely and statutorily into the managerial and policy structure of our National Government.

We have no desire to force a science advisory mechanism on the Executive Office which the President may find distasteful or foreign to his mode of operation. That is wheel spinning. But we are inclined to believe—having watched the handling of science and technology on an ad hoc basis by a long succession of administrations—that a firm science and technology policy is needed; a dependable though flexible science advisory system is needed; and a high-level, influential base for the definition and coordination of such governmental activities as are inherently devoted to or dominated by science and technology is also needed.

Our evidence strongly suggests that these are all integral parts of a single theme and should be treated together.

Moreover, Mr. Chairman, it may appear on the surface that this legislation is primarily related to the area of science and technology. But that is to view its purpose and potential usefulness too narrowly.

The establishment of the Office of Science and Technology Policy should help to insure that better decisions are made in the Office of the President. The majority of the tough problems coming before any President—now and in the future—will have a number of elements: Political, economic, social, to mention several. Additionally, an increasing number of these problems will have a high content of scientific and technological considerations.

Therefore, it is important that the President have available the best possible advice from a variety of knowledgeable sources. The Office proposed in title II should help in better national decisionmaking at the Presidential level.

Aside from the advantages for the executive branch, the Congress should reap significant benefits from this legislation. While the Committee Reform Amendments of 1974 gave the Committee on Science and Technology new jurisdictions, most of the committees of the House continue to deal with legislation and programs having close connections with scientific and technological matters.

Such connections are amply demonstrated in a publication issued by the Congressional Research Service for each Congress. The title is "Congressional Organization for Science and Technology" and it shows the involvement of many committees with science and technology. In fact, 17 of the standing committees of the House deal with matters having a considerable component of science and technology.

Therefore, the Congress as a whole should be able to look to the new office in insuring that important scientific and technological factors are given proper attention.

Mr. BELL. Mr. Chairman, I wish to enthusiastically lend my support to H.R. 10230, the National Science and Technology Policy and Organization Act of 1975. This bill recognizes a spectrum of important views from those of former Presidential science advisers to many working level scientists and engineers.

Indeed, from the outset, the Science and Technology Committee sought opinions from every sector of the scientific and engineering community including advisory bodies and technical societies as well as many individual academic and industrial spokesmen. It would be presumptuous to claim that every voice of substance has been heard in framing this bill but certainly no reasonable input has been disregarded.

It is principally because of the scope of its inquiry into every technological quarter that the committee feels it can expect strong support from the scientific community for passage of this bill. This meaningful endorsement is representative of every major Federal technology agency, the university, and all elements of private research and development sector. These scientists and engineers need tangible evidence that there is a mechanism for communicating their priorities to the President. It is not enough for the various agencies, industry and the universities to lobby indirectly for science and technology in their yearly competition for the budget dollar.

Indeed, the budget process does not lend itself to direct discussion of the technical merits of projects nor does it assure arrangement of priorities of such work across agency lines. Only a science adviser or council can provide the needed focus for broadly assessing the need for national resources above the day-to-day parochialism of intra-agency affairs. The Office this bill creates is intended to serve a more far-reaching purpose than the Council of Economic Advisers. Economics is not as scientific a discipline as science or engineering and certainly not as reliably quantifiable. Also, the science adviser must go beyond a tenuous advisory capacity and keep abreast of the various budgetary submissions in order to provide an overview to the President for his assessment of R. & D. priorities.

Thus, Mr. Chairman, I support this bill because it addresses the need for visibility of scientific and technological advice at the highest level of Government. Certainly this visibility should assure the thousands of scientists and engineers "in the trenches" that this country is seriously attempting to make the best use of their know-how in energy, space, and other intensely technological areas. Without their continued support and increased productivity this country cannot hope to compete in turning out tomorrow's technology.

Mr. BROWN of California. Mr. Chairman, I rise in support of this legislation, and wish to add my own praise to that already offered to the Members and staff who have worked long and hard on this legislation. In considering the National Science and Technology Policy and Organization Act of 1975 here today, I wish to add one note of caution. As a strong supporter of this bill, and a firm believer in the need to enhance the role of the scientific community in the decisionmaking process. I would not want the importance of the reestablishment of a science adviser apparatus in the White House to be exaggerated or misconstrued by any of the parties concerned in the Government, the scientific community, the technology community, and the public at large. The fact that we are setting up a Science and Technology Survey Committee, with specific duties and functions which could affect the future structure and duties of the new Office of Science and Technology Policy demonstrates that the Committee on Science and Technology recognizes the limitations of the legislation before us.

While we are quite properly stressing the importance of this bill, and I do not believe anyone can mistake the intent, nor fail to see the limitations of this legislation if they read the report accompanying this bill, there is always that chance. For this reason, I wish to insert in the RECORD an article from the October 24 issue of Science magazine. This article reviews a report, funded by the National Science Foundation, entitled "Lessons for American Policymakers From the British Labor Government's 1964–70 Experience in Applying Technology to Economic Objectives." The title of this report is self-explanatory, and I would like to add that I expect that American policymakers will avoid the problems that the British encountered.

The article follows:

SCIENTIFIC OPPORTUNITIES SYNDROME: INVOKING THE BRITISH EXPERIENCE

An irony of recent economic history is that Britain, which was one of the victors in

World War II, has lagged in postwar economic development, while nations which suffered military defeat or occupation have surged ahead. Germany, Japan, France, and Italy recorded their economic "miracles," while Britain, the dowager of trading nations, suffered chronic troubles with its balance of payments position and watched its relative economic rank among nations steadily decline.

An analysis of the British experience in the 1960's, combined with an attempt to point a moral for American policymakers, is the substance of a report* for the National Science Foundation (NSF) by Alan G. Mencher, a former U.S. science attaché, whose 7 years in the London embassy roughly spanned the years during which the British moved from faith to skepticism on the question of the sovereign power of R & D in the economy.

There would seem to be lessons here for other nations to consider, since the first British government headed by Prime Minister Harold Wilson came into office in 1964 brandishing a campaign commitment to use science and technology to improve the international competitiveness of British industry. The political stakes were, therefore, unusually high and the priorities given the effort were set accordingly.

Mencher and his collaborator, Michael Beesley, professor at the London Graduate School of Business Studies, have contributed to a strong revisionist trend in science policy literature which has been gaining ground in recent years. Their salient point, that an unexamined assumption that science and technology can be deployed to solve virtually any problem confronting government, has led to a number of signal—and inevitable—failures, is not original. The same point is made, for example, in the recently completed three-part study *Research Systems* from the Organization for Economic Cooperation and Development (*Science*, 30 May 1975). But the new report gives the fallacy a catchy title, the Scientific Opportunities Syndrome, with obvious acronymic possibilities (SOS), and provides a detailed exposition of the origin and consequences of the error.

The analysts agree that scientists accrued the prestige and power and the confidence to influence policy through the successes of science in World War II and later in the space program. The Mencher report describes the syndrome as follows:

Thus, both in the U.K. and U.S. there have been spare scientific and technological resources: a compulsion to derive spin-off benefits beyond the needs of the original mission; an attitude of great expectations resulting from achievements of the heroic scale programs with a consequent high level of confidence developed in the ability of scientists to match these resources to national concerns according to a procedure which we have identified and designated the *Scientific Opportunity Syndrome* (SOS). It invokes the following sequence of precepts:

1) National concerns can be met by using available or by developing appropriate new technology.

2) The identification and development of the technological solution to a national concern is the mission of the scientists and technologists whose task it should be to link the two together.

3) They discharge this mission by locating and removing obstacles to the implementation of the identified technology and/or by improving or creating an appropriate environment or causing it to be created.

4) If after changing the environment and/or removing the major obstacles the problem remains, further improvement of the environment and the removal of other obstacles are required.

5) Repeated failure is attributed to inadequate application so that the procedure is continually extended even if the situation deteriorates.

A major portion of the report, and the sections which may well be of greatest interest to American readers, describes the evolution of the Ministry of Technology during the Labour governments headed by Harold Wilson from 1964 to 1970. The report's account of the Ministry of Technology (Mintech), used as an illustration of the working of the SOS is headed "An error of system definition." The progenitor of Mintech was Lord Blackett, a physicist who had emplaced himself in the British establishment in part by his status as the "father" of operations research in World War II.

In the postwar years Blackett advocated applying operations research techniques to civilian problems, notably to British industry, and his prestige and ties with the Labour party ultimately made it possible for him to apply his ideas. The first Wilson government came into office in 1964, promising to link "socialism to science and science to socialism" and pledging to do it in "the white heat of a scientific revolution." The instrumentality was to be the Ministry of Technology, which was largely Blackett's brainchild. The trouble, according to the report, was that Blackett and his colleagues were not true to their own operations research principles, failing to take into account the full magnitude of the difficulties facing them in applying R & D to large-scale problems in industry.

The main strategy was to use scientists and engineers in government research stations; also the National Research Development Corporation (NRDC), intended to fund astutely targeted research in industry, to spur British industry to greater productivity. In practice, Mintech officials simply didn't know what to do to achieve the goals set for their department.

In 1966, Anthony Wedgwood Benn became minister of a noble experiment that threatened to become a political embarrassment. Benn, who had made his first mark in public life by renouncing a hereditary peerage in order to remain a Labour MP, is an ambitious and savvy politician who seems to have immediately recognized the perils and the opportunities at Mintech. He took seriously the evidence emerging of a lack of correlation between R & D and economic growth and altered the course of his department, without, however, repudiating the original objectives.

He succeeded in making Mintech into a different sort of organization with a main role, as the report describes it, of "delegate for industry." Mintech became, so to speak, the representative of industry within government. It embraced the function of "sponsorship" of industry, arguing the case in the cabinet for assistance for industries in trouble, pleading and pushing for "rationalization," whether it meant favoring the larger more efficient firms in a particular sector of industry or encouraging mergers and consolidation among small firms.

The Labour government was unseated in 1970, but when Labour won again in 1974, Benn became Secretary of State for Industry, the equivalent of the job he had held at Mintech. This time he was bolder and more active as an independent political operator seeking to establish a leadership position on the radical left of his party. He had also refined the philosophy he had developed in his later years at Mintech and promoted plans for further nationalization of industry and for a policy of "participation," by which he said he meant essentially the old socialist idea that policymaking in industry must be more broadly based, principally by including workers in the process. His views raised considerable alarm in the private sector of British industry. Benn's highly vocal advocacy of British withdrawal from the European Community at the time of the referendum on the issue last June led to his being moved from the industry post, but not from the Cabinet. He now holds the energy portfolio.

As science attaché during the period, Mencher was well placed to observe developments. During those years, he organized a series of discussion meetings on management and technology, enlisting traveling Americans with acknowledged expertise in management and technology from industry, universities, and think tanks, and inviting British industry and government officials to what proved to be popular sessions. The contacts Mencher made during his long tour in the attaché's office seem to have talked to him with considerable candor about the ups and downs of Mintech. The report's interpretation of the progress of Mintech appears to elicit the assent of those familiar with the inside workings of the ministry, including, for what it's worth, since he comes off generally rather well, a commendation from Benn. Benn recently wrote Mencher a complimentary letter saying that the report "will stand as one of the most authoritative judgments that could have been made on that Department."

If the scientific opportunity syndrome helped lead Britain astray, what is the way to get the country back on the track? The report recommends a systems approach; the authors offer what they call a "system paradigm for policy selection." This comes with a theoretical superstructure, complete with a flow chart and some terminology borrowed from cybernetics, but proves to be fundamentally "no more than a guide to logical thinking."

One important thing the report urges is that government officials, in seeking to convert policy objectives to operational goals, look more realistically at the market. The report provides a concrete example of what can happen when market conditions are not taken fully into account with an interesting section on the British machine tool industry. That industry was the subject of intense concern and support efforts by government with little evident effect on its decline.

A reader of the report may decide that the authors are attributing too much to the scientific opportunity syndrome. In fact, they concede that "slow economic growth was chronic and persistent in Britain dating from early in the century," and can be traced at least partially to "cultural factors." British industry found it hard to adjust to the passing of the doctrine of imperial preference. Industry continues to suffer from acrimonious us-and-them, Upstairs, Downstairs feelings. And traces of aristocratic attitudes hang on in the cult of the gentleman amateur, which seems to perpetuate bad management in industry, and in the scientist's eschewing technology for basic research. About which of these and other causes merits most blame one can only speculate, but, cumulatively, they have given the British a long era of economic disappointment.

In applying their analysis to the American scene, the authors focused mainly on what they call a White House Science Presence (WHSP), a subject which, of course, has preoccupied many of those concerned with science policy in the United States. The new report does examine several U.S. Executive agency programs, including the New Technology Opportunities (NTO) program of the early 1970's which was headed by William T. Magruder. NTO was designed to marshal ideas for new major initiatives and the ob-

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**Lessons for American Policy Making From the British Labor Government's 1964–70 Experience In Applying Technology to Economic Objectives*. A limited number of copies are available from the London Graduate School of Business Studies. The study was supported by the Office of Exploratory Research and Problem Assessment in NSF's Research Applications Directorate. No decision has been made on whether NSF will publish the report.

jectives set for it were in several ways similar to those set for Mintech. NTO, after creating an initial furor, faded away because of resistance from the regular bureaucracy and a loss of interest at the White House.

Not surprisingly, the authors find that NTO and the other examples fit snugly into their SOS schemata. American readers generally familiar with the examples used, however, are likely to feel that these programs were killed off or modified exactly because of the sort of skepticism about scientific opportunities which the authors counsel.

As for the White House science machinery, the authors see the President's science adviser trapped in the scientific opportunities syndrome mainly because he is unable to ascend to the top policy-making role envisioned for him by American statesmen of science. The report suggests that the science adviser be cast in the more modest role of "agent of change," acting as a realistic broker to achieve the aims of the President by negotiating with federal agencies to fashion programs consonant with their capabilities and self-interest. Mencher thinks that the present argument under which the science adviser is based in the National Science Foundation is not a bad one, but predicts that the WHSP cycle is likely to be repeated with a science adviser reinstalled in the White House and subsequently sloughed off again.

Discussion among American science policy commentators has been showing signs of inbreeding, and the Mencher report offers a variant strain of thinking. The point that too much attention has been given to the inner sanctum of science policy and not enough to the operational level seems well taken. And it is always salutary to remind policy-makers to take a hard look at what Aldous Huxley called "the major inarticulate premise."—JOHN WALSH.

Mr. ROUSH. Mr. Chairman, I am in full support of this legislation, H.R. 10230. I believe we should establish an office of Science and Technology Policy in the Executive Office of the President to be sure that adequate emphasis is placed on science and technology among the national goals enunciated by the President.

I am especially interested in another section of the bill which establishes a Federal Science and Technology Survey Committee to study a broad variety of subjects within the overall context of Federal efforts at science and technology including institutional reorganization.

As a founding member of the Science and Astronautics Committee, now the Science and Technology Committee—a name and emphasis change which I heartily endorsed—I have long been interested in how science is used in this country to serve the needs of the American people, their health needs, business interests, the foreign trade balance and educational efforts. I have long felt that the taxpayer deserves a full return on the dollars that are spent in Federal efforts at research and development. I believe NASA in particular has done an excellent job in this regard. A number of medical inventions that are taken for granted in our hospitals today trace their origins to research and development for landing men on the moon. I am convinced that research performed by the Defense Department, by HEW, by various agencies within the Commerce Department, to name a few, could be turned into valuable technological improvements for the American consumer. It has happened and is happening, but not frequently enough.

For several years, I have sponsored legislation endeavoring to unify our technology utilization efforts at the Federal level. It is my hope that the Federal Science and Technology Survey Committee will give careful consideration to such a reorganization during their 2-year study.

Mr. WIRTH. Mr. Chairman, I rise in support of H.R. 10239, the National Science and Technology Policy and Organization Act. I cosponsored this bill because I believe that it is crucial for the White House to have readily available competent advice on science and technology matters. The impact of advancing technologies is of national and even global significance, and needs more attention in the national policymaking process. The science advisor and staff authorized by this legislation should bring an expertise to the President's deliberations which will go a long way toward meeting that need.

In addition, the scientific community will benefit from the leadership and coordination provided at the highest level of the executive branch by the Office of Science and Technology Policy. I am hopeful that the existence of this office will help to focus and shape scientific research and development in areas of importance to our Nation. And by bringing about coordination of research and a more rational ordering of our scientific priorities, it will help us get our money's worth from our science dollars.

Finally, I was very pleased by the inclusion in this bill of a congressional statement of general principles of science policy. Especially important is the emphasis on a national strategy for direction of science and technology based on a continuous appraisal of our goals and policies. The statement of principles also recognizes the importance of the environment and careful use of our resources, and its relationship to the ability of new and improved technologies to influence the economy.

I urge the Members of this body to vote in support of this bill.

Mr. BELL. Mr. Chairman, I wish to rise in support of H.R. 10230, the National Science and Technology Policy and Organization Act of 1975.

First of all, I would like to state that I fully support the principles of this legislation. There can be no doubt that we as a nation need to make the most efficient use of the scientific talent that is a part of our human resources. This new Executive Office of Science and Technology Policy will provide more careful planning and coordination at or near the highest Government decisionmaking level than previously has been possible. This office will allow policymakers to take a broader view of our needs and also to do more long-term planning for our future technological needs.

Since the beginning of World War II, Presidents have used some type of science advisory function for assistance in decisionmaking. Prior to the introduction of this legislation, however, the only major examination of science and technology policy took place in 1961–62 which resulted in the establishment of the Office of Science and Technology in the Executive Office of the President which has since been abolished. Extensive hearings were held by the Science and Astronautics Committee on this subject, especially those held in 1970, 1973, and 1974.

Two main problems arose because of conflicting philosophies regarding the role of the Scientific Adviser to the President. First of all, the adviser often commingled the role of Adviser to the President and the coordination/oversight role over Federal research and development. The second conflict arose over whether or not this counselor was in the President's confidence in order to provide him with the best scientific advice possible or as an advocate for science per se.

The Teague-Mosher bill speaks directly to these problems and establishes the Office of Science and Technology Policy to deal with these two problems on a continuing basis. H.R. 10230 will give a permanent role to science in the Executive decisionmaking process and yet will give each future President the opportunity to organize the office as he determines best. Therefore, this bill is an excellent compromise between the need for scientific input and the need for administration flexibility.

I urge you to support this bill.

Mr. McCORMACK. Mr. Chairman, I support H.R. 10230 as a step in the right direction toward the solution of what I believe to be a serious national need.

It is my conviction that this Nation must have a systems approach to an integrated national energy policy, that materials technology and availability is an essential part of any systems approach, and that science and technology are indispensable elements in developing policies and programs for either energy or materials. It is not too much to say that the future stability of our country depends upon developing such a systems approach and integrating all of the elements of energy policy and programs, critical materials technology and availability, and science and technology in general into one integrated administrative entity.

I have, therefore, suggested that any future administration needs a full Cabinet level Department of Science, Technology, Energy, and Materials. This has the acronym of Department of STEAM. I assure you that this is accidental, but once I stumbled onto that acronym, I have used it not only for simplicity, but because it does, in a very real sense, emphasize what we are talking about. I would like to emphasize that, in spite of the fact that we may all be a bit amused by the coincidence of this acronym, my proposal is serious.

Let me put this discussion of the creation of a new department into temporal context. I agree wholeheartedly that the desires of any President should, within reason, be respected insofar as organization of the executive branch is concerned. I am also quite aware of the fact that we are a little more than 1 year away from a Presidential election. Therefore, I respect President Ford's proposal for the creation of an Office of Science and Technology Policy at this time. Indeed, I applaud him for it. The concept of a Department of STEAM, therefore, should, I believe, refer to consideration by the person who is elected President in 1976.

Accordingly, I applaud the insertion particularly of title III in this bill which provides for a serious study on this subject to be completed within 2 years and then sent to the Congress with the President's recommendations.

My proposal contemplates what all of the missions of these agencies be sorted out and that the new department simply abolish all of the existing administrative structure of each organization and build instead a new one with concisely defined responsibilities and authorities for each division and agency within the department.

I suggest that a Secretary of the Department of STEAM should have at least three separate advisory councils of professional experts from outside Government. One of these would be in pure science, one in energy, and one in materials. Each of these three advisory groups would report to the Secretary and to the President.

Mr. Chairman, I recognize that the immediate response to this sort of an idealistic suggestion is skepticism, if not cynicism. Everyone knows that in the real world reorganizations never work out to be as simple or as clean or as effective as they first appear on paper. I am under no illusion with respect to this reality. Nevertheless, I do not believe that the fact that the world of government is less than perfect should blind us to the need for reorganization when the time has come to attempt to do better. Most importantly, it should never keep us from responsible study and consideration of what is an obvious need.

Mr. TEAGUE. Mr. Chairman, I have no further requests for time.

Mr. MOSHER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Science and Technology Policy and Organization Act of 1975".

TITLE I—NATIONAL SCIENCE AND TECHNOLOGY POLICY

FINDINGS

SEC. 101. (a) The Congress, recognizing the profound impact of science and technology on society, and the interrelations of scientific, technological, economic, social, political, and institutional factors, hereby finds and declares—

(1) that the general welfare, the security, the economic growth and stability of the Nation, the conservation and efficient utilization of its natural and human resources, and the effective functioning of government and society require vigorous, perceptive support and employment of science and technology in achieving national objectives; and

(2) that the many large and complex scientific factors which increasingly influence the course of national and international events require appropriate provision involving long-range, inclusive planning as well as more immediate program development, to incorporate scientific and technological knowledge in the national decisionmaking process.

(b) As a consequence, the Congress finds and declares that science and technology should contribute without being limited to the following national goals:

(1) fostering leadership in the quest for international peace and progress toward human freedom, dignity, and well-being by enlarging the contributions of American scientists and engineers to the knowledge of man and his universe, by making discoveries of basic science widely available at home and abroad, and by utilizing technology in support of United States national and foreign policy goals;

(2) increasing the efficient use of essential materials and products, and generally contributing to economic opportunity, stability, and appropriate growth;

(3) assuring adequacy of food and energy for the Nation's needs;

(4) contributing to the national security;

(5) improving the Nation's health and medical care; and

(6) preserving, fostering, and restoring a healthful and esthetic natural environment, and developing improved housing and urban and rural systems.

DECLARATION OF POLICY

Principles

SEC. 102. (a) In view of the foregoing, the Congress declares that the United States shall adhere to a national policy for science and technology which includes the following principles:

(1) the continuing development and implementation of strategies for determining and achieving the appropriate scope, level, direction, and extent of scientific and technological efforts based upon a continuous appraisal of the role for science and technology in achieving goals and formulating policies of the United States, and reflecting the views of States, municipalities, and representative public groups;

(2) the enlistment of science and technology to foster a healthy economy in which the directions of growth and innovation are compatible with the prudent and frugal use of resources and with the preservation of a benign environment;

(3) the conduct of science and technology operations so as to serve domestic needs while promoting foreign policy objectives, and, through the allocation of research and development resources, to maintain balance in the export of technology and in world trade markets;

(4) the recruitment, education, training, retraining, and beneficial use of adequate numbers of scientists, engineers, and technologists;

(5) the development and maintenance of a solid base for science and technology in the United States, including: (A) strong participation of and cooperative relationships with State and local governments and the private sector, (B) the maintenance and strengthening of diversified scientific and technological capabilities in government, industry, and the universities, and the encouragement of independent initiatives based on such capabilities together with elimination of needless barriers to scientific and technological innovation, (C) effective management and dissemination of scientific and technological information, (D) establishment of essential technical and industrial standards and measurement and test methods, and (E) promotion of increased public understanding of science and technology; and

(6) the recognition that, as changing circumstances require periodic revision and adaptation of Title I of this Act, the Federal Government is responsible for identifying and interpreting the changes in those circumstances as they occur, and for effecting subsequent changes in Title I as appropriate.

Implementation

(b) To implement the policy enunciated in subsection (a) of this section, the Congress declares that:

(1) The Federal Government should maintain central policy planning elements in the executive branch which assist Federal agencies in (A) identifying public problems and objectives, (B) mobilizing scientific and technological resources for essential national programs, (C) securing appropriate funding for national programs so identified, (D) anticipating future concerns to which science and technology can contribute and devising strategies for the conduct of science and technology for such purposes, (E) reviewing systematically Federal science policy and programs and recommending legislative amendment thereof when needed. Such elements should include an advisory mechanism within the Executive Office of the President so that the Chief Executive may have available independent, expert judgment and assistance on policy matters which require accurate assessments of the complex scientific and technological features involved.

(2) It is a responsibility of the Federal Government to promote prompt, effective, reliable, and sytematic transfer of science and technology information by such appropriate methods as: the funding of technical evaluation centers, cost sharing of information dissemination programs conducted by such nongovernmental organizations as industrial groups and technical societies, or assistance in the publication of scientific and technological information. In particular, it is recognized as a responsibility of the Federal Government not only to coordinate and unify its own science and technology information systems, but to facilitate the close coupling of institutional scientific research with commercial application of the useful findings of science.

(3) It is further an appropriate Federal function to support science and technology efforts which are expected to provide results beneficial to the public but which the private sector may be unwilling or unable to support.

(4) Science and technology activities which may be properly supported exclusively by the Federal Government should be distinguished from those in which interests are shared with the State and local governments and the private sector. Among these entities, cooperative relationships should be established which encourage the sharing of science and technology decisionmaking, funding support, and program planning and execution.

(5) Ways and means should be developed by which the Federal Government can assess and help assure that an adequate national effort is maintained in science and technology, taking into account competing public needs, available resources, and the contributions which science and technology can make to national goals and objectives.

(6) Comprehensive legislative support for the national science and technology effort requires that the Congress be regularly informed of the condition, health and vitality, and funding requirements of science and technology, the relation of science and technology to changing national goals, and the need for legislative medification of the Federal endeavor and structure at all levels as it relates to science and technology.

Procedures

(c) The Congress declares that, in order to expedite and facilitate the implementation of the policy enunciated in subsection (a) of this section, the following coordinate procedures are of permanent importance:

(1) Federal procurement policy should encourage the use of science and technology to foster frugal use of materials, energy, and appropriated funds; to assure quality environment; and to enhance product performance.

(2) Explicit criteria, including cost-effectiveness principles where practicable, should be developed to identify the kinds of applied research and technology programs that are

appropriate for Federal funding support and to determine the extent of such support. Particular attention should be given to scientific and technological problems and opportunities offering promise of social advantage that are so long range, geographically widespread, or economically diffused that the Federal Government constitutes the appropriate source for undertaking their support.

(3) Federal promotion of science and technology should emphasize quality of research, recognize the singular importance of stability in scientific and technological institutions, and, for urgent tasks, must seek to assure timeliness of result. With particular reference to Federal support for basic research, funds should be allocated to encourage education in needed disciplines, to provide a base of scientific knowledge from which future essential technological development can be launched, and to add to the cultural heritage of the Nation.

(4) Federal patent policies should be developed, based on uniform principles, which have as their objective the preservation of incentives for technological innovation and the application of procedures which will continue to assure the full use of beneficial technology to serve the public.

(5) Antitrust regulation should not preclude cooperation among competing firms in industrial research and development unless such cooperation is anticompetitive.

(6) Closer relationships should be encouraged among practitioners of different scientific and technological disciplines, including the physical, social, and biomedical fields.

(7) Federal departments, agencies, and instrumentalities should assure efficient management of laboratory facilities and equipment in their custody, including acquisition of effective equipment, disposal of inferior and obsolete properties, and cross-servicing to maximize the productivity of costly property of all kinds. Disposal policies should include attention to possibilities for further productive use.

(8) The full use of the contributions of science and technology to support State and local government goals should be encouraged.

(9) Formal recognition should be accorded those persons whose scientific and technological achievements have contributed significantly to the national welfare.

(10) The Federal Government should support applied scientific research in proportion to the probability of its usefulness, insofar as this probability can be determined; but while maximizing the beneficial consequences of technology, the Government should act to minimize foreseeable injurious consequences.

(11) Federal departments, agencies, and instrumentalities should establish procedures to insure among them the systematic interchange of scientific data and technological findings developed under their programs.

TITLE II—OFFICE OF SCIENCE AND TECHNOLOGY POLICY

SHORT TITLE

SEC. 201. This title may be cited as the "Presidential Science and Technology Advisory Organization Act of 1975".

ESTABLISHMENT

SEC. 202. There is hereby established in the Executive Office of the President the Office of Science and Technology Policy, hereinafter deferred to in this title as the "Office".

DIRECTOR; ASSISTANT DIRECTORS

SEC. 203. There shall be at the head of the Office a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The President may, at his discretion, also appoint not more than four Assistant Directors who shall be compensated at a rate not to exceed that provided for level III of the Executive Schedule in section 5314 of such title. Assistant Directors shall perform such functions as the Director may from time to time prescribe.

FUNCTIONS

SEC. 204. (a) The Director shall be the President's chief policy adviser and assistant with respect to scientific and technological matters.

(b) In addition to such other functions and activities as the President may assign, the Director shall—

(1) advise the President of scientific and technological considerations involved in areas of national concern including, but not limited to, the economy, national security, health, foreign relations, the environment, and the technological recovery and use of resources;

(2) evaluate the scale, quality, and effectiveness of the Federal effort in science and technology and advise on appropriate actions;

(3) advise the President on scientific and technological considerations with regard to Federal budgets, assist the Office of Management and Budget with an annual review and analysis of funding proposed for research and development in budgets of all Federal agencies, and aid the Office of Management and Budget and the agencies throughout the budget development process;

(4) assist the President in providing general leadership and coordination of the research and development programs of the Federal Government;

(5) provide the President with periodic reviews of those Federal statutes and administrative regulations of the various departments and agencies which affect research and development activities, both internally and in relation to the private sector, and which may interfere with desirable technological innovation, together with recommendations for their elimination, reform, or updating as appropriate;

(6) develop, review, revise, and recommend criteria for determining scientific and technological activities warranting Federal support, and recommend Federal policies directed toward (A) the development and maintenance of broadly based scientific and technological capabilities at all levels of government, academia, and industry that are necessary to support the Nation's efforts to achieve its objectives, and (B) the application of such capabilities to national needs;

(7) assess and advise on policies for international cooperation in science and technology which will advance the national and international objectives of the United States;

(8) identify and assess emerging and future areas where science and technology can be used effectively in addressing national and international problems;

(9) submit to the President and the Congress timely public reports on developments, trends, and problems in science and technology deserving of national attention;

(10) periodically survey the nature and needs of national science policy and make recommendations to the President, for review and transmission to the Congress, for the timely and appropriate revision of such policy in accordance with section 102(a)(6) of title I of this Act; and

(11) maintain liaison with the National Science Board, and with all councils and offices of the Executive Office of the President, and develop appropriate working relationships with the National Security Council and the Domestic Council.

PERSONNEL

SEC. 205. The Director is authorized, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and chapter 51 and subchapter III of chapter 53 of said title, to appoint and fix the compensation, but not in excess of the rate prescribed for grade GS-18 of the General Schedule in section 5332 of said title, for such officers and employees as he may deem necessary to perform the functions now or hereafter vested in him, and to prescribe their duties.

CONSULTANT AND OTHER SERVICES

SEC. 206. The Director may (1) obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5 of the United States Code, and (2) enter into contracts and other arrangements for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as he deems necessary to carry out the provisions of this Act without legal consideration, without performance bonds, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

OTHER FEDERAL AGENCIES

SEC. 207. The Director may utilize with their consent the services, personnel, equipment, and facilities of other Federal agencies with or without reimbursement, and may transfer funds made available pursuant to this Act to other Federal agencies as reimbursement for the utilization of such services, personnel, equipment, and facilities.

REORGANIZATIONS

SEC. 208. (a) The President shall from time to time examine the organization of the Office and shall determine what changes, if any, are necessary to increase the Office's and the Director's capacity to render their analyses, examinations, advice, and counsel, by reduction or increase in the number of members of such Office or by reduction, expansion, or alteration of the duties and functions of the Office or of its Director. When the President, after investigation, finds that any of such changes would promote the policies and purposes of this Act, he may prepare a reorganization plan for effecting the change or changes involved, and submit such plan to the Congress, together with his findings and a statement of reasons for the proposed change or changes, and shall have any such reorganization plan delivered to both Houses on the same day and to each House while it is in session.

(b) A reorganization plan shall take effect at the end of the first period of sixty calendar days of continuous session of Congress after such plan is transmitted to it (such days of continuous session to be computed in accordance with section 906(b) of title 5, United States Code) unless, between the date of transmittal and the end of the sixty-day period, each House has passed a resolution stating in substance that that House does not favor the reorganization plan. However, no such plan shall take effect unless it is submitted to Congress before January 3, 1982.

(c) The provisions of sections 908 through 913 of title 5, United States Code, shall apply with respect to any reorganization plan transmitted to the Congress pursuant to subsection (a) of this section.

(d) A reorganization plan which is effective shall be printed (1) in the Statutes at Large in the same volume as the public laws, and (2) in the Federal Register.

TITLE III—THE FEDERAL SCIENCE AND TECHNOLOGY SURVEY COMMITTEE

ORGANIZATION

SEC. 301. (a)(1) There is hereby established within the Executive Office of the President, as part of the Office of Science and Technology Policy, or in such other manner as the President may direct, a Federal Science and Technology Survey Committee (hereinafter in this title referred to as the "Committee"). The Committee shall consist of not less than five nor more than twelve members appointed by the President not more than 90 days after the Director of the Office of Science and Technology Policy has assumed office (as provided in section 203 of this Act). The Director of such Office shall serve as Chairman.

(2) Members of the Committee appointed by the President pursuant to paragraph (1) shall (A) be exceptionally qualified and distinguished in science, engineering, or closely related fields, or in public administration or affairs, and shall be capable of rendering accurate and comprehensive analysis and critical examination of the programs and activities of the Government in the light of the findings and policies set forth in title I of this Act, and (B) include representatives of the public, of the industrial sector, and of the academic community.

(3) Members of the Committee who are not officers of the Federal Government shall, while attending meetings of the Committee or while engaged in duties related to such meetings or in other activities of the Committee pursuant to this Act, be entitled to receive the daily equivalent of the annual rate of basic pay in effect for GS-18 of the General Schedule for each day, including traveltime, during which they are so attending or engaged, and shall, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(b) In the performance of its duties and functions under section 302, the Committee is authorized—

(1) to select, appoint, employ, and fix the compensation of such specialists and other experts as may be necessary for the carrying out of its duties and functions, and to select, appoint, and employ, subject to the civil service laws, such other officers and employees as may be necessary for carrying out its duties and functions; and

(2) to provide for participation of such civilian and military personnel as may be detailed to the Committee pursuant to subsection (c) of this section for carrying out the functions of the Committee.

(c) Upon request of the Committee, the head of any Federal department, agency, or instrumentality (including the head of the Department of the Army, Navy, or Air Force) is authorized (1) to furnish to the Committee such information as may be necessary for carrying out its functions and as may be available to or procurable by such department, agency, or instrumentality, and (2) to detail to temporary duty with the Committee on a reimbursable basis such personnel within his administrative jurisdiction as it may need or believe to be useful for carrying out its functions. Each such detail shall be without loss of seniority, pay, or other employee status, to civilian employees so detailed, and without loss of status, rank, office, or grade, or of any emolument, perquisite, right, privilege or benefit incident thereto to military personnel so detailed. Each such detail shall be pursuant to a cooperative agreement of the Chairman with the head of the relevant department, agency, or instrumentality, and shall be in accordance with the provisions of subchapter III of chapter 33, title 5, United States Code.

DUTIES AND FUNCTIONS

SEC. 302. (a) The Committee shall survey, examine, and analyze the overall context of the Federal science and technology effort including missions, goals, personnel, funding, organization, facilities, and activities in general. In pursuit of this duty the Committee shall, among other things, consider needs for—

(1) organizational reform, including institutional realinement designed to place Federal agencies whose missions are primarily or solely devoted to scientific and technological research and development, and those agencies primarily or solely concerned with fuels, energy, and materials, within a single cabinet-level department;

(2) improvements in existing systems for handling scientific and technological information on a governmentwide basis;

(3) technology assessment in the executive branch;

(4) improved methods for effecting technology innovation, transfer, and use;

(5) stimulating more effective Federal-State and Federal-industry liaison and cooperation in science and technology;

(6) reduction and simplification of Federal regulations and administrative practices and procedures which may have the effect of retarding technological innovation or opportunities for its utilization;

(7) a broader base for support of basic research;

(8) ways and means of effectively integrating scientific and technological factors into our national and international policies;

(9) maintenance of adequate scientific and technological manpower with regard to both quality and quantity;

(10) improved systems for planning and analysis of the overall Federal science and technology budget; and

(11) the conduct of long-range study, analysis, and planning in regard to the application of science and technology to major national problems or concerns.

(b) (1) Upon completion of its assignment, the Committee shall submit a report of its activities, findings, conclusions, and recommendations, including such supporting data and material as may be necessary, to the President.

(2) The President, within sixty days of receipt thereof, shall transmit such report to each House of Congress together with such comments, observations, and recommendations thereon as he deems appropriate.

TERMINATION; FINAL REPORT

SEC. 303. The life of the Committee shall be 24 months from the date of its first organizational meeting. The Committee's final report setting forth its findings and recommendations shall be issued within this period.

TITLE IV—MISCELLANEOUS

AUTHORIZATION

SEC. 401. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

STATUTORY REPEAL

SEC. 402. Sections 1, 2, 3, and 4 of Reorganization Plan Numbered 2 of 1962 (76 Stat. 1253) and section 2 of Reorganization Plan Numbered 1 of 1973 (87 Stat. 1089) are repealed.

AMENDMENT

SEC. 403. Section 4 of the National Science Foundation Act of 1950 (42 U.S.C. 1863) is amended by striking out subsection (g) and by redesignating subsections (h), (i), and (j) as subsections (g), (h), and (i), respectively.

Mr. TEAGUE (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENTS OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: On Page 15 strike out line 20 and everything that follows down through and including line 5 on page 17.

Mr. FUQUA. Mr. Chairman, the chairman of the Government Operations Committee, Mr. BROOKS, has discussed this amendment with the distinguished gentleman from Texas (Mr. TEAGUE), the chairman of the Committee on Science and Technology, and it is my understanding he supports the amendment.

The purpose of this amendment is to eliminate from the bill section 208, which gives the President the authority to submit reorganization plans to Congress involving the Office of Science and Technology Policy, created by the bill. The procedure to be followed is similar to that contained in the reorganization act of 1949, which Congress extended for many years, but which expired on April 1, 1973. The administration has requested an extension of this law, and that matter has been referred to the Committee on Government Operations where it is being considered.

Our study of reorganization indicates that the general legislation needs considerable revision before it is renewed, and we feel it would be inappropriate for the pending bill to contain a reorganization provision of this nature until the Committee on Government Operations has completed its consideration. My reading of H.R. 10230 indicates that the reorganization provision is not essential to the purpose of the bill. If it is enacted and the President desires to make a further reorganization, he can submit his legislation to Congress in the usual way.

I urge the adoption of the amendment.

Mr. TEAGUE. Mr. Chairman, I move to strike the last word.

As has been stated, there is no opposition to the amendment on this side.

Mr. MOSHER. Mr. Chairman, I move to strike the requisite number of words.

We have no opposition to the amendment on our side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HENDERSON

Mr. HENDERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDERSON: On page 14 of the reported bill, beginning in line 16, amend section 205 to read as follows:

"SEC. 205. The Director is authorized to appoint such officers and employees as he may deem necessary to perform the functions now or hereafter vested in him and to prescribe their duties."

Mr. HENDERSON. Mr. Chairman, the sole purpose of my amendment is to delete from section 205 of the bill the language which authorizes the Director of the Office of Science and Technology Policy to appoint and fix the compensation of necessary personnel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and the provisions of such title relating to the classification of positions and the general schedule pay rates.

The Committee on Post Office and Civil Service has primary jurisdiction over all matters relating to the appointment, classification, and compensation of Federal employees. We firmly believe that any exceptions to the statutory standards and controls governing these matters should be granted only in the most unusual circumstances and only when fully justified.

The effect of the existing language of section 205 would be to authorize the Director to hire whomever he pleases and to fix the pay for any position at whatever rate he chooses up to the rate for GS-18 which currently is $37,800 per year. To my knowledge, no evidence has been furnished as to the necessity for such broad authority.

Under existing law there is considerable flexibility for agencies to appoint necessary personnel and pay reasonable rates of compensation.

For example, the Civil Service Commission has authority to exempt any position from the competitive service if an agency can justify the need for such an exemption.

In fact, all of the professional positions on the staff of the former Office of Science and Technology were exempted by the Commission under schedule A and several other positions were exempted under schedule C.

Also, I should like to point out that under section 5108(a) of title 5, professional positions in the physical and natural sciences may be placed in grades 16, 17, or 18 of the General Schedule without regard to the statutory ceiling on the number of supergrade positions.

Therefore, Mr. Chairman, I find the authority contained in section 205 of the reported bill to be unnecessary and, I urge the adoption of my amendment.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I am happy to yield to the distinguished gentleman from Texas (Mr. TEAGUE), the chairman of the committee, who has been so cooperative in working out this matter.

Mr. TEAGUE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this is a correcting amendment that helps the bill and I know of no objection to the amendment.

Mr. HENDERSON. I thank the gentleman.

Mr. MOSHER. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I am delighted to yield to the gentleman from Ohio.

Mr. MOSHER. Mr. Chairman, we on this side of the aisle have no objection to the amendment and concur in the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. HENDERSON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERGLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10230) to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes, pursuant to House Resolution 837, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken: and the Speaker announced that the "ayes" appear to have it.

Mr. FREY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 28, not voting 43, as follows:

[Roll No. 673]

YEAS—362

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, Tenn.
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—28

Andrews, N.C.
Bauman
Bedell
Bennett
Brodhead
Burlison, Mo.
Burton, John
Carr
Crane
Dingell
Evins, Tenn.
Florio
Gonzalez
Hansen
Holt
Levitas
McDonald
McKay
Moffett
Moss
Neal
Roybal
Satterfield
Schroeder
Shuster
Steiger, Ariz.
Symms
Van Deerlin

NOT VOTING—43

Adams
Annunzio
Armstrong
Beard, R.I.
Breaux
Brooks
Burton, Phillip
Cleveland
Danielson
Devine
Esch
Fary
Fraser
Giaimo
Goldwater
Green
Hébert
Hillis
Hinshaw
Holland
Howard
Kindness
Landrum
McCormack
Metcalfe
Mills
Murphy, N.Y.
Ottinger
Pattison, N.Y.
Pepper
Peyser
Pritchard
Rangel
Rees
Risenhoover
Stanton, James V.
Stark
Udall
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Young, Alaska

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Mills.
Mr. Murphy of New York with Mr. Breaux.
Mr. Rangel with Mr. Adams.
Mr. Pepper with Mr. Cleveland.
Mr. Ottinger with Mr. Esch.
Mr. Wirth with Mr. Armstrong.
Mr. Pattison of New York with Mr. Goldwater.
Mr. Hébert with Mr. Green.
Mr. Landrum with Mr. Brooks.
Mr. Charles Wilson of Texas with Mr. Hillis.
Mr. Udall with Mr. Devine.
Mr. Beard of Rhode Island with Mr. Hinshaw.
Mr. Phillip Burton with Mr. Young of Alaska.
Mr. Fary with Mr. Wiggins.
Mr. Fraser with Mr. Peyser.
Mr. Stark with Mr. Pritchard.
Mr. McCormack with Mr. Rees.
Mr. Danielson with Mr. Kindness.
Mr. Giaimo with Mr. Howard.
Mr. James V. Stanton with Mr. Metcalfe.
Mr. Charles H. Wilson of California with Mr. Risenhoover.

Messrs. GONZALEZ, NEAL, and DINGELL and Mrs. SCHROEDER changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to announce the schedule for the remainder of the day and for tomorrow, Friday, November 7.

At this particular time, we intend to take up the rules on the following bills:

H.R. 9019, health maintenance organization amendments;

H.R. 1753, tabulations of population for State legislative apportionment; and

H.R. 6346, Rural Development Act amendments.

We intend to take up just the rules on these matters. We understand they are of a noncontroversial nature. When the House adjourns today, it will adjourn to meet tomorrow at 12 o'clock noon. Then, we will take up the same three bills, the health maintenance organization amendments, the tabulation of population for State legislative apportionment, and the Rural Development Act amendments. If we have not completed the schedule, it would be the intent of the leadership, with the agreement of both sides, that we would adjourn at 4 o'clock tomorrow afternoon.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, do I understand from the distinguished majority leader that we are going to take up all three bills and still be out of here by 4 p.m.?

Mr. O'NEILL. No. If we have not completed the program, it will go over to Monday next. We will adjourn at 4 p.m.

Mr. ROUSSELOT. I thank the gentleman.

PROVIDING FOR CONSIDERATION OF H.R. 9019, HEALTH MAINTENANCE ORGANIZATION AMENDMENTS OF 1975

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 777 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 777

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9019) to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a perfectly straightforward 1 hour open rule. I know of no controversy on the rule. Therefore, I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 777 provides for the House to resolve itself into the Committee on the Whole for the consideration of H.R. 9019, the Health Maintenance Organization Amendments of 1975. The rule allows for 1 hour of general debate, and the bill will be read for amendment under the 5-minute rule.

H.R. 9019 extends the HMO program for 2 additional years, 1979 and 1980, by making loans for initial operating costs available through those years and by revising the authorizations of appropriations so that the $250 million now authorized through 1977 is authorized through 1979. The bill also makes substantive revisions in the law. Some of these changes are as follows:

First. It will now be optional as to whether HMO's include supplemental health services as basic health services, and they can charge members only for supplemental health services for which they have contracted.

Second. HMO's may obtain the services of health professionals through contracts with individual health professionals and through any combination of individual health professionals, staff, medical groups, and individual practice associations.

Third. Alcohol and drug addiction services will not be included as basic health services but will be considered as supplemental health services; preventive dental care for children will not be included as a preventive health service; immunizations, well-child care, periodic health evaluations for adults, and ear exams for children will be included as preventive health services; and supplemental health services may include other health services which are approved for such purpose by the Secretary of Health, Education, and Welfare.

Fourth. Nonprofit HMO's may receive loan guarantees for planning, initial development, and initial operations.

As previously mentioned, this legislation does not authorize or require new or additional appropriations. The total obligational authority of $250 million already available through 1978 is authorized for 2 additional years, through 1980.

Mr. Speaker, over the last couple of years I have been made very painfully and personally aware of the upheaval that can result in a community in which an HMO has applied for certification, especially a community which is 90 percent opposed to the HMO being established. I realize that the regulations require local acceptance and support before an HMO is allowed to come into an area, but I believe an unusually large amount of tax dollars are spent just on feasibility studies to simply discover whether an HMO is wanted or not.

It is my understanding that up to $50,000 per year per HMO applicant currently can be authorized for such a feasibility determination. This means that if a study takes 2 years, and I know of one that did, a total of $100,000 could be spent on that one application. This is ridiculous.

It has been said that the HMO program is really little more than a Federal subsidy for prepaid private group practice. Now, prepaid private group practice is not at issue here. What is at issue is the Federal subsidy. It would behoove us to take another thorough look at what Congress created in 1973 and reevaluate our priorities, for it seems to me that this subsidy has the obvious potential of setting up a lot of doctors pretty well at the expense of the taxpayers.

Mr. Speaker, I would not object to the passage of this rule; but I would like to take this opportunity to urge the Members to take a long hard look at the manner in which this program's funds are being spent.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1753, TABULATIONS OF POPULATION FOR STATE LEGISLATIVE APPORTIONMENT OR DISTRICTING

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 796 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 796

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1753) to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment or districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. McFALL). The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 796 provides for the consideration of H.R. 1753, a bill reported by the House Post Office and Civil Service Committee, which would make it easier for States to use census data in legislative redistricting and reapportionment. The resolution provides for an open rule with 1 hour of general debate, to be divided equally between the chairman and ranking minority member of the Post Office and Civil Service Committee. Upon completion of general debate, the bill will be read for amendment under the 5-minute rule and, after consideration of the bill for amendment, the committee will rise and report the measure to the House with any amendments that have been adopted. Once the bill has been reported, the House will vote on the bill and no further motions will be considered, except for a motion to recommit the bill.

Mr. Speaker, the principal objective of H.R. 1753 is to make it easier for State governments to use census data in redistricting and reapportioning their legislatures. Basically, H.R. 1753 provides for improved communications between the States and the Bureau of the Census.

Boundary lines for State legislative districts are drawn according to population statistics obtained during each Federal decennial census. The redistricting procedure begins with the development of prospective districting plans using the "building block" approach; that is, each State is divided into areas of known population size—the building blocks—and then these building blocks are combined to form one or more legislative districts.

Since the 1970 decennial census, the States have reported a number of problems which have arisen in connection with the use of census data for the development of redistricting plans. First, the final product of the census—reliable population statistics—was often received too late for States to comply with court-ordered redistricting deadlines. Almost all of the States have had to use preliminary information issued by the Bureau of the Census and this information was issued in a form that many States found difficult to use.

This difficulty arises from the fact that in reporting on the decennial census, the Bureau of the Census uses two basic units of measurement: the enumeration district, which is established to facilitate the assignment of census enumerators to geographic areas, and the census tract. Until block data for urbanized areas is available, sometimes as long as 2 years after the census, enumeration districts are the only geographic areas for which the Census Bureau provides population counts. These enumeration districts were used by many States in drawing redistricting plans in the early 1970's. Enumeration districts, designed to meet the logistical needs of the Census Bureau, were not easily translated into building blocks for redistricting purposes, however. In many cases, they proved to be too large to be suitable for redistricting purposes. In addition, enumeration districts often crossed the boundary lines of local election precincts, further complicating the redistricting process.

H.R. 1753 provides a solution that would meet the needs of the Census Bureau and the States. Under the bill's provisions, the Secretary of Commerce would furnish the States with information about the Census Bureau's technical criteria 4 years before the decennial census. Three years before the census, States could submit to the Census Bureau a plan identifying the geographic areas for which population statistics are needed for legislative redistricting or reapportionment. In the event that a State's request does not conform to the technical criteria of the Census Bureau, consultation would be required to resolve the differences.

Finally, H.R. 1753 requires the Commerce Department to furnish the population statistics requested by the States within 1 year after the census, thus assuring that States will have adequate information for the development of their redistricting plans.

Although the specific cost of this legislation cannot be determined until after the States begin to submit their requests for population data later in the decade, the Committee on Post Office and Civil Service, after thorough study, concluded that the inflationary impact of this measure would be minor. Indeed, it appears that the costs of this legislation will be far outweighed by its benefits.

Mr. Speaker I urge the adoption of House Resolution 796 to permit the consideration and passage of H.R. 1753.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as explained by the gentleman from Hawaii, House Resolution 796 provides for the House to resolve itself into the Committee of the Whole to consider H.R. 1753, a bill to facilitate the use of Bureau of the Census data by States for use in legislative redistricting and apportionment. This rule permits 1 hour of debate and it allows the bill to be read for amendment under the 5-minute rule.

H.R. 1753 would authorize officials of the State governments having responsibility for the apportionment of the population of the State for the purpose of electing representatives to submit a plan to the Secretary of Commerce identifying geographic areas for which the State desires to have specific population tabulations. Plans are to be submitted within 3 years prior to the decennial census and are to conform to criteria established by the Secretary who, in turn, will have authority to require changes in any plans he determines are not in compliance with this criteria. The Secretary also will have final authority to revise such plans if the alternatives developed by the State are unacceptable to him. Finally, the Secretary is required to complete and submit to the President the resulting tabulation of population for transmittal to the Governors and appropriate State officials not later than 1 year after the census date.

No cost estimates were made by the Committee on Post Office and Civil Service from which this bill was reported. The reason given was that the amount of the cost will depend on several factors which are unknown at this time: First, what constraints the Secretary of Commerce will impose in the initial criteria to be furnished to the States; second, how many States will choose to submit tabulation plans; and third, the nature of these plans.

Mr. Speaker, while I know of some objections to this legislation, I would not oppose the passage of the rule.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6346, RURAL DEVELOPMENT ACT OF 1972 AMENDMENTS

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 836 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 836

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6346) to make permanent authorization of appropriations for carrying out title V of the Rural Development Act of 1972. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Agriculture now printed in the bill beginning on page 2, line 1, through page 3, line 5, notwithstanding the provisions of clause 5, rule XXI. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Hawaii is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 836 provides for the consideration of H.R. 6346, a bill which was reported by the Committee on Agriculture and which would extend title V of the Rural Development Act to strengthen its impact on rural communities and small towns. The resolution provides for an open rule, with 1 hour of general debate to be divided equally between the chairman and ranking minority member of the Committee on Agriculture. Upon conclusion of general debate, the bill will be read for amendment under the 5-minute rule.

House Resolution 836 also makes it in order for the House to consider an amendment recommended by the Committee on Agriculture, and waives points of order against the amendment under clause 5, rule XXI, which prohibits the reappropriating of unexpended funds. In the normal course of events such funds would be returned to the U.S. Treasury. Although H.R. 6346 is not an appropriations measure, it does authorize the reappropriation of some $3 million which was intended for the implementation of title V of the Rural Development Act in this year, but which the Department of Agriculture has so far failed to use.

When consideration of the bill for amendment has been completed, the committee will rise and report the bill to the House and such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, the fundamental purpose of H.R. 6346 is to extend title V of the Rural Development Act, which will otherwise expire on June 30, 1976. Title V, enacted in 1972, authorizes research programs aimed at providing innovative solutions to the problems of farmers and residents of rural communities. Among other things, title V is designed to strengthen university and college support of rural development, and to provide extension training and technical assistance to farmers and small communities. In a sense, title V is a vehicle through which we hope to bring the best minds of our country to bear on the problems of the farmer and the small town. It is an integral part of the Rural Development Act, which is aimed at improving the quality of life in rural areas. It was, and still is, the intention of Congress that residents of small towns should have "equal opportunity," with their city and suburban cousins, in solving their community problems and the Rural Development Act was envisioned as a principal means of providing Federal aid and technical assistance to farmers and small towns. The need for such assistance is even greater now than it was in 1972 when the Rural Development Act was passed by this House for, in recent years, we have witnessed a significant shift in population trends. People are moving in increasing numbers out of cities and suburbs and into small towns and rural communities.

In spite of the growing needs of rural communities, the Department of Agriculture has been very reluctant to implement the Rural Development Act, especially title V. Passage of H.R. 6346 by an overwhelming majority will emphasize our continued deep concern about the problems of rural communities and will make it clear to the Department that we want and expect meaningful action to overcome such problems.

In addition to extending the authorization for these important research and extension programs, H.R. 6346 would make two changes in the allocation formula for funds appropriated under title V which, I believe, will increase the impact of the Rural Development Act on rural community development.

Under the existing allocation formula, 33 percent of the funds appropriated for title V programs are allocated to States on the basis of their rural populations, 33 percent are allocated to States on the basis of their farm populations, 20 percent are allocated equally among all States, 10 percent are allocated to finance research and extension projects serving two or more States, and the remaining 4 percent of the funds is utilized for administrative purposes by the Department of Agriculture.

Under the pending bill, a full 66 percent of the funds appropriated under title V would be allocated to States on the basis of their rural populations, thus making it possible for small towns to increase their share of funds at a time when small town needs are increasing at an almost unprecedented rate. For example, my home State of Hawaii—a small State with many rural communities—which currently receives one of the smallest allocations under title V, would receive an increase of $1,653 in its allocation if funding remains at the current level.

While some will argue that the needs of small towns are being met at the expense of the small farmer, it should be noted that rural communities have traditionally served the needs of farmers as well as the needs of those who live within the town itself. The modern farmer is dependent on the small town for supplies and equipment as well as a wide range of services, such as schools, banking, transportation, utilities, and recreation and leisure time activities. By helping the rural community, we will be helping the small farmer, too.

Moreover, the bill proposed by the Committee on Agriculture specifically provides that no State will suffer a total loss of title V funds as a result of the proposed change in the allocation formula. Every State is assured of receiving at least $50,000 as long as the appropriation for title V exceeds $5 million.

Mr. Speaker, H.R. 6346 would authorize appropriations in the amount of $5 million for the "transition" period—July 1 to September 30, 1976, and $20 million annually in fiscal years 1977 and 1978. The Committee on Agriculture estimates that passage of this legislation will have no inflationary impact on prices and costs. In fact, passage of H.R. 6346 will help us fight inflation by building a sound rural and agricultural economy. Therefore, I urge the adoption of House Resolution 836 to permit the consideration and passage of H.R. 6346.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as outlined by the gentleman from Hawaii, this rule, House Resolution 836, provides for the House to resolve itself into the Committee of the Whole for consideration of H.R. 6346, a bill making permanent the authorization of appropriations under the Rural Development Act of 1972. This rule allows for one hour of general debate and for the bill to be read for amendment under the 5-minute rule. The amendment recommended by the Committee on Agriculture now printed in the bill on page 2, line 1, through page 3, line 5, also is made in order notwithstanding clause 5, rule XXI, relating to appropriations in a legislative bill.

The purpose of this legislation is to extend and amend title V of the Rural Development Act of 1972. $25 million is authorized through September 30, 1977, 66 percent of which is to be allocated to each State based on the rural population in the State. Under current law one-half of this sum is allocated based on rural population and one-half is allocated based on farm population in each State. The measure also provides that the payments to any State shall not be less than $50,000 in any year in which appropriations for Title V exceed $5 million.

Mr. Speaker, I support this legislation as I do not think the administration has done enough in the area of rural development. Accordingly, I urge the adoption of this rule.

Mr. MATSUNAGA. Mr. Speaker, I have no further requests for time.

Mr. LOTT. Mr. Speaker, I have no further requests for time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 372, nays 1, not voting 60, as follows:

[Roll No. 674]

YEAS—372

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Randall
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
Whitehurst
Whitten
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—1

Grassley

NOT VOTING—60

Adams
Annunzio
Armstrong
Barrett
Beard, R.I.
Brodhead
Brooks
Brown, Calif.
Burton, Phillip
Byron
Clancy
Cleveland
Danielson
Devine
Duncan, Oreg.
Esch
Fary
Fraser
Goldwater
Hawkins
Hébert
Hillis
Hinshaw
Holland
Howard
Jacobs
Keys
Kindness
Landrum
McCormack
Martin
Mathis
Metcalfe
Mills
Murphy, N.Y.
Ottinger
Passman
Patman, Tex.
Pattison, N.Y.
Pepper
Peyser
Pritchard
Railsback
Rangel
Rees
Riegle
Risenhoover
Stanton, James V.
Stark
Stephens
Sullivan
Teague
Thompson
Udall
White
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Young, Alaska

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Mills.

Mr. Murphy of New York with Mr. Cleveland.

Mr. Hébert with Mr. Esch.

Mr. Rangel with Mr. Armstrong.

Mr. Pepper with Mr. Goldwater.

Mr. Ottinger with Mr. Hawkins.

Mr. Wirth with Mr. Adams.

Mr. Pattison of New York with Mr. Brown of California.

Mr. Landrum with Mr. Clancy.

Mr. Charles Wilson of Texas with Mr. Hillis.

Mr. Udall with Mr. Devine.

Mr. Beard of Rhode Island with Mr. Jacobs.

Mr. Phillip Burton with Mr. Duncan of Oregon.

Mr. Fary with Mr. Hinshaw.

Mr. Stack with Mr. Holland.

Mr. Fraser with Mrs. Keys.

Mr. McCormack with Mr. Byron.

Mr. Danielson with Mr. Brodhead.

Mr. James V. Stanton with Mr. Brooks.

Mr. Patman with Mr. Barrett.

Mr. Howard with Mr. Kindness.

Mr. Martin with Mr. Passman.

Mr. Mathis with Mr. Peyser.

Mr. Metcalfe with Mr. Pritchard.

Mr. Railsback with Mr. Rees.

Mr. Riegle with Mr. Stephens.

Mr. Risenhoover with Mrs. Sullivan.

Mr. Teague with Mr. White.

Mr. Thompson with Mr. Wiggins.

Mr. Young of Alaska with Mr. Charles H. Wilson of California.

Mr. DINGELL changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WHITE. Mr. Speaker, on the above rollcall, No. 674, I am recorded as "not voting." I was in fact present and voted "aye."

THE HOUSE OF REPRESENTATIVES OVERWHELMINGLY CONDEMNS THIRD COMMITTEE'S RESOLUTION

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, on October 17, 1975, the Third Committee of the United Nations General Assembly adopted a resolution which stated that Zionism was equivalent to racism. The unfortunate effect of the resolution was well stated by the U.S. Representative to the Third Committee, Leonard Garment, when he said:

> Under the guise of a program to eliminate racism, the United Nations is at the point of officially endorsing anti-Semitism.

When I heard of the Third Committee's resolution, Mr. Speaker, I was moved to file a House resolution to denounce the Third Committee's action. The House leadership on both sides of the aisle gave its support to the resolution. Mr. Speaker, I am proud to say that the House of Representatives has overwhelmingly joined in condemning the Third Committee's resolution. Four hundred and thirty-six Members, Delegates, and the Resident Commissioner have cosponsored that resolution—House Resolution 791. Four hundred and thirty-six out of four hundred and thirty-seven.

Under the precedents of the House, Speaker ALBERT could not join as a cosponsor, but he has authorized me to say that he favors the purposes of the resolution.

Mr. Speaker, Ambassador Moynihan has been advised of the almost unanimous support of the House resolution. He believes it will be helpful in the debate before the United Nations General Assembly to defeat the ill-conceived resolution of the Third Committee. I would hope so, Mr. Speaker.

Mr. Speaker, as a long-time friend of the United Nations, I regret very much that public support for that organization has been diminishing. And yet, that loss of support is understandable when the Third Committee takes action as it did on October 17 in flouting the purposes and principles of the United Nations and engaged in what can only be described as petty politics.

The reaction in this country has been immediate and overwhelming. The unprecedented unanimity in the House in approving the resolution condemning the Third Committee's actions is representative of solid American public opinion. I would venture to state, Mr. Speaker, that if that vicious resolution is approved by the General Assembly, there is no knowing what the consequences to the United Nations are likely to be; but, Mr. Speaker, there would be consequences—of that I am quite sure. There is no knowing what the reaction of the United States would be, but there would be a reaction. The United Nations cannot long survive destructive actions such as that taken by the Third Committee.

Mr. Speaker, this is the time for the United Nations General Assembly to give heart to its friends and inspiration to the world. It can do so by sending the Third Committee's resolution down to resounding defeat. I would hope the General Assembly seizes this moment for greatness.

H. Res. 791

Whereas the United States, as a founder of the United Nations Organization, has a fundamental interest in promoting the purposes and principles for which that organization was created; and

Whereas in Article 1 of the Charter of the United Nations the purposes of the United Nations are stated to be:

"To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;

"To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion;"

Whereas such purposes are threatened with being nullified and subverted by the Resolution adopted by the Third Committee of the United Nations General Assembly on October 17, 1975, which resolution wrongfully associates and equates Zionism with racism and racial discrimination, as was pointed out so well by the U.S. Representative to the Third Committee, when he said: "Under the guise of a program to eliminate racism, the United Nations is at the point of officially endorsing anti-semitism, one of the oldest and most virulent forms of racism known to human history." Now, therefore, be it

Resolved, That the United States House of Representatives strongly condemns the Resolution adopted by the Third Committee of the United Nations General Assembly on October 17th, 1975, in that said resolution wrongly associates and equates Zionism with racism and racial discrimination, and urges the U.N. General Assembly to disapprove said resolution, if and when it is presented for a vote before that body.

COMPENSATION TO VICTIMS OF CRIME

(Mr. HUNGATE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, November 4 the Judiciary Committee's Subcommittee on Criminal Justice, which I chair, began hearings on legislation to provide compensation to victims of crime. Our leadoff witness was the distinguished chairman of the Committee on the Judiciary, Representative Peter W. Rodino, Jr., the sponsor of H.R. 9074, a bill to provide for compensation to victims of crime. Representative Rodino stated that—

> This is one area where partisan disagreements do not appear to play any major role. I have long sponsored legislation in this area, and so has Senator Mansfield. Recently the Administration proposed compensation legislation for victims of crime as part of its revised crime package. We are in agreement on the fundamental need for some form of compensation. We should go forward as rapidly as possible to devise a broadly acceptable, effective program. We can make no greater contribution to the fight against crime.

Mr. Speaker, recent newsstories and editorials underscore Representative Rodino's remarks and the testimony of the other witnesses at our hearing—Representative Ronald M. Mottl, Joseph Pickus, chairman of the Maryland Criminal Injuries Compensation Board, and Martin I. Moylan, executive director of the Maryland Board. I am inserting into the Record at this point items from the Washington Post: a news story entitled, "Tormented Gun Victim Asks Why," from the October 29, 1975, edition; an editorial entitled, "Crimes and Victims," from the November 4 edition; and three letters to the editor appearing in the November 5 edition:

[From the Washington Post. Oct. 29, 1975]

TORMENTED GUN VICTIM ASKS WHY

(By Ron Shaffer)

"The thing that bothers me, and always will, is why they shot me. You just don't shoot someone in the back like in a western movie. I didn't pose any threat to them; I was running away . . ."

Sally Ann Morris, 26, is still asking herself why she was the one shot by robbers four months ago while on a Saturday night date in Georgetown. That chance encounter left her wounded, necessitated a traumatic operation and required weekly visits to a psychiatrist to survive the life left to her. She still walks with a cane.

Compounding all this is the fear that the ordeal is not yet over and that her assailants may return and kill her. Four suspects arrested in the case, who were released on personal recognizance, pending trial promptly disappeared and are at large today.

Morris, a claims adjuster for an Alexandria insurance company before the Georgetown shooting last June, decided to tell her story but insisted that her present whereabouts be kept secret.

"I don't want people to feel sorry for me, but just for them to know that it can happen in one second. They should know what can happen," she said recently during an interview at the home of a friend.

Sally Morris' misfortune occurred June 28 on her way to a dinner urged on her by her boyfriend because she was so morose over the recent death of her father.

It was about 10:30 p.m., she recalled. She and her boyfriend, Henry Miller, were walking down 3d Street, heading for an M Street restaurant. They were talking about the cobblestone sidewalks and the stately trees in the area when two men approached.

As they passed the couple, one of the men pulled out a gun, cocked it and stuck it in Sally Morris' back. "I knew right away they were going to fire it because you just don't cock a gun without a reason," Morris said.

Instinctively, Miller grabbed her and they started to run. After a few steps, she said, she heard gunfire and felt a slap at her back. 'It felt like a burning needle that went through me real quick. It sort of numbed me."

An ambulance was called and people began to gather, some on the run, asking what had happened. Someone suggested that she lie down.

"I'm a self-conscious person and I hate to be stared at." Morris said, "All of a sudden I became two people: one was lying on the sidewalk, the other was looking down at me, saying, this isn't real, you've just gone to a play. I kept thinking, why can't you just faint and you'll be out of it."

The ambulance took 40 minutes to arrive, Morris said. "Then things really started to hurt. They are rough. I should have taken a taxi," she said, chuckling as she told her story, her long red hair framing a youthful freckled face. She smoked one cigarette after another.

At Georgetown Hospital, a nurse probed her midsection, asking "if my stomach always stuck out here," said Morris, who separated from her husband in 1972 and has a 5-year-old daughter. "I said, lady, all I've had is a Cesarean. If there's anything else there, I didn't have it when I came in here."

"Then," Morris recalled the nurse saying, "that's where the bullet is."

The bullet hit Sally Morris in the small of the back, ripped through her intestinal tract and lodged in her lower abdomen. It fractured her hip so that she still cannot walk without a cane.

Doctors had to perform a colostomy, rerouting the undamaged intestinal tract to a substitute opening surgically created in her lower abdomen. This type of operation allows body waste to be passed into a disposable plastic bag attached to the new opening.

"It's kind of embarrassing, like when you go out and it (the plastic bag) starts to bloat like a balloon," she said.

People stare, like what's going on down there? And it makes noises. You're supposed to say, oh, my stomach's growling. And there are a few other problems, like sometimes it'll decide to leak . . . or you'll empty it out and miss the toilet and you just stand there and cry."

When Morris recently showed the waste contraption to her 5-year-old daughter—" "She asked to see . . . and I showed her because I thought she would understand"—the daughter said, "Mommy, I don't want to sleep with you anymore."

Since the operation, Morris has lost her job with the Safeco Insurance Co. of America in Alexandria. She faces further surgery next month—hopefully to eliminate the need for the colostomy—and her employers felt they had to replace her.

"We were willing to wait longer if we could see light at the end of the tunnel, but neither she nor her doctor could," said Tom Davis, Morris' boss at the insurance firm. Morris has not returned to work since the shooting four months ago.

Morris has also given up her third-floor apartment because she said she can no longer walk up the stairs. Now she faces medical bills she cannot pay and finds herself consumed with fear.

"It's my charade, pushing real emotions in back and trying to be cheerful outside," Morris said. "But I still go into a lot of depression, and I have nightmares."

According to police, the four suspected assailants of Morris have been identified as James Andrew Weeks, 29; Roy Weeks, 25; Terry Ann Stewart, 23; and Eunice Walker, 25, all District residents. Police said the two men had been committing armed robberies in Georgetown for several weekends before the Morris shooting, escaping by hiding in the back seat of a getaway car driven by the women.

The frustration growing from the aftermath of that night in Georgetown ultimately caused Morris to beg for financial help—apparently without success—in a letter to President Ford. Near the end of her hospital stay she wrote to the President: "I know the physical loss can never be replaced, but to be in debt—why?"

She said the White House informed her by telephone that a law clerk would look into her case, but she has heard nothing since.

Maryland has passed legislation to allocate money to the victims of crimes. The District and Virginia have not. Congress has also failed to approve federal legislation that would provide funds for crime victims.

Health insurance will pay 90 per cent of the $10,000 Morris has accumulated in medical bills, but she must still live on $200 a month in welfare payments and has no money to pay the rest of her medical and psychiatric expenses, she said.

"I have also lost a lot of feeling about people and I'm trying to get that back," she said. Miller, her boyfriend of three years, "treats me like a china doll; he doesn't let me go anywhere by myself." But she finds herself not caring about him like she used to.

"For the first week I blamed him, he thought why couldn't it have been him, he could have taken it better. Why me? Isn't that just terrible to think like that? . . . And then I spent a long time thinking: if it had just taken longer to park, or if we had gone down another street . . ."

[From the Washington Post, Nov. 4, 1975]

Crimes and Victims

The dismaying story of Sally Ann Morris is an admonition to this city and a reproach to the way that we who live here are running it. While walking through Georgetown with a friend in mid-evening last June, Mrs. Morris was shot in the back. It was an unprovoked attack, apparently a botched attempt at a holdup. She was gravely wounded, and is still far from recovery. Because of her long convalescence and the prospect of further surgery, her employer dismissed her. Since she had separated from her husband several years before, she and her five-year-old daughter now have no support but welfare. Not only has this assault inflicted great physical suffering and financial poverty on her, but she is fearful that her assailants may try to kill her as a witness to their previous crime. Police arrested four suspects after the June shooting but they were all released on personal recognizance pending trial, and they immediately disappeared. So much for their putative ties to the community.

Here we have, in one unhappy case, the illustration of at least three serious and harmful deficiencies in our present laws. First of all, the District of Columbia needs legislation to compensate the victims of crimes. Health insurance covers most, but not all, of Mrs. Morris' medical bills. So far they come to about $10,000. But while she recovers she has nothing on which to live but $200 a month in welfare payments. The traditional public response is to murmur, "tough luck," and turn the conversation to something more cheerful. That isn't good enough.

The second deficiency is demonstrated by the disappearance of the four suspects. Two of them were well known to Metropolitan Police, who believe them to have been responsible for a series of armed robberies that had affilicted Georgetown for some weeks before this shooting. The other two suspects were apparently driving a car for the gunmen. The Bail Reform Act has properly set stringent restrictions upon the power of judges to hold suspects in prison. Suspects are entitled to a presumption of innocence, after all, and except in extreme cases they are also entitled to freedom in which to prepare for trial. But it is hard to think of a better example of an extreme case than that of the two men who attacked Mrs. Morris. The time has come for Congress to hold oversight hearings on the Bail Reform Act and the way in which it is working in practice. The Act has brought much improvement to the administration of justice in this city, but experience under it is beginning to raise questions as to whether the rights of the general public are being adequately protected.

Finally, there is always the fact that anybody with a few dollars can get a handgun—easy to conceal, simple to use, efficiently constructed for the single purpose of killing and maiming human beings. A recent letter to the editor of this newspaper angrily asserted that gun control laws were always inefficient and useless. Certainly state and local laws can't accomplish a great deal, in a society as mobile as this one. But the unrestricted sale of handguns is having the same kind of impact on American life as the traffic in drugs. A gun law certainly would not be totally effective. Neither are the heroin laws totally effective, but we haven't heard anyone offer that as a reason for legalizing heroin. A good gun law can make a real difference where it counts—in the homicide and robbery rates. If you doubt it, compare the outrageously high rates in this country with those of any other advanced democracy. Incidentally, for young Americans—those in their late teens and early twenties—homicide is now the second most common cause of death. This country pays a terrible price for its fascination with firearms. If President Ford and Congress can jointly screw up their courage to take on the vociferous handgun industry, they can reduce the risk to Americans from the heavily armed addicts, lunatics and professional stick-up men on our streets. For Mrs. Morris, unfortunately, that help will come a little late.

[From the Washington Post, Nov. 5, 1975]

Letters To The Editor

PLIGHT OF VICTIMS

As the mother of a severely injured victim, I commend your reporting of "victims" ("Tormented Gun Victim Asks Why," Post, October 29), and urge you to continue to do so.

It is important that the public be informed about the hardships involved, the expenses not covered by the best of medical plans, and the cost to the victim even if litigation is possible.

Lucille Judge.

Reston.

How many more times will we read in your pages of judges releasing alleged killers, would-be killers and robbers on their own recognizance? Your article on shooting victim Morris is one more example of what appears to be judicial indifference to the needs of the public and particularly the safety of the victim, if he-she is still alive. What are the judges thinking of?

As a social studies teacher, I always stressed the advantages we enjoy with a judicial system which attempts to protect the rights of both the individual and society. I wonder if I did my students a disservice not to alert them to expect little justice—and common sense—from the judicial system.

Is there anyone who can explain this situation to those of us who are genuinely disappointed, amazed, confused, and frightened?

Helen T. Lambert.

Washington.

I was dismayed to read about the plight of Sally Ann Morris, the victim of a robbery and shooting. In particular, your readers may get a misleading impression of living with a colostomy, or other types of ostomies. True, problems can and do exist in adjusting to life without part or all of a colon, or bladder. However, there are answers available to ostomate's questions from those who have been through similar surgery. This surgery is traumatic, as is any major surgery involving a change in body image (e.g., mastectomy surgery). But ostomy surgery can save a life and restore health. I hope that those facing this surgery, or now with an ostomy, seek out as much information as they can, so that they may better adjust to what can be a full life.

Ruth D. Salinger,
President, Metropolitan Washington,
Chapter, United Ostomy Association.

Washington.

AID FOR SCHOOL-AGE MOTHERS

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, today I have introduced a bill which is designed to reduce the problems associated with the growing number of adolescent pregnancies and strengthen family life by encouraging the provision and coordination of comprehensive health, education, psychological, and other social services to adolescent parents and their children. The increasingly large numbers of pregnant girls who are still of school age is a sad commentary in our society. These young girls must, for the most part, resign themselves to a bleak future, or choose the alternative of abortion.

Despite the fact that two-thirds of all mothers aged 19 or under elect to carry their babies to term, this is the only group in our society in which the number of births shows a continuing increase. According to the National Center for Health Statistics, over 600,000 babies were born to teenage women in 1973 and the number of births to women under the age of 15 doubled between 1960 and 1973.

A significant part of the overall problem is the large percentage of these births which are illegitimate. In my own State, according to the latest statistics, approximately half of the illegitimate births were to teenage mothers. This, however, does not take into account the number of pregnant girls who marry before the birth of their child. While the strains on the unwed mothers are very great, we must recognize also the nature of the strains imposed by early marriage. A full two-thirds of school-aged marriages end in divorce within the first 5 years. Lacking education and committed to the care of their own children, it is no wonder that the birth of their child begins a cycle of dependency on public welfare for many of these girls. At this crucial point, counseling on family planning, vocational counseling to encourage the mother to remain in school and to prepare herself for a useful career, and personal counseling to further enable her to come to grips with her situation and to find a place in society will all help the young mother and her child enter society as useful citizens. Bills providing alternatives to abortion have been passed in a number of State legislatures, indicating constituent interest in services in these areas. For example, this year the Maine State Legislature passed a bill requiring health insurance plans to provide maternity benefits regardless of marital status.

From a health standpoint, it is well known that the younger the mother the more likely the child is to be born prematurely, thus underweight and subject to a wide variety of health and other social disadvantages. The National Foundation-March of Dimes Annual Report for 1974 states that—

> Low birth weight is the underlying or contributing cause of half the deaths of United States infants.

Without additional help from other competent agencies, both the mother and the child will remain disadvantaged, imposing additional burdens on society which in the long run will prove more costly than the provision of timely help at the very beginning.

It is obvious that it will not be sufficient to attack only one or a few of these problems which recognize no economic, social or geographic boundaries. Rather, a solution of the more general and growing problem requires coordination of the array of health and social services that are all directed to meeting the very special needs of this group of vulnerable young mothers who are most in need of a helping hand.

Finally, it must be emphasized that this legislation will not be costly in terms of the Federal funds involved, but will have an immeasurably large impact upon the problem. One of the major aims of this bill is to encourage State and local agencies, public and private, to coordinate their efforts in this area, and to maintain and expand those efforts already underway in the delivery of health and social services to the young mother and her child. Thus, the value of each Federal dollar will be multiplied for the benefit of this extremely vulnerable high-risk group of persons.

This measure was introduced by Senator KENNEDY in the other body, and I am pleased that he has moved ahead with hearings on this proposal in the Senate Subcommittee on Health. I am chagrined, however, at the callous attitude of the administration shown during that hearing, in which HEW spokesmen questioned the merits of the bill, alleging that there are other resources and funds available to address the problem. I submit that the statistics I have cited today show that our present programs have not succeeded. In the absence of a coordinated, comprehensive program as envisioned by this bill, teenage women, particularly the poor, will have only the "freedom" to seek abortions. Surely, the right to choose should include the right to choose to continue the pregnancy. The House Judiciary Committee has begun to focus on the legal aspects of this issue. But, we should not, in the meantime, hesitate to encourage other approaches to the problem of teenage pregnancy.

ST. ELIZABETH ANN SETON

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. As you know, on Sunday, September 14, 1975, Elizabeth Ann Seton—"Mother Seton"—was canonized by His Holiness Pope Paul VI as the first American-born saint of the Roman Catholic Church.

Much has been written and said, and rightly so, about the value to Americans and other people everywhere of the contributions, workings, and teachings of Mother Seton. However, recently, Mr. Godfrey Burns, poet laureate of Maryland, captured in verse the spirit of heart and mind by which Mother Seton lived. Mr. Burns most aptly defines that spirit by which more of us should conduct our daily lives.

St. Elizabeth Seton's life should be continuously held up to us all as an example and a guiding light. Therefore, Mr. Speaker, it is with great pleasure that I share with my colleagues this tribute to Mother Seton, as expressed by the pen and ink of the poet laureate of Maryland. I do this, Mr. Speaker, feeling even greater honor, since for some time Mother Seton lived and shared her life in what is now the Seventh Congressional District of Maryland which, as you know, I represent and strive to serve here in the House of Representatives. The poem follows:

ELIZABETH ANN SETON

Her life was beautiful, but she lived for others,
She brought a divine joy where e'er she trod;
She saw all humankind as sisters, brothers,
She labored to lead them back to God . . .

For here there was no sadness and no grief,
The Holy Spirit lifted her beyond all pain;
Her life was guided by a profound belief
That God's great love was mankind's richest gain . . .

Each day she woke, her mind was purified,
By holy thoughts and a life all free from blame;
And now her memory is glorified
By sainthood and the world adores her name . . .

She sensed God in the fields, the sky, the sea—
Her life was crowned with joy and innocence;
Her soul was filled with love and purity—
For all God's laws she had but one response, obedience . . .

Great things she built—a church, a home, a school—
True to her vows she dwelt in abject poverty—
One thing controlled her—God's great loving rule—
She taught the world the glory of Christianity . . .

VINCENT GODFREY BURNS,
Poet Laureate of Maryland.

MEMORIAL ADDRESS—JOHNNYE RUTH CALHOUN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

Mr. WHITE. Mr. Speaker, a resolution signed by 339 Members of the House calls for Thanksgiving Day to be dedicated to "family day." Whether Congress officially designates Thanksgiving as family day, it is in fact.

There is no better way that I know to observe family day than to cite the example of an outstanding woman who has dedicated her life to her family. This example is not taken from the history books, but from everyday life, culminating within the last 2 months in her death, which by its nature is a sad triumph over adversity, pain and fear known only to her closest friends and loved ones. For this reason I bring to America's attention the worthwhile life of Johnnye Ruth Calhoun.

The facts of her life were very American; her birth in Longview, Tex., on December 9, 1935; her early education in Mineola, Tex., as a daughter of a railroad engineer for the Texas and Pacific Railroad; her junior college days at Tyler Junior College where she was a member of the famed Apache Belles marching unit; her newspaper work which led to her journalism at the University of Texas.

There at the university she found her true career when she met and married a young law student, Ronald Calhoun, and upon his graduation moved with him to El Paso in far west Texas. There her unusual qualities were apparent, for being married to a struggling young attorney who entered into private practice on his own, she immediately went to work and primarily supported the family for 2 years.

She gave birth to four children, Carala, Morgan, Jacklyn, and Kenneth, all of whom survived her at her death. When her husband's legal career reached the point where he could support the family without her financial help, she vigorously assumed the true career that she always loved, that of a wife and a mother.

Many times in discussions with women who were in the business world or were professionals, she would very proudly point out that they had chosen their professions and she had chosen hers, and she spent her whole life diligently working at her chosen profession. She was active in her children's school life, being a homeroom mother every single year that her children were in school up until she passed away. It is typical of her that the last day that she spent at home with her family prior to being hospitalized in serious condition happened to be the last day of the school year in May of 1975 and on that day, despite being in severe pain, she conducted the class party for her first grade son and supervised a swimming party for her 11-year-old daughter later the same day. She was hospitalized that night and never again left the hospital prior to her death in September.

During her life, she was active in many social and civic affairs so long as it correlated with her career of being a wife and mother. However, whenever the demands of the social or civic world encroached upon the time she felt should be devoted to her family, she withdrew from her activities or resigned from the organization. She was a totally devoted wife and her husband, who was a practicing trial attorney, inevitably discussed in depth his cases with her and the strategy that he intended to use to the jury. Many times, he successfully changed his entire trial approach because of the wisdom that she showed in predicting the reaction that a jury would have to the presentation of the case.

She and her husband were a very devoted couple and her family obviously reflected the love of her to all of them. She was also devoted and loyal to her mother, Mrs. Harry Morgan, and two sisters

Carala Carver and Jacklyn Roach, all of whom survived her. Unfortunately, 3½ years prior to her death, she was stricken with cancer. She underwent what ultimately was a total of six major abdominal operations for treatment of the disease. She underwent extensive other treatments for the disease of cancer, despite all of which, she did ultimately pass away in El Paso on September 13, 1975.

As a tribute to what she felt toward her family, she told her husband many times during the final months of hospitalization that if she had it all to do over again and was told in advance that she would have to fight the disease of cancer and undergo all of the pain and surgery, that she would not hesitate because she felt that the 17 years of her married life were worth the pain and suffering.

In addition to leaving a husband and four children, she left many friends who loved and respected her as evidenced by the very substantial memorial contributions made by the citizens of El Paso in her memory to the Stehlin Foundation for Cancer Research in Houston, Tex. These are the memories of a strong, loyal woman who contributed much in a short life and was proud of her chosen profession of a wife and a mother.

As her many bilingual friends express it in their beautiful language—"Esposa, madre, y mujer—ejemplar que se enfrentó a la vida con valor y fortaleza."

MAJORITY WHIP JOHN J. McFALL SAYS WHOLESALE PRICE INCREASE IS FURTHER EVIDENCE OF PRESIDENT'S MISGUIDED ECONOMIC POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, the Labor Department announced this morning that wholesale prices shot up by 1.8 percent in October, the biggest monthly increase in a year. These higher wholesale prices, as we know, will soon be felt by consumers in the retail prices they pay for goods and services.

According to the United Press International dispatch on the new economic bad news, the sharp October increase indicates that inflationary pressures on consumers may intensify in the months ahead.

All of this, I suggest, is further evidence of the President's misguided economic policies and the widespread lack of public confidence in them. His policy of high energy prices, his vetoes of jobs legislation and other economic recovery measures, and most recently his hardline "let the city go bust" statements on New York, have contributed to dangerous uncertainty in the country and in the business and financial community.

The clear signal to Congress is that we have urgent business in the weeks ahead to reverse the economic trends:

Passage of the energy bill now in conference.

Passage of the Ways and Means Committee tax cut bill.

Passage of the second budget resolution to maintain the integrity of the responsible new congressional budget process.

Passage of guarantees to prevent bankruptcy in New York City and the economic chaos that would result throughout the Nation.

U.S. CANAL ZONE AND PANAMA CANAL: VETERANS OF FOREIGN WARS, VFW, SUPPORT UNDILUTED U.S. SOVEREIGN CONTROL AND DELEGATE IN THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in an address to the House of Representatives on September 5, 1975, I quoted the 57th annual convention of the American Legion's resolution on the Panama Canal. Prior to that date, in an address on June 5, I quoted H.R. 7425 to provide that the U.S. Canal Zone should be represented in the Congress by an elected nonvoting delegate in the House of Representatives as is now authorized for Guam, the Virgin Islands, and the District of Columbia.

At its 76th national convention in Los Angeles, Calif., during August 15–22, 1975, the Veterans of Foreign Wars of the United States—VFW—adopted a notable Panama Canal resolution stressing that U.S. sovereign control over the Canal Zone and Panama Canal is not negotiable and recommending that the Canal Zone have an elected nonvoting delegate in the House of Representatives.

In order to give a wider dissemination to the indicated VFW resolution, I quote it as part of my remarks:

RESOLUTION NO. 405—U.S. SOVEREIGNTY OVER THE PANAMA CANAL ZONE

Whereas, Article II of the 1903 Convention between Panama and the United States, as modified in part by the 1936 Treaty between the two Governments, states:

ARTICLE II

The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water for construction, maintenance, operation, sanitation, and protection of said canal of the width of ten miles extending to the distance of five miles on each side of center line of the route of the Canal to be constructed; the said zone beginning in the Caribbean Sea three miles from mean low water mark extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of three marine miles from mean low water mark with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the zone above described shall not be included within this grant . . .

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra and Flamenco; and

Whereas, the United States of America has fully met its obligations to Panama under existing treaty arrangements and, moreover, has efficiently and responsibly accommodated an ever-increasing number of transits and amount of tonnage through the canal; and

Whereas, the revolutionary government of Panama, a product of coup d'etat, has since June 1971, under the guise of seeking new canal treaty arrangements, undertaken a bitter and sustained campaign of anti-American propaganda fueled in large part by Cuban and Soviet Communists; and

Whereas, given the emotionally irrational situation in Panama, a political/psychological "timebomb" is being consciously fabricated by the revolutionary government of Panama set to explode to the detriment of the United States and the world shipping community, as was the case in the abortive meeting of the UN Security Council in Panama and the subsequent threat to the U.S./UN Ambassador; and

Whereas, due largely to our unswerving V.F.W. support, more than one-third of the U.S. Senate, led by Senators Thurmond (S.C.) and McClellan (Ark.), has gone on record in opposition to the unprincipled "Statement of Principles" signed by the Administration and the Panamanians; now, therefore

Be it resolved, by the 76th National Convention of the Veterans of Foreign Wars of the United States, that—

(a) U.S. control and defense of the Panama Canal are non-negotiable;

(b) tensions relating to the administration of the Canal Zone be resolved on the spot without disturbing present treaty arrangements;

(c) U.S. citizens and employees in the Canal Zone continue to meet their responsibilities under U.S. sovereignty;

(d) the foregoing position be again communicated to both the President and the Congress; and

(e) the Panama Canal Zone send to the Congress of the United States a delegate such as is done by Puerto Rico, the District of Columbia, and the Virgin Islands.

YOUNG FARMERS' HOMESTEAD ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SYMINGTON) is recognized for 5 minutes.

Mr. SYMINGTON. Mr. Speaker, I would like to call the attention of my colleagues to a bill which I introduced on October 30 which provides assistance to young farmers to enter farming as a career. As many of my colleagues know, there has been a shift in our country away from family farms and toward the consolidation of agricultural production in the hands of a few large corporations. Even the Department of Agriculture has acknowledged this trend, and, in recent Science Subcommittee hearings which I held on agriculture research and development, USDA went so far as to say that this trend is desirable, since large farms are "more efficient."

This view of USDA is further reflected in a recent study by the General Accounting Office which shows that the Department of Agriculture, far from being an effective spokesman for family farms in rural America, is increasingly directing its efforts and policies toward the growth of giant farm operations that will only continue to drive people off the land and into overcrowded cities.

The question that we have to ask ourselves is whether it is in our national interest to have a strong system of independent family farms, or whether we wish agriculture to become, as to many other sectors of the economy have become, a giant business controlled by a few conglomerates. Those of us who are concerned with the preservation and protection of the family farm recognize its importance to the American agricultural system and regret the direction which USDA seems to be taking. There is much that can and should be done to make family farming a viable enterprise. Federal farm programs should be evaluated in terms of their impact on family farms. Tax policy, marketing opportunities, health programs—these and hundreds of other Federal programs are simply not doing all they can to help the small family farmer.

The legislation which I have introduced, entitled "The Young Farmers' Homestead Act of 1975," and sponsored by George McGovern in the Senate, seeks to alleviate some of the financial impediments to careers in agriculture for our young people. The need for such legislation becomes clear when one considers the investment required to set up a farm operation in today's economy. It has been estimated at USDA that $390,000 worth of capital investment in land, machinery and other assets is needed to provide a family farmer with income comparable to that of nonfarm wage earners. Credit requirements for agricultural operations are also staggering. In the 1930's the average loan for farm operating cost per year was about $4,000; today it is over $100,000. These figures suggest that buying farm property is well beyond the means of many would-be farmers now, especially young ones.

The Young Farmers' Homestead Act of 1975 creates within the Department of Agriculture the Federal Farm Assistance Corporation, to be managed by a five-member Board. This Corporation is authorized to purchase farmland as it comes on the market at prices no higher than their appraised value by the Farmers Home Administration, in units not to exceed $200,000. These farms will then be leased to young farmers for 2- to 7-year periods at cash rentals based on real estate taxes plus carrying charges of money. The Corporation may sell the property to the tenant during the term of the lease or upon its expiration. The land acquisition is at no cost to the Government since the Government through the Corporation owns the land and recovers its investment together with 75 percent of capital appreciation through the subsequent sale.

This legislation is one way in which the problem of farm debt, particularly for young farmers, can be addressed, easing the burden for the individual agricultural investor without placing an unmanageable burden on the Federal Government. I feel that the bill addresses a serious need in our agriculture sector, and I urge my colleagues to give it their close attention. Mr. Speaker, I ask unanimous consent that the text of H.R. 10476 be printed in the Record at this point:

H.R. 10476

A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Young Farmers' Homestead Act of 1975."

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that the escalating cost of land, farm equipment and supplies, and operating capital has made it virtually impossible in most cases for young people to enter into farming as a career; that neither the Government nor the private sector is able to meet the financial requirements necessary to permit young people of ordinary means to engage in farming on a career basis; and that it is essential for the Federal Government to provide a new program of assistance if the family farm system is to be perpetuated in the United States.

(b) It is therefore the purpose of this Act to provide the assistance necessary to permit and encourage young people to engage in farming as a career.

ESTABLISHMENT OF FEDERAL FARM ASSISTANCE CORPORATION

Sec. 3. In order to carry out the purposes of this Act, there is established as an agency within the Department of Agriculture a body corporate to be known as the Federal Farm Assistance Corporation (hereinafter called the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but there may be branch offices elsewhere in the United States as authorized in this Act.

MANAGEMENT OF CORPORATION

Sec. 4. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the "Board"). The Board shall be composed of five members who subscribe to the objectives of the Act, appointed by the President by and with the advice and consent of the Senate. No more than three members of the Board shall be members of one political party.

(b) The term of office of members of the Corporation shall be four years, except that (1) any member appointed to fill a vacancy occuring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of members first taking office shall expire, as designated by the President at the time of appointment, one at the end of two years, two at the end of three years, and two at the end of four years.

(c) Vacancies in the Board so long as there are three members in office shall not impair the powers of the Board to execute the functions of the Corporation, and three members of the Board shall constitute a quorum for the transaction of the business of the Board.

(d) With the exception of the Administrator of the Farmers Home Administration, no officer or employee of the United States shall be eligible for appointment as a member of the Board. Members of the Board shall be paid such compensation for their services as directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed $150.00 per day each when actually engaged in the business of the Board plus travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(e) There shall be a manager of the Corporation who shall be its chief executive officer, with such power and authority as may be conferred upon him by the Board. The manager shall be appointed by, and hold office at the pleasure of, the Board, and shall be compensated annually at rates equal to those paid assistant secretaries.

GENERAL POWERS

Sec. 5. The Corporation—

(1) shall have succession in its corporate name;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

(4) may adopt, amend, and repeal bylaws, rules and regulations governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(5) shall be entitled to the free use of the United States mails in the same manner as the other executive agencies of the Government;

(6) with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officials, and employees thereof in carrying out the provisions of this Act;

(7) shall determine the character of and the necessity for its obligations and expenditures under this Act and the manner in which they shall be incurred, allowed, and paid.

(8) shall have authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers;

(9) may, without regard to any other provision of law, negotiate for, purchase, and sell real property as authorized by this Act; and

(10) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation and all such incidental powers as are customary in corporations generally.

PERSONNEL

Sec. 6. (a) The Board shall appoint such officers and employees as may be necessary for the transaction of the business of the Corporation in accordance with the provisions of title 5, United States Code, define their authority and duties, and delegate to them such of the powers vested in the Corporation as it may determine.

(b) In carrying out the provisions of this Act, the Secretary of Agriculture and the Board shall utilize to the maximum extent practicable, the personnel, services, and facilities of the Farmers Home Administration, the Agricultural Conservation and Stabilization Service, the Soil Conservation Service, and the Federal Crop Insurance Corporation of the Department of Agriculture, but may, whenever essential to the efficient operation of the program provided for in this Act, establish one or more branch offices throughout the United States.

LAND PURCHASE AND LEASE PROGRAM

Sec. 7. (a) The Corporation is authorized to negotiate for and purchase farmland or units which may come on the market from time to time. In no case may the Corporation purchase any farm unit (meaning land and buildings) which cost in excess of $200,000, provided that the Corporation may purchase farms or ranches of any size for subdivision into units of no more than $200,000 in value.

(b) Any farm unit acquired by the Corporation shall be made available for lease, and subsequently for sale, as herein provided.

(c) A farm unit may be leased to an eligible applicant for a period of not less than two nor more than seven years.

(d) The amount of rent charged for the rental of any farm unit shall be determined by the Corporation so as to cover the cost of all real estate or other taxes levied against such farm unit during the term of the lease by Federal or State taxing authorities plus an amount sufficient to reimburse the Corporation (on a pro rata basis) for debt service expenses incurred in acquiring such farm unit and shall be charged and collected on an annual basis as determined by the Corporation. Authority is granted to the Corporation to adopt variable rental schemes to take into account both bountiful and natural disaster conditions.

(e) During the term of the lease the lessee may be permitted to make real estate improvements on the farm within a five acre area designated by the Board. Such improvements may be made in accordance with such regulations as the Board shall prescribe and may be financed through private commercial sources, through other Federal programs, or by the Corporation and shall be deemed to be the property of the lessee in any dispute between the Corporation and the lessee.

(f) The lessee of a farm unit may not sublease the farm unit except in extraordinary cases approved by the Board.

(g) The Corporation may terminate the lease of a farm unit for any substantial violation of the lease agreement, including, but not limited to, a failure to pay the rent or other charges required under the lease agreement. The procedures for terminating a lease shall be prescribed in regulations issued by the Board.

(h) One of the terms of the lease agreement shall provide that the Corporation shall have a lien on all unharvested crops on the farm unit for all monies owed the Corporation by the lessee.

(i) A lease initially entered into for a period of less than seven years may be extended by the lessee with the consent of the Board so long as the total term of the lease does not exceed seven years.

SALE OF FARM UNITS

SEC. 8. (a) The lessee of a farm may, at any time within six months prior to the expiration of his lease, make application to the Board for the purchase of such unit upon the expiration of such lease.

(b) The Board shall approve such application for purchase if it determines, on the basis of the lessee's operation of the farm unit during the period of the lease and on the basis of such other factors as the Board shall prescribe by regulation, that the lessee can successfully manage and operate such farm unit.

(c) The selling price of a farm unit owned by the Corporation shall be determined at 75 percent of the appraised fair market value at the time of sale or the purchase cost to the Corporation whichever is larger. In addition, capital gains realized in the five years subsequent to sale shall be vested at the rate of 20 percent per year to the purchaser.

(d) A lessee may obtain financing through any available source, but in the event that private financing is not available, then and in that event the Farmers Home Administration shall furnish the financing. In the event the Farmers Home Administration furnishes the financing, such amounts shall not count against the appropriation authorities of the Farmers Home Administration.

(e) The rate of interest on any loan made by the Farmers Home Administration of a farm unit shall be an amount equal to the rate on all interest bearing obligations of the United States forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan, adjusted to the nearest one-eighth of per centum, plus one-half of 1 per centum.

BORROWING AUTHORITY OF CORPORATION

SEC. 9. (a) The Corporation is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness (herein collectively called corporation debentures).

(b) Corporation debentures shall be issued at such times, bear interest at such rates, and contain such other terms and conditions as the Board shall determine, except that the amount of corporation debentures which may be outstanding at any one time under this section may not exceed $1 billion during the first year following the date of enactment of this Act or exceed $2 billion at any time thereafter.

(c) Corporation debentures shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

(d) The Corporation is also authorized to issue corporation debentures to the Secretary of the Treasury, and the Secretary of the Treasury shall puchase such debentures, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act as now or hereafter in force are extended to include such purchases. Each purchase of corporation debentures by the Secretary of the Treasury under this section shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such prices as he shall determine, any of the corporation debentures acquired by him under this subsection. All purchases and sales by the Secretary of the Treasury of such debentures under this section shall be treated as public debt transactions of the United States.

DEPOSIT OF FUNDS

SEC. 10. All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States, or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers conferred by this Act.

TAX EXEMPT STATUS

SEC. 11. (a) Except as provided in subsection (b), the Corporation, its capital, reserves, and surplus, and its income and property, shall be exempt from all taxation now or hereafter imposed by the United States or by any territory, dependency, or possession thereof, or by any State, county, municipality or local taxing authority.

(b) Farm units acquired by the Corporation shall not be exempt from any tax referred to in subsection (a) of this section.

ACCOUNTING BY CORPORATION

SEC. 12. The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation. The financial transactions of the Corporation shall be audited at least once each year by the General Accounting Office for the sole purpose of making a report to Congress, together with such recommendations as the Comptroller General of the United States may deem advisable. Such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report.

ADVISORY COUNCIL

SEC. 13. (a) The Secretary of Agriculture shall appoint an advisory council to advise the Board regarding the administration of this Act.

(b) In order to obtain an advisory council with as broad a national perspective as practicable, the Secretary of Agriculture shall divide the United States into not less than ten geographic regions and appoint two individuals to the council from each region of which one shall be engaged in farming as a full-time occupation and the other to be one who has an interest in Rural America.

(c) Individuals appointed to the Advisory Council shall serve for such period and for such compensation and expenses which shall be reasonable as may be prescribed in regulations issued by the Secretary and shall meet upon the call of the Board but not fewer than four regularly scheduled meetings each calendar year two of which are to be held in the city of Washington, D.C.

(d) In carrying out its functions under this section the functions of the Advisory Council shall include, but shall not be limited to—

(1) advising the Board on what the eligibility qualifications should be for leasing farm units under this Act, including maximum net income and net worth;

(2) recommending the methods for determining the net income and net worth of lease applicants under this Act;

(3) advising the Board regarding the farm or ranch training or experience that should be required for leasing a farm unit under this Act;

(4) advising the board regarding the terms and conditions that should be included in leasing agreements entered into under this Act.

ANNUAL REPORTS

SEC. 14. The Board shall submit an annual report to the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on or before February 1 of each year on the operations of the Corporation during the past fiscal year. The Board shall include in such report a statement of policy regarding the operation of the Corporation in the next fiscal year. The statement of policy shall become effective 30 days after the submission thereof to such committees and publication in the Federal Register unless within such 30 day period one or both of such committees adopt a resolution disapproving such statement of policy.

RIGHT TO AMEND

SEC. 15. The right to alter, amend, or repeal this Act is hereby reserved.

APPROPRIATIONS

SEC. 16. There are authorized to be appropriated such sums, not in excess of $———, for each fiscal year beginning on or after October 1, 1976, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine.

CRIMINAL PROVISIONS APPLICABLE TO FEDERAL FARM ASSISTANCE CORPORATION

SEC. 17. Sections 657, 658, 1006, and 1014 of title 18, United States Code, are each amended by inserting "Federal Farm Assistance Corporation," immediately after "Federal Crop Insurance Act," each time the latter term appears in each such section.

LET US PASS THE NEW YORK CITY BOND GUARANTEE BILL NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 5 minutes.

Mr. BADILLO. Mr. Speaker, in the next days the debate will continue on the issue of guaranteeing the municipal bonds of New York. The Housing, Banking and Currency Committee has reported out legislation that will provide guarantees for municipal bonds up to the amount of $7 billion, and would enable the city to avoid default, with all its uncertain consequences. The bill will also provide for the establishment of a Board comprised of the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Secretary of Health, Education and Welfare, the Chairman of the Board of Governors of the Federal Reserve Board, and the Chairman of the Securities and Exchange Commission, which will oversee any Federal guarantees made to the city.

There are those who would oppose this bill on the grounds that New York should suffer the consequences of its own folly. But I must point out, that whether or not this bill passes the Congress, the question of guarantees for New York municipal notes is one that we will have to deal with.

The Subcommittee on Civil and Constitutional Rights of the Judiciary Committee, on which I serve, will report out a revision of the municipal bankruptcy laws that includes provisions for the Federal court, in the event of the city's default, to issue certificates of indebtedness, notes that will be able to provide funds for the continuation of city services while a sound plan of debt reorganization is being developed and approved.

The fiscal situation in New York is simply this: The city's cash shortage, the difference between its revenues and the money it must spend to keep the city functioning, between December and March, amounts to $1.2 billion—and that is without paying off a single note or bond. There are estimates that a continued cash shortfall will amount to well over $1 billion a year for the next 3 years.

It is quite obvious that any judge overseeing the reorganization of New York will have to issue those certificates of indebtedness, and it is just as obvious that there will be no market for them, and the court will be left with an overwhelming problem dealing with an enormous number of past creditors while at the same time trying to keep up with current outlays.

The solution for the city will have to be the same as it was for the Penn Central Railroad, when it filed for bankruptcy under the rail reorganization section of the Federal bankruptcy law. The judge overseeing the reorganization was compelled to issue certificates of indebtedness for operating expenses. There was no market for them, and it was necessary then for the railroad to come to Congress for help. And that help was in the form of guarantees enacted under the Emergency Rail Services Act of 1970.

Since 1970, guarantees in the amount of $447 million have been received by the railroad, which has operational expenses of close to $2 billion a year. New York City has operational expenses of about $12 billion a year—just think about the amount of Federal guarantees that will have to be provided if certificates of indebtedness must be issued. I think it will be a good deal more than the $7 billion suggested in the bill before us now.

The point, therefore, really is that we cannot escape the issue of guaranteeing New York City bonds. The question is whether we offer those guarantees now, when it, and other municipalities across the country, can still help themselves reestablish a sound financial footing, or whether we go in and paste together the badly shattered pieces after disaster has struck. Clearly, the answer is that it is preferable to pass the bond guarantee bill now, before default, with all its chaos and uncertainty, takes place.

NEW YORK FINANCIAL CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 10 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, the financial situation affecting New York City is grave indeed. The implications of an almost certain default by the city are not, as Secretary Simon and other administration spokesmen have said, simply local. Not only will other municipalities be faced with financial crises in the near future, but the people of this great land will be the ones who ultimately suffer.

If New York City defaults on its current $3 billion debt obligations—some of which are held by banks around the country—those financial institutions will be forced into a decreased lending policy. Since it is generally assumed that banks maintain a capital to total asset ratio of 1 to 15, if a default by New York City on its $3 billion in obligations were to occur and if the market value of the debt were to fall to virtually zero, those banks would have to reduce their total assets by some $45 billion. The net result would be a major reduction in their lending power, the effect of which would be felt first by the so-called marginal borrowers—those moderate-income persons who borrow small amounts of money for such items as household appliances, cars, and small homes. When consumer loans dry up because of the banks' general liquidity crisis and consumers are unable to purchase those washers, trash compactors, and automobiles, these and related industries will suffer yet another economic setback. Thus, the availability of cash will be low, and of course, interest rates high, and the number of home mortgages will decrease and the already hard hit homebuilding industry will be further depressed and so will the rate of employment.

At a time when unemployment is already so high that many urban areas are losing a great part of their tax base, this could result only in a deepening of the economic recession/depression. Yes, these are consequences that we must face if the Federal Government fails to intervene on the city's behalf.

Just a few days ago, Secretary of Housing and Urban Development—HUD—Mrs. Carla Hills said that New York City's financial crisis has already affected adversely the Federal Government's new multibillion dollar subsidized housing program, giving further credence to the concern many of us have that New York City's problem-default will have absolute repercussions on national and, to a smaller degree, international economies. An indication of the magnitude of the problem is revealed in the fact that President Ford spent 2 hours several weeks ago with the German Foreign Minister discussing the New York City situation.

It is very important for all the Members of this body to understand some of the reasons why New York City is in this present crisis, and it is equally important to know which factors are not major. First, we all agree that fiscal management of New York City has not been the best. This is not Mayor Beame's fault alone. The mayors and comptrollers who are his predecessors can share the responsibility for allowing the city's budget to get so far out of hand. And do not forget about those State officials who—although charged with the duty of insuring that each municipality within New York State had a balanced budget—helped the city hide its growing deficits.

Second, while it is true that a large portion of New York City's population is collecting financial assistance of some kind, it is not true—as many claim—that this is due to an overly liberal program. One reason that New York City's welfare costs are so high is because State law requires local governments to contribute to the funds used for aid to families with dependent children and for medicaid payments. While New York State is 1 of 21 States which have this requirement, according to the recent Congressional Budget Office's Background Paper No. 1—October 10, 1975:

> The local share is the highest in New York where it amounts to almost one-quarter of the total or one-half of the nonfederal share.

The problem is further exacerbated by tutes part of a larger county, New York City comprises the entire county of New York. Unlike Chicago, a part of which I represent, or Los Angeles, which constitutes part of a larger country, New York City has to rely upon its immediate tax base to pay for federally mandated services—as well as those police, fire, transit, education, and sanitation services a city normally is expected to provide. Given the fact that most major metropolitan areas are subject to large-scale sprawl, New York City's situation is practically unique. While middle- and upper-income persons are moving beyond the city's boundaries, they are also moving beyond its county taxing boundaries. Since most continue to work in the city, they cause an additional burden on the city services which can hardly be covered through sales taxes, commuter taxes, or the like. Their places are being taken by newly arrived immigrants who bring with them smaller tax bases at a time when those who are more heavily dependent upon city services—the poor, the uneducated, the aged, and the non-English speaking—comprise an ever-increasing segment of the city's population.

Finally, many people claim that the Federal Government has no right or reason to "bail out" New York City. If it has the right to spend billions of dollars to bail out Lockheed and Penn Central, if it has the right to spend untold millions in military assistance to such repressive regimes as Chile and South Korea, if it has to offer economic assistance to other countries, it certainly has the right to guarantee New York's bonds.

INTRODUCTION OF THE UTILITIES ADVERTISING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, I am introducing today, with 66 cosponsors, a bill to require that advertising by gas and electric utility companies be paid by the utility company and not passed on to the ultimate consumers. I am much encouraged by the broad support that the bill has generated and am hopeful that the Ways and Means Committee might be able to consider including such a provision in one of the comprehensive bills it will consider in the future.

According to figures compiled by the Congressional Research Service of the Library of Congress, private gas and electric utility companies spend over $500 million in 1973, the last year that statistics are available, to encourage the sale of their energy products.

Mr. Speaker, at a time when the Congress is considering every means of energy conservation, it does not make sense for us to go on subsidizing utility advertising costs by allowing them to be treated as deductible business expenses.

The bill is fairly simple—it amends the Internal Revenue Code to end the business deduction now afforded utility companies for advertising expenses. It requires that any increases in taxes that the companies must pay because of this new provision cannot be passed on to consumers. In case of violation the Attorney General may commence civil action for equitable relief.

Mr. Speaker, there have been several arguments presented in opposition to bills of this type and I would like to address each of them separately.

First, opponents allege that such legislation is contrary to first amendment freedoms because it "prohibits free speech." This is not the fact, Mr. Speaker, since the bill does not prohibit advertising, but only causes its costs to be borne by the parties doing the advertising rather than those to whom the advertising is directed. Thus, advertising could conceivably go on at the same pace that we see now if the companies are willing to pay for it themselves.

Second, opponents claim that utilities should not be treated differently than other businesses who would still have the right to advertise. What utility companies fail to mention is that as Government-sanctioned sole-source monopolies, they enjoy a business position that no other American business can ever expect. They have sacrificed some privileges for this special status; advertising should be one of them.

Investor-owned gas and electric utility companies are assured a fair rate of return by their governing public utility commissions and have no need to promote or encourage the sale of their energy product.

Third, utility companies and their advertising supporters argue that the actual cost to the consumer for utility advertising is too low to worry about—they cite figures of around $1.50 per year per consumer. Mr. Speaker, the level of expenditure per consumer is not the point, the point is that the Congress cannot condone encouraging consumption of precious energy given the supply situation that we are faced with. The point is not that costs are low, but that any advertising expenditure tends to increase the use of energy.

Fourth, opponents argue that consumers need a certain amount of information that is conveyed by utility advertising, in particular, utility companies need to advertise in order to promote energy conservation.

Mr. Speaker, I agree that every energy consumer should be made aware of ways that he can reduce his consumption. I do not, however, think that conservation is best promoted by the party that serves to lose the most if conservation works. It is like asking the fox to guard the chickens. It is inherently illogical for us to expect companies selling energy to promote conservation of that energy. In this same regard, utility companies have long ago abandoned out-and-out advertising campaigns to convince consumers to "buy our energy." Now they are more subtle. Now they promote their "image," which in the long run is meant to accomplish the same effect—sell more energy. Convincing the public that a company is responsible, patriotic, community minded, and clean are all attempts to encourage energy users to use that particular company's product. There is no reason that consumers should pay for that kind of advertising for a monopoly industry. There are a host of public sources that can take up the lag, if there is one, in order to provide conservation information to consumers. These sources can include a large number of Federal agencies, from the Federal Trade Commission to the Federal Energy Administration, State and local consumer agencies, private consumers advocacy groups, and so forth.

Mr. Speaker, I do not believe that the Congress can go on encouraging increased energy consumption. Enactment of this legislation would go part way toward that goal. I hope my colleagues can give it their support.

INTERNATIONAL SECURITY ASSISTANCE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MORGAN) is recognized for 15 minutes.

Mr. MORGAN. Mr. Speaker, together with the ranking minority member of the Committee on International Relations, I am today introducing a draft bill entitled, "The International Security Assistance Act of 1975."

This draft legislation has been submitted to the Congress by the President—partly in his message of May 15, 1975, partly in a second message dated October 30, 1975, and partly in subsequent amendments.

My action in introducing this legislation should not be interpreted as indicating my endorsement of any of its provisions. I am taking this action simply to lay before the House the President's request in a legislative form.

The Committee on International Relations this morning began holding hearings on the President's request by receiving the testimony of Secretary of State Kissinger. These hearings will continue as long as needed to answer all of the committee's questions. At that point, the committee will work its will on the legislation at hand.

Mr. Speaker, the text of the draft bill submitted by the executive branch follows:

H.R. 10594

A bill to amend the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Security Assistance Act of 1975".

CONTINGENCY FUND

SEC. 2. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In the chapter heading, strike out "Disaster Relief" and insert in lieu thereof "Contingency Fund".

(2) Section 451(a) is amended to read as follows:

"(a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations to provide assistance authorized by this part for any emergency purpose, in accordance with the provisions applicable to the furnishing of such assistance: Provided, however, That availabilities of funds which have not been previously obligated shall at no time exceed $10,000,000. Amounts appropriated hereunder shall remain available until expended."

INTERNATIONAL NARCOTICS CONTROL

SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended by inserting "and $42,500,000 for the fiscal year 1976 and $42,500,000 for the fiscal year 1977" immediately after "1975".

MILITARY ASSISTANCE

SEC. 4. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended as follows:

(1) Section 504(a), relating to authorization, is amended by striking out "$600,000,000 for the fiscal year 1975" and inserting in lieu thereof "$394,500,000 for the fiscal year 1976 and such amounts as may be necessary for the fiscal year 1977".

(2) Section 506(a), relating to special authority, is amended—

(A) by striking out "the fiscal year 1975" in each place it appears and inserting in lieu thereof in the first sentence "the fiscal years 1976 and 1977" and in the second sentence "each of the fiscal years 1976 and 1977"; and

(B) by adding at the end thereof "The authority of this section shall be effective for any fiscal year only to such extent as is provided in an appropriation act.".

(3) Section 514, relating to the stockpiling of defense articles for foreign countries, is amended to read as follows:

"SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Foreign Military Sales Act, or any subsequent corresponding legislation, and such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred.".

SECURITY SUPPORTING ASSISTANCE

SEC. 5. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1975 not to exceed $660,000,000" and inserting in lieu thereof "for the fiscal year 1976 $1,858,300,000, and for the fiscal year 1977 such amounts as may be necessary".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 6. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 5.—INTERNATIONAL MILITARY EDUCATION AND TRAINING

"SEC. 541. General Authority.—The President is authorized to provide education and training for military and related civilian personnel of foreign countries on such terms and conditions as he shall determine, including—

(1) attendance at military educational and training facilities in the United States (other than the Service Academies) and abroad;

(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States or abroad; and

(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

"SEC. 542. Authorization.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $30,000,000 for the fiscal year 1976 and such amounts as may be necessary for the fiscal year 1977.

"SEC. 543. Purposes.—Education and training activities conducted under this chapter shall be designed—

(1) to encourage effective and mutually beneficial relationships and increased understanding between the United States and foreign countries, in furtherance of the goals of international peace and security; and

(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries.".

(b) The Foreign Assistance Act of 1961 is amended as follows:

(1) Section 502B(d), relating to human rights, is amended by inserting "or chapter 5 (international military education and training)" immediately after "(security supporting assistance)".

(2) Section 504(a)(1), relating to authorization, is amended by striking out "(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)".

(3) Section 510, relating to restrictions on training foreign military students, is repealed.

(4) Section 622, relating to coordination with foreign policy, is amended as follows:

(A) In subsection (b) immediately after the phrase "(including civic action)" insert the words "and military education and training".

(B) Subsection (c) is amended to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.".

(5) Section 623, relating to the Secretary of Defense, is amended as follows:

(A) In subsection (a)(4), immediately after the word "military", insert the words "and related civilian".

(B) In subsection (a)(6), immediately after the word "assistance", insert a comma and the words "education and training".

(6) Section 632, relating to allocation and reimbursement among agencies, is amended—

(A) by inserting in subsections (a) and (e) immediately after the word "articles", wherever it appears, a comma and the words "military education and training"; and

(B) by striking out in subsection (b) the words "and defense articles" and inserting in lieu thereof a comma and the words "defense articles, or military education and training".

(7) Section 636, relating to provisions on uses of funds, is amended as follows:

(A) In subsection (g)(1), immediately after the word "articles", insert a comma and the words "military education and training.".

(B) In subsection (g)(2) and in subsection (g)(3), strike out the word "personnel" and insert in lieu thereof the words "and related civilian personnel".

(8) Section 644, relating to definitions, is amended as follows:

(A) Subsection (f) is amended to read as follows:

"(f) 'Defense service' includes any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purpose of furnishing military assistance, but shall not include military educational and training activities under chapter 5 of part II.".

(B) There is added at the end thereof the following new subsection:

"(n) 'Military education and training' includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces.".

(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified, revoked or superseded by appropriate authority.

(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable to those purposes.

INDOCHINA ASSISTANCE

SEC. 7. (a) Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39 and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked or superseded by appropriate authority.

(b) the President is authorized to adopt as a contract of the United States Government, and assume any liabilities arising thereunder (in whole or in part) any contract, which had been funded or approved for funding by the Agency for International Development prior to June 30, 1975, for financing with funds made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974, between the former Governments of Vietnam or Cambodia (including any of their agencies) or the Government of Laos (or any of its agencies) and any person and to apply with respect to any such contract the authorities of the Foreign Assistance Act of 1961.

(c) Funds made available for the purposes of part V of the Foreign Assistance Act of 1961 and of section 36 of the Foreign Assistance Act of 1974 (including amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated against appropriations heretofore made) are authorized to remain available until expended to meet necessary expenses arising from the actions authorized by subsection (b) of this section and from the termination of assistance programs authorized by such part and such section 36, which expenses may include but need not be limited to the settlement of claims and associated personnel costs.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

SEC. 5. Section 903 of the Foreign Assistance Act of 1961 is amended as follows:

(1) in subsection (a), strike out "for the fiscal year 1975 not to exceed $100,000,000" and insert in lieu thereof "for the fiscal year 1976 not to exceed $50,000,000, and for the fiscal year 1977 such amounts as may be necessary."

(2) Strike out subsection (c) and insert in lieu thereof:

"(c) Funds appropriated under subsection (a) shall be available to assist the Governments of Egypt and Israel in carrying out activities under the Agreement of October 10, 1975 and to pay the costs of implementing the United States Proposal for the Early Warning System in Sinai. Such funds may be obligated without regard to the provisions of subsection (b) of this section, to the extent that the proposed obligation has been justified to the Congress prior to the enactment of this subsection.".

FOREIGN MILITARY SALES

SEC. 9. The Foreign Military Sales Act is amended as follows:

(1) In section 31(a), relating to authorization, strike out "$405,000,000 for the fiscal year 1975" and insert in lieu thereof "$1,065,000,000 for the fiscal year 1976 and such amounts as may be necessary for the fiscal year 1977".

(2) Section 31(b), relating to aggregate ceiling, is amended to read as follows:

"(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed $2,374,700,000 for the fiscal year 1976.".

(3) At the end of section 31, add the following new subsection:

"(c) Funds made available for the fiscal year 1976 under subsection (a) of this section may be obligated to finance the procurement of defense articles and defense services by Israel without regard to the limitations contained in section 23 of this Act. The President is authorized to relieve Israel from up to one-half of its contractual liability to repay the United States Government with respect to defense articles and defense services so financed.".

(4) Section 33, relating to regional ceilings, is repealed.

TRANSITION PROVISIONS

SEC. 10. There are authorized to be appropriated for the period July 1, 1976 through September 30, 1976, such sums as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by this Act in accordance with the authorities applicable to such programs and activities for such fiscal year.

THE PRESIDENT'S FOREIGN MILITARY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, the President has proposed a foreign military and security supporting assistance program of $4.7 billion. The President's program requires $3,122.6 million in appropriated budget authority.

The difference between the total value of the program and the appropriated funds is credit derived in the private sector for foreign military sales which is merely guaranteed by the Federal Government.

Included in the $4.7 billion request is $2,240 million for Israel and $750 million for Egypt.

Under the President's proposal, Israel will receive $1.5 billion in foreign military sales credits and $740 million in security supporting assistance. Egypt will receive $750 million in security supporting assistance and will receive no credits or aid to finance military equipcredits or aid to finance military equipment.

I

The $3,122.6 million request by the President is higher than the military assistance target formulated in the National Defense and International Affairs Functions in the House's Second Concurrent Budget Resolution which will be considered next week.

In the second concurrent resolution, the committee has established a target for military assistance and national defense of $695 milion and in the international affairs function of $605 million. The President's request calls for $1,264.3 million in the national defense function and $1,858.3 million in international affairs.

In other words, the President's proposal exceeds the target for foreign military assistance in these two functions by $1,822.6 million. If we adopt the President's proposal, the House will exceed the target contained in the second concurrent budget resolution by $1.8 billion. This figure is based on the assumption that House action to date will be sustained by the entire Congress.

II

There are several alternatives which could be used to reconcile the President's foreign military assistance request with the requirements of the targets contained in the second concurrent resolution. None of these alternatives are very good.

First, the House could raise the target for the national defense and international affairs functions to accommodate the President's proposal. The problem is that the deficit contained in the second concurrent resolution is already $72 billion. The total of $1.8 billion in budget authority is expected to translate into an additional $1 billion in outlays. Therefore, raising the target would increase the deficit from $72 billion to $73 billion.

Second, we could cut the President's request. But, to cut the President's request deeply enough to meet the target would mean substantially cutting aid to Israel. In fact, to meet the target it would probably necessitate reducing aid for Israel by at least $216.4 million. The $216.4 million is the minimum amount the aid to Israel could be cut. This figure assumes that all aid to Egypt and Syria is completely eliminated. If any aid is granted to these countries, Israeli aid would be cut to make up the difference.

No one knows how much of a cut would disrupt the Sinai Agreements. But, there can be little question that if aid is cut by more than $600 million to Israel and eliminated for Egypt and Syria, the Sinai Accord would be terribly jeopardized and probably destroyed.

The third possible reconciliation of the President's proposal and the budget targets would be a cut somewhere within the national defense or international affairs functions or in some other budgetary function.

Cutting inside the function is very difficult since the House has already passed all of the major pieces of legislation that appropriate funds for the national defense and international affairs functions. The House, in short, is locked in.

Outside the national defense and international affairs functions it would be very difficult to find such a large sum—$1.8 billion—to cut at this late date. Other committees have already passed many of their appropriations bills or are completing final action in committee. Both the committees and the executive agencies involved would object to such a large cut so late in the game.

In short, Mr. Speaker, we are facing a reach crunch. Ironically, the President who incessantly criticizes Congress for overspending is now asking us to bust our own budget targets.

LET US HAVE THE WHOLE TRUTH ABOUT THE ROCKEFELLER COMMISSION'S HANDLING OF THE TESTIMONY ON THE ASSASSINATION OF PRESIDENT KENNEDY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, since the Warren Commission published its findings a decade ago, a shroud of doubt has hung over the investigation into the assassination of President John F. Kennedy. I am not one of those who is committed to any of the conspiracy theories now extant, but I do believe that enough questions have been raised concerning the procedures and reasoning of the Warren Commission report that a new investigation is warranted. To this end, I am cosponsoring with my colleague, Congressman HENRY GONZALEZ, the House Resolution 455.

I would like to bring to the attention of my colleagues information which tends to further erode the credibility of the Warren report. I am speaking of the manner in which the Rockefeller Commission on CIA Activities Within the United States treated certain witnesses who provided testimony on the assassination of President Kennedy. Robert Groden, who gave a presentation on the Kennedy assassination last spring to interested Members, warned that the Rockefeller Commission was apparently intentionally misrepresenting his and others' testimony. Dr. Cyril Wecht, coroner of Allegheny County, Pa., seemed to confirm this allegation by reporting that his testimony had been misrepresented and that the Commission refused to make public his deposition. The substance of Dr. Wecht's charge is that while he did testify that President Kennedy could not have been shot from the Grassy Knoll, his key testimony was the refutation of the single bullet theory, thus leaving open the possibility that Lee Harvey Oswald did not act alone. Dr. Wecht alleges that from press reports the impression the Rockefeller Commission presented was that Dr. Wecht's testimony supported the assertion that Lee Harvey Oswald was the sole assassin.

Obviously, it was not the responsibility of the Rockefeller Commission to study the Kennedy assassination outside the allegation of involvement of the CIA. But the Rockefeller Commission still had a responsibility to report testimony accurately. I wrote to Mr. Olsen stating Dr. Wecht's objections and asking that Dr. Wecht's deposition be made public. The reply I received was not responsive, and it certainly does not reflect favorably on anyone connected with the Rockefeller Commission. What Mr. Olsen did do was to belittle Dr. Wecht's views without answering the substantive charges of Dr. Wecht. The spirit of Olsen's letter to me can be summed up in his comment that "Dr. Wecht's views on this matter were so amateurish and shallow as to be unworthy of serious consideration."

How can we know whether Dr. Wecht's views are valid or not if the Commission refused to release the deposition? I do not subscribe to any particular theory about the assassination of President Kennedy but I do know that at the very least the people and Dr. Wecht deserve to see his deposition. What damage can be done by such action? Certainly no damage to the truth. Finally, as we search for the truth it might be worth considering the fact that Mr. David Bellin, Executive Director of the Rockefeller Commission, was the former Counsel of the Warren Commission.

The relevant correspondence follows:

House of Representatives,
Washington, D.C., June 16, 1975.

Dr. Cyril Wecht,
The Frick Building,
Pittsburgh, Pa.

Dear Dr. Wecht: I read in the New York Times of Thursday, June 12, that you believe that your testimony has apparently been intentionally misrepresented by the Rockefeller Commission. I would like your comments, setting forth the testimony you gave, as you remember it or a copy, and how the Rockefeller Commission reported it. My intention is to take this matter up with the Rockefeller Commission.

Sincerely,

Edward I. Koch.

County of Allegheny,
Pittsburgh, Pa., June 19, 1975.

Hon. Edward I. Koch,
House of Representatives, Congress of the United States, Washington, D.C.

Dear Mr. Koch: I was pleased to receive your letter of June 16th, and learn of your interest in the JFK assassination and my recent comments regarding the Rockefeller Commission Report.

I am enclosing materials which I distributed at a news conference in Washington, D.C., on Thursday morning, June 12th, that should give you a fairly complete and accurate picture of the events that have transpired in this matter.

If you have any questions, or should you desire additional information from me, please have a member of your staff call me at anytime.

In the event that you do contact the Rockefeller Commission, I would be most interested in learning what their response is. Thus far, they have not given any substantive, meaningful, or relevant response to news media people who have called to ask for their comments about my statements.

Sincerely yours,

Cyril H. Wecht,
M.D., J.D.

May 13, 1975.

Hon. Nelson A. Rockefeller,
Chairman, Commission on CIA Activities Within the United States, Washington, D.C.

Dear Mr. Rockefeller: As the official record will indicate, the deposition that was taken of me by your Senior Counsel, Mr. Robert B. Olsen, on Wednesday, 7 May 1975, lasted approximately five hours and fifteen minutes, with no breaks or interruptions of any kind. A reading of the transcript will also indicate to any intelligent observer that Mr. Olsen's line of questioning was quite detailed and tenacious. Furthermore, the deposition will indicate to any trained legal observer that the thrust of Mr. Olsen's questions was much more in the form of cross-examination than simple elicitation of direct testimony.

I do not cite these items to register any complaint, but merely to keep the record clear. Mr. Olsen was courteous at all times.

I assume that if your Commission is evaluating the JFK assassination with an open mind and an objective approach, the questioning of Dr. John Lattimer and the members of the medical panel appointed by your Commission will proceed in essentially the same fashion and format as mine. I shall be most interested to learn about the depositions of these people, in order to determine whether Mr. Olsen doggedly challenged every point and opinion that they made with the same degree of intensity and fervor that he did in his examination of me.

I also trust that the members of the so-called "independent forensic science panel" will be questioned as I was concerning their motives and possible economic gains vis-a-vis their willingness to become involved in this matter. It is interesting how the defenders and apologists of the Warren Commission Report always try to create an inference that anyone who dares attack the credibility and accuracy of the Report must be doing so for economic benefit. I wonder if Mr. Bellin and Mr. Olsen are as interested and concerned about possible material benefits that might accrue to the newly enlisted defenders of the Warren Commission Report, especially when they apply for grants from the Federal Government in the future.

Frankly, I have grave doubts about the open-mindedness and objectivity of your Commission with regard to the JFK assassination. I have seen recent correspondence between the Executive Director of your Commission, David Bellin, and private citizens who had the "audacity" to challenge him on several aspects of the Warren Commission Report. Mr. Bellin's responses can best be described as those of a religious zealot vis-a-vis his defense of the Warren Commission Report. How in the world can your Commission honestly and scrupulously re-evaluate the JFK assassination in light of the fact that David Bellin, the Commission's Executive Director, has been for the past ten years, and remains today, the most ardent, fanatical, defender and apologist for the Warren Commission Report?

I have a fairly good idea of what to expect when your Commission's final report is published, insofar as your inquiry into the JFK assassination is concerned. Therefore, I am writing this letter at this time so that it will be part of the official files, and will clearly portray for interested, neutral and independent observers in the future the tenor and psychological background that existed at the time of your Commission's investigation.

Very truly yours,

Cyril H. Wecht,
M.D., J.D.

House of Representatives,
Washington, D.C., June 24, 1975.

Robert Olsen, *Esquire,*
Senior Counsel, Commission on CIA Activities Within the United States, Washington, D.C.

Dear Mr. Olsen: I am distressed by the charges made by Dr. Cyril Wecht that the Commission has apparently misrepresented his testimony concerning the assassination of President John F. Kennedy. The substance of his charge is that while he did testify that President Kennedy could not have been shot from the Grassy Knoll, his key testimony was the refutation of the single-bullet theory, thus leaving open the possibility that Lee Harvey Oswald did not act alone. From press reports the impression the Commission presented was that Dr. Wecht's testimony supported the assertion that Lee Harvey Oswald was the sole assassin. I would appreciate your comments on his allegations.

Also, Dr. Wecht has asked that either his testimony be made public or that he be provided a copy of his testimony. I would like to know if you are planning on fulfilling his request.

Sincerely,

Edward I. Koch.

Olsen, Talpers & Welte,
Kansas City, Mo., July 8, 1975.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: Your letter of June 24, addressed to me at the offices of the Commission on CIA Activities Within the United States has just caught up with me. Thus the delay in replying to you.

You should not be distressed by Dr. Wecht's charges. He was determined to be critical of the Commission's work with respect to the assassination of President Kennedy before the Report was ever issued.

Dr. Wecht testified that there was no medical evidence to support theories which postulate gunmen to the front or right front of the Presidential car.

No evidence was found tending to link the CIA with any shots fired from the Texas School Book Depository. Dr. Wecht's conclusions that President Kennedy and Governor Connally were struck by bullets fired from different rifles, in different positions, within or on top of the TSBD were therefore not material to any alleged improper domestic activity of the CIA. Indeed, Dr. Wecht expressly acknowledged this in his testimony.

You refer in your letter to Dr. Wecht's charge that his "key testimony" was his "refutation of the single-bullet theory." That may be Dr. Wecht's opinion concerning his testimony, but it certainly is not mine—for two reasons. First, because of the absence of any evidence connecting the CIA with any shots from the rear, the validity of the "single bullet theory" was neither relevant nor "key." Second, far from refuting the "single bullet theory," Dr. Wecht's views on that particular subject were revealed to be so amateurish and shallow as to be unworthy of serious consideration.

The Commission staff broadly questioned the medical witnesses concerning the direction from which the shots were fired at the President and Governor Connally. Testimony had been received allegedly linking the CIA to "assassins" firing from the grassy knoll. Also, had any evidence turned up which would have linked the CIA to shots from the rear, it would have been necessary, I believe, to evaluate the "single-bullet theory" as well as the numerous other (and conflicting) theories which have been advanced on the subject. To avoid having to recall the medical witnesses if such evidence was uncovered we inquired into the subject of the single-bullet theory in the first instance.

Your letter refers to "the impression the Commission presented" concerning Dr. Wecht's testimony supporting the assertion that Oswald was the sole assassin. I suggest you review the Commission's Report on the subject rather than the press reports. The Commission expressed no opinion whatever as to whether Oswald was the sole assassin.

As a member of the staff of the Commission, I am not in a position to grant or withhold Dr. Wecht's request that his testimony be made public or that he be provided with a copy of his testimony. I will offer the surmise, however, that publication of his testimony would not advance Dr. Wecht's standing among his fellow forensic pathologists.

Sincerely,

Robert B. Olsen.

ROCKY MOUNTAIN WEST ENERGY RESOURCES AND DEVELOPMENT

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, in its nearly 100 year history Wyoming has never had an occasion where one of its chief executive officers has launched a career under more burdensome and difficult circumstances than has Ed Herschler of Kemmerer, Wyo., who assumed the Governorship of Wyoming in January of this year.

Momentous problems of unprecedented proportions face him in the burgeoning industrial expansion in Wyoming with which the House is quite aware.

He recently had an occasion to address a Conference of Western Governors in helping to shape their resolution recently issued regarding the Rocky Mountain West energy resources and their development. I want to commend Governor Herschler on his foresight and excellence in presenting a statement that I think is "must reading" for every Member of Congress who would want an early and satisfactory resolution of the Nation's energy problems.

His statement and the Western Governors resolution follow:

Remarks Delivered by Gov. Ed Herschler

Gentlemen, a matter of continuing concern to all of us in this organization is the Sierra Club v. Morton suit and its effects on energy development in our respective states. The commendable goal of the Sierra Club in the litigation is to ensure that energy development occurs within a comprehensive, regional framework. However, as frequently happens in lawsuits, the positions of the various parties have become so inflexible that the best interests of all concerned is being defeated by procedural time delays. Unless another solution to the problem is found, the judicial process may move forward at a snail's pace to a non-conclusion; namely, further litigation.

A petition for certiorari is presently pending before the Supreme Court. If the Supreme Court denies this petition, the Department of Interior must then decide whether to prepare a regional environmental impact statement. If it decides not to prepare an environmental impact statement, we can reasonably expect further judicial review of that decision. On the other hand, preparation of an environmental impact statement would require one to three years of preparation time and the resulting environmental impact statement may be challenged on grounds of adequacy.

Furthermore even if Interior were to undertake a new regional environmental impact statement, other problems arise. The administrative guidelines that have been developed for the environmental impact statement process were not designed to focus attention on the larger issues of development, such as the effects of inter-basin water transfers or the differential effects of mine-mouth conversion versus out-of-state shipment. Rather, the impact statement process as it now stands is designed to deal with micro, or site-specified effects. It is essential that coal development be examined adequately in the broader, regional context as well as in the narrower, site specific framework.

Conversely, the Supreme Court may grant Interior's petition for certiorari. If the Supreme Court upholds the lower court's decision, the results will be similar to those discussed above. If the Supreme Court reverses the lower court and holds that an environmental impact statement is not required, coal rich states will be hit with sudden and uncontrolled overdevelopment. This overdevelopment will be caused by a number of factors. First, a large number of utility companies have already contracted to purchase western coal. These contracts typically start out at a comparatively modest amount of coal which then increases substantially in each of the first few years of a given contract. The present litigation has effectively prevented the first year or two of these contracts from being implemented. However, when a settlement is eventually reached, the far larger quantities of coal called for in the later years of the contracts will have to be extracted immediately.

Second, many potential customers for our coal are presently making do with other fuel sources, waiting for a resolution of this issue. This pool of pent up demand is sure to increase as litigation drags on. The net effect of extended litigation could well be that the development of our resources, when it does occur, would proceed at such a furious rate that our local communities would be totally overwhelmed. Although my own State has enacted comprehensive legislation to manage energy development it is questionable whether these measures could operate effectively under those circumstances. Our Industrial Siting administration, Community Development Authority, and Land Use Planning are in operation, but they can handle only so much activity.

The fact that these laws are operational prior to major development activity is due, in part, to the breathing spell given the State by this lawsuit. However, the beneficial aspects of this breathing spell may be defeated entirely if the lawsuit is resolved in any of the ways I have outlined above. Early in my legal practice, I concluded that a bad out-of-court settlement was frequently better than a good lawsuit. The resolution that I propose to you is designed to encourage the Sierra Club and the Interior Department to enter into a good out-of-court settlement in place of what is developing into a bad lawsuit.

The resolution placed before this organization entails allowing coal development to proceed within limited areas designated for that purpose. It is expected that these designed areas would not include areas in which irretrievable environmental damage might result from development. In order to achieve this end, it is critically important that any settlement of the suit provide that the individual states will actively participate in the designation of these areas. Those states which do not feel their own laws provide sufficient control over development could discourage designation of areas within their boundaries. One of the major premises of this resolution is that the federal government will recognize the applicability of plant siting mine reclamation and other relevant state laws, since it is my belief that these laws would provide adequate protecion to the state to safely allow development to proceed within the designated areas. Concurrently with this designation the Interior Department would initiate a joint, comprehensive regional planning process in which the states would participate as full partners.

This resolution is not to be understood as a relaxation of Wyoming's intent to have energy development occur on its own terms. It merely recognizes that the current litigation has reached an impasse which neither protects environmental interests nor meets the nation's energy needs. Under the resolution, the major issues involved in regional energy development can be adequately evaluated, while coal development proceeds on a limited scale in a limited area, subject to state control.

Resolution

Whereas, the Western Governors Regional Energy Policy Office favors the orderly development of the region's energy resources as being in the best interest of the nation and our states; and

Whereas, such orderly development requires a comprehensive regional plan developed by the federal and state governments working as full and equal partners; and

Whereas, the potential judicial review of *Sierra Club* v. *Morton* will entail unnecessary procedural delays that may well never produce a coherent comprehensive regional plan; and

Whereas, limited development of our coal resources, in conjunction with the development of a comprehensive regional plan, will permit the nation's need for coal to be met while adequately protecting the environment, economy, and quality of life of our region and its citizens.

Now, therefore, be it resolved that the Western Governors Regional Energy Policy Office strongly urges all the parties of record to the law suit resolve it by negotiation, provided that any negotiated settlement inculde the following provisions:

1. The Department of Interior will initiate a comprehensive regional plan for energy development in the Northern Great Plains, including the states as equal partners in the development of such plans;
2. The parties agree to a continuation of the present injunction and the Department of Interior's policy of restraint until the comprehensive regional plan is completed except in limited areas to be designated by the parties to the law suit, subject to approval by the governor of the state in which the area is located, or, if the governor of the state so requires, subject to compliance with state plant siting and reclamation laws by all energy developers within the designated areas;
3. Within the designated areas, energy development may proceed without regard to the injunction provided that it is done in compliance with federal and state laws, including any required site-specific environmental impact statement.

DISCUSSION PRINCIPLES CONCERNING ROLE OF OUR FINANCIAL INSTITUTIONS IN THE NATIONAL ECONOMY

Mr. REUSS. Mr. Speaker, yesterday the Committee on Banking, Currency and Housing released a series of discussion principles concerning the role of our financial institutions in the national economy. This document has received wide publicity, and unfortunately, there are not enough copies available to supply the public and Members of Congress.

These discussion principles seek to restructure our Nation's financial institutions to promote efficiency through increased competition, and thereby assure consumers of better financial services at the lowest possible cost.

It is the intention of your committee to begin 3 weeks of hearings on these discussion principles, in early December.

The document follows:

Financial Institutions and the Nation's Economy (FINE); Discussion Principles

(By the Committee on Banking, Currency and Housing, House of Representatives, 94th Congress, first session, November 1975)

PREFACE

As a means of insuring the widest possible participation, including that of consumer, citizen and financial groups, the following set of Discussion Principles, a result of preliminary discussions with staff and expert consultants, is submitted as a part of the FINE (Financial Institutions and the Nation's Economy) Study process.

The broad approach embodied in these Discussion Principles is deemed essential to insure that proposals for the restructuring of our Nation's financial institutions clearly promote efficiency of financial markets through increased competition among financial institutions. Artificial and outmoded constraints which have served to inhibit capital formation required of a flourishing economy must be dealt with comprehensively if the credit needs of this Nation—private individuals, government, and business—are to be met.

Hearings will now be held on these principles, leading to the consideration of implementing legislation. The Committee encourages the fullest possible participation, by the submission of suggestions, criticisms, and supplemental proposals.

HENRY S. REUSS,
Chairman, Committee on Banking, Currency and Housing.
FERNAND J. ST GERMAIN,
Chairman, Subcommittee on Financial Institutions Supervision, Regulation and Insurance.

TITLE I: DEPOSITORY INSTITUTIONS

A coordinated approach is needed to strengthen our depository institutions. Artificial ceilings on interest rates paid to depositors reduce the incentive for Americans to save, discriminate against small savers, and have not succeeded in preventing disintermediation. All forms of depository institutions need broader and clearer powers with respect to both sources and uses of funds. More competition, and better informed depositors, borrowers, and investors, could provide an appropriate bicentennial for Adam Smith. Regulation, examination and supervision of depository institutions must be coordinated to protect depositors and stockholder interests; to provide equitable treatment of prospective borrowers; and to prevent laxity and waste of government personnel. The reformed depository institutions should be treated equally from the standpoint of taxation. All this requires that the reform of depository institutions be viewed as a totality, and not a set of disparate actions.

1. Chartering and conversion

Any federally-chartered savings and loan association that wishes to convert to a national bank charter would be permitted to do so, provided capital and other requirements are met. Any mutual savings and loan association would be permitted to convert to a stock savings and loan chartered under regulations similar to those adopted by the Federal Home Loan Bank Board pursuant to the legislation enacted by Congress in 1974. Mutual savings banks would be permitted to convert to a national bank, savings and loan, or be permitted to obtain original chartering from the federal government. Each of these permitted conversions would be supervised by the Federal Depository Institutions Commission (See Title IV—Regulatory Agencies) to assure that there would be no special advantages to insiders or other abuses arising from the conversion. In order to encourage competition, any new depository institutions would be chartered if capital and other requirements are met.

2. Sources of funds

All Regulation Q ceiling rates and the prohibition against paying interest on demand deposits would be removed by the direction of the Federal Depository Institutions Commission, according to a schedule which would avoid injury to the depository institutions affected and to the flow of capital necessary for housing, and accompanied by a method of continuing to attract deposits in a period of rising interest rates. In no event would these ceilings and prohibitions exist later than five years after the date of enactment of this proposed legislation.

There should be no promise of final review of this action before the ceilings are eliminated, because unless institutions are sure of the demise of ceiling rates, they will not engage in the portfolio adjustments necessary to allow them to survive in a world without ceilings on deposit rates. The Federal Depository Institutions Commission, in consultation with the Federal Reserve Board and the Federal Home Loan Bank Board, would have standby authority to reimpose interest rate ceilings, subject to Congressional review, should this be required by any financial emergency.

Savings and loan associations, credit unions and mutual savings banks would also be permitted to issue demand deposits and other third party transfer arrangements. In the case of credit unions, such demand deposits and third party arrangements will be available to the general public only in the case of a community credit union in a low-income area.

3. Uses of funds

Savings and loan associations, mutual savings banks, and credit unions would retain their present investment powers, and be permitted to engage in expanded consumer lending, including the issuance of credit cards and the establishment of revolving lines of credit. They would also be permitted to invest in commercial paper, corporate debt and bankers acceptances. Savings and loan associations would be allowed to make interim construction loans not tied to permanent financing.

4. Disclosure

To promote competition, the depositors, borrowers, and investors of depository institutions are entitled to more information than they now receive. The Federal Depository Institutions Commission would be required to obtain from depository institutions, and make available by market area to the public, information respecting the amount of interest paid on deposits and charged on loans as well as information relating to capital provisions, foreign activities, loan losses, and the impact of holding company operations on a depository institution.

5. Relationship to Federal Reserve System

All federally insured depository institutions would be required to meet reserve requirements on their deposit liabilities, and on their liabilities to other depository institutions. All reserves would be held at the Federal Reserve. All institutions of a given size would be treated alike in their required reserves for a given type of deposit, except that any institutions that did not formerly have required reserves at the Federal Reserve would have reserve requirements imposed initially only on the increase in their deposits over and above their level at the time of introduction of the legislation. Reserve requirements on this initial level of deposits would be phased in over a five-year period.

All institutions that are required to meet reserve requirements would have direct, full and equitable access to Federal Reserve services, including the discount window and wire transfer system. Branches of foreign banks would have access to the discount window, but they could not use loans to foreign borrowers as collateral. The designation of a Federal Reserve "member bank" would cease to exist, because all federally insured depository institutions would hold required reserves with the Federal Reserve, thus, "membership" is automatic and meaningless. The Federal Reserve would continue to administer the discount window and the discount rate, and to set reserve requirements, in accordance with general monetary policy considerations. (See Title V—The Federal Reserve System.)

6. Regulatory agencies

All federally insured depository institutions and their holding companies would be supervised and regulated by the new Federal Depository Institutions Commission. (See Title IV—Regulatory Agencies.)

7. Housing incentives

Incentives to depository institutions to encourage an adequate supply of funds at reasonable rates for low- and moderate-income housing are explained in Title II—Housing.

8. Taxation

Banks, savings and loan associations, mutual savings banks, and credit unions would each receive the same treatment under federal tax laws.

9. Branching

Interstate branching of all federally insured depository institutions would be allowed if branching did not conflict with state laws. In those states where there is a conflict, out-of-state federally insured depository institutions and within-state federally chartered institutions, would be allowed a branch in all Standard Metropolitan Statistical Areas (SMSA's) with populations of two million persons or above. All branching across state lines would be subject to the approval of the Federal Depository Institutions Commission, which would be responsible for assuring that competition would not be reduced by such branching. Mergers with existing depository institutions to form branches across state lines would not be allowed.

10. Trust activities

At the present time only commercial banks are permitted to engage in trust activities. In order to increase competition and decrease the possibility of conflicts of interest, this power would be extended to savings and loan associations, credit unions, and mutual savings banks. The Federal Depository Institutions Commission would supervise and regulate trust activities, and only permit them upon a finding that the institution was sufficiently large and strong to support a trust department. Such non-bank depository institutions would, however, have to avoid business investments, which continue to present a conflict of interest problem for banks which engage in trust activities.

11. Securities underwriting

Banks would be permitted to engage in the underwriting of state and municipal securities, including revenue bonds. The present prohibitions on underwriting of corporate securities by depository institutions would be retained.

12. Electronic funds transfer systems

The Congress would await the receipt of reports from the National Commission on Electronic Funds Transfers before legislating further in this important area of new payment mechanisms. Existing regulatory authority for new payment mechanisms would be transferred to the Federal Depository Institutions Commission.

TITLE II. HOUSING

It is not possible to consider meaningful reform of depository institutions without confronting the problem of housing. Existing housing programs are clearly deficient, as evidenced by the wild swings in housing starts that continue to plague the economy and by the large quantity of remaining substandard and deteriorating housing.

A keystone to housing policies has been the existence of specialized depository institutions that were created to devote most of their resources to granting and servicing mortgage loans. These institutions have been protected from inter-depository institutional competition for funds by interest rate ceilings on their deposit accounts. These interest rate ceilings prevent small investors from receiving a fair return on their savings. And they have not succeeded in insuring a stable flow of funds into thrift institutions. Because savings and loan associations hold almost exclusively mortgages which yield a fixed interest income, it has not been possible for them to afford to pay high enough interest rates on their thrift accounts to maintain a steady inflow of funds.

Yet if thrift institutions are to be allowed to invest a significant proportion of their resources in assets other than mortgage loans, there is the danger that the mortgage market and hence housing would suffer in the process. While thrift institutions could afford to pay a higher interest rate on their liabilities if they could hold more diversified portfolios, there is no assurance that housing would be any better off in the process. The Hunt Commission and the supporters of the Financial Institutions Act have gone to great lengths to demonstrate that if thrift institutions were allowed greater investment powers, and if ceiling rates on their deposits were removed, a miracle would occur—housing and the mortgage market would be better off. But the sole basis for this rosy conclusion is a questionable series of simulations of sophisticated econometric models. Stronger measures than wishful thinking are required to assure an adequate flow of funds into housing.

The proposals that follow are designed to aid low- and moderate-income housing without using the depository institutions as the whipping boys of a housing program. While the depository institutions would continue to play a key role in financing housing, they would receive incentives to participate rather than be coerced. The incentives would be applied in such a way that broader uses of funds would be possible, and interest ceilings on thrift accounts would no longer be needed.

1. *Mortgage-interest tax credit.*—Any financial institution would be eligible for a mortgage-interest tax credit, along the lines proposed in the Financial Institutions Act of 1975 with one important exception. Eligible mortgages would be restricted to those on property destined for dwellings for low- and moderate-income owners and renters. This restriction will reduce the estimated $725 million annual cost significantly when the program is fully operative. There is no reason to subsidize housing for upper income people, as the Financial Institutions Act of 1975 proposes.

2. *Federal Home Loan Bank Board.*—The Federal Home Loan Bank Board would be empowered to lend directly to any depository institution, provided that the proceeds were used for purposes of granting mortgage loans for low- and moderate-income housing. Construction loans for rental units to house low- and moderate-income families would be included as well as mortgage loans on these structures. The maturity of the loans from the FHLBB would be determined at the discretion of that institution and could be up to the maturity of the mortgage loans granted by the depository institution. The interest rate charged to the mortgagor by the mortgage lender would have to reflect the lower interest rate the mortgage lender obtains from the FHLBB.

The FHLBB as reorganized under Title IV would raise its funds through the capital markets under the auspices of the Treasury. In this lending program two factors would have to be determined: the amount of lending that would be made to depository institutions and the interest rate they would be charged. During periods in which it is desirable to stimulate mortgage granting activities of depository institutions, a relatively large volume of funds would be lent at a subsidized rate, i.e., the FHLBB would charge depository institutions a rate below what it must pay to borrow in the open market. The lower rate would be passed on to eligible mortgage borrowers because of the requirement that mortgage lenders add only a fixed charge to their borrowing costs from the FHLBB. The cost of this subsidy (the difference between borrowing and lending rates) would be met from general revenues, and would have to be the subject of prior Congressional budget and appropriation procedures.

The FHLBB would be guided in its lending program by a coordinating committee comprised of the Chairman of the Federal Home Loan Bank Board, the Secretary of the Department of Housing and Urban Development, the Secretary of the Treasury and the Chairman of the Federal Reserve Board. The Chairman of the Federal Home Loan Bank Board would be required to issue an annual report describing the planned lending program for the coming year and describing how the execution of the program over the previous year accorded with the program that was planned.

3. *Mortgage Reserve Credit.*—The Federal Reserve Board would be given authority to provide reserve credits to all depository institutions on new and outstanding low- and moderate-income housing and construction loans for all depository institutions. All depository institutions that are required to hold reserves at the Federal Reserve would be eligible for the credit.

Thus, for each dollar of reserves held at the Federal Reserve, each institution would receive a reserve credit against these reserves equal to a fixed percentage of its new and outstanding dollar volume of mortgage and residential construction loans. The reserve credit would enhance the attractiveness of mortgage and construction loans relative to other assets because the act of granting these loans would free reserves that could be used for investment purposes. The credit would also ease the burden on those depository institutions that would experience large reserve requirements for the first time.

The Federal Reserve Board would set the percentages for the credits at a percentage of qualifying loans that would, generally speaking, allow an institution truly specializing in low- and moderate-housing loans to substantially escape the new reserve requirements on time deposits. The only restriction would be that net required reserves (required less the reserve credit) would have to be positive for all institutions.

Because of the obvious influence that the reserve credits would have on the nation's housing program, the Federal Reserve would have to be guided by the coordinating committee described in Title II, 2.

TITLE III: DEPOSITORY INSTITUTIONS HOLDING COMPANIES

The general statutory framework that provides for depository institutions holding companies' regulation and places limits on their activities should be retained. Both statutory amendments on improved regulation are needed to reduce the possibility that relationships between and among depository institutions and their non-financial affiliates can impair the soundness of the depository institutions.

1. *Federal Depository Institutions Commission.*—The Federal Depository Institutions Commission would have authority for supervising, regulating and examining bank holding companies and holding companies involving savings and loan associations.

2. *Competition.*—In order to promote healthy competition among depository institutions, holding companies would be subject to the jurisdiction of the Federal Depository Institutions Commission so as to prevent the acquisition of bank or savings and loan subsidiaries which would tend to lessen competition in a financial market.

3. *Avoiding Confusion.*—Naming of holding companies, other subsidiaries of the same holding companies, and their affiliates in a way sufficiently close to that of a financial institution so as to cause public confusion would be prohibited. Any liability issued by a non-financial subsidiary would clearly state that the liability carries no guarantee by any depository institution in the holding company system, or by the U.S. government.

4. *Prohibited Transactions.*—The Federal Depository Institutions Commission would determine, before permitting any action by a depository institution with a holding company, a subsidiary, or an affiliated non-financial institution, that such action would not weaken the depository institution in question. Present limitations on the amount of loans between and among affiliated depository institutions and the requirement that they be secured, would be removed, thus treating these transactions as similar to inter-branch transactions. Transactions, other than routine deposit transactions, would be prohibited between a depository institution which is a subsidiary of a depository institution holding company and any investment company (including real estate investment trusts) which it manages or advises.

5. *Public Information.*—The Federal Depository Institutions Commission would obtain, and make publicly available by market area on a periodic basis, information concerning loans and other financial transactions between and among depository institutions, their holding companies, their nonfinancial affiliates, and institutions such as real estate investment trusts which obtain advice from a nonfinancial affiliate.

6. *Independent Directors.*—The Board of Directors of each financial institution in a holding company system, as well as the important committees thereof, would be required to have at least one-third their members independent—having no affiliation with the holding company or any of its nonfinancial affiliates or subsidiaries.

TITLE IV: REGULATORY AGENCIES

In a speech to the American Bankers Association Convention in October, 1974, Chairman Arthur Burns of the Federal Reserve Board characterized the present bank regulatory system as "a jurisdictional tangle that boggles the mind."

This tangle of confusing, overlapping, and sometimes conflicting jurisdictions and policies, Chairman Burns noted, has resulted in a "competition in laxity" among the regulators that poses a grave danger to the public interest.

The alarm sounded by Chairman Burns echoed past admonitions by knowledgeable officials. As far back as May, 1962, the former Vice Chairman of the Federal Reserve Board, Governor J. L. Robertson, warned that the tripartite bank regulatory system tends to reduce the standards of supervision "to the level of the lowest or most lenient."

Hearings by committees of the Congress have disclosed a widespread increase in dubious bank practices approved by regulators who are supposed to be guided by principles of soundness. These questionable practices include excessive foreign currency speculation, extensive bank involvement in unsound loans to real estate investment trusts, and enormous expansion of banks through bank holding companies and in operations overseas. The collapse of three major U.S. banks, suggests that the quality of bank regulation may be inadequate.

In part, the deficiencies in the present regulatory apparatus can be attributed to the jerrybuilt nature of its construction. Until the National Bank Act of 1863, all banks were regulated solely by the states, which continue to play an important supervisory role. A superstructure of federal regulation has developed on top of state regulation. The Comptroller of the Currency supervises nationally chartered banks; the Federal Reserve Board supervises state-chartered member banks, all bank holding companies and so-called Edge Act Corporations (international banking subsidiaries of U.S. Banks); the Federal Deposit Insurance Corporation (which insures nearly all banks) supervises state-chartered banks that are not members of the Federal Reserve system.

Within this three-headed structure, anomalies abound. The Federal Reserve, for instance, regulates bank holding companies, but usually does not regulate the bank involved. The Federal Reserve has sole authority over Edge Act corporations, but often does not regulate the bank with which the Edge Act corporation is associated. The Federal Reserve has sole authority to supervise the overseas operations of U.S. banks, but in many cases does not regulate the domestic operations of the same bank.

As early as 1937, the Brookings Institution called for consolidation of regulatory and supervisory responsibility. Since then, the Hoover Commission in 1949, the Commission on Money and Credit in 1961, and the Hunt Commission in 1971 all have made extensive recommendations for reform.

Clearly today's complicated financial world cannot afford to run the risk of recurrent crises before adopting safeguards. The present system must give way to a single, strong Federal Depository Institutions Commission that will better serve both the public interest and the interest of the financial community here and abroad.

1. *Creation of a single agency*

A single Federal Depository Institutions Commission would be created, which would draw together the activities of the Comptroller of the Currency, and the regulatory and supervisory functions of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank System, and the National Credit Union Administration. The Commission would be phased in over a three-year period.

Under this proposal the Office of the Comptroller of the Currency and the National Credit Administration would cease to exist. The agencies that presently provide federal insurance to depository institutions would be combined into a single agency under the aegis of the Federal Depository Institutions Commission.

The Federal Reserve Board would be responsible only for the conduct of monetary policy, as described in Title V—The Federal Reserve System. The Federal Home Loan Bank System would receive a new charter which would include the authority to administer the Federal Home Loan Mortgage Corporation and to administer a program of housing finance that would utilize all depository institutions as a source of mortgage funds for low- and moderate-income housing, as described in Title II—Housing.

Creation of a single agency would make it easier to upgrade the quality of bank examination, supervision, and regulation by enhancing the prestige of the agency and by concentrating resources on better training and recruitment of personnel. It would also result in substantial savings through elimination of duplication.

2. *Composition of Commission*

The Federal Depository Institutions Commission would be comprised of five commissioners including the Deputy Attorney General, a commissioner of the Securities and Exchange Commission (selected by the Chairman of the SEC), the Vice Chairman of the Federal Reserve Board, and two representatives of the public interest, one of whom would be Chairman. The representative of the public interest and the Chairman would be appointed by the President and confirmed by the Senate. They would serve six year terms, except that the initial term of the non-chairman public interest representative would be for four years.

3. *Duties of Commission*

The Commission would be responsible for the chartering, conversion, mergers, examination, supervision and regulation of foreign banks as well as all federally chartered depository institutions (including Edge Act corporations) and their holding companies. The Commission would also be responsible for the examination, supervision and regulation of state chartered banks, savings and loan associations, credit unions, mutual savings banks and the overseas branches of U.S. banks. This responsibility could be delegated by the Commission to state supervisory authorities upon a finding that the state authority was doing an adequate job.

Depository institutions not insured by the federal government would be omitted from the jurisdiction of the Federal Depository Institutions Commission. The Commission would also respect and observe the elements of the dual banking system in its examination, supervision and regulation of state chartered depository institutions.

4. *Structure of Commission*

The Federal Depository Institutions Commission would have a dual charge: to encourage the soundness of depository institutions, and to encourage competition among them.

To accomplish this, the Commission would be composed of two units:

(a) One unit would pursue the examination, supervision and regulation functions relating to the soundness of depository institutions.

(b) The second unit would be responsible for promoting competition. It would do this through analysis and recommendations with respect to mergers, new charters, holding company activities, and disclosures of relevant information.

The Commission would be required to submit a public report and testify at least once a year before the appropriate committees of Congress with respect to its efforts to improve the competitive performance of depository institutions and its efforts to promote soundness.

TITLE V. THE FEDERAL RESERVE SYSTEM

The impact of the Federal Reserve System's conduct of monetary policy on economic growth, jobs and inflation has grown enormously since the system was established in 1914. Yet the structure of the Fed has never basically changed. It remains, in important ways, essentially a "banker's bank," its control largely in the hands of American financial and industrial interests.

Member banks own the stock of the 12 Reserve Banks. Two-thirds of the directors of each Federal Reserve Bank are elected by member banks, the remaining one-third by the Board of Governors. The Boards of Directors then elect the presidents of the Reserve Banks, who in turn wield important influence on the Federal Open Market Committee which sets monetary policy.

Congressional and public involvement in monetary decisions which affect all Americans has been peripheral, and easily ignored. In contrast with fiscal policy, which is hammered out on the forge of public debate and in give and take between the executive and legislative branches, monetary policy is shaped largely in secret.

In its virtually complete control over monetary policy the Fed can largely offset the effects of fiscal policies determined by democratic process. The Fed can—by either intent or by error—precipitate inflation or recession. The experiences of 1966, 1969, 1973, and 1974 bear witness to this power.

The removal of monetary policy from public pressure is both a virtue and a vice. It allows monetary policy to be flexible in a way that is virtually impossible for spending and taxation policy. It exempts monetary policy from narrow political considerations. But the balance between independence and public accountability is tipped too far in one direction. The Federal Reserve has become almost a fourth branch of government, exempt from the system of checks and balances written into the Constitution for other areas of public policy.

The recommendations that follow are designed to bring the Federal Reserve more into the public realm, more responsive to the needs of all major constituencies of American society. At the same time, the Federal Reserve would retain the scope for flexibility in policy, and a measure of independence great enough to insulate policy from transitory political considerations.

1. *The Federal Reserve Board*

Due to the transfer of certain responsibilities now vested in the Federal Reserve Board to the Federal Depository Institutions Commission, the present Board of Governors, consisting of seven governors, would be replaced over time by a five member Board which would continue to be appointed by the President and confirmed by the Senate. The governors would serve staggered terms of ten years, with a new term available every two years. This is the same turnover rate that currently exists with seven governors and fourteen year terms. In order to effect an orderly transition from a seven member board to a five member Board, the first two terms to expire after the enactment of this legislation would not be filled.

The President would select a Chairman of the Board from among the five Governors, subject to confirmation by the Senate. The Chairman's term would be for four years, and would be co-terminous with that of the President.

The operations of the Federal Reserve System, except for monetary policy and for transactions on behalf of foreign central banks, would be subject to audit by the General Accounting Office.

2. *Regional reserve banks*

A. Responsibilities: Regional Federal Reserve Banks would have no regulatory responsibilities, because the responsibilities would be transferred to the new Federal Depository Institutions Commission. The stock of the Reserve Banks would be retired, and the banks would become purely a government institution. Reserve banks would continue to perform their current functions of discount facilities, check clearing, funds transfers, coin and currency distribution, research, and public distribution of data and special analyses. The Federal Reserve Bank of New York would continue to conduct open market operations and foreign exchange activities on instruction from the Board of Governors.

B. Presidents: The presidents of the reserve banks would be appointed by the President of the United States, subject to confirmation by the Senate. They would have a term of five years and would receive salaries equal to those of Governors.

Reserve bank presidents would be phased in as existing presidents reach the end of their present five year terms of office. They would be required to be highly qualified to advise the Board of Governors on monetary policy, as well as to conduct the functions of the banks. The present Boards of Directors of the Reserve Banks would cease to exist, and the present function of the Boards in bringing diversity to monetary policy making (in terms of geography, business sectors, and other constituencies) would be met through the exchange proposed in this Title.

Each Reserve Bank president would present written reports of the Advisory Committees mentioned below, as well as reports of their own views, to the Board of Governors. All such reports would be promptly distributed by the Board to the general public.

The Reserve Bank presidents would not vote on monetary policy actions, but would advise the Board of Governors on policy and would be present at meetings dealing with policy. The Board of Governors would promptly inform them of all policy actions.

C. Depository Institutions Advisory Committee: Each Federal Reserve District would have a Depository Institutions Advisory Committee appointed by the Federal Reserve Bank president comprised of representatives of those institutions—banks, savings and loan associations, mutual savings banks and credit unions—holding required reserves at that Reserve Bank. Members of the Depository Institutions Advisory Committee would make their views known concerning Federal Reserve regulations that directly affect them, such as the levels of reserve requirements for different kinds of liabilities and for different size institutions, the discount rate and administration of the discount window, operations of the Federal Reserve's funds transfer system and other functions of the Fed.

The Committee would be comprised of twenty to thirty members, as determined by the Reserve Bank president, selected from large, medium-sized and small institutions, and giving fair representation to each type of institution. The Commttee would advise the Reserve Bank president in open meetings, and would present appropriate reports and comments to the Reserve Bank president.

D. Monetary Policy Advisory Committee: Each Federal Reserve District would have a Monetary Policy Advisory Committee appointed by the Federal Reserve Bank president comprised of individuals residing in the Reserve District. The Committee would have twenty to thirty members, as determined by the Reserve Bank president, giving fair representation to finance, industry, farming, labor, and education, and the general public. All reasonable efforts should be made to appoint a Committee that is representative of the population characteristics of the Federal Reserve District.

The Committee would serve as the eyes and ears of the community and would evaluate local conditions in the district. It would present to the Reserve Bank president in open meetings its views on how monetary policy actions are affecting the local communities and the nation.

3. Monetary policy

A. Responsibility: At present, the three tools of monetary policy—open market operations, reserve requirements, and the discount rate (the rate which the Federal Reserve charges banks who borrow from them)—are wielded by three different authorities. The Federal Open Market Committee decides the extent of purchase or sale of government securities, which influences interest rates and the availability of money and credit in the economy. The Board of Governors establishes reserve requirements, which influences the money, credit and interest rates in different ways.

Applications for changes in the discount rate as approved by the Board, but the recommendation for such changes comes from the boards of Directors of the 12 reserve banks. This "system" is not only incoherent, but it also fails to pinpoint responsibility for monetary policy.

The regulation of financial institutions would be removed from the Federal Reserve System and placed in the hands of the Federal Depository Institutions Commission, as described in Title IV. This would make monetary policy the full-time responsibility of the Board of Governors of the Federal Reserve. Monetary policy would be centered in this one responsible group, operating with the advice of Federal Reserve Bank presidents and the Two Advisory Committees described above.

B. Employment Objectives: The Federal Reserve Act would be amended to explicitly make the Federal Reserve responsible for helping achieve the objectives of the Employment Act of 1946: to "promote maximum employment, production and purchasing power."

C. Economic Reports: The Board would be required to issue an annual economic report similar to that required of the President. It should be issued following consultation with the President and review of the Administration's fiscal policies and at the same time, or shortly after, issuance of the President's report. The report would explain in detail monetary policy plans for the coming year, and how the Board has conditioned its plans to the relevant fiscal proposals of the President. The Board would provide its economic forecasts for the coming year and explain how its policies would help achieve the results forecast. The report would also describe how its policies have been chosen in light of the Board's obligations under the Employment Act of 1946.

D. Congressional Testimony: The Board would be required to present annually its report to the Congress in order to present Congress with the formalized opportunity to express its views on the monetary policies contained therein. The Board would continue to report to the Banking Committees of the Congress every three months on the progress of monetary policy, as set forth in House Concurrent Resolution 133.

TITLE VI. FOREIGN BANKS IN THE UNITED STATES

The growth in foreign bank operations in the U.S. has been one of the more significant developments in banking activity in the last decade. U.S. assets of the 78 foreign banks (with 180 U.S. offices) exceed $57 billion, up from $7 billion ten years ago. Foreign banks now hold 6.5 percent of total U.S. commercial bank assets, and 9 percent of all business loans.

Foreign banking here is conducted by very large banks. Forty-seven—or approximately three-fifths of the foreign banks engaged in banking operations in the United States are among the top 100 banks world-wide. Only 18 U.S. banks are among the top 100 in size of deposits.

Foreign banks here have five major advantages over U.S. banks. These advantages result from the absence of any federal regulatory controls over foreign banks, which leaves jurisdiction to the states.

First, they can engage in full-service banking operations in more than one State, a privilege denied domestic banks under the McFadden Act of 1927.

Second, through subsidiaries and affiliates, they may underwrite and deal in corporate securities in addition to their banking business. These activities are prohibited to domestic banks under the Glass-Steagall Act.

Third, foreign banks can hold equity investments in U.S. commercial companies or U.S. subsidiaries of foreign commercial companies, while U.S. banks and bank holding companies are barred from such equity investments in commercial companies.

Fourth, foreign banks are not subject to the "closely related to banking" restriction of the Bank Holding Company Act of 1970.

Fifth, foreign bank branches and agencies escape the restrictions of member bank reserve requirements. The branches and agencies, which control some 80 percent of total foreign bank assets here, have been able to tap the Eurodollar market for purposes of lending in the U.S. without posting reserves. Domestic banks, on the other hand, have reserve requirements imposed on their identical Eurodollar borrowing. In the period July—October, 1974, when money was tight and domestic banks had a reserve requirement of 8 percent on the use of Eurodollars for domestic purposes, foreign agencies and branches brought $1.8 billion of Eurodollars into the United States, and lent $1.4 billion to credit—starved U.S. corporations and $.4 billion to banks willing to pay as much as 13 percent for short-term funds. As the Federal Reserve Board has recognized, this freedom from reserve requirements for foreign banks doing business in the United States seriously hampers the Board's monetary policies.

Because the recommendations which follow, together with the other Titles, treat foreign banks generally like domestic banks, "grandfathering" would not be permitted, subject to a phasing out period.

1. Interstate Branching would be allowed for foreign banking subsidiaries and branches, subject to the approval of the Federal Depository Institutions Commission, and subject to the same conditions which would apply to interstate branching by domestic banks.

2. Underwriting.—Foreign banks chartered in the U.S. would be permitted to engage in the underwriting of state and municipal securities including revenue bonds. The present prohibitions on underwriting of corporate securities by depository institutions would be extended to foreign banks, which would have an appropriate interim period to phase out existing operations.

3. Corporate Equity Investment.—Foreign banks, branches and holding companies (chartered in the U.S.) would, like domestic banks, be prohibited from holding equity investments in commercial companies.

4. Bank Related Activities.—Foreign banks would be subject to the "closely related to banking" restrictions of the Bank Holding Company Act of 1970.

5. Reserve Requirements and Deposits.—Foreign bank subsidiaries (chartered in the U.S.) could engage in all activities allowed domestic banks and would be subject to the same reserve requirements as are domestic banks, including reserve requirements on Eurodollars borrowings from their parent banks and other foreign deposits. Foreign bank branches (whose parents are not chartered in the U.S.) could not accept deposits in the U.S. from individuals, partnerships, corporations, states and municipalities, because deposit insurance is not now legally available, and would be difficult to supervise if it were. These branches would have reserve requirements imposed upon their borrowings from other depository institutions in the U.S. and upon their Eurodollar borrowings.

6. The Federal Depository Institutions Commission.—The Commission would be responsible for the chartering, conversion, mergers, examination, supervision and regulation of foreign banks operating in the United States.

TITLE VII: UNITED STATES BANKS ABROAD

Overseas networks of branches and subsidiaries have been a major factor in the expansion of U.S. banks over the last decade. In 1964 there were only 11 U.S. banks with 181 overseas branches. Now there are 125 banks and 732 branches overseas, and branch assets have grown from $6.9 billion in 1964 to $155 billion currently. At year end 1974, assets held by U.S banks in their foreign branches were 14 per cent of total domestic and foreign assets of all U.S. commercial banks. An additional volume of assets is held overseas in subsidiaries and affiliates. This extraordinary expansion has created a reserve-free and largely unregulated international banking market.

1. Capital Adequacy.—The Federal Depository Institutions Commission would be authorized to impose such capital requirements, in addition to the present capital requirements, on banks currently engaged in foreign activities upon a finding that their capital is not sufficient to support such activities.

2. Overseas Departments in U.S. Banks.—To promote competition among banks of different sizes in international financial markets, U.S. banks would be authorized to establish overseas departments in their domestic offices. These departments would be allowed to engage in the same activities as foreign branches of U.S. banks. They could raise funds from abroad and lend to foreign residents without being subject to the restrictions placed on the bank's domestic activities.

3. Examination.—United States banks would only be permitted to establish branches in those countries which permit periodic examination of the branch, and complete access to its records, by the Federal Depository Institutions Commission. The Federal Depository Institutions Commission would determine the degree of examination of subsidiaries and joint banking ventures which would be required to insure that the parent bank's capital would not be endangered, and would only permit these activities in countries where such examination was allowed.

4. Branches, Subsidiaries and Joint Foreign Banking Ventures.—U.S. banks would be prohibited from investing in joint foreign banking ventures, from acquiring a financial interest in a bank operating overseas, or from establishing a foreign subsidiary without advance approval by the Federal Depository Institutions Commission. Subsidiaries and joint banking ventures would be allowed to the extent that the Federal Depositor Institutions Commission determined that such activities would not endanger the bank's capital. Joint ventures overseas between U.S. banks would be governed, as now, by U.S. anti-trust law. Federal Depository Institutions Commission approval of joint ventures between foreign banks operating in the United States and U.S. banks would also be governed by U.S. anti-trust law.

5. Federal Reserve Privileges.—Federal Reserve discount and borrowing privileges would be extended to U.S. banks only on domestic paper.

PRINCE HALL MASONS ADDRESS HISTORY OF BLACK AMERICANS

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, I have maintained that the history of black Americans is being neglected in national and local Bicentennial activities. I am pleased, however, to note that in my State of Maryland, a recent Bicentennial banquet addressed black history in a significant, dramatic fashion.

Sunday, September 14, 1975, will long be remembered by Prince Hall Masons and the city of Baltimore, Md.

Baltimore, Md. has rarely had such a gathering as it did Sunday evening when the Prince Hall Scottish Rite Masons gathered at the downtown Baltimore Hilton Hotel for its Bicentennial awards banquet honoring distinguished Americans, institutions, organizations from across the Nation and the world.

The event brought together over 1,100 persons—national leaders, military commanders of each of the Armed Forces, a Congressman, a Congresswoman, mayors, State and local officials, councilwomen and councilmen, educators, Ambassadors, the treasurer of the State of Connecticut, representatives of industry, labor, State and local governmental agencies, religious leaders, charitable and social agencies, the media, Masonic dignitaries, grandmasters of the original 13 States and community leaders.

I sat and listened as the illustrious Leon D. Holsey 33 degree, president of the Commanders of the Rite 33 degree, State of Maryland, serving as toastmaster, made the following statement:

> We have invited you to our Birthday Party to help us as Prince Hall Masons celebrate the two hundredth year of our existence and involvement in the discharge of our Masonic duties to our God, to our Country and to our neighbor.
>
> We have called or summoned each of you here, because we appreciate what you have done over the years by your actions, by your deeds, by your involvement in fostering the American ideals of brotherhood, liberty, equality and justice as expressed in the American Declaration of Independence and the American Constitution. We salute each of you for service to America and Mankind.

The Prince Hall Scottish Rite Masons of Maryland presented two hundred awards, including eight 14 inch sterling silver trays crafted by the Stieff Silversmiths of Baltimore, Maryland, 25 laminated citations, 36 inches by 30 inches, 20 framed citations, 36 inches by 30 inches, 47 framed awards, 16 inches by 11 inches, the remainder were unframed but all on the finest parchment.

The whole idea for the Prince Hall Scottish Rite Masonic Bicentennial activity came from Illustrious Leon D. Holsey 33°, president of the Commanders of the Rite 33°, the organization of 33d degree Masons in the State of Maryland. Five years ago, he conceived the idea of honoring outstanding Americans without regard to ethnic, religious or cultural background. Illustrious Holsey decided that the Bicentennial should be a rewarding experience for Americans. He, therefore, structured and planned to give recognition or an award for each year that the Prince Hall Masonic Fraternity has been in existence.

PERSONAL EXPLANATION

(Mr. FUQUA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FUQUA. Mr. Speaker, on Tuesday, November 4, through inadvertence, I did not record my vote on H.R. 10355, the Veterans and Survivors Pension Adjustment Act of 1975, roll call No. 665. Had I recorded my vote, it would have been in the affirmative.

A BILL TO AMEND THE INTERNAL REVENUE CODE—RETAILER EXCLUSION PROVISION

(Mr. CARR asked and was given permission to extend his remarks at this point in the Record.)

Mr. CARR. Mr. Speaker, today, I am introducing a bill to amend the "retailer exclusion" provision of the Internal Revenue Code to clarify what I believe is the congressional intent of section 613A, an addition made to the Code through the Tax Reduction Act of 1975.

The Senate passed section 613A, "limitations on percentage depletion," after amending it time and again on the Senate floor. One can easily determine from reading the Congressional Record, that the Senate intended to continue the percentage depletion allowance for small independents and to prohibit the large oil companies from taking any depletion allowance. In an attempt to exclude these large companies, the Senate passed an amendment to deny retailers, which covers the vertically integrated companies, any percentage depletion.

Another Senate amendment was adopted to exclude refiners that produce more than 50,000 barrels per day from taking the depletion allowances. Since all large oil companies refine far more than 50,000 barrels per day, this section effectively excludes them. We all know that last minute amendments sometimes overlook details—it is a case in point. The Senate overlooked the possibility that a small independent producer who does not refine could also produce natural gas and market it, thereby losing his depletion.

My bill would continue to prevent vertically integrated companies from receiving any percentage depletion benefits, as was the original purpose of section 613A. But, it would allow the small producer with very limited refining or retail activity—but not both—to retain the depletion allowance.

The current law excluding retailers who "sell oil or natural gas or any product derived from oil or natural gas" is so broad and ill-conceived that it could be interpreted to exclude a drug retailer who sells Vaseline petroleum jelly.

A more serious problem is that a crude producer who is efficient can also produce natural gas which, as you may know, requires no refining. If that crude producer efficiently develops his natural gas resources and then sells the propane, he becomes a retailer and loses all his depetion allowance. In order to get the depletion allowance, crude producers in my district in Michigan have been flaring their natural gas so as not to be considered retailers. This results in an obvious waste of natural resources, and long-range hardships for consumers that cannot even be determined.

Only a few small independents are affected by this section of the law, but those that are must either waste increasingly precious natural resources or lose their depletion allowances which help them to compete with the large multinational oil companies. All large oil companies that produce and market also refine, and my amendment specifically excludes such vertically integrated companies.

In order to encourage competition with the large oil companies and the development of much needed resources, I urge that this technical amendment be adopted.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Randall, for Friday, November 7, 1975, on account of official business (Missouri Press Association, Future Farmers of America, and American Royal Livestock Show).

Mr. Young of Alaska (at the request of Mr. Rhodes), for November 6 and 7, 1975, on account of official business.

Mr. Chappell, for Friday, November 7, 1975, on account of family illness.

Mr. Mosher (at the request of Mr. Rhodes), for November 10 through 20, 1975, on account of trip to Italy and Greece, approved by Chairman Teague of Committee on Science and Technology, representing that committee at Council of Europe Conference of Parliamentarians and Scientists, and conferring with officials and scientists in both countries regarding international science and energy policy matters.

Mr. Pepper (at the request of Mr.

O'Neill), for today, on account of official business.

Mr. Andrews of North Dakota (at the request of Mr. Michel), for today through November 21, 1975, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Cohen, for 5 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. Michel, for 60 minutes, November 7, 1975.

Mr. Railsback, for 5 minutes, today.

(The following Members (at the request of Mr. Carr) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. White, for 5 minutes, today.

Mr. McFall, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Symington, for 5 minutes, today.

Mr. Badillo, for 5 minutes, today.

Mrs. Collins of Illinois, for 10 minutes today.

Mr. Dent, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Morgan, for 15 minutes, today.

Mr. Waxman, for 5 minutes, today.

Mr. Aspin, for 10 minutes, today.

Mr. Dodd, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Reuss, to extend his remarks at this point in the Record, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,358.50.

Mr. O'Neill and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,573.

Mr. Cohen, to revise and extend immediately after the remarks of Mr. McCloskey in support of the McCloskey amendment today.

Mr. Mikva to revise and extend his remarks immediately following discussion of the Baucus amendment on the bill H.R. 7575.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous material:)

Mrs. Pettis.

Mr. Crane.

Mr. Brown of Michigan.

Mr. Bob Wilson in two instances.

Mr. Symms.

Mr. Shriver.

Mr. Rousselot in two instances.

Mr. Frenzel in three instances.

Mr. Collins of Texas in four instances.

Mr. Burgener.

Mr. McClory.

(The following Members (at the request of Mr. Carr) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Casey.

Mr. O'Neill.

Mr. Jenrette.

Mr. Satterfield.

Mr. Slack.

Mr. Burke of Massachusetts in three instances.

Mr. Beard of Rhode Island in two instances.

Mr. Mazzoli.

Mr. Waxman in two instances.

Mr. Natcher.

Mr. Jacobs.

Mr. Evins of Tennessee.

Ms. Abzug.

Mr. Boland in two instances.

Mr. Mikva.

Mr. Rose.

Mr. Early in two instances.

Mr. Breckinridge.

Mrs. Sullivan.

Mr. Drinan.

Mr. Addabbo.

Mr. McHugh.

Mr. Ford of Michigan.

Mr. Gaydos.

Mr. Corman.

Mr. Wirth in two instances.

Mrs. Schroeder.

Mr. Edgar.

Mr. Andrews of North Carolina.

Mr. Krueger.

Mr. Maguire.

Mr. Rodino.

Mr. Richmond.

Mr. Harrington.

Mr. McCormack.

Mr. Won Pat.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6334. An act to amend further the Peace Corps Act, and for other purposes.

ADJOURNMENT

Mr. CARR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p.m.), the House adjourned until Friday, November 7, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2001. A letter from the President of the United States, transmitting proposed supplemental appropriations for the legislative branch for fiscal year 1976 and the transition quarter (H. Doc. No. 94–297); to the Committee on Appropriations and ordered to be printed.

2002. A letter from the Vice Chairman, Federal Election Commission, transmitting a report of a special Commission task force on the application of the Federal Election Campaign Act to the selection of delegates to national conventions (H. Doc. No. 94–298); to the Committee on House Administration and ordered to be printed.

2003. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Nathaniel Davis, Ambassador-designate to Switzerland, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 10284. A bill to amend title XVIII of the Social Security Act to assure that the prevailing fees recognized by medicare for fiscal year 1976 are not less than those for fiscal year 1975, to extend for 3 years the existing authority of the Secretary of Health, Education, and Welfare to grant temporary waivers of nursing staff requirements for small hospitals in rural areas, to maintain the present system of coordination of the medicare and Federal Employees' Health Benefit programs, and to correct a technical error in the law that prevents increases in the medicare part B premiums; (Rept. No. 94–626). Referred to the Committee of the Whole House on the state of the Union.

Mr. STRATTON: Committee on Armed Services. H.R. 8089. A bill to amend section 404(d) of title 37, United States Code, relating to per diem expenses of members of the uniformed services traveling on official business; with amendment (Rept. No. 94–634). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee on Armed Services. H.R. 9570. A bill to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense with amendment (Rept. No. 94–635). Referred to the Committee of the Whole House on the State of the Union.

Mr. McFALL. Committee of conference. Conference report on H.R. 8365 (Rept. No. 94–636). Ordered to be printed.

Mr. STRATTON: Committee on Armed Services. H.R. 9573. A bill to amend section 501 of title 37, United States Code, to limit the total cumulative entitlement to payment for unused accrued leave to 60 days, and for other purposes (Rept. No. 94–637). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 852. Resolution providing for the consideration of H.R. 6461. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes (Rept. No. 94–638). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 853. Resolution providing for the consideration of H.R. 8529. A bill to establish improved programs for the benefit of producers and consumers of rice (Rept. No. 94–639). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 854. Resolution providing for the consideration of Senate Joint Resolution 121. Joint resolution to provide quarterly adjustments in the support price for milk (Rept. No. 94-640). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 1399. A bill for the relief of Maria Del Carmen Alvarado Martinez; with amendment (Rept. No. 94-627). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 4038. A bill for the relief of Jennifer Anne Blum; with amendment (Rept. No. 94-628). Referred to the Committee of the Whole House.

Mr. SARBANES: Committee on the Judiciary. H.R. 5648. A bill for the relief of Violetta Cebreros (Rept. No. 94-629). Referred to the Committee of the Whole House.

Mr. RUSSO: Committee on the Judiciary. H.R. 5750. A bill for the relief of Chu Wol Kim (Rept. No. 94-630). Referred to the Committee of the Whole House.

Mr. DODD: Committee on the Judiciary. H.R. 6392. A bill for the relief of Koviljka C. Clendenen; with amendment (Rept. No. 94-631). Referred to the Committee of the Whole House.

Mr. NEDZI: Committee on Armed Services. H.R. 7113. A bill to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy; with amendment (Rept. No. 94-633). Referred to the Committee of the Whole House.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 10481. A bill to authorize emergency guarantees of obligations of States and political subdivisions thereof; to amend the Internal Revenue Code of 1954 to provide that income from certain obligations guaranteed by the United States shall be subject to taxation; to amend the Bankruptcy Act; and for other purposes; with amendment, and referred to the Committee on Ways and Means for a period ending not later than November 13, 1975, for consideration of title II. (Rept. No. 94-632, Pt. I.) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 10585. A bill to increase the temporary debt limitation until March 15, 1976; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Van Deerlin, Mr. Burgener, Mr. Zeferetti, Mr. Ashley, Mr. Fascell, Mr. D'Amours, Mr. Rinaldo, Mr. Ottinger, Mr. Badillo, Mr. Russo, Mr. Talcott, Mr. Mitchell of Maryland, Mr. Stark, Mr. Hannaford, Mr. Symington, Mr. Mikva, Ms. Chisholm, Mr. Edgar, Mr. Pepper, Mr. Pritchard, Ms. Keys, and Mr. Dellums):

H.R. 10586. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of Michigan:

H.R. 10587. A bill to amend the Administrative Procedure Act to require each agency to estimate and publish the projected total costs and total benefits of each new rule prior to its adoption, and for other purposes; to the Committee on the Judiciary.

By Mr. CARR:

H.R. 10588. A bill to amend the Internal Revenue Code of 1954 to allow certain small retailers who do not refine crude oil to use percentage depletion for a limited amount of their oil or natural gas production; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 10589. A bill to enact the National School-Age Mother and Child Health Act of 1975; to the Committee on Interstate and Foreign Commerce.

By Mr. ERLENBORN:

H.R. 10590. A bill to amend parts B and E of title IV of the Higher Education Act of 1965, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. HELSTOSKI:

H.R. 10591. A bill to require warrantors to refund or replace defective new motor vehicles, to extend new motor vehicle warranties for the period of time a consumer is deprived of the use of a new motor vehicle which does not conform to its warranty, and to provide substitute motor vehicles during periods of warranty repair which exceed 48 hours; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLY (for himself, Mr. Hyde, and Mr. Schulze):

H.R. 10592. A bill to amend the Real Estate Settlement Procedures Act of 1974; to the Committee on Banking, Currency and Housing.

By Mr. MITCHELL of Maryland:

H.R. 10593. A bill to amend the Interstate Commerce Act to prohibit the amount which any common carrier by motor vehicle charges any shipper for the transportation of the household goods of such shipper from exceeding by more than 10 percent the estimate provided by such carrier for the transportation of such household goods; to the Committee on Public Works and Transportation.

By Mr. MORGAN (for himself and Mr. Broomfield) (by request):

H. R. 10594. A bill to amend the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, and for other purposes; to the Committee on International Relations.

By Mr. PATTEN:

H.R. 10595. A bill to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. PRICE (for himself, Mr. Bob Wilson, Mr. Leggett, Mr. Brooks, and Mr. Esch):

H.R. 10596. A bill to amend section 141 of title 10, United States Code, to require that the Secretaries of the military departments be kept fully and currently informed regarding matters considered and acted upon by the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. QUILLEN:

H.R. 10597. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. RODINO (by request):

H.R. 10598. A bill to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

By Mr. STEIGER of Arizona:

H.R. 10599. A bill to provide for national cemeteries in the State of Arizona; to the Committee on Veterans' Affairs.

By Mr. MEEDS (for himself, Ms. Abzug, Mr. Alexander, Mr. Baldus, Mr. Beard of Rhode Island, Mr. Benitez, Mr. Blanchard, Mr. Boland, Mr. Bolling, Mr. Bonker, Mr. Brown of California, Mr. Burke of Massachusetts, Mr. Carney, Mr. Carr, Mr. Cornell, Mr. Conyers, Mr. Dominick V. Daniels, Mr. Delaney, Mr. Diggs, Mr. Downey of New York, Mr. Drinan, Mr. Duncan of Oregon, Mr. Eilberg, Mr. Ford of Tennessee, and Mr. Ford of Michigan):

H.R. 10600. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committee on Education and Labor.

By Mr. MEEDS (for himself, Mr. Fraser, Mr. Gaydos, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Hicks, Ms. Holtzman, Mr. Howe, Mr. Johnson of California, Mr. Lehman, Mr. Mazzoli, Mr. McCormack, Mr. Mikva, Mr. Miller of California, Mr. Mineta, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moss, Mr. Murphy of Illinois, Mr. Murphy of New York, Mr. Murtha, Mr. Nix, Mr. O'Neill, and Mr. Ottinger):

H.R. 10601. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committee on Education and Labor.

By Mr. MEEDS (for himself, Mr. Pepper, Mr. Perkins, Mr. Peyser, Mr. Pritchard, Mr. Rodino, Mr. Roe, Mr. Rostenkowski, Mr. Sarbanes, Mr. Scheuer, Mr. Seiberling, Mr. Sikes, Mr. Sisk, Mrs. Sullivan, Mr. Thompson, Mr. Waxman, Mr. Weaver, Mr. Wolff, Mr. Yates, Mr. Yatron, Mr. Young of Alaska, and Mr. Reuss):

H.R. 10602. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committee on Education and Labor.

By Mr. SISK:

H.R. 10603. A bill to amend the act of May 27, 1930, to expand the emergency authority of the Secretary of Agriculture regarding persons who are lost, seriously ill, injured, or who die within the National Forest System, and for other purposes; to the Committee on Agriculture.

H.R. 10604. A bill to amend title XVI of the Social Security Act to make needed improvements with regard to the attribution of parents' income and resources to children; to the Committee on Ways and Means.

Mr. SOLARZ:

H.R. 10605. A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs; to the Committee on Education and Labor.

H.R. 10606. A bill to amend the Securities Act of 1933 and the Securities and Exchange Act of 1934 to require the Securities and Exchange Commission to regulate the issuance and trading of municipal bonds and similar securities; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK (for himself, Mr. Ambro, Mr. Badillo, Mr. Bedell, Mr. Carr, Mr. Edgar, Mr. Gilman, Mr. Harris, Mr. Hawkins, Mr. Hefner, Ms. Holtzman, Mr. Hughes, Mr.

Moakley, Mr. Moorhead of Pennsylvania, Mr. Nix, Mr. Pattison of New York, Ms. Spellman, Mr. Wolff, and Mr. Howe):

H.R. 10607. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas public utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. Anderson of California, Mr. Beard of Rhode Island, Mr. Phillip Burton, Mr. Conyers, Mr. Danielson, Mr. Dingell, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Florio, Mr. Fraser, Mr. Ford of Tennessee, Mr. Hechler of West Virginia, Mr. Howard, Mr. Jeffords, Ms. Keys, Mr. LaFalce, Mr. Lehman, Ms. Mink, Mr. Mitchell of Maryland, Mr. Walsh, Mr. Waxman, Mr. Weaver, and Mr. Charles H. Wilson of California):

H.R. 10608. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas public utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Ms. Abzug, Mr. Bingham, Mr. Brown of California, Ms. Burke of California, Ms. Collins of Illinois, Mr. Corman, Mr. D'Amours, Mr. Gibbons, Mr. Harrington, Mr. Helstoski, Mr. Miller of California, Mr. Mottl, Mr. Ottinger, Mr. Rodino, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Udall, Mr. Wirth, Mr. Yatron, and Mr. Zeferetti):

H.R. 10609. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas public utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas, and for other purposes; to the Committee on Ways and Means.

By Mr. VIGORITO:

H.R. 10610. A bill to protect the environment and conserve natural resources by stimulating the use of recycled or recyclable materials by effecting rate changes in the movement of these materials by common carrier, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 10611. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who perform voluntary public service by working for certain organizations; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 10612. A bill to reform the tax laws of the United States; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 10613. A bill to authorize the Secretary of the Interior to sell certain rights in the State of Florida; to the Committee on Interior and Insular Affairs.

By Mr. FAUNTROY (for himself Mr. Badillo, Mr. Conte, Mr. Dellums, Mr. de Lugo, Mr. Harrington, Mr. Krebs, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Ottinger, Mr. Price, and Mr. Roe):

H.R. 10614. A bill to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on the District of Columbia.

By Mr. KASTEN:

H.R. 10615. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. KRUEGER (for himself, Mr. Broyhill, Mr. Stuckey, Mr. Andrews of North Dakota, Mr. Butler, Mr. Cochran, Mr. Erlenborn, Mr. Gradison, Mr. Shriver, and Mr. Whitehurst):

H.R. 10616. A bill to provide authority to institute emergency measures to minimize the adverse effects of natural gas shortages, to provide authority to allocate propane, to regulate commerce to assure increased supplies of natural gas at reasonable prices for consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEVITAS:

H.R. 10617. A bill to establish an Office for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; jointly to the Committees on Rules, and Interstate and Foreign Commerce.

By Mr. LLOYD of California:

H.R. 10618. A bill to study certain lands in the Angeles and San Bernardino National Forests, Calif., for possible inclusion in the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

By Mr. RINALDO (for himself, Mr. LaFalce, Mr. Nowak, Mr. Pattison of New York, and Mr. Roe):

H.R. 10619. A bill to amend the Regional Rail Reorganization Act of 1973 in order to authorize and direct the Secretary of Transportation to make certain State and local tax payments on behalf of railroads in reorganization; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 10620. A bill to amend the Communications Act of 1934, as amended, with respect to penalties and forfeitures; to the Committee on Interstate and Foreign Commerce.

By Mr. TREEN:

H.R. 10621. A bill to amend section 235 of the National Housing Act with regard to the recertification of the income of individuals receiving benefits under such section; to the Committee on Banking, Currency and Housing.

By Mr. WHITE (for himself, Mr. Steed, and Mr. Miller of Ohio):

H.R. 10622. A bill to amend title 5, United States Code, to provide for the restoration of health benefits coverage in certain cases of restored survivor annuity; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI (for himself, Mr. McClory, Mr. Price, Mr. Sarbanes, and Mr. Wolff):

H. Con. Res. 469. Concurrent resolution expressing the sense of the Congress that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. LENT:

H. Con. Res. 470. Concurrent resolution expressing the sense of the Congress that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. BROWN of Michigan:

H. Res. 847. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. DOWNING of Virginia (for himself, Ms. Abzug, Mr. Ambro, Mr. Beard of Tennessee, Mr. Bingham, Mr. Brinkley, Mr. Butler, Mr. Clay, Mr. Conyers, Mr. D'Amours, Mr. Robert W. Daniel, Jr., Mr. Eilberg, Mr. Evans of Colorado, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Krebs, Mr. Mineta, Mr. Mazzoli, Mr. Nolan, Mr. Pattison of New York, Mr. Pepper, Mr. Riegle, and Mr. Rosenthal):

H. Res. 848. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy; to the Committee on Rules.

By Mr. DOWNING of Virginia (for himself, Mr. St Germain, Mr. Scheuer, Mr. Stokes, Mr. Symington, Mr. Weaver, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H. Res. 849. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy; to the Committee on Rules.

By Mr. FAUNTROY (for himself, Mr. AuCoin, Mr. Patterson of California, and Mr. Bowen):

H. Res. 850. Resolution expressing the sense of the House that optometric services be included in medical assistance programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GILMAN (for himself, Mr. Guyer, Mr. McCloskey, Mr. Roe, Mr. Fish, Mr. Hubbard, Mr. Bonker, Mr. Kemp, Mr. Florio, Mr. Ambro, Mr. Rinaldo, Mr. Archer, Mr. Levitas, Mr. Cochran, Mr. du Pont, Mr. Hyde, Mr. Mitchell of New York, Mr. Winn, Mr. Treen, Mr. Long of Maryland, Mr. Steelman, Mr. Sarasin, Mr. Bob Wilson, and Mr. Abdnor):

H. Res. 851. Resolution to express the sense of the House of Representatives that the President should, upon visiting the People's Republic of China, request that appropriate Chinese officials use their good offices to obtain a full and complete accounting of members of the U.S. Armed Forces missing in action and confined as prisoners of war in Southeast Asia and of all American civilian personnel who are listed as missing in Southeast Asia and should, upon his return to the United States, report back to the Congress on the results of his request; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. DAVIS introduced a bill (H.R. 10623) for the relief of Marguerite A. Ferri which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

GEN. RICHARD MONTGOMERY—EARLY AMERICAN PATRIOT SALUTED BY BRONX BICENTENNIAL COMMITTEE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BIAGGI. Mr. Speaker, I am pleased to advise my colleagues that on September 29, the Bronx-Irish American Bicentennial Committee paid tribute to one of the earliest Irish-American patriots, Gen. Richard Montgomery.

During the ceremony a stirring speech was delivered by Father John F. X. Smith of St. Peter's Church. I would like to insert his remarks into the CONGRESSIONAL RECORD for the benefit of my colleagues.

I wish to salute New York City's and especially my home district of the Bronx's Bicentennial Committee. There are many dedicated individuals committed to insuring that the contributions of New Yorkers are recognized during our 200th birthday celebration. One of the most exemplary of these individuals is Councilwoman Aileen Ryan, who serves as the secretary of the New York City Bicentennial Corporation as well as honorary chairperson of the Bronx Irish-American Bicentennial Committee. I commend Mrs. Ryan for her work and know through her efforts that the Bicentennial celebration will be one which all New Yorkers will remember.

Father Smith's speech on General Montgomery follows:

GENERAL RICHARD MONTGOMERY

(By Father John F. X. Smith, St. Peter's at Barclay Street, delivered on the Steps of St. Paul's Chapel)

In the "Ballad of the White Horse," a classic Christian poem, Gilbert Keith Chesterton exclaims:

> "For the great Gaels of Ireland
> are the men that God made mad,
>
> For all their wars are merry
> and all their songs are sad."

And so today we have come together to honor a great Irishman, a warrior who intertwined in epic proportions mirth and sadness.

Richard Montgomery was born in 1738 in the town of Swords, County Dublin, Ireland. He was the third son of a member of the British parliament. As a youth, he was educated at Saint Andrew and in Dublin at the famed Trinity College. He was a contemporary of the great Dubliner, Edmund Burke, who as head of the Whig Party in Parliament was so grand an advocate of the cause of the American colonists. These two Dubliners, Montgomery and Burke, Irishmen to the core, both bitterly criticized English administration in Ireland. Both were Protestant, and their Christian spirit made them harshly critical of the galling discriminations exacted in the name of the crown against the Catholics of Ireland. While the Irish race has always remained loyal to the Pope, it is ironic that among its foremost champions for religious freedom are Protestant Irishmen such as Richard Montgomery, Edmund Burke, Wolfe Tone, and Robert Emmet, "the darling of Erin."

In the French and Indian war, Richard Montgomery was sent with the British regular forces to Canada and saw action at Louisburg, Ticonderoga, and Montreal. The success of the British forces in the Seven Years War marked the birth of the British Empire. The Imperial Era began. Sadly enough it saw also, as happens with empires, a wearing away of the rights of citizens. In the dozen years between victory over France in 1763 and the battle of Lexington the American revolution was developed. The England of the Magna Carta and the Bill of Rights seemed to have disappeared. Englishmen at home had little opportunity for political fulfillment. Irishmen, though technically citizens of Britain, were oppressed politically and religiously, and their American cousins unlike the rest of the family in the old country refused to tolerate this situation.

The clarion cry of "no taxation without representation" was the cry for political maturity and inevitably independence.

Edmund Burke in ringing tones railed against the Stamp Act. And his fellow Dubliner, Richard Montgomery, in 1772 sold his commission and left Ireland. In 1773, Montgomery bought a sixty-seven acre farm in Kingsbridge, once part of the estate of the Dutch patrons, the Bronks. He married Janet, daughter of Robert R. Livingston.

In 1775, in full sympathy with the colonial cause Montgomery was elected a member of the New York Provincial Congress. In June 1775, he was appointed a Continental brigadier-general and received his commission personally from George Washington. Appointed second-in-command to General Philip Schuyler in the expedition against Canada, he took full command on Schuyler's illness and captured Montreal. Then he joined Benedict Arnold, and on December 31, 1775, he was killed in the ill-fated American assault on Quebec. Although buried in Quebec, his body was later disinterred and transferred to a vault in St. Paul's Chapel on lower Broadway.

Brigadier General Richard Montgomery died young, only 37. But he was a champion of freedom. He had sought justice under the English law for his fellow Irishmen and even the English who had been overlooked in the dawn of imperial Britain.

But it was in the American milieu that freedom and toleration would be realized. It was the American who would stand as a man and proclaim his political independence in the true tradition of Runnymede. The New World would be the guide to the Old. Politically speaking we would re-phrase Scripture and say, "A child shall lead them."

Richard Montgomery, the Irishman and warrior, in his ultimate sacrifice earned the new title—American hero and patriot.

As an Irishman he was close to patriotism because he was close to the earth, and one who is close to the earth is close to heaven.

CONSUMER POWER: IS ADVOCACY ENOUGH?

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. BONKER. Mr. Speaker, we are debating today a proposed Consumer Advocacy Agency, but we have ended up treating the consumer as a commodity. We look at the particulars and have lost perspective. I believe that a broad view of the Consumer Protection Act would lead us to realize that it falls short of its promise, that it is an inadequate response to an understated problem, that it is yesterday's thinking nostalgically applied to a much changed world.

As with much that Congress has done over the past four decades, it states a laudable purpose and founders on failure to grapple with the realities of today's economy. It promises, but will not deliver. And that is the fundamental flaw and danger in this bill.

Despite the persuasive arguments of many of my friends in Congress, I cannot support the bill. Yet my opposition stems not from arguments so far raised against the bill, but from concern that we in Congress who support consumer power are fooling ourselves and the American public, and that we must guard against this. If any issue now truly troubles this Nation it is the growing feeling that large institutions—big business, big labor, big government—manipulate and control, but that things just are not working. The economy does not operate as a competitive free-market economy should. The Government cannot deliver on its commitments to housing, transportation, jobs.

It is time we got serious.

The proposal for a consumer advocate is not serious. It is a symbolic response which will distract from the more serious work which lies ahead. It will become one more reason for not confronting the major problem of a rigidly institutionalized economy in which economic actors can insulate themselves from competitive pressures on prices and quality.

Moreover, I fear that it will do so by following the road of so many well-intentioned bureaucracies: First, there will be the excitement and drive of starting a new experiment, followed by a realization that the job is bigger than anticipated and pressures from Mr. Nader to get on with the job, then appeals for more staff and funds since the agency is failing primarily because it is too anemic, resulting finally in a vast data-collecting machine which avidly avoids the fundamental structural problems in our economy which are at the root of consumer problems.

The American consumer does have problems, and our regulatory agencies have helped create them. The story of how liberal reform attempts have been captured by the interests they are intended to regulate is too well known to need retelling.

It is true that the individual consumer, in most cases, is poorly represented before regulatory bodies. Simply stated, he is shut out from having a voice before the Government agency that was set up to protect and assist him. Congress apparently recognizes this problem and is attempting to rectify the situation by giving consumers a voice in the daily regulatory activities. The question is, will it work?

The proposed Agency for Consumer Advocacy, in my opinion, has no clearly defined purpose or force in behalf of consumers. All it can do is receive, evaluate, develop and act on complaints from consumers by transmitting them to the appropriate Federal or non-Federal source, and then monitor the response to insure some action was taken. That represents indirect action, at best. The only remaining direction given the ACP Administrator is ambiguous. He can intervene in an agency's regulatory process when he determines that such a proceeding "may substantially affect the interest of consumers." That is outrageously vague. It is left to the Administrator, in other words, to determine possible action on behalf of the consumer. He can act, or he cannot act. And Congress is left helpless with no more control over these actions than it has over any other Federal agency. Is this reform?

There is a corollary question. The ACP, assuming it does act in the interests of the consumer, must choose which consumer complaints to accept. It cannot possibly address all complaints with equal effort. Some would be taken up, others would be excluded. I fear that only the loudest, best organized and financed consumers would net the results, leaving the plight of the ordinary consumer just about the same.

The consumer organizations with which we are all so familiar would still have to ride herd on the back of the Federal Government to get any action. Only this time, it would be on the back of the Agency for Consumer Protection. Thus, we are back where we started.

Proponents of the bill have skillfully found the reason why the earlier liberal attempts at consumer protection have failed: regulatory agencies are inherently flawed by the need to balance interests, but have never heard a consistent consumer voice. Thus, H.R. 7575 is to provide the balance. It all reminds me of the ancient Earth-centered view of the universe: As more reasons were found why it was an inadequate theory, more modifications and qualifications were made until the whole was so complex as to be laughably unable to support its own weight. It was of course replaced by a new theory of beautiful simplicity, but not without extreme resistance from those wedded to the old.

I oppose this bill not because it is unnecessary, rather because something more fundamental is necessary. And we are not going to get anything more fundamental as long as we are wedded to patching up every flaw that shows up in our regulatory process. How much consumer power can we truthfully expect in the fact of the sheer scale of the major actors in our economy?

H.R. 7575 is an honest attempt to help consumers. In view of its many distinguished sponsors in both the Senate and House, and the efforts made to refine it since it was first introduced in 1970. I wish that I could in good conscience support it. But the consumer wants honest reform and I will support, in the future, legislation which meets this goal.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT HAS MISREAD MOOD OF THE PEOPLE ON NEW YORK

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. O'NEILL. Mr. Speaker, President Ford has badly misread the mood of the people on the New York financial crisis.

A new poll by Louis Harris—completed only yesterday morning—shows that by 69 percent to 18 percent the people of this Nation are in favor of helping New York before it collapses into bankruptcy.

That margin includes solid majorities in all regions of the country—in cities, suburbs, and even in rural areas where the support runs 67 percent. Sixty-three percent of the political conservatives and 62 percent of the Republicans favor such assistance.

The people do not want New York to get off scott free. They want the city to tighten up its administration and reform its finances. But they do not want it to go down the drain, dragging down everyone else in the country who happens to own New York bonds.

From the Federal standpoint, it would cost far more to wait until New York collapses and then spend Federal money to pick up the pieces—to provide police and fire protection, garbage collection and other essential services. The legislation that Congress is drafting would provide loan guarantees only—no cash to the city. We are going to get out a tough bill to make New York straighten up its finances and fly right.

It makes a lot better sense to prevent the calamity than to try to put the city back together after the fall. The President can try to avoid his responsibility in this matter if he wants, but the Congress will not.

I include the full text of the Harris survey for my colleagues consideration:

A SPECIAL IN-DEPTH SURVEY OF THE AMERICAN PUBLIC ON THE SUBJECT OF FEDERAL ASSISTANCE TO NEW YORK CITY

ANALYSIS

A Word About the Survey

This survey, taken among a probability cross section of 1,549 adults nationwide who were interviewed in person between November 2 and November 4, provides an accurate basis on which to assess public reaction to President Ford's speech at the National Press Club in late October, in which he announced that he would veto any bill passed by Congress which would provide a federal guarantee to New York's debt and in which he advocated passage of an amendment to the bankruptcy law which would make it more feasible for cities such as New York to default. The survey also probes in depth the extent to which the public feels New York City and other cities are in financial trouble, what the public thinks are the causes of the City's current troubles, a whole roster of reforms which have been suggested for New York City to make, and the possible consequences of a default by New York City.

Perhaps the most important part of the survey deals with the central issues of whether or not Congress should pass a bill guaranteeing New York City's debt, as well as a trade off of this action by Congress vs. allowing New York City to default and go bankrupt.

All interviewing on the study took place in the homes of a random, area-stratified probability sample of the adult population nationwide between November 2 and 4. In order to expedite the processing of the results, a special Harris alert system was employed which made it possible, to complete this survey in six days elapsed' time.

THE FINDINGS

A Federal Guarantee to New York City vs. Allowing New York City To Default

By a massive 69–18% margin, the American people favor "the federal government guaranteeing loans to New York City if the city balances its budget and such a plan would not cost the taxpayers any actual money" than for "New York City to default and go bankrupt".

In two other independent and separate measures of much the same question, a 65–22% majority expressed support for a "federal government guarantee of loans that would be made by banks and other lenders to New York City". A 68–22% majority would favor "the federal goverment guaranteeing New York City's debt, which is over 11 billion dollars, if the city balances its budget and such a plan would not cost the taxpayers any actual money". This majority rises to 71–19% when it was suggested that it was possible for a default by New York to cause "the cost of financing state, county, and city government all over the country to go up 10%, causing state and local taxes to rise".

By 50–37%, the American public disagrees with President Ford's announced intention of vetoing any legislation providing a guarantee from the federal government to New York City. Mr. Ford's further suggestion of amending the federal bankruptcy laws to "allow New York City to go bankrupt under a plan whereby a federal court would keep essential services in New York City going, would supervise the financial running of the city, and determine how those to whom the city owes money would be paid back" receives no better than a flatfooted 40–40% stand-off in public support.

Observation: Taken as a whole, there is little doubt from this in-depth and in-person survey of the entire adult population of the nation that the American people are solidly in support of federal assistance to New York City. The approach of guaranteeing future New York City loans by the federal government is viewed by the public as a much more preferable way to handling the financial crisis of that city than President Ford's suggestion that the city be allowed to default and go bankrupt. Even Mr. Ford's call for amending the federal bankruptcy law, which has not met with substantial opposition in Congress, fails to achieve more than 40% backing. The threat of a veto by the President clearly met a negative response from the public.

In the aggregate, it is now apparent that the American people sharply disagree with the President in his approach to New York City's problems, and it is significant that better than 2 to 1 majorities of the public now favor federal action guaranteeing further borrowing by New York City to bring itself out of its financial morass.

What New York City Must Do to Deserve Such Federal Support

Substantial majorities of the American people are willing to give a federal guarantee to New York City, only under tough and stiff terms. Here are the specific reforms which majorities of the public felt were "highly important" for New York City to institute "if it is going to deserve to be helped out of its troubles by the federal government":

By 90–7%, a thumping majority think it is "highly important" for the "city to be forced to balance its budget, not to spend more money than it takes in."

By 77–11%, a majority thinks it "highly

important" that the city "trim non-productive employees off the payroll."

By 73–13%, a majority feels it "highly important" that "a city administrator with authority be put in to make sure New York City government carries out the necessary reforms."

By 68–15%, a majority believe it "highly important" that "tough productivity programs for city employees" be instituted.

By 62–17%, a majority views as "highly important" the creation of a "special supervisory board of federal, state, and city officials to monitor what New York City does."

By 53–22%, a majority also think it "highly important" that New York City "make its bondholders wait two to three years before receiving their money from their bonds, although they would receive interest payments over that period."

By 52–17%, a majority feel it "highly important" that the city "renegotiate the pensions city employees receive so that they would have to work 30 years instead of 20 years to retire on half pay."

By 52–23%, a majority feels it "highly important" that "the state of New York raise the state sales tax one cent to finance half the city's deficit."

However, no more than 29% of the American people feel it "highly important" for "the city to end rent control, which has reduced its income from real estate taxes."

Observation: It is obvious that the American people want stiff terms put upon New York City in order to have the city reform its ways of management and to put its house in order. Most deeply felt are the provisions that the city balance its budget, cut dead wood off its payroll, institute a tough productivity program, and install a City Administrator who would make certain that reforms were carried out.

THE CONSEQUENCES OF DEFAULT

The American people do not agree with President Ford's assessment that a default by New York City would not have deleterious effects on a much wider front. A substantial 81% feel it is likely that "many individual bondholders who purchased New York City bonds in good faith could have their life savings wiped out." A 63% majority think it "likely" that "banks around the country who are heavy holders of New York City bonds could go out of business." A 77% majority feels it "likely" that default would mean "the risk of borrowing for almost all other cities, counties, and states could go up a lot, making it necessary to raise taxes." A 64% majority also thinks it "likely" that "a New York City default could trigger a deeper recession, or even a depression in the country." and a 65% majority believes it "likely" that "confidence in financing local, county, and state governments would be undermined."

Observation: By any measure, it is apparent that the American people see widespread ramifications in a default by New York City, not the least of which is an anticipated rise in borrowing rates for other cities, counties, and states, which could mean higher local and state taxes for people outside New York City.

HOW NEW YORK CITY GOT INTO ITS CURRENT MESS

The American people have firm views about just why and how New York City now finds itself on the verge of bankruptcy:

By 82–8%, a majority believes that "New York City has been at fault by not living within it's means, spending more money than it takes in."

A 71–4% majority believes that "there is too much graft and payroll padding in New York City government."

By 67–9%, a majority also feels that "the unions of city employees in New York City have become so powerful they have obtained excessive settlements on wages and benefits."

By 66–12%, a majority believes that "with about 300,000 city employees, New York City is a bureaucracy out of control." This has increased from a 61–13% majority who felt the same in August.

By 58–27%, a majority thinks that "by letting policemen, firemen, sanitation men, and teachers retire on half pay after 20 years service, New York City has been far too generous on pensions."

By 57–18%, a majority believes that "New York City has to spend too much on welfare because too many poor people have gone to live there because they think welfare in New York is higher than elsewhere."

By a much smaller and a narrow 41–40% plurality, the public tends to agree with the claim that "New York City is the center of much of what's rotten and immoral in America." It should be noted, however, that a 53–32% majority rejects the proposition that "New York City has been a rip-off city for a so long it ought to be allowed to default and thereby taught a lesson."

Observation: It is apparent that the American people feel that New York City has been subjected to mismanagement in the running of its financial affairs, with spending going far beyond its means, with swollen payrolls, over-generous union settlements, and overloading of its welfare rolls. At the same time, there does not appear to be any substantial "get New York City" attitude prevalent in the country. To the contrary, the thrust of the feeling in the country is that New York City must mend its ways, but it also must be helped.

THE IMPORTANCE OF NEW YORK CITY

While it is obvious that the American people believe that New York City has been profligate in its management practices, nonetheless the public also sees much about New York well worth saving:

A substantial 74% of the public feels that "many cities are in trouble because of the recession and inflation, and New York City is just the first of many to come close to bankruptcy."

A lopsided 82–10% of the public believes that "as the financial center of America, the center of communications and publishing, the headquarters city of major companies, the center of art and culture, the home of the United Nations, New York City is an important part of America to keep going."

A significant 70–20% majority feels that "New York City and other cities are important business and cultural centers and must be kept from going bankrupt." This majority has risen from 65–12% who felt the same way in August.

A 67–21% majority feels that "it is important to preserve New York City as the most important city of the world, where much of the world's business is conducted and some of the most important international decisions are made."

A 63–25% majority believes that "it is important to have big cities such as New York, which attract the most talented and capable people who can work closely together for the well-being of the country."

A 61–22% majority holds the view that "to collect garbage for 8 million people, to provide adequate fire and police protection, to educate over one million children, it is necessary to have the second biggest government in the world."

However, by 28–20%, with a high 52% who simply do not know, a plurality does not agree that "New York City has not received its fair share back from the taxes it pays to the federal government."

Observation: Clearly, New York City for all of its wayward management vagaries, is still regarded as a critically important part of America, of international and national importance, a center of business, finance, communications, culture, and a central working place for "the most talented and capable people" in the country. As such, the public feels it important to preserve New York City in all of its positive attributes.

THE WIDESPREAD BASE OF SUPPORT FOR ASSISTANCE TO NEW YORK CITY

Backing for federal aid to New York City is not confined to cities, people in the Northeast, or any single, particular segment of the population. Instead, it is widespread throughout the United States. This is nowhere more evident than in the results of this key question:

"All in all, do you favor the federal government guaranteeing loans to New York City, if the city balances its budget and such a plan would not cost the taxpayers any actual money, or do you think it is better for New York City to default and go bankrupt?"

FEDERAL GUARANTEE TO NEW YORK CITY OR LET NEW YORK CITY GO BANKRUPT?

[In percent]

	Federal guarantee	Let go bankrupt	Not sure
Nationwide	69	18	13
By region:			
East	76	14	10
Midwest	72	16	12
South	63	20	17
West	63	25	12
By size of place:			
Cities	77	14	9
Suburbs	63	25	12
Towns	68	23	9
Rural	67	19	14
By age:			
18 to 29	82	10	8
30 to 49	69	21	10
50 and over	59	22	19
By political philosophy:			
Conservative	63	25	12
Middle-of-road	71	16	13
Liberal	81	11	8
By political party:			
Republican	62	24	14
Democrat	74	14	12
Independent	68	20	12

Observation: It is apparent from these results that a solid majority of all regions, sizes of place, ages, political philosophies, and political party members favor a federal guarantee to a default as the solution to New York City's problems.

A FINAL NOTE

This study was conducted by Louis Harris and Associates, Inc. and was paid for by New York State sources. However, in the preparation of the questionnaire, in the execution of the study, in the writing of this analysis, only Louis Harris and key members of his staff prepared the questionnaire, conducted the field work, did the computer work, and the analysis. In other words, the Harris staff was given free and unrestricted freedom to prepare this study and to conduct it and to analyze it. Therefore, all responsibility for the study must be borne by the Harris organization solely.

Attached is a copy of the questionnaire asked of the cross-section of the public, with the over-all results for each attitudinal question filled in. Copies of the complete computer print-outs of the study are available in the headquarters of Louis Harris and Associates, Inc., 1270 Avenue of the Americas, New York, New York 10020.

1a. How serious do you feel the financial crisis facing cities in this country is—very serious, only somewhat serious, or not serious at all?

Very serious	(12)	66-1
Only somewhat serious		26-2
Not serious at all		4-3
Not sure		4-4

1b. How important do you feel it is for the federal government to help the cities of the country solve their financial problesm—very important, only somewhat important, or not important at all?

Very important	(13)	40-1
Only somewhat important		28-2
Not important at all		26-3
Not sure		6-4

1c. Over the past 5 years, do you feel that most of the cities of the country, as places in which to live and work, have improved, gone downhill, or not changed much?

Have improved	(14)	24-1
Gone downhill		49-2
Not changed much		21-3
Not sure		6-4

1d. Do you feel it is worthwhile for the federal government to help make the cities better places in which to live and work, or do you think it is not a worthwhile effort?

Worthwhile	(15)	73-1
Not worthwhile		21-2
Not sure		6-3

1e. How serious do you feel the financial crisis facing New York City is—very serious, only somewhat serious, or not serious at all?

Very serious	(16)	78-1
Only somewhat serious		13-2
Not serious at all		3-3
Not sure		6-4

1f. How important do you feel it is for the federal government to help New York City solve its financial problems—very important, only somewhat important, or not important at all?

Very important	(17)	40-1
Only somewhat important		27-2
Not important at all		26-3
Not sure		7-4

1g. Over the past 5 years, do you feel that New York City, as a place in which to live and work, has improved, gone downhill, or not changed much?

Improved	(18)	7-1
Gone downhill		56-2
Not changed much		12-3
Not sure		25-4

1h. Do you feel it is worthwhile for the federal government to help make New York City a better place in which to live and work, or do you think it is not a worthwhile effort?

Worthwhile	(19)	64-1
Not worthwhile		27-2
Not sure		9-3

2a. Let me read you some statements some people have made about New York City and its current financial troubles. For each, tell me if you agree or disagree.

		Agree	Disagree	Not sure
1. New York City has been at fault by not living within its means, spending more money than it takes in	(20)	82-1	8-2	10-3
2. To collect garbage for 8,000,000 people, to provide adequate fire and police protection, to educate over 1,000,000 children, it is necessary to have the second biggest government in the country	(21)	61-1	22-2	17-3
3. By letting policemen, firemen, sanitation men, and teachers retire on half pay after 20 years service, New York City has been far too generous on pensions	(22)	58-1	27-2	15-3
4. New York City and other cities are important business and cultural centers and must be kept from going bankrupt	(23)	70-1	20-2	10-3
5. There is too much graft and payroll padding in New York City government	(24)	71-1	4-2	25-3
6. As the financial center of America, the center of communications and publishing, the headquarters city of major companies, the center of art and culture, the home of the United Nations, New York City is an important part of America to keep going	(25)	82-1	10-2	8-3
7. The unions of city employees in New York City have become so powerful they have obtained excessive settlements on wages and benefits	(26)	67-1	9-2	24-3
8. It is important to preserve New York City as the most important city of the world, where much of the world's business is conducted and some of the most important international decisions are made	(27)	67-1	21-2	12-3
9. With about 300,000 city employees, New York City is a bureaucracy out of control	(28)	66-1	12-2	22-3
10. New York City has not received its fair share back from the taxes it pays to the Federal Government	(29)	20-1	28-2	52-3
11. New York City is the center of much of what's rotten and immoral in America	(30)	41-1	40-2	19-3
12. It is important to have big cities like New York, which attract the most talented and capable people who can work closely together for the well-being of the country	(31)	63-1	25-2	11-2
13. New York City has to spend too much on welfare because too many poor people have gone to live there because they think welfare in New York is higher than elsewhere	(32)	57-1	18-2	25-3
14. Many cities are in trouble because of the recession and inflation, and New York City is just the first of many to come close to bankruptcy	(33)	74-1	14-2	12-3

2b. In general, do you think the troubles New York City is in are mainly due to the way the city government has been run, or do you think the reasons are mainly elsewhere, such as the impact of inflation, recession, and the lack of help from the Federal Government?

Mainly due to way city government has been run	(34)	58-1
Reasons are mainly elsewhere		14-2
Both (vol.)		20-3
Neither (vol.)		1-4
Not sure		7-5

3a. As you know, the Federal Government has been debating whether to help New York City by guaranteeing loans made to it or to allow the city to go bankrupt and default on paying back the people who own New York City bonds. Now let me read you some statements some people have made about what ought to be done about New York City. For each, tell me if you tend to agree or disagree.

		Agree	Disagree	Not Sure
1. New York City has been a rip-off city for so long it ought to be allowed to default and thereby be taught a lesson	(35)	32-1	53-2	15-3
2. The U.S. government has given billions in aid abroad to other governments, so the least it can do is to help out New York City when it is in need	(36)	64-1	28-2	8-3
3. If the Federal Government bails out New York City, it will be an open invitation for many other cities, counties, and states to do the same and that is wrong	(37)	67-1	24-2	9-3
4. If New York City defaulted, it would be a real injustice to thousands of people who would lose their life savings which are invested in New York City bonds	(38)	73-1	17-2	10-3
5. Since the Federal Government bailed out Lockheed and the Penn Central Railroad with billions of dollars, the least it can do is to help bail out New York City	(39)	55-1	33-2	12-3
6. Unless New York City is allowed to go broke, the same old politicians will continue to mismanage the city	(40)	48-1	33-2	19-3

3b. If New York City defaults, here are some of the things that could happen as a result. For each, tell me if you think that would be a very likely consequence, only somewhat likely, or not likely at all.

		Very likely	Only somewhat likely	Not likely at all	Not sure
1. Many individual bondholders who purchased New York City bonds in good faith could have their life savings wiped out	(41)	58-1	23-2	12-3	9-4
2. Banks around the country who are heavy holders of New York City bonds could go out of business	(42)	35-1	28-2	27-3	10-4
3. The risk of borrowing for almost all other cities, counties, and states could go up a lot, making it necessary to raise taxes	(43)	52-1	25-2	13-3	10-4
4. A New York City default could trigger a deeper recession, or even a depression, in the country	(44)	40-1	24-2	25-3	11-4
5. Confidence in financing local, county, and State governments would be undermined	(45)	40-1	25-2	20-3	15-4

4. Now let me ask you about a number of things that have been suggested New York City will have to do if it is going to deserve to be helped out of its troubles by the Federal Government. For each, tell me if you think it is highly important, only somewhat important, or hardly important in order for New York City to receive federal help.

		Highly important	Only somewhat important	Hardly important	Not sure
1. The city be forced to balance its budget, not spend more money than it takes in	(46)	90-1	7-2	1-3	2-4
2. The State of New York raise the State sales tax one cent to finance half the city's deficit	(47)	52-1	23-2	14-3	11-4

		Highly important	Only somewhat important	Hardly important	Not sure
3. The city end rent control, which has reduced its income from real estate taxes	(48)	29–1	26–2	21–3	24–4
4. Make its bondholders wait 2 to 3 years before receiving their money from their bonds, although they would receive interest payments over that period	(49)	53–1	22–2	12–3	13–4
5. Renegotiate the pensions city employees receive so that they would have to work 30 years instead of 20 years to retire on half pay	(50)	32–1	17–2	19–3	12–4
6. A city administrator with authority be put in to make sure New York City government carries out necessary reforms	(51)	73–1	13–2	7–3	7–4
7. Put in tough productivity programs for city employees	(52)	68–1	15–2	8–3	9–4
8. Trim nonproductive employees off the payroll	(53)	27–1	11–2	6–3	6–4
9. A special supervisory board of Federal, State, and city officials be created to monitor what New York City does (54)	(54)	62–1	17–2	11–3	10–4

5a. Now, if New York City puts in reforms such as those we've just asked you about, would you favor or oppose the Federal Government guaranteeing loans that would be made by banks and other lenders to the city?

Favor	(55)	65–1
Oppose		22–2
Not sure		13–3

5b. Would you favor or oppose the Federal Government guaranteeing New York City's debt, which is over $11,000,000,000, if the city balances its budget and such a plan would not cost the taxpayers any actual money?

Favor (skip to 5d)	(56)	68–1
Oppose (ask 5c)		22–2
Not sure (skip to 5d)		10–3

5c. (If "oppose" in 5b) Would you still oppose such a guarantee by the Federal Government if New York's going into default would mean the cost of financing State, county, and city government all over the country would go up 10 percent, causing state and local taxes to rise?

Favor	(57)	13–1
Oppose		76–2
Not sure		11–3

5d. (ask everyone) All in all, do you favor the Federal Government guaranteeing loans to New York City if the city balances its budget and such a plan would not cost the taxpayers any actual money, or do you think it is better for New York City to default and go bankrupt?

Favor guarantee of loans	(58)	69–1
Favor default		18–2
Not sure		13–3

5e. President Ford has said he would veto any bill passed by Congress for the Federal Government to guarantee New York City's deficit. Do you agree or disagree with the President on his vetoing such a guarantee?

Agree	(59)	37–1
Disagree		50–2
Not sure		13–3

5f. President Ford has recommended that the Federal bankruptcy laws be changed to allow New York City to default and go bankrupt under a plan whereby a Federal court would keep essential services in New York City going, would supervise the financial running of the city, and determine how those the city owes money to would be paid back. Do you favor or oppose President Ford's proposal for a bankruptcy law for cities?

Favor	(60)	40–1
Oppose		40–2
Not sure		20–3

5g. How would you rate the way (read list) has handled himself on dealing with New York City's financial problems—excellent, pretty good, only fair, or poor?

		Excellent	Pretty good	Only fair	Poor	Not sure
1. President Ford	(61)	12–1	26. 2	26. 3	27–4	9–5
2. Treasury Secretary William Simon	(62)	3–1	12–2	18–3	16–4	51–5
3. Governor Carey of New York	(63)	1–1	13–2	22–3	24–4	40–5
4. Mayor Beame of New York City	(64)	2–1	13–2	19–3	35–4	31–5
5. Senator William Proxmire of the Senate Banking Committee	(65)	1–1	9–2	16–3	11–4	63–5
6. Senator Adlai Stevenson of the Senate Banking Committee	(66)	1–1	10–2	16–3	9–4	64–5
7. Congress as a whole	(67)	3–1	17–2	26–3	24-4	30–5

FACTUAL

F1a. How would you describe your own personal political philosophy—conservative, middle of the road, liberal, or radical?

Conservative	(68)	33–1
Middle of the road		40–2
Liberal		16–3
Radical		4–3
Not sure		8–5

F1b. Did you vote in the 1972 elections for President when Nixon and McGovern ran, or didn't you get around to voting then?

Voted	(69)	70–1
Didn't vote		29–2
Not sure		1–3

F1c. Regardless of how you might vote, what do you usually consider yourself—a Republican, a Democrat, an Independent, or what?

Republican	(70)	23–1
Democrat		43–2
Independent		28–3
Other		2–4
Not sure		4–5

F1d. (if "voted" in 1972 in F1b—others skip to F2a) In 1972, did you vote for Nixon the Republican or McGovern the Democrat?

Nixon	(71)	59–1
McGovern		34–2
Other		4–3
Not sure		3–4

F2a. (Ask everyone) Is the head of the household an hourly wage worker, salaried, or self-employed in his main job?

Hourly wage worker	(72)	27–1
Salaried		34–2
Self-employed		10–3
Retired		18–4
Unemployed		4–5
None of the above:		
Student		1–6
Military service		1–7
Housewife		4–8
Other (specify)		1–9

F2b. (Ask if employed, unemployed or retired in F2a—Others skip to F3) What type of work does (did, if retired) the head of the household do? (Probe fully, finding out what the job is called, duties involved, etc., in order to categorize correctly below):

Professional	(73)	18–1
Manager, official, proprietor		16–2
Clerical worker		7–3
Sales worker		5–4
Skilled craftsman, foreman		25–5
Operative, unskilled laborer (except farm)		14–6
Service worker		6–7
Farmer, farm manager, farm laborer		3–8
Other (specify)		6–9

F3b. (Ask everyone) In what age group are you?

18 to 20	(74)	8–1
21 to 24		9–2
25 to 29		12–3
30 to 34		9–4
35 to 39		8–5
40 to 49		16–6
50 to 64		23–7
65 and over		15–8
Refused*		*–9

*If respondent refuses, estimate his/her age, and record for "refused" as well as the age group you estimate.

F4. (hand respondent card "A") Would you please look at this card and tell me which letter represents the highest grade of school that you actually completed?

C. No formal schooling (0 years)	(75)	1–1
D. 1st through 7th grade (1 to 7 years of school completed)		6–2
E. 8th grade (8 yr of school completed)		8–3
F. Some high school (9–11 years of school completed)		15–4
G. High school graduate (12 years of school completed)		33–5
H. Some college (1 to 3 years of college completed)		17–6
I. 2 year college graduate (completed 2 years community college, etc.)		4–7
J. 4 year college graduate (completed 4 years of college)		9–8
K. Post graduate (4-year college graduate and completed at least 1 year of graduate school)		7–9

F5. Are you a member of a labor union, or is any other member of this household a member of a labor union?

Self is member	(76)	14–1
Other is member		15–2
No union member in household		70–3
Not sure		1–4

F6. For statistical purposes only, we need to know your total household income for 1974. Will you please look at this card (hand respondent card "B") and tell me which letter best represents all the money the members of this household either earned or received, such as welfare, pensions, stocks, bonds, real estate and other investments, income from a business, before taxes in 1974.

A. Under $3,000	(77)	6–1
B. $3,000 to $4,999		10–2
C. $5,000 to $6,999		12–3
D. $7,000 to $9,999		14–4
E. $10,000 to $14,999		23–5
F. $15,000 to $19,999		16–6
G. $20,000 to $24,999		10–7
H. $25,009 and over		8–8
I. Not sure/refused		11–9

Interviewer: If "not sure" or "refused", record for "not sure/refused", and record for the amount you are estimating.

F7. What is your religion?

Protestant	(78)	56–1
Catholic		31–2
Jewish		2–3
Other (write in)		4–4
None		6–5
Not sure		1–6

Record the following—Do not ask:

F8. Ethnic group or racial background:

White	(79)	86–1
Black		10–2
Oriental		1–3
Spanish-American (Puerto Rican Mexican-American, etc.)		2–4
Other (specify)		1–5
Not sure		*–6

F9. Respondent is:
Male ______ (80) 47-1
Female ______ 53-2

Respondent's name (please print): ______
Respondent's address: ______
City/Town: ______ State: ______ Zip: ______

Telephone Area Code: ______ Telephone No.: ______
This is a bona fide interview and has been obtained according to my agreement with Louis Harris & Associates, Inc.
Interviewer's name (please print): ______
Date of interview: ______ Time (o'clock) of interview: ______
This interview validated by: ______ Date validated: ______

RESOLUTION ON THE INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT (H.R. 10481)

Whereas, default by New York City or other American state or municipal governments would jeopardize the already uncertain recovery from the economic recession our nation is now suffering, and

Whereas, the averting of state and municipal defaults through timely Congressional action is far preferable to dealing with the financial chaos which would follow in the wake of defaults, and

Whereas, the nation faces an immediate crisis in the threatened financial collapse of New York City, whose default would have far reaching impact on all areas of American national, and even international, economic life,

Therefore be it *resolved, by the House Democratic Steering and Policy Committee,* That passage of the Intergovernmental Emergency Assistance Act (H.R. 10481) is hereby endorsed and that Members of the Democratic Caucus are urged to support this legislation when it comes before the House.

PROBLEMS OF THE SUBURBS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. FRENZEL. Mr. Speaker, New York's current financial difficulties has served to focus our attention once again on the fiscal relationships between our major cities and their neighboring suburbs. Allegations have been made that the crisis in the cities has come about in large part because the suburbs have refused to lend a helping hand.

Mr. Al Hilde, mayor of the city of Plymouth in my congressional district has authored a series of articles which show that just the opposite is true. At least in the Minneapolis/St. Paul metropolitan area, Mayor Hilde documents the substantial influx of tax dollars which continue to flow from the suburban taxpayers to subsidize city services.

I believe the Members of the House will find these articles very interesting and worthwhile reading. Two of the articles by Mayor Hilde follow:

PLYMOUTH FROM THE INSIDE

In the last issue of the Plymouth Report, I described the deplorably weak political condition of the suburbs and how it was adversely affecting suburbanites because most of the important economic and social decisions are made in a political arena and therefore we end up on the short end of the stick in terms of "net economic results". I further indicated that if this strong trend continues, it would result in much higher taxes, reduced services, weakened property values and a lower standard of living for suburbanites. This article will provide some little known facts in support of the above thesis. However, for those who did not read the previous article, I would advise obtaining a copy from the City Hall and reading it in context with this writing.

Here are some examples of how the big cities get the suburbs' money! We basically pay four types of taxes—income, property sales and excise. These taxes are paid to state, federal, school, county, city and miscellaneous jurisdictions. Suburbs with their higher incomes, progressive tax rates, higher property values and larger expenditures pay more of all these taxes than does the average person in the big city. On the other side of the coin, the expenditure of this money by federal, state and county jurisdictions greatly favors the big cities. As an example, Federal aid amounts to $15,000,000 yearly in the Minneapolis school district (14% of its budget) compared to $3,000,000 for a composite group of eleven suburban school districts (less than 3% of their budgets). Federal aid amounted to $225 per pupil unit in the Minneapolis school district compared to $25 per pupil unit in the eleven suburban districts studied.

Further, according to the Minnesota State Auditor's report on cities and villages, Minneapolis received $119.19 per capita of local government aids, revenue sharing and all other grants and aids. Twenty-three suburban communities received an average of only $44.23 of this same revenue, only 37% of what Minneapolis received. Further, Minneapolis with 43% of the county population received 61% of all state aids distributed in the county. Further, the Minnesota Legislature did away with our municipal township relief system and transferred it to the county. The effect of this was to increase the cost to Plymouth taxpayers 11 times over what they had paid into our local system. Further, the Metropolitan Transit Commission during 1975 will collect $355,168 from Plymouth citizens and yet Plymouth has no MTC bus line service. Further, the Hennepin County Medical Center (General Hospital) will collect $194,779 from Plymouth citizens during 1975. This money is used for operations and the retirement of bonds and payment of interest. Again, our citizens receive only a small fraction of benefit from this huge expenditure. Further, Plymouth citizens during 1975 will contribute $1,397,117 to county welfare. It is doubtful that our citizens receive more than 5 to 10% benefit from this huge expenditure.

The "net economic result" is simply this; suburbanites pay far more taxes and receive far less in return than do our sharp cousins from the big cities—and this trend continues inexorably forward. In the next issue, I will discuss the arguments the big cities use to get our money and how they spend it!

PLYMOUTH FROM THE INSIDE

Most thoughtful people agree that the big cities have serious problems that perhaps justify some financial aid. The gist of this article and the two which preceded it is that the suburbs with their high start-up costs and non-recurring expenditures (new schools, city halls, fire stations, fire equipment, parks, etc.) also have heavy financial needs and, further, the multitudinous policies which aid the big cities with essentially suburban funds have proliferated to an extreme that is grossly unfair—especially when one considers how the big cities spend our money.

As you read this article keep in mind the debacle of New York City, a city nearly bankrupt at this time. In my opinion, the only difference between New York City and other large cities of this nation (including the Twin Cities of Minneapolis and St. Paul) is a difference in timing! For example, one alarming signal comes from a recent report of the Minnesota Taxpayers Association. This report indicates that the Minneapolis-St. Paul metropolitan area is second only to New York City in the per capita yearly interest its residents pay on local bonds! New York City's inability to meet its debt-service obligations has been headline news for some time now. My reason for raising this issue is that although the big cities have mismanaged their own operations they have been successful in the political arena securing suburban money to bail themselves out. Therefore, we in the suburbs have an interest in, and maybe even a responsibility to question, their fiscal practices.

One of the primary arguments used by big city lobbyists in convincing the federal, state, and county policymakers of their needs is that they have unusual conditions and very high costs and simply cannot make it on their own. Although, as stated earlier, there is some merit in their plea, let's examine the situation a little more closely. Minneapolis and St. Paul spend much more per capita than the suburbs! One way is by employing more than three times as many employees per thousand of population as we do. In the suburbs we have been able to operate quite well with less than four public employees per thousand of population. In Minneapolis and St. Paul they seem to require more than thirteen public employees per thousand of population. In addition, their pay scales are much higher for similar positions. This appears to be a tremendous disparity in "need"!

Plymouth operates its entire City program including all the Fire, Police, Planning, Road, Park and Recreation, Inspection and General Administration on 9.7 mills. This year Minneapolis is spending 15 mills on employee pensions alone! As in New York, their public employee unions have developed a strong hold on the big city government and are able to extract in the so-called "bargaining process" benefits much larger than the general public receives. Considerable evidence would indicate that the Minneapolis Council has become an unfit adversary to sit across the bargaining table from the employee unions on behalf of the taxpayers whom they are pledged to serve. What is lacking is balance! Ideally, neither employer nor employee should be dominated by the other in the bargaining process. This is the only way that settlements can be arrived at which are fair to all parties including the general public. The state government, both executive and legislative, bears a large responsibility for the present unbalanced and unhealthy relationship between employers and city employees.

Minneapolis and St. Paul receive many times the state and federal aid per capita than do the suburbs. Federal and state aid distribution formulas are usually determined on the basis of "level of effort" or "need". In simple layman's language, this simply means that the more they spend the more they get from the federal and state governments.

The big cities demonstrate their "need" for additional funds by including in their general operating budget services that suburbanites pay for out of their own pocket. This has the effect of swelling big city taxes because they include items such as garbage collection, street lights, road building and other items that our citizens pay for either directly or through an assessment procedure. When big city and suburban aid formula determinations are made, it should be done fairly on an apples-to-apples basis, but as a matter of fact it is not. In further support of this allegation, 98.6 percent of all Plymouth's outstanding debt is financed by special assessments which are paid by the individual property owners. In Minneapolis this figure is only 19.8 percent.

In my opinion, the situation that I have described in the last two articles is deplorably unfair to suburban citizens. Further, it is not healthy for the big cities! They have little incentive to practice fiscal discipline and control when they have only to pick the suburban money tree in order to cover their excesses. You don't cure a chemically dependent patient by giving him more chemicals when he exhibits uncomfortable withdrawal symptoms. The patient must recognize his illness for what it is and be willing to take the necessary curative measures. Matters are likely to worsen until suburbanites become activated in programs of constructive self-interest and take political steps to rectify these inequities. The suburbs have 58 percent of the population in the metropolitan area. We could develop the necessary political muscle if we would awake and take constructive, positive steps that have as their basis an informed, organized and invigorated public. Our entire region and state would benefit from the efforts of a mature and active suburban public.

PATRIOTISM REMEMBERED BY OUR YOUTH

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. JENRETTE. Mr. Speaker, on October 10, I addressed the Knights of Columbus in Florence, S.C. The occasion was an awards banquet. Several young people were singled out for their essay on "patriotism." However, the essay that won the hearts of the judges was written by Danny Westerkam, a 6th grade student at St. Anthony Parish School.

I had the pleasure of presenting Danny a U.S. flag that had been flown over the Capitol, as well as to present him with a bond which is to be used for furtherance of his education.

In behalf of the people of the Sixth Congressional District, I would like to again congratulate Danny on his fine work, and insert his essay on patriotism in the RECORD so that others may have the opportunity of seeing what this fine young man has presented:

PATRIOTISM

(By Danny Westerkam)

When someone mentions the word "patriot", what comes to mind? Most people think of a Revolutionary soldier with a musket in his hand. Perhaps you may think of Paul Revere or a famous Revolutionary General such as the well-known George Washington. Yes, all these people are good examples of patriotism, but there are other kinds of patriots besides soldiers. Some of us have never thought of a peacemaker as a person showing patriotism. Actually, a patriot is any person who loves and is loyal to his country and its principles.

There are many people that have shown patriotism to their country. Such a person is Henry Kissinger, a peacemaker. He has spent all of his time and energy in working with other countries for the benefit of America. Though he was not born here, Henry Kissinger has always shown loyalty to America. John F. Kennedy, another patriot, was from a wealthy and well-known family. He didn't need politics to make him famous, but became president because he loved his country and its people. Martin Luther King did not condemn his country when it discriminated against his people, the Negroes, but worked for the benefit of all American citizens. Theodore Roosevelt was a man who cared about conserving America's natural resources and started conservation in the United States. Abraham Lincoln, a great patriot, would not permit his country to be torn apart for he strongly believed that "a house divided against itself cannot stand." Charles DeGaulle was a soldier, statesman, and president for France. This man loved his country deeply and was probably the most famous patriot France ever had.

Even this list of patriots is incomplete for I've been writing mostly about politicians. Did you ever think of an olympic athlete as a patriot? Kathy Rigby, for one, has spent many hours and much of her energy to represent her country in the Olympics, but did not receive any pay. In this way, she has shown us another form of patriotism.

All these people are outstanding patriots, but there is still another kind of patriotism. Adolf Hitler was a well-known patriot for Germany, but he showed us the wrong side of patriotism. He believed his people and country were superior and that they should rule the world. Eventually this kind of patriotism hurt the country of Germany and caused its destruction.

All American citizens should be patriots. I am a patriot for I love this country of ours and what it has to offer. I am glad that I live in America for it is the freest country in the world. However, all true patriots must remember the words of John F. Kennedy when he said, "Ask not what your country can do for you, but what you can do for your country." •

"BICENTENNIAL GARDEN" PROGRAM IS OVERWHELMING SUCCESS

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, some time ago I advised the Members of this Chamber of a "Bicentennial Garden" program initiated by the State of Massachusetts. I am pleased to report to you today that the program has been an overwhelming success; so successful, in fact, that it will have to be expanded next year to meet the enormous demand.

During this year, the Pennsylvania Department of Agriculture has processed orders for seeds from 348 civic organizations, and has distributed 174,800 envelopes of seeds to them. Land was made available from 25 State institutions serving 3,000 community gardeners. Those gardeners enjoyed the benefits of the soil, and produced a vast harvest of high-quality, fresh, nutritious food. The State followed up the program with questionnaires asking this year's participants whether or not they would again want to participate next year. The result was so staggering that the State is now fervently searching for additional land which could be made available for community gardening.

I would like to draw my colleagues' attention to the following article which appeared in the October 28 edition of the Pennsylvania Department of Agriculture Weekly News Bulletin, and which gives ample evidence of the great success which their "Bicentennial Garden" program has enjoyed. I am sure my colleagues would want to give consideration to seeing similar programs initiated in their own States if one is not already in existence.

The above mentioned article appears as follows:

[From the Pennsylvania Department of Agriculture, Weekly News Bulletin, Oct. 28, 1975]

SHAPP LAUNCHES "BICENTENNIAL GARDEN" PROGRAM

Gov. Milton J. Shapp received a report on his Anti-Inflation Garden program, in which 200,000 Pennsylvanians were introduced to the economic advantages of raising their own vegetables.

Agriculture Secretary Jim McHale, whose department administered the program, presented the report to the governor.

"From this report," Shapp said, "I see the program was a great success, especially in that it involved low-income families who benefitted most from reduced food bills and an increase in the nutritional value of their diets."

The governor announced the program would be continued next year on a larger scale under a new name—Bicentennial Gardens.

Gov. Shapp first unveiled his garden program at the Governor's Preview of the Pennsylvania State Farm Show, January 5, 1975.

The Agriculture Department promoted the program and processed orders for seeds from civic organizations throughout the commonwealth. A total of 348 such organizations ordered and distributed 174,800 collection envelopes of seeds.

Land from 25 state institutions was made available for citizens to use for vegetable gardens. Nearly 3,000 people used land at 18 of the 25 institutions involved.

According to the program report, questionnaires were sent to the 348 participating organizations and the citizens who used state land, asking if they would be interested in a similar program next year. The response has been overwhelmingly positive.

Consequently, the program's Steering Committee, with representatives from the Departments of Welfare, Education, Community Affairs, Property and Supplies and Agriculture, opened bids submitted by seed companies on October 20th to supply seeds for the Bicentennial Gardens program.

FOOD PRICES CONTINUE TO GO UP

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. MIKVA. Mr. Speaker, when Thomas Jefferson and the other authors of the Declaration of Independence guaranteed the right to life, liberty, and the pursuit of happiness, they should have included the right to eat. The skyrocketing cost of food, which seldom experiences a setback, is making it increasingly difficult for breadwinners to provide even the most basic staples for their families. Congress should be informed of this alarming trend and keep it in mind when formulating policies that might effect food prices.

In a recent survey taken in 26 stores throughout my district in Chicago's north suburbs, food prices had increased 4 percent since April. The price of a 27-item market basket had jumped to $19.99 on September 27 from the April 26 price of $19.20.

Sharp increases in meat and dairy products were primarily responsible for the increase recorded in the survey, which was conducted by my high school interns.

The survey revealed that—

Meat prices, in particular, increased substantially—more than 20 percent. Eight meat items of various types and prices are used to compile the meat category statistics: sirloin steak, boneless rump roast, pork chops, all-beef hot dogs, whole fryer chickens, round steak, ground beef, and bacon. The April 26 price of these eight meat items was $10.36, while on September 27, the price of the same eight meat items was $12.51.

In the dairy products category, all four items included in the market basket had increased: sliced American cheese up to $1.09 from 94 cents, eggs up to 77 cents from 61 cents, cottage cheese up to 72 cents from the April price of 63 cents, and the smallest increase—in a half gallon of low-fat milk—up 1 cent to 72 cents from the April price of 71 cents.

I have been charting the fluctuations of food prices for residents since June of 1974, using the same Tenth District stores in each survey. For the present survey, the market basket items included meat and poultry, dairy products, produce, frozen foods, canned goods, and several household products.

A July Associated Press survey has concurred with my findings. According to the AP survey, the market basket at checklist stores rose an average of 3.4 percent in 10 of the 13 surveyed cities during July.

These results, like the results of all the food price surveys my office has conducted so far show that some economists' comment that "inflation is over" certainly does not hold true in the supermarket. Inflation is very much with us, propelled by ever-increasing costs for food and fuel.

Senior citizens who live on fixed incomes are hit hardest and are least able to combat this devastating food price spiral, and many have been forced to reduce their food consumption to a dangerously low level. If we do not take some steps soon, other consumers may be priced out of the food market and may find that eating may become an expendable right.

NATURAL GAS EMERGENCY STANDBY ACT OF 1975

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. KRUEGER. Mr. Speaker, as exploration was undertaken for oil in the late 19th and first half of the 20th century, an unwanted byproduct often resulted where oil was found: natural gas. At that time neither use nor market existed for natural gas, and consequently it represented only a poisonous, dangerous product, which was burned off, or "flared" in order to make drilling a safer undertaking.

BACKGROUND

By 1940, natural gas had begun to be used for domestic purposes, for boiler fuel, and for limited industrial purposes. Because technology to transport natural gas over long distances had not been developed, it was used near its source. In all, only about 4 percent of our total energy supply consisted of natural gas.

During World War II, technology was developed to allow long-distance transmission of natural gas to consuming States along the eastern seaboard. Natural gas was found to be the cleanest, highest quality fuel that we had, since, upon burning, its principal constituent leaves only water vapor and carbon dioxide. Among other uses, natural gas became the prime source for industrial and agricultural feedstocks. Fertilizers, plastics, synthetic materials of all types are made primarily from natural gas, making this fuel our source not only of energy, but, indirectly, of both food and fibre.

Some producing States found natural gas to be the cheapest available boiler fuel, and therefore converted their electrical generating facilities from burning coal to natural gas for their boiler fuel. Today, 95 percent of the electricity in Texas comes from natural gas. Nonetheless, new uses for natural gas made inevitable a shift to other boiler fuels. This inevitability is accepted today by the larger cities in producing States. San Antonio, for example, is purchasing railroad cars and contracting for western coal. Houston is investing in nuclear plant capacity. But these changes require vast capital investment and a period of time to change from one fuel to another without causing widespread economic disruption and hardship. Furthermore, because natural gas is the most environmentally desirable fossil fuel, its use in the past 15 years has expanded rapidly. To change from natural gas to coal will obviously require pollution-control equipment and large capital outlays.

Our realization of the variety of uses for natural gas, and of its limited availability in the short term, prompts an assessment of what conservation measures might be undertaken to maximize its most appropriate uses, and of how we might enlarge production to avoid future shortages of this very precious national resource. Today, it constitutes 31 percent of the energy we consume, and 41 percent of the energy we produce. It is therefore the largest single provider of energy actually produced in the United States.

WHERE ARE WE TODAY?

Until fairly recently, because gas was primarily viewed as a byproduct sometimes discovered in finding oil, the major share of drilling expense was charged against the price of oil. Gas was sold at whatever price might be received by a producer. This meant, on the one hand, that natural gas could be priced more cheaply than oil in terms of its Btu equivalent, because the main profit was found in oil rather than gas. On the other hand, because gas could be purchased quite cheaply when it was found in conjunction with oil, there was relatively little inducement to explore for formations containing only gas and not oil. In terms of energy equivalency, gas has long been priced more cheaply than oil. Since 6,000 cubic feet of natural gas provide energy equivalent to one barrel of oil, the price of natural gas per mcf might logically be expected to correspond to about one-sixth the price of a barrel of oil. Natural gas a $2 per mcf is therefore competitive with oil at $12 per barrel. But natural gas can present problems in transportation not presented by oil. It must be present in sufficient supply to warrant the building of expensive pipelines to the wells. Whereas oil can be removed by truck, natural gas must be removed by pipeline. Therefore even today one sees some "flaring" of gas, and there are indeed some "shut-in" gas wells, because it is not necessarily economic to build pipelines to all gas wells. The gas wells have to contain sufficient reserves near enough to existing pipelines to warrant the construction of a pipeline to the field.

MONOPOLY IN THE NATURAL GAS INDUSTRY

There is much temptation to equate the natural gas industry with the oil industry, probably because the two products, oil and gas, are assumed to be found together in the ground, and, therefore, to be owned and marketed by the same firms. This, of course, is not true. Gas is often found by itself, and most of this gas is drilled for by independent producers. In 1973, for example, out of the year's total of 1,326 gas wells drilled, 1,012 were drilled by independents.

All economists agree that market power is equal to market share. The accepted quantitative measure of this power is the concentration ratio. A familiar rule of thumb is to measure the market shares of the eight largest firms in any given industry and sum the percentages. If these total less than 50 percent, a market is not considered excessively constrained by anticompetitive forces. Not only is this production concentration ratio below 50 percent for the natural gas industry, but it is lower than the median concentration ratio for the 412 manufacturing industries generally categorized in the United States.

Those who wish to regulate the price of gas sold by producers wish to do so because they believe producers to have an excessive amount of control over the price of the gas they sell. In refutation of this position we can look at two things, one quite academic, and one intuitively obvious. First, the Institute of Gas Technology, one of the most highly regarded research and educational institutions in the industry, has constructed a model to explain the relationship between price incentives and increases in exploration and production. Explaining the rate of discoveries as a function of current production rates and economic incentives—lagged 2 years to compensate for the lead time existing in natural gas production—the model was applied to historical data—1946-74—and was proved to represent almost perfectly industry performance in response to market pressures over the past 19 years. The multiple correlation coefficient was equal to .996; perfect correlation equals 1.

The second thing we can do is to look at the Texas intrastate market example. The existence of market controlling pricing power is usually revealed by prices which are inflexible downward. Prices in Texas broke after hitting a high of $2.07 per mcf in late 1974 and no ware averaging $1.70 and below. This type of behavior is definitely not characteristic of a monopolistic market structure.

Unfortunately, as with so many other things, arguments espousing monopoly control of natural gas production in the United States tend to be substantiated by emotion and cliche' rather than hard data and solid logic.

PRICE FOR NATURAL GAS

The pricing of natural gas is quite different from that of oil, or, indeed, from that of most products. Natural gas prices are most often governed by long-term contracts ranging from 5 to 20 years that normally cannot be renegotiated during the life of the contract. Therefore, the price paid for "new gas"—that is, gas which would be discovered and contracted for today on long-term contracts—is a price which is blended into the price of gas under existing contracts. Within the intrastate gas markets, for example, gas selling at 8 cents per mcf is being transmitted on contracts made perhaps 20 years ago along with new gas recently found and sold at $1.50 per mcf. On average, the amount of natural gas under contract expring each year constitutes about 7 percent of total consumption.

INTERSTATE AND INTRASTATE PRICING

The price of natural gas at the wellhead has been regulated in interstate commerce for over 20 years. In intrastate commerce, it is unregulated. Of the price paid by the consumer, the producer of natural gas gets about the same percentage for his product that the farmer and rancher gets for his grain or livestock when bread or steak or cereal is sold in the supermarket—about 20 percent. The remainder of the consumer's dollar goes to cover transportation and distribution costs.

These transportation and distribution costs are governed not by the price of natural gas at the wellhead, but by the expense involved in amortizing the cost of a pipeline. If a pipeline is 100 percent full, then the gas can be sold by the transporting and distributing company at a lower price, since the return on investment for a transportation distribution company is fixed by law. If the pipeline is only 70 percent full, however, the costs per mcf paid by the consumer rises substantially, since the consumer must then pay more mcf to cover the fixed cost of amortizing the pipeline. Unavoidably, however, producers' costs and profits are the only variables that induce a supply response. If the consumer is to pay more per mcf in the years ahead, as he unavoidably will, it is to his advantage to have a larger share of his increased payment go to the producer, where it can result in more supply, rather than to have the payment go to the transportation company, where it will amortize pipeline costs, but do nothing to bring in more gas.

DEVELOPMENT AND HISTORY OF DIFFERENTIAL MARKETS

Because the price of natural gas has been suppressed below the competitive levels of other fuels, the supply and demand functions for this precious fuel have been effectively distorted. These artificially low natural gas prices have increased demand and encouraged wasteful use of natural gas while at the same time the low prices have served to reduce supply by offering producers insufficient economic incentives to encourage them to search for new supplies. Gas well drilling peaked in 1961 at 5,459 wells and generally declined to a low of 3,456 wells in 1968. During 1969 and 1971, drilling was fairly stable but in 1972 there was a sharp increase in drilling activity reaching record levels of 6,385 wells in 1973 and 7,240 in 1974.

The explanation for this sharp and dramatic increase in drilling in 1970 lies with the development ot the unregulated intrastate market for natural gas. As this intrastate market grew in the early 1970's, so did the number of wells drilled to supply natural gas at the free and unregulated prices that the intrastate market commanded. In the State of Texas alone, a record number of 2,013 gas wells was drilled in 1974 with gas going for an average wellhead price of $1.52 per mcf.

As the intrastate market grew and prospered, however, a different phenomenon was evolving in the interstate market. In the interstate market, which provides much of the natural gas consumed in the United States the increase in demand annually exceeded the increase in supply until shortages finally developed. These shortages, steadily increasing since 1970, have resulted in total curtailments of 2 trillion cubic feet in 1974 and an estimated 2.9 tcf in 1975. The 1975 shortfall is estimated to be in the neighborhood of 15 percent of total U.S. demand for that year.

Because drilling in the regulated markets has declined dramatically, proved—that is, discovered—reserves continue the decline they have been experiencing since the mid-1960's. Thus, as the intrastate market prospers, the interstate market continues to dry up. Both markets are observing the normal function of the laws regulating supply and demand and are operating in an entirely predictable manner. The intrastate market has functioned in a normal manner, bringing forth gas supplies in the State of Texas at prices of up to $2.07 per mcf. This higher price increased exploration and production to a degree sufficient for a surplus to develop. As it did, this surplus softened the market and put downward pressures on the price of natural gas at the wellhead. As a result, wellhead prices are now averaging about $1.70 in Texas, with contracts presently being written, in certain instances, for $1.20 per mcf. The conclusion is irrefutable: an unregulated market price will indeed elicit a supply response in the natural gas industry.

COST OF SUBSTITUTE FUELS

If supplies of natural gas are insufficient to meet available demand, obviously substitute fuels must be provided. It is worthwhile to make some comparative cost assessments here.

If a consumer is curtailed in the use of natural gas, he faces several options. If he uses natural gas for commercial or industrial purposes, he may have to close down his business or, he may substitute oil for his shortage of natural gas. The cost of substitute oil is the cost of an imported barrel of oil, since our marginal barrel of oil comes from overseas. This cost is today approximately $12.50 plus $2 in tariff. Since one barrel of oil equals 6,000 cubic feet of gas, it would be economic to acquire natural gas at $2 per mcf rather than convert to oil at $14.50 per barrel.

With the assistance of Federal funds, we are now undertaking efforts to convert coal to synthetic natural gas. The most optimistic estimates of these costs forecast that the synthetic natural gas to result from such processes would be about $2.50 per mcf or $3 per mcf. Thus, taxpayers are subsidizing research and pilot projects in order to provide synthetic natural gas—SNG—that will sell at 5 to 6 times the current Federal Power Commission regulated price of 52 cents per mcf for new natural gas. Clearly something is out of phase here.

Liquid natural gas—(LNG)—which is imported from overseas bears a cost of approximately $2.00 to $2.50 per thousand cubic feet. This LNG is not readily available, however, because ships to transport LNG are few, and the technology for conversion of natural gas into LNG is not available in all of the countries where natural gas is found. Some of these countries are still technologically in a position somewhat similar to that of the United States in the 1920's. They do not have the technology to convert natural gas to LNG, nor do they have the pipeline systems to transport their natural gas to a point where it can be used. Therefore, in other countries, natural gas is quite often still flared and wasted.

WHAT CAN BE DONE TO INCREASE DOMESTIC PRODUCTION?

Studies have repeatedly shown that the number of wells drilled is directly proportional to the price paid for oil and gas products. Since most drilling has been for oil, drilling activity has followed the price of oil more closely than that of gas, but the pattern has been clear, and drilling activity has in fact been proportional to the price paid for oil. The second inescapable conclusion is that the fields most readily found have already been discovered. This means that drilling for future gas reserves will be of two sorts: drilling in smaller basins that can produce additional reserves, and drilling to greater depths. However, these fields will be produced only if the prices received justify deeper, more expensive drilling, and erecting a pipeline to the gas. New drilling techniques allowing deeper exploration for gas will have to be increasingly employed. Currently some wells are being drilled to 20,000 and 30,000 feet in the search for gas, but this gas, naturally, goes into the intrastate market where prices are received that warrant the heavier drilling expenditure, rather than flowing into interstate market.

In 1974, half the natural gas being used in the U.S.A. came from only 2 percent of the gas fields in this country—very large basins that were found long ago. The remaining half of the gas came from 98 percent of the fields which were drilled in hopes of large finds, but which provided much smaller production.

Is there new gas to be found? The answer is undoubtedly yes. Well over half the world's surface is under water, and it stands to reason that the areas under water have formations just as likely to contain gas as those areas covered by land. However, it is more expensive to explore under water, and, currently, offshore natural gas is sold under Federal price controls that dictate exploration for gas only where it can profitably be produced at a cost of 52 cents per mcf or less. Obviously, that puts much more severe restrictions on offshore drilling activity, where we might legitimately expect to find the largest reserves, than we have on onshore reserves. Further, since offshore reserves are, in this country, Federal lands, the taxpayers are missing the opportunity to receive royalty payments which instead go to private owners of onshore lands.

WHAT ABOUT WITHHOLDING?

It is sometimes argued that certain producers are withholding natural gas in expectation of higher, deregulated prices. The search for shut-in wells has in recent years been almost as persistent as the search for the city of gold was in the southwest some years ago. But the findings have been few. The Department of Interior found in its study that virtually all shut-in wells were not economic to produce. Those who argued that there are vast reserves that are shut-in seem not to realize that to withhold gas is illegal, since it is illegal to withhold from State regulatory agencies information about reserves, or to falsify those reserves. Further, most exploration—75 percent in 1973—is done by independent producers rather than by major firms, and generally these ventures are undertaken as joint ventures in partnerships. Such participants simply do not have the cash flow to allow them to find production and shut it in. Were they to do so, not only would they be in violation of State laws, but they would be withholding from the landowner royalties to which he is entitled, and for which he could take the drillers to court.

It would be folly to imply that there are no shut-in wells whatever, but the notion that there are vast reserves that have been shut in, in expectation of higher unregulated prices, has never survived any careful scrutiny by either economists who know the field or by the Government regulatory agencies involved. It is a comfortable myth most often held by the same parties who believe that there really are very few additional reserves to be had at any price, an inconsistency which has only confirmed, rather than erased, this particular prejudice.

AN END TO UNCERTAINTY

What is needed, if we are to avoid the import dependency which we developed in oil—40 percent of our oil is currently imported—is to develop a policy now that will maximize production and assure a most efficient and fair use of this precious resource. Efficient use in part obviously follows price. As natural gas becomes too expensive to be used as a boiler fuel for producing electricity coal will once more recover that role. But if we are to maximize our production we must give those who are involved in production clear signals. Nothing so discourages investment in an already essentially risky business as governmental uncertainty. Drillers are uncertain as to what they will find under the ground but they do not wish to have their uncertainty compounded by now knowing whether they will be allowed to receive 52 cents or $1.52 for the product they seek if it enters an interstate pipeline. If we wish to maximize production, we will have to develop natural gas policies that will continue for longer than 180 days. We will have to give a clear view into the future about whether or not natural gas will be sold at a price competitive with other fuels, and if it will be sold in the same manner, governed by market forces rather than by short term political pressures.

WHAT IF NOTHING IS DONE?

If nothing is done, we will suffer worse than cold homes this winter. Jobs will be lost, perhaps massively. Industrial curtailment will be inevitable. Our import dependency will grow. Pollution can be expected to increase if we massively substitute alternate fuels, since all other fuels are heavier polluters than natural gas. The cost of curtailment needs to be measured in jobs lost, industrial production delayed, agricultural production missed because of lack of fertilizer.

THE MIT ECONOMETRIC MODEL

We can, of course, do nothing, and many might prefer this or some short-term "emergency" course. But it would be useful to look at the results of the fullest, most comprehensive study of the effects of present regulation, increased regulation, and phased deregulation as they were assessed in the econometric model done at Massachusetts Institute of Technology recently. Under the direction of Prof. Paul McAvoy—now a member of the President's Council of Economic Advisers—this study predicted the effects of three different strategies. First. A continuation of present regulation would bring an excess of demand over supply of 10 T ft^{3}—or four times the present anticipated shortfall. Second. Strengthened regulation would enlarge the shortfall to 12 tcf. Third. Under deregulation supply and demand would be essentially in balance.

The econometric simulations are given below. The difference in price between present regulation and deregulation is anticipated to be the difference between 72 cents and 88 cents. The difference in supply and demand varies from 10 tcf to near zero.

TABLE 1.—ECONOMETRIC SIMULATIONS OF CURRENT NATURAL GAS REGULATION

Year	New discoveries (Tcf)	Total additions to reserves (Tcf)	Total reserves (Tcf)	Supply of production (Tcf)	Demands for production (Tcf)	Excess demand for production (Tcf)	New contract field price (cents per Mcf)	Average wholesale price (cents per Mcf)
1972	4.7	8.8	233.4	23.3	23.5	0.2	31.6	39.9
1973	9.9	17.0	227.8	23.6	24.3	.7	34.6	41.6
1974	10.0	18.4	222.9	24.3	2F.3	1.9	39.7	44.7
1975	12.8	21.3	220.2	25.0	28.8	3.8	44.8	48.7
1976	14.9	23.8	219.1	25.8	31.2	5.4	49.8	52.7
1977	17.0	26.3	219.9	26.6	33.5	7.0	54.9	57.1
1978	18.6	28.5	221.7	27.6	35.8	8.2	60.0	62.0
1979	19.2	29.5	223.5	28.7	37.9	9.1	65.1	67.0
1980	18.7	29.0	223.6	29.9	39.9	10.0	70.2	72.3

TABLE 2.—ECONOMETRIC SIMULATIONS OF STRENGTHENED REGULATION OF NATURAL GAS

Year	New discoveries (Tcf)	Total additions to reserves (Tcf)	Total reserves (Tcf)	Supply of production (Tcf)	Demands for production (Tcf)	Excess demand for production (Tcf)	New contract field price (cents per Mcf)	Average wholesale price (cents per Mcf)
1972	4.7	8.8	233.4	23.3	23.5	0.2	31.6	39.9
1973	9.9	17.0	227.8	23.6	24.3	.6	34.6	41.7
1974	10.0	18.4	222.8	24.3	26.2	1.9	39.7	44.9
1975	12.4	20.9	219.9	24.9	28.7	3.8	42.7	48.6
1976	13.8	22.8	217.9	25.6	31.2	5.7	45.8	52.0
1977	15.1	24.3	217.2	26.1	33.7	7.5	48.9	55.6
1978	15.8	25.4	216.6	26.9	36.1	9.2	52.0	59.5
1979	15.3	25.2	215.0	27.8	38.6	10.8	55.1	63.4
1980	14.3	23.9	211.2	28.6	41.0	12.4	58.2	67.3

TABLE 3.—ECONOMETRIC SIMULATIONS OF PHASED DEREGULATION OF NATURAL GAS

Year	New discoveries (Tcf)	Total additions to reserves (Tcf)	Total reserves (Tcf)	Supply of production (Tcf)	Demands for production (Tcf)	Excess demand for production (Tcf)	New contract field price (cents per Mcf)	Average wholesale price (cents per Mcf)
1972	4.7	8.8	233.4	23.3	23.5	0.2	31.7	39.9
1973	9.9	17.0	227.8	23.6	24.3	.7	34.7	41.4
1974	10.0	18.4	222.9	24.3	26.3	2.0	39.7	44.3
1975	16.3	24.8	222.3	26.4	28.7	2.3	64.7	52.7
1976	21.4	30.5	226.1	27.6	30.4	2.8	71.7	59.6
1977	25.4	35.3	233.9	28.6	31.9	3.3	78.8	66.3
1978	30.0	41.1	245.8	30.2	32.9	2.7	85.9	73.7
1979	31.5	43.9	258.6	32.1	33.7	1.6	93.1	81.1
1980	33.0	45.6	271.2	34.1	34.2	.1	100.3	88.3

It is incumbent upon those who would wish us to continue our present policy to explain whether they prefer an increase in reliance on imported oil, or a shortage of domestic natural gas with the industrial havoc that that will wreak. If so, they should be clear and outspoken in defense of those policies. If not, then it is time to consider new alternatives.

AN ALTERNATIVE SOLUTION

The other body recently passed the Bentsen-Pearson plan with strong bipartisan support, 58 to 32. This bill addresses both immediate and long-term needs. It will make additional gas available to the interstate markets, purchased from the intrastate markets, for the next 180 days. It will lessen the likelihood of long-term curtailments because it will allow purchases of new gas from onshore production to be made by the interstate markets, whereas at present, 96 percent of the onshore production is going into intrastate markets. It will, over a 5-year period, deregulate offshore natural gas, and thereby will allow sufficient incentives to enhance exploration in drilling in this vast area for the years ahead. It will lessen imports and will provide stimulus for energy needed for a secure industrial base in the years ahead.

This bill passed by almost a 2-to-1 margin in the other body, and if comparable legislation were passed in the House, would have a strong possibility of becoming law. I have, therefore, introduced a bill, H.R. 10480, similar but not identical to the Bentsen-Pearson plan. A summary describing that bill is given below. I offer this bill with bipartisan cosponsors as a vehicle worthy of consideration by this House, and, we hope, worthy of adoption by the Nation as a basis for future natural gas policy.

SUMMARY OF KRUEGER NATURAL GAS BILL NUMBER H.R. 10480

H.R. 10480 is a two title bill constructed so as to address both the immediate emergency shortage problem and the long-term supply inadequacy problem. Title I allows for the emergency 180-day purchases of gas in the intrastate market by any interstate pipelines suffering curtailments that may interrupt supplies to high priority end users. These purchases would be allowed at intrastate free-market prices.

Title I includes a prohibition on the use of natural gas as an boiler fuel, in all cases where a substitute fuel can be utilized, with compensation provided to said users for any economic hardships or losses incurred.

A provision is included to provide for emergency allocation of propane with price restraints to insure adequate supplies of this vital fuel to agricultural and industrial users who have historically used this fuel and must be assured of the availability of adequate supplies at reasonable prices in order to provide for and insure the health, safety and welfare of the nation as a whole.

The effect of title I is to help "share the shortage" and provide natural gas to high priority users on an emergency basis. Title I will, in effect, allow the intrastate gas surpluses to flow into the interstate market on a temporary basis in order to help relieve this winter's pending shortage. Estimates are that the quantities attracted into the interstate market will enable this winter's shortage to be reduced to the magnitude of last year's shortage, barring the occurrence of an extremely harsh winter or some other unforeseen acts of God.

Title II of H.R. 10480 addresses the long-term supply problem and the severe decline in reserves that has been plaguing the natural gas industry in the United States for the past 8 years.

Title II provides for the immediate decontrol of onshore "new" natural gas as this gas is discovered and as old contracts expire.

Offshore natural gas is to be gradually phased out over a period of 5 years with national ceiling rates to be determined by the Federal Power Commission. These national ceiling rates will be determined by rulemaking based upon four criteria:

Prospective costs.

Capital formation for exploration, et cetera.

Promotion of conservation of natural gas.

Consumer protection.

Protection is included to insure the long-term supplies of natural gas to essential agricultural and industrial users to whom alternate energy sources are not usable or availbale.

Long term, gradual phaseout of natural gas for use as a boiler fuel is provided for.

Title II is a sensible and responsible long-term approach to the natural gas supply problem in the United States. Incentives are provided so as to increase production in the long term, while the gradual phase-in period provides also for the protection of the consumer and the economy in the transitional period from the shock of rapid price increases which may accompany complete and total decontrol of all natural gas produced in the United States.

PERSONAL ANNOUNCEMENT

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, due to a viral upper respiratory tract infection, I have been ordered by the House of Representatives physician to suspend normal activities.

Accordingly, I have been paired with Congressman FERNAND ST GERMAIN of Rhode Island for the conduct of congressional business.

PROTECTING THE AMERICAN CONSUMER FROM UNSANITARY DAIRY IMPORTS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. KASTEN. Mr. Speaker, today I am introducing legislation to forbid the importation into the United States of dairy products that are manufactured under unsanitary conditions.

I have two principal reasons for the introduction of this bill. First, a definite threat to the health of the consumer is posed by the importation of unsanitary dairy products. Second, there is an increased danger of unfair competition due to the generally lower prices of imported dairy products. This low cost is at least partially attributable to the fact that many foreign manufacturers do not have to meet the expensive sanitary procedures required of domestic producers and dairymen.

Basically, this measure would require that foreign nations wishing to export dairy products to the United States establish a program to guarantee that their dairy products are in compliance with the minimum Federal standards as determined by the Food and Drug Administration.

HAZARD TO HEALTH

In 1974 the United States imported six times as many dairy products as it exported. Only a small portion of these imports, even under the best of circumstances, are inspected. Until recently, the percentage inspected averaged 12 percent, but with the increasing amount of imports and the inability of the Food and Drug Administration to expand its inspection services, the percentage examined is now at approximately 6 percent.

Of those dairy imports examined, an average of 10 percent are rejected as a result of unwholesomeness, adulteration, or mislabeling. Assuming that this percentage of contaminated products is correct for imports as a whole, there are literally thousands of contaminated dairy products coming into the United States on a daily basis. These products have the potential of producing adverse effects upon anyone who eats them. A potentially serious health problem such as this cannot be permitted to remain unchecked.

Dairy quality can best be examined at the primary level, which is the farm, or at virtually any point in the production process prior to the manufacture of the finished product. Once an item has been processed, packaged and shipped, it is extremely difficult to detect potential or actual impurities. Effective inspection at the farm is the best way of guaranteeing that the final product will be free of contamination. The Congress must insist that foreign producers implement sanitary and inspection systems at their farms and processing plants similar to those enforced in the United States.

The Food and Drug Administration has done a very good job insuring that products manufactured in the United States are healthful and sanitary. This care has not been as great in other nations and I believe that the danger of these imported dairy products must be guarded against. The health of the American consumer is the principal reason for introducing this bill.

PROTECTION OF DAIRYMEN

The second reason is the economic health of American dairymen. A significant percentage of the cost of domestic dairy products is directly attributable to the sanitary procedures with which our dairymen and manufacturers must comply. For years the Federal Government has assisted dairymen in earning a decent living by guaranteeing a fair price for their products. With the volume of dairy imports climbing rapidly and the apparent determination of the Ford administration to negotiate international agricultural exchanges, the time has arrived for the Congress to prevent our dairymen from being priced out of the market by the cheaper imports.

Further, too many imports would tend to develop a dependency on foreign supply sources which may not always be available or reliable. It would be very harmful to consumers if domestic production slackened, dependence on imports increased and then our foreign supply was cut. The dairy needs of America ought to be filled by our own dairy industry, not by the dairymen of foreign nations.

There is a need for this legislation, a need that has been caused by the increasing number of unsanitary dairy imports. The Congress must assure Americans buying dairy imports that they will only get wholesome and sanitary products. I believe that passage of this measure would be in the best interests of dairymen and consumers.

AMNESTY VIEWS SHARED

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. McHUGH. Mr. Speaker, the Cornell University Senate recently adopted a resolution on amnesty which I would like to share with my colleagues. The university senate is an elected body representing students, faculty, and employees of Cornell University and I believe their views deserve the consideration of this body as we deliberate the issue of amnesty.

Mr. Speaker, I would like to request that the text of the resolution be inserted into the RECORD at this point:

RESOLUTION

Resolved, the Cornell University Senate urges the United States Congress to grant a universal and unconditional amnesty to those who face or have suffered criminal or administrative penalties for nonviolent acts of evasion or resistance to the draft or to the military or to the war, involving violations of laws and regulations, including especially the selective service law and the Universal Code of Military Justice, and have done so during the era of the War in Southeast Asia.

In adopting this resolution we specifically support amnesty as a pardon to a large *class* of U.S. citizens who opposed the War in Southeast Asia in distinction to the clemency program which by its case-by-case basis is inherently discriminatory. We believe amnesty is an essential step in the binding up of our national wounds. In support of this process we have earlier passed a resolution of support for the Vietnam Era Veterans' Readjustment Assistance Act of 1974.

FORMER SPEAKER JOHN W. McCORMACK CONTINUES ACTIVE WORK FOR MASSACHUSETTS CITIZENS

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, I often receive inquiries from my colleagues as to the activities of our former Speaker, the distinguished John W. McCormack, of Massachusetts. I am pleased to report that former Speaker McCormack continues to pursue an active and rigorous schedule on behalf of the citizens of Massachusetts, and of the country as a whole. In response to the numerous requests which I have received, I thought my colleagues would be interested in reading the following speech which was delivered by the former Speaker a short while ago on a matter of national importance.

I insert the remarks of former Speaker John W. McCormack into the RECORD at this point.

STATEMENT OF JOHN W. McCORMACK

Members of the press: Thank you for joining us this morning. As I stated in my invitation to you, this conference is to announce a scheduled, blue ribbon, fund raising event, the pro-life century dinner, which will be held at the Marriott Motor Hotel in Newton on Monday evening, October 27, 1975. This event will be the first of what is hoped will be a series of activities throughout the Nation as a response to the current status of pro-life legislation and litigation both at the State and Federal levels. Allow me to give you a brief background of that status.

Almost 200 years ago 5 residents of Massachusetts including John and Samuel Adams and John Hancock signed a public document. They held as "self evident" that "all men are created equal and endowed by the Creator with certain unalienable rights." The first "certain unalienable right" specified was the right to life itself. Two hundred years ago, that noble sentiment was not nor is it today, a partisan political position. Nor is it a matter of narrow sectarian concern. It is rather a human concern. Although the right to life may have been served imperfectly at times in our history, nonetheless that guaranteed unalienable right has been the touchstone of this Nation's greatness during its first two hundred years.

Sadly for this Nation, it has remained for our day to witness a constriction and narrowing of the right to life by the judicial branch of government. An exercise of "raw judicial power" in the Supreme Court's abortions decisions in Roe versus Wade and Doe versus Bolton placed in unparalleled jeopardy unborn children in their mother's wombs. Since January 22, 1973, over 2,000,000 abortions have been carried out in the name of material and societal convenience. Of this tragic harvest, no American citizen can be proud and every American citizen who loves this great country must be concerned.

How strange it is that in this State, minor children can be aborted without parental knowledge or consent; that the unborn child retains the right to inherit property or sue for damages done to his person while still in the womb—but his right to life itself has been supplanted by the mother's so-called "right" to end that life developing in the sanctuary of the womb. Without question, liberalized abortion is the greatest American tragedy at Bicentennial.

During all of my professional life in government, I sought to protect and enlarge human rights and human dignity most particularly the rights of the downtrodden, the oppressed—the unfortunates in our society.

It is therefore consistent with that past dedication that I now call upon my fellow citizens to join with me in this great cause. As a caring people, with fidelity to this land's traditional concern for the oppressed, let us raise our voices strongly for those who cannot now speak for themselves—the present and future generations of unborn children.

It is with this dedication and for this purpose that the pro-life legal defense fund was founded and now seeks to raise funds. "This spread of the malignancy of abortion must be countered by well-organized, intelligently directed legal effort. It is too high-powered to be met only by the sporadic and last minute resistance of a few volunteers."

The pro-life century dinner will help to provide funds for that legal effort and we are privileged to have as our guest speaker, the eminent Elizabeth Josselyn Boalt, professor of law at the University of California at Berkeley, David Louisell who will speak on "The Life Values and the Law Today."

HOME INSULATION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. WIRTH. Mr. Speaker, with all of the talk about an energy crisis, we should remember that an important aspect of energy conservation is adequate insulation of our homes. Good insulation can save up to 20 percent on heating bills and produce significant reductions in the use of natural gas.

The Public Service Co. of Colorado has initiated a program of free examination of the insulation of customers' homes, and has contracted with several firms who will perform needed insulation. Customers will be billed for the insulation on their regular monthly gas and electric statements, and can pay on the installment plan, if they wish. Local banks have expressed their interest in the program, and have enabled PSC to offer a 9.5 percent finance charge for the insulation installation, rather than the 13.75 percent interest normally charged on home improvement loans. The Public Service Co. will guarantee all work done, and will inspect each job after completion to be sure that it is satisfactory.

Since the insulation inspection plan began in early September, the PSC has received more than 8,500 phone requests for the inspection service in the Denver area alone, and more than 11,500 requests statewide. PSC has contracted out insulation improvements on more than 3,000 homes thus far.

In addition, PSC and the Johns-Manville Corp. in Denver are working with the State of Colorado on a program to "winterize" the homes of Colorado's elderly and low-income families. They have received a grant from the Federal Government for funds to pay for insulation materials. The Public Service Co. and Johns-Manville will provide technical assistance and training for local winterization committees.

Mr. Speaker, I am very pleased that the Public Service Co. of Colorado has taken these important steps in encouraging its customers to install adequate insulation in their homes. We can all help to alleviate the expected natural gas shortage if we work to improve home insulation.

THE FISHING BILL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Washington Post, Nov. 4, 1975]

THE FISHING BILL

Some high-class testimony by Sen. Mike Gravel (D-Alaska) has provided a certain hope that a bill to unilaterally extend American fisheries jurisdiction out to 200 miles, passed in the House by a vote of 208–101, may yet be slowed in the Senate. From the viewpoint of the American interest in promoting international agreement on issues of the sea, this has always been an unfortunate bill, one that could not fail to spur similar unilateral steps by other coastal nations and to undermine the ongoing United Nations Law of the Sea Conference. But it has also been understood both by supporters and opponents that the measure would not be fought out primarily on terms of international law and the larger diplomatic interest. Rather, the bill was recognized as one embodying a deep, desperate and legitimate concern by American fishermen to prevent the continued ransacking of American coastal fisheries by the high-technology distant-water fleets of other nations, particularly Russia and Japan. Against this sort of immediate economic interest—measured in declining catches and revenues, and in rising unemployment in the industry—more abstract considerations have not stood a chance.

Precisely here lies the importance of Sen. Gravel's testimony. Using new figures that sobered even the most ardent advocates of the 200-mile bill, he argued that foreign overfishing is being reduced, and can likely be further reduced, by the enforcement of international agreements already in place and by the prompt negotiation of further agreements. The negotiations approach has the further keen advantage of not undercutting the substantial American interests in tuna and other coastal species caught within 200 miles of other nations. Past experience has given American fishermen good reason to be leery of promises of protection by diplomatic negotiation. But recent and current experience is much more solid. The threat of unilateral enactment of a 200-mile fisheries zone did in fact mobilize a previously laggard State Department and gave it the club it needed for successful fisheries negotiations with other countries. American fishermen need now to understand the degree of success they have actually attained. They cannot afford to overplay their hand.

Last year the Senate, knowing that the House would not take up the bill, voted 68 to 27 for a 200-mile zone. But the Gravel testimony, casting doubt as it does on the economic need and value to fishermen of such a zone, could if properly exploited reduce that margin and put the vote into a realm where the key factor would be whether President Ford exercised a veto. Twice Mr. Ford has said that he favors a 200-mile limit, but one achieved by negotiation. On the eve of an election year, he will be under heavy political pressure to cast a veto, despite the country's broad foreign-policy interest in avoiding the diplomatic damage of a unilaterally enacted zone. Sen. Gravel, who has a large fishing constituency of his own, has shown him the way.

A MOVE TO EMPHASIZE FISCAL RESPONSIBILITY INITIATED IN WICHITA

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. SHRIVER. Mr. Speaker, at a time when the Congress has been asked to "bail out" the financially-ailing New York City, it is refreshing to note the leadership of the city of Wichita, which is in my congressional district, to form a league of fiscally-sound cities. I hasten to emphasize that this action is not directly aimed at New York City. One of the basic objectives is to firm up investors' confidence in municipal bonds.

Those city governments, which will join in this new national association, are those which intend, now and in the future, to adhere to stable financial policies and good management.

I wish to commend the city commission of Wichita and Ralph Wulz, the city manager, for this important initiative. Under leave to extend my remarks in the RECORD, I include an article from the Wall Street Journal, October 31, 1975, which discusses this action:

FISCAL RESPONSIBILITY IS THE PREREQUISITE TO JOIN THIS CLUB: WICHITA, KANS., PLANS GROUP MADE UP OF CITIES THAT MANAGE THEIR FUNDS WELL

WICHITA, KANS.—The city commission here wants to organize a new national association of "fiscally responsible" cities.

This week it directed the city manager, Ralph Wulz, to arrange a meeting of all interested and "responsible" cities which, along with Wichita, "don't wish to have their credit damaged by a few cities which haven't adhered to some of the basic rules of good fiscal management." It didn't specify any of the urban violators.

Some of the preliminary guidelines for membership in the as yet unnamed association include "rigid adherence to a cash basis, a strict limitation on the capitalization of operational and maintenance expenses, stringent implementation of program evaluation and performance reporting and prompt funding of retirement system liabilities."

The Wichita city commission said the initial objective of the association would be to ensure investors that members wouldn't "allow defaults to occur on (their) debt as a result of fiscal mismanagement."

If cities in the proposed group didn't subscribe to the "basic rules of good financial management," the commission warned, they would "risk public expulsion."

A city spokesman said invitations in the form of letters and phone calls would be made today to about 50 cities of all sizes, mainly "with good bond ratings." He said the city of Minneapolis had already heard of the plan and asked Wichita "not to leave us out."

THE FIFTH DIMENSION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. CLAY. Mr. Speaker, some very dear and true friends of mine, The Fifth Dimension (are celebrating their 10th anniversary this year. It is only fitting that a group such as theirs, which has meant so much to America at home and abroad, should be singled out for a special "Thank you."

Record World publication has featured the group in its November 8, 1975 edition. I commend that article to my colleagues, and, therefore, insert it in the RECORD.

THE 5TH DIMENSION: ANATOMY OF A SUPERGROUP

(By Richard Oliver)

In 1965, they released their first album, "Up, Up And Away." In 1975, they returned to terra firma and released their 15th lp which is also their debut on ABC Records, "Earthbound." In between have been 10 years of continuous success which defies all the "show biz" odds. That first album consisted primarily of tunes by Jimmy Webb; the same is true of their current. They were discovered by Marc Gordon who became their manager and mentor; he still is today.

THE JOURNEY

Coming from varied musical backgrounds and localities, the group was initially called The Versatiles. From that title it's obvious that the five singers were set on exploring a variety of styles and approaches. When Marc Gordon heard them, he immediately sensed this and much more. He recognized the group as a new dimension in music and requested that their name be changed accordingly. Marc brought them to Johnny Rivers who also saw the potential and decided to make them his first venture with his newly-formed label, Soul City. The result was a hit single prophetically titled "Go Where You Wanna Go."

FIRST ALBUM

Their first album, "Up, Up And Away," was further indication of the direction of the 5th Dimension. Co-produced by Johnny Rivers and Marc Gordon, Johnny wrote the album liner notes: "They're young, hip, talented, ambitious, they dig working and are always ready to try something new . . . it (the album) was new, exciting, different, and it was what we had gone after; it was The 5th Dimension . . . P.S. And it's only the beginning!" Although most album notes are in the positive, in this case truer words were never written. Those words did in fact predict the future of one of the most viable and appealing acts in the current entertainment world: An act which will no doubt celebrate another decade following additional successful exploration.

In the "Up, Up and Away" lp, the 5th Dimension created their own trip in the midst of the phychedelia which was the craze at that time. Rather than jump on the bandwagon and produce weird effects and electronic simulations, they created a freshness and regenerative spirit which has never subsided. Their basic approach has always remained the same . . . to *honestly* reach out, speak to, and aim to touch all while continuing to grow. This philosophy has resulted in five gold records and 10 gold albums during their time on the Soul City and Bell record labels.

To celebrate, and the 5th Dimension is always a celebration, their new association with ABC Records and 10th Anniversary, the 5th were reunited with their friend from the early days, Jimmy Webb. Jimmy not only supplied the group with 5 new songs; he produced, arranged and conducted the new lp. "Earthbound" is an outstanding album which not only shows that the group has no musical boundaries, but dramatically demonstrates their growth from the balloon days to their landing on earth. There's the contagious harmonies, discotinged r&b, funky forcefulness, gently rhythmic patterns, a plaintive inspirational tone, and straight-ahead honesty. Furthermore, there's a vigorous attitude and excitement for what's ahead!

In a moving epilogue, the album stresses their continuous journey through moods, emotions and experiences. There's a quote on the album jacket which sums it up nicely: "The echo of the past is only the sound of an orchestra tuning for tomorrow's performance."

The 5th Dimension is the sum total of its parts; the parts being five immensely talented and versatile performers each with his own distinct personality and musical background. Each is a specialist in a certain area while remaining an integral member of the group.

Billy Davis Jr. is from St. Louis, Missouri where his early desire for a music career prompted him to perform anywhere from wedding parties to nightclubs. In the group he's the r&b/pop specialist who delivers the funk and gets the feet stomping. Much of this comes from his early experience in other groups which were primarily r&b or gospel. At one time, he was also the owner of some nightclubs in St. Louis. With the 5th, he's the one with the continuous smile and happy face, both on and off stage. It's an honest happiness based on his love of music and ability to communicate that love from his heart.

"Music is as much a part of life as the air I breathe. Music is really the key to everything. Man has never been able to exist without some form of sounds and rhythm." That's what Billy delivers.

Marilyn McCoo was born in New Jersey and raised in California. Both her parents are doctors which gives Marilyn a very practical outlook on life. Although her goal has always been music and acting, she first completed her education and has a degree in business administration. She is the most schooled in contemporary music within the 5th Dimension and is often the lead singer. She has worked as a job developer in Watts and is still willing to devote time to projects in that Southern California community. Setting her sights on acting, the lovely Marilyn realizes that "I could never stop singing, no matter what else I do. It must always be an important part of my life." This she projects.

FLORENCE LA RUE GORDON

Florence La Rue Gordon is both sparkle and sensitivity; two elements she demonstrates to the fullest. On stage she's the lively one who not only sings but dances. As her husband, group manager Marc Gordon, says, "She makes it all seem like a party." She has a voracious appetite for education, both for herself and others. When possible she fills her hours studying voice, acting, and dance. Moving to California from Glenside, Pennsylvania, she completed her schooling and holds a degree in elementary education. Her strong belief in learning is demonstrated by devoting time to the education of young children in the black community. Her all-encompassing interest in people is expressed in her music.

"I love what I'm doing. I like to feel that these people (the audience) are my friends while I'm performing." Florence has many friends.

LAMONTE M'LEMORE

Lamonte McLemore comes from St. Louis and admits that as far as singing is concerned, he used to hide from glee club and church choir practices, much to the chagrin of his parents. His main ambition was photography. He became very successful in that area and eventually had his own fashion magazine. But then singing came into his life and, although never abandoning his camera, he's most serious about his work as a 5th Dimension.

"A performer definitely has an obligation to his public . . . and to leave them satisfied means more to a performer than anything else." Lamonte is often referred to as the sex symbol of the group and the cool aid black member who in fact keeps it all together, A catalyst with a quality of warmth.

Ron Townson is also from St. Louis and is the classically-trained singer in the group. He started studying voice at the age of 6. He was always a featured soloist and, while still in high school, was signed by the St. Louis Municipal Opera. Later, he traveled with the famous Wings Over Jordan Choir, appeared with Dorothy Dandridge in "Porgy And Bess," then toured with her act and Nat Cole. Often called the "father figure" of the group, Ron has a serious outlook on music which reflects his beliefs. He works with young musicians and believes in the power of music.

"To me, you can accomplish an awful lot with music, because music has no barriers whatsoever. You can always get to any race, creed or religion with music. And, this is, to me, one of the best Ambassadors of Good Will that you can approach anyone with," Huff said.

THE MANAGER

The success of the 5th Dimension has resulted from a great deal of careful and strategic planning; planning that looked toward long range goals rather than "that quick and easy" hit and sudden fame. "Quality" has been a key word. Marc Gordon is the man behind the 5th Dimension who has made it all possible. He is the 6th dimension. Today he has an outstanding reputation for integrity, enthusiasm, and the highset form of professionalism. These values are also present in the acts he represents.

With the exception of one stint as an electromechanical engineer at Hughes Aircraft, Marc has directed all his energies toward a career in entertainment. A native of Los Angeles, he has always been involved in theatrical activities from his early school days and, at one point, even had his own dance troupe. Eventually he teamed with Hal Davis, formerly a singer and now a producer at Motown Records. Gordon and Davis wrote and produced some recordings and then took over the formation of Motown's west coast offices. Marc then discovered the 5th Dimension and went out on his own.

Always very businesslike and objective in the crazy world of show business, it's this quality plus a responsibility toward those he works with which has contributed to the success of the 5th as well as Tony Orlando & Dawn, Al Wilson, Thelma Houston, and others. In the case of each artist, it is the total picture and potential which Marc emphasizes. In this business of volatile personalities, the artists of Marc Gordon enjoy the enviable reputation of being the most pleasant and professional to work with. This is most likely enhanced by the Gordon influence.

Besides guiding the careers of his artists, Marc has his own publishing and production company plus a record label, Rocky Road Records, which has enjoyed a number 1 single in the country, "Show and Tell," by Al Wilson. He is presently the executive producer of the forthcoming movie project, "Bojangles."

THE GROUP

Although comprised of highly individual and unique units, the 5th Dimension is a group in the complete sense of the word. This is one of the primary reasons they have defied the odds by not only remaining intact with all the original members, but likewise maintaining a tops in popularity for 10 years. They have complete solidarity with an organized career and pattern. This is how they live their lives. As Marc has stated, "It's very important to know that the group has a very mature look on their career. They are tremendously secure people from a personal point of view and therefore I don't have to nursemaid them. I'm there to suggest and guide them."

This relationship of manager and artist is one of the keys to their continuation. The group is always open to ideas and listens, but they don't necessarily agree. They listen with an open mind and then supply mature logic in making their own decisions. This is in high contrast to many manager/artist relations. In the case of the 5th Dimension, it amounts to careful planning and democratic discussions among six people, all of whom share the same goal: quality and longevity. As such, they have voluntarily put themselves on a rigorous schedule which in 1 year averages 7½ months on the road and appearing in theatres, clubs, and colleges; 3 months devoted to recording; and 6 weeks of well-deserved vacation.

THE TEAM

Behind the success of most artists is a team. In the case of the 5th, that team is in effect a family of longtime members. One of the originals is Rene DeKnight whom Marc has often called his very important right hand man. Rene was the group's "performing guru" during the developing days and a key element in their performing success. Besides supplying all the vocal arrangements for their in-person appearances, Rene gave the group that most necessary ingredient, stage confidence, as he guided their presentation.

Other longtime and integral contributors are agent Mike Gursey of ICM; Gil Siegel, business manager; John Myles, conductor; Bob Fisher, tour manager; Sylvi Brown, social secretary; and musicians Bob Gallarza, guitar; Lanny Hartley, keyboards; Mel Lee, drums; Roger "Montego Joe" Sanders, conga; and Andrew White, bass.

THE CONCEPT

Besides their highly organized system of operations, the 5th Dimension is well in accord as to the total concept. From the beginning they were very conscious of numerous elements necessary to build an act; a presentation both on record and on stage which would give them a wide appeal. They aimed for an appeal which crosses that elusive boundary between teen and adult audiences.

THE LOOK

If the 5th Dimension were merely to stand on a stage without moving or uttering a word, the viewer would immediately sense a group of five very ingratiating and warm people. Again, each has his own presence, but that feeling between them individually and as a unit comes across to the viewer. This was one of the first things recognized when they were in their formative stage. It was wisely formulated into the group's total approach.

Today there's a much stronger emphasis by most contemporary performers to put a little more show business into their presentations. Ten years ago the 5th Dimension was doing just that in a time when others just got out there and "did their thing" with little concern for much else. The 5th Dimension was the forerunner among contemporary artists of a carefully planned presentation from costumes to choreography to music. They are a major influence in the on-stage direction of most American music performers today.

Music is their main concern, but its presentation is vital as a means of setting the mood and getting their message across to as wide an audience as possible. One of the elements of the 5th "look" is their costuming. Designed by either Boyd Clopton or Michael Travis, the 5th are always clothed in a unique ensemble of costumes which, as with their personalities, are all slightly different yet united in that total feeling. In many instances, the appearance is bright and refreshing, just like the group, but, and this is highly complimentary to them, if during a performance they are ready to do a blues or some other type of serious work, those bright colors never seem to distract from the message of the song.

ON STAGE

In public performance, the 5th Dimension is total entertainment. There's movement and music as five people contribute to what is guaranteed enjoyment. They're very aware of their responsibilities as stage performers and thus surround each number with textures, nuances and outright excitement to back-up and enforce the presentation of each song. The audience receives a total experience.

One of the highlights of their early stage presentations was the manner in which they'd take a song and have individual members assume parts in the song's story. This was initially displayed in their unique performance of "Ode To Billy Joe." This novel and extremely effective treatment of the Bobbie Gentry song was highly praised for its inventiveness and actually helped in getting the listener to understand the message of the song more clearly. They did this again with an orchestrated version of the Declaration of Independence and more recently with the operatic Pagliacci theme. With Pagliacci, the group showcased Ron's voice and set up a mini-musical play around the song's basic story.

A manager has to remain objective about his artists and constantly keep them at their peak. In the 5th's case, the job is relatively simple because of their innate enthusiasm. Still, their onstage act does go through many changes due to the large amount of repeat customers. Despite this and despite the fact he's witnessed the act in action countless times, Marc Gordon proudly states that "I'm always entertained when I see them. I'm never bored since each one has something different to offer. I'm looking at five different people and seeing five different concepts which are individually exciting, but never distracting from the total purpose." This is the key to their magnetism which comes across in person or on television be it their own specials or guest appearances.

As Ron Townson stated, "Music is the best Ambassador of Good Will." The 5th is a living example of this both at home and abroad. They take their humanitarian responsibilities very seriously and do several benefits a year. Unlike many entertainers, they don't confine their efforts to a specific organization or cause. Rather, if they feel something is worthwhile and in need, they go out and do it. There is, however, a special place in their hearts for underprivileged blacks, particularly students.

On the international front, the 5th Dimension has appeared in Japan, Hong Kong, Mexico, and throughout Western Europe. One of the highlights of their international life was when they were invited by the State Department to be musical ambassadors on a tour through Eastern Europe. This memorable event gave the group the opportunity to spread its message to Czechoslovakia, Poland, Rumania, and Turkey. It's a tour and experience they'll never forget.

You can look terrific and love what you're doing, but if it isn't in the grooves, then what's it all about? Since the 5th doesn't write material, it's necessary for them to search for good songs which fit their style and philosophy. During their recording career, they've had the uncanny foresight of not only discovering good material, but good writers as well. It happened right from the beginning with their friend Jimmy Webb. Because of the 5th Dimension, Jimmy Webb emerged as one of the most potent songwriters on the contemporary music scene.

The same held true when the group started recording songs written by Laura Nyro. She had been a respected but unknown writer until the 5th Dimension recorded "Stoned Soul Picnic." Following that record, which became gold, Laura Nyro became the hottest new writer in the music business.

This recognition of good song-writing and performing talent is also evident in their stage appearances. Again they have helped budding talent receive wider recognition. Mac Davis, Paul Williams, and Bill Withers were all selected by the 5th as opening acts when they were virtually unknown. Now each is a headliner.

Along with Webb, Nyro, Davis, Williams, and Withers, they've performed, and in some cases had tunes written especially for them—songs by Burt Bacharach, Tony Macaulay, The Addrisi Brothers, Lennon and McCartney, Mick Jagger and Keith Richards, Tim Hardin, John Phillips, Johnny Rivers, Barry Mann, Cynthia Weil, Lambert & Potter, Gerald Wilson, Nilsson, Rado, Ragni & MacDermot, Gilbert Becaud, Neil Sedaka, and many more. From such an illustrious list, it's evident that their tastes are wide and all-encompassing.

From a musical point of view, the 5th Dimension knows no boundaries and is one of the most versatile mixed groups in popular music. They're equally at home with r&b or pop. Their r&b side has not been exploited that much, but the "Earthbound" album has changed all that. The sound is much more defined as evidenced by their delivery of a tune like "I've Got A Feeling" written by John Lennon and Paul McCartney.

A point in their success is their willingness to tackle anything if the feeling's there. But, there's always a consistency in finding material, not only of mass appeal, but of quality. They know what they like and they know what goes hand in hand with the public. Add the enormous versatility of the members to their unique and identifiable harmony, and, once again, it's those parts combining into a total concept unit. "Earthbound" proves this in what Marc considers the finest, most exciting and commercial album Jimmy Webb has ever produced.

TOMORROW

For the 5th Dimension, "Up, Up And Away" gave a sense of the future and constant exploration. This sense has become a reality and promises further adventures built on never-diminishing energies and optimism.

The whole is the result of its parts, the melding of the behind-the-scenes and public elements. Primarily it's the melding of six immensely talented people into a total unit and concept.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. MAZZOLI. Mr. Speaker, on November 3 and 4 I was unavoidably absent from the House because of elections in my State of Kentucky.

Had I been present on Monday, November 3 I would have voted "yea" on rollcall No. 660 and "yea" on rollcall No. 661.

On Tuesday, November 4 I would have voted "yea" on rollcalls No. 663, 664, and 665.

TRIBUTE TO DAWNE P. GOODWIN AND JANE GILMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. WAXMAN. Mr. Speaker, on Friday, November 21, 1975, at the Wilshire Chamber of Commerce annual award luncheon Dawne P. Goodwin and Jane Gilman, copublishers of the Larchmont Chronicle will be honored as "Citizens of the Year."

They are being honored for their participation in organizations and campaigns to improve the welfare of the Wilshire community. The women, who founded the Larchmont Chronicle newspaper in 1963, have both served as president of Larchmont Boulevard Association, which they helped found, and as directors and officers of Wilshire Chamber of Commerce.

Miss Goodwin also served as 1975 chairman of the reelection committee for Councilman John Ferraro. She is a former board member and is on the Advisory Committee of Portals Mental Health Agency. Jane Gilman is head of the Public Information Committee of Wilshire Community Policy Council and a member of John Burroughs Junior High School Advisory Council. She is a director and former officer of Portals Mental Health Agency board of directors. Mrs. Gilman founded the annual Wilshire YMCA Mixed Doubles Tennis Tournament.

The publishers are also members of the honorary board of directors of the Hollywood-Wilshire Symphony Orchestra and Hancock Park Art Council. The pair also compiled and edited "The Farmers Market Cook Book."

In the Larchmont Chronicle's 12 year history the publishers have won awards from the city, county, State, and numerous charitable organizations for civic work. They have campaigned successfully for safety mirrors in tunnels which children use near school; have initiated the Larchmonth Family Fair where 52 charitable groups last September raised more than $7,500 for their treasuries; helped start Larchmonth Pet Show; founded the Wilshire Chamber of Commerce "Youth in Business" Day; secured the city's first off-street parking lot funded by parking meters; prevented sex centers from infringing in residential areas; raised funds for a memorial status of Councilman Harold Henry.

The Larchmonth Chronicle has been cited for its outstanding civic contributions by city, county and State officials as well as by United Crusade, Boy Scouts of America, California Hospital Medical Center, March of Dimes, U.S. Army, LAPD, YMCA, Camp Fire Girls, and American Cancer Society.

These women are well deserving of the Citizens of the Year Award. It is my privilege and pleasure to join in the tribute.

THOSE WHO SAID "NO" DISCOURAGE PEOPLE FROM USING FURS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. ANDERSON of California. Mr. Speaker, I am pleased to announce that the Subcommittee on Fisheries and Wildlife Conservation has scheduled a second day of hearings, November 17, to supplement the November 18 hearings on legislation I introduced—H.R. 66—which would discourage the use of painful devices in the trapping of animals and birds.

One of the ways to discourage the use of the steeljaw leghold animal traps is, of course, to discourage people from using the furs which are the products of these traps.

The quotations which follow are from five well-known American women who undoubtedly can afford to own even the finest fur coats, but do not. Here is why:

QUOTATIONS FROM FIVE WELL KNOWN WOMEN

Angie Dickinson: "Although I don't feel I have the right to tell other people what to do, my respect for an animal's right to live doesn't let me approve of the killing of animals for coats.

"If a woman can help an animal or a child, that's the most important thing."

Mary Tyler Moore: "The killing of an animal for the sake of the appearance of luxury doesn't achieve anything. I have seen so many coats so much more attractive than fur—some fake fur, some fabric. It's in the design, not necessarily the fabric.

"I am aware that there are specific ecological problems, but for me all animals have a right to humane treatment.

"Someday, soon I hope, the killing of an animal for fur will hold for us the same revulsion we feel, say, when we hear those horrible stories about parts of the world where they open the top of a live monkey's skull and pour hot lead in because it's supposed to improve the flavor of the meat."

Doris Day: "Killing an animal to make a coat is a sin. It wasn't meant to be, and we have no right to do it.

"At one time, before I was aware of the situation, I did buy fur coats. Today when I look at them hanging in the closet I could cry.

"It's so wrong for a man to think that the biggest thing he can do for his wife is buy her a fur coat at Christmas. It's the most evil thing he can do. Buy her a fake fur. They're so beautiful, so lovely, so warm, so pretty to look at.

"A woman gains status when she refuses to see anything killed to be put on her back. Then she's truly beautiful . . ."

Amanda Blake: "The wearing of any kind of skins—even the kind that are supposedly raised for fur, like mink or sable—is something I just don't believe in. Killing animals for vanity I think is a shame.

"I feel very guilty about having worn fur coats. As for the women who know about our vanishing wildlife and continue to buy fur coats—I wonder how they'd like to be skinned?

"I have noticed that the reaction to real fur coats is becoming nausea on the observer's part. If a woman wants to wear something that looks like an animal, fake fur is the only way to go.

"People are putting the whole real fur thing down and I thank God . . . thank God."

Jayne Meadows: "I don't see how you can wear a fur coat without feeling, literally, like a murderer. It is, I believe, against God's law. Against His whole plan for the universe.

"I feel very sad for women who continue to purchase real fur coats. They are lacking in a woman's most important requisites, heart and sensitivity.

"Bravo for the women who are wearing fake fur. It's the only way to go. It's warmer and everything else. And you are happy with it because you don't feel guilty in it. You don't feel like a murderer."

ELECTION LAW

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. FRENZEL. Mr. Speaker, below is an article from the Washington Monthly, November issue entitled "This Time Everybody's Got a Creep" by Bruce F. Freed of Congressional Quarterly. I recommend the article to you as an example of what could happen to campaigns under the new law. I am not as pessimistic as the author, but found the article a sound warning to all of us.

The article follows:

THIS TIME EVERYBODY'S GOT A CREEP

(By Bruce F. Freed)

Jeb Stuart Magruder, former deputy director of the Committee to Re-Elect the President, couldn't have been closer to the mark when he wrote in his Watergate mea culpa, *An American Life*, that "the significance of the 1972 Nixon campaign . . . has been obscured by Watergate, but its lessons will not be ignored by politicians of both parties who plan future presidential campaigns."

As the 1976 presidential campaign gets underway, those lessons are being studied very carefully by campaign planners. John T. Calkins, one of President Ford's top political aides, openly confesses his admiration of the managerial side of the original CREEP. He calls the Nixon operation "a masterfully done political reelection job despite Watergate." CREEP, he adds, "is an indication of the management and accounting organization needed for future campaigns."

What sinister force has brought the CREEP style back in presidential politics? Nothing other than the 1974 campaign finance law—the very law that was passed at the behest of Common Cause to prevent future Watergates. In an ironic twist, that legislation has ended up helping to institutionalize the CREEP model of campaign organization, a development that has very serious implications for American politics.

At first glance, the 1976 campaign organizations now taking shape bear little resemblance to what made CREEP so notorious. There are no Maurice Stanses flying around the country with attache cases scooping up illegal cash contributions; John Mitchells are not ordering their lieutenants to draw up plans for spying on the opposition. But cut away the tainted money and the illegal acts and you'll find in today's campaign organizations major similarities to CREEP.

The underlying structure of CREEP is succinctly described in *Jaws of Victory,* an analysis of the 1972 presidential election by the liberal Republican Ripon Society: "For the first time in American politics, a completely centralized national political machine was created with direct lines of command from Washington that did not rely at all on local political parties or on local power centers for its operational efficiency."

Indeed, CREEP marked a revolution in political strategy and organization. Until the 1972 campaign, presidential candidates dealt regularly with local and state party leaders and outside pressure groups like organized labor. The campaign organizations were not monolithic; party and outside groups invariably played important campaign roles. Most of all, these independent groups could act as checks on the candidates. In 1960 the Kennedy organization was highly centralized and led by skilled professionals like Larry O'Brien, yet it also depended heavily on local party officials and was never divorced from its party's national committee the way CREEP was. In 1968, the Humphrey organization did not control many parts of its campaign—such as the highly effective AFL–CIO operation.

All that changed by 1972. The new politics of CREEP represented a clear break with established political tradition. Senator George McGovern had similar autonomy with his campaign organization, although he had little choice, since he was abandoned by many of the local party bosses and organized labor. Nixon, on the other hand, deliberately turned his back on the Republican party and created a new organization—loyal only to him—that he totally controlled.

THE MANAGERIAL TAKEOVER

In its structure and operation, CREEP represented the managerial takeover of politics. The man who gave CREEP its distinctive imprint was Fred Malek, a millionaire management consultant who was deputy director of the Office of Management and Budget during Nixon's first term. Malek left OMB to become one of the two deputy directors of the Nixon reelection operation. (The other was Jeb Magruder.) According to the Ripon study, he "was a strong believer in the application of modern and efficient management principles to political organizations and he viewed with disdain the more 'political' types around CREEP. He instituted an incredibly demanding reporting system to keep close control upon the vast range of enterprises beneath him. . . ."

CREEP's leaders—both in the campaign itself and within the White House—were very much like Malek. They weren't career politicians in the traditional sense. They came from corporate managerial, public relations, bureaucratic and accounting backgrounds. The Nixon campaign mirrored their values: efficiency, loyalty, toughness, aversion to risk.

Like many business conglomerates, CREEP was set up like a ship with many watertight compartments. Each subsidiary—and there were separate ones for labor, "ethnics," Spanish-speaking, youth, business, veterans, and Jews—was isolated from the others, reporting only to central command. Snug inside their watertight compartments, CREEP managers, according to the Ripon Society, "concluded that the parties were generally inefficient, outmoded and totally unreliable." CREEP took over all of the Republican party's presidential campaign functions. It conducted polling, had its own in-house advertising agency, maintained tight rein over all the political operations, including volunteer activity, and had very little to do with the Republican Party nationally and in most states. It also kept strict control over fund-raising and spending by the Nixon organization in each state. (Bear in mind that the tighter accounting of money stemmed in part from the 1971 Federal Election Campaign Act, which required disclosure of all contributions and expenditures over $100.)

Like earlier campaign organizations that introduced innovations in strategy and campaign conduct, CREEP—before Watergate dominated the headlines—was perceived as the model for future campaigns. It epitomized the shift from the political toward the technical and managerial. Traditional party loyalists and politicians were replaced by technicians and managers, leading the Ripon authors to conclude: "The practice and methods of modern campaigning . . . are rapidly becoming the kind of practices that are most readily accomplished in a managerial way. . . . The day of the volunteer in the management level of Republican politics is fast disappearing."

WHAT THE LAW REQUIRES

Ripon's pessimistic prognosis was issued over a year before the passage of the Federal Election Campaign Act Amendments of 1974—the Watergate campaign finance law. If they'd known what was coming, the Ripon authors might have titled their book *The Age of CREEP.*

Three provisions of the 1974 law have fostered the CREEP model in the 1976 presidential campaign: the contribution and spending limits; the requirement that candidates have a single, central campaign committee to file reports with the Federal Election Commission; and the provision requiring the disclosure of campaign contributions and expenditures.

This year's campaigns are being run in the same highly centralized fashion as CREEP. That's due to the dictates of the campaign law, not any strategic decisions by the candidate. The tight central control and accounting can be seen in all the campaigns, from the big operations of President Ford, Alabama Governor George C. Wallace, Senator Henry M. Jackson, and Senator Lloyd Bentsen; to the smaller organizations of former Georgia Governor Jimmy Carter and Representative Morris K. Udall.

While the disclosure requirements and the contribution limits have made precise accounting essential, the expenditure limits have been most responsible for forcing presidential campaign organizations to maintain strict managerial control over every detail of the campaign. The alternative is criminal prosecution by the Justice Department.

Each candidate can spend no more than $12 million seeking his party's nomination. That means that before even one cent is spent, it has to be cleared with the central headquarters. The danger is if too much is spent by zealous campaign workers in the early primaries, the candidate may exceed his limit long before the convention. It also means that whoever has final authority over spending holds the key to complete control of the campaign. The law also gives the organization the tools to maintain that control—by requiring centralized reporting of all expenditures and making the campaign treasurer legally responsible for all financial irregularities.

The upshot is that people with accounting and managerial experience have become indispensable in today's campaigns, joining the media specialists, direct mail experts and political consultants who began to supersede the politicians during the 1960s. The manager/accountant's responsibilities are more mundane and, at the same time, more encompassing than those of other specialists. He sets up the bookkeeping system to keep tabs on all contributions and expenditures; he works closely with the campaign's political director to develop a strategy that meshes the political timetable with expenditure limits.

"The new law has made campaign management dependent on professional accounting services to an extent it never was before," says Robert J. Keefe, Jackson's campaign manager. Ben Palumbo, who formerly headed the Bentsen campaign, sees accountants today playing a "bigger role in political management than ever." (Note his use of the phrase "political management.")

One obvious problem caused by the rise of the political accountant is paying his fees. Faced with spending limits and fund-raising difficulties, these can be a substantial drain on campaign resources. For example, a Bentsen campaign aide recently estimated that it has cost at least $75,000—about 10 per cent of the campaign's total expenditure of $763,000 for the first half of 1975—to meet the accounting and reporting requirements of the new law. In addition, the candidates' 1975 campaign finance reports filed with the Federal Election Commission have shown a sharp increase in payments to lawyers to handle the related legal work.

But the ultimate price of these reforms is much greater than the sum of the costs of lawyers, computer time and accountants. Eddie Mahe, executive director of the Republican National Committee, warns that campaigns run by accountants "mean you're not going to have campaigns any more. You take an accountant who still has an accounting mentality. He can inhibit this thing to the point that you've got to have three purchase orders signed in triplicate and a contract before you do a rally."

Managers and accountants, for the most part, are outsiders to the political process and have little appreciation of what politics is or should be about—not just winning elections and drubbing opponents but dealing with public policy questions, seeking to reconcile competing groups and strengthening the parties as the permanent institutions necessary to hold the political system together.

TRADING BUREAUCRACY FOR BRIBERY

At a time when American politics desperately needs flexibility, the new campaign finance law has mandated rigidity. The expenditure limits mean that the entire campaign has to be budgeted long before the first primary. Since few candidates can estimate in advance how much money they can raise, the budgeting process has little similarity to business expenditure decisions. This raises two problems.

First, campaigns in practice cannot be run as rigidly as the new management model demands and the law stipulates. Certain expenditures cannot be anticipated and must be made on an ad hoc basis. The very nature of the campaign process works against neat, orderly planning. "Campaigns are a messy operation," says Rod Smith, executive director of the Republican National Finance Committee. "They operate in an environment of uncertainty with little lead time."

Second, the need for strict budgeting all but eliminates the candidate's freedom to handle issues that arise late in the campaign. "You need money at the end to deal with late issues and marginal areas," says David W. Adamany, the Wisconsin secretary of revenue and a campaign finance expert. "But when you budget down to the last detail as the law requires, it precludes a candidate from dealing with events over which he has no control. Inflexible budgeting prevents politicians from being part of what is happening in society at any given moment." What this means is that presidential candidates may not be speaking to the immediate concerns of the voter. With everything scheduled so far in advance, primary campaigns may have all the immediacy of television reruns.

Beyond that, candidates are now encouraged by the law to divorce their campaigns from all groups they cannot control. To comply with the expenditure limits, a campaign organization must make all state and local party and volunteer efforts subsidiary to the central operation. In effect, that means that independently elected and powerful state and local politicians are made subservient to the national campaign director. Since the central campaign organization controls all the spending, it does not have to take seriously the needs of local elected officials and political leaders, who in the past would be key independent elements campaigning for a candidate on their own. Now, they cannot do anything on their own if it involves spending money. National campaign staffs have always been despised for their arrogance toward local politicians. Now these attitudes are mandated by law.

Richard Kline, Jackson's finance chairman, sees the changed equation as he goes about filling Jackson's campaign treasury. "Local politicians can't set up independent operations as they did in the past," he says. He likens the new relationship to "the negotiating process between a national corporate office and its local plant managers. You have to weigh local decisions against a national picture. They'll have to realize that their state and local operations have to take second place to national needs and the national operation. This will change the old relationship between the states and national campaigns and will affect politics immensely."

The ramifications of the new law extend beyond the confines of party politics. The law's emphasis on centralized campaign direction may put a damper on middle-class volunteer political activism, which has played an important role in presidential campaigns since 1952. "Local people usually want to do certain things on behalf of the candidate they back," says Herbert E. Alexander of the Citizens' Research Foundation, a leading expert on campaign finance. "But if local committees cannot obtain authorization to purchase a newspaper ad or a radio spot, they will not feel their activities for federal candidates are meaningful and so may focus increasingly on state and local campaigns. The law will make them feel more like lackeys of Washington." In addition, volunteers can be difficult to control, and control is essential because of the spending limits.

The drafters of the 1974 campaign reform bill thought they knew what they were doing. With Watergate and its "underground rivers of cash" fresh in their minds, they wanted a totally accurate accounting of where campaign money was coming from and how it was spent. They wanted campaigns to cost considerably less than the $60 million spent by Nixon in 1972, so they set expenditure limits. Like most good government reformers, they had a passion for neat, orderly, antiseptic procedures. To be fair, they believed they were ensuring the renewal of the parties, by allowing them to solicit independent contributions and make independent expenditures. And they thought they were encouraging the contributions of volunteer time by limiting contributions of money.

A year from now, when the 1976 presidential campaign is over, the reformers may have been vindicated. But right now, it looks like they have substituted bureaucracy for bribery and adding machines for attaché cases. While that's an improvement, it's also a reminder of how delicate our political system is and how vast are the unanticipated consequences of reform.

TRIBUTE TO PETER FOSCO

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. McCORMACK. Mr. Speaker, it was with deep sadness that I learned of the recent death of Peter Fosco, the general president of the Laborers International Union since 1968. Mr. Fosco contributed more than 50 years to the labor movement, rising from his first position as an officer in his local union in 1916 to secretary-treasurer of the Laborers International Union in 1950 and then general president of that union, a vice president of the American Federation of Labor-Congress of Industrial Organizations and first vice president of the AFL-CIO Building and Construction Trades.

His unceasing dedication to the cause of American workers and to their health and safety in particular have already benefited hundreds of thousands of workers. He lived his life fully, actively, creatively, and productively. His successes have provided a vitally necessary service not just to American workers but to the whole of American society as well. Peter Fosco leaves a heritage of a dedicated life to inspire us to continue the proud tradition of serving the best interests of all the working women and men of America.

I want to extend my deepest sympathy to his wife, Carmela, his family, and his many friends for whom this is a time of deep personal tragedy.

FOR COURAGE IN DEFENSE OF OUR COUNTRY

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to bring to my colleagues' attention a piece of much needed legislation, H.R. 8913. This bill which I previously introduced, deals with the upgrading of benefits to recipients of the Congressional Medal of Honor. As you know, the Medal of Honor is the highest military award for bravery that can be given by the United States. The recipients of the award are truly remarkable Americans who have received this honor for "conspicuous gallantry and intrepidity at the risk of life, above and beyond the call of duty." On April 27, 1916, by an act of Congress, the recipients of the Medal of Honor were awarded a special pension of $10 per month at age 65 for life. This pension was not increased at all until August 14, 1961, when Congress passed legislation to raise the monthly amount to $100. Not until October 13, 1964, did Congress lower the age for pensions to 50, and finally in 1964, on October 31, Congress eliminated entirely all age requirements for pension benefits. As we all know, in the span of 14 years from 1961 to the present, the cost of living has skyrocketed and increased many times over. Although the cost of living has gone increasingly upward, the pension benefits to the Medal of Honor holders has remained the same. Surely, in light of what these outstanding men have done for this country, we are truly justified in raising their monthly benefits, and extending those benefits to their widows. Currently there are only 294 Medal of Honor holders receiving pension benefits. Raising and extending the benefits of the Congressional Medal of Honor holders in order to help them cope with today's inflation is a very small compensation on our part, considering that these men served this country in a manner that put their own personal lives in jeopardy. It is my sincere hope, that after careful study of the merits of H.R. 8913, my colleagues will give this bill their full support when it comes before the full House for a vote.

DELAWARE LAW SCHOOL

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. EDGAR. Mr. Speaker, I recently received a letter from Dean Arthur A. Weeks, Delaware Law School, responding to an extension of remarks inserted in the Record on September 22, 1975, by Representative Symms. Delaware Law School is affiliated with Widener College which is in my congressional district.

I wish to insert this letter for the Record at this point:

Delaware Law School,
Widener College,
Wilmington, Del., October 14, 1975.

In connection with the statement on the Delaware Law School, authored by Dean Emeritus Avins and placed in the Congressional Record by Congressman Symms, of Idaho, the following facts should be set forth in order to show the present status of the School:

Apparently Congressman Symms of Idaho is completely unaware of numerous salient events which have occurred since the material in his statement was in any way relevant to this situation. After all, the Delaware Law School is located in the Delaware Valley and is affiliated with Widener College, which is a Pennsylvania institution of higher learning, both institutions being geographically far removed from Idaho. It could also be questioned as to whether or not Dean Emeritus Avins' views as expressed in the article were not disoriented because of personal involvement, even when the situation being discussed was current and had some relevance.

Since the inspection of the Delaware Law School by the inspecting American Bar Association team in January, 1975, the following events have occurred which have rendered the January report and the January conclusions moot:

The first relevant event which occurred was the report of the Council on Legal Education and Admissions to the Bar of the American Bar Association in February, 1975. This report distinctly passed the matter for further consideration, after the follow-up report, rather than denying the School its accreditation. The Council then directed that a new inspection occur. A new inspection, by a new team, occurred in May, 1975, and the School was recommended for approval by this inspection team.

The Delaware Law School voted to affiliate with Widener College as of June 1, 1975. In the July meeting of the Council on Legal Education and Admissions to the Bar, the Delaware Law School was recommended for approval. The Delaware Law School students were allowed to take the Bar Examination in every state in which they applied, except the state of Pennsylvania, during the Summer prior to approval.

The American Bar Association, in its Meeting in August, 1975, approved the Delaware Law School on August 12, 1975, and the School has been an approved School since that date. Final conclusion of affiliation took place on August 7, 1975, and the School is now the Delaware Law School of Widener College.

As a result of all of these actions, 268 students were graduated from an approved law school on August 24, 1975, and are eligible to take the Bar Examination in any state or territory of the United States.

It could further be said that drastic changes have been made in the institutional structure and in the faculty of the Delaware Law School and that an entering class of 238 registered as first-year students. One-hundred and seventy qualified students were told that they did qualify but could not be accepted this year because of lack of room. The entering students are the largest and best-qualified entering class since the Delaware Law School was opened in September, 1971. This was after rejecting 410 applicants not meeting our high standards.

The article placed in the CONGRESSIONAL RECORD by Congressman SYMMS gives an altogether different picture and does not indicate the viable, approved institution which actually is the Delaware Law School of Widener College. This dynamic American Bar Association approved law school should be denigrated by the confused picture presented in this unfortunate article.

Respectfully yours,

ARTHUR A. WEEKS, Dean.

HMO'S: DO NOT LET THEM WITHER ON THE VINE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. WIRTH. Mr. Speaker, I support H.R. 9019, the Health Maintenance Organization Act amendments, because they will enable coordinated, prepaid health care to be extended beyond the present 157 programs that have received help from the Department of HEW since the HMO Act became law 3 years ago. The passage of the HMO Act marked the first major Federal commitment to a prepaid program of health care administered out of community-based facilities, with a strong emphasis on preventive, comprehensive services. This innovative approach to medical practice, I might add, has promoted not only high quality, but also cost-effectiveness.

Unfortunately, development of HMO's has been painfully slow. The basic difficulty has been the Federal Government's uncertainty in support for this concept. HEW has been slow to generate regulations for HMO's; and it has failed to spend all the money that Congress has appropriated for their development. As a result, almost half of the original applicants for assistance under the HMO Act failed to qualify. Many others did not bother to apply because the regulations were not complete or were unclear.

Another problem has been that the regulations themselves discouraged the development of HMO's by forcing them either to provide services they could not afford or to care for people who were passed over by the traditional health insurance carriers as poor risks. These amendments clarify the unclear areas and relax some of the restrictive requirements. I understand that this means reducing the scope of health services available under HMO plans; however, I think that this is needed if the HMO approach to health care is not going to wither on the vine.

OVERKILL OVERSELL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BOB WILSON. Mr. Speaker, it is apparent that a complete review of our civil defense programs by Congress is vitally needed. And when one compares the obvious increase in Chinese and Russian expenses for their own civil defense programs to what we spend, it becomes plain that our own meager budget cries out for reconsideration. A comment in the November–December issue of Survive, the American Journal of Civil Defense presents concisely what the Soviets are doing in the way of civil defense, facts of which I believe my colleagues should be aware.

The article follows:

OVERKILL OVERSELL

The idea of "Overkill" is that if nuclear war is for all participants so totally devastating, so universally lethal—and this way a number of times over—then any nuclear conflict is out of the question. A fatal step. An Armageddon. Even for a nation which may have a clear upper military hand.

Secretary of State Kissinger, CBS Commentator Cronkite and others in the public limelight have reported piously that the USA and the USSR now are overarmed to the point of being able to destroy one another "17 times over" or "100 times over."

So peace appears as the only possibility from any sane viewpoint—Soviet, American, Chinese, or whatever. The argument is attractive and has a compelling logic—If Overkill is indeed based on fact.

But is it? Let us consider these points:

(1) The latest Pentagon nuclear attack analysis, PONAST II (Post Nuclear Attack Study) shows that 53.8% of the US population survived a simulated 6800-megaton attack, ⅓ of this on urban-industrial complexes. It also shows that 94.3% could survive the attack if good civil defense measures were available. (With a well-developed antiballistic missile system this figure could be even closer to 100%.) All other studies—here and abroad—give similar pictures; survivability of a significant portion of society is certain, the figure depending directly on the quality and quantity of protection that the society under attack is given.

Is this annihilation? Is this the capability of killing the citizens of a country 17 times over? 50 times over? 100 times over?

Obviously not. Who's kidding whom? And why?

(2) The gung-ho Soviet civil defense effort is a prime indication that "Overkill" is something quite else than a concept to be applied seriously by Russians to Russians. Senator Howard H. Baker, Jr. (*Survive*, September-October 1975) shows that the Soviets—with their civil defense effort in high gear—would under the worst possible attack circumstances come up with a 96% survival. The Overkill theory, if considered at all in the USSR, is apparently for export only.

(3) Further, the Soviets are obviously unaware that their missile-nuclear weaponry will annihilate the United States 100 times over. According to Melvin Laird and other recognized US analysts they are every day with a burning determination visibly enhancing their attack and defense capabilities—in spite of SALT and detente. While we stand still.

Overkill? Where?

At a recent luncheon talk to Washington newsmen (sponsored by the American Security Council) Deputy CIA Director Lt. General Vernon A. Walters quoted from a 500BC Chinese book, *The Art of War*:

"The most consummate art is to subdue your enemies without having to fight them on the battlefield. The direct method of war is necessary only on the battlefield, but it is only the indirect methods that lead to the true victory and its consolidation."

In other words, cold war and its propaganda are more effective than arms. Example: Hitler.

If Overkill is disproved every time we put it to the test what is it anyway? Is it a propaganda weapon? Is it meant to paralyze American leadership, to bring that leadership to think and act through fear? To lay the groundwork for nuclear blackmail?

It would seem that way. In this light Overkill appears as a deadly emotional phenomenon. One that requires a blind and smug gullibility that must deftly avoid the cold harsh light of fact to remain plausible.

So far it has done just that.

GAO STUDY OF MEDICARE CLAIMS PROCESSING

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. CORMAN. Mr. Speaker, last week a Government Accounting Office report was released on the comparative 1973 performance of the Social Security Administration and four fiscal intermediaries in processing medicare claims.

With front page exposure on the October 28 Washington Post and national syndication, the Post presented the GAO findings in an article, "GAO Faults United States on Claims Costs."

The highlighted finding of the report is that the 1973 average cost of a paper bill processed by the Social Security Administration was greater than that of four contracted insurance companies.

Although the response of the Social Security Administration is included in the GAO document, the Post largely ignored their updated figures and explanations. My remarks conclude with an internal memorandum from Mr. Thomas M. Tierney, Bureau of Health Insurance Director, to Mr. James B. Cardwell, Commissioner of Social Security, describing the current operational status of BHI's Division of Direct Reimbursement.

SSA reports that in 1973 when the study was made, the claims reimbursement procedure was in the process of change. The Post ignored the improved efficiency of current SSA medicare claims processing and the more relevant fiscal year 1975 cost figures. Notable, are SSA's cost reductions of around 40 percent for processing.

It is ironic that the GAO study of the

cost and efficiency of medicare claims processing fails to give the Social Security Administration proper credit for some of its very cost efficient automated processing. This is a decisive factor since in 1973 42 percent of the claims submitted to SSA were on magnetic tape. In short, GAO examined the comparative costs of "paper pushing," not claims processing.

The GAO study provides an insight to the cost efficiencies that could be expected from national health insurance if the administration is centralized and the amount of "paper pushing" is drastically minimized.

The Health Security Act, H.R. 21, which I have introduced and has the sponsorship of 100 other Members of Congress, was developed to meet these two objectives. Under H.R. 21, the claims would be processed by one organization with large volume, advanced data processing systems rather than fragmented and expensive "paper pushing" among hundreds of companies.

In addition, the Health Security program would provide the same comprehensive benefits to all people without regard to an individual's income and expenses and the benefits would be fully insured. This program would eliminate the excessive paperwork and recordkeeping needed for health insurance plans with means-tested benefits and deductibles and copayments. Means testing alone would add an estimated $2 to $3 billion to the cost of a national health insurance plan.

Administrative efficiency is difficult to define. The GAO report itself made this point and accordingly qualified its findings, but this, too, was ignored by the Post. Much of the costs of administration of health insurance is based on the nature of the benefit, the location, the degree of quality review and the enforcement of financial controls. Moreover, while no one disputes the ability of private industry to be efficient, the issue becomes whether the efficiency is passed on to the consumer or amassed at the consumer's expense to provide greater profits or higher overhead for the company.

The letter follows:

MEMO

GAO Report on Performance of SSA Compared With Private Intermediaries—INFORMATIONAL (Frank DeGeorge's Memo, 10–3–75).

I had an opportunity to review the subject memorandum and felt you would want to have some more information about the current status of the Division of Direct Reimbursement (DDR). The Division has made significant strides since 1973, the period covered by the report. Unfortunately the GAO document only touches on the very major improvements achieved.

The real problem posed by the report is that it covers a period when DDR was moving from a manual to an automated process and during the ensuing transition productivity dropped while the new system was being put in place. Additionally, we staffed up to handle an expected workload in 1973 which did not fully materialize. This combination of events resulted in higher unit costs than we would have liked.

We are now realizing the benefits of the changes made in 1973, and we can look forward to even greater productivity in the future. For example, we processed 1,097,362 bills (includes 443,286 tape bills) in FY 1975 with practically the same staff that we employed in processing 498,600 bills (includes 210,000 tape bills) in calendar year 1973. The FY 1975 unit bill cost in DDR was $4.11 (including magnetic tape bills) as compared with $9.23 (including tape bills) and $12.39 (excluding tape bills) for calendar year 1973. The DDR FY 1975 $4.11 bill costs are lower than both the Blue Cross Plans' average ($4.64) and the commercial average ($5.46). We are also making additional changes in our operation, the majority of which will take the form of expanded automation. These changes in our claims processing system will, of course, increase our capability without increasing manpower and at the same time will maintain the integrity of our claims process.

One of the problems we had with the GAO report is that they did not give DDR credit for the portion of its workload that it had partially automated and are using the $12.39 figure as the cost measure of DDR's operation for FY 1973. This was doubly perplexing when viewed with the report's treatment of the automated workload of Blue Cross Plans of Chicago and Maryland; i.e., they included these Plans' automated bill processes in arriving at their unit bill costs while excluding the DDR automated bill process.

Another major problem we had with the report is GAO's failure to consider the impact of quality review on the number of units produced. We note that Bernie Treanowski of BCA also highlighted that weakness of the report. We believe that the quality of decisions is a highly significant factor and have designed our operation to insure comprehensive quality review to the maximum extent feasible. We believe the Civil Service Commission who decided the grade levels (and salaries) for DDR staff also considered quality an essential factor in assessing job requirements and assigning appropriate grades.

There are many other biases in the report some of which we have dealt with in prior correspondence and discussions but believe it futile to deliberate further on them.

Mr. James B. Cardwell,
Commissioner of Social Security.
Thomas M. Tierney,
Director, Bureau of Health Insurance.

SUPPORT OF LABOR EXEMPTION FROM THE AGENCY FOR CONSUMER PROTECTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. CONYERS. Mr. Speaker, I am greatly relieved that the legislation establishing an agency for consumer protection has finally passed both Houses of Congress. While I did vote "yea" on the final passage of the bill, I was detained by a constituent matter and was unable to record my negative vote on Mr. Fuqua's amendment striking the bill's labor exemption. Fortunately, the amendment failed as it did in the Senate.

There is no question that this exemption is warranted because of the special factors involved in Federal agency activities regarding labor-management issues. It would appear that opponents of this legislation have seized upon this necessary exemption as a justification for opposing the entire bill.

CONSUMER PROTECTION ACT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. FISHER. Mr. Speaker, the consumer protection bill is intended to provide a focal point in the Federal Government for the interests of consumers. Every day the many Federal regulatory agencies and departments consider new rules, guidelines, and opinions that have an effect on the quality, cost, or other aspect of goods and services that all of us use. As part of their normal procedure, these agencies consult with the producers of these goods and services before taking an action affecting them. It is not usually part of the routine for the agencies to consult with the consumers of the goods and services. The major purpose of the Consumer Protection Act is to correct this imbalance between producers and consumers.

Whatever the intention of the creators of most of the regulatory agencies, the fact is that they work most comfortably with the businesses they regulate. The role of the consumer has not been institutionalized in these agencies. Lately the regulatory agencies have been criticized for becoming too involved in too many aspects of the businesses and industries they oversee. I believe that the establishment of a Federal consumer advocate is an important step in bringing the agencies to account for their actions. I see the new consumer agency forcing the other agencies to consider whether they are leaving undone that which they should have done and doing that which they should not be doing.

The advocacy function of the proposed new agency has received the most attention in discussions of this bill, and rightly so. But the new agency will have other functions, some of which may need to be modified later. I am particularly disturbed by the provision giving the new agency the power to receive and transmit consumer complaints. While I can see the need for the agency to know about the problems encountered by consumers in order to be sure corrective action is taken, I think it would be a mistake for the agency to get involved in handling these complaints.

Many consumer complaints arise from local transactions. It would be most appropriate for State and local consumer agencies—both public and private—to work out solutions to these consumer problems. I think that the appropriate Federal role in this process would be in helping the State and local agencies through technical assistance and perhaps small advances. Local governments in my congressional district have established consumer protection agencies which are effectively safeguarding consumers' interests. These local agencies would be much better equipped in terms of access to consumers and producers or suppliers and to manpower to handle the complaints. If the new Federal agency becomes deeply involved in consumer complaints, I forsee it getting bogged down in minutia, and unable to perform its primary function of advocacy. The worst possibility would be the stationing of Federal bureaucrats in cities and counties all around the country clumsily trying to check into consumer problems.

Several other changes in the bill are desirable to contain the tendency for the Federal bureaucracy to expand and money to be needlessly spent. First is elimination of the requirement that smaller business firms respond to so-called interrogatories which after the manner of lawyers and regulators who make them up, tend inevitably to become involved and time-consuming to deal with. Smaller businesses are in no position to cope with such forms and should not have to do so. Second is the elimination, or at least drastic reduction, of consumer affairs units in most existing Federal agencies whose work would be taken over by the new Consumer Protection Agency. This would save a considerable amount of money by cutting out duplication. On a third matter, whether the agency should be able to examine into the labor element of the cost of producing goods and services, I have to say that with the labor cost amounting to two-thirds or more of the total cost of most things, it makes little sense to rule this element out of bounds. How can consumers be protected against unnecessarily high prices for autos, TV sets, electricity, or transportation if labor costs cannot be examined?

So with these reservations and with an eye to future improvements, I state my approval for an Agency for Consumer Protection.

HONOR THE ARMISTICE OF NOVEMBER 11, 1918

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BURGENER. Mr. Speaker, on Tuesday, November 11, the cadets and staff of San Diego Military Academy honor the armistice of November 11, 1918, with a program dedicated to all veterans and furthering our awareness of national pride in every effort to maintain our integrity as a free people.

It is inspiring to climb the top of Academy Hill, the scene of this great program and be assured the youth of our country are most appreciative of veteran sacrifices and valiant services to our country.

We can only be glad the armistice of 57 years ago is not lost to forthcoming generations.

I include in the RECORD the text of the program:

INVOCATION

(By Dan Boyd)

Almighty God, we commit this assembly in your hands mindful of your presence at this program. We ask that your abiding love and power so encourage and strengthen us as individuals and as a nation that we might forever be committed to the way of truth and light. Amen.

(By Adrien Macriz)

We welcome you. We are glad you could come to our program. This is a great day for us to remember always as a day of peace and also to remember the price our veterans paid to win the peace.

(By Robert Monheim)

Our objective is to observe Veteran's Day as a day of tribute and respect for all veterans living and dead who served and are now serving their country by uniting with all citizens throughout the land in celebrating the Armistice which means the end of a long hard struggle, a hard won peace.

(By David Falkowsky)

This program is dedicated to furthering our awareness of Veterans Day. It is a day of peace and thankfulness. It is also a day of looking into the future and wondering what it will bring in terms of peace or war.

We associate Veterans Day with the patriots of every age in answer to the call of duty and even beyond the call of duty. We think of their families and loved ones, also. Our thoughts can find a common expression in a poem by Josiah Gilbert Holland:

GOD, GIVE US MEN!

God, give us men!
A time like this demands
Strong minds, true faith, great hearts, ready hands.
Men! Whom spoils of office cannot buy
Men! Duty bound who never die
Men! Who live above the fog
Sun crowned and tall
Men! Who give their all.
For one and one for all.

(By Sam Brock)

We commemorate Veterans Day and every hard won peace, every effort to overcome aggression, every move against tyranny and injustice.

We honor this day in tribute to our fighting forces: their families, sweethearts, friends and associates. We pause to remind ourselves that the Armistice means an end to hostility achieved only by fullest measures of total devotion, indomitable courage, and supreme sacrifices.

(By Michael Turner)

We honor all veterans of land, sea and air. It has been exactly 57 years since the first world war ended on the battlefields of France. Within an incredibly short time American troops in force broke the 3 and one-half year stalemate that had soaked the earth of Europe with its blood since the guns of August 1914 opened the conflict.

Around the world universal joy hailed the news of peace. The war had been so gruesome and horrible D. H. Lawrence wrote: "All the great words to describe it had been used up for a generation."

(By Jim Jennings)

American strength and spirit went into the war as though the effort would be of transcendental benefit for all mankind—a war that was to end all wars for all time.

From March to August, 1918, the Germans massed 82 divisions and 5 great offenses all aimed at crossing the Marne River and on to Paris. For 72 days the Marne River rocked under a succession of major German attacks. "They shall not pass!" became the bi-word of the allied defenders. The tide began to turn when the Americans beat their way through the Argonne Forest and in the assault they added the heroics of the "Lost Battalion and Sgt. Alvin York." "Over the Top" resounded all along the trenches. Indeed, it was the doughboy's cry of victory. The war had its lighter moments. There is the tale of the carrier pigeon swooping into headquarters with an urgent message from a frustrated G.I. which read: "I'm tired of carrying this stupid pigeon".

(By Jeff Matusak)

A deeper meaning lay beneath the surface of this message: the American mood for peace and for Johnnie to come marching home again with the horrors of war behind him. To win the war was not enough. We must still win the peace.

(By Taylor Ng)

And what about those who would never come back? What about their legacy to peace and brotherhood? A great soldier who fought in that war and would never come back was Lieutenant Colonel John D. McCrae. But he left this message from Flanders Fields where he now lies buried.

(By Dan Boyd)

In Flanders Fields the poppies blow
Between the crosses, row on row
That mark our place; and in the sky;
The larks! Still bravely singing! Fly!
Scarce heard amid the guns below.
We are the dead.
Short days ago we lived,
Felt dawn,
Saw sunset glow;
And now we lie neath crosses row on row
In Flanders Fields.

From failing hands to you we throw the torch!
For you to hold it high.
If you break faith with us who die,
We shall not sleep—
Though poppies grow
In Flanders Fields.

(By Jeff Bertrand)

Alan Seeger, was one of the first American soldiers to see action in France. During the spring offensive, Alan Seeger was hit to die where he fell in the midst of a barbed wire entanglement, but a piece of paper dangling out of his pocket contained this message: a poem that was to become the most famous verse of World War I.

(By Bob Monheim)

I have a rendezvous with death
At some disputed barricade
When spring comes back with rustling shade
And apple blossoms fill the air.
I have a rendezvous with death
At midnight in some flaming town,
When spring trips north again this year,
And to my pledged word am true
I shall not fail that rendezvous.

(By Chidchai Sodsawang)

We conclude the first half of this program with a poem by Denise McCarthy to communicate the real message of Veterans Day.

(By Michael Turner)

THE LAND WHERE HATE SHOULD DIE

This is the land where hate should die—
No feuds of faith,
No spleen of race, or fear,
Should try beneath our flag to find a place.
This is the land where hate should die
This is the land where strife should cease
Where apprehensive doubt should fly
Before our flag of light and peace
Then let the best be ours to give
For this great land in which we live.

(By Ray Abrams)

We commemorate Armistice Day and honor the hard won peace of World War I.

We pause as they did in No Man's Land on the early morning of November 11, 1918 to keep that moment of stillness a memory of an armistice we hope someday will be permanent. We remind ourselves that Armistice Day or Veterans Day is a day of peace; and however high the price, peace is still our primary goal. Finally, Armistice Day draws our attention and homage to all those who fought to keep our country free, particularly the unsung heroes symbolized best by the Unknown Soldier. This man I never knew. This stranger who is my brother.

He lies buried in the Arlington Cemetery to represent all the unknown unheralded soldiers who died for their country. When he died, he had not asked for war; he simply answered a call to duty and fell where the fighting was the worst. They carried him back to the land of his birth, but not knowing his birthplace, they found a resting place for him among all the celebrated heroes who died for their country—this unknown soldier, this stranger, this unsung hero who is my brother.

(By Craig Roll)

This is the story about a man I never knew and yet I know all about him.

He is dead now and lies in a tomb of polished marble whose splendor would surprise him greatly.

(By Chet Williams)

And people from everywhere come to stand here with their heads bowed, their eyes serious, their hearts filled with mourning for this man they never knew.

(By Craig Roll)

Because he wore a uniform when he died they call him the unknown soldier. I think he was a good soldier . . .

Though fighting was never his business . . .

He was a man of peace, I am sure, although he never told me.

(By Francisco Victoria)

Was he born on a farm in the Dakotas?
Or was it a miner's cottage in Pennsylvania?
A tenement in the Bronx, a ranch house in Texas?
A duplex on Park Avenue?

(By Craig Roll)

Was he a poet? Bookkeeper? Truck Driver? Who in God's name was he?

(By Chet Williams)

Surgeon? Lumberjack? Errand Boy? Student?

(By Fred Davis)

Was he telling a joke? Cursing his sergeant? Writing to his family?

When the bullet came. I don't know. For when they picked this man . . .

(By Chet Williams)

From among all our nameless dead, he was lying quiet in a closed coffin and known only to God.

But I do know he is deserving of honor and respect . . .

(By Masashi Okubo)

For whatever he may be, I feel sure he must have believed as I do in the equality of men.

(By Fred Davis)

The promise of men, the duty of men to live justly with each other and with themselves.

And that is why I stand here with my hat in hand, reverent at the grave of the stranger who is my brother, my father, my son, my countryman and my friend.

(By Bobbie Ratcliff)

If you break faith with us who die,
We shall not sleep, though poppies grow in Flanders Fields
To you from failing hands we throw the torch!
For you to hold it high.

Mt. Surabachi! The flag is up. United States Marines of the 4th and 5th Divisions have taken the last Japanese stronghold of the vast Pacific. It is the 17th of March 1945—V.E. Day is exactly two months away and in five more months V.J. Day and the Armistices of World War II closes another chapter of: One nation under God, indivisible with liberty and justice for all!

Old Glory long may it wave, o'er the land of the free and home of the brave: Red for courage, White for liberty, Blue for loyalty.

Uncommon valor was a common virtue. We salute you: Veterans of the United States of America.

REPRESENTATIVE J. J. PICKLE RAPS FTC FOR "DOWNGRADING" ENFORCEMENT OF ROBINSON-PATMAN ACT, MAGNA CARTA OF SMALL BUSINESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the distinguished gentleman from Texas (Mr. Pickle) in testimony before the Special Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and Related Matters of the House Small Business Committee has sharply criticized the Federal Trade Commission for its lax enforcement of the Robinson-Patman Act.

Representative Pickle said:

> The record borders on a blatant, administrative repeal of the Robinson-Patman Act by the FTC. . . . There can only be a conclusion that the Commission has downgraded the act.

Congressman Pickle also asserted that the dropoff in enforcement of the Robinson-Patman Act came during the Nixon administration and that the Ford administration is talking about outright repeal of this Magna Carta of small business.

Because of the excellence of this statement from the gentleman from Texas, who is well informed and knowledgeable on this matter, I place in the Record herewith his testimony made to the subcommittee on last Wednesday.

The statement follows:

STATEMENT OF J. J. PICKLE BEFORE SMALL BUSINESS COMMITTEE

Mr. Chairman, I want to thank you and the members of your committee for asking me to be one of your first witnesses in your investigation into the Robinson-Patman Act, the way the Federal Trade Commission enforces it, and recent proposals to repeal the Act.

I hope I can help you in this study because during the 93rd Congress I reviewed these matters in great detail. As ranking majority member of the Special Subcommittee on Investigations of the House Committee on Interstate and Foreign Commerce, I chaired a number of both open and closed hearings examining the FTC's work in enforcing the Act. Part of this work necessitated participating with the subcommittee staff in preliminary and follow up investigations.

My special interest in the whole area, however, goes back at least six years when I first started following the FTC beer case. So I feel personally involved in the issues facing your Subcommittee. I am also very grateful to you Mr. Chairman for providing the leadership in bringing the importance of the Robinson-Patman Act to the forefront.

But just as my bold amigo is blunt about his feelings, I want to be frank about my feelings on how the FTC is enforcing the Robinson-Patman Act—the record borders on a blatant, administrative repeal of the Robinson-Patman Act by the FTC. Mr. Chairman, five years ago your committee issued a report which called for the Federal Trade Commission, among other things, to study the Robinson-Patman Act and to report back to the appropriate committees of Congress. The Commission never completed its study and never reported back. During my hearings, I could never get a satisfactory answer as to why the report was never made.

Furthermore, during the period the study was to be taking place, the Commission was to "vigorously enforce all sections of the Robinson-Patman Act as enacted by Congress." My study indicated the Commission failed to do so. For example, in 1960 the Commission issued 130 Robinson-Patman complaints and 45 orders enforcing the Act. In 1972, two and one-half years after the report by your Committee, the number of complaints had dropped to 5 and the number of orders to 2. Five complaints in a year can hardly be called vigorous enforcement. Nor can such a small number be explained as a matter of chance—it must be a matter of design.

Our subcommittee looked at a number of Robinson-Patman cases in close detail, and found a pattern where Robinson-Patman violations were consistently downgraded, or pushed into the hidden corners of the FTC building. There can only be a conclusion that the Commission has downgraded the Act.

It is not my purpose to declare what the FTC should do, or should have done, in any specific case. The Commerce Subcommittee did not do this in our investigations, and I will not begin today. FTC cases begin as complaints, and are definitively determined in the adjudicative process, not in Congressional hearings. At the same time, individual cases provide histories which are examples of what the FTC is doing, or not doing in following the Congressional mandate to enforce the Robinson-Patman Act.

My testimony today is a short report on those cases. The recitation of the cases will paint a big picture—one that does not present a pleasant future for the small businesses of America.

Before turning to the specific, I want to clue the Committee in on one major point. The Commission, in order to placate critics, both the "legal eagles and big business moguls", like to hold back from the dull, unnoticed Robinson-Patman cases. Instead the FTC likes to grab the headlines with tough talking press releases proclaiming the advent of another FTC trust-busting structure case—or the Sherman Anti-Trust Act case. But Mr. Chairman, that's all the FTC gets, as the big cases are hard to complete.

Meanwhile the FTC has at its disposal a tool to prevent monopolies from forming—that is the Robinson-Patman Act. The message is simple—the Robinson-Patman Act to prevent monopolies, and the Sherman to bust them up.

Another good example that the Commission is not getting the message is the *Borden* case.

In July 1974 the Commission issued a monopolization complaint, or a Sherman complaint, in this case alleging domination of the lemon juice industry by Borden with its Real Lemon brand. According to the complaint, since at least 1965 Borden has used the following unfair practices in maintaining a monopoly power in a noncompetitive marketing situation: (1) granting selective price reductions; (2) selling Real Lemon below its cost or at unreasonably low prices; (3) granting selective promotional allowances or concessions; (4) inducing selective customers to reduce their retail prices on Real Lemon by granting special price reductions or special promotional allowances or concessions.

I cannot say one way or the other whether these allegations are true in law. But if they are, these very actions Borden allegedly committed to create a monopoly are also a violation of the Robinson-Patman Act. Would it not have made more sense to stop the process of monopolization with an R-P action instead of waiting for the monopoly to become finalized?

THE BEER CASE

For the past 6 to 7 years, I have attempted to follow the progress of the FTC investigation of the beer industry. Before the hearings, I had the general impression that one word could describe the FTC's handling of the beer case—ineptness. After the hearings, I would use one word—ineptness—and I would throw in a touch of bias against RP cases. Our Committee records will give an idea of the time spent on this case since 1965, but in early spring 1972, after four years of RP investigation, the decision was made to make the beer investigative lead into a structure case, or a Sherman case. So obviously we see an example of years of misdirected investigation give way to further delay by seeking a structure case.

My own research since the hearings one year ago indicates the atmosphere of snail's pace has not changed. The investigation still struggles, and I assume it struggles in an attempt to make a structure case.

Meanwhile, another Director of the Bureau of Competition has left the FTC, and if past experience holds, the beer case investigation will be further delayed. I am advised that the case will be actively pursued. I will also note I have read in the press that the Securities and Exchange Commission has started an informal investigation of Schlitz Brewing Company. The SEC is interested in rumors that the Company paid retail accounts money to handle Schlitz products.

In all probability, a RP action could have been brought three years ago and predatory pricing might have been checked.

This is not just an opinion. In February, 1972, a Federal District Court in Houston (Pearl Brewing Company v. Anheuser-Busch, Inc. 339 FS 945 (Eastern District Texas)) stated *indictum* that evidence did exist proving Anheuser-Busch, Inc. had violated the Robinson-Patman Act by predatory pricing practices.

Instead, and despite the observations of a Federal Court, the FTC decided after years of work to seek a structure case. By the time one is developed, the RP violations may have driven all the regional brewers out of business. The printed transcripts of our hearings will give a full record of the delays.

But let me say that the action of the FTC in this case has been one of continuous personnel changes, stops, starts, and restarts, sloppy files, and delay, delay.

KROGER CASE

One of the most popular views in American thinking is that high food prices are the fault of the huge supermarket chains. I do not know whether this is true or not.

I do know that the FTC received a great deal of mileage out of press releases that were issued almost simultaneously with my Subcommittee hearings, with big talk on investigating possible Sherman Act violations by the supermarkets.

The hearing record shows that the truth is the FTC staff had sought RP actions against a large supermarket chain before the widely publicized press releases.

In fact, in July, 1972, a 46-page memorandum was submitted to the Director of the Bureau of Competition recommending RP action against the chain.

Again, it is not necessary to go into the details, as the hearing record will provide a full review. The highlights are: The Bureau Director held the memo for several months and then instructed that FTC staff attorneys discuss a consent agreement.

When FTC staff attorneys reported that the supermarket chain would not accept a meaningful consent agreement, the Bureau Director indicated his disapproval of the 46-page memorandum recommending RP action.

Discouraged, the staff attorneys changed the proposed complaint and ended up with a mild slap on the wrist for what seemed to be substantial violations. I have attached as an exhibit to my testimony an outline of what the staff proposed and of what the FTC finally accepted.

To me, this is an indication of the anti-RP bias at the FTC.

Mr. Chairman, I want to point out to you and the media how Robinson-Patman violations hurt the consumers.

All of us are aware of how high food is in the Washington, D.C. area. In fact, the FTC made headlines in our local papers, and received good TV coverage, when the FTC told the world it was going to bust up an alleged supermarket monopoly in the D.C. area. How?—By seeing if a structure case was justified.

The D.C. market is very concentrated with two firms holding over 60 percent of the sales, with the 60 percent increasing.

No other firm has more than 7 percent of the market.

There are no wholesale grocers in the D.C. area.

Now back in 1966, eight years before the FTC grabbed the headlines on how it was going to investigate the D.C. supermarket monopoly, it seems that a rather strong case could have been made that Giant and Safeway foiled the entry of another chain to the D.C. market with actions looking like Robinson-Patman violations.

The chain was a New Jersey operation called Shop Rite.

Shop Rite acquired two locations, one in Langley Park and the other in College Park.

About 4 weeks before Shop Rite opened, Safeway and Giant lowered their prices in their stores surrounding the Shop Rite locations.

When Shop Rite opened, Safeway and Giant continued the big sales, but mind you, only in their stores surrounding the Shop Rite locations.

Within two months, Shop Rite closed down and left the D.C. area.

There is a footnote to this which is humorous, but also typical of predatory business practices. Giant was the landlord of one of the Shop Rite locations. On opening day, Giant decided to black top the Shop Rite parking area. The mess did not make for a very successful opening day.

So, the shopper received for 3 months low prices at Safeway and Giant in the Langley Park and College Park area. But when the competition folded, the shopper was back on the meat hook of a noncompetitive situation.

Instead of big talk about the FTC investigating supermarkets for Sherman Act violations, the American consumer would probably welcome some RP cases that might prevent supermarket monopolies from being formed.

ITT-CONTINENTAL BAKING

If there was ever an example of what the Robinson-Patman Act tries to prevent, it is certainly evident in *Old Homestead and Interstate Brands v. ITT*. This case, involving an independent bakery in Denver, Colorado, shows that by predatory pricing tactics, Old Homestead was forced out of business by ITT-Continental Baking. Two days after Old Homestead people went out of busines, ITT raised its prices by 12% and did away with all discounts. Despite the fact that this case became final in March of 1973 and the FTC had the necessary evidence, it did not issue its complaint until a year and a half later. I might add that the FTC had evidence that such action by ITT was occurring elsewhere since it had been investigating the matter since at least 1971.

In conclusion, I must note that the former Bureau of Competition Director, Alan Ward, denied strongly that there was a policy at the FTC to ignore Robinson-Patman cases. He stated firmly that his attitude was to investigate vigorously and let the chips fall where they might.

His stated view was to enforce both the RP cases and structure cases.

In my opinion, the lack of RP cases brought in the early 70's has to be compared to the stated position of Mr. Ward. The admonition of a former cabinet member might be in order here—"Don't judge us by what we say, but what we do."

Before summing up on all of this Mr. Chairman, I want to make some observations based more on what my sniffer tells me than anything directly printed in the hearing records.

The drop off of the Robinson-Patman Act cases occurred with the advent of the Nixon Administration. Now the Ford Administration is talking about out and out repeal of Robinson-Patman.

Also in the early 70's, a lot of thinkers in the ivy-covered towers lead the growing consumer advocates down the primrose path of specious thought. This path leads to the conclusion that consumers would benefit by the repeal of Robinson-Patman coupled with greater enforcement of the Sherman Anti-Trust Act.

The unknowing, unwitting, coalescing of big business and consumer advocate resulted in the silent repeal of Robinson-Patman over at the FTC.

And, Mr. Chairman, our Subcommittee hearings on March 13, July 18 and 23, 1974, raises some even darker suspicions. As you and your staff read over the hearings I chaired, the combination of pressures to drop R-P cases, or to weaken them, and possible non-FTC interests, conflicts and pressures occurs too frequently for comfort.

I'm not saying this to darken the Republicans, as it has been my experience that Congressional Republicans are good friends of Robinson-Patman. And besides, the darlings—the famous consumer advocates—of the Democratic left have been a foe of Robinson-Patman.

During our questioning, I'll be more than glad to go over these cases in more detail, and reveal some of the problem areas as I see them.

SUMMATION

In sum, I have the opinion that the Robinson-Patman Act has been effectively, repealed by the Federal Trade Commission.

The reasons for this is that the so-called consumer experts, Ph. D. economists, and legal eagles feel the RP Act is old-fashioned and harms the consumer when enforced. This outside attitude towards RP cases has taken hold in the FTC.

I recognize that structure cases, of the so-called monopoly-busting cases, grab the headlines and keep Congress at bay. I also recognize that superficial arguments can be made that predatory pricing practices benefit consumers.

But the fact remains that until Congress repeals the Robinson-Patman Act, the FTC should enforce it, regardless of what non-elected experts think.

I don't think any savings are passed on to the consumer in most instances of predatory pricing and when the lower prices are passed on, it is temporary until the market monopoly is established.

Finally, the lesson here is that the Congress should either force the FTC to enforce Robinson-Patman, or just repeal the law.

Paying lip service to RP results in charades that create false hopes among the small businesses in America, and in turn, those who do not want to see the market place monopolized.

Hopefully, we will not allow the discoveries of the FTC oversight hearings to fade away.

ATTACHMENT I

PROPOSED ORDER

I. Kroger to cease and desist *forever* violating Clayton and Federal Trade Commission Acts by:

(1) inducing *or* receiving from supplier anything of value not available on proportionately equal terms to other buyers;

(2) inducing *or* receiving agency compensation rates, discounts, rebates and allowances not available on proportionately equal terms to other buyers;

(3) inducing *or* receiving net price below that provided by supplier to other buyers.

II. A. For 5 years, Kroger not to accept any discount, etc., unless supplier *in writing* (1) advises has made identical offer to each competitor, or (2) states names of each competitor receiving proportionately equal offer and its terms.

B. Keep file of all accepted offers in alphabetical and chronological order by supplier for FTC inspection on 10 days notice.

III. For 5 years, each division to operate autonomously in purchasing for resale within division (centralized price bargaining prohibited).

IV. Refund, $549,212,365.

FINAL ORDER

I. *For 5 years,* Kroger to cease and desist from violating Federal Trade Commission Act (only) by inducing *and* receiving promotional allowances, etc., solicited by Kroger in connection with special promotions originating with or sponsored by Kroger.

II. For 5 years, keep file on above.

III. Refund, $22,000.

UNIONIZATION OF THE ARMED SERVICES

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. EDGAR. Mr. Speaker, today I am introducing into the RECORD testimony that I received from a number of veterans organizations in my district. The testimony was presented at hearings held at Monsignor Bonner High School in Drexel Hill, Pa., on Saturday, October 25.

The speakers who testified had many interesting observations and suggestions. It was helpful for me to be able to sit and listen to the concerns of these veterans, and as a result I have come to better understand their needs. For this reason, I would like to share this testimony with my colleagues in the House:

TESTIMONY BY ORLANDO J. PURDOM, LIEUTENANT USN RETIRED

I wish to make my remarks to and concerning the unionization of the armed services. This unionization of the armed services is something which if it should come about, we may all live to regret, and yet if it should happen, the blame for it will lie directly at the feet of Congress. For it is in Congress, where they keep cutting away at the fringe benefits of the services, retirees and veterans. They keep whittling away, first here than there, in order to keep the veterans organizations in a whirlpool, not knowing where they will strike next. In nineteen fifty-eight they took away the retiree benefits of recomputation. Since this was against the retiree only, the veterans organizations did not get together to make a fight of it. And since then they have been attacking one spot at a time using the technique of divide and conquer.

While on recruiting duty, I went on the air, not once but many times stressing the opportunities in the Navy. The amount of retirement pay a man would get after twenty years or longer, and how if the pay was ever increased, the retiree would automatically get the increase. This was on station WDAE, and WFLA in Tampa, Florida. In trying to cut out the commissary, and the exchanges they hit several spots at once and a bigger fight has arrived. For this hits the active service and the retiree, who depends on these services, and this also was promised to the man when he entered the service. Our hospital and other services have been curtailed. Those over sixty-five have been removed from champus. If social security goes up, an amount equal to the raise in SS is removed from widows and other pensions. The burial privileges in the Arlington Cemetery have been removed, without supplying recourse to any other cemeteries. Our best hospital in Washington, D.C., has been taken over by Congress and all the other big wigs, yet still manned by Naval personnel. They are now going at taxing the man on disability pensions. Many other of our fringe benefits of which we had grown accustomed and are ours by law are being eroded. These fringe benefits were made lawful, and provided by law by Congress and by the President to be reasonable and proper as remuneration for services rendered to our Government. Such benefits as the one percent add on to the cost of living index, is under consideration to be dropped. These little whacks at the benefits sometimes go unnoticed, or so those who propose them hope. The Secretary of the Department of Defense tried to outlaw the word eroded in connection with the fringe benefits, but no other word in the dictionary, fits so well what is happennig as the word eroded, to these benefits.

I would like to return for a moment to the recomputation of pay for the retiree. Even if recomp was to return, the Government would pay out only nine months pay a year to the recomp, as the other three months of the year in pay would be returned to the Government in taxes. All of the retiree pay earned over the years, and thru all the wars all repeat all of it is taxed. If you are a railroad man and never went into danger, or to war, was at home every night with your family and earned a good salary, you would receive a pension, paid for by the taxpayer (much greater in proportion to that which the serviceman received, who placed his life on the line for his country), for the same amount of years and this railroad pension is not taxable. The service man who fought overseas, and pays taxes on his pension, is helping to pay for the railroad man's pension. Why? Because the railroad has a strong union.

I would like now to dwell on some of those things that will happen if the service gets a union, discipline, loyalty, integrity, zeal, will all be things of the past. No more will officers say do, they will have to say please do, and explain why it needs to be done. Can you imagine an officer trying to get his gun crew to fire a gun at another ship, and they ask him why? Since service people are on duty twenty fours hour a day, the day will have to be divided into three separate crews, this will require much more housing, and an increase of three times the people now required to do any job. Each ship will need three crews, and on an extended cruise, will require sending the married men home to their wives every night, massive ships will have to be built to carry these extra men along so that the shios can change crews every eight hours. As things stand now, even in port the men aboard ship stand twenty-four hour duty aboard every third day, the men are in three sections, since three crews would be required, two of the crews would have to be put up ashore, if no other facilities are available, the union would require suitable motels or hotels for them. The cost of the Navy to have just what we now have would be at least five times the cost we have now.

The services are making a decision toward the Union, as they think they need some one to look after their benefits, and to stop the erosion of these benefits, as their benefits erode Congress puts up money, for such things as a special fund to find out why people fall in love, and information concerning the sex life of the African Frog, and not content with this they also put up money to check the life of the Polish Frog, and then they spent two million to give Tito a yacht, three hundred seventy-five thousand went to study the Frisbee, one hundred twenty-one thousand went to find out why people use the word ain't, (you certainly do not have to be educated to find out, or to use the word ain't.) and another fortune was raised and spent to find out why children fall off of tricycles. (Any fourth grades could have told them that it was the law of gravity, this was found out by a guy that got hit on the head with an apple). Yet not one has put a bill into the process to find out why the service needs a union, they should know the answer to that, "it is to protect their interests from Congress" and that's the reason a study is not needed. Congress is very quick to vote themselves more money in salaries, and in fringe benefits, last year it cost one point three million just to keep a Congressman in Washington for three days a week each year, now with their new raises it is close to two million a year.

The cost of all these fringe benefits that they keep piling onto themselves are coming out of the pockets of the serviceman, the veteran and the retired. A Navy man is away from home two hundred and more nights a year, sometimes six months at a time, his family lives where they can, usually in slums, travel is costly, they pay taxes on their pay, to the Federal Government and also to many States, in some cases to two States, and to cities, while our Congressmen have a nice easy job, five hours a day, three days a week, a pension after five years, while the service serves in war, and does from twenty to thirty years to get his, and not to forget, being shot at in the front lines, well we are in peace time, yes I volunteered in peace time, but still ended up in four wars before my retirement on twenty-five years of service, I volunteered for it, yes, but the Congressman did not volunteer, they went begging for the job, and then after getting the job they misuse it.

Congress is supposed to be a servant of the people, the people pay them with their taxes, that makes the people their employer, yet the employee not only tells the employer how much money he will be paid, he demands, his pay and forces the employer to pay him the amount that he himself sets and makes it into law. Congress has something much better than a union, and the services have just about made up their mind that the only way to combat injustice, is to hire a hall, a union hall. This is why our services may unionize, and they will unless Congress awakens, and moves to thwart this movement. If we get a union in the services we will no longer have a Congress, for we will be under the demands of a union service, to which Congress can no longer dictate. The services will run the Government, and this country with a government, by the people, of the people, and for the people, will have perished from the earth.

TESTIMONY BY JAMES V. GILL, PAST VICE COMMANDER, PENNSYLVANIA DEPARTMENT OF AMVETS

AMVETS,
Morton, Pa., October, 1975.

Perhaps I should begin by explaining who, and what AMVETS are; Our full title is American Veterans of World War "2", Korea, and Viet Nam. We were formed in 1946. Ours is the last Congressional Charter issued for a Veterans Organization by Congress, and signed by the then President Harry S. Truman in 1947, and we are justifiably proud of our 30 years of Service to Veterans and their families.

My name is Jim Gill, Past 1st Vice Commander of the Dept of Pa. and present Dept. P.R.O. Presently also 1st Vice Commander of AMVETS Post #118 in Morton, Pa.

We, the AMVETS have been much concerned for the past 2 or 3 years in having the Valley Forge Military Hospital converted to a home for Needy and Indigent Veterans, and their dependents.

The General Services Commission has granted the Hospital property to the State of Pa. but the State has to procure the financing. On June 25, 1975, State Senator John J. Sweeney, of Delaware County, Pa. was the prime Sponsor of a three part Bill package to be known as H-1513, H-1514 and H-1515.

The first measure would Authorize the Property and Supplies Dept of Military Affairs to secure title to the facility, through a Federal Government Grant. The second would allocate $645,750 in general State Authority Funds for renovation of the complex to prepare it to accommodate State Veterans in need of Hospital or Home care.

The 3rd would empower the Dept to appoint a director to administer the Hospital, and select the Staff. Also it is estimated 200 Veterans in the Eastern part of the State could be admitted once it was ready.

There are 1¾ Million Veterans in Pa. Who can say what percentage of these will need Domiciliary care in the future? Presently the only such facility in Pa. is an obsolete Soldiers & Sailors home in Erie, Pa. This to our minds is a very sad state of affairs. However Senator Sweeney's Bill was passed by an overwhelming Majority in the House and sent to the Senate where it was tabled indefinitely by the Senate appropriations Committee.

Senator Richard A. Tilghman (R. Mont.) wants to know why the Government closed the Hospital? Can he tell us why the Government abandoned Millions of Gallons of Petroleum Products, Tanks, Guns, Trucks, Jeeps, and Aeroplanes, some of which were never used in the South Pacific. Why so many Liberty Ships, Tankers, and Warships were allowed to rot in ship graveyards all over the Country. Why Billions of Dollars worth of other Equipment met the same fate? The Valley Forge Military Hospital is at least Salvageable, and can be used for a very important and necessary cause. Also the PRIMARY request we are making is not necessarily for a Rest Home. The purpose would be primarily for a Domiciliary for needy and Indigent Veterans and their families, 65% Veterans and 35% Civilians. The Civilians to be Veterans Families who are in need of such care.

The bleating question he propounds is to my mind a thing that could well be solved economically by the Corps of Engineers, either Federal or National Guard, which ever would have Jurisdiction.

He refers to the State getting out of the "Rest Home Business" and the running of large institutions. We are not regarding this as a "Business." We want I repeat, a Domiciliary for Needy and Indigent Veterans and their dependent Families, and Again as a state Senator his "business is to run or help to run one of our largest Institutions, The Commonwealth of Pa. and a considerable part of that, is the care and welfare of the States Veterans and their Dependants. No one can predict what percentage of that Million and three quarters Veterans may one day find the need for such a facility. The establishment of which we the Veterans Organizations of Pa. are seeking.

Provisions on Pensions, V.A. Insurance, Cost of Living increases we feel are adequate as they now stand; though we feel we must object to the measures being considered to treat Armed Forces Disability pay as Taxable income.

We oppose changes designed to get rid of improprieties in "Sick Pay" income tax exclusion by eliminating deductions for "Sick Pay."

We oppose including "Service Connected Military Disability Pay for Armed Forces as Taxable income.

The Law specifies that V.A. Disability Benefits are Specifically Exempt from taxation.

This shows discrimination between Military, and V.A. Disability. We feel that both should be Exempt, from taxable income.

We feel that restrictions should be discontinued on burials at Arlington National Cemetery. This also constitutes discrimination on certain members of the Armed Forces, and if necessary more land should be acquired to provide adequate space for any member of the Armed Forces Past or present who desires such space in a National Cemetery.

As of March 19, 1975 Governor Shapp has received recommendations for three sites. One of which will be selected by the Pa. Site Selection Committee, representing the State Veterans Commission. They are Valley Forge National Park, a site adjacent to Fort Necessity National Park, Fayette County and Gouldsboro State Park, Monroe County. 12 sites were originally proposed. Land for the potential site will be donated by the V.A. by the Pa. Legislature.

The V.A. plans to build 11 Regional Cemeteries and Shrines in the 50 States. Pa. is included in Region No. 3.

We have learned thru reliable sources that: Pa., New York, Ohio and California pay about 80% of the taxes in the United States, in return we receive about 1.0% in grants, etc. from the Federal Government. Therefore we feel we are not asking for more than is due the Commonwealth of Pa.

As to the plight of the Jobless Veterans: The unemployment rate for Veterans aged 20 to 34 continues upward to 9.7% as compared to the National rate of 8.6%. A 9.7% rate means that 600,000 Veterans are out of work.

We propose that jobs be opened for young Veterans by applying the same sort of Federal Standards to those employers working under Government Contracts as now apply to the Minorities.

We as AMVETS are still opposed to Amnesty for Draft Dodgers.

Thank you for listening to our suggestions, complaints or whatever.

JIM GILL,
AMVETS Pennsylvania Dept. P.R.O.

TESTIMONY BY STANLEY ROSENBERG

The Jewish War Veterans of the USA commends the recent passage of legislation providing cost of living increases for pension and compensation payments. We call upon Congress to enact new legislation which would:

1. Increase the annual clothing allowance allotted for disabled veterans with prosthetic or orthopedic appliances that tend to wear out clothes quickly.
2. Eliminate the requirement that widows of totally disabled veterans must prove that the veteran's death was due to his service-related injury to qualify for compensation.
3. Speed up the procedures for making mortgages available to eligible veterans.
4. Provide increased mileage and per diem allowances to veterans to travel to and from Veterans Administration medical facilities (S. 490).
5. Extend and clarify the eligibility of servicemen for various life insurance options (S. 1911).
6. Adjust retirement pay among veterans through a one-time recompensation of benefits based on active duty base pay (S. 1702).
7. Equalize the competitive salaries of VA doctors, dentists, and other medical personnel with that of similar positions in the Armed Forces (S. 1711).

VA AUTHORITY OVER VETERANS PROGRAMS

The Veterans Administration is an independent establishment in the executive branch of the Government, especially created for or concerned in the administration of laws relating to the relief and other benefits provided by law for veterans, their dependents, and their beneficiaries.

The Administrator of Veterans Affairs, appointed by the President of the United States, by and with the advice and consent of the Senate, is the head of the Veterans Administration.

The Administrator, under the direction of the President, is responsible for the proper execution and administration of all laws administered by the Veterans Administration.

There is consistency and common purpose among the many benefits and rights established by the Congress of the United States for Veterans of service in the Armed Forces of the Nation and for the dependents and beneficiaries of deceased former members of these forces.

With the establishment of the Veterans Administration in 1930 and centralization of the management, direction, and control of benefit programs and services, veterans and their survivors have experienced service and assistance in their claims for benefits unparalled by beneficiaries of any other federal agency.

From time to time, legislative or administrative reorganization plans have been presented which would merge jurisdiction and administration of veterans medical care, housing, income maintenance, and education and training programs with those provided for nonveterans and under the administration of another federal agency.

We exert every effort and all resources at our command to assure that the Veterans Administration shall continue to be the sole independent establishment in the Executive Branch of the United States Government responsible for the administration and execution of benefit programs and service provided by law for veterans, their dependents, and beneficiaries.

PAY VETERAN'S PENSION FOR TOTAL NUMBER OF VETERANS DEPENDENTS

The Veteran's Administration now pays only up to three dependents of a veteran who is receiving veteran's pension. We feel the Veteran's Administration should pay veteran's pension for the total number of the veteran's dependents.

OPPOSING INCOME TAX ON PENSIONS

The amount of monies paid to a disabled veteran for a compensation or pension is small payment for the sacrifice they have made for our great country, therefore, we are totally opposed to any bill in the Congress of the United States, or any bill which may be proposed in the future, which would place an income tax upon the pension or compensation of a disabled veteran.

CONTINUE BURIAL ALLOWANCE

We oppose the recommendation of the Administration and the Veterans Administration which would eliminate the $250 VA burial allowance.

VA DISABILITY COMPENSATION OR PENSION WITHOUT WAIVER OF MILITARY RETIRED PAY

A recipient of military retired pay eligible for pension must have 90% of said retired pay counted as income in order to determine the amount to which he is entitled, and then he must additionally waive an equal amount from his retired pay in order to receive the pension. There is an unconscionable case of discrimination against individuals who gave dedicated and faithful service to their country, in that it counts as income what in reality will not be received income. Further discrimination is inflicted on military length of service retirees determined eligible to receive compensation in that they also must waive a portion of their retired pay equal to the amount of compensation.

Civil Service and other retirees are not required to waive retirement pay in order to receive these same VA benefits. We urge Congress to enact legislation eliminating Section 3105, Title 38, U.S. Code.

TAX FREE COMPENSATION AND MILITARY DISABILITY RETIRED PAY

VA compensation is a payment for service-connected disability and to provide relief for the impaired earning capacity of disabled veterans as a result of military service. This compensation has always been tax free, and military disability retired pay has been a payment for disability which was incurred while in the Armed Services, which prematurely terminated the member's career and restricts subsequent employment.

The military disability retired pay has always been tax free. There has been a trend by Internal Revenue Service and the Office of Management and Budget to make VA compensation and military disability retired pay taxable. For many veterans, VA compensation and military disability retired pay is the only income they have. Therefore, we oppose any effort by Internal Revenue Service or the Office of Management and Budget to tax VA compensation or military disability retired pay.

OPERATION OF VA HOSPITALS

We are opposed to any change in operations of Veterans Administration Hospitals, and we are definitely opposed to any integration of Veterans Administration Hospitals as part of any National Health Care and Hospitalization operations. Inasmuch as the intent was for the Veterans Administration Hospitals to provide medical care, assistance and support for personnel who served their country honorably in the Armed Forces of the United States of America, concerted efforts be made in order to make salaries more attractive in order to permit the VA to recruit and retain top notch medical personnel in the VA Hospital System. Adequate coverage should be made available in all VA Hospitals in order that emergency care and admissions may be routinely obtained on weekends and after normal closing hours in the VA Hospitals and Clinics. We strongly feel that VA Hospitals should remain intact and free from intervention or usurpation.

JAMES J. MURPHY,
Veterans of Foreign Wars.

SUPPORT SENATE RESOLUTION 293

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, Mr. Joseph Abood, president of the Lebanese American Society of Rhode Island and Rev. Peter Hobeika, pastor of St. George Maronite Church, Providence, have asked that I do all in my power to see a return of peace in Lebanon. I strongly support Senate Resolution 293 which deplores the current turmoil in Lebanon and expresses disfavor toward any unilateral uninvited intervention of any nation or armed force in the current conflict. Such resolution strongly opposes any shipment of arms or continued encouragement of the internal strife by external forces.

It is my firm conviction that the United States should provide to the United Nations on request of the Government of Lebanon such immediate emergency and appropriate humanitarian aid and assistance as may be necessary to further the cause of peace, humanity, and stability in that area.

NATION'S 200TH ANNIVERSARY

HON. BOB CASEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. CASEY. Mr. Speaker, as our Nation approaches its Bicentennial, most Americans are looking forward to the pageantry and ceremonies of this great celebration. I know that all of us look forward to taking part in many of the events celebrating our country's 200th birthday.

But there is far more significance in this historic event than the banners, souvenirs and fireworks. While I am sure that all Americans recognize the significance, there is sometimes the tendency to let the superficial aspects overshadow the true meaning of our Bicentennial.

I recently had the privilege of getting my own perspective into better focus through the wisdom of one of my young constituents, Patti Mott, a student at Sweeny High School, in Brazoria County, Tex. Patti is only 15 years old, but I believe the article she wrote for her school newspaper, The Barker, recently, will be of benefit to all of us and to every American who has the opportunity to read it.

In the interest of bringing greater meaning to our Bicentennial, I would like to share this article with you at this time:

BICENTENNIAL THEME—OVER EMPHASIZED OR OVER PUBLICIZED

(By Patti Mott)

"Welcome to Back-in-the-Box. May I have your order please?"

"I'd like to order a large Bicentennial Burger, an order of Freedom Fries, and a chocolate Spirit Shake in one of those Liberty Mugs everybody's talking about!"

All over the U.S.A., this is really the way things are getting. Everywhere you look, you see red, white, and blue banners telling you to "get your bicentennial swimming trunks today" or "pick up a free bicentennial wrench with every fill-up of Liberty Premium or Bald Eagle Regular."

Apparently, most folks are taking the idea of a nationally celebrated event all wrong and businesses are jumping at the chance to dive deeper into our bank accounts:

My idea of a real celebration is not having to wear sunshades in the rain for fear of being blinded by the brightly painted bicentennial fireplugs as I drive down the street.

Sure, there's reason to celebrate, but let's try to be reasonable. Our nation has endured a lot in the last 200 years—and survived. Of course we're proud, but is painting roadside garbage cans and prancing about in flag-printed attire the way to show genuine patriotism and pride?

How far we've come is of importance, but where we're going is of more importance.

We should do everything possible to steer our nation in the right direction and to restore the pride that supported it in its beginning.

Complaints about "sorry politicians" should be replaced with praise for the better representatives that get things done. How can they represent us if we don't tell them our desires and needs—democratic priorities in action. We tend to elect our reps for their ability to read our minds on issues of the day.

It's time for everybody to climb out of their Martha Washington costumes and start our 201st year right. Everybody's going to have to work if we are to survive for another two centuries.

A NEW YORK CITY INVESTOR SPEAKS OUT ON DEFAULT

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. ADDABBO. Mr. Speaker, those involved in the growing national debate on the New York City financial crisis have not in my opinion adequately addressed the immediate and future impact of default on the individuals who invest in the growth of our cities.

One of my constituents, Mr. Howard L. Hurwitz, recently wrote to President Ford about this matter, urging reconsideration of his position on default and expressing in a clear and concise manner the feelings of one who has invested most of his life savings in city securities. I am placing the text of Mr. Hurwitz' letter to President Ford in the RECORD at this time for the information of my colleagues and in the hope that the voice of those willing to invest in the future of our cities will be heard in the halls of Congress and at the White House before it is too late.

October 20, 1975.

Hon. GERALD R. FORD,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge that you change your position on financial aid to New York City now that it is clear that default will take place in early December unless some kind of appropriate assistance is forthcoming from the Federal government.

My brief, personal story of involvement in the financial affairs of New York City carries, I believe, a general lesson for the future of municipalities and states. I have invested most of my life savings in New York City tax anticipatory notes. On October 17, I just about conceded the loss of $25,000 for the indefinite future. I got that $25,000. In December and January comparable amounts are due me, if the City does not default.

I have decided, however, that whether or not the City defaults, I shall never again invest in any city or state security in the nation. I have had it with this brinkmanship—and I do not believe that my reaction is unique.

The only condition on which I shall ever again invest in government securities is if the Federal government offers some kind of guarantee for New York City and comparable securities. Better economic minds than mine should be able to figure out an arrangement whereby Treasury securities will not be disadvantaged by a Federal guarantee of state and city securities.

There is no question, however, but that the Federal government can no longer ignore the borrowing needs of state and city governments. So interlocking devices that will assure the safety of such securities while penalizing governmental profligacy must be undertaken at once.

To ignore further the current situation in New York City (for whose management I hold no special brief) will be to bring about the collapse of the market in government securities. The Federal government's capacity for borrowing will also be affected, since it is scarcely immune to the criticism that it too has failed over the years to balance its books and is deeply committed to deficit financing by borrowing.

Your hand-off policy, Mr. President, may produce a financial Armageddon that will result in a vast defeat for this nation. I am more than willing to credit you with the capacity for changing your mind after a fresh assessment of the battle scene.

Sincerely yours,

H. L. HURWITZ.

BROOKLYN, N.Y., BUREAU OF COMMUNITY SERVICE—110 YEARS OF SERVICE TO THE COMMUNITY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. RICHMOND. Mr. Speaker, the Brooklyn Bureau of Community Service is about to celebrate its 110th anniversary on November 20. I think it is particularly fitting that we, in the Congress, express our since appreciation for this most worthwhile organization.

Never before has the task of helping our less fortunate members of society been more necessary. We find neglected children, handicapped individuals, and countless other fellow Americans who need assistance and care. No organization has performed these and other functions with greater success, dignity and compassion than the Brooklyn Bureau of Community Service. By providing the human assistance which only concerned individuals can, our lives and the lives of so many others have forever been improved.

Therefore, it is with great respect and gratitude that I submit further information about the Brooklyn Bureau of Community Service.

BROOKLYN BUREAU OF COMMUNITY—110 YEARS OF SERVICE TO THE COMMUNITY

The Brooklyn Bureau of Community Service, a voluntary, non-sectarian, non-profit social services agency, now entering its 100th year of service to the Brooklyn and metropolitan New York communities, has throughout its history tried to meet the needs of people in trouble. Today it offers a whole spectrum of vital services for families, children, and the handicapped.

On November 20, 1975, the agency will hold its 110th Anniversary Dinner at the Waldorf-Astoria. The dinner will honor New York Governor Hugh L. Carey and his family. Governor Carey, his late wife, and their children have for many years supported the Brooklyn Bureau's work. The recent dedication of the Helen Owen Carey Dining Hall at the agency's summer camp for the handicapped to the memory of Mrs. Carey, a former member of the Brooklyn Bureau's Board of Directors, is a memorial to her work over many years on behalf of the handicapped persons served by the Brooklyn Bureau of Community Service. The Carey children have also worked in various capacities on behalf of the agency's handicapped people.

In a message in the Brooklyn Bureau's Annual Report for 1974–1975, Frank A. Barrera, the agency's President wrote:

"Rarely in our long history of service have we been confronted with more difficult challenges. It has been a year in which we have struggled to meet the needs of the helpless and unfortunate with shrinking resources. Yet, I am proud to say, we have succeeded in reaching and helping thousands of men, women and children. A look at the records of service inspires us to new efforts. Families saved from desperation and dissolution, children lifted into warm security from circumstances often too appalling to describe, handicapped men and women marked from birth or struck down by disease or accident learning it is possible to live with dignity.

"This is the beginning of our 110th year of service. When we look back and see what we have done, we are fortified by the dedication of those who prepared the way. Out of yesterday's struggles are born the determination and insight to meet today's challenges."

When the Brooklyn Bureau of Community Service began its work in 1866, thousands of children, separated from their families in the aftermath of the Civil War, lived wretchedly, in abandoned buildings, hallways and crudely-built shacks, and on the streets of the city.

The agency was organized to give protection, care and shelter to these children. Within eight months, it opened its first lodging house for boys. Later, other homes, industrial schools and a kindergarten were established. Foster homes were found for thousands of children. From that time to this, the agency has had as one of its major concerns the care of troubled, abandoned and deprived children.

When public relief collapsed in 1878, the Brooklyn Bureau organized to feed, clothe and provide shelter to hungry and desperate families. It provided work opportunities to the unemployed in woodyards, laundries and workrooms. Destitute families were visited and their needs ascertained. The agency's family counseling service began here as an activity of volunteers.

During the cholera epidemic of 1876, when 390 children died in a single week, the agency moved quickly to open a home for mothers and children living in pestilent-ridden tenements. Later a hospital was added, equipped to give full medical and surgical treatment to seriously-ill children. This was the first of a number of homes and a wide range of fresh air and vacation services offered in the years to follow to keep infants alive. In the infantile paralysis epidemic of 1916, and in its work to help victims of tuberculosis, the agency organized educational, medical and food distribution services.

Services to the blind and otherwise handicapped began in 1915 with a center for training and employing the blind. It was the beginning of what is today one of the most comprehensive services available for people with all kinds of handicaps.

The work of the Brooklyn Bureau of Community Service has been influential in the history of the city. Through its efforts, Brooklyn became the first city in New York State to pass tenement house legislation, the first of many initiatives to provide minimum housing standards as a matter of law. It established a milk pasteurization plant and operated milk distribution centers for poor families from 1900 to 1912, when New York City, through its Public Health Service, took over this function. The agency was instrumental in the creation of the Brooklyn Adolescents' Court in 1935, firmly establishing the principle of a separate tribunal for cases involving the young.

In the depression of the 1930's, with nearly half a million people needing help, the Brooklyn Bureau dispensed material relief totaling $1,770,000. A long-term home-maker service demonstration project instituted by the Bureau in 1954 established the value of homemaker service for families and was influential in later making the service widely available in the New York area. In 1964, the Bureau printed the first Braille Cookbook of Convenience Foods, the only cookbook available to blind homemakers covering the full range of frozen, dehydrated and premixed foods. The cookbook is now in its 10th printing, and has been distributed around the world. In 1973, the Bureau became the only agency in Brooklyn offering a vocational orientation service to all mentally retarded sophomore high school students in a cooperative program with the New York City Board of Education.

The agency's initiatives were the precursors of many other organizations and services devoted to the health and welfare of the people of New York City. The Bureau's District Nursing Committee, established in 1898, became in 1920 the Visiting Nurse Association of Brooklyn. The Brooklyn Bureau's Jewish Branch, organized in 1906, is now part of Jewish Family Service, an agency serving people in all five boroughs. The agency's free employment service for the needy, organized in 1912, was influential in the establishment of the New York State Employment Service in 1915. The Brooklyn Bureau's Tuberculosis Committee became the Brooklyn Tuberculosis and Respiratory Diseases Association in 1920. In 1932, the New York State Employment Service took over the Bureau's job placement service for the handicapped that had been started nine years earlier.

Out of these many efforts to provide social services to all kinds of people with all kinds of problems grew the framework for the Brooklyn Bureau's present-day services to families, children and the handicapped.

These include individual, family and group counseling, foster care to children, and work training, job placement, homemaking and Braille instruction, recreation, and vocational and personal counseling services to blind, orthopedically disabled, and mentally, emotionally and neurologically handicapped men and women.

In addition to these on-going services, the Brooklyn Bureau of Community Service continues its tradition of stepping in whenever possible to meet critical community needs. Today, its initiatives include a special project to find foster homes for abused, sick and handicapped children without parents to care for them, living in the pediatrics wards of Kings County Hospital.

Another Brooklyn Bureau service unit created to meet a special need is its Preventive Services Project, an experimental program to strengthen families with deep-seated problems and prevent the placement of children in foster homes.

Still another such service is a work/study project for all mentally-limited sophomore high school students who are in special classes in the Brooklyn public school system. The program employs a variety of counseling and work training services to help these children learn to see themselves as productive and capable with the potential to be self-supporting and confident adults.

The Brooklyn Bureau of Community Service has always offered part of its resources to help other agencies when their need was great. The agency gives the consultative services of its professional staff to day care centers, kindergartens, schools, hospitals and other social agencies helping children, families, the sick and the aged.

With its staff of psychiatrists, psychologists, social workers, home economists, remedial teachers, vocational evaluators, and rehabilitation counselors, the Brooklyn Bureau of Community Service has mobilized its resources to meet the needs of as many persons as possible with the kind of professional help that will enable them to lead better, more productive and happier lives.

From the vantage point of 110 years of providing services to people, the agency looks back with pride to its many accomplishments. In the early years, it carried the burden along with other voluntary agencies of relieving the intolerable misery of Brooklyn's poor and handicapped. It participated in, and often led, important social movements. Today, it continues to offer opportunities for growth and independence to men, women and children entrapped by poverty, disease, misfortune, and the problems of daily living.

The agency recognizes that voluntary activity on its behalf has always been and continues to be at the heart of its efforts. Without the participation of is Board of Directors, volunteers, contributors and people in the communities in which it works, it could not exist.

In carrying on the agency's tradition of a dynamic pioneering service, the Brooklyn Bureau of Community Service needs all the help it can get.

WESTERN GOVERNORS URGE CAUTION ON SYNTHETIC FUELS DEVELOPMENT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mrs. SCHROEDER. Mr. Speaker, the House will soon be called upon to make a decision on the synthetic fuels development amendment—section 103—to the 1976 energy research and development administration authorization bill. This amendment was tacked on in the Senate with little debate and no committee consideration. It has had less consideration in the House. The amendment offers $6 billion in guaranteed loans for the development of synthetic fuels such as gasified coal and oil from oil shale. Modifications of the proposal by ERDA could push this figure to $12 billion.

The Western Governors Regional Energy Policy Office has issued a strong critique of section 103 and a statement of strong concern over its potential effects upon the region. I wish to take this opportunity to share with my colleagues the thoughts they have expressed. The statement follows:

STATEMENT BY THE WESTERN GOVERNORS' REGIONAL ENERGY POLICY OFFICE

Mr. Chairman and members of the Committee, the Western Governors' Regional Energy Policy Office welcomes this opportunity to discuss with you the legislation now pending that would establish a subsidy program for synthetic fuels development.

This testimony would apply equally to Section 103 of the ERDA FY 1976 and Transition Period Budget Authorization, or to H.R. 9723, or to legislative proposals which might be forthcoming from the Administration on synthetic fuels research, development, and production.

There is a definite need for the United States to conserve energy on the one hand and develop and produce new sources of energy on the other hand, if we are to maintain the strength of our economy, a high standard of living, and the national security, all of which are essential to this nation's continuing as a world leader.

Synthetic fuels must be developed and produced to augment our dwindling petroleum and natural gas supplies. But, in our haste to begin a synthetic fuels program, we should not overlook the need to make sound preparation, so that this program goes forward with every chance of success.

Though the synthetic fuels program may be authorized by Congress and funded by federal dollars, there should be no question but that the success, in the long run, will depend upon the enthusiastic assistance and cooperation of the states and local communities involved. A synthetic fuels program that ignores the problems that such a program would create for the states and communities where research and development will take place is a program which will suffer delays, court action, and public opinion harassment.

The synthetic fuels program is too important to the nation to ignore any essential ingredients for its ultimate success.

We appear before you today to offer suggestions from a regional, state, and local community point of view that would enhance materially the chances of success for this program.

At state and local levels of government, there are several areas of concern involved with maintaining or increasing the supply of energy for the nation. These areas of concern apply either directly or indirectly to the legislation you are considering and would include the following:

1. The mandatory conservation of energy, particularly petroleum products and natural gas, as a parallel effort to synthetic fuel production.

2. A listing of a number of major rights and responsibilities which are of most concern to the states and any federally subsidized synthetic fuel research and development program.

To return to the first area mentioned, we wish to express our concern about the failure of our nation to adopt an aggressive conservation ethic. While we cannot argue against a need for a vigorous research and development program for synthetic fuels for the long run, we must question the absence of an immediate national conservation effort which, in terms of the potential for barrels of petroleum equivalent saved, would far outstrip the potential for barrels of petroleum equivalent manufactured as synthetic fuels.

Needless waste of petroleum products and natural gas means needless production of synthetic fuels at the expense of loss of coal or oil shale resources, environmental and water losses, as well as unnecessary taxpayer expense. Sacrifice by any state or region or community, because of synthetic fuel production for the national good, should be offset by a national energy conservation effort to minimize the demands on synthetic fuel producing areas.

Too much of our present national conservation effort seems to be based on high petroleum prices, forcing a reduction in demand. Such a conservation effort enlists the efforts of those least able to pay, but it exempts the higher income segment of our population, who can afford to waste. Do we have the right to institute a taxpayer-subsidized synthetic fuel program that will bring about irreversible consumption of our fossil fuels, when we make an unequal demand on our population to conserve those barrels of synthetic fuel manufactured?

A national commitment to develop synthetic fuels with a heavy federal subsidy should be accompanied by a mandatory national measure to require all citizens to conserve energy, no matter what their economic station in our society might be. Cooperation of the western states in the synfuel program could be determined in the future in large part on a national mandatory commitment to energy conservation.

It is not difficult to identify, at this time, many areas in which there is a need for federal law to protect the authority of the states in the synthetic fuel program and, thus, expedite the planning, construction, and operation of the necessary synthetic fuel producing facilities made possible under the proposed federal subsidies. Our support for the Section 103 is contingent upon language encompassing the following points:

1. Affirmation of the states' authority to levy and collect taxes on synthetic fuel industries.

2. A guarantee that the consumers of synthetic fuel in the state of origin have the same access to the lowest rate available for synthetic fuel produced that out-of-state consumers have.

3. A recognition of a state's right to issue water permits to the synthetic fuel industry with such conditions attached as might be required by state regulatory agencies.

4. Affirmation that the states have the authority to set environmental management standards exceeding those of the federal government and that, in all cases, the most stringent standards must be met by the synthetic fuel industry.

5. A recognition that states have the right to approve or disapprove specific project proposals through state law and regulation in mine location, plant siting, transportation access location, water acquisition location, pipeline siting, and electric transmission line siting.

6. No loans or price supports shall be approved without assurance by the federal government of adequate funds to meet state and local impacts arising from the development.

7. The federal government must guarantee impact assistance funds to local and political subdivisions and agree that such federal funds for impact will be administered and allocated by the state government to local political subdivisions only when the state has first determined that such federal impact aid is consistent with state law, state comprehensive planning, and any state funded impact alleviation program.

8. Any industry receiving federal assistance for synthetic fuel development shall reveal, on demand from any authorized state agency, such information as the state believes necessary to assist timely and accurate state and local planning at any stage of the industry's planning, construction, or operation.

9. As a part of the procedure for approving, disapproving, or suggesting modifications for applications for financial incentives, ERDA should be required to participate with the Governor of the state in which the plant is proposed for location. There needs to be a mechanism developed for this direct state participation in ERDA decision-making on synthetic fuel research, development, demonstration, and commercialization. We recommend that:

(a) a synthetic fuel assessment panel be established within ERDA which contains effective state representation.

(b) that the purpose of the assessment panel be to make specific recommendations to the administration on all matters relating to the synthetic fuels program, including, but not limited to, (1) allocation of funds for synfuel research, development, and demonstration, (2) approval of incentive programs and federal funding for synthetic fuel commercialization, (3) implementation of programs in the conservation of natural gas and oil in collaboration with the FEA, (4) assessment, planning, and funding of socioeconomic impact alleviation programs associated with synthetic fuel commercialization, and (5) any other matters which bear upon ERDA programs in the field of synthetic fuel. Recommendations of the panel shall be accepted by the administration unless the administrator demonstrates that the assessment panel's recommendation is not consistent with national security or overriding national interest as set forth in procedure in The Outer Continental Shelf Act of 1975.

In any synthetic fuels and related energy matter research, ERDA should be instructed to use, wherever possible, those research facilities, institutions, and personnel in the state or region where the development is taking place, in order to assist those states or regions to build up their research facilities and expertise, so that they might be better able to address their own energy-related problems created by the synthetic fuel industry.

The synthetic fuels research and development program calls for several kinds of incentives. We make no attempt to justify the kinds of incentives to industries and situations that will always vary in their specific requirements. We do support the concept of a federal involvement in the synthetic fuels development program.

Competition has always been a basic ingredient of the free enterprise system practiced in America. It should be of great concern to Congress and all those who believe that competition is essential in the free enterprise system that a relatively small number of major oil companies now have excessive control of such competing sources of energy as coal, uranium, natural gas, and electric generation. It would seem wise to administer federal subsidies in the synthetic fuels program in such a way as to foster competition by strengthening small independent concerns.

Competition between various techniques within the synfuels program to produce the information and demonstration necessary to ultimately achieve commercial goals is vitally necessary. We, therefore, support maximum competition within the federal incentives process.

We support the provisions of Section 103 of S. 598 to grant Federal loan guarantees for renewable energy sources such as, but not limited to, solar, geothermal, and urban and agricultural waste.

We support a federally assisted synthetic fuel program whose purpose is to demonstrate the economic, environmental, and technical feasibility of recovering synthetic fuels from coal, oil shale, waste, and other sources.

We believe that demonstration plants should be planned, not on the basis of dollar amount restrictions, but on the basis of an adequate demonstration size to gain the necessary information on commercial scale.

KARL F. VELEY

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. NATCHER. Mr. Speaker, I am sure that everyone who has ever served on the Committee on Appropriations will agree that through the years, the reporters who have worked with us on the committee have been, without exception, people of ability and dedication.

Karl L. Veley is an outstanding example of this excellence. In my capacity as chairman of the Appropriations Subcommittee for the District of Columbia, and as a member of the subcommittees which make recommendations for the Departments of Labor, Health, Education, and Welfare, and Agriculture, I have worked closely with Mr. Veley. I have had an opportunity to observe his skill and accuracy as a reporter. I have had the privilege to see his many fine qualities both as a man and as a public servant. In this, I have been most fortunate.

Mr. Veley now plans to retire and, along with the members of the Committee on Appropriations, I will miss him. I know I can speak for the entire membership of the House in expressing our gratitude for his service and in wishing him the best in all things for the future.

INCREASED FOREIGN TOBACCO IMPORTS EQUAL DECLINE IN DOMESTIC TOBACCO SALES

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. ROSE. Mr. Speaker, I have just received a most alarming piece of information regarding the import and export of tobacco which I want to share with my colleagues here in the House. Government agencies in this city have sent me a breakdown of major imports of the U.S. tobacco companies, and the figures are frightening.

They show that the major tobacco companies of this country are importing Flue-Cured and Burley tobacco from Korea, Mexico, Argentina, Italy, Venezuela, and Brazil at a fantastic rate. In 1974 alone, 22.1 million pounds of tobacco were brought into this country at the average low price of 50 cents per pound. Between January and September of this year, that figure has risen to 33.9 million pounds, or an increase of 145 percent over the same period in 1974.

At this same time, figures indicate that there was a drastic reduction in the purchase of U.S. grown tobacco by the major companies. In fact, it appears that the figures match. The number of imported pounds of tobacco is about equal to the decrease in U.S. purchase.

Mr. Speaker, this is an alarming trend. Import duties on tobacco coming into this country from abroad are the lowest in the world. Meanwhile, our tobacco when it reaches foreign ports is taxed to death. For example, the U.S. average import duty on a pound of imported tobacco is 12.75 cents. A pound of our tobacco, meanwhile, when it reaches the port of Liverpool, England, is subject to an $18 duty fee over the price of the tobacco.

It is little wonder, then, that the major tobacco companies of the United States should want to buy Korean tobacco instead of tobacco from American farmers. However, my question is not who has the cheapest tobacco, but who do we want to support—the Korean farmer or our own?

If tobacco companies continue to bring into this country increasing amounts of foreign tobacco, our tobacco farming industry will be destroyed. This year farmers received an average price of over $1 per pound for their tobacco. With rising costs of fertilizer and fuel, however, they have barely broken even. They cannot compete with the Mexican market which sells tobacco at 50 cents per pound or the Brazilian market which sells it at 44 cents per pound. It is just not possible for them to beat those prices.

And there are those in this country who hope they will not. Dr. George P. Rosemond, president of the American Cancer Society, has just called for "a cessation of Federal tobacco subsidies" and an end to the tobacco program which is designed to control production of tobacco so farmers can make a profit.

Mr. Speaker, I say that as long as it is legal to manufacture cigarettes, farmers in the United States should be paid a fair price for growing the tobacco to make them. And Dr. Rosemond is kidding himself if he thinks that termination of our tobacco program will stop the major tobacco companies from making cigarettes.

It is clear to me that Mexican and Korean and Brazilian tobacco will, in fact may already be, substituted for American tobacco. And nobody but the tobacco companies will profit from that. Farmers in this country will be deprived of an important cash crop; people will still smoke as often and as much as they like; and the American Cancer Society will keep telling them not to.

Import duties must be increased on foreign tobacco so that our farmers can compete with the world market. The major tobacco companies must be forced to pay a fair price for their tobacco. And we, Mr. Speaker, must act on behalf of the farmers of this country to insure their participation in our country's system of free enterprise.

PLIGHT OF UKRAINIAN WOMEN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. FORD of Michigan. Mr. Speaker, in the spirit of International Women's Year, the southeastern Michigan branch of the Ukrainian Congress Committee of America sponsored a program at Wayne State University on November 2, to bring the plight of Ukrainian women political prisoners in the Soviet jails to the attention of all people of good will.

Ukrainian Americans in my district and all over the Nation are proud of the Ukrainian women who have courageously opposed Soviet oppression and have been imprisoned because of their participation in activities of the Ukrainian National Liberation Movement.

Many of these women were arrested when they wrote appeals in defense of Ukrainian intellectuals who were arrested for their participation in the cultural and national rebirth of the Ukraine in the 1960's and early 1970's.

Currently, about 67 percent of all political prisoners in the U.S.S.R. are Ukrainian, making up the largest ethnic minority in the country—one-fifth of the total Soviet population.

Mr. Speaker, it is only fitting that we speak out to defend the basic human and national rights of which these courageous women have been deprived.

THE NEED FOR MORE CITIZEN PARTICIPATION

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mrs. PETTIS. Mr. Speaker, with our Nation's Bicentennial just around the corner, I thought it might be appropriate to bring to my colleagues attention a recent article which appeared in the California Journal.

Too often nowadays, we forget that America's continued greatness is dependent upon its citizens' active participation and in-put into the policymaking process.

Mrs. Judy B. Rosener's article which is entitled: "Citizens on the Beach—The Noble Experiment in Drafting the Coastal Plan," provides an excellent example of the type of citizen participation and in-put which is needed to solve the problems which face this Nation today.

The article follows:

CITIZENS ON THE BEACH: THE NOBLE EXPERIMENT IN DRAFTING THE COASTAL PLAN

(By Judy B. Rosener)

From its inception California's Coastal Zone Conservation Act, approved by the voters in 1972 as Proposition 20, has been a unique experiment. Its intended product—a plan for the use of coastal zone resources—is a first, but the attempt to resolve coastal management conflicts by public debate and consensus-building "out front" has so far been its most striking characteristic. While Governor Brown and the legislators look over the proposed plan for clues to its political, environmental, and economic costs and benefits, primary attention might well be directed to the potential workability of this sort of participatory planning.

Despite doubts that a plan worthy of legislative consideration could be developed by seven regional commissions composed of part-time, unpaid appointed commissioners—doubts expressed by opponents of the act—the job has been done. There *is* a plan, it *is* being finished on time, and it *is* likely to be taken seriously by the Legislature. Although much of the credit for this should go to the state commission's chief planner, Jack Schoop, its executive director, Joe Bodovitz, and the state and regional commission staffs, suggestions and ideas contributed by citizens and groups interested in coastal zone management have added significantly to the development of a plan in the time allotted.

CAST OF THOUSANDS

Regional and state commissioners and commission headquarters have been flooded from the start with communications from all kinds of individuals and groups. There were ideas scribbled on postcards, suggestions neatly typed for attorneys hired to evaluate elements of the plan, and thick documents detailing specific concerns. While few of those who have participated in the planning process will be completely satisfied with the plan, none can legitimately charge that there was insufficient opportunity to take part in creating it. Thousands of citizens were involved in discussions on the local level where regional plans were developed after technical review by members of interest groups and professionals. More than 1,500 Californians received planning materials, and their comments and reactions to the materials were later solicited. In addition, hundreds of groups and governmental entities sent representatives to testify before one or more of the commissions prior to the writing of the preliminary state plan. Anyone who expressed an interest in any aspect of the plan was placed on a mailing list to receive additional information. More than 15,000 copies of the 400-page preliminary plan were distributed free statewide prior to public hearings, and many other copies were placed in public libraries.

What is it about the coastal act that sparked so much citizen interest and participation? Some of the following characteristics of the planning process used may have been responsible.

Commission proceedings have been visible, commissioners have been accessible, commission files have been open and, where possible, meetings were held at times and places convenient to the most people possible.

Outside suggestions have been incorporated in the successive drafts of regional and state plan elements.

Those with a stake in the allocation of coastal zone resources have expressed their concerns and interests, thus generating views and values that might not otherwise have been analyzed.

Ideological clashes at public hearings attracted press coverage of the planning process that increased citizen awareness of the complexity of the issues.

Commissioners were insulated from certain kinds of political pressure, allowing for decision-making freedom not always enjoyed by elected officials.

Since resource-allocation decisions involved, besides market considerations, such planning options as preservation of low-income neighborhoods and a variety of lifestyles, new kinds of citizens were drawn into the planning process.

Because the commission also dealt with implementing the plan, methods of public acquisition of land were a major concern and produced new ideas relating to both acquiring land and financing its acquisition.

COSTS AND BENEFITS

Is this planning experience relevant to other areas of state concern, such as health, transportation, criminal justice, education, and housing? Or should only "experts" plan? Do the political and financial costs of citizen participation outweigh the benefits? The question of costs—$2.5 million annually is spent by the seven commissions—is a legitimate one. But so is the question of benefits. How do we measure the fact that hard-hats and environmentalists, lawyers and surfers, the rich and the poor, the young and the old, resource-owners and resources-users all were drawn into a public arena where they had to talk to each other rather than about each other? How do we measure the fact that local governmental officials have begun to reassess values and priorities in a time of rapidly changing attitude concerning the use of coastal resources?

Is it enough to price out the Coastal Plan in terms of only the obvious costs of land acquisition? What of these values, hard as they are to price.

The value of having citizens informed about planning decisions before the decisions were made.

The value of having groups of people traditionally locked out of land-use decision-making learn to ask hard questions, articulate their demands, and, when all else fails, go to court.

The value of the plan's reflection of the variety of interests and attitudes found in the electorate.

FEDERAL REQUIREMENT

The Federal Coastal Zone Management Act of 1972 clearly states that evaluation of state programs will concentrate on the adequacy of the state processes for dealing with key coastal zone issues, and not the wisdom of specific land- and water-use decisions. Since the federal act provides for the awarding of funds for use in coastal zone management, it is important to note that the process will in large part determine the funding of California coastal planning activities. Only if a state's planning processes are fair will the efforts be eligible to be considered for federal funds.

One important lesson learned through Proposition 20 has been that while public participation may produce conflict and be time consuming it also generates ideas and staff support that are rarely available to public officials. The Coastal Plan stands as evidence that citizens can work with public officials and professionals and also contribute to solving complex problems. That taste of participation in planning in a time of widespread distrust of government may well be the most valuable benefit of all.

FOREIGNERS FIND UNITED STATES A GOOD BUY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. GAYDOS. Mr. Speaker, I was extremely interested in an article published October 29 by the Pittsburgh Press which reported foreign investments in the United States now total more than $100 billion—substantially more than had been estimated.

Furthermore, the figure is based on preliminary reports filed by the Departments of Treasury and Commerce, in accordance with a 1974 law. The article, written by Mr. Robert Dietsch, goes on to explain that both Departments indicate their final reports, due before Congress next April, will show even greater investments.

This will bear watching, for Mr. Dietsch points out the value of foreign holdings here now ranges between $101 and $106 billion whereas the value of American investments abroad is listed at $147 billion. Clearly, the gap is rapidly narrowing.

Mr. Speaker, I remain convinced it is dangerous to allow foreign investors to gain unlimited control of American businesses and industries. Inevitably, such actions result in control of the economic future of our Nation and I cannot believe that is in the best interests of America and her people.

I am inserting Mr. Dietsch's article into the RECORD for the consideration of my colleagues:

U.S. INVESTMENT BY FOREIGNERS TOPS $100 BILLION

(By Robert Dietsch)

WASHINGTON.—Foreigners today have more than $100 billion invested in the United States, substantially more than had been estimated.

In preliminary reports required under a 1974 law, the Treasury Department said foreigners have between $80 billion and $85 billion invested in private stocks and bonds and government securities.

The Commerce Department said foreigners have at least $21.7 billion directly invested in American companies and land.

A final report for this year must be given Congress next April, and both departments indicated those reports will show even greater investments.

Americans have about $147 billion invested abroad—$118 billion in foreign plants and U.S. subsidiaries and $29 billion in foreign securities.

Commerce said direct foreign investment rose 200 per cent since 1961 and accelerated relatively rapidly in recent years. Major sources have been Britain, Canada, The Netherlands, Switzerland, Germany, France and Japan.

Almost 90 percent of foreign investment in securities here is linked to Switzerland, Britain and Canada. Much of the Swiss investment has been made on behalf of citizens of other countries whose identities are hidden by secret Swiss banking laws.

Treasury said U.S. security holdings by oil-rich Arab countries was only about 3 per cent of the total. The oil producers undoubtedly have been investing through Swiss banks, so the extent of such investments aren't known. Direct investment by Arabs in U.S. companies and land so far has been minor.

It was potential threat of increase Arab investment that triggered congressional fears of Middle East countries taking over U.S. corporations.

Those fears brought on a spate of bills to limit foreign investment here. The bills are still in committee and may be revived in light of the latest reports.

The Commerce report noted "foreign direct investments in the United States, despite recent large increases, are still a relatively small factor in the nation's economy."

Foreign investment has been concentrated in manufacturing, petroleum and insurance. Investments have recently been stepped up in U.S. real estate, but firm figures aren't yet available.

The report said foreigners recently have made major investments in:

Indian Head Inc., Signal Oil and Gas, Magnavox, Foster Grant (sunglasses), Motorola, National Union Electric and Bantam Books.

The report said "one sizable investment from Eastern Europe was reported in 1975, a Romanian joint venture with Occidental Petroleum Co. to develop a metallurgical coal mine by Occidental's Island Creek Coal Division.

U.S. affiliates of foreign companies employ 411,000 persons here, the Commerce report said.

The employe totals include Ohio, 25,224 persons with an annual payroll of $238 million and Pennsylvania, 23,403 and $206 million.

U.S. MILITARY PLANNING IN WESTERN PACIFIC

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. WON PAT. Mr. Speaker, many of the American people are deeply concerned about the long range planning for U.S. defense installations in the Western Pacific, particularly those of the Navy. Programs have been proposed to expand facilities in foreign countries, primarily Japan and the Republic of the Philippines, when there is good reason to question whether these facilities would be under our direct control for use as our national security needs and interests dictate.

In the case of the Philippine Islands, the government there has already announced intentions of exercising greater control over the uses of U.S. bases in that country and of instituting unspecified changes in policies regarding control of the Subic Bay Naval Base and Clark Air Force Base.

Increasing our facilities on these bases at a time when existing facilities are threatened with forced elimination or curtailment of operations by the local government seems to me to be imprudent. We should learn from our experiences of recent years in Southeast Asia, Europe, and the Middle East, where bases have either been closed or their use severely restricted for the support of U.S. policies. The billions of dollars invested in these bases was proven to be greatly wasted.

The same reasoning applies to U.S. facilities in Japan, although to a lesser degree. Local government policies and pressures have forced closure of many of our bases there also.

I particularly question the wisdom of placing greater dependency on Navy bases in foreign countries of the Western Pacific as a suitable alternative exists nearby in Guam. While expansion is taking place in the Philippine Islands, facilities in Guam have been curtailed, particularly at the Guam ship repair facility where operations have been severely decreased.

U.S. bases on U.S. soil is the best insurance of needed capabilities being available when needed. Dependence on foreign installations is an unreliable policy and should be avoided whenever possible.

There also exists the question of whether we should needlessly export U.S. dollars and jobs to foreign countries with economic conditions as they are in our own Nation.

Naturally, I am also deeply concerned about the effects of ship repair operations levels on the economy of Guam. Unemployment on Guam presently exceeds 9.6 percent. Contributing to this was the layoff earlier this year of more than 360 repair facility workers and termination of an important apprenticeship program. There is little room in the civilian economy for the skills of these workers. Their individual problem is compounded by the fact that there is no unemployment insurance program on Guam.

I intend to reintroduce legislation which would partially rectify this situation. The present practice of unnecessarily depending upon foreign governments for support of U.S. forces and policies is alarming and myopic. Unnecessarily displacing skilled American workers in the process is indefensible. The welfare and defense of the United States would be better served in many ways by relying as much as possible on vital installations such as naval shipyards being located on American territory, manned by American workers, where permanent availability is greatly more insured.

Thank you.

FORD'S FENDER BENDER REVIVES SEAT-BELT ISSUE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. JACOBS. Mr. Speaker, I insert the Washington Star article by Charles Ewing. It was published October 24th, 1975.

I realize that once in a blue moon a seat belt might actually cause rather than prevent injury.

But in the absence of blue moons, I cannot, shall we say for the life of me, understand why people would not fasten seat belts around themselves in automobiles or wear safety goggles while using grinders on metal.

I wish common sense were more commonly accepted.

The article follows:

FORD'S FENDER BENDER REVIVES SEAT-BELT ISSUE

(By Charles Ewing)

When President Ford's 1972 Lincoln Continental limousine and James Salamites' yellow 1967 Buick sedan collided the other day in Hartford, Conn., the resultant bang started reverberations which are still resounding in Washington corridors.

The obvious questions about why traffic at the intersection was not halted during the passage of the presidential motorcade have been asked and answered, albeit inadequately, and the chief executive's future safety remains a matter of concern to many citizens.

Among those concerned citizens are the alert representatives of a Washington public relations firm which promotes the use of safety belts in automobiles. First off, they wanted to know whether President Ford had been using his own seat belt at the time of the collision. And they also wanted to know whether the President's Secret Service driver was buckled up.

The safety belt protagonist pointed out in a memorandum to a reporter that the Department of Transportation, which promulgates the rules requiring the installation of safety belts in passenger cars, has a policy of telling its own employes to use them.

"Will the President buckle up in the future?" the memorandum asked.

Wire service reports from the scene in Hartford established that the official limousine was equipped with safety belts. It was reported later that the President was not buckled down at the time of the collision, in which he was uninjured. The speed of the official car was estimated to have been about 15 m.p.h. at the moment of impact.

Accounts of the incident say that the President was riding in the right rear seat of the stretched-out Continental (34 inches longer than the standard model). Connecticut Republican Chairman Frederick Biebel was sitting at the President's left, with Rep. Stewart B. McKinney, R-Conn., riding on a jump seat. The agent in charge of the Secret Service detail, Ernest Luzania, was riding in the right front seat.

When the Buick carrying six young people entered the intersection of Talcott and Market Streets with a green light, Secret Service Agent Andrew Hutch swerved the President's car to the left. The Buick's front end hit the limousine's right front wheel, knocking off a hub cap and a piece of chrome strip. The Buick's front end, hood and engine were banged up, but none of the startled young people inside it was hurt.

The only person reported injured was Rep. McKinney who broke a finger on his left hand when he was bounced into the President's lap.

Although the seatbelt people referred to the Hartford incident "as a lost opportunity for the President to provide positive leadership in the area of auto safety," it should be a reminder to most of us—who are not protected by massive armor-plated automobile shields—that car occupants need to use those safety devices. Having the belts and shoulder straps in the car provides the means of avoiding injury or death, but, like a neglected life-preserver, the belt system cannot save anyone who refuses to use it.

This brings us all back to the continuing controversy about Motor Vehicle Safety Standard 208. This standard is the authority for requiring safety restraints in cars. It revised after a congressional uproar about the no-buckle, no-start interlock belt system last year. The National Highway Traffic Safety Administration has favored "passive restraints"—instead of safety systems involving a motorist's voluntary decision to buckle a lap belt or shoulder strap—because only about a fourth of the nation's drivers use the lap belt and even fewer use the shoulder strap.

The passive restraint most widely employed so far (aside from padding) has been the air bag, an inflatable cushion which is set off automatically by a front-end collision. It was installed in several thousand big cars by General Motors as an option priced at $225. In most of the relatively few cases in which cars equipped with the bag system had collisions, the bag system appeared to work satisfactorily. In one case, a New York man has sued GM for $6 million, claiming that the air bags in his Buick failed to deploy properly, resulting in his having been injured last summer.

As a matter of personal judgment, I bought seat belts as add-on equipment for our family car back in the early 1950s. Our children were taught to use them and threatened with loss of driving privileges if they sat on the belts instead of wearing them. On the issue of having the President and the Secret Service buckle up as an example to the driving public, however, it is evident that the decision should be made strictly on a basis of presidential security.

As a practical matter, in a given location and at a certain speed, it may make sense for the driver and the occupants of the President's car to be buckled in snugly. Some Washington area policemen who had to give up their safety belts for an experimental fleet test of the air bags reported feeling that they had much better control of the car while securely anchored to the driver's seat.

But in other situations it might be safer—as providing a spit-second difference in reaction time—if the President and his protective escorts are able to hit the deck or take other evasive action as they did when fired on in Sacramento.

For the rest of us, who may need more than a nudge than that of a Cadillac Seville's seat-belt warning chimes but still don't like the idea of being temporarily immobilized by an air bag's going off in our faces, there is a third alternative. It is the no-buckle, no-sweat belt system installed by the American Safety Equipment Corp. on some Hornets this year. With this system, the belts enclose you automatically when you enter the front seat. When you're ready to get out, you simply hang a loop in the center over a hook next to the windshield. There is no fumbling for buckle or scabbard because the system stays connected at all times. It just opens up to receive you when you get in or to release you when you get out.

HURRY, BAN THE CAR! IT'S A DEADLY WEAPON

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. SYMMS. Mr. Speaker, as the House Judiciary Committee is considering gun control legislation I would like to share with my colleagues a little satire written by columnist John Lofton, Jr. It is entitled "Ban the Car! It's a Deadly Weapon" and makes the point that if we ban guns, then maybe we should ban cars also:

CARS KILL PEOPLE: HURRY, BAN THE CAR! IT'S A DEADLY WEAPON

(By John D. Lofton, Jr.)

WASHINGTON.—My God! In the name of all that is humane and decent, the question must be asked over and over again until something is finally done: when is the insane, mindless carnage going to be stopped!!!

There are now over 100 million of them in circulation, and almost any Tom, Dick or Harry can walk in off the street and buy one. According to the World Health Organization, they kill 26.5 Americans per thousand; the annual number totalling nearly 50,000 deaths. When is the U.S. Congress going to enact some kind of meaningful car-control law? What does it take?

Now, it's the President of the United States, almost wiped out when his limousine is struck broadside by a carload of teenagers in Hartford, Conn. But is Mr. Ford concerned? Apparently not. Shortly after the so-called "accident," he tells Secret Service agents and staffers: "These things happen. Don't worry about it." Incredible!

The Chicago Tribune quotes a White House source as saying an investigation has been ordered since "somebody didn't function properly." Evidently the official White House view is that people cause accidents, not cars. Absurd!

It is absolutely essential that the Congress do two things to restore the peace and tranquility to our cities that has been eroded by the omni-presence of the automobile.

The first step is to turn the spigot off. The manufacture, importation, sale and transfer of cars must be made illegal, except for police, the military and certain licensed auto clubs. Deactivated antique autos ought not to be outlawed however.

Secondly, positive aggressive steps must be taken to reduce the number of cars already in circulation now. For a period of time, say six months, car owners should be allowed to turn their vehicles in to the government—no questions asked—and they should be financially reimbursed at the current fair market value.

After this time period has lapsed, then the use, ownership or possession of a car would be illegal.

I weep for my country when I think about the following statistics:

Among the nations of the world, cars in the United States kill more people per thousand vehicle miles than most countries on the face of the earth. Only Austria, West Germany, Australia, and Canada have a higher auto murder rate than America.

During the peak years of the hostilities in Southeast Asia, more Americans died in auto accidents than were killed in the Vietnam War. Scandalous!

At 1972 rates, a child born in Atalnta, for example, had a one-in-28 chance of being made dead, seriously maimed, or severely frightened by either a car, a car owner or someone who knew a person owning an automobile.

The United States is the only major country between Canada and Mexico without a meaningful car-control law. A truly barbarous situation!

Getting the cars off our streets will not be an easy task. There are a lot of car-nuts in this country who believe that the Constitution does not prohibit their owning such a means of transportation. And the car lobby is perhaps the most powerful special-interest group in Washington. But car-control legislation must be enacted, and enacted now!

There is a lot of loose talk about the purposes of automobiles, but they really have only one: running over people. The next time someone tells you that people kill people, cars don't kill people, tell the individual saying this that he or she is wrong.

Remind her or him that if cars had been outlawed there would have been no reason for the Hartford police to guard that fateful intersection. And in addition, there would have been nothing for the President to have been riding in and therefore there would have been nothing to run into.

It's true that anyone who wants to run over someone with a car will probably get one somewhere. But an effective car-control law will make it a lot tougher for a person so inclined to get one of these killer machines.

MONTY ODETT'S DEATH—AN AWESOME LOSS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. ROUSSELOT. Mr. Speaker, it is appropriate that I pay tribute to a much respected community leader of Palmdale, Calif., Mr. Lamont Odett. It was with deep sorrow that the people of the Antelope Valley received word of Monty's passing on October 14.

Dedicated to the very best in journalism, Monty Odett was a conscientious newspaperman. As editor and publisher of the Antelope Valley Press for 17 years, he led that paper into significant growth without sacrificing its community orientation. He expressed the integrity of responsible reporting. Monty Odett was a skilled journalist and publisher who consistently and persistently worked for the good of the community.

I join with those who mourn Monty's passing. The following is an editorial from his paper—the Antelope Valley Press. The article typifies Monty as the fine newspaperman and community leader he was.

MONTY ODETT'S DEATH—AN AWESOME LOSS

The death of Monty Odett on Tuesday is an awesome loss to the Antelope Valley.

His contributions during his more than 17 years as an involved citizen of this community are enormous.

By word and deed, he promoted the Antelope Valley, lending the support of his newspaper and his personal involvement to innumerable community projects and causes.

As the editor and publisher of the Antelope Valley Press, he wholeheartedly supported any project that he felt would better the community.

In addition, he actively personally worked in numerous community endeavors. About the only thing that ever prevented him and his wife, Miriam, from attending any major community function was if they had other commitments at the same time.

He will be known as the prime moving force that made it possible for the Antelope Valley Freeway to be built on a continuing year-by-year schedule. As chairman of the Antelope Valley Freeways and Transportation Committee, his low-key, friendly leadership was responsible for the annual flow of money that made it possible for the freeway project to be moved ahead steadily, without delay.

He was a civic leader in the classic sense, always willing to devote himself to the job at hand.

As president of the Antelope Valley Progress Association (now the Board of Trade), and as chairman of the Four-County Development Committee, he demonstrated strong leadership in pushing for improvements on the high desert.

He was a key factor in bringing about the joint-use agreement that resulted in the development of the Palmdale Air Terminal.

Water, schools, streets, parks, libraries, and all kinds of community service developments were enthusiastically supported by him.

He insisted on thorough coverage of the community—its activities, its people, its problems, its tragedies, and its triumphs.

The growth and singular success of the Antelope Valley Press was due to his tireless zeal in leadership in publishing "Your Community Newspaper".

Now that an untimely death has forced him to vacate the desk where he guided the destiny of the Antelope Valley Press, his two sons, Monty Jr. and Bill, will continue on in his place.

The Antelope Valley Press will continue to be guided by the community-oriented journalistic principles practiced by Editor and Publisher Monty Odett. The entire newspaper staff pledges to strive to live up to the outstanding example of a dedicated newspaperman—Monty Odett.

There will be no "30" at the end of this story, because the spirit of Monty Odett will live in this newspaper and in this Antelope Valley.

SOCIAL SECURITY FOR HOMEMAKERS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Ms. ABZUG. Mr. Speaker, on October 22, 1975, I testified before the Senate Committee on Aging regarding their task force report "Women and Social Security: Adopting to a New Era." This report discussed the many inequities that women suffer under the existing social security system. I am particularly concerned about the failure of the social security system to provide benefits to those who work without pay in the home. I introduced a bill to extend social security coverage to homemakers when I first came to Congress and again in the last session. Following the hearings of the Senate committee, this issue has received increasing attention. I have received letters of interest and support from women and men throughout the country. I will soon introduce a more refined bill dealing with this issue.

In an effort to encourage consideration of this crucial problem I would like to take this opportunity to insert my testimony which describes the inequities in the current system, and also proposes several solutions to remedy them:

TESTIMONY OF BELLA S. ABZUG, SENATE COMMITTEE ON AGING; RESPONSE TO "WOMEN AND SOCIAL SECURITY: ADOPTING TO A NEW ERA," OCTOBER 22, 1975, AT 9:30 A.M., DIRKSEN SENATE OFFICE BUILDING

The holding of this morning's hearing is an indication of the growing recognition by the Congress and the public of the severe inequities women suffer under the existing social security system. The proportion of women receiving social security benefits has increased from 58% in 1960 to 86% in 1974. Forty-six percent of these women are entitled to benefits on their own earnings record as compared to the 1960 figure of 25% and forty percent are entitled on the basis of their husbands' earnings. However, the earnings of these women have decreased from a 1939 high of 69% of the level of male workers to only 48% of all employed males and to 55% of all full-time male workers. And these numbers are even lower for black working women. Thus the proportion of women workers who receive benefits on their own earnings record and as wives and widows has increased from 4.6% in 1960 to 10.5% in 1973.

Despite the increased participation of women in the labor market, the majority of women are still homemakers. These women get no social security in their own right, but merely share in their husbands' benefits provided they remain married for twenty years. Women divorced prior to their twentieth wedding anniversary get no social security benefits. Even among those women who are wage earners, many do not earn a sufficiently high salary to secure greater benefits than those received as their husband's wife. In 1974, fourteen percent of aged women received no social security benefits and forty percent received benefits as dependents of their husbands.

The maximum annual benefit payable to the "wife" of a retired worker in 1973 was only $1,556.40.

The "Working Paper" prepared for this Committee recommends the elimination of sex-based provisions, such as the dependency requirement for widowers, and the extension of benefits to divorced husbands and surviving husbands with minor children. This will permit the contributions of women-workers to purchase benefits for their families previously available only to male workers. I support this concept and have introduced a bill which incorporates most of these changes. Passage of the Equal Rights Amendment would assure equalization of these benefits without additional legislative action.

The Task Force package represents an important first step, but it fails to include any independent coverage for homemakers. Its recommendation to reduce the marriage requirements from 20 years to 15 for coverage of a divorced spouse is not sufficient. A five year requirement would be more equitable. I have introduced a bill, H.R. 4359, that would do this. My bill ensures that most divorced spouses receive social security benefits.

Another area requiring immediate remedial action is when a two earner couple receives less total benefits than a single earner couple making the same salary as their combined income. Besides getting less benefits, the two wage earners pay more social security task. I have introduced a bill, H.R. 4357, which will end this discrimination by allowing both workers to combine their incomes for the purpose of calculating their social security benefits. Each spouse would receive an equal share of the benefits. This change will particularly benefit working couples with incomes under $14,000 and insure that they are not penalized for having a working spouse rather than a homemaker spouse.

This bill also would eliminate dependency requirements for entitlement to husband's insurance benefits and widower's insurance benefits and also does away with the retirement test for certain widows and widowers with minor children.

Although the working paper discusses the question of extending coverage to homemakers, it fails to make any recommendation. I believe this area to be of crucial importance to non-employed and employed women. Of course, any legislation for homemakers would apply to women and men.

There is no dispute that homemakers perform valued services for their family and society. Studies estimate the imputed value of homemaker services at 21% of the Gross National Product. But these workers are excluded from social security protection because their work is unpaid. The result is dependency upon the husbands' earnings. Moreover, if a homemaker becomes disabled, or separated, abandoned or divorced, neither she nor her family can collect social security benefits to compensate for the loss of her services. The failure to provide the homemaker with a social security account in her own right not only reinforces the stereotype of the dependent wife but also denigrates the important contribution of the homemaker to her family, her husband's career and to society.

I introduced a bill, H.R. 252, in the last session and in the previous session which would extend social security coverage to all homemakers—married, divorced, singled or widowed. A homemaker is defined as any person between 18 and 65 who performs household services for other persons, one of whom is a wage earner. Each homemaker would receive a benefit in his or her own right based on the value of the services provided. The additional benefits were to be funded out of the general revenue. I intend to reintroduce H.R. 252, but with a more sophisticated funding mechanism.

A new bill should incorporate a wage for homemakers commensurate with the services provided. I am indebted to the Chase Manhattan Bank for its pamphlet, "What's a Wife Worth?" which calculates that the average housewife, with no outside job, puts in a total of 99.6 hours a week at 12 different unpaid jobs in the home—jobs like nursemaid and laundress, cook, dishwasher, seamstress, maintenance worker and chauffeur. And that doesn't include all the house work she volunteers for community and school activities.

Chase estimates that if the average housewife were paid for all the services she would perform, they would cost $159.34 each week, or $8,285.68 a year. That happens to be more than the average salary of the woman who works outside the home. All together, Chase puts the worth of America's housewives at more than $250 billion a year. Other estimates value a wife's services at $13,000 per year.

Every homemaker would have an account in her own name which is retained regardless of separation, divorce, death or remarriage. The earning credits accumulated as a homemaker could be added to if the individual later works outside the home. This is especially important because many working women drop out of the labor-force for some length of time to rear their children and then return to work. Under this plan these women would continue to accumulate social security credit as homemakers. This will result in continuous coverage and higher benefits for working women as well as independent benefits for those who remain homemakers.

The bill which I originally introduced provided for the payment of benefits out of general revenue. This concept recognizes that a homemaker has neither salary nor employer but that her work benefits our entire society. I am also considering a totally new method of funding which parallels the present social security system and provides for a contribution from the working spouse and his employer. This concept is based on the recognition that the working spouse and his employer benefit most directly from the services of the homemaker.

Consideration is also being given to an increase in the maximum amount taxed by social security to enable some relief to low income homemaker couples who will bear a disproportionate share of the social security tax burden. Perhaps this is the time to consider whether workers who earn larger salaries should pay a tax on all their earnings. This too could provide sufficient revenue to pay for homemaker benefits.

These proposals differ from the other funding suggestions in that they do not depend solely on contributions from the homemaker and her husband. The proposed self-employment tax depends solely on the voluntary contribution of the homemaker's spouse. Unlike other workers covered by social security, no contribution from the employer is mandated.

The income-splitting option discussed in this report fails to recognize the separate contribution of the homemaker to the economy. It is similar to the present system but credits the spouses with their own shares at the time of earning rather than at the time of retirement.

My concepts are based on the premise that homemakers contribute valued services to the economy and are entitled to social security in their own right for the unpaid work they perform.

More precious than gold, silver or even gasoline is the combined energy of millions of American housewives, and yet their unpaid work is taken for granted as something that will just spring forth eternally.

I think it is time that their work be given dignity and their personal investment in marriage and family be given legal recognition.

SYMPOSIUM ON THE WORLD FOOD CRISIS—X: HUNGER, HORROR OR HOAX

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BRECKINRIDGE. Mr. Speaker, the importance of a moral commitment by the United States in relieving world hunger, together with a graphic description of the effects of malnutrition, were explored at the World Food Crisis Symposium at the University of Kentucky April 1 and 2. Participants in a forum, entitled "Hunger: Horror or Hoax," were Herbert J. Waters, president of the American Freedom from Hunger Foundation; and Dr. Joseph Fordham, University of Kentucky Nutrition Department. Their comments follow:

COMMENTS ON WORLD HUNGER

(By Herbert J. Waters)

Believe me, the horror of hunger is very real for those hungry and suffering right now.

In the midst of our own affluence and normal abundance, we have perhaps too long taken food for granted, and too long ignored the history of mankind's struggle to feed itself.

The adequacy of food is perhaps today a matter of even more vital national and international importance than ever before. We are now face to face with a world food crisis—and one or two years of bumper food crops in our own country won't solve it.

For vast populations of many "have not" nations, and for vast numbers of "have not" people within all nations, the food crisis has existed for a long time.

Grim statistics abound. Two-thirds of the world's population already suffers from malnutrition. Millions live on the verge of starvation, right now. An estimated 10,000 deaths each day are attributable directly either to lack of enough food to sustain life, or of the right kind of food to ward off disease. Malthusian prophesies are increasing in number. Starvation on a massive scale, within the next decade, is still being predicted unless far more is done to prevent it.

Over the past two decades, in some 65 countries, I have talked with youngsters with bloated and extended bellies, dying of protein calorie malnutrition, among empty-breasted mothers desperately trying to keep their babies alive, among the wizened and elderly waiting to find escape in death, giving up meager food so younger and more useful members of their families could live . . .

It has only been over the past year, when scarcity and threatened scarcity forced food prices up even for the more affluent people and nations, that we suddenly had a great new awakening of public concern over the world food crisis, reaching its peak at the World Food Conference in Rome last November.

Perhaps, now, we have an opportunity to mobilize public concern into public action, to assure everyone's chance to survive, to assure everyone's chance to become productive, to assure everyone's opportunity to eat.

That's why we are here . . . and I congratulate all of you and your sponsoring group, for your awareness of the challenge ahead. I want to particularly commend your Congressional representatives participating in this conference, for their awareness and leadership.

Let's hope that out of this conference, and the growing number of others like it, all over our country, we can arouse a new moral commitment.

For make no mistake about it: what happens from here on will depend, to a great degree, upon you and me and others like us.

Throughout other panels of this conference, you will hear many experts talk about what COULD be done—by research, by technical assistance, byt expanding production in countries needing it the most, by greater sharing of our own food supplies. But there's a long path between what CAN be done, and what WILL be done. The answer is going to be up to our own country, as both the world's greatest agricultural producer and the world's largest consumer on a per capita basis, to provide leadership, and set the pace.

The American Freedom from Hunger Foundation took the leadership last year in creating a World Hunger Action Coalition, mobilizing some 75 organizations and more than 300,000 American citizens to express to our government the concern we felt.

We believe we were helpful in getting stronger government commitments out of the World Food Conference. The world turned the spotlight on hunger in 1974. Never before in history have as many people become aware of the gravity of the world food crisis.

Never before in history has the world's family of nations committed itself to the goal that, within a decade, "no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition."

Never before have the hungry, despairing people of the poorer developing nations—or even the poor and struggling within our own nation—had more reason for hope. For never before has the traditionally slowly moving mechanics of international organizations been galvanized into quick action in the right direction. They know now that the situation need not be helpless; that what appeared to be insurmountable problems can be solved—if we will it.

Yet never before has the United States itself, and its people, become more vulnerable—and answerable—for the outcome. For while the problem is a global problem, and it requires global answers to solve it, the United States did initiate the World Food Conference in Rome.

The year 1974 has passed into history. The year 1975 is now with us, and the spotlight of the world is turning, and will turn, remorselessly, upon *us*—upon our government and upon you and me.

Whether the pledges and the hopes of 1974 will become more than rhetoric, whether they will move toward reality, will in the long run depend upon us—upon you and me, not just our government.

The spotlight of 1975 is upon the United States. And your conscience and mine must, in the long run, determine how well, or how poorly, we move.

Most of us who went to Rome know it was a starting point—an opportunity, not a solution. It is the best opportunity we have for awakening the world—and the U.S.—to the crucial challenge ahead, and the urgent need for global answers that require global cooperation—and more commitment.

It is an opportunity to stem the tide of isolationalism in the U.S., and revive and renew support for the right kind of economic assistance aimed at helping people—not killing them by spreading tools of war as political bribes.

The real test of the world is going to be who is really concered about people, rather than power—and who is going to put that concern for people first.

Right now, a billion dollar investment in food for the hungry of the world would be a far greater security investment than another two billion spent on ballistic missiles.

We invite you to join us, in the American Freedom from Hunger Foundation—as hunger fighters, for humanity's sake.

All of us must make the best of this opportunity. It may well be our last.

HUNGER: HORROR OR HOAX, NUTRITIONAL ASPECTS OF MALNUTRITION

(By Joseph R. Fordham)

I'd like to talk about the natural things that happen when a person is malnourished, some of the horror that does result, and also about some of the things that are being done or could be done to alleviate this horror.

In terms of human losses there is no doubt in my mind that prolonged hunger and its concomitant malnutrition is a horror—and that man must make the commitment to eradicate it from this planet.

There are some forty nutrients that we need in order to survive, that we must obtain from our food supply. The Food and Agriculture Organization (FAO) of the United Nations points out that about two-thirds of the world's people either lack enough energy or obtain insufficient amounts of one or more of these essential nutrients from their daily food.

In the less developed nations the most seriously lacking nutrients are protein, energy or a combination of protein and energy, and vitamin A. Those are the three that I would like to focus on in my time today.

Protein malnutrition is the most prevalent form of malnutrition in the world today. The FAO world survey of 1963 estimated that some degree of protein malnutrition may affect 50% of the children in the developing countries. Neville Scrimshaw, the noted nutritionist of the Massachusetts Institute of Technology, states that protein malnutrition is a public health problem in every country of the western hemisphere south of the United States, in all the countries of Africa south of the Sahara, in India, and in most countries of the Middle and Far East.

In its severest form protein malnutrition is called kwashiorkor. The word comes from the Ghan language and means something like "the sickness the older child gets when the next baby is born." The name is appropriate since it occurs when the baby is weaned from its mother's breast—when the high protein diet of mother's milk is taken from him and he is weaned to a diet consisting of starchy gruels. This is often coincidental with the birth of the next sibling.

The symptoms of kwashiorkor are retardation of growth, edema, muscular wasting, depigmentation of skin and hair, flaky point dermititis—splotches on the skin, atrophy of the pancreas, diarrhea, and moderate anemia. Usually a vitamin A deficiency is present along with the protein deficiency and this results in permanent blindness. The individual is prone to infections which along with diarrhea result in serious deterioration.

If the protein malnutrition is accompanied by caloric lack, the condition is called marasmus which is characterized by severe tissue wasting. Some children appear cadaverous—a living skeleton—skin and bones.

Scrimshaw estimates that for every case of kwashiorkor there are 100 cases of protein malnutrition that result in retarded physical growth and psychomotor development. It is in mental development that malnutrition may take its greatest toll. The human brain undergoes three major phases of development:

1. hyperplasia—where the total number of brain cells is rapidly increasing and cell size remains constant.

2. hyperplasia and concomitant hypertrophy—where cell division is slowed down but cell size is increasing.

3. hypertrophy—where brain growth occurs only by enlargement of individual previously formed cells.

Protein, energy, vitamins, minerals and essential fatty acids are known to be involved in the cellular development of the brain and nervous system which extends in the human from early in the pre-natal period at least to the 18th month of post-natal life and some believe as long as the 3rd year of post-natal life. Nutrition may influence the number of cells that develop in the brain and since the capacity for cell division in the brain is lost early in life, permanently impair mental development. Data from animal studies and limited data from brains of children who died of malnutrition indicate that the total number of brain cells is reduced by malnutrition.

So the first three years of life are the critical years for brain development in the human. After this the brain no longer develops and you have what you had at that time.

Do we know for sure that the brain is really harmed by malnutrition this early in life? The effect of nutritional deprivation on learning capacity and behavior has been investigated in both laboratory animals and man. The animal data collectively supports the concept that severe malnutrition permanently impairs learning. In human experiments, all of which lack adequate controls, the data is very suggestive that brain development and future mental development is impaired by malnutrition in early life.

We know today the causes of the disease of malnutrition. It's not like we are fighting an unknown. In this country we worry about cancer and atherosclerosis. We don't know the exact causes of these, we are trying to find that out. But we know the causes of the diseases of malnutrition.

In the case of vitamin A deficiency it would cost ten cents per person to supply enough synthetic vitamin A to prevent blindness from xeropthalmia or keratomolacia for one year. A hundred thousand dollars could prevent blindness in a million children for a year. Vitamin A deficiency is the major cause of blindness in developing countries. Millions of children are potentially threatened each year. The UNICEF-WHO Joint Committee on Health Policy of 1972 acknowledges:

(a) the need for earlier and more frequent diagnosis of xeropthalmia.

(b) the value of intermittent large doses of vitamin A to infants and children as a prophylactic measure.

(c) the continued effort to provide regular and adequate vitamin A intake through fortification of indigenous foods.

(d) the training of adequate public health and nutritional personnel to carry out prophylactic programs and educate the populace and governmental representatives of the value of such measures.

Successful programs to alleviate protein malnutrition have included production of low-cost high protein infant foods for post-weaning children. The Institute of nutrition for Central America and Panama (INCAP) have produced a mixture of corn, sorghum, cottonseed flour, torula yeast, vitamin A and calcium carbonate which is sold under the name of Incaparina and is widely accepted as a beverage or gruel at a cost of 4 cents per day. The mixture provides all the essential nutrients for a growing child and will correct all the deficiencies associated with kwashiorkor.

Similar combinations of low-cost commodities have been developed for other regions.

Malnutrition and infectious diseases work synergistically, worsening the character and course of the disease and increasing the death rate therefrom. The common infectious diseases of childhood have catastrophic effects in the malnourished, and is a major cause of the high mortality and sickness rates among preschool children in developing countries. Scrimshaw in 1969 reported that in the years from 1959–64 the mortality rate from measles in Guatemala was 400 times that in the United States. The incidence and severity of acute diarrheal disease in infants are directly related to the degree of nutritional deficiency. Pathological states are the cause of many nutritional abnormalities and nutrition is a major factor in both the prevention and therapy of numerous diseases.

We have at our disposal today a vast store of nutrition knowledge but are faced with the realization that much of this knowledge is not being used for the improvement of human health on an international level. We still have much to learn about basic nutrition principles, but the disconcerting fact is that we have not taken much of the knowledge we have and applied it to the solution of the problems of malnutrition.

A concerted international effort is called for on the part of nutritionists working with anthropologists, sociologists, agriculturists along with biological and physical scientists. Only then will the world hunger-malnutrition-population problem be solved. We have learned during the course of this forum that a global effort is needed to increase world food production and to distribute it more equitably. Technical assistance for agricultural and economic development must be provided to the less developed countries. In addition, professional and lay personnel in nutrition must be educated in these countries in order to provide nutritional health services for those in need.

I quote the words of Dr. Normay Borlaug, father of the Green Revolution, spoken on receiving the Nobel Peace Prize in 1970. "If you desire peace, cultivate justice, but at the same time cultivate the fields to produce more bread; otherwise, there will be no peace."

GOVERNMENT REGULATION

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. BROWN of Michigan. Mr. Speaker, I have just released a poll of my constituents which shows 79 percent of those responding think government is involved too much in their lives. Government regulation is one of the ways most frequently mentioned.

And no wonder.

Consider what we spend regulating ourselves—an estimated $130 billion annually. Distributed among America's families, that means each pays on the average $2,000 a year for Federal Government regulatory activities.

Can anyone say benefits are commensurate?

Yet, ironically, there persists, at the same time today, strong public advocacy for still new government agencies and regulations to protect the consumer. I cannot help but think, however, that if consumers and officials knew in advance the cost of each new law and each new proposed rule, both of which are borne by the public, that government regulations—to the extent they are excessive—would be curbed.

By far the most serious problem is "economic" regulation. The Federal Government too frequently is found intervening directly in the marketplace, fixing prices, erecting questionable barriers to entry, allocating markets, sanctioning collusive bidding, and delaying or even prohibiting necessary technological progress.

Something is wrong when—

A small airline operating within a State can profitably fly passengers for as little as $15 a trip, while an interstate airline, which must operate under regulations established by the Civil Aeronautics Board, must charge $31 for the same trip;

A company owning three small TV stations must file a license renewal application with the Federal Communications Commission weighing 45 pounds; and

Government inspectors with little business expertise are permitted to walk into any company unannounced and dictate work rules.

There are few apparent benefits to the consumer from this kind of interference. Such economic regulation in areas like transportation, energy, and agriculture is estimated by the Office of Management and Budget to cost consumers from $45 to $60 billion each year.

But Government regulations are not restricted to economic activity. They extend into all facets of our daily life.

Small community hospitals, hospitals with 20 to 30 beds, find it difficult to continue to give adequate medical care because of the volumes of paperwork required by Federal medicare and medicaid health programs.

The president of Dartmouth College, John G. Kemeny, says he believes Federal power may be the most significant threat to higher education in the United States. He says:

> Federal agencies seem to be competing with each other in an effort to enforce a wide variety of regulations, and universities just cannot keep up with them.

We need to act to be sure that in our intent to serve the consumer, we have not placed in a straitjacket the suppliers of goods and services, including social services. To do so only makes the service less efficient and adds the cost to the consumer.

Thus, I am introducing today two bills to require, first, congressional committees, and then all Federal agencies to state the expected costs as well as the benefits of new legislation and new administrative rules.

Let me be clear—I in no way want to encourage additional redtape within the Government. The legislation must be enacted in a practical form, taking into consideration that some programs would have a relatively minor impact and should not be required to submit such an analysis. However, for those that are to be so required, I think it might be well to consider the advisability of requiring them to publish the rationale behind their estimates of costs and benefits to the taxpayer and consumer.

In short, it only makes good sense that the committees of the House and each Federal agency make a determination first of the anticipated costs which will result from their proposed laws or administrative rules.

A senior Government official said it best:

> All we are asking is for regulators to consider their actions in the spirit of value received for money spent. Since consumers end up paying higher prices brought on by regulatory actions, we want federal agencies to be sure the benefits equal the costs to society.

NEW YORK AND THE NATION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. WAXMAN. Mr. Speaker, perhaps too much has been said recently about New York. After weeks of agonizing discussion, the debate has failed to turn on the question as to how to help the city survive. It has, instead, evolved into a spectacle governed more by emotion than reason. The very framing of the issues surrounding New York's fiscal crisis has created an atmosphere in which it is impossible for a responsible, middle ground to be explored. Proposals for meeting the city's needs have been linked with vindictive measures which would punish rather than truly assist. And New York languishes through it all.

The inevitable, and tragic, result is that the people of New York face the prospect of enormous suffering and social disruption. Should default occur, the effects will hardly be contained. It is naive to believe otherwise. Faith in the integrity of other American cities will further erode. Our fragile recovery from the recession could be reversed—with global implications. And should assistance come after the fall, as its full repercussions are felt, it will have to be much more extensive than even New York's most vociferous supporters are asking for now.

Most importantly, we would have to live with the realization that the generosity of the American spirit had been tested and found wanting.

In his handling of New York's crisis, President Ford has again demonstrated that he is unable, as a leader, to help us understand and cope with the dilemmas we face. He has cheapened the central issues before us, by reducing the arguments to their most elementary and meaningless levels. This sad characteristic of the Ford administration has been sustained on the issues of energy, the economy, foreign policy, governmental regulation, and now New York.

New York's dilemma, however, is central to us all. A recent column by Arthur Schlesinger, Jr., in the Wall Street Journal speaks to the symbiotic relationship between New York and the Nation, and I wish to take this opportunity to share it with my colleagues:

[From the Wall Street Journal, Oct. 29, 1975]

MAIN STREET'S REVENGE

(By Arthur Schlesinger, Jr.)

For an historian there is something at once professionally fascinating and civically scandalous about the current rage against New York City.

A student of the past inevitably finds a sort of delight when he encounters historical themes in a contemporary context. The mistrust of cities is almost the oldest, for a long time one of the most cherished and evidently one of the most tenacious of American traditions. Jefferson thought that the American people would remain virtuous as long as they lived on the countryside; but "when they get piled up upon one another in large cities, as in Europe, they will become corrupt as in Europe." "I always seem to suffer some loss of faith on entering cities," Emerson wrote Carlyle. "They are great conspiracies. . . . You can scarce drive any craft here that does not seem a subornation of the treason." Morton and Lucia White in their illuminating book "The Intellectual Versus the City" show how deeply hostility to the city entered into the 19th-Century American mind.

This hostility sprang initially from political philosophy. The Jeffersonians were convinced that a democratic republic required a wide distribution of property, and that this in turn implied a nation of small freeholds in a predominantly agricultural society. Cities meant commerce, finance and industry—militant and acquisitive wealth versus a propertyless and consequently demoralized working class. "The mobs of great cities," said Jefferson, "add just so much to the support of pure government, as sores do to the strength of the human body."

A "SIMIAN" RAGE

The hostility was nourished by the romance of the wilderness and the frontier. It was nourished by the increase of immigration, bringing alien peoples to the American shore. It was nourished too, one cannot doubt, by rural and small-town envy of the illicit pleasures and excitements supposedly rampant in the city. Mencken spoke of "the yokel's congenital and incurable hatred of the city man—his simian rage against everyone that, as he sees it, is having a better time than he is." This, Mencken argued without undue exaggeration, lay behind Prohibition, the Mann Act, the Comstock laws, the anti-evolution laws and other statutes imposed by the countryside on the city.

In due course the depravity alleged to be innate in all large cities was presumed to be concentrated in New York. William Jennings Bryan, speaking for the farmers, the fundamentalists, the prohibitionists and the other powers of rural and small-town America, called New York "the enemy's country." American cities, and New York most of all, as Morton and Lucia White summed up the national indictment were deemed "too big, too noisy, too dusky, too dirty, too smelly, too commercial, too crowded, too full of immigrants, too full of Jews, too full of Irishmen, Italians, Poles, too industrial, too pushing, too mobile, too fast, too artificial, destructive of conversation, destructive of communication, too greedy, too capitalistic, too full of automobiles, too full of smog, too full of dust, too heartless, too intellectual, too scientific, insufficiently poetic, too lacking in manners, too mechanical, destructive of family, tribal and patriotic feeling."

Since 1920 more Americans have lived in cities than on the countryside. One supposed that the ancient hatred might have diminished. Of course a certain amount of *Schadenfreude* was to be anticipated over the troubles of New York City. New York has been full of itself too long, has drained too much talent and money from the hinterlands, has been too proud and patronizing, too careless and contemptuous, not to expect that the rest of the country would derive a certain pleasure when it fell into difficulties—much as the rest of the world derives a certain pleasure from the humiliations of the United States.

But *Schadenfreude* is hardly a rational basis for public policy. Yet a President of the United States, who has displayed such solicitude for South Vietnam and Zaire, such compassion for Lockheed and Penn Central, now denounces the idea of aid to New York City and raises cheap cheers around the country by plucking the old anti-big-city nerve at every opportunity. "The imminent fall of Saigon," as Senator McGovern said the other day, "drove the Ford administration to demand another billion dollars of aid, but the imminent fall of New York finds that administration resistant even to a bond guarantee."

That is why this historian finds President Ford's calculated effort to rekindle the archaic American hatred of the cities, however fascinating professionally, sad and weird from the viewpoint of the national interest. This writer, who was born in the Middle West and grew up in New England, has no great commitment to New York. I have lived here pleasantly enough for nine years but, though I vote and pay taxes in New York, I do not quite regard myself as a New Yorker. If I still lived in Ohio or Massachusetts, I would feel just as astonished by this extraordinary display of presidential atavism.

Jefferson, as he conceded in later years, lost his argument in his own lifetime. Cities are here to stay, banks, industries, mobs, immigrants and all. The United States must stand or fall as an urban society. Our cities are of course imperfectly governed. This was true long before Lord Bryce wrote in 1888 that "the government of cities is the one conspicuous failure of the United States." American cities—New York preeminently so—are far better governed today than they were a century ago. No doubt New York has been living beyond its income in recent years, and no doubt this is reprehensible. It does seem, however, to be a peculiar charge to be made with such Pecksniffian self-righteousness by the President who is running up the largest peace-time deficit in American history and is piling the national debt to a size that would have seemed unimaginable a short time ago.

New York City is in trouble in part because of the errors of its elected officials—errors abetted. It must be said, by the great newspapers and banks of this city, which have had ample time over the last generation to compel a succession of mayors to understand the folly of their ways. But New City is more fundamentally in trouble because it has played a national role and assumed burdens for the whole country. For more than a century, for example, it has assumed the primary burden of welcoming immigrants to this land, finding them jobs, teaching them English, assimilating them to American life. In recent years it has assumed the additional burden of receiving poor and dispossessed American citizens, thereby reducing tensions and taxes in the South and in Puerto Rico. These are national burdens. They are not the product of the individual's fecklessness or wickedness of a single city. Herblock made the point effectively in his cartoon showing a figure representing New York City, the Statue of Liberty ("Give me your tired, your poor. . .") in his hand, saying to the Secretary of the Treasury: "Maybe you'd like to stand this in front of some other city."

Beyond this, New York has played a role of national leadership in vital areas of culture and communications. In communities across the Republic, music, painting, the dance, writing, publishing, the theater, television, design, museums, libraries, philanthropy are stimulated by and considerably dependent on what happens in New York. These are national, not local, services. If Main Street sets out to punish New York by forming a ring and cheering on its discomfiture, as Gerald Ford would have us do, the result will be to punish not New York alone but the nation as a whole.

A NATIONAL ASSET

New York City has made indispensable contributions to the national well-being. It is a national asset. Its difficulties have to a substantial degree national causes. If Bill Simon himself had been in Gracie Mansion for the last decade, New York would still be in trouble today. Its misfortunes are national misfortunes. Its rescue is surely a national responsibility—rather more, one would think, than the rescue of South Vietnam and Zaire.

And New York's misfortunes are national misfortunes in another sense. For what is happening in New York City, as the U.S. Conference of Mayors has done its best to make clear to the Ford administration, is part of a general urban crisis. New York is only the most visible and (because it has assumed so many national burdens) the most vulnerable of our cities. If New York goes, the chain reaction will affect not just the municipal bond market but the morale and future of cities across the land. Nor will the fall-out be confined to the United States, as Helmut Schmidt of West Germany endeavored in vain to point out to the Ford administration a little while ago. Now is the time perhaps for our President to start talking about the domino theory.

The crisis of New York City is not, as our President seems to think, an isolated matter, locally manufactured, locally sustained and local in its consequences. It is not to be solved by resuscitating small-town bigotry about big cities. That attitude died in politics with Bryan. Gerald Ford's campaign to bring it to life is a disgrace to the presidency.

NEGLECT IN THE EDUCATION OF MIGRANT CHILDREN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. FORD of Michigan. Mr. Speaker, during my tenure as chairman of the Subcommittee on Agricultural Labor, I have become painfully aware of the suffering of the children of migrant farmworkers.

Children of impoverished families, they are usually ill-clothed and undernourished. Because of the nature of their parents' work, they are forced to move several times a year and are often illegally in the labor market at the age of six. As a result, the great majority of these children do not finish high school.

While Congress has developed Federal programs aimed at improving the lot and brightening the future of these youngsters, we have fallen painfully short of any meaningful impact. In fact, my subcommittee is scheduling oversight hearings on programs for the education of children of migrant and seasonal farmworkers.

The National Education Association with its affiliates has joined with community groups around the country in an effort called Project 1975, the aim of which is to eliminate all forms of educational neglect. One phase of this project is the National Conference on Educational Neglect, designed to focus the country's attention on this national blight and provide a forum for sharing information and exploring strategies for reducing neglect in 16 specific areas.

While I urge my colleagues to find time in their busy schedules to read the complete report recently published on this conference, I particularly want to share with them one portion of that report, "Neglect in the Education of Migrant Children." I include this report and recommendation at this point in the RECORD:

NEGLECT IN THE EDUCATION OF MIGRANT CHILDREN

SUMMARY OF THE ON-SITE REPORT

There are over 500,000 migrant children in the United States and their lives are a "cycle of uprootedness and frustration." For any child, the process of switching to a new school has significant effects. When this is compounded by four moves a year, the deprivation of poverty, and an exceptionally high incidence of disease, it is not surprising that over 60 percent of migrant students never complete high school.

Lack of continuity in the migrant child's education is a serious problem. He or she is unable to adjust to any one classroom environment or to establish lasting relationships with teachers and classmates. The child is socially ostracized and regarded as an outsider and a disruptive factor. When a child attends several schools a year and is unable to remain in one school long enough to learn the subjects being taught, the result for the child is frustration and failure.

Approximately 75 percent of migrant children are Mexican American and do not speak or understand any English. Relatively few of their teachers have bilingual training and, as a result, some of these children never learn anything in school.

For most migrant children, the hardship of getting to school is an almost unsurmountable barrier to their getting an education. Of necessity, these children develop a sense of responsibility at an early age: It is not unusual for a migrant child to stay home from school in order to babysit with younger children while the parents are out working. In order to contribute to the family income, children as young as six go to work in the fields where they are exposed to dangerous machinery and pesticides. There are few child labor laws for agricultural workers. The federal minimum age of 16 is in effect only during school hours. Moreover, the federal law is frequently evaded or unenforced for migrant children.

Many migrant parents have had only negative experiences in their own public school education, and the hardship of their own lives is painful evidence that the schools gave them little of value. Migrant parents often have little knowledge about the schools their children attend and, even if they attempt to overcome their inhibitions and visit the schools or consult with the teachers, there is no time: all of their daylight hours are devoted to work in order to survive.

The federal government provides some assistance for migrant education through the following programs:

The Migrant Student Record Transfer System is a computerized communications network that provides a school with vital information on new migrant students in a few hours. In 1970 this central data bank in Little Rock, Arkansas, was established to compile the records of all migrant children, and by July 1971, all 48 mainland states were participating in the system.

Migrant Title I (E.S.E.A.) seeks "to identify and meet the specific educational needs of migrant children through: remedial instruction; health, nutritional and psychological services; cultural development; and prevocational training and counseling. Special attention in instructional programs is given to the development of the language arts, including reading, speaking, and writing in both English and Spanish."

Bilingual Education Act (Title VII E.S.E.A.) authorizes funds to school districts "to develop and carry out new and imaginative elementary and secondary school programs designed to meet the needs of large groups of people with limited English speaking ability."

Day Care and Head Start. The Migrant Division of the Department of Labor currently allocates $1.8 million to day-care programs for migrant children. The Office of Child Development administers head start programs.

The recent on-site investigation of migrant education in Arizona, conducted with the assistance of the Arizona Education Association, focused on three schools. Dysart Elementary School, Peoria, Arizona, was selected as a demonstration project for Title I, ESEA funds. The schools employed a migrant education director, and administrators, teachers and community people participated in planning and implementing the program. Some teachers participated in in-service training and gained a greater insight into and sensitivity to migrant children, and teacher aides who had bilingual/bicultural backgrounds were utilized. Provisions were made for the migrant child's physical and mental well-being by including dental, medical, nutritional and psychological services. The school uses the Migrant Student Record Transfer System.

The other two schools that were visited have not yet reached the same level of achievement as Dysart—Fourth Avenue Junior High School of Yuma, Arizona, which has recently begun to address itself to the educational problems of migrant children, and Wellton Elementary School of Yuma County, Arizona.

Problems identified by the three schools include: the frequency with which migrant children are misclassified as retarded, the need to replace English-as-a-Second-Language programs with bilingual education, and the need to expand teacher training programs.

The 1969 NEA Representative Assembly in New Business Item 11 called "upon its local, state, and regional affiliates to fully support the migrant workers' struggle for equal treatment." A program plan for migrant workers was adopted by the NEA Board of Directors in May 1974; its goal is "to cooperate and coordinate with, and to provide support to, national, state, and local efforts for improving the educational and economic opportunities for migrant workers."

SUMMARY OF CONFERENCE SESSION

Roy O. Fuentes, Director of the NEA Migrant Project, delivered a brief introduction, explaining how the Project originated and developed.

NEA President James Harris spoke to conference participants about his recent testimony in the hearings on migrant housing regulations in Fort Lauderdale, Florida, as an illustration of NEA's willingness to support efforts to protect the rights of migrant workers.

Vidal Rivera, Director, Migrant Branch, Bureau of Elementary and Secondary Education, U.S. Office of Education, contributed a brief history of Title I, ESEA programs. He stressed the role migrant educational programs have played in changing the American educational system from a static, curriculum-textbook oriented system toward one which accommodates service-dependent children subject to mobility. Title I migrant funds, he said, cover 581,000 children and 1,800 schools.

Samuel B. Ethridge, Director, NEA Teacher Rights, briefly spoke about the Migrant Project and announced that five regional conferences around the nation are anticipated to explore ways in which NEA can help.

Manuel Fierro, President, National Congress of Hispanic American Citizens, reviewed lobbying efforts for migrant legislation. NEA and other groups should demand that Congress initiate programs to deal with the migrant problem immediately and channel present federal programs in the proper direction. The National Congress of Hispanic American Citizens is lobbying for the creation of the Community Services Agency as an independent agency with a $40 million appropriation.

Gilbert Padilla, United Farm Workers, reviewed the history of the migrant workers' efforts to obtain recognition of bargaining rights. He described the struggle of the UFW to achieve decent contracts and the attempt of powerful unions to destroy it. He also stressed a general lack of awareness of the migrant situation as the major obstacle to the UFW's efforts and requested that NEA pass a resolution supporting the boycott of lettuce, grapes, and Gallo wine.

AREAS OF CONCERN AND RECOMMENDATIONS

Educational programs

1. Teacher/aide training programs being implemented should be carefully reviewed and evaluated.

2. Technical education centers should be established in communities or areas with a high concentration of migrants.

3. Career ladders should be developed for migrant teacher aides.

4. Teacher centers should focus on migrant education.

5. The NEA should assist in the development of stipended career development programs for migrant youth.

6. High school counselors should undergo a sensitizing process to better enable them to understand and identify the career needs of migrant children.

7. The NEA should hire regional migrant coordinators in pertinent areas for the duration of the Migrant Project.

8. The NEA should assist in screening, testing, and placement procedures to identify fallacious assumptions about migrant students.

9. The NEA should develop a migrant education component as an integrated part of the leadership training program for Uni-Serv directors.

Legislation

1. The existing child labor laws should be screened and evaluated.

2. The NEA should insist on state and local monitoring of legislation and migrant education programs by its state affiliates.

3. The NEA should ask state affiliates to stage an intensive lobbying effort for migrant legislation.

4. The NEA should lobby for legislation creating and funding migrant education programs.

5. The NEA should investigate the possibility of the establishment of an independent Migrant Bureau.

Research

1. NEA Research should assist the Migrant Project Director in identifying and organizing data.

2. Once the lack of certain data is evident, migrant research and evaluation should proceed to facilitate the development of remedial action.

3. Extensive research should be done on legislation and guidelines, especially in areas of high concentration of migrants. NEA Research and Government Relations should cooperate closely in this area.

RESOLUTIONS (PASSED UNANIMOUSLY)

1. NEA should grant status of permanency to the Migrant Project and appropriate funds to cover its undertakings.

2. NEA should release a definitive statement of support for the efforts of the United Farm Workers, recognizing that it is the only organization that truly and adequately represents the migrant worker in his and her struggle to be recognized as a citizen of the United States and as a human being.

GROUP RECOMMENDATIONS

1. One of the nine issues at the 1975 Critical Issues Conference should concern neglect in migrant education.

2. Cesar Chavez should be invited to be a keynote speaker at the 1975 Critical Issues Conference.

3. NEA should establish a Special Committee on Migrant Education.

4. In line with Subobjective 2.1, outlined in the Migrant Education Program Plan adopted by the NEA Board of Directors, we urge the NEA Board of Directors to take a stand supporting the Union of United Farm Workers of America in their efforts to achieve what is already theirs—the right to negotiate.

We fully support the position that NEA has taken regarding Migrant Educational Neglect, as evidenced by the recent appointment of Roy Oritz Fuentes to the position as director of the Migrant Project. He and NEA can count on our full cooperation with their efforts to improve migrant education.

WHO'S RACIST?

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. DRINAN. Mr. Speaker, the current movement at the United Nations to condemn Zionism as a form of racism cannot help but remind us of the virulent anti-Semitism which has manifested itself periodically throughout history. Those who continue to deny the right of the Jewish people to live in peace in a state of their own making do themselves display the most blatant form of racial discrimination.

In a thoughtful and concise essay in the November 8 issue of the New Republic, Michael Walzer examines the historical roots of the principle of national liberation which led to the creation of the State of Israel. Mr. Walzer perceptively points out that the anti-Zionist resolution currently under debate at the U.N. constitutes an assertion that the Jews alone, among all the peoples of the world, have no right of national liberation. The United Nations, Walzer observes, has always stood for the principle of self-determination. The denial of that value with respect to the Jews would serve to undermine the moral foundations of the United Nations itself. I commend this excellent essay to all of my colleagues:

WHO'S RACIST?

(By Michael Walzer)

It's not likely that anyone, anymore, knows what a racist is. The word is an abusive epithet frequently heard in United Nations debates—something like the old English "bounder." But it once had a more serious denotation. A racist was someone who believed, not in any casual way, but as a matter of intellectual and moral conviction, that he belonged to a master, or at least to a superior, race that ought to rule over the "lesser breeds." He claimed that there were races that had political rights and races that had none. Some South Africans still believe this.

We commonly think of racism as the ideology of the colonial period, but it is important to remember that its most extreme and frightening manifestation occurred in the heart of Europe. It was in the course of the war against nazism that racist ideology was forever discredited. In the aftermath of that war the great colonial empires collapsed, not only because the imperial states were exhausted, but also because their citizens could no longer sustain the illusion of superiority. They had seen themselves in the Nazi mirror and knew the ugliness of the racist creed.

As a world-historical ideology, racism has been replaced by national liberation. The replacement is a great gain for humanity—even if it often means only that local elites, bureaucrats and generals now rule in place of imperial officials (and with an identical brutality). Over most of the globe, the various races have managed to produce tyrants of their very own kind. But just as 16th-century Englishmen preferred Henry VIII to any foreign prince, so 20th-century Indians prefer Indira Gandhi to the British raj. They are quite right. The UN, with its 142 member states, each of them formally independent, if not actually free, represents the international recognition of that preference. It is founded on the principle of national liberation.

Now, one of the historic expressions of that principle was the establishment of the state of Israel—a state that stands for and embodies the national liberation of the Jewish people. Ravaged by Nazi racism, the Jews were reborn in one of the earliest anticolonial struggles. The rebirth was officially sanctioned by the UN, and Israel was among the first of the "new states" admitted to the international organization. Today Israel is threatened with expulsion, and Zionism, the ideology of Jewish liberation, is branded as a racist ideology. It is important to try to understand what is happening in the UN and what that brand means.

It doesn't mean that Zionists make claims about Jewish superiority; they don't. Their political convictions took shape in the world of European leftism and Jewish cosmopolitanism and are permanently identified with universalist principles. Nor does the brand refer in any serious way to the long-term conflict between Jews and Arabs in the Middle East. Such conflicts are endemic in an age of national liberation, and many states—India, Pakistan, Nigeria, Iraq, China and so on—have fought them out, often at great cost, without arousing much interest at the UN. I don't mean to endorse this callousness, or to suggest that the UN should be as indifferent to the fate of Palestinian Arabs as it has been to that of Kashmiris, Bengalis, Biafrans, Kurds, Tibetans (to say nothing of those many national groups oppressed by the Russians). The attack on Zionism is not, in fact, a claim for parallel rights for any other people; it is quite simply a denial of Jewish rights.

What the UN is in the process of deciding is that the Jews, alone of all the peoples of the world, have no right to national liberation. There are certainly precedents for that decision, but none that can be cited without shame and sorrow. The recent vote of the Social, Humanitarian and Cultural Committee of the General Assembly represents the reestablishment of a kind of racism within the world of nations: it suggests that some nations have political rights and others have none.

The Arab states and two of their allies on this occasion, the Fascist regimes of Chile and Spain, may believe that doctrine; I doubt that many other UN members do. But the others are not yet ready to see themselves in the mirror of Arab hatred. Votes are exchanged with a rare cynicism in New York, and to say that the UN has decided that Zionism is such and such is probably to exaggerate the seriousness of the process. But it is serious enough; most of the European and many "Third World" countries refused to go along. Though the UN is today a caricature of what it should be, it still represents, however inadequately, an important principle: that no race or people can legitimately rule another; that all nations have equal rights. Now that principle is being deliberately repudiated—and with it the moral foundations of the United Nations itself.—Michael Walzer.

WILLIAM YLVISAKER WARNS OF PERILS TO THE FREE ENTERPRISE SYSTEM

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. McCLORY. Mr. Speaker, it seems to me that too few of us recognize the importance of our American private enterprise system as the bulwark upon which our individual liberties, our cultural and social advantages, and our unprecedented economic position are based.

Not only in the United States but in the entire world the benefits which flow from a thriving private enterprise are crucial. Many large corporations, including the so-called multinationals, are contributing to economic and social progress throughout the world. Notwithstanding this phenomenon, our American corporations and our traditional private enterprise system are threatened by attacks leveled by socialist and leftist activists both here and abroad.

Mr. Speaker, my constituent, William T. Ylvisaker, Jr., chairman of Gould Inc., a highly successful and truly innovative business enterprise which has expanded in recent years in spite of the economic slump experienced by many other businesses, has sounded a timely call to his shareholders and to all American citizens to guard, preserve, and promote our American private enterprise system.

In a special message contained in the recent annual report of Gould Inc., entitled "The Perils to the Free Enterprise System," Bill Ylvisaker exposes the fallacy of the attacks on American business. He has provided logical reasons why all Americans should work to preserve our private enterprise system as an essential ingredient to our American independence and precious individual liberty. Bill Ylvisaker's special message follows:

THE PERILS TO THE FREE ENTERPRISE SYSTEM: A SPECIAL MESSAGE

(By William T. Ylvisaker)

Nineteen-seventy-five was not only a difficult year to return a profit—it was also a difficult year for the very concept of profit and the free enterprise system. Some businessmen have hoped a new word for "profit" would win converts and elude critics, but it has become clear that no euphemisms will make life any easier for "capitalism, free or private enterprise," or any other name we give to the system. Today not only leftists but also responsible conservative and liberal economists are projecting pessimism about the survival of the free enterprise system as we know it.

According to recent surveys, much of the public (1) has lost faith in the corporate executives who are stewards of the system, and (2) increasingly approves of government control of prices and profits and "trust-busting" of our larger business enterprises. One survey showed that 60 percent of U.S. stockholders believe that "competition can't be counted on to keep prices fair." Underlying this public hostility to many manifestations of the free enterprise system is public persistence in believing that corporate net income averages about 28 per cent of sales—easily seven times the actual figure.

Danger signs also include a tendency by both business and labor to reduce competition in markets. Much of business seeks freedom from government intervention when doing well and seeks some aid from government when doing poorly. While giving lip service to the sanctity of competitive pricing, many companies refuse to lower prices for competitive gain but unhesitatingly raise them in pursuit of a competitor's previous increase. Meanwhile much of organized labor seeks insulation from all the vicissitudes of the market system layoffs, dislocations, wage reductions and advancement through competition.

Another free enterprise bulwark, capital formation, is more difficult than ever at a time when U.S. investment needs are projected at $4.5 billion over the next decade—triple that of the last 10 years. Government is not making matters easier, with the double tax on shareholders' dividends and with its voracious appetite for new financing of its own, creating the danger that someday the power to tax will be the nation's primary source of capital. Ironically, it might take another erosion of the free enterprise system—the proposed governmental Reconstruction Finance Corp.—to relieve companies unable to raise capital in the open market.

This is not a complete list of the threats to the free enterprise system from private sector abdication or public sector aggressiveness. But these threats are severe enough and relevant enough to the interests of Gould stockholders and the responsibilities of your management that a brief review of criticisms and benefits of the profit system is worthwhile to remind us of what is at stake.

One centuries-old criticism is the notion that "man can profit except by the loss of others." The axiom will come true only if stagnation limits the economy while demands for economic rewards increase. Such stagnation is inevitable if it profits—the fuel of economic growth—dwindle to insignificance.

Profit's simplest definition is "that which is left over when the costs of some activity have been deducted from the revenue generated." Telling a busines it should not profit is much like telling a family it should not save—profits are business savings for renewal of plant and equipment, expansion, research, innovation and growth, keeping and creating jobs. The pensioner, the insurance policyholder, the investor holding a few shares, and the taxpayer who demands greater public services from profit-generated taxes—all depend on these business "savings," not just the stereotyped coupon-clipping plutocrat.

Those who criticize the profit motive's self-interest seldom see that the operation of the system turns even private greed, where present, into public good. Perhaps some profit is garnered unfairly—then we should police the specific case, not condemn the entire mechanism.

How is public good produced? Adam Smith's concept of an "invisible hand" in a free market motivates people to undertake activities, which the community approves and is willing to pay for. It also motivates investment toward these activities and away from less worthwhile ones.

Far from being "obscene," as the system's bitterest critics like to say, average profits are so low as to be discouraging—but it is not the average profit expectation that continues to draw investors; it is the dream of unusual success. In pursuit of this dream, people will simply work harder; even in the Soviet Union where private gardens accounting for only four percent of land cultivated produce almost a fourth of the country's food. Spurred by self-interest with hope for gratification, free enterprise does a better job of filling basic human needs; while established capitalist economies are producing food surpluses, the Soviet Union still has to import food, even with 30 per cent of the people working to raise it.

Especially significant to a product development company like Gould is capitalism's proven ability to make people technologically innovative. Lack of this incentive has led to the shoddy, obsolete products so often associated with socialist systems.

Capitalism is also consistent with ideals of political freedom. The market system disperses economic decision-making, showing faith in the "common man." Against the yardstick of sheer efficiency, the free market has been described as "a superbly adaptive super-computer that continuously monitors consumer tastes."

The classic capitalist forces of supply and demand have less freedom than ever to beneficially control labor and products. But the most recent attempts at repeal of the laws of supply and demand—the Administration's Phases One-through-Four of the early '70s—showed dramatically that in the absence of competitive pricing, an economy must rely on wage/price controls, regulation, rationing or some other creaking mechanism to allocate resources.

Free enterprise also contains its own control system to avert another concern of critics—the extent of profits. In a free market, excessive profits either attract new competition or, if based on too-high prices, lead to reduced consumer demand or consumer shifts to existing competition.

But after all what is excessive profit? Any absolute standard would have to ignore variable in business size, degree of risk, capital requirements, need for research and exploration, and market stability. Even on a percent-of-sales standard, a low-turnover, high risk business (such as aerospace) requires higher margins than a high-turnover, low-risk business (such as food retailing). Perhaps the only satisfactory definition of "how much profit is enough" is this one I recently read: "whatever amount will balance reward against risk and spur the provision of those goods and services demanded by the community."

When the critics have had their day, the free enterprise system is like democracy, often called "the worst system of government—except for all the others that have been tried and failed." No better combination of productivity and liberty has been found.

The past year saw evidence of Gould's belief in this lesson of history. Our Dialogue on Technology, our public communications program, warned against dangers to the symbiosis of capitalism and technology, such as "trust-busting" zeal against our most innovative research establishments and misguided nationalism that would try up the intercontinental flow of product innovation. Also my letters to shareholders and Congressmen urged removal of the double tax on dividends as an aid to capital formation, encouraged retention of DISC to stimulate exports and U.S. jobs, and urged a permanency to the investment tax credit to encourage expansion and modernization.

We will continue to support constructive efforts to improve the free enterprise system's ability to deliver a better life. We will keep trying to educate Americans to the system's benefits and we encourage all that read this letter to ask themselves—is there a better way than the free enterprise system? If not, ask yourself what you are doing to protect it and to educate others to its proven value.

THE DEPARTURE OF SECRETARY SCHLESINGER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. CRANE. Mr. Speaker, those who are concerned about the state of our national defense can only view with concern the removal from office of Secretary of Defense James Schlesinger.

Mr. Schlesinger has for several years been a thorn in the side of those who have advocated a conciliatory U.S. defense posture. He has opposed concessions at the current round of SALT talks. He has, in addition, questioned the basic assumptions upon which the détente policy has been launched.

In July 1975, the Soviet press initiated a strong attack upon Mr. Schlesinger. Pravda, the Communist Party newspaper, published a long commentary which assailed Mr. Schlesinger as "belligerent" and "bellicose" and his statements were portrayed as "dramatically in contrast to the whole atmosphere of Soviet-American contacts on security problems and the very spirit of the relaxation in international tensions." The same message was repeated daily in the Soviet national press and was contained in a lengthy editorial on the main nightly television news program by a leading Kremlin spokesman on American affairs.

It is unfortunate that the White House will not have a man of the stature of Dr. Schlesinger to participate in decision-making from a point of view which differs in many respects from that of Secretary of State Kissinger. The leaders of the Soviet Union must view Dr. Schlesinger's departure as a victory for the more conciliatory U.S. defense posture they have hoped for. The Chinese leaders in Peking must view Dr. Schlesinger's departure as an indication that détente is proceeding according to Secretary Kissinger's design, something which they view with great trepidation.

Discussing the departure of Dr. Schlesinger, the Washington Star noted that—

> It may prove risky to remove the last major obstacle of resistance to Dr Kissinger's policy . . . even if Mr. Rumsfeld and his new constituency did become a significant check upon Dr. Kissinger, would it happen quickly enough to make a difference in the SALT negotiations?

Those who argue that U.S. defense is adequate and that the Soviet Union is itself pursuing a conciliatory détente posture are contradicting some very unpleasant facts. Discussing the need to cut the defense budget still further, some have advanced the view that there is, in fact, no gap between United States and Soviet defenses. Senator WILLIAM PROXMIRE is one advocate of this position. Columnist Crosby Noyes declares that such a position is a "deliberate misrepresentation." He notes that—

> The existence of a widening gap between the military establishments was no insinuation. It was stated . . . as a categorical fact. And the attempt to dismiss the evidence as worthless . . . is a palpable fraud.

The unfortunate fact is that Secretary Schlesinger has been dismissed in the midst of a heated Senate debate over future U.S. defense spending. This gives a signal to those who wish to cut the defense budget that Secretary Schlesinger's position has, in some sense, been abandoned by the administration. Such a view can only encourage those whose concern for our ability to defend ourselves appears to be minimal.

I wish to share with my colleagues the editorial, "Dr. Kissinger's Power," as it appeared in The Washington Star of November 4, 1975, and the column by Crosby S. Noyes, "Congress Is Being Misled on Soviet Buildup," as it appeared in the same paper, and insert them into the RECORD at this time:

Obviously the loser in the so-called "Sunday night massacre" is Secretary of Defense James Schlesinger and the winner—even if he must now surrender the chairmanship of the National Security Council—is Secretary of State Henry Kissinger.

There is always some hazard in speculation. Such an affair can be made to seem more Byzantine, in hindsight, than it really is. But in this case the danger seems remote.

The donnish brawling of these two principal members of the President's cabinet over defense and foreign policy issues dates at least from the October War in the Middle East. It suggests, incidentally, that a university senior common room is not bad training ground for the gentlemanly arts of bureaucratic self-defense.

Recently, however, Secretary Schlesinger made a critical error. To the liability of having stepped once too often in Dr. Kissinger's way he added the mistake of lecturing the House Appropriations Committee about the pending defense budget, calling the cuts of that body "savage." Until he tangled over the defense budget cuts with Chairman Mahon, Mr. Schlesinger could have counted on more congressional sympathy in his losing battle with Dr. Kissinger than he is now likely to get.

Whatever one may think to be the policy or political—or personal—questions that occasioned Mr. Schlesinger's unceremonious ouster, the main issue is institutional: It is the power of Dr. Kissinger.

Like many brilliant and determined men, Dr. Kissinger does not submit gladly to the dispersal of power. He seems to regard it as sufficient check on his operations that he is answerable to the President. The defense secretary made the mistake of interfering. He became a nuisance to Dr. Kissinger during the October War in the Middle East, when the two disagreed over the timing and amount of U.S. resupply to Israel. Since that confrontation—resolved in Kissinger's favor by President Nixon—their disagreements have reportedly multiplied. They include some critical differences over the current talks on strategic arms limitation with the Soviet Union.

The nature of that disagreement is not entirely clear; but the least we know is that the secretary of defense is worried about American strategic strength while Dr. Kissinger has been heard to ask what, in the nuclear age, strategic superiority could possibly mean.

Moreover, Dr. Kissinger is obviously anxious to resolve or put aside the technical defense policy questions that are impeding a second SALT agreement—the crowning touch of detente with Mr. Brezhnev.

Whoever has the better of these substantive questions—a question we do not dwell on here—it may prove risky to remove the last major obstacle of resistance to Dr. Kissinger's policy. Mr. Schlesinger is to be replaced by presidential assistant Donald Rumsfeld, who also enjoys immense presidential confidence. But even if Mr. Rumsfeld in his new constituency did become a significant check upon Dr. Kissinger, would it happen quickly enough to make a difference in the SALT negotiations?

Similarly, the belated resignation of Dr. Kissinger from one of his two major jobs in the foreign policy establishment—that is, as chief of the National Security Council—is diminished in short run importance by the nature of his replacement. That replacement is Gen. Brent Scowcroft, a loyal Kissinger lieutenant.

And what different does it all make? Perhaps none, *if* this country exercises good judgment in the last stages of the SALT talks. One's optimism in that regard will depend on one's confidence in one-man shows in foreign policy during presidential election years. In 1972, Dr. Kissinger and President Nixon undoubtedly cut some corners to deliver the first SALT agreement. We draw from that memory the lesson that one man's judgment in an election year is not enough protection in anything so crucial as strategic arms negotiations.

Insofar, then, as the "Sunday night massacre" proclaims a further accession of power and influence for Dr. Kissinger, it will bear close watching. We have the highest regard for the abilities of the secretary of state. But he already has enough power—and perhaps a good deal too much of it.

CONGRESS IS BEING MISLED ON SOVIET BUILDUP

(By Crosby S. Noyes)

Behind the unprecedented cuts in this year's defense budget is one of the most outrageous efforts to mislead the Congress and the American people about the Soviet-American power balance that has ever been mounted. It amounts to a deliberate misrepresentation of all the available evidence.

Among the leaders of this effort is Sen. William Proxmire, D-Wis., chairman of a subcommittee of the Joint Economic Committee which has conducted extensive investigations into the Soviet-American balance. Largely as a result of the subcommittee's recommendations, the Senate is now expected to restore only about $406 million of a defense appropriations request that was reduced by the House to the tune of $7.6 billion. Defense Secretary James Schlesinger has denounced the House cuts as "savage and arbitrary."

Proxmire is a dedicated opponent of the defense establishment and all its works. His own summary of the hearings which his subcommittee conducted last summer is that, "Insinuations of a widening gap between Soviet and United States military power, to the advantage of the Soviet Union, are nonsense unsupported by the facts."

Proxmire bases this assertion on the ground that several witnesses before his committee, including CIA Director William E. Colby and Lt. Gen. Daniel O. Graham, director of the Defense Intelligence Organization, conceded the difficulty of comparing the Soviet and American defense establishments in terms of dollar equivalents. Other factors, including the completely different economic systems of the two countries, they pointed out, must be taken into account.

What Proxmire does not say—and what is the crucial point of the hearings that he conducted—is that the distortions involved in cost analysis comparisons minimize the actual gap between the Soviet and American defense efforts. The existence of a widening gap between the military establishments was no insinuation. It was stated by both witnesses as a categorical fact. And the attempt to dismiss the evidence as worthless because of the admitted distortions is a palpable fraud.

What Colby told the Senate Defense Appropriations subcommittee was exactly what Schlesinger had told them: By the best estimate of the American intelligence community, the Soviet Union is outspending the United States by as much as 50 percent in dollar terms in its military budget.

Earlier, Colby told the Proxmire subcommittee that the Russians have outspent us every year since 1971, that the cost of their programs in intercontinental attack capability exceeded ours in 1974 by 60 per cent, in investment by 20 per cent, in strategic defense by nearly 800 per cent, in ground forces by 100 per cent and in research and development by about 20 per cent.

But, again, the witnesses emphasized that it was not so much a question of the cost as of what the Russians got for what they paid. And on this point, Gen. Graham was particularly critical of CIA cost estimates for Soviet defense, showing small yearly increases in the budget over the last decade.

"During that time frame, 1960 to 1971," Gen. Graham testified, "the Soviets had gone from a handful of ICBM launchers to over 1,500 for five different systems, produced over 50 missile-launching submarines, created a highly sophisticated military space program, produced a new bomber, introduced five new fighters, deployed several thousand SAM (surface to air missile) launchers, deployed a large force opposite China, activated about 20 more divisions and so on. This is only a partial list of the reasons I found the results of the costing methodology simply not credible. It could not be done with a very small average increase in the budget."

You can't help wondering how soon the evidence which senators glibly dismiss as "nonsense" will return to haunt them.

DANGERS TO OUR HEALTH

HON. DAVID E. SATTERFIELD III

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. SATTERFIELD. Mr. Speaker, until recently the attitude of Congress toward the advancing Federal regulation has been like our attitude toward the weather. Everybody talks about it, but nobody does anything about it.

I hope we will end our apathy and join in the effort to reform Federal regulatory agencies, which my colleague RICHARDSON PREYER of North Carolina has introduced.

The coils of Federal regulatory redtape now cost the public $130 billion a year. The average U.S. family pays out $2,000 a year, and gets very little, if anything in return, except mindless, senseless attempts by an army of "little bureaucrats" enforcing Big Brother government on a helpless and hapless public.

No better example of the regulatory zeal comes to hand than the recent suit against the country's tobacco companies brought by the Justice Department at the behest of the Federal Trade Commission regulators. This suit makes the almost incredible charge that these companies have failed to give the public proper notice of the dangers to health that the Surgeon General has determined to be involved with smoking cigarettes. If there is any Government forced message that has greater currency in our culture than this I do not know what it is. The officially required message on cigarette packages and advertising has more public exposure than the Ten Commandments and Lord's Prayer combined. And yet Big Brother says its not enough and manufacturers of a legal product must pay $10,000 a day in damages and create a trust fund for future corrective advertising.

Mr. Speaker, I insert in the RECORD two editorials from Richmond newspapers which hopefully will serve as an injection of sanity into this unreasonable, costly, and potentially dangerous situation:

1975]

[From the Richmond News Leader, Oct. 27,

DANGEROUS TO OUR HEALTH

Now, we ask you: Two hundred years ago, did *any* of this nation's founders envision that one day the federal government would be hauling American companies into court on a question so trivial as the size of type they use in advertisements and on their products? Probably not a single leader of the Revolution nourished such a mental prospect. Yet today the Justice Department is doing precisely that.

It has sued six cigarette manufacturers, accusing them of unsatisfactorily displaying health warnings in their advertising and on their cigarette packs—as required by order of the Federal Trade Commission.

Specifically at issue is the size of type and the positioning of the notice: "Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health." The Justice Department contends that all six firms have failed to display the warning on sales racks, vending machines, shopping bags, and signs that carry brand names. Justice's suit also argues that the manufacturers have failed to give sufficient prominence to the warning in various advertisements. According to one press account, the suit asks that each company pay "damages of $10,000 for each day since March 30, 1972, that an advertisement was found to be in violation . . . plus creation of a trust fund for future advertisements warning of the health hazards of smoking."

Thus, the vindictiveness of the federal regulators we all have come to know and loathe. Suits such as this one are precisely the sort which have convinced most Americans that in Washington there exists a vast army of federal bureaucrats sitting around, at taxpayer expense, dreaming up ways to niggle every citizen and every business to death. Indeed fatuous, arrogantly intrusive suits such as this provide the basis for the current fashion in Washington for our politicians to ride the white horse of de-regulation in frenzied pretense.

Pause for a moment to reflect: When did you last hear a politician suggest that we need *more* regulation, not less? Yet, each day the regulators nudge us ever closer to Orwell's vision. Last year, federal agencies printed 45,422 pages of regulations and proposed regulations affecting every aspect of American life. But during the first *nine months* of this year, when anti-regulation rhetoric among our politicians was so in vogue, the Federal Register contained 45,091 pages of similar orders and regulations and do-it-or-else rules.

If the Bicentennial means that the populace should celebrate the governmental hydra that currently dwells in Washington, our guess is that most Americans will choose to sit it out. The suit against the cigarette manufacturers says eloquently that what this country needs is a free-handed, privately-run group to regulate the regulators. Far more dangerous to the public health than smoking, are Washington's appointed bureaucrats who are convinced that they know everything better than everyone else. Such arrogance is inherently self-destructive. The question at hand is whether the bureaucracy will destroy itself before it destroys a citizenry that did not become indignant enough—soon enough.

[From the Richmond Times-Dispatch, Oct. 30, 1975]

SMOKERS KNOW

For years, the federal government has required tobacco companies to display on cigarette packages and elsewhere the warning that "The Surgeon General Has Determined That Cigarette Smoking Is Dangerous To Your Health." Now the Justice Department has accused six cigarette manufacturers of failing to display that warning widely and prominently enough and has taken them to court. Their negligence, the Justice Department complains, has denied "the public proper notice of the dangers to health, determined by the Surgeon General to be inherent in cigarette smoking."

It is difficult to believe that the Justice Department is serious. Warning label or no warning label, cigarette smokers are aware of the risks their habit entails. The have been hearing about the dangers of smoking since they were children—from their parents, from their teachers and from their doctors. The mass media constantly present articles and programs discussing the frightful ailments that some scientists believe cigarettes can cause. It would be hard to name a subject about which the public has been more lavishly informed, and it is laughable for the Justice Department to contend that the cigarette manufacturers have been keeping smokers in the dark.

People do not smoke because of their ignorance of the potentially adverse effects of cigarettes; they smoke in spite of them. They know that cigarettes do not ruin the health of *all* smokers. They know that they cannot ensure good health for themselves merely by quitting the habit, for many other products that they consume, and even the air they breathe, contain injurious agents. So they have elected to smoke and take their chances.

It is obvious that most smokers cannot be scared out of their habit, and the federal government should quit trying. Certainly it is egregiously unfair for the government to insist, as the Justice Department is doing in the suit it has filed, that the tobacco companies themselves should finance antismoking campaigns. The tobacco industry is a legitimate industry engaged in the production of legitimate products, not an illicit operation of the Mafia. Unlike alcohol and drugs, tobacco poses no general threat to society; and the acting as if it were Public Enemy Number One.

If the government is truly eager to serve the public interest, it should discard its Big Brother attitude toward smokers and permit them to make up their own minds about cigarettes.

FORD'S BIGGEST MISTAKE CONTINUED: AMERICANS FAVOR NYC AID

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. HARRINGTON. Mr. Speaker, in my ongoing attempt to convince some of my skeptical colleagues that every region of the country has reason to be concerned over the deteriorating fiscal situation in New York City and the callous way in which President Ford has treated that problem to date, I would like to bring to each Member's attention an article by Myron S. Waldman which appeared in today's Newsday.

The text of the article follows:

SURVEY: AMERICANS ARE PRO-CITY

(By Myron S. Waldman)

WASHINGTON.—House Democratic leaders listened with New York Mayor Abraham Beame yesterday to the results of the latest Louis Harris poll and then proclaimed that President Ford's speech on New York City has had a boomerang effect.

As a direct result of Ford's statement that New York City could be allowed to go bankrupt, they said, the American people now want the city to get federal help. "The whole situation turned around in America when Ford made his speech," declared House Majority Leader Thomas O'Neill (D.-Mass.). "It's reversing itself."

His optimism is based on a poll Harris took after the Ford speech. The poll states that 69 per cent of the people questioned favor federal guarantees on loans to the city, provided New York balances its budget and the plan does not actually cost taxpayers any money—the basis for the save-New York bills in the House and Senate. Only 18 per cent favored bankruptcy for New York and 13 per cent were not sure.

Harris, who was at the meeting, credited the President himself with such a result. "Bankruptcy to the American people is the nearest thing to death," the pollster said. "People feel that when the city is going bankrupt, it's the end." When the President suggested bankruptcy as the solution, Harris continued, "people said no, there ought to be another way."

Harris, a New Yorker, said that a group of businessmen from former Mayor Robert Wagner's "Coalition to Save New York" paid him $50,000 to conduct the poll, which involved questioning 1,500 adults throughout the nation. He said the final results were phoned to him at 1 AM yesterday and that he completed his analysis by 6 AM.

A White House spokesman denied that the poll showed a boomerang effect as far as the President is concerned. "We think that the President has said all along that it is necessary for New York City to balance its budget," the spokesman said. "He has said that if New York City goes into default, the federal government would work with the court to see that essential services continue. So we think this poll tends to support the President's position."

Yet, after the meeting, Rep. Henry Reuss (D-Wis.), chairman of the House Banking and Currency Committee, was more optimistic about the chances for a save-New York bill winning House approval. "We're half-way up the hill," Reuss said.

House speaker Carl Albert (D-Okla.) still wondered how far up the city's supporters really were. "Lou Harris says things look better," Albert said as he came out of the meeting. "That's on the outside."

Today, the speaker and Rep. Peter Peyser (R-Westchester) planned to announce a two-day cross-country jet campaign trip by congressmen to convince people New York City deserves to be saved.

The Harris poll indicated that a majority of Americans in every section of the country thought the federal government should intervene through guarantees of loans to save the city from bankruptcy. There was 63 per cent support in the South, 63 per cent in the East. That was the majority feeling also among West, 72 per cent in the Midwest and 76 per cent in conservatives, liberals, Republicans, Democrats and independents cities, suburbs and rural areas.

But those same people, asked flatly if they favor Ford's plan to change the federal bankruptcy laws to allow the city to default, were divided equally on the issue. Forty per cent were in favor, 40 per cent were opposed and 20 per cent weren't sure. Harris didn't offer an explanation of those figures.

In addition, Ford headed the list of politicians regarded as doing a good job of handling the city's problems. Sixty-four per cent of those polled felt the President was doing a fair to excellent job in that particular area; Gov. Hugh Carey got a 36 per cent rating; Beame earned a 34 per cent and Congress was given a 46 per cent rating.

Those polled did not, however, think much of Ford's threat to veto any bill for federal loan guarantees for New York. Fifty per cent said he shouldn't do it, 37 per cent said he should and 13 per cent weren't sure.

Beame, who had made an exceptionally strong and emotional appeal for help in a speech at the National Press Club, was unaware of the poll until he met Harris at the leadership meeting. Before that, he went to the office of Sen. William Proxmire (D-Wis.), chairman of the Senate Banking Commitee, who told him his mail had been changing in the past few days in favor of aid for New York.

But Proxmire still believes the odds are against Senate approval of a bill to save New York. He is now lobbying his colleagues in an educational process. The House is scheduled to take up federal guarantee legislation on Tuesday and the strategy now tentatively calls for a vote there on the Banking Committee bill before the Senate begins debate. But the House Ways and Means Committee now is demanding time to debate the measure. Meanwhile, the House Judiciary Committee moved toward passing a bill to amend the federal bankruptcy law in the event of a New York City default.

BASIC EDUCATION: HOW IT WAS

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. SLACK. Mr. Speaker, when we discuss the importance of education these days, especially developments in education, we often make reference to "new" educational teaching methods or materials. These "new" developments are fine if they represent genuine improvements over what we already have. Recently, one of my constituents, Mrs. Bessie A. Stewart, presented me with a written history of a primary school which was once active in my district. Mrs. Stewart spent 40 years in the field of education as both a teacher and principal—1919–66.

In reading her paper, I was reminded of the importance of remembering the history of our educational system and how it evolved. She prompts me to think that we must not lose sight of what is meant by "the basics of education" as we plot the course for making improvements.

I commend to your attention a summary of the text of her paper:

A HISTORY OF MERCER SCHOOL OF CHARLESTON, W. VA.

(By Bessie Allison Stewart)

During the late 1700's and early 1800's, the general ideas of the need of education for the masses were adequately expressed by Thomas Jefferson. Accordingly, most people in the western portion of the State of Virginia (present-day West Virginia) accepted Jefferson as a guide and mentor on matters involving the administration of an educational system. However, Jefferson was not the only individual to keep the subject of public education alive in Virginia . . .

Charles F. Mercer, a Federalist leader during the late 18th and early 19th centuries, devoted much of his life to the cause of public education in Virginia. Mercer was among those who favored a state-controlled and financed system of education which would embrace public primary schools, academies, colleges and a state university. Mercer and his supporters would have financed the public education system from specially chartered state banks, and from a literary fund established in 1810. However, under Mercer's plan no funds would have been made available for colleges or universities until primary schools had been financed . . .

Jefferson and his supporters felt that public primary school financing should be left entirely to the residents of the various school districts which were embodied in his plan of 1817. His plan envisioned using State funds for the higher-learning institutions—colleges and universities . . .

Charles Mercer remained active in the crusade for free public education at the primary level until his death. . . . In the fall of 1819, the Virginia Legislature passed an act granting the necessary legal status to an academy which was to be constructed in what is now Charleston, West Virginia. The academy became known as Mercer Academy in honor of Charles F. Mercer. . . .

For the most part, the academies of Virginia during the early 19th century were institutions dedicated to higher learning. They were also known by other names such as seminaries, institutes, collegiate institutes and finally high schools.

In general terms, the academy filled the gap between the Latin grammar school of the colonial days, and the high school of the post-Civil War period. . . . Although they filled a definite educational need, academies were not public schools as such, but were private subscription schools which oftentimes operated for profit. Some historians say they were a product of the frontier development and the laissez-faire theory of government. . . .

Mercer Academy was active until 1862 when the building was taken over by the Federal Army for use as a storage point. It remained under government control until July of 1865, although the structure was destroyed by fire shortly before the end of the war. . . . Prior to the time the government abandoned the building, the free schools of Charleston (now Charleston, West Virginia) had already been organized (1864). Classes were conducted in various locations such as old buildings and church basements. . . .

In 1871, a State Legislative Act placed control of city schools under the Charleston City Council, where it remained for ten years until it was transferred to the City Board of Education. In 1888, under the Board of Education, a new sixteen room Mercer School was constructed at a cost of $35 thousand.

. . . The new building was heated by coal, and as a result, coal dust and cinders were all over the schoolyard. After a hard rain, running water would cut courses through the dust and cinders creating a number of formations. The teachers would take the students outside where they would be taught how to identify capes, islands, channels, inlets, plateaus, etc. This form of teaching geography was most practical, and certainly representative of progressive education long before it became known by that term. . . . The new Mercer School remained for 37 years until it was torn down in 1925, and subsequently relocated. . . .

At one time, Mercer was one of the largest elementary schools in Charleston. As old residential areas gave way to expansion of commercial areas, the school population declined. . . . With the 1954 Supreme Court Decision declaring public school segregation unconstitutional, the Mercer enrollment began to rise again. . . .

When the Kanawha County, West Virginia, school system initiated its integration program in the 1955–1956 school year, Mercer's student population increased as Black children were enrolled in grades one, two and seven. The 1956–1957 school term brought complete integration in the County system so that young Black children were enrolled in all grades . . . .

In March of 1957, Benjamin Fine, the author of various articles on education for the New York Times, visited Mercer and other County schools for a first-hand look at public school integration. His article on the Kanawha County schools in general, and Mercer in particular, appeared in the May 15, 1957, edition of the Times. The article, in an indirect way, paid tribute to Kanawha County school administrators, principals, teachers, students and the citizenry in general for their success in implementing this new ruling. . . .

On November 20, 1970, 151 years after its beginnings, Mercer School closed its doors. . . . In September of 1973, the Mercer School property was sold to a properties corporation for $230 thousand and subsequently converted to a public parking lot. . . .

After more than a century-and-a-half of educating children, the old Mercer School, even though an institution of the past, remains entrenched in the memory of many Kanawha County residents as the place where they were introduced to basic education.

THE CRISIS IN LEBANON

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. EARLY. Mr. Speaker, many of my constituents from the Third Congressional District of Massachusetts have written me expressing deep concern for the Christian community in Lebanon.

It is clear, from the news we receive daily from Beirut, that the situation there is erupting into civil war. What this could mean to the future of peace in the Middle East we have yet to learn.

I have written to both Ambassador Moynihan at the United Nations and to my friend and colleague Donald Fraser, chairman of the Subcommittee on International Organizations, in the hopes that U.N. and congressional interest in the crisis in Lebanon might provoke some resolution to these struggles. At this point, I insert in the Record copies of my letters, together with a copy of a resolution adopted by the General Court of the State House of Massachusetts:

November 4, 1975.

Hon. Daniel P. Moynihan,
Permanent Representative to the United Nations, United States Mission to the United Nations, 799 United Nations Plaza, New York, N.Y. 10017

Dear Mr. Ambassador: I am writing this letter on behalf of many of my constituents in the Third Congressional District of Massachusetts and myself, to express our great concern with the current situation in Lebanon, and to urge you to request consideration of the circumstances surrounding the violence in Lebanon by the General Assembly.

It is our fear, Mr. Ambassador, that, at the present time, the Christian community in the country of Lebanon is under severe attack by Communist influenced groups, threatening the stability of the country and the basic human rights and freedoms of a large portion of the Lebanese citizenry.

Furthermore, we believe that it would be the proper role of the United Nations to intercede on behalf of the Lebanese people to aid in bringing about a peaceful solution to the domestic struggles in this small Mediterranean nation.

My thanks in advance for your kind consideration, and with very best regards, I am

Sincerely,

Joseph D. Early,
Member of Congress.

November 4, 1975.

Hon. Donald M. Fraser,
Chairman, Subcommittee on International Organizations, Committee on International Relations, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: I am writing this letter on behalf of many of my constituents and myself, to express our great concern with the current situation in Lebanon, and to urge you to hold Subcommittee hearings on the circumstances surrounding the violence in Lebanon.

It is our fear, Mr. Chairman, that, at the present time, the Christian community in the country of Lebanon is under severe attack by Communist influenced groups, threatening the stability of this country and the basic human rights and freedoms of a large portion of the Lebanese citizenry.

It is our belief that Congressional hearings on this grave matter would give hope to the Christian community in Lebanon and might influence the Members of the United Nations to intercede on behalf of the Lebanese people to aid in restoring peace to this Mideastern nation.

My thanks in advance for your kind consideration, and with very best regards, I am

Sincerely,

Joseph D. Early,
Member of Congress.

Resolutions Memorializing the United States Government To Use Its Good Graces and Influences To Stabilize Peace in Lebanon

Whereas, During this period of global unrest, a secured peace in the Middle East is necessary if the world is to avoid a third World War with its resulting nuclear holocaust; and

Whereas, A strong stabilized government in Lebanon is necessary for this secured peace; and

Whereas, At the present time the Christian community in the country of Lebanon is under severe attack by communist influence groups thereby threatening the stability of this country; and

Whereas, A threat to the stability of the Lebanese government is a threat to the peace of the world; therefore be it

Resolved, That the Massachusetts House of Representatives respectfully requests the United States government to use its good graces and influences to bring this internal fighting in Lebanon to a halt and thereby guarantee the humane and religious rights of the inhabitants of this country; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from this Commonwealth.

CZECH PATRIOT PETER ZENKL DIES IN RALEIGH AT 91

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 6, 1975

Mr. ANDREWS of North Carolina. Mr. Speaker, a former lord mayor of Prague and deputy prime minister of Czechoslovakia, Peter Zenkl, died on Monday night, November 3, in Raleigh, N.C., at the age of 91.

Zenkl was an ardent foe of nazism and communism, and one historian termed him "the favorite leader of the Czechoslovak people."

Although Zenkl's death apparently has not been noted by the national news media, David Zucchino of the News and Observer in Raleigh has written a moving tribute which I call to my colleagues' attention in inserting it at this point in the Record:

Czech Patriot Zenkl Dies Here

(By David Zucchino)

The U.S. soldiers who rescued former Prague mayor Peter Zenkl from a Nazi concentration camp in 1945 found that he had not lost his will to live.

"He was not a broken man; he had not even bent," recalled newsman Edward R. Murrow, one of the first men to reach Zenkl just hours before he was to have been executed.

Death finally came for Zenkl Monday evening, when he died quietly at the age of 91 in a Raleigh rest home. Though riddled by pneumonia, the anti-communist Czech leader struggled for survival up to the end.

"The doctors said his heart was still going strong," said Mrs. Lubos R. Palounek, wife of Zenkl's great-nephew, with whom he spent his last three years.

"He was a dynamic man," Mrs. Palounek said at her Poland Place home Tuesday. "He fought hard all his life."

Zenkl, a fiery anti-communist statesman of postwar Czechoslovakia, will be cremated following a Requiem Mass at Our Lady of Lourdes Catholic Church at 5 p.m. Friday. His ashes will be buried at the Czech National Cemetery in Chicago.

Zenkl did not live out his dream of returning to his homeland and freeing it of Communist rule. One historian, however, called him "the favorite leader of the Czechoslovak people."

He was deputy prime minister of Czechoslovakia during the Communist coup of 1947, but escaped a year later with the help of a Communist guard. Although under constant guard, Zenkl and his wife were smuggled across the border in the trunk of a car.

In the U.S., he lived in Washington and directed the anti-Communist Council of Free Czechoslovakia. He was honorary chairman of the group at the time of his death.

Zenkl moved in with Palounek, an IBM

employe, in 1972, following the death of Zenkl's wife. "He was lonely," Mrs. Palounek said, "and ready to retire."

Zenkl rarely spoke of the six years he spent in the concentration camps of Dachau and Buchenwald. As lord mayor of Prague in 1939, he was whisked away from his home by Gestapo agents who had "a few questions he could clear up in an hour."

He did not see his wife and friends again until 1945, when he was rescued by soldiers of Gen. George Patton's Third Army. As a vehement anti-Nazi, Zenkl had been targeted for execution, but survived a bloody Nazi retreat by hiding in a camp sewer.

He weighed less than 100 pounds at the time of his rescue. "He feared that none of his friends would recognize him," historian Brackett Lewis wrote in a book about Zenkl.

Zenkl, who spoke several languages, hid that fact from the Nazis for fear he would be forced to spy on other prisoners. According to Mrs. Palounek, he retained a fierce hatred for Nazism and communisum until his death.

He also remained a keen student of national and international politics. "He couldn't stay away from it, even though he came here because he couldn't manage all the fighting he was going through," Mrs. Palounek said.

Zenkl fell ill with pneumonia this summer and entered Rex Hospital Sept. 3. Too weak to return home, he was moved to Hillhaven Nursing Home, where he died at 7 p.m. Monday.

"He wanted very much to return to Czechoslovakia," Mrs. Palounek said. "His dream was to fight communism to the finish and then live in peace."

HOUSE OF REPRESENTATIVES—*Friday, November 7, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be of one mind, live in peace; and the God of love and peace shall be with you.—II Corinthians 13: 11.

Eternal God, our Father, we humbly seek Thy guidance and pray that our decisions and our conduct may be worthy of Thy blessing as we face the pressing problems that confront us.

In times of weariness and worry lift us with an awareness of Thy presence; in times of difficulties and differences uphold us by Thy Spirit; in times of success keep us humble of heart and in times of failure and frustration strengthen us by Thy grace. In all of life help us to be cheerful in spirit, steadfast in faith, zealous in all good works, and deepen in us the sense of our dependence on Thee.

We pray for our Nation and for all nations that the spirit of brotherhood, service, and love may reign in every heart and rule in every home.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 9005. An act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes; and

H.R. 10029. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10029) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MANSFIELD, Mr. MCCLELLAN, Mr. INOUYE, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. STEVENS, Mr. YOUNG, Mr. BELLMON, Mr. BROOKE, Mr. SYMINGTON, Mr. CANNON, and Mr. TOWER to be the conferees on the part of the Senate.

CANCELLATION OF FEDERAL RESERVE BONDS ALREADY PAID WOULD GIVE US $100 BILLION CUSHION IN DEBT CEILING

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, by any standards, $93 billion is a lot of money.

It is more than we appropriate for our entire Defense Establishment and it is many times any domestic program. It is 20 times what we hear is needed to take care of New York City. It dwarfs our energy development programs, and it makes our much publicized welfare programs look like peanuts.

Yet, the Federal Reserve has $93 billion in its portfolio of Government securities. Ninety-three billion dollars of bonds which have been paid for once with the money of the U.S. Government—almost 20 percent of our national debt. Yet, these bonds remain in the portfolio of the Federal Open Market Committee uncanceled—despite the fact that they have been paid for once—and the Federal Reserve draws more than $6 billion annually in interest payments right out of the Treasury.

Mr. Speaker, these bonds should be canceled—the same as any other paid-up obligation—and subtracted from the bloated national debt. This would reduce the debt by $93 billion and this action would leave the Federal Government with a big cushion in its debt structure. This would enable us to appropriate the funds necessary to meet the needs of our cities and rural areas. It would enable us to meet our much talked about goals of decent and sanitary housing for all Americans.

These bonds should be canceled without delay and the Federal Reserve required to come to Congress for appropriations like any other Government agency. It should not be allowed to continue to draw $6 billion in interest on paid-up bonds—$6 billion of tax funds, unaudited, unchecked, and unappropriated.

Mr. Speaker, the Ways and Means Committee could forget its debt ceiling bill if we canceled these bonds. We would have nearly $100 billion under the ceiling to handle the public and worthwhile needs of the Nation.

PERMISSION FOR JOINT COMMITTEE ON ATOMIC ENERGY TO HAVE UNTIL MIDNIGHT, MONDAY, NOVEMBER 10, 1975, TO FILE REPORT ON H.R. 8631

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Joint Committee on Atomic Energy may have until midnight, Monday, November 10, 1975, to file a report on H.R. 8631.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HUGE BOND ISSUE TURNED DOWN IN OHIO

(Mr. HAYS of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS of Ohio. Mr. Speaker, on Tuesday last, the people of Ohio turned down by a majority of approximately 5 to 1 the biggest single bond issue that was ever placed before a State in the history of this country.

Mr. Speaker, we have a secretary of state in Ohio whose duty it is to conduct elections, and he likes publicity. He frequently gets publicity by being arrested for drunken driving. At other times he attempts to get it by such ploys as writing letters to me or other people and then releasing their contents to the press before he mails them. The latest one he wrote to me deplored the fact that I sent out a speech I made on this floor to constituents in my district pointing out how much interest those bonds would cost in view of the probable default of the city of New York, and he reminded me that I had a duty to file an expense account. I know that. I have always complied, and I will file an expense account, which is $940 for the printing, right out of my own pocket.

Mr. Speaker, I just want the secretary to make sure that the people who raised $2 million from the bankers and the contractors, in a futile effort to get these bond issues passed, also file a report; and if he can come out of his alcoholic stupor long enough to write another letter, I wish he would.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT'S ECONOMIC ROLLER COASTER IS RETURNING TO FORM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, it is starting to look like old times on President Ford's economic front.

The hallmark of this Republican administration has been high prices and high unemployment at the same time. In the past 2 days, we have had disturbing evidence that President Ford's economic roller coaster is returning to form.

Today it was announced that unemployment jumped back up to the June level of 8.6 percent. Yesterday, wholesale prices went up at an annual rate of 21.6 percent, including 20 percent for food. Meanwhile, the Secretary of Agriculture announces another grain sale to the Soviet Union that potentially could raise our prices further here at home.

We have seen all this before under the Republican's economic nonpolicy. The same economic advisers who put this Nation through the economic wringer in the past 2 years are still there, still doing their stuff. The fact is that you cannot cure inflation by putting people out of work, no matter what President Ford thinks.

There has been no consistent or even coordinated economic guidance on the part of this administration since it took office. The Republicans want the economic chips to fall where they may, and the little guy takes it on the chin again.

GOVERNOR CAREY VERY PERSUASIVE IN FAVOR OF LEGISLATION TO ASSIST NEW YORK CITY

(Mr. FLOWERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLOWERS. Mr. Speaker, yesterday I had the pleasure of hearing our former colleague and now the distinguished Governor of the State of New York. Governor Carey was very persuasive in favor of legislation along the lines of that reported by the Banking and Currency Committee to assist the city of New York. Without going into the specifics of the matter, Mr. Speaker, let me say that many of us are very receptive to his logic because the other course as prescribed by President Ford just does not seem to make good sense.

But when you leave the "Big City," the political situation becomes quite clear. For most of us, a vote to aid New York City would be tantamount to a New York member voting "no" on aid to Israel.

However, we might be more willing to risk political capital if we could have confidence that our urban and inner city colleagues would do the same from time to time. There is a big country out there that deserves a national defense—there are farmers and rural people—and business people in small towns. We invite some of our city colleagues to a broader view of our Nation—it is not all a matter of public housing, urban ills or mass transit.

Perhaps we have a unique opportunity in the upcoming debate over aid to our largest city to bring the good old United States together for our Bicentennial year in a real "one nation" concept. But, if we are to travel this route, Mr. Speaker, it cannot and will not be on a one way street.

HEALTH MAINTENANCE ORGANIZATION AMENDMENTS OF 1975

Mr. ROGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9019) to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MONTGOMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 347, nays 0, not voting 86, as follows:

[Roll No. 675]

YEAS—347

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Broyhill
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Clancy
Clausen, Don H.
Clay
Cochran
Collins, Tex.
Conable
Conlan
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holt
Holtzman
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—86

Adams
Anderson, Ill.
Annunzio
Armstrong
Aspin
Barrett
Beard, R.I.
Bell
Bowen
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burton, Phillip
Chappell
Chisholm
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Conte
Danielson
Dickinson
Eckhardt
Esch
Eshleman
Fary
Fenwick
Florio
Foley
Forsythe
Fraser
Gilman
Goldwater
Harrington
Harsha
Hébert
Heckler, Mass.
Hillis
Hinshaw
Holland
Horton
Howard
Howe
Jenrette
Johnson, Pa.
Kelly
Krueger
Landrum
McCloskey
McKinney
Martin
Mathis
Metcalfe
Mills
Mineta
Mollohan
Morgan
Murphy, N.Y.
Nichols
Ottinger
Pattison, N.Y.
Peyser
Poage
Pritchard
Randall
Rangel
Rees
Riegle
Risenhoover
Sarbanes
Stanton, James V.
Stark
Steelman
Stuckey
Symington
Teague
Udall
Wiggins
Wilson, C.
Wilson, Tex.
Wirth
Young, Alaska
Zeferetti

Mr. DAN DANIEL changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9019, with Mr. Murtha in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. Rogers) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. Carter) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 9019, the Health Maintenance Organization Amendments of 1975.

Mr. Chairman, H.R. 9019, the Health Maintenance Organization Amendments of 1975, amend the original HMO Act (Public Law 93–222) to extend the present programs for 2 years through 1980, improve its implementation, and make HMO's operating under the act more competitive with other parts of the health system. The legislation reduces the authorizations in 1976 and 1977 by $40 million in each year and authorizes that much in 1978 and 1979. It also simplifies the requirements of HMO's respecting supplemental health services and the services of health professionals; drops the requirement for an annual period of open enrollment; changes the benefits required of HMO's to make them more competitive; waives for 5 years the requirement for community rating of HMO premiums; makes loan guarantees available to nonprofit HMO's with a priority for medically underserved areas; clarifies the requirements that employers offer the choice of membership in HMO's in their employee health benefits plans; and requires the Secretary to administer the program through a single identifiable unit in HEW.

Since the enactment of the original HMO Act in 1973 the committee has been disappointed by the very slow growth of the program. Therefore, the Subcommittee on Health and the Environment has undertaken oversight of the program which has revealed convincing evidence that much of the responsibility for the slow growth of the program lies with HEW, which has failed to seek adequate appropriations, obligate funds which have been appropriated, promulgate regulations in an expeditious manner, provide sufficient staff, and has used a functional organization for the program which has been ineffective. However, some deficiencies in the original law have also become clear in that the requirements which it places on HMO's are so stringent that they cannot compete effectively in the medical market. The committee has, therefore, amended the law to correct the problems with it which have been identified and to encourage improved implementation by HEW. The legislation has been supported in front of the committee by all witnesses from the HMO community and, as rewritten by the subcommittee, is now satisfactory to all organizations from which we have heard except the administration. The bill contains no new authorizations of appropriations since it accomplishes an extension of the program by rearranging existing authorizations.

One of the issues in the consideration of the HMO program has been the effect of the so-called dual choice provisions in the original law which require that an employer who is giving his employees health insurance also provide for them the option of joining an HMO when there is one in the community which meets the requirements of the act. Last week HEW finally published regulations for this part of the program after almost 2 years of consideration. In general these regulations are reasonable. They do respond to the principal concern of the labor movement, which is also responded to in the amendments before us, by allowing a union to have first acceptance or rejection of the offering of an HMO option to its members. The union cannot, of course, speak for employees which it does not represent, and, in the event that it does accept an HMO option, these amendments and the committee report make it clear that each individual member of the union would then have to be given the opportunity to decide whether to join the HMO or accept alternative traditional health insurance coverage from his employer. Thus, if the HMO option is offered, each individual employee would be guaranteed an option and the right to choose whether or not he wishes to join the HMO.

People should have the choice of what kind of health benefits to obtain. Let me emphasize again, our intent is to give each individual employee a choice of an HMO or some alternative health care coverage, not to force anybody to take any one particular plan.

I would also like to report to my colleagues that we have had some indication through leaked memorandums that HEW is now seriously considering reorganizing the HMO program and consolidating the staff in a single administrative unit within the Department as was suggested in our committee report. This is very pleasing to me and I hope that they will proceed to do so as expeditiously as possible.

There has been some question about how the requirements which the bill places on employers will affect the Federal Government as an employer, and we will, therefore, have an amendment from the Post Office and Civil Service Committee to clarify these requirements.

Medical care costs have been rising in the last year at rates double or triple those for the rest of the economy. HMO's provide one way of controlling this rise in costs without sacrificing quality or accessibility. H.R. 9019 will when enacted speed the implementation and growth of the HMO program and, I, therefore, urge your support of it.

Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the full committee, the gentleman from West Virginia (Mr. Staggers), who has taken an active interest in this whole program.

Mr. STAGGERS. Mr. Chairman, I rise in support of the Health Maintenance Organization Amendments of 1975, H.R. 9019. H.R. 9019 makes a series of amendments to Public Law 93–222, the Health Maintenance Organization Act, which this Committee wrote in 1973. That act was designed as a 5-year test of the ability of the Federal Government to assist in developing new, comprehensive, prepaid medical groups throughout the country as a means of encouraging preventive medicine, improving the quality of medical care, and restraining the rapid increase in health care costs. Since enactment of Public Law 93–222, the program has grown much more slowly than had originally been anticipated and in the last several months our Subcommittee on Health and the Environment has, through hearings and its oversight activities, explored the reasons for this slow evolution in the health maintenance organization program. H.R. 9019 represents the committee's conclusions as to what amendments to the original law are necessary to make HMO's more competitive than is possible under the original law and to encourage the proper implementation of the program.

The bill will do this by extending the program for 2 years; shifting some of the present authorizations of appropriations into the new years, without additional authorizations of appropriations; simplifying the requirements for supplemental health services and the services of health professionals; dropping the requirement for open enrollment and waiving for 5 years the requirement for community rating; and clarifying the operation of the dual choice provision.

You are all aware of the current excessive rise in health care costs going on throughout this country. HMO's are one way of beginning to control those costs and, therefore, deserve your support. This is a good bill which has been carefully prepared by our committee to encourage the growth of HMO's, and I urge your support for it.

Mr. ROGERS. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia (Mr. Satterfield).

Mr. SATTERFIELD. Mr. Chairman, it was said in 1973 when we passed Public Law 93–222 that HMO's would provide an alternative health delivery system uniquely capable of dealing with certain purported problems such as the lack of available health care to some citizens, the mounting cost of health care and the lack of quality assurance and control over health care services.

However, in light of the experience of private prepaid group practices and specifically the requirements of the HMO Act itself, serious questions arose with regard to the effectiveness of a federally subsidized health maintenance organization program, and the economic feasibility of serving those who needed it the most, that is those with high risk health problems, those who resided in rural and urban underserved areas and the poor.

The answers to these questions were

not available for the simple reason that there had been no experience upon which the answers could be based.

Therefore, as an alternative to the blind pursuit of a long range costly program, Congress wisely elected to ascertain the answers to these questions. Accordingly Public Law 93–222 directed the Comptroller General to evaluate and report to Congress on at least 50 of the HMO's covered by the Act on the basis of at least 3 years of actual operation by each. He was specifically directed to include findings with respect to the ability of these entities to operate on a sound fiscal basis; on their ability to meet the requirements of the act with respect to organization and operation; on the ability of the entity to provide those basic and supplemental services set forth in the act; and on the ability of the entity to serve indigent and high risk individuals and to provide services in underserved areas.

In addition, the Comptroller General was directed to make a separate report to Congress within 3 years after the enactment of that public law upon the effect of the act on employers with regard to their compliance with the employee health benefit plans; his evaluation of distinct categories of HMO's in comparison with each other and with alternate forms of health care delivery and the impact of HMO's individually and as a group upon the general health of the public.

That act represented a noble effort to obtain enlightenment before plunging blindly ahead with an expensive program. I supported that approach and still do, although I found it unfortunate that various membership profiles and categories of HMO's originally contemplated were eliminated from the public law as required demonstration projects.

Now little more than a year and a half later, before there has been any opportunity to evaluate even one HMO under the act, we are asked to approve H.R. 9019 which seeks to alter and delete the fundamental provisions which in 1973 we felt were not only essential for the HMO to fulfill its professed role but absolutely necessary for meaningful evaluation by the Comptroller General.

Among other things this bill would change the basic relationship between the health professional and the HMO.

If H.R. 9019 is enacted, no longer would a health professional connected with an HMO be required to be engaged primarily in providing services to the HMO. Instead his association with it need be nothing more than one of casual contract. Passage of this bill will provide the very thing Public Law 93–222 sought to avoid, an organization so loosely constituted that it will lack the cohesive benefits to members and health professionals which proponents said were essential.

Furthermore, under existing law an HMO is required to provide specific basic service to all members as well as certain supplemental services to those members who requested and paid for them.

H.R. 9019 would not only eliminate certain basic health services which are fundamental to preventive health care but it would eliminate the requirement that an HMO must provide any supplemental health services. This bill destroys the very thing which is essential to preventive health care and the comprehensive coordinated services which proponents alleged would make HMO health care less expensive to the member.

A third fundamental change which H.R. 9019 would effect is the elimination of the requirement for open enrollment.

The original open enrollment requirement was designed to assure that an HMO would serve all citizens and to prevent it from confining its membership only to those who are in the best of health.

A fourth change which H.R. 9019 would make is deferral for 5 years of the requirement for community rating. The purpose of community rating was to guarantee that those with the highest degree of health risk would not necessarily have to pay the highest cost of membership in an HMO. Deferral of this requirement, and there is no assurance that it would not be deferred again later, would also encourage the enlistment of members by an HMO with the least health risk, those in underserved rural and urban areas, the aged or the poor, the very group which this whole program was intended to serve.

When we passed Public Law 93–222 we accepted the concept of test and evaluation reflecting the desire of Congress to obtain the answers to the questions we felt we needed. One might ask today what has happened to that desire? What has occurred in the past year to provide answers today which were lacking in 1973. Surely, it cannot be seriously contended that they have been provided by little more than 1 year's experience, especially in light of the economic problems which have plagued this Nation during that time. Surely it cannot be the fear that ultimate evaluations might be adverse. If more time is needed to develop HMO's for the evaluation, then the proper recourse is to extend the original act, not to change it.

Passage of this bill would reverse the objectives Congress established in 1973. Passage of this bill will render valueless the provisions which call for evaluation and in essence will reduce this program to little more than one Federal subsidy of prepaid private group practice.

Mr. Chairman, the need to investigate this mode of health delivery is precisely the same today that it was in 1973. Passage of H.R. 9019 will mean that we are no longer interested in whether the concept embraced in Public Law 93–222 is feasible but that we are perfectly content now to proceed blindly with a program whose ultimate scope, effectiveness, and cost are unknown and unforeseeable. For these reasons, Mr. Chairman, I urge my colleagues in the House to reject this bill.

Mr. CARTER. Mr. Chairman, I yield five minutes to the distinguished gentleman from New York (Mr. Hastings).

Mr. HASTINGS. Mr. Chairman, I would like to make just a few comments about H.R. 9019, the Health Maintenance Organization Amendments of 1975.

Health maintenance organizations—HMO's—are designed to switch the focus of health care from hospital-based to ambulatory and provide a greater emphasis on primary care and preventive medicine. The consumer pays a monthly or other periodic fee for needed health care services.

The available data has shown that there are reduced hospital stays, sometimes up to 50 percent, and as a result substantial financial savings. The consumer generally receives better continuity of care and certainly no reduction in quality. This is due mainly to the emphasis on outpatient primary and preventive care.

However, despite the proven advantages and the enactment of enabling legislation, progress in developing and expanding the HMO concept has been disappointing. This is because the current law contains several restrictive provisions. That is what the subcommittee is trying to correct by the legislation we are considering. The amendments will make the formation of HMO's more attractive to potential sponsors, make the law more flexible and responsive to current needs, and result in more accessibility to HMO's by the consumer.

I think the most important factor regarding this legislation is that it is a result of consensus—consensus by those involved in HMO development, by labor, by business, by GAO, by medicine and even by the administration.

It is important also to remember that the legislation is not intended to be the sole source of support for HMO's, but to encourage additional public and private support.

I urge you to report H.R. 9019.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. Heinz).

Mr. HEINZ. Mr. Chairman, I rise in support of H.R. 9019, and I do so as well to recognize the considerable efforts and the contributions of the members of the Subcommittee on Health and Environment. Among them are the distinguished chairman, the gentleman from Florida (Mr. Rogers), and my colleague on the minority side, the gentleman from New York (Mr. Hastings). Mr. Hastings has made the Health Maintenance Organization Act and its amendments one of his highest priorities and is the person most responsible for the excellent amendments to the HMO Act that we are voting on today.

Mr. Chairman, American consumers, the people who benefit from the high standard of medical care we have in this country, owe the gentleman from New York (Mr. Hastings), our chairman, and the many other active members of the subcommittee, a debt of gratitude. It is they who have made possible a concept of the health maintenance organization with its focus on both primary and preventative health care that, in my judgment, could mean substantial cost reductions in care, and better standards of care for the same price.

Mr. Chairman, it is my hope that this legislation will not only pass this House, but also be speedily enacted into law. It is absolutely necessary to have this legislation if the previously passed and enacted health maintenance organization law is to work. We have asked for no additional dollars for these organizations because we believe that they can make it on their own, if we allow them to compete in a fair and open marketplace. We must make changes in the mandatory benefit package, so that health maintenance organizations can offer a flexible package geared to the needs of individual consumers and groups who seek such care.

There must also be important changes in the provisions which permit enrollment and community rating. Such changes as stipulated in the amendments are needed so that these health maintenance organizations can have some prospect of being competitive with existing health care plans, who are under no such restrictions.

I am pleased that there seems to be progress on the regulatory front, including HEW regulations, that will permit the trustees of health plans in the collective-bargaining process to resolve any questions involving "dual choice." But there is, Mr. Chairman, one very serious problem that I wish to take this occasion to address, and that is the problem of administration of the entire HMO program.

Mr. Chairman, there are currently 21 agencies in HEW that must be conferred with by HMO's. Each agency has power over some aspect or another of HMO development and regulation. Each agency can exercise that power without any central coordination or direction. Staff are scattered among the agencies and do not report to a single boss. This state of affairs, amply documented in both GAO and our full committee report, may prevent HMO's from becoming a reality even with our new amendments.

In fact, coming down here on the plane today from Pittsburgh I was with the director of a health maintenance organization recently started in my district. He confirmed that in fact there are 21 separate Federal agencies within HEW, which his organization is accountable to, if it wishes to take advantage of all provisions of the HMO Act.

I want to take this opportunity, Mr. Chairman, therefore, to call upon HEW to do everything in its power today and in future days to try to make existing health maintenance legislation on the books, and as amended—as I think we will do here today—workable; to stop putting unnecessary administrative barriers which hinder its implementation; and to cooperate with the Congress to their fullest extent to help present the people of this country a choice in the way health care is delivered and administered. Because of the important consumer benefits we expect to find in HMO's, I think we all believe such a choice can be offered to the people of the United States.

Mr. ROGERS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. SCHEUER), my colleague on the subcommittee, who has taken an active interest in this matter.

Mr. SCHEUER. Mr. Chairman, it is with several reservations that I rise in support of the Health Maintenance Amendments Act of 1975. Rigid regulations are strangling young, vulnerable HMO's and preventing new ones from being created.

Congress is partly responsible. In these amendments we are granting time and adequate funding to encourage swifter and more secure establishment of health maintenance organizations. The Department of Health, Education, and Welfare has been inefficient, and delinquent in promulgating the regulations we have called for. Many groups are waiting at the door in frustration and despair.

From the start our goal has been to provide comprehensive health care relating to the individuals needs of each beneficiary as he or she sees them. In facilitating and encouraging the establishment of HMO's, this legislation reaffirms the importance of home health care, which is often as satisfactory as the far more expensive hospitalization. It is crucially important to patient/consumers, particularly the elderly population. But we should be wary of withdrawing support for other perhaps equally important services, such as treatment for alcoholism and drug abuse, which for many communities and individuals across the country are essential.

We should not stray from our original perception of HMO's as community-based institutions, drawing on the entire community's support and responding in turn to the entire community's needs. While it is unfair to burden HMO's with sudden and overwhelming costs, open enrollment should remain an important concept—and should be gradually phased into the structure as it matures. We must never diminish the principle that health care be made available to every member of each community, including those high risk individuals who are not now covered.

The quality of each community's health care must be excellent. Allowing doctors to spend less than half their time with the health maintenance organizations jeopardizes the stability and undermines the doctor-patient relationship. We hope it will take less than 5 years for the HMO's to attract physicians whose full energies will be devoted to HMO's.

Our HMO's will surely be a sound investment in our national goal of quality health care for the greatest number of people at a reasonable cost. In its present form, this legislation inflicts serious harm to the concept of cost control through a prepaid structure. By permitting contracts with health professionals without stipulating salaries of capitation reimbursements, we could plunge the HMO's back into the totally uncontrollable fee-for-services system. Prepaid coverage, and comprehensive health care must remain the hallmarks of this promising new service and payments model.

Mr. CARTER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask two or three questions of a member of the committee, the distinguished gentleman from Virginia (Mr. SATTERFIELD). These questions have been bothering me, and I have addressed them at various points to people who are in charge of setting up HMO's and never have been quite satisfied with the answers I have received.

My first question is this: It has been stated these HMO's will go into medically areas. I will ask the gentleman from Virginia (Mr. SATTERFIELD) if he can tell us who will make this determination as to what is a "medically underserved area"?

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Virginia.

Mr. SATTERFIELD. Mr. Chairman, it is my recollection that in the act we passed in the 93d Congress it was provided that the determination of what is a "medically underserved area" would be made by the Secretary of HEW.

Mr. LOTT. Mr. Chairman, I would like to pursue that for 1 second, since I have been through a few experiences with an HMO.

The determination will be made by the Secretary, not by some member of the HMO operation in the Atlanta regional office; is that correct? These determinations would be made by the Secretary?

Mr. SATTERFIELD. Mr. Chairman, the Secretary would make the final pronouncement on what is a "medically underserved area." I am confident, however, that he would utilize the resources of his entire department in obtaining the information and the recommendations upon which he would make the ultimate decision.

Mr. LOTT. Mr. Chairman, this problem bothers me very much, and that leads into my second question.

I do not know whether it is in the law or whether it is in the regulations or in the report, but I understand there is supposed to be community support for an HMO.

I made the comment yesterday when we were handling the rule that in my particular home town there was almost universal opposition to the HMO's, and HEW officials in Atlanta almost put one in there anyway.

Is there supposed to be community support for the HMO?

Mr. SATTERFIELD. If the gentleman will yield further, it was certainly the understanding of our committee that this was the preferred way to proceed, but upon a cursory review of the act I cannot find anything in it that mandates this as a specific requirement, at least to the point that it permits someone to object to the establishment and the funding of an HMO provided in this act.

I might point out to the gentleman that there is nothing in this act today that will require an HMO to go into any underserved area. This was one of the requirements that we tried to write into the act, but it was eliminated before the bill came out of committee.

Mr. LOTT. Are we here trying to make an effort to get a few HMO's into areas badly underserved medically, or are we talking about a goal that some HEW officials are proposing of 2,000 HMO's to serve 85 percent of the U.S. population? Are we going to subsidize that much of a program?

Mr. SATTERFIELD. This is a matter of great concern to me.

I know that the Secretary of HEW, when he testified before our committee the first time in 1972, made a statement that this was what was being contemplated. As a result of that additional information that came out, I think it is fairly obvious, as we extend the operation, that it would have to be franchised on a geographic basis.

I do not think that this bill or the act in existence will take us to that point.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. LOTT) has expired.

Mr. CARTER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Mississippi.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield further?

Mr. LOTT. Yes, I yield to the gentleman from Virginia.

Mr. SATTERFIELD. Mr. Chairman, as I was saying, I do not believe that the legislation now on the books will take us to that point, nor do I believe that this particular bill will. However, what I am very much concerned with is a move that I conceive of as a search for an alternate health-delivery system to serve this Nation if we adopt national health insurance. The thing that disturbs me more than anything else is that if we do adopt national health insurance, and if we do, indeed, force a determination that HMO's are a viable, effective, and feasible health-delivery system, there would be the propensity for the one further step of requiring ultimately that the health-delivery system be through HMO's.

If we ever take that step, we will be back to that position of having 2,000 HMO's to serve 85 percent of our population.

Mr. LOTT. I thank the gentleman from Virginia (Mr. SATTERFIELD) for his responses, and I agree with him.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. LOTT. Yes, I will be glad to yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I might say that the figures that the gentleman from Virginia (Mr. SATTERFIELD) quoted, I think, were stated by the Secretary of HEW, Mr. Richardson; and the administration came forward with that plan.

Our committee held hearings, and we thought it was not feasible, and we did not accept that proposal. Therefore, what we have done is to go forward with a very reasonable demonstration program here. We are not increasing the authorization. We are simply extending it for 2 years. I think the gentleman from Mississippi (Mr. LOTT) will be pleased with the way we have handled it.

Mr. LOTT. Mr. Chairman, I thank the distinguished chairman of the subcommittee. He has done an outstanding job in the health field.

I would like to ask him this question, however: Is the gentleman going to make an effort to urge HEW to make sure that there is community support for these HMO's?

Mr. ROGERS. Yes. May I say, first of all, that if there is no community support, there can be no HMO, because no one will join, nor could we get the necessary people to support it. I suspect that is what happened in the State of Mississippi. There was not any community support, and it never got off the ground. I presume that is true, is it not?

Mr. LOTT. That is true.

Mr. ROGERS. By its inherent nature, it must have the support of people or otherwise it is doomed to failure, I would say to the gentleman.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do have concern about this bill before us today, H.R. 9019, the Health Maintenance Organization Amendments of 1975.

I fear that many of these proposed objectives of the original legislation threaten to undermine the fundamental reasons and purposes of it by reducing both the scope and availability of services and I feel that I should alert the Members of the House to this situation.

Someone has spoken of the slow growth and, indeed, it has been slow. Up until 1973 this legislation was administered by HEW under section 314-E of the Public Health Service Act, and since this legislation came into effect only five HMO's have been developed.

As you know, Mr. Chairman, I did support the original HMO concept and I supported the goals which were embodied to begin with in that legislation, and these included health care available to all citizens; provision of comprehensive health services in one-stop centers; emphasis on health maintenance risk-spreading; and cost economy incentives.

In short, the HMO Act of 1973 proposed to test the viability of unique, prepaid plans in the health care delivery market. Now, less than two years after passage of the HMO Act, amendments have been proposed in the guise of making HMO's more nearly competitive, and they will indeed, which I fear will effectively undermine the principles on which it was based and the goals to which it was committed.

I agree that these amendments will help make HMO's more profitable, and indeed so. Medicare and medicaid have been expensive and costly, there is no doubt about that, and also HMO's are going to be expensive, but I am concerned that this bill would render the HMO concept almost unrecognizable. In this process I am worried that the health care needs of our citizens will, indeed, suffer.

It appears to me that perhaps too much is being said about insuring the economic survival of HMO's and not enough emphasis is being placed on providing health care for the individuals for whom HMO's were created to serve.

Mr. Chairman, I would like to outline briefly a number of concerns that I have.

First, the scope of available health services will be significantly reduced.

The guarantee of comprehensive health services which was envisioned in 1973 will no longer be comprehensive.

Preventive dental care for children would be removed from the list of basic required services.

As we know, a small investment in preventive dental care in early childhood will result in substantial savings in cost and disability in later life. Yet this important preventive provision would be deleted according to this proposed bill.

In addition, another amendment would transfer the provision of medical treatment and referral services for the abuse of an addiction to alcohol and drugs from basic services to the supplemental services list.

Moreover, if this bill passes, HMO's would no longer be obligated to offer any supplemental services whatsoever.

Thus there would be no guarantee that these valuable alcohol and drug services would be provided at all.

The provision of supplemental services would be entirely optional for the HMO's and it would come to an additional cost and expense to the members of these organizations.

Mr. Chairman, much has been said by my good friends who introduced the legislation about the 5-year preventive health care and the role of the HMO's in supporting this approach.

I heard one of my distinguished colleagues describe how HMO's should be "catching a disease" before it starts.

Indeed, I, too, believe this is a very worthy concept, which requires effective implementation. Therefore, Mr. Chairman, I find my colleagues' support of these amendments inconsistent with their endorsement of the preventive approach.

In fact, the removal of the preventive dental care provision and the transfer of the alcohol and drug services to the supplemental, and thus "optional" category, appear to contradict the concept of the preventive health care approach.

HMO's were created and designed to have an incentive to keep people well. We should provide HMO's with the means to do so rather than reduce the scope of services.

Second, the accessibility of health care services to all segments of the population will be reduced if these amendments pass. This is particularly true for those most in need of the services and those whom the Congress specifically intended to benefit.

The amendment to eliminate the open enrollment requirement would encourage "skimming," and by that I mean the selection of members who are healthiest and who have the greatest resources, not for the poor or the sick.

With the elimination of open enrollment, HMO's would be able to deny membership to many of the sick, poor, and elderly citizens of our Nation.

My colleagues who favor this change point to the phrase in the original act which requires HMO's to enroll members who are "broadly representative" of the area they serve. They claim that this phrase serves as a safeguard against such discrimination.

I am concerned that this qualification is not sufficient to assure membership for those who need it most. I fear that the words "broadly representative" may be interpreted in the most restrictive, narrow sense rather than in a nondiscriminatory fashion. This phrase would still permit HMO's to pick and choose those members who are to be considered the "representative" enrollees, and again, they will be the healthiest and the wealthiest.

In a similar vein, the proposed waiver of the community rating provision serves to undermine the risk-sharing features of the HMO concept, that is, the wealthy people will not share the expenses of the poverty stricken people.

It was said in a letter to Chairman STAGGERS by the present Secretary of HEW:

> We feel that if an HMO receives the benefits of the act in terms either of financial aid or of certification under the "dual choice" option, it should be required to furnish the important health services listed in the act as supplemental services if the manpower is available and if the recipient desires those services.
>
> Therefore we believe that it would be beneficial to delete those provisions of H.R. 9019 which make the offering of supplemental health services by HMO's no longer mandatory.

This change would, in effect, permit HMO's to establish differential premium rates corresponding to health status.

Thus, instead of the savings in health costs from the healthiest members being used to offset the higher health costs of individuals in greatest need of medical attention, the latter group would have to pay higher premiums.

Much has been said by my colleagues about the cost-saving potential of HMO's, and their ability to reduce inpatient care. I, too, am impressed by the findings that have been cited from past experience. However, if these amendments pass, what will happen to the individual who needs a service which is no longer offered by the HMO?

Rather than helping to cut down consumer costs, it appears to me that this legislation will increase individual's expenses. HMO enrollees will be faced with extra payments for extra services which the so-called comprehensive service no longer offers.

Third, H.R. 9019 also undermines the concept of a "one-stop" health center, where all providers of health services are loyal to the unit and to the preventive-maintenance approach.

According to the proposed legislation it will no longer be necessary for providers who serve HMO's to be primarily engaged in prepaid practices. HMO's would be permitted to contract out to a combination of health groups and health professionals for services.

Finally I regret that the viability of the HMO concept is being judged so prematurely and along thoroughly traditional lines. If indeed HMO premiums compare less favorably with other plans, the other features such as range of services and convenience and so on compare favorably. Striving for the lowest dollar coverage is not the only way to be competitive nor necessarily the best way. A comprehensive one-stage health care plan can also be competitive because of the total care package it offers.

The intent of the original legislation was to test a new concept which would be an alternative to existing forms of health care delivery. HMO's were not meant to be modeled after the existing commercial carriers with which they are being compared today.

Wisely, I think, children's ear examinations have been added to the preventive services list, and home health services have been retained in the basic services package.

These were changes which I introduced and I am pleased that the subcommittee saw fit to include them.

In addition, these amendments will guarantee loans to private HMO's which will serve medically underserved areas.

However, although these changes are important, I believe they fall far short of offsetting the many unfortunate features of this bill.

If the Federal Government is going to provide up to $50,000 in grants and contracts for feasibility studies of HMO's, and up to $1 million in grants, contracts, and loan guarantees for initial development costs, and up to $2.5 million in loans and loan guarantees for initial operational costs of HMO's, I feel in such cases, with such largesse from the Federal Government, with so many grants and so many funds from this area, that we should not reduce the scope of accessibility of the services which HMO's were created to provide in the first place.

Mr. Chairman, I reserve the balance of my time.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I have read the dissenting views of my distinguished colleague from Virginia (Mr. SATTERFIELD) and the supplemental views of the distinguished gentleman from Kentucky (Mr. CARTER). I supported the Health Maintenance Act of 1973, which subsequently became Public Law 93-222, and after having read both of these views I have some reservations about this bill and I would like to propound a question or two to my distinguished colleague, the gentleman from Kentucky.

Particularly after having read the gentleman's supplemental views, I wonder if the scope of available health services will be significantly reduced by this bill. I think the gentleman knows what I am referring to. We have many rural and small town areas in America that could be truly classified as medically deprived or medically underserved. I wonder what the gentleman's judgment would be to that particular thrust in this legislation.

Mr. CARTER. The thrust of this legislation is to make HMO's viable, and by that I mean profitable, and I believe that it would make them quite profitable. I am afraid that for areas such as ours, where we have many poor people, it would not be very effective. I doubt if we could establish HMO's by this legislation in our areas. I regret this very much.

Mr. WAMPLER. So what the gentleman is saying is that we are trying in this legislation to make HMO's more viable. Is it true in many cases that this bill is going to deprive the lower income and poorer people of adequate medical services? Is that correct?

Mr. CARTER. The gentleman is exactly correct.

Mr. WAMPLER. There is one other question I would like to ask of the distinguished gentleman from Kentucky. He points out in his supplemental views, that we must prevent skimming, and I think this is what the gentleman was referring to in the earlier response to my question, and that is if we take the more affluent citizens into HMO's we will be thereby depriving the lower income people of badly needed health services. Is that a correct statement?

Mr. CARTER. Mr. Chairman, that is exactly right, if the distinguished gentleman will yield on that. Actually, only the healthiest and wealthiest would be enrolled, although it is supposed to be broadly representative and, of course, it would be extremely viable and would be a moneymaking proposition. It would be quite expensive if it is expanded in the future.

I am thankful, however, that the authorizations for the next 2 years are limited in scope. I would have supported a larger authorization in case it would have been more helpful to areas such as the distinguished gentleman from Virginia represents and the area I represent.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield further?

Mr. CARTER. I yield to the gentleman.

Mr. WAMPLER. Mr. Chairman, I want to commend the gentleman for offering the amendment that does provide for children's ear examinations—that they have been added to the preventive services—and the home health services, because this is vitally important and it is my understanding these are both included in the legislation before us.

Mr. CARTER. Yes, home visits, also ear examinations. It might go even further than that, but it does eliminate predental examinations, which are very important, also treatment for alcoholism, which affects 10 million of our people and drug problems, which are expanding greatly.

Mr. WAMPLER. I regret very much there is no provision for predental examinations.

Mr. CARTER. That was not included in the present bill, neither is alcoholism, except as a supplemental which would cost more money. Really, supplemental offerings are not really required.

Mr. WAMPLER. I think the gentleman would agree that this is one of the great problems in our area and in many cases there is a serious denial of adequate dental examinations for schoolchildren and others and it is certainly a serious problem.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, I was most interested in the remarks of the gentleman from Virginia. I might say it would help to have the House understand that HMO's are not designed to be another system of covering all the problems of healthful living in the country. I can assure the gentleman that is not the case. HMO's is a very small demonstration program to try to inject prevention as an element in our existing system.

I would suggest to the gentleman from Virginia and to the gentleman from Kentucky if we want all these concerns, and I share these concerns about drug abuse and all these other problems, then we have to consider a system of national health care; but we should not confuse what HMO's are designed to do with regard to extension of coverage for all the health needs of the country. HMO's are not designed to do that. What we are trying to do is make the HMO competitive with third-party systems and no more than that.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. ROGERS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CARTER. Mr. Chairman, I thank the gentleman.

I want to state that the original HMO Act did include drug treatment and alcoholism, as well as predental examinations. That was part of it as a package. It was supposed to provide both preventive health care and care from the cradle to the grave; but by this legislation we are eliminating those things and we are making them viable. Certainly we are eliminating from the benefits of this legislation the people who really need it most.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, I rise in support of H.R. 9019, the bill to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations.

I strongly support the intent of the legislation to create organized systems of health care that provide comprehensive services for families and individual members who pay a fixed annual fee. The HMO approach, which to my disappointment has grown at an excessively slow rate, still provides many middle-income people, particularly those with children, an excellent alternative for complete medical care.

I am glad that the bill is being modified in order to help make HMO's more competitive with other forms of medical practice. Our citizens are in need of this type of medical service system that is based on the concept that it is better to prevent illness, than to wait until the patient has developed a disease before mobilizing health resources. The Interstate and Foreign Commerce Committee report discusses problems created by the poor administration of the program by HEW. I hope that the committee will continue to monitor the administration of the program and try to allieviate these problems.

I also hope the committee will continue to encourage the development of HMO programs in areas serving low income medicaid and medicare recipients. This type of a focus is necessary in order to have the program function in my congressional district. My district is composed primarily of very low-income minorities and senior citizens. HEW has disapproved program proposals from the South Bronx because HEW stated that the intercity areas lack the economic indices to insure successful HMO programs. With proper reimbursement by medicare and medicaid programs this should not be a valid reason for refusal. I hope the Interstate and Foreign Commerce Committee will urge HEW to solve this problem and provide the needed guidance to insure that the HMO program reaches low-income residents as well as others who choose the program voluntarily.

I urge my colleagues to support this important legislation.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, it is my understanding that under the original act some 20 percent of funding was specifically reserved for so-called underserved, including rural, areas. Yet there have been complaints that this money simply is not going into these areas, particularly the rural areas. In fact my colleague from Kentucky, Mr. CARTER, states specifically in your committee's report:

> There is a lack (in this legislation) of emphasis on HMO development in underserved areas."

Mr. Chairman, what reassurances might you be able to render those of us who are so vitally concerned about the health needs of rural Americans that this legislation, indeed this program, is not by default going to serve only urban and suburban citizens?

Mr. ROGERS. Mr. Chairman, let me say to the gentleman, if I may, that in the original law we did say that we wanted 20 percent of these funds to go into rural areas. They have not come up to that. In fact, they have been very slow in administering the program. They have put almost 15 percent into the rural areas.

We chastised them on this report. The committee has expressed its displeasure with the fact that they have not come up to the goal we set of 20 percent of the funds. We expect that to be corrected.

Mr. JONES of Tennessee. I thank the gentleman. I am sure he realizes as well as any of us do that the rural areas in this country are deeply in need of this type of service.

Mr. ROGERS. The committee recognized that in its original bill, and we continue that and we will insist that the law be adhered to.

Mr. JONES of Tennessee. I thank the gentleman.

Mr. ROGERS. Mr. Chairman, I just want to conclude by saying that the health maintenance organizations are the form of delivery of health care in which we can stress preventive care instead of waiting until everybody gets ill and putting them in the hospital, the most expensive place for delivery of care. In other words, we are giving an incentive to the doctors who run the HMO's to keep people well and out of the hospital. It is to their economic benefit to do that in a group which is paid in the beginning of the year to take care of that family for the whole year.

When we wrote the original bill, we put in every service we could think of which we thought would be good for the HMO to give as a requirement. Now, what happened? When some of them went out to the marketplace, they found out that few of the insurance companies were giving the same benefits for the same amount of money. We believe in the free enterprise system, so we want to let the HMO's have the same ability to compete for health business as an insurance company would, and we are saying, "We are not going to make you give extended mental health service. You have to give emergency care for alcoholism, but we are not just going to make you give continued service when nobody else is required to unless you can charge for it."

Now, there is nothing to prevent any HMO from giving every medical service, as any health insurance policy could, but a person may have to pay a little more for it.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, how much does the Government subsidize the other carriers to which the gentleman refers, the insurance companies?

Mr. ROGERS. May I say to the gentleman—and I am sure he knows this—all we are doing is trying to get them started as demonstration projects, and then they are on their own. They are on their own, and they have to be financially able. It is worth noting that the Federal income tax deduction for individual and corporate purchase of private health insurance constitutes a very substantial subsidy by tax expenditures of private insurance companies.

Mr. CARTER. If the gentleman looks at the bill, we have had some $22½ million. Every bit of it has been grant money given to these people, and yet we want to give them money and have them compete with insurance companies. This is an invasion of the private sector, it seems to me, by the Federal Government.

Mr. ROGERS. If the gentleman would look at the bill, and I know he has done so carefully, he will find that we phase out all aid after a 3-year period. The whole program does not go but 5 years, and then the HMO's are out and have to be viable and pay their own way.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I will yield to the gentleman from Virginia.

Mr. SATTERFIELD. I thank the gentleman for yielding.

Mr. Chairman, it seems to me that one of the great arguments for HMO originally was that they had the unique capability of supplying more comprehensive preventive health services than were now being supplied by health insurance and private insurance. If we are now going to say that they provide no more than private insurance companies, we are disregarding one of the very important points.

Mr. ROGERS. Not necessarily. The

gentleman is not taking into consideration the free enterprise system, the marketplace, in determining that. They can provide the services.

Mr. SATTERFIELD. If the gentleman will yield further, I certainly agree with the free enterprise system. But I do not think anybody can contend that Public Law 93–222 is a free enterprise bill.

Mr. ROGERS. There is no question it is free enterprise.

Let me tell the gentleman something else. We have already experience about HMO costs. I do not know anyone in this Nation who is not concerned about health costs. Certainly this Congress ought to be. And here we are, talking about moving into national health insurance. Let me tell the Members about the experience we have already had in Oregon and the District of Columbia with the Health Maintenance Organization.

HMOs in these areas took a medicaid group and they compared costs on the like group being cared for in the private sector. And do the Members know what happened? Medicaid beneficiaries enrolled in the Group Health Cooperative in Puget Sound experienced a monthly cost which was 29.8 percent less than that experienced by beneficiaries receiving fee-for-service care. Medicaid eligible enrolled in the Group Health Association of Washington, D.C., over a 3-year period, experienced costs which averaged 20.6 percent less than beneficiaries receiving fee-for-service care.

This is an impressive figure, I would support this legislation if that is all it did. Let us begin to show how we can begin to effect some savings in health care, 20 to 30 percent. And with an expenditure of $118 billion on health in this Nation—and it is rapidly rising—think of the potential of what this may do, even for medicaid. There is a possibility for effecting the costs of health care that we have the opportunity to demonstrate.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I will yield to the gentleman from New York.

Mr. HASTINGS. I thank the gentleman for yielding.

On the question of whether or not the Federal Government is involved in subsidizing the free enterprise system health care in this country, I think the House should understand that of the $118 billion mentioned by the chairman, the gentleman from Florida (Mr. ROGERS), the Federal Government this year will pay well over $30 billion. That is a contribution to the existing fee-for-service health system. I do not decry that, but I do not either want the House to suffer under an illusion that there is no contribution to the delivery of health care in this country from the Federal Government.

Mr. Chairman, I might say it has been released that over 200 doctors in this Nation earned over $100,000 in fees from medicaid, and one earned over $450,000 in 1 year in fees from medicaid.

Do not misunderstand. That is Federal money. That is Federal subsidy of an existing fee-for-service system. So I do not think we should suffer under the illusion that there is no Federal contribution to the health fee-for-service health care of this country.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

I will agree that is quite true. I would say this does not speak well for the Federal Government, but right here today we are continuing that subsidization of which the gentleman is speaking. And over the years, if this continues, we are going to have another white elephant on our backs such as medicaid is today.

Furthermore, each physician member of one of these group practices that my good friend referred to earns, according to his own words on the floor a few weeks ago, $65,000 a year. So why in the world do we want to further subsidize this group and limit the amount of work that they would have to supply to serve our poor people?

Mr. ROGERS. Mr. Chairman, I thank the gentleman for his comments.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Virginia.

Mr. SATTERFIELD. Mr. Chairman, I would just like to respond to the remarks of my very good friend, the gentleman from New York. I would like to point out that the fact that we are subsidizing health care to the point of delivery without requiring payment from those to whom it is delivered accounts for the rising cost of health care in this country.

I think we ought to recognize that in part the entrance of the Government in this area is one of the reasons we have escalating costs for health care delivery.

Mr. DRINAN. Mr. Chairman, the aim of those of us who will vote today for this bill is to provide high-quality, moderate-cost health care to as many citizens as possible. Specifically, our goal is to increase the number of health maintenance organizations in this country.

If health maintenance organizations are to flourish it is necessary for them to be able to compete profitably with traditional health care plans. For health maintenance organizations to be able to compete profitably, they must be allowed to eliminate certain services and still qualify for Federal assistance.

The wisdom of this legislation is reflected by the fact that it is endorsed by, among others, the Association of American Medical Clinics and the Group Health Association of America. The latter organization has on its executive committee representatives from health maintenance organizations throughout the country, including the Harvard Community Health Plan in Boston.

The need for this legislation is seen most clearly in the fact that although Congress appropriated $89.2 million for HMO's for fiscal 1974–75, only $22.5 million has been obligated for this period. The failure of the Department of Health, Education, and Welfare to encourage applications and to promptly issue regulations is one reason for the low amount of obligated funds. It also appears, however, that the requirements imposed by the Health Maintenance Organizations Act of 1973 are also an important cause. This bill deals effectively with this factor.

This bill has been carefully conceived. It is the result of a long period of oversight by the Health and Environment Subcommittee of the Committee on Interstate and Foreign Commerce. It requires no new appropriations. What it does require is the support of the Members of this body. I urge that support.

Mr. FISHER. Mr. Chairman, this is a good bill and I urge my colleagues to vote for it.

Two years ago, the Congress passed the original HMO bill, which was designed to encourage the establishment of more HMO's throughout the country by providing Federal aid for the organization costs plus additional aid for operating costs during the early years of operations. In return for this aid, the new HMO's were required to provide a very wide spectrum of services. In the House-passed bill, the initial operating aid would have been substantial Federal grants. As finally passed, this aid was watered down to loans and loan guarantees only, but no reduction was made in the scope of services to be provided to the membership.

During the first year of operations, it became clear that newly organized HMO's could not afford to provide such a wide spectrum of services, minus real operating subsidies, and still meet the price competition of other providers of health services or health insurance. The purpose of this bill is to relax the original statutory requirements on mandatory services so as to make it possible for new HMO's to compete in the health care market.

I recognize that the proposed modifications of mandatory services may produce a benefit structure that falls somewhat short of the ideal, and that there are those who argue against program modifications at this early stage. But in this matter—as in other aspects of health care delivery—we must learn to temper our idealism with realism. Health care resources are unfortunately finite, and so are the dollars available to buy them with, so most of us must make some hard choices between what it would be nice to have and what is really essential to our health. The purpose of this program of federally assisted HMO's should therefore be to produce a viable alternative to other health care arrangements—and not to demonstrate how many health care services could be rolled together in a single package without regard to the total cost of the package.

The people of the country need the HMO alternative, and the Congress should pass this bill to make this alternative a realistic choice.

Mr. FLORIO. Mr. Chairman, before us today we have a bill which provides for us the opportunity to continue to assist in the growth and acceptance of health maintenance organizations.

The original Health Maintenance Organization Act of 1973 was designed to switch the focus from hospital to ambulatory health care, and to provide greater emphasis on both primary and preventive care. The bill before us today would assist in the attainment of this goal by enhancing the ability of health maintenance organizations to market their services to the public by making them more attractive to potential sponsors, and by incorporating certain changes to improve the administration and the flexibility of the law.

More importantly, with Congress beginning its consideration of national health insurance legislation, I feel it is important that the citizenry is offered an alternative to the fee-for-service system that currently exists in this country. Health maintenance organizations offer this alternative by establishing a mechanism for delivering health services on a prepayment basis while stressing prevention as well as cure.

Therefore I most strongly urge my colleagues to vote for the successful passage of H.R. 9019 thereby assuring the citizens of this country that the Congress is truly responsive to their health needs.

Mr. BURKE of Massachusetts. Mr. Chairman, we have before us today a measure which will, if properly administered, help counteract a monster of gargantuan proportions. That monster is the rising cost of health care. Over the past few years, Americans have seen an inordinate increase in the amount they must pay for basic medical care. That is even in comparison with the increase in the cost of everything else.

The primary source of nutrition for this monster is the overutilization of hospital beds. When we were debating the Health Revenue Sharing and Health Services Act back in June, I mentioned this fact. Americans are becoming hospital crazy. Admittedly, some increase is necessary, if only because of the increasing complexity of various medical techniques.

Almost every medical authority, however, will tell you that there is a prodigious number of unnecessary hospital admissions. Even when the admissions are justified, the length of time spent in the hospital is, in many instances, unjustifiably long. One of the reasons for this is the defensive medicine which physicians must practice because of the onslaught of malpractice suits. But another culprit is the fee-for-service concept.

How can we combat the monster of inflation in medical costs? One great piece of ammunition is health maintenance organizations. Survey after survey has shown that, when compared with fee-for-service care, HMO participants receive more outpatient care, and spend less time in the hospital when hospitalization is necessary.

H.R. 9019 takes a long step toward making HMO's a more acceptable alternative to our present system of health care delivery. I do have one reservation about the bill, however. It drops home health care as one of the services which an HMO must provide. I still maintain, as I stated in June, that medical care in a home environment should be encouraged in every possible way. Luckily, we provided $10 million in support of this type of care in the health revenue sharing bill. I hope that we can find some way in the future to encourage HMO's to pursue this approach, for it would appear that they are ideally suited for the task.

Despite my one objection, I see a bill which deserves to be adopted. It kills most of the bugs which pestered the implementation of the original act. HMO's are not a nuclear warhead in the fight against medical inflation, but I commend the gentleman from West Virginia and his committee for giving us a very large cannon.

Mr. LEGGETT. Mr. Chairman, I want first to commend my distinguished colleagues, Mr. ROGERS and his committee, for the forceful leadership they have shown in the relatively new area of health care we call HMO's. This committee brought us the first comprehensive HMO legislation 2 years ago, which I was pleased to support. My Armed Services Committee then recommended to the House that we extend this concept to the CHAMPUS program, and the House concurred; unfortunately, the Senate has not yet seen fit to act on this legislation.

Two years of experience with this law has shown us that it requires modification. I think first that the early identification of these problems is due to the rigorous oversight of the Health Subcommittee, which I applaud. Second, the quick action taken by the committee to remedy these problems in their early stages is a tribute both to the committee's diligence and to the obvious potential importance of HMO's to American health care.

I am certain that none of us need to be reminded of the spiraling cost of health care, from the cost of an office call through the cost of health insurance, which is soon to deal both Federal employees and the Federal Government another healthy whack in the pocketbook, to the malpractice insurance crisis which recently put several States, including California, under the immediate threat of the loss of the services of great numbers of physicians. Of course HMO's are not a panacea for all these ills, but they are both the epitome and the proof that an ounce of prevention is worth a pound of cure. Certainly the emphasis they place on preventive medicine will save many Americans a great deal, both in money and in pain, over the coming years. It is for this reason that I strongly advocate the most vigorous possible propagation of these organizations. The bill before us will remove some of the impediments that have hampered the growth of HMO's up to now, and that is a most desirable end.

I think it noteworthy that this bill is supported both by the AFL–CIO and the National Association of Manufacturers. In and of itself, that is a very strong argument for the bill, and I am pleased that it enjoys support that broad. In the name of the future good health of millions of Americans, I strongly urge passage of this bill.

The CHAIRMAN. The time of the gentleman from Florida (Mr. ROGERS) has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives, of the United States of America in Congress assembled, That (a) this Act may be cited as the "Health Maintenance Organization Amendments of 1975".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 1301(b)(1) is amended by adding at the end the following: "A health maintenance organization may include a health service, defined as a supplemental health service by section 1302(2), in the basic health services provided its members for a basic health services payment described in the first sentence.".

(b) The first sentence of section 1301(b)(2) is amended by striking out "the organization shall provide" and all that follows in that sentence and inserting in lieu thereof "the organization may provide to each of its members any of the health services which are included in supplemental health services (as defined in section 1302(2)).".

(c) Section 1301(b)(4) is amended by striking out "and supplemental health services in the case of the members who have contracted therefor" and inserting in lieu thereof "and only such supplemental health services as members have contracted for".

SEC. 3. (a)(1) The first sentence of section 1301(b)(3) is amended (A) by striking out "or through" and inserting in lieu thereof ", through ", and (B), by inserting after "(or associations)" the following: ", through health professionals who have contracted with the health maintenance organization for the provision of such services, or through any combination of such staff, medical group (or groups), individual practice association (or associations), or health professionals under contract with the organization".

(2) Section 1301(b)(3) is amended by adding after the first sentence the following: "The services of the health professionals providing basic health services shall include available and appropriate services of professional personnel, allied health professions personnel, and other health personnel (as specified in regulations of the Secretary) for the effective and efficient delivery of the basic health services. A health maintenance organization may also, during the sixty-month period beginning after the date the organization becomes a qualified health maintenance organization (within the meaning of section 1310(d)), provide basic health services through an entity which but for the requirement of section 1302(4)(C)(i) would be a medical group for purposes of this title. After the expiration of such period, the organization may provide such services through such an entity only if authorized by the Secretary in accordance with regulations. Contracts between a health maintenance organization and health professionals for the provision of basic health services shall include such provisions as the Secretary may require (including provisions requiring appropriate continuing education).".

(b)(1) Section 1302(4)(C) is amended (A) by striking out clause (iv), (B) by redesignating clause (v) as clause (iv), and (C) by inserting "and" at the end of clause (iii).

(2) Section 1302(5)(B) is amended (A) by striking out clause (i), and (B) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(c)(1) Section 1310(b)(1) is amended to read as follows:

"(1) one or more of such organizations provides basic health services (A) without the use of an individual practice association and (B) without the use of contracts (except for contracts for unusual or infrequently used services) with health professionals; and".

Sec. 4. Section 1301(c) is amended (1) by striking out paragraph (4), and (2) by redesignating paragraphs (5), (6), (7), (8), (9), (10), and (11) as paragraphs (4), (5), (6), (7), (8), (9), and (10), respectively.

Sec. 5. (a) Paragraph (1) of setcion 1302 is amended—

(1) by striking out subparagraph (E),

(2) by redesignating subparagraphs (F), (G), and (H) as subparagraphs (E), (F), and (G), respectively.

(3) by amending subparagraph (G) (as so redesignated) to read as follows:

"(G) preventive health services (including (i) immunizations, (ii) well-child care from birth, (iii) periodic health evalutions for adults, (iv) voluntary family planning services, (v) infertility services, and (vi) children's eye and ear examinations conducted to determine the need for vision and hearing correction).", and

(4) by striking out "or podiatrist" each place it occurs and inserting in lieu thereof "podiatrist, or other health care personnel".

(b) Paragraph (2) of such section is amended—

(1) by striking out "(1)(A) or (1)(H)" in subparagraphs (B) and (C) and inserting in lieu thereof "(1)(G)",

(2) by striking out "and" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof a semicolon, and by adding after subparagraph (F) the following:

"(G) referral services and medical treatment for the abuse of or addiction to alcohol or drugs; and

"(H) other health services which are not included as basic health services and which have been approved by the Secretary for delivery as supplemental health services.", and

(3) by striking out "or podiatrist" each place it occurs and inserting in lieu thereof "podiatrist, or other health care personnel".

Sec. 6. (a)(1) Section 1301(b)(1) is amended by adding at the end thereof the following new sentence: "The requirement of clause (C) of the first sentence shall apply with respect to a health maintenance organization on and after the expiration of the sixty-month period beginning after the date the organization becomes a qualified health maintenance organization (within the meaning of section 1310(d)).".

(2) The last sentence of section 1301(b)(2) is amended by inserting after "shall" the following: ", on and after the expiration of the sixty-month period beginning after the date the organization providing the services becomes a qualified health maintenance organization (within the meaning of section 1310(d)),".

(3) Section 1306(b) is amended (A) by striking out "and" at the end of paragraph (6), (B) by redesignating paragraph (7) as paragraph (8), and (C) by inserting after paragraph (6) the following new paragraph:

"(7) the application contains such assurances as the Secretary may require respecting the intent and the ability of the applicant to meet the requirements of paragraphs (1) and (2) of section 1301(b) respecting the fixing of basic health services payments and supplemental health services payments under a community rating system; and"

(b) Section 1302(8)(A) is amended by inserting "differences in marketing costs and" after "reflect".

Sec. 7. (a) Section 1304(a)(2) is amended to read as follows:

"(2) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to—

"(A) nonprofit private entities for planning projects for the establishment or expansion of health maintenance organizations, or

"(B) other private entities for such projects for health maintenance organizations to serve medically underserved populations.".

(b) Section 1304(b)(1)(B) is amended to read as follows:

"(B) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to—

"(i) nonprofit private entities for projects for the initial development of health maintenance organizations, or

"(ii) other private entities for such projects for health maintenance organizations which will serve medically underserved populations.".

(c) Section 1305(a)(3) is amended to read as follows:

"(3) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to—

"(A) nonprofit private health maintenance organizations for the amounts referred to in paragraph (1) or (2), or

"(B) other private health maintenance organizations for such amounts but only if the health maintenance organization will serve a medically underserved population.".

(d)(1) Section 1304(d) is amended by adding at the end the following new sentence: "In considering applications for loan guarantees under this section, the Secretary shall give special consideration to applications for projects for health maintenance organizations which will serve medically underserved populations.".

(2) Section 1305 is amended by adding at the end thereof the following new subsection:

"(f) In considering applications for loan guarantees under this section, the Secretary shall give special consideration to applications for health maintenance organizations which will serve medically underserved populations.".

Sec. 8. (a)(1) Section 1305(a) is amended by striking out "in the period of" in paragraphs (1) and (2) and inserting in lieu thereof "during a period not to exceed".

(2) The last sentence of 1305(b)(1) is amended to read as follows: "In any fiscal year the amount disbursed to a health maintenance organization under this section (either directly by the Secretary or by an escrow agent under the terms of an escrow agreement or by a lender under a loan guaranteed under this section) may not exceed $1,000,000.".

(b)(1) Section 1307(e) is amended—

(A) by inserting "for a private health maintenance organization (other than a private nonprofit health maintenance organization)" after "may be made", and

(B) by inserting "for private health maintenance organizations (other than private nonprofit health maintenance organizations)" after "guaranteed".

(2) Section 1308(c) is amended by adding after paragraph (4) the following new paragraph:

"(5) Any reference in this title (other than in this subsection) to a loan guarantee under this title does not include a loan guarantee made under this subsection.".

(c)(1) Section 1308(a)(1)(A) is amended by striking out "for similar loans" and inserting in lieu thereof "for loans with similar maturities, terms, conditions, and security".

(2) Section 1308(b)(2)(D) is amended by striking out "loans guaranteed under this title" and inserting in lieu thereof "marketable obligations of the United States of comparable maturities, adjusted to provide for appropriate administrative charges".

Sec. 9. Sections 1310 is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1) Each employer which is now or hereafter required during any calendar quarter to pay its employees the minimum wage specified by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay its employees such wage but for section 13(a) of such Act), and which during such calendar quarter employed an average number of employees of not less than twenty-five, shall, in accordance with regulations which the Secretary shall prescribe, include in any health benefits plan offered to its employees in the calendar year beginning after such calendar quarter the option of membership in qualified health maintenance organizations which are engaged in the provision of basic and supplemental health services in health maintenance organization service areas in which at least twenty-five of such employees reside.

"(2) If any of the employees of an employer described in paragraph (1) are represented by a collective bargaining representative or other employee representative designated or selected under any law, offer of membership in a qualified health maintenance organization required by paragraph (1) to be made in a health benefits plan offered to such employees (A) shall first be made to such collective bargaining representative or other employee representative, and (B) if such offer is accepted, shall then be made to each such employee.";

(2) by striking out the last sentence of subsection (c); and

(3) by adding after subsection (d) the following new subsection:

"(e)(1) Any employer who knowingly does not comply with one or more of the requirements of subsection (a) shall be subject to a civil penalty of not more than $10,000. If such noncompliance continues, a civil penalty may be assessed and collected under this section for each thirty-day period such noncompliance continues. Such penalty may be assessed by the Secretary and collected in a civil action brought by the United States in a United States district court.

"(2) In any proceeding by the Secretary to assess a civil penalty under this subsection, no penalty shall be assessed until the employer charged shall have been given notice and an opportunity to present its views on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification by the Secretary of a noncompliance.

"(3) In any civil action brought to review the assessment of a civil penalty assessed under this subsection, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty and in any civil action to collect such action, hold a trial de novo on the assessment of such civil penalty unless in a prior civil action to review the assessment of such penalty the court held a trial de novo on such assessment.

"(4) The term 'employer', as used in this subsection, does not include a department, agency, or instrumentality of the United States.".

Sec. 10. Section 1321 is amended by striking out all of the section following paragraph (3) of subsection (a) and inserting in lieu thereof the following: "the Secretary may take the action authorized by subsection (b).

"(b)(1) If the Secretary makes, with respect to any entity which provided assurances to the Secretary under section 1310(d)(1), a determination described in subsection (a), the Secretary shall notify the entity in writing of the determination. Such notice shall specify the manner in which the entity has not complied with such assurances and direct that the entity initiated (within thirty days of the date the notice is issued by the Secretary or within such longer period as the Secretary determines is reasonable) such action as may be necessary to bring (within such period as the Secretary shall prescribe) the entity into compliance with the assurances. If the entity fails to initiate corrective action within the period prescribed by the notice or fails to comply with the assurances within such period as the Secretary prescribes (A) the entity shall not be a qualified health maintenance organization for purposes of section 1310 until such date as the Secretary determines that it is in compliance with the assurances, and (B) each employer which has offered membership in the entity in compliance with section 1310, each lawfully recognized collective-bargaining representative or other employee representative which represents the employees of each such employer, and the members of such entity shall be notified by the entity that the entity is not a qualified health maintenance organization for purposes of such section. The notice required by clause (B) of the preceding sentence shall contain, in readily understandable language, the reasons for the determination that the entity is not a qualified health maintenance organization. The Secretary shall publish in the Federal Register each determination referred to in clause (A) of the preceding sentence.

"(2) If the Secretary makes, with respect to an entity which has received a grant, contract, loan, or loan guarantee under this title, a determination described in subsection (a), the Secretary may, in addition to any other remedies available to him, bring a civil action in the United States district court for the district in which such entity is located to enforce its compliance with the assurances it furnished respecting the provision of basic and supplemental health services or its organization or operation, as the case may be, with assurances were made in connection with its application under this title for the grant, contract, loan, or loan guarantee.

"(c) The Secretary, through the Assistant Secretary for Health, shall administer subsections (a) and (b) in the Office of such Assistant Secretary.".

SEC. 11. Section 1307(d) is amended by adding after and below paragraph (2) the following new sentence: "An entity which provides health services to a defined population on a prepaid basis and which has members who are enrolled under the health benefits program authorized by chapter 89 of title 5, United States Code, may be considered as a health maintenance organization for purposes of receiving assistance under this title if with respect to its other members it provides health services in accordance with section 1301(b) and is organized and operated in the manner prescribed by section 1301 (c).".

SEC. 12. (a)(1) Subsection (j) of section 1304 is amended (A) by striking out "the fiscal year ending June 30, 1976" and inserting in lieu thereof "fiscal year 1978", and (B) by striking out "the fiscal year ending June 30, 1977" and inserting in lieu thereof "fiscal year 1979".

(2) Subsection (k)(1) of such section is amended by striking out "June 30, 1975" and inserting in lieu thereof "or either of the next three fiscal years".

(3) Subsection (k)(2) of such section is amended by striking out "two fiscal years" and inserting in lieu thereof "four fiscal years".

(b) Subsection (d) of section 1305 is amended to read as follows:

"(d) No loan may be made or guaranteed under this section after September 30, 1980.".

(c) Section 1309(a) is amended—

(1) by striking out "and" after "1975,",

(2) by inserting after "1976" the following: ", $45,000,000 for fiscal year 1977, and $40,000,000 for fiscal year 1978",

(3) by striking out "ending June 30, 1977" and inserting in lieu thereof "1979", and

(4) by striking out "$85,000,000" the first time it occurs and inserting in lieu thereof "$45,000,000", and by striking out "$85,000,000" the second time it occurs and inserting in lieu thereof "$40,000,000".

SEC. 13. Section 1311 is amended by adding at the end the following new subsection:

"(c) Within six months of the date of the enactment of the Health Maintenance Organization Amendments of 1975, the Secretary shall, if any State by law, regulation, or otherwise imposes a requirement described in paragraph (1) of subsection (a) or by law prevents the solicitation of members in the manner described in subsection (b), notify the Governor of each such State of (1) each such requirement which the Secretary determines the State imposes, and (2) any law which has the effect described in subsection (b).".

SEC. 14. Title XIII is amended by adding after section 1315 the following new section:

"ADMINISTRATION OF PROGRAM

SEC. 1316. The Secretary shall administer this title (other than sections 1310 and 1312) through a single identifiable administrative unit of the Department.".

SEC. 15. (a) The amendments made by sections 2, 3, 4, and 5 shall (1) apply with respect to grants, contracts, loans, and loan guarantees made under sections 1303, 1304, and 1305 of the Public Health Service Act for fiscal years beginning after June 30, 1975, (2) apply with respect to health benefit plans offered under section 1310 of such Act after such date, and (3) for purposes of section 1312 take effect July 1, 1975.

(b) The amendments made by sections 8(a)(1) and 8(c) shall apply with respect to loans and loan guarantees made under section 1305 of the Public Health Service Act after June 30, 1975.

(c)(1) The amendment made by paragraph (1) of section 9 shall apply with respect to calendar quarters which begin after the date of the enactment of this Act.

(2) The amendments made by paragraphs (2) and (3) of section 9 shall apply with respect to failures of employers to comply with section 1310(a) of the Public Health Service Act after the date of the enactment of this Act.

(d) The amendment made by section 10 shall apply with respect to determinations of the Secretary of Health, Education, and Welfare described in section 1312(a) of the Public Health Service Act and made after the date of the enactment of this Act.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk proceeded to read the first committee amendment.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The committee amendments are as follows:

Committee amendments: Page 2, line 20, strike out "and (B)" and insert in lieu thereof the following: , (B) by striking out "(or groups) or" and inserting in lieu thereof "(or groups), through an", and (C)

Page 4, line 7, insert "(1)" after "(c)" and after line 12 insert the following:

(2) Section 1310(b)(2) is amended to read as follows:

"(2) one or more of such organizations provides basic health services through (A) an individual practice association (or associations), (B) health professionals who have contracted with the health maintenance organization for the provision of such services, or (C) a combination of such association (or associations) or health professionals under contract with the organization,".

Page 10, line 15 strike out "and supplemental".

Page 12, line 23, strike out "initiated" and insert in lieu thereof "initiate".

The committee amendments were agreed to.

AMENDMENTS OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer several technical and conforming amendments, and I ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. WHITE: Page 10, line 10, insert "(a)" immediately before "Section".

Page 11, line 16, strike out "subsection" and insert in lieu thereof "subsections".

Page 12, strike out line 22 and all that follows down through line 24 and insert in lieu thereof the following:

"(f) For purposes of this section, the term 'employer' does not include the Government of the United States, the government of the District of Columbia or any territory or possession of the United States, or any agency or instrumentality (including the United States Postal Service and Postal Rate Commission) of any of the foregoing.".

(b) Section 8902 of title 5, United States Code, relating to Federal employee health insurance, is amended by adding at the end thereof the following new subsection:

"(l) The Commission shall contract under this chapter for a plan described in section 8903(4) of this title with any qualified health maintenance carrier which offers such a plan. For the purpose of this subsection, 'qualified health maintenance carrier' means any qualified carrier which is a qualified health maintenance organization within the meaning of section 1310(d)(1) of title XIII of the Public Health Service Act (42 U.S.C. 300e-9(d)).".

Page 1, line 5, strike out "Whenever" and insert in lieu thereof the following: "Unless otherwise expressly provided, whenever".

Page 17, lines 18 and 21, strike out "section 9" each place it appears and insert in lieu thereof "section 9(a)".

Page 17, immediately after line 23, insert the following:

(3) The amendment made by section 9(b) shall take effect on the date of the enactment of this Act.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments may be considered as read and printed in the RECORD.

I understand the amendments will be explained by the gentleman. The committee has no objection to the amendments on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. WHITE) that the amendments may be considered en bloc?

There was no objection.

Mr. WHITE. Mr. Chairman, this amendment would exclude the Government of the United States, the government of the District of Columbia, or any agency or instrumentality of any such government, and the U.S. Postal Service and the Postal Rate Commission from the term "employer" as it is used in section 9 of the bill.

In addition, the amendment would require the Civil Service Commission to contract with any health carrier which is a qualified health maintenance organization approved by the Secretary of Health, Education, and Welfare, and which offers a health benefits plan that meets the standards for health benefits plans set forth in section 8903 of title 5 of the United States Code.

The health benefits program for Federal employees is governed by chapter 89 of title 5 of the United States Code, and the regulations promulgated thereunder. The Civil Service Commission administers this program by making the provisions of chapter 89 and the regulations thereunder applicable to contracts negotiated by the Civil Service Commission with HEW-approved health maintenance organizations, my amendment will permit the Civil Service Commission to continue administering this program in the most efficient manner.

The amendment is not intended to exempt the Civil Service Commission from contracting with HEW-approved health maintenance organizations. To the contrary, the amendment would specifically require the Civil Service Commission to contract with any HEW-approved health maintenance organization offering a health benefits plan for which the Commission, under existing law, may contract. The Civil Service Commission currently has discretion to contract for health benefits plans described in section 8903 of title 5; in recognition of the mandatory nature of section 1310 of the Public Health Service Act, pursuant to my amendment, the Civil Service Commission will be required to contract with HEW-approved HMO's which offer plans meeting the standards set forth in section 8903.

By maintaining authority to apply the provisions of chapter 89 of title 5 and the regulations thereunder, in negotiating contracts with HEW-approved HMO's, the Civil Service Commission will be permitted to apply uniform contracting standards and thereby maintain orderly administration of this program.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, the committee has looked at these amendments. We have discussed them, and we accept the amendments on this side.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I have no objection to the amendments.

Mr. WHITE. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas (Mr. WHITE).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON: On page 18, following line 5, add the following new section:

SEC. 16. So much of section 1314(a) as precedes paragraph 1 thereof is amended to read as follows:

"SEC. 1314. (a) The Comptroller General shall evaluate the operations of at least 10 or one-half, which ever is greater, of the health maintenanace organizations for which assistance was provided under sections 1303, 1304, or 1305, and which have been designated by the Secretary as qualified health maintenance organizations by December 31, 1976, in the manner prescribed in section 1310(d). The Comptroller General shall report to the Congress the results of the evaluation by June 30, 1977. Such report shall contain findings—".

Mr. JOHN L. BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHN L. BURTON. Mr. Chairman and members of the committee, I offer this amendment on behalf of the gentleman from Texas (Mr. BROOKS), chairman of the Committee on Government Operations.

I believe that this amendment, at least from my point of view as I sat on the floor and listened to the general debate, should well answer some of the questions that some of the Members raised in general debate.

The present law, 93–222, that set up a GAO oversight and report of HMO's, was set up on the basis that a certain formula would be reached. It directed the Comptroller General to evaluate at least 50 HMO's which had been in operation for at least 36 months and then make a report within 90 days to the Congress on their findings.

What has happened is that we have not reached the point of having 50 HMO's even doing business today. GAO says it will take at least 10 years to reach that figure, and, therefore, they cannot conduct the investigations that we need to find out with the money is being well spent or whether the program is or is not worth the expenditure of taxpayers' funds that are appropriated for that.

In addition to that, the 36-month time frame means that only programs that are alive and cooking will be looked at. We will not have the GAO looking at some of the failures where HMO's went "belly-up," as they are wont to say in the Wall Street Journal, as a result of misfeasance, malfeasance, lack of community support, lack of interest in health-care service programs, and so forth.

What this amendment that I am proposing on behalf of the gentleman from Texas (Mr. BROOKS), as I stated before, would do would be to say that the Comptroller General shall evaluate the operations of at least 10 or one-half, whichever is greater, of the health maintenance organizations for which assistance is provided, and they shall file and report evaluations not later than June 30, 1977.

Mr. Chairman, I think this is a good amendment.

I know that the gentleman from Virginia (Mr. SATTERFIELD) has some question about it. However, I believe that members of the subcommitte handling the bill do not find any problem with the amendment. I think at least it would give us a better chance of having an evaluation by GAO of the program, because, as it exists now, it will be 10 years before programs are eligible, according to HEW.

In addition to this, if they have to be in action for 36 months, programs that are in action for, say, 2 years or 2½ years and then end up going bankrupt or just not being able to perform the services will not be looked at.

I think this amendment makes sense from the standpoint of fiscal accountability. It came as a result of discussions between the Comptroller General and the chairman of the Committee on Government Operations.

Mr. Chairman, I would submit this amendment to the House and ask for an "aye" vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON).

The amendment was agreed to.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the chairman a question.

With respect to the HMO's which are funded or which are begun with funding through this program, are they permitted, once they are established, to provide abortion services?

Mr. ROGERS. If the gentleman will yield, the bill does not specify directly what services they are or are not to provide or tell them what they can or cannot do in such detail. We only give them some funds for planning and for operations, and then they are on their own, just like any business.

Mr. MYERS of Pennsylvania. There is no prohibition in this legislation for having tax dollars setting up an HMO which in turn would be able to provide abortion services, is there?

Mr. ROGERS. Well, as a matter of fact, we do not even do that for doctors, as I am sure the gentleman knows.

Mr. MYERS of Pennsylvania. In other words, the answer is there are no provisions to prevent that?

Mr. ROGERS. The HMO's would be able to provide whatever physician or hospital services are legal in the State they are located in.

Mr. MYERS of Pennsylvania. I thank the gentleman very much.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURTHA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill

(H.R. 9019) to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations, pursuant to House Resolution 777, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 309, nays 45, answered "present" 1, not voting 78, as follows:

[Roll No. 676]

YEAS—309

Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, Tenn.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burton, John
Carney
Carr
Carter
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Conable
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fisher
Fithian
Flood
Florio
Flowers
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Holtzman
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Smith, Nebr.
Snyder
Solarz
Staggers
Stanton, J. William
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—45

Abdnor
Archer
Ashbrook
Bauman
Bennett
Broomfield
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Cochran
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Downing, Va.
Edwards, Ala.
Flynt
Ginn
Haley
Hansen
Holt
Ichord
Kelly
Kindness
Lott
McDonald
Martin
Montgomery
Myers, Pa.
Roberts
Robinson
Rousselot
Runnels
Satterfield
Sikes
Spence
Steiger, Ariz.
Symms
Treen
Waggonner
Whitehurst

ANSWERED "PRESENT"—1

Burke, Calif.

NOT VOTING—78

Addabbo
Anderson, Ill.
Annunzio
Armstrong
Aspin
Barrett
Beard, R.I.
Bell
Bowen
Brodhead
Brooks
Brown, Ohio
Burgener
Burton, Phillip
Chappell
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conte
Danielson
Eckhardt
Esch
Eshleman
Fary
Fenwick
Fish
Foley
Forsythe
Fraser
Goldwater
Harrington
Harsha
Heckler, Mass.
Hightower
Hillis
Hinshaw
Holland
Horton
Howard
Jacobs
Jenrette
Johnson, Pa.
Krueger
Landrum
McCloskey
Macdonald
Mathis
Metcalfe
Milford
Mineta
Morgan
Murphy, N.Y.
Nichols
Ottinger
Pattison, N.Y.
Peyser
Poage
Randall
Rangel
Rees
Riegle
Risenhoover
Slack
Smith, Iowa
Spellman
Stanton, James V.
Stark
Steelman
Symington
Teague
Udall
Wiggins
Wilson, Bob
Wilson, Tex.
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Krueger against.

Mr. Addabbo for, with Mr. Chappell against.

Mr. Zeferetti for, with Mr. Teague against.

Until further notice:

Mr. Spellman with Mr. Anderson of Illinois.

Mr. Ottinger with Mr. Del Clawson.

Mr. Rangel with Mr. Aspin.

Mr. Danielson with Mr. Brodhead.

Mrs. Collins of Illinois with Mr. Rangel.

Mr. Slack with Mr. Peyser.

Mr. Risenhoover with Mr. Armstrong.

Mr. Udall with Mr. Burgener.

Mr. Charles Wilson of Texas with Mr. Steelman.

Mr. Howard with Mr. Cleveland.

Mr. Barrett with Mr. James V. Stanton.

Mr. Beard of Rhode Island with Mr. Wiggins.

Mr. Bowen with Mr. Fraser.

Mr. Landrum with Mr. Bell.

Mr. Macdonald of Massachusetts with Mr. Bob Wilson.

Mr. Phillip Burton with Mr. Young of Alaska.

Mr. Harrington with Mr. Brown of Ohio.

Mr. Jenrette with Mr. Foley.

Mr. Mathis with Mr. Cohen.

Mr. Metcalfe with Mr. Goldwater.

Mr. Mineta with Mr. Harsha.

Mr. Morgan with Mr. Collins of Texas.

Mr. Murphy of New York with Mrs. Fenwick.

Mr. Nichols with Mr. Hightower.

Mr. Pattison of New York with Mr. Hillis.

Mr. Riegle with Mr. Conte.

Mr. Smith of Iowa with Mr. Hinshaw.

Mr. Symington with Mrs. Heckler of Massachusetts.

Mr. Stark with Mr. Horton.

Mr. Rees with Mr. Johnson of Pennsylvania.

Mr. Holland with Mr. McCloskey.

Mr. Brooks with Mr. Eckhardt.

Mr. Fary with Mr. Esch.

Mr. Milford with Mr. Eshleman.

Mr. Jacobs with Mr. Forsythe.

Mr. ICHORD changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 9019) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 10029, MILITARY CONSTRUCTION APPROPRIATIONS, 1976

Mr. SIKES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the further conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none and appoints the following conferees: Messrs. Sikes, Patten, McKay, Murtha, Traxler, Steed, Mahon, McEwen, Talcott, and Cederberg.

TABULATIONS OF POPULATION FOR STATE LEGISLATIVE APPORTIONMENT OR DISTRICTING

Mrs. SCHROEDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1753) to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment or districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentlewoman from Colorado (Mrs. Schroeder).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1753) with Mr. Bevill in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlewoman from Colorado (Mrs. Schroeder) will be recognized for 30 minutes, and the gentleman from California (Mr. Rousselot) will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, basically, H.R. 1753 is designed to facilitate the redistricting of state legislatures after each decennial census. Almost all States are required by State law to redraw their own legislative districts on the basis of the decennial census and the States utilize population tabulations from the Bureau of the Census in forming these legislative districts.

There have been two major problems in the past with these Census tabulations. First, for many States—and particularly those which hold elections in years ending in the number 1—data from the Bureau of the Census is not timely enough. Second, quite often the tabulations from the Bureau cannot be easily translated from enumeration districts into the political units of measure—precincts—used to design State legislature districts. For instance, the Bureau's boundary lines often cross local election precinct boundary lines, or the Bureau's enumeration districts are often too big to work with.

Under the procedure outlined in H.R. 1753, States must submit to the Census Bureau a plan for the collection of redistricting information 3 years prior to the taking of the census. This plan must conform to criteria established by the Secretary of Commerce—this is to ensure that the State's requests do not impose impossible demands upon the Census Bureau. If the State plan meets the criteria, then the Census Bureau will provide the redistricting information in the requested form. The bill also requires the Census Bureau to make available the data from the census as soon as possible—but no later than 1 year after the census date.

I would like to emphasize two points about this bill. First, the discretion for planning enumeration boundaries and the final decision on these boundaries remains strictly with the Bureau of the Census—H.R. 1753 does not mandate anything upon the Census Bureau other than to require it to work closely with those States which wish to submit plans for receipt of their census tabulations, and to process these tabulations in a timely fashion. Second, the bill in no way affects the frequency or manner in which States redistrict—it merely gives them the opportunity to obtain population information which is better designed to meet their needs when they do redistrict.

I might add that this legislation passed under suspension of the rules in the 93d Congress but was not acted upon by the Senate.

It is difficult to give a reliable estimate as to the eventual cost of this legislation. The Bureau of the Census has provided us with a range from $2 to $10 million. The actual costs will depend on several variables such as: First, the criteria established by the Secretary of Commerce; second, how many States choose to submit plans; and third, the nature of those plans.

Mr. WHITE. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, as has been explained by the distinguished and able chairwoman from Colorado, my bill seeks to avoid the confusion that followed the last decennial census in 1970, by providing for the Federal Government to work in partnership with local and State governments in establishing census districts.

During the previous term, when I chaired the Census Subcommittee, we received persuasive testimony from a number of State officials and Members of Congress, including the honorable Representative from New Mexico (Mr. Runnels), who is a cosponsor of this bill.

It became clear that there are many problems arising on the subject of the Census Bureau furnishing to the States population tabulation data which they need for their legislative redistricting responsibilities required by the Constitution and the Supreme Court. Chairwoman Schroeder has explained the provisions of the bill and confirmed the need for expeditious action by this body.

H.R. 1753 is the result of our attention to the needs of and complaints voiced by the several parties affected by redistricting requirements. I am confident this legislation will have a significant import in meeting the data needs of State officials involved in this complex and often tedious process of redistricting.

Almost a year ago this bill passed the House overwhelmingly. I urge that the House again send this bill to the other body for their consideration and action.

Mr. ROUSSELOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support H.R. 1753, legislation which provides for the tabulation of population for State legislative apportionment or districting because it will assure that the States receives census population data in a timely, efficient, and comprehensive format. This bill would require that the Secretary of Commerce transmit census population data to the Governor and officers or public bodies, which have the responsibility for State legislative apportionment or districting of each State within 1 year of the census date whether or not the State has requested census information according to geopolitical boundaries.

In the past, States have had to wait almost 2 years before receiving the population data necessary to meet constitutionally imposed State reapportionment deadlines. This problem has been further exacerbated by the delivery of the data in the unintelligible form of census tracts and enumeration districts which often cross the boundary lines of local election precincts.

H.R. 1753 would require the State to submit a plan, for approval of the Secretary of Commerce, which outlines the geopolitical boundaries within which the State desires the population data to be published.

Mr. Chairman, I introduced an amendment adopted in committee which mandates that the criteria developed by the Secretary of Commerce shall include requirements which assure that the State plan for identifying specific geographic areas be developed in a nonpartisan manner and that such plan will result in an equitable method of legislative apportionment. It is the intention of this amendment that it will form the basis for a court test if States feel that their plans have been unjustly disapproved because of biased criteria issued by the Secretary of Commerce.

The Bureau of Census has recommended two changes to H.R. 1753 which are reasonable. The legislation currently requires that the Secretary of Commerce shall furnish to the States, not later than January 1 of the fourth year preceding the census date, the criteria to be used in judging State plans for the tabulation of population according to State geopolitical districts. Since action is not likely in the Senate until after the first of the year, the Bureau of Census has recommended that the date be changed to April 1 of next year.

The other change suggested by Census would allow the Secretary of Commerce to transmit the voluminous population data directly to the States which will no doubt accelerate the distribution of the data. The bill currently provides that the information first be transported to the President of the United States; which could conceivably delay the delivery of these important statistics.

It is my understanding that Mrs. SCHROEDER will be offering these amendments. I urge my colleagues to support the adoption of the amendments and to vote for this very necessary piece of legislation for efficient State government on final passage.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

Mr. Chairman, I am concerned about the word "plan" in this bill. I fear that it will result in the States being required to present a plan for redistricting for the approval of the Secretary of Commerce. Is that a valid fear?

Mr. ROUSSELOT. No, because this is not a mandatory requirement of each State to submit a plan. It merely insures that the Secretary of Commerce has some knowledge and understanding of what the State is planning to do with data, requested and the type data needed. The use of the term "plan" in this legislation means—quote "identifying the geographic areas for which specific tabulations of population are desired"—end of quote. The term "plan" does not mean "State reapportionment plan."

My colleague, the gentleman from Michigan (Mr. BLANCHARD), intends to offer an amendment to the bill to strike the portion of the bill found at line 11, page 2, which appears directly after the portion of the bill to which my colleague, the gentlewoman from Maryland, is referring. Mr. BLANCHARD intends to strike "and that such plan will result in an equitable method of legislative apportionment." That would eliminate from the bill any indication on our part—and that was not the intent of this language—that the Secretary of Commerce would have any power over the process of reapportionment of any State. The language referred to merely provides that the "plan" submitted by the State would give the Secretary of Commerce some guidance as to what data is needed by the State.

That would assure us that we do not have 50 States all requiring vast amounts of different data in a helter-skelter manner.

Mrs. HOLT. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, is the gentleman assuring me then that the word "plan" would not be interpreted to mean that a State would have to submit its legislative plan to the Secretary of Commerce?

Mr. ROUSSELOT. For legislative approval, no.

Mrs. HOLT. The State would not have to submit its legislative plan to the Secretary of Commerce for his approval, then.

I know how cautious the gentleman from California is in his attempts to avoid letting the Federal Government get involved in our States' affairs, and I have seen some doubt about this matter.

Mr. ROUSSELOT. Mr. Chairman, let me assure my colleague, the gentlewoman from Maryland, that the term "plan," as used here has nothing to do with an individual State's legislative apportionment plan. This is merely the "plan" as to how the State will use the data and/or what data is needed. It has nothing to do with what the State finally decides upon and/or intends to do with regard to its own reapportionment plan.

Mrs. HOLT. Mr. Chairman, I thank the gentleman.

Mrs. SCHROEDER. Mr. Chairman, I yield such time as he may consume to the gentleman from New Mexico (Mr. RUNNELS).

Mr. RUNNELS. Mr. Chairman, I want to stress the importance of this bill in that the legislation would provide the States with reliable information on which to base legislative apportionment.

The Bureau of Census currently breaks down its census figures for a State into what are called "enumeration districts." These districts often do not coincide with political subdivisions in a State which are used as a means of apportioning the State legislature. The end result is that many States are not provided by the decennial census with precinct population figures with which to apportion the legislature and set up congressional districts.

In my own State of New Mexico, the leglature was unable to acquire adequate population figures for apportionments in 1963, 1965, 1966, 1971, and 1972. As a result, estimated population figures were used and the apportionments were the subject of several serious court threats.

I originally introduced legislation on July 16, 1973 in response to a request made by the New Mexico State Legislature and am presently cosponsoring the bill, H.R. 1753.

Apportionment of the legislative districts is of vital importance to every Member in this Chamber and lies at the heart of our system of representative government. Since the Supreme Court decisions of the 1960's on the "one man-one vote" principle, the State legislatures and numerous Federal and State courts have spent countless hours drawing and redrawing congressional and State legislative boundaries. The task has been seriously handicapped by inadequacies in the population data supplied by the Census Bureau. It is difficult enough to draw legislative boundaries which will, at the same time, satisfy the courts and a majority of the State legislature, without having to cope with enumeration districts which bear little relationship to political boundaries or the availability of information just a few weeks before the States are constitutionally required to reapportion themselves.

In my district we had one enumeration district divided into 11 separate, disconnected pieces of territory, for which only a single population figure is reported. The New Mexico Legislative Council was informed by the Bureau of Census that at least 22 of the enumeration districts in our State have no definite boundaries. Apparently, there is no boundary descriptions for these enumeration districts and using such information to apportion your State is totally inadequate.

I would ask my colleagues not to lose sight of the fact that the only constitutional mandate for the decennial census is for the purpose of congressional reapportionment and the information being provided your own State is creating difficult and complex problems in using the census data for redistricting.

This bill, H.R. 1753, which I have cosponsored with the gentleman from Texas (Mr. WHITE) will provide the information needed by the States to properly undertake the task of legislative reapportionment by giving the State the opportunity to be involved in the process as the Census Bureau collects and prepares the information needed to redistrict.

I strongly urge my colleagues to vote for this bill.

Mr. ROUSSELOT. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. DERWINSKI), the distinguished ranking minority member of our committee.

Mr. DERWINSKI. Mr. Chairman, I rise in support of H.R. 1753. At present, the Bureau of the Census can provide data on such political units as counties, townships, cities and towns, and even city wards, but cannot readily provide statistics on one of the most essential political units—the precinct.

A bill, H.R. 13340, was passed by the House in the 93d Congress, but no action was taken by the other body.

H.R. 1753 provides that authorities in each State responsible for legislative redistricting would submit to the Secretary of Commerce, no later than 3 years prior to the date of the upcoming decennial census, a plan describing those geographical areas for which tabulations of population are desired for redistricting purposes. Should the Secretary find that a plan submitted does not meet the criteria established by him, he should consult to the extent necessary with such authorities in order to achieve the alterations that he deems necessary to bring it into accord with such criteria.

I feel that this bill, by leaving final approval of tabulation plans with the Secretary of Commerce, will not impose an unworkable and undesirable burden on the Bureau of the Census.

The present system of using enumeration districts in taking the decennial census, which are, in most cases not usable for redistricting purposes, presents a major problem for the States. A good illustration of this problem is the not uncommon case of a noncontiguous Census Bureau enumeration district divided into myriad nonconnecting portions.

This is a good bill, and it will solve the problems of the various States, which heretofore have not had an adequate and effective basis for reapportionment of their legislative bodies.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding.

I think I support this legislation, but I am not really sure yet that I understand the need for it.

As I understand it from what the gentleman from New Mexico (Mr. RUNNELS) stated a little earlier, the reason this bill is needed is because the States have been provided with poor and inaccurate information as to census data with reference to reapportionment problems.

How is this bill going to correct that? Is not the Census Bureau at the present time required to submit census tract data to the Secretary of State or election officials of the various States?

Mr. ROUSSELOT. The answer in the past has been that various States have requested many different types of information, and in some cases the Census Bureau has taken up to 2 years to supply the requested information.

What we are trying to do with this legislation is to set up a procedure so that it can be done in a timely manner and so that each State shall be able to tell the Secretary of Commerce 3 years in advance the kind of data that they will need to conform to individual States geographical boundaries.

Mr. WYLIE. This bill would apply to the 1980 census?

Mr. ROUSSELOT. That is correct.

Mr. WYLIE. So that a State would have to ask whatever information it wants by 1977; is that correct?

Mr. ROUSSELOT. That is correct.

Mr. WYLIE. A State would have to submit specific questions as to information it wants; is that correct?

Mr. ROUSSELOT. Yes, and that also forces a process of the States' being encouraged to think ahead of time as to what they will be needing for State redistricting or reapportionment.

We think that that is helpful to everybody involved at an early date, so that the Bureau of Census does not get swamped with these requests in the year of the census—1980.

Mr. WYLIE. If this bill passes, a State could ask for specific census information with regard to a specific House district in a State; is that the real purpose of this bill?

Mr. ROUSSELOT. My understanding is that most of the data requested will relate to State political subdivisions. It will not necessarily relate to, say, present Federal congressional districts, although they could do that.

Mr. WYLIE. I am not talking about congressional districts. I am talking about legislative districts, house and senate districts in the State legislature.

Mr. ROUSSELOT. In the State?

Mr. WYLIE. Could the secretary of state or the State election official ask for specific census data with reference, to say, the first house district of the State of Ohio?

Mr. ROUSSELOT. Yes, they could, but that would be a State request.

Mr. WYLIE. What is the sanction if the Census Director refuses to supply the information or gives a State inaccurate information?

Mr. ROUSSELOT. I want to be sure I understand the gentleman's question. The question is, if the Census Bureau does not give accurate information relating to that district?

Mr. WYLIE. Yes. Which I think the Census Bureau is required to do under the present law, frankly.

Mr. ROUSSELOT. It is difficult for me to believe that the Census Bureau would provide inaccurate information.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROUSSELOT. I yield 2 additional minutes to the gentleman from Ohio.

If the gentleman will yield, I do not think we have found that the Census Bureau has been deficient. Most of the data they have is correct that they have on the computers. So I do not think in most cases that the State would find that in the majority of instances the information to be inaccurate.

Obviously if the local State government had contrary information they would be able to challenge it and work it out with the Census Bureau or the courts if necessary.

But the advantage of this procedure is that the process of determining what that data will be is decided ahead of time rather than waiting until the last minute when the census has been already started.

Mr. WYLIE. This bill would mandate the Census Bureau to provide the specific information for those States which requested it?

Mr. ROUSSELOT. No; the mandate is on the Secretary of Commerce who is the head of the Census Bureau.

Mr. WYLIE. And the belief is that he would be responsive?

Mr. ROUSSELOT. That would be my belief. The Secretary of Commerce would supply the information within 1 year of the census date.

Mr. WYLIE. I thank the gentleman.

Mrs. SCHROEDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make one further point to make sure it is perfectly clear, basically all this bill does is to allow the State to determine how the information is going to be broken down in population rather than having imposed upon the State enumeration districts of such and such a size if they feel it is too big, or the boundaries are too cumbersome and that others are more contiguous, they are allowed to have that input. That is where the word "plan" comes in. Obviously the census will be taken, no matter what. As I say, this is mainly to allow the States to have some input into how the information will be broken down and given back to them in a form that is more usable for them than in the present process.

I have no further requests for time.

Mr. ROUSSELOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have taken this time in order to attempt to make clear to my colleague the gentleman from Ohio (Mr. WYLIE) that presently the Census Bureau is unable to produce current data that is wanted by legislative State districts but under this bill it would now be permitted if the State requests it. So that this gives an expanded authority to the Secretary of Commerce and the Census Bureau to produce data on a more exact basis according to the political subdivisions in a given State.

Does that answer the gentleman's inquiry?

Mr. WYLIE. That makes sense.

Will the gentleman yield further?

Mr. ROUSSELOT. I would be glad to yield further.

Mr. WYLIE. I appreciate the gentleman yielding me additional time so that I might ask the chairman of the subcommittee, the gentlewoman from Colorado (Mrs. SCHROEDER) one more question.

Would the Secretary of Commerce of the United States have anything to say with respect to the legislative apportionment plan of a State?

Mrs. SCHROEDER. No. The only information that is fed into the apportionment plan concerns population, and the auditor of the State is still in control of that, so all it does is give the information to them in the most useful form for them.

Mr. WYLIE. What we are really talking about here is the submitting of a census plan for legislative districts?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield one additional minute to my colleague, the gentleman from Ohio.

Mr. WYLIE. So what the Secretary of State is really asking for is census information.

Mrs. SCHROEDER. The gentleman means the Secretary of Commerce.

Mr. WYLIE. No, no.

Mrs. SCHROEDER. The gentleman means at the State level?

Mr. WYLIE. Yes, at the State level. It would be the Secretary of State election officer in the State of Ohio who would be asking for this information. He would ask the Secretary of Commerce for census information based on tracts small enough so that he could piece those together in the legislative apportionment plan.

Mrs. SCHROEDER. If the gentleman will yield, if he has a problem. He may not have any problem with the enumeration districts as they are laid out now. The most heavily populated States do not have much of a problem; it is the sparsely populated States in that the enumeration districts have been too large.

Mr. WYLIE. But the Secretary of Commerce would have nothing to do with the legislative apportionment plan?

Mrs. SCHROEDER. No.

Mr. WYLIE. I thank the gentlewoman.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Michigan.

Mr. BLANCHARD. I thank the gentleman for yielding.

The amendment I am about to offer in a few short moments clarifies that very question that we have, whether the Secretary of Commerce will have the power to try to pass upon apportionment plans. It is not intended, but there is some language in here that might be misleading someday, and I will be moving to strike that language.

Mr. ROUSSELOT. Mr. Chairman, I yield back the remainder of my time.

Mrs. SCHROEDER. I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 1753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 141 of title 13, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) The officers or public bodies having initial responsibility for the legislative apportionment of districting of each State may, not later than two years prior to the census date, submit to the Secretary a plan identifying the geographical areas for which public tabulations of population are desired. Each such plan shall be developed in accordance with criteria established by the Secretary, which he shall furnish to such officers or public bodies not later than January 1 of the fourth year preceding the census date. Should the Secretary find that a plan submitted by such officers or public bodies does not meet the criteria established by him, he shall consult closely with such officers or public bodies in order to achieve the alterations in such plan that he deems necessary to bring it into accord with such criteria. Any issue after such close consultation shall be resolved thereon remaining unresolved by the Secretary, and in all cases he shall have final authority for determining the geographic format of such plan. Tabulations of population for the areas identified in the plans approved by the Secretary shall be completed by him as expeditiously as possible after the census date and reported to the President of the United States for transmittal to the Governor of each State: *Provided, however,* That such tabulations of population of each State shall, in any event, be completed, reported and transmitted to each receptive State within one year after the census date.".

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 3, strike out "two" and insert in lieu thereof "three".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 9, insert immediately after "census date." the following:

Such criteria shall include requirements which assure that such plan shall be developed in a nonpartisan manner and that such plan will result in an equitable method of legislation apportionment.

AMENDMENT OFFERED BY MR. BLANCHARD TO THE COMMITTEE AMENDMENT

Mr. BLANCHARD. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD to the committee amendment: Strike out "and" and all that follows through "apportionment"

Mr. BLANCHARD. Mr. Chairman, my amendment merely seeks to strike some excess language which could perhaps in future years be misinterpreted to give the Secretary of Commerce the power that the gentlewoman from Maryland and the gentleman from Ohio were concerned about. As I understand it, the committee and the committee amendment and my amendment are intended to prevent the State apportionment authorities from requesting information in this data in an obviously partisan manner. It is the intent to require the data plan submitted to be tabulated in a nonpartisan manner. My amendment insures that. That, I believe, is the committee's intent.

What the amendment does accomplish is to strike that additional language which states: "and that such plan will result in an equitable method of legislative apportionment." God forbid—and I do not think anyone intends it—someday a Secretary of Commerce might argue that he or she has the power to decide in the first instance as to whether the apportionment plan of the State is going to be equitable. I do not think it is the intent to give that power to the Secretary of Commerce. It is our intent that that power reside with the State, but we would want to insure that the data plan the State requests be tabulated and developed in a nonpartisan manner.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BLANCHARD. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

We are willing to accept the gentleman's amendment to the committee amendment, because I can see that the gentleman is concerned that the Secretary may be given undue power. The purpose of that portion of the amendment was to assure that the Secretary would be forced to accept it in an equitable manner and would not invade the right of the State government to handle its own legislative apportionment. But I see no harm to the gentleman's amendment, and we are more than willing to accept it.

Of course, the gentleman does understand on the basis of the legislative history we just established what our intent was.

Mr. BLANCHARD. That is correct.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. BLANCHARD. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I certainly rise in support of the amendment. I think it is a fine amendment and removes any doubt as to the intent of Congress in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BLANCHARD) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment.

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that the remaining committee amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The remaining committee amendments are as follows:

Committee amendments: Page 2, line 14, strike out "closely" and insert in lieu thereof "to the extent necessary".

Page 2, line 17, strike out "thereon" and insert in lieu thereof "with respect to such plan".

Page 2, line 17, strike out "close".

Page 2, line 21, strike out "the plans" and insert in lieu thereof "any plan".

Page 2, beginning on line 24, strike out "the Governor of each State: *Provided, however,* That" and insert in lieu thereof the following: "the Governor of the State involved and the officers or public bodies having responsibility for legislative apportionment or districting of such State, except that."

Page 3, immediately after line 4, add the following new section:

SEC. 2. (a) The heading for section 141 of title 13, United States Code, is amended by adding at the end thereof the following: "; tabulation for legislative apportionment".

(b) The table of sections for chapter 5 of title 13, United States Code, is amended by striking out the item relating to section 141 and inserting in lieu thereof the following:

141. Population, unemployment, and housing; tabulation for legislation apportionment.

The committee amendments were agreed to.

AMENDMENTS OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer amendments and I ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mrs. SCHROEDER: On page 2, line 8, strike out all that follows after "than" through "1" on page 2, line 9, and insert in lieu thereof the following: April 1

On page 2, line 25, strike out "to" and all that follows through "transmittal" on page 3, line 1.

On page 3, line 5, insert "requesting a tabulation plan, and basic tabulations of population of each other State," immediately before "shall".

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, these are basically simple amendments trying to make the bill a little clearer.

The first amendment changing the date from January to April 1 is offered in recognition of the fact that it is unlikely that the Secretary of Commerce could promulgate the criteria required by this legislation by January 1, 1976, and therefore allows three additional months before the criteria must be established.

On the "transmittal" change, this amendment deletes the unnecessary and potentially time-consuming requirement for the Secretary of Commerce to report the tabulations first to the President for subsequent transmittal to the States. Under this amendment, the Secretary of Commerce can report the tabulation directly to the States. Reporting to the President is a mere formality but one which could unnecessarily delay the eventual transmission of data to the States. The Bureau of the Census recommended this amendment so as to allow it to expedite the process as much as possible.

Mr. Chairman, the final amendment, on the tabulation plan, is offered to clarify the intent of the language of page 3, line 5 of this bill, and to require the Secretary of Commerce to transmit to each State, within 1 year of the Census date, basic tabulations sufficient for the purposes of legislative districting and apportionment, regardless of whether or not a State has requested tabulations according to a plan submitted to and approved by the Secretary of Commerce.

A careful analysis of the bill as presently written shows that the Secretary of Commerce would be required to transmit tabulations for districting and apportionment within 1 year of the census only to those States which had requested the tabulation in a particular form. Therefore, if for any reason, a State did not submit a plan for approval by the Secretary of Commerce, it would not be assured of receiving, within 1 year of the census, sufficient data to district and apportion. As has happened in the past, this could create a timing problem for the States in producing the new districting and apportioning plans necessary to meet constitutional requirements of equal representation.

What this amendment would do, then is to clearly set a priority for the Bureau of the Census in processing its data, so that it will expeditiously produce those tabulations which each State needs to redistrict and reapportion.

Those States which have little difficulty with the form of the standard census tabulation, and therefore are not requesting a special plan, should receive the data necessary to meet its constitutional requirements just as soon as other States which are submitting separate plans.

The Bureau of the Census has no objection to this amendment, and assures me that it is totally feasible to meet the provisions provided for by this amendment.

I anticipate little, if any, added costs caused by this amendment, because the Bureau of the Census would be providing this information at some point in time, anyway. With this amendment, the Congress is simply setting a policy for the processing of census data which would result in giving a priority to facilitating the districting and apportioning process of the States.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we believe the amendments are appropriate and accept them.

Mrs. SCHROEDER. I thank the gentleman from California.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendments were agreed to.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEVILL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1753) to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment or districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes, pursuant to House Resolution 796, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 356, nays 2, not voting 75, as follows:

[Roll No. 677]

YEAS—356

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cochran
Conable
Conlan
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Stanton, J. William
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—2

Holt
Steiger, Ariz.

NOT VOTING—75

Addabbo
Anderson, Ill.
Annunzio
Armstrong
Aspin
Barrett
Beard, R.I.
Bell
Brademas
Brodhead
Brooks
Brown, Ohio
Burgener
Burton, Phillip
Chappell
Clawson, Del
Cleveland
Cohen

Collins, Ill.
Collins, Tex.
Conte
Danielson
Eckhardt
Esch
Eshleman
Fary
Fenwick
Fish
Fithian
Forsythe
Fraser
Goldwater
Harrington
Harsha
Hawkins
Heckler, Mass.
Hillis
Hinshaw
Horton
Howard
Johnson, Pa.
Koch
Krueger
Landrum
McCloskey
Mathis
Metcalfe
Mineta
Morgan
Murphy, N.Y.
Nichols
Ottinger
Pattison, N.Y.
Peyser
Poage
Randall
Rangel
Rees
Richmond
Riegle
Risenhoover
Santini
Smith, Iowa
Staggers
Stanton, James V.
Stark
Steelman
Symington
Teague
Udall
Wiggins
Wilson, Tex.
Wirth
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Wiggins.
Mr. Teague with Mr. Santini.
Mr. Addabbo with Mr. Hawkins.
Mr. Chappell with Mr. Richmond.
Mr. Zeferetti with Mr. Anderson of Illinois.
Mr. Krueger with Mr. Bell.
Mr. Ottinger with Mr. Rees.
Mr. Rangel with Mr. Aspin.
Mr. Morgan with Mr. Burgener.
Mr. James V. Stanton with Mr. Cleveland.
Mr. Stark with Mr. Armstrong.
Mr. Udall with Mrs. Collins of Illinois.
Mr. Charles Wilson of Texas with Mr. Conte.
Mr. Risenhoover with Mr. Brown of Ohio.
Mr. Howard with Mr. Eckhardt.
Mr. Barrett with Mr. Fary.
Mr. Beard of Rhode Island with Mr. Del Clawson.
Mr. Landrum with Mr. Esch.
Mr. Brademas with Mr. Collins of Texas.
Mr. Danielson with Mrs. Fenwick.
Mr. Phillip Burton with Mr. Cohen.
Mr. Harrington with Mr. Goldwater.
Mr. Metcalfe with Mr. Eshleman.
Mr. Koch with Mr. Fish.
Mr. Mineta with Mr. Fithian.
Mr. Wirth with Mr. Harsha.
Mr. Murphy of New York with Mr. Randall.
Mr. Nichols with Mr. Forsythe.
Mr. Pattison of New York with Mr. Peyser.
Mr. Riegle with Mr. Steelman.
Mr. Symington with Mr. Hinshaw.
Mr. Brooks with Mr. Fraser.
Mr. Smith of Iowa with Mr. Young of Alaska.
Mr. Mathis with Mr. Horton.
Mr. Brodhead with Mr. Hillis.
Mr. Staggers with Mrs. Heckler of Massachusetts.
Mr. Johnson of Pennsylvania with Mr. McCloskey.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill (H.R. 1753) just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON BILL MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1976 AND FOR PERIOD ENDING SEPTEMBER 30, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making supplemental appropriations for the fiscal year 1976 and the period ending September 30, 1976, and for other purposes.

Mr. YOUNG of Florida reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

RURAL DEVELOPMENT ACT AMENDMENTS

Mr. ROSE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6346) to make permanent the authorization of appropriations for carrying out title V of the Rural Development Act of 1972.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. ROSE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6346, with Mr. BEVILL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina (Mr. ROSE) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 6346 is a bill to extend the authorization through fiscal year 1977 of title V of the Rural Development Act of 1972.

The Rural Development Act of 1972 was passed by this Congress to promote the quality of life in rural America.

This bill has provided a very useful vehicle for many good programs to aid the rural areas of this Nation. As I told the members of the Committee on Rules when we were before them last week, the problems of rural America are growing more serious each day as the outmigration of our people continues from the cities of this Nation into the rural areas, the cities and towns of 10,000 and less.

I had a farmer in my district that told me not too many months ago, "Congressman, I do not know what it is that all these city folks are moving out here in this country to get away from, but whatever it is, they are bringing it with them." And I say that what the city folks are taking with them into the rural areas of this country are the city problems of housing, of sewer and water systems, of transportation. Those problems need the kind of research and development effort that is envisioned by the Rural Development Act of 1972.

Mr. Chairman, we are here today to extend the life of what I consider one of the most important titles of the Rural Development Act, and that is title 5 of that act.

Title 5 of the Rural Development Act of 1972 has authorized up until the end of this fiscal year, $20 million to be expended for research and education programs in the problems of rural America.

In our hearings before the Family Farms and Rural Development Subcommittee of the Committee on Agriculture, this summer, the people who have administered this title 5 program in the field came into our subcommittee and told us of the projects that they had undertaken to help the quality of life in rural America. And they pointed out to us another important thing for us to consider today, and that is that they did not have to set up a new level of bureaucracy, if you please, to accomplish the results of title 5, they used the existing framework that has been set up for the implementation of the very, very important Smith-Lever-Hatch Act programs, the programs that help the Agricultural Extension Service and the agricultural experiment stations. These two programs, the Hatch Act and the Smith-Lever Act have provided much of the information to the American farmers that has enabled them to make this Nation the most agriculturally productive nation on this earth. The emphasis of title 5 of the Rural Development Act is to go not just to the farm areas but to the rural population of this Nation and inspire them to solve their own problems, to help them as they see fit to help themselves.

The appropriation level, however, for title 5 of the Rural Development Act has been, since this act was made law, not at the $20-million level but at a level of $3 million. And $3 million is the current appropriation for title 5 of the Rural Development Act for fiscal year 1976, the current fiscal year.

I have, and I would like to bring to the attention of my colleagues, two amendments that I will offer at the appropriate time which I think will improve this bill and will remove any possible objections hopefully that any Members of this body might have to it.

The first is a simple amendment to say that this bill does not go into effect until fiscal year 1977 because, as it was written and passed by our full committee this summer, it applies to the current fiscal year.

So, No. 1, we would seek by appropriate amendment to make H.R. 6346 apply only to the new fiscal year.

We have another important amendment that I would like to make the Members aware of. It was the feeling of the

Rural Development people in the areas around this Nation that have put this title V program to work that we should endeavor to make a change in the allocation formula for the dividing of the funds among the several States. At the present time—and I have sheets of information that are available here in the House for the Members to see—under the present law funds under title V, the $3 million, are divided among the States based on an equal consideration of their farm population and their rural population. It was the feeling of those who have administered this program in the field that a more equitable formula would be to allocate these funds based solely on the rural population of the several States.

There was some objection to that, and my distinguished colleague, the gentleman from Kansas, will certainly have more to say about that when I am through. But there was some feeling that since at the present $3 million level if the new formula looks only to rural population, some of the States in the Union will decrease in the actual amount of funds that they would receive in fiscal year 1977. So I will offer an amendment that will provide that the formula for allocating these funds solely on the basis of rural population will only go into effect when the appropriation level reaches a figure of $7 million.

By the formula, the $7 million to trigger this new formula for dividing the funds, there is no State in the Union that would receive a less amount than what they are receiving at the present time.

I urge my colleagues to support H.R. 6346. This is a simple extension through fiscal year 1977 of the authority of title V, and we will offer our amendment to say that the new formula for dividing up these funds would only take effect when the appropriation level reaches $7 million.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I have a copy of the sheet that the gentleman has referred to, and he has in the second column a $5 million appropriation. Is that a change from his amendment? Instead of $5 million, it will be $7 million?

Mr. ROSE. I will say to the gentleman that in computing the figures for the $5 million column, in which we attempted to see that no State would receive anything possibly less than they receive at the present time, we overlooked the great State of Iowa which under the current law at the $3 million appropriation receives $92,000. Under the $5 million appropriation, looking only to the rural population of the great State of Iowa, remembering its tremendous farm population, they would have a decrease to $88,000. So in an effort to cover all possibilities so that no State could possibly lose any funds that they are presently getting under this bill, I am going to offer an amendment to say that the redistribution formula would only take effect if the $7 million appropriation level were reached, reminding the gentleman that $3 million has been the appropriation level since this bill was first enacted.

Mr. KAZEN. Does the gentleman have the figures for the $7 million appropriation that would go to every State?

Mr. ROSE. I have them at my desk. I do not have them in front of me here. I can assure the gentleman from Texas that they are considerably more than they are for the $5 million.

Mr. KAZEN. Just one more question, if the gentleman will yield further: If, say, the appropriation should happen to be $5 million, what then?

Mr. ROSE. Then the funds would be distributed under the current formula.

Mr. KAZEN. Under the current formula.

Mr. ROSE. Under the current formula, which is a division based both on farm and rural population.

Mr. KAZEN. In other words, what the gentleman is saying is that unless there is at least a $7 million appropriation—the present $7 million appropriation—unless we have that appropriation, then whatever sums are appropriated will be distributed according to the formula which is now in effect?

Mr. ROSE. The gentleman is correct.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, first of all I commend the gentleman in the well for his longstanding attention to the problems of rural America and rural development. I know the gentleman has worked very hard on this bill and to see that the people living in our rural areas have a decent standard of living and that some of the moneys we are spending out of Washington go at least to help the rural areas.

I am concerned, as the gentleman pointed out, about the State of Iowa, since under the $5 million appropriation Iowa would be the only State that would lose money. I have not seen the figures on the $7 million appropriation, but I would like to ask the gentleman, assuming that it went through, would Iowa then under the $7 million appropriation have an increase or a decrease?

Mr. ROSE. Iowa would definitely have an increase over the $88,000 that it would receive under the $5 million appropriation.

Mr. HARKIN. But we do not know whether it would increase over the $92,000 that is in effect under the $3 million appropriation?

Mr. ROSE. I would say to the gentleman I have at my desk these figures on the $10 million and the $5 million level for the activity of this formula and I think he can see by comparison that we are hitting the middle ground between them. The numbers are clear that it is over $100,000 that the State of Iowa would receive if the $7 million appropriation level was reached.

Mr. HARKIN. I understand that and the gentleman can understand my concern that out of the 50 States, Iowa would be the only State that would lose money under this formula.

But there is another thing involved here. Assume that the $7 million amendment goes through, then we have to look at the percentage increases that would accrue to every State. At Iowa State University we happen to have the North Central Regional Center for Regional Development. We serve the whole northern central area. It looks, from my hand computer, as if each one of those States under the formula that is presently before us, with the exception of Michigan would be losing money.

Mr. ROSE. That is at what appropriation level?

Mr. HARKIN. I understand, but at the $3 million level.

Mr. ROSE. I agree with the gentleman and that is why I am making an effort to rectify that situation.

Mr. HARKIN. I understand, but at the $7 million level, and again I cannot calculate it out because I do not have it at my fingertips, but I believe the percentage increase for each one of those States would be much less than the percentage for the high-population States on the east coast such as New York and New Jersey. For example, under the $5 million appropriation, the amount going to Massachusetts increases by 45.8 percent; that going to Maryland increases by 26 percent; that going to New York increases by 31 percent; and that going to New Jersey increases by 35 percent.

I am just saying all of those States, even under the $7 million formula, will have percentage figures which will probably go even higher than that.

Mr. ROSE. I will say to my distinguished colleague, I am aware of the figures the gentleman is quoting and the gentleman knows he comes from one of the most productive agricultural States in this Nation.

Mr. HARKIN. And also one of the most rural, I might add.

Mr. ROSE. Exactly. But this bill is intended to pump needed resources into those areas of the country that are predominantly rural in nature rather than predominantly farming in nature.

The people who have administered this program felt that in the original establishment of this formula, the formula tilted the funds too much in favor of the purely farm State as opposed to the more rural areas.

There are small cities and towns all along the east coast, the west coast, throughout this Nation, that desperately need the type of education and research that they can conduct if they are given adequate funds.

Mr. HARKIN. I do not want to deny that to those small towns and communities, but I am suggesting there are numerous and various other programs under which those communities can get funds for those purposes.

I would remind the gentleman that title V of the Rural Development and Small Farm Research and Education, section 501, stating the purposes thereof, under paragraph (d) it says:

> (d) to expand research on innovative approaches to small farm management and technology and extend training and technical assistance to small farmers so that they may fully utilize the best available knowl-

edge on sound economic approaches to small farm operations.

Throughout the whole purpose, it is talking about small farms and rural development. It talks about dispersing throughout the Nation the people by providing the essential knowledge necessary for rural development, not in the small towns and communities that ring the urban areas. That is not the purpose of this bill, I would suggest.

Mr. ROSE. I would say to the gentleman, I had not intended to go into a discussion of this next point, because it may further confuse our issue here today; but our subcommittee has tried to begin this very day to go into the new definition of the farm that the Census Department and the Department of Agriculture are putting in place, which would eliminate any farm that makes less than $1,000 a year. This is going to cause a drastic increase in the Smith-Lever and Hatch Act funds that are going to the very centers of the country where there are very few farmers who make less than $1,000 a year.

Mr. HARKIN. Can the gentleman give me absolute positive assurance that that is going to pass?

Mr. ROSE. I would tell the gentleman, it is not a question of whether it is going to pass. It has already been done, I will say to my friend. It is in place now and the southeastern part of this country with its thousands of small farmers of $1,000 and less annual income, those States are going to have a reduction in Smith-Lever and Hatch Act funds because of the change in the farm definition and the very State that the gentleman is so courageously, and I might say very properly, trying to protect, is going to have a drastic increase in Smith-Lever and Hatch Act funds.

Mr. HARKIN. I understand; but I go back to the old saying that a bird in the hand is worth two in the bush. I see the two in the bush, but I will stick with the one in hand.

Mr. ROSE. I agree with the gentleman and that is probably why the gentleman has such a good State with many good farms.

Mr. BRECKINRIDGE. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Kentucky.

Mr. BRECKINRIDGE. Mr. Chairman, I would like to say that Kentucky finds itself in a similar situation; however, as I think the Members of the Committee understand, the figures we are working with here are so limited as to virtually starve every research project in every State in the Nation. It is hoped we will be able to go to at least $5 million and then to $7 million. I personally hope we can double those figures in the near future.

Mr. Chairman, I want to commend the gentleman for his leadership in this very important area.

Mr. Chairman, true economies in the Federal Government can be achieved by identifying those programs that help people to enjoy more productive and meaningful lives. Often such programs cost the least; their benefits far exceed their cost.

I now endorse such a program—title V of the Rural Development Act of 1972, which directed the Secretary of Agriculture to conduct a rural development extension program, rural development research and small farm extension, research and development programs in cooperation, and in coordination with colleges and universities.

Before the 1972 act, there had been successful federally assisted programs to promote research and extension. One of the unique contributions of title V was to assure a coordination of research and extension, so that research could be translated into action programs to help people solve practical problems as individual citizens and residents of rural America. Title V contained a built-in balance between research and its practical applications.

Without congressional action, title V will lapse June 30, 1976.

I commend to my colleagues H.R. 6346, which would extend title V through September 30, 1977; expand its funding; and, change the allocation of funds appropriated to each State solely on the basis of rural population rather than on both rural and farm population as before.

The sad thing about title V is that it has been grossly underfunded. Although the 1972 act provided for an authorization of appropriations of $10 million for fiscal 1974, $15 million for fiscal 1975, and $20 million for fiscal 1976, title V has been implemented in the past 2 fiscal years at a level of only $3 million.

For fiscal 1976, the administration requested no appropriations, although the appropriations bill adopted by the House contains the $3 million once again.

With such underfunding, title V has not been able to approach its potential. Pilot projects in various States, however, have illustrated the many benefits that small amounts of money can bring to people.

I learned firsthand of these promising pilot projects throughout the United States at hearings in the House Agriculture Subcommittee on Family Farms and Rural Development, of which I am a member, and became a strong believer in title V.

The best way to show the value of any program is to talk about facts and concrete results. Therefore, the most effective case that I can make for H.R. 6346 is to discuss what the Commonwealth of Kentucky has been able to accomplish with the niggardly amount of moneys made available to date.

Kentucky took dead aim at a fundamental problem: the low level of involvement of the public in the formulation of goals and programs for development. In Kentucky, as elsewhere throughout the Nation, the determination of public goals and the means for achieving them have been left for the most part to administrators, planners, and lawmakers—in short, to public officials with minimal private citizen participation.

With this in mind Kentucky, using title V funds, is undertaking a statewide survey of public opinion on community problems, government spending and vital issues facing the Commonwealth. The purpose is to provide State and local government officials and the citizenry with accurate information about the needs and wishes of residents regarding government policies and services.

A mail questionnaire, sent to 6,700 Kentuckians, was used to gather information on such topics as the condition of roads, the state of the local job market, the amount of money spent on public schools, or whether citizens favor or oppose strip mining. The results of this survey will be communicated to State and local government officials and interested citizens as a guide to program development.

Kentucky views this type of study as the first step in establishing grass roots programs that involve citizen participation at their inception, and as the best way to identify and solve its problems.

The second title V program in Kentucky is helping 59 communities and hundreds of families. It is a program employing paraprofessional community development workers—citizens of a community—to help cope with unemployment, low capita income, inadequate community services, poor housing, low educational levels, and a lack of organized actions.

A strong feature of title V implementation in Kentucky is its broad base. Dr. Charles Barnhart, dean of the College of Agriculture at the University of Kentucky in Lexington, is the title V rural development coordinator. Final decisionmaking rests with a 15-member advisory committee, whose members I will list to illustrate its breadth:

Dr. Jim Funk, dean of the College of Engineering at the University of Kentucky; George Caldwell, Adair County dairy farmer; E. W. Kesler, legislative representative for the Kentucky Farm Bureau; Hayden Timmons, Kentucky rural electric cooperatives; Leonard Smith, secretary-treasurer of the Kentucky AFL-CIO; Paul Bachman, president of the Federal Land Bank at Louisville; Judge Bruce Ferguson of Boone County; John Burris, State director of the Farmers Home Administration; a representative of the Office of the Kentucky Commissioner of Commerce; Mrs. Howard Taylor of Cynthiana, past president of the Homemakers' Association; Harry Caudill of Whitesburg, lawyer and author; Dr. Leonard Brown, head of the Agriculture Department at Western Kentucky State University; Allen Spader of the Office of Local Government at Frankfort; David Salisbury of Boyd County, FIVCO, one of 15 area development districts; and Trigg Dorton of Paintsville, banker.

Only these two title V projects that I have mentioned have been possible in Kentucky with the small amount of money available thus far. Dean Barnhart and the advisory committee are frustrated because they can see great potential in title V, while being severely limited in what they are able to do because of unrealistic funding.

Mr. Chairman, the pilot projects of title V in Kentucky and other States have proven the need for adequate funding. I request the support of my colleagues for H.R. 6346. Its payoff is large; its cost small, and its promise is incalculable.

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Chairman, I did not quite understand the distinguished gentleman in the well as to why this formula is being changed. Would the gentleman go over that again lightly for me?

Mr. ROSE. From the testimony we received in our consideration of this bill in June of this year, it was the consensus of opinion that we derived, that we received, that the funds under title V should be divided up among the several States based on the State's rural population, since this is primarily a rural development research and education effort, as opposed to a farm research and extension and experimentation station effort. Under the present law, under the current law, the gentleman's State gets a portion of these title V funds based on the farm population and a portion based on the rural population.

What I am saying to my colleagues here today is that I will offer an amendment which says the formula for funds going to each State is based purely on the rural population and will not take effect until the appropriation level of this bill reaches $7 million a year. I remind the gentleman that I hope we can reach that, but the history of this section has been a $3 million appropriation since it was enacted.

Mr. THONE. I thank the gentleman for his response.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, with reference to the colloquy which just took place between the gentleman in the well and the gentleman from Nebraska, what is the definition of "rural"? If we are taking "farm" out of this definition and just go with "rural," how is that defined basically?

Mr. ROSE. Rural areas of the country—and I will refer to a more carefully worded statement I am going to give the gentleman—but rural population is that population of the country which lives in areas of less than 10,000; communities and towns of 10,000 and less.

Mr. HARKIN. So it could be then, could it not, a community of 10,000 that is like a suburb, ringing an urban center? That could be involved in this?

Mr. ROSE. That very definitely is involved in the formula, and these small cities and towns in our largest States are the kind of communities in many instances which need the rural development assistance this title, in my opinion, envisions.

Mr. HARKIN. I might take issue with the gentleman on that. It seems that their tax bases are large, and they are the ones that are bleeding the big cities dry, but nevertheless it would seem to me that, taking into account the farm population, that is a better perspective as to rural population rather than taking into account population of communities of 10,000 or less. That is why I would suggest that the gentleman from Nebraska raised a very good point, that by leaving that farm population, I think we get a better overall picture of really what the rural situation is.

Mr. ROSE. I thank the gentleman.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. We are talking about country folk here, are we not?

Mr. ROSE. I think so.

Mr. JOHN L. BURTON. This bill does not deal with agriculture. This deals with rural areas.

Mr. ROSE. We could probably talk all afternoon on this subject.

Mr. JOHN L. BURTON. I do not want to do that.

Mr. ROSE. I do not want to do that either, and I assure the gentleman that we are hopeful that we are going to look after both farm and rural areas.

Mr. HARKIN. Mr. Chairman, will the gentleman yield further?

Mr. ROSE. I yield to the gentleman from Iowa.

Mr. HARKIN. I would remind the gentleman from California that a farm is necessarily rural, but rural is not necessarily rural under the present definition of 10,000 population or less.

Mr. JOHN L. BURTON. I am happy to know that.

The CHAIRMAN. The Chair now recognizes the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in opposition to the bill, H.R. 6346 in its present form. What this bill does, pure and simple, is to embark on a program that would deny aid to farmers, especially those on small farms, under the Rural Development Act, in what I consider to be one of the most inequitable measures to reach this floor in quite some time.

The current funding in fiscal year 1976 under title V of the Rural Development Act, which funds are devoted to rural developments and small farm research and education for $3 million. Under existing law passed as recently as 1973, which first established title V, 33 percent of the funds appropriated were to be allocated for three principal objectives: First, to help farmers on public assistance to become self-supporting on their own farms; second, to provide technical assistance to improve practices on small farmers so as to allow the farmers to become eligible for Federal Home Administration credit; and third, to prevent marginal farms from going bankrupt, thus forcing their operators and farmers to move into the cities where major adjustments in their lives are required to satisfy their basic needs and desires. In 1973, when the Congress enacted into law title V of the Rural Development Act, it considered that it was establishing a nationally coordinated system of rural development and small farm research and education that could be quickly and effectively mobilized within the existing and longstanding relationship between the U.S. Department of Agriculture and the State land-grant universities.

What the House will do today if it adopts the legislation in sections 2 and 3 of H.R. 6346 is to undo what Congress did in 1973 in enacting title V into law. The apportionment of funds under title V as orignally enacted in 1973 is as follows: First, 4 percent to the Secretary of Agriculture for administration; second, 10 percent to be allocated by the Secretary to finance work serving two or more States; third, 20 percent equally among the States; fourth, 33 percent among the States on the basis of rural population as determined by the last preceding decennial census at the time each additional sum is first appropriated; and fifth, 33 percent among the States on the basis of farm population, determined in a similar manner.

What sections 2 and 3 of H.R. 6346 would do is repeal item 5 above such that 66 percent of the funds appropriated under title V would go to States on the basis of rural population. Now, there is provided in the current appropriation bill for the Department of Agriculture in fiscal year 1976 nearly $1¼ billion. Most of this money is directed into the rural areas of this country with a cap or limitation such that those funds will not go to areas or communities with populations in excess of 10,000. Few of these funds go directly to the farmers and, more especially, the small farmer, except under title V where 33 percent of the $3 million appropriated for the current fiscal year will be used for these purposes. Yet, this does not satisfy those who want to take money away from the farmers and give it to the rural populations, and then I suggest to you what they are going to do is expand on the definition of what constitutes a rural area, such that cities of anywhere from 50,000 to 100,000 will become entitled to rural development funds.

The experience of New York City shows us that the appetites of the cities can literally never be satisfied. The cities will never be satisfied until they are eligible not only to get their own Federal grants provided them by HUD, HEW, et cetera, but they want to amend the Rural Development Act such that if we do not watch out, soon we will be providing funds in this Rural Development Act for New York City and other large cities.

I submit to you that sections 2 and 3 of this bill is merely the camel's nose under the tent. If you permit sections 2 and 3 of this bill to be enacted into law, you have given life and vitality to a stocking horse, which will rob not only from the farms, but from the rural communities and give those funds to the cities.

What is involved in sections 2 and 3 of this bill is a principle. Can we give some assistance to those small farmers out there in America; can we prevent some of them from going off those farms and adding to the quality of life in rural America; or must the small farmer in this country be the forgotten American? Must that small farmer be a secondary citizen?

I ask you, how inequitable can we get? Here we have almost $1¼ billion appropriated under Rural Development for fiscal year 1976, and we begrudge 33 percent of $3 million going to aid farmers on small farms.

The administration strongly opposes this change in the allocation of funds as provided in sections 2 and 3 of this bill as indicated in their letter of November 7, 1975, delivered to me this date. I want to read to you that letter, for I believe it clearly supports my position, coming as I do from a State with a large number of farmers.

Mr. Chairman, the letter I have referred to, which is addressed to me by the Acting Assistant Secretary of the Department of Agriculture, dated November 7, 1975, is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., November 7, 1975.

Hon. KEITH G. SEBELIUS,
House of Representatives,
Washington, D.C.

DEAR KEITH: This letter is to inform you of our position on H.R. 6346 which would change the formula for the distribution of appropriated funds to the 50 States and Puerto Rico under Section 503(b) of the Rural Development Act of 1972 by providing for a minimum of $50,000 per State and eliminating the total farm population from the formula used to allocate funds among the States. The Department cannot support this change as proposed in H.R. 6346.

Under the proposed new formula the following 21 States would receive reduced funding:

Arkansas, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Mississippi.

Missouri, Montana, Nebraska, North Dakota, Oklahoma, Puerto Rico, South Dakota, Tennessee, Texas, Wisconsin, Wyoming.

The States that would receive reduced funding under the new formula proposed by H.R. 6346 are mainly our farm States with the largest portion of rural population living on farms. When the Rural Development Act was being considered by the Congress in 1972, the allocation formula for Title V rural development research and education funds was well thought out and supported by the Administration. It was our desire then and now that special considerations be given to research and education for small farmers. The current Title V allocation formula which gives special considerations to farm population has worked well and provides a means to assist our small farmers.

The change to the minimum payment of $50,000 per State would not be triggered until the amount of money appropriated under Title V reached $5 million. The bill raises the expectation of rural people that more money will be appropriated but only $3 million a year has been appropriated in Fiscal Years 1974, 1975, and 1976. In Fiscal Year 1974, the President's Budget requested $5 million for Title V rural development research and education programs, but the Congress appropriated only $3 million.

In addition, the provision for a $50,000 minimum allocation to States, in the event appropriations levels exceed $5 million, would require a minimum appropriation of $10 million, in order that all States would get that amount of funds they would be entitled to under the formula. At any lower level of appropriation some States would be penalized. The $10 million level of funding would add to an already substantial budget deficit. The minimum payment of $50,000 has no real basis and was seemingly chosen at random.

The Department has recommended to the Congress that funds, that would be appropriated under Title V of the Rural Development Act of 1972, be appropriated under the Smith-Lever and Hatch Acts for rural development research and education. The rationale is that the intent and purpose of Title V can be carried out under these Acts thus eliminating the duplicate, overhead required to administer separate programs. We believe that this recommendation should be adopted as the means to handle these funds.

H.R. 6346 would establish an unnecessary and unwise shift of funds through its allocation formula.

If you have further questions, we will be pleased to answer them.

Sincerely,

JAMES E. BOSTIC, Jr.,
Acting Assistant Secretary.

Mr. Chairman, I intend to introduce at an appropriate time an amendment which would delete sections 2 and 3 of this bill and merely continue authorization for title V of the Rural Development Act through fiscal year 1977. The administration and I believe the President support that. It is true that the administration would prefer to have the funds for title V appropriated under the Smith-Lever Act in order to save administrative costs in handling these programs, but the administration and the President, I believe, are strongly in favor of leaving the formula as it is in the existing law for the allocation of title V funds.

If sections 2 and 3 remain in this bill, I submit to you that the President will veto this measure, as quite frankly, I believe it should be if it is sent to him in that form. On the other hand, if this bill is amended such as I propose in my amendment such that it would only authorize funds for the transitional 3-month period for fiscal year 1976 and for fiscal year 1977, I believe that we will have a piece of legislation which will be signed by the President.

Turning next to the provision in section 2 of this bill, which provides for a minimum allocation of $50,000 to each State, I have great difficulty with that provision. First of all, in fiscal year 1974 the President requested $5 million for title V, and only $3 million were appropriated. So I think the likelihood of increasing this appropriaton is very slight, indeed. However, even if the appropriation were increased to let us say $5 million plus $1, the information which is available to all the Members here at the desk will indicate to you that once again, the formula works against the farm States.

Now, the proponents of this measure will say that the farm States will get more money if $5 million plus $1 are appropriated. But that is a deceptive kind of argument, because, of course, we will get more with $5 million, but as these handouts show, the Farm States would get considerably more under the present formula than they would with the $50,000 minimum. For instance, tiny Rhode Island with relatively few farms would get $50,850 whereas under existing law, they would only be entitled to $23,730.

I could readily understand why the Members from Rhode Island would endorse this kind of bill, but even in that instance, I would ask the Members from Rhode Island to ask themselves before voting whether this is fair and equitable given the legislative history of title V and indicating that one of the basic aims of this legislation in 1973 was to help out the small farms and the farmers, and the poorer farmers of rural America. I might also add that I do not know where this $50,000 minimum allocation to States under this bill comes from or how it was arrived at. It seems to have been grabbed out of thin air—why not $100,000—why not $25,000.

I strongly urge you to keep an open mind on this legislation until you have heard all of the arguments, and I would strongly urge you to support me in my amendment, which would leave the law as it is as it relates to the allocation of funds to States under title V of the Rural Development Act.

Mr. ALEXANDER. Mr. Chairman, I rise in strong support of H.R. 6364, amendments to the Rural Development Act of 1972. This bill will extend the authorizations of title V of the act through September 30, 1977.

The administration would have us transfer rural development funding to other authorities. Title V programs have been important in our expanded rural development effort. They ought to be continued. Without congressional action, title V programs will lapse as of June 30, 1976.

Title V authorizes the Secretary of Agriculture to conduct, in cooperation with colleges and universities, rural development and small farm research and extension programs. These programs are designed to increase employment, as well as the quality of life in the countryside.

Effective, comprehensive, coordinated countryside development can only be accomplished through use of a variety of tools. Title V programs are among the tools we need.

Mr. ROSE. Mr. Chairman, I have no further requests for time.

Mr. SEBELIUS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being on further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 503 of the Rural Development Act of 1972 (7 U.S.C. 2663(a)) is amended by striking the word "and", and changing the period at the end thereof to a comma, and adding the following: "not to exceed $5,000,000 for the period July 1, 1976, through September 30, 1976, and not to exceed $20,000,000 for each fiscal year thereafter.

Mr. ROSE (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SEBELIUS. Mr. Chairman, I have an amendment in the nature of a substitute at the desk.

The CHAIRMAN. First we will have the Clerk report the committee amendments.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 8, strike the word "each" and insert in lieu thereof the word "the", and in line 9, strike the word "thereafter" and insert in lieu thereof the words "ending September 30, 1977".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

POINT OF ORDER

Mr. SEBELIUS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SEBELIUS. Mr. Chairman, I make a point of order that I have an amendment in the nature of a substitute at the desk, and that that takes precedence at this time over the committee amendments.

The CHAIRMAN. The Chair rules that the bill, consisting of one section, has been read and that the committee amendments are perfecting amendments and, therefore, take precedence over any amendment in the nature of a substitute.

The gentleman from Kansas (Mr. SEBELIUS) will be protected and will have the opportunity to offer his amendment in the nature of a substitute after the committee amendments are disposed of.

The Clerk will report the remaining committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, at the end of line 9, insert the following:

SEC. 2. Section 503(b) of the Rural Development Act of 1972 is amended to read as follows:

"(b)(1) Such sums as the Congress shall appropriate to carry out the purposes of this title pursuant to subsection (a) shall be distributed by the Secretary as follows:

"(A) 4 per centum to be used by the Secretary for Federal administration, national coordination, and program assistance to the States;

"(B) 10 per centum to be allocated by the Secretary to States to finance work serving two or more States in which universities in two or more States cooperate or which is conducted by one university to serve two or more States;

"(C) 20 per centum shall be allocated equally among the States;

"(D) 66 per centum shall be allocated to each State in an amount which bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States as determined by the last preceding decennial census current at the time each such additional sum is first appropriated.

"(2) In any year for which appropriations to carry out the purpose of this title exceed $5,000,000, the Secretary shall provide that the sum of the payments made to any State under this title shall not be less than $50,000 per year.".

SEC. 3. The amendments made by Section 2 of this Act shall become effective beginning with the fiscal year ending June 30, 1976.

AMENDMENTS OFFERED BY MR. ROSE TO THE COMMITTEE AMENDMENT

Mr. ROSE. Mr. Chairman, I offer amendments to the committee amendment in sections 2 and 3 and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. ROSE to the committee amendment: Page 2, strike lines 1 thorugh 5, and insert in lieu thereof the following:

"SEC. 2. Section 503 of the Rural Development Act of 1972 is amended by adding at the end thereof the following new subsection (f):

"(f) Notwithstanding the provisions of subsection (b) of this section, in any year for which appropriations to carry out the purposes of this title pursuant to subsection (a) exceeds $7 million, the sums appropriated shall be distributed by the Secretary as follows:"

And on page 3, strike lines 4 and 5, and insert in lieu thereof "shall become effective October 1, 1976.".

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SEBELIUS. Mr. Chairman, reserving the right to object, as I recall it, the gentleman from North Carolina requested in his unanimous-consent request to offer amendments to sections 2 and 3, and I would object to the two sections being heard at the same time.

The CHAIRMAN. Objection is heard and the amendments will not be considered en bloc.

The gentleman from North Carolina is recognized for 5 minutes in support of his first amendment.

Mr. ROSE. Mr. Chairman, I shall be very brief.

The first amendment is to do simply what I indicated during the general debate should be done and that is to change the formula of dividing the money based on rural population as opposed to the present formula basing the allocation on a mixture of rural and farm population. This amendment, simply said, defers any application of that formula until an appropriation level of $7 million is reached. I would state to my colleagues that the current appropriation level is $3 million and as amended it would say that the formula does not go into effect until the appropriation level of $7 million is reached.

Mr. SEBELIUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not wish to prolong this, but I do want to bring to the attention of the Members that this last amendment is a maneuver to change the amount to $7 million, and is a maneuver in the hopes of making this more attractive, it is just a maneuver to provide people with a proposition to buy them off. I hope that the amendment is defeated.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, again I would just follow up with what the gentleman from Kansas (Mr. SEBELIUS) just raised, that while at first glance I might support the $7 million level in that it does increase to some of the States the amount of money that would be provided under title 5, at the same time it does that which I talked about earlier, and that is it increases at a greater rate the amount of moneys going to certain States. For example, let me say New York, and one other State that I figured up on, Pennsylvania, at the $5 million level New York is funded at $133,000 and at the $10 million level—and I do not have the figures for the $7 million level—but at the $10 million level it goes to $339,000. But, for example, the State of Nebraska only goes from $68,000 to $112,000, so while Nebraska would not quite double, the State of New York would more than triple, and I think that is what is involved here with the $7 million level.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. ROSE) to the committee amendment.

The amendment to the committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ROSE TO THE COMMITTEE AMENDMENT

Mr. ROSE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ROSE to the committee amendment: Page 3, strike lines 4 and 5, and insert in lieu thereof "shall become effective October 1, 1976.".

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. ROSE) to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SEBELIUS

Mr. SEBELIUS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. SEBELIUS: H.R. 6346 is amended by striking everything after the enacting clause and substituting therefore the following:

"That subsection (a) of section 503 of the Rural Development Act of 1972 (7 U.S.C. 2663(a)) is amended by striking the word 'and', and changing the period at the end thereof to a comma, and adding the following: 'not to exceed $5,000,000 for the period July 1, 1976, through September 30, 1976, and not to exceed $20,000,000 for the fiscal year ending September 30, 1977.' "

Mr. SEBELIUS. Mr. Chairman, I will be very brief. What this amendment does is strike sections 2 and 3 and leaves section 1 exactly as it is, that is, authorizing the present transitional period from July 1, 1976, to October 1, 1976, at $5 million. In the authorization for fiscal year 1977 it is $20 million, exactly as in section 1.

What this substitute does is to leave the formula for the allocation of funds in title V—as it was wisely and judiciously established in 1973—just as it is right now. We actually do not have to worry about the gobbledygook to go to the $7 million authorization. We have got it very simple. It puts the law right like it is and extends it until 1977. There is none of this situation as the law is now. Twenty-one States of the low-income group will not lose money. New York and those States that would be the big winners in H.R. 6346 would become an urban development amendment to the Rural Development Act, and that we do not want, and I am sure nobody here does.

We leave the allocation just exactly like it is in the front column and in the fine piece of material that was furnished to us by the chairman.

Mr. Chairman, at this time I would like to commend the chairman. He has done a very hard and good job, and I respect his ability.

The Department of Agriculture opposes 2 and 3. I think to extend this thing to 1977 with the authorizations we have now is exactly the situation.

What I would like to underline and give you very quickly is just a little picture here to show what will have happened to the USDA if this goes through.

Back in 1969 the Department of Agriculture money was spent in green but went for agriculture. The red part went for social services, which was the beginning of food stamps and direct commodities; and the yellow part is Public Law 480. The blue is natural resources, forestry, and the other is rural development inspection. That is it.

I will call this dog here Orville, because Orville was our Secretary of Agriculture at that time.

The Members can see that dog is mostly green. He has a yellow collar and that is Public Law 480, and he has a purple and an orange ear, and then his tail represents the social services. But look at what we have in 1965. Look at what happened under "Old Earl." We have the same old dog and the same collar and appropriation for the two ears but look at the tail. That is the food stamp and domestic programs and so on.

We have a share in 33 percent of $3 million that is supposed to be for the little farmers in this one small title, and they want to take it away from us. I ask the Members not to do it and to vote for this amendment.

Mr. GRASSLEY. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, I think the basic question is here whether or not the delicate compromise that was reached in the 1973 act is going to be maintained, whether or not there is going to be an equal consideration for the farm population as well as for the rural population.

The question in the substitute amendment is that of retaining that delicate compromise. That was the purpose of the original bill and I think from the committee report of 1972 we can see that. I would like to quote it. We can see that these purposes have not yet been accomplished.

For instance, the 1972 report says that title V of the Rural Development Act was:

> (1) to help farmers on public assistance to become self-supporting on their own farms;
>
> (2) to provide technical assistance to improve practices on small farms so as to allow the farmers thereon to become eligible for FHA credit; and
>
> (3) to prevent marginal farms from going bankrupt thus forcing their operators and their families to move into the cities where major adjustments in their lives are required to satisfy their basic needs and desires.

Mr. Chairman, these goals of title V of the Rural Development Act have not yet been accomplished. Consequently this is not the time to change the formula to give less weight to the needs of the poor farmers and the needs of the small farmers.

I would ask the Members to keep this delicate balance in mind and give consideration to the farm population by supporting the substitute amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment in the nature of a substitute offered by the gentleman from Kansas (Mr. Sebelius).

As submitted by the committee, this bill is a denial of assistance to the Nation's farmers simply because they do not have as many votes as do communities.

And nothing could be more shortsighted. All citizens of this country are dependent upon the products of our farms. We must make every effort to take full advantage of new technology to increase production and distribution to meet these needs. If we fail to do so, all will suffer, whether it be through shortages or higher prices.

I urge my colleagues to adopt the Sebelius amendment as a sound investment in our agricultural economy and to maintain a fair and equitable distribution of Federal assistance.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kansas.

To lump rural and farm areas together under the funding provisions of title V of the Rural Development Act is the same as placing apples and oranges on the same shelf at the same price. Real differences exist between farm and rural areas. Each operates in a different environment, and each faces a different set of problems. The expertise needed to develop a community sewer system for a small town is of no help to the family farmer living miles from the nearest community.

Several agencies of the Federal Government already offer successful programs to stimulate community development. With the recent trend toward reverse migration from the cities to the farms, it makes little sense to weaken the impact of the extremely promising improvements to farm life begun under the Rural Development Act.

Mr. HAGEDORN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute offered by the gentleman from Kansas (Mr. Sebelius).

Mr. HAGEDORN. Mr. Chairman, I would like to speak in favor of the amendment offered by Mr. Sebelius. H.R. 6346 would amend section 503(b) of the Rural Development Act of 1972 by changing the formula for allocating amounts authorized by Congress for payment to States for fiscal year 1976. A minimum payment of $50,000 would be made to each State, regardless of either rural or farm population. Of the remainder, 66 percent would be allocated on the basis of rural population, rather than the 33 percent presently allocated on that basis. Thirty-three percent would continue to be allocated on the basis of farm population.

Under the revised distribution formula 20 of our 50 States would be entitled to fewer funds than under current law. Of course, it is clear that at the same time 30 States would have the same or increased entitlements. Yet, when one looks at the States which end up in the loser's column on this one, I believe that the thrust of the bill becomes clearer. Among these States are Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, Oklahoma, North and South Dakota, and Wisconsin. In short, the Farm Belt of our Nation. States that benefit the most under the formula include those with high percentages of commuters who live in areas defined under the act as "rural" yet who commute daily into, and work in the metropolitan areas of our Nation, and share few of the common concerns of farmers and other individuals who earn a living in the rural economy.

Although I recognize that the rural, nonfarm population of our country face many of the same difficulties as the farmer, I believe that both of these groups interests are best served by retention of the current allocation formula. The original draftsmen of the legislation recognized the necessary balance that had to be struck in determining the basis on which to allocate funds. For some of the purposes of the act—farm extension programs, technical assistance to small farmers, and innovative approaches to rural farm management—farm population is the best index, while for others—rural credit and housing needs, for example—a broader, more inclusive index was needed. They recognized also that for many practical purposes rural farm population figures served as a rough index for effecting all the purposes of the act.

I welcome the "return to rural America" that is taking place among many persons these days, and appreciate the role that the Rural Development Act is having upon this trend. But to revise the nature of the Rural Development Act to accommodate this is, in my opinion, to subordinate the equally important needs of the farmer and the rural American who shares the problems of the farmer. I believe that the Rural Development Act should remain at least one program that will be focused on the concerns of these persons, rather than on the concerns of statistical rural Americans, including a great number of individuals who have a greater commonality of concerns with nonrural Americans. Because I believe that the current title V formula better accomplishes these goals, I urge support of the amendment offered by Mr. Sebelius.

Department of Agriculture,
Washington, D.C., November 7, 1975.

Hon. Keith G. Sebelius,
House of Representatives,
Washington, D.C.

Dear Keith: This letter is to inform you of our position on H.R. 6346 which would change the formula for the distribution of appropriated funds to the 50 States and Puerto Rico under Section 503(b) of the Rural Development Act of 1972 by providing for a minimum of $50,000 per State and eliminating the total farm population from the formula used to allocate funds among the States. The Department cannot support this change as proposed in H.R. 6346.

Under the proposed new formula the following 21 States would receive reduced funding:

Arkansas, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Missouri, Montana, Nebraska, North Dakota, Oklahoma, Puerto Rico, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming.

The States that would receive reduced funding under the new formula proposed by H.R. 6346 are mainly our farm States with the largest portion of rural population living on farms. When the Rural Development Act was being considered by the Congress in 1972, the allocation formula for Title V rural development research and education funds was well thought out and supported by the Administration. It was our desire then and now that special considerations be given to research and education for small farmers. The current Title V allocation formula which gives special considerations to farm population has worked well and provides a means to assist our small farmers.

The change to the minimum payment of $50,000 per State would not be triggered until the amount of money appropriated under Title V reached $5 million. The bill raises the expectation of rural people that more money will be appropriated but only $3 million a year has been appropriated in Fiscal Years 1974, 1975, and 1976. In Fiscal Year 1974, the President's Budget requested $5 million for Title V rural development research and education programs, but the Congress appropriated only $3 million.

In addition, the provision for a $50,000 minimum allocation to States, in the event appropriations levels exceed $5 million, would require a minimum appropriation of $10 million, in order that all States would get that amount of funds they would be entitled to under the formula. At any lower level of appropriation some States would be penalized. The $10 million level of funding would add to an already substantial budget deficit. The minimum payment of $50,000 has no real basis and was seemingly chosen at random.

The Department has recommended to the Congress that funds, that would be appropriated under Title V of the Rural Development Act of 1972, be appropriated under the Smith-Lever and Hatch Acts for rural development research and education. The rationale is that the intent and purpose of Title V can be carried out under these Acts thus eliminating the duplicate overhead required to administer separate programs. We believe that this recommendation should be adopted as the means to handle these funds.

H.R. 6346 would establish an unnecessary and unwise shift of funds through its allocation formula.

If you have further questions, we will be pleased to answer them.

Sincerely,

JAMES E. BOSTIC, JR.,
Acting Assistant Secretary.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment in the nature of a substitute offered by the gentleman from Kansas (Mr. SEBELIUS).

Mr. Chairman, again, as my distinguished colleague, the gentleman from Iowa pointed out, the provisions that are presently in the bill are the result of a very delicate compromise worked out in the past. Nothing has happened since that time to destroy that compromise, but let me point out once more to my colleagues today what would happen under the formula that would come under this bill if we do not adopt the amendment in the nature of a substitute offered by the gentleman from Kansas. As stated earlier, there are about four regional centers for rural development in the United States. One of those is the North Central Region and its center is located at Iowa State University.

The States that are in the north central region are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Under the formula of the bill, all of those States, with the exception of Michigan would turn out to be losers and losing money under the $5 million level.

Now, to be sure, under the $7 million level, as suggested by the gentleman from North Carolina, all those States would, indeed, increase; but the point is that the other States that increase would increase more.

Let me give you an example. Take Iowa. Iowa, under the $5 million level, would go from $92,000 to $88,000. Under the $10 million level, it would go from $88,000 to $182,000, so it would just be a little bit more than double; but New York, which would go from $81,000 under the $3 million level to $133,000 under the $5 million level, would go to $339,000 under the $10 million level.

So, while Iowa doubles, New York triples.

The same thing happens, for example, to Nebraska. It would go from $68,000 to $112,000; but at the same time, Pennsylvania goes from $157,000 to $420,000. That is what is happening under that formula.

I would once more state that under title V, under the purposes of this bill, it says:

> SEC. 501. PURPOSES.—The purpose of this title is to encourage and foster a balanced national development that provides opportunities for increased numbers of Americans to work and enjoy a high quality of life dispersed throughout our Nation by providing the essential knowledge necessary for successful programs of rural development.

I would have us keep that in mind. We are not talking about communities of 10,000 or under that ring our major metropolitan areas. We are talking about the highly rural farm population centers of this country.

I encourage the hope that all Members would support the Sebelius amendment so we can go back to the formula that was worked out as a delicate compromise before. There are many Members that are asking those of us in the rural areas to support the larger cities of the country. We are going to be watching today to see how they support us in the rural areas.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Kansas (Mr. SEBELIUS).

The question was taken; and on a division (demanded by Mr. SEBELIUS) there were—ayes 38, noes 33.

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

Mr. ROSE. Mr. Chairman, I offer an additional brief amendment.

Mr. SEBELIUS. Mr. Chairman, I object.

The CHAIRMAN. The Chair will state that no further amendments are in order. The amendment in the nature of a substitute has been adopted.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEVILL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6346) to make permanent the authorization of appropriations for carrying out title V of the Rural Development Act of 1972, pursuant to House Resolution 836, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 323, nays 11, not voting 99, as follows:

[Roll No. 678]

YEAS—323

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brown, Calif.
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clausen, Don H.
Clay
Cochran
Conable
Conlan
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hannaford
Hansen
Harkin
Harris
Hastings
Hayes, Ind.
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hightower
Holland
Holt
Holtzman
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten

Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Passman
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki

NAYS—11

Crane
Daniels, N.J.
Gradison
Green
McDonald
Minish
Myers, Pa.
Patten, N.J.
Rinaldo
Schneebeli
Wydler

NOT VOTING—99

Addabbo
Annunzio
Armstrong
Ashley
Aspin
Badillo
Barrett
Beard, R.I.
Bell
Brademas
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burton, Phillip
Chappell
Clancy
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conte
Danielson
Davis
Dent
Downing, Va.
Eckhardt
Esch
Eshleman
Fary
Fenwick
Fish
Fithian
Forsythe
Fraser
Gaydos
Goldwater
Hanley
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Hillis
Hinshaw
Horton
Howard
Howe
Johnson, Pa.
Kindness
Koch
Krueger
Landrum
Long, La.
McCloskey
McEwen
McKinney
Mathis
Metcalfe
Mineta
Morgan
Murphy, N.Y.
Nichols
Nix
O'Hara
Ottinger
Patman, Tex.
Pattison, N.Y.
Peyser
Poage
Randall
Rangel
Rees
Richmond
Riegle
Risenhoover
St Germain
Sisk
Smith, Iowa
Stanton, James V.
Stark
Steelman
Stokes
Symington
Symms
Teague
Udall
Walsh
Wiggins
Wilson, Tex.
Wright
Young, Alaska
Young, Ga.
Zeferetti

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Wiggins.

Mr. Hays of Ohio with Mr. Patman.

Mr. Addabbo with Mr. Cleveland.

Mr. Dent with Mr. Richmond.

Mr. Morgan with Mrs. Collins of Illinois.

Mr. Zeferetti with Mr. Bell.

Mr. Teague with Mr. Armstrong.

Mr. Krueger with Mr. Aspin.

Mr. Ottinger with Mr. Badillo.

Mr. James V. Stanton with Mr. Burgener.

Mr. Stark with Mr. Brown of Ohio.

Mr. Udall with Mr. Eckhardt.

Mr. Charles Wilson of Texas with Mr. Fary.

Mr. Howard with Mr. Esch.

Mr. Barrett with Mr. Collins of Texas.

Mr. Beard of Rhode Island with Mrs. Fenwick.

Mr. Landrum with Mr. Goldwater.

Mr. Brademas with Mr. Eshleman.

Mr. Danielson with Mr. Fish.

Mr. Phillip Burton with Mr. Davis.

Mr. Harrington with Mr. Harsha.

Mr. Metcalfe with Mr. Randall.

Mr. Koch with Mr. Forsythe.

Mr. Mineta with Mr. Peyser.

Mr. Murphy of New York with Mr. Steelman.

Mr. Nichols with Mr. Hinshaw.

Mr. Pattison of New York with Mr. Fraser.

Mr. Riegle with Mr. Young of Alaska.

Mr. Symington with Mr. Horton.

Mr. Brooks with Mr. Hillis.

Mr. Smith of Iowa with Mrs. Heckler of Massachusetts.

Mr. Mathis with Mr. McCloskey.

Mr. Brodhead with Mr. Conte.

Mr. Johnson of Pennsylvania with Mr. Howe.

Mr. Hawkins with Mr. Symms.

Mr. Rees with Mr. Cohen.

Mr. Rangel with Mr. Broomfield.

Mr. Hébert with Mr. Ashley.

Mr. Hanley with Mr. Brown of Michigan.

Mr. Gaydos with Mr. Clancy.

Mr. Chappell with Mr. Kindness.

Mr. Downing of Virginia with Mr. McEwen.

Mr. Fithian with Mr. Del Clawson.

Mr. Hefner with Mr. Walsh.

Mr. Long of Louisiana with Mr. McKinney.

Mr. Nix with Mr. O'Hara.

Mr. Risenhoover with Mr. Sisk.

Mr. St Germain with Mr. Stokes.

Mr. Wright with Mr. Young of Georgia.

Mr. BINGHAM changed his vote from "nay" to "yea."

Mr. RINALDO changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to extend the authorization of appropriations for carrying out title V of the Rural Development Act of 1972."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to request of the distinguished acting majority leader if he is in a position to inform the House as to the program for the balance of this week and next week.

Mr. McFALL. If the distinguished minority leader would yield, I will be happy to respond to that inquiry.

Mr. RHODES. I yield to the gentleman from California.

Mr. McFALL. I thank the gentleman for yielding.

Of course, there is no further legislative business for today, and upon the announcement of the program for next week, I will ask unanimous consent to go over until Monday, as usual.

The program for the House of Representatives for next week is as follows:

Monday is District day with four bills as follows:

H.R. 10035, Judicial Conference of District of Columbia;

H.R. 4287, additional law clerks for District of Columbia Court of Appeals;

H.R. 9958, property transfer to Redevelopment Land Agency;

H.R. 10041, repeal of enclave provision of Home Rule Act.

Then we will take up:

H.R. 6461, Public Broadcasting Financing, under an open rule, with 1 hour of debate.

On Tuesday we will consider:

H.R. 10585, temporary debt limitation increase, subject to a rule being granted; and

House Concurrent Resolution 466, second concurrent resolution on the budget, fiscal year 1976, general debate only.

On Wednesday, Thursday, and Friday, we will consider:

House Concurrent Resolution 466, second concurrent resolution on the budget, fiscal year 1976, on which we will have taken up general debate on Tuesday. We will have votes on the amendments and resolution beginning on Wednesday.

S. 622, Energy Conservation and Oil Policy Act, conference report.

Then we will consider the supplemental appropriations bill, the first supplemental, for fiscal year 1976, which as yet has no number;

H.R. 5512, National Wildlife Refuge System Administration, under an open rule, with 1 hour of debate;

Senate Joint Resolution 121, quarterly adjustments of support prices for milk, under an open rule, with 1 hour of debate;

H.R. 10031, Defense Production Act amendments, subject to a rule being granted;

H.R. 8578, increase Federal share to community action agencies, subject to a rule being granted;

H.R. 7863, Farm Credit Act amendments, subject to a rule being granted.

Of course, with the usual admonition, conference reports may be brought up at any time, and any further program will be announced later.

Mr. RHODES. May I request of the distinguished acting majority leader some information concerning a policy of the Committee on Rules. It was my understanding that after November 3 the Committee on Rules would not consider further rules, of course, unless the Speaker requested that such rules be granted. I assume that policy is still extant and that the Speaker has in fact asked that the rules which are listed in the program for this week be granted notwithstanding that position.

Mr. McFALL. I have two members of the Committee on Rules behind me who tell me that these got in under the wire.

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. I thank the gentleman for yielding.

The agreement was that the requests for rules should be in by November 3, and these rules are on bills for which rules were requested within that deadline.

Mr. RHODES. Could the gentleman from Hawaii (Mr. MATSUNAGA) enlighten the House as to how many such requests have been made and have not been acted upon?

Mr. MATSUNAGA. About 10 or 11 which the Committee on Rules needs to act upon still.

Mr. RHODES. I thank the gentleman.

ADJOURNMENT TO MONDAY, NOVEMBER 10, 1975

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

WEST VIRGINIA UNIVERSITY'S PERSONAL RAPID TRANSIT SYSTEM IN MORGANTOWN PROVIDES SUCCESSFUL RESEARCH AND DEMONSTRATION PROJECT

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STAGGERS. Mr. Speaker, it is my pleasure to report to the Congress that West Virginia University's Personal Rapid Transit—PRT—System in Morgantown is proving to be an enormously successful research and demonstration project that is attracting international attention.

Since the PRT began a year of testing with passengers on October 3, 1975, the system has carried more than 100,000 passengers and it has been operating about 80 percent of the scheduled time—a far higher reliability than engineers anticipated in this early stage of passenger operation.

Rising gasoline prices, of course, have made any electric-powered PRT experiment even more significant because our country and the world must develop alternative methods of transportation as quickly as possible. The importance of the PRT as the first system of its kind in the world seems to be realized even more by other nations than the United States.

The Japanese already have applied the PRT technology developed in Morgantown to build an automated transit system in Okinawa which in October carried its 2-millionth passenger. Israel is considering building a similar system in Jerusalem. During the past 3 years, more than 500 visitors from 32 foreign countries—many of them transportation officials—have visited the PRT.

The PRT clearly is the foundation on which to build an exciting international transportation laboratory at West Virginia University. The Congress, the U.S. Department of Transportation, and its Urban Mass Transit Administration, Mr. Earle T. Andrews of the West Virginia Board of Regents, and the Boeing Aerospace Co., of Seattle, Wash., which designed the PRT, all should be commended for their contributions to one of the Nation's most exciting research and demonstration projects.

In this respect, I would like to place into the RECORD a column by the distinguished editor of the Pittsburgh Post-Gazette, Frank Hawkins, who points out that even the cost of the PRT is reasonble compared to other conventional transit systems being built.

[From the Pittsburgh Post-Gazette, Oct. 9, 1975]

AUTOMATED TRANSIT RUNS IN WEST VIRGINIA

(By Frank Hawkins)

Critics scoffed gleefully at the troubles encountered in efforts to build an experimental automated transit system in Morgantown, W. Va. It wouldn't work, they said, and it was much too expensive.

At one point it was rumored that the federal government, which was financing it, would blow it up and forget it.

But today the system is transporting students of West Virginia University and other passengers over the first 5.4 miles linking the college campus to downtown.

This transit system is quite similar to the automated Skybus rapid transit line that provoked so much controversy in Allegheny County. The cars in use in Morgantown are smaller than the ones proposed here but, like the Skybus cars, those of the Personal Rapid Transit system run on rubber tires over concrete guideways and it's all done with computers.

Allegheny County's Port Authority Transit could have had a line using the same technology in operation by now except for the obstruction by a handful of politicians who shy away from anything more modern or imaginative than a trolley or a conventional rail line. And, as in Morgantown, the federal government would have paid most of the cost.

What about the cost? The first phase in Morgantown cost $62.4 million. Since its PRT system was the first of its kind, involving a new technology, research and development accounted for about 40 per cent of the cost.

As compared with other transit systems, $62.4 million isn't bad for 5.4 miles (about $11.5 million per mile) if it's going to work. And it does work.

The latest estimate on Atlanta's proposed rail rapid transit system is that the first 13.5 miles will cost $1.1 billion, or about $81.4 million a mile.

The first two-mile segment of London Transport's extension to Heathrow Airport opened in July at a cost of $30 million per mile. The controversial Bay Area Rapid Transit (BART) in San Francisco cost more than $21 million per mile.

It has been estimated that a 98-mile rapid transit system in Washington, D.C., and its environs, much of it underground, will cost as much as $6 billion, or more than $60 million a mile.

So the expenditure at Morgantown, as compared with construction in other areas, isn't the horrible boondoggle that its critics charged. True, it isn't the heavy-duty line of a sort to carry masses of people but it serves its purpose, its cost is less and it affords an answer to critics of transit automation.

As time passes and inflation soars, it will be interesting to watch what a rapid transit line, if one is ever built in Allegheny County, will cost. Whatever might be built will cost much more than Skybus would have had its construction begun five years or so ago. Thanks to short-sighted obstructionists, this district missed the train.

CONGRESS AND CONRAIL: WILL INDIFFERENCE SPAWN INFERIORITY?

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, today is November 7, and 2 days from today, this Congress will pass a very important piece of legislation. That may surprise some Members who did not realize that we had scheduled a Sunday session. To put your minds at ease, we have not, but we are still going to pass a piece of legislation that day.

Because that is the day the time runs out for us to act on the question of approving the final system of the U.S. Railway Association. If we do nothing before then, that plan becomes law.

Well, this Congress is very good at doing nothing, and we are about to do it again. We are about to let a multibillion-dollar operation go into effect without debate, without action on the floor, and without a specific declaration by a majority of the Congress that it is something we want.

I think that is a tragedy. I think permitting that sort of backdoor legislation is an abrogation of our duty as policymakers, and I want to take this opportunity to protest. The people of the United States elected us to make decisions, not avoid them; to give thoughtful consideration to proposals, not look the other way and just let them happen.

That is what we are doing with the final system plan. That is the way this massive new project, ConRail, is being born, and I think it is an inauspicious set of circumstances. The future of ConRail is cloudy enough without shrouding its very creation in a cloak of negativism and indifference.

Now, it might be pointed out that there

was extensive debate of the regional reorganization bill itself in 1973, and that is true. But that act was only the decision to produce a plan. We have not had any debate on the plan itself. I believe we should have, either through the consideration of a motion to disapprove, or, if more time was needed, by extending the 60-day period which we gave ourselves to consider the final system plan.

But we did not do that. We contented ourselves with the thought that we could come back later and pass amendments to the RRRA and clear up any little lingering problems, and with the thought that ConRail could not really do anything until next March anyway.

Thus we will not now debate the big issues of the Railroad crisis. We will just let ConRail happen, and worry about amendments and appropriations later.

That approach, gentlemen, is a copout. Before we debate how much money we ought to give ConRail, we ought to debate whether or not we should have it at all. We should not impose it by fiat, and then come back and iron out the problems. That is what we are doing, and it is a poor excuse for sound legislative practice.

So, here I stand today, under a special order which represents just about the only attempt anybody has made to get any discussion of this issue on the floor of the House. I consider it ridiculous and sad that we have to go this route, but I cannot in good conscience stand by and let November 9 come and go without offering some views on this matter of vital importance.

Gentlemen, we have a railroad crisis in this country, and it will not be ended by our walking around with our hands in our pockets and leaving it up to someone else. We must face it head on, and set some straightforward, to-the-point policy.

We need to get into the meat of the matter. And we should be doing it now.

Let me do my part. Let me begin by briefly outlining five important problem areas in the ConRail proposal. I am aware that the Transportation and Commerce Subcommittee has considered many of these items, but I just think they ought to have been brought to the floor before the ninth.

PROBLEMS WITH THE FINAL SYSTEM PLAN

First, we cannot move ahead with ConRail without solving the problem of deficiency judgments. In case you have not heard, there is a real dogfight going on out in the real world on this one. We just cannot ignore it. USRA put a valuation on the assets of the Penn Central of $471 million. But the trustees of the Penn Central believe thay are worth $7.4 billion. Now that is a heck of a long way apart, and it does not take a genius to figure out how long something like that can get tied up in the courts. And remember too, the position into which such a discrepancy puts those solvent railroads who are acquiring Penn Central property. With the possibility of interminable legal action, they are being asked to make a purchase without knowing what the price is. Would you do that? No wonder they are screaming. No wonder the stockholders of the Penn Central are screaming. We have got to solve that problem if we are going to go ahead with ConRail, but we are not doing it.

Nor is the deficiency judgment problem the only one. Consider another—open routing. The Interstate Commerce Commission has said that it may not have authority to prevent ConRail from predatory practices against the smaller solvent railroads in the region. If that is true, then they can literally squeeze their competitors out of business, knowing all the while that if they sustain losses in the process, they have Federal Treasury behind them. To be sure, there has been some movement in the last week, with regard to the signing of an agreement by ConRail that they will not do that. That is all fine and good, but the question remains whether any such agreement ought not to have the force of legislation behind it.

And if any Members doubts that a quasi-public corporation would engage in predatory practices, I suggest that he give careful consideration to what has been going on between Amtrak and the intercity bus lines in recent months.

So you have the deficiency judgment problem and the open routing problem. The third one is the question of the preferred alternative to ConRail. The final system plan opted for a backup called Unified ConRail, which is to say an even bigger piece of the northeast railroad pie than they would get under the principal plan. If the principal plan does not work, you get Unified ConRail. But there is substantial expert opinion which challenges the Unified ConRail choice as backup. A great many people who have studied the matter would have preferred the choice of the plan known as ConRail Plus MARC-EL, which sets up a separate entity to compete with ConRail, and with the Chessie System and the other solvent railroads in the northeast. Is Unified ConRail better than ConRail Plus MARC-EL? I do not believe this Congress has any idea whether it is or not, but come Sunday we will have made that choice, even as we sit watching the football game on television.

A fourth problem area is the financial viability of ConRail itself. USRA has made projections which show ConRail losing money until 1979, after which it goes into the black, and by 1985, they see ConRail with profits of nearly $400 million on freight revenues of $5.2 billion. That sounds pretty good, but there are those who question whether or not it will happen that way. Both the Office of Technology Assessment, in a review prepared for the Senate Commerce Committee, and the Princeton University study done for the House committee concluded that in making their projections, USRA had so arranged the parameters that there is considerably more "downside risk" than there is "upside potential" in the figures.

In other words, the USRA projections only work if everything goes right—they are the best ConRail could possibly do. Thus, since ConRail's losses are to be paid from public funds, we need to ask, how much is going to be needed? Is the cost of ConRail to the taxpayers going to escalate year after year like Amtrak? That is a fair question, because the escalation is already underway. The Regional Rail Reorganization Act of 1973 authorized $1.5 billion for the project. In May of this year, Secretary Coleman talked about a total of $2.9 billion. The Princeton study, considering hidden as well as direct costs, came up with a total of almost $6.5 billion. And nobody can say for sure that any amount at all is positively going to make ConRail viable.

Another unresolved problem with the final system plan is the whole question of branch line abandonment, an issue which strikes fear in the heart of every Congressman in the region. Each of us knows that ConRail would not work unless selective abandonment can take place, but who is willing to let it begin in his district? Legislation has been introduced which would set a 1-year moratorium on abandonments, with a 100 percent Federal subsidy going to ConRail to operate the lines in the interim, during which a socioeconomic analysis of each line would be conducted. Perhaps this is a good idea and perhaps it is not, but it seems to me that it ought to be resolved before ConRail comes into being, not after, if ever.

LABOR: MANAGEMENT: PROBLEM AREAS OVERLOOKED

Let me turn now from a discussion of specific problems in the final system plan to a brief discussion of two problems that are not addressed in that document at all, but which are vital to the ultimate solution of the railroad crisis. These problems will not go away just because we ignore them.

First and foremost in this category is the problem of labor. The Florida East Coast Railroad has done a study which shows that every railroad in the Nation, save one—the Ann Arbor—would be profitable if their bloated labor costs and archiac work rules were rationalized in such a way that they operated on the same transportation ratio as does the Florida East Coast. They propose, very simply, that the Congress requires the elimination of a specific list of work rules before any tax dollars are spent to subsidize rail operations. I find that argument compelling, and if there are Members who do not, I should like to hear their rebuttal right here on the House floor. But we are about to pass this massive bill to "save" the railroads without even considering the factor that some well-qualified experts believe to be the only problem worth talking about.

A reform of the labor problem is important, but so is reform of management. Frankly, I think the railroads of this Nation have been operating under some pretty poor management for a long time. And I question the wisdom of a policy which uses that fact as a justification for a massive new Government initiative. The Rock Island Railroad went bankrupt earlier this year, and yet management reforms have turned its prospects around; it has shown a positive cash flow since July, and is now turning an accounting profit, the first in many years. And it was series of management initiatives that made it happen.

Now consider this point: if the Rock Island had gone under a couple of years earlier, we might be talking about its line as a part of ConRail. But new management is turning the Rock into a moneymaker. Perhaps all the Penn Central needs is new management. I ask the Members, Are you prepared to spend $6.5 billion when all that might be needed is a half-dozen good men at Penn Central Plaza?

Mind you. I do not know if that is all that is needed. But I do not think any other Member really knows either, and I think we should.

ALTERNATIVES TO CONRAIL

We should know about a lot of things, alternatives to ConRail, for example. There are alternatives, and this Congress ought to be discussing them—ought to have been discussing them for weeks and months now. Let me suggest a few:

First. No program at all. One option that ought not to be ruled out is a specific decision to let the chips fall where they may. The success of the Rock Island, in the absence of Government help, suggests that a railroad can pull itself up by its bootstraps. For years the Rock Island had suffered because the ever present likelihood of merger with the Union Pacific had given managers an easy out; UP was coming. Perhaps if the Penn Central owners were simply told that it is up to them, they might—relieved of the easy out that "Uncle Sam's coming"—be able to solve their own problems.

Second. Segment auctions. The task force on railroad productivity has recommended a program they call "controlled transfers" under which the Penn Central would be broken up into marketable segments and auctioned off to the highest bidder. A number of experts strongly favor this approach, and qualifications could be written into such a plan to cover the various contingencies, but USRA, on May 22 of this year, voted not even to consider it. And we are not considering it, and we should.

Third. ConTrack. USRA did consider, and rejected, a proposal called ConFac, under which the Government would acquire the facilities of the Penn Central and other bankrupts, and lease the lines to various solvent companies. While I do not think adequate study was given to ConFac, I am inclined to think that it was probably not a good idea, as it was proposed. I am not yet convinced, however, that Government ownership of track is a bad idea altogether, and when I use the term "ConTrack" I am referring to what might also be called an "Interstate Rail System." Under this plan, a free and substantially unregulated system of carriage would operate on publicly owned tracks, even as private cars and trucks operate on the public highways. User fees would be charged, and of course there would have to be licenses for operators and some sort of traffic control system, but beyond that the track would be open to anyone with a locomotive, ConFac, a leased-line system, seems to me fatally flawed. ConTrack does not.

Fourth. Rail trust fund. Another idea which has considerable support is the proposal to impose a 5-percent surcharge on all air and surface transportation freight shipments, and allow the railroads to borrow Government guaranteed funds against the surcharge, which funds would be used to rebuild their lines and upgrade their productivity levels. As Robert Graves, director of traffic for the big agricultural shipper, FS Services has said:

> If the railroads start operating at 50–60 MPH again, they'll make money hand over fist.

Fifth. Transcontinental systems. In its report, the task force on rail productivity opts for a new look at the railroad merger process. Noting that most mergers have tended to be between parallel lines, resulting in an expanded regional railroad, they call for the ICC to end approval of such plans. Instead, they favor a policy which would actively promote end-to-end mergers, and envision the eventual establishment of from four to seven transcontinental rail systems, operating in both north-south and east-west corridors. Thus the rail industry would be rid of its Balkanized corporate structure and a genuinely efficient industry could result. I believe this concept has much to recommend it, and deserves our attention.

Sixth. Deregulation. President Ford has recently proposed the almost complete deregulation of the surface trucking industry, and it is not unreasonable to maintain that a deregulation of railroads too would produce sufficient economic benefits to bring about the revitalization of the industry. In his thorough study for the Brookings Institute, Dr. Thomas Gale Moore, of Stanford University, concludes that while "some minimal regulation" may be desirable and justified, "an investigation of the costs of regulation suggests that they are not only substantial, but monumental." If Moore is right, then the removal of those costs could be all the railroads need to become economically viable.

Seventh. Nationalization. I must also mention the alternative of nationalization, even though all my philosophical instincts are against it. The fact remains that it is an option, and when we are considering options, none ought to be excluded. If the proponents of nationalization can convince a majority of the Congress of the justice of their plan, then we should make it law. That is our system. The tragedy is that we shall not get to make that choice, or any choice, really.

CONGRESS AND THE FUTURE OF RAILROADS

I have tried in these remarks to show that there are a number of reasons why we, as policymakers, ought to be engaging in full scale debate on the future of the American railroad industry. I am concerned about this issue because of its importance to our energy posture, our economic health, and our political philosophy.

We need a strong and viable rail system in this country. We do not have it now, and I am not at all convinced that ConRail is going to give it to us. I think rather that ConRail will muddle along for a few years, and then go under, and we will start all over again from square one and try to solve the railroad crisis.

We should not wait. We should have that debate now. If the Congress concludes, after full consideration that the final system plan is the best we can do, then so be it. To let it happen without that consideration is irresponsible, especially in view of the existence of the alternatives I have mentioned.

Let me say this in conclusion. We can have a first-class rail industry. There are exciting technological developments taking place right now. And there are marketing innovations. There is the tremendous potential of containerization. There is the autotrain. There is a new electric motor which, according to its inventors makes the electrification of intercity rail freight lines feasible for the first time.

There is no reason to believe that, given a proper structure, the railroads cannot have a bright and vibrant future. Given that fact, and given the importance of the rail industry, it is just imperative that Congress not take the coward's way out and let the first thing to come along go into operation without any sort of proper review.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I commend the gentleman from Illinois for pointing out this matter of concern not only to the Congress but also to the country.

Several weeks ago I raised the same question in a colloquy with the chairman of the committee, the gentleman from West Virginia (Mr. Staggers) and I got some assurance that we were going to have some action. Apparently no action has been forthcoming.

Here now we see this plan that will adversely affect northwestern Ohio, which I am pleased to serve.

It just seems to be a forgotten issue. This would be a disastrous plan as far as our section of the country is concerned.

I am immensely sorry this Congress did not do anything about it. I commend the gentleman for pointing out the nonaction of this Congress.

Mr. MICHEL. I thank the gentleman for making that kind of observation. It just seems to me there are so many far-reaching consequences that will flow from what will take place after Sunday that surely we ought to be giving more consideration to it than we have and surely in the months ahead when this and that may go wrong the Members of Congress will get into the well of this House and wonder how it all happened.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to my friend and colleague, the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Speaker, I want to join in commending my colleague, the gentleman from Illinois, for calling attention to this.

I happen to have spent some time on this matter. I have virtually all the track back in my district, I am pleased to say; but I agree with the gentleman. I think there are going to be many Members who are drifting, unaware of the importance of the date coming up.

Beyond that, Mr. Speaker, I would add that I am not being partisan in criticism, because I think it applies across the board to both political parties. We really desperately need a sound and right railroad policy. What the plans continue to do is let the railroad service go down hill. We are appropriating hundreds of millions of dollars to build channels and canals to let freight go through, and yet we are letting the railroad lines that are almost parallel deteriorate.

I hope that somehow before too long we can reverse this trend and start moving things in the right direction.

I had a fine, long conversation with the president of the Illinois Central Railroad, Mr. Allen Boyd, in my office last week, which really brought up the grain problem we have right now. I sympathize with him and with other railroad leaders, but there is no question we have to get hold of this thing. We are drifting now and that drifting cannot continue without great detriment to the Nation.

Mr. MICHEL. Mr. Speaker, I thank my colleague for his contribution.

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order today.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE AMERICAN FARMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. ANDREWS) is recognized for 10 minutes.

Mr. ANDREWS of North Dakota. Mr. Speaker, on the eve of my departure to attend the 18th biennial conference of the Food and Agriculture Organization in Rome, I wish to express my appreciation to you for selecting me as one of the official delegates from the House of Representatives to this important international meeting.

I am, of course, proud to represent the House along with my distinguished colleague and friend, TOM FOLEY, chairman of the House Agriculture Committee.

We can go to this conference knowing that we are representing a Nation blessed with the finest and most productive producers of food in all the world. The rest of the 130-member nations of FAO recognize this and will be looking to the United States for guidance and leadership at this meeting.

I regret to say that the same appreciation and respect for our farmers is too often lacking in our own country.

No doubt this happens because nonfarm people do not understand the farmers' problems nor are they aware of the real significance of agriculture to the total economy and the contribution our food makes in international negotiations, and to our Nation's balance of payments.

For this reason, Mr. Speaker, I would like, once again, to briefly review the expanding and important role our farmers are playing here at home and around the world.

First of all, it must be remembered that less than 5 percent of our Nation's people live on farms and they have the responsibility, year after year—in good weather and bad—to feed 210 million people here at home and meet our vital food commitments abroad.

American consumers enjoy a constant abundance of food, the best quality, the greatest variety, and they eat cheaper than anyone else in the world. Americans spend only 17 cents of their take-home dollar for food as compared to 38 cents in England and France, and around 50 cents in Russia and Japan.

Farmers are not the villains of spiraling food prices. For example, for every $1 bushel increase in the price of wheat, less than 1¼ cents are added to the cost of a pound loaf of bread. Yet bread prices are higher now with wheat selling at around $3.75 a bushel than it was 2 years ago when wheat was selling for $5 a bushel.

Farmers are the biggest users of steel, rubber, and chemicals of any industry in the Nation. Because of this farm families are among the chief victims of inflation.

Agriculture and its related industries, such as food processing, distribution, agribusiness, and export, employ more people than any other industry. This is something that leaders of organized labor should remember.

They should also know that every additional billion dollars in farm export sales creates 50,000 regular jobs for American workmen.

Few people really understand the full significance our $22 billion of farm exports have on our total economy and our influence around the world.

Our farm exports go a long way to pay for the massive imports of crude oil we buy abroad. Our farm exports make it possible to pay for the Hondas, the Volkswagons, the Japanese stereos, and all the rest of the imported luxuries the American consumers seem to want to buy.

Our farm exports the last few years have made it possible to maintain a favorable trade balance despite our huge purchases of foreign oil. Without these grain exports, the lack of adequate energy would shut down industry after industry across our Nation.

Before our farm exports reached their present level—bringing in an extra $22 billion to our economy—American taxpayers were shelling out $4 billion a year to pay farmers to keep land out of production and to store surplus grain at Government expense.

This export program has been a tremendous boost to our economy in North Dakota. In 1974, for example, North Dakota farmers had total cash marketings of slightly over $2 billion. Of this amount nearly $850 million went into international trade. In a sparsely populated State like ours, with only 630,000 people, this $850 million represents a substantial share of our gross State's product—more than $1,200 for every man, woman, and child in North Dakota.

One final word, Mr. Speaker. In today's world diplomatic circles "food" is a magic, glamourous word. Food is power. It is the blue chip bargaining instrument between nations. In the long run, food power could become a more effective tool for forging an enduring peace than military power.

Our American family farmers and their productive genius are the primary agents in furnishing this Nation with that instrument of peace. For this, they truly deserve our understanding, our help, and our gratitude.

THE PARTY'S OVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 10 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, President Ford has done New Yorkers a big favor.

By refusing to pump Federal dollars to the financially troubled city treasury to temporarily save it from default, the President has given the city its best chance to rescue itself and to find a lasting solution to its fiscal difficulties.

"Fun City" must accept the fact that the party's over and the rest of the Nation does not want to share the suffering from its financial "hangover" especially since the rest of the Nation has not indulged in the carefree spending that New York has.

Every city in this country would love to provide tuition-free education for its citizens but fiscal sanity has prevented it. This is not the case in New York. The city university system, with 229,000 students, offer free tuition and open admissions to undergraduates. The univercity costs about $550 million annually, of which the city pays 60 percent.

New York State has traditionally provided generous welfare benefits which the city has helped pay. In addition, the city has added even more benefits of its own. So, despite recent cutbacks, welfare and related services will cost $3.5 billion this year.

New York City spends more money per resident, has more public employees per 10,000 residents, and has a larger outstanding debt per resident than any other city in this country.

This is the style of life to which New York has grown accustomed and President Ford has realized that the pressing need is not to finance it, but to persuade the city to change it.

New York officials would do best to devote their attentions to building a plan for reorganization rather than crying that chaos will result in the Nation and in the world if their city does not receive Federal aid.

These political leaders have persisted in believing that President Ford would cave in under these pressure tactics as they have caved under previous accumulations of pressure. But President Ford has clung steadfastly to his determination to let the chickens come home to roost.

For the President to have done otherwise would have started a dangerous trend that would have been hard to reverse. It is my considered view that we in Congress must now support the President's position.

New York's situation should serve as a

warning to the Federal Government that extravagant spending without regard to income is placing the country on a shaky financial tightrope that eventually will snap as the rope is pulled tighter and thinner.

The Federal Government, as well as other cities and States, are not immune to the disease from which New York is suffering. This sickness is brought on by years and years of higher spending, higher deficits, more inflation, and more borrowing.

This is a progressive disease and there is no easy cure.

The Congress must realize that a day of reckoning will have to come if it continues to spend and cut taxes with little regard to income. This Congress simply must learn a lesson from the New York situation. The question is whether it will really sink in.

President Ford has outlined a reasonable 3-year goal for us to work toward a balanced budget and it would behoove each Member of Congress to give his plan the utmost consideration.

Even though we are the righest Nation in the world, there is a practical limit to spending and we have already gone beyond that limit.

CONGRESSMEN PROBE SOCIAL SECURITY APPEAL DELAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Mosher) is recognized for 5 minutes.

Mr. MOSHER. Mr. Speaker, I believe you and our colleagues will be interested in knowing about a General Accounting Office—GAO—study that has been initiated by the gentleman from West Virginia (Mr. Hechler) and myself.

Certainly it is not uncommon on Capitol Hill to hear complaints about the extremely long delays that our constituents encounter when they apply for hearings on their appeals of social security, disability, or black lung claims decisions.

At our request, the GAO has been investigating the causes and possible cures for the problem of hearings delays. On Wednesday, we received an interim report from the GAO and have prepared a press release to share this information with the public.

For the benefit of our colleagues, I would like to insert that press release in the Record at this point. I believe they will find this information useful and instructive:

Congressmen Probe Social Security Appeal Delays

There was a backlog of 107,000 claims cases awaiting hearings before Social Security Administrative law judges, as of September 1975. Nationwide, there is an average delay of seven months between the time a hearing is requested and the time it begins.

In the four year period just ended, the number of disability claims cases that are backlogged has more than tripled, from 21,000 to 67,000. This is in spite of a 50 percent increase in the number of hearings judges. Continually, the number of new appeals filed exceeds the number of old cases that are resolved.

These are some of the disturbing facts told to Congressman Charles A. Mosher (R-Ohio) and Ken Hechler (D-W. Va.) by the General Accounting Office. At the Representatives' request, the GAO, the investigative arm of the Congress, has been conducting an extensive study of the reasons behind the lengthy delays encountered by people seeking hearings on disability or black lung benefits claims. Last week, the Congressmen received an interim report on the investigation, which is still in progress.

Among the most troubling news reported to Hechler and Mosher was the fact that there is presently a backlog of 17,000 claims for Supplemental Security Income (SSI) benefits. This program is less than two years old and the demand for hearings on appeals is expected to continue growing at a rapid rate.

Congressman Mosher expresses special concern over the alarming growth in the number of disability claims cases awaiting hearings as well as the mushrooming number of SSI appeals that are backlogged. "These are two categories where it is especially important that citizens get swift action," says the Ohio Republican. He notes that SSI has replaced a variety of programs that aid aged, blind and disabled citizens who cannot get other forms of income assistance.

"Many of these people are living the barest existence, hanging on in incomeless poverty while they wait for Social Security to hold hearings on their claims." Mosher also observes that a case does not even reach the stage where a hearing may be requested until after it has been in the system at lower levels for several months at least.

Representative Hechler calls attention to the finding that of the 17,000 black lung cases awaiting hearings by Social Security administrative law judges, over 80 percent have been pending for more than six months. "It is bad enough that of all disability claims, half must wait six months at least," says Hechler, "but it is particularly disturbing to see the percentage so much higher in the black lung cases." The West Virginia Congressman's district includes more black lung claimants than does any other in the U.S.

A point that is of great interest to both Congressmen is the apparent discrepancies in productivity between the different hearings offices and judges. The General Accounting Office's investigative team notes that in some offices the average waiting period for a hearing is 80 to 90 days, while in others it is over 300 days. Similarly, the backlog of cases awaiting hearing by an administrative law judge varies from a low of 68 cases for one judge in New York to a high of 500 cases for a judge in Michigan.

To help alleviate the backlog problem, the Social Security Administration is in the process of assigning 1500 additional people to the handling of claims appeals. It is not clear, however, whether these people are being assigned in any special fashion or if they are just being added wholesale to the bureaucracy. The GAO investigators indicate they suspect these new people are not being assigned and used as efficiently as they might be.

After receiving the interim report, Mosher and Hechler directed the GAO investigators to focus their further inquiries on these issues:

(1) Can better management practices be imposed upon the administrative law judges and their support staffs?

(2) What can be done to bring all hearings and appeals offices up to a standard level of productivity?

(3) Can delays in hearings be avoided or reduced by better communication between the state agencies, which initially review claims, and the federal agencies that hear the appeals?

This GAO study was first announced by Mr. Mosher in March of this year; it has been under way since early summer. A final report from the Comptroller General, with recommendations and conclusions plus comments by the Social Security Administration, will not be finished and ready for presentation until June of next year.

The investigative agency already has sent teams to the Philadelphia and New York regional offices of Social Security, as well as to its national headquarters in Baltimore. Field inspections have been made at several offices in West Virginia and soon will be made in Ohio and elsewhere.

The two Congressmen say that as soon as they receive the GAO's final report, it will be turned over to the House Committee on Ways and Means, which has jurisdiction over the Social Security Administration. Two representatives of the Committee's Social Security Subcommittee were present during the briefing last week.

Afterwards, they indicated they felt the GAO study requested by the Congressmen would be very helpful to the Subcommittee as it reviews the policies and operations of the Administration.

CONGRESS MUST OVERCOME ITS LEGISLATIVE IMPOTENCE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Minnesota (Mr. Frenzel) is recognized for 15 minutes.

Mr. FRENZEL. Mr. Speaker, early this year—March 10, Congressional Record, pages 5890–5895, the Republican Task Force on Reform called on Congress to improve the laws, rules, procedures, and customs of the House of Representatives. The task force expressed the hope that the majority party would join us in correcting the inefficiencies of the House, in creating a more open House, and in eradicating specific undemocratic methods and customs.

Since the initial report, only a little progress has been made.

First, the good news.

OPEN CAUCUSES

The response of the Republican conference was heartening. The conference has supported the task force in the goals put forth in the March report. Rather than provide mere lipservice, the conference put its money where its mouth was. Republicans in the House opened the doors to the conference so that the people, themselves, might witness the proceedings involving the people's business. Several months later, under the pressure of this good example, the Democrat caucus stumbled into this century by voting, in a limited way to follow the Republicans.

TV AND RADIO BROADCASTS

The Rules Committee, at long last, has created a special subcommittee for the consideration of television and radio broadcasts from the House floor. The task force is aware that there are problems to be ironed out in creating either a trial or permanent broadcast system. It is particularly discouraging to see that the networks are the problem, but it is encouraging that the subcommittee has been given the special assignment of developing a positive proposal.

LOBBY DISCLOSURE

Hearings have begun on legislative proposals to improve the lobby disclosure laws. But, this is one area in which we urge deliberate caution so that no person's opportunity to petition the Government should be discouraged. The influences involved in legislative and executive decisionmaking should be open to public scrutiny through full disclosure. For the sake of our own credibility, we must establish workable disclosure laws. Committees in both the House and Senate seem to be determined to make the necessary improvements.

KING CAUCUS' UNIT RULE

The Democrat caucus, at long last, has modified its "unit rule"—a means by which Members' votes are controlled by a majority of the caucus rather than by the Members' own consciences or by their constituencies. The caucus has eliminated the unit rule where applied to the House floor. We hope the majority party will extend the ban to the use of this undemocratic procedure in House committees, as well, and we urge them to do so.

OPEN CONFERENCE COMMITTEES

Despite the Rules Committees' lack of enthusiasm, they held hearings on proposals to open all conference committee meetings to the public. The Senate, an unlikely reformer, voted November 5 to require conference meetings to be open to the public and the press, except where national security or other compelling reasons force their closing.

REDUCED QUORUMS

The proposal to reduce committee quorums, after being attacked in our March 10 report, has not seen the light of day. It was a dreadful proposal, and one the Democrat Caucus dared not adopt after our criticism.

These accomplishments are a credit to the Members of both parties who have taken the important initial steps. They are important, but compared to the length of journey, they are baby steps.

The magnitude of that journey is dramatized by the lengthy list of important improvements that still await even a pretense of action. In other words, here is the bad news.

WORK SCHEDULES

At the beginning of this session, the leadership claimed it recognized that Members can work more efficiently if they can be sure, in advance, of the work schedule of the House. The work schedule is still largely a matter of the whims of Democrat leadership. At this time, all that Members can be sure of are the frequent recesses.

Members can never be certain in advance if there is to be a working Friday session. Either we schedule work in our districts and miss an important vote, or we report to the floor and find ourselves adjourned in 4 minutes time. We are relegated to playing weekend roulette. Of 20 Friday meetings of the House, 5 have been for less than 1 hour, 2 for less than 10 minutes. The general rule seems to have been that we still run a "Tuesday to Thursday" club, with a few Fridays thrown in for cosmetic purposes.

The scheduling of legislation is also not improved. If the bills are not scheduled by whimsey, then they are scheduled for weird, strategical considerations unknown to common folk. The best use of Members' time, and the careful consideration of legislation, demands that bills be scheduled, well in advance, for debate at a time certain in a fixed sequence.

MINORITY STAFFING

The concept of proportional minority staffing languishes. Despite roadblocks encountered in encouraging adequate minority staffing—the task force was denied timely access to official House records, in one instance—the task force remains committed to furthering the adversary process and the benefits derived therefrom.

The stimulus provided by the adversary process in our legislative debates can only strengthen the work done by Congress. As was stated last March—

> Single party, monolithic, winner-take-all control of legislative resources may be tolerated in elitist societies, but it should not be in ours.

We will be reporting on the effects of the new staffing program, particularly as it effects our legislative budget, and our dismal minority share of employees—13 percent—in 1974.

Continuing the procedure which grants the minority anything less than one-third of committee staffs is a gross injustice to the American people. The electorate deserves the very best legislative products which the Democratic and Republican parties collectively can produce.

It is time for the majority to assure the minority a fair share of committee staff, space, and facilities. This is not simply a need for Republicans; it is a need felt by our entire country.

COMMITTEE JURISDICTION

The task force considers jurisdictional reform as the first priority among congressional reforms. The 93d Congress defaulted on its plan to reorganize committee jurisdiction. Since that time, the situation has become even more intolerable. Petty jealousies and confusion among committees have deterred this Congress from discovering solutions to many of the pressing problems of the Nation. Members of certain committees are subjected to marathon sessions and leaders of the executive branch have become congressional committee circuit riders. One example of our committee system at its worst is with ERDA, where 33 committees, 65 subcommittees, and 1 panel can make some jurisdictional claim on this single Administration.

The minority continues to stress the importance of reform in the area of House committee jurisdiction. There is no way by which a House in chaos can provide the solutions to the incredibly involved problems facing our country.

HOUSE RULES

Committee rules need a thorough review. This review has been made more imperative as the result of recent action taken by a subcommittee with regard to subpena powers and procedures. The action was described by one Washington paper as undermining the law. Events of recent months have also shown the need for a serious review of handling of secret documents by the House of Representatives.

PROXY VOTING

The Committee Reform Amendments of 1974 banned proxy voting in House Committees. The 94th "Reform Congress" immediately rescinded this advance, and reinstalled the giving away of votes by absentee proxy ballots. This is one more area which might be discussed in a general review of committee rules and procedures.

To the average American, giving away the right to vote remains an unconscionable act of charity, a gift no elected official has a right to give.

FEDERAL ELECTIONS COMMISSION

The Congress has rejected the first two regulations proposed by the Federal Elections Commission, and has not approved its budget. Without regard for the merits of the regulations or budget, there is a concern that it may appear that Congress is not taking the FEC seriously. The task force will be exercising greater oversight in this area.

MISCELLANEOUS

Many bills aimed at reform are now lying dormant in committees. Among these are bills which would:

Make committee records readily available to the public;

Provide for recorded committee votes;

Reduce and control suspension of the rules;

Provide for a realistic and accurate congressional record; and

Forbid proxy voting in committees.

With the heavy agenda of the House Rules Committee, these important reform measures will continue to languish without the consideration they deserve. Therefore, the task force on reform suggests that a special subcommittee of the Rules Committee be created to hold hearings on these and other reform proposals. The Rules Committee recently "liberalized" to purge its "conservative" instincts, has become the prime reform roadblock.

What we have proposed is a beginning. What needs to be accomplished—a full revitalizing of the response of the legislative process to the will of the people—will require a profound commitment which so far is sadly lacking in the House of Representatives.

The greatest challenge is also our simplest. This House must be dedicated to truth as we collectively and individually perceive it. This challenge will not be met by our secreting ourselves in smoke-filled rooms, by denying a representative the right to vote his conscience, or by limiting the expression of a valid minority viewpoint. Despite some modest gains, the record of the 94th Congress shows more failures than successes.

With the pressures of Watergate behind us, Congress seems now to be regarded as less of a cancerous pestilence and more of a benign joke. Nothing is more important in our country today that restoring the faith of the American people in our Government and in our governmental processes. If the Congress is to bridge the gulf between its abysmal poll ratings and a healthy public attitude, it must improve its deplorable track record.

The Congress must overcome its legislative impotence by changing those rules which prevent openness, representativeness, and efficiency. The Congress must reject its infidelity to the principles of openness and fairness unless—as seems to be the intent of the current leadership—it wishes to remain a benign joke.

A NATIONAL DEVELOPMENT BANK: FUNDING THE NATION'S PRIORITY NEEDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the Banking, Currency and Housing Committee has hurriedly approved legislation designed to provide a means by which financially ailing municipalities can be rescued from defaulting on their debt obligations.

I have strong reservations concerning this legislation. First of all, the measure would provide assistance only to those State and local governments whose financial condition has deteriorated to the point of shutting them off from the money market. In other words, it is an 11th hour reprieve from bankruptcy rather than legislation which would enable State and local governments to remain in good condition fiscally while meeting their priority credit needs.

Furthermore, the measure does not actually require the use of Federal guarantees of State or municipal debt obligations. Rather, it gives discretionary authority to the administration to decide whether to provide this assistance or allow default to occur. The latter approach, of course, is the one the administration has been advocating all along. As a matter of fact, the measure promotes the alternative of bankruptcy inasmuch as it is designed to carry an amendment which would allow municipalities to utilize the Bankruptcy Act.

TO BE RUN BY CONSERVATIVES

The measure establishes a five-member Board and gives it authority to decide whether guarantees should be provided to municipalities applying for such assistance. Given the makeup of the Board, there is a real question in my mind as to whether guarantees will be extended. Its membership is composed of the Secretary of the Treasury, who will be Chairman; the Secretaries of Housing and Urban Development, and Health, Education, and Welfare: the Chairman of the Federal Reserve Board, and the Chairman of the Securities and Exchange Commission. For the most part, it would not be possible to select a more conservative group of men who hold little, if any, sympathy for the plight of States and municipalities struggling to meet continually expanding costs and demands for services.

A BETTER APPROACH

Mr. Speaker, an objective and realistic approach to the credit problems of our State and local governments dictates that Congress establish an effective method of allocating credit to all priority areas of the Nation's economy. In my view, this essentially means the establishment of a vehicle which would provide loan funds for State and local governments, small- and medium-size business and low- and moderate-income family housing when such borrowers are unable to obtain adequate credit on reasonable terms from private lending sources. In essence, Congress should create a lending agency of last resort which would not compete with private financial institutions. Rather, it would stand ready to act when private lenders are unable to do so.

The concept which I have described is embodied in H.R. 1955, which would establish a national development bank to provide adequate credit on reasonable terms to priority area borrowers. It would be funded through the sale of stock to the Treasury and the sale of obligations in the open market. Its total indebtedness could not exceed $20 billion.

H.R. 1955 was introduced by me on January 23, 1975, and, of course, was referred to the Banking Committee. Unfortunately, it has never been considered by the committee. Had it been the subject of prompt, affirmative action, the Nation would now have a national development bank in place and ready to respond to the needs, not only of a reformed New York, but to all the local units of government now being forced to pay exorbitant yields to float bond issues in the money market.

The need for a national development bank or something like it is clearly indicated by what is happening to a growing number of communities in the Nation. Yonkers, the fourth largest city in New York State is now frantically endeavoring to stave off default. Default by Buffalo, N.Y., was only narrowly avoided. Nassau and Suffolk Counties in New York which have always been given top bond credit ratings now have to pay record high interest rates. Suffolk County, which paid 3.5 percent for loan funds in January is now paying 9.4 percent.

Santa Fe College in New Mexico failed to receive any bids on a $3 million bond issue because of its 6-percent interest rate ceiling.

Ocean View School District in California failed to receive any bids on a $200,000 bond issue.

A San Diego school district, offering bonds having an A-1 rating from Moody's and an A-plus from Standard & Poor's had to pay an exceptionally high rate of 7.5 percent on a $35 million issue.

Mr. Speaker, I willingly concede that the shaky tax-exempt market for State and municipal bonds is being affected by the circumstances in which New York City finds itself. The problem, however, is not going to disappear with the rescue of a reformed New York. Ever-increasing costs and a growing demand for services have been and will continue to strain the tax resources of State and local governments across the Nation. The cost of borrowing money is going to remain high and may get worse.

It, therefore, is my hope that the national development bank bill or H.R. 10452, which was introduced by Representative SULLIVAN and cosponsored by me and 15 other Members of the House to establish a similar agency, the Emergency Financial Assistance Corporation, will be taken up by the Banking Committee in the immediate future.

AMPLE PRECEDENCE

Mr. Speaker, ample precedent exists for the establishment of a national development bank in the example of the Reconstruction Finance Corporation which played a major, perhaps decisive role in the effort to lift the Nation out of the depression.

Proposed by President Hoover, the RFC disbursed some $10.5 billion in the effort to combat the depression and did so without loss to the taxpayers. As a matter of fact, when the RFC went out of existence in the early 1950's, it returned approximately $500 million in profits to the U.S. Treasury.

Through the efforts of the RFC, some 7,000 commercial banks were saved from failure and $1.3 billion was channeled to depositors of banks which had closed during the depression.

The RFC managed to prevent one-third of the Nation's railways from becoming bankrupt.

Approximately $1.5 billion was disbursed in loans to assist farmers and prevent the agriculture industry from total collapse.

The RFC established the Federal National Mortgage Association and the RFC Mortgage Company and provided direct loans to private mortgage companies to reduce foreclosures and bolster the housing industry. In all, $500 million was disbursed for this purpose.

Thousands of public works projects ranging from roads to recreation facilities were financed through RFC loans to State and local governments.

Tens of thousands of jobs were created for unemployed workers by these public works projects.

The rural electrification program which brought electric energy to most of rural America was sustained in its fledgling years by credit assistance from the RFC.

Loans were provided to States and cities which were in dire need of operating funds during a time when large numbers of their residents were without work and unable to pay taxes.

More than 9,000 loans totaling $500 million were made to business and industry, and most of them went to small companies in amounts ranging from $500 to $10,000.

Mr. Speaker, I do not mean to imply that current economic conditions are as bad as they were during the depression. By the same token, the fact that State and local governments are finding it increasingly difficult to obtain funds to finance vital public works and facilities, the fact that our housing industry, particularly that segment of it providing dwellings for low and moderate income families, has experienced frequent crises in recent years, and the fact that small and medium size businesses and industries are constantly starved for adequate credit on reasonable terms must not be ignored.

It should be evident to all of us that

something more than the resources of the private money market is needed to sustain the priority areas of our economy. A national development bank, patterned after the Reconstruction Finance Corporation, provides a proven way to achieve this purpose.

FEDERAL RESERVE PORTFOLIO TOTALS $92,299,807,000 THAT COULD BE USED BY CONGRESSIONAL ACT TO HELP OUR NATION IN TIME OF NEED

Mr. Speaker, as of May 14, 1975, the Federal Reserve Open Market Committee's Portfolio totaled $92,299,807,000. Of that total, 4.6 percent—or $4,228,950,000—is comprised of issues maturing after November, 1982. The total for maturities after date breaks down as follows:

Agency paper held and percentage rate	Maturity date	Amount
A. Treasury bonds:		
3¼	June 15, 1978–83	$86, 750, 000
6⅜	Aug. 15, 1984	333, 760, 000
3¼	May 15, 1985	46, 800, 000
4¼	May 15, 1975–85	155, 523, 000
6⅛	Nov. 15, 1986	310, 160, 000
3½	Feb. 15, 1990	84, 250, 000
8¼	May 15, 1990	52, 000, 000
4¼	Aug. 15, 1987–92	509, 200, 000
4	Feb. 15, 1988–93	24, 300, 000
6¾	Feb. 15, 1993	63, 250, 000
7½	Aug. 15, 1988–93	252, 349, 000
4⅛	May 15, 1989–94	76, 625, 000
3	Feb. 15, 1995	2, 100, 000
7	May 15, 1993–98	137, 475, 000
3½	Nov. 15, 1998	30, 750, 000
8½	May 15, 1994–99	786, 585, 000
7⅞	Feb. 15, 1995–2000	258, 300, 000
B. Federal National Mortgage Association:		
7.35	Dec. 10, 1982	59, 870, 000
6¾	June 10, 1983	20, 580, 000
7.30	do	54, 205, 000
6¾	Sept. 12, 1983	49, 925, 000
6¼	June 11, 1984	16, 630, 000
7.95	Sept. 10, 1984	47, 550, 000
6.90	Dec. 10, 1984	39, 580, 000
7.65	Mar. 11, 1985	43, 270, 000
8⅝	Oct. 1, 1990	40, 000, 000
7	Mar. 10, 1992	39, 960, 000
7.05	June 10, 1992	30, 535, 000
7.40	Oct. 1, 1997	37, 615, 000
7.10	Dec. 10, 1997	23, 235, 000
C. Ginnie Mae		
5.10	Apr. 6, 1987	4, 950, 000
6.40	Dec. 11, 1987	10, 460, 000
6.05	Feb. 1, 1988	20, 500, 000
6.45	Apr. 8, 1988	19, 495, 000
6.20	Aug. 12, 1988	10, 450, 000
D. Federal Home Loan Bank:		
7.30	May 25, 1983	13, 980, 000
7⅜	Nov. 25, 1983	28, 660, 000
8¾	May 25, 1984	51, 600, 000
7⅜	Nov. 26, 1993	79, 735, 000
E. Federal Land Bank: 7.30	Oct. 20, 1983	31, 435, 000
F. Federal Housing Administration:		
8⅝	July 31, 1985	43, 002, 000
7⅛	Dec. 29, 1987	2, 506, 000
7½	Mar. 21, 1988	2, 993, 000
7½	May 12, 1988	10, 002, 000
7¾	Dec. 28, 1988	37, 500, 000
9	Apr. 23, 1989	32, 400, 000
G. U.S. Postal Service: 6⅞	Feb. 1, 1997	25, 000, 000
H. Washington Metro Area Transit Authority:		
7.30	July 1, 2012	26, 500, 000
7.35	do	23, 890, 000
8.15	July 1, 2014	31, 610, 000
I. General Services Administration:		
7.15	Dec. 15, 2002	9, 150, 000
Total		4, 228, 950, 000

Source: Material submitted for the record by Governor Mitchell for the record on the Audit of the Federal Reserve. See attached marked pp. 402–407.

FEDERAL RESERVE SYSTEM PORTFOLIO OF SECURITIES—MAY 14, 1975

(In thousands)

Outrights*	$90, 382, 477
Governments	84, 492, 433
Agencies	5, 161, 942
Acceptances	728, 102
Net repurchase agreements	1, 917, 330
Total portfolio	92, 299, 807

*Detail of outright holdings of governments and agencies is on the following pages.

CLASSIFICATION OF U.S. TREASURY BILL HOLDINGS IN SYSTEM OPEN MARKET ACCOUNT ON MAY 14, 1975

[In thousands]

Treasury bills due:	*Holdings*
May 8, 1975	----------
May 15, 1975 [1]	$1, 944, 525
May 22, 1975	2, 029, 270
May 29 1975	1, 721, 740
June 3, 1975	641, 565
June 5, 1975	1, 299, 850
June 12, 1975	1, 523, 905
June 17, 1975 [2]	----------
June 19, 1975	1, 810, 215
June 26, 1975	1, 761, 755
June 30, 1975	750, 020
July 1, 1975	676, 320
July 3, 1975	1, 450, 765
July 10, 1975	1, 470, 190
July 17, 1975	1, 571, 125
July 24, 1975	1, 592, 805
July 29, 1975	620, 370
July 31, 1975	1, 407, 070
August 7, 1975	1, 574, 320
August 14, 1975	674, 015
August 21, 1975	697, 530
August 26, 1975	384, 965
August 28, 1975	620, 020
September 4, 1975	510, 000
September 11, 1975	650, 000
September 18, 1975	555, 000
September 23, 1975	668, 735
September 25, 1975	644, 700
October 2, 1975	405, 000
October 9, 1975	583, 420
October 16, 1975	579, 100
October 21, 1975	660, 085
October 23, 1975	717, 980
October 30, 1975	650, 000
November 6, 1975	650, 000
November 18, 1975	686, 300
December 16, 1975	789, 675
January 13, 1976	793, 490
January 31, 1976	98, 000
February 10, 1976	601, 885
March 9, 1976	767, 900
April 6, 1976	723, 880
May 4, 1976	684, 125
Total	38, 041, 615

[1] Includes $1,094,525 to be exchanged for bills due August 14, 1975, and $850,000 to be exchanged for bills due November 13, 1975.

[2] Tax anticipation.

CLASSIFICATION OF U.S. GOVERNMENT AND FEDERAL AGENCY SECURITY HOLDINGS IN SYSTEM OPEN MARKET ACCOUNT

[In thousands]

	Date	Holdings May 14, 1975
Treasury bills		$38, 041, 615
Treasury notes:		
Percent:		
6	May 15, 1975	$3, 809, 682
5⅞	May 15, 1975	[1] 219, 879
5⅞	Aug. 15, 1975	2, 572, 141
8⅜	Sept. 30, 1975	33, 000
7	Nov. 15, 1975	474, 175
7	Dec. 31, 1975	203, 450
6¼	Feb. 15, 1976	2, 507, 000
5⅞	Feb. 15, 1976	1, 217, 764
8	Mar. 31, 1976	93, 500
6½	May 15, 1976	352, 550
5¾	May 15, 1976	489, 540
6	May 31, 1976	56, 000
8¾	June 30, 1976	690, 750
7½	Aug. 15, 1976	733, 100
6½	Aug. 15, 1976	1, 637, 405
5⅞	Aug. 31, 1976	38, 000
8¼	Sept. 30, 1976	293, 900
6¼	Nov. 15, 1976	$98, 900
7⅛	Nov. 30, 1976	80, 000
7¼	Dec. 31, 1976	218, 050
8	Feb. 15, 1977	2, 458, 040
6	Feb. 28, 1977	91, 000
6½	Mar. 31, 1977	363, 500
7⅜	Apr. 30, 1977	----------
6⅞	May 15, 1977	438, 800
9	May 15, 1977	2, 964, 482
7¾	Aug. 15, 1977	808, 175
7¾	Nov. 15, 1977	1, 164, 950
6¼	Feb. 15, 1978	2, 605, 600
7⅛	May 15, 1978	801, 380
8¾	Aug. 15, 1978	615, 820
6	Nov. 15, 1978	2, 446, 700
7⅞	May 15, 1979	379, 952
6¼	Aug. 15, 1979	589, 788
6⅝	Nov. 15, 1979	871, 000
7	Nov. 15, 1979	333, 400
6⅞	May 15, 1980	5, 233, 103
9	Aug. 15, 1980	2, 326, 000
7	Feb. 15, 1981	266, 350
7⅜	Feb. 15, 1981	574, 000
7¾	Nov. 15, 1981	1, 386, 760
Subtotal		42, 537, 586
Treasury bonds:		
Percent:		
4	Feb. 15, 1980	151, 260
3½	Nov. 15, 1980	74, 450
7	Aug. 15, 1981	121, 425
6⅜	Feb. 15, 1982	355, 920
3¼	June 15, 1978–83	86, 750
6⅜	Aug. 15, 1984	333, 760
3¼	May 15, 1985	46, 800
4¼	May 15, 1975–85	155, 523
6⅛	Nov. 15, 1986	310, 160
3½	Feb. 15, 1990	84, 250
8¼	May 15, 1990	52, 000
4¼	Aug. 15, 1987–92	509, 200
4	Feb. 15, 1988–93	24, 300
6¾	Feb. 15, 1993	63, 250
7½	Aug. 15, 1988–93	252, 349
4⅛	May 15, 1989–94	76, 625
3	Feb. 15, 1995	2, 100
7	May 15, 1993–98	137, 475
3½	Nov. 15, 1998	30, 750
8½	May 15, 1994–99	786, 585
7⅞	Feb. 15, 1995–2000	258, 300
Subtotal		3, 913, 232
Total U.S. Government security holdings		84, 492, 433

FEDERAL AGENCY ISSUES [2]

	Date	Holdings May 14, 1975
FNMA:		
Percent:		
8⅜	June 2, 1975	$6, 400
5¼	June 10, 1975	36, 605
6.80	Sept. 10, 1975	67, 230
7½	Sept. 10, 1975	37, 290
5.70	Dec. 10, 1975	29, 450
8¼	Dec. 10, 1975	13, 000
5.65	Mar. 10, 1976	45, 465
7⅛	Mar. 10, 1976	16, 000
5.85	June 10, 1976	38, 150
10	June 10, 1976	36, 925
5.85	Sept. 10, 1976	41, 455
6⅛	Sept. 10, 1976	29, 030
7½	Sept. 10, 1976	700
6¼	Dec. 10, 1976	21, 000
7.45	Dec. 10, 1976	30, 100
8.45	Dec. 10, 1976	65, 400
6.30	Mar. 10, 1977	35, 950
7.05	Mar. 10, 1977	17, 480
6⅜	June 10, 1977	5, 800
7.20	June 10, 1977	51, 650
6⅞	Sept. 12, 1977	38, 915
7.85	Sept. 12, 1977	66, 340
7¼	Dec. 12, 1977	33, 850
7.55	Dec. 12, 1977	43, 650
6.70	Mar. 10, 1978	23, 000
8.45	Mar. 10, 1978	129, 960
7.15	June 12, 1978	66, 325
7.15	Sept. 11, 1978	43, 150
6¾	Dec. 11, 1978	45, 000
8.95	Dec. 11, 1978	10, 400
7¼	Mar. 12, 1979	40, 000
7.85	June 11, 1979	60, 000
9.80	June 11, 1979	49, 600
6.40	Sept. 10, 1979	16, 015

See footnotes at end of table.

FEDERAL AGENCY ISSUES [2]

	Date	Holdings May 14, 1975
FNMA:		
Percent:		
7.80	Sept. 10, 1979	55,250
6.55	Dec. 10, 1979	34,300
6⅞	Mar. 10, 1980	14,970
7¼	Mar. 10, 1980	60,000
8½	June 10, 1980	70,000
7½	Sept. 10, 1980	58,110
6.60	Dec. 10, 1980	41,770
7.05	Mar. 10, 1981	11,800
7¼	June 10, 1981	22,620
7¼	Sept. 10, 1981	30,780
9.70	Sept. 10, 1981	54,840
7.30	Dec. 10, 1981	31,750
8⅞	Mar. 10, 1982	18,700
6.65	June 10, 1982	14,910
6.80	Sept. 10, 1982	13,500
7.35	Dec. 10, 1982	59,870
6¾	June 10, 1983	20,580
7.30	June 10, 1983	54,205
6¾	Sept. 12, 1983	49,925
6¼	June 11, 1984	16,630
7.95	Sept. 10, 1984	47,550
6.90	Dec. 10, 1984	39,580
7.65	Mar. 11, 1985	43,270
8⅝	Oct. 1, 1990	40,000
7	Mar. 10, 1992	39,960
7.05	June 10, 1992	30,535
7.40	Oct. 1, 1997	37,615
7.10	Dec. 10, 1997	23,235
Total		2,327,495
GNMA:		
Percent:		
5.20	Jan. 19, 1977	3,300
6⅛	Aug. 14, 1978	1,400
5.20	Jan. 19, 1982	15,000
5.10	Apr. 6, 1987	4,950
6.40	Dec. 11, 1987	10,460
6.05	Feb. 1, 1988	20,500
6.45	Apr. 8, 1988	19,495
6.20	Aug. 12, 1988	10,450
Total		85,555
FHLB:		
Percent:		
6.80	May 27, 1975	23,400
7.15	May 27, 1975	47,250
7.15	Aug. 25, 1975	46,870
7⅞	Aug. 25, 1975	21,250
7.95	Aug. 25, 1975	46,895
6½	Nov. 25, 1975	13,500
7.05	Nov. 25, 1975	29,275
9.10	Nov. 25, 1975	11,390
73/8	Feb. 25, 1976	15,905
8.70	Feb. 25, 1976	8,500
8¾	Feb. 25, 1976	200
9.20	Feb. 25, 1976	8,240
7.20	May 25, 1976	29,225
7.45	May 25, 1976	8,500
7.05	Aug. 25, 1976	26,325
7.80	Aug. 25, 1976	10,325
9.55	Aug. 25, 1976	23,500
8.60	Nov. 26, 1976	16,960
9.55	Nov. 26, 1976	45,430
6.15	Feb. 25, 1977	17,300
7.20	Feb. 25, 1977	19,900
8.05	Feb. 25, 1977	25,000
6.95	May 25, 1977	2,000
8.70	May 25, 1977	16,980
7.15	Aug. 25, 1977	21,165
8.80	Aug. 25, 1977	76,610
6¾	Nov. 25, 1977	3,000
7.45	Nov. 25, 1977	10,515
9.15	Nov. 25, 1977	32,300
9.3/8	Feb. 27, 1978	3,000
7.60	May 25, 1978	24,400
9.10	Nov. 27, 1978	32,675
8.65	Feb. 26, 1979	69,640
9.45	Feb. 26, 1979	31,000
8¾	May 25, 1979	49,030
8.65	May 25, 1979	23,500
9½	Aug. 27, 1979	27,900
8.15	Nov. 26, 1969	34,500
7.05	Feb. 25, 1980	45,695
7¾	Feb. 25, 1980	42,415
7.80	Oct. 15, 1980	14,350
8.65	Nov. 25, 1981	50,100
6.60	Nov. 27, 1981	7,700
7.30	May 25, 1983	13,980
7⅜	Nov. 25, 1983	28,660
8¾	May 25, 1984	51,600
7⅜	Nov. 26, 1993	79,735
Total		1,286,635
FLB:		
Percent:		
5.70	July 21, 1975	350
8.30	July 21, 1975	500
7.20	Oct. 20, 1975	7,100
7.40	Oct. 20, 1975	4,163
6¼	Jan. 20, 1976	32,475
9.20	Jan. 20, 1976	5,143
6¼	Apr. 20, 1976	14,600
8¼	Apr. 20, 1976	250
7.05	July 20, 1976	26,150
7.15	Oct. 20, 1976	36,150
7.45	Jan. 20, 1977	1,950
8¼	Apr. 20, 1977	42,000
7½	July 20, 1977	37,570
6.35	Oct. 20, 1977	28,900
8.70	Jan. 23, 1978	20,000
7.60	Apr. 20, 1978	3,300
6.40	July 20, 1978	2,000
7.35	Oct. 19, 1978	9,500
5	Jan. 22, 1979	16,570
7.10	Jan. 22, 1979	6,900
6.85	Apr. 23, 1979	10,000
7.15	July 23, 1979	36,216
6.80	Oct. 23, 1979	43,318
6.70	Jan. 21, 1980	3,350
7½	July 21, 1980	3,150
8.70	Oct. 20, 1980	77,100
6.70	Apr. 20, 1981	4,800
9.10	July 20 1981	15,250
7.80	Jan. 20, 1982	80,000
6.90	Apr. 20, 1982	7,000
7.30	Oct. 20, 1982	47,450
7.30	Oct. 20, 1983	31,435
Total		654,640
FHA:		
Percent:		
6.35	Mar. 31, 1977	13,506
6.45	June 30, 1977	9,995
6⅞	Aug. 31, 1977	15,988
6.55	Dec. 29, 1977	9,145
7.20	Mar. 21, 1978	8,595
7¼	May 12, 1978	30,211
7	Nov. 30, 1980	8,995
6.40	Mar. 31, 1981	10,013
7⅞	June 30, 1981	12,499
7.10	Jan. 4, 1982	15,997
8⅝	July 31, 1985	43,002
7⅛	Dec. 29, 1987	2,506
7½	Mar. 21, 1988	2,993
7½	May 12, 1988	10,002
7¾	Dec. 28, 1988	37,500
9	Apr. 23, 1989	32,400
Total		263,347
Banks for Co-ops.:		
Percent:		
8.05	June 2, 1975	17,000
7.40	July 1, 1975	2,800
7.05	Aug. 4, 1975	7,210
6.05	Sept. 2, 1975	8,375
5.85	Oct. 1, 1975	4,000
6.15	Nov. 3, 1975	7,500
Total		46,885
Export-Import Bank:		
Percent:		
5.70	Dec. 1, 1976	23,540
6¼	Aug. 2, 1977	6,645
6.45	Feb. 1, 1978	21,700
7.30	Nov. 27, 1978	11,500
7	Mar. 7, 1979	23,000
6.60	May 3, 1979	30,000
5.10	Feb. 20, 1982	14,000
Total		130,385
FICB:		
Percent:		
9.80	June 2, 1975	13,750
5.70	July 1, 1975	11,500
9.60	July 1, 1975	32,175
8.45	Aug. 4, 1975	19,000
8.05	Sept. 2, 1975	27,200
7.35	Oct. 1, 1975	5,500
7.05	Nov. 3, 1975	30,150
6.15	Dec. 1, 1975	38,735
6.05	Jan. 5, 1976	2,000
6.60	Feb. 2, 1976	8,730
8.70	Apr. 4, 1977	9,835
7.10	Jan. 3, 1978	45,275
7.40	Jan. 2, 1979	7,000
Total		250,850
U.S. Postal Service: Percent: 6⅞ percent (total).	Feb. 1, 1997	25,000
Washington Metro Area Transit Authority:		
Percent:		
7.30	July 1, 2012	26,500
7.35	July 1, 2012	23,890
8.15	July 1, 2014	31,610
Total		82,000
General Services Administration: Percent: 7.15 (total).	Dec. 15, 2022	9,150
Total agency issues		5,161,942
Total holdings U.S. Government and agency sections.		89,654,375

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[1] To be exchanged for $2,300,000 7⅝ percent Treasury notes due Aug. 15, 1978, $1,229,561 8 percent Treasury notes due May 15, 1982 and $500,000 8¼ percent Treasury bonds of May 15, 2000–2005.

[2] Due to rounding, figures may not add to totals.

GAO REPORT SHOWS HEW HAS BEEN CLAIMING FALSE WELFARE SAVINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on Friday, October 31, the General Accounting Office testified before the Ways and Means Oversight Committee on the subject of HEW's quality control effort to reduce errors in the aid to families with dependent children program. The GAO testified that—

> In October 1974, HEW reported that the [Quality Control to reduce welfare errors] had generated savings of $71 million during the first 6 months of 1974. HEW also estimated savings of $62 million for the second half of 1974.
>
> The savings were not based on valid statistical projections and in our opinion significantly overstate the savings that could reasonably be attributed to a reduction in case error rates.

After describing the errors in HEW methodology, GAO estimated that using better statistical methods—

> The savings computation would be $26 million for the period January-June and $42 million for the period July-December 1974, as compared with HEW estimates of $71 million and $62 million respectively.

The testimony also revealed that even those possible savings were highly questionable. In response to a question whether there might indeed be zero savings, GAO officials testified:

> I don't think anybody really knows the extent of such savings that may have been achieved. Some of the program actions that have been taken to reduce errors may have actually increased program costs. We don't believe the HEW figures for the reasons I indicated. We believe [savings] would be somewhat less than [those claimed by HEW], and I guess in the final analysis I would have to say, yes, what you are stating [that there could be zero savings] could be a possibility.

Also on Friday, HEW issued a new press release on the latest figures in its quality control error reduction program for AFDC, claiming that since January 1974, the program had saved $411 million in Federal and State funds and removed about 270,000 ineligible recipients from the welfare rolls.

The GAO testimony on the same day demolishes the HEW claims for savings. The fact is HEW has used the quality control program to illegally hold back or impound payments to the States. HEW quality control efforts have been merely government by press release and of no real aid for assistance to the States in their very real need to reduce welfare errors.

HEW's October 31 press release claimed that—

> While the States have not reduced errors as quickly as we might wish, they have been working very effectively and have developed increasing momentum.

The fact is that since the last figures were available and the October 31 press release, error rates for ineligible individuals on the welfare rolls increased in 22 States.

Given the GAO analysis of the errors in HEW statistics on savings and the enormity of those statistical errors, I believe that the Department knew its figures were questionable. The statistics were just the product of a policy that wants to appear to be "tough" on welfare errors without doing any hard work to correct those problems.

ONE HUNDRED YEARS OF DEDICATED SERVICE TO ITS COMMUNITY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, I would like to pay tribute today to an outstanding institution in my district and to the dedicated individuals who have devoted themselves to that institution's purpose over the past century.

St. Elizabeth's Hospital in Belleville, Ill., is currently celebrating its 100th anniversary. Founded in 1875 by three German-born members of the Hospital Sisters of the Third Order of St. Francis, this cornerstone of the Belleville community is still under the administration of that same religious order of women.

Longevity, however, is only one of the outstanding characteristics of this essential institution. Through periodic building programs, St. Elizabeth's has continued to evolve over the years in order to meet the growing needs of the Belleville area. It is indeed fitting that its current centennial celebrations coincide with the completion of a $20 million development program.

The people of Belleville, of course, are already aware of the contribution which St. Elizabeth's Hospital has made from one generation to the next. The tens of thousands of area residents who have relied upon St. Elizabeth's for all aspects of health care can attest to its fundamental role in the life of the entire community.

The true significance of this occasion, however, goes far beyond the confines of any one locality. The story of St. Elizabeth's Hospital is really the story of America itself. Through dedication and determination, our ancestors pieced together this great Nation and its unlimited variety of public and private institutions. Despite the onrush of problems which later 20th century life has presented, St. Elizabeth's offers a clear example of one institution's determination to face the concerns of today and the challenges of tomorrow.

I wish to extend my congratulations to Sister M. Paulette Collings, the administrator of St. Elizabeth's, and to her entire staff. And, on behalf of my constituents in the 23d District of Illinois, I would like to take this opportunity to express our community's gratitude to the Hospital Sisters of the Third Order of St. Francis for their century of Christian service.

At this point in the Record, I would like to include an article from the October 29, 1975, issue of the News Democrat of Belleville on this institution's centennial anniversary:

St. Elizabeth Is 100 Years Old

(By Martha Deller)

Belleville.—St. Elizabeth Hospital is celebrating two events Thursday—its 100th birthday and the near-completion of a $20 million expansion project.

Nationally-known radio and television sports personality Jack Buck will be the main speaker at a celebration dinner at 7 p.m. Thursday at the Belle-Clair Exposition Hall.

The hospital will formally dedicate the addition Nov. 18 and hold an open house Nov. 22–23.

During its 100 years, St. Elizabeth has grown from a six-bed, one-story former school house run by three nuns to an eight-story, 500-bed hospital with a medical staff of 175 and 1,260 paid employes.

The hospital is the largest employer in Belleville, and one of the largest non-government employers in St. Clair County.

The latest phase of that growth, the $20 million expansion project, began in 1972. Upon completion, the hospital will have 498 hospital beds compared to about 400 now. The expansion will also provide space for other new services.

The addition is a three-story wing extending from the southeast corner of the hospital, plus four floors added to the old northeast and southeast wings.

Besides providing more new floor space than in the entire 1958 hospital, the addition will also provide space for expanding a number of hospital departments, including emergency, radiology, medical records, therapy, surgery, recovery and intensive care.

Hospital officials say the addition was a must if the hospital is to continue to serve the area's health needs.

The number of patients admitted and operations performed in the hospital have increased nearly a thousand-fold since 1875.

The six-bed hospital opened by the three German nuns was the first health-care facility of any kind in Belleville.

The three hospital sisters of the Third Order of St. Francis (the order still operates St. Elizabeth's) did most of their nursing in patients' homes, but there were six beds in the makeshift infirmary.

The sisters accomplished another first when they built a "real hospital" on the site of the present St. Elizabeth's in 1880. The hospital had 22 rooms for 58 patients, an operating room, a "drug store," a chapel, laundry, and quarters for the nuns. There were four doctors on the staff. Prior to that, the only full-fledged hospital in the area was the County Poor House for indigent persons.

The next expansion occurred in 1893 when two three-story wings were added to the east and west of the 1880 hospital. The new addition included 80 beds, a second operating room, pharmacy, and elevators.

In 1913, the hospital was expanded again. This time, the hospital added a $3,500 x-ray machine, plus laboratory equipment needed to test urine, blood and specimens. A new chapel also was added in 1914.

Foreseeing the need for still more facilities, the Sisters purchased land between Harrison Street and Centreville Avenue and built another addition in 1927. That addition gave the hospital approximately 40 more patient rooms.

The 1927 hospital was described by a doctor as "a really modern, well-equipped institution." It had 114 patient beds, two operating rooms, a maternity department, a laboratory, two x-ray rooms, a treatment room and diagnostic rooms.

In 1934, a building on the Harrison Street property was remodeled as a home for nurses and aides, and named "Villa Claire."

Most of the 1927 hospital was torn down in 1951 to build the present hospital, which was completed in 1958. The 1958 hospital contained approximately 250 patient beds plus a 110-bed home for the aged.

The 1958 hospital served the Belleville community until the late 1960s when the nearly completed $20 million expansion project was started.

The number of patients increased from 82 in 1888 to 63,459 in and out-patients in fiscal 1974–75. The number of operations increased from 46 in 1900 to 14,523 in 1974–75.

The number of births has increased from 17 in 1920 to 1,032 in 1974–75. At the same time, the average patient's hospitalization period has decreased from 15 days in 1920 to five days in 1975.

Few statistics were kept in the early days of the hospital. Records compiled since the last expansion in 1958, however, show the following increases in hospital services:

X-ray treatments—from 25,880 in 1958 to 59,611 in 1975; laboratory procedures—from 83,469 in 1958 to 902,811 in 1975; and rehabilitation treatments—from 8,035 in 1958 to more than 20,000 in 1975 (rehabilitation now includes physical, occupational and speech therapy departments, all started since the new expansion began in 1972.)

Those increased services have added to the cost of operating the hospital, as has higher construction costs. For example, the original 1880 hospital cost only $6,800, compared to the $20 million price tag on an addition to the present hospital.

Once, the Sisters and their benefactors were able to finance the hospital without outside help. Now they have to rely on federal grants and selling bonds for construction.

The latest expansion was paid for through a $1,734,000 federal grant, a $1,250,000 public fund raising campaign, and the sale or $20 million in first mortgage bonds. The holders of mortgage bonds have first claim to the facility if the hospital defaults on its bond payments.

JOHN C. GOODMAN OF O'FALLON, ILL., ELECTED POSTMASTER PRESIDENT

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, on January 1 of next year, the new president of the National Association of Postmasters of the United States will take office for a 2-year term. I am pleased to advise my colleagues that the new president is Mr.

John C. Goodman, postmaster of O'Fallon, Ill., my friend and constituent.

Postmaster Goodman is currently secretary-treasurer of the Postmasters' Association, and is the first secretary-treasurer to ascend directly to the presidency. I feel this is a great tribute to John's ability within the organization, as is the fact that with a membership of 31,728, he ran unopposed in his election.

I am particularly proud of John's accomplishments in his 14 years as postmaster of O'Fallon, since President John Kennedy made the appointment at my recommendation in January of 1961. Since that time John has proved his dedication to serving the public by making the O'Fallon Post Office one of the best-run in southern Illinois. This in itself is no easy task, yet John has still found time for such community activities as organizing and managing Little League and American Legion football and baseball, serving as an alderman and constable for the city of O'Fallon, and participating in the O'Fallon Jaycees.

John's national success is a source of pride to all who know him, not only because he is the first Illinois president or the first small-town president of the association, but because he is a man totally dedicated to the betterment of his community. I am sure that my colleagues join me in wishing John and his family good luck, congratulations, and continued success.

I think the following article published in the Metro-East Journal will show the esteem in which John is held locally:

O'FALLON POSTMASTER HAS BIG ROUTE

(By Bob Mathes)

O'Fallon Postmaster John C. Goodman had no thoughts of rising to a high office in the National Association of Postmasters when he joined the organization.

Now, only 13 years later, he is president of the association, which represents 31,728 postmasters in the nation.

Goodman, 43, of 202 Wesley Dr., O'Fallon, established several "firsts" in the association with his election at the recent 72nd annual convention of the postmasters at Miami Beach, Fla. He was:

The first postmaster from Illinois elected national president.

The first postmaster from a small city like O'Fallon to become president.

The first national secretary-treasurer to ascend directly to the presidency, although several had tried.

Goodman was born in St. Louis but he had lived in O'Fallon 35 years and is a 1950 graduate of O'Fallon Township High School. He served in the Air Force five years and later worked at the Brown Shoe Co. in St. Louis before he was appointed O'Fallon postmaster Jan. 25 1961.

His appointment was the first postmaster appointment in Illinois under President John F. Kennedy coming only five days after Kennedy's inauguration.

Goodman was appointed upon the recommendation of U.S. Rep. Melvin Price D-East St. Louis during Goodman's single two-year term as Democratic committeeman in O'Fallon Precinct 1. In those days congressmen usually recommended persons suggested by their party's precinct committeeman in communities where vacancies existed. Goodman was suggested by the city's three Democratic committeemen.

Goodman also served one four-year term as an O'Fallon alderman and one term as O'Fallon constable.

"But I probably was more active in the O'Fallon Jaycees than in anything else" Goodman says.

He joined the postmasters association the day he became postmaster. "I was signed up by Sam Plant who was secretary-treasurer of the state organization at the time," Goodman said. Plant served as postmaster of National City from 1957 until his retirement last February.

Goodman held all of the state offices in the association and the chairmanship of several committees of the national organization before he was elected national secretary-treasurer three years ago. He continues in that office until Jan. 1, when he begins his two-year term as president.

Objectives of the postmasters association include promotion of programs to provide the best possible service for postal users and to enhance the welfare of members of the association. Recently, Goodman has been spending considerable time in Washington, D.C., fighting proposals to eliminate 12,000 post offices in rural communities. He has testified before a House sub-committee that is conducting hearings on the proposal. He also is fighting for management personnel wage increases equal to those the postal service has authorized for postal employees.

Goodman favors the postage increases that are pending. "After all, postal service still is one of the best bargains available," he says.

As president, Goodman estimates, he will travel out of town about 90 days a year—approximately the same number of days he has been traveling as secretary-treasurer. "Fortunately, my wife (the former Miss Donna Fohne of O'Fallon) will be able to travel with me much of the time," Goodman said. Their daughter, Wendy, 10, will go on some of the trips.

"The post office still will have to be run," Goodman said. "I can do some of it by telephone. And I have an excellent assistant postmaster in Mrs. Dorothy McArdle and supervisor in Kenneth Schwarz," he said.

"It's a great feeling," Goodman said of his election. "I never had expected it because all presidents previously had been from much bigger cities like New York or St. Louis."

Goodman will have to give up most of his athletic activities at O'Fallon. He organized Little League football in the city, managed the American Legion football team until two years ago, has served as Little League baseball commissioner 15 years, and has been the only field announcer ever named for football games at the O'Fallon High School stadium.

"I am giving up all the athletics except for field announcer," said Goodman, whose sons, Curtis and Larry, played half-back positions a few years ago for O'Fallon High.

"That announcer's spot is one of the biggest loves of my life. I can always get back to town for the football home games," Goodman said.

LOOKING BEYOND THE IMMEDIATE CRISIS: WHAT CAN BE DONE FOR OUR CITIES?

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, Jerry Finkelstein, publisher of the New York Law Journal sets forth a plan for assisting all of our cities in two editorials, which are well worth considering.

The editorials follow:

[From the New York Law Journal, Oct. 1, 1975]

ATTENTION: PRESIDENT FORD, VICE PRESIDENT ROCKEFELLER, GOVERNOR CAREY, MAYOR BEAME—A MARSHALL PLAN FOR CITIES

(By Jerry Finkelstein)

Many of our cities and local governments are on the verge of collapse. Consequences for our nation and our economy will be tragic.

It is not too late to avert this tragedy.

What is urgently needed is a Marshall Plan for our cities to provide a $100 billion federal aid program, over ten years, to help finance the rebuilding and restoration of our urban centers.

THREAT TO COUNTRY

After World War II, the Marshall Plan saved Western Europe from collapse behind the Iron Curtain, a matter that was of dire threat to the security of our nation. The prospect that some of our cities may collapse equally threatens the security and economy of America. The need to avert those consequences are equally compelling for a creative and determined national response.

Chief Judge Charles D. Breitel, other members of the judiciary and leading members of the Bar have already voiced their deep concern over cutbacks in New York's judicial system. Lawyers have felt the effects in their daily dealings with the courts. Fewer personnel. Worsened conditions in the administration of justice. Not enough money to properly do the job.

On July 10, 1974, the Law Journal first published an editorial warning that leadership was needed—then. It talked about inflation. Unemployment. Disastrous securities markets. Solutions to economic problems.

It asked questions. About the effect of the unsettled Eurodollar market. Energy problems. Oil prices. Survival of banking institutions. High interest rates. The developing national and international fiscal and monetary crisis.

The editorial pointed out: "We must solve our economic problems. Or we won't be able to deal with any other problems."

It is already late.

IMMEDIATE DANGER

The immediate danger is default by the City of New York on its debt obligations. The consequences for the national economy of the City's precarious financial condition are most fully appreciated perhaps by the legal profession in our city. We are the financial center of the nation. Lawyers particularly are sensitive to the fact that the capital market for private enterprise is virtually nonexistent. It would be impossible in today's market for a bright, perceptive and inventive genius to finance another Xerox. Or three entrepeneurial young people to start up a new business and raise needed capital. And thus employment opportunities are foreclosed.

It has become impossible for private industry and business to raise equity capital. Municipal bonds are available at double-digit, tax-free interest rates. Moreover, investors are frightened that the domino effect of the City's default, followed possibly by the default of the state and other municipalities, will result in illiquidity and possible insolvency among some banks in various parts of the country.

The immediate crisis confronting our city and other cities is the end product of trends that have been underway since the end of World War II. The country witnessed a huge migration of population. Middle-income families deserted the core cities for the suburbs and were replaced in the inner cities by blacks, Puerto Ricans and other deprived and disadvantaged groups. This phenomenon eroded the municipal tax base, imposed upon the cities new burdens of public services to meet the needs of the new population mix.

State and local governments have responded to their fiscal problems by increasing taxes. By reducing expenditures. By tightening administration. By reducing operations. During the past year, state governments have increased taxes by $2.1 billion. Reduced services by $1.9 billion. Delayed or canceled some $400 million in capital construction. Budget reductions were accomplished on the state level, at least in part by reducing work forces by approximately 40,000 positions. Local governments have reduced work forces by approximately 100,000 positions. Much of these layoffs were unfortunate. This means fewer policemen. Reduced services. Overburdened courts. Impaired justice.

EFFECTS OF RECESSION

This long-term trend was exacerbated within the last two years by the economic recession. By rising unemployment. By inflation. By the after-effects of the Vietnam war. And by the energy crisis. All of which wreaked havoc on municipal budgets. The impact of these economic conditions upon state and local budgets is revealed in studies made by the congressional Joint Economic Committee.

According to this study, in 1972, state and local budgets throughout the nation produced a surplus of $4 billion. Because of the sluggish economy in 1973, this surplus disappeared. The combined state and local budgets were essentially in balance. However, in 1974, inflation-affected expenditure increases, coupled with recession-induced revenue shortfalls, combined to produce a deficit of $8 billion.

In New York City, the unemployment rate at the present time is approximately 12 per cent. Twice what it was just one year ago. In human terms, the statistics mean that we added 175,000 people to the unemployment rolls in one year, bringing the total number of unemployed in the city to over 350,000. From the point of view of the city's budget, the sluggish economy has meant sharp decreases in revenues and sharp increases in all expenditures, including for the greater number of people on the welfare rolls.

There is a paradox in all of this. The federal government has provided tax rebates and tax reductions to stimulate the economy by increasing consumer purchasing power. At the same time, state and local governments have been reducing consumer purchasing power by increasing taxes. In addition, while the federal government is seeking to reduce the unemployment rolls, state and local governments are compelled to dismiss employees, thereby adding to the unemployment rolls.

LONG-OVERDUE STEPS

Our city is in the process of taking long overdue steps to put its fiscal house in order. By eliminating jobs that have for too long been the haven of political hacks. And there are more who should go. By improving management techniques. Increasing employee productivity. The barnacles of waste and inefficiency that have become encrusted on the city's bureaucracy are being cut away. Similar steps have been taken and are being taken throughout the nation by other municipalities.

Banks, insurance companies, corporations and others have responded. The average person will show his faith under a new program by buying smaller denomination bonds. And they are responding in other ways. By prepaying real estate taxes. By working hard to save the city.

FEDERAL ROLE FORECAST

I am confident that Vice President Nelson A. Rockefeller is working on this problem. I believe the national administration, notwithstanding its stance to date, will soon begin to work hand in hand with Governor Carey, Mayor Beame and with other governors and mayors on a nonpartisan approach to the resolution of the problems that afflict our municipalities.

In times of crisis, everyone works together. Democrats and Republicans. Conservatives and Liberals. All necessary for the public good. That's what government is all about.

Obviously, a first step in that direction is a program of federal guarantees for municipal bonds. Or the establishment of a federal agency to insure municipal bonds along the lines that the Federal Deposit Insurance Corporation insures bank deposits . . . or some other constructive process.

There is no warrant for the proposition that such actions on the part of the Federal government would destroy the Federal system by importing Federal controls on municipalities. The fact of the matter is that the FDIC did not nationalize our banks. Nor did mortgage guarantees by the Federal Housing Administration and by the Veterans Administration nationalize our home-building industry.

The time to act is now. Before the political year 1976 obscures most Federal activities with political overtones. It may indeed be that President Ford, Secretary of the Treasury William E. Simon and Federal Reserve Board Chairman Arthur Burns have been leading the opposition to any such programs in an effort to stimulate New York City into the aggressive steps that it has taken to produce a balanced budget. If so, they have succeeded in their purpose and should support Federal action to avert a looming disaster.

The people of our nation and our city have traditionally responded selflessly to disaster. Whether it is the blackout that plunged the city into darkness a few years ago. Or if the disaster is a flood. Or a hurricane, I know that the people and their leaders will respond with firmness and selflessness. To preserve our cities from financial disaster.

Our time is short.

[From the New York Law Journal, Oct. 9, 1975]

NOT A RIPPLE—BUT A TIDAL WAVE

(By Jerry Finkelstein)

Disaster looms ahead for the City of New York.

It must be averted.

It will be equally disastrous not only for the city, but for the national and international economies.

Ask any lawyer. He's been working with clients. Trying to meet the emergencies. And crises resulting from the uncertainties. Preparing for the contingencies.

This grim prediction was made apparent by the study of the Federal Deposit Insurance Corporation, which reported that as many as 100 banks throughout the United States may suffer in the unnecessary insolvency of New York City.

Similar warnings from abroad, beginning with the admonition by Chancellor Helmut Schmidt of West Germany, and followed by other Western European countries reinforce the fears that the international monetary system may collapse in the event of a default by New York City.

In part, the troubles besetting New York City are a product of long-enduring difficulties that have afflicted the American economy.

Fifteen months ago, on July 10, 1974, in an editorial published by the New York Law Journal entitled "Economic Crisis: Leadership Needed," we pointed out the events of the past year were indeed predictable.

It should have been more readily predictable to Government officials. With access to huge resources of information. Knowledge. Analysts. Experts.

In the Law Journal editorial last year, which was written after extensive consultations for about two years with leading members of the corporate Bar, government officials and sophisticated bankers and others. Long before there was any overt sign of many of the crises which developed in the past year, we warned of the developing problems point by point.

But then President Nixon was preoccupied with his Watergate attorneys. And the American people suffered.

All of these festering economic problems have been exacerbated by the fiscal crisis in New York City.

Interest rates on municipal bonds have skyrocketed. To a point where it has become virtually impossible for private enterprise to borrow money at reasonable interest rates. And the equity markets for funds have dried up completely. Who is willing to invest in a new enterprise when he can secure as much as 12 per cent or more tax free? So who can start or expand his business? Create new jobs?

The immediate impact of a default by New York City will be felt by countless communities in the State. Where the city has extensive real estate holdings—for reservoirs, for instance—and pays local real estate taxes. In Nassau. And Suffolk. And in Westchester and many upstate communities.

Also affected immediately will be countless vendors throughout the United States. Who may face bankruptcy in the event that New York City fails to pay its bills. The small businessman who supplied desks for our schools. The printer who supplied stationery. And so on throughout the American economy.

Default by the city and its impact on banks throughout the nation will make it impossible for banks to refinance mortgages. Or to make new money available for a prospective home buyer. Lawyers know this firsthand.

The issue is so critical. The crisis so deep. We can no longer afford the luxury of "Politics as Usual." Good government is helping people.

And now is the time to help people.

Not only in New York. But throughout the nation. And the world.

We are at a point at which our very way of life is at stake. Democracy as we know it. The Free Enterprise System which has made America great.

Last Wednesday, in a Law Journal editorial, we suggested a number of possible steps that might alleviate the present crisis. A Marshall Plan for Cities. An FDIC for municipal bonds. Even Federal guarantees. Something.

There must be many other viable ideas. We would welcome them. By solving New York City's problems, we will be helping every citizen of the United States.

Unfortunately, heed was not taken of our editorial fifteen months ago. Events discussed occurred. The crisis deepened. The Franklin Bank failed. The Security National Bank was forced to merge. Countless investment houses closed their doors. People are still out of work. Our energy problems are greater. Fiscal policy waivers. Monetary problems abound.

And New York City's problems hover over all of these crises like a black cloud.

If all this was apparent to us more than a year ago, it should have been more deeply understood in Washington. We do not claim to be prescient. But the accuracy of the forecast does little credit to those who seek to lead this nation.

It is demeaning for someone to be out of work.

It is demeaning for a businessman to watch his life's work go down the drain into difficulties or bankruptcy.

It is demeaning for a nation as great as ours to let that greatness slip away by default.

Our world leadership obviously would decline. How would Russia look if Moscow failed?

"For want of a nail a kingdom was lost."

It may very well turn out for want of New York City our way of life may be lost.

The time grows shorter.

It is later than we think.

INTRODUCTION OF EDUCATIONAL EXPENSES TAX DEFERRAL ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I am today introducing the Educational Expenses Tax Deferral Act of 1975. This bill is intended to permit parents, who are increasingly burdened by the high costs of a college education for their children, to defer a significant portion of their Federal income tax, in an amount equal to the cost of eligible educational expenses, until after their child has finished his or her education. Amounts deferred would be repaid over a 10-year period with no interest charged to the parents. Eligible expenses for which a deferral may be taken include tuition, fees, books, supplies, equipment, and similar items required for the pursuit of an education or training at an institution of higher education or at a vocational school.

Mr. Speaker, higher education learning and vocational training are high priorities in our society. These valuable resources must be within the grasp of all individuals and families regardless of income level. The opportunity to pursue an education at an institution of higher learning or at a vocational school must be afforded to all Americans.

In recent years, the escalating cost of higher education, coupled with the impact of our inflationary economy, has made access to postsecondary institutions increasingly difficult for far too many students. A recent survey by the College Entrance Examination Board shows that the average cost for a student at a 4-year public university has increased over 50 percent in the last 6 years. This places a heavy financial burden not only on lower-income families and individuals but also on many middle- and upper-middle income persons in our society. Unfortunately, this trend is continuing. Costs for a student at a public 4-year institution are expected to increase another 12 percent this school year. The U.S. Office of Education predicts that during the next 8 years there will be an 80-percent increase in the average cost of 4 years of college.

This alarming increase in the cost of higher education is not limited to public institutions. Tuition rates have increased by 48 percent at private 4-year institutions since 1970. Because of the private institutions' heavier reliance on tuition for revenue, they have been forced to radically increase their tuition rate. Many are now at the point where they are in danger of pricing themselves out of the range of all but a very few American students. In fact, the College Entrance Examination Board estimates that the average cost of tuition and fees alone at a private school will be $2,240 for this 1975–76 school year, a cost increasingly out of reach of thousands of families.

In addition to providing assistance for higher educational expenses, the bill authorizes tax relief for reasonable and necessary expenses incurred at business, technical, trade, or other vocational schools. Such schools provide valuable training for millions of Americans in a wide variety of occupations. It certainly seems to me that such training ought to be strongly encouraged and that a tax deferral for vocational school expenses should be made available to the same extent as that for institutions of higher education. This Nation is in great need of persons skilled in all the fields for which training is provided by business, technical, and similar schools.

Mr. Speaker, the bill in brief provides the option of tax deferrals to any taxpayer—including a parent, a student, a spouse, or other person or persons—who pays certain qualified educational expenses for postsecondary education. The amount deferred must not be less than 1 percent of the taxpayer's adjusted gross income. Taxpayers may defer certain educational expenses such as tuition, fees, books, supplies, required equipment, and other items which are actually required for educational or training purposes. Payment would be made in a series of 10 equal installments. Such payment would be due over a period of 10 years starting in the first taxable year during which the indivdual is no longer enrolled in a college or a vocational school or during the 10th taxable year after the first year for which the taxpayer took a deferral. A taxpayer could not defer more than $1,500 of tax otherwise due in any given year nor defer more than $10,000 per student for that student's college or vocational education.

Existing Federal programs are, of course, providing assistance to certain students in cases of need. Unfortunately, many of the guidelines that determine eligibility often exclude many middle-income families and individuals who are also truly in need of governmental assistance. Further, inequities in these programs, the lack of full funding of these programs and other reasons demonstrate why new alternatives must be made available. It is my hope that the bill I am introducing today will fill this void.

Mr. Speaker, at this point, I include the text of the Educational Expenses Tax Deferral Act of 1975 in the Record:

H.R. 10635

A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to defer a portion of his income tax based upon the amount of certain expenses paid or incurred by him in connection with the education or training at an institution of higher education or a vocational school of the taxpayer, his spouse, or any dependent

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Educational Expenses Tax Deferral Act of 1975".

Sec. 2. (a) Subchapter B of chapter 62 of the Internal Revenue Code of 1954 (relating to extensions of time for payment of tax) is amended by adding at the end thereof the following new section:

"Sec. 6168. Extension of Time for Payment of Tax Where Taxpayer Has Paid or Incurred Certain Educational Expenses

"(a) Extension Permitted.—

"(1) In general.—In the case of a taxpayer who has paid or incurred qualified educational expenses for the taxable year, such taxpayer may elect to defer payment of part or all of so much of the tax imposed by chapter 1 as does not exceed his qualified educational expenses for such year. Such election shall be made at such time and in such manner as the Secretary or his delegate may prescribe.

"(2) Amount deferred may not be less than 1 percent of adjusted gross income.—Deferral of payment shall not be allowed under paragraph (1) with respect to any amount of tax which is less than 1 percent of the taxpayer's adjusted gross income for the taxable year.

"(b) Deferred Installment Payments.—

"(1) In general.—The amount of tax a taxpayer has elected to defer payment on under subsection (a) which is attributable to the educational expenses of any one individual shall be payable in 10 equal installments beginning on the 15th day of the 4th month of each of the taxable years following the earlier of—

"(A) the first taxable year during which the individual is not enrolled in an institution of higher education or a vocational school, or

"(B) the 10th taxable year after the first taxable year for which the taxpayer elected to defer tax under this subsection based on the educational expenses of such individual.

"(2) Interest.—Notwithstanding section 6610(c)(1) (relating to interest in the case of extensions), interest shall not accrue on any amount of tax deferred under this section for any period before the date such amount is required under this subsection (or subsection (c)) to be paid.

"(c) Acceleration of Payments.—If—

"(1) the taxpayer dies during the taxable year, or

"(2) any installment under this section is not paid on or before the date fixed for its payment by this section (including any extension of time for the payment of such installment).

the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary or his delegate.

"(d) Qualified Educational Expenses.—

"(1) In general.—The qualified educational expenses of a taxpayer for any taxable year shall be the sum of the reasonable and necessary educational expenses paid or incurred by the taxpayer in connection with the education or training (on a full-time or part-time basis) of the taxpayer, his spouse, or any of his dependents at an institution of higher education or at a vocational school. The maximum amount of educational expenses which may be taken into account with respect to any one individual for any taxable year may not exceed—

"(A) 75 percent of so much of such expenses as does not exceed $1,000.

"(B) 50 percent of so much if such expenses as exceeds $1,000 but does not exceed $2,000, and

"(C) 25 percent of so much of such expenses as exceeds $2,000 but does not exceed $3,000.

"(2) Aggregate amount deferred per student not to exceed $10,000.—The amount otherwise allowed to be deferred for the taxable year under paragraph (1) with respect to the education or training of an individual which, when added to amounts paid or incurred by the taxpayer in all prior taxable years with respect to such individual which were deferred under this section, may not exceed $10,000.

"(3) Husband and wife.—In applying paragraphs (1) and (2) in the case of a married individual filing a separate return, the $1,000, $2,000, $3,000, and $10,000 amounts specified in such paragraphs shall be $500, $1,000, $1,500, and $5,000, respectively.

"(e) Educational Expenses.—For purposes of this section—

"(1) In general.—The term 'educational expenses' means—

"(A) tuition and fees (including laboratory, library, field study, and enrollment fees) required for the enrollment or attendance at an institution of higher education or a vocational school.

"(B) fees, books, supplies, and equipment required for courses of instruction at such an institution or school, and

"(C) other items which are actually required for the effective pursuit of an education or the training of the type and at the institution involved and the charges for which are imposed by such institutions.

Such term does not include any amount paid, directly or indirectly, for meals, lodging, or similar personal, living, or family expenses. If an amount paid for tuition or fees included an amount for meals, lodging, or similar expenses which is not separately stated, the portion of such amount which is attributable to meals, lodging, or similar expenses shall be determined under regulations prescribed by the Secretary or his delegate.

"(2) Adjustment for scholarships, grants, etc.—The educational expenses of any individual with respect to which the taxpayer elects to defer payment of tax under this section for any taxable year shall be reduced by—

"(A) the total amount of student financial aid received by such individual during that year, including—

"(i) any aid received under title IV or IX of the Higher Education Act of 1965,

"(ii) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income, and

"(iii) any educational assistance allowance under chapter 34 or 35 or title 38, United States Code, and

"(B) any educational expense of such individual during the taxable year which is deductible by the taxpayer under section 162.

"(f) Other Definitions—For purposes of this section—

"(1) Institution of higher education.—The term 'institution of higher education' means an educational institution (as defined in section 151(e)(4))—

"(A) which regularly offers education at a level above the 12th grade; and

"(B) contributions to or for the use of which constitute charitable contributions within the meaning of section 170(c).

"(2) Vocational school.—The term 'vocational school' means a business, technical, trade or other vocational school or institution, in any State, which—

"(A) is legally authorized to provide, and provides, within that State, a program of vocational education at a level above the 12th grade designed to train individuals for useful employment in recognized occupations; and

"(B) is accredited bv an agency or association which is named in the most current list of nationally recognized accrediting agencies published by the United States Commissioner of Education under section 435(c) of the Higher Education Act of 1965 (2 U.S.C. 1085(c)).

"(3) State.—The term 'State' includes the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(4) Taxable year.—Each reference to a taxable year is a reference to a taxable year of the taxpayer.

"(g) Termination.—This section shall not apply with respect to qualified educational expenses paid or incurred in taxable years beginning after December 31, 1980.

"(h) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) The table of sections for such subchapter is amended by adding at the end thereof the following item:

"Sec. 6168. Extension of Time for Payment of Tax Where Taxpayer Has Paid or Incurred Certain Educational Expenses."

(c) The amendments made by this Act shall apply to taxable years beginning after December 31, 1975.

Sec. 3. The Secretary of the Treasury or his delegate and the Secretary of Health, Education, and Welfare or his delegate shall each conduct a study of the operation and effects of section 6168 of the Internal Revenue Code of 1954 (as added by this Act), and prepare and transmit to the Congress, during the first quarter of calendar year 1978 and 1980, a report containing the results of such study with respect to the period elapsing before such quarter during which such section 6168 was in effect. Each report transmitted to the Congress under the preceding sentence shall be published in the Federal Register.

NEW YORK CITY'S BANKRUPTCY IS A DARK AND DANGEROUS ROAD TO TAKE

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, as the Congress debates the question of whether we should provide some kind of help to New York City in its present financial crisis, it becomes increasingly clear that it is no longer a question of whether we help New York but only when. The bills being pushed in the House and in the Senate provide help, in the form of loan guarantees, before New York City is forced into default and bankruptcy. But the plan outlined the other day by President Ford proposed that we also provide help to New York City, but only after it goes into bankruptcy.

The thrust of Mr. Ford's argument seems to be that such post-bankruptcy help will be a relatively simple matter, and that there is no real point therefore in trying, as some of us here in the House have been trying, to avoid that bankruptcy by providing help in advance.

Yet the fact is, Mr. Speaker, that no one really knows just what will be the full impact of municipal bankruptcy when it affects the Nation's largest city. Maybe it would not be any worse than a bad cold. But, if we are wrong, maybe it could turn into a major economic disaster. Nobody really knows for sure. But is it reallv worth letting it happen just to see who is wrong and who is right? Are we really smart to risk killing ourselves just to see whether we can actually jump across an open chasm?

Nobody, as I say, knows for sure what a New York bankruptcy will mean. But there are a lot of very sober, scary possibilities, and I believe Members would do well to consider them carefully before they decide to let New York go into bankruptcy before providing any aid. Under leave to extend my remarks I include an article from the New York Times of November 2, 1975, which describes some of these unknown but frightening possibilities—not just for New York City but for Americans all across the whole country.

[From the New York Times, Nov. 2, 1975]

The Potentials in a Default Are Many and Perilous

(By John Darnton)

For New York City, there are only three choices left.

The first is a loan-guarantee bill, with provisions repugnant to the city. It has little chance of Congressional passage and the President has vowed to veto it. The second is use of the city's pension funds to borrow money. It would entail considerable logistical and perhaps legal complications.

The third is default and then bankruptcy. While most onlookers would agree that this alternative has perhaps become the most likely, they also would agree that it is the least known.

The question of what default would mean cannot be answered by lawyers, because the spiral of lawsuits that default would engender will make new law. It cannot be answered by economists, because the unknowns, beginning with the anonymity of the city's lender-creditors, are simply too numerous. It cannot be answered by historians, because it has never happened before on such a scale.

"When the President says that default can be 'orderly,' we get upset," said Ira Millstein, a lawyer now continually on call at City Hall. "None of us has ever seen an orderly default."

Predictions of what New York would be like after default have come from President Ford, who foresaw "temporary inconveniences" for city residents, and from Governor Carey, Mayor Beame and other local officials, who have conjured up apocalyptic images for the benefit of Congressmen considering Federal assistance. No one can say who is right.

Under the proposed revision of Federal statutes, if the city defaults, it would file a petition of bankruptcy in Federal court. It would be protected against the seizure of assets or revenues by creditors and the court would supervise a plan to restructure the city's payments. The court also would oversee the sale of debt certificates to keep the city's vital services going.

It is improbable that the effects of a default would be seen on the day it occurs. Providing that the city's treasury is not totally depleted, city workers would not face a "payless payday" immediately. City operations would be normal. And, providing that the debt certificates are marketable, some revenues from borrowing would continue to come into city coffers in the days ahead.

But the effects of default could soon become all too apparent—for the city's cash shortage between December and March, even if not a single note or bond were paid off, amounts to $1.2-billion. It would seem unlikely that enough debt certificates could be sold, or would be permitted by the court to be sold, to maintain services at such an expensive outlay. At a time when past cerditors would be kept waiting, the court would have difficulty countenancing such a heavy borrowing schedule.

The problem is compounded by the fact that default could trigger a falloff in the city's anticipated revenues. Noteholders, bondholders, venders, contractors and other creditors who go unpaid might well refrain from paying taxes. Some estimates place this falloff as high as $100-million a month. This would increase the city's revenue shortfall to $1.6-billion by March, or about 50 percent of the amount that the city had expected to spend on operating expenses during that time.

"Taken at its worst," said one city official, "that means 50 cents on the dollar that we won't be able to pay out. So what are we going to do? Pay cops 50 cents on the dollar? Pay welfare checks 50 cents on the dollar?"

The choice would be painful. The Federal legislation insures that essential services, such as police and fire protection and health services, be maintained. But it does not say they must be maintained at their former levels, Garbage pickups could be cut back. There could be fewer policemen in neighborhood precincts. More firemen could be laid off.

The Federal legislation appears to insure a continuity of payments for welfare and Medicaid. But a host of supportive services for the poor, day-care centers, job programs, senior citizen centers could be curtailed.

The tangle of litigation that a city default would incur could last as long as a decade. A seemingly straightforward question, such as who should be designated to represent the city's thousands of creditors, becomes enormously complicated. In the recent bankruptcy case of the Herstatt Bank in Germany, a sports stadium in Cologne had to be used just to bring together all the creditors who insisted on separate representation. "If we have a default," remarked one observer, "the only growth industry in the city will be law."

For municipal employees, a default could mean that their contracts could be invalidated. For venders—all except those whose services and materials were provided within four months before the bankruptcy filing—it could mean long waits for payments, which could hurt their own solvency.

Default would be felt immediately and most severely among the holders of the city's $12.4-billion in outstanding securities. The securities would drop in value perhaps precipitously. One estimate by Lebanthal & Co., a Wall Stret bond house, estimates that two-thirds of the citys' bonds, as distinct from notes, are held by individuals and not banks. The estimate was based on the firm's own past sales, amounting to about 5 percent of the city bonds sold. City securities that have been used as collateral for loans by individuals and business alike could be called in question.

Banks, especially those in New York City, which are thought to hold about three-quarters of a billion dollars in city securities, would be faced with overnight losses.

A recent Federal survey has concluded that about a hundred of the 14,000 banks in the nation holding large quantities of city bonds and notes would be in serious difficulty in the event of a default. Arthur Burns, the Federal Reserve chairman, has promised that the Reserve would come to the aid of member banks, permitting them large-scale borrowing with city securities as collateral at face value. But the Securities and Exchange Commission, which regulates stock trading, is apt to insist that the banks account for their portfolio losses.

The banks have been rendered more vulnerable by other losses recently—in real estate investment trusts, on oil tanker loans and by the recent bankruptcy of the W. T. Grant Company. They could also be inundated with litigation from stockholders or note buyers asserting that there should have been ample warnings that city securities were not a good buy.

As a consequence of their difficulties, the banks could restrict their own money lending. This would mean that small businesses in New York could find it more difficult to obtain loans, and individuals could find it harder to get mortgages.

Default would make it extremely difficult for the city to re-enter the money-lending market on its own for years and years. This is a serious consequence, because the city needs borrowed money to bridge the periods between the arrivals of Federal and state aid and also for capital construction projects. If the city were unable to borrow over a long term, it could not build schools, fire houses or sewers.

The problem is made still worse by the fact that 30 states have laws prohibiting various institutional investors, from insurance companies to commercial banks to guardians, from buying securities from a municipality that has previously defaulted for periods of up to 10, and in some cases, 20 years.

If default should lead to increases in taxes of a drastic reduction in city services, which is difficult to predict at this juncture, it could well hasten the exodus of businesses and the middle class from the city, further eroding its already shrinking tax base. Were this to occur, real estate values could drop and whether it happens or not, the fear of it could produce a similar result. Some say it already has.

Over the long run, it is the intangibles—fear and uncertainty—that can wreak a stark change in the quality of life of that city, that could make it a place not quite as attractive for corporations to locate in, tourists to visit and residents to live.

DETROIT: SAFETY FOR CONVENTIONEERS

(Mr. NEDZI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NEDZI. Mr. Speaker, when I was a small boy growing up in the Detroit area, the city was known as the motor car capital of the world. A few years later it earned the title of "The Arsenal of Democracy."

In recent years Detroit, like many of our Nation's large cities, has had its share of urban ills. It has also been hurt by an unfair label rather glibly applied to it, namely, "Murder City."

While Detroit has many real problems, it still possesses a vigorous and hopeful aspect. Downtown safety is much better, for example, than one might imagine.

The World Energy Conference was held in Detroit in September 1974, without a single serious criminal incident involving guests to the city. In July 1975 an estimated 500,000 people viewed the annual International Freedom Festival in downtown Detroit with only a few minor incidents reported.

Recently, Detroit's Chief of Police, Philip G. Tannian, had occasion to respond to questions raised by a professional association which was considering Detroit as the site for a meeting.

Chief Tannian's response, set forth below, deals with myth and reality in a knowledgeable and sensitive manner. He fairly concludes that Detroit is not only safe for conventioneers but is an attractive convention city which will soon be improved by the nearly completed Renaissance Center.

Under leave to extend my remarks in the RECORD, Chief Tannian's letter follows:

DEPARTMENT OF POLICE,
Detroit, Mich., August 11, 1975.

Miss ——— ———,
Assistant Executive Director,
The Council for ——— ———,
———, Virginia.

DEAR MISS ———: During a recent conversation with Len Rolston of the Metropolitan Detroit Convention Bureau, mention was made of the fact that members of The Council for —— may have some questions regarding the crime situation in the City of Detroit. As Chief of Police, please allow me the opportunity to address that issue in this letter. In so doing, I realize the responsibilities of your position and your justifiable concerns for the safety of your membership. But I also appreciate your need to get a balanced and accurate perspective of the actualities of crime in this city.

In the course of my duties as Chief, I have had numerous opportunities to travel throughout the country. During those visits to other cities, I am frequently amazed by the types of comments I hear about Detroit. But even more than amazed I am deeply disturbed by the erroneous misconceptions that tend to cloud an understanding of this city and its crime problems. In response to those inacurrate perceptions, I would like to offer facts and let you draw your own conclusions on the safety of downtown Detroit to conventioneers or visitors. In short, I would like to separate the reality of crime from the myth of crime.

Perhaps the most objectionable and misleading characterization of Detroit is the reputation of "Murder Capital" that some persons impute to the city. The mythical nature of that title and the distorted images that arise as a consequence are the most personally disturbing for those who know and understand this city. Because of the fact that your group is interested in the excellent convention facilities in the central business district, comments regarding crime will be specifically directed to downtown Detroit.

With respect to homicides in the downtown area, I can attest to the fact that they are virtually non-existent. Shortly after Mr. Rolston forwarded your concerns regarding downtown crime, I directed Inspector William Brandimore of the First Precinct to review the incidence of violent "street crime" in the downtown or "loop" area of the city. I would like to share the findings of his inquiry with you.

During the first eight months of 1975, there has been only one homicide in the central business district and even that sole homicide cannot be classified as the type of violent street crime between strangers that is so feared by the general public. Although that fact may be surprising given our pervasive reputation, those who are aware of the nature of homicides in this city have demonstrated time and again that the vast majority of these crimes do not involve "street victims". A recent study conducted by Wayne State University and a ranking officer in the Department showed that homicides and serious assaults overwhelmingly occur between friends or relatives and not strangers. They occur within the confines of homes in domestic situations, and they occur primarily in poor neighborhoods geographically removed from the downtown area. In addition, the correlation between homicide and easy accessibility to handguns is unmistakable. Besides these facts, our rate of homicide is dramatically decreasing while that for other cities is on the rise. Still, the stigma wrongfully remains in the minds of many people outside of Detroit who are unacquainted with the truth.

While the absence of homicides in the downtown area is indeed noteworthy, other violent crimes are also very infrequent. In fact, our analysis has shown that the approximate one square mile that is encompassed in the downtown area is indeed one of the safest places in the entire city. In this regard, a news article in a local newspaper demonstrated that the chances of being a victim of a violent crime in the downtown area were considerably less than in "safe" suburban communities. Of course, larcenies remain a major problem in the downtown shopping centers but crimes against property of this nature pose no potential threat to conventioneers.

The exhaustive efforts of the Detroit Police Department to make downtown Detroit safe from crimes against persons has contributed greatly to the revitalization of our convention area. I believe it is a credit to the caliber of personnel in this Department that thousands of persons are able to attend a myriad of functions in the downtown area on a daily basis and we continue to hold victimization rates at a level comparable with any major city in the country. It may interest you that last month, an estimated 500,000 people from across the state viewed the annual International Freedom Festival fireworks display on the riverfront in downtown Detroit. Despite this massive influx of visitors, only a handful of rather minor criminal incidents were reported. We have repeatedly equaled this success. The World Energy Conference in September, 1974 was conducted without a single serious criminal incident involving guests to the city. This improvement has been made possible because of the emphasis that the downtown area has been given in the ongoing reorganizational efforts of the Detroit Police Department.

The Department has developed specialized procedures to assure that sufficient numbers of police personnel are in the downtown area during conventions. Our policy has been to saturate the downtown area with visible patrol officers and this practice has resulted in an effective crime deterrent.

The Department has established a working relationship with the Metropolitan Detroit Convention Bureau and our patrol forces are geared to accommodate any size convention. Besides the normal patrol complement, additional motorized and foot patrol officers are assigned to the downtown area during large conventions. We also utilize our community oriented motor scooter patrol, officers from the Mounted Section and police personnel from various specialized units. Plainclothes officers are also used during these periods to ensure maximum safety to visitors.

Inpector William Brandimore of the First Precinct has been designated as the liaison person in the Department for special events in the downtown area. In that capacity, the Inspector has the responsibility for coordinating all special police operations provided for conventioneers. In the past, he has provided precinct personnel, in order to assist convention guests in various requests. For example, police escorts are available where large amounts of money are involved and additional police attention can be directed to special gatherings such as seminars, dinners, etc.

A police mini-station has recently been opened in the heart of the central business district and this location is staffed on a twenty-four hour basis. Police personnel are available at this mini-station to provide any information or assistance that may be required by your members.

In conclusion, I hope that this letter has answered some of the questions that may have been raised in your mind regarding Detroit and its suitability for the 1978 convention for The Council For Exceptional Children. I would again like to assure you that downtown Detroit is a viable convention center and the impressive Renaissance Center that is quickly approaching completion will make it even more attractive to groups such as yours. May I extend my personal invitation to you to enjoy the facilities of this great convention city and offer my personal promise that the Detroit Police Department will take every measure to assure the members of your association a safe, enjoyable and memorable convention stay.

Please do not hesitate to contact me if my office can be of further service.

Sincerely,

PHILIP G. TANNIAN,
Chief of Police.

AMERICA CAN ALSO HELP KEEP PEACE IN THE WESTERN HEMISPHERE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Americans have been so engrossed with the aftermath of Southeast Asia and the search for peace in the Middle East that we tend to overlook the fact that territorial problems continue to surface all over the world. One is in our own hemisphere, not far removed from our own defense activities in the Caribbean. Ownership of Belize, formerly British Honduras, is again disputed. British Honduras was settled by the British in 1638. Guatemala claims it inherited sovereignty over the territory from Spain. The question of ownership has surfaced many times, but no settlement was ever reached. Steps should be taken now to avoid serious controversy between the two countries.

Belize is not self-governing, but continues to be a part of the British Empire and the British are responsible for its advance in foreign affairs. I am advised that Guatemala does not object to an independent and autonomous status for Belize, but seeks an adjustment on territorial claims primarily to insure needed outlets to the Caribbean.

Because of differences between the affected countries, Guatemala is said to have sent armed forces to a point near the Belize border and the British are sending reinforcements to their garrison in the capital.

Both countries are friendly to the United States. Both have been strong supporters of our country's objectives in the U.N. and our attempts to achieve peace and harmony among Central and South American countries. The United States can well afford to take the lead in attempting to resolve the current problem through negotiations.

Obviously it is a time for calm discussion between the principals or for arbitration through the agency of the United Nations. If the present situation should erupt into open conflict, it would have a profound effect throughout Latin America and seriously jeopardize U.S. objectives to help maintain peace and security in the hemisphere.

SHOULD BLACK AMERICANS CELEBRATE THE BICENTENNIAL?

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CONYERS. Mr. Speaker, black Americans are weighing the meaning of the Bicentennial and considering whether it is appropriate to celebrate this event.

What are we celebrating, and why? The longevity of a political system which is, of course, not an inconsiderable achievement as governments go? Nostalgia for "the good old days"? Or are we honoring the principles upon which our Government was founded and celebrating our determination as a people to realize these principles in our public lives?

Some Americans can celebrate with pride, whereas millions of others have little to celebrate about. At its foundling America was a diminished republic, harboring within an empire over several hundred thousand slaves and Indians. The Constitution legitimated slavery though the founders had the choice to abolish that pernicious institution and write a charter granting freedom to black people. The ethical contradiction inherent in a situation of slave-owning leaders fighting for their own liberty and yet prepared to deny liberty to other Americans did not escape many observers of the Revolution.

What has become of the principles of the consent of the governed and equal justice under law, or of the ideals expressed in the Preamble to the Constitution? In place of "a more perfect union" we live in a society divided ethnically, economically, and generationally. Instead of "domestic tranquillity" we experience a society beset by violence, a domestic arms race that is as serious in its own way as the international arms race, an unceasing struggle between the powerless and the powerful, and the hopelessness and despair of millions of poor and the pervasive insecurity among working- and middle-class Americans.

What has become of "justice" and "the general welfare" in a nation that treats good health, employment, and decent housing and community life as a privilege for some and a precious, rarely won, good for others? "Liberty" existed alongside bondage throughout American history and still does.

To merely celebrate in the manner of shallow patriotism on parade is to perpetuate injustice in the name of justice, to anesthetize ourselves to the harsh realities experienced by so many Americans. Prof. John Hope Franklin has observed that if we approach the Bicentennial uncritically we "compromise equality with impunity and somehow use the Constitution as an instrument to preserve privilege and to foster inequality. It has thus become easy to invoke the spirit of the Founding Fathers whenever we seek ideological support for the social, political and economic inequities that have become a part of the American way."

Should we then not pause and ponder the gap between constitutional principles and the circumstances of our lives, and inquire into the conditions required to bring this Nation closer to the realization of "life, liberty, and the pursuit of happiness"? For me the Bicentennial should reflect the spirit of Albert Camus' declaration that "I should like to love my country and justice at the same time."

Is it too late to do this? Do we have to wait another 200 years before the rhetoric of justice becomes a just reality? Should black Americans celebrate at all? In its August issue Ebony magazine raised this question, and I bring to the attention of my colleagues the assent of Dr. Joseph H. Jackson, president of the National Baptist Convention and pastor of the Olivet Baptist Church in Chicago, the qualified assent of Vernon E. Jordan, Jr., executive director of the National Urban League, and the dissent of Lerone Bennett, Jr., a senior editor of Ebony and a distinguished historian.

The article follows:

A RESOUNDING "YES!"

(By Dr. Joseph H. Jackson)

The key word in America's origin and growth is *freedom*. The desire and quest for freedom inspired the early settlers to leave their lands and communities of bondage to seek freedom and an opportunity to fulfill themselves as human beings. In spite of all of her imperfections and shortcomings, this nation has not at any time reversed her basic philosophy of freedom or advocated servitude as the highest goals of her citizens and the most lofty aims of human society. The freedom of speech, the freedom of the press, the freedom to learn and the freedom of religion have always been, and still are, some of the basic principles of American life.

Freedom of enterprise is one of the basic freedoms in America's economic philosophy. This nation has not believed that political leadership and economic leadership should be entrusted in the hands of the same group. Freedom of enterprise has in a large measure protected this nation against the perils of the regimentation of economic life by the political leaders of the nation. Under the free enterprise system the nation experienced more than economic corruption and dishonesty. She saw the creative genius of many committed captains of industry and observed great foundations being built in the interest of human welfare and growth in the field of art and culture. We celebrate free enterprise for the creative things that it has done and hope its future in America will be even more constructive and creative.

We admit that the institution of chattel slavery invaded the nation's history and left some of her ebony sons and daughters the victims of servitude and chains. But history has revealed that America's philosophy of freedom and her high and lofty concepts of the rights of man and the sacredness of human personality weakened, and finally outlawed, the institution of slavery and advanced the theory that all men are created free and equal with certain God-given rights that should not, and cannot, successfully be taken away from them eternally by any nation or people.

When we celebrate 200 years of American history we not only embrace America's positive values and applaud her constructive philosophies of life, we also celebrate all of her victories over the obstacles to democracy and re-commit ourselves to the unfinished tasks that remain before us. There remain with us the evils and the curse of racial discrimination and segregation. These things we will never accept. We can rejoice, we do rejoice, that our nation has put aside many of the evils of segregation and discrimination and we believe she will yet subdue them and fulfill herself and her mission in a world of imperfect human beings.

Further, Negro Americans are taking part in this historic celebration because they recognize that they are a part of American life. Their achievements and growth as a people are vital parts of the past 200 years of this nation's history. The Negro race has indeed helped America in her ventures and in her sacrificial efforts to make of herself a nation rich in democratic fellowship. In the days of the pioneers, men of color helped to clear the forest, till the soil, cast in the seed and harvest the ready grain. In the time of crisis and in practically every war, the blood of Negro soldiers has been mixed with the blood of other protectors of American life and democracy. It was Crispus Attucks who was the first to fall on Boston Common in the Boston Massacre, and from then until now the story of heroism and courage on the battlefield has included the daring deeds and sacrifices made by men and women of color.

In the early days of the slave trade, America was our land by necessity, by a foul chain of circumstances and by an adoption after a fashion. But at the closing of the second century of the nation's history, Negro Americans have participated fully and freely enough in the nation's life that they now may well boast of being citizens of America by toil, sacrifice and merit. They have helped to make the nation what it is and the nation has given to them an opportunity and a locale of action without which our history would have been far different than what it is today. By refusing to celebrate this Bicentennial, people of color not only would negate or deny a great chapter in the history and progress of mankind but they would deny their own history and their contribution to the life of this great nation. To omit from America's two centuries of history the chapters dealing with the Negro's contribution will indeed rob the nation of the contributions of some of its finest citizens and take from people of color some of the high honors so hard-earned and so well-deserved.

Who among us would wish to remove from literature the poems and deeds of Phillis Wheatley who was once considered too puny to attract any of the slave-traders who met the slave ship on which she arrived and purchased all of the able-bodied men and women but left this one feeble child as undesirable? We are horrified by the whole spectrum of the slave market, but we applaud the white tailor, Mr. Wheatley, who took this little child home with him to assist his wife. The Wheatleys later found that Phillis was much more than a puny African child—she was a poet with rare gifts and unusual genius.

The American Negro from the days of the Revolutionary War until now has in some form rejected and resented any treatment bestowed upon him that downgraded his dignity and cheapened his manhood. He has often turned to protest as provided and prescribed by the supreme law of the land because there was no avenue open for him to participate and to perform fully as a first-class citizen and as a patriotic American. He has fought to be included and to be counted as part of the nation's life. He must not now exclude himself by substituting a negative protest for a positive performance in this celebration. He must not choose for himself exclusion instead of inclusion when the door of opportunity in this particular instance is now open and the time has come for a free and unhampered choice as a part in the nation's life.

Many men and women of color still hate all of the evils that have plagued them in the past. They still reject all efforts to negate them as citizens, but many of them are determined that they will not lose their souls in bitterness over that which is bitter.

On July 4, 1852, Frederick Douglass was asked to give the main address on the occasion of the 76th Anniversary of the independence of America. It is true that he did protest. He did call in question the nation and asked himself and asked the committee and the nation why he had been invited to speak on an Independence Day when he and his people were not as yet wholly free? But Douglass did not refuse to perform. With scathing and bitter words he condemned his nation, but he delivered the address with dignity, distinction and honor.

But as Douglass lived to see the abolition of the slave trade and many other great developments, he rejected those who pointed him back to Africa as his native land and embraced America with dedication and pledged himself to work for the complete realization of freedom in the United States and for the fulfillment of the soul of America.

In protest we state or dramatize a grievance but in positive participation in the nation's life we exercise higher gifts and employ the more constructive and creative faculties of our being and stand to realize greater goods and to bless the nation itself with higher values.

When Thomas Jefferson was still obsessed with the notion of the inherent inferiority of the black race, he was not ashamed to express it in the following words: "Blacks are inferior to whites in the endowment of body and mind." It was not long before Jefferson came in contact with Benjamin Banneker who had been reared on a farm but who had studied incessantly to become efficient in his field. He learned mathematics and specialized in astronomy. He built a clock of wood that worked and kept time. He wrote an almanac that Jefferson had a chance to read, and when the spot was chosen on the Potomac to build the new national Capitol, Benjamin Banneker, a man of color, was chosen by Jefferson to help in the undertaking. Young Banneker knew what Jefferson thought of him, but he refused to be satisfied with mere protest; he qualified himself to participate fully as a scientist and as a man of talent. Lessons from the past would lead us and inspire us to participate in this historic celebration of the present.

As an American citizen, I ask myself these questions:

What have I to gain if I now refuse to celebrate 200 years of American history?

Can I by such refusal change one evil thing that was done against any group or against the nation itself in the past?

Will silence on my part, while others sing of the glories of the nation, correct one discord of yesteryears or heal one breach?

Can protest of the whole 200 years of our history purge any part of it of evil and render me or my people better citizens for the present and future?

In the act of refusing to celebrate, are we asking the nation to count us out of all of its constructive programs and purposes for the future?

Where do we wish to stand, and how do we wish to be classified in the future?

There are many opponents of our nation who will not praise and honor America's life. Shall we run the risk of being counted with them and against America, or shall we stand firmly with this great democratic republic?

I ask, my fellow Americans, where lies our future? Is it with America or with some other country or some other system that we have not as yet tried?

I am not neutral in this matter because I feel my talents are needed. I cannot be opposed to the nation because I object to those who are not in harmony with America's plans and purposes.

When the hour strikes to sing of the glories of our nation's past, who among us can refuse to take our place in that festive hour? We are not strangers and the land in which we live is not strange to us. It is our land. It is our home. It is our future. Hence we join with James Weldon Johnson and all of the rest of America in singing:

Lift every voice and sing,
'Till earth and Heaven ring.
Ring with the harmony of liberty.
Let our rejoicing rise high as the listening
    skies,

Let it resound loud as the rolling sea.
Sing a song, full of the faith that the dark
past has taught us,
Sing a song, full of the hope that the present
has brought us.
Facing the rising sun of a new day begun,
Let us march on 'til victory is won.

The writer of this poem knew of all the problems, the pains and shadows of the past, but he invites everyone to join in the song that celebrates the cause of freedom. He asks that every voice be lifted in praise and adoration. He knew that the dark past had been a schoolmaster that had taught the afflicted ones a strong faith—faith in themselves, faith in their fellow-men, faith in their nation and faith in the Determiner of Destiny.

He also knew that the present had brought hope that was too strong for despair and too real to reject the hymn of praise and the songs of liberty.

A QUALIFIED "MAYBE"

(By Vernon E. Jordan Jr.)

America's 200th birthday is on and, like many parties, it is turning into a gaudy affair, full of noise and clamor but with little substance. It has served as the excuse for some people to dress up in old three-cornered hats and weird costumes and to prance around re-enacting in mock form some of the deadly serious battles of the past. It has served as an excuse for many to waive the flag and parade their patriotism in the most shallow manner. And it has been commercialized mercilessly, with hamburgers renamed "liberty burgers" and red, white and blue packaging everywhere.

Thus, the current Bicentenntial celebrations mirror to some degree the hypocrisy that was not absent from the Revolution itself, a revolution that saw slaveholders proclaiming universal equality and rights and equality of all men.

Slavery is gone, but gross discrimination remains. In 1776, most blacks, North and South, were enslaved. In 1876, the year of the Centennial, came the great sell-out that ended the Reconstruction. And now, in the Bicentennial year of 1975–76, we are mired in a Depression that's thrown every fourth black worker out of a job and is burying the Second Reconstruction.

Given all this, serious questions have been raised about whether black people should join in celebrating the 200th anniversary of America's birth. Some people say it's not our party and we should send back the invitation marked "Will not attend." Others can't resist partying—at any party—and rightly point to the enormous strides we've made since the Revolution and eagerly want to participate.

There's a lot to be said for both points of view. My own feeling is that black citizens should participate in the Bicentennial but on our own terms and with the goal of adding substance and a black perspective to an event badly in need of both. I believe there are compelling reasons for a black presence in the Bicentennial, as in *all* aspects of national life.

Throughout our history, we have fought against white-imposed *exclusion;* the corollary to that is the responsibility to positively seek *inclusion*. Opting out of any major aspect of American life only serves the purposes of those who would wish to exclude us to begin with.

I believe the Bicentennial, for all of its glaring faults, presents us with an opportunity to stress the black heritage in the United States, and to remind a forgetting nation of the vitally important role blacks have played in it since the days when the wilderness reached to the very shores of the Atlantic.

Black participation in the Bicentennial can, at the very least, bring out the neglected history of blacks in the Revolutionary period. Everyone knows about Crispus Attucks, but there were also black Minutemen, blacks who responded to Paul Revere's call, blacks who served throughout the Revolutionary Army as soldiers in integrated units, blacks who spied, built bridges and forts and entrenchments and blacks who used the Revolution to further their own dreams of freedom.

Just as black participation in the Bicentennial is justified on the grounds of furthering the larger goals of black people, so, too, did our ancestors use the revolution itself to further their goal of freedom. For many, that meant fighting *against* the revolutionists and joining the British in return for the promise of freedom from slavery. Many more simply voted with their feet, running away from the slave masters; 30,000 slaves ran away in only one year in Virginia and three of four slaves in Georgia escaped to carry on guerrilla warfare against slaveowners.

Americans need to be reminded of this, as they have to be reminded of the hypocrisy of many of the signers of the Declaration, of the boundless desire of blacks of the period for liberty and of the forgotten ideals of the Revolution itself.

This last point is another powerful argument for constructive black participation in the Bicentennial. The Declaration of Independence has become another old piece of paper; the Constitution, a document to be evaded. The ideals that found expression in those historic documents have to be revived, and it is black people who are best equipped to call this to the attention of a nation consumed by anti-social privatism and a decayed morality.

Freedom, liberty and equality appear to have lost their meaning for many white Americans today. But for black people, those concepts still live and breathe; they still move us. They cannot be taken for granted by a people who just got the right to fair housing seven years ago, the vote ten years ago, the right to work eleven years ago, and the right to quality integrated schools barely twenty years ago. And the very fact that these are *rights* still honored more in the breach than in the observance make it all the more imperative for black citizens to use the occasion of the Bicentennial to press *our* uncompleted revolution.

Let us avoid the trap of joining so many white citizens in dishonoring the ideals of the Revolution by reducing the past to a homogenized myth that cynically downgrades the meaning of those events 200 years ago.

Frederick Douglass said that the American Revolution announced to black people "the advent of a nation based upon brotherhood and the self-evident truths of liberty and equality."

Sure, the events since then have fallen short of those ideals, but if you read the Declaration of Independence you'll see that it really was a revolutionary document, still relevant to our concerns and our needs. Its ideals had an extraordinary impact on the world of the late 18th Century and their influence has been felt today, both in the inspiration they've provided African liberation leaders and to black Americans seeking the fulfillment of 200-year-old promises.

Just think what it meant to a world ruled by hereditary monarchs for a colonial people to declare that governments exist to secure basic human rights and that such governments derive "their just Powers from the Consent of the Governed" and can be changed when they lose their legitimacy. Imagine what it meant to a world in which slavery, indentured servitude, and feudal relations were the norm for American revolutionaries to proclaim that "all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these rights are Life, Liberty and the Pursuit of Happiness."

While many people in colonial America, including many of the Founding Fathers, negated these revolutionary ideals by their slaveholding, others saw the contradictions involved and, within a relatively short period, slavery was abolished in the northern states.

The ideals of the American Revolution were anti-colonialist, anti-imperialist, libertarian and profoundly humane. It is those ideals we should celebrate today. The contrast between those ideals and present reality is one that black citizens should stress to the utmost. The Bicentennial isn't just another party, it's an opportunity for thinking black people to exploit the contradictions in American society and revive the ideals that may still serve to enable us to finally win long-delayed equality. Just as John Hancock is said to have signed his name to the Declaration with a flourish so that the King of England would notice it, so too should black citizens protest the gap bekween the ideal and reality in a constructive, forceful, unmistakable manner so that our just cause will be heard and understood by our fellow Americans.

Finally, we should understand that America is a process, it is continually changing and is in constant motion. Yesterday's wrongs may be ameliorated, today's can be righted. The conditions black people have faced since coming to these shores have changed, as has the nation itself. Much as we must focus on what remains to be done, we can take pride in what we have already accomplished. Everything we have today was won by positive black action in the face of massive resistance, from freedom from slavery to electing black mayors and congressmen.

Contrary to the assumption of many whites, blacks have *not* played a passive role in this nation's history. The Bicentennial offers us the occasion to educate the nation—and our own children—to the extraordinary role black people have played in building America. It was black musclepower that built the roads and toted the cotton and provided the basis for America's economic predominance. It was black brainpower that, in the face of obstacles unknown to other peoples, forged new discoveries in science, medicine, architecture and other basic fields. And it was black willpower that overcame discriminatory barriers and is today continuing to mark out a new place for black people in this nation. Ours is a past in which we may take great pride, a past we must transmit to our children, a past we must impress upon an uninformed nation.

Opting out of the Bicentennial would close to us the opportunity to use it for our own ends. Just joining the party would result in missing opportunities and degrading our past by accepting other people's myths.

A constructive black presence in the Bicentennial is necessary to insure that what might otherwise be a meaningless, commercialized celebration of mythology becomes a look backward to the past for insights and ideals that can be brought to bear on present problems.

Almost from the inception of this nation, black people have been the moral conscience of America, and in this Bicentennial we should continue to press our moral claims and prod our countrymen to focus on the ideals of the past and on the hopes and aspirations for the future.

To the degree that black people take the initiative in planning and implementing Bicentennial projects that address our concerns, needs and interests, an otherwise vapid birthday party will be converted into a positive, meaningful national experience.

Whitney Young used to say, "We may have come over in different ships, but we're all in the same boat now." A Bicentennial celebration in the midst of a Depression, widespread national confusion, and racial tensions offer an apt occasion to remind America of the truth of that statement. We all are in the same boat now, and that ship is sailing down Bicentennial River—with us or without us. Let's not jump ship, let's get our hand on the steering wheel instead.

AN ADAMANT "NO"

(By Lerone Bennett, Jr.)

Freedom was coming, and we were curious, to say the least, for we were from America, and we had never seen its face. We—my wife and I and some African-American friends—were sitting in this huge open-air stadium on independence night in Kenya. We had been sitting there for hours, listening to speeches and watching the tension build, and now it was one minute to midnight and there was a hush as eighty floodlights, flickered out, plunging the stadium into darkness and focusing attention on two flagpoles, pinned to the night by spotlights. One flagpole was bare; the other was topped by the British flag. The British flag fluttered for a moment in the December air, and then, at the stroke of midnight, someone broke the rope of its being. As it drifted toward the ground, the red, green, and black flag of Kenya started up the second flagpole. For a moment, we couldn't see it. Then the spotlight picked it up, and a roar, like the sound of mighty waters, shook the stadium as a quarter-million people came to their feet, screaming, weeping, and pounding one another.

As all this happened, a white man—I learned later that he was from Long Beach, California—started down the aisle, hugging Kenyans, and congratulating them on their freedom. I saw him coming, and I knew it was going to happen before it happened. Before I could move away, he grabbed my hand and said, tears streaming down his face, "Congratulations on your freedom." I stopped crying then, and I looked him in the eyes, and said: "We're from America. We are not free yet."

The white man looked at me, and I looked at him, and we nodded the slow nod of Recognition and Truth. For a moment, for a tiny moment, we were one. For a moment, for as long as it takes to snap a photograph, we were together in our apartness. And then the moment passed, and the white man went on down the aisle, playing the game of freedom Americans have played for almost 200 years.

I watched him go, and I wondered, not for the first time, about the essential schizophrenia of American life. Why, I wondered, do Americans make a practice of unfreedom and a profession of praising freedom? Why do they go out of their way to call attention to themselves by publicly professing what they are not doing, have never done, and have no intention of doing. There must be something, I thought, in the American air, something in the American soil, that drives such a deep fault in the character of the average American that he is unable to make a connection between what he is doing and what he is saying, something that makes him a perpetual adolescent, perpetually playing the game of freedom.

I thought that night, and I have thought since, that men who play with freedom are dangerous—dangerous to themselves, dangerous to others, dangerous to freedom. I thought then, and I have thought since, that playing with freedom is America's original sin, the curse of a country that came into the world hooked on the most dangerous of all drugs, hypocrisy. Since Thomas Jefferson said goodbye to his slaves and went off to Philadelphia to write the Declaration of Independence, playing with freedom has become a national passion in America. And now, with the institutionalization of the Bicentennial, America has raised that game to a level that is simply breathtaking in its sweep and audacity.

Two hundred years of the Declaration of Independence, and not one day of freedom for blacks, and millions of other Americans, and we not only have no shame, we propose to celebrate it.

Two hundred years of betrayal of one of the greatest dreams mankind has ever known, and we are not only oblivious to the enormity of our default, we have declared a year-long holiday to commemorate it.

Really, this behavior is astounding. And what makes it ominous, frightening even, is that most Americans seem to consider it normal.

Two hundred years of evasion of the central mandate of our revolutionary birth, two hundred years of slavery, segregation, inequality, unemployment, racism, and poverty, two hundred years of Little Rocks and Little Big Horns and Scottsboros and South Bostons have brought us to the brink of national disaster. Our economy is in shambles. Our political institutions are in disarray. Our spiritual temperature is at an all-time low. And grown men are dressed up in ridiculous costumes, playing freedom games with rusty muskets on astroturf.

This spectacle is an affront to truth and freedom. It is a desecration of the ideal. It is a mirage, an illusion, designed, at least in part, to divert attention away from our failure to create a human environment not only for blacks but also for whites and reds.

Let there be no mistake about my meaning. The question I'm raising here is an American question, not a black question. Or, better, it is an American question precisely because it is a black question. America is not right. America has never been right. The wrong we suffer as black people is a reflection of a deeper sickness at the heart of American society. What we suffer, to paraphrase Richard Wright, is what America is.

For this reason, and for others as well, I say No to the Bicentennial.

No for all those who believed, and did not see.

No for all those who said it and did it, and died broken and betrayed.

No for W. E. B. Du Bois whose body "lies a-moulderin'" in a Ghana grave because we didn't believe it.

No for Martin King and Malcolm X and Medgar Evers. No for Harriet Tubman. No for Nat Turner. No for James Earl Chaney. No for Morning Cloud and Osceola and Morning Dew.

No for the millions of slaves, and the millions of sharecroppers, who lived through two hundred years of Hell and sleep now in moonless nights in unmarked graves.

No for all the black men who died for the freedom of white folk, for all the black men who died for General Washington and General Jackson and General Pershing and General Eisenhower.

No for the Americans, for the *real* Americans. And yes, No for the whites who believed it and tried to live it. No for Tom Paine and old John Brown. No for Thad Stevens and Wendell Phillips. No for the Schwerners and Goodmans, for all the men and women who were crucified for believing what unbelievers are now celebrating.

No for the Dead.

And No for the Living.

No for the hungry and humiliated and despised, for all those out of work and out of hope.

For the Living, for the Dead, for the Unborn:

No. No. No.

Let America be America again.
Let it be the dream it used to be.
Let it be the pioneer on the plain
Seeking a home where he himself is free.

(America never was America to me.)
—LANGSTON HUGHES.

We are not going to waste any time on red herring or black herring. The issue is not whether the blacks of 1975 consume more calories than the blacks of 1775. The issue is not whether we have more Cadillacs than the cocoa farmers of Ghana. The issue is freedom, and men mesmerized by these false and extraneous issues understand neither freedom nor the Revolution of 1776. (George Washington owned some 300 slaves, and was doing quite well financially under the "intolerable" British oppression.) We might note in passing, moreover, that the widely held view that blacks are making "fantastic" progress is a part of the Great American Illusion. Consider, for example, the following statistics from the United States Bureau of the Census. In 1950, the gap between the median annual income of black families and white families was $1576. In 1973, the gap between the median annual income of black families and white families was $5326. We are not catching up in America; we are losing ground. The Dream is not coming true; the Dream is becoming a nightmare.

Let America be the dream that dreamers dreamed—
Let it be that great strong land of love
Where never kings connive nor tyrants scheme
That any man be crushed by one above.
(It never was America to me.)
—LANGSTON HUGHES.

There are two reasons why we should not lend ourselves to this charade. The first is that two hundred years have passed and we're not free, and that calls for mourning and struggle, not celebration. The second reason is that we're never going to have any freedom to celebrate if we don't seize every opportunity to remind white Americans that we are not free.

There has never been a better opportunity or a better time. For today, as in 1776, the Jailers of the Dream need our silence and/or consent. They can't celebrate with a good conscience if we don't still their doubts by telling them that the phantoms they worship are real.

It would be strategically and spiritually disastrous for us to make that gesture. It would be a betrayal of our interests and ideals. It would be a betrayal of all the men and women who were betrayed by the betrayers of the Dream.

For almost 200 years now, black leadership, especially "responsible" black leadership, has waged an unrelenting struggle on the battleground of the Declaration of Independence. The extraordinary spectacle of a people preaching freedom and practicing slavery, of a Thomas Jefferson and a George Washington crying wolf and playing wolf with the slaves of Monticello and Mount Vernon, of an Abraham Lincoln calling this a white man's country and going off to Gettysburg to say the big words, of a Woodrow Wilson segregating the toilets in Washington, D.C., and going forth to make the world safe for democracy, the extraordinary spectacle of this long-running American tragicomedy, and of a national schizophrenia so deep, so pandemic, that it has become the Mississippi of our being: this has been the theme of black leadership from the Richard Allen of the 1780s to the Asa Philip Randolph of the 1940s, and it is a theme no one man can avoid today.

We have no need to celebrate.

We need to defend the interests of freedom. We need to call for national repentance and national action. We need to call for an enormous national effort to complete the American Revolution. That effort should be based, first of all, on a national decision to live up to the Old Declaration and a national commitment to a New Declaration of Independence embracing the unalienable right to work, without which the pursuit of happiness is a cruel joke. The effort should be based, secondly, on a concrete, phase-by-phase Freedom Action Plan on the federal, state, and city levels, designed to create a democracy in America by midnight on July 3, 1976.

This is a rational and, all things considered, a moderate program. An extremist expects America to do tomorrow what it has not done in 199 years. A moderate is willing to wait 200 years—until 11:59 on July 3, 1976. A fool is willing to wait 400 years.

What, to the American slave, is your 4th of July? I answer; a day that reveals to him, more than all other days in the year, the gross injustice and cruelty to which he is the constant victim. To him, your celebration is a sham; your boasted liberty, an unholy license; your national greatness, swelling vanity; your sounds of rejoicing are empty and heartless; your denunciation of tyrants, grass fronted impudence; your shouts of liberty and equality, a hollow mockery; your prayers and hymns, your sermons and thanksgivings, with all your religious parade and solemnity, are to him, mere bombast, fraud, deception, impiety, and hypocrisy—a thin veil to cover up crimes which would disgrace a nation of savages.—Frederick Douglass, July 5, 1852.

Like the Bourbons of France, the Jailers of the Dream have learned and forgotten nothing.

One can see this plainly in the controversy over the Vietnamese refugees. The furor, in the black community anyway, was not over the refugees; the furor was over the hypocrisy of men and women who are prepared to do for aliens what they have never been willing to do for black-skinned Americans.

Today, as in the days of Douglass, the rationale for this policy is our national commitment to freedom abroad. But what about the national commitment to the 8,000 black soldiers who came home from Vietnam in metal boxes? What about the national commitment to the black soldiers who have died for almost 200 years to make the world safe for a democracy that was not safe for them at home? What about the national commitment to the Declaration of Independence and the Fourteenth Amendment?

We've been waiting for almost 200 years for unambiguous answers to these questions. But it only required two minutes for the leaders of the American government to decide that the rights of the Vietnamese aliens were unalienable. When the rights of the Vietnamese aliens were at stake, the President of the United States was firm and forceful. He was, he said, "damned mad" about some of the responses to his program. I, for one, was glad that he was mad. I wonder what took him so long.

He has been in public life for 27 years now, and he has never been "damned mad," in public anyway, about anything that happened to us. Why didn't he get "damned mad" when racists bombed school busses in his home state of Michigan? Why didn't he get "damned mad" about South Boston?

It's never too late, the doors of the house of freedom are always open, and we are permitted to hope that the President of the United States will at long last be moved to a state of damned madness about our plight. Until that time comes, we are bound to follow his precedent, and improve on it. The President said he was "damned mad." Good! We should all get mad. We should get mad enough to create our first national commitment to freedom in the United States of America.

Henry Kissinger went to Berlin to reaffirm our national commitment to freedom—let him go to Birmingham. The President went to Brussels—let him go to Harlem.

From whence comes this unseasonable suggestion? From an American, from an African-American, from a descendant of a people who have paid with buckets of blood for every inch of the soil we occupy. Let there be no mistake about that. I speak here as an American, and it is precisely as an American that I say that Americans have nothing to celebrate. Black people have nothing to celebrate. White people have nothing to celebrate. Red people have nothing to celebrate. We—black people, white people, red people—have work to do before we celebrate. We've got to make that America which was dreamed, which was promised, which was written down on pieces of paper, and which has never existed anywhere, except in the hearts of a handful of men and women. We—black people, white people, red people—have no time for fun and games. We've got to make the American Revolution, which was betrayed in the hour of its birth.

O, let America be America again—
The land that never has been yet—
And yet must be—the land where every man
is free.
The land that's mine—the poor man's,
Indian's, Negro's, ME—
Who made America
Whose sweat and blood, whose faith and pain,
Whose hand at the foundry, whose plow in
the rain,
Must bring back our mighty dream again.
—LANGSTON HUGHES.

AMERICANS NOT OPTIMISTIC ON FUTURE OF NATION'S ECONOMY

(Mr. BROYHILL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BROYHILL. Mr. Speaker, recent samplings of public opinion continue to show that the American people are not optimistic about the future of the Nation's economy. Despite encouraging signs from leading economic indicators, the Ameircan people remain unconvinced that unemployment will subside, interest rates will decrease, or that consumer price increases will slow down.

More and more Americans, if my constituent mail is an accurate measure, are beginning to realize the effect which the Federal Government is having on our economy. They are beginning to comprehend that Government regulation has added billions to consumer product cost, that Government borrowing in competition with private borrowers has forced interest rates up, and that expansion of the Nation's money supply to help the Government pay its bills has cheapened our currency and fueled inflation.

Millions of Americans, who during the recent recession were forced to live within even tighter budgets due to unemployment and inflation, have little or no sympathy for the plight of New York City, which has made no atempt for years to live within its financial resources. These same millions of Americans, having read of the imminent default of New York City, have realized perhaps for the first time that the idea that governments, unlike businesses, cannot go bankrupt, is simply a myth.

They are wondering aloud how the Federal Government can continue year after year to spend beyond its financial resources. Millions are for the first time genuinely concerned because only recently were they fully aware that for 14 of the last 15 years, the Government has arrogantly spent beyond its means. Defying even Keynesian economic doctrine, we have had Federal deficits when the economy was strong, as well as when it was weak.

During the recession, the American people were told to tighten their belts, while at the same time the Government loosened its belt. No one would argue that some economic stimulus was necessary, but certainly not to the extent of a $70 billion deficit or even higher.

The American people are becoming aware of the fact that the cost of Government programs comes out of their pockets. The cost is either in the form of taxes, or higher consumer product cost. The latter, of course, is due to inflation, the cruelest and most secretive tax of all.

More and more Americans are beginning to ask why Government should be any different from the average family or business in terms of living within its financial resources. They are unable to understand why Congress does not have the discipline to make its expenditures correspond to its income. I had great hopes for the new Budget Committee. I was privileged to serve on the task force that drafted legislation to create the Budget Committee, and I was honored to be among those members selected to serve on this important committee. Although I have seen some encouraging signs while serving on this committee, I have been concerned that in drafting the Budget Control Act we have perhaps failed to put enough teeth into it.

It is obvious that it is difficult for many Members of Congress to refuse to approve spending for a variety of well-meaning and beneficial programs, simply because there is insufficient income to finance these projects. This lack of discipline is leading us to a point of no return. We are already paying roughly $100 million per day on the national debt, which now has grown to approximately half a trillion dollars.

Indeed, we pay more in interest this year on the national debt than the entire Federal budget was in 1942. It is obvious that more stringent actions are necessary if we are to ever restore fiscal responsibility to our budgetary process. I have, therefore, introduced a constitutional amendment which will mandate that Congress keep a balanced budget, unless there has been a declaration of a national economic emergency.

Millions of American families sacrifice in order to live within a balanced budget. They know, however, the long-term difficulties they will face if they do not exercise budgetary self-discipline. Recent events in New York City have pointed out all too clearly where a lack of fiscal restraint can lead.

The time has come for the Congress to experience the hard financial decision-making that American consumers have experienced for years. It is time for Congress to force upon itself a system of discipline that obviously will not come voluntarily. If true economic stability is ever to a reality, the Government must at last set its financial house in order.

There is a growing grassroots movement to support a constitutional amendment, such as the one I have introduced. This constitutional amendment would require that the Federal Government operate within a balanced budget. Local chamber of commerce groups as well as individual citizens throughout the Nation are actively seeking support for such a proposal. This grassroots movement to encourage the Congress to adopt what has come to be called the Georgia plan, is gaining momentum and hopefully will win the attention of rank and file of Americans everywhere to the need for this important addition to our Constitution. I commend those who are actively involved in this grassroots effort, and I hope that their efforts will result in prompt congressional action to require a budgetary system which is financially sound.

DANGER TO OUR OZONE LAYER

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I have been concerned for some time now, as you are well aware, about the destruction of the Earth's protective ozone layer by either of two causes. First is the aerosol container problem. Fluorocarbons, which are the "inert" propellant used in many kinds of aerosols, have been observed rising in the atmosphere around the world. Studies have shown that fluorocarbons react with the ozone molecules, breaking them down, and rendering a weak spot in the protective ozone layer. This could result in significant increases of skin cancer around the world.

The second danger to the ozone layer is the supersonic transport. The protective ozone layer exists in the stratosphere where there is little weather to move particles around. The supersonic transport is the first commercial aircraft designed to fly in the stratosphere. The exhaust gases of the supersonic transport will react with the ozone molecules and break them down, just as the fluorocarbons will do.

These concerns have been expressed by many other Americans. Several scientists are presently conducting studies to determine the extent of danger from the two sources. Until these are completed, we cannot establish an outright ban on either aerosols or supersonic transports, but we must act cautiously until the case is proven one way or the other.

Frequently concerns such as these are thought to exist only in the United States. Concerns about the effects on the ozone layer of aerosol propellants and the exhaust from supersonic transports are found in other nations of the world as well as the United States.

The following article from the London Sunday Times of October 26, shows that these concerns exist in Great Britain, even though that nation is currently pushing the U.S. Department of Transportation to allow the Concorde, a supersonic transport, to land in the United States. I commend this article to the attention of all my colleagues:

THE TIME-BOMB THAT TICKS IN A TIN OF AEROSOL

(By Bryan Silcock)

(Scientists are worried by a threat to the delicate layer of the atmosphere surrounding the earth that protects man from the sun's lethal ultraviolet radiation. The threat comes from the rapidly increasing use of aerosols; these contain chemicals which destroy the protecting canopy. Most worrying of all, the effects of the aerosols now being used are cumulative and will last for years. Are we building a planetary time-bomb?)

Every week in Britain we buy nearly 10 million aerosol sprays and in the U.S. the figure is aproaching 3,000 million a year. Use of aerosols has doubled in seven years. And if this world use goes on increasing at the present rate, in 20 years it could reduce by 30 percent the upper atmosphere's layer of ozone—a special form of oxygen. Among the serious consequences feared by scientists are a rise in human skin cancer caused by the increase in ultra-violet radiation, and major changes in climate.

The delicate natural balance that sustains the ozone layer is in fact under a double threat: from the exhaust gases of supersonic aircraft, as well as from the chemicals called fluorocarbons used in aerosols. Of the two, the aerosol threat appears to be much the more sinister.

Scientists concerned about the danger say that the build-up of fluorocarbons in the atmosphere could have a delayed, time-bomb effect. That is, the fluorocarbons being released now will not have their maximum effect for 10 years; and the effects may persist for a century or more.

One of the requirements for an aerosol propellant is that it should be extremely inert chemically, so that it does not react with the deodorant or whatever else it is propelling. The fluorocarbons fulfill this condition admirably. But inert chemicals tend to be long-lived. That is why they are so worrying.

The first hint of the problem came five years ago, when Dr. James Lovelock, a scientist at Reading University, detected fluorocarbons over western Ireland, indicating that they were polluting the entire atmosphere. At the time his report led to little more than mild scientific interest for fluorocarbons appeared to be completely harmless.

Among those interested in the question of what happened to them in the atmosphere were Professor Sherwood Rowland and Dr. Mario Molina of the University of California at Irvine. Their research revealed that there is no way in which fluorocarbons are removed from the lower atmosphere. They are not, for example, washed out by rain. Rowland and Molina concluded that any destruction of fluorocarbons must take place high in the stratosphere, where the sun's intense ultra-violet radiation helps chemical change.

Their calculations showed that the breakdown of fluorocarbons is a very slow process; a typical molecule could drift around for decades before being destroyed. However, it was when they began to think about the chemistry of the process that the real implications of their findings came home to them. "It happened quite suddenly, just before Christmas in 1973," Dr. Molina recalls.

The problem they had uncovered was this. One of the products of the destruction of fluorocarbons by solar ultra violet in the stratosphere is chlorine—and chlorine attacks ozone. In itself this would not be particularly serious, as the quantity of chlorine is minute. But the researchers realized that through a complicated series of reactions the chlorine would be recycled—*more* chlorine would be produced. A single atom of chlorine would therefore destroy a relatively large quantity of ozone. The trace of chlorine introduced into the stratosphere via fluorocarbons could have an effect on the ozone layer out of all proportion to its concentration.

But even this was only half the story. Since the inert fluorocarbons survive for so long in the lower atmosphere, this provides a reservoir from which the startosphere is continually topped up. Fluorocarbons already in the atmosphere will continue to affect the ozone layer until well into the next century.

According to calculations by Rowland, Molina and others, said to have been accepted by a recent closed meeting of the World Meteorological Organisation, the ozone layer could already have been depleted by up to one per cent by fluorocarbons.

Recently an American researcher has raised the possibility that fluorocarbons could also produce big changes in the climate—not by affecting the ozone layer but through a "greenhouse effect."

While the threat from supersonic airliners is not on this scale, it is by no means negligible. The problem of stratospheric pollution by supersonic jets is better documented as it has been recognized far longer. The detailed studies of the effects of a thinning of the ozone layer carried out as a result of the supersonic programme are equally applicable to the fluorocarbon problem.

The first warning that supersonic planes could affect the ozone layer came from Professor Harold Johnston of the University of California in 1971. Jet engine exhausts, he pointed out, contain small quantities of various oxides of nitrogen, the very substances responsible for most of the natural destruction of ozone in the stratosphere, by a process very similar to that involving chlorine. The nitrogen oxides from subsonic jets flying in the lower atmosphere are quickly removed by rain and other natural processes. But with supersonic jets flying in the stratosphere this does not happen.

Professor Johnston's warning was widely pooh-poohed at first, but evidence in his favour, from laboratory experiments and measurements in the stratosphere, has accumulated steadily, and the consensus now is that he is right, though there is still a lot of argument about the extent of the danger.

Earlier this year the US National Academy of Sciences published a detailed report which fully vindicates Professor Johnston. It concluded that 100 present subsonic jets would reduce stratospheric ozone by 0.02 per cent, 100 next-generation subsonics by 0.2 per cent, and 100 Concordes or Russian Tu 144s by 0.7 per cent. One hundred formerly projected American supersonic jets would have reduced the ozones by three per cent.

The differences are due partly to the heights at which the aircraft fly and partly to the amount of fuel they burn. There is a degree of uncertainty in all the estimates, particularly those for the subsonics which fly close to the lower edge of the stratosphere where atmospheric movements are difficult to predict.

According to these figures, a fleet of, say, 30 Concordes and Russian Tu 44s would have an effect on the ozone layer too small to be detectable. But several hundred bigger supersonic jets of a later generation, if they are built, would have a major effect comparable to that of aerosol usage continuing at its present level. The original US supersonic project was cancelled some time ago, but it might well be revived if Concorde is any kind of commercial success.

The academy's report also studied the likely effects of depletion of the ozone layer, which are, of course, the same whether the depletion is due to fluorocarbons, jets or both. By far the most important effect, it concluded, is likely to be an increase in human skin cancer.

Skin cancer is of two main types. By far the commonest occurs mainly in old people and although it is disfiguring and may recur, it is rarely fatal if diagnosed and treated promptly. In the US, where exposure to the sun is much greater than in Britain, there are a few cases per thousand people per year. The death rate is less than one in a 100 cases. The other form of skin cancer—melanoma—

is much more serious, but much less common. The incidence in the US is a few cases per 100,000 people. About one case in three is fatal.

According to the academy report every one per cent of depletion of the ozone layer will lead to a two per cent increase in incidence of skin cancer, so that fluorocarbons could already be causing thousands of cases. With the 10 per cent ozone depletion that is calculated as the effect of continuing use of fluorocarbons at present levels, there could be tens of thousands of extra cases of skin cancer in the US alone.

The report's figures are not accepted by everyone. The US Transportation Department and the British Met Office think they are too pessimistic. But the fact remains that there will be unacceptable dangers in the continuing unrestricted use of fluorocarbons as aerosol sprays, and in large fleets of supersonic jets based on existing technology.

In the long term, technology could provide an answer. Nitrogen oxides are produced in jet engines because of the very high temperatures inside them. So changes in engine design could drastically reduce nitrogen oxides emissions. But the changes will be expensive, adding five or 10 per cent to the development costs of the next generation of engines.

As far as fluorocarbons are concerned, assuming theories of their effects are correct, their use as aerosol propellants at any rate will have to be restricted. But an immediate ban would have widespread economic effects and throw many out of work. There is little doubt that it will be possible to find acceptable alternatives in a few years time. But even if the problem of atmospheric pollution is solved it will have demonstrated the need for awareness of the dangers involved in technological advances.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Del Clawson (at the request of Mr. Rhodes), for November 7 through November 11, on account of official business.

Mrs. Collins of Illinois (at the request of Mr. O'Neill), for today, on account of a death in the family.

Mr. Addabbo (at his own request), for today, on account of official business.

Mr. Danielson (at the request of Mr. O'Neill), for Friday, November 7, Monday, November 10, and Tuesday, November 11, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous matter:)

Mr. Kemp, for 1 hour, today.

Mr. Andrews of North Dakota, for 10 minutes, today.

Mr. Edwards of Alabama, for 10 minutes, today.

Mr. Mosher, for 5 minutes, today.

Mr. Frenzel, for 15 minutes, today.

(The following Members (at the request of Mr. Simon) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Patman, for 30 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Conyers, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,073.

Mr. Sebelius to include extraneous material in his remarks in the Committee of the Whole today.

(The following Members (at the request of Mr. Myers of Pennsylvania), and to include extraneous matter:)

Mr. McKinney.

Mr. Miller of Ohio in six instances.

Mr. Crane.

Mr. Ashbrook in two instances.

Mr. Sebelius.

Mr. Coughlin.

Mr. Hagedorn.

Mr. Burke of Florida in two instances.

Mr. Goodling.

Mr. Moore.

Mr. Emery.

Mr. Grassley.

Mr. Broyhill.

Mr. Ruppe.

(The following Members (at the request of Mr. Simon) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Fisher.

Mr. Hungate in two instances.

Mr. Dent.

Mr. Moss.

Mr. Dingell in four instances.

Mr. Vander Veen.

Mr. Annunzio.

Mr. Mikva.

Mrs. Sullivan.

Mr. Drinan in 10 instances.

Mr. Hawkins.

Mr. Fithian.

Mr. Gaydos.

Mr. Waxman.

Mr. Early.

Mr. Edgar.

Mr. Ambro.

Mr. Levitas.

Mr. Moakley in two instances.

Mrs. Chisholm.

Mr. McDonald of Georgia in two instances.

Mr. Rogers in five instances.

Mr. Jenrette.

Mr. Eilberg in two instances.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on November 6, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 6334. An act to amend further the Peace Corps Act, and for other purposes.

ADJOURNMENT

Mr. SIMON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 4 o'clock and 22 minutes p.m.) under its previous order, the House adjourned until Monday, November 10, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2004. A letter from the Acting General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize the Secretaries of the military departments to reimburse nonappropriated fund instrumentalities located in the Ryukyu Islands and Daito Islands, Japan, for increased costs in severance pay entitlements of their Japanese employees incurred as a result of the reversion of those islands to Japan; to the Committee on Armed Services.

2005. A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting notice of the proposed transfer of the obsolete submarine ex-*Pampanito* (ex-SS *383*) to the San Francisco Maritime Museum, pursuant to 10 U.S.C. 7308(c); to the committee on Armed Services.

2006. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of a proposed amendment to the regulations governing programs for children in institutions for neglected or delinquent children, pursuant to section 431 (d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2007. A letter from the Commissioner of Indian Affairs, transmitting reports on the status of bilingual education programs for Indian children, pursuant to 88 Stat. 508 [20 U.S.C. 880b–8 (c) and (d)]; to the Committee on Education and Labor.

2008. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 326–B, *the Confederated Tribes of the Goshute Reservation suing on its own behalf and on behalf of the Goshute Tribe, plaintiff*, v. *the United States of America*, defendant, and docket No. 326–J, *Goshute Tribe or identifiable group, represented by the Confederated Tribes of Goshute Reservation, plaintiff* v. *the United States of America, defendant*, (consolidated), pursuant to 60 Stat. 1005 [25 U.S.C. 70t]; to the Committee on Interior and Insular Affairs.

2009. A letter from the Director, Defense Security Assistance Agency, transmitting notice of intention of the Department of the Army to offer to sell certain military services to Kuwait, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2010. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain military equipment to Germany, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2011. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 93–403; to the Committee on International Relations.

2012. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2013. A letter from the Chairman, Council on Environmental Quality, transmitting the final reports of the council entitled, "Study of Federal Water Quality Monitoring Efficiency" and "Study of Federal Water Quality Planning Efficiency", pursuant to section 11 of the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works and Transportation.

2014. A letter from the Administrator of Veterans' Affairs, transmitting notice of a proposed new records system for the Veterans' Administration's Compensation, Pension and Education System, pursuant to 5 U.S.C. 552(a)(o) (Public Law 93–579), Privacy Act of 1974); jointly, to the Committees on Government Operations and Veterans' Affairs.

Received From the Comptroller General

2015. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority contained in the message from the President dated September 24, 1975 (H. Doc. No. 94–261), pursuant to section 1014(b) of Public Law 94–344 (H. Doc. No. 94–299); to the Committee on Appropriations and ordered to be printed.

2016. A letter from the Comptroller General eral of the United States, transmitting his review of the revised deferrals of budget authority contained in the message from the President dated October 3, 1975 (H. Doc. 94–272), pursuant to section 1014(b) of Public Law 94–344 (H. Doc. No. 94–300); to the Committee on Appropriations and ordered to be printed.

2017. A letter from the Comptroller General of the United States, transmitting his review of eight new deferrals and two revised deferrals of budget authority contained in the message from the President dated October 20, 1975 (H. Doc. No. 94–282), pursuant to section 1014(b) of Public Law 94–344 (H. Doc. No. 94–301); to the Committee on Appropriations and ordered to be printed.

2018. A letter from the Comptroller General of the United States, transmitting a report on the release of funds proposed to be rescinded (R76–3), which have been made available to the Department of the Treasury, and notification that congressional actions have taken place effecting the release of budget authority for the Department of Transportation on proposed rescissions (R76–1 and R76–2) causing him to defer final decision concerning civil action (H. Doc. No. 94–302); to the Committee on Appropriations and ordered to be printed.

2019. A letter from the Comptroller General of the United States, transmitting the second in a series of reports on the causes of shipbuilders' claims against the Navy; jointly to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STRATTON: Committee on Armed Services. H.R. 9691. A bill to amend title 10 of the United States Code in order to make certain disability retirement determinations by the Secretaries of the military departments subject to review by the Secretary of Defense (Rept. No. 94–643). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee on Armed Services. S. 2114. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes; with amendment (Rept. No. 94–644). Referred to the Committee of the Whole House on the State of Union.

Mr. MAHON: Committee on Appropriations. H.R. 10647. A bill making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–645). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 8451. A bill for the relief of Jung Shik Yang (Rept. No. 94–641). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 8555. A bill for the relief of Angel Pader Cabal (Rept. No. 94–642). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO (for himself, Mr. Edwards of California, Mr. Seiberling, Mr. Drinan, Mr. Badillo, and Mr. Dodd):

H.R. 10624. A bill to revise chapter IX of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. BAFALIS (for himself, Mr. Gibbons, Mr. Haley, Mr. Fascell, and Mr. Pepper):

H.R. 10625. A bill to amend title 23 of the United States Code to authorize the Secretary of Transportation to obligate the United States to pay from future year apportionments the Federal share of any highway on the Interstate System through the retirement of certain State bonds or other evidences of indebtedness used for construction of such highway; to the Committee on Public Works and Transportation.

By Mr. CORNELL:

H.R. 10626. A bill to amend the Menominee Restoration Act; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY (for himself, Mr. Boland, Mr. Fascell, Mr. Gilman, Mr. Harrington, Mr. Madigan, Mr. Mosher, Mr. Steiger of Wisconsin, Mr. Van Deerlin, and Mr. Winn):

H.R. 10627. A bill to prevent the commercial exploitation of national battlefields, national military parks, and certain similar areas by authorizing the Secretary of the Interior to acquire property rights in privately held lands within the boundaries of such areas; to the Committee on Interior and Insular Affairs.

By Mr. GUDE (for himself, Mr. Ottinger, Ms. Holtzman, and Mr. Howe):

H.R. 10628. A bill to amend the Small Business Act to establish within the Small Business Administration a new direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment; jointly to the Committees on Small Business, and Banking, Currency and Housing.

By Mr. HALEY:

H.R. 10629. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Florida Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. HEINZ (for himself, Mr. Ford of Tennessee, and Mr. Gradison):

H.R. 10630. A bill to amend title 18 of the United States Code in order to provide for greater penalties for persons convicted of conspiring to commit any offense against the United States or to defraud the United States; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 10631. A bill to amend the Urban Mass Transportation Act of 1964 to authorize financial assistance for emergency rail passenger service operating assistance; to the Committee on Public Works and Transportation.

H.R. 10632. A bill to amend the Urban Mass Transportation Act of 1964 relating to emergency rail passenger service, and for related purposes; jointly to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. LaFALCE (for himself, Mr. Addabbo, Mr. AuCoin, Mr. Badillo, Mr. Baldus, Mr. Bedell, Mr. Breaux, Mr. Burgener, Mr. Downey of New York, Mr. Duncan of Oregon, Mr. Goldwater, Mr. Harrington, Mr. Howard, Mr. Jenrette, Mrs. Lloyd of Tennessee, Mr. Mazzoli, Mr. Mineta, Mr. Nowak, Mr. Oberstar, Mr. Ottinger, Mr. Pattison of New York, Mr. Seiberling, Mr. Whitehurst, and Mr. Winn):

H.R. 10633. A bill to amend the Small Business Act to provide that determinations by the administration of the reasonable assurance of repayment of prospective loans be made on a case-by-case basis and to clarify the eligibility of small business home building firms for assistance under the Small Business Act; to the Committee on Small Business.

By Mr. LONG of Maryland:

H.R. 10634. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him in connection with his education or training, or the education or training of his spouse or any of his dependents, at an institution of higher education or a trade or vocational school; to the Committee on Ways and Means.

By Mr. MIKVA:

H.R. 10635. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to defer a portion of his income tax based upon the amount of certain expenses paid or incurred by him in connection with the education or training at an institution of higher education or a vocational school of the taxpayer, his spouse, or any dependent; to the Committee on Ways and Means.

By Mr. MOLLOHAN (for himself, and Mr. McDade):

H.R. 10636. A bill to amend title XII of the Public Health Service Act to revise and extend the program of assistance for emergency medical services systems; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS:

H.R. 10637. A bill to amend the Securities Exchange Act of 1934 to prevent control by foreign persons of American companies engaged in vital industries; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTEN:

H.R. 10638. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. RUPPE:

H.R. 10639. A bill to authorize the President to allocate propane during periods of shortage; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 10640. A bill to amend the Mutual Security Act of 1954, as amended, to provide Congress with more comprehensive reports of commercial arms exports licensed by the Office of Munitions Control; to the Committee on International Relations.

By Mr. THORNTON (for himself and Mr. HAMMERSCHMIDT):

H.R. 10641. A bill to amend titles XVIII and XIX of the Social Security Act to provide an optional, simplified method of reimbursement for physicians' services under the medicare and medicaid programs for each State on the basis of a fee schedule, uniform throughout such State, and to authorize reimbursement to participating physicians in the full fee schedule amounts (with collection of the applicable deductibles and coinsurance from patients becoming the responsibility of the Federal program); jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. TRAXLER:

H.R. 10642. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health; to the Committee on Agriculture.

By Mr. MAHON:

H.R. 10647. A bill making supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. ROE:

H.J. Res. 721. Joint resolution to authorize the President to issue a proclamation designating November 10, 1975, in commemoration of the 200th anniversary of the U.S. Marine Corps; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE (for himself, Mr. GRADISON, Mr. KELLY, Mr. HYDE, and Mr. HAGEDORN):

H.J. Res. 722. Joint resolution directing the Attorney General to conduct an investigation of the finances of New York City to determine whether any violations of Federal laws have contributed to that city's financial crisis; to the Committee on the Judiciary.

By Mr. GIAIMO:

H. Con. Res. 471. Concurrent resolution expressing the sense of Congress that each person held in slavery shall be considered to have been a citizen of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 10643. A bill for the relief of M. Sgt. Francis H. Comeaux; to the Committee on the Judiciary.

H.R. 10644. A bill for the relief of Jeannette Poulin; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 10645. A bill for the relief of Lilia Araujo; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 10646. A bill for the relief of Mr. and Mrs. Luis Arturo Diaz-Carreno and their children, Ricardo, Lillian and Luis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

287. By the SPEAKER: Petition of the president and board of trustees, Elk Grove Village, Ill., relative to revenue sharing; to the Committee on Government Operations.

288. Also, petition of the Pennsylvania Republican Congressional Delegation, Washington, D.C., relative to natural gas shortages; to the Committee on Interstate and Foreign Commerce.

289. Also, petition of the city council, Miami Beach, Fla., relative to the right of U.S. citizens to peaceful assembly; to the Committee on the Judiciary.

290. Also, petition of the Oklahoma Agricultural Cooperative Council, Stillwater, Okla., relative to taxes, antitrust changes, grain standards, and exports, as they affect agriculture; jointly, to the Committees on Agriculture, Government Operations, International Relations, and Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

LEE HAMILTON'S WASHINGTON REPORT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. HAMILTON. Mr. Speaker, I include my Washington Report, entitled "The Arts":

THE ARTS

In scores of Indiana communities Hoosiers are enjoying a variety of fall activities before the onset of winter. Parades, folk art, handicrafts, street fairs, museums, antique and art shows, and festivals of many kinds add to the variety and quality of life. One of my privileges as a Congressman is to visit many of these community celebrations.

As I visit these celebrations, I am just constantly impressed with the number of Hoosiers enjoying woodworking, weaving, pottery, ceramics and other crafts, playing in bands and orchestras, painting, and sculpturing, writing poetry, making movies and photographs, singing in choral groups, and performing in little theaters or dance groups. The arts have become a participant sport in Indiana.

It is worth noting that these events are a part of a boom in artistic and cultural activities that is sweeping America. During the last 10 years, interest and participation in the arts has grown substantially. Each year there are over 300 million visits to museums and more than 12 million visits to symphony concerts, and over $2 billion is spent on cultural activities. One study found that 150 million Americans—89% of the adult population—feel that the arts are important to the quality of life in their communities.

It may come as a surprise to some that the federal government has been involved for 10 years in a major way in promoting the arts. Since 1965 the National Endowment for the Arts has worked to improve the state of the arts across the country with financial assistance for music, dance, museums, art, and culture. Recipients of National Endowment of the Arts grants have included ballet companies, symphony orchestras, local cultural centers, museums, young poets, a floating theater, and many others.

During these years the National Endowment's budget has grown steadily. Presidents Johnson, Nixon, and Ford and the Congresses since the mid-sixties have supported increases for the Endowment, and its budget has grown from $2.5 to over $75 million per year. Yet most of the money spent in this country for the arts still comes from private sources. Each dollar made available by the National Endowment for the Arts normally raises about $4 in private contributions. The total impact of the Endowment's budget is estimated to be between 5% and 10% of the total spent for the arts each year, and most of the rest comes from individuals, foundations, corporations, and city and county governments. State arts commissions, which receive $200,000 grants from the National Endowment, are also working hard to boost the arts and have grown threefold in the last 10 years. The Indiana Arts Commission, for example, is supporting a project to inventory Indiana museum holdings, a program bringing creative writers to Indiana schools, and another bringing cultural performances from colleges to small communities.

In part because of the active role the National Endowment for the Arts has played in the expansion of the arts, the United States is becoming aware that it is a major force in the arts and rich in cultural resources. U.S. artists and cultural institutions are recognized as among the finest in the world, and most qualified observers think that the arts are at their highest level of quality ever in this country.

All of this represents a profound change in the relationship of government to the arts in this country. Over many years the government and the artists have eyed each other with suspicion, and patronage of the arts was not considered a part of government's role. A declining number of persons still feel that way. They fear the big hand of government could stifle and censor the arts, and they point to other pressing needs. But President Washington observed that "the arts . . . are essential to the prosperity of the states," and others have pointed out that a nation which refuses to spend a penny for the arts for every $500 it spends on defense may find it has much less to defend.

The arts still have their problems, of course. They tend to be the preserve of the white middle and upper classes in the country, and inflation and the recession have made the normally tough financial problems of the arts even worse. When the economy deteriorates the arts are usually the first to be cut. By their nature the arts cannot counteract spiraling costs with improved technology, mass production, or automation.

But despite the current problems, the arts are an economic as well as cultural resource. Money spent on the arts influences the economy of an entire community and has a multiplier effect. The arts are an asset in the tourist industry, they attract business and industry, and they enhance real estate values.

People are more conscious of the arts today, a broad geographical and economic base of support for the arts has been established, and the unifying effect of the arts may be just the right medicine for a country which is more diverse than ever. As the nation moves toward its third century we can look to the arts to assure us of a national life with joy, beauty, and peace.

SECRETARY OF DEFENSE JAMES SCHLESINGER'S GAINESVILLE, FLA., REMARKS ON THE ROLE OF DÉTENTE AND ITS EFFECTS UPON DEFENSE POLICY DECISIONMAKING IN OUR GOVERNMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. KEMP. Mr. Speaker, in the aftermath of the President's dismissal of our able Secretary of Defense, Dr. James Schlesinger, last weekend, one of the Secretary's speeches and related press conferences which has received heightened national attention was his October 24 appearance at the Blue Key Banquet at the University of Florida in Gainesville.

As I said in this Chamber on Wednesday of this week, I disapprove of—and am disappointed by—the firing of the Secretary. While no one can agree with anyone else 100 percent of the time, I believe the Secretary was one who—more than any other—foresaw the false blandishments of Soviet promises. He warned us against letting the Soviets substitute rhetoric for results. And, most importantly of all, he felt the premise for all U.S. decisions with respect to the future of détente and any SALT II agreements should be what is in the best interest of our own national security.

Secretary Schlesinger is, indeed, a very capable man. As a member of the Subcommittee on Defense of the Committee on Appropriations, I have been amazed at his command of concepts of strategy, threat scenarios, and complicated facts and figures. But, it was no surprise to any of us. A doctor of philosophy in economics from Harvard University, an academic consultant in economics to the U.S. Naval War College, a consultant to the Federal Reserve Board of Governors, a professor of economics at the University of Virginia, the director of strategic studies at the Rand Corp., the Acting Director of the Bureau of the Budget in its transition into the Office of Management and Budget, an Assistant Director of OMB for Defense and Security Affairs, the Chairman of the U.S. Atomic Energy Commission, and the Director of the Central Intelligence Agency—those were the qualifications which he brought with him to the position of Secretary of Defense. And, I think it worth remembering that he still carries those qualifications today.

I think it is important—in light of what I perceive will be his continuing service in a private capacity to the interests of the Nation—to study carefully his remarks at the Blue Key Banquet. I offer them, including the questions and answers at the press conference, at this point in today's RECORD:

REMARKS BY THE HONORABLE JAMES R. SCHLESINGER, SECRETARY OF DEFENSE

Secretary Schlesinger: Thank you very much, Dr. Marston, Governor Askew, Senator Chiles, Senator Stone, Members of the Florida Congressional Delegation, other Distinguished Guests, Members of the Blue Key, Honorees of the Blue Key, Ladies and Gentlemen.

It is an honor for me to be here this evening to represent the President. And I bear his greetings and once again express his deepest regrets that because of illness he was unable to be here. It is a pleasure to substitute for him. And it is a pleasure to be here in Gainesville at the Blue Kay—or I thought it was Gainesville until I met the toastmaster and was reminded of Eglin Air Force Base.

This is the Homecoming Week and so thoughts of athletic prowess are broad here in Gainesville. The cry, "Beat Duke" can be heard. But I urge upon you to think not only of athletic contests in the stadium but also of the larger international contests in which the United States must continue to be a participant.

The toastmaster has reminded us of the Titanic and I believe tomorrow evening, some of the older members amongst you may sing of the sinking of the Titanic. So I would urge upon you the applicability of that event in the current circumstances that the United States faces and that we insure that we are not playing cards on the deck of the Titanic when the band strikes up with "Nearer my God to Thee".

On two previous trips to Florida, I had the pleasure of going out to the National Monument at the Dry Tortugas to visit what I call the Fort Jefferson Weapon System. And it caused one to reflect. Construction of Fort Jefferson started in the 1840's and, after some interruptions of an extended period of time, was completed in the 1870's. There were major cost overruns. Funding, as is characteristic of the legislative process, was interrupted on several occasions. Finally with the completion of that weapon system, it was discovered that it was wholly obsolete because the masonry walls could not withstand the fire of rifled cannon. So it was turned to other uses.

One thinks about those events in the 20th Century and we have some parallels. It was all right in the 19th Century when there was no serious external threat to the United States and the United States did not have worldwide responsibilities. But today, the United States has worldwide responsibilities and consequently those responsibilities call not for a capacity to rearm as occurred in World War II, but the continued maintenance of forces-in-being with which we can discharge those responsibilities.

Since 1945, the United States has acquired an historic role and historic responsibilities. There is some tendency these days toward a nostalgia looking back to the world before 1940 when the United States could truly live in isolation and when threatened had both free world forces external to the United States that could skirmish while the United States prepared its own military establishment.

Since 1945 that has not been a possibility for this country. The historic responsibility has come upon us to be the mainstay and the maintainer of the free world. We are the only possible counterweight to the existence of Soviet power and the Soviet Union is the only other superpower. If we do not serve as a counterweight there is no one else that can discharge that responsibility.

Since 1945, by and large the United States has discharged those responsibilities and had established for a 20-year period an epoch that will be known as Pax Americana in which the bulk of mankind enjoyed expanding trade, expanding economic relationships, a growing standard of living and, might I add, a spread of civil liberties to more people than had ever enjoyed them before. All of this was dependent upon the power and the sense of responsibility of the American people. And in this Bicentennial year, as we look back, it is a period to be proud of.

But we still bear those responsibilities, despite a certain weariness in our public that has grown out of the Vietnam War. In order to preserve the kind of world in which we wish to live, in which other countries have the power and the security to enjoy democratic forms, it is essential for us to retain with the assistance of our Allies, a worldwide military balance.

Detente, which we pursue eagerly, is no substitute for defense. It is no substitute for deterrence. Deterrence and detente rest upon the preservation of an equilibrium of force. Political stability, like military stability, depends upon that equilibrum of force. And if the equilibrium of force, if the worldwide military balance, erodes then there will be political changes that threaten freedom, first abroad and then ultimately in our own land.

So how are we faring with regard to that worldwide military balance? I recall, that some years ago Jose Iturbi, a concert pianist, was asked one day why he practiced each and every day. He responded: "I must practice. If I fail to do so, on the first day I notice the difference; on the second day, my critics notice the difference; and on the third day the public notices the difference."

How is the United States faring in the world? What do other audiences think of us? I cite one example, the Allensbach poll in the Federal Republic of Germany, the equivalent of our Gallup Poll. In the 1950's, the German pubic which represents one of our most stalwart allies, was asked what country in the future will be the most powerful nation in the world? The response was, at that time, 11 percent for Soviet Union; 32 percent, the United States.

Today, that same question has been asked in Germany and the response today is almost exactly the reverse. By a three to one ratio, the German public believes that in the future the Soviet Union will become the world's most powerful state. That represents an erosion of prestige partly driven by the circumstances of our involvement in Southeast Asia, partly driven by what is seen to be overseas as a failure of American national will and partly by changes in the objective components of the world military balance.

There has been a marked erosion of American power in a period of time that there has been a steady expansion of Soviet military power. To take some examples of this erosion, since fiscal year 1968, we have reduced in this country our real spending on the Department of Defense by some 45 percent. We have reduced military manpower by a million and a half. At 2.1 million men in the Armed services today, we are at the lowest point since the pell-mell demobilization after World War II.

The United States Navy in these eight fiscal years has shrunk from 976 ships in the active fleet to 483 ships, the first time since two years before Pearl Harbor that the active fleet has contained fewer than 500 ships. In terms of the Federal Budget, since prewar times, we have shrunk from 43 percent to less than 25 percent today. In terms of public spending, we have now declined in the Department to 16 percent, the smallest proportion since before Pearl Harbor.

All of this has occurred before. It occurred after World War II during the rapid demobilization, the desire to bring the boys back home which led subsequently to the Korean War and to the decayed posture of the Western world in Western Europe itself.

At that time we had rationalizations. We had the belief in the 1940's that one could, during the Louis Johnson period, cut into fat and not into muscle or, in a later period of time, acquire a bigger bang for the buck. These concepts that somehow or other the Department of Defense can increasingly do more with what is steadily less, becomes the rationalization for diminution of defense support during a period in which the public's attention is diverted.

The United States is the mainstay of the worldwide military balance so we must look at what is occurring on the other side of the scales. Soviet power has grown steadily over the entire period since World War II and notably so in the last decade. Its expansion of military expenditures occurs in real terms at about 4 percent per annum. In the spirit of detente, in the spirit of Camp David, in the spirit of Glassboro, in the spirit of Geneva, it is a steady constant growth. In the last decade, the Soviets have acquired a blue water navy. At the present time, they are initiating the most massive deployment of strategic missile systems that the world has yet seen. Their armed forces today outnumber ours by about two to one. In terms of spending, in dollar terms, they outspend us by about 30 percent unless one disregards pensions, in which case they outspend us by 50 percent.

But the most important element is not the present level and present relationship; it is the trend that can be observed; a steady growth over the years of Soviet military power and a steady, in recent years, erosion of American military power and support for the military establishment. We will not remain for long a military power second to none with a continuation of these trends. And by the end of the decade there is no question that the prevailing military balance that we have precariously established with the assistance of our Allies in the Eastern Hemisphere will be eroded and the position of the Soviet Union will—if these trends continue—become preponderant.

I think it is important for all of us to recognize the implications of these trends to avoid what has been in recent years, a tendency of the public to avert their gaze because of the desire to divert funds from the military function to other laudable purposes. This diversion can continue only so long; if it were to continue for much longer, the military balance would be upset.

I think it is necessary for me to underscore these matters at this time because I know full well some years from now when the implications of these trends are realized, that the public reaction will be, "Why were we not warned?" Consequently, it is my duty and the duty of everybody in the Department of Defense to make clear what the prevailing trends have been and what the consequences of a continuation will be. The United States will not be able under these circumstances to fulfill its historic destiny in serving as the mainstay and maintainer of the free world. It will no longer be an adequate counterweight to the power of the Soviet Union save by undue reliance upon the threat of an early recourse to nuclear weapons that none should want.

The historic mission of the United States in this post-war period was underscored by Senator Vandenberg in 1949. At that time, he observed, "Much as we might crave the easier way of lesser responsibility, we are denied the privilege. We cannot turn back the clock. We cannot sail by the old and easier charts. That has been determined for us by the march of events."

We have no choice as to whether we shall play a great part in the world. We have to play that part. We have to play it in sheer defense of our own self-interest. All that we can decide is whether we shall play it well or ill. I urge you to consider that charge by Senator Vandenberg which underlies what I hope will be the continuity of American foreign policy.

This is Homecoming Weekend, the festivities have started and they will continue. So, let me urge Coach Dickey and the rest, "Beat Duke" but remember that larger international competition and remember America's historical responsibility.

Thank you very much.

NEWS CONFERENCE BY THE HONORABLE JAMES R. SCHLESINGER, SECRETARY OF DEFENSE

Q. There is a report in Washington that Egypt is going to be given by the United States an advanced air defense radar system, I'd like some confirmation of that.

A. I'm not in a position to confirm any Egyptian requests at this point. I think that we will have to see what, if any, the requests are and what the ultimate response of the United States Government will be.

Q. What are some of those requests?

A. I think the Egyptian package will have to be revealed at a later point.

Q. Mr. Schlesinger, in 1967, the United States arms sales abroad totaled two billion dollars. This last year they were $11 billion. Do you think that foreign arms sales should be increasing at this rapid a rate?

A. The question of foreign arms sales, of course, depends upon the nation to which they go and the relationship of those sales to U.S. foreign policy. I think that one cannot deal with that question in the abstract but one must deal with the country to which the arms go; whether it's a forward defense country such as Korea or perhaps Iran or whether they're going to other countries which are engaged in regional arms competition.

I think that one should not infer that because of an unwillingness of the United States to supply arms that there will be consequently no movement of arms. Rather, other suppliers will take the place with the consequent loss of U.S. political influence that goes with the failure to supply those arms. What the appropriate rate is is something that the United States cannot unilaterally determine because the decision to acquire arms is a reflection of the internal decision-making process of the foreign states.

Q. Mr. Secretary, does it appear that the Turkish Government may reopen the U.S. bases with United States personnel?

A. I am hopeful that the Turkish Government will indeed reopen those bases. The Turkish Government has agreed to start negotiations. I think that there has been a substantial period of disturbance in our relations with Turkey. I hope that it will end quickly but it will require some period of time before the bases are reopened with the concurrence of the Turkish Government.

Q. You are involved in somewhat of a financial skirmish with Congress right now over the Defense Department budget. Some people seem to feel that the Administration Officials in the Defense Department are using scare tactics on the American public in an effort to persuade them to go to their Congressman.

A. I think that that is quite incorrect as my observations this evening indicate. I am concerned about the long-run trends. In recent years the United States has declined 45 percent in terms of its real spending on defense. Each of the Services has shrunk. Military manpower has shrunk dramatically in the same period of time. There has been no dramatic expansion of Soviet military power but a steady four percent growth in terms of spending. Today, the Soviet Union has twice as many men under arms as we have. What I have said is that the United States, in the face of these trends, cannot for long maintain a worldwide military equilibrium.

Now, there are many people who are reluctant to look at these trends and would prefer to avert their gaze because it's inconvenient. Since they cannot raise a question about the statistics or the implications of those trends, they dismiss it with words like scare tactics. But that is not looking at the evidence. I think that we should tell it like it is.

Q. What happens if you do not get the amount of money you are seeking right now?

A. I think that there will be little further erosion in U.S. Defense capabilities. It represents a continuation of the trend to which I have referred. In particular, the very substantial reductions in operations and maintenance funds means that our forces will not be trained, will not be ready; the materiel readiness of our fleet and aircraft will decline and one can look statistically at the results. More ships will be overdue for overhaul, more aircraft will be lined up for rework. In certain areas, we will have cessation of production and once again I underscore that a steady erosion of U.S. power, given U.S. worldwide responsibilities, will have results that we ought to look at before we accept them.

It is in the nature of a democracy that it can make any historic decision and this democracy can abandon its attempt to maintain that worldwide military balance. But it is a decision and, I believe, a mistake that in the nature of things, the United States could only make but once.

Q. You have the reputation of being a good budget man before you got the job as Secretary of Defense. Are you still working to reduce spending and how are you doing with that spending and waste?

A. I think that there are two parts to that question. First, with regard to general budgetary trends, when I moved into the Bureau of the Budget in 1969, something on the order of 10 percent of our labor force and about 9 percent of our Gross National Product was going to the Department of Defense. Today, in terms of capacity outfit, it's about five percent. The burden of the Department of Defense has been cut in half.

At that time I thought that we should reduce the level to about six and a half percent of GNP or seven percent of GNP. We have gone far further because of the political dynamics in Washingon than I would have ever anticipated. And the results have been a weakening of America's military posture. I think that it has gone too far. So that is with regard to the aggregate level of expenditures.

The Administration last year in its budget announced that the erosion of American military power had gone too far and that the President was planning a two percent per annum increase in the real expenditures of the Department.

With respect to the other half of the question, the details of the Department of Defense, we are attempting to acquire far greater efficiency in the use of our resources both in manpower and in equipment. With regard to manpower, the United States Army is moving today towards a restoration of sixteen active divisions which existed before Vietnam. It is doing so with a fixed level of manpower of 785,000 men by converting support spaces into combat spaces. Before Vietnam, the United States maintained sixteen and a third divisions, but before Vietnam there were approximately 960,000 in the Army and today we have 785,000. So we are attempting to maintain the same divisional strength with almost 200,000 fewer men.

With regard to equipment, we have attempted to move towards cost effective equipment of lower per unit cost, represented for example by the F–16 and the F–18 fighters. Previously, in each generation of aircraft, the cost of aircraft almost doubled from one fighter generation to the next. In this case, as we move from the F–14 and F–15, to the F–16 and the F–18, procurement costs will fall to about 55 percent of the prior level with an equivalent reduction in operations and maintenance costs.

We must do that because at this shrunken level of real resources, five percent approximately of the GNP and a level of resources that's 20 percent below pre-Vietnam with an expansion of the military power overseas arrayed against us, we cannot afford to maintain the degree of sophistication in our weapon systems. That is why we are moving towards these lower per unit cost systems so that we can maintain a larger force structure.

Q: Mr. Schlesinger, do you have a scenario or a theory as to how America may face a threat in the future with the declining power in the United States and the increasing power of the Soviet Union, will there be more Vietnams? Will there be a direct frontal assault or have you thought about the consequences of that....

A: I think the greatest danger is that of loss of political will which is based upon the knowledge that one has the weapons to defend one's self and is not dependent upon mere words or dependent upon the good will and forbearance of potential rivals. The greatest concern, I think, in Western Europe, is not of direct assault but of political coercion. And a military establishment deters political coercion just as it can deter direct assault.

Elsewhere, of course, it depends upon what the attitudes of other countries continue to be toward the United States. Whether or not the United States is regarded as a stable, supporting element whose wishes should be respected or whether it becomes regarded as more equivocal and consequently a nation whose wishes should be disregarded. In that event, we will have a political erosion in other parts of the world which will gradually force the free world into an even smaller portion of mankind.

Thank you very much.

Mr. Speaker, there is much here to which we must pay heed, and I trust that we will do so in the interest of guaranteeing our freedom. On this point—guaranteeing our freedom—we can take no risks.

THE TRUE SOURCE OF ALL WEALTH

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. GRASSLEY. Mr. Speaker, it is indeed a rare occasion when a partisan publication prints a nonpartisan article; but when it does, it is generally worth reading. Such was the case in the November edition of "Pachyderm Power," the monthly publication of the Blackhawk County Young Republicans. The chairman of that organization, Mr. Robert Alexander of Cedar Falls, Iowa, made comments which are worthy of note for every Member of Congress. Hardly a day goes by when we do not consider methods of alleviating poverty in America, yet we seldom stop to think of the universal truths pointed out by Mr. Alexander:

> In every man's life there must be a balance between religious, social, political, and economic understanding without which there is no satisfaction. Jesus said: "Render to Caesar the things that are Caesar's, and to God the things that are God's." Our nation was founded on the basis of "freedom of religion" not from it, therefore it should not be our privilege, but our duty, not only to seek God in our own right, but to insure that our nation remain steadfast and free among nations. Many a Christian has misguidedly asked the people of this nation to irresponsibility distribute their possessions to the poor, without considering that wealth cannot solve all the ills of poverty. I personally understand poverty, for I have walked through the streets of Hong Kong and Kowloon, and have been a personal part of it in America. I have had days when I could not afford food, clothing or shelter for myself or my family, but instead of reliance upon powers of an almighty cure-all government, I placed my trust, eventually, in God and my own abilities.
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> Problems stem within our nation not from the wealth of time and possessions which we have, but our misuse of these riches. Andrew Carnegie, who started as a boy in the slums of Scotland, eventually gave away millions to help people help themselves. He believed that God made him a trustee of wealth to use it wisely.
>
> Our wealth is exceeded only by our waste. Carnegie's millions were made by processing inferior iron discarded by others into superior steel.
>
> We must become economically self-reliant, so that we can be the provider of jobs for others, and provide services and products for better living. This wealth must be attained only through honesty, ingenuity, and service to others. We should not compromise ourselves or our nation. We must retain the most effective religious, social, political, and economic system the world has ever seen by working through hard devoted service to our church, political party, and economic well-being to see that the God given principles of this nation remain. We cannot take our wealth with us when we die and if we decide to give it to our children, it will do little good if we do not give them the same qualities of honesty, acquiring wealth, having compassion, self help benevolence and love of God and our fellow countrymen. The call is now for my countrymen and fellow Christians, not to hold the wealth of this nation in greed, but to use it wisely as a tool to further and strengthen, without concession, this "One Nation Under God."

H.R. 7575

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. EARLY. Mr. Speaker, I want to congratulate the members of the Government Operations Committee for their fine job in drafting H.R. 7575, to create an Agency for Consumer Protection. I believe that this bill, as amended by the House, will prove to be a triumph for the American consumer.

I had one overriding concern when this legislation was first reported from committee. There was no doubt in my mind that the consumer, with some 22 existing Government agencies ostensibly designed to "protect and safeguard" his rights, was being shortchanged. Were that not the case, were these "consumer agencies" and the 100 odd "consumer advisory commissions" already in existence actually performing their designated functions, this bill would be unnecessary. As it is, the creation of an Agency for Consumer Protection has been an issue of national concern for some 6 or 7 years.

What concerned me, and what would have prevented me from voting for this bill, was my firm belief that the giant Federal bureaucracy we have created must be cut back. I could not vote for a measure, regardless of its worth or necessity, if, in doing so, I would be contributing to the creation of still more bureaucracy.

I am convinced that the amendment adopted to this bill to require the Office of Management and Budget to identify and transfer all duplicative functions in existing Federal agencies or departments to the new Agency for Consumer Protection will mean a reduction of at least $10 million in Government expenditures above the cost of the Agency, itself.

The price tag on H.R. 7575 is $10 million per year. The preliminary investigations into agencies and offices having similar or identical functions as the new ACP identify as much as $20 million that could be eliminated through this amendment. It sets a precedent in legislative action that I wholeheartedly endorse.

Another fine amendment which I strongly supported will exempt small businesses with net assets less than $1 million or fewer than 25 employees from the requests for information and the interrogatory powers of the Agency for Consumer Protection. Both the Congress and the Federal Government are responsible for placing a wholly unreasonable and inequitable burden on small businesses in this country. In our efforts to insure fair business practices throughout the United States in public/private sector dealings, we have unloaded on the small businessman all of the compliance and paperwork requirements we levy on large corporate and industrial enterprises. I applaud the Members of the House for their foresight in adopting this amendment to H.R. 7575. In doing so the Congress has showed that it is beginning to recognize the real jeopardy the future of American small business is in.

Mr. Speaker, I believe the Agency for Consumer Protection bill, as it passed the House, will prove to be an asset to all Americans, as consumers and as taxpayers. I strongly endorse its principles and urge the House and Senate conferees to act quickly to work out any differences in their separate versions and send this measure to the President for his signature as soon as possible.

USING OUR CHURCHILL MEMORIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. GAYDOS. Mr. Speaker, the fellow looks a lot like Winston Churchill. His voice, too, sounds like that of the former British Prime Minister. And now, as anyone who watches TV to any degree well knows, he is plugging a brand of cigars with all the vocal resonance of Sir Winston's "blood, sweat and tears" oration.

Perhaps I am being prudish in this, but I do not like it. We are living in an age of cynicism—a time in which Watergate, errors of high policy, Vietnam, and other damaging occurrences have hacked away at the public's opinion of our leaders and some of our institutions. But is it right to make advertising capital out of great reputations?

Sir Winston was one of the top men of our century. He was a war commander without peer. With Franklin Roosevelt he stands enshrined in our history and that of the whole world as a victor in the tremendous struggle against Nazi and Fascist tyranny. I dislike, therefore, seeing our memory of him used to promote the sale of a product, even cigars which were a part of his image.

Someone has asked where all our heroes have gone today, and I consider this a valid concern. Where, indeed, are they? Once we had them by the scores, people of marked attainments in government, in business, in labor, in the arts and sciences, and of course, in sports. Now, it seems we start picking on them with skepticism and disrespect as soon as they emerge.

Sir Winston, somehow, managed to escape this with all the glory of his record intact to serve as a continuing inspiration to us and especially to the rising generation. But now an imitator has him pushing cigars on television. Will some impersonator come to use Roosevelt in this manner? Or others? I am afraid Lincoln has been commercialized at times and I cringed recently when I saw the Pennsylvania lottery employing in its TV spots a drawing of George Washington voicing a come-on to aspiring instant millionaires.

I want to enter a complaint against this new Madison Avenue device to capture attention and get across sales pitches. Let us keep ennobled those heroes we have left.

ILLEGAL ALIENS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. EILBERG. Mr. Speaker, as my colleagues know, the full Committee on the Judiciary has favorably reported H.R. 8713 which would address the illegal alien problem in the United States. During the conduct of the hearings on this bill and during committee consideration there was extensive discussion concerning the accuracy of estimates that were made regarding the scope of the illegal alien problem.

As a result of hearings in three Congresses on legislation of this nature, I have concluded that the problem is enormous and that the actual figures are insignificant.

Nevertheless, for the benefit of my colleagues, I would like to include an article from today's Washington Post citing a recent estimate which indicates the number of illegal aliens in the United States to be approximately 8 million.

I would like to also insert in the RECORD at this point a letter received this week from the American Federation of Government Employees concerning the severe manpower problems confronting the Immigration and Naturalization Service:

[From the Washington Post, Nov. 7, 1975]

STUDY FINDS 8 MILLION ALIENS HERE

(By John M. Goshko)

A new report indicates that there are 8 million illegal aliens in the United States.

The Immigration and Naturalization Service yesterday made public the preliminary results of a study indicating that the 8 million include 5 million from Mexico and 3 million from other countries.

This is the estimate of a report prepared for the immigration service by Lesko Associates, a Washington management consultant firm. It represents the first part of a massive study commissioned by the service to obtain more accurate information about the size and effects of the illegal immigrant influx.

In releasing the figures, immigration service officials stressed that they are a "preliminary estimate" subject to revision and should not be regarded as conclusive. But, the officials added, the figures support the Service's previous estimates putting the illegal alien population at between 6 million and 8 million.

In much of the recent discussion by government officials and politicians about whether the United States is experiencing an influx of "crisis" proportions, estimates have ranged from 4 million to 12 million.

The purpose of the study, the officials said, is to dispel the confusion about numbers. Completion of the study is expected to take until late 1976 and cost about $1 million.

In its first phase, the estimate was made with a complex formula taking into account the limited data available, other research studies made previously, statistically developed estimates of the number of persons illegally crossing the U.S.-Mexican border and the estimates of an expert panel recruited from outside the immigration service.

Later phases of the study are to explore the impact of illegal aliens on the U.S. economy and society. The study is to be done by attempting to collect data on illegal immigrants' age, education, family affiliation, job skills and motivation for coming to the United States.

AMERICAN FEDERATION OF
GOVERNMENT EMPLOYEES,
Washington, D.C., November 3, 1975.

Hon. JOSHUA EILBERG,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: I should like to solicit your consent for inserting into the record of the Hearings on H.R. 981, H.R. 367, and H.R. 10323 our endorsement of the October 29, 1975 statement made by Mr. Andrew J. Biemiller, Director, AFL–CIO Department of Legislation. The American Federation of Government Employees agrees with this analysis of the problems and with the proposals Mr. Biemiller submitted to you on behalf of the AFL–CIO.

I should like to take this occasion also to express our appreciation for the attention you have been giving to the problems of immigration and naturalization. As the exclusive representative of both the Immigration Service Inspectors and of Service's Border Patrol, our organization is particularly alert to the issues involved. For this reason we have welcomed your oversight and authorization hearings intended to assure adequate staff and personnel to implement the statutes on immigration and naturalization. We appreciate especially your concern for the training needs of the Immigration and Naturalization Service, whose responsibility it is to enforce these statutes.

I should like, nevertheless, to state as candidly as possible that proper enforcement of the INS laws is still seriously hampered by budgetary problems. These funds are particularly important regarding immigration and naturalization of Western Hemisphere nationals if the federal authorities are to have the support of the Spanish-speaking community in the United States.

Reports indicate that one of the primary causes of misunderstanding between the INS and American citizens of Spanish-American ancestry has been the frustrations faced by the Service in establishing proper liaison because of inadequate staffing, both at the Southwest border stations and within the interior of the United States. This has resulted in situations where pressures have been placed on the personnel of the Service to enforce the statutes tenaciously, even at the cost of normal good relations with citizens of Spanish-American ancestry. Therefore, despite every effort on the part of the INS personnel to demonstrate courtesy and consideration of the sensibilities of these citizens, the lack of staff has resulted in allegations against INS personnel for alleged unfair and discriminatory treatment.

We sincerely hope that the attention being given by your Subcommittee to these problems of legislative reform, adequate staffing, and training programs will produce the beneficial results of securing unqualified support for the Immigration and Naturalization Service by all Americans. To this end, I should like to assure you again of our fullest cooperation in your efforts.

Sincerely,

CLYDE M. WEBBER,
National President.

OLIVER EDWARD NELSON

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. HUNGATE. Mr. Speaker, on October 28 one of America's finest musicians, Oliver Edward Nelson, died. His death is a great loss to the art of music and to all of us.

His achievements in music are impressive and well-known, having played for the Duke Ellington and Count Basie Bands and composed the musical scores for "Last Tango In Paris," and the television series, "Ironsides." His academic contributions were great. He wrote an instructional book on playing the saxophone and returned many times to Washington University, where he once was a student, to teach, perform, and conduct workshops.

Oliver Nelson never forgot Missouri and returned many times to share his talent and knowledge with the people with whom he grew up. I was especially pleased when he purchased a farm near Wentzville and Mr. Nelson's parents moved to my district.

Missouri has produced great men who have contributed much to American musical history and along with Scott Joplin, Jimmy Lunceford and Eddy South, Oliver Nelson will be remembered for his talent and creativity.

Two articles follow:

[From the St. Louis Post-Dispatch, Oct. 29, 1975]

OLIVER E. NELSON DIES AT 43; WAS SAXOPHONIST, COMPOSER

Oliver Edward Nelson, the St. Louis-born jazz saxophonist who became a well-known composer and arranger of musical scores for television and movies, died yesterday, apparently of a heart attack, at his home in Los Angeles. He was 43 years old.

Mr. Nelson, who grew up in the north St. Louis neighborhood around North Grand Boulevard and North Market Street, studied music and liberal arts at Washington University from 1954 to 1958. In the summer of 1966, he returned to Washington University as artist in residence to teach jazz arrangement and composition.

He returned to the university several times after that to perform, conduct workshops and teach.

In 1958, Mr. Nelson married the former Audre N. McEwen, a St. Louisan who also attended Washington University.

He played with the jazz orchestras of Duke Ellington and Count Basie in the early 1960s. He is the author of an instructional book called "Patterns For Saxophones," and of many extended jazz works, including memorial tributes to the Rev. Dr. Martin Luther King Jr. and President John F. Kennedy.

At the time of his death, Mr. Nelson was composing the score for the weekly television program "The Six Million Dollar Man." He arranged the background music for "Last Tango in Paris" and several other movies and composed scores for many television programs, including "Ironsides" and "Mr. Broadway."

Mr. Nelson toured widely overseas, including a visit in 1967 to Africa under the auspices of the Department of State. In an interview shortly after the tour, he recalled with gratitude that his father had walked many blocks to his job as a railroad porter to save the streetcar fare for his son's music lessons.

In the late 1960s, his parents, Eugene and Lucille Nelson, moved from St. Louis to near Wentzville, where they lived on a 22-acre farm their son bought for them. Both died within the last three years.

[From the St. Louis Globe Democrat]

Oliver E. Nelson Dies; St. Louis-Born Jazzman

St. Louis-born jazzman Oliver E. Nelson, an internationally known saxophonist and composer, died of an apparent heart attack Tuesday, Oct. 28, 1975, in his Los Angeles home at the age of 43.

Mr. Nelson, who composed the musical scores for such television programs as "Ironsides," "Mr. Broadway" and "The Six Million Dollar Man," and background music for the motion picture "Last Tango in Paris," grew up in North St. Louis and was a graduate of Sumner High School.

He attended Washington University from 1954 to 1958, studying music and the liberal arts. He returned to the university several times after graduation as artist in residence to conduct workshops and teach jazz arrangement and composition.

During the early 1960s he played with the orchestras of Count Basie and Duke Ellington. In 1967 he took his own group to Africa on a tour sponsored by the State Department.

He wrote an instructional book, "Patterns for Saxophones" and produced many jazz works, including memorial tributes to the Rev. Dr. Martin Luther King Jr. and President John F. Kennedy.

His "blues in the Abstract Truth" was honored as the best jazz piece of 1965 in a special ceremony in Amsterdam.

In the late '60s Mr. Nelson bought his parents a 22-acre farm in Wentzville. Both Mr. Nelson's parents are dead.

Surviving are his wife, Mrs. Audre McEwen Nelson; two sons, Oliver Jr. and Nyles Oliver, and brother, Eugene, all of Los Angeles, and a sister, Mrs. Leontine Robinson of St. Louis.

Funeral services will be 11:30 a.m. Friday from the Pierce Funeral Home, Inglewood, Calif.

FARM EXPORTS

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. SEBELIUS. Mr. Speaker, the following is the fourth in a series of 10 messages sponsored by Far-Mar-Co Inc., Hutchinson, Kans., in U.S. News & World Report to express the continuing need for a vigorous and reliable market for farm products. A profit incentive is behind every farm and ranch activity in this country. If a market is neither visible nor approachable, farmers will not put out the extra effort to produce in abundance.

This campaign by Far-Mar-Co is a commendable effort to keep the public informed on matters affecting U.S. agriculture and how agriculture relates to all Americans.

The article follows:

What Happens When the World Loses its Appetite for American Food?

In recent years farm exports have kept our balance of trade from being embarrassingly lopsided.

Year after year we would have been faced with dangerous deficits without American agriculture.

Farm exports also provide the farmer with a market for his excess production.

And since the American farmer has been called on by our leaders to go all out on production, it's vitally important that the foreign markets be available.

Over-production could drive down farm prices. And with the already critical cost-price squeeze, that could drive out many of our farmers.

So we need the export markets. But will they be there?

For now, probably enough of them will be. But if we continue putting restraints and embargoes on our farm exports, countries will go elsewhere for their food needs. Several of them already have.

And if we give them the opportunity to lose their appetite for American food, it may never return.

Our balance of trade would suffer. And so would our farmers.

American agriculture is our most important resources. Let's protect it by making sure our farmers have a market conducive to realizing a fair return on their investment and labor.

EXTENSION OF EMERGENCY PETROLEUM ALLOCATION ACT IS URGED

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. RUPPE. Mr. Speaker, unless the Congress acts promptly, the Emergency Petroleum Allocation Act will expire on November 15, and the Government's authority to allocate petroleum products and regulate their price will come to an end.

If this winter's natural gas shortage is as severe as anticipated, the expiration of this act will have a particularly devastating impact on those who rely on propane, due to the fact that many natural gas users will attempt to switch to this fuel. In fact, officials in the FEA believe that, if Government controls are not maintained, traditional propane users will quickly be driven out of the market by curtailed industrial and utility natural gas consumers.

These traditional propane users primarily consist of farmers, rural homeowners, and small businessmen, who in most cases have no readily available alternative source of supply. A severe natural gas shortfall should thus mean that farmers will be without the petrochemical feedstocks they depend upon, while propane-fuel residences and businesses will be without heat.

We clearly cannot allow this emergency situation to develop. The bill I am introducing today would therefore give the President standby authority to ensure that the essential propane needs of various sections of the United States are met and to lessen the anti-competitive effects of a natural gas shortage. If a severe natural gas shortfall appears to be imminent, this legislation would authorize the President to allocate propane, fix its price, and establish priorities for its use.

I hope that extension of the Allocation Act and adequate supplies of natural gas will make the enactment of this legislation unnecessary. However, if the Allocation Act should be allowed to expire at the same time that our worst predictions about this winter's natural gas shortage appear to be coming true, I would urge my colleagues to act upon this legislation at once.

THE ELDERLY AS VICTIMS OF CRIME

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. MOAKLEY. Mr. Speaker, the growing awareness of the problems facing the elderly is encouraging. Perhaps, from this increased consciousness we can find ways to make American citizens' later lives more productive and pleasurable.

One problem that is often ignored is the effect that a crime has on its victim, in this case the victim over 65.

Statistics tell us that among age groups, the elderly have the lowest victimization rate. Statistics do not tell the entire story. Until recently—and in many instances even now—few police departments kept records on the age of those who become the prey of criminals. The statistics and charts that are available are not representative either. Spokesmen for senior citizen groups emphasize time and time again that these low victimization rates are due to the fact that many people over 65 literally imprison themselves in their own homes.

Senior citizens rank fear of crime as their biggest concern. And can we blame them? When you take into consideration that many are physically weak and not able to fend off an attacker, many are living alone in deteriorating high crime urban areas, and that most have to depend on public transportation to get around and hence are more vulnerable to being robbed or mugged, you really cannot be that surprised.

Burglary has been shown to be the most common criminal offense that happens to those over 65. The majority of our senior citizens live on limited incomes. Combining these two facts leads to the conclusion that the economic impact on an elderly person being robbed is great. Their losing $100 has far greater implications than a businessman losing $100.

The elderly are easy targets for profiteers and con men. The dates of their social security, pension, and dividend checks are widely known. Hence every potential thief knows when an elderly person is most likely to have cash on hand.

Besides these considerations, the nature of crimes committed against persons over 65 are more threatening than crimes against other age groups. Force is more likely to be used against an aged person and hence the likelihood of injury is increased substantially. The odds for senior citizens being the victims of groups of young boys are very high.

Indeed, the problems facing the elderly are numerous. We need to take a critical look at the statistics. Statistics say that the elderly as a group are least likely to be affected by crime. However, they are not telling the whole story. Statistics cannot document the effect crime has on a person who is 70, living alone, and who has just lost an entire social security check. Nor can numbers on a chart tell of the feelings of helplessness and isolation that plague a woman who garrisons herself in her home every night.

The perpetrators of crime have been looked at, analyzed, and legislated about. The victim, especially the elderly victim, needs protection. It is up to us to make sure the victim over 65 gets the attention.

INACCURATE INFORMATION ON H.R. 2966

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. VANDER VEEN. Mr. Speaker, I have come to learn that inaccurate information has been circulating on H.R. 2966, including two mimeographed pages which contain a series of erroneous statements. These mimeographed pages make reference to page 44138, a page which appeared in the Congressional Record 4 years ago. At that time, Senator Curtis of Nebraska was commenting on the Economic Opportunity Acts of 1971. Furthermore, the "Charter of Children's Rights" which Senator Curtis cites is identified on that page as the "Charter of Children's Rights of the British Advisory Center of Education." This British draft of proposals has absolutely no relation whatsoever to legislation in the United States.

The Child and Family Services Act (H.R. 2966/S. 626) was introduced in the House by Congressman John Brademas on February 6, 1975, and in the Senate by Senator Mondale the following day. The purpose of the bill is to provide a number of health, nutritional, and educational services to the children of working mothers, single parents, and poor families. These would include day care centers, as well as prenatal care and counseling for mothers in order to reduce infant mortalities. I wish to emphasize that it is a provision of this bill that services must be voluntarily requested by the parents or guardians, and that parental involvement is required at every stage of planning, development, and operation.

Presently the bill is still under consideration in the Subcommittee on Select Education of the Education and Labor Committee. Therefore its provisions are subject to change, and I will not have an opportunity to pass judgment on it unless it comes to the floor of the House, if it ever does. It is doubtful that it will even be passed out of committee this year.

I take this opportunity, Mr. Speaker, not because I support the legislation, for I am yet undecided as to how I will vote if it comes to the floor of the House, but because I do not believe our Government can function properly if citizens are misinformed and misguided.

DEFEATING AN ENEMY OF DÉTENTE: JAMES SCHLESINGER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the President's firing of Defense Secretary James Schlesinger, to be replaced by the ambitious White House chief-of-staff, Donald Rumsfeld, is a triumph for Kremlin strategists and has caused rejoicing among the ranks of Soviet supporters in this country. Schlesinger's dismissal was proceeded by a months-long Kremlin campaign against him as the chief administration critic of "détente," a policy of collaboration which benefits only the Soviet Union.

The Soviet Union, a totalitarian state which can neither understand nor tolerate diversity of opinion, had gone so far as to accuse Secretary Schlesinger of treason because of his opposition to unregulated "détente" and to sweeping disarmament which would restrict America's development and deployment of new defense systems.

The vicious, gloating article headlined in the Communist Party, U.S.A. newspaper, The Daily World, on November 5 clearly expresses the Soviet Communist view that Schlesinger's sacking was a crushing defeat for anti-Communists and "enemies of détente."

The article, written by the Daily World"s Washington hack, Tim Wheeler, suggests that with Schlesinger gone, the major block to a SALT arms restriction agreement by the United States has been removed. And if the United States will conclude a SALT agreement quickly, we may be "honored" with a state visit by Brezhnev, the general secretary of the Communist Party of the Soviet Union.

The Soviet strategists also consider Schlesinger's removal as Secretary of Defense a blow against Senator Henry M. Jackson, a Schlesinger supporter who has also been repeatedly denounced by the Russians as an "enemy of détente."

The Daily World, the official newspaper of an organization found repeatedly to be an instrument of Soviet foreign policy, has the gall to smear as "seditious" the Defense Department study, "Détente and Soviet Strategy," which shows how "détente" is a mere tactical ploy of the Russians designed to soften up the United States and the West to make an eventual Communist takeover easier.

The principal target for all of the Soviet tactical maneuvering is U.S. disarmament, severe cutbacks in the defense budget, prevention of the development and deployment of new weapons systems, and U.S. agreement to new and more restrictive strategic arms limitations.

Secretary Schlesinger actively opposed these policies so suicidal for our country. He also had refused to absolutely rule out U.S. use in a last ditch stand of nuclear weapons. The Soviets and their fifth column of lobbyists in this country are working for a U.S. commitment to never, under any circumstance, use a nuclear weapon.

However, mere Soviet pressure would not have been enough to force Schlesinger's replacement. The Soviet "détente" policies have the support of certain "big business interests," as a Daily World editorial noted, "which found him more harmful than useful for their purposes." In their efforts to expand business with the Communists, these business interests are ready to sell out our birthright of freedom for their short term profit. And the Daily World is not even hesitant about reporting it.

So that my colleagues may read for themselves how the American mouthpiece of the Kremlin sees Secretary Schlesinger's firing, I attach an editorial and article from this week's Daily World editions:

[From The Daily World, Nov. 4, 1975]

A PLUS FOR DÉTENTE

President Ford's dismissal of Defense Secretary James R. Schlesinger is a setback for the anti-détente forces, of which he was a ringleader.

The move is a plus for the United States. Schlesinger was out of step not only with the desires and demands of the U.S. people for security and peace but increasingly with dominant big business interests which found him more harmful than useful for their purposes .

Schlesinger tried to reverse the Administration's policy of negotiation with the Soviet Union and other socialist countries instead of military confrontation.

Schlesinger's anti-détente activities and efforts to torpedo the current Strategic Arms Limitation Talks (SALT) conflicted with big business efforts to expand trade and other relations with the Soviet Union and other socialist countries.

The Helsinki Conference on European Security and Cooperation showed that Schlesinger's policies conflict not only with the interests of the U.S. people and the aims of a section of U.S. big business, but frighten the people of Europe who anxiously also want détente.

The European peoples know they would surely also be annihilated by Schlesinger's "limited nuclear war" or "first strike" use of nuclear weapons in a supposedly "selective" war against the Soviet Union.

Since Helsinki, Schlesinger has stepped up the campaign against détente, for greater militarization of the U.S. economy, for a bigger military budget at the cost of the people's needs, continuation of the arms race, and orientation of U.S. military forces for a first-strike war.

Schlesinger undertook to be a traveling salesman of anti-détente policies, peddling his wares in South Korea, Japan, Canada, West Germany, Great Britain and France. He also addressed NATO parliamentarians in late September. Everywhere he argued for greater military spending, rejection of détente and more aggressive policies.

In line with Schlesinger's massive public relation anti-détente campaign, the Defense Department issued a booklet titled "Détente in Soviet Strategy," which falsely claims that détente serves only the Soviet Union.

Most recently, Schlesinger engaged in a violent attack on members of Congress who backed a $7.6 billion cut in the military budget, falsely declaring that they imperiled the saftey of the U.S. This has brought him into conflict with Congress.

Schlesinger's dismissal comes about because of his disagreement with Administration policy. But it is untrue to assert that his removal automatically guarantees détente.

His removal means rejection of his unrealistic, disastrous policy of sabotaging détente and gambling on nuclear war and should encourage people to fight for a realistic and peaceful policy of cooperation and negotiation.

The U.S. people have demonstrated repeatedly that they believe their best interests lie in pursuing the realistic course of détente and arms reductions.

[From the Daily World, Nov. 5, 1975]

DÉTENTE HOPES UPPED BY SCHLESINGER EXIT

(By Tim Wheeler)

WASHINGTON, Nov. 4—Fighters for peace said today that the ouster of James Schlesinger as Defense Secretary is a "propitious moment" to demand completion of the SALT II disarmament talks.

They pointed out that completion of a new agreement in the Strategic Arms Limitation Talks would open the way for the long delayed visit to the U.S. of Leonid Brezhnev, general secretary of the Communist Party of the Soviet Union.

Peace circles warned against concepts that the firing of Schlesinger, an advocate of nuclear war, is only an "internal power struggle," or that Ford is "rearranging his furniture," as an ABC commentator asserted last night. The danger, they said, is that this opportunity could be frittered away by a passive "wait-and-see" attitude towards the dramatic developments here in the last two days.

MASS PRESSURE

Patrick Tobin, Washington Representative of the International Longshoremen's and Warehousemen's Union, pointed out that it was mass pressure of anti-war forces here in the U.S. and around the world that forced President Ford to fire Schlesinger.

"We did it!" Tobin asserted, citing mass opposition to Schlesinger's "limited nuclear war policy."

He added, "This is a sign of the deterioration of the position of the anti-detente forces. The campaign against detente is not over, but Schlesinger's firing lays very good grounds for the SALT II talks."

MOBLIZED ANTIDÉTENTE FIGHT

A researcher on the staff of Members of Congress for Peace through Law pointed out that Schlesinger was the kingpin of the anti-detente campaign, since he was carrying on his anti-detente instigations from within the administration. Schlesinger, he said, actively mobilized attacks on detente, relying on ultra-right elements, including the American Security Council, to spread views which were directly contrary to the official position of the Ford administration.

He pointed out that Ford, who had supported Schlesinger's positions, was finally compelled to dump Schlesinger because his Presidential election campaign was in deepening trouble with voters opposed to his right-wing course.

"Ford needs a SALT II pact," he said. "He needs the press to laud him for new progress in detente, and Schlesinger would not let him have it."

MORE THAN IN-FIGHTING

These comments underline the point that powerful pro-detente pressures on the administration forced Ford to act. The firing therefore was not simply an internal political maneuver.

At the same time, it was pointed out here that Ford's apparent "tilt toward detente is not voluntary but is part of the process of "forced retreat" from cold-war anti-Soviet policies.

During his press conference last night, Ford repeatedly asserted that he would push for support of his military budget.

One theory about Schlesinger's removal was that he had antagonized key members of Congress when he lashed out against "deep, savage, arbitrary" cuts by the House Appropriations Committee and Ford's military budget request.

Ford hopes that Donald Rumsfeld, the newly appointed Defense Secretary, will smooth over the anger on Capitol Hill and convince lawmakers to restore some of the $7 billion in cuts to the military budget.

ARMS STRUGGLE INTENSIFIED

But Tobin predicted that the firing of Schlesinger, far from pacifying demands for a reduction in military spending, will stimulate the demand for reordering of priorities.

He predicted a stepped up struggle to eliminate funds for the B-1 bomber, which some legislators have warned would ultimately cost $92 billion.

"Ford will continue to attempt cuts in funds for social needs," Tobin said. "But these programs simply cannot be cut. . . The only place you can cut is the military."

The fact that Schlesinger carried on his attacks on the official foreign policy of the administration which he ostensibly served gave his attacks on detente a distinctly fascist-like character.

Significantly, Lt. General Daniel Graham, chief of the Defense Intelligence Agency, resigned his post yesterday, citing his sympathy with Schlesinger's anti-detente views.

The resignation took place less than a month after the CIA had produced a seditious pamphlet, "Detente and Soviet Strategy," which argued that detente is beneficial only to the Soviet Union, a line that contradicts U.S. policy, which holds that detente is "mutually beneficial."

Schlesinger, generally credited with the writing of this pamphlet, turned to the ultra-rightist "America Security Council" to distribute this report.

Schlesinger, a former CIA Director, was first recommended to the then-President Nixon for a top national security position by Sen. Henry M. Jackson (D-Wash), a leading enemy of detente.

Schlesinger's ties to the ultra right and the CIA, and his flouting of the official policy on detente, indicated that he was a menace to constitutional safeguards on civilian control of the military, and posed the danger of a fascist-like military police takeover of the U.S. Government. His removal, therefore, is seen not only as a victory for peace but as a victory for democratic rights.

MONTANA ACTS ON GUN CONTROL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. DINGELL. Mr. Speaker, with the issue of gun control before the Congress, I would like to insert into the CONGRESSIONAL RECORD a communication concerning the adoption by the Montana State Legislature of a resolution expressing unalterable opposition to the registration and confiscation of firearms. A letter addressed to all Members of Congress from the Honorable Bill Asher of the Montana House and the text of the resolution, House Joint Resolution 65, follow:

MONTANA STATE HOUSE
OF REPRESENTATIVES.

To: Members of the United States Congress.
From: Rep. Bill Asher, House District 79
Montana State Legislature.
Re: Gun-Control.

So there will be no mistake about where Montanans in general and the Montana Legislature in particular stand on the subject of gun-control, please find on the reverse side a copy of HJR 65.

This resolution passed the Montana House of Representatives on Feb. 27, 1975, by a vote of 77-4 and the Montana Senate on March 2, 1975, by a vote of 44-4.

Both the Speaker of the House and the President of the Senate signed HJR 65 on April 5, 1975.

The labor and expense of informing the Congress of the United States of Montana's stand on gun-control was shared by an informal group of interested citizens.

Sincerely,

Rep. BILL ASHER,
Montana State Legislature.

HOUSE JOINT RESOLUTION NO. 65

A joint resolution of the Senate and the House of Representatives of the State of Montana declaring the Montana State Legislature's unalterable opposition to registration and confiscation of firearms.

Whereas, the right of an individual to keep and bear arms is fundamental to the preservation of freedom and is guaranteed by the Constitution of the United States, and

Whereas, firearms are, always have been, and always will be very much a part of the way of life in the great state of Montana, and

Whereas, the private ownership of firearms, including handguns, is the last line of defense against the criminal element, and

Whereas, the report of the National Advisory Commission on Criminal Justice Standards and Goals, issued in August 1973, advocates, among other things, the confiscation of all privately owned handguns, and

Whereas, the people of Montana having seen that federal firearm registration is leading us closer to federal confiscation of firearms. Now, therefore, be it

Resolved by the Senate and the House of Representatives of the State of Montana, That the Legislature of the state of Montana go on record as being unalterably opposed to registration and confiscation of firearms in general and be it further

Resolved, That a copy of this joint resolution be sent to the President of the United States, to the Vice-President of the United States, to Montana's Senators and Representatives in Congress.

COMMONSENSE PLEA ON GUNS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. RUSSO. Mr. Speaker, recently Mr. Jeff Lyon of the Chicago Tribune conducted a most interesting and informative interview on gun control with the distinguished mayor of Chicago, Mayor Richard J. Daley. This is a gentleman of enormous talent, experience, and insight on urban problems as well as national issues. My colleagues are aware of my own deep concern about and support for gun control legislation, and today I want to share with the House the mayor's own observations on gun control:

[From the Chicago Tribune, Nov. 3, 1975]

DALEY—COMMON SENSE PLEA ON GUNS

(By Jeff Lyon)

Mayor Daley this week said he strongly favors a complete ban on the manufacture and sale of handguns and blamed congressional fear of the National Rifle Association and firearms makers for the lack of tough federal legislation.

In an exclusive interview with The Tribune in his City Hall office, Daley was the practical politician as always. He recognized that Congress is not yet ready for the full controls he advocates and instead sees strict curbs coming in phases—with registration of the nation's sidearms as the first step.

Making a common sense plea for action by lawmakers, he said he would follow new federal laws with an "educational" program to convince Americans that handgun possession is folly.

Daley led the Chicago City Council effort to pass a firearms registration ordinance in January, 1968, which is regarded as tougher than those of most cities, and his opposition to guns has not flagged.

In the interview, the mayor indicated he was not surprised at the results of a Tribune survey showing that Chicago-area residents overwhelmingly favor strong federal gun controls.

His own arguments for control lean heavily on his belief that handgun ownership actually places the owner and his family in more jeopardy, rather than in a position of safety.

Here is the interview:

Q—Mr. Mayor, you've seen the Tribune survey findings and the results of a recent Harris poll, both showing the public wants strict gun laws at the federal level. There have been many bills before Congress in the past, and they've largely failed. What chance does meaningful legislation have this time around?

A—With the figures that have been stated in the Harris poll as well as in yours, I don't think the Congress can long neglect what the people are talking about and what the people feel. I think we will get some legislation out of Congress, and I think we should.

Q—What sort of legislation?

A—The first legislation that I think the men and women who are experts in this field call for is the registration of all handguns and the identification of the handgun with the owner, not just the registration of the gun alone.

That's why our [Chicago's] law is better than the state's. We identify the individual with the gun. But the Congress should have a national law which ties up the gun with the owner.

We realize that in itself won't get the job done. We'll need an advertising campaign in the newspapers, radio, and television to point out what a serious problem it is to have a handgun in your home and point out the number of accidents that occur—husband shooting wife, boy shooting parents mistaking them for invaders.

And then, if these figures are true, and they are true, that 40 to 45 per cent of murders are committed in the heat of passion when a gun is available, then the education starts to proceed—that if you have a gun in your home, it's a dangerous weapon for everyone: husband and wife, parent and child.

This is what we see everyday. The police blotters are just loaded with this kind of crime. If we can put on the same kind of campaign nationally as we do in warning people of the dangers of cigaret smoking, I think that's when we'll see change.

Q—Our survey findings show the public already senses need for control. Why do congressmen fail to comply with the public's desires?

A—Because they're afraid of the rifle association [the National Rifle Association].

Q—Why?

A—You'll have to ask them.

Q—Do you believe it's just the rifle association, or is it the manufacturers of weapons?

A—I think it's a combination of both. It's big business. One billion, or $500 million in guns in our country. Lot of money.

[A pause, then the mayor continued.]

I don't think you can do this, getting everything you want in legislation from a democracy at this time. You've got to do it in phases, and the big push should come on the registration on the national level of the guns. You hit that.

Then the next step, and you wouldn't sell it now, is to stop the manufacturers of the guns. Why keep manufacturing handguns if everyone says they're so dangerous to our people and they're killing some of our people? There's no need for manufacture.

And then the next phase is to try and convince people not to have the gun.

Q—Please explain further.

A—I think the handgun problem in itself is principally education and enlightenment on the facts of what a handgun means in the home.

How many times in a burglary does a fella have an opportunity to get up and get to his gun and come back and confront the fella without being killed himself? Because when you are awakened, unless you are a light sleeper, you're awakened under a flashlight in your eyes.

The security that the gun gives you—that idea has to be dispelled because it doesn't give you security. It gives you danger, and it lurks every time you have that gun in your house.

I'll tell you an incident. A fella came in and told me of an experience. He had come downstairs and he saw something moving, and he had his .45 that he had as a Marine officer, and he said, "I was going to shoot, and something came over me and I hollered."

And it was his wife. She was behind the curtain coming out of the kitchen. He thought it was someone in the house. He could have killed her.

He said, "So I took the goddam thing and I went out to the steel mills, and I threw it in one of those furnaces. I don't want a gun in my house."

You see, we have the impression, and it's historical, that the frontier people all had guns, the people in the West all had guns. They had to.

What did the fella say? Smith & Wesson makes all fellas equal. But those times are over. Then the hunters say you're taking their rifle away. You don't hunt with a handgun.

Q—Sen. Percy said he doesn't believe a gun in his house would have prevented the murder of his daughter Valerie. Is this what you're saying about the value of guns?

A—You see, many people have the gun thinking it gives them security. And this is the educational part—we have to change their thinking. It doesn't give you security. It endangers you and your family.

Now, fellas in the store with guns available—they have one under the counter or in the closet. Someone comes in, and they've defended themselves. We have to dispel that idea. Fifty per cent of the time the guy defending himself gets killed. What the hell good is the gun? When he goes to draw it, he gets killed.

Q—Mr. Mayor, Chicago has had many of these strict laws for a long time [1968], and yet it hasn't cut the crime rates. Why?

A—You have to have the full cooperation of the prosecutors, the state's attorney. And we haven't had it. They look at fellas in a holdup with a gun, and they're talking about robbery, they're talking about armed robbery and burglary, and they never book them for the failure to have gun registration.

Q—What about laxity by judges in gun cases?

A—When there's not an aggressive prosecution, the judges have nothing to prosecute.

We have set up a special court, hoping to have a special assistant from the state to the corporation counsel, because the state's attorney's office says they're too busy, they can't prosecute. They are busy fighting major crime. So we have a new court set up and an assistant corporation counsel trying to prosecute instead of a state's attorney.

Q—How's it worked out?

A—Well, they haven't had enough time. It was just set up.

Q—[from Tribune City Hall reporter Edward Schreiber] I've heard that sometimes a policeman stops a suspicious character, believing he might be a burglar, and finds a gun. The courts throw that out.

A—Well, the prosecutor's afraid to prosecute these cases. We're bringing them now under city law, because [State's Atty. Bernard] Carey won't handle them.

Q—Carey won't handle them?

A—Well, he's made some statements about the law being unconstitutional or something else, as I recall.

Q—How about constitutionality? The U.S. Supreme Court has indicated it feels the 2d Amendment was a collective right, pertaining to militias, and doesn't give us the right to sit with guns.

A—Well, if all of us have a right to sit and hold guns under the Constitution, we're in pretty bad shape as a society. Undoubtedly. Because the right to bear arms was the right to have a militia, and the militia was a representative of the various states. And I don't think it said in there that every individual citizen of our country should be walking around with a shotgun or a pistol in his holster.

Q—One reason for the current activity in Congress on the gun question is two recent attempts on President Ford's life. Do you ever find yourself, like some others in public life, worrying about assassination?

A—No, no. I don't worry about anything. Why worry about it?

Q—Do you think. . . .

A—What about the assassination of John Kennedy and those of Robert Kennedy and Martin Luther King? Everyone thought that the death of our late President Kennedy would shock any Congress into passing some kind of legislation to regulate handguns, and the whole idea of guns. And when his brother was assassinated, we thought that would bring it.

Q—Well, you say that the politicians are afraid of . . .

A—I didn't say that. You said that. I said you have to ask them. I don't know what their fear is.

Q—Do you ever find yourself, like some others of us, speculating that there not only is a lobby effort but maybe some under-the-table efforts to . . .

A—No, no, I don't think in that direction.

Q—But that wouldn't . . .

A—No, I think every fella decides with his own conscience what he thinks.

Q—So there's no bribery effort?

A—No.

Q—You've been called a highly astute politician, an expert in getting legislation passed. How would you get legislators to respond?

A—First I'd convince the executive.

Q—Do you think President Ford has been lax?

A—Well, you answer that yourself.

Q—What would you do after that?

A—Well, you'd find out whether the executive will support it or not and then take it to Congress with executive support, and then the Congress would have some direction. And that's our constitutional form of government.

Q—Our survey found many legislators themselves own guns. Sen. Stevenson, for instance, owns nine. Congressman George Shipley has one. Congressman Henry Hyde has one.

A—What kind of guns?

Q—Oh, pistols and rifles and shotguns. Some say for recreation, others say for protection.

A—Many pick them up for collections. But you'd have to talk to them about that. I can't answer.

Q—Have you ever owned any guns?

A—Have I?

Q—Yes.

A—A handgun?

Q—Yes.

A—No. And that's the end of our interview. If you don't mind [laughingly], I've got some people out there.

MARSHALL McGRATH

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. DENT. Mr. Speaker, on September 7 of this year a man very close to many of us in Congress, Marshall McGrath, died suddenly and unexpectedly of a heart attack.

Marshall was only 46 when he died, and his death was a shock, to his friends on Capitol Hill, and to his family, his wife Carolyn and his daughter Cheryl.

Marshall McGrath was the director for Corporate Affairs in the Washington office of the International Paper Co., and as such he occupied a unique position, one between the forces of the paper and forestry industries, and the positions maintained in governmental and legislative situations. He occupied that position well, and became known quite quickly as a man who could be depended upon to present the case for the uses of our forests, not only succinctly and well, but also with an equananimous eye to the counterbalancing attitudes prevelant among those concerned for the environment.

He was graduated from Clark University in business administration, and began working for the International Paper Co. in 1951, training in all papermill operations at the company's facilities at Chisholm, Maine. Following were a number of positions in various aspects of the paper industry, before he was moved, in 1953, to the New York corporate headquarters of International Paper, where he headed up the company's industrial relations single service division. As a member of the staff for the industrial relations of the corporation, he became involved in the formation of International's first formal government relations program. He was assigned to government relations in 1962, and in 1967 he was named director of government relations of the company. In 1971 he was named first director of corporate affairs for International Paper, a position he held at the time of his death.

I hold fond memories of Marshall McGrath, both as an important representative of corporate responsibility, and as a friend. He will be greatly missed, by myself, and, I am sure, by many of my colleagues.

SEVAREID BIAS SHOWS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. ASHBROOK. Mr. Speaker, we often talk of the bias and the double standard of CBS news and its propagandistic brainwashing of the American people. No better example could have been given than the Eric Sevareid commentary on the Cronkite news segment last night.

In his typical cavalier fashion of brandishing words around in his arsenal of propaganda, Sevareid pulled one of the old liberal canards several times. In discussing what had happened to poor Nelson Rockefeller, he referred to Republican conservatives as the rightwing. When referring to the liberal leftwing of the Republican party, he pulled the same old liberal, deceptive trick of calling them quote—moderates—unquote. My friend, the senior Senator from New York, is a lot of things, many that I respect, but he certainly is not in the moderate wing of the Republican party—except to news managers like Eric Sevareid. It is the age-old trap of where you place the center—a leftist like Sevareid puts himself in the center and then that makes the liberals moderates and conservatives far to the right. Such tripe should be called what it is—political dishonesty.

In all my years of listening to that bunch I have never heard them refer to an American liberal as a leftwinger or leftist.

Somehow they delight in using the term rightwing in describing us while deceitfully calling a liberal a moderate most of the time. Occasionally they even call them a liberal but never a leftist or leftwinger.

The CBS "news" people all too often trip themselves. Managed news, liberal style, is the CBS hallmark. Their double standard should fool no one.

THE EFFECT OF NEW YORK DEFAULT HAS BEEN EXAGGERATED

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. HAGEDORN. Mr. Speaker, as the Congress considers possible solutions to the fiscal problems of New York City, it becomes increasingly apparent that the rhetoric surrounding the issue has become charged with emotion. The plight of our Nation's largest city is indeed an issue of concern to all Americans, not only in terms of the immediate impact of default, but also in terms of basic decisions regarding long-term economic policy.

Because of the importance of this issue, it is important that the facts be separated from the rhetoric so that we are basing policy decisions on solid evidence, and not merely on myths and unfounded fears. One such myth that has been advanced largely by financial institutions holding New York City bonds, is that default by the city will result in the virtual collapse of the municipal bond market nationwide. In the October 31st issue of the Minneapolis Star—the largest daily newspaper in the upper midwest—Mr. Harold Chucker, the Star's associate editor, presents an objective analysis of the effect of the pending default on the bond market in the Midwest. I recommend Mr. Chucker's article as an island of genuine evidence in the sea of rhetoric surrounding the New York City problem.

Mr. Chucker's article follows:

Despite New York, Municipal Bond Market Remains Strong in Midwest

(By Harold Chucker)

The sky is not falling.

The municipal bond market—at least in the Midwest—is not collapsing because of the pending default of New York City on its obligations. In fact, the market in this area has been gaining in strength as underwriters and investors, leery of poor credit risks in the East, have been looking westward for business and investments.

The fallout from Manhattan's fiscal crisis is creating serious financing problems for other communities in New York state. Some are unable to attract bids for their bonds; others can sell their obligations only at prohibitively high rates. Other states and communities in the East also are suffering from New York's troubles, or from their own fiscal mistakes.

Not so in this area, and particularly in Minnesota. The state has not sold any bonds recently, but communities that have borrowed in the money market have had excellent experience in drawing bids that are in line with interest rates that have been paid in the past. Some examples:

St. Louis Park sold a $3-million AA-rated general improvement bond issue last week, accepting a low bid of 5.62 percent from a local syndicate. The issue attracted four other bids, two from major banks in Chicago and two from big banks in New York. The high bid was 5.93 percent from Chase Manhattan Bank of New York.

Virginia, Minn., sold a $5.1-million hospital bond issue with a AA-rating last December. The 20-year bonds were reoffered to investors at rates ranging from 5.15 to 7 percent. Last week, Virginia went back to the market for more hospital funds and, with a slightly lower, A-1 rating, did even better. The bonds this time are being reoffered at rates ranging from 5 to 6.75 percent.

Mound sold a relatively small issue—$265,000—earlier this month at what was called an "excellent" rate of 6.39 percent.

Minneapolis, which enjoys a AAA credit rating on its general obligation bonds, sold three issues last month at interest rates lower than on similar issues sold several months earlier. Two of the issues went to Harris Trust of Chicago. They were a $4-million street improvement issue, which had a 6-percent net interest rate, and a $9,385,000 various purpose issue, which carried a 5.25-percent rate. Piper, Jaffray & Hopwood was the low bidder, at 6.5 percent, on a $200,000 parkway improvement bond issue.

Minneapolis will bring a $7.7-million housing bond issue to market Nov. 13 and should get a good reception from bidders, Earl Arneson, city comptroller, predicts.

Joe Miller, chairman of Miller & Schroeder Financial Corp.; Dave Emmons, municipal bond underwriter for Dain, Kalman & Quail, Inc.; and Arneson seemed to echo each other in separate comments on why bonds in Minnesota communities are drawing favorable bids.

Municipalities with good credit ratings are gaining from the New York fiscal crisis, rather than losing, they explained. Good bonds are much in demand, Emmons said, and that's one reason Chicago and New York dealers are coming into this area to bid on issues. Perhaps chauvinistically, Emmons added that these dealers are looking for "good, clean Midwestern credit, the kind that's not stained with the problems of Eastern core cities."

Miller & Schroeder, which specializes in municipal bond underwriting and marketing, has seen little adverse reaction to the New York crisis, Miller said. Investors who have held municipals for lengthy periods are rarely concerned, he commented. "It's the first timers" who are worried.

The municipal market "is not going to hell," Miller emphasized. Not everything is predicated on what's happening in New York, he said, and noted that there was a substantial price improvement on bonds this month, even as New York moved closer to bankruptcy.

There is far less concern among investment people in this area over the possible effects of a default than there is among New Yorkers and some officials in Washington. Miller, for instance, said, "It might not hurt, domestically to have a default."

Concern felt in the East, however, centers on several factors:

Investors may feel that the "full faith and credit" guarantee behind most of their municipal bonds may be more fragile than they believed.

A default could have a severe impact on the banks, with the ripples from that impact spreading across the country. A study by the Federal Deposit Insurance Corp. found that 100 banks are holding such large quantities of New York City bonds and notes that they would be in serious trouble in event of a default. About 60 of these banks hold New York securities equivalent to half or more of their total capital. The Federal Reserve Board has promised, however, that it will come to the banks' rescue if they are in trouble because of a default.

Some financial observers in this area take these concerns with several large grains of salt. They feel the possible adverse impacts of a New York default are exaggerated. "Aside from a possible initial shock," the retired chairman of a major financial institution wrote to me, "I doubt that it (a default) would have an adverse impact on the credit of well-managed cities. It might even make their financing problems easier as investors, investment advisers and dealers become more discriminating."

Many of the fears expressed, this retired executive said, come from officials of cities that have not been well run. "Likewise, the testimony of some bond dealers who have been marketing speculative bonds such as New York City issues at a very high tax-exempt yield is suspect, because they would like to know that support is available to bail them and their customers out at some time in the future."

QUESTIONABLE JUDGMENT BY THE CANCER SOCIETY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. JENRETTE. Mr. Speaker, the president of the American Cancer Society, Dr. George P. Rosemond, has called for an end to the price support program for tobacco farmers, and for an increase in Government subsidies of antismoking advertising campaigns. The Cancer Society serves a great cause in our country, and should be applauded for its contribution to medical research. I personally make a larger financial contribution to the American Cancer Society than to any other charitable organization. However, I find Dr. Rosemond's statement both unscientific, and below the dignity of the Society.

In the first place, tobacco generates more money for the Federal Government than it is a liability. Last year, $6 billion in municipal, State, and Federal taxes were collected on tobacco, and the export of this crop added $1 billion to our balance-of-payments. The Cancer Society statement also implies that farmers receive handouts from the Government, but this simply is not true. The support program is merely a floor under prices, and the purchase made by the tobacco companies are usually above that floor. In 1975, for example, the Government received a net profit of $1.1 million on their tobacco program.

Secondly, the contribution of smoking to lung cancer is still largely under dispute. I recently heard it reported that lung and respiratory ailments dropped sharply in San Francisco during the period of gas rationing. Yet, I do not hear the Cancer Society calling for an end to driving automobiles, or emphasizing the role of industrial pollutants in causing cancer.

Finally, even with reports from the Surgeon General, cigarette smoking has continued to increase steadily. Although I personally do not smoke, I believe that the Federal Government has no right to interfere with a person's right to make that choice.

Thousands of small farmers also have a right to be protected. With all respect to the Cancer Society, it would be best if they performed their vital function in the laboratory, and let the tobacco grower do his on the farm.

FOOL'S GOLD

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. MOORE. Mr. Speaker, yesterday I joined 198 of my colleagues in voting against H.R. 7575, a bill bearing the sugar-coated title of the Consumer Protection Act. House opposition to the bill was unsuccessful, but in passing the measure by the slim margin of nine votes it is obvious that the Consumer Protection Act lacks a mandate of the people. On the whole, H.R. 7575 is based on the assumptions that the consumer is gullible, the businessman is criminal and the Government is infallible. Each assumption is dead wrong and when coupled with one another, the result provides ample evidence as to why this Nation and its consumers do not need or want an Agency for Consumer Protection as authorized by H.R. 7575.

Like many other bills I have voted upon this year the Agency for Consumer Protection has a nice ring to it. Its title sounds worthy; for who as a housewife, factory worker, farmer, businessman, or Member of Congress wants to get less than what he or she paid in any market place? But beneath the surface of this bill lies fool's gold and that in itself constitutes consumer deception.

This bill will not assure the public that tires will last 50,000 miles, that land swindles will be a thing of the past, that every head of lettuce on a grocer's shelf will be fresh, or that repairs will be made as they should. It will, however, result in slower Government decisionmaking. For example, the Agency for Consumer Protection could delay for a week, a month, or several months a Government action that would help the consumer. In other words, it will prevent other Federal agencies from operating efficiently.

The Agency is given vast "interrogatory powers" which boils down to another layer of bureaucracy that can mull over what other bureaucracies want to do and each can claim its view is that of the consumer. Creating more bureaucrats to check other bureaucrats will do nothing more than cause the taxpayer to reach a little deeper into his pocket or her purse to pay the wages of the hundreds of new Government employees provided for in this bill.

In March of this year, the Office of Consumer Affairs of the Department of Health, Education, and Welfare published a booklet listing 39 Federal agency consumer complaint departments and 306 State, county, and city consumer offices. Why create another one? If any of the present consumer offices is not doing its job, I suggest we reach in our legislative tool chest and tighten the loose bolts.

In creating an Agency for Consumer Protection we are not tightening bolts. Instead, we will have created a Rube Goldberg device that spins and makes a lot of noise but accomplishes nothing by way of protecting the consumer.

In addition to the Government consumer offices listed in the HEW booklet, a little history of longstanding Federal protections of the consumer is worthy of mention. The Federal Trade Commission was created in 1914, and it has been hunting down unfair or deceptive acts or practices in commerce for more than 60 years. Consumer protection is nothing new. In creating the Federal Trade Commission, Congress gave it a mandate to stop unfair or deceptive advertising, unfair or deceptive selling practices, and consumers. In other words, an important part of the Federal Trade Commission's functions and duties is to protect consumers from those practices which deceive, defraud, or otherwise harm consumers. Why create an Agency for Consumer Protection to allegedly do the same thing?

Duplication of other Government consumer services merits rejection of this bill, but that flaw is not my prime reason for opposing H.R. 7575. The "interrogatory powers" I mentioned earlier go beyond pitting one bureaucrat against another. As the American Farm Bureau pointed out, the Agency for Consumer Protection "is a mechanism which lends itself to Government control of the economy." It spells even more Government control over private business than exists today. I say this because the Agency for Consumer Protection is free to intervene in any Federal action which "may substantially affect an interest of consumers" and the Administrator of the Agency determines when this is the case. In other words, this bill creates a superagency.

The citizens of the Sixth District of Louisiana have repeatedly told me that they have had enough Big Government telling them by regulation or rule how they will conduct their business and private lives on a day-to-day basis. A superagency such as the Agency for Consumer Protection is just another extension of Big Government. Instead of piling regulation atop regulation, it is my belief that the consumer-taxpayers of this Nation want more freedom from Government regulation. With this in mind, I have joined with 135 Members of Congress in cosponsoring legislation that will permit either the House or the Senate to prevent any bureaucracy from making new rules or regulations that are contrary to law or are inconsistent with congressional intent. Hearings on that bill, H.R. 10166, are now underway in the House Judiciary Committee. I suggest that any member wanting to protect the consumer from the perils of Big Government should join me in supporting that measure.

I, too, am most concerned with consumer interests. I am one, as is every constituent in my district. This bill is not in the best interest of consumers as it will create a huge new bureaucracy to be paid for by the consumers-taxpayers and will prevent the Federal Government from operating efficiently in the consumers' interest. A more moderate version of this agency could possibly have been supported by me. Taking more money out of our hard pressed consumers' pockets, either through additional taxes or increased deficit spending—and that means higher interest rates to the individual borrower—to finance this new agency will delay the orderly process of a Government dedicated to represent all consumer-citizens. This is not my idea of helping consumers, regardless of how you title the new agency.

THE FALLOUT OF DEFAULT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. McKINNEY. Mr. Speaker, I wish that it was as easy for me to determine that only minimal difficulties will arise from the default of New York City as it appears to be for the President, and some members of the administration and Congress. However, after 5 days of hearings, which included testimony from a broad base of specialists in municipal financing, national and international banking, and academia, I have concluded that the default of New York will bring chaos not only to New York City, but that the fiscal failure of the Nation's greatest city will have unestimable consequences on a national and international scale.

I suppose that because my district is in close proximity to New York City, I can be accused of being emotionally involved with the city's future. However, my concern for New York's plight is more a result of my representation of three cities which someday may find the municipal credit market closed to them. My statement at the outset of hearings on the problems of municipal debt financing indicated my belief that the hearings were not specifically geared toward saving New York City, but rather the plight of municipalities across the Nation.

It is interesting to note that in July of 1973, the Advisory Council on Intergovernmental Relations issued a study on the financial stability of America's cities. At that time, the Commission reported that no financial crisis existed for the cities but a combination of factors relating to services, taxes, wages and retirement benefits made several cities susceptible to financial emergencies. In discussing the available alternatives, it was suggested that appropriate action to revise the method of handling municipal crises of this nature be taken then—when the cases of financial distress were few—so that a well reasoned plan could be devised. Had this advice been heeded, we would not now be faced with what has sadly becomes the rule, not the exception: government by crisis.

Furthermore a study of municipal defaults during the Depression and their causes read like a litany of today's municipal problems: Demands for increased services, reluctance to increase taxes, overdevelopment of real estate and—perhaps most significantly—a lack of responsible fiscal management. If the basic problems are parallel, the economic situation facing the country contains alarming similarities also. I do not intend to recount the problems so familiar to us all. I feel it is sufficient to observe that the present recession has placed the United States and the world on the weakest economic foundation in 40 years.

What I attempted to do, during the 5 days of hearings, was to evaluate both sides of the issue to determine precisely what the financial and psychological effects of default would be. It was surprising to me that even those of the administration who were so firmly against bond guarantee assistance continually indicated that they did not really know what the psychological effect would be on either the bond market, on the stock market, on the international markets or on our infant economic recovery.

In 1974, there were 7,701 issues of long- and short-term State and local bonds with a par value of $51.9 billion. The total amount of tax exempt securities outstanding at the end of this period was $207 billion. The value of tax exempt obligations issued yearly between 1960 and 1974 has increased nearly five-fold. Thus the tax-exempt bond has become institutionalized as a means of securing added capital for municipal expenditures. This capital is used to refund debt, for short term borrowing in anticipation of tax receipts, for the construction of schools, hospitals, roads, and other capital improvements.

It was made quite clear during testimony from municipal finance specialists that without the ability to go to the bond market for capital, municipalities would not be able to provide required public services and eventual collapse would result. Thus, a report by Standard and Poor's indicating that 10 percent of the Nations municipalities are unable to enter the financial markets at all, as a result of the psychological effect which default is having on the bond market, is to say the least disturbing.

Moodys Bond Survey further reports that high rated municipal issues are at record yields, while the National Association of Counties states that smaller localities across the Nation are paying higher interest rates then ever before. Simple calculation indicates that even if the psychological effect of default causes a 1 percentage point increase in the cost of local borrowing, it will result in an additional $1.84 billion in interest charges over the 8-year average life of municipal bonds offered over a 1-year period.

Thus while those who oppose a Federal guarantee claim that they do not want to provide "1 red cent to New York," all municipalities and, therefore, all taxpayers are already paying the price for inaction.

With the importance of the tax exempt market to most municipalities, it is vital that investor confidence be maintained. Unfortunately, that confidence is decidedly absent today and it is unrealistic to assume that defaults today will be met with passive acceptance by creditors. Call it a "domino" or "ripple" effect if you will, default by a major municipal borrower can be expected to trigger a confidence crisis of potentially disastrous proportions for all tax-exempt bonds, no matter how sound the backing.

Concern over the psychological impact on international markets has also been expressed in recent weeks by various authorities. Former Undersecretary of State George Ball told our subcommittee that—

> Default of a private company is, as foreign countries see it, a phenomenon quite normal in the operation of a capitalist system; but for the Federal Government to sit by immobilized while one of the great cities of the world defaults on its obligations, would, however unfairly, raise questions as to the integrity and good faith of our political authorities and create doubts as to the responsibility of our national government and, hence, the validity of its promises.

Dr. Pierre Rinfret, a noted international financial consultant, compiled correspondence with top financial people in Europe and Asia inquiring as to the effect of a default on foreign markets. The response from Switzerland, "Nobody can evaluate what the psychological reaction could have been, but the Eurodollar market is very sensitive to charges in confidence and the consequences could be harmful"; from Germany, "There would be a very strong psychological negative impact. If New York fails anything else may fail. It would certainly further shatter the belief in the American economic upswing which anyhow is weakening." And from Hong Kong, "My opinion is it would be a catastrophic effect internationally."

While other responses indicated the opinion that default would have a minimal effect on international markets, it is still evident that severely adverse reactions could result.

What would the cost of default in dollars and international fiscal integrity be to the American taxpayer?

The impact of default on our economic recovery should be of utmost concern to every American. While default certainly cannot bolster our fiscal integrity, I have attempted to balance the claims of both sides of the issue. Again my opinion is that the cost to the American taxpayer will be more postdefault than predefault. However, in the case of our economic redevelopment, the cost will be more than dollars; the cost may well be an economic slump, more devastating than that which existed over the past 4 years.

The inability of a political subdivision to borrow in the credit markets has an obvious effect on municipal spending. Traditionally, this type of shortage forces a postponement of capital improvements which do not need immediate attention. However, it should be remembered that decisions of this nature have a debilitating effect on the needed encouragement for economic growth. Further capital expenditures for schools, hospitals, and other public buildings may not be made, thus adversely affecting public services. Also, there is a possibility that firms using securities as collateral could find their access to bank financing restricted which would curtail business expansion and could lead to the failure of those that were overextended. Cities across the country, unable to acquire needed capital, have announced the cancellation or termination of capital improvement programs which would have contributed to cutting current high unemployment rates.

Banks holding municipal bonds could find themselves in difficulty, since default could reduce their liquidity and in turn, cause them to restrict loans to their best customers exclusively. This would further limit funds available to corporations already suffering from the existing capital credit crunch. And what of the financial security of this Nation's banking system? Testimony from both the Federal Deposit Insurance Corporation and from the Comptroller of the Currency indicates a total of 324 banks which are holding New York City obligations which exceed 20 percent of their gross capital funds. Of these 324 banks, a significant percentage have 50 percent more of their net worth invested in New York City obligations. While both Government agencies feel that only minimal problems will arise for these institutions from a New York City default, I am afraid that if even a small percentage of the banks fail because of the default, serious psychological and resultant financial consequences will follow for our banking institution. A default by New York and subsequent financial difficulties for other municipalities can have only the most dire effect on our economic security. Frank Wille, Chairman of the FDIC, stated in his testimony—

> Obviously, the potential impact on nonmember banks could become significantly more serious if other municipalities besides New York City were forced to default because of general turbulence in the markets for state and local obligations.

What will the cost of the failure of a percentage of our banking system mean in dollars and financial security to the American taxpayer?

My conclusion after carefully evaluating the testimony of the witnesses before the subcommittee is that the risks inherent in letting the largest city in the Nation default are too great for me to take as a representative of 500,000 American citizens.

The President however feels that postdefault assistance will be less costly to the American people than a bond guarantee as proposed in this bill. Actually a Federal guarantee will cost nothing and in all probability will provide added revenues to our Federal Treasury. This factor is evident from our experience with the Lockheed loan guarantee which has already netted the Treasury some $17 million. The loan guarantee fee and the submission of New York City and State revenue sharing funds as security for Federal assistance more than adequately protects our Federal interest.

An estimate of postdefault aid as suggested by the President appears to me to be the more costly alternative. Already the specter of New York City bankruptcy has taken its toll on some 1,500 companies that sell their goods and services to New York. An estimated $500 million of expected revenues to companies across the country will not be paid. What will the cost of bad debt losses and lower corporate income tax dollars mean to our Treasury?

It is estimated that default would necessiate layoffs of an additional 30,000 city employees and partial payment of salaries for the rest. This figure does not include the thousands of layoffs which will be caused by the cancellation of capital improvement and service contracts with the private sector. It is estimated that this will result in a New York City unemployment rate of over 20 percent. Thus, the lost jobs and the lost business to the cities' vendors could mean a $100 million tax loss for New York each month. This astounding municipal tax loss in addition to the increased unemployment and welfare payments which will come from our Federal coffers will cost the American taxpayers millions.

The President has also stated that—

> In the event of default, the Federal Government will work with the Court to assure that police, fire and other essential services for the protection of life and property in New York are maintained.

The problem with this statement is what services are considered "essential services" and what will the cost of providing these essential services be to the Federal Government.

In addition to the obvious life support services of police, fire and hospitals, will the Federal Government also provide personnel or funds for the continued functioning of the water supply, sewage treatment and sanitation services? And if so, at what cost to the American taxpayer?

In March of 1970 the Federal Government had to call out the National Guard to deliver the mail during the mail carriers' strike. These National Guardsman, called up for a period of 14 days, cost the American taxpayer $2,528,749. What if the President, in keeping his promise to "assure that essential services are maintained," were to call out the National Guard? The expense to the American taxpayer could be exorbitant.

What of the cost in both time and money to the individuals who bring suit in Federal court over the superiority of their lien against the city and State? It has been estimated by witnesses that the courts could take from 5 to 7 years to clear their calendars of lawsuits stemming from a New York City default, once against demonstrating that the cost of post-default is considerably more than a pre-default guarantee.

The psychological and financial consequences of post-default aid in my opinion are sufficient to convince every member of Congress that the crisis which New York is experiencing today will possibly affect every urban center in America in the future. The fiscal decay which has beset New York and the city's subsequent default will have an impact felt by every American. Mayor Beame has stated that—

> The question President Ford should ask himself is not "who benefits from a New York default?"—but "who loses?"
>
> Clearly there will be no winners.

At the outset of the hearings on this legislation I stated that "It is my hope that we will find that the Federal Government need not provide any direct Federal payments to our ailing cities. Instead, I believe it is the responsibility of Congress to provide a medium for our cities to achieve fiscal stability, to restore confidence in their survival in order to establish normal funding channels." These hearings have convinced me that this is the minimum that the Federal Government can do to preserve the fiscal integrity needed for economic recovery and growth.

H.R. 10481, which establishes a predefault guarantee program, provides the vehicle for achieving municipal fiscal stability in the most comprehensive, responsible and least costly manner.

THE NEW FAMILY DOCTOR IS A NURSE

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. LEVITAS. Mr. Speaker, the Emory School of Nursing located in my district in Georgia has set up a "walk-in clinic" in Atlanta where people can walk in and get a check-up. It makes health care accessible to people who might not otherwise get it. The clinic is run by nurse practitioners and illustrates one way that these specially prepared nurses are helping to fill the gaps in health care. This is the kind of creative and innovative development in health care that we are seeing in many cities and rural areas around the country.

These types of new approaches are needed instead of relying on the same old means and worn-out solutions of solely pouring more and more money into the existing forms of health delivery systems, without reexamination and new approaches.

An article in the October issue of McCall's magazine describes the work that these nurses are doing in the Atlanta walk-in clinic. I think my colleagues would be interested in this, and I ask that the article be placed in the RECORD.

THE NEW FAMILY DOCTOR IS A NURSE

Patients who walk into the Atlanta, Georgia, Walk-In Clinic get a physical checkup for $20 and pay $2 a visit thereafter—but the clinic staff that treats them is not made up of doctors. It's composed, instead, of a new breed of nurses called nurse practitioners, who are stepping into the doctor-shortage breech to cope with the common ailments and routine medical procedures that bore most M.D.s, yet take up so much of their expensive time. At the Walk-In Clinic, nurses give kids allergy shots and immunization and deal with colds, flu and other minor complaints. For $15 they'll make a house call, and they're available for free telephone consultation 24 hours a day.

The clinic was set up by Emory University's School of Nursing, and its forte is "health management"—periodic checks of patients with chronic problems, such as diabetes, hypertension, obesity and allergies. The nurses will give shots and medicine if the patient has a written order from a doctor. "As nurses, we don't prescribe medication, period," says Jo Goodson, the clinic director. "And we don't administer it without doctor's orders."

But slowly they are getting around even that restriction with the blessing of several Atlanta doctors who write "standing orders," taking responsibility for allowing the nurses to treat certain combinations of routine symptoms in anyone who walks in. Thus, doctors are relieved of everyday sore throats and bloodpressure checks. And the nurses have been so well received that they have opened a satellite clinic in a downtown church, besides taking over the health programs of a local college and a high-rise apartment for retirees.

While these nurse practitioners require no extra licensing, most have taken at least 100 hours of graduate work in nursing. And they walk a fine line between what they can and can't do. Under most state laws, nurses aren't supposed to make medical diagnoses. But, in fact, nurse practitioners do a good deal of diagnosing for the purpose of sorting out the harmless, everyday ailments that they treat themselves from the potentially serious conditions that they refer to doctors.

Nurse practitioners also can't write prescriptions, although many are supplied by doctors with signed prescription blanks that they can fill out for certain medications useful in treating the conditions they deal with. They are also barred from doing surgery in a hospital, although that doesn't stop some pediatric nurse practitioners from suturing a child's cut or removing a wart in their clinics. Obstetrical nurse practioners make routine deliveries and do pre- and postnatal checkups. Nurse practitioners will order laboratory tests, take medical histories and give fairly complete physical examinations.

But a large part of the nurse practitioner's function is patient education—teaching a diabetic how to give himself insulin, showing a paralytic how to get about in the kitchen, counseling patients on diets, home care, family problems—all the things a doctor doesn't have time to talk about these days. At the Walk-In Clinic nurses spend an average of 30 minutes with each patient, compared to the five or ten minutes many people spend with their doctors in a routine office visit.

To be effective, the nurses generally have to be associated with doctors in some way since, despite their independence, they are really an extension of good medical service. Many pay doctors a retainer to review regularly their patient records, to be available for consultations and to write prescriptions or standing orders for them.

BETHPAGE TRIBUNE'S 10TH BIRTHDAY

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. AMBRO. Mr. Speaker, it was a pleasure to learn recently that a fine weekly newspaper in Long Island's Third District, the Bethpage Tribune, is starting its 10th year of service to the communities of Bethpage, Island Trees, Plainedge, Plainview, and Old Bethpage.

Weekly newspapers play an important role in community life. The Bethpage Tribune, under the dedicated guidance of its editor-publisher, Mrs. Florence Cullem, has been a vocal and effective force in furthering community relations, in publicizing community projects, whether large or small. Mrs. Cullem's credo, "Free Press and the right of the citizen to be informed," has been borne out successfully in the record of valuable public service the paper has provided over the past 10 years, and by the responsiveness of the communities it serves. It is fitting, too, that Mrs. Cullem has been installed as president of the Nassau County Press Association, in honor of her fine journalistic ability.

To the Bethpage Tribune, Mrs. Cullem, and her fine staff, I extend heartiest congratulations on a job well done, and best wishes for many more years of continued success.

INFLATION BY OLIGOPOLY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. CONYERS. Mr. Speaker, ever since the twin evils of inflation and recession have been battering the American economy, as well as the economies of most industralized nations in the West, we have been treated to one analysis after another. Stagflation has been the subject of scores of conferences, commissions and publications. Yet the economic crisis persists, despite the seemingly enlightened explanations of economists and Government policies to deal with it.

Leaving aside the effects of energy costs on stagflation, one conventional explanation of it focuses on the wage-price spiral theory, which places the blame largely on labor. Another, favored by some of the most prestigious economists, asserts that consumers hold supreme power in the marketplace and through their choices, create shortages which, in turn, push prices upwards.

Yet another explanation seems closer to reality. Giant corporations in oligopolistic industries with their virtually unlimited control over markets and prices are a significant agent of inflation and recession. An unpublished memo of the Bureau of Competition, dated June 11, 1971, to the Federal Trade Commission stated:

> It has been estimated that if highly concentrated industries were deconcentrated to the point where the four largest firms concontrol 40% or less of an industry's sales, prices would fall by 25% or more.

The following article entitled, "Inflation by Oligopoly," written by Bennett Harrison and published in the August 30 issue of The Nation, documents how shortages and price hikes are controlled by corporate, not labor or consumer, decisions, and how oligopolistic industries are abetted by regulatory agencies.

I highly recommend this thoughtful and fact-filled analysis to my colleagues for their reflection.

INFLATION BY OLIGOPOLY

(By Bennett Harrison)

It is a tenet of radical political economy that the most important systematic explanation for the severity of modern capitalist inflation is the increasing power and influence (if not numerical incidence) of oligopoly throughout the capitalist world. It is these concentrated employers who have the most market (i.e., price-making) power, who can most easily influence their government regulators (e.g., through promises of jobs at six-digit salaries), whose employment discrimination has the greatest consequences (because so many "good" jobs are involved), who can afford to withhold output from the market, who can, through their connections, anticipate government economic policies and thereby change the conditions originally assumed by the policy makers, and whose investment decisions are the most sensitive to international opportunities for making a profit.

To be sure, our economy experiences some inflation from labor or other supply bottlenecks in one or another sector from time to time (although even that often occurs from the lack of public planning—itself caused in large part by the opposition of private corporations, at least in the United States, to public planning). And no one can escape occasional shortages due to real physical scarcities (although, again, planning could facilitate the process of shifting to less-scarce alternatives). But overwhelmingly, we suffer from inflation that is sometimes caused, and *always* exacerbated by oligopoly. It works in three ways; by profit-push: administered increases in prices, often in anticipation of increased consumer spending; by obtaining government protection against price reductions; and by the vertical integration of entire industries, which eliminates external market exchange entirely in whole areas of the economy.

Orthodox economists are aware of at least some of the influences of oligopoly on inflation. The general tendency of oligopoly prices to rise quickly in response to (or in anticipation of) expanded demand but not to fall quickly (if at all!) in response to (or in anticipation of) declining demand imparts an upward bias to prices that has been recognized by Charles Schultze and Robert Solow (although neither of them seriously proposes action to weaken this power). In twelve months between October 1, 1973 and September 30, 1974, General Motors raised the average retail price of its cars ten separate times for an average increase of more than $800. At the same time its sales fell by 21 per cent. To be sure, many of its costs rose significantly, notably labor (an additional cost of $2 per hour) and steel (an additional $65 per ton). Nevertheless, if faced with strong competition from other producers or from other means of transport, G.M. would have been forced to absorb some of these higher costs. That it did not—and padded the administered prices even further, by making standard some devices that were formerly optional, by adding in "inflationary expectations," etc.—illustrates the inflationary consequences of oligopoly.

Early in 1975, Federal Trade Commission Chairman Lewis Engman announced his findings that "most regulated industries have become federal protectorates living in a cozy world of cost-plus, protected from the ugly specters of competitive efficiency and innovation." He pointed to decisions of the Civil Aeronautics Board, Interstate Commerce Commission, Department of Agriculture and Federal Communications Commission: "Our airlines, our truckers, our electronic media and countless others are on the dole. We get irate about welfare fraud, but our system of hidden regulatory subsidies makes welfare fraud look like petty larceny."

Perhaps the two most dramatic examples in modern times of "larceny" by oligopoly are provided by the automobile industry's systematic destruction of potential competition from mass transit, and the oil industry's power to effect a drastic redistribution of income from labor to capital and to reduce the future independence of consumers from the oil cartel. These case studies illustrate some of the effects of oligopolistic concentration on important areas of the American economy.

TRANSPORTATION

Introspection and fragmentary evidence have always suggested to some people that it is by no accident that we have become so dependent on cars, busses and trucks for the movement of people and freight. Of all possible forms of transportation, the automobile is socially and privately the most expensive. As urban land becomes move valuable, and the external diseconomies of sprawl become more apparent, the social consequences of underdeveloped mass transit increase. The real cost of "accessibility" rises and that, too, is inflation.

New evidence has appeared to support the view that our dependence on the private automobile is deliberate. A study, "American Ground Transport," conducted for the Senate Subcommittee on Antitrust and Monopoly by Bradford Snell has unearthed data which show that, beginning in the 1930s, "General Motors and allied highway interests acquired the local transit companies (first in Los Angeles, then in cities across the country), scrapped the pollutionfree electric trains, tore down the power transmission lines, ripped up the tracks, and placed G.M. motor busses on already congested . . . streets. The noisy, foul-smelling busses turned earlier patrons of the high-speed rail system away from public transit, and in effect, sold millions of private automobiles."

G.M. also began in the same years to use its virtual monopoly of rail locomotive production and its leverage as the nation's single largest shipper of rail freight to force railroads to scrap their pollution-free electric locomotives in favor of G.M.'s more expensive, less durable and far less efficient diesels. "The switch to diesels prevented the railroads from competing effectively with the cars and trucks G.M. was fundamentally interested in selling." Most of the commuter rail systems, and nearly all of the railroads, were operating in the black until G.M. "invaded" their turf.

For example, Snell writes, "During fifty years of electrified operation [the New Haven Railroad] never failed to show an operating profit. Then, in 1956, G.M. persuaded it to tear down the electric lines and scrap an entire fleet of powerful, high-speed electric locomotives. By 1959, three years after dieselization, the New Haven lost $9.2 million. In 1961, it was declared bankrupt; by 1968, when it was acquired by the Penn Central, it had accumulated a deficit of nearly $300 million," After a review of these facts, the ICC, in an unprecedented move, found that General Motors had contributed to the New Haven's "financial ruin."

Snell reminds us that there is more at stake than simply the relative profitability of different private corporations. "The most disturbing aspect of G.M.'s dieselization program is that it eliminated a technological alternative, electric trains, which would have helped the railroads compete with highway transport. Today, when virtually every other advanced nation has electrified its trains, America and what is left of America's railroads are still locked in to G.M. diesel locomotives." These examples seriously challenge the "revealed preference theory—that we "love our cars" and cannot be persuaded to part with them—so close to the hearts of neoclassical economists. Snell's study makes it clear enough that the addiction to road transport hardly resulted from free consumer choice among competing alternatives.

INFLATION AND THE OIL CARTEL

Events in the past year have enabled many observers to find in the Arab states a new bogey, responsible for much of our current inflation. But the problem of cartelized oil, with attendant high prices and artificially restricted supplies, existed long before there were any independent modern Arab states. This example merits the closest examination; it tells much about the "wire frame" of Tom Vietorisz's "birdcage." In his words: "Millions of unimportant decisions are made every day in local markets—the soap film covering the wire frame of the birdcage. The really important decisions—the wire frame itself—are less numerous, but far more fundamental. And they are explained by an analysis of power, not competitive advantage."

"The central fact of the petroleum industry," writes Melville Ulmer (The New Republic, January 5-12, 1974), "is that the demand for its product is 'inelastic.' . . . So long as the oil barons can maintain discipline in their industry, as they regularly manage to do, it always pays to keep prices on an upward track." The Snell study gives an important part of the explanation for the high-price inelasticity of demand for gasoline in America; competing modes of transportation have been systematically destroyed by the auto-gasoline-highway interests. Consumers must continue to pay ever higher prices. What are their alternatives? Intrasuburban mass transit? It does not exist. Commuter railroads? Only a handful of cities have them. Mechanical modes of travel, such as bicycles (or even walking)? Impossible when in the largest cities the average journey to work is longer than 5 miles.

The extraordinary power of the oil industry has not come despite government regulatory constraints. There is ample evidence that regulatory agencies, the White House and Congress have strongly supported and promoted this development. Here again is Ulmer:

"Because of the inelastic demand just described, it is financially advantageous for petroleum producers to keep their customers a little hungry. Here, government has cooperated magnanimously. The Hot Oil Act of 1935 enabled the major producers to exercise control over the nation's output with the obsequious assistance of state agencies. A waiver of the anti-trust laws permits them to integrate fully from oil wells through pipelines, tankers, refineries and retail outlets. The same governmental benevolence encourages them to buy up sellers of potentially competing fuels, especially coal, and to join with British, French, Dutch and Italian companies in international "consortiums." Import quotas, administered by complacent government officials, serve to crown the perfection of their control over the nation's energy supply, and hence of the prices at which it sells. . . . To cap the financial bliss of this sector of our free enterprise system, a 22 per cent depletion allowance virtually absolves the oil companies from the corporation income tax.

"The oil industry has been carefully planned, but in the interests of monopoly profits . . . the majors sell part of their crude oil to independent, nonintegrated refiners. By hiking the prices, they can squeeze these potential competitors at will, narrowing their profit margins until they cry "help." Help means sellout or merger. Between 1950 and 1967, according to the Federal Trade Commission, the majors in this way absorbed 73 large independents with aggregate assets of more than six billion dollars. . . .

"Regulation by government seems no more effective than hiring Boy Scouts to rout out the Mafia. The oil moguls have demonstrated their talent for cowing or confusing public officials, whether in the Interior Department, the state oil prorating agencies or the White House's Office of Emergency Preparedness. Nor has any government official, concerned with "truth in advertising," ever dared to suggest that the oil companies reveal the homogeneity of gasoline—the treasured trade secret that all gasoline of the same octane rating, like all aspirin, is the same, regardless of the label under which it is sold."

The Economics Division of the Library of

Congress recently reported to Rep. John Moss's House Commerce and Finance Subcommittee that Congress and the White House were directly responsible for much of the increase in oil prices. First, it was charged, the Cost of Living Council allowed the companies to increase the price of "old oil" (that from existing wells) from $4.25 to $5.25 a barrel, even though "this is oil that cost, roughly, less than $1 to produce." Excess oil costs to the consumer totaled about $2 billion. Then, the council allowed the price of "new oil"—which costs no more than $2 a barrel, including allowances for depreciation and depletion—to rise to $10.50. This cost consumers about $3.25 billion extra. Then, for each barrel of "new oil" produced, the majors were allowed to raise the price of a barrel of "old oil" still further, resulting in an increased revenue of about $2.23 billion. During the "shortage" of the winter of 1974, the Federal Energy Office permitted retailers to raise their profit margins from 7.25 cents a gallon to 11 cents; that increase has not been cut back since the advent of the summer 1974 sudden "surplus." The Library of Congress researchers estimate that this has added almost $3 billion to consumer costs.

In view of these cost and revenue data, the claim by the oil companies that the supply of oil has not been artificially curtailed is unacceptable. The record shows that the shortages are the result of deliberate policies to restrict output. Since 1956, the industry has cut back its exploratory drilling by 60 per cent. As late as 1967, fields in Texas and Louisiana were operating at only 40 per cent of capacity. No new refineries have been built in the United States for ten years; the new ones are being located abroad, near more lucrative markets (India now pays American firms $1.50 retail per gallon). *U.S. News & World Report* estimated that the United States had underground oil deposits of 400 billion barrels (we now consume about 4.3 billion barrels per year). *Business Week* (November 10, 1973) announced that Texas oil wells were pumping only about 30 per cent of the oil lying under their facilities.

The connection between the cartelization of the American-dominated oil industry and the recent behavior of the Mideastern oil countries is only dimly perceived by the media and the public. Last spring, Sen. Frank Church's Foreign Relations Subcommittee released its long-awaited study of this relationship. It charged that the oil companies are the "senior partners," helping the Arabs at State Department request, and being rewarded with the kinds of regulatory and legislative favor described above. One witness, a law professor who worked in President Truman's Justice Department, reported that his 1952 investigation revealed unmistakable evidence of an American-European-Middle Eastern cartel, but that the investigation was called off by the President himself because he feared "it might harm 'national security' by weakening our oil supply coming from the Middle East." The witness, Prof. Leonard Emmerglick of the University of Miami, said the cartel, known as the "Seven Sisters"—Exxon, Texaco, Standard of California, Gulf, Mobil (all American), Shell and British Petroleum—was formed around 1928.

The interests of the cartel were clearly served by the Arab oil boycott of 1973–74. American oil companies still earn dividends on Arab oil sales to other countries (and they own most of the tankers that transport the oil). The U.S. General Accounting Office estimates that, while ARAMCO (Exxon, Mobil, Texaco and Standard of California) sustained production costs of about 12 cents a barrel in 1973 at its Middle Eastern wells, the cartel's profits per barrel rose from 62 cents in 1963 to $1.23 during the 1973 embargo. "These were profits *after* the payment of royalties and taxes to the Arabian governments," according to GAO accountant Shirley Ward.

Oligopolistic power extends beyond price making and the withholding of supply. It means that oil companies can buy up potentially competing fuels such as coal and natural gas (the top four oil companies now own 50 per cent of the natural gas; the top eight own 70 to 80 per cent). They can use their power and wealth to control—usually in order to suppress—new technologies. For example, during World War II, the Nazis made gasoline from coal. After the war, the U.S. Government set up a research project to develop it here. In 1954, under pressure from the oil companies, the Eisenhower administration abandoned the project. The power to destroy competing independent retailers or refiners has already been remarked upon; according to *The Wall Street Journal*, there were more failures of independent gas stations in 1973—5,000 such failures—than in any other postwar year. Independent truckers are also being injured.

Findings such as those I have reported here have led even the conservative Sen. Henry Jackson to conclude that "the fuel shortage is a deliberate, conscious contrivance of the major integrated petroleum companies to destroy the independent refiners and marketers, to capture new markets, to increase gasoline prices and to obtain repeal of environmental protection legislation." An FTC study leaked to the press in the summer of 1973, but never subsequently published, similarly concluded that "the oil companies have behaved . . . as would a classical monopolist: they have attempted to increase profits by restricting output." This charge received support when the Senate Foreign Relations Committee, in March 1974, disclosed a confidential memo written by economists working for Standard Oil of California back in 1968—long before any Arab boycott threats. According to The Wall Street Journal, the company economists "recommended strong measures to prevent an oversupply of crude oil, including production cutbacks. [They] also assured that all of the major international companies would act concurrently to hold production down rather than see prices drop."

Finally, an unusual grand jury in New York returned a report to the state's Attorney General, concluding that "the recent petroleum shortages [in New York] were clearly avoidable and may have triggered the Arab oil embargo. . . . It's a fair question to ask whether the Arabs would have imposed the embargo at all if the [United States] had had adequate reserves."

What was the Nixon administration's (and now, presumably, the Ford Administration's) response to all of this? In February 1974, Budget Director Roy Ash announced a preliminary "plan," which "the government's role will be primarily to assist industry. . . . Antitrust laws may be modified to permit cooperation among oil companies. Environmental laws will have to be reshaped to permit rapid development of offshore oil, coal strip mines, oil shale, and other energy sources. Research and development programs of new sources of energy, such as solar and geothermal energy, will be promoted. This burden will have to be borne primarily by the government," Ash said, "because the costs will be very high and the return too remote to interest private investors." Ash minimized the effects of the price increases. He said "it will amount to a 'one-time' cost of only about $50 billion—or only 4 percent of the GNP. Once the economy has adjusted to the higher price level . . . it will continue to grow without long term ill effects."

These two brief case studies demonstrate, I believe, the overt use of political and economic power by two highly concentrated industries to increase their share of the national income, enhance their power and destroy potential competitors—not by offering a better product, more efficiently produced, but by bludgeoning their opponents to death. And all with the active support of the state.

A study of inflation that fails to assign a central role to the power of concentrated industry cannot hope to succeed. The giant corporation is the central institution of advanced monopoly capitalism; it affects every aspect of economic life. Magazine writers may concoct lists of *ad hoc* causes of inflation until the cows come home. The *systemic* causes are to be found in the industrial structure.

NEW YORK'S WELFARE PROBLEM

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Ms. CHISHOLM. Mr. Speaker, no discussion of New York City's fiscal troubles can be complete without a basic understanding of the city's complex welfare problems. Mitchell I. Ginsburg, former Human Resources Administrator and now dean of the School of Social Work, Columbia University, has written an authoritative and intelligent article on this subject and I would like, at this point, to insert it into the Record:

[From the New York Times, Oct. 28, 1975]

New York's Welfare Problem

(By Mitchell I. Ginsberg)

There is almost complete unanimity that welfare costs are a primary cause of New York City's problems.

Welfare and Medicaid do represent a major share of the budget, as New York has long had a large number of poor people. The city does have more people on welfare and spends more than any other city. But does that really make New York the nation's welfare capital?

A much more meaningful indication of the welfare load is the proportion of New York City's population on welfare compared to that of other cities.

Aid to families with dependent children is by far the largest and most costly program. A recent Department of Health, Education and Welfare publication shows that 10.9 per cent of New York City's population receives such aid.

But St. Louis, Baltimore, Boston, Washington, Philadelphia, Newark, Atlanta, New Orleans and Detroit all have a higher percentage receiving it. St. Louis, with 15.8 per cent, Baltimore with 15.6 per cent and Boston with 14.5 per cent are almost 50 per cent higher than New York.

Many people, including high officials, have argued that New York City has been too generous. The cost of living does mean that New York is one of the higher-paying states. But a number of others pay as much, or even more, in grants than New York. Further, grant levels are determined by the state, not the city. To the city's credit, it has supported these levels, but in any case it has no choice.

Inequitable Federal and state reimbursement formulas most directly affect welfare costs in the city. Although welfare is a national problem, the Federal Government reimburses New York State for only 50 per cent of some of its welfare costs. Pennsylvania, Ohio, Texas, Florida and Wisconsin are among 38 states receiving higher reimbursements, with some going up to 75 per cent.

In turn, New York State requires the city to pay 25 per cent of these welfare expenditures and 50 per cent for programs for single adults, childless couples and the working poor, for whom the Federal Government accepts no responsibility.

No other state comes close to such a requirement and a majority of the states pay the full non-Federal share. Most cities have no responsibility either to administer or pay for welfare: Chicago has almost the same percentage of people on welfare as New York City, but spends practically nothing for it. That does make it much easier to balance a city's budget.

Almost two-thirds of welfare expenditures in both New York City and State are for Medicaid, not cash payments to people. Two-thirds of the expenditures go to the providers of medical services: hospitals, nursing homes, doctors, pharmacists. On the average, medical care costs almost twice as much per person as food, rent, clothing and all other living expenses.

Rent payments, often for inadequate housing, add substantially to welfare costs. Also, people on welfare in public housing pay more for similar apartments than nonwelfare residents. If these rents were equalized, welfare costs would be reduced. However, other public-housing tenants would have to have their rents raised, or there would be need for a larger public-housing subsidy. The irony is that many nonwelfare public-housing tenants are being subsidized by welfare.

Ineligibility and payment errors are factors in welfare costs, and some clients do take advantage of the system. Every effort ought to be made to eliminate fraud and reduce errors that cost even more.

This is an important and sensitive issue, but welfare is a fantastically complicated system that has largely defied rational and sound administration.

Note the difficulties that the highly regarded Social Security Administration is having with the Supplementary Security Income Program although it is less complicated than aid to families with dependent children.

Thus far, so-called management reforms and automation have made little difference. Better management is required, but a fundamental change in the system is essential.

Meanwhile, the assumption by the Federal Government of a significantly larger share of the welfare costs of this and some other states should be the primary objective. Having the state reduce the share of the city and of other local units would also make a significant difference.

New York City has made mistakes, but when it comes to welfare the city is much more the victim than the cause of the problem.

ACT NOW ON NATURAL GAS SHORTAGE, PENNSYLVANIA REPUBLICAN MEMBERS URGE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. COUGHLIN. Mr. Speaker, as Secretary of the Pennsylvania Republican Congressional Delegation, I am submitting for the Record the following resolution which was adopted by the Delegation on October 23, 1975:

Resolution Adopted by the Pennsylvania Republican Congressional Delegation, October 23, 1975

Whereas natural gas supplies have been declining and shortages were more severe during the winter of 1974–1975 than during previous winters, and

Whereas curtailments are expected to increase rapidly for at least the next three winters, and

Whereas the Federal Energy Administration has predicted a 1.3 trillion cubic foot deficit for the winter heating season of 1975–1976, a 45 percent increase in curtailments over the previous year, and

Whereas these shortages are regional in nature and Pennsylvania is one of 14 States expected to be hard-hit this winter, and

Whereas Pennsylvania is anticipated to experience a reduction in deliveries of about eight percent, almost all of which will impact on the industrial and electrical utility sectors of the State, and

Whereas the Pennsylvania Republican Congressional Delegation is most concerned about the effect of the shortage not only on Pennsylvania, but on the entire nation: Now, therefore, be it

Resolved, That the Pennsylvania Republican Congressional Delegation urges the Congress of the United States to take immediate action to alleviate the natural gas shortage expected to arise this winter in order to prevent severe disruptions and hardships for certain regions of the country and sectors of the economy, and be it further

Resolved, That a copy of this resolution be forwarded to the Speaker of the House of Representatives and the President Pro Tempore of the Senate of the United States.

THE DEFICIT MONSTER

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. EMERY. Mr. Speaker, many Maine people and publications have joined me in my concern over the growing national deficit. The enclosed editorial from the Lincoln County News of Damariscotta, Maine, sums up Maine opinion very nicely.

The Deficit Monster

Individual citizens know they must budget their spending and place priority on essential needs. The actions of government officials cast doubt on whether this is practiced at state and federal levels.

The most recent deficit to surface in Maine is $6 million overspent on education. This news comes after the Legislature had just dealt with a more than $20 million education deficit. This is only one place where money was not wisely handled.

On a national level, President Ford has asked Congress to reduce spending. He says he will veto legislation to lower taxes if Congress doesn't trim the federal budget. The national debt—billions of dollars—is almost beyond comprehension.

The only thing more mind-boggling is that Congress keeps on spending, pumping money into programs not always of highest priority. (These are elected officials, remember? The money Congress spends comes out of taxpayer's pockets.)

Somebody dropped by the office the other day and said, "If I get 50 cents a week, I can't go spending a dollar a week." Congress seems to lack this wisdom.

Are individual citizens more in touch with the reality of deficit spending than government? Deficit is defined in the dictionary as "deficient." "Deficit spending" is disaster spending. Taxpayers ought to think about what's being done with their money.

There is no evidence to lead us to think the state Legislature of U.S. Congress has any special powers to budget wisely, cut spending and prioritize human needs. State and federal government should be forced into responsible fiscal action.

We think our friend will quite likely put his money to better use than will government officials.

BLACK COLLEGES, INTEGRATION AND EQUAL OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. HAWKINS. Mr. Speaker, on Friday, October 24, 1975, the distinguished executive director of the National Urban League, Mr. Vernon E. Jordan, Jr., spoke at the inaugural ceremonies at Tennessee State University in Nashville. Mr. Jordan's speech was entitled: "The Historically Black Public College in an Integrated Society."

I wish to bring this speech to the attention of my colleagues because Mr. Jordan rather critically and perceptively analyzes many of the current difficulties faced by black colleges and black college students in an era of unprecedented social political and economic upheavals besieging U.S. society. Moreover, he speaks to the issue of integration as it affects efforts to realize equal opportunity at every level in postsecondary educational institutions in particular and outlines what he feels must be the essential elements of the integration process in order to effect genuine equal opportunity.

Mr. Jordan's remarks, Mr. Speaker, are well formulated and will be of great value to all those concerned about these issues. Therefore, I insert in the Record the text of what, in my mind, is a most palatable presentation. The text is as follows:

The Historically Black Public College in an Integrated Society

This is an auspicious occasion. An inauguration marks not only a change of leadership, but also a renewal and rededication to the values and the principles embodied in an institution. And it should lead us to reflect upon the nature of the institution and its interaction with the larger society.

I would like to share some of my thoughts on these and related issues with you today.

My first observation is one that should be obvious to all, yet the public indifference is such that it must be repeated again and again. And that is, that the nation is today in the grips of a terrible economic Depression that is crippling the hopes and dreams of millions of people—black and white—and is reversing the limited gains made by blacks and other minorities in the 1960s.

One of the purposes of education is to

enable people to see patterns and interrelationships where others may see only isolated phenomena. Thus it is clear to me that this Depression reveals just how fragile and interdependent our nation really is.

For years black people were protesting unemployment and poverty and were all but ignored by national leadership. Yet, it was this first sign that the economy was actually malfunctioning that could have tipped off economic and political leadership to the fact that the rising tide of black hardship meant hard times in store for whites as well.

Now that has come to pass. Laundered official unemployment statistics aside, the true rate of joblessness is about 14 percent for whites and 26 percent for blacks. About one out of every four Americans will be out of work at some time during the next twelve months.

So the basic interests of whites and blacks intersect at various points. They are interrelated because a system that persistently keeps black people out of the mainstream also keeps many more millions of white people from the jobs and income they need, too.

We saw this revealed most clearly by the effects of the destruction of various Great Society programs. More whites than blacks had been in community action programs, in subsidized housing, on welfare rolls, in a broad variety of federal programs popularly thought of as "Black."

Americans are mistakenly locked into their own narrow racial or regional perspectives without properly noting the meshing of interests that affect their lives. A prime example of this is the widespread indifference to the possible bankruptcy of New York City. For many of us west of the Hudson River, New York's fiscal problems are of little concern. But if New York can't pay its bills and its employees, the result will be utter chaos, ranging from bank failures to food riots. The position of New York's 1.6 million black people, twenty times the numbers of blacks in the Nashville area, will become desperate. The position of local governments across the country will also be endangered because of the ripple effects of New York's problems.

And European leaders tell us that default would mean decline of the value of the dollar, disruption of the world economy, and a crushing world-wide Depression.

It is a measure of our leadership's indifference to poor people and to the cities that the situation has been allowed to deteriorate to the extent it has, and that the Administration cooly refuses to do for a city what it so willingly did for major corporations in financial trouble, and for foreign nations.

The New York case is but the latest example of what amounts to warfare on the poor, the black, and the cities of our nation. At a time of increased food costs and unemployment, high officials talk about getting rid of the food stamp program. At a time of increased need for federal programs, the Administration ties a tax cut for the middle class to budget cuts in social programs benefiting the poor.

We stand at the eve of the nation's Bicentennial enmeshed in racial divisions, economic Depression, urban decline, and a host of other problems that cry out for solution. It is a national crisis demanding above all, enlightened leadership.

But that leadership has not been forthcoming. Neither the Republican Administration nor the Democratic-controlled Congress has exhibited anything more than a sense of hopeless floundering.

This then, is the larger societal environment in which this University, and all institutions of higher education, must operate. It is an environment characterized by national withdrawal from the goal of equal opportunity, and from the humane principles that must be the basis for a viable educational system. And this has been compounded by economic and fiscal problems that translate into restricted access to college education, especially for blacks and for the poor of all races.

This is a crucial issue for black people, for of all the gains we have made in the recent past, increased access to higher education is among the most significant. Black college enrollment has almost tripled in the past decade, but this can be no cause for complacency. It merely measures the extent to which blacks were denied equal access to higher education in the past. Indeed, black participation in higher education still lags noticeably behind white participation.

One out of four white youths between the ages of 18 and 24 are currently enrolled in a college, but only a little more than a sixth of black youths are. Two-and-a-half times as many whites as blacks in the under-34 age group hold college degrees. And the attrition rate among blacks in college is higher; almost half of black college entrants never finish their degree work. Black enrollment in professional and graduate schools is on the order of about four percent, a figure that accurately measures the limits still placed on black advancement.

When we look at the black college experience two important facts stand out. One is the vital role played by traditionally black institutions; the other is the equally important role played by public institutions.

While the historically black colleges enroll less than half of all black college students, two-thirds of bachelors degrees earned by blacks are granted from those colleges. And while whites attending four-year colleges are divided about equally between public and private institutions, four times as many blacks attend publicly-supported colleges as attend private colleges.

Thus, those schools, such as Tennessee State University, that are both public and historically black institutions, assume a special place in the education prospects for black people.

That special place has not been adequately recognized by too many Americans. Barely tolerated, discriminated against and starved of both funds and recognition in the past, traditionally black colleges are today under attack from a different direction. The very forces that once sought to restrict the growth of black institutions in the setting of segregation and dual educational systems, today suggest that the constitutional mandates of integration mean that there can no longer be a place for historically black colleges in the public sector.

Thus, under the cloak of a supposed concern for integration, a death sentence is being proposed for crucially important institutions serving the needs of the black community.

It is clear that the dismantling of dual educational systems is right and necessary. It is clear that the role of public black colleges has altered with changing conditions. And it is equally clear that an open, pluralistic, integrated society has ample room for healthy institutions that, while open to all, reflect in important ways the nature and aspirations of minority communities.

Integration is a two-way street. It is nothing less than hypocrisy to brand traditionally black colleges as segregated when a significant proportion of their faculty and student body is non-black. At the same time, the supposedly "integrated" non-black colleges have student bodies that are 95 percent white and faculties that are 99 percent white. When black participation in the predominantly white colleges is at the level of white participation in today's traditionally black institutions we will begin to approach real integration, not before!

It is interesting—and alarming—to note that the vocal proponents of dismantling traditionally black colleges in the name of integration are usually silent when it comes to urging greater integration of administrators, faculty and student body at the overwhelmingly white colleges and universities. Nor is there much interest raised in integrating state boards of higher educaton.

Tennessee State University, perceived as a "black" college, is governed by a Board of Regents that numbers 17 people, only two of them black. The University of Tennessee, a supposedly "integrated" public institution, has no blacks on its governing board.

Integration, I repeat, is a two-way street. It cannot be invoked to strip blacks of their leadership roles and community service functions while leaving white privilege and white power intact and unshared.

We are today at a significant period in the history of black education. The very future of traditionally black public institutions is at issue. Two facts are plain—there can be no return to a segregated dual system of black exclusiveness on some campuses and white exclusiveness on others. And there should be ways, within the framework of integration, to preserve valuable attributes of those institutions that have historically served the minority community.

These institutions have strengths that make them particularly valuable today. They can be crucial to the successful attempts to provide whites and blacks with the opportunity to acquire a college education, and for the nation to meet the educational needs of its citizens. If we look at some of the most important goals in educational policy today, we see that there is a unique, and distinctive role for the historically black public institution.

One such goal is expanded equal opportunity for college education for blacks. I have already discussed the continued gap between white and black access to higher education. Despite the accelerated pace of black recruitment by white colleges, those institutions have largely failed to attract proportionate numbers of black students, have failed to keep and to graduate many of those they have enrolled, and have yet to indicate their ability to cope with the special educational problems disadvantaged youngsters in a racially-discriminatory society bring with them.

Clearly, the historically black colleges will continue to play an important role in educating new generations of young black people. Because of their history and their institutional strengths, such colleges supply black students with special concern for their needs and with the social and cultural identity that is essential for a well-rounded educational experience.

A second goal of higher education today is expanded equal opportunity for white students who come from disadvantaged backgrounds. In part as a result of the drive to expand the numbers of black college graduates, attention has also become focused on those millions upon millions of white people who are poor and for whom college is a bright ladder to the future.

I am suggesting that the historically black colleges, with their tradition of educating disadvantaged black youth, will become the prime vehicle for educating disadvantaged white youth. Many predominately white colleges and universities have always catered to the middle class and to prep school graduates, and their failures with poor black students are duplicated by their failure to educate poor white students, as well. The traditionally black college then, is a national resource that holds the promise of serving white youngsters that have been neglected by the white college system.

A third goal is diversity. The very existence of a private college system testifies to the recognition that our society needs a variety of institutions to fulfill the needs of different individuals. The American educational system is not a monolith in which all institutions are invested with a homogenized sameness under centralized direction. It is rather, a mosaic in which public colleges, private colleges and religiously-oriented institutions offer different paths and different educational experiences. They rightly reflect the pluralism embedded in the structure of our society.

It is thus important, both for our pluralistic society as a whole and for its educational system, that key institutions serving the minority community and providing it with leadership and with opportunities, preserve much of their character and cultural orientation. The historically black colleges are already far more integrated than their white counterparts, and they can absorb still more white students and faculty members without necessarily losing those special attributes that make them significant institutions within the black community.

A healthy pluralism has plenty of room for public institutions that, while open to all, reflect the history, culture and interests of minority groups. Such institutions, especially with added representation from the majority community, can provide an outlet for minority aspirations while serving as vitally needed bridges between the majority and minority communities.

A fourth national and educational goal is that black citizens have their fair share of our nation's leadership roles. And one of the basic sources of black leadership today is in the traditionally black colleges. As these become more integrated, there must not be a repetition of the experience we witnessed when the South's public schools integrated. Then, black teachers and principals were demoted and fired in order to provide jobs for whites.

Integration of public college systems must mean not only admission of white students to previously black schools, or of blacks to previously white ones. It must also mean that black educators have equal access to leadership positions in all institutions of higher learning. Yet, integration is a two-way street and that doesn't mean that white people travel uphill while blacks go downhill all the way.

Integration cannot become an excuse for stripping from black people the few leadership positions available to them. Integration must rather become the vehicle for expanding black opportunities. Before we can envision the prospects of a future Inauguration ceremony of a white President of a historically black institution, we should have evidence of true integration—for example, the inauguration of a black president of the University of Tennessee.

Integration has been feared by some and welcomed by others, often for right reasons, sometimes for wrong ones. To the extent that integration removes the barriers to minority opportunities, to the extent that it brings the races closer in a more meaningful, healthy relationship, and to the extent that it allows for diversity and pluralism that reflects the positive differences among people of different backgrounds and cultures, integration offers hopes for a fairer, more just society.

The black community recognizes that integration is a positive development, one for which much blood has been shed and sacrifices made. At issue is not the concept of integration, but the way in which it is carried out. Thus, black citizens will be vigilant in assuring that integration does not become synonymous with the destruction of historic black institutions. It cannot be allowed to become the vehicle for the dismantling of black community strengths. True integration should mean the preservation of those institutional strengths in altered, modernized forms that allow those traditionally black institutions to use their history of expertise and their unique resources to serve the total community.

Change is always a painful, confusing process. It was difficult for many white people to submit to the pressures of law and conscience and shed overt racist actions. And it is difficult for both whites and blacks to come to terms with the problems of building an integrated society in which both races must make changes in their institutional structures.

But all of us may find our paths eased by the recognition of the simple fact that integration is the law of the land, a constitutional mandate that may not be revoked by a screaming mob in South Boston or by the highest educational authorities of a state.

We enter this great adventure, the integrated society, in times rent by confusion, division and mistrust. So many white citizens find it hard to recognize that the historically black colleges may be integrated and still fulfill their traditional role in the black community; that they may be integrated and still retain a flavor and distinctiveness that reflects the community they have served so long and so well. And this difficulty is in itself a reflection of the national withdrawal from concern with black needs and with social change.

But I have faith that we will pass through this rocky road and surmount the peak. I have faith we will overcome the wasted tensions of the moment and construct a just, integrated, pluralistic open society. I have faith that the precious identity of the traditionally black college will be maintained and that it will flourish and prosper in the new historical stage of its proud history. And I have faith that the promise of America, the bright dreams of freedom, justice and equality shall at long last, come to pass.

I leave you with similar thoughts by a white Southern writer, Thomas Wolfe, who wrote:

"I believe that we are lost here in America, but I believe we shall be found . . . I think the true discovery of America is before us. I think the true fulfillment of our spirit, of our people, of our mighty and immortal land, is yet to come. I think the true discovery of our democracy is still before us and I think that all those things are certain as the morning, as inevitable as noon. I think I speak for most men living when I say that our America is Here, is Now, and beckons on before us, and that this glorious assurance is not only our living hope but our dream to be accomplished."

BAN THE STEELJAW TRAP

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. MOAKLEY. Mr. Speaker, I wish to take this opportunity to commend a constituent of mine for her concern for the humane treatment of animals. Agnes E. Slafer of Jamaica Plain, Mass., sets an example for all of us in her commitment to the dignity of wildlife.

Citing the plight of animals in the hands of fur traders. Ms. Slafer focuses on the steeljaw trap. This outmoded device has caused maiming and death to some 13 million animals in the United States and Canada alone. Furthermore, since it is an indiscriminate trap, it often traps animals of no use to the industry or those on the endangered species list.

I share Ms. Slafer's concern and am appalled at the recklessness we continue to permit. States such as Massachusetts have banned this trap and we must take steps at the national level to end this senseless victimization.

The Subcommittee on Fisheries and Wildlife Conservation will conduct hearings to consider regulating the manufacture and use of leghold traps. This represents a major advance in the fight against inhumane traps, for despite the issue's importance, it had never attained this level or attention until now.

I urge my colleagues to protect the plight of our animals by joining the efforts to ban the steeljaw leg trap. We must realize Albert Schweitzer's goal:

> We need a boundless ethics which will include the animals also.

MANDATORY EARLY RETIREMENT: WASTING ONE OF OUR GREATEST NATIONAL RESOURCES

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. ANNUNZIO. Mr. Speaker, in this century we have made great strides forward in correcting many of the abuses faced by workers in America in the past. Child labor laws have been passed, working conditions have been greatly improved, health and unemployment benefits have come into being. All of these are great advances for the working person. But I think the time has come to realize that at least in one area, we have gone too far. This is in the area of encouraging, and in some cases insisting on, earlier and earlier retirements.

While no one wants to see 80-year-old women threading sewing machines with arthritic fingers, we must realize that our attitudes about older workers are causing us to lose one of our greatest national resources.

Although it is illegal to fire, or not to hire, someone solely on the basis of his or her age, management has often behaved in a manner that reflects a feeling that the younger worker is the better worker, or that the younger worker is "the future of the company." This kind of approach of our institutions has helped influence our attitudes toward older workers. Our attitude now seems to be that older workers have nothing, or at least very little, to contribute. Interestingly enough, we have said this so long and so often that many older persons themselves are beginning to believe it.

True, there are certain problems connected with more mature workers remaining on the job. Older workers leaving their jobs do provide more job opportunities for younger, if less experienced, workers. There is slightly more absenteeism due to the declining physical capacities of some older workers. An important argument used by proponents of mandatory retirement is that if there is no cutoff age, companies will soon be filled with old—and therefore incompetent—workers and there will be no way to force them out of their jobs.

On the other hand, I think we must realize that chronological age is a poor indicator of a person's ability to perform a job. The knowledge and experience that comes from years on the job just cannot be replaced with the intellectual knowledge that a recent college graduate might bring to the job.

In those few cases where an individual worker does slow down to the point that the job is not getting done, he or she should be replaced. But this holds true for any worker that falls down on the job and should not be used as the basis for discriminating against an entire group of workers.

Early retirement often robs an individual of his income and his role in society just when he has reached the point in his life when he can best enjoy them. Many persons have been working for years to achieve a certain level of living and early retirement can leave them with the same goals and a greatly reduced income.

Older women in the work force often face a particularly difficult problem. Many of them were forced to wait until their children were older to join the work force. Early retirement robs them of the oportunity to build up significant pension funds.

Retirement is a relatively new phenomenon for Americans to face. In the past, individuals worked up to, or shortly before, the time of their deaths and remained a contributiing part of society. Many Americans today are finding that longer lifespans bring mixed blessings. The patterns of life in America have changed greatly. No longer do people retire at 65 and die at 68. Many people today live well into their seventies and eighties and have to face problems they never dreamed of.

Some of these people have outlived their savings. Inflation has also taken a great toll—in many cases a once generous pension has been reduced to a subsistence-level living.

Our present work pattern seems to be one in which income, welfare and status reach a peak in youth and decline thereafter in an often miserable old age.

Sometimes the retired person finds a new role and enjoys retirement. Often however, the sudden disappearance of the work role around which so much of his life has been built is a shock from which people do not recover. I think it is time we formulated plans which provide wider options. We should consider part-time continuing employment for those who no longer wish to work on a full-time basis or a graduated retirement over a period of years. These programs would give individuals the option of working for as long as they wanted and being a contributing member of society in a new capacity.

The revising of the present work pattern would result in a new and better one: one where income, welfare and status would rise steadily throughout life and peak at a much later age than now.

Early retirement even ends up costing the Government additional funds by adding workers to the social service rolls sooner than many individuals might elect to join the programs. The social security deficit is causing some people to call for a rollback of the retirement age to 68. While I do not necessarily agree that this would be a wise choice, it might help to solve some of the great problems that unemployed older Americans face when they are seeking new employment.

The Older Americans Act Amendments of 1973 were designed to help alleviate some of these problems. Title IX of the act authorized the expenditure of $60 million in 1973 and $100 million in 1974 in order to establish older Americans community service programs that will promote useful part-time work opportunities in community service activities to increase the employment possibilities of persons 55 years of age and older who are having trouble finding employment. Unfortunately, the funding for this program ends in June 1976. Congress is currently considering a bill to extend the funding of this program. I hope Congress will consider extending this program and expanding it to provide more jobs, both full-time and part-time.

Another organization that has utilized older Americans very successfully is ACTION. There are currently 13,000 older Americans serving in the Foster Grandparent program. There are 145,000 volunteers working in the retired senior volunteer program—RSVP—in 666 different communities serving in all kinds of activities for a wide range of community organizations. I would like to suggest that Congress consider funding these programs adequately enough to compensate many of these volunteers for their time.

We must realize that as people grow older they continue to need to occupy roles that are meaningful to society and that bring dignity and satisfaction to the individual. Unfortunately, we have stopped looking at the older person as a resource. It is time to stop pushing retirement from significant roles and realize that our older Americans are ready for retirement to new and meaningful roles.

POLITICAL IMPRISONMENT IN THE UKRAINE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. DINGELL. Mr. Speaker, last Sunday at Wayne State University in Detroit 400 people gathered at a rally sponsored by the Ukrainian Congress Committee of America to focus special attention on the political imprisonment of women in the Soviet Union. The struggle for independence in the Ukraine long has stood a symbol to the world. Its courageous people who have endured ruthless persecution and suffered incredible miseries have not been subdued.

Today, there are estimates that 67 percent of all political prisoners in Russia are Ukrainians. Many of these are women, who were arrested as a result of their participation in the strong surge for national liberation that swept the country in the 1960's and early 1970's. These daughters of the Ukraine come from all walks of life, but particularly the intellectual community. Along with their husbands, fathers, brothers, and sons, they have cried out for civil, political and religious rights.

In this International Women's Year and in preparation of our own Bicentennial, I think it fitting that we join to call for the release of these prisoners and give voice to their undying aspirations for liberty and freedom.

CONGRESSMAN HUNGATE DISCUSSES THE AMENDMENTS TO THE FEDERAL RULES OF CRIMINAL PROCEDURE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. DRINAN. Mr. Speaker, our distinguished colleague from Missouri (Mr. HUNGATE) has been a principal force behind the movement to improve the Federal criminal justice system. As chairman of the Judiciary Subcommittee on Criminal Justice, he has worked diligently and labored at great length to infuse more fairness and justice into that system.

In the last session of Congress, Chairman HUNGATE guided the Federal Rules of Evidence through the House and into public law. That act codified, for the first time, the rules of evidence for usage in the Federal courts. During this session, he was instrumental in securing enactment of amendments to the Federal Rules of Criminal Procedure.

In both instances, the Congress, through BILL HUNGATE's efforts, first postponed the effective dates of the rules and then passed the bills after careful congressional review and revision. During consideration of these measures, the question arose: Should the process by which Federal rules of "pleading, practice and procedure" are adopted be changed?

In the October 1975, issue of the American Bar Association Journal, Chairman HUNGATE examines that critical issue in the context of an analysis of the recent amendments to the Federal Rules of Criminal Procedure. In the continuous adjustment of powers among the three branches of the Federal Government, this article discusses that process in the context of legislative-judicial relationships. Because of the importance of this question, I am having that article reprinted here for the benefit of each Member:

CHANGES IN THE FEDERAL RULES OF CRIMINAL PROCEDURE

(NOTE.—Most of the 1975 amendments to the Federal Rules of Criminal Procedure become effective December 1. One of the important changes relates to plea negotiation, which will be regulated. Another change permits the prosecution and defense to carry out discovery procedures, but the defendant retains the right to trigger them. But has the time arrived to re-examine the rule-making process?)

(By William L. Hungate)

The Federal Rules of Criminal Procedure Amendments Act of 1975 (Public Law 94-64), which was signed into law on July 31, 1975, makes a number of changes in the Federal Rules of Criminal Procedure. All but one take effect on December 1, 1975. One change (Rule 11(e) (6)) was effective August 1, 1975.

This legislation was prompted by the Supreme Court's order of April 22, 1974, promulgating certain amendments to the Federal Rules of Criminal Procedure. These proposed amendments made changes in ten existing rules and created three new rules, and they were promulgated pursuant to statutes known as the Rules Enabling Acts, in this instance 18 U.SC. § 3771-72. The effective date of the proposed amendments, which was August 1, 1974, under the Supreme Court's order, was postponed to August 1, 1975, by Public Law 93-361 in order to give Congress adequate time in which to study the proposed changes.

The Federal Rules of Criminal Procedure Amendments Act of 1975 is the result of that study. In formulating this legislation, Congress was assisted by numerous persons and organizations representing varying points of view. Judges, defenders, prosecutors, bar organizations such as the American Bar Association Section of Criminal Justice, and civil liberties and public interest groups had an input into the legislation. The result approves several of the Supreme Court's proposed amendments, either in whole or with modest amendments, rejects some of them, and approves some with significant amendments.

IMPORTANT CHANGES IN PLEA NEGOTIATION

Perhaps the most important change in the rules made by the legislation is in Rule 11, which deals with pleas. The act establishes procedures to regulate plea negotiating, and these are, in large part, what the Supreme Court had proposed.

Rule 11(e) (1) sets forth the kind of plea agreements that the parties can reach. In return for the defendant's pleading guilty or *nolo contendere* to the offense charged or to a lesser or related offense, the prosecutor may: (1) agree to move for dismissal of other charges; (2) recommend, or agree not to oppose, the defendant's request for a specific sentence, neither the recommendation nor the request being binding on the court; or (3) agree that a specific sentence is the appropriate disposition of the case. While Rule 11(e) (1) does not specifically say so, the legislative history in House Report No. 94-247 indicates that a plea agreement may also obligate the defendant to do more than plead guilty or *nolo contendere*—for example, it may also obligate him to co-operate with the prosecution in a different case.

Once the parties have reached a plea agreement, Rule 11(e) (2) requires its disclosure to the court when the defendant offers his plea. The judge must then accept or reject the agreement, although he may defer a decision until after he has considered the presentence report. If the court accepts the plea agreement, it must inform the defendant that it will embody in the judgment and sentence the disposition called for by the plea agreement. If the court rejects the plea agreement, it is required to advise the defendant and to permit a withdrawal of the plea.

DISCLOSURE TAKES PLACE IN OPEN COURT

The disclosure of a plea agreement and the court's acceptance or rejection of it must take place in open court unless good cause is shown why it should be *in camera*. This is intended, as the House report indicates, to protect against premature public disclosure of the terms of an agreement (for example, to protect a defendant who has agreed to testify against someone in another case), and to prevent prejudicial pretrial publicity.

The legislation made two important changes in the Supreme Court's proposals, both in response to objections raised by the Justice Department.

The Court had proposed to give the judge the discretion to accept a plea agreement and embody in his judgment and sentence a disposition more favorable to the defendant than that called for by the plea agreement. The Justice Department recommended striking this provision, and the legislation did so, putting the judge in a take-it-or-leave-it position. Even if the presentence report indicates that the public interest requires a more favorable disposition than that agreed upon, the judge cannot accept the plea agreement. He must reject it and give the defendant an opportunity to withdraw his plea. A smart defendant, of course, will persist in the plea, and the judge can then impose the more favorable sentence. Although the deletion of this provision may turn out not to make too much difference in practice, it does signify an unhealthy mistrust of judicial discretion.

The Supreme Court also proposed that no evidence of a plea of guilty, later withdrawn, or *nolo contendere*, of offers of those pleas, or of statements made in connection with the pleas or offers could be used against the defendant in any civil or criminal proceeding. The Justice Department objected to this provision, just as it objected in December, 1974, to the same provision being included in Rule 410 of the Federal Rules of Evidence. House-Senate conferees decided at that time to defer a decision in order to deal with the issue in connection with the Federal Rules of Criminal Procedure.

The legislation permits a limited use of statements made during plea negotiations but does not go as far as the Justice Department wanted. A statement made in connection with plea negotiations, if made on the record under oath and in the presence of counsel, may be used against a defendant, but only in a perjury or false statement prosecution. It may not be used to impeach the defendant's credibility. Permitting even this limited usage of statements may tend to discourage candor by defendants during plea negotiations, and it may even discourage the reaching of plea agreements. However, it was believed to be more important to protect the integrity of the court from willful deceit and untruthfulness.

PRETRIAL DISCOVERY IS BROADENED

The legislation changed the general discovery rule, Rule 16, and also added two new specific discovery rules, dealing with the alibi defense and a defense based upon mental condition.

The Supreme Court proposed extensive changes in Rule 16. Both the prosecution and the defense were given an independent right of discovery, and each was entitled to obtain, on request, a list of the names and addresses of the other's witnesses. Discovery was to be carried out by the parties themselves, with the court involved only to resolve a dispute or to decide whether to issue a protective order.

The legislation accepted the Supreme Court's proposal that discovery be carried out by the parties on their own, but it made two significant changes in the Court's other proposals. First, the prosecution's discovery is made defendant triggered. Second, the names and addresses of witnesses are not subject to discovery.

Substantial doubts were expressed before Congress as to the constitutionality of giving the prosecution an independent right of discovery. Although some people in Congress believed that no serious constitutional issues were raised, the majority disagreed. Consequently, the legislation continues the policy of Rule 16 and makes the prosecution's discovery defendant triggered—if the defendant requests and receives certain items from the prosecutor, then the prosecutor can get similar items from the defendant.

The question whether to permit discovery of witness lists was extensively debated in Congress. The House had provided that the lists be turned over three days prior to trial, narrowing the Supreme Court's proposal. This represented an attempt to compromise between the narrow provisions of present law and the broader provisions of the Supreme Court's proposals. It was based on 18 U.S.C. § 3432, pursuant to which a defendant in a capital case is entitled to a list of prosecution witnesses at least three days before trial. The House believed that this, coupled with the prosecutor's ability under Rule 16(d) (1) to get an ex parte protective order permitting him not to disclose the identity of a witness, met the legitimate concern about the safety of witnesses. The Senate, however, struck the witness list provision, and the House-Senate conference committee adopted the Senate position.

RULE 12.1 BECAME PROSECUTOR TRIGGERED

Discovery procedures when an alibi defense will be offered are regulated by Rule 12.1, a new rule. The Supreme Court had proposed a rule that was defendant triggered. If the defendant gave notice of an intention to rely on an alibi defense, then the prosecutor had to notify the defendant of the specific time, date, and place of the alleged offense. The defendant, in return, had to provide a list of alibi witnesses. The prosecutor then had to provide a list of the witnesses who would place the defendant at the scene of the alleged offense.

The legislation changed Rule 12.1 to make it prosecutor triggered. The prosecutor initiates the procedures by notifying the defendant of the specific time, date, and place of the alleged offense and demanding to know whether the defendant will rely on an alibi defense. If the defendant intends to rely on an alibi, he must then tell the prosecutor where he claims to have been and he must list the witnesses on whom he will rely. The prosecutor must then provide the defendant with a list of witnesses who will place defendant at the scene of the alleged offense and those who will be relied on to rebut defendant's alibi witnesses.

NO SURPRISES FOR PROSECUTORS

This change was recommended by the Justice Department and the American Bar Association Section of Criminal Justice. The rationale, as explained in the House report, is that since the purpose of the rule is to prevent unfair surprise to the prosecutor, it should be the prosecutor's responsibility to initiate the discovery procedures. Thus, Rule 12.1 as enacted enables the prosecutor to take steps to prevent being surprised at trial. If he fails to take these steps, however, the legislative intention is clear that he cannot be granted a continuance of the trial. To grant a continuance would encourage prosecutors not to utilize the rule and would defeat its purpose.

Williams v. *Florida*, 399 U.S. 78 (1970), sustained the constitutionality of Florida's notice-of-alibi statute. Rule 12.1 as enacted is similar to the Florida statute in all significant respects. The Supreme Court, however, indicated in footnote 11 that its decision did not validate all notice of alibi statutes: "We do not, of course, decide that each of these alibi-notice provisions is necessarily valid in all respects; that conclusion must await a specific context and an inquiry, for example, into whether the defendant enjoys reciprocal discovery against the state."

An Oregon notice of alibi statute was held unconstitutional by the Supreme Court in *Wardius* v. *Oregon*, 412 U.S. 470 (1973), because the defendant was given inadequate reciprocal discovery rights.

ARE THESE ADEQUATE RECIPROCAL RIGHTS?

The question thus arises, because of the decision not to permit discovery of witness lists, whether the Federal Rules of Criminal Procedure now give a defendant adequate reciprocal discovery rights. Rule 12.1 does provide for reciprocal discovery—a defendant is entitled to the names of witnesses who place him at the scene of the alleged crime as well as the names of witnesses who will rebut his alibi witnesses. Is this adequate? The Supreme Court suggested in footnote 9 in *Wardius* that it has high standards when evaluating adequacy: "Indeed, the State's inherent information gathering advantages suggest that if there is to be any imbalance in discovery rights, it should work in the defendant's favor." It is hoped that this issue will be quickly resolved.

Rule 12.2, another new rule, provides for limited discovery when the defendant will rely on a defense based on mental condition. It obligates the defendant to notify the prosecutor in advance of trial that he intends to do so or that he intends to introduce expert testimony bearing on the issue of whether he had the requisite state of mind. The rule permits the judge "in an appropriate case" to order the defendant to undergo a psychiatric examination.

Rule 12.2 as proposed by the Supreme Court did not address two constitutional questions—first, whether a defendant can be compelled to undergo a psychiatric examination if he is unwilling; and second, if he can be compelled, whether statements he makes during the examination can be used against him. The language, *in an appropriate case*, was deemed by the Judicial Conference's Advisory Committee on Criminal Rules to provide for the examinations without taking a stand on the constitutional issue of whether the defendant can be compelled to submit to one. The legislative history of the act indicates that Congress also adopted this language with the intention to take no position on this constitutional issue.

Congress, however, did take a stand on the second issue and added language to the rule to provide that no statement made by a defendant during an examination provided for by the rule could be used against the defendant on the issue of guilt in any criminal proceeding. A statement to a psychiatrist may be relevant to an issue other than guilt—for example, the issue of sanity. If so, the rule does not preclude its admission. In those situations in which a statement is relevant to the issue of sanity as well as guilt, the statement cannot be admitted on the issue of guilt. Whether the statement can be admitted on the issue of sanity, with a limiting instruction, is problematical. The legislative history in the joint explanatory statement of the conference committee indicates that "a limiting instruction would not satisfy the rule if a statement is so prejudicial that a limiting instruction would be ineffective."

NEW ARREST PROCEDURES ARE REJECTED

The Supreme Court proposed to change the warrant and summons procedure. Rules 4 and 9 now vest in the prosecutor the authority to decide whether a warrant or summons should issue. The Supreme Court proposed to give that authority to a judicial officer, who was to issue a summons unless the prosecutor could show "good cause" why a warrant should issue.

The House Judiciary Committee agreed in principle with this change and recommended a bill embodying it. The Justice Department strongly opposed it. The House, by a vote of 216–201, rejected the recommendation and decided not to make any changes in how warrants and summonses are issued. The Senate concured in the House action.

The result leaves the rules concerning the issuance of warrants and summonses the way Congress found them. There are many who approach the reform of criminal law and procedure enthusiastically, so long as no real change is involved. They are like the man who said, "The ballet was delightful except for the dancing."

DEPOSITION RULE IS EXPANDED

Rule 15 deals with depositions and permits only the defendant to move to take a witness's deposition. The court may grant this motion "if it appears that a prospective witness may be unable to attend or prevented from attending a trial or hearing, that his testimony is material, and that it is necessary to take his deposition in order to prevent a failure of justice." The Supreme Court, as a concomitant to its proposal on pretrial discovery, proposed also to expand Rule 15 depositions. The legislation endorses and carries out this proposal.

SIXTH AMENDMENT PROBLEMS?

Rule 15 as enacted provides that the court may permit either party to take a witness's deposition "whenever due to exceptional circumstances of the case it is in the interest of justice" to do so. The new Rule 15 also expands the situations in which the deposition may be used.

Some groups, such as the American Bar Association Section of Criminal Justice, opposed the expansion of Rule 15. There was fear that the rule would permit depositions to be used too much and could lead to a trial by deposition, resulting in Sixth Amendment problems.

The rationale behind the Supreme Court's expansion of Rule 15 was in part to give the prosecutor a tool to combat possible bribery, intimidation, or physical harm to witnesses after the defendant had been given the prosecutor's witness list. The theory was that the prosecutor's ability to take and use a deposition reduced the inducement to threaten or harm a witness. This rationale disappears, however, with the legislative rejection of pretrial discovery of witness lists.

In actual practice, I suggest that Rule 15 is not likely to lead to a trial by deposition. To begin, a deposition may be taken only in "exceptional circumstances," so it is unlikely that many depositions will be taken in connection with a particular case. Further, the taking of a deposition does not ensure that it can be used at the trial as substantive evidence. It may be so used only if the witness is "unavailable," as defined in Rule 15. It (or part of it) may also be used if it constitutes a prior inconsistent statement within the meaning of Rule 801 (d) (1) (A) of the Federal Rules of Evidence.

CHANGES AS TO THE PRESENTENCE REPORT

Rule 32, which deals with sentencing matters, has been changed to make it more difficult to dispense with a presentence report. There must be a presentence report unless (1) the defendant, with the court's permission, waives it, or (2) the court finds that the record contains information "sufficient to enable the meaningful exercise of sentencing discretion." The court must explain this finding on the record.

Rule 32 entitles the defendant to see the presentence report. However, the court may withhold certain parts of the report: any recommendation as to sentence; diagnostic opinion, the disclosure of which might seriously disrupt a program of rehabilitation; confidential sources of information; or other information, the disclosure of which could result in harm to the defendant or others.

The defendant is permitted to contest alleged factual inaccuracies in the presentence report and may introduce testimony or other information relating to an alleged inaccuracy. The court is authorized to permit the defendant or his attorney to retain a copy of the presentence report.

The Federal Rules of Criminal Procedure Amendments Act is the culmination of several years of work by many able and distinguished judges, law professors, and lawyers. The initial draft of any proposed amendments to the Federal Rules of Criminal Procedure is prepared by the Judicial Conference's Advisory Committee on Criminal Rules, whose chairman is Senior United States Circuit Judge J. Edward Lumbard. The advisory committee forwards its draft to the Judicial Conference's Standing Committee on Rules of Practice and Procedure, of which Senior United States District Judge Roszel C. Thomsen is chairman. The standing committee may return the draft for further study, or it may make changes in the draft. The standing committee forwards the draft, with its recommendation, to the Judicial Conference of the United States, which is presided over by the chief justice. The Judicial Conference forwards the draft to the Supreme Court with its recommendation. The Supreme Court, of course, is free to make whatever changes in the draft it deems appropriate.

The result of this procedure is that any change proposed by the Supreme Court has received careful consideration by a number of able people. This does not mean that we in Congress should forgo our responsibility to make an independent judgment on the merit of any proposal. It does mean, however, that we should accord a healthy respect to any amendment proposed by the Supreme Court.

For many years the Supreme Court's proposed amendments to rules of "pleading, practice and procedure" routinely became effective without congressional action or input. This changed in early 1973, when Congress enacted legislation (Public Law 93–12) postponing indefinitely the effective date of the Supreme Court's proposed Federal Rules of Evidence. The legislation that established the Federal Rules of Evidence (Public Law 93–595) created special procedures for amending the evidence rules. These procedures make it easier for Congress to postpone proposed amendments and give Congress a greater role in their development.

The recent experience with the Federal Rules of Evidence and the proposed amendments to the Federal Rules of Criminal Procedure suggests that the method of amending rules of "pleading, practice and procedure" can be improved. Judge Thomsen, when he testified before the House Judiciary Committee's Subcommittee on Criminal Justice, stated, on behalf of the chief justice and members of the Judicial Conference's Standing Committee on Rules of Practice and Procedure, that it would be wise to have a closer relationship with Congress during the formulation of proposed amendments. He suggested that members of Congress might serve on Judicial Conference committees.

Howard Lesnick, professor of law at the University of Pennsylvania Law School, suggested in testimony that the rule-making and amending process be re-examined and suggested four areas of inquiry. First, is there a sufficiently widespread input into the process by all segments of the legal profession and the public itself? Second, is the authority to appoint members of Judicial Conference committees too centralized and does it result in unrepresentative committees? Third, is it appropriate to utilize the Supreme Court as the official promulgator of amendments? Fourth, is the method of congressional review meaningful or does it undermine the rule-making process itself? "The Federal Rule-Making Process: A Time for Re-examination," in the May, 1975, issue of this *Journal* (page 579).

It seems clear that few are entirely satisfied with the present process. The Justice Department expressed unhappiness with the way the process operated with respect to the proposed amendments to Rules 4 and 9 of the Federal Rules of Criminal Procedure. Alan Y. Cole, vice chairman of the Section of Criminal Justice, indicated in his testimony on the Federal Rules of Criminal Procedure that the section would like to become more involved in the process.

Perhaps the time is ripe for Congress to reexamine the process to determine whether or not the Rules Enabling Acts ought to be amended.

OUR U.N. AMBASSADOR IN THE LION'S DEN

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. BURKE of Florida. Mr. Speaker, our Ambassador to the United Nations, Dr. Daniel Patrick Moynihan, has always been an outspoken, honest advocate of his point of view. It is especially refreshing, however, to see that his role at the U.N. has not diminished his candor.

He has quoted with approval a description of Uganda's General Amin as a "racist murderer," a description that seems applicable enough to an alleged leader who hates certain racial and ethnic groups and advocates the destruction of an entire nation. To the surprise of some and the chagrin of General Amin's noisy claque of admirers, and to the credit of President Ford, the administration has flatly refused to condemn Patrick Moynihan just because he committed the somewhat undiplomatic sin of speaking the plain truth.

Now comes another instance described by William F. Buckley, Jr., in a September 25, 1975, column reprinted in the October 10 issue of National Review. It seems that Dr. Moynihan was pressed by a reporter for the New York Times on the issue of a presumptuous anti-United States resolution adopted by a gathering of representatives of so-called third world countries in Lima, Peru. The subject of this resolution was Puerto Rico, which was, to put it mildly, none of the gathering's business.

The reporter for the Times clearly had failed to appreciate either the knowledge or the candor of his opposition because, without hesitation, Dr. Moynihan proceeded neatly to skewer him while at the same time providing all of us with a badly needed lesson in what it means to be a great power—and what it takes to remain one.

The text of Mr. Buckley's very cogent column follows:

LET THE JOY BE UNCONFINED

(By Wm. F. Buckley, Jr.)

NEW YORK, Sept. 25.—The combination of dignity, ebullience, and purpose shown by Daniel Patrick Moynihan at the United Nations is the nearest thing to a jolt of pleasure we have taken since the formation of the Tower of Babel. One associates the UN, in memory, as the place where American representatives regularly apologize for Thomas Jefferson's having owned slaves, which ends up being the direct cause of poverty in Liberia. And yet as the years went on it became clear that the United Nations would never be used, and probably never could be used, as a genuine pulpit for right-minded reform. No American ambassador would ever go to the General Assembly, address the distinguished leaders of the so-called 77 indigent nations of the Third World and say, "Gentlemen: My government recommends that you go home and tell your people to get off their behinds and start to work; that your politicians cut down the level of their conspicuous consumption—which, for instance, requires General Mobuto to travel here with 66 personal attendants; and while you're at it, we suggest you give a few moments each day to the contemplation of the entirely problematic future of your everlasting soul." Ixnay.

The only thing you can get away with is flashes of genuine spirit, on those few issues in which the United States has only two alternatives: total moral capitulation, or—fight.

Moynihan did this recently and, as expected, he was taxed on it on *Meet the Press,* by Mr. Paul Hoffman of the *New York Times*. The exchange is as bracing as a speech by Patrick Henry.

Mr. Hoffman began by saying that he had been in Lima, Peru a few weeks ago, where the Third World had met to frame its demands upon the United States—eating and drinking its way (I supply the detail, not Mr. Hoffman) right through a revolution in the host country, which is less noticeable to any of the 77 than the failure of the wine waiter to refill a glass—when somebody began circulating a red-hot document. It was "a diplomatic note of the United States to the government of President Nyerere and the diplomatic note says," said Mr. Hoffman darkly, "that if the Tanzanian representative to the United Nations votes against the United States in the issue of Puerto Rico, the United States would consider this a flagrant interference into United States internal affairs and an unfriendly act, and this newspaper, the *Daily News of Tanzania,* has a comment and says that is 'a rude and intimidatory act.' Now my question is, was this that new strategy toward the Third World that you have advocated? Is that an example of it?"

Moynihan was, manifestly, prepared. He began by abjuring equivocation.

"It most assuredly is. We did not intend it as a rude act. It wasn't. We intended it to have consequences. It did."

He explained. "Now, let's speak clearly about what we are talking about. There are things which no nation can do, whether it is a big nation or a small one, without producing some response from the United States.

"Remember," Mr. Moynihan was now the professor, back at Harvard, "we are talking in this case about a resolution which, in effect, authorized an insurgency movement in the United States. It called for us to stop 'political persecution' in Puerto Rico—where there are free elections regularly and recurrently with respect to independence—and formally recognize the National Liberation Movement of Puerto Rico [as having] the same status as the Palestine Liberation Organization.

"This committee of 24 consists of 16 police states, four democracies, and four in between. We are not about to be lectured by police states on the processes of electoral democracy. . . . They are impugning our democracy; they are threatening to start an insurrection in this country. And that we regard as an unfriendly act, and we told them so . . . and we beat them."

It isn't only that Moynihan was clearly right in what he did, and entirely, compellingly right in the way he explained it. He has in fact increased the prestige of the United States within the United Nations, and that too is right.

SMALL BUSINESSMEN AND THE CONSUMER PROTECTION AGENCY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. FITHIAN. Mr. Speaker, I was sorry to see the House pass the Agency for Consumer Protection bill, which I voted against, yesterday. I felt compelled to oppose this legislation to create yet another bureaucratic agency to interfere with the economic life of this Nation. The only saving grace I can find in this action is that the House also passed two major amendments to improve the bill as a whole. One of these was the amendment I cosponsored to exempt small businesses from the Agency's controls which could add yet more to the unfair burden of regulation they must bear. The second is the amendment to cut offices in the executive branch which duplicate the role of the Agency for Consumer Protection. This, at least, is a step in the right direction against the mushrooming of the Federal bureaucracy and redtape.

The Consumer Protection Agency is intended to represent the interests of consumers before Federal regulatory agencies and to discover fraud or substantial economic injury to the consumer. Small businessmen have many common interests with consumers. If small businesses were not exempted from the interrogatory powers of the ACP administrator, this procedure would be a costly and time-consuming step for small businessmen. The present paperwork requirements cost small businessmen over $18 billion per year. In the long run, the consumer has to bear the costs of this unnecessary paperwork. To save this cost, six other Congresspersons and I sponsored the amendment to exempt businesses with less than $1 million in net assets or with fewer than 25 employees from the provisions empowering the Agency for Consumer Protection to issue interrogatives or request information. This amendment was agreed to by a recorded vote of 401 ayes to 6 noes.

This amendment will also protect the small businessman from unwise and unnecessary Government interference and will protect the consumer from the cost of such Government action. From here, we must go on to find other ways of stopping such Government interference. But certainly this amendment is a step toward strengthening the free enterprise system, giving the small businesses an opportunity to be more competitive, and saving the consumer millions of dollars.

In addition, we must take steps to eliminate the significant and unnecessary cost to consumers and small businesses which emanates from anticompetitive and monopolistic practices. A preliminary 1972 study of about 100 major industries by the Federal Trade Commission discovered that consumers were overcharged by $15 billion due merely to their concentrated structures. An important study, conducted by the FTC's Bureau of Economics, estimated the economic waste and losses from oligopoly and monopolistic practices at 6.2 percent of the GNP. Based on the 1974 GNP of $1,396.7 billion, this waste amounts to about $87 billion annually.

Small businesses are frequently squeezed out by the monopoly power of large companies. One key obligation of the consumer advocate will be to focus on monopolistic practices and require strict enforcement of antitrust laws.

I was especially pleased that the House approved the McCloskey-Heckler amendment by a vote of 379 to 27. This amendment will require all functions within the executive branch which duplicate the Agency for Consumer Protection's responsibilities or which can be performed more appropriately by the Agency to be merged into the Agency's operations. This amendment will directly affect at least 20 offices scattered throughout the Federal Government.

The amendment also requires the Office of Management and Budget to identify and report within 6 months on the offices and programs which can be replaced by the new agency and which will require congressional action to be consolidated. This amendment, therefore, will substantially cut the Federal budget by eliminating duplicate offices and agencies and will produce savings which may exceed the operational cost of the new Agency. This Nation has waited too long to begin a reduction in the wastefulness and ineffectiveness of the bureaucracy. The McCloskey-Heckler amendment abolishes a number of consumer-related offices, programs, and activities. It is a step in the right direction. It is my hope that this precedent-setting legislation will be followed in similar cases scheduled to come before the Congress. I commend this aspect of the Agency for Consumer Protection to my colleagues in the House and ask that they strongly curb the growing powers of the Washington bureaucracy.

Although these amendments improved the Agency for Consumer Protection bill, as I sincerely believe, I found that I was compelled to vote, with 198 other Members, against this legislation. While I cosponsored the small business amendment and strongly supported the McCloskey-Heckler amendment, I felt in the final analysis that this country does not need another bureaucratic agency to interfere with its economic life.

A BICENTENNIAL CELEBRATION

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. MIKVA. Mr. Speaker, a unique concept for celebrating our 200th birthday has generated so much favorable comment in Chicago and throughout the country that I think it is worth sharing with all of the Members of Congress. The idea originated with Chicago attorney Marvin J. Rosenblum who, together with Chicago radio announcer Sherman Kaplan, has discussed the concept in newspaper, radio, and television interviews in many American cities. The idea is entitled "Hands Across the Nation" and it involves a coast to coast chain composed of people of all ages, nationalities, religions, and races linking hands. The chain would last for 15 to 20 minutes on July 4, 1976. I consider this proposal to be a particularly significant Bicentennial exercise because it graphically expresses the unity among people that is the hallmark of the mosaic comprising American society. Moreover, it is a participatory, rather than spectator, event providing a sense of community lacking in other Bicentennial celebrations. Although it is certainly true that formidable organizational problems need to be overcome in order to effectuate "Hands Across the Nation," the solution of these problems only adds to the inspirational potential of the idea. I urge all Members of Congress to give this idea their fullest consideration so that for the first time in our Nation's history we can be literally joined together in a physical manifestation of our national commitment to an indivisible nation offering both the hope and the promise of brotherhood among all of its people.

THE SPIRIT OF PENNSYLVANIA ON CANVAS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. GOODLING. Mr. Speaker, I would like to invite my colleagues and their constituents to view 105 paintings which capture the scenic beauty, the rich and varied historical background, and the industrial accomplishments of Pennsylvania. The spirit of Pennsylvania has been captured by an artist, Nick Ruggieri, a resident of my congressional district for the past 27 years.

Nick Ruggieri, art director of the Harrisburg Patriot-News and a fellow of the Royal Society for the Encouragement of the Arts in London, England, began painting the collection in 1971 after receiving a commission from the publisher of the Harrisburg Patriot-News, Mr. John Baum.

Contained in Ruggieri's "Commemorative Portrait of Pennsylvania" is an oil, acrylic, or watercolor depicting an important event or development in each of the 67 counties of the Commonwealth. There are in addition, nine Commonwealth scenes, a map montage of Pennsylvania plus paintings of the State bird, tree, and flower.

Ruggieri's Bicentennial art exhibit premiered on September 21, 1975, at the William Penn Memorial Museum in Harrisburg. His works can be viewed at the museum through November 30. Following the Harrisburg exhibition, the display will go on tour throughout Pennsylvania for 16 months.

I know that the House of Representatives will join with me in congratulating not only Mr. Ruggieri for his contribution to our Bicentennial, but to the Patriot-News for sponsoring the exhibit.

COMMON SITUS PICKETING BILL SHOULD BE VETOED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. CRANE. Mr. Speaker, the common situs picketing legislation which has been passed by the House and is now before the Senate should be vetoed by President Ford in the event that it is approved.

This legislation is openly designed to give construction union officials the power to drive nonunion workers from their jobs. Under the proposed legislation, vast new powers are given to officials of the building trades unions. It would authorize union pickets to shut down an entire construction site because of a dispute with a single subcontractor. Usually, such disputes involve the hiring of construction workers who have chosen not to work for closed shop contractors. Clearly, the result would be that contractors would be forced to hire only union members in order to stay in business.

Discussing this legislation, a spokesman for the National Society of Professional Engineers, whose members are often employed on construction jobs, warned that enactment of the bill would give union bosses a death grip on the entire industry.

There has been a widespread and vocal opposition to this union sponsored legislation throughout the country. The Portland Oregonian, for example, editorially declared that:

> If the ban on secondary boycotts is abolished, general contractors will find that unions will be able to dictate which subcontractors they can do business with—leading to certain demise of the open-site or merit-site system in which union and non-union contractors work side by side. Construction workers, on their part, will have their freedom to choose between union and non-union employers eroded.

This legislation would seriously damage the freedom of American workers. It is inconceivable that an administration which repeatedly declares its allegiance to free enterprise would approve of such a law.

In its editorial of November 1, 1975, the Washington Star urges President Ford to veto this bill if it reaches his desk. The Star declares that:

> In the past, the Ford Administration has been opposed to the common situs picketing bill, and it is not entirely clear what brought about the apparent agreement to back off . . . Obviously politics is a factor . . . President Ford ought to reconsider and veto the picketing bill . . . Approving a bill that will coerce general contractors into using only union subcontractors, that will lessen competition, that will result in higher construction costs, that will restrict freedom of

choice for employers and workers, can hardly be justified on political or any other ground.

I wish to share with my colleagues the editorial, "Closing Down The Job," as it appeared in the November 1, 1975 issue of the Washington Star, and insert it into the RECORD at this time:

CLOSING DOWN THE JOB

The White House is reported to have made a deal to trade away its opposition to "common situs" picketing legislation in return for passage of an administration-supported bill to improve collective bargaining practices in the construction industry. It's a bad trade.

We support the collective bargaining bill because it would tend to bring order to the bargaining process in the strike-prone construction industry. It would give national union leaders more control over capricious local units that too often use whipsawing and other questionable tactics to force up wage scales. By creating a Construction Industry Collective Bargaining Committee made up of labor, management and government representatives, it would provide a tool to reduce strikes in the industry.

But this legislation should in no way be considered a tradeoff for the common situs picketing bill. If one cannot be had without the other, it would be preferable to have neither, for the benefits of the collective bargaining bill would be more than offset by the disadvantages of the picketing bill.

The common situs picketing bill would allow union workers striking against a subcontractor to shut down an entire construction project. The Supreme Court ruled in 1951 that throwing a picket line around an entire project when the strike is against only one of the subcontractors amounts to a secondary boycott outlawed by the Taft-Hartley Act.

For a quarter century, unions have been chafing under this restriction. Unable to get the Taft-Hartley provision overturned in the courts, they are asking Congress to do it legislatively. The bill simply would declare that a strike against a general contractor, even though the complaint is against one of the subcontractors, does not constitute a secondary boycott.

The result would be that contractors would be unable to mix union and non-union subcontractors on a project. If they did, they would face the certainty of the job being closed down by union strikers who could set up picket lines around the whole project. It would give unions a weapon with which they could bludgeon contractors into going the union way or not going at all.

Until this section, common situs picketing legislation has been given short shrift on Capitol Hill. But the influx of labor-supported members into the 94th Congress, plus the deal that apparently was struck with the White House, has greased the way for passage.

Supporters of the common situs bill have been careful to see that it and the collective bargaining measure travel the legislative road together. They fear that the picketing bill might get sidetracked if it had to stand on its own. After both measures passed the House in tandem, the Senate Labor Committee approved both and they probably will go to the Senate floor at approximately the same time.

In the past, the Ford administration has been opposed to the common situs picketing bill, and it is not entirely clear what brought about the apparent agreement to back off if the collective bargaining bill is passed. Obviously politics is a factor. Many leaders of building trades unions supported the Republican party in the last presidential election and no doubt President Ford is hoping for such support next year.

President Ford ought to reconsider and veto the picketing bill if it reaches his desk. Approving a bill that will coerce general contractors into using only union subcontractors, that will lessen competition, that will result in higher construction costs, that will restrict freedom of choice for employers and workers, can hardly be justified on political or any other ground.

KVIE CHIEF LAUDS STATE AID AS LANDMARK

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. MOSS. Mr. Speaker, little more than a month ago, the California State Legislature enacted a law which, for the first time, creates the mechanism for State financial support of public broadcasting. The act created the California Commission for Public Broadcasting, an agency charged with encouraging and supporting the development of the State's public television and radio stations. A sum of $183,000 was authorized to provide assistance to the medium in the initial year of the new law.

This vote of confidence by our State's representative body indicates a growing public support for noncommercial broadcasting. It is clear that public broadcasting has come of age. It is time we in the Congress assume a leadership role in rendering an appropriate, insulated, long-range program for Federal tax support of the media, H.R. 6461, the legislation now before us, would achieve that objective.

California's testimonial to public broadcasting serves as notice to this Congress that the public demands the support of its Federal Government in the viable development of public broadcasting. In its October 2d edition, the Sacramento Bee published an account of the significance the medium's local and national leaders ascribe to the State's action—an action we in Washington are well advised to consider as we deliberate on the bill before us. I include the news article to be placed in the RECORD:

KVIE CHIEF LAUDS STATE AID AS LANDMARK

(By John V. Hurst)

A bill calling for state support of public television has been signed into law by Gov. Edmund G. Brown Jr., and PTV executive Arthur A. Paul is calling it "the most important thing to happen to California's public television since the stations were originally licensed."

Paul's reaction comes from under both his hats—as president of the Association of California Public Television Stations and as executive vice president-general manager of KVIE, Channel 6, Sacramento's public TV station.

His excitement involves AB525. It creates a California Commission for Public Broadcasting and earmarks $183,000 for its first year of operation.

The commission is to propose a policy for state support of public TV, suggest priorities for state grants and make plans for a microwave system that could turn California's 12 PTV stations into an informal, statewide network.

As introduced by Assemblyman Terry Goggin, D-San Bernardino, the measure called for spending $4 million on the microwave system and for state support of $8 million a year for five years. But Paul says he is "ecstatic" over the amended outcome, anyway.

"The most important thing about this bill being passed—and signed rather than allowed to become law," he said yesterday afternoon, "is that it establishes the principle of state support for public television."

Paul said California currently ranks 45th in the nation in terms of state support to public TV—saved from being dead last by dint of its payments to KPBS in San Diego for that station's services as a teaching lab.

"At 6," Paul reported, "we've been working for this bill ever since we helped form the Association of California Public Television Stations in 1972." And it won't do KVIE any harm, either:

"We believe strongly in the fact that Californians want to know how their government works. And, of course, we're on the scene to provide on-the-spot coverage of important legislative and administrative hearings"—especially now that Channel 6 finally has a mobile TV unit for remote telecasts.

"With the prospect of state support to produce such programming," Paul said, "KVIE is on the brink of the role it's been in a national position to fulfill for years but hasn't had the capability to."

When he was in town last Friday Hartford N. Gunn Jr., president of the national Public Broadcasting Service, called on Gov. Brown to urge him to sign the measure, then already on his desk.

"It isn't much money," he told a KVIE staff meeting. "But it establishes the principle of state support—and it is enough money to let you undertake some demonstration programs."

Paul figures as much as $100,000 of the initial appropriation might be available for pilot programs "that would demonstrate the kind of things that might be done if we get adequate funding in the future."

The state's 12 PTV stations are KOCE, Huntington Beach; KCET (and the schools' KLCS and KVST), Los Angeles; KVCR, San Bernardino; KPBS, San Diego; KQED, San Francisco; KTEH, San Jose; KCSM, San Mateo; KIXE, Redding; KEET, Eureka, and KVIE in Sacramento.

A 13th is on the way: The Federal Communications Commission recently issued a construction permit for a public TV station in Fresno.

A WAY TO ANSWER OUR NATIONAL PRIORITY CREDIT NEEDS

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mrs. SULLIVAN. Mr. Speaker, H.R. 10481, the Intergovernmental Emergency Assistance Act—perhaps better described as the New York emergency assistance bill—will shortly be scheduled for floor action.

To prevent default on their obligations or further damaging loss of confidence in the tax-exempt bond market, the measure provides the administration with discretionary authority to guarantee the obligations of State and local governments when the money market would otherwise be closed to them. Although it does not specifically say so, the narrowly drawn bill is aimed exclusively at New York State and City.

Although I support this legislation because it can provide immediate assistance, I believe there is a much better, long-range approach to this issue in the form of H.R. 10452, the Emergency Financial Assistance Corporation Act, which I introduced and which is cosponsored by 16 Members of the House. The measure is designed to assist New York if it puts its financial house in order. More importantly, it would provide financial aid to State and local governments and other priority area borrowers who cannot obtain adequate loan funds on reasonable terms.

Mr. Speaker, a brief explanation of my position on this issue together with a description of what the Emergency Financial Assistance Corporation Act would do is presented in a supplemental view which I have written to accompany the banking committee report on H.R. 10481. I include my supplemental view to be printed in the RECORD:

SUPPLEMENTAL VIEW OF REPRESENTATIVE LEONOR K. SULLIVAN ON H.R. 10481, THE INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT

I have serious reservations about this legislation, but I support it because it is the only measure immediately available to provide New York City and State with a means of avoiding default and, thus, protecting the municipal bond market from drastic erosion of confidence that could prove devastating to the credit needs of State and local governments across the nation.

H.R. 10481 is a one-shot bill aimed solely at New York City's financial dilemma. It completely fails to address the chronic and worsensing credit problems which hobble State and local governments in their efforts to obtain adequate loan funds on reasonable terms to finance vital public works and facilities.

A review of financial news produces convincing proof that an increasing number of municipalities and other political subdivisions are steadily being squeezed out of the money market by steadily rising interest rates and a diminishing pool of investors. More and more local governments are finding that they cannot even float their bond issues because no bids whatsoever are received or that bids that are made carry demands for interest rates which exceed legal permissible limits.

I readily acknowledge that the circumstances in which New York City finds itself have had a significant adverse effect on the bond market. However, the long-term debt financing problems of communities throughout the country did not begin with New York and they will not end with the aid this bill would provide to that City.

The Congressional Budget Office confirmed this point in a paper it issued on October 10, 1975. The Budget Office stated:

. . . New York's situation is far from the worst in the nation. One composite index of central city disadvantage shows New York in better shape than Newark, Baltimore and Chicago, as well as eight other large urban centers. . . ."

What is clearly needed is a Federal agency which can make direct loans and guarantee loans to State and local governments when these borrowers cannot obtain adequate credit on reasonable terms from other lenders. Moreover, such an agency, serving as a lender of last resort, should be equipped to meet the national priority credit needs of small and medium size business and industry and moderate income housing which are also victimized by the lack of adequate credit on reasonable terms.

Indeed, the hearing record on H.R. 10481 is replete with examples and testimony which show the credit problems of State and local governments to be nationwide in scope and deserving of a legislative response that goes far beyond the boundaries of New York City or New York State.

William White, Executive Director of the Massachusetts Housing Finance Agency, which has been forced to cancel bond issues and drastically cut back the production of urgently needed housing throughout that State, testified:

". . . I would like to propose that the federal government establish an agency with a standby authority of $20 billion to become a resource capital fund. This agency could make direct loans or guarantee the purchase of tax-exempt securities at current market prices. . . . It would be a bank of last resort."

The fact that the problem is nationwide in its dimensions and requires such a nationwide approach is reflected in the testimony of none other than A. W. Clausen, President of BankAmerica Corporation, parent holding company of the nation's largest commercial bank. He testified that:

"The financial markets of the country are floundering, owing in considerable part to New York City's budgetary difficulties. The market for municipal bonds has been the most severely affected, with interest rates currently at the highest point in history. . . . The prohibitive cost of borrowing has forced the cancellation or delay of numerous housing and public works projects."

Bank of America recommends accordingly that:

". . . a new agency should be created in the Federal government for the purpose of serving municipalities as a lender of last resort."

The solution these witnesses have advocated is embodied in H.R. 10452, which would establish an Emergency Financial Assistance Corporation to provide adequate credit on reasonable terms to State and local governments, to small and medium size business and industry and to finance low and moderate income housing when private lenders cannot meet these standards for priority area borrowers.

It is my hope that this proposal, which is cosponsored by 16 Members of the House, will be given immediate consideration by the Banking, Currency and Housing Committee. The need to do so is urgent.

THE GOAL OF THE COMMUNISTS: PORTUGAL, SPAIN, AND FINALLY EUROPE

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. BURKE of Florida. Mr. Speaker, as we watch the day-by-day shifting of events and forces in Portugal in what is obviously a major Soviet-backed bid for Communist power in the Iberian Peninsula, we often fail to remember the problem of what a Communist victory in Portugal would inevitably mean for Spain and for Europe and the West in general.

One of the better analyses I have seen recently is a column by the noted authority on international affairs James Burnham in the October 10, 1975, issue of National Review. This analysis is particularly good because it stems from Mr. Burnham's firsthand observations. As always, Mr. Burnham clearly discerns the larger significance of daily events and puts them in the proper geopolitical perspective.

Because of the importance of Mr. Burnham's observations, I am pleased to insert his article into the RECORD at this point:

PORTUGAL, SPAIN, EUROPE

(By James Burnham)

The then waxing counterculture had pulled Marian out of her school and California family eight years ago. Her mother—a dear friend of one member of our little group—was Spanish born, and Marian had ended up in Madrid, where she was now studying, she told us, to be a veterinarian "specializing in large animals." She was wearing jeans, which, in the context of the five star hotel where we were staying, told us that though she was willing to parley with the Feds, she was not yet ready to return to the reservation.

The telephone call turned out to be for her, and she talked in fast Spanish. "That's Fernando," she reported, "my ex-boyfriend who won't admit the ex. He's downstairs and is on his way up. I'm trying to find a way to shake him loose"—this wasn't altogether convincing when one reflected that he had known where to find her—"but he's bright, and if you really want to eat local, he's a painter and he knows everything about this city."

Fernando was also in jeans, but he wore them well, and had a fine black beard and a pleasant voice. Marian was right about his knowledge of Madrid. He took us to a district we had never been in, and we ate at one of those food-bar cafeterias that are common in Spanish cities, brightly lit and jammed with people, all Spaniards except for us, mostly young and all talking at full speed. We ate and drank first at the bar and then at one of a half dozen tables in a small back room. Afterward Fernando led us to a large café, also filled to bursting with talk and Spaniards—here mostly, I gathered, painters, writers, students, journalists, younger academics.

WHAT KIND OF SOCIALISM?

Fernando had just got back from three months in Portugal, and at the cafeteria I asked a few questions about his experiences there, the repercussions in Spain, the post-Franco outlook, etc. His replies were discreet and noncommittal. But at the café, whether from the wine or the pressure of his ideas and passions, he opened up in the mélange of French, English, Spanish, and gestures through which we managed to communicate. He had not gone to Portugal to paint, as we had earlier been allowed to assume, but to observe and, at least in spirit, join a revolution. Thousands of young men and women, not only from Spain but from all Europe, are making this same pilgrimage.

The issue in Portugal, as Fernando defined it, is "socialism." But, I asked him, what kind of socialism—a Portuguese pro-Western socialism or a socialism controlled by Moscow? A totalitarian socialism or a pluralist, democratic socialism? *"Bourgeois* **democratic," he emended. "There is only one** socialism. It has reached different stages and has followed different paths in different countries, but everywhere it is the same struggle for the same goal. There cannot be socialism in Portugal without Cunhal, just as the world struggle for socialism is inconceivable apart from the Soviet Union."

Fernando was saying, as I understood him, that "social democracy" is an illusion or a fraud. The "democracy" of a pluralist, democratic socialism inevitably turns out to be "bourgeois"; that is, a sociopolitical structure to which capitalism and a privileged economic class can (and do) adapt themselves. The Scandinavian countries—in truth, most of the advanced non-Communist countries—seem to prove him correct, contrary to the predictions of both laissez-faire economics and reformist Marxism. It follows, as Cunhal has frankly insisted, that "genuine socialism," in Portugal and everywhere else, requires the abandonment of the "bourgeois" forms of political democracy and pluralism; and that therefore, Mario Soares is "playing into the hands of the counterrevolution."

The fate of Europe—I am once more repeating—and therefore, almost surely, of Western civilization, is being decided in the Iberian Peninsula—by what is happening now in Portugal, and by what will happen tomorrow in Spain, since Spain, faced with the crisis of the succession, cannot avoid integral involvement. In Fernando's kind of socialism—a dictatorial socialism (in a word, Communism), because of its historical affinity with Soviet socialism—is installed in Iberia or even, with Spanish acquiescence, in Portugal alone, then Western Europe will be strategically outflanked, and in due course neutralized (Finlandized). The United States will thus be isolated. Saving Israel will prove a meager counterweight to the loss of Europe.

THE STAKE IS EUROPE

How many Spaniards think along Fernando's lines? I somehow got the impression that many in the café that night did, but perhaps they were mostly unstable intellectuals and radical-chic types. It is impossible for strangers to know what Spaniards are thinking, their thoughts are hidden behind outward forms much as the houses along older streets are hidden behind the featureless facades. The controlled press is banal, though there are carefully written reports about the Basque terrorists, the trials that condemn them to the death penalty, and the protests against the verdicts. There have been more industrial strikes this year than ever before, but Madrid's streets are models of cleanliness. The guards at the entrances of police stations and government buildings (several of whose fellows have been shot by the terrorists) all have pistols in holsters and—with a uniformity that indicate a command from the center—a submachine gun held at ready. But here on this holiday island the only visible politics is a dispute over alleged corruption in building contracts, and the big event is the arrival of the year's five-millionth tourist.

We will soon learn what is behind the façade. The Caudillo cannot last much longer, and by all precedents the change of regime must soon bring Spain to a critical confrontation. Its resolution will be decisive retroactively for Portugal also, and, by its consequences, for Europe. It will be amusing if Europe is saved by proud and passionate Iberians who have for so long been condescendingly ostracized by their secular, utilitarian, compromising neighbors.

CONGRESS IS BEING MISLED ON SOVIET BUILDUP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. McDONALD of Georgia. Mr. Speaker, for a long time now a game has been played in Washington, D.C., called: "How Much Money Are the Soviets Really Spending on Their Armed Forces?" The debate has raged on about the significance of the figure on defense expenditures that appears in the Soviet national budget each year as well as the money they hide in other categories of the budget. Everyone is an "expert" but no one really knows for sure the exact figures. Certain facts are known, however. Soviet military personnel live very spartan lives as compared to our fighting men. The real value of the ruble is not known, since it is not a convertible currency. Inasmuch as the Soviet Union operates a directed economy a la Marx, the Soviet Government can set any price on any weapon it wishes to and does so.

So the game is one of blind men comparing apples and oranges. However, year after year the Soviets increase their capability to launch and make war. Their army, for instance, has increased by 10 divisions in the last 5 years. The Soviets now have more nuclear submarines—a field in which we once led the pack—and now has a navy that can challenge us in many areas of the world. And, as everyone knows, the U.S.S.R. has more ICBM's with larger payloads. In sum, the quibbling over the Soviet defense budget is really immaterial as Crosby S. Noyes recently pointed out in a column in the Washington Star on November 4, 1975. The column follows, as well as the letter to the editor by Lieutenant General Graham in defense of his position, which appeared in the the Washington Star on November 7, 1972.

[From the Washington Star, Nov. 4, 1975]

CONGRESS IS BEING MISLED ON SOVIET BUILDUP

(By Crosby S. Noyes)

Behind the unprecedented cuts in this year's defense budget is one of the most outrageous efforts to mislead the Congress and the American people about the Soviet-American power balance that has ever been mounted. It amounts to a deliberate misrepresentation of all the available evidence.

Among the leaders of this effort is Sen. William Proxmire, D-Wis., chairman of a subcommittee of the Joint Economic Committee which has conducted extensive investigations into the Soviet-American balance. Largely as a result of the subcommittee's recommendations, the Senate is now expected to restore only about $406 million of a defense appropriations request that was reduced by the House to the tune of $7.6 billion. Defense Secretary James Schlesinger has denounced the House cuts as "savage and arbitrary."

Proxmire is a dedicated opponent of the defense establishment and all its works. His own summary of the hearings which his subcommittee conducted last summer is that. "Insinuations of a widening gap between Soviet and United States military power, to the advantage of the Soviet Union, are nonsense, unsupported by the facts."

Proxmire bases this assertion on the ground that several witnesses before his committee, including CIA Director William E. Colby and Lt. Gen. Daniel O. Graham, director of the Defense Intelligence Organization, conceded the difficulty of comparing the Soviet and American defense establishments in terms of dollar equivalents. Other factors, including the completely different economic systems of the two countries, they pointed out, must be taken into account.

What Proxmire does not say—and what is the crucial point of the hearings that he conducted—is that the distortions involved in cost analysis comparisons *minimize the actual gap between the Soviet and American defense efforts*. The existence of a widening gap between the military establishments was no insinuation. It was stated by both witnesses as a categorical fact. And the attempt to dismiss the evidence as worthless because of the admitted distortions is a palpable fraud.

What Colby told the Senate Defense Appropriations subcommittee was exactly what Schlesinger had told them: By the best estimate of the American intelligence community, the Soviet Union is outspending the United States by as much as 50 percent in dollar terms in its military budget.

Earlier, Colby told the Proxmire subcommittee that the Russians have outspent us every year since 1971, that the cost of their programs in intercontinental attack capability exceeded ours in 1974 by 60 percent, in investment by 20 percent, in strategic defense by nearly 800 percent, in ground forces by 100 percent and in research and development by about 20 percent.

But, again, the witnesses emphasized that it was not so much a question of the cost as of what the Russians got for what they paid. And on this point, Gen. Graham was particularly critical of CIA cost estimates for Soviet defense, showing small yearly increases in the budget over the last decade.

"During that time frame, 1960 to 1971," Gen. Graham testified, "the Soviets had gone from a handful of ICBM launchers to over 1,500 for five different systems, produced over 50 missile-launching submarines, created a highly sophisticated military space program, produced a new bomber, introduced five new fighters, deployed several thousand SAM (surface to air missile) launchers, deployed a large force opposite China, activated about 20 more divisions and so on. This is only a partial list of the reasons I found the results of the costing methodology simply not credible. It could not be done with a very small average increase in the budget."

You can't help wondering how soon the evidence which senators glibly dismiss as "nonsense" will return to haunt them.

[From the Washington Star, Nov. 7, 1975]

LETTERS TO THE EDITOR—WHAT RUSSIA SPENDS ON DEFENSE

Your story concerning the warnings of the secretary of defense about the size of the Soviet military budget ("Are the Soviets Really Outspending U.S. on Defense? Colby Is Dubious," Oct. 27) contains several serious distortions of my views on the matter.

The article states that I agreed in testimony to Sen. Proxmire that dollar estimates of Soviet military costs "tend to inflate Russian expenditures." This is absolutely wrong. I have for several years, working both at Central Intelligence Agency and Defense Intelligence Agency, rejected the dollar costing methodology because it results in serious underestimates, not inflations, of the Soviet military budget.

I testified to this clearly to Sen. Proxmire three months ago. I pointed out that under the old costing methodology, we were estimating a Soviet military budget of about 6 to 8 percent of GNP per year and a growth rate of military budget of 2 to 3 percent. From reviewing improved evidence and the application of other analytical methodologies, I believe that the Soviet military budget has been consuming over 15 percent of the GNP, and that this percentage has been valid for the past several years .

It has been the view of most Defense Department analysts for the past three or four years that estimates of total Soviet military expenditures have been much too low.

To illustrate my points, I would quote an excerpt from my July testimony to Sen. Proxmire. This followed my averral that the estimates of Soviet budgets had been too low:

Chairman PROXMIRE. Do you think there was an average increase in rubles?

Gen. GRAHAM. Oh, yes, if you are talking in rubles.

Chairman PROXMIRE. What was that increase over the past 10 years per year, roughly? Or give it to me for the 10-year period and then divide by 10.

Gen. GRAHAM. For the 10-year period I would say that the ruble increase approximated the increase in GNP. I do not arrive at that conclusion from any complex economic analysis. I am not an economist.

Chairman PROXMIRE. Approximated the Russian increase in GNP.

Gen. GRAHAM. That is right.

Chairman PROXMIRE. Then it would be about 4, 5 or 6 percent, something like that in that area.

Gen. GRAHAM. That is right.

Chairman PROXMIRE. I understood you to indicate that there was a shift in the proportion of GNP that the Soviet Union was putting into the military, or was this a shift in estimate? (Deleted).

Gen. GRAHAM. I said that (deleted).

Chairman PROXMIRE. The estimates had been wrong?

Gen. GRAHAM. Yes, sir.

Chairman PROXMIRE. They have been consistently spending at 15 percent?

Gen. GRAHAM. Yes, sir.

DANIEL O. GRAHAM,
Lieutenant General, USA.

Washington, D.C.

(NOTE.—Gen. Graham, an associate of outgoing Defense Secretary James Schlesinger, resigned this week as director of the Defense Intelligence Agency.)

VETERANS' PENSIONS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1975

Mr. EDGAR. Mr. Speaker, yesterday I introduced into the record testimony that I received from a number of veterans organizations in my district. The testimony was presented at hearings held at Monsignor Bonner High School in Drexel Hill, on Saturday, October 25.

Today, I would like to share with my colleagues the testimony of Mr. A. J. Schill, a veteran of World War I:

TESTIMONY BY MR. A. J. SCHILL

It is an honor to appear and record at your hearing on Veterans' affairs, Monsignor Bonner High School, Lansdowne, Penna., this 25th day of October, 1975.

As members of our parent organization—The Veterans of World War One—U.S.A.—Inc., 916 Prince Street, Alexandria, Virginia—22314, we subscribe, endorse and are subject to the Constitution and By-Laws of this National Body, restrict in membership those, only, who served, served honorably in World War One, and will in the foreseeable future be phased out—with death. We offer—the testimony of our National Legislative Chairman, Harold B. Say, September 29, 1975, to Sub-Chairman and House Committee rehearing on HR 9045 to propose increase in current pension and upping income legislation, etc.:—"We understand that HR 9045 in effect would raise the pension rate by eight percent; income limit by $300. We urge favorable action on the measure.

Actually, if the adverse effect of current Social Security increases, plus those of 1974 were taken into consideration, it would require an increase of approximately 18 percent in rate to compensate for cuts received in pensions. Starting with February of this year, our headquarters has been deluged with piteous pleas and letters reciting pension cuts or elimination of pensions entirely.

As we understand it, the philosophy behind the 11 percent Social Security increase in 1974 was that it would benefit all the nation's elderly by increasing their incomes. It apparently accomplished this end, except in the case of the veteran or his widow on federal pension. What the government gave on one hand it took away with the other.

Headlines and other media channels, when senate measure 4040 became law late last year, told hearers and readers that the veterans and dependents would receive a 12 percent increase in their checks. Frankly, we think many members of Congress too thought this would happen. A few who were below income allowance undoubtedly received small increases (we register one case in our barracks who received an increase of forty cents). However, the bulk of our people, War One veterans and dependents, mostly drawing some money from Social Security could not possibly get anything but a decrease in pension. Our average age is 80. Few have ability or opportunity to earn money. They are dependent on pensions and Social Security.

In short, we wish the figure of eight percent increase that 9045 proposes were more. The bulk of our people—World War One veterans—on pension are sorely in need of more income to maintain a decent standard of living. Their costs go up with every year of age.

The Department of Labor earlier this year supplied a member of Congress with figures indicating that a retired couple needed an annual income of $6,249.65 to maintain a moderate standard of living in a small city—$11,363.00 for a family of four.

Although the matter is not an issue before this committee today, we would reiterate our plea and hope that this committee would draft a general pension bill covering veterans of World War I.

In 1919 when the bulk of veterans of World War I were discharged, there was not available to them the fine VA hospitals and medical systems of today. There was no educational aid program. Had there been such, the plight of 1917–1918 veterans might be quite different than it is today. It is rather generally accepted that the educational level of World War I men was about sixth grade. Few were high school graduates and a fewer had even been inside a college door.

The federal government took one minor step to aid disabled War I men. Immediately following the war, it opened a vocational rehabilitation program for veterans, disabled in the war. These disabled men were trained in shops, factories and certain vocational schools. Over a ten year period 130,000 completed such training.

This program did not involve aid for general education for high school or college as have later programs. It covered strictly rehabilitation aid for disabled men in manual labor—primarily. World War II veterans under the GI education aid legislation received $14,500,000,000.

Vietnam veterans will receive from $805,000,000 to $863,000,000 a year over the next five years in educational aid alone. The Veterans Administration in February of this year announced that a Vietnam veteran who did not complete high school could draw up to $270 a month to go on with his high school work and not have the amount charged against his basic GI entitlement.

We do not begrude these benefits to later veterans. We could have used them back in 1919 and early 1920 when such assistance to veterans was not dreamed of by even those with untrammelled imagination.

Cold government figures on the benefits granted later veterans measured against those given World War I veterans bring the picture of equity into focus. The World War One man received $60 on day of discharge—a bonanza measured against his base pay of $30 a month, and $60 in 1919 would buy many things. Later the 1917–1918 veteran received an average of $547.50 in an Adjusted Service certificate. In short his average benefits totalled $607.50.

Our only basic argument for a pension is equity. It is too late to send World War I men off to school to prepare them for high paying jobs or careers. We know—a very large percentage of them are hard pressed to meet their daily cost of existence.

Had the veterans of 1917–1918 enjoyed the same benefits as received by later service people, we would have no grounds on which to ask for a pension. But they did not have these benefits.

Fifteen years from now World War One veterans will be at the age of Spanish War Veterans today—95 years. If their attrition or death rate is akin to that of men in 1898, there will not be more than about 12,000 of them living 15 years hence. A pension for World War I veterans as now proposed will rapidly drop in cost in the years ahead. In the meantime it would be a godsend to the less than 1,000,000 War I veterans still alive and their widows. It would give them an approach in equity to benefits that have been enjoyed by later veterans. In closing, Mr. Chariman, we want to express our appreciation to the House Veterans' Affairs Committee for its help in putting through increases of 10 to 12 percent in compensation for service disabled veterans and their widows. Also we express our deep appreciation for your successful effort to maintain VA hospital and medical services on a top level. For any gains to veterans, great or small, we are appreciative." So ends testimony of Harold B. Say, National Legislative Chairman, Sep. 29–1975..

To cover the span of 57 years we have discussed Compensation, Pension, Education, Training—to equate give us an unencumbered general pension.

Now our brief personal comments on items not covered previously:

HOUSING

Fortunate is the World War One veteran who owns his home—can finance, maintain and enjoy it. The cost of a rental home, condominium or apartment with inflated living costs are his continual problem.

HOSPITALS

We see no "special privileges" granted the World War I veteran, outnumbered and competing with 29 and one-half million veterans. We wait our turn for available bed space in a VA facility. Our care and attention is definitely more complex and our incidence to hospitalization increasing.

CEMETERIES AND BURIAL BENEFITS

Where is the veteran of World War One or any conflict, who did not dream of having his spouse and he interred in a National Cemetery? To be laid away in the company of his comrades. Had he made arrangements years ago it is possible his dream can be fulfilled. Today, waiting for his demise may result in disappointment for a government grave. It is public knowledge to the bereaved of today—the skyrocketing cost of burial whether borne by estate, family or otherwise is an item that should be seriously reevaluated. In the meantime we must put our trust in the WORD from the letter of Paul to the Phillipians (Chapter 4 verses 12/14/19/20):

"I am experienced in being brought low, yet I know what it is to have an abundance. I have learned how to cope with every circumstance—how to eat well or go hungry, to be well provided for or do without. In Him who is our source of my strength I have strength for everything. My God in turn will supply your needs fully, in a way worthy of His magnificent riches in Christ Jesus. All glory to our God and Father for unending ages!"

Now, having concluded, please respect our desire to discuss with you and your committee in frankness, without avarice or envy, the combined thoughts and conclusions we seek, from the officers and members of Delaware County Barracks #2372, meeting in Collingdale Fire House No. 2, Collingdale, Delaware County, Pennsylvania, second Thursday of each month, except July and August, a constituency in the 7th Congressional District of the State of Pennsylvania.

Any other dialogue or dissertation deemed necessary in the filing of these papers will be cheerfully engaged in. You are at liberty, if you so desire to visit with us as above noted at 1:00 P.M.

HOUSE OF REPRESENTATIVES—*Monday, November 10, 1975*

The House met at 12 o'clock noon.

Rev. Stephen T. Szilagyi, First United Church of Christ, Greenville, Ohio, offered the following prayer:

Dear Lord and Father of mankind, forgive our foolish ways.

Let us not seek self-fulfillment.

Let us not do, just for the sake of doing, but do all things with Your help and guidance, that all men may know that God rules in our land and lives in our hearts.

Let us remember that freedom is not free; many have sacrificed, many are still lost—may our efforts never cease in their behalf.

Finally, brethren, whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report, if there be any virtue, and if there be any praise, let us think and act on these things.

In Jesus' name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 5. An act to provide that meetings of Government agencies shall be open to the public, and for other purposes.

THE REVEREND STEPHEN T. SZILAGYI

(Mr. KINDNESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINDNESS. Mr. Speaker, Rev. Stephen T. Szilagyi, who offered our opening prayer today, was born in Czechoslovakia of Hungarian descent. He fled to this country with his father in 1952 to escape Communist tyranny.

He completed his education in the United States and was ordained as a minister in the United Church of Christ. After serving as minister in the Philippus Church of Christ in Cincinnati, he moved to the United Church of Christ in Greenville, Ohio.

He has taught at Northern Kentucky Community College, has been the chaplain for the Ohio American Legion, and was recently appointed fraternal adviser to the national president of the William Penn Association. On Mother's Day 1970 he conducted the worship service at the White House.

Reverend Szilagyi has also been of direct service to the United States working as an interpreter for our State Department during a Russian agricultural tour of this country.

I feel it is especially appropriate for us to have heard from Reverend Szilagyi today because his life so closely parallels the lives of our forefathers who struggled and fought to bring forth and build a nation of freedom, and whom we honor as we near our Bicentennial.

James MacKenzie, a direct descendant of Matthew Thornton, of New Hampshire, one of the signers of the Declaration of Independence, is the one through whom Mrs. Szilagyi may trace the lineage of the children of this interesting and great American family back to the beginning of these United States.

Reverend Szilagyi is very proud to be an American.

I am very proud of this great American family.

THE 200TH BIRTHDAY OF THE U.S. MARINE CORPS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, today, the 200th birthday of the U.S. Marine Corps, affords us the opportunity to honor the thousands of men and women who have quite literally been and are our first line of defense. The marines who today stand guard around the world protecting our freedoms are following in a tradition which started in Tun Tavern in Philadelphia and whose history recounts the greatness of our country.

As we celebrate our Bicentennial year and reflect on past glories, no group of Americans will surpass the U.S. Marines in service, dedication, and accomplishment for our country.

Mr. Speaker, I admit a certain bias having served 2 years in the Pacific during World War II as a member of this great service, however, I know that all Americans, whether they serve or have served with the corps, share this great pride in their achievements.

It is with deepest appreciation to those marines who have served their country so well that I wish them a happy 200th birthday.

Mr. Speaker, the gentleman from New York (Mr. CONABLE) and I have a special order today commemorating this great event and I respectfully ask all Members who desire to do so to join us in this commemoration today.

STATEMENT OF CHAIRMAN AL ULLMAN WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 10612, THE TAX REFORM ACT OF 1975

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, on behalf of the gentleman from Oregon (Mr. ULLMAN), I submit the following statement by the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN) with respect to the rule to be requested for consideration of H.R. 10612, the Tax Reform Act of 1975:

STATEMENT OF CHAIRMAN AL ULLMAN WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 10612, THE "TAX REFORM ACT OF 1975"

On November 7, 1975, the Committee on Ways and Means ordered favorably reported to the House of Representatives H.R. 10612, the Tax Reform Act of 1975. I take this occasion to advise my Democratic colleagues in the House as to the type of rule which I will request for consideration of the bill on the floor of the House.

The Committee instructed me to request the Committee on Rules to grant a modified open rule for the consideration of H.R. 10612 which would provide 6 hours of general debate, to be equally divided, which would provide for committee amendments (which would not be subject to amendment); which would provide for the usual motion to recommit, and which would permit the following specific amendments only to be offered on the floor:

(1) elimination of the "aggregation" rule for real estate in Section 101 of the bill relative to the Limitation on Artificial Accounting Losses (LAL);

(2) elimination of Section 1402 of the bill relative to the carryback of capital losses;

(3) a proposal relative to the minimum tax in section 301 of the bill which would: (a) eliminate the deduction for regular taxes paid, and (b) add a new preference item for those items which were excluded from LAL under the bill;

(4) with respect to the Domestic International Sales Corporation (DISC), substitution of the three-year grace period for the five-year grace period in Section 1101 of the bill proposed by our Colleague on the Committee, The Honorable Joe Karth;

(5) in Section 1041 of the bill, elimination of the provision dealing with foreign portfolio investments of non-resident aliens and foreign corporations other than interest on bank accounts; and

(6) an amendment in the nature of a substitute for Title I and Title III of H.R. 10612 which would be offered by The Honorable James Jones and which would substitute a "minimum taxable income" proposal for the limitation on artificial losses (LAL) and the minimum tax on individuals.

We intend to file the Committee report on the bill by midnight, Wednesday night, November 12, 1975. It is our intention to request a hearing before the Rules Committee expeditiously.

LITTLE GIRL FROM EL PASO HAS MADE IT TO THE TOP

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, last week a great lady named Florencia Bisenta de Cassillas Martinez Cardona came to south Texas. She attended the

13th National CYO Federation Convention in San Antonio to receive their For God and Youth Award. She also did a benefit performance for Holy Cross High School, which she admitted was one of her pet projects. While she was there she also visited Rodriguez County Park, where a tennis court had been named after her, but alas, here she became the great singer, for the tennis court was named Vikki Carr.

Yes, Mr. Speaker, the little girl from El Paso has made it to the top, but she has never really left El Paso, or the people she grew up with, nor her culture and heritage. "I feel that God is within me and I can't express love or speak or sing without concern for His will," she was quoted in an article by Doris Wright in the San Antonio Light.

She very humbly mentions about 62 young people she has sent or is sending to college—the majority of them from migrant families. We are all proud of this great lady who charms audiences, because as she says of her audiences, "There's no barrier between us."

Not too long ago she was in my district at Pan American University and all the young people who had personal contact with her told me what a genuine person she was, how polite and how thoughtful. The adjectives never stopped.

I respectfully ask my colleagues to join me in a special commendation to Vikki Carr for the great work she does for youth, for her dedication to the poor and the underprivileged, for her devotion to her God, and for her example to others about our country, where a little girl from El Paso, can grow to be a great entertainer and the idol of millions. Most of all, Mr. Speaker, I commend her because she has never forgotten at the very pinnacle of her career those who need her help.

COMMEMORATING THE 200TH ANNIVERSARY OF THE U.S. MARINE CORPS

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I would like to repeat the invitation made by the distinguished gentleman from Texas (Mr. BROOKS) for the Members to participate in today's special order which will commemorate the 200th anniversary of the U.S. Marine Corps.

Mr. Speaker, I think all Americans have great pride in this remarkable institution which continues to be as vital today as when it was organized 200 years ago to meet a very specific military mission in response to a challenge to our national security.

I urge all Members to participate fully in this Bicentennial opportunity. We are going to hear a great deal about the Bicentennial over the next few months, but I suspect that few commemorations will involve such a great degree of pride for the Members who have served in the Marine Corps and for Americans everywhere who feel pride in the splendid traditions of the U.S. Marine Corps.

U.S. MARINE CORPS CELEBRATES 200TH ANNIVERSARY

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, as the U.S. Marine Corps celebrates its 200th anniversary, its mission of providing a highly mobile, flexible force remains more important than ever.

We remember Marine actions on Guadalcanal, Bougainville, Tarawa, Kwajalein, Saipan, Tinian, Guam, Iwo Jima, and Okinawa. We remember the raising of the flag over Mount Suribachi.

We remember the 20,000 marines who died for this country during World War II and those who died before and after. It has been said of marines that uncommon valor was the common virtue.

We remember men like Chesty Puller whom I had the honor of serving as aid-de-camp and whose family still serves the Marine Corps and our Government today in the highest tradition.

But remembering the past makes us look to the future. Never has our need for the marines highly mobile, flexible force been greater. Recent developments regarding our onshore bases overseas emphasize the importance of forces offshore. Complex operations emphasize the importance of integral close air support.

These missions demand the finest from the U.S. Marines in peace as well as war.

SOUTH DAKOTA CATTLEMEN MEET NEW YORK CITY DELEGATION

(Mr. PRESSLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRESSLER. Mr. Speaker, yesterday a group of cattlemen from South Dakota who were in New York City to participate in a food producer-food consumer conference, met with a group of New York City Congressmen and others to discuss the situation in New York City. Certainly the logic of the meeting was that our group was in New York City to ask for understanding of rural problems, and it was quite appropriate that we should listen to some urban problems. The cattlemen and their hometowns were: Francis Veal of Meadow, S. Dak.; Les Blomberg of Faith, S. Dak., and Robert Samuelson of Faith, S. Dak.

I might report to the House that the general conclusion of the group was that if New York City would take corrective financial steps, and if those corrective steps assured an end to the deficit situation, there should be some assistance in terms of guarantees. The feeling was against outright aid, but certainly it was the consensus of this particular group that if New York City would take corrective steps, guarantees would be in order. I am in basic agreement with my cattlemen.

Mr. Speaker, I might also report that I think a dialog between rural groups and urban groups is a very proper thing. I think the cattlemen from South Dakota profited from their discussions of yesterday. We also spent a good deal of time discussing the severe financial problems our cattlemen are experiencing. Mr. Speaker, we must continue to work for a food producer/food consumer coalition in our country.

CONGRESS WELCOMES ISRAEL'S KNESSET DELEGATION

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I am pleased to note that the Congress is graced today and tomorrow by the visit of an official delegation from the Knesset of Israel, headed by their distinguished Speaker, the Honorable Yisrael Yeshayahu.

During their visit, which comes at the invitation of you, Mr. Speaker, and the distinguished majority leader of the other body, the Knesset delegation will be conferring with the President, the Vice President, and with many Members of Congress.

I know that this visit will serve to strengthen the ties of friendship which bind our two countries and that all Members join me in welcoming such a distinguished delegation to the Capitol and to our great country.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the minority leader.

Mr. RHODES. Mr. Speaker, I thank the gentleman for yielding.

I join with my good friend, the distinguished majority leader, in welcoming the delegation from the Knesset to the Capitol of the United States. I think it is particularly appropriate that the delegation is here at this particular time in history. In addition to many legislative matters of importance to the State of Israel to be debated in this building, the United Nations in New York is about to consider the fate of a very notoriously bad resolution, which would have the effect of slandering the State of Israel and the Jewish people.

I know the majority leader joins with me in supporting the resolution which this House adopted unanimously condemning that resolution before the U.N. which would equate Zionism with racism. It was my pleasure to assure the delegation from the Knesset earlier today in a meeting in my office that this body stands firm against racism and such unfounded efforts as that contained in the U.N. resolution.

Mr. O'NEILL. Mr. Speaker, I thank the minority leader for his remarks.

CALL OF THE HOUSE

Mr. CONABLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 679]

Addabbo
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Badillo
Barrett
Beard, R.I.
Bell
Biaggi
Blouin
Bolling
Brademas
Brinkley
Brodhead
Burke, Calif.
Burton, Phillip
Byron
Casey
Chappell
Chisholm
Clancy
Clawson, Del
Cleveland
Conlan
Conyers
D'Amours
Danielson
Derrick
Dingell
Early
Esch
Eshleman
Fary
Findley
Fithian
Ford, Tenn.
Fraser
Frey
Gilman
Gonzalez
Gradison
Harrington
Hawkins
Hays, Ohio
Hébert
Hefner
Heinz
Hinshaw
Holland
Jarman
Jeffords
Jordan
Karth
Krueger
Latta
Leggett
Lehman
Levitas
Litton
Long, La.
McCloskey
McCollister
McCormack
McEwen
Mathis
Meeds
Metcalfe
Michel
Mikva
Milford
Montgomery
Moorhead, Pa.
Morgan
Mosher
Obey
Ottinger
Patman, Tex.
Pattison, N.Y.
Quie
Reuss
Rinaldo
Risenhoover
Roe
St Germain
Satterfield
Scheuer
Shuster
Steiger, Wis.
Stephens
Stokes
Symington
Teague
Udall
Ullman
Vander Jagt
Vigorito
Walsh
Waxman
Wolff
Wydler
Young, Fla.
Young, Ga.

The SPEAKER pro tempore (Mr. McFall). On this rollcall 330 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

I BLEED FOR THE BARGE LINES

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, the recent frenzied attempts by the water carriers to treat suggested "user fees" on our country's waterways like a national tragedy is beyond my comprehension. It is certainly no news to anyone that all costs are ultimately paid by the consumer—or taxpayer—whether they be in the form of user taxes or simply the Government charging the taxpayer for the waterways improvements enjoyed by the barge lines since year 1.

Few in our Nation are aware of the extent of the "free ride" the barge lines are getting: A barge loads at a Government-owned dock in New Orleans and is pushed away from the docks by a diesel tug using tax-free fuel. This huge tug pushes a barge tow all the way up the channelized Mississippi and Ohio Rivers on the trip to Pittsburgh. This trip up river requires the help of 29 Government-owned and-operated locks as well as the aforementioned channels which are dredged and kept open by the U.S. Government. How much does this massive mover of freight pay for the use of his roadway—that is right—nothing.

Does the consumer get all the benefit of this taxpayer supported competitive rip off? Let us have a look at a comparison of their profit structure with the railroads:

Railroads: 3.9 percent profit on sales; 2.7 percent profit on total capital.

Barge: 6.6 percent profit on sales; 10.6 percent profit on total capital.

These figures show conclusively that the majority of this taxpayer supported competitive advantage has not been passed on to the consumer but has been retained as profit. Certainly I am not against profits, but justice is justice.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER pro tempore. This is District of Columbia day. The Chair recognizes the gentleman from Michigan (Mr. Diggs), chairman of the Committee on the District of Columbia.

JUDICIAL CONFERENCE OF THE DISTRICT OF COLUMBIA

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 10035) to establish the Judicial Conference on the District of Columbia and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 10035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter III of chapter 7 of title 11 of the District of Columbia Code is amended by adding at the end thereof the following new section:

§ 11–744. Judicial conference

"The chief judge of the District of Columbia Court of Appeals shall summon annually the active associate judges of the District of Columbia Court of Appeals and the active judges of the Superior Court of the District of Columbia to a conference at a time and place that he designates, for the purpose of advising as to means of improving the administration of justice within the District of Columba. He shall preside at such conference which shall be known as the Judicial Conference of the District of Columbia. Every judge summoned shall attend, and, unless excused by the chief judge of the District of Columbia Courts of Appeals, shall remain throughout the conference. The District of Columbia Court of Appeals, shall provide by its rules for representation of and active particiation by members of the District of Columbia Bar and other persons active in the legal profession at such conference.".

(b) The chapter analysis for such chapter 7 is amended by inserting immediately after the item relating to section 11–743 the following new item:

"11–744. Judicial conference.".

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. Diggs).

Mr. DIGGS. Mr. Speaker, I reserve any further comments and ask that the Chair recognize the gentleman from South Carolina (Mr. Mann) who is chairman of the subcommittee which reported this bill.

Mr. MANN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, H.R. 10035 would establish a judicial conference for the District of Columbia. Its purpose, in authorizing and directing the chief judge of the D.C. Court of Appeals to convene an annual judicial conference, is to improve the operation of the civil and criminal justice system in the District of Columbia. The bill would provide a mechanism to regularly bring together the bench and bar to discuss major problems incident to the administration and enforcement of the laws of the District, and to make recommendations for solutions to such problems.

This judicial conference would be attended by all judges of the D.C. Court of Appeals and the D.C. Superior Court, as well as active private practitioners, laws professors, the U.S. attorney, the Public Defender, and the Corporation Counsel. H.R. 10035 authorizes a judicial conference similar to ones presently convened by the various Federal and State courts throughout the county. The 1970 Court Reorganization Act divested the Federal courts here of jurisdiction over all purely local matters and transferred such jurisdiction to the D.C. Superior Court and D.C. Court of Appeals. The continuing conference of the U.S. Circuit Court for the District of Columbia is limited by 28 U.S.C. section 333 to the "business of the courts" of that Federal circuit, which necessarily excludes the business of the local courts, such as the D.C. Superior Court and the D.C. Court of Appeals. Thus, the need for a judicial conference to deal with local rather than Federal matters, which H.R. 10035 proposes to authorize. Estimated cost: $1,000 annually.

Three distinguished judges of the D.C. Court of Appeals testified in support of the bill, and no expressions in opposition to it have come to the attention of the committee. The bill was approved by unanimous vote of the committee.

Mr. Speaker, I move the previous question.

Mr. RAILSBACK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I would like to express my support for the remarks of the chairman of the Subcommittee on the Judiciary of the Committee on the District of Columbia.

Mr. Speaker, I would emphasize that a majority of the States and all Federal circuits have adopted this concept of judicial conference, so this legislation is neither unique nor controversial, and is somewhat overdue.

This also conforms to the American Bar Association standards relating to court organization which provide, in part:

> All judges in the court system should convene regularly . . . to . . . discuss the work of the court system and their problems and responsibilities in its administration". (Sec. 1.30)

It is noteworthy that this legislation goes one step further than this standard by mandating participation by a wide range of persons active in the legal profession, as well as by judges.

Finally, no new federal budget authority or tax expenditure is created, and the cost to the District government will be approximately $1,000 annually.

Mayor Washington and the City Council have expressed their support for H.R. 10035, and I urge speedy passage of this measure.

Mr. DIGGS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the purpose of H.R. 10035, as is set forth in the committe report (H. Rept. 94–615), is to authorize and direct the Chief Judge of the D.C. Court of Appeals to convene an annual judicial conference designed to improve the operation of the civil and criminal justice system in the District of Columbia. The bill would provide a mechanism whereby the local bench and the bar are brought together periodically on a regular basis to discuss major problems incident to the administration and enforcement of the laws of the District of Columbia, and to make recommendations for solutions to such problems.

MAJOR PROVISIONS OF THE BILL

The bill directs the chief judge of the District of Columbia Court of Appeals to summon annually the active judges of the D.C. Court of Appeals and of the superior court, the appellate and trial court judges, respectively, of the District of Columbia for a judicial conference. In addition, the D.C. Court of Appeals is directed to provide by its rules for the representation of, and active participation by, members of the District of Columbia bar and other persons active in the legal profession at such conference. The chief judge of the D.C. Court of Appeals has indicated that invited delegates will be broadly representative of the legal profession, including active private practitioners, law professors, the U.S. attorney, the public defender, and the corporation counsel.

It is intended that all delegates have a vote and be expected to participate fully in conference work. Every judge summoned will attend, and, unless excused by the chief judge, will remain throughout the conference. This bill authorizes and directs the chief judge to conduct an annual judicial conference similar to those which the courts of appeal in the various Federal circuits hold pursuant to 28 U.S.C. 333, but it will be confined to local, rather than Federal, judicial matters. The judicial conference proposed by the bill is in accord with the practice of the States, the great majority of which have established such a mechanism for ascertaining and solving problems concerning the procedure and administration of the courts.

NEED FOR LEGISLATION

Since 1939, 28 U.S.C. 333 has authorized the chief judge of the U.S. Court of Appeals for the District of Columbia Circuit to convene annually a conference of judges and lawyers in the District and this conference frequently dealt with local as well as Federal matters. However, the Congress, under the terms of the District of Columbia Court Reform and Criminal Procedure Act of 1970, 84 Stat. 473, divested the Federal courts in the District of Columbia of jurisdiction over all purely local matters and transferred such jurisdiction to the D.C. Superior Court and the D.C. Court of Appeals.

As a result of this separation of the court systems in the District, only the Federal court is authorized to conduct a judicial conference. This continuing judicial conference conducted by the U.S. Court of Appeals for the District of Columbia Circuit is limited by 28 U.S.C. 333 to the "business of the courts," which necessarily excludes the business of the local courts. H.R. 10035, authorizing an annual judicial conference to deal with local rather than Federal matters, will fill this need.

An additional justification for this legislation is based on the enlarged jurisdiction given the D.C. Superior Court and the D.C. Court of Appeals, which has resulted in substantially increased caseloads at the trial as well as appellate levels. Consequently, the need for a judicial conference to deal with this problem is a compelling one.

LEGISLATIVE HISTORY

The bill to authorize a judicial conference for the District of Columbia was first introduced in the House by Chairman DIGGS—by request—on March 5, 1975, as H.R. 4286, and on September 25, 1975, hearings and markup were held by the Judiciary Subcommittee. Testifying in support of the bill were three distinguished judges of the D.C. Court of Appeals: Chief Judge Gerald D. Reilly, Associate Judge John W. Kern III, and Associate Judge Stanley S. Harris. No expressions in opposition to the legislation have been received by the committee. The bill was favorably reported to the full committee, with an amendment changing the name by which the conference would be known, and also a few minor technical changes were made to the language of the bill. A clean bill incorporating same was introduced as H.R. 10035.

The committee by unanimous voice vote approved H.R. 10035 on November 3, 1975.

STATEMENTS REQUIRED BY RULE XI(1)(3) OF HOUSE RULES

OVERSIGHT FINDINGS AND RECOMMENDATIONS

The committee's oversight findings with respect to the matter with which the bill is concerned remains as a part of its continuing congressional oversight required by the Constitution and specifically provided for in the Home Rule Act (sections 601, 602, 604, and 731 of Public Law 93–198).

BUDGET AUTHORITY

This local legislation for the District of Columbia creates no new budget authority or tax expenditure by the Federal Government. Therefore, a statement required by section 308(a) of the Congressional Budget and Impoundment Control Act of 1974 is not necessary.

CONGRESSIONAL BUDGET OFFICE ESTIMATES AND COMPARISON

No estimate and comparison of costs has been received by the committee from the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget and Impoundment Control Act of 1974. See cost estimate below by this committee.

COMMITTEE ON GOVERNMENT OPERATIONS SUMMARY

No oversight findings and recommendations have been received which relate to this measure from the Committee on Government Operations under clause 2(b)(2) of rule X.

COSTS

It is estimated that the operational costs for the Judicial Conference authorized by this legislation will be approximately $1,000 annually.

INFLATIONARY IMPACT

H.R. 10035, if enacted into law, will have no foreseeable inflationary impact on prices or costs in the operation of the national economy.

Mr. FAUNTROY. Mr. Speaker, I rise in support of H.R. 10035, which would authorize and direct the chief judge of the D.C. Court of Appeals to convene an annual judicial conference designed to improve the operation of the civil and criminal justice system in the District of Columbia.

On behalf of the citizens of the District of Columbia, I would like to encourage the House to support this legislation, H.R. 10035, because it will provide the bench and the bar a more efficient mechanism in which to solve civil and criminal matters that presently hinder the functioning of the Judicial System.

Mr. BIESTER. Mr. Speaker, I rise in support of H.R. 10035, a bill to create a Judicial Conference of the District of Columbia.

H.R. 10035 will make possible the convening of periodic meetings of judges and lawyers associated with local court matters in the District. The legislative authority to call such a conference would be vested in the chief judge of the D.C. Court of Appeals. Such a meeting would fill an existing void brought about by the D.C. Court Reform and Criminal Procedure Act of 1970 which removed local matters from the jurisdiction of the Federal courts in the District and, hence, from the purview of the Federal court's Judicial Conference. Presently, there is no official vehicle through which local judges and members of the legal profession can meet to discuss common civil and criminal justice system problems.

Considering the multitude of critical problems confronting our judicial system today, it is only reasonable that the court system here in the District have an opportunity to focus in on its own particular concerns and recommend corrections in its operation. Since crime and the criminal justice situation in the capital are frequently the subject of national attention, we should not deny local authorities this one mechanism which may help come up with some solutions to bothersome procedural and administrative problems. In its small but important way, this can have a positive impact in improving the quality and effectiveness of the criminal justice system.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SNYDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 337, nays 0, not voting 96, as follows:

[Roll No. 680]

YEAS—337

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Boland
Bonker
Bowen
Breaux
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Leggett
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Veen
Vanik
Waggonner
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—96

Addabbo
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Badillo
Barrett
Beard, R.I.
Bell
Biaggi
Blouin
Boggs
Boiling
Brademas
Brinkley
Brodhead
Burke, Calif.
Byron
Casey
Chappell
Chisholm
Clancy
Clawson, Del
Cleveland
Conlan
Conyers
D'Amours
Danielson
Derrick
Early
Eilberg
Esch
Eshleman
Fary
Findley
Fithian
Ford, Tenn.
Fraser
Frey
Gilman
Gonzalez
Gradison
Harrington
Hawkins
Hébert
Hefner
Hinshaw
Holland
Jarman
Jeffords
Jordan
Krueger
Latta
Lehman
Levitas
Litton
Long, La.
McCloskey
McCollister
McCormack
McEwen
Mathis
Metcalfe
Michel
Mikva
Milford
Montgomery
Moorhead, Pa.
Mosher
Obey
Ottinger
Patman, Tex.
Pattison, N.Y.
Quie
Reuss
Rinaldo
Risenhoover
Roe
Rose
St Germain
Satterfield
Steiger, Wis.
Stephens
Stokes
Symington
Teague
Udall
Ullman
Vander Jagt
Vigorito
Walsh
Waxman
Wolff
Wydler
Young, Fla.
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Alexander.

Mr. Addabbo with Mr. Brinkley.

Mr. Beard of Rhode Island with Mr. Casey.

Mr. Chappell with Mr. Early.

Mr. Ottinger with Mr. Andrews of North Dakota.

Mr. Biaggi with Mr. Derrick.

Mr. Badillo with Mr. Bell.

Mrs. Burke of California with Mr. Ullman.

Mr. Byron with Mr. Brodhead.

Mr. Danielson with Mr. Stephens.

Mr. Eilberg with Mr. Conyers.

Mr. Hawkins with Mr. Andrews of North Carolina.

Mr. Krueger with Mr. Eshleman.

Mr. Levitas with Mr. Clancy.

Mr. McCormack with Mr. Ford of Tennessee.

Mr. Moorhead of Pennsylvania with Mr. Udall.

Mr. Risenhoover with Mr. Findley.

Mr. Symington with Mr. Cleveland.

Mr. Stokes with Mr. Gilman.

Mr. Teague with Mr. Esch.

Mr. Vigorito with Mr. Gradison.

Mr. Wolff with Mr. Harrington.

Mr. Young of Georgia with Mr. Del Clawson.

Mr. Ambro with Mr. Hinshaw.

Mr. Barrett with Mr. Fraser.

Mr. Blouin with Mr. Jarman.

Mrs. Boggs with Mr. Gonzalez.

Mr. Brademas with Mr. Latta

Mrs. Chisholm with Mr. Conlan.

Mr. D'Amours with Mr. Jeffords.

Mr. Waxman with Mr. Long of Louisiana.

Mr. St Germain with Mr. Frey.

Mr. Fary with Mr. Lehman.

Mr. Fithian with Mr. Litton.

Mr. Hefner with Mr. Mathis.

Ms. Jordan with Mr. McCloskey.

Mr. Roe with Mr. McEwen.

Mr. Satterfield with Mr. Mikva.

Mr. Metcalfe with Mr. Milford.

Mr. Obey with Mr. Montgomery.

Mr. Rose with Mr. Quie.

Mr. Patman with Mr. Reuss.

Mr. Wydler with Mr. Mosher.

Mr. Pattison of New York with Mr. Rinaldo.

Mr. Walsh with Mr. Young of Florida.

Mr. Holland with Mr. McCollister.

Mr. Steiger of Wisconsin with Mr. Vander Jagt.

Mr. RUPPE changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ADDITIONAL LAW CLERKS FOR JUDGES OF THE DISTRICT OF COLUMBIA COURT OF APPEALS

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 4287) to provide for additional law clerks for the judges of the District of Columbia Court of Appeals, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 7 of title 11, District of Columbia Code, is amended as follows:

Section 11-708 is amended to read:

"§ 11-708. Clerks and secretaries for judges

"Each judge may appoint and remove a personal secretary. The chief judge may appoint and remove three personal law clerks, and each associate judge may appoint and remove two personal law clerks. In addition, the chief judge may appoint and remove not more than three law clerks for the court. The law clerks appointed for the court shall serve as directed by the chief judge.".

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Speaker, I will reserve my comments and ask that the Chair recognize the gentleman from South Carolina (Mr. MANN), the chairman of the subcommittee from which this bill came.

The SPEAKER pro tempore. The Chair recognizes the gentleman from South Carolina (Mr. MANN).

Mr. MANN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, H.R. 4287 would amend the District of Columbia Code to authorize each of the nine judges of the

District of Columbia Court of Appeals to appoint one additional law clerk. Each associate judge of the court presently is authorized one law clerk, and the chief judge is authorized two law clerks. This bill would establish the District of Columbia Court of Appeals parity with the U.S. Court of Appeals for the District of Columbia Circuit regarding the number of law clerks authorized. The objective of the court in requesting this bill is to improve the research and analysis capability of the court in order to keep pace with its greatly increased caseload which has nearly tripled in the 4-year period 1970 to 1974.

The District of Columbia Court Reorganization Act of 1970 enlarged the jurisdiction of the trial and appellate courts of the District of Columbia, resulting in this enormously increased caseload. In fiscal 1970, 371 cases were filed in the District of Columbia Court of Appeals, whereas in fiscal 1974, 1074 cases were filed in this court.

The reason for Federal legislation in this otherwise local administrative matter is that law clerks are provided for by section 11–708 of the District of Columbia Code which the City Council is prohibited from amending by section 602(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act.

Mr. Speaker, the estimated cost of the bill is $150,000 per year in personnel costs.

No opposition to the bill has been received by the committee, which approved it by unanimous vote.

Mr. RAILSBACK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, again I support the statement of the chairman of the Subcommittee on the Judiciary.

It is only fair that we grant this request which comes as a result of the appellate court's expanded jurisdiction which was gradually enlarged by Congress pursuant to the Court Reform and Criminal Procedure Act of 1970 (Public Law 91–358).

Finally, it is reassuring that the appellate court has estimated that fiscal year 1977 will be its peak year in terms of its caseload. Therefore it is highly unlikely that further increases in the number of law clerks will be requested.

In supporting this bill I would like to commend the court for the outstanding job it has done since reorganization, notwithstanding its limited staff.

Mr. DIGGS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the purpose of H.R. 4287, as is set forth in the committee report (H. Rept. 94–596), is to amend the District of Columbia Code in order to authorize an additional law clerk for each of the nine judges of the District of Columbia Court of Appeals. This additional law clerk would bring the total number of law clerks for each associate judge to two and would bring the total for the chief judge to three. The general purpose of the legislation is to increase the analysis and research capability of the court, thereby, enhancing its case-disposition capacity. The reason for Federal legislation in this otherwise local administrative matter is that law clerks are provided for by section 708 of the District of Columbia Code which the City Council is prohibited from amending by section 602 (a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act.

NEED FOR THE LEGISLATION

The number of cases filed in the District of Columbia Court of Appeals has more than tripled since fiscal year 1970, the last year before court reorganization. In that year, 371 cases were filed with the court, and the cases filed there in subsequent fiscal years are as follows:

1971	548
1972	662
1973	958
1974	1,074
1975 (projected)	1,000

In addition to the increased caseload, the court has experienced a substantial increase in the number of motions, both procedural and substantive. In fiscal year 1971, 1,122 procedural and 479 substantive motions were filed. In fiscal year 1975 those figures increased to 4,730 procedural motions and 1,266 substantive motions—which required the attention of a three-judge division. One factor which has contributed significantly to this dramatic increase in appellate cases is the substantial increase in the number of criminal indictments returned in the Superior Court. Its indictment figures have been as follows:

1971	1,841
1972	2,349
1973	3,354
1974	3,514

With the increase in the number of cases filed for appeal there has been a corresponding increase in the number of pending appeals comprising the backlog. The backlog figures, measured as of November 1 of each year, are as follows:

1972	434 (of which 94 were argued but undecided)
1973	661 (of which 148 were argued but undecided)
1974	839 (of which 181 were argued but undecided)

The increase in the caseload carried with it a matching increase in the average number of days from the argument of a case to the disposition thereof. The totals are as follows for the calendar year:

	Days
1971	55
1972	79
1973	81
1974	97

In fiscal year 1974 the District of Columbia Court of Appeals took steps at various stages of the proceedings to avert this backlog and the delay between argument and decision. For example, the judges sat more often in order to hear more cases. Also, unreported typed judgments were written in those cases in which a reported opinion would make no contribution to the law. Finally, screening techniques were applied to cases in order to determine which cases might be susceptible to summary treatment. As a result of these efforts the court was able to decrease the average number of days between argument and disposition of a case to 81 days for cases on the regular calendar and to 31 days for cases on the summary calendar. Thus, it is apparent that the court has been making a diligent effort to reduce its case backlog and its request for additional law clerks appears justifiable.

LEGISLATIVE HISTORY

H.R. 4287, the bill to authorize additional law clerks for the District of Columbia Court of Appeals was introduced in the House by Chairman DIGGS (by request) on March 5, 1975, and on September 25, 1975, hearings and markup were held by the Judiciary Subcommittee. Testifying in support of the bill were three distinguished judges of the District Court of Columbia Court of Appeals: Chief Judge Gerard D. Reilly, Associate Judge John W. Kern III, and Associate Judge Stanley S. Harris. Markup was conducted on the same day by the subcommittee with a quorum of five members present. The bill was favorably reported without amendment to the full committee.

COMMITTEE VOTE

The full committee by unanimous voice vote approved H.R. 4287 on October 6, 1975.

STATEMENTS REQUIRED BY RULE XI(1)(3) OF HOUSE RULES

OVERSIGHT FINDINGS AND RECOMMENDATIONS

The committee's oversight findings with respect to the matters with which the bill is concerned remain as a part of its continuing congerssional oversight required by the Constitution and specifically provided for in the Home Rule Act (sections 601, 602, 604 and 731 of Public Law 93–198).

BUDGET AUTHORITY

This local legislation for the District of Columbia creates no new budget authority or tax expenditure by the Federal Government. Therefore, a statement required by section 308(a) of the Congressional Budget and Impoundment Control Act of 1974 is not necessary.

CONGRESSIONAL BUDGET OFFICE ESTIMATE AND COMPARISON

No estimate and comparison of costs has been received by the committee from the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget and Impoundment Control Act of 1974, See cost estimate below by this committee.

COMMITTEE ON GOVERNMENT OPERATIONS SUMMARY

No oversight findings and recommendations have been received which relate to this measure from the Committee on Government Operations under clause 2(b)(2) of rule X.

COSTS

Based on estimates presented at the hearing, currently available, costs for the additional law clerks authorized by this leigslation will be approximately $150,000 annually, including the most recent 5-percent cost-of-living pay increase.

INFLATIONARY IMPACT

H.R. 4287, if enacted into law will have no foreseeable inflationary impact on prices or costs in the operation of the national economy.

Mr. FAUNTROY. Mr. Speaker, I rise in support of H.R. 4287, which would amend the District of Columbia Code in order to authorize an additional law clerk for each of the nine judges of the District of Columbia Court of Appeals. This additional law clerk would bring the total number of law clerks for each associate judge to two and would bring the total for the chief judge to three.

On behalf of the citizens of the District of Columbia, I think that the general purpose of this legislation (H.R. 4287) is admirable because it would enhance the process in which cases can be tried and dispositions reached, and help mitigate the maxim: Justice delayed is justice denied.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TAYLOR of Missouri. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 310, nays 21, not voting 102, as follows:

[Roll No. 681]

YEAS—310

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Beard, Tenn.
Bennett
Bergland
Biester
Bingham
Blanchard
Boland
Bonker
Bowen
Breaux
Breckinridge
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Flood
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
McClory
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Railsback
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Studds
Sullivan
Talcott
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Veen
Vanik
Waggonner
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yatron
Young, Alaska
Zablocki
Zeferetti

NAYS—21

Bauman
Bevill
Broomfield
Burlison, Mo.
Collins, Tex.
Delaney
Evans, Ind.
Grassley
Hammerschmidt
Hansen
Ichord
Jones, Ala.
Lujan
McDonald
Mottl
Poage
Quillen
Randall
Snyder
Symms
Taylor, Mo.

NOT VOTING—102

Addabbo
Alexander
Ambro
Andrews, N. Dak.
Badillo
Barrett
Beard, R.I.
Bedell
Bell
Biaggi
Blouin
Boggs
Bolling
Brademas
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Byron
Casey
Chappell
Chisholm
Clawson, Del
Clay
Cleveland
Conable
Conlan
Conyers
D'Amours
Danielson
Derrick
Early
Esch
Eshleman
Fary
Findley
Fithian
Ford, Mich.
Ford, Tenn.
Fraser
Frey
Gilman
Gradison
Harrington
Hawkins
Hébert
Hefner
Hinshaw
Holland
Jarman
Jeffords
Jordan
Karth
Krueger
Latta
Leggett
Lehman
Levitas
Litton
Long, La.
McCloskey
McCollister
McCormack
McEwen
Mathis
Metcalfe
Michel
Mikva
Milford
Montgomery
Moorhead, Pa.
Mosher
Obey
Ottinger
Patman, Tex.
Pattison, N.Y.
Quie
Reuss
Rinaldo
Risenhoover
Rosenthal
St Germain
Satterfield
Schneebeli
Steiger, Wis.
Stokes
Stuckey
Symington
Teague
Thompson
Udall
Ullman
Vander Jagt
Vigorito
Walsh
Waxman
Wolff
Wydler
Yates
Young, Fla.
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Andrews of North Dakota.
Mr. Hébert with Mr. Bell.
Mrs. Chisholm with Mr. Montgomery.
Mrs. Boggs with Mr. Young of Florida.
Mr. Ambro with Mr. Hinshaw.
Mrs. Burke of California with Mr. Schneebeli.
Mr. Barrett with Mr. Casey.
Mr. Alexander with Mr. Del Clawson.
Mr. Brademas with Mr. Chappell.
Mr. Bedell with Mr. Conable.
Mr. Biaggi with Mr. Fary.
Ms. Jordan with Mr. Brown of California.
Mr. Badillo with Mr. Blouin.
Mr. McCormack with Mr. Derrick.
Mr. Beard of Rhode Island with Mr. Esch.
Mr. Yates with Mr. Findley.
Mr. Symington with Mr. Cleveland.
Mr. Thompson with Mr. Ford of Tennessee.
Mr. Stokes with Mr. Eshleman.
Mr. Wolff with Mr. Brinkley.
Mr. St Germain with Mr. Frey.
Mr. Rosenthal with Mr. Conlan.
Mr. Ottinger with Mr. Quie.
Mr. Obey with Mr. Steiger of Wisconsin.
Mr. Moorhead of Pennsylvania with Mr. Walsh.
Mr. Leggett with Mr. Brodhead.
Mr. Metcalfe with Mr. Rinaldo.
Mr. D'Amours with Mr. Wydler.
Mr. Clay with Mr. Gilman.
Mr. Byron with Mr. Jarman.
Mr. Long of Louisiana with Mr. McEwen.
Mr. Conyers with Mr. Ullman.
Mr. Danielson with Mr. Mikva.
Mr. Early with Mr. Milford.
Mr. Mathis with Mr. Ford of Michigan.
Mr. Young of Georgia with Mr. Lehman.
Mr. Patman with Mr. Gradison.
Mr. Harrington with Mr. Jeffords.
Mr. Hefner with Mr. Udall.
Mr. Pattison of New York with Mr. Teague.
Mr. Holland with Mr. Vander Jagt.
Mr. Vigorito with Mr. Latta.
Mr. Krueger with Mr. Karth.
Mr. Levitas with Mr. McCloskey.
Mr. Litton with Mr. McCollister.
Mr. Reuss with Mr. Mosher.
Mr. Hawkins with Mr. Young of Texas.
Mr. Stuckey with Mr. Waxman.
Mr. Fithian with Mr. Fraser.
Mr. Satterfield with Mr. Risenhoover.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRANSFER OF REAL PROPERTY OF THE UNITED STATES TO THE DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 9958) to transfer certain real property of the United States to the District of Columbia Redevelopment Land Agency, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 9958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the provisions of this Act, the Mayor of the District of Columbia, consistent with the approval by the District of Columbia Council of the urban renewal plan requiring such action, is authorized and directed on behalf of the United States to transfer to the Agency all right, title, and interest of the United States in and to the following real property in the District of Columbia:

(a) Part of a tract of land known for the purposes of assessment and taxation as lot 802 in square 493 and described as follows:

Beginning for the same at a point in the west line of Fourth Street Southwest, 269.0 feet south of the south line of C Street Southwest, and running thence due south, with said west line of Fourth Street Southwest, 169.34 feet;

thence northwesterly 603.44 feet to the east line of Sixth Street Southwest;

thence, with said east line of Sixth Street Southwest due north 20.75 feet;

thence southeasterly 201.17 feet;

thence due east 374.0 feet to the point of beginning, containing 40,927.75 square feet, all as shown on a plat of survey recorded in the Office of the Surveyor of the District of Columbia in survey book 188, page 91.

(b) Part of Sixth Street Southwest, described as follows:

Beginning at a point in a stone wall in the east line of Sixth Street Southwest, distant 146.50 feet south of the south line of C Street Southwest, and running thence due south, with said east line of Sixth Street Southwest 75.75 feet;

thence northwesterly 7.50 feet to a point in said stone wall;

thence with said stone wall due north 73.06 feet;

thence due east 7.0 feet to the beginning, containing 520.84 square feet, all as shown on plat of survey recorded in the Office of the Surveyor of the District of Columbia in survey book 188, page 91.

(c) Part of Fourth Street Southwest, described as follows:

Beginning for the same at a point in a stone wall in the west line of Fourth Street Southwest, distant 145.05 feet south of the south line of C Street Southwest, and running thence with stone wall, due east 12.0 feet; thence due south with said stone wall, 297.89 feet; thence in a northwesterly direction 12.85 feet to said west line of Fourth Street Southwest; thence due north, with said west line of Fourth Street Southwest, 293.29 feet to the beginning, containing 3,547.08 square feet; all as shown on plat of survey recorded in the Office of the Surveyor of the District of Columbia in survey book 188, page 91.

SEC. 2. The Agency is hereby authorized in accordance with the District of Columbia Redevelopment Act of 1945 (D.C. Code, sections 5–701 through 5–719), to lease or sell, as an entirety or parts thereof separately, to one or more redevelopment companies or other lessees or purchasers, such real property as may be transfererd to the Agency under the authority of this Act.

SEC. 3. No transfer or donation of any interest in real property under the authority of this Act shall constitute a local grant-in-aid in connection with any urban renewal project being undertaken with Federal assistance under title I of the Housing Act of 1949, as amended.

SEC. 4. As used in this Act, the terms "Agency", "lessee", "purchaser", "real property", and "redevelopment company" shall have the respective meanings provided for such terms by section 3 of the District of Columbia Redevelopment Act of 1945 (D.C. Code, sec. 5–702).

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I reserve further comments and suggest that the gentleman from Kentucky (Mr. MAZZOLI) be recognized as chairman of the Subcommittee on Fiscal Affairs of the District of Columbia, which reported this bill.

Mr. MAZZOLI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the purpose of this legislation is to authorize the Mayor of the District of Columbia to transfer title to certain real property in Southwest Washington from the United States to the District of Columbia Redevelopment Land Agency.

The property in question formerly comprised parts of public streets that were transferred to several railroads by the Union Station Acts of 1901 and 1903.

By these acts certain public streets in Southwest Washington were closed and abandoned, and perpetual use of these areas was granted to the Philadelphia, Baltimore, & Washington Railroad Co., the Baltimore & Ohio Railroad Co., and the Terminal Co. Title to these lands, however, remained in the United States.

This use grant was made to these railroads by the Congress in consideration for the exchange and transference to the United States of certain land in the District then owned by the railroads.

The urban renewal plan for Southwest Project Area C, initially approved by the District of Columbia Board of Commissioners on November 30, 1956, and since reapproved by the Council requires that the District of Columbia Redevelopment Land Agency acquire certain of these parcels and sell or lease them to private enterprise for the development of commercial facilities in accordance with the 1956 renewal plan.

Several previous transfers of land under this urban renewal plan were made by the Congress by similar legislation in 1965. Subsequently the Agency found it necessary to acquire the property in question from the railroads by negotiation in 1970 for $451,300. No further acquisitions of this kind are expected to be necessary in order to complete the project.

In view of the value of the land which the railroads earlier transferred to the United States for the right to use the land in question, and in view of the Federal taxes which the railroads had paid on these parcels over the years, the General Services Administration advised the committee that the Federal Government has been fully compensated for its rights and interests in this property.

The committee received letters of support for this legislation from the Department of Justice, the General Services Administration, the Mayor of the District of Columbia, and the chairman of the District of Columbia Council's Committee on Housing.

Therefore, I recommend that we vote favorably on H.R. 9958.

Mr. McKINNEY. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of H.R. 9958, which transfers certain real property of the United States to the District of Columbia Redevelopment Land Agency. H.R. 9958 provides a pro forma transfer of legal title to a parcel land between 4th and 6th Streets SW., Washington which is adjacent to a larger plot of land already owned by the Redevelopment Land Agency. The RLA already has the right to the use of the subject property and requires only the formality of a legal transfer. There can be no other use for the land in question except in conjunction with the development of the adjacent land.

There were no objections to H.R. 9958 on the part of the private sector or by the Office of Management and Budget. The legislation contains no new budget authority and will cost the Federal Government nothing. In fact, the Treasury will recover the cost to the United States of acquiring the land originally when the property is sold at its present appreciated market value.

Both the Subcommittee on Fiscal Affairs and the full committee approved H.R. 9958 unanimously, I strongly urge passage.

Mr. DIGGS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the purpose of the bill (H.R. 9958), as set forth in the committee report (H. Rept. 94–597), is to authorize the Mayor of the District of Columbia to transfer title to certain real property in southwest Washington, between 4th and 6th Streets, just north of the railway tracks, from the United States to the District of Columbia Redevelopment Land Agency—RLA. The RLA intends to sell or lease the land to a developer in accordance with the urban renewal plan for Southwest Project Area C.

LEGISLATIVE HISTORY

H.R. 9958 is a clean bill which includes subcommittee technical and conforming amendments to H.R. 4284 introduced on March 5, 1975, by Mr. DIGGS.

On September 29, 1975, hearings were held by the Subcommittee on Fiscal Affairs on H.R. 4284, and markup was held on the same day.

Testimony in support of the bill was received from representatives of the District of Columbia Department of Housing and Community Development. In addition, comments were obtained from the Mayor and Council of the District of Columbia. All these comments were strongly supportive of the legislation and have been entered into the record of the subcommittee hearings. No expressions in opposition to the legislation have been received by the committee.

SUMMARY OF THE BILL

Section 1 authorizes the Mayor to transfer to the RLA, on behalf of the United States and in accordance with the approved urban renewal plan for the area, all right, title and interest of the United States in the subject property.

Section 2 affirms the authority of the RLA to sell or lease the property, in accordance with the District of Columbia Redevelopment Act of 1945, to one or more developers.

Section 3 makes it clear that the transfer to the RLA is not to be considered a local grant-in-aid for the purpose of title I of the Housing Act of 1949.

Section 4 defines certain terms in the bill.

BACKGROUND

Pursuant to acts of Congress approved on February 12, 1901 (31 Stat. 767), and on February 29, 1903 (32 Stat. 909), certain public streets in Southwest Washington were vacated and abandoned, and perpetual use of these areas was granted to the Philadelphia, Baltimore & Potomac Railroad Co., the Baltimore & Ohio Railroad Co., and the Terminal Co. The United States, however, retained title to these lands. Congress made the grant to the railroad in consideration for the exchange and transfer to the United States of certain lands in the District then owned by the railroads.

For many years, these lands were used for such purposes as switch tracks, loading platforms, open air storage, truckloading areas, and produce scales. During this time the railroad paid taxes on these lands to the District of Columbia.

The areas of land involved in this use grant to the railroads consist of six parcels which together contain 272,237.60 square feet of land, and are located in squares 268, 299, 386, S–463, 537, and N–583.

The urban renewal plan for Southwest Project Area C, initially approved by the District of Columbia Board of Commissioners on November 30, 1956, and since reapproved by the Council, requires that the RLA acquire these lands and sell or lease them to private enterprise for the development of commercial facilities in accordance with the plan. Therefore, the RLA acquired the railroads, rights and interests in the subject property by negotiation in 1970 for $451,300. However, it is still necessary to obtain the title to this property, now held by the United States.

In view of the value of the land which the railroads transferred to the United States in consideration for the right to use the parcels in question, and of the taxes the railroads have paid on these parcels over the years, it was the opinion of the government's appraisers that the value of the railroads' rights and interests in these parcels was equivalent to the value of the land had the legal title been held by the railroads. The authority which would be granted by the enactment of H.R. 9958 is needed, therefore, to grant the RLA legal title to the land, thus facilitating its disposition for private redevelopment in accordance with the urban renewal plan for Southwest Project Area C. When the RLA disposes of the land for private redevelopment, it will receive from the redeveloper the full fair market value of the land, thus compensating the Government for the cost of acquiring the railroads' rights and interests.

The property described in this bill is 44,000 square feet, and the property is adjacent to 145,000 square feet of property already held by the RLA. The property is needed so that the RLA can proceed with development plans for the adjacent property.

There are no buildings on the property, other than a fan shaft being constructed by Metro with the RLA's consent. Because the triangular property is surrounded by a sheer drop to the public street on one side, the railroad on the second side, and an RLA parcel on the remaining side, its only appropriate use is by the developer of the adjacent parcel. The RLA will seek to dispose of the property to a future developer of the adjacent parcel.

The bill was submitted as part of the Mayor's 1975 legislative package, and the Mayor's report indicates that:

> The Office of Management and Budget has advised that * * * there is no objection * * *

NEED FOR LEGISLATION

This legislation is outside the scope of the Council's authority since it concerns property of the United States, which the Council under section 602(a)(3) of the Home Rule Act (87 Stat. 774, Public Law 93–198) is powerless to affect. Since the Council has already approved an urban renewal plan which authorizes the RLA to dispose of the subject property once title is acquired, no further Council action will be required to carry out the plan.

In connection with other property with a similar history, Congress transferred title by enacting Public Law 89–317. At that time, legal opinions were sought from the Justice Department and the General Services Administration. On October 22, 1963, the Assistant Attorney General, Lands Division, Department of Justice, advised the Executive Director of the District of Columbia Redevelopment Land Agency that—

> The General Services Administration, through the Administrator, may assume control of the Government's interest in the real estate as surplus property * * * and dispose of it under the provisions of the Surplus Property Act." The letter stated that if this procedure could not be followed, "it may be necessary for Congress to specifically authorize some department or agency to take control of and convey the interest of the United States * * *.

In a letter dated April 3, 1975, the General Counsel of the General Services Administration concluded that—

> The Congress has retained to itself the authority to take any further action with respect to the vacated streets.

The authority which would be granted by H.R. 9958 is needed, therefore, to allow the disposition by the RLA of these parcels, by transferring to the RLA legal title to the land. No objection to this bill was raised in the Committee's public hearing.

STATEMENT REQUIRED BY RULE XI(1)(3) OF HOUSE RULES

OVERSIGHT FINDINGS AND RECOMMENDATIONS

The committee's oversight findings with respect to the property with which the bill is concerned remains as a part of its continuing congressional oversight required by the Constitution and specifically provided for in the Home Rule Act (sections 601, 602, 604 and 731 of Public Law 93–198).

BUDGET AUTHORITY

This legislation creates no new budget authority or tax expenditure. Therefore, a statement required by section 308(a) of the Congressional Budget and Impoundment Control Act of 1974 is not necessary.

CONGRESSIONAL BUDGET OFFICE ESTIMATE AND COMPARISON

No estimate and comparison of costs has been received by the committee from the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget and Impoundment Control Act of 1974.

COMMITTEE ON GOVERNMENT OPERATIONS SUMMARY

No oversight findings and recommendations have been received which relate to this measure from the Committee on Government Operations under clause 2(b)(2) of rule X.

COSTS

The Federal Government will incur no costs if this bill is enacted into law.

INFLATIONARY IMPACT

The bill, if enacted into law, will have no foreseeable inflationary impact on prices or costs in the operation of the national economy.

COMMITTEE VOTE

H.R. 9958 was unanimously approved by voice vote of the committee on October 6, 1975.

CONCLUSION

This legislation is designed to assist the RLA in carrying out its responsibilities under the urban renewal plan for Southwest Project Area C, adopted on November 30, 1956, by the District of Columbia Board of Commissioners. The committee believes that the provisions of H.R. 9958 will achieve this objective.

Mr. FAUNTROY. Mr. Speaker, I rise in support of H.R. 9958, to transfer certain real property of the United States to the District of Columbia Redevelopment Land Agency. The real property in question is in Southwest Washington, between 4th and 6th Streets, just north of the railway tracks. RLA intends to sell or lease the land to a developer in accordance with the urban renewal plan for Southwest Project Area C.

On behalf of the citizens of the District of Columbia, I strongly urge the House to support this legislation so that RLA will be able to continue the design and mandate that was given to it by the legislation to provide a better quality of life for District citizens.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 341, nays 0, not voting 92, as follows:

[Roll No. 682]

YEAS—341

Abdnor
Abzug
Adams
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio

Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Boland
Bonker
Bowen
Breaux
Breckinridge
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Veen
Vanik
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—92

Addabbo
Alexander
Andrews, N. Dak.
Badillo
Barrett
Beard, R.I.
Bell
Biaggi
Blouin
Boggs
Bolling
Brademas
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Byron
Casey
Chappell
Chisholm
Clawson, Del
Clay
Cleveland
Conlan
Conyers
D'Amours
Danielson
Derrick
Dingell
Early
Esch
Eshleman
Fary
Findley
Ford, Mich.
Ford, Tenn.
Fraser
Frey
Gilman
Gradison
Harrington
Hawkins
Hébert
Hefner
Hinshaw
Holland
Jarman
Jeffords
Jordan
Krueger
Leggett
Lehman
Levitas
Litton
Long, La.
McCloskey
McCollister
McCormack
McEwen
Mathis
Metcalfe
Michel
Mikva
Milford
Montgomery
Moorhead, Pa.
Mosher
Obey
Ottinger
Patman, Tex.
Pattison, N.Y.
Quie
Rhodes
Rinaldo
Risenhoover
St Germain
Satterfield
Steiger, Wis.
Stokes
Stuckey
Symington
Teague
Thompson
Udall
Ullman
Vander Jagt
Vigorito
Walsh
Wolff
Wydler
Young, Fla.
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bell.

Mr. Addabbo with Mr. Del Clawson.

Mr. Teague with Mr. Andrews of North Dakota.

Mrs. Boggs with Mr. Derrick.

Mr. Beard of Rhode Island with Mr. Conlan.

Mr. Thompson with Mr. Early.

Mr. Badillo with Mr. Findley.

Mr. Wolff with Mr. Hefner.

Mr. Biaggi with Mr. Esch.

Mr. Chappell with Mr. Fraser.

Mr. Barrett with Mr. Cleveland.

Mrs. Chisholm with Mr. Dingell.

Mr. Danielson with Mr. Fary.

Mr. McCormack with Mr. Gilman.

Mr. Patman with Mr. Jarman.

Mr. Moorhead of Pennsylvania with Mr. Mikva.

Mr. Montgomery with Mr. Eshleman.

Mr. Symington with Mr. Litton.

Ms. Jordan with Mr. Hinshaw.

Mr. D'Amours with Mr. McCloskey.

Mr. Lehman with Mr. Frey.

Mr. Clay with Mr. McEwen.

Mr. Hawkins with Mr. Holland.

Mr. Ford of Michigan with Mr. Mosher.

Mr. Long of Louisiana with Mr. Quie.

Mr. Conyers with Mr. Ford of Tennessee.

Mr. Mathis with Mr. McCollister.

Mr. Stuckey with Mr. Walsh.

Mr. Stokes with Mr. Jeffords.

Mr. Pattison of New York with Mr. Young of Florida.

Mr. Obey with Mr. Rinaldo.

Mr. Ottinger with Mr. Wydler.

Mr. Milford with Mr. Satterfield.

Mr. Krueger with Mr. Byron.

Mr. Leggett with Mr. Casey.

Mr. Levitas with Mr. Brown of California.

Mrs. Burke of California with Mr. Brinkley.

Mr. Brademas with Mr. Blouin.

Mr. Barrett with Mr. Alexander.

Mr. Brodhead with Mr. Gradison.

Mr. Harrington with Mr. Risenhoover.

Mr. Metcalfe with Mr. St Germain.

Mr. Ullman with Mr. Steiger of Wisconsin.

Mr. Udall with Mr. Vander Jagt.

Mr. Vigorito with Mr. Young of Georgia.

Mr. BINGHAM changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the Senate of the following title in which concurrence of the House is requested.

S.J. Res. 144. Joint resolution to authorize the President to issue a proclamation designating November 10, 1975, in commemoration of the 200th anniversary of the U.S. Marine Corps.

AMENDING SECTION 739 OF PUBLIC LAW 93-198—NATIONAL CAPITAL SERVICE AREA

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 10041) to amend section 739 of Public Law 93-198, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 10041

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 739 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 9-146) is amended as follows:

(1) Subsections (a), (b), (c), (d), (e), (f), (g) (1), (g) (2), (i), and (j) are repealed.

(2) Subsections (g) (3) through (9) are redesignated as subsections (a) (1) through (7), respectively.

(3) Subsection (h) is amended—

(A) by redesignating it as subsection (b), and

(B) in paragraph (2) by—

(i) striking out "Notwithstanding the foregoing provision of this section, any" and inserting in lieu thereof "Any", and

(ii) striking out "(including maintenance of streets and highways, and services under section 731 of this Act)" and inserting in lieu thereof "(including services under section 731 of this Act, and specifically including maintenance of streets and highways, fire protection, and sanitation services)".

(4) The section heading for such section is amended to read as follows:

"BUILDINGS AND GROUNDS OF THE CAPITOL, THE SUPREME COURT, AND THE LIBRARY OF CONGRESS".

(b) The item relating to section 739 in the table of contents of such Act is amended to read as follows:

"Sec. 739. Buildings and grounds of the Capitol, the Supreme Court, and the Library of Congress.".

SEC. 2. The Act entitled "An Act to provide for the organization of the militia of the District of Columbia", approved March 1, 1889, is amended by striking out "or for the National Capital Service Director,".

SEC. 3. (a) The first section of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 193a; D.C. Code, sec. 9-118), is amended by striking out the following: ", except that the Commissioner of the District of Columbia shall be responsible for the maintenance and improvement of those portions of the following streets which are situated between the curblines thereof: Constitution Avenue from First Street Northeast to Second Street Northwest, First Street from D Street Northeast to D Street Southeast, D Street from First Street Southeaast to Canal Street Southwest, and First Street from the north side of Louisiana Avenue to the intersection of C Street and Canal Street Southwest.".

(b) Section 739(a)(5) of the District of Columbia Self-Government and Governmental Reorganization Act (as redesignated by this Act) is amended by striking out in the text of the matter inserted by such section in the first section of the Act on July 31, 1946, the following: ", except that the Commissioner of the District of Columbia shall be responsible for the maintenance and improvement of those portions of the following streets which are situated between the curblines thereof: Constitution Avenue from First Street Northeast to Second Street Northwest, First Street from D Street Northeast, D Street from First Street Southeast to Canal Street Southwest, and First Street from the north side of Louisiana Avenue to the intersection of C Street and Canal Street Southwest.".

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I will reserve further comment, and I request that the Chair recognize the gentleman from the District of Columbia (Mr. FAUNTROY), who is the chairman of the subcommittee of original jurisdiction over this matter.

Mr. FAUNTROY. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, H.R. 10041 is a bill to amend the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the home rule bill) by deleting the National Capital Service Area and the office of its Director from section 739. The legislation would leave undisturbed the provisions of the section authorizing the addition of streets to the jurisdiction of the Architect of the Capitol. In addition, the bill transfers to the Architect total responsibility for the maintenance and improvement of all streets under his jurisdiction. H.R. 10041 in no way alters the main purpose, content, or operational effect of the home rule bill, except to amend section 739 as described above.

Mr. Speaker, I urge the House to support H.R. 10041, primarily for the reasons that were cited by all the parties who testified and commented in the subcommittee hearings in June of this year. To give you a sampling of the kind of testimony the committee received, Mr. James M. Frey commented that the Office of Management and Budget "believes that creation of the service area is unnecessary and, therefore, strongly supports enactment of H.R. 10041." The President failed to appoint a Director for the National Capital Service Area and is one of the ones who initiated the present bill that is before us today.

Mr. Manus T. Fish, Director of the National Capital Parks, and Mr. John F. Galuardi, from region 3, General Services Administration, both provided testimony at the subcommittee hearings in support of H.R. 10041. In summarizing their testimony in favor of H.R. 10041, Mr. Fish commented:

> There would be "another master" added to the area, which could potentially confuse and complicate our present effective relationships with the D.C. Government. . . . For this reason, we support H.R. 10041.

The House should all know, Mr. Speaker, that Mayor Walter E. Washington of the District of Columbia, City Council Chairman Sterling Tucker, and Mr. Julian Dugas, City Administrator for the District of Columbia, testified before the subcommittee and unanimously concluded that:

> In their view the formal establishment of such a special service area within the District of Columbia would impose additional administrative burdens without providing additional benefits to either the District of Columbia or the Federal Establishment.

The purpose of H.R. 10041 is to prevent the creation of an additional level of the bureaucracy through the repeal of section 739 of Public Law 93–198, primarily because the coordination between the Federal agencies and the District of Columbia in servicing the area is adequate and satisfactory under existing arrangements.

Mr. Speaker, against the background of that kind of testimony your committee concluded a NCSA Director superimposed on this arrangement would serve no purpose. It would only add another layer of bureaucracy and create confusion of effort. The operation and duplication of an independent office to assure the management of fire and police protection, sanitation service, and road maintenance within the area would be unnecessary cost since effective coordination is achieved under existing arrangements.

In response to the concern of many that Federal interests within the District would be unprotected without a NCSA, it was established at the hearing that the Federal Government already has adequate control of its properties. The Mall and monuments are controlled by the Interior Department through the National Capital Parks, while the Federal buildings are managed by the General Services Administration. The Architect of the Capitol maintains the Capitol and the Capitol Grounds. Moreover, continuing Congressional oversight of the District by the Congress is provided, as required by the Constitution, by sections 601, 602, 604, and 731 of the Home Rule Act.

In addition, the Home Rule Act makes quite clear congressional retention of authority over the District—

> SEC. 601. Notwithstanding any other provisions of this Act, the Congress of the United States reserves the right, at any time, to exercise its Constitutional authority as legislature for the District, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the Council by this Act, including legislation to amend or repeal any law in force in the District prior to or after enactment of this Act and any act passed by the Council.

The Council by section 602 of the Home Rule Act is constrained from: First, imposing any tax on Federal property; second, repealing any act of Congress concerning the functions or property of the United States; third, enacting any law or regulation relating to the U.S. District Court for the District of Columbia or any courts of the United States; or fourth, enacting any law, resolution, or rule with respect to any provision of title 23 of the District of Columbia Code relating to criminal procedures.

The District government has no greater authority over the National Zoo, the National Guard of the District of Columbia, the Washington Aqueduct, the National Capital Planning Commission, or any Federal agency than that provided in the Home Rule Act. Congress still controls the District budget and how its funds are spent.

Moreover, the President of the United States has authority under the Home Rule Act to "determine that special conditions of an emergency nature exist which require the use of the Metropolitan Police Force for Federal purposes. He may direct the Mayor to provide to him, and the Mayor shall provide, such services of the Metropolitan Police Force as the President may deem necessary and appropriate."

I close my remarks by strongly requesting your support for H.R. 10041, which would serve to increase the confidence of the residents of the District that the Federal Government trusts District residents to honor the commitment of cooperation without an additional congressional overseer.

Mr. WHALEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, in the almost 2 years since Public Law 93–198 was enacted into law, the provisions establishing the National Capital Service Area have undergone extensive reviews at both the congressional and executive levels. These studies have resulted in the recommendation that the service area provisions be repealed.

This conclusion is based primarily on two determinations. First, the Federal interest, which the National Capital Service Area Director would represent, already is adequately protected. As the committee report indicates, the Federal Government already has sufficient control of its properties within the service area. Specifically, the Mall and the monuments are controlled by the Interior Department through the National Capital Parks, while the Federal buildings are managed by the General Services Administration. The Architect of the Capitol maintains the Capitol and the Capitol Grounds.

Second, under present arrangements, cooperation and coordination exist between the District of Columbia and the Federal Government in the four services for which a Director of the National Capital Service Area would be responsible: namely police, fire, sanitation, and road maintenance. In the subcommittee hearings on this legislation, District and Federal officials emphasized that the existence of a National Capital Service Area Director would add only difficulties to continuing the workable and satisfactory relationship which now exists.

Therefore, the imposition of a third party in the position of overseer, as a Director would be, is absolutely unnecessary.

Mr. Speaker, I urge the adoption of H.R. 10041.

Mr. GUDE. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time. I want to commend the gentleman from Ohio for his leadership in the committee and, in this regard, I think it should be pointed out that there was only one group that appeared in opposition to this legislation and that was the Statehood Party. Otherwise all witnesses that appeared before the committee were in full support. The measure cleared both the subcommittee and the full committee unanimously.

It was pointed out time and again that this legislation would vest no additional authority on an administrator of an enclave but would merely add an unnecessary level of costly bureaucracy in the city and create a great deal of confusion. I think it is crystal clear that since the implementation of home rule District government and the Federal Government have worked extraordinarily well together to keep the service area in a condition of which we can all be proud. This has been done without the presence of a service area Director. In keeping with this fact, the administration has asked that this unnecessary level of added costly bureaucracy be eliminated.

In response to that request, I introduced the legislation presently before us. As I have indicated, the condition of the service area absent a Director demonstrates that we need not set into motion an idea which was ill-conceived and hurriedly adopted. Therefore, I strongly urge the passage of H.R. 10041.

Mr. WHALEN. Mr. Speaker, I thank the gentleman from Maryland for his comments.

Mr. KETCHUM. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I submit that this legislation is untimely, unneeded, contradictory, controversial, not in the Federal interest, nor in the interest of all U.S. citizens and taxpayers.

I recommend that the bill do not pass without amendment.

I have several questions about this bill which I believe each Member should have answered to his satisfaction before voting on it.

Why was the title changed deleting the words "to abolish the National Capital Service Area"?

A glance at H.R. 10041, as reported by the committee, shows the title as a bill "To amend section 739 of Public Law 93-198."

However, H.R. 4394, H.R. 5642, and H.R. 8288 all listed the title of the bill as "To amend the District of Columbia Self-Government and Governmental Reorganization Act to abolish the National Capital Service Area."

Why was the title changed from one which was very descriptive to one which does not tell the Members of the House anything of any substance about the bill?

Is there any need for this legislation?

Based upon the majority report views accompanying this bill, the purpose of H.R. 10041 "is to prevent the creation of an unnecessary, additional level of bureaucracy."

However, the Federal enclave was created in Public Law 93-198 and enacted into law December 24, 1973—nearly 2 years ago. The Federal enclave provisions took effect January 2, 1975, and to date no bureaucracy has been created.

Now it is true that no National Capital Service Director has been appointed. But if all we are talking about is an estimated $80,000 to staff such an office, a small amendment permitting the President at his discretion to appoint an existing official to also serve as Director would take care of that. There would be no additional cost and no additional bureaucracy.

Why has St. Elizabeths Hospital not been transferred to the District?

For the time I served on the District Committee, the Department of Health, Education, and Welfare evidenced a strong interest in transferring the grounds and improvements of St. Elizabeths Hospital to the District of Columbia.

Yet, in my opinion, there has been strong opposition on the part of the District unless the Federal Government makes huge capital outlays or accompanies the transfer with funds for modernization of facilities, et cetera.

If the proponents of this measure are concerned about bureaucracy and Federal costs, why does the District not accept the transfer of St. Elizabeths Hospital, an institution that almost wholly services District residents?

Is this bill "a stalking horse" for an increased Federal payment?

My experience on the District Committee convinced me that the District of Columbia receives more Federal money—per capita, per square foot or any other standard you might wish to choose—than any State in the Union.

Operating on the assumption that bills taken up in this Chamber often have a "stated" reason as opposed to the "real" reason for urging their passage, I have concluded that one of the real reasons that District officials seek the enactment of this bill is so that they may claim they are expending funds on the Federal enclave for which they should be reimbursed in the form of an increased Federal payment, which now stands in fiscal year 1976 at $254 million.

Well, I for one will oppose any increase in the Federal payment.

I do not wish to have the Federal Government quarrel with anv municipal official or municipal agency or government about the provision of essential services in the Federal enclave. Nor do I want the Federal Government placed in the position of having to negotiate from a position of weakness with any local government over the provision of essential services to the Federal enclave where most of our constituents come to visit and tour their Nation's Capital.

I do not wish to see the Federal enclave become a pawn in any future debate on the Federal payment to the District of Columbia.

Will the abolishment of the Federal enclave operate to justify and hasten a commuter tax?

It would clearly appear that if the Federal enclave is abolished that it would operate to justify and hasten a commuter tax on Washington, D.C., suburban residents who work in the District of Columbia.

If the Congress is willing to force the costs of providing police, fire, and sanitation services, as well as the maintenance of streets and highways in the Federal enclave, on the District government without additional payments from the Federal Government, it would seem reasonable to expect that the District government might hope to be reimbursed for those costs from the suburban residents who are employed within the Federal enclave.

In my opinion, the abolition of the Federal enclave enlarges on the principle of providing for a commuter tax, and I submit if this bill passes today, that it will be so considered in the future.

What happens to essential services if there is a municipal policemen or firemen's strike and there is no Federal enclave?

Strikes, slowdowns, and other types of disruptive action have been initiated in recent years by unionized policemen, firemen, and so forth, who have gone out on strikes. Kansas City and Oklahoma City are but two recent examples of instances where there have been strikes by municipal employees who provide essential services.

I am concerned that essential services would be denied the Federal enclave by striking local municipal employees. Do we not owe it to our constituents to see that such an event does not occur.

Why abolish the Federal enclave and leave the congressional enclave and the Supreme Court enclave?

What this bill abolishes is one of three enclaves included in the Home Rule Act. Embraced and included in that bill were the Federal enclave; the Capitol—or congressional—enclave, which includes the Library of Congress; and the Supreme Court enclave.

The bill abolishes the larger Federal enclave, but it leaves the Capitol and Supreme Court enclave intact.

Does this mean that we here on Capitol Hill feel the need for an enclave for ourselves and our employees, but we are ready to abandon the larger Federal enclave—where most of our constituents tour and visit—to the control of the local government?

To pass this bill leaves the principle of the enclave intact by preserving two, but it destroys the one larger Federal enclave where the concept and principle of the enclave should also exist for the protection of the Federal interest as well as our constituents when they come here to do business or to visit.

Have not statehood bills for the District of Columbia always provided for a Federal enclave?

Almost uniformly statehood enthusiasts for the District of Columbia have provided for a Federal enclave.

It is understood that the legislative

push for statehood for the District of Columbia persists; and, in fact, Statehood Party representatives have been elected to local government elective offices and I understand—strongly opposed this bill in testimony before the committee.

Why the "rush to judgment" to abolish the Federal enclave?

The District Committee in the 10 months of the 94th Congress has only reported a few minor bills. This piece of legislation amending the Home Rule Act is perhaps the first major bill to be reported by the committee in this Congress.

Where is the clamor to pass this bill? Why not wait to take it up when other amendments to the Home Rule Act may be sought and in order?

Certainly, the Federal enclave is not causing any administrative problem at present.

The President voted for the Federal enclave when he was a Member of Congress. His Office of Management and Budget now objects to it for what seems to me to be superficial reasons which can be corrected by a simple amendment. If the President were authorized, as he may even be by present section 739 language, to appoint some existing official in the Interior Department as the Federal Enclave Director, it seems to me that the administration's objections to section 739 would be met. That being the case, I see no reason for the House to act favorably on this bill as submitted.

Does not the Federal enclave concept lighten the fiscal burden of the District?

It is surprising to me that in a period when the District claims that they are having fiscal problems and problems funding their police and firemen's retirement fund that they urge the abolition of the Federal enclave which increases their fiscal burden.

It appears to me that if the Federal enclave services were provided by the Federal Government, as provided in section 739, that the District Government would welcome that relief.

CONCLUSION

For the foregoing, among other reasons, I oppose this bill in its present form and advise the Members that I will propose an amendment to make it acceptable.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

(By unanimous consent, Mr. KETCHUM was allowed to proceed for 3 additional minutes.)

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I commend the gentleman from California for his statement. I associate myself with his remarks, and am in full support of his amendment.

I would like to ask this one question of the gentleman.

Will this whole bill pave the way for a commuter tax on all Federal Government workers?

Mr. KETCHUM. If any increase in the Federal payment is not made to the District of Columbia, I think there is every reason to believe a commuter tax will shortly follow.

Mr. SYMMS. One step further: Do I understand the Capitol Hill enclave would still be Federal?

Mr. KETCHUM. That is correct.

Mr. SYMMS. It is all other Federal employees who would be eligible for this commuter tax?

Mr. KETCHUM. That is correct.

Mr. SYMMS. I am amazed the gentleman from Maryland (Mr. GUDE) would be supporting this.

Mr. KETCHUM. I thank the gentleman for his comments.

Mr. WAMPLER. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I would like to pose several questions to the distinguished ranking minority member of the committee, the author of this bill, the gentleman from Maryland (Mr. GUDE).

Would the gentleman from Maryland say there are tens of thousands of Federal employees, residents of Virginia and Maryland, who work in the area now defined in the law as the National Capital area or the Federal enclave?

Mr. GUDE. Yes. We have constituents, thousands of them, who work within and without the enclave.

Mr. WAMPLER. It is my understanding that the gentleman from Maryand has vigorously opposed the District of Columbia's efforts to impose a commuter tax on the residents of Maryland and Virginia, most of them Federal employees who work in the District of Columbia. Is that correct?

Mr. GUDE. As the gentleman may well know, I added the provision to the home rule bill which prohibits the commuter tax. This would work within and without the enclave and would serve across the board. Of course what the gentleman is suggesting is that if there were a commuter tax levied it would perhaps be somehow easier to get it through Congress if it were just levied on the thousands and thousands who work in the city and do not work within the enclave. Any effort to keep the enclave would make no difference—thousands of Federal employees work outside of the enclave but inside the District.

Mr. WAMPLER. Is it not true the District of Columbia recently imposed a special professional tax on Virginia and Maryland residents whose place of business is in the District of Columbia but outside the Federal enclave? Is this not in effect a commuter tax on those professionals?

Mr. GUDE. That would apply to self-employed professionals who work in the District, regardless of where they have their residence. Of course, the gentleman is talking about a different type of tax. The professional tax is a tax for the privilege of carrying on a business.

Mr. WAMPLER. Can the gentleman assure the House and the Maryland and Virginia delegations that by repealing the Federal enclave protection in the Home Rule Act that the Congress will not be in any manner weakening its long-held position against the imposition of a commuter tax by the District of Columbia on the people of Virginia and Maryland who work for the Federal Government in the District of Columbia?

Mr. GUDE. I can assure the gentleman that is the case.

Mr. WAMPLER. I thank the gentleman from Maryland.

Mr. ASHBROOK. Mr. Speaker, in 1973 I voted for the Edith Green amendment which created a Federal enclave inside the District of Columbia. I still agree with the purposes of this action and I oppose repeal of the Green amendment here today.

The Capitol of the United States holds a unique position in our national life. It belongs equally to every American citizen. Every American should have an equal voice in its administration.

In recognition of this fact we adopted the Green amendment. This amendment assures that the Federal area—the Capitol itself, the Senate and House office buildings, the White House and the numerous Federal buildings on Independence Avenue—remains under Federal rather than local control. It assures that the Federal interest will be adequately protected. It also assures that a resident of Ohio has a say in the operation of the Federal area equal to that of a resident of the District of Columbia.

The question today is the same as it was in 1973. Are we going to continue to preserve the rights of every American in his or her own capitol or are we going to turn the Capitol over to local control?

I strongly believe that the Federal area should be governed by Federal authorities. I urge the defeat of H.R. 10041.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. KETCHUM: Strike out all after the enacting clause and insert:

That section 739 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, Sec. 9–146) is amended as follows:

(a) Subsection (b) is amended by inserting "(1)" after the "(b)" and adding a new paragraph, subsection (2), to read as follows:

"(2) Notwithstanding any other provision of this section, the President may appoint an existing official, as established in the Executive Schedule (5 U.S.C., Chapter 53, Subchapter II), but who is not in the Executive Office of the President, to serve as the National Capital Service Director. Such official shall have all powers, authorities and responsibilities as if appointed National Capital Service Director under (1) hereinabove, except that he shall not receive additional compensation therefor."

SEC. 2. (a) The first section of the Act entitled "An Act to redefine the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 193a; D.C. Code, sec. 9–118), is amended by striking out the following: ", except that the Commissioner of the District of Columbia shall be responsible for the maintenance and improvement of those portions of the following streets which are situated between the curblines thereof: Constitution Avenue from First Street Northeast to Second Street Northwest, First Street from D Street Northeast to D Street Southeast, D Street from First Street Southeast to Canal Street Southwest, and First Street from the north side of

Louisiana Avenue to the intersection of C Street and Canal Street Southwest.".

(b) Section 739(g)(7) of the District of Columbia Self-Government and Governmental Reorganization Act (as redesignated by this Act) is amended by striking out in the text of the matter inserted by such section in the first section of the Act of July 31, 1946, the following: ", except that the Commissioner of the District of Columbia shall be responsible for the maintenance and improvement of those portions of the following streets which are situated between the curblines thereof: Constitution Avenue from First Street Northeast to Second Street Northwest, First Street from D Street Northeast to D Street Southeast, D Street from First Street Southeast to Canal Street Southwest, and First Street from the north side of Louisiana Avenue to the intersection of C Street and Canal Street Southwest.".

The title is amended to read "To amend section 739 of Public Law 93-198, relating to the Federal Enclave, and for other purposes."

Mr. KETCHUM (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Speaker, I will explain the essence and simplicity of my amendment.

It merely provides that the President has the option to appoint some existing official, perhaps the Under Secretary of Interior, to also serve as the National Capital Service Director.

As I understand it, approximately 70 percent of the National Capital Service Area as defined in the D.C. Home Rule Act is currently under the Interior Department for purposes of a certain amount of police protection, park services, et cetera. An additional 10 percent comprises the Capitol enclave and the Supreme Court enclave. Thus, an area of 20 percent within the Federal enclave, an important part including Federal office buildings, such as the Federal Reserve Board, et cetera, would be added to what is currently Interior Department jurisdiction.

If the President does not wish to create a position in the Executive Office of the President for the National Capital Service Director, he would have the option of appointing an existing senior official in the Federal Government to exercise the authority and assume the responsibilities of the National Capital Service Director.

What is important for the Federal interest and our constituents is that when people come to visit their Nation's Capital or to do business in most of its Federal buildings, they will in most cases—the Home Rule Act and geographical constraints make it impossible to include such Federal sites as Walter Reed Army Hospital—be in a Federal area where services are provided by Federal officials who are directly responsible to the Federal Government and not some local agency.

The other provisions of the bill amending the Home Rule Act for areas under the control of the Architect of the Capitol are included in my substitute just as they were in the original language of the bill.

I strongly urge you to support this substitute; a vote in support of it is a vote in favor of your constituents.

Mr. DIGGS. Mr. Speaker, I rise in opposition to the amendment in the nature of a substitute.

Mr. Speaker, it is interesting that the gentleman from California is offering this substitute providing for the President to appoint an existing official. To our best knowledge, the White House still maintains the position that they maintained when this matter was raised before early in this year and in previous discussions on this bill, namely, that they do not want to be involved in such an appointment. They feel that there is adequate protection by reason of the present provisions of the home rule bill which involves the President, the Congress, and it is not necessary for the protection of Federal interests to add this provision to it.

We think that the oversight and other protective measures that are entered into by the distinguished gentleman from Kentucky (Mr. NATCHER), chairman of the subcommittee which has jurisdiction over the fiscal affairs and over the appropriations of the District in terms of Federal payment, and the oversight responsibility that is obviously being exercised by the committee in this body and in the other body, is adequate protection. We see no reason why there should be a Federal enclave here any more than there should be a State enclave in Sacramento or a State enclave in Lansing. We feel that there is adequate protection through these other provisions for whatever purpose is necessary.

The procedure for moving into action if such provisions are inadequate is such that we can move expeditiously in case it is necessary. When we add that to the general responsibility and emergency powers of the President which were left intact and even strengthened under the Home Rule Act, then there is even less a basis for reservations.

Some Members may recall that when this matter was offered as an amendment to the home rule bill, its purpose was much different than the purpose which has been enunciated here by the gentleman from California. Therefore, I think that the substitute is not only unnecessary, but untimely, would add a future controversy in terms of the posture between the Federal Government and the local government. It would exacerbate the kind of relationship, the kind of interdependence, the kind of interconfidence that we are trying to develop and exacerbate it unnecessarily.

There has been no evidence that this was necessary in the 2 years that we have had home rule, and I think we ought to leave things as they are.

For that reason, Mr. Speaker, I trust that the House will reject the amendment in the nature of a substitute.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the chairman of the District Committee for yielding to me. In his statement, he said that there certainly was no reason for an enclave in Sacramento or California or for the various State capitals.

I am sure the gentleman would agree that the State capitals are indeed a part of the States in which they lie. The reason for the establishment of the District of Columbia to start with, when it moved here from Philadelphia, was to make it independent, a Capital of all of the United States, so that no one could cut its water off.

Mr. DIGGS. Mr. Speaker, I would like to cut the water off this debate and move the previous question on the amendment in the nature of a substitute.

The SPEAKER pro tempore. The question is on ordering the previous question.

The previous question was not ordered.

Mr. RONCALIO. Mr. Speaker, I move to strike the last word, and I rise to speak in favor of the substitute amendment offered by the gentleman from California (Mr. KETCHUM).

Mr. Speaker, I hope I do not use the full 5 minutes. This is the first time I have dabbled in District of Columbia matters, but I have spent numerous hours during the last 9 months as chairman of the Public Buildings and Grounds Subcommittee of the Committee on Public Works and Transportation, involving expenditures of tens of millions of dollars for the District, so that I feel that I am not intruding into something which is not of my own concern.

Mr. Speaker, the subcommittee of the Committee on Interior and Insular Affairs, on which I also serve, happens to have oversight on such national monuments in the District as the Kennedy Center for the Performing Arts, the Smithsonian Institute, the Jefferson Memorial, the Washington Monument itself, and the Lincoln Memorial. I think it keeps a healthy balance for the people of this country to see that there is an interlocking relationship between the Interior Department and those who function in the District of Columbia.

All this substitute does—and I would like to have the gentleman from California (Mr. KETCHUM) correct me if I am wrong—it merely provides that an appointment be made to the job created earlier and that it be someone such as the Under Secretary of the Interior. Is that not what it does?

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding. It says it may be anyone who is already in office, without further compensation, to do the job.

Mr. RONCALIO. I thank the gentleman.

Mr. Speaker, I do not think I would be able to find a better substitute, I say to my good friend, the gentleman from California. We have this arrangement with the Kennedy Center. We have the head of the National Capital Parks on the Board of Directors of the Kennedy Center. There is a close-working cooperation, and it works out admirably. I would think it would do the same with the District of Columbia government, the Interior, and the Congress.

Mr. DIGGS. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Michigan.

Mr. DIGGS. I thank the gentleman for yielding.

Mr. Speaker, I certainly have no lack of confidence of the gentleman in the well, in respect to his considerable responsibility here. I would like to read from a communication dated the 4th of June on this very subject from the Office of the President. It is on page 14 of the hearings, and I think it adequately answers the gentleman's point. It reads as follows:

> It should also be noted that we know of no reason why the District of Columbia Government would not continue, without special oversight, to provide those services the Federal establishment might require. Moreover, if necessary, both the Congress and the President have sufficient authority to assure that all appropriate services are provided to the Federal establishment.
>
> In summary, the Office of Management and Budget believes that creation of the Service Area is unnecessary and therefore strongly supports enactment of H.R. 4394 or H.R. 5642.

That is the position of the White House on this matter. They took into consideration the very points the gentleman has made and the legitimate concerns of myself and others who are trying to protect the Federal Government's interest.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

My amendment strikes out the worry OMB has that they are going to have to create a bureaucracy. My amendment says we can take someone who is already on the payroll and who is doing a job and which is being done satisfactorily. Since he is already on the payroll, let him do the job.

Mr. RONCALIO. Mr. Speaker, the Department of the Interior has not had an Under Secretary for a year and a half. Let us find a good one and give him something to do.

I think the amendment should be adopted. It is a good one.

Mr. WHALEN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I think it is significant to note that the administration has already considered this proposal.

On September 5, 1974, Mr. Roy Ash sent a memoranda to all of the agencies involved, asking for their comments regarding the possibility of someone within the administration serving, in effect, as the enclave overseer. The response was negative. As a consequence, the administration discarded the idea of someone filling in on a part-time basis. Further investigation by the administration revealed that the whole idea was bad, and for this reason they recommended that the enclave amendment be repealed. This is why we are on the floor today.

So the administration is both opposed to the enclave, per se, and it is opposed to appointing anyone within the administration to serve as Director or coordinator on a part-time basis.

For this reason, I urge the amendment be defeated.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. KETCHUM).

The question was taken; and the Speaker pro tempore being in doubt, the Committee divided, and there were—yeas 73, nays 54.

Mr. WHALEN. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was refused.

Mr. WHALEN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 201, nays 150, not voting 82, as follows:

[Roll No. 683]

YEAS—201

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Carney
Carter
Casey
Cederberg
Clancy
Clausen, Don H.
Cochran
Collins, Tex.
Conable
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Evins, Tenn.
Flowers
Flynt
Fountain
Frey
Fuqua
Gaydos
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Henderson
Hicks
Hightower
Hillis
Holt
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McDonald
Madigan
Mahon
Mann
Martin
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nichols
Oberstar
O'Brien
O'Hara
Passman
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quillen
Railsback
Randall
Regula
Rhodes
Robinson
Rogers
Roncalio
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Stephens
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wylie
Young, Alaska
Zablocki
Zeferetti

NAYS—150

Abzug
Adams
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
Baldus
Barrett
Baucus
Bedell
Bergland
Biester
Bingham
Blanchard
Boland
Bonker
Breckinridge
Burke, Mass.
Burton, John
Burton, Phillip
Carr
Clay
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Dellums
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Forsythe
Frenzel
Giaimo
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holtzman
Horton
Howard
Hughes
Jacobs
Johnson, Calif.
Karth
Kastenmeier
Keys
Koch
Krebs
Levitas
McDade
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Morgan
Murphy, N.Y.
Natcher
Nedzi
Nix
Nolan
Nowak
O'Neill
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Price
Rangel
Rees
Reuss
Richmond
Riegle
Roberts
Rodino
Roe
Rooney
Rosenthal
Roush
Roybal
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Studds
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, C. H.
Wirth
Yates
Yatron

NOT VOTING—82

Addabbo
Alexander
Andrews, N. Dak.
Badillo
Beard, R.I.
Bell
Biaggi
Blouin
Boggs
Bolling
Brademas
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Byron
Chappell
Chisholm
Clawson, Del
Cleveland
Conlan
Conyers
D'Amours
Danielson
Early
Eilberg
Esch
Eshleman
Fary
Findley
Ford, Tenn.
Fraser
Gilman
Gradison
Harrington
Hawkins
Hébert
Hefner
Hinshaw
Holland
Jarman
Jeffords
Jordan
Krueger
Lehman
Litton
Long, La.
McCloskey
McCollister
McCormack
McEwen
McKinney
Mathis
Metcalfe
Michel
Mikva
Milford
Moorhead, Pa.
Mosher
Obey
Ottinger
Patman, Tex.
Pattison, N.Y.
Quie
Rinaldo
Risenhoover
St Germain
Satterfield
Steiger, Wis.
Stuckey
Symington
Teague
Udall
Ullman
Vander Jagt
Vigorito
Walsh
Wolff
Wydler
Young, Fla.
Young, Ga.
Young, Tex.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Addabbo against.

Mrs. Boggs for, with Mr. Ottinger against.

Mr. Chappell for, with Mr. Biaggi against.

Mr. Fary for, with Mr. Beard of Rhode Island against.

Mr. Teague for, with Mr. Badillo against.

Mr. Hinshaw for, with Mr. Eilberg against.

Mr. Young of Florida for, with Mr. Brademas against.

Mr. Jarman for, with Mrs. Chisholm against.

Mr. Wydler for, with Mr. Danielson against.

Mr. Eshleman for, with Mrs. Burke of California against.

Mr. Del Clawson for, with Mr. Metcalfe against.

Mr. Conlan for, with Mr. Hawkins against.

Mr. Andrews of North Dakota for, with Mr. Wolff against.

Mr. Vander Jagt for, with Mr. Young of Georgia against.

Mr. Byron for, with Mr. Symington against.

Mr. Patman for, with Mr. Conyers against.

Mr. Mathis for, with Mr. Moorhead of Pennsylvania against.

Mr. Brinkley for, with Mr. Harrington against.

Mr. Satterfield for, with Mr. St Germain against.

Mr. Long of Louisiana for, with Mr. Obey against.

Mr. Young of Texas for, with Mr. Pattison of New York against.

Messrs. KAZEN, JOHNSON of Pennsylvania, and CARNEY changed their votes from "nay" to "yea."

Messrs. McKAY and PEPPER changed their votes from "yea" to "nay."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks in connection with the bills on the District Day Calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6461, PUBLIC BROADCASTING FINANCING ACT OF 1975

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution (H. Res. 852) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 852

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 303(a) and 401 of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6461) to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Hawaii (Mr. Matsunaga) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 852 and ask for its immediate consideration.

Mr. Speaker, House Resolution 852 provides for the consideration of H.R. 6461, The Public Broadcasting Financing Act of 1975. The bill was considered sequentially and reported by the House Committee on Interstate and Foreign Commerce and the House Appropriations Committee. House Resolution 852 provides an open rule with 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce. After general debate, the measure will be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

House Resolution 852 also waives points of order against the pending bill under sections 303(a) and 401 of the Congressional Budget Act of 1974. The waiver of points of order under section 303(a) of the Budget Act is necessary because H.R. 6461 contains new budget authority for fiscal year 1977 which normally would be prohibited until after passage of the first budget resolution for fiscal year 1977. In addition, if section 303(a) is not waived in regard to this bill and the measure were not taken up until next year, it could fall within the backdoor spending strictures of section 401 of the Budget Act. H.R. 6461 contains authority for the Government to enter contracts with the Corporation for Public Broadcasting for which it may be obligated to make outlays, and appropriate funds from the general fund.

H.R. 6461 provides for a new, and greatly improved, system of financing public broadcasting. First, and most importantly, the bill would establish long-range Federal funding for the Corporation for Public Broadcasting. The Corporation enjoys a unique position. It is a semipublic, federally funded agency charged with a special responsibility—that of developing high quality noncommercial radio and television programs obtained from diverse sources. On the other hand, it is clear that the sponsors of the Public Broadcasting Act of 1967 intended for the Corporation to enjoy the full protection of the first amendment of the Constitution which guarantees freedom of the press. They sought to assure the Corporation of "maximum freedom from interference with or control of program content."

Moreover, since the Corporation was established, three administrations have endorsed the concept of long-term Federal financing. In this education message of 1968, President Lyndon B. Johnson pointed to the dangers of political influence and urged Congress to formulate a long-range financing plan "that (would) promote and protect this vital new force in American life." President Richard M. Nixon also recognized the importance of long-term financing for the Corporation and, in his budget message of 1971, promised that "legislation will be proposed to provide an improved financing arrangement for the Corporation." Finally, President Gerald R. Ford, in his statement of February 13, 1975, called for long-range financing, pointing out that "strict accountability by public broadcasting to the Government can lead to Government direction of programing, which is contrary to the principles of free expression on which our Nation was founded."

The 5-year appropriation proposed in H.R. 6461 would not solve all the problems inherent in Federal support of the Corporation for Public Broadcasting, but it would be a step in the right direction.

While Federal support of public broadcasting has increased since the establishment of the Corporation for Public Broadcasting in 1968, the Corporation has also steadily increased its non-Federal funding. H.R. 6461 recognizes this trend and contains incentives which would encourage the Corporation to intensify its efforts to obtain support from other sources. The bill would establish a matching grant program providing for a gradually decreasing Federal contribution to the Corporation for Public Broadcasting. In fiscal year 1976 and 1977, the Federal Government would provide 40 percent—less than half—of the Corporation's funding, with the remainder coming from private foundations, State and local governments, and other sources. In fiscal years 1978 through 1980, the Corporation would receive only 33⅓ percent of its funds from the Federal Government in the form of matching grants. In addition, the bill would impose a ceiling on the annual appropriations for public broadcasting. If the Corporation's success in obtaining funds from other sources exceeds the current expectations, the percentage of Federal aid could be even less than anticipated.

The proposed new matching grant system would also help to protect public broadcasting from political influence.

Finally, H.R. 6461 directs the Corporation to utilize a specific amount of its appropriation for the support of noncommercial broadcast stations. The Corporation would be required to distribute 40 percent of its appropriation to such local stations during the 1976 transition period and in any fiscal year in which appropriations total $88 million to $121 million; 45 percent in any fiscal year in which appropriations total $160 million or more. This requirement would assure the continued development of locally oriented educational radio and television programing, and would increase the diversity of noncommercial broadcast programing.

The appropriations recommended by

the Committee on Interstate and Foreign Commerce are in line with the trend of congressional appropriations for public broadcasting since the establishment of the Corporation for Public Broadcasting in 1968. They represent only a fractional amount of the total Federal outlays projected for next year and the coming years and would have a little, if any, inflationary impact.

I strongly urge the adoption of House Resolution 852 so that the House can consider and approve the Public Broadcasting Financing Act of 1975.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 852 would make in order House consideration of the bill H.R. 6461, the Public Broadcasting Financing Act, under a 1-hour, open rule.

This rule contains two waivers of provisions of the Budget Act: The first waives points of order against the bill for failure to comply with section 303(a) of the Budget Act which prohibits the consideration of bills providing new spending authority for a fiscal year for which the first budget resolution has not been adopted. Since this bill, in paragraph 4, on page 3, contains new spending authority beyond this fiscal year, a point of order could be made against consideration of the entire bill without this waiver. The rule also waives points of order against the bill for failure to comply with section 401 of the Budget Act which prohibits considerations of bills containing new spending authority which is not subject to annual appropriations. This waiver applies to the same paragraph 4 on page 3.

Mr. Speaker, these two waivers were necessitated by the fact that an attempt was made in this legislation to provide a 5-year authorization and appropriation for the public broadcasting fund. The bill was reported from the Interstate and Foreign Commerce Committee on May 22 and then referred to the Appropriations Committee. On July 22, the Appropriations Committe reported adversely on the bill, objecting to the appropriations language contained therein.

The Rules Committee heard from representatives from both committees involved on Thursday, November 6, and also received a letter from Chairman ADAMS of the House Budget Committee. In that letter, Chairman ADAMS stated that, and I quote:

> I would not object to a waiver of the points of order against the bill for violating Section 303(a) of the Congressional Budget Act, since such a waiver is necesary to enable consideration of the bill. My position in this matter is premised on the appropriations language not being protected by a similar waiver.

The Rules Committee has followed the advice of Chairman ADAMS in this rule, and this is also now acceptable to both committees involved as a result of a compromise agreement which has been worked out. We have not waived points of order against paragraph 4, the appropriations language, for failure to comply with clause 5 of rule XXI, appropriations on an authorization. What this means is that a point of order will lie against that language, it undoubtedly will be sustained, and the 5-year appropriation will be knocked out of the bill. Under the compromise agreement, it is my understanding that the authorization portion of the bill, in paragraph 3 on page 2, will be amended to provide for a 3-year rather than a 5-year authorization, with the understanding that the Appropriations Committee will then take appropriate action to provide for such advance funding.

In conclusion, Mr. Speaker, the budget act waivers contained in this bill are necessary to even consider this bill. But by not waiving the House rule prohibiting appropriations on an authorization, the offending language will be stricken. In view of this and the compromise which has been worked out, I think the waivers are justified and that the rule should be adopted. At this point I include the letter we received from Chairman ADAMS agreeing to this procedure.

COMMITTEE ON THE BUDGET,
Washington, D.C., November 4, 1975.

Hon. RAY J. MADDEN,
Chairman, Committee on Rules, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: H.R. 6461, the Public Broadcasting Financing Act of 1975, is expected to be before the Rules Committee shortly. As reported by the Committee on Interstate and Foreign Commerce, the measure contains new spending authority for fiscal year 1977 which would make it subject to a point of order under Section 303(a) of the Congressional Budget Act. Additionally, if Section 303(a) is not waived in regard to this bill and the measure were not taken up until next year, it could fall within the backdoor spending strictures of section 401.

It is my understanding that the Committee on Interstate and Foreign Commerce will not seek a rule waiving the point of order which may lie under Rule XXI, clause 5 against an appropriation in a legislative bill, so that the appropriation language can be stricken on the floor. Once the appropriation language is eliminated, the measure would be an authorization only and not violate the Budget Act.

As a result, I would not object to a waiver of the points of order against the bill for violating Section 303(a) of the Congressional Budget Act, since such a waiver is necessary to enable consideration of the bill. My position in this matter is premised on the appropriations language not being protected by a similar waiver.

Very truly yours,

BROCK ADAMS,
Chairman.

Mr. Speaker, I have no requests for time.

Mr. MATSUNAGA. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, I take this time simply to indicate my support for the rule and the remarks of the gentleman from Hawaii (Mr. MATSUNAGA) and the gentleman from Illinois (Mr. ANDERSON), of the Committee on Rules, who have explained it.

Section 303 next year will go into effect, and it means that no authorizing committee will be able to have a bill enacted on the floor that involves spending until after May 15, which will apply to the fiscal year beginning 1977. But since we have not implemented fully this act this year, the Budget Committees implementation procedures provide that until the end of this calendar year we would support waivers of section 303, which is being done in this case, as we have done in other cases as explained by the gentleman from Illinois (Mr. ANDERSON).

Mr. Speaker, the reason that the Budget Committee did not raise an objection under section 401, as backdoor spending, is that rule XXI will not be waived and we understand will be raised as a point of order by the Committee on Appropriations. This point of order fits precisely over the effect of section 401 in this case, and there was no point in both committees raising the same point of order. So the Committee on Appropriations will be raising the point of order to prevent backdoor spending; and that, of course, is acceptable to the Budget Committee. This is set forth in greater detail in my letter to the Rules Committee that has already been placed in the RECORD by the gentleman from Illinois.

Mr. MATSUNAGA. Mr. Speaker, having no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 9005, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. MORGAN, ZABLOCKI, HAYS of Ohio, FASCELL, DIGGS, BROOMFIELD, and FINDLEY.

PUBLIC BROADCASTING FINANCING ACT OF 1975

Mr. MACDONALD of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6461) to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6461), with Mr. BROOKS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts (Mr. MACDONALD) will be recognized for 30 minutes, and the gentleman from Florida (Mr. FREY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD of Massachusetts. Mr. Chairman, I rise in support of H.R. 6461, the Public Broadcasting Financing Act of 1975, which was adopted unanimously by the Subcommittee on Communications and the full Committee on Interstate and Foreign Commerce. Before I outline the provisions of the legislation, I would like to impress upon the Members the importance of public broadcasting. This medium provides us with a unique vehicle for the process of the enrichment and education of the people of this country. Its promise is virtually unlimited, although its potential remains until now largely unrealized due to inadequate funding.

This year we have the opportunity to change this. President Ford has committed his administration to a long-range funding bill for public broadcasting. Let me read to you his words in submitting legislation earlier this year:

> . . . . long-term Federal funding will add stability to the financing of public broadcasting which may enhance the quality of its programing. I urge Congress to enact it promptly.

Although the subcommittee made some changes in the level of funding, H.R. 6461, as reported, addresses itself to the need set out in the President's message.

The Subcommittee on Communications held 5 days of hearings on this legislation during which time we heard testimony from 30 witnesses. Although many of them had critical comments about some aspects of public broadcasting, I think that all of them supported the commitment which is embodied in this 5-year bill.

H.R. 6461 would authorize and appropriate funds for the Corporation for Public Broadcasting for each of the 5 fiscal years, 1976 through 1980. The authorization/appropriation for each of those fiscal years would be based on non-Federal financial support for public broadcasting during each second preceding fiscal year. For fiscal years 1976, 1977, and 1978, $1 would be authorized and appropriated for every $2.50 of non-Federal financial support for public broadcasting in fiscal years 1974, 1975, and 1976, respectively.

For fiscal years 1979 and 1980, the ratio would be $1 authorized and appropriated for every $3 in non-Federal financial support for public broadcasting during 1977 and 1978, respectively.

These authorizations and appropriations would be subject to the following limitations:

[In millions]

Fiscal year:	
1976	$88
1976	22
1977	103
1978	121
1979	140
1980	160
Total	634

H.R. 6461, as reported by the Commerce Committee, recognized another important and fundamental principle in the development of public broadcasting, and that is the need for insulation from political pressures. In providing for automatic authorizations and appropriations, the committee was responding, and for the first time with the support of the administration, to this basic principle. We felt it to be in keeping with the first amendment and with the recommendation of the Carnegie Commission report.

It was never the intention of the committee to invade the jurisdiction of the Appropriations Committee. Thus when H.R. 6461 was reported from our committee it was sequentially referred to the Appropriations Committee under the new rules adopted at the beginning of this Congress. I know and respect both its chairman (Mr. MAHON) and the chairman of the subcommittee which deals directly with the appropriation for public broadcasting (Mr. FLOOD). Both Mr. FREY and I appeared before them to support H.R. 6461. In their wisdom, they have rejected the arrangement which was suggested for public broadcasting, however, they have agreed to an appropriation on an advanced-year basis. I will not oppose their decision, although I am still convinced of the need for insulation for public broadcasting.

Perhaps, with the money that we have authorized in this bill, and that the Congress will hopefully approve, public broadcasting will be able to convince those who are skeptical about its needs and its performance.

There remains one other area of special concern to me regarding public broadcasting. In less than 8 years, the Corporation has created a structure which attempts to provide broad and balanced public service to the many segments and interests of American society. Nevertheless, I feel that much remains to be done in order to achieve a system which is responsive to the maximum degree possible to the special interests and needs of many Americans.

In addressing this concern, the committee report urges that the FCC require public broadcasting stations to engage in ascertainment of the problems, needs, and interests of their service areas. The committee also recommends that each public broadcasting licensee develop, as soon as possible, local initiatives for improving ascertainment of community needs and for providing greater community input to decisions on programs.

Further, while a serious effort is being made by most public broadcasting entities with respect to providing equal employment opportunities in professional and policymaking positions for members of minority groups and women, the committee feels that much more remains to be done and should be done as soon as possible.

The committee makes specific recommendations that the Corporation for Public Broadcasting expand its efforts to assist licensees in assuring equal employment opportunity for women and minorities and to strengthen the affirmative action programs within the CPB, PBS, APRS, and NPR.

I can assure the members that the Subcommittee on Communications will vigorously pursue its oversight responsibilities with regard to public broadcasting. While some progress has been made in meeting the commitment to develop public radio, to provide more minority and women's programing, and to recruit and train more minority and women professionals, there have been promises of new and expanded initiatives in these areas. We will see to it that these promises are lived up to.

In conclusion, let me add that the people of the United States are just beginning to realize the promise of public broadcasting. Today nearly 80 percent of our population are within the range of our 254 public television stations. The 176 qualified public radio stations can be received by nearly 62 percent of the American public.

I would like to emphasize again that the time has come to affirm the Federal commitment to the principle of public broadcasting with a long-term financing plan that recognizes its important contributions to the Nation's life by providing educational and cultural programs of diversity and excellence. If this legislation is enacted into law as I hope it will be, it will provide the Federal funding for public broadcasting for which we have been striving since enactment of the Public Broadcasting Act in 1967.

I strongly urge the adoption of the bill.

Mr. Chairman, I have a letter from the Honorable JAMES SYMINGTON which I would like placed in the RECORD at this time. My own response thereto follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 10, 1975.

Hon. TORBERT H. MACDONALD,
Chairman, Subcommittee on Communications, House Interstate and Foreign Commerce Committee, Washington, D.C.

DEAR TORBY: I am dictating this letter from Missouri since it has just been brought to my attention that the Public Broadcasting Financing bill, H.R. 6461, is scheduled for consideration on the Floor today. Had I known this important measure would be voted on today, I would have cancelled my previous engagements in order to participate in the debate. As a member of the House Commerce Committee over the past four years, and as a staunch advocate of the development of public broadcasting, I want to convey my full support for the enactment of H.R. 6461.

However, I must express my deep concern about a recent decision by the Board of the Corporation for Public Broadcasting that seems to go against the intent of the Committee which has continually stressed the need for a greater commitment to the development of public radio.

On August 13, 1975, the CPB Board adopted a resolution which seemed to retreat from the current level of support for public radio activities. While I have been assured subsequently that it is the CPB's intent to see that more money is made available to radio, the resolution clearly avoids making a firm commitment. In effect, the Board has said it will not provide radio with the same proportion of funds under the new legislation as that with which it is currently operating.

In light of your interest, and that of Mr. Frey, the ranking minority member of the Subcommittee, in seeing public radio develop, I feel that the CPB may be headed in the wrong direction. Consequently, I seriously considered offering an amendment which would have guaranteed radio a fair share of funds. However, because I did not feel that Congress should interject itself directly into the decisionmaking process at the CPB, I elected not to offer such an amendment with the understanding that you, as Subcommittee Chairman, will review the Board's decision as soon as possible as a part of the oversight process.

With best regards,

Sincerely,

JAMES W. SYMINGTON.

RESPONSE FOR MR. MACDONALD

The gentleman from Missouri has indeed been a friend of public broadcasting, and I appreciate the spirit in which he offers this criticism. I am also concerned about the treatment of public radio by the CPB Board and by the selfishness of PBS which represents the public television stations.

I agree with the gentleman that Congress must preserve the discretion and flexibility of the CPB decisionmaking process, but I can assure him that the Subcommittee will thoroughly examine the status of funding for public radio under the August CPB resolution. We will watch closely to see how funds are distributed once the bill before us today is enacted, as I hope it will be.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I concur with the gentleman from Massachusetts. I have been and continue to be a strong supporter of public broadcasting and educational television. At the same time I am extremely concerned about the statements made today, because they are the same statements, and we will probably have a similar debate, to that we had in 1973. At that time, there was testimony in the committee hearings in which minorities and women complained that they were not sufficiently represented either in the management or in the programing of public broadcasting stations.

This is 1975. Hearings were held by the committee again on this matter earlier this year. Reports by the Advisory Committee on Public Broadcasting, by persons interested in public broadcasting by civil rights organizations, and by organizations such as the National Organization for Women—NOW—indicate that we have made practically no progress in the last 2 years.

The continuation of oversight hearings is very important, but we are dealing with a piece of legislation which deals with appropriations. At what point do we make certain that those who receive funds will not continue to violate, if not the letter, then the spirit of the law?

Ostensibly, Mr. Chairman, there will be amendments proposed and perhaps that will solve it, but does the gentleman not think that we should require legislative action in order to make certain that these funds are not used in violation of the rights of a majority of the people in this country?

Testimony at those hearings from the National Organization of Women cited the Corporation for Public Broadcasting's own statistics that the number of its female employees has risen by less than 1 percent since 1973, and that three-quarters of the women employees still earn less than $8,500 annually; in contrast, only 1 out of 8 male employees earns less than $8,500. The Corporation also acknowledges that 90 percent of the jobs paying over $15,000 are held by men. I understand that the 1975 FCC statistics will demonstrate that there has only been a 5-percent increase in female officials and managers of public television stations since 1971.

Testimony was also given at the recent hearings by the Chairman of the Advisory Council of National Organizations to the Corporation for Public Broadcasting which demonstrated the low-employment level that still exists in the case of Latino and native American employees. The advisory council chairman noted that, while steps had been taken to improve the percentage of these minority group employees, less than 2 percent of those hired are in professional and decisionmaking positions. He also stated that a significant effort must still be made to improve minority and women's employment. This argument is buttressed by the 1975 FCC statistics for public TV stations, which demonstrate that minority employment, both in managerial and nonmanagerial positions has increased only from 2 to 5 percent since 1971.

I had noted in the debate in 1973 that only 1 of the 10 members of the board of the Corporation for Public Broadcasting was a woman, and there was inadequate female representation on the governing boards of public television licensees. There is still only one woman on the CPB Board, and a soon-to-be-released study conducted by the National Task Force on Women in Public Broadcasting found that fewer than 20 percent of the members of local licensees' governing boards are women.

This study also found that 90 percent of all public broadcasting employees are white. It is not likely that the viewpoint and ideas of the female and nonwhite population of our country will be given proper exposure and representation when such a small percentage of employees and board members are from these groups.

Hearings had been held before the public broadcasting bill was brought to the floor in 1973, at which these issues were discussed. Hearings have again been held in 1975, at which testimony was heard indicating that the problems are far from solved. There must be continuing congressional oversight in this area, and perhaps legislation as well, to insure that the commitments made at these recent hearings to end the disparity are actually put into effect.

Mr. MACDONALD of Massachusetts. I would like to correct just one statement made by the gentlewoman. Even though I agree with the fact that those problems remain, the situation has improved somewhat. I took up this matter with a number of people during the hearings. I spent about 4 days on that very subject: Why has there not been more done? Why have their promises not been lived up to? They truthfully indicated to me that they had started programs for training and development of minority groups, including women, for the type of positions that the gentlewoman is asking for, but they could not really implement them to any great degree for two reasons.

One reason they gave I could not argue with. It was that with a 1-year funding program, they could not plan ahead, and they never knew how much they were going to be appropriated the next year. This situation, with the help of the Committee on Appropriations, will be partially alleviated because the agreement as worked out is for a 3-year funding bill, not the 5-year set forth in the legislation. So they will have a 3-year lead time now. Since the last time we had debate on public broadcasting here on the floor, both a minority and a woman member have been appointed to the CPB board.

Ms. ABZUG. If the gentleman will yield, yes, but we are familiar with that ploy.

Mr. MACDONALD of Massachusetts. The gentlewoman should not say that no progress has been made, or does she not call that progress?

Ms. ABZUG. I do not, Mr. Chairman.

Mr. MACDONALD of Massachusetts. The lady in question whom I heard testify seemed very qualified to speak on this subject and she was strong in her feelings that not enough had been done. She had the wholehearted support of our subcommittee; we gave both PBS and CPB a real "raking over," But then they said that the commercial networks and commercial stations, with their much greater purchasing power, and who spend more on making commercials than the Corporation's entire budget, have siphoned off the qualified blacks and women and other minority people, such as Chicanos. This practice has made it exceedingly difficult for the Corporation when they could not offer these trainees a 2-year contract, after they completed their training.

So their promises have been made, I think, in good faith, and I, for one, believe we have to give them a chance to prove it. With the Committee on Appropriations continuing its oversight responsibilities—and they know I will continue my oversight in the Communications Subcommittee—and with the gentlewoman in the background, I might add they know that they had better fulfill some of the things that they have been promising us. To a certain extent they have.

Ms. ABZUG. If the gentleman will yield further, let me make myself clear, Mr. Chairman. I realize the chairman has tried. My criticism is not directed at his effort.

Mr. MACDONALD of Massachusetts. I understand.

Ms. ABZUG. I do appreciate his effort, and I do not want him to misunderstand me. If I appeared strong in my remarks, it had nothing to do with the chairman.

Mr. MACDONALD of Massachusetts. I understand.

Ms. ABZUG. It has to do with the fact that there has been testimony that three-quarters of the women are still earning less than $8,500 annually and that in contrast, only 1 in 8 males earn less than $8,500 annually. Also, the women are not in the managerial positions. That has changed very little since 1971.

Mr. MACDONALD of Massachusetts. There are a great many producers who are women.

Ms. ABZUG. I am only suggesting that to come to the floor with a proposal for public broadcasting accompanied by a statement that they will do better in the future is not appropriate when the fact is that they have thus far done very little.

Mr. MACDONALD of Massachusetts. They have had only 1-year funding legislation. That is my point. They told me they would like to do better, but with year-by-year funding they could not offer the comprehensive program needed to correct the situation. The Corporation needs a sufficient leadtime. The Appropriations Committee has indicated they are going to give them sufficient leadtime.

Ms. ABZUG. What I want to know, Mr. Chairman, is whether there should not be in the substantive committee the responsibility to make a statement or accept an amendment that provisions of title VI and title VII regarding fair employment in the Civil Rights Act are applicable to the funds given to public broadcasting?

Mr. MACDONALD of Massachusetts. The equal employment law is applicable to all interstate businesses, if not all business indeed, so they are already subject to it. As to whether they live up to it, not just to the law, but also to the spirit of it—they have said they will.

Ms. ABZUG. Will the gentleman accept an amendment when we reach that stage which will indicate that, Mr. Chairman?

Mr. MACDONALD of Massachusetts. I have seen the amendment and I have discussed it very briefly with the gentleman from Ohio (Mr. STOKES). I will consider it before we get to the amendment stage.

Ms. ABZUG. I thank the gentleman.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I congratulate the gentleman in the well for his fine presentation and the colloquy he has had with the gentlewoman from New York.

The very purpose of this legislation is to insulate the Public Broadcasting from pressures from the United States Congress in matters of programing and internal management of that agency and I hope this legislation is passed.

Mr. MACDONALD of Massachusetts. I thank the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in support of the bill to provide long-term financing for the Corporation for Public Broadcasting (H.R. 6461).

Under the Public Broadcasting Act of 1967, the Corporation for Public Broadcasting was designed with four essential purposes in mind: First, assist in the production and procurement of programs for presentation over public radio and television stations; second, assist in the establishment and development of one or more systems of interconnection for such stations; third, assist in the establishment and development of one or more systems of public broadcasting stations; and fourth, act so as to "* * * assure the maximum freedom of noncommercial educational broadcasting systems and stations from interference with or control of program content or other activities."

This fourth function is of prime concern with regard to the bill before us now. Basically, this bill is designed to provide public television "maximum protection * * * from extraneous interference and control," as was the intent of Congress during formation of the original authorizing legislation. The purpose of the bill before us is to insure that the Corporation's public broadcasters first amendment rights shall be shielded from the heat of politics, both executive and legislative.

Further, this bill provides a long-range financing that will enable the corporation to conduct pilot projects and experiments beyond the limits of any fiscal year. (At this time, I should like to review President Ford's comments on this aspect of the bill:

> A recurring question in public broadcasting has been how to reconcile Government funding with the possibility of Government control. On the one hand, if Federal funds are used to support public broadcasting, the Government must be able to evaluate how the funds are spent. To do otherwise would be irresponsible. On the other hand, strict accountability by public broadcasting to the Government can lead to Government direction of programing, which is contrary to the principles of free expression on which our Nation was founded. It is this issue alone which requires that the Congress consider a five-year appropriation for public broadcasting.

As you can see, this bill will not establish a dangerous precedent for any future bills. This bill, as recognized by the President, is unique in that it is so intertwined with the precious protections afforded by the first amendment.

I should like to point out that it was the Carnegie Commission report entitled "Public Television: A Program for Action," 1967, which first envisioned the bill before us today. This Carnegie proposal enjoyed the support of every administration since President Johnson. I think it is now appropriate to point out a section of that report concerning long-range financing:

> The Commission cannot favor the ordinary budgeting and appropriation procedure followed by the Government in providing support from general funds. We believe those procedures are not consonant with the degree of independence essential to public television.

It is clear that the bill before us today is a most essential piece of legislation. In only 8 short years, public broadcasting in the United States has grown from an experiment to one of the most widely accepted and acclaimed public broadcasting operations of its kind.

As a member of the Appropriations Subcommittee on Labor-HEW, I am so pleased to hear of the far-reaching results in public educational television. It is most pleasing to note that parents with a poor command of the English language are improving their own learning skills while viewing the various educational programs such as "Sesame Street" and the "Electric Light Company" with their children.

I should now like to address myself to a procedural problem we are now faced with. As it is drafted, the bill contains a provision providing for appropriations starting with $88 million in fiscal year 1976, increasing to $160 million in fiscal year 1980. The bill containing the appropriation provision was reported out by the Interstate and Foreign Commerce Committee and then referred to the Committee on Appropriations.

It is in this regard that the bill now comes subject to a point of order under rule XXI, clause 5 of the Rules of the House:

> No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

It is because of this procedural technicality that the appropriations provision of the bill received an unfavorable report. A review of the Appropriations Committee's report on the bill—Report No. 94-245, part II—makes it clear that the Appropriations Committee would be receptive to a separate multiyear financing request in a regular appropriations bill. It is clear that is where the appropriation for this bill belongs. I was pleased that the Appropriations Subcommittee on Labor-HEW agreed to my amendment to provide a 3-year financing plan instead of 2. I am certain that at the successful completion of the initial 3-year financing plan, the appropriation would be extended to provide for a longer period of time depending on the Corporation's justifications.

Fellow Members, I urge you to recognize the importance of this legislation. Public broadcasting is so entwined with various aspects of fundamental first amendment freedoms that passage of this legislation is necessary to insure that those most precious freedoms go unrestrained.

I urge my colleagues to support this bill.

Thank you, Mr. Chairman.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I am sorry I missed the gentleman's presentation because I was called off the floor but I am interested in what there might be in this bill for any future programing on television for the deaf, anything that might be coming up that would be in this bill. Can the gentleman enlighten me on that?

Mr. MACDONALD of Massachusetts. Yes. I am not back at my desk now, but as I recall, the gentleman from Ohio (Mr. Brown) put in an amendment dealing with education which can be read to include special programing for the deaf. I think that would take care of it.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I thank the gentleman.

Mr. HARKIN. Those would deal with certain things like programs for the handicapped?

Mr. MACDONALD of Massachusetts. Yes.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentleman from Florida.

Mr. FREY. Mr. Chairman, I just want to reply to the gentleman. I have been very interested in this over a period of time and got into the hearings. Of course, they did pioneer this in public broadcasting and one of the remarks and promises they made was that they are going to try to do more for the handicapped, not only the handicapped in terms of hearing, but mental capacity.

I think it is very important and one of the real innovations we can get into in public television.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I thank the gentleman.

Mr. FREY. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. Mr. Chairman, there has been, from the beginning, less than universal agreement on the concept of public broadcasting. There have been sharp differences among those who approve of public broadcasting as to the proper focus and objectives of such an effort. In addition, there has always been a variety of opinions as to the proper level of effort and the appropriate method of funding that effort. It is, therefore, not a clear-cut issue. One cannot answer the question, "Are you for or against public broadcasting," with a simple yes or no.

The basic differences in approach to this general subject have been there since the very beginning. The Commission which studied the subject and made a comprehensive report to Congress and the Executive, visualized the proposed corporation as the creator and distributor of high quality cultural fare. Others discounted this objective but saw in public broadcasting a long neglected development of radio and TV as a purely educational tool in the form of insrtuctional programing. The development of public broadcasting since the act in 1967 would seem to indicate that the cultural devotees have been winning hands down.

The bill before us today has the virtue of mandating a greater effort in the field of instructional broadcasting. The language is vague, and perhaps it must be. It does, however, tell both the corporation and the stations which receive Federal funds that they must use a "significant portion" of the funds to develop and disseminate instructional programing. Perhaps this will tend to swing the pendulum somewhat away from news roundups and English reruns.

In the matter of funding there have been two major issues which are linked together. How much taxpayers' money can you justify putting into public broadcasting, and how much control should be kept by Congress over such money? It is argued by some that public broadcasting needs long-range financing completely insulated from any hint of pressure or interference by Government if it is to do its thing. There are many who feel that congressional responsibility demands that we keep a corporation which lives largely on tax dollars on a short leash.

The bill before us today presents the first long-range financing plan upon which the administration and the Corporation generally agree. That does not necessarily make it acceptable to many here, including this Member. In the years the Corporation has been in operation it has gone from the first appropriation of $5 million in 1969 to $62.5 million for 1975. This bill would allow a quantum jump to $88 million in 1 year. The administration does not recommend such a large increase although it did approve an increase to $70 million for the next fiscal year. It would also put the funds completely out of the control of Congress over a 5-year period. The only constraint upon the expenditure of the funds would be the sums which could be obtained from the general public and various foundations and corporations for matching at 2.5 to 1.

Although this funding plan found favor in the Interstate and Foreign Commerce Committee, it received less than enthusiastic support in the Appropriations Committee. They proposed, rather, an initial 3-year advanced appropriation and then a yearly look at the fund with control remaining here in Congress. This would give the Corporation that planning time it feels is desirable without giving away the plantation. My personal preference would be yearly appropriations just as we have been doing in former years, but if a change is to be made, the suggestion of the Appropriations Committee is certainly better than the reported bill.

I wonder what would have happened if we had bowed to the pleas for long-range financing in the beginning? The advocates painted a rosy picture of rapid accomplishment and cooperation. As a matter of fact there were many different elements involved in the effort and many differing approaches. For the first few years the Corporation and its satellite corporations were plagued with internal bickering and backbiting. Only because Congress still held the string were they forced to settle these differences and make arrangements which were reasonably fair to all elements. If money had been sitting there to be grabbed by the winner, the feuds would have been fought to the death, and public broadcasting as it exists today might never have emerged. What would prevent a new outbreak of civil war if we relinquish complete control?

With the economy in its present condition and the fiscal affairs of the Government in a precarious state, it seems undesirable to tie up here and now the sum of $634 million in an effort which might very likely need to be pared back along with many other programs, no matter how worthy, in the interests of fiscal salvation. It is not a time we can sensibly make long-term commitments of large chunks of tax money.

I feel that the authorizations should be cut back to those proposed by the administration although this does not concern me nearly as much as losing the Appropriations Committee's ability to keep an eye on them from year to year to adjust the amounts available in the light of other needs and eventualities.

I support the position taken by Appropriations and understand that a point of order will be made against all appropriations language in the bill. I assume it will be upheld. In deleting the appropriations provisions, however, we must not also scuttle the amendment agreed upon by the committee, to which I referred earlier, to increase activity in instructional programing.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, what my concern is—and I think it is very similar to that of the gentleman in the well—are we losing control of which direction the Public Broadcasting Corporation is going with the enactment of this legislation? The gentleman talks about insulating the Public Broadcasting Board. Does that mean that they will have no political pressure as to direction of programing?

Mr. DEVINE. If they have carte blanche control for a 5-year period with $634 million, there will be no rein on them whatsoever.

Mr. SYMMS. Looking through the list of who is on the board, it is obvious that they have a very leftward tilt on the advisory board. Only recently, the other body refused to confirm the nomination of Mr. Coors of Colorado on the basis of his political bias; it was not his personal integrity that was at issue but that he might give the board a balance that I think we should have.

Certainly, it is a concern that if the Federal Government, that is, the taxpayer is going to have to pay for this, we ought to have at least a nonbiased board. That is certainly a concern that needs to be worried about.

Mr. DEVINE. I think that is very much a legitimate concern, particularly with the great concern about the makeup of the board.

Mr. SYMMS. I thank the gentleman.

Mr. FREY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today as we consider H.R. 6461, we are determining whether or not we shall, for the first time in its history, guarantee public broadcasting a financial base on which to operate with some degree of foresight and security. For the 7 years of its existence, the Corporation for Public Broadcasting has had to seek renewal of its authorization six times, seek an appropriation seven times, and operate under continuing resolution funding for 39 of its 84 months. This sort of inherent delays in the budget process that resulted in such unpredictable funding led the administration to propose the concept of long-range funding contained in this bill.

I think, as the chairman of the committee has pointed out, we have had somewhat of a compromise which will allow our committee and the Appropriations Committee to keep this oversight on public broadcasting, but yet I think the result is going to be some extended financing for the cause of public broadcasting, which they need.

Furthermore, the way this bill is structured, it says to the American public: "If you like public broadcasting and are willing to support it with your money, we will also chip in, but you are going to have to bear the major part of the burden at 2½ to 1 during the first period and then 3 to 1."

I think that is important. Furthermore, for those of us who have stations in our districts, there is a passthrough, starting off with a 40 percent passthrough.

I have been personally involved in attempting to get public broadcasting to become mindful of the obligations to assist people who really need some help, people who, frankly, the commercial stations have not helped a great deal—I guess perhaps because of the cost—to provide some innovations, for instance, for those whose hearing is impaired. This is administered through the public broadcasting service through HEW. Through this service, hard of hearing viewers are able to follow the television soundtrack by viewing captions specially placed in the picture.

Another such service offered by public radio is a reader service for the blind and visually impaired, whereby subchannels of the FM spectrum are used to transmit the reading of newspapers, magazines, and literature.

I think, frankly, this is just the sort of service that can be offered if we look to the people of the country to support public broadcasting.

In addition, there are numerous other features which I think are significant. The bill provides for a separation of funds for television and radio. Too long have funds for public radio lagged behind those available for television. While public television is currently available to roughly 80 percent of the people in the United States, public radio is available to only 62 percent of the people and is not present in 34 of the top 100 population centers.

For many people who are interested in minority problems—and there are many minorities in this country—I think radio provides our best ability to do this, to really shotgun, if you will, various interests in the community and State.

We need more public radio. We are not going to get it unless we can get some stability and unless we can get the matching funds, along with the increased authorization.

To give an example of the benefits of the manner in which public broadcasting is funded, under the recommended ceiling for fiscal year 1976, public television will cost the American citizen 40 cents each. At the same time, Canada will spend $7.70 per capita.

Public broadcasting in this country, I think, really is a bargain. Individual contributions in 1972 amounted to $22 million.

Public television is not everything we want it to be. Public television has a way to go. But it has been good, it has provided new innovations and it has provided some very good programing which we do not necessarily get from the commercial stations.

I believe there are also some problems in terms of both programing and of minority employment, but I think we have the laws basically to do this. We have made some progress. For instance, the total overall women in public broadcasting, the Corporation for Public Broadcasting, is 50.5 percent. And, of course, women provide 39.4 percent of the work force. So we are making some progress in that area.

I might say that at some of the top levels they have not done as well as they should, but they are making progress. While we want minorities of all kinds represented in public broadcasting, I do not think it is up to us in the Congress to tell people what to do and how to do it. We have the first amendment. I think that by exercising the oversight function that the chairman of the committee has exercised and will continue to exercise, we can put the heat on where necessary. Let us give them a chance, let us work with them, and let us keep them going in the proper direction.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentlewoman.

Mrs. FENWICK. I thank the gentleman for yielding. I would like to associate myself with the gentleman's remarks.

Mr. FREY. I thank the gentlewoman.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman.

Mr. HARKIN. I thank the gentleman for yielding. I would like to associate myself with the gentleman's remarks. I support him wholeheartedly.

I would like to ask the gentleman, first of all, he mentioned the proposal for captioned programs for the deaf in public broadcasting and public television. Will the gentleman advise us as to what is being done right now and perhaps what directions are being given to the corporation to instill in them the desire to go after this, to have more captioned programs for the deaf in this country?

Mr. FREY. During the hearings—and I think the subcommittee basically will agree with me—we pointed out to them that what they were doing was both necessary and a good effort.

But we felt they should look into this and expand on it.

Mr. Chairman, I would say to the gentleman that it is not just in the area of the deaf but, for instance, perhaps in the area of those who are mentally retarded that we should direct our efforts. We should probably include the exceptional child who needs some different kinds of help.

We have an ability in public broadcasting, in public television and public radio, to pinpoint these problems and make advances in these areas. It is my feeling that not enough is being done in this area and not enough emphasis is being placed on these matters.

I did not think I needed to offer an amendment to accomplish this, because I think the message is clear, and I know that the colloquy we are having on the floor right now will appear in the RECORD and will add to the message. I know now how at least one other Member feels, and I know that my committee chairman will join me in saying that not enough has been done in public television and public radio in this respect.

Mr. Chairman, this is an area in which public broadcasting should increase their efforts, and I am one Member who feels that way.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I would certainly be 100 percent in favor of leaning over a little bit in that direction. Perhaps our fault was in not pinning them down as much as we should to letting us know what is being done right now.

Mr. HARKIN. Mr. Chairman, if the gentleman will yield further, I commend the chairman of the committee and the gentleman in the well for their efforts.

I know the gentleman from Florida (Mr. FREY) is personally involved in the problems of the deaf and the handicapped, and I know of his intense desire to see that this go forward in terms of captioned programing.

I will just ask one more question. In the report on page 26, under "Program Production," it says that the CPB or the Corporation for Public Broadcasting should give more attention to the "development and piloting of programs for women, minorities, and the elderly and near-elderly. These programs should recognize the special educational and public service needs of these groups."

The report does not specifically include the deaf or those with learning disabilities, as the gentleman in the well pointed out.

Mr. FREY. Mr. Chairman, I regret that the report does not include that. I believe the committee hearings do reflect that. If there is any question about this, I believe this colloquy we are having will serve to point it out.

Mr. HARKIN. Mr. Chairman, I thank the gentleman.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. FREY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, back on March 24, 1975, I was invited to attend a reception in the caucus room of the Cannon House Office Building being hosted by the Corporation for Public Broadcasting. I attended that reception to learn more about it.

I found to my dismay that it was the

most lavish reception I have ever attended for Members of Congress. I have never before seen that amount and selection of drink and food consumed at any other reception in Washington, D.C. As a result, I was shocked.

I talked to the president of this Corporation and asked him who paid for it. I could not believe that possibly the taxpayers paid for any part of it. I received a letter in return from the Corporation on April 23, 1975, signed by George Linn, assistant to the president, indicating that the reception cost was $9,802.75 or a cost of $12.25 per person. That is $12.25 for every person who attended that reception.

I had received an earlier letter from him on March 25, 1975, when I had first asked for these figures and did not get them, saying that "the purpose of the reception was to make it possible for public radio representatives throughout the United States to meet with their Representatives in Congress at a time hopefully convenient to both."

Mr. Chairman, I want to say to the Members of the House that I will meet with anybody anytime in my office. They do not have to pay $12.25 and invite me to a reception.

I did not see any business being transacted at that reception. What I saw was that a majority of the people there were from the Corporation for Public Broadcasting and were having a good time. That is all I saw. I saw some Congressmen there, and they were having a good time, too. I did not see any business being transacted.

My point is that I object to Federal taxpayers' dollars being paid for a reception like this. I resent using taxpayers' dollars to lavishly entertain Congressmen to lobby them for more tax dollars. I was told by Mr. Linn that it is impossible to say what portion of the moneys were paid by the Federal Government because the Federal contributions go with the private contributions in the general fund of the Corporation, and the reception was paid for out of the general fund of that Corporation.

Mr. Chairman, I simply think that perhaps the committee should do some oversight on this and look into such expenditures as this. I do not think the people know this is going on, nor do I think they would appreciate it if they knew.

In addition, I looked on page 201 of the committee hearings of the Committee on Appropriations on this bill, and I find that they have 17 officials and executives with this organization who are paid $39,504 a year.

There are also 26 professionals and technicians earning over $22,882, both of which seem a goodly sum of money.

I have heard an awful lot of people complaining about salaries like this for persons working on the staff of the President of the United States.

Then let us look at the growth of Federal funding of this organization. The figures are as follows:

For fiscal year 1969, it was only $5 million.

For fiscal year 1970, 1 year later, it tripled to $15 million.

For fiscal year 1972, it more than doubled to $35 million.

For fiscal year 1975, it was $62 million, almost double again.

For fiscal year 1976, $103 million; for fiscal year 1977, $121 million; for fiscal year 1978, $160 million.

Mr. Chairman, I submit that we ought to be looking very closely at where the public tax dollars are going in this Corporation and at what they are being used for.

I call this to the attention of the committee, the chairman of the committee, the ranking minority member of the committee, and I call it to the attention of the Members of the House.

Mr. PRESSLER. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes, I yield to the gentleman from South Dakota.

Mr. PRESSLER. Mr. Chairman, I want to identify myself with the remarks of the gentleman in the well, and I commend him on his fine research and statement.

I am in support of this bill, but I think what the gentleman from Louisiana (Mr. MOORE) has pointed out is a criticism of what goes on in Washington.

People usually are not basically opposed to these programs so long as there is not waste in them. I think what he has pointed out is a very useful example, and I commend him for it.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes, I yield to the gentleman from Florida.

Mr. FREY. Mr. Chairman, I most certainly cannot disagree with the position of the gentleman in the well as to that affair since I was not asked to attend it.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes, I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I do not know to whom the gentleman in the well was referring. It is not me because I was not at the affair.

Mr. MOORE. I congratulate the gentleman.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes, I yield to the gentleman from Ohio.

Mr. CARNEY. Mr. Chairman, I was asked to attend. I was there. I had a good time.

If the gentleman thinks that this was the most elaborate party that has ever been given in Washington, he has not been to many Washington parties.

Mr. MOORE. Mr. Chairman, to answer the gentleman, I am just a small town boy who objects to using taxpayers' money in this outlandish way.

I thank the gentleman.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, down through the years I have been one of the best friends that public broadcasting has had in this House. The Appropriation Subcommittee that I chair has handled the appropriation for the Corporation for Public Broadcasting since it was born in 1969.

The appropriation grew from $5 million in fiscal 1969 to $62 million in fiscal 1975. The 1975 appropriation was virtually the full amount authorized.

The fiscal year 1976 appropriation has not yet been made, since the authorization expired on June 30, 1975. The bill that we are considering today, H.R. 6461, would extend the authorization for 5 additional years, through fiscal year 1980.

I certainly favor a 5-year authorization for the Corporation for Public Broadcasting. However, this bill today goes beyond that. This bill not only authorizes appropriations for 5 years, it actually appropriates the money for 5 years. We on the Appropriations Committee are virtually unanimous in opposing the appropriation language that is contained in this bill.

The bill was reported from the Commerce Committee in May and was sequentially referred to the Appropriations Committee. In July, the Appropriations Committee issued an adverse report on the bill and recommended that it not pass unless the appropriation language were stricken from the bill.

The Appropriations Committee took this action after very careful deliberation, including a lengthy and detailed hearing with representatives of the public broadcasting industry. The public broadcasting people were unable to convince us that they should be exempted from the normal appropriations process. They should be required to compete for Federal dollars right along with everyone else.

We believe that the practice of annual review of appropriations of public funds is one of the most important responsibilities of the Congress, and should not be abandoned, except under most unusual circumstances.

The Appropriations Committee is also very much concerned about the growth of so-called "backdoor" spending programs. The congressional budgetary process is already too fragmented. We should be trying to reestablish control over some of these "uncontrollable" programs, instead of creating new ones.

Accordingly, when the bill is read for amendment, I, on behalf of the Appropriations Committee, will make a point of order against the paragraph in the bill containing appropriations, specifically the language appearing on lines 3 through 25 of page 3. We believe that it violates clause 5 of rule XXI, which prohibits appropriations in an authorization bill.

The Appropriations Committee does recognize, however, that advance appropriations for the Corporation for Public Broadcasting could help to improve the planning and management of public broadcasting. Accordingly, when authorizing legislation is enacted, the committee will recommend appropriations for fiscal year 1976, and advance appropriations for fiscal years 1977 and 1978, and would expect that Congress would consider additional advance appropriations in the course of the annual appropriations process each year.

The committee believes that this procedure will help the public broadcasting stations to plan in advance, and, at the same time, will preserve the annual review of the budget which we believe is essential for proper congressional oversight of the expenditure of public funds.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, we are at a crucial juncture in the development of our system of noncommercial broadcasting, which used to be called educational broadcasting before it came to be known as public broadcasting. The funding bill before us today holds tremendous potential for achieving the objectives of the Carnegie Report and those created in the 1967 Public Broadcasting Act.

The growth and accomplishment spawned by the 1967 act have been significant. The number of stations has grown phenomenally. Nearly three-fourths of the population of the United States is now reached by public broadcasting. Programing continues to improve and diversify in many areas. Local stations have strengthened their autonomy since PBS and CPB have apparently resolved some basic internal and parochial disputes and have affirmed passthroughs to local licenses; and hopefully local stations are more broadly involved in decisionmaking through the new program cooperative.

With Federal help, many stations have improved their technical facilities significantly. Most stations now have their own video tape recorders which allow them to schedule programing at the local level in response to local viewer needs, and not be totally dependent upon some centralized national format. And, we are now on the verge of seeing radio become a more equal partner in our noncommercial broadcast service. Such progress is consistent with the localism and diversity called for under the Communications Act of 1934 as a means of keeping our licensed media free from undue concentration and control and thereby strengthening first amendment freedoms.

But this progress does not mean there have been no problems.

The act that created the Corporation for Public Broadcasting emphasizes educational and instructional broadcasting throughout its provisions. In fact, the congressional declaration specifies that—

> It is in the public interest to encourage the growth and development of noncommercial radio and TV broadcasting, including the use of media for instructional purposes.

The purposes section of the law explicitly directs CPB "to facilitate the full development of educational broadcasting."

Yet education has been too peripheral a concern in public broadcasting of late, especially in view of the Corporation's legal and public mandate, and the desperate needs in education today. It is for this reason that I have advocated a requirement in this bill that "a significant portion of funds" be used for instructional programing.

It seems as if decisionmakers in public broadcasting have to an increasing degree, not considered education worthy enough of their attention. For example, almost $15 million in community service grants were awarded to 149 eligible licensees in 1974. Ten million dollars of those grants will be for program-related activities. Only 16 percent of this support will be devoted to instructional programing.

The needs of education are staggering. Consider the problem of financing alone. We are spending about $97 billion a year on education, and that cost is rising at the rate of $7 billion a year in spite of declining enrollments. And, as costs rise, funding sources are diminishing. Parents must raise $4,000 to $5,000 a year to send each of their children to private colleges. Basic tuition at public universities has tripled over the last decade. Who will pay the costs? Who can pay the costs?

In elementary and secondary education, not only is financing a challenge, but our techniques of teaching basic skills are often a disaster. A tragic testimonial to this is the public school system in the District of Columbia where half the sixth graders recently failed. Even the nearby and highly affluent Montgomery County, Md., system has its problems. Reportedly, over half the prospective English teachers who applied there flunked a basic high school English test. We all know of the recently publicized declines in the national averages of the high school student aptitude tests—SAT.

Clearly, supplemental means of educating students of all ages must be found and developed. Public broadcasting has the potential to help solve such problems. As PBS pointed out at a 1974 appropriations hearing, a congressional appropriation of $65 million in Federal funds for all activities of CPB during this year, amounts to appropriating not more than .04 cent per hour for each household using public television programing. Compare this to our appropriations made directly for trying to improve public education.

Education and broadcasting can consolidate resources in many areas to provide imaginative means for instructional communication. Public broadcasting offers tremendous potential for innovating development of software and its dissemination.

Noncommercial broadcasting can bring basic university courses to the working student. The jobless can learn skills through the media. The semi-skilled can improve their credentials for a better job. The slow learner can benefit from extra instruction the media can provide. The handicapped can receive education heretofore impossible to attain. Minorities can utilize the media to help escape from the stereotypes into which their roles in society have been unfairly cast. Professionals can have the means to keep up-to-date in their fields, as the pace of change accelerates and leaves them buried in the information overload. The extension so effective in agriculture can become live, continuing education in a host of disciplines. Citizens with a natural reluctance to submit to the tensions and formal competition or classroom instruction have a new learning vehicle in the media. And all of us can learn enough to communicate in the specialized language of our neighbor's specialty.

In summary, public broadcasting has achieved substantial progress since its inception in 1967. But that progress is only a preface to the potential impact noncommercial broadcasting can have, especially in the area of educational instruction.

Attainment of the objectives in the legislation before us today can strengthen public broadcasting's ability to realize that potential.

Mr. FREY. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY. Mr. Chairman, today we are asked to consider an important piece of legislation—H.R. 6461, the Public Broadcasting Financing Act of 1975. This bill is the result of several years of planning, preparation, and hope—the hope that the Congress, in the public interest, will recognize the need for a sufficiently funded public broadcasting system in this country.

Public broadcasting has come a long way since 1967, when the Congress first enacted a program for Federal assistance to the medium. In the past 8 years, public broadcasting has created the machinery of an orderly national system—a decentralized system where the local station has a direct voice in the planning and execution of national program distribution. Public broadcasting has brought to the American people valuable programs on such controversial topics as alcoholism and venereal disease. It has provided the Congress with a national forum—a direct line to the American people—through its coverage of the Watergate and impeachment deliberations, and its several regular public affairs series produced in Washington. It has educated and delighted children through such programs as "Sesame Street," "The Electric Company," and "Mr. Rogers' Neighborhood." It has helped us expand our understanding of the wonders of science through "Nova" and the "Incredible Machine." It has helped us all deal with the travails of a troubled economy in such programs as "Wall Street Week," "Consumer Survival Kit," and "What's Cooking." It has expanded our cultural horizons with "Masterpiece Theatre," "In Performance at Wolf Trap," "Theater in America," "Great Performances," and others. It applauds our national heritage in the Bicentennial era, with "The Adams Chronicles," "Our Story," and "Lowell Thomas Remembers."

The necessity for public broadcasting lies in the fact that none of these vital programs, most likely, would have ever been shown on television had it not been for the existence of this publicly oriented, publicly supported, alternative service. It is not my purpose to downgrade the commercial televisions networks; they do a capable job of delivering programs intended for a mass audience. But nowhere else but on public television can programs be seen that zero in on specific topics that may be of limited interest to the average viewer, but of tremendous importance to specific audience groups.

There is a place on television for both commercial and noncommercial services. But only one of those services needs our assistance if it is to succeed—the service where no commercials are ever found.

Passage of H.R. 6461 would bring a new vitality to public broadcasting. For the first time, the medium would be able to anticipate, plan, and execute innovative programs regularly, programs which require ample time and sufficient financing to produce effectively. H.R. 6461, through its matching formula, would require public broadcasting to seek out additional funding far in excess of its annual Federal appropriations from a variety of sources, thus insuring that the medium remains a truly public entity.

The concept, and the objective, of this legislation make sense to me. Certainly, the concept is not lacking of support among my constituency, the viewers of WNEO, Alliance, Ohio. I have been alerted on numerous occasions to the impressive record of our local public television station, and I am gratified that the past support of the Congress has been instrumental in keeping it alive.

That support must continue. It is our obligation to insure that it does.

Mr. Chairman, I have 10 grandchildren, and I know that when they have started to school that they can do a lot more than their grandfather could when he started school because they know their A B C's and they can count to 100 and they can draw their numbers and print their names and they learned all of that on public television. I think that public broadcasting has done a great deal for all segments of the United States, and I urge that the Members vote for this legislation.

Mr. FREY. Mr. Chairman, I yield 3½ minutes to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, as a member of the Subcommittee on Communications and as one who has long believed in noncommercial, public broadcasting, I urge support of H.R. 6461, the Public Broadcasting Financing Act of 1975, which provides funding through 1980 for the Corporation for Public Broadcasting.

The bill, as reported by the Commerce Committee, makes the amount of Federal funding contingent upon the ability of public broadcasting to generate financial support in the community at large. Under H.R. 6461, the ratio of Federal contributions to non-Federal revenues for fiscal years 1976 through 1978 is $1 for every $2.50 raised from non-Federal sources. In fiscal 1979 and 1980, the ratio goes up to $1 for every $3 raised.

At the same time, a ceiling is put on the amount of the Federal contribution. In fiscal 1976, the authorization and appropriation could not exceed $88 million; in fiscal 1977, 1978, 1979, and 1980, it could not exceed $103 million, $121 million, $140 million, and $160 million, respectively. During the transitional period between fiscal 1976 and 1977, it could not be more than $22 million. This matching-fund formula provides incentives for increased non-Federal funding, while putting a lid on the maximum Federal contribution .

The reason for providing long-range financing is to insulate the Corporation from political pressures during the course of the usual annual budgetary process. In passing the Public Broadcasting Act of 1967, creating the Corporation for Public Broadcasting, Congress emphasized that the work of the Corporation was to be done "in ways that will most effectively assure the maximum freedom from interference with or control of program content or other activities." Long-term financing will insure that public broadcasting will remain free of the sort of political interference and control that Congress expressed concern about at that time. It will also enable the Corporation and local stations to engage in advance program planning, knowing the level of Federal funding that can be expected for the next several years.

Removing public broadcasting from the annual authorizations and appropriations process will not, however, insulate the Corporation from congressional oversight. The chairman of the Subcommittee on Communications has given his assurance that the subcommittee will continue to vigorously pursue its oversight responsibilities. Since the subcommittee completed hearings on H.R. 6461, CPB has made a number of commitments to Congress with respect to developing public radio, providing more minority and womens programing, and hiring and training more minorities and women.

I would like to insert in the RECORD letters from the president and the chairman of the Corporation for Public Broadcasting to the chairman of the Communications Subcommittee outlining these commitments. In my view, these commitments obviate the need for several of the proposed amendments to H.R. 6461. As a member of the Communications Subcommittee, let me assure my colleagues that the Corporation will be held accountable to make good its commitments.

Mr. Chairman, today almost 80 percent of the American public are within signal range of public television and almost 65 percent are within the broadcast area of public radio. Our goal should be to provide quality cultural and educational broadcast programing to every American. H.R. 6461 will put that goal within reach. I urge my colleagues to support the Public Broadcasting Financing Act of 1975, as unanimously reported by the Commerce Committee.

The letters follow:

CORPORATION FOR PUBLIC BROADCASTING,
Washington, D.C., May 22, 1975.
Hon. TORBERT MACDONALD,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Now that your Committee has completed hearings on the long-range funding bill, I thought that their impact upon the Corporation for Public Broadcasting would be of interest to you.

We were impressed with the level of involvement and commitment of the many representatives of the public who participated in the hearings. We believe that this increase in citizen involvement in public broadcasting through the hearings process has contributed to a keener awareness of important issues in the field of public communications.

At its meeting on May 14, the CPB Board took a number of actions that bear on concerns raised at the hearings. More specifically, the Board:

Approved from a previous allocation of $800,000 funding of three black cultural pilots and the funding of one or more series based on these pilots.

Approved production of a new series of programs portraying contemporary women, entitled, "Women Alive". $400,000 had previously been set aside for women's programming.

Received the revised Affirmative Action Plan for the Corporation presented by Management, which strengthens considerably the existing plan and goes beyond legal requirements.

Received the first of the semi-annual reports from me on progress in the minority area. (A copy of this report—required by an October 23, 1974, Board resolution approving recommendations of a panel dealing with more effective minority programming—is attached.)

Decided to defer a decision on open Board meetings until new members of the Board are confirmed.

Discussed the need for a comprehensive action plan to expand and improve Corporation activities in the areas of minority and women's affairs, and instructed Management to give high priority to preparing such a plan, giving due consideration to budgetary constraints.

Our present thinking is that such a plan should include at least the following:

The size of the staff of the Special Assistant for Minority Affairs would be increased by two persons—from a total of three to a total of five. New staff would consist of one professional and one support position, needed to increase the capabilities of the office commensurate with the additional responsibilities outlined below.

Representatives of the Office of the Special Assistant for Minority Affairs will participate fully in decisions concerning minority programs. They will also review all programs that CPB funds in whole or in part to give their opinion on portrayal of minority interests.

We plan a significant increase in our training budget. If we receive the full 1976 budget request, we would nearly triple these funds—from $250,000 in the current year to nearly $700,000 in FY 1976. The purpose of this program is to upgrade the quality of staffs of local stations, and grants are made usually on a matching basis. Over 75% of this budget will be spent for minority and women's training.

We will transfer responsibility for training activities from the Television section to CPB's Office of Educational Activities and develop it into a full-time, rather than the present part-time, job.

We will try to achieve more effective "clearing house" arrangements that would help bring together qualified minority and women candidates with stations seeking their services.

We are revamping our data collection and dissemination processes. Our existing data are not sufficiently precise or complete in a variety of fields. This is particularly true in the case of program identification and employment. We feel that it is incumbent on the Corporation to be able to provide the Congress and other interested parties more complete and accurate data on what public broadcasting as a whole has accomplished. This is a long-range project, but we will get started forthwith.

We will increase our efforts to aid those desiring to establish new stations in areas where there is insufficient coverage or in areas where specialized types of programming are under-represented. A specific project is the updating of a "How do you get a new station started" pamphlet.

Pending a ruling by the FCC on ascertainment requirements for public broadcasting, we propose to encourage increased station efforts through a project that would make research funds available on a matching basis for ascertainment activities incorporating new ideas and techniques. This will provide experience that should aid both individual stations and the entire system. We would propose to devote some $100,000 to this effort.

Several of the above proposals can start immediately and some are underway, although the extent to which all can be fully implemented will depend on our budget for fiscal year 1976.

I believe that the sum of these steps can make a major impact on the problems raised at the hearings. Furthermore, they are consistent with the Corporation's status as a non-governmental organization and with the fact that decentralization and local options are at the heart of public broadcasting.

We appreciate your understanding and support.

Sincerely,

Henry Loomis.

Corporation for Public Bboadcasting,
Washington, D.C., June 10, 1975.
Hon. Torbert H. Macdonald,
Chairman, Subcommittee on Communications, Washington, D.C.

Dear Mr. Chairman: At first glance it may appear presumptuous for me to address to you, one of the Legislative Founding Fathers of Public Broadcasting and one of its most ardent suporters, a few well-accepted premises prior to commenting on the recommendations contained in the Report of the Committee on Interstate and Foreign Commerce. I do so only as a backdrop for my comments.

The Corporation was directed in the Public Broadcasting Act of 1967 to perform in ways that would most effectively assure the maximum freedom of the noncommercial radio, television or local broadcasting systems from interference with or control of program content or other activities.

The Report makes equally clear that the first and primary responsibility for what is telecast and when by a local station is the station itself.

It is of the essence of the principle of insulated financing that the public broadcasting entities be free of program interference from any source. Public broadcasting's obligation is to serve all the people, even if, on occasions, through programs to smaller-targeted audiences—for in the aggregate, rather than by the specific, all or most of the people must be served.

I believe that these premises underlie the characterization by the Report of its suggestions as "recommendations" rather than directives to the Corporation. In that spirit I should like to convey some personal observations.

During the course of consideration of H.R. 6461 you and other members of the Congress, as well as community leaders and interested citizens, have raised many questions regarding Public Broadcasting's commitment to the participation of minorities and women in both its operations and its benefits. The questions were pointed; the concerns behind them serious. I believe the record will show that Public Broadcasting's responses were given in good faith and in a complete, candid and detailed form that reflects the importance the public broadcasters attached to the issues raised. Nevertheless, as is so often the case, the best of intentions, even the best-motivated actions, can be subject to misunderstanding or can disappoint those they were intended to satisfy.

The matter of CPB's responsibility in the area of compliance with Federal equal employment opportunity programs by public television and radio stations which receive its assistance, is one of these areas. As a private, nonprofit District of Columbia corporation and pursuant to the Public Broadcasting Act, CPB is not a Government department or agency. (47 U.S.C. 396(b)). Notwithstanding the fact that certain Titles of the Civil Rights Act do not on their terms apply to CPB, the CPB Board has adopted a comprehensive "Policy on Equal Opportunity and CPB Assistance".

An inspection of this Policy Statement (a copy of which will be made part of the record) will demonstrate that it is broader in scope and effect than might otherwise be required by law, but is contractual, rather than regulatory in nature. This is consistent in my judgment with CPB's Congressionally and Constitutionally required status. There is no insensitivity to Federal, state, or local equal opportunity requirements in the Policy Statement. Quite the contrary, the Policy Statement is based upon the determinations as made by courts and law enforcement and regulatory agencies at every level.

Moreover, the Policy Statement commits CPB promptly to refer all equal opportunity complaints received by it to a government agency with the jurisdiction for any proceedings that may be appropriate, and to cooperate fully with every agency with jurisdiction to inquire into allegedly discriminatory practices of recipients of CPB assistance.

In reviewing the Report, and in discussions with representatives of interest groups and individual citizens since the hearings, I have become convinced that many suggestions for improvement in Public Broadcasting's service to minorities and women deserve the continuing attention of the CPB, and, hopefully, although I should not enter into personal commitments for them, our associates in the Public Broadcasting family—the Public Broadcasting Service, National Public Radio, and the Association of Public Radio Stations. I should like to share my thoughts—indeed, my personal convictions—on these matters with your interested colleagues and constituents.

1. In response to many questions raised during the hearings, the Corporation submitted to the Committee a detailed report on its activities relating to minority and women's concerns. I am convinced that the compilation of a report similar to this one, on a regular basis, will not only assist those who have the right to criticize the Corporation's activities in this area, but will provide the Corporation itself with valuable, self-checking mechanism, against which we may measure, on a continuing basis, the way we are meeting our own objectives. Therefore, I have instructed CPB management to prepare such a report, for public distribution, every six months.

2. The accuracy of data concerning the minority and women's activities and programs of public television stations has also been called to question during the hearings. At present, CPB publishes annually, with the financial assistance of the Department of Health, Education and Welfare, a report entitled "Annual Survey of Public Broadcasting". It is the most comprehensive report of public broadcasting activities available. The hearings pointed out many areas in which the Survey could be improved. Example: there is no central bank of information regarding the programs and activities related to minority and women's concerns by and at the 400 independent, local public radio and television stations throughout the country. I have directed that steps be taken in an effort to improve the scope and detail of such reporting for inclusion in the Annual Survey. The Annual Survey is, of course, a public document.

3. Since October 1974, the CPB Board has given special priority to the development of programs to serve special interest audiences, including minorities and women. From FY 1974 to FY 1975, CPB funds for these purposes have doubled. I would expect that this significant upward trend will continue until programs for minorities and women reach a level appropriate to needs of these elements of our society for Public Broadcasting services. Perhaps more important, the CPB Board has recently restated its objectives in the minority program. The Board is committed to develop a pattern of services that has as its objective, "CPB support for the production and distribution of programs in which minority group members are involved in a meaningful way in every stage of the undertaking, from concept through proposal, through production, and ultimately through distribution".

4. In March 1974, CPB filed its comments in an FCC proceeding regarding ascertainment by public stations of the needs of their communities. In that filing CPB said:

"Non-commercial stations have obligations and opportunities for community service that exceed those of commercial stations. Yet, responsibilities to serve community needs cannot be met until those needs are first identified. * * * Standards of community service must be higher than those for commercial broadcasters, and must be reflected not only in the ascertainment process but also in the quantity and quality of broadcast materials designed to address community needs."

As you know, the FCC has not yet moved to resolve the ascertainment issue. As a further sign of CPB's commitment to an ascertainment process fine-tuned to the responsibility of public broadcasters and the needs of the community they serve, I have written to the Commission, urging their prompt action on ascertainment, and reiterating CPB's position on the matter, as well as our offer to assist local stations that engage in the on-going community dialogues we believe invaluable to ascertaining real community needs and constructing broadcasting services to meet them.

5. There is a good deal of interest in the "opening up" of CPB Board meetings. As I have said during the hearings, this is a matter that requires formal Board action. I am personally sympathetic to the opening of CPB Board meetings to the public, and I intend to make this matter one of the first questions confronted by the CPB Board when its newly nominated Directors take their seats, hopefully in the very near future.

6. The Report on H.R. 6461 recommends that public broadcasting entities strengthen their affirmative action programs to ensure equal employment opportunity for qualified women and minority candidates. I am pleased to report that at its May 1975 meeting the CPB Board adopted a greatly improved affirmative action plan for use in CPB's own job placement decision-making. The plan itself was drafted by persons of diverse ethnic backgrounds, representing all levels of CPB employment. Upon submission of the draft, it received the unanimous endorsement of the Board of Directors.

As a first step in assisting stations to improve their own affirmative action plans, I have directed the CPB's plan be distributed to all of them with an appropriate transmittal letter.

7. The participation of the public in CPB's decision-making has, in my opinion, been greatly enhanced by the creation and growth of the Advisory Council of National Organizations. I fully expect that the healthy trend of greater ACNO participation in the input to CPB decision-making will continue to be expanded. In addition, CPB will continue to use special, ad hoc, advisory committees on special projects. Such committees have already proven especially useful in the area of minority affairs and women's affairs. Much remains to be done in these areas, as you have already noted.

In closing, I wish to tell you how valuable the hearing process itself, and the Commerce Committee's Report, have been in stimulating our thinking and actions. Especially helpful were the Committee's comments on future oversight guidelines, found in pages 24–27 of the Report. I look forward to the oversight hearings provided for in the Public Broadcasting Financing Act, for, in my opinion, the combination of insulated, 5-year funding and regular Congressional oversight reflects an ideal accommodation between the freedom from day-to-day interference in Public Broadcasting's work that is its birthright, and the accountability of CPB and Public Broadcasters to the Congress, and through it, to the people, that is essential if we are to continue to merit the support and confidence of both.

I hope you will find this information helpful. I am certainly prepared to be of any assistance you may require.

Sincerely,

ROBERT S. BENJAMIN,
Chairman.

Mr. MACDONALD of Massachusetts. I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Chairman, I rise in support of H.R. 6461. In 1967, Congress passed the Public Broadcasting Act. The legislation created an orderly system for the Federal assistance of a medium vital to the fulfillment of our Nation's communications objectives. Since that time, public radio and television have succeeded admirably in bringing to the American people an alternative program service of consistent quality, diversity and importance.

As is the case with all economically limited institutions, however, public broadcasting can only do so much. If the medium is to progress; if it is to fulfill its true potential as an independent, enlightening, informative, educational communications service, it must have the support of all Americans.

We, in the Congress, now have the opportunity to help public broadcasting realize that great potential. The passage of the Public Broadcasting Financing Act of 1975, which would guarantee the medium sufficient Federal funding ceilings to match the contributions of citizens and institutions nationwide, must be considered a major priority.

I have long witnessed, and heard numerous favorable reports from my constituents concerning the impressive achievements of our local public television station in New Orleans, WYES. Among them has been an editorial in support of H.R. 6461 published when the legislation was still in Rules Committee in the October 20, 1975, States-Item newspaper which states:

> The Public Broadcasting Financing Act of 1975, which would provide a long-term reliable source of revenue for public television, is awaiting action by the Rules Committee of the House of Representatives. The bill is expected to be considered on the House floor soon. It merits the support of Louisiana's congressional delegation.
>
> The bill would provide one federal dollar for every $2.50 raised by local stations such as WYES-TV in New Orleans. But federal funding would not be unlimited. The bill includes a ceiling on the amount the government can contribute each year.
>
> Public television stations have involved community-wide participation in fund-raising, programing and production. To the degree that they do so, they deserve strong, continuous public support.

PUBLIC BROADCASTING BILL

Mr. MICHEL. Mr. Chairman, the Subcommittee on Appropriations on which I serve had a rather extensive hearing on this legislation.

First may I say that I support the principle of compromise that has been arrived at here by way of forward funding for public broadcasting. I thought the initial request of a 5-year authorization and appropriation was far too much, although I might have been willing to settle for it had the authorizing figures been at a lower level as proposed by the administration rather than the higher level provided for in this bill. As a matter of fact, I specifically asked the question of at least one of the witnesses whether he felt it was more important to have long-range funding or the larger amounts, and there was no clear, definitive response.

I will not offer an amendment to lower these authorizing figures. However, I will reserve the right to do so on the specific amounts when we go through the appropriating process.

By way of quick review, the administration proposed $70 million for fiscal year 1976, and the committee raised that figure to $88 million. In the transition period the administration proposed $17.5 million and the committee raised it to $22 million. For fiscal year 1977 the administration proposed $80 million and the committee increased it to $103 million. For fiscal year 1978 the administration proposed $90 million and the committee raised that to $121 million. In fiscal year 1979 the administration proposed $95 million and the committee increased it to $140 million. In fiscal year 1980 the administration proposed $100 million and the committee raised it to $160 million.

This makes an overall difference in this 5-year period of $182 million, from the $452 million proposed by the administration to the $634 million recommended by the committee.

Now, that increase has a decided bearing upon the increased amounts that can be generated from the private sector. At the 2.5-for-1 match rate called for during fiscal years 1976, 1977, and 1978, and the 3-for-1 match rate for fiscal years 1979 and 1980, you have a difference in non-Federal matching monies of between $1.229 billion over the 5-year period under the administration figures and $1.735 billion under the committee figures. We are talking about a significant sum of money here and I just happen to think there would be sufficient amounts in the till for this very fine program if we adhered to the administration's original figures. The following table, Mr. Chairman, probably better illustrates the point we have been attempting to make here verbally. And as I said earlier, my only reservation with the legislation is the funding level proposed.

The table follows:

PUBLIC BROADCASTING FUNDING

[In millions of dollars]

Fiscal year	Administration proposal			H.R. 6461		
	Federa lfunds	Non-Federal match	Total	Federal funds	Non-Federal match	Total
1976	$70.0	$175	$245	$88	$220.0	$308.0
Transition	17.5	43.75	61.25	22	55.0	77.0
1977	80.0	200	280	103	257.5	360.5
1978	90.0	225	315	121	302.5	423.5
1979	95.0	285	380	140	420.0	560.0
1980	100.0	300	400	160	480.0	640.0
Total	452.5	1,228.75	1,681.25	634	1,735.0	2,369.0

Mr. BOLAND. Mr. Chairman, I rise in support of H.R. 6461, the Public Broadcasting Financing Act of 1975. This legislation would authorize long-term financing for the Corporation for Public Broadcasting, which was created by the Congress to encourage and develop networks for the noncommercial broadcasting of public affairs, educational programs and other subjects of public interest and instruction. I feel that long-term funding for public radio and television can be a really helpful boost for these services. They can rely on certain payments from the Federal Government to support their activities in broadcasting with enough assurance to do the kind of forward planning that a truly excellent public broadcasting effort requires. I sincerely believe that the quality of programming that can be found on public radio and television today is the best argument that can be found to take this unprecedented move.

At the same time, I wish to go on record as supporting the gentleman from Pennsylvania (Mr. FLOOD) in his effort to limit the time over which the CPB's appropriation period will extend. Three years can provide enough lead time for public broadcasting planners to produce the kind and quality of programming that we all expect to continue to receive from public television and radio. In fact, this bill authorizes the development and use for public broadcasting of cable television and satellite technology as well.

As a parent, I can testify most appreciably for the excellence in children's broadcasting that the CPB has brought to my family and those of millions of other Americans. As one who looks for the unusual and the rarely discussed side of American political and social life, I applaud the contributions that public broadcasting has made to so many more. All this and much more can be improved upon, however. Public broadcasting can reach more Americans. It can touch us all in other ways. I look forward with great hope to the results of this legislation, for an entire Nation will be the beneficiaries. I urge the passage of this needed revision. The independence and fruitfulness of expression that it can help to ensure we will be a legacy for ages.

Mr. O'NEILL. Mr. Chairman, I rise in strong support of H.R. 6461 as the first step toward long-term Federal financing for the Corporation for Public Broadcasting and for the public radio and TV stations. The bill would authorize funds for 5 years, provided that they are matched with $2.50 by the stations and the corporation—$3 in the last 2 years—of non-Federal funds.

I cannot even begin to tell you how tremendously beneficial public broadcasting can be in a community. But I do know that channel 2 in my area is unquestionably one of the most outstanding educational broadcasting stations in the country. We have had tremendous improvement over the years in the kinds of programs on channel 2 and in the kinds of public support. All our people in the Boston area share in this. It means a great deal to the whole community because these programs are for them.

One important aspect of this bill that is particularly appealing to those of us who live within the channel 2 viewing perimeter, is that at least 40 percent of the funds will go directly to the public broadcasting stations. That is very important. We want them to have strong local programs as well as programs distributed across the whole country. We want them to have these funds locally—under local control.

Mr. Chairman, this is a good bill and I commend Chairman TORBY MACDONALD and the members of his subcommittee for the thoroughness in their consideration of H.R. 6461. I urge all my colleagues to support this important legislative initiative.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I strongly support H.R. 6461, the Public Broadcasting Financing Act of 1975. Since public broadcasting was created, through the Public Broadcasting Act of 1967, it has needed long-range financing, both to insulate it from political pressures and to give it predictability of Federal support for its program offerings. H.R. 6461 provides both, through its 3-year authorizations and its procedures for future authorizations. Moreover, with its match of one Federal dollar for every three non-Federal dollars raised by public broadcasting, it encourages the industry to raise funds from other sources—from corporations, foundations, State and local governments, and individual contributors. The act therefore acts as a catalyst for diversity of funding—a concept which itself promotes public broadcasting's independence.

At the same time, H.R. 6461 requires accountability, by stating that Corporation for Public Broadcasting officials should be available at any time to report to Congress on public broadcasting's activities and progress. This is especially important in terms of public broadcasting's responsiveness to women and minorities, as it strives to meet the needs and interests of people throughout the United States.

As a long-time advocate and supporter of public television and public radio, I take special pride in the alternative programing services offered by local public broadcasting stations to their communities. For instance, in the Commonwealth of Massachusetts, WGBH–TV/FM and WBUR–FM of Boston are acknowledged leaders in the public broadcasting field, because of the financial and listener support they have garnered and because of the nature of the programs they offer. In fact, I am pleased to say that WGBH, a national production center, has made its call letter synonymous with quality programing, and benefits citizens not only of Boston but also of the Nation as a whole.

Mr. Chairman, public broadcasting has been striving for long-range funding for 8 years, a period during which it has sometimes been buffeted by political turmoil and largely been underfinanced. The time has come to give it an opportunity to show what it can do, if insulated and adequately funded. The time has come to fulfill the promises of the Public Broadcasting Act of 1967—by passing the Public Broadcasting Financing Act of 1975.

Mr. ROONEY. Mr. Chairman, public broadcasting has been before the Congress for many years. I have supported it since its inception when I sat on the subcommittee that considered it. I support it now.

I know something about public broadcasting in my district. Public TV Station WLVT is the only television station in the entire Lehigh Valley. It does an excellent job. Under the leadership of Phillip Berman, its chairman, and Sheldon Siegel, its manager, our station brings us everything from local sports and other public events to the best music and drama in the country.

The majority of the people in my district watch WLVT regularly. They contribute to it. Our schools use it extensively—both parochial schools and public schools. It has been a great help to them. I hope every part of the United States can have as fine a public television service as we have in the Lehigh Valley.

The pending legislation—H.R. 6461—the Public Broadcasting Financing Act—will help public television, not only regarding their national programs through the Corporation for Public Broadcasting and the Public Broadcasting Service, but also in helping every local public television station do a better job in its own community by giving it additional Federal support in dollars and in better programs. I urge its passage.

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 6461—the Public Broadcasting Financing Act of 1975. As reported from our committee, the bill provided not only authorizations but also appropriations for the Corporation for Public Broadcasting for the fiscal years 1976 through 1980. This was in accord with recommendations of the administration and the public broadcasting community generally. This has presented some unique problems which I would like to address myself to before discussing the bill itself.

Perhaps the best way to do this would be to sketch the background of the bill.

When the Public Broadcasting Act of 1967, which established the Corporation for Public Broadcasting, was enacted it provided only temporary funding for the Corporation. Almost from the day President Johnson signed the Public Broadcasting Act the problem of financing public broadcasting has been under study. In the fall of 1973 the public broadcasting community reported its recommendations on funding the Corporation. In the main these were adopted in legislation recommended to the Congress by the Nixon administration in 1974. Our committee had no opportunity to consider that legislation last year, and it was resubmitted early this year by the Ford administration.

The principal feature of that legislation was an automatic authorization and appropriation based on the amount of funds received from non-Federal sources for the support of public broadcasting. These automatic authorizations and appropriations would have been provided in the legislation for 5 fiscal years. Underlying the legislation was the philosophy that the spirit of the first amendment requires that public broadcasting, involving as it does the communication of ideas and attitudes, should to the maximum possible extent be insulated from the budget and appropriation processes.

The Subcommittee on Communications under its chairman, Mr. MACDONALD of Massachusetts, held 5 days of intensive hearings on the legislation. It then reported a clean bill to the full committee by a unanimous voice vote. This new bill also adopted the concept of automatic authorizations and appropriations based on non-Federal support of public broadcasting.

The full committee then reported that bill to the House by a unanimous voice vote.

Mr. Chairman, let me make clear as does our committee report on the legislation, that from the beginning our committee has recognized that the appropriations provision in the legislation fall within the jurisdiction of the Appropriations Committee.

Thus, when H.R. 6461 was reported from our committee it was sequentially referred to the Appropriations Committee under the new rules adopted at the beginning of this Congress.

As most Members probably know, Mr. Chairman, the Appropriations Committee adversely reported on the legislation because of the automatic appropriations contained in it. It is my understanding that at the appropriate time when the bill is being considered under the 5-minute procedure the gentleman from Pennsylvania (Mr. FLOOD), the chairman of the Labor-HEW Subcommittee of the Appropriations Committee, will make a point of order against lines 3 through 25 on page 3 of the reported bill. This is the portion of the bill containing the appropriation language. I should note that it contains more than appropriations language to which I will address myself in a moment. But first I would like to inform the Members that we do not intend to contest the point of order.

As I indicated a moment ago, Mr. Chairman, the language which will be stricken by the point of order includes some language, not appropriations language, which must be restored in order to make the legislation workable. In addition, a committee amendment offered by Mr. BROWN of Ohio, a member of the Commerce Committee was adopted in committee to the portion of the bill which will be stricken by the point of order. The amendment is printed in italic type in lines 10 through 14 on page 3 of the reported bill.

It is my understanding that from a parliamentary point of view the most expeditious way of dealing with the situation would be, once the point of order is sustained, to defeat the committee amendment. Immediately after that the gentleman from Massachusetts (Mr. MACDONALD) will offer a technical amendment restoring the necessary, nonappropriation language and the Brown amendment to the bill. I trust that the amendment will be adopted without difficulty since it is entirely technical in nature.

Insofar as the legislation itself is concerned, Mr. Chairman, I shall be brief. As I have already stated the basic concept embodied in the bill is endorsed by the administration and the public broadcasting community generally.

In summary, the bill would:

First. Authorize not more than $634 million for the 5 fiscal years 1976 through 1980 for the Corporation and public broadcasting generally.

Second. Provide that the actual authorization for each fiscal year will be based on non-Federal financial support of public broadcasting, with the authorization for each of the first 3 fiscal years, 1976, 1977, and 1978, based on $1 of authorization for every $2.50 of non-Federal financial support in the second preceding fiscal year and for fiscal years 1979 and 1980 based on $1 of authorization for every $3 of non-Federal financial support in the second preceding fiscal year.

Third. Require that, of the amounts appropriated to the CPB, from 40 to 50 percent be distributed directly to noncommercial educational broadcasting stations for their programing, operation, and maintenance.

Fourth. Require that a significant portion of the funds appropriated to the CPB and distributed to the stations be utilized for the development and dissemination of instructional programing.

Fifth. Authorize the Corporation to engage in the development and use of nonbroadcast communications technologies such as CATV and communications satellites for the distribution and dissemination of educational radio and television programs.

Mr. Chairman, the people of the United States are just beginning to realize the promise of public broadcasting. Today nearly 80 percent of our population are within the range of our 254 public television stations. The 176 full-service public radio stations can be received by nearly 62 percent of the American public.

Public television provided gavel to gavel coverage of our Judiciary Committee's impeachment hearings. Other congressional hearings of major interest are broadcast live by public radio and television, an important service to the American people.

Series such as "Sesame Street," "The Electric Company," "Feeling Good," "Nova," and "Washington Week in Review," inform and educate as they entertain. Two weeks ago a program called "The Incredible Machine" produced through the initiative of the National Geographic Society and vividly describing various organs of the human body and their functioning established new audience records for public broadcasting throughout the country. The American people support public broadcasting, Mr. Chairman, and are being educated and informed by it in growing numbers.

I could go on and on, Mr. Chairman, but in the interest of time I will not. Let me close by stating that I strongly endorse the legislation as I expect it to be changed by the point of order from the Appropriations Committee. I trust that it will be supported by an overwhelming vote of the Members of the House.

Mr. SYMMS. Mr. Chairman, H.R. 6461, public broadcasting financing, establishes a 5-year Federal financing plan for the Corporation for Public Broadcasting—CPB—and assures a reasonable portion of CPB funds for instructional programing. Funding is to be $634 million over a 5-year period, fiscal year 1976–80.

The CPB is the organization to which Joe Coors was nominated to the Board and rejected by the other body. The Board of the CPB is overwhelmingly dominated by those identified with the liberal left. Many of the groups represented on the Advisory Council of the CPB testified against the Coors nomination. The CPB is governed by a Board and an Advisory Council which, for all practical purposes, contain no representative of the limited government free enterprise point of view. Consequently, the criteria for "acceptable" programing by the CPB cannot possibly be anything but biased and is therefore not deserving of taxpayer support.

Mr. ROSTENKOWSKI. Mr. Chairman, public television today is a vital, robust part of America's communications resources.

A glance at the new program schedule of station WTTW, Channel 11, Chicago television—WTTW Chicago—provides an indication of the kind of responsive, alternative service stations around the country are providing.

For national distribution via the Public Broadcasting Service, WTTW produces such important programs as Book Beat and the popular contemporary music series, Soundstage. But national programing is only a part of the story of public television. WTTW, for instance, this year is offering locally such important services as a 5-hour, live special on the Chicago hearings of the Joint Economic Committee on jobs and prices; a collegiate debate on the future of the Central Intelligence Agency; a documentary on the evolving world of mental health education; an analysis of the new foreign and domestic automobiles; a documentary portrait of artist Jean Monet; a special on the Chicago Film Festival; a pilot series profiling black businessmen; an ongoing Public Newscenter series; and even an educational series for parents illustrating how everyday situations can be used as practical learning experiences.

The level of public acceptance to WTTW and its sister stations continues to grow. As recently reported by WTTW Vice President and General Manager William J. McCarter:

> In Chicago, community investment in Chicago public television is reaching record numbers. Viewers in almost 120,000 homes are now viewer/subscribers to the Chicago public television service, up from 21,000 three years ago. We reached many new viewers this year, being selected in more than 1,330,000 homes three years ago.

Obviously, not all public stations can claim records as impressive as this. I would, however, submit that WTTW's dedication to improving its service and making that service available to all segments of the viewing audience is indicative of the commitment characteristic of public television stations nationwide.

Public television needs our continued support. The legislation we are now considering, H.R. 6461—the Public Broadcasting Financing Act of 1975—would provide substantial assistance, long-term security for the medium and the incentive for it to reach out to its viewers even more diligently. I urge its favorable consideration.

Mr. MANN. Mr. Chairman. It is my understanding that the intent of the bill is to increase local stations' flexibility in the use of such Federal funds as they receive. Is it then also the bill's intent to include private, and State and local government contributions for nonbroadcast educational programming—such as cable and closed-circuit systems—in determining the amount of Federal moneys to be distributed by the Corporation for Public Broadcasting to local stations? In other words, would these amounts qualify as non-Federal financial support?

Mr. CEDERBERG. Mr. Chairman, while a lot of the publicity for public television speaks about the childrens' and cultural programs, there is still a lot of "education" left in what many still call "educational television." In Michigan, in cooperation with Michigan State University, the public TV stations will be bringing college credit courses by TV to most of the State's areas. This story in the Alma Record-Leader indicates just how much public or educational TV can do for colleges in Michigan.

The Public Broadcasting Financing Act, which our Appropriations Committee has studied carefully, will give major assistance to this kind of public TV service throughout the Nation. I support this legislation precisely because it can give us this invaluable help to education.

The article referred to follows:

[From the Alma, (Mich.) Record-Leader, Sept. 2, 1975]

MSU WILL OFFER TV COURSES

Most Michigan residents will be able to study college courses in their homes this fall as more public stations, colleges and universities cooperate in instruction via television.

And the students will have more options in their involvement. Michigan State University will introduce a new noncredit choice and the study materials are available in two sets, one to earn credit with two-year colleges or the other for four-year institutions.

Casual viewing of the telecourses, The Ascent of Man and The Classic Theatre: The Humanities in Drama, will be possible almost everywhere in Michigan as they will be carried by eight Public Broadcasting Service stations and many cable systems.

These stations are Michigan State University's WKAR–TV, Central Michigan University's WCMU–TV and its northern lower Michigan satellite WCML–TV-Grand Valley State Colleges' WGVC-TV, Northern Michigan University's WNPB, WTVS in Detroit and WNIT-TV in South Bend, Ind.

Most students desiring college credits can register with a two-year or four-year institution near their homes. If not, they can register with Michigan State University's University of the Air.

MSU offers two noncredit registration options. Anyone can enhance casual viewing of the lessons by registering at $10 per telecourse to receive the course outline and bibliography. This plan also allows them to purchase needed texts from the MSU bookstore, attend class discussion sessions as visitors and take the final examination without evaluation.

Student requests for evaluation of their study without college credit involvement led to the new MSU noncredit option. Students registering at $25 per telecourse have their examinations graded on a pass-fail basis and can earn two Continuing Education Units for successful completion of a course.

MSU's Continuing Education Service awards the Continuing Education Unit (CEU), a nationally accepted measure for participation in organized continuing education experiences under responsible sponsorship, capable direction and qualified instruction. It also records an individual's CEU accumulations for proof of personal development or professional advancement.

Credit course requirements may vary with the institutions. Registrants with MSU's University of the Air can earn three term credits per course. They must pay off-campus fees, $26.50 per credit, and pass the final examination. Optional instructional contact includes two Saturday morning discussion sessions and telephone conferences with the resident MSU professor.

Viewing the lessons will be eased by the stations repeating segments. WKAR–TV will offer The Ascent of Man 9–10 p.m. Tuesdays starting September 23 with repeats at noon Wednesdays and 10 p.m. Sundays. Its 30 minute previews for The Classic Theatre will be at 6:30 p.m. Wednesdays starting Sept. 24 with repeats at 8:30 p.m. Thursdays and the two-hour play performances will start at 9 p.m. Thursdays and 9 p.m. Saturdays.

The late Dr. Jacob Bronowski based The Ascent of Man telecourse on his best-selling book and served as on camera guide for the lessons tracing mankind's evolution from the scientific-humanist aspect.

Dr. Lawrence Krupka will serve again as the MSU faculty coordinator for this repeat of the course which drew 22,000 registrations for some 250 institutions last spring.

The Classic Theatre telecourse for which Dr. Lowell Fiet will be the MSU faculty coordinator was created by the University of California-San Diego. Its 13 plays range from "Macbeth" and "Candide" to "The Playboy of the Western World" and "The Three Sisters."

Mr. LEGGETT. Mr. Chairman, I rise in support of H.R. 6461, which would provide funds for the operation of the Corporation for Public Broadcasting over the next 5 years. As reported by the Commerce Committee, the bill would both authorize and approprite funds for CPB. The inclusion of appropriations in what is essentially an authorization bill has, of course, aroused controversy, and I understand that agreement has been reached to remove from the bill the provisions appropriating funds for CPB.

I believe it is clear to most of us that public broadcasting has come of age and now enjoys a broad base of support among the public. Just a few years ago the situation looked very different. As Hartford N. Guinn, Jr., president of CPB, said when he visited Sacramento recently, the pressures mounted by the Nixon administration to control programing and cut funding for the system appeared insurmountable.

Surprising as it may seem, this may be one area in which the Watergate affair actually did us some good. The attacks of Nixon, Agnew, and their Watergate friends put PBS on the map. They made what PBS was doing seem important to the public, and the system was able to pass the gauntlet. CBS President Gunn believes that, if there had been no Watergate, public broadcasting would not have survived as a meaningful entity.

With the system clearly now well established, it is time that we in the Congress exercise the leadership role for which we are elected and put PBS on a sound and continuing financial footing. The way to protect the system from abuses of the sort committed by the Watergate crew is to provide for a long-term mandate and financing which would enable public broadcasters to function independently of the vicissitudes of partisan politics.

The bill reported by the Commerce Committee would have done just that—providing PBS the independence needed to protect it from political pressures. At the same time, I can understand the concerns being raised by our friend on appropriations. The question is whether public broadcasting is sufficiently unique to warrant different Federal financial arrangements than other activities. I think a good case can be made for that proposition. I can see, however, that a case can also be made for the notion that many Federal activities appear unique, but all should compete in a similar manner for access to Federal funds. Thus I am prepared to accept the scaled down version of the bill which is limited to fund authorization.

I am hopeful that the Committee on Appropriations will, as is indicated in its report on H.R. 6461, proceed to report a 3-year appropriation for PBS promptly on the enactment of this bill. On that basis I urge my colleagues to support the bill as modified.

Mr. MURPHY of New York. Mr. Chairman, since 1967, we in the Congress have made great demands on public broadcasting. At various times, we have implored it to be vigorous, aggressive, penetrating, cautious, decentralized, specialized, low-key, stylish, and independent. We have cautioned it to refrain from broadcasting too many BBC plays, and have warned it not to invite question of its noncommercial status by encouraging contributions from businesses and corporations. We have demanded of it internal tranquility, devoid of political interference. We have expected it to supply our citizens with quality educational and instructional programing that many are incapable of receiving in the classroom. We have advised it to shy away from seeking out the mass audience and, therefore, duplicating its commercial counterparts. And we have wondered why, in many cities, its stations lack the transmission power to reach much of their potential audiences.

Despite it all, public television continues to survive, although it would be inappropriate to classify it as a thriving medium. If we find fault with public broadcasting, we must also find fault with the unsatisfactory manner in which we have given in our support. In the 8 years since the Congress passed the Public Broadcasting Act, the Federal tax support we have rendered the medium the one ingredient necessary to assist public broadcasting in realizing its own potential—leadtime.

For public broadcasting to produce the kind of high-quality, domestic, innovative programing, we expect of it with any degree of consistency, it must be guaranteed of a predictable financial base. Knowing sufficiently in advance the level of funding it can depend upon in the coming year, public broadcasting will have the ability to plan ahead, to devote the time, energy—and money—necessary to deliver the quality merchandise everyone covets.

Public broadcasting is not expecting a free ride from the Federal Government. Under the legislation we consider here today, H.R. 6461, the medium would be required to match every Federal dollar appropriated to it with up to $3 acquired from other sources. Thus, public broadcasting would be forced to reach out in all of its communities for financial support from a multiplicity of institutions. It would have to sell itself, completely, to the American people, to prove that it is deserving of their support. It is a difficult challenge, but one that public broadcasting seeks and, candidly, one I believe is long overdue.

Public broadcasting, despite its difficulties, continues to improve its record each year. I often hear verification of that fact from constituents who have taken the time to write me and applaud the efforts of New York City's three public television stations—WNET, WNYC, and WYNE. Theirs is not an easy lot, given the constant struggle to gain financial support for their operations, their efforts to deliver responsive, diverse programing to the community, their vulnerability to criticism—much of it unjustified—from a spectrum of detractors. They nevertheless succeed—and succeed admirably well, given the limitations.

Public broadcasting needs and deserves the encouragement and support of the Congress. The passage of H.R. 6461 would provide such a testimonial.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I have no further requests for time.

Mr. FREY. Mr. Chairman, we have no further requests for time on this side.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Financing Act of 1975".

SEC. 2. Subsection 396(k) of the Communications Act of 1934 is amended by inserting, after paragraph (2), the following paragraphs:

"(3) There is hereby established in the Treasury a fund which shall be known as the 'Public Broadcasting Fund,' administered by the Secretary of the Treasury. There are authorized to be appropriated to such fund for each of the fiscal years during the period beginning July 1, 1975, and ending September 30, 1978, an amount equal to 40 per centum of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, for the period July 1, 1976, through September 30, 1976, an amount equal to 10 per centum of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year ending June 30, 1975, and for each of the two fiscal years ending during the period beginning October 1, 1978, and ending September 30, 1980, an amount equal to 33⅓ per centum of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year; except that the amount so appropriated shall not exceed $88,000,000 for the fiscal year ending June 30, 1976; $22,000,000 for the period July 1, 1976, through September 30, 1976; $103,000,000 for the fiscal year ending September 30, 1977; $121,000,000 for the fiscal year ending September 30, 1978; $140,000,000 for the fiscal year ending September 30, 1979; and $160,000,000 for the fiscal year ending September 30, 1980.

"(4) There are hereby appropriated to the Public Broadcasting Fund, out of any moneys in the Treasury not otherwise appropriated, for each of the fiscal years during the period beginning July 1, 1975, and ending September 30, 1980, and for the period July 1, 1976, through September 30, 1976, such amounts as are authorized to be appropriated by paragraph (3) of this subsection, which shall remain available until expended. Such funds shall be used solely for the expenses of the Corporation. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during each of the fiscal years indicated in paragraph (3) of this subsection for the purpose of determining the amount of each authorization, and shall certify such amount to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall disburse from the Public Broadcasting Fund the amount appropriated to the fund for each of the fiscal years and for the period July 1, 1976, through September 30, 1976, pursuant to the provisions of this subsection.

"(5) The Corporation shall reserve for distribution among the licensees and permittees of noncommercial educational broadcasting stations that are on the air an amount equal to not less than 40 per centum of the funds disbursed to the Corporation from the Public Broadcasting Fund during the period July 1, 1975, through September 30, 1976, and in each fiscal year in which the amount disbursed is $88,000,000 or more, but less than $121,000,000; not less than 45 per centum in each fiscal year in which the amount disbursed is $121,000,000 or more, but less than $160,000,000; and not less than 50 per centum in each fiscal year in which the amount disbursed is $160,000,000.

"(6) The Corporation shall, after consultation with licensees and permittees of noncommercial educational broadcast stations that are on-the-air, establish, and review annually, criteria and conditions regarding the distribution of funds reserved pursuant to paragraph (5) of this subsection, as set forth below:

"(A) The total amount of funds shall be divided into two portions, one to be distributed among radio stations, and one to be distributed among television stations. The Corporation shall make a basic grant from the portion reserved for television stations to each licensee and permittee of a noncommercial educational television station that is on-the-air. The balance of the portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in noncommercial educational broadcasting, and on the basis of a formula designed to—

"(i) provide for the financial need and requirements of stations in relation to the communities and audiences such stations undertake to serve;

"maintain existing, and stimulate new, sources of non-Federal financial support for stations by providing incentives for increases in such support; and

"(iii) assure that each eligible licensee and permittee of a noncommercial educational radio station receives a basic grant.

"(B) No distribution of funds pursuant to this subsection shall exceed, in any fiscal year, one-half of a licensee's or permittee's total non-Federal financial support during the fiscal year second preceding the fiscal year in which such distribution is made.

"(7) Funds distributed pursuant to this subsection may be used at the discretion of stations for purposes related to the provision of educational television and radio programing, including but not limited to the following: producing, acquiring, broadcasting, or otherwise disseminating educational television or radio programs; procuring national or regional program distribution services that make educational television or radio programs available for broadcast or other dissemination at times chosen by stations; acquiring, replacing, and maintaining facilities, and real property used with facilities, for the production, broadcast, or other dissemination of educational television and radio programs; developing and using nonbroadcast communications technologies for educational television or radio programing purposes.".

SEC. 3. Subsection 396(g)(2)(H) of the Communications Act of 1934 is amended by deleting the period after the word "broadcasting" and inserting the following: "and the use of nonbroadcast communications technologies for the dissemination of educational television or radio programs.".

SEC. 4. Subsection 396(1) of the Communications Act of 1934 is amended by inserting at the end thereof the following sentence: "The officers and directors of the Corporation shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to subsection 396(1), or any other matter which any such committee may determine.".

SEC. 5. Section 397 of the Communications Act of 1934 is amended by inserting, after paragraph (9), the following paragraphs:

"(10 The term 'non-Federal financial support' means the total value of cash and the fair market value of property and services (except for personal services of volunteers) received—

"(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations, or for the production, acquisition, distribution, or dissemination of educational television or radio programs, and related activities, from any source other than (i) the United States or any agency or establishment thereof, or (ii) any public broadcasting entity; or

"(B) as gifts, grants, donations, contributions, or payments from any State, any agency or political subdivision of a State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution or dissemination of educational television or radio programs, or payments in exchange for services or materials respecting the provision of educational or instructional television or radio programs.

"(1) The term 'public broadcasting entity' means the Corporation, any licensee or permittee of a noncommercial educational broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution or dissemination of television and radio programs.".

Mr. MACDONALD of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

POINT OF ORDER

Mr. FLOOD. Mr. Chairman, I make a point of order against the paragraph in the bill beginning on line 3 of page 3 and continuing through line 25 of page 3. This paragraph contains appropriations for fiscal years 1976 through 1980.

The Committee on Appropriations believes that this language is clearly in violation of clause 5 of rule XXI, the pertinent portion of which reads as follows:

> "No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations . . .".

The Commerce Committee has reported this bill containing appropriations. It is clear, of course, that the Commerce Committee has no jurisdiction to report appropriations.

Under the bill referral procedures adopted by the House last year, the bill was sequentially referred by the Speaker to the Appropriations Committee after it was originally reported from the Commerce Committee. This was done to enable the Appropriations Committee to consider that part of the bill containing appropriations.

The committee considered this bill very carefully and reported it adversely with the recommendation that it do not pass unless the appropriation language is stricken from the bill.

The legislative history of the Committee Reform Amendments of 1974, which established the new bill referral procedure, clearly indicates that the new system was devised to resolve jurisdictional conflicts between legislative committees. The House never intended that the new referral procedure be used to allow legislative committees to report bills containing appropriations, have them referred to the Appropriations Committee for review, and then take them to the floor and pass them. Such a procedure would make a mockery of the normal appropriations process and would render meaningless clause 5 of rule XXI.

Further, Mr. Chairman, last year the Congress passed the Congressional Budget and Impoundment Control Act of 1974. The legislative history of that act makes it abundantly clear that the Congress was attempting to curtail the use of backdoor spending. By backdoor spending, I am referring, of course, to bypassing the appropriations process and appropriating money in a legislative bill.

For these reasons, Mr. Chairman, we believe that the appropriations in this bill are not in order, and that the paragraph containing them must be stricken from the bill. I urge that the point of order be sustained.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. MACDONALD of Massachusetts. Mr. Chairman, I accept the point of order.

The CHAIRMAN. Is there further comment on the point of order? If not, the point of order is conceded and sustained.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 10, after "expended" and before the period insert the following: ", and a significant portion of such funds, including those funds distributed pursuant to paragraph (5) of this subsection, shall be utilized for the development and dissemination of instructional programming."

The committee amendment was rejected.

AMENDMENT OFFERED BY MR. MACDONALD OF MASSACHUSETTS

Mr. MACDONALD of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Macdonald of Massachusetts: On page 3, after line 2, insert the following:

"(4) The funds authorized by this subsection shall be used solely for the expenses of the Corporation. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during each of the fiscal years indicated in paragraph (3) of this subsection for the purpose of determining the amount of each authorization, and shall certify such amount to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall disburse to the Corporation, from such funds as may be appropriated to the Public Broadcasting Fund, the amount authorized for each of the fiscal years and for the period July 1, 1976, through September 30, 1976, pursuant to the provisions of this subsection. A significant portion of such funds, including those funds distributed pursuant to paragraph (5) of this subsection, shall be utilized for the development and dissemination of instructional programming."

Mr. MACDONALD of Massachusetts. Mr. Chairman, I have nothing to say other than I think it has been thoroughly discussed and I urge adoption of the amendment.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentleman from Florida.

Mr. FREY. I thank the gentleman for yielding.

I would just like to say I think it is a good amendment, and one that reflects the compromise. I hope it does the job that is needed to be done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Macdonald).

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I should like to direct a question to the chairman of the committee.

Mr. Chairman, it is my understanding that the intent of the bill is to increase local stations' flexibility in the use of such Federal funds as they receive. Is it then also the bill's intent to include private, and State and local government contributions for nonbroadcast educational programing—such as cable and closed-circuit systems—in determining the amount of Federal moneys to be distributed by the Corporation for Public Broadcasting to local stations? In other words, would these amounts qualify as non-Federal financial support?

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MANN. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. I thank the gentleman for yielding.

Yes.

Mr. MANN. There has been some question about the present practices of nonbroadcast use. I understand this bill will broaden that so as to make that conform to coverage.

Mr. MACDONALD of Massachusetts. The question the gentleman asked me was would the amounts received from the State for nonbroadcast use for educational purposes qualify as non-Federal financial support, and my answer is "yes."

Mr. MANN. I thank the gentleman.

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Stokes: Page 6, immediately after line 9, insert the following new section: Section 3. Subsection 396 (b) of the Communications Act of 1934 is amended by adding at the end thereof the following: "The Corporation shall be subject to the provisions of Title VI, VII and IX of the Civil Rights Act of 1964, in the same manner and to the same extent as Federal departments and agencies and renumber the succeeding sections accordingly.

Page 6, line 10, strike out "Section 3" and insert in lieu thereof "Section 4".

Page 6, line 15, strike out "Section 4" and insert in lieu thereof "Section 5".

Page 6, line 23, strike out "Section 5" and insert in lieu thereof "Section 6".

Mr. BAUMAN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Maryland reserves a point of order.

The gentleman from Ohio (Mr. Stokes) is recognized for 5 minutes in support of his amendment.

Mr. STOKES. Mr. Chairman, this amendment attempts to correct a very serious loophole in the existing law. The existence of the loophole came out during the course of testimony by the Corporation for Public Broadcasting and specifically by Mr. Loomis who was testifying at that time. I was questioning Mr. Loomis regarding the policies of the Corporation as they relate to equal employment opportunities and employment practices. This was based on the report from the committee chaired by the gentleman from Massachusetts (Mr. Macdonald), and in talking to Mr. Loomis I cited from the committee report. The report said:

> While a serious effort is being made by most public broadcasting entities with respect to providing equal employment opportunities in professional and policymaking positions for members of minority groups and women, the Committee feels that much more remains to be done and should be done as soon as possible.

During the time that the Chairman of the subcommittee testified before our committee he reiterated the fact that his commtitee spent a great deal of time attempting to question the Public Broadcasting people about their policies in this vein and he had urged them to do much more.

When I questioned Mr. Loomis as to why they were not doing more, we were told at that time that because they are a nonprofit corporation and because they are insulated under the first amendment to the Constitution, the Federal funds which go to his corporation, once they are received by the corporation, are no longer Federal funds and they have no responsibility to comply with title VI of the law.

Let me cite from that section and the testimony by Mr. Loomis so we know exactly what we are saying.

> Mr. Stokes. But are they acquiring Federal funds through you?
>
> Mr. Loomis. No, sir.
>
> The purpose of the Corporation being established was so that it could receive appropriated funds. The funds that we distribute legally are considered non-Federal funds. That is the part, the essential part of the insulation of programing from the Federal Government. And as we have stated previously, first the Carnegie Commission and then the Public Broadcasting Act said there were two necessary things for insulation. One was the establishment of a nonprofit private corporation.
>
> The second was the insulated funding. The law only did the first, hence the Corporation is in existence and that is the reason the law specifically states that we are not an agency or establishment of the Government.
>
> Mr. Stokes. But in that same vein if I understand you correctly, as the recipient of Federal funds, once the funds are acquired by you, for purposes thereafter, they are no longer considered to be Federal funds?
>
> Mr. Loomis. That is correct.

I brought this to the attention of the gentleman from Massachusetts (Mr. MACDONALD) when he appeared before the committee and he indicated that there was a serious loophole in that law and the loophole ought to be plugged.

I am attempting by this amendment to plug that loophole.

I have never heard of Federal funds once they are Federal funds not being considered as Federal funds once they are received by a corporation. Therefore, the provisions of titles VI, VII, and IX of the Civil Rights Act of 1964 certainly ought to be applied to these funds.

The CHAIRMAN. Does the gentleman from Maryland insist on his point of order?

Mr. BAUMAN. Mr. Chairman, I still reserve my point of order.

The CHAIRMAN. The gentleman from Massachusetts (Mr. MACDONALD) is recognized.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I rise reluctantly to oppose the amendment. I oppose this amendment for two reasons, one major and one minor.

Mr. Chairman, the minor one is that I never saw the amendment until a few minutes ago, which does not give us very much time to consider it.

I understand the gentleman from Ohio (Mr. STOKES) in this matter and his interest is legitimate. I have reviewed the matter with many people during the hearings and I have received promises in return; however, each time they have asked that I not include such amendments in the legislation that would set a precedent for interfering directly with the decision-making process of public broadcasters.

I understand that title VI to which the gentleman from Ohio (Mr. STOKES), made reference has already been reviewed by the Justice Department and also that title VI is applicable to local stations.

So I feel this is neither the time nor the place for dealing with this important matter. I urge defeat of the amendment.

Before I conclude, I would like to read from a letter sent to me by the Chairman of the Corporation for Public Broadcasting, Mr. Robert S. Benjamin of New York.

He says that as a private, nonprofit District of Columbia corporation and pursuant to the Public Broadcasting Act, CPB is not a Government department or agency (47 U.S. Code 396(b)). Notwithstanding the fact that certain titles in the Civil Rights Act do not on their terms apply to CPB, the CPB Board has adopted a comprehensive "Policy on Equal Opportunity and CPB Assistance."

I would like to point out that the gentlewoman from New York (Ms. ABZUG) gave some figures that I do not believe are correct.

For the year 1974 the total employment of minority groups is 10.7 percent and of women, 28.9 percent.

Among the professional and technical employees, 8.9 percent are minorities and 19 percent are women; 3.3 percent of upper management is comprised, according to this table, of minority people and 6.8 percent of women. Other professional and technical employees include 10.3 percent minority persons and 21.4 percent women.

Among nonprofessional workers, 20.9 percent are minorities and 83.2 percent are women.

The remarks of the gentleman from Ohio (Mr. STOKES) are most worthy of our consideration. He did ask a question and I have answered it in the manner which I indicated.

I have seen in the RECORD what Mr. Loomis said. I happen to disagree with what Mr. Loomis said, and I think it was a very poor statement coming from a witness. But, one witness does not make a bill, and I think he misinterpreted the law and so passed on this misinterpretation to the gentleman from Ohio (Mr. STOKES).

I still urge, however, that this amendment not be adopted at this time.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(On request of Mr. FREY and by unanimous consent Mr. MACDONALD of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I am happy to yield.

Mr. FREY. Mr. Chairman, I would just like to agree with the chairman. I am not certain of the effect of this if it goes through. I wish we had seen its provisions before this. I am sure, however, that we did have 6 days of hearings and this did not come up. We would be delighted to have hearings and we would ask anybody who wishes to appear and look at the full ramifications and total effect of this. This is obviously something that could be quite detrimental or quite helpful, depending upon how it comes out. I am in sympathy with what they are trying to do. I think they might have a way to do this and we could do it and solve some of the problems.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, were hearings not held on this issue? Was that not the gentleman's statement?

Mr. MACDONALD of Massachusetts. Not directly on this.

Ms. ABZUG. The gentleman had no testimony in his hearings on this question?

Mr. MACDONALD of Massachusetts. It touched upon it.

Ms. ABZUG. Did the gentleman have testimony from organizations representing NOW and minority groups on the question of representation?

Mr. MACDONALD of Massachusetts. To the best of my knowledge no direct testimony was given to our committee on this subject.

Mr. ECKHARDT. Mr. Chairman, I move to strike the last word, and rise to speak in favor of the amendment.

Mr. Chairman, I speak in favor of the amendment, and yet I do not believe that I am in disagreement, except in his final conclusion, with the chairman of the subcommittee. I agree with the chairman of the subcommittee that the act probably now includes the agency under the Civil Rights Act, as the Justice Department seems to say, but it is also true, as the gentleman from Massachusetts has said, that Mr. Loomis probably misspoke in saying that it does not, in answering the question of the gentleman from Ohio (Mr. STOKES).

It seems to me as plain as day that section 6 of the Civil Rights Act applies to any body receiving Federal financial assistance. It states:

> No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefit of or be subject to discrimination on any program or activity receiving Federal financial assistance.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Massachusetts, the distinguished chairman of the subcommittee.

Mr. MACDONALD of Massachusetts. Of course, I agree with that 100 percent. I voted for the ERA and all the civil rights bills. These were important pieces of legislation. That is not the reason for my objection. I have stated my objections.

Mr. ECKHARDT. I understand quite well, and I think I do not really disagree with the chairman. I also have before me a letter to Mr. Thomas G. Gherardi from J. Stanley Pottinger, Attorney General, Civil Rights Division, in which he says:

> The Civil Rights Division is of the opinion that Title VI coverage extends to all programs and activities receiving federal financial assistance regardless of the vehicle used to distribute that assistance.

Therefore the Justice Department seems to agree with both of us.

So the Public Broadcasting Corporation may not escape the reach of the Civil Rights Act, by merely stating that it is private in nature and not public.

Yet when the gentleman from Ohio (Mr. STOKES) said to Mr. Loomis:

> But in that same vein if I understand you correctly, as the recipient of Federal funds, once the funds are acquired by you, for purposes thereafter, they are no longer considered to be Federal funds?

Mr. Loomis said: "That is correct."

If the head of the agency does not agree with the Justice Department, if he insists he is not covered by language which seems plainly to cover him, I think we ought to say here that he is covered. And that is all I understand the Stokes amendment does.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. I thank the gentleman for yielding. Unfortunately, it goes further than that. I have already said that I think Mr. Loomis was incorrect in his statement before the subcommittee. I am not going to say it was untruthful, but it did not reflect the actual state of affairs.

Mr. ECKHARDT. I may be mistaken in my construction as to what the amendment does further than that, but I am not convinced it does anything further than that. I hope it does not go further, and perhaps we may make some legislative history in favor of my construction of it here on the floor.

It is true, of course, that certain grantees also receive Federal funds. But it would seem to me that the grantee is directly covered and directly made responsible to comply with title VI by virtue of existing law. And I would not assume that the Stokes amendment purports to do anything more than to require that the corporation itself be subject to the act, and I would not think that the amendment would require the corporation to assume any greater duty than it now has with respect to funds going to the grantees.

Mr. MACDONALD of Massachusetts. If the gentleman will yield further, I would like to say that the corporation does think it would have to become a supervisor of the licensees under such an agreement. This is their feeling. Otherwise, I think the gentleman from Texas and I agree 100 percent, and everything the gentleman says buttresses my position, frankly.

I just think it is a matter of such importance that it should not be debated before a handful of Members here on the floor of the House, even by the proponents. The place to have it discussed would be before a committee, my committee, the committee that handles this matter.

Mr. ECKHARDT. If the distinguished chairman of the subcommittee will yield back to me, I might say that the agency might be a second time incorrect that it had any additional responsibility with reference to enforcing the right of the grantees.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. Macdonald of Massachusetts, and by unanimous consent, Mr. Eckhardt was allowed to proceed for 1 additional minute.)

Mr. MACDONALD of Massachusetts. If the gentleman will yield further, I would like to say—and I cannot go any further at this point without consultation with other members of the subcommittee—that I personally guarantee that I will hold hearings on this very matter to explore it, in all of its ramifications. We cannot do justice to it here with a handful of Members of the Congress debating something that just came up within the last very few minutes.

Mr. ECKHARDT. May I say, in conclusion, that it seems to me that the responsibility of the grantee stems from the same act as the responsibility of the Corporation itself. It does not seem to me that this amendment, in any way, alters the responsibility of the Public Broadcasting Corporation.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. I thank the gentleman for yielding. I fully understand this reasoning, but I would still like to ask why put in an amendment now when we have not had an opportunity to study it more fully?

I have offered to explore this entire issue in front of our committee as soon as I can get the committee together for this purpose.

Mr. ECKHARDT. And I point out that the Corporation does not agree with the Justice Department.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the author of the amendment, the gentleman from Ohio (Mr. Stokes) a question.

As I understand it, titles VI, VII, and IX of the Civil Rights Act applies presently under the law to other Federal agencies; is that correct?

Mr. STOKES. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. ROUSSELOT. What is wrong with having these sections of the civil rights law apply to the public broadcasting corporation? I do not understand why this should not be applied to the PBC.

Mr. STOKES. Mr. Chairman, the best way I can answer the gentleman's question is to make reference to page 184 of the hearings, which shows the conversation between Mr. Loomis and myself in which he said this: that the funds that we distribute legally are considered non-Federal funds. It is his contention that it was set up as a private corporation and by virtue of that, the fact that they received Federal funds, they are not considered to be a Federal agency, and that the Federal law under titles VI, VII and IX would not then apply to them as they relate to Federal funds.

Mr. ROUSSELOT. There are clearly Federal funds in this bill, are there not?

Mr. STOKES. Yes, there are. That is why I went further then and asked the gentleman if he was saying this, and on the same page I asked this:

> But in that same vein if I understand you correctly, as the receipt of Federal funds, once the funds are acquired by you, for purposes thereafter, they are no longer considered to be Federal funds?

Mr. Loomis said: "That is correct."

Mr. ROUSSELOT. Mr. Chairman, I think the gentleman's amendment is correct. On the basis that we apply it to one Federal agency or to activities funded by Federal financing. We ought to apply it to all equally.

Mr. STOKES. Mr. Chairman, I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I think the gentleman's amendment is well considered. It is a fairness amendment, and I think the gentleman is to be complimented for offering it.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentueman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Chairman, the law of the land is the law of the land no matter what a witness says to a Member of Congress. He might state an absolute untruth.

Mr. ROUSSELOT. Mr. Chairman, let me ask the gentleman a question.

Did the gentleman support the 1964 Civil Rights Act?

Mr. MACDONALD of Massachusetts. Yes.

Mr. ROUSSELOT. Does the gentleman support it now?

Mr. MACDONALD of Massachusetts. Yes.

Mr. ROUSSELOT. Then why does the gentleman not accept the amendment?

Mr. MACDONALD of Massachusetts. Because I have already supported it. Why should we do it again?

Mr. ROUSSELOT. Then the gentleman does accept the idea of fairness behind the amendment?

Mr. MACDONALD of Massachusetts. We have also the fact that this amendment takes in some things that the letter from the Department of Justice did not cover, and that, I believe, is mainly title VII and title IX.

Mr. ROUSSELOT. Then basically the gentleman does accept conceptually the amendment offered by the gentleman from Ohio (Mr. Stokes)?

Mr. MACDONALD of Massachusetts. I have said that ad nauseum.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wanted to take a few minutes of time to make a point that I think has not been made very clear thus far. It is true that the amendment offered by the regulation from Ohio (Mr. Stokes) was not the subject of the hearings, but the issue that it covers was the subject of hearings and of a lot of testimony.

It seems clear to me that the sections of the statute that were referred to by the gentleman from Ohio (Mr. Stokes) in his amendment and discussed by the chairman of the committee and by the gentleman from Texas (Mr. Eckhardt) quite clearly cover this situation, because it is a situation in which we have programs and activities which receive Federal financial assistance.

I believe that the courts in their decisions thus far have held that vehicles such as the Corporation would be subject to title VI in the distribution of Federal funds. Therefore, what the gentleman from Ohio (Mr. Stokes) is doing is putting existing law into this bill before us, because there has been a laxity on the part of the Corporation in fulfilling its responsibilities in the area of civil rights.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. Yes; I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Would the gentlewoman in the well give us some specifics as to where there is laxity in this bill?

Ms. ABZUG. Yes; I would be glad to.

I appreciate the gentleman's statistics, but the fact is that the gentleman stood in this well and said that we do have representation of women and minorities, even though it is incorporated in 1 person on the Corporation board out of 10.

I do not have to stand here and tell the gentleman from Massachusetts that that is not representation.

Mr. ECKHARDT. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. Yes, I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think that there is one thing that ought to be clarified here, and that is that this amendment, if the chairman is correct, does not change the law, but it settles what seems to be a dispute in the executive department, the man who is supposed to comply with the law. Does the gentlewoman understand it that way?

Ms. ABZUG. That is exactly right.

Mr. ECKHARDT. Therefore, why do we not tell him that that is the way it is?

Ms. ABZUG. Exactly.

Mr. ECKHARDT. We can do it. If the distinguished gentleman from Massachusetts (Mr. MACDONALD), the chairman of the subcommittee, feels that this has further ramifications, I do not think any of us want to give it any further ramifications. It can certainly be corrected in conference so as to make clear what we are saying.

All we want to do, as I understand it, is to provide that this agency, the public broadcasting agency, conform with the Civil Rights Act, not that it acts for anybody else or does anything else except to use its funds in accordance with the Civil Rights Act. That is all we want, as I understand it.

Ms. ABZUG. That is correct.

Mr. MACDONALD of Massachusetts. Mr. Chairman, would the gentlewoman yield to me again?

Ms. ABZUG. Yes; I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Chairman, I wanted the gentlewoman from New York (Ms. ABZUG) to yield to me for a correction of mine. I am correcting myself, which she should be happy to hear, and that is to say that at the time of the hearings there was just one lady on the board. Now there are three.

Ms. ABZUG. That is very good.

Mr. MACDONALD of Massachusetts. That is pretty good.

Ms. ABZUG. Mr. Chairman, I do not want to take any further time, since the gentleman corrected his statement.

However, I want to read in the record just for a moment the fact that the statistics show that generally—and this is buttressed, I think, by the FCC statistics for public TV stations—minority employment, for example, both in managerial and nonmanagerial positions, has increased only from 2 to 5 percent since 1972.

I indicated earlier the percentage of women who were working. Since 1973 the number of female employees has risen by less than 1 percent. I also indicated earlier that there is an inequity in the salaries of female employees as opposed to the salaries of male employees.

Mr. Chairman, I will not take any further time.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) insist upon his point of order?

Mr. BAUMAN. No, Mr. Chairman, I do not wish to press it. I withdraw the reservation of a point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. STOKES).

The question was taken; and on a division (demanded by Mr. MACDONALD of Massachusetts) there were—ayes 30, noes 7.

So the amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROOKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6461) to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes, pursuant to House Resolution 852, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 26, not voting 71, as follows:

[Roll No. 684]

YEAS—336

Abdnor
Abzug
Adams
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burton, John
Butler
Byron
Carney
Carter
Casey
Cederberg
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—26

Ashbrook
Bauman
Beard, Tenn.
Breaux
Burleson, Tex.
Burlison, Mo.
Clancy
Collins, Tex.
Conlan
Crane
Derwinski
Devine
Dickinson
Hansen
Holt
Ichord
Kelly
Kindness
McDonald
O'Brien
Poage
Rousselot
Shuster
Steiger, Ariz.
Symms
Wiggins

NOT VOTING—71

Addabbo
Alexander
Andrews, N. Dak.
Badillo
Beard, R.I.
Bell
Biaggi
Bolling
Brinkley
Brodhead
Burke, Calif.
Burke, Mass.
Burton, Phillip
Carr
Chappell
Chisholm
Clawson, Del
Cleveland
Danielson
de la Garza
Early
Esch
Eshleman
Fary
Findley
Ford, Tenn.
Fraser
Gilman
Gradison
Harrington
Hawkins
Hefner
Hinshaw
Holland
Jarman
Jeffords
Jordan
Krueger
Litton
Long, La.
McCloskey
McCollister
McCormack
McEwen
Mathis
Metcalfe
Michel
Mikva
Milford
Mosher

Obey
Ottinger
Patman, Tex.
Pattison, N.Y.
Peyser
Quie
Rangel
Rinaldo
Risenhoover
St Germain
Satterfield
Steiger, Wis.
Symington
Teague
Udall
Ullman
Vander Jagt
Walsh
Wydler
Young, Fla.
Young, Ga.

The Clerk announced the following pairs:

Mr. Rangel with Mr. Early.

Mr. Addabbo with Mr. Risenhoover.

Mr. Teague with Mr. Brodhead.

Mr. Patman with Mr. Andrews of North Dakota.

Mr. Chappell with Mr. Cleveland.

Mr. Ottinger with Ms. Jordan.

Mr. Biaggi with Mr. Milford.

Mr. Badillo with Mr. Findley.

Mrs. Chisholm with Mr. Ford of Tennessee.

Mrs. Burke of California with Mr. de la Garza.

Mr. Hawkins with Mr. Carr.

Mr. Symington with Mr. Bell.

Mr. Burke of Massachusetts with Mr. Del Clawson.

Mr. Harrington with Mr. Esch.

Mr. Obey with Mr. Gilman.

Mr. Beard of Rhode Island with Mr. Hefner.

Mr. Young of Georgia with Mr. Gradison.

Mr. Mathis with Mr. Jarman.

Mr. St Germain with Mr. Eshleman.

Mr. Pattison of New York with Mr. McCloskey.

Mr. Ullman with Mr. Hinshaw.

Mr. Udall with Mr. Young of Florida.

Mr. Metcalfe with Mr. Mikva.

Mr. Danielson with McCollister.

Mr. Litton with Mr. Jeffords.

Mr. Brinkley with Mr. Mosher.

Mr. Satterfield with Mr. McEwen.

Mr. Long of Louisiana with Mr. Rinaldo.

Mr. Fary with Mr. Wydler.

Mr. Fraser with Mr. Peyser.

Mr. Alexander with Mr. Vander Jagt.

Mr. Holland with Mr. Quie.

Mr. Krueger with Mr. Walsh.

Mr. McCormack with Mr. Phillip Burton.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MACDONALD of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill (H.R. 6461) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. BURKE of Massachusetts. Madam Speaker, during rollcall 684 I was in the House Physician's office. Had I been present I would have voted "yea."

HOUSE MEMBERS PAY TRIBUTE TO SECRETARY OF DEFENSE JAMES R. SCHLESINGER; A JOB WELL DONE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BAUMAN. Mr. Speaker, today James R. Schlesinger will end his distinguished career as Secretary of Defense. In ceremonies at the Pentagon he will be paid full honors appropriate for such occasions. I personally regret that Secretary Schlesinger has been asked to leave his post and I am fearful of what this portends for our future national defense policies. While I acknowledge that any President of the United States has the full right to nominate his Cabinet officers, that does not alter the regret I and many others in Congress feel at Secretary Schlesinger's leaving.

The press, in its analysis of the President's actions speculated that the Secretary's relationship with the Congress may have been one of the problems. If that is so, it is not reflected in the response I received to a letter circulated on the floor last Thursday.

The letter, addressed to Secretary Schlesinger, follows together with the names of 108 Members of the House who signed the letter.

I would note that the signers included 42 Democrats and 66 Republicans, 108 Members in all, among them the majority leader, Mr. O'NEILL, and both the chairman and ranking minority member of the House Committee on Armed Services, as well as many of its members. This is truly a bipartisan demonstration of the respect this Congress has for Mr. Schlesinger and his service to America.

The letter and signatures follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 6, 1975.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: We the undersigned Members of the House of Representatives wish to express to you our sincere regret and distress that you are resigning your post as Secretary of Defense. We fully recognize the right of any President to choose the members of his Cabinet but that recognition in no way detracts from our belief that you should have continued in your present post.

Each of us, and all of us, express our admiration for the truly excellent manner in which you have served the United States and its people. While we naturally may not have agreed in every respect with your views, nevertheless we fully support your view that this nation's overall defense capability should and must be at all times superior to that of any prospective aggressor. We also maintain a healthy skepticism regarding the so-called benefits of détente, which we know you share.

We wish you Godspeed in all that you may do in the future and again, it is with the greatest regret that we view your departure from a job well done.

Sincerely,

LIST OF SIGNATURES ON LETTER TO SECRETARY JAMES R. SCHLESINGER, NOVEMBER 6, 1975

REPUBLICANS

Robert E. Bauman, Maryland.
Marjorie S. Holt, Maryland.
John M. Ashbrook, Ohio.
Jack Kemp, New York.
James F. Hastings, New York.
Tom Hagedorn, Minnesota.
Albert H. Quie, Minnesota.
Henry J. Hyde, Illinois.
Steve Symms, Idaho.
Sam Steiger, Arizona.
Tennyson Guyer, Ohio.
Carlos J. Moorhead, California.
Charles E. Grassley, Iowa.
George Hansen, Idaho.
W. Henson Moore, Louisiana.
Edward Derwinski, Illinois.
James Abdnor, South Dakota.
Richard T. Schulze, Pennsylvania.
Philip M. Crane, Illinois.
William C. Wampler, Virginia.
Edward Hutchinson, Michigan.
Robert J. Lagomarsino, California.
Gene Taylor, Missouri.
William L. Dickinson, Alabama.
Robin Beard, Tennessee.
John H. Rousselot, California.
Del Clawson, California.
William M. Ketchum, California.
Benjamin A. Gilman, New York.
J. Kenneth Robinson, Virginia.
Barry M. Goldwater, Jr., California.
Clair W. Burgener, California.
Bill Young, Florida.
Burt L. Talcott, California.
Bill Archer, Texas.
William F. Goodling, Pennsylvania.
James M. Collins, Texas.
James G. Martin, North Carolina.
George M. O'Brien, Illinois.
Tim Lee Carter, Kentucky.
Trent Lott, Mississippi.
David C. Treen, Louisiana.
James H. Quillen, Tennessee.
Delbert L. Latta, Ohio.
G. William Whitehurst, Virginia.
Robert W. Daniel, Jr., Virginia.
John B. Conlan, Arizona.
Jack Edwards, Alabama.
Floyd Spence, South Carolina.
Norman F. Lent, New York.
H. John Heinz, III, Pennsylvania.
Silvio O. Conte, Massachusetts.
Manuel Lujan, New Mexico.
Keith G. Sebelius, Kansas.
Charles Thone, Nebraska.
John Paul Hammerschmidt, Arkansas.
Bob Wilson, California.
L. A. Skip Bafalis, Florida.
J. Herbert Burke, Florida.
Hamilton Fish, New York.
John K. McCollister, Nebraska.
Mark Andrews, North Dakota.
Alan Steelman, Texas.
Shirley Pettis, California.
Paul Findley, Illinois.

DEMOCRATS

Mendel J. Davis, South Carolina.
Marty Russo, Illinois.
Richard H. Ichord, Missouri.
Walter B. Jones, North Carolina.
Daniel J. Flood, Pennsylvania.
Jamie L. Whitten, Mississippi.
Dan Daniel, Virginia.
F. Edward Hébert, Louisiana.
Tom Steed, Oklahoma.
Joe D. Waggonner, Louisiana.
Robert L. F. Sikes, Florida.
David R. Bowen, Mississippi.
G. V. Montgomery, Mississippi.
Larry McDonald, Georgia.
Dawson Mathis, Georgia.
Charles Rose, North Carolina.
Bob Casey, Texas.
Omar Burleson, Texas.
W. S. (Bill) Stuckey, Georgia.
Glenn English, Oklahoma.
George E. Shipley, Illinois.
Floyd V. Hicks, Washington.
Melvin Price, Illinois.
Bill Alexander, Arkansas.

Goodloe E. Byron, Maryland.
Thomas P. O'Neill, Massachusetts.
Robert G. Stephens, Jr., Georgia.
Thomas N. Downing, Virginia.
John J. Flynt, Georgia.
Clement J. Zablocki, Wisconsin.
W. R. Poage, Texas.
Tim L. Hall, Illinois.
Walter Flowers, Alabama.
Gillis W. Long, Louisiana.
Bill Chappell, Jr., Florida.
James W. Symington, Missouri.
Don Fuqua, Florida.
J. J. Pickle, Texas.
Samuel S. Stratton, New York.
David E. Satterfield, III, Virginia.
James R. Mann, South Carolina.
John H. Dent, Pennsylvania.

VICIOUS ATTACK ON THE JEWISH PEOPLE

(Ms. ABZUG asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ABZUG. Mr. Speaker, the United Nations General Assembly will be discussing the resolution on Zionism during its debate today and morrow.

The very fact that the body which created the State of Israel is considering this vicious attack on the Jewish people is a sad commentary on the way in which the United Nations is being manipulated. The use of the world forum to promote hatred for a whole people can only serve to distort the goals of the United Nations and to hurt those developing countries who need the U.N. most.

Those members who are attempting to distort Zionism by equating it with racism should be conscious of the fact that 436 Members of this House have signed the O'Neil resolution stating their clear opposition to such an action. We urge the nations which constitute the majority of the U.N. to reject the discriminatory resolution before them and prevent the U.N. from making a mockery of its own charter.

WHAT HAPPENS IN NEW YORK CITY AFFECTS WHAT HAPPENS IN SOUTH DAKOTA SAY SOUTH DAKOTANS

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, yesterday, four Members of Congress and three ranchers from South Dakota walked down Second Avenue in the borough of Manhattan, in my congressional district, concluding that the city of New York was worth saving, and they wanted to help save it.

The three ranchers were led by their Congressman Larry Pressler from South Dakota. They were Robert Samuelson, Francis Veal, and Les Blomberg. The two other Members of Congress who joined us were Representative Thomas Downey of Suffolk County, N.Y., a suburban area, and William Lehman from Miami, Fla.

Bob Samuelson, one of the ranchers, runs a South Dakota cattle ranch and the house next to his is 4 miles away, and as Daily News reporter Beth Fallon stated—

> He proved to be what eight million beleagured New Yorkers need—a neighbor.

He said:

> I also know in South Dakota we get back $3 for every federal tax dollar we pay, and I'm told you get much less. I think we ought to remember we're getting a much better shake than you people before we criticize.

His fellow rancher Francis Veal said:

> In America, we're in this together, and we have to help each other.

Rancher Les Blomberg said:

> And if New York goes down, they're certainly not going to be eating steak.

I was particularly taken by Bob Samuelson's statement—

> I met some of the nicest people here today. We shouldn't distrust our neighbors. Divide and conquer is an old story.

To sum up, Mr. Speaker, this country and its citizens are interdependent. We survive or die together. Those ranchers pointed out that a default by New York City would cause major financial problems back at the ranch. As Bob Samuelson said:

> Anything that affects the money market has to have an effect on our cost of money.

What they were saying, Mr. Speaker, was that the money markets financing industries including agriculture are made in New York City and if the city goes into bankruptcy, those money markets will dry up. And as Les Blomberg added:

> If there aren't jobs in New York, there won't be as much beef bought as there should be.

In other words, using the refrain of a well-known commercial, I would sum it up by saying, "If New Yorkers stop buying steaks because they don't have the money to buy them, then the ranchers are out of business." We are approaching zero hour. This Congress must enact the Federal bond guarantees legislation before the Thanksgiving recess, or it must not recess. D-day is December 1.

The two excellent articles which appeared in the Daily News and in the New York Times describing the meeting follow. I want tc especially thank Congressman Larry Pressler who is present on the floor at this time, for coming to the city of New York with his constituents and indicating his understanding of our problem and supporting us. I assure him that I will have the same receptivity to the problems of his constituents.

[From the New York Times, Nov. 10, 1975]

City Corrals Ranchers in Bid for Aid

Three South Dakota cattle raisers, who rode into town at sunset Saturday, predicted over bagels and lox yesterday morning that a default by New York City would cause major financial problems back at the ranch.

"Anything that affects the money market has to have an effect on our cost of money," said Robert Samuelson, a Faith, S.D., rancher who is chairman of the Northwest South Dakota Production Credit Association.

Mr. Samuelson, garbed in a 10-gallon hat, two-tone pointed cowboy boots and a string tie pulled tight with a Lazy-Y-Bar brand clasp, reiterated later at an informal news conference that default "can't help but affect the interest rates we're going to have to pay."

And some of his sidekicks, Les Blomberg, added the possibility that "if there aren't jobs in New York, there won't be as much beef bought as there should be."

Francis Veal of Meadow, S.D., the third rancher, said the picture of New York as a city spending unnecessarily beyond its means made South Dakotans "a little hostile" toward helping the city. "But we're not here," he said. "We don't really understand."

Mr. Samuelson also cited figures indicating that South Dakota received close to $3 in Federal grants for each tax dollar it paid, compared to an estimated $1.10 for New York State and Mayor Beame's estimate of 40 cents for New York City.

The group, headed by Representative Larry L. Pressler, Republican of South Dakota, was formed at the invitation of Representative Edward I. Koch, Democrat of New York. Its intent, Mr. Koch said, was "to give us a chance to talk about our problems and their problems—to get more dialogue between food consumers and food producers."

But the talk was mostly of New York City's finances, with Mr. Pressler joining Mr. Koch and two other colleagues, Thomas J. Downey, Democrat of New York, and William Lehman, Democrat of Florida, in pledging that when the showdown came, all four would be rooting for New York."

"I'm prepared to vote for some sort of guarantee [for New York's bonds and notes] rather than direct aid if there are steps taken to correct the financial shortfall," Mr. Pressler said.

All the legislators said they believed a bill to aid New York City would pass Congress within the next few weeks. Mr. Lehman said he could see a changed attitude toward New York "both in my mail and from talking with other Congressmen."

[From the New York Daily News, Nov. 10, 1975]

They Have a Steak in the City

(By Beth Fallon)

Bob Samuelson runs a South Dakota cattle ranch, and the house nearest to his is four miles away. But yesterday on Second Ave., he proved to be what eight million beleagured New Yorkers need—a neighbor.

"I know it's unpopular out in my country, and maybe I'll be criticized for it," said Samuelson, chairman of the Northwestern South Dakota Producers Credit Association, "but I really believe we don't understand your problems here. I do know that our group raises funds to lend—$12 million right now—by selling bonds, and if New York defaults, it can't help but affect us. It'll destroy confidence in what used to be considered a blue-chip investment.

"I also know in South Dakota we get back $3 for every federal tax dollar we pay, and I'm told you get much less. I think we ought to remember we're getting a much better shake than you people before we criticize," the soft-spoken rancher drawled.

Samuelson came with Rep. Larry Pressler (R–S.D.) and two other ranchers, Francis Veal and Les Blomberg, to join Rep. Edward Koch (D-L. Manhattan) and Rep. Thomas Downey (D-Suffolk) in a show of concern about the city's fiscal crisis. Pressler said that he would vote for federal loan guarantees for the city "if New York takes steps" to put its house in order.

Wearing 10-gallon hats, the ranchers and congressmen stood in front of a supermarket at 80th St. and Second Ave. to dramatize a problem the ranchers have—the low price of beef on the hoof versus the high cost of steak.

"It costs us 71 cents a pound to raise live beef to send to market," Les Blomberg said, "and we get 40 cents a pound for it. To make up the difference we borrow against our ranchers. You can do that for two or three years, then you're finished."

"We're not big-money guys," Francis Veal said. While President Ford opposes a federal loan guarantee, Veal pointed out, he himself feels that "in America, we're in this together, and we have to help each other."

"And if New York goes down, they're certainly not going to be eating steak," Blomberg said grimly to a group of shoppers, who nodded in agreement.

For his part, Samuelson, who lives in a town called Faith, said he wished there were "more meetings like this. I met some of the nicest people here today. We shouldn't distrust our neighbors. Divide and conquer is an old story."

CONGRESS SHOULD GAIN CONTROL OVER FOREIGN DEBT SETTLEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, on April 15 I introduced legislation identical to that which has been introduced in the other body by Senator BYRD of Virginia, to provide that no debt owed to the U.S. Government could be settled at less than full value without the consent of the Congress. At that time, I was joined by more than 60 Members of the House who believe, as I strongly believe, that the Congress should have greater control over money owed the U.S. taxpayers by foreign governments.

I have taken this special order today because last week the Senate overwhelmingly voted that loans are loans, and if they are to be writtten off or rescheduled, Congress ought to be consulted for approval. By a vote of 85 to 5, the Senate adopted the Byrd of Virginia amendment to the foreign aid authorization bill. This authorization bill has already passed the House and will go to conference soon.

I am convinced, Mr. Speaker, that there is widespread support in the House for requiring congressional approval for foreign debt settlement. I urge the House conferees on the foreign aid bill to retain the Byrd of Virginia amendment intact in the upcoming conference.

Mr. Speaker, the issue of foreign debt settlement is quite simple. The American people have exemplified a generosity unparalleled in history in granting economic assistance to nations in need. An outright gift is an outright gift. But a loan is a loan, made with the reasonable expectation that it will be repaid upon mutually agreed-upon terms.

If a loan is not to be repaid according to the original terms, or if it is written off entirely, the American people should know it—and ought to give their approval.

In recent years the State Department has been settling debts for as low as 2 to 3 cents on the dollar. There may or may not be valid reasons for the State Department to arrange such generous settlements, but the point is that it is the American taxpayers who have lost out. Congress, which answers to the people and represents the people, and which has the sole power to appropriate funds, ought to have the power to approve debt settlements.

This past summer, the State Department confirmed that as of July 31, 1974, the principal due on all loans which the United States has made to other nations was over $33 billion. In addition, loans outstanding since World War I totaled $23.9 billion. Thus, the total interest owed to the American taxpayer by foreign nations exceeds $57 billion.

In the past several years, the State Department has renegotiated loans made to India, the Soviet Union, and France, wiping out more that $5 billion in loans owed us by these three countries for less than $178 million. I wonder what unemployed Americans think about this arrangement—2 or 3 cents on the dollar—when every increase in our own deficit diminishes their chances of getting a job.

Mr. Speaker, I do not oppose in principle the rescheduling of foreign debts. And I wish to stress that it is not the intent of the Byrd amendment and my own identical House bill to affect the authority of the State Department to reschedule debts. I am sure there are valid reasons for resettling some debts. I am equally sure, however, that Congress should approve of the new arrangements.

I am pleased with the support I have received for my bill to require congressional approval for debt settlements, and I again urge the House conferees to note this support, and retain the Byrd amendment in conference.

The Indianapolis News has recently done an outstanding summary of foreign indebtedness to the United States entitled "Where Has All the Money Gone?" At this point, I would like to include the entire text of this summary for the RECORD:

OTHER NATIONS ENJOY U.S. "CREDIT ABILITY"

(By Lou Hiner)

WASHINGTON.—Foreign countries owe Uncle Sam $55 billion and some members of Congress are saying it's time to serve "past due" collection notices.

If it were possible to collect all the foreign debts, the amount of money would almost equal President Ford's anticipated $62 billion budget deficit in the next fiscal year.

The problem of foreign indebtedness reaches back almost 60 years to World War I.

Twenty foreign nations owe more than $23 billion in World War I obligations.

Foreign debts from World War I to present add up to $32 billion.

Rep. Jack Kemp, R-N.Y., and several other members of Congress are insisting the Treasury Department come up with a plan to press for payments on the foreign debts.

Kemp also has introduced legislation that provides no debts of any country can be settled in an amount less than the full value of the debt unless Congress approves.

"During the past several years, the State Department has entered into agreements with three nations which have netted us three cents on the dollar and effectively canceled $5 billion in outstanding debt limits," Kemp explained.

The State Department canceled a $2.6 billion claim against the Soviet Union for World War II lend-lease; $2.2 billion in India government rupees were canceled and, most recently, a $370 million claim against France for abandoned U.S. North Atlantic Treaty Organization (NATO) property was settled for $100 million.

"In these times of inflation and recession at home, I question whether the American taxpayer who extended these loans in the first place share the generosity of the State Department in writing off these loans," Kemp said.

BRITAIN OWES MUCH

Great Britain owes the most of any country on its World War I debt. Principal and interest total $12.4 billion. Outstanding indebtedness to the U.S. by Britain since World War I adds $3.7 billion more to the bill.

France owes $8.3 billion on its World War I debt and $350 million in other debts to the U.S. France has paid only $500 million on its war debt.

United States aid to the Soviet Union under the Word War II lend-lease program totaled $11.1 billion. The Truman administration wrote off all the military aid and sought reimbursement only for civilian goods which amounted to $2.6 billion. Of that amount, the U.S. ultimately asked for repayment of $1.3 billion.

The U.S. and the Soviet Union signed an agreement Oct. 18, 1972, that reduced the Communist country's debt to $722 million. The Soviets paid $12 million on the debt at the time of the agreement; $24 million in July 1973, and a $12 million payment was due July 1. The debt is payable over 30 years.

The Soviet government newspaper Izvestia has said there is no need to pay the debt to this country unless the U.S.S.R. is granted "most-favored-nation" status, permitting freer trade.

The oil rich countries that now are soaking American petroleum users owe varying debts to this country.

Iran's debt is $1.1 billion; Saudi Arabia, $41 million; Algeria, $109 million; Nigeria, $101 million; Indonesia, $1.1 billion; Venezuela, $214 million, and Ecuador, $114 million.

TWENTY HAVE PAID

Uncle Sam also could bill 19 countries on their accounts under lend-lease and surplus properties agreements of World War II. The Soviet Union still is carried on the books for $686 million and Great Britain, $471 million.

To their credit, 20 countries have paid their lend-lease debts. Among the paid-up countries are Australia, Austria, Canada, Ethiopia, Finland, the Netherlands, Norway, Sweden, Thailand and Turkey.

"This issue of foreign indebtedness to the U.S. is one that we must take with utmost seriousness. Foreign debts very much affect our budget, our balance of payments and our relations with other countries," Kemp said.

"Most important of all, foreign debts affect the American people who have exemplified a generosity unmatched in history in extending financial assistance of all kinds to nations throughout the world with the assumption that they would be repaid."

TWO HUNDRED BILLION—GIVEN AWAY

WASHINGTON.—This country's foreign aid appropriations surpassed the $200 billion spending mark a few weeks ago.

Each American's share is about $1,000.

Now Congress is working on legislation that could add $4 billion for U.S. economic and military aid to countries around the world.

The Ford administration has asked for $1.9 billion in economic aid for fiscal 1976, but the Pentagon hasn't come up with a figure for military aid. It is expected to be close to $2 billion.

It is becoming tougher and tougher to get foreign aid legislation through Congress. Twice in recent years the Senate has failed to pass the aid bill on the first go-round but eventually has approved the program.

The $4 billion foreign aid program for fiscal 1975, was not passed by Congress until late March 1975, and then the total figure was $2 billion below President Ford's request.

How did the program manage to operate without funds for the nearly eight months up to the end of March? There's a so-called pipeline and it is full of unspent funds. This mythical pipeline had $23 billion in it in 1973 and of that amount $10 billion was not specifically earmarked for aid programs.

Some members of Congress favor spending the pipeline funds and stopping the foreign aid appropriations until those funds are spent.

The latest foreign aid bill provided $350 million for food and nutrition development programs in countries wishing to reduce malnutrition and starvation. The administration had requested $546.3 million.

REFUGEES COSTLY

Postwar reconstruction assistance to Indochina total nearly $500 million, or $440.8 million less than Ford's request.

Refugees also figured in the foreign aid spending this year. The Cuban refugee program will receive $90 million. There will be $25 million for assistance to Israel for Soviet refugees, and Palestinian refugees will involve a $10 million program.

It was pointed out during the Senate debate in March that the foreign aid bill represented only a portion of U.S. assistance overseas, estimating that total funding for fiscal 1975 would reach $8.8 billion or more than double the amount in the legislation.

While many Americans have expressed hope of reducing, or eliminating entirely, the foreign aid program, there seems little chance of that happening in the near future.

President Ford justified the program in a recent speech, by saying:

"In a time of recession, inflation and unemployment at home, it is argued that we can no longer afford foreign assistance. In my judgment, there are two basic arguments to the contrary.

"First, foreign aid is a part of the price we must pay to achieve the kind of a world in which we want to live. Let's be frank about it. Foreign aid bolsters our diplomatic efforts for peace and for security. But secondly, and perhaps just as importantly, even with a recession, we remain the world's most affluent country and the sharing of our resources today is the right, the humane and the decent thing to do. And we will."

SOME PROGRAMS ENDED

Biggest recipient of U.S. foreign aid has been Vietnam, more than $22.5 billion for the last two years.

The program has been discontinued in many of the countries that were hard hit by World War II. The United Kingdom received $9.8 billion in the early years of the program and France, $9.7 billion.

In the Near East and South Asia, India and Turkey lead the list with $9.4 billion and $6.8 billion.

Latin American countries in our own hemisphere have received a total of $20.3 billion in aid, with Brazil at the top with $4.9 billion.

TALLY ON U.S. FOREIGN AID

WASHINGTON.—The Agency for International Development, the foreign aid operating agent, has prepared tables showing where the billions of dollars in aid have been distributed.

AID's compilation adds up to $197 billion for the period from mid-1945 to mid-1974. Since that time the foreign aid program has received another $4 billion from Congress and is likely to receive a similar amount sometime before this season ends.

Here are AID figures for up to June 30, 1974:

Far East—Vietnam, $22.9 billion; Korea, $12.2 billion; Taiwan, $6.3 billion; Japan, $5 billion; Philippines, $2.8 billion; Laos, $2.3 billion; Indonesia, $2.3 billion; Thailand, $2 billion; Cambodia, $1.7 billion; Indochina, $1.5 billion; Others, $1.8 billion.

Europe—United Kingdom, $9.8 billion; France, $9.7 billion; Italy, $6.6 billion; West Germany, $5.1 billion; Yugoslavia, $3.2 billion; Spain, $3.2 billion; Netherlands, $2.7 billion; Belgium, $2.1 billion; Norway, $1.6 billion; Austria, $1.3 billion; Russia, $1.1 billion; Denmark, $973 million; Poland, $828 million; Portugal, $602 million; Others, $1.8 billion.

Near East and South Asia—India, $9.5 billion; Turkey, $6.8 billion; Israel, $5.6 billion; Pakistan, $5.1 billion; Greece, $4.4 billion; Iran, $3.3 billion; Jordan, $1.1 billion; Egypt, $955 million; Bangladesh, $519 million; Afghanistan, $504 million; Others, $1.9 billion.

Latin America—Brazil, $4.9 billion; Colombia, $1.8 billion; Chile, $1.7 billion; Mexico, $1.5 billion; Argentina, $1.1 billion; Peru, $967 million; Bolivia, $700 million; Venezuela, $617 million; Dominican Republic, $594 million; others, $6.5 billion.

Africa—Morocco, $1 billion; Tunisia, $838 million; Zaire, $674 million; Nigeria, $644 million; Ethiopia, $541 million; others, $3.1 billion.

Oceania—Australia, $1 billion; New Zealand, $144 million; others, $541 million.

WHERE HAS ALL THE MONEY GONE?

American military and economic aid—June 1945–June 1974

[In millions]

Europe	
United Kingdom	$9,810
France	9,745
Italy	6,557
West Germany	5,148
Yugoslavia	3,228
Spain	3,212
Netherlands	2,658
Belgium	2,074
Norway	1,597
Austria	1,335
Russia	1,094
Denmark	973
Poland	828
Portugal	602
Other	1,844
Total Europe	50,705
Africa	
Morocco	1,041
Tunisia	838
Zaire	674
Nigeria	644
Ethiopia	541
Other	3,112
Total Africa	6,850
Far East	
Vietnam	22,497
Korea	12,235
Taiwan	6,305
Japan	4,956
Philippines	2,794
Laos	2,280
Indonesia	2,263
Thailand	1,981
Cambodia	1,713
Indochina	1,543
Other	1,769
Total Far East	60,336
Near East and Southeast Asia	
India	9,480
Turkey	6,834
Israel	5,628
Pakisan	5,117
Greece	4,408
Iran	3,325
Jordan	1,104
Egypt	955
Bangladesh	519
Afghanistan	540
Other	1,896
Total Near East and Southeast Asia	39,770
Latin America	
Brazil	4,872
Colombia	1,778
Chile	1,693
Mexico	1,497
Argentina	1,096
Peru	967
Bolivia	700
Venezuela	617
Dominican Republic	594
Other	6,536
Total Latin America	20,350
Down Under	
Australia	1,015
New Zealand	144
Other	541
Total Down Under	1,700

Aid not allocated by regions, $17,289 million.

Total U.S. foreign aid, $197 billion.

INDEBTEDNESS OF FOREIGN GOVERNMENTS—MONEY OWED THE UNITED STATES ARISING FROM WORLD WAR I AS OF JUNE 30, 1974

	Original debt	Interest through June 30, 1974	Total outstanding
Armenia	$11,959,917.49	$32,773,035.28	$44,732,920.28
Austria	26,813,148.06	41,058.83	26,024,539.59
Belgium	419,837,630.37	337,096,720.47	741,743,077.60
Cuba	10,000,000.00	2,286,751.58	--------
Czechoslovakia	185,071,023.07	142,808,315.82	307,805,246.63
Estonia	16,466,012.87	25,877,490.88	41,105,060.15
Finland	8,999,999.97	12,453,905.93	3,212,000.00
France	4,089,689,588.18	4,181,158,329.64	7,784,772,026.82
Great Britain	4,802,181,641.56	8,043,431,958.11	10,820,759,301.93
Greece	31,319,813.67	5,300,013.83	33,190,545.35
Hungary	1,982,555.50	3,240,009.80	4,665,615.54
Italy	2,042,364,319.28	2,405,917,659.34	--------
Latvia	6,888,661.20	10,925,186.91	17,052,302.04
Liberia	26,000.00	10,471.56	17,052,302.04
Lithuania	6,432,465.00	10,121,085.46	15,315,593.88
Nicaraqua	141,950.36	26,625.81	--------
Poland	207,344,297.37	329,602,804.38	514,300,801.20
Romania	68,359,192.45	63,967,502.04	127,535,687.27
Russia	192,601,297.37	543,500,133.53	727,351,119.02
Yugoslavia	63,577,712.55	40,923,402.92	101,912,343.78

LEND-LEASE AND SURPLUS PROPERTY AGREEMENTS, WORLD WAR II (JUNE 30, 1974)

Country, etc.	Credits: U.S. dollars	Credits: Foreign currency (in U.S. dollar equivalent)	Total outstanding
Australia	$34,535,924.87	$8,662,268.75	
Austria	3,054,425.08	6,980,264.86	
Belgium	42,279,379.21	12,196,412.53	$1,270,831.71
Burma	1,005,394.68	5,560,577.14	
Canada	388,765,007.77		
			$167,271,724.31
China	16,062,109.14	1,591,795.64	*3,584,435.73
Czechoslovakia	596,730.50	1,062,961.45	7,417,587.33
Denmark	4,266,935.24	931,000.00	
Ethiopia	3,899,523.26	23,620.60	
Finland	20,347,134.92	2,271,136.46	1,853,036.32
France	973,391,505.87	51,445,798.03	197,423,546.16
Germany, Federal Republic of	3,855,065.46	218,755,344.92	1,808,301.61
Greece	41,703,906.52	29,344,892.63	*1,766.62
Greenland	8,351.28		
Hungary		19,097,247.29	795,618.18
Iceland	4,496,553.29	359,428.13	
India	184,777,327.13	6,943,404.63	6,120,156.33
Indonesia	44,865,401.76	3,765,000.00	35,548,184.93
Iran	3,782,001.51	7,829,287.39	35,864,994.55
Iraq	54.00		
Italy	165,701,207.64	98,269,393.91	623,558.05
Japan		12,971,483.00	
Korea		4,031,621.70	26,901,275.00
Liberia	3,217,937.27		16,222,682.39
Lebanon		521,818.51	
Luxembourg	120.00		
Middle East	11,142,266.72	39,234,823.16	
Netherland	103,219,746.41	45,192,686.41	
New Zealand	2,176,363.59	2,114,003.78	
Norway	11,262,135.23	8,435,074.95	
Pakistan	40,308,976.14		
Philippines		2,005,855.29	5,985.80
Poland	37,294,520.61	10,385,744.17	3,423,799.13
Saudi Arabia	21,427,119.60		
Southern Rhodesia	1,371,931.69		43,579.09
Sweden	240,689.98	1,824,653.33	
Thailand	2,235,736.09	4,178,321.72	
Turkey	11,082,482.30	2,110,714.28	
Union of South Africa	116,608,622.69	242,487.98	
United Kingdom	478,848,751.66	40,792,979.74	471,315,886.21
U.S.S.R	234,789,250.48		686,000,000.00
Yugoslavia	63,376.50	17,322.10	8,601.81
American Republics	114,365,404.88	11,921,129.75	7,244,399.35
American Red Cross	2,023,386.90		
Federal agencies	243,092,796.09	21,930.43	
Military withdrawals	649.00	186,980.76	
Miscellaneous items	1,136,573.15	335,504.23	
United Nations relief Rehabilitation administration	7,226,762.25		
Total	$3,390,529,538.36	661,614,969.15	1,663,577,545.91

*Credit. Represents amounts collected under advance payment agreements not applied to outstanding indebtedness.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I will be happy to yield to my good friend, the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

Mr. Speaker, I commend my colleague from New York (Mr. KEMP) for taking this time to alert the House Members to an important amendment, added in the Senate, to the foreign aid authorization (H.R. 9005). This amendment, offered by Senator HARRY F. BYRD, requires congressional approval for any settlement of a debt owed the United States in an amount less than face value. Legislation requiring the same action has been proposed in this House and I have cosponsored one such bill, H.R. 6455.

As Senator BYRD noted in his remarks during the debate on H.R. 9005, during the last 3 years, the State Department has negotiated debt settlements which erased over $5 billion in outstanding debts owed to the United States by foreign governments. The amount received by the U.S. Treasury on these debts: $112 million. That is a net of about 2 cents on each dollar.

None of the debt settlements was reached with prior congressional knowledge or approval. Certainly, it falls within our constitutional responsibilities to protect the interests of our constituents in seeing that debts owed to our Government are paid in full. At this time of inflation and recession, it is in the interest of the American taxpayer that Congress maintain closer control over the repayment of foreign debts and deals made by the State Department. Throughout our country's history, the American people have exemplified an unmatched generosity in extending financial assistance to nations in need. But the American people operate under the assumption that a debt incurred will be paid in full, not settled at a lesser sum by unelected officials without the consent of their representatives.

Mr. Speaker, I urge the House conferees on H.R. 9005, the International Development and Food Assistance Act, to accept the Byrd amendment and to retain this language in the bill that will be reported to the House. We do not seek to usurp foreign policy from the hands of the Executive, but we do seek to protect the best interests of the American people in the strictest adherence to our duty as delegated by the U.S. Constitution that Congress control the purse strings. It is an interesting fact that, if all foreign debts were collected at face value, the amount of money coming into the U.S. Treasury would almost equal President Ford's anticipated $62 billion budget deficit for fiscal year 1976.

Mr. KEMP. Mr. Speaker, I thank the gentleman for his comments.

I want to underscore the point he has so articulately made here on the floor of the House, and that is that we do not oppose the principle of rescheduling foreign debts. It is not the intent of the Byrd amendment, or our identical bill, to affect the authority of the State Department to reschedule debts, because there are valid reasons, as the gentleman has pointed out, for such action. But I think we are equally sure that Congress should approve new arrangements, especially if they are settled for less than full value, in order for the taxpayer to be treated fairly.

Mr. ROUSSELOT. If the gentleman will yield further, the gentleman is, of course, correct, and we appreciate his initiative in bringing this before the House.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to my friend, the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding.

I, too, would like to congratulate the gentleman for calling the attention of this body to a very important issue. It seems to me that when the Founding Fathers recognized the right of the people to tax themselves through their elected Representatives and fixed that as an important ingredient of our Constitution, they simultaneously operated on the assumption that the indirect form of taxation that is necessary in writing off obligations through the executive branch does violence to this concept of self-taxation through the elected Representatives of the people. I think that is a situation that is intolerable. It is an abdication of our congressional responsibility.

Mr. Speaker, I would simply laud the gentleman for the role that he has played here in trying to bring back some degree of control by this body over these revenues that we have raised and have perhaps misspent and may have to write off, but still that should be a determination to be made exclusively here and not by the State Department.

Mr. KEMP. Mr. Speaker, I thank the gentleman for his comments, and I appreciate his joining me in this attempt to bring some responsibility to dealing with the debt issue.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I also would like to compliment the gentleman in the well for his efforts on this issue.

In my short experience in dealing with the State Department and with foreign countries, I have found that one of the things that happens in the State Department is that those persons who work, say, on the Argentina desk or on the Chile desk or on the French desk, or wherever it is, become very positive and biased, and they become advocates for that country and for those people. If they spend many years in that country and in that embassy, they find themselves taking the position of the country they are in rather than the position of the United States.

This is not to condemn some of those persons individually, but it is a natural human tendency. Therefore, I think it is important that the Members of Congress have an input in this situation, because we do represent the American taxpayers who are paying for these things.

Mr. Speaker, this is just naturally something that happens in the State Department. There seems to be a natural evolution toward these people becoming advocates of the country they represent, and I think this speaks to the issue of giving the American taxpayer a voice in these settlements.

Mr. Speaker, I hope that this amendment is adopted.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's comments.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Speaker, I want to compliment the gentleman from New York for the spirit and the enthusiasm of his amendment, and I want to associate myself with him in his efforts.

I think from the lips of youngsters sometimes come great truths. The other day in one of the classrooms in the country a teacher asked one of the boys, "Where is the Capital of the United States?" and the youngster answered, "All around the world."

In a good many ways I believe that has been demonstrated by our programs, and I think it is only reasonable to expect that other people should be responsive in terms of our needs since we have been so generous with them.

Mr. Speaker, I think in matters of accountability there ought to be more responsiveness.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's comments, and especially the last comment he made.

For years we have tried to buy the world's love, and have failed, we have not only failed to buy the world's love but we have not earned the respect of other peoples. We cannot earn anyone's respect when we literally forgive loans up to 97 cents or 98 cents on the dollar.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I am glad to yield to my friend, the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I thank the gentleman for yielding, and I would like to commend the gentleman for pushing this particular point.

I think that there is too much loose control of the financial purse strings in the Congress of the United States. We delegate this power so very much to the administration. This is great power really, when it boils right down to the hard facts, because any time we delegate the authority for someone to write off a debt and not collect that debt, then this is money we musts restore through some kind of device, and we have to get it from the American taxpayer.

Certainly I think the taxpayer is entitled to some say, and his only say is through his elected representatives in the Congress of the United States.

Second, I think we need to get a control on the wheeling and dealing of certain people as far as our foreign policy is concerned if we are going to have foreign aid. Certainly I have not advocated the concept of foreign aid, because I think it is very badly abused, and this is an instance where it can be abused.

If those negotiating for various treaties and various benefits of this country in their dealings with other people feel that they can write off debts or discount debts in return for certain favors or certain agreements, I think it is very dangerous, and it is especially dangerous because it can be done without the public's knowing full well what happened.

There are too many treaties and too many agreements that are made where not too much is really brought to light.

Therefore, I do feel that the efforts of the gentleman from New York (Mr. KEMP), which might bring more integrity to Government, more openness as far as our expenditures are concerned, and more responsibility to the taxpayers, certainly are well founded.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's very cogent remarks.

Mrs. HOLT. Mr. Speaker, I am happy to participate in this special order. All we are requesting is basic justice which, in this time of détente-mania, seems to be lost in the debate. We ask that the Senate amendment offered by the senior Senator from Virginia be preserved by House conferees in the foreign aid bill.

This provision is so simple, so obvious, and so just that it is sad that it requires a special order to call it to the attention of Members. It is hard to imagine any Member who would not wish to require that a dollar-for-dollar payback of debts owed to the United States be made.

I have sponsored H.R. 7006 which would accomplish the same purpose as the Byrd amendment which passed 85 to 5. The gentleman from New York (Mr. KEMP) is to be commended for his alertness to this problem. The American taxpayer must be served, not served up on a silver platter to be devoured by debtor nations whose friendship is sought by forgiving those debts.

We must demand a return to responsibility in international relations as well as fiscal arrangements at home. To delete the Byrd amendment in conference would be to fleece the American taxpayer. No Member should be party to this.

Mr. ASHBROOK. Mr. Speaker, I wish to express my strong support for legislation requiring the approval of Congress before any debt owed the United States by a foreign country may be settled at less than the full amount. This action would bring needed congressional oversight to the foreign debt settlement process.

In the past too many foreign aid programs have been disguised as loans. The Congress has voted funding on the grounds that it is a loan only to have the State Department write off or modify these loans at a later date.

In just the last 3 years the State Department has settled foreign debts totaling over $5 billion. And what have we gotten back? Approximately $112 million. It takes no mathematician to realize that the American taxpayer was robbed.

This is something that I have frequently criticized. In February of 1974, for example, I wrote to Secretary of State Kissinger requesting information on a debt cancellation agreement with India. That nation owed the United States $3.3 billion in loans repayable in nonconvertible Indian rupees as well as $3 billion in hard currency loans. The State Department informed me that India would "prepay" the $3.3 billion. Of this amount we would give back to India $2.2 billion for "mutually agreed economic development purposes."

Thus a prepayment by India on our loans turned into a gift by the United States to India of $2.2 billion. The other $1.1 billion the United States agreed to spend in India for expenses that our country has there. Any interest India owed the United States on the $3.3 billion "loan" seems to have been lost in the shuffle.

So much for our $3.3 billion loan. Although many foreign loan programs have been sold on the basis they are different from giveaway programs, the India settlement illustrates that this is often only a subterfuge to give large amounts of money to other countries. Loans become gifts and the American taxpayer picks up the tab.

It is time that the Congress exercised some responsibility over foreign debt settlements. The Congress owes it to the American taxpayer.

Mr. KETCHUM. Mr. Speaker, I congratulate my colleague, Mr. KEMP, for taking this special order to dramatize the issue of debts owed the United States by foreign nations. I also wish to congratulate Senator BYRD for his work in recollecting these ancient obligations in full.

It seems that every time this House is asked to vote for another foreign aid bill, the proponents of the bill call our attention to the loan provisions. We are told that all moneys loaned out will assuredly be returned to the Treasury. The plain fact is that this is pure hogwash. Money sent out by this country is almost never heard from again. And this is not merely the fault of the Government on the receiving end, since the Department of State has begun settling foreign debts at a fraction of their total value.

My colleagues have pointed out the most glaring examples of these renegotiations: $2.6 billion in Russian lend-lease obligations canceled; $2.2 billion of Indian debt forgiven; $270 million owed by France forgiven. These were not just paper debts. These were dollars taken out of the pockets of American citizens and poured down the rathole. I defy any Member of Congress, or any official of this Government, to explain what good the American people have received for those billions wasted. The countries involved are hardly our devoted friends, and I, for one, will not vote more taxes on our people to buy the friendship of Russia, India, or France.

What particularly concerns me is that the Department of State has just begun to arbitrarily determine what debts will be repaid. The United States is owed $55 billion by foreign nations. I would not be surprised if the State Department decided to give away most of this sum in its traditional, and totally discredited, policy of buying good will.

This is why the Byrd amendment to the pending foreign aid bill is so important. It states that the excutive branch must obtain congressional approval before settling any foreign debts at less than face value.

This so-called reform Congress has made a great deal of noise about asserting its rights against the executive branch. We have also heard a tremendous chorus of chants for fiscal responsibility of late. The Byrd amendment offers an excellent vehicle to accomplish both these goals.

Congress voted for these loans, and Congress should take the responsibility for seeing that they are collected. As long as we persist in throwing low-interest loans abroad when our citizens cannot obtain mortgages for homes, we can at least insure that the principle is repaid.

I urge my colleagues to insist that Senator BYRD's amendment is retained in the final version of the foreign aid bill.

Mr. LOTT. Mr. Speaker, recently I conducted an informal poll of my constituency and found that one of their major concerns continues to be our foreign aid program. They have expressed to me repeatedly their resentment of our magnanimous overseas giveaways, particularly in light of our increasing national debt and related problems with inflation here at home. Furthermore, they frequently cite to me instances where the United States has extended assistance to countries, only to have these very nations speak openly against our Government. Certainly we here in the Congress must see and accept our responsibility to correct this situation.

Of particular concern to me is the fact that, even as we are voting for greater expenditures in foreign assistance, we are doing less than nothing to resolve old debts owed to us. In fact, the State Department in the past 3 years alone has generously canceled some $5 billion in debts owed to the United States by the Soviet Union, India, and France. Consider the precedent this action on the part of the Department of State has with regard to the additional $57 billion owed to us at present by other nations.

It seems elementary to me that, since the Congress has the responsibility for approving all foreign assistance measures, we should also ultimately be charged with the duty of affirming—or disapproving—and rescheduling, writing off, or modifying of debts owed to us by other nations. The Senate's belief in the right of Congress to approve such foreign aid decisions made by the Department of State has recently been evidenced in its passage by a vote of 85 to 5 of the Byrd amendment to this Congress foreign aid authorization bill.

I think that it is time that the House of Representatives also assert our position in this matter through passage of legislation introduced by the gentleman from New York (Mr. KEMP), which I have joined in sponsoring. This measure would assure that the power to appropriate funds will remain in the hands of Congress and that we will continue to have the necessary input into the dispensation of our constituents' tax dollars.

With each American's share of our foreign aid appropriations commitment now amounting to some $1,000 and with an additional $4 billion in economic and military aid to countries around the world presently being considered here in Congress, it is imperative that we recognize the serious responsibility we have to our constituents. Frankly, I find it a hard pill to swallow—and even a harder one to serve to the people of Mississippi—that as they struggle to pay their taxes and meet their personal debts, the State Department is cancelling debts which are owed us.

Instead of approving more foreign aid and cancelling debts owed to us, the United States should be reducing foreign aid and demanding that these debts be paid.

Mr. ARCHER. Mr. Speaker, I was pleased to read that the U.S. Senate on November 4, 1975, adopted an amendment to H.R. 9005, the International Development and Food Assistance Act, which would require that the executive branch of Government could not settle any debt owed to the United States by a foreign country for an amount less than the full value unless the Congress would approve such a settlement by a concurrent resolution. This is a necessary amendment for fiscal responsibility and should be kept in this bill by the House and Senate conferees.

It is obvious that our country is experiencing financial difficulties. These difficulties have been caused by excessive spending on both domestic and foreign projects. The present inflationary and budgetary problems we are experiencing are a direct result of the reckless and irresponsible policies we have followed in the past and are continuing at present.

The record is clear. The United States has given away over $200 billion in foreign aid. Our present Federal budget is almost $400 billion and we are facing a budget deficit between $60 and $80 billion for the current fiscal year. It is time that we call a halt to reckless fiscal policies.

Despite our heavy spending programs, one issue has surfaced as a major problem in recent months—the problem of foreign indebtedness to the United States. The United States throughout its history has been a very generous nation. Unfortunately, nations which have been recipients of this aid have not been anxious to pay their legitimate debts. The United States has been left holding a handful of IOU's.

If we total up these debts, we discover that foreign nations since World War I owe the United States $55 billion, an amount which would cover most of the present budget deficit. Britain owes the United States a total of $16.1 billion, including $12.4 billion from World War I and $3.7 billion additional since that time. France owes us $8.6 billion. India's debt to the United States is $5.2 billion. Even after generous terms writing off most of the lend-lease debt, the Soviet Union owes us $1.3 billion.

I have been concerned over an alarming trend regarding these debts—the willingness of our State Department to settle these debts for a few cents on the dollar. Such agreements provide essentially a free gift to those nations who can afford to pay us and provide a major injustice to the American taxpayers.

The State Department in just the past 3 years has negotiated settlements which have wiped out a total over $5 billion of these debts. The nations which have received these favorable terms have paid a mere $112 million on a total of $5 billion of debts, or about 2 cents on the dollar. The State Department has made such favorable settlements with Soviet Russia, France, and India. I am concerned that this trend will continue and the United States will be denied its rightful share of money which was borrowed from us under an agreement to be paid back in full.

I sponsored the bill along with Representative KEMP to provide for congressional approval before any settlement of a foreign debt for less than the full amount could be put into effect. The Senate on an 85 to 5 vote accepted the same principle when it adopted the amendment by Senator HARRY BYRD of Virginia. This principle needs to become a part of our law.

The executive branch through the State Department should no longer have the authority to make such debt settlements without a review by the Congress. The State Department would still have the same authority to discuss or arrange such settlements. However, before adoption, it is essential that the representatives of the people in the Congress have a chance to review these settlements before final execution. If this congressional review is denied, the writeoff of foreign debts at 2 cents on the dollar will become another "giveaway" program at the expense of the taxpayers at the very time the United States is experiencing financial difficulties because of excessive spending, inflation, and budgetary deficits.

I strongly urge the House-Senate conferees to retain an amendment in H.R. 9005 which would require Congressional approval for any debt owed the United States which would be settled at less than the full amount.

Mr. LONG of Maryland. Mr. Speaker, I would like to join with the distinguished gentleman from New York, one of the most conscientious members of the Committee on Appropriations, in urging the House conferees on the foreign aid authorization bill, to accept the Byrd amendment.

Senator BYRD's amendment requires congressional approval before any debt owed to the United States by any foreign country may be settled for less than the full amount. As the gentleman from New York knows, I have sponsored his bill on this subject and support the effort to obtain full repayment of debts owed to the United States.

When the House considered the foreign aid authorization bill, I offered an amendment related to this subject. My amendment called on the President to take steps to accelerate repayments of the almost $2.7 billion owed to the United States by the OPEC oil-producing nations.

The sums of money owed to us are vast and only small portions of them have been repaid. I am sufficiently realistic to know that in some cases it will be impossible to obtain repayment in full and that the United States must probably reconcile itself to losing substantial amounts of the treasure that we loaned away with so little prudence.

Nevertheless, where economic conditions justify repayment, repayment should be insisted upon. In any case, since Congress voted to lend the money, it is Congress, and not the State Department bureaucracy, that should do any forgiving. Any such forgiving should be decided upon in the glare of full debate in committee and on the Floor by the people's elected representatives.

GENERAL LEAVE

Mr. KEMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous matter on the subject of my special order of today.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from New York?

There was no objection.

THE 200TH ANNIVERSARY OF THE U.S. MARINE CORPS

The SPEAKER pro tempore (Mrs. BOGGS). Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 30 minutes.

GENERAL LEAVE

Mr. CONABLE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Madam Speaker, I have today taken a special order for the purpose of commemorating a very important milestone in this country, the 200th anniversary of the U.S. Marine Corps.

I was privileged to serve in the Marine Corps during a period of almost 6 years in World War II and the Korean war, and there are a number of other Members of this body who also so served. A large number of them have asked to participate in this special order.

Madam Speaker, on November 10, 1775, the Continental Congress passed a resolution authorizing two battalions of marines under Capt. Samuel Nicholas. These first American marines were the forerunners of over 3 million other men and women who have borne the title of the U.S. marine. They were soldiers of the sea, destined to serve in ships of the fleet, beside the Army on land, and later in their history, in the skies as well.

Throughout the Revolution, the marines distinguished themselves with the ships of John Paul Jones, with Washington's army, and in separate engagements. It was in these early days that they began to build their reputation for expertise in landing operations. To the present time, their primary responsibility is still to be prepared to assault hostile shores from the ships of the Navy.

The role of the marines in winning America's freedom was modest but not insignificant. They proved that sheer numbers are not everything in battle, but that esprit, determination, and the will to prevail can carry a military force through the darkest hours.

Following the Treaty of Paris, the Navy and Marines went out of existence. By 1798 it had become apparent that there was a continuing need for a regular Marine Corps to help protect American shipping against privateers and pirates who still roamed the seas, exacting payment for the passage of commercial ships. In 1801 U.S. Marines were sent to the shores of Tripoli when that nation declared war on the United States, feeling that it was not receiving enough tribute money.

During this war, Lt. Presley O'Bannon demonstrated the courage which has been typical of Marines by leading a small group of Marines across 600 miles of Libyan desert to help assault and capture a fortress, and raise the Stars and Stripes for the first time in that part of the world.

In the years following the Tripolitan war, Marines participiated in numerous small engagements as our young Nation struggled to keep its shores and ships secure from hostile elements.

During the War of 1812, Marines again participated both on land and sea, in the Great Lakes and on the ocean. They fought gallantly in the ships of Perry and Lawrence, and with the militia at Bladensburg, and with Andrew Jackson at New Orleans.

During the period from 1812 until the war with Mexico, Marines fought against Indians in the southeastern United States and continued to form an important part of ships' detachments at sea. When war broke out in 1846, the United States prepared an invasion force to move against the Mexican capital. Marines were present in the landing forces of Gen. Winfield Scott and participated in amphibious raids along the Mexican gulf and Pacific coast.

When the assault on Mexico City commenced, Marines played a major role in the capture of the gate to Mexico City. It was a historic time for the corps, and was commemorated by the presentation of a banner to Commandant Henderson bearing the words, "From Tripoli to the Halls of the Montazumas."

Marines also fought on the Pacific coast during the Mexican War. After the end of the hostilities, Marines continued to serve in ships all over the world, protecting American lives and property, and guarding America's freedom.

The dark years of the Civil War which tore the Nation apart divided the Marine Corps as well. Many of the gallant officers who had served with distinction in the Mexican War resigned to join the Confederate cause. The Marine Corps remained small throughout the war, and did not play a major role in that most bitter of conflicts. In the few actions in which they did participate, Marines conducted themselves with skill and courage, manning ships, guns, and conducting small landings.

In the 30 years following the Civil War, Marines continued their traditional role with the Navy. In 1898, when war with Spain erupted, the Marines proved decisively that being prepared to conduct a landing operation was a vital ingredient of success in an overseas campaign. Lieutenant Colonel Huntington's battalion made a successful landing at Guantanamo Bay, capturing the base which we still use. It was a small operation, but demonstrated what skilled troops could do when properly prepared. The Marines role as a ready landforce was beginning to come into its own.

It was apparent in the years following the Spanish-American War that the United States would have to be prepared to fight far from its shores. In order to land in the face of armed resistance, a new and effective amphibious doctrine was needed. The Marines began to develop the advanced base techniques necessary to survive on a hostile shore, a process which would continue up to World War II.

The Marines were interrupted in their task, joining with the Army and the Allied Forces in France against the armies of the Kaiser. In one of the most heroic actions ever fought, a brigade of Marines at Belleau Wood in 1918 helped to block a German drive and then commenced an attack on heavily defended positions. For 20 days the Marines fought elements of two German divisions, demonstrating extraordinary courage and determination. For their heroism, they were awarded the French Croix de Guerre, and the name of Belleau Wood was changed to "Wood of the Marine Brigade."

Under General Lejeune, who commanded the 2d U.S. Army Infantry Division, the Marines continued to show their skills at Chateau-Thierry, in the Meuse-Argonne campaign, and elsewhere until victory was won in November 1918. It was during this war that the motto "First to Fight" became a part of the Marine Corps heritage.

Between the World Wars, the Marine Corps returned to its role of developing an amphibious doctrine for the United States. During the 1920's and 1930's men like Maj. Earl H. Ellis conceived and developed ideas and plans that would later be put to use in the Pacific. Manuals for landing operations were written, and practice operations anticipated the problems which would arise in actual combat. Schools were developed to teach the new doctrine throughout the corps, and the other services participated in Marine exercises.

The use of aviation in support of

landing operations was one element of the evolution of landing tactics. Specially designed landing craft and amphibious ships were others. In close cooperation with the Army and Navy, the Marines made ready as the clouds of war again appeared on the horizon.

In addition to developing landing tactics, Marines performed other valuable services between the wars, developing marksmanship techniques, guarding the U.S. mails, and conducting expeditions into troubled areas of Latin America. When Pearl Harbor arrived, the Marines were ready.

On 7 August 1942, the 1st Marine Division landed at Guadalcanal in the Solomon Islands, marking the first Allied land offensive in the Pacific. After months of fighting, the island was secured as the Japanese abandoned attempts to resist the invasion. The names of the actions that followed Guadalcanal are legends. Americans who remember World War II cannot forget the Marines' accomplishments at Bougainville, Tarawa, Kwajalein, Saipan, Tinian, Guam, Iwo Jima, and Okinawa. It was said of Marines that uncommon valor was the common virtue.

The raising of the flag over Mount Suribachi ranks as one of the most inspiring moments in American history. Half a million Americans served in the corps during World War II, and almost 20,000 of them died for their country. During those bitter years of hard fighting, the Marines proved that they could execute a difficult, complex amphibious landing repeatedly in the face of a most tenacious enemy. The development of those landing techniques was one of the most significant developments in the history of warfare, and was vital to our success in World War II. It was perhaps the Marines' finest hour.

The period following World War II was one of turmoil and reorganization for our Armed Forces. Concern existed that the advent of nuclear warfare might render all conventional forms of warfare obsolete. The outbreak of war in Korea, however, showed that the Marines were once again ready to answer their Nation's call. The landing at Inchon was a brilliantly conceived and masterfully executed stroke which turned the tide of battle in the early stages of the conflict. More names were added to the pages of Marine exploits. One of these, Chosin Reservoir, was a battle unique in American history. Through 14 miles of frozen and treacherous terrain, the 1st Marine Division battled elements of eight Chinese Communist divisions to a standstill, inflicting heavy casualties and emerging with its tactical organization intact.

The Korean war demonstrated once again that a force-in-readiness, which could conduct amphibious landings with great skill and participate effectively in sustained land combat once ashore, was a valuable weapon in the American defense structure.

Throughout the 1950's and early 1960's the Marine Corps continued to keep its amphibious skills alive, weaving new concepts made possible by modern technology into training exercises. The helicopter became a new vehicle for getting large numbers of Marines ashore rapidly, and newer ships brought an added dimension to the flexibility of our amphibious forces.

During this period Marines were several times sent to trouble spots where American interests were threatened. They provided a ready force at sea which could be put ashore as rapidly as ships could carry them to the scene. And they continued to serve around the world, guarding embassies and naval bases and serving in ships detachments as in the days of the Revolution.

The techniques and skills being practiced by the active divisions were maintained by the Marine Corps Reserve as well. The reservists also provided a variety of community services which helped to keep the fabric of our society strong. The Marine Corps Reserve continues today to be an important part of the Marine Corps organization and an essential element of our national defense.

In March 1965, two battalions of Marines landed in Danang to place a ring of security around the airbase in that city. They were eventually joined by thousands of other Marines who fought and died in the northern provinces. The final chapters on Vietnam have closed, and the memories are bitter, but one author has recently written:

> Americans may regret Vietnam. But there were actions fought there as gallant as any in our history and the men who died there are just as dead as those who lie at Gettysburg and St. Lo. (Drew Middleton, in "Can America Win The Next War?")

We should not let our regrets obscure this idea, and we should recall that the Marine actions in Vietnam were fought with the same skill, courage, and devotion to country that Marines have always displayed. Whatever we feel about Vietnam, names like Khe Sanh and Hue deserve a place of honor in Marine Corps annals. We should recall also that Marines at the embassy guarded the final withdrawal of American citizens from Saigon.

From the Bahamas in 1776 to Vietnam, Marines have again and again shown their courage and fighting skills. They have won 298 Medals of Honor, and their names fill the pages of our history with glory: Presley O'Bannon in Tripoli; Lt. John Marshall Gamble in 1912 on board *Essex*; Capt. George H. Terrett at Mexico City; Pvt. Hugh Purvis and Cpl. Charles Brown in Korea in 1781; Sgt. John Quick signaling ships in a hail of enemy fire at Guatanamo Bay in 1898; Gunnery Sgt. Dan Daly and Maj. Smedley Butler, both winners of their second Medals of Honor in 1915; Pvt. John J. Kelly and Cpl. John H. Pruitt in France in 1918.

From World War II we remember men like Sgt. John Basilone and Maj. Gregory Boyington; Gen. Chesty Puller and Holland Smith; Roy Geiger and Alexander Vandergrift; David Shoup and Clifton Cates; Lt.'s John Power and William Hawkins. And in Vietnam there were men like Lt. Frank Reasoner and S. Sgt. Jimmie Howard. These names and thousands of others are what have made the Marine Corps great. Over 3 million men have worn the globe and anchor since 1775, and the heritage they have brought to today's Marines will never be forgotten.

Marines in 1975 are once again working to maintain the quality and high state of readiness which have been their trademark for two centuries. In the 200th year of their existence, they again proved to be ready to answer their nation's call during the gallant rescue of the *Mayaguez*.

Under Gen. Louis Wilson, the 26th Commandant of the Marine Corps, a Medal of Honor winner at Guam in 1944, the Marines are continuing to be the essence of military professionalism. He and his corps are dedicated to quality and readiness. They will go anywhere they are ordered, they will maintain their readiness, and keep their fighting ability tuned to the finest pitch.

The Marines of the past are remembered today. The Marines of 1975 are worthy successors, and the Marines of the future will know they are joining the finest. All Americans salute the U.S. Marine Corps on this 200th anniversary. The Nation is proud of their accomplishments, grateful for their sacrifices, and trusting in their strength.

Mr. KEMP. Madam Speaker, will the gentleman yield?

Mr. CONABLE. Yes, I yield to the gentleman from New York

Mr. KEMP. Madam Speaker, I appreciate the gentleman's yielding. I want to heartily endorse and to associate myself with his remarks.

I am grateful he reminds us that in America today there is much for which we have to be thankful, especially the efforts and sacrifice's put forth by the Marines on our behalf and on behalf of freedom.

The gentleman in the well reminds us that freedom is not free and that there have been great sacrifices on behalf of our freedom over the past 200 years by the Marine Corps.

I would just add that the greatest monument we can ever erect to the valiant efforts of the Marines is the fact that we are here, today, in freedom.

Again, let me say that I appreciate the leadership of the gentleman from New York, Mr. CONABLE.

Mr. CONABLE. Madam Speaker, I thank the gentleman for his remarks.

I noted the remarks the gentleman from New York made about indebtedness in his special order earlier and I would like to say that this House does owe considerable indebtedness to the Marines.

Mrs. FENWICK. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I am delighted to yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Madam Speaker, I thank my distinguished colleague, the gentleman from New York, yielding to me and I too would like to associate myself with the remarks he has made.

I am particularly touched and moved that the gentleman should have mentioned, among those honored Marines, John Basilone, who comes from my district. We have a Post named in his honor. I think it is a fine thing that among the honor roll as listed tonight we find the name of John Basilone.

Mr. CONABLE. Madam Speaker, I thank the gentlewoman for her remarks.

I can recall quite well John Basilone marching along the roads in Hawaii where we were training to go to Iwo Jima. He had received the Medal of Honor on Guadalcanal. Unfortunately he was killed only a few hundred yards from me during the battle on Iwo Jima. I suspect that Sergeant Basilone might very easily have received additional decorations if he had not gone to his untimely death on the beachhead of Iwo Jima.

Mr. MAHON. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I am delighted to yield to the distinguished gentleman from Texas.

Mr. MAHON. Madam Speaker, I want to commend my distinguished colleague the gentleman from New York for the excellent remarks he has made in regard to the Marine Corps. For many years now I have watched the Marine Corps from my perspective as chairman of the Committee on Appropriations and I wish to join in doing honor to this great organization. I think it is the greatest organization of its type in the entire modern world and I want to join in paying tribute to it.

The Marine Corps tradition has a special place in the hearts of Americans. The Marines have been getting the job done for 200 years, all over the world.

From meager beginnings at Tun Tavern in Philadelphia on November 10, 1775, the U.S. Marine Corps has developed into the most feared and respected fighting organization in the history of the modern world. Their history of accomplishment is indelibly written with the blood of their fallen comrades in such historic battles as Bladensburg, Belleau Wood, Guadalcanal, Tarawa, Iwo Jima, and Khe Sanh.

We all recall the words of Adm. Chester Nimitz in describing the actions of our Marines in the defeat of the Japanese on the island of Iwo Jima: "Uncommon valor was a common virtue."

I believe these words best describe the glorious and successful history of our most famous and elite military force.

I congratulate past and present members of the U.S. Marine Corps and its 26th Commandant, Louis H. Wilson, on the 200th birthday of the corps.

Mr. CONABLE. Madam Speaker, I wish to note at this point that there are some who question the mission of the Marine Corps in terms of modern military preparedness. I suspect that we need a hard-hitting force in readiness, no matter what the state of the world may be, so as to establish beachheads, in other words to carry the fight to a potential enemy rather than leaving us necessarily to fight on this continent if, heaven forbid, it is necessary to take arms again at some time in the future.

The Marine Corps has had the mission of establishing beachheads. This has required a special type of fighting man who is self-contained, highly mobile and highly trained. I believe this may very well be the wave of the future in military science and tactics rather than the heavily supported and somewhat dependent military man who requires extensive supporting arms and heavy transport. And if landing craft are no longer in style in today's military service, they may very easily be supplanted by vertical envelopement of helicopters operating from helicopter carriers. I suspect the Marine Corps has the flexibility, uniquely, to adapt to the requirements of the time and thus will continue to be an important part of our national force in readiness. I have great confidence in the corps' future under men like General Wilson who will see to it that this small and alert group of fighting men will be highly trained, always ready and always faithful, in keeping their motto "semper fidelis."

Mr. MAHON. Madam Speaker, I would like to endorse the statement the gentleman has just made.

Mr. MONTGOMERY. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the distinguished gentleman from Mississippi.

Mr. MONTGOMERY. I appreciate the gentleman's yielding.

I would also like to associate myself with the gentleman's remarks. I am especially pleased to hear the gentleman's comments on Gen. Louis Wilson, the Commandant of the Marine Corps. I have the special privilege of representing General Wilson in the Congress, since he is from Mississippi. As the gentleman in the well knows, we were all quite pleased when General Wilson, a great marine, became the new Commandant.

Mr. CONABLE. Let me say, if the gentleman will permit me, that pleasure was not limited to the State of Mississippi.

Mr. MONTGOMERY. I certainly understood that.

I believe that General Wilson will serve our country well and will be one of our country's greatest Commandants as head of the Marine Corps. On the 200th birthday of the Marine Corps, I would like to mention that the new Commandant is a Congressional Medal of Honor winner. He has some excellent new ideas that I think he will put into practice in the Marine Corps, and I know the corps will continue to be the well-trained group which it has always been. I know General Wilson has taken courageous and strong steps in trying to bring the Marine air group, the squadrons, back to close support in helping the Marines when they land on the beaches; he is trying to come up with close support from the Marine aviators. I salute his record and commend him for these fine efforts.

I thank the gentleman for giving me the opportunity to speak.

Mr. CONABLE. I thank the gentleman for his comments.

I would now like to yield to my patriotic friend, the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. I thank the gentleman for yielding.

I wish to associate myself with the remarks of my good friend and colleague, the gentleman from the State of New York, and the kind words he has had to say about the Marine Corps.

I did have the privilege of serving with the Marines in the South Pacific, in the 1st Marine Division and the 6th and 3d Marine Divisions. I can say that they were fine fighting men. They lived up to the expectations of all, deserving the highest of praise. Let us hope that they continue on with the fine record they have established in the past.

Mr. CONABLE. I am sure the gentleman will agree that we have every expectation that the condition will be met and surpassed in the future.

Mr. COUGHLIN. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding.

I just want to say that I did make some remarks this morning in the limited period about the anniversary of our corps, but I do want to observe again here that there have been those who have questioned the mission of the corps in this day. I think it is very important to emphasize that there is a very, very real important mission in the U.S. Marine Corps, particularly in having the kind of very mobile and flexible force that we saw used in the case of the *Mayaguez*. Particularly, as we see our bases in many foreign countries and the position of those bases being eroded, it is important to have offshore forces that we can use when onshore bases are being threatened and, in particular, having a force that has with it the integrated kind of close air support that our Marine Corps has. It is this kind of an integrated flexible, very mobile unit that is indeed vital in all times of stress in this country.

I say this as a former Marine who served with the 3d Marine Division and as a former aide-de-camp to Marine Corps Gen. Chesty Puller, for whom I had the greatest admiration. As we look at the 200th anniversary of our Marine Corps, it is, I think, necessary to see that it has a more and more important mission each year.

I thank the gentleman for yielding.

Mr. CONABLE. I thank the gentleman, and I agree completely with the assessment of the future of the Marine Corps and the need for a flexible force in readiness, a highly mobile force, and one that can carry out the mission of establishing the beachheads of the future.

Mr. JONES of North Carolina. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. I thank the gentleman for yielding.

I certainly want to join in paying tribute to the U.S. Marine Corps.

I would like to relate a real experience which took place 4 years ago on the birthday of the Marine Corps. I was invited to the Cherry Point, N.C., Marine Base, which is in my district, to be the principal speaker there. One of the Under Secretaries of the Navy had been invited by the Commandant of Camp Lejeune to be their speaker.

The Commandant of Camp Lejeune arranged transportation for Mrs. Jones and myself and I was greeted by the

Under Secretary of the Navy who asked if I would give him permission to get on the Cherry Point flight with us inasmuch as they had departed on a Navy plane which had developed trouble and had had to turn back to Andrews. I was delighted to have the Under Secretary join us. We carried him on to Camp Lejeune.

That evening at the birthday ball I related this experience and I said: "My friends in the Marine Corps, once again we have a shining example of the Marine Corps bailing out the U.S. Navy."

I assure the Members I got a reasonably good hand.

Mr. CONABLE. I thank the gentleman for his contribution.

The Marines are, of course, a unit that has considerable esprit de corps and there is a great deal of rivalry among the services. I must say that my experience with the Marines led me to believe they could work in close association with almost anyone and the closer the association the better. We frequently depended on our senior services—not senior in time but in size—for supplies, formal and informal. I have been reminded of the dependence we frequently had on the Seabees who always had a great deal more equipment than we did and therefore were an indispensable part of the maintenance of our own supplies through the usual informal processes of the services.

Mr. PRICE. Mr. Speaker, it is my privilege to join my colleagues in paying tribute to the men and women of the U.S. Marine Corps on its 200th anniversary.

The corps' gallant history began November 10, 1775, in Philadelphia where the Second Continental Congress passed the following resolution:

> *Resolved*, That two Battalions of Marines be raised consisting of one Colonel, two lieutenant Colonels, two Majors and Officers as usual in other regiments, that they consist of an equal number of privates with other battalions; that particular care be taken that no person be appointed to office or inlisted into said Battalions, but such as are good seamen, or so acquainted with maritime affairs as to be able to serve to advantage by sea, when required. That they be inlisted and commissioned for and during the present war between Great Britain and the colonies, unless dismissed by order of Congress. That they be distinguished by the names of first & second battalions of American Marines, and that they be considered a part of the number, which the continental Army before Boston is ordered to consist of.

The first Marines played a significant part in the fight for independence before the last were deactivated on April 1, 1783. Nor was their valor forgotten and when the infant republic again found itself in need of protection, the Marine Corps was reestablished in 1798 by President John Adams.

The history of the corps from this period is known by every schoolboy—the courage and devotion shown by Marines in the Mexican War and the conflicts with the pirates of the Barbary States have been immortalized in the Marine Corps hymn: "From the Halls of Montezuma to the Shores of Tripoli."

Mr. Speaker, the dedication and loyalty of the corps has been proven for 200 years, in battles around the world. I take great pride in saluting all members of the corps, past, present, and future, who have come to the aid of their Nation in times of need. Many of the corps have made the ultimate sacrifice in showing their devotion to the Marine Corps motto Semper Fidelis. To these and to all Marines, I wish congratulations and continued success in the years ahead.

Mr. RHODES. Mr. Speaker, I take great pleasure in joining my colleagues today in saluting the 200th anniversary of the U.S. Marine Corps.

In 1942, a Marine private wrote an article for Yank magazine, in which he described a U.S. Marine as a "military phenomenon who looks like a soldier, talks like a sailor, fights like a wildcat and thinks like a princess of the blood royal." The Marine Corps has always been a unique institution throughout our military history. From its inception in the fall of 1775, when the Naval Committee of the Congress met at Tun Tavern, it has been America's first line of defense.

Its military exploits are a chronicle of our Nation's fight for freedom, for ourselves and around the world. From the first expedition to the West Indies, through World War I and II and our Asian engagements the Marines have played a major role. From Cuba to Tripoli, from the atolls of the Pacific to Khe Sanh, the Marines have been in the forefront, and have acted with great courage and dedication.

Today the Marine Corps is a key part of the highly mobile and advanced technology of modern military preparation. Their motto Semper Fidelis assures the American people that the marines are on the job, ready to defend freedom in the tradition of the corps, always faithful.

In this Bicentennial year we salute the U.S. Marine Corps, its brave members whose history is an illustrious part of our national heritage.

Mr. McCLORY. Mr. Speaker, it is a special privilege to take part in this tribute to the U.S. Marine Corps on its 200th birthday. In commenting upon certain important parts of the Marine Corps history, I should like to begin with the period following the Spanish-American War when it appeared clearly that the United States would have to be prepared to protect American interests in areas far from our shores. In order to land in the face of armed resistance, a new and effective amphibious doctrine was needed. The Marines began to develop the advanced base techniques necessary to survive on a hostile shore, a process applied in World War I, and which would continue up to World War II.

The Marines expanded their tasks in World War I, joining with the Army and the Allied Forces in France against the armies of the Kaiser. In one of the most heroic actions ever fought, a Brigade of Marines at Belleau Wood in 1918 helped to block a German drive and then commenced an attack on heavily defended positions. For 20 days the Marines fought elements of two German divisions, demonstrating extraordinary courage and determination. For their heroism, they were awarded the French Croix de Guerre, and the name of Belleau Wood was changed to "Wood of the Marine Brigade."

Under General Lejeune, who commanded the 2d U.S. Army Infantry Division, the Marines continued to show their skills at Chateau-Thierry, in the Meuse-Argonne campaign, and elsewhere until victory was won in November 1918. It was during this war that the motto "First to Fight" became part of the Marine Corps heritage.

Mr. Speaker, I am proud to recall that my older brother, Theophilus P. McClory served in the U.S. Marine Corps in World War I. Although he did not engage in the campaigns which I have already recounted, he was nevertheless part of these fighting men who took on the nickname of "leathernecks." Enlisting as a private, he rose to become Lt. Theophilus P. McClory before the armistice was declared in November 1918.

Between the World Wars, the Marine Corps returned to its role of developing an amphibious doctrine for the United States. During the 1920's and 1930's men like Maj. Earl H. Ellis conceived and developed ideas and plans that would later be put to use in the Pacific. Manuals for landing operations were written, and practice operations anticipated the problems which would arise in actual combat. Schools were developed to teach the new doctrine throughout the corps, and the other services participated in Marine exercises.

The use of aviation in support of landing operations was one element of the evolution of landing tactics. Specially designed landing craft and amphibious ships were others. In close cooperation with the Army and Navy, the Marines made ready as the clouds of war again appeared on the horizon.

In addition to developing landing tactics, Marines performed other valuable services between the wars, developing marksmanship techniques, guarding the U.S. mails, and conducting expeditions into troubled areas of Latin America.

Mr. Speaker, it was during this period that I served in a unit of the U.S. Marine Corps Reserve which met on a weekly basis in the naval armory at the foot of Randolf Street in Chicago. Active service commitments for this Marine Reserve unit were fulfilled at Great Lakes Naval Training Center, where a small U.S. Marine contingent continues to this day.

The inspiration for most of us who had served in the Marine Reserves in that day was Maj. Chester L. Fordney, who later became Colonel Fordney before his retirement. Major Fordney cooperated with the late Jean Piccard in the early balloon flights to the stratosphere—a project which was a forerunner of our present space program.

Mr. Speaker, while my enlistment and Reserve service ended in 1937, I recall that many of my Marine colleagues saw active duty in the South Pacific and elsewhere even before the Japanese attack on Pearl Harbor. The Marine Reserves, including the unit with which I was affiliated, were ready for duty when the Nazi and Japanese forces attacked—to set off World War II. Indeed, Marines played a most vital role in bringing World War II to a successful conclusion.

Mr. DENT. Mr. Speaker, on November 10, 1775, John Adams introduced the following in the Continental Congress:

> *Resolved*, That two battalions of Marines be raised, consisting of one Colonel, two Lieutenant Colonels, two Majors and other officers as usual in other regiments; and that they consist of an equal member of privates with other battalions; that particular care be taken, that no persons be appointed to office, or inlisted into said battalions, but such as are good seamen, or so acquainted with maritime affairs as to be able to serve to advantage by sea when required; that they be inlisted and commissioned to serve for and during the present war between Great Britain and the Colonies, unless dismissed by order of Congress: that they be distinguished by the names of the first and second battalions of American Marines.

The foresight of Adams and his fellow representatives in establishing a branch of military service to perform as "soldiers of the sea" was such as to be seen today, on the 200th birthday of the Marine Corps, of particular aid and assistance to U.S. military efforts throughout our history.

It is, of course, conjecture that because Samual Nicholas, the first commandant of the Marine, was also the proprietor of an inn and tavern in Philadelphia, that the first Marine Corps attracted a fighting type from the very first. But it is true that the corps has forever been known as the proving grounds for a number of America's uncertain young men, hoping to mature as a member of this unique fighting unit.

I am proud to have been an enlisted Marine, in the Air Corps, and in fact, I began my Marine Corps service at rather a young age. In 1924, at the age of 16, and for 4 years, until 1928 I served, primarily in the Caribbean area, on Marine flight crews.

My period of service began, in fact, earlier than any other Member of Congress; and I am the second oldest Marine in the House. I believe in the Marine Corps motto "Semper Fidelis," not only as it applies to the corps' attitude to the United States, but, indeed as it applies to my attitude to the Marine Corps. I will be "ever faithful" to the corps.

Mr. KELLY. Mr. Speaker, I would call attention of the Members that on November 10, 1775, the Continental Congress passed a resolution authorizing two battalions of Marines under Capt. Samuel Nicholas. These first American Marines were the forerunners of over 3 million other men and women who have borne the title of U.S. Marine. They were soldiers of the sea, destined to serve in ships of the fleet, beside the Army on land, and later in their history, in the skies as well.

Throughout the Revolution, the Marines distinguished themselves on the ships of John Paul Jones, with Washington's Army, and in separate engagements.

In this way Marine tradition was born in the beginnings of the American Revolution. Every time of need for this country since then has found the Marines in the vanguard to defend the freedoms won in the Revolution.

Today the U.S. Marine Corps symbolizes America's finest traditions of excellence, fighting spirit, and total dedication to country.

Mr. Speaker, I am proud to join my colleagues in Congress and the people of this great Nation in proclaiming gratitude and a resounding "well done" to the U.S. Marine Corps on its 200th anniversary.

Mr. SYMMS. Mr. Speaker, today is a very special day to all Americans: The birthday of our beloved, distinguished U.S. Marine Corps.

I commend to the RECORD the message to all Marines from our Commandant:

A MESSAGE FROM THE COMMANDANT OF THE MARINE CORPS

> Two hundred years have marched across the pages of history since the Continental Marines first answered the call to arms. As our Corps embarks on a third century of service, it is quite fitting that we look back with gratitude for all that we have inherited. It is fitting also that we look to the challenges ahead and set our course with confidence and determination.
>
> Today is a day for all Marines, young or old, active or retired, Reserve or Regular to share a justifiable pride in the accomplishments of two centuries. We have made our way together in the past. We shall make our way together in the future. Marching shoulder to shoulder we shall gain in strength and readiness as we move ahead, in step and smartly.
>
> Semper Fidelis!
>
> LOUIS H. WILSON,
> *General, U.S. Marine Corps.*

Mr. MONTGOMERY. Mr. Speaker, I am very proud to rise today in association with my colleague, Mr. BROOKS, to wish my heartiest congratulations to the U.S. Marine Corps upon the observance of their 200th birthday. The Marines are an American tradition and a most esteemed institution that has served our Nation well in times of peace, as well as war.

I am particularly pleased that one of my constituents, Gen. Louis Wilson of Brandon, Miss., is currently serving as Commandant and will have the privilege of setting a straight and true course for the U.S. Marine Corps as they begin their third century of service to the American people.

I urge all my colleagues to join me in wishing the Marines happy birthday and pledging our continued support for a strong and ever vigilant U.S. Marine Corps to preserve peace and freedom in America and for the world.

Mr. CORMAN. Mr. Speaker, we observe today a celebration involving pride and patriotism during which we pay tribute to the 200th anniversary of the U.S. Marine Corps.

From its formation by act of the Continental Congress on November 10, 1975, the U.S. Marine Corps has served with distinction as an integral and inspiring part of our Nation's military history. I say that with the sincerity and unbiased viewpoint only a marine could muster on this topic.

For the Marine Corps has encouraged the very best in the men and women who have served within its ranks. It has developed the very best instinct for fair competition and excellence of performance. It has kindled a strong sense of brotherhood and oneness of purpose. And it has continuously been called upon during time of military alert to offer might when dialog ceases to defend against the territorial expansion of our enemies.

From its origins which provided for two battalions of marines to be raised and to be composed of "good seamen or so acquainted with maritime affairs as to be able to serve to advantage by sea when required," marines have served as the infantrymen of the seas. They have been the first to land on the beaches and during World War I earned the slogan "first to fight." They have increased in strength from a minute force of two battalions to a force of almost 200,000. They have always maintained high standards. The Marines have been a backbone for our military strength.

Because the Marines have always been synonymous with the term force-in-readiness. The period following World War II was one of turmoil and reorganization for our armed services. There was concern that the advent of nuclear warfare might render all conventional forms of warfare obsolete. The outbreak of war in Korea, however, showed that the Marines were once again ready to answer the Nation's call. The image of those battles and others is typified for some by the raising of the flag at Mount Suribachi on Iwo Jima during World War II. That image stirred the Nation.

As we salute the U.S. Marine Corps today and think of the images associated with its long and distinguished tradition: images of "The Halls of Montezuma" and John Philip Sousa's Semper Fidelis, we can only hope that our "first to fight" will always be prepared. Let us further hope that diplomancy and reason will spare human suffering and tragedy.

GENERAL LEAVE

Mr. CONABLE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous material, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE ILLEGAL ALIEN SITUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, the House soon will be considering H.R. 8713, a bill to impose civil and criminal sanctions on employers who knowingly employ illegal aliens.

The bill already has generated considerable discussion and debate about the illegal alien situation. In view of the alarming, unchecked growth of this problem, this attention is encouraging.

Thus far, treatment of this issue has focused upon the impact of the presence of illegal aliens within the United States and the efficacy of H.R. 8713 to deal with this matter. Further, it is clear that when the bill reaches the House floor, there will be extensive debate about the advisability of putting employers in the position of having to enforce the immigration laws.

One aspect of this legislation which must not be overlooked is its possible effect upon our foreign relations with the nations from which aliens unlawfully in this country come. These nations would be affected directly by the sudden dislocation of untold members of their workers in this country which would result from this bill.

The nation most affected by this measure would be Mexico. According to the Immigration and Naturalization Service, 85 to 90 percent of aliens illegally in this country are Mexicans.

Recently, all members of the House Committee on International Relations were sent a copy of a letter to Chairman MORGAN from Mr. Stanley Mailman, president of the Association of Immigration and Nationality Lawyers. In his letter, Mr. Mailman outlines the consequences of H.R. 8713 upon the relations of the United States with Mexico, and urges further exploration of the international implications of this bill.

In the interest of advancing the discussion of the foreign policy considerations involved in H.R. 8713, I commend Mr. Mailman's letter to the attention of my colleagues:

ASSOCIATION OF IMMIGRATION
AND NATIONALITY LAWYERS,
New York, N.Y., October 22, 1975.

Hon. THOMAS E. MORGAN,
Chairman, House International Relations Committee, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN MORGAN: We have elsewhere expressed our opposition to H.R. 8713, the bill recently reported out of the Judiciary Committee that would impose criminal sanctions on the employers of aliens working in violation of their nonimmigrant status. We wish to urge on you that the bill requires further study before reaching the floor or the House.

More specifically, we feel that the very realization of the central purpose of H.R. 8713 involves such significant consequences to our foreign relations, particularly with Mexico, that a thorough study by the House International Relations Committee is indicated.

By "removing the economic incentive which draws such aliens to the United States," the Committee report concludes that H.R. 8713 would inhibit further immigration in violation of our laws and cause large numbers of "illegal aliens" to depart the United States. It cites "4 or 5 million, and maybe as many as 10 or 12 million, illegal aliens in the United States" of which 85 to 90% are Mexicans, according to Immigration Service statistics.

The expulsion of millions of Mexicans and its impact on our relations with our neighbor to the south is a subject on which the report is silent although some testimony thereon may have been taken. The absence of discussion in the report is particularly significant in view of the history of concern with the effect of our immigration policies on Mexican-American relations.

It is a concern which is founded on a common border, close political, historical and cultural ties and inevitable areas of economic interdependence. Workers have commuted across our Canadian and Mexican borders since these borders were established. Even with the imposition of resident visa requirements in 1924, we have continued through administrative arrangement and statute to preserve the commuter program which has been described by the Immigration Service as being "in harmony with the established good neighbor policy with Mexico and Canada" and by the Board of Immigration Appeals as "predicated upon international relations maintained and cherished between friendly neighbors." The Secretary of State argued in a legal affidavit in 1964 that termination of the commuter program would adversely affect relations between our country and Mexico.

The status of commuters is only one of many examples of our concern with the effect of our immigration policies on our international relations. The "bracero" program is another. Moreover, in a study prepared for the Select Committee on Western Hemisphere Immigration, the Immigration Service also cited in this connection the appointment by President Johnson of a special envoy "to make a detailed study of the Mexican border area with the objective of improving trade relations between the two countries as a step forward to improving the economy of both sides of the border area" and the establishment in 1966 of a Joint United States-Mexican Commission on Economic and Social Development of the Border Area. The report of the Select Committee itself which recommended deferment of numerical limitations on Western Hemisphere immigration referred to our special relationships with Canada and Mexico as have numerous witnesses testifying on other bills before the United States Congress. Appended to the very report on H.R. 8713 are the dissenting views of certain Congressmen who expressed their concern that this bill would subject Mexican Americans to employment discrimination, a matter which may also be considered significant by the Mexican government.

Congressional attention to immigration in recent decades has reflected the intense and continuing sensitivity of virtually every relevant organ of our government to the effect of our immigration policies on Mexican-American relations.

The Judiciary Committees hearings may not have been the sole appropriate forum for considering the international implications of the Mexican exodus H.R. 8713 is designed to effect. Hopefully, however, we will not default in confronting these issues.

The bill should be referred for consideration by the International Relations Committee where a more comprehensive study can be conducted of the complex problems which contribute to immigration violations on our Southwest border. Such a study could include a survey of the economic problems straddling the border, actions taken by our government, including termination of the bracero program and the effects thereof, and the impact of current and proposed immigration legislation on our relations with Mexico. Such an investigation, hopefully, would suggest Congressional means perhaps with Executive cooperation by which the assault to our border can be reduced with minimal negative consequences to our relations with Mexico, and could result in a revitalization of our good neighbor policy.

A similar letter is being sent to the Honorable Peter W. Rodino, Jr., Chairman of the Judiciary Committee.

Sincerely yours,

STANLEY MAILMAN.

MARINE BICENTENNIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 15 minutes.

Mr. TALCOTT. Mr. Speaker, today is an important date in American history, for today marks the 200th anniversary of the U.S. Marine Corps. Two centuries ago our colleagues in the Continental Congress authorized two battalions of Marines to be raised and equipped.

Since that November 10 of 1775 more than 3 million Americans have served in the Marine Corps, and their service has brought honor and glory to their flag and to our Nation. Engraved on the base of the Marine Memorial at Arlington is a tribute to the corps from Fleet Admiral Nimitz who said of those brave men who stormed across the Pacific winning victory after victory, "Uncommon valor was a common virtue."

Uncommon valor has been part of the Marine legacy for 200 years. The British are said to have spared the quarters of the Commandant of the Marine Corps at the Marine barracks here in Washington because of the valorous fight by Marines at Bladensburg in the War of 1812.

During the 1800's Marines served in every clime and place; wiping out pirates on the shores of Tripoli, and storming the halls on Montezeuma in the siege of Chapultepec during our War with Mexico. In the War Between the States, Marines served with great valor on both sides.

The current century has seen the development of a Marine Corps ready and able to defend freedom and American interests wherever they might be found. In World War I Marines in France won admiration of our allies, and the respect of our enemies. The 5th and 6th Marine Regiments fought with uncommon ferocity on the ground, and were joined for the first time by Marines in the air, thus forming the genesis for the future Marine air-ground team.

The years between the World Wars found Marines serving American interests in many ways. The corps was developing expertise in amphibious and unconventional warfare which would soon be invaluable to the corps.

December 7, 1941, has been called a day of infamy, and that it certainly was. But it was also the opening act for one of the most glorious chapters in the history of the corps. The days after Pearl Harbor were dark days for America. U.S. Forces were on the retreat all across the Pacific, and we had great need for a hero. One of our former colleagues was such a man, and his devotion to his duty was a bright page, indeed, for all Americans. Maj. James Devereux commanded a small force of underequipped Marines on Wake Island, a small refueling stop for the Pan American Clippers in the Pacific. The island, however, had strategic importance to the Japanese, and after the attack on Pearl Harbor they turned to attack Wake Island. Few expected the greatly outnumbered and outgunned garrison to put up more than token resistance, but Devereux and his men were Marines, and Marines do not give in.

The fight waged for days, and then for weeks, and when it finally was over the Japanese had captured Wake, but the victory belonged to Major Devereux and his gallant men. They had fought against all odds, they had fought on alone, and they had nearly defeated a superior Japanese force which had expected to capture the island with no effort whatsoever.

The march back across the Pacific would add new battle streamers to Marine colors, and would engrave in fire and blood the names of Marine victories for all of history. Guadalcanal, Tarawa, Cape Glouster, Saipan, Guam, Okinawa, and Iwo Jima. Names that recall that uncommon valor was a common virtue.

Korea soon became the next Marine battlefield, with the Marine Brigade defending the perimeter around Pusan, and then storming over the seawall at Inchon. Those who served will never forget the march north, and then the sudden entry of Chinese forces from across the Yalu. Marines were surrounded miles from support, but they turned, and bringing their dead and their equipment the 1st Marine Division fought its way to the sea. Gen. Chesty Puller, one of the great Marine heroes was asked if the division was retreating, and his answer says much for the pride and spirit of all Marines. "I feel sorry for 'em," Puller said, "they have us surrounded, they won't get away this time."

In Vietnam Marines again were called on to fight a difficult war, one which would not conform to traditional beliefs. But despite the difficulties, and despite the problems, Marines served with honor and with valor.

Now the corps is ready to march smartly into the third century. Techniques change, weapons change, but the basic fact is that in any war the ground is controlled by the man with a rifle who can take it and hold it. The Marines are still a few good men, who specialize in taking, and holding anything they are asked to.

Marines are a special breed. Even Marine heroes are not typical. They remember an early Commandant, Archibald Henderson, who nailed a note on the front door of his quarters during the period when Marines were fighting the Seminoles in Florida, which said, "Gone to fight Indians." Men such as Dan Daily and "Manila" John Basilone are still remembered with fondness. Lew Diamond, who was said to be able to drop a mortar round down a chimney at 1,000 yards, is still used as a guide for young Marines.

Mr. Speaker, for 200 years Marines have served with valor, with loyalty and with bravery which have earned them the respect of the world. They have proved that their motto, Semper Fidelis—always faithful—must be honored.

Today is a day on which all Marines can look back with great pride on their accomplishments. They say that there is no such thing as an ex-Marine, and that is true. There is something about the famed Marine Esprit de Corps which remains engraved on a man's heart for life.

In honoring all Marines today, I am reminded of a farewell address given in this room some years ago by General MacArthur. He was remembering the long grey line, but his words seem very appropriate for today. He reminded us that men come and then pass from view, and that even the most admired will eventually fade away, but he reminded us that what remains is what is important, and that is, "the corps, and the corps, and the corps."

THE U.S. EMPLOYMENT SERVICE— A "SICK" ORGANIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTEN) is recognized for 30 minutes.

Mr. KASTEN. Mr. Speaker, the U.S. Employment Service—USES—located within the Manpower Administration of the Department of Labor, was established to provide employment services to the unemployed and underemployed by means of a Federal-State network of employment offices, now numbering approximately 2,400.

Although the Employment Service is 100 percent federally funded, the States themselves are responsible for the operation of local offices and, in effect, the day-to-day administration of Employment Service activities. The Federal Government's role is one of policy determination, technical assistance, and procedural formulation.

The history of USES goes back to its inception under the Wagner-Peyser Act of 1933. At that time the country was in the depth of a depression and unemployment was at an all-time high. Because of the economic hardships, the Congress saw fit to establish an organization whose purpose was to help the unemployed secure temporary or permanent employment. It could be looked upon as a labor exchange program designed to place the unemployed in suitable jobs through the cooperation of employers. After 40 years one would assume that as the largest employment agency in the country, with over 2,400 offices, and having computerized job listings along with hundreds of thousands of job applicants, employers would be very willing to use this absolutely free placement service called the USES; however, such is not the case.

USES has degenerated from a fairly effective organization to one which has been described in an internal Department of Labor study as a sick organization and in deep trouble.

During its first 30 years, the mission of USES was widely known and effectively carried out. It was not until the mid-sixties that the functions of USES started to change. It was during this decade that USES was directed to give priority in job placement services to the disadvantaged. The effect that this has had on USES has been disastrous. The fact that the disadvantaged should be aided in search for employment is not the question. The issue is the way in which the ever-changing priorities of USES have been carried out, and the debilitating effect changing priorities have had on USES.

As an ex-employee of USES told me, the standard joke in the Employment Service is, "To whom are we giving priority this week?" The bottom line on USES is this: When the emphasis is placed on status of the applicant, the relationship between the employers and the State Employment Offices has degenerated. Few will argue that if the employers do not use the Employment Service there will be no listing of jobs to place applicants in, and service of USES will be of little value to anyone. It should be pointed out that USES is mandated by the Wagner-Peyser Act to give preference in job placement to veterans and the handicapped. The effectiveness of this veterans handicapped preference has yet to be demonstrated.

The basic question, which must be answered after 40 years of existence, is what is the mission of USES in 1975 and what will it be in the future?

USES has had many services, other than simply job placements, which are related to its main functions. It obtains employer listings of job openings, provides counseling services, training, and testing. Besides these functions, USES has the responsibility of overseeing the unemployment insurance—UI—program, in the early 1960's a reorganization took place which removed USES from direct responsibility for the unemployment insurance program. There still is a strong connection, however, between the programs because unemployment insurance claimants are required to file a job application with USES before they can collect compensation. I will discuss USES implications on the unemployment insurance at a later point. Presently, I would like to enumerate specific weaknesses of the service.

The operation of USES is laden with unchecked problems that have made a sham of its official purpose of finding jobs for the Nation's unemployed. Its problems can be divided into two areas: First, internal management difficulties, and second, external problems relating to the effectiveness of the Service.

THE INTERNAL DIFFICULTIES OF USES

A recent internal Department of Labor study of USES reported that management was one area in which USES is very weak. As the report states, many of the "functional areas of USES perform responsibilities on a unilateral approach without evidence of an established framework of USES priorities." A lack of communication was discovered between the managers and the employees. USES employees were operating in solely their own interests under no central game plan developed by management. Surely, if USES is to survive and operate efficiently, then it must develop a strong team building effort. Apparently, the effort to install the management by objectives program within Labor has not been effective in the Manpower Administration.

One of the results of this lack of continuity of total USES interest has been low morale. One USES employee fears that "the future of USES is questionable." Another USES official maintained that "there is a conspiracy to do away with USES," thus creating an insecure atmosphere within the Agency.

Besides the manager-employee difficulties, there are difficulties between the national and regional offices. The report found that there was no expression of confidence between national and regional levels at either end. With such a large organization, there is obviously a real need for effective leadership and a partnership relationship. The absence of such, reduces the impact of USES to an almost minimal force.

There is also evidence in USES of a lack of established objectives. There are extreme differences of opinion in USES emphasis on job placements, developmental, and experimental activities, counseling, testing, and training. A key regional official complained that—

> USES needs to get back to the basics. We have lost touch with what the States' needs are. The national office continues to dangle experimental and developmental carrots, and the States grab the bait.

To eradicate these problems, USES must be given the responsibility to establish some concrete objectives both on the national level as well as on the regional level. In addition to this, USES must supply strong and effective leadership from the national office. The national office needs to develop an efficient channel of communication with the regional offices in an effort to strengthen the partnership which hopefully still exists.

There were other problem areas within USES which the study discovered. Some of these include:

First. Overlap of program functions: USES Apprenticeship Information Center performs the same function as the Bureau of Apprenticeship and Training. The National Employers Committee which offers USES recommendations overlaps the functions of the Employment Service Improvement Program.

Second. Inexcusable delays in the revision of the Employment Security Manual have resulted in the existence of an obsolete document.

Third. Cost-benefits studies need to be conducted before any other expansion of programs is initiated. The Local Office Project and the Washington Opportunities for Women need to be evaluated.

In addition to these, the MA study revealed that the Deputy Assistant Secretary of Manpower sent a memorandum in October of 1973 to key officials and assistant regional directors highlighting some of the problem areas. The study noted that today, 2 years later, the Service shows little or no progress made in correcting these areas. A brief partial listing of these problems are:

First, lack of confidence in ESARS—Employment Service Automated Reporting System;

Second, lack of expertise in regional offices;

Third, tendency to concentrate on the more glamorous programs;

Fourth, states are not involved enough in determining their own workload, and

Fifth, there is a need to locate the local offices where businesses are.

Thus USES is plagued with internal problems. The service has grown at an alarming rate. The budget a decade ago was $200 million, while today it is approaching $600 million—an increase of 200 percent. The staff has grown as well as the individual number of regional and local offices around the country. The Service has expanded its programs from its original labor exchange function, without really increasing its effectiveness. It has turned into one more governmental bureaucracy that has lost sight of its important task of finding jobs for the unemployed. To be fair to USES, I must point out that some of its ever-changing priorities have been mandated by the legislative and executive branches who perhaps can be given some of the blame for the present condition of USES.

EXTERNAL DIFFICULTIES

The previously mentioned internal study was limited to internal problems of USES. While it did an effective job in outlining these problem areas, it did not deal with an equally important area, the effectiveness of USES' programs. I now want to concentrate on two main responsibilities of USES: First, obtaining job openings from employers, and second, placing job applicants in these openings.

The number of jobs listed with the State employment services has decreased over the past few years. The reason for this, according to some sources, is that employers regard the employment service as the placement agency of last resort. As a president of a State employment association suggested, if USES were truly effective, employers would be using the "State's free service instead of private agencies which charge fees averaging $600 per placement." Employer complaints most often heard about USES are that the Service either does not respond with job applicants or that the applicants turn out to be unqualified.

A further complaint is that the service of USES takes too long. Indeed, another factor of USES' failure in this area is the recent figures for fiscal 1975 released by the Department of Labor. It reported that nationally the number of job openings filed by employers has dropped by 20 percent since fiscal 1974. The state of Wisconsin recorded a 23 percent drop in job listings for the same period. If USES is to operate effectively, it must reverse this trend. To place applicants there must be available jobs. Such alarming 1 year decreases point to the need for serious and immediate attention.

The second area of concentration deals with placing job applicants. In fiscal 1975, the Department of Labor reports that over 15 million individuals filed job applications with the public employment services, but that only 3.1 million were placed in jobs. This means that approximately 20 percent of those who applied for employment were successful in obtaining some type of employment. The figure for job applicants represents a 13 percent increase over the number of applicants for 1974. The placement figure for 1974 is comparatively the same as for fiscal 1975. What this means is that as applications are increasing, the placement figures are constant.

The figures for the State of Wisconsin are even less encouraging. In fiscal 1975, 329,395 applicants were available. Out of this 59,807 job placements were recorded. This means that 18 percent of the applicants available were placed, less than the national figure. The State figure for fiscal 1974 was approximately 24 percent which, in that year, ranked Wisconsin as 35th in terms of percentage of job placements. Comparing the figures for the 2 years, we noted that job placement has dropped well over 20 percent in the span of 1 year. Comparing this to the 30 percent increase in job applications in 1975, the problem becomes all the more evident. If USES is to be considered effective, it must increase its number of job placements.

One encouraging mark the Wisconsin State service achieved during fiscal 1975 is that it filled approximately 67 percent of the openings that were filed by employers. In fiscal 1974, they filled only 61 percent, meaning that the increase could be interpreted as a positive gain. However, with more applicants and fewer openings, an increase in placements would be expected.

Up to this point I have avoided linking the performance of USES with the present economy. Making the economy the scapegoat for the performance of USES would only serve to divert our attention from these problems which are divorced from the economy; namely, the principles of sound management and their application.

UNEMPLOYMENT INSURANCE CLAIMANTS PROBLEMS

According to the law, all persons applying for unemployment compensation must also file an application with their local office of USES. This necessitates a close relationship between the unemployment insurance program, and USES. In some local offices the same person is in charge of both USES and the unemployment insurance. One USES official, while reluctant to openly admit it, said that this created problems in that no one really knew who was in charge of what.

Furthermore, it was stated that when the unemployment insurance and USES had such close ties, they tended to borrow employees from each other during their "heavy seasons." Such a close connection and use of personnel does not further the effectiveness of either the unemployment insurance or USES.

When unemployment insurance claimants were first required to register for jobs, USES expected to be able to place them quickly. These claimants were people with recent work experience and skills which they felt would be marketable. Unfortunately, their expectations were too high, and although many claimants filed for jobs, some had no desire to obtain employment. There were people collecting unemployment insurance while expecting to be rehired by their former employers. There were also claimants who just wanted to collect unemployment insurance as long as possible and simply filed with USES in order to do so. The Secretary of Labor, in 1958, indicated that realistically:

> The chief reason for the existence of the employment service seems to be to provide a job availability test for workers filing for unemployment insurance.

To highlight this problem for fiscal year 1975, the State of Wisconsin had almost 330,000 job applicants, of which 40 percent were unemployment insurance claimants. However, of the 59,700 placed in jobs, only 14 percent were unemployment insurance claimants. The most recent figures for fiscal 1976 are not much better. According to data released by USES which covers the period ending

August 31, 1975, 42 percent of the total applicants so far this year were unemployment claimants, while only 9 percent of the total placements were claimants.

The high percentage of applicants and the low percentage of placements of unemployment insurance claimants is cause for alarm.

CONCLUSION

The preceding discourse has been offered with the intent of highlighting a few of USES's problems. There are other problems such as the time lag it takes to place applicants, and the need for an effective follow up on placements to check their continued employment. The problems are numerous. USES in principle is an important service to the people.

In practice, however, it has become a bureaucratic nightmare and has failed to effectively help the unemployed find jobs. If the problems of the U.S. Employment Service are to be solved, an evaluation, and perhaps restructuring of the agency by Congress, is drastically needed.

The General Accounting Office, the investigative arm of Congress, is currently in the process of completing a study of the efficiency and effectiveness of USES. It is expected that the study will be presented to Congress before the end of the year, at which time it is my hope that Congress will take action necessary to revamp the operations and management of USES to insure that it effectively fulfills the purpose for which it was created.

CONSUMER PROTECTION OR CONSUMER DECEPTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 10 minutes.

Mr. McKINNEY. Mr. Speaker, for months prior to this vote on the Agency for Consumer Protection arguments have been heard either extolling the benefits to be derived from the creation of an agency to represent consumers or decrying the further enlargement and intrusion of the Federal Government in private affairs. Most of the criticism consists of charges usually associated with a "holy war." Both extremes were well-represented—at least in number of supporters—but they did not ask what I consider to be the real questions in this issue: Can a program of consumer representation that is compatible with our present agency structure be formulated, and if one can, is the agency that would be created by H.R. 7575 the proper vehicle to effectively meet that goal?

As a long-time supporter of the consumer movement and as a consistent voter for consumer legislation before Congress, I am most obviously interested in creating an effective and responsive environment within the Federal bureaucracy for consumer interests. All too often we mouth the rhetoric that the Government must respond to the wishes of the governed. Yet there is substantial evidence to support the argument that the Federal Government ignores the public or, even worse, harms the people it is supposed to serve.

It was with great difficulty that I voted against this legislation. However, in light of my analysis and evaluation of available information regarding the probable effectiveness and costs of this proposed agency, I am convinced that my position was the only correct choice available to me.

There is a long history of consumer legislation that goes back at least as far as 1906. Whenever an agency division was established in an attempt to provide strong support for the consumer, the major impediment to successful operation in every case to date has come from the failure to clearly define "consumer" and "consumer interest." I feel certain that the definitions contained in H.R. 7575 will present the same difficulties.

According to the legislation, the Administrator of the Consumer Protection Agency can intervene in an agency's regulatory process when he determines that such a proceeding "may substantially affect the interest of consumers." I question the underlying assumption that there is one identifiable "consumer interest." There are a myriad of consumer interests: Low price, high quality, adequate warranty, availability of service, product durability, beauty, safety, manufacturer, not to mention availability of selection. Without question, some of these "consumer interests" are in conflict with one another. Individual consumers continually disagree as to the most preferable trade-off between product life or performance and lower price, as one example.

Also, is the consumer interest different from the interests of environmentalists? Are less expensive but safer cars to take priority over less pollution automobiles? Does the consumer interest differ from the interests of the poor who, for example, of necessity may purchase cheaper, inferior products because they cannot afford the expensive, durable products? Is the consumer interest always the same as the taxpayers' interest? Consumer advocacy can be effective when there is a single interest to represent, but when a conflict of interest between consumers and their interests exists, representation is well-nigh impossible. On what basis can the priority of consumer interests be determined? In my opinion, an agency arguing for cheaper prices—as opposed to more durability—would be representing only one group of consumers and not the interests of consumers at large.

Even among the sponsors of this legislation there is obvious disagreement as to which interests would be represented. During the hearings held on September 21, 1973, on H.R. 14—the predecessor to H.R. 7575—Ralph Nader stated that the consumer advocate's position on mandatory seatbelt devices in automobiles would clearly be to use its considerable powers to advocate installation of such devices in the interests of consumers.

However, in his introductory statement on June 17, 1975, at the hearings held on H.R. 7575, Congressman FRANK HORTON—one of the cosponsors of that bill—stated that this Agency probably would have stepped in to oppose the mandatory seatbelt system as being contrary to the consumer's right of choice. When two men, as intelligent and dedicated to the cause of the consumer as these, cannot agree on which interest is the "consumer interest" to represent, it underlines for me the difficulty the bureaucrats who will staff the Consumer Protection Agency will have in determining whether to protect the interests of you and me as opposed to those of other consumers.

The inevitable conclusion is that there is no single, monolithic consumer interest, despite the mandate of the legislation that the Administrator of the new Agency will determine the consumer interest and represent it. This indeed is an incredibly broad and vague discretion, for "consumer interest" is at best amorphous, multifaceted and composed of competing elements. Do we really want more "big brother" government and more paternalistic judgments determining our lifestyles?

In addition, we are told that the costs of this Agency would be less than $10 million per year. However, the nearly identical Senate version averages $20 million per year for its budget. I question whether the Agency can fulfill all its functions, as delineated in the bill, and stay within either budget. In fact, it has been said that the House Government Operations Committee somewhat arbitrarily decided on this $10 million figure, only to have the Congressional Budget Office report that this would staff an agency of 280 permanent positions for consumer advocacy and representation, consumer information and research, consumer complaints, and program directions and administrative support.

Since some of the leading supporters of this bill have been talking about an agency staffed by at least 400 lawyers, I think it only realistic to assume that a budget request of $10 million truly represents the tip of the cost iceberg. Based on the figures cited during the hearings and the floor debate, I think we are being asked to create totally unrealistic expectations for the public which will lead to further disillusionment and cynicism about our Government and the people who run it.

Among the arguments offered in support of H.R. 7575 we hear that the existing Federal agencies are not responsive to consumer interests and that another Government agency should be created to represent the interests of consumers before these agencies. These regulatory agencies were established to serve the public interest. If they are not meeting this mandate, Congress should act to better supervise them: we should measure their functions against today's needs and establish new guidelines that would insure effective performance. If the Federal agencies are the problem, can the creation of a new one be a logical solution?

In recent years consumerism has witnessed significant and impressive growth. Finally there is some momentum within the Government as many Federal agencies have responded to this movement. Regulatory reform has been discussed for years, but at last Congress, the President and the agencies themselves are taking steps that, I hope, will make reform a reality.

The Federal Trade Commission, for example, has taken the lead in allowing volunteer groups to take part in activities. In the case of the FTC this practice has progressed to the point of reimbursing some interested parties for legal, expert witness, and travel fees. As these organizations have increased in number, they have also increased in effectiveness, through involvement in more Agency activities and court actions. Encouraging this—perhaps through tax incentives—and giving them by law greater ability to participate in our system of government, offers greater hope for all consumers than does the institutionalization of a single voice for our many voices.

There do exist within the Federal bureaucracy—in many cases deeply submerged—offices with consumer-related responsibilities. The McCloskey amendment to H.R. 7575, in part, addressed this situation. I propose that Congress use its oversight authority to develop a sense of responsiveness within these offices—and every agency and department—to the public. Through congressional mandate it should be reestablished that the Government's primary function is to serve the people. Before the constitutional articles which created this form of government, there is a preamble which begins: "We the People." The regulatory agencies and all other offices are an extension of this government and, therefore, they are logically intended to serve the public interest.

Rather than reject this responsibility by establishing a new agency to further confuse the public and public servants, let us act affirmatively and boldly to reform and, if necessary, to restructure our regulatory system so that there can be no doubt that it is the intent of Congress and the people that the Government does in fact serve the public interest.

The last point on which I feel compelled to oppose this legislation is the number of exemptions to the Agency's jurisdiction. The Senate version assumed the characteristics of an amorphous crowd-pleaser with a little something included—or excluded in some cases—to please every special interest group. Attempts were made to make this bill similarly a weak, ineffective addition to the bureaucratic morass hidden behind the a toothless watchdog agency given a vague mandate over undefinable interests, underfunded in the name of economy, yet gutter by the cancer of special interests who fantasize about its effectiveness for others.

The passage of H.R. 7575 will not help achieve reform and creation of this new agency, will not provide per se an effective spokesman for the public's interests.

Such a bill is an insult to the American people upon whom this Congress is attempting to foist this charade. The people deserve better from their Government.

DEPLORING THE U.N.'S ANTI-ZIONISM RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 10 minutes.

Mr. DODD. Mr. Speaker, today the United Nations General Assembly is expected to vote on a resolution condemning Zionism as a form of racism. I urge the General Assembly to reject this deplorable resolution overwhelmingly.

I also implore my colleagues to add their voices to mine today in an effort to show the U.N. General Assembly the folly of its Social, Humanitarian and Cultural Committee, which took the original, misguided action to approve such a resolution.

If the U.N. General Assembly does approve this resolution, then I fear there will be grave consequences for the cause of future peace and for the future of the United Nations as an international forum to promote harmony among all countries.

It must be made crystal clear to the U.N. that the House of Representatives strongly condemns this anti-Zionism resolution, itself a racist statement.

More than 400 of us in the House sponsored, when it was first introduced, the majority leader's resolution and similar resolutions expressing this feeling about the U.N. committee's action. I hope the General Assembly heeds this sense of the Congress.

Mr. Speaker, for the U.N. to adopt the anti-Zionism measure would be a denial of its own charter, which has the expressed stated purpose of developing friendly relations among nations based on respect for the principle of equal rights and self-determination of all peoples.

The charter also contains the following statements, and I quote:

> To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

I ask the U.N. General Assembly how it would be living by its own charter to promote and encourage "respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion" if it were to pass the anti-Zionism resolution.

The answer is, Mr. Speaker, that it would not be living by its own charter, for approval of the resolution is a direct endorsement of the racist, anti-Semitism which throughout history has denied human rights to Jews and has contributed to friction among peoples and nations.

I agree wholeheartedly with this country's representative to the U.N. committee, when he condemned this resolution and said it actually brought the U.N. to the point of approving "one of the most virulent forms of racism known to history"—anti-Semitism.

Approval of anti-Semitism by the U.N. or any other organization, government or individual, would be unconscionable, Mr. Chairman.

Our representative was correct by declaring that approval of the resolution by the General Assembly would compromise the moral authority of the United Nations, which often is its major claim for credibility in dealing with member nations.

I would go further and state that the anti-Zionism action is a form of moral surrender which, by jeopardizing the U.N.'s credibility, greatly reduces its effectiveness as an international peacekeeping forum.

Why should any nation heed the advice of the U.N., or follow its recommendations, when such a body would demonstrate an obvious lack of moral judgment and ability to distinguish right from wrong if it passed the anti-Zionism measure?

This resolution will further interfere with the U.N.'s work because it encourages hostility among the member nations, and among the citizens of these nations. Such hostility already has taken its toll in war, especially in the Middle East.

Mr. Speaker, this anti-Zionism resolution also is being interpreted as the first step in a renewed campaign to destroy the Jewish State in the Middle East. I would hope this would not be the case, and that this regrettable mistake by the U.N. will be rectified today.

For the Arab nations and their allies who supported this resolution must finally come to realize that just as Palestinian refugees must be given shelter and humanitarian aid, the State of Israel must continue to exist to provide a homeland for Jews the world over.

The same respect for equal rights and self-determination which the Arabs are demanding for the Palestinians, and which the U.N. charter endeavors to secure for all people, also must be guaranteed to Jews and Israelis.

The United States, and this Congress, are committed to such a policy, and by now I would think that the Arabs and the U.N. would recognize that.

Rejection by the U.N. General Assembly of the anti-Zionism resolution would be a positive indication that it has come to this recognition, and also returned to its moral senses.

THE DISMISSAL OF SECRETARY SCHLESINGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, I would not pretend to understand all the aspects of the dramatic personnel shuffles within the President's cabinet. I do want to say, however, that I have appreciated the services of James R. Schlesinger as Secretary of Defense. In my view, the Nation loses a talented leader and an authentic defense expert with the departure of Secretary Schlesinger.

Because my work in the Congress does not usually deal directly with defense matters, I have had only a few encounters with the former Secretary. I have often adopted positions different from his on national defense policy, but I always studied and respected his views, and regarded him as a forceful and articulate advocate of a strong defense posture, and a genuine patriot.

I really do not understand the reasons or the timing for his dismissal. With SALT negotiations and both the 1976 and 1977 military budgets at critical points, his abrupt dismissal seems to me unwise.

I do want to disagree specifically with the reason sometimes given for his discharge that he does not have good relations with the Members of Congress. The Secretary's problems rested, in my view, not with Congress, but with the President. Any Secretary of Defense is going to face some rough days on Capitol Hill and the ire of more than a few Congressmen over one decision or another, but Secretary Schlesinger had the respect and attention of most of us, regardless of party or ideology. He sought us out, listened to us, and forcefully defended his own strongly held views in a gentlemanly manner.

So, for what it is worth—and it is not worth much, I fear—may I simply express a word of appreciation to the former Secretary for his valorous services to the Nation, a word of warm best wishes for his future, and an observation that this Member of the Congress, for one, thinks he deserved better treatment than he received.

THE UNITED STATES SHOULD SUSPEND ITS PARTICIPATION IN THE GENERAL ASSEMBLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I had long believed that the United Nations was an important and meaningful organization that seeks to reduce tensions in the world and promote the goal of peaceful resolution of disputes. Unfortunately, I can no longer hold this belief, at least in regards to the General Assembly, and am today introducing a measure to suspend U.S. participation in that body.

The General Assembly has taken numerous actions that, rather than promote the prospects for peace in the world, have exacerbated tensions. In the previous session, the General Assembly refused to accept the credentials of South Africa, granted observer status to an organization that does not represent a state but seeks the destruction of a member of the U.N., and limited to a single 10-minute speech per day Israel's participation in the debate on the Middle East. The General Assembly has seen sessions in which a majority of the membership voted for resolutions that called for sacrifices on the part of the minority. Resolutions such as these are unworkable and accomplish nothing except reduce the impact of reasonable action by the U.N. A further problem in this is that, because each nation's vote carries the same weight, it is possible that a two-thirds vote can be garnered from nations representing a scant 10 percent of the total population represented in the U.N.

Today, the General Assembly considered a resolution equating Zionism with racism. This, to me, represents the last straw. Zionism is most clearly not a form of racism. It neither holds one race of people to be superior to others, nor does it hold other races to be inferior. It is a belief in a homeland and is not directed against any group or groups. This resolution is specifically aimed at the State of Israel. It is to be branded as a racist state. Yet, people of all races and religions live happily, and with equal rights in Israel. An individual of any race and religion can become a citizen. There are some 300 Christian churches and 90 mosques in the nation. Clearly, the State of Israel is not a racist one. I sincerely hope that the members of the General Assembly exercise commonsense and vote to defeat this resolution. My measure, however, is not contingent upon this. The General Assembly has acted irresponsibly for far too long, and it is time for us to say enough.

In February of this year, I accused the United Nations of wearing a set of moral "blinders," that permit it to condemn activities in one nation, while ignoring far worse in others. The picture of Uganda's Idi Amin, who expelled from his nation all those of Asian heritage and has had unknown thousands killed, labeling another nation as racist is ludicrous. Yet the General Assembly has now taken its moral "blinders" one step forward and launched itself into the realm of fantasy in which it proclaims something untrue to be true.

A further action taken in this just recently begun session is the decision of the Special Political Committee of the General Assembly to declare guerrilla movements in South Africa to be the "legitimate representatives" of the South African people and to label the South African Government as illegitimate. While I in no way condone the apartheid policies of the South African Government, it cannot be denied that this is the government in control of the territory.

In these activities, the General Assembly has exceeded the mandate it has under the United Nations Charter. The General Assembly's primary function is to act as a forum for the interchange of international opinion. It should not be a forum for narrow-minded opinion that exacerbates tensions. The Preamble to the Charter states that the purposes of the U.N. include being "a centre for harmonizing the actions in the statement of (international peace)."

Rather than being a center of harmony, the General Assembly has become an instrument of unrest. I do not feel that we can permit ourselves to continue to participate in such a body. Accordingly, I have introduced a measure to amend the United Nations Participation Act to provide that "all participation by the United States in the activities of the General Assembly of the United Nations shall be suspended until such time as the Congress, by concurrent resolution, approves of such participation." I would like to point out that this measure does not bring about a U.S. withdrawal from the United Nations. It is narrowly drawn to apply only to the General Assembly and the United States would remain active in the Security Council and all other organs of the United Nations.

I would hope that in approving this measure, we would send a clear, unmistakable message to the entire U.N. organization and its membership showing our belief that the U.N. must return to its proper role as an organization promoting the cause of peace and harmony, rather than turmoil and discord.

AMENDMENT TO SECOND BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, I wish to inform the House that Wednesday, during consideration of House Concurrent Resolution 466, I plan to offer an amendment to the second budget resolution. The amendment includes funds for the following purposes:

First. $1.4 billion in budget authority and $235 million in outlays for public service jobs, manpower training, and various education programs;

Second. $5 billion in budget authority for TVA borrowing, which has no outlay impact and which has already passed the House with administration support; and

Third. $2.1 billion in budget authority and $888 million in outlays for the Middle East Peace Agreement, the amount requested by the administration on October 30.

AMENDMENT TO H. CON. RES. 466 OFFERED BY MR. O'NEILL

Strike out line 10 on page 1 and all that follows down through line 7 on page 2, and insert in lieu thereof the following:

"(2) the appropriate level of total new budget authority is $409,004,000,000;

"(3) the appropriate level of total budget outlays is $374,891,000,000;

"(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,091,000,000; and

"(5) the appropriate level of the public debt is $621,500,000,000."

AMENDMENT TO H. CON. RES. 466—OFFERED BY MR. O'NEILL

	H. Con. Res. 466	Effect of amendment	Amended resolution
Revenues	301, 800		301, 800
Budget authority	400, 492	+8, 512	409, 004
Outlays	373, 768	+1, 123	374, 891
Deficit	71, 968	+1, 123	73, 091
Public debt	620, 400	+1, 100	621, 500

Description of amendment	Budget authority	Outlays
I. Sinai peace agreement:		
050—National defense. In this function funds are included for military assistance	776	362
150—International affairs. In this function funds are included for security supporting assistance	1, 303	526
Total, Sinai peace agreement	(2, 079)	(888)
II. Tennessee Valley Authority: 300—Natural resources, environment, and energy. In this function $5,000,000,000 in additional borrowing authority is included to reflect the program level in the House-passed bill	+5, 000	
III. Jobs, manpower and education: 500—Education, manpower, and social services. Funds are included in this function for 3 purposes:		
Public service jobs	+750	+125
Manpower training	+250	+100
Education programs such as ESEA title I, impact aid, vocational education, and other educational programs	+433	+10
Total, jobs, manpower, and education	(+1, 433)	(+235)

ENCOUNTER: A SYNAGOGUE IN DAMASCUS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in August of this year as a member of the Foreign Operations Subcommittee of the Appropriations Committee, I went on a factfinding visit with two other members of the Subcommittee to the Mideast. During my stay in Syria I visited the Jewish quarter of Damascus. I thought it would be of interest to our colleagues if I set forth the article that I authored on that visit to the Damascus synagogue. The article appeared in the New York Times of November 9.

I want to thank our colleague, Joe Early, who volunteered to go with me and who, as a result of that trip, has become a close friend. He is an exceptional person—courageous and loyal and a good friend indeed.

The article follows:

[From the New York Times, Nov. 9, 1975]

Encounter: A Synagogue in Damascus

(By Edward I. Koch)

It is very dark in Damascus at 5 a.m.—dark and deserted. I was waiting in the lobby of our hotel last August along with another Congressman, Joseph Early, of Massachusetts. He had volunteered to join me on a visit to a synagogue—and I had accepted. Even though we would be escorted by a guide sent by the Syrian Foreign Ministry, even though I was sure there was no danger, one's irrational fears can reign at that hour, particularly when alone in an unfriendly country.

So we were waiting, and at one point I turned to Joe, "Tomorrow," I said, "the headline in the papers will read, 'Two Members of Congress Found Dead in Jewish Quarter of Damascus with Passports Stuffed in Mouths.'" Joe, a Roman Catholic, shook his head with a grin. "No," he replied, "the headline will read, 'One Member of Congress Found Dead; the Other Returned Safely to His Hotel.'"

We were members of a three-man delegation from the House Appropriations Foreign Operations Subcommittee on a 10-day factfinding visit to Israel, Egypt, Jordan, Syria and Portugal. The subcommittee would soon be passing on the military and economic aid requests of these countries, and we wanted to talk directly with their officials. One matter I was concerned about was the treatment given the Jews of Syria.

The Foreign Ministry car arrived, and we took off into a confusing maze of alleys in the Old City, site of the Jewish quarter. The maze seemed too much for our guide, too, who finally announced: "We're lost. We don't know where the synagogue is." Just at that point we entered an alley too narrow for the car. There was no alternative but to get out and walk.

The four of us—the Syrian guide, the Syrian driver, Joe Early and I—set out, though we really didn't know where we were going. Reaching an open square, we saw a man in his fifties wearing a yarmulke and ran up to him, frightening this early morning worshiper. We explained who we were and what we were looking for. He led us to a small synagogue made of cinder block. When we entered, there were 12 men and adolescents praying.

They were startled to see us. I asked the Foreign Ministry representative to tell them that Joe and I were American Congressmen—I a Jew there to pray, he a Roman Catholic and a friend. There was no special response, except to hand me a prayer book.

The congregants sat crosslegged on platforms covered with Oriental rugs and pillows. One member of the congregation brought me tefillin—the leather cubes and straps I had not used since my bar mitzvah some 37 years ago. I had forgotten how to place them on my arms and head, so I declined. But I pointed to a tallith—a prayer shawl—and they brought one to me.

At that point, I was startled by a voice next to me asking, in English, "What do you think?"

I hesitated to answer, for I had decided not to ask the synagogue's worshipers any questions because of the presence of the Syrians who had come with me and the possibility that anyone I talked with might later be subject to interrogation and possible punishment.

Finally I said, "Is it all right to talk?"

He said it was.

Then something made me ask, "Are you Jewish?"

He responded, "No, I am your driver and I am a refugee from Jerusalem." Since 1967, many Palestinians have settled in the Jewish quarter of Damascus.

Because of the darkness, I had not seen the man's face; he was wearing a yarmulke. I did not pursue the conversation.

The services ended, and our Syrian guide said that this was a family synagogue and that he could now take us to a larger, public one. We were led there by one of the adolescents who had worshiped with us, a 14-year-old boy.

When we arrived, there was only one person inside, and he told us that services would not begin for another 20 minutes. Just then, in walked three grim-faced men in their thirties fingering prayer beads. I could feel their hostility and knew immediately they were not Jewish.

Joe and I looked at each other, thinking, "Now what?"

The three Syrian Arabs spoke to our guide, who in turn said, "They want to know why you are here."

I asked who they were and was told that they were Palestinian refugees who lived in the quarter. The leader was the teacher in the quarter.

I said, "Tell them we are two American Congressmen, and we are here to see what we can see."

We stood there in an uncomfortable silence for five minutes, and then our guide said. "There is a third synagouge where they are now praying. Would you like to go there?'

I said yes, although I had qualms about intruding on a worshiping congregation now that our entourage included three Palestinians. Their presence was rather heavy and intimidating, but there was not much I could do about them.

Upon leaving the second synagogue I was struck by the urge to make a statement to our newly acquired escorts. As we crossed the threshold, I saw the mezuzah on the doorpost. I went up to it and kissed it, not with my hand, but with my lips—something I had never done before in my life.

When we reached the third synagogue, the service was already under way with about 35 congregants. At its conclusion, they gathered about Joe and me and I explained through the interpreter who we were. It was clear that they wanted to talk. I wanted to talk. But we were all inhibited, not only by my Syrian guide, but by the three Palestinians. So the discussion was limited to such questions as whether a cure for cancer had been found in the United States.

While we talked, some members of the congregation were brewing tea, and they asked us to share it with them. It was the most delicious tea I have ever tasted: aromatic, garnished with shredded coconut, with almonds floating on top. Yet as I think back, it was probably not so much the flavor of the tea that made it so marvelous; it was the moment. We could feel a bond with these people, feel their warmth. They knew now that there were people outside Syria worrying about them. They were not forgotten.

On the way back to the car, the leader of the three Palestinians indicated he wanted to ask a question. I urged him to do so, and he asked what the Jewish community in the United States thought of Israel. After I told him that American Jews were very supportive, he pointed to a small Arab boy nearby and said, "He is one of my students. He is a Palestine refugee."

I asked, "Do you teach only Arab children?"

He replied, "No, all children." Then he pointed to the Jewish boy who had accompanied us from the first synagogue: "He is one of my students, too."

As I got into the car and was about to leave the teacher, I said, "Take care of all the children."

AND YET MORE PRAISE FOR DANIEL P. MOYNIHAN

Mr. KOCH. Mr. Speaker, the vicious tone of extremism recently established by various representatives to the United Nations is, I know, of great concern to us all. In such a climate it is crucial that the United States be represented to the United Nations by someone who will not be overwhelmed by those who would use that forum as a vehicle for their repressive policies. Ambassador Daniel P. Moynihan is just such a person. By the courage he has displayed in labeling Idi Amin as a "racist murderer," he has shown us that he is not to be intimidated by those who would destroy the principles of international cooperation and freedom on which the United Nations was founded.

I recently asked my constituents to write to the Ambassador giving him their opinion of his remarks. By the many copies of such letters I have received, I have seen that they are as pleased and proud as I am with Ambassador Moynihan. I am setting forth further examples of my constituents' letters for the benefit of my colleagues:

October 10, 1975.

Chief Delegate Patrick Moynihan,
U.S. Mission to the United Nations,
New York, N.Y.

Dear Mr. Moynihan: Thanks for your forthrightness in speaking out in all truth and frankness about the President of Uganda. Discretion may be the better part of valor, but ultimately it's folly to be hypocritical.

It's lack of candor in government, and not hewing to the basic democratic principles on which our country is founded, that eventually makes citizens like you and me apologists for the nation's misdeeds, viz, Vietnam and Chile.

Bravo to you. Maintain the stance!

Sincerely,

Kirby Alexander.

October 28, 1975.

Mr. Patrick Moynihan,
U.S. Mission,
New York, N.Y.

Dear Sir: You should feel very proud of yourself, as a man, and as an American, for the response to the racist remarks made by General Amin at the U.N.

I believe, if our past representatives at the

U.N. were men of your calibre, the world would have more respect for the United States.

Keep punching!

Respectfully yours,

Herman Brodsky.

November 1, 1975.

Hon. Patrick Moynihan,
Chief Delegate to the United States Mission, U.N., New York, N.Y.

Dear Mr. Moynihan: Let me add my plaudits to your powerful denouncement of President Amin of Uganda in his calling for the extinction of Israel as a state.

I concur that Pres. Amin is a despot with "blood on his hands". What is even terrifying is that he is, as you have pointed out, the head of the Organization of African Unity. His cry for extinction of Israel reminds me of the plundering, murdering war in the Sudan of over 100 years ago, where another lunatic, declaring himself the reincarnation of the Prophet Muhammed, led a bloody revolt across half a continent, ending in the plundering of Sudan's capital Khartoum.

I don't know what if anything could be done to reason with Pres. Amin! The question is what can be done to reason with other, perhaps and hopefully less lunatic, Africans, whom he has rallied to his support. My hunch is that he has pursued them with the following argument, with which I DO NOT PERSONALLY AGREE: "Zionism is a form of racial discrimination because, the only reason that the Jews are being compensated by the power structure for the holocaust of Nazism in Europe with a homeland (Israel), is that they (the Jews) are basically White! The Third World on the other hand, is also in the midst of a holocaust, not started by Nazism, but started by pestilence and starvation; and the power structure doesn't care, because the Third World is basically non-white. Therefore, to support Zionism, a homeland for the basically White Jews, is to support the racist politics of the power structure."

I note and call your attention to the New York Times article of Oct. 27, 1975, titled: "Sweden Meets Third-World Goal". Perhaps one way to counter the above argument is for the "power structure" to follow the example set by Sweden. I quote from the New York Times: "Sweden has quietly emerged as the first industrial nation to spend 1 per cent of her gross national product on foreign aid." The article continues further—, "Major beneficiaries Swedish foreign aid this year are India, Bangladesh, Cuba, North Vietnam and the African nations that include Tanzania, Ethiopia, Guinea-Bessau, Zambia and Botswana." etc.

This is a long range project for the "power structure," countering the Amin argument with deeds as well as with words.

In the meanwhile, from the floor of the U.N., I note that Ambassador Moynihan has not been quiet, as described in attached New York Post article of Oct. 27, 1975. I agree with your "Face The Nation" statement as quoted in the New York Post article, that "any move to disassociate the U.S. from the world body would be taken reluctantly, but would be preferable to giving 'the appearance of international legality to anti-Semitism'." I concur and applaud your comments.

It is regrettable that so much of Black Africa has been confused. I agree with Mr. Bayard Rustin, also quoted by the New York Post article. Mr. Rustin condemned the U.N. committee resolution, "charging the 'Blacks have nothing to gain from collaboration with feudal Arab states who have a design for annihilation of Israel.'"

My heartfelt gratitude to you, Mr. Moynihan, for your courage and for your convictions.

Sincerely,

Miss Bernice Eisen Harris.

October 17, 1975.

Mr. Patrick Moynihan,
U.S. Mission,
New York, N.Y.

Dear Mr. Moynihan: Thank you for a well deserved diatribe against this tyrant Amin. We understand that the State Department would like you to withdraw your remarks. I find their behavior deplorable and we fervently hope you will resist underserved pressure and convince them of their hypocrisy. We wish you good luck in your endeavors and keep up the good work.

Best regards,

David Souis.
——— ———.
——— ———.

October 9, 1975.

Hon. Daniel P. Moynihan,
Chief U.S. Representative, United Nations,
New York, N.Y.

Dear Mr. Ambassador: It was a delight to hear you call the village barbarian of Uganda by his right name. For far too long have the diplomatic gangsters, in the name of national sovereignty, gotten away with murder. We, 700 Senior Citizens of the YM–YWHA, are gratified at the opportunity to join other millions of people throughout the world in expressing our admiration and appreciation to you for your San Francisco speech denouncing the petty tyrant who has, by treachery and blood, made himself ruler of an African nation.

This little dictator who now reigns supreme in Uganda, who has ruthlessly expelled scores of thousands of citizens of his country for the sin of having been born a different skin color than his own, who murdered perhaps hundreds of thousands of his own people, who was ready to execute an English resident of his country because the latter referred to him as a village despot—this is the man the "Third World" chose to speak for them at the United Nations, and this is the man with the effrontery to call for the extinction of Israel. If there is any decency left in the General Assembly there would have been a universal demand for his nation to replace a representative whose hands are dripping with blood.

The time has also come that the Third World was told that we in the United States owe them no apologies. Their demands for a "New Economic Order" would make more sense if they put their own houses in order first, and their adoption of Marxist phraseology lacks sincerity. The United States, against whom their demands are principally directed, owes them nothing; on the contrary, their very origin is traceable to the concepts of liberty echoing from America and its institutions and their emergence as independent nations is not in small measure due to the blood and treasure contributed by America.

Instead of being criticized for your speech, the members of the General Assembly should have risen to embrace you for having forgotten for once the niceties of diplomatic politeness to condemn this village brute who embodies all the psychotic monstrosities of Hitler and the ferocities of Stalin.

Three cheers for you, Mr. Moynihan.

Sincerely and respectfully,

Joseph Sturman,
Chairman, Social Action Committee.

October 27, 1975.

United States Mission,
New York, N.Y.

Gentlemen: Though I do not articulate as eloquently as my elected representative, Hon. Edward I. Koch, I wish to go on record in complete agreement with his applause in support of Patrick Moynihan's denouncement of President Idi Amin.

Whatever the State Department's reasons for the request for the withdrawal of his "undiplomatic" remarks, I urge Mr. Moynihan not to accede, but to speak out with the courage he has displayed.

I'm sure "His Excellency," the self appointed Field Marshal, Emperor, Dictator, or whatever suits him this week—would not sit down with our own Secretary of State or with Rep. Koch, both of whom happen to be Jewish.

Sincerely,

Larry Sumergrade.

October 20, 1975.

United Nations,
U.S. Mission,
New York, N.Y.

Dear Mr. Moynihan: Let me congratulate you and express my admiration for you in having the courage to "speak out" and speak the truth regarding Amin of Uganda.

You are right! We must raise our voices against any attack on any of our people. Otherwise, we have a continuation and repetition of that dastardly resolution sponsored by the Africa-Arab bloc and traitorously encouraged by Chile.

We need people like you and Mr. Clarence Mitchell, Jr. Keep it up!

With best wishes.

Sincerely,

Mrs. Beatrice E. Tolmach.

October 28, 1975.

Mr. P. Moynihan,
Chief Delegate, U.S. Mission,
New York, N.Y.

Dear Sir: It has always been my feeling that this world lacks honesty. Therefore, I want to congratulate you on your reply to—excuse the expression—Excellency Amin—in the United Nations. Thank you.

Unfortunately—The United Nations is not united.

Sincerely,

Lena Weinstein.

A GREAT AMERICAN LADY HONORED

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, we all delight to do honor to whom honor is due. Recently a great American lady, a distinguished composer and pianist, long known as Miami's grande dame of music, Mana-Zucca, was awarded a scroll marking her 50th year of membership in the American Society of Composers, Authors and Publishers, ASCAP.

Mana-Zucca published her first composition, a violin piece, when she was 9. She has subsequently published 400 more compositions in a rich and creative life dedicated to music and love of music and love of beauty. The phenomenal career of this noble mother, this grand and gracious lady, who still plays her grand piano daily and is still active as a dynamic and inspiring community leader, is told in the Miami Herald of Friday, October 17, 1975. In recognition of Mana-Zucca's notable and eminent career and of this great lady, who has been my wife's and my friend for decades, so much beloved by all who know her, I include the Miami Herald article of October 17, 1975 in the Record following my remarks:

[From the Miami Herald, Oct. 17, 1975]

Mana-Zucca's Never Without a Song

(By Eleanor Hart)

Although composer and pianist Mana-Zucca recently was awarded a scroll marking her 50th year of membership in ASCAP (the

American Society of Composers, Authors and Publishers) she says she "should have been a charter member and could have been."

"When I was 13 or 14, Victor Herbert (one of the founders) wanted me to join." But G. Schirmer, the company which published her first composition, a violin piece written when she was nine, and was subsequently to publish 400 more of her compositions—discouraged her because, she says, they didn't know anything about ASCAP.

Twice described in the Congressional Record as "grande dame of Miami music," "child prodigy still going strong" and "dynamo of the ivories" Mana-Zucca is a legend in her own time, a span that stretches from the career of Victor Herbert to that of Elton John.

One of six children of Jeannette Deneau and Samuel Shepard Zucca-mana, she was born on Christmas day in New York City, but now in her seventh decade, Mana-Zucca frowns on specific dates.

"Father wanted to name me Jesula but Mother didn't, so they compromised with Gizella. I never used it. As a child it was terrible."

Later she turned her surname around and legalized "Mana-Zucca" when in her teens and attending a music school in Berlin.

Her first musical notes were struck on a toy piano, at age three. "I happened to hit on a tune in G major and I couldn't find F sharp. The black keys (sharps and flats) were just painted on. I was looking under the piano for that note and crying, "This piano's no good." One of our guests, Jacques Danielson, husband of the novelist Fannie Hurst, said, "Lord, that child has absolute pitch. She's unhappy because she can't find that sharp!"

Lessons on a "real" piano followed and at age four Mana played in her first recital. By the time she was eight, she was ready for her first large concert in Carnegie Hall with the New York Philharmonic. "I was like Shirley Temple. Everyone knew me as a child prodigy."

Composing music came naturally. "I always have but I didn't know it was composing at first. I write quickly," and songs always to fit lyrics, "the right way to do it."

Her hallmark, of course, is "I Love Life," published in the early '30s and most famous of her 1,100 published works. She considered it "a cheap little song" at the time but has since changed her mind because of its success. John Charles Thomas made it a hit and Nelson Eddy, Laurence Tibbett and Rosa Ponselle all made it part of their repertoires.

Her husband, Irwin M. Cassel, who died in July, 1971, wrote the lyrics. She had stopped writing for a period after their only child, Marwin Shepard, a Miami attorney, was born in 1925.

"He (Irwin) suggested that I start writing again. I wrote several pieces, 'Prelude' and 'Piem' but he said 'No, that's not what I mean.' I said, 'You write the lyrics and I'll write the music." She did—in 30 minutes. "I Love Life" was ironically the only one of her songs to be turned down by her publisher.

"I have others just as famous," she insists. "Composers don't like it when the public only associates them with one number. Rachmaninoff used to hate his 'Prelude' because that's all people remembered. But I've been lucky. I've had four big hits—'Big Brown Bear,' 'Nichevo' (Nothing Matters) and 'Valse Brilliante,' a piano number."

She recalls with zest one of the many "I Love Life" anecdotes. A plane approaching Denver developed engine trouble and when the pilot announced the fact, a terrified passenger started singing "Nearer My God To Thee." He was drowned out by another who sang "I Love Life." The plane landed safely and a friend who was aboard called Mana to report the incident.

People rather than things or events inspire her, she says. For example, pianist Artur Rubinstein inspired her "Bolero de Concert."

Most recent publications from her reservoir of 1,000 unpublished works which include an American-Chinese grand opera—"I'm holding back. I don't want to crowd myself"—are "Love's Dart" and "It Was No Dream," and a piano number, Sonata No. * * * "My best work, but it will probably take 20 years before it gets known. So much will be produced after I'm gone," she says.

Musical comedy days included playing in Rudolf Friml's "High Jinks" operetta, dancing with Clifton Webb, playing daughter to Will Rogers in "Town Topics," on Broadway, and touring with the comedy team Gallagher and Sheen.

"People," Mana reflects, "always think I'm older than I am." She recalls meeting a woman who was amazed "that I was alive. 'You were a friend of my grandmother,' she exclaimed. Well, I was, when I was five and the grandmother was 70! Older people were all I knew. I never played with children."

Life is quieter now in the Miami Beach home moved into shortly before her husband died. They had been married 49 years.

Gone are the days of Mazica Hall, her former showplace home at 410 NE 17th St., that could accommodate an audience of 300 and where more than 500 concerts were given. The house was sold, and razed to make room for Jordan Marsh.

But musical atmosphere still prevails in her comfortable living room with her collection of more than 200 miniature pianos and a pair of grand pianos, a Steinway and a Baldwin, which provides the setting every spring for piano teachers' recitals.

BLACK BUSINESS IN A TIME OF DEPRESSION

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, I would like to share with my colleagues the text of an excellent speech, "Black Business In A Time of Depression," given by Mr. Vernon E. Jordan, Jr., Executive Director of the National Urban League, at the 75th Annual Convention of the National Business League in Boston, Mass., on Friday October 10, 1975:

BLACK BUSINESS IN A TIME OF DEPRESSION

(Address by Vernon E. Jordan, Jr., Executive Director, National Urban League)

At the outset, I bring congratulations to the National Business League on the occasion of its 75th anniversary convention from its fraternal younger brother among black organizations, the 65-year-old National Urban League.

We are both founded during the dark, dismal days in which the Jim Crow tradition solidified. We have both survived those troubled days of our birth to serve all black people and to press our programs of economic development. Such programs have been uppermost in the history of the National Urban League and in recent years, through such efforts as our minority contractors and road builder programs, and our affiliates' participation in Business Development Centers and in convening and assisting development of black banks, community development corporations and MESBICS, we have attempted to carry on that tradition.

It is timely to record—for a meeting on black business taking place in Boston 200 years after the Declaration of Independence—a statement about black businessmen of the colonial era that still rings with tragic relevance:

"Those Negroes who keep shops live moderately, and never augment their business beyond a certain point. The reason is obvious; the whites . . . like not to give them credit to enable them to undertake any extensive commerce nor even to give them the means of common education by receiving them into their counting houses."

There, in a nutshell, we have a description of the dilemma of the black businessman—limited to opportunity, denied resources, and excluded from wider business experiences. Despite this, black people continued to create businesses that were often successful. A century ago, black bootmakers, tailors, merchants, and restauranteurs dominated their fields in many cities.

Organized, persistent discrimination drove them out and helped give credence to the myth that black people, descended from the great trading and commercial societies of Africa, had no talent for business. A double tragedy then, that so many black people today share this belief.

The history of black business is marked by tales of extraordinary heroism and risk taking. The story of the building of the black-owned life insurance companies, of publishing empires, of community-based service industries, is the story of people who laid everything on the line and who succeeded in the face of incredible odds against them.

It is also the story of a history of discrimination, deceit and fraud, culminating in the thrust for so-called Black Capitalism, a deception as cruel as any that came from the Watergate crowd and their master.

We don't hear much these days about "Black Capitalism." It was designed for failure. It did fail. Let us leave it in the peace of its unmarked grave and turn instead to the present and the future development of black economic strength, which must include healthy and vigorous black businesses.

With consummate irony in its timing, the Commerce Department chose this past summer, at the lowest point of the current economic depression, to release a report on the growth of the numbers of black businesses. The Department said that there were almost 200,000 black businesses grossing over $7 billion a year. The report was treated by the media as an indication that black businesses were doing better than ever.

In some ways they were. But the report only covered 1972—before the onslaught of the current economic decline. And even then, the most significant aspect of black business was its weakness.

Black-owned firms constituted less than one percent of all American business establishments, yet blacks are at least eleven percent of the population, and are the majority in some of the biggest cities.

Barely two percent of all black firms are incorporated. Ninety-eight percent of all black businesses are sole proprietorships or partnerships.

Only about a fifth of all black-owned businesses have any salaried workers at all.

So even in the relatively flush days of 1972 black owned businesses occupied the hidden recesses of American business life. Their marginal role left them vulnerable to any economic downturn and today, in what is for the total business community a severe recession, black business is in a terrible depression.

An analysis of the fate of black business in this depression yields grim results:

The communities that serve as the foundation for black business enterprise have always been poor ones, but today they have trouble sustaining even their traditional low degree of economic activity. True black unemployment is at 26 percent, whatever laundered figures coming out of Washington claim. Higher food and gas prices combined with already disproportionate percentages of income going to rent have reduced discretionary income of most blacks to extremely low levels.

This means fewer savings going into black banks and lower sales for black-owned retail and service establishments.

Even more gruesome is this Administration's apparent abandonment of the cities, in which a majority of black people live, and its cool acceptance of continued high rates of unemployment. The most optimistic economic predictions foresee high unemployment continuing through to the beginning of the 1980s.

Two key areas of concentration of black capital—automotive related enterprises and construction—have been crippled by the decline in auto sales and by the virtual halt in housing construction.

About a fifth of black manufacturing concerns are expected to go out of business in this depression.

The shortage of capital, a problem even for major white-owned corporations, is at disaster level for black-owned businesses.

Many black businesses have full order books and will still go out of business, because they do not have access to loans, credits and working capital. Traditionally cut off from private financing, black businesses have become largely dependent on federally-backed loans. But the numbers and amounts of those SBA loans have shrunk drastically to about half of their former levels.

These problems may be attributed by some to the neutral workings of market forces and to conservative fiscal policies in Washington. But so relentless an indifference to the hopes and aspirations of black people in general and black business in particular indicates to me that racism is still deeply embedded in the structure of our economy.

A recent report by the Civil Rights Commission supports this view. The Commission found that less than one percent of the dollar value of all federal contracts went to minority-owned or female-owned businesses, and an even smaller proportion went to such firms from state and local governments.

In addition, it found that despite good performance by minority-owned firms, government contract officers generally assume that such businesses would not be able to perform on contracts.

All of this goes to the relative disadvantage of black people and their businesses. It is the result of black exclusion from the economic, social and political mainstream in American life. And it reflects a mindset that assumes black inferiority in business while accepting defense contract overruns that cost billions and recurrent Penn Central and Franklin Bank scandals as not reflective of white inferiority in business. And I don't recall seeing any black faces among the mismanagers of the nation's economic policies.

The array of problems I've cited can sound overwhelming. But all problems have solutions. There *is* a lot that can be done to reverse this situation. The problems come fast and plenty, but so do the answers and if we dwell too much on the obstacles we will never surmount them. I'm reminded of the story of the centipede who was asked how he knew which foot to put forward first. He spent so much time thinking about it, he never walked again. Black folk have never let our problems get us down; if they had, we wouldn't be here today.

The suggestions I will make can be divided between those steps that should be taken as a matter of public policy and those steps black people ourselves must take.

The underlying assumption I make is that black business ownership is important to both the nation and to black people. Black citizens have a right to share equally in all aspects of American life and that includes business ownership. And the black community needs a firm economic and leadership base, a base provided to other communities by their business establishments.

The prerequisite for the development of black economic parity at all levels remains a sustained federal policy effort to achieve greater equality. Such an effort would include a national full employment policy, an income maintenance program, a revitalized home building program, and quality education for all. If national economic policy were directed toward putting work tools in people's hands and paychecks in their pockets, instead of turning millions out onto the unemployment lines, the black community would have the purchasing power and the savings accumulation to ensure a prosperous black corporate and entrepreneurial presence.

Even failing such a broad national commitment to economic parity, governments and majority enterprises can take important steps to ensure broader black business participation in the eeconomy. Such steps would include:

A sharp increase in guaranteed and direct loans and in technical assistance to minority businesses, perhaps including creation of a National Development Bank for this purpose.

An immediate one-year freeze on repayments of loans to the SBA. Today's economic environment has been created by Federal economic policies that work to the disadvantage of small and minority-owned businesses and so the burdens should be shifted from the victims of those policies to the perpetrators of hard times. Minority businesses that might otherwise weather the current economic storms will go under unless they are temporarily relieved of repayment obligations. This is not a handout, it is a way to ensure survival of the business and eventual repayment of loans.

The President himself should issue a priority directive to all Federal agencies requiring a fixed and reasonable percentage of Federal procurement contracts be set aside for competent minority contractors. And this should be followed by similar steps by every governor, mayor and head of a major private corporation.

A similar requirement should be built into all Federal contracts with prime contractors, providing that minority businesses get a fair share of their sub-contracts.

These, and other steps, are just and necessary, but they constitute a request for crutches by a sector of the economy that has been crippled by discrimination and depression. But crutches will only help us limp to the starting line. If we want to reach the finish line, we'll have to do it on our own. We'll have to show the same drive and sacrifice that enable the successful black businesses of the past to grow and to flourish.

Look back at the giants of black business. Look at the wealthy insurance companies, service industries and communications empires. They were created in times that were harder than these. They grew and expanded before there was an SBA; before OMBE was ever thought of.

The days are over when black entrepreneurs could expect sympathetic consideration for contracts, loans, credit, and white conscience business. That period lasted for a short time; it can be measured in months. And it never really affected more than a handful of black businessmen.

In today's racial and economic climate it's not enough to be black. It's not enough to have the desire to go into business without the expertise and capital to back it up. And it's not enough to catalogue what government should do for us; we've got to dig in and create opportunities ourselves.

The first step in this process must be a commitment to excellence. When black people spend their dollars, earned with sweat and blood, they want—and deserve—the best. If black businessmen won't give it to them, white ones will. And white corporations are taking a dim view of buying from minority suppliers as a reflection of their social commitment. They too feel a capital pinch and the snares of shrinking profit margins. They will insist—rightly—on quality performance.

So black business must be typified by devotion to quality, efficiency and excellence. Those that cultivate these characteristics will survive; those that don't will meet the fate of any such enterprise in a competitive society.

A second step is for black businessmen to seek out and develop new markets and new product areas. Traditionally, successful black businesses identified needs for goods and services and have gone on to provide them. In fact, most of these needs have come from the minority community. Today, the black businessman must look to the broader markets of the nation, and even the world.

Pick up almost any financial journal and you'll see pictures of American businessmen signing deals in Moscow or having their pictures taken with oil sheiks or with Japanese exporters. The world is shrinking economically. It is becoming more interdependent and businessmen are crossing borders as never before.

Black people then, have a unique opportunity to get in on the ground floor of the potentially rich markets of the Caribbean, Africa, and Latin America, where we have ties of race, empathy and cultural affinities that should make us strong competitors to white businessmen still trapped by racial arrogance.

A third step is to do the planning and get the financing to take advantage of those opportunities. Implicit in your theme, "Unity for Economic Parity" is the need for unified black planning for long-term economic development and for identification and exploitation of future business opportunities.

Also implicit is the need to attain greater cooperation in developing the capital resources needed to expand the black business sector. In this regard black people must consider pooling their limited resources to reach amounts that can give us leverage for other kinds of financing, as well as to create new business.

And a part of our problem is that potential black venture capital is locked into corporate bond, stocks and other investments outside the black commnunity. There is no reason why affluent blacks should take unnecessary risks with their hard-earned savings not expected of whites, but at the same time there can and should be a more adventurous individual spirit among holders of capital. Such a spirit is not one of charity, but of investment in ideas, goods, products and opportunities that may reasonably be expected to yield even greater future returns. Honesty demands that we clearly identify conspicuous consumption and overly conservative investment practices on the part of the small number of affluent blacks as one contributing element in the continuing problem of capital shortage. I'd like to see some of this money made available for investment in new black enterprises, and perhaps even more to the point, in buying up white-owned companies and by so doing, get black firms into viable market positions in established industries.

Opportunities exist. What is in question is the ambition and drive necessary to make the most of those opportunities. John H. Johnson, founder and president of the Johnson Publishing Company, makes a very important point when he says:

"Success in business is a time-honored process involving hard work, risk-taking, money, a good product, maybe a little bit of luck, and most of all, a burning commitment to succeed. I do not believe that this overriding desire to succeed has reached the desired intensity in minority business."

And Johnson rightly continues: "White entrepreneurs have not ceased going into business because of the high risk involved. And neither should blacks."

Traditionally, blacks have been rewarded for playing it safe and penalized for risk taking. Pervasive discrimination and brutality have channeled us into habits and economic attitudes that mitigate against business success in today's world. The Post Office and teaching drained off many of those individuals who, were they white, would today be affluent businessmen.

But the past need not be the future. Black people today are shucking off those old attitudes. They're running for political office, entering high level corporate and private jobs, going into professions blacks never dreamed of entering. So must it be with business too.

The energies and abilities of young black people today ought to be channeled into the desire for developing black enterprises. The security that was the goal of the past ought to be replaced by the drive to invest every penny, to work twenty-four hours, to birth, nurture and build great new black-owned businesses.

Black business needs new blood, new outlooks, new vigor. More blacks than ever before are in colleges today and they should be encouraged to strike out on their own, to build their futures with their own two hands, to use their knowledge not to become cogs in someone else's wheel, but as masters of their own fates.

And blacks have penetrated the American corporate structure as never before. Every American corporation has its black MBAs and technical specialists and wants more. But in addition to such corporate careers, young executives ought to be thinking about starting their own businesses. The growing numbers of black executives and educated young people may yet prove the greatest source of future independent black businessmen.

Every ethnic group has turned to businessmen and women for its core leadership group. Every ethnic group has prospered through development of business enterprises that create capital, goods and jobs for its members. Black people cannot afford the luxury of foregoing such development; of losing such leadership.

A viable, strong black business sector is necessary not only for achievement of economic parity between blacks and whites, but also for the development of a vigorous and complete black community and cultural life.

So there is more at stake than Joe Jones being able to drive a Cadillac or Bob Brown to live in a $100,000 house. Individual success is important to the degree that it contributes to group achievement and to the fulfillment of the aspirations of black Americans.

Black folk have survived in the face of the dungeons of slavery and the chains of discrimination and prejudice. We've come through the storms and turmoils of persecution and oppression and we're still struggling toward the mountain top of prosperity and equality. It's been a long tortured road, but we've come this far because enough of us have clung to dreams and worked and fought to make them true.

I have faith that black folk today still have the vision that inspires great dreams; that we have the drive to work toward our goals, and that we have the fighting spirit to overcome obstacles and make those goals come true. Yes, I believe that what I've been talking about can take place in the 1970s, just as earlier generations of black folk were able to build great businesses in the face of discrimination and segregation.

We can look back at such stunning business successes as those by Alonzo Herndon, C. C. Spaulding, L. D. Melton, S. B. Fuller, Heman Perry, John J. Johnson, George E. Johnson, Ivan J. Houston, W. H. Hornsby, A. G. Gaston, Maceo Walker, C. B. Powell and Henry Parks.

I know you can add to this honor list of black achievers of earlier years and of more recent ones, but my point is that just as they were able to overcome the brutal straitjacket of segregation, so too can today's black entrepreneurs overcome today's discriminatory environment and the increased competition for the black consumer dollar.

There's someone else who, for me, symbolizes black business success. This person never made millions like some of the people I've mentioned, but she built a successful, thriving, viable, business. This lady doesn't have an MBA from Harvard; she's got a night-school education. She doesn't know much about debits and credits or buying on margin, and almost any junior executive knows more than she does about management information systems and information retrieval. She's never floated a stock issue and she never arranged for complex large-scale bank financing.

But through a surplus of hard work and sheer guts this lady built a business that provided for her children, created jobs for young people, became a good corporate citizen involved in the community, and showed a profit on the all-important bottom line.

What she lacked in sophisticated technological training, she made up for with experience and will and good sense. She didn't need to study marketing and inventory controls; she learned how to do it right by experience. She learned how to purchase goods in bulk, how to control inventory, how to train young people. She understood how to develop clientele, and what's as important, to keep her customers coming back for more.

She took those basics I just talked about, quality, opportunity, commitment, and she built a thriving business!

This lady, who has been such an inspiration to me and whose business success demonstrates what determined black people can do if they work hard enough at it, has a common sense philosophy I want to share with you. That philosophy has four elements:

If you make a dime, save two cents.
The dollar is a man's best friend.
God helps those who help themselves.
If you trust Him, He'll take care of you.

That lady, my friends, is my mama, Mary Jordan, President of the Mary Jordan Catering Service of Atlanta, Georgia, and I hope you'll join with me in heeding her wisdom and following her example.

THE CONTRIBUTIONS OF SECRETARY JOHN L. McLUCAS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, on Friday, November 7, 1975, John L. McLucas, Secretary of the Air Force, retired from this important position and received a farewell review at Andrews AFB in Maryland. He had served in this capacity since July 1973. During that period he gave distinguished service to the Air Force and to the Nation. He is one of the hardest workers in Government and he enjoyed the confidence of the administration. He had excellent rapport with his associates in the Pentagon and with Congress.

He was born in Fayetteville, N.C., in 1920 and received his public school education in South Carolina. He received his bachelor of science degree from Davidson College, his master of science degree from Tulane, and his doctorate from Pennsylvania State University. During 1943–46, he served as an officer in the Navy.

He enjoyed a distinguished career in business and in public life.

From 1950 to 1957, he was vice president and technical director of Haller, Raymond and Brown, Inc., an electronics firm at State College, Pa. In 1958 he was made president of HRB-Singer, Inc. He joined the Department of Defense in May 1962 and served as Deputy Director of Defense Research and Engineering—tactical warfare programs.

Two years later, he was appointed as Assistant Secretary General for Scientific Affairs at NATO Headquarters in Paris, France. In 1966 he became president of Mitre Corp., where he remained until his appointment as Under Secretary of the Air Force on March 17, 1969.

Dr. McLucas is the author of numerous scientific articles and holds eight U.S. patents. He is the founder or cofounder of several small businesses and has been active in civic affairs in Pennsylvania and Massachusetts.

He was elected a fellow of the Institute of Electrical and Electronic Engineers in 1962; an associate fellow of the American Institute of Aeronautics and Astronautics in 1971; and a member of the National Academy of Engineering in 1969. He received the Department of Defense Medal for Distinguished Public Service in 1964, and first bronze palm in 1973; and the Air Force Exceptional Service Award in May 1973.

The story of his effective service as Secretary of the Air Force was spelled out in expert manner by Gen. David C. Jones, Chief of Staff of the Air Force, on the date of his retirement. I am happy to include his statement for reprinting in the Record. I know my associates in the Congress will welcome an opportunity to read this fine tribute and to join in the sentiments that it expresses.

Secretary McLucas will carry our good wishes with him as he assumes his new responsibilities as Administrator of the Federal Aviation Administration.

The remarks of Gen. David C. Jones follows:

Tribute to the Honorable John L. McLucas Upon His Retirement as Secretary of the Air Force

(By Gen. David C. Jones, Chief of Staff of the Air Force)

Today marks an occasion that summons mixed emotions in the Air Force family. On the one hand, we welcome the opportunity to pay tribute to a great Secretary of the Air Force. He leaves the Air Force in good shape to take on the great challenges as Administrator of the Federal Aviation Administration. There is no one else with the unique qualifications of scientific, business, government and aviation expertise to discharge the responsibilities as head of the FAA.

The FAA's gain is our loss and I speak for the entire Air Force when I express a deep sense of personal and professional regret at his departure. We can at least take some comfort that Secretary McLucas will remain deeply involved in the world of aviation.

The Air Force and the nation can be thankful for the uncommon excellence of people such as John McLucas. Here is a man who—as a young PhD, a successful businessman and founder of several companies, a member of the Young Presidents Organization and the holder of 10 U.S. patents—was involved in a highly lucrative career in private enterprise, yet devoted much of his adult life to public service.

In addition to his years with the Air Force, he served as a naval officer during WW II, in Defense Research and Engineering in the early 60s, as a key science advisor to NATO, and as President of the non-profit MITRE Corporation. He was also a member of the

Defense Science Board and the Air Force Scientific Board.

Thus, Dr. McLucas has devoted a lifetime to answering the call to serve his country in positions of great responsibility. He has always taken on the tough jobs in the tough times.

He became the Under Secretary of the Air Force in 1969, a year of great national turmoil and dissent. At that time, the Department of Defense and the services were the objects of frequent, often vitriolic criticism. Again in 1973, with public confidence in the institutions of government at a low ebb, Dr. McLucas responded to another call, this time to move up to the demanding position of Secretary of the Air Force.

I enthusiastically endorse Secretary Schlesinger's observations about Dr. McLucas' extraordinary record of achievement during the past six and a half years. His steady hand and quiet but forceful leadership have helped guide the Air Force to new heights of achievement and capability.

We have been particularly fortunate during this period of long-postponed modernization to have had the benefit of both Dr. McLucas' business acumen and his Scottish heritage. The characteristic thrift and prudent management of his forebears were in constant evidence throughout his deep involvement in virtually every one of our current development programs. He has left his personal stamp of sound management and enlightened leadership on the Air Force.

The nation can be proud of such a distinguished public servant—and the Air Force is particularly proud of our long association with him. On behalf of the some one million members of the total Air Force—active and reserve, military and civilian—I salute you for your contributions and wish you Godspeed and continued success. To us, you will always be part of the Air Force family, a family which is better for your having been its leader.

LEAVE OF ABSENCE

By unanimous request, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. RHODES), for today and tomorrow, on account of official business.

Mr. HEFNER (at the request of Mr. O'NEILL,) for November 10 and 11, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permisssion to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PRESSLER) and to revise and extend their remarks and include extraneous matter:)

Mr. KEMP, for 60 minutes, today.

Mr. CONABLE, for 30 minutes, today.

Mr. WHALEN, for 5 minutes, today.

Mr. TALCOTT, for 15 minutes, today.

Mr. KASTEN, for 30 minutes, today.

Mr. MCKINNEY, for 10 minutes, today.

(The following Members (at the request of Mr. WAXMAN) and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. DODD, for 10 minutes, today.

Ms. ABZUG, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MITCHELL of Maryland, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $643.50.

(The following Members (at the request of Mr. PRESSLER) and to include extraneous material:)

Mr. HEINZ.

Mr. MOORHEAD of California.

Mr. SNYDER.

Mr. SEBELIUS.

Mr. HASTINGS in two instances.

Mr. HYDE.

Mr. CRANE.

Mr. YOUNG of Florida.

Mr. SYMMS.

Mr. WHITEHURST.

Mr. ANDERSON of Illinois.

(The following Members (at the request of Mr. WAXMAN) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. CORNELL in five instances.

Mr. BINGHAM in 10 instances.

Mr. RANGEL in 10 instances.

Mr. FRASER.

Mr. SIMON in three instances.

Mr. RODINO.

Mr. MEEDS.

Mr. RUSSO in five instances.

Mr. HARKIN in two instances.

Mr. LEGGETT in two instances.

Mrs. SULLIVAN.

Mr. ROGERS.

Mr. GAYDOS.

Mr. DOWNING of Virginia.

Mrs. COLLINS of Illinois.

Mr. RICHMOND.

Mr. ZEFERETTI.

Mr. MURPHY of Illinois.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 5. An act to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

ADJOURNMENT

Mr. WAXMAN. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p.m.) the House adjourned until tomorrow, Tuesday, November 11, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2020. A letter from the Comptroller of the Currency, Department of the Treasury, transmitting his annual report for 1974, pursuant to section 333 of the Revised Statutes [12 U.S.C. 14]; to the Committee on Banking, Currency and Housing.

2021. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of proposed amendments to the regulations governing support for improvement of postsecondary education, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2022. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of a proposed amendment to the regulations governing programs for vocational education, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2023. A letter from the Assistant Secretary for Administration, Department of the Treasury, transmitting a statement pertaining to a proposed Treasury payroll/personnel system, pursuant to 5 U.S.C. 552a(o) (Public Law 93–579, Privacy Act of 1974); to the Committee on Government Operations.

2024. A letter from the Acting Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to prescribe management policies governing the Federal motor vehicle fleet; to the Committee on Government Operations.

2025. A letter from the Administrator, Federal Energy Administration, transmitting a 90-day extension of the amendment to the regulations implementing the stripper well lease exemption set forth in section 4(e)(2) of the Emergency Petroleum Allocation Act of 1973 beginning November 30, 1975, pursuant to section 4(g)(2) of the Act (Public Law 93–159) (H. Doc. No. 94–303); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

2026. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting volume VI of a report on civil rights activities of Federal agencies with responsibilities for insuring nondiscrimination in their federally assisted programs under title VI of the Civil Rights Act of 1964, pursuant to Public Law 85–315, as amended; to the Committee on the Judiciary.

2027. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Commercial Fisheries Research and Development Act of 1964, as amended, to change certain procedures so as to provide for more efficient program operation; to the Committee on Merchant Marine and Fisheries.

2028. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize the Secretary of Transportation, when the Coast Guard is not operating as a service in the Navy, to lease for military purposes structures and their associated real property located in a foreign country; to the Committee on Merchant Marine and Fisheries.

2029. A letter from the Architect of the Capitol, transmitting a report on a plan to reduce by 50 percent the number of persons operating automatic elevators within the Capitol complex; jointly, to the Committee on Appropriations, and House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee on Education and Labor. Supplemental report on H.R. 8578. A bill to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies (Rept. No. 94–620, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 7597. A bill to amend the Employee Retirement Income Security Act of 1974; with amendment (Rept. No. 94–646). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 10585. A bill to increase the temporary debt limitation until March 15, 1976 with amendment (Rept. No. 94–647). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Joint Committee on Atomic Energy. H.R. 8631. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes; with amendment (Rept. No. 94–648). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, and Mr. Ginn):

H.R. 10648. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. AuCOIN:

H.R. 10649. A bill to provide for the establishment of nondiscriminatory rates and charges for the transportation of recyclable and recycled solid waste materials in interstate and foreign commerce; jointly to the Committees on Interstate and Foreign Commerce, Public Works and Transportation, and Merchant Marine and Fisheries.

By Mr. DENT (for himself, Mr. Carney, Mr. James V. Stanton, Mr. J. William Stanton, Mr. Heinz, and Mr. Ashbrook):

H.R. 10650. A bill to amend the Securities Exchange Act of 1934 to provide for the disclosure of certain information relating to persons intending to file tender offers and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FAUNTROY (for himself and Mrs. Fenwick):

H.R. 10651. A bill to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on the District of Columbia.

By Mr. FISH:

H.R. 10652. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. HALL:

H.R. 10653. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. HARKIN:

H.R. 10654. A bill amending the Trading With the Enemy Act to repeal the embargo on U.S. trade with North and South Vietnam; to the Committee on International Relations.

By Mr. LLOYD of California:

H.R. 10655. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly to the Committee on Government Operations, and Rules.

By Mr. LONG of Maryland (for himself, Mr. Roe, Mr. Evins of Tennessee, Mr. Thompson, Mr. Dan Daniel, Mr. Harrington, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Mosher, Mr. Moss, Mr. LaFalce, Mr. Badillo, Mr. Carney, Mr. Helstoski, Mr. McDonald of Georgia, Mr. Drinan, and Mr. Coughlin):

H.R. 10656. A bill to amend the Internal Revenue Code of 1954 to provide for the payment of interest at a rate of 5 percent on excess amounts withheld from individuals' wages; to the Committee on Ways and Means.

By Mr. MEEDS:

H.R. 10657. A bill to provide additional financial assistance for consumer education and market development programs pertaining to U.S. fisheries; to the Committee on Merchant Marine and Fisheries.

H.R. 10658. A bill to authorize Federal participation in modifying the Upper Baker project, Baker River, Wash.; to the Committee on Public Works and Transportation.

By Mrs. MINK:

H.R. 10659. A bill to amend title 10 of the United States Code to apply cost-of-living increases to annuities payable under the Retired Serviceman's Family Protection Plan and to continue payment of annuities under such plan to widows or widowers who remarry at age 60 or thereafter, and to provide for the recomputation of annuities payable under such plan to certain widows; to the Committee on Armed Services.

By Mrs. MINK (for herself and Mr. D'Amours):

H.R. 10660. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. WHALEN:

H.R. 10661. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 10662. A bill to amend the United Nations Participation Act of 1945 to suspend U.S. participation in the activities of the United Nations General Assembly until the Congress approves renewal of such participation; to the Committee on International Relations.

By Mr. WYDLER:

H.R. 10663. A bill to amend the Internal Revenue Code of 1954 to authorize a tax credit for certain expenses of providing higher education; to the Committee on Ways and Means.

By Mr. ASPIN:

H.J. Res. 723. Joint resolution to declare that it shall be the policy of the United States not to make any use of nuclear weapons against any non-nuclear-weapon State which is a party to the Treaty on the Non-Proliferation of Nuclear Weapons unless such State is engaged in armed conflict in concert with a nuclear-weapon State; to the Committee on International Relations.

By Mr. DELANEY:

H. Con. Res. 472. Concurrent resolution expressing the sense of the Congress that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States not to recognize the Soviet Union's illegal annexation of the three Baltic nations of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. LONG of Maryland (for himself, Mr. Gude, Mr. Byron, Mr. Mitchell of Maryland, Mr. Sarbanes, Mrs. Holt, and Mrs. Spellman):

H. Con. Res. 473. Concurrent resolution commending the "Congress's Own Regiment"; to the Committee on Post Office and Civil Service.

By Mr. MEEDS:

H. Con. Res. 474. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 10664. A bill for the relief of Bay City Methodist Church, Bay City, Oreg.; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 10665. A bill for the relief of David W. Chancey and Harold Herring; to the Committee on the Judiciary.

By Mr. HANNAFORD:

H.R. 10666. A bill for the relief of Abdelah Ahmed Chrayah; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

291. By the SPEAKER: Petition of the Harford County Council, Bel Air, Md., relative to revenue sharing; to the Committee on Government Operations.

292. Also, petition of the National Association of State Directors of Disaster Preparedness, St. Louis, Mo., relative to coordination of State and Federal disaster response capabilities; to the Committee on Government Operations.

293. Also, petition of the National Association of State Directors of Disaster Preparedness, St. Louis, Mo., relative to disaster relief; to the Committee on Public Works and Transportation.

294. Also, petition of the city council, New York, N.Y., relative to the Federal Executive Protection Service; to the Committee on Public Works and Transportation.

295. Also, petition of the city council, New York, N.Y., relative to the Uniform Federal Welfare and Medical Assistance Reimbursement Act; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

296. Also, petition of the Saipan Legislature, Saipan, Mariana Islands, relative to payment of claims under title II of the Micronesian Claims Act; jointly, to the Committees on Interior and Insular Affairs, and International Relations.

SENATE—*Monday, November 10, 1975*

The Senate met at 12 meridian and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom we live and move and have our being, deliver us now from the clash and clamor of life about us, from the tumult of the busy world and from the confusion of many voices, that we may hear again Thy still small voice. All the ways of our need lead to Thy throne.

Spare us from being little souls, going our own way, pursuing our narrow ends apart from Thee, lest we find ourselves surprised and trapped by unworthy compromises, by cowardly concessions, by weak acquiescence, and disobedience to the heavenly vision. But make us big in heart and mind and keep us close to Thee, that even while we work there may come to us the hush of solemn thoughts, windows of insight, vistas of splendor, moments of prayer, when we are sure of Thee and are clearly guided by Thy spirit.

Grant to us such a measure of Thy grace and wisdom that this day may be lived in obedience to Thy will. And when evening comes give us quiet hearts, serene souls, and the peace of those whose minds are stayed on Thee.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 10, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, November 6, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar, with the exception of unobjected-to items, be waived under rule VIII.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 434, 435, and 436.

The PRESIDING OFFICER. Without objection, it is so ordered.

SHEILA J. PHELPS

The bill (S. 690) for the relief of Sheila J. Phelps, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sheila J. Phelps, the sum of $2,749.98 in full settlement of all her claims against the United States for reimbursement for the loss of household goods and personal effects which were destroyed by fire on October 4, 1973, while stored in a warehouse at the expense of the United States. The payment of such sum shall be in addition to any amount paid to the said Sheila J. Phelps for such losses under the Military Personnel and Civilian Employees' Claims Act of 1964.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agency or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not exceeding $1,000.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–448), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 690 is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Sheila J. Phelps, widow of Senior Master Sergeant Durward Albert Phelps, who resides at 4, Limerick Close, Ipswich, IPI 5LR, Suffolk, England, the sum of $2,749.98, in full settlement of all her claims against the United States. In connection with his retirement for physical disability from the United States Air Force, the household goods and unaccompanied baggage of Senior Master Sergeant Durward Albert Phelps were shipped from Ramstein Air Base, Germany, to Royal Air Force, Bentwaters, England. Storage in transit for 90 days at destination was authorized. The property was located in Boardman's Warehouse, Ipswich, England, when the warehouse was destroyed by fire on October 4, 1973. All of the household goods and personal effects belonging to Sergeant Phelps, his wife, and five young children, ages 6 months through 15 years, were destroyed.

STATEMENT

The facts of the case as contained in the report of the Department of the Air Force on a similar bill, S. 3668 in the 93rd Congress, are as follows:

On October 23, 1973, Sergeant Durward Phelps presented a claim to the Air Force at Royal Air Force Bentwaters in the amount of $18,605.45. On November 1, 1973, a partial payment of $1,000,000, was made to him to relieve the hardship he was undergoing. The file was then forwarded to Claims Division, Office of the Staff Judge Advocate, United States Air Forces in Europe, where further investigation as to the values of some of the items claimed was being conducted when that office was notified that the claimant had died of a heart attack on February 1, 1974. A second partial payment was made to the claimant's widow, Sheila J. Phelps, on February 11, 1974, and the file was forwarded to Claims Division, Office of The Judge Advocate General, Headquarters, United States Air Force, where the final payment of $5,000.00 was made to the widow on February 25, 1974. In this regard, because of limited settlement authority outside of Headquarters, U.S. Air Force, the maximum of $5,000.00 partial payment was the extent of the authority delegated to the field. This claim was cognizable and payable under the Military Personnel and Civilian Employee's Claims Act (31 U.S.C. 240–243) in the maximum amount payable under this law, $10,000.00.

The Air Force determined that the extent of the loss was $14,599.18, based on the payment of the increased replacement costs less depreciation. Of this sum she has recovered $10,000.00, leaving an uncompensated balance of $4,599.18. Initially the Air Force thought that no reduction in this figure could be obtained by a claim against the carrier. Accordingly on March 21, 1974, the Claims Division of the Department of the Air Force advised Mrs. Phelps, in response to her inquiry, regarding further compensation that her uncompensated loss was $4,599.18, and that the only way for her to get the remainder was through a private relief bill.

It was later discovered that the claimant's goods were shipped via Government Bill of Lading on which the carrier has liability until the shipment is delivered to the member. In response to the Air Force demand, the carrier, Scheffler & Company, Hamburg, Germany, sent a check for $1,849.20 (net weight 6,164 pounds at $0.30 per pound). The carrier's check was deposited to the appropriation out of which Mrs. Phelps' claim was paid and a treasurer's check will be sent to Mrs. Phelps by the Air Force in the near future.

There are strong equitable and legal reasons for relief to Mrs. Phelps. The subject of this private relief is a widow with five children to raise; because of her residence in a foreign country she has no base exchange or commissary privileges as do widows and other dependents of deceased service members in the United States; and she has had to replace, or possibly only partially replace, household goods on a greatly inflated overseas market. Moreover, Sergeant Phelps served his country honorably for over 26 years. Accordingly, the Department of the Air Force strongly supports legislative relief for Mrs. Phelps in the amount of $2,749.98.

In agreement with the department, the Committee recommends the bill favorably.

COMMEMORATION OF U.S. MARINE CORPS 200TH ANNIVERSARY

The Senate proceeded to consider a joint resolution (S.J. Res. 144) to authorize the President to issue a proclamation designating November 10, 1975, in commemoration of the 200th anniversary of the U.S. Marine Corps.

The joint resolution (S.J. Res. 144) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas the United States Marine Corps holds a unique place in the history of this country, and in the hearts of our people; and

Whereas the United States Marine Corps has earned a distinguished reputation for readiness in its role, and faithfulness in its mission, both in times of war and in times of peace; and

Whereas tradition has it that the Marine Corps had its beginning at Tun Tavern in the city of Philadelphia on the 10th day of November 1775, now two hundred years since; and

Whereas this historic milestone permits the people of the United States a fitting opportunity to express their felicitations and gratitude to this great institution, the United States Marine Corps, and to all who have served therein: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the 10th day of November, 1975, as a national day of celebration and appreciation for the two hundred years of exemplary service and sacrifice of the United States Marine Corps.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–449), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the resolution is to authorize the President to issue a proclamation designating November 10, 1975, in commemoration of the two hundredth anniversary of the United States Marine Corps.

STATEMENT

The United States Marine Corps holds a unique place in the history of this country and in the hearts of our people. It has earned a distinguished reputation for readiness in its role, and faithfulness in its mission, both in times of war and in times of peace.

Tradition has it that the Marine Corps had its beginning at Tun Tavern in the city of Philadelphia on the 10th day of November 1775, now two hundred years since. The historic milestone permits the people of the United States a fitting opportunity to express their felicitations and gratitude to this great institution, the United States Marine Corps and to all who have served therein.

The Committee is of the opinion that the resolution has a meritorious purpose and, accordingly, recommends that S.J. Res. 144 be agreed to without an amendment.

TWO HUNDREDTH ANNIVERSARY OF THE FOUNDING OF THE MARINE CORPS

Mr. MANSFIELD. Mr. President, it is most apropos that on the floor at this time is the distinguished Senator from Ohio (Mr. GLENN). It is apropos because of the fact that the Senate has just unanimously passed Senate Joint Resolution 144, a joint resolution to authorize the President to issue a proclamation designating November 10, 1975—today—in commemoration of the 200th anniversary of the U.S. Marine Corps.

It is also apropos that we have as the Acting President pro tempore of the Senate on this occasion the distinguished Senator from Arkansas (Mr. BUMPERS) and because the marines who joined together who now serve together in the Senate and who sponsored this resolution are the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), the Senator from Ohio (Mr. GLENN), and the Senator from Illinois (Mr. STEVENSON).

It is a privilege to extend a salute on the part of the Senate, the Congress, and the Nation, to this outstanding organization which has performed so well for so long in the history of this Republic.

I note, Mr. President, that the birth of the Marine Corps predates the Bicentennial by almost a year and I am very happy to note that the President on this most auspicious occasion is "hereby authorized and requested to issue a proclamation designating the 10th day of November 1975 as a national day of celebration and appreciation for the 200 years of exemplary service and sacrifice of the U.S Marine Corps."

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. GLENN. Mr. President, I appreciate the remarks of the distinguished majority leader.

In the U.S. Marine Corps, November 10 is always a day of celebration, the birthday of the corps. This year is of even more special significance since today marks the 200th anniversary of that founding. I do not rise to commemorate, with lengthy recounting, the history of the corps. That record speaks for itself in eloquent terms.

I was privileged to serve in the Marine Corps for nearly 23 years and would like to relate only one illustrative incident that says much about the corps.

I graduated from flight training during World War II and joined my first marine fighter squadron, commanded by Maj. "Pete" Haines, since deceased.

One day, in casual conversation while waiting for some other squadron officers to join us for a briefing, we discussed combat then taking place in the Pacific, tough combat that had required the ultimate in dedication and sacrifice.

Half to pass the time, and half seriously, I asked him why he thought the Marines had been capable of some of those feats. Knowing Pete as the jovial man he was, I almost expected a flippant reply, but instead he grew very serious, thought a moment, then said:

> Marine training makes each man more afraid of letting his country and his buddies down than he is of getting hurt.

I always remembered that remark, Mr. President. I believe it tells us much about the Marine Corps. It is a spirit that is not passe. It is not dead. It is an attitude that lives not only in the Marine Corps, but in so many other lines of work and endeavor that has made this the great Nation we serve.

May that spirit ever survive.

THE MARINE CORPS BICENTENNIAL

Mr. BUMPERS. Mr. President, I wish to express my appreciation to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) for relieving me in the Chair for a few moments in order that I might comment on the 200th birthday of the U.S. Marine Corps.

First, I would like to point out that our majority leader, the distinguished Senator from Montana (Mr. MANSFIELD) with his usual humility, neglected to include himself when paying tribute to the six or seven Members of the U.S. Senate who are former marines. I would like the record to be clarified to show that he, too, has served in that great organization.

Second, I want to offer a story of something that happened to me when I went into the Marine Corps. At that time, I think I had been out of my native State once or twice. I was 18 years old, and had interrupted my education at the University of Arkansas to serve as a marine.

As far as I was concerned, San Diego, Calif.—the site of boot camp—might have been Rangoon, Burma, so great was the distance from my hometown of Charleston, Ark.

But, happily, there were many Arkansans on the train that went to boot camp. There most of us became very good friends, though we parted company after training. I suppose the closest friend I had during that period of time was a young man named Bill Elderton from Springdale, Ark. While we were in boot camp, his wife gave birth to a son. Bill was not there, of course, at the time his wife delivered, a fact which upset him terribly, but the child was well and healthy.

A little less than a year later—in December of 1944—I was home on furlough. The Battle of the Bulge was raging. I remember picking up my hometown newspaper and seeing the heading "Marine's Wife to Receive Purple Heart Posthumously." It was Bill Elderton's wife. He had been killed in the first assault on Peleliu, one of those remote islands in the South Pacific nobody had ever heard of.

I wrote to Mrs. Elderton and expressed my deepest condolences and told her of my warm friendship with her husband during our short acquaintance. But, until I started running for Governor of my

State in 1970, I did not hear from Bill's family any more.

Those of us who are short of money when we make campaigns always go to the local newspaper office, hoping to get a little free publicity. That was one of the tactics I used in my campaign for Governor when I was virtually unknown all over the State. In the community of Springdale, Ark., I went into the newspaper office. There I met the assistant editor, a fine-looking young man and, when I introduced myself, he told me his name was Bill Elderton. I asked him if he was possibly a junior, and he said, yes, he was.

So this was the fine young son that had been born while Bill and I were together in San Diego.

I tell this story for two reasons First, because this was the most gratifying experience I have had since I entered politics a little over 5½ years ago; second, to say that I do not know how Bill died, but I do know that he did not die letting someone else down. The Marine Corps, more than any other organization, military or otherwise, teaches its members that there is nothing more important than self-discipline and the discipline of taking care of the man next to you. Sometimes it is called the buddy system.

But the point I make is that it was a very graphic lesson to me to serve in the Marine Corps, where I was taught the importance of discipline, and the importance of being concerned about one's fellow man. I hope that if I got anything out of being in the Marine Corps, it was to learn to translate that teaching into a concern for all the people of America who depend on us in this great body.

Mr. ROBERT C. BYRD. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I was impressed with the remarks just made by the able Senator from Arkansas (Mr. BUMPERS). It was a beautibul tribute to a friend and a splendid tribute to the U.S. Marine Corps.

I did not serve in the Marine Corps during World War II, having served in the Navy. But I feel a very close connection with the U.S. Marine Corps. My two sons served in the Marine Corps, and one served in Vietnam for a year. He was there during the Tet offensive of 1968.

My wife had three brothers and each of her brothers served in the Marine Corps. Her oldest brother, Capt. Paul J. Thomson, Jr., was killed at Saipan during World War II.

I think the Marine Corps is one of the greatest organizations in the world. As an American citizen I am proud of the Marines.

I am pleased, too, that several years ago when it became fashionable in this country to relax discipline in the military organizations that the Marine Corps refused to do so.

I think a military organization without discipline is more dangerous than not having a defense force.

The men who go into the military service know that they go into an organization that should require discipline. I like the motto of the Marines, "We need a few good men." That is what the Marines have, good men.

So I am happy to join with my colleague and friend from Arkansas in saluting the Marine Corps on its 200th anniversary today.

Mr. HELMS. Mr. President, I, too, commend the distinguished Senator from Arkansas for his eloquent tribute to the U.S. Marine Corps. It so happens that I am a veteran of the Navy. The unexcelled service rendered to this Nation by the Marine Corps speaks for itself.

I am very interested in the remarks of the distinguished Senator from Virginia, who like the Senator from North Carolina served in the Navy. We do have one thing in common as to the Marine Corps. Dr. James McClellan sitting to my right served with the Senator's son in the Marine Corps.

PAUL W. WILLIAMS

The Senate proceeded to consider the bill (S. 1494) for the relief of Paul W. Williams, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, strike "Secretary of the Treasury" and insert "Department of the Navy", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Act entitled "An Act providing for the barring of claims against the United States", approved October 9, 1940 (54 Stat. 1961), the Department of the Navy is authorized and directed (1) to receive and consider any claim filed within six months of the date of enactment of this Act by Paul W. Williams (United States Marine Corps, retired) of Grants Pass, Oregon, for retirement pay he did not receive, due to administrative error, during the period of September 1, 1955, through June 9, 1961, and (2) to award to the said Paul W. Williams any retirement pay to which he would have been entitled for such period.

SEC. 2. Any amounts payable by reason of the enactment of this Act shall be paid in a lump sum within sixty days after the determination that such amounts are payable.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–450), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill as amended is to authorize and direct the Department of the Navy to receive, consider, and satisfy any claim by Mr. Williams for retirement pay he did not receive, because of administrative error, during the period of September 1, 1955, through June 9, 1961.

STATEMENT

The facts of the case as contained in the departmental report are as follows:

The records of this Department indicate that Chief Warrent Officer Paul W. Williams, 549 99 88 31, U.S. Marine Corps (Retired) was transferred to the retirement list on September 1, 1955, after he had completed 21 years, two months, and 23 days of active service and 26 years, seven months, and nine days of service creditable for basic pay. His retirement was effected under a statute that authorized retired pay at the rate of 2½ percent of the basic pay for his grade, multiplied by the number of his years of service creditable for basic pay.

Chief Warrant Officer Williams' retired pay was incorrectly computed by using his years of service as the multiplier. This discrepancy was not discovered until June 1971. His retired pay was then recomputed correctly, and he was paid the difference between the retired pay to which he was entitled and the pay he actually received for the period from June 10, 1961 through June 9, 1971. However, 31 U.S.C.71a, the 10-year statute of limitations, barred any adjustment for the period from September 1, 1955 through June 9, 1961.

If it were enacted, S. 391 would authorize the payment to Mr. Williams of $4,337.95 in additional retired pay for the period from September 1, 1955 through June 9, 1961, notwithstanding the 10-year statute of limitations.

It is suggested that the words "Secretary of the Treasury" in the sixth line of the first page of the bill be changed to "Department of the Navy."

In view of the foregoing, the Department of the Navy supports enactment of S. 391.

In agreement with the views of the Department of the Navy, the Committee recommends the bill favorably.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. CHURCH be recognized for not to exceed 15 minutes, to be followed by Mr. MANSFIELD for not to exceed 15 minutes, to be followed by Mr. ALLEN for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow there be a period for the transaction of routine morning business of 15 minutes with statements limited therein to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. I thank the Chair. I have nothing to offer.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for not to exceed 15 minutes.

EXERCISE IN UGLINESS

Mr. WEICKER. Mr. President, I bring to the attention of the Senate an exercise in ugliness. Onto the honest, level-headed disagreements of many Connecticut citizens trying to convince their Senator on common situs picketing, the National Right to Work Committee dumped its trash. The politics of reason, which have characterized this Senator's relations with those on both sides of the issue, were not good enough for this Washington-based pressure group. They played the politics of threats. This is to tell them they lost.

On Friday, October 1, an advertisement appeared in America's oldest newspaper, the Hartford Courant. It was addressed to this Senator. Supposedly concerned with common situs picketing legislation, it was entitled "An Open Letter to Senator WEICKER on Beatings, Bombings, Shootings."

The first image that meets the eye is a shadowy figure, 6 inches high, dominating the upper righthand corner of the page. Behind that figure is a group of workers trying to get to work. This shadowy figure has a club in one hand—the other is fisted and raised in anger.

Across the top of the page, in slightly faded print, is the headline of a newspaper story, "We Hereby Declare War"; just below that, another headline, "Labor Disputes Explode—Violence Disrupts Construction Sites."

Flanking the "open letter," which is in bold print, there are more scare headlines. "Broken Nose and Arson With Tear Gas Hit Jersey Roofers," "Police, Courts Refuse To Act in Many Labor Violence Cases," "Maryland Erupts Into Labor Civil War."

I hope that my colleagues are beginning to get the stench of the National Right to Work Committee's contribution to the political process.

The National Right to Work Committee makes it toilet clear that their target is not common situs picketing legislation, but the entire concept of trade unionism.

Mr. President, the slightest familiarity with American history, should be enough to convince any objective person of the benefits unionism has brought to America's workers.

Let no one get fooled by names and jargon. The right to work for a majority of Americans did not exist prior to the labor movement. There was instead the right to be abused, the right to be underpaid even for first rate work, the right to sweat 15 hours a day, 6½ days a week. And there was the right to take it or starve.

For the decent, well-intentioned employer, there was the right to go bankrupt trying to treat people as they ought to be treated, while the basest and most heartless of his competitors made products at prices that could only be maintained by trading lives for profits. For the decent employer there was the choice between treating people like animals, or going broke. Let it be noted, that in many cases, in many industries, they went broke.

In every activity that involves the human species, politics including, there are rotten apples. Yet to suggest that unions have harmed this Nation is a lie. To suggest that violence is the rule rather than exception in union activities is fraud. To write a paragraph such as appeared in this ad saying—

> If the situation weren't so serious the spectacle of Congress and officials of some of the most corrupt, ruthless and violence-prone unions in the country teaming up with the Ford Administration, . . .

Et cetera is garbage.

I am proud to say loud and clear that in Connecticut, being a union member never meant being a hoodlum, being a union leader never meant being a thug. It has meant a commitment to raising the quality of life for one's neighbor.

Mr. President, I am pleased to say that unlike the efforts of the National Right to Work Committee, the numerous members of the construction industry who have informed me of their opposition to common situs picketing legislation have been informative, thoughtful and courteous.

And because there are good arguments on both sides, I have deliberated long and hard on the issue of common situs picketing.

The concept of equal treatment for construction workers has been before the Congress for more than 20 years. As an old issue it has become an ideological battleground. Let us remember that along with Gerald Ford, as diverse a group as Harry Truman, Dwight Eisenhower, and John Kennedy were all supporters of common situs picketing.

In the opinion of this Senator, the basic issue involved in common situs picketing legislation is whether members of construction trades unions are being treated in a manner different than their industrial counterparts. The indisputable answer is yes. In order to right that inequality I will vote in favor of the common situs picketing bill.

The logic of equal treatment and the ridiculousness of maintaining the present legal fiction of a separate trade entrance are the compelling factors bringing me to this position.

The great and good change that has come over today's America is its unwillingness to live with second-class status and artificiality. Our present law dealing with common situs picketing has both those qualities. All of us will be better off when such is no longer the case.

SENATE CONCURRENT RESOLUTION 72—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SLAVERY IN THE UNITED STATES

(Referred to the Committee on the Judiciary.)

Mr. WEICKER. Mr. President, today I am submitting in the Senate, as Congressman ROBERT GIAIMO introduced on Friday, in the House, a concurrent resolution of great significance in this Bicentenial period.

Mr. President, I believe there is no doubt that our greatest national disgrace was the forced involuntary servitude, slavery, which existed in this country prior to 1863. It was a disgrace of the South, consciously aided and abetted by the shipowners and slave traders of the North. Slavery was a national, not a regional, disgrace.

It is out of remembrance of this national disgrace, and human tragedy, that the concurrent resolution being introduced by Congressman GIAIMO and myself was born. It is an attempt, not to change history—for that we cannot do—but rather an attempt to right as well as we can one of history's wrongs.

This resolution proposes that—

> Each person held in slavery in the United States from the Founding of the Republic to the ratification of the Fourteenth Amendment of the United States Constitution hereafter shall be considered to have been a citizen of the United States.

Many will say that there is more urgent business for the Senate to attend to. Many will say, this is no more than a gesture. Many will say, this is a waste of time. The Senator from Connecticut says, let it be said 200 years from now, that during a busy Bicentennial year, the Congress of the United States took the modest time required to make a gesture of good will, to right a great wrong, to keep a bright promise.

George Mason, himself a distraught slave owner, the father of our beloved Bill of Rights, said of slavery to the Constitutional Convention in Philadelphia:

> Every master of slaves is born a petty tyrant. They bring the judgment of heaven on a Country. As nations cannot be rewarded or punished in the next world, they must be in this. By an inevitable chain of causes and effects providence punishes national sins by national calamities.

Mr. President, I pray that in America's third century we will enjoy the peace that comes from sincere repentance, as in our first 200 years our Nation suffered so deeply the enormous calamities from our national sin.

Mr. President, I ask that the full text of this resolution be printed in the RECORD following my remarks.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S. CON. RES. 72

Whereas, slavery constituted a blight on our national past, and

Whereas, our nation is celebrating its bicentennial, a time of rededication to our highest ideals, and

Whereas, were it in our power, we would choose to erase that tragedy from our nation's history,

Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that each person held in slavery in the United States from the Founding of the Republic to the ratification of the Fourteenth Amendment of the United States Constitution hereafter shall be considered to have been a citizen of the United States.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow the Senate convene at the hour of 12 noon following an adjournment today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE MOTION TO TAKE UP H.R. 5900 AT THE CONCLUSION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on tomorrow the Senate resume consideration of the motion to take up H.R. 5900.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TIME UNDER CLOTURE RULE TO BEGIN RUNNING AT 3 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 3 p.m. tomorrow, the 1 hour under the cloture rule begin running and that the time be divided equally between Mr. HELMS and Mr. WILLIAMS.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the role.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NEW YORK CITY FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. Mr. President, S. 2615 is on the calendar. That is the legislation which seeks to deal with the financial problems of New York City.

Over the weekend I studied the committee report and the proposed legislation. Of course, it is a complex piece of legislation and it takes a little time to fully understand the many ramifications.

I read the report with considerable interest because I was hoping to find in this report important information that the Senate should have before it considers S. 2615.

The purpose of the legislation is to prevent a default on New York City bonds.

What does a default mean?

A default means that the bondholders will not receive the income—which, incidentally, is tax-free—from the bonds which they hold. There would not be adequate funds to pay the income.

It means also that the bondholders would not be able to immediately obtain the face value of those bonds which come due any time soon.

In guaranteeing the New York bonds, what the Federal Government would be doing is to guarantee the bondholders against the loss of their investment.

The major bondholders are the banks of New York City. That being the case, I believe it is important that the Senate have available to it the amount of bonds owned by the New York City banks.

The Senate needs to know by how many hundreds of millions of dollars each of these banks will be benefited by this legislation, S. 2615.

In studying the committee report, however, that information is not available.

To the Senator from Virginia it seems very strange, indeed, that the powerful Committee on Banking and Urban Affairs of the Senate either is unwilling or unable to obtain from the New York banks the amount of bonds held by each of those banks.

I have talked with several members of the committee and they say the New York banks do not want that information divulged. As a Member of the Senate and as an individual, I have no interest in knowing what each bank holds unless those banks come to me as a Senator and ask the American taxpayer to put their resources behind those bonds and thus protect the bank's investment.

It seems to me the logical question to ask is, "Well, you want us to guarantee these bonds; how many bonds do you hold? What is the amount of your holdings?" That is not an unreasonable question. But no answer has been forthcoming.

Why? What is there to hide?

I would hope that the Senate would not permit the banking community in New York to have their tax-free investments guaranteed by the Federal Government without first submitting to the Senate the amount of benefits that each of those banks would receive by the approval of S. 2615.

I wish to mention in this connection a statement made by the Chairman of the Federal Reserve Board, Dr. Arthur Burns, as published in the New York Times of Wednesday, November 5. Quoting Dr. Burns, the article states:

> "I found that these Europeans were not really concerned about a New York City default or about the dollar," Dr. Burns said.
>
> He added that he had found that his European sources believed, just as he did, that the relative decline in the value of the dollar in October "could be explained entirely" by the decline in over-all interest rates in the United States at that time. In other words, it had nothing to do with fears of a New York default.

I think that Dr. Burns' telephone calls to the key bankers in Europe, and his statement last week, should set to rest some of the scare tactics that are being used by New York City bankers and New York City politicians.

Be that as it may, I urge once again that the Senate Committee on Banking, Housing and Urban Affairs obtain for the information of the Senate the amount of bonds held by the individual New York City banks.

The Senate is entitled to know by how many hundreds of millions of dollars each of these individual banks will benefit if the New York bailout legislation is adopted by the Congress of the United States. How can the Senate justify acting on the bailout legislation without having available such information?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. BUMPERS) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SIKES, Mr. PATTEN, Mr. MCKAY, Mr. MURTHA, Mr. TRAXLER, Mr. STEED, Mr. MAHON, Mr. MCEWEN, Mr. TALCOTT, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1753. An act to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment or districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes;

H.R. 6346. An act to extend the authorization of appropriations for carrying out title V of the Rural Development Act of 1972:

H.R. 9019. An act to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations; and

H.R. 10230. An act to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Sciences Foundation Act of 1950, and for other purposes.

At 4:15 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House disagrees to the amendments of the Senate to the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Morgan, Mr. Zablocki, Mr. Hays of Ohio, Mr. Fascell, Mr. Diggs, Mr. Broomfield, and Mr. Findley were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate the following letters, which were referred as indicated:

Reports of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the first special message of the President of the United States for fiscal year 1976, containing three proposed rescissions of budget authority for the Department of Transportation, Federal Highway Administration, and the Department of the Treasury (with accompanying report); referred jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, Budget, Commerce, Public Works, and Finance, and ordered to be printed.

Reports of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the fourth special message of the President of the United States for fiscal year 1976, transmitting three deferrals (with accompanying report); referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, Finance, Public Works, and Banking, Housing and Urban Affairs, and ordered to be printed.

Reports of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the fifth special message of the President of the United States for fiscal year 1976, transmitting 10 revised deferrals (with accompanying report); referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appripriations, Budget, Agriculture and Forestry, Labor and Public Welfare, and Finance, and ordered to be printed.

Report of the Department of the Air Force

A letter from the Under Secretary of the Air Force transmitting, pursuant to law, a report on the Air Force military construction contracts (with accompanying report); to the Committee on Armed Services.

Report of the General Services Administration

A letter from the Acting Assistant Administrator of General Services transmitting, pursuant to law, a report for the period ending June 30, 1975, relating to the stockpile program (with an accompanying report); to the Committee on Armed Services.

Report of the Export-Import Bank

A letter from the Chairman of the Export-Import Bank transmitting, pursuant to law, a report on the activities of the Export-Import Bank for the fiscal year 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the National Railroad Passenger Corporation

A letter from the Vice President of the National Railroad Passenger Corporation transmitting, pursuant to law, a report of the operations of Amtrak for the month of September 1975 (with an accompanying report); to the Committee on Commerce.

Proposed Legislation by the Secretary of Transportation

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to provide for improved intercity rail passenger services in the corridor between Boston and Washington, D.C., and for other purposes (with accompanying papers); to the Committee on Commerce.

Report of the District of Columbia Auditor

A letter from the District of Columbia Auditor transmitting, pursuant to law, a report on the Department of Human Resources Personnel and Payroll Documentation and Information System (with an accompanying report); to the Committee on the District of Columbia.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Status of Shipbuilders' Claims for Price Increases" (with an accompanying report); to the Committee on Government Operations.

Reports of the Bureau of Indian Affairs

A letter from the Commissioner of Indian Affairs transmitting, pursuant to law, a report on the Education Amendments of 1974 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Administrative Office of the U.S. Courts

A letter from the Deputy Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to amend certain provisions of the Speedy Trial Act of 1974 (with accompanying papers); to the Committee on the Judiciary.

Orders of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered in the cases of certain aliens (with accompanying papers); to the Committee on the Judiciary.

Proposed Regulation of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a proposed regulation for exemplary projects in vocational education (with accompanying papers); to the Committee on Labor and Public Welfare.

Reports of the Council on Environmental Quality

A letter from the Chairman of the Council on Environmental Quality transmitting, pursuant to law, two reports, entitled "Study of Federal Water Quality Monitoring Efficiency" and "Study of Federal Water Quality Planning Efficiency" (with accompanying reports); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the committee on Agriculture and Forestry, without amendment:

S. 1545. A bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts (Rept. No. 94–451).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, with amendments:

H.R. 8841. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes (Rept. No. 94–452).

By Mr. EASTLAND, from the Committee on the Judiciary:

S. Res. 298. An original resolution authorizing additional expenditures by the Committee on the Judiciary for routine purposes. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Peter R. Taft, of California, to be an Assistant Attorney General.

Milton L. Luger, of New York, to be Assistant Administrator of Law Enforcement Assistance.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Eugene E. Siler, Jr., of Kentucky, to be U.S. district judge for the eastern and western districts of Kentucky.

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Morton Corn, of Pennsylvania, to be an Assistant Secretary of Labor.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ANNOUNCEMENT BY THE CHAIRMAN OF THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, in the Congressional Record of July 16, 1974, there appears a statement by the Senate joint leadership (Senators Mansfield and Scott) setting forth the following principles for the guidance of Senate staff personnel in participating in exchange programs abroad. The guidelines are as follows:

First. Their principal objective is educational;

Second. They serve to enhance the capacity of the Senate employee to perform his duties in the Senate and to serve the Government and people of the United States with greater understanding;

Third. Knowledge of the program is not withheld from the public;

Fourth. The staff employee, in every instance, participates only with the full awareness and approval of his employing Senator, committee or Senate officer;

Fifth. Reference in detail to the participation is inserted by the authorizing person in the Congressional Record.

Pursuant to these guidelines, as the authorizing officer, this is to announce the participation of Louise M. McPherson, research assistant, Subcommittee on Standing Rules of the Senate, in a German exchange program beginning November 22, 1975, and continuing for 12 days thereafter, to be briefed in Bonn by members of the Foreign Office, the Bundestag, and the staff thereof on the legislative and executive system in the Federal Republic, as well as by members of appropriate governmental units in Berlin, Munich, and Hamburg.

A memorandum from Dr. Floyd M. Riddick, her supervisor, follows:

Memorandum

November 5, 1975.

To: Senator Howard W. Cannon, Chairman, Senate Committee on Rules and Administration.

From: Floyd M. Riddick via William M. Cochrane, Staff Director.

Subject: Trip to Germany as a guest of the German government to observe its legislative and administrative procedures in action.

The German Embassy has invited Miss Louise McPherson, my assistant, to join a group of ten to fifteen key legislative staff members to visit the Federal Republic of Germany for twelve days beginning November 22, 1975, to observe the legislature of the Federal Republic in session and two or more of their state legislatures in session as well as meeting with various officials to learn how the administration of the German government operates.

In my judgment, participation in this program would enhance Miss McPherson's capacity to perform her duties for the Rules Committee and fully comply with the five criteria set forth by the Senate Joint Leadership on July 16, 1974, for the guidance of Senate staff personnel taking part in exchange programs abroad and I recommend approval of her acceptance of this invitation.

Floyd M. Riddick.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1753. An act to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the Several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment of districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6346. An act to extend the authorization of appropriations for carrying out title V of the Rural Development Act of 1972; to the Committee on Agriculture and Forestry.

H.R. 9019. An act to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations; to the Committee on Labor and Public Welfare.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HARTKE (for himself, Mr. Talmadge, Mr. Hansen, Mr. Thurmond, Mr. Randolph, Mr. Stone, Mr. Abourezk, Mr. Bayh, Mr. Brock, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Fannin, Mr. Garn, Mr. Hollings, Mr. Humphrey, Mr. McGee, Mr. McGovern, Mr. Ribicoff, Mr. Sparkman, Mr. Williams, and Mr. Young):

S. 2635. A bill to amend title 38, United States Code, to modify the pension program for veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era and their survivors, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. WILLIAMS (for himself, Mr. Case, Mr. Dole, Mr. Philip A. Hart, Mr. Johnston, Mr. Humphrey, Mr. McGee, Mr. Thurmond, Mr. Buckley, Mr. Pell, and Mr. Javits):

S. 2636. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes. Referred to the Committee on Veterans' Affairs.

By Mr. CHILES (for himself and Mr. Stone):

S. 2637. A bill to amend section 103(e)(2) of title 23, United States Code, relating to the cost of certain routes on the National System of Interstate and Defense Highways. Referred to the Committee on Public Works.

By Mr. TOWER:

S. 2638. A bill to preserve and protect the Espada Acequia Aquaduct in the vicinity of Six Mile Creek, San Antonio, Tex. Referred to the Committee on Public Works.

S. 2639. A bill for the relief of Dr. Reynaldo Pedrola Perez. Referred to the Committee on the Judiciary.

By Mr. MUSKIE:

S. 2640. A bill for the relief of William F. Mussnden, sole surviving descendant of the owners of the firm of Larrabee & Allen of Bath, Maine. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 2641. A bill to encourage State and local governments to reform their real property tax systems so as to decrease the real property tax burden of low- and moderate-income individuals who have attained age 65. Referred to the Committee on Finance.

By Mr. CANNON:

S.J. Res. 146. A joint resolution authorizing and requesting President to issue a proclamation of designating January 11–17, 1976, as Bicentennial Printing Week. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARTKE (for himself, Mr. Talmadge, Mr. Hansen, Mr. Thurmond, Mr. Randolph, Mr. Stone, Mr. Abourezk, Mr. Bayh, Mr. Brock, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Fannin, Mr. Garn, Mr. Hollings, Mr. Humphrey, Mr. McGee, Mr. McGovern, Mr. Ribicoff, Mr. Sparkman, Mr. Williams, and Mr. Young):

S. 2635. A bill to amend title 38, United States Code, to modify the pension program for veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era and their survivors, and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS AND SURVIVORS PENSION REFORM ACT

Mr. HARTKE. Mr. President, on behalf of myself and the 21 initial cosponsors, it is my privilege to introduce the "Veterans and Survivors Pension Reform Act." This measure is designed to restructure the current need-based pension program for wartime veterans and survivors to more fully achieve the equitable objectives we all seek and, in addition, to meet the current crisis facing us.

I am most pleased that joining me as principal cosponsors are members of the Committee on Veterans' Affairs, which I chair. Included is the distinguished, hardworking chairman of the Subcommittee on Compensation and Pensions, our valued colleague, the senior Senator from Georgia (Mr. Talmadge). Senator Talmadge has, as chairman of this important subcommittee, been most persistent since assuming that position in requiring that the Veterans' Administration develop and communicate the adequate information needed to develop a more sound and equitable program.

Continuing the strong tradition of a bipartisan committee, united in the objective of providing all necessary and appropriate assistance for our veterans, I am delighted that the ranking minority member (Mr. Hansen) and the senior minority member (Mr. Thurmond) are joining as principal cosponsors. They are concerned particularly about the plight of our poor, elderly, World War I veterans and widows. They both have been of great assistance in developing this measure. Other valued committee members expressing equal concern about adequate pensions for our veterans include the senior Senator from West Virginia (Mr. Randolph), and the Senator from Florida (Mr. Stone).

Mr. President, the crisis facing our pension program for veterans and survivors is twofold. On January 1, 1976, as a result of this year's social security increases, 1,327,136 veterans and widows are scheduled to have their pensions reduced while another 41,840 will be dropped from the pension rolls altogether. Even more fundamentally, a recent study done by the Veterans' Administration of the needs of older veterans and widows now receiving pension payments disclosed that even with their VA pension, nearly half of those surveyed had incomes below the poverty level. Thirty percent of all veterans and almost 37 percent of all widows said they could not afford all the food they needed. Similar numbers said they could not afford to have to pay for all necessary medical care and housing.

It was acknowledged by the administration as early as 1973, that the current pension program contains in their words, "inconsistencies, inequities, and anomalies, which cannot be corrected unless the entire framework of the program is restructured." Mr. President, the bill before you contains a new restructured pension program which attempts to create a more equitable program. Veterans and surviving spouses will be significantly aided when they are in need of assistance. The structure of the new program parallels general recommendations of the American Legion and the Veterans of Foreign Wars and even the administration itself. The basic levels of assistance provided in this bill—$2,700, single pensioner; $3,900, couple—is designed to insure that all veterans and survivors are assured of an income above the poverty level. These levels are higher than those heretofore supported by the administration, but less generous than those currently supported by organized veterans groups.

BRIEF DESCRIPTION OF VETERANS AND SURVIVORS PENSION REFORM ACT

Mr. President, the "Veterans and Survivors Pension Reform Act" creates a new pension system applicable to all veterans, widows, or dependent parents who, subsequent to October 1, 1976, the effective date of the new program, are or become eligible for a VA non-service-connected pension. This new pension program attempts to restructure the need-based pension program to provide greater assistance to those in need and to remove a number of inconsistencies, anomalies, and problems which prevent the current program from operating in all cases in an equitable manner intended by Congress. It is intended that the new pension system should:

First, assure level of income above the minimum subsistence level allowing veterans and their survivors to live out their lives in dignity;

Second, prevent veterans and widows from having to turn to welfare assistance;

Third, treat similarly circumstanced pensioners equally;

Fourth, provide the greatest pension for those with the greatest needs; and

Fifth, guarantee regular increases in pension which fully accounts for increases in the cost of living.

Rather than the current "rate-decrement-income limitation" structure, the new program adopts a system of establishing a basic minimum level of income for all eligible veterans and dependents which is $2,700 for single pensioners and $3,900 for pensioners with dependents. For pensioners with little or no other income, the Veterans' Administration would pay an annual pension computing the difference between entitlement and annual income. For pensioners with outside income, the Veterans' Administration would pay the difference between that income reasonably available to them and the minimum income floor established by Congress.

The new system—unlike the present system—generally contains few income exclusions other than those which represent extraordinary expenses—for example, burial or unusual medical expenses—or which represent one-time payments which replace loss—for example, fire insurance. Generally, each dollar of income available to an individual or couple will be reduced from the congressionally established level of need with the VA paying the difference in monthly assistance checks. For those in need of an "aid and attendance" or "housebound" allowance, a higher level of need is established which reflects the additional support needed. Unlike current practice, loss of the aid and attendance allowance will be "dollared down" gradually rather than lost totally, which is the case today when maximum income limitations are reached by pensioners.

In deserving cases, certain earned income is not counted. Also under this bill, rates for widows are equalized with those for veterans.

The new pension program provides automatic annual cost-of-living adjustments to the minimum level of income support established by this Act. For example, a 10-percent increase in the cost of living would automatically result in a similar increase in pension for single and married pensioners to $2,970 and $4,290, respectively. According to the VA computer simulation model, under the new pension program, no veteran or widow receiving cost-of-living increases in social security payments would as a result suffer any reduction in VA pension payments.

Prior to implementation of the new program, all veterans and dependents currently eligible for pension will receive an 8 per centum increase in the rates and a $300 increase in the annual income limitations effective January 1, 1976. After October 1, 1976, all new pensioners will qualify under the new program. Those pensioners on the rolls prior to October 1, 1976, will have the option of switching to the new program or continued coverage under existing pension programs. Those minority of veterans electing to remain under that program which was originally established by Public Law 86–211, would thereafter annually receive cost-of-living adjustments in their rates and maximum annual income limitations. Similar provisions are provided for parents receiving dependency and indemnity compensation. Current "old law" pensioners would receive automatic cost-of-living increases in the maximum annual income limitations.

DEVELOPMENT OF VETERAN PENSION PROGRAM

Mr. President, throughout America's 220-year history, wars have claimed the lives of many. Millions have rallied to the aid of their country during times of turmoil. Since the War for Independence, America has remembered these brave citizens who have risked their lives in defense of their country. Pensions to veterans, their wives, and dependents have been one expression of this Nation's gratitude and its sense of obligation.

Veterans whose bravery characterized the fight for independence were the objects of the Nation's first pension bill. In 1818, President Monroe, himself a veteran of the Revolutionary War, signed into law a measure providing benefits to needy veterans who had served 9 months or more during the Revolutionary War period.

The administrations of Presidents Jackson, and Van Buren witnessed extended efforts on behalf of the Revolutionary War patriots. Widow pensions were authorized.

The War of 1812 did not spark the nationalistic fervor produced by the Revolution. Mired in sectional conflict which inhibited the development of national pride, the Nation did not grant pensions to veterans of that conflict until the 1870's, when, again, need plus wartime service determined entitlement.

The veterans of the Mexican War also waited for pensions. The sectional ills which plagued this country in the decades following the Mexican War prevented the passage of a comprehensive pension program. But upon a return to "normalcy" the Nation remembered; the 1870's evidenced a pension program instituted designed to help the destitute. And in 1890, Benjamin Harrison signed into law a measure which extended pension benefits to the needy veterans of the Civil War.

Within 20 years following the Spanish-American War, veterans and surviving spouses were extended pension benefits. Though immersed in World War I, the Nation sought to express gratitude for the service to their country.

World War I resulted in pension measures within a decade. President Hoover recognized the Nation's obligation to the warriors of the trenches and signed into law a bill which provided pensions to veterans of the Great War. Again the determinative factor, after a showing of qualifying service, was need.

In the midst of the depression President Roosevelt requested and received measures which repealed pension legislation for Spanish American and World War I veterans. To replace these programs, F. D. R. issued 41 Executive orders in the area of veterans' affairs. The New Deal established the mechanisms to relieve those needy veterans whose valiant services had protected this country in time of war.

World War II vets, their widows, and dependents were extended benefits as well. Later, Congress extended pension benefits to Korean war veterans and to needy non-service-connected disabled veterans of the Vietnam era. Thus, after each war, the Nation has remembered its obligation to veterans and dependents in need who have faithfully served their country.

RECENT DEVELOPMENTS PRIOR TO THE 92D CONGRESS

Until 1959, the veterans' pension program consisted of all-or-nothing determination of eligibility. Needless to say, this particular feature of the system resulted in drastic consequences to those whose allowable income increased above the determined eligibility limits. In 1959, the Congress extensively researched the pension system. Their study revealed the need for a pension program. It was also apparent that the structure of that program had created inequities. As a result a revision was undertaken which produced the pension structure as we know it.

The Congress decided that the variations in the amounts of pensioner's income required graduation in amounts of pension entitlement. Believing that the pension program should be responsive to the needs of those served, the Congress sought to take steps to correct the inequitable deficiencies inherent in the all or nothing pension structure. For example, the old system failed to correlate the number of dependents for which a veteran was responsible with the amount of pension for which he was eligible.

To rectify the anomalies, Congress attempted to adjust the pension entitlement to correspond with the individual pension recipient's income. A three-tier structure replaced the one-level benefit. In this manner, it was hoped, cognizance could be given to the varying degrees of need characterizing individual recipients.

To protect those pensioners whose pension entitlement might be reduced by the new program, a grandfather clause permitted those on the rolls to continue their eligibility under old law subject, of course, to the requirements of that law.

Thus, enactment of Public Law 86–211 gave credence to the philosophy that a pension ought to be reflective of the needs of individual recipients. The graduated levels of pension eligibility gave expression of Congress' desire that need would be determinative of pension entitlement. As such, Public Law 86–211 was another step toward the creation of a benefit program based upon need.

In 1964, faced with a prospective increase in social security benefits, Congress amended the revised pension law by excluding 10 percent of all payments to an individual under public or private retirement, annuity, endowment, or similar plans or programs in determining the "annual income" of the veteran. Thus, in addition to a general rate increase, the 10-percent exclusion provided for in Public Law 88–664 generally assured that no individual pensioner would be adversely affected because of the contemplated social security increase. At the same time Congress also created another exclusion, and provided that a wife's earned income would not be counted for determining a veteran's outside income and that a wife's unearned income would only be counted in excess of $1,200.

In 1967, Congress provided an average overall cost-of-living pension increase of 5.4 percent in Public Law 90–77. The following year in 1968, in Public Law 90–275 Congress again increased pension rates and also provided for a $200 increase in the maximum annual income limitations to mitigate against prospective pension loss which would result because of the 13-percent increase in social security benefits that year. The same act also replaced the three-level system of pension rates with a multilevel increment system. Under the previous three-level system, a slight increase in outside income often could result in a disproportionate decrease in a veteran's pension. The enactment of a 20-plus increment system of $100 graduations was designed to permit a more orderly and gradual reduction in monthly benefits whenever there was an increase in outside income.

In 1970, in enacting Public Law 91–588, Congress again agreed to reduce projected adverse effects on pensioners because of the 15-percent increase in social security benefits. It raised the current maximum annual income limitations $300 and inceased most current law pensions through an increase in the rates payable.

DEVELOPMENT IN THE NON-SERVICE-CONNECTED PENSION PROGRAM IN THE 92D CONGRESS

Under earlier pension laws, despite increasing refinements, the structure of the pension system was such that small increases in outside annual income could result in a sharp drop in pension or being dropped from the pension rolls completely. The problem became particularly acute whenever there were increases in social security, other retirement benefits or other countable income under the current pension program. Veterans complained that whatever social security increase Congress gave with one hand it took back in reduced pension with the other. More important, the reduction in a veteran's pension was often greater than the increase in social security benefits producing a loss of aggregate income for the veteran or his survivor. As the foregoing indicates, congressional response to these problems over the years has generally been to adjust pensions and increase the maximum annual income limitations which in effect accomplishes a "pass along" of social security increases or other increases of like amount.

In 1971, in response to social security increases that year, Congress enacted Public Law 92–198 which not only increased the pension rates and the maximum annual income limitations but also adopted a new formula approach to the payment of pensions. Intended to prevent the net loss of aggregate income for any pensioner who continued to qualify for a pension and who received an increase in outside income, the formula specified a maximum monthly rate for each group within designated income categories. Under the formula, each individual's monthly benefit is computed by reducing the maximum rate by a specified number of cents for each dollar by which the maximum income level for that group is exceeded.

Because of 1972 social security increases approximately 20,000 pensioners consisting of 14,200 veterans and 5,800 survivors were scheduled to be dropped from the pension rolls on January 1, 1973, the effective date of annual revision of entitlement to pension income. Concerned about the effect of social security amendments on pensioners the committee held hearings on September 12, 1972, to consider legislation which would ameliorate the adverse impact of social security increases on pensioners and to adjust for continuing inflation. Subsequently, the committee unanimously ordered reported S. 4006 which would have increased maximum annual income limitations by $400—the approximate amount of the average social security increase—and would have increased the base pension rates by about 8 percent.

The measure unanimously passed the Senate in the closing days of the session on October 11, 1972, but the House was unable to consider pension legislation prior to sine die adjournment.

DEVELOPMENTS IN THE NON-SERVICE-CONNECTED PENSION PROGRAM IN THE 93D CONGRESS

During the 93d Congress, the committee examined a number of approaches for adjusting the pension system. In testimony before the Subcommittee on Compensation and Pensions on June 18, 1973, representatives of the Veterans' Administration asserted that there were a number of "inconsistencies, inequities, and anomalies in the present pension system." They advocated that there be a thorough examination and complete revision of the system, but did not offer any formal draft of legislation to accomplish this.

Subsequent to the hearings of June 18, the Senate and House Committee staff members met with representatives of the administration in an attempt to reduce the suggestions of the testimony to a more concrete form. At the meeting, it was obvious that there was a serious lack of pertinent data required by Congress before it can make any rational determination of any proposed new pension system. In general, this information was not forthcoming during 1973, nor did the committee receive a formal draft proposal. Accordingly, while agreeing to further investigate the entire pension system, the committee concluded that action was needed on an immediate cost-of-living measure and introduced legislation (S. 275) to accomplish it.

S. 275 was ultimately enacted as Public Law 93–177 and provided for a 10-percent increase in the rates effective January 1, 1974.

In signing Public Law 93–177, on December 6, 1973, the President stated:

> While this bill is a step in the right direction, more can be done—and should be done. As I mentioned in my message to the Congress on national legislative goals on September 10, 1973, full reform of the Veterans' Administration pension program is necessary. The program is currently fraught with inconsistencies, inequities, and anomalies, which cannot be corrected unless the entire framework of the program is restructured.
>
> This administration regards the following principles as vital to a realistic and equitable VA pension program:
>
> VA pensioners should have some regularized way of receiving cost-of-living adjustments in VA pension payments tied to automatic increases now available to social security recipients.
>
> The VA pension program should be restructured to assure that additional income flows to the neediest pensioners. This objective would involve raising VA payments to those pensioners who receive less total income than adult welfare recipients under recent amendments to the Social Security Act. In addition, a family's total income should be considered in determining the amount of pension needed.
>
> Veterans and widows should be treated equally with regard to income and pension payments.

In his message on veterans of January 28, 1974, the President repeated the foregoing and stated that he would propose legislation.

On March 15, 1974, the administration submitted a formal draft provision proposal. According to the administration:

> The enclosed draft measure would (1) fill the gap between the resources available to a

> veteran and his dependents and a national minimum standard of need; (2) treat veterans and widows equally with regard to income and benefit amount; (3) eliminate the inequities arising from exclusions of income—consideration of family income as a whole; (4) contain an automatic cost-of-living adjustment working simultaneously with that applicable to social security and eliminate the lag in adjusting pension for increase in income; (5) provide benefits which guarantee a minimum income of $166 per month for a single person and $249 per month for a person with one dependent; and (6) provide a hold-harmless provision to permit present receipients of pension to continue receiving benefits under the present provisions of law with a 4-percent rate increase and thereafter, automatic cost-of-living increases.

On receipt of the administration's formal request, the committee staff, at my direction, intensified its efforts to obtain relevant information from the VA with which to assess the full impact of this proposal.

It soon became apparent that the VA lacked basic, timely information in detail. Further the Veterans' Administration lacked sufficient analytical staffing and did not have an advanced computer model necessary to make an adequate analysis of its own proposal, let alone possible variations being considered by the Committee. These inadequacies continued throughout 1973 and 1974. A series of six memoranda were exchanged with the VA with delays in receiving information from the VA in each case with some information being as late as 2 months from the committee's requested deadlines. From information then currently available to the committee, it was apparent that the actual proposals made by the VA would be unduly restrictive and unacceptable in operation. Few of the veterans or widows in need of pension could qualify under the new system submitted by the Veterans' Administration. For example, if the proposed pension system had been applied to the present population of veterans and widows receiving VA pensions—which was not the VA proposal—almost two-thirds would have been ineligible for receipt of pension under the new system. Accordingly, it was obvious that variations had to be considered and additional information was necessary before the Committee could proceed with any pension restructuring.

Meanwhile, given the uncertainties and unanswered questions, the committee believed that it was necessary to proceed with an interim cost-of-living measure in order to protect VA pensioners from the continued toll of inflation.

Thus, Congress enacted my bill, S. 4040, the "Veterans and Survivors Pension Adjustment Act of 1974" as Public Law 93-527. This measure provided an average 12-percent increase in the rates of pension and a $400 increase in the maximum annual income limitations. Public Law 93-527 also directed the Administrator of Veterans' Affairs to carry out an original study of the needs and problems of veterans and their widows 72 years of age and older. The statute directed the study to include a profile of the current income characteristics of such veterans and their widows describing the proportion and amount of such income from all sources, and the average cost for all necessities such as rent, food, medical care, and other items. The study was also to evaluate the adequacy of the present veterans' pension system and provide actuarial information concerning present expected mortality rates of such pensioners. The study was submitted to the committee on July 22 of this year.

At present, then, under current law a veteran may be eligible for pension benefits if:

First, he served in the armed forces at least 90 days, including at least 1 day of service during wartime;

Second, his income does not exceed the limits specified in the law—currently $3,000 if the veteran is single and $4,200 if he has a dependent;

Third, he is permanently and totally disabled (for the purposes of the pension law, veterans age 65 or older are defined as totally disabled); and

Fourth, his net worth is not excessive as determined by the Veterans' Administration.

Widows and children of deceased wartime veterans are also eligible for pension benefits if they qualify on the basis of need.

As provided by Public Law 93-527, for an eligible veteran without dependents, the monthly pension rates range from $5 to $160 with a maximum limitation of $3,000 with respect to countable annual income. Monthly rates of $14 to $172 are provided for veterans with dependents where the annual countable income does not exceed $4,200. Widows with no children are subject to the same income limitations as veterans alone although the pension rates vary from $5 to $108. The $4,200 annual income limitation for veterans with dependents also applies to widows with children. The rates for widows with one child range from $49 to $128; the applicable rate is increased by $20 per month for each child in excess of one.

Currently, there are approximately 2 million veterans and widows receiving pension of whom 1,000,963 are veterans and the remainder are their widows. The present cost of the non-service-connected pension program is approximately $2.8 billion a year. A significant number of pensioners have little or no other source of income other than their pension. The income characteristics of veterans and widows as of April 20, 1975 are shown in the following tables:

TABLE 1.—ALL VETERANS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total	Old law	New law
$100	158, 507	9, 121	149, 386
$200	4, 229	656	3, 573
$300	4, 233	576	3, 657
$400	3, 424	540	2, 884
$500	3, 648	452	3, 196
$600	3, 155	429	2, 726
$700	3, 296	434	2, 862
$800	2, 766	386	2, 380
$900	8, 524	482	8, 042
$1,000	15, 057	795	14, 262
$1,100	37, 638	3, 219	34, 419
$1,200	18, 966	1, 570	17, 396
$1,300	18, 946	1, 627	17, 319
$1,400	21, 777	2, 025	19, 752
$1,500	28, 581	2, 676	25, 905
$1,600	29, 112	2, 754	26, 358
$1,700	33, 439	3, 436	30, 003
$1,800	31, 524	3, 520	28, 004
$1,900	34, 390	4, 183	30, 207
$2,000	33, 722	4, 401	29, 321
$2,100	35, 604	5, 028	30, 576
$2,200	33, 351	4, 672	28, 679
$2,300	37, 995	5, 359	32, 606
$2,400	39, 391	6, 686	32, 705
$2,500	39, 860	4, 621	35, 239
$2,600	42, 534	5, 355	37, 179
$2,700	39, 321	3, 388	35, 933
$2,800	35, 343	2, 803	32, 540
$2,900	26, 312	2, 817	23, 495
$3,000	26, 248	2, 937	23, 311
$3,100	20, 882	2, 867	18, 015
$3,200	18, 504	2, 939	15, 565
$3,300	16, 306	2, 842	13, 464
$3,400	14, 480	2, 898	11, 582
$3,500	13, 942	2, 899	11, 043
$3,600	12, 790	2, 257	10, 533
$3,700	11, 549	1, 972	9, 577
$3,800	12, 621	1, 448	11, 173
$3,900 to $4,200	28, 919	1, 115	27, 804
Total	1, 000, 963	108, 232	892, 731

TABLE 2.—ALL WIDOWS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total	Old law	New law
$100	126, 514	2, 001	124, 513
$200	4, 987	153	4, 834
$300	6, 460	147	6, 313
$400	5, 695	142	5, 553
$500	6, 200	162	6, 038
$600	7, 576	238	7, 338
$700	7, 510	283	7, 227
$800	8, 137	259	7, 878
$900	10, 838	334	10, 504
$1,000	28, 745	1, 133	27, 612
$1,100	53, 584	2, 180	51, 404
$1,200	26, 162	1, 603	24, 559
$1,300	27, 936	1, 943	25, 993
$1,400	31, 472	2, 789	28, 683
$1,500	37, 419	3, 555	33, 864
$1,600	37, 068	3, 734	33, 334
$1,700	38, 291	4, 239	34, 052
$1,800	39, 942	4, 869	35, 073
$1,900	42, 548	5, 652	36, 896
$2,000	45, 682	5, 971	39, 711
$2,100	45, 185	6, 209	38, 976
$2,200	44, 530	8, 713	35, 817
$2,300	40, 565	6, 432	34, 133
$2,400	45, 388	7, 979	37, 409
$2,500	36, 656	3, 783	32, 873
$2,600	38, 456	2, 517	35, 939
$2,700	28, 395	28	28, 367
$2,800	21, 787	41	21, 746
$2,900	11, 822	34	11, 788
$3,000	7, 319	37	7, 282
$3,100	2, 071	30	2, 041
$3,200	1, 191	27	1, 884
$3,300	1, 681	28	1, 653
$3,400	1, 630	17	1, 613
$3,500	1, 595	21	1, 574
$3,600	1, 533	14	1, 519
$3,700	1, 376	24	1, 352
$3,800	2, 271	5	2, 226
$3,900 to $4,200	4, 588	15	4, 573
Total	931, 575	77, 356	854, 219

DEVELOPMENTS DURING THE 94TH CONGRESS

With each succeeding pension adjustment enacted into law, it has become increasingly clear that the entire pension system needs to be overhauled, if it is to be fully responsive to the needs of our veterans and their survivors. The stopgap approach of responding to social security increases and continued tinkering with the pension rate decrement system distorts the formula and further prevents it from working properly. Thus, our neediest pensioners are not receiving adequate benefits while at the same time, in some cases, other pensioners are receiving pensions under questionable circumstances. And as each Member's mailroom can attest, thousands of veterans and widows this year were complaining bitterly about pension reductions even following congressional action increasing rates and annual income limitations.

Accordingly, staff activity was intensified at the beginning of this Congress to obtain adequate relevant information from the Veterans' Administration in order to restructure the entire program.

Previously, in November 1974, I sent a detailed letter to Administrator Roudebush noting the many problems the committee had in obtaining adequate accurate information, and relaying my particular concern that an adequate computer simulation model be developed which could predict with greater assurance the operation and effect of various alternative pension proposals. I ask unanimous consent that my letter to Administrator Roudebush be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NOVEMBER 1, 1974.

Mr. RICHARD L. ROUDEBUSH,
Administrator of Veterans' Affairs,
Veterans' Administration,
Washington, D.C.

DEAR MR. ROUDEBUSH: As you know the committee staff, at my direction, has for some time been studying a proposal submitted by the Veterans' Administration to restructure the entire framework of the Veterans' Administration non-service-connected pension program which was submitted to us on March 15, 1974.

Requested information concerning the operation of this proposal, as well as possible variations thereof have been the subject of six memoranda transmitted by the committee staff to the Veterans' Administration. Although significant delays were encountered, the information requested in five memoranda transmitted prior to this past August has in large part been furnished. The sixth memorandum transmitted on August 9th (requesting the information be supplied by August 21, 1974) remains unanswered. Unlike earlier requests which were generally concerned with comparison of alternative systems at a single contemporary point in time, that memorandum requested five-year projections as to the operation, effect and cost of the Veterans' Administration proposal and three variations. Such information is necessary if the Committee is to make informed decisions and obviously would be required by the Legislative Reorganization Act of 1970, prior to any consideration by the Senate.

In reviewing the situation it has become apparent to me that there are serious problems concerning the analytical capacity of the Veterans' Administration to furnish reasonably accurate information of the type requested in the August 9th memorandum as well as to supply information to subsequent inquiries which may be reasonably anticipated.

In response to our inquiries a study by the Congressional Research Service concluded that chief problems of the Veterans' Administration in responding to Committee inquiries concerning pension restructuring were:

"*Inadequate analytical staff* in the Veterans' Administration devoted to VA pension reform effort (a potentially solvable problem).

Inadequate data (only partly amenable to solution).

Competing computer models, which are by themselves only partially capable of answering committee concerns.

A tangled administrative structure which now seems incapable of resolving these problems and making timely responses to Committee inquiry."

Each of the foregoing presents serious problems which I believe should be brought to your personal attention. In particular, I want to emphasize my strong belief that a properly functioning computer model with adequate data is absolutely necessary if there is to be a serious consideration of pension restructuring in the near future by the committee as has been advocated by the administration.

A principal problem, as I understand it, is that the computer model used by the Veterans' Administration fails to "age" pensioners. As a consequence the computer model is unable to properly estimate future accessions to any new pension system that may be adopted. Second, it is unable to properly estimate terminations due to death, or excess income for those "grandfathered" pensioners who would choose to remain under the current pension system. And third, it is unable to provide reasonably accurate estimates of the number of cases switching from the current pension system to any new system that might be enacted.

This inability to reasonably project the nature and extent of the future caseload, of course, means that it is impossible to estimate cost impact with any degree of accuracy. Also, failure to estimate the impact of the existence of other Federal programs such as Supplemental Security Income will distort the actual net cost of any new veterans legislation to the Federal Government.

Other inadequate data which currently inhibits a more competent computer model includes the absence of an income and actuarial profile of those older veterans who might become eligible for Veterans' Administration pension in 5 or 10 years. On a narrower basis it is our understanding that neither is there a complete profile of new beneficiaries who have recently come onto the pension roles, nor adequate information as to the welfare income of the present recipient population, all of which have an important bearing on accessions and terminations to future caseloads.

The committee has previously brought to the attention of the Department of Veterans Benefits the problems of inadequate analytical staff and I assume that whatever deficiencies existed have been, or are about to be, corrected so that accurate information can be transmitted to the committee with reasonable promptness.

Given the foregoing, the committee believes it imperative first, to the fullest extent possible, that the Veterans' Administration pension computer model be immediately restructured to eliminate the deficiencies previously noted as well as any others of which the committee may be presently unaware. Second, we believe it important that efforts be made to collect income and actuarial profile information about possible future pensioners which could be done by an analysis or existing pertinent data as well as by statistical sampling done directly by the Veterans' Administration or by contract.

I know from your testimony at your confirmation hearing, that you are as personally concerned as I am that the extent and ramifications of any pension proposal be fully understood prior to its enactment into law. I would appreciate your prompt attention to these issues raised in this letter so that a restructured computer model will be available within a month.

Sincerely,

VANCE HARTKE,
Chairman.

Mr. HARTKE. In response, Administrator Roudebush indicated that he had instructed the Veterans' Administration to proceed rapidly to the development of a more sophisticated computer simulation model capable of producing information long desired by the committee. In the interim, additional information for which an advanced computer simulation model was not necessary, was requested and received by the committee staff during the early part of this year. On April 1, 1975, the Administrator informed the committee that the long-awaited new computer simulation model was operational. The committee then requested considerable information to be processed by the computer simulation model in a series of memos dated April 11, May 19, June 3, and June 25. Generally the bulk of the information requested was promptly supplied by the Veterans' Administration with the material requested in the last mentioned memo received by July 15 of this year. Also on July 22, the Veterans' Administration transmitted its Study of the Needs of Older Veterans and Widows as required by section 8 of Public Law 93–527.

VA STUDY OF THE NEEDS OF OLDER VETERANS AND WIDOWS

Perhaps the most graphic evidence that the current pension system is not fulfilling its objectives can be found in the recent study of the needs of older veterans and widows recently completed by the Veterans' Administration.

My colleagues will recall that in considering pension legislation last fall, the committee indicated that it continued to receive complaints from elderly pensioners, particularly World War I veterans and their survivors, about the inadequacy of the VA pension system. In addition to the committee's difficulties in assessing various pension proposals as previously outlined, we were hampered by the fact that the Veterans' Administration does not regularly collect annual income data about pensioners over the age of 72. Consequently, section 8 of S. 4040, which was later enacted as Public Law 93–527, provided:

> The Administrator of Veterans' Affairs shall carry out an original study of the needs and problems of veterans and their widows seventy-two years of age or older. The study shall include (1) a profile of the current income characteristics of such veterans and their widows, describing the proportion and amount of such income from all sources and the average necessary for all necessities such as rent, food, medical care, and other items; (2) an evaluation of the adequacy of the present veterans pension system to meet the needs of such veterans and their widows; and (3) actuarial information concerning the present expected mortality rates of such veterans and their widows.

The law further directed a report of the results be furnished the President and the Congress together with any recommendations for legislative or administrative action to improve the present program of pension benefits for such veterans and widows.

The required study was transmitted to us by Administrator Roudebush on July 22, 1975 (Senate Committee Print No. 16, 94th Cong., 1st Sess.).

An examination of that study's protocol and procedures reveals them to be competent and well done. The actual survey was conducted with professionalism and a sensitivity that is too often rare today. The raw data produced by the study has been of great value to the committee. After the survey was completed, however, one wonders what incurable optimist was assigned to evaluate the data and write the report for Congress. Quite simply, the written analysis of the program is at strong variance with facts developed by the survey. Apparently Dr. Pangloss is alive and well and writing reports at the Veterans' Administration. In this best of all possible worlds, we are informed that—

> The present pension system on average is meeting the purposes and objectives set forth by law . . . and is effectively performing the functions for which it was designed in contributing to the support of those in need.

A number of questions are immediately implicit, the first of which is how does one reconcile this conclusion with the Administration's testimony 9 months previously? At that time they testified:

> The entire program has inconsistencies and inequities which would be *difficult to correct within the framework of the law as now constituted* . . . The basic pension philosophy of providing a proportionate measure of assistance to those in need has been distorted. [emphasis supplied]

Second, it has always been my understanding that Congress intended the pension program to meet the needs of all qualifying eligible veterans and survivors, not just some imaginary average veteran whomever that may be.

But these questions need not be pursued at length; one need go no further than the summary data contained in the appendices of the study itself. The appendices which are as long as the study itself, contain 53 tables—for which, strangely, there is no index—which reveal that even with their VA pension, nearly half the veterans and widows had incomes below the poverty level. Thirty percent of the veterans and nearly 37 percent of the widows interviewed reported they could not afford all the food they need (table 28). And 25.1 percent of the veterans and 20.9 percent of the widows cannot afford to pay for all the medical attention they need (table 30). Nearly 36 percent reported problems concerning adequate housing (table 29).

INADEQUACIES OF THE CURRENT PENSION SYSTEM

A close examination of the data received by the committee in the past 2 years, the VA's own recent study of the needs of older veterans, and continued exposure of anomalies and inequities inherent in the present pension program all combine to argue for fundamental restructuring now.

At the same time, it should be acknowledged that the present pension program has not served us badly over the years. The difficulties experienced today are often the result of circumstances outside the initial basic design of the program itself. In large part the present pension program has been, generally, a progressive one which has in the main aided those needy veterans and survivors for whom it was designed. Further, increasing legislative adjustments over the years as previously noted in a number of cases, have mitigated many problems which developed during the operation of the program. But when the current pension program was first enacted into law in 1959, it was impossible to gauge the very rapid increases in the Consumer Price Index which would occur in succeeding years, distorting the basic formula system and producing under various statutory income exclusions today's very evident inequities.

Similarly circumstanced pensioners with identical outside incomes but from different sources can receive radically different pensions. And although the number of cases are not excessive, VA testimony about veterans receiving pensions, even where their spouses have incomes in excess of $20,000 a year, strikes heavily at the principle of a need-based pension program and, at best, is an unwise allocation of available tax dollars under the pension program. Continued tinkering with the current formula system with periodic enactment of pension adjustment laws has not resulted in proportional increases which accurately reflect the varying needs of veterans and widows. That is, larger increases have gone to less needy pensioners while the neediest have received smaller increases which continue to leave them substantially below acknowledged poverty levels. Further, the formal rate system is presently structured so that the same or nearly the same amount of pension is paid to veterans and widows at the lower end of the economic scale, even though their actual incomes may vary substantially. For example, the rate structure for a widow with a dependent and no income provides a pension of $128 a month, identical to the rate payable to one who has $700 of unearned income. And, the formula rate structure pays only $3 a month more to such a widow than to one with $1,000 of nonpension income.

These problems inherent in the rate system intensify with continuing changes in the Consumer Price Index and resulting periodic rate adjustments. This in turn makes it increasingly difficult to meet fully the objectives of an equitable need-based pension program by simply adjusting the current formula system.

The Veterans' Administration acknowledged this last year in an appearance before the Senate Committee, when its general counsel testified that the VA opposed pending rate adjustment legislation because—

> The people who would get the greatest benefit out of a cost-of-living increase would be people at the upper end of the scale, because it is a flat percentage. On the other hand, the people on the lower end of the scale, would remain in a relatively poor position.

They further added—

> An untoward amount of dollars available are devoted to providing pension benefits to those beneficiaries who are at the top limits of the income scale. Thus, the basic philosophy of providing a proportionate measure of assistance to those who need it has been distorted.

SCHEDULED PENSION REDUCTIONS ON JANUARY 1, 1976

With problems of this magnitude continuing to affect large numbers of veterans and widows, and an existing pension program which is incapable of responding to their needs, I believe the necessity of promptly developing a new pension system is evident to all.

This urgency is compounded further by a prospective pension reduction facing a majority of our veterans and widows. Solely because of the 8 percent cost-of-living increases in social security benefits this year, on January 1, 1976, less than 60 days from now, 1,327,176 veterans and widows, or approximately 53.1 percent of all pensioners, are scheduled to sustain annual pension reductions averaging $98. Another 41,845 veterans and widows will be dropped from the pension rolls altogether. The number reduced or terminated by category and the average annual reduction in pension is shown in the following table, which I ask unanimous consent be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—ESTIMATED EFFECTS OF 8 PERCENT OASI INCREASE AS OF JAN. 1, 1976 (NEW LAW ONLY)

	Number reduced pension	Average annual reduction	Number termination
With no change in law:			
Veteran alone	225, 567	$117	6, 602
Veteran with dependent	467, 339	123	17, 805
Widow alone	526, 391	79	16, 748
Widow with dependent	107, 879	44	690
Total	1, 327, 176	98	41, 845

Note: Data supplied by Veterans' Administration.

Mr. HARTKE. In addition, it is estimated that if there is no change in annual income limitations, another 12,000 pensioners under the old law provision program will be ineligible for that program.

As thousands upon thousands of letters to my colleagues each year reveal, veterans and widows have difficulty understanding the logic of Government programs which appear to give with the one hand and take away with the other. Of course, any need-based income maintenance program can properly take into account the amount of other annual income available to a veteran or his survivor. But if a significant portion of those pension recipients remain below the poverty level and if they are unable to live out their lives in dignity, then giving with one hand and taking away with the other, as to those veterans and widows, is not only illogical but it is also an inherently self-defeating policy as well. Veterans and widows should receive the full measure of increases which reflect changes in the Consumer Price Index.

OBJECTIVES OF PENSION REFORM

Given the foregoing, what principles should govern the development of a new pension system? At its core, an income maintenance program taking a significant share of available tax resources should be need-based. This has been a principle which, if not always honored in practice, has been the keystone of pension programs for a considerable period of time. When H.R. 7650—ultimately enacted as Public Law 86-211—the basis for our current law pension program, was reported by the House Committee on Veterans' Affairs in 1959, they noted:

> The committee in reporting this legislation declares that the program of non-service-connected pension for World War I, World War II, and the Korean conflict is designed basically to furnish financial assistance when needed to non-service-connected disabled veterans who have served their country honorably in time of war, and because of non-service-connected disability are unable to follow a substantially gainful occupation; further that the assistance should be measured according to need.
>
> It will thus be noted that the provision of disability and need has been paramount in the history of pension legislation and that, while it is true that pension has been paid on the basis of age or service alone, the predominant pattern has been the requirement of a showing of need and/or disability.

Mr. President, an adequate, equitable need-based pension reform program, thus, should be one which:

First, assures a level of income above a minimum subsistence level allowing veterans and their survivors to live out their lives in dignity;

Second, prevents veterans and widows from ever having to turn to welfare assistance;

Third, treats similarly circumstanced pensioners equally;

Fourth, provides the greatest pension for those with the greatest needs; and

Fifth, guarantees regular increases in pension which fully account for the increases in the cost of living.

I have discussed previously the inability of the present pension program to meet fully these objectives. In sum, the maximum payment of $1,920 a year for a veteran without dependents—or $1,296 for a similarly circumstanced widow—does not guarantee a minimum subsistence level that allows veterans or survivors to live out their lives in dignity. And with nearly half of our pensioners with incomes below the poverty level and one-third unable to buy enough food, the present system does not insure that veterans and widows will not have to turn to welfare assistance.

Different payments for veterans and widows and a variety of income exclusions means that we are not treating similarly circumstanced pensioners equally. Nor do such payments, in conjunction with the distorted rate system, always provide the greatest pension for those with the greatest needs. Finally, there is no mechanism in the current program which provides for regular increases which take into account changes in the cost of living.

There have been two other basic pension proposals advanced in Congress in recent years, which should be examined briefly. The first set of proposals are generally aimed at older veterans and would authorize a minimum pension payment of $135 a month for all veterans of World War I—$150 with a dependent. The needs of our older veterans of World War I have been and continue to be a priority concern for the committee. But these measures would not meet the objectives of an equitable pension program previously outlined. These proposals would completely eliminate the need-concept for all such veterans and survivors and direct the payment of pension to all regardless of their income or need. Several current Members of the Senate and House of Representatives would receive a veterans pension if this measure were enacted, for example. Similarly circumstanced veterans and survivors would not receive the same amount of pension. Equally important, such a proposal which the Veterans' Administration estimates would result in new minimum mandatory expenditures in excess of $2 billion during the first year alone, would distribute benefits in an inverse ratio to need. That is, the entire $2 billion would be distributed to veterans at the upper end of the income scale while not the first dollar in additional benefits would be paid to any veteran or survivor currently below the poverty level.

In this connection, it should be noted that this proposal was explicitly considered at the most recent national convention of the American Legion in August and this year, as in the past, it was rejected by the delegates.

The second basic set of proposals are those which generally provide that in determining annual income for pension purposes the Administrator disregard any increases provided under the Social Security Act. While the motivations for such legislation are readily understandable, in the final analysis, such bills are neither desirable nor workable. First, any measure which would not count increases in social security income but would count other income increases, would be inequitable. The need-based origin of the pension program counts all retirement income. Thus, to exclude increases in social security while counting increases in, say, railroad retirement, private pension, or Federal pension would create a favored class of pensioners. Similarly circumstanced veterans would not be treated alike; veterans with identical amounts of outside incomes but from different sources would receive different pensions, which, in turn, would cause considerable dissension. Second, a social security "disregard" or "pass along" would also have the unintended effect of giving larger percentage Federal income increases to those in the higher income brackets, than to those in the lower income brackets, which, again, would not meet our objectives and run counter to longstanding congressional intent for a need-based pension program.

Nor would such a system even be workable. The Veterans' Administration has repeatedly informed Congress that a so-called pass along of social security increases creates the most complex administrative problems imaginable, and could result in the complete breakdown of the veterans' pension system. Knowing the Government often has problems administering certain programs where it believes itself capable, Congress should be prepared to give the full benefit of the doubt in those cases where the executive branch admits it cannot. In this connection, I ask unanimous consent that a memorandum from the VA dated November 29, 1973, outlining in greater detail the problems that the proposal would engender, be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EFFECTS OF THE SOCIAL SECURITY "PASS THROUGH" TURNS A SIMPLE SYSTEM INTO A HIGHLY COMPLEX ONE

Pension is paid based upon countable income, self-reporting through annual income questionnaires, and therefore kept simple.

Pensioners receive income from various sources, and most have income from more than one source. When income from any one or combination of sources undergoes change, an adjustment in rates is made.

For social security and other retirement incomes, 10 percent is excluded in determining the pension rate payable.

The "pass thru" proposal would create an administrative monstrosity.

For those on the pension rolls who are receiving social security, the social security portion of their income would be of three components: the "pass thru" amount which is never to be counted as income; the balance of which 10% is not counted, and 90% which is counted.

By law social security will be adjusted each year in time with changes in the cost of living. The percentage will be applied to the total social security payable. Where there is a portion not to be counted, that amount, and the new increase would be excluded. The individual is not usually certain of the amount of his benefit increase (with medicare, etc., deductions) nor can we be sure of the amount which will be the total increase "pass thru." Automatic adjustments will not be feasible for all of these cases, for individual treatment and adjudication would mean incurring tremendous administrative costs.

The problem would also be compounded when income other than social security changes and an adjustment must be made. The various components of social security must be unraveled to properly assign the pension rate.

There would be further problems should a pensioner be taken off the rolls for a period of time due to employment or other change in income, and then again become eligible. Another complex income determination would have to be made for each case.

The "pass thru" would also create disparate classes of pensioners. For all future payments, we would have to distinguish between those receiving pension before January 1, 1974 and receiving social security and those entitled on or after January 1, 1974, as well as those who may have received pension before January 1, 1974 but did not commence receipt of social security until after that date.

PRINCIPAL FEATURES OF THE PENSION PROGRAM

Mr. HARTKE. The Veterans and Survivors Pension Reform Act which I introduce today attempts to meet the objectives of an equitable need-based pension program by establishing a "one variable system" which I shall briefly describe. Additional detailed discussion of this and all provisions of the Veterans and Survivors Pension Reform Act can be found in the section-by-section analysis which will be placed in the RECORD following my remarks.

The current pension program is a "two variable" system with an annual income limitation and a sliding scale of rates, either or both of which can be altered. Under a one variable system, a basic level of income support is established, and the amount of pension payable is determined by calculating the difference between the annual income available to the veteran or widow and the minimum income floor established by Congress. The basic minimum level would be $2,700 for a single pensioner, and $3,900 for a couple, which assures all pensioners an income above the current official poverty level established by the Bureau of Labor Statistics—BLS. The following table compares the BLS poverty level, the maximum payment under current pension law and that under the restructured program:

TABLE 4.—*Pension comparison*

	Single	*Couple*
Poverty level	$2,590	$3,410
Current pension, veteran	1,920	2,064
Pension Reform Act	2,700	3,900

Mr. HARTKE. For the first time, all eligible veterans and survivors will be assured of a level of assistance that places them above the official poverty level and national welfare standards.

Utilizing this basic structure, the Veterans' Administration will then pay all eligible veterans and survivors pension on an annual basis—in monthly installments—such an amount to insure that the pensioner achieves the minimum level of support established by Congress. If a veteran without dependents, for example, has no income, the Veterans' Administration will pay him $2,700 a year. If he has some nonpension income he will receive in veterans pension the difference between income available and the congressionally-mandated level of support.

There are numerous advantages to the one-variable system. First, the setting of minimum standards of need assures that the system provides an adequate income for veterans or widows with no outside income. Such a system will, as a result, channel more funds to the poorest recipients. Second, the system will not be incompatible with the supplemental security income program and therefore it can be assured that the veterans will receive enough benefits to prevent them from having to turn to welfare. Third, the new program will be more responsive to changes in income and the pension paid will fill the entire gap between the standard of minimum need and all other annual income available to the beneficiary. In addition, as to those beneficiaries in coming years, where outside income increases to the level where they will be unable to qualify for pension, they will be eased from the system at a more gradual rate than at present. Finally, a one-variable system is simply the most basic and uncomplicated approach to income maintenance.

Generally, with limited exceptions, no distinction is made as to the source of nonpension income and all such available income will be calculated in determining the amount of pension the veteran will receive under the need-based income maintenance program. Thus, in order to aline pension payments more closely to a pensioner's available resources and hence to actual need, the vast majority of the 18 income exclusions contained in the current pension law are eliminated. Certain exclusions with respect to unusual situations which do not conflict with the basic principles of pension program are continued. For the most part these exclusions were recommended by the Veterans' Administration in draft proposals previously submitted to the committee. They were directed toward those funds expended which are irretrievable—for example, unusual unreimbursed medical expenses; burial expenses—or funds which represent onetime payments for loss—for example, fire insurance proceeds. As the Veterans' Administration noted in testimony in 1973 in support of such exclusions:

> These are some items which are offsets, those in which the pensioner acts as a conduit of those funds for a specific purpose, such as in receiving the proceeds of a fire insurance policy, which is then used to replace the property loss.

To maintain the integrity of the VA pension program vis-a-vis the supplemental security income program which also excludes a like amount, $780 of annual earned income would be disregarded as recommended by the Veterans' Administration in their July 1973 proposal.

SPOUSE'S INCOME

As a starting principle, there is general agreement that available income of the spouse reasonably available for the maintenance of a veteran, should be included in determining pension eligibility. The exclusion of the spouse's earned income under the present program and the partial exclusions of unearned income—$1,200 annually—have been responsible according to the Veterans' Administration, for some of the most serious inequities and anomalies of the pension program. As I have previously noted the Veterans' Administration testified critically about certain veterans receiving pensions even though their wives had earned incomes in excess of $20,000 annually. Though the legislative history of this provision fails to reveal the reasons why the exclusion was added, it generally has been presumed—in part because most elderly pensioners do not have earned income of any consequence—that the exclusion was designed to aid the young veteran seriously disabled from non-service-connected causes by providing a work incentive for his wife. There are, for example, 7,800 Vietnam era veterans in receipt of pension, many of whom are paralyzed or have sustained other catastrophic disabling injuries from non-service-related accidents. Several alternatives have been considered in dealing with this difficult problem. Previously submitted VA draft proposals provided that all income of the spouse shall be considered as the income of the veteran. However, that could be unfair in some circumstances and be a work disincentive. As such it has been of particular concern to such veterans organizations as Paralyzed Veterans of America, who testified before our committee that to include all of the spouse's income would cause undue hardship for their members.

In 1973, the House of Representatives unanimously passed provisions in H.R. 9474 which would have placed an annual limitation of $3,600 upon a spouse's earned income, which Chairman TEAGUE termed a "reasonable and realistic modification". The American Legion mandates approved at their annual convention would limit such earnings to $7,200 a year. In the bill before you we have tentatively provided that in addition to a basic annual income disregard of $780 that the spouse of the veteran or surviving spouse with dependents may disregard up to half of earned income up to $7,000.

Mr. President, this whole area presents the most difficult questions imaginable in attempting to balance various policy considerations. I want my colleagues to know that I believe it requires serious further discussions prior to any final decision so that we will be satisfied that we have reached an equitable result. I welcome the suggestions and advice of all concerned parties.

PENSIONS FOR SURVIVING SPOUSES

An important provision of the restructured pension program is that widows will receive the same amount of pension as similarly circumstanced veterans. Under the current pension system such widows receive pension at a rate which is only two-thirds of that payable to the veteran. That rationale for this distinction has never been clear to me; perhaps it is based on the presumption that the spouse is once removed from the veteran and hence, should not share in the same benefits that the veteran does. Yet, I believe a careful examination reveals that rationale to be based upon a false premise. The veterans who risked their lives during World War I, World War II, or any other conflict were not doing so for selfish gain. The veteran was fighting for his country; to protect his family and our way of life. Veterans are greatly concerned that there be adequate support for his widow after their death. More fundamentally, such distinctions in the amount of pension payments make no sense in a need-based program. Supermarkets do not charge widows two-thirds of what they charge veterans for a loaf of bread. Of course, there is true equality for widows when it comes to the cost of food, medical care, and housing. Inequalities exist only as to the amount of pensions they receive. This disparity, I believe, accounts for the survey results of the study of older veterans and widows conducted by the VA this year, which revealed greater problems for widows than for veterans in almost every category examined. Equalization of survivor benefits was recommended by the Senate in 1959, but was not enacted into law. Social security survivor benefits were equalized in 1972. The attitude of veterans' widows is perhaps best summed up by a recent letter to the committee from Anna Fuhrer, national president of the Widows of World War I, Inc. She said:

> I am enclosing a copy of Pension to Veterans and Widows of WWI as granted under P.L. 93–527. I have two questions about this list; first what makes the Members of the Congress think that a widow can get along on less than a Veteran with the same amount of income, exclusive of pension? Second, if a widow whose income is $2900 a year, exclusive of pension, is entitled to the same amount of pension as a Veteran with that amount of income, why is not the widow with income of less than $300 entitled to the same consideration? To me this is grossly unfair. It is discrimination, not only against women, but what is worse, discrimination against the "Have nots."

Mr. President, I do not believe we can continue to "ignore" what equity and justice clearly indicates we must do. Under the current pension system the maximum pension a widow without dependents may receive is $1,296, which is nearly $1,300 below the official poverty level of $2,590. Under the bill proposed today, a widow would be entitled to $2,700 a year or an increase of $1,404 over her present annual pension. In this connection, I should also mention that the committee for some time has been examining the amount of survivor benefits paid to widows whose husbands had died of service-connected causes, under the Dependency and Indemnity Compensation—DIC—program. I have become increasingly convinced that this system is illogically based and does not provide sufficient support for widows—particularly those widows of veterans in enlisted grades. Accordingly, it is my intention next year to reexamine the entire system of survivor benefits to service-connected widows to insure that they are receiving an adequate level of compensation.

AID AND ATTENDANCE ALLOWANCE

Under current law, certain pensioners are entitled to receive, in addition to their pension, an annual aid and attendance allowance of $1,476—$123 per month. A veteran is considered in need of regular aid and attendance if he is a patient in a nursing home or is bedridden or is nearly helpless or blind as to need or require the regular aid and attendance of another person. Under current law, a particular problem often develops when a veteran accrues enough income in a particular year to lose the last dollar of regular pension. In this situation, he also loses the entire $1,476 in aid and attendance allowance in a lump sum as a result, which is a significant reduction in income. The Blinded Veterans Association among others, has expressed great concern about this loss of aid and attendance allowances.

Under the restructured pension system, however, this will not occur. The aid and attendance allowance which has been increased by an 8-percent cost of living to $1,596—$133 per month—under the bill, will simply be added to the basic level of support to establish higher support levels which reflect the aid and attendance allowance. For example, the Veterans' Administration will assure a level of support for a veteran without dependents who is in need of aid and attendance of $4,296—$2,700 plus $1,596—subject to reduction by the pensioner's annual income. Thus under the restructured pension program, the veterans' aid and attendance allowance would be gradually "dollared down" as nonpension income increases; not lost in a lump sum as under current law. A similar procedure is provided in the bill for those who qualify for housebound allowances. Under current law, a veteran is considered "permanently housebound" when he is substantially confined to his house or immediate premises due to a disability which it is reasonably certain he will sustain throughout his lifetime. Currently, veterans eligible for housebound allowances annually receive an additional $588—$49 per month. Under the restructured bill this amount has been increased to $636—$53 per month, to reflect an 8-percent cost-of-living increase. Then, to use the example of a veteran without dependents who is "housebound", the minimum annual level of support which the Veterans' Administration will assure would be $3,336—$2,700 plus $636.

COST-OF-LIVING ADJUSTMENTS

Another important feature of the pension program introduced today is the provision for regular adjustment in the basic level of support established under this bill. This provision, which has occasioned much thought and discussion, provides that whenever social security benefits are increased automatically as a result of changes in the Consumer Price Index, the annual rate of pension will also be increased by a like percentage. Enactment thus will eliminate the "push-pull" effect that characterizes the present system when social security benefits are increased. Further, the possibility that inflation will rob pensioners of benefits which are irretrievably lost, even though the law is subsequently amended to adjust the rate, is eliminated.

The Veterans' Administration has informed us that under the new pension program, no veteran or survivor will suffer any pension support reduction solely because of cost-of-living increases in social security benefits. This corrective feature of our bill should eliminate much of the criticism of the existing program and insure that all veterans and survivors receive the full measure of the cost-of-living increases.

The interrelationship of the new pension system with social security benefits is, perhaps, best explained by the following example. Assume a veteran is receiving social security benefits at an annual rate of $2,000. Under the reform proposal insuring him an income level of $2,700, he would be entitled to $700 in veterans pension. Assume further that in July of a given year the Consumer Price Index indicates a 10 percent increase in the cost of living. This, in turn, would trigger an automatic 10 percent increase in social security benefits bringing the income from that source to $2,200. This additional income, of course, would not be counted with respect to pension until January 1 of the following year; the annual date for determination of income. But on January 1 instead of having his pension benefits reduced, the basic level of support would also be increased by 10 percent or $2,700 to $2,970. As a consequence, he would continue to receive the full measure of the $200 increase in social security benefits without any decrease in his pension income, and in this case, would also receive an additional $70 in pension support. Thus, a pensioner is assured of receiving the full measure of changes in the cost of living, which are measured against the basic minimum level of support established under this bill.

Congress, of course, will retain the primary role of determining whether benefit levels are adequate. The Older Americans Act of 1965 declares a national policy of insuring that our elderly have an "adequate income in retirement, in accordance with our American standard of living." Certainly we can expect no less for our veterans who risked their lives in defense of that standard. Thus, we can expect to periodically review the standards of support established under this bill and make necessary appropriate changes when warranted and feasible within the context of existing budgetary resources. The cost-of-living provisions in this measure simply assure that in the absence of statutory amendments, the real value of the benefits established by this bill will not be seriously eroded by rising prices.

Similar automatic cost-of-living provisions are authorized for those veterans and survivors currently receiving or eligible for pensioners who elect to remain under the existing pension system. For both programs the provisions for regular cost-of-living adjustments in the benefit levels were recommended by the Veterans' Administration in draft proposals submitted in 1973 and 1974 and are supported by various veterans' groups.

DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

Dependency and indemnity compensation—DIC—is paid to needy parents of those veterans who have died from a service-connected cause. Under the current system DIC for parents is determined by utilizing a formula system similar to the formula system for veterans and widows. Accordingly, a new DIC program is authorized for dependent parents similar to that created for veterans and survivors under this act. There are approximately 71,000 parents in receipt of such allowances. A breakdown of their annual income is shown in the following tables, which I ask unanimous consent be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 5.—DEPENDENCY AND INDEMNITY COMPENSATION, PARENTS ONLY—SOLE SURVIVING PARENTS, APR. 20, 1975 (ALL CASES)

Annual income not over	Father unremarried or remarried not living with spouse		Mother unremarried or remarried not living with spouse		Father not living with spouse or remarried but not living with spouse		Mother not living with spouse or remarried but not living with spouse	
	Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total
$100	634	22.4	6,224	23.7	342	28.1	1,986	44.7
$200	19	.7	164	.6	7	.6	29	.7
$300	14	.5	165	.6	4	.3	30	.7
$400	24	.9	180	.7	12	1.0	51	1.2
$500	14	.5	173	.7	7	.6	79	1.8
$600	17	.6	195	.7	6	.5	79	1.8
$700	165	5.8	1,544	5.9	18	1.5	90	2.0
$800	27	1.0	389	1.5	11	.9	116	2.6
$900	50	1.7	510	1.9	38	3.1	204	4.6
$1,000	177	6.2	1,307	5.0	62	5.1	212	4.8
$1,100	409	14.4	3,059	11.6	85	7.0	228	5.1
$1,200	104	3.7	1,063	4.0	47	3.9	118	2.7
$1,300	110	3.9	1,020	3.9	48	3.9	146	3.3
$1,400	122	4.3	1,101	4.2	32	2.6	135	3.0
$1,500	114	4.0	1,103	4.2	60	4.9	108	2.4
$1,600	105	3.7	1,019	3.9	42	3.5	124	2.8
$1,700	93	3.3	925	3.5	51	4.2	82	1.9
$1,800	69	2.4	766	2.9	43	3.5	79	1.8
$1,900	87	3.1	794	3.0	45	3.7	81	1.8
$2,000	61	2.2	723	2.8	32	2.6	76	1.7
$2,100	75	2.6	699	2.7	35	2.9	82	1.9
$2,200	61	2.2	614	2.3	24	2.0	61	1.4
$2,300	67	2.4	543	2.1	36	3.0	43	1.0
$2,400	57	2.0	553	2.1	31	2.6	36	.8
$2,500	42	1.5	373	1.4	32	2.6	44	1.0
$2,600	49	1.7	438	1.7	24	2.0	25	.6
$2,700	33	1.2	266	1.0	20	1.6	39	.9
$2,800	14	.5	200	.8	10	.8	22	.5
$2,900	15	.5	108	.4	6	.5	13	.3
$3,000	6	.2	49	.2	2	.2	8	.2
Total	2,836	100.0	26,291	100.0	1,217	100.0	4,440	100.0

TABLE 6.—DEPENDENCY AND INDEMNITY COMPENSATION, PARENTS ONLY—2 PARENTS, APR. 20, 1975 (ALL CASES)

Annual income not over	Father living with spouse or remarried and living with spouse		Mother living with spouse or remarried and living with spouse		Surviving father remarried and living with spouse		Surviving mother remarried and living with spouse	
	Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total
$100	1,147	14.1	1,229	15.0	43	9.4	72	10.2
$200	33	.4	37	.5	1	.2	1	.1
$300	41	.5	44	.5	1	.2	4	.6
$400	37	.5	36	.4	2	.4	2	.3
$500	49	.6	45	.6	1	.2	6	.9
$600	50	.6	53	.7	2	.4	6	.9
$700	91	1.1	99	1.2	5	1.1	9	1.3
$800	55	.7	63	.8	3	.7	1	.1
$900	127	1.6	121	1.5	7	1.5	7	1.0
$1,000	145	1.8	148	1.8	17	3.7	13	1.9
$1,100	203	2.5	208	2.6	20	4.4	20	2.8
$1,200	111	1.4	110	1.4	14	3.1	12	1.7
$1,300	189	2.3	182	2.2	12	2.6	6	.9
$1,400	279	3.4	281	3.4	10	2.2	24	3.4
$1,500	324	4.0	308	3.8	18	3.9	21	3.0
$1,600	324	4.0	318	3.9	18	3.9	16	2.3
$1,700	254	3.1	244	3.0	7	1.5	19	2.7
$1,800	229	2.8	228	2.8	12	2.6	18	2.6
$1,900	275	3.4	273	3.3	15	3.3	23	3.3
$2,000	271	3.3	259	3.2	19	4.2	23	3.3
$2,100	326	4.0	310	3.8	23	5.0	21	3.0
$2,200	245	3.0	242	3.0	15	3.3	14	2.0
$2,300	232	2.9	227	2.8	10	2.2	14	2.0
$2,400	223	2.7	219	2.7	16	3.5	24	3.4
$2,500	262	3.2	254	3.1	15	3.3	20	3.7
$2,600	230	2.8	242	3.0	11	2.4	28	4.0
$2,700	231	2.8	228	2.8	14	3.1	23	.3
$2,800	206	2.5	206	2.5	11	2.4	15	2.1
$2,900	194	2.4	189	2.3	7	1.5	22	3.1
$3,000	165	2.0	167	2.0	11	2.4	28	4.0
$3,100	179	2.2	187	2.3	13	2.3	22	3.1
$3,200	166	2.0	150	1.8	3	.7	17	2.4
$3,300	151	1.9	149	1.8	13	2.8	18	2.6
$3,400	175	2.2	172	2.1	10	2.2	19	2.7
$3,500	146	1.8	163	2.0	5	1.1	22	3.1
$3,600	148	1.8	161	2.0	11	2.4	17	2.4
$3,700	141	1.7	141	1.7	10	2.2	15	2.1
$3,800	134	1.7	132	1.6	8	1.8	19	2.7
$3,900 to $4,200	345	4.2	344	4.2	25	5.5	37	5.3
Total	8,133	100.0	8,169	100.0	458	100.0	704	100.0

Mr. HARTKE. The current maximum payment for parents in receipt of DIC is $1,476 a year. Under the reform system a single parent without dependents would be entitled to a maximum yearly payment of $2,700, thus assuring that DIC recipients will maintain a standard of living above the poverty level. As with the current pension program parents currently in receipt of DIC may elect not to switch to the new system but instead remain under the current program.

ELIGIBILITY TO CONTINUE UNDER EXISTING PENSION PROGRAM

The Pension Reform Act provides that prior to the effective date of the new program those veterans and survivors who are in receipt of pension or eligible to receive pension can elect, if they choose to do so, to remain under the current programs. Generally, the vast majority will find it advantageous to elect to participate in the new program. But if they decide not to do so, they can continue receiving benefits under the current program and be assured that there will be regular increases in the rates and income limitations which respond to changes in the Consumer Price Index. This should guarantee that no veteran will be dropped from the rolls solely because of any cost-of-living increase in social security and should continue to insure that a veteran remaining on the pension rolls will not suffer an aggregate loss of income because of social security changes. This right of election or "grandfathering" of current pensioners has been recommended by the Veterans' Administration, and veterans organizations and was the same procedure utilized when the present system was established in 1959. Veterans under the current program may elect at any time in the future to switch to the new system but once that election is made, it is irrevocable.

EFFECTIVE DATE OF NEW PROGRAM AND INTERIM ADJUSTMENTS

In order to allow the Veterans' Administration adequate time to prepare for implementation of this new program, we have agreed tentatively to establish an effective date of October 1, 1976; the beginning of the new fiscal year 1977. As a result of the large number of veterans and survivors who will sustain pension reductions on January 1, 1976, the bill also provides for interim adjustments in the current program effective January 1, 1976.

An 8-percent increase in the rates payable and a $300 increase in the maximum annual income limitations are provided for veterans and survivors in the current program.

Similarly, maximum annual income limitations for the "old law" pensioners are increased by $300. An 8-percent increase in rates and increase in the annual income limitations are authorized also for needy parents receiving dependency and indemnity compensation. Finally, aid and attendance allowances for "housebound" are increased by 8 percent. Thus, under the current program the maximum rate for a veteran without dependents would be increased from $160 to $173 a month, while the rate for a veteran with a dependent would be increased from $172 to $186. The following tables show the rates currently payable as opposed to those proposed under the interim measure. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 7.—PENSION PROPOSAL

Income not over	Veteran alone		Veteran and 1 dependent		Widow alone		Widow with 1 dependent	
	Current	Bill	Current	Bill	Current	Bill	Current	Bill
$300	$160	$173			$108	$117		
$400	157	170			107	116		
$500	154	167	$172	$186	106	115		
$600	150	163	170	184	105	114		
$700	146	159	168	182	102	111	$128	$139
$800	142	154	165	179	99	108	127	138
$900	138	149	162	176	96	105	126	137
$1,000	133	144	159	173	92	101	125	136
$1,100	128	139	156	170	88	97	124	135
$1,200	123	134	153	167	84	93	122	133
$1,300	118	128	150	164	80	89	120	131
$1,400	113	122	147	160	76	85	118	129
$1,500	108	116	144	156	72	81	116	127
$1,600	102	110	141	152	68	76	114	125
$1,700	96	104	138	148	64	71	112	123
$1,800	90	97	135	144	60	66	110	121
$1,900	84	90	131	140	56	61	108	118
$2,000	77	83	127	136	52	56	106	115
$2,100	70	75	123	132	48	51	104	112
$2,200	63	67	119	128	43	46	101	109
$2,300	56	59	115	124	38	41	98	106
$2,400	48	51	111	120	33	36	95	103
$2,500	40	43	107	116	28	31	92	100
$2,600	32	35	103	112	23	26	89	97
$2,700	24	27	99	108	18	21	86	94
$2,800	16	19	95	104	13	15	83	90
$2,900	8	11	91	99	8	9	80	86
$3,000	5	5	87	94	5	5	77	82
$3,100		5	82	89		5	73	78
$3,200		5	77	84		5	69	74
$3,300		5	72	78		5	65	70
$3,400			67	72			61	66
$3,500			62	66			57	62
$3,600			56	60			53	57
$3,700			50	54			49	53
$3,800			44	48			49	53
$3,900			37	40			49	53
$4,000			30	32			49	53
$4,100			22	24			49	53
$4,200			14	16			49	53
$4,300				8				53
$4,400				5				53
$4,500				5				53

TABLE 8.—DIC PARENTS

Income not over	1 parent		2 parents not together		2 parents together	
	Current	Bill	Current	Bill	Current	Bill
$300						
$400						
$500						
$600						
$700						
$800	$123	$133	$86	$93		
$900	120	130	84	91		
$1,000	117	127	82	89	$83	$90
$1,100	113	123	80	87	82	88
$1,200	109	119	76	83	80	86
$1,300	105	114	72	79	78	84
$1,400	100	109	68	75	76	82
$1,500	95	104	64	71	74	80
$1,600	90	98	60	67	72	78
$1,700	84	92	56	62	70	76
$1,800	78	84	52	57	68	74
$1,900	71	76	48	52	66	72
$2,000	64	68	44	47	64	70
$2,100	56	60	40	42	62	68
$2,200	48	52	35	37	60	66
$2,300	40	44	30	32	58	64
$2,400	32	36	25	27	56	61
$2,500	24	28	20	21	54	58
$2,600	16	20	14	15	51	55
$2,700	8	12	8	9	48	52
$2,800	4	5	4	5	45	49
$2,900	4	5		5	42	46
$3,000	4	5		5	39	43
$3,100		5		5	36	47
$3,200		5		5	33	30
$3,300		5		5	30	34
$3,400					27	30
$3,500					24	26
$3,600					20	22
$3,700					16	18
$3,800					12	14
$3,900					8	10
$4,000					4	6
$4,100					4	5
$4,200					4	5
$4,300						5
$4,400						5
$4,500						5

Mr. HARTKE. According to information supplied by the Veterans' Administration, if the interim adjustments contained in this measure are enacted, none of the 41,845 veterans or survivors currently scheduled to be terminated because of social security increases will be dropped. Further, 1,098,566 veterans, widows and dependents can expect to receive an average annual gain in pension of approximately $94. And although according to the Veterans' Administration no veteran or survivor will sustain a loss in aggregate income solely as a result of social security increases, it should be acknowledged that 655,000 will sustain some reduction in pension despite such adjustments. But as I previously noted, under the new pension system to be put into effect next year, according to the VA no veteran or survivor receiving benefits under the new program will suffer a reduction in pension because of social security cost-of-living increases.

EFFECT AND COST OF PENSION REFORM LEGISLATION

Mr. President, the effects of a major legislative change in any large Federal income maintenance program are always extensive and varied, and the Veterans and Survivors Pension Reform Act is no exception. The most important effect is that all eligible veterans and survivors will be guaranteed an income that places them above the poverty level. Our immediate attention has, thus, been directed to those of our present pension population who are below the poverty level and to the 30 percent of veterans and 37 percent of widows who recently told the VA they are unable to afford all the food they needed. For these veterans and widows, the bill provides a dramatic increase in benefits. A single veteran with no income would receive $2,700 under this bill, a 40-percent increase over the current maximum of $1,920. Veterans with dependents currently receive a maximum payment of $2,064; under the reform act they will receive $3,900, an annual increase of $1,836 or an 89-percent increase. Significant increases are also provided to widows who for the first time will receive benefits equal to those available to veterans. The current maximum of $1,296 will be increased to an annual income of $2,700, while widows with dependents who now receive a maximum $1,536 will be assured $3,900 a year. Those who have some nonpension income, of course, will receive proportionately reduced increases. The importance is that this measure is aimed at providing a rational, cost-effective system, that insures that available tax dollars are applied to those who need it and in proportion to their needs. I cannot stress enough the importance of restructuring the system so that these objectives are accomplished. With the millions of veterans approaching age 65, it is essential that we have a system that will be responsive to their needs and which can be defended against the attacks of those who would abolish veterans pensions altogether. Failure to act promptly will make the system more vulnerable to attack from hostile quarters and result in Federal expenditures which would become increasingly illogical and difficult to defend.

I believe no one understands this more clearly than organized veterans' groups themselves. They want to insure, as I do, that our Nation never forgets its special debt and continuing obligation to those who have risked their lives to defend our country. They recognize that we need an equitable workable pension program that meets the objectives which I previously outlined. And they are aware more than anyone else of the failings of our current pension system for they are in regular contact with veterans and widows who must try to survive with dignity on a meager income. Veterans' organizations are also familiar with the problems of the interrelationship of social security and veterans' pensions.

On October 16, 1975, the commander in chief of the Veterans of Foreign Wars, noting that the pension program had been "neglected too long by patchwork legislation" strongly communicated his organization's conviction that immediate pension restructuring was absolutely necessary to insure that "in this calendar year we establish a guaranteed income well above the poverty level for those who served their Nation in uniform in time of war and hostility, befitting the greatest, wealthiest, Nation on Earth." The American Legion on November 3, expressed concern and hope that Congress "consider the pension program prior to the expiration of the fiscal year with the view of reporting additional legislation to eliminate once and for all the necessity of enacting stopgap legislation each year to offset the effect of increases in the cost of living." And the veterans of World War I, on October 31 indicated their concern that benefits be improved especially for those who are in "dire straits."

Mr. President, I would be less than candid, if I left the implication that the levels provided in this bill fully meet either my hopes or those of the veterans' organizations. Both The American Legion and the Veterans of Foreign Wars have endorsed restructured pension legislation but at higher levels of $3,300 for a single veteran and $5,400 for a couple. Such levels would result, however, in probable additional first year costs of approximately $2.8 billion.

Given the current restraints of the Federal budgetary process I am skeptical that we could achieve those levels at this time. Nevertheless, in hearings we look forward to receiving the testimony of all interested parties and will examine their views and arguments with great care. The interim increases effective January 1, 1976, would have a half fiscal year cost of approximately $102 million. In fiscal year 1977 when the reform program becomes fully effective the first full-year cost has been estimated by the Veterans' Administration to be $816.2 million. However, this estimate may be higher than the actual cost for a number of reasons. First, it should be noted that this estimated cost assumes that all current pension recipients who would be eligible for higher benefits under the reform will elect to switch to the new program. However, the experience following enactment of Public Law 86–211 would indicate that some portion of those cases who would benefit from the election will fail to do so. In the first 2 years of that program nearly 37 percent of those pensioners who would have benefited by electing the new program failed to do so. Second, the cost estimate does not represent a net cost to the Federal Government since there should be offsets under the SSI program from veterans and pensioners shifting to the new pension program. The Veterans' Administration is unable at present to estimate the magnitude of this offset. The problem is compounded in part because there is a distinction between veterans entitled to participate under the SSI program and those that are in fact currently in receipt of the benefits. It would appear that because of the pride of many older veterans and widows and their distaste about turning to welfare assistance that there are some who are eligible but who have not applied for some benefits.

Mr. President, I have examined in detail the pension program and the challenges before us because I believe it is imperative that we "tackle" these challenges now. In addition to the considerable body of information which has already been gathered, the Subcomittee on Compensation and Pensions, so ably chaired by Senator TALMADGE, will receive testimony on Tuesday, November 18 and Thursday, November 20. I anticipate that this testimony will aid us considerably in correcting whatever deficiencies are contained in the bill we introduce today. In closing I want to express my appreciation to the committee staff, who, at my direction, has worked so persistently on this subject. In particular, I want to commend Ms. Mary Whalen, who, as a professional staff member, developed much of the information needed by us to proceed in considering pension reform. Second, I would like to acknowledge the advice and the counsel given to our staff by senior members of the staff of the House Committee on Veterans' Affairs. Without being responsible for any of the measure's errors or mistakes, their thoughtful, critical observations helped us to avoid many others. Finally, I want to express my appreciation to members of the Veterans' Administration's Compensation and Pension Service, Computer Programing Service, and General Counsel Office. In this connection, I want to mention—though not by way of exclusion—Charles Peckarsky, Arthur Carley, and Norman Paulson, for their outstanding technical assistance.

Mr. President, I ask unanimous consent that the section-by-section analysis and explanation together with the text of the bill as introduced be printed in the RECORD at this point.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF S. 2635

SECTION 1

This section provides that the Act may be cited as the "Veterans and Survivors Pension Reform Act".

TITLE I—REFORM OF THE NON-SERVICE-CONNECTED PENSION PROGRAM FOR VETERANS AND THEIR SURVIVORS

SECTION 101

This section amends section 503 of title 38, United States Code to redefine the allowable exclusions in computing annual income for the purpose of determining pension payments. Under current law there are 18 income exclusions, some of which have created inequitable situations where similarly-circumstanced veterans with identical incomes from non-Veterans' Administration sources receive different pension payments. Different pension payments occur because the law currently distinguishes as to the source of income and excludes in whole or part certain income in determining a veteran's total annual income upon which pension entitlement is based.

In order to assure that pension programs are aligned more closely with each pensioner's needs, allowable exclusions, in most instances, are limited to situations which are neither annual events nor typical income accrual mechanisms. Certain exclusions which represent unusual situations and do not conflict with the principals of the pension system are retained and included in the new program as follows:

§ 503. Determinations with respect to annual income

Subsection (a) would eliminate 11 existing income exclusions. Certain exclusions which represent unusual situations and which do not conflict with the principals of the pension system would be permitted. These exclusions are for the most part identical with those suggested by the Veterans' Administration in proposed drafts previously submitted to the Committee. For example, section 503 would permit exclusion of unreimbursed medical expenses which exceed 5 per centum of the claimant's actual income for the year. Also included in this category are amounts equal to the unreimbursed expenses concerning the death of a veteran, spouse or child.

Additional retained exclusions include donations from public or private relief or welfare organizations which will prevent a "crossing" of the two programs inasmuch as Supplemental Security Income counts veterans pension in determining eligibility for SSI payments. Also excluded is income which replaces loss—such as proceeds from fire insurance.

Earned income of $780 also would be excluded. This is similar to provisions currently in force for Supplemental Security Income recipients and is intended to insure that veterans pension continues as the preferred system for eligible recipients.

A similar exclusion was part of the original draft reform proposal submitted to the Committee in July 1973. $780 plus one-half of the remainder of earned income up to $7,000 would be excluded for a veteran with dependents and for a surviving spouse with children. This provision is a "work-incentive" provision generally applicable to certain younger pensioners to insure that a small amount of itinerant income will not result in unreasonable loss of their pension. These exclusions for those veterans with dependents are focused particularly on the special problems of the younger veteran who is totally and permanently disabled and whose spouse may be able to earn some income. Further discussion is found in the analysis of succeeding section 102. Finally where appropriate, and feasible, this and other sections are amended to substitute the terms "spouse" and "surviving spouse" for the terms "wife", "husband", "widow" and "widower" to eliminate unnecessary gender references.

Subsection (b) continues current law by providing that where a fraction of a dollar is involved, annual income shall be fixed at the next lower dollar.

SECTION 102

Clause 1 amends subsections (b), (c), (d), and (e) of section 521 of title 38, United States Code, currently prescribing rates of pension for veterans, to create a new pension system. Under this system an eligible veteran, with no other countable income, will receive pension payments equal to an annual level of minimum need established by law. If the veteran receives income from other sources, that income is deducted dollar for dollar from the congressionally-established standard of need with the Veterans' Administration paying the difference as pension. A veteran's pension system of this sort was suggested as early as 1959 by the Bradley Commission which concluded: "Within the veterans' pension system the objective should be to meet first needs first, providing assistance to those who require it most in terms of commonly accepted standards of need . . ." The Veterans' Administration recommended this type of program known as a "one-variable" system in testimony before the Committee in 1973 and 1974 although at considerably lower standards of need than are established in this measure. Today the current maximum level of pension payments do not even reach the officially recognized poverty level. The levels provided in this bill will exceed that standard as shown below:

Payment level:	*Single*	*Couple*
Poverty level (1974)	$2,590	$3,410
Current law	1,920	2,064
Reform proposal	2,700	3,900

The pension system proposed, unlike current law, would authorize rates which exceed the current rates payable under our national welfare program, the Supplementary Security Income program.

This section would also provide for aid and attendance payments by establishing a higher standard of need for those veterans in need of aid and attendance. Reduction of this aid and attendance allowance because of increased annual income will occur on a dollar for dollar basis rather than being discontinued in a lump sum as is the present case when maximum annual income levels are reached. The amendments are more fully described as follows:

§ 521. Veterans of the Mexican Border period, World War I, World War II, the Korean conflict, or the Vietnam era

Subsection (b) of section 521 is amended to provide that an eligible veteran without dependents (and also not eligible for aid and attendance or housebound allowances) would receive a monthly pension at an annual rate of $2,700 reduced by the amount of the veteran's annual income. Currently section 521(a) authorizes monthly rates which range from a maximum of $160 ($1,920 per annum) to $5 ($60 per annum) subject to the veteran's annual income which may not exceed $3,000. Under the proposed amendment the maximum monthly pension payments for the lowest-income pensioners would be increased by $65 to $225 per month.

Veterans with no other income would thus receive an additional $780 per annum under amendments made by the bill.

Subsection (c) of section 521 is amended to provide that an eligible veteran with one dependent (but not eligible for aid and attendance or housebound allowances) would receive a monthly pension at the annual rate of $3,900 reduced by the amount of the couple's annual income. For each additional dependent of a veteran the maximum annual rate is increased by $360. Currently 521 (c) authorizes monthly rates for a veteran with one dependent which range from a maximum of $172 ($2,064 per annum) to $14 ($168 per annum) subject to an annual income limitation of $4,200. Under the proposed amendment, an eligible couple with no other income would receive $325 per month, nearly double the rate currently paid to veterans with a dependent. Lesser payments, of course, would be made to those pensioners who had annual income determined per § 503 as described *infra*.

Subsection (d) of Section 521 is amended by authorizing higher standard of support to include aid and attendance allowances for those who are eligible. At present, any veteran in need of "aid and attendance" receives an additional $123 per month ($1,476 per annum). However, if the veteran should gain enough income in a particular year to lose the last dollar of regular pension, he also loses the entire $1,476 in aid and attendance allowance at the same time, which has significant impact upon individual recipients. In order to prevent this immediate lump sum loss, clause 1 of subsection 521(d) as amended, would raise the guaranteed annual income level for which a pensioner is eligible to reflect the additional annual aid and attendance allowance. By providing an 8 percent increase in current monthly aid and attendance allowances from $123 to $133 (reflecting changes in the Consumer Price Index since they were last adjusted), the total additional annual income from aid and attendance would be $1,596. This is added to the annual pension rate of $2,700 for a single veteran to provide a maximum $4,296 in annual pension subject to reduction by the pensioners' annual income. Thus, under this section, as amended, a veteran's aid and attendance allowance would gradually be "dollared down" as non-pension income increases rather than lost in one lump sum.

Similarly, clause 2 of subsection 521(d) authorizing aid and attendance allowances for veterans with dependents is amended by adding $1,596 in annual aid and attendance allowances to the proposed maximum annual rate of $3,900 to provide a maximum annual rate of $5,496 plus such other allowances for additional dependents as are authorized. The amount of annual income would be deducted from the maximum rate of $5496 to determine entitlement total.

Subsection (e) of section 521 is amended to provide a similar system of payment of housebound allowances as is provided in subsection (d) for aid and attendance allowances. Thus, the pension provided to a single veteran eligible for housebound allowances would be $3,336 reduced by the amount of his annual income. Similarly the annual pension for a veteran with dependents would be $4,536. In each instance, allowance is made for additional dependents and reduced by the amount of annual income.

Clause 2 of this section would amend subsection 521(f) to include the income of the spouse of a veteran which is reasonably available to the veteran as the income of the veteran in determining the couple's need for pension. Under current law $1,200 of the spouse's unearned income or the total amount of earned income of the spouse is excluded from consideration in determining need for pension. The Veterans' Administration has testified that this has created a number of inequities in which veterans received a need-based pension even though their spouses were earning in excess of $15,000 and in some cases in excess of $25,000. This exclusion of wives' earned income and of a limited amount of non-earned income often created a false standard of need by basing the pension on a veteran's income rather than on the family income reasonably available to them. For example, a veteran who is receiving social security at the rate of $1,111 per annum, whose spouse is receiving $6,000 in earned income none of which is countable in determining pension, will receive $1,548 in pension for a total income of $8,659.

Another veteran with the same amount of social security, $1,111, and a spouse who is receiving retirement income of $1,111 will receive the same amount of pension for a total income of $3,770 per annum. The pension program provides the first couple with income because the system declares them to be in an equal need situation with the second couple, when in reality they have an additional $5,000 per annum. The Veterans' Administration testified in hearings before the Senate Committee on Veterans' Affairs in 1974 that over 15,000 couples receiving pension for veterans with one dependent had incomes in excess of $15,000. The amendments made by this clause would align pension payments much closer to need.

Of course, a small earned income exclusion is provided in section 101 of this bill for reasons explained there which is not expected to produce the anomalies mentioned above.

Clause 3 would add a new subsection (h) to section 521, authorizing pension to be paid less frequently than monthly if the amount of the monthly payment is less than $10. This amendment is intended to reduce administrative workloads and provide a more efficient method of payment.

SECTION 103

This section would amend section 522 which denies or discontinues pension payments where a veteran's net worth might reasonably be consumed for his maintenance to include the corpus of the estate of a veteran's spouse and minor children as well in determining net worth. Additionally, the income of the spouse is considered in determining need. Currently only the corpus of the estate of the veterans is taken into consideration. This amendment would further align pension benefits more closely to actual need.

SECTION 104

Section 104 amends subsections (b), (c), and (d) of section 541 of title 38, United States Code, currently prescribing rates of pension for the surviving spouses of veterans who died of non-service-connected causes to create a new pension system consistent with that proposed for veterans in section 103 discussed *supra*. As amended, this new system also provides benefits for survivors equal to those for veterans. Currently the survivor receives only approximately two-thirds of the veteran's pension benefits. The pension reform system created by this act is, of course, premised on a minimum level of need which is applicable to all VA pension recipients including survivors. Thus there is no justification for a lower level of support for survivors than for the veterans themselves. Equalization of benefits has been supported by the Veterans' Administration in their draft pension reform measures submitted in 1973 and 1974. Further, social security amendments equalized benefits for survivors in 1972. The amendments are more fully described as follows:

§ 541. Widows of Mexican Border Period, World War I, World War II, Korean conflict or Vietnam era veterans

Subsection (b) of section 541 is amended to provide that a surviving spouse without an eligible dependent would receive a monthly pension at an annual rate of $2,700 reduced by the amount of the spouse's annual income. Currently section 541(b) authorizes monthly rates for surviving spouse which range from $108 ($1,296 per annum) to $5 ($60 per annum) per month subject to the surviving spouse's annual income which may not exceed $3,000. Under the proposed amendment the monthly pension payments would range from $225 to $1 depending on the amount of annual income. For the poorest pensioners the maximum monthly pension payment would be increased by $117 per month.

Subsection (c) of section 541 would be amended to provide that a surviving spouse with one dependent would receive a monthly pension at the annual rate of $3,900 reduced by the amount of the surviving spouse's annual income. If the spouse has two or more dependents, the annual rate is increased by $360 for each dependent in excess of one. Under current law the rates for a surviving spouse with one dependent range from $128 ($1,536 per annum) to $49 ($588 per annum) with the spouse with a dependent never receiving less than the $149 rate a child alone is entitled to receive under other provisions of title 38. Payment of these pension rates is subject currently to the surviving spouse's annual countable income which may not exceed $4,200. Under the reform proposal the minimum standard of need for the veteran with dependent is set at $3,900 which would provide a maximum benefit for a surviving spouse and child of $325 per month, an increase of $197 per month for those widows with little or no other income. This would for the first time raise benefits for those surviving spouses with no other sources of income above the poverty level. As under current law the widow would also be assured of a minimum level of pension which would equal that authorized for a "child alone" under section 105 of this bill ($113 per month) discussed *infra*.

Subsection (d) of section 541 is amended by eliminating the allowances provided for additional dependents which have been incorporated in new subsection (c) and by inserting a new provision to increase administrative efficiency by authorizing that pension may be paid less than monthly if the amount of the monthly payment would be less than $10.

SECTION 105

Clause 1 amends section 542(a) of title 38, United States Code, currently by prescribing rates of pension for surviving children (where there is no eligible widow) to create a new pension system consistent with that authorized for veterans and surviving spouses discussed previously.

Under current law where there is no eligible widow, a surviving child receives $49 per month ($588 per annum) and $20 (240 per annum) for each additional child (with payments to eligible children in equal shares). Subsection (a) of section 542 is amended to provide that the first child would be eligible for $113 per month ($1,356 per annum) with $30 ($360 per annum) for each additional child with payments in equal shares. Thus if there were two surviving children they would receive $143 per month ($1,176 per annum), reduced by the amount of each child's annual income.

Clause 2 repeals subsection (c). Inasmuch as the entitlement for children is determined under the pension system in the same manner as veterans and surviving spouses there is no need for income limitations.

SECTION 106

This section amends section 544 of title 38, United States Code, currently prescribing aid and attendance allowances for eligible surviving spouses to make such allowance consistent with those provided veterans under section 102 of this bill all more fully described as follows:

§ 544. Aid and Attendance Allowance

Subsection (a) would be amended to provide that the pension payable to a surviving spouse with no dependents who is in need of aid and attendance will be $4,296 per annum, subject to reduction by the surviving spouse's annual income.

Subsection (b) would be amended to provide that pension payable to a surviving spouse with one dependent under section 541 (c), who is in need of regular aid and attendance will be $5,496 plus any additional allowances for dependents in excess of one, subject to reduction by the spouse's annual income.

SECTION 107

Subsection (a) of section 107 amends chapter 53 of title 38, by adding a new section § 3112 providing for annual adjustment of benefit rates.

This section would provide for automatic cost-of-living increases for the new reform pension program adopted in this act.

The Veterans' Administration recommended automatic upward adjustment in benefit rates tied to changes in the Consumer Price Index in both drafts of their reform proposals submitted in 1973 and 1974. The inclusion of automatic adjustment provisions will insure that veterans and widows under the new pension system will receive increased benefits which fully compensate for changes in the Consumer Price Index. This provision also should eliminate conflict between veterans' pensions and social security.

Each time social security increases under current law, veterans' pensions are often reduced the following January.

Continuing refinements in current law are intended to insure that for those veterans and widows continuing to receive pension, there never is an aggregate loss in combined federal income. Nevertheless pensioners continue to be upset over a system which they believe denies them the full benefits of social security cost-of-living increases. With the inception of the one variable program as contemplated by this act, the veteran or surviving spouse who receives a social security cost-of-living increase will have the Congressionally established level of need automatically adjusted by changes in the cost-of-living. Thus the Committee is informed, no veteran or widow under the new system will have their pension reduced because of social security cost-of-living increases. By having this increase occur automatically there will no longer be a lag between the loss of pension income for the veteran and traditional Congressional action to "make up" the loss by subsequently adjusting the pension program rates and income limitations. The same result should occur for other income available to pensioners when it is increased by changes in the cost of living. Most major income security programs, for example, are now indexed to the Consumer Price Index including: Social Security, Supplemental Security Income, Federal Employees Retirement, and Railroad Employees Retirement. In addition, many major private retirement programs are now so indexed. New section 3112 is more fully described as follows:

§ 3112. Annual Adjustment of Certain Benefit Rates

This section provides that whenever social security benefits are increased as a result of changes in the Consumer Price Index, that the annual rate of pension (and Dependency and Indemnity Compensation for parents) under the new program as authorized by this bill will be adjusted by a like percentage effective January 1 of the following calendar year. Similarly, those veterans and survivors currently receiving or eligible for pensions who elect, pursuant to section 108 discussed *infra*, to remain under the current rather than the new pension system will be entitled under section 502 to similar percentage increase in both the rates payable and the maximum annual income limitations under that program.

SECTION 108

Subsection (a) clarifies the period of transition and provides for procedures to govern specific situations arising from the change to the new system. Specific rules apply to the following situations:

(1) claims pending in the VA on September 30, 1976;

(2) claims for a pension filed by a veteran within one year after he becomes totally disabled if he became such prior to October 1, 1976 but filed later than that date; and

(3) claims for a death pension filed within one year after the death of the veteran through whom the claim is made if the veteran died before October 1, 1976 and the claim is filed after that date.

Under this subsection the amount of pension to which the veteran is entitled is calculated by dividing his entitlement between the two programs on the day the switch is made. Thus the entitlement would reflect the old rate until October 1 and the new rate after that date, and his entitlement would reflect the amount of time for which he was eligible prior to October 1 and the amount of time he was eligible after September 30.

Subsection (b) is a general "savings" or "grandfather clause", granting those pensioners on the rolls prior to October 1, 1976 the option of switching to the new program or continuing coverage on the current system. Also, the eligibility of any person receiving a pension pursuant to chapter 15 as per section 9 of the Veterans Pension Act of 1959, popularly known as "old law" is protected by this measure. If the pensioner is receiving a pension on September 30, 1976 either under the current or "old law" program, he may continue to remain under either program so long as he continues to meet their qualifying criteria. Subsection (c) would also "grandfather" those whose claims are described in subsection (a) of this section.

TITLE II—ADJUSTMENTS IN CURRENT STATUTORY PENSION PROVISIONS

In general, title II of the act would provide an average 8% cost-of-living increase in current pension rates and a $300 increase in the maximum annual income limitations for all pensioners effective January 1, 1976. Subsequently on October 1, 1976, the new pension system authorized in title I would replace these provisions except for those pensioners then on the rolls, who elect not to switch to the new system. The rates and income limitations contained in this title applicable to those pensioners not electing to come under the new system would thereafter be adjusted by changes in the Consumer Price Index as provided for in section 502 of this act discussed *infra*.

SECTION 201

Section (a) amends section 101 of title 38, United States Code, providing general definitions of terms used in that title by adding the term "spouse" to mean wife or husband and the term "surviving spouse" to mean widow or widower.

Section (b) makes a number of technical and conforming amendments to chapter 15 of title 38, United States Code, providing for pensions for non-service-connected disability or death or for service.

Clause 1 makes a technical grammatical amendment to section 503(a).

Clause 2 amends subsection (a) of section 541 by substituting the term "surviving spouse" for widow to eliminate unnecessary gender references.

Clause 3 amends subsection (e) of section 541 by providing that no pension shall be paid to a surviving spouse of a veteran of the Vietnam era unless married to the veteran prior to May 8, 1985. Existing law provides that no pension will be paid unless the surviving spouse was married prior to the expiration of 10 years following termination of the Vietnam era. Inasmuch as the President declared the Vietnam era terminated as of May 8, 1975, a specific date reflecting that 10-year period has been substituted to conform with existing practice for previous periods of war enumerated in that subsection.

Clauses 4 and 5 amend sections 542 and 543 respectively to substitute the term "surviving spouse" for widow to eliminate unnecessary gender references.

Clause 6 repeals section 510 authorizing payment of pensions to persons who have served in military, naval forces of the Confederate States of America during the Civil War, and section 531 authorizing payment of pensions to widows of Mexican War veterans. These provisions are now obsolete because there are no longer any living veterans or dependents of the Confederate States of America nor widows of the Mexican War.

Clauses 7, 8, and 9 make further amendments to the subchapter headings, subheadings and catch lines to delete unnecessary gender references.

Clause 10 makes conforming amendments in the table of sections at the beginning of chapter 55 to reflect the deletion of sections 510 and 531 and the removal of unnecessary gender references.

SECTION 202

Would provide effective January 1, 1976, an average 8 percent increase in the rates of pension and a $300 increase in the maximum annual income limitation for eligible veterans under section 521.

Clause 1 amends subsection (b) of section 521 prescribing pension rates for unmarried veterans. Currently, a veteran with no dependents and with an annual countable income of $300 or less receives a maximum monthly pension of $160 which is gradually reduced to $5 for those with an annual countable income of $3,000. As amended, this section which also substitutes a more readable table of payments for the current written formula would provide that a veteran with no dependents and an annual countable income of $300 or less would receive a maximum monthly rate of $173 reduced to $5 for an annual countable income of $3,300.

Clause 1 also amends subsection (c) of section 521 prescribing rates for veterans with dependents. Currently, the maximum monthly pension payable to a veteran with annual countable income of $500 or less and with one dependent is $172, for two dependents $177 and with three or more dependents $182. This decreases gradually to the minimum monthly payment of $14, $19, and $24 respectively when the veterans annual countable income reaches $4,200. As amended subsection (e) would provide a veteran with one dependent $186, with two dependents $191, and with three dependents $196, based on income of $500 or less, ranging downward to a minimum monthly payment of $5 based upon annual countable income of $4,500.

Clause 2 amends section 521(d) which authorizes additional allowances payable to veterans receiving pension who are in need of regular aid and attendance by increasing the monthly rate from $123 to $133.

Clause 3 amends section 521(d) which authorizes additional allowances payable to those veterans receiving pension who do not qualify for aid and attendance but who are permanently housebound by increasing the monthly allowance from $49 to $53.

Clause 4 amends paragraph 1 of section 521(f) by providing a limitation on the spouse's earned income. In determining veteran's income for pension purposes under current law $1,200 of a spouse's income or the total earned income of the spouse is excluded, whichever is greater. The Veterans' Administration has testified that this has caused some inequities in the program where some veterans qualified and received a "need-based" pension even though their spouse has annual earned income in excess of $25,000. This subsection as amended would exclude $1,200 of income or up to $7,000 of earned income whichever is greater, unless in the judgment of the Administrator to do so would work a hardship upon the veteran.

SECTION 203

Would provide, effective January 1, 1976, an average 8 percent increase in the rates of pension and a $300 increase in the maximum annual income limitation for eligible surviving spouses of veterans under section 541 of title 38, United States Code.

Clause 1 amends subsection (b) of section 541 prescribing pension rates for surviving spouses with no dependents. Currently a widow with no dependents and with an annual countable income of $300 or less receives a maximum monthly pension of $108 which is gradually reduced to a minimum monthly payment of $5 for those with an annual countable income of $3,000. As amended, this section which also substitutes a more readable table of payments for the current written formula, would provide that a surviving spouse with no dependents and an annual countable income of $300 or less would receive a maximum monthly pension of $117 reduced to $5 for annual countable income of $3,300. Clause 1 also amends subsection (c) of section 541 prescribing rates for surviving spouses with dependents. Currently the maximum monthly pension to a surviving spouse with an annual countable income of $700 or less with one dependent is $128 which decreases gradually to a minimum monthly payment of $49 with an annual countable income of $4,200.

Clause 2 amends subsection (d) of section 541 providing additional payments for dependents in excess of one by increasing the monthly pension for each additional child from $20 to $22.

SECTION 204

Would provide, effective January 1, 1976, an average 8 percent increase in the rates of pension and a $300 increase in the maximum annual income limitation for eligible children where there is no surviving spouse.

Clause 1 amends subsection (a) of section 542 which currently provides for payment of pension at a monthly rate of $49 for one child and $20 for each additional child. As amended, this section would provide for respective rates of $53 and $22.

Clause 2 would amend the eligible child's maximum annual income limitation from $2,400 to $2,700.

SECTION 205

Provides, effective January 1, 1976, an 8 percent increase from $64 to $69 for any widow entitled to additional monthly allowances for aid and attendance.

TITLE III REFORM OF DEPENDENCY AND INDEMNITY COMPENSATION FOR DEPENDENT PARENTS

SECTION 301

This section would provide a new reform system of dependency and indemnity compensation (DIC) for dependent parents under section 415 of title 38, United States Code. DIC payment is based upon the same standard of need as the system for pension for veterans and survivors. The reform system for dependent parents established here is consistent with that provided in Title I of this bill for veterans and survivors.

Clause 1 would amend section 415(b) to provide that a parent without dependents would receive monthly payment of dependency and indemnity compensation (DIC) at an annual rate of $2,700 reduced by the amount of the parent's annual income. Currently, monthly rates range from $123 a month ($1,476 per annum) to $4 a month ($48 per annum) subject to an annual income limitation of $3,000. Under the proposed reform a single parent without dependents could receive a monthly DIC payment of $225.

Clause 2 amends section 415(b)(2) to avoid inappropriate gender references.

Clause 3 amends section 415(c) to provide that where two parents are not living together each would be entitled to receive a monthly payment of dependency and indemnity compensation (DIC) at an annual rate of $2,700 reduced, in the case of each parent, by that parent's annual income. Currently, monthly rates for each parent range from $86 ($1,032 per annum) to $4 ($48 per annum) subject to an annual income limitation of $3,000. Under the proposed reform the maximum monthly DIC payment would be $225.

Clause 3 would also amend subsection 415(d) to provide that two parents who are living together, or a parent who has remarried and is living with his spouse, would, for each couple, receive a monthly payment of dependency and indemnity compensation (DIC) at an annual rate of $3,900 reduced by the amount of that couple's annual income. Currently, monthly rates range from $83 ($996 per annum) to $4 ($48 per annum) subject to an annual income limitation of $30,000. Under the proposed reform, the maximum monthly DIC payments would be increased to $325.

Clause 4 would amend subsection 415(g) to eliminate and alter the allowable exclusions in computing annual income for the purpose of determining dependency and indemnity compensation for parents. Only six exclusions are retained, one existing exclusion is modified and one is added. This amendment is consistent with the amendments proposed for the pension program for veterans and survivors in Section 102 of this bill. Thus, section 301 attempts to align more closely the pensioner's need with the pension rate allocated.

Certain exclusions which represent unusual situations and which do not conflict with the pension premise would be permitted. For example, proceeds of fire insurance policies would not be included as income inasmuch as the event which precipitated the payments is neither an annual event nor an income accrual mechanism. Other examples include amounts equal to unreimbursed expenses for burial of the veteran, an amount equal to the expenses of a veteran's last illness, and profits realized from the disposition of real or personal property other than in the course of business.

The first $780 of earned income would be excluded. This is the same amount excluded from Supplemental Security Income at the present time.

Clause 5 would amend subsection 415 (h) to provide aid and attendance allowance consistent with those provided for veterans under section 103 and for survivors under section 108 of this bill. Parents receiving dependency and indemnity compensation under subsections 415 (b) and (c) who are in need of regular aid and attendance would, under this amendment, be entitled to DIC payments based on an annual rate of $4,296 less the amount of the parent's annual income. Parents receiving DIC under subsection 415(d) and who are in need of regular aid and attendance would, under this amendment, be entitled to DIC payments based on an annual rate of $5,496 less the couple's annual income.

SECTION 302

Subsection (a) clarifies the period of transition and provides for procedures to govern specific situations arising from the change to the new system. Specific rules apply to the following situations:

(1) claims pending in the VA on September 30, 1976;

(2) claims for a pension filed by a parent within one year after he becomes totally disabled if he became such prior to October 1, 1976 but filed later than that date.

Under this subsection, the amount of pension to which the parent is entitled is calculated by dividing the parent's entitlement between the two programs on the day the switch is made. Thus the entitlement would reflect the old rate until October 1 and the new rate after that date.

Subsection (b) is a general "savings" or "grandfather clause", granting those parents in receipt of DIC prior to October 1, 1976 the option of switching to the new program or continuing coverage on the current system.

Subsection (c) would also "grandfather" those whose claims are described in subsection (a) of this section.

TITLE IV—ADJUSTMENTS IN CURRENT STATUTORY PROVISIONS RELATING TO DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

In general, title IV of this act would provide an average 8% cost-of-living increase and a $300 increase in the maximum annual income limitations effective January 1, 1976, for those parents receiving need-based dependency and indemnity compensation. Subsequently on, October 1, 1976, the new Dependency and Indemnity Compensation system authorized by title III would replace these provisions except for those parents, then on the rolls, who elect not to switch to the new system. The rates of income limitations contained in this title which are applicable to those pensioners not electing to come under the new system would, thereafter, be automatically adjusted to reflect changes in the Consumer Price Index, as provided for in section 502 of this act discussed *infra*.

SECTION 401

Clause 1 would redesignate current paragraph 2 of subsection (b) as paragraph 4.

Clause 2 would increase the rates of dependency and indemnity compensation (DIC) and annual income limitation for a sole surviving parent receiving dependency and indemnity compensation under section 415(b).

Currently, a sole surviving parent receives a maximum monthly DIC payment of $123 if his annual countable income is less than $800, decreasing to $4 for an annual countable income of $3,000. As amended, this section, which also substitutes a more readable table of payments for the current written formula, would provide for a maximum monthly payment of $133 with an annual income of $800 or less, down to $4 for an annual income of $3,300.

Clause 3 would increase the rates of dependency and indemnity compensation (DIC) and the annual income limitation for two parents not living together but receiving DIC under section 415 (c). Currently, each of two parents who are not living together receives a maximum monthly DIC payment of $86 if annual countable income is $800 or less, decreasing on a graduated scale to $4 with an annual countable income of $3,000. As amended, this section would provide a maximum monthly rate of $93 with an annual income of $800 or less, down to $5 for an annual income of $3,300. Clause 3 would also increase the rates of dependency and indemnity compensation (DIC) and the annual income limitation for parents receiving DIC under section 415 (d). Currently, if there are two parents who are living together or if a parent is remarried and is living with his spouse, each parent receives a maximum monthly DIC payment of $83 if their annual countable income is $1,000 or less, decreasing gradually to $4 with an annual countable income of $4,200. As amended, this section would provide a maximum monthly payment of $93 with an annual income of $1,000 or less, down to $5 for an annual income of $4,500.

Clause 4 would increase the allowance payable under section 415(h) to parents in receipt of DIC who are in need of aid and attendance. Currently, this additional allowance is $64 per month. As amended, it would be increased to $69.

TITLE V—MISCELLANEOUS AND EFFECTIVE DATE

SECTION 501

This section would amend section 4 of Public Law 90–275 (82 Stat. 68) to increase the maximum annual income limitations applicable under the "old law" pension plan by $300. A veteran or surviving spouse without a dependent, or a child alone, would remain eligible for pension with a maximum countable annual income of up to $2,900 a year as contrasted with the current $2,600 limitation. A veteran with a dependent or a surviving spouse with a child would remain eligible for pension with a maximum countable annual income of up to $4,200 as opposed to the current maximum of $3,900.

SECTION 502

Subsection (a) provides for annual adjustment of benefit rates and the maximum annual income limitations for those veterans and survivors who elect to remain under the current system as authorized by Titles II and IV rather than switch to the new program created by Titles I and II.

This is consistent with the Administration's draft bill submitted in 1973 which proposed that veterans and widows under the current system should receive "automatic cost-of-living increases to the same extent as authorized under section 215 of the Social Security Act as a cost of living increase for social security recipients".

Accordingly, this subsection provides that whenever social security benefits are increased as a result of changes in the Consumer Price Index, that the benefit rates and the maximum annual income limitations for pensioners (and dependency and indemnity compensation for parents) will be adjusted by a like percentage effective January 1st of the following year.

Subsection (b) provides for annual adjustment of the maximum annual income limitation for those veterans receiving pensions under section 9(b) of Public Law 90–275 (82 Stat. 68) who elect not to switch to the new program created by title I. The income limitations in effect shall be raised annually by the same percentages by which such benefits payable under Title II of the Social Security Act are increased.

The Administration also proposed this in their 1973 draft legislation. The Administrator is empowered to round the income limitations as increased as he deems appropriate in light of the need for administrative ease.

SECTION 503

Except as provided in sections 202, 203, 204, 205, 401, and 501, this Act takes effect on October 1, 1976. The excluded provisions are those which cover the pension program during the interim period of January 1, 1976–October 1, 1976.

S. 2635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans and Survivors Pension Reform Act".

TITLE I—REFORM OF THE NON-SERVICE-CONNECTED PENSION PROGRAM FOR VETERANS AND THEIR SURVIVORS

SEC. 101. Section 503 of title 38, United States Code, is amended to read as follows:

"§ 503. DETERMINATIONS WITH RESPECT TO ANNUAL INCOME

"(a) In determining annual income under this chapter, all payments of any kind or from any source (including salary, retirement or annuity payments, or similar income, which has been waived, irrespective of whether the waiver was made pursuant to statute, contract, or otherwise) shall be included except—

"(1) payments under this chapter;

"(2) donations from public or private relief or welfare organizations;

"(3) amounts equal to amounts paid by a spouse for the expenses of a veteran's last illness, and by a surviving spouse or child of a deceased veteran for—

"(A) the veteran's just debts,

"(B) the expenses of the veteran's last illness; and

"(C) the expenses of the veteran's burial to the extent that such expenses are not reimbursed under chapter 23 of this title;

"(4) amounts equal to amounts paid—

"(A) by a veteran for the last illness and burial of the veteran's deceased spouse or child, or

"(B) by a spouse of a living veteran or the surviving spouse of a deceased veteran for the last illness and burial of a child of such a veteran;

"(5) proceeds of fire insurance policies;

"(6) profit realized from the disposition of real or personal property other than in the course of a business;

"(7) amounts in joint accounts in banks and similar institutions acquired by reason of death of the other joint owner;

"(8) $780 of earned income;

"(9) one-half of the earned income over $780 and not in excess of $7,000 of—

"(A) the spouse of a veteran, if the veteran is living with or reasonably contributing to the support of such spouse,

"(B) the veteran, if the veteran has a child to whose support the veteran is reasonably contributing, or

"(C) the surviving spouse, if the surviving spouse has a child to whose support the surviving spouse is reasonably contributing; and

"(10) amounts equal to amounts paid by a veteran, spouse, or child for unreimbursed medical expenses which exceed 5 per centum of such person's income (determined without regard to exclusions provided by this subsection) received during the year.

"(b) Where a fraction of a dollar is involved, annual income shall be fixed at the next lower dollar.".

SEC. 102. Section 521 of title 38, United States Code, is amended—

(1) by amending subsections (b), (c), (d), and (e) to read as follows:

"(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his or her spouse) and has no child to whose support the veteran is reasonably contributing, pension shall be paid monthly at the annual rate of $2,700, unless the veteran is entitled to pension at the rate provided by paragraph (1) of subsection (d) or by subsection (e) of this section, reduced by the amount of the veteran's annual income.

"(c) If the veteran is married and living with or reasonably contributing to the support of his or her spouse, or has a child to whose support the veteran is reasonably contributing, pension shall be paid monthly at the annual rate of $3,900, unless the veteran is entitled to pension at the rate provided by paragraph (2) of subsecion (d) or by subsection (e) of this section. If the veteran has two or more such dependents, the rate shall be increased by $360 for each such dependent in excess of one. The rate payable shall be reduced by the amount of the veteran's annual income.

"(d) (1) If the veteran is in need of regular aid and attendance, the pension payable to the veteran under subsection (b) of this section shall be $4,296, reduced by the amount of the veteran's annual income.

"(2) If the veteran is in need of regular aid and attendance, the pension payable to the veteran under subsection (c) of this section shall be $5,496, plus allowances for additional dependents, reduced by the amount of the veteran's annual income.

"(e) If the veteran has a disability rated as permanent and total, and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or (2) by reason of a disability or disabilities, is permanently housebound but does not qualify for the aid and attendance rate under subsection (d) of this section, the pension payable to the veteran under subsection (b) of this section shall be $3,336, reduced by the veteran's annual income, and the pension payable to the veteran under subsection (c) of this section shall be $4,536, plus allowances for additional dependents, reduced by the amount of the veteran's annual income.";

(2) by amending paragraph (1) of subsection (f) to read as follows:

"(1) In determining annual income, where a veteran is living with his or her spouse, the income of the spouse which is reasonably available to or for the veteran shall be considered as the income of the veteran;"; and

(3) by adding at the end thereof the following new subsection:

"(h) Benefits under this section may be paid less frequently than monthly where the amount of the monthly benefit would be less than $10.".

SEC. 103. Section 522 of title 38, United States Code, is amended to read as follows:

"§ 522. NET WORTH LIMITATION

"The Administrator shall deny or discontinue payment of pension under section 521 of this title when the corpus of the estate of the veteran, spouse, and children is such that under all the circumstances, including the consideration of the veteran's and spouse's income, it is reasonable that some part of the corpus be consumed for the veteran's maintenance.".

SEC. 104. Section 541 of title 38, United States Code, is amended by amending subsections (b), (c), and (d) to read as follows:

"(b) If there is no child, pension shall be paid monthly at the annual rate of $2,700, reduced by the amount of the surviving spouse's annual income.

"(c)(1) If there is a surviving spouse and one child, pension shall be paid monthly at the annual rate of $3,900. If the surviving spouse has two or more children, the rate shall be increased by $360 for each child in excess of one. The rate payable shall be reduced by the amount of the surviving spouse's annual income.

"(2) Whenever the monthly rate payable to the surviving spouse under the foregoing provision is less than the amount which would be payable for one child under section 542 of this title if the surviving spouse were not entitled, the surviving spouse shall be paid at the child's rate.

"(d) Benefits under this section may be paid less frequently than monthly where the amount of the monthly benefit would be less than $10.".

SEC. 105. Section 542 of title 38, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) Whenever there is no surviving spouse entitled to pension under section 541 of this title, the Administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, monthly pension at the annual rate of $1,356 for one child, plus $360 for each additional child, reduced by the amount of each child's annual income."; and

(2) by repealing subsection (c).

SEC. 106. Section 544 of title 38, United States Code, is amended to read as follows:

"§ 544. AID AND ATTENDANCE ALLOWANCE

"(a) If the surviving spouse is in need of regular aid and attendance, the pension payable to the surviving spouse under subsection (b) of section 541 shall be $4,296, reduced by the amount of the surviving spouse's annual income.

"(b) If the surviving spouse is in need of regular aid and attendance, the pension payable to the surviving spouse under paragraph (1) of subsection (c) of section 541 shall be $5,496, plus allowances for additional dependents, reduced by the amount of the surviving spouse's annual income.".

SEC. 107. (a) Chapter 53 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 3112. ANNUAL ADJUSTMENT OF CERTAIN BENEFIT RATES

"Whenever benefit amounts payable under title II of the Social Security Act are increased effective with a month in any calendar year after 1975 as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective January 1 of the following calendar year, increase the rates of pension payable under sections 521, 541, 542, and 544 of this title or pursuant to such sections as in effect on September 30, 1976, and rates of dependency and indemnity compensation for parents payable under section 415 of this title or pursuant to such sections as in effect on September 30, 1976, as such rates were in effect immediately prior to such January 1, by a percentage which is the same as the percentage by which such benefits payable under title II of the Social Security Act are increased (except that such rates, as so increased, may be rounded in such manner as the Administrator considers appropriate for ease of administration).".

(b) The table of sections at the beginning of such chapter 53 is amended by adding at the end thereof the following:

"3112. Annual adjustment of certain benefit rates.".

SEC. 108. (a) Any case in which—

(1) a claim for pension is pending in the Veterans' Administration on September 30, 1976,

(2) a claim for pension is filed by a veteran after September 30, 1976, and within one year after the date on which such veteran became totally and permanently disabled, if he became totally and permanently disabled prior to October 1, 1976, or

(3) a claim for death pension is filed after September 30, 1976, and within one year after the date of death of the veteran through whose relationship the claim is made, if the death of such veteran occurred prior to October 1, 1976,

shall be adjudicated under title 38, United States Code, as in effect on September 30, 1976, with respect to any period prior to October 1, 1976, and, except as provided in subsection (c), shall be adjudicated under such title as amended by title I of this Act for any period on or after October 1, 1976.

(b) Nothing in this Act shall affect the eligibility of any person receiving pension under chapter 15 of title 38, United States Code, or under section 9(b) of the Veterans' Pension Act of 1959, on September 30, 1976, for pension under all applicable provisions of that chapter or for pension under all provisions of law applicable to pension paid pursuant to such section 9(b), as the case may be, in effect on that date for such period or periods after September 30, 1976, with respect to which such person can qualify under such provisions. This subsection shall not apply in any case for any period after pension is granted, pursuant to application under title 38, United States Code, as amended by title I of this Act.

(c) Subsection (b) shall apply to those claims within the purview of subsection (a) in which it is determined that pension is payable for September 30, 1976.

TITLE II—ADJUSTMENTS IN CURRENT STATUTORY PENSION PROVISIONS

SEC. 201. Effective January 1, 1976, title 38, United States Code, is amended as follows:

(1) section 101 of chapter 1 is amended by adding at the end thereof the following new paragraph:

"(31) The term 'spouse' means wife or husband and the term 'surviving spouse' means widow or widower."; and

(2) chapter 15 of title 38, United States Code, is amended—

(A) by inserting in subsection (a) of section 503 "and" after the semicolon at the end of paragraph (16) of such subsection;

(B) by striking out in subsection (a) of section 541 "widow" and inserting in lieu thereof "surviving spouse" and by striking out "his" preceding the word "death";

(C) by striking out in subsection (e) of section 541 the language preceding paragraph (1) of such subsection and inserting in lieu thereof "No pension shall be paid to a surviving spouse of a veteran under this section unless the spouse was married to the veteran—" and by striking out, in clause D of paragraph (1) of such subsection, "before the expiration of ten years following termination of the Vietnam era" and "widow", inserting in lieu thereof "May 8, 1985," and "surviving spouse", respectively;

(D) by striking out in section 542 "widow" and inserting in lieu thereof "surviving spouse";

(E) by striking out in section 543 "widow" and inserting in lieu thereof "surviving spouse";

(F) by repealing sections 510 and 531;

(G) by striking out in the heading of subchapter III "Widows" and inserting in lieu thereof "Surviving Spouses";

(H) by striking out in the catchline of section 541 "Widows" and inserting in lieu "Surviving Spouses";

(I) by striking out in the subheading of subchapter III immediately following section 543 "WIDOWS" and inserting in lieu thereof "SURVIVING SPOUSES"; and

(J) by striking out in the table of sections at the beginning of such chapter 15

"510. Confederate forces veterans.

"SUBCHAPTER III—PENSIONS TO WIDOWS AND CHILDREN

"531. Widows of Mexican War veterans.

"541. Widows of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans.

"Widows of Veterans of All Periods of War",

and inserting in lieu thereof

"SUBCHAPTER III—PENSIONS TO SURVIVING SPOUSES AND CHILDREN

"541. Surviving spouses of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans.

"Surviving Spouses of Veterans of All Periods of War".

SEC. 202. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 521 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b)(1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his or her spouse) and has no child, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension shall be $173 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.03	$300	500
.04	500	700
.05	700	1,200
.06	1,200	1,700
.07	1,700	2,000
.08	2,000	3,300

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than $5 monthly.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds $3,300.

"(c)(1) If the veteran is married and living with or reasonably contributing to the support of his or her spouse, or has a child or children, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension for a veteran shall be— $186 if he or she has one such dependent; $191 if he or she has two such dependents; and $196 if he or she has three or more such dependents; reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0. 00	0	$500
. 02	$500	700
. 03	700	1, 300
. 04	1, 300	2, 800
. 05	2, 800	3, 200
. 06	3, 200	3, 800
. 08	3, 800	4, 500

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than $5 monthly.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds $4,500.";

(2) By striking out in subsection (d) "$123" and inserting in lieu thereof "$133";

(3) by striking out in subsection (e) "$49" and inserting in lieu thereof "$53"; and

(4) by amending paragraph (1) of subsection (f) to read as follows:

"(1) in determining annual income, where a veteran is living with his or her spouse, all income of the spouse which is reasonably available to or for the veteran in excess of whichever is the greater, $1,200 or the earned annual income of the spouse of not more than $7,000, shall be considered as the income of the veteran, unless in the judgment of the Administrator to do so would work a hardship upon the veteran;".

SEC. 203. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 541 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b) (1) If there is no child, pension shall be paid to the surviving spouse according to the following formula:

"The monthly rate of pension shall be $117 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0. 00	0	$300
. 01	$300	600
. 03	600	900
. 04	900	1, 500
. 05	1, 500	2, 700
. 06	2, 700	3, 300

"(2) In no case may the amount of pension payable to any surviving spouse under this subsection be less than $5 monthly.

"(3) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds $3,300.

"(c) (1) If there is a surviving spouse and one child, pension shall be paid to the surviving spouse according to the following formula:

"The monthly rate of pension shall be $139 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0. 00	0	$700
. 01	$700	1, 100
. 02	1, 100	1, 800
. 03	1, 800	2, 700
. 04	2, 700	3, 500
. 05	3, 500	4, 500

"(2) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds $4,500.

"(3) Whenever the monthly rate payable to any surviving spouse under paragraph (1) of this subsection is less than the amount which would be payable for one child under section 542 of this title if the surviving spouse were not entitled, the surviving spouse shall be paid at the child's rate."; and

(2) by striking out in subsection (d) "$20" and inserting in lieu thereof "$22".

SEC. 204. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 542 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "$49" and "$20" and inserting in lieu thereof "$53" and "$22", respectively; and

(2) by striking out in subsection (c) "$2,400" and inserting in lieu thereof "$2,700".

SEC. 205. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 544 of title 38, United States Code, is amended to read as follows:

"§ 544. AID AND ATTENDANCE ALLOWANCE

"If any surviving spouse is entitled to pension under this subchapter and is in need of regular aid and attendance, the monthly rate of pension payable to the surviving spouse shall be increased by $69.".

TITLE III—REFORM OF DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

SEC. 301. Section 415 of title 38, United States Code, is amended—

(1) by amending paragraph (1) of subsection (b) to read as follows:

"(b) (1) Except as provided in paragraph (2) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid monthly at the annual rate of $2,700, reduced by the amount of the parent's annual income.";

(2) by amending paragraph (2) of subsection (b) by inserting "or she" after "he", and by inserting "or her" after "his" wherever it appears in said paragraph and after "him";

(3) by amending subsections (c) and (d) to read as follows:

"(c) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid monthly to each such parent at the annual rate of $2,700, reduced in the case of each such parent by the amount of such parent's annual income.

"(d) (1) If there are two parents who are living together, dependency and indemnity compensation shall be paid monthly to such parents at the annual rate of $3,900, reduced by the amount of their annual income.

"(2) If there are two parents and both have remarried and are living with their respective spouses, dependency and indemnity compensation shall be paid monthly to each such parent at the annual rate of $3,900, reduced by the amount of the annual income of each such couple, respectively.

"(3) If there are two parents and one has remarried and is living with his or her spouse and the other parent is not remarried, or, if remarried, is not living with his or her spouse, dependency and indemnity compensation shall be paid monthly to the remarried parent who is living with his or her spouse at an annual rate of $3,900, reduced by the amount of the annual income of such remarried parent and his or her spouse, and dependency and indemnity compensation shall be paid monthly to the other parent at the annual rate of $2,700, reduced by the amount of the annual income of such other parent.";

(4) by amending paragraph (1) of subsection (g) to read as follows:

"(g) (1) In determining income under this section, all payments of any kind or from any source shall be included, except—

"(A) payments under this chapter (except subsection 412(a));

"(B) donations from public or private relief or welfare organizations;

"(C) amounts equal to amounts paid by a parent of a deceased veteran for—

"(i) a deceased spouse's just debts,

"(ii) the expenses of the spouse's last illness to the extent that such expenses are not reimbursed under chapter 51 of this title, and

"(iii) the expenses of the spouse's burial to the extent that such expenses are not reimbursed under chapter 23 of this title;

"(D) amounts equal to amounts paid by a parent of a deceased veteran for—

"(i) the expenses of the veteran's last illness, and

"(ii) the expenses of the veteran's burial to the extent that such expenses are not reimbursed under chapter 23 of this title;

"(E) proceeds of fire insurance policies;

"(F) profit realized from the disposition of real or personal property other than in the course of a business;

"(G) amounts in joint accounts in banks and similar institutions acquired by reason of death of the other joint owner;

"(H) $780 of earned income; and

"(I) amounts equal to amounts paid by a parent for unreimbursed medical expenses which exceed 5 per centum of such parent's income (determined without regard to exclusions provided by this subsection) received during the year."; and

(5) by amending subsection (h) to read as follows:

"(h) (1) If the parent is in need of regular aid and attendance, the dependency and indemnity compensation payable under subsection (b) or (c) shall be $4,296, reduced by the amount of the parent's annual income.

"(2) If the parent is in need of regular aid and attendance, the dependency and indemnity compensation payable under subsection (d) shall be $5,496, reduced by the amount of the couple's annual income, except for a parent who is not remarried, or, if remarried, is not living with his or her spouse, in which case the amount shall be $4,296, reduced by the amount of the parent's income.".

SEC. 302. (a) Any case in which—

(1) a claim for dependency and indemnity compensation for a parent is pending in the Veterans' Administration on September 30, 1976, or

(2) a claim for dependency and indemnity compensation is filed by a parent after September 30, 1976, and within one year after the date of death of the veteran through whose relationship the claim is made, if the death of such veteran occurred prior to October 1, 1976,

shall be adjudicated under title 38, United States Code, as in effect on September 30, 1976, with respect to any period prior to October 1, 1976, and, except as provided in subsection (c), shall be adjudicated under such title as amended by title III of this Act for any period on or after October 1, 1976.

(b) Nothing in this Act shall affect the eligibility of any person receiving dependency and indemnity compensation for parents under chapter 13 or death compensation under chapter 11 of title 38, United States Code, on September 30, 1976, for dependency and indemnity compensation for parents or death compensation under all applicable provisions of those chapters, in effect on that date for such period or periods after September 30, 1976, with respect to which the parent can qualify under such provisions. This subsection shall not apply in any case for any period after dependency and indemnity compensation for parents is granted, pursuant to application, under title 38, United States Code, as amended by title III of this Act.

(c) Subsection (b) shall apply to those claims within the purview of subsection (a) in which it is determined that dependency and indemnity compensation is payable for September 30, 1976.

TITLE IV—ADJUSTMENTS IN CURRENT STATUTORY PROVISIONS RELATING TO DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

SEC. 401. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 415 of title 38, United States Code, is amended—

(1) by redesignating paragraph (2) of subsection (b) as paragraph (4) of subsection (b);

(2) by amending paragraph (1) of subsection (b) to read as follows:

"(b)(1) Except as provided in paragraph (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to the parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $133 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$800
.03	$800	1,000
.04	1,000	1,200
.05	1,200	1,500
.06	1,500	1,700
.08	1,700	3,300

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds $3,300.";

(3) by amending subsections (c) and (d) to read as follows:

"(c)(1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $93 reduced by—	For each $1 of annual income of such parent	
	Which is more than—	But not more than—
$0.00	0	$800
.02	$800	1,100
.04	1,100	1,600
.05	1,600	2,400
.06	2,400	3,300

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds $3,300.

"(d)(1) If there are two parents who are living together, or if a parent has remarried and is living with his or her spouse, dependency and indemnity compensation shall be paid to each such parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $93 reduced by—	For each $1 of the total combined annual income	
	Which is more than—	But not more than—
$0.00	0	$1,000
.02	$1,000	2,300
.03	2,300	3,300
.04	3,300	4.500

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to either parent if the total combined annual income exceeds $4,500."; and

(4) by striking out in subsection (h) "$64" and inserting in lieu thereof "$69".

TITLE V—MISCELLANEOUS AND EFFECTIVE DATES

SEC. 501. Effective January 1, 1976, section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

"SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $2,900 and $4,200, instead of $2,600 and $3,900, respectively.".

SEC. 502. (a) Whenever benefit amounts payable under title II of the Social Security Act are increased effective with a month in any calendar year after 1975 as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective January 1 of the following calendar year, adjust components of the statutory formulas relating to determination of rates of—

(1) pension for a person receiving pension for a period after September 30, 1976, pursuant to provisions of chapter 15 of title 38, United States Code, in effect on September 30, 1976, or

(2) dependency and indemnity compensation to parents for a person receiving dependency and indemnity compensation for a period after September 30, 1976, pursuant to provisions of section 415 of title 38, United States Code, in effect on September 30, 1976, to provide increases in rates and income limitations as such rates and income limitations were in effect immediately prior to such January 1, by a percentage which is the same as the percentage by which such benefits payable under title II of the Social Security Act are increased (except that such rates and income limitations, as so increased, may be rounded in such manner as the Administrator considers appropriate for ease of administration).

(b) Whenever benefit amounts payable under title II of the Social Security Act are increased effective with a month in any calendar year after 1975 as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective January 1 of the following calendar year, increase the income limitations applicable to persons receiving pensions under section 9(b) of the Veterans' Pension Act of 1959 as such income limitations were in effect immediately prior to such January 1, by a percentage which is the same as the percentage by which such benefits payable under title II of the Social Security Act are increased (except that such income limitations, as so increased, may be rounded in such manner as the Administrator considers appropriate for ease of administration).

SEC. 503. Except as provided in sections 201, 202, 203, 204, 205, 401, and 501, this Act shall become effective on October 1, 1976.

Mr. WILLIAMS. Mr. President, it is my privilege to join with the distinguished members of the Committee on Veterans' Affairs and several of my esteemed colleagues in introducing legislation that underscores this Nation's determination to provide a decent standard of living for elderly and disabled veterans and their survivors. The Veterans and Survivors Pension Reform Act would correct serious shortcomings in the present veterans pension system, so that recipients can cope more effectively with the rising costs threatening to overwhelm them.

Present law provides monthly pensions to wartime veterans who are totally and permanently disabled due to non-service-connected causes, or who have reached age 65. Their widows and dependent children may also be eligible for pensions. Benefits are based on income, but money received from such sources as public assistance programs or a spouse's earnings is not counted. Ten percent of the amount received from social security and other public or private retirement systems is also excluded.

To be eligible for a pension, single veterans may earn no more than $3,000 a year. This annual income limitation ranges up to $4,200 a year for veterans or widows with dependents. The closer a pensioner's income is to his or her annual income limitation, the less the benefits will be. Anyone earning above the limitation receives no pension.

Despite periodic adjustments in monthly benefits, as well as in annual income limitations, the current pension program simply does not meet the financial needs of today's older veterans and their survivors. A recent Veterans' Administration study of veterans and widows aged 72 and older revealed just how deficient the present system has become. The study found that a great many of these individuals are among the poorest of the poor. The median annual income for a veteran aged 72 or more is only $4,632, while the median income for a widow in the same age group is a scant $2,942 per year. A substantial portion of these persons have less than a poverty level income. According to the study, over 25 percent of the veterans and about 31 percent of the widows indicated that they did not have enough income to pay for all the medical care they need. Even greater percentages said they could not afford all the food they need.

Old and disabled, these individuals have very little chance of adding to their small, fixed incomes, which allow them hardly more than the basic necessities. Because food, rent, fuel, and medical care continue to experience such large price increases, their already meager purchasing power is shrinking at an alarming rate.

The present pension system fails its recipients in other ways. Many experience a reduction in their pensions when social security benefits are increased. Unless action is taken, over 41,000 veterans and widows will be forced from the pension rolls and an additional 1.3 million pensioners will have their pensions reduced on January 1, 1976, because of the 8-percent increase in social security granted this past July. A pension system that operates in this manner denies to many the full benefits of any cost-of-living raise. Thus, thousands of pensioners may fall even farther behind in their attempt to keep up with inflation.

The current program also pays widows lower monthly benefits than it pays to veterans. A widow alone, earning $1,000 a year, receives a pension of $92 monthly. However, a single veteran with the same annual income receives $133 in monthly pension payments.

A pension system that fails to raise incomes above the poverty level, that does not allow recipients to keep pace with rising prices, and that discriminates between low-income groups in similar financial circumstances deserves a thorough overhaul.

The legislation I have joined in sponsoring would restructure the current veterans pension system to remove these and other inequities and deficiencies for thousands of pensioners across the country. In my State of New Jersey alone, about 52,000 veterans and widows now receiving pensions would benefit from this measure. The proposed legislation would insure that no eligible veteran or survivor would have to live below the poverty level. It would establish an annual income floor of $2,700 for single veterans with no other income, while pensioners with dependents and no outside income would be guaranteed a minimum of $3,900 a year. Those requiring aid and attendance payments would receive a higher income floor as would veterans with additional disabilities rated at 60 percent or more. Present law establishes higher annual income limitations for such individuals.

Under a new formula, the Veterans' Administration Administrator would compute the total income received from outside sources, and would then pay the difference between that amount and the income floor established in the legislation.

Only a few income exclusions are allowed under this new formula. Should a single veteran earn $1,000 in annual income, the VA would pay him $1,700 to bring him up to the income floor of $2,700 per year.

The new formula would automatically adjust pension rates, assuring that veterans and survivors would receive increases that fully account for inflation and eliminating the necessity of continual legislative adjustments. The following example should illustrate how this adjustment would work. If a single veteran receiving $1,000 a year in social security were to be granted a 10 percent cost-of-living increase in benefits, he would receive $1,100 in social security during the next 12 months. On the January 1 following this increase, the VA Administrator would increase the income floor by an equal percentage, from $2,700 to $2,970. He would then pay the veteran $1,870, or the difference between $1,100 and $2,970. Under the new system, no pensioner would be dropped from the pension rolls, nor would anyone receive a reduced pension solely because of increases in social security.

Earlier this year, I introduced legislation designed to prevent reductions in any public assistance payment, including veterans pensions, whenever social security benefits are increased. I am particularly pleased that the measure introduced today also includes such a provision for veterans and their survivors. Under the proposed legislation, widows will no longer be treated differently from veterans who have the same financial need.

Widows would receive pensions in the same manner and at the same rate as veterans similarly circumstanced.

The bill also revises the Dependency and Indemnity Compensation (DIC) for parents program. Dependent parents currently receive compensation for the death of a veteran from service-connected causes. Under the legislation I have joined in sponsoring today, these individuals would also be brought under the new formula and would be treated equally with veterans and widows.

The effective date of the new pension program would be October 1, 1976. Following that date, this system would cover all newly eligible pensioners. Those currently receiving pensions would be allowed the choice of remaining under existing pension systems or of switching to the new one. In the overwhelming number of cases, veterans and widows would find it to their advantage to choose the new system. In addition, for those now receiving pensions there would be an 8 percent increase in pension rates and a $300 increase in annual income limitations. This would prevent this year's social security increase from forcing anyone off the pension rolls or causing any person to lose aggregate income during the period before the new program goes into effect.

The current veterans pension program no longer adequately serves the elderly and disabled veterans and survivors who depend upon it. Unless we are prepared to abandon them to ever-increasing prices, we must enact a pension system that works in their true best interest.

I believe that the Veterans and Survivors Pension Reform Act would create a more responsive, more effective system that will assure recipients greater financial security and comfort in their remaining years.

By Mr. WILLIAMS (for himself, Mr. Case, Mr. Dole, Mr. Philip A. Hart, Mr. Johnston, Mr. Humphrey, Mr. McGee, Mr. Thurmond, Mr. Buckley, Mr. Pell, and Mr. Javits):

S. 2636. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes. Referred to the Committee on Veterans' Affairs.

STATE VETERANS HOME ASSISTANCE ACT

Mr. WILLIAMS. Mr. President, I am today introducing legislation to revise and improve the formula by which the Federal Government and the States share the costs of providing veterans with medical and health services in State-operated veterans homes. I am most grateful that a number of my colleagues have joined with me in the introduction of this measure. Similar legislation has been introduced in the House of Representatives by Congressman Robert J. Cornell.

Each day the 38 State veterans homes of 30 States and the District of Columbia care for almost 11,000 elderly disabled veterans, and in a few instances, dependent family members. These facilities provide various combinations of domiciliary, nursing, and hospital care. Since 1888, the Federal Government has paid the States a portion ices. Federal payments were made per annum, and only for domiciliary care, at first, but over the years, Congress has revised the formula from time to time, and now payments are made on a per diem per veteran basis. States receive $4.50 per diem for domiciliary care, $6 for nursing care, and $10 for hospital care, except in the few cases where these amounts exceed 50 percent of a State's per diem cost of maintaining a veteran. In such situations, States receive a maximum of 50 percent of their per diem costs. The most recent adjustment in this formula was in 1973.

The purpose of this cost-sharing program is to provide a Federal-State partnership in meeting the cost of veterans care in State veterans homes. But the partnership is an unequal one, heavily weighted against most States. During fiscal year 1975, the State share of the costs of veterans health services was 68.3 percent for domiciliary care, 74.2 percent for nursing care, and 75.5 percent for hospital care. In dollar amounts, State per diem costs averaged $14.04, $23.20, and $40.97, respectively, for each category of care. The proportion of Federal assistance is declining, and this trend is expected to continue for the foreseeable future.

While the unusual State burden is by no means a recent development, the leaps in medical, fuel, and other costs since 1973, makes correction of this inequity especially urgent. My home State of New Jersey operates two veterans homes, both of which provide a combination of domiciliary and nursing care. In just 1 year alone, from fiscal year 1974 to fiscal year 1975, the cost of domiciliary care in these homes rose an average of 11.5 percent, while nursing costs increased an average of 15.8 percent.

But inflation is only one side of the crisis that confronts many State veterans homes. World War II veterans, who comprise the largest single veterans group, are now reaching the age at which they will depend most heavily on State home care. These homes have already begun to feel the weight of increased demand for services, and additional Federal support is essential if they are to cope with the growing strain on their limited resources. In fiscal year 1975, New Jersey's two State homes served over 500 veterans a day on the average, while 300 more awaited admission. New Jersey State officials project a need for 1,500 places by 1980, and we can expect many other State homes across the country to face the same severe test in the years just ahead.

The combined pressure of inflation and increased demand could impair the ability of State facilities to maintain adequate levels of care. Without greater Federal financial aid, State homes may find it necessary to cut back on services and reduce admissions, which could create grave hardships for many veterans. For example, New England has no Veterans' Administration domiciliaries, and State homes there fill the need for this type of care. If these State facilities are forced to reduce admissions, those turned away may have nowhere else to go for domiciliary care.

The legislation that I have introduced today along with several of my colleagues would change the present formula and increase Federal payments to the States. Each year, the Veterans' Administration Administrator would compute each State's per diem costs for domiciliary, nursing, and hospital care for the preceding fiscal year. He would then compute these costs on a nationwide basis and pay to the States half of the lesser amount. Were this formula in effect this year, States with the per diem costs above the national average would have received Federal payments of $7.02, $11.60, and $20.47 for the three categories of care. This compares with present Federal payments of $4.50, $6, and $10, respectively. Those States whose per diem costs are below the national average would be assured of 50 percent of their costs. The overwhelming number of States in this category would find that the Federal share of their costs has increased. The very few States whose Federal payments already equal 50 percent would receive no less under the new formula than they do now.

This legislation promotes a more equitable relationship between the Federal Government and the States in sharing the costs of maintaining veterans in State veterans' homes. The automatic yearly adjustment allows State homes to keep pace with inflation and equip themselves to meet rising demands for care. Furthermore, periodic legislative adjustments in Federal payments would no longer be necessary.

According to Veterans' Administration estimates, this legislation would require an additional outlay of no more than $11 million for the first year following enactment. Yet this expenditure may actually represent a saving to the Veterans' Administration. By encouraging State veterans' homes to absorb the increasing numbers of veterans who seek admission, it reduces, in many cases, the impact on VA facilities, where per diem costs in each category of care are greater. VA per diem costs during fiscal year 1975 were $15.53 for domiciliary care, $41.74 for nursing care, and $77.89 for hospital care.

For decades, our State veterans' homes have shown themselves to be an important adjunct to the VA's national health care effort. Now they are faced with mounting pressures that must be relieved if they are to continue their work. I believe that the legislation I have offered today will better enable our State veterans' homes to handle the present and future needs of veterans in a manner that these individuals have a right to expect. Veterans' health care is a promise this Nation must keep. For a modest cost, my proposal would help keep that promise.

By Mr. CHILES (for himself and Mr. Stone):

S. 2637. A bill to amend section 103 (e)(2) of title 23, United States Code, relating to the cost of certain routes on the National System of Interstate and Defense Highways. Referred to the Committee on Public Works.

Mr. CHILES. Mr. President, a matter of priority interest to all Floridians is the completion of Interstate 75 in our State. A most important segment of that highway will be the Tampa bypass. Construction of that bypass is urgently needed to relieve traffic congestion and should be initiated as soon as possible.

The mileage for the Tampa bypass was added to the Interstate System in 1969 under the Howard-Cramer Act. This measure permited the Secretary of Transportation to withdraw mileage authorized under the Interstate System from one State and add it to the mileage of another. However, the act also placed a restriction on the cost to the Federal Government of the portion transferred, based on current construction cost estimates. As a consequence, while the actual construction costs for the Tampa Bypass have skyrocketed since enactment of the Howard-Cramer Act, the cost limitation at the time of transfer remains in effect. The actual cost of construction will be close to $200 million but the State of Florida's eligibility for 90/10 interstate highway funds is based upon the $50 million estimate arrived at in 1969.

Because of this situation I am introducing legislation on behalf of myself and Senator Stone to remove these restrictions and to expedite construction. This bill, which is identical to legislation Congressman Gibbons has introduced (H.R. 9945), provides that cost estimates can be increased based on construction cost increases up to the date of enactment of the Federal Highway Act of 1975. With this change Florida would be able to obtain Federal funds for the Tampa bypass based on present costs of construction and other States affected by the Howard-Cramer provision could also revise their cost estimates.

I hope that it will be possible to include this amendment in the highway bill so that realistic funding of this interstate mileage will result and construction of the Tampa bypass promptly initiated.

Mr. President, I ask unanimous consent that the text of the bill I am introducing be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the fourth sentence of paragraph (2) of subsection (e) of section 103 of title 23, United States Code, is amended by striking out "increased or decreased," and all that follows down through and including the period at the end thereof and inserting in lieu thereof the following: "or if the cost of any such withdrawn route was not included in such 1972 Interstate System cost estimate, the cost of such withdrawn route as set forth in the last Interstate System cost estimate before such 1972 cost estimate which was approved by Congress and which included the cost of such withdrawn route, increased or decreased, as the case may be, as determined by the Secretary, based on changes in construction costs of such route or portion thereof, which, (i) in the case of a withdrawn route the cost of which was not included in the 1972 cost estimate but in an earlier cost estimate, have occurred between such earlier cost estimate and the date of enactment of the Federal-Aid Highway Act of 1975, and (ii) in the case of a withdrawn route the cost of which was included in the 1972 cost estimate, have occurred between the 1972 cost estimate and the date of enactment of the Federal-Aid Highway Act of 1975, or the date of withdrawal of approval, whichever date is later, and in each case costs shall be based on that design of such route or portion thereof which is the basis of the applicable cost estimate.".

(b) The amendment made by subsection (a) of this section shall be applicable to each route on the Interstate System approval of which was withdrawn the the Secretary of Transportation in accordance with the provisions of section 103(e)(2) of title 23, United State Code, including that route on the Interstate System approval of which was withdrawn by the Secretary of Transportation in accordance with the provisions of title 23, United States Code, on August 30, 1965.

By Mr. TOWER:

S. 2638. A bill to preserve and protect the Espada Acequia Aqueduct in the vicinity of Six Mile Creek, San Antonio, Tex. Referred to the Committee on Public Works.

Mr. TOWER. Mr. President, I am today introducing legislation which would preserve and protect the Espada Acequia Aqueduct in the vicinity of Six Mile Creek, San Antonio, Tex., which is in danger of being destroyed by frequent flood waters which back up behind the structure. This bill would authorize the Corps of Engineers to construct such additional flood control measures that are necessary to save the only functioning Spanish colonial dam and aqueduct of this type in the United States.

The Espada Aqueduct, built between 1731–45, is of unique historical significance. Together, with its dam and acequia, this irrigation system is an extraordinary example of 18th century engineering and a symbol of the important role of the Spanish missions in the agricultural history of the Southwest. Remarkably, Spanish-American farmers south of San Antonio still irrigate their fields with water carried by the original Acequia. The Espada Aqueduct, which was designed as a national historic site by the Interior Department in 1965, is now part of an area park maintained by the San Antonio Conservation Society.

The citizens of San Antonio are well aware of the many historic structures in their city and have worked hard to preserve these sites not only for their own benefit and enjoyment, but for the pleasure and education of the thousands of tourists who visit their city annually. For several years the San Antonio Conservation Society, the San Antonio River Authority and the city of San Antonio have worked with the Corps of Engineers to formulate a plan to save the Espada Aqueduct from the frequent flood waters. This legislation that I have introduced would give the Corps the authorization that is necessary to begin this most worthwhile project.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the flood control project for San Antonio Channel Improvement, Texas, authorized by Section 203 of the Flood Control Act of 1954 (68 Stat. 1260) as a part of the comprehensive plan for flood protection on the Guadalupe and San Antonio Rivers, Texas, is hereby modified to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to construct such additional flood control measures as are needed to preserve and protect the Espada Acequia Aquaduct, located in the vicinity of Six Mile Creek, at an estimated Federal cost of $1,761,000. Construction of such flood control measures shall be subject to the same conditions of local cooperation as required for the existing flood control project.

By Mr. MUSKIE:

S. 2640. A bill for the relief of William F. Mussenden, sole surviving descendant of the owners of the firm of Larrabee & Allen of Bath, Maine. Referred to the Committee on the Judiciary.

Mr. MUSKIE. Mr. President, I am pleased to introduce legislation today that would satisfy a long outstanding claim against the Department of the Navy for work done on a wooden double-ended gunboat called the *Iosco*.

Construction of the *Iosco* began in 1862 when the firm of Larrabee & Allen of Bath, Maine, contracted for work on the hull with the Department of the Navy. During the next 6 months, the Navy ordered several alterations and additions which added to the original contract price of $75,000. Subsequently, the vessel was delivered to an independent contractor in Boston called the Globe Iron Works so that the engine could be installed. Because of the numerous delays, the completed *Iosco* was delivered to Navy officials in 1864, almost a year after the contracted date. While the firm of Larrabee & Allen received some compensation for the additional work required, it was never paid for the total costs incurred.

In March 1865, the Senate passed a resolution requesting the Secretary of the Navy to organize a board to review all Civil War claims. This board, headed by Commodore Thomas O. Selfridge, determined, after receiving testimony by a member of this Maine firm, that an unpaid balance of $11,708.97 was due.

Several relief bills were introduced in the Congress over the years, and in 1890, both Houses acted favorably on legislation that conferred jurisdiction on the claim to the U.S. Court of Claims. This body confirmed the findings of the Selfridge Board and recommended to the Congress that the outstanding balance of $11,708.97 be paid. However, settlement of the claim was never made.

The firm of Larrabee & Allen is no longer in existence, and failure to receive funds due from work on the *Iosco* contributed to its demise. The firm's surviving member, William F. Mussenden of Bath, Maine, is seeking rectification and final settlement of the claim which Larrabee & Allen were never able to achieve.

Mr. President, I am hopeful for prompt action on this bill and that the findings and recommendations of the Selfridge Board and the U.S. Court of Claims will be recognized and implemented.

By Mr. WILLIAMS:

S. 2641. A bill to encourage State and local governments to reform their real property tax systems so as to decrease the real property tax burden of low- and moderate-income individuals who have attained age 65. Referred to the Committee on Finance.

EMERGENCY PROPERTY TAX RELIEF ACT

Mr. WILLIAMS. Mr. President, I introduce for appropriate reference the Emergency Property Tax Relief Act.

Last year property taxes hit an all time record high of $49.3 billion.

In many communities throughout our Nation, the tax bite has doubled—and in some cases tripled—during the past decade.

There is much compelling evidence to suggest that older Americans are hardest hit. Many aged homeowners are turning over 20, 30, or 40 percent of their total income to the tax assessor.

In one case brought to the attention of the Senate Committee on Aging, an elderly widow with an annual income of $1,176 paid $796 for property taxes, or almost 70 percent of her poverty income. This left her with just $7 per week for food, clothing, medical care, transportation, and other necessities.

It is no wonder that large numbers of older Americans are compelled to liquidate their assets to pay for mounting property taxes. Many are forced into poverty—after a lifetime of hard work, savings, and diligence—because they are overwhelmed by the property tax.

During the past 5 years property tax revenues have jumped by 47 percent. And there appears to be no end in sight.

The harsh reality is that the aged pay nearly twice as much of their limited income for property taxes than do younger Americans.

In fact, elderly homeowners pay, on the average, about 8.1 percent of their income for property taxes, compared with 4.1 percent for persons under 65.

And the heaviest burden falls upon the low-income aged. A recent report by the Advisory Commission on Intergovernmental Relations reveals that aged homeowners struggling on less than $2,000 a year pay almost 16 percent of their meager income for this regressive tax.

Elderly tenants are also adversely affected by rising property taxes, since landlords typically pass on these increases in the form of higher rents.

My Emergency Property Tax Relief Act is designed to protect elderly homeowners and tenants either directly or indirectly from the crushing burden of the property tax.

This would be achieved by providing Federal financial assistance to States which establish "circuit-breaker" systems for property owners and renters aged 65 or older.

The "circuit-breaker" would work along the same lines as an electrical circuit breaker, which is designed to protect family homes from an overload. It would come into operation whenever property taxes would become excessive in relation to family income, thereby shielding the elderly homeowner and tenant from a tax overload situation.

A "tier" or "step" system would be built into the formula to target relief to those in greatest need.

To be eligible for Federal assistance, a State must establish a "circuit-breaker" property tax relief program for aged homeowners and tenants which meets certain minimum standards. A State, however, would be free to provide additional relief.

Under my bill, relief would become available whenever the property tax exceeds 4 percent of an aged household's income. This threshold would be increased by 1 percent for each $1,000 increment of family income until eventually reaching 9 percent for households in the $7,000 to $8,000 income bracket.

Relief would also be available for renters, provided their gross rent exceeds 25 percent of the family income.

Rising property taxes are now depleting the limited resources of older Americans throughout the country, whether they live in cities, suburbs, or rural areas.

This problem demands immediate attention. My Emergency Property Tax Relief Act can provide direct relief for aged homeowners and tenants in a timely fashion. Equally important, this can be achieved without complicated and cumbersome procedures. For example, it would be possible for an elderly homeowner to file a statement with the local tax assessor when the property tax bill arrives and promptly receive a credit, refund, or rebate. Other simplified procedures would also be available to provide relief.

Mr. President, I urge prompt approval of this legislation and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Property Tax Relief Act of 1975".

SEC. 2. DEFINITIONS

For Purposes of this Act—

(1) The term "jurisdiction" means a State, a political subdivision of a state, and the District of Columbia.

(2) Secretary.—The term "Secretary" means the Secretary of the Treasury.

(3) Personal Income Tax.—The term "personal income tax" means a tax imposed by a jurisdiction on the income of individuals.

(4) Real property tax.—The term "real property tax" means an ad valorem tax imposed by a jurisdiction on real property.

(5) Qualifying head of household.—The term "qualifying head of household" means an individual—

(A) who has attained age 65, and

(B) provides more than 50 percent of the support for the household which is his principal residence.

SEC. 3. Reimbursement to jurisdictions providing real property tax relief to low and moderate income older individuals.

(a) ENTITLEMENT TO REIMBURSEMENT.—If the Secretary determines that a jurisdiction has established a qualifying real property tax relief program which meets the requirements of subsection (b), he shall reimburse such jurisdiction for one-half of the qualifying revenue losses attributable to such program (as determined under subsection (c)) sustained by it during each fiscal year.

(b) Qualifying Real Property Tax Relief Program.—For purposes of this section—

(1) In general.—The term "qualifying real property tax relief program" means a program established by law of a jurisdiction which provides for eligible households a credit against a personal income tax or real property tax imposed by the jurisdiction, or a rebate or other cash payment in lieu of such a credit.

(2) Eligible household.—The term "eligible household" means a household of a qualifying head of household if the direct tax burden or indirect tax burden, as the case may be, of such household exceeds the applicable amount determined under the following table:

If the household income is:	And the direct tax burden exceeds:	Or the indirect tax burden exceeds:
$3,000 or less	4% of household income	25% of household income
Over $3,000 but not over $4,000	$120, plus 5% of household income over $3,000	25% of household income
Over $4,000 but not over $5,000	$170, plus 6% of household income over $4,000	25% of household income
Over $5,000 but not over $6,000	$230, plus 7% of household income over $5,000	25% of household income
Over $6,000 but not over $7,000	$300, plus 8% of household income over $6,000	25% of household income
Over $7,000 but not over $8,000	$380, plus 9% of household income over $7,000	25% of household income

(3) Household income.—The term "household income" means the aggregate annual income of all individuals occupying the same household as their principal residence. For purposes of this paragraph, the term "income" means net income from whatever source derived and without regard to whether it is subject to the Federal individual income or the personal income tax of the jurisdiction in which the recipient resides.

(4) Direct tax burden.—The term "direct tax burden" means the amount of real property taxes imposed on the real property occupied as his principal residence by a qualifying head of household if such real property is owned, and such taxes are paid, by him or another member of the household.

(5) Indirect tax burden.—The term "indirect tax burden" means the amount of rent paid for occupancy of real property occupied as his principal residence by a qualifying head of household, if such rent is paid by him or another member of the household.

(c) Qualifying Revenue Losses.—For purposes of this section, the qualifying revenue losses attributable to a qualifying real property tax relief program sustained by a jurisdiction during a fiscal year is the sum of—

(1) the credits allowed during the fiscal year with respect to eligible households against a personal income tax or real property tax imposed by the jurisdiction, and

(2) the rebates and other cash payments made during the fiscal year with respect to eligible households under such program, but, with respect to any eligible household, only to the extent the amount of credit, rebate, or other payment does not exceed $750, in the case of an eligible household which has a direct burden, or $500 in the case of an eligible household which has an indirect tax burden.

ADMINISTRATION

Sec. 4. (a) Application, Etc.—

(1) A jurisdiction which desires to qualify for payments under this Act shall make an application therefor at such times, in such manner and containing such information as the Secretary shall prescribe by regulations. Payments may be made to a jurisdiction only if its application is approved by the Secretary. The Secretary may not finally disapprove any application submitted under this Act, or any modification thereof, without first affording the jurisdiction submitting the application reasonable notice and opportunity for a hearing.

Whenever the Secretary, after reasonable notice and opportunity for a hearing to a jurisdiction which has had an application approved under paragraph (1), finds that such jurisdiction which has a qualifying property tax relief program, he shall notify such jurisdiction that it will not be eligible to receive payments under this Act until he is satisfied that the jurisdiction has a qualifying property tax relief program.

(b) Judicial Review.—

(1) If any jurisdiction is dissatisfied with the Secretary's final action with respect to the approval of its application submitted under subsection (a)(1) or with its final action under (a)(2), such jurisdiction may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the jurisdiction is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1253 of title 28, United States Code.

(c) Payment.—Payment of the amount to which a jurisdiction is entitled for a fiscal year shall be made at such time after the close of the fiscal year as the Secretary shall prescribe by regulations.

(d) Fiscal Year.—For purposes of determining eligibility for, and the amount of, payments to a jurisdiction under this Act, any reference in this Act to "fiscal year" shall be considered to be a reference to the annual accounting period of such jurisdiction.

(e) Regulations and Guidelines.—The Secretary shall prescribe such regulations as may be necessary to carry out this Act and such guidelines as may be necessary to enable jurisdictions to apply for and qualify for payments under this Act.

(f) This Act is not to be construed to discourage States from establishing a qualifying real property tax relief program which provides credits, rebates, or payments benefiting eligible households in excess of the qualifying limitations established under this Act.

APPROPRIATIONS

Sec. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

Sec. 6. Payments may be made under this Act with respect to fiscal years beginning on or after January 1, 1976.

By Mr. CANNON:

S.J. Res. 146. A joint resolution authorizing and requesting the President to issue a proclamation designating January 11–17, 1976, as Bicentennial Printing Week. Referred to the Committee on the Judiciary.

Mr. CANNON. Mr. President, the Senate has approved many appropriate steps in connection with next year's commemoration of the Nation's observance of its Bicentennial.

At many levels, during all periods of our national history, the excellent craftsmanship which has characterized the American world of graphic arts has been a clearly recognized and important asset, encompassing as it does our newspapers, magazines, business forms, maps, charts, and currency.

It is my privilege, therefore, on behalf of the Joint Committee on Printing, to request the Senate to give favorable consideration to a joint resolution, offered herewith, whereby the President of the United States would be authorized and requested to issue a proclamation designating January 11–17, 1976, as Bicentennial Printing Week.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1736

At the request of Mr. McIntyre, the Senator from Alaska (Mr. Gravel), the Senator from Montana (Mr. Mansfield), the Senator from New Hampshire (Mr. Durkin), the Senator from Washington (Mr. Magnuson), the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 1736, to grant the National Ski Patrol Systems, Inc. a Federal charter.

S. 1843

At the request of Mr. Dole, the Senator from Maryland (Mr. Beall) was added as a cosponsor of S. 1843, a bill to amend and clarify certain regulatory authorities of the Federal Government over work and activities in navigable waters.

S. 2020

At the request of Mr. Ribicoff, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 2020, a bill to authorize payment for optometric and medical vision care.

S. 2067

At the request of Mr. Biden, the Senator from Vermont (Mr. Leahy) and the Senator from Florida (Mr. Chiles) were added as cosponsors of S. 2067, a bill to limit the period of authorization of new budget authority and to require comprehensive review and study of existing programs for which continued budget authority is proposed to be authorized by committees of the Congress.

S. 2146

At the request of Mr. Helms, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2146, the Equal Educational Opportunity Amendments of 1975.

S. 2426

At the request of Mr. Dole, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 2426, a bill to establish a reduced rate of postage for certain letters.

S. 2492

At the request of Mr. Stevenson, the Senator from New Jersey, (Mr. Case) was added as a cosponsor of S. 2492, a bill to amend the Export Administration Act of 1969 in order to subject agricultural export agreements to congressional review.

S. 2506

At the request of Mr. Ribicoff, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 2506, a bill to provide for the furnishing of outpatient rehabilitation services.

S. 2524

At the request of Mr. McIntyre, the Senator from Pennsylvania (Mr. Schweiker) and the Senator from New Jersey (Mr. Case) were added as cosponsors of S. 2524, to require that the Secretaries of the military departments be kept fully and currently informed regarding matters considered and acted upon by the Joint Chiefs of Staff.

S. 2596

At the request of Mr. Packwood, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 2596, the Real Estate Settlement Procedures Act.

S. 2598

At the request of Packwood, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 2598, a bill relating to inspection of all meat and dairy products.

S. 2608

At his own request, the Senator from Idaho (Mr. McClure) was added as a cosponsor to S. 2608, a bill to amend the Internal Revenue Code.

S. 2608

At the request of Mr. Fannin, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2608, a bill to amend the Internal Revenue Code.

SENATE JOINT RESOLUTION 137

At the request of Mr. Tower, the Senator from Arizona (Mr. Fannin) and the Senator from Arkansas (Mr. McClellan) were added as cosponsors of Senate Joint Resolution 137, relating to the right of students to attend their neighborhood public schools.

SENATE JOINT RESOLUTION 144

At the request of Mr. Bartlett, the Senator from Ohio (Mr. Taft) was added as a cosponsor of Senate Joint Resolution 144, relating to the 200th anniversary of the U.S. Marine Corps.

SENATE RESOLUTION 144

At his own request, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of Senate Resolution 144, relating to Jim Thorpe, athlete.

SENATE RESOLUTION 298—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

(Referred to the Committee on Rules and Administration.)

Mr. EASTLAND, from the Committee on the Judiciary, reported the following resolution:

S. Res. 298

Resolved, That the Committee on the Judiciary is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $25,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 299—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

(Referred to the Committee on Labor and Public Welfare.)

Mr. McGOVERN submitted the following resolution:

S. Res. 299

Resolved, That Section 3 of S. Res. 260, Ninety-third Congress, agreed to March 1, 1974, as amended by S. Res. 295, Ninety-third Congress, agreed to March 29, 1974, is further amended by striking out "$353,800" and inserting in lieu thereof "$366,800."

AMENDMENTS SUBMITTED FOR PRINTING

VETERANS HOUSING AMENDMENTS ACT OF 1975—S. 2529

AMENDMENT NO. 1059

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to the bill (S. 2529) to amend chapter 37 of title 38, United States Code, to increase the maximum Veterans' Administration's guaranty for mobile home loans from 30 to 50 percent, to make permanent the direct loan revolving fund, to extend entitlement under chapter 37 of those veterans who served exclusively between World War II and the Korean conflict, and for other purposes.

AMENDMENT OF THE PACKERS AND STOCKYARDS ACT—S. 1532

AMENDMENT NO. 1060

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. CLARK. Mr. President, on April 24 this year I was joined by the Senator from Nebraska (Mr. Curtis) and a number of others in the introduction of legislation to strengthen the authority of the Secretary of Agriculture to protect livestock producers against a repeat of the American beef packers bankruptcy. That bankruptcy left hundreds of Midwestern livestock producers holding bad checks totaling more than $20 million. In the case of many of these producers those bad checks have wiped out a lifetime of work.

The Committee on Agriculture and Forestry held hearings on our bill (S. 1532) in Omaha, Nebr., and here in Washington. It became obvious to me from those hearings that the livestock and meat chain does not lend itself to normal business practices. Slaughter livestock and the meat and other products therefrom rapidly lose their identity after sale. Therefore, the right of sellers to reclaim their goods if payment is not made, as provided in the uniform commercial code, really has no meaning to livestock producers who sell to packers or to packers who sell to retailers or other bulk purchasers.

S. 1532 has three principal components:

First. Authority for the Secretary of Agriculture to require packers to carry a reasonable bond;

Second. Making it unlawful for any packer to purchase livestock while insolvent without paying cash at the time of purchase; and

Third. Upgrading the priority of producers in the case of packer bankruptcy.

The amendment I am introducing today, on which hearings have been scheduled for November 17, will, in my view, place the entire livestock and meat industry on a much sounder financial footing. In at least one respect, however, it embodies a sharp digression from current practices and for that reason I believe it imperative that this additional day of hearings be held in order for us to obtain the views of all concerned.

It would amend S. 1532 in the following ways:

First. By expanding authority for the Secretary to require bonds of persons who purchase livestock, livestock products, meat, or meat products from registrants under the Packers and Stockyards Act;

Second. In addition to market agents and dealers, all persons subject to inspection under the Federal Meat Inspection Act would be required to register as packers;

Third. It adds three new terms:

"Payment by check" to mean actual delivery of the check to the seller or his representative at the location where transfer of ownership takes place; "wire transfer" to mean telephonic, telegraphic, electronic, or similar bank-to-bank transfer of funds; and, "purchaser" to mean any person who purchases livestock, livestock products, meat, or meat products from a registrant;

Fourth. By making it unlawful for a registrant to fail or refuse to make payment by check or wire transfer of funds before the close of business the day following transfer of ownership of livestock;

Fifth. By making it unlawful for a purchaser of more than $500,000 worth of livestock, livestock products, meat, or meat products annually from a registrant to fail or refuse to make payment by check or wire transfer of funds before the close of business the dav following receipt of the articles;

Sixth. By making persons convicted of failing to meet the prompt payment requirements subject to a $100,000 fine and/or 10 years imprisonment;

Seventh. By preempting State laws dealing with bonding or payment practices; and

Eighth. By requiring the Secretary to promulgate forms upon which sellers to registrants must list all liens or security interests against livestock being sold and providing penalties for sellers who fail to comply.

As I said earlier, Mr. President, the slaughter livestock and meat industry is unique in commercial circles because of the rapidity with which these articles change their form after sale. This is already recognized in Federal regulations by the requirement that unless there is agreement between buyer and seller to the contrary, livestock must be paid for by the close of business the day following delivery. I look forward to obtaining the views of all those affected on this proposal to essentially make the sale and purchase of livestock and meat a cash business. Not only will this put the entire industry on a sounder financial footing but it could mean a reduction in cost to the consumer as well.

I ask unanimous consent that the text of this amendment, in the nature of a substitute, be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1060

By striking all after the enacting clause and inserting in lieu thereof the following:

That the Packers and Stockyards Act, 1921, is amended as follows:

(1) Section 2(a) is amended by—

(A) striking out the word "and" at the end of paragraph (5);

(B) redesignating paragraph (6) as paragraph (11);

(C) inserting after paragraph (5) the following new paragraphs:

"(6) The term 'edible' means intended for use as human food;

"(7) the term 'insolvent' means current liabilities exceed current assets;

"(8) The term 'payment by check' means the actual delivery of the check to the seller or his representative at the location where the transfer of ownership is accomplished. In at the packing plant, subject to the institu- the case of 'grade and yield' selling, 'payment by check' means making the check available tions of the seller or his representative;

"(9) The term 'wire transfer' means any telephonic, telegraphic, electronic or similar communication between the bank of the purchaser and the bank of the seller which results in the transfer of funds or credits of the purchaser to the account of the seller; and

"(10) The term 'purchaser' means any person who purchases livestock, livestock products, meat or meat products from registrants under this Act;" and

(D) adding at the end of paragraph (10), as redesignated by clause (B) of this paragraph, a new sentence as follows: "The term 'commerce' also includes any business activity wholly within a State if any person subject to this Act transacts any business activity within the meaning of the term 'commerce' as defined in the preceding sentence.".

(2) Section 202 (7 U.S.C. 192) is amended by—

(A) striking out "or any live poultry dealer or handler" wherever it appears in such section;

(B) redesignating subdivision (f) as subdivision (g);

(C) redesignating subdivision (g) as subdivision (h) and striking out "or (e)" and inserting in lieu thereof "(e), or (f)"; and

(D) inserting after subdivision (e) a new subdivision (f) as follows:

"(f) Purchase any article while insolvent without paying cash at the time of purchase.".

(3) Title II is further amended by adding at the end thereof a new section as follows:

"SEC. 206. Each person subject to inspection by the Federal Government or any State government as required by the Federal Meat Inspection Act shall register annually with the Secretary.".

(4) Sections 308 and 309 (7 U.S.C. 209, 210) are repealed.

(5) Sections 401 and 403 (7 U.S.C. 221, 223) are amended by striking out "or any live poultry dealer or handler" wherever such term appears therein.

(6) Title IV is further amended by redesignating section 408 (7 U.S.C. 229) as section 415, and by adding after section 407 (7 U.S.C. 228) the following new sections:

"SEC. 408. The Secretary may require reasonable bonds from market agencies, dealers, packers, and purchasers from registrants in such manner and under such rules and regulations as he may prescribe to secure the performance of their obligations with respect to transactions involving livestock or poultry.

"SEC. 409. Whenever the Secretary determines, after opportunity for a hearing, that any registrant is insolvent or has violated any of the provisions of this Act or any rule, regulation, or order issued thereunder, he may by order suspend the registrant for a reasonable specified period and, if the violation is flagrant or repeated, he may by order revoke the registration of the offender. Such order shall take effect within such reasonable time, not less than five days, as is prescribed in the order, unless suspended or modified or set aside by the Secretary or a court of competent jurisdiction. Any person who carries on any business in violation of a suspension or revocation order under this Act shall be subject to the penalty and enforcement provisions of this Act relating to violation of an order of the Secretary. If a registrant who has been suspended, by an order issued under this Act, for a period of ninety days or less shall permit any other person to engage in any business for which registration is required under this Act at the place of business of the suspended registrant during such period, the suspended registrant shall be deemed to fail to obey such order.

"SEC. 410. The Secretary may summarily order, without a hearing and without regard to chapter 5 of title 5, United States Code, any person subject to the provisions of this Act to pay a seller of livestock or poultry by certified check or to establish a custodial account if the Secretary has reason to believe that such action is necessary to protect vendees.

"SEC. 411. (a) Any person who violates any provision of this Act or any rule, regulation, or order issued thereunder shall be liable to the person injured thereby for the full amount of damages sustained in consequence of such violation.

"(b) Such liability may be enforced either (1) by complaint to the Secretary as provided in section 412, or (2) by suit in any district court of the United States of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this Act are in addition to such remedies.

"SEC. 412. (a) Any person complaining of anything done or omitted to be done by any person subject to this Act (hereinafter in this section referred to as the 'defendant') in violation of any provision of this Act or any rule, regulation, or order issued thereunder may, at any time within one hundred and twenty days after the cause of action accrues, apply to the Secretary by complaint which shall briefly state the facts, whereupon the Secretary shall forward a copy of the complaint to the defendant, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be specified by the Secretary. If the defendant within the time specified makes reparation for the injury alleged to have been done he shall be relieved of liability to the complainant only for the particular violation complained of. If the defendant does not satisfy the complaint within the time specified, or there appears to be any reasonable ground for investigating the complaint, it shall be the duty of the Secretary to investigate the matters complained of in such manner and by such means as he deems proper.

"(b) The Secretary, at the request of the livestock commissioner, board of agriculture, or other agency of a State or territory of the United States, having jurisdiction over stockyards in such State or territory, shall investigate any complaint forwarded by such agency in like manner and with the same authority and powers as in the case of a complaint made under subdivision (a).

"(c) The Secretary may at any time institute an inquiry on his own motion, in any case and as to any matter or thing concerning which a complaint is authorized to be made to or before the Secretary, by any provision of this title, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Secretary shall have the same power and authority to proceed with any inquiry instituted upon his own motion as though he had been appealed to by petition, including the power to make and enforce any order or orders in the case or relating to the matter or thing concerning which the inquiry is had, except orders for the payment of money.

"(d) No complaint shall at any time be dismissed because of the absence of direct damage to the complaint.

"(e) If after hearing on a complaint the Secretary determines that the complainant is entitled to an award of damages, the Secretary shall make an order directing the defendant to pay to the complainant the sum to which he is entitled on or before a day named.

"(f) In the case of any complaint in which the amount claimed as damages does not exceed the sum of $3,000 an oral hearing need not be held and proof in support of the complaint and in support of the defendant's answer may be supplied in the form of depositions or verified statements of fact unless the Secretary directs that an oral hearing be held.

"(g) If the defendant does not comply with an order of the Secretary for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within one year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the defendant, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of the costs of the suit.

"(h) Any party adversely affected by the entry by the Secretary of an order granting or denying reparation may, within thirty days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which the hearing was held. In cases handled without oral hearing in accordance with subsection (f) or in which oral hearing has been waived by agreement of the parties, appeal may be to the district court of the United States for the district in which any defendant resides, is found, or transacts business. Such appeal shall be perfected by the filing with the clerk of such court a notice of appeal, together with a petition in duplicate which shall recite the prior proceedings before the Secretary and shall state the grounds upon which appellant relies to defeat the right of any adverse party to recover, or to establish his own right to recover, the damages claimed, with proof of service thereof upon each adverse party. Such an appeal by an appellant who has been ordered by the Secretary to pay a reparation award shall not be effective unless, within thirty days from and after the date of the Secretary's order, the appellant also files with the clerk a bond in the amount of 130 per centum of the amount of the reparation awarded, conditioned upon the payment of any money judgment entered by the court against the appellant, plus interest and costs, including a reasonable attorneys' fee for the appellee, if the appellee shall prevail. Such bond shall be in the form of cash, negotiable securities having a market value at least equivalent to the amount of bond prescribed, or the undertaking of a surety company approved by the court. The clerk of the court shall immediately forward a copy of the petition to the Secretary, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima facie evidence of the facts therein stated. An appellee shall not be liable for costs in said court and, if he prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs.

"(i) Unless a defendant who is registered under this Act, and against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, the defendant shall be suspended automatically as a registrant under the Act at the expiration of such five-day period until he shows to the satisfaction of the Secretary that the amount specified in the order has been paid, with interest thereon to date of payment. If an appeal is taken by such a defendant and the judgment of the court is adverse to the appellant, or if the appeal is dismissed, unless the defendant within five days after the date of such judgment or dismissal makes payment as required by the order, he shall be suspended automatically as a registrant until he shows to the satisfaction of the Secretary that payment has been made, with interest thereon to date of payment. If such a judgment is stayed by a court of competent jurisdiction, the suspension shall become effective five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue until the defendant shows to the satisfaction of the Secretary that he has made such payment, with such interest.

"(j) Unless any defendant not covered by subsection (i), against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, such defendant shall be liable to a penalty of $500 per day for each day, after said five days, in which he engages in any business subject to this Act, until such defendant shows to the satisfaction of the Secretary that the amount specified in the order, with interest to date of payment, has been paid, which penalty shall accrue to the United States and may be recovered in a civil action brought by the United States. If an appeal is taken by such defendant, said penalty shall not begin to accrue until five days after judgment by the court adverse to the defendant, or dismissal of the appeal. If such a judgment is stayed by a court of competent jurisdiction, the penalty shall become applicable beginning five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue to be applicable until such payment, with interest, has been made.

"SEC. 413. Whenever it shall appear to the Secretary that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order issued thereunder, the Secretary shall notify the Attorney General who shall bring an action in the appropriate district court of the United States or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such person from engaging in operations subject to this Act or to enjoin such person from engaging in operations subject to this Act except under conditions that will protect vendors, consignors, and other persons affected by such operations, until the complaint under this Act is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective within the meaning of this Act or is set aside on appellate review, and such courts shall have jurisdiction to entertain such actions. Upon a proper showing, the court shall issue a temporary restraining order, or preliminary injunction, without bond. Attorneys employed by the Secretary may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action seeking such a temporary restraining order or injunction. Upon application of the Attorney General, the district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding any person to comply with the provisions of this Act or any rule, regulation, or order issued thereunder, including the requirement that such person take such action as is necessary to remove the danger of violation of this Act or any such rule, regulation, or order. Any action under this section may be brought in the district wherein the defendant resides, is found, or transacts business or in the district where the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in the same manner as provided in section 5(f) of the Federal Trade Commission Act (15 U.S.C. 45).

"SEC. 414. Debts of a bankrupt that are owing for the purchase of livestock or poultry shall have priority in accordance with clause (5) of subdivision a of section 64 of the Bankruptcy Act (11 U.S.C. 104(a)(5)) if, at the time such debts were incurred, the bankrupt was a packer, market agency, or dealer subject to this Act.".

(7) By adding at the end thereof a new title VI as follows:

"TITLE VI—PAYMENT PRACTICES

"SEC. 601. It shall be unlawful—

"(1) for any registrant under this Act, wehther acting individually or as an agent or representative of another, to fail or refuse to make payment by check or wire transfer of funds to the seller of livestock, livestock products, meat or meat products, his representative, agent, or assignee, for such items by the close of business the day after which the ownership of such livestock is transferred; or

"(2) for any purchaser, whether acting individually or as an agent or representative of another, to fail or refuse to make payment by check or wire transfer of funds to the owner of such livestock, livestock products, meat or meat products, his representative, agent, or assignee, before the close of business the day following receipt of the livestock, livestock products, meat or meat products.

"SEC. 602. Any purchaser of less than $500,000 worth of livestock, livestock products, meat or meat products during the preceding calendar year shall be exempt from section 601(2) of this Act unless the Secretary determines that in the case of any person, after opportunity for hearing, that such exemption is not in the public interest.

"SEC. 603. Any person convicted of failure to comply with section 601 of this Act shall be subject to a fine of not more than $100,000 and/or not more than ten years imprisonment.

"SEC. 604. No requirement with respect to bonding or prompt payment practices may be imposed by any State or territory of the United States, or any instrumentality or subdivision thereof upon any registrant under this Act.

"SEC. 605. The Secretary shall prescribe a form which any registrant under this Act who purchases livestock shall furnish to the seller prior to sale for the purpose of disclosing information concerning the existence of and lien(s) and/or security interest(s) against or in such livestock. The seller shall complete such form and certify by his signature on the form whether or not there is a lien and/or security interest against or in such livestock. In the event that lien(s) and/or security interest(s) exist, the seller shall be required to report on the aforesaid form:

"(a) The names of the lienholder(s) and/or other security holder(s);

"(b) The jurisdiction where the lien(s) and/or security(ies) interest is/are recorded:

"(c) The amount secured by such lien(s) and/or security(ies); and

"(d) The date of disclosure.

Should a seller knowingly or willfully violate this section, upon conviction he shall be fined not more than $25,000 or imprisoned for not more than one year, or both.".

SEC. 3. The proviso contained in the paragraph entitled "Packers and Stockyards Act" under the heading "MARKETING SERVICE", in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes", approved July 12, 1943 (57 Stat. 422; 7 U.S.C. 204), is repealed.

SEC. 4. The amendments made by this Act

shall become effective on the first day of the second calendar month following the month in which this Act is enacted.

AMENDMENT OF THE FOREIGN ASSISTANCE ACT—S. 1816

AMENDMENT NO. 1061

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY. Mr. President, I am submitting an amendment to S. 1816, the Foreign Military Assistance Act, which would maintain last year's full prohibition barring all forms of military sales and assistance to the Government of Chile.

A year ago, the Senate adopted my amendment to halt all forms of military support for the junta, whether through Government license, Government grant or Government sales. This amendment was later included by the conference in section 24 of the 1974 Foreign Assistance Act. It was a clear statement by the Congress that we will not, and we believe the American people will not, send military equipment to support a government that engages in the gross violation of the human rights of its people.

The intent of the amendment has been followed by the State Department in the past. I am hopeful that the announcement by the administration of its decision not to seek specific military assistance for the Government of Chile this year reflects an intent to bar all forms of military transfer including FMS cash and credit sales, transfers of equipment, grant aid, or Government licensing of commercial arms sales. Clearly, any such assistance would be used by the junta for the purpose of continuing its policy of repression.

While the administration has not requested a military aid program for Chile this year, it is evident that there are some who view the human rights situation as unimportant and are still supporting military assistance.

My concern is underscored by a recent report in El Mercurio, a newspaper in Santiago, Chile, of the visit of Army Gen. Dennis McAuliffe, Commander in Chief of the Southern Command.

He is quoted in the newspaper following a meeting with the Chilean Minister of Defense as having said:

> We will continue doing everything possible to help to the maximum the Armed Forces of Chile because we see what you are doing for the defense of your country.

What they have been doing is torturing prisoners, denying human and individual rights to their people and maintaining a dictatorial regime.

Thus, to insure that arms transfers do not suddenly materialize later in the year, I am introducing this amendment to enact a statutory prohibition against any and all military sales, transfers and grants. This will continue the present policy.

Unfortunately, that policy must continue. The fact of continuing human rights violations in Chile remains unchanged since Section 24 was enacted a year ago.

The latest evidence of that are the Chilean priests now languishing incomunicado in Chilean prisons under the rule of the junta's secret police. It also is shown in the necessity for delicate negotiations between our ambassador in Chile and the Chilean junta—for which Ambassador David Popper deserves credit—to permit three American nuns to avoid arrest and to obtain reluctant permission to leave the country.

Report after report confirms that 2 years after the coup, the Chilean military junta still ignores the protests of its own religious leaders, of international human rights commissions, of the United Nations, of the Organization of American States and of the world community.

Instead, this authoritarian regime continues to endorse the most severe violation of basic human rights.

Late last year, the Inter-American Commission on Human Rights issued a report, following an onsite inspection, that concluded the junta had engaged in "repeated violations of rights set forth in articles I, II, IV, VIII, XVII, XXV, and XXVI of the American Declaration of the Rights and Duties of Man—the hemisphere's own Declaration of Human Rights.

In May, the General Assembly of the Organization of American States accepted that report and adopted a resolution directing Chile to abide by the recommendations of the Commission to halt the violation of human rights.

The need for this amendment is in reality a sad commentary on the state of human affairs in Chile today. Observers from Chile and the reports we have received confirm the use of torture, of arbitrary imprisonment, of physical and psychological mistreatment, of violations of due process and the total absence of equal treatment before the law. These reports do not reflect circumstances 2 years ago alone, or 1 year ago alone, or 6 months ago alone—they reflect conditions today.

The junta's policies and the actions of its secret police—DINA—mock the democratic heritage of the Chilean people—a tradition which the American people have honored and respected in the past, along with other western nations.

Objective international organizations seeking permission from the Chilean junta to investigate the accuracy of these human rights violations recently have been denied access. When they were permitted access, they confirmed the fact of the violations.

In July, the junta denied entrance to the ad hoc working group of the United Nations Commission on Human Rights.

Just a few weeks ago, the Commission, based upon its other investigations and documentation, issued a report condemning in the most direct manner the continued violation of human rights within Chile, and, I might add, adopted a resolution, supported by the U.S. delegate, deploring these violations. The sorry human rights record from Chile confirms that all too little has changed since the coup nearly 2 years ago.

In recent weeks, in addition to its offensive against the religious leaders in Chile who have been the lone public voice standing against the violation of human rights, the junta has increased its repression of the remaining unions and of universities. It went beyond military intervention of the universities to expel six professors at the Catholic University for having voiced private opposition to the military intervenor's decision to prohibit former Christian Democratic President, Eduardo Frei, from appearing at a seminar. It also imprisoned three administrators of the Northern University at Copiapo and expelled 17 of its professors.

Traditional union leaders also continue to suffer repression even after the virtual abolition of effective labor organizations. In July, a dozen copper union leaders were arrested. After several of them reportedly first were tortured, they were banished into internal exile at distant locations.

Political repression continues to be the hallmark of the Chilean military junta. As a nation, the most emphatic way for us to demonstrate our concern for human rights, and compassion with the protection of individual liberties in Chile is through direct government action. For that reason, I introduce once again this amendment to the foreign military aid legislation which will soon come before the Senate.

Just a few days ago, the Senate approved an amendment which I sponsored to the International Trade Development and Assistance Act that placed a 2-year ceiling on the total amount of economic aid which would be made available to the Government of Chile. This amendment is an indication from the Senate that the American people will not tolerate the continuing denial of human rights in Chile. We did not halt all assistance but tried—where possible—to reduce it to a level defensible on development and humanitarian grounds. The administration request had been based substantially, in my view, on political grounds and on a misreading of our long-term interests.

The administration has seemed ready to avert its eyes from the victims of repression in the belief that because the junta turned out a Socialist government, it deserved our support, regardless of its own reprehensible policies. I disagree, and I believe the American people disagree as well.

Mr. President, I ask unanimous consent that several articles and the amendment be printed in the RECORD.

There being no objection, the articles and amendment were ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 19, 1975]

EVIDENCE GROWING ON TORTURE IN CHILE

(By Juan De Onis)

SANTIAGO, CHILE, October 17.—"Pedrito, are you cold"? asked a voice in the concrete cell,

"Yes, very cold" replied Pedro Araya Ortiz, who was stretched out naked on a wet metal table where he had been writhing under repeated electric shocks.

"This will warm you up" said the voice and a burning cigarette was ground into Mr. Araya's skin.

This account of torture under 20 hours of interrogation at the Cerro Moreno Air Force base in Antofagasta was given to lawyers by Mr. Araya, a former Christian Democratic Deputy and labor leader from Chile's northern mining region.

The case of Mr. Araya is one of the hundreds of documented examples of torture of political prisoners in the hands of the five military and police agencies in charge of national security investigations.

These dossiers kept by church groups, such as the inter-Denominational Committee for Peace and Justice, and by lawyers who have filed criminal complaints and writs of habeas corpus in the courts, make the investigation of human rights in Chile a highly sensitive issue for the governing junta.

On July 4, President Augusto Pinochet refused to allow the United Nations Human Rights Commission to send a team to Chile to study the situation and make a report to the General Assembly.

SHARP PROTEST BY UNITED STATES

This decision provoked a sharp protest from the United States State Department to the Chilean Government since the United States had used its influence during a meeting of foreign ministers of the Organization of American States in May to avoid a debate at that time on human rights in Chile.

United States officials said that this was done on the assurance from Chile that the United Nations commission would be allowed to make its study, interviewing people in Chile.

Since the refusal to allow the United Nations investigation here, President Pinochet announced Aug. 20 that the Chilean Government would conduct its own investigation of one of the most serious claims of human rights violations.

This is the charge by family members of 270 persons who have allegedly been arrested, but have subsequently disappeared, with all official security agencies claiming that they know nothing about the whereabouts of these people.

This issue was sharpened in July when two obscure publications in Argentina and Brazil published lists of names, totaling 119 persons, who had allegedly been killed, either as guerrillas fighting against security forces in Argentina or by a death squad" of the extremely left-wing Chilean Revolutionary Left Movement that executed its victims in Argentina, Venezuela, Colombia, Panama, Mexico and France in a "guerrilla vendetta."

All 119 names coincided with names on the list of 270 missing persons whose families swear in affidavits that they were taken prisoner by Chilean security agents after the overthrow of President Salvador Allende Gossens in September, 1973.

CHARGES LAID TO COMMUNISTS

The reaction of spokesmen for the junta, and of the strongly anti-Communist supporters of the junta among Chilean civilians, is that all questions raised about political prisoners and police methods are part of a campaign by exiles and "international Communism" to blacken the image of Chile and the junta.

President Pinochet and the officers who lead the military services perceive not only an international campaign, but also an internal security problem.

Within the last three weeks, security investigators have announced the death in an armed clash with extremists of Dagoberto Perez Vargas, a second in command of the underground M.I.R., and the discovery of an arms cache of Soviet assault rifles in the home of a fugitive Communist.

Replying to the question of why Chile continues under a state of siege, with security trials handled by military courts and with all political parties suspended or abolished and with no elections in unions or universities, President Pinochet said on the second anniversary of the coup:

"Don't you realize that the tranquility we now have is due precisely to the emergency measures we have adopted?"

Many Chileans who have a traumatic recollection of the political turbulence and personal insecurity of the final year of Dr. Allende's Popular Unity Government fully subscribe to this view.

"If we have to wipe out 50,000 troublemakers to secure tranquility for 10 million Chileans to rebuild this country, that's fine with me" said a well-to-do lawyer. His opinion is widely shared by businessmen and farmers.

But the case of Mr. Araya raises different questions than security against extremist subversion. Mr. Araya was from the start of the Popular Unity Government an outspoken opponent of Dr. Allende, and he was beaten up in labor conflicts with Marxist Union groups during the Christian Democratic struggle to keep a free union movement alive.

The arrest of Mr. Araya Sept. 2 on a street in Antofagasta by three armed men in civilian clothes generated strong representations before members of Chile's military junta by national figures of the Christian Democratic party.

On orders from President Pinochet, the Minister of Interior, Gen. Raul Benavides, ordered that Mr. Araya and four other Christian Democrats arrested with him and also tortured be brought to the Tres Alamos detention camp near this capital Sept. 6.

But, Mr. Araya was not released until a week later, apparently because of the seriousness of his injuries. When he was pushed out of a car on an empty street near the National Stadium Sept. 13, he could barely walk because of blows he had received on the soles of his feet.

[From the Washington Post, Oct. 16, 1975]

TWO CHILEAN AIDES GET U.S. RED CARPET

(By Jack Anderson and Les Whitten)

Chile's controversial military dictatorship appears to have an inside track in Washington.

At least two top-level representatives of the junta have paid recent visits to the nation's capital, where the red carpet was rolled out for them. A third delegate is expected to hit town this week.

The most notorious of the Chilean visitors was Col. Manuel Contreras-Sepulveda, head of the infamous National Intelligence Directorate, known as DINA. It is this military organization—a Latin American version of the CIA, FBI and Defense Intelligence Agency all lumped together—which has been directly responsible for the arrests and torture of hundreds of political prisoners over the past two years.

Before coming to Washington, Contreras stopped off in New York. He paid a quiet visit to the United Nations, where officials are preparing a report on violations of human rights in Chile.

Three months ago, a U.N. working group on human rights attempted to visit Santiago for an investigation, but the junta abruptly canceled the invitation. In his talks with U.N. officials, say our sources, Contreras attempted to convince them the U.N. group was barred only because it consisted of Marxists, assorted leftists, and troublemakers.

Contreras then hopped down to Washington, where his goings-and-comings were considered so secret that even the Chilean embassy was kept in the dark.

We have learned, however, that the colonel stopped off at the CIA where, say our sources, a private chat was arranged with the deputy director, Lt. Gen. Vernon Walters.

The State Department, meanwhile, was unofficially asked to suggest a few people Contreras might see. The department cooperated but recommended the colonel visit some members of Congress who are critical of the junta.

On Capitol Hill, Contreras faced his only unfriendly audience. He wandered into the offices of Sen. Frank Church (D-Idaho) but could find no one to talk with. Staffers recall him as a "short, round" man who appeared "blase and somewhat disoriented."

Contreras also visited the House International Organizations Subcommittee, headed by Rep. Donald Fraser (D-Minn.). There he was sternly interrogated by a subcommittee staff member about human rights violations in Chile. The colonel responded with the familiar claim that reports of the killing and torture of political prisoners were a Marxist plot to embarrass the junta.

Another prominent Chilean who passed through Washington, shortly before Contreras, was the junta's press attache, Federico Willoughby. He suffers from a chronic kidney problem and came to the United States primarily for medical tests at Johns Hopkins Hospital in Baltimore.

During his 10-day stay, however, Willoughby visited the CIA, the State Department, and several members of Congress. He managed to see Church, who told our associate Joe Spear that he gave the Chilean a long, stiff lecture on human rights.

On Friday the junta's Minister of Justice, Miguel Schweitzer, is scheduled to arrive in Washington. His main mission, say our sources, will be to lobby in favor of a resumption of U.S. military aid to Chile, which was cut off by Congress last December.

Meanwhile, Sen. Edward Kennedy (D-Mass.) has informed the Senate CIA committee of the Contreras trip and has requested it be investigated. We have learned independently that committee staff members are preparing written requests for information concerning the visit.

Our own inquiries at the CIA about the Walters-Contreras meeting, meanwhile, produced only a curt "No comment."

Footnote: The Chilean visitors are not the only controversial people who have been able to gain access to top U.S. officials. Giorgio Almirante, the Italian neo-Fascist leader, came to Washington in September and met with two officials of the National Security Council.

[From the Washington Star, Oct. 17, 1975]

U.N. SAYS CHILE RUNS TORTURE CENTERS

UNITED NATIONS.—A United Nations report on Chile charges that "torture centers" are being operated in Santiago and other parts of the country.

The 132-page document, issued yesterday, lists 11 centers where it says prisoners are being questioned "by methods amounting to torture."

The report says that such installations are often shifted from place to place to make it difficult to trace them. One of the centers listed is described as a former Socialist party headquarters, and another one as a former discotheque, both in Santiago.

Lists of persons who are reported missing in Chile are attached to the document. And it says that "there is evidence that many (missing) persons are actually detained incommunicado or have been eliminated," the report said.

The documents, termed a progress report, has been submitted to Secretary-General Kurt Waldheim by a five-member working group that for seven months has been investigating "the present situation of human rights in Chile."

The team was set up by the Commission on Human Rights, an arm of the Economic and Social Council.

The working group is headed by Ghulam Ali Alliana of Pakistan. The other members are from Austria, Ecuador, Senegal and Sierra Leone.

The government of Gen Augusto Pinochet originally offered full cooperation to the United Nations group, including complete freedom of movement in Chile.

However, six days before the team's scheduled arrival in Santiago last July, the Chilean Government reversed itself and notified the group that its visit had to be canceled. The members of the team were at that time already in Lima, Peru, where they had intended to hold preliminary consultations.

Chilean officials told the group that its visit had to be put off "until a more auspicious occasion."

The United States has pressed Chile to cooperate with the group and has informed the Pinochet government that unless it does so, Washington would not participate in a proposed general meeting next year of the Organization of American States.

The U.N. report says that its findings are based on the testimony of 83 persons in hearings in Geneva, Caracas, Paris and New York.

It reported that the study found "no serious elements of internal disturbance," yet a state of siege remains in force two years after the military coup against the late Marxist President Salvador Allende.

Figures from church groups and independent welfare agencies in Chile indicate at least 5,000 persons are still being held in detention camps as political prisoners.

The U.N. report said Chile "appears to be spiritually and actually divided" between two groups: those who accept the state of siege because of the "degree of public order which is maintained by the present authorities or the daily economic satisfaction which they can enjoy," and those being subjected to various forms of abuse because of their actual or alleged involvement in the Allende regime.

It contends that those associated with the Allende administration are denied the "enjoyment of normal life" including public and private employment and opportunities for higher education.

The report claims that "chaotic and inhuman brutality" that followed the 1973 coup has been replaced by "more systematic methods" directed against selected individuals.

Named in the report is Chile's Directorate of National Intelligence, which is in overall charge of the country's internal security.

[From the New York Times, Oct. 19, 1975]

U.S. AIDE CHARGES CHILE SOLD U.N. VOTE TO ARABS

(By Paul Hofmann)

UNITED NATIONS, N.Y., October 18.—A high official at the American Mission to the United Nations charged today that Chile had voted for a draft resolution linking Zionism with racism in a committee of the world body last night to buy Arab support against charges that Chilean authorities were responsible for torture and other violations of human rights.

"We are forced to assume that what everybody says at the United Nations is true," the official declared. "Chile sold her vote to the Arabs."

The Chilean mission, informed of the charge, declined immediate comment today.

Dr. Santiago, dossiers kept by church groups and lawyers on the reported torture of political prisoners held by military and police agencies have made the investigation of human rights a sensitive issue for the military Government.

Chile was one of 70 countries that voted for the Arab-inspired text at the end of a tense four-hour meeting of the General Assembly's Social, Humanitarian and Cultural Committee yesterday.

In the rollcall, the United States and 28 other nations opposed the draft that would have the General Assembly declare "that Zionism is a form of racism and racial discrimination." Twenty seven delegations abstained from voting.

United States officials analyzing the outcome of the bitterly fought test expressed disappointment that many Latin American countries "deserted us," as one diplomat put it, by supporting the controversial text, or abstaining from voting.

At the same time, the analysts pointed to the black African countries that did not go along with the Arab group in the issue—either abstaining or voting against the draft.

Daniel P. Moynihan, the chief American delegate at the United Nations, in an interview, expressed gratification that countries that on other occasions "didn't want to be counted" had openly sided with the United States. The 29 delegates who had voted against the anti-Zionist text represented "the decent countries," Mr. Moynihan declared.

He added: "If you had to pick your company in the world, you couldn't pick better."

The nations that voted against the draft resolution included Canada, the nine-member European Economic Community, the Scandinavian group and Austria, Israel, Australia, New Zealand and some African and Latin American countries.

The voting was thoroughly analyzed at the Israeli Mission today. Rephrasing a statement by Israel's permanent representative, Chaim Herzog, in the committee last night, an official expressed gratitude for the delegations that had opposed the anti-Zionist resolution. Referring to its backers he said: "We shall never forget."

CRITICISM FROM HERZOG

Mr. Herzog, in last night's statement also told the majority in the committee that "you have degraded this world organization," and he warned that they might well be destroying it.

Israeli diplomats here said the draft resolution showed the Arab's determination to revive and spread anti-Semitism throughout the world.

An official statement issued in Jerusalem today describe the committee vote yesterday as a sign of the United Nations' "moral decline."

"Diplomats connected with the United Nations expressed concern today that the committee vote might damage American support for the world organization. Officials at the United States mission here would not comment on the possible reactions in Washington.

The American analysts pointed out that yesterday's vote had been marked by a split among black African countries, countries that earlier had tended to act as a bloc and to provide nearly automatic support to Arab initiatives. "The Africans are standing up for their own interests," an official remarked

LATIN STAND ASSAILED

As for the attiude of the Latin American Nations a United States official observed: "The fascists in Chile and some like-minded military regimes are lining up with the anti-Semites.

The source suggested that the Chilean military Government had special reasons for backing the Arab-sponsored anti-Zionist resolution. He recalled that a five-member United Nations working group had submitted a report last week denouncing the existence of torture centers" and many other examples of political repression in Chile.

The report on the human rights situation in Chile is scheduled to be discussed in the committee that adopted the anti-Zionist draft resolution yesterday, and by the General Assembly later. No dates for these debates have been set.

There have been rumors at United Nations headquarters for the last few days that Chile was canvassing delegations for support on the human-rights issue, and had found Arab diplomats responsive.

In a statement submitted to Secretary General Waldheim on Thursday, the Chilean representative, Vice Adm. Ismael Huerta, rejected the human-rights report by the fact-finding team as "inexact and without foundation," and mainly based on hearsay obtained from hostile exiles.

The United Nations human-rights team was barred from visiting Chile, although earlier Chile had promised full cooperation.

Following is a tabulation of the voting last night:

IN FAVOR: 70

Afghanistan, Albania, Algeria, Bahrain, Bangladesh, Brazil, Bulgaria, Burma, Byelorussia, Cameroon, Cambodia, Cape Verde, Chad, Chile, China, Congo, Cuba, Cyprus, Czechoslovakia, Dahomey, East Germany, Egypt, Cabon, Guinea, Guinea-Bissau, Guyana, Hungary, India, Indonesia, Iran, Iraq, Jordan, Kuwait, Laos, Lebanon, Libya, Madagascar, Malaysia, Mali, Malta, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Niger, Nigeria, Oman, Pakistan, Poland, Portugal, Qatar, Saudi Arabia, Senegal, Somalia, Soviet Union, Spain, Sri Lanka, Sudan, Syria, Tanzania, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, Yemen, Southern Yemen and Yugoslavia.

OPPOSED: 29

Australia, Austria, Bahamas, Barbados, Belgium, Canada, Costa Rica, Denmark, Dominican Republic, Ecuador, Finland, France, Haiti, Iceland, Ireland, Israel, Italy, Ivory Coast, Liberia, Luxembourg, the Netherlands, New Zealand, Nicaragua, Norway, Sweden, United Kingdom, United States, Uruguay and West Germany.

ABSTAINING: 27

Botswana, Colombia, Ethiopia, Fiji, Gambia, Ghana, Grenada, Honduras, Jamaica, Japan, Kenya, Lesotho, Mlawi, Nepal, Papua New Guinea, Peru, Philippines, Rumania, Rwanda, Sierra Leone, Singapore, Swaziland, Togo, Upper Volta, Venezuela, Zaire and Zambia.

ABSENT: 16

Argentina, Bhutan, Bolivia, Burundi, Central African Republic, El Salvador, Equatorial Guinea, Greece, Guatemala, Maldives, Panama, Paraguay, Sao Tome e Principe, South Africa, Thailand and Trinidad-Tobago.

[From the New York Times, Oct. 18, 1975]

WHERE IS LUIS ALBERTO GUNDELMAN?

(By Laurence Leamer)

KENSINGTON, MARYLAND.—Luis Alberto Gundelman no longer exists. He was taken prisoner in Chile last September.

When I met Luis in the winter of 1970 on a trip to Chile, I remember thinking that no matter what kind of Government the country might have Luis would get along. Salvador Allende Gossens' socialist Government had just taken over. Much of the middle class was afraid. Luis's parents had left the country. Luis' brother had left the country. He had taken his wife, my sister-in-law, with him. My wife's family had left as well.

But Luis wasn't worried. He was a big, bearded fellow with an exuberant manner. He figured that politics would take care of itself and he would take care of himself. He would go on studying and enjoying life. And so he did.

When the generals overthrew Dr. Allende in September, 1973, Luis continued living much as before.

One morning last September two men came to Luis's apartment. They identified themselves as policemen. They took Luis away. Luis's friends and relatives went to the police. They aked what Luis was being charged with. But the police said that they had no knowledge of any Luis Alberto Gundelman.

Luis's mother returned to Chile. She knew people high up in the regime. She hired one of the best lawyers in Santiago. She used every contact she had. But the Government said they had no knowledge of any Luis Alberto Gundelman.

Luis's brother asked me to help. I telephoned the Chilean Ambassador, Walter Heitmann, and listened politely as he lectured me; "It's you journalists who are causing all the trouble. It's all lies, lies, these stories of torture and false arrest. Lies . . . we'll find out if this story is true, if this

. . . this Gundelman . . . why that's not even a Chilean name!"

Weeks later I received a message from the embassy saying that the Government had no knowledge of any Luis Alberto Gundelman.

I got in touch with Senator J. W. Fulbright, and the Senator's office wrote Secretary of State Kissinger. Several weeks later I received a copy of a letter to Mr. Fulbright saying that the United States Embassy had learned informally that Luis was detained in the Tres Alamos prison in Santiago. He was said to be in good health. A copy of the letter was mailed to Chile. Luis's mother showed it to various officials but they said that the letter was a forgery.

My brother-in-law had begun to get desperate. He had no idea where to turn. He spent his evenings sending scores of letters to Congressmen, international organizations, educators, industrialists, anyone. Then early this year he contacted two political prisoners who had just been flown out of Chile. They said that they had been in a cell near Luis's. They said that he had a tumor on his leg. They said that his health was failing.

In April a new Chilean Ambassador arrived in Washington, Manuel Trucco. I telephoned him and he invited me to see him that afternoon. He said he would call Chile and get this straightend out right away. Ambassador Trucco is a very charming man. He is trying to improve Chile's image in Washington. He put through the call to Chile, dramatically reading Luis's name. The Ambassador said not to worry. He would have an answer within a week.

One week went by. Two weeks. Three weeks. Finally, I got through to the Ambassador. He said that a curious thing had happened. He had received two answers. One part of the Government said that Luis was in detention. Another part said that they had no knowledge of any Luis Alberto Gundelman. From this I assumed that Luis was being held by the hated Agency of National Intelligence, in effect a gestapo.

Ambassador Trucco said that all the information had been forwarded to Miguel Schweitzer, the new Minister of Justice, and that he would look into the case now. Luis's mother went to see Mr. Schweitzer. He asked her for the names of the two former prisoners who had seen Luis. When she did not give him the names, he said that he could not help.

By now no one had seen Luis alive for several months. Luis's mother and his relatives began to fear that he had been tortured until he died, or had been executed. Then last month an item appeared in the Chilean newspapers. The bodies of Luis Alberto Gundelman and Jaime Robotham Bravos had been found in a charred car near Pilar, Argentina, outside Buenos Aires. They bore a sign "Executed by MIR," the underground revolutionary organization in Chile.

Luis's mother flew to Buenos Aires. She went to see the body. She saw that it was not her son. Luis had scars on his left hip from a childhood operation. He had far more fillings in his teeth. And the identification card had his name misspelled.

Luis's mother flew back to Chile. She went to see the Minister of Justice. Even he doubted the evidence.

Luis's relatives were filled with horror. They knew what lengths the Government had gone to in staging all this. They knew that the Chileans must have had support outside the country to create such an elaborate ruse. They were afraid for Luis's mother and for her life.

Finally, Luis's mother decided to leave. Not because she was afraid for herself. But because she too now feared that Luis Alberto Gundelman, her son, no longer existed.

O.A.S. AGREES THAT CHILE USES TORTURE

The Organization of American States has criticized the military Government of Chile for brutality against political prisoners and for other violations of human rights. The charges have been made before by humanitarian organizations, but the 24-nation O.A.S. has never before so forcefully criticized a member-state for political terrorism.

Numerous examples of political prisoners being beaten, tortured and sexually abused, were documented in the 175-page report prepared by five investigators from the Organization's Inter-American Commission on Human Rights after a 12-day tour of the country last summer.

The task force included one representative each from Argentina, Brazil, Chile, the United States and Uruguay. It was granted access to most of the prisons in which political foes of the military rulers were being held but denied access to several prisons most notorious for brutality. That the Chilean Government gave access to the task force was not unusual. That country has traditionally maintained a posture of openness toward its Latin American neighbors.

The Chilean Government has not denied specific allegations, but charged the report contains "important and grave deficiencies." A fuller response is expected, and the entire matter will be aired when the Organization meets in General Assembly next spring.

ARGENTINA, TOO

The government of Argentina, which was represented in the task force that chastised Chile, has itself been accused of political brutality. Olga Talamente, an American, has charged that she was held by the Argentine police for four weeks and subjected to beatings and electric shock. According to police, she was arrested on Nov. 11 with 12 Argentines in a house that contained firearms and "other subversive material." A state of siege exists in Argentina, where political assassinations have occurred at the rate of nearly one a day since Isabel Martinez Perón became President after the death of her husband, Juan, last July.

AMENDMENT NO. 1061

At the end of the bill add the following new section:

PROHIBITION AGAINST MILITARY ASSISTANCE AND SALES TO CHILE

SEC. 19. (a) No military or security supporting assistance may be furnished under the Foreign Assistance Act of 1961; no sale of defense articles or services may be made, no credits (including participations in credits) may be extended, and no loan may be guaranteed, under the Foreign Military Sales Act; and no license issued under section 414 of the Mutual Security Act of 1954 for the export of any arms, ammunition, or implements of war (including technical data relating thereto) may be effective, with respect to Chile.

(b) No deliveries of any such assistance, any such defense articles or services, or any such arms, ammunition, or implements of war (including technical data relating thereto) may be made to Chile on and after the date of enactment of this section.

HANDGUN CRIME CONTROL ACT— S. 1880

AMENDMENT NO. 1062

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. ROBERT C. BYRD. Mr. President, I submit an amendment for Mr. BAYH, intended to be proposed by him to the bill (S. 1880) to amend the Gun Control Act of 1968 and the Controlled Substances Act and other laws to strengthen existing law enforcement authority to curb violent crime.

I ask unanimous consent that a statement by Senator BAYH and the amendment be printed in the RECORD.

There being no objection, the statement and amendment were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BAYH

For more than a decade the Subcommittee to Investigate Juvenile Delinquency which I chair, has conducted extensive investigations on a broad range of proposed firearms legislation.

These earlier efforts, from 1963–1968, established that the availability of foreign made, easily concealable, often inexpensive handguns, with no legitimate sporting purposes, constituted a serious threat to law enforcement, to the public safety and welfare, and to the integrity of state firearms control laws. That Act which was written and developed by the Subcommittee banned their importation.

It soon became apparent, however, that Congressional intent was effectively circumvented by enterprising firms in the United States that flooded the market with the very crime guns whose availability Congress had intended to curtail by the 1968 ban on non-sporting imports. As a consequence the Subcommittee's 1968 findings regarding the availability of these crime guns are unfortunately still valid today.

In 1972 the Senate, by a vote of 68–25, passed my bill to apply to all commercial handgun sales the criteria applied only to imported handguns. Unfortunately, the House failed to act on this measure.

This approach, now Title II of my Violent Crime and Repeat Offender Control Act of 1975, S. 1880, targets crime guns. Such a weapon was used to kill Robert Kennedy, to gun down Governor Wallace and was reportedly fired at President Ford in San Francisco.

Our extensive study has clearly documented that these lethal weapons, whose only purpose is to kill, are the favorites of murderers, armed robbers and gun-wielding assailants who terrorize our communities. It is this concealability that is uniquely appealing. The former director of the Bureau of Alcohol, Tobacco and Firearms (ATF) put it quite succinctly when he told the Subcommittee:

"What (criminals) want are small, compact, light weapons. They want weapons with no handgrip or sights to catch in a pocket. Concealability is the prime requisite."

Let there be no mistake about it; we are talking about tens of thousands of murders and hundreds of thousands of assaults and robberies.

Ten years ago 43 percent of all homicides were by handguns. Today, nearly 7 in 10 involves a handgun!

In the same decade more than 50 police officers were murdered by assailants with handguns; last year alone 10,000 of our citizens were murdered with handguns!

My approach does not focus on the millions of law-abiding citizens who own firearms, significantly less than 1 percent of which are used in crime, but only on those small belly guns with no sporting purposes. Some critics claim that this approach is meaningless and only an illusion. The facts are to the contrary. According to Treasury officials, substantially more than 75 percent of the handguns used in crime would be prohibited under this approach!

Since April of this year we have been holding a series of hearings designed to explore current and suggested additional initiatives to more effectively curb the senseless slaughter of innocent human beings and the ever-escalating number of armed assaults and robberies involving handguns. Over the past 8 months we have heard testimony from numerous witnesses including Attorney General Levi and Assistant Secretary of the Treasury David Macdonald.

Nonsporting, easily concealable handguns are of no use to the American sports shooter or target shooter, but are found in an overwhelming number of gun-related crimes. It is time we put an end to this American tragedy.

Last June, when I introduced the Handgun Crime Control Act (Title II of S. 1880) I expressed support for the establishment of a mandatory waiting period for all handgun sales in order to give Federal, State, and local officials workable law enforcement tools to help insure that felons and other persons currently prohibited by law from possessing or purchasing handguns would not be able to obtain handguns.

Such a procedure, which was, in part, the focus of our April hearing is aimed at preventing felons, the insane, and other prohibited purchasers, and not sportspeople and otherwise law-abiding persons, from purchasing handguns.

Presently, the law does not provide a procedure to check whether a prospective purchaser is a prohibited one. All a felon must do to obtain a handgun, if age 21 and a resident of the State in which the purchase is made, is sign an affidavit disclaiming a criminal record. Treasury studies have revealed that approximately 3 percent of all such sales are made to felons. The proportion of felons purchasing from unsuspecting private sellers is estimated to be significantly higher.

I am likewise concerned about the growing pattern of illicit interstate traffic in firearms or "gun-running" in violation of Federal law. Treasury Department studies presented to the Subcommittee in April clearly demonstrated the serious impact that such criminal activity has had in major, particularly northern cities. The Bureau of Alcohol, Tobacco and Firearms conducted a study to determine, among other things, the source of handguns used in street crimes. The agents found that of 2,546 traceable weapons seized in New York City, 77 percent were traced out of the State of New York. In fact, one southern State supplied five times as many of the handguns seized in New York City as did the State of New York. In Detroit, 92 percent of the traceable handguns were from sources out of the State of Michigan. Of course, the interstate traffic in handguns between unlicensed persons is illegal under existing Federal law.

This ever-increasing illegal traffic is sustained, in part, by multiple purchases of handguns. Such sales are currently unlimited. The abuses are legion. For example, we heard testimony about a case in which an individual purchased, legally, 136 handguns in seven months, and then sold them out of the trunk of his car in a major urban area.

My "Handgun Crime Control Act" addresses most of the problems involving handgun violence. In addition to the ban on the crime guns, it provides increased penalties for those convicted of using guns in crimes; it prohibits the modification of handguns so as to circumvent the ban; it requires that lost or stolen handguns be reported; it provides increased penalties for "gun-runners"; and it requires that cases involving the use of handguns be handled expeditiously by the courts.

Today, however, I am introducing additional provisions which will significantly strengthen this measure. I am particularly appreciative that the Department of Justice so generously responded to my request for assistance in drafting these amendments.

The amendments provide the following law enforcement tools:

a. *Waiting Period*. To help assure that individuals and dealers are not unsuspectingly selling handguns to felons and other prohibited persons, my amendment requires that the actual receipt of a handgun be delayed for a period of not more than eighteen days during which time Federal and local authorities will conduct a crime records check.

b. *Multiple Handgun Purchases*. In order to prohibit high volume illegal handgun traffic my amendment would not permit the purchase of more than one handgun each year except for extraordinary circumstances, such as those involving the loss, theft or permanent malfunction of a handgun.

c. *Sale to Felons*. Under current law it is not illegal for a private person to sell handguns to felons and other prohibited persons. To plug this gaping loophole my amendment prohibits such intentional sales.

d. *"Go-Between"*. The intermediate purchaser is frequently a vital link in the chain of illicit handgun traffic. Without strong evidence of conspiracy such persons currently are not successfully prosecuted. My amendment cures this defect by making such specific conduct a violation of the 1968 Act.

Anyone familiar with the problem of handgun crime readily recognizes the incredible complexities involved in these issues and should also recognize that we cannot hope to solve them through the imposition of simplistic solutions. My Handgun Crime Control Act as reinforced by the amendments I introduce today, is not aimed at the legitimate sports shooter or sporting handgun, but is tough on the kinds of firearms used as instruments of terror and those people who would use them in that manner.

It is not everything some would want. For example, it does not incorporate costly and unworkable licensing and registration provisions imposed by measures such as S. 1447; it does not require national confiscation as in S. 750; or regional confiscation as in S. 2153. It is far more than others are prepared to accept, for example, S. 141 which would repeal all existing control or S. 2186 offered by the President. These I have consistently rejected, as have overwhelming majorities of our colleagues.

We cannot fulfill the obligation of our office by unnecessarily raising public expectations and then dashing them again. I believe, however, that my approach represents a workable measure which can pass the Congress, can become law, will save lives and reduce crime. I urge my colleagues to join me in this effort.

Amendment No. 1062

On page 2, after line 15, insert the following new clauses:

(7) the absence of effective law enforcement investigation to determine whether a handgun purchaser has a prior criminal record contributes to the easy availability of handguns for criminal purposes; and

(8) that the imposition of a short waiting period prior to the purchase of a handgun would not unduly inconvenience a law-abiding citizen and would give law enforcement agencies adequate time to determine whether a prospective purchaser has a prior criminal record.

On page 2, line 12 following the semicolon strike "and".

On page 2, line 15 strike "." and insert ";".

On page 11, line 21 strike " " ".

On page 11, after line 21, insert the following new subsections:

"(r) It shall be unlawful for a licensed importer, licensed manufacturer, or licensed dealer to sell or transfer a handgun to a person, other than a licensed importer, licensed manufacturer, or licensed dealer, unless the transferee appears in person at the place of business of the licensed importer, licensed manufacturer, or licensed dealer and:

"(1) the licensed dealer receives from the transferee a sworn statement in a form to be determined by the Secretary and stating the name, place of residence, birth date, and birth place of the transferee as well as the jurisdiction (local), other than the transferee's residence, where the transferee intends to maintain the handgun. The statement shall indicate whether the transferee is entitled to receive and maintain the handgun under applicable Federal law, state law, and published ordinance applicable in the locale where the residence is maintained or where the handgun will be maintained;

"(2) the licensed dealer receives from the transferee a statement indicating the name and address of the chief law enforcement officer for the jurisdiction of the transferee's residence and the jurisdiction where the handgun is to be maintained;

"(3) the licensed dealer receives from the transferee a true copy of any permit or license required by any state law or published ordinance applicable in the jurisdiction of the transferee's residence or in the jurisdiction where the handgun will be maintained, as well as a sworn statement containing any information required by a state law or published ordinance applicable to the transferee;

"(4) the licensed dealer receives from the transferee identification sufficient to establish, under rules and regulations of the Secretary, reasonable grounds to believe that the transferee is the person claimed to be, and that the residence is at the address stated in the transferee's sworn statement;

"(5) the licensed dealer has, prior to delivery of the handgun, forwarded by registered or certified mail (return receipt requested):

"(A) to the chief law enforcement officer of the jurisdiction of residence of the transferee and to the chief law enforcement officer of any other jurisdiction where the transferee indicates in the sworn statement that the handgun will be kept:

"(i) a copy of the sworn statement, in a form prescribed by the Secretary; and

"(ii) a request that the officers verify the identity and state and local record of the transferee, to determine whether the ownership or possession of the handgun would be a violation of a Federal or state law or any published ordinance of the jurisdiction of the transferee's residence or the jurisdiction where the handgun will be kept; and

"(B) to the Federal Bureau of Investigation:

"(i) a copy of the sworn statement in a form prescribed by the Secretary; and

"(ii) a request that the Federal Bureau of Investigation check the records of the Identification Division to determine whether those records indicate that the transferee is barred from owning or possessing a handgun under subsection (h) of this section.

"The Federal Bureau of Investigation shall submit to the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury, within five working days of the date of receipt of the request under this subsection, the results of the record check. If the transferee is ineligible under Federal or state law or local ordinance the Bureau of Alcohol, Tobacco and Firearms shall, within five working days, notify the licensed dealer and the proper chief law enforcement officer(s) of such ineligibility.

"(6) the licensed dealer has received return receipts indicating that the copies of the statements were received or has had the statements returned as a result of the refusal of the addressee to accept the mailing;

"(7) the licensed dealer has either:

"(A) received reports from all law enforcement officers named in the statement as well as the Federal Bureau of Investigation stating that the records of the Federal Bureau of Investigation and of the law enforcement officers do not indicate that the transferee is prohibited from owning or possessing a handgun; or

"(B) waited eighteen days (excluding Saturdays, Sundays and legal holidays) from the time that the licensed dealer forwarded all materials required to be submitted to law enforcement officers and has received all information required from the transferee.

The provisions of this subsection shall not apply to the loan or rental of a firearm to any person for temporary use for lawful sporting purposes.

"(s) (1) It shall be unlawful for a person other than a licensed importer, licensed manufacturer, or licensed dealer to purchase or receive a handgun from another person, other than a licensed importer, licensed manufacturer, or licensed dealer if the transferee willfully fails to obtain a criminal record form pursuant to the following procedures:

"(A) the transferee appears in person at the business premises of a licensed dealer in order to provide the sworn statement and suitable identification as would be required under subsection (r) if the licensed importer, licensed manufacturer, or licensed dealer were the transferor;

"(B) the licensed dealer has taken the steps provided in subsection (r) to assure that the sale by the transferor is in accord with Federal, state and local law;

"(C) the transferee has paid the licensed dealer a fee, not to exceed $10, prescribed by the Secretary for the action taken by the licensed dealer;

"(D) the transferee has received, by mail or in person, two criminal record forms from the licensed dealer, as prescribed by the Secretary, indicating that the licensed dealer has not received information within the period prescribed in subsection (r) to indicate that the transferee is prohibited from owning or possessing or purchasing a handgun under Federal, state or local law;

"(E) the transferee has presented one criminal record form prescribed in subparagraph (D) to the transferor prior to transfer of the handgun; and

"(F) the transferee has retained the other criminal record form as verification of compliance with this subsection. The provisions of this subsection shall not apply to the loan or rental of a handgun for temporary use for lawful sporting purposes; or the sale, delivery, purchase or receipt between immediate family members.

"(2) It shall be unlawful for a person, other than a licensed importer, licensed manufacturer, or licensed dealer, to sell or transfer a handgun to another person, other than a licensed importer, licensed manufacturer, or licensed dealer if the transferor willfully fails to require that:

"(A) the transferee first presents a signed certificate from a licensed dealer, pursuant to the provisions of subsection (1) (E) of this subsection, to the transferor, stating that the transferee is not prohibited from owning, possessing or purchasing a handgun under Federal, state, or local law.

"(t) the Federal Bureau of Investigation, and the Bureau of Alcohol, Tobacco and Firearms shall not retain the record of any name or address if such record was obtained solely pursuant to requests provided for in subsections (r) and (s), unless the crime check revealed that the transferee's sworn statement was perjurious or false.

"(u) (1) it shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer or licensed collector to sell or transfer two or more handguns to the same person, other than another licensed importer, licensed manufacturer, licensed dealer or licensed collector, in the same calendar years, unless the transferee has obtained prior approval of the purchase from the Secretary. The Secretary shall issue regulations providing for an exception, in such situations as the theft, loss or permanent malfunction of a handgun.

"(2) it shall be unlawful for any person, other than a licensed importer, licensed manufacturer, licensed dealer or licensed collector to purchase or receive two or more handguns in the same calendar year unless the person has obtained prior approval of the purchase from the Secretary. The Secretary shall issue regulations providing for an exception in such situations as the theft, loss or permanent malfunction of a handgun, or the receipt of a handgun from a member of the transferee's immediate family.

"(v) it shall be unlawful for any person, other than a licensed importer, licensed manufacturer, or licensed dealer, who purchases or receives a handgun with the purpose of selling or transferring that handgun to another person to sell or transfer that handgun to another person unless it is known, or there is reasonable cause to believe, that transfer or possession of the handgun would be in accordance with Federal law and with state law and any published ordinance applicable at the place of sale, delivery or other disposition.

"(w) it shall be unlawful for any person to sell or transfer any firearm or ammunition to any person who the transferor knows or has reasonable cause to believe is prohibited from shipping, transporting or receiving a firearm or ammunition under subsections (g) or (h) of this section."

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Samuel K. Skinner, of Illinois, to be U.S. attorney for the northern district of Illinois for the term of 4 years, vice James R. Thompson, resigned.

Arthur J. Wilson, Jr., of Illinois, to be U.S. marshal for the eastern district of Illinois for the term of 4 years, vice Harlan R. Hosch, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, November 17, 1975, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, November 18, 1975, at 10:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations:

Gerald B. Tjoflat, of Florida, to be U.S. circuit judge for the fifth circuit, vice Bryan Simpson, retired.

John F. Grady, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Edwin A. Robson, retired.

Any persons desiring to offer testimony in regard to these nominations shall, not later than 24 hours prior to such hearing, file in writing, with the committee a request to be heard and a statement of their prepared testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. McClellan), the Senator from Nebraska (Mr. Hruska), and myself as chairman.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, I wish to announce that the Committee on the Judiciary has scheduled a hearing for Tuesday, November 11, 1975, at 2 p.m., in room 2228 Dirksen Senate Office Building, on the following joint resolutions:

Senate Joint Resolution 29. Proposing an amendment to the Constitution of the United States to guarantee the human rights of pupils attending public schools.

Senate Joint Resolution 40. Proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color.

Senate Joint Resolution 60. Proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

Senate Joint Resolution 137. Proposing an amendment to the Constitution of the United States to insure the right of students to attend their neighborhood public schools.

NOTICE OF HEARING

Mr. METCALF. Mr. President, for the benefit of Senators and other interested parties, I wish to announce that the Subcommittee on Minerals, Materials and Fuels has scheduled a hearing on S. 30, a bill to amend the Mineral Leasing Act of February 25, 1920, as amended, for Friday, November 14, at 10 a.m. in room 3110, Dirksen Senate Office Building.

We have asked the Secretary of Interior or his representative to testify at the hearing.

If anyone has any questions regarding the hearing, they may call D. Michael Harvey, deputy chief counsel of the committee, at 224-1076.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

November 11: House-Senate conference, 3:30 p.m., room S-207, Capitol—H.R. 3474, the Energy Research and Development Administration authorization, 1976.

November 12: Full committee, 10 a.m., room 3110—Business meeting. Pending calendar business.

November 13: Parks and Recreation Subcommittee, 10 a.m., room 3110—Hearing, S. 867, Fire Island Amendments; S. 2158, Vicksburg authorization increase; S. 1689, to amend Pennsylvania Avenue Development Corporation Act of 1972; and S. 1847, to authorize 101st Airborne Division Association to erect memorial in District of Columbia.

November 17: Environment and Land Resources Subcommittee, 10 a.m.—room 3110—Hearing, S. 2125, issuance of permits on public domain forest lands for outdoor recreation.

November 17: Energy Research and Water Resources Subcommittee, 9:30 a.m.—room 2228—Hearing, Investigation of ERDA contract to Bechtel Corp.

November 18: Full committee, 10 a.m.—room 3110—Hearing, Alaska D-2 lands proposals, S. 1687 and S. 1688.

November 19: Full committee, 10

a.m.—room 3110—Business Meeting Pending calendar business.

November 20: Full committee, 10 a.m.—room 3110—Hearing, Alaska D-2 lands proposals, S. 1687 and S. 1688.

November 21. Energy Research and Water Resources Subcommittee, 10 a.m.—room 2228—Hearing, Investigation of ERDA contract to Bechtel Corp.

December 1: Energy Research and Water Resources Subcommittee, 10 a.m.—room 3110—Hearing, Investigation of ERDA contract to Bechtel Corp.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Public Welfare has scheduled a hearing on the nominations of Peter D. Walther, of Pennsylvania, to be a Member of the National Labor Relations Board, and John Stiles Irving, Jr., of Maryland, to be General Counsel of the National Labor Relations Board, on Thursday, Nov. 13, 1975 at 9:30 a.m. in room 4232, Dirksen Senate Office Building. Persons interested in giving testimony or submitting statements should contact Donald Elisburg, General Counsel, Committee on Labor and Public Welfare, room 4233, Ex. 4-7665.

ANNOUNCEMENT OF HEARINGS

Mr. CHURCH. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of public hearings before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The hearings are scheduled for November 17, at 9:30 a.m., room 2228 Dirksen, November 21, beginning at 10 a.m., room 2228 Dirksen, and December 1, at 10 a.m. in room 3110 Dirksen Senate Office Building.

The hearings have been scheduled in order to receive information regarding a research contract issued by the former Office of Coal Research to Bechtel, Inc., raising a possible conflict of interest.

Witnesses who have been or will be invited to testify include officials of the Department of the Interior, the Energy Research and Development Administration, the National Science Foundation and officials of Bechtel.

For further information, you may wish to contact Mr. Ben Yamagata, of the subcommittee staff, on extension 49894. Those wishing to submit a written statement for the hearing record should write to the Energy Research and Water Resources Subcommittee, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.

NOTICE OF ADDITIONAL HEARINGS ON S. 1532—AMENDMENTS TO THE PACKERS AND STOCKYARDS ACT

Mr. HUDDLESTON. Mr. President, I wish to advise all interested persons that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry will hold an additional hearing on November 17 on S. 1532. This hearing will focus specifically on amendments being introduced by Senator CLARK, the chief sponsor of S. 1532.

The hearing will begin at 9:00 a.m. in 324 Russell Building. Oral testimony will be limited to 10 minutes. Anyone wishing to testify should contact the Chief Clerk of the Committee on Agriculture and Forestry at 224-2035.

RESCHEDULING OF HEARINGS ON ECKERD NOMINATION

Mr. RIBICOFF. Mr. President, I wish to announce that the hearings scheduled for tomorrow, November 11, on the nomination of Jack Eckerd to be Administrator of the General Services Administration are canceled. The hearings have been rescheduled for Thursday, November 13 at 10 a.m. in room 3302, Dirksen Building. The committee will hear from Claude Kirk, of Florida.

ADDITIONAL STATEMENTS

ZIONISM

Mr. McGEE. Mr. President, this week the 30th General Assembly of the United Nations is expected to take up consideration of a resolution condemning Zionism as being racist in origin.

Those of us who have maintained our strong support for the United Nations, during some very adverse times, were shocked when the Social, Humanitarian, and Cultural Committee of the U.N. voted on October 17 in support of a resolution condemning Zionism.

Having failed last summer in their drive to oust Israel from the U.N. General Assembly this fall, the Arab States have nevertheless launched an attack on a new front—that of challenging the legitimacy of Israel herself—a creature of the United Nations.

Those of us who have voiced our concern that the executive branch may not be as responsive as it should be to Third World issues, and the fact that the United Nations is not given a higher priority in our foreign policy considerations, now find ourselves stymied in our ability to affect these policy considerations due to anti-Israeli actions taken within the U.N.

The anti-Israeli sentiment within the United Nations system has already taken its toll on U.S. contributions to U.N. programs. In March of this year, the Congress slashed nearly $30 million from the administration's request for the U.N. voluntary programs—the biggest cut coming in the United Nations Development Program. Earlier, our contribution to UNESCO was stopped; more recently, U.N. supporters within the Congress lost our battle to save funds for the International Labor Organization. Just last week, the Senate eliminated fiscal year 1977 authorizations for the U.N. voluntary programs pending developments at the United Nations on the issue of Israel. We were fortunate to avoid a proposed cutback of $43.7 million from the fiscal 1976 authorization for these programs. However, we still have the appropriations process to go through, and if the anti-Zionist resolution passes the General Assembly, we will most probably lose these funds.

Passage of the anti-Zionist resolution by the 30th General Assembly would also effectively end the negotiations with the Group of 77 on international economic issues—negotiations strongly supported by key members of the Congress who played an instrumental role in fashioning the proposals submitted by our Government at the Seventh Special Session. This would, indeed, be a tragic departure from the momentum built up within our Government to respond in a positive and much-needed manner to the legitimate needs and concerns of the Group of 77.

I have never seen the anti-U.N. sentiment within the Congress so strong in my 17 years as a U.S. Senator. It is ironical that anti-Israeli actions within the United Nations only serve to strengthen the hand of those elements in the Congress and this country who want to get the United States out of the U.N. and the U.N. out of the United States.

Thus, the United Nations stands at the crossroads as we play out what could be the tragedy of mankind. I would only hope that the Third World countries could rise above what personal grievances they might have about our conduct at the United Nations, and to assist us in rejecting the anti-Zionist resolution. I urge that these nations not turn their back on the United Nations.

S. 2608—GEOTHERMAL ENERGY

Mr. McCLURE. Mr. President, I would like the RECORD to show that I cosponsor S. 2608, a bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to the exhaustion of geothermal steam and geothermal resources.

This bill is designed to provide the investment incentives necessary to develop our geothermal energy resources. The utilization of our geothermal resources can be instrumental in averting future energy shortages, if development is undertaken in the immediate future. Geothermal energy production has been throughly researched by the Federal Interagency Panel for Geothermal Energy Research and ERDA, and their reports reveal that up to 20,000 megawatts of electrical generating capacity can be achieved by 1985. This capacity is equal to almost 300 million barrels per year of low sulfur crude oil.

However, the 1985 goal of 20,000 megawatts of geothermally generated electric power will not be realized unless incentives are enacted by this Congress. Although geothermal energy is currently available for commercial development, and the technological problems associated with the development of geothermal sites are insignificant compared to synthetic fuel development, there are still tremendous financial costs that the industry must overcome in order to make geothermal energy available on a wide scale.

The high cost of drilling for geothermal deposits in hard rocks, accompanied by high temperatures and corrosive fluids, and the subsequent necessity for drilling replacement wells at each development site to maintain a constant stream of energy, hinders the promotion of geothermal power. The chief barrier is the lack of sufficient incentives for the investment of capital.

This bill, S. 2608, would address this problem and offer the investment incentives required to attract adequate capital. This would be achieved by granting a deduction from taxable income of 25 percent of the gross income from the property and allowing the current deduction of exploring expenses as well as intangible drilling and development costs.

I believe that the passage of this bill would greatly benefit our Nation's best interests. Geothermal power will help us decrease our dependency on foreign oil by supplementing our dwindling domestic sources of energy. In my own State of Idaho, the production of geothermal energy offers particularly worthwhile opportunities. The test results to date in the Raft River area are extremely encouraging. Representing a State which is an historical user of geothermal energy, I am especially pleased to cosponsor this proposal.

FLOOD INSURANCE—IS IT LAND USE?

Mr. McINTYRE. Mr. President, on June 23 of this year the Senate Banking, Housing and Urban Affairs Committee Subcommittee on Housing held oversight hearings on the Federal flood insurance program. This hearing took place during floor debate on the disputed New Hampshire Senate seat. Due to the abbreviated nature of the hearings I asked the Acting Administrator, Robert Hunter, to submit written responses to my questions.

A response to my June 30 request was not forthcoming until September 17. This part of the hearing record was not printed in the usual manner. In order for my colleagues to have the full benefit of Mr. Hunter's statement, I want to share the exchange with my colleagues.

I wish to call particular attention to Mr. Hunter's argument justifying denial of flood insurance to existing homes in flood-prone areas should the community fail to adopt the Federal land use requirements.

Mr. Hunter ignores the fact that existing dwellings are subject to no additional requirements when they become eligible for subsidized insurance and that the program would be self-enforcing through the compliance certification on an individual's policy. By denying these individuals flood insurance we are going against the ultimate goals of the program—insurance protection from flood loss.

We are establishing a highly dangerous precedent. An individual is not only held hostage by the Federal Government for the actions of his community by the withholding of Federal aid but is penalized by the denial of conventional mortgage money on his existing dwelling thereby rendering the property virtually unsaleable.

The historic Federal, State, and local relationships which Mr. Hunter praises are right now being circumvented by the long arm of the Flood Insurance Administration reaching through the local banker and forcing mandatory land use requirements.

I ask unanimous consent that the exchange of letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 30, 1975.

Mr. J. ROBERT HUNTER,
Acting Administrator, Federal Flood Insurance Program, Department of Housing and Urban Development, Washington, D.C.

DEAR MR. HUNTER: As a follow-up to the Flood Insurance hearings held on June 23, 1975, I ask that you respond to the following questions in writing in order that we may complete the hearing record:

1. Mr. Hunter, in your testimony you identified the major goal of the Flood Insurance Program and I quote: "to replace flood related disaster relief funded by all of the taxpayers with flood disaster insurance purchased by those most in need of its benefits."

If individuals willing to comply with HUD standards on their own property, are allowed to purchase insurance, wouldn't we be in the position of increasing participation, while still maintaining incentives for communities and without increasing the commitment of Federal tax dollars for disasters? I might add that Federal aid is disbursed on a case-by-case basis and since the flood insurance policies contain standard clauses against false statements, it can be anticipated that the program would be self-enforcing.

2. If, as you stated in your testimony, the flood plain management measures do not affect existing buildings, why then should we insist on denying individuals insurance and the ability to sell their homes if these controls aimed at future development are not enacted by the community?

3. Mr. Hunter, in your statement, you raise the question of constitutionality. You seem to have no problem with the constitutionality of rendering an individual's home virtually unsellable due to community action beyond his control under the present program. If you accept that premise, why are you questioning the constitutionality of requiring flood proofing of individual's homes as a prerequisite for the purchase of flood insurance?

4. Mr. Hunter, you oppose the Eagleton-McIntyre bill but what do you propose to do for those individuals who want to buy flood insurance and are willing to comply with standards but can't convince their communities to go along with it?

5. Mr. Hunter, you continue to say in your public statements, as do others who support the present program, that adoption of the Eagleton-McIntyre bill would return us to the old disaster aid giveaway program. Senator Eagleton challenges this and so do I and I would like to have your reasoning for such a statement, considering that the Eagleton-McIntyre bill retains the prohibition against any Federal construction aid to a community or individual that does not buy Flood Insurance and comply with HUD land use standards. The bill also would continue to deny any flood disaster assistance except emergency assistance already authorized under the Act. Now, for the record, on what basis do you still contend that these proposed amendments would return us to a giveaway of Federal tax dollars?

6(a) Mr. Hunter, is real estate as opposed to buildings and furnishings insurable under the Federal program?

(b) If an individual suffers substantial damage to his property as a result of a flood, and because of HUD land use standards is required to move to another location, does the insurance company pay that individual for full value of the property left behind or only for the house and furnishings?

(c) What about the land? The individual has to go out and buy a new site for his home and the property he leaves behind is restricted to park and recreational uses. So he can't sell it for much.

(d) What if the house is damaged only to the extent of 60% of its market value? Assume the man can't feasibly elevate the structure so he has to rebuild at some higher elevation. Am I correct in assuming the insurance company will pay him only for 60% damage and the man will be deprived of the value of that remaining 40%, and of the land on which it sits?

(e) With all this, why do you think flood insurance is such a good deal?

7(a) Mr. Hunter, you continually assert that the goal of the flood insurance program is prudent flood plain management. Isn't it a fact, however, that under department regulations a building in a flood-prone area can be improved or expanded up to 50% of its market value without any restrictions?

(b) Are there any limits on how many times a building can be improved or expanded other than the 50% test?

8. Mr. Hunter, if the sanctions of this program are applied against an individual homeowner or businessman, what would you estimate would happen to the market value of his home or business? Let's say it was appraised at $40,000 on June 30, 1975 and the man can't convince his city council or his county to adopt the HUD land use standards so he isn't able to buy insurance. What do you suppose he could sell that house for after July 1, 1975? As a practical matter, isn't that a taking of property without compensation?

9. Using the same example, let us suppose the man doesn't actually try to dispose of his house but continues to live there. Would he be liable to property taxes at the same old rate as applied before July 1? Wouldn't the fact that the market value of the structure declined be a basis for reducing his taxes and, if so, what do you think the loss of tax revenue will cost local governments?

10. The present Act would deny any individual who has not bought flood insurance all but emergency forms of disaster assistance. Since the Disaster Act of 1974 provides assistance for all kinds of natural disasters including tornadoes and earthquakes this individual would not be eligible for Federal help if a tornado knocks his house down because he didn't buy flood insurance. Is that correct?

11. The 1968 Flood Insurance Act which remains in force directs the Secretary of HUD to study the possibility of a similar disaster program to cover earthquakes and tornadoes. Can you tell us what progress if any has been made in that regard?

12. Mr. Hunter, the Boston Area Flood Specialist, Mr. Ed Thomas, has informed my office that about one-half of the communities in New Hampshire presently participating in the Program joined through action authorized solely by the town Board of Selectmen. In view of the fact that New Hampshire's Attorney General has ruled that this action is non-enforceable and therefore not legally binding, what steps do you plan to take with these communities which have inappropriately entered the Program? What is the status of sanctions with regard to these communities? What is the status of the insurance policies sold in these communities?

Thank you for your cooperation. I look forward to working closely with you.

Best wishes.
Sincerely,
THOMAS J. MCINTYRE,
U.S. Senator.

FEDERAL INSURANCE ADMINISTRATION,
Washington, D.C., September 17, 1975.
Hon. THOMAS J. MCINTYRE,
Senate Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR SENATOR MCINTYRE: In response to your letter of June 30, 1975, what follows are our written replies to 12 questions you submitted for the completion of the record of the hearing on the National Flood Insurance Program held on June 23, 1975 before the Subcommittee on Housing and Urban Affairs:

ANSWER TO QUESTION 1

In the nature of things, the assurance by the flood insurance purchaser of his willingness to comply with HUD standards on his own property in the event of reconstruction or substantial improvements will be meaningless in the overwhelming majority of instances because the faulty and hazardous construction will already have become an accomplished fact before the home-buyer comes into the picture. The fact is that dwellings are normally built by builders and developers, not homebuyers.

When the obligation assumed by the homebuyer to comply becomes a reality because of the need for new construction or substantial improvement, perhaps because of a flood loss, he may well be forced to make considerable financial outlay to effect compliance or, in the alternative, face loss of flood insurance, either of which could be financially disastrous. While concededly, problems of a similar nature may be faced by insureds located in participating communities, there is this vital difference that such problems in participating communities will dwindle and finally cease because of the flood plain management measures; whereas such problems will be perpetuated in non-participating communities where new properties will regularly be built at unsafe levels and sold to buyers who promise future compliance in order to obtain coverage. The long and the short of the proposal is that it is a reversion to the voluntary purchase program which not only places no constraints upon construction by builders and developers in flood hazard areas but places a premium on such development by rendering flood insurance available to the avid but unwary buyer who wittingly or unwittingly obligates himself to rectify the sins of the enriched builder or developer. Moreover, the obligation thus assumed by the insurance purchaser may be made increasingly onerous by development of contiguous property unchecked by prudent flood plain management measures.

In any event, the contemplated Federal oversight over such compliance would necessitate a massive, unwieldy, and expensive building permit system to review, monitor, inspect, and approve, on a property by property basis, the application for a building permit of every insured who wished to effect a substantial improvement of his dwelling. We see no advantage in foisting this administrative and economic burden on the national body of taxpayers when the task of implementing a building permit system is already being performed at the local level by over 12,000 participating communities. We believe the current mechanism of Federal standard, State involvement and local regulation and compliance by those communities in need of the program best serves all of the Nation's taxpayers.

Moreover, the proposal impacts a drastic and ill-advised Federal encroachment upon matters which historically have been left to local authoriites. It is not impossible that the proposal might precipitate clashes between Federal and local authority as where the local building code might prohibit the insured from doing that which HUD says he must do in order to obtain or retain flood insurance.

The proposal contains all of the flaws of S. 810 and is similarly vulnerable to the criticisms directed at that measure by Senator Proxmire in his floor statement of April 24, 1975, a copy of which is enclosed.

ANSWER TO QUESTION 2

The exemption of existing buildings from the requirements of flood plain management measures is a species of grandfather provision designed to make the legislation more equitable and palatable. Like all grandfather provisions, the exemption under discussion involves tradeoffs which, ideally, would compensate short-term detriments with long-term gains. The detriment inherent in making the flood plain management measures inapplicable to existing structures must be measured against the compensating benefit of making a start on intelligent flood plain management for new and substantially improved construction.

The average lifetime of structures is estimated at something like 40 years from which it follows that the cited exemption will self-destruct within that time whereas if community participation is not required as a prerequisite to coverage the nonconforming, hazardous building will continue without end. Thus, the exemption of existing buildings without community commitment to flood plain management involves long-term, continuous detriments.

ANSWER TO QUESTION 3

It has long been recognized that the Federal Government can impose reasonable terms and conditions on the recipients of Federal financial assistance, and the recipients have under Federal law contracting powers to agree to those conditions. In *Stewart Machine Company v. Davis,* 301 U.S. (1937) the Supreme Court said:

"Nowhere in our scheme of government—in the limitations express or implied of our federal constitution—do we find that . . . (Alabama) is prohibited from assenting to conditions that will assure a fair and just requital for benefits received." (301 U.S. at 598)

Subsequently, in *Ivanhoe Irrigation District v. McCracken,* 357 U.S. 275, 291 (1958), the Supreme Court again emphasized:

"As we see it, the authority to impose the condition of the contracts here comes from the power of the Congress to condition the use of federal funds, works, and projects on compliance with reasonable requirements."

And at page 294, citing *Berman v. Parker,* the District of Columbia urban renewal case:

"Also beyond challenge is the power of the Federal Government to impose reasonable considerations on the use of federal funds, federal property, and federal privileges. See *Berman v. Parker,* 348 U.S. 26, 99 L. ed. 27, 75 S. Ct. 98 (1954), and *Federal Power Comm. v. Idaho Power Co.,* 344 US. 17, 97 L. ed. 15, 73 S. Ct. 85 (1952). The lesson of these cases is that the Federal Government may establish and impose reasonable conditions relevant to Federal interest in the project and to the overall objectives thereof. . . Article VI of the Constitution, of course, forbids state encroachment on the supremacy of federal legislative action."

See also *Jones v. Lynn,* 477 F 2d 885, 894 (1st Cir. 1973); and *Yellen v. Hickel,* 352 F Supp. 1300 (S.D. Cal. 1972).

In addition, a recent New Hampshire Supreme Court decision addresses a specific situation in which the public interest was weighed against competitive private interests with the result that an overwhelming public purpose was adequate to require limitations on private purposes. We enclose a copy of the decision in that case included in the June, 1975, issue of the *Environmental Law Reporter* for your reference.

Through the provisions of the Flood Disaster Protection Act of 1973, Congress has determined that building in direct recognition of the flood hazard is a reasonable condition for the availability of the flood insurance and that the requirement to purchase flood insurance by those seeking Federal financial assistance for construction and acquisition purposes in areas of high flood risk assures more responsible stewardship of taxpayer investments in such areas.

ANSWER TO QUESTION 4

We shall continue to monitor the events during the coming weeks in order to determine the extent of community participation in the program and the extent to which community inaction runs counter to the expressed desires of individual property owners who wish to obtain flood insurance coverage. We shall report our findings and whatever recommendations may be warranted from our experience in this regard at the extensive hearings intended for the program by the Committee in the next several weeks.

In this regard, however, we submit for your consideration the fact that Congress has established reasonable conditions for the availability of the benefits of flood insurance; namely a community's administration of flood plain management for future construction in the flood plains. When a community fails to take reasonable measures to make low cost flood insurance coverage available locally, then the community itself by virtue of its inaction has created an artificial and unnecessary hardship on those who wish to take advantage of the program's insurance benefits. More significantly, however, the community itself, by failing to enact local building standards that protect lives and new construction in areas of high flood risk, creates a far greater hardship on local residents who live in or will move into flood hazard areas where unsafe new construction will continue to be permitted. In addition, a further inequity is created for the national body of taxpayers who must pay for disaster assistance for such unsafe construction.

ANSWER TO QUESTION 5

In short, by the year 2000, $3.2 billion of flood related losses to structures will occur in flood prone communities absent meaningful flood plain management. With the present program (i.e., local community, rather than individual flood plain management), this cost can be held down to $1.3 billion.

It must be recognized that it is the combination of effective local flood plain management measures and full actuarial premium rates charged in the Federal program for new construction and substantial improvements that in the long run make the National Flood Insurance Program a financially feasible and prudent insurance program rather than a reckless and unjustifiable giveaway program that could impose an enormous burden on the vast majority of the Nation's taxpayers without giving them anything in return. With comprehensive flood plain management (administered on a community wide basis), there is hope of eventually reducing the burden on the taxpayer while at the same time providing insurance protection at low cost to those who built or bought where they did without fully knowing or understanding the inevitable and tragic consequences.

Regarding total economic costs, we estimate that there are 6.4 million structures located in the flood plains of this country, with an average value of approximately $20,000, for a total value at risk of $128 billion. Our best present estimate of the dollar expenditures in terms of loss to be expected per year from flooding is at least $471 million.

Based on the assumption that the present disaster relief law, which provides for loans at 5 percent interest, with no forgiveness, remains in effect, and that there is no return to the considerably more liberal disaster relief provisions that preceded it, our best estimates of total economic loss with and without the program are as follows:

[In millions of dollars]

Fiscal year	Total economic loss without flood insurance program	Total economic loss with flood insurance program
1975	$471	$471
1980	726	571
1990	1,572	903
2000	3,209	1,336

The reason for these widening differences relates to the distribution of new structures within the flood plains. Without flood plain management, in effect, the claim frequency (i.e., ratio of incurred claims per 100 flood policies) in each year would be expected to be of the order of 2.3 percent with severity of structural damage increasing at an assumed 5 percent inflation factor per annum. Although the same inflationary factor applies in the second case with the flood insurance program, claim frequency is calculated to fall from 2.3 percent in 1975 to 1.9 percent in 1980, 1.5 percent in 1990, and 1.2 percent in the year 2000. This significant reduction of losses on structures located in special flood hazard areas, which will approach the desired goal of a flood frequency hazard of no greater than 1 percent per annum, will result because of the required flood plain management requirements for new construction.

Additionally, there will be some improvement in the severity factor due to the fact that as structures are eliminated from the housing inventory due to severe or irreparable flood damage, they will be replaced by structures built under safer flood management guidelines.

Our calculations further assume a 40-year life expectancy for the average structure built in the flood plain. Under such an assumption, by the year 2015 there would be no further need for a flood insurance general tax revenue contribution or subsidy, except possibly for some form of reinsurance for short-term catastrophic conditions.

The foregoing results of our study using the above assumptions are broken down further as follows:

DISTRIBUTION OF ECONOMIC LOSS

[In millions of dollars]

Year	From insurance funds premiums less expenses	From tax revenues	From disaster victims ("self insurance")
A. No flood insurance program:			
1975	0	$188	$283
1980	0	290	436
1990	0	629	943
2000	0	1,284	1,925
B. With flood insurance program:			
1975	269	173	29
1980	384	158	29
1990	678	194	31
2000	1,129	176	31

Again, by the year 2015, Federal tax funds should no longer be needed for the National Flood Insurance Program, which should become self-sufficient. Additionally, hundreds, perhaps thousands, of lives will be saved between now and 2015 under local flood plain management programs, the quid pro quo for the initial subsidy by the Federal Government during the program's formative years.

Without meaningful, community-wide commitment to flood plain management, however, unsafe development will increase minimal flood hazards or export flood problems to areas having never before experienced flooding.

ANSWER TO QUESTION 6, IN PART

You will be pleased to know that as a result of the public hearings recently held in seven locations across the Nation during June and July to receive input and recommendations from the public on the proposed revisions of the program's flood plain management regulations, we are considering whether modifications to the program's regulations as they apply to substantial improvement and land values should be made. We shall offer our recommendations at the extensive hearings intended for the Fall as to how the regulations relating to substantial improvements and land values may be improved for the benefit of the insured without compromising the objectives of the program with respect to safe flood plain occupancy and development.

We shall, however, address each of the issues raised in light of current policy.

ANSWER TO QUESTION 6(A)

The statute does not provide for insurance of land.

ANSWER TO QUESTION 6(B)

Claims' adjustments would be based on the value of the house and the furnishings at the time of loss within the terms of the insurance contract. Claims' adjustments would not be made for land or its value at the time of damage to the dwelling, simply because land is not insurable under the program.

ANSWER TO QUESTION 6(C)

As previously explained the land is uninsurable under the program. You might bear in mind that this situation is no different than that which exists today under property insurance contracts, such as the "Homeowners" policy, issued in the private sector. Indeed, without the program, the homeowner would be in a worse position since the private sector does not make flood and mudflow insurance coverage for buildings, let alone land, available. Also, this situation does not differ from that which exists under any local ordinance which cuts off non-conforming uses following a material damage, in which case the structure's owner normally may not rebuild on the site and is not compensated for whatever value can be reasonably ascribed to the land. It should be noted that, generally, it is the local community, in the case of non-conforming use statutes, that prohibits rebuilding on site, not the program. Under the program, the community would deny reconstruction on site, in cases where FIA had delineated the floodway, only if the structure were located in the floodway and only then if reconstruction were to raise the level of the 100-year flood in the floodway. Where FIA has not identified a community's floodway, reconstruction would be prohibited only if it were to raise the level of the 100-year flood in the community by one foot or more. In both of these instances, reconstruction would not normally create such a rise in the flood level unless the floor area of the structure was enlarged, since existing development was taken into account in the previous 100-year flood elevation and floodway calculations.

ANSWER TO QUESTION 6(D)

The insurance company will adjust claims for damages sustained in light of damages to insurable items under the program. The individual would not of necessity "be deprived of the value of that remaining 40%" since any use of the land in the special flood hazard areas of the community, assuming no floodway has been delineated, would still be permitted provided that the proposed use will not pose a threat to public safety by raising the level of the 100-year flood by more than one foot.

The point is that because of the flood insurance program, as to flood-related damage to structures, the building's owner is way ahead (in the case you cite—by 60% of the value of his property) of where he would be without the program and if he were left to the mechanisms of the private insurance industry and local non-conforming use statutes.

ANSWER TO QUESTION 6(E)

The National Flood Insurance Program offers indemnification for flood losses through a contract of insurance. Indemnification for losses in lieu of disaster relief administered in the form of a Government loan to the victim, and in many cases dependent on there being a Presidential disaster declaration as opposed to a contract right to indemnification, is in our view far superior. Rather than a victim's assuming a disaster relief loan as well as his underlying mortgage, which was the case prior to the availability of flood insurance coverage, the owner of flood prone property may now protect that investment by means of low cost flood insurance protection.

In our view, insurance is always a superior option to loans assumed by a victim to repay for recent damages.

Another genuine source of enthusiasm over the flood insurance program is the extent of participation by flood-prone communities. Currently over 12,000 flood-prone communities are administering flood plain management measures designed to protect lives and new construction in flood prone areas.

ANSWER TO QUESTION 7

You are correct that there are no restrictions or limits on how many times a building can be improved or expanded other than the 50% of market value test.

As previously explained, we are reexamining the program's regulations as they relate to substantial improvements with the view of making whatever changes are necessary to the program's regulations so that they may be of even greater benefit to the participants without compromising the program's objectives.

ANSWER TO QUESTION 8

The Fifth Amendment provides that private property shall not be "taken for public use, without just compensation." None of the provisions of the Flood Disaster Protection Act of 1973 involve such a taking. Recent statements suggest that cutoffs in Federal financial assistance under the Act will result in a diminution in the value of their property. This may or may not be the case. In fact, the availability of subsidized insurance where a flood hazard is recognized may enhance property values. Just as when a State or locality exercises its police power, i.e., its legal authority to enact measures to protect human safety, the Federal Government, in the exercise of its authority to provide for the general welfare of the United States, cannot "take" private property for public use without just compensation.

Courts examining the question of whether or not there has been an unconstitutional taking of property by a zoning ordinance or other land-use rgulation, will use the follow-factors to determine whether or not there has been, in fact, a taking:

1. Has there been a physical taking of the
2. Are existing uses regulated, and, if only future uses are regulated, for how long?
3. To what extent do the regulations diminish the value of the land?
4. Do the regulations prevent all reasonable use of the land?

Furthermore, the courts look to the regulation to determine whether the regulation is valid and reasonable and whether just compensation is provided.

The objective of the regulation must promote the protection of the public safety, welfare and morals. The judicial test generally adopted by the courts has been to balance the harm posed to society by uncontrolled use of the land against the impact of the regulation upon the usability of the land to determine whether or not the regulation is reasonable.

The courts will also look for a reciprocity of benefits and burdens between the landowners and regulators.

Courts are less concerned with diminution in value where land is purchased with knowledge of restrictions. This reflects a growing refusal by courts to recognize speculative value as a necessary consideration. No single court test for taking by purchase provides a wholly satisfactory standard for gauging whether compensation is or is not due a landowner. The weighing of public and private harm in each case is perhaps the most satisfactory approach since many competing equities and a wide range of interests must be taken into consideration.

Assuming arguendo that such a diminution were to occur as a result of a cutoff, there would still not be a taking compensable under the Fifth Amendment. The following arguments are supportive of this assertion:

1. Even after the Flood Disaster Protection Act of 1973 has become fully effective (i.e., July 1, 1975), and assuming a cutoff in Federal financial assistance adversely affecting citizens, citizens would still have ownership in their land, as well as the right to exclusively possess, use and dispose of it. Since citizens have no right to Federal financial assistance, it strains credulity to conceive of a cutting off of that assistance as a taking of private property for public use compensable under the Fifth Amendment. There have been cases holding that Government actions affecting private property can so diminish its value as to constitute a taking. However, we have not found cases which involved the Government's not acting (i.e., the Government's not providing a benefit) constituting a taking. As yet, no authority has been found for that proposition.

2. Government action has been held to constitute a taking of land where it totally destroys the particular use to which the land was put. Thus, in *United States* v. *Kansas City Ins. Co.*, 339 U.S. 799 (1950), the Supreme Court held that the construction of a dam on a river maintained the river at such high levels as to destroy totally the agricultural value of plaintiff's farmland, and to constitute, therefore, a taking of it. (See also *United States* v. *Causby*, 328 U.S. 256 (1945).)

The Flood Disaster Protection Act of 1973, however, does not attempt to control, let alone destroy, the use to which plaintiffs put their land. Although encouraging participation in the National Flood Insurance Program through the provisions concerning cutoffs in Federal financial assistance, the Act in no way mandates such participation.

Clearly, even assuming that citizens are affected by cutoffs in Federal financial assistance under the Act, such cutoffs, unlike the Government action in *Kansas City Ins. Co., supra*, and *Causby, supra*, do not destroy the particular use to which plaintiffs put their land. While Federal financial assistance might well be deemed desirable by many landowners, it is possible for a landowner to prosper on his land without it. There is, thus, much less regulation under the Flood Disaster Protection Act of 1973 than in the compulsory zoning context.

3. There is no precedent for declaring unconstitutional under the Fifth Amendment a Congressional act which attaches reasonable conditions to the granting of Federal benefits, but which in no way mandates community compliance with the conditions.

It has long been recognized that the Federal Government may impose reasonable terms and conditions on the recipients of Federal financial assistance, and the recipients have under Federal law full contracting powers to agree to those conditions. In *Stewart Machine Company* v. *Davis*, 301 U.S. 548 (1937) the Supreme Court said:

"Nowhere in our scheme of government—in the limitations express or implied of our federal constitution—do we find that . . . (Alabama) is prohibited from assenting to conditions that will assure a fair and just requital for benefits received." (301 U.S. at 598)

See also *Jones* v. *Lynn*, 477 F. 2d 885, 894 (1st Cir. 1973); and *Yellen* v. *Hickel*, 352 F. Supp. 1300 (S.D. Cal. 1972).

As stated previously, the requirement that a community permit building only with due recognition of the flood hazard is a reasonable condition for the availability of flood insurance. In addition, the requirement to purchase flood insurance by those seeking Federal financial assistance for construction and acquisition purposes in areas of high flood risk assures more responsible stewardship of taxpayer investments in such areas.

ANSWER TO QUESTION 9

The question presumes that property values will in fact decline as a result of the community's non-participation.

However, a genuine distinction remains to be made between (1) the fair market value of a structure, i.e., what the public can be reasonably expected to pay for a structure, which value is based on previous sales' trends, and (2) the marketability of the structure.

If the property values are to be based primarily on the price a member of the public can be reasonably anticipated to pay for a structure, based in part on sales' records of previous years for similar homes, then the effects of community non-participation will have, in our view, little or no impact on appraisals.

If, on the other hand, property values are to be based on marketability through specific lines of credit such as financing from federally regulated lenders and disregarding potential market attitude and acceptance, then of course the economic consequences of community non-participation will bear an impact on property values of structures located in special flood hazard areas. To estimate the extent of this potential impact, however, would be at this point the product of sheer guesswork because of the recent amendment to Section 202(b) and because FIA has had no direct experience as to the impact of community non-participation on tax assessments, since the consequences are being imposed partially for the first time.

It is interesting to note that Congress implicitly recognized that the notification to prospective buyers of the flood hazard to which a property in a non-participating community is exposed, which practice is now required by law (Section 1364, of the Housing and Urban Development Act of 1968), will generate an adverse impact on consumer attitude and acceptance of such property.

However, in our view, the availability of insurance protection should maintain property values or, in some cases, even increase such values, bearing in mind that before the program was begun, flood insurance was not available.

We anticipate that the major development of the identification of an area by HUD as having special flood hazards will be that consumers with the benefit of full knowledge of the risk to which property is exposed will become more cautious in accepting artificial values of property located in flood prone areas. Consumers will also be reluctant to purchase the property unless insurance can be purchased to protect their investments against flood loss.

ANSWER TO QUESTION 10

While the present Act would deny any individual who has not bought flood insurance all but emergency forms of disaster assistance, such denial would not occur, even after the disaster has happened, in a participating community so long as the disaster victim whose property is located in a special flood hazard area purchased a flood insurance policy, as a condition for receipt of any federally related disaster assistance. The victim's failure to purchase the policy prior to the disaster does not abrogate his right to receive disaster assistance or to buy such coverage to protect against subsequent flood losses. In a community not participating by the prescribed date, SBA disaster assistance loans, for example, could not be approved for properties located in the identified flood hazard areas as long as the community was not participating in the program. However, as soon as the community qualified for the program and the victim purchased insurance, the SBA loan could be approved. Experience has shown that communities can be made eligible within a few days of FIA's receipt of a completed application for eligibility in the program.

It should be noted that the Congress repealed Section 1314 of the National Flood Insurance Act of 1968, which had the effect of denying an individual the right to disaster assistance if he could have purchased flood insurance for a year or more but failed to do so, replacing it with Sections 102 (insurance purchase requirement) and 201 and 202 (community participation incentives and notification of flood-prone areas) because Section 1314 had "proved to be a disincentive to community participation in the program" (from discussion at pp. 20 and 21 of the Report of the Senate Committee on Banking, Housing and Urban Affairs on the Flood Disaster Protection Act of 1973). We submit that S. 810 which makes community participation unnecessary is, therefore, diametrically opposed to the intent of Congress that there be incentives to community participation in the program.

In addition, you have questioned the reasonableness of requiring flood insurance in connection with disaster relief after a tornado.

The relatedness of one natural disaster to another, for example a tornado to a flood, is not the intent underlying the requirement to purchase flood insurance as a condition for receipt of federally related disaster assistance if the building is located in a special flood hazard area. It is just because a tornado has nothing at all to do with a flood that the requirement applies. The occurrence of a tornado does not reduce or mitigate the flood hazard of a particular property; the flood hazard continues regardless of the occurrence of unrelated natural disasters. Floods usually account for 90% of all annual disasters, involving about $1½ billion in damage each year. Indeed, the occurrence of a tornado does not lower or raise the probability of future flooding. The intent underlying the flood insurance purchase requirements under such circumstances is to protect the unfortunate consumer whose property may be damaged subsequently by floods. Assuming a tornado disaster was later followed by a flood disaster, the victim potentially could assume monthly payments for 2 disaster assistance loans together with an underlying mortgage—which may be too much for him to handle—resulting in abandoned property or foreclosure—a result at cross purposes with the very availability both of Federal disaster assistance and Federal flood insurance.

Clearly a Federal interest is involved when low interest SBA loans in flood-prone areas remain unprotected from the flood hazard without flood insurance. Thus, the aim of the Congress in creating the flood insurance programs was to replace disaster assistance funded by all of the taxpayers with flood disaster insurance purchased by those most in need of its benefits. This need has been tragically demonstrated by major flood disasters within the last three years. Despite flood occurrence over the past decade in Rapid City, South Dakota, only 29 insurance policies had been sold prior to the devastation of the community in 1972. In that disaster, 236 people lost their lives, and Federal disaster assistance totaled $100 million. Prior to Tropical Storm Agnes, which cost the Nation $3.1 billion, only two flood insurance policies had been purchased in Wilkes Barre, Pennsylvania, one of the most severely hit communities in that disaster.

In view of this, we submit that by requiring the purchase of flood insurance by those living in the special flood hazard areas of the country, even as a condition for tornado-related disaster relief, the Congress has wisely put a policy of flood insurance into the hands of the property owner who needs the protection it affords when the inevitable flood loss occurs to his property.

ANSWER TO QUESTION 11

Actually, our charter goes back to Section 5 of the Southeast Hurricane Disaster Relief Act of 1965 which directed the Department of Housing and Urban Development to investigate the need for and availability of insurance for earthquake losses. Pursuant to this directive the Department entered into an agreement with the Environmental Science Services Administration (now NOAA) of the U.S. Department of Commerce to prepare a report on seismicity, earthquake damage statistics and earthquake insurance.

The report, "Studies in Seismicity and Earthquake Damage Statistics," which was issued in March, 1969, summarized the seismicity of the various States, presented a summary of earthquake insurance, and offered a methodology for estimating losses to one to four family homes from earthquakes of varying magnitudes.

Following this study, FIA investigated the earthquake insurance market and issued a "Report on Earthquake Insurance," which was sent to the Congress by the President on February 1, 1972. In this report, a copy of which is enclosed, Administrator George K. Bernstein found that at that time "direct involvement of the Federal Government in earthquake insurance is unnecessary as to residential properties and infeasible and undesirable as to commercial or industrial properties;" consequently, he advised against "a direct Federal role in earthquake insurance under present circumstances." He did "recommend the adoption of meaningful land use and control measures and building codes to reduce loss of life, personal injury and property damage resulting from earthquakes." He also recommended "the continuation and extension of studies by Federal agencies that will contribute to development of more sophisticated earthquake insurance techniques and more reliable earthquake hazard reduction measures."

The Federal Insurance Administration has implemented this recommendation through HUD sponsored research, through continuous collaboration and coordination with the earthquake insurance committees of the insurance industry, the National Association of Insurance Commissioners, the U.S. Geological Survey, the National Science Foundation, the National Bureau of Standards, and the Earthquake Engineering Research Institute. Within HUD, FIA's research is coordinated with the staff of the Assistant Secretary for Policy Development and Research, the Assistant Secretary for Housing Production and Mortgage Credit and the Federal Disaster Assistance Administration. Among Federal agencies such research activities are coordinated by the Interagency Discussion Group on Disaster Mitigation.

Also in furtherance of the 1968 Act's charge to HUD, the U.S. Geological Survey is currently engaged in an FIA sponsored research project designed to validate previously developed methodologies for estimating earthquake damage to one to four family homes, to extend the methodology to other structures and to offer methodologies for pre-event and post-event estimates of damage to communities subject to damaging earthquakes.

The issue of mandating the purchase of earthquake insurance, just as is the case with respect to fire insurance required by mortgage lenders, is one that must be considered. This raises the principal questions which are now under study in our disaster insurance investigation:

"To what extent can, or will, the private insurance and reinsurance sectors meet, without Federal support or assistance, the obligations imposed upon them through the mandating of earthquake insurance or residential property, commercial property, or both, in California—in the 50 States—in only earthquake-prone States"?

Other questions which must receive attention in this investigation include:

"Is it in the national interest to compel the purchase of earthquake or disaster insurance—in only the most earthquake-prone States or in the 50 States"?

"If the private insurance industry is unable, or unwilling, to provide the insurance called for by compulsion, how shall the additional support be provided"?

If it were determined that a national disaster insurance program is the appropriate policy, the following susbidiary questions must be answered :

1. Is Federal financial involvement appropriate in the light of limited Federal resources and the urgent competing demands on such resources?

2. Should wind loss coverage, now provided solely by the private insurance industry, be integrated with such a program?

3. How would flood loss coverage, now provided by the National Flood Insurance Program, be integrated with such a program?

4. How would earthquake insurance, now provided by the private insurance industry, be integrated with such a program?

5. Were a disaster insurance program enacted, what would be the proper land use and construction requirements upon which the insurance program should be predicated?

6. What safeguards are necessary to preclude Federal usurpation of the legitimate roles of the private insurance industry, the reinsurance industry, the States and the State insurance authorities?

Needless to say, we are imbued with a sense of urgency as we proceed with our investigation. Fortunately, to the best of our knowledge, homeowners and businessmen in high earthquake-risk areas, such as Utah and California, can secure earthquake insurance coverage from their insurance agents and brokers.

ANSWER TO QUESTION 12

This office has not been informed of any ruling by New Hampshire's Attorney General to the effect that action authorized by a Town's Board of Selectmen is not legally binding.

We are pursuing the matter at the State level, and if we can obtain a copy of the ruling, we shall consult with our Office of General Counsel and advise you further.

We accept community flood plain management regulations that are legally enforceable. However, whether such regulations are legally enforceable may be a matter of State law or may vary according to the opinions of individual municipal attorneys. Therefore, flood plain management regulations adopted by a community will be accepted unless it is conclusively determined that the manner by which the adoption occurred is not legally enforceable. For the purposes of the National Flood Insurance Program, there is adequate legal precedent that the Federal Government does not have to recognize an interpretation as to a particular State law unless a decision has been rendered by the highest court in that State.

Based upon this position, all New Hampshire communities presently participating in the National Flood Insurance Program are fully eligible for all of the program's benefits.

We hope the foregoing is responsive. If we can be of any further assistance, please let us know.

Sincerely,

J. ROBERT HUNTER,
Acting Federal Insurance Administrator.

ZIONISM

Mr. BAKER. Mr. President I rise today with the purpose of continuing the dialog in opposition to the action of the United Nations Social Humanitarian, and Cultural Committee in its passage of a resolution characterizing Zionism as a form of racism and racial discrimination. It seems ironic that a majority of delegates to a committee so idealistically titled could so discredit themselves individually and collectively as an organization of the world community.

Naturally, I am glad that the Senate responded so quickly in comdemning this action; and I am pleased that President Ford and our representatives to the United Nations have also made very clear the position of the United States on this matter. Nevertheless, I wish to speak now and I would hope that my colleagues would continue to speak, to emphasize and reiterate that the passage of the Senate Resolution has not removed this matter from our active consideration and concern.

In making this statement, I think I should explicitly state that I am not presuming to defend either the Jewish people or Zionism, for neither the people nor the concept need my defense. In fact, were it not for the context in which this racial slur was cast, I would question the wisdom of dignifying it with any response. But it is precisely this context, a committee of the United Nations acting on a resolution that would otherwise be meritorious, that distinguishes this action from the usual rhetoric of the extremists to which we have become too accustomed. It is the context of the action that gives it at least the color of legitimacy. It makes it imperative that we vigorously and continually oppose it.

I am particularly disappointed by this sad and frustrating event, because I believe we were all encouraged by the beginning of this session of the United Nations. More than at any other time, there seemed to be legitimate reason to believe that the UN was beginning to fulfill its promise as a forum for the meaningful exchange of ideas and the peaceful resolution of disputes. The opening weeks of this session seemed to indicate the renewal of and a rededication to a spirit of cooperation and trust. It was thought that perhaps this would be the end of the era of bloc politicization and confrontation. That was, at least, the hope, and I intend to persist in that hope; but this resolution, its potential passage by the General Assembly, and the possible ramifications that may flow therefrom, demonstrate clearly the frailty of that hope.

It is true, of course, that this vote did not command the overwhelming support that it might have in another time. In all of the blocs that have together recently dominated the rhetoric of extremism, there are cracks that indicate that at least a few of those nations are embarrassed by this latest example of that rhetoric. There are even indications that some of the nations who voted for the resolution initially have already determined that it would be unwise to cast a like vote in the General Assembly. Perhaps this is at least in part due to the strong expressions of outrage and remorse that the resolution generated in those countries of the world who sincerely reject racism and hatred as implements of national policy. I would hope that prior to the vote in the General Assembly, other nations will make that same decision. Such a reversal would be an important contribution toward returning the United Nations to the course on which it seemed most auspiciously embarked at the beginning of this session.

Naturally, Mr. President, this resolution would be deplorable in any season, but it comes now when many of us are hard pressed to defend the continued U.S. participation in and support of the United Nations. It seems almost deliberately calculated to undermine that defense. I will, however, adhere to the wisdom of my friend from New York in his counsel that we not vent our frustration in threats to withdraw our support from the United Nations. On the other hand, I would counsel those 70 countries that voted in favor of this resolution that they place in serious jeopardy the hope that we all have that the United Nations will now prove its purpose as a forum for cooperation in the community of nations. In very real terms, the community is too small; and we must all live too close together for hatred and extremism to be viable voices in that forum.

In conclusion, Mr. President, when this resolution comes before the General Assembly, I would urge those nations who voted for it in committee to consider the unsophisticated paradox of including in an otherwise honorable condemnation of racism this deplorable and unfortunate anti-Semitic slur. I would also urge my colleagues in the Congress to continue to speak out forcefully and frequently against the passage of this resolution, and I commend the efforts of my colleagues in both Houses of the Congress who have, through the Senate and House Resolutions and in individual statements, forcefully opposed this unhappy event.

THE FOREIGN ASSISTANCE AUTHORIZATION BILL—H.R. 9005

Mr. KENNEDY. Mr. President, I would like to state for the record my support of H.R. 9005. It continues the process of creative change and revision undertaken 2 years ago in foreign assistance programing. At that time Congress asked several questions: How can the United States better help meet the silent crisis facing millions of men and women and children across the globe—the silent crisis of starvation, malnutrition, and escalating poverty? How can our foreign assistance program more effectively respond to the nagging problems of world hunger and disease? How can we help mobilize the will and the resources of the international community in beginning to meet this global problem?

The response of Congress was the strong and explicit congressional mandate embodied in the Foreign Assistance Act of 1973, giving new priority and purpose to our foreign aid program in the areas of food and nutrition, humanitarian assistance, population and family planning, and rural and agricultural development.

H.R. 9005 is a further and even more important step in expanding upon this congressional mandate—further strengthening the humanitarian and the economic and developmental aspects of our Nation's foreign assistance program. And at the outset I want to commend the action in the House, as well as the efforts within the Foreign Relations Committee, in giving new priority and additional funding over last year's levels to the truly humanitarian and developmental portions of the program—yet staying generally within the prudent guidelines of the Budget Committee as well as near the President's request. This is in contrast to the administration's request for security supporting assistance, which is far above the Budget Committee's target—by some $100 million.

Mr. President, we are passing through a period of critical choices in our Nation's foreign assistance program. As in so many other areas of U.S. foreign policy, we have arrived at a time of transition and reassessment, in both our approach and our policy toward overseas assistance. With increasingly limited funds, and pressing domestic needs at home, we must carefully review our foreign aid expenditures to assure that they both support legitimate foreign policy objectives and satisfy the humanitarian and developmental needs of poor nations for the coming decade.

At the same time, we have also entered a period of new tensions in the relations between the industrialized nations and countries of the developing world. We are witnessing new dimensions in the competition for scarce world resources—over oil, other raw materials, and food. As at no other time in our history, Americans are coming to understand the meaning of "economic interdependence." We are being confronted with the need to rethink our relationships with the Third World, and our responsibility, as one of the wealthiest nations on earth, to review our humanitarian responsibilities to millions of people in the poorest nations.

Although the United States, like many nations in the industrialized world, is currently experiencing a difficult economic period, I believe it would be a tragic mistake to ignore the desperate plight of the majority of the people in the world, who are far less well off than we are. The United States remains—like all the western, industrialized part of the world—a small island of affluence amidst a sea of poverty. We can ignore this ocean of need only at our own peril. Even as we reject the notion of isolationism in our foreign policy, so, too, we must reject it in our attitudes toward foreign assistance—and recognize the need to help people in other, less developed nations, to help themselves.

The recent history of "people problems" and humanitarian needs around the world have told us, time and again, that threats to world peace are more than just military confrontations or arms races. We have seen famine become a threat to the peace; and massive refugee movements have unbalanced the peace and stability in countries and entire regions. Ultimately, the health and well-being of people is the true basis for peace—and their needs and aspirations must be seen as an essential ingredient in our foreign policy and foreign assistance program.

Because H.R. 9005 reflects this fundamental principle, I strongly support its enactment, and I hope the Appropriations Committees will act promptly upon the appropriations authorized by this act. We should not delay considering the humanitarian and economic appropriations authorized by this bill until the military and supporting assistance bill is completed.

Finally, Mr. President, I would like to comment briefly on several provisions contained in the bill, as reported from the Foreign Relations Committee and the Agriculture Committee.

First, I find one of the most commendable features in the pending bill is the establishment, for the first time in the Foreign Assistance Act, of a clear-cut and comprehensive international disaster assistance policy and authorization. Title I of the bill embodies important features of S. 562, the International Humanitarian Assistance Act, which I introduced last February, and responds to many recommendations made by the Subcommittee on Refugees, which has closely followed humanitarian and refugee needs around the globe.

However, I hope that in the future, the Foreign Relations Committee will consider changing the authorizing language in several respects, and establish a permanent authority for humanitarian aid at a higher level. I believe it would be helpful if title I were viewed as "International Humanitarian Assistance," rather than the more narrow and bureaucratically confining "International Disaster Assistance." This simple change would also permit tying an enlarged funding authorization to similar authority for humanitarian purposes in the Migration and Refugee Assistance Act of 1962.

Second, I would like to commend Senator CLARK and the committee for adding the special authorization for African famine and drought relief. A regrettable omission in this year's AID presentation was the deletion of the special fund established by Congress in 1973 for famine relief and rehabilitation in Africa. This fund has played a crucial role in insuring that adequate resources have been made available to avert massive human tragedy in the Sahel, as well as in other drought-affected nations of Africa.

Yet there is every indication—including a special report filed by a study team of the Subcommittee on Refugees—that there remains a critical need for additional assistance to the drought-affected nations of Africa. As the Refugee Subcommittee report indicated, it is tempting for the countries and agencies involved in the African relief effort to adopt the view that the worst of the drought and famine is over. But as the report noted—

> If the Sahelian patient, to use a medical analogy, is now showing great resilience and recuperative power, having survived a long and desperate illness, one which required massive transfusions, let us not abandon the patient before he is even out of the recovery room.

Special funds for famine and drought relief in Africa are needed, and I am encouraged that the essential provisions of my African fund amendment introduced several weeks ago have been adopted by the committee and embodied in the Clark amendment.

The third area of important change in the bill is the clear-cut language regarding the humanitarian and developmental purposes of Public Law 480, the Food for Peace program. This bill represents an important effort to use more responsibly America's most important export product—food—a product which all too frequently has been seen by many in the administration as a "food weapon." The provisions in the pending bill go a long way in meeting the recommendations that I, and many other Senators, have made over the years: that both our economic and food assistance must encourage developing countries to give high priority in their national development plans to the agricultural sector, and to efforts to feed their own populations.

Mr. President, as we survey the world of 1975, we see a number of crises which hinge on the fate and needs of people. In Cyprus it is the issue of displaced Greek Cypriots driven from their homes by the invasion of Turkish troops. In Angola, it is civil strife, and the flight of thousands. In Portugal it is the struggle to reestablish free institutions after decades of dictatorship. And all over the world, it is people searching for food, for better health, and for decent lives.

I believe the foreign aid bill makes a giant step in the right direction.

THE LATE JIM THORPE

Mr. PACKWOOD. Mr. President, I have joined with the distinguished Senator from North Dakota, Mr. Quentin Burdick, in sponsoring a resolution, Senate Resolution 144, to restore the status of amateur athlete to the late Jim Thorpe.

Jim Thorpe, an American Indian of Sac and Fox descent, was one of America's greatest athletes. In 1912, Jim Thorpe won both the decathlon and pentathlon in the Stockholm Olympics. He set an all-time record by winning eight gold medals in a single year's Olympic games. Later he was stripped of his honors and medals because of his professional status; one summer vacation he had played baseball for expenses. But that was enough to disqualify him as an amateur athlete.

In addition to the Olympic medals, Thorpe was voted the greatest football player as well as the greatest male athlete of the half century by the Associated Press in 1950. He is one of the select few to be elected to the all-time All-American football team and the all-time professional team as a halfback. The natural extension of these honors was to be included in the Pro Football Hall of Fame.

It is time to restore the Olympic honors earned by this great American. The purpose of this resolution is twofold: to urge the Amateur Athletic Union to restore the status of amateur athlete to Jim Thorpe, and to encourage the International Olympic Committee to recognize his achievements during the 1912 Stockholm Olympic games.

Mr. President, it is time to exculpate the reputation of Jim Thorpe. I urge my colleagues to support this measure and bring home Jim Thorpe's justly deserved medals.

MORE CAUTIOUS PACE FOR DÉTENTE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an article entitled "More Cautious Pace for Détente," written by Joseph C. Harsch, and published in the Christian Science Monitor of November 7, 1975.

The being no objection, the article was ordered to be printed in the Record, as follows:

More Cautious Pace for Détente

(By Joseph C. Harsch)

America's friends (and unfriends) overseas should not expect any early or major change in American foreign or defense policy to result from U.S. President Gerald Ford's Cabinet reshuffle.

On the contrary, the changes clearly mean that President Ford himself remains committed to the search for a second-stage (SALT II) agreement with the Soviets, which also means a continuing commitment to detente.

But, the pace is likely to be slower and more cautious.

Along the road there will be less visible disagreement about these matters between the State and Defense Departments. But behind the scenes it seems probable that Pentagon doubts about detente will receive more patient and thoughtful consideration.

These are the principal conclusions which emerge from the various changes in the future location of people in Washington and their present and future personal relations with the President himself.

Perhaps the most important single change is that the Pentagon is to be headed by Donald Rumsfeld who has been the closest man to the President in the White House hierarchy and is the President's first choice as future vice presidential running mate. This means that the Pentagon will have a leader who is a personal and trusted friend of the President and can get equal access to him with Secretary of State Kissinger.

So the Pentagon gains a more effective ambassador to the White House who will enjoy equality of access to the President with Secretary of State Henry Kissinger.

The corollary of the rise of Mr. Rumsfeld is the inevitable decline in Dr. Kissinger's power. His policies are confirmed, but his ability to push them forward to the President without scrutiny by others is much reduced.

In the past Dr. Kissinger was Director of the National Security Council and the President's assistant for all national security matters. This means that the Secretary of Defense and the Director of the Central Intelligence Agency reported to the President *through* Dr. Kissinger. And that in turn meant that their views were presented to the President *through* Dr. Kissinger's eyes and with his gloss put upon them.

Dr. Kissinger in the future will be Secretary of State, and only Secretary of State. As such he is the senior Cabinet officer and sits on the right hand of the President at Cabinet meetings. But he also is only one among equals. He will no longer see the President alone for an hour each morning. Instead, he, and the Secretary of Defense, and the director of the Central Intelligence Agency, and the Secretary of the Treasury and others will all together see the President—once a week.

EQUAL FOOTING

Then add the third facet of the new equation in the person of George Bush. He also is on Mr. Ford's list of possible vice-presidential running mates. He has been in Peking and is presumably familiar with the Chinese disapproval of the Kissinger policy of detente. He will take over the CIA from William Colby. Mr. Colby has been in effect the damage-control officer at CIA.

Mr. Bush has had no past association with the CIA. He is not responsible for past mistakes. There is no reason for Congress to want to take up most of his time as it has been doing with Mr. Colby. Once Mr. Bush is confirmed by the Senate he should be able to start operating as the President's principal source of intelligence. And the CIA, like the Defense Department, will have a leader who is a personal friend of the President and who can have the same access to him as Mr. Rumsfeld at Defense or Dr. Kissinger at State.

COLLECTIVE PROCESS

So the prospect is not for any break in basic American foreign policy, but for a decided change in the process of foreign policy formulation. It will no longer be a one-man (Kissinger) show.

It will probably make for slower and more cautious foreign policy action. The Chinese point of view is likely to get more attention, through Mr. Bush. The NATO, West European, and Arab points of view may get more attention through Mr. Rumsfeld.

The collective process in foreign-policy-making is slower than the one-man process which Dr. Kissinger has been practicing. But it should be sounder.

FEDS SPEND FOOLISHLY

Mr. TOWER. Mr. President, commonsense is a valuable commodity wherever it is found, and it is especially gratifying to find it on a college campus.

I want to place in the Record today an especially lucid editorial which appeared in the North Texas Daily, the student newspaper at North Texas State University in Denton, Tex.

The editorial, entitled "Feds Spend Foolishly," was written by Ms. Holly McCray lists a series of foolish Federal expenditures and then makes the point that:

> Federal spending is the logical place to begin the attack on soaring expenses. It is up to Congress to make the first assault.

I recently spoke at North Texas State University, and I can assure the Senate that Ms. McCray is not the only student there who is talking good sense. I am impressed with the maturity and responsibility of students at Texas colleges and universities today. The students today are cognizant of what the real problems are, and are working to solve them. We could use some of their energy, initiative and good commonsense in this body.

Mr. President, I ask unanimous consent to have the editorial "Feds Spend Foolishly" printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FEDS SPEND FOOLISHLY

It is high time to curb federal spending. Far too many billions of dollars in taxpayers' money are being wasted yearly on extravagant projects and useless research.

One newspaper report listed several prime examples of needless government spending, revealed through research:

$342,000 for Michigan State University researchers to ask college students where, when and with whom they had premarital sex;

$13 million spent annually for 800 bureaucrats to travel in chauffeur-driven limousines, not only during office hours, but usually to get to work and home again:

$17,000 to the Bedouins for a dry-cleaning plant to clean the djellabas;

$71,000 to compile a history of comic books;

$5,000 to analyze violin varnish;

$45 million yearly to the Selective Service, although there is no longer a draft, to maintain 3,000 local draft boards and 2,600 persons on the Washington payroll alone;

Millions of dollars to the National Science Foundation for projects such as finding out whether chimpanzees can be taught to talk, what passionate love is and that 49 per cent of all Americans believe in the devil;

Funds to the Economic Research Service in the Agriculture Department, which conducts surveys such as "Consumers' Preferences for Fresh Tomatoes;"

Funds for the Board of Tea Tasters, an advisory committee, which former President Nixon tried to abolish; and

$70,000 yearly to the Federal Fire Council, which when investigated was found to have done practically nothing for more than seven years.

These are only isolated examples of unnecessary expense of taxpayers' money. President Ford has proposed tax cuts and a decrease in federal spending as basic steps in curbing inflation. But he is unable to take needed steps until Congress acts on these proposals.

Many Congressmen are claiming Ford is playing politics because of the upcoming 1976 presidential election. So congressional spending continues unabated. The deficit grows larger as Congressmen argue over political party divisions instead of working together for the good of the country.

Federal spending is the logical place to begin the attack on soaring expenses. It is up to Congress to make the first assault.

BRAZIL

Mr. KENNEDY. Mr. President, I have long been concerned with the struggle of the Brazilian people to achieve dignity, freedom, and development in their own land, and with the U.S. role in this process. A crisis may well be approaching in that country.

The background is well known. The Brazilian military seized power in April 1964, with U.S. support, and have ruled the nation since.

A period of macro economic growth followed. The positive GNP statistics lulled many foreign observers into forgetting the ugly side of the picture—both the lack of an even distribution of the new benefits and the repressive nature of the authoritarian regime. Now, with the trebling of world petroleum crude prices, the Brazilian economic miracle is apparently in growing difficulty.

When the current president of Brazil, Gen. Ernesto Geisel, took office in March of 1974, he made a series of public declarations of his intent to put a stop to violations of human rights by the security forces of the military government, which have been amply denounced and documented by such highly respected international groups as Amnesty International and the International Committee of Jurists. He also encouraged greater political expression. Although there apparently was an early reduction in the number and degree of such violations in certain parts of the country, it appears that a contrary trend is now in motion. President Geisel has not been successful in putting an end to these violations. In September and October of 1974, an American citizen, the Reverend Fred B. Morris, was kidnaped and tortured by the Fourth Army in Recife. As recently as October 19, the Jack Anderson column related numerous cases of arbitrary imprisonment and torture in Brazil this year.

With this background in mind, we can perhaps understand better the shocking events of a week ago and the high stakes of the brief confrontation which took place on the campus of the University of Sao Paulo.

At 8 a.m., Saturday, October 25, the information I have received is that at the request of police authorities, a well-known TV news commentator, Vladamir Herzog, presented himself at the police headquarters. Subsequently, the police claimed that he had written a confession of subversive activities. At 4 p.m., that afternoon, he was found dead in his cell.

The police claimed it was a suicide, but the Jewish religious leaders of São Paulo, evidencing their disbelief of the official story, allowed Mr. Herzog to be buried in the Jewish cemetery of São Paulo—which could not have occurred according to Jewish religious doctrine if they had believed the death had really been a suicide.

At the funeral on the 29th of this month, the cardinal archbishop of São Paulo, Dom Paulo Evaristo Arns, was present to manifest his solidarity with the family, and express his concern over the death. October 31, there was an ecumenical religious service in the Roman Catholic cathedral of São Paulo with the chief rabbi of São Paulo, the cardinal-archbishop of São Paulo, and leading Protestant ministers of the city, officiating.

Shortly after the death of Mr. Herzog, the university students and professors of the city of São Paulo, and the journalists, began to protest against what they termed an apparent murder-by-torture. The situation developed rapidly until over 14,000 university students found themselves encircled on their university campus by army troops in tanks and troop carriers. Their student protest was the focus of a protest against the use of arbitrary power. Although the confrontation eased, it could well have far-reaching consequences for the people of Brazil.

I have expressed my concern to the State Department. I also believe that the Members of the Senate ought to take into consideration these very recent events as they consider the Foreign Assistance Act both economic and military, for 1976. And I view it as essential that the human rights amendments adopted by both the House and Senate be included in the final conference measure, enacted and implemented.

I ask unanimous consent to have printed in the RECORD the articles from Harpers magazine—October 1975—which documents Mr. Morris' experience, the Jack Anderson column of October 19, and other relevant articles.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Harpers magazine, October 1975]

IN THE PRESENCE OF MINE ENEMIES

(By Fred B. Morris)

It was by the merest chance that I happened to run into my friend Luis Soares de Lima, as I then thought his name was, that Monday morning last year. I had gone to the factory at seven o'clock, as usual. Then, about nine o'clock, I got into my car and started toward Recife, about twenty minutes away, where I planned to make some calls from my apartment, as the company telephone was out of order. Luis was walking along the side of the road toward the factory. I honked and stopped, and he came over and got into the car.

Luis was a very close friend who, at the end of 1973, had moved to João Pessoa, about 120 miles away. Now I saw him only occasionally when he returned to Recife to visit his girlfriend. We talked about her as we drove to my house, and he inquired about Tereza, my fiancée. At the apartment I made four calls; then, at exactly 10:00 a.m., I looked at my watch and told Luis I had to be at the Bank of Brazil in ten minutes and must leave. He said he would get off on the way and do some errands and then come back for lunch about 12:30.

We went down the stairs, still talking about our girls. As we left the building I noticed a well-dressed bearded man entering. I nodded to him and proceeded on out to my car. I had just opened the door when the bearded man rushed up behind Luis and pointed a revolver at his back, yelling something I couldn't understand. At the same instant, I became aware of being surrounded by three men armed with machine guns. I looked at Luis. It was now our turn.

Sometimes, late at night over a beer, Luis and I had talked about the friends and many others who had been imprisoned and tortured by the Brazilian army and its secret police apparatus. Luis once told me of a man he knew of who had died under torture rather than betray his friends. How can that be? I asked. How can anyone resist pain like that? And why?

These conversations began in the hurt we felt over imprisoned friends, in our anger and frustration over a military dictatorship that had terrorized and exploited the people of Brazil for ten years. We also wondered about ourselves, as I suppose every man wonders on thinking of such things. How could I bear up if they came for me? How would I do under torture? Yet such questions were for me quite academic. I was an American, and if the army should become unhappy with me for any reason—and in Brazil since 1964 it could be any reason—the worst possibility was that I would be deported.

The army had been interested in me for several months, ever since the June 24 issue of Time appeared with a story about Dom Helder Camara, the Archbishop of Olinda and Recife. I was Time's stringer in Recife, and so they assumed (erroneously, as it happened) that the story was mine. I had been called in for questioning in July, by Colonel Meziat, head of Fourth Army Intelligence in Recife. Three times I sat in his office, answering questions about my relations with Dom Helder, Time, the Associated Press (for which I was also a stringer). Though cold enough at first, Colonel Meziat became quite simpatico, and at the end said that if I avoided communicating with the archbishop and ceased to meddle in journalism, I would have no problems with them. Well aware that this was no idle comment, I sent word to Dom Helder through a monk friend and simply stopped filing material with Time and the AP: I was not happy with this kind of censorship and control, but I wanted to stay in Brazil and would pay the price.

Apart from a two-year interval, I had been in Brazil since 1964, primarily as a missionary of the United Methodist Church. In 1970 I was assigned to Recife, in the northeast, to organize a community center and to improve ecumenical relations with the Roman Catholic community there. In doing so I became a close friend of Dom Helder, an outspoken critic of the military regime in Brazil.

In January of 1974, nine months before my arrest, I'd taken a leave of absence from the Methodist Board of Global Ministries and gone to work in a small industrial firm in Recife, while continuing to serve the community center as a lay volunteer. Apparently, however, neither my new "civilian" status nor my promise to sever contact with Dom Helder satisfied the authorities. So it was that on September 30, 1974, they came to get me.

THE HUMMING INQUISITOR

The cell was small and not quite rectangular. It was about seven feet long and four feet wide. There was no window, and the only ventilation was an opening at the bottom of the door for the passing of food trays. The door was made of iron bars, but half-inch plywood panel had been placed on the outside so as to cut off any view. There was a sliding panel, at eye level, maybe four by twelve inches, that served as a kind of peephole. The roof was of clay tile, with one glass tile in the middle, giving some illumination. About seven feet off the floor, a grate of iron bars was embedded in the walls, giving a cage effect to the cell and preventing any athletic prisoner from removing the tiles and thus escaping. The walls had recently been painted a blood red for about four feet up from the floor, and then a flat white on up. The floor was of concrete tile slabs, in alternating yellow and black squares. I was naked except for my shorts.

For some reason I wasn't afraid. I realized that I could be tortured; I could already hear Luis's voice screaming from somewhere not too far away. But the kind of fear I would have expected to feel was absent. I found myself repeating, for the first of dozens of times, the Twenty-third Psalm. "The Lord is my shepherd; I shall not want. . . ." I felt a calm that the situation didn't warrant, but for which I was grateful. After about fifteen or twenty minutes, they came for me.

Before opening the door, they ordered me to replace the cloth hood they had put over my head immediately after my arrest. Because of the hood, I was to see my torturers only once in the days to come. Then they came in and handcuffed my hands behind my back, and with much pushing and shoving and dragging they took me down the corridor, through a door, up another short passageway, and into a room that was to be, for me, a torture chamber.

I was pushed to one end of the room and the questions began. I said immediately, "I am an American citizen. I want to see my consul." That was the first time they hit me. "*Here* is your consul," cried one of them, as he hit me in the abdomen.

"Where were you taking Alanir?" someone shouted. "Who?" I asked, never having heard that name before. More blows, "Luis. Where were you taking Luis?" "Nowhere. I was going to the Bank of Brazil and he was going to get off on the way somewhere. He hadn't said where." Now the blow came to the groin, the first kick a bit off target, the second two accurate. I fell to the floor in agony.

"Get up, you son of a bitch," someone cried, and I was kicked in the back while on the floor. There were more questions and more blows in rapid succession, with people constantly coming in and out of the room. I could hear Luis's screams from the next door. Then a voice I was to recognize later as that of Luis Miranda Filho, a notoriously sadistic Recife policeman, said, "We've already sent a car for your fiancée, Tereza will be here soon. We'll strip her and work on her till you decide to talk." I knew they were perfectly capable of doing this, but I simply had to ignore the idea and think of something else.

There were more questions and blows. "Who are your Commie friends? Why does an s.o.b. American like you come down here to subvert our country? Your own country's gone to hell. Can't even keep your President. We'll teach you!"

Then it all stopped, and I heard the man who was to be my principal interrogator in the days ahead humming quietly to himself. Water ran into a bucket, then splashed at my feet. Still humming cheerily to himself, the man walked to the other end of the room and returned with a wire, which he proceeded to fasten to the second toe of my right foot. Knowing what this was leading up to, I tried to retreat, but was harshly ordered to get back where I was. Then my interrogator returned with another electrode which he fastened to the nipple of my right breast with a spring clip that cut into the flesh. Once again, and now not at all academically, I wondered: oh, God, can I stand it?

Still humming softly, my inquisitor returned to the other side of the room where I heard him pull up a chair and sit down. Then, in a very calm voice, he started the questions again. "Where were you taking Alanir?" 'Nowhere," I replied. "I was going to the Bank of Brazil, and he was going to get off on the way." The first jolt was a light one, a sort of tickling and pulling at my breast. But then he increased the current and I began to jump around on the wet floor as though that might relieve the pain. I clamped my mouth shut as hard as I could, not wanting to scream and give him any satisfaction, but as the current increased, my mouth flew open with a great bellow of rage and pain. The current kept on increasing until I was thrown to the floor, doubled over in a vain attempt to diminish the pain. Then it stopped. "Get up," he yelled at me. My hands were handcuffed behind my back, and, as I slapped around trying to get up, he gave me light jolts, just to prod me on, like a steer being loaded into a truck.

As soon as I was on my feet again, the same questions were repeated, accompanied by shocks. Again I fell to the floor, wondering how long this could go on, how long I could endure. Up again. More questions, more shocks, falling once more.

Finally the shocks stopped, and my inquisitor came near. He took the electrode from my breast, but, before I could feel any sense of relief, he began pushing down my shorts, the only clothing I had left. Oh, no! I groaned to myself. This I can't bear. I know I can't.

"Nervous, huh?" he inquired. "Now we can have some real fun. And if you don't talk, we'll shock it right off of you." With this he fastened the spring clip to the base of my penis and returned again to his chair.

Then the same questions and some light jolts that made me dance from side to side. I was screaming, now almost in anticipation of the shocks, when he turned up the voltage hard, provoking spasms in both legs that caused them to fly out in front of me. I fell with all my weight on my back and my hands, which were still manacled behind me. The current continued as I squirmed and wriggled on the wet floor. This must have seemed a pratfall, for the room filled with laughter from three or four men now gathered to watch the proceedings.

Then, once again, came the command to get up. This time it was harder even than before, as I had sprained my left wrist in the fall. I was now aware only of a world of agony and torment from which I could not escape, but the pain was so great and so constant that it had almost ceased to register. Perhaps, after their years of experience, they realized this. At any rate, after a few more rounds, they stopped. The electrode was removed from my penis and from my foot; then, with the usual pushing and shoving and threats, I was led back to my cell. There the handcuffs were removed from one wrist, brought around in front of my face, passed through a bar of the cell door at eye level, and refastened. Still hooded and trembling all over, I was left alone, hanging from the door of my cell. I could still hear Luis screaming, as I had been.

It couldn't have been more than fifteen minutes before they came for me again. The hood was pulled down over my face and I started the short walk to the torture chamber. Once more I repeated the Shepherd's Psalm. "The Lord is my Shepherd; I shall not want. . . ." And again I found myself calmed by those ancient words. I wondered for a moment how many people through the centuries have used that psalm at similar moments. I was also curiously surprised at how it helped. I knew that no one, not even God, was going to save me from the hands of these men, even if they decided to kill me. They had killed many others. But the psalm confirmed in me their limited capacity to touch me where it really mattered. It strengthened me even in the face of my weakness before them.

I was questioned with electric shock and more beatings for about another hour, then hung up again in my cell. Two or three times that afternoon, they repeated the procedure. Then I was taken into a different room. I was made to sit, the handcuffs were removed, and my arms and legs were firmly strapped to the chair. One electrode was placed on my breast and the other on my right ear. These were the worst shocks of all. I felt like the top of my head was actually going to burst. I screamed, jumped in the chair, tried to break the straps, and finally, on at least two occasions, was rendered unconscious.

At one point my chief inquisitor launched off on a long and emotional tirade against Dom Helder, saying he was a shameless traitor to his country because he traveled all over the world denouncing torture in Brazil. This surreal harangue was punctuated by my screams as he turned the current on and off at random. At another point, one of my torturers got down on the floor in front of me and lifted up the hood so I could see his face and yelled, *"Eu sou foda! se você não cooperar, eu vou lhe matar!"* The face, I learned later, was that of Luis Miranda Filho, a man clearly proud of his role as a defender of Christian culture in Brazil, willing to kill for the cause. He left then, only to return shortly afterward with a Major Maia, the chief, as I later learned, of the Fourth Army torture operation. Miranda announced that they were now going to bring in Luis; they wanted me to ask him for his address. They declared that he was a rotten, no-good, Communist son of a bitch, and they wanted his address to round up the rest of his group. If I cooperated with them, they would let me go; if not, they would keep on torturing me until he gave in.

I recalled my late-night talks with Luis about the futility of cooperating with the enemy. Even if one talked, we reasoned then, his torturers would only demand more, and more, and more again. Better to remain silent from the outset. At the same time, I was confusedly aware that, if I adopted a determined resistance, they would conclude that I had something to hide and was really guilty. I had no desire to help them, but I didn't want to be tortured anymore. Neither did I want to hurt Luis. I didn't know if he was really involved in anything subversive. I *hoped* that he was, and if so I didn't want to cause him to betray himself. In the midst of my confusion the door opened, and I heard them dragging Luis in. He was breathing with obvious difficulty as they shoved him over to stand near me.

"Tell Fred your name," someone ordered.

There was a pause and I heard Luis take a deep breath.

"My name is Alanir Cardoso." He spoke with a defiance that startled me, but also made me proud of him. I still don't know why he had become Luis Soares de Lima, as I knew him; but I imagine that, like hundreds of others of his age, he had probably been in some sort of student troubles in 1968–69 and had had to change his identity to avoid imprisonment. He had never spoken to me of his past, and in Brazil I had learned not to ask questions. People told you what you needed to know. At that moment I was truly glad: knowing nothing, I had no secrets to tell.

"Fred," Luis (or Alanir) continued, "I'm sorry that our friendship has led to this. I really didn't think it would happen." He was interrupted by a violent body blow that I could feel sitting strapped to the chair next to him. As he fell against me, his hair brushed against my arm, and I realized that he was not hooded, though he might have been blindfolded. I wanted to reach out to him and help him.

"Fred," he started again, "I'm sorry." "I know, Luis," I said. "I understand." At this point they gave me a heavy jolt that forced another bellow from me.

"Alanir," someone said, "Fred wants you to give us your address. We know he is innocent, but we will torture him to death, if necessary, if you don't give us your address."

"Fred, do you want me to give them my address?"

"If you can," I said, rather weakly, hoping he would understand that I didn't want him to. "You know what you have to do." With that I received another violent shock, and as soon as it was over I was struck violently on the side of the head two or three times.

"This son of a bitch isn't going to tell us," one of our tormentors said. "Give it to Fred." With that they turned on the current again, and I began my screaming. As they dragged Luis out I heard him say, "I'm sorry, Fred," once more.

I was unstrapped, handcuffed again and dragged back to be hung on my cell door. But the routine was established, and went on. Hood on head, handcuffs behind back, half-shoved, half-dragged down the corridor, repeating the Twenty-third Psalm to myself, once more feeling an inner poise that the circumstances didn't in any way warrant, strapped to the chair again, wires in place.

Then Luis was there again. "Alanir," one of them said, "Fred wants to ask you something. He wants to know your address."

"Beg him," a voice whispered in my ear. "Beg him!" With that I received a blow on the side of the head.

"Luis," I started. "How are you doing?"

"Mais ou menos," he replied, noticeably weaker than in our earlier encounter. "How are you?"

They jolted a scream from me at that point with a sudden shock of current. "I don't know, Luis. They want me to ask you to give them your address. Can you?"

"Do you want me to, Fred?" he asked.

Oh, I wished he hadn't asked that. Yes, yes, I wanted him to give it to them. "Beg him!" insisted the tempter's voice at my side. "Beg him, or we'll kill you right now!"

"If you can," I mumbled, hoping Luis would understand.

Then came another shock and another bellow from me.

"Okay," Luis said. "I'll give the address." No, don't, I cried inwardly, afraid to voice my plea.

Then began a marvelous game of delay and tease. They stopped all the rough stuff with anxious expectation, waiting for Luis to speak. But he merely repeated, "Okay, I'll give the address."

"All right, what is it?" someone yelled.

"My address is . . . " but he didn't say anything more.

"My address is . . ."

Then came another shock and a scream from me.

"Wait!" cried Luis. "I'm giving the address." Another pause. "My address is . . ."

Incredibly, I found myself laughing inside. They were so anxious to get the address that they hung on every word, but it just didn't come. "I live in a pensão," he offered. "I live in a pensão downtown." Another pause. I could feel that he was trying to buy a bit more time before giving up the information. "I live in a pensão."

"Where, goddamn it? Tell us now, or we're going to kill Fred." Another violent shock went through me, accompanied by my cries.

"I'm giving it. I'm in a pensão downtown in Recife." It must have been nearly an hour later when Luis finally gave them an address of a cheap hotel in downtown Recife. There was a scuffle as some of them rushed out, obviously to raid the hotel. Then, as Luis was being led out he said, finally, "I gave it to them, Fred."

FANTASIES OF FREEDOM

I was unstrapped, handcuffed, and then dragged off, again to be hung on the cell door. I was to pass the rest of the night standing up, by hands shackled to the door directly in front of my eyes. My left wrist was quite swollen by now, and the handcuff was cutting into the flesh, cutting off the circulation. My body was aching all over, my head was throbbing, I was thirsty and very tired, but I had a strange feeling of exhilaration. I had made it through the day. They had done everything at least once, and I had survived. I didn't have any idea what Tuesday would bring, except probably more of the same, but I had made it through this day, I could make it through the next. For some reason, I remembered the AA dictum that one should stay sober one day at a time. Can one survive torture the same way, one day at a time?

Now I began fantasizing that they would release me. I knew that prisoners were often dumped on the street at night when the army was through with them, and, though I didn't really believe their promise to let me go after getting Luis's address, they might do it. I desperately wanted to believe they might. I began to think about what I would do. I conjured up the image of myself arriving at my fiancée's house, the embrace we would have, the joy I would have in reassuring her that I had survived. It was an image I was to nourish often during the days ahead.

I knelt to relieve my aching legs. Often, at intervals, I took advantage of the symbolic position and prayed. I didn't pray for deliverance; my idea of God does not include the Lone Ranger. But I gave thanks for having survived so far and prayed for strength.

A couple of hours after daylight, they came again. I was ordered to replace my hood, the door was opened, the handcuffs were removed and refastened behind my back, and I was led off for more questioning. Again I found myself affirming the Psalm: "The Lord is my shepherd. . . . "

After about an hour of torture, I was returned to my cell and left hanging on the door again. I could still hear Luis. His screams were more varied now, mostly weaker, and occasionally he burst forth with a series of barkings. I couldn't imagine what horror they were practicing on him; nothing they had done to me had produced that kind of noise.

Sometime Tuesday morning I was taken to another room and seated in the armchair again, my arms and legs strapped as before. But this time no wires were attached to me. Now a new voice began, saying quietly, "Fred, how are you feeling?"

I immediately thought to myself, this must be the "good guy" of the team. I felt like laughing at the transparency of their technique, yet it was bliss to hear a pleasant voice. I had nothing to hide from them; they could get no more out of me by kindness than by force. I decided to enjoy the respite. It lasted an hour or so. The next session was with the "bad guy," as were all subsequent ones that Tuesday.

Sometime in the evening, while hung on the cell door, I was surprised by the turnkey opening the peephole and wordlessly offering me a piece of bread and a glass of water. As I had no food or water at all since my breakfast Monday morning, I was nearly overwhelmed by the unexpected humanity of the gesture, especially as his clandestine manner suggested he was acting on his own. The jailer asked me if it was true that I was a pastor and I said it was. He shook his head in obvious confusion and closed the peephole again.

I was taken back for another hour or so of questioning and then returned to the cell, with a bathroom stop on the way. Now, however, for the first time, I was not hung on the door, but simply shoved into the cell, the handcuffs removed. There was no bedding at all, not even a blanket. I was still wearing only my shorts, but I was so tired that I'm not sure I even missed the amenities as I took off the hood and folded it for a pillow and lay down on the bare concrete and fell asleep. Once or twice during the night I awoke as someone opened the peephole to look in at me, but I was otherwise allowed to sleep through till morning.

At about 6:30 the jailer woke me by opening the peephole to ask if I wanted some bread and coffee. I did, and afterward I started off to the first of the day's encounters, affirming once again the Shepherd's Psalm. I felt much rested from the night's sleep and was hopeful that maybe we were reaching an end.

In the chamber, my hopes were dashed. Instead of being strapped to the chair, I was hung by the handcuffs from a hook high over my head and close to the wall.

My chief tormentor began by saying that they were tired of my lying and that today I was going to confess my sins one way or another. He started by asking when I had introduced Luis to Dom Helder, and, when I said never, he struck me in the middle of the back with his fist, then slapped me on the back of the head. Even though I was hooded, as always, the blow smarted and stunned me. These blows were followed by a rapid-fire series of questions and more beatings. I could hear them questioning Luis in the next room, since they apparently had left the door open. He sounded only semiconscious; his answers to the questions were only moans and grunts.

My inquisitor now produced a new (to me) gadget. He began rolling what must have been a spiked wheel over my back, scratching the skin. As I flinched he laughed and pushed down harder, closing some sort of electric circuit and giving me a shock. This was to be the procedure; the wheel was passed back and forth, and each time I refused to answer he pressed the device down into my naked back, closing the circuit.

After what seemed like forever, he stopped and walked away, leaving me semiconscious and dangling by the handcuffs on the wall. Suddenly I felt someone coming up to me again, and I braced myself for the pain. A piece of cold metal was placed on my chest and I flinched. A voice said, very quietly, "It's all right. I'm not going to hurt you." The cold metal moved to another spot and I perceived that it was a doctor's stethoscope. Apparently they wanted to check my heart to see how I was bearing up. Nothing more was said, but as soon as he finished I was taken down and returned to my cell. The day passed, periods of questioning and torture alternating with fitful rest.

A CHANGE OF CHARGES

That evening I dozed off, only to be awakened when Major Maia, chief inquisitor of the Fourth Army, opened the peephole about an inch and said, "Fred, we're beginning to have second thoughts about you. We're beginning to think maybe you're connected to official organs." "Uh" was my only response. "Yes, we know you're guilty, or we wouldn't have brought you here," he said, "but we think now you might be working for the CIA. How about it?"

"No, thank you," I said. "I've got enough trouble already." With that he shut the peephole and I lay there for a moment. Then I began to laugh to myself. They must really be confused by now, I thought. They bring me in for being a Communist and want to send me out as a CIA agent. I flirted with the idea of leading them along a bit on the CIA line, to see if I didn't fare better, but I soon decided it was too risky. Moreover, if I ever got out, I didn't want to have to answer questions from the American government about having pretended to be a CIA agent. With that I drifted off to sleep.

It must have been around midnight when they came for me again. I obediently put on my hood, still warm from having served as my pillow, the handcuffs were fastened behind my back, and once more I made the thirty-yard trip to the torture chamber to the accompaniment of the Twenty-third Psalm. There I was made to sit down and was greeted by the major and one of his colleagues. "Fred," began the major, "to be or not to be, zat is the question." Obviously he had been practicing that little bit in English for a while. He continued in English, "Are you a Communist, or are you a CIA agent?"

"Did it occur to you that I might not be either?" I replied, in Portuguese. "Can you imagine that I might be just what I am, a former missionary who is trying to make an honest living in business here in Recife and who happens to have some friends that you don't like?"

"Fred, we wouldn't have brought you here if we weren't sure you are guilty. Your case was discussed and discussed before we had you brought in. I can say that we suffered much more trying to decide if we should bring you in or not than you have suffered here."

"I doubt that very much," I answered. "But if you were so sure of my guilt, then why all the questions? If you have any real evidence, which you haven't mentioned yet, why not just take me to court, rather than torturing me?"

"Look, you are here to answer questions, not ask them." He then proceeded to rehearse the string of coincidences and circumstantial evidence that they had against me, most of it based on depositions made by people I had never met who had implicated me while being tortured. My friendship with Dom Helder and with Luis, which I had never denied, were the only concrete things on the whole list. We went round and round a few more times before I was taken back to my cell and hung on the door to spend the rest of the night standing up.

That night was the worst. I began thinking once again about what I would do when and if I finally got out. Would I be allowed to stay in Brazil? What would I do if I went back to the States? It was then that I resolved to tell my story to as many people as would hear me. Afraid that I might forget the details of these days before I could set them down, I rehearsed everything verbally, from Monday morning to that moment. I went over every session of torture, remembering every word said and every barbarity practiced. I recalled my own feelings, moment by moment, up to that hour. I decided to do that at least once a day until I got to a typewriter or tape recorder, even if it took months, or years. I knew that that was the only way to keep the story straight. After a couple of hours, I had told myself the whole thing. Then I started composing, in Portuguese, a poem of protest, dedicated to my fiancee. I had never before written a poem, but I found it diverting, and even exciting, trying to tell something of myself and my beliefs to my future wife. I would compose a strophe, repeat it a dozen times so as not to forget it, and go to work on another. I was to spend many hours in the next days on this project, composing, rearranging, polishing.

Dawn finally came, and a new jailer arrived with coffee and a piece of bread. After breakfast I was allowed to take a bath in the wretched bathroom next to my cell. This was a great relief since I was beginning to find my own smell one of the worst parts of the torture. Back in my cell I was permitted to lie down.

It must have been about 8:30 when they came again. One of my interrogators now explained that the reason I was always hooded was that I would then be unable to recognize them on the streets and so could not try to kill them. The questions continued much as they had the day before, with particular efforts being made to persuade me to confess to being a CIA agent. I was not beaten or shocked during the sessions on Thursday, and most of the time I was allowed to sit down. In the afternoon the major returned. "Fred, how do you feel? Everything okay?" he asked cheerfully. "Just great," I responded. "Never better." I don't know why I had the courage to be sarcastic, but his cheery friendliness provoked me.

"Well," he continued, "as you know, Brazil belongs to the community of nations. We have treaties with many countries, including the United States. One of those treaties gives you the right to see your consul, so of course we are going to let you do that. We are going to have you take a bath, shave, put on your clothes, and we will take you to see your consul. I just want you to remember that you are to speak only in Portuguese since we want to know what you are saying. Afterward you will be coming back here, so be careful not to exaggerate anything that has happened to you up to now."

I was standing in front of him, my head hooded, naked except for my shorts, my hands manacled behind my back. My wrists were cut and bruised, the left one sprained, I had no feeling in either hand, and my back was scratched and bruised, as were my buttocks. I had spent two of the past three nights standing up, had had only one meal of any sort in four days, had been threatened, beaten, cajoled, kicked, and shocked into unconsciousness. But at the end of his little speech I burst out laughing.

"What in hell are you laughing about? There's nothing funny about your situation."

"I'm sorry, but I just thought of a joke."

"Jesus Christ! How can you think of jokes? What is it?"

I told him I had remembered, while he was talking, the old story about President Eisenhower's visit to Moscow. The Russians, wanting to show that theirs is an open and free society in which everyone is happy, brought in a peasant from the interior, put him on TV, and told him he could say anything he wanted as the American President was there and people all over the world were watching him on TV. The peasant, thoroughly intimidated, remained silent. They insisted repeatedly that he should say anything he wanted, until finally he took courage, looked straight at the TV camera and said, "Help!"

The major was so taken aback that he had to laugh too, but immediately went on to warn me again not to say too much to the consul, as I would be coming back to my cell.

As it happened, I told the consul everything, and he, for his part, offered me the strongest assurances that the highest authorities would see to it that I be tortured no longer. He could do nothing, however, about any charges that might be brought against me, and I would of course have to return to my cell. His very presence was a welcome reminder of a world of reason and predictability, and he also brought news that my fiancée's parents had hired a lawyer for me. This was very risky for them, and I was moved to tears by the gesture.

Once again in my cell, after the interview, I was required to give up my clothes and all other symbols of so-called civilized man. Once more I found myself sitting on the floor of my cell in my shorts, wondering if that interlude of quasireality had been only a hallucination.

It must have been about 7:30 when they sent for me again. Hooded and handcuffed, I was led off to the chamber where my principal torturer was waiting for me.

In a most businesslike fashion, he told me that I was to make a formal statement about my ten-and-one-half years in Brazil, all that I had done, my relations with Dom Helder, *Time*, and Luis. He was going to take it all down, it would then be typed, and I would be asked to sign it the next day.

It must have taken three or four hours, but at last we were done. He called the jailer to escort me back to my cell, and then he decided to go along. As we came near my cell, he said, "So you turned us all in, huh?" With that he gave me a violent kick and walked away. I confess that it didn't hurt at all; I saw how frustrated he was and realized that I was, in fact, safe from real harm at his hands.

I awoke on Friday with the certainty that the worst was over, and with the hope that I would soon be released. My jailer said that all the little signals were that they were getting ready to let me go. I assumed, and he confirmed, that people were almost always released at night, so I waited impatiently for nightfall.

This was to become a pattern. Each day began with the promise that it would be my last one in prison. After my morning coffee, I would do some exercises in my cell—push-ups, sit-ups, running in place; then a bath, dressing (my clothes getting riper each day), off for a ride, head covered, through the streets of Recife for about fifteen minutes, only to return to Fourth Army Headquarters for a fifteen-minute encounter with the consul, Richard Brown, in Colonel Meziat's office. Mr. Brown would bring me news of Tereza and my friends and family, and tell me how things were going in general. He would inquire about my treatment in great detail, and, through much insistence, gradually secured the return of some of the amenities of life. (After five days I was given a mattress; in a few more I began to get edible food). He had no word ever about my possible release.

The questioning continued, but only sporadically. Sometimes I wasn't questioned for an entire day, then I would be grilled for five or six hours at a stretch, once even all night. But each day began with the hope that it would bring and end to the nightmare, and each night saw that hope fade into the darkness.

Twice I heard someone taking a shower in the bathroom next to my cell. Thinking it might be Luis, I began singing hymns in a loud voice so he would know I was all right. The jailer confirmed my suspicion by motioning for me to be quiet. Then I heard Luis begin to sing softly a famous Brazilian protest song, "Disparada," and my heart truly leapt with joy.

On Tuesday afternon, October 15, I was officially informed that I was to be expelled from the country and was delivered over to the federal police. I was taken to my home to pack a suitcase and to sign a power of attorney over to my fiance's father to handle my affairs in Brazil. Then I was taken to the Federal Police Headquarters, where I spent the night on the floor of an office.

Arrangements had been made for me to meet with my future father-in-law again on Wednesday morning to go over my affairs. I was also to go to the bank and get some money, and was promised an hour with my fiance for making our plans.

However, on Wednesday morning, at 8:10, I was informed that I should get ready, as I was taking the 9:00 a.m. plane to Rio. In ten minutes I found myself in a station wagon, racing with siren screaming toward the airport.

When I arrived, I saw Mr. Brown and four friends at the other end of the terminal, waiting for me. The police agents clearly didn't want me to speak to anyone, but I delayed, fussing about my suitcase until they caught up with me. Then, ignoring the mutterings and fussing of the police agents, I embraced my friends, one by one, thanking them for coming and tearfully receiving their good wishes. Then I was taken by the arm, and, accompanied by Mr. Brown, was led to the waiting plane. Mr. Brown said my fiancée was on her way, but he didn't know if she would make it, as there had been an accident, and traffic was jammed up.

On the plane I was seated in the front row, with an armed guard by my side. Major Maia came on board to bid me farewell, and, after hesitations that I meant to be obvious, I shook his extended hand. I thanked Richard Brown profusely for all he had done for me, and he was escorted off the plane by the major.

At 8:55 I saw some commotion at the foot of the stairs leading up to the plane and saw Tereza, with Mr. Brown in tow, coming up the stairs. Without even thinking, I climbed over my startled guard and met her at the head of the stairs for what can only be described as a Hollywood embrace. With tears streaming down both our faces, we hugged and kissed for about ninety seconds while being pulled into the plane where the press wouldn't see us, until Tereza, having promised to follow me as soon as she could, was forcefully taken from me and off the plane. At nine o'clock, we took off for Rio, where I was to pass the day in a jail cell before being placed on a Varig flight to New York, by armed guard, at 11:00 p.m. that evening.

(I was to discover later that Tereza, arriving late, had actually jumped over the wall separating visitors from the apron and had run out to the plane, with no authorization from anyone. When Mr. Brown saw her he ran to meet her and insisted that she be allowed to say goodbye to me.) *

As the plane arrived at Kennedy Airport in New York at about 8:00 a.m. on Thursday, October 17, the man seated next to me looked up from the Rio English-language paper he was reading, pointed to a headline saying that I was about to be expelled from the country, and said: "I wonder where that poor son of a bitch is now?" I replied: "That poor son of a bitch is me." He was shocked into total silence and only recovered in time to say "Good luck" as we got off the plane.

As my passport had been given to the crew, I was escorted by a crew member straight to immigration. The immigration officer looked at my passport with the brand-new rubber stamp saying "EXPULSO" covering one whole page and said, "What did you do?" "I was too friendly with the archbishop," I replied. "Well," he said, "sometimes they do strange things down there. Welcome home."

[From the Washington Post, Oct. 19, 1975]

TORTURE IN BRAZIL

(By Jack Anderson)

Brazil's President Ernesto Geisel took office in March, 1974, with a promise to end torture and other human rights violations.

But a stream of documents, some delivered to us by secret couriers in the dead of night, others smuggled into nearby countries and mailed to us from there, charge that the torture chambers are busier than ever. Indeed, members of the military torture units themselves have been tortured for opposing the savage practices.

Geisel has made a half-hearted effort, the documents indicate to reduce torture in some parts of Brazil. But he apparently cannot control his right-wing military backers, who believe it takes barbaric measures to suppress the terrorists. Because Geisel is too moderate for them, some militarists reportedly are muttering against him and may attempt to depose him.

A study of the documents in our possession indicates that at least 600 persons were tortured during the first three months of 1975. A few years ago, 52 military policemen were imprisoned. Many of them were tortured by their own more fanatic comrades.

This led the internationally respected Archbishop of Sao Paulo, Paul Cardinal Arns, to circulate privately an extraordinary letter to his priests urging prayers for the tortured military police.

"We could not remain indifferent before new imprisonments . . . among the military police of Sao Paulo," the doughty Cardinal wrote. The government has accused them, he revealed, of "subversion of the public order."

"The arrests were accompanied, he added grimly, "with a disrespect for the law and the dignity of man." This is the church's euphemism for torture.

To dramatize the point, the archdiocesan letter cited the case of a 63-year-old lieutenant, named Jose Ferreira de Almeida, who was locked up in July. Three weeks after his arrest, his lawyers were allowed to see him. They found him hideously bruised. He had been brutally beaten and had been given violent electric shocks.

His front teeth bridgework had also been removed. When he implored for the return of his teeth, he was told tauntingly that they would be put back in place after he was dead.

A month after his arrest, the torture unit of the military police notified his family that he had committed suicide. True to their promise, they restored his bridgework before delivering the body to the family for burial.

At great personal risk, an eyewitness slipped out of Brazil and arranged to meet us outside Washington to tell us about the agony of a young woman. To make it more difficult for the security police to identify our source, we have agreed to omit the woman's name.

She had no terrorist connections, but she was sought for questioning. The Brazilian security police broke down her door and dragged her off to "Operation Bandeirantes," as Sao Paulo's main torture unit is called.

The eyewitness swore to us that she was sexually abused and was given electric shocks for 24 hours. Once, she was forced to wolf up her own vomit from the torture room floor. She was released without charges and is now receiving psychiatric treatment.

Petitions smuggled to us from Recife, Sao Paulo and Rio de Janeiro, all originally directed to the Brazilian Justice Ministry, describe medieval conditions in Brazil's prisons. Here are just a few examples:

Two students, Carlos Alberto Soares, 31, and Alberto Vinicus Melo de Mascimento, 28, were both cleared at their first hearings. But witnesses under savage torture gave statements against them. On this dubious evidence, both were concivted and were given life sentences.

In Sao Paulo, according to the documents, torture victims were forced during their agony to look at enlarged pictures of their wives and children. This left them with severe psychological scars, which made it "virtually impossible for these people to relate to their families on being released."

Another document describes the "icebox"—a room "in which the prisoner is place naked and subject to alternating heat and cold, accompanied by either total silence or extremely loud noise, like recordings of jet engines."

We have written about brutalities against helpless prisoners in both communist and fascist countries. We have documented subhuman conditions in our own prisons, although nothing as terrible as the dictatorships promote. What does it take to arouse world opinions against this continuing cruelty?

Footnote: Repeatedly, we have tried to get comment from the Brazilian government on specific charges. We have been given, in reply, only vague assurances that no such torture is going on.

[From the Latin America, Oct. 31, 1975]

BRAZIL: DEATH OF A JOURNALIST

The death in a military prison last Saturday of Vladimir Herzog, one of Sao Paulo's best known journalists, is an indication of the recklessness with which the repression is now being carried out. It may have unfortunate repercussions for the government.

Police called at TV Cultura, Sao Paulo's cultural television station, last Friday and asked for the news director, Vladimir Herzog. He was out of the office, but unhesitatingly went round to the headquarters of the second army corps on the outskirts of the city early the next morning. That afternoon he was dead. His body was returned to his widow in a sealed coffin. According to a military statement, he had hanged himself after writing a confession that he had been a militant of the Brazilian Communist Party since 1971 or 1972. His widow was refused permission to hold a second autopsy. Herzog had worked for O Estado at Sao Paulo and Visao as well as the British Broadcasting Corporation, and was a noted film maker.

Herzog's death may have been an accident, due to the zeal of a military interrogator, but his arrest formed part of a wider pattern of repression. Eleven journalists have been arrested in Sao Paulo in the past two weeks, and the number of lawyers, professors, union leaders and members of the opposition Movimento Democratico Brasileiro (MDB) put behind bars in the current wave tops 200. This public repression, and the consequent deterioration of Brazil's image in the international press, comes at an unfortunate moment for the regime, which appears to be reacting blindly and unthinkingly to criticism. The meeting in Sao Paulo two weeks ago of the Inter-American Press Association, when local journalists took advantage of an international forum to complain of the difficulties under which they work, appears to have particularly incensed the military. Furthermore, there is some evidence to suggest that the government has given the green light to those who wish to repress opposition, for fear of worse happening.

The present wave, leading up to the death of Herzog, has a number of strands. In the first place, there is the continuing disquiet in the armed forces about the activities of the MDB, which ever since last year's elections has shown itself to be a political force to be reckoned with. Secondly, there has been the steady campaign to root out "subversion" from the various institutions and

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*Tereza was eventually allowed to leave Brazil. She and the author were married on December 28, 1974, and are now living in Virginia.

sectors of the population where the military believe it to be embedded. It is certainly true that, partly as a result of stringent self-censorship left-wing and radical journalists have survived in their profession in the past 11 years to quite a considerable extent. As the economic going has got tougher, in the past two years particularly, the military have grown increasingly resentful of criticism—a resentment that goes beyond a mere dislike of "lefty" journalism. Frequently the censor has refused to allow even the most veiled criticism of the economic situation, and this has been notably true during the past few weeks when discussion of the controversial contratos de risco, involving an end to the country's traditional policy of oil nationalism, has been virtually forbidden.

Dislike by the military of open debate is partly a result of their own divisions. Once a decision has been taken, particularly over such a controversial issue as oil exploration, military discipline demands that all should adhere to it. Airing the issue in the press, inevitably reflecting sharp divisions within the armed forces, can only serve to open old wounds. Consequently after the original announcement of the decision to allow contratos de risco, the opposition newspapers—Opinião, Movimento and others—were warned not to discuss them. The larger 'reliable' newspapers had sufficient sense of self-preservation to refrain from adverse comment, while the other papers were intimidated by the arrest of one or two journalists.

The desperate need to tread cautiously has also been felt in congress. The leadership of the MDB, Ulysses Guimarães, Thales Ramalho and Laerte Vieira, have been careful not to mount a frontal attack on the oil issue for fear of allowing a right-wing faction in the army to upset the democratic applecart once and for all. The ARENA leader in the senate, Petrônio Portela, issued his usual warning that heated discussion of such a sensitive issue could easily lead to the closure of congress and the postponement of next year's elections.

The latest phase in the current situation began on Tuesday of last week, when justice minister Armando Falcão issued a public circular to all state governors prohibiting the holding of public meetings. Thought at first to be a move against the MDB, on the eve of launching its campaign for the 1976 elections, the Falcão order appears in fact to have been aimed at the growth of student agitation. Indeed Falcão let it be known tacitly that he was not so worried by the students, as by the possibility that the army would march into the universities unless it felt the government was doing something. Brazilian students, who have been beaten back into apolitical activities during the past decade, have recently started to reassert themselves, and in Bahia, Brasília, Minas Gerais and elsewhere strikes and political discussion meetings have become prevalent. The possibility of serious unrest among the 40,000 students in São Paulo is known to exercise General Ednardo d'Avila, commander of the second army corps based in São Paulo, who said last week that the army would root out the 'red fascists' undermining the nation.

Certainly there are numerous signs that the government is infinitely more preoccupied in fact by the threat from its right flank than by the leftist threat that the security agencies are so busy trying to pin down. Last week, on 22 October, President Ernesto Geisel himself had to throw his weight into the fray, first to reply to the charges made by the Inter-American Press Association, and secondly to squash the idea that the MDB has any chance of becoming the government party. There is scarcely a country in the world with as much freedom as Brazil, the President said, without batting an eyelid, emphasising in particular the freedom of the press. As for the success of the MDB, 'we have to destroy some myths', Geisel said. First, 'the myth that the opposition won the elections in 1974. It is not true. The opposition had some successes, important and even unexpected successes, making substantial progress. But the elections were won by ARENA. This should eliminate another myth—that the opposition has already won the elections of 1976. We shall win those elections.'

Geisel's speech, coupled with the repression and difficulties under which opposition politicians operate, was clearly designed to reassert the presidential position in the face of attacks from the Right. He is trying to maintain his centrist line, but the zeal of his right-wing opponents who wish for a yet tougher policy may blow him off course.

[From the Washington Post, Nov. 2, 1975]

BRAZILIAN'S DEATH FORGES ANTI-REGIME PROTEST

(By Bruce Handler)

SAO PAULO, Brazil, November 1.—Several thousand Brazilians jammed into a memorial service here Friday for a local newsman who had been found dead in an Army prison cell.

This was seen as a silent protest against increasing repression under the anti-communist military regime in Latin America's biggest country. Mass demonstrations usually are considered illegal in Brazil.

Every seat was filled, and mourners packed the center aisle and both side corridors of the cavernous, two-block-long Roman Catholic cathedral in Sao Paulo, the nation's largest city, to witness an ecumenical service for Vladimir Herzog, the former news director of the local educational TV station. Hundreds more crowded onto the cathedral steps and into a plaza across the street.

Herzog, 38, married and the father of two children, was found hanged from the bars of a prison cell window, after the army had called him in for questioning about his possible involvement in leftist activities.

The government says Herzog panicked and committed suicide. But most newsmen and university students here—the victim was also a professor—believe the Army killed him during interrogation.

The organizers of the memorial service made the event as low-key as possible, to avoid a confrontation with security forces. The Sao Paulo police kept their promise not to interfere, as long as the service was strictly religious and not a pretext for political demonstration. There were many plainclothes agents in the cathedral, however.

The service was offered by Sao Paulo's Catholic cardinal-archbishop, Paulo Evaristo Arns, a Protestant pastor and two rabbis. Herzog was a Jewish refugee from the Nazi in his native Yugoslavia.

Cardinal Arns, who has spoken out strongly in the past against the torture of political prisoners in Brazil, was purposely restrained. He noted dryly that the biblical commandment, "Thou shalt not kill," is a "universal and uncontestable principle."

Some of Herzog's acquaintances conceded that he was high-strung and somewhat emotionally unstable and thus conceivably could have committed suicide. But virtually no one in Sao Paulo believes the Army's version of Herzog's death.

"Among newsmen at least, the credibility of Brazilian security organizations is zero," an editor here commented. "We've just seen too many cases of people we know were tortured to death in jail but whom authorities listed as 'hit-and-run victims' or 'shot while resisting arrest.' "

Skeptics also noted that army pictures of Herzog hanging strangled in his cell show a cloth belt around his neck tied to a steel bar in the window about 5½ feet above the floor. Herzog was 5-11. Friends also stated that Herzog did not wear that kind of belt.

The recent wave of arrests of suspected leftists in Brazil has hit mostly newsmen, university students, labor union officials, lawyers and politicians. Why this has happened all of a sudden no one really knows. The armed forces, which have been in control of Brazil since 1964, wiped out all known active guerrilla groups in the country several years ago.

One theory is that ultra-anticommunist Brazilian military officers are upset to the point of paranoia over what is happening in Portugal, where the communist party emerged strong and well-organized despite decades of right-wing dictatorship.

Students and journalists in Sao Paulo are becoming convinced that their only course is to avoid provoking authorities at all costs and seek to morally oblige the government to honor the few legal guarantees still remaining in Brazil.

Thus, plans to bring antigoverment banners and signs to the Herzog service were scrapped, and some 30,000 students and professors at the University of Sao Paulo who had boycotted classes for the past few days to protest Herzog's death apparently will return to the campus Monday.

The "keep cool" approach may be producing results. The army is now allowing some reporters suspected of leftist connections to eat and sleep at home after coming in for questioning during the day.

[From the Washington Post, Nov. 2, 1975]

BRAZILIAN DIPLOMACY MAKING IT A MAJOR LATIN POWER

(By Joanne Omang)

BRASILSA.—Brazil cannot flex its growing economic and political muscle in the rest of South America these days without being accused of imperialism and expansionism, charges customarily leveled at the United States.

Like the United States, Brazil insists that all the projects, loans, credits and trade agreements it has spread over the continent are not gifts designed to curry favor but sound investments. They will benefit Brazil first and give the other countries good bargains as well, Brazilians argue.

This nation's energetic planners insist that the complaints from its neighbors are either political ploys by leftist critics or the laughable fruits of small-country misinformation or insecurity. But Latin diplomats here and in their home capitals say they are privately convinced that Brazil is creating economic ties and friendships that could soon make it the region's major political force.

It is not such a force now. Brazil has more territory than the continental 48 states and its 107 million population excels all the rest of South America put together, yet the area is largely jungle and most people live on the coast. Brazil has traditionally looked to Europe and the United States for markets, imports, capital and ideas, rather than to its neighbors across the Amazon rainforest.

Now, however, it is engaged in a drive to open up its vast interior, develop its resources and boost trade with its immediate neighbors, who presently account for only 10 per cent of its foreign commerce. The drive has been greeted with as much suspicion as pleasure.

"Brazilians have sort of a sense of manifest destiny," said a diplomat from one of the 10 nations that rim Brazil's 7,000-mile inland border. "There's no question that with their resources and size they will eventually be controlling things here."

Brazil's destiny, according to this view, is to control first the economies and then the politics of relatively weak and poor Uraguay, Bolivia, the Guianas and Paraguay. It could forge an axis with the right-wing government in Chile and force crumbling Argentina to accept Brazil's leadership. Aided by the atomic weaponry Brazil could have by then, the combined authoritarian bloc would isolate and finally bring to heel the relatively left-wing governments in Peru and Equador. According to this theory, the raucous democracies in Colombia and Venezuela would thus be rendered powerless to resist Brazil's takeover of their economies.

"Absolute rubbish, total nonsense," scoffed Herbert Levy, first vice president of the Brazilian Chamber of Deputies and publisher of a prominent business-oriented newspaper. "Whoever says that is speaking for ideological reasons or is incredibly insecure or stupid."

Far more likely is the goal acknowledged by a Foreign Ministry official: "Influence, yes, influence in the sense of being able to impede actions contrary to Brazil's interests. Not causing things favorable, but stopping things that are unfavorable."

Certain Brazilian projects have caused the controversy:

—The Trans-Amazon Highway system, launched with much fanfare in 1970 as the key to the interior, was planned to connect to a Peruvian road to the sea and Bolivian roads to La Paz, the Bolivian capital. Peruvian and Bolivian politicians half-jokingly call the roads invasion routes and say those roads will never be built. The Trans-Amazon Highway was turned north 100 miles from Peru as a result.

—In return for 20 years of Bolivian natural gas, Brazil is loaning Bolivia the money and expertise to construct a mammoth steel, fertilizer and cement production complex at Santa Cruz and has guaranteed markets for the produce. The cost was estimated at $600 million two years ago and may have doubled.

—The Itaipu Dam, a $5 billion project with Paraguay that will produce enough electricity to light all of New York State, is a virtual gift in financing to Paraguay. In return, Paraguay will sell most of its half-share of the power to Brazil. Argentine politicians have complained publicly that the dam will enable Brazil to control the waters of the Parama River and to flood Argentine crops at will or ground the ocean-going vessels that carry steel and automobiles out of Argentina's industrial heart at Rosario. Brazilian Foreign Ministry officials say the dam's design would not permit that.

—Nuclear technology, to be acquired under a controversial deal with West Germany, means Brazil could produce atomic weapons within eight years at most. Although leaders here insist that nothing of the sort is planned, Brazil has not signed the nuclear nonproliferation treaty. Most diplomats questioned assume the bomb will be built if only for prestige reasons.

—Negotiations on a $1 billion deal to buy Colombian coal fell through under charges from Colombia opposition parties that it would surrender sovereignty to Brazil. Brazil now buys its coal from Poland, but negotiations are expected to resume shortly with Colombia.

"What can we do about this attitude?" asked a Brazilian Foreign Ministry spokesman. "Criticism is the price of growth. Nobody says anything if you are lazy. But we are not making the mistake the United States made in signing exploitative contracts. You'll see—ours are good deals for both sides."

[From the Washington Post, Nov. 10, 1975]

BRAZIL WARNING

LONDON.—Amnesty International urged the Brazilian government to protect the life of a young prisoner threatened by a rightist death squad when he is released from prison Monday.

The international human-rights group said Cesar Queiroz Benjamin, 21, has been ordered released because the events on which he was charged occurred when he was 16 and said to be "not responsible" for his actions. He was never convicted of the alleged left-wing political activities.

The judge in the case, Amnesty said, told the Queiroz family that he had been told by an army secret service official that their son would be killed by a "death squad" when he is released.

BIGOTRY IN THE UNITED NATIONS

Mr. BROCK. Mr. President, the United Nations is scheduled to take up the now infamous proposed resolution equating Zionism to racism some time today or tomorrow. This resolution has already been denounced by the Congress of the American people in terms which leave no doubt as to the disgust and disdain in which we must hold any body which could approve the racist document. If the purpose of this resolution was to unify the antidemocratic forces at the United Nations against the democracies, this has been a success. If the purpose of this resolution was to demonstrate the strength of racism and intolerance in the world, this resolution has been a success; however, if the purpose of this resolution has been to cause America to loosen its traditional ties with its ally Israel, it has failed; if the purpose of this resolution has been to raise the hopes of the Palestinian Liberation Organization for U.S. recognition, then this most certainly has failed.

For 30 years we have strugged to create a forum where all nations could come to air our differences and resolve common problems, not one where prejudice is institutionalized. Ambassador Moynihan has demonstrated where our feelings lie on this matter and Clarence Mitchell, one of our best selections for a Representative to the United Nations, has spoken. As a Tennessean I am disgusted with the display of bigotry and hypocrisy now being demonstrated in the United Nations.

I ask that the statement by Clarence Mitchell, Jr., of October 6, 1975, be printed in the RECORD, since they articulate so well the real meaning of American frustration with international prejudice.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY CLARENCE M. MITCHELL, JR.

Mr. President, Distinguished Citizens of the World, you have the honor to be here representing your countries. I know that you have had a long day. I know that many will consider that an extended speech would necessarily be an imposition. Therefore, I advise you in advance that what I have to say is not long. I would hope to stay within the limitation of ten minutes which is what I understand to be our rule.

I want also to make it clear that what I say is not said so much in anger or rancor because I think we have had too much of that. What I am saying is with the hope that we can set the record straight so that the world as it looks at us will have both sides of the problem which prompts my appearance here.

I am replying on behalf of my government to the statements made this morning by the representative of Dahomey.

I was especially interested during that intervention to find that while Ambassador Moynihan was criticized for things he is quoted as saying outside this chamber, there was not a word of reply to the report of the International Commission of Jurists of June 1974 concerning the deaths and disappearances of tens of thousands of Ugandans in the course of the Amin regime. This report, and the findings of the report are the reality of the controversy. I might say a man is just as dead if he is killed by a black person as he is if he is killed by a white person.

In our country we believe the right of freedom of speech is sacred. We wish always to protect that right of our own citizens. We also want to protect it for our visitors, whether they be heads of mighty states, whether they be representatives of newly born nations, or tourists or immigrants who come to our country. In that spirit we listen with respect and will continue to give respectful attention, to the views of all who speak in this chamber, whether or not we agree with them.

I have been here myself since early in the month of September. I have walked these aisles. I have shaken hands with the men and women who have spoken, not always because I have agreed with them but because I believe they had the right to be heard and I wanted to assure them by a hand shake and a look into their faces that I was listening.

We accorded that kind of respect to the President of Uganda. On behalf of my country, I personally listened for the entire length of his presentation as Chairman of the OAU. I also listened to what began on page 9 of his printed text, which I have here with me. In item 39, he said this, and I quote, "I should now like to discuss a few points in my capacity as President of Uganda." What he said from that point on contains much that constitutes an affront to millions of citizens of the United States. In our country, and many of you who are here represent countries who were with us, we fought a long and costly war against one kind of racism. That racism had been inflicted on the world by a dictator who exterminated millions of humans because they were not members of what he called the Master Race. Perhaps if we had been less courteous with that dictator in the beginning, immense human suffering and loss would have been avoided.

Speaking as President of Uganda, and I emphasize not as Chairman of OAU, President Amin said on page 13, item 50 of his printed text, which I have here, and I quote, "The United States has been colonized by the Zionists who hold the tools of development and power. They own virtually all of the banking institutions, the major manufacturing and processing industries, the major means of communication, and have so much infiltrated the CIA that they have proven a great threat to the nations and the people who may be opposed to the Zionist movement." He then said, "They have turned the CIA into a murder squad to eliminate any form of just resistance anywhere in the world." That is the end of the quotation.

Further on he called for the extermination of the State of Israel, and there is also a gratuitious suggestion to the Blacks of the United States that the conditions in which they suffer are of their own doing and that if they would just straighten themselves out, they would not have the kinds of troubles that they now suffer from.

It is interesting to note that in his remarks this morning the representative of Dahomey further compounded this insulting and ludicrous type of address with this question, and I quote: He said of our leader of the delegation from the United States, "Is Moynihan representing Zionism or the United States? If he is representing Zionism he should go to Israel as soon as possible." It is ironic that, in his very next statement the representative of Dahomey appealed to Ambassador Moynihan to act "in a more responsible way." It is also ironic that the remarks of the representative of Dahomey are in sharp contrast to the fact that it was the OAU itself which at Kampala took the decision to look at the Israeli question in a moderate rather than an extremist way. Ambassador Moynihan in his San Francisco speech gave full credit to the OAU for this wise decision. And I say with all the sincerity that I can command I thank the OAU for whatever it has done constructively to bring moderation into this troublesome question.

The fact is that President Amin's words are the kind that have been used through the centuries to persecute minorities, particularly the Jews. Usually, such words are preceded by such utterances as "I like the Jews," or "Some of my best friends are Black." As we find at the beginning of item 52 on page 13 of President Amin's speech, this is also the technique that he used. But we in our country are not deceived by fair-sounding language that is used to mask rhetoric that sows the seeds of hate. We will raise our voices against an attack on any of our people, any assault on any segment of us is an attack on all of us. We are one people in the United States. When we are assailed with cruel and degrading words, we feel and we are free to express our indignation. That is what has to be done. It is my personal view that this is an occasion for pride, and not for apologies. We will raise our voices not only in the defense of the Jews but we will raise our voices in defense of the Arabs who are distinguished citizens in our land. We will raise our voices in the defense of persons of Asian ancestory and we will even raise our voices in the defense of those with whom we do not agree politically when they are attacked unfairly.

Mr. President, during the Seventh Special Session the United States offered a plan for partnership. Through hard work and negotiation that session was a success. And we thought, I still believe, my country still believes, that we were and are on the road to building a partnership in this world. This continues to be our real work.

We now have a choice: We can continue our arguments about President Amin or others who may say similar things, or we can turn, Mr. President and distinguished citizens of the world who are here, to the real problem at hand—improving the quality of life for all of the world's population, relieving children of the pangs of hunger, placing a roof over the heads of those who are in need of homes, assuring that talent is not wasted because we give to those who have the ability an opportunity to learn. And above all talking in a spirit of constructive reason so that we do not end up at each other's throats but rather as men and women of good will, talking about our differences. Surely we may not always agree but if we are always rational, if we are always fair, if we are always willing to listen and not as some may do and walk out in pique rather than even listen, if we do these things, I believe that we have a great opportunity in this period of human history to begin building a world which we have always dreamed we could have which would reflect as this great chamber reflects the hues of mankind, the political beliefs of mankind, and all of the things that have made this world a place where we have an opportunity to build something which may not be close to paradise but will be far better than anything we have done before.

THE 1975 NOBEL PRIZE IN MEDICINE

Mr. KENNEDY. Mr. President, the 1975 Nobel Prize in physiology and medicine was awarded recently to three Americans, and it is appropriate that we pay tribute here to them and to their great achievements in biomedical research. The new Nobel laureates, who will share equally in this year's prize, are Dr. Renato Dulbecco, Dr. David Baltimore, and Dr. Howard Temin. These three scientists were recognized for their important discoveries about the interaction between tumor viruses and the genetic material of the cells which these viruses infect. These advances not only constitute a basic research landmark in our understanding of virus and cell interactions and how cells use genetic information, but open up important practical areas of research to expand our understanding of the nature and basis for certain human cancers.

Dr. Dulbecco, now working in England, pursued his Nobel Prize-winning studies while at the California Institute of Technology and at the Salk Institute in La Jolla, Calif. In these studies he showed for the first time that the genetic material of a virus could be transferred from an infected cell to its descendants for many generations. Dr. Baltimore of the Massachusetts Institute of Technology and Dr. Temin at the University of Wisconsin, both of whom were former students of Dr. Dulbecco's, independently discovered the mechanisms responsible for Dr. Dulbecco's findings. Their research upset one of the central dogmas in molecular biology, and started something of a biological revolution. They were able to demonstrate that a mechanism exists which allows the genetic information of a virus to be incorporated into the infected cell, and used as though it were a part of the original genetic makeup of the cell itself.

Mr. President, the Nobel Prize is the most prestigious and significant recognition that a scientist can receive, since it is awarded based upon recommendations by scientific peers, after evaluation of the best research throughout the entire world. These men can be justifiably proud of their important scientific accomplishments, and should know that they have earned also the congratulations and gratitude of all of us outside of the scientific community as well.

We should also be aware, Mr. President, that the significance of this Nobel Prize award beyond the notable research work of these scientists.

It is also an indirect testimony to the fact that we have now in the United States, thanks primarily to the strong leadership of the Congress, the world's leading biomedical research capability, in terms of both research scientists as well as research institutions, with the National Institutes of Health foremost among them.

It was recognized very early by the Congress that satisfying the health needs of the American people is one of the important issues which we face, and that there are two complementary approaches that we must take to meet this challenge. One of these approaches requires that we extend to all Americans, as a right, the opportunity to avail themselves of the best medical knowledge at our disposal. The other approach, no less important, is to expand this base of medical knowledge through basic research into the causes and cures of those important diseases which affect our citizens. It is clear that only with a well-trained pool of top research scientists, and an expanding base of fundamental knowledge, will be able ultimately to improve prevention techniques and health care delivery for many of the important diseases that we understand so poorly today.

Mr. President, we have that biomedical research capability and those leading research scientists in America today; in our medical schools, universities, research institutions, and at our own National Institutes of Health. We also have an effective mechanism for continuation of this research effort, through the intramural, and extramural programs of the NIH. It is no accident that these three Americans received the Nobel prize this year, since they are products of our impressive biomedical research effort. Nor is it an accident that in all biomedical research fields, 29 Americans have been awarded the Nobel prize just in the past 20 years.

Some of these awards were made for research that was directly and immediately applicable to the health needs of the people, while other Nobel prizes recognized basic research that has since been translated into disease prevention or therapy terms. We may be confident that sooner or later, many of the other advances that emerge from our biomedical research activities will contribute to the improved health of the people, and thus justify this effort and its continuation.

As we turn our attention more and more to the pressing problems of health care delivery in this country, we must not lose sight of the important role that fundamental biomedical research plays in this process. The practice of medicine today is based upon the broad foundation provided by yesterday's research effort. We must continue this effort as an investment for the future, and past experience shows that this investment ultimately pays off handsomely in improving the health of our people. We cannot predict now where or when the advances will emerge to better enable us to prevent or cure such diseases as cancer, stroke, cardiovascular disease, or the many other chronic and congenital diseases that now afflict so many people. We may be sure, however, that progress will only come from an active and continuing biomedical research effort.

Mr. President, I think that this most recent Nobel Prize award, with the implications that this research has for our understanding of human cancer, provides another demonstration that we are doing well with our biomedical research effort, and that we should continue to support it as an important component of our activities in the health field.

STRATEGIC RESERVES AND SALT DOMES

Mr. FANNIN. Mr. President, though our fond hopes of energy self-sufficiency have not died, we all are beginning to realize how difficult it will be to achieve the domestic capability for meeting our energy demands.

We have established a separate agency for energy research and development and are seeking every means possible to entice the private sector into utilizing alternate energy sources; but we are still faced with wasteful energy habits, short supplies of capital, and a Nation puzzled by the lack of a comprehensive energy policy 2 years after the Arab embargo. Fortunately, there have been some areas of agreement—the need for strategic energy reserves is one of those areas. With the passage by both Houses of legislation to develop emergency petroleum reserves, only a conference committee resolution remains in the way of a vital program.

The storage of these reserves, which we all agree are vital, remains a problem. Steel storage tanks could cost as much as $100 per barrel and utilize a material in high demand and short supply. Consequently, the alternative construction of salt solution cavities in salt bodies has attracted most serious attention—with construction costs between 15 cents and $3 per barrel.

Though the gulf coast offers considerable opportunity for salt storage, Arizona may be the only State in the West with salt bodies large enough for potential crude oil storage. The large amounts of water necessary for cavern excavation could be made available in Arizona by utilizing saline water which is unsuitable for other purposes. Dry mining also could be employed.

Presently, two salt masses in Arizona are being used for liquified petroleum product storage. One cavern is located near the town of Adamana in Apache County. Operated by the Williams Energy Co., the Adamana site has six caverns for LPG storage with three additional holes having been recently drilled. With the three new caverns, the capacity at this site will be increased from 550,000 barrels to 700,000 barrels, with a projected capacity of over 1 million barrels.

Another salt mass, called the Luke Salt Body, has been estimated at 15 cubic miles and is located a short distance from Phoenix. Concerning the depth of the Luke body, the Arizona Oil and Gas Conservation Commission informs me that, "Drilling has confirmed the presence of relatively pure salt from 880 feet to 4,503 feet." The two caverns located at this site, drilled by the California Liquified Gas Corp., have a present capacity of 550,000 barrels and 78,000 barrels—with an eventual capacity of over 1 million barrels.

A third salt mass has been confirmed 30 miles north of Kingman, Ariz., in the northwest section of the State. This body, named Red Lake, has gained considerable attention from the El Paso Natural Gas Co. for storage possibilities.

Additionally, the Picacho evaporite basin in Pinal County offers still another large salt mass in which drilling penetrated 445 feet of salt. The obvious advantages of Arizona facilities is the proximity to refineries in Los Angeles, northwest New Mexico, and west Texas. The Southwest is also safer than other locations from natural disasters, and air and sea missile attacks.

Arizona sites still offer exceptional transportation possibilities with the Four-Corner's pipeline only 30 miles from the Red Lake salt mass. Director Conley of the Geology Section of the Arizona Oil and Gas Commission reported the following to me in a letter last August 15:

> The remoteness of salt cavern oil-storage in Arizona does not adversely affect its usefulness. You will note on the enclosed map that the Red Lake salt mass is only 30 miles from the Four Corners pipeline, which transports crude oil from the Greater Aneth oil field in southeast Utah to the Los Angeles area. The Texas-New Mexico pipeline transports oil from this same field to terminals in Texas, where other pipelines exist for transportation to refineries in other states. Therefore, a stored oil reserve at Red Lake would be strategically located to fill emergency oil requirements of refineries on the West Coast, Texas Gulf Coast, the Mid-Continent area, and the Great Lakes area. Or, one of El Paso Natural Gas Company's three pipelines for transmission of natural gas, which go through Kingman, could be converted to use for crude oil transport to out-of-state refineries.
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> A comparable situation exists for use of the Luke salt mass. El Paso Natural Gas has a nearby multiple natural gas pipeline system extending from the West Coast to various places in Texas. There has already been some mention in trade journals of converting one of these lines for transporting Prudhoe Bay crude oil from the West Coast to pipeline terminals in Texas and Oklahoma.
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> In addition to El Paso's pipelines, Southern Pacific Pipe Lines has an oil products line extending from the Los Angeles area eastward through Phoenix into El Paso, Texas, that could possibly be utilized for transporting crude oil. All of these possible conversions from gas to oil and reversing the direction of flow for eastward transportation in the Four Corners pipeline would require additional compressor or pump stations.

The Arizona Fuel and Energy Office recognized Arizona's salt resources early in that agency's existence and has suggested the storing of off-peak energy, in the form of compressed air in salt cavities. In addition, organic refuse could be contained in such cavities, with the methane gas recovered for boiler fuel. We have really only begun to consider the many possibilities for utilizing these resources. Arizona is fortunate to be so well-endowed.

I would like to share an article from the Field Notes publication of the Arizona Bureau of Mines concerning this resource. I ask unanimous consent that the remarks of H. Wesley Peirce from the September issue, entitled "Salt—An Arizona Resource" be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SALT—AN ARIZONA RESOURCE

(By H. Wesley Peirce, Geologist)

It was November of 1968 when Gerald J. Grott, the brains and driving force behind the Southwest Salt Co., decided to risk hard cash in a costly drill hole near Luke Air Force Base northwest of Phoenix. The hole was the culmination of much searching effort on his part for clues as to the whereabouts of salt/rock salt resources as close to Phoenix as possible.

Well, he found it—many *cubic miles* of natural, high-purity rock salt. Groft's first hole topped the salt just 880 feet below the surface; the salt continues for several thousands of feet in depth.

The Geological Survey Branch of the Arizona Bureau of Mines has more than a little interest in the development of this salt. As Mr. Grott will be the first to tell you, it played a significant role in preliminaries up to his discovery.

The discovery of the deposit is a fascinating contribution to knowledge of Arizona's geologic history, and the salt itself is a valuable natural resource. Both aspects are of interest to the Bureau.

Presently, the largest markets for the dried, ground, and sized product are in the cattle feeding and water softening industries, though there are numerous lower-volume users. Prior to Grott's discovery, all salt products were imported into Arizona.

Processing involves pumping water into the salt to dissolve it, then pumping the resulting brine into solar evaporation ponds. The cavern-like areas created by the dissolving process have attracted another industry to the state—an energy industry. Since the salt walls do not dissolve in contact with hydrocarbons, these large caverns are ideal for storage of propane, a form of liquid petroleum gas (LPG).

Propane vaporizes at normal pressures, and so it is widely used as a fuel for heating where the more common energy sources (natural gas and electricity) are not readily available. Also, it serves as a back-up generating fuel for power companies normally dependent on now-scarce natural gas.

Cal Gas has made an agreement with Southwest Salt whereby the salt company processes the brine produced by the dissolving process, and the energy company leases the newly-created storage space. Cal Gas' facilities are now operational and include an intriguing self-contained system for loading and unloading railroad tank cars via a short-distance pipeline to the underground storage cavities. This Arizona installation now serves as Cal Gas' western distribution center.

Because of the large size of the salt deposit, coupled with its strategic location with respect to railroads, pipelines, and Arizona's largest urban center, it would indeed be difficult to predict the extent of its ultimate development. But since Arizona is an energy importer, and we can predict probably future energy materials shortage, it behooves State officials to plan ahead.

Energy planning must consider materials storage; it therefore seems likely that the salt will one day figure strongly in energy logistics for Arizona, if not for an even larger region of the western United States.

SHORTAGE IN PLENTY

Mr. STEVENS. Mr. President, recently the Baltimore Sunday News American endorsed the concept of an all-Alaska pipeline to transmit Alaska's 26 trillion cubic feet of natural gas to the contiguous 48 States.

The News American editorial, "Shortage in Plenty," points out that an all-American gas pipeline could deliver Alaska's natural gas to U.S. cities more quickly and with far less vulnerability to interruption than a line that would run through Canada.

One particularly important point that the article makes is that:

> * * * Alaska gas should be under the complete control and protection of the United States, rather than be subjected to Canadian interests of any kind.

This point is even more important because as the News American article explains, Alaska has enough natural gas to provide 1.2 trillion cubic feet per year to the United States almost indefinitely, which is about 25 percent of last year's sales to 40 million homeowners in the United States for heating purposes.

Mr. President, despite the fact that the Federal Power Commission is now hearing testimony as to the merits of the two proposals to deliver Alaskan natural gas to the lower 48 States, I believe it is most important that my colleagues are aware of the necessity of transmitting Alaska's precious natural gas through an economical and secure all-American pipeline route.

If there is no objection, I ask unanimous consent that the October 5, 1975, Baltimore Sunday News American editorial "Shortage in Plenty," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Shortage in Plenty

While the Nation faces another winter of curtailed natural gas supplies—a condition expected to last for years—controversy continues to stall access to the huge gas reserves made available from the oil fields of Alaska's now-famed North Slope.

Construction of the long-debated oil pipeline finally is well under way. But decision remains suspended in a battle over rival routes for another pipeline needed to tap and transport North Shore natural gas to the continental United States.

After an adjournment of nearly three months, the Federal Power Commission last Tuesday resumed hearings on the route battle. It is being fought between the El Paso Natural Gas Co., leading supplier of the American Southwest, and Arctic Gas, a Canadian-U.S. consortium of 24 other gas firms.

El Paso proposes to build a gas pipeline entirely within the State of Alaska, running parallel to the Alyeska oil pipeline now being constructed from Prudhoe Bay down to the Southern port of Valdez. There the gas would be liquefied and transported by tankers to California, then regassified and distributed as needed by existing pipelines throughout the United States.

Arctic Gas seeks to build a 48-inch pipeline running from the North Shore into the Canadian Mackenzie River Basin and thence south to the Idaho-British Columbia border. The line would carry gas from the Mackenzie Delta for Canadian distribution as well as the Alaskan gas for U.S. use. The line would be 51 percent Canadian owned.

A major part of the argument for a trans-Canadian route is a charge that shipping liquefied gas is hazardous. Proponents of the all-Alaskan line contend such danger is virtually non-existent. In 16 years of such shipping, they point out, there never has been an accident resulting in a significant spill or harm to life, limb or property.

In arguing for the all-Alaska route, advocates stress the time that its 800-mile construction would save as opposed to that needed for building the proposed 2,600-mile trans-Canadian line. But, most important of all in their case, is their position that Alaskan Gas should be under the complete control and protection of the United States, rather than be subjected to Canadian interests of any kind.

We strongly agree. Alaska has the largest known quantities of natural gas on the North American Continent—enough to provide 1.2 trillion cubic feet per year to the United States, almost indefinitely, which is roughly about 25 percent of last year's sales to 40 million homeowners here for heating purposes.

It would be as foolhardy to make this vitally needed energy supply dependent on Canadian controls as it would be to give control of our Panama Canal Zone to the government of Panama, as presently is being considered. Every nation, friendly or not, sees to its own best interests above all.

The best interests of the United States call for the earliest possible approval of an all-Alaska pipeline for transmission of that state's great natural gas treasure.

ENVIRONMENTALISM—COSTS AND BENEFITS

Mr. TOWER. Mr. President, recently, I pointed out that, in my opinion, too much of what environmentalists demand bears no relationship to actual costs.

At that time I also suggested that much of what we are asked to do, in terms of restoring a pristine environment, is incompatible with preserving and building upon our present economic system. This is totally unacceptable to me and, I believe, the majority of Americans.

What both these tendencies reflect, I think, is the chasm between desire and reality, between dream and ability. And I would like to offer my colleagues some examples, provided by Mr. Herbert B. Cohn, in an article entitled "Environmentalism—Costs and Benefits."

Mr. Cohn's thesis, simply stated, is that costs of environmental regulation are often understated, while benefits are grossly exaggerated, and that in many cases no appreciation is shown for the ratio of costs to benefits when they are accurately measured.

I would hope that Mr. Cohn's statement receives close attention before we are confronted with proposals to tighten the regulatory belt of air quality control. Let us not make the same mistake twice of conferring power in excess of what is needed by the Environmental Protection Agency to protect the quality of our atmosphere.

Mr. President, I ask unanimous consent that the full text of Mr. Cohn's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Public Utilities Fortnightly, July 31, 1975]

Environmentalism—Costs and Benefits

(By Herbert B. Cohn)

The increasing demand for analyses of the costs and benefits of environmental decisions raises an issue which is of vital importance to the national welfare; and it is an issue which has not been given adequate attention in the past.

Recent events have brought home to us the fact that our resources are not unlimited; that decisions which impose costs greater than the benefits which can be achieved are wasteful and a misallocation of resources; and that we cannot afford the luxury of a continued waste of our resources.

There is widespread support—as there should be—for the maintenance—and, to the fullest extent practicable, the enhancement—of the quality of our air, water, and land use as an important aspect of the public interest. But—and it is a very big "but"—the quality of air, water, and land use represents only one aspect of the public interest and is frequently in conflict with other important public interest considerations. If we agree that the ultimate objective should be the furtherance of the overall public interest and the overall quality of life, then it follows that there must be a rational and sensible balancing of all aspects to achieve this objective. Cost benefit analyses which do in fact take into account all costs and all benefits—whether in general or in detail and whether made explicitly or implicitly—are essential for this balancing process.

It is important to note that these concepts have been publicly supported—at least in principle and at least in recent speeches—by those who head the Environmental Protection Agency. Administrator Train has endorsed the idea that environmental expenditures can be justified only where it is "demonstrated both that we get what we pay for with these expenditures, and that what we get is worth it."[1] And Deputy Administrator Quarles, after observing that our country is now facing "two major current crises . . . in the areas of energy and the economy," has stated: "The profound seriousness of these problems has made it clear that environmental protection must be considered and balanced along with such other major factors as economic costs and energy penalties."[2]

It is my thesis, however, that environmental requirements have been imposed and environmental action has been taken with either no real analysis of benefits and costs or with a materially inadequate analysis; that, where any such analysis has been made, benefits have generally been materially overstated and costs materially understated; that wholly inadequate consideration has been given to the cost imposed and the benefits foregone in other aspects of the quality of life and of the public interest; and that the net effect has been to impose a substantial waste and misallocation of our national resources and, in many cases, to impair, rather than improve, the overall quality of life.

What consideration has in fact been given to costs and benefits in environmental decisions?

ESTIMATES OF COSTS

The Council on Environmental Quality, in a report issued at the end of 1974, estimated, on the basis of EPA data, that, for the period 1973–82, the "incremental" pollution control expenditures required under the federal program would be $194.8 billion. As used by CEQ, the concept of "incremental" costs was defined to exclude the expenditures for pollution abatement which CEQ assumed would be made even in the absence of federal environmental legislation.[3] When these additional expenditures are added back, the total CEQ estimated cost of pollution abatement for the ten-year period reaches some $266 billion.[4] But even this $266 billion will turn out to be a substantial understatement of the total costs to comply with environmental requirements.

In the first place, CEQ's estimates are in 1973 dollars and exclude inflationary effects.

Second, the CEQ–EPA estimates cover only interest, depreciation, and the operating and maintainance costs of pollution control facilities. No recognition appears to have been given to the many, substantial indirect costs involved. For example, in the electric power field, these indirect costs would include:

"The significant costs involved in the loss of the capacity of an entire generating unit during the period required to install precipitators and scrubbers and, thereafter, during the period of any breakdowns of such equipment.

"A substantial portion of the costs represented by the enormous increase which has taken place in the price of fuel. In the case of coal, the one-year increase in the cost of coal used in 1974 (as compared with the average cost in 1973) to produce electric power aggregated some $2.5 billion. This increase was primarily the result of a demand in excess of supply. And it is clear that the demand for "environmentally acceptable" coal was significantly increased and the supply significantly reduced by environmental constraints."

Third, it is enlightening to compare the EPA estimates in a specific area with those calculated by others. EPA's capital cost figures for installed flue gas desulfurization sys-

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Footnotes at end of article.

tems—the so-called scrubbers are in the range of $30–$65 per kilowatt.[5] The actual cost of such installations, based on a survey conducted by the Battelle Institute, was over $78 per kilowatt. And the recent National Academy of Sciences report suggests that an average figure to use for the future is $100 per kilowatt.[6]

Fourth, the total costs referred to relate only to compliance with the federal program. The more stringent sulfur content limitation in some state implementation plans will, itself, impose additional costs estimated at $1½ billion annually.[7] And, wholly apart from the costs to comply with governmental requirements, those imposed by "environmentalism" and "environmentalists" generally represent very large additional costs.

ESTIMATES OF BENEFITS

What has been done to analyze and quantify the expected benefits of environmental requirements?

CEQ–EPA estimates of benefits, where they have been made, are in much less detail and are much more generalized and vague. They begin—quite properly—by attempting to quantify the benefits which could be achieved by eliminating the detrimental effects of pollution. But it is interesting and revealing that, in an EPA tabulation of estimated air pollution detriment, the largest single classification, with a "best estimate" of $5.8 billion (for the year 1970), appears under the heading Aesthetics and Soiling with no further breakdown of this classification. And it is equally interesting and revealing that, in the discussion of benefits, the first paragraph following the introduction deals with the "psychic costs" of pollution.[8]

The enhancement of "aesthetics" and a lessening of "psychic costs" are desirable values. But the emphasis given to such benefits illustrates, first, the degree to which subjective judgments must necessarily have been used in the evaluation of such benefits and, second, the breadth of the direct and indirect values included in estimating benefits, as compared with the very narrow parameters used in estimating costs.

Moreover, there is evidence to indicate that, in many instances, environmental requirements and very heavy associated costs have been imposed without any solid scientific foundation for an evaluation, and merely on the basis of speculation. The net result is that direct and very heavy costs have been imposed on the speculative possibility that this may achieve a benefit of indeterminate extent.

A recent study done for the Federal Energy Administration discusses this problem as it relates to sulfur oxide emissions and concludes:

". . . the evidence presented does not support a cause-effect relationship between adverse health effects and sulfur oxides and . . . threshold values are not supported by the data presented at a level necessary to provide accurate and reliable results.

"The environmental and medical data on which the current positions of the Environmental Protection Agency, with respect to the health effects of sulfur oxide emissions, are based, can therefore be characterized as inconclusive and speculative. The assumption that the health effects of sulfur-bearing air pollutants are largely due to the formation of sulfates is theoretical. The promulgation of quantitative criteria and standards based on this assumption is unwarranted and unsubstantiated in the light of our present knowledge." [9]

COSTS AND BENEFITS IN PARTICULAR CASES

It helps—in understanding the real life consequences of environmental decisions made without adequate consideration of benefits and costs—to focus on some specific cases.

First, the catalytic converter: On the basis that it was essential to enhancement of the environment, the automobile industry was pressured into the installation of a catalytic converter system on its automobiles at costs running into the billions. On March 5th of this year, EPA announced that it now had evidence to indicate that the catalytic converter may in fact result in a net detriment to the environment. Here, then, is a case in which multibillion dollar costs were imposed to achieve benefits which are now believed to be negative.

Second: An electric power system recently completed two large modern power plants which were designed and constructed to comply with the then applicable requirements for emission of particulates. Both were fitted with electrostatic precipitators designed to remove 98.5 per cent of the particulates. The cost to date of such precipitators $28 million.

Emission limitations for particulates were subsequently changed. Compliance with the new standards would require a retrofit at these two plants to achieve removal of 99.7 per cent of the particulates. This retrofit is estimated to cost $140 million.

One would think that the vital question here should be whether the additional benefits associated with the removal of 1.2 per cent more fly ash would justify the expenditure of $140 million. It would seem likely that a rational answer to this question would be in the negative. But this is the kind of question which appears to be given no consideration whatever by those administering the legislation.

Third: A primary objective of the Clean Air Act has been the protection of health and welfare through the promulgation and enforcement of appropriate ambient standards for air quality. A major current controversy relates to the extent to which alternative approaches may be followed to achieve the ambient standards prescribed for sulfur dioxide. More specifically, the controversy relates to whether—in cases where adequate low-sulfur fuel is not available—a power plant must install a scrubber or will be permitted to use a so-called supplemental control strategy. The latter approach involves the use of tall stacks to minimize concentrations at ground level; continuous, sophisticated monitoring to assure that ambient standards are complied with at all times; and the reduction of emissions by switching to a low-sulfur fuel or by diverting generating to other power plants when there is a threat that ambient standards might otherwise be exceeded.

The Tennessee Valley Authority, which operates the largest electric power system in the country, has substantial expertise in all elements of this problem. TVA has testified that, on the basis of a great deal of work it has done and six years of actual operating experience, it is wholly convinced that it can, through the use of the supplemental control strategy, use higher sulfur coal and comply fully with the ambient standards for SO_2 at all of its plants, at an estimated annual cost of $18 million. The alternative constant emission limitation (using a scrubber or, where it is available, much more expensive low-sulfur coal) is estimated to cost between $150 and $170 million annually, or almost ten times as much.[10] When these figures are extrapolated to electric utility plants throughout the country, the differential in additional annual costs is in the billions. EPA has recently repeated its opposition to the supplemental control strategy; in doing so, it made no reference to any analysis or consideration of benefits and costs.[11]

It seems clear that environmental decisions—and, indeed, decisions in other fields—are likely to be unsound and irrational when (1) total costs exceed total benefits—and this certainly seems to have been true in the case of the catalytic converter; (2) when *incremental* costs exceed *incremental* benefits [12]—and this would appear to be true in the case of the power plants referred to in which about $140 million of costs would be required to achieve an additional 1.2 per cent reduction in particulates; and (3) when an alternative approach which maximizes *net benefits* and conserves scarce resources for other desirable purposes is rejected [13]—and this certainly appears to be true in the case of the supplemental control strategy.

EFFECT ON THE ECONOMY, INFLATION, AND EMPLOYMENT

To what extent has the failure to analyze and balance benefits and costs affected the economy, inflation, and employment?

In a report done for CEQ–EPA, Chase Econometrics Associates, Inc., using the CEQ estimates of costs, concluded that these costs "will have a noticeable but modest effect on the overall economy." [14] CEQ, itself, has indicated a recognition that the largest burden of these costs tends to fall on certain basic industries, including the electric untility industry, and that the effects on prices and output in these industries "ripple through the economy." [15] And CEQ concedes that:

" . . . because of the importance of these industries to the functioning of the economy, the possibility of very tight capital market's limiting the availability of investment funds, and in some cases, a recent history of depressed profits, further analysis is clearly required." [16]

The validity of the Chase conclusions is highly questionable. In the first place they assume the validity of EPA cost figures which, as has been previously indicated, are substantially understated. Moreover, such costs apparently were reduced by almost $28 billion below those of EPA.[17] And costs of meeting more stringent state requirements appear to have been ignored completely.

Other highly questionable premises and assumptions in the Chase report include:

(1) The use of an 8 percent interest rate in the calculation of costs despite a conclusion, in the same report, that long-term interest rates will be at approximately 11 per cent.[18]

(2) The assumption that federal, state, and local budgets will remain approximately in balance over the coming decade with an average annual surplus of $3 billion.[19]

(3) Projections for 1975 of 5.4 per cent unemployment.[20]

An extended critique of the Chase study by National Economic Research Associates concludes that the inflationary impact of pollution control costs will be far greater than predicted by Chase. The NERA critique concludes that total costs have been substantially understated; that a comparison of the costs estimated for the electric utility industry and those actually experienced shows the latter to be 20 to 35 per cent in excess of the Chase estimates; and that, contrary to the Chase conclusions, the overall inflationary impact is indeed significant.[21]

The estimated abatement costs of $266 billion—particularly when they are revised to more realistic levels—inevitably represent a significant contribution to inflation. And it is clear on the basis of actual experience that, in cases where these costs have been especially burdensome, they have led to shutdowns of plants and to deferrals of plants which would otherwise have been built—with the resultant loss of jobs and a significantly adverse effect on the economy

CONCLUSION

In the sum, the evidence is clear that in formulating environmental decisions and in the taking of environmental action:

(1) There has been a material understatement of the costs imposed;

(2) There has been only a generalized vague, and, in large part, highly subjective quantification of benefits; where there has been such quantification, in many cases it is doubtful whether there is an adequate scientific basis for the conclusions reached; and

(3) Major environmental decisions have been made which impose enormous costs well in excess of benefits; which impose incremental costs greatly in excess of incremental benefits; and which reject alternatives providing an optimum relationship between benefits and costs.

Overskill in the rigidity of environmental standards—and requirements to spend more than is necessary to achieve prescribed standards—means that less of our capital and other resources will be available for other highly worthy purposes. Unsound environmental decisions, wherein the benefits to be achieved could not conceivably equal the kind of costs imposed, represent a waste and misallocation of national resources, contribute to inflation, and have led to cutbacks and shutdowns of facilities and to the loss of jobs.

The current emphasis on environmental considerations represents a desirable objective and, in many respects, a substantial contribution to the national welfare. But it is interesting to observe that the dictionary definition of the word "environment" is "The aggregate of all the external conditions and influences affecting the life and development of an organism"—which equates to the *overall* quality of life.

Where environmental decisions involve an unnecessary and wasteful use of resources and adverse effects on the economy and employment, such decisions are materially harmful, rather than helpful, to the "environment" in this broader sense.

It is pertinent to recall that, more than two years ago, in March of 1973, Senator Philip Hart of Michigan, in calling for a reexamination of environmental standards and for proper cost-benefit analyses, observed:

> If it credibly can be said . . . that we have caused the expenditure of billions to no purpose or to questionable purpose, the clean air-cause will have been dealt a blow from which it will be hard put to recover.[22]

FOOTNOTES

[1] See address by Russell E. Train to the New York Chamber of Commerce and Industry, October 3, 1974.

[2] Remarks by John R. Quarles, Jr., to the Corporation, Banking, and Business Law Section of the Philadelphia Bar Association, December 2, 1974.

[3] "The Economic Impact of Environmental Programs," Council on Environmental Quality, November-December, 1974, pp. 2, 3.

[4] Cf. the estimate of $500 billion *"Pollution, Prices, and Public Policy"* in Kneese and Schultze, The Brookings Institution, 1975, p. 76.

[5] "The Cost of Clean Air," EPA annual report, April 1974, p. V–16.

[6] "Air Quality and Stationary Source Emission Control," submitted to the Committee on Public Works, U.S. Senate, March, 1975, p. xxxii. This is in 1974 dollars. It is stated to represent 15 to 30 per cent of the total cost of generating power at a new plant. Sludge disposal costs are not included in these figures. The cost of retrofitting would normally be 25 to 30 per cent higher. Id., at p. xxxiii.

[7] See testimony of Donald G. Allen before the Senate Public Works Subcommittee on Environmental Pollution, April 29, 1975.

[8] "The Cost of Clean Air," EPA annual report, April, 1974, pp. VI–1 and VI–6.

[9] "A Critical Evaluation of Current Research Regarding Health Criteria for Sulfur Oxides," Tabershaw-Cooper Associates, Inc., February 5, 1975, p. ix; cf. "Air Quality and Stationary Source Emission Control." The National Academy of Sciences report, submitted to the Committee on Public Works, United States Senate, March, 1975, pp. xvii, xxiv, xxxvii, xxxviii.

[10] See testimony of Nathaniel B. Hughes, Jr., assistant to the manager of power, TVA, before the Subcommittee on Pubic Health and the Environment of the House Committee on Interstate and Foreign Commerce, March 19, 1975.

[11] EPA release of April 29, 1975.

[12] See *"Pollution, Prices, and Public Policy"* in Kneese and Schultze, The Brookings Institution, 1975, pp. 19–22.

[13] Id., pp. 28, 29. See also letter of Professor S. Fred Singer, *Science,* November 22, 1974; cf. The National Academy of Sciences report, cited at footnote 9 supra, at p. xxxv.

[14] "The Macroeconomic Impacts of Federal Pollution Control Programs," Chase Econometrics Associates, January, 1975, p. 16.

[15] "The Economic Impact of Environmental Programs," Council on Environmental Quality, November-December, 1974, p. 19.

[16] Ibid.

[17] "The Inflationary Impact of Federal Pollution Abatement Legislation," National Economic Research Associates, February, 1975, p. 14, footnote 6.

[18] "The Macroeconomic Impacts of Federal Pollution Control Programs," Chase Econometrics Associates, January, 1975, p. 5.

[19] Ibid.

[20] Ibid.

[21] *"The Inflationary Impact of Federal Pollution Abatement Legislation," National* Economic Research Associates, February, 1975.

[22] *Congressional Record,* March 29, 1973, p. 10272.

LIBERAL SOCIAL PROGRAMS

Mr. CLARK. Mr. President, Iowa State Representative Tom Higgins of Davenport was the author of a provocative guest editorial that appeared recently in the Des Moines Sunday Register. In the editorial, Tom, who is chairman of the house human resources committee, expressed his concern about the current mood toward liberal social programs:

> If I judge the mood of the country correctly, real mass support for welfare and other social service programs is practically nil. In virtually every state legislature, there is a broad retreat from the commitment to liberal ideas.

Representative Higgins sees a large part of the problem as stemming from the relatively narrow breadth of the programs. In the last three decades, he notes, most of the domestic social programs that were enacted did not include the working class.

I would like to share Tom's viewpoints with my colleagues, and I include the article in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DID LIBERAL PROGRAMS FAIL—OR DID LIBERALS?

(By Thomas Higgins)

If I judge the mood of the country correctly, state it, that we have been conditioned recently to view such a statement as an embarrassed confession.

Liberal? It conjures the image of an indecisive, guilt-ridden do-gooder. It is the picture of a free spender, soft on Communism to some, a tool of capitalist manipulators to others.

Yet for the last 45 years a philosophy of liberalism has served as the focus for serious political discussion in America. The standards set by the New Deal have largely endured as a benchmark for political action.

Now, however, the trumpet has become uncertain. As liberals, we have lost our bearings. If I judge the mood of the country correctly, real mass support for welfare and other social service programs is practically nil. In virtually every state legislature there is a broad retreat from the commitment to liberal ideals.

Welfare spending has been cut. Protective services for children and families have been cut. Mental health spending has been cut. Penal reform programs not only have been stopped, in many places they have been reversed.

Similarly, a forward movement in American foreign policy toward detente and possible disarmament has been chilled by a new blast from the cold war we thought was over. Events in Portugal and India have confused and frightened many Americans, coming as they did right after our Indochina debacle. Indeed, it almost would appear that exactly the wrong lessons are being drawn in our postwar reassessment. Witness the fact that only six senators voted against the bloated military procurement bill.

What is the cause for this dimming of our lighted convictions? Have these programs, these goals, been proven unworthy? Did they fail us, or we them?

Neither. Contrary to conventional wisdom, those liberal ideals do work. When adequately financed, the domestic policies of the Great Society were successful beginnings. And the Marshall Plan is an example of a humanitarian foreign policy that made us proud for a generation.

It remains as true today as then that the world's richest nation can afford to provide a decent standard of living for its citizens. It is as true today as then that Americans yearn for a foreign policy which serves as a beacon of freedom and justice, instead of chicanery and dirty tricks.

I think the problem is political, involving as it does a gross miscalculation by the liberal policymakers who inherited the framework of the New Deal. Most of the domestic social programs enacted in the last three decades have left out the working class.

Most of the New Deal programs such as Social Security, reflected the political fact of life that the working class has the votes, and were able to build a constituency of support which has prevented them from being dismantled. Everyone, most importantly the working class and the middle class, benefited from these programs, although they had their primary impact on the poor.

By contrast, more recent social services have almost all had income guidelines. Thus their only real constituency has been the poor. The middle class and the working class, overburdened with taxes, often in need of services themselves, view these programs with understandable bitterness. Military expenditures are largely invisible to the average American. So are the many tax deductions of the rich. What the worker can see are domestic social programs which he cannot afford but which the poor seem to enjoy.

It was inevitable. These policies, however well intentioned, have pitted the working class against the poor. "If I can't have it," working people are saying, "neither should they." And there is a certain amount of truth to that. Working people *should* have those services. Health care, day care, and legal aid are needed by all Americans, not just the poor. And if all Americans don't get them, soon the poor won't either.

What must be undertaken now is a concerted drive for those basic services, available in most civilized countries, for all our citizens. Can we afford it? Go into any nice restaurant and watch all the meals and entertainment and vacations and gifts being routinely charged off as "business expenses." You betcha we can afford it. Sweden does.

There are ominous signs that the loss of our direction in fundamental matters is contributing to a loss of freedom. Recently, the director of the Federal Bureau of Investigation said that it may be necessary for Americans to relinquish some of their liberties so that order might be maintained. It was a sobering echo of the "We had to destroy the village in order to save it" rationale.

But is it too surprising? A government unwilling to guarantee health care and social services to its people is hardly likely to concern itself with their civil liberties.

NEW YORK CITY CRISIS

Mr. FANNIN. Mr. President, I was encouraged by President Ford's speech on October 29, 1975 before the National Press Club regarding the New York City financial crisis. As my colleagues know, it is my position to support the President's opposition to any Federal bailout of New York City in order to prevent default.

The President's reasoning on this issue is unquestionably correct. I ask unanimous consent that the President's October 29, 1975 speech before the National Press Club be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Text of Remarks by the President

Today I want to talk to you about a matter of concern to all Americans.

New York City, where one out of every 25 Americans lives, through whose "Golden Door" untold millions have entered this land of liberty, faces a financial showdown.

The time has come for straight talk—to these eight million Americans and to the other 206 million Americans to whom I owe the duty of stating my convictions and conclusions, and to you, whose job it is to carry them throughout the Nation and around the world.

The time has come to sort facts and figures from fiction and fear-mongering in this terribly complex situation. The time has come to say what solutions will work and which should be cast aside.

And the time has come for all Americans to consider how the problems of New York and the hard decisions they demand, foreshadow and focus upon potential problems for all Federal, State and local governments—problems which demand equally hard decisions from them.

One week ago New York City tottered upon the brink of finanical default which was deferred only at the eleventh hour.

The next day Mayor Beame testified here in Washington that the financial resources of the city and state of New York were exhausted. Governor Carey agreed.

It's now up to Washington, they said, and unless the Federal Government intervenes, New York City within a short time will no longer be able to pay its bills.

The message was clear: Responsibility for New York City's financial problems is being left on the front doorstep of the Federal Government—unwanted and abandoned by its real parents.

Many explanations have been offered about what led New York City deeper and deeper into this quagmire.

Some contend it was long-range economic factors such as the flight to the suburbs of the city's more affluent citizens, the migration to the city of poorer people, and the departure of industry.

Others argue that the big metropolitan city has become obsolescent, that decay and pollution have brought a deterioration in the quality of urban life, and that New York's downfall could not be prevented.

Let's face one simple fact: most other cities in America have faced these same challenges, and they are still financially healthy today. They have not been luckier than New York; they simply have been better managed.

There is an old saying: "The harder you try, the luckier you get." I like that definition of "luck."

During the last decade, the officials of New York City have allowed its budget to triple. No city can expect to remain solvent if it allows its expenses to increase by an average of 12 percent every year, while its tax revenues are increasing by only 4 to 5 percent a year.

As Al Smith, a great Governor who came from the sidewalks of New York, used to say: "Let's look at the record."

The record shows that New York City's wages and salaries are the highest in the United States. A sanitation worker with three years experience now receives a base salary of nearly $15,000 a year. Fringe benefits and retirement costs average more than 50 percent of base pay. Four-week paid vacations and unlimited sick leave after only one year on the job.

The record shows that in most cities, municipal employees have to pay 50 percent or more of the cost of their pensions. New York City is the only major city in the country that picks up the entire burden.

The record shows that when New York's municipal employees retire they often retire much earlier than in most cities and at pensions considerably higher than sound retirement plans permit.

The record shows that New York City has 18 municipal hospitals; yet, on an average day, 25 percent of the hospital beds are empty. Meanwhile, the city spends millions more to pay the hospital expenses of those who use private hospitals.

The record shows New York City operates one of the largest universities in the world, free of tuition for any high school graduate, rich or poor, who wants to attend.

As for New York's much-discussed welfare burden, the record shows more than one current welfare recipient in ten may be legally ineligible for welfare assistance.

Certainly I do not blame all the good people of New York City for their generous instincts or for their present plight. I do blame those who have misled the people of New York City about the inevitable consequences of what they were doing over the last 10 years.

The consequences have been:

a steady stream of unbalanced budgets;

massive growth in the city's debt;

extraordinary increases in public employee contracts;

and total disregard of independent experts who warned again and again that the city was courting disaster.

There can be no doubt where the real responsibility lies. And when New York City now asks the rest of the country to guarantee its bills, it can be no surprise that many other Americans ask why.

Why, they ask, should they support advantages in New York that they have not been able to afford for their own communities?

Why, they ask, should all the working people of this country be forced to rescue those who bankrolled New York City's policies for so long—the large investors and big banks?

In my judgment, no one has yet given these questions a satisfactory answer.

Instead, Americans are being told that unless the rest of the country bails out New York, there will be catastrophe for the United States and perhaps for the world.

Is this scare story true?

Of course there are risks that default could cause temporary fluctuations in the financial markets. But these markets have already made a substantial adjustment in anticipation of a possible default by New York City.

Claims also are made that because of New York City's troubles, other municipalities will have grave difficulty selling their bonds. I know this troubles many thoughtful citizens.

But, the New York City record of bad financial management is unique among municipalities. Other communities have a solid reputation for living within their means. In recent days and weeks, other local governments have gone to investors with clean records of fiscal responsibility and have had no difficulty raising funds.

The greater risk is that any attempt to provide a Federal blank check for the leaders of New York City would ensure that no long-run solution to the city's problems will ever occur.

I can understand the concern of many citizens in New York and elsewhere. I understand because I am also concerned.

What I cannot understand—and what nobody should condone—is the blatant attempt in some quarters to frighten the American people and their representatives in Congress into panicky support of patently bad policy. The people of this country will not be stampeded; they will not panic when a few desperate New York officials and bankers try to scare New York's mortgage payments out of them.

We have heard enough scare talk.

What we need now is a calm, rational decision as to what the right solution is—the solution is—the solution that is best for the people of New York and best for all Americans.

To be effective, the right solution must meet three basic tests:

It must maintain essential public services for the people of New York City. It must protect the innocent victims of this tragedy. There must be policemen on the beat, firemen in the station, nurses in the emergency wards.

Second, the solution must assure that New York City can and will achieve and maintain a balanced budget in the years ahead.

And third, the right solution must guarantee that neither New York City nor any other American city ever becomes a ward of the Federal Government.

Let me digress a minute to remind you that under our contitutional system, both the cities and the Federal Government were the creatures of the States. The States delegated certain of their sovereign powers—the power to tax, police powers and the like—to local units of self-government. And they can take these powers back if they are abused.

The States also relinquished certain sovereign powers to the Federal Government—some altogether and some to be shared. In return the Federal Government has certain obligations to the States.

I see a serious threat to the legal relationship among our Federal, State and local governments in any congressional action which could lead to disruption of this traditional balance. Our largest city is no different in this respect than our smallest town. If Mayor Beame doesn't want Governor Carey to run his city, does he want the President of the United States to be acting Mayor of New York?

Now, what is the solution to New York's dilemma?

There are at least eight different proposals under consideration by the Congress intended to prevent default. They are all variations of one basic theme: that the Federal Government would guarantee the availability of funds to New York City.

I can tell you now that I am prepared to veto any bill that has as its purpose a Federal bail-out of New York City to prevent a default.

I am fundamentally opposed to this so-called solution, and I will tell you why.

Basically, it is a mirage. By giving a Federal guarantee we would be reducing rather than increasing the prospect that the city's budget will ever be balanced. New York Citys' officials have proved in the past that they will not face up to the city's massive network of pressure groups as long as any alternative is available. If they can scare the whole country into providing that alternative now, why shouldn't they be confident they can scare us again into providing it three years from now? In short, it encourages the continuation of "politics as usual" in New York—which is precisely not the way to solve the problem.

Such a step would set a terrible precedent for the rest of the Nation. It would promise immediate rewards and eventual rescue to every other city that follows the tragic example of our largest city. What restraint would be left on the spending of other local and state governments once it becomes clear that there is a Federal rescue squad that will always arrive in the nick of time?

Finally, we must all recognize who the primary beneficiaries of the Federal guarantee program would be. The beneficiaries would not be those who live and work in New York City because the really essential public services must and will continue.

The primary beneficiaries would be the New York officials who would thus escape responsibility for their past follies and be further excused from making the hard decisions required now to restore the city's fiscal integrity.

The secondary beneficiaries would be the large investors and financial institutions who purchased these securities anticipating a high rate of tax-free return.

Does this mean there is no solution? Not at all. There is a fair and sensible way to resolve this issue, and this is the way to do it.

If the city is unable to act to provide a means of meeting its obligations, a new law is required to assure an orderly and fair means of handling the situation.

As you know, the Constitution empowers the Congress to enact uniform bankruptcy laws. Therefore, I will submit to the Congress special legislation providing the Federal courts with sufficient authority to preside over an orderly reorganization of New York City's financial affairs—should that become necessary.

How would this work? The city, with State approval, would file a petition with the Federal District Court in New York under a proposed new chapter XVI of the Bankruptcy Act. The petition would state that New York City is unable to pay its debts as they mature and would be accompanied by a proposed way to work out an adjustment of its debts with its creditors.

The Federal Court would then be authorized to accept jurisdiction of the case. Then there would be an automatic stay of suits by creditors so that the essential functions of New York City would not be disrupted.

It would provide a breathing space for an orderly plan to be developed so that the city could work out arrangements with its creditors.

While New York City works out a compromise with its creditors the essential governmental functions of the city would continue.

In the event of default, the Federal Government will work with the court to assure that police, fire and other essential services for the protection of life and property in New York are maintained.

The proposed legislation will include provision that as a condition of New York City petitioning the court, the city must not only file a good faith plan for payments to its creditors but must also present a program for placing the fiscal affairs of the city on a sound basis.

In order to meet the short term needs of New York City the court would be empowered to authorize debt certificates covering new loans to the city which would be paid out of future revenues ahead of other creditors.

Thus, the legislation I am proposing will do three essential things.

First, it will prevent, in the event of a default, all New York City funds from being tied up by lawsuits.

Second, it will provide the conditions for an orderly plan to be developed for payments to New York's creditors over the long term.

Third, it will provide a way for new borrowing to be secured by pledging future revenues.

I don't want anybody misled. This proposed legislation will not, by itself, put the affairs of New York City in order. Some hard measures must be taken by the officials of New York City and New York State. They must either increase revenues or cut expenditures or devise some combination that will bring them to a sound financial position. Careful examination has convinced me that those measures are neither beyond the realm of possibility nor beyond the demands of reason. If they are taken, New York City will, with the assistance of the legislation I am proposing, be able to restore itself as a fully solvent operation.

To summarize, the approach I am recommending is this: If New York fails to act in its own behalf, orderly proceedings would then be supervised by a Federal Court.

The ones who would be most affected by this course would be those who are now fighting tooth and nail to protect their authority and their investments: New York officials and the city's creditors. The creditors will not be wiped out; how much they will be hurt will depend upon the future conduct of the city's leaders.

For the people of New York, this plan will mean that essential services will continue. There may be some temporary inconveniences, but that will be true of any solution that is adopted.

For the financial community, the default may bring some temporary difficulties but the reprecussions should not be large or long-lasting.

Finally, for the people of the United States, this means that they will not be asked to assume a burden that is not of their own making and should not become their responsibility. This is a fair and sensible way to proceed.

There is a profound lesson for all Americans in the financial experience of our biggest and richest city.

Though we are the richest Nation in the world, there is a practical limit to our public bounty, just as there is to New York's.

Other cities, other States as well as the Federal Government are not immune to the insidious disease from which New York is suffering. This sickness is brought on by years and years of higher spending, higher deficits, more inflation and more borrowing to pay for higher spending, higher deficits and on and on.

It is a progressive disease and there is no painless cure.

Those who have been treating New York's financial sickness have been prescribing larger and larger doses of the same political stimulants that has proved so popular and successful in Washington for so many years.

None of us can point a completely guiltless finger at New York. None of us should now derive comfort or pleasure from New York's anguish.

But neither can we let the contagion spread.

As we work with the people of New York to overcome their difficulties—and they will—we must never forget what brought this great center of human civilization to the brink.

If we go on spending more than we have, providing more benefits and services than we can pay for, then a day of reckoning will come to Washington and the whole country just as it has to New York.

Let me conclude with one question of my own:

When that day of reckoning comes, who will bail out the United States of America?

Thank you.

Mr. FANNIN. Mr. President, it is useful to examine the financial status of other major American cities as a comparison to New York City's situation. The October 20, 1975, issue of Time magazine published an article entitled "Other Cities: Not on the Skids—Yet." This article spells out the current and projected fiscal situations of several of the Nation's larger cities. Without question, virtually all U.S. cities are experiencing severe financial strains. Numerous municipal payrolls have been cut in addition to other revenue saving measures which have been taken. Most cities are prohibited from issuing short-term bonds and notes for operating expenses. Those that may do so usually must repay them before the end of the fiscal year in which they are issued.

New York City has not been required to live within such fundamental fiscal restraints. Its record of miserable financial management is unique among American cities. Mr. President, I ask unanimous consent that the October 20 Time magazine article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

OTHER CITIES: NOT ON THE SKIDS—YET

With few exceptions, major cities across the U.S. are in financial trouble, though their problems are far less menacing than New York's. One reason is that most other cities are forbidden to issue short-term bonds and notes for operating expenses; those that may do so generally must pay off the debts within the same fiscal year. In inflationary times, these cities have had to raise taxes or reduce payrolls and services to live within their incomes. Following are reports on the 12 biggest U.S. cities, except for New York and Washington, D.C., the eleventh largest, which has been excluded because of its unique dependence on the Federal Government. The cities are ranked according to 1975 population as estimated by Standard Rate & Data Service:

2. Chicago had a $16 million surplus in 1974, and forecasts a surplus for 1975.

The local economy remains strong, largely because of businessmen's confidence in the management skills of fiscally conservative Mayor Richard Daley. As a result, Chicago has escaped many of the financial problems of other cities. In fact, because new taxes on payrolls and cigarettes raised $50 millilon in additional revenue, Chicago was able to cut its property taxes by 10% in the past four years. But the Second City's fiscal success is also due partly to the fact that many of its public expenses are paid by independent authorities or the county or state. For example, the city government spends nothing on schools, which are operated by an independent board that has a budget of $1.16 billion ($60 million larger than the city budget) and a deficit of $47.4 million. Cook County, which includes most of Chicago's suburbs, operates the metropolitan area's huge public hospital; still another governmental body runs parks in the county, including those within the city; and state and federal moneys pay nearly all the county's $1 billion welfare bill.

3. Los Angeles had a $61.3 million surplus in fiscal 1975, and anticipates a $13 million surplus this year.

Though the tax base has been growing at 5% a year, the city still has had to postpone about $30 million in capital expenditures—including street improvements—to avoid layoffs or cuts in public services this year. City Administrative Officer C. Erwin Piper predicts that to balance its budget next year Los Angeles will either have to trim some services or raise property taxes again; they went up nearly 10% in August.

4. Philadelphia reported a $19 million defi-

cit in fiscal 1975, and projects a possible $50 million deficit in 1976.

Mayor Frank L. Rizzo is squeezed between a state law requiring a balanced budget and his own determination not to raise taxes or pare services. On paper, this year's budget is within 5% of balancing, but only because of some highly questionable revenue calculations. For example, the budget writers included $65 million in aid that has not yet been appropriated by Congress or the state legislature. City Controller William G. Klenk, a Rizzo opponent, claims that Philadelphia has been using "illusory accounting techniques." He estimates that last year's deficit was actually $82 million; other critics predict that the fiscal 1976 deficit will be close to $100 million.

5. Detroit ended fiscal 1975 with a projected deficit of $17.6 million, but forecasts a balanced budget this year.

When the slump in the automobile industry pushed the city's unemployment to 23% and reduced its revenues by an estimated $16 million last winter, Mayor Coleman Young laid off some 1,500 city workers, or 6% of the total. He is now trying to eliminate another 1,200 jobs by not filling vacancies and has reduced hours at the city's museums. Yet Detroit will escape a deficit this year only in the unlikely event that the state legislature agrees to raise the city nonresident income tax from one-half of 1% to 1%.

6. Houston, after a $12.7 million surplus in 1974, anticipates a surplus of that much or more in 1975.

The city's economy, largely based on oil, is booming. Unemployment is a relatively low 4.9%, population grows at 3% a year, and the property tax base expands at 13.3% annually. A young city, Houston has few of the urban ills found elsewhere, such as dilapidated housing and large welfare rolls. As a result, officials foresee no future budgetary problems. They lowered the property tax rate by 3% this year.

7. Dallas had a $6.5 million surplus in the last year and expects a $4.5 million surplus this year.

To keep in the black, the city council recently raised property taxes by 3.3%. In addition, Dallas will trim 255 city workers from its payroll this year, and City Manager George Schraeder plans to cut an additional $2 million in nonessential services. They include reduced city support for museums, bookmobiles and the police department's public relations activities.

8. Baltimore had a surplus of $52.2 million in fiscal 1975, and expects a surplus of more than $30 million this year.

City property taxes have been held near last year's rate, principally because the state in recent years has taken over responsibility for operating the municipal airport and financing school construction. The state also pays about one-third of the police department and public library budgets. Even so, Baltimore has put a freeze on hiring and on buying new equipment and eliminated 800 jobs through attrition. Services will have to be cut further next year unless the city comes up with about $50 million in new revenue.

9. Indianapolis ended last year with a $7.3 million surplus, and projects a $3.8 million surplus for this year.

Once shaky, the city's financial condition was greatly improved after it was merged with its suburbs in 1969. Since then, the tax base has been rising an average of 6% a year, largely because of growth in the metropolitan area's diversified economy. As a result, the city has not been forced to reduce services or its work force. Nor are cuts expected in the future. One reason: a reassessment is expected to increase the value of taxable property by 40%.

10. San Diego ended fiscal 1975 with a $5 million surplus, and forecasts an unspecified surplus this year.

Revenues are growing but not as fast as costs. Officials have eliminated some services, such as trimming residents' trees, and postponed purchases of firefighting and recreational equipment. They also have cut 213 jobs through attrition this year, plan to abolish as many in 1976, and have held pay increases to 5%. Disgruntled policemen responded by hiring the Teamsters for $200,000 to represent them in contract negotiations starting next spring. Rather than increase property taxes next year, city officials are considering imposing an income tax.

12. Milwaukee ended 1974 with a $43 million surplus, and forecasts a $38.5 million surplus this year.

Even so, city officials anticipate a crunch in 1977, chiefly because of recently granted 8% wage increases for city employees. The city has imposed a temporary freeze on promotions and hiring. If the fiscal situation worsens, city Budget Director Ed Whitney has recommended that the city council consider a number of other ways to cut costs, including laying off 900 workers, imposing across-the-board pay cuts, requiring employees to take up to 26 unpaid holidays a year and closing the city's public hospital, museum or some libraries. Such future shock could apply to almost all of the nation's large cities.

Mr. FANNIN. Mr. President, another contributor to the New York City financial crisis discussions whose statements I find refreshing is the Wall Street Journal. A recent edition carried an editorial entitled "The Social Laboratory." The Journal maintains in this editorial that the Federal Government's use of New York City as a social laboratory has contributed to its demise. An astounding example of this contention is the four luxury towers recently built in Harlem by the Federal Government. There, 656 poor families will be housed in apartments which cost an average of $68,597 each to construct. These apartments contain up to six bedrooms, are air-conditioned, have indoor swimming pools and underground parking. All for the bargain price of $113.28 per month.

Equally as interesting are the eligibility requirements. The Journal's editorial proves to be good reading on this account as well. I ask unanimous consent that the Wall Street Journal editorial entitled, "The Social Laboratory" be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

THE SOCIAL LABORATORY

The only argument for a federal bailout of New York City that makes any sense at all to us is one that is never made by the city's intellectual and political elite. That is, for the past generation, New York City has been the main laboratory for the nation's social engineers, and has been wrecked in the process. The federal government should at least pay for the breakage and promise to never experiment with New York again.

The argument isn't made because the social engineers who are responsible both in New York and in Washington, still can't believe so much bad can come from trying to do good. Even now, with the city staring into the jaws of default, the sociologists are celebrating the opening of four luxury towers to house 656 poor families in Harlem, courtesy of the federal taxpayers. The average construction cost per apartment is $68,597. Needy families will be eligible for six-bedroom, air-conditioned, triplex apartments with 11-foot ceilings and 20-foot balconies at $113.28 per month, utilities included. The city is doing its bit for compassion by waiving property taxes.

Becoming eligible is a bit tricky. One way to get to the head of the list, if you are a welfare recipient, is to set fire to your current digs. The city's Human Resources Administration not only puts burned-out families to the top of waiting lists for public housing, it also gives them up to $3,090 for new clothing, furniture and moving expenses. There have been 68,456 fires in the Bronx in the past five and one half years. In the last year, 2,250 South Bronx families have been burned out of their apartments.

Social experimentation is at the bottom of New York's problems, and if you have any doubt about this, read Herbert E. Meyers' article in the November issue of Fortune, "How Government Helped Ruin the South Bronx."

If it's true that whatever happens in urban America happens first in New York City, it's probably true to the same degree that whatever happens to New York City happens first to the South Bronx. The section, with a population of 450,000, is the most concentrated drain on the city's resources, with 28% of its families on welfare. But the same forces that have rotted the South Bronx are at work a little less visibly throughout the city.

The primary cancer was rent control, a political sacred cow that has been chewing away at the city's housing stock and tax base since World War II. With rent increases restricted and maintenance costs rising with inflation, landlords let their housing deteriorate, tenants moved elsewhere to better housing, lower-class tenants moved into the vacated rent-controlled housing and the cost of maintenance rose faster, the pattern ending when buildings are abandoned by landlords and tenants, then gutted by arsonists who are only after the copper plumbing.

At the very earliest stage of the above process, New York's intellectual and political leadership pointed to the urban decay they were unwittingly causing, and inspired the federal government to urban renewal efforts at the same time they taxed the hides off New York businessmen to help pay the costs of compassion. The ultimate result of this process are those $68,597 Harlem penthouses, with greenhouses, indoor swimming pools and underground parking, by the way.

What hurt the South Bronx further was its failure to riot in the 1960s. President Johnson's Great Society administration rewarded the area for its good behavior by showering the South Bronx with dozens of do-good projects that made it an ever greater magnet for the welfare underclass. At the same time, the city and state built a 15,000-unit middle-income housing project in the North Bronx, which of course attracted the last vestiges of stability out of the South Bronx.

We can't say the nation has benefitted by having New York City serve as its social laboratory; many of the problems of Chicago and Detroit resulted from solutions originally devised for New York. But a persuasive argument might be made that because New York has been hurt most by the government's social inventiveness, it deserves to be bailed out. And it might be worth every penny if, in exchange, the federal government stopped trying to do good by building penthouses for the poor.

Mr. FANNIN. Mr. President, I have stated in the past that the American people should not be asked to foot the bill for the extravagant spending policies perpetrated by the city's administration. There is no reason why anyone other than New Yorkers should pay for free college tuition for any New York City student, outrageously high city employee wages and benefits, and numerous other budget-bussing items.

I also maintain that the American people should not be asked to provide $68,597 luxury apartments to families who will pay only $113.28 per month in rent.

Mr. President, the longer Congress discusses this issue, the clearer it becomes that Washington as well as New York must reexamine its budgetary priorities and act decisively to prevent financial collapse at the Federal level. The glib attitude toward Federal deficits by a majority of Congress must be changed to an attitude of fiscal responsibility. Unlike Mayor Beame and Governor Carey, the Congress and the Executive will have no one to turn to on the brink of default.

LESSONS OF RECENT UNEMPLOYMENT IGNORED

Mr. WILLIAMS. Mr. President, on Friday the Bureau of Labor Statistics released its report on the Nation's employment situation in October. The figures were a severe disappointment for the 8 million Americans counted as unemployed and for over a million others who are not counted because they have lost hope and stopped looking for work.

The October figures confirm what had been strongly suggested in August and September—that the economic recovery, measured by the human yardstick of joblessness, has stalled.

In August and September, we were unable to record any appreciable reduction in the July unemployment rate of 8.4 percent. In October, the rate rose slightly to 8.6 percent.

I sense a tendency these days to accept these monthly announcements without a great deal of anxiety, let alone alarm. Perhaps the country is becoming immune to the successive monthly announcements of unemployment in excess of 8 percent.

I would point out. Mr. President, that the October level of 8.6 percent is, with the exception of the second quarter of this year, the highest rate of unemployment since 1941. The number of persons counted as unemployed is greater than in all but two of the years of the Great Depression.

Within the overall national unemployment rate, there were several disturbing developments that must be noted. Joblessness increased last month for heads of households and for full-time workers. Unemployment among minority races stands at 14.2 percent, virtually unchanged from the devastating level reached in the second quarter of this year.

Among the States, there are those whose joblessness is far beyond the national level. My home State of New Jersey is one of the worst hit, with 13 percent unemployment.

There can be no reasonable rebuttal to the assertion that these latest developments relating to unemployment are grounds for alarm—continuing alarm at the persistence of joblessness and its disheartening effects on millions of American families, and new alarm at the evidence of the stalled economic recovery

Mr. President, Friday's report of increased unemployment followed by one day the report of a startling increase in wholesale prices in October. Taken together, the news of 2 successive days signals continuing simultaneous recession and inflation.

One might tend to conclude that nothing was learned from the mistakes of last winter when the Administration's preoccupation with inflation allowed festering unemployment to become our top-ranking crisis.

If the history of the recent past is to be ignored, then we are in grave danger of reliving the history of more distant days—the days of Coolidge and Hoover and the dark period that followed them.

Mr. President, I ask unanimous consent that the press release from the Bureau of Labor Statistics of last Friday, detailing the Bureau's report and observations on the employment situation, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

THE EMPLOYMENT SITUATION: OCTOBER 1975

Unemployment rose in October and total employment remained about unchanged, while nonagricultural employment continued to increase, it was reported today by the Bureau of Labor Statistics of the U.S. Department of Labor.

The unemployment rate returned to the June level of 8.6 percent, after holding at or near 8.4 percent during the interim month. Most of the increased joblessness over the month resulted from persons reentering the labor force following a period of labor market inactivity. October witnessed the first decline in the number of unemployed seeking jobs for 6 months or more and in the average duration of joblessness since unemployment peaked in the second quarter.

Total employment—as measured by the monthly survey of households—was unchanged for the second straight month after having risen markedly between March and August. The series on nonagricultural payroll employment—as measured by the monthly survey of establishments—increased for the fourth straight month, boosting the job total by more than 1.1 million since the June low.

UNEMPLOYMENT

The number of unemployed persons rose by 230,000 in October to 8.0 million (seasonally adjusted), after having turned down in the third quarter. This increase, combined with an unchanged level of employment, pushed the unemployment rate up three-tenths of a percentage point to 8.6 percent. The October jobless rate remained below the second quarter peak of 8.9 percent. The increase in unemployment was concentrated among persons reentering the labor force after a period of absence.

The unemployment situation among major labor force groups as a whole—adult men, adult women, and teenagers—was little changed in October. The only demographic group to show a notable increase was adult white women, whose unemployment rate moved upward 0.6 percentage point over the month to 7.4 percent—a turnabout from the downward trend that had been established over the prior several months. There were also small jobless rate increases for household heads (to 5.9 percent) and full-time workers (to 8.6 percent).

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED DATA)

	Quarterly averages					Monthly data		
	1974		1975					
Selected categories	III	IV	I	II	III	August 1975	Sep-tem-ber 1975	October 1975
(Millions of persons)								
Civilian labor force	91.4	91.8	91.8	92.5	93.1	93.1	93.2	93.4
Total employment	86.4	85.7	84.1	84.3	85.3	85.4	85.4	85.4
Adult men	48.5	48.3	47.3	47.2	47.6	47.7	47.6	47.7
Adult women	30.5	30.1	29.8	30.1	30.6	30.7	30.6	30.7
Teenagers	7.4	7.4	7.0	7.0	7.1	7.0	7.2	7.1
Unemployment	5.0	6.1	7.0	8.2	7.8	7.8	7.8	8.0
(Percent of labor force)								
Unemployment rates:								
All workers	5.5	6.6	8.3	8.9	8.4	8.4	8.3	8.6
Adult men	3.7	4.8	6.3	7.1	6.9	6.6	7.0	7.1
Adult women	5.4	6.5	8.2	8.5	7.7	7.7	7.5	7.8
Teenagers	16.1	17.5	20.5	20.5	19.8	21.1	19.3	19.9
White	5.0	5.9	7.6	8.2	7.7	7.6	7.6	7.9
Negro and other races	9.6	11.7	13.7	14.3	13.8	14.0	14.3	14.2
Household heads	3.2	4.1	5.5	6.1	5.7	5.5	5.7	5.9
Married men	2.7	3.3	4.8	5.7	5.2	5.0	5.3	5.2
Full-time workers	5.0	6.2	7.9	8.5	[1] 8.1	7.9	8.2	8.6
State insured	3.4	4.3	6.0	6.9	5.9	5.8	5.8	5.7
(Weeks)								
Average duration of unemployment	9.9	9.9	11.3	13.9	15.8	15.7	16.2	15.4
(Millions of persons)								
Nonfarm payroll employment	78.7	78.3	76.9	76.4	[2] 77.0	77.0	[2] 77.3	[2] 77.5
Goods-producing industries	24.8	24.1	22.8	22.3	[2] 22.4	22.4	[2] 22.6	[2] 22.7
Service-producing industries	54.0	54.2	54.1	54.1	[2] 54.6	54.6	[2] 54.7	[2] 54.8
(Hours of work)								
Average weekly hours:								
Total private nonfarm	36.6	36.3	36.1	35.9	[2] 36.1	36.2	[2] 36.1	[2] 36.2
Manufacturing	40.1	39.6	39.0	39.1	[2] 39.6	39.7	[2] 39.8	[2] 39.8
Manufacturing overtime	3.3	2.9	2.4	2.4	[2] 2.7	2.8	[2] 2.8	[2] 2.7
(1967=100)								
Hourly earnings index, private nonfarm:								
In current dollars	160.6	164.3	167.7	170.7	[2] 174.3	174.6	[2] 175.1	[2] 176.8
In constant dollars	107.2	106.5	106.7	107.1	[2] 107.1	107.4	[2] 107.2	NA

[1] Corrected.

[2] Preliminary.

Note: NA equals not available.

While most occupational and industry sectors showed little or no unemployment change in October, there was a rise among clerical workers and persons in the finance and service industries—sectors which traditionally have provided a large proportion of the jobs held by women. However, unemployment rates of manufacturing and construction workers continued to descend from the record highs reached in May.

There were contrasting movements among black (Negro and other races) and white labor force groups. The unemployment rate for blacks held steady in October at 14.2 percent, approximating its second quarter peak. The jobless rate for whites, however, which had been gradually declining from its high of 8.2 percent in the second quarter, rose from 7.6 to 7.9 percent over the month.

The unemployment rate for workers covered by regular State unemployment insurance programs, at 5.7 percent in October, continued its downward trend from the May high of 7.0 percent. There were 3.8 million persons (seasonally adjusted) claiming regular State U.I. benefits. The number of persons claiming benefits under various special programs, including the Federal extended benefits programs, declined from 2.5 to 2.4 million (not seasonally adjusted) over the month.

The average (mean) duration of unemployment dropped from 16.2 to 15.4 weeks in October, the first decline since it began its dramatic lengthening at the beginning of this year. There was a sharp drop in the number of persons unemployed 15 weeks or longer, particularly those who were unemployed 27 weeks or more. Countering this decrease in long-term unemployment was a jump in the number of persons unemployed for less than 5 weeks.

TOTAL EMPLOYMENT AND CIVILIAN LABOR FORCE

Total employment, at 85.4 million (seasonally adjusted), held steady for the second consecutive month. There were offsetting movements, however, as agricultural employment declined by 125,000, while nonagricultural employment continued to rise. Employment increases had totaled 1.5 million between March and August, a substantial gain for a 5-month period, but the overall level in October remained nearly a million below the peak registered in September 1974.

The civilian labor force rose by 250,000 in October to 93.4 million (seasonally adjusted). This increase was consistent with the growth in the population, as the civilian labor force participation rate remained unchanged at 61.4 percent. Over the past year, labor force growth was held to 1.4 million persons, considerably below year-to-year gains of 2 million or more prior to the recession.

INDUSTRY PAYROLL EMPLOYMENT

Total nonagricultural payroll employment increased for the fourth straight month in October, rising by 220,000 to 77.5 million (seasonally adjusted). Since the recession low in June, payroll employment has grown by more than 1.1 million. Employment gains occurred in 63 percent of the 172 industries in the BLS diffusion index, compared with approximately 75 percent in the prior 2 months.

In manufacturing, employment rose by 110,000, with nearly all of the increase taking place in the nondurable goods sector. This was in contrast to the previous 2 months' experience, when additions to employment were more heavily concentrated in the durable goods industries. Within the nondurable goods group, the apparel, food, and textile industries posted the largest gains. Electrical equipment was the only industry in the durables sector to register a sizeable gain. In addition to the manufacturing increase, there was a gain of 20,000 jobs in mining.

Employment in contract construction declined by 30,000 in October after having stabilized somewhat since June. Employment in this industry has receded by 730,000 from its alltime peak reached in early 1974.

In the service-producing sector, substantial increases took place in both services and State and local government (50,000 and 60,000, respectively.) Much of the latter increase resulted from the settlement of several teachers' strikes, which returned approximately 35,000 persons to the employment rolls.

HOURS

The average workweek for all production or nonsupervisory workers on nonfarm payrolls edged up 0.1 hour in October to 36.2 hours (seasonally adjusted), the same as the August level. August weekly hours remained 0.3 hour below the year-earlier figure, however.

The average length of the manufacturing workweek was unchanged from September's level of 39.8 hours. Although a full hour above the low reached in February, the factory workweek remained 1.2 hours below the pre-recession high (February 1973). Factory overtime declined slightly in October to 2.7 hours, after being 2.8 hours in the previous 2 months.

The index of aggregate hours of private nonfarm production or nonsupervisory employees increased for the fourth consecutive month, advancing 0.4 percent to 108.4 (1967=100). The index of factory worker hours rose by 0.8 percent to 91.0, continuing the uptrend from the March low of 86.4.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 2 cents to $4.62 (seasonally adjusted), an increase of 0.4 percent since September and 6.5 percent over the last 12 months. Average weekly earnings increased 0.7 percent in October to $167.24 and have risen 5.6 percent since last October.

Before adjustment for seasonality, average hourly earnings increased 1 cent to $4.65. Since October 1974, hourly earnings have increased 28 cents. Weekly earnings averaged $168.33 in October, little different from the September level but $8.82 above October a year ago.

THE HOURLY EARNINGS INDEX

The Hourly Earnings Index—earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries—was 176.8 (1967=100) in October, 0.9 percent higher than in September. The index was 8.2 percent above October a year ago. During the 12-month period ended in September, the Hourly Earnings Index in dollars of constant purchasing power rose 0.2 percent.

EAST-WEST TRADE BOARD

Mr. ROTH. Mr. President, as a cosponsor with Senator LONG of an amendment to the Trade Act of 1974 establishing an East-West Trade Board, I was very interested to see an article recently by columnists Rowland Evans and Robert Novak concerning Senator LONG's efforts to get full Defense Department representation on the Board.

One of the major congressional purposes in establishing this Board was to insure that American goods and technology exported to the Soviet Union would not be used by that country for military purposes. As the senior Senator from Louisiana said when he introduced the amendment on December 13, 1974:

> There ought to be somebody involved in this who can look at what the national interest is and the extent to which we might be giving away vital defense information, information essential to this country.

It would seem obvious that the Secretary of Defense should be a member of any high-level group designed to monitor East-West trade to see that defense information is not inadvertently transferred to the Soviet Union. Who else is better qualified to determine what may be the military implications of a particular product or technology?

I fully endorse and support Chairman LONG's efforts to see adequate Defense Department participation on the Board.

Mr. President, I ask unanimous consent that a copy of the Evans and Novak article from the Shreveport Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Shreveport (La.) Journal,
Oct. 16, 1975]

LONG CHALLENGES KISSINGER

(By Rowland Evans and Robert Novak)

WASHINGTON.—President Ford's refusal to name a Pentagon representative on the new government board created by Congress to monitor trade with Communist nations reflects Secretary of State Henry Kissinger's continuing power to avoid policy moves that might offend the Kremlin.

When congressional demands that Secretary of Defense James Schlesinger be named to the East-West Trade Board were raised at a board meeting, objections were quickly voiced by Kissinger's man in attendance: Deputy Secretary of State Robert Ingersoll. Inserting the Pentagon into nonmilitary matters, Ingersoll asserted, would be inappropriate and could be resented by Soviet leaders at a time of U.S.-Soviet negotiations on many delicate matters.

Kissinger has successfully kept Schlesinger off the board so far, pointing to two other realities: First, though his prestige in Congress has fallen drastically and his national popularity is slipping, Kissinger keeps the upper hand over Schlesinger in their continuous struggle over global strategy; second, Kissinger still dictates international economic policy despite challenges from Treasury Secretary William Simon.

But Kissinger may have to back down on East-West trade thanks to an outside force: Sen. Russell B. Long of Louisiana, the flamboyant chairman of the Senate Finance Committee. Such a retreat on an obscure issue would be seen by Kissinger's rivals as a first step in stripping international economics from his empire.

The East-West Trade Board was created by Congress as an amendment to the 1974 trade act pushed by Long, who feared dangerous Communist gains (especially in transferring technology) resulting from U.S. businessmen being outfoxed by Soviet bureaucrats. A sharp eye for the national interest in these deals would be kept by a board, as outlined by Long, consisting of several cabinet members—definitely including the secretary of defense.

On April 8, Mr. Ford named a board including nearly all of Long's nominations—but excluding the secretary of defense. On June 5, Long wrote Secretary Simon, the board's chairman, protesting Schlesinger's omission as a violation of congressional intent. In monitoring "transfer of technology vital to the national interest," wrote Long, ". . . it is extremely important that the Department of Defense advise the East-West Trade Board on the national security aspects of transactions."

Long got no argument from Simon, who would take a much harder international economic policy line than Kissinger. On July 2, Simon wrote Long supporting Schlesinger's membership. But when Simon brought it up at a board meeting, he ran into Ingersoll's objection—strongly seconded by Secretary of Commerce Rogers Morton, also a board member.

That was enough to blackmail Schlesinger. Mr. Ford's closest aides cannot remember ever seeing anything about the East-West Trade Board, and it is extremely doubtful the President himself knew about the controversy. On such matters, Dr. Kissinger's writ goes unchallenged within the White House.

But not necessarily on Capitol Hill. Clearly nettled, Sen. Long on Sept. 18 wrote Simon, again insisting Schlesinger be named to the board. "I understand that you agree with this view," said Long, "but that State and Commerce are obdurate in their desire to exclude the Defense Department from participating on the board."

Considering Long's key committee chairmanship and frequent support of administration positions, his wishes may not be defied a third time. For its part, the Pentagon is eager to move deeper into East-West trade questions.

But more than trade is at stake. Simon is unhappy about the State Department keeping him away from U.S.-Soviet grain talks and would like to restore the treasury to its pre-Kissinger eminence in international economic policymaking. Lining up against Kissinger on the trade board is, therefore, a symbolic shot across the State Department's bow.

Moreover, excluding Schlesinger from the trade board fits a larger pattern. Kissinger wants the Pentagon confined to strictly military pursuits and has kept it out of strategic arms limitation talks (SALT) and military aid negotiations with Israel and Egypt. Backing down on trade board membership would be a small retreat from overall policy.

Even if such a retreat is ultimately forced, however, Kissinger performed remarkably in this backstage Washington scuffle. For nearly a year, while the President apparently stays aloof, Kissinger has ignored a congressional mandate, defied a senior Senator, and staved off the Defense and Treasury Secretaries to make sure of his own power and his own concept of détente were not diluted even in a tangential bureaucratic dispute.

DISMISSAL OF WILLIAM COLBY

Mr. HUDDLESTON. Mr. President, the recent upheavals in the leadership of our Nation's defense and intelligence agencies raises serious questions for every officeholder and every citizen. The significance goes far beyond the mere shuffling of personnel to the very heart of a number of governmental activities currently underway, and to the decisionmaking processes at our highest levels of government.

Despite President Ford's request that William Colby remain as head of the Central Intelligence Agency—and Mr. Colby's agreement to do so—until his successor is confirmed, the fact remains that Mr. Colby was summarily dismissed at a most unfortunate time and in a most unfortunate manner.

Mr. Colby was obviously a man in a difficult position at a time when a painful but necessary in-depth examination of extremely sensitive matters—indeed the most sensitive matters of our Government—was in progress. His position was not an enviable one and perhaps in Washington it was inevitable that Mr. Colby would at some point be forced out. But the timing and manner of his removal were certainly not called for.

Mr. Colby accepted a challenge to the Agency he headed and acted in a manner commendable of public servants. He sought to resolve the problems inherent in reviewing the activities of an instrumentality whose responsibilities are extensive and most necessary to our national security, but which, on a number of occasions had ventured beyond the bounds of its charter and beyond the limits of legal activity. He sought to deal in an effective but fair way with abuses which had taken place prior to his assuming control. He sought to protect the most secret of our Government's secrets.

As a member of the Senate Select Committee on Intelligence Operations, I believe that I can fairly say that Mr. Colby undertook what had to be an unwanted job in a most responsible, thoughtful, and open manner. He was cooperative with the committee to the extent that he could be, and yet he was most protective of this Nation's security and interests.

Mr. Colby deserved far better than he received. The manner of his removal was deplorable—an ungracious treatment of a man who had served in a most difficult of situations in a rather remarkable manner—a manner which is only accentuated by his willingness to remain in office under most uncommon circumstances.

Furthermore, his dilemma can only aggravate the Senate committee's difficulty in completing in a timely fashion its investigation. Last February, when the select committee was created, a number of those in this body pointed to the very important need to conduct an investigation in a deliberate, but reasonably prompt manner, so that abuses could be identified, means of restricting their reoccurrence devised and the intelligence community reordered where ncessary in order that it could move ahead to perform those functions which are so necessary to the security of our Nation.

Unfortunately, we have not moved quite as rapidly within the committee as we initially hoped. Perhaps a number of us underestimated the variety and scope of activities which we would have to review. But that aside, there is unquestionably a need to complete the work with a calculated haste, to revise mechanisms and guidelines as required and to reinforce the necessary and vital intelligence activities.

Certainly, Mr. Colby's current situation can help little in this regard. While I find his willingness to remain in office admirable, it fails to obviate the very crucial fact that Mr. Colby's effectiveness has been undermined and his position within the intelligence community undercut. His removal implies administration dissatisfaction with his performance and probably intent to alter intelligence policy and the degree of cooperation with the Senate committee.

The latter possibility is further suggested in the selection of his successor. The U.S. Senate, which must confirm, and the American people are offered as the new director a man, whose talents and expertise may be far-reaching—but a man who is lacking in experience in the intelligence field, who has been out of this country for a lengthy period of time, and whose confirmation will probably take some weeks to approve. In the meantime, the committee must work with an executive branch vacuum, a kind of limbo.

Furthermore, we are asked to accept a man who has served in a most political of political offices as head of an agency which should be the most nonpolitical of government offices—an agency which, by its nature, demands objectivity and nonpartisanship as the price of performing well. As material made available to the House Intelligence Committee suggests, intelligence estimates and reports based on political policy and political aims make bad intelligence reports and estimates. And, they make bad policy. What we must strive for is objective intelligence, straightforward information which policymakers can evaluate and from which they can develop alternatives. It is in deciding the alternatives that political considerations, if they are to be brought in at all, should surface. But, in any event, they should result from intelligence, not form it.

If Mr. Colby's dismissal were a solitary event of the past few days, it might, of course, be more easily written off as one of the hazards of Washington employment. But, coming as it does, with other dismissals and with a number of related resignations, the consequences are potentially more grave.

While I agree that it is early to try to assess the full implications of the recent changes in government and while I fully recognize the right of the President—or any other person running an office—to select his own team, I cannot accept the argument that no change should ever be questioned.

As a result of the recent moves, both the military and civilian intelligence communities must be in a certain state of disarray. In fact, these disruptions, the loss of a number of experienced persons, may have disoriented the intelligence operations to a far greater extent than all of the investigations ever envisioned could have done.

Further, but just as basic, the changes raise questions not just about dissent within government, but about the rational and objective consideration of alternatives or options of policy. As I mentioned previously, men in positions of responsibility—whether that be government or business—want persons of loyalty in jobs surrounding them. No member of this body, for example, wants a staff which goes around telling others that they disagree with their employer's position or that they think he is wrong. But, that does not mean that options and alternatives should not be discussed and considered.

While the outcome of the recent powerplay, if indeed it were that, remains unclear; we can only hope that the flickers of widespread considerations, of varying options, of alternative positions, even of outright dissent, have not been put out within the administration.

Any man who serves as President owes

that office and the American people more than that. That man is not involved in a game of chess or checkers. Détente, SALT, the Middle East, oil policy and a host of other issues are more than strategies in a summary round. Instead, they are deadly serious policies, affecting not only our Nation's future well-being, but indeed, its very survival. They must be carefully examined. And, they must not be served up on a partisan platter in efforts to provide an election feast.

Furthermore, these policies are far-reaching, complex and highly sophisticated. It would be indeed strange if every engineer, if every scientist, if every foreign policy analyst, if every economist, if every policymaker, should agree upon either ways or means of dealing with them. But, to delude oneself into believing that there is such simple unanimity is perhaps the most dangerous of dangerous games.

These are not the simplest of times, and I am not naive enough to believe that there are panaceas in today's world or that politics, especially with a major election year approaching, will be cast aside. But, I do believe that we must all be sensitive to the potentially disastrous effects of any policy based on hearing only what one wants to hear or of marching only to the music one demands be played.

I would hope that now that personnel decisions within the Executive have been made, whether they be right or wrong, that the President would, nevertheless, recognize the importance of bringing order out of what appears to many as chaos, of seeking to stabilize the various agencies which have been shaken, especially those involving intelligence, and of encouraging a diversity of views at least within inner councils so that important policy choices of the upcoming months can be based upon sound judgments and decisions.

Foreign policy has not been easy in recent years. There are problems of substance and of process. The loss of a consensus about our Nation's role in the world, a loss of confidence in ourselves, a change in other nation's perceptions of us and our society have been neither easy to accept nor to deal with. Questions of substance have been debated not only in issue forums but have also found their way into questions over process. The means is the way to the end. The means can determine the end. But it should not be allowed to become an end in itself. Denying in the process that diversity of opinion exists is an unhealthy Alice-in-Wonderland approach.

QUARTERLY REPORT ON SUPPORTING OFFICE FUND

Mr. BROCK. Mr. President, when a supporting office fund was established for my office under rule 42, paragraph 3 of the rules of the Senate, I stated that a summary of all expenditures and contributions would be made public and that full and complete records would be available to the press at any time. Additionally, I pledged to have the summary published in the CONGRESSIONAL RECORD on a quarterly basis. Accordingly, I ask unanimous consent that a quarterly report on my supporting office fund be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

BILL BROCK SUPPORTING OFFICE FUND: STATEMENT OF INCOME AND EXPENSE

(For The Six Months Ending October 31, 1975)

INCOME	
Contributing (187 contributors—average contribution $99.89)	$18,680.00
EXPENSE	
Accounting services	1,000.00
Airline travel (to, from and within Tenn.)	5,650.56
Auto rental and mileage	1,850.18
Bank charges	32.99
Constitutent mailing list update	2,544.70
Constituent relations	132.42
Educational expense	50.00
Meals and lodging	3,721.05
Office supplies	374.24
Postage	274.35
Press clipping service	90.00
Staff meetings	464.98
Stationery	189.16
Subscriptions	830.72
District telephone expenses	1,098.03
Total	18,303.38
Excess income over expenses	376.62

OLDER AMERICANS AND ORAL HISTORY

Mr. WILLIAMS. Mr. President, I have attempted in the past to pay due attention to encouraging and heartening examples of contributions made to their communities by older Americans.

Fortunately, those examples are occurring with increasing frequency throughout the Nation. As a former chairman of the Senate Committee on Aging, I take particular satisfaction, for example, from the steadily rising list of achievements among members of the Retired Senior Volunteer program, or RSVP. I had some part in the congressional efforts which led to RSVP, and I am very pleased by the recurring success stories which reach my ears.

I am also impressed by reports of the role that older persons are playing in programs which make organized efforts to record spoken reminiscences of recent and long-range history of a locale or of groups of people in many parts of the Nation.

This attention to "oral history" seems to be on the increase, particularly in conjunction with Bicentennial celebration programs.

On October 23 the Record of Hackensack, N.J., ran an article by staff writer Tamar Lewin on the subject of an oral history party which took place in a public library of Bergenfield. I think that the program could well serve as a model for similar efforts elsewhere; I commend the sponsors; and I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ORAL HISTORY REVERBERATES OFF THE PAST

(By Tamar Lewin)

Susan Forte, a Bergenfield high school student with an interest in history, was asking a rapt audience of 60 senior citizens if any of them knew whether the Palace Theater was ever used for anything but movies.

While Beatrice James jumped up to reply, the men and women around her whispered to each other about the old days at the Palace.

"I can answer that one because I met my husband there," Mrs. James said. "He was a ticket-taker, and he made a big hit with me by letting me in free. They had movable seats there—they'd take them down and hold dances."

The occasion for her reminiscence was an oral history party at the public library. Students from the high school's Bicentennial Club taped the senior citizens' answers to their questions about Bergenfield history.

During a break, the senior citizens clustered around old pictures, trying to identify people and scenes from their pasts.

"I know I've seen that house, but I just can't remember where it was," one man said as he stared at the display. "I used to pass it all the time."

WARTIME RECOLLECTIONS

Alexandra Drazniowsky, the Bicentennial Club president, wanted the audience to discuss Bergenfield's wartime experiences.

"There are rumors that Nazi meetings were held in Bergenfield during World War II," she said. "Is that true?"

When none of the senior citizens answered, former Mayor Thomas O'Dowd, a guest, told her it was true.

"I know there were Bund meetings around here, because someone was picked up right near me. And I know there was a clandestine radio station in New Milford."

After the question period, Miss Drazniowsky said said she thought the audience had been shocked when she brought up the subject of the war.

"I really wanted to know how they were affected by war," she said. "They all have a lot more to say. I was surprised to see how much interest there is in this. Frankly, I didn't expect so many people to turn up."

The Bicentennial Club hopes to continue the program by making tape recordings of people who have lived in Bergenfield for a long time.

"I've been here 70 years," Catherine Donnelly said. "I remember when Washington Avenue was a dirt road, and we used to walk in the ruts. I could listen to these stories all day."

A TIME FOR NEW INITIATIVES TOWARD REGULATORY REFORM

Mr. ROTH. There are several of us who have, through the years, been attempting to impress upon the Congress that the American public—particularly the small businessmen and working people of this country—are growing weary of paying the costs of ever-proliferating Federal regulations and grant programs. While this has been, at times, a lonely struggle here in the Halls of Congress, the message I have been getting from the people of Delaware has been unmistakably clear: There is increasing resentment of the business costs, paperwork, and tax burden that have been generated by both Federal regulatory and grant programs. Only in the last few months, an informal survey our staff conducted of small businessmen in Delaware revealed that they are experiencing considerable hardship in complying with the regulatory and reporting requirements of a number of Federal agencies.

It is, therefore, encouraging to note that both the Congress and the administration may now be catching up with public opinion in undertaking comprehensive studies of the problems—such as administrative overlap and duplication, inflationary impact, and restraint of competition—that have, unfortunately, become associated with the regulatory process in the United States. In the course of reviewing these problems, however, we should not fail to consider how Congress can, on a continuing basis, exercise better oversight over regulatory agencies to insure that reforms, once instituted, are maintained.

Thus, I am pleased to join with Senator Brock in cosponsoring S. 2258, a bill which would require that Federal agencies submit all proposed rules and regulations to Congress. Each house would have 60 days in which to pass a resolution disapproving a regulation, in whole or in part. This is one of a number of approaches that warrant consideration, as we proceed to consider possible solutions to this problem. There are several issues raised by this bill that will need to be explored, however. For example, to properly evaluate a proposed set of regulations, a substantial investment of congressional staff time would be required to research the background with Federal agencies, to review the legislative history and carry out other review activities. This bill would have the effect of shifting responsibility for rulemaking from the executive departments and regulatory agencies and would, in effect, make it a joint responsibility of the executive and Congress. Thus, Congress ability to undertake a proper review of all proposed rules and regulations would become critical.

Another approach to stemming the tide of Federal regulations that should be considered is a requirement that all Federal regulations have an expiration date. By forcing agencies to reevaluate regulations after a given period of time, we might at least succeed in eliminating many obviously obsolete and redundant regulations.

INDEX OF FEDERAL ADVISORY COMMITTEE MEMBERS ISSUED

Mr. METCALF. Mr. President, as chairman of the Subcommittee on Reports, Accounting, and Management, which oversees the Federal Advisory Committee Act, I am pleased to announce that an index to the membership of 1,242 Federal advisory committees has been issued as a Senate Government Operations Committee print.

It is an alphabetized three-way index to the 22,702 members of Federal advisory committees, commissions, boards, councils, and other panels in existence at the end of 1974, listing them by name, by affiliation and by the committee on which they serve.

The assistance of the Congressional Research Service of the Library of Congress and of the National Archives and Records Service of the General Services Administration in preparation of the index is gratefully acknowledged.

I ask unanimous consent that the subcommittee's press release announcing the issuance of the index be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Index of Federal Advisory Committee Members Issued

An alphabetized three-way index to the membership of 1,242 Federal advisory committees, just issued as a Senate Government Operations Committee print, shows the companies, unions and universities with the most representation are AT&T and RCA, the AFL–CIO and the University of California, respectively.

The index to the 22,702 members of Federal advisory committees, commissions, boards, councils and other panels in existence at the end of 1974 lists them alphabetically by name, by affiliation and by the committee on which they serve.

The 1412-page index, prepared by the Congressional Research Service of the Library of Congress at the request of the Subcommittee on Reports, Accounting and Management, is based on the Third Annual Report of Federal Advisory Committees, covering calendar year 1974.

"This index is an improved sequel to the one published by the committee for the First Annual Report of Federal Advisory Committees, covering calendar year 1972," according to Subcommittee Chairman Lee Metcalf (D-Mont.). "That index is now out of print, but copies can be found in libraries across the country."

"Between that index, this one and the microfilmed third annual report, journalists, scholars and other students of advisory committees can learn a great deal about the operations and membership of these panels, which influence the Federal Government in virtually every area of policymaking," Metcalf said.

The third annual report, spanning 4,460 pages, contains the name, function, authority for and roster of every advisory committee, plus a list of the reports each advisory committee submitted to a Federal officer or agency in 1974, the dates of its meetings and whether they were open or closed to the public, and the total estimated U.S. cost to fund, supply and maintain the committee.

Unlike its predecessors, the third annual report was microfilmed by the General Services Administration. The two-roll set, catalogued microcopy No. A–1199, can be ordered postpaid from the National Archives and Records Service (NEPS), Washington, D.C. 20408, for $24.

The subcommittee oversees the Federal Advisory Committee Act, which requires that the membership of an advisory committee be "fairly balanced in terms of the points of view represented and the functions to be performed by the advisory committee."

According to the new index, corporations with large numbers of representatives on advisory committees include:

AT&T and RCA—95
ITT—86
General Electric—80
Communications Satellite Corp.—64
Exxon—48
IBM—40
Mitre Corp.—37
Boeing—36

The AFL–CIO has 92 representatives on advisory committees. The University of California (all campuses) leads in its category with 350, followed by Harvard (167), University of Texas (110), MIT (108), Johns Hopkins and the University of Michigan (103), and Columbia University (102).

The index also shows that one Comsat employee serves on fifteen advisory committees, one Federal Aviation Administration employee serves on ten, and one from the Federal Communications Commission serves on nine.

While the index will serve as a valuable reference for the Congress and the public, Sen. Metcalf said users of the index should bear in mind that "it is only as accurate as the information contained in the third annual report. Therefore, errors in the original source documents will also appear in the index."

The index is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $15.50.

Press and official copies of the index are available from the subcommittee, 161 Russell Senate Office Building, Washington, D.C. 20510, phone (202) 224–1474.

NATIONAL BICENTENNIAL PHOTOGRAPHY PROJECT

Mr. BAKER. Mr. President, we are now in the midst of planning for the 1976 Bicentennial, and numerous projects at the Federal, State, and local levels have been proposed to celebrate the strength and diversity which has characterized our first 200 years as a nation. In this regard, I would like to call to the attention of my colleagues in the Senate a proposed Bicentennial photography project which has been developed by photographic experts inside and outside of Government and which has now been suggested as an undertaking of the National Endowment for the Arts.

The Bicentennial photographic project has been designed as a comprehensive photographic survey of the United States utilizing the talents of some of our best photographers. The permanent record of photographs will be easily accessible, through the television, film, and print media, as well as potential regional exhibitions, to all parts of the Nation.

I am hopeful that funding for the project at a level of $2.4 million can be included in the National Endowment for the Arts appropriation soon to be considered by the Senate Appropriations Committee so that this effort, which I consider to be one of the most worthwhile and lasting contributions which we could make to the Bicentennial celebration, can get underway as soon as possible.

Mr. President, I ask unanimous consent that a summary of the background and goals of the Bicentennial photographic project be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Brief Description of National Bicentennial Photography Project

A photographic survey to record with clarity and respect the character of our American life: this would be one of the most valuable contributions of the Bicentennial celebrations to present and future Americans. We are besieged with mass produced images in television, film and publications, but the daily lives of few Americans are recorded for themselves and posterity. Our diversity is collapsed into glimpses of the famous and the infamous. The mass media covers regularly only six of our fifty states—the others are ignored until they are convulsed by "newsworthy" catastrophes. We need today a portrait of all of America undertaken with the same thoroughness and brilliance which characterized the Farm Security Administration's famed efforts of the 1930's.

On March 2, 1975, an editorial in Parade magazine suggested to President Ford that he consider such a photographic documentation of the nation. A committee of photographic experts and representatives from the National Endowment for the Arts, the Departments of the Interior and Agriculture, the Library of Congress and the White House subsequently established the guidelines for such a national self-portrait. The NEA provided an initial small grant for the development of the project proposal. All agreed that the goal of a Bicentennial photography project is to capture and illuminate the American experience and to preserve for future generations a vision of the American people as we were in our 200th year.

A photographic survey of the United States cannot be a random collection of pictures, nor should funds be wasted in endless duplication. The project must be nationally coordinated and supervised by a skillful and respected person from the photographic field. PHOTO–200, a non-profit self-liquidating organization, was established for the sole purpose of directing the most important photographic study of the nation ever undertaken. Ken Heyman, one of the country's best photographers, whose credits include books with Dr. Margaret Mead and former President Lyndon B. Johnson, has been chosen to give PHOTO–200 the judicious and imaginative leadership required.

PHOTO–200 will invite the nation's photographers to submit representative portfolios. From these, as many as two hundred of the most gifted and perceptive photographers will be selected by a board of experts and assigned to undertake a journey as "visual historians" to capture the mood and substance of America. At least two or more photographers will be working in each of the fifty states. The dialogue between the director of PHOTO–200 and the photographers will yield a coherent and detailed portrait of America from Alaska to Florida, from our offices, homes, farms and schools to our supermarkets, street corners and parks.

When the Bicentennial is over this photographic survey will be a permanent public statement about 1976. From the thousands of photographs taken, one hundred from each photographer will be selected, archivally printed and stored with the Library of Congress as an invaluable artistic and historical resource. In addition, PHOTO–200 will organize numerous traveling exhibitions of the collection that will reach all parts of the country, not just its major centers. To bring the portrait of America into as many homes and offices as possible, the collection will be reproduced in hardcover and paperback books.

The study of America by PHOTO–200's photographers will be the most significant such collection ever assembled. It will reveal and reaffirm our American identity, and it will offer an accurate and insightful vision of the American people to future generations, showing them who we were and what we stood for in 1976.

BANGLADESH

Mr. KENNEDY. Mr. President, last week, a group of Bangladesh Army personnel—who were involved in the assassination of the late President of Bangladesh, Sheikh Mujibur Rahman, and others—arrived in Bangkok from Dacca, and through the American Embassy requested asylum in the United States. Earlier today, the Department of State informed me that a formal request for asylum, under the Attorney General's parole authority in section 212(d)(5) of the Immigration and Nationality Act, is being actively considered, and that a decision will be made within the near future.

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD the statement I made on November 7 and a letter to Secretary of State Henry A. Kissinger, both of which comment on recent developments in Bangladesh and strongly recommend that the pending request for asylum by the group of Bangladesh Army personnel be denied.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

SENATOR KENNEDY'S STATEMENT ON DEVELOPMENTS IN BANGLADESH

Mr. KENNEDY. Mr. President, I am deeply concerned that the Department of State has under active consideration a request for asylum and admission into the United States of a group of Bangladesh Army officers involved in the assassination of the late President of Bangladesh, Sheikh Mujibur Rahman.

As one who has closely followed developments in Bangladesh, I have personally deplored the senseless killing of Sheikh Mujib and his family last August. And the further bloodshed in recent days, which has brought death to many leaders of the Bangladesh independence movement, is added cause for concern over the future of that new country. These lawless acts have set in motion a tragic series of events which not only threaten the political and social fabric of Bangladesh, but the peace and stability of the entire area.

Since the costly civil war and the anguished birth of Bangladesh in 1971, the people of this beleaguered nation have suffered a series of natural disasters—floods, typhoons, droughts, and crop-failure—which have brought famine conditions to many areas, and starvation and death to many thousands.

But the man-made disaster which threatens Bangladesh today is unleashing destructive forces of even greater proportions, crippling the government and its ability to respond to the overwhelming needs of an impoverished and hungry people.

Official reports from the field suggest the situation is of "full crisis proportions," with political chaos overtaking the streets of Dacca, and the threat of communal violence in the countryside. The acts of a few have brought Bangladesh to the brink of a tragedy potentially as great as the civil strife which tore the country apart in 1971, and created the largest tide of refugees in human history.

Once again the United States must support meaningful efforts to help bring peace and relief to Bangladesh. Our diplomacy must encourage restraint and stability in South Asia—a region which has already suffered too much over the past decade. We must also offer our hand of help, in providing whatever humanitarian assistance is required.

And on the immediate issue of granting asylum to the Bangladesh army personnel now in Bangkok, I can only hope our government will deplore the acts of violence which have brought such tragedy to so many in Bangladesh—and not reward the perpetrators of those acts with asylum in the United States.

In this connection, I have written to Secretary of State Henry Kissinger about developments in Bangladesh, and about the status of the pending request for asylum by the group of army personnel now in Thailand.

SENATOR KENNEDY'S LETTER TO SECRETARY OF STATE KISSINGER

UNITED STATES SENATE,
Washington, D.C., November 7, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my deep personal concern over recent developments in Bangladesh and the requests for asylum in the United States by a group of Bangladesh Army personnel, now in Thailand, who were involved in the assassination of the late President of Bangladesh, Sheikh Mujibur Rahman, and others.

As I suggested in a statement today, the recent acts of violence in Bangladesh "have set in motion a tragic series of events which not only threaten the political and social fabric of Bangladesh, but the peace and stability of the entire area." The text of my statement is enclosed. Hopefully our Government will do what it can to support meaningful efforts to help bring peace and relief to Bangladesh, and deny as well the pending request for asylum by the group of Bangladesh Army personnel involved in the assassination of Sheikh Mujib and others.

I would appreciate learning of the Department's assessment of recent developments in Bangladesh, and their impact on American policy toward the area and on the peace and stability of the Subcontinent. I would also appreciate learning of action taken and decisions made over the pending request for asylum by the Bangladesh Army personnel in Thailand.

Many thanks for your consideration and best wishes.

Sincerely,

EDWARD M. KENNEDY.

SADAT'S GAMBLE FOR PEACE

Mr. McCLURE. Mr. President, the recent visit of President Sadat provides additional emphasis for the critical need to proceed with Middle East peace negotiations. Now that the United States has decided to send Americans into the Sinai, it is even more imperative that an outbreak of war be avoided.

As an illustration of this need for action, I call attention to a statement from the South Idaho Press, wherein it is so accurately noted:

> There is no room for complacency, however. The tentative first step to resolution of the Middle East problem cannot be permitted to be the final step.

Mr. President, I ask unanimous consent that the entire statement, titled "Talks Don't Obscure Potential Disaster", dated October 31, 1975, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. McCLURE. The admonition concerning "the final step" is one that should be constantly before us as we continue working with both sides toward a true and just peace. The eyes of the Arab world are on both us and Egypt, to see if we do indeed fulfill the promise of progress in all the areas of Middle East conflict.

I will speak today particularly about the Israeli concern with President Sadat's intentions. It is time, I believe, that the position taken by the Egyptian leader be objectively recognized for what it truly is—a daring and skillful gamble for peace. He is wagering his political life—and, quite possibly, his physical life—that the United States will honor its commitment to work for peace on other fronts, especially with regard to the Golan and to the future of the Palestinian people.

Without positive movement in these areas of legitimate concern, the Sinai agreement represents only a lull—a brief truce. The Middle East has a long, tragic history of such truces. It is time for us to commit the United States to ending these periods of rearming, and to substitute peace.

A recent article by Milton Viorst provides us with additional information regarding President Sadat's intentions. As Mr. Viorst states.

> If Nasser was forever fanning the dim flames of Egyptian military ardor, Sada has let them fade into embers.

He continues with evidence of such fading:

> Of the dozens of Egyptians I met—bureaucrats, workmen, taxi drivers, merchants—not a single one spoke of war. They laugh, in retrospect, at Nasser's bluster, and their voices take on a reverence in discussing Sadat's promise of peace.

And, why would the Egyptian President be rebuilding Suez City—with nearly a quarter of a million people living in permanent homes—if his intentions were to engage in a war which would surely result in its destruction?

There are further evidences of President Sadat's intentions in Mr. Viorst's article, which was printed in the Washington Post on October 30, 1975, and I ask unanimous consent that it be printed in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. McCLURE. There can be no doubt as to the serious consequences related to President Sadat's gamble. Already, the Soviet Union has begun a campaign to replace him as the leader of Egypt. Moscow's main objective for now, as so accurately stated by Mrs. Freda Utley, is to destroy Sadat, who is the main obstacle to Soviet designs in the Middle East. It is imperative for the U.S. Congress to realize that a failure to achieve peace in the Middle East will benefit only the Soviet Union. The Arabs will lose, the Israelis will lose, and we will lose. Only the Russians would win.

A most perceptive description of this was recently presented by Mrs. Utley in Human Events, in her article "Soviets Mapping Internal Strife for Egypt." She said:

> The Sinai agreement is generally regarded in the United States as a rebuff to Moscow or even of signifying her expulsion from the Middle East. Even HUMAN EVENTS has been persuaded that Secretary of State Henry Kissinger made the best possible agreement for the United States. But as the London *Economist* points out, Russia is probably stronger in the Arab world today than it was before the apparent success of Kissinger's shuttle diplomacy. "All the Soviet Union has to do is to provide its radical Arab friends with sympathy, tea and guns, shake its head sadly and wait for the next Arab-Israeli crisis."
>
> As George Ball has pointed out, the ambiguity of Kissinger's promises to both Israel and Egypt may well lead to "a major diplomatic imbroglio." The divergent interpretation of America's commitments to both sides and the absence of any concessions by Israel to Syria or to the Palestinians render an eventual over-all peace settlement more unlikely than ever. Kissinger may survive, but what of Sadat?
>
> Under fire for having betrayed the Arab cause, he signed the Sinai accord on Kissinger's assurance that Israel would be brought to sign a parallel agreement with Syria on the Golan Heights. But Allon, the Israeli foreign minister, told the Knesset on September 27 that Israeli had made no commitment to the U.S. "on the negotiations for a further interim settlement with any Arab country."
>
> The Kremlin has reactivated the Egyptian Communist party which dissolved itself in 1964 on Moscow's orders. It announced its "return to action" with a party program published in Beirut following a visit to Syria by Boris Ponomarev last August, the Politburo official in charge of foreign Communist parties. As Victor Zorza points out, Moscow's broadcasts in Arabic are now clearly coordinated with the internal propaganda of the Egyptian Communist party. Both seek to undermine Sadat and prepare the ground for a coup d'etat, following the "sudden explosion" to which his policies are expected to lead.
>
> The Kremlin, as usual, plays both sides of the street. Its propaganda appeals to Sadat's enemies on the right, who oppose concessions to Israel, as well as to the left which resents Sadat's bourgeois bent: the liquidation, or weakening of the public sector, encouragement of private enterprise and expectations of foreign investment.
>
> Skillfully interweaving foreign and domestic issues, it hopes to win for the Communists the support of nationalist elements which resent Sadats concessions to Israel without any sympathy for the party's ideology. As also the support of wavering elements whose expectations of Israel's relinquishment of Egyptian and Syrian lands and the establishment of a Palestinian state in the occupied West Bank of Jordan are doomed.
>
> In a word, the Communists hope to become the focus of opposition in Egypt and get into position to seize power, repudiate the agreement with Israel and the U.S. and regain the flow of Soviet arms to Egypt.
>
> The error of treating the Arabs striving to regain their lost lands as if they were Moscow's puppets for years rendered it extremely difficult for even the most pro-Western Arabs not to actually become so. And now that Sadat has courageously but rashly burnt his bridges to Moscow and thus taken grave risks for himself and his people by his trust in America, Kissinger seems still to assume that all that is needed to solve the Arab/Israeli conflict is his cherished detente with Soviet Russia.
>
> Moscow's main objective for now is to destroy Sadat, who is the main obstacle to Soviet designs in the Middle East. Thus, despite his ardent desire to collaborate with the West, Sadat may well be left naked to his enemies by his "good friend Henry."
>
> It has been suggested by Joseph P. Harsch in the *Christian Science Monitor* that a trade-off was consummated at Helsinki: acceptance of Soviet hegemony over Eastern Europe in exchange for an unchallenged American sphere of influence in the Middle East.
>
> A quid pro quo which if true might be regarded as worthwhile from the point of American self-interest, since the Captive Nations of Eastern Europe were long since betrayed and abandoned to the not-so-tender mercies of Soviet imperialism. But what's in it for us if an unavowed trade-off between Washington and Moscow, of Eastern Europe for the Arab Middle East, fails to bring a pax Americana to that region?
>
> Kissinger has always shown a disrespect or contempt for the pawns in his game of power politics, whether they be Chinese, Vietnamese, Palestinians or other "lesser breeds" as Kipling named the subjects of the British Raj. Confident that the fate of the Arab peoples can be disposed of by Moscow and Washington in concert, so long as the United States is content to abandon the principles of self-determination and freedom, to which the West has proclaimed itself dedicated in two world wars, our secretary of state has left a free field to the Soviets whose "moral" position in Third World eyes remains seemingly intact.
>
> Whether or not there was a bargain, or unavowed trade-off between Moscow and Washington, it is clear that Moscow, by denying arms or political support to Egypt, put Sadat in so weak a position that he had no alternative but to accept Kissinger's Sinai agreement, at whatever cost to the Palestinians, Syrians and Jordanians, and at the risk of a break in Arab unity. A break which some American commentators and editorial writers have hailed as the best and desired result of Kissinger's diplomacy. It could well be the worst, since it strengthens the voice and credibility of the extremist elements in the Arab world, and encourages Israeli over-confidence and reluctance to compromise with the moderate elements now in the ascendant in the Arab world.
>
> Back in 1959–60, when Nasser was defying Moscow and proclaiming that he had not thrown out Western imperialism in order to succumb to Communist imperialism,* I told him that Moscow would in the future treat him like it had treated Chiang Kai-shek who was never forgiven for getting the best of the Kremlin by first using the Communists to expel British imperialism and then compromising with England in 1927.
>
> Nasser himself in the several talks I had with him showed himself to have no illusions about the Communists. He had read my Middle East book which has a chapter entitled "The Arab-China Parallel" in which I pointed out the similarily between the Western and Russian historical record in their dealing with the Chinese and Arab nationalist movements.
>
> Sadat today has even more reason to fear the vengeance of the Kremlin, since he has unequivocally trusted his fate to America. There is a rising wave of protest in the Arab world against an agreement described by the foreign minister of Syria at the United Nations as "giving Israel security in Sinai so that it may throw all its weight against the Arab front." Sadat, until now, has been able to count on Saudi Arabian support, but on "Meet the Press" on September 28, the new Saudi Arabian foreign minister poured scorn on the agreement which in return for an Israeli "concession" of a sliver of desert territory in the Sinai, assured Israel of more and better arms than ever, capable of destroying most of the capital cities of the Arab world.
>
> Israel, having already won all she needs in pledges of armaments and financial aid from the U.S. for years to come, can dig in and continue her occupation of almost all the Arab lands she conquered in 1967, assured of American compliance and aid in reten-

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*At that time the United States Information Agency paperback edition of my *Lost Illusion*, exposing the reality of life in Soviet Russia, was on sale at kiosks on Cairo streets. Moreover, Nasser personally gave me his approval of an Arab translation of my book, a project which was never realized because of the "anti-anti-Communist" prejudices of the American financial backers of this Egyptian publisher.

tion of her conquests. But she may have overreached herself by her insistence against his advice that Kissinger dot the i's and cross the t's of the U.S. commitments to Israel.

As Marilyn Berger wrote in the Washington *Post* on October 13: "For the first time in 27 years, both Houses of Congress have been subjected to the hitherto sacrosanct Israeli-American relationship to unprecedented scrutiny." Some Israelis and their American advocates, seeing what could be the reason of hitherto automatic support of Israel in Congress, have come to regret not having heeded Kissinger's warning that their legalism was taking them too far out and entangling them in the executive-legislative power struggle.

Kissinger's greatest weakness, which once seemed to account for his rise to great heights of influence and power, but which may bring him to a spectacular fall has been described as: "A fondness for fine-spun phrases which mean one thing to one person and something else elsewhere." Kissinger may survive, but one can hope that it will not destroy Sadat and hopes for a real peace.

Mr. President, progress is critically needed, especially on negotiations between Israel and Syria and between Israel and the Palestinians. Now that the United States is inescapably committed to direct involvement in any future outbreak of war—both through the presence of Americans in the Sinai and through the agreement to provide oil to Israel—it is even more vital that the Congress begin working with the administration to rebuild the momentum necessary for achieving true peace in the Middle East.

Exhibit 1

[From the South Idaho Press,
Oct. 31, 1975]

Talks Do Not Obscure Potential Disaster

Approval by the U.S. Congress for a force of American civilian technicians to monitor troop movements in the Sinai has set in motion the cumbersome machinery to implement conditions of the interim peace agreement between Israel and Egypt.

But the talks between Israeli and Egyptian negotiators on Israeli withdrawals and territorial transfers, while an important step on the path to a permanent Middle East peace, do not obscure the potential for global disaster in the ancient Israeli-Arab conflict.

Syria is unappeased. The Palestine Liberation Organization has joined with Syria in accusing Egypt of selling out the Arab cause. Border skirmishes perpetuate tenseness in Lebanon and Jordan.

The U.S. influence—perhaps pressure is the better word—encouraged Israeli flexibility in dealing with Egypt. Secretary of State Henry Kissinger has been credited with coaxing a measure of reason out of the Sinai issue.

There is no room for complacency, however.

The tentative first step to resolution of the Middle East problem cannot be permitted to be the final step.

Exhibit 2

[From the Washington Post, Oct. 30, 1975]

Sadat's Visit: A Defeat For Israel?

(By Milton Viorst)

Reports from Jerusalem tell us that Israelis have become gloomier than ever this week, seeing President Sadat's visit to the United States as a terrible diplomatic defeat and the end of the era of special treatment from Washington.

It is true, of course, that the era was special, which is something Israelis were unwilling to recognize during the years they enjoyed it. In fact, Prime Minister Rabin still conducts Israeli foreign policy as if he can—with a little help from the American Jewish community—obtain almost anything he wants here.

My question is, what was so good about that era? For Israel it was marked by four terrible wars and an arms burden which, per capita, was the highest in the world. Only in the euphoric moments after the Six-Day War did it bring any sense of security—and that proved quite a delusion.

Yet now Israelis are looking upon this era with nostalgia—suggesting that the prospect of peace, which they have never known, has got to be more fearsome than the reality of war, which they detest but know they can cope with. Sadat, the cunning negotiator, frightens them in a way that Nasser, the bombastic warrior, never did.

The Israelis say they still don't know whether they can trust Sadat. They contend his talk of peace conceals the dream he shares with other Arabs of driving Israel into the sea.

But do they want religious conversion, or an end to war as an instrument of policy? The Pope would like everyone Catholic, Brezhnev everyone Communist, Ford everyone capitalist, but they all recognize the drawback to waging war for their objective. Can't Israel be satisfied with as much from Sadat?

Perhaps, as many Israelis say, Sadat is simply waiting for Israel to drop its guard, and I cannot say that they are wrong. But if that is his plan, he is certainly going about it in a strange way.

Having just returned from ten days in Egypt, I believe I can state with some certainty that he has turned off the spirit of war among his people. If Nasser was forever fanning the dim flames of Egyptian military ardor, Sadat has let them wade into embers.

Of the dozens of Egyptians I met—bureaucrats, workmen, taxi drivers, merchants—not a single one spoke of war. They laugh, in retrospect, at Nasser's bluster, and their voices take on a reverence in discussing Sadat's promise of peace.

If it is Sadat's secret plan to attack Israel again, he will have to start from near zero to re-ignite, in a basically nonbellicose people, Egypt's martial passions. I cannot imagine a more accurate index of his intent.

Last year, when I was in Egypt, Sadat was saying that his trustworthiness would be proven by the investment of billions to clear the Suez Canal and rebuild the cities on its banks. This investment would be a hostage, he said, to his commitment to resolve the differences with Israel by negotiation.

Two weeks ago I visited Suez City, a ghost town in 1974. I was astonished, more by the achievement than the aspiration, to find nearly a quarter of a million people living either in new apartment houses (paid for by Saudi Arabia) or in buildings renovated snice the October War. These were not shanties (though there were some of those too), but permanent homes where people have taken root.

Even the newspapers reflect the change. No more is Israel's name published in quotes, as if it were a literary allusion, and no more is its synonym "the gangster state." The Tel Aviv dateline appears on page one more than any other, and the stories read as if written for the Paris Trib, which many were. Egyptians no longer wonder whether Israel exists.

Yet many Israelis remain convinced that, in a crunch, Sadat's Egyptian nationalism will give way to a Pan-Arabic instinct, which will pull him into line with the Syrian extremists and the PLO. President Assad and Yassir Arafat wish these Israelis were right, no doubt, but the word from Sadat's inner circle is that they can follow his lead, for he will not follow theirs. He's had enough, he says, of their foolish dreams.

Israelis are angry that Sadat has come here for arms. Would it be better for them if he were to go back to Moscow? And they are offended that he has been invited to address a joint session of Congress, so they have persuaded their friends on Capitol Hill to exact a similar commitment for Rabin.

But how can one compare what Sadat has done with what Rabin has done? Both men are politicians, working within a political framework. Sadat, however, with daring and skill, has changed the course of Arab politics. Rabin has ridden the ripples of the politics he found when he took office.

For that, Sadat has earned the honors being bestowed upon him. And Israel, rather than meanly begrudging them, ought to be saying—in the words that came down to us from the ghettos—"get gesunt erheit"—go in good health.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the motion to proceed to the consideration of H.R. 5900, which the clerk will state.

The legislative clerk read as follows:

> Motion to proceed to consideration of H.R. 5900, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Mr. HELMS. Mr. President, I ask unanmous consent that at the request of the distinguished Senator from Michigan (Mr. GRIFFIN) that James Hill, a member of Senator GRIFFIN's staff, be accorded the privilege of the floor during the debate and votes on H.R. 5900.

The ACTING PRESIDEINT pro tempore. Without objection, is is so ordered.

Mr. HELMS. Mr. President, the common situs picketing bill, as I stated on the floor last week, is a very controversial bill that promises to occupy a great amount of the Senate's valuable time. And it should occupy a great deal of our time, because it is our responsibility to weigh each legislative proposal with care and attention.

I am certain that all of the Members of the Senate, at one time or another, have experienced a degree of frustration because Congress appears to drag its feet and act with unnecessary delay in making laws for the people of this country. But we should be mindful of the fact that speed is not a virtue in a deliberative assembly like the U.S. Senate. The careful and thoughtful consideration of legislative proposals is often time-consuming and frustrating, but it is also the best assurance we have that all points of view will be discussed, and made a matter of record whether it be done in a Chamber with a number of Senators present or as the case is now with very few, that opportunities thereby are made available for uncovering errors, and that we shall have ample time to reexamine all of the arguments, both pro and con, that have been presented in various pieces of legislation.

These advantages of our system are most conspicuous when we are confronted with controversial legislation that is apt to generate more heat than light within the walls of this chamber. Only totalitarian regimes subsist entirely upon unanimous consent agreements, and we are probably safest in assuming that the more controversial a piece of legislation might be, the more time we should devote to deliberation and debate.

This is especially true of the pending question and the legislation related thereto, the common situs picketing bill. In my judgment, this bill is controversial for the simple reason that it is neither necessary nor equitable, and I am hopeful that my colleagues will join with me in exploring every facet of this legislation if and when it is brought to the floor for consideration. That means, of course, Mr. President, that I sincerely hope that on tomorrow cloture will not be voted, that we may thereby be spared the calling up of this measure. But whatever the fate of this measure, let it be said that we approved or disapproved it only after full, free, and robust debate in which the Senator from North Carolina intends to participate as vigorously as he can.

Leaving aside the economic ramifications of this bill—and they are far-reaching—there are, in my view, a number of misconceptions about the so-called equity of common situs that should be cleared up now. If this legislation is not equitable, if it does not establish fairness for all parties in the construction industry, then we cannot in good conscience enact it into law, regardless of what the political pressures may be and regardless—I speak in all candor when I say this—of any obligation that any Senator may feel in terms of past, present, or future political support from special interest groups. The higher principle of justice must take precedence over all other considerations. This is the guideline that I have endeavored to follow, and I am confident that my colleagues will agree that it is the proper guideline for the Senate as a body. Our Constitution demands no less.

Turning, then, to the question of equity as it applies to this legislation, we first encounter the problem of whether the building trade unions possess the same rights as those of other union members. If they do not, then we are obliged to correct this situation. But the truth of the matter is that the building trade unions already enjoy the same rights as other unions. Indeed, it could be argued that they are already in an advantageous position.

Under the provisions of section 8(f) of the Taft-Hartley Act, for example, the construction unions have the right to enter into a collective bargaining agreement with a contractor without an election and before any workmen are hired and even though a majority of employees prefer no union. They also have the right to require in the agreement that all workers join the union within 7 days or be fired, and they have the right to require in the contract that the employer notify the union of job openings.

Section 8(f) further stipulates that construction unions be given opportunity to refer qualified job seekers to the employer, have the contract specify minimum training or experience qualifications, and set out seniority rights on the basis of length of service with the employer, in the industry or in the particular geographical area.

Moreover, Mr. President, section 8(e) of the act contains a provision which allows construction unions to make hot cargo agreements with respect to work customarily done by them at the construction site.

I submit that these are substantial special privileges. Yet, industrial unions have none of them.

Additional special privileges conferred upon the construction unions as a result of established practices include better hospitalization and pension plans and double overtime pay for building construction exceeding 8 hours per day or 40 hours per week or for labor performed during holidays.

Furthermore, the construction or craft union employee can continue to work at his trade while he is on strike. He may work at another site while his original site is on strike. The industrial worker seldom has such an option.

Added to this is the fact that construction union employees already enjoy higher hourly and annual wages than their industrial counterparts.

Mr. President, I ask unanimous consent to have printed in the RECORD statistics concerning union wage rates which were compiled by the Department of Labor, to show the present wage scale of the craft or construction unions.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

TABLE 1.* *Union Wage Rates (Second Quarter, 1975)*

Trade	*Hourly average*
All trades	$8.91
Bricklayers	9.50
Building Laborers	7.01
Carpenters	9.22
Electricians	9.69
Painters	8.79
Plasterers	8.86
Plumbers	9.91

*Source: Department of Labor, Bureau of Labor Statistics

TABLE 2

[The 1st 2 columns identify the craft, the percentage of workers in the craft working at least 40 weeks per year, and the annual wage based on 40 weeks x 37 hr worked each week x 1975 2d quarter hourly wage rate. The 3d column shows the percentage of workers within the craft working 50 to 52 weeks per year and the last column shows the annual wages based on 52 weeks x 37 hr x 1975 2d quarter hourly wage rate]

	At least 40 weeks (percent)	Annual wage at 40 weeks	At least 50 to 52 weeks (percent)	Annual wage at 52 weeks
All trades		$13,315		$17,310
Carpenters	72	13,645	40	17,739
Electricians	88	14,341	70	18,643
Bricklayers	68	14,060	30	18,278
Painters	68	13,009	41	16,911
Plasterers	72	13,112	32	17,046
Plumbers	83	14,666	61	19,066
Laborers	59	10,374	33	13,487

Source: The percent figure is based on a study made by the Bureau of Census 1960 and published by the Department of Labor 1970. The average number of hours worked per week is based on figures released by the Commerce Department, 1975 and is an average over the past 6 yr.

TABLE 3.—ANNUAL WAGE AND FRINGE BENEFITS

	Annual wage and fringe at 40 weeks	Annual wage and fringe at 52 weeks
All trades	$15,599	$20,278
Bricklayers	16,368	
Laborers	12,446	
Carpenters	16,235	
Electricians	16,590	
Painters	14,681	
Plasterers	15,318	
Plumbers	18,278	

WAGES

Contract construction (open shop and union):	Versus manufacturing:
52 weeks at 37 hr/week× $7.34/hr=$14,122.	52 weeks at 39.5 hr/week ×$4.82=$9,900.
40 weeks at 37 hr/week× $7.34/hr=$10,863.	40 weeks at 39.5 hr/week ×$4.82=$7,615.

Source: Department of Labor, Bureau of Labor Statistics.

Mr. HELMS. Mr. President, if the common situs picketing bill is called up by the Senate and if it is passed, the construction unions will have the following additional rights, rights which the industrial unions do not possess.

First, they will have the right to picket employers with whom they have no dispute, in order to force an employer disagreeable to them off the site.

Second, they will have the right to picket industrial plants and large construction sites, to induce total work stoppage on them, in response to a dispute of a single union with a single contractor at an isolated construction workplace.

Third, they will have the right to impose economic penalties on innocent employers and employees who have no responsibility for the grievance that precipitated the picket line.

Fourth, if this common situs picketing bill is called up and if it is enacted by the Senate, they will have the right to impose unwarranted penalties on innocent employers and fellow employees without any liability whatsoever to recompense them for their losses.

Fifth, they will have the right to coerce employees to join unions in order to work in construction in their own home areas. Gone will be the right of a worker to decide for himself whether he wants to join a union or decline to join a union.

And sixth, they will have the right to dictate the selection of subcontractors on construction sites and the right to induce total work site stoppages in order to halt the use of fabricated products on the site.

The report of the Senate Committee on Labor and Public Welfare, entitled "Equal Treatment of Craft and Industrial Workers," ignores these considerations and insists there are no innocent employers or employees on a construction site, because the general contractors and subcontractors are involved in a joint enterprise as joint venturers. According to the committee's report:

> The basic purpose of the bill is to treat the general contractor and the subcontractor who are engaged at a construction site as a single person for purposes of the secondary boycott provisions of the National Labor Relations Act.

The report goes on to say:

> This approach reflects the economic realities in the building and construction industry because the contractor and his subcontractors are engaged in a common venture . . . Employers are engaged as joint venturers when the work each contracts to perform is related to the work contracted for by the other as part of an integrated building structure.

Mr. President, it is difficult for the Senator from North Carolina to grasp the peculiar reasoning that has produced these conclusions emerging from the Committee. A joint enterprise has been legally defined as—

> An enterprise participated in by associates acting together. There must be a community of interests in the objects or purposes of the undertaking, and an equal right to direct and govern the movements and conduct of each other with respect thereto; each must have some voice and right to be heard in its control or management.

Important elements of a joint venture, then, would be the sharing of profits and losses, and the use of a single tax number. On a construction project, however, the general contractor and subcontractor do not have an equal right to direct and govern the movements and conduct of each other, they do not share profits and losses, they do not use a single tax number, and the subcontractors do not have a voice or the right to be heard in the control or management of the project. Nor does one subcontractor have any control over the practices of another. Not even the general contractor has a voice in determining the policies and practices of the various subcontractors that are coming to and from the construction site.

And yet the common situs picketing bill assumes that each should be held responsible for labor disagreements that are totally beyond their control, and that all should suffer the results of a labor dispute which is totally unrelated to their individual practices. By no stretch of the imagination, Mr. President, can a building construction site be deemed a joint venture.

Mr. President, the conclusion is unavoidable that the common situs bill has nothing to do with the equal treatment of craft and industrial workers. It is obvious that craft workers already enjoy many advantages that they do not share with industrial workers. They are already more than equal to industrial workers in many respects. The common situs picketing bill will simply increase these advantages further, creating a more lopsided situation than we already have.

What is more, the proponents of this legislation attempt to get around its discriminatory features by falsely lumping together all of the contractors and subcontractors into a so-called joint venture, when in fact the bill clearly discriminates against innocent employers and employees, who are penalized in a common situs strike that actually involves other parties. The bill punishes everyone on a construction site through guilt by association—an association that is really no association at all.

In short, the legislation flies in the face of established principles of justice and fairness that are an integral part of the labor legislation we have developed over the years. On these grounds alone, the common situs, picketing bill should be rejected.

For these reasons, Mr. President, it would be unwise to bring up the common situs picketing bill at this time. I reiterate my fervent hope that on tomorrow, the cloture motion will be defeated. The urgency of far more important legislation is self-evident. What is more, we need to look at all of the facts concerning the status of the building construction industry before we leap into a floor debate on this measure.

Furthermore, the distinguished assistant majority leader has just reviewed for the few Senators present the heavy schedule confronting the Senate between now and the hoped-for adjournment on December 12. I truly hope that the measure will not be called up. And, of course, I hope that, if it is, it will be defeated, because it is going to consume a great deal of the Senate's time, time which could be far better spent on more equitable and necessary legislation.

So, the Senator from North Carolina feels that we would be well advised to place the common situs picketing bill into the background and bring it up only when we have had an opportunity to deal with more important legislation. So far as common situs picketing is concerned, it is not an immediate problem.

I am fully aware that union leaders have been pushing for this legislation since 1949. They have done pretty well without it. I think this is a poor time to consume the energy and the time of the Senate. It is not an immediate problem. It is an exceedingly complex one, and all Members should be given ample time to study carefully the provisions of this bill before debating upon its merits.

Mr. President, on the condition that I not lose my right to the floor, I suggest the absence of quorum.

The PRESIDING OFFICER (Mr. LEAHY). Is there objection?

The Chair hears none. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, on the condition that under circumstances shall I lose my right to the floor, I yield to the distinguished Senator from Nevada.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina? The Chair hears none. Without objection, it is so ordered.

Mr. HELMS. I yield to the Senator from Nevada.

Mr. LAXALT. Mr. President, I thank the distinguished Senator from North Carolina for yielding to me for purposes of this presentation.

Mr. President, the bill which we are now proposing to consider is H.R. 5900.

Stripped of all fancy verbiage and of all fancy wrappings, the issue the Senate must face is this. Is it right, is it in the public interest, to give building trades unions a powerful new economic weapon—a special license to boycott neutral third parties at construction sites.

Clearly, and emphatically, the Senate's answer should be "No."

We are told, Mr. President, that H.R. 5900 is the common situs bill—and that is a correct, literal description. There is, of course, a disarming and an almost reassuring sound to the very words. Those who have some memory of high school Latin can recall that the word "situs" means simply a place, a location. To those of us who do not remember high school Latin, the word does not mean much at all. But even so, "common situs" somehow sounds learned, perhaps even a bit lofty. Certainly it does not sound sinister, unfair, dangerous. Yet, it is all of these.

This easy reference to "common situs" does not automatically call to mind grim visions of the outlawed secondary boycott—of picket line violence—of small businesses forced into bankruptcy—of employees forced to join unions they do not want, just to keep their jobs—and of restrictive work practices that will escalate even further the already astronomical costs of commercial construction all over America.

Regrettably, Mr. President, these are the repressive elements generated by this plain-looking and harmless-sounding piece of legislation. These are the activities that will follow if this bill becomes law.

There must be no mistaking the nature and impact of H.R. 5900, Mr. President. It is dangerous and unfair legislation, contrary to the national interest. It is a special license to a privileged and chosen few, a license to boycott, pure and simple. It is an uncalled-for grant of privilege and immunity to a small group of union leaders—at the expense of employers and employees in the construction industry, and of the public-at-large.

Mr. President, I am a member of the Committee on Labor and Public Welfare. I voted against the companion bill in committee, which is S. 1479, and my dissenting views on S. 1479 are set out in the committee report. In those views, which I hope all Senators will read, I included a few statistics on earnings over the last 10 years. I did this to emphasize the results of the already great bargaining power of construction workers—compared to wage results achieved by those in manufacturing. I also cited some Supreme Court decisions that bear upon this bill. I did that because I wanted to refute the proponents' claim that H.R.

5900 merely provides what they call "equal treatment" between workers in construction and workers in manufacturing.

Other Senators who join me in opposing this legislation will, I am sure, Mr. President, discuss fully those and related judicial decisions. I am sure too they will present and discuss facts and figures to show that H.R. 5900 is the means, not by which equal treatment is achieved, but rather the means, by which a few construction unions will get an even greater advantage over others than they now enjoy.

Since other Senators will discuss these and other points in opposition, Mr. President, I will confine my remarks at this time to a general description—perhaps I should call it a layman's description—of the broad issue presented by this common situs bill.

We need in this debate a direct and straightforward description of the impact of H.R. 5900, Mr. President. Too much of the advocacy for the bill is clouded in semantics and in a kind of legalese that unfortunately obscures its real impact and purpose. In fact, as I read and reread the majority views in the first 29 pages of the committee report, I have the sense of being smothered by an involved and highly technical dissertation written by one labor lawyer for the edification only of another labor lawyer. Believe me, for one who is not fully familiar with labor law it can be most confusing. Now, I am among the first to applaud legitimate scholarship, and I value highly the skillful application of research and writing talents. But I must say, Mr. President, as I worked my way several times through these arguments in favor of the bill, I looked in vain there for some simple declarative statement as to what this bill is really up to. Other Senators, I suspect, had the same experience.

So, in the hope of advancing the level of understanding of what we are working on, I will review as simply and directly as I know how the essentials of the issue before us.

The basic issue—and we must never forget this during the consideration of this bill in this body—is the boycott, and the boycott has an interesting history. The very word connotes an effort to force a person to do something he does not want to do, something the law does not require him to do. The dictionary tells us that in labor union affairs a boycott is "to engage in a concerted refusal in order to force, and so forth."

Force, coercion—these are what this legislation permits and approves. And I can think of nothing more repugnant to our American heritage, nothing more repugnant to the 1,000-year history of Anglo-Saxon jurisprudence, than to condone force or coercion by one person against another. But regretfully I have to say, Mr. President, that is precisely what we are up against here. We are asked in this bill to give to a few union leaders a license to use the heavy weapon of boycott to compel from others the kind of business arrangements those unions are unable to get either by persuasion or by the merits of their case.

I said the boycott has an interesting history and it certainly does. We cannot view the legislation now before us—this union boycott legislation—in clear perspective, unless we check the major milestones of boycott history in labor union affairs in this country.

Fifty-four years ago the Supreme Court decided the Duplex-Deering case (254 U.S. 443). That case held, in essence, that it was a restraint of trade that violated the Sherman Antitrust Act when a union imposed a secondary boycott on an employer. Here, I would again remind the Senate, Mr. President, that the bill before us is a bill to legalize just such secondary boycotts. The word "secondary" is important because we are asked in this bill to give building trades unions the power to use economic force to coerce an employer with whom those unions have no business relationship, no contractual relationship. If they had a contract, that employer would be primary—not secondary.

The rules are, of course, different where a union has a dispute with a primary employer. But we are not talking about that. H.R. 5900 is not talking about that. We are talking here about the fate of an employer and his employees who have no contract, no relationship with the union—who are removed, who are separated, who, as the law puts it, are secondary to whatever dispute the union may have.

An understanding of the predicament of people who do not have a direct, primary relationship with the union is most important, Mr. President. It is the key to knowing and understanding what is wrong when this bill asks us to give a few union leaders a special license to engage in secondary boycotting.

And here, Mr. President, if you will permit me, I would like to make this somewhat collateral observation. I have been fascinated to watch the advocates of union boycotting—as they urge approval of H.R. 5900—zig and zag their way around history's obstacles as they try to convince us that two of the most respected figures in American political history, the late Senator Robert A. Taft of Ohio and the late President Dwight D. Eisenhower, really did—in spite of everything—endorse the very boycotts that are sought to be licensed under this bill.

These special pleaders for special interests overlook: First, in 1947 the late great Senator Taft made a statement to the effect that there is no such thing as a good secondary boycott, and second, the late President, speaking to the American people on behalf of labor reform legislation in 1959, said he wanted the secondary boycott stopped. He added, in these words, "So does America."

President Eisenhower was absolutely right. The late Senator Taft was also right. But so also were all those Congresses right—Democrat and Republican alike—who, through nearly 30 years of history have not only refused to grant special boycott license to any union, but have instead twice written into law clear and emphatic prohibitions against them.

But back to the historical sequence. After Duplex-Deering the next major enactment was the 1932 Norris-LaGuardia Act. In practical effect, that act exempted unions from the antitrust laws and, of course, from any ban in those laws against secondary boycotting. The Supreme Court's 1941 Hutcheson case (312 U.S. 219), and its 1945 Allen-Bradley (325 U.S. 797) and Hunt-Cromboch (325 U.S. 821) cases held that Norris-LaGuardia conferred upon unions a virtual total immunity from antitrust restraints.

At that point in history, Mr. President, it probably was to the best interests of this country and to the best interests of the labor unions that they be granted that kind of latitude because at that time in the area of interest of industry negotiation there was a terrible imbalance between the strength of management, on the one hand, and the weakness of labor on the other.

Now, of course, Mr. President, I am not suggesting here that antitrust statutes be applied to unions. I do suggest, however, that we should all look most carefully at the inevitable consequences when unchecked power to abuse the rights of others is conferred on any group in our society. As all restraints—including restraints on boycotting—disappeared under the cases I cite here, it becomes obvious that a totally unacceptable condition then set in.

In Hunt-Cromboch Mr. Justice Jackson—one of four dissenting Justices—put it rather well. He said a union would now be able to "* * * deny participation in the economic world to an employer simply because the union dislikes him."

Those were prophetic words uttered in the Supreme Court 30 years ago. Think of what those words mean—deny someone his right to participate in the economic world just because you do not like him.

Yet that is exactly what H.R. 5900 will do. It takes us back those 30 years, and more. It gives to a few union leaders the power to "deny participation in the economic world" to those they do not like—employers and employees included.

With those Supreme Court decisions under the Norris-LaGuardia Act very much in mind, Congress in 1947 passed the Taft-Hartley Act.

At that time, there was a serious problem in this country in connection with the abuse of the power of secondary boycott which had occurred since the production and enactment of the original Wagner Act which caused this Congress to take a hard look at the simple question of whether or not over that period of time the grant of powers to the unions had been so abused as to cause disastrous consequences in the economic and political world of this country.

Taft-Hartley was the first set of amendments to the 1935 Wagner Act. As we all know, the Wagner Act, regarded as labor's "Magna Carta," did not restrain any union conduct.

When we read that act, when we read

that legislation, it literally gave the unions of this country, perhaps with some justification, a blank check to conduct their business.

As Senators will remember, it defined various unfair labor practices by employers against unions. And it did, of course, protect the rights of employees voluntarily to organize and bargain collectively with their employers. That 1947 Taft-Hartley Act, which reflected so strongly the work and the intellect of the late great Senator Taft from Ohio, amended the Wagner Act by providing for the first time that certain labor union activity would be prohibited by law.

So this Congress at that time applied very needed brakes to the labor effort in these areas and among those prohibited activities. This was the principal source of discussion in the Halls of Congress here, through the committees and on the floor, among the principal elements of that legislation.

The prohibited activity which finally came forward from that legislation was then nothing other than secondary boycott, which once again rears its ugly head on the Senate floor.

Section 8(b)(4) of Taft-Hartley made it an unfair labor practice for a "labor organization or its agents" to impose a secondary boycott. Primary strikes or primary picketing were expressly excepted from this boycott ban, for obvious reasons. The ban applied only to secondary activity, the kind of activity that this piece of legislation now asks us to validate for a few specially chosen union leaders in this country. And I hope, Mr. President, that Senators in this Chamber will remember—as this present debate goes forward—that the late Senator from Ohio, who wrote the Taft-Hartley law, suggested there was no such thing as a good secondary boycott. I mention this again because I suspect some supporters of H.R. 5900 will still try to convince us that were Senator Taft alive today he would endorse the special secondary boycott license provided by H.R. 5900.

In my judgment, the enactment of this piece of legislation would violate every principle that Senator Taft had in propounding and eventually pushing to successful conclusion the rights and provisions which are set forth to the Taft-Hartley Act.

After the Taft-Hartley amendments, there was a period of several years when all sides were probing and testing and working for the development of a body of administrative and judicial precedent under the new statute. There was a need for all to know who were involved in the field, whether they were in labor, management or in the consumer area, with some precision and certainty, just how the Labor Board and the courts would interpret and apply the restraints Congress had written into law.

In that setting one case, which is key to the bill now before us, found its way to the Supreme Court—and this is the reason why this bill is before the Congress, and nobody should make it more complicated than it is. That is the celebrated *Denver Building Trades* case (341 U.S. 675). That case arose out of Denver involving a construction dispute in which there was a nonunion contract. It eventually ended up in the Supreme Court of the United States. The decision was handed down by the Supreme Court in 1951. The facts are described in the majority views at page 10, and they are roughly these:

> The general contractor on a construction project subcontracted certain electrical work to a non-union subcontractor who paid its workers 42 cents an hour less than the union scale. When the non-union electricians reported to work, the Denver Building Trades Council picketed the entire job site, and the union workers employed by the general contractor honored the picket line by refusing to enter the project. The object of the picket line was to force the non-union subcontractor off the job, and the contractor did in fact terminate his contract with the electrical subcontractor.

The object of the picket line was to force the nonunion subcontractor off the job, and the contractor did in fact terminate his subcontract with the electrical subcontractor.

I hope Senators will ponder carefully that final sentence, Mr. President. It is a startling reference, but an eminently correct reference, to what the bill now before us (S. 1479) is all about. Listen to those words again:

> The object of the picket line was to force the non-union subcontractor off the job . . . the contractor did in fact terminate his contract . . .

To force him off the job. To force termination of his contract.

Were the rights of the nonunion subcontractor peacefully to do business violated by this type of action? Was the right of the employees to work basically violated? What of the employer's own investment in time, money, skill, risk? What of the investment risk of those who must pay for the building to be erected there?

The answer is, Mr. President—and H.R. 5900 gives this answer—in the judgment and philosophy of this piece of legislation, the employees of the subcontractor, if he is not union, do not have any rights. Under this law, their rights can be completely violated and the bottom line result, despite all the legalese we are going to hear and all the rhetoric in this Chamber, if this bill is passed, no longer will a nonunion contractor ever be on a union job.

Under the provisions of this bill, whatever rights the subcontractor may have had, and there have been plenty of mixed jobs in this country throughout this country in many of these areas, those rights are going to be washed out.

All rights give way to the grant of special privilege S. 1479 confers on a chosen few, the leaders of the building trades unions. Those union leaders, for their own ends, will be given the power to force off the job someone they do not like, to terminate his contract, to—as Mr. Justice Jackson put it—deny him participation in the economic world because they do not like him.

Why do they not like him? Because he has committed the cardinal sin of not belonging to a labor union.

In the Denver Building Trades case the Supreme Court held that the Taft-Hartley Act prohibited such a result. H.R. 5900 now asks us to rewrite and reverse that part of Taft-Hartley.

Essentially, they are asking us to legalize secondary boycott, the very provision which was struck down by the Supreme Court of the United States and which has held firm for these last several years.

The Supreme Court ruled in Denver Building Trades that contractors and subcontractors working on a construction site are separate, independent enterprises.

As Senator HELMS indicated in his presentation, with great detail, the essence of that case and the essence of the problem is that they are separate, independent enterprises. We all know that this is a fact of life in the construction industry. There is no factual basis for any claim that all contractors on a construction site are a single legal entity. It is important to note that construction unions themselves recognize this by negotiating separately with each contractor and subcontractor.

Set back as they were in 1951 by the law and by the courts, the building trades unions began what is now a quarter-century effort to reverse that Denver Building Trades ruling. Through all those years, neither the Congress nor the courts have seen fit to order any such change.

In this review, Mr. President, we meet next the claim that construction unions—as a result of the 1961 so-called General Electric "reserved gate" case—*Electrical Workers* v. *Labor Board,* 366 U.S. 667—are denied equal treatment with industrial workers.

We have heard discussions in the committee hearings and again in the Chamber that somehow there is a lack of parity at the present time between those in construction and those in the industrial field.

The majority report contends—see page 12—that in General Electric the Supreme Court refused to apply the Denver Building Trades rule to an industrial site. This is a wholly misconceived analysis. The majority view overlooks a very significant difference in the facts of these two cases.

In General Electric an independent contractor was hired to do work normally done by General Electric's own employees, who were then on strike. Picketing against this independent contractor was allowed. He had no immunity from picketing just because his people used a separate, or "reserved" gate to get into the General Electric plant. In Denver Building Trades a nonunion subcontractor was doing his own work as a separate, independent entity at the construction site. Picketing the general contractor was forbidden in Denver Building Trades because he had no control over that nonunion subcontractor's labor policies.

So there is no conflict between the two cases. The facts are different, and my colleagues should know that. Both cases affirm the union's right to picket any primary employer with whom it has a primary dispute, or to picket anyone hired to do the same work as employees on strike. Both cases deny a union the right to strike an innocent third party to a dispute whose employees are performing entirely different work.

Moving back into our review of common situs history, it was in the summer of 1959 when Congress passed the Landrum-Griffin labor reform law. Landrum-Griffin carries various provisions relating to union finances and other matters of concern to union members in their relationships within their unions—internal union affairs and problems. We are not concerned with those here. In addition, however, it covered secondary boycotting, the area with which we are very much concerned here. Congress in 1959 knew all about the Denver Building Trades case.

It was a hotly controversial issue in the labor-management field. Everyone in contracting, everyone in the unions, fully knew of its force and effect. So Congress, when it passed the Landrum-Griffin Act here in 1949 was fully aware of the implications of the decision.

But Congress in 1959—and we should not forget this—chose not to overrule that case. Instead of overruling it, as the unions asked, Congress in Landrum-Griffin restated and strengthened the very Taft-Hartley boycott ban that gave rise in the first instance to the Supreme Court's decision in Denver Building Trades.

The Supreme Court, as mentioned earlier, decided the General Electric reserved gate case in 1961, 2 years after Congress, in Landrum-Griffin, restated and reinforced the law against secondary boycotts. When the Court handed down its 1961 General Electric decision, it knew all about Landrum-Griffin. It also knew all about its own 1951 Denver Building Trades decision. It knew very well that the facts in the two cases were different. It knew very well that the General Electric ruling did not set up a different, preferential rule for industrial workers against construction workers because they were wholly different cases. It knew very well that these two cases accord both groups exactly the same treatment under the law. And, Mr. President, we might take our own judicial notice of the fact that our Supreme Court—particularly over the past 25 years—has not been noted for its reticence, or for its reluctance to speak up.

If Denver Building Trades and General Electric had in fact set up any inequality of treatment between construction and industrial workers, the first to tell us so would have been the Supreme Court—and at that time.

The fact is, Mr. President, the cases do not provide unequal treatment, the Court did not even suggest there is unequal treatment; the very language of the rulings shows equal treatment; and the so-called inequality is no more than a transparent effort to bootstrap a claim of inequality where no real basis exists for such a claim. This is part of what I had in mind earlier when I said the majority views in the committee report on S. 1479 seemed so much a discourse by one labor lawyer written for the benefit of another labor lawyer. It amounts in this particular area to an excess of legalistic fine tuning and hair splitting to contrive a hopefully plausible argument where the facts and the Court's rulings combine to show that no such argument can logically be supported at all.

The construction unions' effort to overturn the Denver Building Trades case has continued unabated, despite Landrum-Griffin and the courts. It has finally made its way to the Senate floor today, 16 years after Landrum-Griffin, 14 years after General Electric, and 24 years after Denver Building Trades.

No, I know of no one, Mr. President, including the junior Senator from Nevada, who would raise even the slightest question about the right of its advocates to pursue this issue, to keep it alive, and to bring it this far in the legislative process if they can. What I do question—and question most vigorously, Mr. President—are the wisdom, the rightness, the fairness of S. 1479, this boycott license bill we are now asked to approve.

Mr. President, I want to summarize these remarks. But before I do that, I want to comment very briefly on one additional and significant drawback in the legislation now before us.

I spoke at the outset of the excessive costs of commercial construction. The Senate needs no documentation from me to know that wage rates in the construction industry are among the highest, if not the very highest, in the country. The Senate needs no documentation from me to know that restrictive work practices engaged in by building and construction trades unions have contributed in no small measure to the dangerously inflated cost conditons now plaguing the construction industry.

A young couple today cannot afford to build a house, and the principal reason is the inflation that has been built in by the restrictive practices of the building trades unions in this country.

How unwise it is then for this Congress to hand a small group of building trades unions this new and powerful weapon. They are strong enough already, but now we are asked again to grant them a new and powerful weapon by which repressive conditions will be imposed to compound and intensify the problems of this already beleaguered industry.

And now, Mr. President, I would like to summarize and focus a few of the key points covered in these remarks:

First: Advocates of S. 1479 claim it will assure construction workers equal treatment with industrial workers. This assertion does not hold up under scrutiny. As I have pointed out, their treatment is equal now. S. 1479 is a grant of special status and special privilege to the construction unions. And I do not care how you cut it, that is precisely what it is.

Second: Advocates of S. 1479 claim it "* * * overrules administrative and judicial case law that misinterpreted—congressional—intent for nearly 25 years." This is at best a very odd claim. It has several defects, one a particularly glaring one. It avoids the fact Congress itself looked carefully—in Landrum-Griffin—at the way the law was then being interpreted. Congress not only saw nothing wrong with that interpretation on this particular issue, it restated its agreement with that interpretation.

Third: Advocates of S. 1479 claim a general contractor and the subcontractors on a construction job are a "* * * single, coordinated and integrated economic enterprise * * * and are engaged in a "* * * common, joint venture." Talk about making a horse into a cow.

Regrettably, this claim does not accord with the facts. The record is replete with evidence that the exact opposite is the case.

If anyone is independent in this world, it is the independent subcontractor in the building industry.

Contractors and subcontractors are separate, independent legal entities. Their business is highly competitive; their financial concerns are distinct from each other; and in their labor relations and labor policies they are independent of one another.

Fourth. Advocates of S. 1479 claim it will make certain that under the bill nothing can be done which is "presently unlawful."

Regrettably, this claim does not accord at all with the impact this bill will have in the 19 right-to-work States.

I happen to come from a right-to-work State, the State of Nevada. This legislation has come before our voters five times, and each succeeding time right to work has passed with greater margins. The proponents of this bill would contend that it has no right-to-work ramifications, when the bottom line is that a nonunion subcontractor, as in Denver Building Trades, will no longer be able to qualify on a union job. If that does not have right-to-work ramifications, I do not know what in the world has. A proclaimed objective of S. 1479 is to force nonunion contractors and nonunion employees "off the job." If that is not taking dead aim at State right-to-work laws, then I do not know what the English language means.

This is the very statement made during the course of the hearings: "Hereafter it is our avowed purpose that every union job will be totally union. It will mean the end of mixed jobs in this country, where you have a union contractor and nonunion subcontractors."

From the day this legislation passes, that would be so. The testimony before the House committee indicated that that is the very purpose of this kind of legislation.

Fifth. Advocates of S. 1479 claim it will "* * * minimize industrial strife at construction sites * * *" This claim is so outlandish it almost achieves a note of hilarity. But the setting is too grim for any hilarity.

Can you image the labor peace we will have at these construction sites, where we have union and nonunion people working together under a common situs general picketing situation? We will have more labor strife in the metropolitan areas than we have had for years and years. This bill would be a new coercive weapon in the hands of the building trades unions. It would permit them to shut down job sites on a mass basis in an industry with a notable history of mass picketing, violence to persons, and widespread property damage. It just strains credulity to talk of all this as "minimizing" strife in construction.

Sixth; Advocates of S. 1479 claim it will permit construction unions once again, to "* * * force the nonunion contractor off the job * * *" as if that were good. But there are thousands of union contractors in this country today who do not want to force the nonunion contractor off the job, because they have good relationships, and because it is very often economically feasible to retain that nonunion subcontractor on the job.

The advocates, in stating that they did, were correct in their bottom line conclusion, because that is the very purpose of the legislation. Force and coercion are the hallmarks of S. 1479. Victims of this force and coercion include also employees of that nonunion contractor. They too, under S. 1479, will join their employer in the loss of the right of free choice, a right the law had previously assured to every American.

Mr. President, in closing, let me make this statement in connection with those Senators who may be inclined to be sympathetic to the building trades unions as such, for whatever reason, political or otherwise: It is my judgment that the effect of the passage of this measure will eventually be counterproductive.

I cannot help but feel that the building trade unions in this country are going to be hurt by this piece of legislation because the fact of the matter is the more one digs into the figures in construction today the percentage of nonunion open shop contractors is fast on the rise.

The necessary effect of this legislation will be, as I said, to polarize the industry. Either the job will be totally union or totally nonunion. It would seem to me that in main construction particularly if I were an owner—and I have been an owner, and I have represented owners—if I were going to have a major bit of construction work, were going to bid that out, and had the prospect of common situs picketing if I went union, as opposed to going to an open shop contractor, I would go open shop and not take the chances or risk of having my entire job shut down which in a time of financial stress could be extremely restrictive or repressive.

So far as the unions are concerned, I have told the unions in my State: "This bill is bad news for you. It is going to eventually harm you."

So, whatever position we wish to take here, from the standpoint of the legislative history of this legislation, what Congress has done, what the NLRB has done, what the courts have done and how the industry has progressed over the years, in my view, from every standpoint the passage of this legislation will be extremely harmful to all concerned.

PRIVILEGE OF THE FLOOR

Mr. LAXALT. Mr. President, I ask unanimous consent that Mr. Al Drischler of my staff be given floor privileges during the conduct of this debate and vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT CONSIDERED AS READ UNDER RULE XXII

Mr. WILLIAMS. Mr. President, while we are considering the unanimous consent requests, I ask unanimous consent that amendment No. 1058 be considered as read for purposes of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order the Senator from North Carolina is to be recognized.

Mr. HELMS. I thank the Chair.

Mr. WILLIAMS. Mr. President, will the Senator yield? I wish to propose another unanimous-consent request.

Mr. HELMS. Yes, I am glad to yield.

PRIVILEGE OF THE FLOOR

Mr. WILLIAMS. Mr. President, I ask unanimous consent that Mr. Robert Hunter, of the minority staff of the Committee on Labor and Public Welfare, also have the privilege of the floor during the course of debate and during the course of the vote upon this particular piece of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, under the previously stated and agreed-to conditions I will be delighted to yield to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. Without objection, the Senator from New Jersey is recognized.

Mr. WILLIAMS. Mr. President, I appreciate that, and I shall be brief at this time, because I believe that the Senate should not be delayed in taking up H.R. 5900.

I should tell our colleagues that we have on the calendar four measures that come from the Committee on Labor and Public Welfare. Two are Senate bills. Two are bills that came to us from the House of Representatives.

The bill that has been moved here to be taken up is H.R. 5900. This House bill is counterpart to the subject matter of Senate bill 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

When we reach a decision on the motion to take up H.R. 5900 as the business of the Senate, at the appropriate time I shall offer a substitute for the House-passed bill, which is the Senate bill, S. 1479, reported by the committee.

Mr. President, I am surprised that we are being prevented from taking up this measure. Some of the opponents of the bill had indicated that they wished to have a full and vigorous debate on the measure.

The distinguished Senator from North Carolina (Mr. HELMS) said so explicitly a few days ago. Addressing the Senate last Wednesday, he said:

> I am hopeful that my colleagues will join in exploring every facet of this legislation when it is brought to the floor for consideration. Whatever the fate of this measure, let it be said that we approved or disapproved it only after full, free, and robust debate.

That was the statement on Wednesday of the Senator from North Carolina. On Thursday he objected to the majority leader's request to proceed to the consideration of H.R. 5900. Up to this moment, the Senate is still not considering the bill; it is not before us.

Mr. President, I sense a contradiction here. On the one hand, we are told that the bill should be fully, freely and robustly debated. But on the other hand, we are being prevented from debating it at all by the procedures that have the earmark of prolonged debate, and, of course, there is a cloture motion that was necessitated because of this.

Once the bill is before us, there will be ample opportunity for debate. A number of amendments have been introduced to address issues which the bill's opponents feel most strongly about. Other amendments are anticipated.

Considering the degree of interest and divergence of views, we can expect vigorous debate of the bill that will be presented, and there will be ample time before final passage.

And once this measure is disposed of, many of the issues will be explored further when we take up one of the other measures that is on the calendar reported to the Senate, S. 2305, the construction industry collective bargaining bill.

I would also point out, Mr. President, that there are only a few issues involved in the bill reported by the Committee on Labor and Public Welfare. They can be dealt with fully without unduly extending the patience or monopolizing the time of the Senate.

The bill is narrowly drawn, and it is sharply focused. It pertains to the rights of workers in the construction industry and the construction industry alone.

It makes no changes in the fundamental law under which labor-management relations are conducted in this country. It merely corrects one aberration in the application of the law.

That aberration has been debated for a long time, some 25 to 26 years, so it is not as if we are strangers to this consideration.

From 1949 when the National Labor Relations Board first asserted that construction workers could not picket their jobsite, the basic issue in this bill has been under debate.

President Truman spoke out in 1950 in favor of legislation to correct the NLRB interpretation of the law. President Eisenhower asked Congress for this change in law in 1954, and he repeated his request in 1956 and again in 1959.

Secretaries of Labor in the Kennedy, Johnson, Nixon, and Ford administrations have all testified before Congress in support of this legislation.

Congress has addressed the issue on a number of occasions, but usually in the context of omnibus labor legislation. Other issues deemed more pressing at the time were all intertwined with this simple and straightforward concern, and it was lost in the shuffle. On other occasions, the competing interests of industrial unions and the building trades could not be worked out in time to see action by Congress.

All of that is behind us, and the time has come to face the issue of fair and equitable treatment of construction tradesmen. The issue is presented to the Senate in the committee's bill without the complications of other proposed changes in labor-management relations law. Innovative thinking has produced new safeguards for the competing interests of industrial employees.

The House of Representatives has already passed similar legislation by a vote of 230 to 178. The Secretary of Labor has endorsed the bill. President Ford has stated he will sign the bill.

All of the pertinent institutions for making of labor-management policy have made their decision. It is time for the Senate to make its decision. I further believe that the Senate has a duty to decide.

The question is not only one of unequal treatment of different groups within a class of citizens. It is also a question of the intent of the Congress in establishing a policy by enacting a statute with the concurrence of the Executive. Through a series of judicial and quasijudicial decisions, that policy has been subjected to conflicting interpretations. It is the duty of the Senate to help resolve that conflict in such circumstances.

Mr. President, the motion to proceed to the consideration of H.R. 5900 should be approved promptly, so that we may begin the process of making our decision in the Senate.

I note with interest that under a special order, the Senate began its deliberations today with a statement by the Senator from Connecticut. That was the beginning of what I am sure will be full, fair, complete, comprehensive, and—to use the words of our good friend from North Carolina—robust debate.

As I look around at the sponsors of the proposed legislation and as I talk to my colleagues, I know that it will be a full and knowledgeable debate. One of the participants to whose contribution I look forward with interest is the Senator from Oregon (Mr. Packwood), because I know that his contribution will be thoughtful and helpful to the Members.

I could go on and on. I look forward to the debate. Let us get to it.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. Hansen). Under the previous order, the Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, on that note, I move that the Senate stand in recess until 3:55 p.m.

Mr. BARTLETT. Mr. President, will the Senator withhold that request, without losing his right to the floor?

Mr. HELMS. I am delighted to withhold the request.

Mr. BARTLETT. Mr. President, I ask unanimous consent that I may make some remarks—without the Senator from North Carolina losing his right to the floor—pertaining to the joint resolution that was submitted by seven Senators, and passed, pertaining to the Marine Corps.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 200TH ANNIVERSARY OF THE MARINE CORPS

Mr. BARTLETT. Mr. President, I am very pleased to be one of the Senators sponsoring the joint resolution commemorating the 200th anniversary of the Marine Corps. This is occurring at a time very close to the 200th anniversary of this country, and I think that some of the questions that can be asked about the country are now being asked also about the U.S. Marine Corps.

The question as to the future of the Marine Corps, where it is going to go, has been asked many times before; and in the past, many successful efforts have been made to reduce the power and the scope and the numbers of the U.S. Marines. I think that in every case after which this has happened, people have regretted the fact that the Marine Corps had been reduced in its effectiveness to perform missions that needed to be performed in the best interest of this country.

An article in yesterday's Washington Post, by Martin Binkin and Jeffrey Record dealing with the Marine Corps raised some questions as to whether the Marine Corps should have an aviation division or whether Marines who in recent years have been trained for amphibious warfare really are needed today because most of their efforts have been in support of the Army.

As we look at the Marine Corps history, we find a capability of rising to the heights of efficiency and of courage that cannot be matched elsewhere in military groups. This in no way means to detract from the tremendous capability of our services, because I had the pleasure, as a Marine—as I always put it— of working for the Navy and being part of the cheapest hired help the Navy had. I was also attached to the Army and found very quickly their great capability, courage, and devotion to service.

However, as we look to the future, we know that there will be many instances in warfare in which abilities will be required that will tax the larger services tremendously to perform as the Marine Corps could, regardless of what that specialization might be. There is no question that the Marines can rise to the occasion, that they have the spirit that no other military organization has. It is because of this esprit de corps of the Marines, their size, and their overall ability that they are so versatile in the mission they can perform.

So, notwithstanding the fact that the mission for the Marines may change in the future, just as it has in the past, that is no reason at all to start thinking of reducing the size or scope of the Marine Corps. I know that there are those who would like to reduce the size of our military forces, period, and who perhaps look upon the Marines as a plum that they can pick so that more money can be spent in nonmilitary programs. But to do this would be at the expense of a strong and capable U.S. military.

As people continue to debate the question of where we go with the Marines, I think the one conclusion that each person should reach is that if we do decide to reduce in any way the size or the scope of the Marine Corps, we definitely will be reducing the size and the scope and the capability of the U.S. military forces, because it has the special, extra capability of doing the jobs better than other military people.

So it is my real pleasure to be a part of and to support the joint resolution which commemorates the U.S. Marines, the very proud fighting outfit, and all Americans share in that pride.

RECESS UNTIL 3:55 P.M.

Mr. BARTLETT. Mr. President, I move that the Senate stand in recess until 3:55 p.m. today.

The motion was agreed to; and at 2:08 p.m. the Senate recessed until 3:55 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Dole).

TIME LIMITATION AGREEMENT—S. RES. 265

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the leadership on the other side of the aisle. I ask unanimous consent that at such time as Senate Resolution 265, a resolution to protect the ability of the United States to trade abroad, is called up and made the pending business, there is a limitation for debate thereon of not to exceed 1 hour, the time to be equally divided between Mr. Ribicoff and Mr. Curtis, that there be a time limitation on any amendment of 30 minutes, a time limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate for discussion, of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. RES. 265

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, at the conclusion of routine morning business, the Senate proceed to the consideration of calendar order No. 430, Senate Resolution 265, a resolution to protect the ability of the United States to trade abroad.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PLACE H.R. 9915 UNDER GENERAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 9915, to make technical amendments to the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and to related provisions of title 18 and 28 of the United States Code, now at the desk, be considered as having been read the first and second time and placed on the Senate calendar of business under General Orders. I understand this has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate now go into executive session.

Under the previous order, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. CURTIS). The Senator from Virginia.

TREATY TO LIMIT ANTIBALLISTIC MISSILE SYSTEMS

Mr. WILLIAM L. SCOTT. Mr. President, I understand we will vote in a few minutes to ratify the treaty executed in Moscow on July 3, 1974 with the Soviet Union to limit antiballistic missile systems and this vote will occur without time being allocated for debate. It may well be that an antiballistic missile system is too costly and too ineffectual at this time to warrant its expansion. I also understand that in a prior treaty we have already agreed to limit our antiballistic missiles to no more than two locations in the United States and no more than two in the Soviet Union, one site being the national capital and the other site being the deployment area for ICBM silo launchers, and that the proposed treaty will reduce, by mutual agreement, the right of the United States and the Soviet Union to only one antiballistic missile site.

In the event our technology remains the same as it is today, the information available indicates that it would not be against the interest of our country to adopt this treaty. However, history tells us that technology changes and it may well be that sometime in the future, whether it be next year or 20 or 30 years from now, it may be feasible to protect our country from intercontinental ballistic missiles through the use of some type of ABM systems possibly not known at the present time. To me it is untenable that, treaty or no treaty, we would not protect the people of the United States if the resources to do so were available and we were confronted with an atomic attack. Therefore, Mr. President, it is my intention to vote "no" on the treaty this afternoon. I see nothing to be gained by agreeing to it and the possibility of great loss.

ADDITIONAL STATEMENTS SUBMITTED ON TREATY ON LIMITATION OF ABM SYSTEMS

Mr. BUCKLEY. Mr. President, More than 3 years have elapsed since the Congress ratified the Treaty on the Limitation of Anti-Ballistic Missile Systems. I opposed the ratification of the treaty at that time, and in my view, the course of events since then have justified that view.

The strategic arms limitation agreement ratified by the Congress with respect to offensive weapons has failed in its most widely advertised claim, namely that it would slow the arms competition between the United States and the Soviet Union. Rather the character of the first round SALT accords of 1972 have made it possible for the Soviet Union to enhance its quantitative advantage over the United States, thereby increasing the danger Americans face from Soviet weapons rather than diminishing it.

When the Congress ratified the accords in 1972, the Soviet Union had a 4-to-1 advantage in land-based ICBM payload capacity or "throw-weight," and a 3-to-2 advantage in the number of ballistic missile launching submarines they would be permitted to deploy.

Today, 3 years later, the new Soviet R. & D. program will make it possible for the Soviet advantage in missile payload capacity to grow from 4-to-1 to 10-to-1 if the United States does not deploy a new ICBM, an event which seems to be unlikely in the near future. The Soviet Union has tested five new ICBM's and two submarine-launched ballistic missiles since the SALT I accords. The new missiles have onboard digital computers and "bus-type" vehicles on the missiles to permit MIRV warheads to be deployed.

It appears that the SALT accords have inhibited us from developing new offensive systems that would offset the Soviet buildup, while at the same time stopping us from deploying a high quality ABM system.

It is too easy to forget that the United States has always had the lead in ABM technology in all areas that matter; radars, data processing, and computers, interceptor missiles, warhead design for defensive systems, and systems integration.

Serious advanced work on this technology has been virtually brought to a halt by this ABM treaty. What then are we left with? We have succeeded in negotiating a set of arms limitation agreements which have had the consequence of enhancing the offensive power of our adversary while stopping us from building defensive weapons which could reduce the number of Americans who could be the victims of the advantages guaranteed the Soviets by the strategic arms limitation agreements.

We should not overlook the extensive record of Soviet violations of the ABM Treaty, now well documentd in the press. The Soviets have conducted over 60 illegal experiments with their antiaircraft missiles in an ABM mode over an 18-month period. It is well known that the Soviets have over 1,100 reloadable SA-5 high-altitude surface-to-air missile launchers which, if upgraded through the clandestine ABM program the Soviets have been conducting, could present the United States with the awesome problem of having to deal with not only a massive offensive threat many times larger than our own, but also a large scale defensive capability as well.

The proposed protocol to the existing ABM Treaty simply places the United States in greater danger from its Soviet adversary by placing more stringent limitations on the deployment of ABM systems without in any way mitigating the threat posed to the citizens of the United States by Soviet strategic forces. What is needed is not more stringent controls on ABM deployment, but a fundamental shift in the strategy of the United States where the Government will provide for the common defense by making its first priority the defense of noncombatants rather than making citizens the hostage of a policy whose failure would necessarily result in millions of fatalities.

THE NONPROLIFERATION TREATY

Mr. KENNEDY. Mr. President, one of the most pressing issues facing the United States—and the world community—is the potential spread of nuclear weapons around the world. With the increasing emphasis on nuclear power for electricity generation, the problem has been compounded, until, today, more than 20 nations have the technical capability to build the bomb.

Last May, a conference to review the Nonproliferation Treaty was held in Geneva, bringing together representatives of 72 nations to consider the workings of this important treaty, designed to help inhibit the spread of the bomb. I was privileged to address that conference, at the invitation of the U.S. delegation, and have spoken on the results of the conference since then.

Clearly, far more has to be done if we are not in the next few years to see a "world of nuclear powers," with decrease in security for everyone. Accordingly, I ask unanimous consent to have printed in the RECORD a report on the NPT Review Conference, by Mr. William Epstein, and published by the Stanley Foundation. Mr. Epstein is a Special Fellow at the United Nations Institute for Training and Research, and was for many years Director of the Disarmament Division of the U.N. Secretariat. He is an experienced and knowledgeable commentator on arms control.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RETROSPECTIVE ON THE NPT REVIEW CONFERENCE: PROPOSALS FOR THE FUTURE

(By William Epstein)

CONVENING THE CONFERENCE

When the provisions of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) were being negotiated in 1967 and 1968, the non-nuclear states felt that they were being asked to give up important elements of their sovereignty by signing away their option to go nuclear and by accepting international safeguards to deter any violation of this commitment. These specific and concrete obligations took effect immediately as the Treaty entered into force for these states. On the other hand, the commitments undertaken by the nuclear powers as the *quid pro quo* were merely promises by them to take action in the future—to promote the peaceful uses of nuclear energy, to make the benefits of peaceful nuclear explosions (PNEs) available under a special international regime, to halt nuclear weapon testing and reverse the nuclear arms race and, by U.N. Security Council Resolution 255, to provide security assurances to the non-nuclear parties to the Treaty.

No provision was included in the Treaty for creating any organ or body to supervise or report on the implementation of the Treaty. The International Atomic Energy Agency safeguards were a means of verifying that the non-nuclear parties were living up to their pledges not to go nuclear, but the Treaty contained no means of verifying that the nuclear parties were abiding by *their* pledges.

In order to provide some means of checking up on how the nuclear states were living up to their promises, and to give them some leverage in this respect, the non-nuclear states insisted, and the nuclear states reluctantly agreed, that a Review Conference should be held five years after the Treaty entered into force. The conference was "to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the Provisions of the Treaty are being realized." While the text was drafted in diplomatic language, its intent was clear—it was to ensure that the nuclear powers were fulfilling their commitments.

Since the Treaty entered into force on March 5, 1970, the Review Conference was due to take place in 1975. A Preparatory Committee was set up and it was agreed that the conference would take place in Geneva for four weeks. May 5–30, 1975. As the conference was to be a meeting only of the parties to the Treaty and not a conference of all states or of U. N. Members, the nuclear states and some of their allies used this as an additional argument as to why some of the important signatory states should ratify the Treaty and become full participants. The Treaty was ratified late in April, on the eve of the conference, by five Euratom countries—West Germany, Italy, the Netherlands, Belgium and Luxembourg—and by South Korea. During the conference several other countries became parties either by ratification or accession, including Libya. No doubt some of these adherences were hastened in order to facilitate some pending deals; for example, Canada was in the process of negotiating the sale of a nuclear reactor to South Korea, and the Soviet Union was engaged in selling a nuclear reactor and some conventional arms to Libya. Thus, during the Review Conference the number of parties to the Treaty rose to 96.

The Review Conference was at first hailed as the most important arms control conference since World War II. The participants hoped that the conference would help strengthen the NPT, whose credibility was badly shaken by India's nuclear explosion. They further hoped it would help persuade some of the near-nuclear countries that had never joined the Treaty to sign it, and some of the reluctant signatories to ratify. However, despite the renewed impetus given by the accession of some 10 new countries, only 57 of the 96 parties considered the conference important enough to merit participation. In addition, one of the parties to the Treaty (Iraq) sent an observer. Only one foreign minister (Canada) put in an appearance when he came to one meeting to deliver a general statement of the Canadian views. Of the 16 countries that had signed but not ratified the Treaty, seven were present—Egypt, Japan, Panama, Switzerland, Trinidad and Tobago, Turkey and Venezuela—but not Indonesia, a potential nuclear power. Of the 37 countries of the world that had not signed the Treaty, seven attended as observers—Algeria, Argentina, Brazil, Cuba, Israel, South Africa and Spain—but not Pakistan, which is also a potential nuclear power. All of the seven non-signatory nations that did attend are near-nuclear or potential nuclear powers. Taiwan, which is a party to the Treaty and also a near-nuclear power, but which has been expelled from the United Nations and the International Atomic Energy Agency (IAEA) was not invited to the conference. China, France and India, which are non-signatory nuclear powers, also did not attend, but nobody saw fit to mention their absence.

The presence as observers of seven near- and potential nuclear countries which had not signed the NPT leads to hopes that this indicated the possibility of their awakening interest in the Treaty. However, as the conference degenerated into a struggle by the non-nuclear parties to extract concrete commitments from the nuclear powers to implement their treaty obligations, and a refusal by the latter to budge, whatever interest the observers might have had in the NPT quickly vanished.

The conference largely repeated the pattern of recent international conferences on such global problems as development, environment, population, food, the law of the sea, energy and raw materials—namely, a confrontation between the "have" and the "have-not" countries. But unlike those other conferences, where the parties were trying to grapple with new problems or new aspects of old problems, in the NPT Review Conference the non-nuclear powers were asking only that the nuclear powers live up to treaty commitments already undertaken by them.

The three nuclear parties—the United States, the Soviet Union and the United Kingdom—held a private meeting in London just before the opening of the conference in order to concert their positions. They had developed no new non-proliferation strategy and agreed only on a minimalist or "stonewalling" approach—to make as few concessions as possible to the anticipated demands of the non-nuclear powers. In their general statements at the beginning of the conference, they reaffirmed their support for the NPT as the best way to prevent the spread of nuclear weapons and called for further ratifications and accessions, but they put forward no new ideas that might provide any incentive for the recalcitrant powers to join.

The basic policy of the nuclear powers was to avoid the socalled "political" issues and concentrate on the "technical" ones, such as more effective safeguards, the export policies of the supplier countries, the physical security of nuclear materials and facilities, the possibility of establishing regional or multinational nuclear fuel cycle centers, and the feasibility and problems of peaceful nuclear explosions. While the solution of all these technical problems is important and would help to guard against the diversion of nuclear material to the manufacture of nuclear explosives, it is clearly far from sufficient by itself to prevent the spread of nuclear weapons. Without simultaneous progress towards the solution of the essential political problems, technical progress cannot achieve the basic goals of non-proliferation.

Even as regards these technical problems, the nuclear powers were not prepared to go sufficiently far.

In the field of safeguards, while they were interested in tightening international controls and improving the IAEA safguards system, the three nuclear powers and the other supplier states, such as Canada and West Germany, would not undertake to supply nuclear material and equipment only to non-nuclear states that agreed to place *all* of their nuclear material and nuclear activities under IAEA safeguards. By refusing to go that far, they preserved the absurd situation whereby non-parties to the Treaty are in a more advantageous position than are parties, since Article III, paragraph 1, of the Treaty contains such a requirement for non-nuclear parties. In fact, although the text is ambiguous, some experts maintain that the intention of Article III, paragraph 2, is to extend the same obligation to non-parties. In any case, by giving them preferential treatment in this regard, non-parties are provided with an additional reason for not becoming parties to the NPT. Unless safeguards apply to the entire fuel cycle they leave a loop-hole large enough through which to drive a nuclear bomb. This extraordinarily short-sighted position is due almost entirely to commercial rivalry and the competition for markets. It is likely to facilitate rather than curb the proliferation of nuclear weapons to additional countries.

As regards the improvement of international safeguards and of national measures to ensure the physical security of nuclear materials and facilities, the nuclear powers had no very clear ideas and were content to leave it to the IAEA to work out concrete recommendations.

In connection with the promotion of the peaceful uses of nuclear energy, the nuclear powers supported the idea of regional or multinational nuclear fuel cycle centers. The establishment of such centers with fuel fabrication facilities, plutonium reprocessing plants, and waste management and storage facilities would provide many advantages. It would remove or lessen the temptation of non-nuclear powers to produce or divert enriched uranium and plutonium for military purposes, and thus provide some re-assurance to their neighbors; it would be much more economical to carry out such operations in a few large-scale regional or multinational centers than in a number of smaller national facilities; and it would reduce the number of sites and the amount of nuclear materials in storage and in transit, and thus reduce both the problems of safeguarding and ensuring the physical protection of nuclear materials and the dangers of theft, hijacking and sabotage.

Unfortunately, however, the nuclear powers had only the vaguest ideas as to how the non-nuclear countries, particularly those already had pilot facilities and/or wanted their own large-scale plants, might be persuaded to agree to regional instead of national fuel fabrication and re-processing centers. They also had no plans or proposals as to who would pay for the heavy costs of financing and constructing such centers. They were willing to have the IAEA study the matter but made no commitments for the practical implementation of such projects. Thus, although the idea has merit and was broadly acceptable, it did not generate much enthusiasm.

On the subject of peaceful nuclear explosions the views of the two superpowers were somewhat divergent. The United States had doubts about the feasibility and wisdom of conducting such explosions, but the Soviet Union maintained that their feasibility for industrial applications had already been established. The nuclear powers and their allies were agreed, however, that the matter required further study and development, that the IAEA should play the central role in this whole field and that it should set up machinery for intergovernmental discussions. But they were not prepared, as required by Article VV of the NPT, to commence immediate negotiations to prepare a special international agreement on this subject.

On all of these technical matters, while there were, of course, differences of detail between the nuclear powers and their respective non-nuclear allies, the latter, on the whole, supported the approach of the nuclear powers. Only Romania, among all of the NATO and Warsaw pact powers, refused to go along with its allies and, as explained later, joined the Third World or "Group of 77" developing countries.

The Third World countries were not opposed in principle to dealing more effectively with the technical aspects of nonproliferation or to the improvement of international safeguards. What they were opposed to was the imposition of stronger safeguards on their peaceful nuclear activities and the institution of stricter new controls and limitations on their nuclear imports, while the nuclear powers refused to accept such controls and restraints for themselves. They regarded this not merely as perpetuating the discriminatory features of the NPT but as constituting a form of nuclear neo-colonialism.

THE APPROACH OF THE THIRD WORLD NON-NUCLEAR POWERS

The developing countries of the Third World who are almost all non-aligned states from Africa, Asia, and Latin America, are also known as the "Group of 77" countries. This group first came together at the United Nations Conference on Trade and Development in the 1960's. Although their number has since risen to over 100 members of the United Nations, they still retain the appellation "Group of 77." Just as the NATO and Warsaw Pact countries tended to meet together in their respective caucuses in order to exchange views and endeavor to concert their policies, so too did the Group of 77. The main differences betwen this group and the other two is that all the members of the Group of 77 are non-nuclear and none of them is directly under the nuclear umbrella of either superpower; moreover, almost all of them are also developing or "have-not" nations, jealous of their independent sovereignties and non-aligned status and desperately anxious to improve their economic and social conditions.

It is therefore not surprising that these non-nuclear powers evinced little interest in the technical matters and concentrated instead on the large political issues. Since they felt that they had lived up to their commitments under the NPT and that the nuclear powers had not done so, they put forward a number of specific and defined demands for action by the nuclear powers. The following were the most important:

1. an end to underground nuclear tests;

2. a substantial reduction in nuclear arsenals;

3. a pledge not to use or threaten to use nuclear weapons against non-nuclear parties to the Treaty;

4. concrete measures of substantial aid to the developing countries in the peaceful uses of nuclear energy;

5. creation of a special international regime for conducting peaceful nuclear explosions; and

6. an undertaking to respect all nuclear-free zones.

The leaders of the Group of 77 were Mexico, Nigeria, Romania and Yugoslavia. They were joined by the Philippines which was most active in regard to assistance in the peaceful uses of nuclear energy. Ambassador Alfonso Garcia Robles of Mexico, who is the "father" of the Treaty of Tlatelolco, led the revolt against the hegemony of the superpowers, and was the dominant figure at the conference.

Since the nuclear powers had ignored the resolutions of the U.N. General Assembly calling for an end to nuclear testing by a fixed date and for the establishment of a comprehensive program for disarmament and of a fixed timetable, Garcia Robles tried a novel approach, one which linked progress towards an underground test ban and towards substantial reductions of strategic nuclear arsenals, on the one hand, with progress in strengthening international security, on the other. He proposed two draft Protocols: the first dealing with underground nuclear weapon tests was cosponsored by twenty non-nuclear Third World states, and the second dealing with strategic nuclear arms was cosponsored by nineteen states. Under Protocol I the nuclear parties would suspend all underground tests for ten years as soon as the number of NPT parties reached 100, and would extend the moratorium by three years each time five more states became parties; the moratorium would become permanent as soon as the other nuclear states agreed to become parties to the NPT. Under Protocol II, the superpowers would reduce the Vladivostok ceilings of 2400 delivery vehicles and 1320 MIRVed missiles by fifty percent as soon as the number of NPT parties reached 100, and would carry out further reductions of ten percent from the respective ceilings of 1200 and 660 each time ten additional states became parties. The withdrawal clause of the NPT would also apply to these Protocols. Ambassador Garcia Robles also explained that what was important was the new approach to halting and reversing the nuclear arms race and that the number and the "quality" (i.e., the specific countries) of the new accessions could be negotiated.

The nuclear powers rejected this new approach, as they did the idea of fixed timetables, as being artificial and because they did not want to tie their hands in advance. They put forward no new ideas or counterproposals but contented themselves with extolling the virtues of the SALT agreements, the threshold test ban treaty and the Vladivostok agreement although most of the non-nuclear states regard these agreements merely as providing programs and timetables for the continued vertical proliferation of nuclear weapons under agreed terms and conditions. The two superpowers considered the negotiations in SALT as their exclusive preserve, and the Soviet Union even warned the non-nuclear powers not to meddle in these negotiations.

The problem of security assurances affects almost all non-nuclear countries and not merely those of the Third World. Concern about their security is the overriding reason why some of the near-nuclear and potential nuclear powers have not become parties to the NPT. However, no nuclear state and none of their NATO or Warsaw Pact allies (except Romania and such U.S. allies as Australia, Iran, Japan and New Zealand) supported more effective security assurances for non-nuclear parties. The nuclear powers even praised Security Council Resolution 255, which is intended to provide positive security assurances to the non-nuclear powers, although the latter consider it worthless.

Romania took the lead on the question of security assurances and together with ten Third World states proposed Protocol III. This draft protocol provided for an undertaking by the nuclear powers (a) not to use or threaten to use nuclear weapons against non-nuclear parties to the NPT whose territories are free from nuclear weapons, (b) to refrain from the first use of nuclear weapons against any other non-nuclear parties, (c) to encourage negotiations to establish nuclear-free zones and to respect any zones established and (d) to provide immediate assistance, without prejudice to their obligations under the U.N. Charter, to any non-nuclear party threatened or attacked with nuclear weapons, at the request of the victim of such threat or attack. This Protocol, like the other two, was to be subject to the withdrawal clause of the NPT.

The nuclear powers completely rejected Protocol III as they had Protocols I and II. It was not very surprising that the United States rejected this negative form of security assurance as it had always opposed any pledge of non-use or non-first-use of nuclear weapons. What was astonishing was that the Soviet Union, which had always supported such pledges, no longer did so. In fact, it appears to have abandoned the Kosygin formula, proposed during the negotiation of the NPT, which called precisely for an undertaking not to use nuclear weapons against non-nuclear countries that had no nuclear weapons in their territory.

Many of the non-nuclear powers, especially those that were not under the nuclear umbrella of either superpower, felt particularly bitter about the unwillingness of the nuclear powers to give even such a negative type security assurance. They felt that only a combination of arrogance and immorality could lead the nuclear powers to insist that the non-nuclear powers foreswear the acquisition of nuclear weapons, while the former continue to add to their fearful nuclear over-kill capacity, and at the same time refuse to undertake not to use or threaten to use these weapons against non-nuclear parties to the Treaty. Ironically, only China and France, which are not parties to the NPT or to the Security Council resolution on security assurance, are prepared to give such negative security assurances to all non-nuclear states.

On the subject of the peaceful uses of nuclear energy, the Philippine delegate pointed to the paltry sums (a few million dollars a year) devoted to nuclear technical assistance. He noted that, if only one percent of the astronomical amounts spent on armaments by the developed countries each year were devoted to providing nuclear grants and loans to the developing countries for power reactors and training, it would amount to more than 2 billion dollars a years.

The Philippines, together with Mexico, Nigeria and South Korea, proposed a resolution calling for (a) preferential treatment and concessional terms to be provided to the developing non-nuclear parties in the supply of nuclear material, equipment and technology, (b) the creation of a Special Fund financed by the nuclear powers (60%) and the developed non-nuclear powers (40%) to provide developing non-nuclear powers with assistance in the peaceful uses of nuclear energy, including research reactors and fuel, and (c) the creation of a Special Nuclear Fund, financed in the same manner, to provide financing under concessional terms for the nuclear projects in the territories of the developing non-nuclear parties.

Neither the nuclear powers nor the developed non-nuclear powers were prepared to lend their support to any of these proposals. The furthest they would go was to agree that in the provision of assistance in the peaceful uses of nuclear energy, they would "give weight" to adherence to the NPT by recipient states and that they would be willing to consider supporting "technically sound" requests for technical assistance submitted to the IAEA by developing parties to the Treaty. Needless to say, after the previous experience during the period following the signing of the NPT in 1968, the refusal of the nuclear powers to give any firm pledges or to consider specific figures for greater aid left the developing countries cold.

As regards peaceful nuclear explosions, Mexico and seven other Third World states felt a meeting was necessary for concluding the basic special international agreement to provide peaceful explosive services, as required by Article V of the NPT. With this end in mind, they proposed a resolution urging the three nuclear powers to initiate immediate consultations with all Treaty parties so that a time and place for the meeting might be agreed upon. The nuclear powers and their allies were opposed to this approach and wanted the entire matter left to the IAEA. Apart from the fact that this is contrary both to the provisions of the NPT and to the undertakings given by the two superpowers in May, 1968, before the NPT was approved by the U.N. General Assembly, the Third World Countries are not as enarmored of the IAEA as are the nuclear powers and their allies. The developing countries fear that the IAEA, because of its constitutional structure and the authority and role of its Board of Governors, is dominated by the nuclear powers and that they (the developing countries) have a much weaker voice in the IAEA than in the United Nations.

Although the NPT does not itself encourage or facilitate the creation of nuclear-free zones or require the nuclear powers to support or respect them, the non-nuclear countries now attach more importance to them than they had in the past. Interest in the subject of nuclear-free zones has been revived during the last few years and several new proposals have been presented involving Third World regions. Moreover, these zones are envisioned as a way of obtaining negative security assurances from the nuclear powers.

In addition to the support for nuclear-free zones expressed in draft Protocol III, Iran proposed a resolution inviting the nuclear powers to cooperate with those states which decide to establish such zones, and urging the nuclear powers to undertake never to use or threaten to use nuclear weapons against them. Even these rather mild and not unreasonable proposals failed to elicit the support of the nuclear powers. While the latter indicated their support in principle and in general terms for the concept, as a way to complement the NPT in preventing the spread of nuclear weapons, they hedged their support with reservations and refused to give any specific commitments.

Other proposals similarly met with opposition from the nuclear powers. One such was Romania's, intended to provide for the retrieval, distribution and analysis of information or armaments and disarmament by the United Nations. A Yugoslav proposal, designed to halt further deployment of nuclear-weapons systems (especially tactical nuclear weapons) on the territories of non-nuclear parties, likewise fell upon deaf ears.

In fact, not a single formal proposal advanced by any Third World country was accepted by the nuclear powers, or even regarded by the latter as negotiable.

DEADLOCK AT THE CONFERENCE

It was agreed by the participants that all decisions of the conference should be taken by consensus and that, if a consensus was impossible, decisions would be taken by a two-third majority vote. The main purpose of the conference was to try to prevent the emergence of the seventh, eighth and ninth nuclear powers. Thus, the consensus approach was eminently sound because, in a conference such as this, any decision arrived at only by a majority, even a large one (or indeed anything short of unanimity or a genuine consensus), would have been an indication of failure.

In any case, no group could command a two-thirds majority. The two superpowers and their allies could muster only some twenty votes and the Group of 77 some thirty votes. Hence any decision would have to be by consensus or not at all. This meant that the two groups would have to work with, and not against, each other in order to arrive at a real accommodation and achieve an acceptable compromise.

But such was not the case. The nuclear powers were adamant in rejecting out of hand all of the proposals of the Group of 77. They made no counter-proposals and no attempt at compromise. They showed no flexibility whatsoever on the political issues and accused the Third World countries of a "revisionist" or "unrealistic" approach to the NPT.

The Group of 77 was willing to negotiate compromises on the political issues. They would also have been willing to accept the additional restraints and controls worked out by the nuclear powers with the developed non-nuclear powers if the nuclear powers had been willing to accept any concrete or binding limitations on their own freedom of action in the nuclear field. But they were determined not to accept the widely supported compromises on the technical questions unless there were also some similar acceptable compromise agreements on the political questions. The nuclear powers, however, were prepared to agree only to a cosmetic and tranquilizing declaration on these issues in which they would merely reaffirm their unfulfilled treaty pledges and promise to try more harder. This was unacceptable to the developing count on, who felt that they had been deceived by the nuclear powers ever since the NPT was signed in 1968. Thus the conference became deadlocked.

It is almost incredible that the nuclear powers—whose interest in the strengthening and survival of the NPT is at least as great as, and indeed probably far greater than that of the non-nuclear powers—could have been so insensitive to legitimate demands that they should live up to their Treaty obligations. They were much more rigid and far less willing to compromise at this Review Conference of Non-Nuclear-Weapon States in September 1968. They had at least showed some interest in the outcome of that conference or paid some lip service to the decisions taken there.

Although it can hardly have been their intention, the actions of the two superpowers seemed almost deliberately calculated to anger the Third World countries without heed as to whether this might do damage to the NPT. In addition to their behaviour at the conference, the actions of the superpowers outside of the conference demonstrated that they did not regard it as a matter of major interest. The Soviet Union conducted an underground nuclear test on the eve of the conference and the United States in the middle of the conference. Also, during the conference U.S. generals and officials publicly reaffirmed their intentions to initiate the first use of nuclear weapons, if necessary to repel an attack with conventional arms.

In the end, in an attempt to break the deadlock and save the conference from complete failure, the President, Inga Thorsson of Sweden, proposed her own draft declaration. It was a bland compromise incorporating the broadly acceptable technical proposals and urging greater efforts by the nuclear powers to carry out all their Treaty commitments. It was far too little for the developing non-nuclear powers and somewhat too much for the nuclear powers, but it provided the basis for an artificial consensus. Some of the dissenting Third World countries felt that it would have been better not to agree to the adoption of any declaration and that the publicity acknowledged failure of the conference might serve to shock the nuclear powers into a re-assessment of their positions. Others felt that the nuclear powers could take little comfort in and had no grounds for complacency over the outcome of the conference, and that failure to adopt some form of declaration might be more harmful to the NPT than the adoption of a largely meaningless one.

Actually, the so-called consensus was nonexistent. The Group of 77 explicitly stated (and it was agreed that their "interpretative statement" be incorporated in the Final Document of the conference) that they had agreed not to oppose the declaration for two reasons. First, they held its author, Mrs. Thorsson, in high regard; second, their support was given with the express understanding that they interpreted the relevant provisions of the declaration (in particular those concerning the ending of nuclear testing, the drastic reduction of nuclear arsenals, and the security assurances to non-nuclear parties to the Treaty) in the light of the three Protocols and the other proposals submitted by Third World countries. By re-affirming that they not only stood by their political proposals but that they also interpreted the declaration in the light of those proposals; the Group of 77 completely negated the consensus agreement on the declaration.

Apart from the fundamental objections to the provisions of the declaration by the Group of 77, a number of other countries including the two superpowers expressed formal reservations to it. Yugoslavia stated that the conference had failed to reach a consensus on any substantive issue and that the fault lay with the nuclear powers; it therefore announced that one would "re-examine its attitude" towards the NPT.

ASSESSMENT OF THE CONFERENCE

What, if anything, did the conference achieve?

While it is clear that it served to focus attention on both the political and the technical problems of non-proliferation, it did not solve any of them. It did make possible a thorough discussion of the loopholes and shortcoming of the international and national systems of safeguards and control measures and pointed the way to dealing more effectively with them.

In this connection, if the nuclear powers and other supplier states are really serious about improving safeguards and controls on nuclear materials, they can do so by agreement among themselves either through the IAEA or outside of it, without the backing or support of the NPT Review Conference. This will require the cooperation of all supplier states including France, and South Africa and the potential supplier states that are not parties to the NPT. But it seems that the supplier states are too interested in sales and profits and are unwilling or unable to take the necessary decisions.

The ineffectiveness of the "suppliers club" and the difficulties facing the proposals for regional or multinational nuclear fuel cycle centers was demonstrated by the West German agreement to sell to Brazil a complete nuclear fuel cycle, including uranium enrichment, fuel fabrication, and plutonium reprocessing facilities, as well as several nuclear reactors. While representatives of West Germany at the Review Conference were supporting more effective controls and restrictions on sales and exports, other West German officials were busy negotiating the reported four billion dollar sale to Brazil which was signed on June 27, 1975. Although all the facilities are to be placed under IAEA safeguards, and although Brazil has agreed not to produce any nuclear explosives for either military or peaceful purposes, Brazil nonetheless will acquire the technology for building its own unsafeguarded facilities and using its own uranium, should it wish to make nuclear explosives. There will be no more recourse against Brazil if it should decide to do so, than there was against India.

Perhaps the worst result of the conference is that it developed into a political confrontation between the nuclear powers and the Third World countries that portends serious trouble ahead.

It is true that no party has announced its intention to withdraw from the NPT and that nearly all participants in the Review Conference re-affirmed the importance they attach to the Treaty. But it is extremely doubtful whether the conference has done anything to help the NPT survive. It did nothing that could provide any incentive to the near-nuclear hold-outs to give up their option to go nuclear. On the contrary, it can provide arguments and pretexts for them to go nuclear. Many of the non-nuclear parties are angry and it must be remembered that they can withdraw from the NPT on three month's notice. In this connection the Yugoslav warning is a cause for concern.

The superpowers do not yet seem to understand that they cannot impose their will on the non-nuclear powers and that they need them to make the NPT work. Nor do they seem to recognize that they have the chief responsibility as well as the major interest in preventing the erosion of the NPT. It is unlikely that the conference will have shocked the nuclear powers sufficiently to make them re-assess their positions and adopt the policies necessary to save the Treaty from oblivion. Unfortunately, the conference turned out to be merely another in the long series of lost opportunities in the field of arms control.

There may still be time over the next two or three years to save the NPT. If the nuclear powers act quickly and sensibly to live up to all their treaty obligations and to provide credible security assurances to the non-nuclear powers, they might be able to create the incentives necessary to attract new parties to the NPT and to avoid withdrawals by some of the present parties. Unless they do so, there will be little likelihood and no point in holding another review conference in 1980.

PROPOSALS FOR THE FUTURE

A new impetus is necessary to provide credibility and renewed viability to the concept of nuclear non-proliferation, either inside or outside the context of the NPT. Such an impetus can be found only if a combination of both political and technical measures are put into effect.

The most important, and probably the minimum, political measures are the following:

1. An immediate moratorium by the United States and the Soviet Union suspending all underground nuclear tests for five years, and the commencement of negotiations to achieve agreement on a permanent ban of such tests.

2. An immediate qualitative "freeze" by the United States and the Soviet Union on the production of any new nuclear weapon systems or any other new weapons of mass destruction for a period of five years, and the commencement of negotiations for the progressive reduction of the number of existing nuclear weapons on the basis of the now accepted principle of equal security.

3. An immediate joint declaration by the United States and the Soviet Union not to use or threaten to use nuclear weapons against any non-nuclear state that does not have any nuclear weapons in its territories, and an undertaking by each of them to come to the aid of any such state attacked or threatened with nuclear weapons, at the request of that state, subject to their U.N. Charter obligations.

The most important technical measures are the following:

1. A joint declaration by the United States and the Soviet Union, together with as many members of the "suppliers club" as possible, not to provide any nuclear material, equipment or technology to any non-nuclear country unless the latter undertakes:

a. to accept IAEA safeguards over *all* its nuclear material and facilities;

b. not to conduct any nuclear explosion of any kind, whether for peaceful or military purposes;

c. not to build or operate any uranium enrichment or plutonium processing plant under its national control.

2. A joint declaration by the United States and the Soviet Union that they would undertake to finance and build regional, multinational or international plans for uranium enrichment and plutonium reprocessing which would be under U.N. or IAEA supervision and control.

3. A joint declaration by the United States and the Soviet Union that they would undertake to conduct underground nuclear explosions for peaceful purposes, either for themselves or for non-nuclear states, only when authorized to do so by some competent international authority to be established for that purpose, and that they would begin immediate consultations to convene a conference for the creation of a non-discriminatory and equitable special international regime for peaceful nuclear explosions.

4. The strengthening of all international and national measures for safeguarding nuclear materials and equipment to prevent their loss, diversion, theft or hijacking.

The implementation of either list of political or technical measures alone would not be sufficient to attain the desired objective. Only the implementation of *both* lists of measures would ensure the success of the non-proliferation regime. There is already a broad basis of general agreement on the technical measures. But agreement in the political measures, which is more difficult, is more important in order to create the right political and psychological climate to make the technical measures fully acceptable in practice.

These proposals, which may seem rather radical and far-reaching, are not utopian. They are not unreasonable and *are* possible of achievement. Nothing short of them will be adequate. Either the nuclear powers are serious about trying to prevent the further proliferation of nuclear weapons, and are willing to undertake the necessary measures to do so, or they—and the rest of the nations—will have to try to live as best they can in a world of many nuclear powers.

One thing is certain. Unless the nuclear powers take effective steps to stop the vertical as well as the horizontal proliferation of nuclear weapons, the world will inevitably be faced with the much more fearsome and much less manageable threat of non-governmental proliferation—the hijacking or other acquisition of nuclear weapons by terrorist and other politically or criminally motivated groups. That could mean the establishment of police states and the disintegration of society as we know it.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—PROTOCOL TO THE TREATY WITH THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTI-BALLISTIC MISSILE SYSTEMS

The PRESIDING OFFICER (Mr. CURTIS). Under the previous order, the hour of 4 p.m. having arrived, the Senate will now go into executive session and proceed to vote on the resolution of ratification to the Protocol to the Treaty with the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, executive I, 93d Congress, 2d session, which the clerk will state.

The legislative clerk read as follows:

Resolved (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems signed in Moscow on July 3, 1974.

The PRESIDING OFFICER. The question is, will the Senate advise and consent to the resolution of ratification on executive I, 93d Congress, 2d session, the Protocol to the Treaty with the Union of Soviet Socialist Republics on the limitation of antiballistic-missile systems?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Iowa (Mr. CULVER), the Senator from Kentucky (Mr. FORD), and the Senator from Minnesota (Mr. HUMPHREY) are absent on official business.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The yeas and nays resulted—yeas 63, nays 15, as follows:

[Rollcall Vote No. 475 Ex.]

YEAS—63

Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Durkin
Eagleton
Eastland
Fong
Glenn
Griffin
Haskell
Hathaway
Hollings
Hruska
Huddleston
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Thurmond
Weicker
Williams
Young

NAYS—15

Allen
Baker
Bartlett
Buckley
Curtis
Domenici
Fannin
Garn
Goldwater
Hansen
Helms
McClure
Scott,
William L.
Talmadge
Tower

NOT VOTING—22

Abourezk
Bayh
Bentsen
Burdick
Byrd,
Harry F., Jr.
Culver
Ford
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Hatfield
Humphrey
Inouye
Javits
Magnuson
Mondale
Moss
Pearson
Percy
Taft
Tunney

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The Senate continued with the consideration of the motion to proceed to the consideration of the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion to proceed to the consideration of H.R. 5900.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate upon the motion to proceed to the consideration of H.R. 5900, an Act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Mike Mansfield, Harrison J. Williams, John O. Pastore, Robert C. Byrd, Henry M. Jackson, Gaylord Nelson, Lee Metcalf, Dick Clark, Gale W. McGee, George McGovern, Claiborne Pell, Alan Cranston, Adlai E. Stevenson, Patrick J. Leahy, William Proxmire, Edward M. Kennedy, John A. Durkin.

ADDITIONAL CONFEREE—H.R. 10029, MILITARY CONSTRUCTION APPROPRIATIONS, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Rhode Island (Mr. Pastore) be added as a conferee in the conference on H.R. 10029, the military construction appropriations bill for 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL WORKERS

The Senate continued with the consideration of the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

Mr. HELMS. Mr. President, is the opinion of the Senator from North Carolina correct that the pending business is the motion to call up H.R. 5900?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats. Anyone who wishes to converse will please retire to the cloakroom.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Is the Chair confident that H.R. 5900 has been reported properly?

The PRESIDING OFFICER. The Chair has no knowledge of that.

Mr. HELMS. In that case, I wonder if I might ask my distinguished colleague from Nevada, Senator Laxalt, to address himself to this question.

Mr. LAXALT. Mr. President, in the nature of a parliamentary inquiry, if a bill has been referred to a committee, is it not required, under the Senate rule, that a majority of the committee members be present when that bill is processed?

The PRESIDING OFFICER. The rule requires that a quorum actually be present when a measure is being reported.

Mr. LAXALT. Mr. President, perhaps the chairman of the committee——

The PRESIDING OFFICER. The Chair would like to read the rule. The Senator may speak if he wishes.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, while this is being established.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair reads as follows:

The Legislative Reorganization Act of 1946, as amended, provides that—

"No measure or recommendation shall be reported from any standing committee of the Senate (including the Committee on Appropriations) unless a majority of the committee were actually present."

Mr. HELMS. I thank the Chair.

Mr. President, I address this question to the distinguished Senator from New Jersey:

Was a quorum present at the time this bill was reported, and do the records so indicate?

Mr. WILLIAMS. There was a quorum present. It was a day that we did consider a Senate bill, the "Dunlop" bill, S. 2305, the Construction Industry Collective Bargaining Act. After the action was taken by a majority of the Members who were present on reporting that bill, before the committee adjourned there was a motion to report the House bills before us (H.R. 5900 and H.R. 9500), without recommendation. I understand that the minutes do not reflect that fact, but it happened, I know.

It is unfortunate, of course, that the minutes do not show that that action was taken. That is sort of routine, in that it just got away from the scrivener who did not get it in the minutes, in the notes, but it was done.

Mr. HELMS. I certainly accept the Senator's word on that and I have no further question about it.

I thank the Chair.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at the hour of 12 noon. After the two leaders or their designees have been recognized under the standing order, Mr. Church, Mr. Mansfield, and Mr. Allen will be recognized in that order for not to exceed 15 minutes each, and by unanimous consent, Mr. Robert C. Byrd will then be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There will then be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume the consideration of the motion to proceed to consider the situs picketing bill, H.R. 5900.

General debate on the motion to proceed to the consideration of H.R. 5900 will proceed until the hour of 3 o'clock, at which time the 1 hour before the vote on cloture will begin running, with the time during that hour to be equally divided between Mr. Helms and Mr. Williams.

At the hour of 4 p.m., the automatic quorum call will occur, and upon the establishment of a quorum, or about 4:15 p.m., the automatic rollcall vote will occur on the motion to invoke cloture on the motion to proceed to the consideration of H.R. 5900.

So there will be at least one rollcall vote tomorrow. I would assume that cloture will be invoked, although I cannot guarantee that; but if cloture is invoked, the bill (H.R. 5900) itself will be before the Senate, and assuming that to be the situation, at that time a motion will be offered to invoke cloture on the bill itself, and the vote on that motion will occur on Thursday of this week.

Looking down the road, Members should expect long daily sessions beginning sometime this week and extending throughout the remaining period before the Thanksgiving holidays. Saturday sessions are a distinct possibility. The general picture regarding the schedule and the program remaining before final adjournment—hopefully by December 12—is as follows:

Situs picketing will be on the track until disposed of, up or down. The Defense appropriation bill is ready for floor action upon disposition of situs picketing. The same can be expected as to the Interior appropriation bill. The debt limit extension will be coming over from the House this week, and conference reports will be coming along. The budget resolution is moving in the other body. Legislation dealing with New York City is expected to be taken up in the House this week. Tax cut legislation at least extending last year's tax reductions is expected. A supplemental appropriation bill will be coming over from the House, and is expected this week. The Public Works appropriation bill is expected to be acted on. A foreign aid request was received from downtown on October 30, and that bill has a long way to go. The District of Columbia appropriation request was submitted to Congress last week, on November 5, and has yet to be acted on.

Foreign aid and certain other items will likely wind up in a continuing resolution, which will have to be acted upon before adjournment, and included in that foreign military aid request are the President's proposals to assist Israel and certain Arab countries, and for American technicians in the Sinai.

In addition to the foregoing, various conference reports will be acted upon from time to time, together with sundry odds and ends.

This agenda should convince the most doubting Thomas, if there be such, that long daily sessions, including some Saturday sessions, will be a "must" if the Senate is to complete its work and reach final adjournment for the year by December 12. It is a full platter, and will require considerable gorging, with only 4 weeks in which to gulp it down—2 weeks before the Thanksgiving holiday and 2 weeks subsequent thereto, a total of 4 weeks. Need one say more?

STATUS OF MAJOR LEGISLATION, 94TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD following my statement of the program certain other areas of information which were included in my whip notice of November 7.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAJOR LEGISLATION, 94TH CONGRESS

ENERGY BILLS

1. Personal and Corporate Tax Reduction, Public Law 94–12.
2. Disapproval of Oil Excise Tax, H.R. 1767. Vetoed March 4, 1975.
3. Repeal of Oil Depletion Allowance, Public Law 94–12.
4. Oil Price Control Extension, H.R. 4035 and S. 1849, both vetoed. H.R. 9524 became Public Law 94–99 with extension to November 15, 1975.
5. Strip Mining, H.R. 25. Vetoed. Similar provisions in S. 391, P/S July 31, 1975.
6. Coal Leasing—Strip Mining, S. 391, P/S July 31, 1975.
7. Standby Energy Authorities Act, S. 622. In Conference.
8. Appliance Labeling Act, S. 349. P/S; In conference on S. 622.
9. Automobile Fuel Economy, S. 1883. P/S; In conference on S. 622.
10. Strategic Energy Reserves, S. 677. P/S; In conference on S. 622.
11. Mandatory State Conservation Program. Title II of S. 622; in conference.
12. National Petroleum Reserves (Naval & Interior), H.R. 49. In conference.
13. Coal Conversion Act Extension, vetoed in H.R. 1767, H.R. 4035, and S. 1869. In conference on S. 622.
14. Mandatory Coal Conversion, S. 1777. Hearings held.
15. Coastal Zone Amendments for Energy Facilities Siting, S. 586. P/S July 16, 1975; H.R. 3981 mark up underway.
16. Outer Continental Shelf Drilling, S. 521. P/S July 30, 1975.
17. Natural Gas Emergency Decontrol Acts, 2310. P/S Oct. 22, 1975.
18. ERDA Authorization, H.R. 3473. In conference.
19. National Energy Production Board, S. 740. Mark up underway.
20. Industrial Conservation Act, S. 1908. Mark up underway.
21. Energy Taxes. H.R. 6860. P/H; Mark up underway.

APPROPRIATION BILLS

1. Agriculture—Public Law 94–122.
2. Education—Public Law 94–94.
3. HUD—Public Law 94–116.
4. Labor-HEW—Conference report filed.
5. Legislative—Public Law 94–59.
6. State-Justice-Commerce, Public Law 94–121.
7. Transportation—Conference report filed.
8. Treasury—Public Law 94–91.
9. Military Construction—In conference.
10. Defense—Reported by full Committee.
11. Foreign Aid—Awaiting House action.
12. Interior—Committee markup underway.

OTHER BILLS

Consumer Product Safety, S. 644. P/S; P/H amended.

Consumer Protection, S. 200. P/S; House debating as H.R. 7575.

Securities Acts Amendments. Public Law 94–29.

Tax Reduction. Public Law 94–12.

Voting Rights. Public Law 94–73.

Unemployment Compensation. Public Law 94–45.

Public Works Employment, H.R. 5247. P/H; P/S amended.

Social Security Benefits Increases (Wage and Price Stability Council). Public Law 94–61.

Tax Reform—In Ways and Means.

Unemployed Health Benefits, S. 625. On calendar.

Railroad Improvement and Employment. S. 1730. P/S; P/H amended.

Emergency Housing, H.R. 4485. Vetoed. Similar bill H.R. 5398 became Public Law 94–50.

Health Service-Nurse Training. Public Law 94–63.

School Lunch Program. Public Law 94–105.

Handicapped Children's Education—In conference.

STATUS OF PRESIDENTIAL VETOES, 94TH CONGRESS

1. H.R. 1767, Oil Import Fees, President's authority to impose. Vetoed March 4. Referred to Ways and Means. Relevant provisions contained in H.R. 4035 which was also vetoed.
2. H.R. 4296, Agricultural Price Supports. Vetoed May 1. House sustained veto on May 13. (Secretary of Agriculture hold quarterly oversight meetings with Agriculture Committees on subject.)
3. H.R. 25, Strip Mining. Vetoed May 20. House sustained veto June 10. Similar provisions passed Senate in S. 391 on July 31.
4. H.R. 5357. Tourist Promotion. Vetoed May 28. Referred to House Interstate and Foreign Commerce Committee. Similar measure, S. 2003, became Public Law 94–55.
5. H.R. 4481, Emergency Employment Appropriations. Vetoed May 28. House sustained veto June 4. Similar measure H.J. Res. 492, became Public Law 94–36
6. H.R. 4485. Emergency Middle-Income Housing. Vetoed June 24. House sustained veto June 25. Similar measure, H.R 5398 became Public Law 94–50
7. H.R. 4035, Oil Policy. Vetoed July 21. Related provision in S. 622 which is in conference.
8. H.R. 5901, Education Appropriations. Vetoed July 25. House overrode veto September 9; Senate overrode veto September 10. Became Public Law 94–94.
9. S. 66, Health Services—Nurse Training. Vetoed July 26. Senate overrode veto July 26; House overrode veto July 29. Became Public Law 94–63.
10. S. 1849, Oil Price Controls. Vetoed September 10. H.R. 9524 extending controls to November 15, became Public Law 94–99.
11. H.R. 9497, Tobacco Price Supports. Vetoed September 30. Referred to House Agriculture Committee.
12. H.R. 4222, School Lunch Program. Vetoed October 3. House and Senate overrode veto October 7. Became Public Law 94–105.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and at 4:30 p.m. the Senate adjourned until tomorrow, Tuesday, November 11, 1975, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate November 10, 1975:

DEPARTMENT OF JUSTICE

Richard J. Arcara, of New York, to be U.S. Attorney for the Western District of New York, for the term of four years vice John T. Elfvin, elevated.

IN THE ARMY

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, Section 3066(a), in grade as follows:

To be lieutenant general

Maj. Gen. Eugene Joseph D'Ambrosio, [redacted] Army of the United States (colonel, U.S. Army).

Lt. Gen. John W. Vessey, Jr., [redacted], U.S. Army, for appointment as senior U.S. Army member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. William D. Bagee, [redacted].
Maj. Howard O. Barikmo, [redacted].
Maj. Dick Burney, [redacted].
Maj. Ray L. Cabanaw, [redacted].

Maj. Jon T. Ciemiewicz, [redacted].
Maj. Robert L. Defratis, [redacted].
Maj. Henry B. Densmore, [redacted].
Maj. Edmund P. Desrochers, [redacted].
Maj. Richard E. Dickson, [redacted].
Maj. Arden P. Fjellanger, [redacted].
Maj. Roy Freeman, Jr., [redacted].
Maj. Lloyd E. Gailey, [redacted].
Maj. Roger D. Gillis, [redacted].
Maj. Gerald R. Glazener, [redacted].
Maj. Miles B. Harrison, Jr., [redacted].
Maj. Joseph Hess, [redacted].
Maj. Bernard R. Hollenbeck, Jr., [redacted].
Maj. John M. Hough, Jr., [redacted].
Maj. David E. Hudson, [redacted].
Maj. Richard A. Johnson, [redacted].
Maj. Glen J. Kaser, Jr., [redacted].
Maj. Keith R. Kelly, [redacted].
Maj. William F. Koerschner, [redacted].
Maj. Robert R. Krueger, [redacted].
Maj. Ivan C. Lang, [redacted].
Maj. Jefferson B. Lanier, [redacted].
Maj. Billy S. Linebaugh, [redacted].
Maj. Leo R. Lujan, [redacted].
Maj. Duncan P. MacDonell, [redacted].
Maj. James L. McLennan, [redacted].
Maj. Joseph R. Menard, [redacted].
Maj. Elwood H. Morgan, [redacted].
Maj. William R. Morris, [redacted].
Maj. Frank L. Mossman, Jr., [redacted].
Maj. Richard W. Murray, [redacted].
Maj. John H. O'Connor, [redacted].
Maj. Francis B. O'Donnell, Jr., [redacted].
Maj. John W. O'Sullivan, [redacted].
Maj. Daniel J. Peterson, [redacted].
Maj. John A. Petras, [redacted].
Maj. Robert G. Rager, [redacted].
Maj. Salvador Sanchez-Ramos, [redacted].
Maj. Thurman E. Sanders, [redacted].
Maj. Russell R. Schoonover, [redacted].
Maj. John R. Segrest, Jr., [redacted].
Maj. William P. Shook, [redacted].
Maj. Hugh D. Wilkerson, [redacted].
Maj. John E. Worm, [redacted].

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Captain to major

Abate, Joseph D., [redacted].
Abbott, Mary N., [redacted].
Abney, Floyd J., [redacted].
Abrahamson, Raymond L., [redacted].
Ache, Leroy P., [redacted].
Achin, Raymond R., [redacted].
Ackerman, Robert W., [redacted].
Ackert, Bruce, [redacted].
Adams, Alfred P., [redacted].
Adams, Charles C., [redacted].
Adams, Donald L., [redacted].
Adams, Duane A., [redacted].
Adams, John P., [redacted].
Adams, Kenneth P., [redacted].
Adams, Mendell M., [redacted].
Adams, William E., [redacted].
Adinolfi, Jerry D., Jr., [redacted].
Ague, Walter N., [redacted].
Ahart, Richard A., [redacted].
Ahl, Arthur W., [redacted].
Ahl, Kenneth L., II, [redacted].
Akley, James K., [redacted].
Akridge, James A., [redacted].
Alba, Michael S., [redacted].
Alberchinski, Carl D., [redacted].
Albright, Edwin R., Jr., [redacted].
Albritton, Edward C., [redacted].
Aldinger, Richard T., [redacted].
Alducin, Donald G., [redacted].
Alenius, John T., [redacted].
Alexander, Charles R., [redacted].
Alexander, Kenneth G., [redacted].
Alexander, Lonny R., [redacted].
Alexander, Lynn B., [redacted].
Alexander, Robert M., [redacted].
Alexander, Roland T., [redacted].
Alexander, Theodore G., [redacted].
Alfaro, Eugene A., [redacted].
Alfonso, Louis A., [redacted].
Allan, Donald F., [redacted].
Allbee, Thomas D., [redacted].
Allburn, James N., [redacted].
Allen, Donald G., [redacted].
Allen, Douglas J. [redacted].
Allen, George W., [redacted].
Allen, Harry R., Jr., [redacted].
Allen, Lytle E., III, [redacted].
Allen, Raymond L., [redacted].
Allen, Robert J., [redacted].
Allen, Verne K., [redacted].
Allen, Wayne L., [redacted].
Allen, William B., [redacted].
Alley, Clinton D., [redacted].
Allison, Billy G., [redacted].
Allison, Roger L., [redacted].
Allman, John M., III, [redacted].
Allocca, Thomas R., [redacted].
Allport, Charles W., [redacted].
Almy, David B., [redacted].
Althoff, Arthur R., [redacted].
Altick, Stephen F., [redacted].
Altman, Herbert, [redacted].
Alto, David G., [redacted].
Altwies, James E., [redacted].
Alvarez, Alberto, [redacted].
Ambre, William A., [redacted].
Ames, James R., [redacted].
Amfahr, Harold M., [redacted].
Ammering, Theodore E., [redacted].
Amor, Jean P., [redacted].
Amoscato, Guy T., [redacted].
Anderberg, Michael R., [redacted].
Andersen, William C., [redacted].
Anderson, Alan C., [redacted].
Anderson, Carlton E., [redacted].
Anderson, Eric E., Jr., [redacted].
Anderson, Gerald W., [redacted].
Anderson, Gordon G., [redacted].
Anderson, James C., [redacted].
Anderson, James M., [redacted].
Anderson, James T., [redacted].
Anderson, Jerris C., [redacted].
Anderson, John M., [redacted].
Anderson, John R., [redacted].
Anderson, John W., [redacted].
Anderson, Leslie B., III, [redacted].
Anderson, Marty D., [redacted].
Anderson, Paul V., [redacted].
Anderson, Ralph L., Jr., [redacted].
Anderson, Richard C., [redacted].
Anderson, Robert F., [redacted].
Anderson, Terry D., [redacted].
Anderson, William E., [redacted].
Anderson, Woodrow A., [redacted].
Andre, Jan B., [redacted].
Andrews, C. P., [redacted].
Andrews, David W., [redacted].
Andrews, George R., [redacted].
Andrews, Melvin R., Jr., [redacted].
Andrews, Wendall F., [redacted].
Andrus, James G., [redacted].
Andry, Ernest E., Jr., [redacted].
Anduss, Larry P., [redacted].
Anibal, Edward F., Jr., [redacted].
Anspauh, Charles C., [redacted].
Anway, Mark D., [redacted].
Applegate, Edward T., [redacted].
April, Paul K., [redacted].
Ardern, William E., [redacted].
Arena, Joseph A., [redacted].
Arganbright, Michael J., [redacted].
Armour, Leon, [redacted].
Armour, Paul J., [redacted].
Armstrong, Dexter A., Jr., [redacted].
Armstrong, John J., [redacted].
Armstrong, Lewis C., [redacted].
Armstrong, Robert M., [redacted].
Arnett, Larry W., [redacted].
Arnold, Charles P., Jr., [redacted].
Arnold, Francis W., [redacted].
Arnold, Lloyd H., [redacted].
Arnold, Terry A., [redacted].
Ashby, Lawrence E., [redacted].
Ashley, Raymond W., [redacted].
Ashworth, Charles W., [redacted].
Ashy, Joseph W., [redacted].
Aston, Gary M., [redacted].
Atchison, Richard M., [redacted].
Atkins, Gary C., [redacted].
Atkins, Jerome A., [redacted].
Atkinson, Robert W., Jr., [redacted].
Atwell, Edward A., [redacted].
Aube, Richard M., [redacted].
Aultman, Fred C., [redacted].
Austin, Donald D., [redacted].
Austin, Maxwell K., [redacted].
Austin, Noel F., [redacted].
Austin, William F., III, [redacted].
Auth, Edward G., Jr., [redacted].
Auvil, Robert E., [redacted].
Ayer, Frederick L., [redacted].
Ayers, William C., [redacted].
Ayres, Roger A., [redacted].
Baas, Melvin T., [redacted].
Babbidge, Michael J., [redacted].
Bachman, Laurence D., [redacted].
Backer, Donald E., [redacted].
Backman, Vernon E., [redacted].
Bacue, Ralph H., [redacted].
Baddley, Henry M., Jr., [redacted].
Baergen, Edward, [redacted].
Bail, Charles E., II, [redacted].
Bailey, Carl D., [redacted].
Bailey, Charles H., [redacted].
Bailey, Henri L., [redacted].
Bailor, Ronald D., [redacted].
Baily, Joseph J., III, [redacted].
Bainton, Ronald W., [redacted].
Bair, Thomas E., [redacted].
Baird, James, [redacted].
Bakenhus, Frederick A., [redacted].
Baker, Bobby L., [redacted].
Baker, Bryce H., [redacted].
Baker, Dalton W., [redacted].
Baker, Doyle D., [redacted].
Baker, Emmett J., Jr., [redacted].
Baker, James C., [redacted].
Baker, Joe B., [redacted].
Baker, John J., III, [redacted].
Baker, Kenneth E., [redacted].
Baker, Phillip J., [redacted].
Baker, Ronald F., [redacted].
Bakos, Andrew E., [redacted].
Balan, Douglas G., [redacted].
Baldauf, Robert E., [redacted].
Ball William J., [redacted].
Ballard, Bobby D., [redacted].
Ballee, William J., [redacted].
Ballman, Arthur C., Jr., [redacted].
Balstad, Richard W., [redacted].
Balut, Ramon R., Jr., [redacted].
Bandy, Finis W., [redacted].
Banford, Robert B., [redacted].
Banks, Donald E., [redacted].
Banks, Frederick M., [redacted].
Barber, Russell E., [redacted].
Barber, Tommie R., [redacted].
Barclay, Ralph D., [redacted].
Barfoot, Norman G., [redacted].
Barkhurst, Paul D., [redacted].
Barlock, Lawrence A., [redacted].
Barlow, Charles F., [redacted].
Barnes, Elliott B., Jr., [redacted].
Barnes, George L., [redacted].
Barnes, William J., Jr., [redacted].
Barnett, Everett E., Jr., [redacted].
Barnett, Truman L., [redacted].
Barnhart, Joe W., Jr., [redacted].
Barnhill, Charles C., Jr., [redacted].
Barnocky, John A., [redacted].
Baron, Bruce, [redacted].
Barr, Allen E., [redacted].
Barr, George M., [redacted].
Barr, Michael J., [redacted].
Barr, Michael L., [redacted].
Barranco, Stephen S., [redacted].
Barre, Edward L., [redacted].
Barrere, Howard A., [redacted].
Barrett, Ford H., [redacted].
Barrett, Francis L., [redacted].
Barrett, Thomas J., [redacted].
Barron, Barney F., [redacted].
Barrows, Charles V., [redacted].
Barry, William A., [redacted].
Barth, Ronald G., [redacted].
Barto, Emerson S., [redacted].
Barton, Robert J., [redacted].

Baschnagel, William R., [redacted].
Baskett, Richard M., [redacted].
Basque, Patricia E., [redacted].
Bastian, Thomas W., [redacted].
Bastien, Peter M., [redacted].
Bateman, John P., [redacted].
Bates, Daniel G., [redacted].
Bates, Roy D., Jr., [redacted].
Battin, John J. W., [redacted].
Baucom, Donald R., [redacted].
Bauer, Darrol L., [redacted].
Bauer, Frederick C., [redacted].
Bauer, John G., Jr., [redacted].
Bauer, Richard H., [redacted].
Baughman, John S., [redacted].
Baughman, Richard W., [redacted].
Bauman, Roger A., [redacted].
Baumgartner, Richard C., [redacted].
Baumgartner, Robert L., [redacted].
Baun, Raymond J., [redacted].
Bautsch, Norman D., [redacted].
Baxter, Robert H., [redacted].
Bay, Philip E., Jr., [redacted].
Bayer, Robert E., [redacted].
Bayley, Harry P., [redacted].
Baynor, Gene C., [redacted].
Beamer, Donald E., [redacted].
Beamer, Samuel C., [redacted].
Bearce, Neil R., Jr., [redacted].
Beasley, Dennis C., [redacted].
Beasley, Lawrence G., [redacted].
Beatty, James M., Jr., [redacted].
Beaty, James K., Jr., [redacted].
Beauchemin, Alfred E., III, [redacted].
Beaudry, Richard G., [redacted].
Beaumont, Lincoln S., Jr., [redacted].
Beaver, Robert E., [redacted].
Bechler, Wayne R., [redacted].
Beck, Alan W., [redacted].
Beck, Bradley T., [redacted].
Becker, Donald T., [redacted].
Becker, Lawrence D., [redacted].
Becnel, Marion O., [redacted].
Beebe, Dennis E., [redacted].
Beebe, Henry M., [redacted].
Beers, L. N., [redacted].
Beets, Byron E., [redacted].
Behrens, Dennis D., [redacted].
Belden, John M., [redacted].
Belina, John L., [redacted].
Bell, Darwin L., [redacted].
Bell, James E., [redacted].
Bell, James R., [redacted].
Bell, Lawrence L., [redacted].
Bell, Oral L., [redacted].
Bellem, Raymond D. F., [redacted].
Bellingham, David E., [redacted].
Bellotte, John E., [redacted].
Belzer, George W., III, [redacted].
Bendere, George H., [redacted].
Benedict, Horace E., [redacted].
Benfield, Eric B., [redacted].
Benjamin, Warren E., [redacted].
Bennett, Charles M., IV, [redacted].
Bennett, James D., [redacted].
Bennett, Logan J., Jr., [redacted].
Bennett, Thomas A., [redacted].
Benson, Larry L., [redacted].
Benson, Linn D., [redacted].
Bentley, James M., [redacted].
Benton, Frank M., Jr., [redacted].
Benton, Ronald L., [redacted].
Berdan, Richard L., [redacted].
Berdine, Ralph E., [redacted].
Berg, Phillip M., [redacted].
Bergandi, Louis J., Jr., [redacted].
Bergen, John K., [redacted].
Berls, Robert E., Jr., [redacted].
Bernier, Johnnie O., [redacted].
Bernier, Robert J., Jr., [redacted].
Bernstein, Ivan H., [redacted].
Bernstein, Peter D., [redacted].
Bernth, Terry J., [redacted].
Berrean, John D., [redacted].
Berringer, Lynn T., [redacted].
Berry, Gene A., [redacted].
Berry, James S., [redacted].
Berry, Keith, [redacted].
Berry, Larry D., [redacted].
Berry, Robert H., [redacted].
Berube, Paul J., [redacted].
Beson, Gary N., [redacted].
Best, Robert S., [redacted].
Best, Roy W., [redacted].
Bestgen, Robert F., [redacted].
Bettex, Leonard C., [redacted].
Betts, Carlton L., [redacted].
Beverung, William C., Jr., [redacted].
Bevis, James N., [redacted].
Beyer, Jon N., [redacted].
Beyer, Thomas J., [redacted].
Beyerle, John A., [redacted].
Bianco, Arthur J., [redacted].
Bickenbach, Jerry B., [redacted].
Bickford, John D., [redacted].
Bierly, Richard M., [redacted].
Biestek, Harold F., [redacted].
Bifolchi, George J., [redacted].
Bigelow, Frederick D. C., [redacted].
Bigoni, Robert A., [redacted].
Bikker, Arthur W., [redacted].
Billingsley, John A., [redacted].
Billington, Gordon F., [redacted].
Billotte, Robert A., [redacted].
Bilse, Marvin R., [redacted].
Biltz, James E., [redacted].
Bingham, Charles D., [redacted].
Birch, George E., [redacted].
Birdsong, Marcus D., [redacted].
Birkhead, Roy F., [redacted].
Birkner, John H., [redacted].
Birmingham, James E., [redacted].
Birnbaum, Melvin, [redacted].
Birnie, Ian, [redacted].
Bischoff, Stuart C., [redacted].
Bishop, Charles L., [redacted].
Bishop, Halford R., [redacted].
Bishop, William M., [redacted].
Bittorf, Norman G., [redacted].
Bjers, Thomas D., [redacted].
Bjornstad, Eugene N., [redacted].
Black, Charles F., [redacted].
Black, Frank A., [redacted].
Black, Franklin J., [redacted].
Black, Robert E., [redacted].
Blackburn, James C., [redacted].
Blackledge, Michael A., [redacted].
Blackmon, Norman V., [redacted].
Blackstock, Jimmy D., [redacted].
Blackwood, Jimmie, [redacted].
Blair, Robert J., [redacted].
Blair, Robert L., [redacted].
Blaisdell, Michael P., [redacted].
Blake, George J., [redacted].
Blake, Ronald H., [redacted].
Blake, Ronald W., [redacted].
Blakley, Norman L., [redacted].
Blansett, Bennie B., Jr., [redacted].
Blasingame, Doyle D., [redacted].
Blauth, Robert J., [redacted].
Blessing, Don H., [redacted].
Bliden, Victor J., [redacted].
Blinn, Robert D., Jr., [redacted].
Blish, Edward H., [redacted].
Blizzard, Clarence, Jr., [redacted].
Blocker, Gettis A., [redacted].
Blocker, Larry J., [redacted].
Bloom, Michael I., [redacted].
Blose, John N., [redacted].
Blount, Jack R., Jr., [redacted].
Bluett, James J., [redacted].
Blume, Frederic K., [redacted].
Blumstein, Richard B., [redacted].
Boaman, Richard A., Jr., [redacted].
Boardman, Edward C., [redacted].
Bobb, Carroll C., [redacted].
Bobko, Peter B., [redacted].
Bochnik, Walter J., [redacted].
Bockelman, David C., [redacted].
Bocklage, Norman W., [redacted].
Bodenheimer, Clyde E., [redacted].
Bodine, Paul L., [redacted].
Boehmer, George E., [redacted].
Boerner, Roger B., [redacted].
Boersig, George R., [redacted].
Bogaert, James R., [redacted].
Bogart, James H., [redacted].
Bogemann, Lawrence L., [redacted].
Bohler, Donald M., [redacted].
Bohner, Harry R., [redacted].
Boldrick, Michael R., [redacted].
Boles, Billy J., [redacted].
Bolinger, Bobby G., [redacted].
Bolinger, Roy E. J., [redacted].
Bolls, Larry R., [redacted].
Bolton, Walter B., [redacted].
Bolton, Wayne E., [redacted].
Bomber, Thomas M., [redacted].
Bomhoff, Herbert M., [redacted].
Bond, Jack C., [redacted].
Bonham, Lawrence D., [redacted].
Bonniwell, Frank E., Jr., [redacted].
Bonse, Gilbert, [redacted].
Booher, Donald R., [redacted].
Booth, Frederick E., [redacted].
Booth, Kenneth C., Jr., [redacted].
Borchert, John A., [redacted].
Borgo, Peter A., [redacted].
Borin, Dennis J., [redacted].
Borinski, George E., Jr., [redacted].
Borland, Melroy, [redacted].
Borling, John L., [redacted].
Boros, William G., [redacted].
Boselly, Shirley E., III, [redacted].
Bosse, Frederick C., [redacted].
Bosser, Robert L., [redacted].
Bossi, Karl R., [redacted].
Bostur, Phillip L., [redacted].
Boswell, Edward T., [redacted].
Boswell, Homer D., [redacted].
Bottjer, Daryl L., [redacted].
Boubelik, David K., [redacted].
Bouchard, John S., [redacted].
Boucher, Paul A., [redacted].
Bouchoux, Gerald E., [redacted].
Boudreaux, Elie J., III, [redacted].
Bourke, Theodore R., [redacted].
Bousek, Ronald R., [redacted].
Bowen, Gary L., [redacted].
Bowen, Robert E., [redacted].
Bower, Larry E., [redacted].
Bowers, Bruce G., [redacted].
Bowling, Issac M., [redacted].
Bowman, James D., [redacted].
Bowman, Laddie F., [redacted].
Box, Gene E., [redacted].
Boyanton, Earl B., Jr., [redacted].
Boyd, Alfred A., Jr., [redacted].
Boyd, Charles H., [redacted].
Boyd, Hubert D., [redacted].
Boyd, James A., Jr., [redacted].
Boyd, Raymond G., Jr., [redacted].
Boyer, Daniel D., Jr., [redacted].
Boyle, Anthony D., [redacted].
Boyle, Francis J., [redacted].
Boyle, Peter J., Jr., [redacted].
Boynton, Gerald L., [redacted].
Bozarth, Thomas L., [redacted].
Braatz, Robert W., [redacted].
Brace, Donald C., [redacted].
Bracher, Phillip E., [redacted].
Bradley, Rayburn E., [redacted].
Bradley, Thomas P., [redacted].
Bradley, Wayne D., [redacted].
Bradshaw, James A., [redacted].
Brady, James R., [redacted].
Bragaw, Robert A., [redacted].
Brahney, James H., [redacted].
Brake, Francis B., [redacted].
Bramble, Harold K., [redacted].
Brame, Charles E., [redacted].
Bramlett, Harry R., [redacted].
Branch, Patrick K., [redacted].
Branch, Paul R., [redacted].
Branch, Robert H., Jr., [redacted].
Brand, Troy C., [redacted].
Brandt, Herman P., II, [redacted].
Brandt, Karl F., Jr., [redacted].
Brandt, Paul A., III, [redacted].
Branham, Orville M., [redacted].
Branine, Raymond G., [redacted].
Brannam, Clarence B., [redacted].
Braxton, Richard B., Jr., [redacted].
Bredvik, Gordon D., [redacted].
Brenci, Robert L., [redacted].
Brenizer, Robert F., [redacted].
Brennan, Leo J., [redacted].
Brennan, William J., Jr., [redacted].
Breslin, Richard D., [redacted].
Brewer, Larry K., [redacted].
Brewer, Marcus A., [redacted].
Brewster, John H., Jr., [redacted].
Brick, John E., [redacted].

Brickman, William A., [redacted].
Brickner, Thomas E., [redacted].
Bridger, Barry B., [redacted].
Bridges, Earl R., [redacted].
Brinson, Everett, [redacted].
Brisbois, John O., Jr., [redacted].
Briscoe, John R., [redacted].
Britt, Paul S., [redacted].
Britt, Ronald P., [redacted].
Britton, Delford G., [redacted].
Brock, Gerald L., [redacted].
Brock, Harvey T., Jr., [redacted].
Brockman, Charles D., [redacted].
Brockman, Leslie R., [redacted].
Brodak, John W., [redacted].
Broening, Gerald F., [redacted].
Broerman, Ramon K., [redacted].
Broestler, Robert H., [redacted].
Bromiley, William R., [redacted].
Bronnenberg, Gerald E., [redacted].
Brooks, James R., [redacted].
Brooks, John F., [redacted].
Brooks, Ronald B., [redacted].
Brooks, Thomas A., [redacted].
Brosveen, Douglas A., [redacted].
Brothers, John N., [redacted].
Brothers, Walter L., [redacted].
Brower, George, [redacted].
Brown, Anthony K., [redacted].
Brown, Charles R., Jr., [redacted].
Brown, Christopher H., [redacted].
Brown, Donald S., Jr., [redacted].
Brown, Ernest H., [redacted].
Brown, Guy E., II, [redacted].
Brown, Harold J., [redacted].
Brown, James W., [redacted].
Brown, Jerald A., [redacted].
Brown, Jerry E., [redacted].
Brown, John D., [redacted].
Brown, Phillip W., [redacted].
Brown, Richard D., [redacted].
Brown, Richard H., [redacted].
Brown, Richard L., [redacted].
Brown, Richard M., [redacted].
Brown, Richard M., [redacted].
Brown, Robert C., [redacted].
Brown, Ronald, [redacted].
Brown, Wesley, [redacted].
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Donahue, Leo F., [redacted].
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Doty, Mickey D., [redacted].
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Fisher, Tatom A., [redacted].
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Formica, Richard J., Jr. [redacted].
Forrest, Gary F., II, [redacted].
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Meads, Laster B., [redacted].
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Medina, Jon E., [redacted].
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Neighbors, Gary L., [redacted].
Neill, William H., Jr., [redacted].
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Noe, John T., [redacted].
Noell, Nelson H., [redacted].
Nogaki, Warren S., [redacted].
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Noll, David J., [redacted].
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Noon, Milford L., Jr., [redacted].
Noonan, Herbert I., [redacted].
Nordan, Curtis R., Jr., [redacted].
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Nordman, Vernon H. D., [redacted].
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North, James C., [redacted].
Norwood, Frank V., [redacted].
Nottingham, Wesley D., [redacted].
Novak, John C., [redacted].
Nowak, James E., [redacted].
Nowak, John M., [redacted].
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Nuccio, Antonio J., [redacted].
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Ohman, Nils B., [redacted].
Ohr, Kenneth J., [redacted].
Olansen, John B., Jr., [redacted].
Oldham, Albert T., [redacted].
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Potter, Robert K., [redacted].
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Prince, Samuel M. O., [redacted].
Pritchard, Gary K., [redacted].
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Proctor, Cortez A., [redacted].
Proffitt, Thomas O., [redacted].
Proteau, Robert L., [redacted].
Provines, James L., II, [redacted].
Prows, Lee S., [redacted].
Pruden, Ronald R., [redacted].
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Pullium, Jerry C., [redacted].
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Wietting, Richard L., [redacted]
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Wiggen, Gerald F., [redacted]
Wigglesworth, George E., Jr., [redacted]
Wiggs, David L., [redacted]
Wilder, Phillip D., [redacted]
Wilder, William M., III, [redacted]
Wilhelm, James J., [redacted]
Wilhelm, James L., [redacted]
Wilhelm, John P., [redacted]
Wilkins, Donald A., [redacted]
Wilkins, Kermit D., [redacted]
Willard, John D., Jr., [redacted]
Williams, Carl E., [redacted]
Williams, Clarence R., [redacted]
Williams, David M., [redacted]
Williams, David O., [redacted]
Williams, Douglas D., [redacted]
Williams, Francis F., Jr., [redacted]
Williams, Gary K., [redacted]
Williams, Harold E., [redacted]
Williams, Jan K., [redacted]
Williams, Jimmy L., [redacted]
Williams, Merle R., Jr., [redacted]
Williams, Robert J., [redacted]
Williamson, Fred H., Jr., [redacted]
Williamson, Gary T., [redacted]
Williamson, George L., III, [redacted]
Willis, John W., Jr., [redacted]
Willman, Gary L., [redacted]
Wilson, Arthur J., III, [redacted]
Wilson, Charles R., [redacted]
Wilson, Dwight F., [redacted]
Wilson, Franklin E., [redacted]
Wilson, Fred A., Jr., [redacted]
Wilson, Gerald P., [redacted]
Wilson, Harry F., Jr., [redacted]
Wilson J. Leon, [redacted]
Wilson, Jack G., [redacted]
Wilson, James A., Jr., [redacted]
Wilson, James F., [redacted]
Wilson, James R., [redacted]
Wilson, John H., [redacted]
Wilson, John H., [redacted]
Wilson, John L., [redacted]
Wilson, Joseph W., [redacted]
Wilson, Kennedy B., [redacted]
Wilson, Larry A., [redacted]
Wilson, Larry D., [redacted]
Wilson, Larry J., [redacted]
Wilson, Lyle E., [redacted]
Wilson, Marion G., [redacted]
Wilson, Murle A., [redacted]
Wilson, Robert E., [redacted]
Wilson, Thomas A., [redacted]
Wilson, Thomas L., [redacted]
Wilson, William E., [redacted]
Wiltrout, Boyce W., [redacted]
Wimberly, Charles H., [redacted]
Wimsett, Kurtis B., [redacted]
Winburn, Clifford L., [redacted]
Windey, John L., [redacted]
Windham, Clifton T., [redacted]
Wineteer, Stephen A., [redacted]
Wingo, Jon L., [redacted]
Winkelmann, Marvin B., [redacted]
Winkler, Anthony J., [redacted]
Winland, Gene E., [redacted]
Winn, Robert C., [redacted]
Winstead, Robert L., [redacted]
Winston, John T., [redacted]
Winzell, James R., [redacted]
Wirtanen, Dalton N., [redacted]
Wisely, Fred H., [redacted]
Wiser, Joe B., [redacted]
Wisler, Richard A., [redacted]
Withee, Harmon T., [redacted]
Withers, James A., [redacted]
Witt, Lawrence V., Jr., [redacted]
Wittekind, Robert L., [redacted]
Wojciechowski, William A., [redacted]
Wojcik, Richard G., [redacted]
Wojtusik, Thaddeus, [redacted]
Wolf, Allen E., [redacted]
Wolf, Charles R., [redacted]
Wolf, Richard A., [redacted]
Wolfe, Bruce R., [redacted]
Wolfe, John D., [redacted]
Wollam, Daniel L., [redacted]
Wong, Wendell M. Y., [redacted]
Wood, Arthur B., [redacted]
Wood, Daniel L., [redacted]
Wood, Daryl P., [redacted]
Wood, John D., [redacted]
Wood, Thomas W., [redacted]

Woodard, Darrell D., [redacted].
Woodard, Robert L., Jr., [redacted].
Woods, Edward, [redacted].
Woods, William J., [redacted].
Woodson, Murphy A., [redacted].
Woody, James P., [redacted].
Wooldridge, Dale A., [redacted].
Woolsey, Donald E., [redacted].
Workman, Joseph P., [redacted].
Wormser, Owen H., [redacted].
Worrell, Bruce, Jr., [redacted].
Worthington, Charles G., [redacted].
Worthington, Walter T., [redacted].
Worthington, William L., Jr., [redacted].
Worthy, Howard R., [redacted].
Wrenn, James E., [redacted].
Wright, Bobby R., [redacted].
Wright, David K., [redacted].
Wright, George F., [redacted].
Wright, James H., Jr., [redacted].
Wright, John J., Jr., [redacted].
Wright, Leonard L., [redacted].
Wright, Lyle H., [redacted].
Wright, Richard P., [redacted].
Wright, Robert M., [redacted].
Wrinkle, Frederick R., [redacted].
Writer, Lawrence D., [redacted].
Wrobel, John E., Jr., [redacted].
Wuest, William A., [redacted].
Wusk, Larry L., [redacted].
Wyatt, Ralph, E., [redacted].
Wyckoff, Robert A., [redacted].
Wylie, John H., Jr., [redacted].
Wynn, Franklin L., [redacted].
Yalch, William A., [redacted].
Yannarella, Anthony M., [redacted].
Yarborough, Donald E., [redacted].
Yeckley, John K., [redacted].
Yee, Dennis K., [redacted].
Yelvington, William M., [redacted].
Yocum, Allen, [redacted].
Yohe, Wayne I., [redacted].
York, Yayne P., [redacted].
Young, Billie N., [redacted].
Young, Eugene J., II, [redacted].
Young, Frank W., [redacted].
Young, George C., Jr., [redacted].
Young, James B., [redacted].
Young, James D., [redacted].
Young, Jerry D., [redacted].
Young, Jimmie D., [redacted].
Young, Larry N., [redacted].
Young, Leroy C., [redacted].
Young, Richard E., [redacted].
Young, Thomas W., [redacted].
Young, William J., [redacted].
Youngblood, Jackie R., [redacted].
Youngblood, Winston R., [redacted].
Younger, Jey E., III, [redacted].
Younglove, Gary D., [redacted].
Yuss, Frederick L., [redacted].
Zachary, Frank E., [redacted].
Zadra, Jon A., [redacted].
Zak, Joseph A., [redacted].
Zaleski, Joseph R., [redacted].
Zamora, Alonso G., Jr., [redacted].
Zamora, Raul, [redacted].
Zang, Robert A., [redacted].
Zaring, Robert K., [redacted].
Zaruccchi, Leroy D., [redacted].
Zehrer, Frederick A., III, [redacted].
Zelinka, Joseph J., [redacted].
Zeltman, Francis E., Jr., [redacted].
Zern, Richard A., [redacted].
Zick, Karl F., [redacted].
Ziebold, Ronald J., [redacted].
Zieg, Duane H., [redacted].
Ziegler, Byron J., [redacted].
Zielinski, Edward J., Jr., [redacted].
Ziemer, Thomas F., [redacted].
Zimmer, Donald E., [redacted].
Zimmerman, John E., [redacted].
Zimmerman, John F., [redacted].
Zimmerman, Jon C., [redacted].
Zimmerman, Larry L., [redacted].
Zimmerman, Richard L., [redacted].
Zimmerman, Robert K., [redacted].
Zimmermane, Frank S., [redacted].
Zmuda, Joseph F., Jr., [redacted].
Zoeller, Roger J., [redacted].
Zoes, Frederick E., [redacted].

Zuberbuhler, Rudolph U., [redacted].
Zucchetti, Roberto, [redacted].
Zumbro, Paul E., [redacted].
Zumwalt, James F., [redacted].
Zurla, Charles F., Jr., [redacted].
Zwolinsky, Ronald J., [redacted].

CHAPLAIN CORPS

Arnold, Charles L., [redacted].
Barber, Gary D., Sr., [redacted].
Barr, Russell W., [redacted].
Bogaard, Calvin L., [redacted].
Bonath, Harold D., [redacted].
Boyles, Lemuel M., [redacted].
Brodeur, Richard E., [redacted].
Burnette, Robert B., [redacted].
Burt, Gene E., [redacted].
Christianson, Thomas N., [redacted].
Coltharp, Bruce R., [redacted].
Dane, Warren T., [redacted].
Dickey, Richard J., [redacted].
Drag, Rayner R., [redacted].
Eustes, Alfred W., Jr., [redacted].
Foster, Lowel D., [redacted].
Foxworthy, Paul D., [redacted].
Fruechte, Leland L., [redacted].
Gallagher, Ronald E., [redacted].
Geiss, Harold G., [redacted].
Geller, Selwyn G., [redacted].
Gervais, Guy J., [redacted].
Grosse, David G., [redacted].
Hansen, Peter M., [redacted].
Harlin, Donald J., [redacted].
Heather, Thomas V., [redacted].
Hellstern, John R., [redacted].
Holtzclaw, Morris J., [redacted].
Hunter, Donald E., [redacted].
Hutsler, Charles R., [redacted].
Kennedy, Clayton M., [redacted].
Kinsey, Hugh R., [redacted].
Lee, William L., [redacted].
Luck, Robert O., [redacted].
Mattox, William H., [redacted].
McIntosh, Gene K., [redacted].
Mellott, Howard V., [redacted].
Millsaps, James W., [redacted].
Morgan, Hugh H., [redacted].
Nadine, Jerome E., [redacted].
North, James J., Jr., [redacted].
Ofsdahl, Donald C., [redacted].
Reilly, F. Joseph, [redacted].
Renne, Eric S., [redacted].
Schuermann, William S., [redacted].
Skipper, Bryant R., [redacted].
Soland, John D., [redacted].
Strickhausen, Leslie W., [redacted].
Swanson, Richard A., [redacted].
Wilson, Donald L., [redacted].
Zimbrick, Edward C., [redacted].

DENTAL CORPS

Almquist, Theodore C., [redacted].
Andres, Carl J., [redacted].
Anselmo, Joseph A., [redacted].
Arnold, Ralph M., [redacted].
Beidler, Donald B., [redacted].
Bochenko, Thomas J., [redacted].
Brannon, Robert B., [redacted].
Colburn, James F., [redacted].
Couture, Paul P., [redacted].
Cronin, Robert J., Jr., [redacted].
Dettmann, Darryl D., [redacted].
Dewitt, Dennis H., [redacted].
Donahue, Robert L., [redacted].
Dufrane, Michael H., [redacted].
Gound, Tom G., [redacted].
Harrell, Connie J., [redacted].
Harrold, Charles Q., [redacted].
Hedrick, Michael C., [redacted].
Hill, Robert L., [redacted].
Huff, Thomas L., [redacted].
Kaiser, David A., [redacted].
Kizzie, Anderson, [redacted].
Kleinstub, Paul H., [redacted].
Knowles, Kenneth I., [redacted].
Masin, William J., [redacted].
Matranga, Luke F., Jr., [redacted].
Milnarik, Ronald M., [redacted].
Monske, Lane A., [redacted].
Moretsky, Howard, [redacted].
Morlang, William M., II, [redacted].
Nosworthy, Donald G., [redacted].

Sandusky, William J., [redacted].
Sand, Lawrence N., [redacted].
Schutt, Norman L., [redacted].
Sekavec, Jay G., [redacted].
Smith, Jared H., [redacted].
Solberg, Peter E., [redacted].
Staup, James C., Jr., [redacted].
Storby, Gene L., [redacted].
Strosnider, Roger K., [redacted].
Studt, Kurt H., [redacted].
Tuchten, Alan R., [redacted].
Vanasma, Kenneth L., [redacted].
Wells, Thomas J., [redacted].
Young, Stephen L., [redacted].

JUDGE ADVOCATE

Adams, Andrew J., Jr., [redacted].
Angle, Swanson W., [redacted].
Barrow, James R., [redacted].
Bourassa, Clarence E., [redacted].
Brothers, Charles A., [redacted].
Buck, David P., [redacted].
Burgan, Jack A., [redacted].
Canellos, Ernest C., [redacted].
Carter, Alfred W., [redacted].
Chadwell, Claude C., [redacted].
Churchill, James M., [redacted].
Cutts, John A., III, [redacted].
Dranttel, Jack G., [redacted].
Dugmore, Kent C., [redacted].
Erickson, Charles E., [redacted].
Forbes, Stuart R., [redacted].
Fries, Ralph R., [redacted].
Fullem, Donald R., [redacted].
Giaimo, Christopher J., [redacted].
Goldman, Donald I., [redacted].
Gooding, Theodore J., [redacted].
Graham, Jeffrey M., [redacted].
Grebeldinger, Nicholas, Jr., [redacted].
Greenberg, Harvey, [redacted].
Hardin, Charles V., [redacted].
Harris, Theophilus I., III, [redacted].
Hemingway, Thomas L., [redacted].
Honn, Carver E., [redacted].
Howell, John E., [redacted].
Hume, Edward C., [redacted].
Jahnke, Lawrence E., [redacted].
Joyce, Kenneth G. B., [redacted].
Lacy, Mell J., Jr., [redacted].
Lamport, Joe R., [redacted].
Larson, Robert V., [redacted].
Losey, Franklin W., [redacted].
Luna, Franklin A., [redacted].
May, Robert A., Jr., [redacted].
Norris, Richard N., [redacted].
Olson, Dennis L., [redacted].
Penater, Robert F., [redacted].
Phillips, William R., [redacted].
Raichle, Mildred L., [redacted].
Richards, Robert M., [redacted].
Rubin, Alan J., [redacted].
Sklute, Nolan, [redacted].
Spillman, Barton L., [redacted].
Stephenson, Gilbert D., [redacted].
Stevenson, Charles E., Jr., [redacted].
Stine, Alan C., [redacted].
Stuart, Haral L., [redacted].
Sullivan, David F., Jr., [redacted].
Thompson, Russell D., [redacted].
Thornton, John C., [redacted].
Waitman, Lemuel R., [redacted].
Weir, Donald E., [redacted].
Wright, Franklin E., [redacted].
Yagley, John A., III, [redacted].

MEDICAL CORPS

Applestein, Bruce, [redacted].
Armstrong, Rafael B., [redacted].
Battaglia, Carl J., [redacted].
Behringer, Blair R., [redacted].
Beman, John W., Jr., [redacted].
Bisgard, Jay C., [redacted].
Bitseff, Edward L., [redacted].
Boddie, Arthur W., Jr., [redacted].
Boydstun, James A., [redacted].
Buttemiller, Robert, [redacted].
Cabreraramirez, Lorenzo, [redacted].
Calico, Forrest W., [redacted].
Carretta, Robert F., [redacted].
Claflin, Dale G., [redacted].
Creasy, James K., [redacted].
Crow, Joe W., [redacted].

Dean, Gilbert O., Jr., [redacted].
Delmonico, Richard H., [redacted].
Diorio, David A., [redacted].
Dumas, Paul A., [redacted].
Eady, John L., [redacted].
Froelicher, Victor F., Jr., [redacted].
Gaines, Larry S., [redacted].
Giller, Walter J., Jr., [redacted].
Grant, William M., [redacted].
Harford, Francis J., Jr., [redacted].
Harmon, Lloyd C., [redacted].
Harris, Gary D., [redacted].
Harvey, William T., [redacted].
Hawley, William J., [redacted].
Heffron, John P., [redacted].
Hemming, Val G., [redacted].
Henrikson, Ronald A., [redacted].
Hinzman, Gary W., [redacted].
Howard, Cleve W., [redacted].
Huey, James R., Jr., [redacted].
Hughes, Thomas J., [redacted].
Jecha, Larry D., [redacted].
Jenkins, Douglas W., Jr., [redacted].
Johnson, Albert, Jr., [redacted].
Kennedy, James J., III, [redacted].
Kercher, Eugene E., [redacted].
Klein, Michael R., Jr., [redacted].
Koskinen, Kenneth R., [redacted].
Lehmiller, David J., [redacted].
Lentz, Gary D., [redacted].
Manning, Larry G., [redacted].
Martin, Harvey C., [redacted].
Martineztirado, Jose L., [redacted].
Maulsby, Gilbert D., [redacted].
McConnell, Whitman E., [redacted].
Mitchell, Don Q., [redacted].
Morellmachado, Rene, [redacted].
Murphy, Jerry L., [redacted].
Murphy, Matthew P., II, [redacted].
Nielsen, Mark W., [redacted].
Novicki, Donald E., [redacted].
Olson, Barry E., [redacted].
Olson, James E., [redacted].
Osteen, Frank B., [redacted].
Pearson, Harve D., [redacted].
Posey, William C., [redacted].
Ragsdale, Vernice D., [redacted].
Reaves, Charles E., [redacted].
Riherd, Leslie M., Jr., [redacted].
Rundell, William K., Jr., [redacted].
Russell, David A., [redacted].
Siegel, Donald C., [redacted].
Simpson, Charles L., [redacted].
Sorrells, Timothy L., [redacted].
Thomas, Hollis A., Jr., [redacted].
Trabalsantos, Jose F., [redacted].
Ulrich, Richard A., [redacted].
Wagner, James D., II, [redacted].
Walchner, Andreas M., [redacted].
Warren, M. Charles, Jr., [redacted].
Wasserman, James M., [redacted].
Wellman, John, [redacted].
Wells, David M., [redacted].
Welsh, George F., [redacted].
West, Gary W., [redacted].
Westra, John P., [redacted].
Wheeler, Ralph A., [redacted].
Wiley, John K., [redacted].
Williams, Charlie B., Jr., [redacted].

NURSE CORPS

Adkins, Leona F., [redacted].
Aris, Bernice M., [redacted].
Beaugez, Annette M., [redacted].
Blanchard, Charles C., III, [redacted].
Bobko, Stephen E., [redacted].
Brant, Alice M., [redacted].
Breasure, Margaret E., [redacted].
Brillhart, Rita A., [redacted].
Bruder, Rose R., [redacted].
Burwell, Dawn R., [redacted].
Carlson, David J., [redacted].
Chenoweth, Theresa E., [redacted].
Coots, Donna D., [redacted].
Courter, Janice K., [redacted].
Danhof, Roger J., [redacted].
Dashner, Linda L., [redacted].
Dellesky, Mary A. L., [redacted].
Diem, Betty I., [redacted].
Duerksen, David W., [redacted].
Eliseo, Irene J., [redacted].
Engel, Dallas D., [redacted].
Farrell, Barbara L., [redacted].
Fisher, Ann L., [redacted].
Ganser, Carol A., [redacted].
George, Mary M., [redacted].
Goins, Phyllis N., [redacted].
Goodwin, Barbara A., [redacted].
Hagan, Faye T., [redacted].
Hall, Jerrie J., [redacted].
Hartwick, Rayna L., [redacted].
Havens, Mary L., [redacted].
Heacock, Susan K., [redacted].
Hines, Bertha J., [redacted].
Holtz, Jerry G., [redacted].
Hoy, James R., [redacted].
Hunt, Maureen A., [redacted].
Irish, William R., [redacted].
Klecka, Dorothy M., [redacted].
Kurt, Jerome C., [redacted].
Last, Geraldine M., [redacted].
Lester, Jeanne A., [redacted].
Lorzing, Katheryn A., [redacted].
Lucisano, Michael J., [redacted].
Lumpe, Albert, Jr., [redacted].
Luttman, Phyllis A., [redacted].
Maley, Mary F., [redacted].
Manns, Joan M., [redacted].
Marick, Thomas D., [redacted].
Martin, Evalyn M., [redacted].
Matt, Lois A., [redacted].
Mayer, Margaret A., [redacted].
McCleary Carol M., [redacted].
McEntee, June E., [redacted].
Messer, Marsha L., [redacted].
Morrison, Suzanne E., [redacted].
Munro, Jean A., [redacted].
Nathan, John G., [redacted].
Nolan, James P., Jr., [redacted].
Notter, Charlotte L., [redacted].
Novak, John F., [redacted].
Ollino, Titu, [redacted].
Orack, Mary J., [redacted].
Overton, Dale H., [redacted].
Payton, Ruth G., [redacted].
Pearcy, David A., [redacted].
Phillips, Georgia E., [redacted].
Piper, Doris A., [redacted].
Pocoski, Cecelia C., [redacted].
Powers, Helen A., [redacted].
Priddy, Billy G., [redacted].
Reimann, Lawrence L., [redacted].
Reynolds, Zelma W., [redacted].
Richardson, Kenneth W., [redacted].
Rieck, Gwendolyn A., [redacted].
Roach, Nellie M., [redacted].
Savoy, Grace L., [redacted].
Scaccia, James M., [redacted].
Schaefer, Joanne L., [redacted].
Steadman, Barbara J., [redacted].
Teesdale, Thomas E., [redacted].
Tegen, Pacita C., [redacted].
Treisch, Mary E., [redacted].
Tuck, Robert R., [redacted].
Wachtel, Juddie L., [redacted].
Wallace, Clara B., [redacted].
Warren, Judith N., [redacted].
Weatherford, Sara E., [redacted].
Welch, Ella L., [redacted].
Wilder, William M., [redacted].
Wilkerson, Eleanor R., [redacted].
Williams, Patricia L., [redacted].
Wilson, Charles L., [redacted].
Woodruff, Dorothy D., [redacted].
Wyatt, Betty J., [redacted].
Wyman, Craig A., [redacted].
Young, Willie E., [redacted].
Zorza, Paul M., [redacted].

MEDICAL SERVICE CORPS

Armentrout, Stacy B., [redacted].
Armstrong, George M., III, [redacted].
Batch, Larry L., [redacted].
Begin, Joseph L., [redacted].
Boglin, William N., [redacted].
Bohannon, Richard L., Jr., [redacted].
Borngasser, Frederick J., [redacted].
Bowker, Charles S., [redacted].
Cadenhead, Charles C., [redacted].
Carota, Richard J., [redacted].
Currier, Thomas J., [redacted].
Dyer, Richard F., [redacted].
Elias, Edward E., [redacted].
Fox, David M., [redacted].
Frazier, Charles L., [redacted].
Gibson, Reginald P., [redacted].
Giovale, Joseph J., [redacted].
Green, Kenneth E., [redacted].
Gregg, Bruce P., Jr., [redacted].
Grinstaff, Harold W., [redacted].
Handley, James G., [redacted].
Harsanyi, Charles A., [redacted].
Hughes, Gerald E., [redacted].
Inman, Gilbert R., [redacted].
Iott, Robert O., [redacted].
Johnston, Hubert L., [redacted].
Jonas, Stephen A., Jr., [redacted].
Kimball, Ronald M., [redacted].
King, James L., [redacted].
Lakey, Gene A., [redacted].
Landry, Francis J., [redacted].
Lawrence, Charles W., Jr., [redacted].
Leslie, James D., III, [redacted].
Magee, Denis F., [redacted].
Manderfield, Nicholas W., [redacted].
McCann, Ray E., [redacted].
McClain, Harry C., Jr., [redacted].
Milkevitch, Joseph J., [redacted].
Mills, Robert L., [redacted].
Milstone, Seymour, [redacted].
Moore, Gary A., [redacted].
Notdurft, Norman E., [redacted].
Oconnor, Daniel W., [redacted].
Ohop, Paul A., [redacted].
Rasco, William D., [redacted].
Redfield, Richard E., [redacted].
Reilly, Neil B., [redacted].
Rolfes, George C., [redacted].
Roundtree, Lester J., [redacted].
Rowe, Bobby G., [redacted].
Rutledge, Philip E., [redacted].
Scarbrough, Jessie F., [redacted].
Smith, George D., [redacted].
Stanley, George H., [redacted].
Stone, Carl P., [redacted].
Stover, William L., [redacted].
Tenbarge, Ronald W., [redacted].
Terry, Charles R., [redacted].
Upton, Charles R., [redacted].
Ussery, Bobby G., [redacted].
Wilson, John G., [redacted].
Winslow, Stanley R., [redacted].
Wisner, Preston H., [redacted].

VETERINARY CORPS

Adams, George E., [redacted].
Amster, Robert L., [redacted].
Ayers, Kenneth M., [redacted].
Butts, Donald W., [redacted].
Cordts, Robert E., [redacted].
David, Tony D., [redacted].
Davis, Jerry W., [redacted].
Hall, Allen III, [redacted].
Irving, George W., III, [redacted].
Jessop, Morris E., Jr., [redacted].
Mammeli, Bruce H., [redacted].
May, James O., [redacted].
Rogers, James E., [redacted].
Slemons, Richard D., [redacted].
Sullivan, Raymond E., [redacted].
Thalken, Charles E., [redacted].
Toft, John D., II, [redacted].
Wiesenfeld, David S., [redacted].

BIOMEDICAL SCIENCE

Behling, Edward A., [redacted].
Blochberger, Charles W., Jr., [redacted].
Bryan, Ralph J., [redacted].
Buchenauer, Robert L., [redacted].
Cheek, Chandler S., [redacted].
Cooper, Thomas H., [redacted].
Cox, Philip B., [redacted].
Crissup, Larry A., [redacted].
Crowley, Peter A., [redacted].
Dobbs, Carroll R., [redacted].
Eiles, Richard R., [redacted].
Falconer, Dennis D., [redacted].
Fallon, Paul F., [redacted].
Floyd, David R., [redacted].
Gibeau, John K., [redacted].
Graham, Richard W., [redacted].
Graham, Roger B., [redacted].
Green, Jesse L., [redacted].

Haddon, Rayburn S., III, [redacted].
Harrah, Cariold B., [redacted].
Hughes, David P., [redacted].
Kammeier, Richard A., [redacted].
Lacoe, Robert E., [redacted].
Lefebvre, Edward E., [redacted].
Logsdon, Donald F., Jr., [redacted].
McGhee, Wyatt L., [redacted].
Mikesell, George W., Jr., [redacted].
Milner, Eldon S., [redacted].
Myers, Stuart S., [redacted].
O'Brien, Patrick J., [redacted].
Pfoff, Billy J., [redacted].
Pletcher, Eugene V., [redacted].
Provines, Wayne F., [redacted].
Rodes, Grover C., [redacted].
Rodriguez, Virginia L., [redacted].
Schleifer, Fred S., [redacted].
Schneider, Robert F., [redacted].
Sheffield, Paul J., [redacted].
Stayman, Herman L., [redacted].
Strate, Robert D., [redacted].
Thomas, Jerry F., [redacted].
Trusty, Ronald D., [redacted].
Ward, Edward R., Jr., [redacted].
Wooten, Alvin J., [redacted].

In the Army

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of Title 10, Sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Abelt, Billy J., [redacted].
Abel, James F., Jr., [redacted].
Adams, Charles L., [redacted].
Agostinelli, Nathan, [redacted].
Aguirre, Arturo R., [redacted].
Aisner, Jason A., [redacted].
Aldridge, Jack D., [redacted].
Alford, Henry S., [redacted].
Allen, Leslie E., [redacted].
Allen, Paul A., [redacted].
Allred, James N., [redacted].
Allred, Leonard W., [redacted].
Alonzo, William, [redacted].
Ambrose, Aloysius J., [redacted].
Anderson, Donald R., [redacted].
Anderson, Robert L., [redacted].
Anderson, Ronald M., [redacted].
Andrews, John, [redacted].
Andrews, William S., [redacted].
Anness, Lowell H., [redacted].
Arnold, Warren A., [redacted].
Askew, Vernon E., [redacted].
Atkins, Raymond D., [redacted].
Aubin, Edward G., Jr., [redacted].
Augspurger, W. H., [redacted].
Backer, Ronald D., [redacted].
Bacon, Frank C., Jr., [redacted].
Bacon, Myron L., Jr., [redacted].
Bado, John R., [redacted].
Baird, Robert W., [redacted].
Baker, James F., [redacted].
Baker, Joseph H., Jr., [redacted].
Baldwin, James A., [redacted].
Ball, Richard F., [redacted].
Banik, Clinton E., Jr., [redacted].
Barbosa, Guillermo, [redacted].
Barnett, John C., [redacted].
Barnette, Melvin E., [redacted].
Barns, Jay M., [redacted].
Barrett, Edwin C., [redacted].
Barrett, Kenneth M. [redacted].
Barris, Seymour B., [redacted].
Bartell, Robert E., [redacted].
Barton, James R., [redacted].
Bass, Thomas H., [redacted].
Bauer, Erwin F., [redacted].
Bauer, George V., [redacted].
Baumgartner E., [redacted].
Beach, Richard S., [redacted].
Beavers, Fred C., [redacted].
Beery, Ralph H., Jr., [redacted].
Bennam, Fred G., III, [redacted].
Bennett, George T., [redacted].
Bennett, Wilmer L., [redacted].
Benson, Daniel G., [redacted].
Bentley, Thomas N., [redacted].
Bernier, Charles M., [redacted].
Bich, Edward G., [redacted].
Biedermann, K. P., [redacted].
Bissell, Allen H., [redacted].
Bissell, William M., [redacted].
Black, Averill L., [redacted].
Black, Robert L., [redacted].
Blunt, Roger R., [redacted].
Bodroghy, Robert F., [redacted].
Boldway, Francis W., [redacted].
Boltz, John D., [redacted].
Bond, James D., [redacted].
Bond, Jay R., [redacted].
Bondi, Fred, Jr., [redacted].
Bonnet, Harry M., [redacted].
Boothe, Stanley R., [redacted].
Bork, Nathan A., [redacted].
Bosse, Worrell C., [redacted].
Boucher, George V., [redacted].
Bourgeois, T. A., [redacted].
Boutilier, Richard, [redacted].
Bowden, Joseph H., [redacted].
Bowen, Charles A., [redacted].
Bowles, J. W., Jr., [redacted].
Bowman, James W., [redacted].
Bradshaw, W. H., [redacted].
Bragdon, J. R., [redacted].
Branch, Marion S., [redacted].
Brand, Thomas B., [redacted].
Brice, Forrest W., [redacted].
Briscoe, Carl E., [redacted].
Brna, Theodore G., [redacted].
Brookshire, John H., [redacted].
Browning, C. B., [redacted].
Broyles, Walter H., [redacted].
Brunton, Robert G., [redacted].
Bullard, Dan, [redacted].
Buonaiuto, John A., [redacted].
Burkhalter, S. C., [redacted].
Bush, Ellsworth M., [redacted].
Byford, W. J., [redacted].
Cain, James M., [redacted].
Cain, Jason H., [redacted].
Calhoun, Joseph C., [redacted].
Cameron, Harold G., [redacted].
Cannon, Ralph O., [redacted].
Carey, Robert L., [redacted].
Carpenter, Claude B., [redacted].
Carr, Arthur F., [redacted].
Carranza, Jesus, [redacted].
Carroll, Howard, [redacted].
Carson, Carl G., [redacted].
Casaus, Isidore M., [redacted].
Chandler, Earl R., Jr., [redacted].
Chiarella, John G., [redacted].
Chiles, James B., [redacted].
Churchill, Leonard K., [redacted].
Clair, Douglas H., [redacted].
Clark, Joseph P., [redacted].
Clesh, Carl F., [redacted].
Clifford, John D., [redacted].
Clorman, Bernard R., [redacted].
Coates, George M., Jr., [redacted].
Cochran, Bobby L., [redacted].
Cochran, George A., [redacted].
Cochrane, Alan D., II, [redacted].
Cockett, Irwin K., [redacted].
Cody, Grady R., [redacted].
Coggin, John R., Jr., [redacted].
Coker, Bobby L., [redacted].
Colberg, Richard G., [redacted].
Cole, Leonard W., [redacted].
Coleman, James M., [redacted].
Collazo, Juan N., [redacted].
Colwell, Richard J., [redacted].
Combs, Frederick Z., [redacted].
Compton, George L., [redacted].
Compton, James R., [redacted].
Connall, Desmond D., [redacted].
Connolly, George P., [redacted].
Cook, Everett J., [redacted].
Cooke, Desales A., [redacted].
Cordero, Cesar N., [redacted].
Corley, Finis J., [redacted].
Cornforth, Harold, [redacted].
Cousin, Thomas L., [redacted].
Cox, Raleigh S., [redacted].
Coyle, James J., [redacted].
Craft, Joseph R., [redacted].
Crain, Melvin J., [redacted].
Crawford, James C., [redacted].
Creacy, James N., [redacted].
Creaser, Kenneth S., [redacted].
Creger, Clarence R., Jr., [redacted].
Crew, John L., [redacted].
Crockett, William F., [redacted].
Cronia, George S., [redacted].
Crosby, Joseph K., [redacted].
Crosta, Richard, [redacted].
Croteau, Leo H., [redacted].
Crow, Alfred G., [redacted].
Crowe, George F., [redacted].
Crowell, Oyln C., [redacted].
Crumpler, K. M., [redacted].
Culpepper, Julius M., [redacted].
Cuningham, A. M., [redacted].
Curtis, Byrd C., [redacted].
Cusack, Harry V. M., [redacted].
Dahlgren, Harry A., [redacted].
Dalston, Jeptha W., [redacted].
Darby, Thomas M., [redacted].
Dashiell, Philip V., [redacted].
Davis, Harley B., [redacted].
Davis, John R., [redacted].
Davis, Lowell M., [redacted].
Day, Richard K., [redacted].
Dehoff, George R., [redacted].
Deller, Austin F., [redacted].
Depasquale, A., [redacted].
De Shazo, J. J., Jr., [redacted].
Despain, W. J., [redacted].
Dethrow, William R., [redacted].
Deur, Gale A., [redacted].
Dickinson, George, [redacted].
Dickson, David F., [redacted].
Diego, John R., Jr., [redacted].
Dillon, James A., Jr., [redacted].
Dircks, Durwood W., [redacted].
Dison, Gordon N., [redacted].
Doebel, Paul J., Jr., [redacted].
Doerr, Lyle C., [redacted].
Dominguez, A. D., [redacted].
Donaldson, H. E., [redacted].
Dopson, William R., [redacted].
Doris, William E., [redacted].
Dospil, Robert A., [redacted].
Douglas, T. E. J., [redacted].
Dreger, W. T., III, [redacted].
Drennan, James H., [redacted].
Drummond, Darel W., [redacted].
Drury, Hazen R., [redacted].
Dubeau, Robert W., [redacted].
Dudas, Joseph F., [redacted].
Dufner, William A., [redacted].
Duller, Louis J., [redacted].
Dunn, Ernest M., [redacted].
Dupere, Robert J., [redacted].
Durham, Robert J., [redacted].
Durrett, Melvin K., [redacted].
Durrie, Harry L., [redacted].
Duval, Charles N., [redacted].
Dye, Joseph H., [redacted].
Eads, Ray A., [redacted].
Eason, Charles N., [redacted].
Eastmoore, E. L., [redacted].
Ebel, Wilfred L., [redacted].
Ebert, Harry W., [redacted].
Eckhart, Jonathan J. [redacted].
Eckman, Raphael G., [redacted].
Edwards, Eugene L., [redacted].
Egan, Ellis R., [redacted].
Ellington, James R., [redacted].
Elliott, Don R., [redacted].
Elliott, Francis S., [redacted].
Elliott, George E., [redacted].
Elliott, Raymond S., [redacted].
Engler, Paul B., [redacted].
Erwin, William L., [redacted].
Estrella, John R., [redacted].
Evans, Leroy R., [redacted].
Ewing, Douglas J., [redacted].
Farnsworth, Grant L., [redacted].
Farrior, Gilbert M., [redacted].
Farver, Boyd F., [redacted].
Fee, Ronald R., [redacted].
Fehskens, Edward H., [redacted].
Ferguson, Charles R., [redacted].
Fernandez, Eduardo, [redacted].
Fernandez-Munoz, E., [redacted].
Fessenden, Wayne B., [redacted].
Fields, Hayden S., [redacted].
Figueroa, Antonio, [redacted].
Figueroa-Laugier, [redacted].
Finch, John S., [redacted].

Finley, Roland L., [redacted].
Fischer, Robert T., [redacted].
Fish, Donald C., [redacted].
Fisher, Fred W., [redacted].
Fisk, Stanleigh K., [redacted].
Fitzgerald, Thomas, [redacted].
Flahive, Ronald J., [redacted].
Fleissner, Louis F., [redacted].
Fleming, Samuel E., [redacted].
Flores, Daniel T., [redacted].
Floyd, Philip A., [redacted].
Floyd, Robert D., [redacted].
Fontana, John, [redacted].
Fooshe, James F., III, [redacted].
Forberg, Joe A., [redacted].
Forde, Benjamin F., [redacted].
Forres, Stanley E., [redacted].
Foster, Ted D. D., Jr., [redacted].
Fourzan, Genaro, [redacted].
Foxworth, Donald L., [redacted].
Fraguada-Perez, J., [redacted].
Frandsen, Melvin V., [redacted].
Franz, Wallace P., [redacted].
Freeman, William R., [redacted].
Fuller, John G., [redacted].
Fuller, Melvin E., [redacted].
Fulmer, William W., [redacted].
Fulton, Burt J., [redacted].
Fuszard, Richard G., [redacted].
Fyfe, William W., [redacted].
Gafford, Leroy, [redacted].
Gailius, Arthur V., [redacted].
Gale, Daniel A., [redacted].
Galloway, Leo H., [redacted].
Galvin, John J., Jr., [redacted].
Gambs, C. R., Jr., [redacted].
Garman, G. M., II, [redacted].
Garner, William L., [redacted].
Garrison, John C., [redacted].
Gasperson, G. C., [redacted].
Gatcombe, Robert W., [redacted].
Geach, Stanley G., [redacted].
Geagan, Thomas F., [redacted].
Gearan, Donald V., [redacted].
Geary, Herbert J., [redacted].
Geith, Richard G., [redacted].
Gentry, James W., [redacted].
George, Donald A., [redacted].
Gerber, Ernest, [redacted].
Gerke, George L., [redacted].
Gerweck, Richard A., [redacted].
Getten, Theodore C., [redacted].
Gideon, Estel H., [redacted].
Giffin, Donald W., [redacted].
Girouard, Richard E., [redacted].
Glass, Floyd L., [redacted].
Glenn, James G., [redacted].
Goldebrg, Robert B., [redacted].
Golosov, Robert E., [redacted].
Gooderl, Robert L., [redacted].
Gorton, Merl D., [redacted].
Gosslee, Norman A., [redacted].
Graf, Arnold H., [redacted].
Graham, Foster J., [redacted].
Graham, Laurens R., [redacted].
Grant, Frederick W., [redacted].
Grant, Gordon M., [redacted].
Graybill, Wilbur R., [redacted].
Greek, C. E., III, [redacted].
Green, Donald C., [redacted].
Green, Donald R., [redacted].
Gregory, Richard J., [redacted].
Grek, Martin C., [redacted].
Grgich, Rudolph M., [redacted].
Grider, George E., [redacted].
Griffin, Billy J., [redacted].
Groce, James E., [redacted].
Groseclose, John K., [redacted].
Gross, Irving J., [redacted].
Grote, Stanley H., [redacted].
Grover, Bruce G., [redacted].
Guest, David R., [redacted].
Guin, Billy J., [redacted].
Guinn, Frank H., [redacted].
Guittard, George V., [redacted].
Gumm, William C., Jr., [redacted].
Gurny, Edward P., [redacted].
Gutterman, Kenneth [redacted].
Gwynn, Charles B., [redacted].
Hacke, John R., [redacted].
Hackley, B. E., Jr., [redacted].
Hahn, Robert E., [redacted].
Hall, John T., [redacted].
Hall, Russell C., [redacted].
Hamm, Erwin C., [redacted].
Harden, John M., [redacted].
Hare, George S., [redacted].
Hargis, Bernie S., [redacted].
Hargis, Elmer F., [redacted].
Harmison, Herbert A., [redacted].
Harmon, Robert C., [redacted].
Harris, Allen, [redacted].
Harris, W. F., Jr., [redacted].
Harroun, Jack T., [redacted].
Hastings, Joe F., [redacted].
Hauser, Charles N., [redacted].
Hawk, Gerald W., [redacted].
Hay, John L., [redacted].
Hayes, Alvin L., [redacted].
Hayes, Clifford J., [redacted].
Heins, Robert A., [redacted].
Henderson, Franklin, [redacted].
Henderson, Robert H., [redacted].
Henke, Kenneth C., Jr., [redacted].
Henry, Merlin L., Jr., [redacted].
Hermanson, H. L., [redacted].
Hess, Robert D., [redacted].
Hessmer, Charles W., [redacted].
Higgins, Hubert L., [redacted].
Hill, James C., [redacted].
Hill, James L., [redacted].
Hinkle, Robert D., [redacted].
Hinson, Donald L., [redacted].
Hobson, Bruce T., [redacted].
Holbrook, Francis J., [redacted].
Holck, Joseph, [redacted].
Holcomb, James W., [redacted].
Holder, Lee, [redacted].
Holman, Carson E. R., [redacted].
Hom, Benton W., [redacted].
Honore, William H., [redacted].
Hooper, John F., [redacted].
Hopper, Charles G., [redacted].
Hornsby, William A., [redacted].
Horseman, James A., [redacted].
Horton, Frank F., [redacted].
Hoskin, Donald L., [redacted].
Howard, Clarence I., [redacted].
Howell, Demont H., [redacted].
Howell, Marion L., [redacted].
Hubenka, Lloyd J., [redacted].
Huber, James J., [redacted].
Humble, Robert I., [redacted].
Hungate, Robert P., [redacted].
Hunt, Donald E., [redacted].
Hunter, Frank B., [redacted].
Hunter, Otis B., [redacted].
Hurley, Borromeo W., [redacted].
Hurston, William V., [redacted].
Hyatt, Thomas P., [redacted].
Ing, Melvin G., [redacted].
Iniguez, Joseph G., [redacted].
Innis, Robert E., [redacted].
Jackson, Arthur G., [redacted].
James, Robert D., [redacted].
James, Vernon E., [redacted].
Jarvis, Camie L., [redacted].
Jenkins, Charles R., [redacted].
Jenkins, Jerry A., [redacted].
Jenkins, John M., [redacted].
Jepsen, Richard L., [redacted].
Johnson, Burl M., [redacted].
Johnson, C. L. J., [redacted].
Johnson, Daniel B., [redacted].
Johnson, Gordon E., [redacted].
Johnson, Marvin G., [redacted].
Johnson, Ronald R., [redacted].
Johnson, Ruben H., [redacted].
Johnston, Bruce F., [redacted].
Jolly, David L., Jr., [redacted].
Jones, James W., [redacted].
Jones, S. W. J., [redacted].
Jordan, David F., [redacted].
Jordan, Henry J., [redacted].
Jordan, Lonnie C., [redacted].
Jordan, Richard P., [redacted].
Jorgenson, Bruce E., [redacted].
Justice, Carl M., [redacted].
Kader, Raymond A., [redacted].
Kaplan, Seymour, [redacted].
Karpinski, S. J., [redacted].
Karr, Dan E., [redacted].
Karrh, Tobe C., [redacted].
Katz, Jason H., [redacted].
Katz, Robert N., [redacted].
Kelly, Thomas H., [redacted].
Kelly, William J., [redacted].
Kennedy, Philip H., [redacted].
Kennedy, William V., [redacted].
Kerney, Thomas E., [redacted].
Kettle, Theodore C., [redacted].
Kincaid, Robert R., [redacted].
Kington, Donald M., [redacted].
Kinscherff, William, [redacted].
Kipple, Howard B., [redacted].
Klasen, Karl L., [redacted].
Klopfenstein, H., [redacted].
Koronkiewicz, Frank, [redacted].
Kottsick, Virgil R., [redacted].
Krevitsky, Simon C., [redacted].
Kruger, Donald G., [redacted].
Kuhn, Clarence N., [redacted].
Kuhn, Edward T., Jr., [redacted].
LaChance, Philip A., [redacted].
Lackey, Eldon L., [redacted].
Lacombe, Arlen E., [redacted].
Ladner, Fred S., Jr., [redacted].
Lambros, C., [redacted].
Lang, John D., [redacted].
Lankford, Joseph B., [redacted].
Lanterman, Richard, [redacted].
Lapsley, Donald G., [redacted].
Largent, Guinn C., [redacted].
Larsen, Kenneth G., [redacted].
Laubach, Dale O., [redacted].
Lavender, Beverly E., [redacted].
Lawrimore, B. S., [redacted].
Lawson, Robert L., [redacted].
Leatherwood, T. W., [redacted].
Leclair, Richard R., [redacted].
Lee, Luther E., [redacted].
Leonard, Hubert M., [redacted].
Lessig, George C., [redacted].
Lettre, Joseph A. M., [redacted].
Lewis, Charles E., [redacted].
Lewis, Thomas N., [redacted].
Liberatore, Carl A., [redacted].
Liebert, John E., [redacted].
Littlejohn, W. F., [redacted].
Livingston, Leonard, [redacted].
Livingstone, E. A., [redacted].
Lockmiller, Leanord, [redacted].
Loftis, Lloyd E., [redacted].
Lovett, Gerald A., [redacted].
Loy, William E., [redacted].
Luis, Thomas S., [redacted].
Luke, John B., [redacted].
Lusk, James G., [redacted].
Lusk, Robert E., [redacted].
Lynn, Kermit, [redacted].
Lyons, John F., [redacted].
Maddock, F. M., [redacted].
Maglin, Rudolph A., [redacted].
Magruder, Warren A. E., [redacted].
Mahling, William S., [redacted].
Mahoney, Joseph F., [redacted].
Mann, Dean D., [redacted].
Mann, Horace, III, [redacted].
Mansfield, Thomas H., [redacted].
Marasco, Joseph R., [redacted].
Markham, Jack W., [redacted].
Marsh, William D., [redacted].
Martin, Harold W., [redacted].
Mason, Donald L., [redacted].
Mason, George R., [redacted].
Matthews, Kenesaw M., [redacted].
May, James T., [redacted].
May, Patrick H., [redacted].
McAdams, Thomas W., [redacted].
McBride, James C., [redacted].
McCarthy, Clarence, [redacted].
McCarthy, Patrick J., [redacted].
McCormack, John V., [redacted].
McCuskey, Lowell R., [redacted].
McDonald, William J., [redacted].
McGoodwin, James B., [redacted].
McGovern, William, [redacted].
McGough, Hugh R., [redacted].
McKee, John W., [redacted].
McKee, Richard S., [redacted].
McLane, Gerald D., [redacted].

McLaughlin, H. C., [redacted].
McNeil, Norman H., [redacted].
McQuie, R. G., Jr., [redacted].
Meade, Roger F., [redacted].
Means, Robert R., [redacted].
Mecom, Philip H., Jr., [redacted].
Meilstrup, Jack M., [redacted].
Melnick, Arseny A., [redacted].
Meredith, Warren L., [redacted].
Meyers, Gerald F., [redacted].
Michaud, Alfred L., [redacted].
Michaud, Leo C., [redacted].
Miller, Alfred H., [redacted].
Miller, James R., [redacted].
Miller, James V., [redacted].
Miller, John R., [redacted].
Miller, Milton R., [redacted].
Miller, Paul F., [redacted].
Miller, Richard, [redacted].
Mills, William D., [redacted].
Milsak, Eugene N., [redacted].
Milton, Clifton F., [redacted].
Minges, P. S., Jr., [redacted].
Mitchell, James C., [redacted].
Mizell, Thomas G., [redacted].
Mohler, Robert L., [redacted].
Mohr, Charles G., [redacted].
Monteith, Lee E., [redacted].
Moon, John W., [redacted].
Moore, Harry L., [redacted].
Moran, Robert D., [redacted].
Morse, Guy P., [redacted].
Morse, Harris A., [redacted].
Mortimer, Wright J., [redacted].
Moscato, Roy R., [redacted].
Moseley, George H., [redacted].
Moss, Francis E., [redacted].
Mosser, Matthew J., [redacted].
Mott, James A., [redacted].
Mullins, Charles E., [redacted].
Munder, George K., [redacted].
Munger, John C., [redacted].
Murphy, John M., [redacted].
Murphy, M. V. J., [redacted].
Murphy, Richard A., [redacted].
Myers, Oliver W., [redacted].
Nakasone, Edwin M., [redacted].
Nash, John J., [redacted].
Natale, Umberto A., [redacted].
Nelson, Jerome M., [redacted].
Nelson, Rolf A., [redacted].
Nelson, William J., [redacted].
New, John C., Jr., [redacted].
Newman, Larry K., [redacted].
Newman, Thomas J., [redacted].
Nichol, Alexander J., [redacted].
Nichols, Robert G., [redacted].
Nichols, Thomas E. J., [redacted].
Nicholson, B. Jr., [redacted].
Nimtz, Roderick L., [redacted].
Nissley, Richard B., [redacted].
Nobles, Barney H., [redacted].
Nodgaard, Calvin C., [redacted].
Noel, Kennedy C., [redacted].
Nomey, Roy I., [redacted].
Norman, Davis E., [redacted].
Nunnally, Pete Jr., [redacted].
Odegard, Donald C., [redacted].
O'Donnell, Joseph R., [redacted].
Oehrle, Kenneth F., [redacted].
Ohlsen, Kermit H., [redacted].
Ohoro, James F., [redacted].
O'Neil, John J., [redacted].
Ostergaard R. N., [redacted].
Ostrander, Howard D., [redacted].
Otstot, Charles M., [redacted].
Ottusch, John J., [redacted].
Ouellette, Gaston L., [redacted].
Owens, Richard N., [redacted].
Palewicz, Richard A., [redacted].
Palmateer, Albert G., [redacted].
Palmore, Ralph L., [redacted].
Parcell, Raymond E., [redacted].
Parero, Edward L. Jr., [redacted].
Parham, Bobby T., [redacted].
Parks, James E., [redacted].
Parsons, Robert H., [redacted].
Patty, Giles W., [redacted].
Paulson, Theodore, [redacted].
Perkowski, Napoleon, [redacted].
Perry, Raymond C., [redacted].
Persons, Franklin M., [redacted].
Peters, Richard H., [redacted].
Peterson, Lloyd A., [redacted].
Pettit, Robert S., [redacted].
Pfister, Arthur E., [redacted].
Phillips, Carlton V., [redacted].
Phillips, Pete, [redacted].
Phillips, Thomas C., [redacted].
Pinckney, John C., [redacted].
Pleasant, Ernest H., [redacted].
Plemons, Hal Carrut, [redacted].
Potter, James M., [redacted].
Powers, John Y., [redacted].
Pownall, Robert E., [redacted].
Presley, Jack M., [redacted].
Price, Gordon T., [redacted].
Price, James B., [redacted].
Pullen, Peyton H., [redacted].
Quick, Buren, [redacted].
Quinn, George L., [redacted].
Ramsay, Dana C., [redacted].
Ramsburg, Harold L., [redacted].
Rayburn, Ernest D., [redacted].
Redmond, Roy A., [redacted].
Reed, George O. N., [redacted].
Reed, Joseph H., [redacted].
Reel, Frederick T., [redacted].
Reinert, Norbert M., [redacted].
Remick, Donald H., [redacted].
Reuben, Jay R., [redacted].
Reynolds, Jack N., [redacted].
Reynolds, T. W., [redacted].
Rhodes, J. L., [redacted].
Rhodes, Norman L., [redacted].
Rice, George H., Jr., [redacted].
Rice, Robert R., [redacted].
Richards, Robert C., [redacted].
Richardson, E. F., [redacted].
Richardson, Jerry P., [redacted].
Richter, William A., [redacted].
Riddell, Robert L., [redacted].
Riley, Eugene P., [redacted].
Robertson, Charles, [redacted].
Robertson, E. F., [redacted].
Robertson, Sherrill, [redacted].
Robinson, Charles T., [redacted].
Robinson, John W., [redacted].
Rolph, Samuel L., Jr., [redacted].
Rosenbarker, I. E., [redacted].
Rosenthal, Harry S., [redacted].
Roy, Lawrence F., [redacted].
Rucker, Elbert M., [redacted].
Ruley, Daniel A., Jr., [redacted].
Rush, Eugene J., [redacted].
Rush, Wilbur J., [redacted].
Rust, John L., [redacted].
Sammons, Anthony J., [redacted].
San Felipe, C. J., [redacted].
Sanford, Joe O., [redacted].
Santelli, John O., [redacted].
Santo, Michael, [redacted].
Santoni, Felix A., [redacted].
Schaffer, Fred, [redacted].
Schano, John F., [redacted].
Schaut, Joseph W., [redacted].
Schero, Robert J., [redacted].
Schlimmer, William, [redacted].
Schmid, Robert L., [redacted].
Schnurr, Robert S., [redacted].
Schoonover, William, [redacted].
Schur, Donald L., [redacted].
Schwab, Delbert P., [redacted].
Schweiger, Frederic, [redacted].
Scott, Harry A., [redacted].
Scott, Robert M., [redacted].
Scribner, John C. L., [redacted].
See, Elwin V., [redacted].
Seiferth, George F., [redacted].
Sena, Gilbert Ernes, [redacted].
Serling, Robert S., [redacted].
Settle, B. A., Jr., [redacted].
Sevigny, Roland, [redacted].
Shahin, Frederick, [redacted].
Sharp, Thomas A., [redacted].
Sharpe, Robert L., [redacted].
Shaver, Manila G., [redacted].
Shaw, David C., [redacted].
Shaw, Earl, [redacted].
Shaw, Rollin R., [redacted].
Shawcross, Roger K., [redacted].
Shea, John J., Jr., [redacted].
Sheffield, Roy T., [redacted].
Shinaver, Jerome M., [redacted].
Shircliff, Edward C., [redacted].
Sidman, John R., [redacted].
Simmons, Roy E., [redacted].
Simmons, Tom B., [redacted].
Simpson, Lewis L., [redacted].
Siwinski, Hyacinth, [redacted].
Skidmore, Lloyd J., [redacted].
Skora, Eugene R., [redacted].
Slade, Andrew K., [redacted].
Smith, Clyde O., Jr., [redacted].
Smith, Donald P., [redacted].
Smith, Edmund T., [redacted].
Smith, Eugene C., [redacted].
Smith, Fred D., [redacted].
Smith, Horace A., [redacted].
Smith, James R., [redacted].
Smith, Lyle C., [redacted].
Smith, Nathaniel H., [redacted].
Smith, Norman L., [redacted].
Smith, Robert E., [redacted].
Sobel, Joseph I., [redacted].
Spaulding, Wallace, [redacted].
Spencer, Charles E., [redacted].
Standish, Eugene W., [redacted].
Stark, William H., [redacted].
Steinmetz, Robert W., [redacted].
Stevenson, Davis, [redacted].
Stirm, Norman R., [redacted].
Stone, Ransom D., [redacted].
Stowell, Millard N., [redacted].
Striplin, W. M., Jr., [redacted].
Strong, Stephen C., [redacted].
Sturgeon, Jimmie D., [redacted].
Sullivan, Gilbert J., [redacted].
Sullivan, John F., [redacted].
Sumner, Bryceon J., [redacted].
Suranyiunger, T., [redacted].
Swanson, Paul H., [redacted].
Sween, Harlan G., [redacted].
Szablewski, Stanley, [redacted].
Tabor, James D., [redacted].
Tahara, Yoshiyuki, [redacted].
Talbot, Wilfred J. J., [redacted].
Talbott, Delbert F., [redacted].
Talley, Clarence E., [redacted].
Taylor, Harry R., [redacted].
Taylor, John K., [redacted].
Tennelly, Elbert T., [redacted].
Teramto, Kenso, [redacted].
Tesch, Darrell D., [redacted].
Thacher, William, F., [redacted].
Thacker, Frank A., [redacted].
Thacker, Huey L., [redacted].
Thomas, Daniel G., [redacted].
Thomas, Donald C., [redacted].
Thomas, Richard E., [redacted].
Thompson, A. W., [redacted].
Thompson, J. A. Jr., [redacted].
Thompson, Robert D., [redacted].
Thompson, R. A., [redacted].
Thompson, R. E., [redacted].
Tidwell, Blaine R., [redacted].
Tiller, Charles M., [redacted].
Tindal, Paul I., [redacted].
Titus, George W., [redacted].
Tobolski, J. A., [redacted].
Toman, John, [redacted].
Tossas-Vega, Albert, [redacted].
Trask, Victor E., [redacted].
Trent, Wilbur S., [redacted].
Turner, Morris J., [redacted].
Tuttle, Allen H., [redacted].
Underwood, E. D., [redacted].
Uxer, John E., [redacted].
Vanopdorp, H. J., [redacted].
Vanwagner, D. M., [redacted].
Vargas, Ramon C., [redacted].
Vath, Alvin R., [redacted].
Vazquez, Julio C., [redacted].
Vehrs, Jack W., [redacted].
Veselka, Steve, [redacted].
Vincent, James L., [redacted].
Vos, Francis W., [redacted].
Vroman, David C., [redacted].
Vukasin, George J., [redacted].
Wages, Harold J., [redacted].

Waldron, Louis D., [redacted].
Walker, Henry E., [redacted].
Walker, Richard D., [redacted].
Wall, Benjamin M., [redacted].
Waller, George R., [redacted].
Wallner, Alfred J., [redacted].
Walters, William B., [redacted].
Ward, Manfred A., [redacted].
Warner, Paul E., [redacted].
Watson, William R., [redacted].
Weaver, James F., [redacted].
Weaver, John E., [redacted].
Weiberg, Bertold E., [redacted].
Weinstein, Sumner, [redacted].
Weissenberg, Peter, [redacted].
Wells, Dale T., [redacted].
Wells, Thomas G., [redacted].
Wepasnick, Leonard, [redacted].
West, James S., [redacted].
Whalen, Charles S., [redacted].
White, David S., [redacted].
Whitley, Thomas L., [redacted].
Whitten, James A., [redacted].
Whorton, Dwight E., [redacted].
Wiensch, Dale J., [redacted].
Wilder, Samuel E., Jr., [redacted].
Willems, Ernest R., [redacted].
Williams, C. O., [redacted].
Williams, James L. J., [redacted].
Williams, Robert E., [redacted].
Williams, Teddy E., [redacted].
Williamson, James E., [redacted].
Wilson, Emory M., [redacted].
Wilson, Glenn D., [redacted].
Wilson, Henry J., [redacted].
Wilson, Hugh H., [redacted].
Wilson, Marlin G., [redacted].
Wilson, Paul C. Jr., [redacted].
Wohlfahrt, James L., [redacted].
Wood, Harry E., [redacted].
Wood, James A., [redacted].
Wood, Leslie J., [redacted].
Woods, Donald E., [redacted].
Woods, Earle F., [redacted].
Workman, Kenneth J., [redacted].
Workman, Wendell J., [redacted].
Wright, Edward P., [redacted].
Wright, Malcom C., Jr., [redacted].
Young, Darwin L., [redacted].
Young, Jack, [redacted].
Zagnacky, Michael J., [redacted].
Zamzow, Earl R., [redacted].
Zarbo, Angelo J., [redacted].
Zoldoske, Billy J., [redacted].

CHAPLAIN

To be colonel

Adams, Walter J., [redacted].
Barbernitz, J. P., [redacted].
Barrie, Robert E., [redacted].
Breen, Mark Denis, [redacted].
Campbell, Allan C., [redacted].
Capitani, Anthony L., [redacted].
Clinkscales, J. W., [redacted].
Coppock, Johnstone, [redacted].
Douglas, Franklin C., [redacted].
Edmonson, James H., [redacted].
Flynn, Edward R., [redacted].
Friesen, Eugene W., [redacted].
Haas, Capistran J., [redacted].
Hanson, Gordon B., [redacted].
Hendricks, Ralph R., [redacted].
Hentz, Richard J., [redacted].
Huntley, William W., [redacted].
Kelso, Hugh P., [redacted].
Leary, James F., Jr., [redacted].
McCullin, Luther R., [redacted].
McMillan, Whitfield, [redacted].
Menard, Wilfrid A., [redacted].
Money, Mark L., [redacted].
Mueller, Lyle R., [redacted].
Mulhern, Joseph P., [redacted].
Mulligan, William R., [redacted].
Roche, Stanley F., [redacted].
Roscoe, Dallas G., [redacted].
Sanger, Lawrence O., [redacted].
Wagman, Stephen M., [redacted].
Wilwerding, Anthony, [redacted].
Wise, Joseph H., [redacted].

WOMEN'S ARMY CORPS

To be colonel

Bakkom, Jean C., [redacted].
Crutchfield, June L., [redacted].
Johnson, Nancy K., [redacted].

DENTAL CORPS

To be colonel

Tucker, Kenneth M., [redacted].

MEDICAL CORPS

To be colonel

Babcock, Steven, [redacted].
Bove, Victor M., [redacted].
Brandenburg, J. H., [redacted].
Freebern, Robert K., [redacted].
Janas, John J., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Waters, Irene E., 118-23-1525.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of Title 10, Sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Ahlstrom, Edwin R., [redacted].
Ashley, Walter G., [redacted].
Backlund, Gerald R., [redacted].
Barnum, Schuyler T., [redacted].
Barrera, Fidencio R., [redacted].
Bassett, James A., [redacted].
Beauchamp, George E., Jr., [redacted].
Berg, Everett W., [redacted].
Breeden, Howard L., [redacted].
Brown, Richard M., [redacted].
Bunch, Robert W., [redacted].
Burnstedt, Gary A., [redacted].
Carbone, Gaetano A., [redacted].
Clark, Marion R., [redacted].
Coyle, Fred W., [redacted].
Copeland, William F., [redacted].
Crawford, L. L., [redacted].
Crossley, Robert G., [redacted].
Cullum, David A., [redacted].
Daigle, Robert J., [redacted].
DaSilva, Edward J., [redacted].
Davidson, John J., [redacted].
Dearden, Sheldon W., [redacted].
Delaney, James L., [redacted].
Derrick, William F., [redacted].
Dirgins, Richard Jr., [redacted].
Dixon, David J., [redacted].
Duncan, Verne A., [redacted].
Dwarica, Nathan S., [redacted].
Dyer, Philip W., [redacted].
Edgerton, Donnell H., [redacted].
Ellis, Larry G., [redacted].
Evans, Cephas T., [redacted].
Fox, James E., [redacted].
Fulton, John H., [redacted].
Geer, John F., [redacted].
Getmanov, Nicholas, [redacted].
Girgen, Frank G., Jr., [redacted].
Goodfellow, R. K., [redacted].
Hammer, Edwin J., [redacted].
Hannon, Terry G., [redacted].
Hodgins, Walter J., [redacted].
Hornkohl, Leo J., Jr., [redacted].
Hughes, James N., [redacted].
Huseland, Stanley A., [redacted].
Ilacqua, Robert D., [redacted].
Ingram, James, [redacted].
Jackson, Dwight N., [redacted].
Johnson, Albert L., [redacted].
Jones, Dennis R., [redacted].
Kelley, Clarence D., [redacted].
Kelly, Gary L., [redacted].
Lacy, Logan W., [redacted].
Lazarus, Bill G., [redacted].
Lowe, James A., [redacted].
Lucas, Robert A., [redacted].
Lynch, Frank L., [redacted].
Mack, Donald J., [redacted].
Maier, Frank S., [redacted].
Masero, Arthur R., [redacted].
Masnyk, Ihor, J., [redacted].
Massad, William, [redacted].
McCoy, Robert A., [redacted].
McDaniel, Donald, [redacted].
McKinley, Robert V., [redacted].
Merchant, Paul O., [redacted].
Middleton, Peyton G., Jr., [redacted].
Miller, Henry T. V., Jr., [redacted].
Mitchen, Francis J., [redacted].
Munn, John W., [redacted].
Newton, Ted B., [redacted].
Oldham, Marvin D., [redacted].
Owen, Hugh R., [redacted].
Paynton, Jan H., [redacted].
Petty, Victor, Jr., [redacted].
Pfleghardt, Robert J., [redacted].
Pierce, Danny L., [redacted].
Plumb, William H., Jr., [redacted].
Probst, Robert I., [redacted].
Rakowsky, Ihor R., [redacted].
Richard, Walter A., [redacted].
Richardson, Billy, [redacted].
Routien, Ira L., [redacted].
Schleck, William J., [redacted].
Schofield, Elvin J., [redacted].
Scott, Jeremy D., [redacted].
Sellick, Jay P., [redacted].
Slavik, Lawrence E., [redacted].
Smeriglio, Warren F., [redacted].
Smith, Alfred C., [redacted].
Speare, William E. C., Jr., [redacted].
Sprinkle, Keith D., [redacted].
Stickland, Edwin A., [redacted].
Strimbeck, Donald C., [redacted].
Taylor, Nelson, [redacted].
Van Wissink, Gerrit, [redacted].
Vogel, Richard E., [redacted].
Waldron, Robert C., Jr., [redacted].
Welsh, Charles R., [redacted].
White, Donald L., [redacted].
Wilkinson, Theodore, [redacted].
Willett, Frank W., [redacted].
Williams, Edward M., [redacted].
Wilson, Carroll C., [redacted].
Wilson, Johnny M., [redacted].
Wolfin, Bernard A., [redacted].
Wolz, Herman O., Jr., [redacted].
Youngs, Philip C., [redacted].

CHAPLAIN

To be lieutenant colonel

Adcock, Kenneth E., [redacted].
Block, Frederick G., [redacted].
Lamb, Eugene V., [redacted].
Slighter, Verne A., [redacted].
Torsiello, Ralph C., [redacted].
Tucker, Randall R., [redacted].

WOMEN'S ARMY CORPS

To be lieutenant colonel

Ackerman, Arlene A., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Kirby, Paula F., [redacted].
Mayo, Jeanne C., [redacted].

DENTAL CORPS

To be lieutenant colonel

Bruner, Hugh H. Jr., [redacted].
Duke, James E., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Griffin, William T., [redacted].
Schlatter, Egon K. E., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Brandes, Richard E., [redacted].
Fini, Anthony F., [redacted].
Holmes, David P., [redacted].
LaBeau, Raymond L., [redacted].
Mafrige, Donald P., [redacted].
Moyer, John B. Jr., [redacted].
Tinsley, Bernard H., [redacted].
Yates, William M., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 591, 593, and 594:

MEDICAL CORPS

To be lieutenant colonel

Iannazzo, Salvatore, [redacted].
McKewon, Claude R., [redacted].
Perry, Irvin S., [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

MEDICAL CORPS

To be lieutenant colonel

Aiken, Robert E., [redacted].
Johnson, Edward M., [redacted].
Kennell, Charles B., [redacted].
King, Everett G., [redacted].
Pierozynski, George J., [redacted].
Schwartz, Jack, [redacted].
Stafford, Harry, [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be colonel

Atkins, Raymond D., [redacted].
Gregory, Robert J., [redacted].
Ives, Lowell W., [redacted].
Kelly, William P., [redacted].
Keltner, James T., [redacted].
Klopfenstein, H. A., [redacted].
Moorer, John, [redacted].
Remick, Donald H., [redacted].
Sharpe, Robert L., [redacted].
Sjostrom, Rex W., [redacted].
Vargas, Ramon C., [redacted].
Wright, Edward P., [redacted].

MEDICAL CORPS

To be colonel

Olsen, Ralph N., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Aepli, Emmett C., [redacted].
Anderson, C. H., [redacted].
Case, Kenniston W., [redacted].
Gant, Harold L., [redacted].
Goettee, Aubrey E., [redacted].
Ivory, Royce S., [redacted].
Johnson, Rodger W., [redacted].
Knobloch, Thomas A., [redacted].
Langseth, Thomas F., [redacted].
Lockwood, Gary E., [redacted].
Loe, Robert D., [redacted].
Long, Walter K., [redacted].
Martin, Robert F., [redacted].
McRae, Nathan R., Jr., [redacted].
Miller, Lewis M., [redacted].
Rennie, James C., [redacted].
Rodgers, John B., [redacted].
Rogozinski, Harold S., [redacted].
Siu, Lawrence W., Jr., [redacted].
Smets, Russell J., [redacted].
Smith, Jerry D., [redacted].
Smith, Leon H., [redacted].
Trivits, Oscar E., [redacted].
Walsh, Louis E., [redacted].

CHAPLAIN

To be lieutenant colonel

Hemphill, William, Jr., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Wahl, William R., [redacted].

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel:

Robert E. Akins
Tedd W. Aldrich
John R. Aldridge
Terrence J. Armentrout
George W. Atteberry
Brian M. Bellows
Daniel M. Bergbauer
Wayne J. Bienvenu
William T. Bolger
Owen G. Brown
Michael E. Cashman
Richard G. Cashwell
James J. Creamer, Jr.
Charles F. Dougherty
James C. Doyle, Jr.
James V. Dunbar, Jr.
Thomas F. Ellicott
Robert V. Evans
James M. Ewart
Peter R. Faber
Donald B. Felsburg
Glendon C. Fleming
William E. Hacker
Gladen R. Hamilton, Jr.
Richard D. Hicks
Michael J. Hixson
Roger A. Holtzapple
Thomas R. Horton
Jackson G. Hudspeth
William B. Jessup
Herbert L. Johns
Richard D. Kinney
Fred L. Kinnick
Graham H. Kreicker
Michael A. Kuhar
Henry E. Lecy
James H. Loper, Jr.
James D. Lott
Earl S. Maeser
Richard L. Marlar
Edward L. Marshall
Robert J. Maxwell
Robert D. McCarthy
Edward V. McFarland
Charles S. McLeran
Richard H. Muller
Richard C. Murray, Jr.
Jacques C. Naviaux
Byron A. Nordberg
Nelson M. Olf
Michael A. Paydo
William A. Prior, Jr.
Francis P. Reidy
James J. Reynolds, Jr.
Charles E. Rice
Lowell R. Rowe
Arlan E. Scarbrough
Ronald G. Schwenkler
William C. Sims
Frank T. Siragusa
John W. Sledge, Jr.
James C. Snell
Daniel K. Sooy
Robert W. Sparrow
Kay R. Stang
Evan D. Thomas
David A. Villeneuve
Bruce E. Vogelsinger
Ernest M. Vollmer
Donavan F. Wohlers
Roy L. Womac
William H. Wundram
Richard L. Yarmy

The following-named woman officer of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel:

Judith A. Sternburg.

EXTENSIONS OF REMARKS

THE BANNERS OF BABEL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. SIMON. Mr. Speaker, from time to time I have been inserting in the Extension of the RECORD ideas on the course of the Nation under the general heading, "The Future of the Nation: A Dialogue on Choices." One of those who has written to me, enclosing an article he wrote for the magazine, Social Policy, is Michael Marien of the Information for Policy Design of Lafayette, N.Y. In his letter to me he writes, "My perspective is that we are all trying to cross the ocean in inner tubes—that no matter how much dialogue is generated by use of the CONGRESSIONAL RECORD, it is minuscule compared to what is needed both in quantity and quality, among legislators and academics, elites and the general public."

I have taken the liberty of condensing his article from Social Policy and inserting it:

THE BANNERS OF BABEL

(By Michael Marien)

It is rumored that more than $6 billion of public money is spent annually at the federal level in intelligence gathering for purposes of "national security." But if there is any attention paid to four prime questions—Where are we? Where are we headed? What kind of society should we aim for? How should we proceed?—it is not reflected in decisions that are made or in information given to the public. Less covertly, more than $30 billion per year is spent by our institutions of higher learning, ostensibly to equip the leaders of tomorrow's society. But thorough and systematic attention to the prime questions is equally lacking in academia; a few courses touch on these momentous matters, but there are no departments, programs, or institutes that are centered on them. Departments of politics and philosophy would seemingly be immersed in these concerns, but too often they are the last places where such questions are seriously addressed.

Unfortunately, academia is not the place to acquire a broad understanding of human beings, nature, and society. The prime questions are attended to somewhat in think-tanks outside of the academies: establishment-supporting institutions such as RAND and the Hudson Institute, liberal Olympias such as the Club of Rome and the Center for the Study of Democratic Institutions, and counterfoil organizations such as Ivan Illich's CIDOC or the Institute for Policy Studies.

But even among the few who do attend to the momentous questions of our time, there is a fragmentation nurtured by ignorance, arrogance, and ideology.

Virtually all of the images of where we are, where we are going, where we ought to go, and/or how to get there are divorced from the exigencies of political action. They are even divorced from each other. Each author, as though aided by a Central Banner Registry, fashions his or her own unique slogan (and note that all but one of the banner wielders identified here are male). This imperfect, impotent, and insulated thinking is reinforced by academic institutions, for one is seen as doing a fine if not a distinguished job by considering only the views of fellow economists or psychologists or whatever. (Daring inevitably leads to some mistakes, which in turn endanger careers.)

Despite widespread agreement that serious attention must be paid not only to recession and inflation, but to the inter-related problems of population, resources, pollution, arms control, bureaucratization and social control—as well as the assumptions and perceptions that have created these problems—there is no prodding to press on to a higher synthesis. Nor is there any funding for a broader and more integrated view because fund-granting agencies are also fragmented.

Not only have these banners failed to influence each other, but few if any have held, or even initially attracted, an intellectual or political following. Very few of those who propose images of society have the willingness, ability, money, or power to engage in even minuscule actions. The resulting absence of any strong, systemic, and positive guiding image, widely understood and supported, allows narrow interests and stale clichés to direct our fortunes in a piecemeal fashion. Before chiding politicians, though, one should recognize that the failures of political leadership are abetted by the failures of intellectuals to communicate with each other, with the public, and with decision makers.

STANLEY J. MOLIS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. RUSSO. Mr. Speaker, today I would like to pay tribute to a gentleman who is greatly admired and loved by those who are privileged to know him. On November 15 he is to be honored with a special banquet sponsored by the Lithuanian Alliance of America, Men's Lodge No. 228, and it is an honor he richly deserves.

Mr. Stanley J. Molis, past president of the Alliance, was born in Chicago more than a half century ago and through the years he has been dedicated to Lithuanians and the principles which these brave people espouse. He is the rare and wonderful blend of idealist and pragmatist that means a person who gets things done, and done right. And indeed, through the years he has always demonstrated his sense of vision and his concern and involvement with people.

When just a young man, Mr. Molis joined with Paul Saltimieras and his "Surum Burum" gang to help promote the Lithuanian image. A talented gentleman, he was later associated with Antanas Vanagaitis as a dancing instructor as well as a performer. He was instrumental in forming M.B.M. Radio Productions, producing and directing such fine programs as "The Daily Lithuania Sunrise Hour," Goldbergs Lithuanian program, Lewis Style Show, et cetera.

He served his country as a member of the U.S. Army Medical Corps in a tour of duty that took him to New Guinea, the Philippines and Japan. When he returned, resuming his active involvement with his heritage as a proud Lithuanian, he was a signer of the charter creating Lithuanian American Legion Post, Don Varnas No. 986. He also found time to wed the lovely Stella Stejkowski. Soon after, he and his lifelong friend, Al Brazis, opened what was probably the first open key club in Chicago in 1948, "The Mobra." During his business tenure his son, Stanley, was born.

So we can see that in addition to his special warmth as a human being, Mr. Molis is a man of wide experience, for he did not stop with business. He worked as a member of the Cook County Highway Department, and as a natural outgrowth of his skill with people, he has a lasting involvement with our country's political process.

In addition to having served as president of Men's Lodge No. 228, he is a past commander of Don Varnas Post No. 986 of the American Legion, past president of Council 112 of the Knights of Lithuania, past vice president of the Knights of Lithuania of the Illinois-Indiana district and past vice president and member of the board of directors of the Illinois Lithuanian Chamber of Commerce.

This gentleman is not one to sit by the road and watch the action go by, even with his enviable record of accomplishments. At present he is vice president, sixth district of the Lithuanian Alliance of America, and a member of the Holy Cross Hospital Guild.

It has been my pleasure to serve on the honorary committee for the banquet for Mr. Molis and I look forward to sharing this most special evening with him, when his family and many friends and admirers join in toasting him with "Ilgausiu Metiu"—long life.

"WHERE'S THE RUSSIAN OIL?"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. GAYDOS. Mr. Speaker, many of us were skeptical all along of the Ford administration talk about tying wheat and corn sales to the Soviet Union with the purchase of Russian oil to help fill our pressing needs.

Now, it appears, this skepticism has been borne out. The grain deal has been made. But where is the oil? Negotiations on this phase of the overall transaction are continuing, so we are told, and we may get some oil in the future. But not at any preferential price. Oh, no—the Russians want whatever the gouging OPEC countries are charging. There will be no favoritism shown us.

And yet, in the 1972 wheat sales particularly and even now, we have treated our new détente partners with every consideration, letting them know that they can depend on us for food grains and, implicitly, for anything else we have and they might require to shore up their faltering communistic economy.

But we need oil and, at best, the Soviets, according to reports, may let us have a modest 200,000 barrels a day at $12 or more per barrel—whatever happens to be the OPEC price at the time. And it is important to note that, with a much smaller domestic demand than ours, Russia has oil in big surplus. Her fields are pumping 9.5 million barrels daily to only 8.3 million for us.

So the Soviet Union has oil in abundance as we have an abundance of wheat and corn. Still, we have dealt away our grain while the oil deal has been left dangling.

In this, it seems to me, we have followed again the practice of putting our own interests in a secondary position when dealing with others. Why, I ask, were we not as firm in our request for Soviet oil as the Moscow dealers were in their demands for our grains? And why, in agreeing to sell 6 million metric tons of wheat and corn a year, have we signaled our content with a dribble from the Russian oil stocks if an oil purchase ever is allowed?

We should be mindful that, in a good grains versus oil transaction, we should have the upper hand. Oil is a necessity. But food is vital and the Soviets, in needing wheat and corn after a run of bad harvests, are far more dependent on us than we are on them. But, regardless, the Soviets have gotten our grains while, so far, we have gotten no oil. This is not something for which we should give passing marks to our negotiators or to the high Ford administration policymakers who direct them.

NEW YORK STATE SHOULD KEEP OWN HOUSE IN ORDER

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. HASTINGS. Mr. Speaker, the debate over New York City's financial plight has produced mountains of rhetoric, much of it of an inflammatory nature, predicting cataclysmic results for all Americans if default occurs.

The city's crisis is real, but shrill cries of panic do little to solve the problem. Mr. Lesle G. Arries, Jr., chairman of the board of the Buffalo Area Chamber of Commerce, in a letter to New York State Gov. Hugh L. Carey, states the case most articulately and I herewith include it in the RECORD:

BUFFALO AREA CHAMBER OF COMMERCE,
October 29, 1975.

Hon. HUGH L. CAREY,
Governor, State of New York, Legislative Office Building, Albany, N.Y.

DEAR GOVERNOR CAREY: The Western New York business community is distressed that responsible State officials have testified before a congressional committee that default by New York City will mean a default by New York State. These officials are also reported to have said that a New York City default will mean the state will not be able to provide aid, already committed, to municipalities and school districts.

Statements such as these are destroying the credit of New York State and local municipalities and school districts. If they are untrue, they are totally irresponsible and should be corrected immediately. If they are true, then you must assume forceful leadership to restore the State's credit.

In our opinion, it would appear that some of the fear for the credit of New York State is based upon two factors. First is the fear that the credit of the State will be put behind New York City and that both will topple together. You must make it clear that this will not happen. It should be made clear that New York City must take definite and positive steps to put its house in order such as divesting itself of the luxury of operating the City University system and turning it over to the State University system, charging tuition as in every other State institution, reviewing wages and salaries and pension costs and bringing them back in line with other areas of the State, and reducing the number of people on the City's payroll.

The second fear seems to be that the State has not kept its own finances in order. You should dispel this fear immediately.

Leadership at this time is essential. The action taken, or lack of action, will have an effect on the entire State.

Discussion of further statewide tax increases of any kind to provide funds to prevent a New York City default at this time would have a serious effect upon the State job development programs. In addition, it is premature. Until the taxpayers of this State can be positively assured that New York City has done everything possible to restore fiscal order then talk of tax increases, pledging of State credit and similar measures is a great disservice to the citizens of New York State.

Sincerely,

LESLIE G. ARRIES, Jr.

MADISON ANNEX FOR THE LIBRARY OF CONGRESS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. PRITCHARD. Mr. Speaker, as you may recall, last year 230 Members of this House signed a petition urging that the House take over the James Madison Library Building. On numerous occasions, I have gone on record (CONGRESSIONAL RECORD, p. 29747, Aug. 21, 1974, and p. 36987, Nov. 21, 1974) strongly opposing any diversion of building space for any but library use.

Unfortunately, by necessity, I must speak up against the proposed takeover again. Evidently, the contract for the last phase of the building—the interior—has not yet been ratified because the lowest bid is substantially over the planned cost. Completion of the building, as planned, will require a new authorization. Proponents of the proposed takeover are now threatening to hold this authorization hostage in order to obtain office space in the building for themselves.

The takeover should be opposed for several reasons.

The Library of Congress now spends $3 million-plus annually renting extra space throughout Virginia and Maryland, and desperately needs to bring its vast resources together so that they may be more profitably utilized by the Congress and the American public.

As the Library's two existing buildings have become more crowded, its research capability has been impaired and security has deteriorated. As I see it, the Library is now operating in cramped and nearly intolerable conditions. The Library's personnel—and its priceless collections—deserve better.

The new Madison Building, quite frankly, is ill-suited for housing Members of Congress. It was expressly designed to house library stacks, provide auditorium and meeting space, and to provide a few precious square feet of office space for those library professionals who are now compelled to work at drawerless desks jammed between library shelves. The building, as designed and now mostly built, is unsuitable for congressional office space.

As I said previously, "The Library of Congress is one of our greatest and most valuable national institutions. We all recognize that fact. So let us stop trying to sabotage it. The Madison Annex is needed by the Library of Congress, and we should be proud to have authorized its construction for that specific purpose."

HOSPITAL FINDS MEDICARE HURTS

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. HARKIN. Mr. Speaker, the following article appeared in the Allentown, Pa., Evening Chronicle on Tuesday, October 21, 1975. The story would be considered a "peculiarity" or an "oddity" if it were not for the fact that such stories are becoming commonplace in our medicare and medicaid system in the United States. The sad fact is that while we have the best trained medical personnel in the world, and the best health care facilities in the world, our system of delivering and financing our health care services is inefficient and too costly. Once again, the following story points out the need for changes in our financing and delivery of health care.

This article was forwarded to me by Mr. Gordon Herbster, who I personally know has had a long and continued interest in the problems of our health care delivery system in America. This article is pertinent to the present discussions concerning national health insurance, and I recommend it to my colleagues:

[From the Evening Chronicle (Allentown, Pa.,) Oct. 21, 1975]

MEDICARE BILL PAINS HOSPITAL

(By Randy Kraft of the Chronicle Staff)

It cost more than $6,000 for a man to spend less than two days in Allentown Hospital last month.

But, because the man was a Medicare patient, hospital officials say most of the bill will never be paid.

When the Evening Chronicle first heard that $6,443 was charged for a patient's short stay in the hospital, we assumed somebody—probably a computer—made a mistake.

Charles F. Kroninger, 76, was taken to the hospital's emergency room on the morning of Sept. 10, because he didn't feel well.

While in the dispensary, his aorta, a major blood artery, ruptured.

Kroninger was in surgery for more than 6 hours.

His son, Paul M. Kroninger, was warned that in 90 per cent of such cases, the patient died.

His father died early in the evening of Sept. 11.

The Chronicle contacted Kroninger, who received the bill, after we heard about it. He agreed to show it to us.

Even with the bill setting in front of him, he had trouble understanding the various columns and figures. But he did understand the bottom line, which said "Pay this amount—168.68."

Kroninger didn't mind paying such a small percentage of the total bill, but he was concerned about Medicare having to pay the rest of it. He assumed Medicare would be stuck with a bill which he thought might be too large to be correct.

"In all fairness to the hospital, I've got to say I haven't gone back to them to complain," he said.

"But it is a hell of a big bill."

Kroninger gave the Chronicle a copy of the bill, and we went over to Allentown Hospital to find out what it was all about.

Before we left him, he said, "You might want to see what happened to the surgeon's bill while you're over there." The surgeon's fee wasn't listed among the other charges. Kroninger hadn't received a bill yet, though it had been more than a month since his father died.

At the hospital, a secretary in the administration office looked at the copy of the bill, murmured, "that's impossible", and directed us to the Medicare office.

When Dale Jarvis, manager of that office, saw the bill, he said, "It's an unusual case, I'll go along with that." But he said he couldn't release any information to the press unless he had a written letter from Paul Kroninger, or orders to do so from the hospital's administration.

So it was back to the administration office, where we showed the bill to Frank Blaise, assistant administrator.

"It certainly is an unusual case, in view of all the charges made," said Blaise.

He checked with John DeSanctis, the hospital's business office manager, who determined the charges on the bill were justified. Then they said they'll never see the money owed the hospital for the stay and surgery.

"We're not getting $6,000 out of it," said Blaise, "on a stay like this, we lost our shirt."

He said Allentown Hospital will only be reimbursed about $150 from Medicare for Kroninger's stay.

He explained that Kroninger was billed for only one day in the hospital, because patients are not charged for the day they are discharged, or die.

He said Medicare pays the hospitals only what it costs the facility to care for a patient, not what the hospital charges a patient on a bill.

"The point is that all this is done on an average," said the assistant administrator. "The government only reimburses us on a per diem (per day) basis. If they based it on charges, instead of costs, we'd be better off."

Blaise said Medicare bases its reimbursement to the hospital on total costs for Medicare patients in a year. And this year, he continued, that will average out to about $150 per patient day.

"Obviously, we will lose on this one," he said.

Noting how the government's Medicare reimbursement gives the hospital financial headaches. DeSanctis said, "On 88 per cent of all our business, we only collect costs."

And commenting on how business is going, Blaise said 25–30 per cent of Allentown Hospital's patients are Medicare patients. And he noted the number of Medicare patients at the hospital is increasing since the Allentown and Sacred Heart Hospital Center opened last year.

They explained that the hospital collects full bills only from commercial insurance companies, or people who pay cash out of their own pockets.

"That's why commercial insurance is higher," they said. "Obviously, it's an inequity."

When asked what happens to the large hospital bill Kroninger received, DeSanctis explained, "In the case of a Medicare patient, the charges virtually disappear."

But he said he did study the bill and the charges listed on it are correct. And Blaise produced a thick file on Kroninger's short stay in the hospital.

DeSanctis said the medical records show Kroninger lost a tremendous amount of blood. He said replacing that blood, and the more than 6 hours of surgery, were what made the bill so large.

He said 49 units of whole blood and blood derivatives were needed.

"The biggest cost was blood," he said. "Almost a quarter of the bill was just for blood."

The charge for the blood bank on the bill was $760. But the hospital business manager said blood also is included in the $1,260 charge for I.V. solutions.

He said blood derivatives are not counted as whole blood by Medicare, and have to be listed as a separate item under I.V. solutions.

And he said the laboratory fee ($1,085) is so high because each unit of blood had to be tested before it could be given to the patient.

Asked about high charges for the operating room ($475) and for anesthesia ($581), DeSanctis said those charges were related to the complexity of Kroninger's surgery and the amount of time involved in the operating room.

Blaise was asked why the surgeon's fee wasn't listed on the bill, which is something Kroninger was concerned about.

He said the surgeon probably will send his bill directly to Kroninger, who should take it to Medicare.

When asked if the surgeon's fee for the six-hour operation would be more or less than $1,000, DeSanctis guessed, "I would be surprised if it would be under $1,000."

Other charges listed on Kroninger's copy of the bill include one day in intensive care, $195; recovery room, $25; pharmacy, $252; diagnostic X-ray, $36; central supply, $432; operating room supplies, $443; inhalation therapy, $97, electrocardiogram, $45; pulmonary function, $144, and miscellaneous, $612.

FARM FINANCES ARE CRITICAL

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. SEBELIUS. Mr. Speaker, the following is the fifth in a series of 10 messages sponsored by Far-Mar-Co. Inc., Hutchinson, Kans., in U.S. News & World Report to stress the continuing need for vigorous and reliable markets for farm products. American farmers have been urged to maximize agricultural productivity but have been traumatized by the challenge of inflated production costs, uncertain markets, unpredictable prices and narrow profit margins. By operating within an already complicated supply and demand framework, farmers are further confounded by unexpected government interference in export markets.

The following message is a commendable effort by Far-Mar-Co. Inc., to illustrate the problems of American agriculture:

FOOD STAMPS FOR FARMERS?

The financial situation of American farmers is critical.

While the cost of living rose 14 percent in 1974, the farmers' cost of production climbed 22 percent. And the prices they received for their production fell 15 percent.

The ludicrous side of the story is that in spite of these facts, governmental decisions are continually being made that weaken the farmers' chances for economic survival.

They're asked for all-out production, which takes additional investments in equipment and supplies.

Then after they willingly oblige, they're denied the opportunity to profitably market their crops.

It's obvious overproduction will lower farm prices. And with the capabilities of our farmers, all-out production will give us more than we can consume in this country.

So if farmers cannot effectively take advantage of export markets, they will have invested more money and will receive less return.

At a time when the cost-price squeeze is so severe, it's frightening to think our leaders will gamble with the future of American agriculture.

If it finally gets to the point our farmers can't afford to produce, food stamps won't be good for anything, anyway.

EDUCATIONAL BENEFITS FOR VETERANS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. SIMON. Mr. Speaker, I have been a strong supporter of educational benefits for veterans, but over and over I hear reports of abuses of these benefits. I am sure it is only a small minority of veterans who abuse these privileges, but if these abuses are not stopped, not only will the taxpayer continue to lose money but the public will soon demand that the benefits of the present programs to the majority of veterans must be halted.

A recent letter I received from Ms. Helen Nall, chairman of the history department of John A. Logan College in my district, illustrates the problem we have to come to grips with. I am inserting it in the RECORD at this point for my colleagues to read. I hope it will result in some constructive steps.

CARBONDALE, ILL.,
October 22, 1975.

Congressman PAUL SIMON,
Carbondale, Ill.

DEAR CONGRESSMAN: I have been an instructor of history (and department chairman) at John A. Logan College for eight years and I am writing about the gross misuse of GI Benefits that I have observed. In my classes alone I have six students this term who have registered merely for the sake of collecting GI benefits. They never attend class. Some have done the same previous semesters. They continue to receive full GI bill regardless of the fact that they neither attend the class nor do any course requirements. So far no one in my experience has been asked to return any money. There are no attendance checks at any time by the VA. I reported the situation to the Veterans Administration representative who was totally uninterested. He said his only concern was those who were not receiving their benefits.

I know that at least one of the students who is misusing the bill in this way is a Carbondale policeman; another is a Murphysboro policeman.

The Veterans Administration representative stated that as long as the college enrolled these students they can collect GI benefits, whether or not they ever attend a class. This can go on for years and has been in several cases. The misuse of funds in my classes alone (125 student total) runs into the thousands of dollars yearly. It gives the whole program a bad name when there are some hard working veterans who are making proper use of this money.

I am very disturbed about the "rip off" and hope that your office can take some action.

Sincerely yours,
HELEN NALL.

COMMENTATOR SAYS DÉTENTE WONDERFUL FOR SOVIETS AND CATASTROPHIC FOR AMERICA

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. EVINS of Tennessee. Mr. Speaker, news commentator, Robert M. Bartell, in a recent radio broadcast, discussed Secretary Kissinger's proposal to negate America's sovereignty over this country's Continental Shelf, which was secured by proclamation of President Truman, September 18, 1945.

As in the case of the proposed new Panama Canal Treaty, Secretary Kissinger seems bent on negotiating and obtaining a new international law of the sea to govern ownership and exploitation of the wealth of the ocean—a law even the Soviets would accept.

I secured a copy of Commentator Bartell's comments because of the interest in this subject of my colleagues in the Congress and the citizens of the country.

The commentary concludes by stating that "time and time again détente has proved wonderful for the Soviets and catastrophic for America."

How much more détente can we afford?

The article by Commentator Bartell follows:

SURRENDER OF U.S. CONTINENTAL SHELF

American sovereignty over this country's continental shelf, which President Truman secured by Proclamation of September 18, 1945, may not exist much longer if Secretary of State Henry A. Kissinger has his way. Kissinger seems bent on obtaining an "international Law of the Sea" to govern the ownership and exploitation of the wealth of the Oceans, a law even the Soviets would accept. And to that end he has instructed U.S. officials taking part in international negotiations on the subject to put on the negotiating table the sovereignty over the U.S. Continental Shelf. If consummated, this will mean yielding to international control millions of square miles of sea and ocean, with untold wealth in fishing grounds, oil and undersea minerals. I'll be back with more on this subject following this important message.

The renunciation of American sovereignty over the continental shelf of the United States is buried in the voluminous literature embodying the complicated proposals U.S. officials submitted, per Kissinger's instructions, at the International Law of the Sea Conference. The next session of this U.N. sponsored round robin, reconvenes next March in New York.

At previous sessions Kissinger's strategy has been to propitiate, seemingly at any cost, the Soviets. Thus the U.S. delegates, obviously acting on instructions, have advocated amending the so-called "Median Line" international convention of 1959, which provides for the apportioning of ocean and sea areas between the coastal states bordering on them. Instead of dividing lines running at equal distance between the national territories, including the insular possessions of each country, the U.S. delegates—on orders from Kissinger—espoused the Soviet line that islands, especially islands that are colonial possessions, should not count in the division of ocean and sea areas among the nations. Such a "Law of the Sea", if it came to pass, would greatly disadvantage not only the friends and allies of this country, such as Australia, New Zealand, but, of course, France and especially Great Britain whose island possessions still girdle the globe.

It would also grievously diminish the American share of ocean and sea ownership, by reducing our area by some 2 million square miles—mainly in the Pacific, around the Mariannas and the Carolinas. Of course the Soviets objected again—they want no lines at all. That was when Dr. Kissinger apparently decided to make his most lasting contribution to American-Soviet détente: add the U.S. Continental Shelf, with its immense fishing and mineral wealth into a big package deal: joint control, with the Soviets, of the multi-trillion dollars' worth of oil, fish and other resources.

Due to an unfavorable geographical position, Russia has only scant offshore holdings. But, under Dr. K's grand scheme, the Soviets would come in on the ground floor. They would share control over marine resources that, under the present international law, belong only to the United States. Time and time again détente has proven to be absolutely wonderful for the Soviets and catastrophic for America. How much more détente can we afford?

REMAINING U.S.-FLAG PASSENGER VESSELS THRIVING

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mrs. SULLIVAN. Mr. Speaker, set out below is an article which was in the Tuesday, October 28, 1975, Los Angeles Times which shows how well the few remaining passenger vessels of our once proud U.S.-flag passenger fleet are faring.

Several years ago, I fought as hard as I could against legislation which provided for the sale of laid-up U.S.-flag passenger vessels to foreign interests. Unfortunately, I lost this fight, the legislation was enacted, and our good U.S.-flag passenger vessels which were then in lay-up were sold to foreign interests. The only remaining passenger vessels are Pacific Far East Lines' *Mariposa* and *Monterey*, and Prudential Lines' passenger/cargo vessels, *Santa Maria, Santa Mariana, Santa Mercedes* and *Santa Magdalena*. The article in question deals with these four combination luxury liner-cargo vessels. These U.S.-flag combination passenger vessels are in service on the Latin American run and are making money. They grossed $40 million last year, with more than $4 million in profits. This is directly contrary to all the propaganda and testimony we received from the various Government agencies and parties who were interested in seeing our U.S.-flag passenger fleet decimated and our vessels sold to foreign interests.

It gives me great pleasure to note that these four combination vessels are making money and I want to take this opportunity to commend the president of Prudential Lines, Mr. Spyros S. Skouras, for his courage in starting this new passenger service under the U.S. flag. Mr. Skouras took the dare and had the vision so that he now has four passenger-cargo ships operating at a profit and has put the lie to the statement that U.S.-flag passenger vessels could not be operated at a profit. I would also like to commend the vision and spirit of cooperation of the unions on the west coast which crew these vessels and whose flexibility has made possible this profitable operation.

The successful operation of these passenger vessels convinces me all the more that I was correct in my opposition to the sale of our passenger fleet to foreign interests. This is just one more example of the United States frittering away its assets and I do not think that we are in a position to frivolously dissipate our resources any longer. Prudential Lines' operation from the west coast on the South American run proves that passenger traffic under the U.S.-flag is not dead and I hope that Prudential Lines and Pacific Far East Lines will continue with their successful passenger ship operations and I intend doing all in my power to help them in their operations and to foster an increase in U.S.-flag passenger service. To this end, I recommend the article set forth below:

DUAL DUTY SHIPS PUT PROFIT BACK IN U.S. CRUISE FLEET

(By Charles Hillinger)

SAN FRANCISCO.—Each fortnight one of four combination luxury liner-cargo ships sails from the West Coast to Mexico, Central and South America.

It's the largest fleet of American passenger vessels sailing the seven seas.

The sleek ships sail through the Panama Canal and completely circumnavigate South America making the passage through the Strait of Magellan.

The 547-foot vessels are Prudential Lines' "four Ms"—the Santa Maria, Santa Mariana, Santa Mercedes and Santa Magdalena.

And the most heartening feature of the vessels, in service on the Latin American run since June, 1972, is that they are making money—$40 million gross last year and more than $4 million in profits.

American flag passenger ships since World War II have been notorious money losers.

Not long ago the American passenger liner industry was seemingly gasping its last breath. Only two American flag passenger ships still were operating, the Pacific Far East Lines' Monterey and Mariposa from the West Coast to Hawaii and the South Pacific.

Then along came Spyros S. Skouras, president of Prudential Lines. Skouras took a long shot and started the first new passenger service flying the American flag in years.

He recommissioned Prudential's "four M" ships which had been laid up after unsuccessful East Coast-to-Caribbean runs and put them back in service three years ago to inaugurate the West Coast-South American run.

Shippers had been calling the American passenger liner industry a national disgrace. More people traveling on pleasure cruises than ever before and most of those traveling are Americans. Yet they're sailing on foreign flag ships from a dozen or more nations.

Millions of American dollars are flowing to other maritime nations each year as more and more foreign flag cruise ships call at American ports. Russia is the latest nation to get into the luxury liner act.

Three Russian ships—the Mikhail Lermontov, Alexandr Pushkin, and Maxim Gorki—now call on East Coast ports to carry Americans to the Caribbean.

The Russians are negotiating to purchase more passenger liners from France and Italy. And the Soviets are looking to open new service out of Los Angeles and San Francisco.

Passenger liners include any ship carrying more than 12 passengers. Such ships must carry a doctor and conform to many regulations not demanded of a pure freighter.

But there are advantages. In port passenger ships are given berthing preference over freighters.

"That means each of our passenger liner-cargo vessels go right up to the dock as soon as they arrive in port," explained Albert B. Wenzell, general manager of Prudential's San Francisco-based Pacific Division.

"Freighters wait their turn and that can mean a wait of 10 days to two weeks before discharging or loading cargo.

"With our combination service we are able to maintain precise schedules. Shippers know that every two weeks one of our vessels will be in each port we serve in both hemispheres."

The Prudential liner-cargo ships carry 100 passengers in as elegant staterooms as found on any cruise ship afloat. The ships feature swimming pools, deck games, dancing nightly, entertainment, gourmet meals in lavish dining rooms.

Sixty percent of the passengers stay aboard for the full cruise—52 days round trip from Los Angeles; 55 days from San Francisco; 64 days from Vancouver (the complete 20,000 mile circuit.)

The rest come aboard at one port and leave at another, making any leg of the trip desired.

Sometimes the cargo can be as fascinating as the trip itself. Canadian malt is carried to South American ports from Vancouver. Lumber, pulp and fresh fruits make up much of the cargo from the state of Washington ports.

From California canned goods, heavy machinery, mining equipment and much more is regularly loaded aboard for export to Latin America.

A whole observatory was shipped from Southern California to Chile. A San Francisco brewery was dismantled and shipped to Nicaragua.

There are numerous combinations for passengers including 1-day voyages from San Francisco to Los Angeles or Los Angeles to San Francisco; 5-day one-way trips Los Angeles to Vancouver; 4-day one-way passages Los Angeles to Manzanillo, Mexico.

Minimum passenger fares on longer runs average $60 a day including lodging, meals and entertainment.

Passengers account for 25% of revenues and freight 75%. A 35% to 40% increase in profit is expected this year over 1974 and last year's earnings were 40% over that of 1973, the first year of operation.

Gross revenues totaled $16 million in 1972 (from two freighters and the four M ships. That increased to $25 million in 1973 and $40 million 1974. Projections for this year are between $50 and $55 million. Profits this year are expected to exceed $5 million.

"What cannot be emphasized too much," said Wengell, "is the cooperation of the maritime unions. In past years ships sailed with full crews regardless of how many passengers were aboard. Now, crews are hired according to need. The unions are as enthused and eager to see these ships succeed as are the owners."

"We are demonstrating that the U.S. passenger liner business has not given up the ghost," said Skouras.

The ships are all built in America (at Sparrows Point, Md.), are served by 100% American crews and maintained and serviced in American ports.

"We are showing the American Flag and showing it well to the people of Latin

America," noted John A. Traina, Jr., head of passenger service for Prudential Lines.

"If foreign nations are capable of making money in the passenger liner business it is obvious the United States, the world's most powerful nation should be able to do as well."

THE PLUTONIUM ECONOMY: A STATEMENT OF CONCERN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. RICHMOND. Mr. Speaker, the National Council of Churches of Christ in the United States has recently completed a study of the adverse impact which a plutonium economy would have on our society. A committee on inquiry, headed by the widely-respected Dr. Margaret Mead and Dr. Rene' Dubos has discussed the vital issues surrounding this country's decision to proceed with developing the breeder reactor as one of our major energy sources. Our reliance on nuclear power as a major energy source is highly controversial and the discussion of what a plutonium economy would be even more so. Because of the enormous importance of understanding and responding to these unprecedented issues, a reasoned and responsible debate must proceed before any rash decisions are made that could have catastrophic consequences in later years.

I would like to take this opportunity to insert into the RECORD today a statement of concern on the plutonium economy which accompanies the background report submitted by the Committee on Inquiry established by the National Council of Churches of Christ in the United States. The statement presents fairly and accurately, I believe, a summary of the major issues involved in our evolution toward a plutonium economy. I trust that my colleagues will read this short statement with an open mind, and with a view toward considering the very critical issues which a plutonium economy raises.

The article follows:

THE PLUTONIUM ECONOMY: A STATEMENT OF CONCERN

Large amounts of the man-made element plutonium are unavoidably produced in nuclear power plants fueled by uranium. Plutonium is, and remains for hundreds of thousands of years, dangerous to life even in amounts so small as to be undetectable. It must therefore be infallibly and perpetually isolated from the biosphere. Plutonium once separated from other reactor byproducts, can also be readily made into crude but effective atomic weapons of mass destruction, and must therefore be infallibly and perpetually safeguarded from theft.

At present, plutonium is accumulating as a byproduct of the generation of nuclear power, but it is now proposed to use plutonium as one of the most important fuels of the United States and other countries. Under this proposal, plutonium would first be used to supplement fissionable uranium in existing reactors and would later be generated and recycled in larger quantities by fast breeder reactors specially designed for this purpose. The use of plutonium as a nuclear fuel would permit a vast expansion in our reliance on nuclear fission power, for our low-cost uranium supplies are limited.

Plans for the next few decades include hundreds of fast breeder reactors, scores of special fuel plants, and hundreds of shipments of plutonium each day throughout the United States, and similarly in many other countries. Twenty years from now, hundreds of tons of plutonium would be produced annually in the United States, and production would be rising rapidly. But the amount needed to make a nuclear bomb will remain less than 20 pounds, and the amount needed to induce lung cancer will remain a few hundred-millionths of an ounce.

We believe that the proposed "plutonium economy" is morally indefensible and technically objectionable. At many stages in the nuclear fuel cycle—including reactor operation, fuel transport, reprocessing, fabrication and waste management—opportunity exists for catastrophic releases of plutonium and other radioactive materials through accident or malice. There is no validated scientific basis for calculating the likelihood or the maximum long-term effects of such releases, nor for guaranteeing that risks will not exceed a particular level. All of the present or planned precautions intended to prevent releases are imperfect and, for fundamental reasons, are likely to remain so. We fear that the cumulative effect of these imperfections may well be unprecedented and irremediable disaster.

In a plutonium economy, moreover, nuclear theft and terrorism, weapons proliferation to both national and subnational groups, and the development of a plutonium black market seem inevitable. None of these problems will respect national boundaries, and the difficulties of international cooperation will complicate efforts to contain them.

In an effort to suppress nuclear violence and coercion, to limit the spread of illicit nuclear weapons, and to encourage the needed perpetual social stability, the United States and other countries may have to undertake massive social engineering and to abrogate traditional civil liberties. The drastic nature of the nuclear threat is apt to elicit a drastic police response. Even these measures, however repressive, might in the end prove ineffective.

There is additionally the fundamental ethical question of our right to leave to countless future generations a permanent heritage of radioactive waste products. In producing vast quantities of materials so deadly that they will require perpetual vigilance and guardianship, nuclear power will inject into the future an element of risk comparable to that of our vast store of nuclear arms.

These profound biological and social hazards, many without present technical solutions, or easily foreseeable solution, would be incurred in pursuit of small and possibly ephemeral economic advantages. Decisions balancing the risks of the plutonium economy with its benefits are now founded on self-serving economic and technical assessments lacking in analytic quality. They are being hastily made without the full and informed public discussion that decisions of such unique importance require.

Alternatives exist, both to our extravagant waste of energy and to our use of nuclear power in general and the plutonium economy in particular. These alternatives, including energy conservation, solar energy, advanced fossil fuel and organic conversion techniques, geothermal energy, and eventually perhaps fusion energy, are socially and environmentally preferable to fission power. But they are also unlikely to play their proper role if nuclear power, and especially the fast breeder reactor, continues to dominate our energy research and development efforts.

In this thirtieth year of the Atomic Age, more than 50 nuclear power reactors are licensed to operate commercially in the United States. The Atomic Energy Commission (AEC) in its last year projected about a thousand at the turn of the century, and more thereafter. Other countries combined are expected to build nearly twice as many as the United States. An enterprise originally conceived as a civilian spinoff from an essentially military technology has now produced a $100 billion quasi-civilian industry that is a vigorous force in its own right, often cooperating with its federal regulators to shape new commercial imperatives.

This anniversary also marks a crucial series of decisions which will determine whether the United States will embark on the second and most hazardous phase of the nuclear enteprise: the plutonium economy. The AEC's proposal that plutonium extracted from used nuclear fuel be recycled into fresh fuel in commecial reactors is now pending before the AEC's successor agency, the Nuclear Regulatory Commission (NRC). The Energy Research and Development Administration's multi-billion-dollar program to develop a commercial liquid-metal-cooled fast breeder reactor (LMFBR), which is fueled with plutonium and is specially designed to produce as much new plutonium as possible, is also being reviewed to decide whether it should remain the cornerstone of the future energy economy. In many other industrialized countries, decisions about fast breeder reactors and the plutonium economy are rapidly proceeding, often without the benefit of even as much public discussion as so far has occurred in the United States.

The unprecedented hazards of the plutonium economy demand an unprecedented political response. These are hazards so grave that every citizen should have a voice in deciding whether this is the road to energy independence we—or anyone—should take. All who believe that technology should serve human values should join in opposing the plutonium economy and in seeking to divert into safer and more constructive channels the vast resources being devoted to nuclear power. The responsibility for these decisions cannot be delegated to nuclear experts, for the key issues are not technical or economic but social and ethical, and in a democracy such issues should be resolved only through the political process.

DR. EMERY JOHNSON HONORED

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. MEEDS. Mr. Speaker, the American Academy of Pediatrics recently honored the Director of the Indian Health Service, Dr. Emery Johnson for his excellence in public service. The academy has recognized as I have, Dr. Johnson's unique ability to perform admirably in the Indian health care field. The Academy of Pediatrics has stressed his distinguished service on behalf of children and child health, and has recognized his contributions to the health and welfare of the American Indian.

As my subcommittee considers the Indian Health Care Improvement Act, I have found that Dr. Johnson's work and the plans of the Indian Health Service have consistently placed the health and welfare of the American Indian as the primary concern of the Service. His knowledge and ability have continually impressed me, and it is a pleasure to work with such a dedicated individual.

I commend the American Academy of Pediatrics for their recognition of Dr. Johnson's contributions to the Indian Health Service and the Indian people. I also wish to commend Dr. Johnson for his dedication to the Indian people, the Indian Health Service, his profession, and for his professionalism.

PROPOSED DRUG DEAL

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. MURPHY of Illinois. Mr. Speaker, LESTER WOLFF and I have spent many hours discussing narcotics control and the bureaucratic problems here and abroad which prevent such control. We have argued that new approaches to stopping drug trafficking must be tried. When these approaches are found to be too costly, too inefficient, or too unrealistic, we feel they must be discarded and still newer approaches considered.

It cannot be said of LESTER WOLFF that he is timid in his approach or narrow in his thinking. LESTER is always willing to throw his inexhaustible energies behind an idea which might result in reduced shipments of heroin to our shores.

I am including an article in the RECORD which appeared in the November 3 issue of Village Voice. Bart Gruzalski and Edward Roeder review LESTER WOLFF's proposal to buy from Shan leaders in Burma 400 tons of raw opium at the going black market price. This proposal first came to light in January of this year when I accompanied LESTER WOLFF to Asian countries to view first-hand changing patterns in traffickings, production, and consumption of narcotics there.

The Shan proposal was rejected by the State Department as too risky and too political a venture for the U.S. Government. But LESTER WOLFF is not a man who is easily deterred. I recommend this article to my colleagues:

CONGRESS MAY MAKE THE DRUG DEAL TO END ALL DRUG DEALS

(By Bart Gruzalski and Edward Roeder)

Every dope deal has its problems, but few are as problematical as the current proposal by a group of revolutionary hill tribesmen in Burma to sell more than a quarter of this year's illicit worldwide opium crop to the United States government.

The seller is the Shan State, or rather, leaders in the Shan United Army and the Shanland States Army, insurgent military organizations of hill tribes in northern Burma. The middleman is Congressman Lester L. Wolff a liberal Democrat from a moderate district (Nassau and Queens) who is chairman of the House (International Relations Committee's) Special Subcommittee on International Narcotics Control. He has made several trips to the Far East, Turkey, and elsewhere trying to find ways to reduce the flow of heroin into this country. Last January, he and the Shan leaders traveled secretly to a meeting in Bangkok, where he gained a measure of their trust. The result was an extraordinary offer from colonels in the insurgent Shan armies to sell all of their black market opium to the United States government or commercial pharmaceutical houses for the going black market price at the Thai border, roughly $36 million for 400 tons of raw opium. (This figure may change because black market prices tend to fluctuate.)

If the deal comes off, the United States would get more than a quarter of the world's illicit opium, and hence, presumably would get more than a quarter of the world's heroin off the market, much of it coming off the sidewalks of New York. The U.S. stockpile or "licit" (legal, or commercial) opium, now at an historic low, would be replenished. And the Shans would get cash they need to carry on their revolution without alienating the United States. That's the rub.

The Shans, a collective name used to refer to the people of Burma—primarily the Kachin, Shan, Kayah, and Karen—who live in the northern hills beyond the reach of the Burmese government in Rangoon, want their independence. This was guaranteed to them by the Constitution of 1948, which had a unique provision allowing these hill tribes to withdraw from the Burmese nation after 10 years if they chose to do so. But a military coup overthrew the old Burmese government in 1962, and has refused to honor the old constitution. The Shans want out, but the government in Rangoon says no. So they fight.

Since the Burmese Communists are also against the Rangoon government, and the Rangoon government is against the Shan, so is the United States. But it's not that clear-cut: The Shan people also view the Communist party as "a grave danger to the country."

The State Department is opposed to buying opium from the Shan for other reasons besides. First, there is the Single Convention on Narcotic Drugs, a United Nations-sponsored accord aimed at reducing the world's illicit narcotic traffic by cutting off the black market for opium, curtailing production, and limiting commerce in narcotics to licensed dealers and governments. The Single Convention has more than 40 signatories (parties), including the U.S. To purchase opium from the Shan would violate the terms of the convention, State Department spokesmen maintain.

So, Catch 22 governs: The convention won't allow purchase of opium grown in Shan-controlled territories without approval of the Burmese government; the Burmese government has little presence and less control in the Shanland; and the Burmese government obviously isn't going to authorize the insurgent Shan to supervise the cultivation and sale of the opium. So, the Shan are forced to sell their opium on the black market.

The Shan leaders say they would like to get out of the opium-export business, but that right now it is the only cash crop with which they can finance their revolution. In their proposal to sell the opium to the U.S., the Shan colonels say they "are concerned by the misery caused by narcotic addition throughout the world and increasingly inside the Shan State." But opium production in their region will continue until the Burmese government grants them their independence. They seek help from the U.S. in the form of the recognition that would be implicit in a major opium export agreement.

(The money is apparently secondary, as the asking price in the going black market price, and the illicit market is a bottomless pit.)

The Shan proposal has four main points: A Shan promise to sell the annual crop at the Thai border (black market) price; Shan cooperation with the purchaser to curtail the black market by channeling all the crop available for export into one sale; free access for inspection inside the Shan State, to assure compliance; a promise to "assist and participate in any economic, agricultural, or sociological research aimed at replacing opium with alternative crops."

It all sounds too good to be true, too neat a proposal. Other than the Single Convention problem, State Department and Federal Drug Enforcement Administration (DEA) objections are these:

If the Shan have an assured market, they will increase acreage so as to increase their sales;

The Shan leaders don't really have enough control in their area to supply the opium or control competition;

The best way to combat the opium traffic is to support enforcement efforts by the Burmese government in Rangoon.

To a large extent, these arguments seem invalid. The first two are somewhat contradictory—if the shan have enough control to increase production, then wouldn't they also have enough control to meet the terms of the deal by delivering the dope and buying out or joining with rivals? Also, it seems patently obvious that the Shan *can* deliver, or they wouldn't be making the offer. The Shan probably don't have the ability to totally control opium now, but they probably do have more ability to control its cultivation, transportation, and sale than anybody else. Congressman Wolff's Special Study Mission to Southeast Asia concluded that the Shan offer represented a "unique opportunity to deal not only with the traffickers who control the flow of a majority of the Golden Triangle (Burma, Thailand, and Laos), opium, but also with the people who represent the farmers, and thus control opium production." Besides, what would be lost by going to the Shan marketplace to buy, and seeing if they have the goods?

The DEA's position is that preemptive buying simply stimulates more production—an assumption sometimes valid for Western capitalism but inoperative in a seller's market where the demand for illicit opium has always outpaced the supply.

As for the efforts of the central Burmese government to control opium traffic, the UN's International Narcotics Control Board noted that government's failure, in a statement for Wolff's subcommittee. The Shan seem to have a point in their assertion that only a government supported by a majority of the Shan peoples can control opium.

One problem with relying upon the central Burmese government in Rangoon is that, unlike the Shan, they don't want American observers in the country. DEA is not allowed to send inspectors. Wolff's Study Mission reports that even the American Ambassador is not allowed to travel outside of Rangoon. According to the New York Times, the Rangoon government even prohibits the Burmese press from publishing obituary notices of soldiers killed in battle, presumably to cover up high losses in battles against the Shan and Communist insurgents. Unless the CIA is producing good intelligence out of Southeast Asia (for a change), this country has no check on the word of a xenophobic government that is not candid with its own people.

The issue of trust here is critical, as the U.S. once again undertakes support of a Southeast Asian military government in oppressing popular insurgents. David A. Feingold, Director for Research and Planning of the Institute for the Study of Human Issues, testified against giving helicopters to the Burmese government without any inspection by American personnel. "We are told that the helicopters are going to be used primarily to suppress illegal cultivation," he said. "Those helicopters are going to have machine guns in them, and they are going to be flying over opium fields in which there are primarily women and children."

It is generally accepted that the key to reducing the availability of heroin on the streets of America is to reduce the cultivation of opium by getting farmers to grow different crops. Opium farming is not especially lucrative, and many experts think it is not an unreasonable goal to seek to reduce cultivation to the point that only enough is grown to meet a country's internal needs. (Totally eliminating opium in many Southeast Asian societies would be like totally eliminating alcohol in the U.S.—it would disrupt the social fabric, and wouldn't work.)

But farmers who know how to cultivate opium are not likely to shift to a replacement crop without massive technical and financial assistance. Such a program requires a stable government. Since before the British colonialists decided to let the Shan State run pretty much as an independent adjunct of India, no outside government has ever controlled the hill country. It is doubtful that any nonindigenous government could gain control there without brutal oppression.

So the drug purchase seems on the surface to be a good notion. But the government of the United States can hardly send teams of agents into the hill country bearing millions of dollars for insurgents against the wishes of the central government. (We only do that for right-wing insurgents, as in Chile.)

If the Shan State became an independent nation or developed a workable governing relationship with Burma retaining nominal sovereignty over a Shan-administered state, the U.S. could probably wangle Single Convention authorization for a controlled dope deal. The cost to the U.S. government would be minimal (unless Kissinger agrees to give both sides billion-dollar weapons systems), because pharmaceutical companies would gladly purchase the opium, which they primarily use to make codeine.

The shortage of licit opium forced Congress in 1973 to authorize the sale of 58 per cent of the U.S. stockpile (238 tons) to drug companies. Currently if there were a serious increase in demand for pain killers due to an epidemic or military crisis, we'd have a national catastrophe on our hands. Which makes the Shan proposal doubly attractive. The U.S. has a shot at reducing smuggled heroin by as much as 30 per cent and a shot at replenishing the dangerously low inventory of licit opium.

The prospects for either the Burmese or the Shan winning a military battle in the near future seem dim. And the chances of the Burmese curtailing opium traffic are obscure, no matter how many helicopters the U.S. provides. The State Department's pat answers belie the facts and ignore the agony of heroin addiction. There is an ancient Oriental wise man's saying: "Send me a man who seeks the Truth; don't send me one who has found it."

PINELLAS COUNTY DOCTORS MEDICAL PIONEERS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. YOUNG of Florida. Mr. Speaker, as the Congress considers the expenditure of millions of dollars for health-related programs, we may tend to lose sight of the importance of individual human efforts in this area. Yet these efforts—often without any Federal financial involvement at all—can mean the difference between life and death for those who are reached by them.

I would like to draw the attention of my colleagues to some recent medical advances in my own home area of Pinellas County, Fla. An article in the St. Petersburg Times reports on the work of Dr. Carl Fromhagen, Jr., who has singlehandedly organized a team to bring health care services to remote rural areas of Honduras. In addition, the article notes the successful outcome of two pioneering operations performed at St. Petersburg's All Children's Hospital.

These outstanding efforts by Dr. Fromhagen and the staff of All Children's Hospital deserve congratulations and good wishes from us all, and serve as a reminder that the citizens of this great Nation of ours are continuing in our long tradition of volunteering service to others.

The article follows:

A PINELLAS DREAM OF CLINICS FOR HONDURAS NEARS REALITY

(By Elizabeth Whitney)

The dream of a Clearwater doctor will come true this fall when he takes a group of University of Miami senior medical students to Honduras to set up the first of a series of mercy missions to undeveloped Central American areas.

It's all a part of a new elective course in preventive medicine and tropical diseases being introduced by the University department of epidemiology and public health.

The Clearwater doctor is Carl Fromhagen Jr., M.D. He told the St. Petersburg Times that he will fly to Miami in the late afternoon once every week or two to teach an evening class in his capacity as clinical associate professor of epidemiology at the university.

This takes a bit of doing, he admits, because he has a large gynecological practice, still does charity obstetrical work and does all the piloting for his air ambulance service, Fromhagen Aviation Inc. Oh, yes, he's also a licensed Federal Aviation Administration mechanic and does most of the servicing of his 37-passenger DC3 plane.

Another Suncoast physician, Dr. Kenneth Vittetoe, a resident and clinical associate of psychiatry at the University of South Florida (USF) School of Medicine, also will participate in the new University of Miami program. Vittetoe is a graduate of the University of Honduras School of Medicine.

Other Suncoast physicians are being enlisted in the program, Fromhagen said. Beginning in 1971, several Pinellas and Hillsborough doctors, organized as the Honduran Relief Society, went monthly to remote areas in Honduras to hold clinics. This program has since been taken over by a Honduran physician. This same local group also went to Honduras when Hurricane Fifi hit.

From this experience, Fromhagen said, came the idea of arranging for U.S. medical students to work with Honduran health officials and to establish a health institute. The School of Medicine of the University of Honduras and the Honduran Health Ministry have been invited to collaborate in the project.

The initial group of 12 senior medical students will leave Oct. 26 for Santa Rosa de Copan, a town with 20,000 persons and a 50-bed hospital situated near the Honduran border to El Salvador and Guatemala. They will return Nov. 22.

A survey of the outlying area will be the group's first task, Fromhagen said. This, he said, they will do "by car, truck, jeep, horseback, but most probably slogging through on foot." By so doing, they hope to determine just what the health needs of the populace are, what diseases are endemic and the role of environmental factors.

Fromhagen's chief interest, he said, is maternal and child health. "Pediatric care in there rural areas is nonexistent," he said. "All of the children have worms. Malnutrition is but a secondary problem."

While patients will be treated in clinics that the group will set up, there will be an emphasis on preventive medicine, Fromhagen said.

The university has two primary purposes in setting up the new program, Fromhagen said. "We want to show the students what things are really like and teach them how to cope." The university also hopes to interest Central American medical personnel in coming here "not to stay but to upgrade their skills," Fromhagen said.

The program will be carried out without government funds. Fromhagen will provide the air transportation and medical supplies will be contributed by pharmaceutical firms.

But Fromhagen said they're looking for castoff equipment to use in the program. Clearwater Community Hospital already has donated some monitoring devices that, he said "are non-existent where we're going." He's hoping also to get an operating room table and lamp.

If the program succeeds in Honduras, Fromhagen said, the university plans to take it to other Central American countries.

CHILD'S EYES 'HEALED WELL'

Six-month-old Hadi Saberi, the blind boy whose parents brought him from Iran to St. Petersburg's All Children's Hospital for cataract removal, is "responding to light and objects," according to Dr. William Edwards who performed the surgery in two operations last month.

A hospital spokesman said Edwards was "cautiously optimistic" that little Hadi will be able to see, but wants to keep him here for observation for at least another four weeks.

Hadi's eyes are reported to have "healed well" and he has been fitted with glasses. Plans announced earlier to fit the baby with soft contact lenses have been abandoned, the spokesman said because of the difficulty of getting follow-up care when the Saberi family returns to Iran.

Metabolic treatment for Hadi and his parents also has begun, the spokesman said. This is to treat the cause of Hadi's blindness, diagnosed at the pediatrics department of the University of South Florida as the galactokinose deficiency—the lack of the enzyme through which galactose, the sugar in the milk of all mammals, is metabolized.

Hadi's parents are carriers of the disease that is so rare that Hadi's is the 15th case ever reported worldwide. While neither has manifested symptoms of the disease so far, treatment has been started to prevent cataracts in their later years, as sometimes occurs.

BABY SURVIVES HEART SURGERY

"The tiniest baby I ever saw" is the way Dr. Victor Scarano described the 1-pound-12-ounce infant girl on whom he performed closed heart surgery June 26 at St. Petersburg's All Children's Hospital.

Saturday the infant, Mona Frazier, daughter of Alvin and Joyce Frazier of St. Petersburg, was reported in "stable but guarded" condition in the hospital's neo-natal intensive-care unit.

Mona's problem, a hole in her heart, was detected shortly after birth on June 12. While many premature infants with this condition do not require surgery, Mona's heart enlarged and she showed signs of heart failure when she was 2 weeks old.

So, Dr. Scarano, who heads the pediatric surgery section of the University of South Florida College of Medicine, tied off the hole with a suture—as he looked through magnifying glasses and little Mona was kept warm by overhead lights.

INFANT DEATH FILM AVAILABLE

A film, "After Our Baby Died," is available for viewing by organizations of health professionals, said Sandra Lilly, president of the Florida chapter of the National Foundation for Sudden Infant Death.

The just-released film deals with the sudden infant death syndrome. Interested persons may write the foundation at P.O. Box 898, Pinellas Park, 33565 or telephone 546-7238.

HAS WATERGATE HAD ANY GOOD EFFECTS?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. LEGGETT. Mr. Speaker, to my great surprise I have discovered that the Watergate affair, such an infamous part of our recent history, may actually have had one redeeming feature. One would think that finding a positive aspect of this black and sordid episode would present insuperable obstacles, but I have learned recently that in one area it may have had beneficial effects.

When the president of the Public Broadcasting Service, Mr. Hartford N. Gunn, Jr., visited my district recently, he said that he believed PBS would not have survived had it not been for Watergate. Mr. Gunn's view is that, by their vociferous attacks on the system, Nixon, Agnew & Co. put it on the map. By putting so much pressure on PBS, the Watergate crew forced the public to pay attention to it and made it appear important.

During his visit to Sacramento, as is reported in the Sacramento Bee of September 27, Mr. Gunn urged Governor Brown to take another step to aid public broadcasting in California by signing a bill to create a California Commission for Public Broadcasting. This legislation would authorize funds to develop a statewide policy for support of public television and a proposed set of priorities for State grants. I am gratified to learn that the Governor has subsequently signed the bill into law. If this measure gives PBS in California as big a push as the system received from its feats at navigating the Watergate shoals, it will be a big step indeed.

The Sacramento Bee describes the California innovative plan as follows:

[From the Sacramento (California) Bee, Sept. 27, 1975]

BROADCAST CHIEF SAYS WATERGATE GAVE PUBLIC TV WELCOME BOOST

(By John V. Hurst)

The Watergate scandal may have saved public television from the traditional fate worse than death, the president of the Public Broadcasting Service believes.

Visiting Sacramento yesterday, Hartford N. Gunn Jr., was referring to pressures mounted against PBS by the Nixon administration—pressures aimed at diluting the so-called "fourth network's" control over national programing and restricting its supply of funds.

"Several years ago," he told supporters and staffers of KVIE, Sacramento's public TV station, "I was convinced the pressures were so great the system would not survive. Had there been no Watergate, I believe it would not have—at least not in a way that would be of any value to the public.

"Now, I see it as a plus. It forced a large number of people to realize that what we're doing is important. They put us on the map . . . by attacking us. You don't attack something if it's not important."

Gunn timed his Sacramento visit to coincide with last night's annual meeting of KVIE's board, the meeting to which the public—specifically any person helping contribute to the station's support—was invited.

But during the afternoon he took time to pay a call on Gov. Edmund G. Brown Jr., to urge him to sign AB525 into law. The measure, now on the governor's desk, would create a California Commission for Public Broadcasting and give it $183,000 to develop a statewide policy for support of public TV. Included would be an assessment of needs and a proposed priority list for state grants.

Eventually, broad-based support from several sources represents the best insurance public television has against outside pressures, Gunn said. Across the nation, the estimated 2.5 million individual contributors to PTV constitute what Gunn called the kind of grass-roots support "that nobody can tear apart and use to twist your arm."

Membership support of KVIE and its Channel 6, general manager Arthur A. Paul told last night's meeting, increased by 42 per cent in the 12 months ended last March. As of the end of June, he said, KVIE had 12,018 supporting members.

Combined with income from KVIE's biggest fund-raiser, the annual auction in May, and from underwriters, Paul said "More than 80 per cent of our (operating) income is derived from our local communities."

The fiscal health has enabled the station to increase locally produced programming from last year's 88 hours to a total of 280 hours for the fiscal year ended in June.

The station's audience has grown as well, Paul said. He cited special Nielsen surveys which showed that Channel 6 was viewed by nearly 200,000 homes per week in February, a 55 per cent increase from the figure a year earlier.

He said the station's new color remote unit, purchased with the help of a $400,000 revenue-sharing grant from Sacramento County, was purchased in time to provide on-the-spot coverage of President Ford's speech to the California Legislature this month.

Gunn said he sees public television's most important contribution as "making democracy work"—beyond, if not part of, its traditional role, that of "filling in those interests where there are needs to be served that can't be served by commercial broadcasting."

Despite its success in children's, cultural and other programming Gunn said that "where I think we're in some difficulty is in the public affairs area.

"We haven't found a way to organize these programs so they have more public interest and . . . visibility." One missing, ingredient in public affairs, he said, "is some sense of the country."

"Good decisions rarely flow from inadequate or insufficient information," Gunn told last night's meeting. "Our democracy runs on—depends on—good information and intelligence properly supplied and applied . . .

"The average American is making decisions that affect our country and our world, to a great extent based on what we see and hear on television.

ABUSE OF PSYCHIATRY FOR POLITICAL REPRESSION IN THE U.S.S.R.

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. CRANE. Mr. Speaker, exiled Soviet writer Victor Fainberg, speaking in Copenhagen in early October, estimated that 7 to 10 percent of patients in Soviet mental hospitals and clinics were actually political prisoners or people being persecuted for their religious beliefs.

He testified on the second day of the international Sakharov hearings on the violation of human rights in the Soviet Union which was organized by Soviet and Eastern European exiles in Denmark. Fainberg said that he was sure that publication in the West of his compulsory internment in clinics forced the Soviet authorities to release him unconditionally in 1972 and give him a chance to defect to the West.

Psychiatrist Marina Fainberg, his wife, labeled psychiatry as conducted in the Soviet Union "a profession of shame."

In the September 1975 issue of the American Political Science Review, Prof. John S. Reshetar, Jr., of the University of Washington, reviews the document issued by the U.S. Senate Judiciary Committee's Subcommittee on Internal Security in 1973 about the abuse of psychiatry for political repression in the Soviet Union.

Professor Reshetar writes that,

> With the connivance of unethical psychiatrists, political dissidents can be incarcerated without a public trial or judicial proceeding of any kind and cannot challenge the finding of mental illness. Dissidents can thus be deprived of the opportunity to speak critically using the political trial as a tribune. Dissidents can be given debilitating drugs under the guise of "therapy."

The material in the Senate committee's study, writes Professor Reshetar, "make for depressing reading. Aside from the human suffering conveyed in the personal accounts and the abuse of Government authority, there is the abdication of professional responsibility and abandonment of medical ethics by certain Soviet psychiatrists."

It is this kind of barbaric government with which the United States now proposes to have a conciliatory policy of détente. Such a policy will be meaningful only if it has as one of its goals the improvement of the quality of life of the people within the Soviet Union.

I wish to share with my colleagues the thoughtful review by Prof. John S. Reshetar, Jr., as it appeared in the September 1975 issue of the American Political Science Review, and insert it into the RECORD at this time:

ABUSE OF PSYCHIATRY FOR POLITICAL REPRESSION IN THE SOVIET UNION

This volume of personal testimony and documentary materials is a reprint edition of the record of a hearing held before the U.S. Senate Judiciary Committee's Internal Security Subcommittee on September 26, 1972. At the hearing, testimony was offered by the logician, poet, and mathematician Alexander S. Yesenin-Volpin, of the faculty of Boston University, who has been incarcerated in Soviet psychiatric facilities on five occasions as a result of his activities as a political dissenter. He was permitted to emigrate in the summer of 1972. His final incarceration was prompted by his application for a U.S. visa when he was invited to an American university to attend a scientific meeting; his release was effected as a result of a protest by ninety-five Soviet scientists, most of whom were from the University of Moscow and subsequently suffered reprisals.

The bulk of the hearing materials consists of documents most of which (eight cases) were gathered by Vladimir Bukovsky, himself a prisoner, who appealed to Western psychiatrists in 1971. There are additional materials from *samizdat* sources, including a report by Zhores Medvedev and an open letter by Aleksandr Solzhenitsyn.

One quarter of the volume deals with Major General P. G. Grigorenko who taught at the Frunze Military Academy and who is one of the more prominent Soviet political dissenters. The documents include the text of the speech he was to deliver before a Tashkent court in defense of the deported and persecuted Crimean Tatars—one of the activities that led to his incarceration. Judged on the basis of his own statements and writings, Grigorenko hardly appears to be a mentally ill person. Two commissions of psychiatrists disagreed in their findings regarding Grigorenko. The Tashkent Commission, which examined him for three hours on August 18, 1969, found him to be in good mental health; the other commission, at the pliable Serbsky Institute of Forensic Psychiatry in Moscow, met with him for twenty minutes on November 19, 1969 and advised that he be incarcerated. Included in the volume are open letters of Mrs. Zinaida Grigorenko describing the abuse and mistreatment that he is said to have experienced at the Serbsky Institute and in a military prison in East Prussia—characterized by her as "slow murder."

The volume contains personal accounts by a number of detainees as well as the texts of reports of psychiatric commissions, letters, protests, and appeals. The official reports and other materials provide evidence regarding the kinds of "symptoms" of "illness" relied upon by some Soviet psychiatrists. These include: "behaved with an overhigh opinion of himself, without any self-criticism," "obsessive fears and persecution mania," and "reform delirium." Two detainees were asked why they had beards. Some of the alleged acts of deviant behavior that led to detainment and incarceration include the Red Square demonstration of August 25, 1968 (Nataliya Gorbanevskaya and Viktor Feinberg), active propagation of religious belief (Gennady Shimanov), recording one's philosophical views regarding alternatives to Soviet rule (Vassily Chernishov), distributing one's own satirical verses (Anatoly Ponomarev), attempting to leave the country by illegal border crossing (Vladimir Schleshnev), and Anatolyi Chinnov), defending General Grigorenko (Vladimir Gershuni), "anti-state utterances" (Vladimir Borisov), publishing abroad (Boris Yevdokimov), and signing protests (Leonid Pliushch).

Soviet psychiatry emerges from these documents with a tarnished and compromised reputation. Hasty examinations and superficial "diagnoses" result in excessive use of "schizophrenia" or "chronic schizophrenia of a paranoid type" to describe the condition of detainees. Able to identify "psychopathic personalities" by fiat, certain Soviet psychiatrists have become auxiliaries of the security police, willingly identifying new "syndromes" that require hospitalization. Political "patients" and detainees have no means of appealing the decisions of medical commissions. Injections of drugs given to prisoners are often detrimental to their health; prisoners are also threatened on occasion with being placed among severely disturbed patients. The prisoner becomes a "cured patient" if he renounces his views. The sculptor Mikhail A. Naritsa has summarized Soviet political psychotherapy very succinctly: "The main method of treatment is intimidation. The main symptom of healing is repentance. The treatment may last as long as they wish. One can always say, 'he is not well yet.'"

The Soviet leaders can undoubtedly provide a rationale for these practices. With the connivance of unethical psychiatrists, political dissidents can be incarcerated without a public trial or judicial proceeding of any kind and cannot challenge the finding of mental illness. Dissidents can thus be deprived of the opportunity to speak critically using the political trial as a tribune. Dissidents can be given debilitating drugs under the guise of "therapy," and it can also be reasoned that the dissent movement will be discredited more readily if enough of its advocates are certified as "mentally ill" after being silenced by essentially administrative action.

The materials in this volume make for depressing reading. Apart from the human suffering conveyed in the personal accounts and the abuse of governmental authority, there is the abdication of professional responsibility and abandonment of medical ethics by certain Soviet psychiatrists and other medical personnel. The personal accounts on psychiatric practice and on conditions in Soviet mental hospitals—especially those by Grigorenko, Shimanov, and Gorbanevskaya—indicate low professional standards. It is a dubious achievement to equate political dissent with mental disorder. One is prompted to ask: Is this creative development of a new tenet of Soviet Marxism-Leninism?

John S. Reshetar, Jr.,
University of Washington.

HUNGER MAJOR PROBLEM IN UNITED STATES AND THE WORLD

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. HARKIN. Mr. Speaker, as you and the other distinguished Members of the House know, widespread hunger is still a major human problem in the United States and throughout the world. Through their personal efforts, through voluntary agencies, through their government, Americans have been generous people. But much remains to be done.

As this Congress continues its consideration of our national food policy, it should be guided by the ideas contained in a recent statement made by the administrative board of the United States Catholic Conference. I would like to ask that parts of that statement be inserted into the Congressional Record:

Hunger Major Problem in United States and the World

A. FOOD AND FOREIGN POLICY

The World Food Conference produced a series of proposals for combatting hunger and malnutrition on a global basis. The unique position which the United States holds as the largest food exporting nation in the world means that our response to these proposals has supreme importance for the hungry of the world.

Since the Food Conference, a serious and sustained debate has been carried on in the Congress and within the Administration about our food policy. Some of the fruits of the debate are now taking the form of specific legislative proposals. We believe the following ideas contained in some of these proposals deserve serious public consideration and support.

I. *Food Aid*. The restructuring of U.S. food aid policy should include: 1) clear policy guidelines separating food aid from strategic and political considerations; 2) a specific policy commitment to give priority in food aid to the U.N.-designated "most severely affected nations"; this commitment should be specified in the language of the law; 3) the establishment of a guaranteed minimum of food aid to be provided each year; 4) the establishment of a guaranteed minimum of food aid to be provided on a donation basis through non-governmental agencies rather than through concessional sales.

II. *Grain Reserve*. The World Food Conference proposal for an international system of national grain reserves needs the continued support and leadership of our government and should receive whatever legislative support is needed to allow the United States to participate in the system.

III. *International Fund for Agricultural Development*. Our government's pledge to contribute 200 million dollars to the Fund is most welcome; the pledges should receive Congressional support and implementation.

IV. *Foreign Assistance*. The foreign assistance program presently being debated in Congress should include several of the elements which have been proposed: 1) the separation of economic from military aid; 2) the support for multilateral aid programs; 3) the focusing of U.S. aid programs on the needs of the small farmer and the rural poor.

B. DOMESTIC FOOD POLICY

Many Americans face the reality of hunger and malnutrition intensified by high levels of unemployment, inflated food prices and persistent poverty. Two federal programs are now under governmental review: food stamps and child nutrition programs.

I. *Food Stamps*. We support a major review of the food stamp program. Yet, we are concerned that reform efforts not lead to a diminished commitment to assist poor and working poor families. True reform seeks to make adequate assistance available where it is needed, but protects against abuses and excesses.

Unfortunately, the current debate over the value of the food stamp program is clouded by misunderstandings. Opponents maintain that the program is growing at uncontrollable rates and that affluent families and students are taking advantage of it. Some problems and abuses do exist; however, the evidence does not support these sweeping indictments.

a. *Growth of the Program*. The growth of food stamps is the result of three factors: the introduction of food stamps to additional counties, the conversion of many counties from food commodities programs to food stamps, and the increase in unemployment. Begun as a pilot program in 1961, food stamps or food commodities were available in virtually every county in the nation by 1971. Between that year and mid-1974, the number of participants in the two programs remained at 14.9 million. In the last year, however, the serious rise in unemployment brought participants to a level of 19.5 million. Since April the number of people receiving stamps has declined, and the USDA projects a lower level of participants and costs by 1980. These figures indicate that the program is not out of control, but is responding to the severe economic stress of the last year.

b. *Income of Participants*. According to USDA, 87 percent of all food stamp participants have family incomes of less than $6,000 after taxes and the average cash income of a family of four on food stamps is $3,456 a year. Congress has already acted to prohibit the eligibility of students who are dependents of affluent families, and this provision will take full effect this month. The evidence suggests that food stamps continue to offer nutritional assistance to the poor and near-poor who are least able to afford a nutritional diet.

c. *Policy Reform*. The food stamp program must be maintained and improved. We oppose drastic cuts and attempts to eliminate the working poor or unemployed from its coverage.

We support measures that will tighten up administration, improve responsiveness, and reduce certification errors. We do not support modifications that will penalize the working poor and result in disincentives for participants to work.

Any changes in the family asset limitations should not require the elderly or recently unemployed to sell their automobile, necessary household goods and personal effects in order to become eligible for food stamps.

We have opposed and will continue to oppose increases in food stamp prices that will have an adverse impact on the ability of needy families to obtain adequate nutrition.

Although the evidence indicates there are very few non-needy families on food stamps, we would support a reasonable gross income limit that would disqualify affluent families from receiving food stamps under any circumstances. We would oppose efforts to set this limit so low that it would eliminate families actually in need.

Ultimately, the future of food stamps is linked to reform of the welfare system. Fundamentally, our nation must provide jobs for those who can and should work and an adequate income for those who cannot. Until such a policy is implemented, the food stamp program deserves the support of our country's public officials and citizens.

II. *Child Nutritions*. We have consistently supported efforts to improve and extend the Child Nutrition programs, including the School Lunch and Breakfast, the Special Supplemental Feeding Program for Women, Infants and Small Children, and the Special Milk Program. These programs provide particularly important health and education benefits for children in public and non-public schools. We support recent Congressional efforts to strengthen these programs. We urge Congress to act swiftly and the President to sign this legislation into law.

CONCLUDING REMARKS

Enlightened government food policies and individual generosity are necessary to alleviate the world food problem, but they alone are not sufficient. Christians believe that despite the most inventive programs and the best of intentions, there remains an extra measure beyond human power, that is, God's active presence in the world. Christians also believe that prayer can solicit God's presence. The complexities of the food problem tax human ingenuity and invite Christians' efficacious prayers. Our Lord's belief in the power of prayer is enlightening and consoling; he instructed us to pray for our daily bread with confidence in the knowledge that when we ask our heavenly Father, he will give us neither a stone for bread nor a serpent for fish.

SIGNIFICANT DETERIORATION: STATE AND LOCAL BALANCING OF ECONOMIC AND ENVIRONMENTAL GOALS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. ROGERS. Mr. Speaker, the Subcommittee on Health and Environment has reported amendments to the Clean Air Act of 1970. The bill, H.R. 10498, is now printed and available. Because of the number of inquiries which the subcommittee has received on the portion dealing with prevention of significant deterioration of clean air, I would like to include in the Record a summary and explanation of this provision:

The Clean Air Act Amendments of 1970 list as one of its purposes, "to protect and enhance the quality of the Nations air resources so as to promote the public health and welfare and the productive capacity of its population". In May 1972, the Environmental Protection Agency was ordered by the District Court of the District of Columbia to promulgate regulations which would prevent significant deterioration of air quality in areas already cleaner than the national air quality standards allow. The District Court order was affirmed subsequently by the Court of Appeals and the Supreme Court.

On December 5, 1974, EPA published final regulations in the U.S. Federal Register (40 CFR Part 52). These regulations currently are being challenged in the courts. The Administration has asked Congress to consider legislation which would clarify Congressional intent on the prevention of significant deterioration of air quality.

The House Health and the Environment Subcommittee carefully considered this issue as a part of its hearings and mark-up on H.R. 10498. The Clean Air Act Amendments of 1975. These amendments, recently reported from my Health and Environment Subcommittee with bipartisan support, would substantially modify the existing EPA regulations on prevention of significant deterioration of air quality by restoring to state and local governments the authority to make the ultimate balancing judgments between air quality protection and industrial and energy development in their states. This approach has broad support in the Subcommittee—from Republicans as well as Democrats, from members representing urban districts as well as those representing rural areas.

In deliberations on whether to allow clean air regions of our country to substantially increase air pollution levels—perhaps to levels as high as some of our major industrial cities—the Subcommittee sought to incorporate into this Nation's air pollution control programs the following goals:

1. *Protect the public health and welfare from potential harm at levels of air pollution which are lower than minimum federal standards*. Over the past few years substantial scientific testimony, including studies by the National Academy of Sciences, has been received stating that for many air pollutants *any* level in the air may be dangerous to all or some of those who must breathe it. Moreover, with the National Cancer Institute recently stating that as much as 85% of the cancer occurring in the United States may be environmentally caused, there exists substantial reason for minimizing pollution increases in any area of the country as much as is practical, consistent with other economic and social goals.

2. *Retain and protect existing states' rights under the present Clear Air Act [which allows the states to set air pollution standards which are more stringent than the minimum federal standards.]* EPA's current regulations would allow federal land managers to determine, free of any state approval, whether air over federal lands within a state would remain unpolluted. But the Subcommittee, feeling that the states' authority under current law should be preserved, provided that control over air quality within Federal lands would remain in the hands of the states. Only national parks and national wilderness areas would be required by the legislation to remain as Class I and EPA would not have discretion to require other federal land areas to remain Class I. This approach will maximize state discretion in balancing its air quality goals with economic and energy development and other social considerations.

3. *Provide for orderly economic and industrial development in all regions of the United States while minimizing air pollution increases which may endanger the public health and welfare*. The House bill requires proposed industrial plants to be designed and built with both long-term air quality problems and long-term economic goals in mind as a means of minimizing the buildup of excessive levels of air pollution in presently clean air areas. Without such a program it is possible that eventually we will have to choose between restrictions on further industrial development in areas which have been allowed to deteriorate to major big city levels or endangering the public health from still higher levels of pollution. One sure way of avoiding the necessity of making that awesome choice is by requiring that all new major industrial plants be built and operated with best available air pollution control technology. Adoption of this policy by the Subcommittee means more plants can be built in a particular area, providing more jobs and more room for future economic growth in that area, without the danger of pollution levels which would endanger the public health and welfare.

4. *Strictly limit EPA's authority with respect to the states' decisions on whether and how to protect presently clean air regions*. For example, the Subcommittee bill:

(a) restores the states' rights to regulate air quality over federal lands, which EPA's regulations (and the Senate bill) confers on Federal Land Managers;

(b) eliminates EPA's authority to override a state's classification of any area on the grounds that the state improperly weighed energy, environmental and other factors;

(c) prohibits EPA from compelling any state to impose a uniform or automatic no growth buffer zone around any area.

5. *Resolve uncertainty by providing clear congressional policy instead of leaving the issue to the courts and administrative agencies*. If no further legislative action is taken, the Administration's call for legislative clarification of policy will go unheeded. The issue will be left to the courts and to the administrative agencies to resolve. The subcommittee believed that Congress ought to make the policy and that clear decisions now would eliminate the uncertainties which have faced the States, the business community, and the people.

It is my belief that the public *is* concerned about preserving clean air. A recent poll conducted for the Federal Energy Administration by the Opinion Research Corporation showed that 94% of the American people oppose a policy of dispersing air pollution into areas which still have clean air and favor keeping clean air areas as clean as they are now. Moreover, as a result of that poll FEA has concluded: "In general, Americans are wiling to pay what we have estimated they will need to pay for cleaner air." Clearly, then, there is a strong public sentiment for protecting clean air quality in areas of critical national environmental value such as our national parks.

The Subcommittee intent, therefore, in adopting a provision on significant deterioration of air quality was to assure protection of the total public health and welfare through a process which would continue maximum state control over air pollution programs. In this approach, state and local governments will continue to make the ultimate balancing judgments between air quality and economic growth in their states.

The basic elements of the House Subcommittee proposal include:

1. Initial designation of approximately 98% of the Nation as Class II (allowing moderate increases of pollution), with the primary and ultimate decision-making authority vested in the states for redesignating areas to either Class I or Class III (allowing still larger pollution increases) to accomodate the states' economic, energy and environmental objectives.

2. The Congressional designation of a relatively few areas of critical national environmental importance (only large national parks and national wilderness areas) as mandatory Class I (areas with the strictest air quality limits).

3. A preconstruction review of *major new plants* to ensure that the allowable levels of pollution are not violated. (Existing plants, smaller new plants, farming activities and new residential developments, for instance, would not be subject to this review.)

In sum, I think that the House Subcommittee proposal responds to the public demand for clean air, while confirming the authority of the states and recognizing their role in balancing energy, economic and environmental objectives.

I am aware that the U.S. Chamber of Commerce has expressed certain fears regarding the potential effect on growth from various prevention of significant deterioration proposals. In general, its comments have been addressed to the Senate bill and EPA proposals. The fact sheet printed below should dispel those fears and make it evident that the House Subcommittee proposal is a balanced approach which will not only protect the Nation's air resources but also will allow continued industrial and energy development so necessary for the continued growth of this great Nation.

Facts on House Proposal on the Significant Deterioration Issue

THE HOUSE HEALTH SUBCOMMITTEE AMENDMENT ON PREVENTION OF SIGNIFICANT DETERIORATION OF AIR QUALITY WILL NOT STOP GROWTH

The U.S. Chamber of Commerce is wrong in its statement that the House proposal to prevent significant deterioration of air quality will ban future growth and development in many states. A joint FEA/EPA study on the impact of the proposal on the electric utility industry (one of the very largest sources of pollution in this country) concludes that:

The House proposal *will allow construction* of new large coal-fired power plants. Of course, some new plants may have to use additional available controls to minimize their emissions to meet the applicable air quality limits. In some cases, utilities may decide to relocate or modify plant size as an alternative.

In flat terrain the Class II standards would allow the siting of 1000 mw coal-fired power plants meeting standards requiring new plants to use various degrees of available control technology. Where additional pollution controls are used plants considerably larger than 1000 mw can meet the Class II standards.

Use of additional pollution controls beyond minimum federal standards significantly reduces the likelihood that a large plant may be limited by Class II in areas of non-flat terrain.

The ability for a State to redesignate a Class II area to a Class III—which the House proposal permits—provides the flexibility to allow the siting of large coal-fired plants in areas of non-flat terrain. Where terrain is very steep all around a site, even very small power plants could not be built anyway, because probable violations of the national ambient air quality standards—and not because of significant deterioration increments. Clearly, in such circumstances, other sites would be selected.

The mandatory Class I designation, in the House proposal would apply to only 1.2% of the Nation's land area, leaving the majority of land available for development while protecting the air quality in such areas as our national parks. Even assuming large buffer zones—an assumption refuted below—less than 6% of the land area would be restricted from construction of very large, heavily polluting power plants and other large industrial sources.

There have also been claims that the creation of discretionary Class I areas—areas initially designated Class I but which the states have complete discretion to change to Class II—would "shut off development" in those and surrounding areas because it could take a state up to two years to make the change. This is not true. The Subcommittee bill exempts all major sources which have already started construction or have received permits to build but have not as yet begun. It also should be emphasized that only the *major polluting industrial stationary sources* (e.g. copper smelters, refineries, etc.) are included in the proposal. Thus, smaller stationary sources of pollution, mobile sources and indirect sources are not subject to permit provisions in any Class I, II or III areas. Therefore, designation of discretionary Class I areas does not shut off all growth. Furthermore, for all other areas, claims that all growth, including housing, small manufacturing activities and farming operations will be banned or even limited as a result of significant deterioration proposals are simply wrong. Moreover, where aggregation of major industrial sources is desired, the state would be able to reclassify that area to Class III under the House proposal.

THE CHAMBER OF COMMERCE MAPS INDICATING THE EFFECTS OF CLASS I ON GROWTH IN THE VARIOUS STATES ARE ERRONEOUS AND MISLEADING

The assumption of the number of areas that would be Class I and the use of a uniform 50 miles buffer zone grossly distort the effect that Class I areas may have on development nationally or in any one state.

First, the Chamber's assumption that all national forests, monuments, historic sites and similar state lands must be Class I is incorrect. The House designates as mandatory Class I only a select number of federal lands having critically important national environmental value—specifically large national parks and large national wilderness areas. These areas have already been set aside by acts of Congress to be protected forever for future generations of Americans. The House proposal designated no forests, monuments, historic sites or state lands as mandatory Class I. The states have the ultimate decision-making authority with the flexibility to take into account environmental, health, energy and other objectives. Therefore, it is highly improbable that a state would preclude its own economic growth by a massive redesignation to Class I, as the Chamber of Commerce assumes.

Second, uniform "buffer zones" around Class I areas *cannot* be assumed, nor can a distance of 50 miles be considered a realistic assumption. In fact, because the Subcommittee bill requires all major new plants to install and use "best available air pollution control technology," all assumptons of large buffer zones are totally in error. This is demonstrated clearly by the fact that with maximum pollution controls, even very large coal-fired power plants could build near a Class I area—perhaps as close as 3 to 6 miles. The House bill also prohibits EPA from ever resorting to uniform or automatic buffer zones as an arbitrary short cut to preventing development in the vicinity of any Class I area. Moreover, the use of any uniform buffer zone is misleading and prevents an understanding of the potential effects of Class I designations. The factors determining whether a plant could be built at a particular site are very specific to that particular plant and site. Such factors include the type and size of the plant, the degree of pollution control, the type of fuel used, the terrain and the prevailing weather conditions at the site. Even if a state were to classify an area Class I, it could allow pollution-free development to build right in the middle of the Class I area. Any regulated source could build near the Class I area if it were clean enough not to violate the Class I air quality standards. Smaller, less polluting plants surely could build in adjacent areas.

Finally, the selection of 50 miles as typical of the distance over which a source could affect a Class I area, is significantly overestimated. The Chamber of Commerce cites the preamble of the EPA December 5, 1974 regulations as its source of information. However, the preamble referred specifically to a 1000 mw coal-fired power plant, meeting *minimum emission limitation requirements*, that could affect air quality over distances of 60–100 miles. No generalization to other sources can be made from that estimate. In fact, if that same 1000 mw plant were to use low sulfur coal and flue gas desulfurization, the potential distance affected could be as little as 6 miles or less, not 60–100. Furthermore, the 1000 mw coal-fired power plant has the greatest volume of emissions among all of the major industrial plants regulated. Therefore, the distance affected for the other major industrial sources generally would be considerably less. Thus, 50 miles seems to be a deliberately inflated, unrealistic, *worst case analysis*. It is certainly unreasonable to use it as a distance representing *typical* anticipated effects. And, as mentioned earlier, the only plants that would be subject to permit requirements are a select number of major stationary industrial polluters—not all sources of growth, as implied.

IN CONCLUSION

The House Subcommittee proposal for prevention of significant deterioration provides for a program in which state and local governments (not the Federal EPA) will consider the multiple objectives of minimizing air pollution increases in clean air regions and providing for stable, long-term commercial, industrial and energy development. The House bill rejects the arguments of no growth proponents and of proponents of unlimited pollution in clean air areas, refusing either to lock up our clean air regions or to allow the air in those regions to become as dirty as in our industrial cities. This legislation does not dictate a Federal response to balancing sometimes conflicting goals. Nor does it dictate what the state and local decisions must be. Rather, it provides for a fair and open process in which the state and local governments closest to the people will be free to carry out the reasoned balancing of competing goals and needs.

REPRESENTATIVE JOHN J. RHODES SPEAKS ON SPIRITUAL ROOTS OF OUR SYSTEM OF GOVERNMENT AT CHICAGO PRAYER BREAKFAST

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. HYDE. Mr. Speaker, the distinguished minority leader, Representative JOHN J. RHODES of Arizona, delivered a speech on October 29 at the Chicago prayer breakfast. It asserts, and reaffirms the spiritual roots of our system of government. I believe, in this age of materialism, it is important that our national leadership remind the American people of the basic beliefs, courage and convictions, that founded our Nation, and have guided us through 200 years as a Republic. I urge my colleagues to read this inspirational message. Text of Mr. RHODES' speech is as follows:

Text of Mr. Rhodes' Speech

I consider it a great privilege to be here today in the great heartland of America to join with you in reaffirming our faith in our Maker—and to rejoice in our brotherhood under the fatherhood of God.

As we near the 200th birthday of our nation it is fitting to remind ourselves of some of the essentials of our heritage.

Sever a plant from its roots—loss of the fruit is inevitable—death is certain.

It is important that we examine the spiritual roots which spawned this strongest and greatest nation in history.

There are many reasons politically—economically, socially, and geographically which explain the remarkable birth and growth of the United States—but at the heart of this complex matrix was the Judeo-Christian faith.

This faith lay at the center of all that motivated our forefathers. It is one essential clue to the uniqueness of our country.

"Remember" was a big word for Israel, The Old Testament scriptures recorded for this purpose the great events in her history.

Israel's worship — sacrifices — festivals — places—Israel's calendar were designed to recall the mighty acts of God in her life.

The Passover was the "beginning of months" and it recalled her miraculous liberation from bondage.

We've come a long way from those days when our forefathers in their struggles acknowledged their dependence upon God and expressed this dependence by calling for a day of prayer at Williamsburg and resolving a deadlock in the Continental Congress by resorting to prayer.

What better way to celebrate the bicentennial than humble and contrite recognition of our dependence upon God and His providence in the birth and growth of our Nation. As we remember our past—it behooves us to consider our present and our future.

Man is a searcher. He climbs high mountains and goes to the farthest depths of the oceans. He sends manned and unmanned probes into outerspace—searching—trying to discover what he is—and from whence he came.

For man has a consuming desire to learn his own identity—who he is—where he has been—and where he is going. Although he pursues his quests of knowledge in relative objectivity using every bit of scientific knowledge he has—his efforts are undergirded by this subjective desire to know his past and his present and perhaps predict his future.

There are those who would quarrel with man's relentless search for primordial knowledge. They say he is like those who tried to build the great Tower of Babel—that he is defying the Deity in searching for knowledge which the Deity could easily impart if He were of a mind to do so. Personally—I have no problem with man's searchings and probings. They come from an inner conviction that creation was systematized by One far greater than our immediate comprehension—but that man was given the power by this One at least to probe the perimeters of these truths through the application of diligence and their God-given faculties. In other words—the act of searching for the unknown is in itself an act of faith in the existence—the goodness—and the majesty of our Creator.

Governments also search for identity. Each strives to prove its own legitimacy. In ancient days—kings and princes claimed to rule by Divine Right—and churches and churchmen through the years confirmed this right. In effect they were saying that God the Creator—having the undoubted right to rule over His people—had delegated this power to certain individuals.

It is interesting to note that even our Founding Fathers—though denying the Divine Right of kings—were careful to place the legitimacy of the government which they were about to form on God's mandate. Consider these words:

"We hold these Truths to be self-evident—that all Men are created equal—that they are endowed by their Creator with certain unalienable Rights—that among these are Life—Liberty—and the Pursuit of Happiness—That to secure these Rights—Governments are instituted among Men—Deriving their just Powers from the Consent of the Governed—"

Note—however—this important departure from accepted doctrine—that the power to govern went from the Creator—not to any king or prince—but to the people—who then could delegate those powers to a government of their choice. Thus—our forefathers set forth the concept that the Maker—the foundation of all power—delegated that power first to the people—then by act of the people—to the government chosen by them. That was the true American Revolution. That was the exciting thought which sent the minds of men soaring—to cause them to dream of a life of freedom under God.

Then note—if you will—the Preamble of the Constitution in which our people—as it was asserted they could do—Redelegated the power given them by the Creator to a government—with these words:

"We the people of the United States—in order to form a more perfect Union—establish Justice—insure domestic Tranquility—provide for the common defense—promote the general Welfare—and secure the Blessings of Liberty to ourselves and our Posterity—do ordain and establish this Constitution for the United States of America."

So we have—as Mr. Franklin said so aptly—"A Republic if we can keep it." A Republic which derives its legitimacy from God—by act of the people.

This derivation of our government should in itself—excite and demand the devotion of all of our people as it did the people of the 18th century—many of whom never saw America. Yet we now see many of our people "turned off"—bored—by the process of government.

How can the republic survive if only 30 per cent of the people who are eligible to vote in elections exercise that God-given mandate. After all—any republic is only as good as the composite devotion of all its people will it to be. How can we expect to go into our third centenary with any feeling of permanence when we find so much in the way of self-seeking and non-involvement—and so little in the way of honest—sincere devotion to the edifice which God Himself has mandated.

Along with many others—I have searched for some answer to this question. My conclusion is simple. We can preach—we can coax—we can appeal both to emotions and to intellect—and we can succeed to a very small degree. But in the final analysis—there is nothing any mortal can do to arouse in our people the desire for excellence—the fervor for service—and the individual recognition of responsibility—except God Himself.

That is why I delight in joining in prayer with my brethren—whether it be in this room in the great city of Chicago—in my home in Arizona—or in the White House with the President of the United States.

It is my pleasure to give you the very personal greetings of the President. It has been truly said that you never really know a man until you pray with him. I am pleased to witness to the fact that this Republic—established under the mandate of God—has as its Chief Executive an honest—sincere man—who walks humbly with his God.

As we go forward into the third century of the existence of our Republic—let us remember again the words of Benjamin Franklin during the hard days of the Constitutional Convention. It seemed many times that the Convention would break up on the rocks of pettiness—selfishness—and provincialism. One day Mr. Franklin rose and—in his usual eloquent manner—suggested that each session of the Convention should begin with prayer. He said these words: "We have been assured—Sir—in the sacred writings that 'except the Lord build the house they labor in vain that build it.' I firmly believe this; and I also believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel." From that day forward there was prayer at the begining of each session of the Constitutional Convention and progress was finally made. Within a few weeks, the final draft of the Constitution was ready for signature.

So it must be with us and our Republic. If we proceed to rely only upon our physical and mental strength we shall not succeed. We must rely—instead—upon all our God-given faculties—including our moral strength. We must beseech the Lord each day for the wisdom to use His gifts and in furtherance of His great design. Only through Him can we become worthy of the appellation "One Nation—under God."

May I close with this prayer. "Oh God—Creator of us all—help us to know Thy will—and give us the strength and the wisdom to do it as You would have us to do. Help us to be conscious of our brotherhood under Your fatherhood and in all things to behave toward each other—both as individuals and as nations—as brothers endowed with the love of God. We know we are unworthy of these great gifts You have bestowed upon us—nevertheless—we pray You will help us to become more worthy. We ask this in Christ's name—Amen."

FOREIGN DEBT SETTLEMENTS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. WHITEHURST. Mr. Speaker, I appreciate having this opportunity to express my strong support of the legislation introduced by my distinguished colleague from New York which would require congressional approval for any settlement of a debt owed the United States by a foreign nation in an amount less than its face value.

At the present time, foreign countries owe this Nation approximately $57 billion. If it were possible to collect all the foreign debts, the amount of money would almost equal our anticipated budget deficit for this fiscal year. Yet at a time when we are facing a huge deficit, our State Department has been taking actions to release other nations from huge amounts owed us.

The deep displeasure over the settlement of these debts by the State Department is demonstrated by the overwhelming vote in the Senate last week in favor of Senator HARRY F. BYRD's amendment to require congressional approval for debt settlements. In addition, more than 100 Members of this body have cosponsored a similar measure introduced by Congressman KEMP.

In the past 3 years alone, the State Department has negotiated debt settlements which wiped out over $5 billion of outstanding foreign indebtedness to the United States. The largest settlement, signed in 1972, included $2.6 billion in claims arising from Russian lend-lease indebtedness. A second major debt settlement was the cancellation of approximately $2.2 billion of debt owed to the United States by the Indian Government in rupees.

Most recently, President Ford has

agreed to settle a $370 million claim against the government of France for $100 million. This claim arises from Charles De Gaulle's 1967 ouster of NATO forces and the amount received will be distributed among the NATO partners.

The problem of foreign indebtedness reaches back almost 60 years to World War I. Twenty foreign nations still owe more than $23 billion in World War I obligations. In addition, the oil rich countries which are now soaking American petroleum users owe varying debts to this country. Iran's is $1.1 billion; Saudi Arabia, $41 million; Algeria, $109 million; Nigeria, $101 million; Indonesia, $1.1 billion; Venezuela, $214 million; and Ecuador, $114 million.

In view of the huge amounts still owed to the United States and the State Department's propensity for making extremely generous settlements of these debts, I believe it is time for the Congress to oversee approval of future debt settlements. As Senator BYRD has said, the Constitution delegates to the Congress the power to appropriate funds. Congress, which answers to the people, should therefore have final responsibility for approval of debt settlements which constitute, in effect, direct foreign assistance.

I would prefer an even more comprehensive approach to this problem than is offered by the legislation we are discussing here today. Congressman KEMP and many other Members of the House including myself, are pressing the Treasury Department and the State Department to devise a plan to push for payments on the foreign debts. The American people have demonstrated a generosity unmatched in history in extending financial assistance of all kinds to nations throughout the world. However, our citizens have a right to expect this Nation's loans to be repaid, particularly in these difficult economic times. In my judgment, legislation to require congressional approval of debt settlements is an important first step toward obtaining a more equitable return on the vast sums which we have loaned to so many nations around the world.

AMERICAN MERCHANT MARINE CONFERENCE

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. DOWNING of Virginia. Mr. Speaker, during the recent Columbus Day recess, it was my great honor to address the 49th Annual Convention of the Propeller Club of the United States and American Merchant Marine Conference being held jointly in Port Everglades, Fla. It was most rewarding to have this opportunity to meet with so many men and women who are playing vital roles in the effort leading toward the reestablishment of our American merchant marine to its rightful place in the world.

In particular, I was deeply impressed with the remarks of Mr. Hans J. Hvide of Port Everglades, who served as chairman of the American Merchant Marine Conference. He spoke at the conclusion of the conference and I want to take this opportunity of placing his remarks in the RECORD because I feel that all the Members should have an opportunity to read them and to profit from them:

THE 1975 AMERICAN MERCHANT MARINE CONFERENCE, FORT LAUDERDALE, FLA., OCTOBER 16, 1975

Ladies and gentlemen: the conference theme this year, "American Maritime Industry's Role in Economic Security," I believe has been so well demonstrated by our panelists, we can conclude that we have a basically healthy industry, essential to the national and economic security of our country and that we are intensely dedicated to the continued and badly needed progress of our industry. However, I fear we have been negligent in one respect. I fear we have come to take for granted the perpetual resurgence of our basic economy. I don't believe we have come to recognize that the underlying motivating economic forces as well as political forces have been subject to a great deal of change over the past decade. I have very recently returned from a tour of some of the old European democracies. It was a frightening experience indeed! And there is an unmistakable similarity in their pattern and ours, but fortunately we are still behind their timetable.

Over the years the super aggressive and dedicated socialists, supported by vast numbers of voters who hoped to get a larger share of the pie, have created welfare states where opportunity only exists for the politicians. Incentive is non-existent and productive capacity is at its lowest ever. So many of their citizens are totally discouraged and disillusioned and the general trend unfortunately appears to be towards total government takeover of all those industries that have been taxed to death in order to pay for all the excessive welfare programs. In other words, the welfare doctor administered some cough medicine to the patient which gave him a stroke, so now the doctor hopes to cure all ills by doubling the dose of the same medicine. As must be expected under circumstances of deteriorating productivity, all prices including food, clothing and other necessities have risen to levels higher than ours, and we must remember that only 10 years ago most European prices were substantially below ours. Not only have wages failed to keep pace with cost increases, but increased taxation has further reduced the working man's net take home pay. Any extra effort is totally discouraged by accelerated taxation. The bureaucracy that has mushroomed under these circumstances and the shifting of decision making and power to the central governments must be experienced to be believed. In England, for example, the government now controls the spending of about 56% of the gross national product.

Before we criticize these European democracies to harshly we must in all fairness remember that their crisis is the result of experimentation in new and untried social and political theories. We, here in the USA do not have that excuse! In our case, not to stop and analyze the problem and to take corrective measures would be analogous to the gross neglect with which we would charge a master who sailed his vessel at full speed through the same shoals that had just shipwrecked an older and more experienced navigator. A Norwegian professor in economics, Fridtjof F. Gundersen, I believe, correctly analyzed the underlaying causes of the predicament in a speech in Oslo this September. He finds that the historical rivalry that has existed between capital and labor has divided the power which these two forces could have and should have had in a democratic society; that these two productive forces have the most to lose in an economic shipwreck and that this division has permitted the strangulation by government of free enterprise through taxation to the point of confiscation and by bureaucratic power have succeeded in transferring major business decision-making to the central government. Professor Gundersen finds that in his country, as a result total national income which was previously divided based on economic contribution and production is now in ever increasing measure distributed in accordance with politically defined requirements. However, the professor proposes a solution to the dilemma: industry, that is capital and labor, must unite to make its voice heard and its votes count in a democracy. I believe Professor Gundersen's findings are equally correct and applicable to our own country. The sentiments of your conference committee are clearly expressed in the dedication of our concluding panel this morning, "advancing the labor-management partnership." I believe that we must heed the warning signals that come through so clearly or we will surely find ourselves in a similarly desperate situation. We too will find a shrunken pie and only small pieces for everybody.

Now, let's analyze how, out of the wilderness, a nation was created that so rapidly became the leading nation of the free world. During a period of moral disillusionment and economic stagnation in Europe, the USA surged forward. We know the reasons why. Unrestricted opportunity with incentive and reward in direct proportion to contribution. Even those who might have preferred to be cuddled and supported had to contribute because there was no choice. The results: A free enterprise capitalistic society. And because it offered the opportunity, it created in an unprecedented short space of time, the most advanced industrial society and the highest standard of living the world has ever seen. How can you fault the basics of such a system? Let's just remember that if we want to continue its success and retain its vitality that we must subject it to continuous critical review, update and improvements. Above all, it must continue to offer the opportunity to all. Last but not least, to make it a practical working system, we must make sure that its gears mesh with our political system.

I believe that a recognition by both parties of their mutuality of interests resulting in a true economic partnership of capital and labor to be the first and most essential goal to be reached. After all, what is capital other than accumulated labor, increased or decreased as a result of risk taking. It is my personal opinion that the profit sharing system outlined this morning by Mr. Metzger offers the soundest and most practical approach to this goal.

I would like to reiterate: Without a healthy foundation, no industry can prosper, if it survives at all. Therefore, I recommend to all of you that you devote some serious thought, time and effort to the general economic and social condition of our country.

Last, I want to thank Mr. C. Ray North, our national president, for the honor of this year's conference chairmanship. I want to thank the conference committee members for their help in formulating our program and a special thanks to Jaspar Baker and Al Filiatrault who were always ready to help and without exception, 100% cooperative. My sincere thanks also to Fred Stevens whose dedication to our industry, our port and club is renowned and without whom this convention and conference would not have taken place in Fort Lauderdale. Last, but not least, my thanks to the general convention chairman, Arthur Erb, deputy convention-conference chairman Paul deMariano and our local president, Robert Santos. It is a privilege and it has been a great pleasure to work with each and everyone of you.

Thank you!

A WORSENING ECONOMIC SITUATION

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. ZEFERETTI. Mr. Speaker, the Labor Department reported recently that the wholesale prices of our Nation rose 1.8 percent in October, the steepest rise in the past year. And, to make matters even worse, it was reported that wholesale prices of industrial commodities, the best measure of basic inflationary pressure, recorded their highest increase in 1 year.

Our Nation's unemployment rate rose from 8.3 to 8.6 percent during October, and the number of jobless people climbed back up to more than 8 million for the first time since May of this year. At least another 230,000 people were listed as out of work in October, with the jobless rate for adult men standing at 7.1 percent, for adult women 7.8 percent, for teenagers 19.9 percent, and for heads of households, 5.9 percent.

Construction and housing remain at low levels, and several major companies have gone out of business in recent weeks, notably the huge W. T. Grant chain and Railway Express Co.

To me, these newest figures reveal, once again, that despite the rhetoric of the administration, the economy is not back on the road to stability, nor are our people off the unemployment payrolls and enjoying the prosperity they once enjoyed in the past. And, it is, once again, time to stop pretending, and begin a plan of action to help the thousands who are out of work.

With inflation rising and unemployment growing, our situation is rapidly reaching an intolerable stage. And, these figures do not even reflect the total picture; there are at least a million people presently with no work, those who do not register on unemployment totals because they have exhausted their benefits or have become discouraged in their search for employment. Therefore, it is not an exaggeration to claim that we have close to 10 million unemployed people in our country, in addition to those who are currently underemployed.

These statistics would be startling by themselves, even if we ignored the possibility of further unemployment due to the financial crisis and the proposed layoffs by the city of New York. However, thousands of people in New York are in jeopardy of losing their jobs. And, as we all know, a city or local government can cause the unemployment rate to rise just as well as any private industry. In addition, the loss of a city job can cause the loss or reduction of buying power just as can the loss of a job with private industry. For these reasons, the inflation and unemployment figures released for the month of October have increased significance; they are guaranteed to soar when the city of New York defaults.

In light of this situation, it is surely the time for the Federal Government to act. It is time for the Government to aid New York, to help the city keep its employees on the city payrolls, for no self-serving pronouncement exuding optimism about the economy is going to change our economic climb toward rampant unemployment and inflation. The Federal Government must, therefore, begin by assuring financial guarantees to our local governments. And, it must extend credit to municipalities to halt further erosion of the economy.

The figures issued by the Department of Labor are ominous. And, time is short. The Federal Government must act. And, there is no better time than now.

CONGRESS TAKE NOTE: POLL INDICATES AMERICANS STRONGLY FAVOR AMENDMENT

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. MOORHEAD of California. Mr. Speaker, two of the leading newspapers in the Los Angeles area, the Glendale News-Press and the Burbank Daily Review, both in my congressional district, recently conducted a readers' poll on the question "Do you favor a constitutional amendment making it compulsory for Congress to balance the Federal budget?"

Last January 14, I cosponsored a bill with 18 of my colleagues which proposes an amendment doing just that by providing that appropriations made by the United States shall not exceed its revenues.

I thought the results of the poll were very interesting and pointed out the great concerns of our citizens for fiscal responsibility in Government. They are printed here for the benefit of other Members who may be interested:

CONGRESS TAKE NOTE! POLL INDICATES AMERICANS STRONGLY FAVOR AMENDMENT

For the past three weeks two daily newspapers in this area, the Glendale News-Press and The Burbank Daily Review, have conducted a Readers' Poll, asking the question "Do you favor a constitutional amendment making it compulsory for Congress to balance the federal budget?"

To help readers understand the meaning of deficit spending and its related effects on inflation, taxation etc., these newspapers published a series of articles in conjunction with the Readers' Poll.

Men and women at professional and nonprofessional levels, students, housewives and many others were interviewed and their comments factually reported. Every effort was made to keep the issues simple and clear, and to avoid partisan politics.

Voters were provided with the opportunity to comment if they wished, and every comment, together with the name and area address of the voter, was published in the newspapers; and in fact will continue to be published in several issues to come.

As Readers' Poll coupons were returned by mail, it was evident from the beginning that voters strongly favored a constitutional amendment making it compulsory for Congress to balance the federal budget, irrespective of the consequences.

This trend became so apparent that a special appeal was made for "No" voters, with little effect. "Yes" votes continued to dominate, and the vehemency of the anti-Congress comments strengthened.

At no time was this considered to be a professional poll; just two newspapers testing readers' reaction to a simple question of national importance.

But if the voting, carefully counted with all ballots signed by the voter, shown below is any indication of how constituents throughout the country feel about federal deficit spending, then Congress has a major problem on its hands.

The latest count, with ballots still coming in, is:

Those favoring a constitutional amendment making it compulsory for Congress to balance the federal budget....

"Yes," 1,100.

Those against:

"No", 30.

The breakdown of "Yes" votes is:

Glendale 713, Burbank 387 (men 566, women 534).

The breakdown of "No" votes is:

Glendale 22, Burbank 8 (men 22, women 8).

It is expected to be able to publish a final Readers' Poll result after ballots stop being mailed in about a week's time.

This total of 1,130 voters from Glendale and Burbank may be considered only a small voice in this vast nation of ours. But if newspapers across the country conduct a similar poll and get similar results, then maybe that voice will no longer be small, and Congress will have to take note!

THE HEROIN PROBLEM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. RODINO. Mr. Speaker, several of my colleagues and I have been particularly disturbed by recent Drug Enforcement Administration estimates that 83 percent of the heroin seized in the New York-Newark and Philadelphia metropolitan areas originated in Mexico.

In view of the fact that Mexico has replaced Turkey as the major supplier of heroin, it is imperative that high level diplomatic negotiations be undertaken immediately between our Governments in order to stem the flow of Mexican heroin to the United States.

In order to investigate the extent of this problem, Congressman CHARLES B. RANGEL traveled to Mexico during the recent Veteran's Day recess and discussed the problem with Mexican officials.

Congressman RANGEL has been concerned by the serious problem of drug abuse over the years, and he has worked diligently to insure that our Government take appropriate domestic and international measures to combat trafficking in hard drugs.

For the benefit of my colleagues, I wish to insert into the Record at this point a news commentary which was recently broadcast by Westinghouse Broadcasting concerning Congressman Rangel's trip to Mexico.

I would also like to share with my colleagues Congressman Rangel's trip report, which emphasizes the need for urgent action by the Mexican Government in attacking the problem:

News Commentary Concerning Congressman Rangel's Trip to Mexico

(By Simeon Booker, Westinghouse Broadcasting)

Congressman Charles Rangel showed up the thousands of miles away from his Harlem district—inspecting the growing of opium in Mexico. It was an unusual journey, but typical of the ways that Congressman Rangel follows through to make more Americans aware of the dangers of heroin. No one in Congress has more reason for such determination. Surveys show that at least a sixth of the population of his congressional district, one of the oldest black communities, is addicted to heroin. A Ralph Nader study pointed out that "law and order is a losing cause in Harlem, where the crimes occur at two and a half times in the national average—all because of the terrible inroads of heroin." In recent years, Congressman Rangel has waged an uphill campaign to convince President Ford and Congress to take firm steps to deal with the spread of heroin in this country, and the need for a massive rehabilitation program to help thousands of addicts. What the lawmaker discovered on his inspection trip was that this year's heroin crop could be much higher than even the Mexican Government estimated. Already, the Mexican heroin has begun to cross the border. During the first six months of this year, 90 per cent of the heroin seized in 13 cities by law enforcers has been of Mexican origin. Outflanked, outnumbered, and unable to communicate with his congressional peers, Harlem Congressman Rangel, never-the-less, boldly wages his anti-drug fight. Someday, perhaps, Harlem may be a little better place to live because this one man refuses to give up. This is Simeon Booker in Washington.

Report of Special Study Mission to Mexico To Examine the Effectiveness of U.S. and Mexican Government Efforts To Stop the Illicit Traffic in Mexican Heroin to the United States

(By Honorable Charles B. Rangel)

My visit to Mexico provided me with eyewitness confirmation of the widespread growth of opium poppies throughout the mountain ranges of Southwest Mexico. Although the Mexican Government has, during the past couple of years, assigned several hundred soldiers to destroy the opium poppy crops in the mountainous areas of Mexico, they have been unable to appreciably decrease the amount of opium under cultivation or halt the heavy influx of opium and heroin into the United States.

The Drug Enforcement Administration now estimates that the mountains of Southwest Mexico have the potential of producing more than 11 tons of opium. If we take the average annual amount seized at the border through the efforts of the United States and Mexican governments which is estimated at 4 tons, this leaves an estimated 7 tons of the pure opium for export that is presently entering the illicit market and being exported successfully into the United States for the consumption of addicts in our communities.

I arrived in Mexico on Thursday, October 23rd and was initially briefed by agents of the United States Drug Enforcement Agency (DEA). I was told that DEA and the Department of State worked in very close cooperation with the Mexican government. Through the use of helicopters provided by our government, more than 400 Mexican troops were recently sent into the mountains to destroy marijuana and opium fields. The current approach is to destroy them physically, plant by plant, by means of the soldiers taking heavy sticks and striking the stems of the plants. I met with the Attorney General, Pedro Ojeda Paullada, and his newly appointed assistant, Dr. Alejandro Gertz, to discuss the Mexican government's efforts to destroy the opium poppy crop. Although they expressed a commitment to do what was necessary to suppress the growth of opium, it is clear that the stick-beating technique is not feasible as a primary preventive technique because of the large areas involved and the difficult nature of the terrain.

On Saturday morning, October 25th, a helicopter took me and DEA agents into the mountain ranges of Culiacan. Accompanying us was Dr. Gerts, the special assistant to the Mexican Attorney General, who will be in charge of the intensified campaign against narcotics which is to begin in November of this year. All parties, including the Mexican nationals, were surprised at the number of poppy fields we discovered under cultivation and actually in bloom.

They were shocked at the significant increase in the potential yield of the illicit opium crop. It appears that no matter what efforts are made by the Mexican government, we are going to be in trouble. We are in trouble because many of these farmers are around and are willing to resist government efforts to stop them from growing opium. They do not consider the growing of opium illegal or immoral, and since it is a cash crop for them, they are willing to defend their economic right to grow it. In addition, the Mexican army is undertrained and poorly paid; with few exceptions, soldiers must feed themselves and their families in areas where they are operating. The problem in Mexico goes far beyond the inadequacy of the military. The terrain is impossible, and in many cases the helicopters are not able to land soldiers in the area in order to destroy the crops. In addition to these obstacles, the growing area is so broad that it is impossible for any soldiers on foot to have any degree of success, even though the Attorney General intends to double the number of foot soldiers assigned to opium eradication efforts in the coming campaign.

Herbicides were mentioned as a way to control the crop. In my very long conversations with the Attorney General, it was not clear whether or not he intends to use herbicides in the coming opium eradication campaign. He was only able to say that he was testing herbicides to determine whether they could be used or if they would bring permanent damage to the land. There is strong political opposition in Mexico to even the appearance of U.S. pressure upon Mexico to use herbicides against Mexican farmland. The political leadership of Mexico is not prepared to discuss publicly the use of herbicides at this time. The Attorney General compared the use of herbicides at one point with napalm.

Without the use of herbicides, however, it is my opinion that the opium eradication campaign will be a complete failure. I am convinced from my observation that the number of farmers now participating in illegal cultivation of opium poppies has mushroomed beyond the realm of control by traditional methods. Farmers never before involved are cultivating fields of this cash crop. Unlike Turkey, each farmer can produce at least two crops a year because the climate affords year round cultivation of the opium poppy.

Even the Mexican officials accompanying me were shocked at the widespread cultivation of opium poppy. Mexican officials who accompanied me on the trip were amazed at the number of poppy fields that were in full blossom and were being cultivated and processed in areas expected to be dormant. Despite the cooperative efforts of the Mexican and U.S. governments it is clear that under the present stick beating system employed by the Mexican government, there is absolutely no way that this can destroy the high yield that is expected from these fields this year and next year. I don't want at this point to be overcritical of the Mexican Government since their campaign is to begin about November 1st, and I hope to return to Mexico in early November to judge its implementation, but I think we must increase our pressure upon Mexico to step up its efforts and use methods with a greater chance of success than the present use of sticks and soldiers.

I call upon the President of the United States to consider this situation a crisis and to immediately schedule a meeting with President Echeverria of Mexico to determine what joint efforts can be made to prevent this expected high yield of Mexican heroin from reaching the United States. Our Secretary of State and the President of the United States have been publicly silent about this critical area. While the State Department and DEA are working with the appropriate Mexican officials, they need assistance and leadership. Unless the President of the United States involves himself and the Secretary of State immediately in this problem, America is going to be hit with an opium problem of greater magnitude than any ever experienced in our history.

UNITED NATIONS DRAFT RESOLUTION ON ZIONISM

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. FRASER. Mr. Speaker, the vote in the Third Committee—the Social, Humanitarian, and Cultural Committee—of the U.N. General Assembly, on October 17, 1975, declaring that Zionism is a form of racism and racial discrimination is deeply offensive to all who believe in the importance of human rights.

Racial discrimination is an ugly practice that must be ended wherever it exists. The interest of Jews in a homeland bears no resemblance to racism. Indeed, in our Nation U.S. citizens of Jewish faith and background have been in the forefront of efforts to end racial discrimination in the United States.

A determination such as that of the Third Committee with respect to Zionism raises a cloud of suspicion concerning every citizen of Jewish faith of every State because most Jews are sympathetic toward the State of Israel.

The rise in anti-Semitism which an attack on Zionism produces is already visible in several nations, a sickening and tragic consequence of such ill-advised declarations.

Many have spoken out in opposition to the Third Committee's action. Two statements are especially good, worth placing in the Record. The first is a position paper from the American Ethical Union. The other is a letter from Vernon E. Jordan, Jr., executive director of the National Urban League, to the New York Times that was printed November 5.

I would call your attention to the second paragraph of the Ethical Union's statement. In it, the people of the United States are urged "to remain within the United Nations, despite all provocations and indignities, and to use to the fullest our diplomatic, cultural and economic influence on behalf of the often-outnumbered community of democratic nations." I enthusiastically endorse that sentiment.

The statements follow:

AMERICAN ETHICAL UNION,
New York, N.Y., October 30, 1975.

POSITION PAPER FROM THE AMERICAN ETHICAL UNION ON UNITED NATIONS DRAFT RESOLUTION ON ZIONISM

The United Nations draft resolution condemning Zionism, adopted by the Social, Humanitarian and Cultural Committee, and now before the Assembly, seriously perverts the purpose of the U.N. and endangers peace. It is absurd and demagogic for an Assembly composed predominantly of newly emerging states to condemn the national aspirations of a single ethnic or religious group. If Zionism is racist, then the nationalist movements of every other emerging people struggling for statehood must be condemned on the same principle. On its face the resolution is cynical, and a reckless, one-sided intrusion into the Arab-Israeli dispute.

The American Ethical Union urges the people of the United States to remain within the United Nations, despite all provocations and indignities, and to use to the fullest our diplomatic, cultural, and economic influence on behalf of the often-outnumbered community of democratic nations.

In the international community today, the proper role of the United States is to exercise world leadership as the uncompromising champion of moral and governmental principles upon which both American democracy and the United Nations were founded. While past and present policies of our government require constant correction, we believe that only the United States and its sister democracies can provide the moral leadership necessary to prevent slippage of the world into new forms of barbarism, disguised as "world liberation" "antiimperialism." Standing up for democratic norms and fair-play in the United Nations is an essential step in providing that moral direction.

[From The New York Times, Nov. 5, 1975]

ANTI-SEMITISM AT U.N.

To the Editor:

As one who has devoted his life's work to opposing racism, I am appalled at the grotesque attempt to equate Zionism and racism in the draft resolution to be considered by the U.N. General Assembly.

Zionism is the national liberation movement of the Jewish people, seeking exactly what other national liberation movements seek: statehood and self-determination. The attack upon Zionism amounts to the grossest form of anti-Semitism, since it is clear that the term Zionism is used by its opponents as a code word for Judaism and Jews. The fact that the resolution was rammed through by Arab states that themselves practice racial discrimination against their own minorities—Jews, Kurds, Copts and others—makes the current debate even more obscene.

It is to be hoped that peace, security and justice can be obtained for all the peoples of the Middle East, including, both Israelis and Palestines. Such a resolution of the area's problems can only be retarded by the worldwide anti-Semitic campaign waged by Arab states and by the resultant weakening of the U.N. through tactics that offend reason.

Racial minorities everywhere, especially in the United States, and nations in Africa and Asia that have a stake in the elimination of the curse of racism should speak out against this latest effort of racist anti-Semites to debase the struggle against racism.

VERNON E. JORDAN, Jr.,
Executive Director, National Urban League.

FORCED BUSING AGITATES WHITE FLIGHT

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. SNYDER. Mr. Speaker, at my request the Library of Congress has obtained a set of figures from the public information office of the Atlanta, Ga., school system.

These figures show that before court ordered busing, the percentage of black students in the 1971–72 school year was 72.2 percent. They further show that after busing was inaugurated in the 1972–73 school year, the percentage of black pupils rose steadily, from 77.1 percent in that first year, to 86.4 percent in the current school year. Yet the actual number of blacks held steady throughout.

This is but one of many examples that indicate clearly and conclusively that court ordered busing to achieve some judicially determined necessary racial balance in the public schools is absolutely counterproductive.

Further indications of this phenomenon which seems to be known to everyone but our learned justices, are contained in a September 10, Chicago Tribune editorial entitled, "Unproductive School Busing," and in October 30 Washington Star article on the growing percentage of blacks in the schools of Prince Georges County, Md.—which under Federal court order has had probably the largest single busing undertaking in the country.

Mr. Speaker, the three items are inserted below to give added proof to my colleagues that forced busing agitates white flight, defeating the very purpose for which the courts order it:

ENROLLMENTS IN ATLANTA PUBLIC SCHOOLS

Year	White students	Black students		Others
		Number	Percent	
1971–72	27, 688	72, 351	72. 2	153
1972–73	21, 683	73, 985	77. 1	338
1973–74	15, 997	71, 786	81. 5	342
1974–75	12, 884	72, 106	84. 5	308
1975–76	10, 987	72, 300	86. 4	368

UNPRODUCTIVE SCHOOL BUSING

Nearly every literate American knows what Boston and Louisville have in common this month—mass busing of school pupils to overcome racial segregation. In both cities the busing is fiercely resented and resisted. In both, court orders for extensive busing illustrate a now clearly counterproductive strategy.

The nation has accepted the finding of the Supreme Court, more than 20 years ago in Brown vs. Board of Education, that it is unconstitutional for government to impose racial segregation on the schools. "Separate but equal" dual systems were separate, all right, but never equal. More subtle and sophisticated devices, such as gerrymandering attendance areas for racial reasons, have also fallen under the condemnation of Brown vs. Board.

But the courts have not been content with eliminating official school segregation. For reasons that surely would have been, as obscure to the writers of the Constitution as they are to an overwhelmingly majority of citizens today, courts have tried to make the schools look as if there were no de facto housing segregation in the United States. They have issued orders so detailed that the one in the Boston instance is 104 pages long.

Last year the Supreme Court, by a vote of 5 to 4, decided a case involving the Detroit schools. The majority held that since there was no showing of discriminatory policies on the part of Detroit suburbs, there was no basis for the proposal to throw suburbs and central city into one school attendance area. Writing for the majority, Chief Justice Burger said that to consolidate 54 historically distinct school districts into one would create difficult problems. It would, he said, make the local federal court "a de facto 'legislative authority' to resolve these complex questions and the 'school superintendent' for the entire area."

The Detroit opinion does not apply to Louisville, however, because the courts have ruled that in Greater Louisville both the suburban ring and the central city have been discriminatory. Yet Louisville's major school desegregation, in 1956, was so peaceful that the event was called "the quiet heard round the world." A co-author of the book "The Louisville Story" said that bigotry, tho present, was "viewed by the community leadership as a evil to be combatted." It would be unfair to assume that Louisville's resistance to court-ordered busing is caused by simple race prejudice.

In Boston, the current uproar is the latest chapter in a long continued story. There has been judicial determination that Boston school authorities deliberately maintained an unconstitutionally segregated system. But it is no simple matter to produce a workable substitute for the Boston neighborhood school. Last year, an interim court-imposed plan projected a mix at South Boston High of 1,094 whites and 358 blacks. But attendance fell to 425 whites and 130 blacks. At Roxbury High, busing was supposed to produce 535 whites and 486 blacks. But present were 40 whites and 240 blacks.

James S. Coleman, a sociologist at the University of Chicago and a close student of school segregation problems, has concluded that the courts are "probably the worst instrument of social policy." In view of the evidence of white flight, he has concluded that "desegregation thru the courts probably will have served in the long run to separate whites and blacks more severely than before."

Massive court-ordered busing exacts a high price, in academic and social disruption as well as in money. What of value does it produce? Not respect for Constitutional principles. Not diminished racial separation. Certainly not superior education, for either whites or blacks.

Courts should and can restrain schools and other government agencies from practicing inequitable racism. But it is an extravagant futility for them to try to keep the schools from reflecting existing housing patterns. For them to attempt it is to sacrifice much, including the education of vast numbers of children and youths, to no good purpose.

BUSING EYED ANEW AS MORE BLACKS TIP P.G. SCHOOL BALANCE

(By Gloria Borger)

Increased black enrollment—to the point where blacks now represent as much as 70 percent of the student body in a number of Prince Georges County schools—may bring the question of busing for racial balance in the county school system back to the courts.

A report on black-white ratios in the school system released today by the school board's pupil population division shows huge increases in black enrollment in communities close to the District line.

Earlier this year, U.S. District Court Judge Frank A. Kaufman—who handed down the 1973 order to the county to bus about 33,000 students for racial balance so that there would be "not less than 10 percent or more than 50 percent of black students in any school"—closed litigation with the county but reserved the right to reopen the case if there was evidence of any return of segregation.

Although the county is no longer working under any real guidelines to maintain racial balance in the schools, it may have to redistribute students once again to avoid another court battle.

Last May, the school board approved a plan to insure that new schools were racially balanced, but the proposal did not deal with those schools which already showed some indication of having lopsided black-white ratios.

Anti-busing school board member Susan V. Mills, a likely candidate for the board chairmanship when Chester E. Whiting resigns Nov. 30, said that "when they talked about racial balancing in the proposal we drew up last May, it didn't mean a blooming thing. The policy does not say we will do any racial balancing in schools already in operation."

In a letter to Supt. Carl W. Hassel in April—which evidently prompted the school board's May action—school board attorney Paul M. Nussbaum cautioned the board that "some of the public schools of Prince Georges County have shown black population ratios considerably in excess of previously court suggested and approved guidelines of 10 to 50 percent."

He then said that the Board of Education must "face this subject and decide for themselves whether any or no steps should be taken at this time."

Nussbaum claims, however, that the board is "under no legal obligation to do anything about the ratios." He said that the increased black enrollment is a result of changing population patterns and is not caused by any unwillingness to fully comply with the 1973 order.

In March 1970, 19 percent of the student population in Prince Georges was black. Last year, the figure was 30.8 percent. This year, it has risen to 32 percent.

Sylvester J. Vaughns, president of the Prince Georges NAACP who took the county to court in 1973, believes the current imbalance can and should be changed.

"The NAACP is giving serious consideration to going back to the courts," he said. "We will be talking to our attorneys shortly and something will be done."

When Vaughns took the county to court with his son, Sylvester Jr., as the lead plaintiff in 1973, about 25 out of 163 Prince Georges County elementary schools had more than 50 percent black enrollment and 5 out of 41 junior high schools were more than 50 percent black.

Today some of the same schools which had more than 40 percent black enrollment at the time of the litigation now have black enrollment above 50 percent.

For example, in Hillcrest Heights, the J. Gardiner Shugart Junior High School now has black enrollment of 67.8 percent and Green Valley Elementary School has become 64 percent black.

Other schools pointed to in 1973 that now have a majority of black students include: Barnaby Manor Elementary School (Oxon Hill) 65.5 percent; Glass Manor Elementary School (Glass Manor) 55 percent; Owens Road Elementary School (Oxon Hill) 67.3 percent.

Most schools whose ratios have become tilted are concentrated inside the Beltway area, especially in Oxon Hill and Hillcrest Heights. Among these schools are Hillcrest Heights Elementary school, 58.7 percent; Panorama Elementary 58.4 percent; Forest Heights Elementary, 57.7 percent; Sandy Mount Elementary, 51.6 percent.

"The problem we now have is a combination of busing and neighborhood patterns," Mills said. "We have a black and white flight problem in Prince Georges—the blacks are coming in from the District and the whites are leaving the suburbs."

"A bout with the courts again might leave us in a better position to help the schools," Mills added. "Maybe we'll just come around full circle and start looking at the needs of each school. We just can't go on shoving kids around like this and I don't care who they are."

HUGHES COMMENDS OWENS-ILLINOIS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. HUGHES. Mr. Speaker, alternatives to future fossil fuel energy supply is an issue which involves us all. I am pleased to submit an article which appeared in the August 1975, Owens-Illinois Outlook. Owens-Illinois has come up with a sophisticated solar energy collector, which appeared in the August 1975, Owens-Illinois Outlook. Owens-Illinois has come up with a sophisticated solar energy collector, which will efficiently allow for an innovative answer to our energy needs.

The hardware is to be manufactured in the Vineland Kimble plant. The people at Owens-Illinois are to be commended as they are the forerunners of an important energy trend. All of my colleagues interested in resolving our energy shortage and related problems are asked to encourage, and support groups such as Owens-Illinois, who turn to new solutions for an old and persistent problem.

The article follows:

NEW TUBULAR SOLAR ENERGY COLLECTOR WITH FIVE TIMES GREATER EFFICIENCY INTRODUCED BY OWENS-ILLINOIS AT DEVELOPMENT CENTER

The development and commercial installation of an advanced tubular solar energy collector which is two to five times more efficient than existing flat-plate solar energy collectors was displayed recently at the Development Center in Toledo.

Called Sunpak, the advanced evacuated tubular utilizes highly sophisticated glass and solar technology. The system can operate efficiently in a wide range of temperatures and is capable of driving existing heating and cooling devices which presently use fossil fuels.

Dr. John Woulbroun, project manager, announced that a Sunpak solar energy collector has been commercially installed at the Southeastern California Gas Co., in Los Angeles, where a 500-square-foot array is being used for cooling purposes in a project in conjunction with the Institute of Gas Technology.

Dr. Woulbroun said another commercial installation of a 1,000-square-foot array of the Owens-Illinois collector is to be installed next month at the office building of Smith, Hinchman & Grylls Associates, Inc., in Detroit, where it will be used for testing the collector's capabilities for heating cooling, and hot water.

Owens-Illinois has been working on the development of a solar energy collector since 1972 using its technological expertise with glass.

The basic module of the Sunpak collector measures four feet by eight feet and consists of a series of 24 glass tubes, each 40 inches long. The special tubes are connected to a manifold system and can use water or ethylene glycol as the heat transfer fluid. The system also can be operated using air for heat transfer, with a minimum of modifications required for the operation.

Dr. Woulbroun said O–I plans to install demonstration units during the next two years, such as those at Los Angeles and Detroit, to provide field testing of the Sunpak collector.

"We see our immediate markets as commercial buildings where heating and air conditioning needs could be satisfied with the Sunpak collector, industrial applications where large quantities of process hot water are needed, and eventually for low-rise residential use," he said.

Dr. Woulbroun said O–I has done extensive testing of the collector, and the National Aeronautics and Space Administration (NASA) also has conducted tests at its Lewis Research Center in Cleveland.

"These tests indicate that our Sunpak collector is an extremely efficient collector of energy, and our field testing at a number of different sites throughout the country is aimed at confirming these preliminary tests with actual on-site use," Dr. Woulbroun explained.

The O–I solar energy collector is composed of three different glass tubes, inside one another. The outer tube is two inches in diameter and houses an inner selectively coated glass absorber tube which is hermetically sealed to the cover at one end. The space between these two tubes is pumped to a high vacuum and permanently sealed to reduce heat loss.

The third tube is the delivery tube inserted inside the absorber tube to provide for the actual transfer of the heat from the sun's rays.

One major advantage of the O–I collector which makes it more efficient, Dr. Woulbroun said, is that the tubes are spaced in the module, with a reflective backing screen. This permits more of the sun's rays to be captured, either directly on the tube or as the rays reflect off the backing screen onto the underside of the collector tubes.

"Installation of the standard module is very easy," Dr. Woulbroun said. "The complete system of roof mounts, lightweight manifold and the tubes can be carried to the installation site by one man. Inserting the tubes into the manifold is as easy as changing a light bulb," he said.

Several modules can be connected, based on the total energy requirements of each installation, he said.

Although still in the experimental stage, Dr. Woulbroun said O–I hopes to make the cost of the Sunpak collector directly competitive with fossil fuels in most areas of the country when high-volume production of the collector is reached.

SYSTEM UTILIZES MOST ADVANCED GLASS AND COATINGS TECHNOLOGY

Sunpak utilizes the most advanced glass and coatings technology available today in the solar energy field, according to Bob Santelli, O–I director of research and development.

"Our Company has strong glass technology. We know its properties; we know what can be done with it; and we know its limitations," Dr. Santelli said. "Out of this scientific development came SUNPAK. It utilizes glass as its principal component."

"Our solar energy collector has shown its merits in our own tests and in those conducted by NASA. During the next two years, through on-site installations we will determine how effectively it works in field use."

Collection of solar energy is an emerging science. As the cost of existing fuel continues to increase, scientists and engineers around the world are increasing their efforts to find acceptable alternatives to fossil fuels, he added.

An International Solar Energy Congress was held July 28 in Los Angeles, and it attracted researchers interested in this field from 55 nations. Owens-Illinois made a major presentation on its collector at this international congress.

"We believe the sun will prove to be an acceptable alternative to fossil fuels. We must develop systems which can capture the energy of the sun and convert it for use by man—for heating, cooling, and for industrial applications where large quantities of hot water are required for manufacturing processes," Dr. Santelli said.

There are many predictions about what impact solar energy may have in the future. Some say that by 1985, one out of every 10 new homes will be solar assisted. Others predict that early in the next century, solar energy systems will account for 20 percent of our energy which, at our current growth rate, will equal the total amount of energy we use today, he added.

"Regardless of what prediction or estimate you believe, there remains the important need to develop some system other than those we now have, all of which are dependent on fossil fuels, of which there is a finite supply. We believe it is important to harness the power of the sun, and we think our SUNPAK solar energy collector does that," he explained.

Q. Do you have some idea of the cost of this system?

A. We are offering these collectors in the $20 to $25 a square foot range during the course of this year. Next year we plan to be somewhere in the $15 to $20 region, and, of course, the collector must reach approximately $10 a square foot in order to be competitive with the fossil fuels at current prices today.

Q. When do you think you can get the price down to $10 a square foot?

A. Assuming that we continue to make commitments, I anticipate that this will take about two to three years.

Q. How much energy will you be producing in the new Detroit installation?

A. I can tell you in terms of British Thermal Units (BTU's)—each square foot of collector will provide about 1,000 BTU's per square foot per day on an average yearly basis, so if you have 1,000-square-feet you are looking at collecting about one million BTU's per square foot per day. And if it is difficult to relate as to how much energy will be provided for that building, to give you a typical example, that you can relate to more easily, a 1,500-square-foot dwelling using this collector for heating hot water and heating the house would require about 200 to 300 square feet of collectors, or about one and one-half times the amount you use here today.

Q. How many modules are in this display working unit?

A. Six modules—each is four feet by eight feet.

Q. Where are these collectors produced?

A. The glass tubes are produced by our Kimble Division in Vineland, N.J., and then we subsequently add value to these tubes by putting on the selective coating on the absorber tube and we join these tubes and evacuate them here at the Development Center.

Q. How much collector area would be required for a residential home?

A. On the order of 200 to 300 square feet.

Q. Is it light enough to be installed on a home roof by one person?

A. That's right. These manifolds weigh six pounds, and tubes weigh about three pounds each, so that it is extremely easy for one person to install these very rapidly.

Q. Do you plan residential test installations?

A. We have a residential home that is going to be outfitted with the collectors on Long Island and the details of that program are going to be announced at a later date.

Q. Is there any particular reason why you have no installation in Toledo?

A. There will be a site in Toledo, we are just really taking them one at a time.

Q. . . . probably because there is not enough sun?

A. Well, an opportunity to make a good point. Yesterday was an overcast day and the insolution or solar energy impinging on these collectors was about 40 BTU's per square foot versus perhaps 300 BTU's today when we reach noon, and this collector was operating at 120° Fahrenheit. And the reason for that is that this collector operates in a hazy or cloudy condition because there is still a considerable amount of diffuse energy which is picked up very nicely by this collector, and, I believe, this is unique with O-I's SUNPAK.

Q. When the sun is down, does the collector store the collected energy for nighttime use?

A. These collectors have to be tied in with a storage system, and, of course, also with existing heating equipment. You always supplement your energy needs with solar energy—maybe to the tune of 50 to 80 percent because it would be too expensive, or not economical, to put in enough collectors to take care of the coldest day of the year because on the next day you would be really wasting energy that could be collected with the array.

COMMONSENSE URGED ON PANAMA CANAL SITUATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. SIMON. Mr. Speaker, the Panama Canal issue will plague this Congress, this Nation, and this hemisphere until we move to a negotiated settlement which guarantees that the canal remains open but under the supervision and leadership eventually of that nation through which it goes, not this Nation. Old-fashioned colonialism is dead and the sooner we realize it, the better off we will be.

Recently Richard Wyrough of the State Department spoke to the Defense Orientation Conference Association on the subject and his remarks merit the consideration of all of our citizens. His talk, given on October 3, follows:

I am pleased to be able to talk with you about a subject that has occupied a good bit of my attention for the last year and a half—namely, the Panama Canal.

In the few minutes I have I want to try to answer several questions.

First—and, perhaps, most important—why do we need a new treaty?

Second, what is the status of the negotiations?

Finally, what of the future—will we get a treaty?

What will happen to it here?

Can we live without a treaty?

As background, we must remember that the 1903 Treaty is 72 years old.

It is an old treaty by today's standards.

It led to an engineering achievement which has served us well and in which we are justly proud.

For 60 years world shipping has been served efficiently and at low tolls.

Yet, the conditions under which the Canal operates do not reflect the many changes that have occurred in Panama and the world.

Ours is a different world than when Teddy took Panama.

No nation, including ours, would accept a treaty today which permits exercise of rights as if sovereign on foreign land in perpetuity.

Today—in 1975—we are negotiating because we want to protect our fundamental interest in Panama—a canal open at reasonable tolls to U.S. and world shipping.

We are negotiating because Panama's satisfaction with our presence is declining, and—as it declines—our ability to adequatey operate and defend the canal will grow more difficult.

We are negotiating because we have a bipartisan commitment that President Johnson made publicly 11 years ago.

We are negotiating because Latin America has made the canal problem a major hemispheric issue.

Finally, we are negotiating because we perceive an opportunity that, if lost, may not emerge again on terms as satisfactory to us as those of the present moment.

And, we believe that any breakdown in negotiations would invite problems that can be avoided with a treaty.

I have said that—over the years—Panama's level of consent to our presence has persistently declined.

It has declined because Panama objects to a number of circumstances.

And, here, I will sum up several Panamanian views.

I neither support nor reject them, but believe that we should be aware of these very real perceptions.

Panama says that the United States occupies a 10 mile strip across the heartland of Panama's territory, cutting the nation in two, curbing the natural growth of its urban areas.

Panama says that the United States rules as sovereign over this piece of Panama's territory.

Panama says that we maintain a police force, courts, and jails to enforce U.S. laws, not only upon American but also upon Panamanian citizens.

Panama says that the US Government operates virtually all commercial enterprises within the Zone, denying to Panama the jurisdictional rights which would enable its private enterprise to compete.

Panama says that the United States controls virtually all of the deep-water facilities serving Panama.

Panama says that the United States holds unused, large areas of land within the Zone.

Panama says that the United States pays Panama but $2 million annually for the immensely valuable rights it enjoys on Panamanian territory.

Panama says that the United States operates, on Panamanian territory, a full-fledged government that has no reference to the Government of Panama, which is its host.

Finally, Panama complains that the existing treaty allows us to do all these things forever.

Now—unless a treaty can address these concerns in ways which Panama regards as more equitable—we will not have a hospitable environment nor a very secure canal.

Panamanian frustrations over the situation will not be eased by further delay in making good the commitment we accepted in 1964 to negotiate a new treaty which would replace the existing one.

In essence, then, the purpose of the negotiations is to lay the foundations for a new—a more modern—relationship between the two countries.

Without such a modernization it is likely that Panama's consent to our presence would continue to decline.

And, while we could attempt to maintain our present position, we would have to do so in an increasingly hostile atmosphere of confrontation.

And, we would do so bearing in mind that the canal—by its physical characteristics—is a vulnerable and not easily defensible transportation link.

Some have maintained that the mere mention by US officials of the possibility of violence over the canal might help to assure that such violence occurs.

I am aware of that sentiment, but I think it would be irresponsible to remain silent on the possibility of violence.

I submit that we would find it difficult, if not impossible, to keep the canal running efficiently against all-out Panamanian opposition.

The problem—in my opinion—will not simply go away.

Attitudes—not only in Panama but, more importantly, in the hemisphere at large—have changed.

We can no longer afford to exercise extraterritoriality on the soil of another country.

In spite of first reactions to hold what we have without change, I believe that most Americans would find such a position increasingly difficult to sustain.

I can assure you that we would have no support from the countries of Latin America and indeed the rest of the world.

The Latin American nations have made our handling of the Panama negotiation a test of our intentions in the hemisphere.

Indeed, at the OAS General Assembly meeting last March, they unanimously reaffirmed their support of Panama's aspirations for a new and more equitable treaty.

Since then, OAS Secretary General Orfila and a number of other prominent Latin American leaders, friendly to the United States, have publicly emphasized the importance which they attach to a successful resolution of this problem.

It is just not reasonable or prudent for us to expect that Panama or indeed our other neighbors in the hemisphere will wait much longer.

We need a treaty.

A new treaty would raise Panama's consent to our presence.

It would mean that we could devote all our energies in Panama to the functions required for the efficient operation of the waterway.

Putting it simply, I believe our interest in keeping the canal open and operating for our own purposes is best served by a partnership arrangement for a reasonable additional period of time.

Such a new relationship involves giving up something of what we now possess.

We want to keep the power but shed the trappings.

Three examples should serve to explain my meaning.

First, we will retain control over canal operations for the duration of the treaty.

But Panama will participate progressively in these operations in preparation for its future role.

Second, we will keep the lands and facilities we truly need to control and defend the canal, but return what we can do without.

Third, we will have all the defense rights we need, but perform our defense tasks with Panamanian participation, and have—thereby—a more secure canal.

In sum, then, we are negotiating because we see this partnership as the most practical means for protecting our interests.

Whereas continuance of the status quo will lead to prolonged problems—and possible loss of what we are trying to preserve—partnership promises a greater assurance of success in keeping the canal open, efficient and safe.

Our real choice is not between the present treaty and a new treaty—rather it is between a constructive partnership and what would happen if negotiations should fail to produce mutual agreement.

Turning to a look at the status of the negotiations, I can say that during the past 23 months our negotiations have proceeded step by step through three stages.

Stage 1 ended in February 1974 when Secretary of State Kissinger journeyed to Panama to initial with the Panamanian Foreign Minister a set of eight "Principles."

We have used these principles in the intervening months as guidelines in working toward a new treaty.

Perhaps the Panamanian Chief of Government, Omar Torrijos, best characterized these principles when he said they constituted a "philosophy of understanding."

Their essence is that:

Panama will grant the United States the rights, facilities and lands necessary to continue operating and defending the canal; and

The United States will return to Panama jurisdiction over its territory, and arrange for the participation by Panama over time, in the Canal's operation and defense.

The "Principles" also say that the next treaty shall not be in perpetuity but rather for a fixed period, that the parties will provide for any expansion of canal capacity in Panama that may eventually be needed and that Panama will get a more equitable share of the benefits resulting from the use of its geographic location.

Stage 2 involved the identification of the major issues under each of the eight principles.

The identification of these major issues, concurred in by the Department of Defense, provided the basis for stage 3 and substantive discussions.

This stage began in June of 1974 and continues.

For over 15 months now we have been discussing—again with the helpful support of the Department of Defense—the substantive issues associated with the Statement of Principles.

We have reached agreement in principle with the Panamanian negotiators on three major issues.

Jurisdiction: Jurisdiction over the Zone area will pass to Panama in a transitional fashion.

The United States, however, will retain the right to use those areas necessary for the operation, maintenance and defense of the canal.

Canal Operation: During the treaty's lifetime the United States will have the primary responsibility for the operation of the canal.

There will be, however, growing participation of Panamanian nationals at all levels in day-to-day operations in preparation for Panama's assumption of responsibility for canal operation at the treaty's termination.

In this regard, Panamanian negotiators understand that there are a great many positions for which training will be required over a long period of time, and that the only sensible course is for their participation to "begin in a modest way and grow gradually."

Canal Defense: Panama recognizes the importance of the canal to our security. As a result, the United States will have primary responsibility for the defense of the canal during the life of the treaty.

We will maintain land, air and sea forces in Panama and will have the necessary rights for their effective operation.

At the same time Panama will participate in canal defense in accordance with its capabilities.

Beyond these three issues, several other major elements of a treaty still require resolution.

They concern:

Increased economic benefits to Panama;

Some capability to expand the canal should we wish to do so;

The size and location of the land/water areas we will need for control of canal operations and defense;

Finally, the extent of duration of the treaty period.

You see, then, that we still have a way to go.

And, therefore, some thoughts might be offered on what lies ahead.

We are proceeding—as Ambassador Bunker likes to say—with all deliberate speed.

At the same time, we have no fixed timetable.

And, since we face complex issues, it is very difficult to predict when a treaty might be ready.

There are some vehement Panamanian nationalists who stand ready to challenge any "surrender" by their Government of Panama's maximum aspirations.

They argue that negotiation is a mistake, that time is on Panama's side and that only pressure will force the United States to relinquish control of the canal.

Indeed, in recent days, a group of radical students demonstrated not only against our Embassy in Panama but also against the Foreign Ministry, charging their government with selling out to the United States.

Here at home I recognize that there are some who hold the view that we should not relinquish any rights acquired under the 1903 treaty.

I can understand this point of view.

And I recognize its appeal.

The commonest cocktail party question I get when someone learns what I do is: Why are we giving away the canal?

My response that we are not giving it away but trying to protect it usually produces raised eyebrows.

Clearly, considerable public education is needed if a new treaty is not to be regarded as bad politics domestically.

We need to overcome the idea:

That sovereignty is essential to our needs;

That perpetuity is essential to defense;

And that a new treaty somehow will lead inevitably to the canal's closure and loss.

But, I firmly believe that our most critical problem at home is not fundamental antipathy to a new relationship with Panama.

Rather, it is ignorance of *why* the new relationship is needed to protect our interests.

We need a straightforward and productive discussion of the issues affecting our basic interests.

National interest on an issue of such import is not only inevitable but desirable.

After thoughtful examination we hope that we will emerge with a reasonable and mutually satisfactory treaty which will stand on its merits.

As Secretary Kissinger said earlier this week at a luncheon for some Latin American dignitaries in New York: "I am convinced that the balanced treaty that we and Panama will achieve will be approved by the overwhelming majority of the American people."

KING CAUCUS BREWS CONGRESSIONAL MOONSHINE RULES

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I was amazed to learn today that the so-called reform task force of the House Democratic Caucus, otherwise known as the Committee on Organization, Study, and Review, is circulating for comment a series of proposed House rules changes, the effect of which would be to prevent the American people from knowing how their Representatives vote. Under the proposed changes, it would first be more difficult to demand a recorded vote both in the House and in the Committee of the Whole House. "Proposal No. 1," as it is listed, would raise from one-fifth of a quorum of the House, or 44, to one-fifth of those actually present, the number required to demand the "yeas and nays." Proposal No. 3 would increase from 20 to 35 the number of Members required to demand a recorded vote in the Committee of the Whole. The knockout combination for openness and accountability, though, is contained in proposals 2 and 4. The first would reduce from 20 to 15 the number of Members who could request a "nonrecorded teller vote in the Committee of the Whole," something we have barely used since we adopted the recorded vote rule back in the 1970 Legislative Reorganization Act. The second would prohibit demands for a recorded teller vote after a nonrecorded teller vote had been taken, though a simultaneous request for a recorded vote would take precedence over a nonrecorded vote demand.

Mr. Speaker, the ostensible reasoning behind these proposed rule changes is to reduce the amount of time consumed in answering to recorded votes by making it more difficult to demand them in the first place. But the effect, whether intended or not, will be to conceal from the American people how their representatives stand on controversial issues.

Mr. Speaker, I think it should be pointed out that we went through all this last year when the Rules Committee conducted hearings on a proposal to increase to 44 Members the number required to demand a recorded vote in the Committee of the Whole. Our subcommittee came out with a compromise of 33, and the full committee sent to the floor a further compromise which would retain the present requirement of 20, except when the Speaker determined that more than 200 Members were on the floor, at which time it would take 40 Members to demand a recorded vote. That provision was incorporated in House Resolution 998 which contained several other rules changes. But the 20-to-40 compromise was rejected by the full House by a vote of 252 to 147 on April 9, 1974.

Despite the overwhelming House sentiment on the issue of retaining the present rule of 20, the Democratic Caucus is now not only surfacing with a rule of 30, but another provision to resurrect the old nonrecorded teller vote system of filing up the aisles with our backs to the press galleries, and using this to block any later attempts at securing a recorded teller vote—all in the name of saving time, of course. I guess this type of "reform" is to be expected from the task force that brought us the notorious "committee reform" substitute in the last Congress which did anything but reform our committee system. Mr. Speaker, at a time when the other body is finally moving on "government in the sunshine" legislation to open up its committees, it is rather ironic that the House Democratic Caucus—King Caucus—is in the backroom brewing up this batch of congressional moonshine rules. It is especially ironic at a time when the caucus has supposedly opened its doors to the public that one of its task forces should be working in secret to draft House rules to keep our floor votes from the public. Rather than secretly circulating these congressional moonshine rules among House Democrats, I would challenge the caucus to openly debate them in their new and open Democratic Caucus proceedings and to invite public comment on them. I am sure if you polled the American people and asked them whether they thought there should be fewer recorded votes in the House, they would respond with an overwhelming "No." I am astounded that our Democratic colleagues have apparently learned nothing from the recent polls which show public confidence in the Congress at an all-time low. The people clearly want more openness and accountability from the Congress, not less. Let the King Caucus moonshine still be still.

At this point in the RECORD, Mr. Speaker, I include the proposed rules changes being circulated by the Democratic Caucus Committee on Organization, Study and Review:

DEMOCRATIC CAUCUS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., November 7, 1975.

To: Members of the Democratic Caucus.
From: Neal Smith, Chairman, Democratic Caucus Committee on Organization, Study and Review.

The Committee on Organization, Study and Review has been considering proposals by various members which might expedite the proceedings of the House. The following proposals are under the most active consideration:

I

Proposal No. 1: Amend Clause 5 of Rule 1 of the House Rules to provide that a request for a record vote in the House must be supported by one-fifth of those present.

Explanation

Article I, Section 5 of the Constitution provides that a demand for the "yeas and nays" must be supported by one-fifth of "those present." The House rules provide that a demand for a "recorded vote" must be supported by at least one-fifth "of a quorum." This results in some confusion and a different number is required depending upon whether the Member asks for the "yeas and nays" or "a record vote." This proposed change would make the House Rule conform to the Constitution.

II

Proposal No. 2: Amend Rule XXIII to provide that 15 Members may secure a nonrecorded teller vote in the Committee of the Whole.

Explanation

At the present time 20 Members may secure either a recorded vote or a non-recorded teller vote. In recent years no one has asked for a non-recorded teller vote. A non-recorded teller vote takes much less time, and, perhaps making it easier to secure a non-recorded vote would encourage using it instead of the time consuming recorded vote.

III

Proposal No. 3: Amend Rule XXIII to require that a demand for a recorded vote in the Committee of the Whole be supported by 35 Members.

Explanation

As previously stated, 20 Members may secure either a recorded vote or a non-recorded teller vote in the Committee of the Whole. While less than 20 Members could secure a non-recorded teller vote, it should require more than 20 Members to secure recorded votes. Recorded votes on frivolous questions have become numerous and the evidence indicates that there are many times more than 20 but less than 35 Members who will support demands for record votes on matters of no legislative importance. Thirty five is still a smaller number than would be required in most instances if the action were taken in the House instead of in the Committee of the Whole.

IV

Proposal No. 4: Provide that where a nonrecorded teller vote has been completed, it is not in order to then request a recorded vote.

Explanation

At the time the original request is being made, a request for a recorded vote would supersede a pending request for a non-recorded teller vote. That is the time when Members should make the choice between taking a recorded or a non-recorded teller vote. If they may make a request for a recorded vote after completing the non-recorded teller vote, it could result in consuming more time instead of less without any legitimate legislative function being performed.

In order that the Members of the Committee might determine the wishes of the Members of the Democratic Caucus, I request that you complete the following and return them to my office within the next day or two.

I

I favor proposal No. 1.
I do not favor proposal No. 1.
Comment.

II

I favor proposal No. 2.
I do not favor proposal No. 2.
Comment.

III

I favor proposal No. 3.
I do not favor proposal No. 3.
Comment.

IV

I favor proposal No. 4.
I do not favor proposal No. 4.
Signature.
Comment.

STATES BAN STEELJAW TRAP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. ANDERSON of California. Mr. Speaker, several States have already taken legislative action to discourage the use of the cruel steeljaw leghold animal trap. In light of the November 17 and 18 hearings on H.R. 66, legislation I introduced which discourages the use of the steeljaw trap on a nationwide basis, I would like to provide for the RECORD a brief description of the laws two States—Florida and Massachusetts—have enacted.

The use of steeljaw leghold traps have been banned in Florida since 1973 due to aggressive action by the State game and fresh water fish commission.

The commission concluded that while the use of steeljaw traps is an accepted means of wildlife harvest in America, several European countries prohibit the use of steeljaw traps for taking wildlife, and have been successful at it. The commission action was based on a resolution adopted by the Florida Wildlife Federation urging the ban of steel traps as an inhumane method of wildlife harvest.

Legislation enacted this year by the Commonwealth of Massachusetts, makes it unlawful to use the steeljaw leghold trap anywhere except on private land, or where fur-bearing mammals are captured in water to insure that the mammal dies by drowning in a minimal length of time. At this time I would like to insert into the RECORD a copy of the Massachusetts law:

An act prohibiting the use of certain traps or other devices for the capture of fur-bearing mammals

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 131 of the General Laws is hereby amended by inserting after section 80 the following section:

SEC. 80A. No person shall use, set, place or maintain any steel jaw leghold trap on land for the capture of fur-bearing mammals except in or under buildings on land owned, leased or rented by him. The steel jaw leghold trap may be used for the capture of fur-bearing mammals in water only if set in such a manner that all resonable care is taken to insure that the mammal dies by drowning in a minimum length of time. No other device which is set in such a manner that it will knowingly cause continued suffering to such a mammal caught therein, or which is not designed to kill such a mammal at once or take it alive unhurt shall be used, set, placed or maintained for the capture of fur-bearing mammals; provided, however, that a person or his duly authorized agent may apply to the director for a special permit to use such traps, other than the steel jaw leghold trap, on property owned by such person. Issuance of such special permits shall be governed by rules and regulations adopted by the director pursuant to chapter thirty A. Such rules and regulations shall include, but not be limited to provisions relative to the following:

(1) The applicant or his agent shall apply to the director in writing and shall state that there exists on his property an animal problem which cannot reasonably be abated by the use of traps other than those prohibited by this section, not including the steel jaw leghold trap. If the director determines that such an animal problem exists which cannot reasonably be abated by the use of traps other than those prohibited by this section, not including the steel leghold trap, he may authorize for a period not exceeding ninety days the use, setting, placing or maintenance of such traps during which time the procedures for obtaining a special permit, as set forth in the rules and regulations adopted pursuant to this section, shall be complied with.

Whoever violates any provision of this section, or of any rule or regulation made under the authority thereof, shall be punished by a fine of not less than fifty nor more than one hundred dollars, or by imprisonment for not more than thirty days, or by both such fine and imprisonment.

Sec. 2. This act shall take effect on July first, nineteen hundred and seventy-five.

HOUSE RESOLUTION 66

Mr. Speaker, H.R. 66 does not interfere with the use of the steeljaw leghold trap on private lands.

Furthermore, my bill creates a seven-member advisory commission to make recommendations to the Secretary of the Interior as to a type of trap, or traps, which should be used which would either painlessly capture, or instantaneously kill its victim. The Commission would be appointed by the Chairman of the Council on Environmental Quality, in consultation with the Secretary of the Smithsonian Institution. The Commission should consist of interested parties, including but not limited to trappers, Government representatives, and those from the environmental community.

Mr. Speaker, we must put forth our best efforts to halt the suffering caused to millions of wild and domestic animals each year by the steeljaw trap. H.R. 66 is a step in the right direction.

Finally, I would like to insert into the RECORD an excerpt from a letter mailed to me by a concerned citizen from New Jersey—"A Prayer for Animals," by Albert Schweitzer.

Hear our humble prayer, O God, for our friends the animals, especially for animals who are suffering; for any that are hunted or lost or deserted or frightened or hungry; for all that must be put to death. We entreat for them all Thy mercy and pity, and for those who deal with them we ask a heart of compassion and gentle hands and kindly words. Make us, ourselves, to be true friends to animals and so to share the blessings of the merciful.

DRUG EPIDEMIC CAN AFFECT ENTIRE NATION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 10, 1975

Mr. RANGEL. Mr. Speaker, my city of New York and the community of Harlem which I represent has often been refered to as the "Drug Capital of the World" and statistics which I have provided over the years indicate that this title is no misnomer. Over one-half of the narcotic addicts reside there and drug related crimes surpass by far those of any other city or town in this Nation. I have been disturbed on more than one occasion, Mr. Speaker, that reports of this nature failed to generate the concern on the part of many of my colleagues in this body, because the problem was viewed by them as essentially "big city" and so long as it was contained within those limits the city plagued with the menace should resolve it. There has now, however, been a dramatic change of circumstances. While insensitivities to this problem still remain, it is no longer restricted to New York City, Chicago, Los Angeles, and other cities of similar size that show high incidences of drug abuse; cities like Des Moines, Iowa, and Jackson, Miss., now report alarming increases as well. The flow of illicit drugs into these relatively small and stable communities knows no economic class, racial group, or residential area. It preys on the young and the old and the strong and the weak, and is becoming increasingly pervasive with each passing day. Martin Kasindorf's article entitled "By the Time It Gets to Phoenix" discusses how the Mexican connection has impacted on this city to the point where as both a distributor and user of illicit narcotics it is no longer insulated to the misery that this deadly poison can bring. I commend a portion of the article to my colleagues at this point and request that the concluding section be placed in the RECORD on the next following day:

BY THE TIME IT GETS TO PHOENIX

(By Martin Kassindorf)

PHOENIX, ARIZ.—On a typical 111-degree Saturday afternoon in August, a slim, rich 23-year-old heroin user named Gary kept an appointment at a dimly lit steakhouse on North Central Avenue, the main drag here. He wore a white crepe see-through shirt and a necklace of white puka shells and chain-smoked as he discussed his five-year habit. Gary lives on the affluent North Side, where tall palms nod over the red tile roofs and swimming pools of $150,000 Southwestern architectural gems. It is also "where the newer Anglo addicts hang out," a research team from the Drug Abuse Council, Inc., of Washington, D.C. recently informed the municipal government.

"I started on heroin out of boredom, too much money and pressure to take over my father's businesses," Gary explained to me without embarrassment. "I could use an account my parents set up for me when I was a child. A couple of my friends told them about my habit, but they kept demanding proof. One day my mom finally had proof. She came home and saw me sitting on the john in the main bath with a needle in my arm. My blood had coagulated. I needed her help, and she tied me off. My parents started supporting my habit for me. They were afraid of getting their name smeared all over the papers. I would tell them that I needed $300 or $600, and my mom would lay an envelope with the money beside the kitchen cupboard. We've never talked it out. Sometimes I've been sick and my mother has picked up an envelope from my connection, Mexican-American guy named Indio, in the Glendale housing projects. She's never opened the envelope."

Although heroin addiction is still considered shameful in conservative, predominantly middle-class Phoenix, use of the opiate is increasing faster among Anglo whites (80 per cent of the city's 783,000 residents) than among the blacks (only 3.4 per cent of the population) and the Mexican Americans, who live in the barrios of South Phoenix across the Southern Pacific tracks. An estimated 8,400 addicts live here (proportionately about as many as there are in Washington, D.C., where the population is predominantly black and poor) and almost half appear to be the sun-bronzed offspring of families in at least average circumstances. Such, at least, are the conclusions to be drawn from the records of Terros, a respected street-level organization which operates detoxification programs and emergency ambulances for overdose cases, and from interviews conducted at The New Arizona Family (known simply as the Arizona Family before a change in leadership). This is a communal residence for persons trying to kick the drug habit, where three quarters of the clientele is drawn from the middle class. The average addict in Phoenix is 25 years old, but on one night each week a furtive enfilade of middle-aged white men and women can be seen leaving their late-model cars and entering the Valle del Sol methadone-maintenance center.

From Sun City, the retirement enclave on the northwest, to Mesa, the pious Mormon town to the east, Phoenix is an undisputably "nice" community, and its experience is a convincing demonstration that the heroin problem in the United States is far from moribund. Nationally, a high incidence in the use of smack is no longer confined to the inner cities of large metropolitan centers in the East, where addiction reached its peak between 1969 and 1971. Now, such an unlikely place as Jackson, Miss., a city of 154,000, is suffering what is described as a "current epidemic," particularly "a rapidly growing problem in the white community." Such is the assessment of the recently disbanded White House Special Action Office on Drug Abuse Prevention. The same study found a "growing problem" in Eugene, Ore.; a "micro-epidemic" among young Omaha (Neb.) whites, and a "dramatic current increase in heroin incidence among white males" in Des Moines, Iowa. A "ripple theory"—that a heroin problem increases in ever-smaller cities as it peaks and declines in larger ones—is being validated, the researchers concluded.

Only two years ago, Federal officials were talking optimistically of having turned the corner in the fight against heroin. The army of Eastern junkies was going through a severe supply shortage. The U.S. Drug Enforcement Administration guessed happily that as much as two-thirds of the so-called French Connection heroin had been cut off. It was assumed that Turkey's 1971 ban on the growing of opium poppies, undertaken at the prodding of the Nixon Administration, had severely restricted the traffic between Turkey and Marseilles' illicit laboratories.

Then came the Mexican Connection. Crude brown heroin, made in the city of Culiacán from poppies cultivated in the state of Sinaloa, began filling the demand—and creating vast new markets in the process. Since the nineteen-forties, Chicano barrios in Southwestern U.S. border cities had been having their troubles with heroin imported by tight little family organizations. Quickly, small organizations of Anglos moved into the business alongside the old-timers. "Mexican brown" accounted for only 20 percent of the heroin seizures across the country in 1972. Now policemen find it in 70 percent of their cases in both slum and suburban neighborhoods throughout the U.S.

Customs and Drug Enforcement Administration officials estimate that, at most, only 10 percent of the shipments in the new Mexican pipelines are intercepted. The drug's ready availability has encouraged new types of customers to try it. In the words of Dr. Robert L. DuPont, former director of the President's Special Action Office and now head of the Health, Education, and Welfare Department's National Institute for Drug Abuse, "heroin used to be an East Coast problem, and there was a lot of truth to the saying that half of all American addicts were in New York. This is no longer the case. The fastest-growing use of intravenous drugs has been among suburban and nonminority groups—although there is still a higher rate of use among minorities and the poor."

The new trends are more observable in Phoenix than almost anywhere else. (Tentative findings in 1974 by the Special Action Office suggested that a similar situation may exist in San Diego, a city of comparable size.) Since a car or a smuggler's cantaloupe truck traveling on the freeway can make it from the border to the city in three hours, Phoenix has become a busy terminal for the Mexican Connection. An estimated 25 per cent of this heroin (at least half a ton passes through the city annually) remains in Phoenix, where it is making striking social inroads.

Thomas Bryant, a physician and president of the Drug Abuse Council, says there are more heroin addicts in Phoenix than he would have predicted on the basis of comparisons with other cities similar in size, geopolitical and socioeconomic make-up—places like Atlanta, Denver and Seattle. "Estimates of the number of addicts in Denver are 3,000 to 4,000 tops," he says. "There are now substantial numbers of heroin dependents in every city over 100,000, and in city after city you can identify heroin in the suburbs. But Phoenix sort of stands out. I don't like the word 'epidemic,' but Phoenix certainly has a serious problem—a rapidly increasing one. In large measure, it is due to the proximity of the Mexican border, the high availability of heroin and the relative unavailability of treatment."

In a study of the city's ability to cope with its addiction problem, the Drug Abuse Council's nine-member research team found that publicly funded treatment of any kind was available for only 649 cases; of these, only 251 could be accommodated in methadone programs. (Proportionately, New York City offers eight times as much help to junkies wishing to kick the habit.) Phoenix's meager treatment facilities are financed almost entirely by Federal grants, with little money from the community.

Phoenix is dominated by a small-town, paternalistic system; the nominally nonpartisan Charter Government group has been in power since 1950, when the city's 100,000 residents were outnumbered by the lizards and saguaro cacti. (Senator Barry Goldwater got his political start as a Charter city councilman.) An oligarchy of entrenched businessmen influences city and county policies with a frontiersman's wary eye toward anything suggesting welfare. At the same time, the Phoenix area has been adding 60,000 new residents every year. Most of the population is young—the median age is 25—and frequently bored.

For young people, there is little to do but cruise between the high-rises and shopping centers of North Central in hot rods on weekend nights in a scene straight out of "American Graffiti," or brave the machine-made "ocean"' waves on surfboards at an amusement park called Big Surf. Voters regularly turn down proposed bond issues for parks, community youth centers and mountain hiking trails. At only $10 a fix for heroin of 9 to 15 per cent purity (compared to 3 or 4 per cent in Harlem), smack is only the latest compensatory thrill for middle-class youths who, in their time, have taken up every other California fad, from LSD to amphetamines to downer pills.

Although the city's conservative newspapers, The Phoenix Gazette and The Arizona Republic, raise at least as much fuss about marijuana as they do about heroin, their headlines about hard drugs have appeared often enough to provide residents with proof of heroin's breakout from the shanties of the South Side. Law-and-order Phoenix is listed by the F.B.I. as having the third worst record in the nation (after St. Louis and Boston, in that order) for rates of the addicted-related crimes of robbery, burglary and auto theft. Police narcotics sergeant Manuel Quiñōnez says unhappily, "We're just catching up with the rest of the world."

During his 1973 election campaign, Mayor Timothy Barrow, 41, freely admitted the addiction problems of his 39-year-old sister, Sinda. She has now been "clean" for more than a year. "I'm proud of her," Mayor Barrow says. A few months ago, Mayor Albert Seledon of suburban Tolleson, a jovial insurance agent who coached Little League baseball, was sentenced to 10 years in Federal prison. He had been arrested in a parking lot near the Smuggler's Inn restaurant, of all places, while delivering nearly a pound of Mexican brown to an undercover agent. Timothy LaPrade, 20, son of a county judge and grandson of a late chief justice of the Arizona Supreme Court, died accidentally last December after combining heroin and alcohol. Guy Stillman, chairman of the U.S. Naval Academy board of governors and former Democratic national committeeman from the state, was grief-stricken last year when his son, Chris, was arrested on smuggling charges (involving cocaine).

There are plenty of well-heeled people the newspapers haven't mentioned. While wintering here, the 20-year-old daughter of a top executive in the automobile industry went through a cold-turkey "detox" program at a discreet private hospital without much success. She has spent $300,000 on heroin, a friend says, and has smashed up a Ferrari, a Maserati and a Jaguar in the process. "The debutante scene here is not exactly Grosse Pointe or New York," the friend explains. The son of an influential Episcopalian priest has been a resident at The New Arizona Family in the onion fields 10 miles west of town. U.S. District Judge Carl A. Muecke reports sadly, "Both children of a lawyer I know became addicts, and one is now dead of an overdose." A recent Phoenix Gazette survey of 1,000 high-school students indicated that one in every 12 seniors had used heroin, morphine or cocaine. Teachers and lawyers have personal files at Terros, where many file cards indicate incomes from $12,000 to $50,000 a year.

One sultry afternoon recently, two well-mannered, college-age men in sport shirts and blue jeans walked hesitantly into the funky old converted mansion. Terros occupies a few blocks west of North Central. They wanted help in hauling a stricken friend from their car. Three staff members—Don Peyton, a tall young man with long hair, and two young women paramedics—strained to lift onto an emergency-room table a strapping youth who was retching and thrashing.

"He's cyanotic," one of the women remarked, noting the youth's bluish skin, and she quickly injected a narcotic syringe into his arm. She smiled when she saw the pupils of the victim's eyes flutter.

"Fresh tracks," said Peyton after a quick glance at the youth's right arm. A stretcher was readied for an ambulance run to Maricopa County Hospital three miles away.

"How long has he been like this?" Peyton asked one of the youth's friends.

"Since last night."

"Does he fix much?" asked Peyton.

"Not lately," the friend said quickly and then amended. "Well, he's been fixing for three or four months."

One of the woman paramedics climbed behind the wheel of one of Terro's two blue and white ambulances, and as its siren screamed through the heat eddies on the streets, Peyton sat in back with the other paramedic, using a suction apparaptus to clear mucus from the youth's throat. At the hospital, the doctors took over.

Terros sees a lot worse among the 40 overdose calls its ambulances make every month. Phoenix has recorded a sharp rise in overdose deaths—from eight in 1973 to 30 last year to 33 so far this year—four in one grim weekend. The high and fluctuating quality of the Mexican heroin is responsible—along with the ignorance of the victims.

"The majority of overdose victims are not junkies," reports Terros executive Mark Scharfman. "They are chippers—experimenters, fumblers—who don't know the quality or quantity of what they're taking. Heroin in Phoenix is of a higher purity than in other cities."

Called *chiva* (nanny goat) or *carga* (load) in Mexican slang borrowed by its Anglo users, the brown heroin in Phoenix is of higher purity because it hasn't traveled enough distance and consequently passed through the hands of enough middlemen to be diluted to any great extent with the dental painkiller procaine, a process that extends the profits.

According to Vic Pollack of the Do It Now Foundation, another private-aid group, "Most overdoses happen in the middle-class areas of town. People in the South Phoenix ghettos and barrios know better than kids in Paradise Valley how the stuff tends to vary. They are more cautious." But neither the death figures nor a stiff new state law, mandating a two-year prison term for a first offender possessing at least $250 worth of heroin, has stopped the experimenting.

Since it has a higher proportion of middle-class heroin users than most cities, Phoenix is witnessing an unusual variation in the addiction problem. Though the growing crime rate may provide evidence that many local addicts must turn to theft to support their habit, a significant minority manages to do so without turning to street crime. These are the local users who remain either "weekend chippers" or stay on their jobs and support an average-sized habit (at Phoenix's bargain rate of $200 to $280 a week).